



DASH HUDSON

How to Navigate a New Era of E-Commerce

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Why E-Commerce Capabilities are More Important Than Ever

As a new marketplace emerges, businesses across industries are faced with uncertainty. But one thing remains clear: e-commerce capabilities are vital to survive. Consumer behavior has shifted. While people around the world adjusted to a new reality, online shopping quickly became essential to embrace societal needs. From bulk orders to exploring new platforms, consumers changed what, when, and how they buy.

Online shopping has been a rising trend across industries for the last decade. The COVID-19 pandemic created a set of conditions that accelerated the growth of e-commerce and the weakening of traditional brick and mortar. In the midst of the outbreak, e-commerce in the US increased +49% compared to the first week of March. Both the OGs of e-commerce and emerging startups have seen revenue climb. E-commerce pioneer Amazon reported a 47% increase in revenue over the last two weeks of March 2020. Madrid-based knitting brand We Are Knitters' sales growth surged +235% globally, pushing the brand to evolve operations to keep up with a flood of new customers. Drizly, an online alcohol delivery platform, saw a +300% rise in sales.

After being forced to close physical spaces, retail brands are relying heavily on existing e-commerce operations or quickly pivoting from a physical storefront to a digital one.

This isn't a time for brands to pause business operations and growth, it's a crucial period to ramp up ad spend and focus on efficiency and digital innovation to build loyalty with consumers.

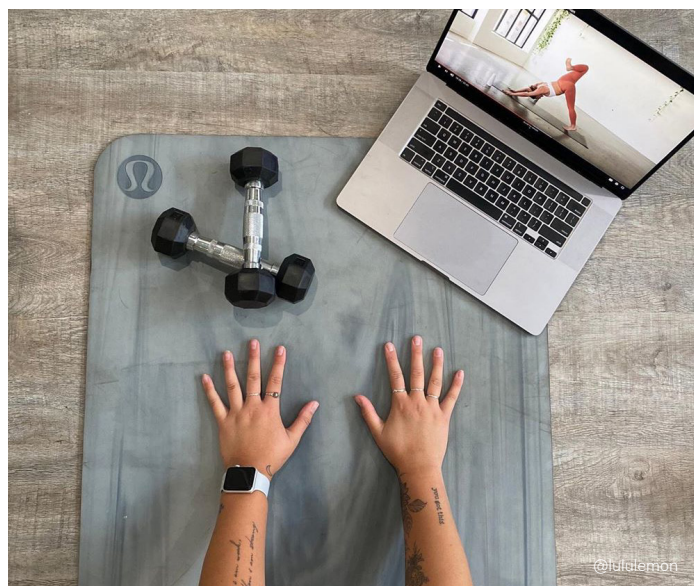
While the future of commerce is still widely unknown, Nielsen predicts that businesses will see long-term growth in online purchasing as a result. While the gains will vary across industries, the brands that invest in the new technologies that are necessary to operate today are the ones that will thrive in the years to come.



+49%

increase in online revenue
in April 2020

Source: Adobe Digital Economy Index



The Secret to Business Success: Agility

While the closure of retail spaces are devastating to brands, it is a moment for leaders to strategically redirect operations and invest in technologies that will set businesses up for long-term growth. Athleisure powerhouse Lululemon turned a crisis into an opportunity.

Lululemon CEO Calvin McDonald emphasized how critical a crisis is to building for the future. To do so, McDonald is strengthening the brand's digital operations and investing in e-commerce capabilities to prepare for a transformed retail landscape.

The need to be agile is paramount to success. This rings true for multichannel campaigns, social media content, and e-commerce strategies. Brands that planned marketing calendars out months or even years in advance, and solely relied on photoshoots to fill content needs, were already behind pre-pandemic. The marketing landscape is moving faster than ever and has become increasingly saturated, especially across digital channels. Swift decision making is what will differentiate the brands that capitalize on this market shift and the brands that fall behind as a result.

For instance, brands that planned large-scale marketing initiatives around the 2020 Summer Olympics—an event that was postponed in response to the coronavirus pandemic—are left with an empty marketing calendar and a library full of irrelevant creative. This emphasizes the importance of agility within organizations. Brands need to be able to quickly pivot their strategy to stay afloat during these uncertain times. Fluid content calendars, adaptable digital footprints, and flexible budgets are critical.



“Building a massive digital advantage” has been a priority at Nike for years. The legacy athletic brand built a robust digital marketing strategy and invested in e-commerce and online fitness platforms years ago to embrace and lead this shift in retail. While many brands half-heartedly adopted new digital strategies to keep up with millennial and Gen Z consumers, Nike went all in. And as a result, the brand’s response to the coronavirus wasn’t focused on evolving its digital footprint—it was about leveraging the brand’s existing infrastructure to launch timely campaigns and grow an engaged community through its fitness apps.

Nike quickly launched a playbook during the COVID-19 outbreak in China to adapt to the collapse of physical retail and double down on its digital channels. The brand’s fitness app’s weekly usage quickly rose by over 80% in China.

When the coronavirus began to spread globally, Nike executed its playbook in the US market and launched a “play inside” campaign to promote its fitness app. The company saw a +100% uptick in app usage as a result. While every brand can’t model their response to a global pandemic after Nike, it exemplifies the value of a powerful digital presence right now and how it’s core to pivoting strategies in times of crises.

The Amazon Marketplace Advantage

There’s no denying that Amazon is at the center of e-commerce. The online retailer controls almost 40% of the e-commerce market in the US—and in the midst of COVID-19, its sales were up +35% over 2019. Amazon quickly evolved from a convenient place to shop to a lifeline for consumers, making it an even more valuable medium for brands. As businesses across industries quickly pivot their strategies to align with a shifting e-commerce landscape, they must ensure that Amazon marketplace is part of the equation.

Before the coronavirus pandemic accelerated online purchasing, 66% of people turned to Amazon before any other online site. Brands should meet consumers on their preferred shopping channel first, before pushing them to their native platforms.

With over 200 million monthly users and over \$17 million in sales per hour, the opportunities for Amazon sellers to convert shoppers into customers are rapidly growing.

Once you have a seat at the table, differentiating your products from the masses is how the top sellers are staying ahead of the pack. The entire platform is built around convenience and ease for consumers to shop, discover new products, and get the best bang for their buck. This makes it important for Amazon sellers to stand out amongst the noise to maximize the revenue-driving opportunities that the platform has to offer. Whether it be through advertising, a product page, or Stores, Amazon presents an invaluable opportunity for brands to engage audiences that are primed for conversion.



66%

of people turn to Amazon before any other online site

Source: Feedvisor



+35%

increase in consumer spending on Amazon vs. 2019

Source: Facticeus

Ad Dollars are Critical Right Now

For brands—whether launching or switching priorities to e-commerce—timely advertising will maximize the investments brands are making in online storefronts. In *Marketing in the American Economy*, marketing pioneers Roland Vaile and Reavis Cox demonstrated the power of increased advertising spend in a recession. The study, conducted in 1952, found that businesses that increased or maintained marketing spend during a recession grew sales faster than companies that scaled back advertising efforts. And not only for the duration of the recession, but also post-recession. Brands that decreased budgets saw a decline in sales both during the recession and for the following three years.

Since businesses often make budget cuts in the face of a recession, it opens up market share for the brands that stay the course and continue to invest in marketing. This concept rings true decades later in the face of the COVID-19 pandemic.

Facebook ad costs are estimated to have declined 35-50% during the recent outbreak. At a time when consumers are shopping online more than ever, brands can reach target audiences with strategic advertising to drive online sales.

Performance marketing agency Tinuiti, found that brands that kept ads running in April [saw](#) a +37% increase in revenue from Paid Search advertising. The brands that continue to engage consumers with strategic messaging will see the impact of their efforts in short-term e-commerce gains, and long after the economy recovers through its impact on brand loyalty.

Target is an example of a business that put this theory into action. In the midst of the 2000 recession, Target tightened its operations and increased its marketing budget by 20%. It was a strategy that helped Target emerge from the recession stronger than ever, and set the company up for its most successful decade to date.

Annual marketing budgets for 2020 are expected to be slashed by 30-60%. A survey conducted by Marketing Week found that almost 90% of marketing budgets were delayed or paused in response to COVID-19. That's not to say there aren't forward-thinking marketing leaders who are using this as an opportunity to expand awareness and set their brand up for long-term success. These brands understand the long and short term benefits of investing in marketing during an economic downturn. It's an invaluable time to capture market share when competitors are cutting ad spend to capitalize on the boom in online purchasing.



+37%

increase in revenue for brands
that kept ads running in April 2020

Source: Tinuiti

Building Brand Loyalty Should Be Top of Mind

The behaviors that consumers adopt will undoubtedly become ingrained in everyday life. COVID-19 has forced people not only to rethink hygiene, but also their shopping routines, lifestyle choices, and eating habits. A survey conducted by Valassis found that 42% of consumers drastically increased online shopping during the COVID-19 outbreak. And it isn't only everyday products they're buying—people are discovering new brands to fill new needs. For instance, hair color kits saw a +20% increase in sales over March 2020.

Brand loyalty and top-of-mind awareness are long-term growth metrics that separate the industry leaders from the rest of the pack. A less-saturated advertising market is a powerful opportunity for brands to capture market share. Whether people are using new avenues to shop or in search of different goods and services to cope with COVID-19, it's a key moment for brands to make an impactful first impression or introduce a pivot.

It's a chance for brands to market through authentic storytelling and refreshing content that sparks inspiration and positivity.

Brands need to stay engaged with consumers and use this period to test new tactics, creative, and narratives to understand what their target audience actually cares about.

Marketers can leverage these insights to dive deeper into their audience's tastes and preferences, consumer sentiment, and where they're missing out on key demographics.

It's more important than ever to build awareness with new audiences and meet your customers in the comfort of their own homes with a personalized shopping experience. The brands that effectively engage their communities and increase efficiency during the challenging cultural shifts will be top of mind for consumers when the market stabilizes.



42%

of consumers increased online shopping during COVID-19

Source: Valassis



The Power of Social Media

87% of e-commerce shoppers [say](#) that social media channels help them make purchase decisions. Digital marketing has quickly become the backbone of marketing strategies. Social channels are key to engaging consumers and driving traffic to product pages and Amazon listings. The smartest companies will continue to invest in social marketing to maximize e-commerce sales.

Facebook reported a +70% increase in traffic across its channels during the outbreak.

Marketing channels like Instagram and TikTok offer the chance for brands to create a digital experience that speaks to their unique social communities. With social media activity among consumers peaking, social channels are a place for brands to gain real-time insights to understand their audience's tastes and test new creative, to optimize visuals across marketing and e-commerce touchpoints.

Not to mention, social channels are often the beginning of the buyer journey. A survey conducted by Ipsos found that 83% of users discover new products on Instagram, and 80% of people said the channel helped them decide whether to buy a product. Effective social media marketing will fuel online sales and create a consistent digital experience across channels.



87%

of e-commerce shoppers turn to social media to make purchase decisions

Source: Absolutnet



83%

of consumers discover new products on Instagram



80%

of consumers use Instagram to make purchase decisions

Source: Ipsos

The fluid nature of social media makes it the perfect launchpad for storytelling, product launches, and new initiatives. As we move further toward a new era of e-commerce and digital screens become the only means of accessing an audience, it's clear that social media marketing isn't just an option anymore, it's a business critical operation.

Creative That Converts

Over 75% of consumers say product pictures influence their online purchases. To effectively drive revenue online, brands need to understand what types of visuals speak to their target audience, to convert consumers into customers faster. And this rings true across marketing and e-commerce platforms.

Creative is at the heart of building a brand and maximizing ROI on any channel. As brands rely on e-commerce to survive, high-performing visuals are critical to success. Whether it's choosing an image for your Amazon Store, paid social ad, or your native e-commerce website, data-driven insights are necessary to optimize for conversions. Brands need to curate imagery that resonates with their unique audience. This means brands need to understand who their audience is as it evolves.

Leaders across industries are coming to terms with the fact that relying on big-budget photoshoots isn't working and isn't necessary to drive performance on the channels that matter most to today's consumer. These dollars can be better used for new priorities like digital advertising and e-commerce tools. Many brands have been

incorporating user-generated content (UGC) into their strategies for years and understand how to repurpose and repackage creative across marketing channels and e-commerce platforms. But this is a new concept for others.

To keep a flow of fresh content across digital touchpoints, innovative brands are repurposing community created visuals. Even better, when UGC is done right, it often outperforms brands' average engagement.

The fact that 83% of people are more likely to make a purchase based on recommendations from people they know, and 88% of consumers say they trust online reviews as much as personal recommendations, equates to great news for brands.

To understand which styles of visuals—including UGC, your lo-fi imagery, campaign creative, and product shots—will perform with your unique audience across digital channels, brands need access to data and real-time insights, every time.



@achairformybag via @mejuri

75%

of consumers say visuals
influence their online purchases

Source: Weebly



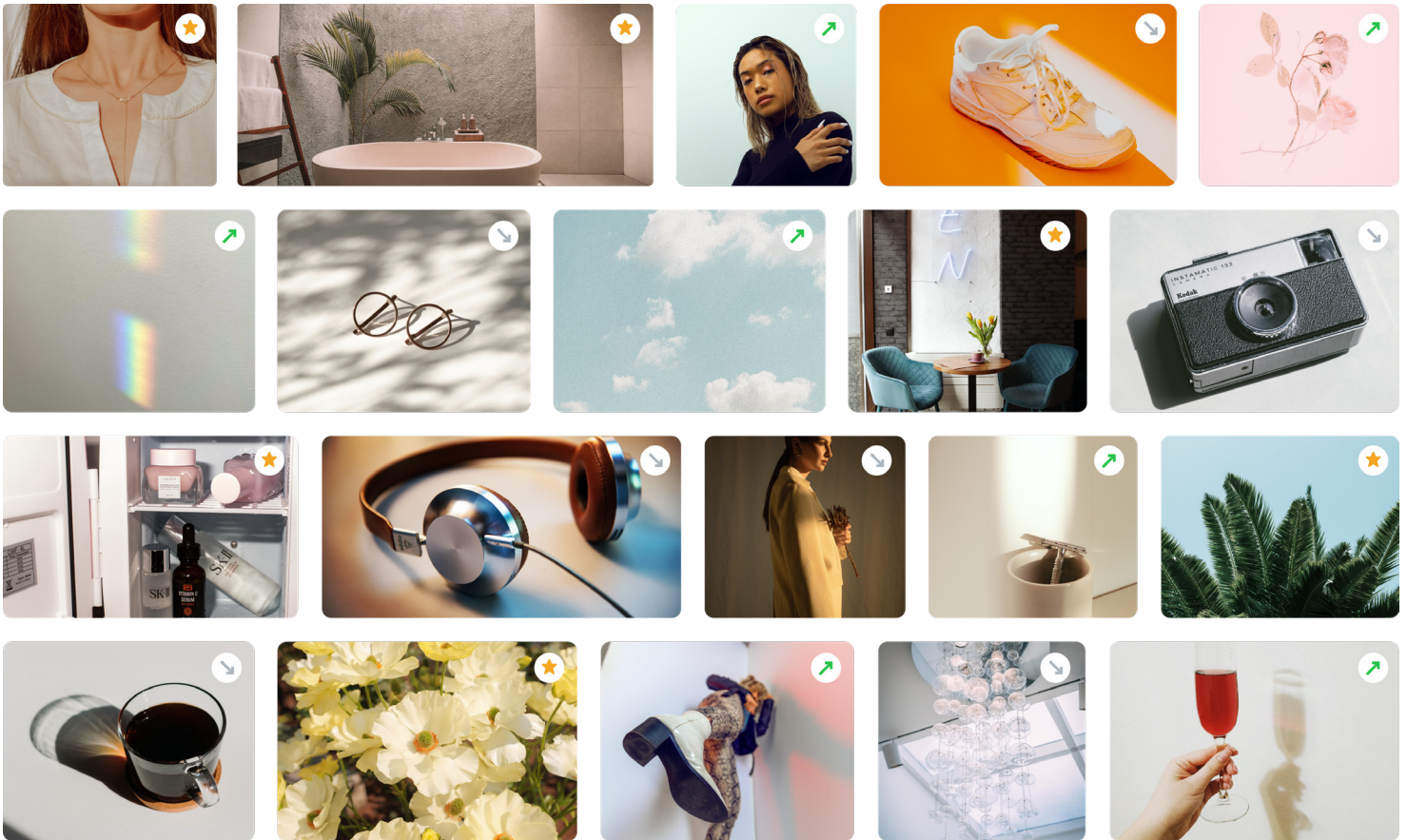
@ganna_bogdan via @urbanoutfitters

Data-Driven Decision Making

More data means decisions made quickly. Marketing leaders need to move fast and make smart decisions, because today's users don't want to see the same imagery seven times—they expect personalization. This means that brands need a constant flow of creative to test, optimize, and keep consumers engaged. The images that brands select are key performance drivers across marketing and e-commerce channels.

Marketers often launch campaigns and curate product pages blindly, testing every photo from their last photoshoot to see what sticks. Not only are marketing and e-commerce teams wasting time and money with this approach, but they are also sacrificing the results of their efforts when it comes time to report on ROI. To drive revenue, it's crucial that brands leverage organic photo and video performance as your lighthouse to fuel your visual selection across channels.

Equipping your team with data empowers them to deliver visuals that truly resonate with your audience and maximize ROI across every visual touchpoint.



In order to iterate quickly and maximize creativity, you need access to all your company’s creative at your fingertips. [Dash Hudson’s Content Library](#) enables you to store all of your owned, earned, paid, and net new creative in one place.

With Dash Hudson’s proprietary AI technology, [Vision](#), it’s like having your customer in the room with you. Using a combination of AI and computer vision, it learns with your brand in real-time so you always have a pulse on what types of photos and videos are driving engagement, your audience’s unique tastes and preferences, and what kinds of visuals are trending in the competitive landscape. Vision provides data-backed visual segments and performance predictions for earned, owned, competitor, and industry content. With access to the right insights, brands can capitalize on the heightened traffic to capture new customers and build brand loyalty with effective visuals.

The Tipping Point from Physical Retail to E-Commerce

Traditional retail as we know it has fundamentally shifted. The companies that have invested in e-commerce and understand the value of new technologies to create efficiency will win in 2020 and beyond. Whether it be through advertising, a product page, or organic social, digital channels present an invaluable opportunity for brands to engage audiences that are primed for conversion. Visuals power revenue for brands across the board. Bringing your existing owned and earned high-performing lifestyle content to your e-commerce platforms will optimize conversions and maximize revenue for your brand. With an abundance of quality, data-backed creative to draw from, brands can create a full-funnel experience across marketing and e-commerce channels.