

Warc releases The Marketer's Toolkit 2023: Future of Digital Commerce

Warc has released the Future of Digital Commerce Toolkit as a guide to help brand owners focus, survive and thrive in the digital commerce space in 2023 and beyond.



Source: www.unsplash.com

A sustainable e-commerce strategy has quickly become integral to winning across online and offline platforms. In 2023 and beyond, e-commerce will not just be a section of the retail picture, but a defining element of its composition.

Gregory Grudzinski, head of content, Warc Digital Commerce, says, “In the past few years, in large part a result of the Covid-19 pandemic, the retail world has irrevocably transformed with e-commerce shifting the way consumers shop and becoming essential to the retail ecosystem.”



Warc releases Marketer's Toolkit 2023: Global Trends Report

10 Nov 2022



“Retail media is now the fourth-largest advertising medium, per Warc survey data, and will see a 10.1% increase bringing its ad spend to \$121.9bn globally in 2023. Heading into next year, we’ll see retail media networks becoming an essential part of marketing strategies and heightened experimentation in social commerce,” Grudzinski continues.

The Future of Digital Commerce report, part of Warc's annual Marketer's Toolkit, explores the intersection of marketing and commerce by examining the future of digital commerce as it relates to brand marketers, their agencies and their retail partners. It deep-dives into three key areas: Retail Media, Organisational Readiness, and Social Commerce.

“ *Global Retail Media adspend is projected to increase 10.1% in 2023 to reach \$121.9bn* ”

Retail Media is now the fourth-largest advertising media. Adspend has more than doubled during 2019-2022, overtaking audio, OOH and cinema, publishing, and OTT/streaming, according to Warc survey data. If the retail media industry follows its current path, it will become more valuable to advertisers than linear TV by 2025.

Retail media networks are growing in both number and importance and will be playing an outsized role in the shaping of digital commerce. Growth of retail media is positioned to do for the 2020s what search-powered digital advertising growth did for the 2000s and social media did for the 2010s.

2023 will see a step change in the competition in retail media. Brands will need to go beyond understanding the platforms, to mastering how they can use them to connect with consumers.

Ryan Monigan, VP of insights and strategy, WhyteSpyder, says, “Winning in digital commerce will mean gaining a better understanding of how your shopper navigates the site. You'll need to move consumers from their actual path to the desired path, and calculate what level of investment is needed to make that happen.”

“ *The growth of retail media has led to a shift of organisational structures* ”

Brand owners are breaking down silos and evolving legacy staffing models to reflect the expertise, experience and flexibility needed to win in the dynamic, ultra-competitive digital commerce space.

More brands are shifting to a more “decentralized” approach to their organisational structure by incorporating e-commerce across their organisation, rather than as a separate, siloed section of their business.

As brand and trade budgets pour into retail media there is an increased need for the alignment between e-commerce and marketing teams. However, the challenge is not just bringing people together, it's ensuring the metrics and KPIs they share are correct and optimized.

Jacqueline Baker, chief experience officer, VMLY&R, says, “This new ever-expanding and complex (retail media) landscape can, unfortunately, be challenging to navigate, not least because it has converted retailers into accidental publishers.”

“ *Social commerce is expected to reach \$660bn globally and \$80bn in the US by 2025* ”

Driven by high rates of mobile penetration and demographics with an affinity for social media, social commerce is expected to reach \$660bn globally by 2025, up from \$295bn in 2021, according to data from SJC Marketing.

In the US, social commerce is expected to grow to make up more than 5% of e-commerce sales at nearly \$80bn by 2025, according to a report from McKinsey. While in Southeast Asia, where social media is the primary channel for new product discovery, consideration, set building and product research, social commerce accounts for nearly half of e-commerce sales.



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Brands are increasing their spend on platforms such as TikTok, Amazon and Instagram. 76% of respondents to Warc's Marketer's Toolkit survey, indicated they intend to increase investment in TikTok in 2023, compared to only 44% who intend to increase investment in Amazon.com

Conny Braams, chief digital and commercial officer, Unilever, says, "As the Influencer landscape has exploded and matured, the number of opportunities has grown within it. For example, social commerce continues to evolve, fueled by influencers. With increasing comfort around shopping via platforms, brands can now use social commerce to obtain immediate consumer insights and use those conversions to more easily measure ROI."

Future of Digital Commerce is the second report of a series of four that make up The Marketer's Toolkit 2023. A complimentary sample report is available [here](#).



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Further two modules will be released next year: The Future of Media and The China Marketer's Toolkit 2023. The reports are complemented by a series of podcasts.

The 12th edition of The Marketer's Toolkit brings together insights from a survey of 1,700+ marketing executives from around the world, one-to-one interviews with 13 marketing leaders, and in-depth reviews of Warc's latest proprietary research, forecast data, case studies and industry information conducted by Warc's global team of experts.

Providing marketers with a set of planning and decision-making tools, the Marketer's Toolkit 2023 report is built around six key drivers of change - society, technology, economy, policy, industry and creativity.

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