

RISING FROM THE EAST: 4 DIGITAL COMMERCE TRENDS COMING TO THE WEST



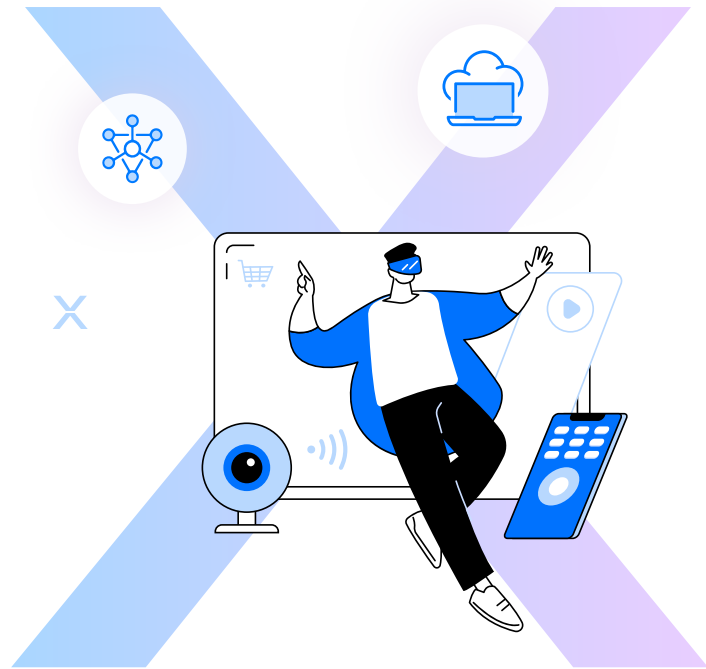


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Why read this ebook?

Where is digital shopping headed in 2022 and beyond?

In the East, future commerce is already here.

For brands and merchants looking to make commerce more human, this ebook explores 4 digital trends that bring commerce to everyday digital journeys.

In this comprehensive ebook, you will learn:

- *Why Live Commerce drives billions of dollars in digital sales in China, and is already gaining steam in the West*
- *How top retailers export their storefront into super apps*
- *Why group buying is making a modern (and social) comeback*
- *How to turn everyday customers into influential affiliates*
- *How microservices can support rapid enablement and innovation across each of these trends*

Live Commerce



Super Apps



Group Buying 2.0



Influencer Marketing 2.0



Live Commerce



Popular streaming apps Periscope, Twitch, and YouTube Live have already captured attention in the West for everything from gaming to gossip. But in China, *Live Commerce* is generating over \$60 billion in sales per year. With nearly 40% of online shoppers in China making at least one livestream purchase, this medium is expected to drive 20% of retail purchases by 2022.¹

Live Commerce is a mix of the comfort of online shopping and the interactions available in the real world. The lure of Live Commerce is the ability for customers to ask questions and get answers in real time from the safety of their own homes.



Traction in the East

All of China's major ecommerce players offer Live Commerce, including Alibaba's Taobao Live, Baidu, JD.com, Pinduoduo and Yunji, as well as social networks like Douyin (the original TikTok). In 2020, Alibaba's *11.11 Global Shopping Festival* attracted 300 million livestream shoppers who purchased US \$6 billion² worth of goods between November 1 and 11 (2x higher than its 2019 event).

Shoppable live streams turn influencers into home shopping hosts, using their

own social platforms and personalities to discuss and demo products. Fans can interact with real-time comments and purchase right from the stream. When Kim Kardashian teamed up with T-Mall to talk about her fragrance line, 13 million viewers tuned in and snapped up 15,000 bottles of perfume in minutes.³

¹ CB Insights <https://www.cbinsights.com/research/livestreaming-future-ecommerce/>

² Forbes <https://www.forbes.com/sites/laurenhallanan/2020/11/16/live-streaming-drives-6-billion-usd-in-sales-during-the-1111-global-shopping-festival/?sh=418cb11521e5>

³ Alizila <https://www.alizila.com/livestream-commerce-an-online-shopping-phenomenon-from-china-goes-global/>

Emergence in the West

Live Commerce is already breaking ground in the West. Amazon Live leverages the medium for its Prime Day events, as well as daily slots hosted by brands, influencers, and Amazon's own talent. Amazon's Live App enables marketplace and brand registry sellers to create their own streams for Amazon.

Not to be left behind, Facebook's *Live Shopping Fridays* series features brands like Sephora, Dolce Vita, and Abercrombie and Fitch.⁴ Facebook Business also encourages brands to host their own streams through Facebook Live and Instagram.⁵

Livestreaming trends

- By 2022, live video is expected to hold 17% share of all Internet traffic⁶
- 80% of consumers prefer watching live video to reading an article, and 82% prefer to see a brand's live video over social posts⁷
- 85% of consumers say they want to see more videos from brands⁸
- Nearly 75% of millennials say videos help them compare products while shopping online⁶



4 Techcrunch <https://techcrunch.com/2019/02/08/amazon-live-is-the-retailers-latest-effort-to-take-on-qvc-with-live-streamed-video/>

5 Facebook <https://about.fb.com/news/2021/05/introducing-your-new-favorite-way-to-shop-live-shopping-fridays/>

6 Cisco <https://www.cisco.com/c/en/us/solutions/collateral/executive-perspectives/annual-internet-report/white-paper-c11-741490.html>

7 Livestream <https://livestream.com/blog/live-video-statistics-livestream>

8 Wyzowl <https://www.wyzowl.com/video-marketing-statistics-2018/>

Opportunities for Live Commerce

While livestreaming through Facebook, Instagram, YouTube, and Amazon is already highly accessible, there are limitations to these platforms.

For example, Instagram limits showcased products to 30 per stream. You cannot connect participants with their customer accounts to offer loyalty discounts or points for engagement. Viewers cannot add products to a favorites list or cart to checkout later. And you cannot show personalized cross-sells based on what you know about customers.

Native livestreaming

For brands and retailers who want to truly own the Live Commerce experience,

adding native livestreaming to ecommerce websites and mobile apps unlocks advanced capabilities not available through mainstream social platforms.

By connecting customer accounts and loyalty data to the Live Commerce experience, native livestreams can be hyper-personalized with product recommendations and offers. Stream shoppers can enjoy the same cart, promotions, checkout, and flexible payment options (such as pay-with-points) available on your website and app. In addition, you retain the ability to retarget shoppers who did not convert during the live event. Merchants can also let at-home shoppers co-shop with in-store staff, something consumers have been missing due to lockdowns, particularly in the beauty and cosmetics sectors.

Why microservices for Live Commerce?



Live Commerce presents an exciting new consumer touchpoint. Microservices let you bring relevant capabilities of your commerce platform seamlessly into the livestream experience.

Connect your catalog

Let viewers search and browse your entire catalog within the stream, or limit recommendations to only products relevant to the theme. Use geolocation to show the right pricing to each viewer.

Add a search box to let customers build their carts and compare products. Or, let customers add products to a wishlist or cart to purchase later.

With real-time inventory, show remaining units in stock during flash sales, and let customers sign up for restock notifications for products that sell out during the stream.

After the event, you can embed on-demand livestreams in mini-players on relevant product pages and other content sections of your site and keep them shoppable. You can also make them discoverable through search alongside products.

Connect customer service

Unlike social platforms, owning your stream enables you to connect shoppers to live help agents and chatbots. Because the stream happens in your own domain, customer information is already at your agents' fingertips. You can also bring live support agents into your chat window for group Q&A.

Gamify the experience

Taobao Live makes Live Commerce fun with multiple ways to earn loyalty points and other rewards. Users earn 'intimacy points' for app sign-ins, metered points for time spent watching streams, coupons for inviting friends to the stream, and bonus points for friends' engagement. Because users are already logged in and authenticated, points and coupons are automatically added and available to customers as they participate.⁹

Innovative brands can explore adding "spin-to-win," trivia, challenges, and other gamified features, and enable customers to give points and 'karma' to each other for helpful chats or recommendations (like Reddit Gold or YouTube Superchat dollars).

The live auction model is another area to explore. Let participants bid on hard-to-find products, or play 'dutch auction' where the price of a product drops incrementally until it is sold. Streaming platforms can also be used to host peer-to-peer sales, where viewers take the podium to sell their preferred items and getting a commission from the sales.

Make customers the host

User-generated content accounts for 51% of livestreamed video on mobile devices.¹⁰ Give customers the opportunity to host their own streams and earn rewards for driving sales. Alternatively, take a Clubhouse approach and allow multiple livestream participants to 'take the stage' for their turn reviewing products, sharing usage tips, or other engagement.

China's Pingduoduo already enables app users to host their own Live Commerce events and earn 1% to 80% commissions for sales made to friends and followers.



Embrace the trend today

The ready-to-launch livestreaming capability within Infosys Equinox enables you to natively host shopping events on your website or mobile app, fully integrated with your commerce technology.

Super apps



In Asia, super apps have become the new way for consumers to manage their daily digital journeys through a mobile phone, aggregating multiple stand-alone apps and services into one ecosystem. Users can book rides and appointments, order food, manage banking and personal finance, arrange travel, follow influencers, instant message, and of course, shop.

To provide this full range of utilities, many super apps open their platforms to third-party mini-apps that live within the ecosystem. Bringing popular services together in one place removes the friction of downloading multiple apps, managing logins and passwords, and ping-ponging between apps (while saving device memory to boot). Mini-apps are lightweight and can deliver fast experiences even in areas with lower connectivity.

Notable super apps include GoJek and Grab in Asia, Paytm in India (with the Tatas and Reliance Jio also having announced plans), Yandex Go in Europe, and Rappi in Latam. When it comes to commerce,

China's WeChat is the most advanced super app with 18% of WeChat mini-programs being shopping related.¹¹

WeChat's e-commerce traction

WeChat offers a glimpse of what the West can expect from super app commerce. WeChat already boasts over a million mini-programs and 1.2 billion active monthly users. 78% of people in China aged 16-64 use WeChat and spent 1.6 trillion yuan (~ US \$250 billion) through the platform in 2020 (growing 100% year over year since 2019).¹²

Farfetch, Lululemon, Nike, and Gucci are just a few of the leading brands who have already built WeChat mini-programs for the Chinese market. WeChat serves as a federated ecosystem across mini-programs, user accounts, and chat, and opens the door to new collaborative experiences.

For example, Farfetch teamed up with mega-influencer Mr. Bags to connect his personal wishlist from his WeChat profile to Farfetch's mini-program. Fans can shop his profile and place orders with WeChat Pay without leaving WeChat.



¹¹ Digital Commerce 360 <https://www.digitalcommerce360.com/2019/04/16/why-china-ecommerce-is-going-crazy-for-wechat-mini%E2%80%91programs/>
¹² TechCrunch <https://techcrunch.com/2021/01/19/wechat-2020/>

Buyers browsing the New Releases section of Farfetch's mini-program can also see Mr. Bags' wishlist and recommendations, and view livestreams featuring the influencer.¹³



Opportunities for super apps



Commerce within messenger apps

Super apps pave the way for new shoppable moments within messenger conversations (the new m-commerce). For example, a friend may suggest a wine within a chat conversation. With one tap, the super app can find the best priced option from merchant inventory across its database. Without leaving the conversation, the friend can purchase the wine using payment information stored in their e-wallet.

Super apps also enable group buying and group pay. Friends can contribute to a purchase with micropayments debited from their e-wallets within a group chat or through a user's profile and shopping wishlist.

Merchants may also leverage messengers to support e-gifting. Customers can

purchase gifts for their friends and notify them through a text message. Recipients can accept the gift as-is or convert its value to store credit and exchange the gift before dispatch.



In-store experiences

Scan-and-go self-checkout is a top use-case for in-store mobile. Walmart China says more than 30% of its in-store transactions are made through its WeChat mini-program.^{14 15} Both Walmart and Uniqlo allow shoppers to scan QR codes and opt for ship-to-home, unlocking endless aisle capabilities for out-of-stock products.

Super apps can also make in-store event and service bookings easy. Lululemon already allows its mini-program users to book fitness classes or join livestream classes with popular fitness influencers.

¹³ Azoyagroup <https://www.azoyagroup.com/blog/index/view/net-a-porter-livestreams-with-top-kol-mr-bags-for-520-valentines-day/>

¹⁴ TechCrunch <https://techcrunch.com/2021/01/19/wechat-2020/>

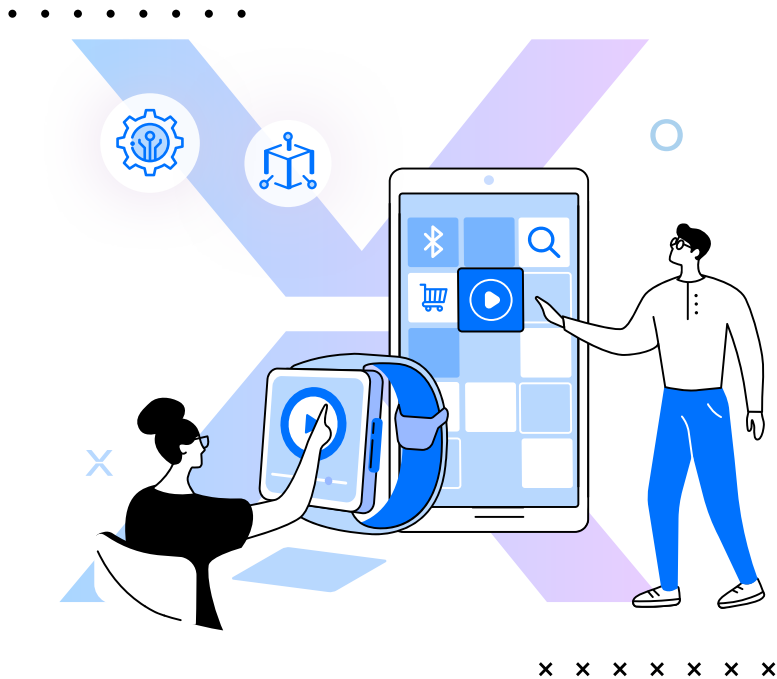
¹⁵ Forbes <https://www.forbes.com/sites/michellegrant/2019/10/28/wechat-becomes-an-e-commerce-challenger-in-china-with-mini-programs/>



Unmanned retail

The world is a showroom, and simply snapping a photo can match consumers with hundreds of products through image search. Syncing your product catalog, inventory, and store locator services with super app platforms gets you in on the action.

Since mini-apps can support QR code scanning and mobile self-checkout, they can be used to turn pop-up showrooms, subway ads, smart vending machines, print media and more into transactional touchpoints.



Why microservices for super apps?

Microservices give you the ability to extend key commerce components such as catalog, pricing, promotions, accounts, loyalty, and inventory outside your website, and repurpose them to suit the unique specifications of multiple super app ecosystems. Each service can scale independently and support any surge in usage (such as an hour-long livestream event within the super app).

Accommodating super apps

It is critical to have the flexibility to adjust your business logic to suit the requirements of the super app. This means the capabilities of your own website and your special sauce may not be perfectly replicated in the super app.

You need to keep in mind certain factors for super apps to integrate with your existing systems:

- Mini-apps have size restrictions. For example, WeChat limits mini-programs to 10MB.

- Some actions may be best completed on your own site. You may need to strategically redirect shoppers out of mini-programs in certain areas.
- Based on how an app's e-wallet formats address, telephone, and credit card numbers, you must tighten or loosen requirements on checkout information.
- You may lose the ability to collect additional information like greeting messages, delivery instructions, or SMS/newsletter opt-in in the checkout flow.
- You also may not be able to support the same complex promotional rules that your web and mobile apps enable.

Still, as super apps continue to evolve shopping capabilities, you can expect the rules to regularly change within each ecosystem. Flexible microservices ensure you can quickly configure and reconfigure logic to ensure you are in-step with every update, and version of your mini-apps to suit each platform.

Closed-loop commerce

Integrating your own technology with super apps is critical to unify your customer experience and ensure super apps do not become a data or communications silo. For example, many super apps do not currently support push notifications and other value-added customer service features. Microservices enable you to take data from the super app and integrate it with your post-purchase and marketing capabilities.

Some super apps may provide you with enriched customer data gleaned from their engagement across the entire ecosystem including other mini-apps. This data can

be valuable to connect back to customer profiles, loyalty programs, personalization engines, and marketing campaigns.

With microservices and flexible business tooling, you can customize reporting dashboards around insights the super app does not provide. For example, what mini-app features are invoked most often? What are the usage patterns across user groups? Do mini-app users shop across channels, and how does this impact end-to-end customer journeys?

Embrace the trend today

If you're ready to explore mini-apps, Infosys Equinox can help you launch and version solutions for one or many super apps and build custom dashboards to unite data across the customer journey.



Group Buying 2.0



While group buying sites like Living Social and Groupon have lost steam since their early 2010s heyday, the trend is making a comeback in Asia. China's third largest ecommerce company, Pinduoduo, is reviving group buying – with a twist. Translated to English, Pinduoduo means “together, more savings, more fun.”

With what's been dubbed a C2M model (customer-to-manufacturer), Pinduoduo offers *team purchase* pricing throughout its catalog of everyday grocery and CPG products.

Piggybacking off the network effects of WeChat's large user base, messenger, and e-wallet capabilities, Pinduoduo enables customers to recruit friends and strangers to join their team buys through chat, voice notes, and QR code sharing.

A discounted order will not ship until the minimum number of buyers have joined. This motivates the whole team to recruit more buyers to maximize their chances of earning the deal.

The C2M model is proving to be a huge success for buyers, brands, and Pinduoduo itself. Buyers win with deeper discounts, sellers benefit from volume and lower customer acquisition costs, and helps keep customers loyal. The app serves over 788 million active buyers, which is more than Alibaba and nearly 3 times as much as Amazon in 2020. And unlike Groupon and Living Social, this has made team buying truly social with additional features and gamification.



Turning fun to savings

Pinduoduo uses several gamification tactics to keep its app sticky. For example, *spin-to-win* games reveal coupons that expire within a few hours. Users can log in frequently throughout the day to play. They also receive point rewards for daily check-ins and metered rewards for activities and time spent in the app.

Lotteries work similarly to a team buy. Users recruit players who pay a small fee to join the pool. If the pool grows large enough, cash prizes and other freebies are awarded to lucky winners.

Users also gain points for recruiting new app users and collect points when recruits make purchases. Points can be redeemed for cash or product. Leaderboards track members with the highest score or *hongbao* ranking.



Mini-games also keep customers coming back. The Farmville-esque *Duo Duo Orchard* game has over 11 million daily users. Each purchase contributes water drops that nourish virtual trees until they sprout real, redeemable produce rewards that ship directly to homes. Players can give or steal water drops from friends or unlock them from brand pages.

Opportunities for Group Buying 2.0

Western brands are already exploring new ways to use group buying. In March 2021, UK beauty retailer Feelunique launched a six-day campaign through its WeChat mini-program that offered shoppers a set of six Caudalie skincare products at a 37% discount if they could bring a friend to buy the same product at the same price.

Though Feelunique's promotion was offered through a super app platform, similar promotional capabilities can be offered through a brand's own website.

For example, with flexible cart and promotions capabilities, shoppers can generate and share with their friends their own unique, conditional coupon code that applies a specific discount to a specific product within a given time period. Each friend can place their order and fully check out through the site, with order payment and processing withheld until the minimum number of buyers redeem the deal. If the deal expires before the

minimum threshold is reached, each buyer can be notified to cancel their order (or continue with a lesser discount).

While, culturally, Western consumers are typically shy to sell products to friends, team buying has potential. Popular neighborhood apps like Nextdoor could be the next group buying target for grocery delivery and meal prep clubs, home and garden services, telecom plans, and smart home gadgets. Sports teams, hobby clubs, employee groups, and niche online communities may also see value in group grabs.

Why microservices for group buying?

Supporting group buying through your website or mobile app requires flexible promotions and cart and order management (at a minimum). Discounts are hyper-conditional and depend on multiple customer transactions to complete before orders can process. Building these flows through orchestration rather than backend code lets you test, iterate, and roll back group promos without disturbing your application, even if you are using a legacy platform for day-to-day transactions.

If you are looking to offer group buys on third party marketplaces and super apps, ideally these transactions are tracked back to master customer profiles. Microservices help you connect these dots and unify customer journeys and data.

Because mini-apps are typically much lighter than your own apps, you may only be able to support simple group buys, one at a time. Microservices enable you to share capabilities across your website and mini-app, with the flexibility to tailor data and functionality to exactly what the mini-app needs, and no more.

Embrace the trend today

The Infosys Equinox suite of flexible microservices and digital expertise can support any group buying experience you want, either on your own website or mobile app, or across third party channels.



Influencer Marketing 2.0



Brands and merchants are always looking for ways to turn everyday customers into brand ambassadors and evangelists.

Include Express Social Influencer program details Express pilots commission-based influencer program | Retail Dive

Indonesia's largest online marketplace, Tokopedia, has already created a way to convert customers to affiliates. Its *ByMe* program enables customers to add their favorite products to their social profiles and earn commissions for sales they generate, without having to join an official partner program.

For the growing number of aspiring social influencers, the ability to create their own brand sponsorships without friction is game changing. Combined with the livestreaming capabilities of Facebook, Instagram, and WeChat, anyone can create their own unboxing videos, get-ready-with-me, outfit-of-the-day, DIY tutorials, product reviews, and more to grow their following.

In India, Meesho already enables its users to sell products to friends through WhatsApp and other messenger apps.



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Opportunities for Influencer Marketing 2.0

Tapping into the long tail of influence is a major opportunity for brands and merchants. Democratizing performance marketing and making it accessible to anyone makes both dollars and sense.

Naturally, the larger a customer's social network, the more sales they can drive. The greatest traction will come from users who aspire to become larger influencers. Giving these creators the ability to self-sponsor and monetize content without working through traditional affiliate networks or influencer agencies also reduces your own influencer marketing overhead.

However, you will need the same checks and balances in place as any affiliate or performance marketing program. You need to track multi-touch and cross-device conversion and give influencers a dashboard to track their statistics. You must factor conversion windows (for example, 30 days) and reversals for returns. You may need a way to withhold taxes from cash payouts. And you must have mechanisms to identify and prevent abuse.

You need to determine what or how influencers will earn. Cash? Store credit? Loyalty points? Free product? Will you pay for audience reach, even if posts do not convert to a sale? Will videos earn more rewards than photos or text content?

Why microservices for Influencer Marketing 2.0?

Building your own innovative influencer platform can get complex. Data lives inside and outside your systems, and you need to orchestrate your own capabilities with social network APIs. Microservices facilitate communication between every essential component, and provide the new functionality required to reward customers and creators for content and conversions.

Embrace the trend

Infosys Equinox can enable each of your influencers to have their own site – with data and digital assets from your CMS / DAM to ensure enhanced brand loyalty programs.

Are you ready?

No matter what is on your digital roadmap, microservices can take you there – faster, and with the flexibility to adapt to global consumer trends, new platforms, and novel business models.

Infosys Equinox can support your digital transformation journey end-to-end. Get in touch with us to learn more about our microservices, ready-to-launch experiences, and digital consulting.



About Infosys Equinox

Infosys Equinox is a digital commerce platform driving human-centric and memorable omnichannel shopping experiences.

For more information and a product demo, please reach out to us at contactus@infosyequinox.com

For more information contact askus@infosys.com

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