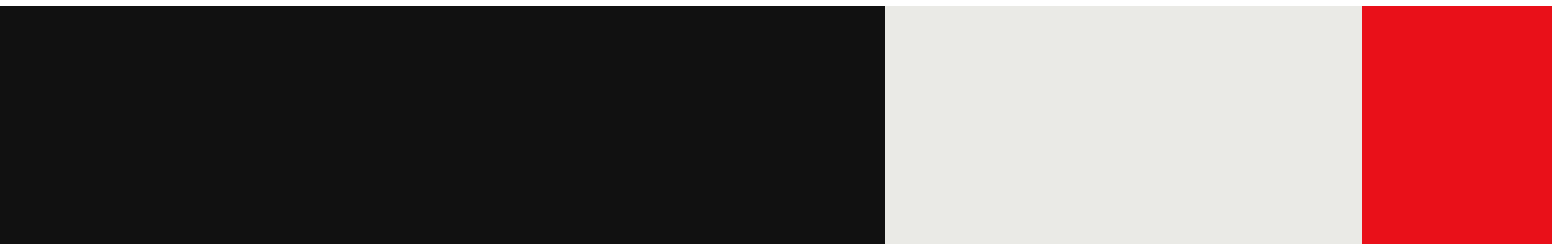


Reimagining Retail: The most—and least—important takeaways from Shoptalk 2024

Audio



On today's podcast episode, we're at Shoptalk 2024 discussing the main takeaways, the best side conversations and booths, and the discussed trends we don't see coming to fruition. Join

our analyst Sara Lebow as she hosts chief content officer Zia Daniell Wigder and analyst Jasmine Enberg, who were both at this year's conference.

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Episode Transcript:

Sara Lebow:

Hello, listeners. Today is Wednesday, March 20th. Welcome to Behind the Numbers: Reimagining Retail, an eMarketer podcast. This is the show where we talk about how retail

collides with every part of our lives. I'm your host, Sara Lebow. Today's episode topic is a very special episode. We are discussing what happened at Shoptalk. Let's meet today's guests. Joining me for today's episode. We have Chief Content Officer at eMarketer Zia Daniell Wigder. Hey Zia, welcome to the podcast.

Zia Daniell Wigder:

Good morning, Sara.

Sara Lebow:

We haven't had you in a bit. Happy to have you.

Zia Daniell Wigder:

No, it's been a while.

Sara Lebow:

Also with us, someone else who hasn't been on for a little bit, Principal Analyst, Jasmine Enberg. Welcome back, Jasmine.

Jasmine Enberg:

Thanks for having me Sara. And hi, everyone.

Sara Lebow:

Okay, let's get started with free sample, our did you know segment where I share a fun fact, tidbit or question. I'm quizzing you guys. I didn't tell you guys I was going to quiz you, but I am. For today's question, we're heading to the International House of Pancakes. IHOP started doing a special pancake of the month flavor for each month. March's was based off of a popular girl scout cookie flavor. Can you guys guess what the march pancake of the month flavor is?

Jasmine Enberg:

Is it mint?

Zia Daniell Wigder:

I was going to guess mint for St. Patrick's Day.

Sara Lebow:

Well, it's girl scout cookie, so.

Jasmine Enberg:

Thin mint.

Sara Lebow:

Thin mint. Yes, exactly.

Zia Daniell Wigder:

There we go.

Sara Lebow:

It is thin mint.

Zia Daniell Wigder:

All right. Jasmine for the win.

Sara Lebow:

Yeah. February was chocolate strawberry. I don't think I had one in January, and March is thin mint. Would you guys try thin mint pancakes?

Jasmine Enberg:

Yeah. I actually, I love thin mints and I just bought some, I think it was, well, it was last month because it was the Super Bowl and it was from the most entrepreneurial girl scouts I've ever seen. They were outside of the supermarket on Super Bowl Sunday, bright and early in the morning selling girl scout cookies yelling out that they took any form of payment and they had a little square machine. They took cash. It was fantastic. And I had to buy some. So yes, I would definitely try thin mint pancakes.

Zia Daniell Wigder:

Yeah, they sound actually surprisingly good. I can imagine with whipped cream or something on top that would be a tasty way to start your day.

Sara Lebow:

Yeah. I think it would be a tasty way to maybe end your day.

Zia Daniell Wigder:

That too.

Sara Lebow:

I don't know if they're the most start your day. I'm a savory breakfast person, so I'm biased, but I would definitely try a thin mint pancake. Okay. Now it's time for our next segment from the shop floor where we discuss the best bits from an event.

Today we're talking about Shoptalk. Jasmine and Zia have spent the last few days at the show in Vegas. I sent them on a scavenger hunt and told them to report back. So let's get started. So the first thing I asked you guys was what standout takeaway was from a session. Zia, why don't you go first with this?

Zia Daniell Wigder:

Sure. So I'm going to have to start with Jasmine's session because there were lots of great takeaways from hers, but I think one of the most important ones was a topic she started out with in which she showed headlines from a couple different media publications talking about the fact that everyone sort of had jumped to the conclusions that social shopping was not going to be a thing because there had been a handful of different initiatives that maybe didn't work out the way they had initially planned.

And so many people had written it off, whereas in fact the truth was anything but that. And there is a very bright future for it ahead, which she then dove into during the course of her conversation. But this whole idea that it's just not going to happen, I think is a myth that refuses to die.

Sara Lebow:

Yeah. I think that it's not going to happen maybe in the way people thought it would five or 10 years ago, but that doesn't mean that it's not happening [inaudible 00:03:49]

Jasmine Enberg:

Or in the way that the social platforms thought it would, especially Metta. Right? Many of those initiatives were rolled back for very real reasons that had to do with their own business and had nothing to do with whether or not we were shopping and buying on the platform. Just wasn't happening the way they wanted it to.

Zia Daniell Wigder:

Yep. And I think just it's inevitable that inspiration and transaction piece are going to move closer together. And to your point, Jasmine, it just may look quite different than what was originally anticipated.

Sara Lebow:

Yeah. I just saw that Metta announced in Instagram ads that they're incorporating discount codes into the ads themselves. Really shows that they're pushing people to purchase then and there and have a sense of urgency. So I don't see it going anywhere. Jasmine, what is a standout takeaway from a session that you saw?

Jasmine Enberg:

So my takeaway is actually from the session that was just before mine. It was from McKinsey and they were talking about consumer sentiment and there was a lot of great pieces of information in there, but the most interesting finding for me was about Gen Z because they showed that there was this duality in their behavior. So one thing they talked about is how Gen Z is saving, but they're also the most likely to splurge across generations.

So it's that treat yourself mentality that's very real with them. And that reflects a lot of what we see in our research here at eMarketer. So things like Gen Z being really worried about sustainability, but then they'll go and buy from fast fashion brands like Shein and Temu and they're also the most digital generation, Gen Alpha excluded, but you can also find them in stores. And a lot of that omnichannel behavior is also something that's come up in a lot of the conversations that I've had here this week.

Sara Lebow:

Yeah. That makes a lot of sense. I mean Gen Z has parents that they see maybe drowning in student debt. They don't want to get into that debt, but at the same time they've had all of these things happen. They've had COVID, they have this sort of YOLO mentality where you still have the sense to splurge. YOLO mentality is actually the scientific research term for that.

Jasmine Enberg:

I was going to say though, isn't YOLO a millennial term?

Sara Lebow:

Oh yeah, but I'm a millennial, so-

Jasmine Enberg:

Same.

Sara Lebow:

It's fine. Sky says that sometimes. And so that's what I was thinking is she's like, "They're feeling YOLO." Okay. Continuing on, what is an interesting side conversation that you've had at Shoptalks? Jasmine, you take this one first.

Jasmine Enberg:

Sure. I've had a lot of great conversations, but one that really stood out to me was with Influential, which is a big influencer marketing firm and Free People. And we spoke a lot about the collapsing of entertainment and creators and how the lines are blurring there. And the Super Bowl ads of course were a really great example of this where you had traditional celebrities and creators in the Dunkin ad, which featured Charli D'Amelio and Ben Affleck, but we're also seeing other brands do that as well.

So Free People had a great example of when they activated Behati Prinsloo for a campaign, but then they also activated a lot of influencers and creators across social media. And then we also talked about again, this trend toward omnichannel behavior and how creators are playing a big role in that. So Influential has done a lot of work in digital out of home with creators, for example, but like the Dunkin ad shows, we're also seeing creators now show up in all sorts of different media channels including traditional ones like TV.

Sara Lebow:

Yeah, that makes sense. One of my favorite Super Bowl ads was the Nerds Addison Rae one, which was definitely creator focused, although I mainly liked it for the little Nerd guy that was in it. But yeah, I think that we definitely see that creators wanting to make the jump into

traditional and also traditional celebrities doing things that they maybe wouldn't have considered doing 10 years ago, like video games.

Jasmine Enberg:

Yeah, absolutely. And this is something I wrote about last year during the dual Hollywood strikes really talking about how creators are trying to branch off of social media or really are branching off of social media and celebrities are taking a page out of creators books and really behaving like creators, whether it's on social or doing other things as you mentioned.

Sara Lebow:

Yeah, something I'm definitely watching there is if Mr. Beast actually ends up creating content with Amazon. Zia, what is an interesting side conversation that you had?

Zia Daniell Wigder:

Sure. I've actually had a bunch of different interesting ones, but one I'm going to highlight is quite different than the one Jasmine had, and this was with one of the speakers last night as we were walking to a reception. And he's looked at the retail space for a very long time so I was asking him, "What do you learn when you come to these events?

Do you learn from the presentations on stage, the keynotes, the side conversations?" And he said, "I actually learned most from the side conversations, but not necessarily in the way you might think. For me, what I'm listening for are sort of those subtle cues around what's happening." So he said, "For example, last year, a lot of people were saying, 'Oh, I'm leaving a day early because I don't want to spend on an extra night at the hotel,' or 'I connected getting here because I wanted to save a few hundred dollars.'"

And he said those subtle cues are what gives him an indication of what's happening more broadly in the economy and how companies are thinking about spending. So it's not necessarily something overt that he takes away, but rather those inferences from conversations around consumer sentiment and spending.

Sara Lebow:

Did he see a change from this year to last year?

Zia Daniell Wigder:

Yes. Yep. He said last year there was quite a lot of conservative spending on the event. Companies and the individuals here were looking to save those extra dollars in a way that he hadn't heard as much this year.

Sara Lebow:

Okay, interesting. And then this just happened last night, so you haven't really had a chance to implement the strategy, but have you picked up on similar sentiments in your side conversations?

Zia Daniell Wigder:

I have not. I've not heard anyone that was planning to leave early due to budget constraints or at least not that they shared. I would say that events certainly are back in full force and you've got a lot of people here this year, a lot of folks that are spending the whole time at the event and made sure that they were arriving in plenty of time to consume the content.

Sara Lebow:

Yeah. I feel like my biggest motivation for leaving early is usually trying to avoid that West Coast to East Coast Red Eye and I never do. I always end up on it.

Zia Daniell Wigder:

Four o'clock, Sara. You got to get the flight by four o'clock to make it back to the East Coast the same day.

Sara Lebow:

But then you have to leave the event at two something maybe earlier, but you're right. Okay. What about booths? Were you guys on the floor at all looking at booths? Did you see anything interesting there?

Zia Daniell Wigder:

So maybe I'll jump in and take this one and I'm going to quasi answer that question. I'm not going to highlight one booth. But rather again, another meeting I had, I was sitting with someone who runs a major retail media network and he was saying that he was amazed by just the volume of companies or sponsors that are now targeting that space who's like, when I go and I walk the floor, it is just everyone looking to sell me some component of a retail media

platform. And that's quite different than in past years. That component of Shoptalk has only grown over the years. And so I thought that was an interesting piece of commentary on the sponsors that you're seeing at the event.

Sara Lebow:

Yeah. I mean, Google just announced that they're getting into retail media, so we're definitely seeing this for those of us not at Shoptalk as well.

Jasmine Enberg:

Yeah. And I can talk about a specific booth. TikTok again had a big booth right smack in the middle of the show floor. And one of the things that was really interesting that they did this year was they had a quiz that you could take and if you took it you could win a bunch of cool swag. And the questions really were surrounding TikTok shop and how it's doing and how it's performing. And the best part of course was you didn't have to get all the questions right in order to win. And I sat down there for a couple of conversations with some executives.

There was a lot of great learnings and findings that we had, but, and Marcus will appreciate this, but during the show, TikTok also announced a new ad format which places ads right in the marketplace or in the shop tab. And so these ads start to show up when people are searching for specific products, very similar to how ads show up on Amazon. And that is another prediction of mine that has come true in March of 2024. In our report, I predicted that TikTok would go much more heavily into search advertising this year and infringe more on Amazon's turf. And this is a clear signal of that.

Sara Lebow:

And TikTok search advertising, it's not retail media, but it's operating in the same way. It's an advertisement that's in search. That's what Amazon is doing in retail media.

Jasmine Enberg:

Yeah, absolutely. And I mean, TikTok with TikTok Shop, basically what they're doing is making pretty much all of TikTok shoppable. Right? And I think one of the things that's really smart about search advertising and this new ad placement is because if you think back a couple of months ago when TikTok Shop launched, there was a lot of angst and frustration around the ad loads on TikTok and users were really talking about how they were going to leave the app.

That didn't happen. And I don't think people are actually going to follow through on that, but having ads in other surfaces that isn't necessarily right in the middle of the For You feed and interrupting their experience, I think is a really good way to get more advertisers on the app advertising their products and fueling their commerce business.

Sara Lebow:

Yeah. I mean, I definitely have that angst and frustration with the ads. It does feel like TikTok is inundated with things that are ads or feel like ads now, but I am still using the platform way more than I should. So clearly they aren't pushing me off of the platform. TikTok has really good booths at these events also.

I have this deck of cards that I'm holding up that I got from a TikTok booth at Adweek that have creative codes of different things for me to try as a creator. I'm not a creator. Well, we're in this podcast right now, but I'm not a visual creator, so I haven't used them, but I think they're cute.

Jasmine Enberg:

I have that same deck of cards from [inaudible 00:13:31] last year actually.

Sara Lebow:

I thought it was a game and I was recently delayed at the airport with a friend and I was like, "Let's play this game." And then it was like, "Do a dance." And I was like, "We're not going to play this game right now." Okay, because this is the Reimagining Retail podcast, we love tension, we love disagreement. What is something you heard at Shoptalk that you disagreed with or maybe was overhyped? Jasmine, you go first on this one.

Jasmine Enberg:

So it's not necessarily something I specifically disagree with, but I did get a really interesting question in one of my conversations about what would happen to fit quizzes online, like when somebody is answering a few questions to color match for a beauty product for example. And the reason I was asked this question was that the person I was speaking to had been getting a lot of questions about whether those are going to die off. And I don't necessarily think that's going to happen.

I think there is a lot of value in those quizzes in at least getting people to think about how to select products. But I do think they need to evolve. So I was thinking about my own behavior with these fit quizzes and a lot of times I'll take one and then I'll end up buying the product I originally intended to buy anyway. And that also got me thinking about Snap who did not have a big presence this year like they did last year.

And it's retail AR tools because it's kind of along the similar lines and they were really impressive. But obviously the attention around AR has died down with GenAI, which of course has been a huge topic of conversation here. And Snap has had to sunset a lot of its off-platform AR activities as it's working to recover its ad business. So I think there's a lot of going on in that space, but I don't necessarily think they're going to go away.

Sara Lebow:

I'm wondering if this is a place where we'll see some creator overlap because I'm getting so much color analysis content on TikTok right now. Are you getting these where people talk about if someone's a cool winter or it's the same conversation that's been happening since magazines started, but I'm getting a lot of creator content about that on TikTok and a lot of people engaging through AR filters. My hot take is that I think color analysis is silly and people should just wear whatever colors they want, but maybe that's just because I haven't had my color analysis done properly.

Jasmine Enberg:

Well, I think there is some importance to it. Right? I mean, you don't want to wear a foundation that is completely off.

Sara Lebow:

That's true, yeah.

Jasmine Enberg:

So I think it depends on the product. And I agree. I mean, there are creators on TikTok who are specifically dedicated to color analysis and I actually watch a lot of that too now. Somebody alerted me to it and I can't get enough of it.

I think it's fascinating. But I mean, for me as a millennial and at the age that I am and the amount of time I've been wearing makeup, I already pretty much know what works for my skin

tone and what works for me. And so it's an interesting thing to listen to and learn about but isn't necessarily going to change my buying behavior.

Sara Lebow:

Yeah. And a lot of this I'm talking about is apparel, like jewel tones and stuff. But yeah, for makeup also a big creator area. I mean, I also get a lot of creators with darker skin or with skin differences who are talking about different makeup products that they use. So also another area that creators are getting into or have been into, I should say. Zia, what's something that you heard that you disagreed with?

Zia Daniell Wigder:

I think there are a number of folks here who are extremely bullish on the potential for in-store digital retail medium. And I would say that what we're hearing from the retailers may a little bit more measured on that front. Certainly there are opportunities, but it seems like there's still a degree of caution in terms of how much they're willing to invest in that space.

So whether or not this comes to fruition I think is not under debate. I think that you're going to see quite a lot of activity in that space going forward. I'm just not sure it's going to happen as quickly and to such a great extent as to that which a number of the vendors and some of the other folks here are promoting it.

Jasmine Enberg:

What's the reason for the hesitation among retailers?

Zia Daniell Wigder:

Investment. The fact that they've made investments in a lot of in-store technologies in the past that haven't necessarily panned out. I remember we had launched a whole sort of digital store research area when I was at Forrester. I think it must've been back in around 2010 or something. And even back then there was caution over investing in these digital in-store technologies.

And I think it's the same sort of concern right now is how are we going to maintain these things? How do we ensure that we're going to get that return on the investment? And I think again, there will be activity in that space, but maybe there are folks here who are a little bit overambitious in terms of how quickly they think this may happen.

Sara Lebow:

I was talking to our new analyst, Sarah Marzano about something tangentially related to this the other day, which is how in-store retail media can and maybe should look a lot more like the store already looks. It shouldn't necessarily be something that the consumer notices.

Because if the consumer notices it, that means that the consumer probably feels like there are pop-up ads stopping them from getting their products. So yeah, these hyper-digital formats, a lot of them are really cool, but a lot of them hurt the shopping experience more than help. And so in-store retail media is not going away, but it might happen in more traditional-feeling avenues.

Zia Daniell Wigder:

Yep. And another thing that we're hearing from the retailers is that an additional challenge there is that the store layout can differ so greatly from one geography to another and one store to another. If you're introducing technology that requires the shopper to be a certain distance away from it, that may not be applicable in all of your stores.

Sara Lebow:

Yeah. I mean, in my grocery store in Brooklyn, I can't really fit in the aisle, so I don't think that any big in-store tech is coming there anytime soon. Okay. Well, thank you guys so much for joining me and talking Shoptalk with me. Thank you for being here, Zia.

Zia Daniell Wigder:

Yeah, absolutely. That was fun.

Sara Lebow:

And thank you, Jasmine.

Jasmine Enberg:

Thanks for having me.

Sara Lebow:

Please give us a rating and review wherever you listen to podcasts. Thank you to our listeners and to Victoria who edits the podcast and is always willing to talk shop. We'll be back next

Wednesday with another episode of Reimagining Retail, an eMarketer podcast. And tomorrow join Marcus for another episode of the Behind the Numbers Daily.