

Potential volumetric capture applications for GroupM clients

Analysis of GroupM brands portfolio

Company

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Version History

Date	Version	Author	Comment
2023-06-16	0.0	J.C. Hendriks	Initial document
2023-06-27	1.0	J.C. Hendriks	Moved version history from the front page to its own page. Updated abstract and conclusion with latest feedback. Included references, graphs and images.
2023-07-28	2.0	J.C. Hendriks	Deepened analysis on brands within the chosen industries and made a selection of which brands to further focus my research.

Abstract

In order to make a more focused scope for the project, I will analyse the data provided by GroupM. This data contains all the clients under GroupM that represent potential clients that could benefit from volumetric capture. In doing so, I can make a selection to start the ideation process, which will lead to the creation of concepts to further develop. First, I will find the biggest industries within the client portfolio, then I will analyse the brands included in the biggest industries and see which one would be most interested in investing in this technology. I will find current trends and issues these industries are having in order to find challenges, and therefore uncover their business objectives.

Research strategy

Explore current trends in these industries that affect all brands globally. Zoom in specific brands that GroupM holds and analyse the probability they might be interested by assessing their capital. This way GroupM can provide an offer before these brands ask for it.

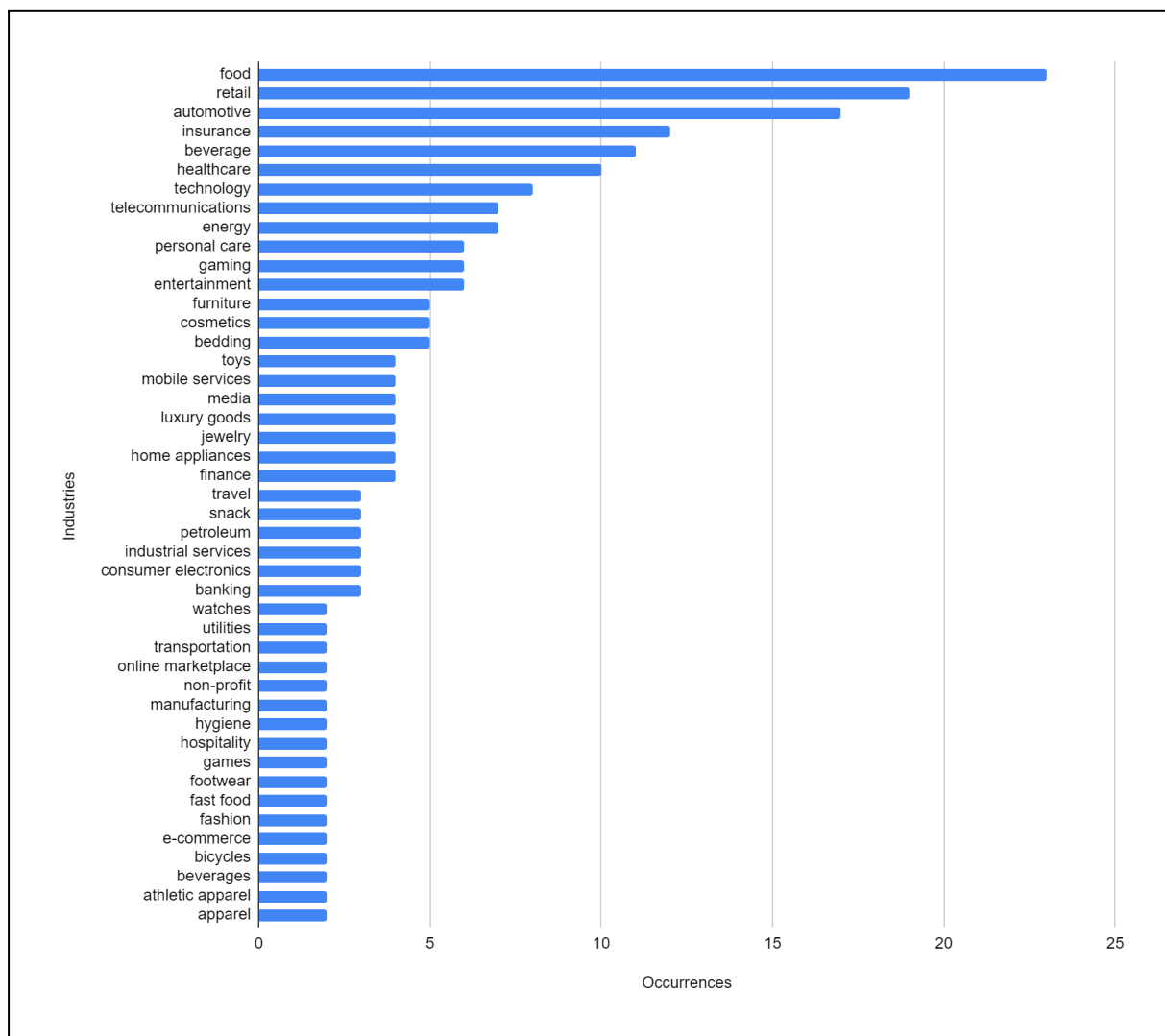
Main question	Which businesses within GroupM portfolio can best benefit from VC?
Sub Questions	<ul style="list-style-type: none">• What are the main industries within GroupM?• Which industry makes more sense to further explore?• Which clients from these industries make more sense to go further with?
Methods	<ul style="list-style-type: none">• Document analysis• Comparison chart• Trend analysis

Analysis of the industries within GroupM

In order to analyse GroupM's client list provided by the company coach, I conducted several filtering and analytical steps to narrow down the list of industries represented by the brands.

Firstly, I eliminated any duplicate brands present on the list. Then, I added the respective industries associated with each brand by analysing the products or services they offer. This analysis led to the identification of a total of 115 industries.

Below a bar chart displaying all the industries with more than one occurrence in my analysis.



Categorisation

To prioritise the industries that make up a significant portion of GroupM's clients, I removed any industry with less than 2 occurrences across all brands, resulting in a list of 45 industries. I noticed that several of these industries shared similarities such as banking and finance. Therefore, I took advantage of this observation to create broader categories of industries and narrow the list down further. This process resulted in the identification of 17 remaining industries.

Category	Encompassing Industries
Agriculture	Food
Apparel	Apparel, Footwear, Athletic Apparel, Fashion
Automotive	Automotive
Banking	Banking, Finance
Beverages	Beverage, Beverages
Consumer Goods	Cosmetics, Home Appliances, Hygiene, Jewelry, Luxury Goods, Toys
Energy	Energy, Petroleum, Utilities
Entertainment	Gaming, Entertainment, Media
Furniture	Furniture, Bedding
Healthcare	Healthcare, Personal Care
Hospitality	Hospitality, Vacation Rental
Industrial	Industrial Services, Manufacturing
Non-Profit	Non-Profit
Online	Online Marketplace, E-commerce, Online Job Search
Retail	Retail, Department Store, Online Marketplace, Gardening
Services	Insurance, Mobile Services, Transportation, Fast Food
Technology	Technology, Telecommunications, Consumer Electronics
Travel	Travel

Brands by industry

In order to find specific use cases for GroupM clients, I decided to dig deeper than the industries given that the relationship between GroupM and its clients relies on a long history of trust and partnership, unlike smaller agencies that might work on single projects for their clients, those agencies might better benefit from a rather global take on use cases.

To focus on the specific clients, I decided to filter out the industries that are currently setting foot on immersive technologies, as I recently explored in my report, *Potential of Volumetric Capture for Brands*. These industries include primarily the apparel, cosmetics, and furniture industries; but I found it useful to explore beyond given the new possibilities that volumetric capture can bring, such as bringing exterior experiences to the user. Therefore, I decided to include the travel and hospitality industries to further analyse.

Industries	Brands
Apparel	<i>Adidas, H&M, JD Sports, Nike, Chanel, TK Maxx, Skechers USA, VanHaren, Zalando</i>
Cosmetics	<i>ICI Paris XL, Beiersdorf, Henkel, Weleda, Kruidvat</i>
Furniture	<i>IKEA, Auping, Hastens, Swiss Sense, Rolf Benz</i>
Travel	<i>Secret Escapes, Trivago</i>
Hospitality	<i>Booking.com, Center Parcs</i>

Analysis on GroupM clients by industry

My analysis takes into consideration the financial capacity of each brand, as high end volumetric capture technology can be quite costly, and brands with a smaller budget might be hesitant to invest in an innovative take without it being the standard. In my analysis I highlight the higher median within each industry. This financial analysis is based on the annual net income at the end of 2022 in the Deutsche Börse stock exchange, one of the major stock exchanges in the world. I found this stock exchange has most of the listings related to these brands. To find this data, I searched for the brand's financial statements through Google Finance.

Next to the financial capacity, I decided to look into the company's mission and values to see if it aligns with an innovative view that might be willing to try volumetric capture. For that, I reviewed the company's mission statements and corporate values present on their website.

Finally, to be certain of the company's innovative attitude, I decided to look further into the company's history with emerging technologies. Having already invested in this technology sets a precedent and thus a higher chance of investing again.

For each industry I created a comparison chart to decide on which brands I will further focus.

Apparel

Adidas

This company had a net income of €612.00M at the end of 2022, which is on the lower end of this list's financial capacity. Courage, ownership and innovation are the company's values. The company has invested in the past in immersive technologies such as AR for its Footlocker x Adidas Cypher From the Future campaign or in the BroadcastAR Interactive Experience for Adidas Tango League.

Chanel

There is no available data regarding financial statements, although this company is known for being a luxury brand. It is a brand whose core values remain historically grounded on exceptional creation. As such, CHANEL promotes culture, art, creativity and “savoir-faire” throughout the world, and invests significantly in people, R&D and innovation. Recently, Chanel opened an immersive fragrance exhibition called Le Grand Numéro de Chanel. The exhibition offers a glimpse at some of the brand's rarest artefacts and the chance to witness the birth of Chanel No 5 through the powers of virtual reality.

H&M

This company had a net income of €3.57B at the end of 2022, which is on the higher end of this list's financial capacity. H&M's vision of sustainability includes innovating and is also mentioned in their prospects for the future. The company has invested in tech initiatives for an improved customer experience such as smart mirrors and finding items in the store with their app. The company has also launched their first virtual showroom in the metaverse.

JD Sports

This company had a net income of €142.50M at the end of 2022, which is on the lower end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Nike

This company had a net income of €3.57B at the end of 2022, which is on the higher end of this list's financial capacity. The company's mission is to “Bring inspiration and innovation to every athlete* in the world”. Nike has invested in many innovative ideas such as in AR with their Nike Fit AR app, and in their Nike Houses of Innovation.

Skechers USA

This company had a net income of €373.03M at the end of 2022, which is on the lower end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

TK Maxx

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

VanHaren

This company had a net income of €708.66M at the end of 2022, which is on the higher end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Zalando

This company had a net income of €16.80M at the end of 2022, which is on the lower end of this list's financial capacity. Growth and innovation are part of the company's strategy. In terms of investing in technology, Zalando has previously overhauled its content production and workflow to take thousands of web-ready images a day for its global eCommerce business using StyleShoots Horizontal and StyleShoots Vertical machines.

Apparel Brands	Annual Net income (2022)	Mission & values include innovation	History of investing in emerging technologies
<i>Adidas</i>	€612.00M	Yes	Yes
<i>Chanel</i>	N/A	Yes	Yes
<i>H&M</i>	€3.57B	Yes	Yes
<i>JD Sports</i>	€142.50M	No	No
<i>Nike</i>	€5.07B	Yes	Yes
<i>Skechers USA</i>	€373.03M	No	No
<i>TK Maxx</i>	N/A	No	No
<i>VanHaren</i>	€708.66M	No	No
<i>Zalando</i>	€16.80M	Yes	Yes

The brands on which I will further focus in the apparel industry are Adidas, Chanel, H&M, Nike, and Zalando.

Cosmetics

Beiersdorf

This company had a net income of €755.00M at the end of 2022, which is on the lower end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Henkel

This company had a net income of €1.26B at the end of 2022, which is on the higher end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

ICI Paris XL

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Kruidvat

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Weleda

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Cosmetics Brands	Annual Net income (2022)	Mission & values include innovation	History of investing in emerging technologies
<i>Beiersdorf</i>	€755.00M	No	No
<i>Henkel</i>	€1.26B	No	No
<i>ICI Paris XL</i>	N/A	No	No
<i>Kruidvat</i>	N/A	No	No
<i>Weleda</i>	N/A	No	No

Given these companies do not incorporate innovation I have decided not to further investigate the cosmetic brands within GroupM.

Furniture

Auping

This company had a net income of €96.1M at the end of 2022, which is on the lower end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Hastens

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

IKEA

This company had a net income of €710M at the end of 2022, which is on the higher end of this list's financial capacity. The organisation continues to strive for innovation in order to provide high-quality products through continuous improvement initiatives such as renewing and improving existing processes or systems (Pereira, 2023). IKEA has plenty of a history in investing in emerging technology such as in VR, with the IKEA Virtual Reality Showroom; also in AR with their Ikea Kreativ app that allows you to scan your room and place IKEA furniture, and also IKEA Place app, that allows you to bring the furniture virtually in real time through your phone.

Rolf Benz

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Swiss Sense

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Furniture Brands	Annual Net income (2022)	Mission & values include innovation	History of investing in emerging technologies
<i>Auping</i>	€96.1M	No	No
<i>Hastens</i>	N/A	No	No
<i>IKEA</i>	€710M	Yes	Yes
<i>Rolf Benz</i>	N/A	No	No
<i>Swiss Sense</i>	N/A	No	No

Only IKEA seems a suitable brand to further investigate innovative ideas.

Travel

Secret Escapes

There is no available data regarding financial statements. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Trivago

This company had a net income of €127.2M at the end of 2022, which is on the higher end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Travel Brands	Annual Net income (2022)	Mission & values include innovation	History of investing in emerging technologies
<i>Secret Escapes</i>	N/A	No	No
<i>Trivago</i>	€127.2M	No	No
<i>Transavia</i>	€728.00M	No	No

Given these companies do not incorporate innovation I have decided not to further investigate the travel brands within GroupM.

Hospitality

Booking

This company had a net income of €3.06B at the end of 2022, which is on the higher end of this list's financial capacity. By investing in the technology that helps take the friction out of travel, Booking.com seamlessly connects millions of travellers with memorable experiences, a range of transport options and incredible places to stay. Recently, Booking announced the start of testing an artificial intelligence-based travel planner, AI Trip Planner.

Center Parcs

This company had a net income of €111.33M at the end of 2022, which is on the lower end of this list's financial capacity. There is no mention of innovation in their mission statement or corporate brand. There is also no history of investing in emerging technologies.

Hospitality Brands	Annual Net income (2022)	Mission & values include innovation	History of investing in emerging technologies
<i>Booking.com</i>	€3.06B	Yes	Yes
<i>Center Parcs</i>	€111.33M	No	No

Only Booking seems a suitable brand to further investigate innovative ideas.

Resulting Brands

Following my analysis, I managed to gather the following brands that could potentially benefit from using volumetric capture.

Industries	Brands
Apparel	<i>Adidas, H&M, Nike, Chanel, Zalando</i>
Furniture	<i>IKEA</i>
Hospitality	<i>Booking.com</i>

Trends

To provide a competitive advantage among the clients' competitors, I decided to make a broad look up on current trends and issues pertaining to the industries of the selected brands that might be currently facing.

Apparel

According to the article "Half of shoppers expect to return clothes bought online" (Bizwomen, 2018), 91% of the surveyed said that they had ordered clothes online that didn't fit right, and more than a third, 37%, regularly buy more than one size of an item and return what doesn't fit, resulting in significant expenses for retailers and leaving customers dissatisfied. The main reason for these returns is that shoppers are unable to accurately gauge how the clothes will fit in real life before purchasing them. However, this problem can be solved through the use of virtual try-on technology. By creating moving 3D models with different body shapes, retailers can display their collections in a way that allows customers to see how the clothes will fit and look on different body types, reducing the likelihood of returns and increasing customer satisfaction.

Furniture

When customers are considering buying a product for their home, they often spend a lot of time measuring and imagining how it will look in their space. They also want to be sure that the brand offers a proper installation and usage guide. This can lead to extended periods of doubt and customers opting for familiar brands, ultimately resulting in costly returns. To address this issue, brands can use volumetric capture technology to offer an augmented reality experience that allows customers to test the product in their space before making a purchase. Additionally, an interactive user guide can be provided to ensure proper installation and use of the product. By providing these features, brands can increase customer confidence in their products, reduce the likelihood of costly returns, and ultimately build customer loyalty.

Hospitality

When searching for accommodation, consumers are becoming increasingly critical and demand a high level of personalization and convenience. Younger cohorts, in particular, are comfortable using technology such as robots and apps for booking and on-property experiences. Brands can reduce costs by automating general queries and room service orders, but they must be careful to maintain a balance between human and machine interactions. Volumetric capture technology can help bridge this fine line by providing a more human and personalised experience through the use of 3D virtual assistants. These assistants can provide guests with a more engaging and interactive experience, while still maintaining the efficiency and convenience of automation. By offering this innovative technology, brands can enhance the guest experience, reduce costs, and ultimately build customer loyalty.

Results

After sharing my results with the main stakeholder, my company coach, it was agreed to narrow the focus to an individual brand in the apparel industry. Given the stakeholder's experience with these industries, it was decided to focus on Adidas, IKEA and to change Booking to Transavia given the broader application the travel industry has to offer.

Conclusion

My analysis has concluded that potential clients for my project find themselves in the apparel, furniture and hospitality industries. These industries are currently facing different challenges, such as low confidence in apparel items translating into higher returns which lowers customer satisfaction and means high expenses for companies in the apparel and furniture industries, as well as a high demand for personalisation in the hospitality industry.

Recommendations

Now that it is clear which industries and more specifically which brands are the most appropriate to work with volumetric capture, the ideation phase can start. A systematic approach of creating ideas and filtering those ideas is recommended, this can be done using a morphological chart and the COCD-box.

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