Gradually and Then Suddenly

In 2021, 3D will change commerce forever. Here's how.

by Marc Uible

threekit

After a year defined by a pandemic and massive eCommerce growth, many are left wondering what will drive business growth in the coming years.

Companies have been employing 3D visuals on the web for around five years now with consistently growing mindshare. But this year, buyers and businesses are starting to demand high-quality 3D experiences to convince them to make a purchase.

In 2021, 3D will also become a competitive advantage for companies – a force of its own driving operational, production, and marketing transformation for businesses.

The stakes couldn't be higher. In a rapidly changing market, the wrong move – or failure to move – leads to serious customer experience issues, significant losses in value, and fast declines in brand loyalty.

The following is a guide to help you navigate what's to come. It's broken into two sections: buyers and businesses.

"How did you go bankrupt?" Bill asked.

"Two ways," Mike said. "Gradually and then suddenly."

– Ernest Hemingway, The Sun Also Rises

PART ONE: **BUYERS**

A better customer experience is the most powerful force in eCommerce, and a majority of buyers are now saying they want to see products in 3D and AR.

Despite the desire for novelty, the story for all buyers in 2021 is the same it's been for a long time, both for consumers and businesses. People prize satisfying customer experiences. The brands that make transacting more convenient, earn more trust, and create more fun experience take the rewards.

A perfect example is the Amazon purchase you make, mostly because you know without a doubt it will arrive in one day. People pay a premium and are more loyal to the brands that make their lives easier.

Now, more than ever, a better customer experience means better visuals. According to eMarketer, in the last four years, shopper demands for eCommerce product images nearly tripled: in 2016 shoppers expected three images per product, and in 2019 they expected eight.

Average Number of Images US Digital Shoppers Expect to See for a Product on an eComm Site

2019   8

2016   3
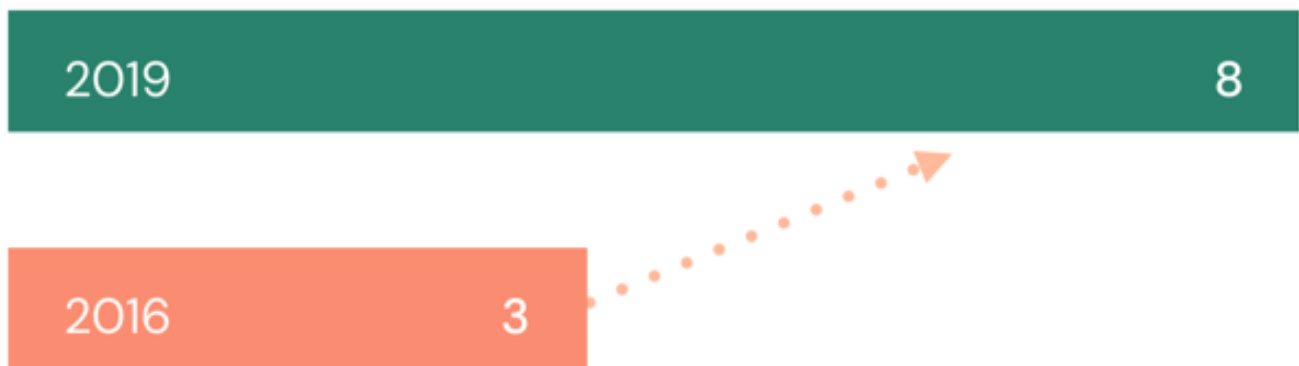
Robust image growth in the 2010s meant brands could get by with an increase in their photography budget to capture more pictures of higher quality. But shopper demands have risen once again.

According to a Harris Poll of 1,869 US adults, 60% are more likely to buy a product if it is shown in 3D or AR. Additionally, many online shoppers feel that it would help them make decisions with more confidence:

- 66% say they would be more interested in shopping on a website if it offered 3D and AR images.
- 42% say they would pay more for a product if they could see it in 3D and AR.

BUYER FACT #2

Brands with a customizable or configurable product are facing competition as market leaders offer interactive product experiences.
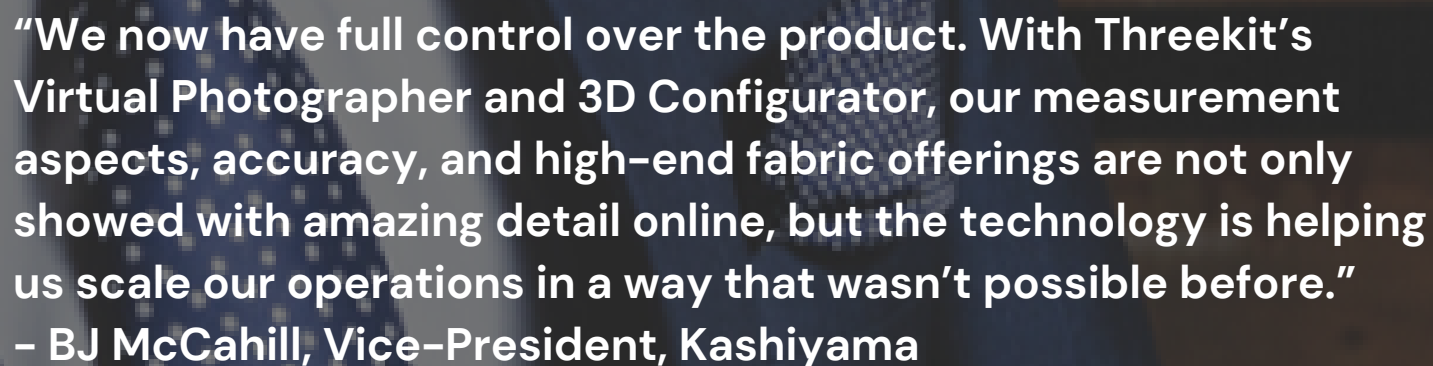
Over the last 20 years, online customization has moved "gradually" – starting with NikeID – but is now "suddenly" in the area of requirement. Let's see how that happened.

Arriving in 1999, NikeID was the first widely adopted and loved configurator. The online experience was groundbreaking.

The instant this first-of-its-kind technology was rolled out to the masses, it was a hit and provided a historic brand lift for Nike as millions customized the flashy Nike shoes in real-time. Just as importantly, NikeID was good for business – the experience jumpstarted Nike's "direct-to-consumer" experience, which meant cutting out the retailer middleman, improving margins, and tightening relationships with the customer.

Since that early customization experience, Nike has accelerated its pace. In Q2 this year Nike's "direct-to-consumer" sales were up 32% and digital sales were up 84% year over year. NikeID proved that if people can create their own product customization in real-time, they'll buy it. And others are experiencing the same success.

> "We now have full control over the product. With Threekit's Virtual Photographer and 3D Configurator, our measurement aspects, accuracy, and high-end fabric offerings are not only showed with amazing detail online, but the technology is helping us scale our operations in a way that wasn't possible before."
> – BJ McCahill, Vice-President, Kashiyama

In 2021, buyers have made what they want crystal-clear, and it's customization. Companies like Nike and Kashiyama are reaping the benefits from their early move. Online customization has moved from nice-to-have to a can't-do-without.

BUYER FACT #3

A better visual experience with 3D product configuration reduces buyer stress. And, it's more fun.

Sometimes, the human element can't be overlooked. All people have emotions, desires, and needs that can't always be measured by stats and expert quotes. But these notions are foten more important than anything else.

An important human element of buying is that it can be stressful. We've all seen:

- The frustration of a product showing up at your door and not being exactly what you thought it would be

- The wasted time and money behind product returns

- The miscommunication and delay of talking to customer support to validate whether this material actually can work with that product

3D enables buyers to configure the exact product they want and see it from every conceivable angle right in the browser, and—with AR—right in their living space. This interaction builds confidence and reduces the effort and stress of "not knowing" for buyers. This effect is magnified with "big purchases" like high-end furniture or even architectural features like Sapphire Balconies' custom balcony solutions below.

3D isn't just about loss aversion. It's also about creating a sense of excitement and novelty. It's about making shopping and buying fun again. Lindsey Scoggins Studio lets shoppers customize rings real-time while exploring every element, including metals, settings, gem stones, and more, in a fun and engaging way.

The future isn't always just about data – 3D provides buyers with an opportunity to go deeper to gain confidence and reduce stress more than traditional photography ever could. And these new, engaging, fun experiences matter more than ever.
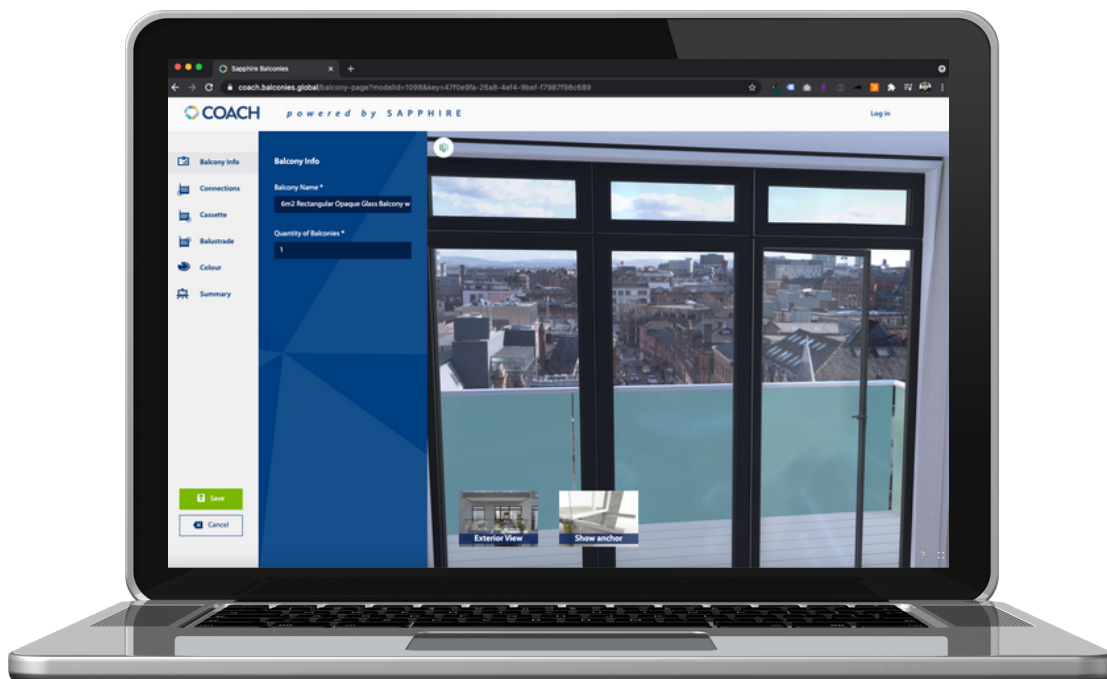
PART TWO: **BUSINESS**

3D product configuration allows businesses to scale way beyond the limits of traditional photography.

In 1930, photography started to be used commercially for products. It quickly grew into the primary way products were depicted visually for marketing and advertising, and it maintains that status today. Over the years, there have been innovations to speed up the photography process, but overall it remains a time-intensive and costly one. The majority of brands today are held captive by a technology that's more than 90 years old.

The frustratingly slow speed and high cost of photography has only been magnified by the rise of customization. The average cost of a finished product image in 2020 was $25. If you have 10 products with just three simple customizations each and you want the recommended eight photos of each configuration, you now need 240 photos, which will cost $6,000 before accounting for other costs like shipping, time spent, etc.

For brands with a product that's configurable or customizable, or that has any set of rules really, product photography severely diminishes the overall returns of offering customization in the first place.

But with a high-end 3D platform like Threekit, brands can escape this trap. For example, with Threekit's help, Crate & Barrel created over three million images of every potential configuration of a couch in less than a month, for a small fraction of the cost of traditional photography.

"Threekit makes the impossible possible for Crate and Barrel—through image creation technology that unlocks massive scale and quality to keep our customers engaged and delighted."
– Geoffrey Mark, CGI Strategy, Crate & Barrel

3D configurators, built in-house, are difficult to make, expensive, and challenging to maintain long-term.

Some companies try to create "homegrown" 3D or 2D configurators. The challenge with this approach is that when an aspect of the product is changed—say a customer wants to add a new material or color—the "homegrown" configurator needs to be significantly re-written.

The key to business success with 3D lies in marrying the commercial and the creative sides of 3D. Threekit is able to take all rules and definitions of a product and map those rules into interactive 3D, virtual photography, and augmented reality. When new product additions or changes are made, those changes are seamlessly integrated from the rules section into 3D, usually instantly and without any coding.
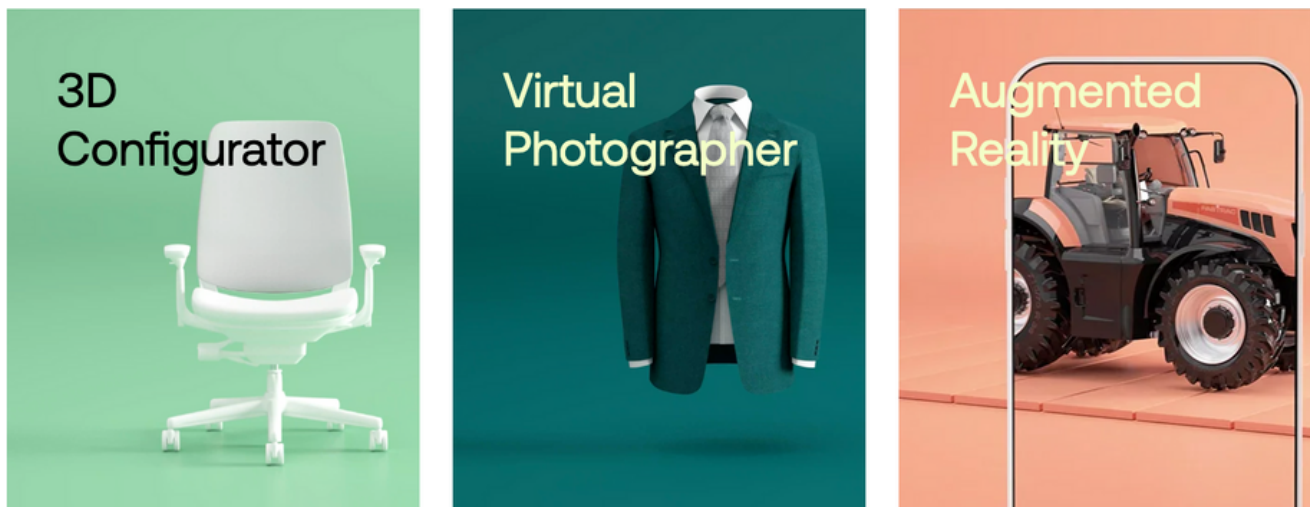
When a chair manufacturer wants to add a new style of armrest as an option to 50 different chair types, they used to have to either produce 50 new distinct product shots or trust that the consumer could imagine the effect on their own. Now, with 3D platform technology, they can instantly add it so that buyers can see and compare that armest style on all 50 chairs.

Lovesac lets shoppers customize their furniture with dozens of possible materials and organize the pieces into billions of configurations. While the number of options are practically limitless, they must still be governed by rules impacting manufacturing, shipping, and material costs. Threekit is able to create millions, or even billions, of configurations because its software automatically generates visuals based on product rules.

3D files are being used everywhere in the business cycle and are easily transferable.

DESIGN

Business cycles in every category, from fashion to manufacturing, are speeding up. Companies must go from design to production to marketing faster than ever because buyers and competitors are demanding that they keep up.

In these cases, 3D is an "active" file that can be easily changed and adapted with new features, colors, and materials, all in realtime. This replaces what would be a manual process in Photoshop or CAD in which each change must be painstakingly drawn for each variation to look true to life.

MARKETING

3D is incredibly useful for marketing.

The first benefit is through clienteling. Imagine that you're a custom jeweler and a customer comes and buys an engagement ring. Now imagine that in 3–6 months (before the wedding) you send that very same customer targeted, automated emails showing how various wedding rings fit with the engagement ring they bought.
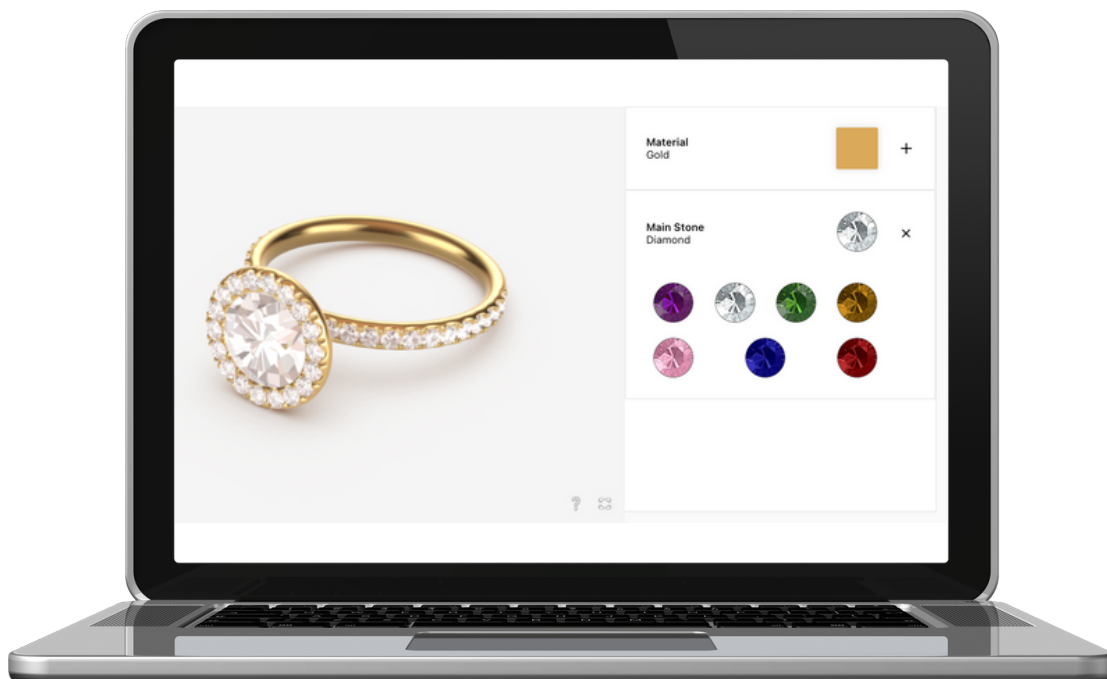
Another key marketing application is made possible by new innovations in online advertising. Google recently announced their general release to 3D ads, so now 3D users can enter interactive 3D ads directly into the Google ad Display network. The results are compelling:

- 3X higher engagement rates compared to standard display
- 4.7X higher brand favorability
- 6.9X higher purchase intent

MANUFACTURING & WORKFLOW

Last, but not least, 3D is portable and built to be transferable. Threekit accepts 75 different file formats and can export each visual into many different formats. That means the visuals generated can impact every step in your product journey. Perhaps most importantly, they can be sent directly to manufacturers and machines with clear guidance on how the product should be built.

Also, Threekit's 3D configurator software seamlessly integrates across systems from ERPs to PIMs, eCommerce systems, advertising networks, and more. It's built so that you can plug it in anywhere and use it anytime, so businesses can easily use valuable files in every step of the business process.

This breadth of application is what makes 3D more than just a visual or customer experience feature. It's also what makes us confident to predict that 2021 will not predominantly be, as many predict, the "Year of Covid 19" or the "Year of Political Division." We'll say it loudly:

In 2021, 3D is poised to become a driver of true business transformation. Commerce will never be the same.

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Threekit enables brands to create and manage beautiful photorealistic, 3D and augmented reality product visuals at scale. We're uniquely qualified to help usher your brand into the future of online customer experience.

Schedule some time with one of our product visualization specialists to see how.

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SOCIAL