

WINNING WITH PAGES FROM AMAZON'S *Playbook*

A LOOK AT KEY SOLUTIONS ACROSS PERSONALIZATION,
PROMOTION AND CUSTOMER ENGAGEMENT
THAT ARE HELPING RETAIL BRANDS KEEP PACE
WITH RISING SHOPPER EXPECTATIONS ACROSS CHANNELS

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WINNING WITH PAGES FROM AMAZON'S PLAYBOOK

A Look At Key Solutions Across Personalization, Promotion And Customer Engagement That Are Helping Retail Brands Keep Pace With Rising Shopper Expectations Across Channels



BY THE NUMBERS

 According to Amazon's Q1 2018 report: retail sales were up **43%** year-over-year to **\$51.0 billion**.

 Amazon completed its **\$13.7 billion** acquisition of Whole Foods on August 28, 2017.

 For the third quarter of 2017, Amazon reported **\$1.27 billion** in physical store sales — still a small fraction of the company's \$26.4 billion in quarterly online sales, but the fact that Amazon is breaking this out is significant.

 Amazon has more than **100 million Prime subscribers** as of April 2018.

 Prime's two-day shipping offer has been expanded to **100 million** items from **20 million** in 2014.

 In 2017, Amazon shipped more than **five billion** items and "more new members joined Prime than in any previous year."

Amazon has been *the* success story in the retail industry for the past decade (and also the cause of many sleepless nights among its competitors).

Amazon's success has depended upon four key pillars: customer-centricity, continuous optimization, a culture of innovation and corporate agility.

"If you're a retailer you need to have a strong Amazon strategy, no matter what," said Michelle Grant, Head of Retailing at Euromonitor during the recent Shoptalk event. "And if your strategy is to not work with Amazon but compete with it, you better be making a strong case for why you're worth the customer's time and money today."

Retailers are fighting for their survival and future success in a variety of ways. For example, two of the largest retailers are countering Amazon's delivery promise with their own: **Target** acquired Shipt to localize deliveries and **Walmart** is heavily promoting free two-day shipping with no membership fees required.

Retailers are also investing in updated omnichannel loyalty initiatives and technologies to transform the in-store experience into a compelling reason for consumers to go to the store.

In this report, we will examine core technologies that are currently being used by disruptive brands to either keep pace with the rising customer expectations Amazon has helped to fuel, or in some cases even gain an edge with enhanced offerings.

The categories we will examine include:

- Personalization
- Unified Commerce
- Promotional Strategies
- Order/Pickup Solutions
- Pricing
- Reviews/Recommendations
- Customer Engagement
- Profit Optimized Inventory

"A great brand today is customer-centric, data-driven and managed by narrative," said Bryan Eisenberg, keynote speaker and author of *Be Like Amazon. Even A Lemonade Stand Can Do It*. One way companies can capture the power of narrative is to require executives who propose a new product or service to begin at the desired end point: writing what would be a 5-star customer review. "Then they work backwards to create the thing that would prompt such a review."

THE IMPORTANCE OF CUSTOMER DATA TO DRIVE 1:1 PERSONALIZATION



By Eric Keating,
VP of Marketing, Zaius

Buyers today expect personalization.

You can thank Amazon for that. Because of their ubiquitous product recommendations, nearly everyone expects B2C brands to offer highly personalized marketing that is tailored to past purchases and behavior.

This, however, is easier said than done. Personalization only works in e-Commerce if you have a strong handle on your customer data and understand what customers actually want. You have to get to know your buyers and understand exactly:

- **Who they are, including age, location, and other demographics;**
- **What they browse;**
- **What they click; and**
- **What categories they shop.**

You need to know all this, and much more — all across the multiple channels and devices that most buyers today use.

THE IMPORTANCE OF CUSTOMER DATA

The real challenge for personalization is data unification. If a buyer browses your web site on their desktop, then leaves, then clicks on an Instagram ad on their phone and makes a mobile purchase, do you know it's the same person? For accurate personalization, you have to collect all of that data across platforms and tie it to a single customer profile. Only with an in-depth profile of each individual customer and their specific behaviors can you fully personalize your e-Commerce marketing.

It gets even more interesting when you use that customer data in aggregate. You can create dynamic customer segments and triggered lifecycle campaigns based on where buyers are in their overall customer journey; you can understand what products certain buyers are most likely to purchase to encourage cross-sell and upsell; and you can start to engineer repeat purchases to build true and long-term customer loyalty.

ONE-TO-ONE PERSONALIZATION

By finding patterns within your buyer's behavioral data, you can take personalization to the next level. Personalization is far more than saying, "You bought X. Shoppers who bought X also bought Y." This is just the most basic level of what you can do with your customer data.

Great personalization can make it feel as though a brand is talking to buyers on a one-to-one level. If you do it well, your customers will feel like you truly know them, understand their wants and needs, and always offer something they actually want to see. This is the ideal of personalization, and it's only possible with in-depth access to your customer data.

SOLUTION SPOTLIGHT

The biggest blocker to personalization is the gap between data and marketing execution.

Today, customer data is spread across many different systems and is disconnected from the actual marketing engines. Marketers are dependent on IT for access to the data, which often comes back inaccurate, stale, or incomplete — especially with regard to customer identity, which is often fragmented across systems. This all makes it difficult, if not impossible, to understand your customers and engineer repeat purchases.

This is the problem Zaius solves with B2C CRM. Instead of figuring out better ways of bridging the gap, Zaius eliminates the gap. Zaius brings data and action together in a single system, empowering marketers to personalize campaigns and encourage customer loyalty.

Zaius helps marketers by creating a single source of truth for all customer data, stitching together customer identities across channels and devices to give you a complete, real-time record of customers' engagement with your brand. Then, marketers are able to analyze and segment customers based on any data point or behavior — all without relying on IT.

With our lifecycle dashboard, for example, you can easily view metrics like repeat purchase rate and LTV for loyal customers, and you can understand product and category affinities for specific segments. Zaius not only surfaces critical insights and opportunities but also links them directly to action.

Campaign execution in Zaius is also the most flexible on the market. You can target any segment with any campaign you can dream of. Campaigns also can be delivered across any channel — email, social, search, mobile app push and web push — to give buyers a personalized and consistent experience. And flexible reporting lets you measure the impact of campaigns across segments, channels, products and categories.

Personalization doesn't have to be difficult. All you need is the right data foundation, along with the power to execute and analyze your marketing campaigns. Zaius helps you centralize all of your customer data in one place, then use that data to execute your marketing campaigns, and then measure and optimize them over time. This is really the key to successful personalized marketing campaigns.

With a B2C CRM, you can start talking to your customers like individuals and give them an even better experience than they get from Amazon.



ABOUT ZAIUS: Imagine marketing automation, analytics, and CRM software brought together in one dream B2C marketing platform. Zaius combines a single customer view, real-time multi-channel marketing automation and cross-channel attribution, empowering marketers to drive more repeat purchases and maximize customer lifetime revenue. It's the first CRM built specifically for B2C marketers. For more information, visit zaius.com.

ELEVATING RETAIL TO ENDLESS POINTS OF EXPERIENCE



By Yevgeni Tsirulnik, Global Vice President of Innovation,
Toshiba Global Commerce Solutions

Customer expectations continue to evolve, so retailers must start elevating their retail experiences from simple points of sale to endless points of experience. The time is now to enable new customer journeys and personalized interactions that transform frustrations into shopper enjoyment.

DELIVERING PERSONALIZED SHOPPING EXPERIENCES

The more retailers are able to learn about consumers, the more they're able to influence purchase decisions and increase frequency of interactions with a retailer. Retailers are more capable of understanding what consumers are interested in, how they search, preferred shopping channels, purchasing methods and a multitude of other behaviors. This is causing a trend in the market towards customer tracking and behavior analysis, where retailers have access to shopper data as granular as where the customer is in a store and what products they have picked up. This valuable data means retailers can keep their stores relevant and more effectively appeal to shoppers by delivering personalized promotions and experiences.

However, the collection of more data means there's an increasing expectation and need for data privacy. Shoppers express concerns regarding how much data a retailer collects, what data they collect, how it's used and how securely it's stored. To address these concerns, retailers must incentivize opt-in behaviors and invest in solutions and technologies that handle customer data securely. With the right digital commerce platform, retailers will be able to combine disparate data and create seamless, customer-centric shopping journeys that deliver value at each step.

OPTIMIZING RETAIL FOR SUCCESS

In addition to the insights retailers can collect with data, shopping behaviors are changing quickly, so the pace at which businesses must adapt to the market is increasing. As a result, retailers have to start looking for evolutionary paths to deploying new capabilities more rapidly. It's imperative to ensure greater agility. The result: the ability to innovate, deploy faster and realize faster time to value. Some retailers, and vendors like Toshiba, are even developing their own innovation labs to solve this problem.

Retailers are aiming to create more optimized shopping experiences for customers, which is why they're shifting towards solutions that create seamless points of experience. Particularly at checkout, retailers need to increase capacity and reduce wait times during the checkout process. Self-service options like mobile and self-checkout, queue management and seamless checkout are being implemented at increasing rates, but many times to the detriment of labor when done without connecting the front-end experience with the rest of the store. To avoid the negative impacts that can affect businesses, retailers continue to search for seamless solutions that further expand on the principles of self-service and remove friction from the shopping process throughout the total store.

Ultimately, innovation is not the goal. Instead, innovation is the culture and process by which we strive to deliver greater value together with our clients. When successful, we make brilliant commerce experiences come to life.

SOLUTION SPOTLIGHT

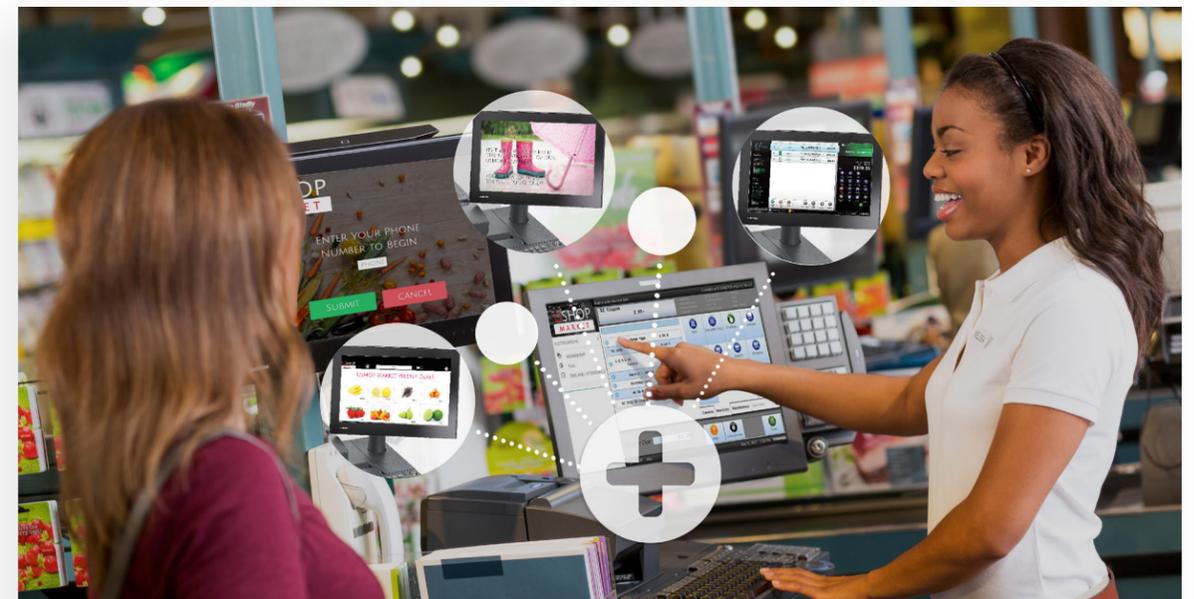
Every day, all over the world, Toshiba works with retailers to achieve brilliant commerce. Together, we deliver enhanced shopping experiences, gather data-driven insights and ensure secure, frictionless operations. We accomplish this by unifying a global network of partners, innovative solutions and expert-guided services to transform the retail environment with engaging experiences that empower consumers to shop the way they want.

The state of retail is evolving rapidly. Retailers must accommodate the new ways consumers expect to engage their brands, from new technologies that let them shop how they want to empowering interactions with associates to deliver real-time value. Toshiba is making that possible by advancing the future of retail with solutions that enhance engagement, transform the in-store experience by removing points of friction and integrate technologies to accelerate digital transformation.

At the core of how Toshiba is enabling this journey sits TCx™ Elevate, the digital commerce platform that elevates retail by bringing together all of the retailer's channels, touch points and applications to expand in-store capabilities, improve associate productivity and create engaging customer experiences. The TCx Elevate platform allows retailers to evolve from basic point of sale into endless points of experience.

To get there, retailers are looking for solutions that keep their operations running reliably and smoothly. We provide evolutionary paths to deploy solutions that ensure greater agility and ability to innovate, faster deployment and more rapid time to value.

The TCx Elevate platform unifies multiple technologies and easily integrates with an extensive portfolio of Toshiba products that are designed for retail to deliver the right mix of proven solutions, innovative capabilities and expertise that retailers need to satisfy their customers. With offerings for point-of-sale and self-service systems, mobility, loyalty and promotions programs, digital signage, payments, printing solutions and more, retailers are able to connect their investments, associates and consumers with technology that accelerates new retail experiences.



ABOUT TOSHIBA: Toshiba Global Commerce Solutions is retail's first choice for integrated in-store solutions and is a global market share leader in retail store technology. With a global team of dedicated business partners, we deliver innovative commerce solutions that transform checkout, provide seamless consumer interactions and optimize retail operations that are changing the retail landscape. To learn more, visit toshibacommerce.com or engage on Twitter @toshibagcs

ALL RETAILERS SHOULD TAKE ADVANTAGE OF PRIME DAY IN 2018



By Marissa Tarleton,
Chief Marketing Officer, RetailMeNot, Inc.

While Amazon Prime Day is still a relatively new shopping holiday — dating back to just 2015 — this [savings-focused shopping day](#) is set to make its biggest splash yet in 2018. Prime Day initially began as a marketing event, however, the now multi-hour sale has grown into a true retail holiday over the past two years, and not just for Amazon.

RetailMeNot took a look at the data to better understand the effect this new shopping holiday has for both retailers and consumers. Here are the top three insights for retailers considering a promotional strategy around this new shopping holiday:

CONSUMERS SWARM TO RETAILERS OFFERING PRIME DAY DEALS

According to RetailMeNot insights, Prime Day in 2017 was the top day for online traffic in Q3, edging out several key shopping dates associated with the busy back-to-school shopping season. Not only did retailers actively competing on Prime Day last year see a traffic increase of more than 30% versus prior year to their store pages on RetailMeNot.com, those that didn't participate experienced a 4% decrease as compared to 2016.

RETAILERS BEYOND AMAZON FIND OPPORTUNITY ON PRIME DAY

Since consumers are already anticipating great deals on this day, retailers are smart to capture that shopping mindset with short-duration deals. In 2017, the number of unique retailers competing with deals issued on RetailMeNot.com increased 340%, from 27 retailers in 2016 to 119 retailers. In order to capture the attention of shoppers looking to open their wallet on Prime Day 2018, savvy retailers should plan to offer limited-time deals to coincide:

- Consider distinct messaging strategies: coupon codes containing “PRIME” and offers containing phrases like “Prime Time,” “Black Friday in July” and “Cyber Monday in July” were successfully used in 2017.
- Aggressive sales, sitewide codes and free shipping all will likely garner consumer clicks and dollars.

PRIME DAY SERVES AS AN UNOFFICIAL KICKOFF FOR BACK TO SCHOOL

With ideal placement during summer months, Prime Day also has become the unofficial start to the back-to-school shopping season for many consumers and retailers alike. Recent RetailMeNot survey data, conducted by Kelton Global, indicates that shoppers making purchases on Prime Day 2018 plan to spend an average of \$167 dollars, with \$70 going specifically toward back-to-school related items. For all retailers, kicking off discounts and limited-time offer deals in early July is a sure-fire way to garner consumer attention in Q3.

It may feel like Prime Day is only for Amazon, but all retailers can benefit from organizing promotional activity to coincide with the day. As the day rises in popularity to rival Black Friday and Cyber Monday, retailers would be remiss to ignore the opportunity.

SOLUTION SPOTLIGHT

As a leading savings destination, RetailMeNot enables brands to [engage active shoppers](#) and influence their purchase decision online, on mobile and in stores. Promotions are critical to incremental sales. According a recent RetailMeNot survey, two-thirds (67%) of consumers have made a purchase they weren't originally planning to make solely based on finding a coupon or discount.

Today's consumer is empowered with knowledge and technology that can influence or enable a purchase anytime and anywhere, and they expect a consistent and rewarding shopping experience. So, how can you be everywhere to influence a purchase – while creating that seamless customer experience?

Take a look at how [RetailMeNot](#) enables brands to drive growth through the power of savings:



Drive Conversion with Cash Back Offers

Using minimum spend thresholds to allow for strategic margin protection, RetailMeNot Cash Back Offers drive higher returns on advertising spend. For the 230+ large, national retailers who have leveraged cash back offers as a marketing tool, RetailMeNot has driven more than \$236 million in facilitated sales. Since the beginning of 2017, shoppers have activated millions of RetailMeNot online Cash Back Offers, saving an average of 11% on their purchases.



Improve Cart Abandonment with RetailMeNot Genie™

RetailMeNot Genie™ is a browser extension that enables retailers to tap into RetailMeNot's most frequent shoppers and convert users instantly. Genie auto-applies promotion codes and cash back in cart, allowing users to stay on a retailer's site without needing to seek other deals or price compare. Genie supports 600+ retailers on Chrome and Firefox with new retailers added daily!



Leverage RetailMeNot Mobile Campaigns to Drive In-Store Sales

The RetailMeNot app is a shopper's mobile companion, and provides retailers and brands an in-store solution that helps drive more shoppers to their stores and improves in-store conversion. RetailMeNot's mobile platforms enable brands to reach millions of monthly mobile users and drive more in-store footfall using mobile push, email campaigns, geofencing and more. RetailMeNot also has tools to help marketers effectively attribute mobile spend to an increase in in-store sales.



Reach Shoppers Looking for Seasonally Relevant Deals

Engage RetailMeNot for the upcoming back-to-school and holiday seasons for additional exposure and cross-channel marketing promotion. With a large and engaged shopping audience, RetailMeNot extends retailers' online reach and ensures that offer reaches the right customer at the right time. Promoting offers leads to increased conversions, higher brand loyalty and a decrease in shopping cart abandonment.

THE STORE IS DEAD, LONG LIVE THE STORE



By Kent Savage, Founder and CEO,
Apex Order Pick-Up Technologies

As the media use words like tailspin, apocalypse and even blood bath to describe the state of our industry, smart retailers know the store is not dead — it's only the retailers that don't evolve their stores that will be at risk in the future. Successful, forward-thinking retailers are blurring the lines between online shopping and the in-store experience to make their stores flexible enough to adapt to rapidly changing customer needs.

THE STORE IS NOT DEAD, BUT IT COULD BE MORE CONVENIENT

This entire retail industry should be focused on making stores more convenient. Smart retailers are using new technology to improve existing store amenities, to improve and refresh the customer experience and to create new services. All of this activity shares a common trait: the technology streamlines the retailer's operational processes while better meeting customer needs.

EVOLVING STORE FULFILLMENT

By considering the entire fulfillment process, retailers are thinking creatively about how their stores can work harder. Take click and collect and order fulfillment for example. The traditional programs in place to handle in-store pickup and returns are not keeping up with changing customer expectations. Adding returns to the mix acknowledges its critical, yet costly, role in the shopping experience. Retailers have a financial incentive to improve this traditionally negative process — at their brick-and-mortar shops in particular. According to research, returns are only increasing in an age of e-Commerce. And yet click and collect order pickups or returns that require a customer to stand in line are inconvenient, inefficient and frustrating to customers and retail store staff. Easily integrated self-serve, automated pickup and return systems can simplify these experiences. This makes it fast and convenient for customers, reduces the cost to fulfill orders and accept returns and makes store associates more productive.

SELF-SERVE AUTOMATION OFFERS A SMART SOLUTION

Self-serve, automated lockers turn inefficient, manual processes like click and collect programs as well as returns into a low-cost, customer-pleasing service. Once an order is ready, customers are automatically notified. At their leisure, they visit the store and simply scan a barcode or enter a pickup code to gain access to the secure compartment holding their purchase. This same solution can be used for returns, including step by step instructions with every purchase. And with rugged outdoor lockers, retailers can even offer 24/7 collection and returns. Deploying smart lockers is a simple next step to evolving a store's amenities that benefits customers and retailers alike. It can enable same day order fulfillment and provides a competitive edge for the retailer. In many cases, retailers see larger orders and an uptick in sales volumes through smart locker systems. And by reimagining their stores as streamlined, cost-efficient order fulfillment centers, retailers can optimize the customer experience in a way that benefits their operations as well as their customers.



SOLUTION SPOTLIGHT

Customers have asked for convenience and the retail industry is beginning to respond. On a seemingly daily basis, industry news mentions retailers introducing new or enhanced amenities. And larger scale retailers are even unveiling new store designs that make it even easier for customers to shop.

Retailers understand that making any part of the shopping experience more convenient than before — whether it's a purchase, order pickup or a return — differentiates them from their competition.

And by reimagining their stores as streamlined, cost-efficient order fulfillment centers, retailers are optimizing the customer experience in a way that benefits their operations as well as their customers.

THE NEXT LEVEL OF CUSTOMER CONVENIENCE AND IN-STORE FULFILLMENT

By considering the entire fulfillment process, retailers are able to more easily improve their click and collect and returns processes. From existing click and collect programs to retailers exploring it for the first time, self-serve automated lockers are being used for a variety of benefits:

- **No Store Associate Interaction Required:** Customers bypass the friction of lines in stores, spending seconds, not minutes, getting their purchases and returning unwanted goods. Now customers have more free time to shop and their connection to the retail brand is enhanced.
- **Quicker, More Efficient Processes:** Online orders and returns can be processed more quickly, and store associates can focus on more profitable activities, such as assisting sales. This translates into increased productivity and fewer operational costs.
- **Two Services, One Set of Lockers:** Using a single set of automated lockers for click and collect and returns increases the value of the locker system and takes up less valuable floor space.
- **Stress-Free Returns:** Eliminating emotions from the returns process makes it a fast, easy and stress-free process. A potentially negative customer experience is now a purchasing opportunity. And store associates aren't put in a difficult situation, requiring them to appease a disgruntled customer.
- **Branded Lockers:** Lockers can easily be branded, making them easy for customers to find inside or outside the store. The customer is ensured a fast, simple experience while the retailer reinforces a positive brand perception.
- **Data Insights:** All of these transaction details can be tracked, analyzed and presented through graphical decision support tools to help improve the efficiency of a retailer's fulfillment operations.
- **In-Store Traffic Boost:** Research shows this automation drives more in-store foot traffic and encourages impulse purchases. Store sales tend to increase along with customer satisfaction.

CREATING A DATA-DRIVEN PRICING STRATEGY



By Min-Jee Hwang,
Director of Marketing, Wiser

One way that Amazon gained market share was through their aggressive pricing strategy, driven largely by the vast amount of pricing data they collect. While it can be tempting to undercut Amazon on pricing to gain sales, it's critical for retailers to create and execute a sustainable pricing strategy that improves long-term growth and profit.

The key takeaway from Amazon's strategy is not necessarily to price cut, but to take a data-driven approach to pricing. So, what should you consider as you craft your pricing strategy?

- **Pricing Strategies are Complex.** They need to take into account multiple variables such as cost, price elasticity, competitor pricing and more.
- **Determine Your Strategic Priorities.** Macy's sells everything from shoes to perfume; are they focused on growing market share in the footwear vertical, or in cosmetics? Different categories require different strategies. Amazon may not have the lowest price in certain categories, but they make up for it in volume on lower-priced items in top categories. Once you've established your priorities, it's important to keep a close eye on competitive movements across your most important categories.
- **Measure Price Elasticity.** Determine how much the quantity demanded changes with a change in price. Don't dramatically change prices of price-sensitive products as it will likely lower customer satisfaction and loyalty. Price elasticity can help you determine the limits to price changes to optimize pricing strategy. Test pricing strategies to find the optimal price that maximizes sales at the highest price consumers are willing to pay.
- **Manage Changes in Demand.** Pricing strategies need to change based on seasonality of a product and due to other changes in demand such as new fashion trends. The use of dynamic pricing can be seen most obviously in seasonal products and on trending products. It jump-starts demand by luring customers with low prices during the slow period, while maximizing revenue with higher prices when demand is higher.
- **Conduct Competitive Analysis.** It's important to stay aware of your price position relative to competitors. Which of your products are priced higher but are still winning in the market? This is where you command a premium and can maximize profit. Perhaps you are adding value in other ways such as customer service, justifying the higher price point.

Price optimization is a continuous process. Luckily, you can analyze historical data and outcomes, in addition to real time market analysis, to help make strategic decisions.

SOLUTION SPOTLIGHT

Better data, better decisions.

Wiser, a retail analytics platform, is designed to empower brands and retailers to customize how data is collected, analyzed and integrated into their existing workflows. The platform gathers and analyzes billions of data points across web stores, marketplaces, brick-and-mortar stores, emails and social media.

Using a combination of data science and human validation, Wiser generates powerful insights and integrates them with workflow software to drive measurable cost and time savings and ensure profitable growth.

Wiser integrates online and offline data collection on pricing intelligence, Minimum Advertised Price (MAP) compliance, promotional tracking and retail merchandising.

Wiser's full suite of solutions include:

Compliance

Protect your brand by ensuring pricing and merchandising compliance across your entire reseller network.

- **MAP Monitoring & Case Management** — protect your brand from MAP violators and gray market sellers more efficiently.
- **In-Store Merchandising** — focus in-store merchandising compliance efforts with real-time, crowdsourced datasets.

Market Intelligence

Comprehensive market intelligence for ultimate visibility into your business and your competitive landscape.

- **Pricing Intelligence** — understand market changes and make educated pricing decisions at speed and scale.
- **Promotional Analysis** — get insight into competitors' promotional strategies and maximize marketing ROI.
- **Private Crowd** — identify opportunities to recapture lost revenue through privately crowdsourced in-store data collection.

Optimization

Automate retail data collection, analysis and workflows to capitalize on opportunities to optimize your business.

- **In-Store Shelf Health** — measure and analyze key in-store metrics affecting brand identity and sales,
- **Online Repricing** — optimize your pricing by setting customizable repricing rules across each of your online sales channels.



TAKING CONSUMER-GENERATED CONTENT TO THE NEXT LEVEL



By Kelly Davis-Felner,
Senior Director Demand and Retention, Bazaarvoice

When it comes to a frictionless shopping experience, Amazon has certainly set the bar high. Simply put, Amazon makes it easy — easy to find what you’re looking for and compare products, to make that well-informed decision to buy, and to check out when it comes time to pull the trigger. Amazon’s vast catalog, great user experience and competitive pricing have made it the e-Commerce powerhouse that it is today. There’s no question that consumers shop a lot on Amazon, especially for utility shopping. But they shop lots of other places too, even on Prime Day. Numerous other online retailers are holding their own, and it all comes down to what they can offer — beyond just an “easy” shopping experience. Online shopping is well adopted because of its convenience — but the retailers that do it well go beyond that to deliver online shopping experiences that feel personal.

CONNECTING WITH SHOPPERS THROUGH CONSUMER-GENERATED CONTENT

Content like ratings and reviews and Q&A helps deliver conversion (106% conversion lift, according to our [latest benchmarks](#)), but it does much more. It helps retailers form an authentic connection with shoppers through engaging content that they can trust. CGC is a way for retailers to show that they genuinely want to get to know their customers and offer the best experience possible — one that lasts well beyond the transaction.

While Amazon offers a reliable foundation of CGC across their product pages and various channels, online retailers are starting to elevate their CGC strategies to include more social visual content. Social media is emerging as a significant third shopping channel, largely due to the fact that social media allows brands and retailers to show — not just tell — the story of their products. That story is told by way of satisfied customers with first-hand shopping experiences and supporting evidence such as engaging photos and videos. Bringing social content into the shopping experience enriches it and fosters trust. With this type of community-based content, it’s no surprise that best-in-class brands from the Bazaarvoice Network are reporting a 111% lift in conversions and a 180% lift in RPV among shoppers who engage with visual CGC. Still, it’s more than just conveniently-placed content when it comes to a comprehensive shopping experience. Successful brands and retailers are taking the idea of highly-relevant content even further, by offering a data-driven, personalized experience that’s unique to each individual consumer.

PROVIDING A MORE PERSONALIZED EXPERIENCE

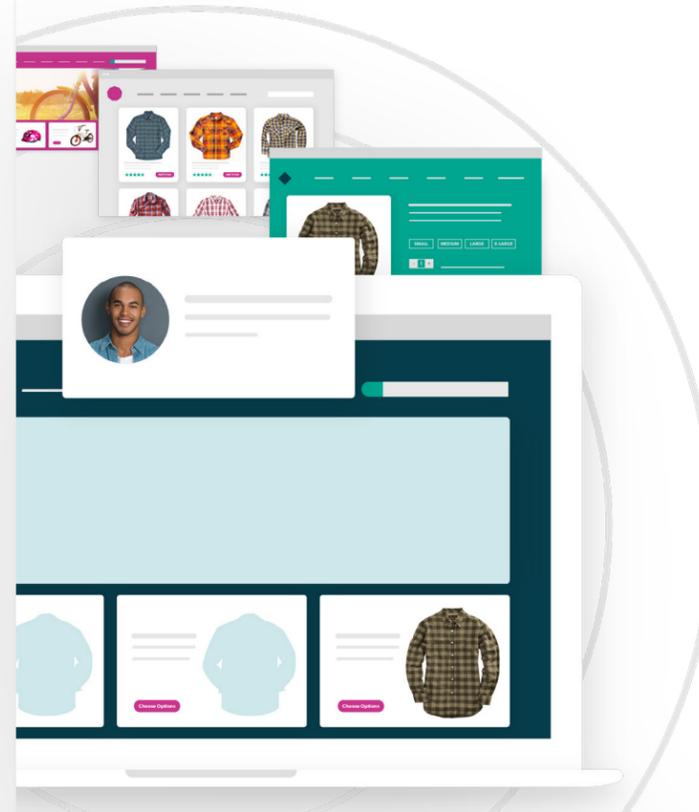
Ultimately, shoppers value shopping experiences that foster discovery. The easier it is for them to find exactly what they’re looking, the more likely they are to buy more products, more often. Getting personalization right through product recommendations and relevant ads can yield significant results, but there are risks in getting it wrong. More than 50% of shoppers say it is very useful when retailers show them products they’re actually looking for, yet 41% say bad personalization is enough to drive them to shop elsewhere.

Delivering a personalized and highly-relevant shopping experience could very well be the key to keeping a competitive advantage over Amazon. According to eMarketer, retailers that personalize their entire web sites reported a 15% increase in revenue. However, considering the aforementioned risks of bad personalization, it’s important that brands and retailers use personalization solutions that focus on more than just who the shopper is, but also what they’re actually shopping for.

SOLUTION SPOTLIGHT

Know what one in three people are shopping for before they hit your site with Bazaarvoice Personalization Data.

Get better performance from your personalization solution with data that shows you what people are shopping for. With an unmatched view into consumer research and buying behavior, you can deliver a relevant, compelling shopping experience that converts — even from a cold start.



ON AVERAGE, BAZAARVOICE PERSONALIZATION DATA SHOWS YOU WHAT A SHOPPER IS LOOKING FOR SIX MINUTES BEFORE THEY HIT YOUR SITE.

1. We Know What Your Customers Are Shopping For

Target shoppers on what they want, not just who they are. With our network of thousands of brand and retail websites, we see 1/3rd of consumers before they hit your web site, and can show them products and categories they are in market to buy from the moment they land on your pages.

2. Your Existing Personalization Solution Will Do More

Forget about lengthy implementation. Our data easily plugs into your existing personalization solution so you can focus on what matters — building relationships, delivering delightful shopping experiences, and making it easy for shoppers to find what they’re looking for right away.

3. Trust Your Data, Understand The Source

With a direct view into consumer behaviors on more than 5,700 client sites, Bazaarvoice knows what people are shopping for across the web. We source our data from:

- Ratings and reviews engagement across major brand and retail sites
- Shopper behaviors on product pages, such as purchase actions

To learn more about strategies to improve Personalization, read the e-Book:

[Get Personalization Right Or Risk Driving Shoppers Away.](#)

AMAZON SETS THE BAR FOR RETAIL REVOLUTION



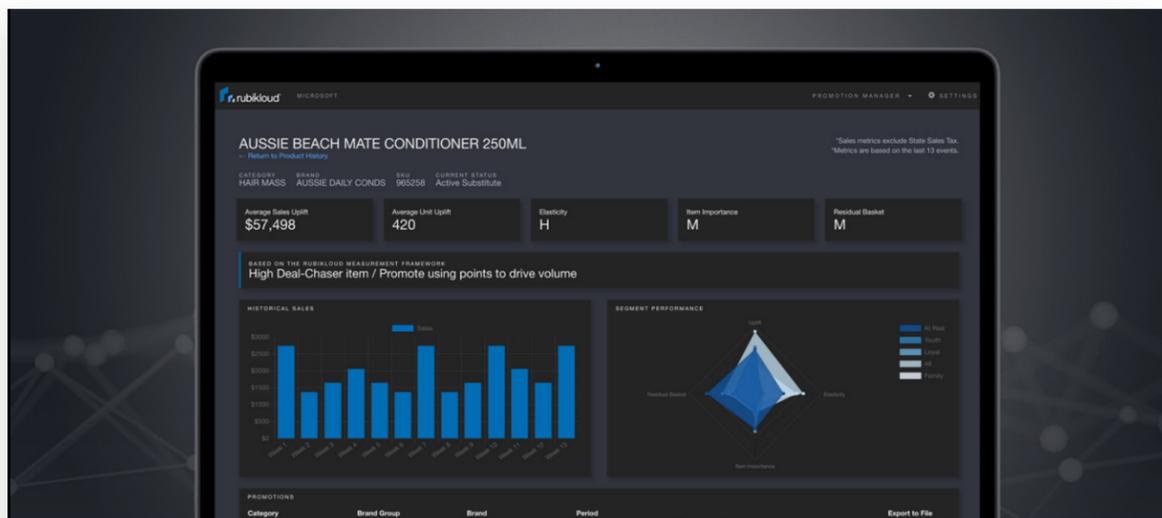
By Kerry Liu,
Co-Founder & CEO, Rubikloud

The “retail apocalypse” and “the death of brick and mortar” are common phrases echoed in the industry as pressure mounts for enterprise retailers scrambling to compete with the likes of Amazon. As one of the FANG companies (Facebook, Amazon, Netflix and Google), Amazon has passed the tipping point in its ability to collect trainable proprietary user data to the point where they understand more about their customer base than any other company in the world. Using artificial intelligence (AI) and machine learning technology, Amazon uses the massive amounts of data they collect to do everything from making their current products more successful to investing in new areas.

As identified by Jeff Bezos in his [2016 Amazon shareholder letter](#), “Machine learning drives our algorithms for demand forecasting, product search ranking, product and deals recommendations, merchandising placements, fraud detection, translations, and much more. Though less visible, much of the impact of machine learning will be of this type — quietly but meaningfully improving core operations.”

Traditional retailers can't keep up and must realize the imminent need to infuse AI with their processes. However, while AI and machine learning are hot topics, there tends to be a lack of understanding of how AI can actually be applied to solve retail business challenges. Using AI is a relatively new concept for retailers, especially those that have been around for decades and use the same legacy technologies and processes that are now the main factor behind why they're falling behind. It's not as simple as deploying “AI solutions”; this generalization of AI hinders a full understanding of what AI actually is, let alone how to apply machine learning-enabled software to make optimized retail business decisions. AI without operationalization capabilities is useless.

Amazon is a prime use case for revolutionizing retail through technology and retailers shouldn't need convincing that automation is the way of the future. In fact, Amazon's retail takeover is exactly the catalyst the industry needs to energize everyone to move faster. In today's environment, AI is just better automation and better rules, which lead to better decisions, more quickly.



SOLUTION SPOTLIGHT

Rubikloud is dedicated to changing retail with “intelligent decision automation.” Focused on the retail industry, Rubikloud has built world-leading cloud-native, machine learning enabled solutions that address the unique business issues that retailers face (i.e. promotion planning, regular pricing, inventory overstock and understock accuracy, loyalty growth, etc.) to improve performance and positively impact their P&L.

Customer LifeCycle Manager (CLCM) applies machine learning to predict customer intention and behaviour through intelligent decision automation. This solution yields deep understanding of offer and communication effectiveness to deliver the most appropriate 1:1 personalized content, with relevant and timely offers, through the most optimal channel, for each customer to maximize engagement and deliver growth. CLCM uses AI to automate customer-centric decisions through marketing channels for retailers by focusing on generating incremental revenue.

CLCM was implemented for a \$3 billion luxury cosmetic dealer for personalized campaigns across their channels and had the following results:

- 107 campaigns run
- 23,583,164 messages sent to members
- 11% lift in incremental sales

The application of machine learning in personalized campaigns yields more accurate predictions and better opportunities in generating incremental behaviour.

Promotion Manager applies machine learning to reduce the complexities of the promotion planning process to yield more accurate forecasting and automate decision-making. As the market changes, our solution continuously improves decisions for retailers to increase promotional effectiveness that drives incremental customer engagement. Promotion Manager automates the current mass promotions and merchandising process (the most expensive business processes in retail) to deliver:

- the optimal mix of promotion mechanics,
- a clear understanding of promotional effectiveness,
- more accurate forecasts that reduce stock-outs and increase revenue, and
- stronger customer experiences.

Using Promotion Manager, a \$2 billion health and beauty retailer saw the following results:

- 35% forecast accuracy improvement
- +10.6% incremental margin lift per ad
- +61.4% improvement in cost per sales dollar

The application of machine learning in the presence of complex promotion planning process yields more accurate forecasting and automated decision-making.

In order to minimize effort and resources for client deployments, Rubikloud developed tools to speed up and reduce the costs associated with onboarding new clients onto its products. These tools significantly reduce the time and resources it takes to ingest and control the quality of client data, configure the product to the specific needs of the client, and launch the product for full client use, by almost half. Each of Rubikloud's products can be deployed in months and generate improvements in forecasting accuracy, inventory forecast efficiencies, and loyalty revenue.

AVOID DRIVING CUSTOMERS TO AMAZON BY BEING OUT-OF-STOCK ON KEY ITEMS



By Mark Garland,
EVP Sales, Marketing & Solutions, 4R Systems

Nearly one quarter of Amazon’s North American retail sales come from customers who tried to shop physical stores first, according to recent research from IHL Group. Based on IHL’s analysis, 24% of Amazon’s retail sales are driven by consumers who first tried to buy an item at a physical location but found their local stores were out-of-stock on the item.

IHL has estimated that the combination of overstocks and out-of-stocks cost retailers more than \$1 trillion globally in lost revenue. While that number is alarming enough on its own, the problem multiplies when you consider that retailers are running the risk of turning a bigger share of wallet over to Amazon if it is viewed as a more convenient option for shipping and repeat orders.

We are addressing this issue with hundreds of retail clients by making sure their inventory is profit optimized. Our clients have seen annual profit improvements between 1% and 3% of sales. That’s \$10 million to \$30 million per year for a \$1 billion dollar retailer — and money that drops right to the bottom line. Other retailers can achieve this level of result even starting from relatively immature analytics capability, without significant capital investment. Here are the five steps to attain these benefits:

1. Benchmark your inventory efficiency and financial productivity;
2. Implement financial investment modeling: optimal financial return vs. chasing service levels;
3. Determine the customer behavior that drives the right mix of inventory for every item at every location;
4. Clearly demonstrate the return on inventory in a live pre/post, test/control environment; and
5. Deploy highly measurable, flexible and scalable solutions that utilize the latest advances in machine learning and advanced analytics.

By infusing retail inventory decisions with technology adapted from financial technology (fintech), retailers can now leverage their data to make profit-driven decisions about inventory — as well as many other aspects of their businesses. According to Gartner’s *Retail Assortment Planning: Not What It Used to Be*, “retailers are investing in new, analytically driven applications that will allow them to be very prescriptive with assortment in and across channels.”



SOLUTION SPOTLIGHT

Profit Optimized Store Replenishment applies a sophisticated economic model that analyzes demand patterns, inventory costs, margin, case pack size, lead times, and other supply chain parameters to determine the inventory level that maximizes profitability.

WHAT DOES “PROFIT OPTIMIZED” MEAN?

There are lots of ways to set inventory levels for the items you carry in your omni retail environment. Most methods involve some serious guess-work. Not only do traditional replenishment systems ask you to decide what the right level of inventory is, you have to do it for every single SKU-Location. That simply doesn’t scale, so you end up taking shortcuts that further compromise the quality of your decisions.

With 4R’s Replenishment Solution, there is no guessing. The right answer is the most profitable answer, and we know how to find it, for every item, at every location, every week.

That means that the time your team has been spending adjusting parameters can now be focused on more strategic challenges, while the business enjoys a substantial profit improvement.

Our cloud-based solution is designed to scale. We mine hundreds of terabytes of data to produce hundreds of millions of reorder points every week, for some of the largest retailers in the world. We also generate reorder points for small but fast-growing retailers who need a solution that is cost-effective, easy to deploy, scales with their business, and squeezes every last dollar of profit out of their inventory.

Benefits At A Glance

4R Omni Replenishment delivers profit-optimized reorderpoints for every SKU, at every location, every week.



Profit Driven Approach

We offer a replenishment solution that automatically determines the level of inventory that will maximize your profitability.



Low Risk

There are no upfront software license fees, hardware hosting costs, or staff training expenses. Profit-optimized replenishment starts accruing benefits from day one.



Scalability

We deliver hundreds of millions of reorderpoints to our clients every week, including some of the largest retailers in the world.



SaaS+

4R’s unique Software-as-a-Service “Plus” delivery model provides dedicated customer service experts as well as cloud-based software. Our team performs Quality Assurance on our deliverables and consults with you on a weekly basis. They act as an extension to your team, ensuring you are receiving maximum value.

To Learn More...



Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The *Retail TouchPoints* network is comprised of three weekly e-newsletters, special reports, web seminars, exclusive benchmark research, an insightful editorial blog, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.

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