2019

E-COMMERCE TECH PREVIEW

Insights

FROM 12
INDUSTRY EXPERTS

retail
TouchPoints®

GUIDE

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RETAIL TOUCHPOINTS
2019 E-COMMERCE
TECHNOLOGY PREVIEW

Retail TouchPoints is proud to introduce the fifth annual **E-Commerce Technology Preview**, featuring insights from 12 e-Commerce industry experts.

This guide offers an exclusive and unique look at how retailers are gearing up for e-Commerce and omnichannel success in 2019 and beyond.

This comprehensive collection of e-Commerce thought leadership will help retailers determine the most effective go-forward business strategies. Key topics include:

- **Artificial Intelligence (AI) and Machine Learning;**

- **Voice Commerce;**

- **Personalization;**

- **Product Information Management (PIM);**

- **Experience Marketing; and**

- **Mobile-First Strategies.**

This comprehensive collection of e-Commerce thought leadership will help all types and sizes of retailers strategize for successful digital and omnichannel strategies moving into 2019.

Debbie Hauss
Editor-In-Chief
Retail TouchPoints

PWAs ARE THE ROUTE TO MOBILE SHOPPING SUCCESS

By Jason Woosley, Vice President, Commerce Product & Platform, Experience Business at Adobe (Magento)

Over the last few years, mobile shopping has become the prominent and preferred browsing and shopping channel for consumers across industries. Many merchants have traditionally struggled to create exceptional, engaging mobile sites and experiences — which has led to lower conversion rates and loss of revenue that could be captured on mobile.

Progressive Web Apps (PWAs) will fundamentally change the way retailers reach mobile shoppers. PWAs are web applications that function like web pages but offer all the benefits of native applications, such as working offline, faster page loading times, instant discoverability and push notifications.

PWAs remedy several of the pain points facing online retailers, including slow page loading, hard to navigate web sites, and low mobile conversion, among other issues. Here are some of the features:

- **Faster, Smoother Browsing**: According to Akamai, if your web site takes longer than three seconds to load, you may lose half of your incoming traffic. PWAs load much faster and are generally smoother to scroll and navigate than mobile web sites.

- **Instant Experience Gratification**: PWAs can be found on any web browser and there is no need for a user to "download" an app before use. PWAs can also be saved on a home page for easy access any time.

- **iOS and Android capable**: Firefox, Chrome and Safari support service workers, the technology that powers PWAs.

- **All the benefits of native apps, including offline mode**: Because of service workers, PWAs allow customers to browse offline in poor network conditions.

While some merchants have turned to native applications as their primary mobile touch point, they've proven expensive to build and do not guarantee an increase in site traffic. According to one estimate, 60% of consumers who use a smartphone to shop online have fewer than two retailer-specific apps on their phone, and 21% don't have any at all.

PWAs are less expensive to build, and can greatly impact your ability to combat cart conversion. For example, according to TruConversion, conversion rate increases 74% when page load time improves from 8 to 2 seconds. In a world where transactions made on mobile are expected to be over half of the total e-Commerce market by 2021, this is one way for merchants to create meaningful experiences that will engage, retain, and acquire customers for years to come.

VOICE COMMERCE WILL TRANSFORM ONLINE PURCHASING AS WE KNOW IT

By Frédéric de Gombert, CEO and Co-Founder, Akeneo

More than 40 million Americans own smart speakers. They are using these voice-activated AI assistants to do more than just turn on the lights, report the weather, and play their favorite music — they're also using these speakers as personal shoppers. According to a February 2018 report by OC&C Strategy Consultants, voice shopping will generate $40 billion in revenue in 2022, up from just $2 billion today.

Like the advent of e-Commerce in the 1990s and mobile in the late 2000s, voice shopping is poised to transform online retail. One could even say that voice activation represents the new Internet user interface. To get ahead of this rapidly emerging shift, retailers need to think ahead about how to revamp their entire product data strategy, so that they can begin to adapt to what is increasingly known as "voice commerce."

AI-enabled voice commerce carries significant benefits for both consumers and retailers. Shoppers are able to research and make hands-free purchases regardless of where they are or what they're doing. By the same token, brand marketers can provide shoppers with the kind of personalized experiences that will make them repeat customers.

Increased Opportunity For Brand Interactions

Projections show that the number of people using voice to shop will skyrocket in the coming months. eMarketer estimates that, by 2019, 69.7 million people in the United States will use smart speakers at least once a month, and more than 32% of them — 23 million — will be voice buyers.

AI technology will ultimately allow customers to scour millions of products online and find those that meet their specific needs. Brands will be able to engage with buyers wherever they are, whenever they need something — whether the user is preparing family dinner, out doing errands, or gardening in the backyard.

Optimizing product attribute data for relevant contextual voice queries is an increasingly important way for brands to generate more customer interaction and purchases. For example, a person planning a camping trip in the Pacific Northwest might ask a voice assistant, "What is the best way to waterproof my tent?" To ensure that their brands are featured at the top of these conversational search results, outdoor equipment retailers need to organize and present product information in a way that answers a broad range of customer questions.

Getting Personal

As voice assistants become smarter and more interactive, they will amass greater insights into users' purchase preferences. As a result, they will become increasingly capable of recommending the right products at the right time to consumers based on their previous voice shopping patterns.

In today's experience economy, the ability to offer personalization can make or break a brand. According to Accenture's *Global Consumer Pulse Research* Report, 44% of customers say they are frustrated when companies fail to deliver relevant, personalized shopping experiences.

In 2019, voice-activated product search will be one of the technology disruptions that brands and retailers simply cannot afford to ignore. The good news is that it's still possible for companies to get ahead of the curve. Merchants who are proactive in enriching their product information to include conversational capabilities will outpace competitors in the race to take full advantage of voice commerce.

WHY ADAPTING THE PAYMENT EXPERIENCE TO SHOPPERS WILL HELP RETAILERS 'WIN' AT E-COMMERCE IN 2019

By Ralph Dangelmaier, CEO, BlueSnap

In 2019, retailers will notice an increasing number of mobile-based, global e-Commerce transactions. Global mCommerce sales rose 40.3% last year to $1.357 trillion, representing 6.0% of total retail expenditures. This trend will continue in the following years. So, what does this mean for e-Commerce retailers?

Increasing Support For Mobile Wallets

Shoppers can pay with a mobile wallet like Apple Pay in-store, in-app and on e-Commerce web sites. These will continue to close the gap between e-Commerce and retail.

Retailers who accept mobile wallets at the POS offer their customers a more streamlined checkout experiences. However, education of available technologies is vital for widespread adoption by consumers and retailers. Here are three wallets that will be widely adopted in 2019:

1. Mobile-first wallets: Mobile-first wallets, like Apple Pay and Google Pay, are those that were designed for mobile browser and in-app purchases. Customers can add their favorite credit or debit cards to these wallets and pay using whichever one they choose. Payment is quick and easy — boiled down to a single click and identity confirmation.

2. Browser-oriented eWallets: Other mobile wallets, like Visa Checkout and Masterpass, were designed for the browser checkout experience regardless of device. They reduce the steps involved in checkout, shortening the process to just a few clicks.

3. Stored-balance & credit card eWallets: Some eWallets, like PayPal and Alipay, offer users the ability to keep a balance of funds stored in the mobile wallet itself, unattached to a credit or debit card. They can also link the eWallet to any preferred credit or debit card as well.

As mobile transactions continue to grow, retailers would be smart to prioritize these new technologies and shopper experiences. However, prioritizing mobile will not help you capture every shopper in 2019. Retailers must think about their international shoppers, too.

Localizing Payment Methods And Currencies

Did you know that 65% of consumers would make a purchase from a merchant outside their own country if the price is right? If your global payment setup isn't up to par, you could lose as many potential sales as you attract.

Here are three ways you can ensure your global payment experience is appealing to international visitors:

1. Present your website in their native language: Shoppers want to be able to read the checkout page; if they can't, comfort levels plummet. Ensure your payment technology can detect a shopper's IP and serve up the payment page in the appropriate language.

2. Present the 'total cost' in their local currency: 23% of shoppers will abandon a sale if they can't see the total cost in their local currency. When the local currency is unavailable, it makes shoppers uncertain of the final cost. To avoid losing sales, your checkout page should automatically adjust purchase prices to the correct currency based on a shopper's URL.

3. Offer the locally preferred payment option: Shoppers will abandon their purchase if they don't see a local payment option they prefer. Outside the U.S., the majority of sales are done using other payment methods, anything from cash vouchers to bank transfers. Make sure your transaction experience supports all of these.

Navigating the plethora of payment methods available around the world can be a challenge for retailers. The landscape is mostly a jigsaw puzzle of localized payment types.

To keep up with the rising trend of mobile-based global e-Commerce, retailers need the right pieces in place to convert the maximum number of sales, and that requires increasing support for eWallets as well as local payment methods and currencies.

ADVANCED ANALYTICS DELIVERS DEEPER INSIGHTS INTO THE CUSTOMER JOURNEY

By Santi Pierini, President, CAKE

The e-Commerce market continues to evolve and flourish. And not only does the digital landscape make it easier for consumers to make all kinds of purchases online, it also makes it much easier for them to research products, access ratings and reviews, and look for the best deal possible. In fact, 88% of consumers engage online in the pre-purchase research stage, which means it's no longer sufficient for marketers to start the "getting to know you" process once a customer clicks "buy" or signs up for a loyalty program or email updates. To stay competitive moving into 2019, online retailers require innovative strategies to understand intent and strengthen connections with potential customers before they make themselves known. This calls for an evolved method to how we measure and optimize the customer journey — in particular, the critical, yet often overlooked "anonymous customer journey."

At a time when the online customer journey is spanning more channels and devices than ever – from social and search through mobile, video, email and more — the prevailing approach to tracking and measuring marketing performance has been slow to keep up. This has led to an incomplete view of how each digital "touch point" contributes to a conversion.

Capturing data once someone signs up for a newsletter, adds their name to an email list or makes a purchase is of course critical. However, that only gives part of the picture. Many points of engagement that influence consumers happen in the 'anonymous' portion of the customer journey, which is before they identify themselves. For example, this can include when they are doing a Google search, reading reviews or simply browsing products on an e-Commerce site. To be more effective, marketers need to both accurately measure and connect insights from across the entire end-to-end customer journey.

So, Here's The Million-Dollar Question: How?

Fortunately, ongoing advancements in marketing analytics are making it easier for brands to evaluate advertising performance more holistically. The key to making this work includes:

- Moving away from traditional, silo-based approaches to measurement. Gone are the days of logging into multiple platforms and trying to stitch together performance data from each channel. Marketers need to choose a single marketing analytics tool, incentivize teams in charge of specific tactics (like paid search or social) to work together and create standard KPIs that can be applied across multiple channels and devices.

- Leveraging multi-touch attribution models that are capable of accurately weighing how each marketing touch point is contributing to the consumer's path to a conversion.

- Taking action based on the marketing intelligence insights they gain to create personalized campaigns that excel at engaging people at all stages of the marketing funnel, including the anonymous portion.

Advanced analytics capable of measuring both the anonymous and known customer journey presents marketers with the opportunity to capture a gold mine of valuable information. For example, a leading online e-Commerce company took significant strides in capturing detailed insights about how its campaigns were performing across a range of online channels, across the entire customer journey. This enabled the retailer to better understand the synergies between the digital channels, as well as identify the optimal combination of funnel strategies and activities for attracting qualifying prospects. And the result? The organization increased its average monthly conversion rates by **75.2%** and boosted its average monthly revenue growth by **72%**.

When data about preferences and decision-making habits is connected to intelligence about how and what people purchase online, marketers will become more successful at engaging consumers and ultimately improve their return on advertising spend (ROAS).

THE EMOTIONS AND MINDSETS OF SHOPPERS IN THE DIGITAL ERA

By Liraz Margalit, Ph.D., Head of Behavioral Research, Clicktale

Emotions inform almost all human interactions. They drive our decisions, underpin our relationships and impact our behaviors. As consumers, they're the connective tissue between what we think and what we do — influencing everything from what we choose to watch to what we choose to buy. So, it stands to reason that engagement between consumers and brands is, more often than not, an emotional process rather than a rational one.

But while there is greater understanding of the importance of consumer emotions, many brands still fall short of applying emotion to the customer experience. And there are two main reasons why this disconnect continues. The first is that many brands fail to consider the full range of emotions, while the second is a lack of appreciation for how customer mindsets and behaviors differ depending on the device and channel in use.

Emotions, Intent And Customer Behavior

Today, customers are influenced by everything from hunger to boredom, to tiredness and stress. Clicktale's research report revealed that **40%** of shoppers indulge in "retail therapy" as a method of relaxation; additionally, **12%** of respondents consider online shopping to be a stressful process, with **15%** having lost their temper with an app or web site.

The element of interest here is the emotion behind the initial engagement and the role the customer experience plays in either reducing or fueling that emotion. In this case, the customer interacts with the brand to relieve stress, only to find the experience causes yet more stress. Unsurprisingly, the most significant stressors came at the checkout stage, with failing voucher codes (**83%**), apps freezing prior to purchase (**77%**) and slow loading pages (**81%**) being among the biggest issues.

If a consumer is looking to alleviate stress through shopping, and interaction with your brand only serves to elevate that stress, then your customer experience is flawed. So, to deliver a first-class customer experience, it's vital that brands consider the role and effect of emotions.

Understanding The Mobile Mindset

In addition to emotions, the other big consideration for brands is the consumer mindset brought about by the use of different devices. Today, single-channel shopping is very much a thing of the past. Consumers now interact with brands across multiple devices and multiple channels. The consumer mindset differs significantly depending on the device in use, especially smartphones.

The main conclusion from recent research was that when unlocking their smartphones, consumers enter a psychological safe-zone, or rather a "mobile mindset" in which they seek content that provides comfort and relaxation. What this mindset means for brands, in real terms, is that consumers make different browsing and purchasing decisions when using smartphones.

Within the "mobile mindset," consumers are **35%** more likely to engage with entertaining content such as pop culture, sport or films than factual, scientific or 'hard' news. They also prefer fast, functional and convenient content that consists of a short user journey and satisfies their need for instant gratification. Therefore, brands should consider using mobile redirects and responsive designs to make clearance items, coupons and store locators more prominent. At the same time, they should also downplay long-form content like Q&As on customer service pages.

The immediacy and quality of the experience are paramount when it comes to mobile journeys. In fact, it's so important that close to a third of respondents (**31%**) state that they'd be willing to pay more for a product or service if the mobile shopping experience is efficient, while **43%** reveal that they would pay more for items from brands that provide a five-star shopping experience.

2019: THE YEAR OF EXPERIENCE AS A DIFFERENTIATOR FOR E-COMMERCE

By Michael Girard, Chief Marketing Officer, e-Spirit

Product and price have long been significant drivers for online purchases, and will continue to be for particular market segments. However, the most successful e-Commerce companies in 2019 will leverage the power of technology and innovation to build an emotional connection with shoppers.

In the changing landscape of e-Commerce and retail, initially there was a tectonic shift in the foundation of the traditional retail industry, as Amazon began its takeover. Newer companies, along with more traditional retailers, are challenging the Amazon take-all model and achieving their own levels of success. For example, **Wayfair** has grown to a $4.5B+ company, standing in the way of Amazon's dominance of the furniture market. Companies like **Sugarfina** and **Casper** are tapping into the power of innovation to create differentiated experiences.

These companies are coupling innovation with technology as part of a broader strategy to be a more significant part of their customers' lives. They are educating their customers, providing an opportunity to interact with their fellow shoppers in a community, and giving them a chance to express themselves. By developing this deep emotional connection with their products and organization, e-Commerce retailers will succeed in 2019 and beyond.

Here are select marketing and technology trends and guidance to achieve this deep connection with customers:

1. Understand customers' deepest passions. The fastest growing companies will become an intimate part of individuals' lives; and these individuals will be proud of their connection to these companies. The Dunkin' inspired Promposal Box is just one example by innovators at Dunkin' Donuts. Five fans got the chance to win "a limited edition, tricked out Dunkin' promposal box, complete with lights, sparkles, donut puns, and of course, donuts! To enter, fans commented on Dunkin's Instagram post telling why they want to give an epic Dunkin' promposal using the hashtag #DDPromContest."

2. Tap into the power of content (at scale) to facilitate an emotional connection. The power of content + commerce is rapidly becoming available to marketers. A Content Management Solution becomes all the more important for increasing content creation when expanding into different product lines and/or other countries and languages. Companies are also able to create newer forms of content at scale such as more visual and interactive images and videos, promotions, shoppable images and videos, and user-generated content. Natural language generation, will also get more attention in 2019.

3. Individualize customer connections with machine learning. Personalization software puts the power of innovation at marketers fingertips — and machine learning makes this possible at scale. The most successful solutions access data from internal, external and behavioral sources. These solutions enable marketers to use data to identify audience microsegments and deliver the most effective content. With only 26% of companies delivering personalized experiences in real time, there is much opportunity for differentiation.

4. Challenge the status quo with innovation and experimentation. The most successful companies will not only expand their online presence in 2019, but they will look for opportunities to bridge the divide between online and offline experiences. At the same time, digitally native companies will move closer to their buyers in the real world through retail stores, new retail concepts and/or channel partners. Examples of technologies that will facilitate this process include interactive digital signs, VR/AR and retail automation. What better example of challenging the status quo then digital native companies opening brick and mortar stores, such as **Casper**, **Amazon** and **Warby Parker**. Casper is offering The Dreamery where you can book a nap and try out their mattresses.

AI AND MACHINE LEARNING BECOME CRITICAL TO BETTER RETAIL DECISION-MAKING

By JoAnn Martin, VP of Retail Industry Strategy, JDA Software

Too often today, retail stores are caught between two damaging extremes that can bleed away revenue or poison customer experience: out-of-stock situations and waste. Without better customer insights and data, and with so little room for error, either of these extremes can spell an end to profitability for a retailer.

But before retailers can avoid these extremes, they must deal with the increasing complexity caused by shifting customer demand. Customers expect a personalized experience whenever and wherever they buy, and that expectation can't be satisfied by the traditional statistical methods retailers have applied to projecting demand and setting pricing.

While retailers who've adopted those traditional methods have benefited from improved forecasts at aggregate levels, the limits of those "tried and true" statistical methods mean that retailers still have difficulty making day-to-day customer demand predictions. As a result, it's common to see retail decision-makers basing key planning decisions on what could be stale data, or on their own gut instincts — even for decisions like how much of a product to order, or what price points to set in a particular market. Retail decision-makers are still relying too much on personal biases to plug the gaps and limitations of the tools they have available.

In 2019, it will no longer be possible for retailers to rely on gut instinct, siloed planning processes or disconnected planning and pricing methods. To create the right assortments, maintain the right inventory levels and set the right price for each market, retailers must think more like customers — and adopt the agility and benefits that can be gained through collaboration with a proven technology partner.

Capitalizing On Data-Driven Insights

In 2019, AI and machine learning technologies in retail will transcend human computational intelligence. We will see agile, SaaS-delivered solutions that move away from simple competitive and rule-based pricing. Instead, retailers will turn to technology to optimize their forecasts and pricing. They will leverage the predictive capabilities that come from combining historical sales data with external data signals they capture through edge technologies, such as Internet-of-Things sensors (IoT) or via strategic partnerships that provide demand-shaping signals, such as weather or events data.

Here's one possible scenario: If a storm halts traffic, supply chain managers can know where their trucks are stopped and how much of a delay they're facing. But imagine also being able to answer these questions: What is every possible transit alternative, and at how much added cost? How will expediting some deliveries during the storm mesh with the rest of the supply chain when it comes to completing production or manufacturing?

Achieving Greater Predictive Capability

These new analytical insights will unlock the ability to predict real-time demand down to the lowest level of SKU or location by taking hundreds of internal and external signals into account. Retailers will be able to benefit from exception-based management while delivering a hyper-personalized experience to their customers.

These technologies are already available on the market today. In the year ahead, we'll see wider adoption of such solutions, with greater ability to predict and measure interactions between price and demand changes, then prescriptively and automatically set the revenue-maximizing and profit-maximizing prices for each stage in a product's life cycle. Expect 2019 to be the year that we start thinking less of retail AI and machine learning as "future tech" and see the benefits it has for retail in the here-and-now.

SERVE YOUR GLOBAL CUSTOMERS WITH LOCALIZED M-COMMERCE EXPERIENCES

By Craig Witt, EVP, MotionPoint

Last year, global mobile commerce sales rose by 40% to $1.35 trillion. Next year, it's expected to grow to $2.32 trillion — representing nearly 70% of all e-Commerce sales. M-commerce isn't a fleeting trend. To remain relevant next year and beyond, retailers must embrace m-commerce and serve customers on their devices of choice.

The opportunity is truly international, with the greatest growth occurring in emerging markets. South Korea, Hong Kong, Singapore and Thailand top the list of highest unique mobile user penetration by country. Mobile penetration in Asia will continue to rise, but Sub-Saharan African countries will soon become the fastest-growing mobile markets.

Search engines have already changed their algorithms to address this mobile-first shift. China's Baidu and Russia's Yandex were among the first to adapt. Now, Google's algorithm prioritizes mobile-friendly web sites in its search results. Web sites are rewarded with higher rankings when they provide quality mobile experiences.

However, optimizing your web site for Google's mobile-first algorithm is only one part of the equation. Improving your brand's online experience for international mobile-first and mobile-exclusive users requires you to take your strategy beyond SEO. Here are some tips for engaging global m-commerce customers:

1. Localize 'Micro-Moments' For Multilingual Customers

You'll want your brand to be top of mind when global consumers use their smartphones to make specific, quick decisions. Be there for your customers during these "micro-moments" by:

- **Localizing online content, especially SEO-rich structured data**. This includes store or office locations, contact phone numbers, business hours and other snippets of useful information.

- **Submitting translated web sites to local search engines.** Research the search engines your global customers use, beyond Google. Adapt to how they present search results. Start with search engines such as Naver for South Korea, Baidu for China, and Yandex for Russia.

- **Adopting a mobile keyword strategy that leverages localized search terms**. Learn what search terms local customers mostly use to find your brand or your products and optimize your localized keywords accordingly.

2. Be Social

Research which social media platforms your global customers use and execute a social strategy to engage with them. Minimize production time and translation costs by crafting in-language social posts that reuse existing translated content.

3. Ensure A Fully Functional Mobile Experience

Provide mobile-first or mobile-exclusive users with a responsive web site that loads quickly, navigates intuitively and allows shoppers to transact seamlessly. Customers in many Asian and Latin American markets favor mobile payment options, so be sure to support their preferred local payment methods.

The Takeaway

The best way to embrace the growing global m-commerce opportunity is to create an engaging, authentic in-language digital presence that satisfies the expectations of customers in mobile-dominated markets.

This requires research into how your global customers find, interact and transact with your brand on their mobile devices. Armed with that valuable information, your brand can serve them in the language they prefer, on their devices of choice.

NEXT-GEN PIM: THE FOUNDATION FOR COMMERCE

By Abnesh Raina, CEO, PlumSlice
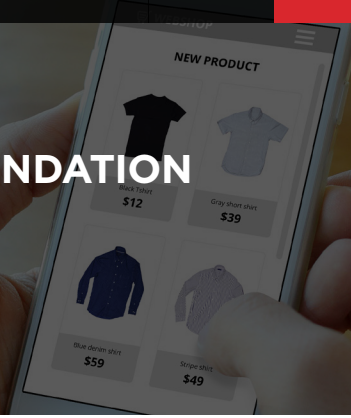
As consumer taste changes faster than ever and digital distribution channels proliferate, the infrastructures of even the most advanced retailers are being tested. To better serve customers, retailers are realizing that because products are at the core of most business decisions — from merchandising to marketing, fulfillment and replenishment — nothing can happen quickly or correctly without accurate product data, and more importantly, robust attribution.

While shopping via e-Commerce, shoppers are unable to touch, feel or try on a product. Retailers are striving to replicate elements of the physical shopping experience online, which is far easier when retailers have complete, robust, and enriched product information that is consistent and available in full, across all channels and in real time.

In order to embark on a journey to becoming a nimble digital organization, retailers must demand automated workflow improvements that cover all aspects of product content needs, including sourcing, enrichment and syndication to other enterprise systems. This reduces the amount of capital — money, time, labor — needed to maintain those systems with fewer mistakes, and makes it easy to respond to changing market needs faster. Next-gen PIM also must provide real-time information to all internal and external systems without interruption, including machine learning, forecasting, augmented reality and of course, digital commerce.

As successful retailers continue to increase their footprint across store networks and online channels, they are managing larger product assortments, making them responsible for an increasingly complex web of product characteristics, all of which can change instantly to meet new demand. Simultaneously, regardless of where they're shopping, customers need accurate, complete, consistent and real-time information to make a purchase. Fortunately, next-gen PIM provides up-to-date information they need to feel comfortable completing the transaction, and beyond

that, flexibility to change data models and attributes across the enterprise at a speed required to meet today's needs, something traditional systems were not designed to handle. Failing to provide relevant information will often lead to the shopper moving on and buying the item from a competitor who does.

Today's leading retailers have started to open their online stores to third-party vendors to create open marketplaces. Additional challenges — including the social commerce phenomenon and the need to make each channel accessible, consistent and mobile — only increase the complexity of managing product content. In order to ensure all products on the site, including those of third parties, live up to the retailer's standards, a robust next-gen PIM will ensure third-party products provide rich content that meets their standards for consistent content, while being correctly attributed behind the scenes. Together, these factors ensure a stellar customer experience that drives conversion and sales.

For retailers, next-gen PIM should also serve as a foundational element to increase the ROI of other technology investments. None of these systems — OMS, CRM, ERP, etc. can function efficiently or correctly without being fed the right data. For example, an e-Commerce platform only available to complex Tier 1 retailers may offer some product content management features, but there is no excuse to settle for "good enough" in these cases. With the ability to quickly distribute and manage accurate and complete data across the digital enterprise, retailers will see faster time to market, fewer errors, reduced costs and more satisfied customers. Next-gen PIM won't be a nice-to-have in 2019 or beyond; it has already become a necessity to succeed in today's digital ecosystem.

AN ADVANCED APPROACH TO FRAUD PROTECTION

By KC Fox, Senior Vice President, Technology Services, Radial

Retailers today continue to face an uphill battle in the ongoing fight against fraud. While wider adoption of the EMV chip and PIN standard has reduced fraud at the point of sale, it has triggered an increase in fraud in other channels — including online and mobile — as criminals look for alternative ways to cheat the system.

There are many types of online fraud, but account-takeover fraud continues to be the biggest threat to online consumers. Javelin's 2018 Identity Fraud Report found account takeover fraud tripled in 2017, resulting in $5.1 billion in associated losses.

By hijacking and gaining access to an online account, fraudsters can leverage online credentials to change account details, make purchases, and gain access to other accounts. It's a costly crime that carries an average resolution time of 16 dedicated hours and $290 in out-of-pocket expenses, according to the report. While the victim of the crime is the unsuspecting consumer, retailers often lose credibility and trust in the eyes of the consumer.

Account takeovers have traditionally been hard to detect — fraudsters are operating a trustworthy user account, making small changes and adjusting their tactics frequently — and as we look to 2019, it will be impossible to ignore.

Retailers need to implement effective fraud management solutions to keep consumers safe. Although automated screening services are a first step, this rule-based system does not evolve over time or react to changing tactics.

Protection now requires a much more advanced approach and in 2019 we'll start to see retailers leveraging advanced technology to stay one step ahead. Specifically, we'll start to see:

- **Improved machine learning models**: Leveraging data science, systems can recognize changing patterns and irregularities in datasets — such as login attempts from different devices or purchasing an unusually expensive item.

- **New datasets to improve identification**: As fraudsters grow more sophisticated and better at replicating the look of legitimate customers, brands will start purchasing datasets outside of their network to get a more accurate view and better recognize signs of potential account takeover.

- **Sophisticated velocity engines to identify fraud schemes**: Sophisticated engines can detect account takeover during login to prevent damage before it even begins.

NEXT-LEVEL EMAIL MARKETING THROUGH ORDER DATA

By Katie May, CEO, ShippingEasy

Your subscriber list is more than just a bunch of email addresses. It's a list of people with varying needs, backgrounds, reasons for subscribing, and levels of interest in your brand. It's no longer viable in email marketing to treat each of these people as a single mass, a generic persona, or a batch-and-blast audience.

Almost everything you need to better build the relationship with a customer can be gleaned from their order data including:

- Demographic information (personal or geographic data);
- Interests (based on SKUs they've ordered);
- Logical next steps in the customer journey (recommended products based on purchases);
- When to reach out to continue building the relationship (when they will need to reorder/buy again); and
- Where they exist in your customer funnel (new or repeat customers, or brand advocates).

Hyper Relevance

Expectations for relevant personalization have gone beyond a simple salutation or adding a customer's name to the subject line of an email. Personalization efforts pay dividends both in customer sentiment and sales numbers, according to OneSpot and Marketing Insider Group:

- **88%** of consumers say that personally relevant content improves how they feel about a brand; and
- **50%** say they'd spend more with a brand that provides personally relevant content.

In-depth personalization can be based on locality, purchase history, or personally identifiable information such as birthday or purchase/subscription anniversary. Tie this data to your email marketing to automate messaging based on triggers, creating a low effort, high-reward initiative.

Recommendations That Convert

Every online retailer should have in place product recommendations and abandoned cart emails. According to

Salesforce, visits where shoppers clicked a recommendation from an email comprise just 7% of visits, but drive 24% of orders and 26% of revenue. These customers spend more money and more time on site than those who arrive via other means.

A couple best practices for product recommendations: 1) Refer to the product purchased to show why you're recommending an item; and 2) Include product recommendations in the most convenient and visible places, such as confirmation emails and packing slips, as well as later in follow-up emails.

Forrester Research estimates that 87% of consumers abandon carts, resulting in **$18 billion** of lost revenue annually. Some best practices for abandoned cart emails: 1) Show the item/items left in cart, with an urgent call-to-action; and 2) Link the customer back to the cart for quickest conversion. Abandoned cart emails see an average open rate of 41.18% and click rate of 9.5%, according to Klaviyo.

Timing That's Just Right

You know your customers and your products. Put that together with customer data, and you can guarantee repeat business through repurchase reminders and automatic refill reminders.

Let's say you sell healthy snack bars in a 24-pack box. If you estimate your customers eat one per day, send a reminder email about three weeks from their purchase (especially if you offer 2-day shipping), saying, "Enjoying your snacks? Order more before you run out and get 10% off your next purchase!" You fulfill a need, keep your product top-of-mind, and increase the possibility of a repurchase. With the right software, this can be set to send automatically based on shipment date.

If you have a customer that makes a purchase and marks it as a gift, set up an automated email to go out just under a year later to see if they need to get another gift. This reminder could prevent them from forgetting. Also, you can celebrate the anniversary of a customer's first purchase or the date they first signed up to receive emails from you with a special offer.

GET COSTS RIGHT TO AVOID CART ABANDONMENT

By Mark Sieczkowski, Senior Product Manager, Vertex
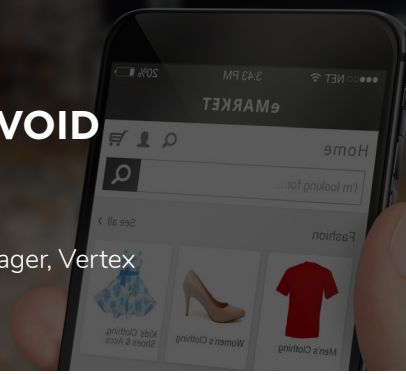
The inability to calculate total cost up front is the fourth most-cited reason for cart abandonment, according to Baymard. The reason for an unclear total price is typically due to difficulty in calculating the correct tax rate. That's understandable, because addresses on the same street and even in the same Zip+4 can have a different tax rate.

The U.S. alone includes more than 11,000 tax jurisdictions, from states, cities and districts to economic development zones and transit, library or police jurisdictions. Each has its own, frequently changing rates and requirements. It can take a retailer as much as 40 hours per month to keep tax tables up to date, and it can still make mistakes.

To avoid having tax calculation slow the checkout process, many retailers estimate the tax at a flat rate. If they over-estimate, they can simply charge the customer less than the total price provided. But if they under-estimate, card processing rules state they cannot increase the charge — unless they described the price to the consumer as an estimate. And that is just the sort of uncertainty that triggers cart abandonment. Instead, the additional tax comes out of the retailer's margin.

Other challenges include:

- Errors in tax calculation also make accurate tax reporting a challenge, and subject retailers to damages in the event of an audit;

- The process of verifying a tax exemption certificate slows checkout. But accepting certificates at face value can cost retailers if there is an error; and

- Nexus rules create confusion on when and how much tax must be charged, especially as states begin to act on the recent South Dakota v. Wayfair Supreme Court decision on online sales tax collection.

There are industry standards for delivery point validation. The benefit to the consumer of validating their address for sales tax calculation is that we can ensure we are applying the sales tax down to the local jurisdiction to ensure accuracy and no surprises.

To move shoppers quickly through checkout, it's imperative that retailers use a well-maintained, actively managed cloud solution to automatically calculate accurate sales and use taxes on shopping cart items.

When many successful retail brands began using Vertex, they automated their entire sales tax process, freeing internal resources, reducing risk and ensuring an accurate tax calculation every time, according to Tammie Stringer, Director, Sales and Use Tax. Vertex also devotes considerable resources to staying on top of every tax change, such as post-South Dakota v. Wayfair state law changes.

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Longtime retail editor who loses sleep over typos. Looking forward to covering the industry as it morphs along with social and mobile developments.

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