

2020

E-COMMERCE TECH PREVIEW

12 INDUSTRY EXPERTS
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RETAIL TOUCHPOINTS 2020 E-COMMERCE TECHNOLOGY PREVIEW

Reviewing the articles for this year's *Retail TouchPoints* E-Commerce Tech Preview, I was once again struck by how much innovation is focused on **responding to consumer's needs and desires**. Of course, providing what shoppers want isn't exactly a revolutionary concept in retail, but it's undoubtedly a higher-stakes proposition in the digital world. Shoppers that have made the trip to a brick-and-mortar store have what economists call a "sunk cost" that encourages them to make a purchase, but there's no penalty for leaving an e-Commerce site to check out a competitor — particularly when it can all happen on a mobile device that consumers carry virtually all the time.

The 12 contributors to this year's E-Commerce Tech Preview discuss a wide range of technologies and solutions, including **sharpening Amazon advertising, embracing unified commerce and AI/ML, leveraging customer data platforms (CDP) to gain shopper insights, speeding up content delivery and improving management of the last mile**. What they have in common is that almost all are tools designed to meet, exceed or in a few cases anticipate consumers' needs. I hope you'll find these insights helpful as you plan your e-Commerce strategies for 2020, as well as for the full decade ahead.

My thanks to all the participants and to our readers.



Adam Blair

Adam Blair
Editor
Retail TouchPoints



AMAZON ADVERTISING: THE MOST ESSENTIAL MARKETING STRATEGY OF 2020

By Mike Shapaker, CMO, ChannelAdvisor

It's no secret that Amazon has grown more competitive.

Not only are more sellers competing for consumer eyeballs in a limited space, but it now also seems like every one of them is advertising. Amazon has become the third-largest ad site in the U.S. and continues to gain ground each year.

When you think about it from a mobile device perspective — which now makes up a majority of online shopping — there's even less screen real estate for this influx of advertisers to fight over.

Bottom line: If you want to be seen on Amazon, you have to advertise. And you have to advertise well.

Amazon has made things easier in 2019 for advertisers to excel, introducing new features and insights. However, everyone else also has access to these tools.

So how do you stay competitive? An advanced strategy starts by building a proper foundation. Here are a few of the essential elements of an advanced, well-run Amazon Advertising account.

1. Clear Goals

When setting up a new campaign, or even kicking off your company's Amazon Advertising program, determine what you want to get out of it. And no, "more sales" is not a clear goal.

You must be able to articulate exactly what success means to you. Think about your goals like a New Year's resolution: "Lose weight" is not as effective as "Lose 15 pounds by July 1." Experiment with specific and measurable goals, such as:

- We need to increase Amazon Advertising revenue by X%, by Y date, with a [daily, monthly, quarterly, yearly] budget of \$Z.
- We need to reduce Advertising Cost of Sales (ACoS) from X% to Y% by [date]. From there, we can spend Z% more each month as long as we maintain the Y% ACoS.

2. Granular Strategies

Achieving the big goals you set for yourself requires the successful execution of many smaller strategies, and managing the many moving pieces involved with Amazon Advertising.

Know your products and understand how to clearly differentiate them from the products offered by your competitors. Here are a few questions to ask yourself when developing granular strategies:

- **Are some of your products high margin?** If so, you could spend a bit more to win some of your high-converting keywords.
- **Are your product reviews better than reviews of your competitors' products?** Perhaps targeting competitor ASINs with lower reviews is a good use of ad spend.
- **Are you launching new products in a new category?** Mining keywords with auto-campaigns may be the quickest way to initiate sales.
- **Do you have a strong brand and see numerous competitors bidding on your brand terms?** Try breaking out your campaigns by brand and non-brand segments, so you can track key metrics and protect your brand.



3. Useful Reporting

What good is doing all the work if you can't drive actionable insights? When setting up your advertising campaigns, be cognizant of your naming structures — they play a critical role in reporting.

Each campaign should be named in a way that can give you at least three major takeaways, such as:

- Brand vs. Non-Brand (BR_)
- Product Type (BR_Shoes)
- Descriptor (BR_Shoes_Hiking)

When you pull reports and start your pivots, naming conventions like these give you a lot of information.

4. Utilization of All Ad Types

To cover 100% of advertising real estate on Amazon, you need to use 100% of the tools available.

For vendors (i.e. first-party), you have access to Sponsored Products, Sponsored Brands and Product Display Ads.

For sellers (i.e. third-party), you have access to Sponsored Products and, if you are a registered brand, Sponsored Brands.

Each ad type has different strategies, reports and conversion rates. Get to know them and find out what works.

5. All Levers Pulled

Once you've started experimenting with all the Amazon ad types available to you, it's time to start pulling all the levers Amazon provides for making the most of these campaigns. That means continuous testing and optimizing of all the various features to maximize your ROI, including:

- Category and ASIN Refined Targeting within Sponsored Products
- Placement Bid Adjustments
- Dynamic Bidding
- New Automatic Campaign Match Types
- Automated Bidding within Sponsored Brands
- Brand Stores

Most importantly, your Amazon Advertising campaigns should be in a constant state of experimenting, measuring and tweaking. What works one quarter might not work the next. After all, it's only going to get more competitive in 2020.

ChannelAdvisor helps brands and retailers win on Amazon by combining industry-leading technology with a team of Amazon experts. Our centralized platform can help you automate inventory management and optimize listings across more than 100 global marketplaces. And our experienced Managed Services team knows the campaign strategies that drive performance and growth.

Whether you're a wholesale, first-party (1P) seller or third-party (3P) retailer, ChannelAdvisor gives you a holistic marketplace strategy that will help your products be seen on Amazon and beyond.



CASE STUDY: PRICE MANAGER HELPS SIM SUPPLY INCREASE GMV 20% WEEK OVER WEEK

Company Overview

In today's competitive environment on marketplaces, having an effective, automated repricing strategy is critical to gaining visibility and sales. ChannelAdvisor's repricers for Amazon, eBay, Walmart and Jet have led to great results, including a **220% increase in GMV week over week**, and a **46% increase in gross profit**. ChannelAdvisor's Price Manager feature aligns prices across sites, allowing sellers to use multiple repricers while still adhering to price parity requirements set by marketplaces.

The Situation

ChannelAdvisor client SIM Supply had successfully maintained their competitive position on Amazon using the Algorithmic Repricer for Amazon. "Using ChannelAdvisor to reprice on Amazon has helped us gain margin and stay competitive," said Joe Caldwell, E-Commerce Manager at SIM Supply. "It has also saved us time, as we previously would have to manually adjust item prices." Driven by the success of repricing on Amazon, the company wanted to begin actively repricing their products on other sites. However, they also needed to set the same price across these sites to stay in compliance with price parity requirements.

The Solution

SIM Supply set up the Price Manager feature and quickly expanded their use of ChannelAdvisor repricers. Price Manager set a consistent multi-site price, using the lowest repricer-generated price, allowing them to achieve their repricing goals on multiple marketplaces. "We use multiple repricers because we want to win on every marketplace we list on. Repricing has worked for us on Amazon and Price Manager allows us to expand our repricing activities to more marketplaces and apply those price everywhere."

The Results

After implementing Price Manager, SIM Supply saw a 20.8% increase in Gross Merchandise Value (GMV) week over week. "The use of multiple repricers and Price Manager has certainly contributed to our growth in GMV," said Caldwell. In addition to tangible results, the company worries less about the potential consequences of breaking price parity requirements. "We sleep well knowing that Price Manager will keep us in compliance with our marketplaces."



WHY CONTENT VELOCITY WILL REIGN SUPREME IN 2020

By Michael Klein, Director of Industry Strategy for Retail, Adobe (Magento)

Consumers are increasingly demanding personalized experiences from brands they patronize. Marketers are responding by investing in a variety of customer data technologies such as data lakes, data platforms and segmentation tools, to whittle their audiences down to single personas in order to better understand and engage with them.

But once you've done that work, how do you deliver a steady stream of seemingly personalized content to tens of thousands of shoppers without it seeming too generic?

With Black Friday right around the corner, it's a dilemma most marketers are probably struggling with right now. On the one hand, [81% recognize](#) they must compete around customer experience, and that [modern consumers want brands to personalize offers](#) and outreach as much as possible. On the other hand, accomplishing that is not only challenging but incredibly stressful. Indeed, 65% of marketers in a [Gartner survey](#) indicated they "feel overwhelmed by the need to create more content to support personalization," and 74% said they are struggling to scale these efforts.

Marketers face many tough challenges with content velocity and scale, where you create, manage and deliver relevant digital content at lightning speed to large groups of shoppers. But these hurdles are not insurmountable.

It all starts with having a robust [Customer Data Platform \(CDP\)](#). CDPs are essentially customer intelligence systems that empower retailers to ingest a vast array of customer information — anonymous and personal identifiable information (PII) — and stitch it together to create useful real-time customer profiles. Those profiles are critical because they track the shifting whims and desires of shoppers in order to build customized experiences that meet their needs in the moment. Profiles also make it possible to segment shoppers into [buyer persona categories](#), which allows marketers to group personalized experiences instead of having to send completely customized communications to each and every shopper.

Complementing CDPs are emerging automated technologies, such as artificial intelligence (AI) and machine learning (ML). Marketers already are using [these smart tools](#) to look for valuable insights and patterns in customer preferences and behaviors. At the same time, they let designers offload many of the more tedious, tiresome and time-consuming aspects of their content-creation jobs.

For example, a graphic artist working on images for a holiday advertiser might normally have to go through a lengthy and tedious process of reviewing, editing and preparing images for use in advertising and other marketing materials. But with AI and ML tools, intelligent content services like smart tags, smart crop and smart imaging make it easy to rapidly deliver assets across touch points, as well as repurpose images and text. And you can deliver these personalized offers to large audiences because content creation is suddenly automated, lessening the burden on individual contributors and avoiding many of the workflow bottlenecks that occur when jobs fall behind.

In addition to automation tools, we're also seeing a new breed of [3D tools](#) promising to speed the process of creating personalized content at scale. In many cases, 3D imaging and printing technologies are already replacing time-consuming and pricey photo shoots in graphic design. Rather than capturing physical images on film, you start with a 2D object, scan it to a computer, create a 3D rendering of it and adjust its light, texture and other aspects to arrive at the exact creative image you have in mind. Once done, the 3D image can be used as part of the augmented reality (AR) or virtual reality (VR) campaigns you might be running in physical or online stores or simply converted back to 2D for traditional ads.

The trend toward delivering highly personalized customer experiences isn't going away anytime soon. As we approach 2020, every marketer should seriously consider embracing the types of intelligent technology and tools enabling them to deliver customized content more quickly, regularly and at scale. Shoppers expect it, and your business success depends upon it.



CUSTOMER DATA PLATFORMS WILL BECOME THE 'ONE STOP SHOP' FOR CUSTOMER INSIGHTS

By Omer Artun, Founder and CEO, AgilOne

For the past few years, customer data platforms (CDPs) have been touted as a “holy grail” solution for unifying data and orchestrating engagement across marketing channels. Specifically, a CDP’s single view of the customer can inform engagement (e.g., messaging and offers) used across a range of channels, such as outbound email, SMS, direct mail, web site personalization, etc.

While some CDPs do include limited analytical capabilities, analytical insights are not generally the focus. But for omnichannel retailers, analytical insights are a “must have.” And it’s not just retail marketing teams that want visibility into CDP data: IT, BI, analytics, customer service and really any team that leverages customer data to drive their own success can benefit from a CDP.

In 2020, I predict more retail organizations — and more teams within retail organizations — will adopt and use the integrated analytical capabilities found in some CDPs, and that CDP vendors will meet customer demand by building out analytics, query access, dashboards and reporting functionality. In other words, there is growing market demand, particularly within retail, to provide customer intelligence to all teams whose success requires insights about customer behavior, demographics, patterns, engagement, etc. CDP providers that don’t offer these analytical capabilities risk being left behind in the CDP competitive landscape, particularly as the persistent data store of a CDP is becoming the single source of truth for all KPIs.

CDPs with built-in analytical capabilities give marketers the business intelligence to solve one of the biggest challenges facing brands today: how to better engage customers while increasing margin. Retailers capture an enormous amount of customer data, but it is siloed in various IT databases, CRM platforms, loyalty systems, etc. As a marketer, just accessing the data and gaining insights can be time consuming — time that could be better spent executing campaigns to increase revenue. But when data is not unified, requests for specific insights typically are funneled

through the IT or data science teams, causing delays for the requester and creating extra cycles of work.

In 2020 and beyond, CDP-based analytics will provide the basis for more relevant and profitable campaigns. Two examples of how this will move the needle for omnichannel retailers are:

Turning first time buyers into repeat customers: Enticing first-time buyers to come back is a high priority for marketers. Typically, when you look at the data, we can see that second-time buyers purchase within the same category. For example, if a customer bought a coat the next purchase might be gloves. With an analytical CDP, marketers can run an analysis to determine the customers from one category more likely to buy next *outside of that category*. A CDP reveals other categories each first-time buyer might be likely to purchase from, so rather than only promoting products within the same category to new purchasers, a CDP opens up additional possibilities.

Finding loyal customers and retaining them: One key drawback to ad platforms is their inability to track customer loyalty over a long period of time. Marketers that rely too heavily on ad platforms for deep customer insights are missing important elements that contribute to a growing retail business, such as determining whether the retailer is acquiring a long-term or one-time customer. With a CDP, it’s easy to track customers and see how often they come back over time, giving important insight into where marketers should allocate their budget. One good example of this is customer acquisition metrics. The Google customer subset generally has a higher average order value than customers acquired through Facebook, so investing more money into Google Ads should make sense. In reality, 50% of Facebook shoppers return vs. 20% of Google shoppers. This is the kind of analysis that takes seconds to create within a CDP, which is also capable of feeding offline transaction data to different digital platforms and empowering marketers to understand who converted both online and offline.



PRODUCT EXPERIENCE MANAGEMENT IN 2020 AND BEYOND: THE SHIFT TOWARD UNIFIED COMMERCE

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

Customer experience is a phrase that keeps many CMOs up at night. We are increasingly living in an “experience economy” — a phrase coined by Joseph Pine and James Gilmore in 1999 to describe marketplaces where customer experiences are central to business models.

The commerce environment has changed immensely since then. From brick-and-mortar locations to store web sites, social media and Amazon, shoppers now have a plethora of ways to find and make purchases. Fifteen years ago, consumers typically used two touch points when buying an item. More recently, they use an average of almost **six touch points**, with nearly 50% regularly using more than four.

In this omnichannel world, retailers need to ensure excellent experiences, and do so consistently, regardless of how customers discover and interact with their brands.

Customers don't think in terms of channels. They expect informed, personalized and convenient interactions, whether walking into a store or shopping on a brand's Amazon page. The problem for businesses is that individual channels have typically been built on standalone platforms, which don't always communicate with each other and can result in inconsistent, sub-optimal customer experiences. The root of this inconsistency is often product information. It can be lacking in one touch point but complete in another. It can be optimized for one platform, but completely wrong for another.

Product experience management (PXM), built on a foundation of highly accurate and relevant product information, is a new practice that is becoming increasingly critical to ensuring success in omnichannel commerce. Retailers and brands need to find ways to deliver effective, consistent, high-quality product experiences across all channels, tailored to how buyers absorb information in each context.

Orchestrating Unified Brand Experiences

According to Cognizant, integrated commerce will be the norm by 2025. Achieving this will require unified (not uniform) product information. Today, many retailers still manage product information using spreadsheets and manual processes. In an omnichannel environment, that is no longer efficient or sustainable. Spreadsheets cannot seamlessly connect to print catalogs, e-Commerce platforms, marketplaces, or mobile apps — much less to voice assistants or Instagram.

PXM requires the use of dedicated, fit-for-purpose tools. A product information management (PIM) system, the cornerstone of a PXM solution, provides a single source for all product data, including technical specifications, usage information, images and details that elicit emotional response — regardless of where that information originates.

Context Is King

A well-synchronized PXM solution allows brands and retailers to deliver targeted, engaging, contextualized product experiences across customers' touch points — and the foundation of all of that is PIM. For example, you might need a short, verbal description for use with a voice assistant, while a product page on a store web site would include vivid, detailed descriptions, including photos and videos that create compelling, multi-dimensional narratives.

A good PIM system offers accurate product descriptions customized for each channel. It also integrates digital asset management tools to bring product images, videos and other multimedia files to life in an appropriate fashion for each channel — all aimed at eliciting emotional connections between consumer and product. Finally, content syndication capabilities create optimized feeds to ensure that the right content goes to the right channel.

PXM improves the quality of the entire customer journey, even post-purchase, enabling higher levels of ongoing engagement and even serving to reinforce brand loyalty. In 2020 and beyond, retailers need to constantly enrich product content and refine product experience management to keep pace with the rapidly changing ways buyers interact with products and brands.



PREDICTIVE INSIGHTS POWER WINNING CONVERSION AND DELIVERY OUTCOMES

By Kirsten Newbold-Knipp, CMO, Convey

Consumer buying decisions have become increasingly complex — and in a world where Amazon and Alibaba have access to more data than the rest, the playing field is certainly not level. These behemoths — and the brands that mimic them — have used machine learning and AI for the last five years to power product recommendations, stoke consumer confidence and do basic forms of personalization, mostly focused on product and price.

More recently, these giants have turned their attention to factors that impact the purchase decision beyond product and price. They are targeting convenience, speed and ‘total cost’ including delivery as comparison points and conversion drivers.

Every brand needs to up its game when it comes to giving consumers control and visibility into how fast (and for how much money) they can get their coveted items. It doesn’t take a consumer survey to find out that the majority of consumers check Amazon for a similar product with ‘Free Prime’ delivery before they decide where to buy — just ask your neighbors. E-Commerce leaders need to partner with their supply chain teams to leverage technology that can help them win on delivery as early as at checkout.

Accurately Promise Fast, Convenient Delivery

Estimated Delivery Date is one of the new differentiators when making a purchase. All else equal, if your delivery takes one to two days longer than your competition, you’re going to lose that sale. Worse, if you predict wrong and then fail a customer in need, you might not ever get them back (83% of consumers say they won’t return to a brand after a single failed delivery).

Enter predictive analytics and the AI weapons that the behemoths use — but which can also be an effective tool for retailers of moderate size, especially when they leverage large, shared data sets. Instead of using generic delivery windows, say three to

five days for parcel and three to four weeks for a freight delivery, retailers should use predictive algorithms to provide tighter windows of greater accuracy. The difference between 2-day versus 3-day shipping could mean a significant shift in conversion rate. Ballparking delivery timeframes simply isn’t good enough anymore, especially when the technology exists to do it better.

Predict Delivery Issues Before You Break A Promise

Of course, once you’ve taken the leap to tighten up those delivery promises and increased conversion as a result, unexpected delays can still happen. A hurricane or a postal strike could result in a broken delivery promise. This doesn’t *have* to be the moment that costs you a repeat customer. Instead, similar data models can track your deliveries and identify when they stall or are likely to miss their promised delivery window. Armed with that prediction, your team can do any number of things, from upgrade a carrier service option to expedite a new order or, at the very least, communicate with your customer about the issue.

Supply chain innovation isn’t the place where e-Commerce leaders turn first when they plot their course to growth and competitive advantage. But it’s important to note that brands like Glossier, Casper, Grove Collaborative and Rent the Runway all have business models that lean heavily into supply chain innovation and outstanding customer delivery as tenets of their success. Whether it’s delighting with a beauty box subscription, making the mattress purchase process easier or pioneering sustainable and ethical consumerism, all of these companies powered their new approaches to meet consumer demand by increasing control of the delivery experience. Leveraging the power of AI and predictive insights to drive supply chain innovations that yield better conversion is something all e-Commerce teams should be thinking about now, not in 2025.



DELIVERING CONTENT THAT MEETS EACH CUSTOMER'S UNIQUE INTERESTS

By Michael Gerard, CMO, e-Spirit

The breaking down of borders, both physical and virtual, has opened up new channels for companies to reach their global audiences. While that may be great news for shareholders, it creates a variety of challenges for retail marketing executives.

In the past, content was difficult and expensive to create so most of it was created at corporate headquarters. In today's world, since rich media content can be developed inexpensively using digital tools and then posted on web sites or via social media channels, it is much harder to maintain corporate brand consistency on a global basis.

Keeping a steady flow of content that meets each customer's unique interests is a challenge for all retail marketers. For retailers, the challenge of delivering the right content via the right channel to the right customer can be quite difficult for those companies that operate globally. Entering 2020, the question retailers should be asking is, *How can marketers keep up with creating content that is tailored for each customer in each region?*

Operate Globally But Think Locally

Creating and sustaining a global brand is not easy in today's world. Messaging and corporate branding guidelines that are established at headquarters need to be enforced throughout all regions. Yet regional marketing leaders also need to be given the freedom to tailor messages to fit the cultural and language needs of their customers.

For large multinational companies that have tens of thousands of terms and images that need to be used, delivering digital content in a timely manner can be challenging. Imagine trying to manage vast amounts of content that need to be tailored to meet the expectations of local customers. It's not an easy task for retail marketing teams.

Moving into 2020, marketing leaders at retail companies should explore [advances in content management solutions](#), such as AI-based translation management technology, that help organizations deliver digital content that resonates with

customers on any channel. The goal is to turn these customers into brand advocates by creating an engaging and inspiring online experience. One way to do this is to leverage translation management technology that eases a significant time burden on the marketing department while allowing retailers to better connect with customers in multiple markets. But that's only part of the story.

For global retailers looking for ways to ensure brand consistency while at the same time providing flexibility to regional marketing teams to tailor content to their customers, I recommend the following steps:

- Outline a global marketing strategy that promotes corporate branding guidelines yet empowers regions to easily localize content.
- Deploy a technology stack that translates content into local languages.
- Leverage AI-based personalization technology that provides content targeted at each individual customer based on their specific interests.

When outlining your company's global marketing strategy, ask yourself the following questions:

- How much training is required to get content managers comfortable with translation technology?
- Will the technology reduce time-to-market for new content?
- Can AI-based personalization technology reduce the need for internal IT support?
- What processes need to be updated to ensure that centrally-created content from headquarters will be used in each region?
- Think about what cultural issues may arise in each region. For instance, an image in Europe may not be considered acceptable in Asia or the Middle East.

The message that most technology vendors provide is that new technology will reduce costs, increase productivity and pay for themselves over time. However, in today's global economy, leveraging translation technology will help improve something more — customer satisfaction.



THREE WAYS AI AND ML WILL BE USED TO STRENGTHEN SUSTAINABILITY EFFORTS IN RETAIL

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

As sustainability becomes increasingly important to consumers, retailers are faced with the heightened pressure of cutting down the environmental impact of their operations. In a recent [JDA Software survey](#) of more than 1,000 consumers, 50% of respondents said that they are very or extremely likely to purchase products that are “environmentally friendly” and/or “sustainable” compared to alternatives.

While retailers grapple to adjust fundamental business practices to address this booming trend in buyer behavior, efforts can be better supported through machine learning (ML) and artificial intelligence (AI) technology. From reducing carbon footprints to delivering more personalized inventory assortment based on locally-sourced products, retailers can use AI and ML to enhance their sustainability efforts and meet consumer expectations without sacrificing quality.

The following are three ways AI and ML will be used to strengthen sustainability efforts in e-Commerce as we move into 2020:

1. Better demand prediction: Excess inventory is a growing problem across all industries, particularly retail. E-Commerce has created new levels of demand volatility, causing companies to overstock inventory to ensure fluctuating demand can be met in any circumstance. While this may aid in meeting customer demand and satisfaction, excess inventory leads to excess products that are unused and often unrecycled, as well as more waste generated from production processes. According to IHL Group, the cost to retail companies of overstocking in 2018 was more than \$980 billion worldwide.

AI and ML can help retailers meet growing supply chain demand volatility and its resulting sustainability complexities head-on with improved forecast accuracy, achieved through deep-learning capabilities, and autonomous action derived from analyzing real-time digital signals. The cognitive analysis of these signals, or data sources — including special events, weather, social trends and localized demand — gives planners the ability to make informed decisions aligned with their sustainability goals. Companies can avoid boosting inventory levels to reduce product investment, wasted products and materials and carbon emissions due to excess supply and added production.

2. More efficient fulfillment and allocation: Supply chain systems that analyze and learn from high volumes of real-time data can also recognize factors that lead to inefficiencies and downtime throughout the fulfillment and allocation processes, and avoid those behaviors.

For example, by using weather forecasts and port congestion data, the resulting impacts these factors have on freighters can be predicted to determine which shipments will be late. These insights reduce downtime caused by uncertainties in planning and operations, which reduces wasted time and resources through more efficient allocation. If assets wait idly assuming timely shipments, additional resources and energy must be used to fill in gaps, widening the carbon footprint.

3. Improved warehouse management: Strengthening sustainability efforts in the warehouse is a double-edged sword. On one hand, retailers must meet their customers’ lofty demands for faster deliveries. However, they now need to do to this in a way that is environmentally conscious.

Smart optimization of the warehouse is fueled by AI and ML, leveraging continuous learning to improve how assets, including the workforce, are most effectively used in daily operations. Technologies including headsets with hands-free displays will guide workers through daily tasks using prescribed actions gathered from autonomous learning. AI and ML will not only increase workforce productivity, but they will also strategically optimize warehouse layouts, docking schedules and resource allocations to streamline all activities, ultimately cutting down wasted time and resources. Optimized layouts and scheduling cut down back-and-forth time of assets which can make the most of every trip, minimizing energy consumption.

Companies that embrace AI and ML technologies will gain new insight into demand drivers and customer behaviors, unlocking new efficiencies in sustainability across e-Commerce supply chains. Those that don’t will face mounting scrutiny from a consumer that cares about more than just a timely package. With more accurate demand forecasts, more efficient fulfillment and allocation and improved warehouse management, retailers can use AI and ML to reduce carbon emissions and energy consumption while strengthening sustainability efforts across supply chains.



HOLISTIC COMMERCE ACROSS ALL CHANNELS IS KEY TO A SUCCESSFUL CUSTOMER JOURNEY

By Gerard "Gerry" Szatvanyi, Founder, President and CEO, OSF Commerce, an OSF Global Brand

The modern consumer is no longer a single-channel shopper; they aren't even a multi-channel shopper. Call it what you want — omnichannel, connected commerce — now more than ever it is essential that retailers unify every commerce touch point for customers.

Retailers need to evolve their business strategies and anticipate customer preferences if they want to stay competitive and continue to grow. Providing a holistic commerce experience across all channels is vital for delivering the best customer journey for consumers and the best business model for retailers.

Advance Your Marketing Strategies

Marketing to today's omnichannel consumer can be a challenge. Retailers need a marketing strategy in place that listens to customers and meets them where they are. It is essential to have a system in place that allows them to break down the data silos within their business.

According to [Salesforce](#), 62% of shoppers still prefer to shop in-store, but retailers are still struggling to find the best way to identify customers as they walk through the door. Most retailers can send emails, texts and mail for relevant offers to customers who make purchases online, but that data is often lost in translation in a brick-and-mortar setting.

A recent survey from [Boston Retail Partners](#) (BRP) found that 87% of consumers are interested in a personalized and consistent experience across channels. Companies should begin to employ handheld devices in-store as well as other technology like AI and machine learning to help create a seamless shopping experience.

Whether it's a simple email collection or a mobile app that pushes notifications to nearby customers who have opted-in to the program, retailers should be investing in customer identification technology. When Customer A walks in the door, the store associates should know their preferences, wants and needs immediately.

Present Stellar Customer Service

Tedious hold music and uninformed customer service associates are soon to be a thing of the past; no longer do shoppers need to explain themselves as they get bounced from service representative to service representative.

When service reps have a clear and transparent picture of customer data, order and comment history and web site visits, not only will service tickets be resolved more efficiently, reps will be able to more knowledgeably recommend complementary products and services to consumers.

Provide An Extraordinary Shopping Experience

Omnichannel customers will often buy online and pick up in-store, or research a product online and then go to the store to buy it. In 2019, consumers are using multiple channels to make their purchases, and retailers need to be prepared to meet them at every step of that journey.

In addition to features like BOPIS and cashless payment options, retailers should consider creating innovative options like a virtual fitting room for customers in their homes, in public spaces or the store, enabling them to 'try on' and mix-and-match clothes remotely. This allows customers to quickly access additional product information without needing to walk around the entire store searching.

Data is critical in any industry, but in the retail sector, it is of paramount importance to gauge what customers need and want. Retailers need to be continually adapting — anticipating and responding to consumer preferences and fashion trends if they want to provide the best customer journey.



MOBILE APPS WILL DELIVER A 'FRICTIONLESS' OMNICHANNEL SHOPPING EXPERIENCE

By Mike Hann, Co-Founder and President, Poq



Today's savvy customers, especially Gen Xers, demand a shopping experience that is fast and efficient, and they are largely responsible for pushing a more frictionless shopping experience. I believe mobile shopping apps will help retailers meet this demand and help to dissolve the omnichannel "digital divide" in 2020.

Recent research from [eMarketer/Bizrate Insights](#) found that Gen X (those aged 34-54) are fully embracing shopping on apps, as 61% claim to have browsed shopping apps and 54% have made a purchase.

Now more than ever, retail brands can capitalize on the growth of mobile and should look to use their shopping apps to create a seamless shopping experience across channels in 2020. Whether a customer is searching for a product on their laptop or while in-store, apps bridge the digital divide to deliver a shopping experience that boosts engagement, increases loyalty and forges a stronger 1:1 relationship.

Apps are primed to change the overall customer experience and will go far beyond buy-online-pick up-in-store (BOPIS). In 2020, many more retailers will soon begin to up their game by leveraging mobile apps to create a seamless shopping journey, or risk losing customers to the brands that are using their apps to do more to engage and delight their customers.

Some of the new ways retail brands can expand the use of their apps to build a more personal relationship with their customers include:

- **Endless aisle:** The endless aisle concept is catching on in a big way, mainly because it provides the convenience shoppers demand and provides a more personalized experience. While previous iterations of endless aisle required using a touchscreen or tablet in-store, usually with the help of a sales associate, the "new and improved" version provides customers with the autonomy to use an app on their own phone. With shoppers continually logged onto the app, endless aisles can be used in-store to allow shoppers to browse items that are either out

of stock or not available in-store, and enable customers to purchase an item on the app and choose to have it shipped to their home or the store.

- **In-store personalization:** Retailers can use customer app activity and shopping data (such as wish list, cart items and browsing history) in-store to provide a more customized, personalized experience. To further personalize the in-store experience, Starbucks and many other retailers offer their loyalty scheme through their app, and over time, they can build a very detailed picture of the shopper to offer highly targeted and relevant content based on app usage. Savvy retailers know that their app customers are the most loyal to their brand and will offer incentives such as early access to new lines, or reward them with discounts.
- **Augmented Reality:** AR has become an especially innovative way for retailers to connect with customers in their homes, enabling them to virtually try on apparel (Nike or Gucci for example), beauty products or experience furniture in their home environment without visiting the store. With the rollout of 5G over the next year, AR will become more accessible to shoppers and retailers, who can utilize AR functionality to create engaging and interactive experiences in-store. AR can also be used through an app to make signage and window displays interactive. These can then provide additional product information like customer-generated reviews, stock availability and ability to share on social media.
- **"Sans checkout" shopping:** With Amazon Go stores launching to the public, we've seen stores (mainly grocery) embrace the ability to scan products on the go through mobile apps. I anticipate that as consumers become comfortable with the concept, over the next year we'll see more retailers and shoppers embracing scanning and paying for products with apps on their smartphones or through loyalty points, with no need to pay at checkout.



RETAILERS' KEY 2020 TECH INVESTMENT: CLIENTELING TOOLS EMPOWERING STORE ASSOCIATES TO SERVE AND SELL TO CUSTOMERS ONLINE

By Ben Rodier, Chief Client Officer, Salesfloor

Today's leading retailers are increasingly focused on delivering personalized customer experiences across all channels. Store associates, who have always been at the center of the in-store experience, often lack the tools they need to deliver personalized service to online shoppers. To maintain a competitive edge, retailers need to leverage technologies that will give their store associates the ability to serve and sell to online customers with the same level of service they provide in stores.

Meet 2020's Store Associate

Today's customer expects a seamless experience regardless of where and when they shop. Therefore store associates, who are often the first line of service and experience, need to be equipped to serve and sell online as well as in-store. When a customer enters a store or shops online, an omnichannel associate should be ready with customer data, buying preferences and clienteling tools that connect, delight and ultimately drive the sale using an all-channel approach.

Modernizing the role of store associates means embracing digital technology that bridges the gap between how customers are served online and in-store. It also means ensuring that associates are not losing out on purchases their customers are making online. With the right tools and technology, associates are motivated and engaged to redefine their role in stores and have a direct impact on sales.

Retailers that connect store associates to their online shoppers create measurable moments to engage customers:

- Associates are able to build one-to-one customer relationships at scale with local customers.
- Web shoppers become store buyers when they can seamlessly research online before visiting or buying in-store.
- Store associates, who traditionally convert more customers than any other sales channel, can increase online conversion rates by connecting with the growing number of digital shoppers.
- E-Commerce returns are decreased when associates armed with the right tools are able to assist customers who shop online.

Leveraging Associates Through Tech

There are multiple ways in which retailers can equip their store associates to create consistent customer experiences across all channels:

Clienteling Tools: Today's mobile clienteling apps do more than store customer information from a CRM system. They capture additional buying preferences to enhance the customer's profile. Their built-in AI-powered recommendation engines study customer data and subsequently notify associates when they need to be reaching out to specific customers, and with what messaging. Since **73% of consumers** say sales associates who remember their personal preferences impact how much they buy from a retailer, sending personalized product recommendations can have a significant impact on average order value.

"Mobile" Endless Aisle: Mobile apps used by associates can provide access to real-time inventory across all stores and the web. With this information items that are available in other stores or online can be added to the customer's cart. Associates thus save the sale in a few clicks, and customers leave satisfied.

Mobile Checkout: Associates that can check out a customer anywhere on the sales floor, whether the merchandise is from that same store or a different location, help make shopping and buying frictionless. Scanning of items using a mobile device should be a no-brainer for today's associates, yet many retailers lack this capability.

Omnichannel Service: According to a Salesfloor study, **77% of consumers** are more likely to make a purchase from a sales associate who has helped them before. Today's tools allow associates to assist e-Commerce shoppers with product recommendations through email, SMS, live chat, social media (including shoppable posts) or messaging apps such as WeChat, WhatsApp and Facebook Messenger.

There are multiple technologies that will impact e-Commerce in 2020, but retailers can now consolidate the solutions needed to bridge the gap between online and offline service in a single app. Their focus should be on their biggest asset — the associates that interact with customers daily. Expect 2020 to be the year that store associates shine in the spotlight of successful digital and clienteling strategies.



THE FOUNDATION OF CONNECTED E-COMMERCE IS ARTIFICIAL INTELLIGENCE

By Divya Agarwalla, SVP, Product Management, Salesforce Commerce Cloud

In thinking about e-Commerce, many brands do not yet recognize the power of AI for relationship building, as it is fundamentally based on human intelligence processes and designed to match them as closely as possible. When AI is adopted into the e-Commerce experience, brands have the opportunity to become that gift-giving friend, to build a personalized relationship with the customer that continues to progress over time.

The adoption of AI for e-Commerce has already been around for quite a while in the form of basic product recommendations from companies such as Netflix and Amazon. But we've just begun to scratch the surface with AI.

Four Ways AI Will Transform E-Commerce

1. Product Discovery Through Images: Today, if a consumer wants to shop for a specific item — let's say a brown couch — the experience can be fairly chaotic. A Google search often leads to a web page with a random assortment of items, many of which are not reflective of what the consumer is actually searching for. It's no wonder that [62% of Millennials want to be able to seamlessly search for what they can see over any other discovery methodology](#). As visual search improves and items are tagged based on real attributes of the photo, the shopping experience for customers will also improve, helping customers find what they're looking for faster and more accurately. We've already seen this in action and working well with Google Photos as well as with our own [Einstein Visual Search](#) feature.

2. Automation Powers Convenience: We're still living in an age where we have to proactively shop for our everyday use items. Yes, subscription boxes or quick food delivery sites can bring items to the front door without much thought, but we still have to proactively add items to an online cart or set up those subscriptions. In the future, AI should have enough data to do the

shopping for us, or at the very least proactively prompt us to begin the process.

3. Omnichannel Personalization: Shoppers often start their purchase journeys wherever the content is. In the past, that content was on a single e-Commerce site, where a customer would make their final purchase. Today, these journeys and purchases can happen on many different channels — Pinterest, Instagram, voice assistants and more. The other catch? Customer journeys may start on one channel and end on a completely different channel. This leaves brands with an almost impossible task of creating a consistent, relevant and personalized customer journey. In order to deliver these journeys that the customer today demands, brands will need to leverage commerce platforms that can harness all of these data points together to deliver relevance no matter the channel.

4. Improving Merchant Efficiency: Most businesses and consumers might think of AI in e-Commerce as end-shopper facing. However, there is a huge opportunity for AI to make e-Commerce processes more efficient across the board. When mundane tasks are automated away, merchandisers are free to spend their time on more valuable activities. For example, AI can automate the creation of personalized product bundles, a task that would take the merchant many hours each week for a high turnover fashion business.

With [62% of customers open to the use of AI](#) to improve their experiences, it's imperative for e-Commerce brands to adopt the right solutions and not get left behind. But to compete in an AI-driven world, retailers need to really think "data first" and have systems where they can connect all the data on a given shopper together.



HOW DATA FUELS SUCCESSFUL E-COMMERCE MERCHANTS

By Christopher Vaughn, VP of Marketing, ShippingEasy

Every interaction a customer has with brands is a data touch point that can be used to create personalized experiences. Where they shop, how they interact with email content (and on which device), how fast they want items shipped, whether they purchase gifts or not — the amount of data is nearly endless. How e-Commerce merchants use this data directly impacts the success they find in keeping customers and discovering new ones.

Customers demand personalized experiences, and they're making that known with their dollars. According to a consumer survey by Adobe, accurate content is crucial. Anything customers feel is spam, non-optimized or irrelevant is frustrating and can hurt a brand.

In the do-more-with-less world of e-Commerce, SMBs with minimal budgets are competing with retail giants that have six-figure marketing spends. It takes the smart use of data and the right automated processes to create a personalized experience that can rival, or even outperform, what the larger retailers and marketplaces can do.

Personalization Is Table Stakes

Personalization now goes beyond the simple usage of someone's name in a salutation or subject line. In a recent eMarketer study, 50% of respondents said they want personalized recommendations from merchants, and they expect that merchants will use their purchase history to do so. When customers feel like you "get" them, they become more loyal and your email marketing keeps you top of mind.

Personalize At Every Step Of The Customer Lifecycle

From the introduction to the loyalty play, every step of your e-Commerce customer lifecycle should involve personalization. Here are a few touch points in a customer lifecycle and how personalization fuels each:

The Welcome Email: This is your first touch point with a customer. You likely have their name, so that should be the minimum for personalization. Including a special welcome coupon for their next purchase can be a nice gesture but including product recommendations based on their purchase immediately establishes that you're a merchant who pays attention. Plus, it introduces the customer to more of your products.

Review Request: Reviews fuel e-Commerce: 72% of customers say they don't take action until they've read reviews. Successful merchants use customer purchase data to send review requests at just the right time. These can be reviews of the process of doing business (sent shortly after delivery) or product reviews (sent at a reasonable time for the customer to have experienced the product).

The Buy-It-Again Reminder and Win-back Email: Your customer purchase data can fuel repeat business even if it's been a while since the customer has shopped with you. A perfectly timed buy-it-again reminder can create continuous conversions, similar to Amazon's subscription model. This is perfect for finite items like coffee, supplements, edible products and more. These can also be used when customers purchase gifts, with a reminder around the same time next year to make another purchase.

The win-back email is crucial to reducing customer churn. Typically, merchants will send these anywhere from 60 to 120 days after the last purchase date, depending on product and customer lifecycle. These emails can include discounts and coupons or be a simple reminder that the customer hasn't stopped by. A compelling subject line with some immediacy helps increase open rates. Regardless, win-back campaigns are a powerful way to use data.



“ Abandoned cart emails are some of the highest-converting emails, saving around **29%** of abandoned carts. That can translate to thousands of dollars in reclaimed revenue. ”

CHRISTOPHER VAUGHN
SHIPPINGEASY

Abandoned Cart Emails: These emails are timely and require integration with your shopping cart platform. They are also some of the highest-converting emails, saving around 29% of abandoned carts. That can translate to thousands of dollars in reclaimed revenue. Industry metrics show that about an hour after cart abandonment is best, but you should always test and let the data guide you. Crucial to the success of these emails is a link back to the cart with items still ready for purchase, and adding product images to remind customers what they left behind.

Data is a crucial element to e-Commerce success for any size business, but particularly for SMBs to level the playing field against larger retailers and marketplaces. By implementing some of the above opportunities, SMBs can stand out in the inbox and create loyalty that rivals competitors and creates lifelong customers.

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