THE ULTIMATE GUIDE TO CONNECTED COMMERCE:
EXPERT PERSPECTIVES ON NEXT-GEN RETAIL EXPERIENCES

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SPECIAL REPORT

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INTRODUCTION

In the new world of retail, there are no channels...only experiences. But for brands and retailers to successfully navigate this emerging landscape, they have to craft those experiences using the channels and techniques that will resonate most strongly with their target customers. They also need to harmonize those experiences across multiple customer touch points, whether it's a brick-and-mortar store, a website or social platform, an augmented reality experience or even via QR codes on their products' packaging.

This Connected Commerce Guide provides expert perspectives and practical advice on creating relevant, memorable experiences throughout the shopper's journey, including:

Contactless or experimental brick-and-mortar stores

Leveraging social proof to create more confident purchasers

Adding experiential components to existing physical stores

THE FUTURE OF PRODUCT ACTIVATION LIES IN YOUR PRODUCT EXPERIENCES

By Kristin Naragon, VP Global
Marketing & Strategy, Akeneo

There's no debate that there has been a dramatic shift in consumer behavior in the past decade, and particularly within the last few years, as a result of the pandemic. The trend, which I'm sure is a surprise to no one who has access to the internet, is heading straight toward omnichannel digital experiences. Ecommerce sales have surpassed **$4.28 trillion** since 2020 alone, and is projected to rise above the **$6 trillion** mark by 2024. That means that almost **one-quarter** of all retail sales are happening online, and that percentage is only going to get higher as new technologies offer innovation and never-before-seen shopping experiences.

According to *Forbes*, nine in 10 shoppers expect their interactions to be consistent across all channels, meaning the vast majority of shoppers are checking multiple channels, sources and touch points to make a single purchasing decision, and they expect to have a cohesive experience regardless of where they go next. They're checking out your Amazon page, your social media presence, your website, review sites, etc. The list is ever-evolving and never-ending; **just one bad or inconsistent experience** on any of these touch points can be enough to lose that customer's trust and loyalty forever.

Customers need to feel that they can trust an organization and its products in order to make a purchase, regardless of where or how they discovered you. This trust cannot be built if they are struggling to read or even find product descriptions, understand product data, or view product assets.

In order to not get left in the digital dust, brands and retailers need to have a product activation strategy that scales to meet the needs of every existing and emerging channel. The retail industry is in the midst of a massive digital transformation, with new experiences coming to fruition in the market every day, from **AR/VR technology innovations** to **contactless or experimental brick-and-mortar stores** to "**Omnichannel Shopping Baskets**", which allow customers to store their cart data in the cloud and update or manage their cart from any device.

The challenges brands will continue to face as these technologies grow and evolve will no longer be simply getting their products online and getting their Amazon storefront built; it'll be how to create a consistent, compelling and completely accurate experience across every channel that exists, and to be prepared for the ones that don't (yet).

This may feel like an intimidating prospect to be staring down, especially as many organizations are struggling to keep up in this expanding market as is, but there are steps your team can take to set you up for omnichannel success down the road.

As with any good construction project, let's start with the foundation before we build the house. I'm talking about creating a golden record of your product information; in order to truly activate your product strategy across every channel, high-quality product information should be easily adaptable from one central location, to avoid having to re-create information for each new touch point.

Likewise, if new products or categories are added to your product line, updates need to be able to be quickly and accurately displayed in order to get your new product into market as soon as possible. Doing this requires building a strong foundation of product information that is scalable, flexible and easily manageable.

Without a dedicated system for managing product information already set in place, your product activation strategy efforts will struggle to get off the ground, and you'll be hindering your own success, turning what was once an exciting expansion opportunity into a slow, painful process that eats away at revenue instead of boosting it.

As digital experiences continue to evolve, social media continues to grow and new technologies continue to permeate the retail industry, it's becoming more clear than ever before that brands and retailers will need to have a grasp on their product experience across every channel as we wade into uncharted waters. And the key to your map lies in your product information.

HOLIDAY PEAK SEASON PLANNING: GUIDED SHOPPING AND CONFIDENT PURCHASING

KIBO

By Meyar Sheik, President and CCO, Kibo

Are you ready for the 2022 holiday season? This crucial period can make or break many businesses, which is why digital teams are looking for new ways to guarantee revenue by keeping discerning holiday shoppers engaged and loyal.

While the holidays are always a peak time for retailers, there are a few unique circumstances that brands need to consider as we head into this holiday season.

Inflation, rising prices and the continued impacts of the COVID-19 pandemic all present challenges that will affect consumer spending and behavior this holiday season. Shoppers will have stricter budgets to stick to as they check off all the items on their lists. Many may also not be comfortable going into brick-and-mortar stores and may instead choose to shop online or leverage curbside pickup.

This holiday season, retailers can be proactive by offering personalized product recommendations and engaging, dynamic content for shoppers online. In particular, merchandising tools, like a product finder or social proof, are a winning combination. The intersection of recommending products and creating a sense of urgency based on the behavior of other shoppers is what makes this pairing so impactful.

If retailers can reduce the stress of holiday shopping for consumers and make the process quick and easy, then they will have happy customers who will continue to spend money at their store.

Guided Shopping: Make it Easy to Find Products

The average shopper will encounter thousands of products while shopping online for gifts, resulting in choice overload that can overwhelm and cause cart abandonment. But with robust product finder capabilities, marketers and merchandisers can engage online shoppers through guided purchasing journeys while gathering important customer insights.

By leveraging a product finder, retailers can create highly customizable guides to help shoppers navigate across various product categories using branching logic. Customer responses are used in real time to improve the relevancy of product recommendations while the shopper is engaged, and therefore more likely to click "add to cart" and make a purchase.

With product finder capabilities it's also possible to replicate the experience of visiting a brick-and-mortar store and being consulted by a helpful, engaging store associate. The difference here is that retailers can supply this level of concierge service at scale online by providing a consultative sale for every visitor. We've seen retailers experience a **2X** increase in conversion for visitors engaging with an online guide based on product recommendations given in real time.

Create Urgency and Increase Confident Shopping with Social Proof

Social proof enables retailers to display scarcity- or popularity-based messages across key areas of a digital channel, such as an ecommerce website.

All humans are susceptible to wisdom-of-the-crowd or FOMO (Fear of Missing Out), and the concept of social proof makes it easy to use these powerful psychological phenomena to help audiences make confident purchases.

After all, if a shopper sees that an item is scarce or that 56 others have ordered a particular sweater in the past hour, they might be curious and inspired to purchase based on its popularity.

Adopters of social proof have seen significant uplifts in key metrics like conversion. In fact, our customer **Toolstation** saw **30X** ROI just from implementing social proof with popularity messaging. Adding social proof to its ecommerce site took only a few minutes of work and resulted in a **2.2%** increase in conversions, a **2%** uplift in revenue per session and even a **5%** uplift in email-driven sales.

Delight Shoppers This Holiday Season

Weeding through a dense product catalog can be cumbersome, but with a streamlined and customized shopping journey, new and returning customers can find the perfect gifts for everyone on their holiday shopping list.

Leveraging merchandising tools such as a product finder and social proof not only guarantees success for retailers by harnessing the power of personalization and customer insights, but also adds the extra touch of popularity messaging and product scarcity.

These tools drive increased conversions and bottom-line revenue and can also highlight innovation by offering a guided and engaging shopping experience that results in confident purchases and satisfied customers. With the holiday season just around the corner, now is the perfect time for retailers to implement product finders and social proof within their ecommerce websites.

Placer.ai

By Ethan Chernofsky, VP Marketing, Placer.ai

Over the past couple of years, experiential retail has become **increasingly popular** — and the pandemic only **accelerated** this trend. But what exactly is experiential retail? How does it work, and what do companies gain when they invest in offering visitors more than just a place to shop?
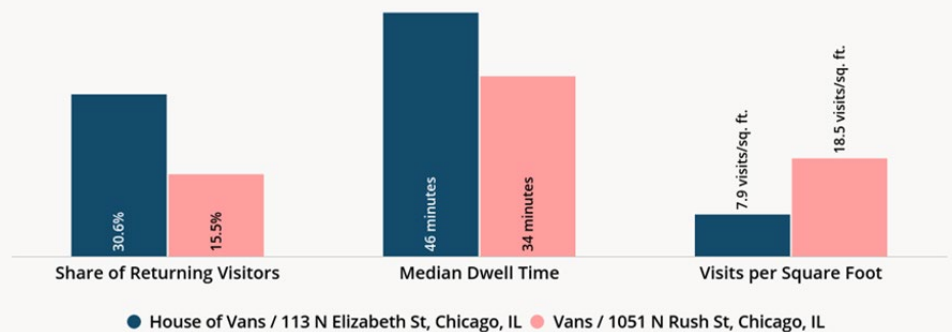
1. Including an Experiential Location in a Conventional Brick-and-Mortar Store Fleet

One experiential retail strategy is to open venues specifically dedicated to experiences. **Vans**, a well-established footwear and skating apparel retailer boasting **hundreds of locations** nationwide, opened its House of Vans in Chicago in February 2017. The venue **combines** a skatepark, music venue and event space. According to the **brand**, House of Vans is where "off the walls" lives.

House of Vans is located three miles away from a conventional Vans store, and foot traffic data shows that the conventional Vans location is typically much more crowded, seeing 18.5 visits per square foot compared to House of Vans' 7.9 visits per square foot. But visitors stay longer at the House of Vans, and visit more frequently.

House of Vans Compared to Conventional Vans Store, Chicago, IL
January '22 to June '22

	Share of Returning Visitors	Median Dwell Time	Visits per Square Foot
House of Vans	30.6%	46 minutes	7.9 visits/sq. ft.
Vans	15.5%	34 minutes	18.5 visits/sq. ft.

● House of Vans / 113 N Elizabeth St, Chicago, IL   ● Vans / 1051 N Rush St, Chicago, IL

Thanks to its skatepark and curated events, House of Vans likely attracts young skaters and other similar demographics that reflect the Vans ethos and aesthetic. By giving these visitors the opportunity to form unique memories, House of Vans can count on these individuals to act as brand ambassadors and build the Vans name among their friends and family — all thanks to the experiences provided in this one unique location.

2. Incorporating an Experiential Component to Existing Stores

Retailers can also incorporate an experiential element into their existing brick-and-mortar locations without transforming the entire venue into an experiential space. For **over a decade**, **Harmons**, a premium grocery chain in Utah, has been offering regular cooking classes in a number of its locations. The program now extends to **seven** branches around the state, and unlike the typical experiential retail format, Harmons **charges** consumers for the opportunity to participate in each lesson.

Foot traffic data from the first half of 2022 shows that visits to the Harmons locations with cooking classes consistently outpaced visits to the Harmons locations without cooking classes on a year-over-year (YoY) basis. This indicates that brands that can dabble in experiential retail may be able to ask customers to share the costs — and still see positive results.

Harmons Grocery Monthly Foot Traffic
Compared to 2021

● Harmons Locations With Cooking Classes   ● Harmons Locations Without Cooking Classes
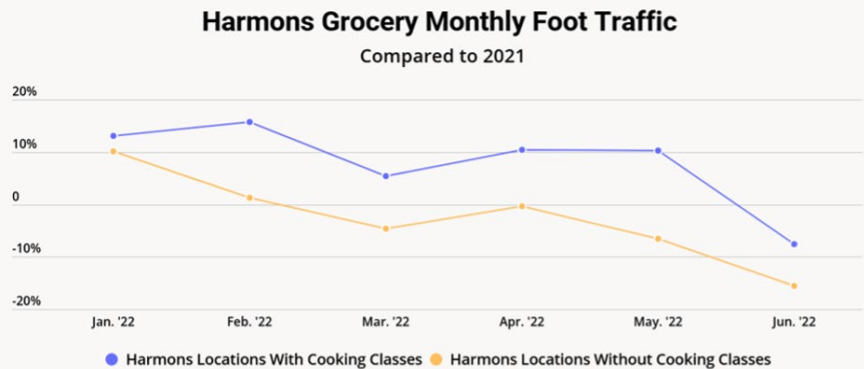
3. Opening Brick-and-Mortar Stores for Digitally Native Brands

With more and more retailers **investing in the metaverse**, it may seem as though digital platforms are now advanced enough to provide consumers with **immersive brand experiences**. And the ecommerce space has come a long way in recent years, with various technological innovations now guiding shoppers in choosing the **right makeup** for their skin tone and selecting the **right sneakers** for their body.

Still, the best way to truly immerse shoppers in the brand is by physically surrounding them with a branded space and products — so for DNBs (digitally native brands), experiential retail can simply mean opening up an old-fashioned shop.

Warby Parker, one of the first DNBs to **open physical stores**, now operates **over 100 stores** — one of which is located in the upscale Fashion Island shopping center in Newport Beach, Calif. This store helps Warby Parker customers physically experience the product before they make a purchase and immerses consumers' senses in the Warby Parker aesthetic — and the venue also introduces the brand to a wide audience by presenting the brand experience to the variety of shoppers visiting Fashion Island every day.

No One Path to Experiential Retail Success

The diverse experiential strategies of the three brands featured here show that there is no one single path to experiential retail success. Fundamentally, any brick-and-mortar retailer that invests in constructing and curating a shopper's in-store experience instead of just focusing on displaying and selling products is engaging in experiential retail. Companies that aim to provide their customers with positive in-store experiences while remaining true to their brand voice are already doing experiential retail right.

ECOMMERCE SHOPPERS ARE BORED: HERE'S HOW TO WIN THEM BACK

RIGHTPOINT
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By Phillip Jackson, Global Head of Commerce, Rightpoint

People who know me even tangentially have heard me complain about ecommerce being stuck in a sea of sameness. Every website looks the same, and it's rare to find a unique experience anymore. I just want to feel something, y'all. Much of this blandness, in my opinion, comes from one of the great advancements in the ecommerce space: template-driven platforms that let entrepreneurs spin up a site quickly and easily.

Shopify is often criticized for homogenizing ecom. This blandification is having a huge impact on ecommerce sales, although the brands might not realize the extent of it yet. In mid-August, Jordan England, founder and CEO of **Industry West**, a popular furniture DTC brand, **complained bitterly on Twitter** that Shopify isn't cutting it for his company. "Someone convince me this is a great platform for companies with a $1,200+ AOV. I'm not seeing it," he wrote.

Now, one can claim it's the perfect storm right now for a furniture brand — supply chain issues, inflation, fear of recession — but the "easier is better" may not hold true for all businesses. Truthfully, the new site kind of looks like every other Shopify site out there. That comes with benefits and drawbacks.

Here's the real challenge: consumers have an abundance of choice, and brands really need to stand out. But creating memorable experiences is difficult when your site looks and acts like all the other ones out there in the world.

Shift in Consumer Behavior: Stocking Up

To stand out you have to zig when others zag. How do you do that? Well firstly, overall, **retail spending is up in 2022**, but only about **10%** of that increased revenue can be explained away with inflation. The fact is, consumers are spending more, to the tune of **35%** more than 2019 — in part because **they're earning higher wages**, and partly because they were able to stockpile some cash during lockdown.

But they're not shopping online. Amazon's sales **dropped 3% in the first quarter of 2022**, leading to a significant hit on its stock. While **many claim** the pandemic-era bump in ecommerce sales will remain, our research shows some subtle but important shifts in consumer behavior that can help ecommerce sites increase their sales.

Last year we surveyed over **1,000** consumers about their channel preferences. While reliance on ecommerce is still high (**70%** said they purchase online weekly), focus is on novelty and variety (**81%** said they favor sites that offer unlimited product selection). The question is — are you prepared to invest in novelty and variety for your business? That comes at an operational, and technical investment-level, cost.

The real groundbreaking insight from the survey is the consumer's interest in stocking up on products, meaning why purchase **one** black tee-shirt for your **capsule wardrobe** when you can buy **four or five** (and beat inflation)? **Consumers are urged to stock up on staples**, and many are heeding that call.

Our research shows that shoppers, particularly millennials, are keen to stock up on items in specific product categories: beauty, wellness, fashion and home. There are some people who are constitutionally opposed to buying a single tube of toothpaste when they know that it won't last a very long time, and that they'll need to return to buy another one soon. In short, most of ecom is indexed towards subscription. Customers want more options.

If you're an ecommerce brand in one of these sectors you can probably wrestle some sales back from brick-and-mortar retailers, but you may need to rethink your merchandising strategies a bit.

Today, the bulk of ecommerce UI and UX are indexed towards product discovery. Most brands have optimized their flows towards winning the initial sales, and then leveraging it to build a long-term relationship with the shopper (which is pretty difficult if experience looks and feels like every other site out there). Other brands have introduced subscription services to help them manage volatility and encourage a higher LTV, but that's not how today's consumer is making purchasing decisions in specific categories.

Catering to consumers who want to stock up on products is an overlooked opportunity for ecommerce brands, but they'll need to rethink the way that they design purchase flows that have been reoriented around this habit. Things like volume discounts, or free shipping for multiple item purchases, are attractive options for consumers who want to stock up and deal with fewer boxes that they need to break down and fit into the recycling bin.

And this is my advice to ecommerce brands everywhere: long term, consider breaking out of the sea of sameness so that your site stands out and thrills the consumer. In the meantime, consider optimizing your purchase flows to take advantage of the consumer's impulse to stock up on products.

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Akeneo is a global leader in Product Experience Management (PXM) helping businesses with products to unlock growth opportunities by delivering a consistent and compelling product experience across all channels, including eCommerce, marketplaces, mobile, print, points of sale, and beyond. The Akeneo PXM Studio dramatically improves product data quality and accuracy, simplifies catalog management, and accelerates the sharing of product information across channels and locales.

Using Akeneo, leading global brands, manufacturers, distributors, and retailers can activate product experiences in any channel, therefore driving improved customer experiences, increased sales, reduced time-to-market, accelerated global expansion, and increased team productivity.

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Placer.ai is the most advanced foot traffic analytics platform, allowing anyone with a stake in the physical world to instantly generate insights into any property for a deeper understanding of the factors that drive success. **Placer.ai** is the first platform that fully empowers professionals in retail, commercial real estate, hospitality, economic development, and more to truly understand and maximize their offline activities.

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