

2016 E-COMMERCE TECH PREVIEW

Insights From 11 Industry Experts





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2016 E-Commerce Technology Preview

Retail TouchPoints is proud to introduce the second annual **E-Commerce Technology Preview**, featuring insights from 11 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 2017 and beyond.

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

- **Influencer Marketing;**
- **Browser Abandonment;**
- **Customer-First Order Management;**
- **Individualized Customer Interactions;** and
- **AI And Machine Learning.**

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 2017.



Debbie Hauss

EDITOR-IN-CHIEF

Customer-First Order Management: Overcoming Retail's Greatest Challenge

It's hard to believe that e-Commerce has been around for well over 20 years. So why is it that the retail community is in a full-blown sprint — if not panic — to deliver on consumers' e-Commerce expectations, particularly around fulfillment?

The reality is that while e-Commerce is no longer in its infancy, highly complex omni-channel fulfillment demands — including real-time enterprise inventory, same-day shipping and utilization of the store as a fulfillment center — are relatively recent phenomena.

That is why the single most important technology that will impact e-Commerce — and all of retail — in 2017 is customer-first order management.

Customer-First Order Management

The complexity and speed of the evolution of customer expectations for fulfillment options and flexibility have created an “evolve or die” scenario that has retailers rethinking, overhauling and investing in new approaches to order management.

Until recently, most retailers could get by with order management solutions focused on inventory optimization. While the industry largely gave lip service to putting the customer first, inventory productivity was the real driver behind e-Commerce fulfillment decisions.

But “the times they are a-changin’,” and leading retailers recognize that outdated approaches to order management fail to add any real value to the customer journey and all too frequently end in disappointment.

For that reason, savvy retailers are investing in order management solutions that anticipate, adapt and align to shifting customer expectations, as opposed to supply chain-centric order management solutions that are designed to optimize inventory efficiency.

Tenets of a customer-first order management strategy should include:

- 1. Order Management as the center of the commerce hub.** No matter where the transaction takes place, Order Management needs to offer a single, integrated and actionable view of the customer, enterprise inventory and the order to ensure customer expectations are consistently met.
- 2. Connecting all in-store and digital touch points.** In addition to being seamlessly integrated with a retailer's e-Commerce platform, Order Management should offer tight integrations with POS and CRM technologies to ensure a unified online/offline view of the customer while delivering personalized options, preferences and offers.
- 3. Real-time inventory visibility and profitable promises.** To meet each customer's requests in the most profitable manner, retailers need real-time inventory visibility from across the enterprise, combined with powerful order brokering and sourcing logic. Order Management systems should monitor and track every order throughout its life cycle, and exception alerts should ensure that orders are fulfilled on time with minimal disruption or disappointment.



NOEL GOGGIN
Aptos

Noel Goggin serves as CEO and Culture Leader of Aptos, Inc. In his previous role as EVP and General Manager of Epicor Software Corporation, Goggin successfully transformed the culture and performance of the retail business unit, and directed its spin-off as a fully independent company now positioned as one of the industry's leading providers of end-to-end, cloud-based retail solutions. Goggin brings more than 20 years' experience to overseeing retail organization strategy and operations. Prior to joining Epicor in 2013, Goggin was the General Manager of retail strategy at RedPrairie, where he significantly grew the organic contribution of the business unit, and was a key catalyst in the organization's transformation from a services provider to a software company focused on global retail verticals.



As an industry, we have come to accept that keeping up with shoppers is really hard. While we don't expect consumers to stop evolving, we recognize that by putting customers first in Order Management and e-Commerce strategies, we'll be better prepared to meet their demands — both now and in the future.

Leveling The Global Commerce Playing Field

A recent Accenture-Alibaba research report shows that global B2C cross-border e-Commerce will balloon to \$1 trillion in 2020 — likely fueled by previously marginalized participants: small- or medium-sized (SMB) e-Retailers, entrepreneurs, and individual consumers. Exciting news, indeed.

Historically, international trade was dominated by big e-Merchants with expertise in managing complex cross-border shipments. Many smaller online retailers are not global trade experts, so they may not know how to calculate the taxes, tariffs and freight costs for global transactions. When the goods finally arrive in the customer's country, there may be additional costs tied to final delivery. This can either create a bad customer experience, or (worse) expose both seller and buyer to non-compliance risks.

Thanks to new technology, the global commerce landscape is opening up for smaller e-Retailers. While complex, here are some helpful tips to consider when entering international markets:

Step 1: Determine The Right Setup For Your Supply Chain

Structuring your supply chain will tell you where to focus. By mapping out your loading, export, international shipping, import customs and delivery, you'll see if you need to investigate shipping costs or understand import customs obligations.

For example, for large B2B cargo transactions, the buyer coordinates everything — from loading the shipment at the seller's location, all the way to destination. For global B2C e-Commerce (known as "delivered duty unpaid"), the seller (that is, you) will likely

arrange everything except import customs clearance.

Step 2: Identify And Classify Products Being Shipped

Every physical good traded commercially across a national border has its own tax code — also referred to as Harmonized Tariff codes, HS codes, HTC or HTS classifications — that corresponds to an associated duty rate. These codes are regulated by customs authorities in each country. Tariff code classification is tricky: obtuse details are needed, every country is different, and other import taxes and fees may also apply, depending on the country and commodity.

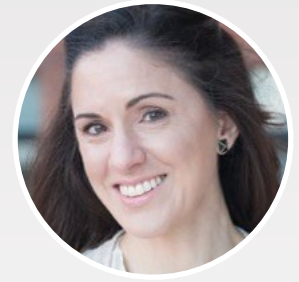
Step 3: Understand The Landed Cost

In current U.S.-based e-Commerce, shopping cart software automatically calculates shipping costs and associated sales tax. However, the landed cost for cross-border commerce is different; it represents the total cost of getting a product across borders:

- Cost of goods;
- Total door-to-door shipping costs, including insurance; and
- All export/import customs duties and taxes.

By calculating an estimated landed cost before anything ships, you can uncover both overt and hidden costs associated with a cross-border transaction, so there are no painful surprises when the shipment arrives at its destination.

Other taxes such as VAT or consumption tax and other fees must also apply. Therefore, you should calculate landed



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cost using a few different supply chain scenarios, so you can evaluate which cost and responsibility mix is best.

Step 4: Know your compliance obligations

In most countries, your business must be registered before you can import and pay customs duty and tax. Questions to ask:

- Do you want to control door-to-door service to customers?
- Do you conduct a lot of predictable business in country X?
- Are you willing / able to fulfill Country X's compliance obligations?

Step 5: Don't wait, calculate!

In order to make informed decisions about sourcing and profitability while selling globally, e-tailers must understand landed cost (cost of goods plus total shipping & insurance plus duties & taxes including duty rate, tariff code, VAT & other fees).

Browser Abandonment: Reaching Shoppers Before The Cart

Browser abandonment messaging is poised to break through in 2017. Like cart abandonment it is an automated messaging strategy that reminds customers of what they were looking at, and when appropriate, offers an incentive to close the sale. I expect this tactic to be rapidly adopted as retailers focus on providing a focused and relevant user experience.

Browser abandonment messaging is similar to cart abandonment messaging — the trigger is based on a user action. In this case, it is not when a user places products in their cart, but rather when they view a particular product, or category of products, a certain number of times without purchasing. These actions trigger a message, or series of messages, highlighting what was viewed but not purchased.

Browser abandonment messaging finds itself in a place similar to where cart abandonment messaging was several years ago. At that time, marketers realized the potential of the messages but the technology was not readily available to execute the strategy. When that changed, abandoned cart messaging became a common tactic in the e-Commerce space.

Now simplified and streamlined technology is available for browse abandonment messages. Not only has the technological implementation become easier, but so too has the control over the settings of the program. Marketers

can choose when, and how often to send, and control the content of the messages without requiring developer resources. That is critical in environments where developer resources are scarce and fought over.

Browser abandonment messaging naturally works well with product recommendations, another tactic we'll see more of in 2017. Marketers love product recommendations in both their messages and websites because it makes the user experience more personal. Adding recommendations to browser-based messages is a no-brainer. Not only do browser-based messages become more relevant when combined with these product recommendations, but browsing behavior can inform the recommendations that are offered.

2017 may finally be known as the year of relevancy. Not only is the technology for delivering relevant content becoming widely available and adopted, but marketers are also focused on delivering more relevant and personal shopping experiences.



GREG ZAKOWICZ

Bronto Software, a NetSuite company

Greg Zakowicz is a Senior Commerce Marketing Analyst at Bronto Software, a leading cloud-based commerce marketing automation platform provider and NetSuite (NYSE: N) company. With more than 10 years of experience in email, mobile and social media marketing, Zakowicz knows the retail industry and its challenges, staying on top of the latest trends by leveraging deep insight into the marketing spectrum. His subject matter expertise stems from his experience providing commerce marketers, including numerous Internet Retailer Top 1000 clients, with in-depth analysis of their marketing programs, recommendations for improvement, best practice support and implementation guidance and execution.



Artificial Intelligence And Machine Learning: At The Forefront Of Marketing Automation

As each year concludes, it brings with it the opportunity to reflect on the previous year and plan ahead for the next. For e-Commerce organizations to remain competitive in today's high-tech, digital world, they must constantly be innovating and piloting new technologies. But, perhaps most importantly, they must listen to customers and the market for indicators of change.

As we move into 2017, I expect the e-Commerce space will experience a radical shift to even more automated processes, especially in relation to marketing automation and personalization. E-Commerce organizations rely on the ability to personalize the customer journey, to create incredible and memorable experiences that keep their customers coming back.

In addition, e-Commerce companies are careful to reduce overhead costs wherever possible, enabling them to sell their products at a more competitive rate, with a higher profit margin. During 2017, we should see machine learning and artificial intelligence (AI) playing a significant role in the marketing function for e-commerce organizations, allowing them to create more personalized, real-time experiences, while removing the costs of manual data mining.

By now, we've all seen the articles about how machine learning is radically changing the way companies can interpret and make sense of complex data, while acting on it in a human-like way, in near-real time. It seems this new technology has literally exploded in popularity overnight and is now being put to use across many industries worldwide.

E-Commerce organizations will benefit from machine learning by automating once-manual data processes and protocols that used to be hard-coded, such as visitor profiling and website interactions. While e-Commerce companies aren't strangers to advanced personalization, machine learning and AI will allow them to take it to the next level. Machine learning algorithms are able to collect data and personalize experiences unique to each individual visitor, based on their behaviors in near-real time, eliminating the need for static profiles based on outdated or grouped data sets.

It is my belief that machine learning and AI will become much more prevalent across the e-Commerce industry during 2017. But executives must first build the strategy and identify goals for what it means to effectively use machine learning and AI in their organization.

Without a well-planned out strategy, machine learning can simply become a cog inside a big machine. As a recent McKinsey article said so eloquently, "Without strategy as a starting point, machine learning risks becoming a tool buried inside a company's routine operations: it will provide a useful service, but its long-term value will probably be limited to an endless repetition of 'cookie cutter' applications such as models for acquiring, stimulating, and retaining customers."

If there's one thought I can leave you with, it's that e-Commerce executives interested in adopting machine learning and AI practices shouldn't jump to conclusions. Rather, they should take the time to consider the ideal outcomes and create a plan accordingly.



SEAN BRADY
Emarsys

As President of the Americas for Emarsys, Sean Brady works to develop and deliver the most innovative marketing technologies driving business results for North and South American enterprises. Prior to Emarsys, Brady was Vice President of Existing Business in North America at ExactTarget, which was acquired by Salesforce.com for \$2.5B. As Vice President, he was responsible for the majority of the revenue generated by overseeing thousands of accounts transforming clients' businesses through the company's core offering — its innovative one-to-one marketing application helping them increase sales, optimize marketing investments and strengthen customer relationships. Brady's overall success at ExactTarget helped grow the multi-million-dollar company into a multi-billion-dollar enterprise.



Influencers Vs. Advocates: Understanding The Impact Of Social Capital On Your Bottom Line

Today's customers can recognize advertising a million miles away. It doesn't matter how many 3rd parties with 1000s of followers you pay, they can smell ads coming. But there's hope: while only [33% of customers](#) trust a message from a brand, 90% trust a recommendation from someone they know. Social capital is real, but it's also confusing.

2016 is the year that influencer marketing went mainstream. Everyone's hawking a network of people specialized in some niche vertical. I'm sure many of you have gotten the same emails I have to buy a list of names of travel or fashion or car influencers. And software companies have emerged promising to help marketers identify the right influencers for their brand and do the historically manual work of negotiating, contracting, calendaring, tracking and paying these people.

People listen to influencers because influencers have clout. Arbitrary as this may sound, a popular fashion blogger dictates what clothes are trendy, a YouTuber doing makeup tutorials to the tune of 1M views tells women what cosmetics work best, a fitness Instagrammer that's tried every supplement in the market is convincing when she tells her followers which ones give the best results. The catch is that as influencer marketing goes mainstream, more influencers are popping up, the value is diluted, and the promise of an authentic brand connection with a customer evaporates.

But we're seeing a positive shift towards identifying the most valuable people online who can impact business

outcomes. Beyond just reach and views, actual sales impact and revenue. This opportunity requires a shift from focusing on influence to focusing on advocacy. Advocacy, as defined in analyst firm Lighthouse3's report "The CMO's Guide to Influencer Technology" is based on an advocate's pre-existing positive sentiment towards your brand. They don't love you because you pay them to or because of a contractual obligation, they love you just because they do. It's quite literally the most authentic form of marketing available. [83% of global consumers trust a recommendation from a friend or family.](#) Customers referred in by advocates become much more loyal as result, with a [25% higher lifetime value and a 15 point higher Net Promoter Score.](#)

Reach, the metric of influencer marketing, is going to fully give way in 2017 to something more akin to proximity or active advocates. Success will be less about the number of people a 3rd party can get your brand name or product in front of. Instead, it will be about active engagement of your customers on your behalf. Those are your advocates, those who would recommend your brand based on their real experience with it. By motivating them to do more for your brand by rewarding them for conversions that they drive, you continue to grow your customer base, instill greater loyalty and deepen the well from which to find future advocates — it's a win/win/win.

Moving into 2017, scaling authenticity will be the key to success in e-Commerce. It's tempting to look at [articles highlighting the value of influencers' social capital](#)



MATT ROCHE Extole

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and think that people will continue to just do whatever influencers say. You need to think critically about how you invest in the social capital available to you today or you'll waste your marketing budget on influencers that only deliver eyeballs not conversions and long term value. Everyday advocates are the secret to lasting growth and organic customer acquisition. An advocate strategy can even help to optimize your influencer strategy — we find people with 1000s of followers in our platform every day presenting a double win for the brand who gets proximity and reach in one.

It's Not A Battle Between E-Commerce And Brick-And-Mortar

The popularity of e-Commerce is apparent. We are seeing major moves and acquisitions to compete against Amazon (Walmart and Jet), and we are seeing major business shifts (Macy's) in order to focus more on e-Commerce. The future will require that the customer be able to buy anywhere, any time, on any device. This is an opportunity to make purchases easy for potential customers.

E-Commerce is strong, but even so, research still shows brick-and-mortar has maintained its popularity. Forrester Research states that U.S. e-Commerce constitutes approximately 11% of overall retail (*10 FAQs on the State of Online Retail*, Forrester Research, Inc. April 7, 2016). This leaves a hefty portion of retail sales still happening in store.

We need to stop looking at e-Commerce vs. brick and mortar, but instead provide a branded omnichannel experience that truly reaches across touch points. Changing this mindset and allowing that to change your technologies and operations will significantly impact e-Commerce as we move into 2017.

Look for technology that gives a true view of inventory. You may have a large stock of a particular SKU available for sale online, but what about providing insight into the stock level of that SKU at a local store? A customer may need something quickly, have done research on your website (thanks to great product descriptions and reviews) and instead of ordering and paying next day delivery, they will delight in the ability to order online and zip over to a local store for pickup.

As e-Commerce and brick and mortar are now working hand in hand, you will find that it is important to have technology that has extreme flexibility in fulfillment options. When stores and e-Commerce work together, suddenly you can sell everywhere and fulfill anywhere. You have the flexibility to route e-Commerce orders the best way possible, which gets the order to the customer quickly and at a good price.

Today's consumers consider returns an inevitable aspect of shopping. And just as shoppers now expect flexible fulfillment options, they also demand the same experience and options when returning a product. Unfortunately, retailers are still struggling to adapt to these newly evolved return expectations. Often, a retailer offers a seamless online and in-store shopping experience, but doesn't offer the same flexibility after the sale.

Rather than treating returns as an unavoidable requirement, retailers should consider them just one more touch point in the customer omnichannel journey. To ensure excellent customer satisfaction is to offer anywhere returns and the technology to help retailers do this is an enterprise-level order management system (OMS). With an enterprise-level OMS that displays all your orders in one common location, regardless of where they were placed, you can reap the benefits of anywhere returns.



JENNIFER SHERMAN Kibo

Jennifer Sherman brings to the table more than 17 years of enterprise software experience, including 13 years at Oracle where she held various roles in product management and product strategy for their logistics and distributed order management offerings. Following Oracle, Sherman served as SVP of Product Management first at Aptean and then NAVEX Global before joining Kibo.



Enhancing The Online Experience With Omnichannel Data

Personalization has never been more important in retail, but to deliver unique, relevant experiences to your customers that increase conversions and drive up average order value, you'll need to do more than comb through data about a shopper's past online purchases or what they abandoned in their shopping carts. Heading into 2017, the best strategies will leverage omnichannel data to boost ecommerce sales through targeted email marketing, personalized offers and focused product content and recommendations.

The retailers that are able to harness data from all touch points along the shopper's buying journey and leverage it to deliver highly personalized and relevant experiences are the ones that will foster brand loyalty, grow shopper engagement and drive revenue.

To provide these types of experiences, retailers need to collect, harmonize and consume customer, order and inventory data across their brick and mortar stores, call centers and various online channels. Once there, they can accelerate ecommerce marketing strategies that will enhance the online experience. By bringing together data about what a customer has purchased in-store, and correlate it with what she's purchased online to drive upsell.

They can fine-tune product recommendations based not only on that particular customer's online order history, but on her in-store habits as well. They can find trends in items frequently bought together in the store and use that to better make product recommendations for similar customers

online. With insight into inventory across all channels, shoppers that have abandoned their cart can be sent an email encouraging them to stop by a local store to view the item and purchase there. And by exposing enterprise wide inventory availability, including retail stores, on a merchants' website, shoppers can choose to purchase online or purchase from a store.

To accomplish these goals, retailers need a technology foundation that enables them to collect all of these data points, gain a single view, and most importantly, consume the information in real-time in meaningful ways. A unified commerce platform that replaces siloed point solutions will provide complete visibility of that customer journey by serving up a single source of truth for customer, order and inventory data, and allowing retailers to deliver effective, data-driven interactions throughout the customer lifecycle.

Consider the experience of RST Brands, a B2B and B2C retailer of indoor and outdoor furniture (and the largest supplier of outdoor furniture to Costco). Using a unified platform that supports all their sales channels as well as CRM, inventory and order management and financial systems, RST collects and leverages cross-channel customer data in their CRM to drive online revenue. With one platform for back-end operations and e-Commerce, it can create opportunities to collect and leverage reliable customer data that drive conversions and increase its average order value. Automated workflows enable the creation and distribution of personalized emails promoting



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accessories and replacement items associated with their original purchase.

The benefits to leveraging a cross-channel view of data extend beyond sales. With a real time, single view of order and inventory data, you can streamline logistics, and by getting product out to customers faster, further cement the positive image of your brand. Leveraging the omnichannel data gathered from multiple touch points will empower retailers to meet customers' needs across their buying journeys to deepen brand loyalty.

From Buzzword To Retailers' Reality: How To Make Omnichannel More Profitable

To compete in the age of Amazon, retailers need speed and efficiency. Sounds simple enough, but executing omnichannel — a seamless, unified commerce experience, wherever, whenever — is no easy task.

Just a few short years ago, omnichannel was just a buzzword. Now, it's a prerequisite for retailers to survive and thrive in today's channel-less world. Omnichannel is the new retail reality and it isn't going anywhere. While it's true that many retailers are getting better at it, many more are still struggling with not only executing an omnichannel model, but doing it profitably.

Moreover, the tactics and expertise employed by leading retailers that can contribute to a phenomenal consumer facing website experience are totally different than converting that electronic order to that consumer's happy delivery. This "total commerce" experience, where the entire order — from desire to delivery — must be perfect is where so many retailers are struggling to compete with Amazon and with rising consumer expectations. There are 21 steps in the order value chain — and a mistake at any one of them can cause your customer to flee to your competitor.

Every retail business has different challenges, goals and customers, and so every solution has to be tailored to suit their specific needs. However, below are some technologies and strategies that almost any retailer can execute to make omnichannel more profitable for their business in 2017.

- **Centralized order management systems:** Using a centralized

and scalable system will make integration between order and delivery seamless and is essential for meeting the growing needs of the ever-demanding consumer. Such systems ensure customers that their purchase is delivered in the exact way he or she requested it, while also ensuring the retailer makes the maximum sale from that order.

- **Store fulfillment options:** Shipping costs can be minimized by implementing store fulfillment options like ship-from-store and in-store pickup. When it comes to Black Friday, for example, the smartest retailers will have processes in place that determine exactly where a purchased item should be shipped from — a distribution center across the country or a retail store around the block. This reduces costs for retailers and fulfills orders in the fastest way possible for consumers. Studies have also shown that 65% percent¹ of consumers make additional purchases when they visit a store to pick up their online order.
- **Customer care:** Expect to see additional customer service solutions and real agents who can assist customers via chat, phone and email. These agents will be able to serve as brand ambassadors who can guide purchases based on buying behavior, transaction history and other data.
- **Fraud management solutions:** Fraud grew over 100% in 2016² and shows no signs of slowing down, especially as more criminals have gone online following last year's EMV liability shift.



STEFAN WEITZ Radial

Stefan Weitz is responsible for leading the planning and execution of Radial's overall corporate strategy, including defining the Company's portfolio of global products, product marketing, and inventing technologies to deliver the industry's best post-click commerce solutions. He also leads Radial's Payments, Tax and Fraud business, delivering fraud-free payment solutions to e-Commerce merchants across the world.



Having a robust fraud management capability that combines machine learning and the human touch can dramatically increase approval rates, decrease manual review rates, and systematically detect and prevent fraud through sophisticated processes that enable retailers to provide frictionless shopping experiences.

Consumers have been conditioned by Amazon to expect few clicks, always-stocked items, two-day shipping and easy returns. With omnichannel, retailers have the ability to meet customers' rising expectations. With the right technology and operations retailers can increase profits while continuing to delight shoppers.

¹ <https://www.internetretailer.com/commentary/2015/11/18/five-ways-retailers-can-improve-store-pickup>

² <https://www.forrester.com/report/Forrester+Research+eCommerce+Forecast+2014+To+2019+US/-/E-RES116713>

Retail Interrupted: The Data-Driven Journey

In 2017, retailers and brands will welcome a new era of marketing and promotions as our industry begins to see data in a new light. These insights are a crucial tool for brand marketers to use in both identifying their target audience for marketing personalization and to gain a better understanding of their competitive landscape.

As marketers capture more insights and find new ways to manage the data, they can begin to build better 1:1 communications with their customers. Additionally, retailers can better differentiate themselves from their competitors using data-driven insights in areas like promotions.

1:1 Communication

Consumers are willing to share more information about themselves in exchange for a better shopping experience. By using the insights consumers have provided, retailers can anticipate a customer's needs and personalize future experiences.

In order to scale 1:1 communication efforts, though, marketers need to efficiently and effectively use the insights that their audience is providing. To ensure brands are scaling to their market, retailers must leverage different ways of testing both online commerce and in-store efforts and partner with marketing automation experts. Broadening their scope of data will allow better personalization based on the behavior and affinities of their unique shoppers.

Data Blind Spots

We know that in exchange for a more customized experience with a brand,

60% of consumers are willing to share their favorite store, and more than half are willing to share their gender (56%), age (53%) and interests (52%).

Personalization is a term that continues to gain more hype, but many marketers are left wondering where to start and how to truly integrate into their marketing strategy in a way that doesn't impact resources but is still impactful.

For many brands, the right place to start is understanding where the data blind spots are and which insights would be most beneficial to their overall goals. This can be especially crucial when searching for competitive data and insights.

RetailMeNot and TechValidate surveyed 110 retail marketing decision makers among the top 750 retailers in the U.S. to learn more about their data and insights for marketing promotion plans. The research showed that 98% agreed that having deeper competitive and category performance insights would improve the effectiveness of their promotional strategy.

Using Data-Driven Promotions

Instead of offering one promotion for all, year-round, data should be looked at as a strategic piece in building content that drives more sales, profitability and brand loyalty. Many retailers' promotional plans are based on a variety of factors unrelated to market indicators or competitive data.

By tapping into data and resources that extend beyond historical and internal views, marketers can obtain more control of their business in the era of the consumer.



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Competitive insights and category performance data rank among the top insights needed to develop promotional strategies. Research shows that 74% of retail marketers admit to either repeating the same promotions each year with minor adjustments or devising new plans using old performance data. The result: Promotional plans are outdated long before they are even implemented.

In 2017, the e-Commerce industry will begin to use data in a new way. For data-driven organizations, using this information for both 1:1 consumer experiences and competitive insights is crucial. One will require marketers to build an internal framework with the help of marketing automation providers, while the other will rely on looking beyond the walls of their organization for a deeper look at the competitive landscape.

2017: The Year Of Individualized Customer Interactions

Everyone has talked about the value of 1:1 marketing for the last decade. Putting it into practice, however, has been difficult at best. To solve this issue, marketers have focused heavily in developing customer journeys. Platforms, technologies and marketing clouds have all offered tools to map those journeys, and while more relevant than batch and blast, a journey map completely misses the point of true 1:1 marketing. This strategy focuses primarily on a single channel or point in time, when in reality, one single behavior doesn't dictate everything you should know about a consumer. What marketers are beginning to realize is that while the idea of a customer journey is ideal, it is impossible to map, manage and scale to the actual interactions that customers are having with brands in real time.

2017 is the year when the customer journey gives way to customer interactions. To truly deliver on 1:1 marketing, you must not only respond to customer interactions in real-time, but also anticipate the customer's needs. Your customer must be at the focus of interaction management versus attempting to fit the customer into your journey map. There are three key tenets to delivering individualized customer interactions.

1. Harness Customer Data And Make It Actionable

It all begins with data. A real-time view of customer interaction across your digital assets as well as your physical store locations will drive immediate returns, not to mention provide a much more relevant experience for your customers. A view into the entirety of a shopper's actions

or inactions with your brand will paint a holistic picture of what they want, how they interact, and where they interact.

2. Respond To Individual Customer Interactions In Real-Time With Personalized Content

As your customers are browsing, carting and purchasing on your website and in-store, this is a great opportunity to respond in real-time to those customer interactions with personalized content. Whether it's transforming the website as a customer interacts with categories, products, and brands, or triggering personalized emails to encourage purchase completion or suggesting new items.

3. Anticipate Individual Customer Needs Through Prescribed Content

Once you've nailed down responding to interactions based on real-time activity, the next step is to create interactions that anticipate the customer's needs by prescribing products. Whether it's letting her know that the dress she was heavily interested in a few weeks ago is now on sale or is low in inventory or reminding her that it's been three months since she bought her running shoes and she typically replaces them around this time.

When you've moved from trying to create the ideal customer journey to responding and anticipating customer interactions — that is when you'll have reached the ultimate aim of every marketer — true 1:1 marketing. And while fully automated customer interactions may not be realized overnight for most, if any, retailers, your own journey to individualized customer interactions begins now.



JASON FORDHAM
SmarterHQ

With more than a decade of expertise in both the technical and marketing sectors of the e-Commerce industry, Jason Fordham brings a wealth of knowledge and experience to the SmarterHQ team. As the VP of Solutions for SmarterHQ, he engages with clients to help ensure a seamless integration between SmarterHQ and other strategic marketing elements. Fordham also provides clients with an expert source on ecommerce strategy, web analytics and campaign management.



Leverage Retail And Shopper Big Data For Better Product Choices

E-Commerce penetration continues to accelerate and move across more product categories, bringing with it unprecedented upheaval to the retail sector. According to Deloitte's Retail Volatility Index, more than \$200B in retail sales has been "traded" among competitors since 2010. As we move into 2017, we expect these structural shifts to gain further momentum, largely to the advantage of ecommerce savvy players and at the expense of retailers still relying on tactics and strategies optimized for the physical store.

Keeping It Old School

Winning retailers and brands know that it's as much about offering the right products, as being right priced. For too long the majority of product choices have relied largely on "category art" with limited science with varied results including no clear way to easily or objectively gauge success, avoid cycling past missteps, or even replicate wins. As well, there has been a heavy reliance on syndicated data. As an aggregation of retailer-reported sales data, syndicated data has its limitations including:

- Skewed by retailer participation or lack thereof, most notably including no Amazon data and heavily swayed by Walmart's dominance within the dataset;
- Limited to past sales which may be a poor proxy for what shoppers actually want to buy now and in future;
- Not available in real time.

New Channels Require New Tools

Once manageable in the less dynamic single-channel retailing environment of the past, the above limitations become dead weight in the new multi-channel landscape. As retailing moves into 2017 and beyond, retailers and brands that leverage tools which blend the art of merchandising with science to effectively and efficiently leverage real-time data, make better product choices faster will reap long term success. And, ecommerce brings with it the opportunity to harvest a wealth of previously inaccessible retail and shopper big data to:

- Understand what shoppers value;
- Gauge product demand;
- Assess competitive position.

Next Generation Retail Analytics

We anticipate that 2017 will be the year of next generation retail action-focused analytics, giving retailers and brands the ability to:

- Explore their assortment coverage and strength relative to shopper demand and competitors;
- Highlight margin threats;
- Identify specific product opportunities; and
- Power product choices in retailing's fast lane.

Ultimately, better product decisions faster translate to increased gross margins.



JENN MARKEY 360pi

Jenn Markey is VP, Marketing at 360pi. She is a senior marketing executive with significant startup and small company experience gained in the telecommunications, software, and semiconductor industries. Jenn helps early stage companies build their market presence, customer footprint, and strategic business value. She brings more than two decades of strategic marketing, product management, and business development expertise to 360pi, with an MBA from York University. Prior to 360pi, Markey held senior technical and management posts with SkyWave Mobile, J2 Global, UBM TechInsights, CrossKeys, Bell Canada International, and IBM.





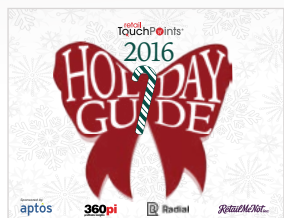
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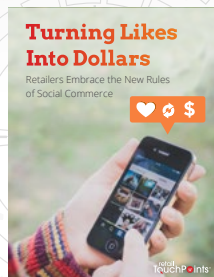
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