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OVERVIEW

Stakes are high in 'battle of Amazon'

Some big players may appear to dominate the online marketplace, but there are lucrative opportunities for smart operators

CHARLES ORTON-JONES

They are called the GAFAs. G is for Google, the king of search. Apple we all know about, with its \$246 billion cash pile, a mountain of money so big it could buy Britain's biggest retailer Tesco with loose change. F is for Facebook. With almost two billion active users, Facebook grew advertising revenue by 53 per cent last quarter year-on-year to \$8.6 billion. And then there is Amazon, the beast of retail.

Amazon is now as big as all major US department chains put together. That's Walmart, Sears, Target, Macy's, Costco and more – together still not worth four-fifths of Amazon. And the growth. Five years ago Amazon employed 32,000 people globally. In the last year it hired 110,000. One quarter of all office space in Seattle is Amazon's. In the UK a quarter of warehousing let in 2016 was to Amazon.

The product range is mind-boggling. Books are where Amazon started. Now it's the top seller of physical books and has an 80 per cent market share in e-books through Kindle. The website offers books, shoes, gifts and groceries. The nickname of "the everything store" is apt and true. Then add in the cloud computing division, Amazon Web Services, which brings in \$10 billion a year. Motormouths Clarkson, May and Hammond are spearheading Amazon Video's attack on Netflix.

But that's not the point. It's the creativity of Amazon which is so awe inspiring. The Echo device now sits in eight million homes, talking to consumers as the first mainstream in-home artificial intelligence chatbot. Amazon is pushing ahead with drone delivery, robot-automated warehouses and a concept store where you just walk out with goods.

So how do rivals compete? Is there any hope against this raging behemoth? First, let's put Amazon into perspective. Online retail in the UK is 10 to 15 per cent of the whole market and Amazon owns just a fraction of that. Sainsbury's revenue in 2015 was four times higher. It's all to play for – probe and there are weak spots.

The generalist nature of Amazon's interface means it's not ideal for specialist orders. Electronics retailer Reichelt.co.uk finds customers prefer its own website for complex orders. "Reichelt's cus-



Amazon storage facility in Koblenz, Germany

tomers will often buy 200 pieces," says chief executive Ulf Timmermann. "This can all be easily managed under one order – simpler and easier than with Amazon where many, many different suppliers, delivery times and costs will be involved."

Post-sale service is often unclear on Amazon. Liberty Games sells pool tables, pinball machines and jukeboxes. It believes the size of these goods merits specialist knowledge. Sales director Jamie Stanford points out: "Our vans are designed for heavier tables with tie-down points, non-slip coatings and tail-lifts, and are equipped

with trolleys. Our couriers are trained in installing and levelling games tables, allowing us to offer a comprehensive delivery and installation service that cannot be matched by Amazon's delivery partners. We always send two fully trained games table technicians on every delivery."

In contrast, Fulfilment by Amazon (FBA), which sends goods sold by third parties on Amazon, often uses lone drivers with no training in installing jukeboxes. "They are fragile, containing large sections of finished wood or cut slate, and often the packaging is not designed for the kind of abuse that

it can suffer in the back of a courier van. This leaves a number of chinks in FBA's armour that can be exploited," says Mr Stanford. "At Liberty Games, the vast majority of our games tables cannot be fulfilled by Amazon."

The layout of Amazon's site prevents clear branding. "Biggest weakness is probably the website," says Ross Timms, strategy director of creative agency Rufus Leonard. "It's bloated, hard to navigate and ambiguous who you are buying from." Beautifully branded proprietary websites can offer an oasis of calm and familiarity. "In menswear, in particular, there's an emergence of small-batch UK-based manufactured retailers like Albion and Oliver Spencer. They're all brands that have gone upmarket, cultivate a small loyal cult following, but make a good margin so have a sustainable model," he adds.

Refuseniks are finding they can command higher prices and a sharper brand experience by keeping their goods off Amazon. "Some manufacturers and suppliers will not allow their products to be sold on Amazon through fear of discounting, which cheapens the brand," says Jim Wilson, managing director of BornGifted.co.uk, an online toy retailer.

"Simply put, because Amazon can't have it, we don't have to discount it, which means we can sell for a sensible profit, which means we can afford to push marketing efforts for this brand. Many ethical and fair trade manufacturers feel strongly about not being sold on Amazon. For example, we do very well with the fair trade toy manufacturer Lanka Kade purely because it will never be found on Amazon."

Combining forces may work. A new site for companies in the North East is launching to provide a one-stop shop. ThatsChampionPet.co.uk has 22 retailers behind it including Tynemouth Coffee and Low Quay Clothing.

It's not a zero-sum game. Brands and retailers can list their products on Amazon and gain direct access to millions of customers. And half the goods sold globally are through this open marketplace. Fulfilment by Amazon will mean these companies get access to robo-warehouses, Prime Delivery and drones when they take to the sky.

Amazon is a force never seen before in retail. Smaller rivals will need to adapt. Those that find the right strategy can find a prosperous niche in the new ecosystem. ●



Amazon/Similar Web 2017



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INTERVIEW

Find out what makes the Chinese click

From his London powerbase, David Lloyd is UK businesses' passport to e-commerce in China where many millions of consumers are just a click away

CHARLES ORTON-JONES

It's a tragic fact that British businesses export more to Ireland than China. Population 4.5 million compared with 1.4 billion. The reason? Brits are intimidated. There's the Chinese language with its tonal pronunciation and that unfathomable script. The geography is forbidding. Basic knowledge is lacking.

The city of Chongqing alone is 30 million people, a voluminous mass of consumers, but what is life like there? The logistics are scary. There's the currency, the tariffs and laws. Add it up and suddenly a trade mission to Galway feels like the low-stress option.

David Lloyd is here to change all that. He's the business development director of Alibaba Group in the UK. "We are here to help small and big businesses sell to Chinese

consumers," he says, speaking at the Alibaba office in London's Covent Garden. "We make it easy to do business anywhere."

For total newbies, Alibaba is more than a Chinese retail site – it is the Chinese retail site. "The history of the internet is different in China," explains Mr Lloyd. "In the UK, if you want to buy a box of hot chocolate, you might use a search engine like Google or Bing, click on a link and buy from a website. In China you search using our app."

Consumers log on, browse and buy entirely within the Alibaba ecosystem. Now that's what you call a stranglehold on the market. It's why Alibaba is valued at a quarter of a trillion dollars. And why the Google-Apple-Facebook-Amazon quartet "GAFA" is now starting to be called the GAFAA.

The Alibaba world is best thought of as three basic services. There is

Alibaba.com, the business-to-business (B2B) platform. Trade here is high volume. If you want to find a commercial supplier, wholesaler or a manufacturing partner, this is the place.

For high-end retail there is Tmall. "It's like Westfield shopping centre on the internet," says Mr Lloyd. "It is the home of large successful brands where they can connect with Chinese consumers."

And for smaller sellers there is Taobao. Like eBay, it's where individuals and micro enterprises can sell direct. Whereas Tmall goods are of guaranteed quality, Taobao is a bit wilder and less policed.

Together these three platforms offer unrivalled access to the market.

The killer question is how can a British brand get started? Contacting Alibaba directly is a great first step. "We are here to help both large and small businesses," says Mr Lloyd. "An example is the Cam-



Alibaba celebrates its record-breaking Singles' Day discount campaign in November, which generated sales worth 120.7 billion Chinese yuan or \$17 billion



David Lloyd
Business
development
director, Alibaba
Group, UK

FACTFILE
ALIBABA

YEAR FOUNDED
1999

MARKET VALUATION*
\$250bn

ANNUAL REVENUE
\$15.69bn (+33%)

INTERNATIONAL REVENUE
\$308m (+21%)

EMPLOYEE NUMBERS
46,819

ACTIVE CUSTOMERS
423m

WEBSITE TRAFFIC**
1.4bn±

* New York Stock Exchange valuation as of February 17

**Total website visits in the last six months for Alibaba's four largest websites combined: alibaba.com, taobao.com, alibaba.com, tmall.com

Company reports/Similar Web 2017

bridge Satchel Company. We are working with them, and now they have a store on Tmall and we are helping them sell."

As Mr Lloyd explains, it helps to know whether there is pre-existing demand for your products. "As with Google Trends, we can see what people are searching for. We help businesses understand the demand levels. We say this is what your sales could look like, what your revenue and profit might be. We are trying to be responsible."

If the demand is there, Alibaba's UK team will provide manpower to guide you on the right path. Size isn't the key determinant. Tea brand Whittard of Chelsea is an example of a sub-£30-million sales business which entered Tmall with close help from Alibaba. Whittard noticed there were more than 200 resellers of its tea on Tmall and a huge proportion of visits to its website were from China. The demand was clear, so Alibaba took an active role in helping Whittard.

The next step is to find an e-commerce adviser to work with on Alibaba. There is a list of 70 accredited partners. Most specialise in a particular field. For example, Uco is devoted to beauty products, Sowow to home appliances, and Qingmu to shoes, bags and luggage. The e-commerce adviser will help build a storefront within Tmall. It will take care of logistics and marketing.

At each stage of the retail process there is a division of Alibaba to help. For marketing there is Alimama. "If it has Ali in the name, the chances are it's part of Alibaba," notes Mr Lloyd. Alimama is the platform for marketing across Alibaba.

"The average user spends 20 minutes a day on our app. Shopping is different to how it's done in the UK. Here it is direct. I have a good

idea what I want. I find it, buy and leave to get on with my life. In China it is more social. The user will browse. They may chat to friends, maybe take in a live stream by their favourite brand. Holland & Barrett might be showing a conversation about health products, so they'll watch that. Shopping in China is a more immersive and engaging experience."

Alimama guides brands through the process. It's possible to target consumers with banner ads, videos and live streams. The platform is a data centre, enabling sophisticated analysis and segmentation of the audience. Market by keywords or demographics — it will all be familiar to anyone who's marketed on Facebook or YouTube.



The scale of the opportunity should make it compulsory for all UK businesses to investigate Alibaba

Logistics is handled by Cainiao (pronounced Chan-yao). "It is a marketplace for logistics providers," says Mr Lloyd. "Logistics is a fragmented industry in China. There are some big players and lots of small players. Cainiao is a platform that connects brands to those logistics providers, making it easier to get your goods from A to B." Goods can be stored in Alibaba's warehouses, and then fulfilled by a logistics company through the Cainiao system. "It means there isn't a dizzying array of suppliers you need to deal with."

Payment is done through Alipay. This is an escrow service like PayPal. It is used by more than 450 million Chinese, processing more than half of all Chinese e-commerce transactions. The holding company, Ant Financial Services, is a fintech giant in its own right, valued at \$60 billion in the last fundraising round.

"Our mission is to make it easy to do business anywhere," insists Mr Lloyd. "It is a really earnest and heartfelt mission which comes all the way from Jack Ma when he started the company."

The structure of Alibaba is carefully designed to make the journey simple for even the most nervous of beginners. "You don't need to speak Chinese," says Mr Lloyd. "I don't and I can operate at Alibaba quite happily." Even the tricky stuff like tariffs and paperwork are surmountable. "Really it's no different to any other export market," he says.

The scale of the opportunity should make it compulsory for all UK businesses to investigate Alibaba. Even the tourist trade can benefit. Alitrip, the travel platform, has 200 million Chinese users.

"China had 120 million outbound tourists last year," says Mr Lloyd. "But a really small fraction came to the UK — fewer than half a million. We have a lot of history, great brands, museums, attractions and things Chinese people love. If we can get them to come here, they'll shop, and when they go back, they'll want those brands they've discovered and tell their friends."

It's a mouthwatering prospect. "The opportunity is insane," says Mr Lloyd. And yet he notes: "Some big British businesses are not taking advantage." What are they waiting for? ●

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BUSINESS TO BUSINESS

Business is playing catch-up with e-retail

Easy-to-use e-commerce is transforming the business-to-business market just as it has revolutionised consumer retail

DAVID BENADY

E-commerce retailers aim to make online shopping frictionless, fast and fun for consumers. The same cannot be said for e-commerce in the business world, which lags way behind its consumer counterpart. Buying widgets, stationery, office furniture, raw materials or anything else needed to keep a business running tends to be cumbersome, clunky and slow.

Some companies are still asking their business customers to flip through physical catalogues and fill in purchase order forms by hand. Others have gone electronic with electronic data interchange (EDI) systems where they enter long-term contracts with customers who send in electronic files to order goods.

But this old-school approach is changing as businesses adopt the latest digital commerce techniques to boost their business-to-business (B2B) offers. With platforms supplied by providers such as SAP Hybris, IBM Commerce, Salesforce Commerce, Magento and Intershop, the B2B world is looking to replicate the speed, convenience and simplicity of consumer e-commerce.

"Consumers have been trained for convenience and ease of service so they expect things to be done that way quickly," says Iain Devine, commercial director at e-commerce consultancy Salmon. "As a B2B vendor, if your customers have a choice of who to buy from, you have to give them something that makes it easier to execute the transaction." For instance, engineers looking for a component online need to be able to search for them easily, as there may be dozens of similar widgets differentiated on a single element such as size or capacity.

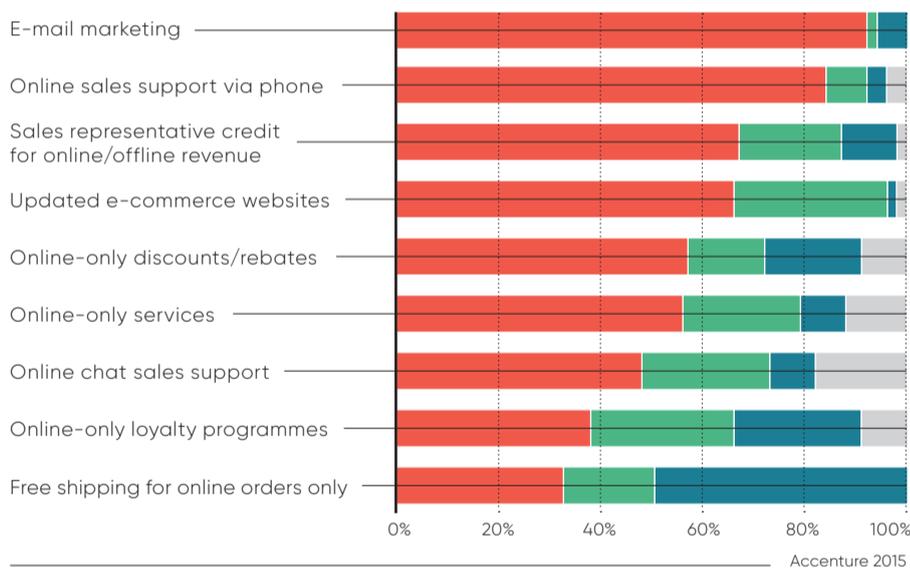
“The old-school approach is changing as businesses adopt the latest digital commerce techniques to boost their business-to-business offers



B2B TACTICS TO PROMOTE E-COMMERCE

CROSS-INDUSTRY SURVEY OF B2B DIGITAL AND E-COMMERCE MANAGERS

● Currently using ● Planning to use ● No plans to use ● No data



Modern B2B e-commerce systems need to offer excellent parametric search, involving a number of elements such as price, colour and size, just as a secondhand car website search function might offer car type, price, mileage and distance from buyer.

Between 70 and 80 per cent of B2B buying is done using legacy systems such as EDI and order entry systems, according to Mr Devine. But with a range of new e-commerce systems on offer, B2B vendors can give their clients greater convenience and search.

The new platforms have a range of advantages. They can allow permission for employees in different roles to order goods of varying value. This level of detail can be included in the software, allocating the agreed permission to each logged-in user. Meanwhile, many of the orders may be repeat purchases with slight changes.

The system needs to be able to offer this in the same way that supermarkets store customers' favourites in their online ordering systems.

The latest B2B e-commerce systems also give an enhanced ability to promote goods which are near the end of their shelf life or which are hard to shift. Mr Devine adds: "Consumers are quite fickle these days. If you have a choice, you'll go to multiple places."

Business sellers that offer the easiest and most seamless buying journeys are likely to keep hold of their customers rather than lose them to rivals with slower systems.

The way goods are distributed is changing rapidly with the arrival of new technology, which is redefining the business models of B2B sellers. Companies need to boost the customer service and personalisation they offer customers. These are becoming more important than price and availability, which are increasingly seen as basics.

Trish Young, head of retail and travel for UK and Ireland at technology consultants Cognizant, says this is just what the new B2B e-commerce systems offer. "Companies offering an integrated and seamless purchasing route will enhance the overall customer experience. The next level is to ensure this experience remains tailored throughout," she says.

"Slick websites count for nothing if they are not supported effectively." Sales orders are no longer set in stone, but can be presented in live documents that can be altered by suppliers and customers in real time. "As a result, businesses are increasingly unifying e-commerce and supply chain platforms, giving a single view of stock and allowing accurate forecasting, reliable fulfilment and catering to the rising demands of logistics," Ms Young concludes. ●

CASE STUDY

PUNCH TAVERNS



Chris Ratcliffe/Bloomberg via Getty Images

Publicans across the country are keeping the beer flowing with a new system for ordering stock at the press of a button.

Punch Taverns, which manages 3,500 tenanted and leased pubs throughout

the UK, has worked with consultancy Salmon to boost the online experience for its publicans and give them a more manageable ordering system.

The updated system replaces the Punch Buying Club website and call centre with a new digital platform using the Magento Enterprise e-commerce platform. Landlords can access a consumer-style experience on the device of their choice. They check the cellar and order the stock they need on the website. Or they can phone through to the call centre where representatives are armed with the same stock ordering software.

When they log in to the system, publicans get a personalised view of their account, their venue and their deliveries, and can arrange to book collections from the depot. The system

uses DataCash payment software so payments can be made from any device.

Punch's head of infrastructure and service delivery David Moulton-Bark says: "Our aim was to enhance the multichannel experience for our publicans across devices and implement a more manageable system across the business. With our new order management system, which is co-ordinating our customer experience across sales and fulfilment channels, we are managing our omnichannel sales far more effectively."

Where once publicans would have gone down to the cellar with a clipboard to fill in an order form or wait for a representative from the brewer to visit to take the order, today's system is self-service and seamless. Cheers.

Getting up close and e-personal

The personal touch, which can clinch a sale in-store, can now be achieved online



In most high-street stores, the best shop assistants are the ones who size you up and tailor their sales pitch. They know your habits through basic profiling, your needs with a few questions and your desires as they observe you browsing in-store. Now, this personal approach to retail is fast maturing on the web.

"In the past, retailers asked 'Will my customers visit us online?' Today, the question is 'How can I get customers to shop more online with me and not with my competition?' The answer is personalisation," says John Raap, chief commercial officer at Fredhopper, a global leader in on-site search, merchandising and personalisation.

The global e-commerce landscape is continuing to evolve rapidly with retailers eager to mimic bricks-and-mortar experiences in their online stores. This involves the right blend of on-site search and merchandising. Together, they can help mimic the in-store experience of product placement, convenient shopping and checkout experiences, as well as brand consistency.

"Retailers are being challenged to come up with new ways to retain customers and ensure brand loyalty online. Offering personalisation is the next natural evolution that will enhance current merchandising strategies," explains Mr Raap, whose company Fredhopper works with more than 200 retail brands globally, including Thomas Cook, Debenhams and Asos.

"When you add that little extra touch, your customers notice and respond, so by offering a more customised experience, each shopper will feel as though your brand is made just for them.



JOHN RAAP
CHIEF COMMERCIAL OFFICER
FREDHOPPER

"Retailers that want to excel online must always first ensure their search and merchandising are optimised, constantly updated and refreshed."

Then the smartest retailers will use big data, coupled with the latest technology, to find new ways to make every shopping experience personal. This strategy goes beyond simply remembering a previous shopping trip and offering up something similar.

"Current personalisation techniques are based on algorithms and are usually applied to recommendations on product detail pages or some landing pages," Mr Raap continues. "But an average of 70 per cent of all retail site traffic takes place on search result, navigation and category pages. This is the kind of real estate where intuitive, less obvious personalisation can really take effect."

Many retailers talk about offering a personalised service, but in reality most e-commerce sites just apply segmentation. Grouping shoppers into various types and then offering items which might appeal to that specific demographic.

"Retailers will need to invest more in advanced personalisation that is more intuitive and granular. It's not just a matter of turning personalisation on and off. Companies will need to personalise a specific row or even a single product in their search or navigation pages to appeal to each specific customer," says Mr Raap.

The next frontier is adaptive personalisation, where the online retailer customises the shopping experience on the fly. This is based on behaviour and studying click-through patterns, as well as real-time activity.

"A shopper may be looking for dresses for his girlfriend during his last visit. But this time, he's shopping for jeans for himself. Advanced algorithms can spot the difference and act," Mr Raap explains. "But for the best effect, retailers should blend current behaviour with more static customer data from previous purchases, like colour affinities, sizes or birthdays."

There are no doubts in the retail industry that strategies which deliver the right message, at the right time, on the right channel will be successful in the e-commerce marketplace. Think of walking into a physical



66 The next frontier is adaptive personalisation, where the online retailer customises the shopping experience on the fly

shop and the "new arrivals" shelf is personalised just for you. Standard merchandising can take care of the rest of the shelves. Personalisation has already done its job.

"However, there are challenges. Personalisation is different for every retailer. You must first know what your customer wants before you can deliver what they need. There are also different kinds of personalisation for different levels of interaction. It's important to get the right formula for your brand," says Mr Raap.

"Customers often don't log in until they are ready to check out. So it is important to find personalisation techniques that work around anonymous shoppers or encourage shoppers to sign in sooner."

Off-the-shelf technology cannot deal with this type of personalisation.

You also will not find your solution by copying other retailers. What you need instead is to collect and analyse large amounts of customer data to discover what is really relevant, analyse it and apply machine-learning.

"Small, incremental personalisation efforts and accompanying A/B testing can help to determine what works best for your audience. It will also help you to collect more data. You'll learn a lot simply through practice," explains Mr Raap.

App users are a captive audience since they are always logged on and they are happy to share data. The mobile marketplace is therefore a great proving ground to test personalisation techniques. Online shoppers are sometimes happy to give up some data if the retailer provides a nice incentive, such as a discount or reward.

"But be careful about the kind of personalisation you apply to mobile," Mr Raap warns. "Standard, out-of-the-box personalisation tends to fall away on the mobile interface. There's simply not enough real estate to support recommendations.

This is where search and navigation personalisation is crucial."

There is no end-game for search, merchandising or personalisation. All three are constantly changing and all three can always be optimised further. "The key is to get started and keep working. Soon, you'll discover the best time, place and amount of personalisation for your audience," Mr Raap advises.

Fredhopper is at the forefront of on-site search, navigation, merchandising and personalisation. And is working with leading retailers and brands in a bid to improve the online experience and help e-commerce providers achieve better conversion rates.

"As e-commerce matures, we find retailers need to fight for every purchase and have to focus more on retaining customers than growing their customer base. To deal with this new reality, retailers need new strategies and technologies," Mr Raap concludes.

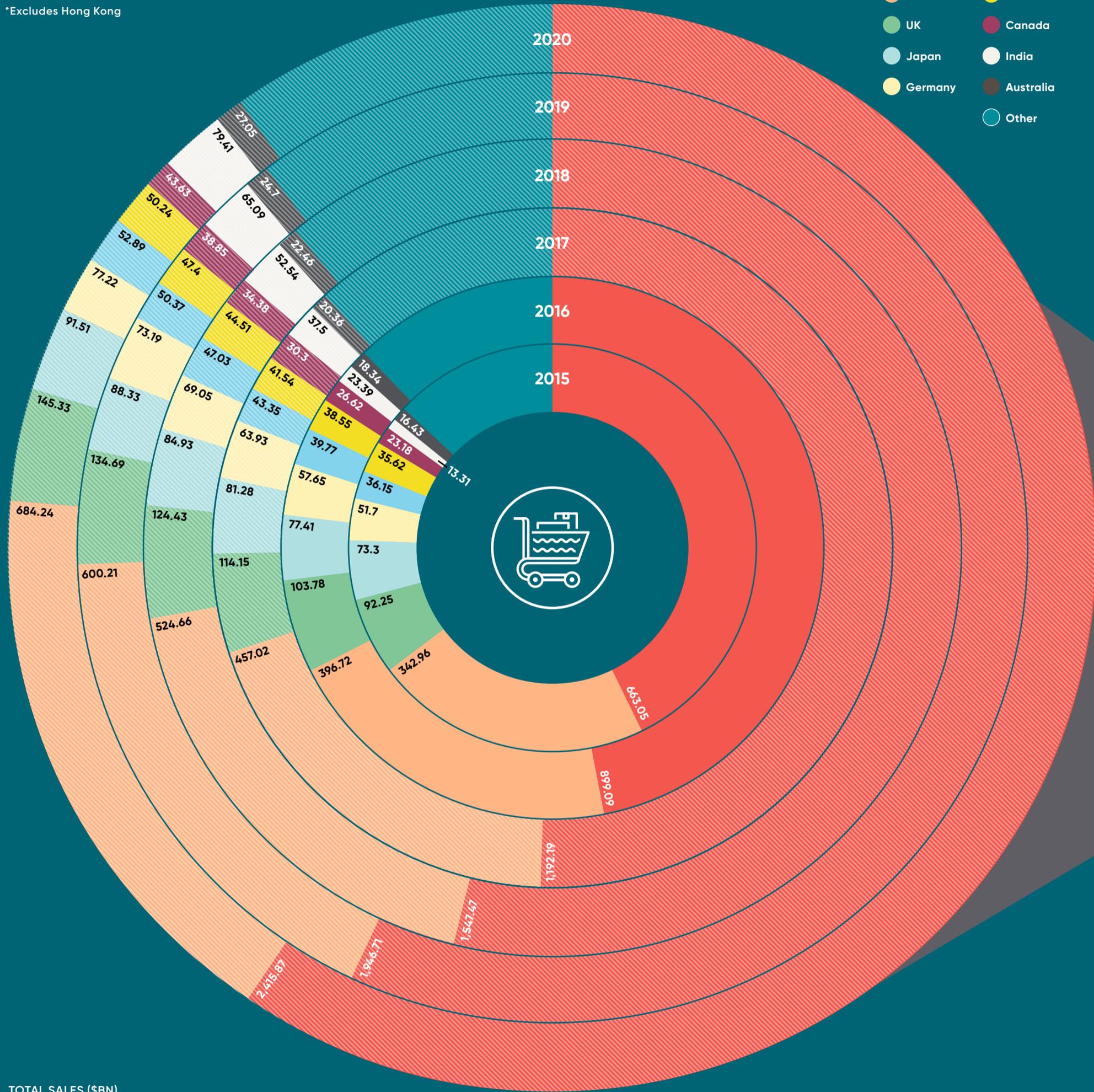
For more information please visit www.fredhopper.com

E-COMMERCE SALES WORLDWIDE

GLOBAL RETAIL E-COMMERCE SALES (\$BN)
 INCLUDES PRODUCTS OR SERVICES ORDERED USING THE INTERNET
 VIA ANY DEVICE, EXCLUDES TRAVEL AND EVENT TICKETS

*Excludes Hong Kong

- China*
- US
- UK
- Japan
- Germany
- South Korea
- France
- Canada
- India
- Australia
- Other



TOTAL SALES (\$BN)



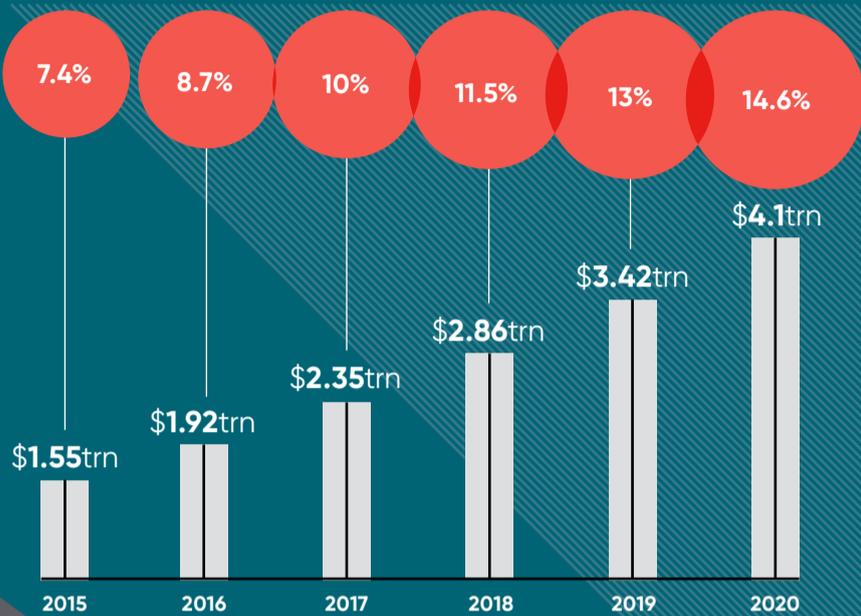
WIDE



GLOBAL RETAIL E-COMMERCE SALES

INCLUDES PRODUCTS OR SERVICES ORDERED ONLINE VIA ANY DEVICE, EXCLUDES TRAVEL AND EVENT TICKETS

● Percentage of total retail sales



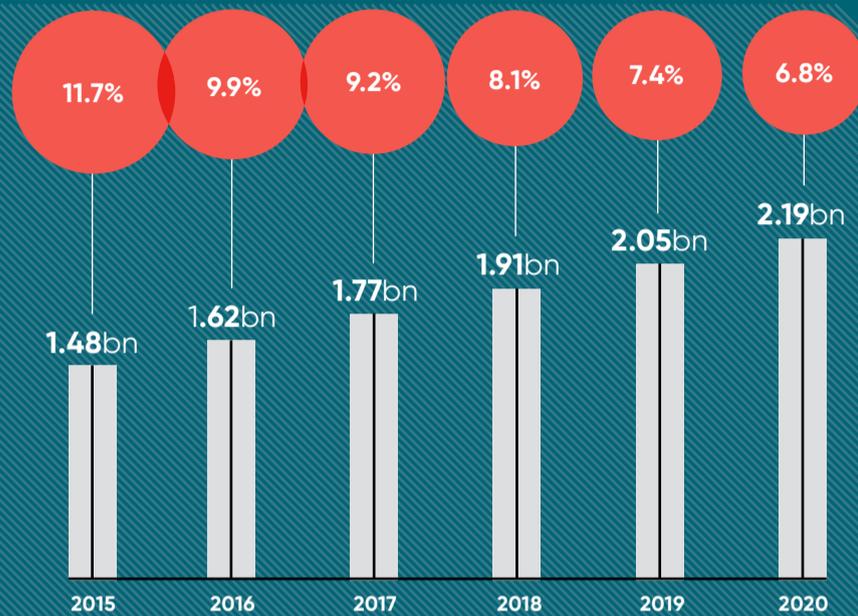
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NUMBER OF ONLINE SHOPPERS WORLDWIDE

INTERNET USERS AGED 14 AND OVER WHO HAVE MADE AT LEAST ONE RETAIL E-COMMERCE PURCHASE OVER THE LAST YEAR

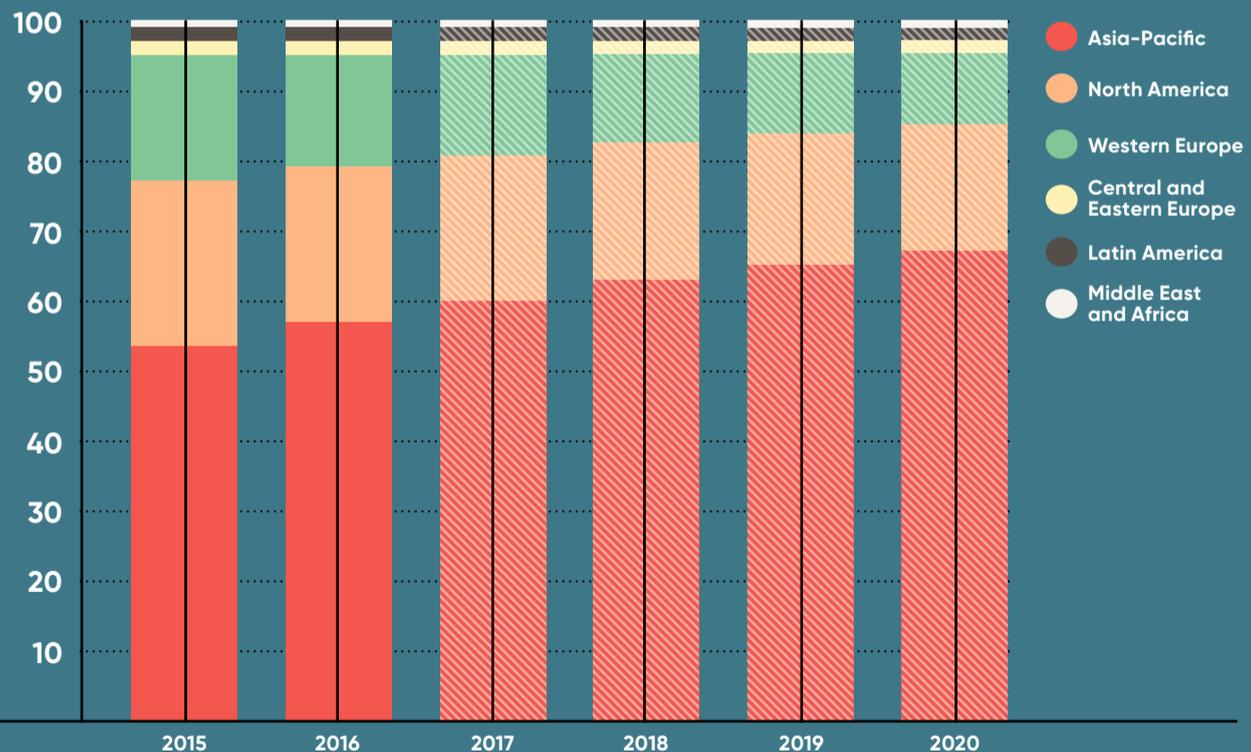
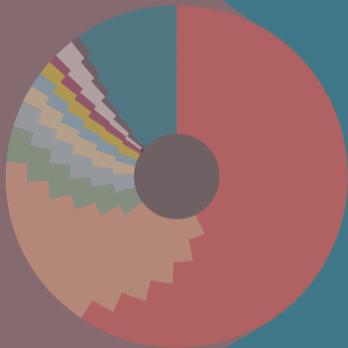
● Percentage change



eMarketer 2016

GLOBAL RETAIL E-COMMERCE SALES BY REGION (%)

INCLUDES PRODUCTS OR SERVICES ORDERED USING THE INTERNET VIA ANY DEVICE, EXCLUDES TRAVEL AND EVENT TICKETS



eMarketer 2016

SOCIAL SHOPPING

Clicking to buy on social media has yet to win over customers

Shopping on social media could be about to take off, but must be fully integrated into the retail online offering to succeed

ALISON COLEMAN

Until recently social media platforms such as Facebook, Pinterest and Twitter were viewed as ideal channels for building brand awareness. Now they are becoming a powerful tool for accessing that hard-to-reach demographic of young, engaged buyers and increasingly converting those users into directly purchasing a product.

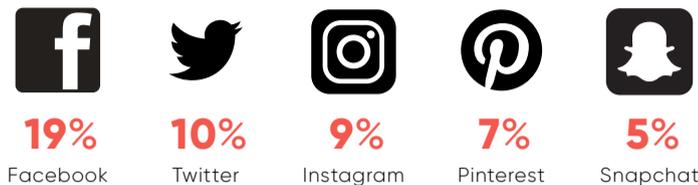
Could the growing phenomenon of social shopping be the future of e-commerce? The short answer is “yes”, says Kieron Weedon, director of strategy at retail marketing agency BWP Group. “The very nature of social media – the ability to share, recommend and show products to friends and peers – shortcuts the comparison shopping customer journey. Facilitating the purchase of products directly from that social media platform was the next natural step.”

But if they are to reap the huge reputational and financial benefits of social shopping, retailers must find a way of changing the consumer mindset that social media is only there for a quick tweet or snap.

Naji El-Arifi, head of innovation at global e-commerce consultancy Salm-

BUYING ON SOCIAL MEDIA

ADULTS AGED 18 AND OVER WERE ASKED IF THEY WOULD LIKE TO PURCHASE ITEMS DIRECTLY FROM THE FOLLOWING SOCIAL MEDIA WEBSITES



Aimia 2016



It's not about offering consumers the same buying experience they receive through traditional e-commerce

on, says: “Shoppers will always want a better experience that is easily accessible, and Facebook and Twitter can offer the platform to do this. The foundation for social shopping to succeed is already there – Facebook is already testing it with Facebook Marketplace – it's up to the boldest retailer to take note, provide a strong customer service and implement a strategy that integrates social media into the overall online offering.”

While social shopping offers huge potential for the retail industry, evidence is still scarce to suggest that it is gaining traction. Rachel Barton, managing director, advanced customer strategy, at Accenture Strategy, says although social media is revenue ready, the majority of organisations have barely tapped into an omnichannel model that integrates social in a meaningful way.

“Moving beyond ‘like’ to ‘buy’ is no easy task,” she says. “It's not about offering consumers the same buying experience they receive through traditional e-commerce. Success requires redefining the shopping experience for a new medium, and making it effortless and tailored for the customer.”

Already ahead of the social shopping game is WeChat, the messaging app in China that has been described as WhatsApp, Amazon, Deliveroo, Uber and more all rolled into one. It is also becoming a central hub for online merchants. Comparisons to Facebook are being drawn, particularly in light of its marketplace features and enhanced messaging services, but most e-commerce experts agree that in reality, no app in the West comes close to WeChat's ubiquitous quality.

Becky Carré, PPC (pay-per-click) executive at e-commerce agency Impression, says: “WeChat's apps-within-an-app model, including peer-to-peer marketplaces and payment functionality, could present a

challenge to the West's social media giants, particularly as Facebook users become disenchanted with the platform and engagement declines. However, with a number of social media platforms blocked in China, Facebook included, WeChat's popularity could be a tributed simply to its lack of competition.”

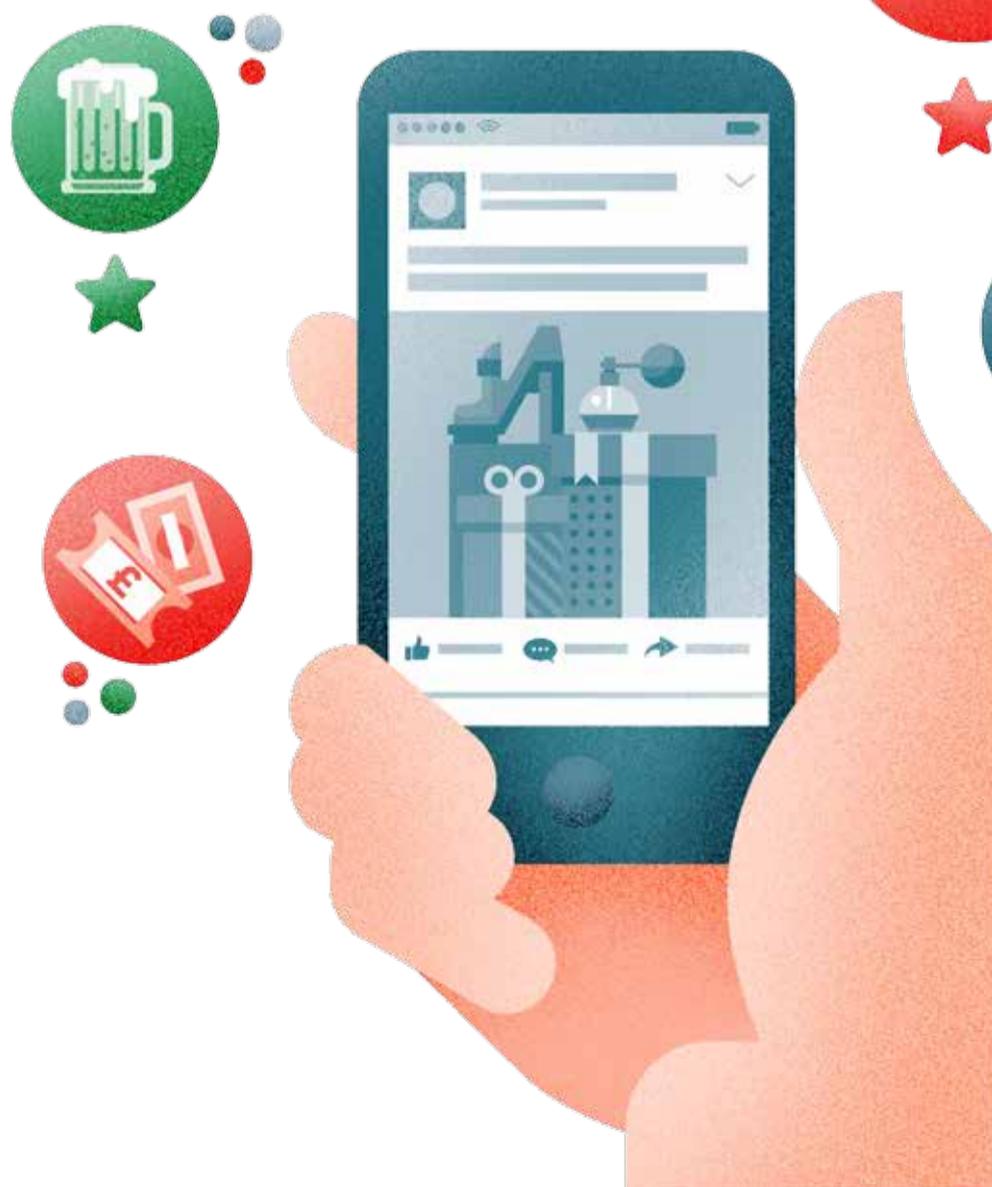
Widespread adoption of WeChat's business model by Western platforms also faces a major barrier, as Jon Carney, chief digital officer, McCann Worldgroup, Europe, the Middle East and Africa, explains: “The West lacks a crucial piece of infrastructure that China has – one or two dominant, mobile-optimised checkout gateways with mass adoption. Our mobile payments are currently much more fragmented and without a default integrated checkout gateway, the social networks will struggle to grow retail activity. However, this isn't insurmountable and once a two-horse race emerges I can see rapid development of impulse-driven, mobile social commerce.”

There is no question that social shopping has a huge role to play as consumers shift their buying preferences from desktop, to tablet, to mobile phones. The move towards “buy buttons” being embedded in social platforms such as Instagram and Pinterest is a natural extension of people wanting the Uber experience of a seamless, secure shopping experience. However, as Dennis Jones, chief executive of Judopay, points out, not all platforms are likely to succeed, as the likelihood of hitting “buy” is tied to the mind-frame consumers have when using social platforms.

“Twitter recently shut down their buy button and we don't anticipate Facebook experiencing more than moderate success with theirs,” he says. “While some purchases are highly impulsive, others require more investigation and are best satisfied with a more immersive brand experience, for example to read reviews of a dress or check a return policy. To make this buying experience as seamless as that offered by the best companies takes time, but it will happen.”

What we are seeing, says Mr Jones, isn't strictly a move to social shopping, rather the natural evolution from m-commerce into app commerce.

“Our favourite websites have long become ‘appified’, and we are interacting with Facebook, Twitter, Amazon and even Netflix from our mobiles. Consumers now expect a premium app-style experience. It's unlikely that the West will adopt the ‘one-stop shop’ app approach of WeChat, so it's vital brands are offering seamless purchasing across all the channels their customers care about.” ●



'People, our staff, standing on the shoulders of robots and digital capabilities, are the future of e-commerce'

IAN JINDAL

Co-founder and editor in chief
InternetRetailing.net

Like a fossilised dinosaur footprint, e-commerce has left a lasting mark on retail, yet is increasingly absent from the customer's mind.

E-commerce brought us the disciplines, process and technology

that helped retailers photograph, describe and structure their products digitally; introduced algorithmic approaches to selling; connected the web experience with the ERP (enterprise resource planning) backbone for stock visibility, service levels and order orchestration, yet the customer doesn't care.

As soon as e-commerce disciplines put the web on to consumer's phones, the hard work was taken for granted. Now a retailer is not rewarded for being multichannel – web, mobile, store, phone and print – but rather punished if they are not.

The sheer extent of data created and used by e-commerce, in real time, across devices and services, focused our minds on big data – supra-human quantities of information that needed to be in a cloud, accessible readily by all systems, rather than locked within our businesses.

In the last year we've been allowing the computer systems to "ask" their own questions and the machine-learning age is upon us. Rather than a distilled data cube awaiting our queries, the system anticipates the main questions, tells us the answers and suggests other things to look at.

Data, algorithms, processing power then gain a voice interface – it's audible magic. Software converts our many accents, slang phrases and specialist requests, then runs processes and answers us. As we start taking Siri, Alexa and Google's Voice for granted, robots reach the market with animatronic designs – not fake human, but certainly anthropomorphic, blending behavioural ticks with machine-learning and algorithms.

Now, surely, is the time to declare the end of humanity, as robot-commerce becomes e-commerce's apotheosis? We see how



the precursors of systems, processes, algorithms, data and code have come together to supplant retail as we know it. Then again, perhaps not.

Amazon Go, the anticipated check-out-less store format, is not devoid of humans. Rather, they are providing support, customer interaction and, in the case of the in-store chefs, experience and education. Amazon is removing the tedium of queuing and checkout, and investing in the human.

During a retail tour in New York last month, a group of European retailers descended without warning on the new adidas flagship. Rather than reject us, the staff took it in their stride to split us into two groups and give a basement-to-rafters tour of the store, discussing architecture, brand positioning, retail theatre, cross-channel performance, digital in store and more. The same happened at Rebecca Minkoff, Nike, Pirch. Highly personable, proficient, deeply knowledgeable staff who were able to build upon a platform of retail, e-commerce, mobile and personalisation, and really engage with consumers. The role of the human is in the creation of stores, narratives that help the brand live with the customer, before and after the moment of the sale.

E-commerce capabilities are vital in modern retail. They are a minimum viable capability, the table stakes of commerce. However, the new opportunity to excel comes from integrating the disciples of e-commerce and digital retail with data, cloud services and retail wow. Together with the empowered effect of human connection and service, retailers can create a memorable and valuable experience that elevates the interaction above simple competence.

People, our staff, standing on the shoulders of robots and digital capabilities, are the future of e-commerce – augmented humanity and the next phase in retail's development.

Mastering the culture of click and expect

Here's how to grow your online business – with the help of e-commerce experts



We live in an era of "click and expect" – anticipating the product we ordered will be in stock, dispatched immediately, received within 24 hours, and that the whole online shopping experience will be seamless, instantaneous and run like clockwork. The fact is most British consumers now demand commerce without compromise.

"Today's shoppers, especially millennials, have great expectations. They want instant gratification and have an 'everything is now' mentality, yet many retailers cannot get their heads around this," explains Paul Lynch, area vice president at PFS, a global e-commerce solutions provider.

However, behind the well-curated retail web pages and glossy pixelated images aimed at drawing in those 20 to 30-something digital natives, there's a patchwork of dated technology platforms, unreliable data, as well as a mishmash of systems struggling to cope and fulfil people's orders.

"The biggest issue in e-commerce today is that it's highly fragmented. There's a lack of integrated technologies and not much of a joined-up approach to clicking, picking and packing orders," says Mr Lynch, whose company works with some of the biggest names in retail including Asics, The White Company, The Entertainer and L'Oréal.

The reason for this is that many bricks-and-mortar retailers that moved online up to a decade ago have a series of legacy systems involving multiple partners and suppliers. The data they have may not be clean. Their stock isn't managed as intelligently as it could be and their fulfilment doesn't function seamlessly due to the many gaps in the systems they operate.

"Many retailers who have an e-commerce platform would rather rip up their whole creaking digital offering and start again. They look on enviously at pure players, who started a few years back, that are able to create seamless and contextual shopping experiences effortlessly across all channels," says Mr Lynch. "Some companies are ten years behind when it comes to their back-end systems."

Now the biggest challenge for most retailers is to create a well-oiled, end-to-end e-commerce offering with no gaps, one that elevates the brand, controls and monitors customer journeys, while managing data at every point in the buying process – in fact a digital retail ecosystem that accurately

mirrors the analogue retail world and also goes that step further.

Data is the single most critical factor in driving this, as well as any seamless customer experience. If it is fragmented, then it becomes the root cause of any broken or poor consumer journey.

"Data is crucial for e-commerce. At the end of the day, it's all about engaging customers, and you can only do that when there's accurate data and your systems are fully integrated," says Mr Lynch.

"Get this right and it allows marketers to take back control. When there are few internal constraints, marketers can then innovate to engage customers better, as well as create customised and personalised campaigns, using fewer resources and time."

PFS serves more than 160 of the world's leading brands operating in a range of national and international markets, including apparel, luxury goods, home improvement, sporting goods, home decor, food and bev-

erage, health and beauty, and consumer electronics.

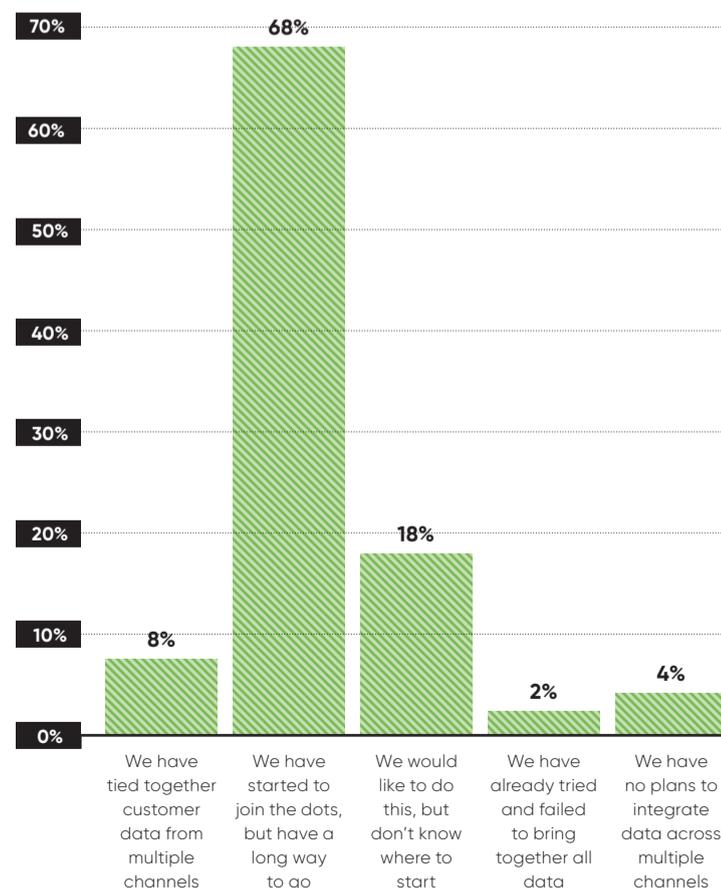
The company has years of experience offering full end-to-end e-commerce solutions, including those in the fields of strategic consulting, digital marketing and technology. The biggest challenge PFS is tackling right now involves integrating organisations' systems so they are able to offer an experience that meets and exceeds their customers' ever-evolving expectations.

"We take a holistic approach and ask the question 'How can we grow your e-commerce business from £10 to £100 million in the next few years?' Those that see it as an investment rather than a cost are the ones that get it, especially if it's driven from the boardroom," says Mr Lynch. "We really are in the age of click and expect. Retailers beware."

For more information please visit www.pfsweb.com or e-mail Marketing-Europe@pfsweb.com

THE CUSTOMER JOURNEY

HOW CLOSE IS YOUR ORGANISATION TO BUILDING AN INTEGRATED, OMNICHANNEL VIEW OF THE CUSTOMER JOURNEY?



COMMERCIAL FEATURE



Personalisation: online revenue secret weapon

So much discussion in online retail is around avoiding cart and browser abandonment. Instead of viewing abandonment as a problem, retailers should see it as an opportunity to grow sales, says **Brandon Wilkins**, general manager Europe at Bronto Software

For many years, retailers of all sizes have been attempting to tackle the "problem" of online shoppers abandoning before they buy. It can happen when a shopper departs after looking around a retailer's website or further along in the process when they have moved a few items to their basket.

One way retailers have dealt with the problem was to spend money chasing their customers all over the web with retargeting ads. While these ads have a purpose, we believe there is a more personalised way to approach the issue – one that can turn abandonment into the start of a long-term relationship.

At Bronto Software we have seen numerous retailers use abandonment communication strategies to understand their customers better, target them more effectively and provide the hyper-personalisation that entices consumers to stay loyal to a specific brand.

Last year was a watershed year for basket abandonment e-mails. Most of our customers found their recovery e-mails (as we call them) to be their most lucrative communications. They stopped spending money trying to avoid cart abandonment, instead treating an abandoned cart as the start of a selling cycle.

As an example, kitchenware brand Joseph Joseph added an abandoned basket campaign that has a 60.5 per cent open rate, and click-through and conversion rates of 24 per cent. The company's digital marketing manager

noted the e-mails did not include a discount and that it was one of the company's most successful campaigns.

The next step for retailers is augmenting basket recovery efforts with browser abandonment approaches. By focusing on the point that the customer abandons browsing, they shift the focus earlier in the purchasing cycle. The philosophy is similar to basket recovery – treat an abandoned shopping session as the first step in a sales opportunity. After a customer finishes browsing without purchasing or even adding to the basket, the retailer will send a reminder e-mail. This may include an incentive.

66 Treat an abandoned shopping session as the first step in a sales opportunity

To be effective, browser recovery must consider many more variables than just the pages a customer views; it needs automatically to recognise each consumer and understand their deeper intentions. That means drawing on data from multiple shopping sessions, purchase history, ratings, location and other personal attributes.

As an example, if a customer typically buys around £150-worth of products, a retailer can now send e-mails after that person abandons the shopping process, highlighting

ORACLE + Bronto

relevant product offers that hit the customer's "sweet spot" of £150. To encourage a larger expenditure, the e-mail might include an incentive for purchases above £150.

What comes next? With an understanding of who the customer is, the next steps of hyper-personalisation include newer geo-targeting options and product recommendations.

Geo-targeting recognises where a consumer is physically located and reacts accordingly. It could be as simple as publishing local store hours in an e-mail or as complicated as sending a real-time SMS coupon as the customer nears the store.

The final step in personalisation is to recommend the right product at the right time. Product recommendations do not happen in a vacuum. Stores need more than the conventional "people who bought product X like..." A good recommendations engine takes all the available data into account – shopping preferences, purchase history, the date, physical location and more.

We have seen many times that sending targeted personalised e-mails after abandonment works well. Sales increase along with customer engagement and brand loyalty. Retailers of all sizes are using the technology to get ahead of their rivals and secure the spending of online customers long into the future.

To find out more about how to turn abandonment into effective and repeatable sales, visit www.bronto.com

LUXURY AND FASHION

Sniffy luxury retailers can be shy online

E-commerce technology and data analytics can lure in lovers of luxury fashion, despite a desire to remain exclusive

CLAIRE ADLER

What high street fashion brands might lack in red carpet glamour and sparkle, they are evidently making up for with online sales. Many luxury fashion brands currently lag way behind their mainstream counterparts when it comes to the proportion of their revenue generated by online sales.

While John Lewis attributes 34.5 per cent of its sales online, luxury conglomerate LVMH, which owns Louis Vuitton, Givenchy and Fendi, musters only 4 per cent, according to Reuters.

In addition, a disparity is apparent between a brand's levels of luxury and its percentage of online sales,



Rarity and exclusivity often lie at the heart of the luxury business model, while digital communications are all about global access

according to a recent McKinsey report. It claims absolute luxury, such as Dior, generates under 4 per cent of online sales, while for aspirational luxury, such as Burberry, the figure is 7.5 per cent and for affordable luxury 8.5 per cent. Burberry, the global



INSIGHT
FAST-GROWING SUB-SECTORS OF E-COMMERCE

GROCERIES

E-commerce consultancy Salmon, whose clients include Selfridges and Ted Baker, says the future of supermarket shopping looks bright, with Amazon at the forefront. Sainsbury's offers one-hour delivery in parts of London. Salmon predicts the proliferation of fridge and coffee machine sensors, automatically placing orders via a supermarket app based on a customer's ordering preferences. While 55 per cent of shoppers use the same shopping list repeatedly, online grocery shoppers spend three times more per shop than offline shoppers, says data consultancy Kantar.



BABY CARE

Baby care is being primed for a "programmable revolution", according to e-commerce experts Salmon. The Boots Parenting Club allows parents to sign up from pregnancy through to when their child is three years old. It offers parents ten points for every £1 spent, personalised offers and gifts, plus a free magazine. In return, Boots captures data about parents and their children, and grows sales via targeted offerings. Streetlike.com installs touchscreens in-store to deliver personalised, seasonal and instantaneous offers or promotions without the need for an app.



TRAINERS

Sports shoes are proving what personalisation is capable of, says Euromonitor. The adidas app lets users order trainers with pictures taken from Instagram accounts. Australian fitness guru Emily Skye is launching a crowdsourced training shoe this year, promising to incorporate preferences from some of her 12 million Facebook and Instagram followers. Augmented reality experts Holition, using artificial intelligence to capture social media trends and personal preferences to give styling advice, are talking to luxury sneaker customisation brand MySwear about creating visualisations of bespoke products.



luxury leader in digital communications, which has 45 million followers across 20 global social media platforms, has seen mobile sales triple in the last year.

The world's biggest names in luxury routinely cite attention to detail and innovation as claims of their commitment to excellence. Surely though, these criteria provide the motivation to leverage data analytics to offer a more personalised service. Why then the apparently slow adoption of personalisation technologies, which include providing tailored recommendations, e-mail offers and promotions based on knowledge gathered about the customer, and sending abandoned basket e-mails when visitors leave a site before completing a purchase?

Hesitation from the luxury world

towards e-commerce is not without reason. Rarity and exclusivity often lie at the heart of the luxury business model, while digital communications are all about global access.

"Luxury brands including Barbour and Belstaff see their websites as an aspirational showcase, at the expense of making it easier to buy from. By contrast, men's high street retailer Burton uses weather data and the user's location to suggest, say, winter jumpers rather than summer shirts," says Dan Croxson-John, chief executive of online consultancy AWA and co-author of *E-Commerce Website Optimisation: Why 95% of Your Website Visitors Don't Buy and What You Can Do About It*. He cites Net-a-Porter, ASOS and Shop Direct as top performers in online luxury.

Euromonitor's top ten global consumer trends for 2017 include personalisation and speed – concerns which luxury fashion brands on top of their game, such as Gucci, Ralph Lauren and Hermès, are now tackling head on.

"Retailers often concentrate on increasing website visitor numbers, while undervaluing the importance of converting visitors to purchasers," says Mr Croxson-John, who believes personalisation is now a priority.

Zalando's image recognition app lets users photograph outfits they like and receive recommendations for similar or the same products. The Harvey Nichols loyalty app rewards customers with experiential treats such as hair and beauty treatments or VIP shopping experiences.

77Diamonds.com, Europe's largest online seller of diamond jewellery, keeps its communications integrated across live chat, phone, e-mail and personal meetings. "Our in-depth analytics enable us to suggest jewellery for specific occasions and anniversaries, and where relevant offer invitations to our Mayfair showroom for special events or offer free same-day delivery," says Tobias Kormind, 77 Diamonds managing director.

"On average, customers take three months to buy a luxury watch," says Paul Souber, head of central-London retail at Colliers International. "Visitors to WatchGallery.com live chat with experts from the company's Covent Garden store, so they are talking to the same people in the physical space they met in the digital."

Supply chain and delivery management experts JDA and Centiro are now stemming the tide in costly deliveries which are returned by customers, enabling companies to offer only specific customers free delivery, in some cases using locations captured from mobiles to deliver straight into the customer's hands.

Online expert Mr Croxson-John's top tip to brands is to keep websites simple to navigate. "Brands need to focus on meeting customer needs, rather than putting in place the latest technology just because they can," he advises. ●



£60bn

estimated annual value of the global luxury e-commerce channel by 2025, up from £12 billion in 2014

McKinsey & Company 2015



61%

of luxury retailers say that digital will drive most of their annual revenue over the next five years

Salmon 2015



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Burberry has seen mobile sales triple in the last year

Gareth Cattermole/Getty Images for Burberry

Can UK retailers operate like Amazon?

Retailers need to rethink the way in which they run their operations so they can focus more effectively on their customers

Brightpearl

As every retailer knows, customers are increasingly demanding. They expect to choose from a greater range of products and want delivery to be almost immediate. It's by satisfying these demands and setting new standards for customer service that Amazon has become so phenomenally successful.

The retail giant has also benefited from the accuracy of its data, which means that it knows the cost of each sale and is not eroding its profit margins. On the other hand, too many mid-size retailers are missing out on this vital piece of intelligence. As a result, they're often spending too much resource on fulfilling orders and are therefore not as competitive and profitable as they should be.

It's little wonder retailers large and small have been looking at what Amazon and others such as John Lewis do so well and asking how they can apply it to their own operations to increase customer satisfaction ratings and to improve their bottom line.

Very often, though, their focus will be on non-differentiating administration tasks, says Derek O'Carroll, chief executive of Brightpearl, a leading retail management platform.

"Retailers need to be looking at their back office operations for efficiency gains," he explains. "All too often they're using intelligent, skilled and well paid staff to do simple manual jobs such as chasing up orders and checking on inventory when these people would be much better deployed talking directly to customers."

Improved automation of back-office operations is the key to freeing up this human talent so it can be used to answer customer queries more quickly and provide the kind of human service that customers value.

"Our customer service has significantly improved since using Brightpearl and we now see a very positive feedback score. Being

customer focused is really important to us. We love being able to look after our customers and not having to worry about time-consuming back-office operations," says Clifton Vaughan, director and co-founder of Natural Baby Shower, which specialises in natural eco-friendly products for babies.

Brightpearl brings together accurate trading activity and financial data, which reveals the true cost of any order, in an easy-to-use one-stop shop.

Mid-size retail industry performance

£1,104,912,881

Gross merchandise value (GMV) processed

13,427,591

Number of orders processed per year

3 Average

Number of sales channels

36,787 Avg

Number of orders processed per day

33 Currencies

Number of order currencies

1,532 Avg

Number of orders processed per hour

26 Countries

Number of order countries

Source: Year-on-year sales growth of 1,200 mid-size retailers and wholesalers 2017

Mid-size retail industry trends

Gross merchandise value increase across sales channels



Source: Year-on-year sales growth of 1,200 mid-size retailers and wholesalers 2017

"It's increasingly important for managers to be able to access all trading and financial information in a single platform," says Mr O'Carroll. "They need to prevent inaccuracies and that's why our clients tell us how much they appreciate our real-time accounting and reporting."

Pressure on better margins and just-in-time supply chain management are making Brightpearl's ability to minimise disputes with vendors, stockouts and double-selling increasingly appealing to a wide variety of mid-sized retailers.

Developments in technology mean this kind of retail automation isn't solely the preserve of the big players like Amazon anymore.

More and more retailers are realising that automating their back office is essential for success. Brightpearl is trusted by more than 1,200 retail businesses and over £1 billion in gross merchandise volume was processed through the platform in 2016. It typically processes 36,000 orders a day, over an average of three sales channels per retailer. In addition, Brightpearl merchants last year traded in 33 currencies across 26 countries.

66

Ambitious, fast-growing brands like the way we can help them break into new markets quickly and easily while keeping their costs down

Mr O'Carroll believes flexibility and connectivity are key to Brightpearl's appeal to retailers. Its system is designed to work seamlessly with popular e-commerce channels such as Magento, for which it offers the simplicity of an off-the-shelf connector with the power and flexibility of a customised integration at a fraction of the cost.

Brightpearl experienced growth through Magento of 40 per cent last year, closely followed by 38 per cent for Shopify and 25 per cent for Bigcommerce.

"Retailers need to act more quickly than ever these days," says Mr O'Carroll, "and I think that's why our customers like the fact they can launch our product three times faster than they can with other systems. They also appreciate that it can be run by anybody – there's no need for a dedicated administrator."

"Ambitious, fast-growing brands like the way we can help them break into new markets quickly and easily while keeping their costs down."

As customers become more demanding, both in terms of price and service, the pressure is growing on retailers. "They need to position themselves for the future and that's why they need a solution that will grow with them and can be scaled up," says Mr O'Carroll. "The future of retail offers major challenges, but with an effectively automated back office, ambitious mid-size retailers can operate like Amazon."

For more information please visit www.brightpearl.com

AUTOMATION

Machines are turning wheels of e-commerce

The impact on customers of automation is already making itself felt as online companies jostle for supremacy – or survival

NICK EASEN

Online retailers face wafer-thin margins that are continually eroded. Automation is seen as one solution and a sure-fire way to cut costs, after recouping the necessary considerable investment. What's troubling is that companies are often making investments in automation just to maintain margins, not improve them. The good thing, however, is that some technology solutions are being democratised and are now more accessible, as well as affordable. "Automation is no longer the domain of the elite few and the quicker we can make that transition to all industries, the quicker everyone can participate," says Thomas Frey, futurist and founder of the DaVinci Institute. There are a number of areas where companies are investing in a bid to stay ahead. Here are five...



SEARCH

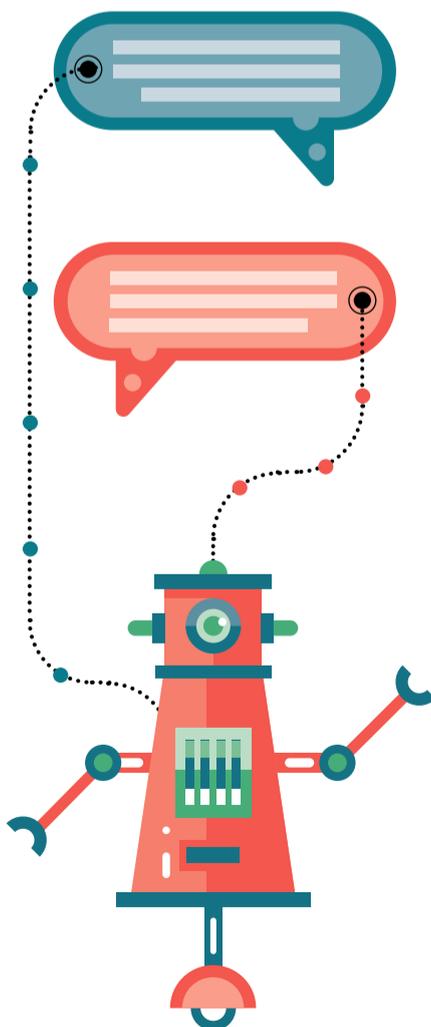
1 Finding exactly what you want, when you want it has always been an issue, whether via organic search or on-site search. Machine-learning coupled with big data is certainly making the whole process easier, with a great deal of automaton when it comes to understanding Google's algorithms. Yet e-commerce players are still hungry for clean uncompromised

data about us and our shopping habits. The more we give, the cleverer the responses will be to our searches. "Younger consumers are pretty comfortable about sharing data these days if they get something out of it; it's the older generation that have issues," explains Hugh Fletcher, global head of innovation at Salmon. There is even fully automated software out now that can help improve search engine optimisation or SEO rankings. It runs countless A/B tests on websites to hone in on the changes that need to be made.

DIGITAL MARKETING

2 Marketing tech has rushed to add deep learning and artificial intelligence to its tool box, which has helped create robots and chatbots that allow businesses to automate basic customer service functions. The majority of business-to-consumer interactions will soon be person-to-machine rather than person-to-person. This is due to the rapid rise of robotic process automation or RPA. Think also beyond Amazon Echo, Alexa and Google Home.

The automation of both content and e-mail marketing is already prevalent. "However, with automation we can't solely rely on algorithms," says Georg Spielmann, presales manager at Fredhopper. "In our view, a combination of man and machine is the optimal setting for success in marketing." "Machines are good at finding simple patterns in large data sets. Humans are good at finding complex and visual patterns in small data sets. Therefore we recommend a healthy mix of both."



PERSONALISATION

3 Consumers want highly personalised shopping experiences online. It's not surprising then that developers have been busy writing software and algorithms that do exactly that. The aim is to deliver a more relevant and targeted customer experience from the first click through to check-out and even after-care. The purpose is to drive significant increases in awareness, loyalty and sales. Personalisation in the digital space with a highly automated solution isn't easy unless you have significant and clean data sets to work with. "The challenge is that there is so much data out there. Interpreting it intelligently and effectively is the issue," says Salmon's Mr Fletcher.



PAYMENTS

Blockchain and bitcoin have been making a lot of noise, but are only nascent solutions and still quite intangible concepts in the marketplace for many, even though they show much promise. Certainly secure payment systems such as e-wallets, digital currency and to-

DELIVERY

5 The next big thing is programmatic commerce. Imagine a coffee machine that'll sense when you're low on beans and automatically reorder. The device, connected via the internet of things, makes purchases where you've given your consent. The machine then makes decisions for you. "The automated fridge with a screen that tells you what needs ordering is old school. The tech has already moved on. Consumer behaviour, along with online commerce, is set to be transformed," says Salmon's Mr Fletcher. Amazon Prime also has much to answer for. Consumers expect a lot when it comes to immediate dispatch, yet automated delivery

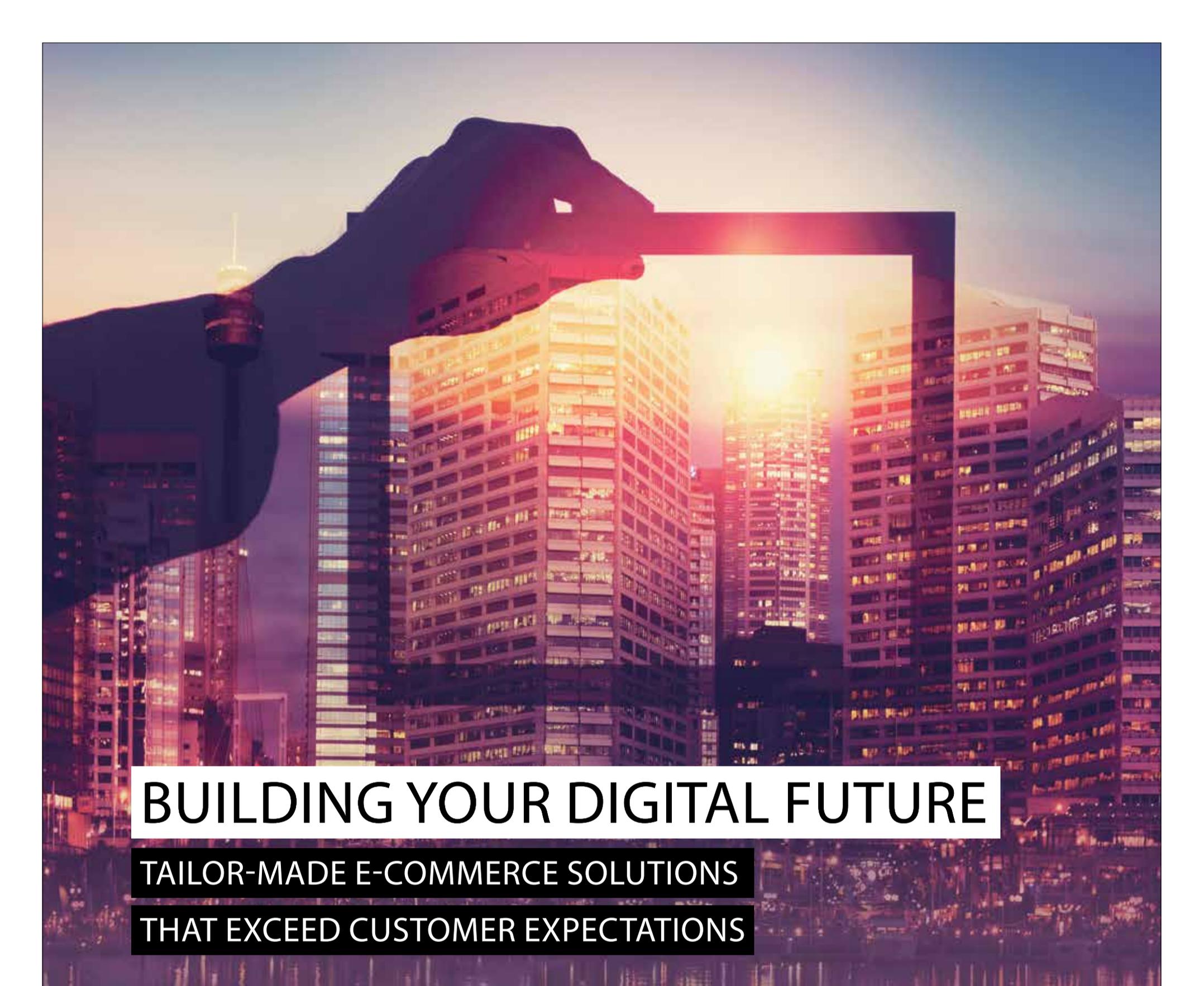


Incumbent companies that have legacy systems tend to have data sets that are myriad, unclean and inconsistent across channels, whereas fresh-starting pure-play firms with clean data don't have enough of it or don't have the experience to know how to analyse it properly. It's an industry conundrum.

kenisation will soon become part of the automated solution. But the biggest issue is consistent payment solutions across all channels. The e-commerce industry is abuzz with offering an omnichannel experience, which involves presenting a seamless customer experience across mobile, online and in-store. Payment systems that are consistent across all platforms will be crucial if they are to meet people's expectations. We all now expect a joined up and connected journey when it comes to purchasing with a significant focus on mobile payments. Digital shopping carts that are synched wherever the customer is in the shopping process will also be crucial.



requires huge levels of investment that many businesses underestimate. "Companies want to believe the answer is simple and cheap. The reality is that automating these systems isn't. The devil is in the detail and many people fail to address the complexity of what's needed – it's an industry-wide issue," says Howard Rawlings, director of Cloudberry Digital.

A hand holding a smartphone in front of a city skyline at sunset. The hand is in the foreground, holding the phone up to capture the view. The city skyline is in the background, with buildings lit up and the sun setting behind them, creating a warm, golden glow. The overall scene is a mix of purple, blue, and orange tones.

BUILDING YOUR DIGITAL FUTURE

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When it comes to e-commerce, no company starts from scratch. And none of their customers come without expectations either. That is why Intershop builds digital commerce solutions as an integral part of your business. Seamlessly integrating any relevant system with ease. Enabling your company to showcase your brands, market your products or services, improve efficiencies, implement the strategies that will grow your business, and exceed customer expectations.

In this way we have engineered digital business engines for hundreds of ambitious B2B and B2C companies around the world. From global enterprises to fast growing start-ups. For over 25 years. Our 100% success ratio is unmatched; as is the ROI we deliver. So bring your own expectations and visit www.intershop.com.



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