



# ECOMMERCE PLATFORMS 2013

September 2013

an internet retailing special report

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# EDITORS' COMMENT

**W**elcome to this *Internet Retailing* special report, in which we take a holistic approach to selecting ecommerce platform technology. Choosing the right ecommerce technology takes time and energy: these are decisions that traders will be living with for years to come. And these are complex decisions too. It's not just a simple matter of deciding on the ideal technology for the retailer, but on marrying the ideal with everyday realities, both technological and financial.

Questions that must be answered include how technology will be bought, whether as an owned solution, software as a service or an alternative approach, and how the investment will be paid for. Potential problems may also include the small matter of integration with existing, legacy systems, and how the solution will adapt and flex as the business both grows in the future, and evolves to meet the new, and inevitably different, realities of consumer behaviour.

These are difficult questions but they are also ones that it's important to get right. Only by making measured and thought-out decisions do retailers best protect and fuel businesses for the future.

Every individual trader has its own approach and strategy, borne out of the company's individual realities and customer base, but in this supplement

we aim to seek out some of the common approaches and the questions that retailers ask when looking to make one of their biggest investments.

Throughout these pages we aim to pose the questions that retailers need answering, while also learning from others' experiences.

We do that, as always, through the prism of our six regular features, focusing on interface & design, merchandising, cross-channel experience, logistics, strategy and customer engagement.

In our interface & design feature (page 10), we consider the way ecommerce platforms are increasingly integral to the wider business, the world of omnichannel retail. This throws up new design challenges that forward-looking companies are grappling with. In our merchandising feature (page 14) we consider what retailers can achieve through the sophisticated technologies now available in this area and how they can best approach making their trading vision a reality.

In the cross-channel experience section (page 18), we offer a partial map of how to reach a retail nirvana, seamless cross-channel shopping. The idea of helping consumers to shop in ways to suit them is elegantly simple, but it relies on understanding the data that underpins retail.

Discussing logistics (page 22), retail

expert Penelope Ody argues there are limits to a make-do-and-mend approach to fulfillment. Eventually, companies need to invest in systems that will enable them to get goods to customers with as close to 100 per cent reliability as possible.

Our strategy feature (page 26) looks at the factors to consider in the board-level decisions that lie behind choosing which ecommerce platform best suits the company. Finally, our customer engagement feature (page 30) considers the increasing importance of personalisation within retail. This importance is reflected in competition between vendors to develop technology that helps retailers better serve customers.

Overall, since we last cover year, a lot has changed within the world of ecommerce platforms. Or perhaps more accurately, a lot has evolved as software with its roots in enabling retailers to sell via the web becomes more and more central to today's sophisticated cross-channel businesses.

*We hope you find this special report useful. If you have comments, questions or suggestions for special reports, do contact us. We can be reached at [chloe@internetretailing.net](mailto:chloe@internetretailing.net) or [jonathan@internetretailing.net](mailto:jonathan@internetretailing.net)*

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**ECOMMERCE TECHNOLOGY  
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FAST-CHANGING LANDSCAPE?**

**T**echnology expert Stefan Schmidt argues that retailers need to prepare today for changes in consumer demand that will shape retail experiences of the future.

As UK internet shopping sales growth outstrips that of any other country in the western world, it is clear that the country's consumers are becoming ever more accustomed to using many more different, technology-enabled ways to shop and interact with retailers.

But retailers could do more to keep up, according to Stefan Schmidt, who works with companies such as Toys R Us, Mulberry, Monsoon and L.K. Bennett in his role as vice president of product strategy at ecommerce technology company hybris software.

"Consumers don't see stores, online, mobile or even retailer's social networking pages as separate entities, or 'channels' as retailers refer to them," says Schmidt. "They just see a brand they know, interact with and hopefully love."

The internet has increased competition by giving consumers more shopping options than ever before. They can compare prices, read reviews, and ask for advice via email, online chat or over the phone, and they can still go into a store to touch and feel a product. They can also complete a purchase in-store, online or via their smart mobile device, have it delivered, collect it in-store and even subsequently return it by either means.

"The consumer simply doesn't see multiple channels or an omnichannel strategy, they just know how they want to shop," Schmidt continues. "The feedback we get from retailers at hybris is that they see the opposite to the consumer. The complexity of delivering on and exceeding those expectations all falls on the retailer's side, where they have to manage processes and data across channels in a way that is cost-effective and efficient, yet seamless to the consumer."

The message to retailers from Mr Schmidt is clear. "They need to make it easy, simple and convenient for the consumer. For me, it is not about creating new channels for additional revenue or to mitigate cannibalisation to offline or online competition, it's about giving the consumer everything they need to buy in confidence from you. Adding additional touchpoints, like kiosks in-store to offer an extended range in smaller format outlets or a mobile app, can help increase the likelihood the customer will complete their purchase with you rather than the competition."

The retail technology expert advises retailers to respond by, "looking at the processes already in place in the organisation first to decide which of them deliver the most value to customers – not just in one channel, but across all channels".

Central to a successful retail commerce vision is a single view of products, stock levels, orders and customers across all channels: "But the challenge for retailers is this information tends to reside in a lot of different internal systems that are disparate. Our approach is to provide the overlaying technology 'wrapper' that helps to bring these systems together so retailers can have full visibility of this key information."

"No one can predict the future. So retailers today need a flexible enough platform to execute a coherent, agile and customer-focused commerce strategy," Schmidt concludes. ■

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In the 'always on' economy, customer experience is the new battleground for retailers to vie for market share. The relentless pursuit of relevance and instant gratification by customers forces retailers to look hard into their data and multichannel strategy to connect the overall shopping experience. And it is more important than ever for ecommerce platforms to rise above shopping cart and product display to deliver growth, convenience and relevance based on real-time data.

### **SIMPLIFY GLOBAL MARKET & MULTI BRAND MANAGEMENT FOR GROWTH**

Whether you want to grow a new market or launch a new brand, you need a single platform to control all of your product catalogues, customer data and localised promotions, so you can specify which products and promotions are active in each market, without duplicating work, and track your customer orders and sales at market or brand level to get a clear view of the performance.

### **CONNECT ONLINE & IN-STORE EXPERIENCE FOR CONVENIENCE**

Great customer experience goes beyond digital interactions and connects with the entire operation. Merging your online and offline channels makes it easy to buy from you – connect your ecommerce platform to your back-end systems to allow customers to buy online and collect in-store, check stock level before they visit a store, and offer express delivery for customers needing your products quickly.

### **OPTIMISE & PERSONALISE FOR RELEVANCE**

From mobile to email to social media, customers use a variety of channels to engage with you. Your ecommerce platform must combine responsive design with customer data to personalise product merchandise and branded content for optimal effect, and using a platform that can automate the merchandising process will further improve sales efficiency and speed to market.

In the fast-changing face of ecommerce, choosing a user-centric and data driven ecommerce platform such as EPiServer Commerce gives retailers a solid and agile foundation to support the evolving needs of modern customers. ■

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The use of ecommerce technology is already extending into new channels. This has exposed the need to understand the complexities of store operations and customer cross-channel behaviour.

You will already be offering a click-and-collect service, possibly even have the ability to check and fulfil orders from store stock. The store will be web-enabled, with the ability to browse and order products from your full range and process purchases using a single combined basket for orders and store purchases with local promotions correctly applied.

While ecommerce technology is inherent in these processes, the most successful implementations recognise that both customers and retailers have different needs in different channels, and also call on functionality from the core store solution that controls store experience, stock, security, refunds and cash management.

Like many retailers, your ecommerce will be feeding a wealth of customer information into a central repository to be combined with data from each of your other channels. You will know your customers' preferred channels and locations, shopping preferences, and their buying habits. The most profitable retailers will be leveraging this information to create targeted marketing campaigns designed to build brand loyalty and keep customers coming back.

This enriched customer profile is essential to analyse behaviour, construct and execute unified marketing campaigns through numerous channels, and then accurately evaluate the response. Importantly, it should be the engine that ensures that a customer's experience of your brand is always relevant, personalised and consistent thereby maximising revenue.

The challenges will be to control and align relevant personalised messages across the channels, and adapt business processes quickly and efficiently to drive profits. In a connected world, retailers need to leverage best-of-breed functionality in each core system with the agility associated with ecommerce.

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**W**Without data, it's just another opinion. Ecommerce technology has evolved into multichannel commerce, empowering retailers to drive operations across all channels – print catalogue, mobile, call centre, in-store kiosks.

The centralisation of data has enabled retailers to benefit from the efficiencies of a single data set for products, content, order and customer management. The holy grail of any multichannel commerce strategy is a single view of the customer. The ability effectively to monetise this holy grail has so far been elusive for many retailers.

### DATA IS THE NEW OIL

Data collection is the easy part. Every retailer is collecting data on their customers through every transaction. What does the customer buy, how frequently and through what channel? Raw data, like oil, is unrefined. How do we refine it? Flexible reporting tools enable marketing executives to more clearly see what their customers are doing, transforming data into information.

### INFORMATION DOESN'T LIE

Availability of data is concrete, analysis of data is not. Online retailers are constantly making decisions on marketing and merchandising. How many of these decisions are driven by analysis of information? The time required to analyse data can be daunting. Platform-driven analytics that enable a clear view of historical trends and future forecasts are key to generating knowledge about customers.

### KNOWLEDGE IS POWER

Once retailers have knowledge about customers – buying habits, likes, trends – what should they do with it? Transform the knowledge into strategies that target each customer individually. The challenge with personalisation is to make the conversation consistently relevant for each customer without missing the mark.

Ecommerce platform providers are racing to deliver the tools needed by retailers to create value from their data. A key requirement of multichannel commerce technology going forward is the ability to transform data into a knowledge-based strategy. Any strategy will need to encompass data collection, analysis and personalised response.

Without transformation into an informed strategy, more data just creates more noise. ■

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**T**he key future requirement for ecommerce technology is that it shouldn't exist! Instead we should be building technology that is channel agnostic and built for commerce irrespective of channel.

Explicitly this means that the commerce technology sector should focus on solutions that provide the customer a truly seamless experience no matter how they interact with the brand. What does this mean from a technology perspective?

**Agile frameworks:** commerce technology should provide pre-configured (out-of-the-box functionality) for all known channels today. These should be lightweight agile frameworks that are interoperable with other systems and easily configured to enable processes within the business.

**Future proof:** commerce technology should expose all platform services (API webservices) to cater for emergent channels/technology (NFC, smart TV, interactive digital displays, Google glasses).

**Usability:** as the technology becomes more sophisticated, commerce solution providers need to spend equal time and budget on developing, solutions that are truly user configurable and usable. We still haven't solved the problem of IT, which is making IT accessible to people who aren't remotely technical, providing business users with systems that are easily configurable and programmable.

**Functionality:** the ecommerce landscape is filled with a quagmire of third-party solution providers (reviews and recommendations, affiliates, dynamic recommendations, merchandising tools, tagging software, search providers). Future commerce solutions so look to ship with more if not all of these offerings natively within a single admin console.

**Scalability:** the uptake in ecommerce wasn't predicted in the early days. Because of this, many organisations have experienced scalability and performance issues. Thus future solutions in this space should have zero excuse for not being scalable! These systems must be able to handle swings in traffic from natural peak business periods to spontaneous spikes driven by marketing or promotion activity.

There is nothing revolutionary about any of the above, but we are still waiting for people to produce solutions that tick all the above boxes – hopefully it won't be for long. ■

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# IS YOUR COMMERCE PLATFORM READY TO GO GLOBAL?

## MAKE SURE YOUR SYSTEMS HAVE THE FUNCTIONALITY AND FLEXIBILITY TO SUPPORT GLOBAL GROWTH PLANS

International markets are a tempting target for today's multichannel retailers, particularly for those with strong ecommerce credentials. As more consumers worldwide gain access to the internet via fast broadband connections and smart mobile devices, retailers are realising that they don't necessarily need a bricks-and-mortar store presence to reach these new shoppers.

In fact, several leading retailers have used ecommerce as the leading edge of their global expansion. High-profile companies such as H&M, Ralph Lauren and Gap's Athleta have created country-specific ecommerce sites that have generated new sales, while simultaneously testing the water to see if the new market can support a bigger presence requiring a larger investment.

Whatever the strategic business reasons for expanding into new markets, multichannel retailers considering such a move will quickly come up against a number of practical and tactical considerations. Differences in languages, currencies, taxes, and regulations must all be analysed and addressed. Even in an increasingly globalised world, consumer preferences about everything from the merchandise that's offered to what constitutes an effective marketing

message can vary widely from country to country, and even from region to region within a country.

While making a digital-only move into a new market can significantly lower initial investment requirements, the lack of a physical infrastructure can create its own challenges. Retailers will need to determine how products will be delivered to shoppers. In some markets FedEx or DHL-style package delivery companies will be an option, but a sudden spike in orders could create higher-than-expected shipping costs and/or disappointed customers. Retailers will also need to set up a system for returns and exchanges, which can be particularly challenging without any bricks-and-mortar stores to serve as physical transaction sites.

### CONDUCT A COMMERCE PLATFORM AUDIT

Having the right information technology solutions is clearly essential to success when entering a new market. Even those retailers with solid multichannel commerce systems to support their 'local' operations will need to conduct an IT needs analysis and platform audit to determine if their systems are ready to go global. Following are key solution areas for retailers to assess:

### 1. MERCHANDISING/PRODUCT CONTENT MANAGEMENT

Decisions about which products to offer in a new market are critical. Retailers using ecommerce as their entrée will be tempted to make their entire product catalogue available, in essence treating their digital sales as an 'endless aisle'. But product preferences can vary dramatically in different markets, and it may be more cost-effective, and less confusing for shoppers, to create market-specific merchandise assortments.

Another factor to consider in shaping an ecommerce product assortment is fulfilment. If items will need to be delivered rather than picked up at a store or distribution centre, retailers will need to consider shipping costs, returns and post-sale services for large, heavy, or technologically complex products.

Ideally, a retailer's commerce system will be built on a product content management foundation that allows all channels to draw from one centralised source of information and content for each product the retailer carries. The system must also be capable of housing market-specific product content and information, in multiple languages.

This product content management foundation would enable retailers to ensure accurate product information



while ensuring the related content is market-specific. In addition, as retailers learn more about the tastes and preferences of the new market's consumers, they will be able to refine their merchandise offerings, easily adding and subtracting items from the master database.

## 2. TRANSACTIONAL CAPABILITIES

Operating in new global markets means dealing with local currencies, as well as country and regional taxes and regulations. Retailers will need to ensure their commerce system can handle multiple currencies and can be configured to handle local laws relating to receipts and tax collection.

Remember that a commerce platform will need to handle more than customer-facing transactions. Retailers might see an advantage in pricing merchandise for sale in the local currency while paying suppliers in dollars or another 'home country' currency. With recent rumblings that some European countries could drop out of the eurozone and re-establish their own individual currencies, retailers will need the flexibility to make changes as the host country's financial systems change.

Multichannel commerce platforms that have been designed from the ground up for multi-currency, multi-language operations offer an important benefit for retailers as they move into new markets.

## 3. SUPPORT FOR MULTIPLE LANGUAGES

Customers worldwide have rising expectations about ecommerce, so retailers will need to ensure that their websites and other customer-facing touchpoints are literally talking to shoppers in their own language. In other words, simply translating a home

country site word-for-word into another language is almost guaranteed not to make a positive impression. A sensitive, culture-specific translation will be worth the investment.

Translation and language issues are particularly acute for retailers expanding into countries using non-Roman alphabets, such as Russia, China and Japan. Websites and other customer communications may need to not only be translated but completely redesigned to accommodate different character sets.

Retailers should also keep in mind that they will need to provide additional services and support to their new customers, either by phone, email or online. Speaking the locals' language will pay off in customer service perceptions and customer loyalty.

## 4. PRIMED FOR RAPID, COST-EFFECTIVE DEPLOYMENT BY LOCAL SYSTEM INTEGRATORS

Retailers will obviously need to do their homework prior to expanding into a potential new market, determining if it has sufficient consumer buying power, whether competitors are already operating in the market, and how big the market might be overall.

However, even the most thorough market research can't substitute for actual selling experience. Retailers that use their ecommerce expansion as a real-world test will require solutions that can move them into a new market quickly, efficiently and cost-effectively.

In addition, platforms offering multiple deployment options provide retailers with maximum flexibility as their international businesses grow and change. For example, a retailer might want to begin with an on-demand platform priced with a revenue-sharing model at the start.

Furthermore, your commerce platform provider must provide access to a network of local partners that can guide your implementation. Without these local specialists, who ideally should have a close relationship with your commerce vendor and solid experience in working with your platform in their home markets, your project costs may increase and you run the risk of failing to understand the ins and outs of operating in a particular region.

## CONCLUSION

Now that digital commerce has made it far easier to reach shoppers virtually anywhere in the world, retailers are looking hard at global markets to secure their future growth. But retail can be a tricky industry even when operating on your own home turf. In unfamiliar markets, retailers will need a commerce platform that provides maximum flexibility in managing product content across geographies, payments, languages, compliance, and options for rapid and low-cost deployment.

The ideal platform will have been architected from the ground up to work across multiple geographies versus being retrofitted with language and some transaction support in the form of 'upgrades'. Auditing your commerce platform's capabilities to handle a global operating model is a crucial first step in accessing the growth potential in emerging markets. ■

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# BLURRED LINES CLEAR DIRECTION

ECOMMERCE PLATFORM TECHNOLOGY IS BECOMING INTEGRAL TO RETAIL BEYOND THE WEBSITE. DESIGNERS NEED TO ADAPT ACCORDINGLY IF THEY'RE TO PROSPER IN AN OMNICHANNEL WORLD, ADVISES **JONATHAN WRIGHT**

**T**he tail is wagging the dog. Or at least that's how it must sometimes seem to those who grew up in the world of bricks-and-mortar retail. Where once the ecommerce channel was a separate part of the business, the emerging world of omnichannel retail, still very much a work in progress, is already blurring the lines between previously distinct channels.

More than this, technology initially developed largely for the web is becoming integral to all

parts of the business. Consider the following example: you're in a department store and a specific item you want is out of stock. The sales assistant heads to the till and checks both online availability and, information that perhaps isn't available to you as a shopper, availability in other branches. You're given two choices: buy via the web or order the item, which is in stock in another store. Either way, the item can be delivered or you can arrange to collect it.

If this appears routine, that in it itself is actually rather remarkable considering that 20 years ago this would have seemed like a scenario from a futurologist's notebook. Yet such a scenario should be routine because it's an approach that puts customers, who increasingly expect to be offered such options, at the centre of retail – and letting customers shop in ways that suit them is the essence of omnichannel retail.

"If you are starting up a business these days, I think you will only start it up in one way, and that is with the customer at the heart of what you do," says Kees de Vos, chief customer officer with technology company Hybris. Indeed, he adds, it may even be an advantage to be starting out with a new company because you can look at the "end-to-end process [of retail] and then manage that in one place, other than buying two, three, four applications, maybe even more, to do the same thing".

Put like this, the world of omnichannel retail sounds comparatively simple, yet the design challenges here are huge. At least in part, that's because, while the technologies integral to omnichannel retail may have their roots in the web, many designers with a digital background have to learn new skills.



## GOING INTO SERVICE

It's a shift in emphasis that Joe Leech, director of strategy at usability consultancy expartners, reflects upon when he says, "I see myself as being more of a service designer than a digital designer these days." What does this mean in practice? That Leech no longer works primarily on digital projects that are "viewed behind a piece of glass" by a person sat in front of a computer, but are seen and used outside this kind of environment too. "It's got to be that everything you design is going to be used in a real-world, physical environment. It's got to be around different touchpoints, different stages of the customer journey," he adds.

Which brings us back to where we began, the ongoing evolution of omnichannel retail. As this process goes on, retailers have been looking around for technology that can cope. Understandably, many have turned to ecommerce platforms, already robust thanks to their long history of development for use on what's increasingly being called the 'traditional' web (terminology that's in itself another sign of how fast things have moved in the digital era).

"With the advent of the internet and the pervasive connectivity that now exists, the ecommerce platform is becoming the most logical approach for being that singular platform to manage those interactions," says Rob Garf, vice president of product and solutions marketing at technology company Demandware.

That's not to say designers don't need to think about other factors too. As we discussed in depth when we last covered ecommerce platforms back in 2012, the effective deployment of front-end digital technologies, in whatever context, relies upon back-end systems being up to scratch. As Kees de Vos notes, "To deliver a great customer experience at the front end, you have to have the basics right, you have to have the data right, and in the customer experience world that's not the sexiest thing to say."

## BACK TO FRONT

But at a time when even many larger companies need to look far more carefully at issues around big data and product information management, it's important to remember that's only part of the story here. While designers now talk increasingly about responsive design and the need quickly to be able to build interfaces for different scenarios, the language here can be deceptive.



### MULTIPLE USERS

"[One] thing that I find extremely interesting is that in the past designs

were purpose-built for a specific application for a specific user. And that really flies in the face of what retailers are trying to accomplish today, which is designing an application for multiple usage across various users – consumers, store associates, regional managers."

Rob Garf, vice president of product and solutions marketing, Demandware

## SPEAKING FROM EXPERIENCE

### USER TESTING

"The testing of service design is quite hard. The way we approach a lot of work now is you effectively beta-test or trial designs before they go live to the general populace. You beta-test the whole end-to-end journey, and incrementally put the design live, and increase the number of people who are using it."

Joe Leech, director of strategy, expartners



### NEW ANALYTICS

"The big shift is the analytics that we used to have on websites only are being used across the channels, used to optimise the user experience and again the user experience across the channel. The best guys and the most experienced guys [within the design community] are moving into that space if they're not there already."

Kees de Vos, chief customer officer, Hybris



“The ecommerce platform is becoming the most logical approach for being a singular platform to manage interactions”

The different interfaces – mobile, point of sale aimed both at sales associates and customers, the web – still need to be fit for purpose. And, to return to the point about the ecommerce platform underpinning much of this activity, all this work needs to be handled by design professionals who may not have any background in bricks-and-mortar retail – or indeed any knowledge of how the call centre works and how different parts of the business interact.

Not only this, but new technologies continue to arrive to make things even more complex. "[TVs and set-top boxes] are becoming more and more internet-enabled, they still have their own challenges since pointing, clicking and entering data can be done via gestures or pads or separate apps," says Andreas Kopatz, business development manager with Intershop.

One piece of good news here is that a new breed of omnichannel professionals is beginning to emerge to undertake such work. Not only are there are those like Joe Leech who now see their work as about service design, but companies are beginning

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to create chief-of-omnichannel-style roles, where the job is in part to look at where silos and legacy systems may be detrimental to the company and to get different parts of the business talking to each other.

“There is certainly in many retailers a kind of unifying role or a role that is helping to break down some of these historic barriers,” says Rob Garf, “and just doing what’s right for the company and not just the technology area or the product category or the functional silo. That’s going to be key.”

One danger, of course, is that even where a company has created this role and senior staff are aware of the issues, this kind of business re-engineering can soon become horribly expensive. Yet it’s important to remember this is relative. As Joe Leech points out, companies often think nothing of spending millions on shop refits. In addition, according to Rob Garf, much point-of-sale technology is now due for upgrading (see the interface & design feature in our July 2013 special report), so the move to omnichannel may be occurring at an opportune moment, in that companies will need to spend money here anyway.

### KEEPING CONTROL OF COSTS

Still, that outlay needs to be spent wisely, and that means understanding what customers are doing. It may be a maxim within omnichannel retail that individual customers want to be able to shop in ways that suit them, but patterns do emerge – and these patterns vary from company to company. But how best to analyse what’s going on?

At cxpartners, the company produces “customer experience maps” in order to discover how customers are interacting with retailers. “We run research and we plot every single step the customer takes in their retail journey,” says Joe Leech. “That’s right from finding a need for the particular product right through to triggers that trigger them to buy, to pre-purchase, consultation during purchase, post-purchase. We map out the full set of steps the customer goes through and then we map the touchpoints of the organisation, and certainly some of those touchpoints are digital, but we tend to design in terms of a well-what-does-the-customer-want-now? journey and then look at all of the different journeys related to that.”

Kees de Vos echoes Leech’s words. “You have to go back into the enterprise, the broader organisation, question yourself, what is ultimately driving the customer experience?” he says. “That customer experience these days leads from attention to conversion to the actual

“If you re-platform at the same time as redesigning, you double the risk”

fulfilment – the guy that comes to your door, does he come on time or not?”

As to how to act on such analysis, companies need to manage risk carefully, argues Joe Leech. In other words, the practical design skills associated with digital project management come into play. When working on a re-platforming, for example, cxpartners advises a “lift and shift” where “you lift an existing set of designs and approach onto [a] new platform”.

Leech continues: “Once you’ve ironed out the issues with the platform then you approach the re-design and re-engineering of what you’re doing, so you know the platform is bedded in and then you re-brand, re-design, re-approach the whole way you do things, but with a much more established platform. That way you mitigate risk but also the costs associated with it as well, because I think the most risks occur when a company attempts to re-platform at the same time as redesigning their approach to doing things. If you do two at the same time, you double the risk.”

There may be further complications too. “Sometimes it is necessary to invest in more than one design or application, because the user expects it and it leads to a better user experience for the one specific occasion,” says Intershop’s Andreas Kopatz. “The key is to decide for your organisation what the touchpoints are that you would like to serve, then once you have decided on the touchpoints you decide how to serve them. You might end up with responsive design, but it might also be a different approach with multiple solutions that fits your purposes better.”

Nevertheless, companies can’t duck such issues. The risk of doing nothing, of not upgrading systems and approaches are far greater. As for those who grew up in bricks-and-mortar retail, and worry about keeping up, perhaps it may help to think that things have come full circle. After a brief era of thinking about different and distinct sales channels, in the words of Kees de Vos, “We’re back to, ‘Hey we need to operate our entire business as one business.’” Omnichannel powered by ecommerce technology: in many ways, it’s just a posh way to talk about a big and complicated shop really. ■

## WHAT’S CHANGED

There’s a growing recognition that ecommerce technologies will be key to driving all retail in the future. Forward-looking designers have begun to prepare for this in earnest. However, we should add the proviso that challenges around, for example, how to design for m-commerce haven’t gone away.

# BRIDGING THE GAP

TECHNOLOGY HELPS BRING THE RICHNESS OF IN-STORE MERCHANDISING TO THE RETAIL WEBSITE, WRITES **CHLOE RIGBY**

**M**erchandising is where ecommerce can perhaps most effectively bridge the gap between the three-dimensional experience-rich in-store shopping trip and the flat, small screens through which online shoppers make their buying choices. By giving internet shoppers confidence, retailers can make the final purchase so much more likely. And by housing their range in the unlimited space that is the internet they can showcase, and sell, more goods. Merchandising, says Andrew Fowler, UK country manager at self-learning behavioural merchandising specialists Apptus, should be at the forefront of retailers' investment plans. "It's very important to have a good quality platform that processes and stays up," he says, "but when thinking about how to present relevant information to people and therefore sell more, then the merchandising strategy should be an exercise in its own right. It's about how will I present across these

“ Relevance underlies the successful conversion of a browser to a buyer ”

different devices and different markets for the next five to six years?”

The challenge for retailers is to make smart choices from an ever-widening array of solutions in a way that allows them to display their products effectively yet profitably. Their own shopping research is all about deciding what merchandising technologies are most relevant for their business.

Max Childs, marketing director at rich media specialists Amplience, says traders should consider both how they want to reach their audience – and what that audience demands – when choosing merchandising technologies. “The very first thing,” he says, “is to establish what your customers expect of you.”

## FINDING THE PRODUCT

For the website visitor with a sense of what they want to buy, the shopping journey will start with the search box, while even those who are just looking may also turn to the function at some point during their time on a retail site. Today, search can be more than a way of finding a product; it can also help to find relevant content, from videos through to customer reviews while at the same time engaging the user. Features such as auto-complete and type-ahead functions can help to make search more accurate, while learning from what's been typed in the search box to show images of suggested products can help to take shoppers straight to the item they're looking for. Meanwhile, those who see social content can be more likely to buy. “We've seen that people who watch a video and read reviews are already clued up about what it is they're after,” says Chris Edge, head of customer success at SLI Systems. “If they've got some good videos, good documentation, and information that shows people who bought this before have really liked it, that all tends to help with the final purchase.” But all of that starts with an effective search function.





## PRESENTING WARES

Once the visitor has found a product, they want to examine it. Online retailers are now well versed in the use of high quality images that can spin and zoom to enable the customer to inspect the product as closely as they might if they were looking at it in person. Showing alternative colours is key; the strategic use of video can show how the item looks on a model, while a broadening choice of virtual fitting-room solutions enables customers to see how the item might look on them, given their personal size and shape.

Showcasing products through lookbooks, product collections, carousels or campaigns helps to complete the shopping experience. Taking this up a gear to a brand experience can involve the use of editorial content such as style guides, advice on using products, favourites and recommendations, whether on the website or on dedicated mobile apps, that can be used on the move.

## PERSONALISATION

It's fast becoming clear that relevance underlies the successful conversion of a browser into a buyer. Personalisation takes forward the marketer's use of segmentation, hitherto used to show defined visitor groups the products judged most likely to be of interest to them, by adding an extra step. By overlaying that segmentation with the personal details that a retailer holds about an individual customer and their previous buying history retailers can now offer a different view of the website to different viewers. The products they're shown will depend on factors from what they've previously bought to where they live, the season of the year and even the device from which they are viewing the site.

Apptus' Fowler, says that's particularly relevant for retailers who have several thousand potential products to show. He says the right context is becoming more important and that the dextrous use of algorithms can deliver that. "Instead of having a top-seller list," he says, "I'll have a top-seller list for this customer. That exposes more products to more customers, and two visitors might start to see different ranges of products. That ability to extend more products to more people equals more exposure and, in turn, better sales. Relevant products are more important and customers are now more demanding."



### YOUR SHOP WINDOW

"If you're an online retailer the visual representation that you deliver to your digital

audience is your shop window, it is your shop shelf, and you have to get this right. It is fundamental to get the imagery right and to merchandise things in a way that's going to be engaging. If you don't do that, all your hard-won site visitors are going to be turned off. Alongside all the very whizzy things we see our customers doing, there is the fundamental need to provide the best, cleanest experience that you can to bring your customers through the purchase funnel."

Max Childs, marketing director, Ampliance

## SPEAKING FROM EXPERIENCE

### SCAN THE MARKET

"Businesses need to understand what kind of shopping experience they need to create for the customer, convert into requirements then take a scan of the market to understand exactly what technologies might fit the need. At the same time they have to make an IT decision about how tools fit in and what that means for upgrades, growth and internal workload. Then they have to, between the business and the IT, have to make an important decision on how they will proceed."

Frank Lord, VP EMEA, Oracle Retail



### EASY TO INTEGRATE

"You don't really see the platforms crafting their offering to be best in class with all of the elements that are on offer. What you are seeing is that platforms are making it very easy to integrate technology like ours with theirs."

Roger Doddy, director, Peerius



## BUYING DECISIONS

Once a retailer has established the technology they'd like to use in merchandising a product range, there are decisions to be made around how to buy it. For example, is a preference for capital investment in licensed, or owned, software, paying upfront for a solution that is then free to use and can be differentiated by an in-house team of developers, or a more pay-as-you-go approach through the software as a service (SaaS) option? This route entails continuing regular payments in exchange for fully-supported technology that upgrades seamlessly to use the latest features. Since the nature of these regular payments can vary enormously, it's important to be clear how the merchandising technologies under consideration are paid for. Some, for example, might charge based on the financial difference their solution makes to

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the business while others might charge a percentage of turnover. Others again take a more mechanical approach, charging for the number of products that the solution is used to display, while alternative approaches include a range of payment options, that can be tailored to meet the needs of the trader using them.

### BEST OF BREED OR BUILT-IN?

Retailers will also choose between integrating one or more 'best of breed' solutions to their platform, or choosing a platform that comes equipped with merchandising programmes. Between the two lies the merchandising platform. That brings together several merchandising solutions for integration into an overall ecommerce platform. We asked vendors in different parts of the market to highlight some of the issues to be considered when considering this question.

Roger Doddy, director at personalisation specialists Peerius, and Chris Edge of search specialists SLI Systems both point to the dedicated and focused support lying behind best-of-breed solutions. Doddy says that while many platforms will offer some recommendations technology, "what is very difficult to graft on is migrating recommendations to actual personalisation. I think the two things are quite different. Personalisation is a much more sophisticated offering these days." Meanwhile, SLI's Edge says that companies such as his have a singularity of purpose that more wide-ranging platforms do not. "We only have one specific product and we invest all our time and energy to make the best possible search, the best possible experience for the retailer. We're an advocate for search."

### WORKING TOGETHER

Max Childs, of Amplience, whose merchandising platform brings together technologies that enable the management of campaigns, images and media assets, points to the interoperability of solutions as a key purchase consideration. "You want the right solutions that will work together," he says. "The other side of it is that the speed of integration of individual solutions can be an issue for retailers. Typically, they need to go live in a fairly short period of time." He therefore advises retailers consider how quickly a solution can be implemented, how reliable it is and what is its guaranteed uptime. Scalability is also important. "Will the solution that you're looking at be able to grow with you, fit where you want to be as a company in three years time, five years time or 10

**“ With every single investment comes the responsibility of keeping up and upgrading it ”**

years' time? It is time-consuming and frustrating having to change suppliers and change website content delivery so if you can get the decision right early on then it makes life a lot easier for you over the long-term."

Meanwhile, Frank Lord, VP EMEA of Oracle Retail, whose Endeca merchandising solution can stand alone or integrate with the Oracle – or another – ecommerce platform, says decisions on how to buy merchandising technologies depend largely on what the retailer is already using.

"If they've made a massive investment in a platform they're otherwise happy with, whether they've bought themselves or have the innate intelligence to do these things, they're likely to want to add on tools that create better personalisation or site experience. Endeca was created with that in mind. It's agnostic to the platform and can be layered on any ecommerce platform. It creates a personalisation model and relevant results across the site irrespective of what platform you're using. If companies have made a lot of investment they're likely to go that way."

### CONSIDER UPGRADES

Lord argues that larger companies with years of experience upgrading different technologies are more likely to consider an all-in-one platform. "Upgrades become incredibly painful if technologies are not in line," he says. "The seamlessness of the integration comes into play here, and quite often large companies will decide they would like to have this much more integrated so they can upgrade more easily in future."

This is also something to be considered, he argues, when looking to new and emerging technologies now and in the future.

"Companies need to be very careful when selecting because with every single investment comes responsibility of keeping up and upgrading it" he says. "They need to be sure they don't have something that will be positive in the short term but negative long-term, and to consider how easy it will be to upgrade as the rest of the environment grows." ■

## WHAT'S CHANGED

Merchandising solutions have become ever more sophisticated over the last year. In particular, personalisation has come to the fore as a must-have technology for retailers who want to show how their goods are relevant to each and every one of the visitors exploring their site. But the basics also remain important; crisp and clear imagery is still an essential to convey the advantages of a product.

# A SINGLE VIEW OF EVERYTHING

CUSTOMERS NOW EXPECT TO BE RECOGNISED AND INFORMED ACROSS THE SALES CHANNELS, A TRICK THAT RELIES ON MANAGING LARGE QUANTITIES OF DATA.

**CHLOE RIGBY** ASKS HOW COMMERCE TECHNOLOGY CAN HELP RETAILERS ACHIEVE THE 'NIRVANA' OF SEAMLESS CROSS-CHANNEL SHOPPING.

Shoppers no longer make conscious decisions about which channel they will buy through. Rather, they do so through the device or touchpoint that is most readily to hand. Whether that's a shop, a mobile device or a PC, they expect to browse, to complete their transaction and, above all, to be recognised, wherever they come in contact with a brand. This is no longer a question of ecommerce, but of commerce. And the technology that enables commerce is evolving with the customer.

"Customers expect that no matter which way they choose to communicate with the retailer they are recognised as the one person they are," says Andreas Kopatz, senior expert, business development at platform provider Intershop. "If they use a smartphone for in-store browsing they

**“Retailers are making solid progress in bringing digital into stores”**

also want to be able to purchase the product while being in the store, with home delivery or in-store pick-up. If customers receive a voucher or a coupon online or in the newspaper, they want to use it in the store as well, getting the best of all worlds.

"The same applies to QR codes or any other vehicle that retailers use to acquire new customers. As a consumer I expect there is only one world of commerce, with lots of different facets but only one personality."

What's demanded amounts to a swan-like effect, with the retailer expected to glide serenely along the surface of the water as they give the consumer the relevant information and content that they demand at every turn. Very often, of course, the legs are paddling furiously, and so it is with the commerce business that has yet to connect up fully the data that lies below the visible surface of retail.

But the technology that enables commerce is evolving with those customer demands, says Rob Garf, vice president of product and solutions marketing, Demandware. He sums up the future of commerce technology thus: "We're getting rid of the e in ecommerce and now it's just an omnichannel platform, taking over as the singular entity to serve the customer in a consistent way across devices and channels."

For many this is still an aspiration. But it's an aspiration that lies within the lifetime of the newest commerce platforms. So do retailers do next in order to give connected consumers the seamless shopping experiences they'd like to become accustomed to?

## GAIN THE SINGLE VIEW

To answer that question, retailers are turning to systems that harness and interpret the large



amounts of data that they hold in their businesses. Recognising the customer at every contact, giving them the consistent service they demand, means having a single view of their shopping activity, whether they're on the website, in the store or phoning the call centre. That's something that multichannel retailers have now been working to achieve for several years, through building blocks that include recognising customers when they place an order or visit the website. Identifying data such as account or loyalty card details, order numbers and email addresses enable them to respond appropriately to the customer wherever they identify themselves, and target them with relevant offers for future purchases.

More recently, forward-thinking retailers, particularly in the fast-moving fashion sector, have also started to establish a single view of their stock. Knowing exactly where products are enables them to fulfil web orders from stores, or deliver to store for a click and collection pick-up, making the most of every request to buy and boosting both profit and return on investment. Bringing all the data that feeds all the sales channels into one place, or platform, also boosts accuracy, argues Julia Priddle, head of UK account management, EMEA, ChannelAdvisor. For example, she says: "By working from a single inventory feed across multiple channels, retailers can ensure inventory levels are consistent and prevent issues such as overselling."

## RETAIL NIRVANA

Today, says Mark Adams of Portaltech, the "nirvana" of crosschannel retailing is the "single view of the customer, of stock, and of products." In order to have that, he says, "we have to ideally have one set of interfaces to manage that journey and the transaction regardless of where it happens."

He argues that it's now both possible and common for retailers to manage many of their existing channels through the commerce platform, from where the mobile customer experience, the tablet, the call centre experience and the desktop web experience can all be overseen.

Intershop's Kopatz sees the ecommerce platform as the glue between a range of systems, sending and calling data from a range of backend systems, whether the CRM or the order management system. He says: "The essential foundation of it all is an open platform with well-defined integration points



### CONSUMER-CENTRIC

"As the web puts power in the hands of the consumer the concept of consumer-centric retailing has caught on. Retailers are now considering what that

means from a technology standpoint."

John Squire, president, eCommera Inc

## SPEAKING FROM EXPERIENCE

### BIG SHIFT

"The big shift we're seeing across the world is a significant convergence between ecommerce platform and in-store platform, most notably at the point of sale. We anticipate over the next couple of years that these two platforms will totally mesh together."

Rob Garf, vice president of product and solutions marketing, Demandware



### HARMONIOUS RELATIONS

"Whilst the ecommerce platform is the hub of retail operations across channels, it should not be viewed in isolation. A platform should help bring together different functions and allow channels to work in harmony as opposed to individual point solutions competing for budget."

Julia Priddle, head of UK account management, EMEA, ChannelAdvisor

on a data (import/export) and programming (API) level. If everything interacts with one another, then we can talk about a real cross-channel solution."

Today, the biggest challenge to crosschannel integration lies in the store.

## INTEGRATE THE STORE

Retailers are making solid progress in bringing digital into their stores. Marks & Spencer, Debenhams and Burberry are just a few of the retailers who have brought their websites into the store, marshalling a valuable information resource. To cite just one example for each, clientelling sales assistants at M&S and Burberry use iPads to show customers alternative sizes, colours and styles to those held in their store, while Debenhams' shoppers can tap into online resources through self-service kiosks that can also be used to explore the range beyond that which can be held in the store. Earlier this year M&S unveiled its first virtual rail when it opened its Kalverstraat, Amsterdam store. Customers can use the rail, made up of three stacked 46" screens alongside three physical rails that carry example sizes and styles, to find out about a wider range of products, sizes and colour options than the store can carry. At launch,



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Laura Wade-Gery, executive director, ecommerce multichannel, at M&S described the new store as an “innovative, aspirational” layout that “allows us to offer our latest fashion collections from a much smaller footprint”.

Other retailers are still mapping out strategies to adapt to changes in consumer behaviour that see consumers now routinely using their smartphones in the store to check prices and reviews. For every John Lewis, which two years ago became the first UK department store to offer free wi-fi, saying it would give customers “the information they need at their fingertips”, there are many others still unsure of how to react to the showrooming phenomenon. Indeed, the recent *Autumn Fair Retail Sentiment Survey 2013* quizzed around 700 independent retailers on their attitudes to ecommerce, and detected a clear fear of showrooming, with 55 per cent reporting an increase in the phenomenon over the previous year, and 53 per cent approving of the idea of an online sales tax in order to level the playing field.

Portaltech's Adams sees increasing numbers of retailers now looking to map out strategies for this area. But he believes the slow development of technologies to add the store into the commerce platform has held back progress in this area. However, he says, “I think now you'll begin to see lots of retailers begin to invest heavily in in-store retailing to allow that single view of everything with transactional, product and customer data to be held in one single location across the entire enterprise.”

And in order to do that, he believes the time has come to replace the point of sale with an internet-enabled system.

## MAP CASH

By doing so, retailers will be able to bridge some significant gaps in the ‘single view of everything’ approach. Most notably, there's the cash conundrum: how can retailers map the buying habits of consumers who spend cash, remain anonymous and use different email addresses? In the absence, as yet, of dedicated technology, Adams suggests a workaround: “One approach will be to have a piece of javascript on the internet browser on the point-of-sale system and through the use of an iPad tablet we can allow that call to be made via javascript to open the till to take that payment. It's a really simple workaround to solve the problem of being able to take cash – there are still some challenges around financial reconciliation so still need a level of integration between back office systems and the commerce platform, but as a step

“It's easy to be daunted by the complexity and volume of the data that now exists in retail”

one we can do that in quite a neat way, providing the point of sale system has the capability to access the internet and for calls to be made, an integration between the commerce platform and point of sale via a web service.”

## LEARN FROM DATA

Taking steps to improve the way that data is handled within businesses also represents a learning opportunity. Just as so-called ‘big data’ is helping to solve problems in the worlds of scientific research, so retailers can take lessons from the data they collect. ChannelAdvisor's Priddle points to ways that retailers can understand which keywords worked best for them in a campaign, or how they can use inventory data to manage stock levels across channels. “The notion of big data, and the use of information generated by a company's operations,” she says, “is increasingly filtering into retail. Retailers can constantly better their performance by assessing historical data and using this knowledge to test and optimise future campaigns.”

Such lessons notwithstanding, it's easy to be daunted by the complexity and volume of the data that now exists in retail. John Squire, president of eCommera Inc points to the sheer volume of information that retailers can collect while acquiring a ‘single view of everything’: from consumer data, analytics, rich product data to fraud risk measurement and delivery information. And that's not to mention the marketing data. All, he says wryly, “to meet the needs of this very fickle consumer that could go just about anywhere for the product”. It's no less than “one of the biggest data problems that any retailer will be faced with,” he says. And yet in that complexity, he argues, lies opportunity. “When you go to cross-channel, data is one of the key components to winning, creating growth, profits and delivering an experience to consumers that you're convinced is building more loyal customer and less one-time customers,” says Squire. And that has to be a challenge worth facing head on. ■

## WHAT'S CHANGED

The idea of the ecommerce platform is starting to give way to the broader concept of the commerce platform-as-retail-hub that manages data not only, or even primarily, from the website but all parts of the business. And data management has assumed new importance, with retailers now looking to put the reams of information they have acquired to purposeful use. Looking forward, we'll expect to see more technologies emerging to bring the point of sale more securely within the remit of the commerce platform.

# REPLACE THE STICKING PLASTER

AS CROSS-CHANNEL FULFILMENT OPTIONS BECOME EVER MORE VARIED AND COMPLEX, FINDING THE RIGHT SOLUTION TO COVER ALL CHANNELS AND CHOICES CAN MEAN SOME MAJOR INFRASTRUCTURE CHANGES, REPORTS **PENELOPE ODY**

It worked, for a while at least: a mish-mash of retail applications stitched together to meet changing ecommerce needs with ad hoc integration to legacy systems. Today, things are rather different. "Retailers could get away with the sticking plaster approach when online sales were at most maybe four per cent of the business," says Craig Sears-Black, UK managing director, Manhattan Associates, "but now those sales are 10, 15 or, for some of our clients, 25 per cent and sticking plaster really isn't good enough."

Not only are online volumes increasing but fulfilment options are proliferating. Goods can be collected at a local branch, despatched from store, transferred between branches to meet orders, delivered within 90 minutes, on a specified day, direct from the manufacturer, or to an unmanned pick-up point like ByBox, while the rejected returns may travel by post, courier, collection services – such as CollectPlus – or simply be off-loaded at the nearest real-world branch.

Such complex fulfilment options come at a price,

**“Retailers need to have a strategic vision of the service levels they’re willing to provide and the costs involved”**

often rather more than the customer is prepared to pay. In the early days of online grocery in the 1990s, companies such as Tesco would privately admit that the true cost of delivering an order was nearer £20 than the £5 being charged. Nowadays free delivery is commonplace – at a time when postal and courier charges are continuing to rise. Taking a margin hit on such orders could be ignored when online sales were the exception rather than the rule. Now, as sales volumes rise, profits all too frequently travel in the opposite direction and calculating that 'cost to serve' is becoming a preoccupation for many.

## TIME TO ADAPT

It all adds up to a major change in the way e-tailers need to organise technology infrastructure. "Ecommerce has been preoccupied with the front end," says Sears-Black, "with pretty websites and customer-facing technologies. But to be truly omnichannel you need to make all stock available to all customers in whichever channel they happen to be, as well as ensuring that you sell those goods profitably."

David Hogg, commerce solutions lead Europe at IBM, agrees: "Retailers need to have a strategic vision of the service levels they're willing to provide and the costs involved if goods have to be shipped between stores to meet a click-and-collect order, for example. It may be worthwhile taking a hit on the transaction if it's a regular high-spending customer but perhaps not for an occasional shopper who only ever buys in the sales," he says.

While adding CRM into the mix to enable this sort of sophisticated decision taking is starting to happen in the USA, in the UK Craig Sears-Black believes it is some way ahead. "It's on the journey, but it will take years to get there," he says.



Before then UK retailers will need to create that 'single stock pool' giving real-time visibility to the entire supply chain from any touchpoint, as well as factor in the true cost of each fulfilment option into their strategic plan. Deciding whether these attributes sit within the ecommerce platform or reside on a separate entity – potentially involving some major infrastructure changes for the entire organisation – is something many e-tailers will have to face in the short-term.

IBM and Manhattan are among those arguing the case for putting an order management system (OMS) at the heart of the business. As well as keeping track of orders and customer services, the OMS provides a single master information set for product data and stock availability, which can then be accessed by store EPoS systems, call centres, warehouse management systems and so on, as well as the web front end available to shoppers. The ecommerce platform links to the OMS layer, in the same way that a CRM system could do eventually to provide personalised shopper information, or an external supplier might join the network both to collect orders and provide information about the stock availability of any of its lines which the retailer offers for direct delivery. Also on the outbound side of the platform would be individual logistics service providers or connections to MetaPack's delivery management platform.

## OMS AND ECOMMERCE

Some OMS attributes are already being incorporated into ecommerce platforms, although supply chain vendors such as Manhattan argue that these offerings are generally less comprehensive. "Our model is developed from a supply chain perspective," says Craig Sears-Back. "Achieving real-time stock visibility across all channels can help to sell more product at full margin and improve profitability."

IBM acquired Sterling Commerce from AT&T in 2010 while Sterling itself had acquired Yantra – offering one of the first OMS applications directed at multichannel retail – back in 2005. "OMS is becoming more common and not just in the apparel sector," says David Hogg. "We're seeing huge growth in the grocery sector as the order collection options become more sophisticated with shoppers ordering mixed consignments of food and non-food. Traditionally supermarkets have managed their food and non-food systems separately, so the OMS can provide the link. These days you can't just have a web platform."

This need becomes even more acute when you add international growth and the need to link



### THE NEED FOR SPEED

"Click and collect means that the picking, packing and shipping all have to be done very rapidly with a direct link to the carrier

or the retailer's own transport fleet. The key for successful multichannel activity has to be getting the goods despatched quickly and cost-effectively."

Andy Murden, business development manager, Kewill

## SPEAKING FROM EXPERIENCE

### WHEN TO TAKE THE HIT

"Maybe a retailer will budget for five per cent of orders being in that 'difficult' category where they could lose money, but the numbers of those orders then has to be tracked on a daily basis. If the number goes beyond five per cent then there has to be a proper assessment and decision on whether or not to fulfil."

David Hogg, commerce solutions lead Europe, IBM



### MAKE STOCK VISIBLE

"Omnichannel is where the supply chain meets the store and that involves major process change and new skills for store staff with regular stock counts, but real-time stock visibility is possible and we have users in the US who have achieved that."

Craig Sears-Black, UK managing director, Manhattan Associates

with a plethora of logistics companies in different geographies, argues Hogg. Many e-tailers currently have very basic links to their logistics providers, which is why when shoppers want to track their parcels, they are generally directed to the delivery company's website for status information. "If the retailer's vision is to be truly omnichannel," he says, "then brand image must be consistent – and that would mean offering parcel status information within the retail website. There then has to be a 'plug and play' approach to these connections with logistics providers so that retailers can switch carriers easily."

Rather different is the approach from Automic, formerly known as UC4. "Retailers basically need to co-ordinate multiple moving parts of their business so that warehousing, logistics, stores, ecommerce or whatever work well together," says Alex Jones, director for strategy and business. "You can imagine it as being rather like an orchestra – in which case we're the conductor."

Automic's automation system basically sits on a server and connects to other applications using software agents. Jones describes it as "technology agnostic" and capable of linking to just about any systems a retailer may have, to create a seamless end-to-end process. Accessories and fashion company, Fossil, for example, has used Automic's systems to link its SAP ERP system, Manhattan

# ADD US TO BASKET

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supply chain solutions, warehouses in Texas and Germany, and orders from both retail customers and its website, to speed up order processing especially during its peak September to November sales period.

An alternative view comes from Stefan Schmidt, director of product strategy at Hybris – recently acquired by SAP – who argues that stock information could be brought closer to the customer by adding inventory data to the ecommerce platform. “Stock availability used to be confined to the warehouse system,” he says, “but now the customer wants access to that information so it needs to be brought further forward to the ecommerce platform. The platform doesn’t manage the stock, it simply brings the information and a single view of the stock availability to the customer and customer service agents. Customers want information immediately and retailers struggle with real-time stock information – probably none has an accurate real-time view of inventory.”

Hybris has an ‘order management’ component available for its ecommerce platform, he says, although not all users implement the module. While Hybris has added OMS to its platform, it has steered clear of logistics per se: “Logistics for us means trucks and we don’t do that,” says Schmidt. “The ecommerce platform can handle carrier selection, though, calculating attributes such as cost, promotional factors and margin, so merchandisers have the flexibility to create their own rules for ranking and selecting carriers, but retailers will still need to integrate their systems with logistics providers.”

## A SINGLE PLATFORM

This is another area where the sticking plaster approach is beginning to fall down. “Systems have been stitched together but as multichannel retailing matures, logistics need to be pulled together onto one platform,” says Andy Murden, business development manager with Kewill. This ‘logistics platform’, which can include warehousing, can – like other activities – take feeds from the OMS to manage all shipping issues and carrier selection. It also copes with direct despatch orders producing labels and picking lists to send to the relevant suppliers.

While it’s largely distribution companies that use Kewill’s logistics platform, the likes of Shop Direct, JD Williams and Scotts & Co use the company’s Trade (Direct Despatch) application. “Retailers are trying to grow market share,” adds Murden, “and direct despatch allows them to experiment with new products at minimal cost as there is no need

**“Retailers are trying to grow market share and direct despatch allows them to experiment with new products at minimal cost as there is no need for hefty investment in inventory”**

for hefty investment in inventory. If the products don’t sell – it’s easy to simply take them down from the site.”

While simply passing orders on to a supplier may sound like a winner for e-tailers, ensuring consistent brand image and customer experience in the process may not be. The supplier’s stock availability needs to be added into the order management mix as does confirmation from the supplier that the goods have actually been despatched, with the retailer perhaps also being involved in carrier selection to ensure a consistent customer experience.

“Integration is far easier than it used to be and is key,” says Murden. “No retailers go out to buy a complete new system these days. Some may use all of our package and others only bits of it – vendors can no longer stipulate that someone must take the lot.”

Selecting those “bits” depends, as Tony Bryant, head of business development at K3 Retail, puts it on “what is broken”. “Maybe the retailer has a lot of legacy systems so has to use the ecommerce platform to drive fulfilment,” he says, “or perhaps their e-comm is limited to content management and lacks functionality.”

According to Bryant, an ecommerce platform may be structured as a single source of inventory information, handle online sales and link with stores, but it will also typically lack such supply chain functions as product lifecycle management, demand forecasting or warehousing. “Some are very comprehensive and make sense as standalone point solutions,” he says, “others may need to be more fully integrated with the vendor’s ERP solution. For retailers it’s all about choice and how they choose to structure their multichannel systems.”

And that, he adds, is the problem: “Retailers are confused. We have prospects we’re still talking to after a year because they really can’t decide what to do. Do they buy now and then find that a year or two down the road they need to take the business in a different direction and the system can’t cope – or do they continue patching things up and hope for the best?”

Which takes us back to those sticking plaster solutions with the plaster slowly peeling off. ■

## WHAT’S CHANGED

**With online forming an increasingly important part of the total sales mix, the need to manage fulfilment costs is moving up the agenda. Customers may appreciate multiple and rapid delivery options but they can significantly damage margin while many IT systems struggle to cope with the level of integration needed.**



# FROM ECOMMERCE TO ALL COMMERCE

FORWARD-THINKING RETAILERS ARE THINKING AHEAD TO THE NEXT STAGE OF RETAIL, AN OMNICHANNEL WORLD, AND THE CHALLENGES THIS POSES AROUND WHAT TECHNOLOGY TO BUY AND HOW BEST TO EMPLOY IT, REPORTS **CHLOE RIGBY**

Customers who have grown accustomed to browsing and buying from the device they have at hand, whether that's a smartphone, tablet or PC, are setting a relentless pace of change. Faced with this, it's a priority for many retailers to create a single commerce system that serves the shopper consistently whether they buy or interact through the store, the call centre or online.

Behind the front-end functionality of the single commerce system, and the services that allow shoppers to have their online orders delivered to a shop or shop via kiosks in the store, there is a plethora of data. A few years ago, multichannel retailers worked to gain a single view of the customer. Now, companies are looking to add a single view of the product, powering services such as order online to collect in store. It's this focus on data management that sets apart the new breeds of ecommerce platforms, which are increasingly better described as commerce platforms, and it's one that we focus on separately in the cross-channel experience feature on page 18.

**“No ecommerce platform will have every feature, but working out how to add in those that are needed should form part of strategic planning”**

But at the strategic top line, these new approaches to data require action. For some companies, it means working ever harder to integrate systems. For others, it means taking the step of investing in a single commerce platform in order to give customers the omnichannel consistency and service that consumers now demand.

Some 62 per cent of e-businesses, in a recent study from technology research company Forrester, said omnichannel integration was a top priority for the year ahead. The *Forrester Commerce Technology Investment and Platform Trends 2013* report found 56 per cent of the e-businesses questioned planned to increase their spending on technology, with ecommerce platforms, multichannel integration and web content management tools named as a priority by 52 per cent. It also found that two-thirds of the businesses questioned either had an ecommerce replatforming project underway or had recently moved to a new platform, while a quarter were still using commerce solutions developed in-house.

For many, said Forrester analyst Peter Sheldon, the move to invest is fuelled by already strong ecommerce revenues. “This sustained and solid growth in online revenues means many ebusiness leaders have the funds and backing to invest heavily in commerce technology,” he noted.

“Across the board, retailers, consumer brands, and industrial suppliers alike are significantly bolstering their capital investment programs to ensure they stay at the forefront of digital innovation while ensuring that their online, fulfilment, and back-office systems are ready to scale for anticipated growth over the next five years.”

Acting sooner rather than later can save both time and money, says Gavin Masters, who is head of ecommerce consulting at multichannel systems





specialist Maginus and was previously international ecommerce manager at Hallmark Cards. “Most retailers will need to take the plunge and move to a more suitable system – often needing to restructure their business around it – and those who act quickest will benefit most,” he says.

“Those who keep hanging on for the ‘golden opportunity’ are likely to find themselves falling further behind with escalating costs of both operations and replatforming.”

## STRATEGIC MUST-HAVES

Every platform has its list of must-have features – but the features each retail business must have are those that support the services the retailer’s customers want to use, whether that’s collect in store or responsive site design that puts m-commerce first. No platform will have every feature, but working out how to add in those that are needed should form part of strategic planning. Finding out what it will take to add in a third-party solution or specialist platform, in terms both of time, cost and resource, speaks to the flexibility of the platform that’s being considered, both now and for the future. That’s important to consider even if the features to be added on are not scheduled for implementation for several years.

“Ultimately, the platform selected and the partner you choose to supply you with the platform is something that will stay with you for a number of years, so the decision should not be taken lightly,” says Masters.

He advises that businesses also consider the strategy taken by the platform they are choosing, and make sure it aligns with what they want to achieve. “It is important to understand the roadmap of the platform and when new features will be added,” he says. “This can help you align strategic and commercial activities with major releases of your online software.” He adds: “Understanding the background of the platform can also give some clues on its relative strengths and weaknesses – has it developed from a bespoke-built system, or has it changed hands a number of times, and could that affect the complexity of the code behind the scenes?”

Forrester’s Sheldon identified a difficulty for retailers in knowing whether to invest in a range of best-of-breed solutions or whether to make “strategic bets” with fewer vendors in order to reduce the complexity of integration and to reduce the total cost of ownership. For example: “Today, all of the leading ecommerce platforms have mobile-enabled starter stores; however, the dilemma is whether these starter stores are good enough or



### FROM THE HEART

“[The ecommerce platform] is the heart of your systems, where you should achieve

a single view of all your customers, of all products and, in order to manage a customer experience more effectively, a single view of orders and stock. That’s a fundamental shift from the approach people have taken historically.”

Kees de Vos, chief customer officer, Hybris

## SPEAKING FROM EXPERIENCE

### FIVE-YEAR PLAN

“Because online is changing so quickly, it can often feel pointless to retailers to introduce a five-year plan, but it needs to be done. It may not be practical to set targets based on certain functionality or commercial goals (though for retailers who are a long way behind the curve, this is important to do) but ensuring that your business and its underlying systems support future movement online is key.”

Gavin Masters, head of ecommerce consulting, Maginus



### MAKE THE DIFFERENCE

“Commerce is very active, developing very quickly, and there’ll always be new ideas that come up. Our goal is to add the pieces that make a difference.”

Pete Wharton, commerce product marketing manager, IBM

whether the e-business pro should choose a best-of-breed solution from a third-party mobile commerce platform vendor. There is no one right or wrong answer to this question; both approaches can and do work for different organisations.”

IBM commerce solutions product marketing manager Pete Wharton says it expects retailers will want to innovate by adding the latest technology added on to a main platform, and enabling that is important: “The more you open up the solution and put it in the hands of business users, they can take a fail-fast approach rather than waiting. I see that trend and I see it accelerating.”

## WAYS TO BUY

Functionality is only one of the choices that merchants will make when choosing a new ecommerce platform. Whether to buy an ‘owned’ platform on license, paying upfront for the software, or whether to use one that’s available and constantly updated through the cloud, paying a monthly fee that may be based on turnover or another equation agreed with the platform vendor, will be another.

Currently, most ecommerce retailers use on-premise platforms, according to Forrester. When it asked 49 e-business and channel strategy professionals how their online store was currently supported, four per cent said they had software as a service (SaaS) solutions, eight per cent an open

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## WHAT'S CHANGED

Since we last covered the subject of ecommerce platforms, the move towards the unified single commerce platform has been marked. In a world of continued financial downturn, companies that succeed in giving customers the seamlessly consistent service that they now demand are seeing the difference in their profit and loss accounts. When the economic upturn does come, those retailers that have best equipped themselves for the future shape of commerce will see the biggest benefits.

source commerce platform, such as Magento, and 22 per cent a homegrown solution supported and hosted internally. Some 49 per cent said it was a commercial application, and of that 49 per cent, 54 per cent said it was supported and hosted by their internal IT staff, 13 per cent by the product vendor and 33 per cent by a third-party service provider.

There has been a move towards offering cloud-hosted options for ecommerce platforms that were previously only available on-premises, but still, it seems, the owned version is predominant. Those with large IT teams may tend to opt for on-premises solutions that they can individualise, while those that have a lean structure may well benefit from software as a service (SaaS) providers that shoulder the burden of keeping a solution running day to day.

Mark Adams, partner at platform implementor Portaltech Reply, believes the status quo will change only slowly because of the complexity of providing a single customer experience across all channels. "The environment's much too complicated to say we'll provide the same service in the cloud and everyone's going to be happy." But he does see opportunities emerging and predicts, "We will see some services in the cloud where it makes sense."

“ All of the leading ecommerce platforms have mobile-enabled starter stores, the dilemma is whether these starter stores are good enough ”

IBM is one player that has moved towards offering its Smarter Commerce platforms in the cloud. IBM's Wharton says that when it took the step it expected to see interest from mostly mid-market players. But while lower upfront cost was an attraction, the speed of deployment was also important to companies of all sizes. "We found larger companies coming to us saying it's the speed of deployment, the time to value," he said. "People are using it to break into new geographic markets. They're starting to run new hybrid-type solutions, using cloud to get into market quickly and then in time bringing it back to on premise."

## MEASURE SUCCESS

Measuring through key performance indicators (KPIs) is the way to determine that a solution is working for the business. While financial KPIs, turnover and profit margins, will always be relevant, customer-focused measurements are also coming to the fore. Hybris' chief customer officer Kees de Vos points to figures such as customer engagement, lifetime customer value and customer satisfaction. Meanwhile Maginus' Masters points to the importance of ensuring strategic goals are being met. "Whether that's repeat orders, customer numbers or brand awareness depends entirely on the strategic direction of the business and what it wants from its online presence," he says.

Ultimately, argues de Vos, the final measure will be survival. "The companies that are doing this, the retailers that are doing this well are going to win the race," he says. "They are going to survive. The people that are not able to have this consistency, relevancy across touchpoints with their customers are not going to be able to survive going forward." ■

## CASE STUDY:

### *Why american golf moved from on-premises platform to the cloud*

While most retailers still work from on-premises ecommerce platforms, one retailer recently moved from on-premises to a cloud-based solution. Multichannel retailer american golf, which sells online and through 102 stores in the UK and Republic of Ireland, took the decision to move away from its legacy on-premise system to Demandware's cloud-based solution as a strategic move to support its plans for fast growth.

The company found the transition fast. "We achieved in three months with Demandware what would have taken up to a year and required far more resources with our in-house platform," say Pat Foley, head of ecommerce at american golf. "We launched seven web and mobile sites in a very short period of time and are now able to easily replicate changes across the entire estate, rather than dealing with sites, one at a time. We're now on the front foot in every area, from daily management right through to international expansion."

Foley says that the move has allowed him to concentrate on strategy and growth rather than the day-to-day performance management that previously occupied half of his time.

The company, which has grown over the last 35 years from a small business based on a Lancashire golf course to Europe's largest golf retailer, now serves Denmark, Sweden and France online and is also planning sites for Italy. It also offers omnichannel features and services including gift card, flexible delivery and in-store collection options.

Jeffrey Barnett, chief operating officer at Demandware, says: "Managing the complexity of multiple brands, channels and geographies, along with responding to the accelerating demands of consumers, can be a daunting task for many retailers."

# IT'S GETTING PERSONAL

CUSTOMERS EXPECT MORE AND MORE RELEVANCE WHEN THEY SHOP ONLINE, AND PLATFORM VENDORS ARE ENGAGED IN A RACE TO KEEP UP THROUGH PERSONALISATION AND MORE, WRITES CHRISTIAN ANNESLEY

Not so many years ago retailers' IT systems were mostly there to serve the companies' own ends: reconciliation and reordering of stock, accounting systems and so on. But in 2013, with cross-channel retailing in full swing, it is the customer that has moved centre stage in the race to deliver functional, ecommerce-ready platforms that integrate the back end while also enabling a seamless, nuanced customer experience across myriad channels and devices.

So how are platforms helping to evolve customer engagement right now – and where might things head from here?

“An eye-watering 70 per cent of consumers say they find personalised messages annoying when the attempts at personalisation are superficial”

Frank Lord, vice president for EMEA Oracle Retail, says the challenge for retailers today is to strike the right balance between “operational efficiency and delivering personalised customer experiences” that foster loyalty and optimise sales.

It's personalisation that stands out in that description, offering as it does potentially huge opportunities for those retailers that can engineer businesses not only to identify the most profitable and accurate recommendations, but also to close the sales loop and fulfil customer demand.

The opportunity arising from personalisation is one that plenty are trying to understand – with

## HOW TO ENGAGE – AND SELL – ONLINE

One notable development of ecommerce platforms lies in the use of real-time support for customers on websites, whether through online live-chat or voice support from a customer representative. One such real-time engagement service is from LivePerson, which currently integrates with well-used ecommerce platforms from Hybris and DemandWare as well as being offered as a stand-alone proposition for retailers to integrate themselves with their particular platform.

LivePerson has been particularly successful in its work with BT to convert would-be customers into new business: it says its support helps to deliver 23 per cent of BT Retail sales by engaging with users who are confused by pricing, struggling to navigate to particular offers or who don't fully understand new product launches.

The service works by applying a set of rules that identify – in real time – potential new customers that are experiencing difficulty during the order journey. Invitations to chat live with product specialists are offered to those visitors who show signs of needing help when they are reviewing the marketing and pre-sales pages of the website or placing an order. And, before engaging, LivePerson enables the sales advisers to understand what customers are looking for as well as helping them relay an appropriate solution once they have made contact.

“Many of us have questions that need answering when making a decision about an online purchase – particularly a complex or high-value one,” says Tony Heyworth, LivePerson's international marketing director. “The idea is to cut the abandonment rates by giving visitors the information they need quickly and efficiently, but interacting in just the right way.”

What's critical here, says Heyworth, is that site visitors get intelligent, informed engagement at just the right time.

“If you are in store you don't want help from a sales assistant all the time, do you? Sometimes you'll have some questions and it's then that you want them to be on hand. That's actually a process that's easier to manage online, because a visitor's interactions with a website tell us a lot that a sales person could not necessarily know in store.”

It's a multifaceted offer, with the live-chat option sometimes leading to a voice call and even video support – both through a customer agent finding a relevant video to play to help a visitor or, sometimes, through a face-to-face video call.

If it sounds a sophisticated proposition for larger corporates with high-value sales to secure, that's not the whole story either. The high-value side of the equation usually applies, to make the service worth the investment, but even a medium-sized travel company like Exodus is making use of the system, to convert a higher proportion of the two million visitors to its site into buyers of what is a premium product.



some of the latest survey stats illustrating the context. Oracle's *Evolution of Experience Retail* research, for example, recently found that in the UK nearly half (49 per cent) of consumers rate personalisation as important, here defining it primarily as "receiving offers/discounts based on preferences" – whether in store or not in store.

That's one among many potential definitions of personalisation, of course, and it's worth sounding a note of warning here.

### MARKETING MESSAGE OVERLOAD

When done effectively, personalisation in all its forms can be extremely powerful, but other research – specifically an Economist Intelligence Unit survey for Lyris – also flags up a potential problem: an eye-watering 70 per cent of consumers say they find personalised messages annoying when the "attempts at personalisation are superficial" and some 63 per cent claim they receive so many personalised messages that they no longer mean anything to them.

One challenge, then, for retailers is to look at how to move beyond simple personalisation communications, and towards other forms of engagement and community-building, including socially driven moves such as reviews and recommendations (preferably unmoderated for 'authenticity') or by developing customised offers, which consumers usually accept more readily to find the best deals – even if the data mining that's



### FLEXIBLE ARCHITECTURE

"The logical conclusion of where things are headed

is that the consumer will have one identity online for coupons and to enact payments and other promotions. A flexible architecture is what's needed, and the winners on this journey will enable that flexibility while keeping up with the challenges around security and the risk of fraud."

Steve Rothwell, chief executive, Eagle Eye

## SPEAKING FROM EXPERIENCE

### REAL-TIME CONVERSATIONS

"For retailers with more complex offerings in particular, the need to offer real-time assistance to a consumer on a website increases. We all have questions when we are engaged on ecommerce websites and a service like LivePerson, which analyses the behaviour of visitors in real times and works out when and how to interact, is an important extra ingredient for many sites – and a conversion tool."

Tony Heyworth, international marketing director, LivePerson



### THE CUSTOMER IN CHARGE

"The major evolution over the past year is that retailers are working to ensure they provide their customers with a connected interaction throughout the shopping experience. This more than likely will involve multiple touch points and interactions across multiple channels.

Retailers now clearly understand that the consumer is firmly in charge, demanding 'commerce anywhere'. The online space has to become totally interoperable as part of the connected retail experience."

Frank Lord, vice president for EMEA, Oracle Retail



needed to do this sometimes raises privacy issues.

That's not to say that personalisation isn't working for some retailers. Consider Emailvision, which supports more than 600,000 campaigns each month from more than 3,000 clients – and says it often succeeds in delivering better customer engagement through effective personalisation and targeting of email campaigns. When Office Shoes used the technology to aid better targeting of its email marketing campaigns, open and click-through rates went up by 64 per cent and 240 per cent respectively compared with untargeted campaigns, while the jewellers Astley Clarke used behavioural technology to personalise individual shopper experiences – and boosted conversion rates by 60 per cent.

### A SINGLE ONLINE IDENTITY

If those are two of the latest examples of email personalisation working, an altogether different way of looking at the question of personalisation is to try to understand where things are headed. According to Steve Rothwell, chief executive of the mobile couponing specialist Eagle Eye, one

logical conclusion of the personalisation race is that very soon each individual consumer will have established a single identity online that will enable them to enact payments and promotions and coupons, as well as seeing some of their personal preferences and choices attach to this online identity too.

Eagle Eye's pitch is that it acts as a repository of the data that's now circulating through mobile devices, enabling retailers to evolve what they do with few integration or fraud concerns, and using just the existing credit card terminals and EPoS technologies.

"With our system the customer is sent a unique PIN code to their mobile and enters it into the card terminal in-store," says Rothwell. "Our system immediately authenticates the code and the value of the mobile coupon or gift voucher is deducted from the transaction. It's simple and convenient for the customer to use, for the retailer there is complete security and better intelligence for reporting and CRM purposes – and the infrastructure itself has applications well beyond vouchers and couponing."

Tesco Clubcard has been using Eagle Eye since late last year to take its rewards service digital. Seven of Tesco's retail partners – including Pizza

Express and Café Rouge – have now signed up to offer digital rewards, driven by the initial results which showed 96 per cent of consumers opting to receive their offers digitally rather than as physical vouchers.

Platforms such as this also point to a future where interoperability between platforms is such that platform integration itself eventually becomes a non-issue for retailers. There's a way to go, clearly, but that's the vision. Quite how long it will take to get there remains to be seen – and in the meantime many suppliers of today's ecommerce platforms are still busy embedding extra functionality rather than looking to optimise interoperability. ■

## WHAT'S CHANGED

In 2013 personalisation and tailored support is moving centre stage, whether through personalised email campaigns, personalised content for site visitors and registered users, or the increasing use of live-chat and intelligent support for targeted customers. The infrastructure is changing too, with ecommerce platforms adding functionality and dedicated new platforms joining up the ecommerce ecosystem. Retailers are also becoming more socially driven, engaging with customers through social networks and increasing use of customer reviews.

## CUSTOMER ENGAGEMENT BY INDUSTRY

**AUTOMOTIVE** The auto industry is focused on expanding its customer base through customised promotions. Deep analysis of consumer data (analytics target consumer segments rather than individuals) now tops the list of marketing strategies, up from 13 per cent five years ago to 30 per cent today (above the all-industry retail average of 23 per cent).

**BANKING** The banking industry is working to regain trust. Customer retention is cited as the top marketing goal by 42 per cent of executives, a jump from 23 per cent five years ago (and much higher than the all-industry average of 28 per cent). Banks have moved to personalise outreach to consumers, but they lag behind other industries in presenting consumers with individualised offers and promotions.

**CLOTHING** The clothing industry still uses offline channels extensively and has been slow to adopt online channels. Clothing buyers are not intensive users of company online channels for any particular part of the purchase decision process, although they are relatively dependent on peer reviews. Three-quarters (75 per cent) of consumers say pricing/promotions are what they want most from company channels, above the all-industry average of 67 per cent.

**ENTERTAINMENT** The entertainment industry emphasises retaining current customers and tailoring messages to geographical and consumer segments. The focus has shifted from personalisation more generally towards individualised offerings. Deep analysis of consumer data to target offers is deemed important by 27 per cent of executives (four points above the all-industry average), up from 19 per cent five years ago.

**MEDIA** The media industry — under siege from online competition — has entering new markets as its top objective, cited by 45 per cent of executives, up nine points from five years ago. The industry assigns more importance than the others to developing deeper consumer insights. The media industry also leads in the importance attributed to online channels for building brand awareness and places more emphasis on increasing sales, building customer loyalty, differentiating products and cultivating influencers. The media industry spends a big slice of marketing budgets on email (33 per cent using more than a quarter of their budget vs. an all-industry average of 28 per cent).

**TRAVEL** The travel industry has been seriously challenged by disruptive technologies as more and more travel providers deal directly with customers and as services have become commoditised. Greater emphasis is now placed on collecting and analysing data for individual customers. The industry leads in the use of data for guiding product research.

Source: *Mind the Marketing Gap*, The Economist Intelligence Unit sponsored by Lyris.





# CONCLUSION...

**W**ith the economy in the UK showing fragile signs of recovery, this seems an opportune moment to have returned to one of our recurring themes with these special reports, ecommerce platforms. While nobody except the most optimistic is expecting the kind of retail boom we enjoyed just before and after the turn of the millennium, consumers look happier to part with cash, even for big-ticket items, and accordingly companies are showing more signs of looking to invest for the future.

But what kind of future? It's a pertinent question considering that a recent report by Bill Grimsey, *The Grimsey Review*, was a specific riposte to an earlier assessment by Mary Portas, *The Portas Review*, on behalf of the government.

Our guess, for what it's worth, is that we'll see high streets and retail centres where there will certainly be fewer shops. However, it's not all bad news.

There's huge potential for specialist stores operating out of premises that will probably double as HQs for processing online and mail-order sales. At the other end of the spectrum, bigger retailers will need a bricks-and-mortar presence because customers will expect, for example, to be able to order online and pick up an item at a convenient time. Digital technologies will play an increasingly visible role within both kinds of stores, especially as 4G rolls out with its promise of making digital media ever-more pervasive.

Within both kinds of companies, the ecommerce platform will play a crucial role, underpinning operations. Indeed, we may soon come to view the ecommerce platform simply as the commerce platform. It's a term that will encompass the enterprise-level software used by big players and, we'd speculate, software-as-a-service technology used in pop-up stores that may, for example, only be in situ for a few weeks to tie in with a specific event.

Of course, it will be a while yet before we reach this scenario, but retailers still need to keep an eye on what's ahead and prepare accordingly. To come back to the idea of upgrading the (e)commerce platform, it's more and more important than ever for companies to choose systems that will prove adaptable within this future landscape.

We hope the articles within this special report will help with this selection process, in addition to offering practical advice on current operational issues. Ecommerce platforms are a subject we'll certainly be returning to next year.

Each of *Internet Retailing's* series of special reports explores key questions facing retailers today. We welcome your ideas and suggestions for future themes at [editor@internetretailing.net](mailto:editor@internetretailing.net)

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Laura Wade-Gery  
Executive Director,  
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Keynote 2  
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Ilan Benhaim  
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Keynote 3  
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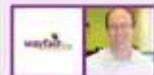
Chairman's introduction  
Dr Mike Baxter, Saleslogiq



Stream Keynote: Tailoring the online journey to create a personalised customer experience  
Johan Savenstrand, Ecommerce Manager, Ginza AB



Joining up the touchpoints and adding value  
Jeremy Fennell, Ecommerce Director, Dixons Retail



Staying ahead of the online retail game through collaboration  
Joel Stevenson, Managing Director, Wayfair.co.uk



Stream Keynote: Delight your omni-channel shoppers with a personalisation strategy beyond traditional commerce  
Elias Mouybayed, Head of Sales EMEA, Certona



Panel Discussion: Internet Retailing In Store  
Panelists include:  
Sean McKee, Head of Ecommerce and Customer Services, Schuh



Paul Wright, Head of E-commerce, Fat Face



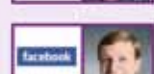
David Tarbuck, Head of Multi-Channel Delivery, Kiddicare



Anders Dahlberg, E-commerce Manager, Intersport Sweden



Service as a key differentiator  
Jo Causon, Chief Executive, Institute of Customer Service



Closing keynote: Challenging the future  
Brad Little, Head of Vertical Solutions, Facebook

### STREAM 2: THE BUSINESS

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Chairman's introduction  
Emma Robertson, Transform



Stream Keynote: Stop sending email messages...start sending multichannel messages that matter  
John Watton, Senior Director - Marketing EMEA, Silverpop



Delivering E-Commerce ROI  
Adam Stewart, Marketing Director, Play.com



Simplifying the interfaces to close the sale  
Shivani Tejuja, eCommerce & Multichannel Director, New Look



Stream Keynote: Delivering customers individual ordering expectations  
Matthew Keys, Digital Marketing Manager, Hotel Chocolat



James Candy, Business Development Director, Red Technology



Panel Discussion: International  
Panelists include:  
Donna Chen, Group Strategy - International Online Development, Alliance Boots



Jan Mehmet, Global Digital Director, Jack Wills



Rob Jennings, Ecommerce Director, Mamas and Papas



Ray Fowler, Executive Director Advisory Services  
CIS Retail, Ernst & Young



Simplifying IT for omnichannel  
Chris Mangham, IT Director, M.Video.ru



Closing keynote:  
Challenging the future  
Tanya Lawler, Vice President, UK Trading, eBay

### STREAM 3: THE INDUSTRY

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Chairman's introduction  
Ray Fowler, Executive Director Advisory Services  
CIS Retail, Ernst & Young



Stream Keynote: Implementing a global payment strategy simply and effectively  
Praful Morar, VP Global Retail, WorldPay



Stream Keynote: Creating a seamless Consumer-Driven Shopping Experience with Omni-Channel  
Alessio Rossi, VP, Interactive and E-Business Marketing, Lancôme USA



Rob Garf, VP Product & Solutions Marketing, Demandware



The Connected Future  
Lloyd Burdett, Head of Global Clients and Strategy, The Futures Company



Stream Keynote: How to keep up with customers whilst running to stand still: combining innovation and the knowledge of your people  
Qusai Sarraf, CEO, IVIS Group



Panel Discussion: A reality check for mobile. Panelists include:  
Jonathan Wall, Shop Direct



John Gilbert, Consulting Director, Technology and Telecoms, YouGov



Paul Jackson, Multi-Channel Development Controller, Argos



Peter Briffett, Managing Director, LivingSocial UK & Ireland



Please sir, can I have more channels?  
Ashley Payne, Head of Online Trading, Debenhams







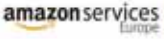


Closing keynote:  
Challenging the future  
Peter Fitzgerald, Country Sales Director, Google, UK

Register online at [www.internetretailingconference.com](http://www.internetretailingconference.com)



# 8 Workshops - FREE to attend for RETAILERS

Workshop 1 Room A 11.20AM	 Lafayette	Launch your marketplace to expand your online business. Learn why and how from Galeries Lafayette	Workshop 5 Room A 2.00PM		Responsive Design: Designing for the future in a multi-device world
Workshop 2 Room B 11.20AM	 Amplience	Cross-channel Success Made Simple: Delivering Rich Interactive Experiences that Convert	Workshop 6 Room B 2.00PM		Delivering a multichannel experience with an Agile model
Workshop 3 Room C 11.20AM	 Digital River	Building Online Stores of the Future	Workshop 7 Room C 2.00PM	 	How can you easily attract the most cost-effective and relevant traffic to your website?
Workshop 4 Room D 11.20AM	 Reply portaltech	How to capitalise on the growth of mobile in store. Gain insight and question leading retailers on their in-store digital strategies.	Workshop 8 Room D 2.00PM		Maintain a low total cost of ownership (TCO)

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**hybris**



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