

2018 TRENDS

PREDICTIONS FROM ECOMMERCE
MARKETING EXPERTS

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Where is the ecommerce marketing world moving in 2018? We ask that question every year, reaching out to our own experts and those in the industry for their thoughts.

This year, the answers run the gamut, but all relate to building a deeper relationship with the customer to fend off the Amazons of the world.

What you'll read about:

- The importance of doubling down on the basics of advanced emailing. Batch-and-blast email programs can't begin to compete with more sophisticated ways of connecting with customers, and there are no excuses for continuing to depend on them.
- The evolution of artificial intelligence, and where it and technologies like browserless commerce will be by the end of 2018.
- How technology is changing shopping behaviour and why retailers need to step up their game when engaging with customers.

We've also sprinkled some details from our recent consumer and ecommerce executive research into this report. Suffice it to say, you will not backburner your mobile optimisation project after seeing these stats.

How Technology Is Changing the Way Consumers Shop



“Today, technology allows consumers to access content at a rate never seen before, and this is definitely changing consumer behaviour and expectations dramatically.”

– **Kevin Paiser**, Head of Sales, EMEA, Nosto Solutions

Retail is changing fast, and unsurprisingly, the key driver is our increasingly connected world. Mobile is inevitably changing how customers shop and generally interact with brands.

Mobile Commerce

In our report “Mobile Shopping Behaviours: Browsing, Buying or Both? UK Edition,” we found that 82% of millennials (ages 18-34) and 67% of Generation Xers (ages 35-54) have made a purchase using a mobile device. “Phones are omnipresent, and the opportunity for retailers to be in their customers’ pockets at all times is very exciting,” confirms Olly Cooper, co-founder of Bijou Commerce.

The trend is having a huge impact on how, when and where consumers access content. “Today, technology allows consumers to access content at a rate never seen before, and this is definitely changing consumer behaviour and expectations dramatically,” says Kevin Paiser, head of sales EMEA at Nosto Solutions. “For retailers, this means they need to engage customers with the right message at the right time, making attention the new currency of business.”

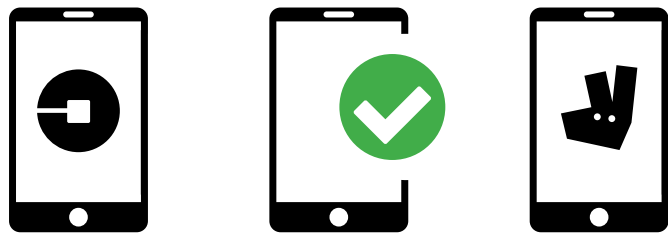
Our research also uncovered that UK consumers use their mobile device while shopping in stores to look up product information (25%) and reviews (21%), and comparison shop (21%). “Given how mobile devices are used during trips to bricks-and-mortar stores, you need to consider the value they bring to the consumer,” says Brandon Wilkins, general manager, EMEA, at Bronto. “Pricing is much more transparent than it used to be, so staying competitive can involve more than offering the best price. When a customer is standing in front of a product in your store, what can you offer that would compel them to buy even if the price comparison suggests other possibilities? There are many ways to engage a shopper besides price. Convenience, customer service and help in the buying process are just a few.”



“In this customer-centric world, it’s more important than ever that the retailer knows what the customer wants before they know it themselves.”

– Saima Alibhai, Managing Principal Consultant, EMEA, Bronto

It’s not just mobile per se that is changing customer behaviour. Disruptive apps and services are also having a huge impact on consumer expectations and how they interact with brands. “With the likes of Uber and Deliveroo, people are used to having things at their fingertips,” says Saima Alibhai, managing principal consultant, EMEA, at Bronto. “In this customer-centric world, it’s more important than ever that the retailer knows what the customer wants before they know it themselves,” she says.



Browserless Commerce

The advent of browserless retail, through voice-activated devices such as Siri and Echo, will also mean a change in how consumers interact. “Voice-activated assistance will no doubt grow, potentially meaning less time to convert your customer, as they have other ways to access the web,” says Andrew Fernandez, marketing strategist at Bronto. Henrik Feld-Jakobsen, head of strategy at Vaimo, agrees: “Today, we buy on a screen. In a couple of years, Siri, Alexa and AI might be doing most of the shopping for us,” he says.

What does this mean for brands that are accustomed to consumers navigating browsers rather than barking voice commands? A couple of things come to mind. If your brand or site benefits from offering the best reviewed products (or the lowest cost ones), browserless shopping won’t directly impact you ... yet. Shoppers who are looking at more than expediency are not going to trust a voice assistant to find – and order – the best reviewed toaster oven under GBP 50 that doesn’t clash with their new quartz countertop.



“Today, we buy on a screen. In a couple of years, Siri, Alexa and AI might be doing most of the shopping for us.”

– **Henrik Feld-Jakobsen,**
Head of Strategy, Vaimo

Those retailers and brands that depend heavily on retargeting and online advertising might need to start thinking about new data streams to help target their prospects. If browserless shopping and voice search become an everyday occurrence, could offline marketing come back into play? Are there ways to rent or purchase data from companies that have browserless systems to pair with existing customer relationship databases? The data needed by retailers to narrowly target customers will be owned by whatever company is collecting it through their device, so retailers could purchase or rent that data for direct mail or other types of advertising techniques. Theoretically, they would even be able to fine-tune the types of customers they target via location, lifestyle or real-time browse history.

Companies selling anything that needs a visual reference – clothing, jewellery, shoes and cosmetics – will be less impacted right away. Years ago, we didn’t think people would be browsing and buying from their smartphone, so don’t discount the future possibility of browserless shopping connecting to visuals. A spoken command could open a synced TV (through a device like a Fire Stick) or the Echo Show and allow consumers to visually browse products initiated by speech. Your voice could control the navigation, allowing you to choose the brand name product you want.

Even if this browserless future seems kind of out there, it’s important to think about this channel and how your brand or company can make it work. Shopping via voice may seem unnatural for most of us, but it won’t be for children growing up today. Look back on pay phones as an example. If you see one today, you might well be startled at the sight. Ten years from now, our children may look back at smartphones in the same light.



Getting More Personal Than Ever



“It’s about using all the data you have to appeal to them without crossing the boundaries of what can be perceived as personal information.”

– **Andrew Fernandez**,
Marketing Strategist, Bronto

It’s not surprising that in our report “Inside the Minds of Ecommerce Execs - UK Edition”, email marketing was named by 62% of retail executives as the most successful channel to impact sales. The role of email – and its ability to connect with the consumer – has developed in recent years. Once used to blast a single newsletter to an entire database, it’s now much more personalised. Today, retailers pick up on browsing history, basket abandonment and purchase history, amongst many other triggers, to deliver one-to-one communications at scale. And this is a trend that will continue to gather steam in 2018, according to our experts.

“Email continues to prove how successful it is in creating a meaningful dialogue with the customer,” says Wilkins. “More and more retailers are moving away from sending one message to their entire subscriber base. They are watching what you add to a basket, the products you browse on their site and what you buy. They then combine that data and use it in an email. It’s much less about one size fits all and more about sending something that’s hyper-personalised for that specific consumer,” he says.

Feld-Jakobsen says it’s about speaking to, rather than speaking at, your customers. “Show me that I’m important to you. Remove friction. Help me when I need it and be relevant by knowing me. This is the most effective loyalty strategy you can have.” He says retailers should be particularly mindful of Generation Z and their expectations for email communication. “Generation Z will be the one that truly puts email to the test, expecting messages to be instant, interactive and integrated in the context they’re in,” he says. Technology development is playing its part, with emails increasingly targeted to the user’s wants and needs. “By narrowing the friction between email and the thing we want to do (buy a product, create a memo, etc.), email has the potential for more than it is today,” he says.

Fernandez says it’s important that businesses understand what lines not to cross with their customers if they are to build trust. “It’s about being more relevant. Focus on messaging that appeals to customers rather than what you want to say. Give them what they want. It’s about using all the data you have to appeal to them without crossing the boundaries of what can be perceived as personal information,” he says.



What does it all mean for ecommerce marketers looking to get ahead (or stay ahead) in 2018?

Bronto's Saima Alibhai has the answers.



Tackle your existing programme first. “When implementing a more personalised approach to email, execute and perfect one tactic at a time. Even small changes, such as sending triggered messages or segmenting customers by gender, will give you a noticeable lift in online revenue.”



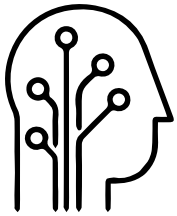
Focus on what appeals to your customers. “To nudge shoppers along in their buying journey, you must capture browse and basket behaviour and create triggered messages. And, depending on your target audience, you may need to explore complementary channels, such as SMS.”



Take it to the next level with recommendations. “Retailers have been sending basket recovery and, in some cases, browse recovery emails with great success for some time now. The next level is recommending not only the products the shopper was browsing or moving to a basket, but actually using that shopping history to recommend other relevant products. This requires an even deeper understanding of individual customers.

Consider pairing predictive modeling with selected business rules to easily integrate personalised recommendations into your newsletter and on your website. Or up-sell and cross-sell in your browse and basket recovery messages, order confirmations and post-purchase follow-ups. And bring back lapsed purchasers with products chosen just for them. The opportunities are endless.”

Machine Learning: The Next Wave of Email Marketing Innovation



More than 70% of retailers plan to invest in AI and IoT technologies by 2021.

– BI Intelligence

Commerce marketers are crashing up against some high hurdles – sales fatigue and Amazon, to name a few. How do you get customers to buy from you? Using machine learning to personalise the brand experience will increasingly be the answer in the coming year. The technology offers the opportunity for more targeted communication to create outstanding customer experiences that drive engagement and loyalty.

Data Insights

According to BI Intelligence, more than 70% of retailers are planning to invest in AI and IoT technologies by 2021, whilst Accenture predicts that by 2035, the wholesale and retail industries will see a 59% share of profit increase due to AI-powered systems. Boston Consulting Group found that those brands and retailers that are already creating personalised experiences by integrating advanced digital technologies and data are seeing revenue increases of 6 to 10% - two to three times faster than those who don't.

Wilkins says that's vital since customers vote with their wallets – and research shows customers will switch allegiance from brands for a more personalised experience elsewhere. "When you have that level

of competition in the market, it's really important to provide as thoughtful an experience as possible. The best way to do that is to pay attention to the data you're getting – both implicit and explicit," he says.

That data – and the ability to tease out actionable insights from it – is key. "The foundation for any personalisation project is a really good customer data structure," says Cooper. "Your personalised offering can only ever be as good as the data underpinning it," he says.

And it's no easy task. In the PWC "Total Retail 2017" report, 39% of retailers said the ability to turn customer data into intelligent and actionable insights was one of their biggest challenges.



"What will be an increasing trend is the [focus on] context or circumstances in which someone opens an email."

– **Matthew Potter**, Regional Vice President, Movable Ink



“The best thing about this application of AI is that it doesn’t require a change in consumer behaviour. Consumers just have better products shown to them on the web, in app, and in emails.”

– **Olly Cooper**, Co-founder,
Bijou Commerce

AI and machine learning will allow data to be more readily served up to the marketer to allow for a more personalised contact with the customer, according to Alibhai. “Using AI algorithms to track data will help retailers better market and improve customer service. Retailers need the right tools to glean insights from their data and provide dynamic content at the right time,” she says.

At Movable Ink, this is already happening, according to Matthew Potter, the company’s regional vice president. “We change the email content at the moment of open,” he says “which covers the inherent latency of when an email is opened. What will be an increasing trend is the [focus on] context or circumstances in which someone opens an email. For example, on the train Monday morning, I respond differently from Friday night in front of the TV. It’s being able to adapt to things like that,” he says.

Product Recommendations

AI will also play a role in more intelligent product recommendations in 2018, according to Cooper. “Some of the most sophisticated retailers already use machine learning and AI to understand what customers like and predict what they’re likely to buy next. Done right, it can drive incremental revenue growth from your retained customer base. The best thing about this application of AI is that it doesn’t require a change in consumer behaviour - unlike chat-driven commerce, for example. Consumers just have better products shown to them on the web, in app, and in emails - all things that already happen every day.”

And eventually, this will progress to propensity modelling – allowing retailers to better forecast when a customer will potentially make their next purchase, what they might be most likely to buy and what will incentivise them to buy, predicts Fernandez. “Ideally, this will be completely automated, from the logic through to the communication. Retailers are working towards next purchase date on a customer-by-customer basis, but it’s still relatively in its infancy. It’s likely to get better as 2018 progresses,” he says.



By 2035, wholesalers and retailers will see a 59% share of profit increase due to AI-powered systems.

– Accenture

Differentiation Is Key in the Battle Against Amazon

There's no doubt that Amazon poses a threat to pretty much every retailer on the planet. PwC's "Total Retail 2017" report showed that 28% of respondents globally shopped less often at retail stores because of Amazon.

The aim of personalisation has always been to promote loyalty and trust, but building closer relationships is going to be even more important in 2018. In our research, "Inside the Minds of Ecommerce Execs – UK Edition", we found that loyalty is the top business priority for British retailers, with 31% of UK brands naming it as their top strategic initiative.

Many simply believe retailers need to stick to their true strengths rather than even try to compete against Amazon. "By all means, retailers could use the Amazon platform to reach new customers. But if they're able to keep innovating and enhancing the consumer experience, customers will become loyal in the process, which helps them differentiate against all competition," says Paiser.

Wilkins believes it goes back to offering something more than just a product to buy. "Some of the most successful brands are those that understand who they are and who they serve – not trying to be everything to everyone. One of the things that works very well for retailers is showing off their personality. They become more than just a site and a store that's constantly in sell, sell, sell mode. They might share what they're doing in the community or show their quirky side on social media. Whatever the strategy, they get people to connect with the personality of the brand and give customers compelling reasons to visit the site other than making a purchase. That has a direct impact on loyalty to the brand," says Wilkins.



"Loyalty is the top business priority for British retailers, with 31% of UK brands naming it as their top strategic initiative."

–Inside the Minds of Ecommerce Execs – UK Edition



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– **Brandon Wilkins,**
General Manager, EMEA,
Bronto

Retailers must rethink the way they interact with customers, says Fernandez. “It will come down to building loyalty and relationships with people. Forget about B2B and B2C – think H2H (human-to-human). Otherwise, the difference will be price and service, two things bigger retailers tend to excel at. Part of this is ensuring that every message isn’t necessarily ‘buy this, buy that’ but more of a brand message, such as a thank you email, birthday wish or even a competition,” he says.

It’s better, more targeted commerce marketing that will help build the relationships that enable retailers to differentiate themselves from the power of giants like Amazon. According to Fernandez, “Amazon will win the price war most of the time, but if you can build a relationship (e.g. loyalty programmes) that’s relatively personal, you’ll strengthen brand loyalty – and create brand advocates, too.”

It could simply involve reminding consumers of their experience with your brand, says Potter. “An incredibly personalised experience reminds you of your interaction. It’s like the gamification of your retail experience and whether you can be pulled into the brand, rather than just dip in and out every time you want to make a purchase. It’s about making sure every interaction a customer has with the brand is the best it can be, and that goes back to personalisation,” he says.



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Looking Forward

Getting closer to the customer remains a key target for retailers and businesses in 2018. Promoting loyalty and trust through personalisation via technologies like marketing automation, AI and machine learning will allow retailers to truly stand out from the competition and prompt some exciting developments for commerce marketing in the coming year.

To be successful, you must be better informed about your customer than ever before. You need to predict what shoppers want and how they're likely to interact with you before they even know themselves. And you must be ready to provide them with the content they crave to build not only a transactional relationship, but an emotional bond as well. It's only through initiatives like these that you stand a chance at competing against the giants and setting your business apart from the rest.

Let us help you make 2018 your best year yet! [Find Out More.](#)

About Bronto

Bronto Software arms high-growth retailers with sophisticated marketing automation to maximise revenue opportunities. The Bronto Marketing Platform powers personalised multichannel content that generates the higher engagement needed for retail success. Keenly focused on the commerce marketer, Bronto continues its longstanding tradition as a leading email marketing provider to the global Internet Retailer Top 1000 and boasts a client roster of leading brands, including Vivienne Westwood, Euro Car Parts, [notonthehighstreet.com](#), Oak Furniture Land and Joseph Joseph.

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