Digital Commerce Playbook

How Tomorrow's Ecommerce Leaders Deliver Exceptional Customer Experience

Provided by **Avalara**

psfk

Retailers must prepare for new customer expectations.

Frictionless Experience

Only 10% of consumers agree that most brands meet their expectations for what they consider a 'good experience.'

Deliver The CX They Expect. Acquia, 2019

Value Transparency

95% of buyers expect to see all shipping fees and taxes totaled before they'll complete a purchase.

2019 UPS Pulse of the Online Shopper. UPS, 2019

Convenience Driven

90% of consumers say when they interact with a brand online, they want a convenient experience.

Deliver The CX They Expect. Acquia, 2019

5 CX Stages In The Digital Path To Purchase

3

Shopper Marketing & Discovery
- Guided Selection
- 1:1 Support
- Trusted Authentication

1

Shopper Marketing & Discovery
- Dynamic Outreach
- Shoppable Content
- Visual Search Streams

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Transactions, Payments & Tax
- One-Click POS
- Digital Layaway
- Borderless Transactions
- In-Cart Optimization

2

'Store' Experience & Design
- Adaptive Homepage
- Augmented Retail
- Social Shopping

5

Fulfillment & Post-Purchase Support
- Frictionless Logistics
- Elevated Onboarding
- 360-Degree Loyalty

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Shopper Marketing & Discovery

Delivering in-the-moment, actionable outreach that inspires shoppers to enter into a new shopping cycle.

Key Trends:

- Dynamic Outreach
- Shoppable Content
- Visual Search Streams

"To meet consumers' rising demands, marketers need to start using the data that's available to them—across every channel and every interaction. Right now, their personalization approaches are good, but they need to be great to win with today's consumers."

Matt Seely. Service Line Lead, Merkle

Dynamic Outreach

Retailers are leveraging advanced CRM and marketing systems to unite customer data into detailed, cross-channel profiles.

63% of online shoppers are more open to sharing personal information if it means brands and retailers can better anticipate their needs.

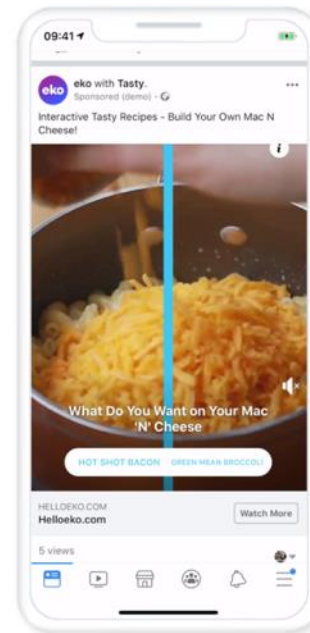Shoppers Demand Superior eCommerce Experiences: Consumer Expectations in 2019. Avionos, 2019

Facebook

Interactive ad format turns marketing into opportunity for deeper engagement

facebook.com

Polls Ads in Facebook

Playable Ads

Augmented Reality Ads

Shoppable Content

Social and digital platforms are blurring the line between retail and media channels by integrating commerce capabilities into their user content.

1 in 4 internet users now discovers brands through recommendations or comments on social media.
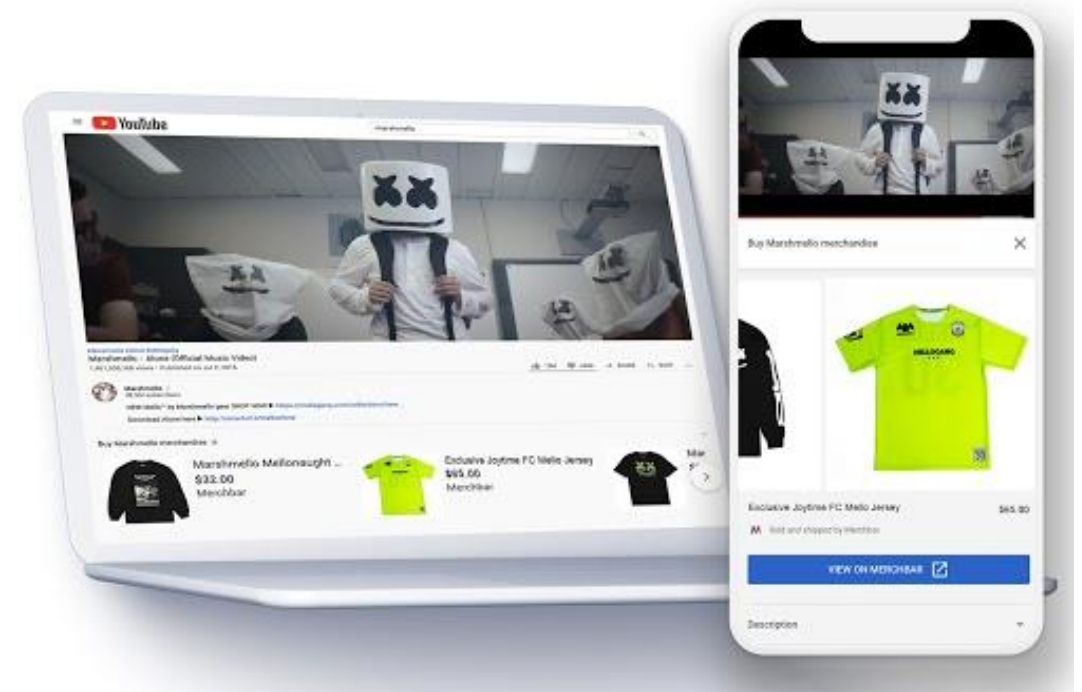
Commerce Report. Global Web Index, 2019

YouTube x Merchbar

Merchandise links integrated directly into influencer videos

youtube.com | merchbar.com

Visual Search Streams

Companies are connecting real-life moments with digital commerce by layering image-recognition capabilities onto the search process, giving shoppers a one-click way to find and buy the products they're after.

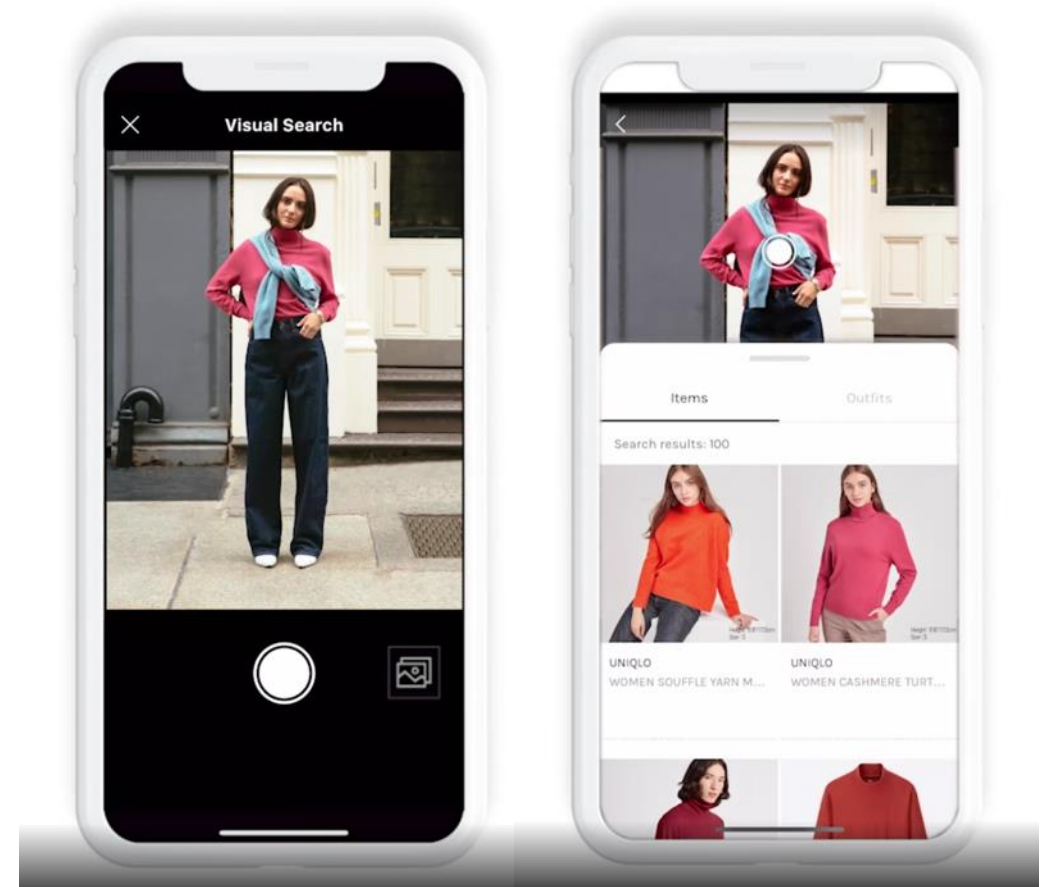Visual search users are 50% more likely to make a purchase decision.

Visual Search: A Disruptor For Retail, Social & Beyond In 2020. National Research Group, 2019

Uniqlo StyleHint

Product recommendations based on a consumer's own photos

stylehint.com

'Store' Experience & Design

Designing an effective, compelling digital shopping environment that welcomes customers into a seamless and personalized end-to-end experience.

Key Trends:

- Adaptive Homepage
- Augmented Retail
- Social Shopping

"My wish for you one day is to feel that you have your very own personal store curated for you on our app experiences."

Heidi O'Neill. President, Nike Direct

Adaptive Homepage

Mobile and digital portals are personalizing a shopper's online browsing experience to reflect their current context, previous purchases and shopping behavior.

Greater personalization in retail leads to a 40% increase in average value order and a 110% increase in number of items purchased.
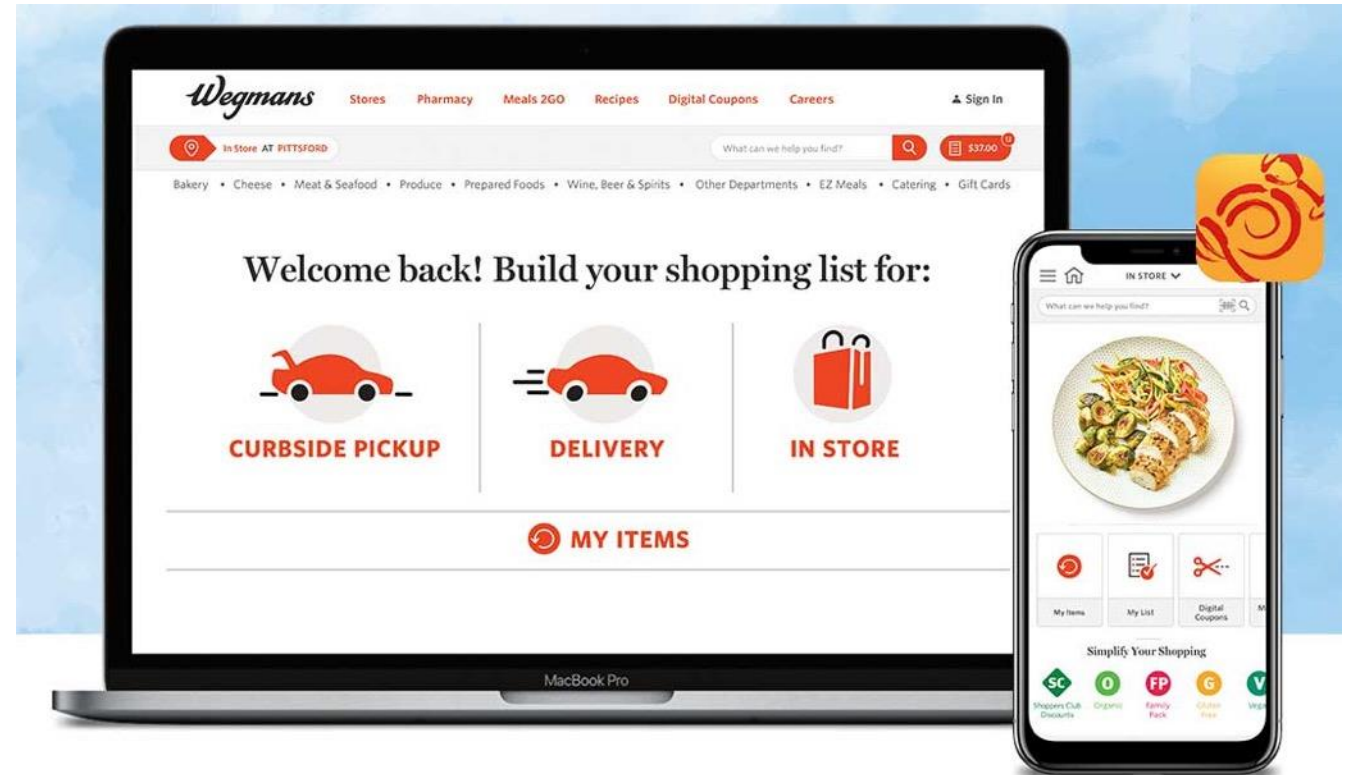
Level of Personalization in Retail. Boston Consulting Group, 2019

Adaptive Homepage

Wegmans

Past purchases and favorites inform personalized online grocery shopping

wegmans.com

Augmented Retail

Retailers are bringing their digital content to life by partnering with VR and AR platforms to create immersive online shopping environments and allow customers to view products in 3D and virtually trial them before purchasing.

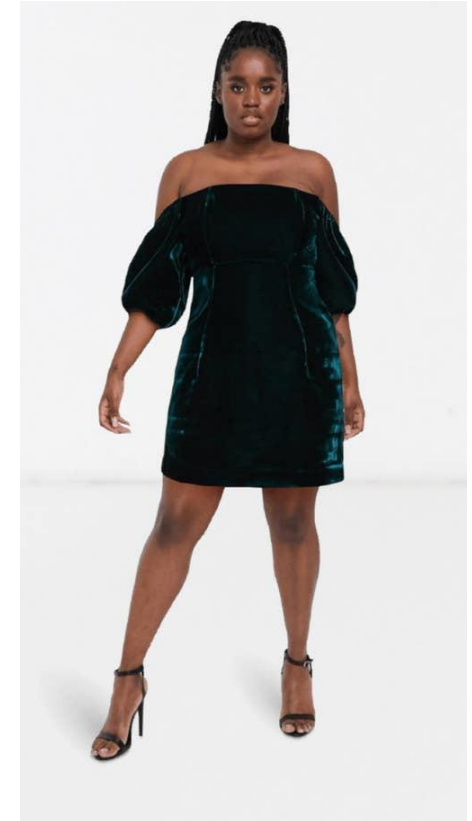Overall, shoppers find 3D shopping experiences to be 38% more engaging than traditional 2D photos.

How Web-based 3D, AR Tools Enhance The Customer Shopping Experience. Retail Customer Experience, 2020

ASOS

Ecommerce platform integrates AR into the digital shopping experience

asos.com

Social Shopping

Retailers are tapping into live streaming platforms that allow consumers to shop directly in real time and have two-way conversations with a community of consumers, taking online shopping from a solitary experience to a shared one.

One in every five customers who click to view a product landing page through live streaming ends up buying—a conversion rate of 20%.

"Alibaba Stock Will Benefit From Strong Consumer Spending In China." Barrons, 2019

Poshmark Posh Party Live

Live-streaming platform creates digital shopping "parties"

events.poshmark.com

STAGE 3:

Shopper Education & Assistance

Providing personalized support at key moments on the purchase path, in order to help shoppers understand product information and make confident choices.

Key Trends:

- Guided Selection
- 1:1 Support
- Trusted Authentication

"Understanding 1) the nuances of what consumers expect, 2) how they actually engage with brands via a myriad of digital channels, and 3) integrating these in-demand channels seamlessly to deliver digital-first omnichannel experiences, are the keys to sustainable growth."

Paul Jarman. CEO, NICE inContact

Guided Selection

Retailers are offering AI-enabled decision support that asks customers questions about their preferences and requirements and helps to narrow down choices.

58% of Millennials will share personal data to power product recommendations that match their needs.
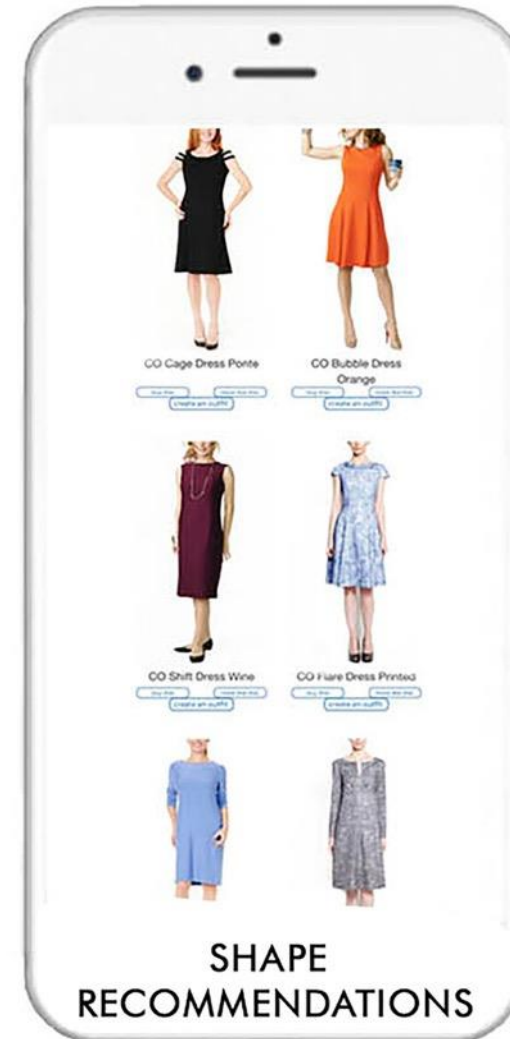
Consumer Expectations Hit All Time High. Salesforce, 2019

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Savitude

AI stylist selects apparel based on a customer's complex fit profile

savitude.com

SHAPE
RECOMMENDATIONS

1-to-1 Support

New digital tools are helping to scale the reach and ability of personal stylists and brand experts, making it possible to offer on-demand consults and advice to digital shoppers.

When asked about customer support preferences, 72% of consumers ages 18-64 said having the ability to text with a live agent in real time would improve their overall customer service experience.

Optimizing Channels for Customer Support. UJET, 2020

Curated

On-demand experts provide
personalized recommendations for
sports and luxury travel enthusiasts

curated.com

Trusted Authentication

Ecommerce platforms are leveraging different technological solutions, from AI verification to blockchain tracking, to guarantee product quality and authenticity.

Consumers spend about half a trillion dollars annually on counterfeit products and more than 70% of counterfeit products are purchased from online marketplaces.

The Issue Of Identifying Counterfeit Goods Online. Mondaq, 2018.

Entrupy

AI-powered scanning system
protects against counterfeits

entrupy.com

Transactions, Payments & Tax

Enlisting digital tools to ensure a streamlined and secure checkout and payment experience for purchases, bookings, or sign-ups.

Key Trends:

- One-Click POS
- Digital Layaway
- Borderless Transactions
- In-Cart Optimization

"We're seeing organizations move [beyond] digital transformation, which is revamping websites and marketing automation and sales productivity tools. Now they're also looking at financial software and back-end processes and supply chain, and how those things combine with the front office to provide for better experiences."

Des Cahill. CMO, Oracle

One-Click POS

In an effort to streamline the checkout process, retailers are partnering with both traditional and digital payments providers to integrate one-click purchase options into their online commerce platforms.

87% of online shoppers will abandon their carts if checkout is complex—and 55% will abandon the retailer.

Hindsight Is 2020. Accenture, 2020

Visa Token Service

Blockchain verification service streamlines checkout for digital shoppers

usa.visa.com

Digital Layaway

As a way to reach a wider audience, retailers and brands are partnering with next-generation payments providers to give customers a wider range of options to buy now and pay later.

Flexible payment plans increase average order value by 58% for users, while checkout conversion rates also jump 30% for retail partners.

Klarna Financing

WeChat

App-based layaway feature blends social media and mobile commerce

tencent.com

Borderless Payments

In order to serve an international audience of customers, inspire confidence, and ensure there are no hidden costs as a purchase crosses borders to get to customers' front door, retailers need to have an intelligent suite of transaction solutions in place to enable consistent rates in addition to accuracy, transparency and security.

57% of online shoppers worldwide are making cross-border purchases from overseas retailers. Global ecommerce sales are expected to reach $4.8 trillion USD by 2021, while nearly 85% of the world's purchasing power exists outside the U.S.
Global Ecommerce Playbook. Shopify, 2019

Shopify x Libra

Global ecommerce provider
leverages blockchain technology to
power transparent transactions

shopify.com | libra.org

In-Cart Optimization

Accurate and automatic tax calculations for online carts represent an opportunity for retailers to consistently inspire confidence in their customers through transparency, and deliver the seamless checkout customers now expect across all points of sale.

The average cart abandonment rate as of 2019 was 69.57%, with 53% of shoppers citing unexpected costs (shipping, tax, and fees) as the main cause.
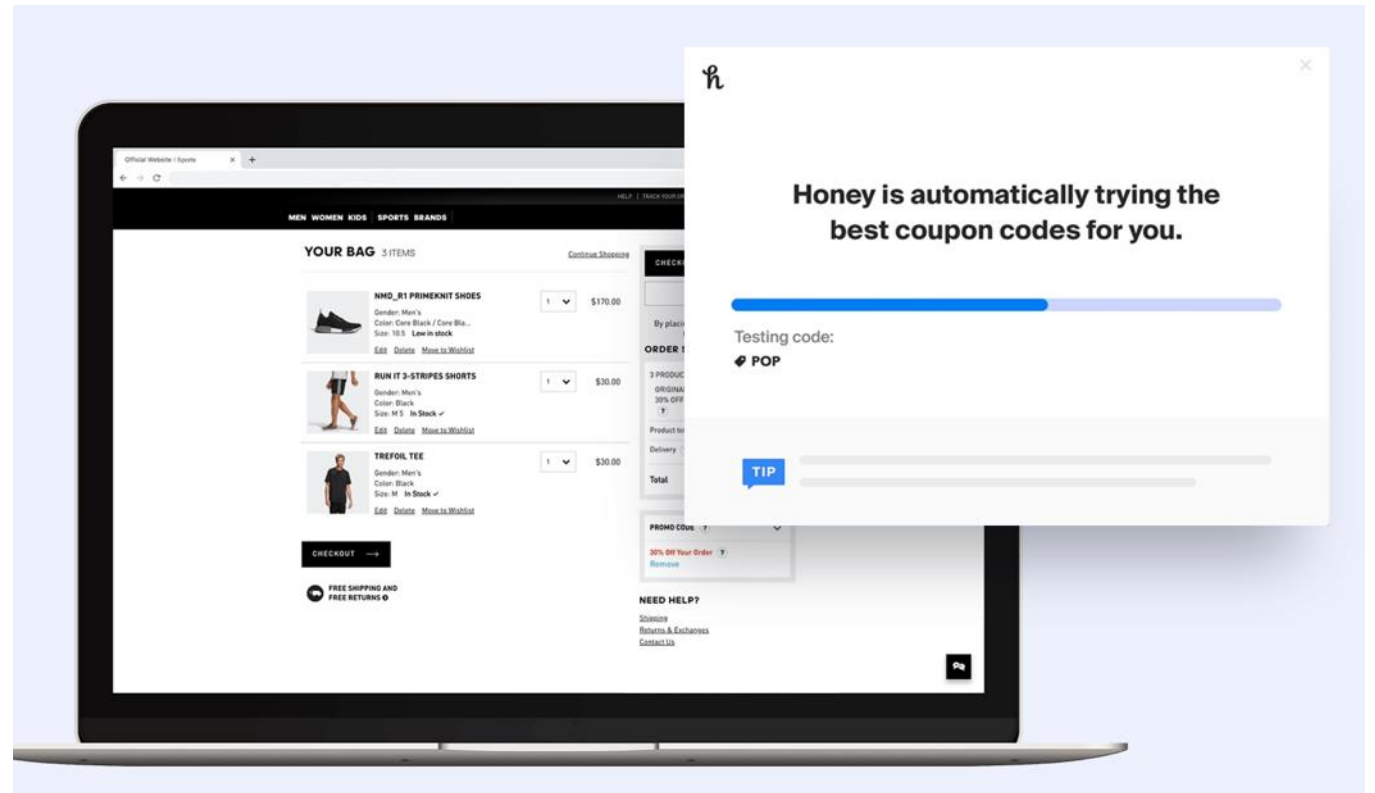
Reason For Abandonments During Checkout. Baymard Institute, 2019

PayPal x Honey

Online payments system leverages deal-browsing software to improve the checkout experience

joinhoney.com/paypal

Fulfillment & Post-Purchase Support

Building a flexible back-end ecosystem to ensure that customers get the most out of their purchase, managing fulfillment, onboarding, returns, and on-demand support.

Key Trends:

- Frictionless Logistics
- Elevated Onboarding
- 360-Degree Loyalty

"The dilemma facing retailers is to provide last-mile delivery services that customers value without damaging their own profitability. If done right, and their last-mile experience can win over customer satisfaction, retailers stand to gain loyalty, increased purchase value and frequency, while mitigating profitability risk through automation and optimization of fulfillment locations."

Tim Bridges. Global Sector Leader, Consumer Products, Retail & Distribution, Capgemini

Frictionless Logistics

Retailers are giving consumers greater control over how, when, and where they can receive purchases and return orders by providing the tools necessary to digitally process and track deliveries and ensure that back-end operations, from location-specific tax to delivery charges, are accurately applied throughout the delivery process.

Despite 55% of customers expressing that offering 2-hour deliveries would increase loyalty, only 19% of firms currently provide this compared to 59% of firms that offer a delivery time frame of over 3 days.

The Last Mile Delivery Challenge. Capgemini Research Institute, 2019

Coupang

Ecommerce and fulfilment company leverages localized delivery capabilities

coupang.com

Elevated Onboarding

Once a consumer receives their purchase, brands are delivering education, expertise and ongoing support through digital platforms and connected products in order to optimize the ownership experience and add value in the context of everyday life.

"If you think about the acquisition funnel, you're doing all this talking to get someone to purchase, then the only conversations you really have are either more marketing or customer service if something is wrong. With a coaching service, buying...is the start of the relationship."
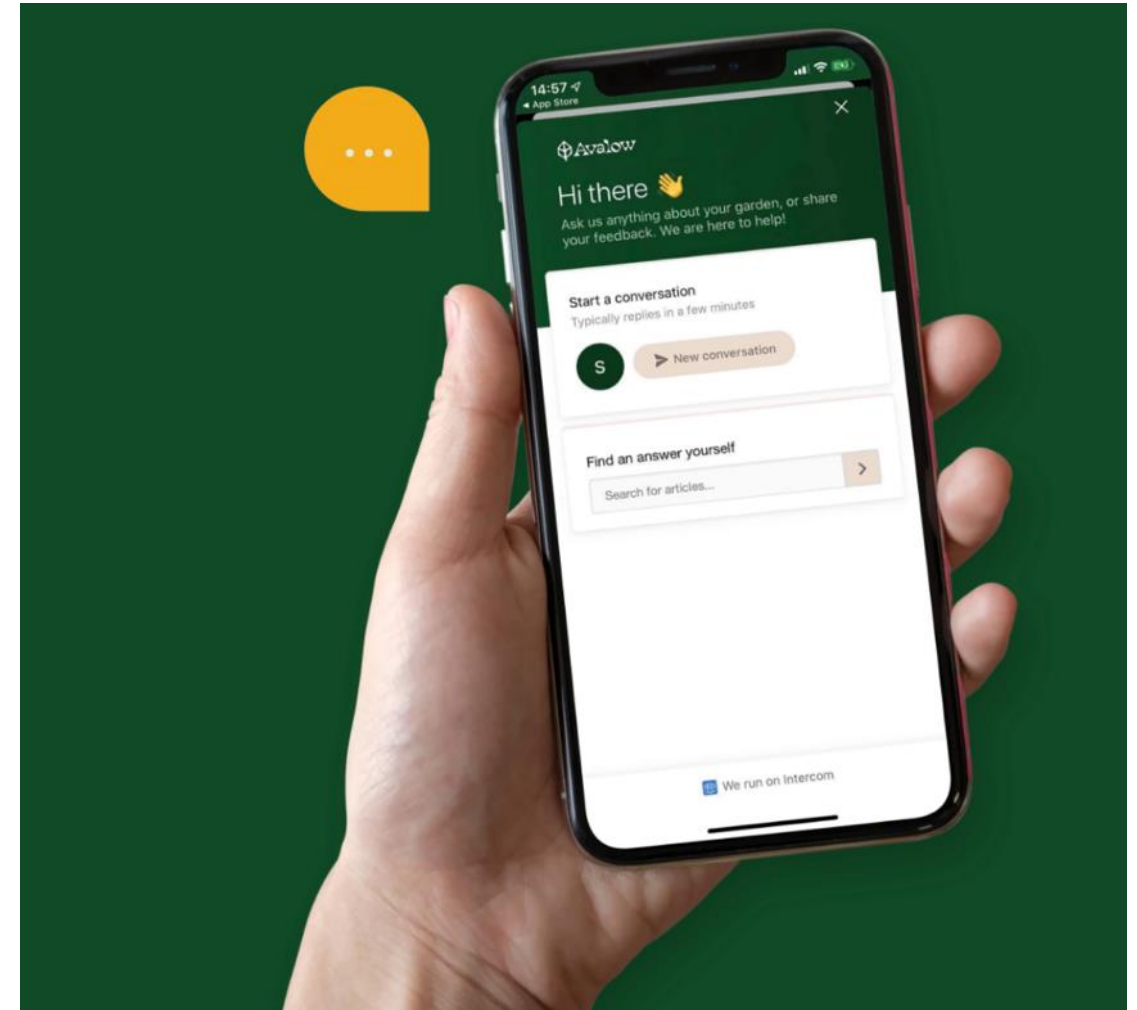
Emmett Shine. Co-Founder, Pattern

Avalow

Plant nursery startup offers personalized gardening advice and troubleshooting

avalow.com

360-Degree Loyalty

As the consumer journey extends beyond the point of sale, companies are rethinking their loyalty programs to reward not only consumers' purchases, but also their broader activity—such as participation, social shares, and feedback.

85% of consumers would like to select the benefits and rewards they receive by personalizing their loyalty program based on their specific purchases and individual preferences.

2020 Loyalty Barometer Report. Merkle, 2020

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Foot Locker

Reformatted membership platform provides cohesive consumer view of apparel brand's most-engaged consumers

footlocker.com

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About Avalara

Avalara helps businesses of all sizes get tax compliance right. In partnership with leading ERP, accounting, ecommerce and other financial management system providers, Avalara delivers cloud-based compliance solutions for various transaction taxes, including sales and use, VAT, excise, communications, and other indirect tax types. Headquartered in Seattle, Avalara has offices across the U.S. and around the world in Canada, the U.K., Belgium, Brazil, and India.

avalara.com

About PSFK

PSFK is the world's leading business intelligence platform for innovation in retail. Across every major industry vertical, we help the most progressive brands identify and leverage new customer experience opportunities through a mix of trend reports, immersive events, insight-rich content, ideation workshops and on-demand research services.

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