



How eCommerce grows revenue in retail.

Better digital experiences, better business results.



Introduction

From the start of the global pandemic, consumers swarmed online to shop. They didn't have a choice. Closed stores or limited hours and capacity pushed them to their screens and kept them there. So it's no surprise that 43 percent of consumers worldwide either increased online purchases or made their very first one recently, according to Forrester Consulting.

“ It would've taken between 4 and 6 years to get to the same levels that we saw in May if the growth continued at the same levels it was at for the past few years.”

Vivek Pandya
Adobe's Digital Insights Manager

Don't expect eCommerce levels to drop as social distancing subsides after the pandemic—online shopping is here to stay. The great digital experiences that were once designed to provide delightful, personal, relevant interactions in real time are now an integral part of doing business and delivering the entire shopping experience across every touchpoint and device, including after purchase.

Online commerce puts consumers in control. They can check multiple retailers for similar items and choose the option best for them. But their loyalties can easily shift at any point. Use that to your advantage by setting your brand apart with amazing experiences.

Consumers are switching brands and trying new ones.

12-21%

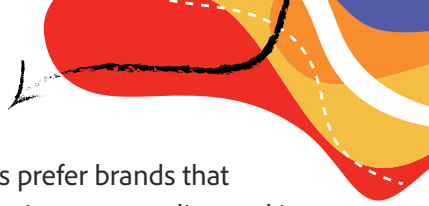
Switched brands due to relevant messages or promos in their preferred channel.

40%

Tried new brands or made purchases with new retailers.

Source: Mckinsey & Company

The need to innovate is constant. Retail leaders named customer experience, data integration, and omnichannel strategies as their main priorities for 2021, according to Econsultancy and Adobe. Customer experience maturity sets apart the top performers, with 39 percent rating their strategy and technology alignment as “very advanced” compared to 12 percent of the mainstream. Going forward, differentiation will come from seamless customer



experiences—66 percent of consumers prefer brands that integrate customer experiences and service across online and in-person channels, according to Forrester Consulting. That includes every touchpoint from discovery to product selection to checkout and on through fulfillment and returns.

These new challenges bring opportunities for growth. That starts with transforming legacy systems that are reaching breaking points. Adobe and Econsultancy learned that 64 percent of retailers have a fragmented approach to commerce that leaves customer data siloed. Disjointed data creates an obstacle when segmenting and targeting shoppers to create relevant and personal moments across their journey.

More than any other sector, retailers are also threatened by major marketplaces like Alibaba, Amazon, and Rakuten. Looking at the booming sales, they're worried with good reason. You may find the potential ample incentive to put your own spin on a marketplace.

Mobile could be a bright spot for retailers if it reaches its potential. In November and December 2020, mobile accounted for 60 percent of retail traffic and 40 percent of sales in the United States alone, according to Econsultancy and Adobe. In 2021, 49 percent of retailers expect to invest in mobile ordering and 40 percent in mobile applications for in-store shopping.

Customers also expect convenience, but retailers struggle to provide it. One area for a win is fulfillment. Thinking of stores as distribution centers for fulfilling online orders and handling returns can be a solid start toward offering shoppers the convenience they crave.

Empowered shoppers expect personalization too—and aren't happy if it's missing. That's why retail leaders turn to artificial intelligence (AI) to anticipate desires, make purchase recommendations, and filter search results.

Retailers have more opportunities than ever to build customer connections and retention, and increase both average order value (AOV) and long-term value (LTV). Data shows that shoppers want to interact digitally with brands—and when you deliver an amazing digital experience, it pays off. Fifty-three percent of consumers will tell their family, friends, and colleagues about your company, according to Forrester Consulting. To reap the rewards, you can't embrace or further enhance digital commerce too soon.





Seize the moment that matters.

We've focused on the "moments that matter" in retail for a long time. This is the moment. How you respond to the pandemic crisis and other economic challenges will define your business. Make it a turning point with strategies to merge physical and digital shopping. Here are four promising possibilities, the challenges they address, and the ways leading retailers have implemented them to thrive.

Consider investing in a marketplace.

As the rush to eCommerce intensifies, marketplaces dominate. They accounted for 57 percent of global online sales, amounting to \$2.03 trillion in 2019, according to Digital Commerce 360.

Successful marketplaces make buyer-seller transactions easy, let consumers select from multiple brands, and give sellers access to customers eager for their products. Smaller retailers may find a home among more niche sites as well as on mega marketplaces, such as Amazon and Alibaba. Large, multi-brand retailers may decide to create their own marketplaces and open them to third-party sellers with complementary products. Note that scaling up requires offering value to sellers as well as buyers.

Gartner predicts that 15 percent of digital commerce organizations with medium- to high-grossing merchandise volumes will have their own marketplace by 2023. They'll need to meet consumer expectations for value-add services like product insights and flexible fulfillment, while also offering sellers data sharing, analytics, and digital marketing.



Mobilize shopping—and buying.

Retailers also have an opportunity to make mobile shopping more fluid and, when it's time to buy, more similar to desktop experiences. Mobile is often the starting point in an omnichannel journey that ends with an in-store visit or curbside pick-up, according to Econsultancy and Adobe. But even retailers tend to treat mobile as a second-class channel.

Progressive web apps (PWAs) can move mobile to first-rate. PWAs provide a browser-based, app-like shopping experience that takes advantage of smartphone capabilities like geolocation, push notifications, and cameras to capture bar codes and QR codes. PWAs are easy to maintain and update, offer lightning-quick performance, and use the same code for multiple devices. Retailers can quickly build storefront and cross-device capabilities to connect shopping and buying experiences across channels.

Headless commerce frees creativity and cuts cost and time.

PWA Studio, part of Magento Commerce, enables a headless approach that makes creating a PWA even more rewarding. The approach uses the application programming interface (API) communications standard.

APIs eliminate creative restrictions by cleanly separating the front-end user experience from the logic-driven back end, which are often tightly integrated. Commerce APIs that deliver services between the two halves give you flexibility for a range of channels and devices, depending on the customer experience your retail brand wants to deliver. Your digital storefront, the way you want to present it.

Unifying your storefront on a single application lowers your development cost and accelerates time to market for new campaigns and promotions.

ELEMIS London grows mobile transactions 137 percent and mobile conversions 85 percent.

For more than 30 years, [ELEMIS London](#) has been a defining force in luxury beauty. The company's mobile traffic has reached more than 70 percent globally, making a mobile-first approach vital. ELEMIS chose a PWA storefront built on top of Magneto Commerce, which natively supports development in PWA Studio.

Speed was of the essence to ELEMIS, because half of mobile users say they will leave if a site doesn't load in three seconds, according to a Google survey. Since launching the PWA storefront, ELEMIS experienced a drop in load speed from 7.58 to 2.98 seconds, leading to what customers call a "snappy" site. The new shopping and checkout experience is streamlined for mobile, making it fast and convenient for consumers to place orders.

ELEMIS achieved a 137 percent increase in mobile transactions and 85 percent growth in mobile conversion rates in December 2020 compared to a year prior.

Fulfill flexibly.

Shopping isn't over when the buyer pays, of course. The experience includes delivery, pick-up, and returns, preferably from a choice of fulfillment center, including a physical store. For example, 71 percent of shoppers now expect the option to buy online, pick up in store (BOPIS). Increases in the number of customers choosing BOPIS ranged from 36 to 200 percent in the months since the pandemic started, according to Adobe. But there's an alphabet soup of "buy

online” options, including BOPAC (at curb), BOPIL (in locker), BORIS (return in store), plus ship directly from store.

Offering various delivery speeds and price points makes it that much more likely for any given customer to buy. Retailers should view each store not just as a standalone outlet for in-person shopping experiences, but also as a fulfillment and return center that can help satisfy customers.

Accent Group grows digital sales 20 percent through fulfillment.

Australian footwear company Accent Group has 430 stores across 10 retail brands, each with a unique customer experience. Recognizing that digital should offer the same convenience and authenticity as in-store, Accent switched emphasis from products to services and experiences.

Accent chose Magento Commerce to bring their vision to life. Using click and collect, customers can now order a product online and pick it up from one of 70 stores across the country. Since launch, click and collect has driven up digital sales by 20 percent.

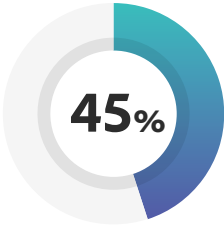
Taking that capability a step further, click and dispatch now lets customers get online orders delivered directly to them, driving 30 to 50 percent of digital sales.



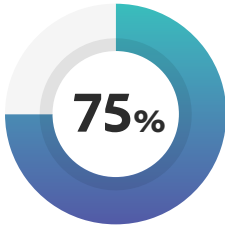
Personalize digital with data.

Retail commerce experiences can be much more targeted online than in a physical store thanks to AI and analytics. By tailoring every part of the customer journey for individual shoppers, retailers realize higher AOV and greater customer LTV. So, it's more important than ever to develop a deep understanding of customers and their behaviors with real-time, actionable data.

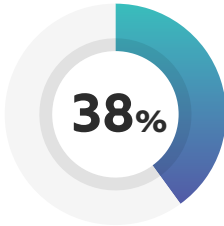
The upshot of not knowing your customers.



Would stop buying or switch to a competitor if a brand made no attempts to personalize.



Feel frustrated when website content is not personalized.



Would stop shopping due to poor recommendations.

Source: Adobe and Econsultancy

Personalizing at scale through AI-powered product recommendations can lead to strong revenue growth. When retailers implement AI-powered product recommendations, 40 percent of consumers spend more than planned, according to eMarketer. And those retailers see 70 percent higher conversion rates. Shoppers get swept along to other products and eventually

convert, driving real revenue growth for retailers.

With a digital commerce platform that offers AI-driven capabilities, you save time by not having to manually recommend products and you reduce total cost of ownership as well.

Catbird achieves 1,500 percent increase in revenue using AI-powered product recommendations.

Catbird has been called “the cool-girl jewelry go-to” by the *New York Times*. An upgraded site using Magneto Commerce increased conversions and elevated the brand.

But to truly differentiate their shopping experience, Catbird turned to product recommendations powered by Adobe Sensei, a built-in feature of Magneto Commerce. Catbird deployed popularity- and shopper-based recommendations on their home page and product detail pages. The capability continuously uncovers products to recommend based on shopper behavior.

Implementing product recommendations increased click-through rate on product pages by 15 percent and revenue by 1500 percent.

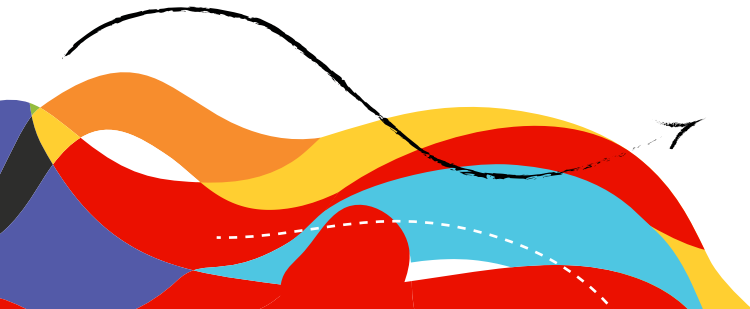


Position your company for the future.

There's no going back. The changes in customer behaviors due to the global pandemic will be part of their lives and yours going forward.

But their rapid eCommerce adoption offers endless opportunities for your business. We've looked at a quartet of opportunities, but there are many more ways to accelerate your eCommerce transformation. They all call for a flexible, connected, intelligent, cloud-based digital platform. With it, you can escape the limitations of legacy systems.

You'll be able to rapidly develop exciting new digital experiences that flow across channels and "wow" shoppers every time you connect with them. You'll gain a deep understanding of each customer, so you can create personal experiences at scale to meet their heightened expectations. And you can smoothly integrate the physical and digital worlds to achieve greater profitability and customer loyalty at every turn.





Adobe can help.

Adobe Commerce, part of the Adobe Experience Cloud, gives you a solution suite for digital commerce transformation. As the foundation for shoppable moments, Adobe Commerce can take you from start to finish, letting you execute commerce operations that support personalization and exceptional customer experiences across every channel and touchpoint.

[Get details](#)

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