Bluecore

The RETAIL RECKONING

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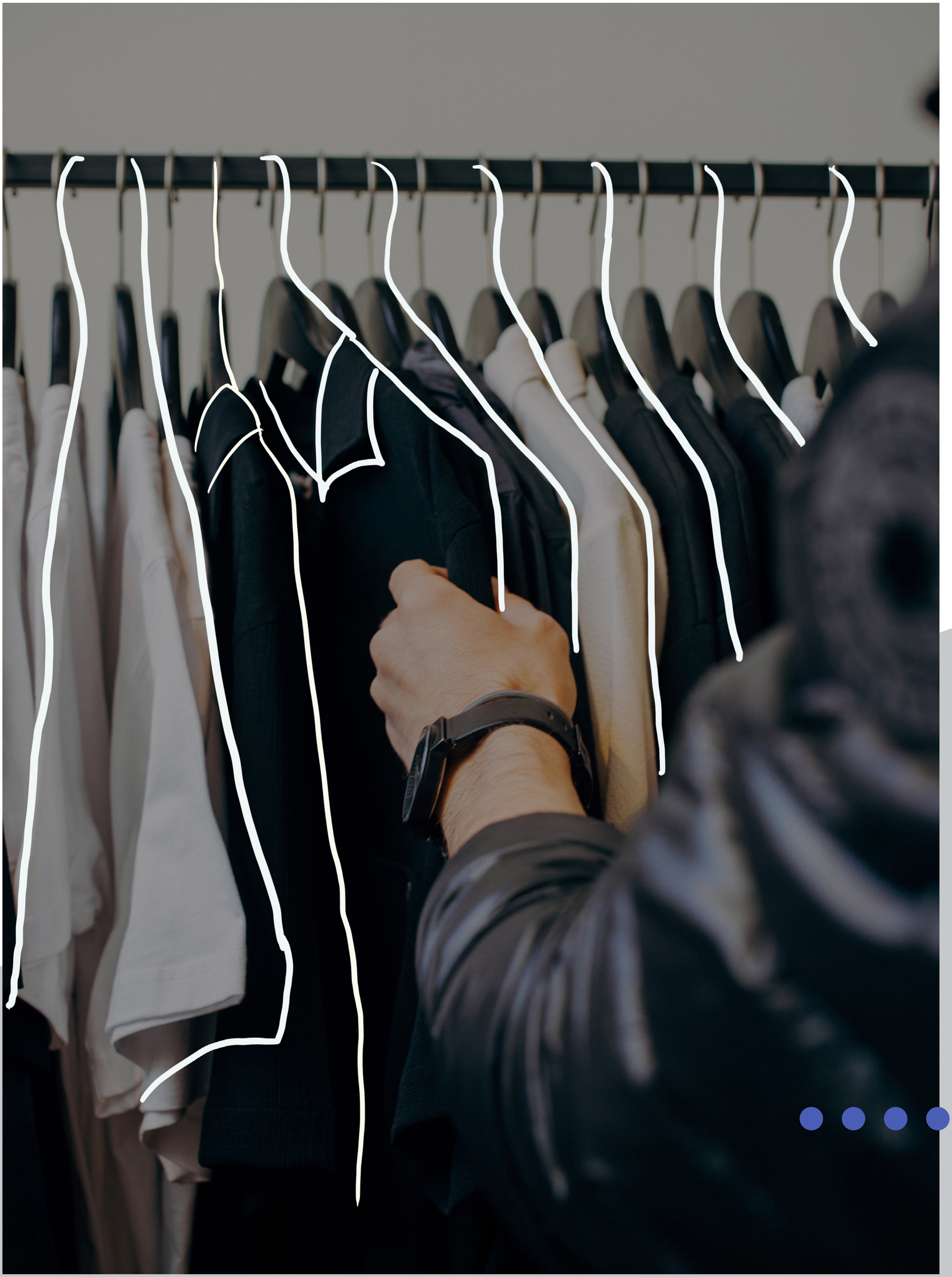

Why
WE'RE HERE

Retail is ubiquitous.

It's among the world's biggest and fastest growing industries. It touches everyone, no matter their location, occupation or age. It also encompasses several different sub verticals (apparel, home goods, health and beauty, luxury, sporting goods, etc.), each of which has its own nuances.

Retail is complex.

Its broad, global reach requires ultra-focused strategies around products, audiences and marketing. It's a crowded industry with ever-increasing competition. And it's subject to the whims of consumers.

Perhaps most importantly,
Retail is ripe for disruption.

It's existed for centuries and will continue to exist in some form or another, even as society and technology evolve. It's already experienced several major shifts over the course of time. For example, we've seen broad swings in market leaders, with Amazon swiftly usurping Walmart as the retail leader less than 30 years after Walmart claimed that title from Sears. We've also seen the rise of new technology like smartphones and social media completely alter where and how consumers spend their time and money -– forcing retailers to adapt accordingly.

But these characteristics are not negatives.
Rather, they're opportunities.

Retailers now have more opportunities than ever to engage and retain shoppers, but fierce competition and heightened consumer expectations leave little room for error. As a result, taking full advantage of these opportunities and driving continued success requires a deep focus on everything that makes retail so unique.

Exploring

WHAT MAKES RETAIL UNIQUE

What exactly makes retail so unique? Diving deeper into the industry's ubiquity, complexity and ripeness for disruption, five factors, in particular, set retail apart.

01 Highly Competitive Industry, With No Path for Winner-Take-All

Retail most certainly has market leaders, but it will never be a winner-take-all industry. Even as a giant like Amazon holds 38% of US market share and intensifies competition, plenty of room still exists for other retailers to succeed.

The diversity in types of retailers, in terms of sub-verticals, business models (think department stores vs. big box stores vs. digital native brands) and relationships with consumers, as well as the diversity of consumers protect against the winner-take-all model in a way that is unique to retail.

This situation makes retail a highly competitive industry. In particular, the level of disruption in retail over the years, the evolving preferences of consumers and the extreme speed at which retail regularly grows mean that even those who do achieve "market leader" status must continuously fight to stay there. Consider the case of Amazon: Even though the retail giant holds more than 5x the eCommerce market share of its nearest competitor, Amazon must grow by billions of dollars in revenue each year to maintain this position.

The foundation of retail that makes it such a hotbed of competition and innovation is the low barrier to entry. This is especially true when you look at digital natives, where you can put up a website in a week with a few thousand dollars and start driving traffic and revenue before you even have inventory. If you offer a better price point, more convenience or even just a unique backstory, you can be off to the races.

While entering the market is easier than ever, and initial traction may come faster than ever, it's actually getting harder and harder to hit true scale. Customer acquisition getting easier is what makes customer retention harder over time. Loyalty programs and credit cards used to be all the rage, but those tactics wore off as consumer expectations increased. People now expect true personalization beyond a product recommendation widget on the bottom of a webpage. They want 1:1 relationships specifically tailored to them with engaging videos and long form content, reaching them with a native experience wherever they are on the web or in social platforms.

The next wave of innovation will be in customer loyalty and retention. Through email, SMS, chatbots, onsite personalization and automated video content, innovation is coming in fast to keep consumers engaged and coming back for more.

WITHIN

02 Leader in Innovation

Retail has a long history of staying at the forefront of innovation. This is not surprising given its position as a highly competitive industry that must meet the evolving expectations of consumers.

The high level of competition within the industry means that retailers must continue to out-innovate each other to create differentiated experiences that both attract and retain shoppers.

Notably, this innovation has no limits. Retailers can innovate and differentiate on anything that creates a better shopping experience for consumers -- whether that's a more frictionless experience a la Amazon, a more experiential purchase process like that of Sephora, a more curated engagement in the realm of Stitch Fix or a less expensive end product as delivered by digital native brands like Warby Parker.

Most recently, we've also seen a high level of innovation around omnichannel retail. Take Nike. Consumers can now buy products directly from Nike stores, Nike.com, the Nike mobile app or Nike's social media channels. They can also buy products from Nike distributors like Foot Locker and Nordstrom. Even still, they can engage with Nike through specialized, community-driven apps like Nike Run Club, SNKRS and NikeConnect. And Nike is only one example of several market leaders who have introduced this type of truly innovative omnichannel presence.

> At Blue Moon Digital, we strongly emphasize the importance of an omnichannel driven strategy. Our clients know that shoppers are more connected now than ever before. They know that because they cross-channel shop themselves. We take it a step further and, using data science, show how the combination of different touchpoints and the optimal mix of media can have a powerful impact.
>
> The innovations happening in the time of COVID-19 are exponential and driving brand awareness through storytelling is a crucial piece of your marketing mix. It is how you ultimately stand out and cut through the noise.
>
> *Cindy Brown, CEO and Founder*

BlueMoon/ Digital™

03 Disproportionate Impact of Marketing and Advertising

Consumers are highly susceptible to emotional purchases because the products they buy -- whether that's clothing, footwear, accessories, furniture or anything else -- indicate a lot about them to the world. As a result, these purchases carry a different weight than something like choosing an airline, which gives marketing and advertising an outsized impact on success.

The disproportionate impact of marketing and advertising within retail because of the emotionality of purchases means brands must invest heavily in these areas. In doing so, they must find authentic ways to connect with consumers of all kinds, from mission-driven digital natives to convenience-conscious baby boomers. This connection might involve creating unique experiences in-person or online or personalizing messages, offers and recommendations, to name some examples.

As retailers continue to invest in marketing and advertising, it's no longer acceptable for these areas of the business to be a cost center. Instead, they are quickly becoming profit centers that have an enormous role in growing the business. The retailers that have seen the most growth in this area use marketing and advertising to drive loyalty, as that creates the strongest type of emotional connection that keeps customers coming back throughout their lifetime.

shawscott

Beyond price and convenience, many consumers also consider social influence, current trends, loyalty incentives and brand familiarity in purchasing decisions. Consumers may spend more if they perceive value even when there is a more economical or convenient comparison. At the end of the day, most consumers want to feel good about how they spend their hard-earned money and brands that can create an emotional connection and overall customer experience that validate their consumers purchasing decisions will win the day.

Julian Scott, Co-CEO

From a practical standpoint, you can leverage historical purchase data to facilitate future purchases of products that buyers have liked in the past or possibly will want in the future. Additionally, overlaying these data points with product recommendations with higher satisfaction ratings can help achieve relevant message personalization. However, if there is not an authentic emotional connection, the data will only get you so far. Often under-rated, but when brands align customer empathy (meaning, truly understand what challenges and/or desires their customers have) with data, that is when the magic happens.

Melissa Shaw, Co-CEO

04 Differentiated Sub-Verticals

Several highly differentiated sub-verticals exist within the retail umbrella. While retailers of all kinds do have similar needs and processes that are unique to the industry, important differences exist between each of these sub-verticals.

Consider the "one-and-done buyer problem." This is a problem that extends across retail, in which the majority of retailers' customers have only bought from them once. This heavy weighting toward one-time buyers limits the benefits that come from customer loyalty and forces retailers to prioritize expensive acquisition efforts.

While the problem persists across retailers of all kinds, solving it looks different for retailers of various sub-verticals. For example, apparel retailers might focus on the same category or a "complete the look" category for a second purchase, whereas health and beauty retailers might focus on replenishment and home goods retailers might prioritize cross-category purchases.

The wide range of price points and margins across retail sub-verticals also create important distinctions. For example, luxury retailers may sell apparel and accessories, but their higher price point means they have a much different buying cycle than non-luxury retailers that sell similar products.

This differentiation becomes even more magnified in sub-verticals like beauty. Historically, beauty has been bifurcated into two categories: Prestige, which encompasses higher-priced brands typically sold in department stores, and mass, which covers lower-priced brands typically sold in pharmacies. Today, retailers like Sephora and Ulta are blurring the lines by selling both in the same place. In general, the fact that one product, such as lipstick, could have hundreds of different price points and thousands of different variations, is unique to retail and makes the consumer buying pattern of discovery, recommendations and consideration highly complex.

These nuances are part of what makes retail so complicated and necessitate deep, industry-specific expertise when developing strategies to connect with consumers and drive long-term growth.

05 Bellwether of Economic Health

Finally, retail is often used as an early indicator of economic health. Retail sales reports are a strong indicator of consumer spending power and the retail industry is the largest private-sector employer in the US economy. As a result, retail sales and employment numbers are often used to predict GDP before those numbers become available.

Often, we see the impact of events that trigger big hits to the economy -- such as the 2008 recession and the COVID-19 pandemic -- in retail first. The reverse of this is also true, with upswings in consumer spend and retail hirings indicating economic growth.

It's important to keep in mind that retail is a heavily seasonal industry. As a result, there will be natural ebbs and flows in consumer spend and hiring (consider how the holiday season can account for up to 20% of some retailers' annual revenue and requires higher levels of temporary staffing). This seasonality requires a long term view to accurately measure retail success and use it as an indicator of economic health.

Understanding Key Inflection Points

IN MODERN RETAIL

Within the past 20 years, several large-scale changes have taken hold in the industry that have magnified much of what makes retail unique and forced retailers to take sharp turns to survive. The retailers that adjusted their strategies successfully came out on the other end even stronger, but many were unable to do so.

Critically, these inflection points were not anomalies. We can expect retail to continue to evolve at a rapid pace going forward, and retailers must learn from the past to continue growing through these changes.

Five key inflection points have had the largest impact on shaping retail as we know it today.

eCommerce

eCommerce got its start in the mid-1990s, but it didn't really take hold until the early 2000s. Even then, eCommerce only made up a small portion of total retail sales. Although we have yet to reach the point where eCommerce makes up 50% or more of all retail sales (under normal circumstances), it's clear that we are on this path.

Along the way, eCommerce has significantly changed retail for consumers and brands alike by introducing an entirely new way to shop. Today, nearly every retailer, no matter their size, has an eCommerce presence, which has transformed retail from a local industry to a global one. eCommerce has eliminated geographic boundaries by allowing consumers to shop from nearly any retailer and paved the way for entirely new models of retail, such as showrooming, and introduced new focus areas to the industry, such as shipping logistics.

Equally as important as the shift to a global reach, eCommerce has led to an explosion of data that has transformed everything from how retailers engage with customers to how they market their products to how they approach merchandising.

FOR CONSUMERS, ECOMMERCE HAS:

- Allowed for more choices by expanding buying options beyond a handful of local stores
- Increased the convenience of shopping by allowing it to be done from anywhere at any time
- Decreased average order sizes, particularly as free shipping became a norm, since placing another order didn't require an entire additional shopping trip

FOR RETAILERS, ECOMMERCE HAS:

- Expanded the potential market of customers and overall brand reach
- Resulted in higher competition for consumers' attention and dollars
- Increased the rate of returns on products
- Increased the amount of data available on customers and products by giving retailers insight into things like browse behavior
- Altered business needs and costs due to changes in marketing, merchandising, supply chain and fulfillment spend

Yes, how customers engage with retail is changing with the rise of eCommerce. But, the need to truly understand customer behavior remains the same—crucial to success. Regardless if customers shop primarily in-store, online, or a mixture of both, retailers must capture, organize, and study behaviors to get a more insightful understanding of their customers. This leads to winning strategies, highly responsive campaigns, powerful loyalty programs, and increased engagement from new and existing customers.

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Mobile

The rise of smartphones over the past 10+ years has significantly changed how people communicate. Now, everyone has both a phone and a computer in their pocket at all times, which puts the world at their fingertips. This level of accessibility to people and information has had an enormous impact on the shopping experience for both consumers and retailers.

Specifically, mobile has increased connection points for consumers to one another, consumers to retailers and retailers to consumers. By creating these connection points, mobile has extended the reach of eCommerce to solidify the idea of "always on" retail and fully eliminate geographic boundaries.

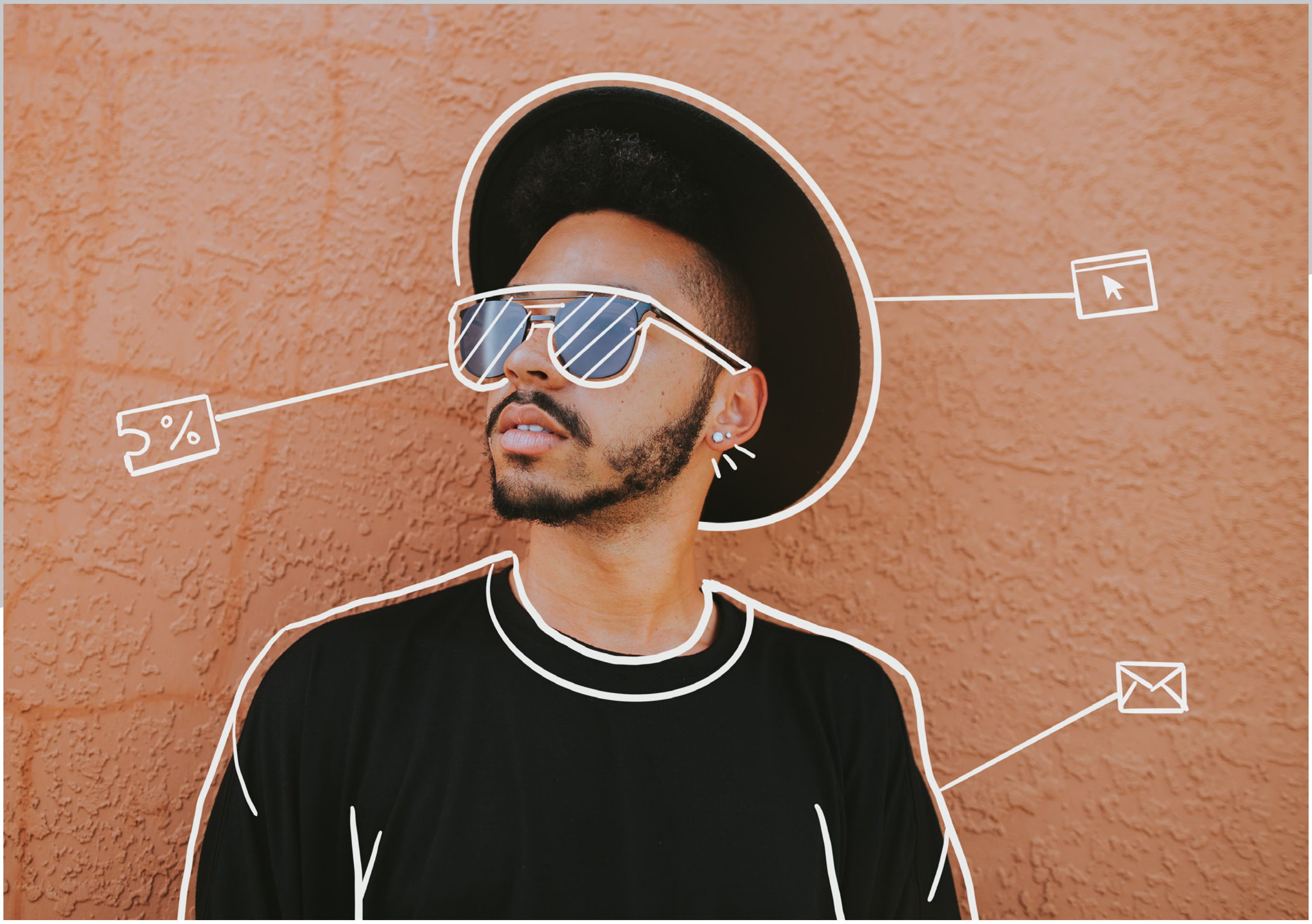
Finally, mobile's ability to connect consumers directly at any time and across multiple platforms has added more layers of reviews and feedback into the purchase process. In some cases, this connection can extend the purchase process by adding more touchpoints, but it can also accelerate the process in cases where rave reviews exist.

FOR CONSUMERS, THE RISE OF MOBILE HAS:

- Allowed for quick price comparisons across retailers (and even purchases from competitors) and created an easy way to browse reviews all while shopping in-store
- Made it easy to consult friends, family and social media followers on purchases in an instant, making shopping a more community-driven activity
- Created more reference points for customer service (e.g. phone calls, online chat, mobile apps, social media)

FOR RETAILERS, THE RISE OF MOBILE HAS:

- Allowed for new ways to supplement the in-store shopping experience (e.g. price scans, unlock special offers, etc)
- Introduced new ways to reach consumers and new channels for shopping, with the advent of mobile apps and highly-connected social networks
- Created more data collection points, such as understanding customer location or tracking paths within stores
- Introduced more opportunities to activate data, such as using beacons and location information to push special notifications when customers are in or nearby a store
- Allowed for more information to empower in-store sales associates and enable them to help shoppers faster



With the shift in consumer's shopping habits, it's more important than ever for brands to provide a seamless and consistent user experience across desktop, in-store & app. Brands should be sure to evaluate and understand who their key audience is, what value their app/mobile site is providing and how easy it is to use. Consumers have more options than ever before to shop so developing a strong mobile presence and plan is key to thriving.

Elizabeth Emery, Director, Mobile App Strategy

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Direct-to-Consumer Strategies

Around 2010, a new crop of retailers began to surface. Unlike their predecessors, these retailers were digital natives -- born in a social, mobile and eCommerce-driven world. Equally as important, they embraced a direct-to-consumer model, cutting out the traditional middlemen in the supply chain that stood between brands and their customers.

These brands, the Warby Parkers, Caspers, Allbirds and Glossiers of the world, were able to succeed because the rise of eCommerce and mobile democratized access to consumers and lowered the barrier to entry into the highly competitive retail space.

Since then, their direct-to-consumer strategy has proven highly successful, so much so that retailers of all kinds (regardless of their origins) have started to adopt at least some elements of this strategy. And those that do have seen significant benefits around increasing agility, growing customer lifetime value and sustaining market leadership, all of which indicate this shift has no signs of slowing down.

FOR CONSUMERS, THE DIRECT-TO-CONSUMER STRATEGY HAS:

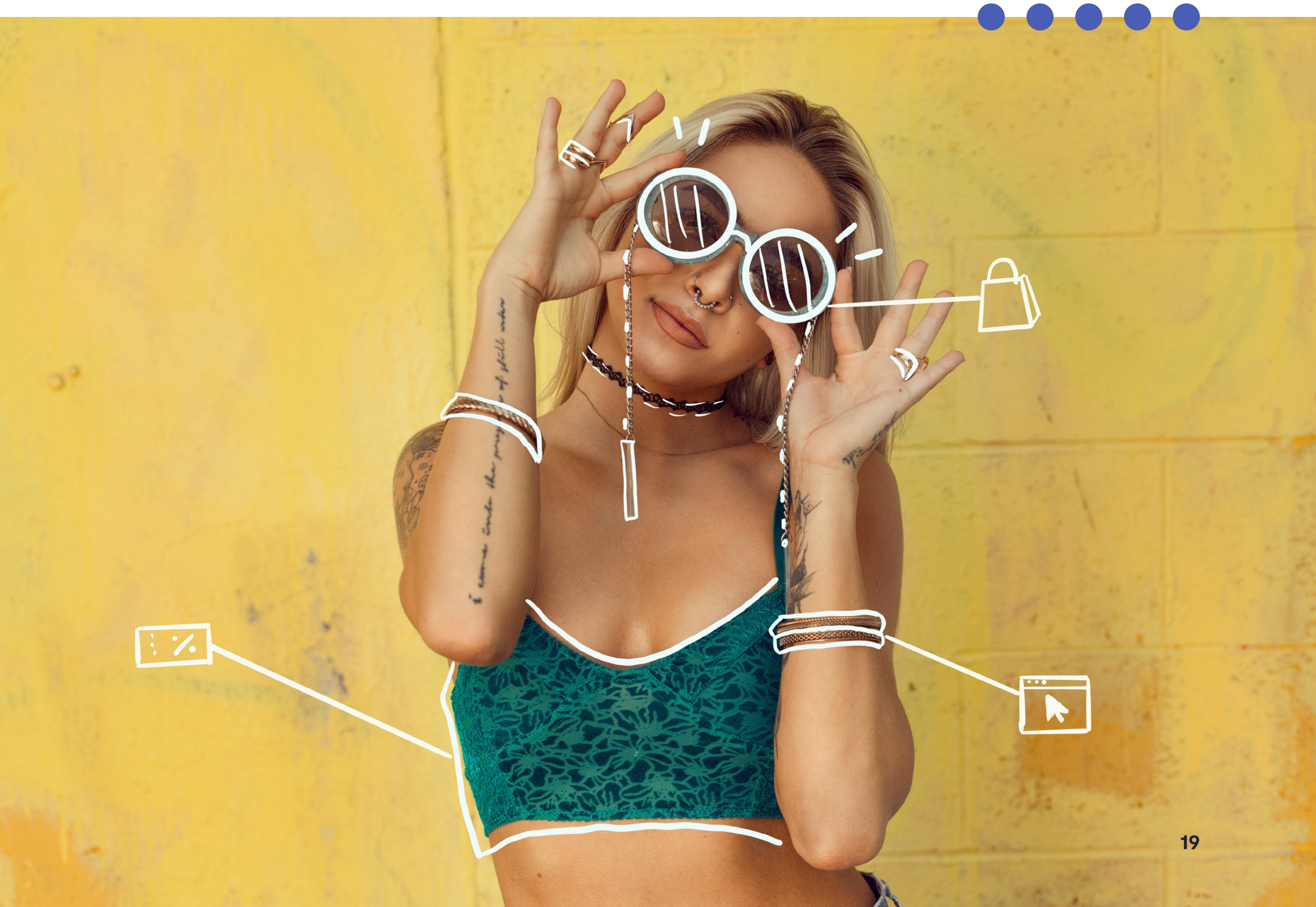
- Created a more frictionless customer experience
- Allowed for more ways to connect with favorite brands, creating stronger emotional connections
- Introduced more opportunities to voice feedback on products
- Resulted in lower prices on many everyday products

FOR RETAILERS, THE DIRECT-TO-CONSUMER STRATEGY HAS:

- Made available more first party data on customers and product interactions
- Commoditized the ability to connect with customers directly
- Increased agility to respond to customer preferences
- Improved return on investment in channel spend
- Grown customer lifetime value

The internet democratized the tools required to start and scale a business. Over the next two decades, a new class of startups emerged. From Warby Parker (eyeglasses) to Everlane (clothing) to Casper (mattresses) and The Honest Company (baby and beauty products), this first generation of "direct-to-consumer" (DTC) companies was defined by borrowed supply chains, web-only retail, direct distribution, social media marketing, and a specific visual brand identity (the now ubiquitous "blanding") that favored sans-serif type, pastel color palettes, and scalable logos that were easily adapted to a variety of digital media.

Harvard Business Review



Subscription Buying

Around the same time that direct-to-consumer strategies began to crop up, so did subscription retail. Brands like Birchbox, Stitch Fix and Dollar Shave Club presented consumers with an entirely new option of subscribing to receive products regularly, usually through a box filled with new products each month or a set-it-and-forget-it replenishment model.

These subscription models offered consumers products at radically different price points than were previously available and introduced entirely new buying methodologies. For instance, Stitch Fix allowed consumers to forgo what might have been hundreds of dollars a month and hours combing through stores to instead pay a flat fee for access to personalized recommendations from a style expert, all delivered straight to their home on a regular basis.

Notably, the subscription economy relies entirely on eCommerce and is largely composed of digital native brands that employ direct-to-consumer strategies. The subscription model introduced an exciting new way for consumers to engage with brands and helped improve retention for the brands that employed it. Given these benefits, it's not surprising that subscription retail has exploded, reaching a compound annual growth rate of nearly 60% since 2014 according to McKinsey.

FOR CONSUMERS, SUBSCRIPTION BUYING HAS:

- Attached the emotions of surprise and anticipation to purchasing from certain brands, creating more memorable experiences
- Allowed for easy, effortless refills on key products
- Improved personalization from brands as they learn each shopper's preferences over time

FOR RETAILERS, SUBSCRIPTION BUYING HAS:

- Introduced recurring revenue streams through guaranteed replenishment
- Allowed for more customer touchpoints to engage with shoppers (e.g. promoting the next box, sharing subscriptions with social networks)
- Created more customer data as recipients do activities like filling out preference surveys and sharing feedback on box contents

Just look at how companies like Birchbox, RocksBox, and StitchFix have changed the way consumers shop by using a subscription-based model. This approach helps brands gain critical customer data that can be used to retain customers in an evolving and competitive market while boosting revenue streams.

Future of Commerce

The success of the subscription box model speaks to the profound effect the direct-to-consumer model is having on the retail industry. As consumers move toward expectations that retailers will get it right the first time, their attention spans have shortened for retailers unable to align their offerings with personalized preferences out of the gate.

Forbes

COVID-19 Pandemic

The COVID-19 pandemic represents a sharp and unexpected inflection point in retail. In the short term, large scale lockdowns across communities has forced a near total shift to eCommerce. Long term, these markets will open up again, but we largely expect to see a major acceleration in the shift from brick and mortar retail to eCommerce that was already underway. In fact, some experts predict that the COVID-19 pandemic accelerated this timeline by as much as three years.

Additionally, requirements to close stores and money-conscious consumers during this time has limited cash flow for retailers. In response, brands have had to make quick decisions around staffing, procedures and technology investments that will have implications for years to come.

Finally, COVID-19 has accentuated the value of direct-to-consumer strategies, as those retailers that were able to adapt to the environment created by the pandemic most effectively and even drive growth during this time have done so largely through direct-to-consumer approaches.

FOR CONSUMERS, THE COVID-19 PANDEMIC HAS:

- Forced a temporary near total shift to eCommerce across all types of retail
- Changed spend distribution as the population stays isolated at home
- Triggered recession-like spending habits following layoffs and pay cuts

FOR RETAILERS, THE COVID-19 PANDEMIC HAS:

- Forced closures on most brick and mortar stores and transitioned a near total shift to eCommerce
- Introduced additional touchpoints for net-new online shoppers and resulted in more available data on these shoppes
- Disrupted supply chains and required retailers to adjust merchandising strategies
- Required difficult decisions around staffing for both brick and mortar and eCommerce teams
- Resulted in shifting technology investments to prioritize critical operating technology that drives eCommerce conversions

With millions working from home and digital connectivity taking even more of a hold on everyday habits, consumers will have greater motivations and fewer perceived barriers to more actively seek technology-enabled solutions to assist in everyday tasks like shopping. Companies that can leverage technologies—by meeting changing consumer demands online, enabling seamless interactions through direct-to-consumer offerings and enhancing consumer experience with augmented and virtual realities—have the opportunity to earn consumer loyalty well after consumers' concerns subside.

nielsen

How to Approach

THE NEXT WAVE OF RETAIL

The key inflection points that have shaped the industry over the past two decades mean that retail in 2020 and beyond will look far different from what it's looked like in the past. These inflection points have come to a head to further magnify many of the industry's unique characteristics and we're now entering the next wave of retail.

Going forward, we can expect a significantly more digital, highly fluid and ultra competitive retail environment in which consumers demand more from brands than ever before. In particular, consumers will move seamlessly across channels and mediums and will expect retailers to do the same by offering one, continuous experience across all touchpoints (digital and physical). They will also expect highly personalized, 1:1 experiences that make their time shopping simultaneously more efficient (as it's easier to find what they want) and more delightful (as they discover new products they want in accessible and unexpected ways).

As we approach the next wave of retail, four steps will be critical to success for all brands.

01 Reimagining First Party Data

First and foremost, retailers must have a strong command over first party data to succeed in the future. The rise of eCommerce has led to an explosion in first party data and the runaway success of early direct-to-consumer strategies has demonstrated the impact of using this data effectively.

Now, properly collecting first party data around customers, behaviors and products, tying together that data and making the outputs accessible and actionable for marketers will be an important harbinger of success.

Equally as important will be extending the definition of first party data to include predictive data focused on elements like affinity (e.g. product, category and discount affinity). Traditionally, first party data has been narrowly defined as what retailers collect on shoppers, not what inferences can be collected from that data. But advanced predictive models can make numerous inferences from that data to help retailers understand more about their shoppers, such as predicted next purchases, which is why retailers ever bought third party data to begin with.

Achieving these goals will require many retailers to reimagine first party data, including:

- Where it lives, which should be a central location that ties together multiple data points in real-time and is easily accessible and actionable for marketers.
- How it gets used, which should be to glean more insights about shoppers through advanced predictive models and to power in-the-moment personalization at scale that follows customers consistently and fluidly across channels to drive key goals like retention and loyalty.

The retailers that can do all of this effectively will be able to use their first party data to deliver best-in-class personalization at scale and increase agility to move fluidly across channels.

> As we look at the future of shopping in a world where contact tracing may become the norm, it is more important than ever for retailers to harness the power of their first party data assets to deliver a personalized experience for their customers. As consumers begin to opt-in to greater tracking in the spirit of safety, they will only do so with brands they trust.
>
> By being transparent about what data is being collected, how it is being used and then delivering on a personalized experience, brands will be able to gain the trust of their customers. This trust will result in greater loyalty to brands who engage on the personal, 1:1 level that consumers expect.
>
> *Jenn Horner, Associate Director, Retail & Consumer Goods*

02 Prioritizing Product Data

As retailers reimagine first party data, one of the most important steps they can take is to prioritize the unification of product data into their customer data management systems. From inventory management to merchandising to shopping recommendations, products are the center of retailers' world; but understanding product data is absent as a native capability in most technology. For retailers to succeed going forward and achieve goals around best-in-class personalization, this must change.

Specifically, retailers must invest in technology that natively integrates and surfaces actionable insights against their product data. The technology that does this best creates a "living product catalog" that understands changes to products (e.g. in inventory and prices) in real-time, monitors detailed data around SKUs and sizes and captures interactions with products.

With this level of product data easily accessible, enormous opportunities exist, such as:

- Improving product recommendations based on a deeper knowledge of product attributes and interactions
- Increasing personalization by combining product data with customer and behavior data to understand the best products to surface for an audience at any given time
- Introducing a variety of merchandising triggered emails to engage customers based on changing inventories and prices (and do so with confidence in the accuracy of those messages due to the real-time connection to product data)
- Empowering store associates to answer customer questions quickly and make more detailed recommendations
- Gaining a better understanding of sell-through to power merchandising decisions

Critically, this product data should be available natively and in real-time, rather than through a data feed, which is prone to breaking and creates a lag in the data. It's also essential that the technology can easily connect this product data to additional points, such as customer and behavior data, to power advanced marketing efforts.

03 Moving to a Learning-Based World

Next, retailers must move to a learning-based world to foster continuous improvement. One of the biggest reasons subscription buying skyrocketed over the past decade was because these models continued to get smarter and more personalized over time as they learned individual shoppers' preferences.

The next wave of retail will rely on AI to achieve this type of learning-based personalization at scale. Specifically, retailers must move from segment-based models that treat groups of customers the same and make periodic adjustments according to group performance data to an individualized learning-based model achieved through AI.

For instance, a learning-based model can adjust elements of marketing campaigns like featured products, content and offers as well as send-time based on each individual's engagement. This means a learning-based send-time optimization model could pick up that a specific customer always engages with emails in the morning but travels across the country once a month so the time of "morning" changes. Importantly, this learning-based model also means that marketers can set goals for specific outcomes, such as clicking an email vs. opening it or preserving margins vs. increasing overall purchases.

Ultimately, an individualized learning-based model achieved through AI can help retailers better engage consumers on their own terms, no matter where, when or how that might be -- even if that changes regularly.

> AI is both the greatest opportunity and the greatest risk to marketers in the retail space. If used correctly, marketers can use AI to figure out who to message, what to message them and when to message them -- leading to the optimal experience and view of the brand. However, if a retailer's marketing program is not future proofed or maximizing AI, they will be left behind.

AlchemyWorx
and formerly Sell UP

04 Re-Architecting the Retail Martech Stack

Finally, retailers must scrutinize technology investments with the goal of re-architecting their martech stacks to best position themselves to achieve the first two shifts outlined here.

Effectively re-architecting the martech stack should also give brands the agility they need to respond to changing conditions as new inflection points emerge, including imminent or expected ones like the continued shift to eCommerce and ones that we don't yet know about, as was the case when the COVID-19 pandemic hit.

As retailers re-architect the martech stack, several elements will be essential for success:

- Collecting and combining first party customer, behavior and product data in real-time
- Democratizing access to data and making that data immediately actionable
- Relying on AI as a foundation to power learning-based models and fuel personalization at scale
- Delivering data fluidly across channels from a single system to ensure consistency for customers and improve efficiency for marketers

Re-architecting to a retail-specific martech stack will be equally as important to success. The complexity and overall uniqueness of the retail industry require deep expertise to get right, and that expertise extends to technology as well.

This retail-specificity becomes particularly important with AI-driven technology, as the industry focus allows the learning-based models to go deep into data and activities that are unique to retail. This depth allows for more meaningful engagements with consumers and simplified workflows for marketers, who no longer have to create complex workarounds to force a technology to do something for which it wasn't intended.

STAYING TRUE to RETAIL

Retail is ubiquitous, complex and ripe for disruption. It's a highly unique industry that requires deep and specific expertise to get right. And this need becomes even more important as the industry continues to evolve over time due to changing environmental factors, such as the rise of eCommerce and the COVID-19 pandemic, new consumer preferences, such as mobile, and disruptive strategies, such as direct-to-consumer and subscription models.

Over the past two decades, retail has experienced several notable inflection points that have completely transformed the industry. Now, all of these changes are coming to a head to usher in the next wave of retail. Against this backdrop, retailers must make changes to survive, most notably reimagining first party data, moving to a learning-based world and re-architecting the retail martech stack.

Given the complexity of the industry, making these changes successfully will require partnering with industry experts and prioritizing investments in retail-specific technology. Doing so will not only help retailers prepare for the changes that are already underway, but will also give them the agility, focus and foresight required to continue evolving and staying ahead of new trends that will emerge and continue to change retail.

Bluecore