

# 3 burning questions about retail and ecommerce

Article

Last week, our Retail and Ecommerce analysts addressed **three developments** retailers and brands should be tracking to embrace new opportunities and cater to consumer demands during our webinar titled “**A New Era in Retail and Ecommerce Is Emerging.**”

More than 1,400 people registered to learn about social commerce, purpose-driven brands, and grocery ecommerce. The audience had lots of questions for our analysts. Here are three

we think brands and retailers should know.

**1. When it comes to the lifestyle category, how do you see retailers creating a fluid customer journey between ecommerce and in-store shopping?**

**Suzy Davidkhanian, eMarketer Principal Analyst, Retail and Ecommerce, Insider**

**Intelligence:** This is the million-dollar question, and I think it depends on the size of the brand and footprint of the physical store. An overarching answer would be leaning in on your app and applying geofencing technology. Give consumers the option to opt in by showing them the benefits of combining their online and offline behaviors with, for example, timely coupons or the location of where the last item they searched for is in-store, or suggestions of what pairs well with their last purchase.

**Andrew Lipsman, eMarketer Principal Analyst, Retail and Ecommerce, Insider Intelligence:**

I agree that a fluid customer experience begins with the app, which serves as the connective tissue between online and physical store touchpoints. Apps (or, more specifically, digital logins) provide personalized experiences that make every shopping experience—whether online or offline—more customer-centric. In lifestyle categories, that could mean beginning with size, fit, and style preferences, for example. This also allows each channel to do what it does best—e.g., leaving product search, sorting, and filtering in an endless aisle to online shopping, and then leaving discovery/showrooming, try-on, and easy returns to physical store environments.

**2. Do you see retailers scorecarding customers in their sustainable purchase behavior with things like buy online, pick up in-store (BOPIS), versus rush orders or high return behavior?**

**Lipsman:** It's an interesting idea that retailers could help drive sustainable practices by scoring customer behavior along key dimensions of sustainability. I imagine that this could be difficult in practice, but theoretically I like the idea of retailer loyalty programs doing things like providing credits for engaging in more sustainable practices as a way of incentivizing good behavior. Bring your own shopping bag? Get 10 loyalty points, etc. That could be easy to do. But if you want to incentivize consumers to buy from more sustainable suppliers, how does a retailer determine which suppliers have the best supply-chain or packaging practices? That's where it would get difficult in practice.

**Davidkhanian:** I would echo that. We know consumers want to do the right thing, and there is a lot of research showing positive intent, so now it's up to retailers and brands to figure out what moves consumers from intent to action. The idea of scorecarding consumers on their

total behavior (i.e., tracking whether they constantly return items or they consolidate their boxes, etc.) and then rewarding them could help accelerate adoption of small sustainable practices that make big impacts when added together. It's like the reverse of the carbon footprint calculators, where consumers evaluate brands on their practices. The question then becomes which behaviors do retailers spotlight? For example, there is some debate as to whether BOPIS really is better for the environment than shipping to home, when looking at the carbon footprint calculation.

**3. As retailers lose out on third-party data, they need to focus on customer retention rather than customer acquisition. This is where their own customer data is so valuable. Do you see this as a reason for retailers to build out more marketplaces for their ecommerce to drive more retail media?**

**Lipsman:** I definitely think marketplaces go hand in hand with retail media, and that helps explain moves in that direction by Walmart, Target, and even Kroger. Marketplaces attract more sellers, which are reliable buyers of retail ads. And more competition among sellers for those ads helps boost advertising rates. Lastly, the marketplace model opens up to more sellers on which to gather first-party data, which has many advantages today, including its value as fuel for targeted advertising in a post-cookie world.

**Davidkhanian:** Data is key to understanding consumers, and so any way a retailer or brand can get more first-party data responsibly is a good idea. That said, I think how retailers use the data to make the shopping experience more seamless for consumers is a critical component when thinking about where and how to collect more data.

*Have more questions for our retail analysts? Send them to [slebow@insiderintelligence.com](mailto:slebow@insiderintelligence.com) to see them featured on another upcoming Q&A.*