DIGITAL COMMERCE 360 RETAIL

2023 LEADING VENDORS TO THE TOP 1000 RETAILERS

Ranking, data and analysis of the
top ecommerce technology providers

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OVERVIEW

In 2022, retailers are finetuning the technologies needed to offer customers a fluid ecommerce experience. According to Digital Commerce 360's Digital Technology survey, conducted from September through October 2022, an ecommerce platform is the top technology budget priority over the next year (46% of 135 respondents).

Other top budget priorities include customer relationship management (CRM) at 34%, online marketing (30%), content management (27%), customer service software (27%) and fulfillment services (24%).

WHAT ARE YOUR TOP FIVE ECOMMERCE TECHNOLOGY BUDGET PRIORITIES OVER THE NEXT YEAR?
Select up to five priorities.

Priority	%
Ecommerce platform	46%
Customer relationship management	34%
Online marketing	30%
Content management	27%
Customer service software	27%
Fulfillment services	24%
Marketplace/Channel management (selling on 3rd party marketplaces)	19%
Email marketing	19%
Payment, security systems and fraud prevention	19%
Customer reviews/ratings	18%
Search engine optimization	17%
Order management	16%
Affiliate marketing	16%
International ecommerce services	15%
Supply chain management	13%
Warehouse and fulfillment management	13%
Web hosting/cloud services	10%
Social media	10%
Omnichannel	8%
Personalization	8%
Web analytics	8%
Website performance management	7%
PIM and other product data management	4%
Sales tax management	4%
Site search	4%

Source: Digital Commerce 360 digital technology survey, September-October 2022

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Three-quarters of retailers (76%) plan to increase spending on technology and services over the next year. Only 22% plan to keep budgets the same and 2% plan to decrease ecommerce technology spending.

While retailers plan to spend more, three in four retailers expect their spending increase to be 15% or less. 39% of retailers predict spending to increase 10.1% to 15%. And 32% expect spending to increase 5.1% to 10.0%. One quarter of retailers said they anticipate technology spending to increase more than 15% over the next year.

The top reason retailers plan to spend more on ecommerce technology over the next year is marketing to attract new customers (66%). And

HOW MUCH OF AN INCREASE IN ECOMMERCE TECHNOLOGY SPENDING DO YOU ANTICIPATE OVER THE NEXT YEAR?

5% or less	4%
5.1%-10%	32%
10.1% to 15%	39%
15.1% to 25%	18%
25.1% to 50%	5%
More than 50%	2%
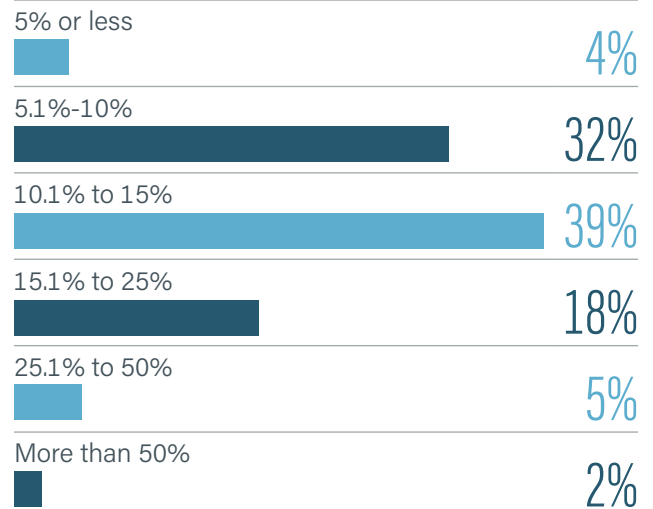
Source: Digital Commerce 360 digital technology survey, September-October 2022

nearly half (48%) plan to increase spending to retain existing customers.

On the customer experience side, 54% of retailers plan to spend more on improving CX. Ensuring customers can browse and checkout easily is also a focal point as 41% of retailers plan to invest in site performance improvements, speed and efficiency. 33% of respondents plan to support more cross-channel shopping and marketing/merchandising, 32% plan to optimize product information, and 31% plan to improve shopping experience personalization.

Nearly half of retailers are focusing on KPIs (Key Performance Indicators) — specifically generating more traffic and sales via mobile

WILL YOUR SPENDING ON ECOMMERCE TECHNOLOGY AND SERVICES INCREASE, DECREASE OR REMAIN THE SAME OVER THE NEXT YEAR?

Decrease 2%

Remain the same 22%

Increase 76%

Source: Digital Commerce 360 digital technology survey, September-October 2022

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commerce (48%). 40% plan to invest in generating more sales from repeat customers and 39% seek to improve conversion rates.

Rather than grow a tech stack in house, 70% of respondents said they typically use a vendor to try to build technology. Retailers seek out experts specialized in their fields (68%). More than half (56%) said speed was a factor — it's faster to get a project completed when using a vendor.

Curbing costs was also a factor for 31% of retailers that find it is cheaper to use a vendor

WHAT ARE YOUR MAIN REASONS FOR SPENDING MORE ON ECOMMERCE TECHNOLOGY OVER THE NEXT YEAR? Check all that apply.

Reason	
Attract new customers	66%
Improve customer experience	54%
Retain existing customers	48%
Generate more traffic and sales through mobile commerce	48%
Improve site performance, speed, and efficiency	41%
Generate more sales from repeat customers	40%
Improve conversion rate	39%
Improve mobile shopping experience	38%
Support more cross-channel shopping and marketing/merchandising	33%
Optimize product information	32%
Better personalize shopping experiences	31%
Other (data privacy compliance, inventory control, EDI)	5%

Source: Digital Commerce 360 digital technology survey, September-October 2022

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than build a technology from scratch. 28% said there is more accountability when using an outside vendor. And 27% of retailers were concerned about overstretching employees.

Payment, security and fraud prevention are the top reasons retailers invested in technology (37%), followed by CRM (35%), ecommerce platform (34%), email marketing (33%) and online marketing and customer service software each reaching 31% as top reasons. **LV**

WHAT ARE YOUR REASONS FOR USING A VENDOR?
(Multiple responses allowed)

Vendors are specialized in their fields
68%

We've found it is faster to get a project completed when using a vendor
56%

We've found it is cheaper to use a vendor than build from scratch
31%

There is more accountability when we use an outside vendor
28%

Our employees are too busy with other projects
27%

We don't have the expertise in-house
21%

Source: Digital Commerce 360 digital technology survey, September-October 2022

WHEN IMPLEMENTING A NEW TECHNOLOGY, DO YOU TYPICALLY USE A VENDOR OR TRY TO BUILD THE TECHNOLOGY IN-HOUSE?

70%	30%
Vendor	In-house

Source: Digital Commerce 360 digital technology survey, September-October 2022

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WHAT TECHNOLOGIES FROM VENDORS HAVE YOU IMPLEMENTED OVER THE PAST YEAR?

(Multiple responses allowed.)

Technology	Percentage
Payment, security systems and fraud prevention	37%
Customer relationship management	35%
Ecommerce platform	34%
Email marketing	33%
Customer service software	31%
Online marketing	31%
Content management	30%
Web hosting/cloud services	30%
Affiliate marketing	28%
Social media	28%
Customer reviews/ratings	25%
Web analytics	25%
Order management	24%
Search engine optimization	19%
Supply chain management	18%
Fulfillment services	17%
Warehouse and fulfillment management	17%
Personalization	16%
Marketplace/Channel management (selling on third-party marketplaces)	15%
Site search	15%
Sales tax management	14%
Website performance management	14%
International ecommerce services	10%
PIM and other product data management	10%
Omnichannel	5%
I haven't implemented any vendor technologies over the past year	3%

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Source: Digital Commerce 360 digital technology survey, September-October 2022

Q&A

Leveraging a parcel shipping partner helps merchants reach cross-border customers

An executive conversation with **Michael Lamia,** senior vice president, GEODIS MyParcel & GEODIS eLogistics Americas

COVID-19 further escalated an already accelerating ecommerce surge that opened a new set of consumers to U.S.-based businesses. As the world went online to shop, many small- and medium-sized businesses (SMBs) shifted their business models to start selling direct-to-consumer (D2C). However, they often struggled to navigate the complexities associated with international ecommerce. To discuss how leveraging a cross-border parcel shipping service can help SMBs more easily tap into international customers, Digital Commerce 360 spoke with Michael Lamia, senior vice president of GEODIS MyParcel and GEODIS eLogistics in Americas.

How has ecommerce changed for SMBs in the past few years?

In 2020, during the pandemic, there were 9.3 billion cross-border orders, of which 60% were intercontinental. This rapid growth led to the creation of many D2C startups among parcel carriers and ecommerce platforms. With more options available, SMBs could explore shipping directly to international consumers, bypassing the need to build the in-house expertise to do so.

What ecommerce challenges do SMBs face when exploring cross-border commerce?

Most SMBs have yet to figure out how to incorporate all of the complexities that come with international shipping into their platforms — and it's intimidating. Their biggest challenge is cart abandonment. From an international perspective, the lack of visibility related to duties and taxes lead to the highest percentage of cart abandonments. It's important that SMBs identify them, calculate them properly, transparently display them in their shopping cart and collect fees upfront from their customers. Most SMBs do not have the means or technology to handle that.

What emerging ecommerce trends do SMBs need to be on top of?

One big trend few people are talking about is the possibility of increasing regulations and tariffs due to the surge in global package deliveries. As Europeans buy more from the U.S., governments will examine what rules are in place and what tariffs they charge for importing these goods. This may lead to higher tariffs and stricter regulations. In addition, wars, inflation and a potential U.S. recession on the horizon further complicates the ecommerce landscape.

What strategies, technologies or best practices can help them address trends and overcome challenges?

First, SMBs need to decide if they want to build these cross-border shipping capabilities in-house or find a partner specializing in international parcel shipping. With that said, SMBs should understand that building that level of expertise and technology in-house is incredibly expensive and time-consuming. The better alternative is to consider a partner that can implement a turnkey solution, such as GEODIS MyParcel.

At GEODIS MyParcel, for example, we only need the SMB to give us a list of the products they're selling, an estimate of how much they weigh, their dimensions and where in the world those products are going. From there, GEODIS takes care of everything else — product HS code classification; tax and duty calculation; customs clearance; first, middle and final mile transportation; and complete visibility from the moment the parcel is picked up from the SMB through final delivery to the eshopper. Most importantly, we have the technology to transparently display all related costs in the shopping cart.

Partnering with a company like GEODIS removes the complexity around international shipping, eliminates costs and speeds up entrance into the SMBs target markets.

Additionally, when SMBs leverage GEODIS MyParcel, the brand can own the customer relationship — which is not the case when they partner with marketplaces. Our focus is on providing your customers with a fast, reliable and cost-effective turnkey solution.

GEODIS

From Black Friday to Cyber Monday, your customers demand immediate delivery. And they order a lot.

It's good to have a partner that masters every seasonal peak.

Behind every great success, is a great logistics partner.

To learn more about GEODIS Please visit KeepRising.com

With more than six million square meters of storage space in 300 warehouses worldwide, GEODIS is one of the global players in logistics. We develop industry-specific and tailor-made expert solutions for you and help you reduce the carbon footprint of your supply chain.

GEODIS

ONLINE ADVERTISING/ ONLINE MARKETING

Digital marketers are tasked with finding and retaining customers. Fears of a recession and inflation create a difficult landscape for online retailers as they plan how to adjust marketing budgets in 2023. Some are trying to get in front of shoppers by testing technologies to see how first-party data can be used to attract shoppers.

Getting their marketing plans right will be essential at a time when retailers are paying

more for merchandise — the U.S. government's Producer Price Index that measures wholesale costs was up 11.3% in June 2022 over June 2021 — and for delivery due to higher fuel costs.

A Digital Commerce 360 survey of 73 online retailers conducted in April and May 2022 shows that 44% devote more than half of their overall marketing budgets to digital. And year over year, 66% of retailers' digital marketing budgets

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have increased in 2022. And while 23% remain unchanged, 72% of retailers forecast that their digital ad spending will increase in 2023.

Retailers are investing in technology to use first-party data like purchase history, email engagements, demographics, sales interactions, customer feedback and website activity, to strategize how to attract and retain customers. This section shares how spice retailer Spiceology and fitness equipment retailer Bala use first-party identifying software to uncover effective ways to market to customers based on purchase history.

HOW SPICEOLOGY NAVIGATES A COOKIE-FREE CUSTOMER JOURNEY

Now that third-party cookies are going away, Spiceology Inc. needed a new way to track and target customers using first-party data. The answer? Investing in technology that allows online retailers to add a line of JavaScript to their websites that will identify customers by their internet browsers.

"If I can't find or identify the customer, how am I going to get in front of them in order to sell to them?" says Chip Overstreet, CEO.

Spiceology needed help identifying users through first-party data, Overstreet says.

"There are customers that are invisible when they shop using Safari and Firefox browsers,"

he says. "We wanted to be able to see who was shopping on our site."

Spiceology turned to MediaMath, a digital advertising software company, and Parrable Anonymous Device ID software for a 60-day pilot period. Parrable uses a first-party cookie that can reidentify devices across web browsers, web views and apps. Parrable does not use consumer data like emails or other identifiable details.

While Spiceology declined to share the cost of the service, it noted MediaMath adds a percentage to Spiceology's ad spend.

More than half of Spiceology's customers shop using Safari on their Apple devices (55%); 35% use Google Chrome; and 10% use other browsers, including Firefox. About 75% of all sessions are from mobile devices.

"That 75% mobile traffic continues to increase over time," Overstreet says, adding that investing in its mobile presence is increasingly important.

Before using Parrable, Spiceology was unable to identify customers, making it difficult to retarget advertising efforts, Overstreet says. After implementing the technology, 60% of customers became identifiable.

"I can now see that a person is on ESPN.com in Safari, and I can identify that person and get that message [ad] in front of them," Overstreet says.

Spiceology declined to disclose how much the service will cost to implement full-time.

With the cost of digital advertising on the rise and loss of third-party cookie tracking, Spiceology tested how the Parrable technology would increase web traffic. Within a few days, Overstreet says, the retailer noticed an impact on inbound traffic but declined to share by how much.

"We didn't have to change anything else or our processes," Overstreet says. "We just continue to do the same thing that we were doing before, but now we have the visibility of a lot more customers and we can get our message out in front of them more."

BALA INVESTS IN FIRST-PARTY DATA TO PINPOINT THE DATA MOST IMPORTANT TO THE CUSTOMER EXPERIENCE

Sam Wilson joined fitness equipment brand Bala as head of growth in April 2021. He was tasked with connecting the dots between operations and marketing channels. The goal was to understand the Bala customer without relying on third-party data no longer available since Apple's iOS 14 privacy update and Google's plans to remove third-party cookies in 2024. Bala sells artfully designed workout bangles, beams and bars.

Data siloed into individual channels does not allow a business to see the whole picture, Wilson

says. "I needed to put a marketing and an ad infrastructure in place to capitalize on organic demand that the business was already driving," Wilson says.

SoundCommerce allows Bala to create customer profiles and launch retargeting campaigns using its own first-party data collected through the platform without tags (short pieces of code written in JavaScript that are used to collect information about visitors to a website and how they behave on the site) or third-party cookies.

To help him do that, Wilson advised Bala to invest in software that would collect first-party data to identify how shoppers engage with the brand online. Bala could learn what shoppers want by analyzing that data and then use that information to make improvements where needed.

Bala selected SoundCommerce and within two weeks the platform provided baseline reports including customer orders, fulfillment and shipping statistics, and tracking repeat customers. SoundCommerce also allows brands to integrate features like tax calculators, shipping systems, or pre-built connectors like SAS (statistical analytics software) systems, Google Analytics, and social platforms like Facebook, Instagram and TikTok, which provide data that marketers can track and review.

After approximately two months, Bala launched the full SoundCommerce platform in November

2021. Now, in addition to baseline reports, Bala could write custom queries, Wilson says. According to SoundCommerce, a typical retail integration can take a few weeks to six months, depending on the complexity of the project. The cost of the software starts at approximately $10,000 per month or $120,000 per year, according to SoundCommerce.

Wilson says the ability to write custom queries in the back-end within the SoundCommerce platform is key. Bala can adjust reporting criteria quickly.

"For example, if I'd like to have a conversation with my operations colleagues about how fulfillment latency [delay] and delivery latency affect LTV (lifetime value), that is not something that you would be able to pull in a standard report with any platform (that I'm aware of)," Wilson says.

Bala can now create reports through SoundCommerce and use that data to strategize where to make improvements and see what's working, Wilson says. The data is organized so retailers can easily query it and it's readable and easy to understand, he adds. Some data points include order count, products purchased, days to fulfill, days to deliver, AOV (average order value), average order frequency, LTV and customer location.

"You traditionally need three, four or five different software platforms to be able to run those types of customized reports that we can run using SoundCommerce. It's a one-stop-shop platform for us," Wilson says.

Over the last year, Wilson says AOV has increased 20% to 30% since Bala expanded its product assortment and began using first-party data through SoundCommerce's tracking software. This increase occurred both for first-time customers and repeat customers.

With the software, Bala can identify which customers are just starting their fitness journey and buying fewer pieces compared with seasoned fitness enthusiasts who want to expand their equipment selection and buy more. Each customer shops differently because they have different fitness goals. Bala released kits in January 2022, allowing shoppers to choose single items as well as kits containing complementary workout equipment pieces. It can use the SoundCommerce platform to identify the correct shoppers to suggest these products to.

"We have to walk a fine line between our customer who wants to dip their toe in the water and begin working out versus people who want a bigger overall fitness experience — and how it affects the way they shop," Wilson says. **LV**

Q&A

Fulfillment technology and expertise help retailers greatly improve the customer experience

An executive conversation with **Laura Ritchey,** chief operating officer, Radial

Each year, customer expectations seem to reach new heights. Consumers were once thrilled to receive orders in two days. But today, not only do they expect to receive them sooner — within one day, the same day or even a few hours — they also want to know exactly where their orders are during every step along the supply chain. For retailers, who often face many variables in the fulfillment and delivery process, obtaining that information and communicating it to customers can be very challenging — and the experience they provide takes a hit. To discuss how leveraging ecommerce fulfillment technology and expertise helps retailers greatly improve the customer experience they provide, Digital Commerce 360 spoke with Laura Ritchey, chief operating officer at Radial.

Given the ongoing disruption in the supply chain, what are customer expectations around fulfillment and delivery today?

Between the retail lockdowns and supply chain disruptions during the pandemic, consumers have learned the importance of inventory availability and omnichannel fulfillment options. Consumers expect retailers to deliver products where they want them — in their homes, at a store or from a locker. And they are placing a premium on the quality of information they receive throughout the purchase, fulfillment, delivery and customer service experience.

How has fulfillment technology changed in recent years and why is it so important now?

With online retailers looking to shorten delivery times and reduce transportation costs, many retailers are expanding their supply chains to have multiple inventory nodes to position inventory for ecommerce demand. Fulfillment technology has evolved to support this need by increasing distributed order management capabilities so that orders are routed automatically and seamlessly to the optimal fulfillment location. Real-time visibility to inventory across the retailer's entire supply chain is critical.

What are retailers' biggest challenges around fulfillment?

Ecommerce fulfillment is inherently more expensive per order than traditional retail, and this cost pressure is increasing as retailers contend with inflationary cost increases on labor, packaging and transportation. Retailers are looking for opportunities to own their ecommerce customer experience and to deliver it while protecting their margins.

What strategies should they implement to overcome challenges?

Strategies to reduce the cost of ecommerce fulfillment include implementing automation to improve fulfillment center productivity, sourcing alternative packaging and supplementing national parcel carriers with lower-cost regional carriers. The fulfillment robotics landscape has greatly matured in the past three years, and there is a wide range of technologies retailers can implement to improve the effectiveness of their fulfillment associates. Packaging innovation has brought solutions to the market that can lower packaging and transportation costs while delivering sustainability goals. In addition, many regionalized parcel carriers have established services to major markets with compelling time-in-transit and cost options.

How can retailers put these strategies in place quickly?

They can partner with an ecommerce fulfillment technology provider, such as Radial. Radial has developed the technologies and capabilities that enable retailers to deliver a great customer experience. Our network of fulfillment centers lets retailers position their inventory close to their customers. Our technology provides real-time visibility to inventory throughout the retail supply chain and the capability to distribute orders to the optimal fulfillment location. Our operations offer a range of automation to support high volume, and our network of parcel carriers provides exceptional service and cost optimization in every market.

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By Optimizing Fulfillment Operations to Be More Efficient, Scalable, and Profitable

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SOCIAL MEDIA/TEXT/SMS

Online retailers recognize the need to be where shoppers are. And shoppers — particularly younger shoppers — are often tethered to their phones. According to the Digital Commerce 360 survey conducted in April and May 2022, Facebook (73%), Instagram (63%), YouTube (60%) and TikTok (42%) were noted as part of retailers' digital marketing strategies.

Magnolia Boutique devotes a large part of its marketing strategy to social media-generated revenue, often tagging apparel items directly in its Instagram and TikTok posts. Meanwhile, Inmod, an online furniture and décor retailer, uses SMS text to personalize marketing messages to reach out to customers.

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MAGNOLIA BOUTIQUE EXPERIENCES 79% INCREASE IN WEB SALES THROUGH SOCIAL MEDIA POSTS

Online apparel retailer Magnolia Boutique spends about 50% of its ad budget on Facebook and Instagram ads to promote categories.

"Our collections are huge for us — when the season launches, we put a lot of our ad budget behind leading customers to our website because we know they will browse other categories and items once they get to our page," says CEO Susan DelPriore.

Magnolia Boutique's overall conversion rate is a little more than 3.2% compared with its social media channels, which ranges from about 2% to 2.5%. While Facebook and Instagram make up half its ad budget, the retailer is also increasing its presence on TikTok.

If there is a lull in organic web traffic, DelPriore says Magnolia Boutique will promote a specific product, like a best-seller, to help increase the average order value. Magnolia's AOV is about 30% higher on social media than its site average, partly because of product tagging in social media posts.

"We make it a point to tag multiple products [in Instagram and TikTok] because it helps us increase our AOV because people are buying the whole look," DelPriore says.

Magnolia Boutique has about 239,000 Instagram followers. DelPriore says posts affect web traffic to Magnolia Boutique's site for approximately 24-48 hours after a post is published. There is a residual traffic increase of about three to four days after a post is published because Instagram displays it in newsfeeds for a few days afterward, she added. Posts featuring influencers with larger followings — 500,000 or more — tend to have a longer shelf life and drive traffic for 72 hours or more, she says.

The online retailer's most popular posts include one from Sept. 10, 2021, which featured Instagram influencer Laura Beverlin, who has a following of 1.2 million. She's shown wearing clothing from Magnolia Boutique's fall 2021 line. While the products aren't tagged, the post resulted in a 15% increase in web traffic but a hefty boost in web sales, which increased 79% compared with a typical day. Magnolia Boutique noted the shirt name in the caption.

A promoted post of a floral dress became a hit on Sept. 29, 2021. It resulted in a 62% increase in web traffic and a 72% increase in web sales during the 48-hour period after publishing the post.

Determining which products to promote requires understanding how different social

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channels promote product categories, says Sharon Gee, vice president of revenue growth at BigCommerce. Online retailers like Magnolia Boutique use the software's channel manager feature to run its site using integrations into Google, Facebook, Amazon, Instagram and TikTok. The integration allows the retailer to distribute its products on these channels and track how they perform.

BigCommerce engineers work to update the software to stay current with each channel's evolving features. For example, in recent weeks, TikTok has added the capability for retailers to tag products, similar to Instagram. Viewers can tap on the tagged products and are redirected

to a retailer's website within the TikTok app, or redirected to a consumer's browser like Safari or Chrome.

If a retailer wants to start selling on TikTok, it can log into BigCommerce's channel manager and click on TikTok. By doing so, attribution and real-time tracking is activated, allowing Magnolia Boutique to see how much web traffic and web revenue are the result of a shopper interacting with a post on that specific channel, Gee says.

Facebook and Instagram are the online retailer's stalwart advertising channels, but DelPriore says TikTok is growing. The retailer currently has 12,200 followers on the platform.

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On Nov. 11, 2021, a Magnolia Boutique video on TikTok yielded more than 750,000 views, resulting in a 12% increase in web traffic compared with the day before. Overall online sales jumped 35% compared with the site average. The video's popularity significantly outpaced its typical number of views, which usually number in the hundreds or low thousands, without paid promotion.

"Initially, we had over 650,000 views without any paid promotion," DelPriore says.

The retailer started using the video as a paid TikTok ad, and views increased to more than 750,000.

DelPriore says the online retailer noticed through BigCommerce's platform that TikTok performed differently compared to other social channels. In general, shoppers prefer TikTok videos that are educational and have a less polished production value, she says. One popular TikTok video showed which shoes to wear with the latest in jeans styles. And when shoppers see what goes well together, they start shopping, she says.

"We posted a funny video, and it took off," DelPriore says. "The TikTok videos revealed to us that whatever items we do decide to post about, we better make sure we have enough inventory before we post it."

SMS HELPS RETAILERS REACH YOUNGER SHOPPERS

When the pandemic hit, Brian Greenspan realized he needed to change his marketing mix.

Greenspan is the chief operating officer of Inmod, a web-only retailer of modern furniture and home décor. Furniture was a great business in the era of lockdowns and working from home. But it was also a great time for its giant competitors, such as Macy's Inc. and The Home Depot Inc., which were advertising heavily and driving up ad rates. Greenspan needed a way to break through and capture shoppers' attention, particularly younger shoppers with an eye for the mid-century modern furnishings that Inmod sells.

So at the urging of Wunderkind, the vendor he used for personalized email marketing, he added SMS text messaging to his marketing strategy and over time generated the engagement he wanted.

"The first year was bad, honestly, and I think that's just because we needed to take time building up our offering and trying to collect those phone numbers," Greenspan says. "But right now, we're averaging around 11x (return on investment), which for us is very healthy and it's where we want to be."

Greenspan says it sends various automated messages at touchpoints across the shopper's

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journey, notably reminders of abandoned carts, notifications of price drops and items that are back in stock. He can also send messages on demand when announcing a sale, for example.

While the click-through rate on text messages that Inmod sends is lower than what the retailer gets from email, the conversion rate is twice as high. That doesn't surprise Greenspan.

"People may have many email addresses, but they usually just have one phone number," he says. "Someone who is willing to give out their cell number is likely to be more engaged than someone who gives out their email."

Inmod isn't the only retailer to find that text messaging works well.

Purchases attributed to SMS messages grew 106% in 2021 from the prior year, according to Omnisend, an ecommerce-focused marketing automation firm. Omnisend based its results on an analysis of 63 million SMS and other automated messages sent by its 70,000-plus clients in 2021.

Retailers are getting the message about texting and have responded by increasing their use of SMS. After a 376% increase in promotional SMS sends in 2020, ecommerce brands managed to send 75% more SMS in 2021, Omnisend said. Ecommerce merchants find that the implied urgency of a text helps ensure that shoppers read a marketing message.

Greenspan says the reason that SMS messaging works is simple: It's hard to ignore a text message. "Most people just delete or skip an email, but I don't really have many unread text messages on my phone," he says.

Simple Texting, an SMS platform for businesses, estimates 60% of recipients read a text message within five minutes of receiving it.

"It's just a better way to communicate right now," Greenspan says. "And more and more customers are finding it better. The younger generation appreciates it more because it's like instant gratification." **LV**

Q&A

Relevancy and authenticity are critical to creating a great commerce experience

An executive conversation with **Jan Soerensen,** general manager, Nosto Solutions Inc.

Today's ecommerce landscape is highly competitive, and retailers must create a commerce experience that resonates with customers. Delivering personalized and authentic experiences means increasing product discovery, engagement and loyalty. A retailer's commerce experience is vital to driving up conversion rates, average order value and customer lifetime value. To discuss the critical role that relevancy and authenticity play in creating optimal commerce experiences that get results, Digital Commerce 360 spoke with Jan Soerensen, general manager for North America at Nosto.

What are the components of the commerce experience?

Commerce experience spans everything from search and merchandising to personalizing content and product recommendations, which create a more relevant, one-to-one experience. It also means adding authenticity in the right place through user-generated content, such as post-purchase content that brand fans showcase when they love your product and the experience.

All these different elements work harmoniously to create richly personalized commerce experiences that are consistent between touchpoints. The key to delivering great commerce experiences also lies in the ability to A/B test multiple campaigns, ensuring each visitor's experience on your site is optimized just for them.

What's the benefit of investing in a platform delivery vs. a point solution?

With a platform like Nosto, a vast data engine aggregates multiple data points. Those include visual recognition, search, behavioral, product, customer affinity, transactional, third-party import and integrations. The platform does so in real-time for immediate action across modules such as product recommendations, content personalization, search and merchandising. This functionality means you can nail 360-degree personalization — as opposed to just one area of the customer experience, as a point solution would. Wrapped around the data engine is a predictive intelligence layer that ingests data from all your campaigns and modules and algorithmically recommends new ways to improve efficiency and scalability.

Also, as global privacy regulations proliferate, point solutions are riskier. Do you want 10 compliance audits or one? Besides that, the more tools, the slower the site — making site speed another critical factor.

How will personalization change in the next year?

We expect brands' search capabilities to become more integrated with their personalization. More merchants recognize the value in search signals informing a full-funnel experience. For example, if a user searches for scarves, that query can influence results beyond what products it immediately returns. If you integrate your search with your personalization technology, the personalization can inform what content that user sees or which products show up when that user returns to the store.

Sizing intelligence in product recommendations, search and merchandising is also on the horizon. For example, reranking recommended products in a shopper's most common size or color first gives a more relevant experience. With the ability to personalize based on numerous signals, bundling things for shop-the-look offers becomes much more dynamic.

How can personalization help brands tackle the global cost of living crisis?

Whenever shoppers must be more selective with their purchases, brands must work harder to show them products and experiences they're more likely to engage with and convert on. Additionally, now is the time for brands to leverage personalization to highlight their value propositions. Cost-conscious consumers are going to be comparing products across different sites. Creating content experiences just for them to showchase features like product reviews and free delivery highlights the value of purchasing from you and might sway them. Sustainbility credentials might be more critical for other personas, which a retailer could highlight as well.

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EMAIL MARKETING

It's quality, not quantity that counts when it comes to email blasting shoppers. And according to the same Digital Commerce 360 survey, the most effective digital marketing tactic is email (67%). Digital marketers may feel tempted to use outdated email lists to try to hit as many contacts as possible before the holidays, but the tradeoff is a high bounce rate — where the percentage of visitors to a particular website leave after viewing only one page — or by ending up in someone's spam folder.

Learn how food and gift retailer Hickory Farms LLC invested in software to fight email bounce rates. And coffee retailer Bean Box freed up manpower by automating its email marketing process.

HICKORY FARMS CHANGES ITS EMAIL STRATEGY TO MAINTAIN PANDEMIC-RELATED BOOST

Historically, Hickory Farms LLC, a food gift retailer, makes most of its revenue in the last four to six weeks of the year. And it has the average order value and conversion rate to prove it. In 2021, its AOV was 32% higher during the holiday season (October-December) compared with the off-season (January-September).
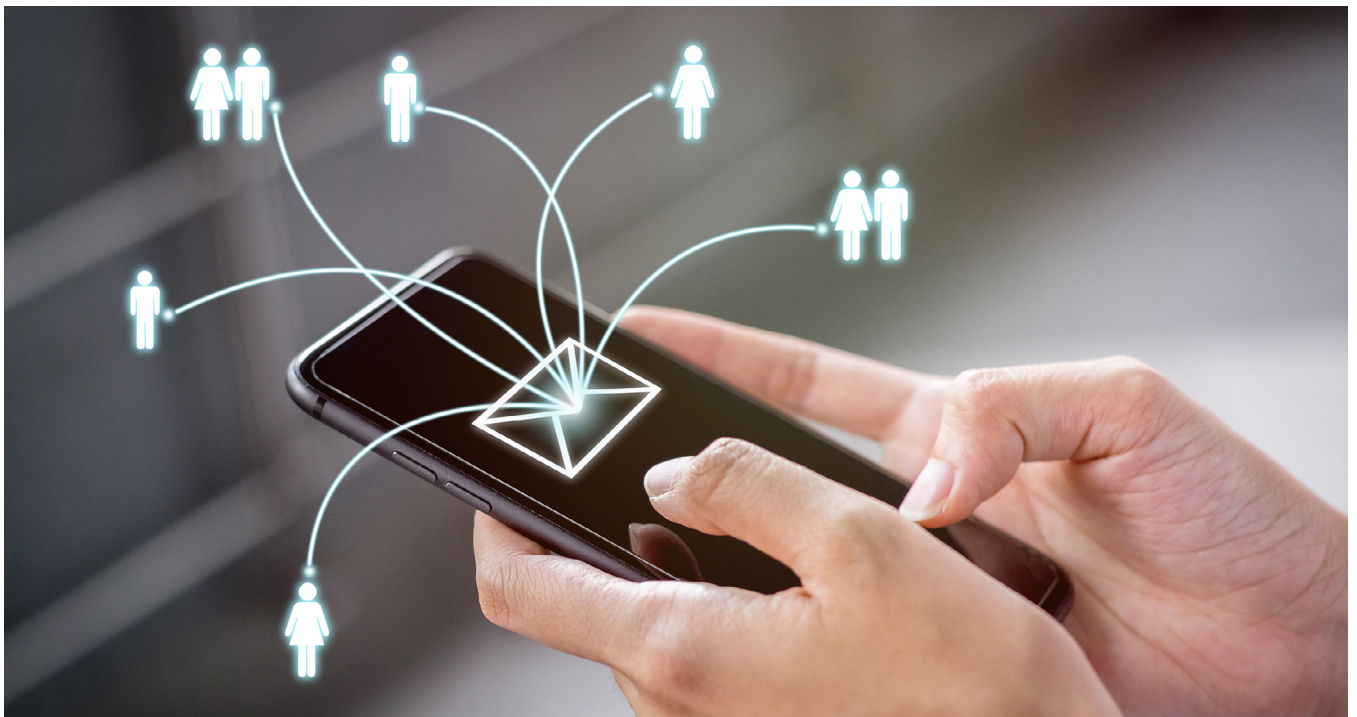
Conversion was 43% higher in that Q4 period compared to the offseason. Hickory Farms declined to provide AOV and conversion rates for 2020 or 2019.

Jen Partin, senior marketing manager, email and SMS, says because the majority of Hickory Farms' web sales are at the end of the year, she is careful not to discard consumers that do not open or click on emails the rest of the year.

"If I notice people are not opening or clicking on our emails, I will reduce the number of emails those people get," Partin says. "Instead of scrubbing those people out and forgetting about them, historical revenue data indicates those subscribers that may look lapsed in our offseason can actually turn out to be highly profitable during the core holiday season."

That four to six weeks of high-volume sales that's typical over the holiday season dramatically shifted in March 2020 when COVID-19 shut the world down. Hickory Farms became a go-to alternative source for food items that could be delivered to consumers' doors — a welcomed service during a period of prohibited in-person shopping and food shortages, Partin says. The demand was so intense, the retailer sold out of nearly its entire inventory by May 2020.

And momentum from 2020 continues to pay off, Partin says. As a result of retained customers from pandemic-related shopping, Hickory

Farms' web sales increased 59% in 2021 compared with pre-pandemic 2019.

Besides just the Q4 holidays, Hickory Farms expanded its gift-giving options to include other holidays including Valentine's Day, Easter, Mother's Day and Father's Day, to help maintain shopper interest after the initial flush during the pandemic, Partin says. It also introduced a Super Bowl game day package.

To capitalize on its newly acquired customers, Hickory Farms invested in Validity's Everest software platform in August 2020 to minimize email hard bounce rates. Hard bounces, which is when marketers send emails to unknown users, nearly tripled during the lead up to the holidays in 2021 for all of its clients, according to Validity, a data quality and email marketing software platform.

Validity's Everest uses internet service provider (ISP) information, which includes information such as when users are engaging with their Yahoo, or AOL email accounts, among other varieties of the Verizon network.

The software's integration feature allows Partin to see when subscribers are reading through their inboxes — and she learned that people pay attention to their email boxes at different times of day. Being able to reach a consumer at the time they are looking through email is a powerful engagement driver, she says.

Validity uses proprietary view time optimization (VTO) by Yahoo, which is limited to Yahoo and AOL mailboxes. When a sender like Hickory Farms sends an email, the email is placed into a delivery queue and waits until the Yahoo subscriber opens their mailbox, at which time the sender's queued VTO email is delivered.

"That alone has been a huge driver," Partin says. Hickory Farms experienced a 100% increase in lifts. Lift refers to an increase in sales as a result of an ad or promotion. Click and open rates also increased more than 90% because of this tool, Partin says.

"When you're fighting for room in the inbox and you're sending four emails a day and it's December 12 — you need to figure out how to get

noticed." A favorable lift rate might range from a 20-40% open rate, where people open and click through an email, and it's used to determine return on ad spend.

Everest provides Partin dashboards that allow her to see how an email deliverability is performing based on its subject line, or certification performance, which helps ensure an email is delivered to a subscriber's inbox. Partin says it's easy to view all the metrics she's interested in on one dashboard.

Most recently, Partin says the software came in handy when it needed to quickly help the Canadian-based group of Hickory Farms. Before COVID-19, the group set up kiosks in malls to sell products. When physical malls shuttered during the pandemic, Partin says its Canadian group scrambled to find ways to market to its usual customers.

The group provided Partin with a list of customers who had purchased from them within the last year. "I was able to upload that list into Everest and within a couple of minutes, it gave me the results of clean, fresh lists that I knew I could be comfortable emailing," Partin says.

She achieved this in minutes as opposed to days. Typically, Partin would need to go to another software vendor and create a purchase order and then a waiting period to get that kind of information.

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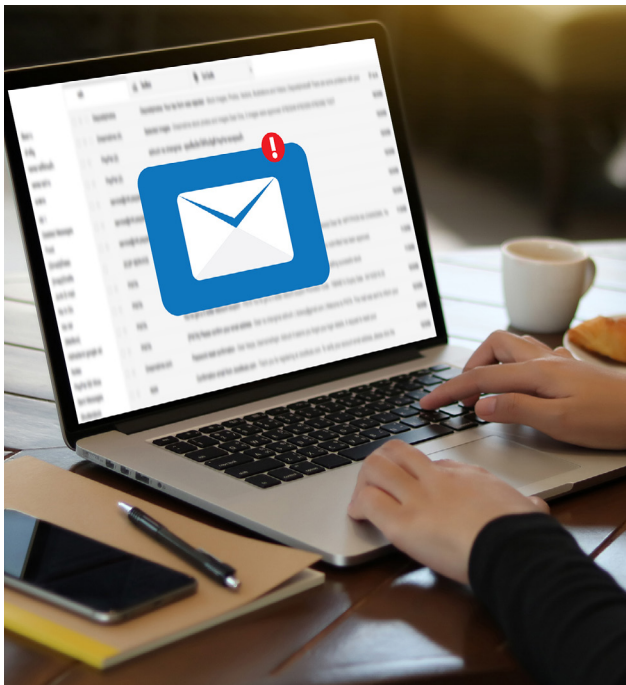
"We were able to take our Canadian group's products and set them up in our shops for that holiday season," she says.

The platform gives Partin access to the tools she needs as an email marketer, she says. "To be candid, I'm a team of one right now and having this platform has allowed me to manage our email program completely on my own," she says.

BEAN BOX AUTOMATES ITS EMAIL STRATEGY TO FREE UP MANPOWER

For nearly nine years, coffee retailer Bean Box has evolved its business and learned from selling through its own DTC website.

A one-person engineering team could handle the tasks for the first seven years. But as the retailer's reach and revenue grew — including selling through its Amazon store and, in February 2022, in Walmart stores — data management became more complicated.

It became necessary to outsource certain tasks to prevent its now three-person team of engineers from creating reports manually.

Bean Box outsources its email marketing software to Klaviyo to manage email automation,

analyze and measure repeat purchase rates and track how many products it sells through email. It costs $40,000 to $50,000 each year for the software. To monitor event spikes in traffic and sales, Bean Box uses Splunk. It's a "quick and dirty" analysis tool that costs $5,000 to $10,000 a year, says Bean Box CEO Matthew Berk.

"It's really not a big cost to us to pay for these technologies. The alternative is we would be forced to rely solely on our system," he says. "Instead of writing reports every single day, our time and labor are better spent serving the customer."

The pandemic accelerated retail's plunge into ecommerce. Now, retailers realize they need to fine-tune their approach to continue growth after the initial flurry of revenue. Third-party software vendors offer retailers ways to collect and analyze data to track and strategize how customers shop depending on where. The costs vary and depend on the volume of data involved.

It's an investment worth devoting time to. According to Forrester's 2022 Online Retail Forecast, U.S. report published in August 2022, online retail sales could increase from $0.9 trillion in 2021 to $1.6 trillion in 2027. **LV**

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OMNICHANNEL TECHNOLOGY/INVENTORY

The in-store and online shopping experience continues to evolve — and shoppers expect it. Services like curbside/drive-up fulfillment and the ability to check in-store inventory levels online are increasingly important to shoppers.

In this section, both PacSun and Perry Ellis work to make the in-store and online shopping experience as convenient as possible. Many consumers found these omnichannel options to be time-saving and like the variety of ways in which to buy, receive and return products.

It is important to carefully consider what technologies will allow for a smooth transition as more retailers seek to make in-store and online shopping as fluid as possible.

PACSUN LINKS DIGITAL GROWTH WITH IN-STORE NETWORK

PacSun is balancing digital orders and in-store demand. Part of that process involves retrofitting its existing 15-year-old legacy software to accommodate the retailer's digital growth.

DIGITAL RETAIL
COMMERCE 360

Since the pandemic, PacSun has shifted its focus to grow its ecommerce side of the business. Digital penetration is about 35% of the entire business, says Shirley Gao, chief information officer. PacSun experienced rapid growth in 2020 and 2021. 2021 digital sales were nearly double pre-pandemic 2019, according to Gao. Digital sales include those from PacSun.com and the retailer's native mobile app; they do not include Amazon sales.

The retailer added order management into its legacy data warehouse that traditionally included data from its physical stores. PacSun currently has 325 physical stores in the U.S. and Puerto Rico.

Gao says PacSun needed to integrate its legacy software to include digital fulfillment and customer information. PacSun uses Manhattan Active Omni software for order management. This software gives PacSun details such as when a customer makes an order online, the packaging process and supplier shipping tracking. The retailer uses software as a service from antuit.ai, now part of Zebra Technologies, for inventory forecasting to manage inventory and shipping costs. It helps minimize out-of-stock issues both online and in-store.

Artificial intelligence allows PacSun to use historical data and current data to anticipate/forecast future demand for thousands of SKUs/store combinations. PacSun can plan its inventory strategy by reviewing customer data demand broken down by product, location and timeframe. PacSun uses Salesforce commerce cloud for its digital business. Balancing digital orders and in-store sales is complicated, and PacSun's Gao wants to use its network of brick-and-mortar locations to help it manage inventory and shipping and fulfillment processes.

While PacSun declined to share how much it pays for these technologies, services like antuit.ai are subscription-based.

There are often limited sizes and colors for in-store items. Inventory can be "thin," Gao says. PacSun fulfills online orders from its various store locations. Ensuring in-store customers have a wide selection of items to consider is difficult when online shoppers browse the same merchandise. Online AOV is about 50% higher compared with in-store AOV.

"We have been trying to explore the possibility to add more safety stock and maybe implement more protections to allow our store customers to have a chance to shop items in-store before those items get taken by an online shopper," Gao says.

Customer data has shown PacSun that its customers like to shop at PacSun both in-store and online. Because PacSun uses its stores to fulfill online orders, that creates a complicated shipping matrix, Gao says.

DIGITAL COMMERCE 360 RETAIL

If a customer orders multiple items online, PacSun collects those items from its stores and warehouse in Groveport, Ohio, and ships them to the customer.

Gao says PacSun realized that this was an inefficient way to ship. If a shopper in Oregon orders products fulfilled by stores located in PacSun's Groveport, Ohio, main distribution center and a store in Florida, it increases the cost to the retailer.

"If we ship two or three packages to a customer, the additional shipping costs are for us an unexpected increase," Gao says. "We're not going to charge the customer extra."

But to keep its Gen Z customers happy — especially first-time customers that PacSun would like to see become repeat customers — shipping planning needed to change, Gao says.

"We looked at the last 18 months of customer data and found that delivery time does affect the likelihood of whether that customer will return to shop with us," she says. "A customer that receives a package in five days versus five to 10 is more likely to return to shop with us."

Gao did not specify how likely it is that fast shipping can turn a first-time customer into a repeat customer but did note that the retailer has increased what it pays to ship after reviewing customer data.

"If that means switching from a less expensive FedEx Ground option to the more expensive but faster UPS mail innovation for some customers, that's a switch worth making," Gao says.

Shipping problems are compounded during peak periods like the holidays. After reviewing customer data, PacSun decided to dedicate one-third of its stores that fit into the widest range of customer zip codes to serve as satellite fulfillment centers.

"Stores that we find have less traffic and are a bigger space can handle that inventory," Gao says. "That allows us to move beyond relying on our Groveport, Ohio, main distribution center."

In August 2022, PacSun began offering same-day delivery through Amazon for 20 of its stores. The retailer has also used DoorDash and Uber to deliver from 70 stores since 2021.

Delivery through Amazon seemed a natural next step, as the retailer has an Amazon store on the marketplace.

"Our Amazon store is a significant channel for us," Gao says. "We've got a huge group of customers that might otherwise not have gone to PacSun.com directly.

"Now, with same-day Amazon delivery, Prime Shoppers can browse store inventory and get same-day delivery."

DIGITAL RETAIL
COMMERCE 360

Currently, PacSun fulfills its own merchandise on Amazon. But Gao says the retailer is open to switching to Fulfillment by Amazon (FBA). Amazon would then be responsible for shipping merchandise.

"We've found there are a lot of opportunities to work with Amazon to improve our customer experience and offer customers this really omnichannel, unified commerce," Gao says. "We can give customers the convenience they want and the flexibility to shop how they want with PacSun."

PERRY ELLIS LAUNCHES BUY ONLINE, PICK UP ANYWHERE

Apparel merchant Perry Ellis International wants everyone to save money on shipping — both the retailer and the customer. With a few new omnichannel features slated to launch within the next quarter, the retailer is on track to reach this goal, says Jay Nigrelli, senior vice president of ecommerce at Perry Ellis International.

In November, Perry Ellis launched buy online, pick up anywhere across its suite of brands including PerryEllis.com, OriginalPenguin.com, RafaellaSportswear.com, Cubavera.com and GolfApparelShop.com. It also hopes to launch same-day delivery with Target Corp.-owned Shipt before the end of the year.

The goal for Perry Ellis is to give its online shoppers more delivery options — which will improve their overall customer experience — while also saving the retailer money, Nigrelli says.

"We look at it as a value add for the consumer that is actually going to be cost-positive for us," he says.

Currently, Perry Ellis' freight cost is 20% of the cost of its online sales, Nigrelli says.

"Freight has continued to rise for us, and it is definitely challenging our P&L," Nigrelli says. "We had to raise prices, unfortunately, and pass on some of the cost, not all of the cost, over to the consumer."

In addition to raising prices on its goods, Perry Ellis also increased its free shipping threshold over the past year to mitigate costs. Shoppers now receive free ground shipping for orders over $99, up from $75. That threshold drops to $50 for consumers in its loyalty program. This low-threshold perk has significantly increased the number of its shoppers who signed up for its loyalty program, Nigrelli says, without sharing more. For shoppers who don't meet the threshold, Perry Ellis also increased the cost to ship the product to $10.99 from $7.99 over the past year.

With buy online, pick up anywhere, shoppers can choose locations near them, such as Walgreens, Dollar General and FedEx to pick up their Perry Ellis order from. This is attractive for shoppers, Nigrelli says, because Perry Ellis doesn't charge a shipping fee for pickup orders. Plus, with only 30 of its own physical stores, many shoppers may not live near a Perry Ellis store.

Another advantage is that Perry Ellis doesn't incur the fee it would for shipping to a residential area, because the packages are going to a business. This fee varies by location but is at least $2.00 per shipment, according to vendor Via.Delivery, which is powering the buy online, pick up anywhere program. This residential fee also surges during the holiday season, so the savings will increase depending on the time of year.

Via.Delivery connects to more than 21,100 locations within 5 miles to 93% of the U.S. population, says Mitchell Nikitin, CEO and co-founder of Via.Delivery.

The vendor "piggybacks" off the existing package pickup framework that a number of retailers have already plugged into, Nikitin says. What Via.Delivery adds is the backend Application Programming Interface (API) technology for merchants to use, so these third-party locations appear to the shopper on the checkout page like any other shipping option. And then for the merchant, Via.Delivery provides the shipping label for the package and can send branded emails with the shipping updates to the consumer.

It took between three and six months to launch Via.Delivery, Nigrelli says. Perry Ellis did not pay a setup or integration fee to use Via.Delivery, he says. The retailer pays for each order it ships in this way.

"Not only is it a consumer benefit to help the customer experience, but based on Via.Delivery's network and its FedEx account, it's actually costing us less to ship it to a commercial location," Nigrelli says. "And we don't get charged the residential fee, so it becomes a win-win."

Via.Delivery has about 15 other retailer clients. Retailers can choose this model of paying just for the shipping labels or select a software-as-a-service model. The model can vary in annual costs, up to thousands of dollars, Nikitin says.

18% of online shoppers say they have placed an online order and had it shipped to a collection point other than the retailer's store for pickup, according to a Digital Commerce 360 and Bizrate Insights survey of 1,116 online shoppers in August 2022.

Nigrelli expects about 5% to 10% of its online orders will be buy online, pick up anywhere.

"It's just about convenience for the customer," Nigrelli says. "This is just an added convenience that's a lower cost to us."

Another benefit to buy online, pick up anywhere is that the packages are shipped to a secure location. Shoppers don't have to worry about a package being stolen or being home when their packages arrive. In a 2022 Via.Devliery survey of 1,000 customers, 33% of shoppers who chose to have their package shipped to a third-party retailer said they did so because of fear of theft, Nikitin says.

Every month, Perry Ellis' customer service team receives calls about missing packages. While this is only a small fraction of orders, offering this service will ease shoppers' minds. It creates a better customer experience in doing so, Nigrelli says.

"It's more of the mentality around the consumer that the potential is there and reliving that anxiety from them would be helpful," he says.

Perry Ellis is launching BOPIS as well. That also saves the retailer on shipping costs but comes with the benefit of potential additional purchases. Nigrelli expects about 3% to 5% of its online orders to be picked up in-store.

DIA & CO. USES TECHNOLOGY TO LAUNCH TRY-BEFORE-YOU-BUY FEATURE

"Fit is the No. 1 source of frustration for our customers," says Nadia Boujarwah, co-founder and CEO of Dia & Co.

The online apparel retailer offers women who are sizes 10 to 5X the ability to try on outfits before they buy. Because of this feature, it was crucial for Boujarwah to build the business around efficient returns.

In 2015, Dia & Co. launched as an apparel styling and subscription service as well as an online store. As an online-only destination, the retailer wanted to allow shoppers to try on items and send back returns without having to pay until they decide what to keep. The retailer knew it needed software that could work with

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the existing fulfillment, accounting and order management processes.

"I ran our own distribution center and built all of our own fulfillment technology so that we could be excellent at the reverse logistics piece of it," she says. "We had to be very good at getting those returns back."

In February 2021, Dia & Co. launched its "try-before-you buy" feature with software from vendor Blackcart, which also handles returns logistics. In three months, the average order value for "try before you buy" jumped 30% above a traditional purchase and has held steady since, Boujarwah says.

The AOV for customers who buy items outright tends to be just below $100, Boujarwah says. "Try-before-you-buy" customers' AOV hovers around $130. AOV fluctuates from month to month, but it tends to remain stable at about 30% more for try-before-you-buy-orders, she says.

"A great observation to us is [our customer] is willing to experiment at slightly higher price points when she has more flexibility to return things," Boujarwah says. She did not specify how much higher return rates are for try-before-you-buy customers.

Units per transaction (UPT) also increased 15% with the new software. UPT is a metric used to measure the average number of items customers purchase in a single transaction.

By building a positive returns experience, Boujarwah says the retailer's goal is for customers to become more familiar with the brands Dia & Co. sells. They will become more comfortable with sizing and return less over time, she says. Customers do not need to wait for a refund. They do have to attach a prepaid shipping label located in the original packaging to their local post office. Or customers can schedule a free pick-up from USPS.

Returns can be costly to retailers and inconvenient to shoppers. Fit, size or color were the reasons for 42% of all ecommerce returns, according to returns vendor Narvar's Consumer Study 2021: "The State of Returns: Finding What Fits," in October 2021 of 1,040 U.S. consumers. 58% of respondents said they use bracketing to try on clothes at home instead of in stores. Bracketing is when customers buy multiple items knowing they will return what doesn't fit. 72% of respondents said they used bracketing more in 2021 compared with 2020.

"Try before you buy" is Dia & Co.'s most used order payment type at checkout, Boujarwah says. She declined to share how much more popular it is, but bracketing allows shoppers to order styles in multiple sizes and return what doesn't fit without paying the full price up

front or having to wait to complete the returns process to receive a full refund.

For $20, shoppers can select seven items at a time. This includes multiple styles in different sizes to see what fits best. They keep what they want and return what they don't using the included return postage within five days. Customers redeem the $20 deposit toward the purchase of any items, or it is completely refunded if all items are returned. Shipping is included both ways.

Try-before-you-buy orders go through a similar checkout process as other online store orders. For try before you buy, Blackcart takes over charging customers for kept items, generating return labels and handling issues like fraud. It does not require a pre-authorization hold on the shopper's credit or debit card. A big part of the vendor's technology assesses the fraud risk during checkout and guarantees payment to Dia for orders Blackcart approved.

Boujarwah declined to disclose what the retailer pays for the service. Blackcart offers two plans for retailers. One for those earning less than $200,000 per month in online sales and another for retailers earning more than $200,000 per month.

According to Blackcart, pricing is similar for both plans and average around 3% of try-before-you-buy gross merchandise value (GMV). There are no subscriptions or setup fees. For merchants currently earning more than $200,000 in monthly sales, the vendor has some additional features to tailor integration and performance support from the vendor's merchant success team. It takes an average of 23 days to launch the software, according to Blackcart CEO Donny Ouyang.

Ouyang says return rates are on average 35% across all merchants it serves. Blended return rates moderately go up with try-before-you-buy and is expected, he says. But it is important to note the increase in sales after returns is about 10 times to 14 times higher than the net increase in return costs, Ouyang says.

Many stores have re-opened after COVID-19-related shutdowns. As a result, shoppers can shop in-store again. But that hasn't dissuaded Dia & Co. from focusing on its try-from-home option.

"When we think about the true value [proposition] of a customer going into a store for apparel, online beats stores for inventory availability and pricing transparency," Boujarwah says. "The stores really beat online in terms of the fitting room experience. That's the convenience of trying something on before having to shell out the money. The other key value proposition is discovery." **LV**

ONLINE MARKETPLACE MANAGEMENT

Retailers are looking to marketplaces to reach new customers. And U.S. marketplaces continue to grow. According to Digital Commerce 360 data, marketplace growth exceeded that of other forms of retail in 2021. The Top 100 U.S.-based marketplaces recorded 18.7% growth in total gross merchandise value (GMV) in 2021 to reach a record high of $917.79 billion, according to Digital Commerce 360 estimates.

In 2021, U.S. retail sales growth held fast at 14.4%, according to a Digital Commerce 360 analysis of U.S. Department of Commerce Data.

Total U.S. ecommerce sales growth rose 17.8%. In other words, marketplaces are outpacing total ecommerce growth.

In a sea of sellers — some of which have very big marketing budgets — it can seem daunting for smaller retailers to stand out. The pandemic prompted a lot of retailers to try their hands at selling on marketplaces to reach a wider audience. It's an arena more DTC retailers like Art of Tea are finding necessary to reach a new band of customers. Meanwhile, Bay Supply invests in its own homegrown marketplace to bring buyers and sellers together.

ART OF TEA USES SOFTWARE TO TRACK KEYWORD SEARCHES ON AMAZON

"We've got to meet customers where they are — and that's Amazon," says Hanna Houglum, vice president of online tea retailer Art of Tea.

But if you're a small- to medium-sized business, how do you stand out among a sea of competitors? How do you ensure your products pop up during a customer's search?

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These are questions Houglum addresses during her weekly meeting with Art of Tea's in-house Amazon account manager. The retailer hired one in 2021 specifically to manage marketing and selling through its Amazon store.

Art of Tea tracks keywords using Helium 10. The software helps the retailer track the cost per click (CPC), which is the price advertisers pay each time a consumer clicks on an ad. Houglum declined to say what it pays for the service. The vendor has multiple plans starting at $29 a month with some product and keyword data tracking. Prices increase to $84, $209, $399 and up, depending on a retailer's needs.

The retailer uses several tools to help its keyword searches in Amazon. It uses Magnet, an Amazon keyword planner, to find new keywords that it otherwise didn't realize were worthwhile. The Misspellinator tool within Helium 10 helps retailers target commonly misspelled keywords. It targets variations of misspelled key terms the brand should also be aware of.

"We'll notice month-over-month a shift in keyword popularity [on Helium 10]," Houglum says. "You can't just set your product descriptions on Amazon and think, 'It's OK, we're done.' It's a labor of love for every word. Everything is changing, and more and more brands come onto this marketplace every day."

Art of Tea also uses Camelcamelcamel to track minimum advertised price (MAP) violations. This is when an unauthorized seller is selling Art of Tea products for less than its MAP price.

"With this tool, we can track and see if there was an anomaly in our pricing that affected sales," Houglum says.

The retailer can check against how sales change based on pricing and adjust accordingly.

Art of Tea's DTC website runs using Shopify Plus. To offer customers a similar, easy, mobile shopping app experience like Amazon, it invested in Tapcart. Tapcart is a mobile commerce software that integrates with a retailer's existing Shopify website.

Beyond Amazon, Art of Tea also is selling on Walmart's marketplace. It plans to integrate its 10 best-selling SKUs on Walmart.com by the end of 2022.

BAY SUPPLY AUTOMATES PRODUCT DATA FOR ITS HOMEGROWN MARKETPLACE

Marketplaces aim to bring many buyers and sellers together. If they do, they provide value to both parties, as buyers can find lots of sellers in one place and sellers can offer their goods to many potential buyers.

But that's not enough to provide long-term value, says Michael Eichinger, chief operating officer at Bay Fastening Systems, a distributor of products that make things stick together, such as screws, bolts and adhesives.

"People want to make their jobs easy," Eichinger says. "The value proposition of a marketplace has to be more than just bringing buyers and sellers together. It has to help them work more efficiently."

That's what Bay Fastening Systems is attempting to do with its BaySupply.com marketplace that it launched in December 2021. The marketplace already offers many features designed to improve ordering efficiency, and more are on the way. And there's complexity every step of the way, Eichinger says.

For starters, BaySupply.com must import into its system information about all the products that its sellers — 120 distributors and 130 manufacturers, with more joining weekly — want to offer to the 45,000 buyers registered with the marketplace as of September 2022. That includes product attributes, SKU numbers, pricing (including tiered discounts for buying in quantity), available inventory and minimum order quantities.

Then, when a buyer asks for bids on an order, the request for quote goes out to all the sellers that can fulfill the order, and the system automatically populates information like the seller's price,

inventory on hand and minimum order size. That saves the buyer having to go to multiple websites and inputting all that data into spreadsheets, Eichinger says.

That quote-management system has gone through a half-dozen iterations, Eichinger says. A final version is due to be released in late 2022.

Another project underway will enable automated uploads of product data from sellers to BaySupply.com. That includes digital assets like images as well as price, product attribute data and inventory.

The project, called BayConnect, will allow sellers to automatically send data feeds from their internal systems, including their enterprise resource planning (ERP) accounting and inventory systems, product information management (PIM) software that tracks all the information about each product, website databases or electronic data interchange (EDI) pipelines.

"The only efficient way to onboard product long-term is to do automated connections," Eichinger says. BayConnect is due to go live in the first quarter of 2023.

BaySupply.com provides many other features designed to improve efficiency for sellers. For example, manufacturers can upload all their distributors to the platform and ensure that correct product information goes to each one's

listings on the platform. In addition, the supplier can designate which distributor is authorized to sell to customers in a particular geography so requests for quotes are routed to the correct seller.

The marketplace also must properly deal with a range of other requirements, including sales tax, regulatory compliance, order changes and cancellations. It has also built an online chat tool to facilitate communications between buyers and sellers.

"It's a monster of a task," Eichinger says. "Every week is a new challenge."

McFadyen Digital Inc. handles the development work for BaySupply.com, which is built on Magento software from Adobe Inc. McFayden Digital is an IT firm that specializes in ecommerce marketplaces.

It has taken a big investment to develop BaySupply.com. Eichinger says it will be five to eight years before the parent company gets that money back.

Part of the ROI will come from the 9% commission BaySupply.com takes on sales closed through the platform. In addition, there is a 2.9% payment-processing fee that goes to the bank that either handles the credit card transaction or extends a line of credit to the buyer.

But, Eichinger says, Bay Fastening Systems also benefits in other ways. The marketplace boosts awareness of the company and helps drive offline orders.

The key to success is offering convenience, he says. Surveys show B2B buyers prioritize convenience over price. A marketplace that makes it easy for buyers to get quotes from many sellers, find inventory that's available when it's needed, and complete transactions quickly makes life easier for procurement agents, Eichinger says.

And it will aid sellers, he adds, by avoiding a scenario where price is the only determining factor. Buyers often need products in a hurry. If they decide BaySupply.com is the place to quickly find available inventory, they'll start their buying journeys there. They'll then make decisions based on factors like availability, ease of getting quotes from multiple suppliers and automated approval workflows, as well as price.

Once many buyers and sellers participate in any digital marketplace, it becomes more valuable for all participants, creating the network effect that Eichinger sees as the key to success. He compares it to Uber and Airbnb, which now have so many buyers and sellers that they're convenient for buyers while providing big sales opportunities for the sellers.

"No one's going to remove Uber or Airbnb because they've created that network effect," Eichinger says. "That's the end game for any marketplace." **LV**

FRAUD ARTIFICIAL INTELLIGENCE

It's important to ensure that consumers are able to shop securely. Only 21% of consumers were content with sites being able to protect them from fraud according to a Digital Commerce 360 and Bizrate Insights survey of 1,107 online shoppers in October 2022. But what about protecting retailers from chargebacks and return fraud?

Learn how retailers like Timex Group USA, Nordstrom Inc. and TrueFacet LLC use artificial intelligence to screen for potential fraud. And

Bass Pro Shops found that with an increase in online orders came an influx of return-related fraud. The retailer uses software with artificial intelligence to highlight potential fraudulent transactions to reduce losses.

RETAILERS FIGHT AGAINST SOPHISTICATED FRAUD

When Kyle Vassallo joined Timex Group USA Inc. in 2017, the Connecticut-based watchmaker was facing a slew of fraudulent orders, and the

system to prevent ecommerce fraud was slow and cumbersome.

"It was a very manual process," Vassallo, the senior manager of global ecommerce operations, told Digital Commerce 360. Timex had only one employee dedicated to online fraud detection. "He would kind of go through and look at what he judged as possible fraud and then go through each order individually and look up addresses and basically cyberstalk, if you will, these orders by looking at people's phone numbers and email addresses."

"It was very time-consuming and at the scale that we were growing — 20% to 30% year over year — it just wasn't feasible for him to go through and evaluate these himself."

So Vassallo began searching for software that could prevent fraudulent transactions. After looking at several vendors, he chose ClearSale, a Brazil-based company that uses artificial intelligence to screen purchases for possible fraud.

"I think the selling point for us was really that they stand behind their chargebacks. Any order that does go through and we get dinged for a fraudulent order (by the credit card or other payment company), ClearSale takes that off our bill for the following month," Vassallo said.

A chargeback is when a merchant is forced to return money after a consumer disputes a purchase made using their credit card, claiming that it was fraudulent or made without their knowledge or permission. In a chargeback, the credit card company reverses the charge, reimburses the consumer, and debits the merchant's account.

ClearSale says it helped retailers avoid more than $55 million in fraud in the past 12 months by stopping more than 200,000 fraudulent transactions. The rate of fraud attempts varies widely across ecommerce categories.

ClearSale says it has seen fewer fraud attempts for Timex than for online stores that sell cellphones, perfumes, computers, cameras, or luxury clothes. But Timex faced more fraud attempts than online stores that sell beauty products and clothing/apparel.

Colin Sims knows how difficult it can be to stop fraud.

Sims was the chief operating officer at Delivery.com, which connects consumers to local merchants, from 2009 through 2016.

"That was an interesting time because fraud really took on a new form during that period. The face of fraud really changed," Sims told Digital Commerce 360.

Attacks were growing more frequent and more difficult to detect.

"We were an on-demand platform. And so, the amount of time we had to deal with fraud and the transaction funnel was almost zero," he said.

Sims started looking for a vendor who could do a better job of detecting fraud and do it faster, and he found Forter.

Today, he is Forter's chief commercial officer. He says he knows the pain that fraud and chargebacks can bring to retailers. And he knows that it's a losing game for a retailer to try to fight criminals on their own.

"Traditional systems are almost unanimously rules-based engines," Sims said. "So if you put yourself in the retailer's shoes, and all of a sudden you start experiencing fraud, your first temptation is to do your own pattern recognition.

You decide that orders from this place, with this value, and these characteristics tend to be fraudulent. But not all of them are, and you don't want to lose good orders. So, you create a rule in your system that flags those orders, and you want someone to basically eyeball them to see if this high-risk order should be passed. That's what I did. That's what most retailers did."

The result is a heavily manual process that tends to block good orders along with the fraudulent ones.

"What you realize is that people aren't really that good at reviewing orders. They are inconsistent, which is a big problem. Humans actually come up with a narrative very quickly, based on a small number of data points that may be right or may be wrong for any given order."

According to Sims, while the number of incidents of fraud is rising, the number of fraudsters is not.

"What you see is that the number of people out there that are actually committing fraud is relatively fixed. You know, these are professionals. This is what they do for a living. They're running literally a business in fraud," Sims said. "But they're migrating across different merchants. And so you see them focus on one retailer and then move over to another retailer. And so to each one of those retailers, it looks like fraud went up and then went down."

Among Forter's clients is Nordstrom Inc., No. 20 on the Digital Commerce 360 Top 1000.

"With Forter, we've seen year-over-year improvements with our chargeback performance to the tune of about 10%," Jim Gallagher, Nordstrom's vice president of customer care and fraud, said in a written statement. "Every single year, our chargeback performance positively is improving by about 10%. And that's with significant volume growth in the ecommerce space."

Merchants with a higher average ticket value were more likely to say they'd seen an increase in criminal fraud, according to a 2019 survey of 400 retailers in the United States and U.K. conducted by research firm Censuswide on behalf of Chargebacks911, which challenges chargebacks by payment processors on behalf

of its retail clients. Merchants with an average ticket value between $14 and $28 reported an increase of 18%. Those with an average ticket value between $211 to $350 said they'd seen an increase of 33%.

That's not a surprise to Raj Seecharran, CEO of TrueFacet LLC, an online marketplace of luxury watches and jewelry.

"Fraud prevention is always front of mind for us in the jewelry space; everyone is aware of it," Seecharran said. As soon as he and his partner acquired the business in 2013, "we knew we had to partner with someone in order to protect ourselves."

Seecharran chose Signifyd, which provides AI-based fraud prevention. The vendor offers a 100% guarantee on any chargeback that arises from an order it approves.

"It's our first line of defense," Seecharran said. "We do not approve or accept payments without a pass from Signifyd from every credit card transaction. On average, my order value is about $5,500 on credit cards. But I think we're at 100% success rate on orders approved by Signifyd, which is amazing."

HOW BASS PRO SHOPS FIGHT REFUND FRAUD

With dozens of Bass Pro Shops and Cabela's Inc. physical stores closed during the pandemic,

many of the retail chain's shoppers opted to return online orders directly through shipping carriers rather than returning them to the store, says Keith Thompson, senior manager for fraud and investigations at outdoor gear and sporting goods merchants Cabela's and Bass Pro Shops.

The pandemic-induced surge in online orders created a domino effect on most other business operations, from fulfillment to customer service. And the same is true for Thompson's fraud-prevention team and fraud-investigation team, which is the fraud team for both brands. With more online orders came more returns, and with more returns came more refunds. Thus, more refunds brought more refund fraud for both of its brands.

Bass Pro received an increased number of requests for refunds for orders shoppers said they did not receive. While Thompson knows many of these were legitimate requests, some of them were fraudulent, he says.

The majority of Bass Pro's refund requests — about 96%-97% of them — are from legitimate shoppers wanting their money back for a variety of reasons, such as a stolen package or they changed their mind about the purchase. However, about 3%-4% are flagged for being suspicious and roughly 1% are refund fraud, Thompson says. Bass Pro uses fraud prevention

software from Accertify Inc., owned by credit card company American Express, to help analyze the fraud risk for its purchases. Bass Pro has used Accertify since 2018.

Refund fraud comes in a few more flavors besides false claims of not receiving a product. For example, some customers abuse the retailer's policy by purchasing a product, using it, and then returning it to receive a refund, Thompson says.

The more sinister type of refund fraud is from criminals who purchase the product, request a return and refund, and return an empty box or a box of junk. Some criminals even recruit consumers to be a part of their operation. The criminals instruct the consumer accomplice on how the scam works — the consumer purchases a product, asks for a refund and the criminal returns an empty box — and both parties share the refund money while the consumer keeps the product.

Bass Pro keeps a close eye on certain products that are more likely to be targeted by criminals, such as high-value items like a thermal sight that costs more than $6,000, Thompson says. The merchant runs an analysis on merchandise that is generating refunds most frequently and looks into reasons why, such as if the product was damaged or of poor quality — and then passes on findings to its merchandising team.

But if a particular product is often being refunded because several shoppers claim they never received it, that could indicate organized fraud. The same products that criminals target for other types of fraud are the same as refund fraud, Thompson adds.

Another signal of refund fraud is the location of the order or the refund, as certain geographic areas tend to have higher rates of refund fraud than others. Thompson declined to be specific, but says major metro markets are where the retailer usually sees problems. Another location-related fraud signal is when a customer initiates a refund for a product that was delivered in one city, and the refund request is coming from another city.

Mismatching package weights is also a tip-off to refund fraud, Thompson says. Bass Pro knows the exact weight of all of its products. If a shopper orders 10 products and returns two, the retailer knows how much the return package with those two items should weigh. If the weight of the package does not match what Bass Pro expects, that's a tip-off the refund might be fraudulent, he says. In this case, Bass Pro can refuse to refund the purchase price, or, if it has already sent a credit, rescind the refund, Thompson says.

Accertify's machine-learning algorithm uses all these inputs to help assess the risk for an order, enabling Bass Pro to approve or deny the purchase, require another form of authentication, or take other steps, says Jeff Wixted, vice president of marketing and client solutions at Accertify. Wixted would not reveal the costs of Accertify.

Another step Bass Pro took last year was to begin requiring a signature upon delivery, which reduces customer non-receipt claims, only for certain products.

Prior to 2020, any online order of more than $1,000 required the customer to sign upon delivery. Now, instead of a blanket dollar threshold, Bass Pro can choose and continually update which products require a signature, such as ones that are often targets for refund fraud. For example, $1,000 worth of corn is a lot less likely to be a fraudulent purchase than a purchase for $1,000 binoculars, Thompson says.

Thousands of products require a signature, Thompson says, and the website informs shoppers either on the product detail page or in the shopping cart if a signature will be required. This lets shoppers know they will have to be home to receive their packages, and thus reduces any non-receipt claims. The signature requirement also deters criminals from placing an order on the product, he says. Shoppers claiming they didn't receive the product decreased 80% since implementing the dynamic signature, he says. **LV**

AFFILIATE MARKETING

Online retailers often use affiliate marketing to reach out to new shoppers via social media channels or popular publications. Influencers, online personalities, deals and coupon websites, among other channels, help marketers promote brands. Footwear startup Tronus LLC invested in technology to manage its online affiliate marketing program to monitor sales from influencers and keep tabs on commissions. It's another way online retailers can reach out to new shoppers and increase online sales.

SNEAKER RETAILER TRONUS KEEPS TRACK OF INFLUENCER-GENERATED COMMISSIONS

Tronus LLC is a small retailer with just five full-time employees that began selling its high-end, unisex sneakers in November 2020. It was founded by Santia Deck, a prominent female athlete — she was reportedly the first woman to win a multimillion-dollar football contract when she signed with the Women's Football League

DIGITAL RETAIL
COMMERCE 360

Association in 2020 — who has become an online celebrity with 889,000 Instagram followers.

As a small startup, Tronus needed help in getting out the word about its product. It launched a marketing campaign with online influencers who have social media followers of their own. It relies on technology to automate that campaign as well as to handle fulfillment.

Tronus began recruiting social media personalities to promote its sneakers, the prices of which start at $120 for children's footwear and $135 for adults. The younger consumers Tronus targets are more likely to respond to expert testimonials than to ads, says Cynthia Cureton-Robles, chief operating officer of Tronus and Santia Deck's mother.

"This Gen Z and millennial population can see through something that's not real," she says. "Having the brand ambassadors, it's like our shoes, it's coming from a real place. That is what helps us generate sales."

Tronus uses Refersion, which specializes in online affiliate marketing programs, to keep track of sales from influencers and calculate commissions. Each social media personality gets a unique code, and when a consumer makes a purchase on the Tronus online store after clicking on an influencer's link, Refersion tracks the commission the brand ambassador earns.

That commission varies based on the influencer's social media following, Cureton-Robles says. She says the Tronus program has three tiers, with the celebrities in the top tier earning the highest commission.

Through the Refersion program, brand ambassadors can sign in to see their sales and commissions. And Refersion handles payments to the influencers without Tronus intervention, Cureton-Robles says.

"We don't have to do a lot, other than monitoring and approving applications to be brand ambassadors," she says. "They create these reports, what is owed every ambassador, and they're paid at the end of the month." Tronus also uses a vendor to efficiently fulfill its orders and automatically communicate shipping status to customers. Orders placed on the Tronus ecommerce site go directly to Verte LLC, a fulfillment company and warehouse management software provider that generally ships out the product the same day, Cureton-Robles says.

Once a product ships, Verte automatically issues a tracking number, which goes through the Tronus store on the Shopify Inc. platform to the customer without manual intervention.

"That sounds very simple, right? But if you don't have that in place and you're dealing with this manually, humans make errors," Cureton-Robles

says. "We had lots of problems with our previous fulfillment center, probably due to the fact it was a manual process."

Results: While the brand ambassador program only began a few months ago, Cureton-Robles says it already accounts for between 10% and 20% of Tronus's sales. She declined to disclose company revenue. She says Tronus plans to put more emphasis on the brand ambassador program in 2022.

Refersion's starting price is $89 per month for tracking up to 130 conversions. The company negotiates pricing for brands with higher volumes.

Takeaway: For a brand like Tronus aiming to reach younger consumers, influencers can be effective, says Forrester Research principal analyst Kelsey Chickering.

"As brands look to build relationships with a younger audience, influencers are a smart way to get into Gen Z feeds," she says. She points to a 2021 Forrester survey in which the third most popular social activity that Gen Z consumers do weekly is following influencers, cited by 37% of respondents.

She adds that consumer brands are investing in influencer marketing and in related services. In a 2021 Forrester survey of 770 consumer marketers, 34% said they planned to use influencer marketing services in the coming year. And in a 2022 survey of 800 marketing executives, 43% said they planned to increase their influencer marketing spend.

A 2021 Digital Commerce 360 survey of 143 retailers also found that many recognize the value of influencer marketing, with 41% saying it helps build brand awareness. But some are still investigating this marketing strategy and others have found it lacking. 10% say they're using technology to find influencers that are a good fit for their brand.

Connecting with the right social media advocates is a key to success, Chickering says. "To build a successful influencer program, brands must invest in consistent, longer-term partnerships with influencers, versus one-off sponsorships," she says.

It's not surprising that marketing through social media celebrities and bloggers would catch on at a time when privacy regulations limit retailers' ability to find new customers through cookie-driven, targeted ads. After all, consumers voluntarily follow people on social media, so they've already given their permission for those influencers to communicate with them. Retailers are piggybacking on that permission to reach their target audience. **LV**

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CONCLUSION

Ecommerce options abound — so it behooves retailers to invest in technology to ensure a secure and straight-forward shopping experience.

To do that, retailers have grown comfortable using outside vendors to build up technology capabilities. 53% reported that vendor-related projects went as expected. 39% said the project went better than expected. Only a small portion reported that projects with vendors went poorly overall (4%) or haven't done any projects with outside vendors in the past year (4%).

Outside vendors proved to be on time most of the time (84%). 66% of respondents said projects were on or under budget and 29% said projects went over budget.

Retailers want vendors that will be responsive (55%) and use technology that is easy to use (54%) and fits easily with existing technologies (55%). References count as 48% of respondents look to success stories to bolster confidence in their investment.

Retailers want to automate where possible. It frees up time that can be put toward more complicated tasks. But it is important not to rush into implementing a stack of technologies. **LV**

Digital Commerce 360 staff contributed to the content of this report.

THINKING OF YOUR LAST PROJECT WITH A VENDOR OVER THE PAST YEAR, HOW DID IT GO?
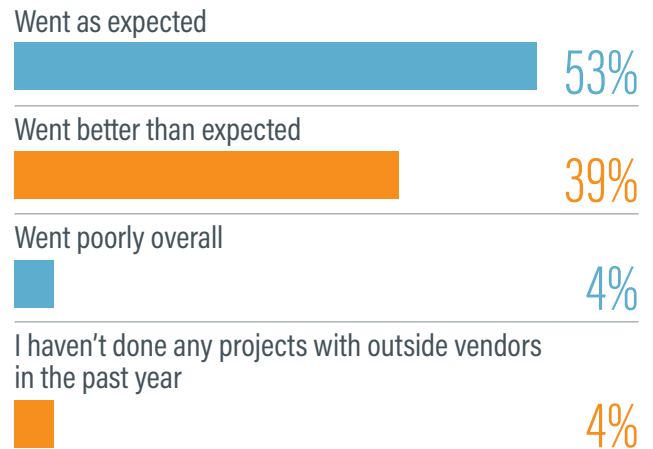
Went as expected
53%

Went better than expected
39%

Went poorly overall
4%

I haven't done any projects with outside vendors in the past year
4%

THINKING OF YOUR LAST PROJECT WITH A VENDOR OVER THE PAST YEAR, HOW DID IT GO IN TERMS OF TIMELINES AND BUDGET?

On time and on budget
49%

On time and over budget
21%

On time and under budget
14%

Later than planned and over budget
8%

No projects with outside vendors over the past year
5%

Later than planned and under budget
3%

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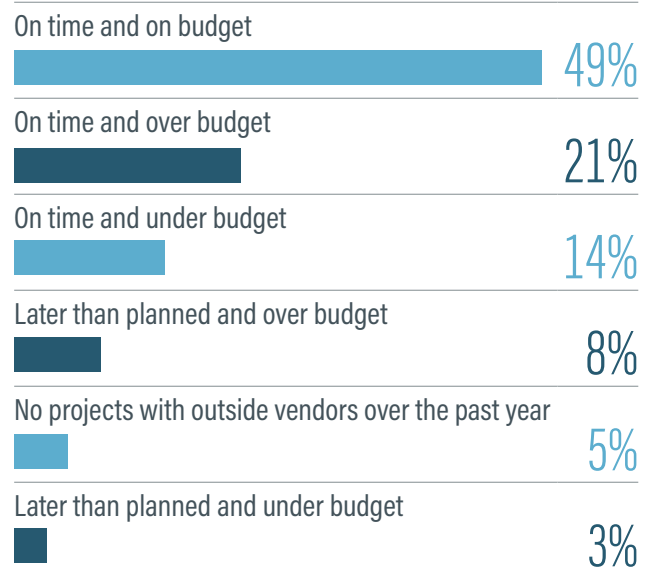
WHAT ARE THE MAIN THINGS YOU LOOK FOR WHEN CHOOSING WHICH VENDOR TO WORK WITH?

Select all that apply.

Category	Percentage
Responsive team	55%
Works well with my other technology systems	55%
Technology that is easy to implement and use	54%
Great references	48%
Guaranteed response times if something goes wrong	32%
A package that offers many features in one system	31%
Free trial period	30%
Willing to negotiate on contract terms	27%
Willing to negotiate on fee structure	26%
Low price	23%
Ability to stop service when wanted without incurring a fee	22%
Short contract terms	4%

Source: Digital Commerce 360 digital technology survey,

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2023 LEADING VENDORS TO THE TOP 1000

METHODOLOGY

The following pages identify the Leading Vendors to the Top 1000, a ranking of the ecommerce technology and service companies that the Top 1000 e-retailers in North America rely on the most.

To determine each vendor's ranking, Digital Commerce 360 compiled a list of clients each vendor serves among the retailers ranked in the 2022 Digital Commerce 360 Top 1000, totaling the number of clients across 24 categories. Rankings are based on the number of Top 1000 clients each company holds in each technology category and include both technology platforms and agencies. Only parent companies of retailers are included.

Digital Commerce 360 identifies merchants' technology providers by confirming them directly with retailers, through a third-party data source such as BuiltWith or Ghostery, or via the vendor.

Charts and rankings take into account consolidation among ecommerce technology providers, unless otherwise noted. Client counts for some vendors in the rankings include the services provided by companies they've acquired or merged with in recent years.

Full-page company profiles are paid for by advertisers and the rankings were compiled by Digital Commerce 360 researchers and editors. **LV**

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COMMERCE 360

AFFILIATE MARKETING

Affiliate marketing is one of the oldest online marketing strategies in ecommerce, but it can be one of the most effective, as it's easy to measure success and failure. Easier to measure than, for example, television commercials or billboards, where tracking an advertisement to a final sale is murky. Affiliate marketing, which means paying publishers to mention a brand and/or link back to its site, can be less risky than other forms of online advertising in terms of cost because most retailers arrange a cost-per-acquisition payment structure, where they only pay a publisher if the traffic from a particular ad drives a sale. Some retailers choose to operate their own affiliate networks and manage the multiple affiliate links to their site from blogs, forums or social channels, while others work with major affiliate network operators.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1   CJ Affiliate[1]

2   Partnerize

3   Rakuten

4   Impact.com

5   Awin Group

6   Gen3 Marketing

7   AvantLink

8   Acceleration Partners[2]

9   Assembly[3]

10 Sovrn

1. CJ Affiliate is owned by Publicis Groupe.   2. In 2021 Acceleration Partners acquired Streamline Marketing.
3. In 2021 ForwardPMX merged into Assembly.

PARTNERIZE

Partnerize

RANK IN CATEGORY 2

2022 TOP 1000 RETAIL CLIENTS 101

Partnerize helps marketers unlock the full growth potential of their partnerships. Partnerize supports marketers with a global partnership platform that automates the discovery, recruitment, activation and success measurement of your partner ecosystem without sacrificing brand safety. Partnerize is a global solutions provider for affiliate marketing and partner automation; its services include brand monitoring and compliance. Partnerize serves more than 1,750 enterprise and mid-market clients worldwide, driving more than $7B in transactions via their relationships with an ecosystem of 750,000+ partners, including 250,000+ influencers.

PRIMARY URL
Partnerize.com

YEAR LAUNCHED 2010

TOTAL 2022 TOP 1000 CLIENT WEB SALES
$44.07 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: **36**   Chain: **15**   Manufacturer: **48**   Direct Marketer: **2**

TOP 1000 CLIENTS BY WEB SALES

$40M or less: **0** $40-125M: **48** $125-500M: **41** $500M or more: **12**

KEY CLIENTS

Farfectch
Expedia
Adidas
Alo Yoga
Le Creuset
Go Pro

PRODUCTS & SERVICES

Fully integrated, comprehensive suite of discovery, recruitment, optimization, payment, brand safety and fraud prevention capabilities for marketers seeking a high transparency, scalable subsidy to alleviate pressure on their unit economics as a result of over dependence on primary sales and marketing channels.

Pricing: Flexible models including SaaS, performance and agency fee structures.

CORPORATE

555 E. North Lane, Suite 5045
Conshohocken, PA 19428

MANAGEMENT
Matt Gilbert, CEO
Maura Smith, CMO
Brent Frasier, SVP, Global Partnerships

Q&A

The affiliate channel offers scale
and automation while delivering
a strong return on ad spend

An executive conversation
with **Mandy O'Brien,**
vice president of customer
success, Partnerize

The pandemic, intelligent tracking prevention (ITP) updates, inflation and excess inventory, have created a high-stress, high-stakes situation for retailers. These events have served as a catalyst for retailers to expedite their decision-making around where, when and how they spend their precious ad dollars. Digital Commerce 360 recently spoke with Mandy O'Brien, vice president of customer success at Partnerize, about how affiliate marketing offers retailers a means to access their target audience through the power of partnerships while efficiently utilizing their marketing budget.

Why is affiliate marketing so important to a retailer's success in today's ecommerce climate?

The channel offers the necessary combination of scale and automation, delivering a solid 12-to-1 return on ad spend — a return that is hard to turn down. A recent report from the Performance Marketing Association and PwC estimates the affiliate marketing channel is now worth more than $9 billion a year thanks to its combination of diversification, compensation, influence and conversion.

Do the benefits of affiliate marketing need to be better understood?

A recent Commerce Next survey of 100 retail and brand executives indicated that those surveyed ranked affiliate marketing as the No. 2 acquisition channel anticipated to drive the best ROI and return on ad spend this holiday season. Despite that, the channel is only a mere 2.79% of digital ad spending in the U.S.

Regarding marketers' awareness and understanding of the affiliate channel, there are a few challenges, according to Forrester Consulting's research. Namely, executive-level marketers don't understand the affiliate channel, prioritize other channels they're comfortable using and have difficulty measuring channel performance. Therefore, marketers must become educated about affiliate marketing and the channel's benefits, especially in economic environments with greater pressure to deliver.

What should retailers do to enable a successful affiliate marketing channel?

In the wake of consumer behavior shifts and an unpredictable climate, marketers are shouldering more pressure to deliver a cohesive experience across the buyer journey — including achieving omnipresence and managing evolving privacy regulations, budget shifts, inflation and rising ad costs.

The partnership channel is emerging as the all-encompassing solution to these challenges. It provides marketers with scale, automation and outcome-based pricing that enables the critical operating leverage necessary to survive. But partnerships are seemingly complex and can easily become overwhelming without the right provider to navigate through the steps necessary to maximize the benefits of the channel.

How can retailers manage these complexities?

Partnerize's single-destination partnership lifecycle management platform, for example, helps solve this problem by providing marketers with a fully integrated, comprehensive suite of discovery, recruitment, optimization, payment, brand safety and fraud prevention capabilities — functionality critical to finding and converting target audiences at a controlled cost. The end-to-end partnership platform automates traditionally tedious tasks associated with partner management to help retailers find and convert their target audience at scale. In addition to offering an innovative partner technology platform, Partnerize also has a team of experts to help marketers achieve profitable growth from their partnerships.

While macro challenges like pandemics, inflation and recession fears seem daunting, the reality is that challenges like these will always present themselves. When it comes to marketing, the best, most efficient way out of any downturn isn't to cease but to continue investing in the right channels. By design, the affiliate channel uses a pay-for-performance model that combines scale and automation while delivering a strong return on ad spend.

Partnerize

A better way to partner.
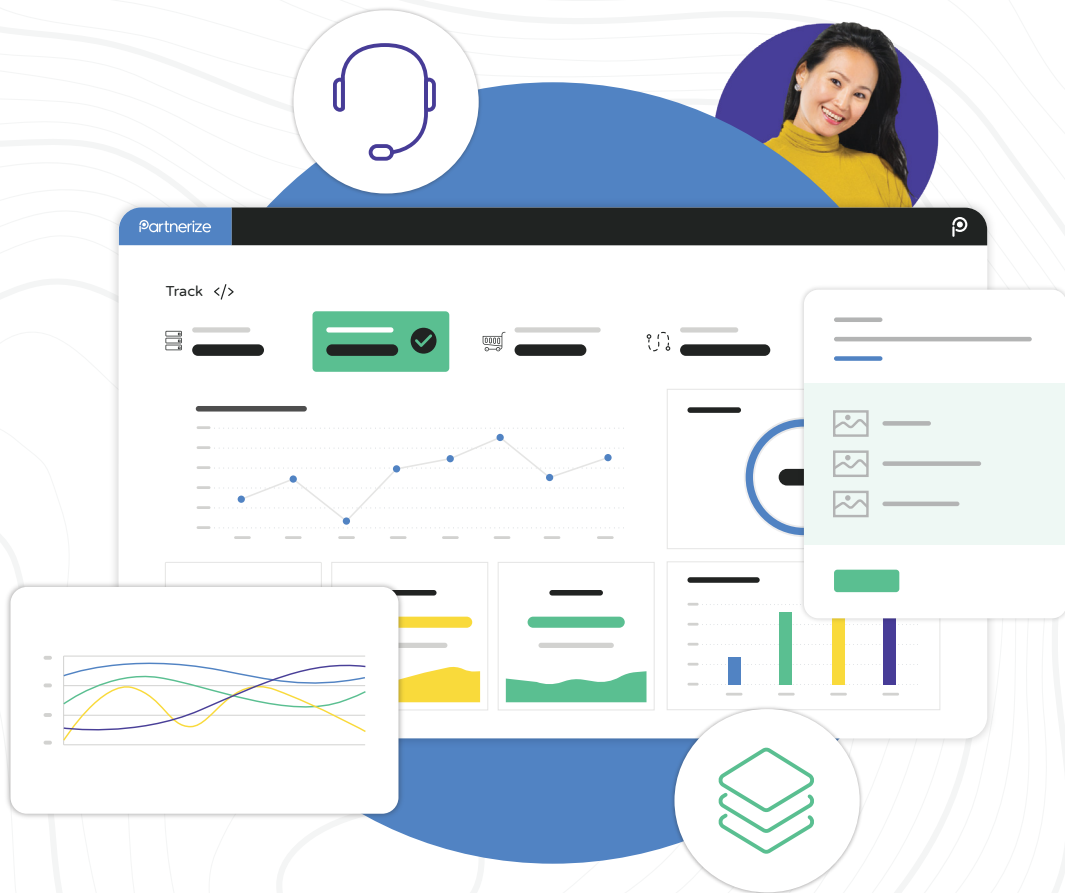
The only partnership software and expert service provider helping marketers drive profitable growth.

partnerize.com   contact@partnerize.com   @partnerize

IMPACT.COM

impact.com

RANK IN CATEGORY
4

2022 TOP 1000 RETAIL CLIENTS
81

Impact.com's platform allows retailers to refactor manual processes that were formerly managed through spreadsheets, emails and analyses. It replaces them with automated workflows, allowing retailers to focus on deepening relationships with their most important and promising partners to grow their program. Those can be ambassadors, publishers, social influencers, charities and nonprofits, B2B partners or other affiliates. Impact's automation helps retailers discover and recruit partners; contract and pay them; track and accurately attribute data; nurture partnerships at scale; protect and monitor from illegitimate partners; and optimize decision-making processes.

PRIMARY URL
Impact.com

YEAR LAUNCHED
2008

TOTAL 2022 TOP 1000 CLIENT WEB SALES
$186.15 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 27   Chain: 22   Manufacturer: 29   Direct Marketer: 3

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 25 $125-500M: 29 $500M or more: 27

KEY CLIENTS
eBay
Target
Walmart
Home Depot
Best Buy
Kroger

PRODUCTS & SERVICES
Partnership automation that allows customers to expand programs and scale every type of partnership, including affiliates, influencers, strategic business partners, mobile apps, publishers, and more.

Pricing: Pricing and fees vary.

CORPORATE
350 Fifth Ave., 36th floor
New York, NY 10118

MANAGEMENT
David A. Yovanno, CEO
Per Pettersen, Chief Strategy Officer/ Co-Founder
Cristy Garcia, CMO

Q&A

Automated affiliate marketing technology lets retailers grow while optimizing their marketing budgets

An executive conversation with **Christy Garcia,** chief marketing officer, Impact.com

Soaring inflation and supply chain disruptions are showing no signs of slowing. As a result, retailers must scrutinize their marketing budgets and stretch their advertising dollars more than ever. This means they're gravitating toward more risk-averse marketing channels. Digital Commerce 360 recently spoke with Christy Garcia, chief marketing officer at Impact, about how affiliate marketing lets retailers partner with various publishers across multiple touchpoints within the buyer's journey, allowing them to leverage their marketing budgets better.

Why is affiliate marketing so important to a retailer's success today?

Unlike traditional advertising, affiliate programs pay for results like a new sale, lead or subscriber. Whether they partner with coupon and cashback sites, create content with influencers, land editorial reviews in magazines, or use AI chatbots for onsite optimization — retailers have more control. They can scale quickly while working with a smaller budget.

How has affiliate marketing technology changed in recent years?

With recent technological advances, retailers can now discover and recruit partners, collect data throughout the path to purchase, automate affiliate validation processes and build bespoke campaigns for individual partners. Essentially retailers can control performance channels and manage numerous partnerships, all within a single platform. With the continued rise of automation and machine learning, teams can virtually eliminate manual processes. That spares resources and allows for a high-level focus on nurturing relationships that lead to long-term revenue growth or finding new, different types of partners to reach new audiences.

What are retailers' biggest affiliate marketing challenges?

One of the initial hurdles retailers face is finding the right partners for their programs. They want complementary brands, influencers, creators and media publishers to ensure they get the right audience match without spending too much time on manual processes. Another obstacle is knowing what commission to pay their many different publisher partners. Tiered commissions, payout schedules and reward programs are crucial for successful partnerships and continued growth.

Building long-lasting, reciprocal relationships with partners leads to scalable programs, so the programs goals must align. The best partnerships begin with a plan, usually influence or cater to similar audiences, and make sense.

What strategies will help them overcome challenges?

The key to success is focusing on a long-term strategy. It's easy to go after quick wins when the market isn't in your favor — which typically means allocating a good deal of marketing budget to paid advertising. Retailers can't control or even predict the future of advertising. But they can control their partnership programs.

No matter how much the economy changes, the standards for affiliate marketing remain the same. Pay your partners based on performance. Invest in the relationships you build with partners by offering rewards, engaging often, and educating them on your products and services. Get this right, and your affiliate program will survive any market.

How is technology helping retailers create robust affiliate marketing programs?

Affiliate platforms are constantly innovating and growing with the business. A smaller ecommerce merchant may need to start with just a few partners, but as they begin to see success and look to grow, the platform opens more opportunities. When they're ready, the necessary features to scale are available. Additionally, AI is granting marketers access to rich data about their customers — allowing retailers to create a personalized customer journey by analyzing first-party data. And retailers can build cross-border affiliate programs in previously inaccessible regions.

All affiliate partnerships go through the same partnership lifecycle. With an automation platform, these processes become more efficient and convenient. The impact.com platform, for example, automates every step — including discovering and recruiting new partners to track, optimization and payments.

impact.com

![impact.com logo](impact .com)

That's the increase in revenue

$162 million

when companies fully embrace automating and maturing their influencer, affiliate, and other partnership programs, according to Forrester Consulting. In fact, growth for these companies outpaces lower maturity partnership programs by 2.3X. Are you missing out on optimizing the channel that drives 30% of some retailers' revenue?

impact.com's partnership management platform — make that **$162 million difference**.

GET STARTED

CHANNEL MANAGEMENT

■ Indicates a ranking tie

A channel management engine can be an obvious place for a retailer to list its products, as these sites largely draw a motivated buyer. Shoppers perusing these sites know what they want, and they often will come here to compare prices. That's why it makes sense to have as accurate and updated information on products as possible on these sites. Many retailers choose to manage their own data feeds to these sites — uploading images, pricing, product details, reviews, etc. — while others choose to work with a vendor that can manage these feeds on retailers' behalf. In addition, selling on online marketplaces is becoming a bigger part of retailers' ecommerce strategies. Many retailers who sell on these channels often do so on multiple marketplaces rather than on just one platform. While there are benefits to diversifying channels, this strategy can be complex when managing different inventory, sales and advertising requirements on different marketplaces. Channel management helps retailers and brands manage marketplace sales with such features as adjusting product pricing, SKUs and fulfillment on marketplaces via one dashboard. This enables sellers to view their entire marketplace portfolio in one spot.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1	ChannelAdvisor	**channeladvisor®** a CommerceHub company
2	CommerceHub	
3	1WorldSync	
4	Assembly[1]	
5	Logicbroker	
6	MerchantAdvantage	
7	Merkle[2]	
8	Vendio[3]	
8	ROI Revolution	
10	iProspect[4]	
10	Tinuiti	

1. In 2021 ForwardPMX merged into Assembly. 2. Merkle is owned by Dentsu International and in 2021 acquired LiveArea. 3. In 2021 Vendio acquired SingleFeed. 4. iProspect is owned by Dentsu International.

DIGITAL RETAIL
COMMERCE 360

CHANNELADVISOR

RANK IN CATEGORY 1

channeladvisor®
a CommerceHub company

2022 TOP 1000 RETAIL CLIENTS 144

ChannelAdvisor provides cloud-based ecommerce software. ChannelAdvisor offers one streamlined solution to guide marketing, selling and fulfilling activities. Its comprehensive ecommerce platform collects product data once, and then relies on that single feed to optimize performance across hundreds of channels. As orders and performance information flow back through the ChannelAdvisor system, results are measured and broken down to help companies make better decisions. For more than two decades, ChannelAdvisor has helped brands and retailers worldwide improve their online performance by expanding sales channels, connecting with consumers around the world, optimizing their operations for peak performance, and providing actionable analytics to improve competitiveness. Thousands of customers depend on ChannelAdvisor to securely power their sales and optimize fulfillment on channels such as Amazon, eBay, Facebook, Google, Walmart, and more.

PRIMARY URL

ChannelAdvisor.com

YEAR LAUNCHED 2001

TOTAL 2022 TOP 1000 CLIENT WEB SALES $185.60 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 61   Chain: 32   Manufacturer: 42   Direct Marketer: 9

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 1 $40-125M: 42 $125-500M: 62 $500M or more: 39

KEY CLIENTS

REI
Party City
Pure Formulas
Kitchenaid
Clarins
Fossil

PRODUCTS & SERVICES

Multichannel commerce solution for brands and retailers that helps streamline ecommerce operations, expand to new channels and grow sales, all from a centralized platform.
Pricing: Subscription-based.

CORPORATE

3026 Carrington Mill Blvd., Suite 500
Morrisville, NC 27560
866-264-8594

MANAGEMENT
Bryan Dove, CEO
Pete Elmgren, CRO

Q&A

A multichannel approach is critical for reaching consumers and growing revenue

An executive conversation with **Mike Shapaker** chief marketing officer, ChannelAdvisor

While ecommerce exploded over the past few years, uncertainty and economic headwinds are now tempering growth expectations. But, according to an annual survey conducted by ChannelAdvisor, consumers are still discovering products across a diverse range of channels — including brand sites, retail sites, marketplaces, advertising and social media. That means it's more important than ever that retailers meet consumers where they discover and buy products. To discuss how channel management helps retailers do that at scale, Digital Commerce 360 spoke with Mike Shapaker, chief marketing officer at ChannelAdvisor.

How has channel management technology changed in recent years?

In the early days, channel management technology largely consisted of point solutions designed to connect to a specific channel and manage the limited capabilities needed to sell on those channels.

Today, as the channels have increased in complexity, multichannel commerce platforms can help manage marketplace listings, dropship programs, product content, pricing, advertising and orders across many channels from a single interface. This centralized approach increases efficiency and provides actionable insights to improve sales performance and ROI.

How does channel management impact customer experience?

As a customer, it's frustrating when you can't find where to purchase a product you're looking for, when a product is out of stock at your favorite retailer or marketplace, or when the product information is incomplete or incorrect, among other things. Channel management technology can help brands solve all of these problems to make the consumer buying experience easier.

What are retailers' biggest challenges around channel management?

It's easy to say you need to meet your customers where they are or risk losing them to competitors. However, there is a lot to manage to make this a reality. Each marketplace, dropship and advertising channel have different requirements for product data and integration. And just being connected isn't enough. You need to optimize product content to appear in search results, monitor how your brand appears, advertise to stand out from the crowd and seamlessly integrate fulfillment operations while hitting ROI targets.

What strategies should they implement to stay in front of trends and overcome challenges?

Retailers need to design their systems to enable agile ecommerce — the ability to try new things, see what works and optimize for success. Retailers should ask themselves what channels best fit for their brand and product lines. They should understand how they can manage pricing and advertising better. A multichannel platform can manage the data to help answer these questions and allow retailers to grow by trying new channels and optimizing the ones they're on.

What role does technology play in channel management?

A multichannel commerce platform connects brands and retailers to hundreds of channels — including marketplaces, retail dropship programs, web stores, advertising and social sites, and fulfillment partners. ChannelAdvisor's platform, for example, provides the capabilities necessary to merchandise products effectively, advertise, manage orders, keep an eye on the competition, and optimize results through sophisticated analytics and automation. This makes it easier to experiment and practice agile ecommerce.

Retailers should understand that a multichannel approach is key for reaching consumers and growing revenue. It's complex to manage all the different requirements across many channels. A multichannel commerce platform — such as ChannelAdvisor's — helps solve these challenges at scale and can enable agile ecommerce.

channeladvisor®
a CommerceHub company

The Complete Multichannel Commerce Solution for Brands and Retailers

Streamline your e-commerce operations, expand to new channels and grow sales — all from a centralized platform.

One Platform. Endless Possibilities

Since 2001, ChannelAdvisor has been the industry's most trusted e-commerce solution. Need help managing multiple marketplaces? Syndicating clean product data? Navigating first party channels? Optimizing retail media spend? Making your digital campaigns shoppable? Analyzing and improving your digital shelf? We've got you covered.

Named the #1 Channel Management Provider by Digital Commerce 360 since 2013

Schedule a demo and see how we can help you expand your e-commerce business. **Visit channeladvisor.com/DC360**

channeladvisor®
a CommerceHub company

CONTENT DELIVERY NETWORK

■ Indicates a ranking tie

Content delivery networks intend to speed up websites and improve overall performance by strategically locating groups of computer servers around the world to deliver content to website visitors from the closest service. In addition to reducing latency, content delivery networks can improve applications' performance by reducing the need for the application to continually compete for resources on the fly. Many ecommerce applications come with a content delivery network solution, or they can be purchased separately.

1 Amazon Web Services

2 Akamai

3 Cloudflare

4 Salesforce

5 Edgio[1]

6 Rackspace

7 Fastly

8 Cloudinary

9 Adobe

9 Microsoft

1. In 2022 Limelight Networks and Verizon Media/Edgecast merged to form Edgio..

DIGITAL RETAIL
COMMERCE 360

CONTENT MANAGEMENT SYSTEMS

▌ Indicates a ranking tie

Content management systems are software applications that help create and manage digital content. In online retail, many ecommerce platform systems have built-in content management tools or offer separate tie-ins from an ecommerce platform to a content management system. Some content management providers allow retailers to manage their web and mobile apps, sites and marketing campaigns from one location to ensure that product information, blogs and other content adapts to the consumer, whether the shopper is on a desktop, tablet or smartphone.

1	1WorldSync
2	Oracle
3	Adobe
4	Oracle NetSuite[1]
5	WordPress
6	Nativo
7	HP
8	Bloomreach
8	Guidance
8	Contentful
8	Sitecore

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently.

CUSTOMER RELATIONSHIP MANAGEMENT

■ Indicates a ranking tie

Even as customer relationship management (CRM) tools become more central to many industries' successes, some retailers are content to employ the most basic version they find. CRMs are useful, not just because they simplify keeping track of customers and sales, but because of their versatility and customizability. Most existing platforms offer the ability to integrate with other tools that can upgrade and augment existing business processes. The top CRM suites include tools designed to enhance functions and cover important gaps in retailers' operations. Connecting an organization's CRM to communication tools — such as email clients, Voice over IP systems (VoIP) and even messaging applications — can help retailers properly record new lead information and handle their initial contact with an organization. Connecting a CRM to a business intelligence system, meanwhile, can offer a useful data stream that can convert data into better insights.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1	Oracle NetSuite[1]
2	Oracle
3	Salesforce
4	Talkable
5	Friendbuy
5	HubSpot
7	Zeta
7	Zendesk
9	Acxiom
9	Epicor
9	Microsoft

DIGITAL RETAIL
COMMERCE 360

1. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently.

CUSTOMER RATINGS & REVIEWS

■ Indicates a ranking tie

Ratings and reviews can help inform a retailer's business and product decisions. Retailers can harness feedback data to ensure customers are satisfied and improve upon any issues. Vendors can enable retailers to have a ratings and reviews platform on their product detail pages with comments, as well as photos, to better inform both the retailer and other customers who are shopping for the same, or similar, products. Retailers can also use social media posts to gather customer feedback and data about products.

1	Bazaarvoice
2	Bizrate Insights
3	Trustpilot
4	Pixlee TurnTo
4	PowerReviews
6	Yotpo
7	Verint
7	Google
9	ResellerRatings
10	Shopper Approved[1]

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Shopper Approved is owned by Trust Brands.

DIGITAL RETAIL
COMMERCE 360

CUSTOMER SERVICE SOFTWARE & SUPPORT

Ecommerce customer service software providers seek to make it easier for online retailers to interact with their customers, shift gears to meet changes in consumer demand and solve problems for consumers. In addition to software, these vendors provide data that merchants can use to better understand their customers and anticipate their needs, or the means to collect such data on their own. Retailers care about these things because customers care about them. Live chat and click-to-call vendors provide software and services to help merchants communicate with their customers and/or create self-service and other agent-assisted help channels, such as email, messaging and social media. This can include chatbots — interactive software that uses artificial intelligence to simulate human conversation.

1 Zendesk

2 Narvar

3 LivePerson

4 LiveChat

5 Oracle

6 Genesys[1]

7 Olark

8 Verint

9 Nice[2]

10 SnapEngage[3]

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. In 2021 Genesys acquired Bold360. 2. In 2021 Nice acquired GoMoxie. 3. SnapEngage is owned by TeamSupport.

■ Indicates a ranking tie

ECOMMERCE PLATFORM

Ecommerce platforms are technology tools that enable online merchants to create customer-facing websites for selling products and services. They are the digital welcome mats for shoppers and the backbones of an online retail operation. Ecommerce platforms enable retailers to build a website and brand via tools and technology they could otherwise not build in-house, such as providing checkout and payment processing services, website layouts and themes, marketing tools to promote products and a full content management system, depending on the provider.

1 Adobe

2 Oracle

3 Salesforce

4 Shopify

5 BigCommerce

6 VTEX

7 Oracle NetSuite[1]

8 Kibo

9 osCommerce

10 Microsoft

10 WooCommerce

10 Guidance

10 Volusion

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently.

BIGCOMMERCE

RANK IN CATEGORY

5

BIGCOMMERCE

2022 TOP 1000 RETAIL CLIENTS

19

BigCommerce helps retailers expand into global markets with its "Open SaaS" scalable ecommerce platform. It handles maintenance, hosting, security, updates, and compliance for retailers so they can lower total cost of ownership and focus on innovation. BigCommerce's ecommerce expertise helps retailers find optimal solutions for their businesses and provides support at all steps along the way — whether the retailer uses an in-house development team or brings in an agency partner. It works in B2C as well as B2B ecommerce across all segments, from small- and medium-sized businesses to enterprise merchants. BigCommerce also works in all verticals, with particular strength in apparel/accessories, home/garden/furniture, automotive, food/beverage, sporting goods, and digital goods.

PRIMARY URL

BigCommerce.com

YEAR LAUNCHED 2009

TOTAL 2022 TOP 1000 CLIENT WEB SALES

$1.52 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 12   Chain: 0   Manufacturer: 7   Direct Marketer: 0

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 18 $125-500M: 1 $500M or more: 0

KEY CLIENTS

Ted Baker
Solo Stove
Ollie
Thermoworks
Black Diamond Equipment
Uplift Desk

PRODUCTS & SERVICES

Flexibility, scalability for the global shift to online purchasing, agility to protect and grow more sales, essential back office integrations, no proprietary limitations.
Pricing: Flexible model.

CORPORATE

11305 Four Points Drive
Austin, TX 78726
512-865-4500

MANAGEMENT
Brent Bellm, CEO
Robert Alvarez, CFO
Lisa Eggerton, CMO

Q&A

Localizing the shopping experience is key to international ecommerce success

An executive conversation with **Marc Ostryniec,** chief sales officer, BigCommerce

Consumers worldwide have varying needs and priorities when shopping online. Not only is the origin of the buyer journey different for each customer, but there are also new and interesting places where buyers engage with brands. For retailers today, expanding into global markets may be a prime opportunity for growth. To discuss how the right ecommerce platform capabilities and the flexibility to localize the shopping experience for international customers will help retailers grow post-pandemic, Digital Commerce 360 spoke with Marc Ostryniec, chief sales officer at BigCommerce.

How have international ecommerce services changed in recent years?

More customers around the world are shopping online than ever before. Even though the astronomical growth in online sales due to COVID-19 has slowed, research shows that ecommerce and cross-border sales have continued to climb steadily. There has never been a better time for merchants to take advantage of new technologies, partners and channels to remove friction from buyers and unlock their products into new markets.

What are retailers' biggest challenges around international ecommerce?

Cross-border commerce isn't just about merchandising. It requires retailers to have clear payment, shipping, tax and fulfillment strategies. Localizing an experience can get you into a market. Still, the key to success sits with coverage for traditional payment methods (credit and debit cards) and alternative payment methods (APMs).

In many countries, APM transactions outnumber card-not-present transactions, adding considerable complexity to the retailer's infrastructure due to multiple storefronts having different settings and integrations for payments, shipping and tax.

Fulfillment is also a challenge. Despite the many shipping partners that offer direct international fulfillment at reasonable rates, there's no substitute for local warehouses that deliver orders quickly and provide easy return options. So, scaling internationally often requires significant investment and a deep understanding of the local market to building the optimal shopping experience that includes localized content, catalogs, payment options, pricing and more.

What strategies should they implement to overcome challenges?

Retailers must have strategies and tools that enable ecommerce experiences tailored to each local market. Quickly launching a site or expanding to new channels is critical for testing and learning. However, retailers need an ecommerce platform built for growth that makes it easy for marketers to execute without always relying on a development team.

A modern enterprise ecommerce platform should be open and extensible. It should include multi-storefront functionality to enable multiple localized storefronts to be managed from a single backend to simplify management.

Enterprises should also explore modern composable commerce technology. Such software allows a CRM and merchandising platform to drive the entire front-end shopping and the checkout experience. This approach enables merchants to invest in specific, best-in-breed capabilities for the areas of their online shopping experience they plan to differentiate while utilizing out-of-box ecommerce capabilities to cover the rest.

What international ecommerce services benefit retailers most?

Retailers expanding into global markets need an open and scalable ecommerce platform. BigCommerce's "Open SaaS" platform lets you bring together the best of both worlds — the flexibility and openness to create the differentiated experiences that link your brand to customers, while reaping the financial and operating benefits of a lower total cost-of-ownership SaaS solution. Our API-first architecture gives businesses freedom and flexibility. Essential commerce components are available out of the box, and the extensibility allows retailers to innovate and tailor the platform to their specific needs.

For retailers looking to grow, selling internationally can be an excellent opportunity. But they must deliver the same high-quality, personalized experiences shoppers have come to expect — localized, fit for purpose and intentionally omnichannel. They need a platform built for growth with the right capabilities, scale and prebuilt integrations to accomplish this.

BIGCOMMERCE

BIGCOMMERCE

THE WORLD'S MOST MODERN ENTERPRISE ECOMMERCE PLATFORM

BigCommerce empowers brands to create cutting-edge online shopping experiences. We're the flexible platform — and trusted partner — that scales with you.

solo stove   Skullcandy   TED BAKER LONDON   BURROW   UPLIFT DESK   LA PERLA

Enterprise ecommerce that's built to fit your business — not the other way around.

▲ **Modern flexibility.**
Freedom to build your way with our API-first open architecture that enables endless opportunities for customizing the shopping experience.

▲ **A trusted team of experts.**
Count on our expertise — ecommerce is all we do. As your partner, BigCommerce offers personalized service that molds to your needs.

▲ **Built for enterprise scale.**
Quickly and easily test new strategies, expand channels, launch products and optimize conversion — all without compromising platform performance.

▲ **Low maintenance, high efficiency.**
BigCommerce takes care of platform updates, security patches, hosting and more (i.e. ISO 27001 Certified, Sitewide HTTPS, PCI DSS, GDPR, and CCPA compliant).

▲

"While we were innovating, BigCommerce was innovating with us. For Solo Stove, BigCommerce has been a trusted partner that's helped us to scale and drive enterprise-level digital commerce."

JOHN MERRIS, CEO
SOLO STOVE

See why leading analysts have made us one of the world's most acclaimed ecommerce platforms.

www.bigcommerce.com

BIGCOMMERCE

FULFILLMENT SERVICES

Responding to the precedents that ecommerce powerhouses such as Amazon and Walmart set, retailers are working hard to meet consumers' expectations for merchants to deliver products quickly and efficiently. Vendors that offer fulfillment services can help merchants meet shoppers' demands. Some vendors will house inventory for retailers, as well as handle the entire supply chain of fulfilling products all the way to delivering them to the customer's doorstep. Some fulfillment vendors provide retailers with the necessary technologies — such as conveyor belts, robotics or picking services — to enhance their own warehouse operations.

Indicates a ranking tie

1 Radial[1]

2 Pitney Bowes

3 Saddle Creek Logistics Services

4 UPS

4 Amazon Web Services

6 Vargo

7 GEODIS

7 PFS

9 Bastian Solutions[2]

9 ID Logistics

9 Dotcom Distribution

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Radial is owned by bpostgroup.
2. Bastian Solutions is owned by Toyota Advanced Logistics.

DIGITAL RETAIL
COMMERCE 360

─ SADDLE CREEK LOGISTICS SERVICES ─

RANK IN CATEGORY

3

Saddle Creek LOGISTICS SERVICES

2022 TOP 1000 RETAIL CLIENTS

6

Saddle Creek is a third-party logistics provider that designs omnichannel supply chain solutions for retailers and brands. The company offers order fulfillment, warehousing and transportation services as stand-alone offerings or as part of an integrated logistics solution. Clients have access to a nationwide network of 54 strategic fulfillment locations totaling more than 31 million square feet. It uses state-of-the-art automation and robotics, including autonomous mobile robots and goods-to-person robots, to help increase productivity, reduce labor dependency and accommodate fluctuations in order volume. Customers also have access to a full range of transportation capabilities, including a large private fleet, brokerage services and parcel shipping solutions. Saddle Creek also offers robust systems for advanced visibility and order processing; scalable resources to handle seasonal or promotional fluctuations; value-added services such as kitting and engraving; the ability to pick, pack, and ship orders B2B or B2C or through marketplace sites; and same-day shipping.

PRIMARY URL

SCLogistics.com

YEAR LAUNCHED

1966

TOTAL 2022 TOP 1000 CLIENT WEB SALES

$11.84 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 2   Chain: 2   Manufacturer: 2   Direct Marketer: 0

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 3 $125-500M: 1 $500M or more: 2

KEY CLIENTS

IPSY
Ariat International
Lovesac
The Clorox Co.
Rack Room Shoes
Human[n]

PRODUCTS & SERVICES

Omnichannel logistics services including order fulfillment, warehousing and transportation as well as value-added services (i.e., packaging, kitting, labeling, embroidery and engraving).

Pricing: Pricing and fees vary.

CORPORATE

3010 Saddle Creek Road
Lakeland, FL 33801
863-665-0966

MANAGEMENT

Mark Cabrera, CEO
Eric Newman, CFO
Kristen Lowers, CIO

Q&A

Driving a stronger relationship
with your 3PL

An executive conversation
with **Duane Sizemore,**
senior vice president of
business development,
Saddle Creek Logistics Services

As ecommerce continues to grow and evolve, many retailers and brands are looking to third-party logistics providers (3PLs) for support. In a recent conversation with Digital Commerce 360, Duane Sizemore, senior vice president of business development at Saddle Creek, shares tips for getting the most out of the relationship.

What are some characteristics of a healthy relationship with a 3PL?

Retailers and brands are recognizing the need for more strategic, collaborative relationships with their 3PLs.

To provide effective solutions, a 3PL needs to have detailed knowledge of its client's business, understand goals and challenges, and perceive how the business is changing and growing. In the most effective relationships, a 3PL has a seat at the strategic table with the retailer.

It's critical to share information openly and honestly. Transparency is a two-way street. Both the retailer and 3PL need to clearly understand the value that each party brings to the table.

Good communication is also essential. Clarify specific requirements such as product deliverable specifications, storage needs and operational variances up front — and along the way — as forecasts change or the business evolves. Keep lines of communication open at all levels and schedule regular check-ins and business reviews.

How is technology impacting the relationship between retailers and 3PLs?

As technology advances at warp speed, you must take a strategic approach and rely on data to determine the best technologies for every business case.

Implementing technologies such as AI, visibility and data analytics requires that 3PLs and retailers work together more closely. Both parties need to share information and data openly and honestly to ensure everyone is on the same page and working effectively.

You also need to have the right processes, systems and business intelligence tools in place to capture and interpret that data and integrate it seamlessly. And you can't overlook the organizational infrastructure necessary to put these technologies in play.

Will technology always be a key competitive differentiator?

3PLs will always need to keep upgrading capabilities and investing in new and emerging technologies — especially since the labor shortage is likely to continue challenging our industry for the foreseeable future.

It's important to keep advancing capabilities to increase productivity and supplement the workforce. Technology can also help to improve the work environment — and that helps to achieve recruiting and retention benefits.

All that said, advanced technology is not a silver bullet. You need to apply it strategically based on data and business needs. It's always best to start by looking for the simplest, lowest-cost way to meet service expectations. Then, add complexity as necessary.

In what other ways can a 3PL add value?

Of course, you must exceed expectations for the day-in-day-out service — providing an outstanding customer experience. That's table stakes.

3PLs with a shared-space environment can deliver significant value because they can flex to support clients' growth and business fluctuations. Having an established distribution network in strategic locations is also helpful in this regard.

A 3PL may also invest in resources necessary to take a client's business to the next level – adding a facility in a strategic location or investing in a specific technology. Often, this involves making longer-term commitments.

It's also important to offer new ideas for improving operations and controlling costs. If you have a well-established, continuous improvement program and routinely incorporate lean practices, those fresh ideas can happen much more frequently and intentionally.

It's exciting to see the success retailers can achieve when they form strategic partnerships with 3PLs.

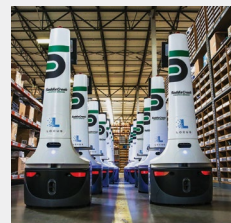**Saddle Creek**
LOGISTICS SERVICES

Outgrowing your fulfillment operations?

If your fulfillment operations keep coming up short due to growth or fluctuations, we can help. With scalable space and staffing, proven processes, flexible shipping, and robust automation and robotics, we'll tailor a solution that fits your needs – today and beyond.

Come grow with us. Contact us today.

Click here to see how our robots increased productivity by 2X+

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Saddle Creek
LOGISTICS SERVICES

FULFILLMENT SOFTWARE

■ Indicates a ranking tie

Fulfillment software vendors can help retailers manage their fulfillment operations much more efficiently. For example, some fulfillment software can give retailers a single view of inventory across stores and ecommerce, help retailers offer store returns for online purchases or help retailers manage multiple delivery options including buy online, pick up in store. Those services can also include ways to help merchants find the most cost-effective route to fulfill an order, such as shipping an online order from a store that is closer to a consumer's home.

1	Narvar
2	e2open[1]
3	Manhattan Associates
4	Blue Yonder[2]
5	CommerceHub
6	project44[3]
7	Oracle
7	Oracle NetSuite[4]
9	Microsoft
9	SnapFulfil

1. In 2022 e2open acquired Logistyx Technologies. 2. Blue Yonder is owned by Panasonic. 3. In 2021 project44 acquired Convey. 4. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

DIGITAL RETAIL
COMMERCE 360

E2OPEN

e2open®

RANK IN CATEGORY
1

2022 TOP 1000 RETAIL CLIENTS
71

Using software as a service (SaaS), e2open helps retailers manage supply chains to make their fulfillment and delivery more efficient. Its AI technology accurately forecasts to ensure retailers' shelves are full enough for consumers but not excessive for the retailer. Its platform supports next-day and same-day delivery, as well as inventory management, to reduce empty miles, manage inbound transfers and outbound shipments, and reduce overall transportation spend.

PRIMARY URL
e2open.com

YEAR LAUNCHED
2000

TOTAL 2022 TOP 1000 CLIENT WEB SALES
$72.23 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 23   Chain: 25   Manufacturer: 19   Direct Marketer: 4

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 27 $125-500M: 23 $500M or more: 21

KEY CLIENTS
L'Oreal
Walgreens Boots Alliance
GAP
Ace Hardware
Lululemon
Acer

PRODUCTS & SERVICES
SaaS connected supply chain platform supporting logistics, fulfillment and transporation managment system; holistic supply chain planning; global trade management and supply management.

Pricing: SaaS pricing based on transaction/user/partner connections subscription-based.

CORPORATE
9600 Great Hills Trail, Suite 300E
Austin, TX 78759
866-432-6736

MANAGEMENT
Michael A. Farlekas, CEO
Peter R. Hantman, COO
Marje Armstong, CFO

Q&A

SaaS technology helps retailers
execute the "perfect order"

An executive conversation
with **William McNeill,**
associate vice president of
product marketing, e2open

Customer expectations for fulfillment and delivery were already rising, but recent supply chain disruptions have exacerbated the problem for retailers. Customers today want visibility into the location of their goods at any point in the supply chain. But due to various factors, retailers are challenged to provide customers with accurate information. To discuss how a flexible, SaaS-based technology can help retailers respond to the many supply chain disruptions affecting fulfillment and delivery, Digital Commerce 360 spoke with William McNeill, associate vice president of product marketing at e2open.

How are retailers struggling to meet customers' expectations around fulfillment and delivery?

Customers expect to be able to see where their orders are at every point in the supply chain. But weather, traffic, road closures, and import and export holds can make it challenging for retailers to update the status or location or give an accurate time of delivery. Additionally, such trends as contactless delivery, same-day delivery and the emergence of new last-mile delivery companies further challenge retailers to deliver a seamless experience and end-to-end order visibility.

How has fulfillment and delivery technology changed in recent years?

With increasing disruptions and ever-rising customer expectations, retailers need technology that offers visibility at the global and the local level. They need tools that can help them predict the impact of potential disruptions on shipments, inventory and orders using artificial intelligence and machine learning. This requires leading-edge technology in planning, routing, risk management, and last-mile delivery. In order to make the best decisions and mitigate potential disruptions, the users of the technology need access to easy-to-use and understand dashboards populated with decision-grade data.

What are retailers' biggest challenges around fulfillment and delivery?

Delivering the perfect order is still the biggest challenge. The

perfect order is an order that is on time, in full, in perfect condition and the expected mode — such as contactless. One major problem is that not every customer defines these metrics the same way. What is on time for one customer might be too late for another. Exacerbating this problem is that many retailers have little or no control over the delivery itself, as logistics companies provide this. Even large logistics companies sometimes release control to smaller last-mile delivery services that may be single-person operations. Maintaining a level of high-quality service and delivery across all parties can be a challenge.

What strategies will help retailers overcome challenges?

Retailers should provide visibility into the status and location of shipments and communicate any changes caused by supply chain disruptions. Some customers don't necessarily mind if a order is late as long as they are aware of the delay, the new delivery estimate, and a selection of options, if available. To accomplish this, retailers need technology that enables visibility and communication. Ideally, their technology partner should also have a flexible platform that helps them respond to supply chain disruptions quickly and effectively. An extensive network of service providers should power technology, so communication is seamless.

E2open, for example, understands there is no one-size-fits-all approach to fulfillment and delivery. Our platform is flexible and powered by hundreds of service providers. We provide customers with decision-grade data to make the best choices at each step of the fulfillment process and communicate information to customers. The e2open platform supports next-day and same-day delivery, and inventory management, to help retailers execute the perfect order.

e2open®

More single-view logistics. Fewer blindspots.

The connected supply chain. Moving as one.™

Whether you are shipping across the country or around the world, e2open has you covered with parcel and transportation management solutions that help you reduce costs, ensure on-time delivery, and take the complexity out of fulfillment.

www.e2open.com

e2open®

Moving as one.™

INTERNATIONAL ECOMMERCE SERVICES

International ecommerce service vendors help online retailers take advantage of overseas demand. These vendors offer software and services such as those that can help retailers navigate complicated duty and tax rules, foreign parcel delivery, currency conversions and managing returns from non-U.S. customers, among other things.

■ Indicates a ranking tie

1	Pitney Bowes
2	Global-e[1]
3	ESW
4	FedEx
4	UPS
6	MyUS.com
7	Oracle NetSuite[2]
7	Guidance
7	USPS
10	Landmark Global[3]

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. In 2022 Global-e acquired Borderfree's cross-border ecommerce solutions business from Pitney Bowes.
2. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently.
3. Landmark Global is owned by bpostgroup.

DIGITALRETAIL
COMMERCE 360

ESW

RANK IN CATEGORY 3

2022 TOP 1000 RETAIL CLIENTS 10

ESW provides apparel, luxury, beauty, consumer electronics and gaming brands and retailers with a variety of direct to-consumer ecommerce solutions. Domestic and crossborder offerings include compliance, data security, fraud protection, taxes, and tariffs as well as checkout, delivery, returns, customer service, web store creation and demand generation services. ESW enables fully localized direct consumer relationships across 200 markets in as few as six weeks for companies such as PVH Corp., Movado, Tarte, Nike Inc. and Estée Lauder Cos. Inc. The company is based in Dublin, and is a wholly owned subsidiary of Asendia Management SAS, an international joint venture of French La Poste and Swiss Post.

PRIMARY URL esw.com

YEAR LAUNCHED 2010

TOTAL 2022 TOP 1000 CLIENT WEB SALES $19.83 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 0   Chain: 4   Manufacturer: 6   Direct Marketer: 0

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 1 $125-500M: 3 $500M or more: 6

KEY CLIENTS
Nike
Estee Lauder
PVH
Movado
Tarte
American Eagle Outfitters

PRODUCTS & SERVICES
Domestic and cross-border ecommerce services for web store creation, customer acquisition, market-specific pricing, checkout, shipping, returns and customer support.
Pricing: ESW uses a shared success model, taking a percentage of retail sales made through their platform.

CORPORATE

One World Trade Center
45th Floor, Suite B
New York, NY 10007

MANAGEMENT
Tommy Kelly, Founder/CEO
Patrick Bousquet-Chavanne, CEO Americas
Ahmed Naiem, Chief Commercial Officer

Q&A

DTC international ecommerce lets
retailers unlock new opportunities
for growth

An executive conversation
with **Ahmed Naiem,**
chief commercial officer,
ESW Americas

Direct-to-consumer (DTC) international ecommerce is imperative for brands to own their relationships with their consumers to maximize profitability at every stage of the customer journey. And given today's volatile macro-environment, relying on just one or a handful of markets for growth is unwise and unviable. To discuss how increasing the global ecommerce footprint can open new growth opportunities for retailers, Digital Commerce 360 spoke with Ahmed Naiem, chief commercial officer at ESW Americas.

What are the benefits of international ecommerce services?

In addition to opening up opportunities through a larger footprint, shipping and returns are two essential elements consumers consider when shopping internationally. Retailers that provide clear and concise shipping prices, including duties and delivery windows, mitigate consumers' concerns about shopping across borders. Furthermore, brands must give frictionless returns options that help all consumers, regardless of location, reduce the "work" often associated with returning a product.

Why is it more important now to make global shopping easier for customers?

Today's consumers are channel agnostic. They have no issue buying from brands based in other countries if they deliver the same ease and service as a domestically based brand. Brands' global DTC efforts must now be sophisticated enough to benchmark them favorably against the local brands they compete with inside a given market.

Additionally, COVID-19 forced people to shop online. Instead of shopping primarily locally, they had time to discover the entire catalog of merchandise that became available online. Social media-savvy millennial and Gen Z consumers were early adopters of international ecommerce, which their Gen X and Boomer parents then adopted.

What are retailers' biggest challenges around international ecommerce?

Maintaining control of the relationship with the customer is among the biggest challenges. To drive higher customer lifetime value, brands in every category must go beyond ecommerce marketplaces, beyond their own borders, and beyond cross-border selling to engage directly with customers. They must maintain control of their data, fulfillment, delivery, content, and customer relationships and experience while creating a truly localized international experience inclusive of duties, taxes, fulfillment, delivery and returns.

What strategies will help them overcome these challenges?

They need an end-to-end ecommerce strategy that localizes the experience for global consumers. On the back end, this strategy needs to incorporate an ecosystem of solutions ranging from inventory management to payments to logistics and even localized acquisition and retention marketing. Brands must decide whether to build all of this internally — requiring a massive investment in capital and time — or turn to experts, such as ESW. Experts can help scale so retailers can grow topline revenue, optimize inventory, improve margins and reduce markdowns while deploying an asset-light strategy.

ESW, for example, leverages its flexible technology, ecosystem of partners, understanding of global markets, and the expanded capabilities its recent acquisition of Scalefast provide, to create branded, localized DTC experiences that drive customer lifetime value. Brands maintain control over their data and the look and feel of their ecommerce sites, as well as their content, promotions, catalog, payments, fulfillment, and delivery and returns experience.

Unlocking international capabilities for DTC brands is imperative in today's highly competitive environment. With an advanced microservices technology architecture and global partnerships, ESW helps mid-sized and larger retailers rapidly scale their global DTC ecommerce efforts and deploy capabilities that unlock new opportunities for growth at every stage of their DTC journey.

esw.

MARKETING AUTOMATION PLATFORM

The digital marketing landscape has grown increasingly complex. The amount of marketing automation options and the multitude of accompanying tools these services offer can be overwhelming for many merchants. This is leading many retailers to turn to vendors to help automate marketing so retailers can gain new customers at the lowest cost possible. Such vendors can help retailers implement, run and optimize marketing channels such as email, apps, web and text channels automatically, requiring less work from retailers.

1 Mailchimp[1]

2 Oracle NetSuite[2]

3 Listrak

4 Oracle

5 Experian

6 Twilio SendGrid

7 AtData[3]

8 Bluecore

9 Salesforce

10 Wunderkind

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Mailchimp is owned by Intuit. 2. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently. 3. In 2021 TowerData and FreshAddress merged to become AtData.

DIGITAL RETAIL
COMMERCE 360

ONLINE ADVERTISING

Marketing and advertising vendors help retailers promote their products or website and drive sales and conversions via a variety of marketing channels or advertising avenues. Some of these services could include customer targeting, sponsored products, dynamic retargeting, direct bidding and audience matching.

1	Google
2	Criteo
3	Magnite
4	AdRoll
5	MediaMath
6	ChannelAdvisor
7	Acxiom
8	Tapad[1]
9	MNTN
10	PubMatic

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Tapad is owned by Experian.

DIGITAL RETAIL
COMMERCE 360

ORDER MANAGEMENT

Order management technology is especially important for retailers that operate both stores and an ecommerce website. A good order management system provides better inventory visibility for consumers, which can help generate sales. For example, some order management systems are designed to allow shoppers to see if a product is available in a store near them. Others tell retailers which locations should fulfill an order based on efficiency, and in which priority orders should be fulfilled. Systems can change this logic based on the type of product as well — such as boots vs. jeans vs. T-shirts and so on. Many order management systems offer greater transparency into inventory across channels, all the way down to the individual store or warehouse level. Some retailers allow a customer to reserve a product, pick it up at the store of their choosing and pay for it.

■ Indicates a ranking tie

1	Radial[1]
2	Oracle
3	Blue Yonder[2]
4	Oracle NetSuite[3]
5	IBM
6	Manhattan Associates
7	Kibo
8	Microsoft
9	Monsoon
10	Vargo
10	Speed Commerce
10	NewStore

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Radial is owned by bpost. 2. Blue Yonder is owned by Panasonic.
3. In November 2016 Oracle acquired NetSuite; their solutions continue to operate independently.

DIGITAL RETAIL
COMMERCE 360

PAYMENT PROCESSING

■ Indicates a ranking tie

A payment processor is a company that a merchant works with to handle transactions from various payment types, such as credit and debit cards. Payment processing vendors enable shoppers to pay for items on a retailer's website, either directly on the checkout page or through a redirect to pay via a third-party website.

1 PayPal

2 Chase Merchant Services

3 Cybersource[1]

4 Authorize.net[2]

5 FIS

6 Amazon Web Services

7 Fiserv

8 Affirm

9 Bank of America

9 CardinalCommerce[3]

9 Radial[4]

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Cybersource is owned by Visa. 2. Authorize.net is owned by Visa.
3. Cardinal Commerce is owned by Visa. 4. Radial is owned by bpostgroup.

DIGITAL RETAIL
COMMERCE 360

PAYMENT SECURITY/FRAUD PREVENTION

■ Indicates a ranking tie

With fraud and security top-of-mind for consumers shopping online, many online retailers look to vendors for technology to help protect themselves from cybersecurity threats and fraudulent transactions. This includes updating their fraud prevention technology, ensuring consumers who sign up for an account are legitimate shoppers, differentiating their fraud prevention strategies for desktop and mobile devices, and ensuring their vendor partners have the necessary security measures in place. Some fraudulent activity can be combatted simply by updating or changing security software, which vendors can assist with as well.

1 Signifyd

2 Cybersource[1]

3 ClearSale

4 Accertify[2]

5 McAfee

6 PayPal

7 Radial[3]

7 Chase Merchant Services

9 HUMAN[4]

9 Authorize.Net[5]

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. Cybersource is owned by Visa. 2. Accertify is owned by American Express.
3. Radial is owned by bpost. 4. In 2022 PerimeterX merged into HUMAN.
5. Authorize.net is owned by Visa.

SIGNIFYD

Signifyd

RANK IN CATEGORY
1

2022 TOP 1000 RETAIL CLIENTS
118

Signifyd provides a commerce protection platform that leverages its Commerce Network to help merchants protect revenue, trust customers and grow fearlessly. Using artificial intelligence and big data, Signifyd can instantly recognize the true identity and intent behind every payment. Merchants are protected from fraud and abuse while automated order flow creates an easy customer experience. Safeguards restore the trust between merchants and their customers, meaning merchants approve more orders and realize increased revenue. Signifyd's merchant customers approve 5-9% more orders on average and are backed by Signifyd's 100% financial guarantee against fraud and abuse. Signifyd also offers return abuse prevention and chargeback recovery.

PRIMARY URL
Signifyd.com

YEAR LAUNCHED
2011

TOTAL 2022 TOP 1000 CLIENT WEB SALES
$132.42 BILLION

TOP 1000 CLIENTS BY CATEGORY
Web Only: 52   Chain: 25   Manufacturer: 39   Direct Marketer 2

TOP 1000 CLIENTS BY WEB SALES
$40M or less: 1 $40-125M: 58 $125-500M: 41 $500M or more: 18

KEY CLIENTS
Walmart
Samsung
Albertsons
eBay
Wish
Lacoste

PRODUCTS & SERVICES
Signifyd's Commerce Protection Platform leverages its Commerce Network to help merchants grow, protect revenue, and trust customers.

Pricing: Pricing and fees vary.

CORPORATE
99 Almaden Blvd., Suite 400
San Jose, CA 95113
866-220-1415

MANAGEMENT
Rajesh Ramanand, Co-Founder/CEO
Michael Liberty, Co-Founder/CPO
Indy Guha, CBO

Q&A

Payments and checkout hold the biggest untapped growth source in retail

An executive conversation with **Indy Guha,** chief business officer, Signifyd

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The ecommerce space has gotten much more complex. Supply chain disruptions, changing consumer behaviors and rising digital acquisition costs have presented retailers with seemingly insurmountable challenges. Meanwhile, fraud and the sophistication level of bad actors is also rising. To discuss how retailers can leverage technology to reduce fraud, create more satisfying customer experiences and grow their business, Digital Commerce 360 spoke with Indy Guha, chief business officer at Signifyd.

Describe the state of payment security today.

Fraud pressure is up — particularly account takeover attacks (ATO), in which fraudsters hijack user accounts to steal loyalty points and payment credentials. When merchants react by making accounts more difficult to access, customer experience suffers and retailers see lost revenue. Additionally, fraud rings are becoming more professional. They're now writing algorithms and creating bots to steal high-value inventory — such as sought-after peak-season products or luxury goods.

How does fraud interfere with retailers' customer experience efforts?

Retailers are trying to build loyalty and recurring customer relationships. And payments and checkout are where that converts. Examples include expedited order delivery and newer fulfillment methods such as curbside pickup and buying online pickup in-store. But retailers can't verify a delivery address when the pickup location is the store. Retailers must instantly decide whether to release the order. They might release a high-value item to a fraudster if they incorrectly approve a transaction. But if they reject a legitimate order, they lose the lifetime value stream of a loyal customer. Getting that balance of denial and approval right while meeting the customer experience objectives is at the heart of payment security and fraud today.

How is this change in fraud activity impacting retailers' bottom lines?

User acquisition costs have climbed up to a point where the return on ad spend isn't there. Retailers can no longer buy

their way out of trouble at the top of the funnel. Meanwhile, merchants are already doing everything possible to facilitate expedited fulfillment and instant gratification. It can seem like there isn't much else retailers can do to grow revenue.

The good news is all the data suggests the payments layer is the biggest untapped growth source in retail. Visa benchmarks show that the average retailer declines 5% to 15% of good transactions in the hopes of solving 1% or less of true fraud. The average retailer is currently growing about 3% to 6% annually. If they can increase their digital growth rate 5% to 15% by recapturing incorrectly declined orders, that's transformative to the entire business. Therefore, if the retailer has better data on identity and intent at the point of payment, they can immediately drive up revenue.

What strategies should they implement to recapture that revenue?

There's value in benchmarking against Digital Commerce 360's Top 1000. These are sophisticated technology and buying organizations that are setting the bar for omnichannel customer experience and fulfillment.

Several Digital Commerce 360 Top 10 retailers partner with payments and fraud technology providers, like Signifyd. Signifyd offers AI technology that pools network transactional data across thousands of merchants to make a retailer's payments and checkout process identity and intent aware. It's fundamentally smarter. It's constantly learning about changes in the retailer's business and changes in fraud and then adapting to the current moment. The retailer is made whole on any downstream fraud costs if Signifyd misses something. Signifyd clients see an average of 5% to 9% increase in found money after implementing our technology.

The question is: If retailers in the Digital Commerce 360 Top 10 are using a product like Signifyd to optimize conversion rates and reduce fraud, why aren't you?

Signifyd

Signifyd

Identity and intent intelligence from the world's largest merchant network

CONTINUOUS COMMERCE PROTECTION ACROSS THE ENTIRE SHOPPER JOURNEY

Protect Revenue

Shopper knowledge is power. Signifyd helps merchants approve 5-9% more orders on average.

Trust Customers

Harness our global Commerce Network to create seamless customer experiences while eliminating fraud and abuse.

Grow Fearlessly

Signifyd's 100 percent financial guarantee against fraud and abuse gives you the confidence to automate payments at scale.

Trusted by Leading Enterprises Globally

SAMSUNG ebay Walmart wish

Albertsons LACOSTE HOT TOPIC RITE AID

Signifyd.com

PERSONALIZATION

▮ Indicates a ranking tie

A large advantage ecommerce sites have over their brick-and-mortar competitors is their ability to show a customer products she might like based on past site behavior and past purchases. Personalization allows websites to show customers products they're more likely to buy, through a range of marketing channels such as targeted emails and recommended products. Even with consumers wary of providing too much data, the benefits of making them feel unique can be dramatic. Combining buying history, demographic information, geographic details and pricing data can connect customers with products they want to buy. Pain points in personalization include data gathering, analyzing trends to determine the right personalization options and creating personalized marketing materials. Data vendors can provide customer data, and demographics can help inform trends while A/B testing helps to find the most effective marketing options. Automation and artificial intelligence are playing a growing role in determining how companies spend their time personalizing products for shoppers.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1 Monetate[1]

2 Salesforce

3 Nosto

4 Algonomy[2]

5 GroupBy

6 AtData[3]

6 Sitecore[4]

8 Adobe

8 Deloitte

10 Bluecore

1. In 2022, Kibo sold their Personalization business unit, formerly known as Monetate and Certona, and is now known as Monetate. 2. In 2021 RichRelevance and Manthan Software merged to form Algonomy. 3. In 2021 TowerData and FreshAddress merged to become AtData. 4. In 2021 Sitecore acquired Reflektion.

DIGITAL RETAIL
COMMERCE 360

MONETATE

RANK IN CATEGORY

1

monetate

2022 TOP 1000 RETAIL CLIENTS

99

Monetate's enterprise-grade personalization platform enables organizations to build tailored digital customer experiences with a selection of powerful, easy-to-use tools. Through A/B testing, experimentation and recommendations, its AI uses relevant data to make the most intelligent and personalized decisions across different consumer touchpoints. Companies including Adidas, Dunkin' and Lufthansa Group use Monetate's integrated personalization strategy to eliminate guesswork with controlled testing of creative messages and user-interface changes.

PRIMARY URL

Monetate.com

YEAR LAUNCHED

2008

TOTAL 2022 TOP 1000 CLIENT WEB SALES

$79.41 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 19   Chain: 42   Manufacturer: 26   Direct Marketer: 12

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 37 $125-500M: 32 $500M or more: 30

KEY CLIENTS

Reebok
Office Depot
Lufthansa Group
Adidas
Helly Hansen
Dunkin

PRODUCTS & SERVICES

Enterprise-grade personalization platform that enables organizations to build tailored digital customer experiences with a selection of powerful, easy-to-use tools.

Pricing: Pricing and fees vary.

CORPORATE

Fully remote company

MANAGEMENT
Brian Wilson, CEO
Austin Rochford, CTO
Eric Rosado, Chief Product Officer

Q&A

First-party data lets retailers harness
the power of personalization

An executive conversation
with **Brian Wilson,**
CEO, Monetate

Today's consumers are putting a priority on personalized shopping experiences. According to a recent McKinsey report, 71% of consumers expect to receive personalized interactions from brands, and 76% of these consumers are frustrated when they don't. Furthermore, research from Monetate shows that organizations that prioritize providing an end-to-end personalized shopping experience see at least a 400% ROI from their digital marketing initiatives. To discuss the importance of personalization strategies and easy ways to get started, Digital Commerce 360 spoke with Brian Wilson, CEO of Monetate.

Why is personalization so crucial to a retailer's success today?

Customers want to feel important to the brands they do business with. It's more than just a matter of trust. Customers demand personalized experiences that take their interests and needs into account.

In turn, they're more likely to continue shopping and purchasing from retailers who take a customized approach across all touchpoints — not just with ecommerce but also in bringing personalized experiences across all channels, including in-store experiences. Retailers that can provide this concierge level of service via ecommerce and in-store can set themselves apart from the competition through increased engagement that results in satisfied shoppers and increased revenue.

What are retailers' most significant challenges around personalizing the shopping experience?

Data privacy laws can be tricky to navigate. Digital retailers have traditionally relied heavily on third-party data from ad networks and other data providers to drive personalization on ecommerce sites. But recent government regulations and corporate policies from Apple, Firefox and Google have made it harder for retailers to gather and use data for personalization.

So, where does this leave retailers? Cutting off access to third-party data disadvantages retailers with business models where marketing spending and conversion happen on different digital properties, such as social media. For retailers to compete, they must unlock the value of their first-party data from their customer relationship management, point-of-sale and loyalty systems. This data belongs to the retailer, and data privacy laws can't restrict its use.

What strategies should they implement to overcome challenges?

Incorporating first-party data is easier than it sounds. Monetate offers excellent support for onboarding and personalizing experiences with first-party data. To make the most impact with personalization, begin working with your first-party data sooner rather than later.

Building a strong foundation is the best place to start. Monetate encourages retailers to create a "Culture of Personalization" across all areas of the organization. A Culture of Personalization means every member of an organization is focused and united on the common goal of delivering successful, relatable and engaging customer experiences for each unique individual interacting with your brand across all touchpoints. By thinking of each customer as a unique being and having everyone in alignment, the path to crafting a personalization strategy and building the experiences to support it becomes easier.

How should retailers go about implementing these strategies?

They should partner with a personalization software provider like Monetate. Monetate's platform is an all-in-one solution powered by patented machine learning. Our engine is easy to use and built for marketers. It provides retailers with the capabilities they need, such as testing and experimentation, recommendations, and automated 1-to-1 experiences to help them deliver the right experience at the right time to their customers. And we help retailers plan and execute personalization strategies that drive results.

With the right partner and the right technology, personalization doesn't have to be scary. Start small and build as you grow in your knowledge of your customers.

monetate

![monetate logo]

Meet Monetate

Formerly Kibo Personalization, Monetate is shaping the future of digital customer experiences across all brand touchpoints.

Monetate is proud to be recognized once again as the #1 Personalization Provider in Digital Commerce 360's Top 1000.

Monetate enables organizations to build tailored digital customer experiences from one platform, powered by patented machine learning.

- ☑ **Testing & Optimization**
- ⚇ **1-to-1 Personalization**
- ◉ **Segmentation & Targeting**
- ★ **Product Recommendations**
- ⚲ **Audience & Analytics**
- ⮹ **Personalized Search**

Learn More at **Monetate.com**

SEARCH ENGINE MARKETING

Search engines make the vast library of online content accessible, serving up the most relevant content to user queries. But to make money, search engines all sell slots in those search results as ads, helping retailers target potential customers based on what they search for — this is called keyword bidding. Search engine marketing has become a quick way to not only advertise a product, but also A/B test product page copy, acquire customers and even show up in competitors' search results. While traditional advertising agencies will incorporate search marketing into many campaigns, some agencies will help retailers constantly evaluate search engine marketing opportunities via software and human help. Marketing software platforms also have built-in search engine marketing tools to allow easy expansions of campaigns. The practice is closely linked to search engine optimization, which involves crafting copy and altering site metadata to rank higher in search engine algorithms. Both require keeping a close eye on popular search terms and proper practices as outlined by various search engines. However, they are also highly susceptible to changes in algorithms and advertising standards that search engines hold.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1 Skai[1]

2 Assembly[2]

3 Marin Software

4 ChannelAdvisor

5 Merkle[3]

6 iProspect[4]

7 Google

8 ROI Revolution

9 Adobe

10 Performics

1. In 2021 Kenshoo rebranded as Skai. 2. In 2021 ForwardPMX merged into Assembly.
3. Merkle is owned by Dentsu International and in 2021 acquired LiveArea.
4. iProspect is owned by Dentsu International.

DIGITAL RETAIL
COMMERCE 360

SHIPPING CARRIER

Shipping carriers make the online selling of physical goods possible. These are the companies that get products from a seller's warehouse to the customer's door. They handle the logistics in between, ensuring on-time delivery and minimizing costs by operating at scale. Shipping carriers enable retailers to deliver packages to almost anywhere on the planet. Many of these services also offer tracking options to keep customers informed of delivery dates, integration with inventory software to quickly print accurate labels and return services to satisfy customers unhappy with their purchases. While many of these shippers may seem similar on the surface, details like shipping speeds, coverage areas and unique packaging needs can help vendors stand out. When considering a vendor, retailers want to think about product volume, package density and warehouse location to fully realize possible benefits.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

■ Indicates a ranking tie

1 UPS

2 FedEx

3 USPS

4 Pitney Bowes

5 DHL[1]

6 Canada Post

7 LaserShip[2]

8 Purolator

9 Ryder

9 R+L Carriers

1. DHL is owned by Deutsche Post. 2. In 2021 LaserShip acquired OnTrac.

DIGITAL RETAIL
COMMERCE 360

SITE DESIGN & DEVELOPMENT

Indicates a ranking tie

A site design can be complicated. Retailers must balance clear product visuals, easy navigation, engaging content and responsive elements. Site design vendors keep development costs down for agile site development, quickly catching up with trends like responsive design, integrated videos and shoppable content, keeping load times low, and maintaining an easy purchasing process. Vendor solutions range from professionally designed and updated sites to software programs that convert designs into code for ecommerce storefronts. Site design can also inform mobile apps, marketing materials, customer emails and advertising campaigns. Site design also involves rich media elements, which can be a headache for some merchants that need to digitize a paper catalog of products. Adding elements like 360-degree product views, videos of items in use and augmented reality can give shoppers nearly as much detail as those shopping in store.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1 Adobe

2 1WorldSync

3 Industrial Color

4 Syndigo

5 Brightcove

6 Oracle

7 Wistia

8 Vimeo

9 Blue Acorn iCi[1]

10 Guidance

1. Blue Acorn iCi is owned by Infosys.

DIGITALRETAIL
COMMERCE 360

SITE SEARCH

Search bars on ecommerce sites are the gateway to connecting shoppers with the products they seek in the absence of sales associate assistance at a physical store. The feature's success at leading to a converted sale depends largely on its ability to recognize the consumer's request and deliver the most relevant results. Vendors and retailers alike say site search plays a big role in retaining customer loyalty. If a customer can't quickly find what she's looking for, she's likely to move onto a competitor's site. If done well, site search can lead to better product discovery and result in more revenue. Retailers can invest in upgrades to enhance site search with intelligent auto-complete that pulls up suggested terms as a shopper types a query, typo detection that predicts the meaning of a misspelled word and still yields the correct results, improved synonym matching, photo components and personalized results based on search, order and browsing history. Some retailers are also dabbling in search features that derive product matches via voice command or submitted photos of a similar product.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

◼ Indicates a ranking tie

1 Oracle

2 Salesforce

3 Algolia

4 SLI Systems[1]

5 Apache Solr

6 GroupBy

7 Adobe

8 Lucidworks

9 Unbxd[2]

9 Bloomreach

1. SLI Systems is owned by Avolin. 2. Unbxd is owned by Netcore.

DIGITAL RETAIL
COMMERCE 360

ALGOLIA

RANK IN CATEGORY

3

algolia

2022 TOP 1000 RETAIL CLIENTS

43

Algolia provides a unique hybrid search engine, combining keyword and vector-based semantic search. Using artificial intelligence and machine learning, Algolia's Search, Discovery and Recommend APIs simplify the ability to understand users' intent to personalize experiences and offers — even from "first visit" and "first search." This allows online retailers to move beyond content-based search to predictive, intent-based experiences. It also enables online retailers to monetize new products, new visitors and infrequent visitors. Today, Algolia powers more than 1.5 trillion searches a year for 17,000+ companies. Algolia helps online retailers' customers discover goods, offers, and content extremely quickly.

PRIMARY URL

Algolia.com

YEAR LAUNCHED

2012

TOTAL 2022 TOP 1000 CLIENT WEB SALES

$25.35 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 20   Chain: 7   Manufacturer: 15   Direct Marketer: 1

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 0 $40-125M: 13 $125-500M: 20 $500M or more: 10

KEY CLIENTS

Birchbox
Gymshark
Lacoste
Mercari
Staples
Under Armour

PRODUCTS & SERVICES

An API-first search and discovery platform with a unique hybrid search engine, combining keyword and vector-based semantic search via NeuralSearch technology, in a single API.

Pricing: Subscribe for free; pay based on usage.

CORPORATE

301 Howard St.
San Francisco, CA 94105

MANAGEMENT
Bernadette Nixon, CEO
Carlton Baab, CFO
Michelle Adams, CRO

Q&A

Robust ecommerce site search capabilities let retailers stay more competitive

An executive conversation with **Piyush Patel,** chief strategic business development officer, Algolia

Today's online shoppers lack patience. They expect to go to a retailer's ecommerce site and find what they're looking for with just a few taps on their keyboard. If they don't, they won't hesitate to move on to the next merchant. As these consumer expectations expand, so does the importance of robust ecommerce site search capabilities. To discuss how retailers can offer customers a better search experience without taking on an enormous and expensive technology project, Digital Commerce 360 spoke with Piyush Patel, chief strategic business development officer at Algolia.

Why is ecommerce site search so important to a retailer's success?

Customers go to an ecommerce site with the desired outcome: to find and order a product. Ecommerce site search is the functionality that lets retailers give customers that desired outcome. But thanks to Amazon, online shoppers have become accustomed to going to a site, instantly finding what they want, adding it to the cart, hitting the buy button and receiving that order in a couple of days. Amazon raised the bar to this new level of instant gratification.

Most retailers don't have the human and financial resources that Amazon has to make all this happen internally — but they still have to compete in this highly competitive space. Site search is an essential part of that success.

How has site search technology changed in recent years?

Customers are driving what technology vendors like Algolia are doing. Their heightened expectations mean we have invested in site search capabilities that let retailers better compete. Technology vendors have been pouring resources not only into improving ecommerce site search, but also things like page speed and response relevancy.

If, for example, a customer searches for red shoes, the site should know to prioritize red shoes that are in stock. Furthermore, with virtual assistant devices like the Amazon Echo and Apple's Siri, customers are becoming more articulate in

their searches. They might say, "Alexa, find me shoes to match my red evening gown." Customers expect better answers to these questions and site search functionality needs to be able to deliver them.

What are retailers' biggest challenges around improving site search?

Retailers need to have the data to understand what their challenges are looking for and have done before. Analytics have been around for a long time, but retailers have struggled to leverage the insights that data can provide. The right data can help retailers identify where their focus should be and what consumers patterns are. But they also need the technology and human capital to fix problems — and the content to improve the overall experience.

What strategies should they implement to overcome these challenges?

They should partner with a technology provider, such as Algoila, that is investing in ecommerce site search capabilities. Algolia has 17,000 customers, allowing us to see what works and doesn't. We help retailers collect the correct data, test different strategies and measure against the cohort.
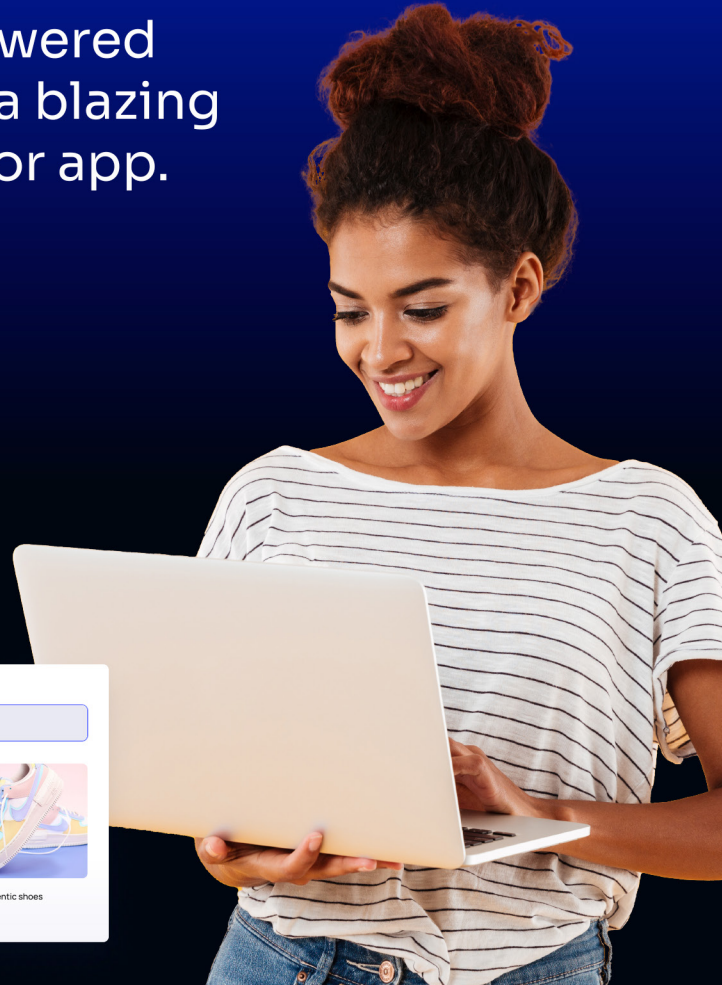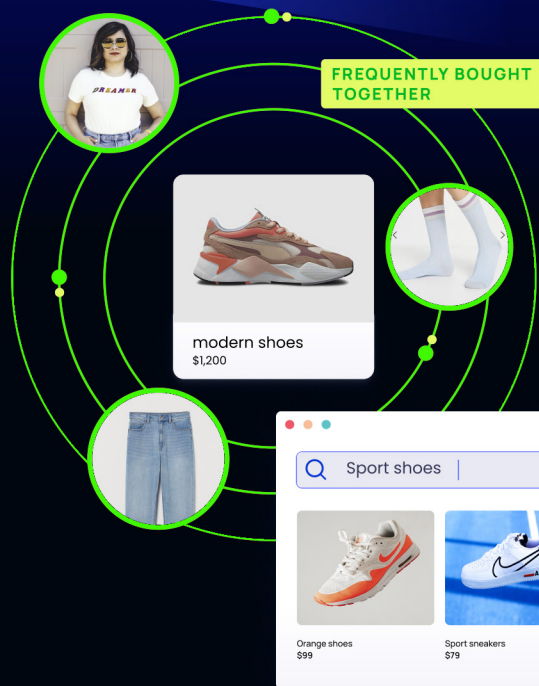
When taking on a site-search improvement project, retailers should start small and look for easy wins to see what works. Then, they should build from there.

Technology providers like Algolia are focusing on componentizing capabilities, so retailers have the flexibility to implement these improvements in smaller increments. Bite off chunks and learn through trial and error. Algolia's ability to be scalable yet flexible is how we deliver the technology we're creating and the innovation we're driving to retailers large and small.

algolia

Predict intent, deliver results

Algolia is a flexible, AI-powered API platform for creating a blazing fast ecommerce website or app.

FREQUENTLY BOUGHT TOGETHER

modern shoes
$1,200

Sport shoes

Orange shoes
$99

Sport sneakers
$79

Pastel Authentic shoes
$149

algolia

Trusted by 17,000+ organizations

LVMH

DECATHLON

staples

Dunelm

LACOSTE

Bringmeister.de

SOCIAL MEDIA MARKETING

Social media marketing is a vehicle for building brand awareness, gaining web traffic, promoting products and expanding a customer base. Vendors in this category use a combination of videos, images and text ads to target consumers in specific demographics or with specific interests. Some social media marketing vendors also provide generated content for organic discovery. The opportunity for retailers to boost their marketing efforts via social media sites is enormous, and investments in this arena are paying off. Social networks have developed a steady stream of ad options to help merchants connect the dots from their marketing efforts to sales conversion. Reaching a target audience in the right place at the right time with a message that resonates is a golden tenet of marketing.

■ Indicates a ranking tie

1 Skai[1]

2 Pixlee TurnTo

3 Sprinklr

4 Assembly[2]

5 AddThis[3]

6 Olapic[4]

7 Bazaarvoice

8 Hootsuite

8 Zinrelo

10 PMG

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1. In 2021 Kenshoo rebranded as Skai. 2. In 2021 ForwardPMX merged into Assembly.
3. AddThis is owed by Oracle. 4. Olapic is owned by Social Native.

WEB HOSTING/CLOUD SERVICES

■ Indicates a ranking tie

Web hosting vendors provide storage space and access for websites — essentially storing a website on servers and delivering the sites to customers' browsers. Servers either are owned by retailers themselves or by vendors that lease them for client use. Services in this arena vary in terms of features, as well as payment structures. A shared hosting setup means a provider houses multiple websites, which is inexpensive because the participating sites are splitting the costs, but traffic surges on a given site can impact the performance of another client. Virtual private server (VPS) hosting still accommodates multiple sites, but each site has its own individual resources, so traffic spikes for one site don't have repercussions on other tenants. Dedicated hosting indicates that a retailer's site is the lone occupant on a server, so it taps the server's full power. Servers typically are housed in data centers, where remote storage, processing and distribution of large amounts of data occur. There has been a recent shift in this industry as vendors race to move corporate computing to the cloud, which offers nearly limitless capacity and the ability for retailers to pay only for the capacity needed at any given time.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1	Rackspace
2	Amazon Web Services
3	Cloudflare
4	Salesforce
5	Akamai
6	CenturyLink
7	INAP[1]
8	Oracle
9	AT&T
10	Google
10	Aptum
10	GoDaddy

1. INAP is owned by Unitas Global.

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WEB PERFORMANCE

Rich media and real-time updates are crucial to enriching the customer experience online, but they also can significantly slow webpage load times, which leads to increased bounce rates. Performance monitoring tools from vendors often conduct an audit of on-site plugins and widgets, identify bottlenecks and make suggestions on adjustments. Website testing and optimization are important to retailers as they evaluate their online stores' usability. Seeing which calls to the server are taking the longest — and why — is crucial for web teams to isolate and tweak problematic features and ensure load times remain within an acceptable threshold. To combat slow site speeds and improve performance, retailers are often forced to minimize rich images or third-party plugins. But optimization vendors can help accelerate web performance without cutting content that's necessary to engage shoppers. These vendors can automate and accelerate the loading of static and dynamic content, manage the order in which content appears, and make user experiences more seamless and consistent across devices.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1 New Relic

2 Rackspace

3 Optimizely

4 Dynatrace

5 Adobe

6 SmartBear[1]

7 Pingdom[2]

8 Oracle

9 SiteSpect

10 Akamai

1. In 2021 SmartBear acquired Bugsnag. 2. Pingdom is owned by SolarWinds.

DIGITAL *RETAIL*
COMMERCE 360

ABOUT THE AUTHOR

Gretchen Salois is a senior editor at Digital Commerce 360, writing and editing news and research articles focusing on ecommerce and emerging trends. She began her reporting career in Boston covering corporate governance and business news followed by a move to Chicago to focus on the metals, manufacturing and technology sectors. Gretchen graduated with a bachelor's degree in international relations with a concentration in economics and business from Boston University.

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ABOUT US

Digital Commerce 360

Digital Commerce 360 has been a global leader in retail and B2B ecommerce research and media for over two decades. Our organization provides daily news, trend analysis, and competitive data to a vast community of executives, retailers, financial firms, manufacturers and more. Our team of experienced journalists and researchers publish a multitude of products each year, including dozens of research reports, newsletters, charts and infographics, webinars, live events, and data on thousands of ecommerce companies through its Digital Commerce 360 Research brand. We also founded groundbreaking ecommerce events, including the Internet Retailer Conference & Exhibition (IRCE) and, most recently, the EnvisionB2B Conference & Exhibition.

Digital Commerce 360 Retail

Digital Commerce 360 Retail delivers business intelligence and topic-focused reports on the global online retail market. Our reporting on retail trends, technologies and industry best practices reaches a diverse ecommerce community. These exclusive reports are available for download on DigitalCommerce360.com and deliver quality leads to our sponsors.

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