



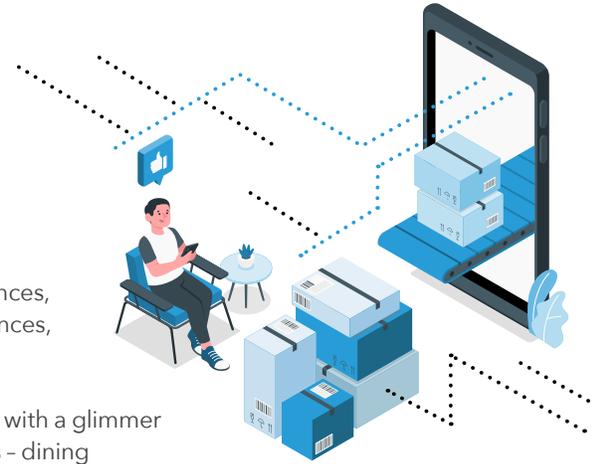
2024 State of the retail consumer



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Consumers speak and retailers listen: It's how it has always been. Outside influences, innovations and shifts in attitudes and cultural norms result in new behaviors, preferences, retail dynamics and novel trends.

In 2023, technology continued to advance rapidly, the economy started to settle, and with a glimmer of cautious optimism, consumers showed financial resilience but favored experiences – dining out, vacations and events – over goods.¹ However, a stellar holiday peak season showcased strong spending, breathing new life into the retail industry as it transitioned into 2024. US Census Bureau data showed that **2023 holiday sales grew 3.8%** to reach a record **\$964.4 billion**.² The BFCM period also saw record numbers, with online ecommerce sales up **7.8%** from the previous year.³



Retail consumer finances and feelings

Since the start of the pandemic almost four years ago and the following economic instability, consumers have started feeling more confident than they have in two years – and outlooks are at the highest level since 2021.⁴ Fears of a recession have faded, and consumer sentiment is soaring with positive outlooks regarding inflation, business conditions and personal finance.⁵ Moreover, consumer sentiment saw the highest two-month leap since 1991 and has risen 60% above June 2022's low. The improved sentiment spanned income, education, geography and political identification.⁶

Finances

Low- and middle-income households saw wage gains over the past year, increasing household purchasing power. According to the US Treasury, in 2023, the median American worker could afford the same goods and services as they did in 2019, plus an additional \$1,000 to spend or save since median earnings rose faster than prices.⁷ Consumers have also shown a willingness to spend on higher-priced items. During 2023, spending was stronger in older generations than in Millennials and Gen Z.

Feelings

Even with the positive outlook, respondents of a recent Bank of America survey planned to approach spending with caution to achieve financial goals.⁸ Consumers intended to cut spending, particularly on experiences such as dining out and social events. These feelings are likely the result of the cost of services rising faster than the cost of goods. Respondents were also looking to pay down credit cards and increase savings. Although there is an increased focus on personal finances and budgeting, the strong economic finish in 2023 signifies that consumers will continue to have the confidence to keep spending freely.



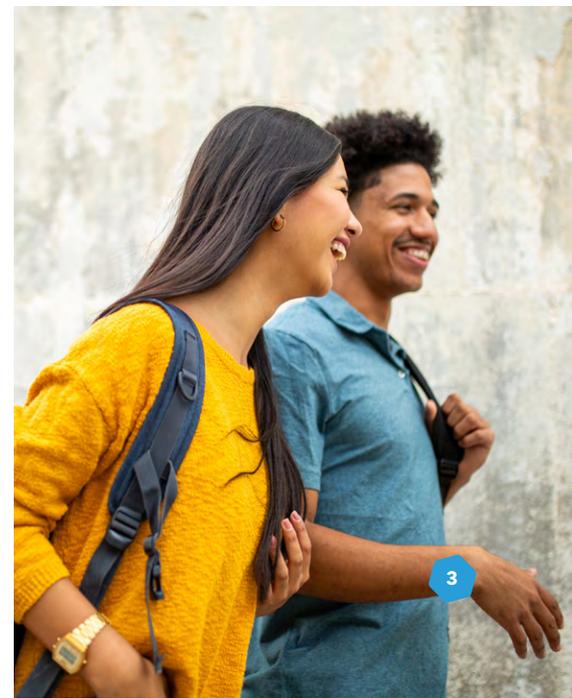
Economic outlook for 2024

The economy exceeded expectations in 2023, with solid consumer spending backed by steady job growth and growing real wages.⁹ Unemployment stayed low even as inflation fell. Part of the decelerated inflation was due to the healing of the global supply chain. Combined with the other factors, it helped significantly lower inflation.

Retail and ecommerce businesses are now looking to 2024 and what to expect.

The top predictions are:

- Inflation will continue to decrease:** Initial inflation decline stalled in mid-2023. However, disinflation has resumed and is expected to continue in 2024. S&P Global Market Intelligence analysts forecast annual global consumer price inflation at 4.7% in 2024, down from an estimated 5.6% in 2023 and a peak of 7.6% in 2022. Lower consumer price inflation rates in 2024 compared with 2023 are forecast across most regions.¹⁰
- The labor market will remain strong:** The labor market has cooled, and rounds of layoffs are still occurring. But the U.S. unemployment rate is still low - and the more extended outlook still looks strong.¹¹
- Economic growth is likely to decelerate:** The economy still faces some headwinds, and economists predict that consumer spending will continue to grow at a muted rate.¹²
- Consumer spending will slow (but stay positive):** As consumers experience diminished excess savings, lower savings rates, plateaued earnings and less post-pandemic pent-up demand, spending will slow. Household budgets will still look healthy but restarted student loan payments and credit card balances will factor into spending habits.¹³
- The political climate will affect the economy:** While the election year might not have an effect early on, things could take a turn at the end of the year. Any policy changes or political shakeups - both nationally and globally - could influence the economy.



The impact of the economy on consumer behavior

The economy plays a crucial role in shaping consumer behavior. It influences purchasing decisions, saving habits and overall spending patterns. During times of economic prosperity, consumers tend to exhibit confidence and may increase discretionary spending on non-essential items. Economic downturns often lead to cautious spending. Consumers tend to prioritize essential purchases and seek value-oriented options. The biggest factors influencing the economy and spending are unemployment rates, inflation and consumer sentiment. These can significantly impact consumer behavior, prompting retailers to adapt their strategies to meet evolving needs and preferences in the marketplace. It's critical for brands to understand the intricate relationship between the economy and consumer – otherwise it's impossible to stay competitive. But how will 2024's economy affect consumer behavior?

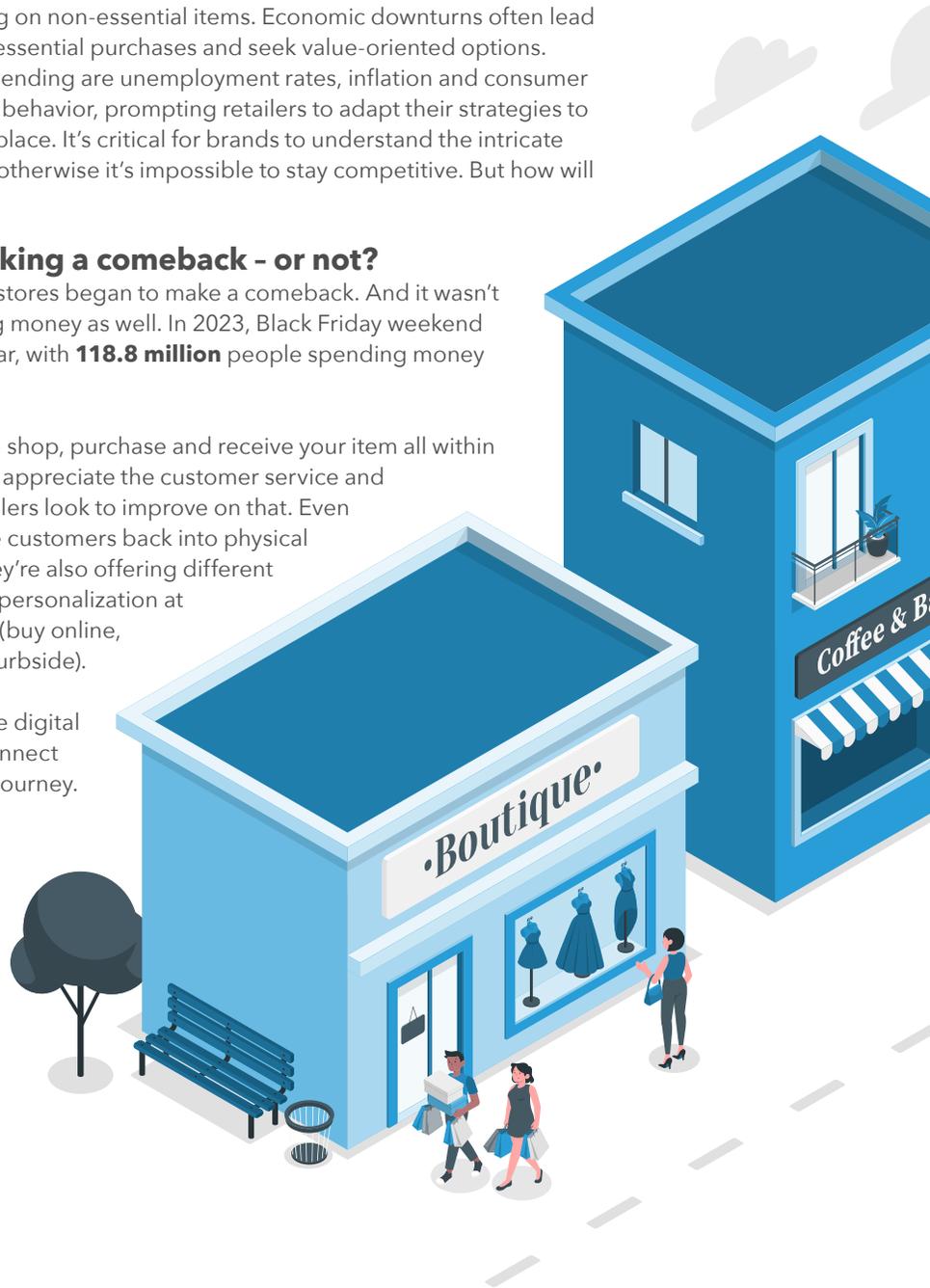
Brick-and-mortar stores: Are they making a comeback - or not?

In the aftermath of the pandemic, brick-and-mortar stores began to make a comeback. And it wasn't just about getting out and socializing – but spending money as well. In 2023, Black Friday weekend retail store traffic was **up 1.5%** from the previous year, with **118.8 million** people spending money in-store.¹⁴

Ecommerce often wins out for convenience. You can shop, purchase and receive your item all within the comfort of your own home. However, customers appreciate the customer service and experience they receive in a physical store, and retailers look to improve on that. Even with the simplicity of ecommerce, brands aim to lure customers back into physical spaces by creating dynamic experience centers. They're also offering different kinds of convenience, such as innovative payments, personalization at scale and BORIS (buy online, return in-store), BOPIS (buy online, pickup in-store) and BOPAC (buy online, pickup at curbside).

Brands also use stores as a physical continuum of the digital shopping journey. They're working to effortlessly connect the two and use the physical realm to complete the journey.

Many experts feel that brick-and-mortar retail is not going the way of video stores. In fact, quite the opposite. Retailers see it as another opportunity to innovate, extend and enhance the customer experience and a valid channel in their omnichannel commerce approach.



Ecommerce spending

Consumers are planning to spend more online in 2024. In a recent survey, 42% of respondents said they plan to spend more online over the next 12 months.¹⁵ The top online shopping features that drove respondent purchases were low prices, shipping time and cost, selection and a user-friendly interface.

Worldwide ecommerce revenue is expected to show an annual growth rate (CAGR 2024-2028) of **9.83%** and projected to reach **US\$3,647 billion in 2024**.¹⁶ Strong growth is good news for retailers - giving them the potential to expand market reach, increase sales opportunities and enhance customer engagement. By leveraging ecommerce channels, retailers can tap into global markets, reaching customers beyond geographical boundaries and traditional brick-and-mortar footprints. Additionally, ecommerce enables retailers to deliver personalized shopping experiences, optimize operational efficiency and adapt to evolving consumer preferences, driving overall business growth and success.

42%

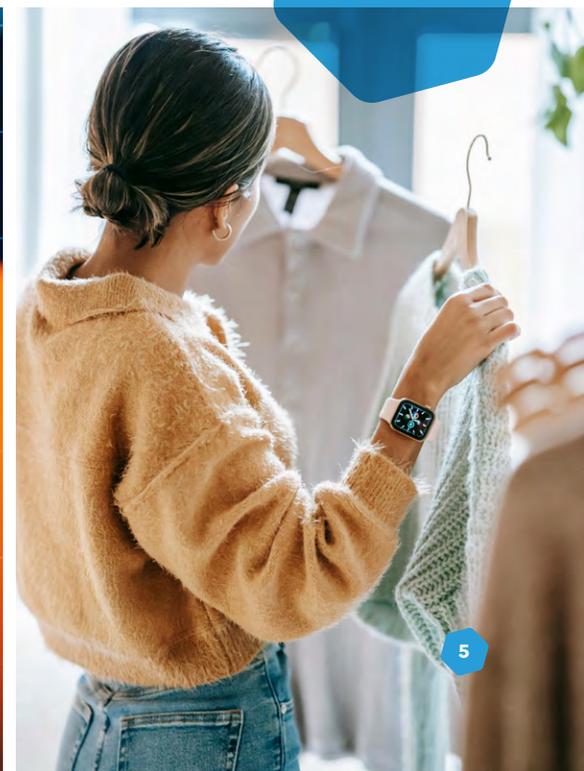
of consumers plan to spend more online over the next 12 months.



The economy and customer loyalty

When the economy isn't strong, customers are willing to switch brands more easily. This is both a positive and negative - it gives retailers an opportunity to attract new customers but also makes it harder to retain them. Brands should aim to build a loyal customer base. This base has a greater likelihood of repeat purchases. More importantly, when attracting new customers is more of a challenge - when spending slows, or there's lingering inflation - these customers also help businesses weather the storm. A customer base can also become advocates, attracting new leads through positive word-of-mouth, which helps when marketing budgets are lean. Growing a loyal base requires active participation, feedback and positive encounters - making it vital to build connections and design exceptional customer experiences.

2024 sets a promising stage for retailers to thrive given current consumer sentiment. As the economy continues to recover, consumers are regaining confidence and demonstrating a willingness to spend, particularly online. This surge in consumer activity bodes well for brands - as long as they implement strategies that tap into growing demand and heightened purchasing power. However, they must also factor in the segment of customers who plan to cut spending on non-essential and delayable items.¹⁷ Strategies will be more effective if they utilize the expanding number of ecommerce channels to reach and engage with customers, and foster long-term growth, loyalty and sustainability.



Part 1: The retail outlook for 2024



The retail industry is transforming rapidly, driven by shifting consumer behaviors, technological advancements and evolving market dynamics. With the rise of ecommerce and omnichannel retailing, traditional brick-and-mortar stores face increasing competition and pressure to innovate. Despite supply chain disruptions and some economic uncertainty, there are opportunities for growth and adaptation. Forward-thinking retailers are embracing digitalization, leveraging data analytics and prioritizing the customer experience to stay competitive in the ever-changing market. As the industry continues to evolve, collaboration, agility and resilience will be vital to successfully navigating the future of retail.

2024 Retail trends and predictions

Trends and predictions are pivotal in shaping retail brand strategies, offering insights into consumer preferences, market shifts and emerging opportunities. By closely monitoring and analyzing industry trends, retail brands can anticipate changes in consumer behavior and adapt their strategies accordingly. Leveraging these insights enables brands to stay ahead of the curve, innovate their offerings and effectively position themselves in the competitive retail landscape.

Here are some of the trends and predictions to monitor throughout 2024:

Artificial intelligence (AI)

There has been a lot of conversation around AI. Will it help businesses succeed? Will it take human jobs? Will it be our doom? Whatever your feelings about AI, it is here and in use in the retail industry. And it has both positive and negative implications.

Starting with the good: According to the National Retail Federation (NRF), "AI is blowing the lid off constraints businesses once had and making faster and more precise decision making a reality."¹⁸ Research shows that the retail industry ranks second for AI spending.¹⁹ Brands are integrating AI into marketing, fulfillment, customer experience (CX) strategies and more. It's often used to:

- Sift through and analyze large amounts of disparate data
- Facilitate decision-making and reduce human error
- Automate labor-intensive and/or monotonous tasks
- Demand forecasting
- Provide better visibility into inventory, the supply chain and more
- Personalizing along the customer journey
- Optimizing store and warehouse layout
- Anti-theft and security



The biggest concern has been whether AI will displace humans. However, many retailers feel it will allow people to return to creativity and innovation. Another issue generating uneasiness are deepfakes. Deepfakes can potentially ruin a brand's reputation or erode trust through disinformation and fraud.

Overall, AI can be leveraged in positive ways for retailers and consumers. It can enhance customer engagement and personalized experiences and improve operational efficiency and cost savings. By leveraging AI-powered tools and algorithms, retailers can gain deeper insights into consumer preferences, predict trends and optimize inventory management and pricing strategies. Ultimately, AI empowers retailers to stay competitive in today's fast-paced market, driving growth, retention and loyalty while delivering exceptional value to customers.

Hyper-personalization

Hyper-personalization tailors content, products and services to individual preferences and behaviors on a granular level. By analyzing vast amounts of customer data, including demographics, past purchases and online interactions, brands can create highly targeted and relevant experiences for each customer. This goes beyond traditional personalization techniques by delivering real-time, contextually relevant content and recommendations across multiple channels. Hyper-personalization aims to foster deeper customer engagement and increase conversion rates, ultimately driving customer satisfaction and loyalty. It allows brands to anticipate customer needs and actions to provide seamless and customized experiences throughout the customer journey.

While hyper-personalization is becoming a crucial implementation for brands, it must be balanced with privacy and data protection. Customers want clarity and assurance before providing information: **62%** of consumers require clear information on how their data will be used.¹⁹ Loyalty can suffer when the personal information consumers share is compromised.

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Circularity

Consumers have become more conscious about waste, whether its old electronics, clothing or other items. **76%** believe it's very or extremely important that companies increase the amount of recycled materials they use to make clothing and apparel,²⁰ and many would like to see electronics recycled to recover the valuable materials they contain for reuse.

This type of thinking highlights circularity: Retail circularity is closing the loop on the product lifecycle by promoting sustainability and reducing waste through practices such as recycling, refurbishing and resale. In essence, it's extending the lifespan of products, minimizing environmental impact and maximizing resource efficiency within the retail industry. By embracing circularity, retailers contribute to a more sustainable future while meeting consumer demand for eco-friendly and socially responsible products and practices.



AR/VR and the Meta-verse

Technology continues to push new advances our way. Facebook launched Meta in 2021, IKEA and Sephora have developed AR apps to optimize the customer shopping experience and the recently released Apple Vision Pro self-describes as “seamlessly blending digital content with your physical space.” While not everything AR/VR has virally caught on, it’s still there, simmering below the surface. And retailers and consumers aren’t ready to write it off yet.

Big players like Meta (and their Ray-Ban smart glasses), Apple and Samsung are renewing interest in augmented and virtual reality technologies. In turn, shoppers and companies are looking for ways to use it. It’s a trend for retailers to watch – AR and VR present opportunities to revolutionize the shopping experience by offering immersive and interactive environments for consumers to explore products virtually. Retailers can use these technologies to enhance engagement, drive sales and differentiate themselves in the competitive market by providing unique and memorable moments.

The customer experience

Customers recognize the value of experience, with 53% of consumers²¹ indicating that the experience a company offers matters as much as the products or services it provides. Brands can’t treat CX as an afterthought – but rather, they must assess the customer journey from discovery to delivery and optimize it to boost growth, retention and loyalty. Today’s customer experience requires spanning channels, creating a cohesive and recognizable experience that allows consumers to move between the digital and physical realms seamlessly.

Brands that follow and embrace up-and-coming demands and trends are better equipped to build effective strategies. Agility is critical to resilience and growth, and a key characteristic for businesses to adopt in 2024.

53%

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Part 2: The platforms, channels and content shoppers use



Omnichannel shopping has expanded with the growth of technology. Brands must work to provide seamless integration across channels, allowing customers to have a unified experience whether they shop online, in-store or via mobile devices. Additionally, AR and VR innovations help enhance the online shopping experience by allowing customers to virtually try products before purchasing, bridging the gap between physical and digital retail spaces.

Because the number of channels has grown, businesses need to stay ahead of which channels and platforms retail their consumers prefer - and create robust strategies to make them all work together.

Top platforms and channels

To effectively reach target audiences and maximize sales potential, brands must know the top platforms and selling channels for their products. By identifying which platforms are popular, retailers can allocate their resources wisely and tailor their marketing strategies accordingly to better reach their customer base. With the right channels, brands increase their visibility, expand their reach and stay competitive.



Online storefront

70%

of the U.S. population shops online²²

Digital platforms where brands feature and sell their products. Visitors expect a user-friendly interface, product listings, detailed descriptions and the ability to make secure purchases. Ideally, customers can view product availability, shipping times and costs.



Retail store

45%

of consumers primarily shop in brick-and-mortar stores²³

Products and goods are sold directly to consumers. Customers can browse, interact with staff and find items that cater to local target market.



Marketplace

61%

of Amazon sales are generated by third-party sellers²⁴

An online platform where multiple sellers list and sell their products to consumers. It's a convenient and centralized shipping experience that offers a vast selection and the ability to compare. Marketplaces give access to a large and diverse customer base.



Mobile app

88%

of consumers have at least one shopping app on their phone.²⁵

An application developed by a retailer to facilitate shopping and engagement with their brand. It allows customers to browse products, make purchases, track orders, receive personalized recommendations and access exclusive deals and promotions directly from their mobile device.

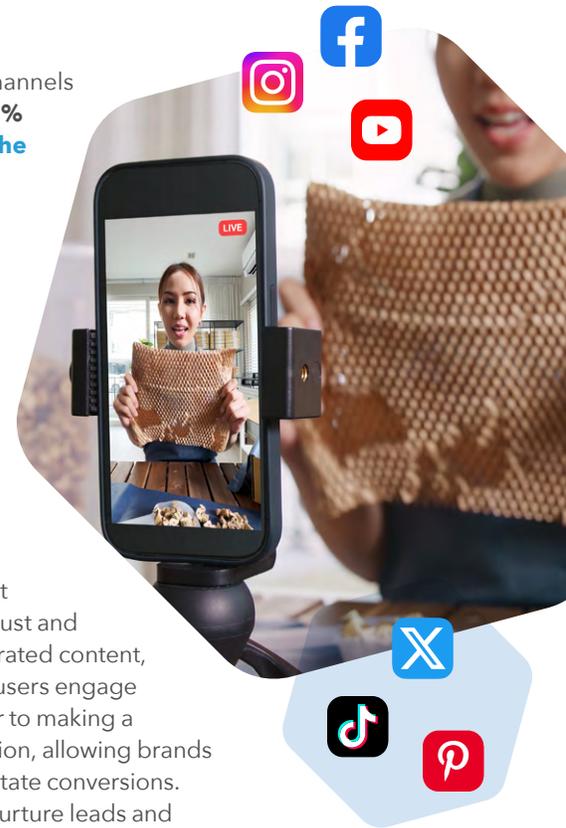
Social platforms and retail consumers

Social platforms aren't just for marketing anymore - they've become search and selling channels as well. **58%** of consumers say they often discover products through social media and **42%** say that social media impacts their purchasing decisions.²⁶ **Social shopping can act as the entire funnel: Discovery, research, conversion and loyalty.**

Platforms like TikTok, Instagram, Facebook and YouTube have created features for selling. For example, Facebook's Commerce Manager lets brands select checkout methods, shipping and returns for businesses who use Facebook Shops. As the younger generations gain more buying power, retailers will want to strengthen their social commerce strategy and presence. Because even though **50%** of all shoppers bought via social media in the past year, that percentage was **73% for consumers ages 18 to 34.**²⁷

Retailers looking to expand further into social commerce should start with the most popular. In 2023, the top social platforms for commerce²⁸ were: **Facebook, Instagram, YouTube, TikTok, Pinterest and Twitter.**

A retailer's social content will be an important factor in a social channel's ability to convert. It can effectively guide buyers down the funnel by providing valuable information, building trust and generating engagement. By creating informative posts, product showcases and user-generated content, brands can attract potential customers and spark their interest in the products offered. As users engage with the content, they become more familiar with the brand and its offerings, moving closer to making a purchase decision. Additionally, social platforms offer opportunities for direct communication, allowing brands to address customer inquiries, provide personalized recommendations and ultimately facilitate conversions. By strategically leveraging social content at each stage of the buyer's journey, brands can nurture leads and drive them toward completing a purchase.



How consumers are searching

Before making a purchase, consumers search and explore products. They discover products in a variety of ways. In 2023, the **top five product discovery tools**²⁹ were:

1. Internet search
2. In retail stores
3. Through social media
4. Television ads
5. Word of mouth

When consumers landed on product pages, the **top 10 ways they got there**³⁰ were:

1. Search engine
2. Retailer site search
3. Retailer mobile app
4. Social media
5. Advertisement
6. Print advertisement
7. Email
8. Magazine or newspaper
9. Text
10. In-store QR code

Retail consumers still rely heavily on search engines for discovery and product exploration, making SEO an important ongoing strategy. It also improves the overall search experience, enhances user satisfaction and encourages continued usage of the search engine platform. When brands optimize their website, it ensures that users find the most accurate and helpful results for their queries. Effective SEO practices help increase website visibility and organic traffic, which benefits both users and brands.



Making it all work together - a cohesive and consistent customer experience

Traditional commerce, social commerce, ecommerce and mobile commerce all have a place in the customer journey – especially since no two customer journeys are the same. The walls between channels are disintegrating, with shoppers moving between them as they go from discovery to delivery. Most retail consumers now take a hybrid approach, particularly the younger generations. It may begin with a shopper seeing a product on a social platform, moving to product exploration on the brand’s website and then checking to see if that item is in-store nearby.

Brands must focus on cohesiveness and consistency since 75% of retail consumers expect the same experience from a brand or retailer, regardless of the channel.³¹

75%

of retail consumers expect the same experience from a brand, regardless of the channel.



The customer journey

Today’s retail consumer wants a seamless and personalized customer journey that caters to their individual preferences and needs. They’re looking for convenience, accessibility and consistency across all touchpoints, whether online or offline. **Other key factors in the customer journey are:**



Transparency and honesty:

Consumers want clear communication and trustworthy interactions throughout their journey. In a recent survey, 94% of consumers said they are more likely to be loyal to a brand that offers complete transparency, and 86% said transparency is a key factor in their decision to buy from a brand.³²



Personalization:

Shoppers expect tailored recommendations, relevant content and customized experiences that resonate with their interests and behavior. In fact, McKinsey research shows that 71% of consumers expect companies to deliver personalized interactions. And 76% get frustrated when this doesn’t happen.³³



Timely and efficient service:

Customers require quick responses, fast resolution of issues and smooth transaction processes. Overall, they want a positive and memorable experience that exceeds their expectations and fosters a sense of satisfaction and loyalty towards the brand. When asked, 92% of consumers said they believed that customer service should respond quickly to questions and problems.³⁴

Content and the customer journey

Today’s retail consumer listens to and relies on their peers, making user-generated content (UGC) a significant influence. For many shoppers, reviews factor heavily into decisions. But it’s not just the review itself, but the quality, rating, overall number of reviews, details in the review and recency. And brands also have sway – their response to negative reviews has an impact.

In 2024, a retailer’s content must align with consumer preferences. Although brand-generated content still has its place, UGC is highly desirable, with 79% of people³⁵ saying UGC highly impacts their purchasing decisions. This includes social media, testimonials, case studies, photos, video content, hashtags, influencer content and more. When consumers are on a brand’s site or social platforms, the top content preferences for learning about products or the company are short-form videos, how-to guides, infographics, social posts, email newsletters, podcasts, eBooks and whitepapers.

The customer experience is clearly central to retail success – and it’s elevated through a brand’s use of channels, platforms and content, and the ability to create a cohesive journey around them. However, another piece of the retail consumer puzzle is the post-purchase experience, which also become critical to brand success over the past few years.



Part 3: The power of post-purchase, fulfillment and the customer experience



A negative post-purchase experience significantly affects the overall customer experience. As one of the last impressions in the journey, it can deter customers from coming back. A survey on last-mile delivery found that **76%** of respondents said that an unacceptable delivery experience would affect their decision to order from a company again.³⁶ Consumers expect a hassle-free post-purchase that includes timely delivery, easy returns and responsive customer support. They also want visibility into order status, clear communication about any issues or delays and the ability to track their shipments in real-time. And beyond the delivery – personalized follow-ups and recommendations enhance satisfaction and encourage repeat purchases, loyalty and retention.

What retail consumers want from their post-purchase experience

The Amazon effect has influenced the entire retail industry. Customers expect free and fast shipping – some want it as quickly as one day or same day. Moreover, social media has promoted unboxing: Social platform users film themselves opening packages from a brand. The more delighted they are, the better the brand's impression. The retail consumer is looking for continued engagement through the fulfillment, shipping, delivery and receiving processes. Here's how:



Communication

From the moment of purchase, **80% of consumers**³⁷ expect to receive regular updates regarding their order. This includes:

- Order confirmation
- Shipping updates
- Delivery alerts
- Delay notifications
- Returns information
- Feedback surveys

Having access to customer support is also crucial. It reduces uncertainty and contributes to a more positive experience.



Shipping costs and times

Consumers expect reasonable shipping costs and increasingly faster delivery times, often preferring free or discounted shipping options. Online shoppers rank free delivery and fast delivery, first and second, respectively, as the most important reasons for choosing retailers.³⁸ They also seek free return shipping for a more risk-free experience.

Buyers value transparency for shipping times and want reliable tracking. Additionally, flexible delivery, such as expedited shipping or scheduled deliveries, enhances their experience.



Unboxing

As of November 27th, 2023, there had been more than 25 billion YTD views of videos with “unboxing” in the title.³⁹ It's UGC that clearly has an appeal. This makes unboxing an incredible opportunity for brands to engage retail consumers. They can leverage the experience to:

- Tell their brand story
- Encourage UGC on social media
- Personalize
- Enhance product presentation
- Offer thank yous, freebies and gifts
- Build brand loyalty



Loyalty programs

According to a late 2022 survey, seven out of 10 Americans considered loyalty programs a leading factor in securing their loyalty towards their favorite brands.⁴⁰ Commonly, retail loyalty programs include rewards, discounts and other special incentives such as free products. However, a shift is happening for 2024, and brands are leaning into soft benefits and community engagement that create stronger emotional connections. This includes things like personalized shopping experiences or invites to VIP events. Retailers also aim to differentiate themselves and find unique value propositions that set their loyalty programs apart.

2024 Fulfillment trends for retailers

With the increasing need to meet post-purchase expectations, retailers are turning to:

Automation and robotics: Automation and robotics are increasing the efficiency and accuracy in order processing and inventory management. These technologies handle repetitive tasks, such as picking and packing, at a much faster rate than human workers, reducing labor costs and speeding up order fulfillment.

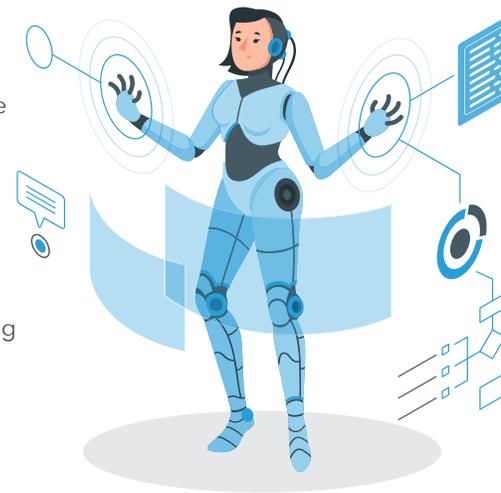
Artificial intelligence (AI) and machine learning: AI and machine learning are revolutionizing fulfillment processes by analyzing vast amounts of data to optimize inventory management, predict demand patterns and automate warehouse operations. AI-powered algorithms can dynamically adjust inventory levels, route optimization and labor allocation in real-time, resulting in faster order processing and reduced costs.

Diversifying fulfillment: Retailers are employing a variety of fulfillment methods such as dropshipping, micro-fulfillment, third-party logistics (3PL) and in-house fulfillment. This diversification helps them optimize costs, improve efficiency and better serve their customers by offering faster shipping options and expanding their reach to new markets.

Sustainable practices: Brands are optimizing packaging to reduce waste, utilizing renewable energy sources for warehouse operations, implementing efficient transportation routes to reduce emissions and investing in eco-friendly packaging materials, including recycled and biodegradable options. Some retailers have also begun exploring innovative technologies like automated systems and robotics to improve energy efficiency and streamline operations. These sustainable practices not only benefit the environment but also resonate with environmentally conscious consumers, contributing to a positive brand image and customer loyalty.

Omnichannel fulfillment strategies: Omnichannel fulfillment integrates sales channels and fulfillment centers to provide customers with a cohesive shopping experience. When a customer places an order, the system identifies the nearest fulfillment center based on inventory availability and shipping preferences. The order is then picked, packed and shipped from the designated fulfillment center, ensuring swift delivery to the customer’s preferred location. This approach enables retailers to fulfill orders from multiple channels while optimizing inventory management and minimizing shipping costs.

When retail brands focus on improving the post-purchase experience, they improve engagement and loyalty, and increase the chances of repeat purchase and customer retention. Fulfillment operations have the power to drive growth and success through thoroughly delighted retail consumers who’ve had an exceptional journey end-to-end.



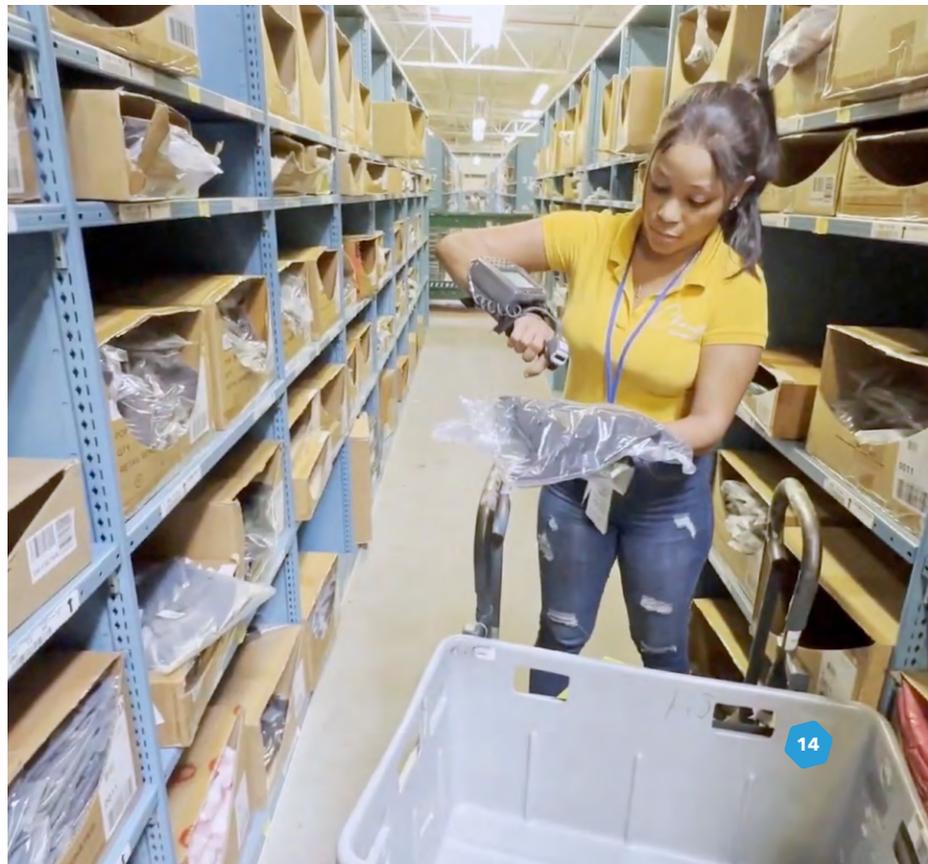
Conclusion: Key strategies and best practices for omnichannel retail operations



The economy is improving, and consumer sentiment is up. But still, the retail consumer is weighing their purchases. They're looking to connect with brands, listening to their peers and they want a seamless customer experience from discovery to delivery. Streamlined and cohesive omnichannel shopping and fulfillment will be key for retailers to attract, retain and grow loyal customers in 2024. **It will require effective data, marketing, content and fulfillment strategies - and a unified look into how it all works together.**

Creating an omnichannel retail strategy

Omnichannel retail requires seamlessly integrating online and offline channels to provide a unified shopping experience. Brands must use customer data to form strategies that personalize interactions across all touchpoints, whether it's through a website, mobile app or in-store visit. It's also about flexibility. For example, offer your customers flexible fulfillment options like buy online, pick up in-store (BOPIS) or curbside pickup. It's anything that enhances convenience, regardless of what channel they're using. Moreover, branding, pricing and promotions across all channels should be consistent, which is crucial for maintaining trust and loyalty. An omnichannel approach leverages technology to track your customer journeys and optimize your marketing strategies accordingly to ensure relevance and effectiveness across your platforms.



Data

Data has power, but to leverage it, you must unify and extract meaningful information to utilize it. Data provides valuable insights into customer behavior, preferences and interactions, enabling businesses to understand their audience better and tailor experiences accordingly. It helps identify patterns, anticipate needs and optimize touchpoints to create a more engaging customer journey.

Your best practices for retail data

Assuring data quality assurance

- Regularly audit and clean data to ensure accuracy and consistency.
- Implement validation checks to identify and rectify errors or inconsistencies.
- Utilize data governance frameworks to maintain data integrity and compliance.

Collecting and integrating data

- Collect data from multiple touchpoints, including online and offline channels.
- Integrate data from various sources, such as CRM systems, POS terminals and social media platforms.
- Use APIs and data integration tools to streamline the process and ensure real-time data availability.
- Centralize data in one source of truth.

Inventory management and demand forecasting

- Use historical sales data and predictive analytics to forecast demand accurately.
- Optimize inventory levels to prevent stockouts and overstock situations.
- Implement inventory tracking systems for real-time visibility and efficient replenishment.

Segmenting and personalizing your customers

- Segment customers based on demographics, behavior and preferences.
- Use analytics and machine learning algorithms to personalize marketing messages and offers.
- Deliver targeted content and product recommendations to enhance the customer experience.

Omnichannel optimization

- Create a seamless shopping experience across online and offline channels, merging the physical and digital.
- Use data analytics to understand customer journeys and preferences across different touchpoints.
- Enable features like click-and-collect and ship-from-store to meet customer expectations for convenience and flexibility.

Measuring performance and KPIs

- Define key performance indicators (KPIs) to track the effectiveness of retail operations.
- Monitor metrics such as sales conversion rates, customer acquisition cost and average order value.
- Use data-driven insights to optimize your business strategies.
- Securing your data
- Add security that protects customer data from cyber threats and breaches.
- Comply with data protection regulations such as GDPR and CCPA to safeguard customer privacy.
- Conduct regular



Marketing

Your marketing efforts drive awareness and attracts customers. By developing strategic campaigns and targeted messages, you can communicate your unique value position and selling points to your target audience. As the retail industry becomes more competitive, marketing is critical for staying top-of-mind with consumers and fostering long-term relationships.

Retail marketing best practices

- **Segment and target customers:** Divide your audience into segments based on demographics, behavior, or preferences, and tailor marketing campaigns to each group's specific interests and needs.
- **Create an omnichannel presence:** Establish a strong presence across multiple channels, including social media, email, website, and physical stores, to reach customers at various touchpoints along their buying journey.
- **Use content marketing:** Create high-quality, relevant content that educates, entertains or inspires and helps to build brand credibility and attract and retain customers.
- **Personalize:** Deliver personalized marketing messages, product recommendations and offers that resonate with individual customers, increasing engagement and conversions.
- **Focus on the customer experience and journey:** Prioritize delivering exceptional customer experiences at every interaction point, from browsing and purchasing to post-sale support, to foster loyalty and advocacy among your customer base.
- **Test and optimize:** Continuously test different marketing tactics, channels and messaging to identify what resonates best with your audience and optimize your strategies for maximum effectiveness.
- **Build authentic, long-term relationships:** Focus on building long-term relationships with customers by fostering trust, providing value and engaging in two-way communication, rather than solely focusing on short-term sales goals.



Content

Content is how you engage and educate your consumers. It drives traffic, influences purchase decisions, and helps to establish brand authority within your industry. It's also used to support the stages of the customer journey, from awareness to post-purchase support, helping you enhance the overall customer experience.

Best practices for content creation

Take a customer-centric approach

- Understand your customers' content preferences.
- Create content that addresses customer needs, interests and pain points.
- Use customer feedback and data analytics to tailor content to specific segments.
- Provide value and solutions to customer problems rather than purely promoting products.

Create consistency and a brand voice

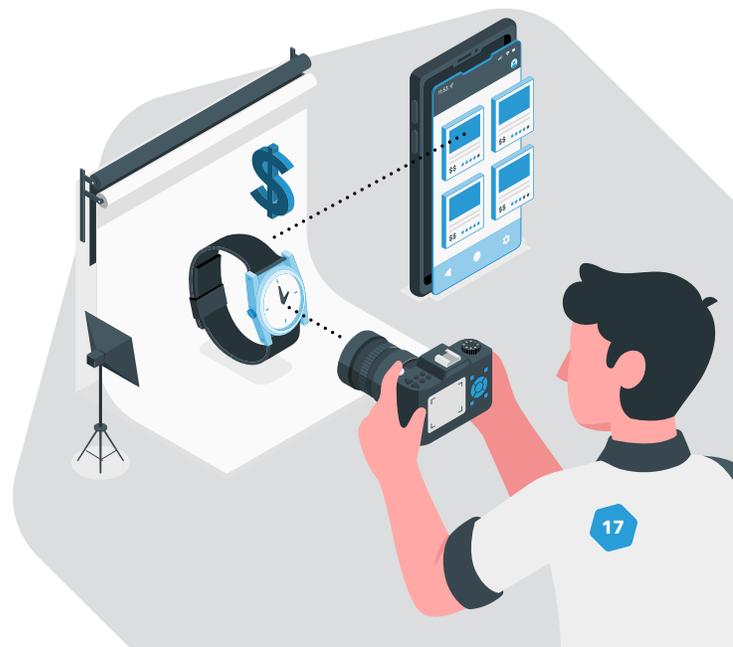
- Maintain a consistent brand voice and messaging across all content channels.
- Ensure coherence in tone, style and visual elements to reinforce brand identity.
- Establish content guidelines and templates to maintain consistency across teams and platforms.

Add visual appeal and engagement opportunities

- Utilize high-quality images, videos, and graphics to enhance visual appeal.
- Incorporate interactive elements such as quizzes, polls and shoppable content to increase engagement.

Optimize content and use SEO

- Identify relevant terms and phrases for SEO optimization.
- Optimize content for search engines by incorporating keywords naturally into titles, headings and body text.
- Utilize metadata, alt tags and structured data markup to improve visibility and ranking in search results.



Fulfillment

Fulfillment plays a crucial role in retail. It ensures that your customers receive their orders accurately, on time and in good condition. It directly impacts customer satisfaction, loyalty and repeat business. A positive fulfillment experience can enhance the overall shopping journey. Additionally, by optimizing your fulfillment operations, you save money with more streamlined and effective processes.

Best practices for retail fulfillment

Continuously monitor and improve your fulfillment processes so that you are better able to adapt to changing customer demands and market trends. You should also:

- **Streamline order processing:** Efficient and effective order processing minimizes delays and errors.
- **Utilize advanced inventory management techniques:** Implement strategies and state-of-the-art technologies to forecast demand, optimize stock levels and reduce out-of-stock situations.
- **Implement reliable tracking systems:** Use systems that accurately provide real-time visibility into order status and shipment location.
- **Invest in the correct packaging:** Ensure products arrive safely and undamaged while saving costs by assessing your packaging. Find right-size containers as well as materials that prevent damage.
- **Partner with reliable logistics providers:** Make sure to partner with providers that give you flexibility, scalability and provide cost-effective, reliable services.



Unified commerce: Meeting today's retail consumers needs



Unified commerce aims to seamlessly integrate all retail channels and touchpoints, creating a consistent shopping experience for customers across online and offline platforms. It emphasizes understanding the customer journey to enhance retention and loyalty, breaking down barriers between digital and physical channels. By consolidating data into a centralized source, brands can personalize experiences and streamline operations, ultimately driving business growth. This approach offers both backend insights into consumer behavior and frontend cohesion in the shopping experience, resulting in a more dynamic and customer-centric retail environment.

At Cart.com, we believe both digital and physical (software and fulfillment) are needed to execute unified commerce well. We're leading provider of unified commerce and logistics solutions that enable B2C and B2B companies to sell and fulfill anywhere their customers are. The company's enterprise-grade software, services and logistics infrastructure, including its own network of fulfillment and distribution centers, are used by some of the world's most beloved brands and most complex companies to unify commerce operations across channels and drive more efficient growth.

[Contact us today](#) to learn how **Cart.com** can help you.



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