5 Advanced Strategies

for Global Brands in an Unpredictable eCommerce Landscape

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Table of Contents

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Introduction

Stiff digital competition and increasing expectations from online shoppers are making it more complex to thrive in the world of eCommerce. Having an impressive product catalog, offering excellent customer service, and running a functional website are the bare minimum. Reaching customers — and consequently, encouraging spending — requires retailers to create online experiences that strike a chord and are as frictionless as possible.

Today, it's no secret that global brands are adopting emerging technologies and partnering with different services and tools for the ultimate shopping experience. The overwhelming number of options and the risks involved, however, can lead to a loss in profit and waste in investments.

In this ebook, we'll tackle the common challenges brands and retailers are currently facing and provide five innovative strategies that enhance the shopping experience to drive customer loyalty and satisfaction, mitigate loss from inventory issues, and boost online revenue and profitability.

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The Main Challenges that Global Retailers Face

Online retail might be booming, with many brands anticipating further growth from their adoption of digital commerce. Still, the path to success won't be smooth-sailing, even for retailers that are already well-versed in the game.

Here are the hurdles that pose challenges to sustainable growth and customer satisfaction:

1. Rising costs of eCommerce operations

2. Global recession and major layoffs

3. Threats to online security and privacy

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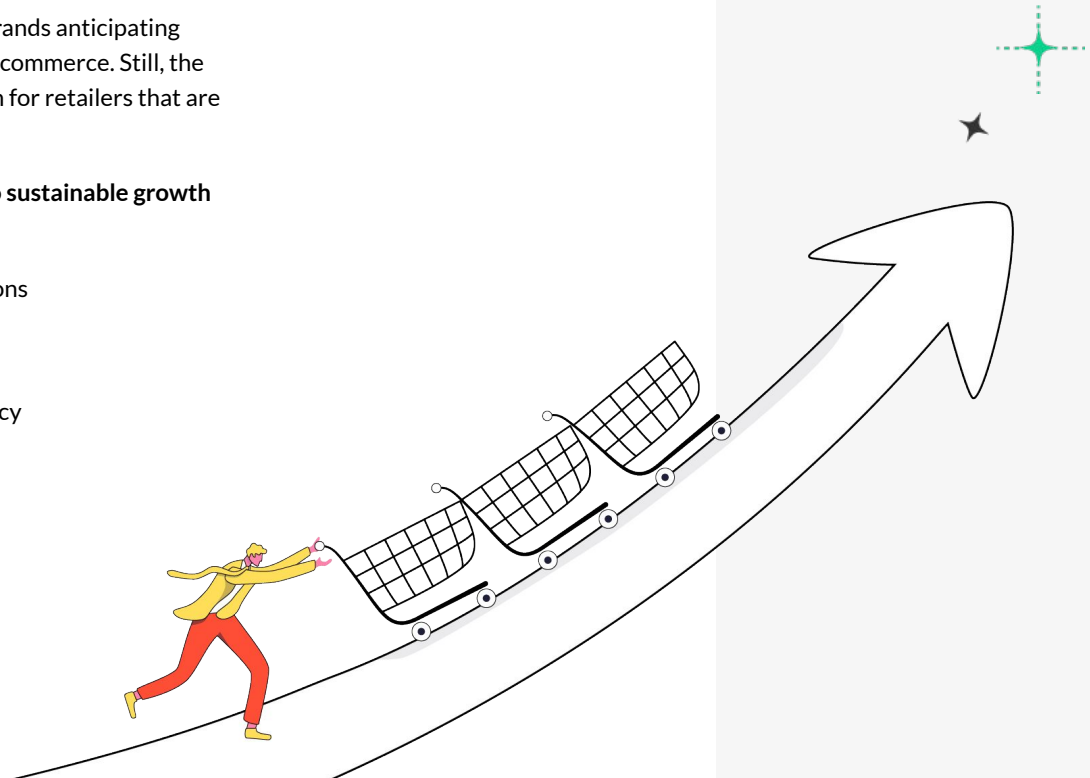
Rising Costs of eCommerce Operations

Retailers had to deal with supply chain issues since the pandemic. While it was expected to ease up in 2023, unexpected global events such as the Russo-Ukrainian war have made it more difficult to achieve normalization. Research has shown that supply chain disruptions have costed brands as much as 62% of financial loss. Delays and increased costs have impacted customer satisfaction, as shoppers want free and fast delivery — 56% of abandoned carts have been attributed to delivery concerns.

Manufacturing costs are on the rise as well, which cover materials but also packaging and human resources. This means companies will increase prices to protect profit margins. At least 73% of industry leaders have already anticipated the need to hike the prices of their goods and services.

Global Recession and Major Layoffs

Inflation is a leading concern for adults around the world at 40%, while 26% fear job insecurity. The abundance of choices online has already made it easier for shoppers to reconsider their brand loyalty.

Rising prices and weaker purchasing power have exacerbated the issue, with three in five customers leaving brands they previously loved to save. Three-fourths of customers say their motivation in staying loyal is incentivizing them through discounts and rewards — making customer loyalty tied to prices more than ever. An overwhelming 96% of consumers plan to adopt more cost-saving behaviors in 2023.

Threats to Online Security and Privacy

Concerns about data security and privacy are causes of friction for customers. The demand for personalized shopping is surging, with 82% of US customers saying that they would willingly share some personal data for a tailored shopping experience.

There is a limit to this however, with almost half choosing not to share more than necessary and 32% opting out of brand emails and texts — communication channels that are typically ripe for conversions. Brands have to gather pertinent customer data while also reassuring shoppers that their data is safe and not used with malicious intent. The latter covers the fear of online fraud, which 31% of consumers identify as one of the drawbacks of online shopping.

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The State of eCommerce

In recent years, we saw the acceleration of eCommerce penetration, with more consumers forced to shop online due to public health issues and global lockdowns. This resulted in brands transforming the way they do business, with many feeling the urgency to transition online to keep pace.

In 2021, global sales amounted to $5.2 trillion and are expected to grow by 56% in succeeding years. It's a stark difference, especially when we consider that online retail accounted for 25% of global sales in 2019, but has jumped to 40-60% since.

Due to the proliferation of online retail, customer expectations from eCommerce have also evolved. With the rise of hyper-personalization, 66% of customers now expect brands to understand their unique needs and 52% want the offers they receive to be personalized. About 88% also expect companies to accelerate their digital initiatives.

Salesforce emphasizes in its recent customer report that brands aren't just competing with other companies in the same vertical — they're also contending with shopping experiences that have already connected with customers.
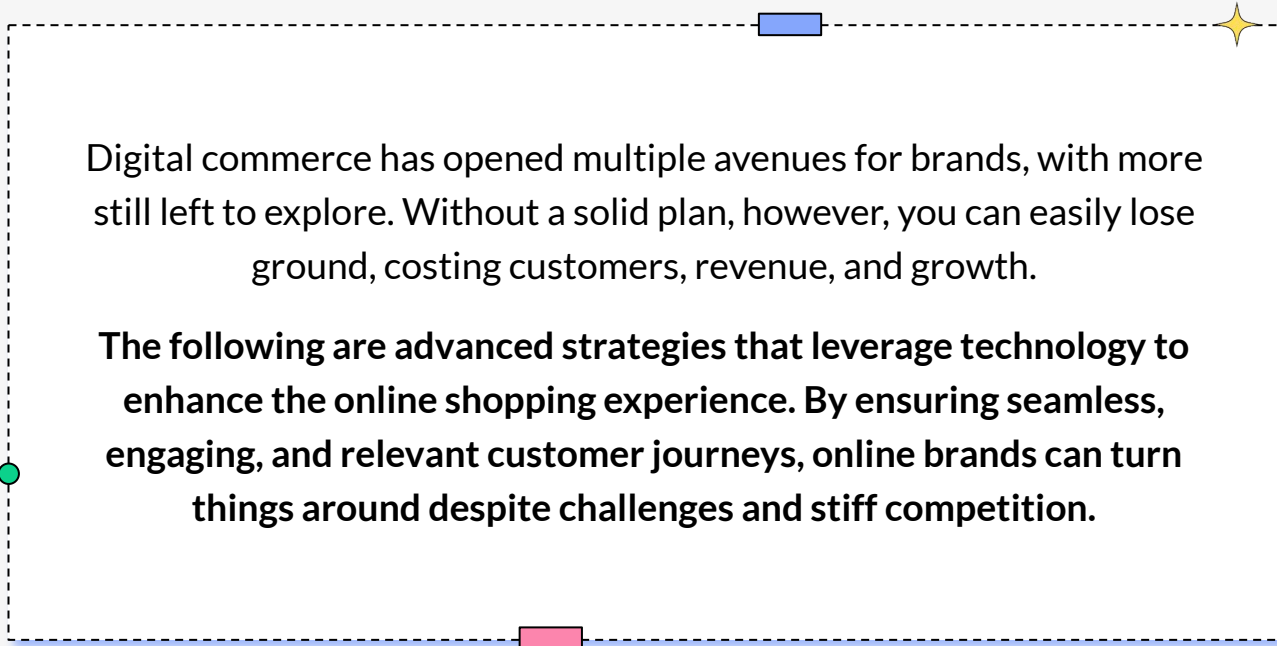
As a result, retailers are increasing investments in eCommerce technology, with the industry reaching $4.6 billion in funding. Almost half are ramping up efforts in engaging customers through social commerce. Previously seen as domains of gaming, brands are also exploring the metaverse and augmented and virtual reality. The possibilities are endless.

In other words, eCommerce isn't static and will continue to evolve. If brands hold a rigid view of the industry, they might just fail to capitalize on new opportunities.

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5 Innovative eCommerce Strategies to Drive Growth and Retain the Momentum

Digital commerce has opened multiple avenues for brands, with more still left to explore. Without a solid plan, however, you can easily lose ground, costing customers, revenue, and growth.

The following are advanced strategies that leverage technology to enhance the online shopping experience. By ensuring seamless, engaging, and relevant customer journeys, online brands can turn things around despite challenges and stiff competition.

1

Remove Interruptions Throughout the Online Journey with Customer Hijacking Prevention

Customers, especially price-conscious shoppers, use technology to their benefit. Researching online before purchasing is so easy that 53% do so to make sure they're getting the best deals. With third-party tools that include browser extensions, they also have the power to find promotions that suit them and be shown relevant ads.

While these can turn into conversions, they can also be interruptions to the customer journey that drive away even high-intent shoppers. These aren't deliberate on the side of the online retailer but can confuse shoppers who would then abandon their carts. Customer hijacking prevention tools, which are powered by AI and machine learning algorithms, can detect these interruptions when they take place. Capable of analyzing the impact and the triggers, customer hijacking prevention can help you take back control.

Interruptions Your Visitors See
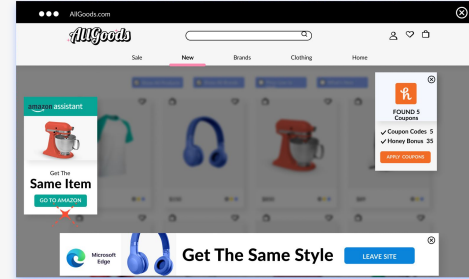
Analysis of Your Visitors' Experience

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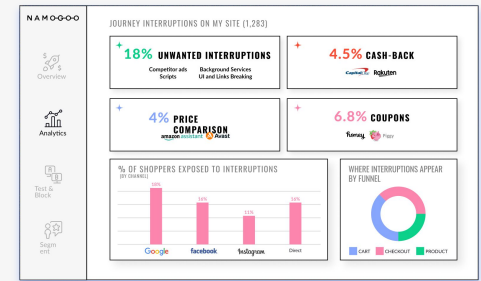
2 | Build Trust and Engagement with Immersive Shopping Experiences

Restricted mobility and stores operating at limited capacity in the last years have turned customers to the online realm for entertainment — and that includes online shopping. Brands were driven to replicate engaging, immersive in-store experiences online to draw customers who have an abundance of time and choices in their hands.

With features such as 360-degree product images, virtual try-ons, augmented reality, and even gamification, brands have entertained as much as they have instilled trust and alleviated fears of online shopping. Retailers were able to captivate customer attention and appeal to emotions — at least 47% of shoppers say that they have connected better with products through immersive technologies.

In addition to interactive product visualization and AR/VR, brands can also look into the metaverse. At present, the concept is still in its early stages, but it has already seen $120 billion worth of investments, and users are eager to shop: 79% of active users claim to have made a purchase.

Even with the world returning to normal, the demand for these experiences remains, blurring the lines between physical and digital shopping.

"In 2023, virtual experiences will become table stakes for the eCommerce industry.... Brands are expanding into fantastical, out-of-this-world **virtual experiences** that are more immersive, more creative, and prime for permanence."

NEHA SINGH
Founder & CEO at Obsess

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3 | **Enhance Product Discovery to Seamlessly Connect Shoppers to the Right Products**

Over the last few years, there have been various emerging channels that are changing the way people shop. The boundaries between them have also been fuzzed – 67% of customers use multiple channels to complete a single transaction, with the expectation that omnichannel shopping will be smooth and easy.

As such, it has become important, more than ever, to connect customers to products fast. Missing out on profit is made more likely with a saturated online market and competition just one tap away. Consider launching a voice shopping feature like large retailers such as H&M, Nike, and Walmart who already implemented it. For online shoppers who often face the dilemma of finding a product they don't know quite know how to describe in words, brands and retailers can also enable shopping with images.

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4

Optimize Operations & Personalization in a Cookieless World with Predictive Analytics

Predictive analytics is a blend of technologies and methodologies such as AI, machine learning, and statistical analysis. Its applications in eCommerce include helping forecast market demands, predicting customer behavior, enabling dynamic pricing by analyzing multiple data points, and even detecting fraudulent activities.

Personalization is also powered by predictive analytics. In fact, personalized recommendations based on it can increase conversion rates by up to 4x, according to a report by Barilliance.

However, the data needed to get the most out of predictive analytics is becoming more and more limited. Google is phasing out cookies and Apple is increasing users' control over their personal information after every iOS update.

Moreover, even if shoppers expect personalization, they also desire data privacy: 71% want brands to deliver personalized interactions and 76% will switch if they don't like their experience. So how can you provide shoppers with the personalized experiences that they expect even with limited access to data?

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Explore the Many Benefits of Non-PII Data

You don't need personal identifying information (PII) data to anticipate customer needs. With the wealth of information on customer behavior on your eCommerce site alone, non-PII data can help you identify shopper profiles and customize their customer journeys accordingly. Here are examples of using non-PII data to increase online sales and revenue with an eCommerce OS powered by predictive analytics:

A — Identify hesitant visitors who have a high probability of abandoning their sessions but high purchase intention, and trigger a chatbot to answer questions and handle objections. Product reviews can also be made more visible — online testimonials have as much impact as friend recommendations to 49% of consumers.

B — Serve a basic version of your site to visitors who aren't tech-savvy to reduce confusion and friction in the customer journey.

C — Identify bargain hunters who love cash back, and offer them an incentive to get them to buy. You can also detect cashback lovers who added products to their carts and use this incentive to really push them toward conversion.

D — Guide users with low buying probability to landing pages with more education, social proof, and incentives. Or simply gain their email and phone numbers for SMS and email marketing by offering high-value content or entering a giveaway.

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It All Boils Down to This:

You can optimize the shopping experience on your eCommerce site with non-PII data and predictive analytics, identifying and addressing spots for friction to ensure seamless customer journeys.

PURCHASE INTENT

PRICE SENSITIVITY

SHOPPING EXTENSIONS INSTALLED

SHOPPING EXTENSIONS INSTALLED

AMAZON FREQUENT BUYERS

LIKELIHOOD TO ABANDON IN REAL-TIME

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Applications | Personalizing Promotions with Non PII Data

Maximize Budget and Streamline Operations by Using Intent to Deliver Promotions

There's no one-size-fits-all approach to incentives in eCommerce. Shoppers have different motivations when browsing your products. By replacing generic promotions with in-the-moment individualized promotions, you can shorten purchase time by at least 45%, boost digital revenue by 15%, and reduce spending on promotions by 25%.

Similarly, predictive analytics allows you to calculate shoppers' purchasing patterns and real-time context to determine the right offer for each specific customer during their session. This information empowers you to assess demand that can guide your merchandising and pricing, as well as reach out to your customer base at the most opportune moment.

Orchestrate Engaging Customer Journeys with Non-Discount Promotions

Around the world, markets are flashing warning signs that the global economy is tipping into recession. While it's not here yet, retailers can be sure that when there's a slump, there will be challenges. Shoppers are already pessimistic about the economy. They're trading down and reducing or delaying discretionary purchases.

Is there another way for online brands to win customers when there's a downturn that's not solely based on promotions? You can leverage real-time data to direct shoppers to the places on your site you want them to see. For example, a shopper who has a high probability to abandon will receive a different popup than one who's not.

Delivering highly targeted announcements, based on shoppers' unique intent or segments, at the right time can increase relevance and engagement, resulting in 10% better conversation rates and 5% uplift in revenue per visitor.

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5 | Explore Generative AI Applications Across the Customer Experience

Generative AI isn't new but it has sparked interest in retail for its possible applications moving forward. Unlike traditional AI models that only classify information, generative AI generates new data by utilizing foundation models. The industry still has little experience with the technology, but it's potentially another development that can revolutionize the way people shop.

For instance, generative AI can advance chatbots with features that learn from customer preferences and provide personalized service to increase sales. It can also support content creation such as blogs, social media posts, and videos to engage shoppers and potentially drive conversions. Finally, generative AI can also be used in eCommerce for merchandising and product design purposes, with McKinsey proposing a high potential in the fashion industry.
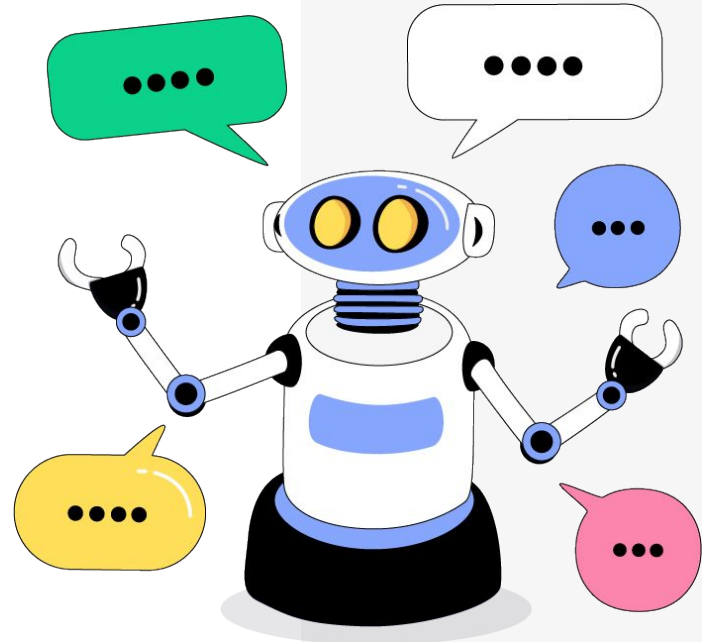
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ABOUT NAMOGOO

Namogoo is the world's first Digital Journey Continuity platform, enabling online brands to drive their customer journeys forward and clear the path to purchase. The platform autonomously adapts to each customer visit in real-time, keeping the journey flowing right on to its destination.

Over 1,000 leading global brands trust Namogoo to keep their digital journeys hesitation-free and their business on the path to growth.

REQUEST A DEMO

Customer Hijacking Prevention identifies and smart A/B tests the impact of journey interruptions such as ad injections to coupon and price-comparison extensions, so you can decide which ones to keep or block.

Customer Journey OS gives eCommerce teams the power to orchestrate, manage and act upon all journey data in real time, delivering precise experiences that drive revenue.

Intent-Based Promotions engine predicts and individualizes the most effective minimum promotion for each visit — saving eCommerce retailers' margins and strengthening brand equity.

Personalized Email and SMS enables brands to re-engage with shoppers across all channels, including social media, wherever they are in their journeys.

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