

EVOLUTION OF RETAIL & COMMERCE SUMMIT



Trend Report

January 13 – 14, 2025



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The Cost of Bad Commerce Comms





Katrine Ryan Senior Strategist Arc Worldwide

The <u>Brand Innovators Evolution of Retail & Commerce Summit</u> in New York City explored AI, innovation, and emerging channels. However, a significant emphasis was placed on getting back to basics: marketing communication. Are we fully considering the cost of poor commerce communication?

KEY TAKEAWAYS

Remove "You" from the Consumer: It's easy to let personal passion for a brand influence our approach, but great marketing starts with data—not ego. Many panelists emphasized the need to lead with insights rather than personal preferences. As Nick Antoniades, VP of Customer Relationship Marketing at IPSY, put it: "Make sure the information is important to them, not you!" Other executives echoed this, urging marketers to eliminate bias and immerse themselves in the shopper's journey.

At Arc, we stay connected to the pulse of commerce by listening directly to shoppers at retailers and establishments. In the end, effective marketing isn't about what we want to say—it's about what our shoppers want to hear.

Communicate Strategically with the Right KPIs: John Giaquinto, VP of Loyalty, Personalization & Analytics at Rite Aid, urged marketers to evaluate each touchpoint's impact on the consumer. Panelists emphasized the importance of testing specific markets or audiences to assess how communications shape long-term brand relationships.

While traditional success metrics like sales lift, basket size, and engagement are key, it's equally important to identify potential negative effects. Regular testing to monitor leakage, loyalty shifts, and shopper sentiment can help brands refine messaging for maximum impact.

At Arc, we leverage surveys, third-party data, and insights from brand partners to deeply understand category dynamics and the influence of shopper experiences.

Say It, Don't Spray It: You've probably experienced a conversation where someone spoke with their mouth full—and you got more than you bargained for. Brands can fall into the same trap, eager to share their passion and story across every channel, all at once. Panelists emphasized the importance of selecting the right channels and messaging that truly resonate with shoppers. From Arc's retail perspective, prioritizing product benefit communications often outperforms brand-centric messaging at the point of purchase. The key takeaway? Less is more—focused, single-minded communication wins.

Simply put, no matter the channel or innovation, the basics of communication should always be a priority. Is our messaging positively influencing shoppers? Are we prioritizing the right touchpoints—and do consumers actually want to hear from us in that moment?

The summit underpinned Arc's focus on sticky shopper behavior and relevant data as well as its approach to creating irresistible creative. You can learn more about <u>Arc Worldwide here</u> – and don't hesitate to get in touch with us to make your brand irresistible to shoppers.





Taking Small Steps In Al Adoption To Drive

Organizational Transformation Over Time



Matt Korotko
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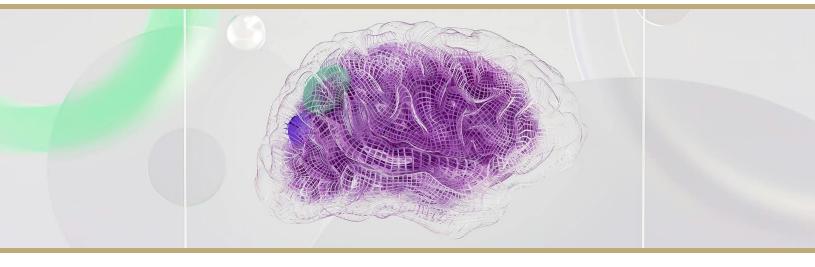
As expected, AI was a hot topic at Brand Innovators Evolution of Retail & Commerce Summit as is the case in any event we will be attending in 2025. The possibilities are endless and there is excitement to drive sweeping organizational transformation by implementing AI anywhere and everywhere technology can be plugged into. However, discussions during the summit took an interesting turn when speakers urged a balanced and razor focused approach to implementing AI. How can leaders avoid rushing into an overwhelming AI policy and instead take deliberate, bite-sized steps to implement targeted AI solutions that gradually overcome barriers and drive transformation incrementally rather than overnight?

KEY TAKEAWAYS

Overcome Your Top 3 Barriers First: Speakers warned leaders about rushing to implement any and every Al opportunity in risk of overwhelming their organization. Instead, they urged a focused approach by identifying the core barriers their business faces today and then focusing on how Al can solve those problems first.

Approach Training Modularly: Roadmap training opportunities in a way that feels manageable for talent. Given the vastness of the AI ecosystem, speakers recommend focusing on one AI platform at a time. This step-by-step approach enables employees to build their expertise gradually and effectively.

In conclusion, while organizations should feel a sense of urgency to learn and implement AI, speakers recommend approaching projects through small, quick iterations. This method fosters gradual progress, ultimately leading to larger, more impactful transformations over time.







Elevating Omnichannel Retail with

Personalization and Shopper-Centric Strategies



Susie McKeon
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The Brand Innovators Evolution of Retail & Commerce Summit highlighted a critical theme reshaping the future of retail: the omnichannel experience. As consumers seamlessly navigate between online, in-store, and experiential platforms, retailers are reimagining the shopper journey to deliver unified, shopper-first experiences. Personalization has become the foundation of these strategies, enabling brands to deepen connections and foster loyalty by tailoring offerings to individual preferences. Through the smart integration of data, technology, and creativity, leading retailers are not only meeting evolving customer expectations but also driving meaningful engagement and sustainable growth.

KEY TAKEAWAYS

The Rise of Omnichannel Retail: The integration of online, in-store, and experiential channels is now a cornerstone of modern retail. Retailers are creating seamless customer journeys that unify these touchpoints, ensuring customers experience the brand consistently no matter where they shop. From locally curated store offerings to innovative, tech driven solutions that simplify shopping, retailers are reimagining what it means to meet customers where they are. Convenience and engagement remain the driving forces behind these strategies, with a focus on delivering both ease and delight across channels.

Personalization as the Cornerstone of Success: Personalization has become a defining factor in effective omnichannel strategies, with retailers tailoring experiences to the unique preferences of their customers. By considering regional, demographic, and individual needs, brands can craft meaningful connections that drive loyalty and satisfaction. This shopper-first approach ensures that customers feel seen and valued, whether through curated product recommendations, loyalty-driven rewards, or bespoke services that elevate the overall experience.

Leveraging Data and Technology for Enhanced Engagement: The ability to harness data and leverage emerging technologies is revolutionizing personalization and customer engagement. With tools like AI and data-driven insights, retailers can synthesize customer behavior, anticipate needs, and deliver tailored experiences in real time. From streamlining loyalty programs to reducing friction through advanced shopping technology, these innovations are helping brands remain relevant and competitive while simplifying customer journeys.

Balancing Creativity and Operational Efficiency: Retailers must find the right balance between bold, creative campaigns and the practicality of operational efficiency. By aligning purpose-driven initiatives with scalable strategies, brands can deliver customer experiences that are both impactful and sustainable. Innovation must remain rooted in practicality, ensuring that investments in personalization, loyalty programs, and new technologies yield tangible results that resonate with customers and drive business growth.

Personalization and Loyalty as Pillars of Omnichannel Retail: To succeed in the evolving retail landscape, brands must prioritize personalization, loyalty-building, and seamless omnichannel integration. By blending creativity with innovation and operational efficiency, retailers can create customer-centric experiences that foster trust, deepen engagement, and drive long-term success.



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