Nayax | CoinBridge Constructor Epsilon INSIGHTS Worldwide Business Research

The 2024 European Playbook

eTail CONNECT

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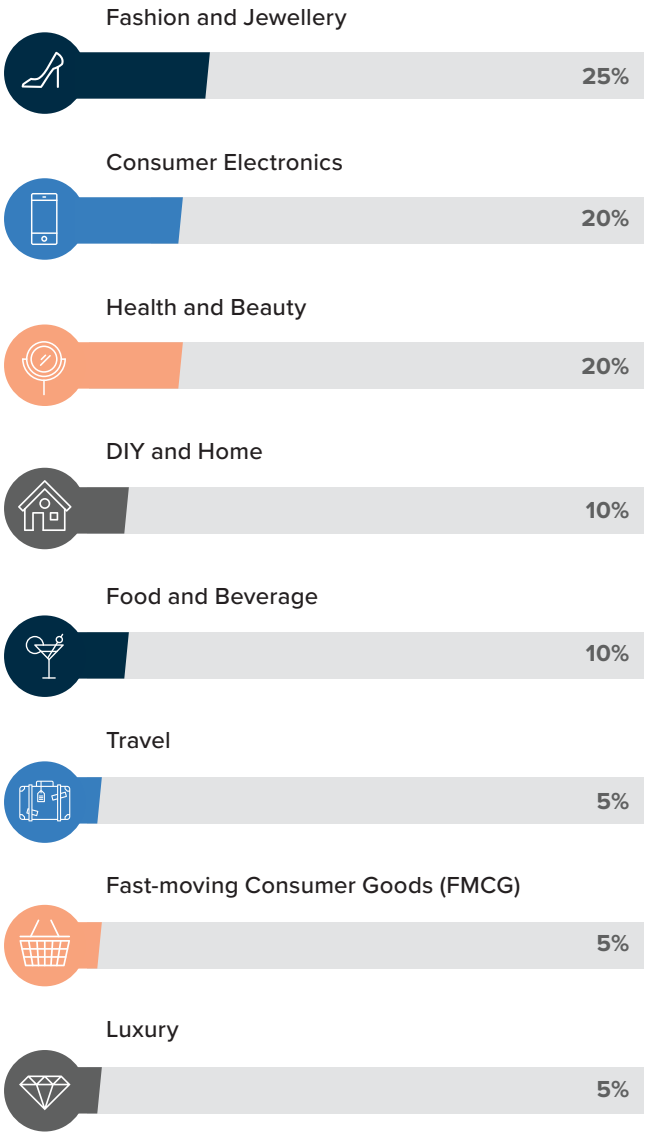
Methodology

In Q4 of 2023, WBR Insights surveyed 100 eCommerce leaders from organisations across Europe to find out about the challenges they are facing and the innovative solutions being brought to the table.

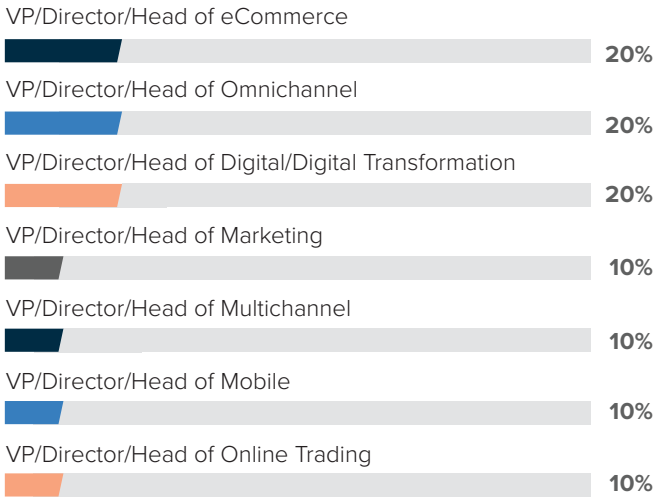
The survey was conducted by appointment over the telephone. Results were compiled and anonymised by WBR Insights and are presented here with analysis and commentary by Constructor, Nayax CoinBridge, Epsilon and the eTail Europe community.

The WBR Insights topics detailed in this report will also be covered in the event. Download the agenda **here**.

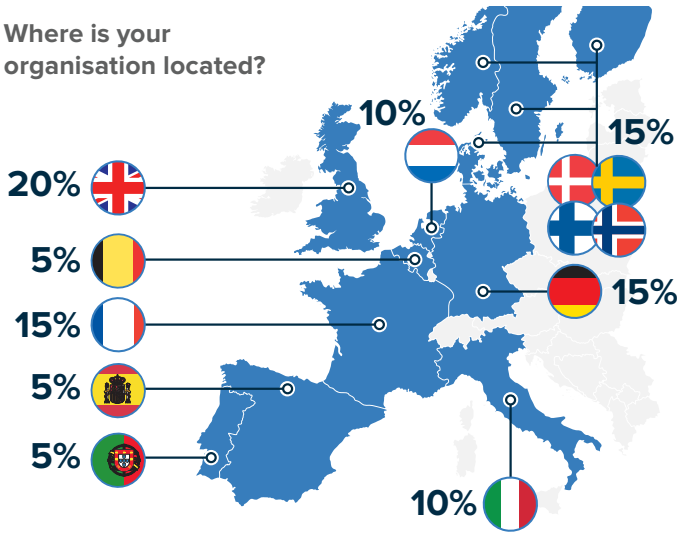
What type of organisation do you currently work for?



What is your job title?



Where is your organisation located?



Key Findings

1

AI Ate and Left No Crumbs

The Generative AI boom of 2023 could not have come at a better time for retail brands, with the impending removal of third-party cookies set to leave brands with a data hole to fill. Third-party cookies have long been crucial to the industry's personalisation efforts.

However, our research suggests AI solutions such as chat bots will be used to obtain more first-party data with their removal. The conversational service that chatbots offer is allowing consumers to interact with retailers using AI-generated dialogue. By doing so, consumers are providing the AI with great amounts of data for retailers to use, which is helping to drive engagement and fill the hole left behind by third-party cookies.

2

Look after your customers, and they will look after you

Consumers now expect brands to offer some type of value exchange in return for their business. Therefore, more and more retailers are releasing their own loyalty programme to increase engagement and encourage loyalty. With so many options out there, retailers must ensure the type of programme they offer provides consumers with true value.

According to our research, 48% of respondents offer a points/reward programme. For many retailers this will work, with consumers purchasing often enough for points to accrue regularly. For retailers where consumers purchase irregularly, one-off rewards such as cashback may be more suitable.

3

AI'll be there for you

Our research indicates that many in the industry are struggling with data management, and obtaining the necessary insights for those who need it. A theme that is emerging across many industries is artificial intelligence.

A massive 92% of respondents to our survey are investing in AI technologies to improve merchandising efficiency and provide essential data intelligence to e-commerce teams. From workflow enhancements and process automation, to fraud protection and demand prediction, the value of AI can not be overstated. Undoubtedly, AI will be a key focus for the industry in 2024 and beyond.

Part One

Customer Data in 2024: Life After Cookies, Optimising Data Collection and Building Long-Term Loyalty

With the impending removal of third-party cookies, the methods in which customer data is collected must evolve, and that journey will be a key challenge for retailers going forward. Existing processes will need to be adapted and new techniques developed.

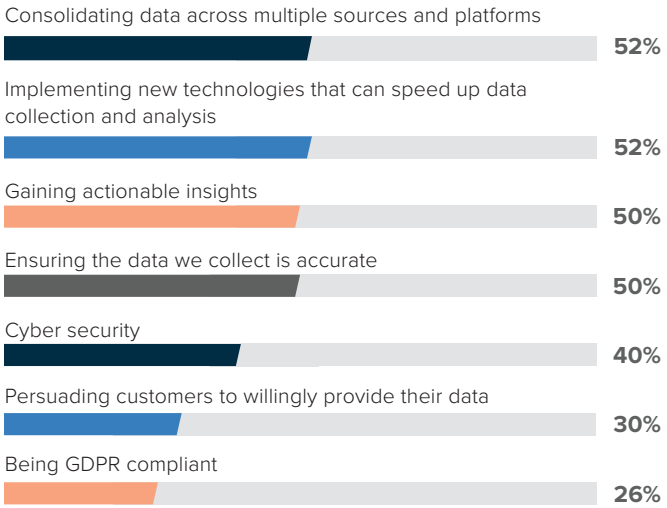
In their efforts to collect and analyse customer data, our research has revealed that 52% of respondents are challenged with data consolidation across multiple sources and platforms, as well as implementing new technologies that can speed up data collection and analysis. Additionally, 50% are struggling with gaining actionable insights with the customer data that they do collect.

While Artificial Intelligence (AI) has been used by retailers for several years, generative AI solutions such as ChatGPT have come at a great time for the industry, with chatbots providing customer support on a level that has not been possible until now. When engaging with AI chatbots, consumers provide retailers with personal data such as interests, purchasing trends - and much more. When asked about the role AI is playing in response to the removal of third-party cookies, our respondents told us that conversational AI is helping to increase customer engagement, streamlining personalisation functions and that they anticipate strong results from their efforts to use AI to fill the data hole.

Customer data is therefore critical for retailers, enabling them to cultivate enduring loyalty in a variety of ways. When asked to prioritise these methods, our respondents identified customer experience optimisation, product assortment decisions, and pricing strategies as the most effective approaches to achieving long-term customer loyalty.

In the face of intense industry competition, inflation, and rising living expenses, customer data should serve as the cornerstone of retailers' loyalty-building initiatives.

What are your organisation's top three challenges in collecting and analysing customer data? (Respondents were asked to select three options)



"An area where AI can help, but is currently under-utilised, is letting customers define the experience they want. In the past, companies focused on showing shoppers the products those companies thought were most 'relevant'. In the future, ecommerce sites will tailor experiences to customers based on what customers define as attractive to them via the data they provide on-site."

Eli Finkelshteyn
Chief Executive Officer
Constructor

"Many businesses struggle to collect data. Most businesses typically harness only a fraction of the potential data they have access to. Almost all of these challenges come down to retailers not having a strong enough digital ID. For example, a lot of data capture online is impersonal and isolates large chunks of a retailer's client base through lack of recognition so, when brands come to analyse the data, many find they have a very narrow or transactional view of the audiences."

Ben Foulkes
Commercial Director
Epsilon EMEA

"Online retailers have lots of data stored in various places across various departments such as sales, marketing and customer service - to name just a few. These silos make it difficult to bring data together for a comprehensive view of their operations. The challenge is made worse by having large amounts of data that vary in levels of quality and accuracy. Having a dedicated data team to manage this is key for online retailers but not all have the resources."

Hannah Davis
Conference Director
eTail UK Spring Connect 2024

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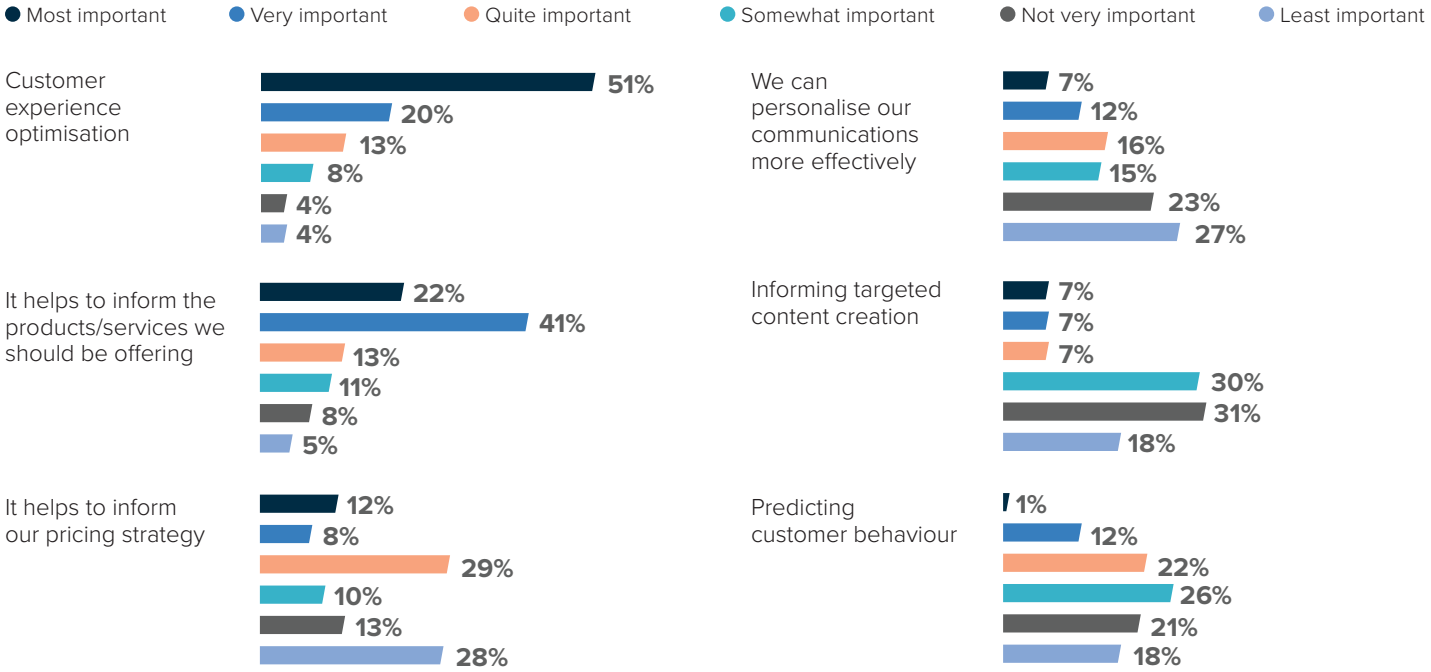
Rank the following methods based on their importance to building long-term loyalty



"As consumers become ever more price sensitive, effective personalisation can drive loyalty. Those who leverage their audience understanding across all channels can more efficiently distribute their budget to customers who demonstrate best behaviour, rather than "spear fishing", which results in budget wastage. Go a step further and not only personalise but predict behaviour, especially onsite. Too often brands neglect their non-converting audiences but those that can leverage their audience understanding to build brand value in "non-converting" moments have seen great results when it comes to loyalty and AOV."

Ben Foulkes
Commercial Director
Epsilon EMEA

"As the majority of respondents ranked customer experience optimisation as the most important, It is crucial to acknowledge that quality data from a wide variety of sources can serve as an invaluable resource for the personalisation of offers and propositions. While retailers have access to transaction data from their own stores, no data-driven analysis is complete without correctly curating, aggregating and incorporating this with customer purchase and behavioural data from out-of-brand sources."

Guy Rosenhoiz
Chief Executive Officer
Nayax CoinBridge

"Demographic data is important for building long-term loyalty. Information about a customer's age, gender, and location etc can help tailor marketing and communications strategies to specific customer segments. The more detailed you can make these segments, the more you can be sure that the right messaging gets to the right person, making it relevant and valuable for them. It is surprising to see that behavioural data is not as important. Understanding how and why your customers interact with your brand and getting to the intent can allow for more personalised efforts and therefore build on that loyalty"

Hannah Davis
Conference Director
eTail UK Spring Connect 2024

We asked our respondents how their organisation is responding to the removal of third-party cookies, and what role AI is playing in this. Here is what they told us:

"AI shows great potential to replace third-party cookies, and we anticipate strong results in the future."

"We will derive first-party information and conduct advanced analysis for optimising personalisation efforts."

"Lifecycle marketing campaigns become more important in a scenario where data availability is limited. We are evaluating all possibilities and plans of action."

"Conversational AI features and other interactive tools can help us increase customer engagement. We have to find innovative ways to deal with the removal of third-party cookies."

"Removal of third-party cookies has been quite challenging. We did depend on this data to provide insights on the customer journey. However, we are exploring opportunities related to AI."

"Third-party cookies were playing a big role in terms of personalising the client experience. Now, AI can help us streamline the personalisation functions, provided there is adequate data available."

"The removal of third-party cookies is a challenge, but also an opportunity for companies to consider personalisation in a more customer-centric way. Rather than using third-party information, companies should understand what personalisation they can control to encourage shoppers to actively share information about themselves, with the goal to tailor custom digital experiences that convert."

Eli Finkelshteyn
Chief Executive Officer
Constructor

"The AI boom this year has definitely left the industry feeling that there is so much possibility and potential — which I agree with. However, on the flip side, I also think that there are a lot of legal issues at the moment. So, it is interesting to think about its role in replacing third-party cookies with this in mind. There are still obstacles to overcome, and we need to make sure while using AI we maintain a safe policy for everyone and their data."

Sarah Sunderbrink
Teamlead Social Media
Zooplus

"There is no doubt that AI will be beneficial for brands to help with personalisation but brands need to be wary of relying on AI too much to save the day. The removal of third-party cookies will have a huge impact on the effectiveness of many brands' mid and upper-funnel marketing and its vital between now and the end of next year that retailers build robust first-party data assets to ensure a.) they are self-reliant for audience understanding & activation, b.) AI has a stronger data set to work from and c.) more control of their own measurement and reporting."

Ben Foulkes
Commercial Director
Epsilon EMEA

"AI will play a massive role in the coming years in the response to the removal of third-party cookies. Some online retailers have been using AI tools in some way for several years now and have already realised its potential. By leveraging the first-party data you already have, customer data can be analysed in a sophisticated manner to help build very niche segments and greatly enhance personalisation."

Hannah Davis
Conference Director
eTail UK Spring Connect 2024

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Focus Areas for Delivering Data Driven Success Today

Ben Foulkes
Commercial Director
Epsilon EMEA

Epsilon

To give your customers what they want, you need to understand them, or they'll go elsewhere. That's why investing in the correct data, technology and partnerships to support your data-driven marketing success is critical.

Know your customer – don't assume you do

But while a little data can be valuable, it can also be dangerous. When it comes to personalisation, you must avoid making decisions and driving personalisation based on narrow insights from limited information on your customers or prospects. By doing this, there's a real danger of alienating and losing them.

That's why, as we move to a cookieless world, it's critical that you know your customers better by collecting valuable first-party data. This makes being able to do this in different ways on your site and at every user interaction essential, so that you can deliver personalised marketing.

However, no single data source gives you the whole picture and often businesses have gaps in their first-party data, which makes it less effective. In these cases, it's essential to work with partners that can plug these holes, so you see the person behind the purchase. Tapping into external data will enhance your understanding of them, giving you more well-rounded insights into people as individuals, be that their demographics, lifestyles, preferences, intentions or purchasing behaviour with retailers outside your channels.

Action – not just insights

But data only has value if it can be activated and applied to all facets of your marketing. Central to this is recognising individuals as they move across channels – online and offline. Doing so requires a stable, singular identifier that connects all the data belonging to the same customer. It needs an accurate identifier that's constantly optimised and persistent so you can discriminate between existing and non-customers and recognise the individual behind the device.

Focus on creating a bridge between what you know about your audience and where they are when not interacting with you. Then, you can adopt proper people-based marketing. So, do your homework and make sure you're investing in the right technology to support this.

Seamless experiences - onsite and offsite

Naturally, enriching and actioning your data leads to better insights, targeting, personalisation, creatives, and more successful campaigns. And when it comes to personalisation, your data must feed into the customer experience – both off and onsite. It's what this recent eTail survey highlights, with customer experience optimisation ranking number one amongst responders when it comes to using data to build loyalty.

Too often, budget and effort are invested in driving new customers to a site only for them to encounter a one-size-fits-all onsite approach. Rather than guide and inspire their journey to encourage visitors to buy, the bland nature of the site encourages them to leave. And there is no excuse for not offering a seamless experience. These days, onsite personalisation is as easy as a one-tag install through Yieldify.

By doing so, you transform your site, visitor relationships, and your revenue. Today, customer experience must mean a full funnel experience. Onsite personalisation should build brand as well as drive sales. Leveraging third-party data helps influence every stage of the customer journey to deliver this at scale.

Yes, it's a challenging environment with cookies dying, a changing advertising landscape and marketing becoming ever more complex. However, when it comes to data, the fundaments of collecting it for deriving insights to inform creative development, segmentation, targeting, channel selection and personalisation that all drive campaign success remain the same. It's just a question of ensuring you're set up to benefit from it.

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Part Two

Bridging the Gap Between Loyalty and Payments

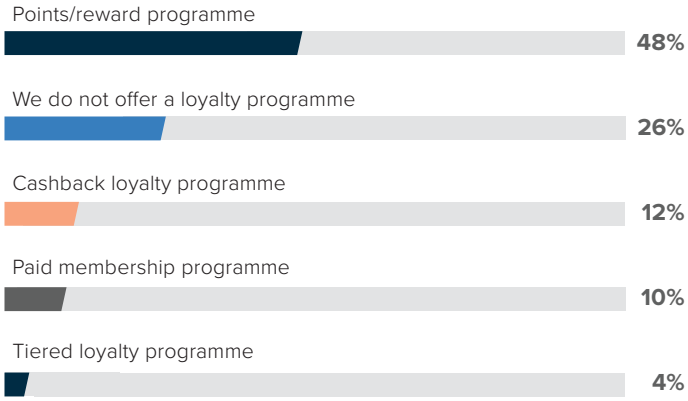
Customer loyalty is crucial for retailers looking to thrive in an increasingly competitive market. Loyalty programmes have emerged as a powerful tool when it comes to cultivating loyalty by offering a value exchange that goes beyond just price competition. Customers have come to expect them, and 74% of the respondents to our survey are offering some sort of loyalty programme, with points/rewards programmes the most popular type.

For organisations without a loyalty programme, data collection to optimise engagement across channels remains a significant challenge. This underscores a key advantage of loyalty programmes - the ability to gather valuable customer data.

The effectiveness of a loyalty program hinges on identifying the right format that aligns with customer preferences and purchasing patterns. For retailers with frequent low-value transactions, a points system can be effective, provided redemption opportunities are readily available. For others, a one-time cashback or an enhanced membership experience may be more suitable. The crux lies in ensuring customers perceive tangible value in return for their loyalty.

High customer satisfaction, engagement, and loyalty are the primary objectives of organisations with loyalty programs. A massive 92% of these organisations believe that expanding redemption opportunities would positively impact their programme's performance. In a saturated loyalty program landscape, differentiation is essential for success. When implemented effectively, loyalty programs can be a powerful tool in building enduring customer relationships.

What type of loyalty programme does your organisation offer?



"At Zooplus we offer a points reward programme, which I do think is the best option out there. When you look at it from a psychological perspective it makes total sense: Humans like to be rewarded and feel that sense of community. On Socials we also noticed that particularly when it is implemented with some kind of gamification, it performs very well."

Sarah Sunderbrink
Teamlead Social Media
Zooplus

"With the deprecation of third-party cookies, a brand's ability to build a strong first-party data set is vital, and loyalty programmes are the perfect way to do this. If you want a customer loyalty relationship that lasts, you will need to appeal to customers' hearts as well as their heads. Loyalty initiatives that combine rational incentives, such as discounts and rewards, with emotional appeals, such as a sense of belonging, will be best positioned to win customers' deep and ongoing loyalty."

Ben Foulkes
Commercial Director
Epsilon EMEA

"Points/rewards-based loyalty programmes are an effective option for many businesses, but whether they are the 'best' depends on various factors – the nature of the business, target audience and goals of the loyalty programme.

For FMCG retailers, this can work well as customers can see their points build up on a regular and frequent basis. However, to make sure customers are engaged with the loyalty programme, they need to see the rewards from their points frequently too."

Hannah Davis
Conference Director
eTail UK Spring Connect 2024

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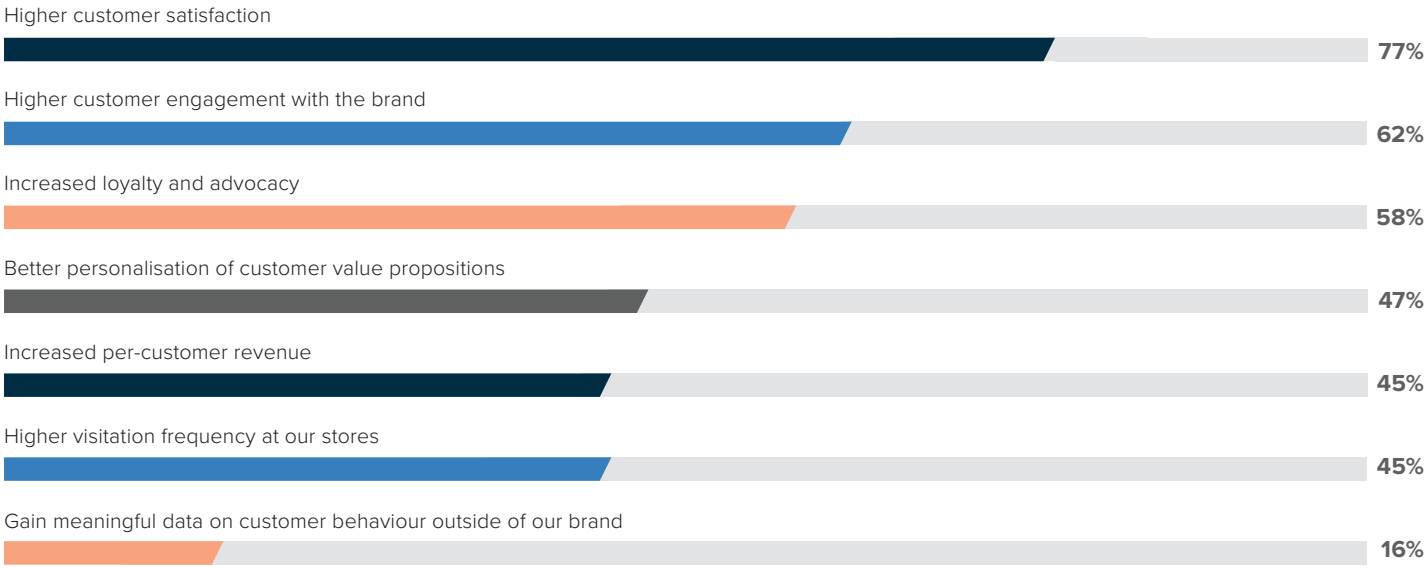
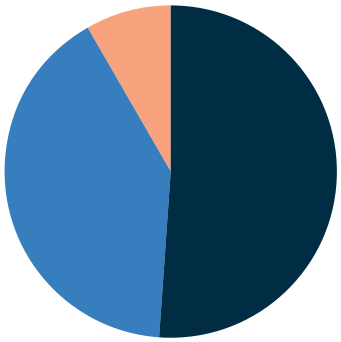
For those whose organisation does offer a loyalty programme, what are the primary objectives you are trying to achieve from a business standpoint? (Respondents were asked to select all that apply)



"Customers now expect retailers to offer some sort of value exchange for their custom. This may not, and sometimes cannot come in the form of a traditional loyalty programme - but it is key that retailers provide some added value for consumers."

Laura Ross
Head of Customer Transformation
Holland & Barrett

For those whose organisation does offer a loyalty programme, what impact would offering more redemption opportunities to your members have on the performance of your loyalty programmes?



- **51%** Slightly positive
- **41%** Very positive
- **8%** No effect

"Most brands aim to achieve similar goals, and do so by employing similar methods, making differentiation a challenge. The use of outdated legacy solutions also mean that these programmes fail to have a real, positive impact on customer experience.

To improve the performance of its loyalty programmes, a truly customer-centric retailer will explore new technologies and solutions that are quick, easy and cost-effective to set up, and provide members with a cutting-edge experience that offers new payment and redemption options."

Guy Rosenhoiz
Chief Executive Officer
Nayax CoinBridge

"Over 90% of respondents acknowledge that extending redemption opportunities has a positive effect on their loyalty programme. However, using traditional business practices and legacy technologies to achieve such expansion is cumbersome, expensive and requires significant investment.

Furthermore, customer experience is often sub-par and is not consistent across merchants. This is exactly what prompted us at Nayax to create CoinBridge - a solution that allows retailers to open up redemption opportunities to any shop worldwide and control spending policies with a click of a button."

Guy Rosenhoiz
Chief Executive Officer
Nayax CoinBridge

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For those whose organisation does not offer a loyalty programme, we asked them what would encourage their organisation to offer one. Here is what they told us:

"We would offer one if it promises better customer retention figures."

"Positive impact on the revenue is the first thing that comes to mind."

"If this encourages more sales and conversions in the future, that would prompt us to offer one."

"Steady customer engagement and retention would prompt us to offer one. Moreover, the points structure and rewards should meet customer expectations."

"A way to differentiate our services and offers from the competition."

"Increase in visibility and brand recognition."

"The biggest deterrent to offering a loyalty programme is an unfavourable cost-benefit analysis. Building a competitive loyalty proposition using legacy practices is a time and resource-consuming endeavour. Without the proper expertise, the resulting programme will probably not be competitive with more well-established programmes, and the whole exercise may not be financially viable.

The CoinBridge Loyalty-to-Payments™ solution changes this paradigm, enabling retailers to launch in record time, avoiding costly implementation, and reaping the benefits of customer retention."

Guy Rosenhoiz
Chief Executive Officer
Nayax CoinBridge

"I think from a customer perspective, offering some type of loyalty programme has almost become the baseline. Consumers now expect you to have one. For those who perhaps are thinking about offering some type of programme, I would definitely encourage them to do so over the next several years."

Sarah Sunderbrink
Teamlead Social Media
Zooplus

"The fact that there are so many loyalty programmes out there now can make it harder for those who do not offer one to compete. How can you make your loyalty programme stand out against all the others? How can you be sure that all the time, data and resources it takes to develop and produce a loyalty programme will lead to more engaged customers and drive sales?"

Hannah Davis
Conference Director
eTail UK Spring Connect 2024

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For those whose organisation does not offer a loyalty programme, we asked them what their organisation's main challenges in trying to increase customer engagement are. Here is what they told us:

"Collecting data to optimise customer engagement across channels. With loyalty programs, customers do volunteer information."

"Managing personalisation programs and increasing customer expectations are tough."

"The main challenge is attracting customer interest even if we have lowered our prices."

"We provide deals and exclusive discounts for signing up with us. However, it does not encourage conversions each time."

"We have to offer alternative solutions to increase brand appeal. This includes seasonal discounts and offers."

"Customer journey cannot be modified positively using data from a loyalty programme."

"I think it is about what can you offer to your customers to build a relationship that is not purely transactional, whether it is a bit of fun, advice, or a service - they can all help to build that loyalty and engagement."

Laura Ross
Head of Customer Transformation
Holland & Barrett

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Constructor

Forward. Fast.

Product Discovery, AI, and the Future of Ecommerce

Eli Finkelshteyn
Chief Executive Officer
Constructor

Two major themes emerge from the survey results:

1. **AI is not just something vendors are telling retailers and brands they should look at.** It's something brands and retailers themselves are heavily researching, investing in, and looking for ways to leverage. It's a space that's rife with innovation and slow movers are likely to be left behind.
2. **Customer Experience (CX) and making applications user-friendly is very top of mind for digital commerce leaders as a lever for differentiation.** The question people are grappling with isn't whether they should invest in these areas. It's how to choose the right places to invest and how to differentiate when every vendor under the sun is, all of a sudden, promising they have some incredible new AI. The intersection of AI and CX – specifically what CX improvements AI makes possible – provides an interesting framework for deciding which investments in AI will be most impactful.

It's not shocking that respondents believe AI is important, but just how important it really is stands out. Fully 92% of respondents in the eTail Europe survey data – almost 40% more than the second most chosen option – are looking to leverage it. It's also the most widely used term in the open response questions in the survey. Digital commerce leaders recognise the importance, but the question they're generally trying to answer is where and how to leverage it, where it can be most impactful, and how to select the right vendor(s). With every third-party vendor in the ecommerce space promising that they now do something with AI, it makes choosing the right vendors both more difficult, but also incredibly important in order to avoid needing to replatform.

The intersection of all of these ideas starts to provide some clarity: **leveraging AI for its own sake, or because some vendor showed flashy marketing material, will largely be a 2023-only phenomenon. What will be longer-lasting is leveraging AI for a specific purpose whose effects are measurable.** CX conveniently provides just such a purpose — and room to leverage AI for multiple benefits.

One area to think about is cases where Generative AI capabilities add efficiency or improve CX in ways that were previously financially prohibitive, but are now accessible. As an example, consider using AI to generate additional product data that makes products on an ecommerce site either more appealing, more discoverable, or both.

Currently the vast majority of product attributes, descriptions, and images are human-generated. This work tends to be mundane, repetitive, and often leads to mistakes (like tagging a green shirt as yellow, or forgetting to tag a loaf of bread as gluten-free). The data someone would need to catch these types of mistakes is often hiding in plain sight - either in the product image, or in unstructured data like product descriptions or reviews - but human taggers working quickly can miss these things. Advancements in Generative AI allow for automated attribute enrichment, which can both do the initial mundane and repetitive tagging work faster and more cost effectively than humans, but can also help identify and correct mistakes in real-time. The cost savings is measurable as is the effectiveness. It's not AI as a science project, but AI as an undeniable improvement to a company's bottom line.

The best part about improvements like these are that everyone wins - customers get better CX via improved and more correct product data and product discovery. Retailers and brands get to tag their products faster, cheaper, and more correctly than ever before (and have the opportunity to reinvest the expertise of their employees in more strategic and less boring and repetitive areas). And most importantly, no one has to wonder if the AI is actually helping. The improvement is measurable and transparent.

These are the areas of AI and CX that will survive the hype. The ones whose benefit isn't an opinion, but a provable fact. And as we're just scratching the surface with what's possible at the intersection of AI and CX, the future is bright.

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Part Three

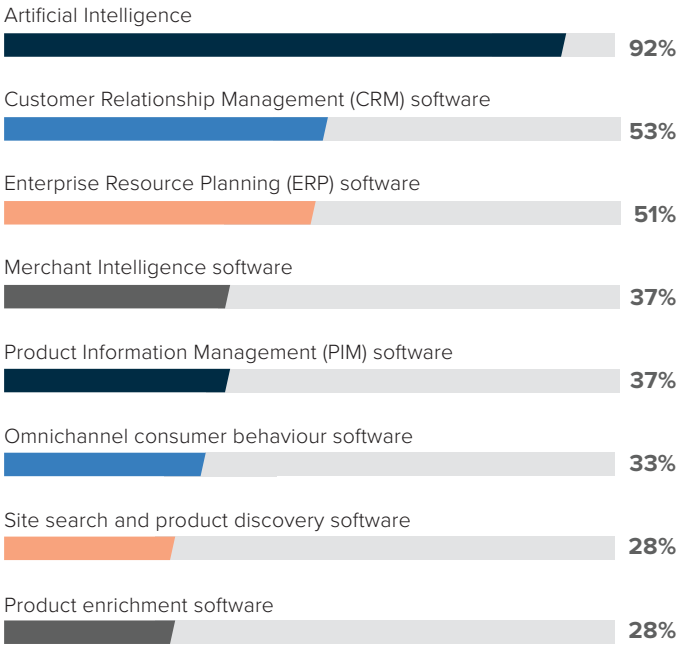
The Future is Bright: Product Discovery, AI and Merchandising

The ecommerce industry is rapidly evolving, with a clear focus on customer-centricity. Providing existing and potential customers with an exceptional experience that keeps them coming back requires ecommerce teams to be equipped with sufficient data intelligence. Technologies and tools that can facilitate this are continuously improving and becoming more sophisticated. Our research indicates that Artificial Intelligence (AI) will again be the most critical technology that organisations invest in over the next 12 months to enhance merchandising efficiency and provide essential data intelligence to ecommerce teams. AI is expected to transform all industries, and it holds immense potential to transform various aspects of ecommerce. AI can significantly enhance data collection and analysis strategies, providing insights that were previously unattainable.

Furthermore, 99% of respondents expressed confidence, in some form, in their organisation's ability to collect and leverage various data types to drive business decisions, highlighting industry-wide confidence in this area. Making business decisions supported by enhanced and trusted data insights will ensure that retailers invest in solutions that enhance the customer experience and foster much-desired customer loyalty in the years to come.

Our research reveals that brands are looking to invest in solutions ranging from content management systems and content creation tools to behaviour recognition tools and AI for personalisation over the next three years. Optimising the customer experience will be essential for winning brand loyalty. By leveraging key technologies like AI while understanding precisely what customers want and creating content aligned with their preferences, brands will be able to build a loyal customer base.

What technology and tools are your organisation investing in over the next 12 months to improve merchandising efficiency and provide essential data intelligence to ecommerce teams? (Respondents were asked to select all that apply)



"How prevelant AI is among the responses shows that it has gone from a novelty tool to a must-have business need. The key for retailers and brands starting to leverage Generative AI in ecommerce will be to choose places that are not just flashy, but brings real and tangible benefits to their customers and internal teams."

Eli Finkelshteyn
Chief Executive Officer
Constructor

"These results are definitely in keeping with my experience recently — AI will continue to be the key technology of focus in the coming 12 months, so I am not surprised to see so many respondents thinking the same. Everyone in my area of social media and influencer marketing is thinking of ways in which AI can be implemented into their daily work.

So, it is an exciting time to be in the industry with so much possibility with AI. It sometimes feels a bit like the Wild West with so much opportunity, whilst perhaps having a lack of regulation to go alongside it. Generative AI solutions in particular have developed so far in 2023, so it is interesting to see where we will stand by the end of next year."

Sarah Sunderbrink
Teamlead Social Media
Zooplus

"It is not surprising to see AI as the top answer here. It is a big buzzword at the minute, especially in the Generative AI area. It can lead to creating efficiencies across marketing, content creation and customer services. Lots of online retailers are looking at ways of using Generative AI in their day-to-day internal processes as well as customer-facing, however, most will agree that it should be used in co-operation with human intellect."

Hannah Davis
Conference Director
eTail UK Spring Connect 2024

How confident are you in your organisation's ability to collect and leverage product, customer interactions and advertising platform data to drive business decisions?

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We asked respondents what the top three creative solutions are that their team is investing in over the next three years to help shape the ecommerce experience and win brand loyalty. Here is what they told us:

"Knowing the customer, understanding their requirements, ease of selecting services."

"Designing the omnichannel experience as per the latest demands, changing visuals and the use of AI."

"Responses to customer queries will be managed using AI to some extent. We will be trying out new applications to understand challenges. Investing in digital solutions will be considered, depending on the feasibility altogether."

"Over the next three years, using AI for personalisation is being planned. Moreover, differentiating the buying experience and getting more feedback about products and services are some aspects we have planned."

"Content management systems, content creation tools, customer engagement systems."

"Behaviour recognition tools. Website modification. Including videos in our online content."

"I think that a key focus for most companies will be understanding the customer as much as possible. Of their day-to-day lives, their needs, their personalities. It is then about ensuring we deliver a personalised experience that is 100% matching with what they need and want.

I also think that content management will be quite important, and obviously AI can help with this. Everything ties back to data, however. Improving data flows will be critical in how we then are able to create the content needed, and personalise the customer experience as much as possible."

Sarah Sunderbrink
Teamlead Social Media
Zooplus

"So much of winning loyalty in e-commerce is about giving people a great experience today and the expectation of a better experience tomorrow. From constant innovations in how they can discover products on-site, to personalisation that makes customer experience just a little more tailored to them every time they visit, the future of ecommerce customer experience is bright."

Eli Finkelshteyn
Chief Executive Officer
Constructor

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Changing the Loyalty Paradigm

Nayax | CoinBridge

Filling the Void Between Loyalty and Payments

Guy Rosenhoiz
Chief Executive Officer
Nayax CoinBridge

The basic principles on which loyalty programmes are based have remained the same for decades. However, the next logical step in the evolution of the loyalty industry is the merging of loyalty and payments that carry benefits for both retailers and consumers.

Unfulfilled potential

The popularity of loyalty programmes is fueled by the idea that a customer will get something they value in return for their engagement with the brand. Redemption must therefore be relevant, straightforward, and accessible. Yet, consider the following: an estimated 85 percent of loyalty points are left unredeemed.

It is clear, therefore, that today's loyalty programmes are falling far short of the mark when it comes to rewarding customers in a meaningful way for engaging with their brand, and retailers will typically experience lower customer engagement levels as a result. Retailers therefore have a vested interest in making it easy for their customers to spend their points – which includes expanding the range of available redemption opportunities.

Reward constraints

Whilst the basics of loyalty programmes have stayed the same over the years, the loyalty ecosystem hasn't remained completely static. In an effort to stand out in the vast ocean of loyalty programmes, in recent years brands have created partnerships and alliances to facilitate point redemption at other retailers. For the consumer, being able to 'burn' points at a wider range of outlets enhances the appeal of remaining loyal.

For the brand, however, such a move requires substantial behind-the-scenes investment of capital, time, and resources, making it increasingly prohibitive as they extend coverage of their programme to an increasing number of merchants.

A redemption revolution

Breaking out of the closed-loop model and opening up loyalty redemption opportunities for consumers, anywhere at all, enables brands to really make their loyalty programmes work for them. Now, thanks to CoinBridge by Nayax, they can do so with very little effort or investment – of time or money – on their part.

Creating a new paradigm that is set to revolutionise the whole loyalty industry, CoinBridge seamlessly merges loyalty and payments into one. Customers may now use loyalty assets at their own convenience to pay for whatever goods or services they want or need, at any merchant, in-store or online, worldwide.

CoinBridge overcomes any technological, timing, financial, or resource challenges that may otherwise be faced by retailers. Covering all aspects, it provides a single-point solution, that is simple and fast to implement, with no POS or merchant integration, and no need to sign contracts with multiple retailers. Retailers just need to implement a simple software kit (SDK) into their existing mobile app to instantly upgrade their loyalty proposition with infinite redemption opportunities at any shop or website.

> Based on innovative, patented technology, CoinBridge is the only solution that delivers an outstanding, seamless experience – from implementation, to use, to payment execution – giving retailers a unique competitive advantage in the market.

Maximising loyalty programme benefits

Once implemented, CoinBridge generates a wealth of transactional data, which can then be utilised to improve the retailer's offering. This can be leveraged to personalise propositions for them, as well as to optimise the retailer's own business operations.

Meanwhile, the increased financial freedom, convenience, and overall sleek customer experience of a truly open-loop programme drive greater customer loyalty. Not only do they keep coming back and spending more, but they also become advocates for the brand, recommending it to their friends, family, and their all-important social media followers.

Ultimate value

CoinBridge is the solution that retailers have been missing to make their loyalty offering more attractive, so that they themselves can reap maximum benefits. By giving their customers what they most value – simplicity, efficiency, and choice – they add untold value to their own brand.

For more information on the Loyalty-to-Payments™ solution from CoinBridge by Nayax, visit our website **coinbridge.com**, or contact me directly at **guy@nayax.com**.

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Conclusion

The industry is undergoing an unprecedented transformation with the complete removal of third-party cookies on the horizon. This presents both challenges and significant opportunities. Retailers are being confronted by the challenge of adapting their data collection and analysis methods to drive customer engagement and build long-term loyalty. Our research reveals that data consolidation and the implementation of new technologies as part of their data management strategy will be key challenges in the year ahead.

The rise of AI, particularly Generative AI solutions like ChatGPT, offers a ray of hope for the industry. AI-powered chatbots are facilitating deeper customer engagement, personalisation, and filling the void left by third-party cookie removal, demonstrating the pivotal role AI will play in shaping the future of retail.

Customer data is fundamental to building brand loyalty, with customer experience optimisation, product/service development, and pricing strategy ranking as the most critical areas where customer data is assisting retailers in making improvements.

Loyalty programmes have become a crucial aspect of the industry, with 74% of respondents offering some form of loyalty programme, particularly points/rewards programmes. These can be extremely effective in building a relationship with consumers that encourages loyalty and engagement. However, the success of loyalty programmes hinge on tailoring them to customer preferences and ensuring they receive genuine value in exchange for their loyalty.

AI is expected to revolutionise data collection and analysis strategies, with retailers investing in AI technologies to enhance merchandising efficiency and provide valuable data insights. In a positive development, the industry is showing great confidence in its ability to collect and leverage diverse data types for informed decision-making, highlighting their commitment to enhancing the customer experience and building brand loyalty.

In this volatile market, times are becoming increasingly challenging for consumers, and retailers have an opportunity to demonstrate the value they bring. Building a relationship that transcends mere transactions is very attainable. Solutions such as loyalty programmes and AI-based solutions in customer service and personalisation can be harnessed to enhance data management and provide a solid foundation for building the experience that consumers are looking for.

Key Suggestions

1

Leverage AI in the cookie-less world we find ourselves in.

The retail industry's heavy reliance on customer data obtained through third-party cookies will be disrupted by their removal. While this presents a challenge, AI can be the solution. AI can enhance data analysis, leading to the discovery of new customer segments and insights, and provide engaging chatbots that customers willingly interact with, revealing previously inaccessible data. In this cookie-less world, AI is not just a viable option but a crucial tool in your arsenal.

2

Make your loyalty programmes the best they can be.

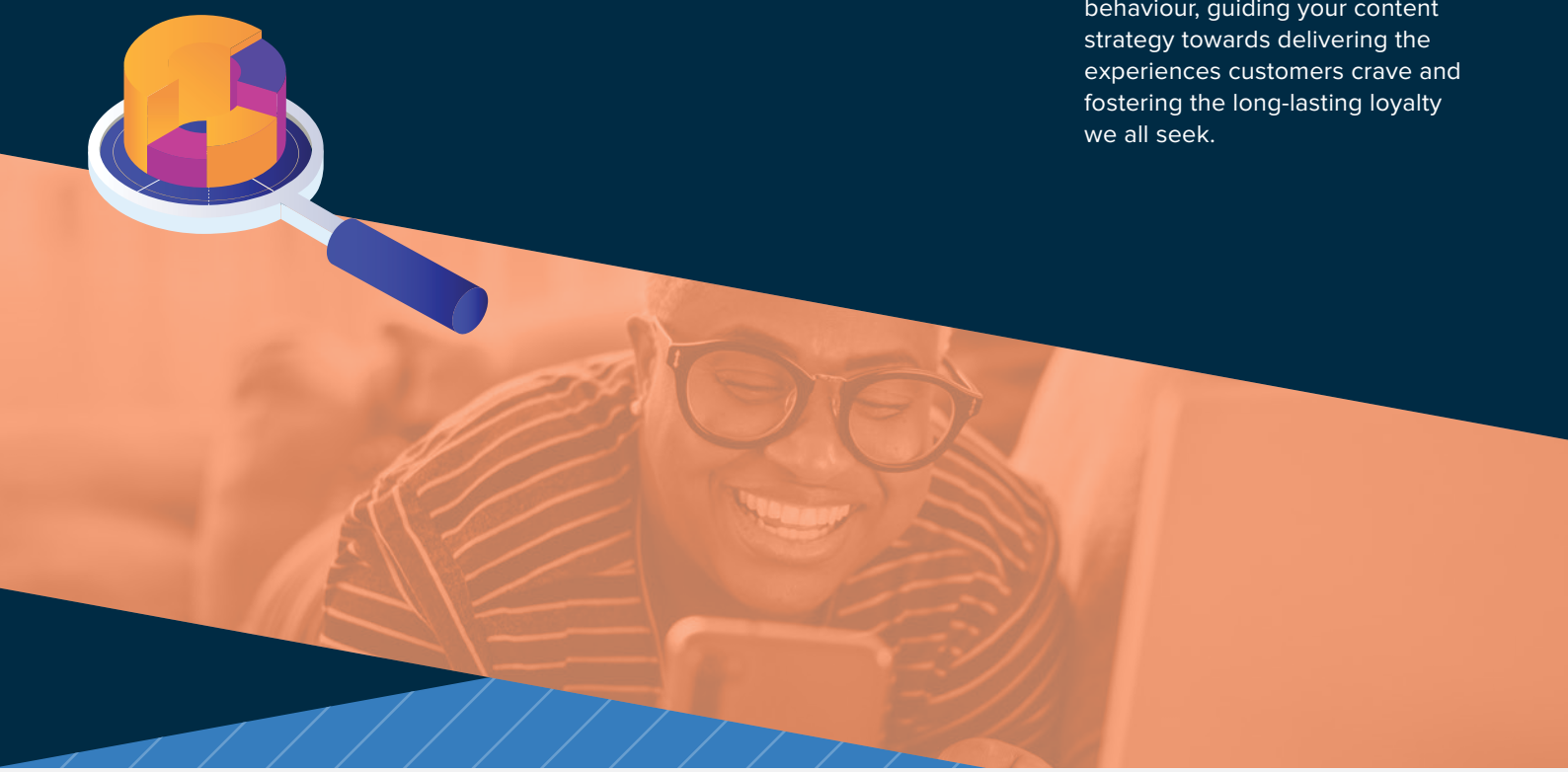
Customers have come to expect the brands they purchase from to offer some type of value in exchange for their custom — some type of reward. This is now coming for many in the form of a loyalty programme. Merely offering one is not enough though. Optimising your loyalty programme to meet the needs of your customer is as important to its success as having one in the first place. Providing your customers with true value that they cannot get elsewhere goes a long way to building long-term loyalty and a relationship with your customers that goes way beyond a simple transaction.

3

Make your customers come for the product, but stay for the experience.

Being competitive on price alone is no longer enough. Retailers must strive for loyalty. Offering a great product or service remains essential but is only half the battle. Creating an omnichannel, comprehensive experience that customers cannot find anywhere else will ensure they keep coming back.

Understanding your customers' needs and preferences are the first steps in this journey. Creating engaging content that resonates with their interests is a powerful way to demonstrate your brand's authenticity and relevance. Utilising cutting-edge tools and technologies like AI can provide deeper insights into customer behaviour, guiding your content strategy towards delivering the experiences customers crave and fostering the long-lasting loyalty we all seek.



About CoinBridge

CoinBridge, a Nayax (Nasdaq: NYAX) division, has developed a groundbreaking solution that revolutionises the Loyalty-to-Payments™ industry.

CoinBridge was built by Nayax to fill a legacy market void by solving a long-lasting pain of the retail industry in executing loyalty assets as a form of payment while providing customers with greater financial freedom to spend their points, rewards, vouchers, and gift cards at any shop – worldwide.

With CoinBridge retailers and loyalty clubs can allow their customers to pay with their loyalty assets anywhere – directly from retailers' mobile apps, without the hassle of merchant integrations, lengthy technological projects, merchants' financial settlement, regulatory and financial licensing, and complex CRM/ERP implementations.

CoinBridge seamlessly converts any loyalty assets to real transactions over the credit card scheme, utilising its patented asset conversion platform and Mastercard issuing license. Any merchant or website that accepts credit card transactions will now accept loyalty assets as a payment method.

Revolutionise your loyalty proposition, visit **coinbridge.com** today!

About Constructor

Constructor is the holistic AI search and product discovery solution specifically designed to increase revenue for large e-commerce companies. Learning from every interaction in the shopper journey to power Constructor solutions sitewide, our Native Commerce Core™ is the heart of Constructor product discovery. Using LLMs and transformers, machine learning, natural language processing, and user clickstream data, Constructor creates personalised, revenue-driving experiences for individual customers in real-time.

Trusted by leading brands like Sephora, Petco, and Birkenstock, Constructor proves tangible ROI in under 4 weeks with our Proof Schedule, a complimentary and risk-free live value assessment that gives you insight into the lifts you can expect to see with our platform.

Learn more at **constructor.io** and follow us on **Linkedin.**

About Epsilon

Epsilon is a global advertising and marketing technology company positioned at the centre of Publicis Groupe. Epsilon accelerates clients' ability to harness the power of their first-party data to activate campaigns across channels and devices, with an unparalleled ability to prove outcomes. The company's industry-leading technology connects advertisers with consumers to drive performance while respecting and protecting consumer privacy. Epsilon's people-based identity graph allows brands, agencies and publishers to reach real people, not cookies or devices, across the open web. For more information, visit **epsilon.com.**

About WBR Insights

We use research-based content to drive conversations, share insights and deliver results. Connect with our audience of high-level decision-makers in Europe and Asia from industries including Retail and eCommerce, Supply Chain and Procurement, Finance, as well as many more. From whitepapers focussed on your priorities, to benchmarking reports, infographics, and webinars, we can help you to inform and educate your readers and reach your marketing goals at the same time.

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- Year-round access to our network of decision-makers and industry-leaders
- In-depth research on current fast-moving issues and future trends
- Lead generation campaigns that fit your priorities
- Promoting your organisation as an authority in your industry

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