

Global e-commerce communities are disrupting the retail marketplace

Leaders have followers, and nowhere is that more evident than the global e-commerce market, where giant digital shopping destinations like eBay, Amazon and Alibaba now account for more than 50% of the nearly \$500 billion spent by North American consumers online.



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Large, global e-commerce communities are disrupting the retail marketplace by bringing together vast numbers of buyers and sellers in frictionless transactional environments. Inspired by their success, brand marketers are rethinking go-to-market strategies to better integrate digital advertising with personalised shopper engagement and more effective conversion programmes.

New research by the Chief Marketing Officer (CMO) Council – entitled '*Ingenuity in the Global eCommerce Community*' – explores how the massive scale, data quality and customisation capability of online marketplaces are bringing new levels of customer insight, enriched experiences and added value to brands. Digital commerce accounts for about 10% of the \$5 trillion in total annual sales across all retail channels.

Impacts on go-to-market strategy

According to a CMO Council survey of nearly 200 brand marketers, well over 50% believe that large e-commerce communities are revolutionising and reinventing the global retail marketplace. They are also forcing them to rethink every aspect of how they go to market. In a telling self-assessment, 60% report that they need to embrace a more cohesive, integrated, multi-channel digital retail strategy to improve their own e-commerce business.

The CMO Council study, conducted in collaboration with eBay, revealed the top five ways in which big e-commerce channels were impacting the go-to-market planning and strategies of major product marketers. According to the marketers surveyed, these included:

- Putting pressure on them to lower pricing
- Rethinking monetisation and customer revenue models
- Forcing them to seek greater brand differentiation
- Recalibrating and allocating digital marketing spend
- Shifting toward an agile, real-time marketing mode

“The millennial-driven shift to digital retail shopping is prompting the evolution of the old 4P model of marketing – now, more notably, we need Precision, Personalisation, Persuasion and Perfection of execution to multiply purchases,” notes Donovan Neale-May, executive director of the CMO Council. “Exemplifying this are innovations in customer attraction, convenience, conversion and consistency of experience that are behind the success of eBay, Amazon and other digital commerce communities.”



How technology is driving the millennial retail market

Mark Thomson 16 May 2018



eBay leveraging advances in technology

For its part, eBay is using advances in technology, such as augmented reality (AR), artificial intelligence (AI) and machine learning, to improve search relevancy and make buying and selling on eBay much more gratifying.

“eBay has made it even easier to shop and sell on the platform by leveraging new technology to redefine what online shopping means today,” notes Bridget Davies, eBay’s Vice President of Advertising and Marketing Activation. “We use AI and big data to learn how people move at a granular scale to better connect with consumers, brands and businesses.”

Davies points to eBay’s AI-powered, personalised homepage and more than 1.1 billion listings using structured data. “More than 80% of eBay users are logged in when they access our platform, allowing us to deterministically identify users across channels, browsers and devices rather than relying on cookie-based probability models,” she adds.

The CMO Council report notes that marketers today are challenged to evidence how they are using data and real-time insights to “gain greater satisfaction from every customer interaction” and determine whether they have the ability to “scale the way they track the digital buying trail”.

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