BRANSTON
E-comm strategy & finance

COREcruitment
HAND PICKED FOR THE JOB

TRENDS FOR 2025

Data and Artificial Intelligence in Retail

AI tools to enhance customer _experience_

Data science for customer _targeting_

More high-tech or more high touch?

Will Artificial Intelligence change employment patterns?

Challenges

Skills
Team collaboration
Financial planning
Return on Investment

Tipping point – AI data influences HALF of online retail sales

more touchpoints 50%...

...of online sales preceded by offline touches

...of online ad spend bypasses Google & Meta

..of activity in the open (non-walled) internet

theTradeDesk

push

50% more infrastructure

...annual rise in data centre capital expenditure

THE TECH CAPITAL

50% of benefits = revenue

AI benefits split 50-50 between revenues and costs

KPMG

AI predicts customer and financial outcomes and enables decisions

Predictiveness and automated action

Requires AI's A game

/DLV

What's the best next offer to each customer?

Occasion - product - merchant - courier - discount

✓ Connecting multiple data silos

/NOTHS

Where are the losses from 'diminishing returns' on marketing spend?

Allocate next marketing £ to channels with 'headroom'

✓ Sifting large volumes of (un)structured orders, contracts, payment terms

F/KK

Where will the next stock shortage be?

Based on sell-through rate, stock breadth & depth, supplier backlog, supplier terms

✓ Experiential learning from prior customer behaviour

AI in Customer Experience

elyn for **BALZAC PARIS**

Product returns turned into exchanges
based on customer history

AI.FASHION for **FARFETCH**

AI-generated visuals
featuring real models,
at a fraction of the cost

ROKT for **HARRY'S**

Relevant customer offers
plugged into marketplace website

dataiads for **DECATHLON**

Dynamic landing pages
based on customer and context

AI in Customer Targeting

FARFETCH

Profit Contribution
on each one of
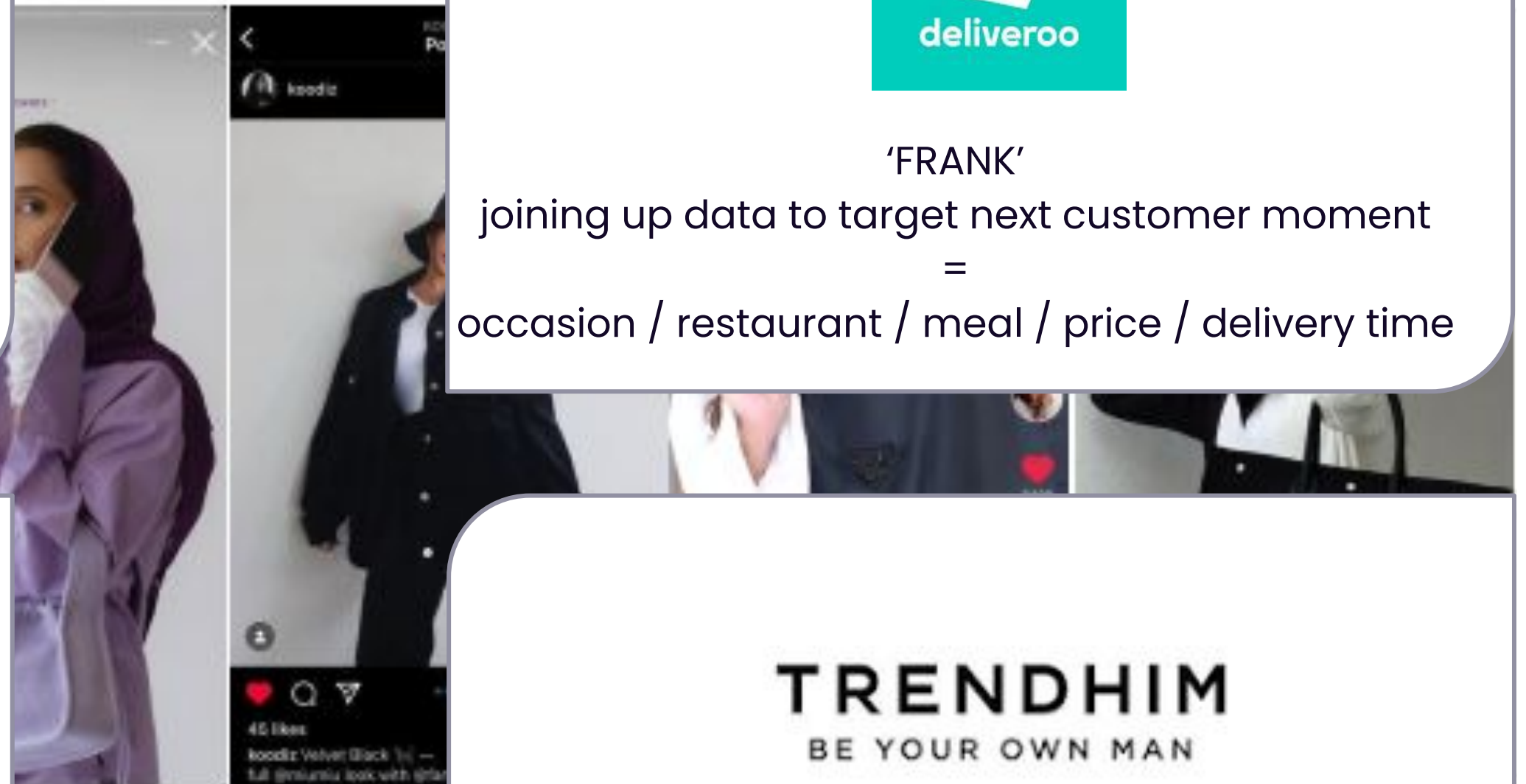millions of transactions

deliveroo

'FRANK'
joining up data to target next customer moment
=
occasion / restaurant / meal / price / delivery time

kleene

Data connections
and decision intelligence
for marketing and finance

TRENDHIM
BE YOUR OWN MAN

'On trend' patterns that
'Product Information Management'
cannot find

Return on Investment challenge – Buy and/or Build

Data connectors extract value
…from expensive incumbent systems

'Build' can be cheaper
…but time to market favours 'buy'

Generative AI tools are interoperable
…so we can Buy _and_ Build

Companies Had Fun Experimenting With AI. Now They Have to Show the Returns.
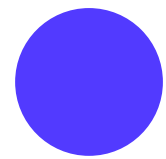
WSJ

Only 15% of companies have ROI metrics for GenAI: KPMG

KPMG

What if Microsoft let OpenAI go free?

The Economist

AI can empower your commercial planning

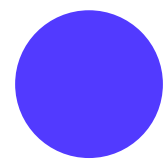● **Connect finance, sales & supply chain 'systems of record'**

Expose how supply and demand factors covary
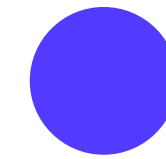
● **Absorb '1st-party' data from your own online domain**

Direct touchpoints tracked inexpensively

● **Take back control of your sales visibility**

Escape 3rd-party black boxes to better understand traffic and sales
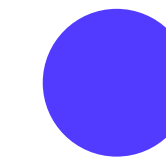
● **Unify your marketing budget**

Common framework for marketing spend decisions

Skills challenge - can you use AI to enable fast actions for customers?

Signals

- Gross profit of each consumer transaction in real time

- Real-time stock updates synced with sales

- Personalised customer experience and targeting

Responses
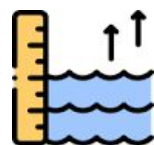
- Retargeting as soon as customer engages: Black Friday->Cyber Monday->Xmas
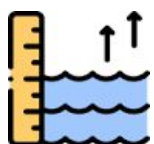
- Fast simulations of inventory decisions: deep discount versus write off
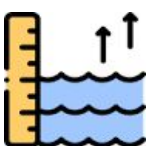
- 'Concierge' personal service style becomes even more bespoke

Team challenge – can collaboration leverage connected data?

AI needs to be fed with DATA

PEOPLE need to mobilise

> Partnerships to provide extra supply chain visibility

? **Sellers and buyers sharing data, <u>inside</u> and <u>between</u> businesses**

? **Vested interests in fragmentation & fiefdoms**

> Most do not yet have the data infrastructure to train generative models

? **New '1st-party' sources BUT 'nobody got fired using ~~IBM~~ Google'**

? **Leadership appetite for 'noise' in decision-making**

emerging data standards

Unified iD 2.0

Planning challenge - Hi-tech meets hi-touch in finance

Collaboration framework for data-driven peak season marketing

G — Governance

Ingredients
Data sources & connections
Compute power
Data science skills

Resources
Time
Headcount
Cost

Decisions
Business cases
Multi-team buy-in
Contingent on…

A — Ad spend

Phases
Black Friday, Lull, Xmas
RoI: Q4 & Daily
Headroom / diminishing returns

Commercial constraints
Inflation in costs & price points
Discount limits
Traffic & conversion targets

Financial targets
Sales growth
Gross margin
Tolerable variances

M — Mix of spend

Funnel profile
'Full funnel' philosophy
'Brand' v 'performance' philosophy
Aware, consider, convert phases

Channel mix
1st party v 3rd party
Online v Offline
Reliable (Search) v Risky (Social)

Operating principles
Consistent and full attribution
Open internet v 'Walled Garden'
Direct v 3rd-party Marketplace

E — Execution

Data
Stock data
Product feeds
Customer retargeting

Workflow
Deploying discounts
Performance of key pages / stores
Daily finance engagement

Agility
100% uptime
Pause testing
Accelerated procurement

Planning challenge - Hi-tech meets hi-touch in finance

Collaboration framework for data-driven annual profit planning

B — BUILD

**multiple Gross Profit models**

Customers -> profit
Acquisition, frequency, retention

Products -> profit
Breadth, depth, pricing

Marketing -> profit
£ Branding, channel, offline, online,

Conversions -> profit
Traffic, conversions, checkouts

WORKS IN REAR VIEW

DATA IS QUICK

Do you have the DATA
- data feeds & connections ?
- data scientists ?

I — INCREMENTALITY

in each Gross Profit model

Commercial uplift
Conversions, impressions, checkous uplift per £ of tech, marketing

Financial uplift
Gross Profit per extra product, seller, customer, invested £

UPLIFT IS VALIDATED

Do you have the SCIENCE
- science to isolate impacts ?
- data volume to prove it ?

T — TRIAGE

dependencies between teams

Marketing	requires	Customer experience
Tech	requires	Web traffic
Merchand-isers	require	Stock build
Sales	requires	Delivery speed

'CLIENTs' GET WHAT THEY NEED FROM 'SERVICES'

Can you COLLABORATE
- teams are 'clients' or 'services'
- scale to 'service' capabilities

E — ENGINEER

to agree achievable levels

How much of the proposed investment can be funded?

Priority metrics & payback
LTV/CAC, Return on Investment

Supporting KPIs force collaboration
Products sold per customer Customers per product

All 'build' models = same profit answer

Can you ALIGN incentives
- variances v plan attach to teams
- action-oriented budget

Tomorrow - what you could do in sales, marketing & finance

Challenges

Responses

Organisational silos block data integration

Uncoordinated multiple systems of record

Prove the Return on Investment, despite AI price inflation
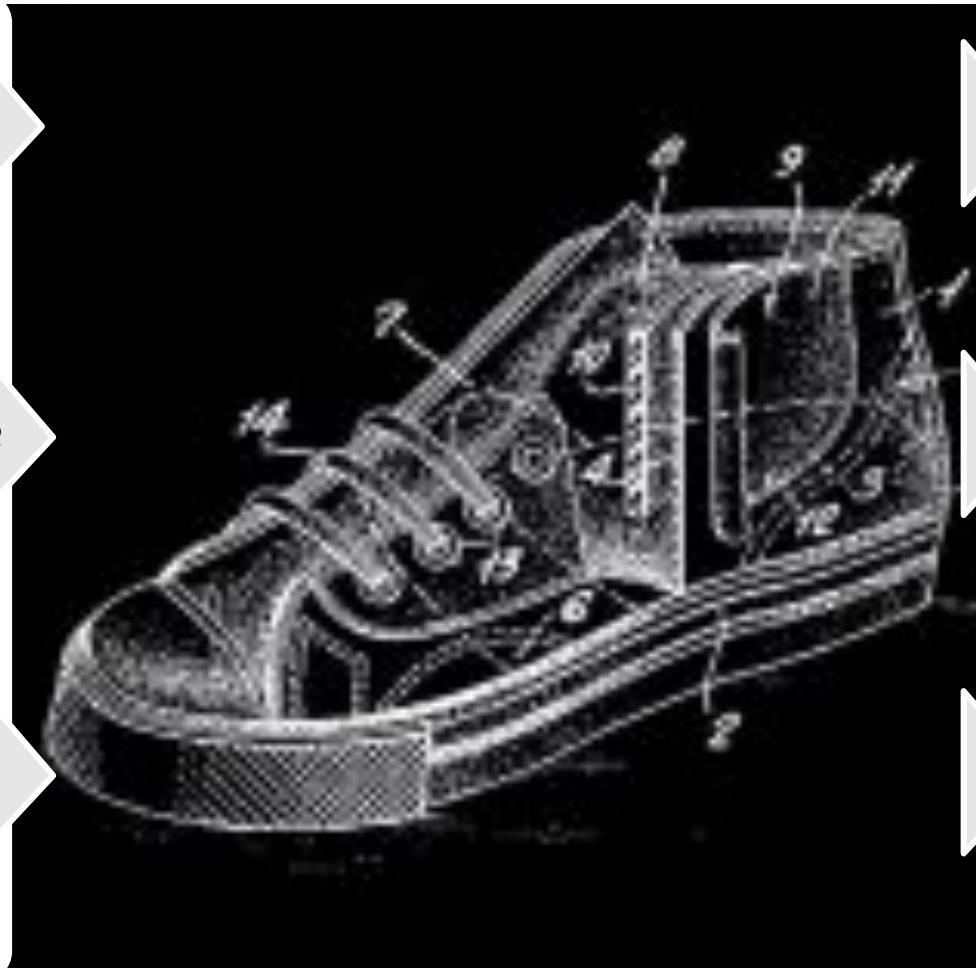
New workflows put data in motion: manual first then automate

Open up team access to key data silos

Early investments
- **data connectors**
- **AI model training**
- **GEO (Generative Engine Optimisation)**