e Coll Germany

The 2024 Al Report



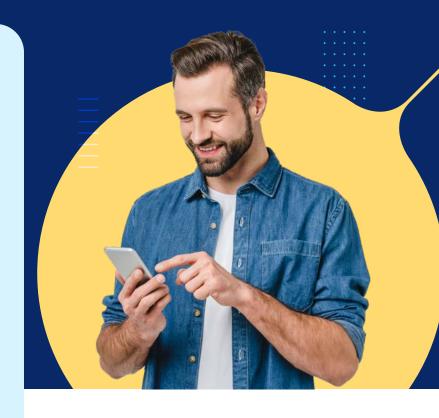






Contents

- 3 Methodology
- 4 Key Findings
- 5 Al's Hand in the Art of Personalising Product Content for Global eCommerce
- 7 Part One: Cutting Through the Noise: Exploring the Current State of Al in Retail
- 11 Part Two: Enhancing the Customer Experience with Al Solutions
- 14 Part Three: Cracking the Social Code: Al-Powered Strategies for Engagement and Growth
- 20 Conclusion
- 21 Key Suggestions
- 22 About Us



Contributors



Vincent Peters Chief Executive Officer Productsup



Marcel Hollerbach Chief Innovation Officer Productsup



Todd McCaslin Chief Technology Officer Emplifi



Robert Clinton
Vice President - Northern Europe,
DACH & CEE
Emplifi



Sebastian Remer Senior Principal Digital Business **OBI Group Holding**



Ajanta Palmiero-Rundle Conference Director eTail Germany 2024









Methodology

To explore how German eCommerce leaders are leveraging Artificial Intelligence (AI) in a rapidly growing market, WBR Insights conducted a survey of 150 eCommerce leaders across the DACH region in Q2 of 2024.

The resulting report takes a deep dive into how organisations are utilising Al and the challenges they currently face.

The survey was conducted by appointment over the telephone. The results were compiled and anonymised by WBR Insights and are presented here with analysis and commentary by Productsup and the wider eTail Germany community.

Topics detailed in this report will also be covered at our eTail Germany Connect event in November. Download the agenda **here.**



What type of organisation do you work for?

Fashion and Jewellery	
	30%
DIY and Home	
	20%
Travel	
	11%
Consumer Electronics	
	10%
Footwear	
	10%
FMCG	
	10%
Luxury	
	9%

What is your job title?

Director/ Head of eCommerce	49%
Director/ Head of (Online) Marketing	
	21%
Director/ Head of Omnichannel/ Multichannel	
	10%
Director/ Head of Digital	
	10%
MD	
	5%
CEO	
_	5%

Where is your organisation located?

Austria		Germany		• Switzerland				
		10%			55 %			35%









Key Findings

Al's on the Prize

Germany's eCommerce landscape is fiercely competitive, and retailers across the DACH region are pivoting aggressively with the adoption of Al. Our survey revealed more than half of respondents (51%) have been integrating Al for a short while and are already seeing successes. A significant 32% are at the start of their Al journey, but all respondents face challenges. This suggests German eCommerce leaders recognise Al's potential but aim to be more strategic with their investment, prioritising more specific tools to streamline workflow.

The Pain of Integration

Al is no longer a futuristic vision but a complex reality that eCommerce leaders must navigate. Our survey identified two primary challenges, with 49% of respondents citing integration complexity and 43% claiming the lack of inhouse Al expertise as an obstacle. Integrating Al technology into existing processes is always an uphill battle, but acknowledging these challenges opens the door to effective strategies. Businesses that take the necessary steps to address these challenges can unlock the full potential of Al and stand apart from the crowd.

It's Not You, It's Me (But Al Can Help!)

Our survey underlines the critical role of personalisation, with AI at its cornerstone. Nearly two-thirds of our respondents are already leveraging AI to some extent for personalised product content in ads. In today's climate, personalised and targeted content is no longer a luxury but a must. DACH retail brands are demonstrating a forward-thinking approach by embracing AI for product content personalisation in ads, and brands that follow suit will be better positioned to connect with customers on a deeper, more personal level.

No More Writers Block

Customer expectations extend beyond the shopping cart. Reflecting this trend, 69% of our respondents identified speeding up time to market as the most valuable benefit of using Al to improve product content. Generative Al empowers retailers, scaling up their content production and saving precious time by automating repetitive tasks. This allows teams to focus on their content's strategic and creative aspects.

From Blank Page to Brilliant Post

The use of Al-generated social content is a sensitive topic. However, our survey provides valuable insights into its growing adoption among brands looking to produce top-of-the-line, creative content faster than their competitors. Responding candidly, more than half (56%) of our participants revealed they currently use Al to create up to a fifth of their content. This is closely followed by almost a third who use Al for 21-40% of their content. This suggests Al tools are emerging as a powerful weapon for crafting hyper-targeted content at an accelerated pace.

The Many Faces of Social Media

Posting and engaging on social media has fast become a top priority for eCommerce marketing strategies. We asked respondents to explain, in their own words, where Al fits into their social media strategy. One said, "We aim to automate the process of A/B testing different content formats and styles to determine the most effective approach for our audience". Another claimed, "Personalised and engaging content can be placed on social media using Al solutions". These responses showcase the diverse benefits of Al, from cost reduction to increased efficiency, unlocking a vast array of possibilities for eCommerce brands.







Productsup⁷

Al's Hand in the Art of Personalising Product Content for Global eCommerce



Marcel Hollerbach
Chief Innovation Officer
Productsup

A sneaker ad should look completely different for a 22-year-old in Germany and a 55-year-old in the US. That same ad will need completely different information to work for Instagram versus TikTok. Now, factor in that the sneaker is only one of thousands of other shoes being sold across 20 other countries and hundreds of channels. It doesn't take a mathematician to see the complexity of tailoring product content per audience, channel, or market.

The woes of personalising product content

Expanding into new markets or onboarding new channels is extremely daunting when dealing with hundreds of thousands or even millions of SKUs. And that's just referring to managing the basics of sourcing, organising, and sharing product information. When it comes to personalising product content globally – whether that be for different cultural, linguistic, or regulatory environments – it's an absolute nightmare.

Traditionally, this process has been labour-intensive, slow, and prone to errors, making it difficult for companies to maintain consistency and relevance across markets. eTail's data shows that 37% of organisations find adjusting content for regulatory changes the most difficult part of personalising product content at scale, followed by 23% who struggle with adapting content for different channels. These issues can severely inhibit a company's ability to enter new markets or optimise its presence on new platforms, leading to missed opportunities and stunted growth.

The power of Al-generated product content

However, we're seeing a major shift in the way companies manage their product content across the global commerce ecosystem. Instead of relying on disparate systems and point solutions, brands and retailers are opting for a more centralised approach to streamlining their product data processes—including product content optimisation. Over the next 18 months, 55% of organisations plan to invest in Al tools for personalised marketing.

Leveraging AI for product content enables companies to:

- 1. Speed up time-to-market: 69% of organisations identify speeding up time-to-market as the biggest value of using AI. Companies can swiftly adapt their product listings and advertisements to meet the specific needs of each market, reducing the time from product development to market launch.
- 2. Increase conversion and retention rates: Al's precision in targeting and personalisation also translates to better performance metrics. 59% of organisations report that Al helps increase conversion rates, while another 59% note improvements in retention rates. These gains are achieved through Al's ability to continuously learn and optimise content based on user interactions and feedback, ensuring that

product information remains relevant and compelling.

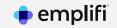
3. Lower costs and add value: By automating the content creation and optimisation process, AI reduces the need for extensive manual labour, thus lowering operational costs. The technology can also add new dimensions to product content, such as enhanced descriptions or multimedia elements, as indicated by 30% of organisations. This added value can differentiate a brand in competitive markets.

At Productsup, we are witnessing firsthand how AI is revolutionising the way companies scale their businesses globally. Processing over two trillion products per month for companies like L'Oréal, Thule, and Helly Hansen, it's unimaginable to keep up with today's pace of growth and change without some reliance on AI. Establishing and maintaining a long-term competitive stance in the market will come down to how well businesses integrate AI into their everyday workflows.

Learn more about <u>Productsup's Al-powered product</u> <u>content tools</u> and how its Product-to-Consumer (P2C) platform powers global commerce success for thousands of brands, including the top Fortune 500's.











As your organization embraces AI, don't forget to keep humans in the loop

48%

increase in AOV

Jones Soda Co. used Emplifi's Al-powered image recognition system to source 10,500 pieces of UGC that led to a 48% increase in AOV and 55% increase in time on-site.

It's easy to feel like AI has just exploded onto the scene in the past two years. There's an undeniable excitement around the possibilities of generative AI, and both software providers and marketers likely feel a range of emotions from excitement to caution to "Is this taking my job?"

Take a breath. Our team has been working with AI and automation for years, and while it's easy to feel like the tricks and tools are evolving faster than any of us can keep up with, the truth is that the promise of AI is built on a foundation of your data, workflows, and your own people.

It probably feels like the known entities in this space like OpenAI have "solved it," and that's an understandable reason why some companies choose off-the-shelf solutions to their Al marketing needs. Models like ChatGPT are truly brilliant tools with deep sources of information but while amazing, those platforms don't know much about your business.

29%

drop in wait time

Emplifi customer Freshpet saw a 29% drop in customer wait times and a 39% drop in calls that required an agent response by deploying an Al-powered chatbot.

We've used machine learning for years, and all of our 50-plus Al and automation features are built to be transparent, utilize guardrails for ethical considerations, and are trained with real customer data. We want these tools to be useful for the people in the process.

To help this journey, we created a tool kit as a first step to help any organization think about how AI marketing tools can increase efficiency and boost results, but the true promise and power of AI marketing is to optimize and scale work you're already doing. Al can turn data into actionable insights, save time curating to increase capacity for creativity, and connect possibilities between marketing functions faster than ever before.

But you still need a human in the loop. Good luck on this journey, and know that you're not alone if you ever want some insight into how to think about a world that feels like it's always changing. We'd be more than happy to connect.

Ai-powered features

Emplifi offers more than 50 Al-powered features to support the customer journey across social media, eCommerce, and customer care.

Todd McCaslin - Chief Technology Officer, Emplifi



Ready to start your Al journey?

Download our tool kit to understand how to implement AI marketing tools for your brand



Part One: Cutting Through the Noise: Exploring the Current State of AI in Retail



eCommerce leaders are searching for something new – the latest innovations to stand out in an already crowded market. All is rapidly reshaping the retail landscape, but separating genuine potential from the overwhelming hype can be challenging.

The synergy between AI and tools like ChatGPT has become a central focus for DACH retailers, fuelling the continued growth of eCommerce and their ambitious expansion plans. Renowned for their adaptability and strategic reinvestment, German brands actively seek to cut through AI hype. Their goal is to unlock fresh insights that will propel them ahead of the competition.

To understand the actual experience of German retailers, we asked respondents to share exactly where they are on their Al journey. More than half of our respondents are working on integrating Al into their organisations. While they are seeing some success, challenges persist.

Although these results suggest widespread adoption, the combination of success and rising challenges sheds light on the growing pains of Al integration. Al has the potential to deliver benefits that have long been sought by retailers but the journey is complex.

Identifying key challenges is crucial for developing targeted solutions and support mechanisms. Our survey delved deeper, asking eCommerce leaders about their top challenges when fully embracing Al. Around half (49%) of our respondents noted integration complexity, closely followed by 43% who face ongoing struggles due to a lack of Al expertise.

This highlights the need for better tools, strategies, and frameworks to simplify Al integration. This could involve developing more user-friendly Al platforms and fostering a more collaborative approach.

Our research highlights another looming challenge in the eCommerce space - misconceptions about Al. To combat this, we asked respondents to candidly share the most common misconceptions they hear regarding Al. A few noted that "people assume that Al has an answer to all the problems" while others said that some people wrongly believe "human expertise is not required when companies adopt Al".

It is clear that "many overlook the collaborative potential of AI, assuming it will replace rather than augment human capabilities in teamwork and collaboration".

Recognising and addressing these common misconceptions about Al in the German eCommerce space is essential for setting realistic expectations, emphasising the importance of human expertise, and improving Al adoption rates. This understanding will ultimately lead to enhanced innovation for the industry.

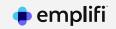
To get a complete view of the AI narrative for eCommerce leaders, we dived specifically into the tools respondents plan to invest in over the next 18 months. The evidence was clear, with a majority (58%) claiming they plan to invest in security or risk management tools, closely followed by 56% who noted business intelligence as a top priority.

The emphasis on security highlights the growing awareness and concern regarding cyber security threats. As brands continue to expand, a robust security system will be crucial to protect customer data and comply with regulatory requirements.











Which of these statements most closely resembles your progress when it comes to integrating Al into your organisation?

15%

51%

- We are confident with how we are using AI and feel we have unlocked its full potential
- We have been integrating AI for a while and seeing some successes but still face challenges
- We are at the start of our Al journey and still face setbacks
- We are not currently using Al in our operations but plan to in the next 1-2 years

"The most common reason companies struggle to integrate Al into their business is because their data is spread out across multiple systems and departments within their organisation. By condensing the full spectrum of your commerce operations into a centralised view and streamlining product data workflows, for instance, through a **Product-to-Consumer (P2C) strategy,** companies can unlock Al's full potential to boost performance and enable global growth."



Vincent Peters CEO Productsup

"I would agree with the majority of respondents here as we are also in the process of integrating Al. While we've seen positive results, there are also challenges we're working through. However, I believe experimentation with Al presents valuable opportunities for the industry as a whole to learn and develop."



Sebastian Remer Senior Principal Digital Business OBI Group Holding

"Security is always a major priority when it comes to the use of customer data, but even more so when it comes to AI as consumers want to know how their data is being handled by these new technologies, so it is unsurprising that transparency and explainability also ranked so highly alongisde security concerns. These concerns need to be properly addressed by companies before they can consider the issues around integration complexity and



Ajanta Palmiero-Rundle Conference Director eTail Germany 2024

onboarding costly and sought-after AI experts."

"This is a very interesting result, and it is no surprise that security concerns are a priority with customer data use. Taking a wider outlook on the industry, technology is constantly evolving. Integration expertise and experience are always going to be important so doing your research and understanding your own preferences is important."



Sebastian Remer Senior Principal Digital Business OBI Group Holding



Integration complexity

49%

30%

Lack of AI expertise

43%

Transparency and explainability
38%

Security concerns

36%

Ethics debates

Risk aversion culture

28%

High initial costs

23%

Integration with existing systems

20%

Lack of clear regulations

11%

Resource constraints

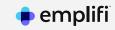
11%

Avoiding bias

11%









To cut through the noise of AI in eCommerce, we asked respondents what the most common misconceptions are. They candidly shared their answers:

In the eCommerce sector, it's often assumed that AI will solely benefit large corporations, overlooking its potential to empower small businesses through personalised customer experiences.

It's often assumed that Al solutions are instantaneous,

disregarding the significant investment of time and resources required for implementation and maintenance.

It's often assumed in eCommerce that AI will replace human creativity in product design and innovation, failing to recognise its role in augmenting human ingenuity and market insights.

There is a belief that Al works all by itself and does not require any human intervention.

There's a misconception that Al progress follows a linear trajectory, disregarding the potential for exponential breakthroughs and paradigm shifts.

It is commonly assumed about AI that its application is limited to a few select functions like **content**, **marketing** & advertising.

The wider applications of AI threaten job opportunities and talent retention plans.

When it comes to Al in German eCommerce, there are misconceptions about how favourably it can be used for various processes.







What AI tools are you planning to invest in over the next 18 months? (Respondents were asked to select all that apply)

Security or risk management tools

58%

Business intelligence

56%

Social media analytics

55%

Personalised marketing

55%

Inventory management

55%

Fraud detection and prevention

Chatbots and virtual assistants

Recommendation engines

Augmented Reality

Large Language Models

29%

Al-driven CRM systems

Training tools for current staff

25%

Dynamic pricing algorithms

19%

"It is surprising to see that chat bots and virtual assistants did not rank more highly, as these are a very effective way to keep costs down and speed up processes with minimal risk. I think that the reason for this is probably down to user experience and the fact that many consumers still feel the need to speak to a human rather than a bot when looking for help online."

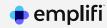


Ajanta Palmiero-Rundle Conference Director eTail Germany 2024











Part Two: Enhancing the Customer Experience with Al Solutions



Al promises to be an industry game changer, particularly when it comes to enhancing customer experiences.

As a growing arsenal of Al tools become available, businesses are unlocking a treasure trove of possibilities to propel eCommerce forward. Even personalisation, the once seemingly insurmountable challenge, is now a summit within reach thanks to Al's powerful capabilities.

Personalisation is always a top priority for eCommerce leaders, and AI is proving to be a powerful tool. We asked respondents how much they currently use AI to personalise product content for ads. Sixty-three percent said they sometimes use AI to tailor product content.

Encouragingly, not one respondent said they do not currently use AI in ad content. This widespread adoption reflects the necessity of AI for competitive advantage, enhanced customer experience, and effective resource allocation in the eCommerce industry.

However, personalising content is a nuanced challenge, especially when no one-size-fits-all solution exists. We asked respondents to rank how difficult they find personalising product content for a range of purposes.

Our respondents found translating text for different regions as the most difficult and adjusting content for regulation the easiest. Although there may be established processes in place for adjusting content to meet regulations, there is still a large amount of work to be done when it comes to translating and localising content. Better tools, expertise and strategic focus are needed in this area.

Evidently, personalisation is not just a trend; it is a strategy for success. However, this is one of many expectations customers have. They want everything now. They want deliveries to be quicker, easier access to content and more efficient checkouts when shopping online.

Reflecting this trend, our survey results revealed that speed to market is the most valuable benefit of using Al to improve product content, as 69% of respondents indicated. Personalisation remains a key priority, with 61% of respondents citing it as a valuable application of Al for product content.

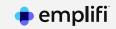
Al's ability to accelerate time to market and create personalised content addresses key customer expectations and provides a strategic advantage. Businesses can enhance customer experience, improve operational efficiency, and maintain a competitive edge in a dynamic market by focusing on these areas.

The one-size-fits-all approach in eCommerce is over. All empowers brands to step into the future by providing tools for targeted advertising, videos and content. By harnessing Al for targeted advertising, videos, and content, brands can gain a competitive edge by fostering deeper, more personal connections with their audience.



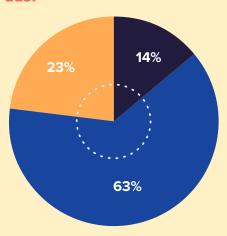








To what extent are you using AI to personalise your product content for ads?



- We regularly use Al to tailor product content
- We sometimes use AI to tailor product content
- We rarely use Al to tailor product content

"At Productsup, we're seeing firsthand how Al can significantly speed up time-to-market, as it allows our customers to swiftly adapt product listings and advertisements to meet the specific needs of each of their target customers, channels, and regions. This accelerated process is crucial for maintaining a competitive edge in the fast-paced global commerce market."



Vincent Peters CEO Productsup

"The rise of online shopping has certainly driven the adoption of Al for product content generation. However, it aligns with the survey results where most respondents prioritise Al for basic content creation, with personalisation coming later. This suggests a thoughtful approach, leveraging Al's strengths while recognising the value of human expertise for tailoring content."



Sebastian Remer Senior Principal Digital Business OBI Group Holding

On a scale of 1-5 (1 being extremely difficult, 5 being not difficult at all) How difficult do you find personalising product content at scale for the following purposes? (Results represent the average answer among respondents)

Translating text for different regions

2.65

Adjusting attributes for different demographics

2.82

Adjusting text for seasonal promotions

2.95

Adjusting content for different channels (ie. Amazon, TikTok, Google Shopping, etc.)

3.04

Adjusting content for regulatory changes

3.54

"Fluctuating regulations pose a significant **potential** for Al-powered product content generation. The impact varies greatly by organisation size and the type of goods shipped. While some businesses may face minimal disruption, others might require frequent adjustments. This dynamic regulatory landscape makes it **more** difficult for Al models to maintain consistently accurate content, **but is also an opportunity.**"



Sebastian Remer Senior Principal Digital Business OBI Group Holding











What do you see as the biggest value of using AI to improve product content? (Respondents were asked to select three)

Speeding up time-to-market



69%

Creating personalised content



Increasing conversion rate



Increasing retention rate



Adding new information



30%

Lowering costs



22%

"Scaling product content is a huge undertaking, and it's often what holds companies back from growing their business or succeeding in new markets. So when it comes to investing in the right places with gen Al, retailers need to respond with a confident 'yes' to three main questions: Will it improve data quality? Will it accelerate time-to-market? Will it boost sales? If it's not working toward all three of those goals, you won't get the ROI you're looking for."

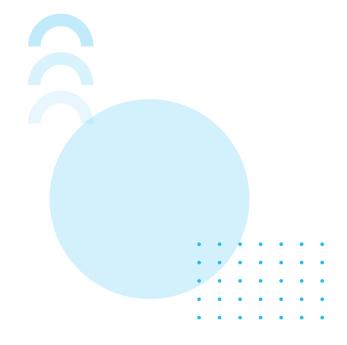


Marcel Hollerbach Chief Innovation Officer **Productsup**

"I definitely agree with the respondents who said that speeding up to market as the biggest value Al can bring to improving product content. However, it is worth noting that with such a large number of eCommerce leaders struggling with rising costs, I am surprised they aren't using AI to tackle the issue of costs with production. I would then say lowering costs might be one that rises in popularity in the next year or so."



Sebastian Remer Senior Principal Digital Business **OBI** Group Holding











Part Three: Cracking the Social Code: Al-Powered Strategies for Engagement and Growth



Mastering social commerce in the age of AI presents both opportunities and challenges.

While navigating these complexities can be demanding, Al and automation tools empower e-commerce social strategies, turning casual likes and shares into powerful drivers of sales and loyal customers. By embracing these trends, brands that stay ahead of the curve can significantly boost conversions.

Striking a balance between authenticity and efficiency is a critical challenge for eCommerce brands using AI for social media content creation. Unsurprisingly, leaders are often reluctant to reveal the exact percentage of the content they create using AI. However, a majority of our respondents shared that up to a fifth of the content they create and share on social media is created using AI. Evidently, brands must maintain a delicate balance between leveraging AI and maintaining authenticity.

Success on social media hinges on ongoing analysis to identify areas for improvement. Our survey revealed no dominant data collection and analysis method, with respondents split between APIs and analytics dashboards.

The diverse needs and capabilities of eCommerce brands underscores the importance of data-driven decision-making and the need for flexibility and adaptability in analytics. The value of both tools hints towards a preference for user-friendly customisation tools that will not only understand but optimise social commerce efforts.

Social media strategies are as diverse as the brands themselves. Almost half of respondents (41%) shared that they value customer engagement and community building when it comes to social and are prioritising these interactions while fostering customer relationships.

This is closely followed by 33% who strive towards consistent branding and reputation management, focussing on managing online perception. The need for a customer-centric, responsive social media presence cannot be overstated, and this result highlights once again that there is no one-size-fits-all approach to social media.

Our survey delved into how eCommerce leaders are leveraging AI for social media. A recurring theme was the creation of "personalised and engaging content" through AI solutions. Others emphasised the human aspect, expressing plans to "strengthen customer connections using AI" in the future.

While social media AI is still evolving, respondents highlighted its potential for optimisation. The ability to "A/B test different content formats and styles" with AI was seen as a powerful tool for identifying the most effective approach for their target audience.

Despite its recent emergence, Al is quickly becoming part of the DNA in eCommerce. Looking ahead, our respondents have offered some insights into the role Al will take in 10 years' time. "In the future, Al will enhance the sustainability of e-commerce by optimising routes and reducing carbon footprint through efficient logistics planning," said one.

Another mentioned, "We can expect the repetitive tasks to be removed completely from eCommerce operations. The customer journey will be more streamlined". The future of eCommerce in the DACH region looks bright, signifying Al's transformative potential.







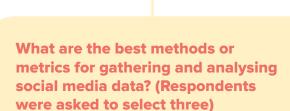




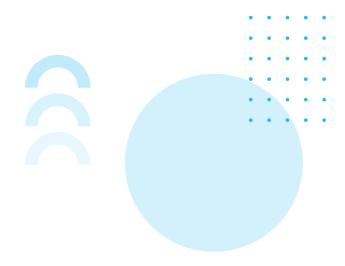
21% - 40%

41% to 60%
3%

What percentage of the content you share on social media is created using Al? 0-10% 10% 11-20%







"Data is key when it comes to social media. APIs from platforms like Facebook, Twitter, and Instagram provide direct access to raw data, by directly accessing this massive amount of complex data social media listening tools such as Emplifi Social Marketing enable brands to monitor conversations, trends and sentiment.

Once you've gathered the data you can track impressions, clicks, likes, shares, and comments to gauge audience engagement, and analyse how social media drives traffic to your website. You can also get direct feedback by conducting surveys and polls. Finally, leverage social media listening tools to identify trends, sentiment, and competitor activity.

Combining all of these methods, in a unified platform is critical to helping you understand your audience, measure the effectiveness of your campaigns, and make informed decisions to drive your online presence forward."



Robert Clinton
Vice President - Northern Europe,
DACH & CEE
Emplifi

"I think that when it comes to building an effective social media strategy, companies want to be able to reach broader target audiences with content that is targeted to them more quickly so it makes sense that customer engagement is their top priority. I am surprised that lead generation and sale conversion ranked so low as the ultimate goal of building customer engagement through social media is to drive sales either through their different channels."



Ajanta Palmiero-Rundle Conference Director eTail Germany 2024









When it comes to social media, what is most important to your organisation?

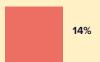
Customer engagement and community building (Prioritising interactions and relationships)



Consistent branding and reputation management (focussing on building branding and managing online perception)



Market research and competitor analysis (Values social media as a tool to understand customer trends)



Lead generation and sale conversions (Utilising social with the sole objective of driving sales)



"Integrating AI into your social media strategy can significantly boost your ROI by streamlining processes, saving time, and gaining valuable insights. AI can analyse vast quantities of user-generated content to uncover emerging trends and understand customer sentiment. This data allows you to segment your audience more effectively and tailor your messaging to specific groups. AI can also predict future trends to capitalise on new opportunities and stay ahead of the curve.

Personalisation is paramount in today's social media landscape. Al enables you to deliver personalised recommendations, dynamically adjust content based on user engagement, and optimise your ad targeting. This creates a more engaging and relevant experience for your followers."

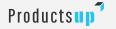


Robert Clinton
Vice President - Northern Europe,
DACH & CEE
Emplifi













Al has become entwined with social media efforts. We asked respondents to explain in their own words where Al fits into their social strategy. Here is what they told us:

Our social media strategy involves using AI to analyse user-generated content for valuable insights and trends that can inform our marketing decisions.

Implementing Al-driven recommendation systems will enhance cross-promotion opportunities across various social media channels, maximising our reach and visibility.

By leveraging AI for cross-platform data integration,

we can gain a holistic view of our audience's behaviour and preferences across various social media channels, informing our content strategy and marketing efforts.

We want to attract newer generation clients using Al in the social media strategy.

Social media is more attractive to younger generation clientele.

We are yet to determine the extent of Al usage that would be suited for customer engagement and budgeting at the same time.

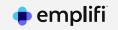
Al-powered chatbots will enhance customer service on our social media channels, providing instant responses and personalised assistance.

We plan on using Al to improve the data analysis functions.

We would know how to connect with clients better on social media channels.

Al will continue to be used for evaluating the performance of marketing and advertising campaigns across social media.







Looking ahead, we asked our respondents to share what role they think AI will take in eCommerce in the next 10 years. Here is what they revealed:

In the coming years, AI will transform the way we shop online, making it more personalised and convenient for each customer.

Al will pave the way for more personalized and engaging customer interactions in e-commerce, fostering stronger connections between brands and consumers.

eCommerce will change as a result of Aldriven visual search technology, which lets customers locate products by just uploading screenshots or images.

Identifying behavioural patterns will be done using AI. eCommerce companies would be better equipped to customise solutions, deals and discounts based on AI-driven insights.

There may be challenges in integrating Al in solutions in-house because of the talent shortage. However, companies will not hesitate to invest in external Al-driven solutions.

Automation will be at next-level as Al will bring in more efficiency in e-commerce operations.

In the next decade, AI will enable e-commerce platforms to offer seamless language translation capabilities, allowing customers from diverse linguistic backgrounds to shop with ease.

Demand forecasting and inventory management will be more efficient with the use of AI in the next 10 years

"Al will transform and shape e-commerce in the coming decade. Data-driven decision-making will be powered by Al, allowing e-commerce businesses to optimise their strategies in real time. Inventory management, supply chain operations and deliveries will be streamlined, minimising disruptions and reducing costs.

For consumers, Al-driven visual search technology will revolutionise how they find products online. Dynamic pricing algorithms will optimise discounts and promotions, maximising revenue while offering value to customers. Al will also enhance the safety and security of e-commerce transactions, ensuring customer trust and confidence.

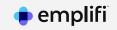
It's already evident but personalisation will be key. The single biggest negative of ecommerce, when compared to an in-person experience, is the joy of brand and product discovery. Al will personalise the shopping experience, making it more convenient and enjoyable for each customer, such as Al-powered virtual shopping assistants that provide personalised recommendations and assistance."



Robert Clinton
Vice President - Northern Europe,
DACH & CEE
Emplifi









At what stage of the customer journey are you looking to automate or leverage AI?

Personalised marketing and recommendations

20%

Automated customer service for returns and enquiries

16%

Customer feedback and reviews

14%

Chatbots for answering customer enquiries



Smart shopping carts



Customer journey mapping



Dynamic pricing



Fraud detection and prevention



After-sales recommendations/communicationst



All of the above



"Hundreds of Al tools have entered the market — some good, some bad. They all promise to increase efficiency and improve performance. But blindly throwing Al into your tech stack won't solve all of your problems overnight. To really see the value of Al, you need to ensure its use case is a fit for your unique pain points.

Generative AI holds massive potential for content creation, but it's not about having complete autonomy in producing copy and visuals. Gen AI's real transformative power lies in its ability to scale content production."



Marcel Hollerbach
Chief Innovation Officer
Productsup

"Al offers a powerful tool for businesses to revolutionise customer interactions. From the first point of contact to long-term loyalty, Al can enhance experiences by providing personalisation, efficiency, and satisfaction.

Al-powered shopping carts can enhance the acquisition stage by suggesting complementary products, offering personalised discounts, and predicting purchase intent. It can analyse customer data to identify pain points and optimise the customer journey, ensuring a seamless and enjoyable experience.

In the engagement stage, Al-powered chatbots can respond instantly to customer inquiries, improving satisfaction and reducing wait times. As well as analyse customer feedback and reviews for insights, improvement, and future opportunities.

To build retention and loyalty, businesses can leverage Al to automate customer service processes, such as returns and inquiries. "

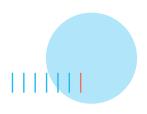


Robert Clinton

Vice President - Northern Europe,

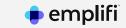
DACH & CEE

Emplifi











Conclusion

The eTail Germany Al Report reveals a landscape where Al is both a promising and challenging frontier for eCommerce leaders.

The competition in the DACH region is intense, and retailers seek Al innovations to gain a competitive edge. Despite the enthusiasm, many brands are still in the early stages of their Al journey, facing significant integration complexities and a lack of expertise. These challenges highlight the necessity for more user-friendly Al platforms and a collaborative approach to fully unlock Al's potential.

Al is a futuristic concept and a present-day reality shaping the customer experience. Personalisation has emerged as a crucial strategy, with a significant number of respondents already using Al to tailor product content. The findings indicate that Al's ability to accelerate time to market and create personalised content is highly valued, addressing key customer demands for speed and personalisation. However, the difficulties in localising content for different regions underscore the need for better tools and strategies in this area.

In the realm of social commerce, Al is revolutionising how brands engage with their audiences. The balance between leveraging Al and maintaining authenticity is delicate, but our insights show that Al is increasingly becoming a core component of social media strategies. From automating A/B testing to creating personalised and engaging content, Al offers new opportunities for eCommerce brands to enhance customer engagement and community building.

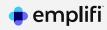
Looking to the future, Al's potential in eCommerce is immense. Respondents envision a future where Al optimises logistics for sustainability, streamlines customer journeys, and automates repetitive tasks. Our research reflects a forward-looking perspective where Al transforms operations and aligns with broader industry trends towards sustainability and efficiency.

In conclusion, the findings emphasise that AI presents significant challenges, but its potential benefits for the eCommerce industry are profound. DACH retailers can harness AI to drive growth, enhance customer experiences, and maintain a competitive edge in a rapidly evolving market by addressing integration complexities and fostering a deeper understanding of AI's capabilities. The journey towards full AI integration is ongoing, but with targeted investments and strategic focus, the future of eCommerce in the DACH region looks promising.











Key Suggestions

Al is set to bring huge value to the industry. From cutting costs to optimisation, the possibilities appear to be endless. However, with so many respondents struggling to address integration complexity, eCommerce leaders must start acting cautiously. Start with a comprehensive assessment of your current systems and processes to identify potential integration points and challenges. This opens more opportunities to develop a clear roadmap aligned with business objectives to guide the integration process and set realistic milestones.

While Al-generated social copy grabs headlines, eCommerce leaders should not overlook the many other ways Al can revolutionise social media strategies. Enter chatbots. They can easily automate repetitive tasks like answering FAQs, confirming orders, and sending notifications, saving you time and money. On top of this, chatbots personalise offers and messages based on user preferences, behaviour, and feedback, fostering deeper connections. This level of support offers 24/7 problem-solving in a conversational tone that keeps customers engaged and loyal.

Driven by technological

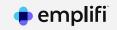
advancements, changing consumer behaviours and the rise of online shopping, eCommerce has witnessed impressive growth. This is reflected in the prioritisation of hyper-personalised experiences and the use of Al platforms such as ChatGPT to achieve this. However, addressing limitations in these tools is crucial to maintaining customer trust. Improving the accuracy and reliability of Al responses will minimise misunderstandings and miscommunications.

Generative Al's potential

is undeniable, but so are the misconceptions. One major concern? A lack of control. However, ensuring Al compliance for eCommerce isn't about micromanaging every response. eCommerce leaders need to be transparent about Al's role in customer interactions. Additionally, employees must be trained to support Al interactions and manage complex issues seamlessly. By prioritising these aspects of Al, eCommerce leaders can confidently leverage generative Al without falling into the traps set by common misconceptions.









About Us



Productsup enables global companies to create perfect product content journeys for every channel and target consumer worldwide. Processing over two trillion products a month, the highly scalable Product-to-Consumer (P2C) platform is equipped for the most sophisticated enterprise customers, helping them overcome commerce complexity to create consistent product, brand, and service experiences. Founded in 2010 and headquartered in Berlin, Productsup works with over 1,000 brands, including Sephora, Beiersdorf, Redbubble, and ALDI. Learn more at www.productsup.com.



Emplifi provides exceptional digital customer experiences via a platform trusted by more than 20,000 of the world's leading brands. With comprehensive and integrated social media marketing, social commerce, and care, combined with unified analytics and Al, Emplifi fuels growth, resulting in happy customers, increased product sales, and improved brand loyalty.





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.

Contact us to find out how your business could benefit from:

- Year-round access to our network of decisionmakers 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

To find out more contact:

Lauren Barker-Davies Insights Sales Director

T: +44 7926179040

E: lauren.davies@wbr.co.uk

