

AS FEATURED IN

DIGITAL RETAIL

COMMERCE 360

2023 LEADING VENDORS TO THE TOP 1000 RETAILERS

Ranking, data and analysis of the
top ecommerce technology providers



Compliments of



monetate

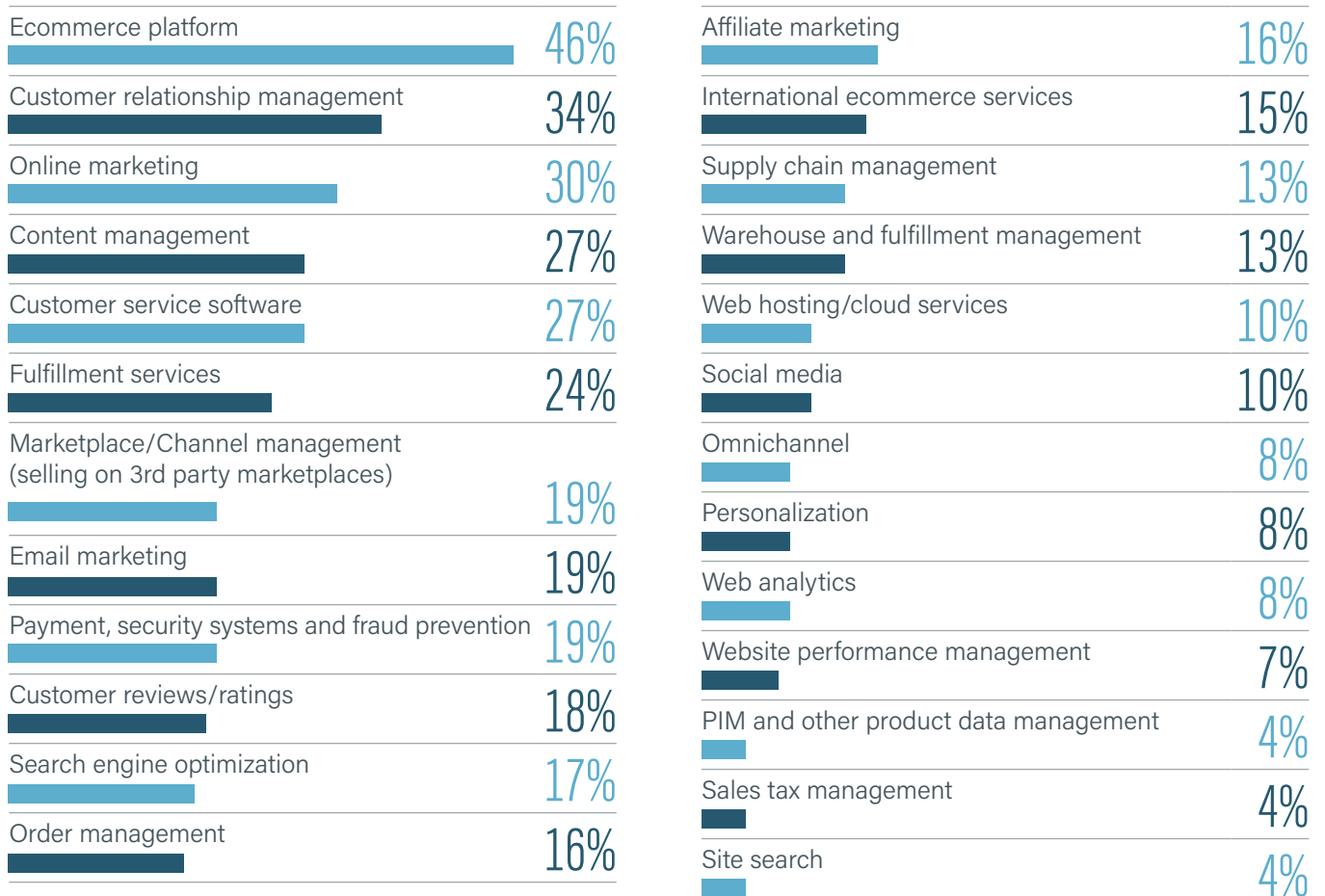
OVERVIEW

In 2022, retailers are finetuning the technologies needed to offer customers a fluid ecommerce experience. According to Digital Commerce 360's Digital Technology survey, conducted from September through October 2022, an ecommerce platform is the top technology budget priority over the next year (46% of 135 respondents).

Other top budget priorities include customer relationship management (CRM) at 34%, online marketing (30%), content management (27%), customer service software (27%) and fulfillment services (24%).

WHAT ARE YOUR TOP FIVE ECOMMERCE TECHNOLOGY BUDGET PRIORITIES OVER THE NEXT YEAR?

Select up to five priorities.



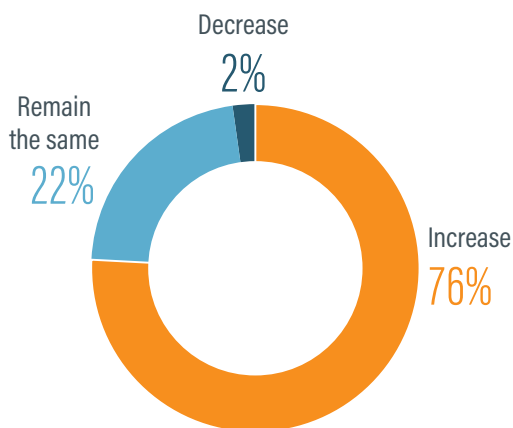
Source: Digital Commerce 360 digital technology survey, September-October 2022

Three-quarters of retailers (76%) plan to increase spending on technology and services over the next year. Only 22% plan to keep budgets the same and 2% plan to decrease ecommerce technology spending.

While retailers plan to spend more, three in four retailers expect their spending increase to be 15% or less. 39% of retailers predict spending to increase 10.1% to 15%. And 32% expect spending to increase 5.1% to 10.0%. One quarter of retailers said they anticipate technology spending to increase more than 15% over the next year.

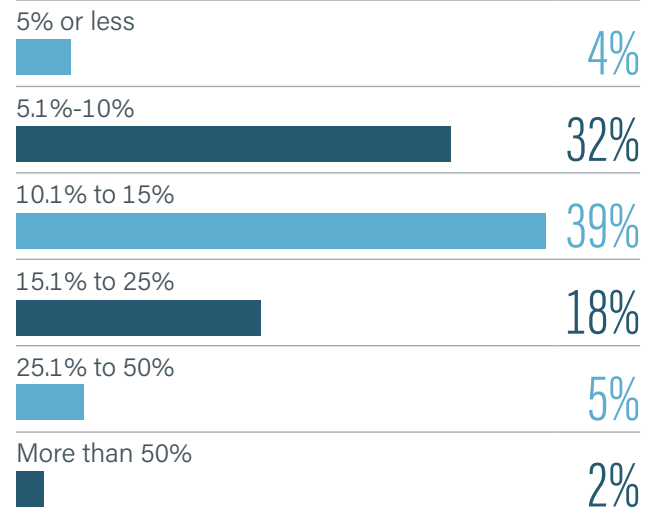
The top reason retailers plan to spend more on ecommerce technology over the next year is marketing to attract new customers (66%). And

WILL YOUR SPENDING ON ECOMMERCE TECHNOLOGY AND SERVICES INCREASE, DECREASE OR REMAIN THE SAME OVER THE NEXT YEAR?



Source: Digital Commerce 360 digital technology survey, September-October 2022

HOW MUCH OF AN INCREASE IN ECOMMERCE TECHNOLOGY SPENDING DO YOU ANTICIPATE OVER THE NEXT YEAR?



Source: Digital Commerce 360 digital technology survey, September-October 2022

nearly half (48%) plan to increase spending to retain existing customers.

On the customer experience side, 54% of retailers plan to spend more on improving CX. Ensuring customers can browse and checkout easily is also a focal point as 41% of retailers plan to invest in site performance improvements, speed and efficiency. 33% of respondents plan to support more cross-channel shopping and marketing/merchandising, 32% plan to optimize product information, and 31% plan to improve shopping experience personalization.

Nearly half of retailers are focusing on KPIs (Key Performance Indicators) — specifically generating more traffic and sales via mobile

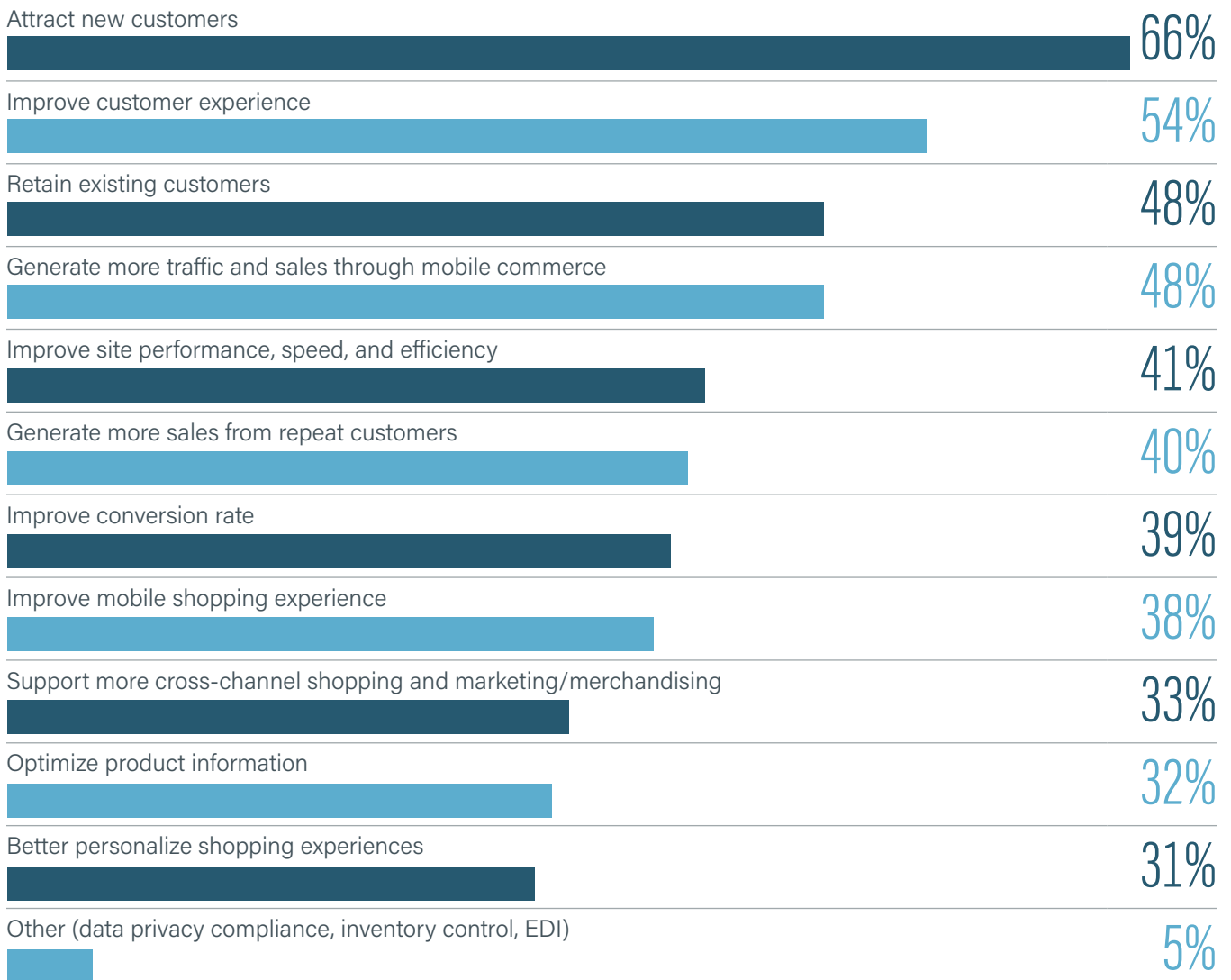
commerce (48%). 40% plan to invest in generating more sales from repeat customers and 39% seek to improve conversion rates.

Rather than grow a tech stack in house, 70% of respondents said they typically use a vendor to try to build technology. Retailers seek out

experts specialized in their fields (68%). More than half (56%) said speed was a factor — it's faster to get a project completed when using a vendor.

Curbing costs was also a factor for 31% of retailers that find it is cheaper to use a vendor

WHAT ARE YOUR MAIN REASONS FOR SPENDING MORE ON ECOMMERCE TECHNOLOGY OVER THE NEXT YEAR? Check all that apply.



Source: Digital Commerce 360 digital technology survey, September-October 2022

than build a technology from scratch. 28% said there is more accountability when using an outside vendor. And 27% of retailers were concerned about overstressing employees.

Payment, security and fraud prevention are the top reasons retailers invested in technology (37%), followed by CRM (35%), ecommerce platform (34%), email marketing (33%) and online marketing and customer service software each reaching 31% as top reasons. **LV**

WHEN IMPLEMENTING A NEW TECHNOLOGY, DO YOU TYPICALLY USE A VENDOR OR TRY TO BUILD THE TECHNOLOGY IN-HOUSE?



Source: Digital Commerce 360 digital technology survey, September-October 2022

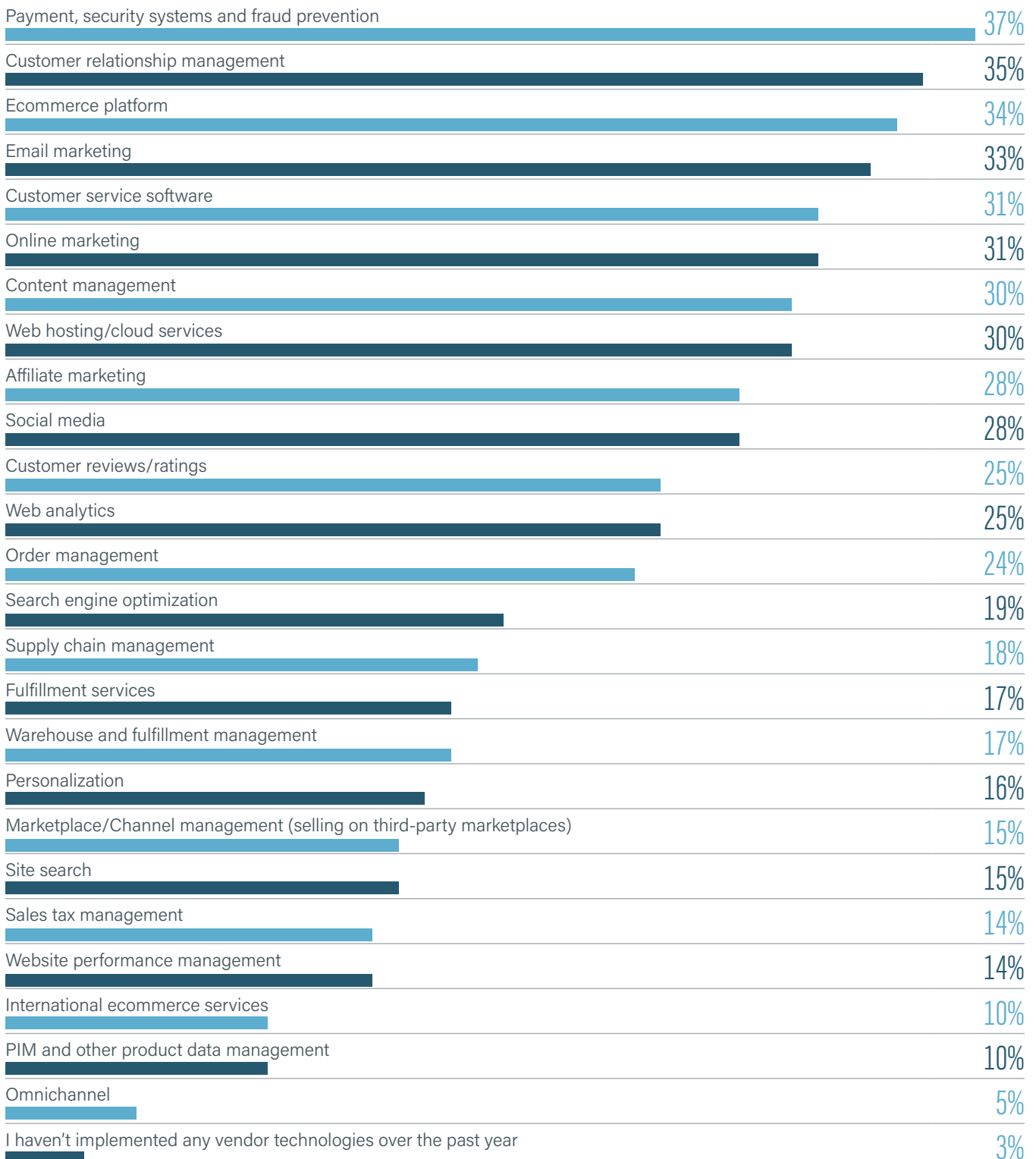
WHAT ARE YOUR REASONS FOR USING A VENDOR? (Multiple responses allowed)



Source: Digital Commerce 360 digital technology survey, September-October 2022

WHAT TECHNOLOGIES FROM VENDORS HAVE YOU IMPLEMENTED OVER THE PAST YEAR?

(Multiple responses allowed.)



PERSONALIZATION

■ Indicates a ranking tie

A large advantage ecommerce sites have over their brick-and-mortar competitors is their ability to show a customer products she might like based on past site behavior and past purchases. Personalization allows websites to show customers products they're more likely to buy, through a range of marketing channels such as targeted emails and recommended products. Even with consumers wary of providing too much data, the benefits of making them feel unique can be dramatic. Combining buying history, demographic information, geographic details and pricing data can connect customers with products they want to buy. Pain points in personalization include data gathering, analyzing trends to determine the right personalization options and creating personalized marketing materials. Data vendors can provide customer data, and demographics can help inform trends while A/B testing helps to find the most effective marketing options. Automation and artificial intelligence are playing a growing role in determining how companies spend their time personalizing products for shoppers.

Source: Digital Commerce 360

Note: Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

1	Monetate ¹	 monetate
2	Salesforce	
3	Nosto	
4	Algonomy ²	
5	GroupBy	
6	AtData ³	
6	Sitecore ⁴	
8	Adobe	
8	Deloitte	
10	Bluecore	

1. In 2022, Kibo sold their Personalization business unit, formerly known as Monetate and Certona, and is now known as Monetate. 2. In 2021 RichRelevance and Manthan Software merged to form Algonomy. 3. In 2021 TowerData and FreshAddress merged to become AtData. 4. In 2021 Sitecore acquired Reflektion.

MONETATE

RANK IN
CATEGORY

1

2022
TOP 1000
RETAIL
CLIENTS

99

Monetate's enterprise-grade personalization platform enables organizations to build tailored digital customer experiences with a selection of powerful, easy-to-use tools. Through A/B testing, experimentation and recommendations, its AI uses relevant data to make the most intelligent and personalized decisions across different consumer touchpoints. Companies including Adidas, Dunkin' and Lufthansa Group use Monetate's integrated personalization strategy to eliminate guesswork with controlled testing of creative messages and user-interface changes.

PRIMARY URL

Monetate.com

YEAR
LAUNCHED

2008

TOTAL 2022 TOP 1000
CLIENT WEB SALES

\$79.41 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web Only: 19 Chain: 42 Manufacturer: 26 Direct Marketer: 12



TOP 1000 CLIENTS BY WEB SALES

\$40M or less: 0 \$40-125M: 37 \$125-500M: 32 \$500M or more: 30



KEY CLIENTS

Reebok
Office Depot
Lufthansa Group
Adidas
Helly Hansen
Dunkin

PRODUCTS & SERVICES

Enterprise-grade personalization platform that enables organizations to build tailored digital customer experiences with a selection of powerful, easy-to-use tools.

Pricing: Pricing and fees vary.

CORPORATE

Fully remote company

MANAGEMENT

Brian Wilson, CEO
Austin Rochford, CTO
Eric Rosado, Chief Product Officer

Source: Digital Commerce 360 2023 Leading Vendors to the Top 1000. Category leaders are ranked on the total number of clients they have in the 2022 Digital Commerce 360 Top 1000. Only parent companies of retailers are included.

Q&A

First-party data lets retailers harness the power of personalization

An executive conversation
with **Brian Wilson**,
CEO, Monetate



Today's consumers are putting a priority on personalized shopping experiences. According to a recent McKinsey report, 71% of consumers expect to receive personalized interactions from brands, and 76% of these consumers are frustrated when they don't. Furthermore, research from Monetate shows that organizations that prioritize providing an end-to-end personalized shopping experience see at least a 400% ROI from their digital marketing initiatives. To discuss the importance of personalization strategies and easy ways to get started, Digital Commerce 360 spoke with Brian Wilson, CEO of Monetate.

Why is personalization so crucial to a retailer's success today?

Customers want to feel important to the brands they do business with. It's more than just a matter of trust. Customers demand personalized experiences that take their interests and needs into account.

In turn, they're more likely to continue shopping and purchasing from retailers who take a customized approach across all touchpoints — not just with ecommerce but also in bringing personalized experiences across all channels, including in-store experiences. Retailers that can provide this concierge level of service via ecommerce and in-store can set themselves apart from the competition through increased engagement that results in satisfied shoppers and increased revenue.

What are retailers' most significant challenges around personalizing the shopping experience?

Data privacy laws can be tricky to navigate. Digital retailers have traditionally relied heavily on third-party data from ad networks and other data providers to drive personalization on ecommerce sites. But recent government regulations and corporate policies from Apple, Firefox and Google have made it harder for retailers to gather and use data for personalization.

So, where does this leave retailers? Cutting off access to third-party data disadvantages retailers with business models where marketing spending and conversion happen on different digital properties, such as social media. For retailers to compete, they must unlock the value of their first-party data from their

customer relationship management, point-of-sale and loyalty systems. This data belongs to the retailer, and data privacy laws can't restrict its use.

What strategies should they implement to overcome challenges?

Incorporating first-party data is easier than it sounds. Monetate offers excellent support for onboarding and personalizing experiences with first-party data. To make the most impact with personalization, begin working with your first-party data sooner rather than later.

Building a strong foundation is the best place to start. Monetate encourages retailers to create a "Culture of Personalization" across all areas of the organization. A Culture of Personalization means every member of an organization is focused and united on the common goal of delivering successful, relatable and engaging customer experiences for each unique individual interacting with your brand across all touchpoints. By thinking of each customer as a unique being and having everyone in alignment, the path to crafting a personalization strategy and building the experiences to support it becomes easier.

How should retailers go about implementing these strategies?

They should partner with a personalization software provider like Monetate. Monetate's platform is an all-in-one solution powered by patented machine learning. Our engine is easy to use and built for marketers. It provides retailers with the capabilities they need, such as testing and experimentation, recommendations, and automated 1-to-1 experiences to help them deliver the right experience at the right time to their customers. And we help retailers plan and execute personalization strategies that drive results.

With the right partner and the right technology, personalization doesn't have to be scary. Start small and build as you grow in your knowledge of your customers.



Meet Monetate

Formerly Kibo Personalization, Monetate is shaping the future of digital customer experiences across all brand touchpoints.

Monetate is proud to be recognized once again as the #1 Personalization Provider in Digital Commerce 360's Top 1000.

Monetate enables organizations to build tailored digital customer experiences from one platform, powered by patented machine learning.

 Testing & Optimization

 1-to-1 Personalization

 Segmentation & Targeting

 Product Recommendations

 Audience & Analytics

 Personalized Search

Learn More at [Monetate.com](https://monetate.com)

EMAIL MARKETING

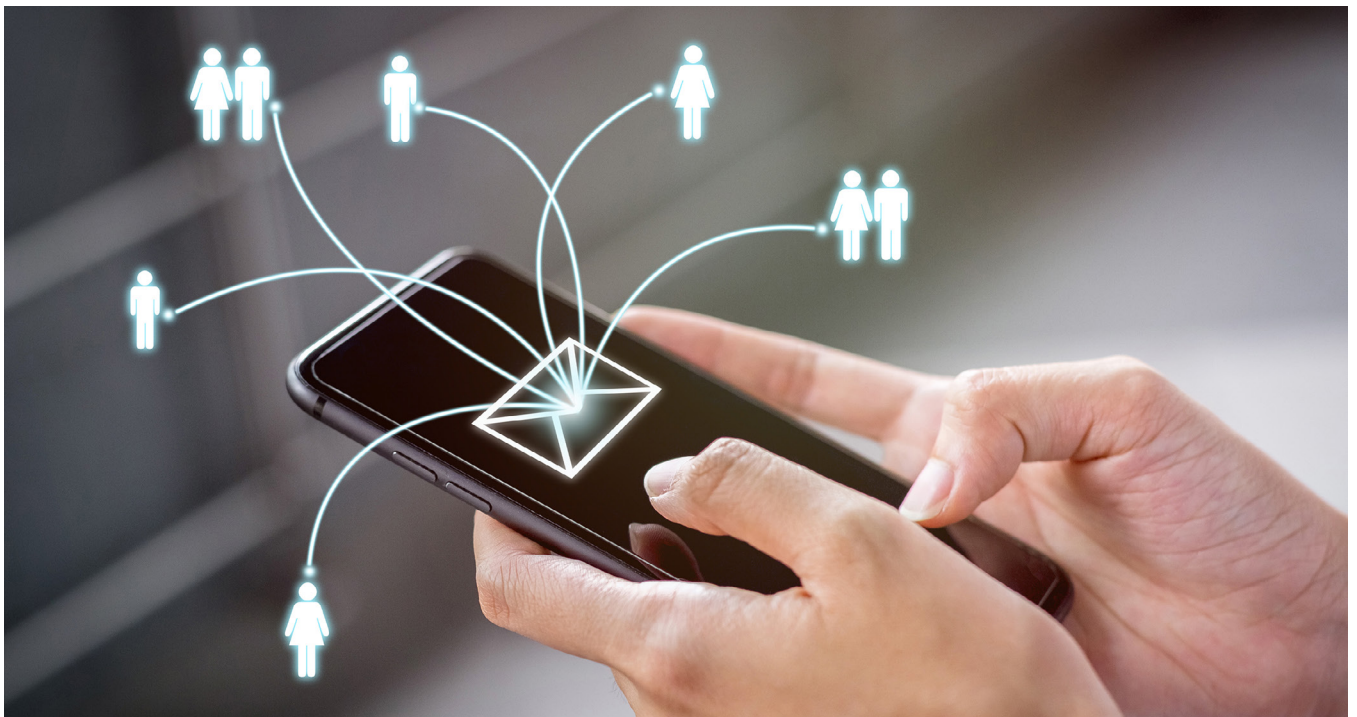
It's quality, not quantity that counts when it comes to email blasting shoppers. And according to the same Digital Commerce 360 survey, the most effective digital marketing tactic is email (67%). Digital marketers may feel tempted to use outdated email lists to try to hit as many contacts as possible before the holidays, but the tradeoff is a high bounce rate — where the percentage of visitors to a particular website leave after viewing only one page — or by ending up in someone's spam folder.

Learn how food and gift retailer Hickory Farms LLC invested in software to fight email bounce

rates. And coffee retailer Bean Box freed up manpower by automating its email marketing process.

HICKORY FARMS CHANGES ITS EMAIL STRATEGY TO MAINTAIN PANDEMIC-RELATED BOOST

Historically, Hickory Farms LLC, a food gift retailer, makes most of its revenue in the last four to six weeks of the year. And it has the average order value and conversion rate to prove it. In 2021, its AOV was 32% higher during the holiday season (October-December) compared with the off-season (January-September).



Conversion was 43% higher in that Q4 period compared to the offseason. Hickory Farms declined to provide AOV and conversion rates for 2020 or 2019.

Jen Partin, senior marketing manager, email and SMS, says because the majority of Hickory Farms' web sales are at the end of the year, she is careful not to discard consumers that do not open or click on emails the rest of the year.

"If I notice people are not opening or clicking on our emails, I will reduce the number of emails those people get," Partin says. "Instead of scrubbing those people out and forgetting about them, historical revenue data indicates those subscribers that may look lapsed in our offseason can actually turn out to be highly profitable during the core holiday season."

That four to six weeks of high-volume sales that's typical over the holiday season dramatically shifted in March 2020 when COVID-19 shut the world down. Hickory Farms became a go-to alternative source for food items that could be delivered to consumers' doors — a welcomed service during a period of prohibited in-person shopping and food shortages, Partin says. The demand was so intense, the retailer sold out of nearly its entire inventory by May 2020.

And momentum from 2020 continues to pay off, Partin says. As a result of retained customers from pandemic-related shopping, Hickory

Farms' web sales increased 59% in 2021 compared with pre-pandemic 2019.

Besides just the Q4 holidays, Hickory Farms expanded its gift-giving options to include other holidays including Valentine's Day, Easter, Mother's Day and Father's Day, to help maintain shopper interest after the initial flush during the pandemic, Partin says. It also introduced a Super Bowl game day package.

To capitalize on its newly acquired customers, Hickory Farms invested in Validity's Everest software platform in August 2020 to minimize email hard bounce rates. Hard bounces, which is when marketers send emails to unknown users, nearly tripled during the lead up to the holidays in 2021 for all of its clients, according to Validity, a data quality and email marketing software platform.

Validity's Everest uses internet service provider (ISP) information, which includes information such as when users are engaging with their Yahoo, or AOL email accounts, among other varieties of the Verizon network.

The software's integration feature allows Partin to see when subscribers are reading through their inboxes — and she learned that people pay attention to their email boxes at different times of day. Being able to reach a consumer at the time they are looking through email is a powerful engagement driver, she says.

Validity uses proprietary view time optimization (VTO) by Yahoo, which is limited to Yahoo and AOL mailboxes. When a sender like Hickory Farms sends an email, the email is placed into a delivery queue and waits until the Yahoo subscriber opens their mailbox, at which time the sender's queued VTO email is delivered.

"That alone has been a huge driver," Partin says. Hickory Farms experienced a 100% increase in lifts. Lift refers to an increase in sales as a result of an ad or promotion. Click and open rates also increased more than 90% because of this tool, Partin says.

"When you're fighting for room in the inbox and you're sending four emails a day and it's December 12 — you need to figure out how to get

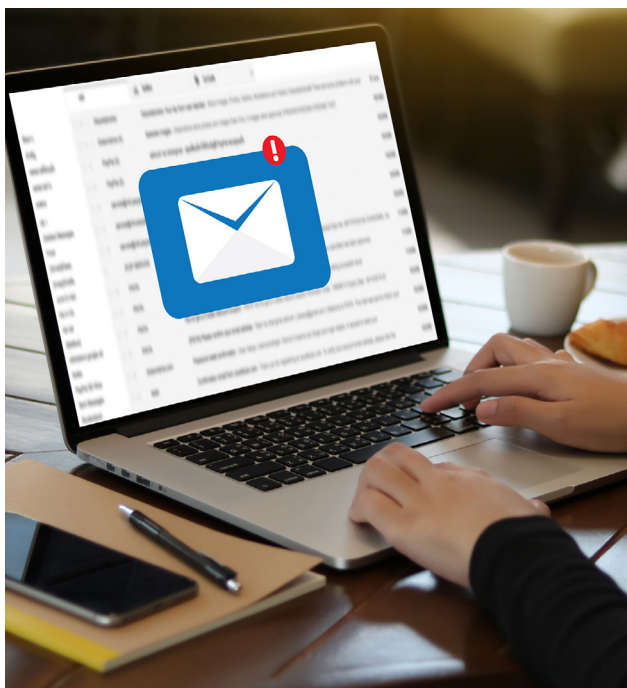
noticed." A favorable lift rate might range from a 20-40% open rate, where people open and click through an email, and it's used to determine return on ad spend.

Everest provides Partin dashboards that allow her to see how an email deliverability is performing based on its subject line, or certification performance, which helps ensure an email is delivered to a subscriber's inbox. Partin says it's easy to view all the metrics she's interested in on one dashboard.

Most recently, Partin says the software came in handy when it needed to quickly help the Canadian-based group of Hickory Farms. Before COVID-19, the group set up kiosks in malls to sell products. When physical malls shuttered during the pandemic, Partin says its Canadian group scrambled to find ways to market to its usual customers.

The group provided Partin with a list of customers who had purchased from them within the last year. "I was able to upload that list into Everest and within a couple of minutes, it gave me the results of clean, fresh lists that I knew I could be comfortable emailing," Partin says.

She achieved this in minutes as opposed to days. Typically, Partin would need to go to another software vendor and create a purchase order and then a waiting period to get that kind of information.



“We were able to take our Canadian group’s products and set them up in our shops for that holiday season,” she says.

The platform gives Partin access to the tools she needs as an email marketer, she says. “To be candid, I’m a team of one right now and having this platform has allowed me to manage our email program completely on my own,” she says.

BEAN BOX AUTOMATES ITS EMAIL STRATEGY TO FREE UP MANPOWER

For nearly nine years, coffee retailer Bean Box has evolved its business and learned from selling through its own DTC website.

A one-person engineering team could handle the tasks for the first seven years. But as the retailer’s reach and revenue grew — including selling through its Amazon store and, in February 2022, in Walmart stores — data management became more complicated.

It became necessary to outsource certain tasks to prevent its now three-person team of engineers from creating reports manually.

Bean Box outsources its email marketing software to Klaviyo to manage email automation,

analyze and measure repeat purchase rates and track how many products it sells through email. It costs \$40,000 to \$50,000 each year for the software. To monitor event spikes in traffic and sales, Bean Box uses Splunk. It’s a “quick and dirty” analysis tool that costs \$5,000 to \$10,000 a year, says Bean Box CEO Matthew Berk.

“It’s really not a big cost to us to pay for these technologies. The alternative is we would be forced to rely solely on our system,” he says. “Instead of writing reports every single day, our time and labor are better spent serving the customer.”

The pandemic accelerated retail’s plunge into ecommerce. Now, retailers realize they need to fine-tune their approach to continue growth after the initial flurry of revenue. Third-party software vendors offer retailers ways to collect and analyze data to track and strategize how customers shop depending on where. The costs vary and depend on the volume of data involved.

It’s an investment worth devoting time to. According to Forrester’s 2022 Online Retail Forecast, U.S. report published in August 2022, online retail sales could increase from \$0.9 trillion in 2021 to \$1.6 trillion in 2027. [LV](#)

ABOUT US

Digital Commerce 360

Digital Commerce 360 has been a global leader in retail and B2B ecommerce research and media for over two decades. Our organization provides daily news, trend analysis, and competitive data to a vast community of executives, retailers, financial firms, manufacturers and more. Our team of experienced journalists and researchers publish a multitude of products each year, including dozens of research reports, newsletters, charts and infographics, webinars, live events, and data on thousands of ecommerce companies through its Digital Commerce 360 Research brand. We also founded groundbreaking ecommerce events, including the Internet Retailer Conference & Exhibition (IRCE) and, most recently, the EnvisionB2B Conference & Exhibition.

Digital Commerce 360 Retail

Digital Commerce 360 Retail delivers business intelligence and topic-focused reports on the global online retail market. Our reporting on retail trends, technologies and industry best practices reaches a diverse ecommerce community. These exclusive reports are available for download on DigitalCommerce360.com and deliver quality leads to our sponsors.

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