Reimagining Retail Commerce in 2023

Why your strategic plan needs to start with modern technology

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Introduction

In 2017, commercetools published "Reimagining Retail Commerce...with the Right Tools." The paper was meant to inspire traditional retailers to forget about trying to compete with Amazon — and start focusing on building their own businesses by "using innovation to support customer engagement and make your brand experience inviting, authentic, distinctive and personal." The key takeaways? One: Embracing modern technology is the key to generating loyalty and, thus, sales. And two: By using APIs, retailers can add features gradually for incremental innovation, revamping their platform over time to alleviate fear and pushback within their organization.

The piece was downloaded thousands of times. While most of the content — the challenges of monolithic platforms, the comparison of APIs to LEGOs, the list of benefits of headless commerce and how modern commerce starts with MACH™ — is still relevant, customer expectations have changed radically in the years since our first, second and third iterations of this white paper. As new technological innovations are continually emerging — most significantly the composable commerce approach — retailers such as yourselves must be aware of how to utilize it.

Now, in a post-COVID-19 world where new retail challenges are constantly appearing — war, supply chain issues, a looming global recession — commerce has not slowed down. New shopping methods are always popping up and mixing physical and digital touchpoints is more essential than ever. With so many dramatic shifts in the retail world, it was time to update this white paper again. In addition to gathering data and information about the status quo and future of retail from experts within commercetools, we've also turned to our partner Capgemini for their own observations in the industry.

Welcome to "Reimagining Retail Commerce in 2023."
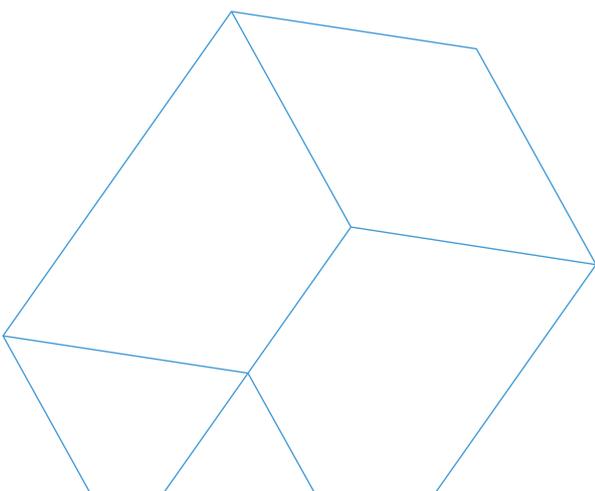
Commerce in a post-COVID-19 context

The COVID-19 lockdowns were the biggest catalyst of change in retail commerce since... well, ever. This global event drove shoppers deeper into the digital world and retailers had to adapt — fast. Retailers began to invest in their eCommerce channels and overall digital transformation to find new ways to reach and engage with their customers, all while abiding by strict social distancing measures and hygiene rules.

This led to the rise of new shopping initiatives that both took shopping strictly to the digital world, such as through social media platforms, online events and promotions, and personalized email marketing, as well as the blending of digital and physical with curbside pickup and home delivery. A surge in eCommerce sales followed, with retailers shifting their focus toward improving their digital commerce platforms to meet the increasing demand. And the retailers that didn't invest in eCommerce? Simply put, they failed — and many had to close their doors forever.

Overall, the COVID-19 pandemic has accelerated the shift toward eCommerce in the retail industry and created a huge and lasting impact — online sales have grown by more than 20% globally since the pandemic began, with online spending hitting a record 6 trillion USD worldwide. While the pandemic has posed significant challenges for retailers, it has also provided an opportunity for businesses to innovate and adapt to changing consumer behaviors. The pandemic has also highlighted the importance of agility and resilience in the face of unexpected challenges, and forced retailers to rethink their business models and strategies to meet the evolving needs of their customers.

Even though the COVID-19 lockdowns are over (we're nothing if not positive) and footfall to brick-and-mortar stores has returned to pre-pandemic levels, customer expectations have permanently changed — and are continuing to change quicker than ever. Shoppers that became accustomed to shopping online expect those same conveniences added on to the tactile and personalized experience of in-store shopping. Additionally, worldwide hardships seem to be arriving one after the other that retailers must be prepared for, including international conflicts and a possible global recession.

The key to being prepared for the opportunities and obstacles in this new retail landscape is to have the right technology infrastructure in place. Are you ready?

The new customer mindset

Customer expectations when it comes to retail are at an all-time high because they have more options than ever before, and technology has made it easier to compare prices, products and services across a wide range of retailers. The following statistics provide insight into the shopping behaviors and preferences of shoppers in both the US and globally so you can stay competitive in today's marketplace.

82% of US consumers said they would be more likely to shop at a retailer if it offered free returns. (Chain Store Age)

71.24% is the global shopping cart abandonment rate in the retail industry. (Statista)

75% of US online shoppers rely on product photos when deciding on a potential purchase and 22% of returns occur because the product looked different than in the photos. (Retail Technology Review)

64% of global consumers said they wish companies would respond faster to meet their changing needs. (Accenture)

40% of global consumers intend to increase in-store shopping and decrease online shopping because delivery costs are too high. (PwC)

79% of global consumers expressed interest in auto-replenishment services and 31% is the growth rate of the global subscription eCommerce market size in 2022. (Forbes)

82% of US consumers have previously discovered a product on social media and made a purchase using their mobile phone. (The Influencer Marketing Factory)

43% of consumers surveyed across five global markets say they would be interested in trying clothes on using AR/VR prior to making an online purchase. (Marketing Charts)

76% of global consumers said they prefer to shop with retailers that source services and materials in highly ethical ways. (Accenture)

88% of US consumers have at least one shopping app, 50% have more than four and 9% have more than 10. (NewStore)

Challenges retailers are facing

Even though the pandemic seems to finally be coming to an end, retailers still must be prepared for ongoing global challenges. These are the biggest ones we've identified for this year.

Retaining staff

The retail industry has always been known for its high turnover rates, with many employees viewing it as a temporary or part-time job. This, coupled with often low wages, limited benefits, physically demanding work and long hours, makes it difficult for retailers to attract and retain talent. The tipping point, however, happened during the pandemic. Working during a global health crisis created uncertainty and fear among employees. Many were concerned about their safety and that of their families, leading them to seek out other job opportunities that offer more stability and flexibility. This has had lasting effects, as many workers have not returned to the retail space.

Now, there are more job openings than there are available workers while, at the same time, consumer spending has boomed since the end of the pandemic lockdowns. Because of this, retailers are facing an acute shortage of workers in stores, distribution centers and even to support online operations. As a result, employers in the retail industry have to offer more competitive wages and benefit packages to attract and retain employees.

Supply chain issues

There have been significant impacts from supply chain issues resulting from Brexit, the Ukraine war and other factors. Brexit, in particular, has created significant challenges, including increased customs and border controls, delays at ports, and uncertainty around tariffs and trade agreements between the UK and the EU. These factors have resulted in higher costs and longer lead times for retailers, making it difficult to keep up with customer demand and maintain inventory levels.

Similarly, the ongoing conflict in Ukraine has disrupted transportation routes and caused delays in the shipment of goods, further exacerbating supply chain issues. Other factors, such as natural disasters, trade disputes and labor shortages, have also contributed to disruptions in the supply chain, impacting retailers' ability to stock their shelves and meet customer needs. As a result, retailers have had to navigate these challenges by diversifying their suppliers, increasing inventory levels and investing in technology to better manage their supply chains.

Worldwide economic downturn

The possibility of an upcoming global recession affects the retail industry in several ways. Consumers tend to cut back on discretionary spending during economic downturns, which can lead to excess inventory due to decreased sales for retailers. A recession can also result in increased competition as retailers compete for a smaller pool of customers. This can lead to aggressive discounting and price wars that can erode profit margins. Additionally, retailers may face higher costs for importing goods due to fluctuations in exchange rates, which could squeeze profit margins.

Consequently, many retailers are struggling to maintain their sales levels, leading to store closures and job losses. In particular, luxury goods retailers are feeling the pinch as consumers prioritize essential spending over discretionary purchases. Consumers are also increasingly turning to eCommerce as a way to save money by finding the cheapest prices for the products they are interested in online. This trend will probably continue as the recession deepens, further impacting brick-and-mortar retailers. Overall, the retail industry is likely to face big challenges in the coming months and years, as the global economy navigates the uncertainty of a potential recession.
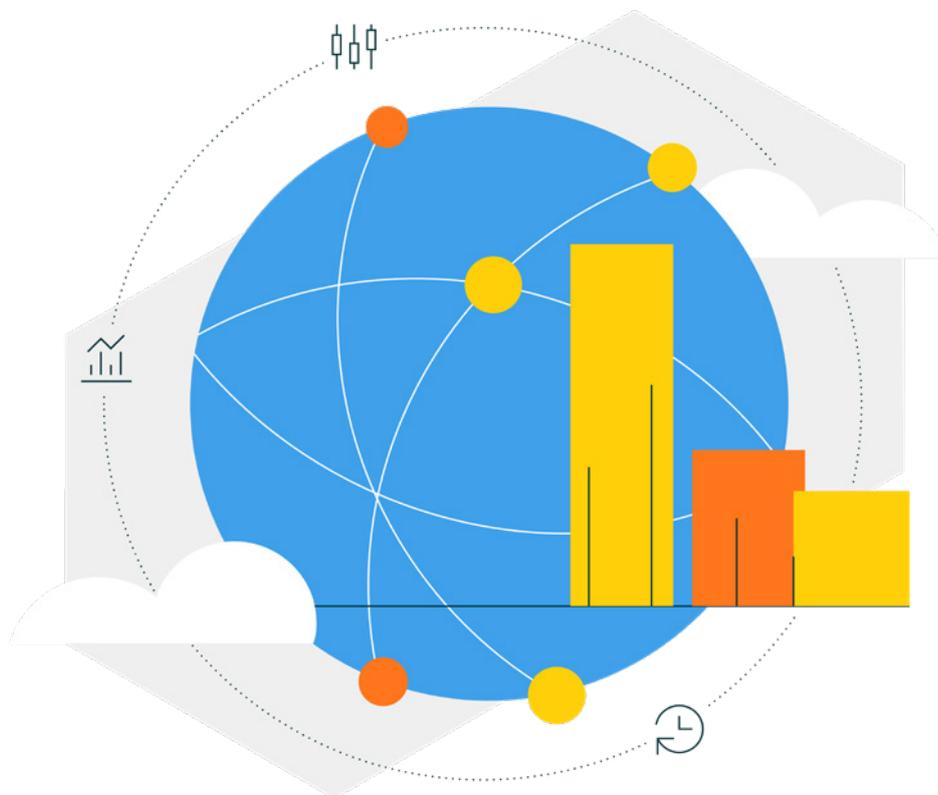
What is shaping the future of retail?

Despite the challenges in the retail industry, there are still so many opportunities to break new ground and thrive. With technology playing an incredibly crucial role in the retail sector, businesses must embrace new innovations to stay relevant and competitive.

Biggest retail technology trends in 2023

Whether through automation, AI or new social channels, technology is critical for retailers looking to stay ahead of the curve and meet evolving consumer demands. Here are some of the biggest trends to be aware of in 2023 — is your technology infrastructure ready to embrace them?

Automation
Automation has been around in the retail industry for several decades, but new technologies surrounding automation are always emerging. Here are some of the latest developments:

- **RPA:** Robotic process automation automates repetitive tasks such as data entry, order processing and customer service. This frees employees to focus on more high-value tasks, improves accuracy and efficiency, and reduces errors.
- **Delivery drones:** Experimentation with delivery drones has been around for about a decade, but it's only been within the last couple of years that companies like Amazon*, JD.com* and Zipline*, have started to actually deliver packages to customers in certain locations.
- **Smart shelves:** Shelves are equipped with sensors to track inventory levels, monitor customer behavior and provide targeted advertising. Smart shelves can help retailers optimize product placement, reduce stockouts and increase sales.
- **Autonomous robots:** After scanning shelves for out-of-stock products, incorrect prices and misplaced items, robots can then alert employees to restock shelves or fix pricing errors. Walmart* is already using autonomous robots in its stores to improve inventory accuracy, reduce out-of-stocks and boost the customer experience.

B2Cs adding B2B channels
B2C brands continue to innovate and find new ways to expand their reach and revenue streams by launching B2B channels. By leveraging their existing technology and customer base, these brands are able to offer tailored solutions to businesses and tap into new markets.

Here are three examples:

- **Fiverr*:** The online marketplace for freelance services launched Fiverr Business to help businesses manage their freelance hiring needs.
- **Venmo*:** The popular mobile payment app created Venmo for Business, a platform allowing businesses to accept customers' payments via Venmo.
- **Peloton:** The home fitness company developed Peloton Corporate Wellness for businesses to offer their employees Peloton fitness equipment and classes.

ChatGPT

By now, everyone and their grandma has heard of ChatGPT, and retailers are already planning to integrate this AI tool into their websites and mobile apps. This would allow customers to access ChatGPT to easily get quick answers to their questions. ChatGPT can also be used to provide product recommendations, offer promotions and discounts, and assist with order tracking and returns, as well as provide personalized and interactive responses to customers' inquiries and concerns, improving the overall customer experience. Furthermore, retailers can use ChatGPT to collect customer feedback and analyze customer preferences and behavior. This can help retailers improve their products and services and better target their marketing efforts.

Livestreaming commerce

Livestreaming commerce — the practice of using live video streaming to sell products and services directly to consumers over eCommerce platforms or social media — blew up in popularity in China during the pandemic lockdowns; Western retailers are just now beginning to get in on the action. In 2022, livestreaming commerce accounted for 514.20 billion USD in sales in China. This is compared to "only" 17 billion USD in the US. While livestreaming commerce has yet to reach critical adoption stateside, the results globally are impressive and will inevitably gain traction among other consumers around the world. This is reflected in the booming success of the app Whatnot, whose valuation doubled from 1.5 billion USD in 2021 to 3.6 billion USD 2022 due to its increase in popularity.

Self-checkout

Self-checkout isn't new, but new features and integrations are constantly being added to this POS (point of sale) system, such as mobile payments, loyalty program integration and contactless payments. Previously only the domain of grocers and big box superstores, fashion brands are also hopping onto the self-checkout bandwagon to significantly reduce lines in the store. Uniqlo*, for example, introduced self-checkout machines in 2022 with an automated system that uses RFID (radio frequency identification) tags to identify each item and calculate the total amount — no scanning of any barcodes needed! Customers can simply drop in the items, pay, pick them up and leave.

TikTok

TikTok is turning into so much more than a social media network of cringe-inducing dances. Retail brands are seeing the value of the popular short-form video app to showcase their products and reach younger audiences with storytelling and creator-led content. Many brands have recently created lucrative partnership deals with TikTok:

- **Sephora:** Sephora recently launched a partnership with TikTok to create a social media content creator program called #SephoraSquad. The program aims to give a platform to underrepresented voices in the beauty industry and will have 200 influencers from different backgrounds, regions and content niches.
- **Crocs*:** The new "Crocs at Work" campaign on TikTok showcases the versatility of Crocs footwear in a variety of work environments. The campaign includes a series of videos featuring TikTok creators and influencers wearing Crocs in different job settings, from restaurants to construction sites.
- **Lululemon:** Lululemon partnered with TikTok to create wellness videos featuring popular TikTok creators. The videos include yoga and meditation tutorials, as well as tips on healthy living and self-care. The partnership aims to help Lululemon reach a younger, more diverse audience and to showcase its commitment to wellness and sustainability.

"Physicalizing" digital experiences

Even though consumers were quick to adapt to the changes brought on by COVID-19 — and many eCommerce-resistant consumers discovered the joys of online shopping — there is no doubt, brick-and-mortar stores will always have a place in the retail landscape. The simple fact is: People enjoy shopping.

There's the social aspect of going to a shopping center with family or friends, grabbing a coffee or a bite to eat, and getting the opinion of who they're with if they should buy an item that's caught their eye. It's an experience that cannot be replicated by shopping on a screen. But many retailers are trying to simulate the social element shoppers crave with their digital offerings — the kind modern eCommerce platforms are primed to offer.

Retailers can bring digital experiences into their stores by leveraging a variety of technologies and strategies. One popular approach is to use interactive displays or kiosks that allow customers to browse products, view reviews and access digital content. For example, a beauty brand might install a virtual try-on station that uses augmented reality to allow customers to see how different makeup looks would appear on their faces. A fashion brand might use digital mirrors that show customers how a particular outfit would look on them. In addition to using technology, brands can also create immersive experiences that engage customers and create a sense of excitement and discovery.

For instance, a brand might host a pop-up shop with interactive displays, immersive installations and exclusive merchandise. Or, they might create a themed event that offers hands-on experiences and workshops related to their products.

Bringing digital experiences into stores can help brands create a more engaging and memorable shopping experience for customers, ultimately driving sales and loyalty. By leveraging various technologies and strategies, they can create a flawless omnichannel experience that seamlessly integrates physical and digital touchpoints.

How brands utilize innovation to continually succeed

Brands that are able to leverage technology and digital tools to create more immersive and interactive shopping experiences differentiate themselves from competitors. They are, ultimately, using innovation to thrive in a challenging retail environment.
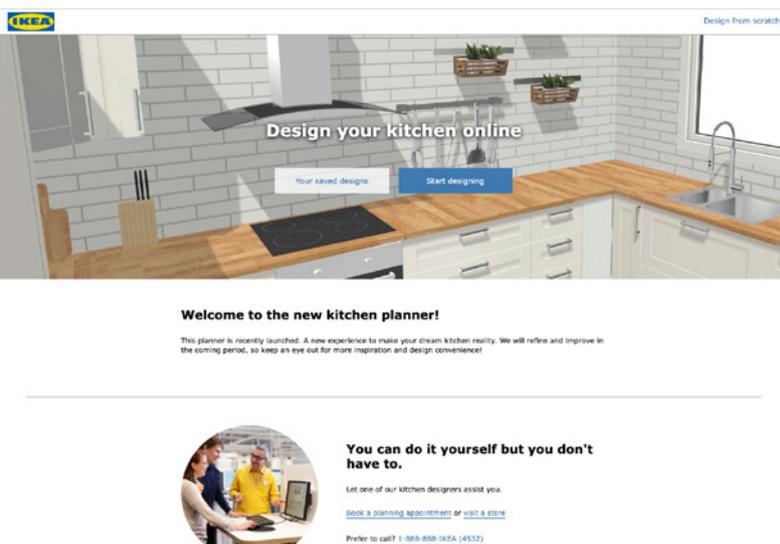
IKEA* is one such perfect example. The Scandinavian brand is well-known for its unique and immersive shopping experiences, and their new adoption of 3D modeling tooling is keeping them at the forefront of modern tech adoption. In general, 3D modeling is becoming an increasingly popular technology, particularly by furniture retailers, to improve operational efficiency and enhance the customer experience.

For IKEA, by using 3D modeling software to create digital models of its products, the brand can streamline its product development process, as designers and engineers can test and refine designs digitally before manufacturing. This helps to reduce costs and improve efficiency by minimizing the need for physical prototyping and reducing the risk of errors or defects in the final product. This technology also enables IKEA to render their entire catalogs without ever having to touch physical inventory; it can create essentially an infinite number of marketing and promotional images for its products.

In terms of the customer experience, 3D modeling technology also allows IKEA to create interactive and engaging product displays in its stores and online, plus create more realistic product images and videos. Customers can use augmented reality apps and other digital tools to see how IKEA's products would look in their own homes, allowing them to make more informed purchasing decisions.

Another brand that is a shining example of using technology to drive innovation is Tommy Hilfiger*. AR is nothing new to retailers (like IKEA above), but Tommy Hilfiger is one of the first fashion brands to embrace virtual reality (VR) technology to enhance its customer experiences. In 2022, the brand launched a VR experience in select stores, which allows customers to experience a virtual catwalk and digitally explore the brand's clothing collection.


Customers are provided with a VR headset, which they can wear to view a 360-degree video of the catwalk show and explore the clothing range in a virtual world. The VR headsets are available in select Tommy Hilfiger stores around the world, and the brand plans to expand the experience to more stores in the future.

The VR experience is powered by Google Daydream technology and the headset is paired with a smartphone, which displays the virtual world that customers can explore. It also features an interactive element, which allows customers to select specific items from the virtual clothing rack and learn more about them. This virtual experience aims to provide customers with an immersive and engaging way to experience the brand's clothing collection. By showcasing its commitment to innovative technology, the brand demonstrates willingness to embrace innovative technology to create engaging and immersive customer experiences.

CornerShop: An experimental space for retailers

Dreamt up by Capgemini, along with their partners The Drum and SharpEnd, CornerShop is like stepping into the store of tomorrow. Located in London, CornerShop is a place for food, drink and fashion retailers to test emerging technologies to enable new ways to evolve the customer experience.

The experiences within CornerShop sits at the intersection of four trends — automation, augmentation, purpose and personalized shopping — with a sharp focus on how digital innovation can reignite customer enjoyment of in-person retail and elevate store operations. It utilizes real-world data to combine products and the latest technologies to curate tailored experiences for each customer to suit their ever-evolving needs in a fast-paced market.

The visitor's mobile phone serves as their retail remote control and allows them to engage with new shopping technologies, such as machine learning, augmented reality and ambient computing to experience exciting concepts like virtual try-ons, purposeful shopping and personalized physical spaces.

As a constantly evolving space, CornerShop is ready to help retailers, brands and consumers test and experience what the future of retail holds.

About Capgemini:
Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms.

*Please note that these brands are mentioned to illustrate retail trends in 2023. They are not commercetools customers.

Tech you need to meet retail's challenges & opportunities

> **COVID-19 escalated the need for innovation as shopping patterns changed in the short term. There will be some return to 'normality' in the way in which customers shop, certainly in-store, but the pre- and post-purchase journey and touchpoints have evolved rapidly. Retail, or more broadly 'selling stuff,' has been massively changed in the last three years. Direct-to-consumer brands are coming to the fore, customer touchpoints are more diverse, and the convenience of time and place are driving complexity in engagement. The need for high speed to market and proactivity has never been higher. Traditional technology stacks and ways of working or delivering change are no longer fit for purpose.**

MATT BRADBEER, HEAD OF COMMERCE, CAPGEMINI UK

The monolithic platform roadblock

What prevents many retailers from updating their physical and digital environments to meet the new needs of consumers is that they are often repeatedly told they can just build on top of their existing technology platform. Of course, this option looks like the easier, more economical solution. Unfortunately, these antiquated, all-in-one systems were designed with tightly coupled frontends and backends. They only speak a single programming language, only run with compatible features and hold all their data on servers that are already overtaxed.

Regardless of promises made by IT or outside consultants, these factors combined make it almost impossible to add new features or integrate upgrades without causing glitches and downtime. Small projects that seem simple often fail completely. As a result, the idea of green-lighting a major project like transitioning to a new, unknown platform is met with resistance — usually dismissed as too risky, too time-consuming, too expensive and unlikely to quickly deliver tangible ROI.

While many retailers have worked around the restrictions placed by their technology for years, it appears the post-COVID-19 consumer may not be as forgiving. In the process of dismissing old habits and forgoing any loyalty to specific retailers, they've become used to seeking, and finding, new alternatives. In the future, if consumers are not getting an experience that meets their expectations, they're likely to take their business elsewhere.

The new world of commerce

Retailers may not have had choices in the early days of eCommerce, but today headless architecture is a powerful foundation that can capitalize on microservices, APIs and the cloud to deliver the flexibility they need to continually innovate, respond to changes and achieve business goals.

While commonly referred to as "modern" technology, headless commerce was actually born in 2012 when Dirk Hoerig, CEO, and founder of commercetools, launched the first eCommerce solution that delivered backend functionality only. He explains that at the time, "customer touchpoints were increasing, the digitally native competition was growing and expectations were skyrocketing."

Hoerig saw major enterprises struggling to keep up — and felt traditional commerce platforms, with their rigid structure, were holding them back. He opened an office in Munich, hired a team and directed them to build a flexible architecture focused solely on backend functionality — one that could easily work in tandem with a frontend platform. His novel approach has since evolved into what is now known as headless commerce.

MACH explained
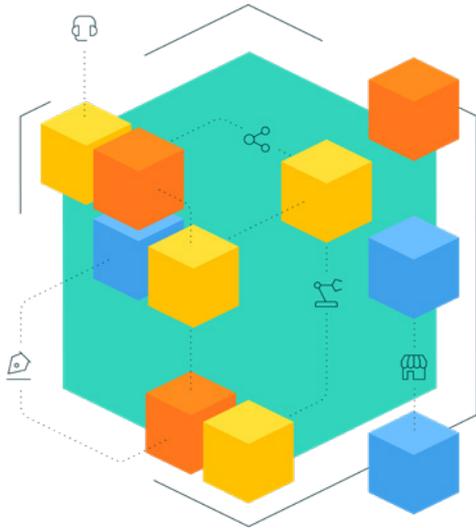
While "headless" has been a buzzword in IT for a while, Hoerig believes it is now being replaced by "MACH" — an acronym the commercetools marketing team created to describe Microservices-based, API-first, Cloud-native and Headless architecture systems. Hoerig feels MACH offers a better product description than headless architecture. "Our industry lacks definitions, and this one is really genius because universally the word is used to describe speed — everyone understands it."

Kelly Goetsch, Chief Strategy Officer at commercetools, explains the key benefit MACH delivers is an open, modular and scalable platform that allows for agile development. "It gives IT teams the freedom to build, test and implement tools and features quickly and easily," he says, pointing out that, "Speed is truly the key to business survival today — and COVID-19 has only reinforced its importance."

Of MACH's influence on retail, Matt Bradbeer, Head of Commerce at Capgemini UK, says, "Ultimately, moving a brick-and-mortar retail operation to a full MACH approach, adopting a composable strategy and introducing CI/CD as a delivery approach, can help reap the benefits that have historically only been available to pure play retailers who are less than 20 years old."

In June 2020, like-minded software vendors and integrators launched The MACH Alliance, a non-profit corporation dedicated to advocating for, and promoting, a future driven by an architecture that enables speed and a best-of-breed approach.

The organization's mission is to help enterprises navigate the complexity of modern technology by offering support, education and resources. Its certification program, created to provide a way to identify companies that embrace MACH technology, is generating strong buzz in the industry. Hoerig says he envisions MACH as a movement that can extend far beyond commerce. "Ultimately, it will benefit us more if MACH becomes a global standard."

Here is how each facet of MACH comprises the foundation of modern technology:

Microservices

Microservices bring together loosely coupled, independently deployable small components or "services" to compose a single, more complex application. Using microservices, these applications deliver faster responses, are more reliable and can be deployed more frequently. Microservices are exposed via well-defined APIs (Application Programming Interfaces) as the communication method between frontends and backends.
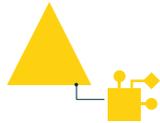
API-First

The API-first approach is how brands add best-of-breed components and combine them into a custom application built for specific business needs. This is essentially how commercetools delivers composable commerce: You can select any of the +300 commerce APIs available for promotions, product information management system, orders and checkout and plug them in.

Cloud-Native

Not only can you scrap a costly IT and commerce infrastructure to maintain, but additional hosting and provisioning costs. With cloud-native commerce, you only pay for what you use, like electricity or water. Furthermore, since a headless commerce solution is versionless, you're able to ditch expensive yearly licensing fees and integration costs associated with monolithic platforms.

Headless

Headless commerce enables brands to unlock the freedom to create stunning shopping experiences. This is possible by decoupling the storefront (frontend) from the commerce engine (backend). The frontend can be a webshop, social media, mobile apps and even the Internet of Things (IoT). The backend is the layer where all the systems, processes and tools run to handle commerce operations, including product information management, checkout and more.

The evolution: Composable commerce

Highlighting just how quickly things change in the digital world, the term MACH — seemingly just gaining prominence — is now considered to be the backbone of composable commerce (coined by Gartner® in 2020), which takes the concept of microservices and API-first design to the next level. But it's really been over the last year that the term composable commerce has really taken off.

Composable commerce is an approach to building digital commerce experiences based on the principle of best-of-breed systems. This means that businesses can break down their commerce systems into smaller, independent components or microservices that can be assembled and reassembled in various combinations to create unique customer experiences. Composable commerce also embraces the concept of API-first design, which means that each microservice has a well-defined API that can be accessed and used by other microservices, third-party applications or even in-house built applications.

The key benefit of composable commerce is that it enables businesses to create highly personalized and contextually relevant customer experiences. By breaking down commerce systems into smaller, reusable components, businesses can easily swap out or add new services or features as needed, without having to completely overhaul their entire system. This allows businesses to be more agile and responsive to customer needs and market demands, while reducing the time and cost associated with system changes.

Composable commerce is anchored in four core pillars:

Modular: Select best-of-breed components for unique business needs, assembling a customized technology stack. Plug, scale and swap components at any moment without affecting other applications or your infrastructure.

Flexible: Create, update and customize solutions with your chosen components whenever you want, however you want.

Open: With a modular and flexible architecture, you have the freedom to select vendors that offer the commerce solutions required for your specific business needs, so you can say goodbye to vendor lock-in.

Future-proof: Being able to tailor the tech stack with swappable components means staying ahead of new market opportunities and changing customer needs.
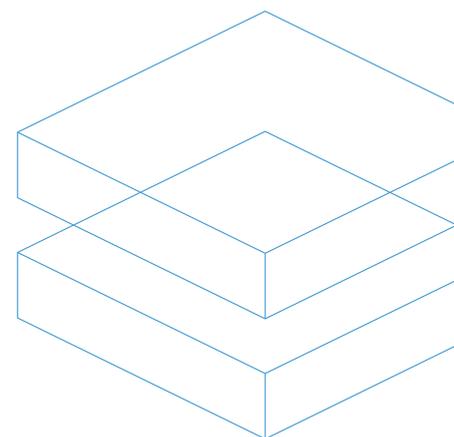
commercetools 2022/23 retail winners

If the post-pandemic retail success stories share a common trait, it's that brands that had already gone through digital transformation and transitioned their technology foundation from a traditional, monolithic, legacy platform to a modern, API-driven, cloud-native system, are the ones to come out on top.

Harry Rosen
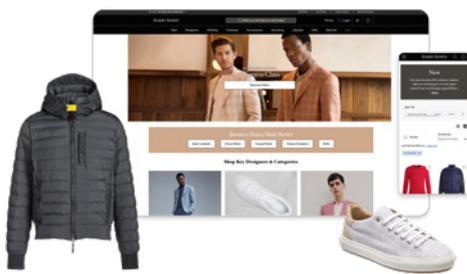
As a premium men's clothing retailer, Harry Rosen is known for their highly personalized customer experience. During the pandemic lockdown, the brand had to adapt by offering digital services, and many are still being used now with digital laydowns. Using their knowledge of their client's needs, gained from past experience and recent conversations, advisors pull together digital images of multiple items to create complete looks, presenting each one on a personalized webpage. The advisor even pre-populates each item with the client's correct size — all the individual has to do is click "add to cart" and, when they're done shopping, hit "checkout." Digital laydowns have quickly gained acceptance by the brand's loyal clientele and now account for 10% of all digital sales and have a 3x lower return rate than when customers make their own choices.

Sephora
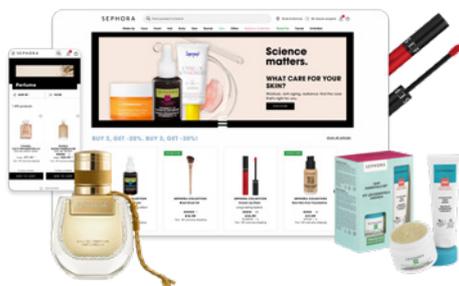
Sephora's in-store app, known as "Sephora Virtual Artist," is a mobile application that allows customers to try on virtual makeup looks, browse product information and reviews and access their Beauty Insider account to track purchases and rewards. Using augmented reality technology, customers can scan their faces and apply a variety of makeup looks, including lipstick, eyeshadow and blush to see how they would look before making a purchase. The app also provides personalized product recommendations based on a customer's preferences and previous purchases. Overall, the Sephora Virtual Artist app enhances the in-store shopping experience by providing customers with a fun and interactive way to try makeup and explore products.

Ulta Beauty

Ulta Beauty's retail media network, known as "Sparked," is a platform that allows brands to advertise their products to Ulta customers through targeted digital advertising across Ulta's website, mobile app, email newsletters and in-store digital screens. Brands can create custom campaigns based on audience demographics, interests and purchase history, and track their performance through real-time analytics. Additionally, Ulta Beauty's loyalty program, Ultamate Rewards, provides brands with access to customer data to further personalize their advertising efforts. To that end, Ulta's retail media network provides a valuable opportunity for brands to reach and engage with Ulta's large and diverse customer base through highly targeted and measurable advertising.

Your next steps

Get started with a 60-day free trial

The commercetools trial provides risk-free evaluation with fully functional access to our solution for 60 days at no cost and benefitting from:

- High availability and zero latency to your custom apps delivered seamlessly.
- Extend and integrate commercetools via events.
- Build your custom microservices for maximum flexibility.

The trial includes access to our APIs, Merchant Center administration interface and our tools/connectors for integrations. Along with access to the solution, you can also access our documentation, tutorials, release notes and status without creating an account.

Kickstart your modern commerce with the commercetools Composable Commerce free trial.

About commercetools

The inventor of headless commerce, commercetools is an innovative technology disruptor that has established itself as an industry-leading eCommerce software provider. Today, some of the world's most iconic brands and growth-focused businesses trust commercetools' powerful, flexible, scalable solutions to support their ever-evolving digital commerce needs. As the visionaries leading the modern MACH (Microservices-based, API-first, Cloud-native and Headless) architecture movement, commercetools provides customers with the agility to innovate and iterate on the fly, merge on and off-line channels, drive higher revenue, and future-proof their eCommerce business.

Based in Munich, Germany, with offices in Europe, Asia and the United States, commercetools is singularly focused on leading a future of limitless commerce possibilities.

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