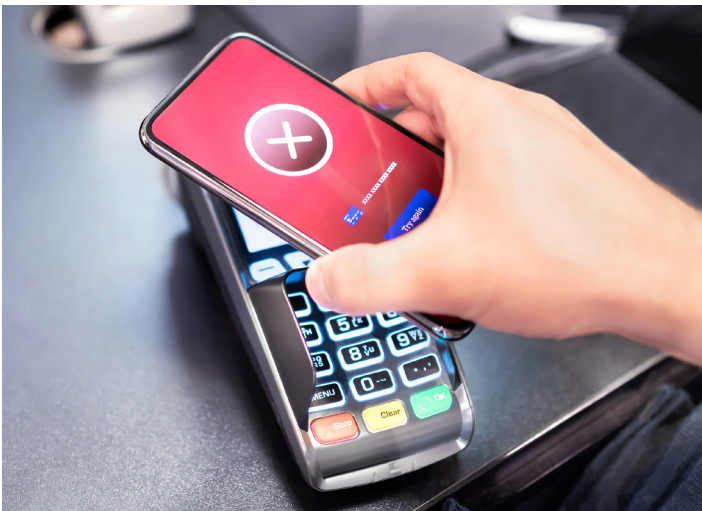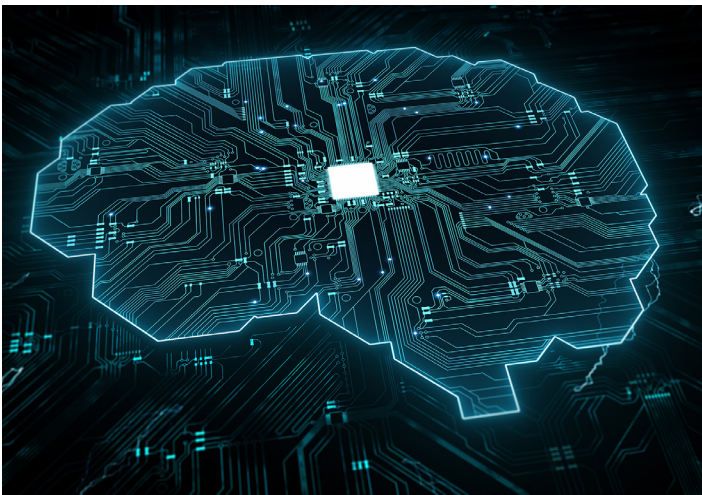# DIGITAL RETAIL
## COMMERCE 360

# 2024 LEADING VENDORS TO THE TOP 1000 RETAILERS

### Ranking, data and analysis of the top ecommerce technology providers

# OVERVIEW

Artificial intelligence was already a key technology for retailers to implement going into 2023. And then generative AI boomed.

Retailers had to start exploring how they could integrate generative AI into their ecommerce sites while keeping up with all the technology they had planned to invest in for the year. And according to a Digital Commerce 360 technology survey, well over half of retailers (62.8%) plan to increase their ecommerce technology and services spending next year. More than a fifth (22.9%) plan to spend the same amount on ecommerce technology next year. Meanwhile, just 14.3% plan to decrease their ecommerce technology spend next year.
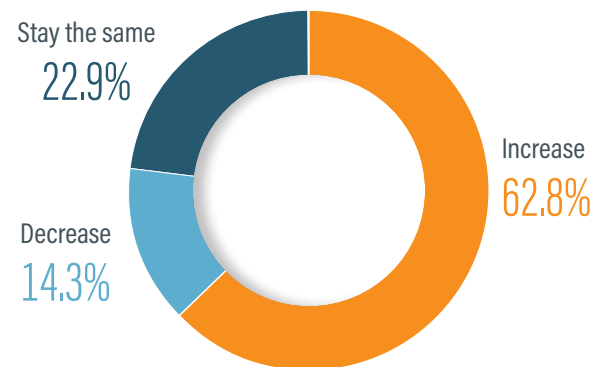
Of those who said they planned to increase their ecommerce technology spending, not even a quarter (24%) said they would spend at least 15.1% more than in 2023. Just 3% of respondents said they would spend 50% more on ecommerce technology in 2024 compared with 2023.

Moreover, nearly a third (30.3%) said they would spend no greater than 5% more on ecommerce technology in 2024 compared with this year. A 15% increase in spending is the limit for about three-quarters of respondents.

## ARE YOU LOOKING TO SWITCH ECOMMERCE PLATFORMS?

Yes
37.5%

No
62.5%
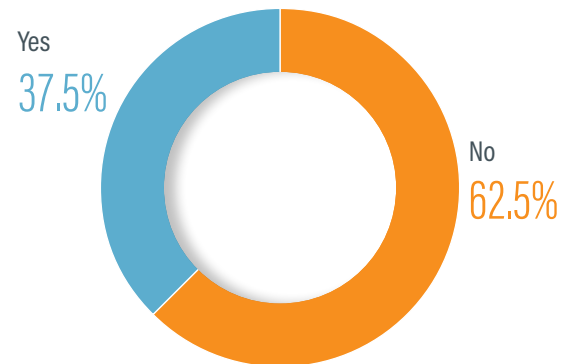
## WILL YOUR SPENDING ON ECOMMERCE TECHNOLOGY AND SERVICES INCREASE, DECREASE OR REMAIN THE SAME OVER THE NEXT YEAR?

Stay the same
22.9%

Decrease
14.3%

Increase
62.8%

Source: Digital Commerce 360 digital technology survey, Fall 2023

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Digital Commerce 360 asked retailers what they found most important to spend on in 2024 when it came to ecommerce technology. At the top of the list, retailers equally prioritized improving the customer experience and improving conversion rate — naturally, the two go hand in hand.

Meanwhile, there was another tie for the next most important reasons for increasing ecommerce technology spending in 2024. Retailers said they want to better attract customers, better personalize shopping experiences, and improve site performance (including speed and efficiency).

Although more than 40% of retailers said they want to increase their technology spend to
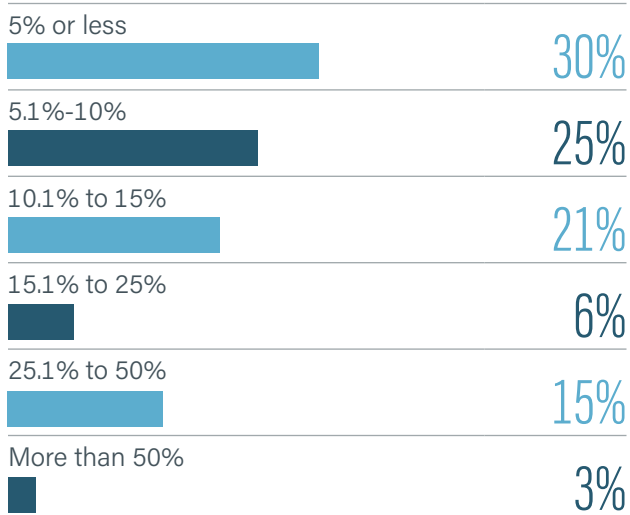
attract new customers, not even a third (30%) said they're increasing spending to retain customers. Just over a quarter (26.7%) said they want to increase spending so they can generate more sales from repeat customers. The same number, however, said they want to support more cross-channel shopping.

At the same time, mobile seems to be less of a priority. Less than a quarter of respondents (23.3%) said they want to use increased technology spending to improve their mobile shopping experience. And not even a fifth of respondents (16.6%) said they want to use their increase in tech spending to generate more traffic and sales through mobile commerce.

There's a tie for the top priority when it comes to retailers' 2024 tech budgets. Nearly a third (30% each) of retailers said their biggest technology priorities for 2024 are content management and their ecommerce platforms. Similarly, a pair of priorities tied for second. Just over a quarter (26.7%) want to prioritize product management and web analytics.

Search engine optimization (SEO) tied for third with website performance management and order management (23.3% each). Meanwhile, only a fifth of respondents included artificial intelligence in their top five ecommerce technology budget priorities for 2024. The same number selected affiliate marketing, omnichannel, online marketing, and customer

## HOW MUCH OF AN INCREASE IN ECOMMERCE TECHNOLOGY SPENDING DO YOU ANTICIPATE OVER THE NEXT YEAR?
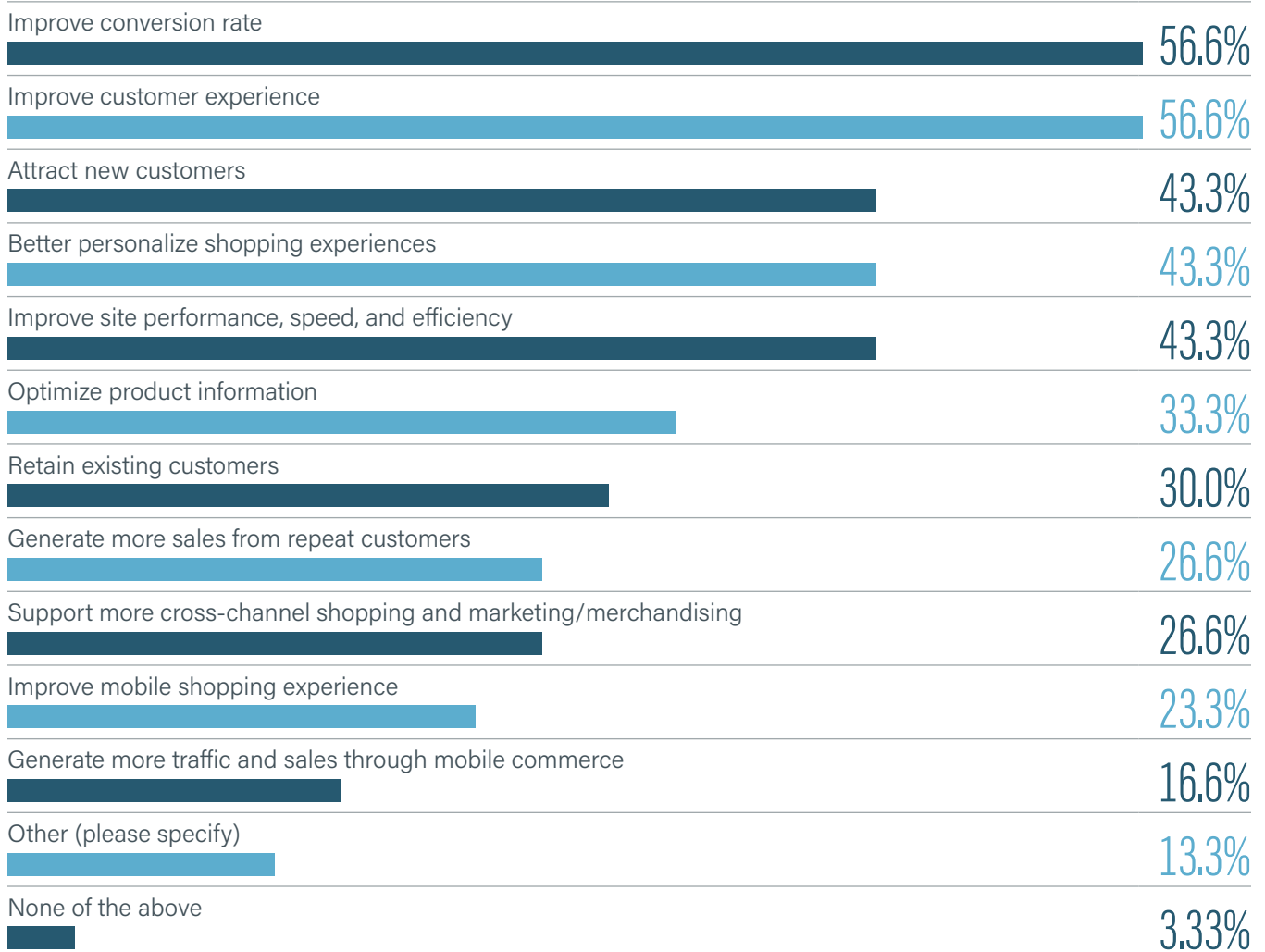
5% or less
**30%**

5.1%-10%
**25%**

10.1% to 15%
**21%**

15.1% to 25%
**6%**

25.1% to 50%
**15%**

More than 50%
**3%**

Source: Digital Commerce 360 digital technology survey, Fall 2023

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relationship management technology as top-five priorities.

On the low-priority end of the spectrum, just 10% of retailers surveyed listed fulfillment services or payment (including security systems and fraud prevention) as a top-five priority.

Fewer than 10% of respondents said their priorities include customer ratings and reviews, customer service software, international ecommerce software, and sales tax management. And not even 5% of retailer respondents selected social media as a top-five priority, nor supply chain management.

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

| Reason | Percentage |
|---|---|
| Improve conversion rate | 56.6% |
| Improve customer experience | 56.6% |
| Attract new customers | 43.3% |
| Better personalize shopping experiences | 43.3% |
| Improve site performance, speed, and efficiency | 43.3% |
| Optimize product information | 33.3% |
| Retain existing customers | 30.0% |
| Generate more sales from repeat customers | 26.6% |
| Support more cross-channel shopping and marketing/merchandising | 26.6% |
| Improve mobile shopping experience | 23.3% |
| Generate more traffic and sales through mobile commerce | 16.6% |
| Other (please specify) | 13.3% |
| None of the above | 3.33% |

Source: Digital Commerce 360 digital technology survey, Fall 2023

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

Select up to five priorities.

| | |
|---|---|
| Content management | 30.0% |
| Ecommerce platform | 30.0% |
| PIM and other product data management | 26.6% |
| Web analytics | 26.6% |
| Order management | 23.3% |
| Search engine optimization | 23.3% |
| Website performance management | 23.3% |
| Affiliate marketing | 20.0% |
| Artificial intelligence | 20.0% |
| Customer relationship management | 20.0% |
| Omnichannel | 20.0% |
| Online marketing | 20.0% |
| Personalization | 16.6% |
| Site search | 16.6% |
| Warehouse and fulfillment management | 16.6% |
| Email marketing | 13.3% |
| Marketplace/Channel management (selling on 3rd-party marketplaces) | 13.3% |
| Fulfillment services | 10.0% |
| Payment, security systems and fraud prevention | 10.0% |
| Customer reviews/ratings | 6.67% |
| Customer service software | 6.67% |
| International ecommerce services | 6.67% |
| Sales tax management | 6.67% |
| Web hosting/cloud services | 6.67% |
| Social media | 3.33% |
| Supply chain management | 3.33% |

Source: Digital Commerce 360 digital technology survey, Fall 2023

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## HOW EFFECTIVE HAVE THE FOLLOWING INVESTMENTS IN TECHNOLOGY BEEN RELATIVE TO IMPROVING CONVERSION IN 2022?

| | VERY EFFECTIVE | SOMEWHAT EFFECTIVE | NOT EFFECTIVE | N/A |
|---|---|---|---|---|
| Affiliate marketing | 20.0% | 48.0% | 4.00% | 28.0% |
| Artificial intelligence | 20.0% | 28.0% | 8.00% | 44.0% |
| Content management | 12.0% | 44.0% | 20.0% | 24.0% |
| Customer relationship management | 24.0% | 40.0% | 4.00% | 32.0% |
| Customer reviews/ratings | 8.00% | 40.0% | 20.0% | 32.0% |
| Customer service software | 12.0% | 36.0% | 12.0% | 40.0% |
| Ecommerce platform | 32.0% | 44.0% | 8.00% | 16.0% |
| Email marketing | 12.0% | 60.0% | 12.0% | 16.0% |
| Fulfillment services | 4.00% | 44.0% | 16.0% | 36.0% |
| International ecommerce services | 8.00% | 28.0% | 8.00% | 56.0% |
| Marketplace/Channel management (selling on 3rd-party marketplaces) | 8.00% | 40.0% | 20.0% | 32.0% |
| Omnichannel | 8.00% | 40.0% | 8.00% | 44.0% |
| Online marketing | 24.0% | 52.0% | 12.0% | 12.0% |
| Order management | 8.00% | 60.0% | 0.00% | 32.0% |
| Payment, security systems and fraud prevention | 16.0% | 32.0% | 20.0% | 32.0% |
| Personalization | 16.0% | 36.0% | 12.0% | 36.0% |
| PIM and other product data management | 12.0% | 28.0% | 24.0% | 36.0% |
| Sales tax management | 16.0% | 40.0% | 0.00% | 44.0% |
| Search engine optimization | 16.0% | 48.0% | 12.0% | 24.0% |
| Site search | 28.0% | 36.0% | 8.00% | 28.0% |
| Social media | 16.0% | 36.0% | 20.0% | 28.0% |
| Supply chain management | 16.0% | 28.0% | 12.0% | 44.0% |
| Warehouse and fulfillment management | 20.0% | 32.0% | 16.0% | 32.0% |
| Web analytics | 20.0% | 44.0% | 12.0% | 24.0% |
| Web hosting/cloud services | 20.0% | 36.0% | 8.00% | 36.0% |
| Website performance management | 20.0% | 48.0% | 8.00% | 24.0% |

Source: Digital Commerce 360 digital technology survey, Fall 2023

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When it comes to artificial intelligence, more than a quarter of respondents aren't just interested, but they're using it with good results (28.57%). And just under a quarter are using it but with limited results (23.81%). Meanwhile, not even 5% of surveyed retailers are using machine learning with good results, but a third are using it with limited results. For 2024, 42% of surveyed retailers are considering AI, and a third are considering machine learning. Just under 5% of respondents don't plan to invest in AI, and over a quarter (28.57%) plan not to invest in machine learning. **LV**

## THINKING ABOUT SOME OF THE NEWER TECHNOLOGIES TO COME TO MARKET, WHICH DESCRIBES YOUR CURRENT INTEREST LEVEL?

|  | USING WITH GOOD RESULTS | USING BUT LIMITED RESULTS | CONSIDER FOR 2023/2024E | NO PLANS TO INVEST |
|---|---|---|---|---|
| Artificial Intelligence (AI) | 28.5% | 23.8% | 42.8% | 4.76% |
| Machine Learning | 4.76% | 33.3% | 33.3% | 28.5% |
| Virtual Reality | 0.00% | 9.52% | 19.0% | 71.4% |
| Augmented Reality | 0.00% | 9.52% | 33.3% | 57.1% |
| Internet of Things (IoT) | 4.76% | 23.8% | 19.0% | 52.3% |
| Voice Commerce | 4.76% | 19.0% | 38.1% | 38.1% |
| Marketing Automation | 4.76% | 47.6% | 38.1% | 9.52% |

Source: Digital Commerce 360 digital technology survey, Fall 2023

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

| 62.5% | 37.5.% |
|---|---|
| Vendor | In-house |

Source: Digital Commerce 360 digital technology survey, Fall 2023

## WHAT ARE YOUR REASONS FOR USING A VENDOR?
(Select all that apply)

| We don't have the in-house expertise | 80% |
|---|---|
| Vendors are specialized in their fields | 47% |
| We've found it is faster to get a project completed when using a vendor | 47% |
| We've found it is cheaper to use a vendor than to build from scratch | 27% |
| Our employees are too busy with other projects | 27% |
| There is more accountability when we use an outside vendor | 20% |
| Other (please specify) | 0% |

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# CHANNEL MANAGEMENT

Indicates a ranking tie

A channel management engine can be an obvious place for a retailer to list its products, as these sites largely draw a motivated buyer. Shoppers perusing these sites know what they want, and they often will come here to compare prices. That's why it makes sense to have as accurate and updated information on products as possible on these sites. Many retailers choose to manage their own data feeds to these sites — uploading images, pricing, product details, reviews, etc. — while others choose to work with a vendor that can manage these feeds on retailers' behalf. In addition, selling on online marketplaces is becoming a bigger part of retailers' ecommerce strategies. Many retailers who sell on these channels often do so on multiple marketplaces rather than on just one platform. While there are benefits to diversifying channels, this strategy can be complex when managing different inventory, sales and advertising requirements on different marketplaces. Channel management helps retailers and brands manage marketplace sales with such features as adjusting product pricing, SKUs and fulfillment on marketplaces via one dashboard. This enables sellers to view their entire marketplace portfolio in one spot.

Source: Digital Commerce 360

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

| 1 | ChannelAdvisor by CommerceHub |
|---|---|
| 2 | 1WorldSync |
| 3 | Assembly |
| 4 | Logicbroker |
| 5 | MerchantAdvantage |
| 6 | Merkle |
| 7 | ROI Revolution |
| 7 | Vindio |
| 9 | iProspect |
| 10 | GoDataFeed |
| 10 | Tinuiti |

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## COMMERCEHUB

**RANK IN CATEGORY** 1

CommerceHub is one of the world's largest, most trusted commerce networks, connecting over 40,000 retailers and brands globally to transact more than $50 billion in gross merchandise value (GMV) annually.

ChannelAdvisor, a CommerceHub company, provides cloud-based ecommerce software that offers one streamlined solution to guide marketing, selling and fulfilling activities. Its comprehensive ecommerce platform collects product data once, and then relies on that single feed to optimize performance across hundreds of channels. As orders and performance information flow back through the ChannelAdvisor system, results are measured and broken down to help companies make better decisions.

Source: Digital Commerce 360

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

**2023 TOP 1000 RETAIL CLIENTS** 157

**PRIMARY URL** Commercehub.com

**YEAR LAUNCHED** 1997

**TOTAL 2023 TOP 1000 CLIENT WEB SALES** $228.34 BILLION

**TOP 1000 CLIENTS BY CATEGORY**

Web Only: 54    Chain: 39    Manufacturer: 50    Direct Marketer: 14

**TOP 1000 CLIENTS BY WEB SALES**

$40M or less: 0    $40-125M: 44    $125-500M: 65    $500M or more: 48

**KEY CLIENTS**

REI
Party City
Pure Formulas
Kitchenaid
ASICS
Fossil

**PRODUCTS & SERVICES**

Customers rely on CommerceHub's software solutions to reach and convert more shoppers, expand margin and enhance the online shopping experience through drop ship, marketplace, digital advertising and delivery management.
**Pricing:** Subscription-based.

**CORPORATE**

800 Troy-Schenectady Road, Suite 100
Latham, NY 12110
(518) 810-0700

**MANAGEMENT**

Bryan Dove, CEO
Pete Elmgren, CRO
Kevin Iaquinto, CMO

# CHANNEL MANAGEMENT, THE FUTURE OF ECOMMERCE, GIVES RETAILERS A COMPETITIVE EDGE

An executive conversation with **Kevin Iaquinto,** chief marketing officer, CommerceHub

Online shopping is growing and becoming more competitive. As retailers try to compete in an already-crowded ecommerce environment, many are prioritizing ways to break through the noise. Catering to the customer is at the heart of that effort. By meeting customers where they are — whether that's through browser search, social media or on a marketplace — retailers can make their search and discovery easier. To discuss how channel management strategies can help retailers rise above the competition by offering shoppers a smoother shopping experience, Digital Commerce 360 spoke with Kevin Iaquinto, chief marketing officer of CommerceHub, which now owns the ChannelAdvisor platform.

## Why should retailers be focused on channel management now?

In ecommerce today, the consumer is in control. They often take their time and do their research when looking for a product. CommerceHub's 2023 Consumer Behavior Survey shows that 72% of global consumers visit two to four sites — including search engines, marketplaces, and brand and social media sites — before making a purchase. The challenge for retailers is that they need the scale and channel management solutions to meet those customers on whatever channel they choose to visit while they're doing research.

## What impact is AI having on channel management?

AI is supporting channel management in several ways. On the retailer side, it can help identify more profitable suppliers for your business. It can also discover what products might be more profitable to add to your marketplace or other retail channel. On the supplier side, AI can find the available channels that might be most profitable for the business to sell through in the future. And from a marketing standpoint, AI can help target more effectively to ensure a retailer is promoting its most profitable opportunities and products to the right customers.

## What do retailers need to know about building successful channel management strategies?

Understanding the target customer is the foundation of a successful channel management strategy. The demographics and shopping preferences of the target market help to define the channel strategy. Because consumers have different channel preferences, allowing them to make purchases across multiple sites — whether through social media or a marketplace or some other channel — provides retailers with the flexibility to sell through dozens of channels, rather than just one or two.

## What role does channel management play in online retailers' success?

First, channel management is paramount to customer acquisition. Second, it allows you to expand your brand and product reach. When you can be where your target customers are, it removes friction and makes it easy for them to discover your brand and products. You can get more products in front of more target customers because you're on more channels.

## How can retailers improve their channel management strategies?

They can partner with a vendor that specializes in channel management, such as CommerceHub. We can, through our ChannelAdvisor platform, simplify the complexity of channel management. Our ever-expanding ecommerce network consists of more than 40,000 brands, suppliers and retailers, and we link to more than 400 channels. This allows companies to add new channels, drive speed and scale their business in a self-serve or managed way.

Growing customer acquisition and loyalty through channel management, as well as profitable relationships with brands and suppliers that can sell through your channel in a very easy asset-light way, is the future of commerce.

**CommerceHub**

# CommerceHub & ChannelAdvisor

## Leaders in E-Commerce Channel Management

Helping brands and retailers grow their businesses, improve the consumer shopping experience, and expand margins.

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VENDOR TO THE
**TOP 1000**
E-RETAILERS

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a CommerceHub company

**#1**
CHANNEL
MANAGEMENT

CommerceHub named #1 Channel Management provider to the Digital Commerce Top 1000 Retailers

*Our combined commerce network now includes:*

**2.4B+**
products
processed daily

**50B+**
GMV transacted
in 2022

**40K+**
retailers and
brands globally

Schedule a demo and see how we can help you expand your e-commerce business. **Visit www.channeladvisor.com/DC360**

**CommerceHub** + **channeladvisor**®
a CommerceHub company

# ONLINE MARKETPLACE MANAGEMENT

Not all online retailers sell directly to consumers. And many who do also choose to sell on marketplaces. Before doing so, they have to learn which marketplaces make sense for their pricing, fulfillment, and expanding their target audience.

And some retailers have been creating or expanding their own online marketplaces, giving merchants incentives to sell on them. Walmart, for example, is serious about its online marketplace. It's giving sellers on its platform access to more tools and services to make fulfillment better for customers, it said. The retailer announced it will now offer local pickup and delivery for products on the marketplace if they have physical stores.

"This will lower sellers' fulfillment costs, create new ways to convert sales and delight customers along the way," Manish Joneja, senior vice president of Walmart Marketplace and Walmart Fulfillment Services (WFS), wrote in a blog post.

The retail giant will also give sellers a better ability to ship big and bulky items through WFS.

This will also apply to products that come in multiple boxes, like patio sets. Products shipped using WFS then get a "Fulfilled by Walmart" tag online. Walmart said the tag drives conversion, with sellers seeing an average 50% growth in GMV when they switch to WFS.

## DIRECT-TO-CONSUMER ISN'T THE BEST MOVE FOR CLEANCULT

Ryan Lupberger, co-founder and CEO of Cleancult, wants his cleaning products to be everywhere. And the consumer brand manufacturer took a leap closer to achieving this in March, when it rolled out its products in 3,000 Walmart Inc. stores.

Cleancult sells nontoxic cleaning products, such as soap and laundry detergent, in a cardboard carton. Shoppers then transfer the product into a glass bottle, which the brand also sells. Cleancult's mission is to reduce plastic consumption, and it has 15 patents on the machines it uses to create its cartons.

Cleancult launched in 2019 with its direct-to-consumer website Cleancult.com.

**DIGITAL** COMMERCE 360 *RETAIL*

"I really hoped D2C would work long term," Lupberger said.

But things quickly changed. As online sales skyrocketed during the pandemic — especially for cleaning products — so did costs. Digital marketing costs to acquire customers and shipping carriers raising their rates were the largest increases, he said. Digital marketing costs increased roughly 50% from 2019 to 2021, Cleancut said. Plus, what once cost the brand $6-$7 to ship now costs it $17-$18.

Post-pandemic, many consumers resumed their normal shopping habits, including buying their cleaning products in stores. And so, Cleancult shifted priorities to get its products in more physical stores instead of working to acquire digital customers. In 2021, Cleancult debuted in a handful of regional grocers. In 2022, it expanded to Walgreens, CVS, and Bed Bath & Beyond, and this year is Cleancult's Walmart debut. Cleancult also sells on the Walmart and Amazon.com Inc. marketplaces.

"A lot of categories shouldn't live online," Lupberger said. "Fundamentally, the cost of shipping big, bulky, low-price items, doesn't work very well."

Subsequently, its sales shifted from 100% via its direct-to-consumer website, to 90% on its own website in 2020, 70% in 2021, 65% in 2022 to likely 20% in 2023, Lupberger said. Cleancult includes

> ## "A lot of categories shouldn't live online. Fundamentally, the cost of shipping big, bulky, low-price items, doesn't work very well."
>
> — **Ryan Lupberger**, co-founder and CEO, Cleancult

sales made on the Amazon marketplaces in its direct-to-consumer sales figures.

Even though sales are growing 50% year over year for its total business, sales are flat on Cleancut.com.

This shift in sales is fine with Lupberger, as its ecommerce site and Amazon business do not make money.

"It's break even at best," he said.

But its ecommerce site still serves a purpose, including building a community and testing new products and scents, he said.

"If they find us in store and believe in the Cleancult brand, join the website. But if they need a quick shipment, buy on Amazon. And if they are grocery shopping, they can pause their subscription and buy from the grocer," Lupberger said. **LV**

# DIGITAL RETAIL
## COMMERCE 360

# 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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