

# From ChatGPT to social commerce, here are 4 trending topics from Shoptalk 2023

Article

Here are four key retail trends identified by our analyst Suzy Davidkhanian from this year's Shoptalk Las Vegas event.

## 1. ChatGPT is everywhere, but will it stick?

“Everybody’s talking about generative AI,” said Davidkhanian. “The underlying question is, will it last? Or will it be the next metaverse?”

Davidkhanian doesn’t think the two technologies are comparable, nor does she think the generative AI craze is going away.

“It’s transforming the way people do their jobs and think about business,” she said. “Whether it's healthcare or retail, there are so many different use cases.”

For retailers, generative AI has the potential to improve the customer experience while also improving margins, a win-win for brands and consumers alike. *(Want to learn about other use cases for retailers? Be sure to check out tomorrow’s edition of [Retail Daily](#).)*

## 2. The definition of D2C is changing

Simeon Siegel, managing director and senior analyst at BMO Capital Markets, said in a Shoptalk panel that D2C is not a business model, but a strategy.

Digitally native brands like Warby Parker and Allbirds created buzz for disrupting their respective industries. Now, **they’re struggling to scale their businesses** because they didn’t develop a multichannel approach.

“What leads to a successful business is having multiple ways to sell your product and finding the right partners to help you do it,” said Davidkhanian. “That means using wholesale models, social commerce, or any other number of strategies to reach the maximum number of consumers.”

## 3. The gap between product discovery and purchase is closing

Bill Ready, CEO of Pinterest, said social media is generally a “lean back” type of entertainment where consumers passively consume media. But with the rise of social commerce, the lines between entertainment and shopping are blurring.

Pinterest, for example, has always been a platform consumers turn to for purchase inspiration. With the addition of social commerce capabilities, it has put consumers much closer to the point of transaction, creating an almost “digital mall” effect, said Davidkhanian.

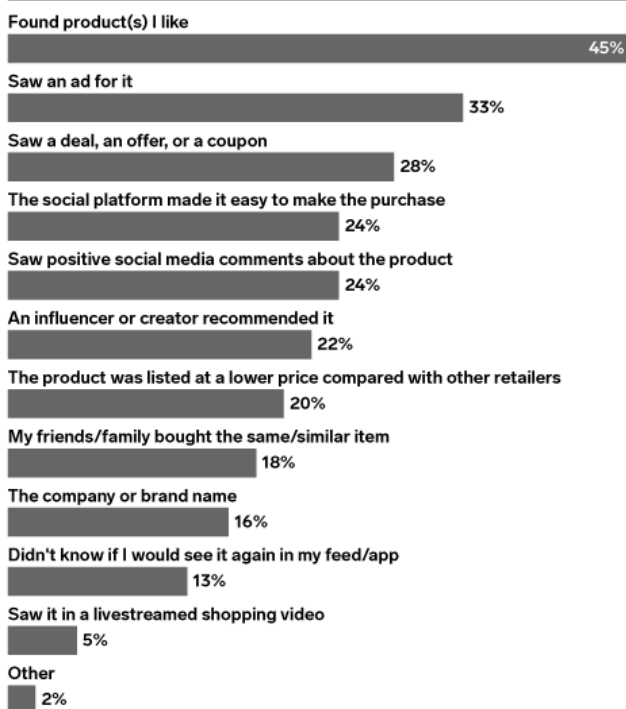
Other platforms, like Instagram and TikTok, are using targeted ads to inspire impulse purchases.

“For example, a consumer may be scrolling through Instagram and see a brand that has weighted blankets,” said Davidkhanian. “And they think, ‘Oh, I’ve been hearing about this brand, let me give it a try.’”

No matter the approach, social commerce is changing the way consumers browse and buy. “The customer journey really is changing, and everyone has to adapt to that,” said Davidkhanian.

### Reasons US Gen Z Social Media Buyers Made Their Most Recent Social Media Purchase, June 2022

% of respondents



Note: n=193 ages 18-25; respondents selected up to 3 responses  
Source: Insider Intelligence, "US Social Commerce and Digital Trust Survey 2022," Sep 2022  
278182 [InsiderIntelligence.com](https://www.insiderintelligence.com)

## 4. Everyone wants to fix the returns problem

Returns are a big point of friction for both retailers and consumers. We forecast **total retail return volume** in the US will reach \$627.34 billion this year, a 4.2% increase from last year.

Davidkhanian said many Shoptalk attendees discussed making the reverse logistics process more efficient.

In order to curb returns, ecommerce site Verishop has developed software that offers customers discounts at checkout if they agree to not make a return. Another company, Frate, is helping retailers save on shipping costs by enabling consumers to ship unwanted products directly to one another rather than back to a company.

“In the end, the goal is to find a solution that’s easy and efficient for the customer but also margin positive for the retailer,” said Davidkhanian.

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*