

Reimagining Retail: Shoptalk 2023— Livestream shopping, generative AI, and the fulfillment experience

Audio

On today's episode, we're at Shoptalk 2023 discussing why influencers might be the key to unlocking livestream shopping, what folks on the floor are saying about generative AI in retail, and how one company plans to redefine the fulfillment experience. In our new "From the Shop Floor" segment, we bring you the best bits from the most interesting retail events. Join our analyst Sara Lebow as she hosts vice president of content Suzy Davidkhanian and chief content officer Zia Daniell Wigder, live from this year's Shoptalk event.

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Episode Transcript:

Sara Lebow:

Hello, listeners. Today is Wednesday, March 29th. Welcome to Behind the Numbers: Reimagining Retail, an eMarketer Podcast made possible by Ibotta Performance Network.

This is a show where we talk about how retail collides with every part of our lives. I'm your host, Sara Lebow. Today we have a very special episode of Reimagining Retail because our guests are joining us live from Shoptalk in Las Vegas. Joining me for today's episode, we have podcast regular, our VP of content, Suzy Davidkhanian. Hey, Suzy.

Suzy Davidkhanian:

Hey, I'm so excited to be here.

Sara Lebow:

I'm so excited to have you here. And then also joining us, making her debut on this podcast is our Chief Content Officer, Zia Daniell Wigder. Hey, Zia.

Zia Daniell Wigder:

Hey, Sara. Thanks for having me.

Sara Lebow:

Yeah, welcome to the pod. Before we jump into today's episode, let's check in on the contest that's currently running. As a reminder, last week's question was, what is the University of Michigan's fight song? And the answer is Hail to the Victors.

Congratulations to our winner, Kiri M from Atlanta. Stu, who runs the team, will be in touch with you via email to discuss getting you your Reimagining Retail branded gym bag. Stu, please send me a gym bag also. I want one. And you all have another chance to win this week. I'm reading one question every episode for the next three episodes. Be the first to email your answer to podcast@emarketer.com and attach a screenshot of your review and/or rating for a chance to win.

This week's question is also mildly my alma mater themed, in that I worked at the Natural History Museum while I was at the University of Michigan, and this one is natural history themed. This week's question is name one of the two egg laying mammals that are still alive today. Two kinds of mammals lay eggs, name one of them. Email that to podcast@emarketer.com with that screenshot of your review or five star rating for a chance to win. Tune in next week where we'll announce the winner, give the answer to the question and tell you the question for the following week's contest.

Okay, we're going to get started with our first segment, news and reviews, where I give the news and our guests tell me their reviews. Today's news is a March 26th story from TechCrunch titled Pinterest is Testing a New way to Shop in Shuffles Collages. Writer Aisha Malik writes, "Shuffles will now have all the same shopping capabilities as regular pins. Users will be able to tap individual cutouts used in collages and see the brand price and other product metadata along with similar products to shop." So what's your take on this, on Pinterest expanding their shopping capabilities?

Suzy Davidkhanian:

So I'm not surprised. We actually heard the president of Pinterest talking yesterday on the main stage, and they're really leaning in heavily in terms of this idea around being the digital mall. Pinterest is really well known for that versus what other social platforms he calls as lean back entertainment. So it's no surprise that they're trying to figure out how to remove the friction from the shopping experience to make it that much easier. And one of the things he said yesterday, which is very in line with their new release, is that they're trying to figure out how to make that customer journey be in one session versus some of the other social and other advertising spaces where you do discovery in one place and then you go to the brand website and then maybe you go to the store. They really believe that Pinterest is where you're going to do all in one from intent to action. So not a surprise that they did the big reveal at Shoptalk and on main stage to talk about their next iteration of shopping.

Zia Daniell Wigder:

Pinterest has always had a big presence at Shoptalk, so it's not surprising to see the CEO on the main stage. I think Pinterest is a social platform, lends itself to commerce perhaps better than some of the others do, and we've written about them a fair amount in our coverage. We've talked about how they are one of the more trusted social platforms out there as compared to some of the competition and you've really seen them leaning into these commerce features. And I'm a bit of an anomaly, but I do think that social commerce has legs and has legs outside of China, in the US in particular, and that we're still at the very early stages and that over time we're going to see this idea of inspiration and transaction get closer and closer together.

Sara Lebow:

Yeah, that Pinterest CEO that you saw speak, Bill Ready, he came from Google to make Pinterest more shoppable, right? So it makes sense that that's what we're seeing.

Suzy Davidkhanian:

And he was at payment before. So it's like he's really trying to figure out the entire journey in one spot. I'm with you, Zia. I really do think that social commerce, live-streaming, shoppable media, all that stuff is just starting in the US versus some of the other markets.

Zia Daniell Wigder:

Yep, absolutely.

Sara Lebow:

Thank you. Okay, now it's time for our new segment from the shop floor where we cover the best bits from the most interesting retail events. And today Suzy and Zia are coming to us from the shop floor of Shoptalk 2023. Shoptalk is one of the biggest retail conferences. This year it features speakers from Google, McDonald's, Pinterest, Walmart and more. And I want to hear about it. So let's start off with a basic question. Well, not so basic actually. What's the most interesting sentence or piece of information that you've heard from a speaker?

Zia Daniell Wigder:

So I can kick that one off. I think one of the most interesting ones actually came from the Verishop CEO and he was talking, again, about social commerce and he was talking about one of the reasons why it has succeeded in China in a way that it hasn't elsewhere. And everyone likes to talk about the fact that it's a massive market in China and that it's never going to resonate in the US or outside the country. But one point that he was making is that the influencer market in China is incredibly consolidated. It's just a handful of influencers that are responsible for an overwhelming majority of the livestream shopping in that country. And so that's one thing that's happened there that has helped it usher along social commerce in a way that we haven't seen.

But as we see this whole creator economy growing outside of China and you're starting to see some of these influencers really gaining traction, again, I think that you're going to see some of that livestream shopping and social commerce more broadly start to explode. So from my perspective, it's just an angle that I hadn't really thought about, the fact that we've just got

this incredibly fragmented influencer market here, which is quite different than what you've seen in some of the markets in Asia.

Sara Lebow:

That's consistent with something that Sky and Carina said last week when talking about live-streaming, which is that it takes a different skillset to be a livestream host as opposed to just a standard influencer.

Suzy Davidkhanian:

And one of the other things he said, which I thought was really cool that I hadn't thought about, but this is not my... I have a different one I want to talk about, but just to add on to the Verishop, I didn't know that much about them and the way he was talking about the influencer marketing, the other part of that is you as a consumer are drawn to the influencer, so you're going to look for that influencer versus traditionally what a lot of the brands do here in the US is try and find the customer. And so it's a different push-pull mechanism that I hadn't really thought about, the way that the traffic is going in terms of influencer versus a regular brand and social media trying to get people to follow them. So I thought that was really cool.

But for me, one of the things that I hadn't thought about was there was a QSR, they were talking about automation and one of the things he said, which I thought only happened to me but evidently not, they study it, is menu anxiety. And it's not just menu anxiety. By the time I order, will there be a seat for me? By the time the food is ready, will it still be hot? Will I be on time? And all these other anxieties that go with trying to have a good meal experience at a quick service restaurant. It was Panera. And so they really are leaning heavily into the mobile experience and that truly is the connectivity tissue for them. And not only in terms of the consumer guest experience, but also for the associates to make sure that everything is happening in a timely fashion in the way that the consumer wants it.

Sara Lebow:

That's really interesting. That's something that I experience every time I go into a Sweetgreen. I don't know how to order there, I get so scared and I avoid going to Sweetgreen because of it, so interesting point.

Suzy Davidkhanian:

You're not alone.

Sara Lebow:

All right. So we've talked about the most interesting piece of information you've heard. What's the most interesting side conversation you've had, something that maybe wasn't on a main keynote or on the main floor, but something that you've heard?

Suzy Davidkhanian:

I think we're going to hear a lot about it throughout Shoptalk, but I am definitely hearing about it in the side conversations, it's generative AI. Everybody's talking about it and trying to figure out what parts of their business can they incorporate this newer technology. And so I've been having some conversations around how is it different than regular AI because retailers have been using regular AI for a very long time, so where do we see generative AI fitting into the different use cases and what will happen fastest?

And this particular person was telling me that they've found many different use cases and they've taken a step back and looked at every single process to see and to test and learn to see where does it fit in. One of the easiest places they found was content marketing. So I thought that was interesting and it truly is disruptive. Everyone is talking about it. And actually Zia was on the main stage talking to Sean Downey from Google, and he also talked about it as being so much more public than a side conversation obviously, but he was talking about it as the next wave in terms of technology. So I think it is not lost on us that this is an important thing.

Zia Daniell Wigder:

And I know it'd be way more fun if I totally disagreed with Suzy or come up with something completely different. But I was also going to say that AI is definitely the topic that is top of mind for everyone and it's come up in virtually every side conversation. And to Suzy's point, track session and main stage keynote as well. And there's a lot of conversation around what is different with generative AI and it certainly is something we've been talking about here at Shoptalk for a long time.

For the investor session that I moderated on Sunday, one of the things that I showed on the screen before we dove into it was a tweet that someone had from Shoptalk 2017 when they said, "It appears that AI is the bell of this ball." And here we are six years later and a new version of it is now bell of the ball. So it's not that it's brand new, but this new iteration of it is

certainly something that's, I won't say taken people by surprise, but it's one that they didn't necessarily anticipate in this timeframe and now we're all scrambling to figure out.

Suzy Davidkhanian:

Yeah, I think you're right. It's like it caught people by surprise and it shouldn't have because it's the next iteration and yet somehow, it's the last three months that's what everybody's been talking about nonstop.

Zia Daniell Wigder:

And the interesting thing is that some of the big themes last year are now completely overshadowed by generative AI. So the metaverse, Web3, you hear almost nothing about it. I'm sure there are sessions where it's discussed. I'm sure that some of them touch on it, but it's certainly not one that's coming up inside conversations frequently.

Sara Lebow:

That was absolutely my experience at eTail in Palm Springs a few weeks ago. I really couldn't find a discussion where generative AI didn't sneak into the conversation in some way, whereas the metaverse people are pretty tired of talking about.

Zia Daniell Wigder:

Yeah, and it seems like it was something that garnered a lot of attention 12 months ago, but at this point, either companies are just continuing to experiment in the same way they were a year ago, or it's just no longer really a top priority for them the way it used to be.

Sara Lebow:

So I know my opinion on this, but do you think the same thing will happen to generative AI in 12 months?

Zia Daniell Wigder:

I think we'll have a better sense of how businesses are going to use it in 12 months. Right now, it's definitely the Wild West. Everyone's trying to figure it out. To Suzy's point, content marketing seems to be something that almost every business is using it for or thinking about using it for, but I feel like in a year's time we're still going to be talking about it. It's not going

to be dead in the same way that the Metaverse or Web3 is dead in terms of the same level of conversation, but it'll be further along than it is right now.

Suzy Davidkhanian:

Yeah. I also think when Carina wrote a piece on retail and ChatGPT and generative AI, and there are definitely... And we looked at the intersection of enhancing the customer experience and saving money for the retailer, that's the sweet spot. Someone was telling me in that same side conversation that they've heard of some customer service centers going from hundreds and hundreds of people to using a generative AI chatbot and they've cut staff incredibly in terms of cost savings, which is obviously not great. Hopefully those people will get reskilled and moved into different jobs.

But I think if we think about the mobile phone, if we think about mobile apps, there are some things that really do help with efficiencies and make things better. And this seems to be one of those, unlike the metaverse, that's more fun, it's more of a customer experience, a brand experience, an activation versus this that is really changing the way people are thinking. One of the examples from Sean Downey... Sorry, I'm pointing at Zia, but one of the examples was how they're using it to better understand people's propensity for some diseases of trying to get ahead of it. So I think this is too life changing for it to not be here with us forever. It's not a fact.

Zia Daniell Wigder:

And it's building on something that has already been there, right? We've been talking about AI for such a long time at this point. This is just the latest iteration and one that's a lot easier for consumers and businesses to manipulate than some of the prior versions were.

Sara Lebow:

Yeah, it really touches everything. And the cost of buy-in is significantly less than the metaverse. You don't need new gear, just the tools you already use are incorporating generative AI. That report that Suzy mentioned on ChatGPT and retail is available for pro subscribers now at insiderintelligence.com. It's also our episode topic for next week, so make sure to check here next Wednesday. I'll be talking to Carina and Yori about ChatGPT and retail. Got to throw that in there.

This is a good time for us to take a break. We're going to talk more about the conference, but first, a quick word from our sponsor, Ibotta Performance Network. Are you looking to increase your brand's awareness and guarantee units sold for every dollar spent on promotions? Meet the Ibotta Performance Network. Advertisers on the IPN see an average seven times return on ad spend and an average 47% lift in incremental units sold. Start seeing the return on ad spend your brand deserves with Ibotta Performance Network today. Visit ipn.ibotta.com/emarketer today to learn more. That's ipn.ibotta.com/emarketer.

Welcome back from the break. So you've been talking about what you have not seen with the metaverse. Are there other things that you were expecting to see at Shoptalk that you didn't see?

Zia Daniell Wigder:

So one thing that I think is interesting is that the focus on all the innovation from China is not as front and center as it was a few years ago. I think it between the COVID lockdowns over the past few years and a variety of other developments, people are no longer looking to China as the one beacon of retail innovation. It's now more distributed and certainly they're interesting things coming out of China, but there are also interesting things coming out of different parts of the globe. So the number of sessions that are dedicated specifically to that one country and to what's happening there are perhaps one of the things that's missing today that was on the agenda just a couple years ago.

Suzy Davidkhanian:

That's a good one. I also am surprised that sustainability is not talked about more here. I think that there are probably bigger fish to fry than sustainability and maybe also it's just table stakes now. Everybody needs to be thinking about how can you help give back to the environment and make sure that the planet lasts. And the other one, I don't know, Zia, if you were expecting more about consumer behavior and the economy and all this uncertainty, it just feels like everybody is still shopping like there's no recession or incoming recession. So that's interesting for me.

Zia Daniell Wigder:

Yeah, I sat in one session by a woman from McKinsey who was talking about a number of the headwinds that fashion businesses face on a global socioeconomic level. So there's that one session that touched on it, but overall, to your point, Suzy, there hasn't been a whole lot in the

same way a few months back we were hearing extensively about war in Ukraine and inflation and a variety of these other factors that are impacting everything happening in retail.

Sara Lebow:

So you were expecting to hear more about headwinds and inflation than you have?

Zia Daniell Wigder:

I think so. And again, maybe it's one of those that just six months ago, it was so extensively covered that now it just seems like it's not as dominant of a force in the agendas that was on other events.

Suzy Davidkhanian:

And probably there's nothing new to say. We know customer loyalty is really important. We know value is really important. I don't know how many other ways we can be talking about it.

Sara Lebow:

Yeah, that makes sense. I just wrote a piece on decreasing marketing budgets this morning and it was like, well, it's the same factors at play that have been at play for the last eight months continuing.

Zia Daniell Wigder:

Yeah. You can only say so many times that consumers are going to shift a private label.

Suzy Davidkhanian:

Yeah, absolutely.

Sara Lebow:

And then on the shop floor, what has been the most interesting exhibit, conversation you've seen at a booth?

Suzy Davidkhanian:

I went to a booth called Delivery Solutions, and that was really interesting because they're trying to talk about the fulfillment and the entire experience around fulfillment in an omnichannel kind of way. And they're trying to like how you all know I'm trying to call it all

channel versus omnichannel, so they're trying to coin a new term called OXM platform. I thought that that was very cool, that they're really thinking about even fulfillment in a very systematic, all channel, everything matters. How do you make it a good experience?

Sara Lebow:

And OXM is their platform?

Suzy Davidkhanian:

It's the new thing that they're trying to coin. It's like how there's warehouse management and there's data management and there's this kind of management, so they're trying to say now you need to be omnichannel in your delivery and the way that you're working through products getting to people and getting to stores and back.

Sara Lebow:

Understood. We need to be omnichannel or all channel, as you might say, not just in how you're marketing, but in how you're managing logistics.

Suzy Davidkhanian:

Yes.

Sara Lebow:

That makes sense, especially with returns.

Suzy Davidkhanian:

Yes.

Sara Lebow:

You want to make sure that you can grab those anywhere.

Zia Daniell Wigder:

And I think from my perspective, the one thing that I always look forward to are all the international pavilions here. As I mentioned, China is not necessarily getting the same attention, but there still is a lot of interest in what's happening outside the US. So I love going by and seeing what's happening in the Israeli pavilion. There's usually a contingency from

Quebec that comes to this event. There are a number of different French startups that are here as well. So just getting a sense for what's happening outside us borders is something that I look forward to here as well.

Sara Lebow:

Amazing. Okay. That's all we have time for today. Thank you guys so much for both taking time out of your Shoptalk to chat with us. Thank you, Suzy.

Suzy Davidkhanian:

Thanks. This was super fun.

Sara Lebow:

Thanks, Zia.

Zia Daniell Wigder:

Thanks, Sara.

Sara Lebow:

Please give us a rating and review wherever you listen to podcasts and follow us on Instagram at [behindthenumbers_podcast](#). Thank you listeners and to Victoria who edits the podcast and is always willing to talk shop. We'll be back next Wednesday with another episode of Reimagining Retail, an e-Marketer podcast made possible by Ibotta Performance Network. And tomorrow join Marcus for another episode of the Behind the Numbers Daily.