



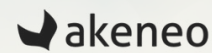
Digital Trends Report ~~2024~~

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Introduction

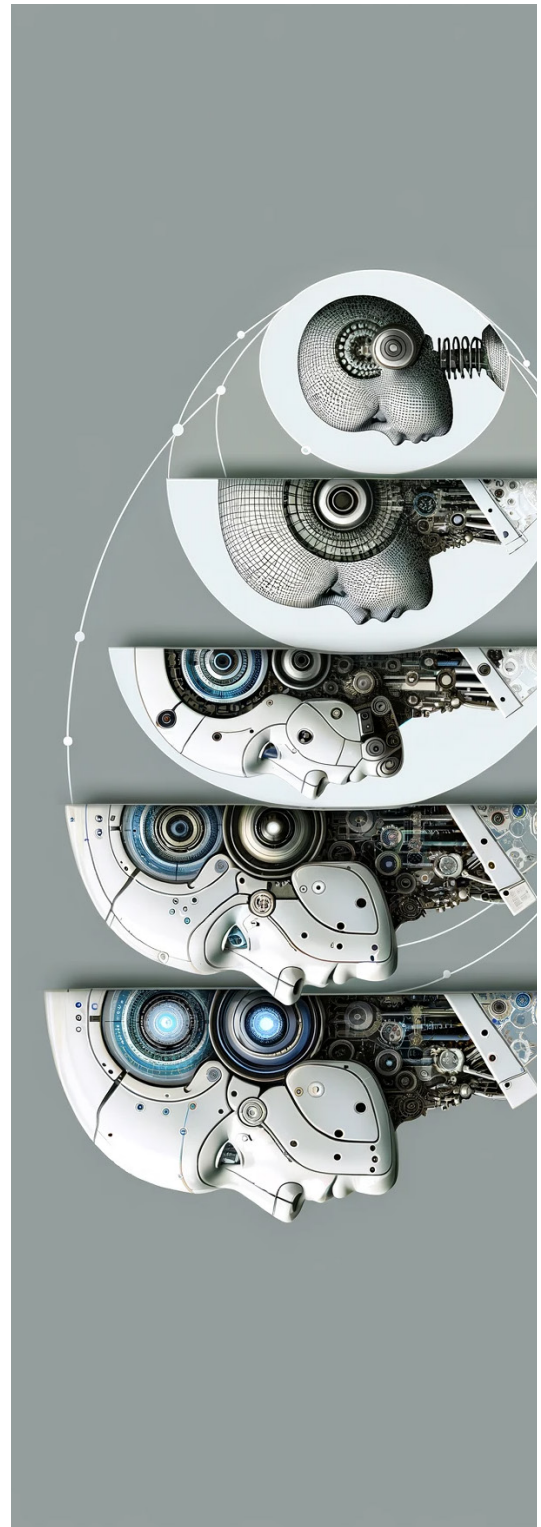
We all know that change is the only constant in the world of ecommerce. New technologies make yesterday's innovations obsolete in a matter of months while businesses scramble to capture consumers' attention. As we face economic uncertainties and global conflicts, digital commerce gathers momentum, with the global retail ecommerce CAGR (compound annual growth rate) estimated at **11.16% for 2023-2027**.

Amidst the chaos, we've seen AI (artificial intelligence) emerge as both a catalyst for innovation and a source of intense debate. As author Cal Newport observes, the new economy favors three distinct groups: those who can work well and creatively with intelligent machines, those who are the best at what they do, and those with access to capital.

With partners Akeneo, commercetools, Contentful, Vue Storefront, and Zendesk, Vaimo presents "Digital Trends Report 2024." Our guide offers insights into the latest trends, cost-effective strategies, legal considerations, and a positive perspective on AI integration. According to **Gartner's prediction**, generative AI will mature between 2024-2027, and we view it as a powerful tool capable of curbing costs, enhancing efficiency, and enabling innovation.

Use our actionable strategies for practical use in your online store, and consider short-term gains versus long-term vision for your digital roadmap. By outlining successful AI adoption, we help you on your journey through digital transformation.

Our ebook is a testament to the positive collaboration between us and machine intelligence, with AI as the co-author. We invite you to embrace AI and use our expert insights in your own ecommerce strategy. It's not just about integrating AI; it's about using it creatively to improve digital experiences, boost efficiency, and drive growth.



Customer Service

Customer service in the age of AI

Artificial intelligence (AI) and other innovative technologies are changing how businesses interact with customers.

AI is set to make customer interactions smoother and enhance overall experiences. It will assist customers directly and help service agents with tasks like expanding reply texts, automatically changing the tone in texts, summarizing complex tickets, and automating ticket routing based on skills, languages, sentiment, and more, making customer service departments more efficient. This leads to a seamless customer experience and a streamlined workflow for agents.

Customer service teams now play a broader role beyond problem-solving. They are crucial in identifying sales opportunities and nurturing customer loyalty. Businesses are recognizing the strategic importance of these teams and investing in their development. This shift is vital for company growth and customer satisfaction.

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The future of customer service combines advanced technology with strategic human insight.

Businesses face the challenge of keeping up with rapid technological changes in customer service. This includes the resurgence of voice communication, finding the right balance between traditional and modern channels, and being responsive on the channels where customers are active. AI is a valuable tool, adeptly managing customer interactions across various platforms.

The focus on customer service as a central business function is more prominent than ever. By learning from industry leaders and integrating AI into their service infrastructure, businesses can predict and meet customer needs, enhancing satisfaction and loyalty in a competitive digital marketplace.

The future of customer service combines advanced technology with strategic human insight. AI has the potential to transform customer service, but companies must also adapt to its evolution. Those who can use AI and emerging technologies while maintaining a personal touch will lead in delivering excellent digital customer service.

The rise of immersive customer experiences

The new frontier for customer engagement lies in immersive customer experience (CX). Using technologies like augmented reality (AR), virtual reality (VR), and AI, brands are reinventing how they connect with their audiences. These technologies are shaping various sectors, including:



Retail, with AR enabling virtual try-ons;



Hospitality, offering VR tours;



Education, using VR for immersive learning experiences;



Healthcare, using VR to ease patient experiences during medical procedures.

The investment in these technologies shows tangible benefits, with 77% of business leaders acknowledging a positive return on CX investments in the past year. Furthermore, 78% recognize that exceptional CX is crucial for achieving business objectives and maintaining competitiveness.

Consumers' expectations are also evolving:

71% seek more conversational and natural interactions with companies;

70% are willing to spend more on brands that deliver a seamless experience across all touchpoints;

52% would switch brands after just one poor experience;

62% believe companies should personalize experiences both in-store and online more effectively.

Trends and strategies to enhance CX

Data-driven personalization

With the phase-out of third-party cookies, focusing on first-party data becomes critical. Organizations must transition to a long-term customer- and data-centric approach, ensuring data isn't confined to silos.

Conversational experiences

Conversational experiences enable consumers to find assistance in the channels and spaces they use the most. Integrating conversations across channels can encourage 66% of consumers to spend more. The interactions should be allowed to pause and resume without disrupting the customer's primary activities.

Here are a few examples:

- Implement AI-powered search and discovery methods that understand natural language, offer product suggestions, and are optimized for mobile use.
- Use AI-powered conversational product discovery to open a product chat that knows all of the product's data, can convert units, and has general industry knowledge. And most importantly, it's optimized for mobile.

Transparent data and privacy policies

Customers look for brands that instill trust and transparency in how their personal information is used. For example:

- Streamline the registration and login processes.
- Offer secure alternatives like Multi-Factor Authentication and digital IDs.
- Promote transparency and give users control over their data, which can boost brand perception significantly.

AI Integration

A significant 79% of sales and customer service professionals have found that using AI tools has positively impacted their work. How can you achieve this?

- Choose a suitable AI model to enhance CX.
- Prepare and train AI with the relevant data.
- Integrate AI with CX channels and ensure compliance with data protection laws.

Here is an example:

AI-powered product visualization - Introduce personalized visualizations in product galleries, such as customizing scenes using AI-generated imagery.

Companies must embrace immersive technologies and data-driven strategies to meet the rising demands of the modern consumer. By doing so, they can create a CX that's not just satisfying but also deeply engaging, fostering a connection that resonates in the digital age.



Content Management

The intersection of AI and content management

With the emergence of generative AI (artificial intelligence), marketing and content teams everywhere are witnessing a paradigm shift. Integrating AI into content creation is no longer a distant possibility—it's already happening, reshaping how stories are told, products are showcased, and marketing strategies are developed.

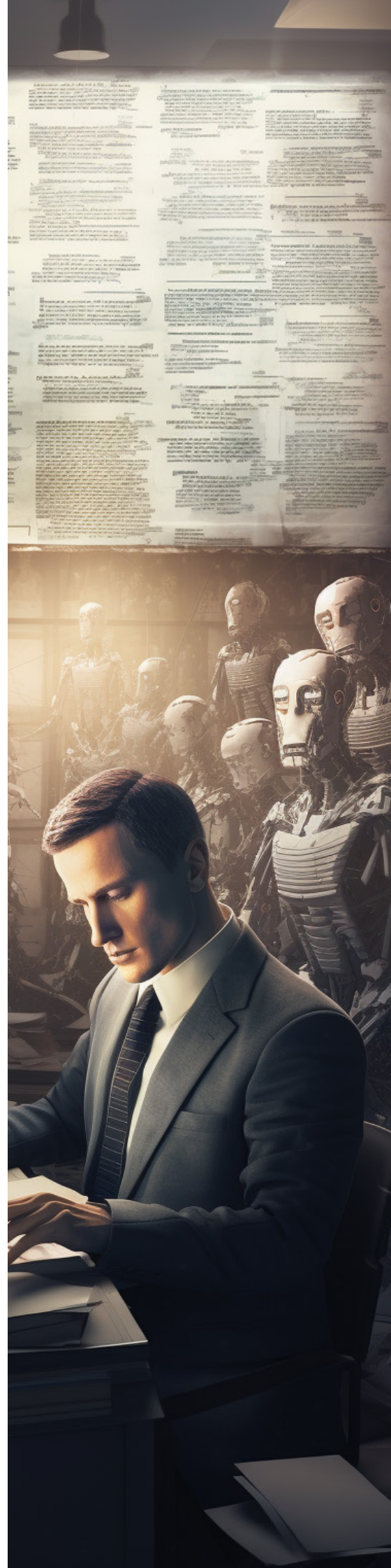
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While AI is a dominant trend, a parallel movement emphasizes speed, frequency, and authenticity over meticulously crafted content.

Generative AI is all the rage for its potential to revolutionize content creation. Marketing teams are intrigued by AI's ability to churn out stories, enhance product photography, and generate content that aligns with precise briefs. This not only expedites the creative process but saves hours of work.

However, alongside the enthusiasm, there's a sense of caution. The legal implications of AI-generated content are a growing concern, with organizations keen to navigate this new terrain responsibly.

While AI is a dominant trend, a parallel movement emphasizes speed, frequency, and authenticity over meticulously crafted content. The preference is shifting towards short, regular updates that resonate with realness and genuineness rather than polished, long-form content.



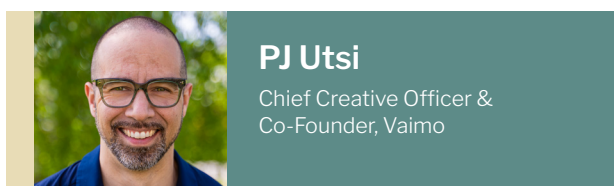
The influx of AI-generated content brings challenges, particularly when it comes to authenticity and the increasing difficulty distinguishing between what's real and what's not. The need for authenticity has never been more pronounced.

To differentiate from competitors, the focus must be on the practical applications of AI, focusing on real benefits rather than getting caught up in the excitement. It's about being practitioners grounded in reality, leveraging AI where it truly enhances the content strategy.

The challenge lies in ensuring the message remains accessible. Messaging and communication must cut through the buzzwords and remain relevant. There's a steep learning curve associated with many marketing automation tools, underlining the need to better utilize these resources for enhanced personalization and optimization.

Before racing to adopt new technologies, we must work with the tools we already have in place, and understand their capabilities and limitations. Only then can we implement new technologies effectively, ensuring they complement rather than complicate the existing tech ecosystem.

AI will play a pivotal role in the future of content management. But it's equally important to remain authentic and grounded, using AI to enhance human creativity, not replace it. As marketing and content teams navigate this new landscape, the ones who will thrive are those who can blend the innovative with the real, the automated with the personal, and the cutting-edge with the practical.



Content management trends in 2024

Composability and high reuse: This comes as no surprise. The rise of reusable content is clear and present within content management programs. With so much time and effort saved from reuse, as well as far more consistency, reusable content is becoming a table-stakes requirement of any competitive content program.

Localization and personalization: More content management programs focus on realizing the benefits of hyper-localized and personalized content. Creating this content requires platforms and content programs that have localization in mind for each experience and can scalably personalize for each audience, location, and destination.

AI at the core: With all of the benefits AI brings to content creators, we are seeing companies increasingly expect AI features to be integrated into their content management platforms.

The role of AI in content strategy

AI is transformative for content management. It offers content creators and managers entirely new tools to spark creativity, reduce manual effort, scale, and deliver more personalized and performative content. Generative AI, in particular, is directly impacting the job of the content creator for both text and visual content.

Creators can avoid the blank page problem and use AI to provide a start to any type of content they want. Beyond that, a creator can now instantly access editorial feedback, translation, and optimization at the click of a button. If they need an image, a single prompt can bring back options. Likewise, tools to summarize videos or rewrite existing material make repurposing content a single-step process.

For ecommerce, AI offers increased opportunities to create compelling product descriptions and images and position related products to an audience.

We also see a major role for the brand profile in generative AI. This includes descriptive details about a brand in a prompt to an AI platform that produces more on-brand, tone, and style-consistent results, further reducing the time to create and scale content without losing brand tone, voice, and integrity.

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Staying ahead in a hyper-competitive market

Companies face significant challenges when creating scaled, competitive, on-brand, highly personalized, and efficient content management programs. We're beyond the days when one evergreen piece of content for a single audience led to predictable engagement or conversion.

Today, the most effective content programs deliver performance, audience, and location-aware content across various devices and experiences at scale using composable content. This type of content management program can reach audiences with more personal and effective content just in

time and feature high amounts of reuse that prevent duplication and wasted time.

In ecommerce, the opportunity is even more urgent. Ecommerce storefronts thrive on personalized content delivered at the right time to the right audiences. This can make the difference between the success or failure of a campaign. We know that a company that can deliver a personalized experience for a destination-aware audience (mobile vs desktop, regional) has a higher chance of winning or growing a customer.

We also see that companies entirely stuck on legacy platforms struggle more to deliver highly personalized and composable experiences. Too often, these content management programs require complex processes, are tightly coupled to one frontend, can't leverage best-in-class tools, and make content reuse very difficult. The sooner companies can move to composable content, the sooner they can avoid these costly challenges.

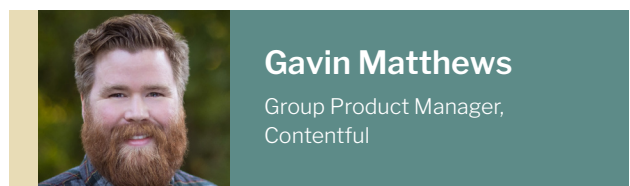
Why content is still king

Content management is always a priority because, to use the classic quote, content is still king. Content is more important today than ever, and differentiated and personalized experiences continue to lead to more traffic, engagement, and conversion. Without compelling content that performs, growing your brand, selling products, or even maintaining a knowledge base becomes a steep uphill battle.

We also see that the introduction of composable content means that companies are looking increasingly toward headless and composable content management platforms that connect easily to best-in-class tools and are extensible to allow for customizations.

Within ecommerce and marketing, we see a trend where a content platform delivers content across the board. This ability to orchestrate content from various sources is crucial to a reusable, composable content program. It's not enough to just reference products or images in the content platform; the platform must combine these with other content and deliver it all seamlessly.

We also see customers exploring other adjacent tools around the content platform, like DAM (digital asset management), search, Build and Deploy, and new frontend frameworks. This allows companies to choose the tools that work best for their program rather than having their program define the tools they use.



Gavin Matthews

Group Product Manager,
Contentful



Data Management

The role of AI and PIM systems

The PIM (product information management) market is predicted to grow significantly over the coming years. Next year, we will see applications and concepts around AI (artificial intelligence) really start to highlight the benefits of having a centralized source of truth for all products across all markets and through all channels. It will be hard to keep up if you don't have a PIM.

Content drives conversion and the automation of content creation means the cost of creation no longer equals adding more team members to the marketing team. If one company automates content creation, others must follow.

AI also enables limitless variations of storytelling and describing the product to different markets, but also to different audiences in those markets

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Content drives conversion and the automation of content creation means the cost of creation no longer equals adding more team members to the marketing team.

at different times. This means that the number of SKUs will multiply not only by translations but also by other dimensions to generate an ever-better personal experience. This WILL drive conversion.

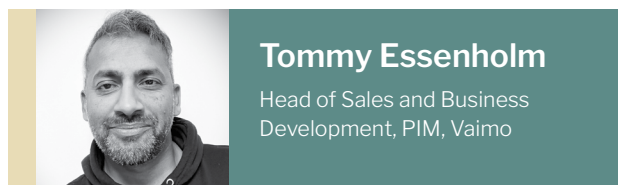
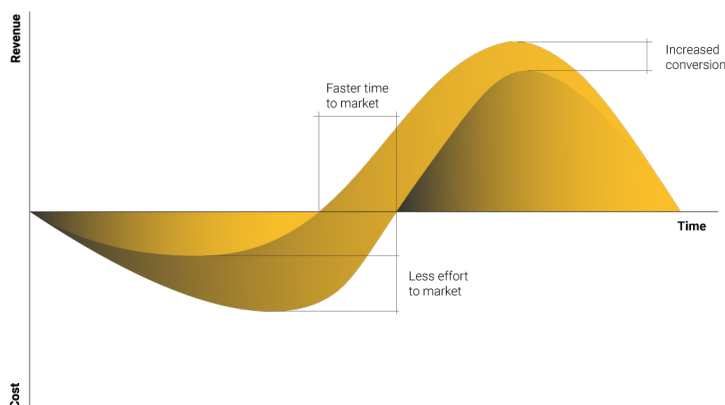
A PIM system handles this task perfectly, as a centralized data hub where you and your team can be creative and put a laser focus on building great product experiences. With this, we also see a trend where a PIM becomes the center for product performance, and we expect to see more data being fed into the PIM in relation to performance in different markets and audiences.

Imagine product reviews being fed back to the PIM so that a marketer can query products with bad reviews (and yes, AI will be good enough to understand if the review was good or bad). The marketer can then understand and change the communication around products with bad reviews or even immediately unpublish them on all channels if something is wrong.

The same key KPIs will be there:

- Faster time to market
- Increased automation
- Increased conversion

But it will be easier for C-level managers to understand that the flexibility of a PIM offers a cheap way to win market shares (or at least not lose them...) At Vaimo, our clients enjoy the value that a PIM system brings, especially in combination with a composable solution.



Data management trends in 2024

One notable area of investment we've seen growing in popularity recently is in composable technologies. These solutions have become a priority for many organizations as they seek to establish a centralized and reliable source of truth for all their product data. With a composable data management tool, like a PIM solution, businesses can harmonize product information from various sources, ensuring accuracy and consistency.

The appeal of composable commerce architecture, particularly, lies in its plug-and-play nature, providing scalability and flexibility vital for adapting to the ever-changing data management landscape. Companies recognize the need to replace outdated technologies and incorporate new ones, like AI, with ease.

By investing in a modern PIM and other composable data management solutions, these businesses are positioning themselves to not only streamline their data processes but also remain agile in the face of emerging trends and technologies.

In the world of data management, there are a few significant trends that have caught our eye:

AI-driven data preparation: A noteworthy trend is the use of AI for the preparation of product data before implementing AI solutions. It's a bit of a paradox; AI tools require clean and accurate product data to function optimally, but many organizations lack this kind of data initially.

To bridge this gap, AI is being harnessed to analyze existing datasets, make suggestions to fill in missing values, and identify inaccuracies or inconsistencies. This approach streamlines the process of getting data ready for AI-driven solutions, making them more effective and efficient.

Personalized shopping experiences at scale: Customers expect tailored recommendations and shopping experiences. However, achieving this level of personalization demands a solid foundation of reliable consumer information. This includes not only product data but also a deep understanding of customer preferences and behavior. To serve up reliable product recommendations or bundles, companies should focus on collecting and managing consumer data effectively, allowing them to meet the demands of today's discerning consumers.

Both of these trends underline the pivotal role of data in the retail and ecommerce sectors. Data management is evolving to not only support AI-driven solutions but also to meet the growing consumer expectation for highly personalized and tailored shopping experiences, which, in turn, relies on effective data collection and analysis.

AI-driven data management

AI plays a pivotal role in shaping data management efforts in three key ways:

- 01** Collecting and cleansing product data: You can leverage AI to accurately clean and enrich any product data, including deduplication, data extraction, and product categorization & classification, all at scale and centralized, relieving your teams from lengthy manual data work.
- 02** Generating and enriching product content: AI enables your team to quickly and easily generate ready-to-edit content, including product descriptions and product page copy that aligns with your business's tone of voice, product keywords, and character limits.
- 03** Personalizing data to new markets and geographies: With AI technology, your organization can automatically translate and localize product content to quickly and efficiently deliver product experiences that align with nuanced cultures, regulations, and languages.

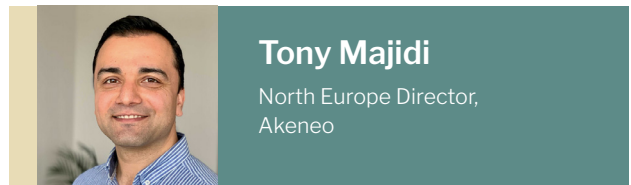
Incorporating AI into data management efforts not only streamlines processes but also empowers teams to make data-driven decisions more effectively, ensuring a seamless and personalized customer experience.

Tackling challenges in data management

Companies face significant obstacles in data cleansing and collection. Product data streams from diverse sources in various formats, making the task of creating a single, accurate, and up-to-date source of truth a formidable task. Data fragmentation can disrupt the accurate analysis and usage of information critical for marketing strategies, inventory management, and customer experiences.

Additionally, many organizations today struggle with establishing a coherent, streamlined product taxonomy and hierarchy. The digital team has a process that's different from the in-store team that's different from the social commerce team, and this lack of uniformity can lead to confusion, inefficiency, and mistakes that hinder the ability to make data-driven decisions effectively.

Addressing these challenges is vital for businesses striving to harness the power of data in today's highly competitive global market. Implementing robust data management solutions is imperative to overcome these obstacles and unlock the full potential of their data assets.



Tony Majidi

North Europe Director,
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Insights & Activation

Embracing a data-driven future

Organizations are at a crossroads where the seamless integration of customer data across various channels is not just an advantage but a necessity. We will see a significant shift in how businesses harness data, driven by the need for fluent customer experiences and the imperative to transition from traditional reporting to actionable insights.

As the digital economy braces for a cookieless future, reliance on first-party data is more important than ever. Businesses are gearing up for this change, focusing on creating comprehensive customer profiles and enhancing real-time data activation across multiple touchpoints.

This shift demands an overhaul of customer data infrastructures, urging organizations to adopt more

sophisticated, long-term solutions that can adapt to an uncertain economic climate and technological advancements. In Adobe's **2023 Digital Trends Report**, 73% of senior executives said that the focus on immediate needs had come at the cost of longer-term planning and strategy.

The disappearance of third-party cookies is not the only incentive for change. An increasing emphasis on data governance and protection, alongside ethical data usage, is shaping the future for businesses everywhere. With regulations like GDPR (General Data Protection Regulation) becoming increasingly stringent, there's a concerted effort to manage and protect customer data more diligently, ensuring compliance and fostering consumer trust.

This puts us in the right place for enhanced personalization and omnichannel customer journey orchestration. **With research indicating** significant revenue boosts and heightened customer loyalty as a result of personalization, the incentive for businesses to fine-tune their digital strategies is undeniable. Companies that “do personalization right” increase revenue by 10-15% and 25% by the real leaders. After all, a few clicks can make the difference between retaining a customer or losing them to a competitor.

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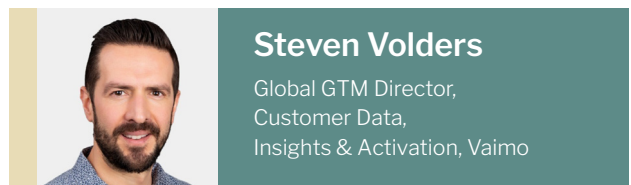
The integration of machine learning and artificial intelligence (AI) into customer data strategies is set to be a game-changer.



The integration of machine learning and artificial intelligence into customer data strategies is set to be a game-changer. The ability to predict customer behaviors and preferences not only sharpens marketing efforts but also enables businesses to stay ahead of the curve.

The journey toward a data-driven and customer-centric business model is multifaceted. It requires a comprehensive approach that spans all departments and embraces a customer journey that is fluid and consistent across touchpoints. This transformation is not a sprint but a marathon, demanding a shift in vision, organizational mindset, tools, processes, and skillsets.

The path forward is clear: a future-proof content-, product- and customer data architecture, ready for personalization at scale with transparency, data governance, the right processes and people in place, along with a steadfast commitment to optimizing the customer experience are non-negotiable. As businesses embark on this transformational journey, those who recognize the importance of a comprehensive, customer-centric data strategy will emerge as leaders in the new data-driven digital economy.



Data privacy and centralization in a post-cookie era

With the volume of data expected to double by 2026, the CDP market is expected to grow by over \$5.7 billion by the same time. Omnichannel communication is not new, yet its execution through technologies like CDPs (customer data platforms) is significant. Enterprises can build a 360-degree customer view that goes beyond traditional communication barriers. This view can engage each customer on the right channel, at the right time, with a message that resonates. As third-party cookies become obsolete in 2024, businesses are particularly keen to harness CDPs to ensure personalized customer interactions.



Adopting a CDP means a significant shift in internal business operations. The adoption of new technologies and the phasing out of outdated legacy systems will take time. The transition is not instantaneous but a strategic journey towards a unified customer profile framework.

The future belongs to those enterprises that can not only collect data but use it to communicate with each customer personally, timely, and effectively.

Looking toward 2024, we anticipate several key trends that will define customer communication:

- Centralization of data collection: By consolidating data collections into a singular, manageable point, enterprises can enforce privacy and consent rules more effectively. This will allow companies to:

- Improve the data collection for their media campaigns: By sending their conversions from server to server, and therefore bypassing the browser's tracking prevention mechanism, companies can improve the quality of what the media platform collects and therefore boost the efficiency of their campaigns.

- Centralized data collection mechanism: Companies will be able to manage the collection of data generated by the different channels in a central location, and decide which internal platforms or 3rd party provider should receive which data, when and under which conditions. This will allow them to better control consent and privacy.

- Artificial Intelligence (AI): AI, for example, in content creation (as mentioned in Chapter 2), will revolutionize personalization, allowing for delivering tailored messages without the labor-intensive processes currently in place.

- Retail media: This monetization of digital inventory allows retailers to offer quality advertising spac-

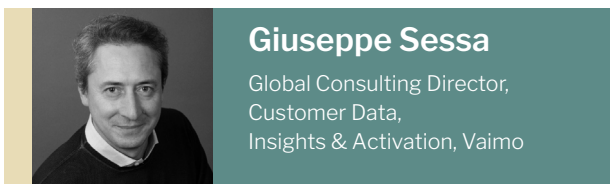
es to partners on their platforms, creating new revenue streams. This trend will necessitate technologies like CDPs and clean data rooms, facilitating audience data exchange without compromising personal details.

To stand out among competitors, companies must be skilled at developing their core technical systems and using data smartly from the start. Building flexible commerce systems that support a data-focused approach will be key.

Moving forward, clear and concise messaging around concepts is crucial, especially regarding tools like CDPs and their effectiveness in coordinating communication across multiple channels. The terminology might shift, but our aim remains constant: to develop a unified, data-driven customer experience that resonates with the company's goals. Ultimately, it's not about the label "CDP" or "CxP," but about integrating the appropriate tech stack to drive company success.

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To stand out among competitors, companies must be skilled at developing their core technical systems and using data smartly from the start.



Digital Commerce

AI and digital commerce in uncertain times

Amid a challenging year marked by overstocked inventories, companies are prioritizing the sale of excess goods to meet budgetary goals.

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If you're considering AI for your digital business, focus on where your company does things differently or faces unique challenges.

This cautious climate has shifted focus towards optimizing core business processes for efficiency rather than pursuing experimental ventures. The emphasis on boosting ROI (return on investment) persists, leading businesses to integrate AI (artificial intelligence) into key operational roles.

AI is becoming a regular part of every tool and platform, helping online businesses work smarter. To make the most of this, keep an eye on what updates vendors are making and try out new features cautiously.

If you're considering AI for your digital business, focus on where your company does things differently or faces unique challenges. For instance, B2B companies that deal with specific complexity for products that fit together, or a paint distributor wanting AI to predict what sells in specific regions.

These specialized tasks are beyond what standard AI tools can handle—they're more geared towards general use. Comparing this to the early 2000s excitement about 'Cloud' technology, it's clear that we need to be careful and thoughtful in adopting AI. It's a bit like self-driving cars—helpful but not fully autonomous yet. Achieving complete autonomy with AI involves overcoming regulatory hurdles and making sure the technology is reliable and safe without constant human oversight.

Looking ahead to 2024, AI will offer strong support for businesses, but the idea of running everything on autopilot, controlling the entire online store, prices, and content, is still a few years away. Just like the caution around early cloud solutions, we need to tread carefully as we navigate the transformative world of AI.



Henrik Feld-Jakobsen

Chief Strategy Officer,
Vaimo

Harnessing AI for enhanced digital commerce

In the short term, AI is proving to be a valuable tool for achieving operational efficiencies and cost reduction. Tasks such as content translations, generating text and images, and providing content guidance for improving underperforming content are all contributing to faster content creation processes.

As we look further into the future, AI holds the potential to transform customer experiences by delivering hyper-personalized content and more interactive conversational experiences. This evolution will significantly impact how customers engage with brands, leading to more tailored and engaging interactions.

Moreover, AI is also being explored for its potential to streamline and automate integrations between various products within a composable ecosystem. This, in turn, promises to simplify and expedite digital conversion efforts, making the integration of different technologies more efficient and user-friendly.

The rise of composable commerce

The transition to composable commerce is gaining prominence as aging traditional platforms struggle to keep pace with the evolving demands of the digital landscape. This shift is so significant that even traditional vendors are beginning to introduce, or at the very least, portray themselves as incorporating composable elements into their offerings.

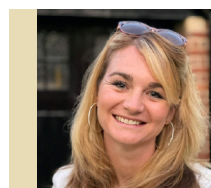
As businesses recognize the limitations of traditional systems in meeting the agile and adaptable requirements of modern commerce, the adoption of composable commerce continues to gather momentum, reshaping the way organizations approach their digital strategies.

Investment trends and challenges

Transitioning to composable commerce offerings represents a significant step forward in modern commerce. However, this shift necessitates a substantial amount of internal alignment, as it entails breaking away from the traditional mindset of commerce platforms.

Furthermore, the implementation of AI within the context of composable commerce presents its own set of challenges. AI is a learning curve, and its adoption is a novel endeavor that demands both time and effort to be executed effectively. As a result, companies must prioritize achieving internal alignment and subsequently invest in the requisite resources and products to harness the full potential of AI in composable commerce.

Significant investments are being made in the field of AI, but the outcomes of these investments remain uncertain at this stage. While there is a growing consensus that AI can be a transformative force, there is still a substantial amount of ground to cover in terms of proving its effectiveness and realizing its full potential. As these investments continue to pour in, the future of AI as a potential game-changer appears promising, but the actual impact and outcomes are yet to be fully understood and realized.



Chelsea Warrington

MACH Alliance Liaison, Partner Manager (Nordics), commercetools

Digital commerce trends in 2024

In 2024, we see ecommerce companies prioritizing great customer experiences and adaptability rather than getting bogged down in back-office tasks. They're using personalization, crafting custom front-end experiences, and tapping into AI tools to deliver more tailored customer interactions.

The AI advantage in online shopping

Search capabilities: AI takes your shopping experience up a notch with more accurate and context-aware search capabilities. By analyzing user behavior and preferences, AI algorithms can deliver highly personalized product recommendations that increase customer satisfaction and conversion rates.

Conversational shopping: Conversational shopping makes it easier for customers to find what they need. Rather than sifting through products, shoppers can engage in natural language conversations with AI-powered chatbots or voice assistants, enabling them to describe their needs and receive tailored product suggestions. With the chatbot market predicted to hit \$3.99 billion by 2030, we expect to see its usage skyrocket in the coming year.

Custom solutions: AI simplifies the development of custom solutions through AI-accelerated code generation. This technology assists businesses in creating and maintaining ecommerce platforms, automating various aspects of web development, and making it more cost-effective and efficient.



Pain points of digital commerce strategies

Choice: With the amount of choices available, choosing the right tech stack for your company is a major task, and it's easy to feel overwhelmed. We recommend focusing on a small selection of options and choosing accordingly. Trying to review every option on the market is a full-time job, so it's best to pace yourself.

Customizability: As modern ecommerce setups become more tailored, they require additional custom work on the integration and storefront side. While we hope interoperability standards between platforms emerge in the future, we recommend carefully analyzing the scope and possibilities of each project and spending adequate time in the discovery phase.

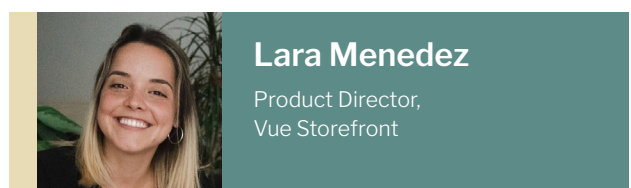
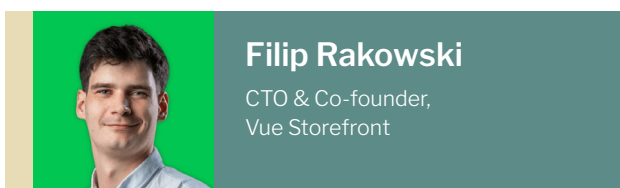
Customer experience: Companies must provide a user-friendly website or app, fast load times, responsive design, and personalized content to meet customer expectations. Sourcing the right tools and software from the onset will help you build high-quality custom experiences.

Personalization and AI: Implementing effective AI-driven personalization strategies can be a challenging task. By collecting and analyzing data to understand customer preferences and behaviors, you can make data-driven decisions to support your personalization efforts.

Strategic investments shaping the future of digital commerce

We see our customers investing in more tailored setups using MACH (microservices, API-first, cloud-native, headless) and composable architectures. Traditional ecommerce platforms are no longer the go-to solution, as companies need more flexibility and agility in their stacks. Many companies prefer API-first technologies and more scalable architectures that allow them to innovate faster.

Re-platforming is not always a good solution for them, though. This is usually a process associated with high risk, so we see many of our customers modernize their stack piece-by-piece, starting with the frontend first.





Final Thoughts

As we near 2024, the "Digital Trends Report 2024" concludes with a look back and ahead. This journey, shaped by AI growth and evolving consumer needs, emphasizes both technology's potential and the lasting value of human insight and adaptability.

Blending tech and human understanding

Our research, informed by industry experts, highlights a crucial insight: the future of digital commerce and content management relies on more than just technological advances. Success lies in seamlessly combining technology with human creativity, strategy, and insight. To unlock the full potential of AI in customer service, data management, and commerce, it's essential to prioritize human-centric values and ethics.

Adapting to post-cookie data challenges

In the wake of the post-cookie era, prioritizing data privacy, ethical usage, and effective management of first-party data is paramount for businesses. This transition, though demanding, provides a chance to forge deeper and more meaningful connections with customers. Our report underscores the intri-

capacies of handling, safeguarding, and utilizing data to improve both customer experiences and operational effectiveness.

AI: Enhancing, not replacing

In this report, AI is portrayed as a tool that complements human effort, not replaces it. Whether it's speeding up content creation, improving customer service, or streamlining data management, AI's impact is significant. However, its true strength lies in empowering human decision-makers, creators, and strategists.

Future readiness: Agility, strategy, and innovation

In digital commerce and content management, success will hinge on the ability to embrace technological progress while staying dedicated to genuine, customer-focused experiences. To address the challenges of incorporating AI, meeting shifting consumer demands, and staying ahead, a strategic approach is essential. This involves harmonizing innovation with a profound grasp of the human factors essential for success.

A canvas for innovation and human-centered design

As we wrap up this report, we encourage you to see the upcoming years as a canvas for innovation and human-centered design. The path to 2025 and beyond offers a chance to build a future where technology serves humanity, enhances experiences and strengthens relationships.

The "Digital Trends Report 2024" is just the start of an ongoing dialogue and exploration. Every decision, every customer interaction, and every tech implementation from now on is a stride toward shaping this future. Let's embark on this journey together, embracing the challenges and opportunities ahead and creating a future where digital innovation and human experience coexist harmoniously.

Acknowledgments

We extend our gratitude to the contributors who have shared their expertise and insights, enriching this report with diverse perspectives and deep industry knowledge. Their contributions have been instrumental in painting a comprehensive picture of the current and future state of digital commerce, content management, insights & activation, data management, and customer service.

Contributors

Customer Service



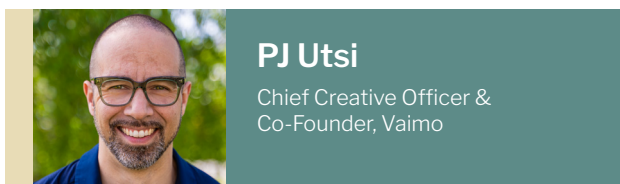
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Per is the GM for Customer support and services solutions at Vaimo. Over the past 30 years, Per has worked in different customer support and service management positions at technology companies such as Hewlett-Packard and Ericsson. He is passionate about great customer experiences.

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PJ Utsi is the Co-Founder and Chief Creative Officer of Vaimo. He is the creative engine and experience evangelist of the group and mostly orbits in and around the digital design and strategy domains. With content, commerce, design, mobile, and innovation as favorite subjects, he focuses on driving success for key Vaimo clients.



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Tommy steers Vaimo's PIM initiatives globally. With a career dedicated to finding clever solutions for clients to automate and optimize, Tommy and his team support all Vaimo country units to make sure Vaimo's PIM projects are delivered successfully. Tommy holds certifications for many leading PIM platforms.



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Tony is the North Europe Director at Akeneo, the global leader in Product Experience Management (PXM) and Product Information Management (PIM) solutions. Over the past 15 years, Tony has worked at leading technology companies such as Oracle, LinkedIn, and Box. His passion for ecommerce stems from his time as a startup founder. Tony graduated with an M.Sc. from the RSM Erasmus University Rotterdam.

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Steven is the Global Director Go To Market for the Customer Data, Insights & Activation practice at Vaimo. He has been working at the intersection of strategy, technology, and marketing for 18 years, with a focus on data for the last +12 years. He's specialized in data-driven marketing strategies and solutions.



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Guiding Vaimo's Consulting & UX division, Henrik blends strategic vision with actionable insights, driving digital transformation, CX, and business development initiatives together with a team of 75 global experts.



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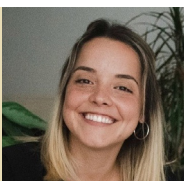
Chelsea is the partnerships lead for the Nordics at commercetools. She is a Martech and ecommerce specialist passionate about working with partners to educate the market on the benefits of MACH and composable commerce solutions.



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Filip is a technologist passionate about ecommerce, Open Source, and delightful Developer Experience. He builds developer-centric products for composable commerce and is a MACH Tech Council Member.



Lara Menedez
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Lara has been in the ecommerce space for almost ten years. She is passionate about leading product teams towards the development of customer-centric solutions. Lara is part of Women in MACH. When she is not at her desk, you can always find her enjoying a good Spanish wine.

Appendix - Legal issues

While AI (artificial intelligence) can bring great benefits in terms of efficiency and innovation, it is not without risk; both the legal landscape and legislative framework are constantly evolving to keep pace with changes in technology.

There are a number of issues that need to be taken into consideration with your choice and use of AI tools.

Intellectual Property

There are various issues that relate to AI tools and systems, but one key consideration is copyright. This may be relevant to the input data or the output.

In broad terms it is likely that the source materials and user inputs carry the greater risk (as they are more likely to be protected by copyright). There is litigation pending in various jurisdictions, with claims against some AI systems, although none of these have been determined yet. However, in addition to this, there could be issues with user inputs and whether or not they have the right to share that data with the AI solution. It's worth keeping in mind that the function of copyright is to protect original works and the creative expression of ideas against unauthorized reproduction, rather than the ideas themselves.

The terms of the AI tool may govern what a user can (or cannot) do with the output. Although it is worth noting that in most jurisdictions, including the US and EU, the outputs from AI will not be protected by copyright as some human involvement is required for copyright to subsist in computer generated work. While this might reduce the risk of infringement, it could also reduce the perceived value of the output, as that is not protected and can be freely copied by others. The situation in other territories may be different, e.g. there are specific provisions in the UK that do recognize copyright in computer generated works.

In addition to copyright, parts of the AI software and its algorithms may be protected by patent, and database rights are likely to be of huge importance in the field of AI.

Databases are typically widely defined in law, e.g. "a collection of independent works, data or other materials which are arranged in a systematic or methodical way and are individually accessible by electronic or other means." Database rights protect the database itself, rather than the data, although individual elements of data may also be subject to other protection separate from the database. Database rights do not normally protect the software that creates the database, typically that is protected by copyright, although the database could also be protected by copyright if the content and data are original works. Database rights arise where there has been a "substantial investment" in obtaining, verifying or presenting the contents of the database; this can be the investment of financial, human or technical resources. Database rights are infringed if all or a substantial part of the contents of a database are extracted or re-utilized without the consent of the owner. This includes the permanent or temporary transfer of the contents to another medium by any means or form, and making the contents of a database available to the public.

While there are some exceptions to copyright and **database rights** that allow use without the owner's consent, these are typically limited to education and new reporting, and such fair use will always be narrowly construed.

The terms of use for AI tools may be critical and they should stipulate who owns any data uploaded to the tool and who owns the feedback or results or how these can be used. Some of the things to watch out for are: (i) terms which state that any input data will be owned by the AI provider, as the user may not have the right to transfer ownership of third party data, or this may not be desirable in

the case of the user's own proprietary data; and (ii) onerous warranties and indemnities given by the user against infringement arising out of the use of the input data.

Privacy and Data Protection

Any processing of personal data through the use of AI tools needs to comply with applicable privacy and data protection law (e.g. GDPR). This includes identifying a lawful basis for processing, providing relevant processing information (e.g. in your privacy notices), obtaining and managing consent and making sure that any data transfers are lawful (a particular concern with cloud-based solutions).

As such, it is essential to review what personal data is processed by the AI tools, where it is hosted or transferred to, and who has access to it (e.g., the AI provider's sub-processors).

Confidentiality

Confidentiality also relates to input. It is always worth checking if any of the input is likely to be confidential and whether or not sharing this with the AI is a permitted disclosure (and if so, appropriate safeguards are in place).

The terms of use for the AI tool may also limit what can be done with the outputs. So these should also be considered when selecting which AI tools to use and for what purposes.

Legislation

At the time this Report was published, the EU had just **announced a provisional agreement** on the proposed Artificial Intelligence Act or AIA. **The Act** aims to regulate the use of AI in Europe and is the first of its kind in the world.

This is intended to apply to certain AI systems and directly apply to EU member states. In particular, the **proposed AIA aims** to:

- Create harmonized rules for AI systems in the EU on a risk-based approach, which would: prohibit certain AI practices that pose an unacceptable risk to the health and safety of individuals; impose specific requirements for AI systems defined as high-risk; provide transparency rules for AI systems intended to interact with natural persons; and establish mandatory requirements for high risk AI systems.
- Offer obligations to the operators, including an ex-ante conformity assessment post-market monitoring.
- Introduce significant administrative fines for non-compliance (currently drafted at levels higher than those for GDPR breaches).
- Put in place governance systems at a national and EU level.

Monitoring such changes in legislation and adopting a flexible approach to the selection and use of AI will help ensure compliance.

Further reading/listening: **The EU AI Act - A Primer, Tech Talks Legal Insights Podcast**