



# internetRETAILER<sup>®</sup>

DECEMBER 2017 | [WWW.INTERNETRETAILER.COM](http://WWW.INTERNETRETAILER.COM)

your source for e-commerce intelligence

# THE HOT 100

— THE —  
YEAR'S MOST  
*Innovative*

E-RETAILERS

# The 2018 B2B E-COMMERCE 300



The only place where you can find rankings and key metrics on the 300 companies that control nearly two-thirds of the **\$889 billion\*** U.S. B2B online market

In 2017, the B2B E-Commerce 300 will collectively sell

**\$563.65 billion**

The B2B E-Commerce 300 companies represent

**63%**

of the \$889 billion U.S. B2B online market in 2017

The 300 companies will grow their B2B e-commerce sales in 2017 by

**7.1%**

double the growth rate of the overall economy

## The B2B E-Commerce 300 is available in two formats

### Online Database & Report

Exact web sales per company, full company profiles and the analysis report

### Analysis Report

A 75-page PDF report, analyzing and ranking the leading B2B e-commerce players

[digitalcommerce360.com/b2b300/](http://digitalcommerce360.com/b2b300/)

\*A Forrester Research estimate



## 8

overview

## THINKING OUTSIDE THE BOX

Retailers large and small are changing the way they approach selling online—from how they market to consumers to how they design their sites. In doing so, they're demonstrating where the industry is headed.

BY ZAK STAMBOR

## 06 GREETINGS

How this year's Hot 100 took shape.



## THE HOT 100 | 2018

## Business Model | 12

<b>BEAN BOX</b> .....	13
Growth is no grind	
<b>BECKERTIME</b> .....	13
A trusted source	
<b>BETABRAND</b> .....	13
Cutting design time	
<b>CARVANA</b> .....	15
Death of a used-car salesman	
<b>BUILDDIRECT</b> .....	15
Branching out	
<b>BRANDLESS</b> .....	16
Keep it simple	
<b>DIA&amp;CO</b> .....	16
An underserved market	
<b>CARTER'S</b> .....	17
Getting cozy with Amazon	
<b>JD.COM</b> .....	17
Playing with big boys	
<b>HUBBLE</b> .....	19
Eyeing an opportunity	
<b>LE TOTE</b> .....	19
A sharing model	
<b>UNION STATION</b> .....	19
Say 'I Do' to renting	
<b>FANATICS</b> .....	20
The go-to destination for sports fans	
<b>FLOWERS FOR DREAMS</b> .....	20
Growing social good	
<b>HBX</b> .....	21
Knowing what's hot	
<b>PINKBLUSH MATERNITY</b> .....	21
Not just nine months	

<b>MIKMAK</b> .....	21
Let's get social	
<b>HOLLAR</b> .....	23
Your online dollar store	
<b>PATAGONIA</b> .....	23
Standing by a product	
<b>REVELRY</b> .....	24
Building trust	
<b>HELIX SLEEP</b> .....	24
Asking questions	
<b>ROTHY'S</b> .....	25
Stepping up design	
<b>TARGET</b> .....	25
Connecting the dots	
<b>YAMIBUY</b> .....	25
A taste of home	

## Content | 26

<b>FARFETCH</b> .....	27
Shared values and interests	
<b>REI</b> .....	27
Inspiring stories	
<b>WINK</b> .....	28
Videos educate	
<b>TRUE&amp;CO</b> .....	28
True to size	
<b>SAXX</b> .....	28
Details on your drawers	

## Design | 31

<b>NET-A-PORTER</b> .....	32
A glossy look and feel	
<b>CALIFIA FARMS</b> .....	32
Milking the brand	
<b>NAKIMULI</b> .....	33
Vivid, new and vintage	
<b>PIXERS</b> .....	33
Making wallpaper cool	
<b>DAVIDS TEA</b> .....	33
Passionate about tea	
<b>BEVEL</b> .....	34
Love the skin you're in	
<b>24 SEVRES</b> .....	34
Let's all just get along	
<b>DEATH WISH COFFEE</b> .....	34
In your face	
<b>JUICE BEAUTY</b> .....	35
Spurring impulse buys	
<b>CANADA GOOSE</b> .....	35
A warm welcome	
<b>SUNSKI</b> .....	35
Big, bold images	
<b>MM. LAFLEUR</b> .....	37
Professionally polished	
<b>EERO</b> .....	37
Selling the future	

## SPONSORED ARTICLES

**29** How data science helps retailers deliver exceptional customer experiences across touch points

**62** How a flexible e-commerce platform can help retailers innovate

<b>EVERLANE</b> .....	<b>38</b>
Tell a story	
<b>QUIP</b> .....	<b>38</b>
A reason to buy	
<b>SIMPLY GUM</b> .....	<b>38</b>
A simple, clean site	

## Growth | 39

<b>ADORE ME</b> .....	<b>40</b>
Filling a gap	
<b>HOUZZ</b> .....	<b>40</b>
A strong foundation	
<b>THE GOOD KITCHEN</b> .....	<b>41</b>
Staying niche	
<b>LAZADA</b> .....	<b>41</b>
Rapid growth	
<b>PARACHUTE HOME</b> .....	<b>41</b>
Beyond just bedding	
<b>ASOS</b> .....	<b>42</b>
A British invasion	
<b>POPPIN</b> .....	<b>42</b>
A colorful twist	
<b>STITCH FIX</b> .....	<b>43</b>
Pulling it together	
<b>ZUVAA</b> .....	<b>43</b>
A different style	
<b>WRIGLEYVILLE SPORTS</b> .....	<b>44</b>
Handling pressure	
<b>CHEWY</b> .....	<b>44</b>
Chewing up the competition	
<b>RENT THE RUNWAY</b> .....	<b>44</b>
A fad that won't go away	
<b>M. GEMI</b> .....	<b>45</b>
Stepping up	

## Marketing | 47

<b>BEAUTYKIND</b> .....	<b>48</b>
A fresh approach to drawing a crowd	
<b>CHEF'D</b> .....	<b>48</b>
A differentiator	
<b>CARNIVORECLUB</b> .....	<b>49</b>
Meat-eating needs	
<b>ELOQUII</b> .....	<b>49</b>
Video connections	
<b>GOPUFF</b> .....	<b>49</b>
Blunt marketing	
<b>FEAT SOCKS</b> .....	<b>50</b>
Influencing shoppers	

<b>GREATS</b> .....	<b>50</b>
Lifestyle images	
<b>SHINESTY</b> .....	<b>51</b>
Silly suits get serious	
<b>GLOSSIER</b> .....	<b>51</b>
A new face on marketing	
<b>1800GUNSANDAMMO.COM</b> .....	<b>51</b>
A different approach	
<b>IVORY ELLA</b> .....	<b>52</b>
Making money and saving elephants	
<b>TRADESY</b> .....	<b>52</b>
Targeting the bullseye	
<b>PURPLE</b> .....	<b>53</b>
Science and wrestlers	
<b>LULU'S</b> .....	<b>53</b>
Private-label play	
<b>MEH</b> .....	<b>53</b>
These products suck	
<b>LAUREN JAMES</b> .....	<b>54</b>
Going social	
<b>MODERN CITIZEN</b> .....	<b>54</b>
Simple and disciplined	
<b>LOOT CRATE</b> .....	<b>54</b>
Get your geek on	

## Omnichannel | 55

<b>ASHLEY STEWART</b> .....	<b>56</b>
Calling all divas!	
<b>FABLETICS</b> .....	<b>56</b>
Taking the offline shopping cart online	
<b>CASPER SLEEP</b> .....	<b>57</b>
Target the right partner	
<b>GRAZE</b> .....	<b>57</b>
Rapid expansion	
<b>AMERICAN EAGLE OUTFITTERS</b> .....	<b>57</b>
Move to the music	
<b>AMAZON</b> .....	<b>59</b>
A deal with major implications	
<b>GUITAR CENTER</b> .....	<b>59</b>
Hitting the right notes	

## Technology | 60

<b>WAYFAIR</b> .....	<b>61</b>
A new reality	
<b>MON PURSE</b> .....	<b>61</b>
Personalize your purse	

<b>1-800-FLOWERS.COM</b> .....	<b>63</b>
An early bloomer	
<b>BENEFIT COSMETICS</b> .....	<b>63</b>
A local focus	
<b>BOOHOO</b> .....	<b>65</b>
Nothing to cry about	
<b>ORCHARD MILE</b> .....	<b>65</b>
A personal touch	
<b>ANKER</b> .....	<b>65</b>
Listening to customers	
<b>COSABELLA</b> .....	<b>66</b>
Technology is sexy	
<b>PROPER CLOTH</b> .....	<b>66</b>
A style quiz that gets it	
<b>FRAMEBRIDGE</b> .....	<b>67</b>
Taking shipping costs to the mat	
<b>LOWE'S</b> .....	<b>67</b>
Making hardware cool	
<b>WALMART</b> .....	<b>68</b>
Many moving parts	
<b>O'NEILL</b> .....	<b>68</b>
Riding the wave	
<b>LANCÔME</b> .....	<b>69</b>
Investing in mobile	
<b>ZIVAME</b> .....	<b>69</b>
Feel comfortable	
<b>SEPHORA</b> .....	<b>70</b>
Connecting its channels	
<b>BOXED</b> .....	<b>70</b>
Robot revolution	


## FASTEST-GROWING RETAILERS:

<b>APPAREL</b> .....	<b>72</b>
The fastest-growing apparel retailers have online roots	
<b>FOOD</b> .....	<b>73</b>
Small online food merchants rack up big web sales growth	
<b>HARDWARE AND HOME IMPROVEMENT</b> .....	<b>75</b>
Store-based hardware and home improvement retailers dominate online	
<b>HEALTH AND BEAUTY</b> .....	<b>76</b>
How BeautyKind and etsy paint a pretty sales growth picture	
<b>HOME GOODS AND FURNISHINGS</b> .....	<b>78</b>
Mattress e-retailers aren't sleeping on the job	
<b>LUXURY</b> .....	<b>79</b>
Luxe shopping comes to the web	



ORACLE® + Bronto

# Marketing Tools for High-Growth Retailers



Sophisticated commerce marketing automation for increased engagement to maximize revenue opportunities.

*Award-Winning Products, Services and Support*



Toll-free US and Canada: 1-888-BRONT01 (1-888-276-6861) • [bronto.com](http://bronto.com)

# The Hot 100

What happens when you ask 17 Internet Retailer editors and researchers to name the 25 most innovative retailers?

Well, you get some consensus—plenty of us agree that Stitch Fix has created an interesting blend of technology and human intelligence, Amazon continues to transform the way consumers shop and Wayfair's technology investments are breaking new ground. But, more often than not, you get disagreements. A business model that one editor finds ground-breaking, another dubs a fad or a technology that one researcher finds cool, another finds cumbersome to use.

Hashing out those opinions takes time, which is why it takes us four months to put together the Hot 100, Internet Retailer's annual list that showcases the retailers and online marketplaces that are pushing e-commerce's boundaries. The process starts in August, when each editor and researcher submits a list of 25 or so retailer or e-commerce marketplace nominations, along with an explanation as to why each company should be featured in the Hot 100. Then we break into three teams and start the discussions. We consider all aspects of the business—from a company's business model to its marketing tactics to its site design and everything in between. Each nominee gets an up or down vote and the list begins to take shape. After the list comes together, we begin sorting the finalists into categories. This year's categories are business model, content, design, growth, marketing, omnichannel and technology.

In addition to the Hot 100 retailers, this year we're showcasing Internet Retailer's research that examines the fastest-growing retailers in some of the hottest online retail categories, such as apparel and food. Many, but not all, of those merchants are also selected as Hot 100 companies. Those features begin on page 68.

**Zak Stambor**, Editor

**Publisher:** Jack Love  
jack@verticalwebmedia.com

**CEO/President:** Molly Love Rogers  
molly@verticalwebmedia.com

**Vice President, Sales & Product Development:**  
Tom Duggan  
tduggan@verticalwebmedia.com, 312-572-6250

**Editor in Chief:** Don Davis  
don@verticalwebmedia.com

**Editor:** Zak Stambor  
zak@verticalwebmedia.com

**Editor, Technology:** Katie Evans  
katie@verticalwebmedia.com

**Managing Editor, Digital Content:** Tracy Maple  
tracy@verticalwebmedia.com

**Senior Editor:** April Berthene  
april@verticalwebmedia.com

**Associate Editor:** Matt Lindner  
mlindner@verticalwebmedia.com

**Managing Editor, B2B E-Commerce:** Paul Demery  
paul@verticalwebmedia.com

**Senior Editor, B2B E-Commerce:** Bill Briggs  
billb@verticalwebmedia.com

**Director, Research:** Stefany Zaroban  
stefany@verticalwebmedia.com

**Director, Research Strategy:** Fareeha Ali  
fareeha@verticalwebmedia.com

**Research Analysts:**  
James Melton, james@verticalwebmedia.com  
James Risley, jrisley@verticalwebmedia.com  
Jessica Young, jessica@verticalwebmedia.com

**Associate Data Analyst:** Jonathan Love  
jon@verticalwebmedia.com

**Researcher:** Joel Smith  
joel@verticalwebmedia.com

**Project Manager, Research:** Laura Berrigan  
laura@verticalwebmedia.com

**Editor and Publisher, InternetHealthManagement:**  
Mark Brohan  
mark@verticalwebmedia.com

**Editor, Live Media:** Allison Enright  
allison@verticalwebmedia.com

**Editorial Director, Conferences:** Mary Wagner  
mary@verticalwebmedia.com

**Production Director:** Thomas Chambers  
tom@verticalwebmedia.com, 312-362-9531

**Director, Marketing:** Erin Dowd  
erin@verticalwebmedia.com

**Director, Digital Content:** Farnia Ghavami  
farnia@verticalwebmedia.com

**ADVERTISING MANAGERS**  
**Midwest, Canada, International:** Cindy Wilkins  
cindy@verticalwebmedia.com, 312-572-6247

**Northeast:** Nancy Bernardini  
nancy@verticalwebmedia.com, 312-572-6276

**Southeast:** Judy Dellert  
judy@verticalwebmedia.com, 312-572-6279

**West:** Dave Cappelli  
dave@verticalwebmedia.com, 312-362-0063

**Research Sales Director:** Steve Rogers  
steve@verticalwebmedia.com, 312-572-6263

**Classifieds & Product Showcase:** Thomas Moore  
tmoore@verticalwebmedia.com, 312-946-2049



VERTICAL WEB MEDIA | **Chairman:** Jack Love | **CEO/President:** Molly Love Rogers  
**Executive Vice President:** Kurt T. Peters

## Volume 19, Number 12

Internet Retailer (ISSN 1527-7089) is published monthly by Vertical Web Media LLC, 125 S. Wacker Drive, Suite 1900, Chicago, IL 60606. Periodicals Postage Paid at Chicago, IL, and additional mailing offices. (USPS 019-477)

POSTMASTER: Send address changes to Vertical Web Media, P.O. Box 29, Congers, NY 10920. For advertising information, call 312-562-9527. Mail subscription orders or changes to Vertical Web Media, P.O. Box 29, Congers, NY 10920. For subscription information, call 800-371-1777. For editorial reprints or web rights, contact Chaz McCrobie-Quinn at 312-362-0107 or chaz@verticalwebmedia.com.

The views expressed herein may not be concurred in by editors or members of our editorial board. No part of this magazine may be reproduced in any form by microfilm, xerography, or otherwise, or incorporated into any information retrieval system, without the written permission of the copyright owner. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering financial, legal, accounting, tax or other professional service. Internet Retailer is a registered trademark used herein under license. Print subscription price: USA, U.S. possessions: \$102.95 annually. Direct any editorial inquiries, manuscripts or correspondence to Internet Retailer, 125 South Wacker Drive, Suite 1900, Chicago, IL 60606. Phone: 312-362-0107.



©Copyright 2017 Vertical Web Media LLC. All Rights Reserved.





# Your business means the world to us.

It's time to meet millions of potential new customers. With FedEx Cross Border, your checkout experience adapts with international currencies, payment options, and delivery choices.

**FedEx**<sup>®</sup>  
Cross Border



# THINKING OUTSIDE THE BOX

## Amid a retail climate in which well-known retailers

such as GameStop Corp., J.C. Penney Co. Inc. and Crocs Inc. are closing stores, Carter's Inc. is taking the opposite approach.

The children's apparel retailer opened 29 net new stores in fiscal 2017 as of the end of the third quarter, with plans to continue opening stores in the fourth quarter and next year, says Greg Fogelsong, the retailer's executive vice president, retail, marketing and growth initiatives.

"Our philosophy is centered on omnichannel," he says. "Everything we do is in the context of driving online sales and that includes the in-store experience we're delivering to customers."

**The reason is simple:** Roughly 75% of the retailer and manufacturer's direct-to-consumer customers only shop in the retailer's stores. But consumers who shop online and offline have a customer lifetime value that's roughly twice that of those who only shop one channel. Carter's is in the midst of a major push to drive consumers to shop both online and offline by rolling out services such as free shipping for online orders delivered to a store, a loyalty program that connects consumers' online and offline actions across the retailer's three brands—Carter's, OshKosh B'gosh and Skip Hop—and a revamped mobile app that seeks to serve consumers who are in a store, as well as those shopping online.

"If we can find ways to bring the channels together, that will pay off financially for our business," Fogelsong says. "It also creates a better experience for our customers."

Retailers large and small are changing the way they approach selling online—from how they market to consumers to how they design their sites. In doing so, they're demonstrating where the industry is headed.

BY ZAK STAMBOR



# THE HOT 100

Hot 100 profiles were written by Internet Retailer editors Fareeha Ali, April Berthene, Don Davis, Katie Evans, Matt Lindner, Jonathan Love, Tracy Maple, James Melton, James Risley, Zak Stambor, Jessica Young and Stefany Zaroban.

The strategy is paying off, as Carter's U.S. direct-to-consumer retail sales rose 7.7% in the third quarter thanks in large part to its e-commerce growth. The retailer and manufacturer's U.S. e-commerce sales are expected to jump roughly 25% this year, making up a little more than a quarter of its overall direct-to-consumer retail sales. And it expects its international online sales to rise 30% this year.

Carter's ability to rethink the ways that it has long operated and embrace change is why it is one of the 100 retailers and online marketplaces listed in this year's Hot 100, which highlights the companies that are at the forefront of online retail innovation. The companies included in this year's list cross a broad spectrum from young upstarts like online-only sock retailer Feat Socks to retail giants like Walmart and everything in between. While their businesses vary wildly, each has found innovative ways to address gaps in the market.

Take, for instance, U.K.-based ASOS.com Ltd., which in November rolled out a program that gives U.K. shoppers 30 days to try on any of the retailer's 85,000 products before

that doubles as a product page. That approach enables a consumer to order a bag of coffee or sign up for a subscription to receive deliveries every week, two weeks, month or two months—all without having to go to another page. Simple, right?

Organic cosmetics retailer and brand Juice Beauty similarly took a fresh look at e-commerce design by adding a simple design element—a button on each product page that allows a subscriber to add the item to her next replenishment order—to provide a significant jolt to its subscription business. To eliminate any barriers, the retailer doesn't

require a shopper to check out after clicking the button, the item is billed along with her subsequent order. Since making the change, 10% of the retailer's replenishment orders now include an added item.

Other retailers are using innovative marketing tactics to find shoppers. For

example, BeautyKind LLC last fall promoted 14 pop-up style events at Southeastern Conference football games where it gave out free water bottles and \$25 gift cards to BeautyKind.us to anyone who took a selfie at its booth and used the hashtag #beautykind on Instagram.

Roughly 18% of consumers who received a gift card later used it to make a purchase; given that BeautyKind gave out 1,000 to 3,000 gift cards per event that translates to 180 to 540 sales per event. Moreover, the retailer built brand awareness, garnering up to 1.5 million impressions on Instagram per event, says Hil Davis, the retailer's co-founder and CEO.

Still other merchants are offering consumers products that they can't get anywhere else. Take, for instance, Brandless, which launched in July as a private-label consumer packaged goods retailer with a simple, straightforward value proposition: Everything it sells is \$3. And, where it matters, its products are non-GMO, sometimes organic, fair trade, kosher, gluten free and/or no added sugar.

**While each Hot 100 business varies wildly, all of this year's nominees have found innovative ways to address gaps in the market.**

they buy them. Shoppers pay only for what they keep via payment service technology firm Klarna AB's Klarna Pay Later service.

"We are constantly looking for new ways to improve the ASOS experience for our 15.4 million customers around the world," says Nicola Thompson, global trading director for ASOS. "We know people love the option of paying later only for the things they keep."

The ASOS push to innovate is helping the fast-fashion retailer maintain a robust growth curve that led it to adjust up its sales guidance twice in 2017.

It isn't just large established brands like Carter's and ASOS that are rethinking the way that retailers operate online. Smaller, startup retailers like Death Wish Coffee, a merchant that claims to sell the world's strongest coffee, are also offering a different vision of how an e-commerce site operates.

Death Wish Coffee provides online shoppers with a simple, bold, easy-to-use e-commerce site with a home page

Because its products are unique, Brandless doesn't have to compete directly with Amazon, Walmart, Thrive Market or anyone else.

Of course, the desire for exclusive products isn't unique to Brandless. Even Amazon is on an aggressive push to sell more private-label and exclusive products. In fact, a recent report from retail analytics firm One Click Retail suggests Amazon has sold roughly \$300 million worth of its private-label goods so far this year, a 12% increase compared with last year. The bulk of those private-label sales, roughly \$250 million by One Click Retail's estimate, comes from its AmazonBasics brand. But Amazon has also been adding other lines, such as bedding and bath products that it

markets under the Pinzon name and women's apparel items it sells under the name Lark&Ro.

At the same time, Amazon has been developing relationships with manufacturers like Carter's and Calvin Klein that allow it to sell products that consumers can't get anywhere else.

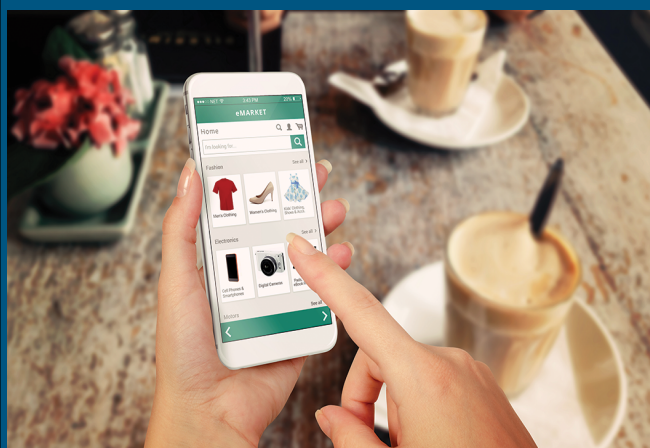
Retail is in the midst of massive changes and while the future remains uncertain, the retailers featured in this year's Hot 100 are helping to determine where e-commerce is headed next. ■

ZAK@VERTICALWEBMEDIA.COM @ZAKSTAMBORIR

## internetRETAILER®

## 2017 HOT 100 PRODUCT SHOWCASE

### Improve Your Customers' Online Shopping Experience



- Securely store customers' payment info
- Streamline payments for returning customers
- Simplify your PCI/DSS compliance

To learn more, call 1.866.437.0476  
or visit [www.authorize.net](http://www.authorize.net)

# Authorize.Net

©2017, Authorize.Net. All Rights Reserved.

# ULINE

SHIPPING SUPPLY SPECIALISTS

## WE ARE THE BOX LEADER

OVER 1,450 SIZES IN STOCK



ORDER BY 6 PM FOR  
SAME DAY SHIPPING

COMPLETE CATALOG  
**1-800-295-5510**



Mobile App Included!



# GET SHIP DONE

Import, manage and ship orders with ShipStation... the #1 choice of online sellers.

Want to get orders flying out the door? Then you need ShipStation... the #1 shipping solution for online sellers. Wherever you sell and however you ship, ShipStation is the quickest, easiest and most affordable way to get orders to your customers... guaranteed.

Get a free 30-day trial + 1 month free at  
[www.shipstation.com/ir](http://www.shipstation.com/ir)

**ShipStation**  
THE #1 CHOICE OF ONLINE SELLERS

WORKS WITH OVER 75 OF THE MOST POPULAR MARKETPLACES AND SHOPPING CARTS INCLUDING:  
MAGENTO • SHOPIFY • BIGCOMMERCE • SQUARESPACE • EBAY • AMAZON • ETSY • AND MORE!

### A model to model

It's never been more important for online retailers to offer shoppers something different.

Doing so not only takes a unique product, but often a unique business model. The retailers featured in the business model category stand out for their creative approach to e-commerce.

These retailers have carved out a niche for themselves by offering a fresh take on their merchandise categories.

Carvana, for example, is racing toward the future by selling cars online. Online car sales is a category not many retailers have test driven, but Carvana is making a go at it and has delivered cars in 48 states.

"We're very much a dealership without the brick and mortar," says co-founder Ryan Keeton.

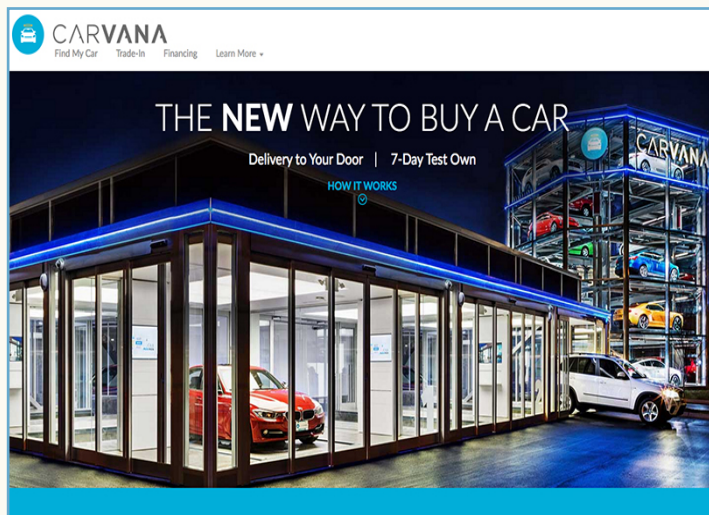
Two retailers in this category, Revelry and Union Station, are taking a fresh approach to how women shop for bridesmaid dresses.

**The retailers featured in the business model category have carved out a niche for themselves by offering a fresh take on their merchandise categories.**

Revelry sells made-to-order gowns. The retailer sends a shopper samples and fabric swatches before she purchases the dress so she can see how the fabric looks in person and how it coordinates with other wedding elements, such as the wedding gown, flowers and jewelry.

Union Station allows a bridesmaid to rent her dress, so she is not stuck with a dress she isn't going to wear again, yet had to dip into her dowry to purchase.

Speaking of clothing rentals, another hot retailer in the business model category has generated hundreds of millions



of dollars from pre-worn garments. In fact, sales at Le Tote have increased more than 100% year over year, every year since the retailer launched in 2013, and the merchant's 2017 sales projections are "well north of \$150 million," says Le Tote CEO Rakesh Tondon.

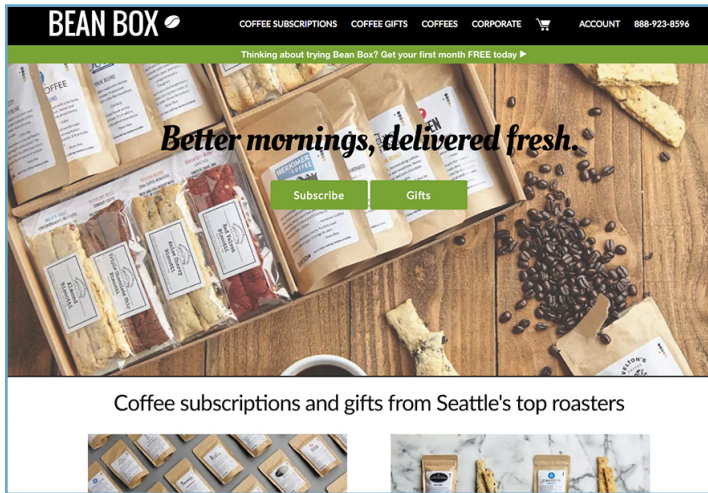
What's noteworthy about Le Tote is that Tondon was not afraid to change the retailer's business model based on how shoppers used the service. Initially, Tondon surveyed 1,000 women to see who would sign up for this type of service and what they would want to wear. Based on the results, Le Tote launched a private beta test with a group of about 1,200 women, focusing on 27- and 28-year-olds who would want a variety of "going out" apparel.

After about nine months in beta mode, the retailer determined that the majority of its shoppers sought everyday work clothes, and its customers were older than it expected—on average, they were 31- or 32-years-old. And so, Le Tote now focuses on this age group for work apparel.

Retailers, take note from these examples: Don't be afraid to shift gears if what you're doing isn't working.



## Bean Box



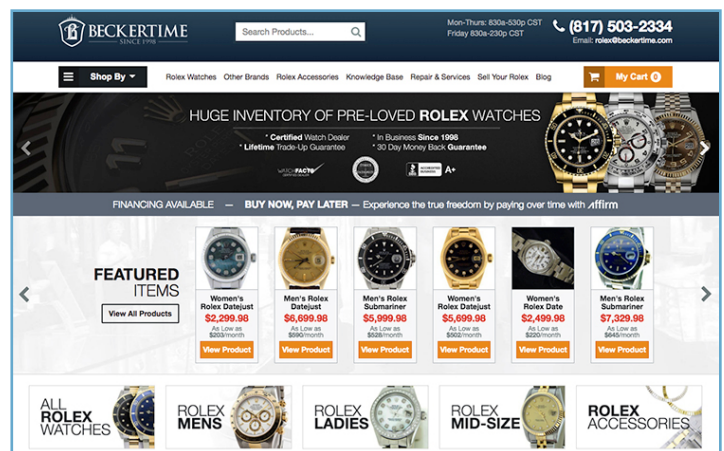
## Growth is no grind

**F**reshness reigns supreme for the operators of online coffee retailer Bean Box, which sources beans from small-batch Seattle-area roasters. The retailer ships orders within 48 hours of roasting—most of it going to customers outside of Washington state. It sells mostly from its site (80%) and on Amazon (20%), though during the holidays Amazon accounts for up to 40% of sales, says co-founder Matthew Berk. Customers can opt for monthly subscriptions that are tailored to their tastes, such as light, medium or dark roast beans; buy a sample box for three months, six months or a year; or choose from a variety of single-origin beans, blends and other coffees. 70% of its business is subscriptions.

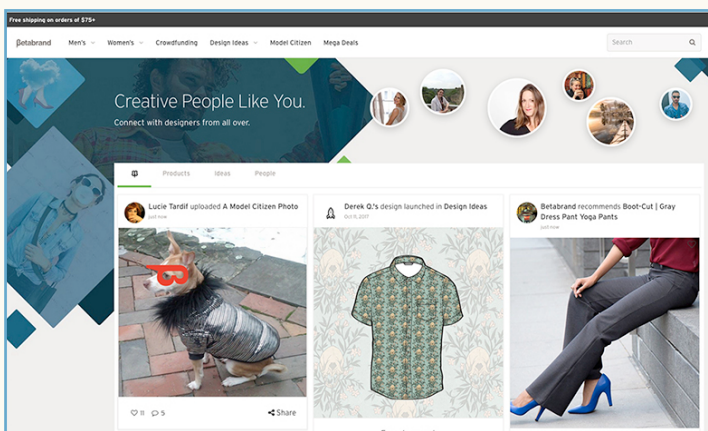
## A trusted source

**B**uilding confidence is essential when selling pre-owned Rolex watches that cost thousands of dollars. That's why Beckertime emphasizes customer service, a money-back guarantee and the fact that it's been in business since 1998. For most of that time Beckertime primarily sold on eBay, where it boasts a 100% "positive feedback" rating. "We're proud of how we treat customers," says CEO Matt Becker, who started the business with his father as a hobby. But Becker isn't standing still. He now sells on more than 30 online marketplaces, reducing his reliance on eBay with growing sales on Sears, Tradesy, True Facet, Bonanza and Scott's Marketplace.

## Beckertime



## Betabrand



## Cutting design time

**F**ashion brands waste a lot of time producing prototypes for consumer testing. Betabrand has a better idea: Get online feedback based on computer-generated product images. The online retailer has long enabled website visitors to vote on apparel and accessories concepts submitted by designers. But this year the retailer took that process a step further by showing high-quality renderings of new products, instead of actual prototypes. "If you can present a product in a beautiful, believable manner, the consumers learn everything they need to know and they just as easily buy from a rendering as a photo of a prototype," says CEO Chris Lindland.



**INTERNET RETAILER**  
CONFERENCE + EXHIBITION

**600+**  
EXHIBITORS

**200+**  
SPEAKERS

**10,000**  
TOTAL ATTENDEES

**3,100+**  
UNIQUE COMPANIES

**130+**  
CONFERENCE  
SESSIONS

**JUNE 5-8, 2018**  
**CHICAGO**

**MCCORMICK PLACE WEST**

Registration opens soon.  
Sign up to be notified when registration  
opens on [IRCE.com](http://IRCE.com).

**[irce.com](http://irce.com)**





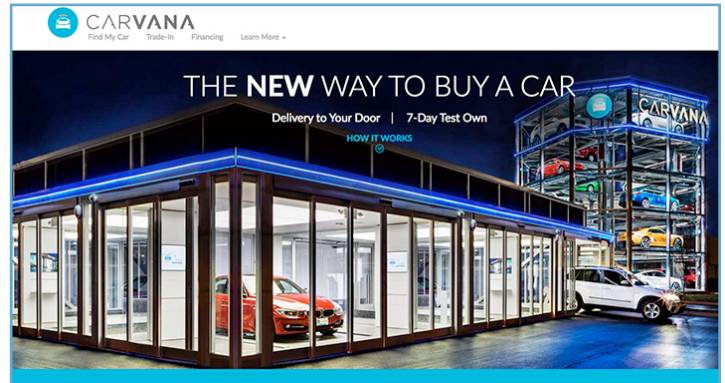
# Death of a used-car salesman

The car-buying process is notoriously frustrating, so it made sense that many early internet companies tried to ease the process with technology. But many of these services acted as digital versions of the classifieds, while other online retail product categories proliferated with details, enhanced product shots and plenty of buying options.

However, Carvana is helping cars catch up. The company brings all the standard features that shoppers have come to expect from e-commerce to used car buying. That includes everything from transparent pricing to home delivery, while also providing elements unique to car buying, such as financing and trading in your current ride.

"We're very much a dealership without the brick and mortar," says co-founder Ryan Keeton. To improve on the traditional car-buying process, Carvana invested in tools such as a 360-degree car photo booth, which is a partially automated studio setup that enables Carvana to take a picture of the entire car inside and out. The technology enables shoppers to

## Carvana



get a full view of what they're buying. Every car Carvana sells goes into the booth, which has a turntable built into the floor to easily maneuver the car for photography. On the site, users can pull up close-up images of imperfections and zoom in on interior features.

The company also performs a 150-point inspection and will not sell vehicles that have had a reported accident, that have frame or structural damage or show any sign of collision or metal work. A specs section offers details on everything from horsepower to navigation tech.

But choosing a car is only part of the process. The company also aims to make financing and trade-ins easy and transparent. Once users find a car they like, Carvana has some speedometer-like sliders that let customers dial in financing details like the terms of the loan and the down payment.

The tool helps users feel comfortable about financing online and speed through the process, Keeton says. The site boasts that nearly 70% of customers who finance their purchase use the site's tool to do so.

Delivery is the last step in the Carvana's car sales process. The company has completed deliveries across 48 states, despite operating out of just 39 markets nationwide. The delivery also means that buyers aren't restricted to cars in their area, opening up the company's catalog to appeal to more buyers.

In addition to delivery, the company also allows customers to pick up cars and even has marketing-focused car vending machines, letting users browse and buy cars to pick up on the spot. Users can drive the car for seven days to make sure they didn't get a lemon.

## BuildDirect

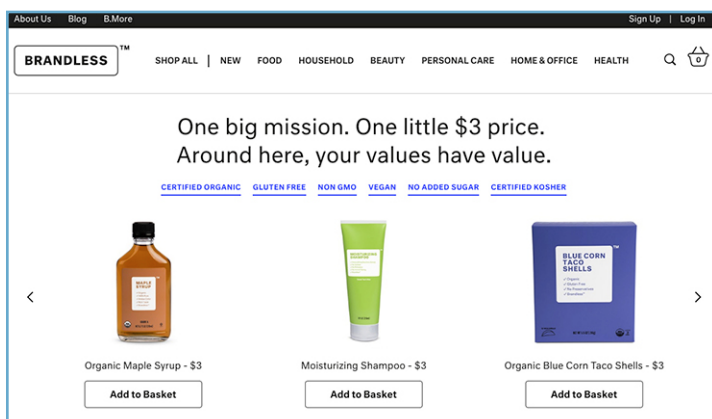


## Branching out

In the last two years, BuildDirect Technologies Inc. has evolved from a home building products retailer into an online marketplace that helps other merchants grow their businesses on the web. As its business model has changed, BuildDirect has rolled out a number of tools sellers can use to improve how they sell and ship products, says Joseph Thompson, BuildDirect's head of marketing and growth. A seller portal performance dashboard, for example, shows sellers how their products perform according to multiple demand metrics.

# Keep it simple

## Brandless



Brandless Inc. launched in July as a private-label consumer packaged goods retailer with a simple value proposition: Everything it sells—from organic extra virgin olive oil to green tea and aloe body wash—is \$3. Each item, the retailer pledges, is “bad-stuff-less and goodness-ful.” Easy enough, right?

At a time when retailers seek to differentiate themselves from Amazon, Brandless, by its very nature, does just that. To bolster its case, the retailer has coined (and trademarked) a term, “BrandTax,” which it defines as the hidden costs consumers

**VENDOR SPOTLIGHT**  
Order Management

**ShipStation®**

pay for a national brand. It estimates that the average shopper pays at least 40% more for products that are a comparable quality to the ones it sells—and in some categories, such as beauty products like face cream, that markup is up to 370% more.

“We’re here to eliminate BrandTax™ once and for all,” the retailer’s website declares. To ensure that consumers understand the message, the retailer has a team that benchmarks prices across five major online and offline retailers. It uses that information to calculate the average BrandTax for each item in its “everyday essentials” selection, which it then presents to customers on their account page.

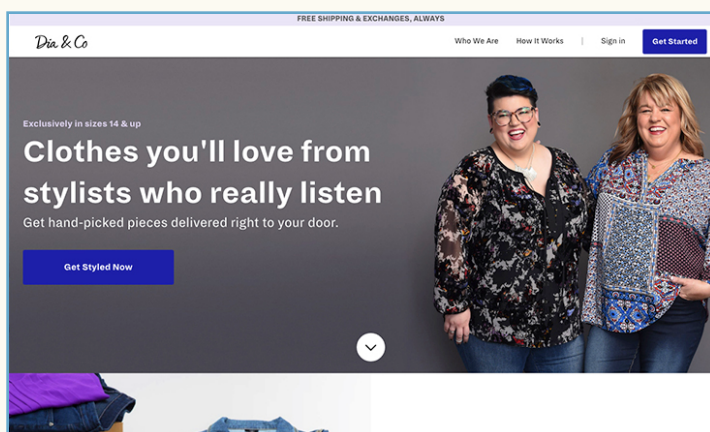
Rather than emblazon its site or its packages with a big, flashy logo, it keeps things simple. The word Brandless, in black, is surrounded by a rounded rectangle.

The retailer emphasizes that quality is key to its offerings; its products are non-GMO, sometimes organic, fair trade, kosher, gluten free and/or no added sugar. In each category, consumers can sort through the retailer’s products based on those attributes. For instance, in the site’s “food aisle” shoppers can narrow their options by certified organic, gluten free, non-GMO, vegan, no added sugar and/or certified kosher.

On the front of its packages Brandless highlights those same key attributes. For example, on the front of its vanilla cocoa granola, it notes the product is non-GMO, whole grain, with no artificial colors, flavors or artificial preservatives. On the back it includes more attributes and nutritional information.

Despite its rather muted approach, the retailer has attracted swarms of attention, with articles on its business model in the Wall Street Journal, Business Insider and elsewhere.

## Dia&Co



## An underserved market

Nadia Boujarwah, CEO and co-founder of online-only plus-sized apparel retailer Dia&Co, gets it. “I’ve always loved fashion, but struggled to find clothes that fit my body and worked with my personal style,” she writes in a note on the retailer’s website. “I’ve been everything from a size 12 to a size 22 and I couldn’t help but notice, no matter my size, that there was nothing for me.” She founded Dia&Co to offer a solution. Taking a page from Stitch Fix, shoppers fill out a questionnaire, then a stylist sends them selections that they can try on at home. They keep what they like and send the rest back.

# Getting cozy with Amazon

## Carter's



Carter Inc.'s wholesale division has long sold exclusive lines to retailers like Walmart and Target. But until this year, it had never developed a relationship with a digitally native brand. That changed in April when it added Amazon to that mix with the launch of Simple Joys by Carter's line. The line is exclusively available to members of the retail giant's Prime loyalty program. Carter's also began selling a narrow assortment of bundled items, such as a two-pack of pants, to all shoppers on Amazon, and it began selling its OshKosh B'Gosh brand on Amazon in July.

While it is still early days in the relationship, the retailer and manufacturer expects Amazon to be one of Carter's largest customers over the next five years, said Michael Casey, the company's CEO, during a recent earnings call. Already the brand's sales on Amazon are generating "great growth week over week," says Julie D'Emilio, executive vice president of sales.

It took about five years for the Carter's and Amazon agreement to come together, in part because Carter's didn't want to disrupt its wholesale division that's been growing 25% to 30% online every year.

But over the past year, Carter's realized it couldn't put off working with Amazon much longer—particularly since third-party sellers were already selling Carter's products on the site, D'Emilio says.

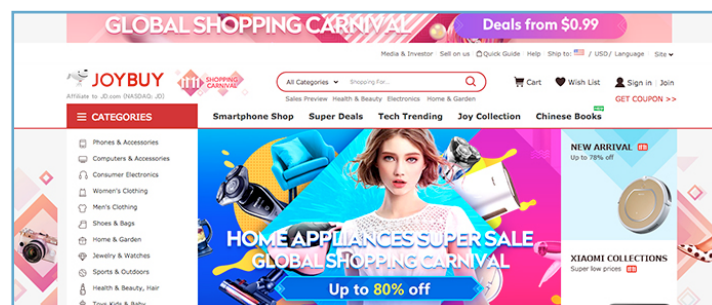
"Amazon is where people are searching for products," she says, pointing to a 2016 Bloomreach survey that found 55% of consumers use Amazon as their primary source when searching for products online (a December 2016 Internet

Retailer survey similarly found that 52.5% of adult online shoppers start their searches on Amazon).

To mitigate its existing wholesale customers' concerns about Carter's working with Amazon, the manufacturer differentiated the products it sells on the retail giant's site by offering unique product bundles and Simple Joys by Carter's, which aims to appeal to millennial shoppers looking for a "modern and fresh" look, D'Emilio says.

Carter's was initially concerned about Simple Joys only being available to Prime members. But recent data, such as an October estimate by securities research firm Consumer Intelligence Research Partners that Amazon had 90 million Prime members as of Sept. 30, helped relieve any anxiety, she says. "We believe Prime is the growth path for Amazon and this large base of loyal customers are who we want to reach," D'Emilio says.

## JD.com



## Playing with big boys

Amazon, Walmart and Alibaba are battling for global retail supremacy, and JD.com Inc. is a powerful ally for Wal-Mart Stores Inc., which owns a stake in China's No. 2 e-retail company. JD Daojia, the online retailer's fresh food delivery service, uses Walmart stores in China to fulfill orders, often within an hour. JD also has partnered with Baidu, China's leading search engine. Consumers browsing for products on Baidu's search app can be sent directly to a special section of the app to buy products from JD.com. JD, meanwhile, invested \$397 million in U.K. luxury e-retailer Farfetch, opening a pipeline to the prestigious Western brands Chinese web shoppers covet.



# CAKE & ARROW

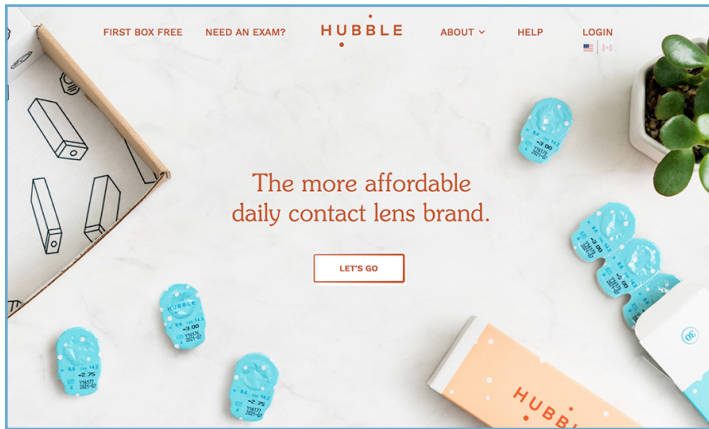


**We design customer experiences that reinvent your business.**

The retail industry is undergoing a vast transformation. Brick and mortar sales will be increasingly empowered through digital-supported customer experiences that will happen everywhere, and for every individual. Prospects. Policyholders. Customers. Employees. Pets. Everybody. How can our customer experience agency help you?



## Hubble



## Eyeing an opportunity

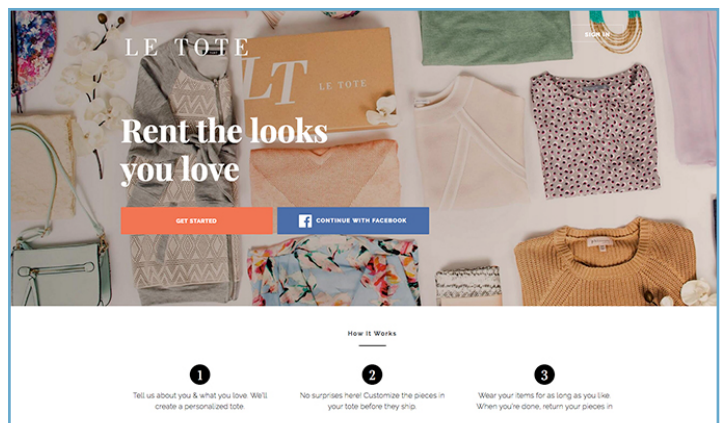
Hubble aims to upend the contact lens market in much the same way that Warby Parker has done so for eyeglasses. The market is ripe for disruption, Hubble says, given that four contact lens manufacturers control about 95% of the U.S. contact lens market and, without much competition, they've set prices higher than needed. Hubble sells a month's supply of daily contacts for \$30. To get started, consumers visit the Hubble site and enter their location to find a doctor in their area that works with Hubble. After getting an exam and a fitting for Hubble contacts, consumers can then order their contacts via the site. A customer's first box of contacts is free. Investors have bought into the business model, as Hubble has raised \$33.7 million, according to Crunchbase.

## A sharing model

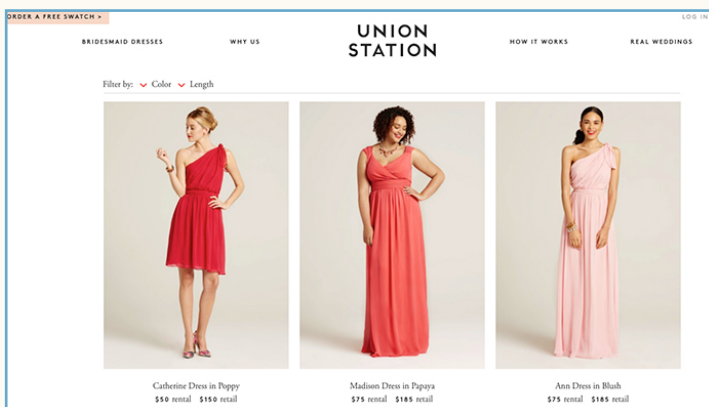
The inspiration for web-only retailer Le Tote Inc. came to CEO Rakesh Tondon while watching his pregnant wife share maternity clothes with her friends. Tondon realized many women share clothes, and launched Le Tote as an apparel rental subscription service. A shopper pays a fee every month and Le Tote mails her a box of five pre-worn garments that she selected online (Le Tote provides recommendations). She can wear the items as many times as she wants in the month before returning the box.

Today, the retailer has hundreds of thousands of customers and Le Tote's 2017 sales projections are "well north of \$150 million," Tondon says. Sales have grown 100%-150% year over year, every year since the retailer's 2013 launch.

## Le Tote



## Union Station

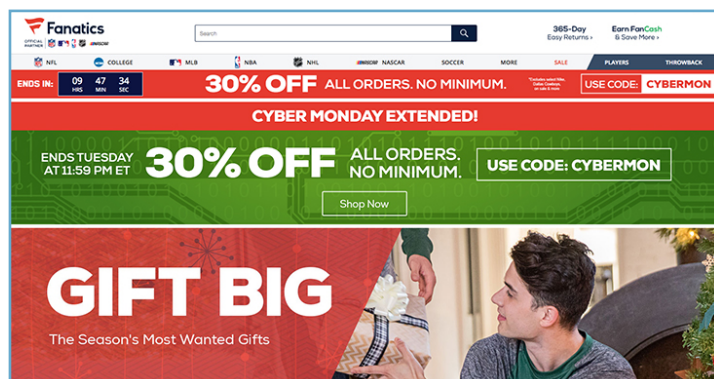


## Say 'I Do' to renting

It's hard to select a bridesmaid dress that looks good on five different women, which is why women typically end up buying an expensive dress they never wear again. After experiencing this herself, Corie Hardee decided to launch bridesmaid rental service Union Station Inc. in 2012. The e-retailer allows brides to select a dress that bridesmaids can rent for \$60-\$75. The bridesmaid selects two sizes and receives the dresses two weeks before the wedding. After she wears it, she returns it in the pre-paid packaging and Union Station dry-cleans it.

# The go-to destination for sports fans

## Fanatics



Omnichannel apparel retailer Fanatics Inc. has become the go-to destination for sports fans throughout North America. That's thanks to the retailer's unique approach; it has secured relationships with every major sports league in the U.S. and Canada, operating the online stores for Major League Baseball, the NBA and NASCAR, among others. In April, the retailer acquired the rights to VF Corp.'s licensed sports group, which includes licensed sports apparel manufacturer Majestic, for \$225 million.

And major players in the financial and retail space are taking notice. Fanatics earlier this year closed a \$1 billion funding round led by Japanese firm SoftBank Group Corp.

Chief financial officer Lauren Levitan attributes the company's strong sales—it generated \$1.613 billion in online sales last year, according to Internet Retailer estimates—to its vertically integrated approach; it produces a significant number of the products that it sells and is able to capitalize on a major event such as a team winning a title within minutes of that happening.

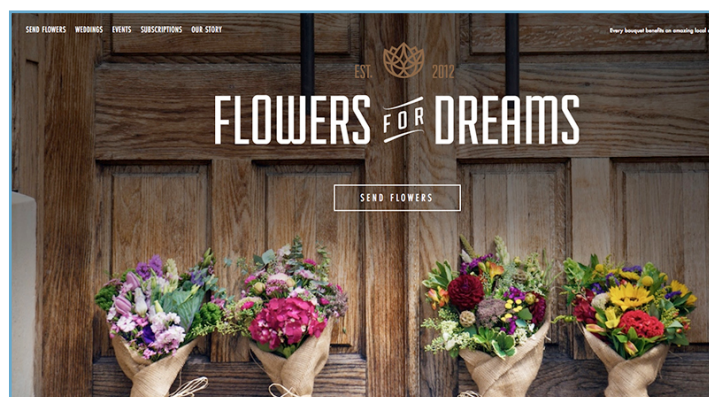
"We don't have to wait for someone else to design the product and capitalize on a moment or an event," she says. "That's what e-commerce is all about, is being able to have an agile and timely response. That's what fans want."

Fanatics also operates stores, including the in-stadium shops for NHL's San Jose Sharks, the NFL's Arizona Cardinals and MLB's Pittsburgh Pirates. Those physical locations have helped drive the retailer's growth, Levitan says.

Having established a sizable audience in North America, Fanatics is now expanding globally. The retailer recently launched a dual language online store for the National Hockey League in Canada that allows shoppers to peruse NHL products in both English and French. Fanatics also acquired online U.K. soccer gear retailer Kitbag last year to accelerate its international expansion into Europe.

As e-commerce grows increasingly competitive, Levitan says Fanatics knows that it needs to continue to innovate to remain relevant. "The e-commerce landscape is dominated by Amazon and we know it's a challenge to stay competitive," she says. "You can't just be selling other people's products. You have to differentiate yourself. We believe we do by being vertical, omnichannel and on demand and responding to the needs of our customers."

## Flowers For Dreams

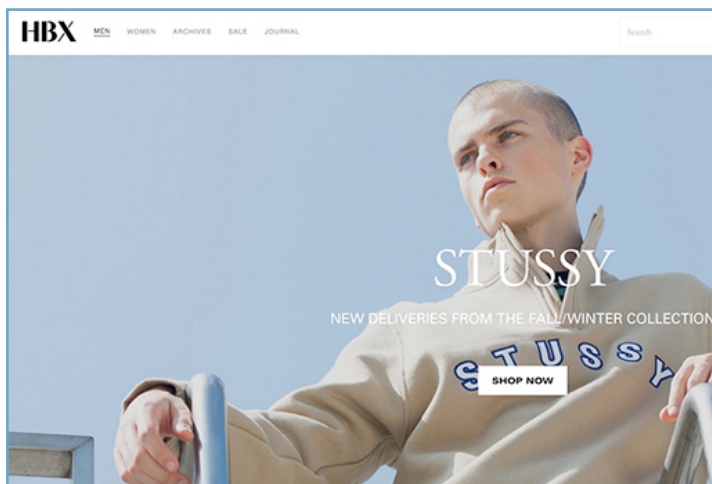


## Growing social good

From shoes to glasses to mattresses, e-commerce startups often use a social component to make you feel good about your purchase. Flowers, a purchase often made to brighten someone's day, made an obvious fit for a company looking to do social good. Flowers For Dreams, which operates in Chicago and Milwaukee, offers locally crafted bouquets and donates 25% of its profits to various local charities, which change each month. Flowers for Dreams also delivers for free, often by bike, with handwritten cards on each bouquet. Subscriptions are available, and the company can service events and weddings as well.



## HBX



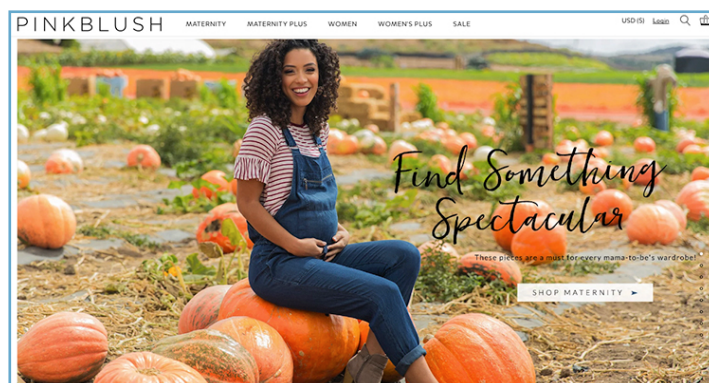
## Knowing what's hot

If a news website already has a large audience of consumers visiting it to find out the hottest fashion trends, it makes sense to start selling the garments. Such is the idea behind HBX.com, which sells 200 contemporary and streetwear brands, and is owned by online fashion site Hypebeast.com. The two sites work together. For instance, HBX can leverage Hypebeast's data to stock inventory based on trends it sees from the articles consumers read on Hypebeast.com. In fact, 30% of HBX.com's traffic comes from referrals, and of that, Hypebeast.com generated nearly 80% of HBX.com's referral traffic in the past six months, according to web measurement SimilarWeb Ltd.

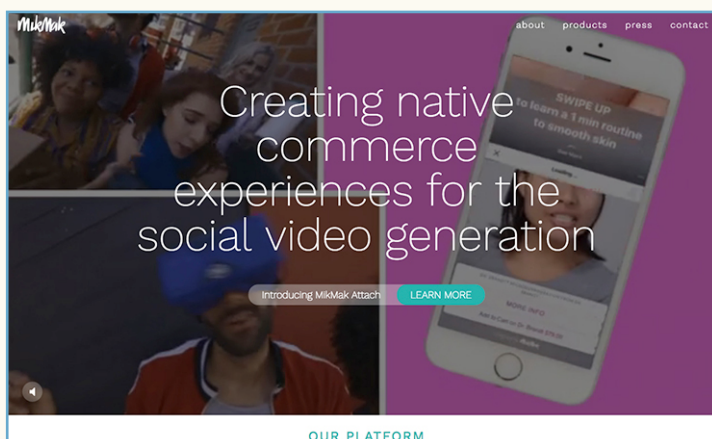
## Not just nine months

Being pregnant doesn't mean women have to abandon their desire to be fashionable and comfortable, and the striking photos of moms-to-be wearing clothes from PinkBlush Maternity aim to show shoppers that PinkBlush can help them look good throughout their pregnancy. The online-only retailer also features a curated, aesthetically beautiful feed of shoppable Instagram images with #PrettyinPinkBlush. It also offers stylist assistance to help women figure out how to dress as their bodies change with pregnancy and after the baby arrives. Stylists offer suggestions on trimester-specific clothing, nursing essentials, date night looks, plus tips on sizing and fit. Shoppers can fill out a form to email their questions to a stylist or reach out via phone from 7 a.m. to 6 p.m. Pacific time.

## PinkBlush Maternity



## MikMak



## Let's get social

MikMak wants to turn Instagram and Snapchat stories into dollars. "We want to make social video commerce always on for brands," says founder and CEO Rachel Tipograph, a former director at Gap Inc. Its flagship product, MikMak Attach, integrates with both video-sharing mobile social platforms to make stories shoppable. "Once MikMak Attach is loaded, nearly 14% of users add the product in a story to their cart," she says. The retailer's mission in 2018 is to make the social video shopper the next great shopper, she says. MikMak has grown by 100% every year since its 2015 launch.

americaneagle.com

# Turn your website into a revenue generating machine!

- ✓ Increase Website Traffic
- ✓ Responsive Design
- ✓ Easy Checkout
- ✓ Digital Marketing for Customer Engagement / Repeat Customers
- ✓ Premium, Personal Shopping Experience
- ✓ Optimized, Secure Hosting
- ✓ Overall Efficiency with Seamless Integrations on all major platforms



[WWW.AMERICANEAGLE.COM](http://WWW.AMERICANEAGLE.COM) / IRCONTACT

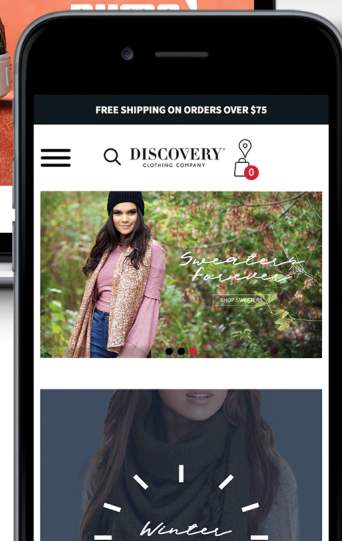
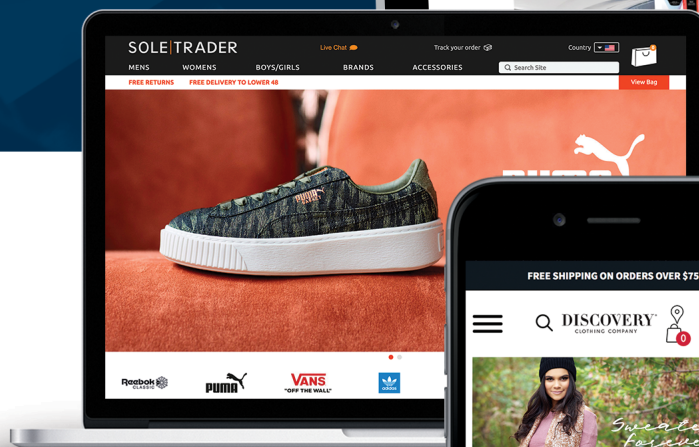
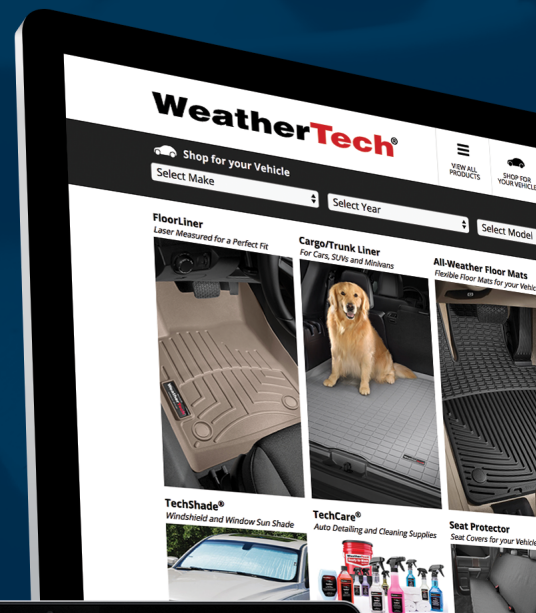
## Web Design & Development

Ecommerce • Digital Strategy • Mobile  
Hosting & Security • Integration • A/B Testing  
SEO • Post-Launch Support

877.932.6691



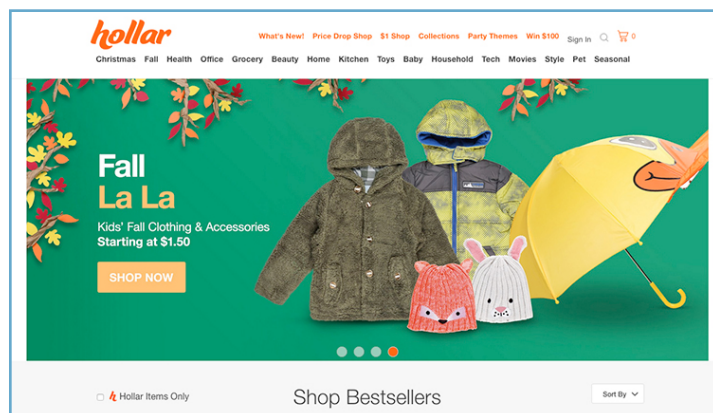
americaneagle.com





# Your online dollar store

## Hollar



**H**ollar.com was born out of a simple question: Why are few dollar stores online? Hollar, which launched in late 2015, aims to fill that void, says Thanh Khuu, the retailer's chief technology officer, president and co-founder.

Khuu, the former chief technology officer at ShoeDazzle, along with other executives from well-known brands including The Honest Co. and 99 Cent store, worked together to launch the site.

"The founding team is all entrepreneurs in L.A. space," Khuu says. "The timing just worked in everyone's career path." Khuu and his colleagues set the bar high for Hollar from the get-go: They gave themselves 100 days to launch. In that time, the slim staff handled inventory sourcing, building the site and mobile app and warehousing, Khuu says.

The company, which has raised \$47 million, has been on a fast-growing ride ever since. Khuu attributes growth to three main factors: First is consumers' rapid adoption of mobile devices. Less affluent consumers who don't have a computer but use their mobile phones to go online are a big part of Hollar's customer base. 70% of traffic is to its mobile app, Khuu says.

"Mobile opens up a broader audience than was possible 10 years ago," Khuu says. Second, Khuu believes value shopping is not as taboo as it once was. "Finding a good deal is now a badge of honor," he says. "Post-recession, there's a more value-conscious shopper."

Third is that Hollar is been one of the first to market itself as a web-based dollar store. "No one has done this at scale to date," Khuu says.

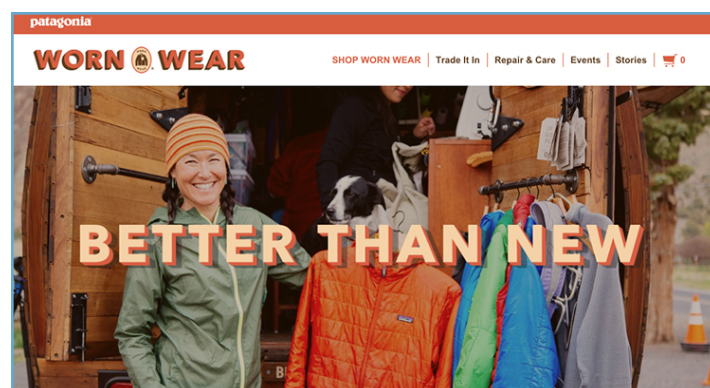
Until recently, Hollar sourced and owned all its own items. That included working with vendors in Los Angeles to buy branded goods such as Dove, Mattel and Disney products at a steep discount, direct sourcing from China and launching its own private-label lines of some kitchen, toys and houseware goods. But the retailer's business model is evolving. In July, Hollar launched an online marketplace that allows outside merchants to sell products on Hollar.

### VENDOR SPOTLIGHT

Email Marketing

**ORACLE® + Bronto**

## Patagonia



## Standing by a product

**I**n retail, the quality of a product can be king. That's especially evident in Patagonia's Worn Wear program, which allows customers to trade in their used Patagonia outerwear and other gear in physical stores in exchange for credit toward another purchase. As of September, shoppers can purchase these used items at a discount online at WornWear.com—an offshoot of Patagonia's flagship e-commerce site that's dedicated to the resale and repair of used items. Patagonia touts the program as being part of a company-wide effort to reduce consumption and waste.

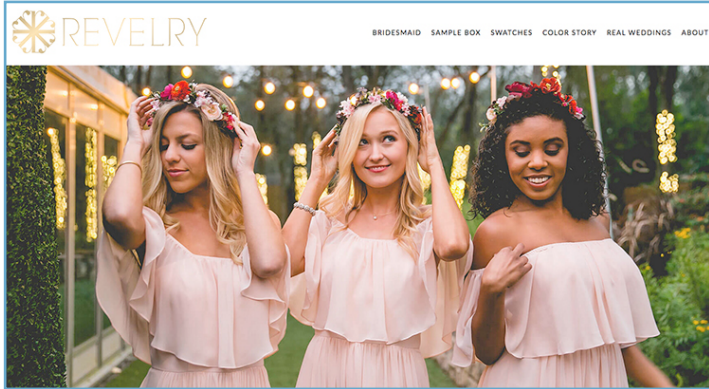
### VENDOR SPOTLIGHT

Affiliate Marketing

**AvantLink**

# Building trust

## Revelry



Buying one of the most visual aspects of a wedding ceremony online requires some trust. That's why online made-to-order bridesmaid dress and separates retailer Revelry takes a multipronged approach to put brides at ease.

The first trust-building measure is a swatch sample. With more than 75 colors and fabrics available, it can be hard to spot the difference between blues on screen. The swatches let shoppers see the fabric in person, and against other important elements like the wedding gown and floral arrangements.

Next, sample dresses can be ordered to double-check styles. These include three or more style and fabric combinations for brides and bridesmaids to inspect. Founder Michelle DeLoach says that there's a very high conversion rate for shoppers who

receive a sample box. "People are shocked when they get the products," DeLoach says.

Social media and blogging also help Revelry build trust with customers. The company's Real Weddings series highlights how brides picked dresses and how they looked in various venues. The company's social media also features real wedding shots. DeLoach says that the social aspect is where Revelry really pulls ahead of most traditional bridal boutiques.

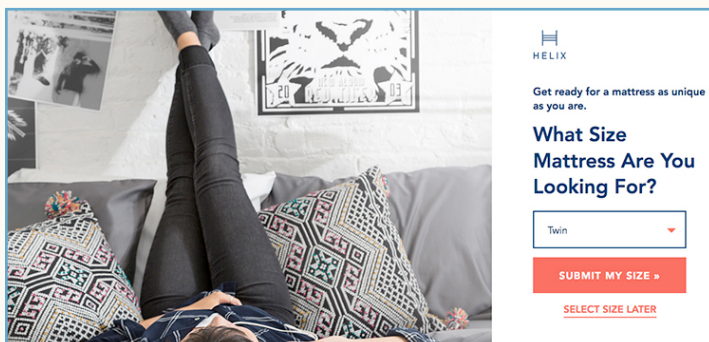
"Pinterest is the way that people shop for weddings," she says. "Girls are making wedding Pinterest boards when they're 16 that they use up through their wedding day."

DeLoach says social media can also help prevent designers and brides from being ripped off. She has seen overseas companies stealing photos and producing knock-off dresses of inferior quality. By staying active on social networks, including interacting with customers and providing promotional deals, DeLoach says consumers can see that Revelry is legitimate.

However, getting consumers to trust an online brand is only half the battle. Revelry also stands out by providing made-to-order dresses and separates. That gives brides more to choose from, which it believes helps it appeal to a larger variety of customers. For example, the company is one of the few that offers garments up to size 32 and in varying lengths, ensuring that a wide range of bridesmaids can wear matching outfits. Being made-to-order also lets the company keep up with trends easily, since it has limited stock on hand.

Next year the retailer plans to double its available bridesmaid styles to 70, in addition to launching a bridal line to bring the same made-to-order dresses to brides as it offers to bridesmaids.

## Helix Sleep



## Asking questions

Do you toss and turn at night? Wake up with pain? Those are two of the questions Helix Sleep asks shoppers before it attempts to sell them a mattress. Unlike most of its competitors, Helix sells customized mattresses created based on a series of online questions. It also uses a hybrid design that incorporates both foam and inner springs, while most competitors use foam only. Targeted advertising is key to the retailer's success, says Lindsey James, Helix's brand manager, noting Helix advertises on more than 70 podcasts. "A lot of those podcasts have small audiences, but they have really engaged audiences," James says. That translates into high conversion rates.

### VENDOR SPOTLIGHT

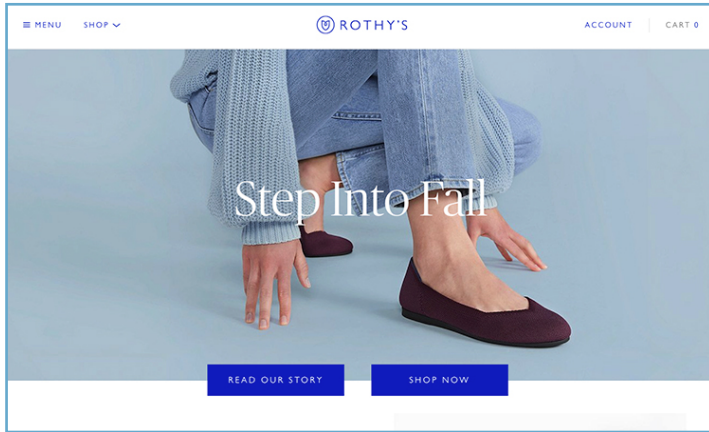
Email Marketing

ORACLE + Bronto



# Stepping up design

## Rothy's



Rothy's sells shoes designed to be comfortable, fashionable and environmentally friendly. The idea for its shoes came from what its founders saw as a fashion emergency that desperately needed to be addressed, according to the retailer's website.

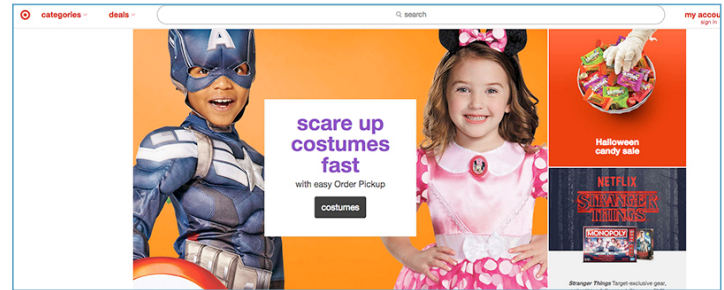
"After many years living and style-watching in San Francisco, and seeing the flip-flop and sneaker epidemic reach critical proportions," the website says, "we arrived at the idea of Rothy's."

But CEO Stephen Hawthornthwaite and Roth Martin, chief creative officer, wanted to do more than just make San Francisco's feet more fashionable. They also sought to create a brand that was environmentally friendly. So, they created a woven shoe made from recycled water bottles. Rothy's claims that its knitting process produces a breathable upper with no seams that won't lose shape and wicks away moisture. Rothy's says its shoes are "soft like a sock," machine washable and recyclable.

The shoes, which are sold only on the Rothy's website, come in two basic styles: a flat with a rounded toe and one with a pointed toe, which sell for \$125 and \$145 respectively. Uppers are made in about 20 patterns. Taking its environmental friendliness to another level, Rothy's encourages its customers to recycle the packaging and the shoes themselves. When a pair of Rothy's wears out, the company encourages its customers send them to its own recycling facility.

The company makes its shoes in China, where 100 employees work in a 65,000-square-foot factory that it owns.

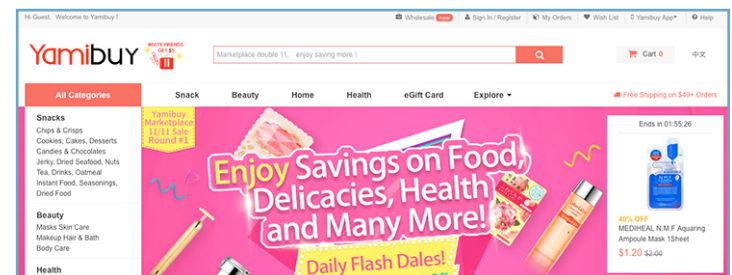
## Target



## Connecting the dots

Target Corp., like a lot of its store-based competitors, is going all-in on omnichannel. But its embrace of merchandise from digitally native merchants brings its commitment to the e-commerce zeitgeist to a new level. Earlier this year, Target invested in online mattress seller Casper Sleep Inc. and started selling Casper products in its stores. Other goods from e-retailers now found in Target stores include shaving products from Harry's Inc. and pet products from BarkBox. Meanwhile, Target says 95% of online orders this holiday season will be available for shoppers to pick up in a store within an hour of the order being placed.

## Yamibuy



## A taste of home

There are about 21 million Asian-Americans, and food seller Yamibuy is targeting all of them. The retailer sells authentic Asian food products sought by Asian immigrants and others who want items like hot sauces from China or snacks from Japan that can be hard to find in the United States. The company's inventory has also expanded to other categories, including electronics and cosmetics. The retailer, which expects to reach \$100 million in U.S. online sales this year, plans to expand to Canada and Europe, says Alex Zhou, Yamibuy's founder and CEO.

# Kicking up content

It isn't enough for web merchants to attract consumers to their e-commerce sites, they also need them to stay and poke around their sites. Ideally, they'll convince shoppers to become loyal customers who return to their sites time and again.

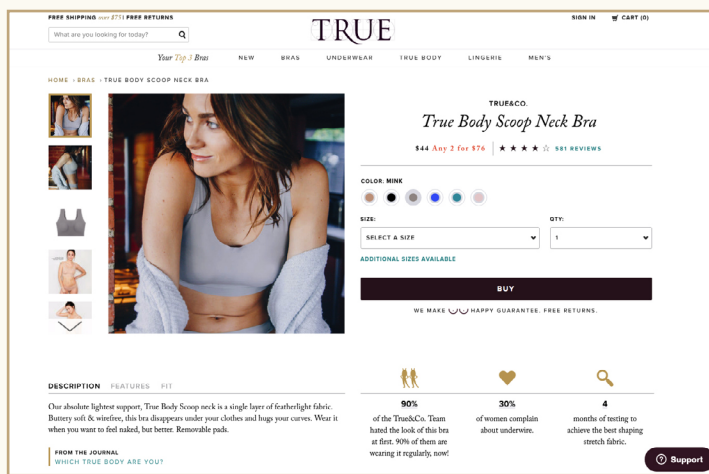
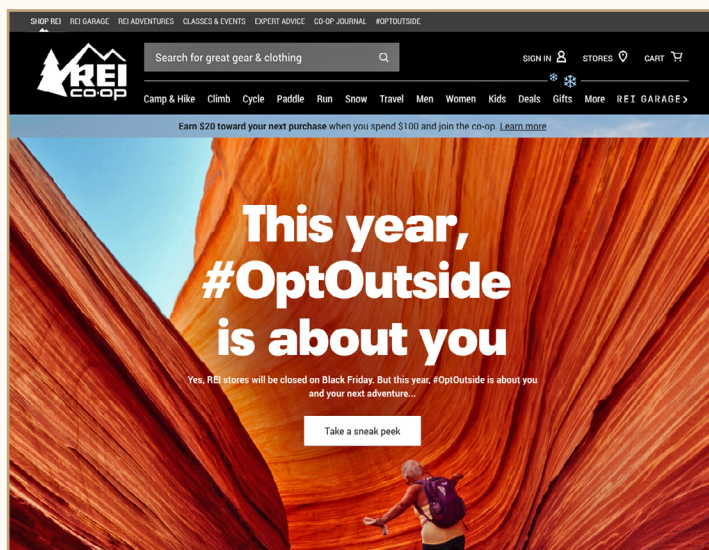
The Hot 100 online retailers featured in the content category go beyond simply presenting shoppers with a chance to buy. They provide details about their products and how they're made, and they create communities via blogs, fan forums, shared social media posts from customers or event listings.

For instance, online smart-home products retailer Wink uses videos to explain to shoppers how a smart home works, as well as to illustrate how consumers can operate and manage a connected home.

Other retailers, such as outdoor gear retailer REI, use content to help position their brand. REI features advice from experts on outdoor activities, as well as a dedicated tab for its #OptOutside campaign that encourages people to get outside on Black Friday. For three years the retailer has closed its stores, scaled back its web staff and given employees a paid day off on what's typically the year's busiest day in retail. In 2017, REI created a library of #OptOutside photos from Instagram and added information about location in the images, such as hiking trails.

At Saxx Underwear, shoppers don't just view photos of men's boxers, briefs and tights from multiple angles, they are privy to detailed information about its patented "BallPark Pouch" construction, why each pair has "Flat Out Seams" and why Saxx chooses the materials it uses. The undergarments, born after a fishing trip that left founder Trent Kitsch chafing, are front and center, but the site also features pages and videos with brand ambassadors that include Chicago Cubs pitcher Jake Arrieta and rally driver Ken Block.

True&Co. is all about match making: for women and their bras. The retailer focuses on comfort and fit with a five-minute quiz for shoppers that generates three bra suggestions based on



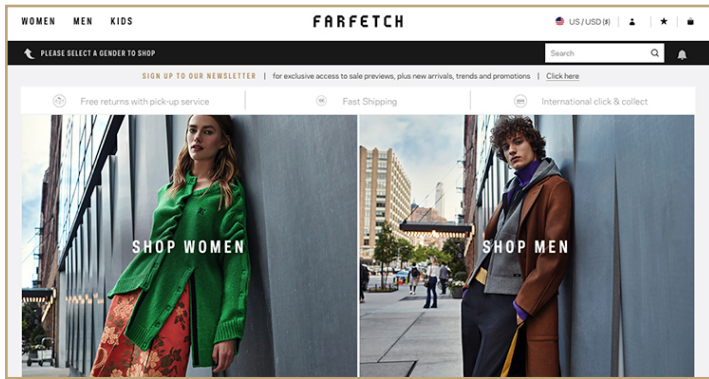
their answers. "Underneath it All" is blog tagged as the Journal by the Girls at True&Co., and it tells stories about new products, fit frustrations and even how most staffers initially "hated" the company's signature True Body bra.

Rich content not only provides shoppers with information about a brand and its products, it can also help brands build relationships.



# Shared values and interests

## Farfetch



Luxury online retailer Farfetch UK Ltd. knows its fashion-forward clientele has discerning taste when it comes to the sites they visit, and the clothes they wear.

“Inspirational content is a natural and important part of any luxury customer’s shopping experience; customers want to feel connected,” says Stephanie Phair, the retailer’s chief strategy officer. “They want something that relates to their own values and interests.”

With that in mind, Farfetch has designed a website that has the feel of a luxury magazine rather than an e-commerce site complete with an editorial section that features interviews with high-end designers such as Stella McCartney and articles detailing the hottest things to see and do in a given month.

“We have an amazing in-house editorial and design team that handles everything from the creative direction of the photoshoots you see on site, home page layouts and writing features and content,” she says.

Farfetch expanded its editorial push over the summer when it acquired the rights to the Style.com domain name from magazine publisher Conde Nast, which counts the likes of Vogue, Allure and GQ among its print magazine portfolio. The Style.com URL now automatically redirects to Farfetch’s website and, as part of the deal, Conde Nast staff provide content for Farfetch.

Phair says the acquisition was made, in part, because of increasing competition for shoppers’ attention.

“We live in a digital world where people are choosing to consume through multiple channels—print, online sites,

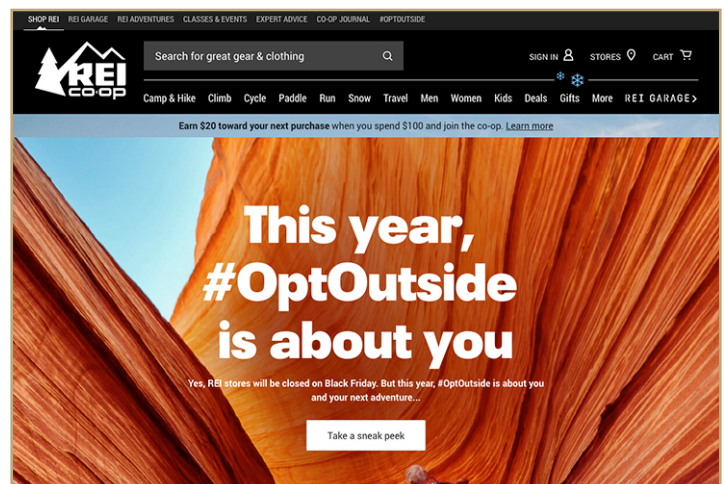
social networks—and more customers are heading online to consume content,” she says. “This partnership for us is a natural step in our approach to commerce and our strategic vision to connect those who create fashion, curate fashion and develop fashion content.”

Now, Farfetch is targeting Asia for the next phase of its growth. Chinese online retailer JD.com invested \$397 million in Farfetch in June, which the retailer will use to build its brand in China.

## Inspiring stories

Outdoor gear retailer REI knows that many of its members (the retailer has a co-op model) and customers share its sentiment that a “life outdoors is a life well lived.” That’s why REI.com not only sells all the camping, hiking and biking gear someone would ever need, it also features articles on everything from how to choose bike wheels to budget travel tips. That’s also why its “Co-op Journal” section features a slew of inspiring stories, including short films, such as “La Cumbre,” which examines how an Ecuadorian native who lost her leg to cancer at age 38, became a mountaineer.

## REI



**VENDOR SPOTLIGHT**  
Affiliate Marketing



## Wink



## Videos educate

Online smart home products retailer Wink aims for its marketing videos to get shoppers thinking about bringing Wink products into their homes. “The smart home is a new category,” says Matt McGovren, Wink’s vice president of marketing and partnerships. “People aren’t quite sure what it means and how it fits into their lives. Video gives us a chance to showcase how smart products can work together.”

That’s why a video that aims to demystify the concept of a smart home greets consumers who visit the retailer’s e-commerce site and why it features videos throughout its site. Visitors to the site see how real-life Wink customers use their smart home products to accomplish tasks such as adjusting the thermostat.

The idea, McGovren says, is to show a Wink.com visitor how an investment in smart home products can make her life easier.

“Most people want the benefits of a smart home but they think it might be too complicated,” he says. “Short-form video content can help cut through those barriers and show that this technology is for everyone.”

McGovren says Wink produces some of its videos in house and works with contractors outside the business for others.

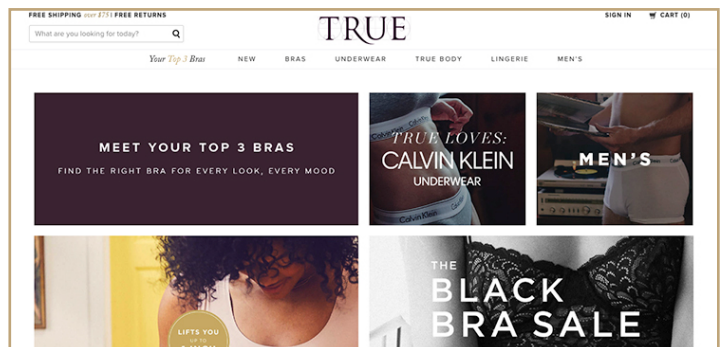
The retailer doesn’t release sales figures, but McGovern says Wink is focusing on getting to know its customers better.

The first products new customers typically buy from Wink are smart lightbulbs, he says. Wink wants to better grasp what leads a customer to make a subsequent purchase. “Understanding that behavior process end to end is critical,” McGovren says.

## True to size

Bra retailer True&Co. wants to ensure its bras truly fit. That’s why each product detail page highlights the bra’s features, what problem it solves and a fact about the product’s development. For example, the “True Body Scoop Neck Bra” is geared to consumers with narrow shoulders and straps that often slip. It took four months of testing to achieve the best stretch fabric for this bra.

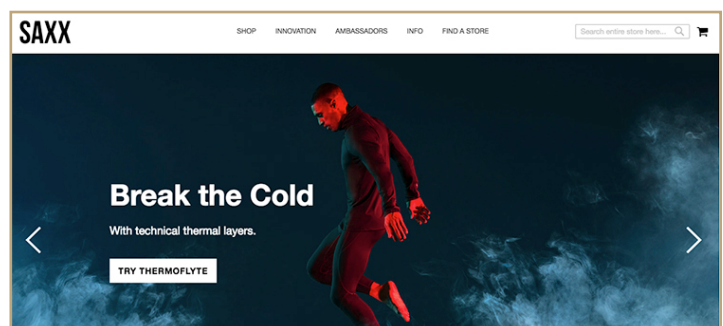
## True&Co.



## Details on your drawers

SAXX Underware Co. Ltd. isn’t afraid to get into the gritty details of men’s underwear. The retailer offers in-depth details on each pair’s fit, from how tight the boxer briefs are on the thigh to special fabric panels that aim to keep everything comfortable. In addition to product page language that highlights fabrics and construction, the company also has splashy pages with brand ambassadors like Chicago Cubs pitcher Jake Arrieta and rally driver Ken Block.

## SAXX



**VENDOR SPOTLIGHT**  
Affiliate Marketing





# Data science helps retailers deliver exceptional customer experiences across touch points

Consumers' shopping habits are changing, and that's leading many retailers to rethink the way they operate. In doing so, they're attempting to satisfy consumers who expect a smooth experience as they move between channels.

"Retailers need to deliver seamless in-store and online customer journeys that provide magical experiences across multiple touch points," says Irina Guseva, head of global product marketing at BloomReach Inc., a digital experience platform provider.

That isn't easy to deliver, she says, but data science can help. For instance, tools such as artificial intelligence (AI), machine learning and personalization algorithms are helping retailers deliver unique, tailored messages to their consumers.

As e-commerce grows increasingly competitive, the onus is on retailers to invest in AI-driven personalization, search and real-time decision-making tools that enable them to understand who their customers are and how they can convert them from browsers to buyers, Guseva says. "Data science can help retailers strategically plan and deliver across all sales channels," she says.

**Retailers should also take into account the technology** behind those efforts, Guseva says. "Retailers need a technological foundation, such as BloomReach's Digital Experience Platform (DXP), that is open, extensible, flexible and will allow retailers to unify and manage many data silos on one platform," she says. "BloomReach is a central location for all players that manage customer experience to come together and intelligently drive business outcomes. Our web relevance engine algorithmically understands content and users, matching demand and intent data from across the web—allowing retailers to improve omnichannel customer experiences at scale."



**IRINA GUSEVA**  
head of global product  
marketing at BloomReach,  
a digital experience  
platform provider

The merchandising and search engine optimization capabilities that BloomReach offers are also essential to delivering individualized experiences to consumers.

With these capabilities, BloomReach's unified DXP helps retailers deliver personalized, optimized and relevant experiences to their customers at the right place, in the right context, and at any touch point.

The openness of the platform through an application programming interface (API)-first approach makes it easy to innovate quickly and the embedded intelligence allows

retailers to automate tasks and personalize consumer interactions. APIs are programming tools that enable developers to build software that communicate and share information.

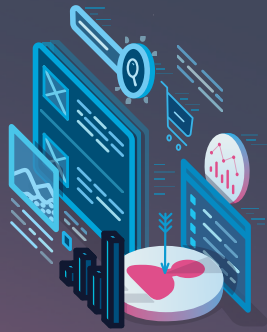
**"Retailers need to deliver seamless in-store and online customer journeys that provide magical experiences across multiple touch points."**

"All of this results in businesses being able to achieve their digital goals: more revenue, more relevance, stronger brand awareness and higher customer lifetime value," she says.

Several large retailers have found success using BloomReach's technology, she says. For instance, Staples, Neiman Marcus, Toys R Us and greeting card company Greetz have all seen substantial improvements in creating exceptional customer experiences for their shoppers after implementing BloomReach technology, BloomReach says.

Key to that success is BloomReach's digital experience platform that offers content and experience management, personalization, site search, page management, search engine optimization, analytics, artificial intelligence and machine learning.

# Optimize the entire on-site experience to be relevant and personalized to each of your visitors.



## BLOOMREACH PERSONALIZATION

### Make the entire on-site experience relevant and personalized to each of your visitors.



#### Search

Personalized site search powered by algorithmic intelligence and optimization tools.



#### Insights

Get insight into how customers are navigating your site and buying products.



#### Merchandising

Intelligent merchandising tools to help you optimize the customer experience.

Learn more  
[www.bloomreach.com](http://www.bloomreach.com)



## E-retailers seek to inspire and inform

Leading e-retailers know that an e-commerce site needs a lot more than product photos and a shopping cart to compel shoppers to click and buy. The best-designed websites create an experience that shoppers can't find elsewhere.

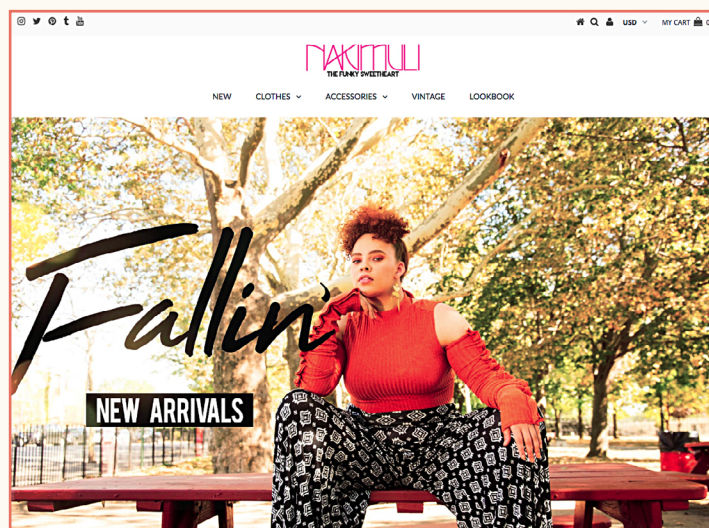
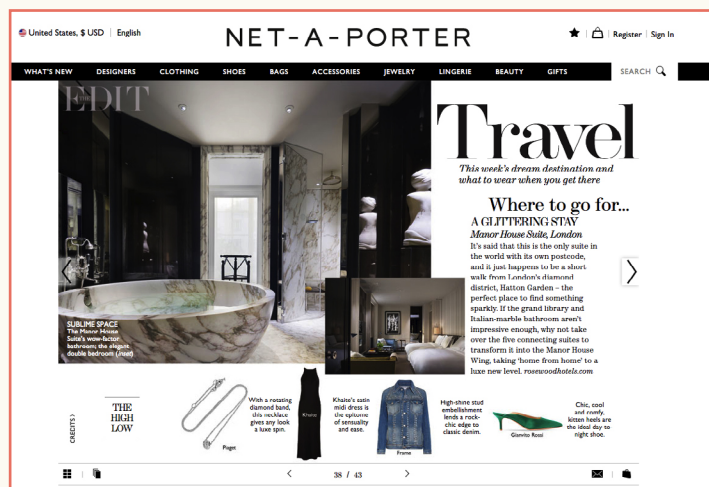
The e-retailers featured in the design category of this year's Hot 100 have worked to make their home and product pages both visually appealing and easy to use. The websites featured in the category use tools that aim to make the shopping experience seamless, without distracting the viewer, such as the ability to zoom in on images, as well as to view multiple product views, animation and videos.

Take, for example, Net-A-Porter, a luxury apparel, jewelry, beauty products and accessories retailer that presents shoppers with strong visuals and rich, valuable content. The company's home page has the feel of a fashion magazine. It features stunning fashion photos and a wealth of content—including a shoppable weekly online fashion magazine called The Edit. Net-A-Porter also offers a shoppable mobile app for The Edit and publishes a second subscription-based magazine, called Porter.

The e-retailers featured in the design category of this year's Hot 100 have worked to make their home and product pages both visually appealing and easy to use.

For Nakimuli, a young women's apparel brand that emphasizes plus-size clothes, color is key, but so is information. Colors and patterns pop off the page at its website and each product page also incorporates zoom and features multiple views and model statistics to help shoppers gauge how an item will fit, plus a link to size charts.

Another standout that combines color and content is GetBevel.com, the e-commerce site for fast-growing men's shaving brand Bevel. The brand, which is owned by Walker &

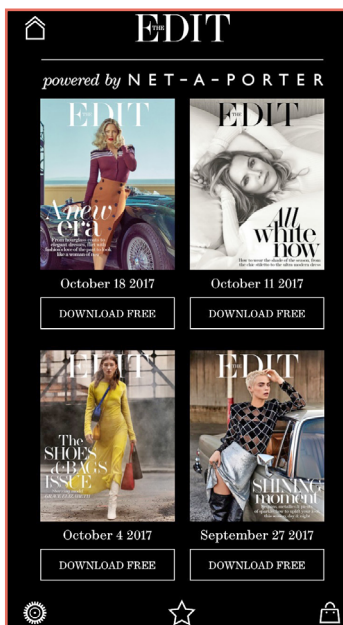


Co. Brands, draws shoppers in via videos showing men using the products and content that gives backstories of the goods sold and easy-to-skim tables listing the features of each item.

The bottom line: The web shopping is about the experience almost as much as it is about the transaction. In 2017, making a connection to customers is more important than ever.

# A glossy look and feel

## Net-A-Porter



**Y**ou'd be forgiven if you thought Net-A-Porter Group Ltd.'s home page was one for a high-end fashion magazine rather than an e-commerce site.

After all, *The Edit*, the retailer's shoppable weekly online fashion magazine, is prominently featured on the site. And the *Edit* is similar to any other fashion magazine that one of Net-A-Porter's shoppers might read. Content includes feature articles, interviews, advertisements and beauty tips. Unlike most other magazines, however, shoppers can easily click through to the products and brands featured in *The Edit* as they read.

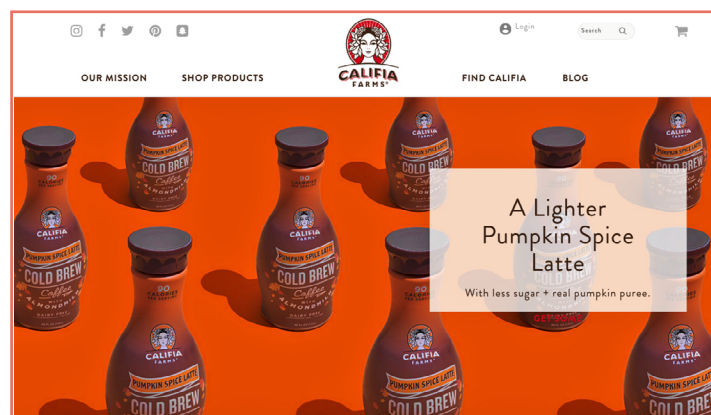
Net-A-Porter also has a shoppable mobile app for *The Edit* available on both Android and iOS. Shoppers can read and shop each weekly issue's content as well as download previous editions of *The Edit* on their phones. *The Edit* is one of two shoppable fashion magazines published by Net-A-Porter, the other being a bimonthly print and digital magazine called *Porter*, which launched in 2017, for which Net-A-Porter charges an annual subscription fee. *The Edit* is free.

The magazine feel of Net-A-Porter's e-commerce site isn't limited to *The Edit*. Opposite *The Edit* on Net-A-Porter's home page under the "What to Buy Now" section is a series of attention-grabbing headlines with links to product pages

such as "Layer Up," which links to cold weather apparel or "Flawless Finish," which links to a selection of cosmetics.

Content and product selection aren't the only ways that Net-A-Porter caters to its high-end target audience. The retailer announced in April that it is rolling out a same-day delivery service in London, New York and Hong Kong for its biggest spenders called "You try, we wait." A shopper places an order online and a Net-A-Porter employee brings those orders to her home for her to try on while the employee waits to see if she likes them.

## Califia Farms

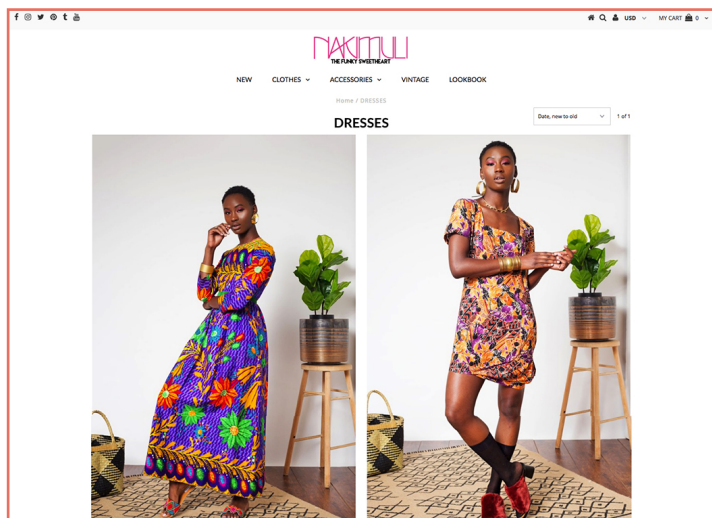


## Milking the brand

**W**hen milk and beverage brand Califia Farms LP decided to begin selling direct-to-consumer online, it had a lot to figure out, including how to manage a supply chain, how to ship a perishable product and how to add e-commerce to its website. It also had to figure out how to make its website enticing to prospective customers. It achieved each of those goals as CalifiaFarms.com has a sleek home page that showcases its long-tail products that are not always sold in stores, like its pumpkin spice latte cold brew coffee, a robust recipe blog and a speedy one-page checkout. Thanks to its simple and easy-to-navigate site, the company's e-commerce sales have increased by double or triple digits every month since its September 2016 launch, says Leonard Ortega, director of e-commerce.



## Nakimuli



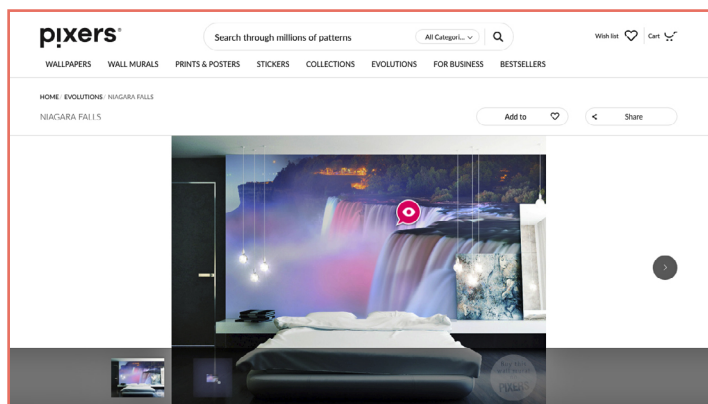
## Vivid, new and vintage

Colors and patterns pop off the page of Nakimuli.com, which aims to deliver “fashion-forward garments for forward-thinking young women.” The site’s owner, Tennille McMillan, launched the online-only retail company in 2009. At first, she sold exclusively on Etsy before launching her own site, which runs on Shopify Inc.’s platform. McMillan sources vintage apparel from shopping excursions, and she makes the rest, buying most of her raw material online because it’s cost-effective and she can make custom prints. McMillan collaborates with a stylist and a photographer to shoot each collection, and each product page features multiple views and model statistics so shoppers can gauge how an item will fit, plus a link to size charts.

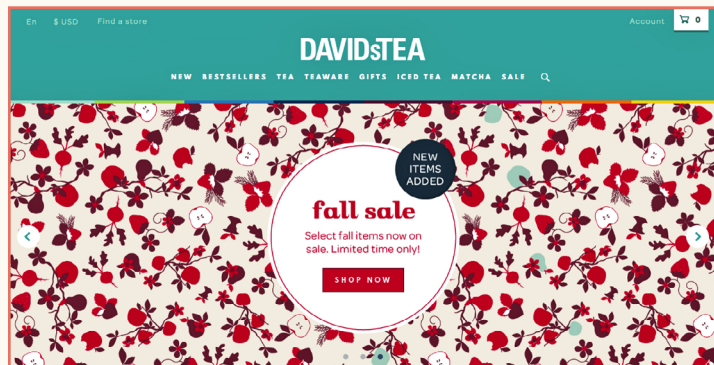
## Making wallpaper cool

Pixers.com is bringing wallpaper into the 21st century. The online retailer sells customizable, self-adhesive wallpaper, wall murals, posters and canvases. Besides typical wallpaper patterns, shoppers can buy one large image for a whole wall, such as a wall mural of Niagara Falls or the Los Angeles skyline to cover her entire bedroom wall. Marcin Wcislo, head of product, calls the site a “search engine of patterns.” Empty white walls were the inspiration for Pixers’ site design. “The minimalism and simplicity of user interface and dominant white color were chosen to focus attention on our product,” Wcislo says. “This makes the patterns stand out in the layout.”

## Pixers



## Davids Tea



## Passionate about tea

Davids Tea Inc. boasts that with more than 150 types of tea to choose from it offers something to satisfy every palate and every craving. And its site makes it simple to see how that may be the case. Shoppers can search for their ideal tea based on the tea’s featured ingredients, certification, flavor profile and caffeine level. Once they select a tea, profile pages feature large, vivid images of the tea, along with a wealth of information, including steeping instructions for hot and iced tea.

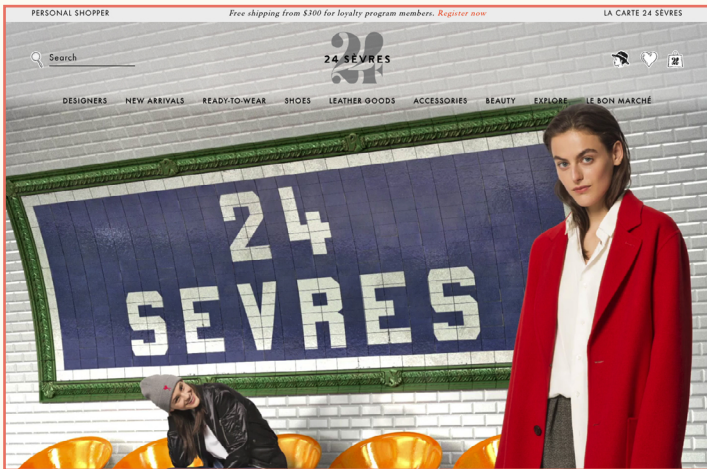
# Love the skin you're in

**B**evel, the men's shaving brand owned by Walker & Co. Brands, promises to deliver to its users a better shaving experience. And its website design, which features large images, showcases how its "end to end" shaving system can do just that. Why choose Bevel? The home page explains that the brand's products are dermatologist approved. "You deserve better," the site says. "Bevel is the better. Our soothing, moisturizing shave helps keep your skin and hair happy. We knew you needed the best tools to be your best self. So we made them."

## Bevel



## 24 Sevres



## Let's all just get along

**L**ouis Vuitton and Christian Dior don't have to be rivals. In fact, together they can have a lot of fun. In May, global luxury brand LVMH Moët Hennessy - Louis Vuitton launched 24Sevres.com, which sells curated styles from 150 luxury brands. The result is a whimsical yet polished site with subtle video images, bright colors and even video chat with personal shoppers from Paris. The site is named for Parisian department store Le Bon Marche, which is located at 24 rue de Sevres. Throughout the website, shoppers can see drawings of the store's architecturally-striking exterior and images of the equally striking interior.

## In your face

**T**here's no subtlety when it comes to Death Wish Coffee, which claims to be the world's strongest coffee. And that's apt given the straightforward product it sells. The retailer's website features a simple, bold home page that also acts as a product page, which enables a shopper to quickly get in and out—even if he's signing up for a weekly or monthly subscription.

## Death Wish Coffee

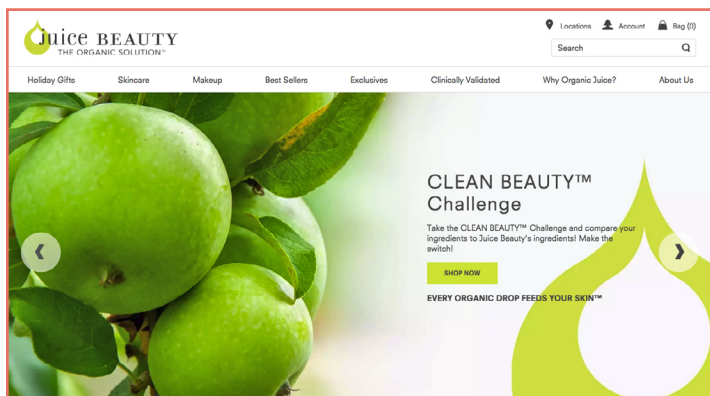


VENDOR SPOTLIGHT |

**ShipStation®**



## Juice Beauty



## Spurring impulse buys

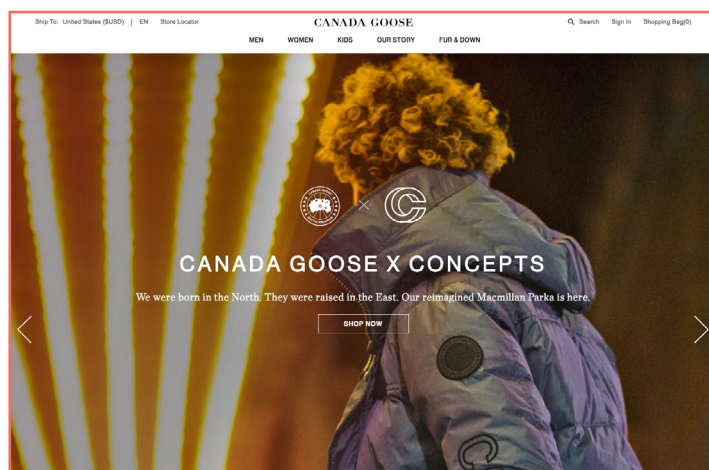
What's better than a consumer subscribing to receive regular deliveries of products? That consumer agreeing to receive more products with each replenishment order. A simple design element—a button on each product page allowing a subscriber to add the item to her next replenishment order—has helped organic cosmetics retailer Juice Beauty increase its subscription business. No checkout is required, as the item is billed along with the subsequent order. 10% of replenishment orders now include an added item, and 86% of the time the shopper agrees to get the new item regularly, says Jeffrey Grannis, the retailer's director of digital.

VENDOR SPOTLIGHT | ORACLE® + Bronto

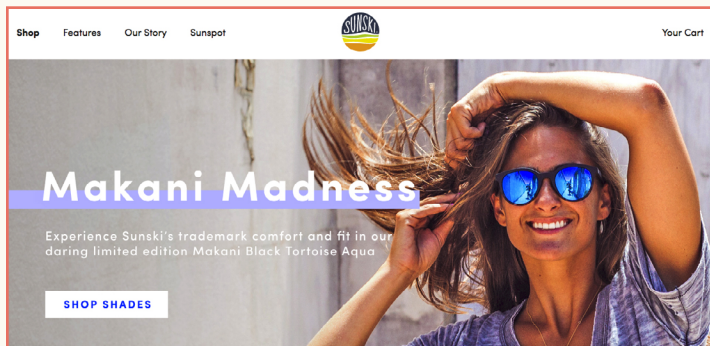
## A warm welcome

If you're asking shoppers to spend \$1,000 on a coat, you better have a gorgeous and informative site to help them deem the price worth it. Outdoor apparel retailer Canada Goose Inc. does just that. To start, the site clearly communicates its expertise in designing gear to warm consumers in the harshest weather with a home page that reads: "Shaped by 60 winters. Every jacket we make is informed by our iconic Snow Mantra. And every winter makes us stronger." On the product pages for its parkas, for instance, consumers can learn to what degree each one is field tested to endure, such as negative 30 degrees, based on the retailer's thermal experience index. The site also provides details about its own arctic tech fabric.

## Canada Goose



## Sunski



## Big, bold images

Sunski wants to give shoppers a clear sense of what the glasses they sell will look like in person, which is why its website features large, vivid images of the products it sells. When a shopper clicks to view a pair's product page, he can see how the frames look on a real-life model that's a man or a woman. And as he selects different colored frames of the same product, he sees different real-life pictures, which is a simple touch that makes a big difference.

# Whatever your role in the supply chain ...We have it covered



Celebrating 10 Years  
Since 2005



**TopTenWholesale®**

Buy | Sell | Connect



**Manufacturer®**

Make | Source | Connect



The USA's #1 Business  
Sourcing Platforms  
Connecting Wholesalers &  
Manufacturers with Resellers

& NOW WITH OVER  
**2,000,000**  
WHOLESALE PRODUCTS



Trade Safe.  
Trade Secure.

Verified Suppliers for Safe Trading.  
Submit Custom Product Requests, Receive Multiple Quotes.  
A Great Resource for Retailers Looking for  
Quick Selling, High Margin Products.

In Partnership with the USA's  
Largest Merchandise Trade Shows

**ASD**

**SOURCING**  
at MAGIC

Visit **TopTenWholesale.com** & **Manufacturer.com**  
or call: **1-800-928-6710 / +1-213-802-1330**



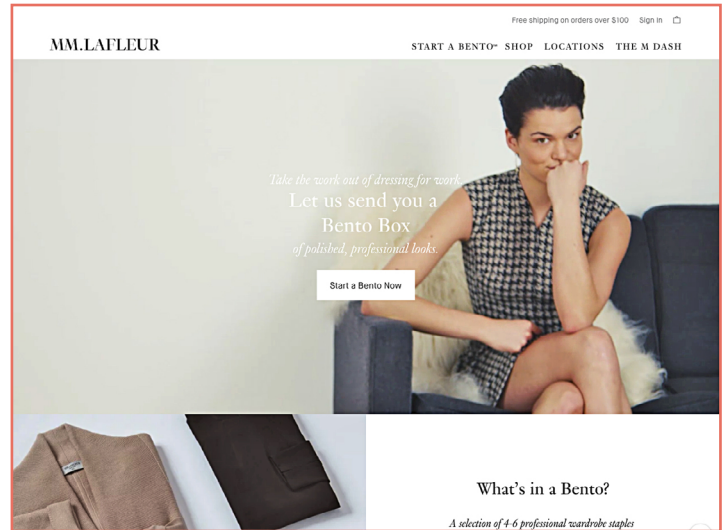
# Professionally polished

Women's workwear retailer MM. LaFleur Inc. works to cater to all professional women, which it seeks to convey with its website design. The site's home page features its try-before-you-buy Bento Box, which is 80% of shoppers' first purchase, says Callie Kant, the retailer's art director. The home page focal point is an automatically playing video of a woman opening a Bento Box and wearing different outfit styles. The video also shows the retailer's unique garment features, such as hooks to secure bra straps to ensure they don't show. The product category pages also have body-type filtering, such as full-hip-friendly and tall-friendly to allow women to quickly find outfits that flatter them.

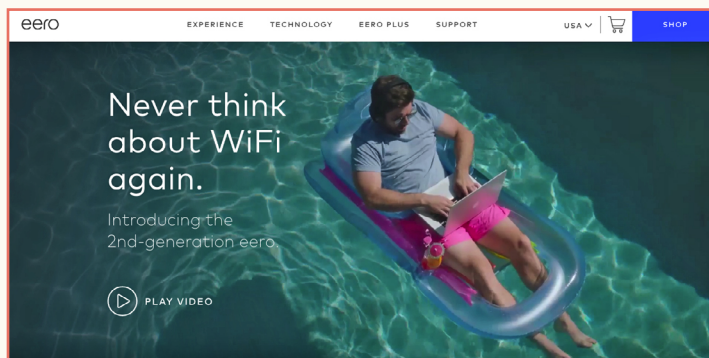
VENDOR SPOTLIGHT |



## MM. LaFleur



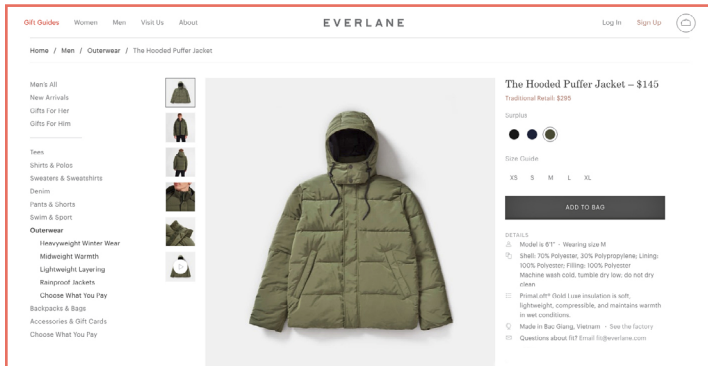
## eero



## Selling the future

Big photos, no clutter and a bit of whimsy in the form of the phrase "Happy WiFi, happy life" greet visitors to eero.com, an e-retailer whose routers can be found at such major retailers as Amazon, Walmart, Target, Best Buy and more. Simple, artful illustrations help explain how eero Inc. aims to provide consumers with a seamless, so-good-you-forget-it's-there experience for their home network that keeps essential devices connected to the internet. Eero was founded in 2014 because, "after years of slowly waving laptops around in hopes of a better signal, we couldn't take it anymore," it says on its site. A weekly blog highlights such topics as why home Wi-Fi systems can lag or drop, unique connected products and how eero protected its customers from a security vulnerability.

## Everlane



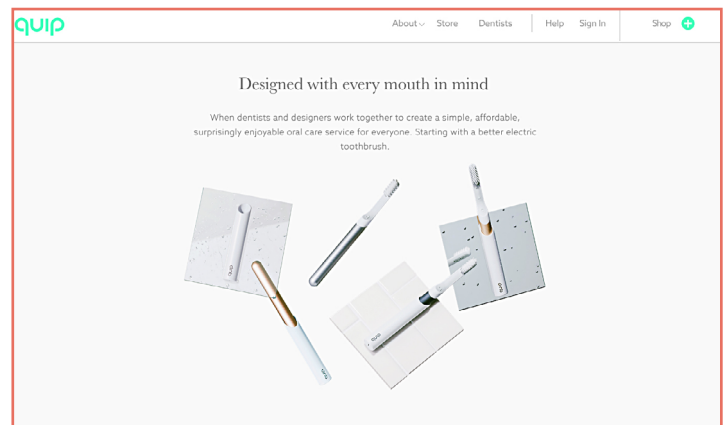
## Tell a story

Everlane Inc. is known as a brand and retailer for shoppers who want to know the story behind how what they wear was made. But the site's design also tells a strong story about each of its products. For example, its product page for men's puffer jackets features a striking, constantly-running full-screen video of a man wearing the jacket. It explains that each jacket is temperature-tested in a research lab by a robot named Stan. That product page also features a sliding temperature scale that goes from frigid temperatures to warmer ones and then displays the jackets that are designed for each type of weather.

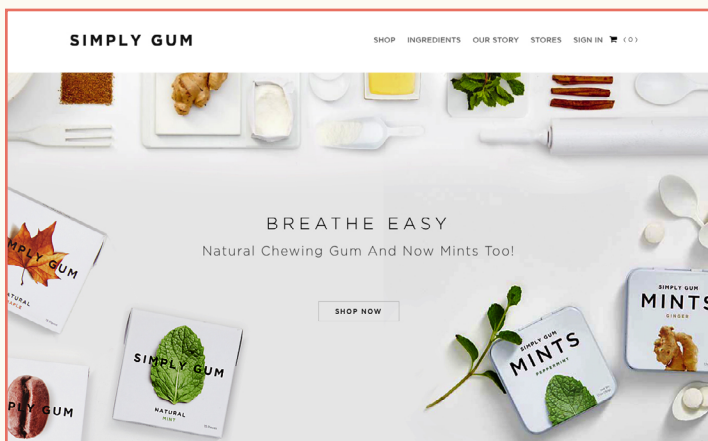
## A reason to buy

Quip's simple, elegant website design and content aims to convince shoppers why they should buy the brand's toothbrush. On a "tips" page on the company's site, [getquip.com](http://getquip.com), Quip uses graphics to illustrate the best habits for dental hygiene and the common missteps. All the while, it links back to its product. For example, one of the tips is to brush for a full two minutes. Quip's electronic toothbrush has a timer on it so that people can ensure they indeed brush for at least a couple minutes. Quip sells packages that include a toothbrush, large and travel-size toothpastes, and a toothbrush cover for traveling. Quip also offers refills for recurring payments.

## Quip



## Simply Gum



## A simple, clean site

Simply Gum Inc.'s sleek, modern-looking website looks like a fashion site rather than the e-commerce site for a vegan chewing gum brand. "Our name is Simply Gum and we wanted to be simple, so we wanted a simple aesthetic," says Caron Proschan, the retailer's founder and CEO. Proschan worked with Simply Gum's creative director and a photographer to explore several different photography styles and layouts before going with the company's current design, which features crisp images on an airy, white background, featuring the natural ingredients—such as peppermint, ginger and maple—in the brand's chewing gum and mints.

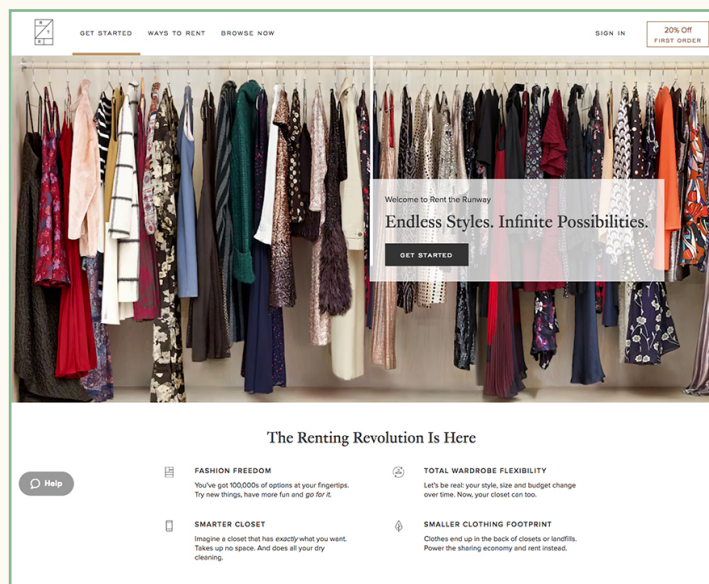


# Outpacing their peers

With a single retailer responsible for more than two-thirds of the U.S. e-commerce market's growth, it's getting increasingly difficult to build a successful online retail operation that drives big growth year after year. But the merchants selected in the growth category in this year's Hot 100 issue have managed to do so—each in its own way.

While the U.S. e-commerce market has grown at roughly 15% per year for the last decade, the merchants profiled here have far outgrown their peers—some doubling or tripling sales in 2016 and others growing at 20%, 30% or more per year for the last several years.

Their strategies for growth vary, but most stand out in the eyes of the consumer by being unlike Amazon. Some, like fashion subscription service Stitch Fix or high-end clothing rental site Rent The Runway, are operating in pockets of the e-commerce market that remain largely untapped by Amazon. In the case of Stitch Fix in particular, consumers are taken through an elaborate and personalized shopping journey involving online quizzes, sharing of Pinterest boards and individual stylists assigned to each customer—all in an effort



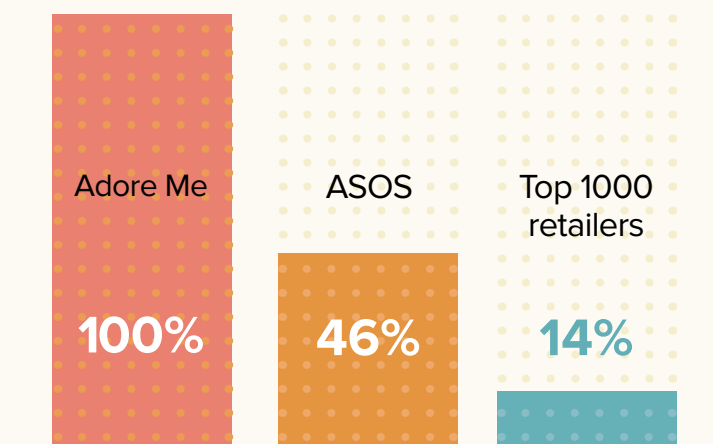
to give each consumer exactly what she desires. It's a level of individual customer attention that is so far unattainable by a company the size of Amazon.

Others, like office supplies retailer Poppin, lingerie merchant Adore Me or bedding products maker Parachute sell their own unique lines of products and are masters at branding, public relations and marketing themselves in innovative ways across multiple channels.

Adore Me, for example, took to the TV airwaves in 2016 with a set of commercials with plus-sized models to promote the wide range of lingerie sizes available on its site—something the merchant says differentiates it from its principal competitor Victoria's Secret.

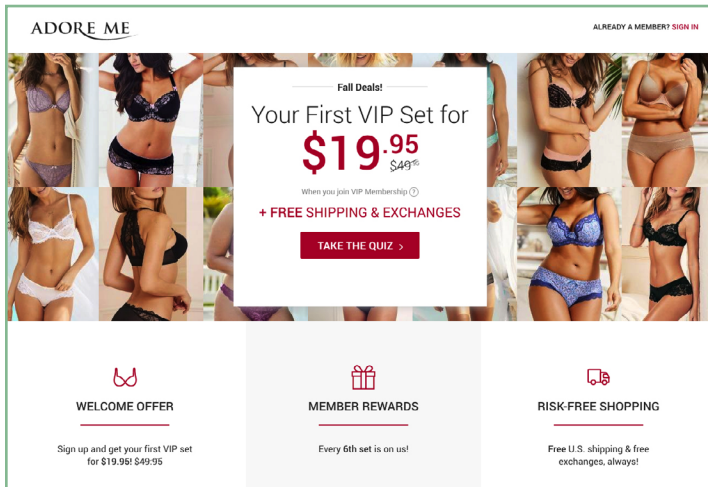
Many of the fast growers in the Hot 100 are also finding success by expanding their product lines or by growing their top-line sales by selling a wider variety of goods to new and existing customers. Parachute, for example, has expanded beyond bedding to sell bath, décor and dining products. Stitch Fix now has products for men and maternity apparel. Adore Me sells athletic gear in addition to its line of lingerie items.

## 2016 WEB SALES GROWTH



# Filling a gap

## Adore Me



The lingerie market had a problem: one company dominated the U.S. industry and that brand wasn't catering to the sizes of average American women, says Morgan Hermand-Waiche, CEO and founder of web-only brand Adore Me Inc. That realization led him to launch Adore Me in 2012 to fill what he thought was the gap in the market. Based on the company's growth, he's doing just that.

Adore Me generated \$84 million in online sales in 2016, doubling the \$42 million it brought in in 2015. In part, that's thanks to the retailer's evolution. Adore Me launched with a subscription model, wherein customers paid a monthly fee for a set of lingerie and other membership perks. While Adore Me still offers subscriptions, the majority of its sales now come from one-off purchases. Adore Me has 150 employees in the U.S. and Europe, as of October, and it has expanded to Canada and Australia.

There are a few reasons for the retailer's rapid growth. To start, Adore Me has found success marketing its wares as high-quality products that it can sell at affordable prices by marketing and manufacturing on its own. Adore Me's average order value is \$98, according to Internet Retailer's Top500Guide.com. That's nearly 22% less than Victoria's Secret's \$125 average order value.

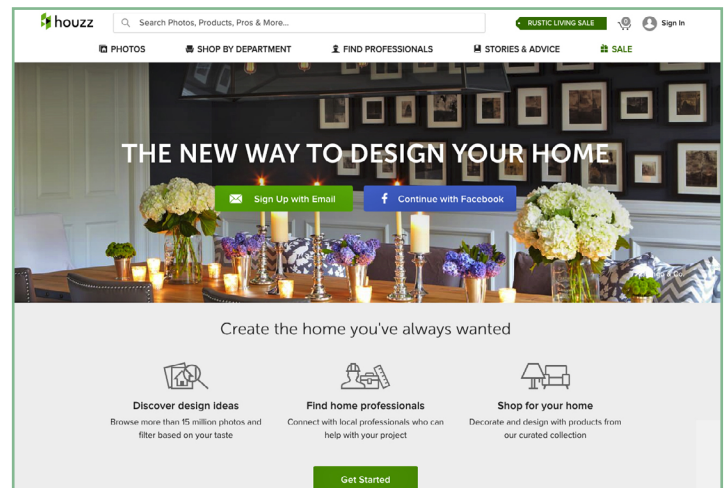
Adore Me also offers a wide range of sizes, including plus sizes. It also launches 40-60 new collections or styles each month, which differs from the larger brands that typically launch new collections a few times a year. Advertising in

Chicago and New York City subway stations and on taxis around the cities has also given the retailer a boost, a company spokeswoman says.

In the last year, Adore Me has ventured into wholesale by selling its products to Nordstrom Inc.; shoppers can now buy the brand's products in Nordstrom stores and on Nordstrom.com.

The retailer also expanded its offline presence the last two years by opening a pop-up location in time for Valentine's Day in New York City. The retailer also operates an appointment-only showroom in New York.

## Houzz

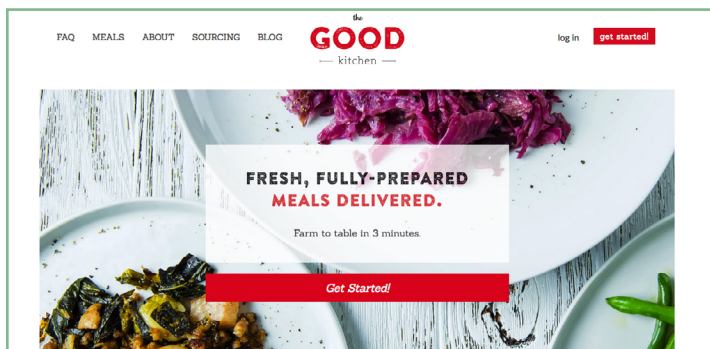


## A strong foundation

Online home furnishings platform Houzz Shop LLC is building a strong foundation for the future thanks to the wide selection on its platform and the massive amount of funding it has raised. In June, Houzz raised \$400 million in a funding round led by Iconiq Capital aimed at fueling its international growth, the second nine-figure funding round raised by the company in the past three years. Houzz has more than 9 million products for sale on its platform from more than 20,000 sellers. The company attracts more than 40 million unique monthly visitors to its app and e-commerce site.



## The Good Kitchen



## Staying niche

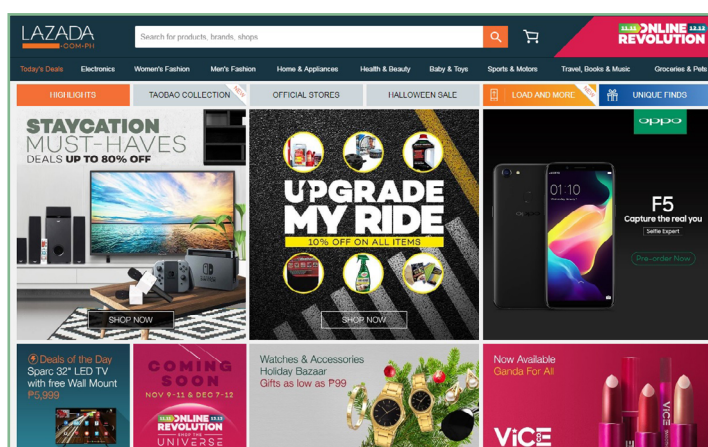
The Good Kitchen LLC founder Amber Lewis is almost as focused on customer retention as she is on generating new leads. “We’re really focused on the customer service aspect,” she says. The retailer, which offers healthy, fully-prepared meals that can be heated and ready in three minutes, publishes blogs and videos about where its food comes from and how customers can cook similar items when they have the time. The Good Kitchen, which got its start as a paleo meal service for CrossFit studios, has since expanded and is on track for 50% year-over-year growth in 2017. However, it still operates in a niche of non-GMO, organic and grass-fed meal kits that appeal to specific users, allowing it to draw in customers who may avoid more generic meal kit services.

VENDOR SPOTLIGHT | **ShipStation®**

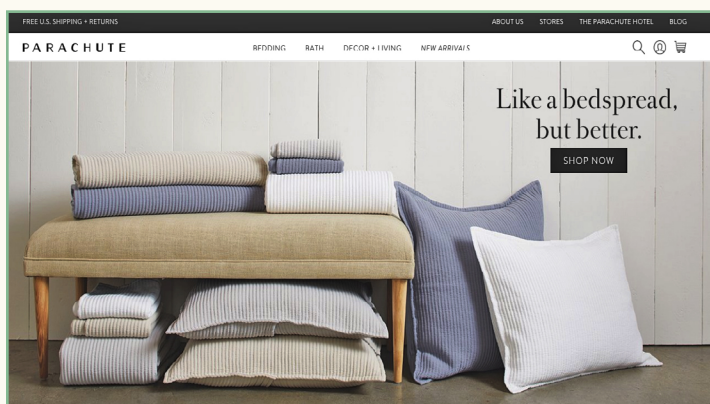
## Rapid growth

If Amazon wants to dominate e-commerce in Southeast Asia, it first needs to get past fast-growing Lazada Group. Owned by China’s Alibaba Group Holding Ltd., Lazada has tripled its 2017 orders compared to 2016—even before the year ended, according to reports. It operates in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam and offers more than 30 million products. By contrast, Amazon’s Prime Now service offered a mere tens of thousands of products when it launched in Singapore over the summer. E-commerce penetration in Southeast Asia is still low, but with 600 million people and a growing middle class, the region is expected to emerge as a battleground for web shoppers.

## Lazada



## Parachute Home



## Beyond just bedding

Mattresses may be hot in the world of straight-to-consumer products, but all those sleepers need sheets — that’s where Parachute Home comes in. Riding on the tails of the home-delivered mattress, Parachute Home is growing quickly thanks to shoppers buying up its bedding essentials like sheets, pillowcases and quilts. The retailer has also begun moving beyond bedding into bath, decor and dining products. The company boasts a 40% return-shopper rate, in part thanks to its growing product lineup. The approach is helping the retailer approach its \$30 million revenue target this year.

# A British invasion

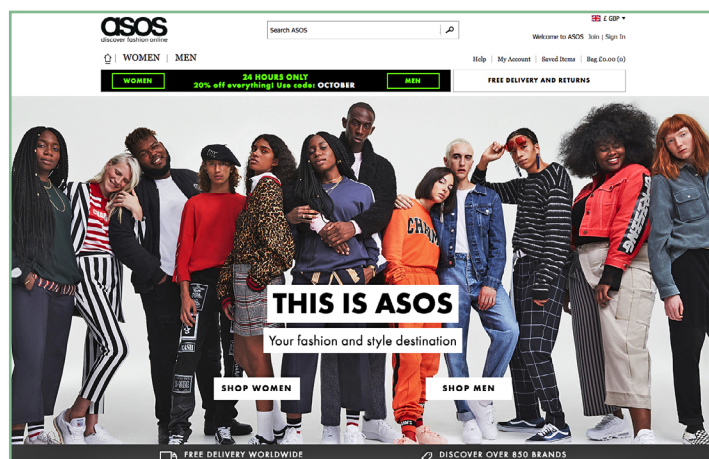
U.K.-based ASOS.com Ltd. is doing quite well across the pond in the United States. The retailer's U.S. online sales rose 46% for the fiscal year ended Aug. 31 (31% on a constant exchange rate) to 261.1 million pounds (\$345.0 million). That growth shows no signs of slowing down.

The retailer, which currently operates a single U.S. warehouse in Ohio, plans to open a roughly 1 million square-foot facility near Atlanta next fall as it seeks to propel its state-side business to new levels.

It isn't just the U.S. market where ASOS is expanding its operations and boosting sales. The retailer is also bulking up its warehouse inventory in Germany to help grow non-U.K. sales. It opened a Berlin warehouse in March, which now fulfills roughly 95% of its European Union sales. It has aggressive plans to bolster those efforts, planning to double the square footage of that fulfillment center and begin to add automation technology that is expected to go live by the end of 2018.

ASOS' international push comes amid a challenging climate for U.K. merchants thanks to Brexit. With nearly 63% of its sales coming from outside the United Kingdom, ASOS aims to mitigate that risk—especially since its international sales

## ASOS

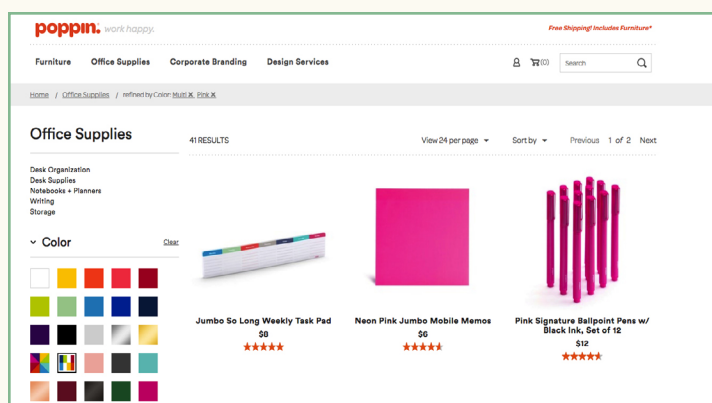


are growing significantly faster than those in the United Kingdom; international sales rose 47% (36% on a constant exchange rate), while U.K. sales increased 16%.

To maintain its growth, the retailer keeps innovating. For instance, in November it rolled out a program that allows U.K. shoppers to try items on before they buy them.

In fact, ASOS grew faster than it expected, as it had to adjust its sales guidance up twice in 2017.

## Poppin



## A colorful twist

Office supplies retailer Poppin sells its own line of colorful pens and other desk items primarily on the web. CEO Randy Nicolau says the retailer's concept of offering proprietary products that inject a design sensibility into a category heavily shopped online is what has made it successful. While office supplies are sold by many of the largest online retailers including Amazon, Staples and Walmart, Poppin offers an alternative to drab products. Consumers have bought in, which has helped Poppin drive roughly \$40 million in sales in 2016, with projections of up to 60% growth in 2017.



# Pulling it together

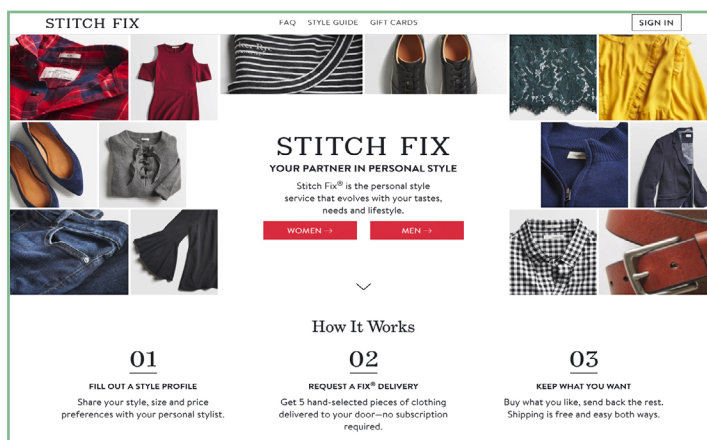
**H**uman stylists and technology—3,300 stylists and 80 data scientists and their algorithms—work together at Stitch Fix Inc. to pair clothes and accessories for 2.2 million active clients.

The online styling service, founded in 2011, asks shoppers to fill out a style profile that includes details about their personal style, size and price preferences. That information helps stylists select five items that they then ship—for free—to customers (each box carries a \$20 styling fee, which is applied toward any purchases) If a shopper keeps all five items, she receives a 25% discount on her entire order. Consumers can subscribe for regular deliveries or choose to receive them on occasion.

Stitch Fix in October filed for an initial public offering and said it generated \$977 million in net revenue for the 12 months ending July 29. It had a net loss of \$594,000 during that period, but in the prior year, the retailer had \$33 million profit on revenue of \$730 million. Prior to filing for its IPO, it had raised \$54.5 million across five funding rounds, according to Crunchbase.

In August it added more than 100 premium brands—Kate Spade, Helmut Lang, Rebecca Minkoff and Citizens of Humanity denim—to its service. Prices for apparel and accessories offered by Stitch Fix range from \$20 to \$600 per

## Stitch Fix



item. Earlier in 2017, it added a service for plus-size women, and it had added a men's service in 2016.

Stitch Fix customers tend to spend more in the first six months of using the service than they do in the following six months, and customers in the first year spend more than those receiving deliveries in the second year, the retailer said in its IPO filing. Those trends indicate that, as with many subscription services, Stitch Fix faces the challenge of keeping customers surprised and happy as they order, and it must find new customers.

## Zuvaa



## A different style

**Z**uvaa is an online marketplace for African-inspired apparel and accessories. Founder Kelechi Anyadiiegwu, who bought the domain Zuvaa.com, has leveraged the company's social media accounts to grow its business to more than \$2 million, according to reports. Zuvaa approves all the designers that sell on the site based on samples of their designs and textiles. After approval, designers have control over images, pricing and content for each item they list on Zuvaa.com.

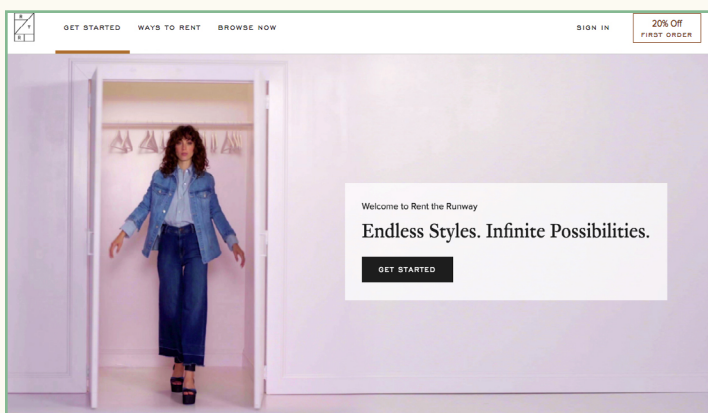
## Wrigleyville Sports



## Handling pressure

Wrigleyville Sports was so busy after the Cubs won the World Series in 2016 that it shut down its phones, taking all customer service inquiries online. That helped it manage e-commerce sales that were eight times what they were prior to the postseason, says Eric Castellucci, the retailer's online marketing manager. The retailer adeptly handled the spike in demand, creating new product pages and a temporary warehouse to handle demand. "Expect business to be at its maximum for a longer stretch of time," Castellucci advises others who find themselves in a similar, super busy spot suddenly. "Automate as much as possible."

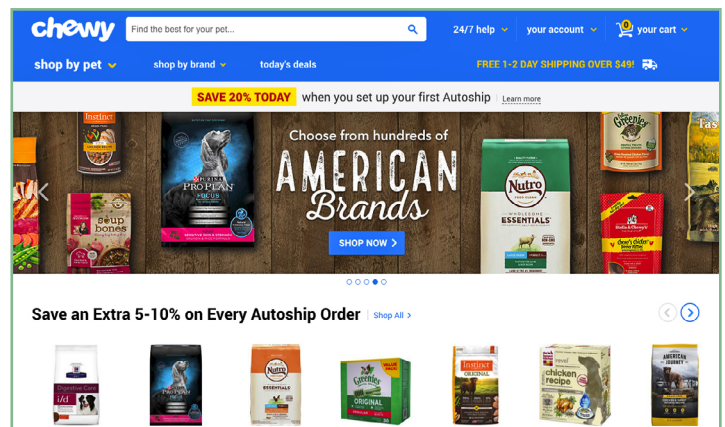
## Rent the Runway



## Chewing up the competition

To understand why PetSmart Inc. paid between \$2 billion and \$3 billion for 6-year-old pet food retailer Chewy Inc., you only need to consider one number: 57%. That's Chewy's share of online pet sales, according to web analytics firm 1010Data.com. That compares to 33% for Amazon.com Inc. (which owns Wag.com), 4% for Petco and 2% for PetSmart. That growth has stemmed from the retailer's business model. Chewy emphasizes customer service, offering 24/7 access to agents who are encouraged to stay on the phone with customers and learn about their pets. The e-retailer asks customers to share photos of their pets and each month and sends scores of Chewy loyalists small oil paintings of their pets.

## Chewy



## A fad that won't go away

Rent the Runway was one of the first apparel rental services to pop up on the web way back in 2009. While several lookalikes have emerged since its founding, the retailer's approach has proven durable. The company has raised \$190 million since its launch, and is one of the few venture capital-funded e-commerce companies out there that is both fast growing, while also claiming to be profitable. The merchant is steadily expanding the ways in which consumers can rent its clothing—she can rent one item for \$30 and up, or pay a monthly fee for regular shipments—and it's opening physical locations in big metropolitan U.S. cities.



# Stepping up

**M**. Gemi touts its old-country ways of making women's and men's shoes, but the retailer is all about using data to help it design and make its products, from the style to the right number. Data and predictive analytics are helping the retailer manage its explosive growth.

M. Gemi, which sells online and operates "fit shops" in New York and Boston, has doubled its sales each year since launching in 2015, says co-founder Cheryl Kaplan. The retailer, which sold \$60 million online last year, "drops" a new shoe every Monday, sending emails to its customer list and marketing via social channels such as Facebook. Word of mouth and customer referrals also are key to brand promotion, says Kaplan, who is especially pleased with the company's repeat rate. Customers order four times a year on average, which is atypical in the luxury market, she says.

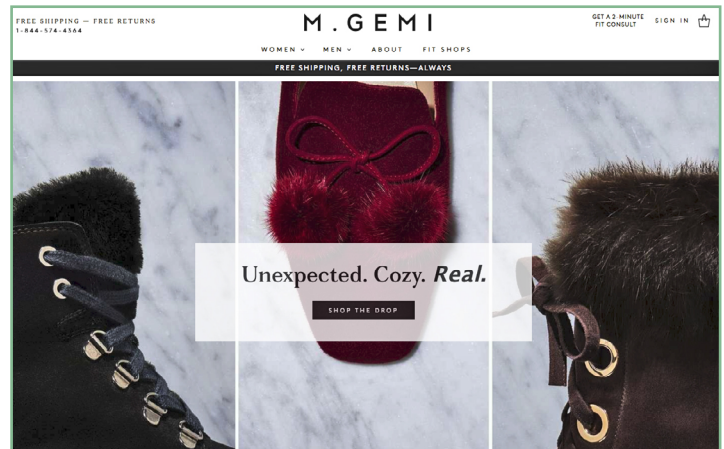
Offering a new style on a weekly basis instead of seasonally allows M. Gemi to manage its production and demand more efficiently. The retailer works with a number of factories and thousands of small shoemaking workshops across Italy, Kaplan says. "We go to different factories for different shoes. In some cases, where it's a tiny workshop, we're the one brand they're working with. Others have more capacity and take on other business. We do steady and consistent drops, and some of our manufacturers are expanding capacity or opening another factory."

M. Gemi also does preorders to gauge interest in a new shoe style and gather data on the colors materials and sizes that customers want. "We always try to marry data and art," Kaplan says. "I'm a merchant, so I have a gut feeling of what I think will sell, but we try to make sure we don't go purely by data or purely by gut."

**"Some scarcity creates excitement, but if it's always that way, it turns into frustration."**

For instance, it initially only sold a slip-on sneaker—the Cerchio—in whole sizes. While sales were "amazing," half of the orders came back as returns. The data and feedback from customers prompted M. Gemi to work with its workshop and create half sizes for that shoe. "Some people just couldn't fit in a 37 or 38. They needed a 37.5," she says. After adding half sizes, the return rate plummeted and demand outpaced

## M. Gemi



its production capacity. The shoe generated a 6,000-person wait list. Data is now helping shape how many the retailer will manufacture for future versions.

"Predictive analytics is so important. Some scarcity creates excitement, but if it's always that way, it turns into frustration," Kaplan says. "Early on, we didn't have that much data, and we had to make some guesses. Now we have a team to decide what constitutes a reorder and how big it should be."

The retailer, which raised \$16 million in a funding round in June, plans to open pop-up shops in major metropolitan areas and add international shipping to select areas in the next six to 12 months. "It's valuable to grow our physical retail presence," Kaplan says. "Customers who visit our fit shops tend to be super consumers—85% of clients who purchase in a store make a second purchase online."

# NRF® | 2018

## RETAIL'S BIG SHOW

JACOB K. JAVITS CONVENTION CENTER | NYC | JAN. 14-16



### FREE RETAIL EXPO PASS

Find the solutions that will elevate your business and experience technologies transforming the retail industry at **NRF 2018: Retail's Big Show**.

Retailers get **FREE** access to:

- ▶ Networking with 35,000+ retail industry professionals and 3,500 attending companies
- ▶ 600+ exhibitor booths across 245,000 square feet of EXPO space
- ▶ Custom EXPO Tours to help you navigate the floor
- ▶ Innovation Lab containing the futuristic technologies transforming retail
- ▶ Exhibitor Big Ideas Sessions featuring demos and case studies

Get your pass at [nrfbigshow.com/Internet-Retailer](http://nrfbigshow.com/Internet-Retailer) →





# Driving shoppers to click and buy

It's tough to be a retailer that isn't part of the e-commerce behemoth known as Amazon. As Amazon swallows up the lion's share of e-commerce growth thanks in part to the stickiness of its Prime loyalty program, other merchants have to figure out ways to drive shoppers to click and buy.

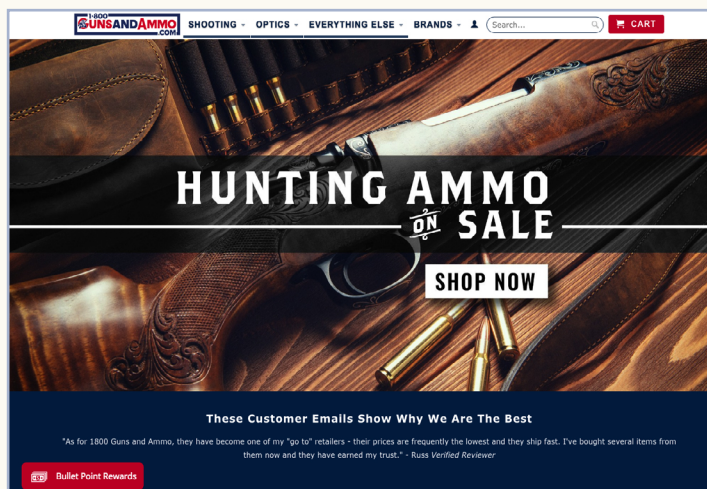
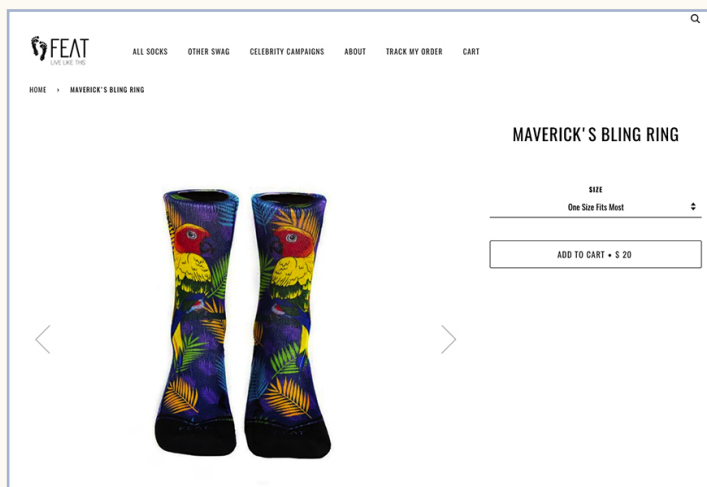
With e-commerce growing increasingly competitive, many retailers are boosting their marketing spending to stay at the top of shoppers' minds (and search results and in ads across the web). That helps explain why 69.7% of respondents to Internet Retailer's third annual Digital Marketing Survey increased their digital marketing budgets this year. And why U.S. retailers' digital ad spending is expected to jump 15.9%, according to research firm eMarketer Inc.

Of course, it isn't enough just to spend more money, retailers have to spend that money wisely. The key for any retailer's marketing efforts is to find a way to stand out. With an ever-growing array of marketing channels, merchants have more ways to do so than ever before.

Take web-only mattress retailer Purple. Video ads have helped the retailer tell consumers about its brand story while also entertaining them. For instance, Purple created a Super Bowl-related video that talked about crying yourself to sleep in a comfortable bed, which it marketed to consumers in the Atlanta area after the Atlanta Falcons lost the big game.

Then there's Feat Socks, a web-only socks retailer that has built its business by working with influencers to help it tailor messages to its target demographic: millennials. The retailer has developed socks with influencers who range from the electric dance music duo The Chainsmokers to YouTube stars such as the Merrill Twins. Each influencer receives a profit-split to encourage them to promote the socks on Instagram, YouTube and elsewhere.

Meanwhile, other retailers have developed unique solutions to the challenges they face. For instance, firearms retailer 1800GunsAndAmmo.com found itself unable to market via Facebook and Google because the product it sells is



banned from advertising on those platforms. That led it to build its own affiliate marketing network, as well as to launch a sister site, 1800Gear.com, to sell gun gear but none of the items banned from Google and Facebook. The retailer then uses the emails, addresses and other customer data from that site to target potential customers of 1800GunsAndAmmo.com directly.

This year's Hot 100 retailers show there's more than one way to marketing success.

# A fresh approach to drawing a crowd

Live events have helped startup web-only cosmetics merchant BeautyKind LLC garner attention from its target demographic: millennials.

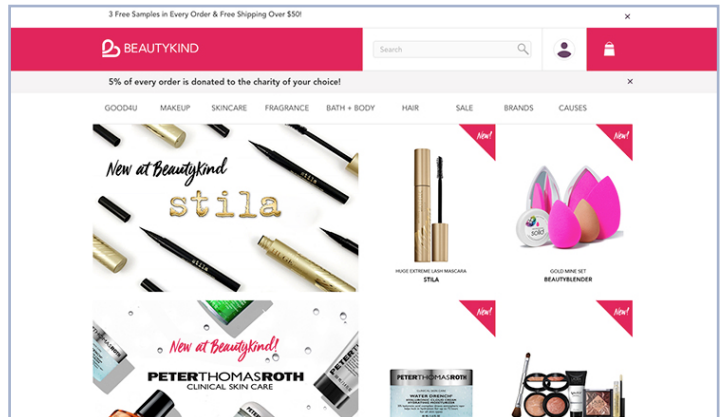
Last fall, for example, the retailer orchestrated 14 pop-up style events at Southeastern Conference football games. The merchant selected the colleges in that region largely because the women there tend to wear more makeup than in other regions, says Hil Davis, the retailer's co-founder and CEO.

The retailer gave out free water bottles and \$25 gift cards to BeautyKind.us to anyone who took a selfie at its booth and used the hashtag #beautykind on Instagram. Davis says roughly 18% of the people who received the gift card used it to purchase products. BeautyKind gave out anywhere from 1,000 to 3,000 gift cards per event, which means it nabbed roughly 180 to 540 sales at each event.

The merchant also garnered up to 1.5 million impressions on Instagram per event, he says. These types of efforts helped the merchant nurture the beginnings of a loyal web following.

BeautyKind donates 5% of sales to a charity of the shopper's choice—a message that connects with millennials and can be the deciding factor when choosing where to purchase beauty products, Davis says. "Millennials realize that they are not making a lot of money, but their wallet matters. This younger generation is saying, 'Hey, if you want my money, you have to believe in my ideals or I'll shop somewhere else.'"

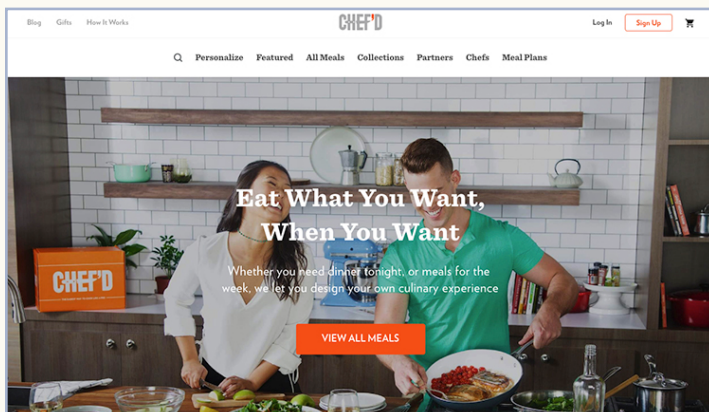
## BeautyKind



BeautyKind in March expanded upon the success of its pop-up events with a full-fledged concert it hosted with singer Demi Lovato and other artists in which it donated 50% of the ticket sales to the American Heart Association. Around 45,000 people attended the concert, and BeautyKind raised \$2 million for the charity. The event helped raise brand awareness and helped it develop relationships with well-known beauty brands.

"Our marketing tactics have allowed us to increase the number of brands on our site," Davis says. "This has put us in a great position to launch dozens of brands and their charities this fall, which will raise a lot of money for these charities."

## Chef'd

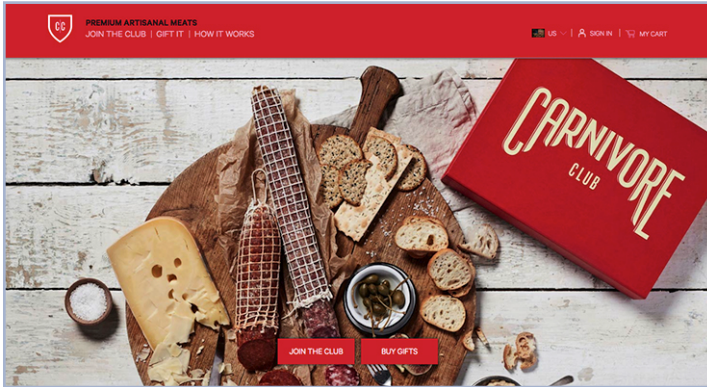


## A differentiator

Chef'd differentiates itself from the slew of meal kit companies by partnering with celebrities and national brands. Unlike its competitors, Chef'd markets itself as subscription-free meal kit service. That is, shoppers can make one-off purchases of more than 300 meals. Meals include recipes from the likes of chef and restaurateur Wolfgang Puck, along with those from brands such as Atkins, Barilla, and Hershey's Kitchens. The model has caught the attention of Campbell Soup Co., which was the lead investor in a recent \$35.2 million funding round.



## CarnivoreClub



## Meat-eating needs

If you're a dedicated vegan, you might want to avert your eyes. Toronto-based Carnivore Club, launched in 2013, sells subscriptions that deliver monthly boxes of prepared meat products from small-batch makers. More a marketing and logistics play than a retailer, Carnivore Club sells the meat makers' goods to subscribers and fulfills orders using third-party logistics firms in each country where it operates. The company had 2016 sales of about \$4 million and orders in 2017 are tracking up 35%, CEO Tim Ray says. About 50% of sales come from the United States and 35% from Canada. The rest come from the United Kingdom and Australia.

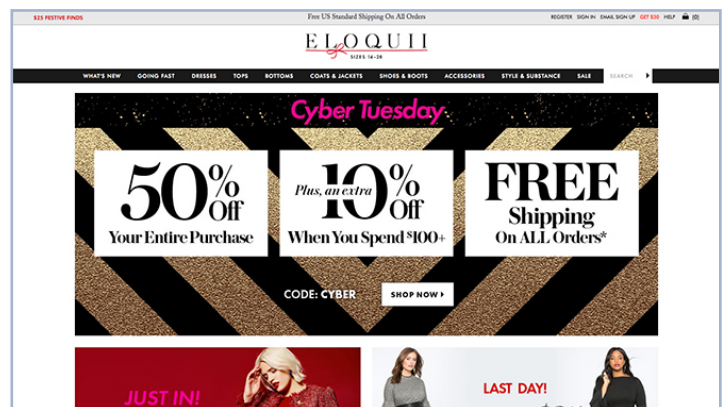
**VENDOR SPOTLIGHT**  
Order Management

**ShipStation®**

## Video connections

Plus-size women's apparel retailer Eloquii Design Inc. is prioritizing video because it has found that's the best way to forge relationships with shoppers. "Videos enable us to explain to prospective customers who we are," says Kelly Goldston, vice president of marketing. "Shoppers want to like the people they're buying from." The retailer features one of its customers each month highlighting her sense of style and earlier this year launched a video series in conjunction with publicist and social media influencer Katie Sturino called Closet Confidential, wherein Sturino helps shoppers upgrade their wardrobes.

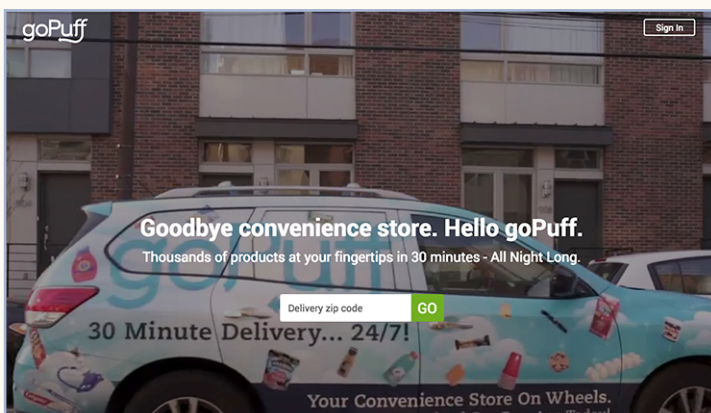
## Eloquii



**VENDOR SPOTLIGHT**  
Email Marketing

**ORACLE® + Bronto**

## goPuff



## Blunt marketing

With 30-minute deliveries of salty snacks, candies and beer pong kits available all night long, GoBrands Inc.-owned goPuff has a certain clientele it is happy to serve. The company's stoner-friendly options are marketed bluntly, with product categories like "Munchies," "Frozen AF" and "Dranks." goPuff has spread to many popular college towns around the country, including Syracuse, New York, and Lafayette, Indiana, and uses small footprint stores stocked with a limited selection to meet delivery demands. A flat \$1.95 delivery fee is waived for orders over \$49.

# Influencing shoppers

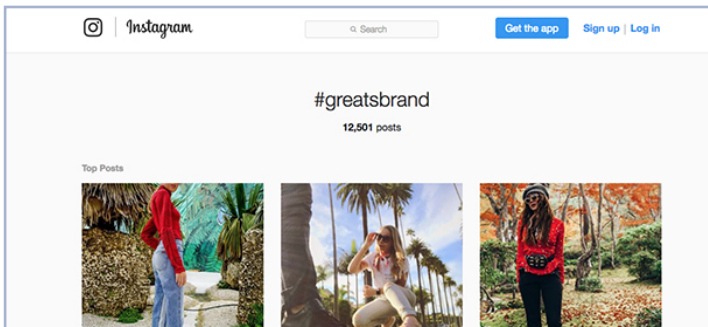
Earlier this year online-only socks retailer Feat Socks sold nearly \$500,000 worth of its Maverick's Bling Ring socks, which it sells for \$20 a pair.

The secret? The socks were designed in partnership with Logan Paul, a social media star whose YouTube page has nearly 3.5 million subscribers.

Influencers are the best way to market to millennials, the retailer's key demographic, says Taylor Offer, the retailer's founder and CEO. "It doesn't matter who they are as long as they have an engaged social following," he says.

"People classify people into categories like YouTube celebrities and athletes and actors, but the reality is, it's more of a matter of whether people are paying attention to them. Logan

## Greats



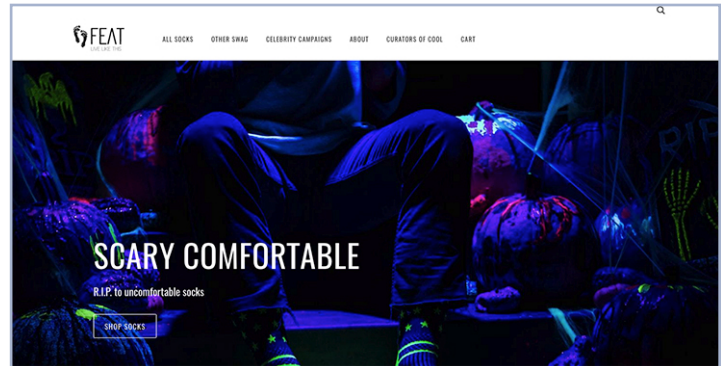
## Lifestyle images

Brooklyn is at the heart of digitally native sneaker retailer Greats' story. After all, "Brooklyn's first and only sneaker brand" is how the retailer defines its brand on Instagram, where it regularly posts stunning lifestyle images featuring its "Made in Italy" shoes. The approach is working; the retailer raised \$10 million this May in a Series B round of financing, which it plans to invest in technology, grow its team and open 10 or more pop-up shops in key cities across the United States.

**VENDOR SPOTLIGHT**  
Email Marketing

**ORACLE** + Bronto

## Feat Socks



Paul has up to 5 million people watching his vlog every day." A vlog is a video blog.

Each of those consumers watching Paul's videos is a potential Feat Socks customer, Offer says, which is why the retailer aims to find influencers who already have engaged social media followings.

Offer developed Feat's marketing tactics while still in college at the University of Massachusetts Amherst. "We looked for any influencer we could find," he says. "But we struggled because we were college kids with no network of connections." That changed when a friend at a trade show knew someone who knew David Falk, the well-known sports agent whose clients include the social media-savvy gymnast Aly Raisman, who has more than 2.2 million Instagram followers. Offer proposed a profit-split arrangement to Raisman to develop socks with Feat Socks. "She agreed and we ran with it from there," he says.

After college, Offer moved to Los Angeles where he has befriended a number of YouTube celebrities and worked with them to develop their own sock lines.

Each influencer receives a profit-split (the percentage varies based on the influencer). Feat doesn't set a minimum number of posts for its influencers to generate, and that creates a dynamic in which it has influencers "who like the product and fit the brand," Offer says.

"We don't set expectations. Instead, it's on us to make the product fun and create awesome content that they'll want to share," he says. For example, Offer offered Paul his car if he sold 20,000 pairs of socks. The result was a video that's attracted more than 3.9 million views.

**VENDOR SPOTLIGHT**  
Order Management

**ShipStation**



## Shinesty



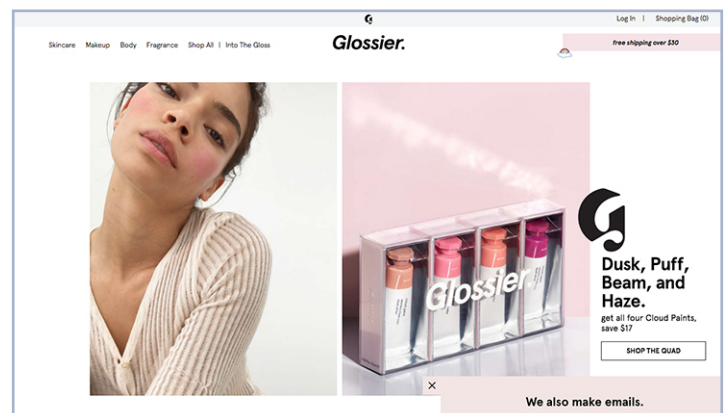
## Silly suits get serious

It can be hard to take Shinesty seriously with its outlandishly printed suit jackets and “ball hammock boxer briefs.” But with \$50 million in yearly online revenue, the company’s tactics should at least be considered. Shinesty’s marketing content fits its product selection, with its mission statement reading, “When worn correctly, the right clothing can make Mike Tyson’s albino tiger purr like a kitten, blow the minds of boringly-dressed onlookers, or be a major contributing factor in the creation of a small human that looks strikingly similar to you.” The company also sends out physical catalogs and the founders were the focus of a “docu-comedy” series on MTV2, which Shinesty’s blog told readers they “shouldn’t watch.”

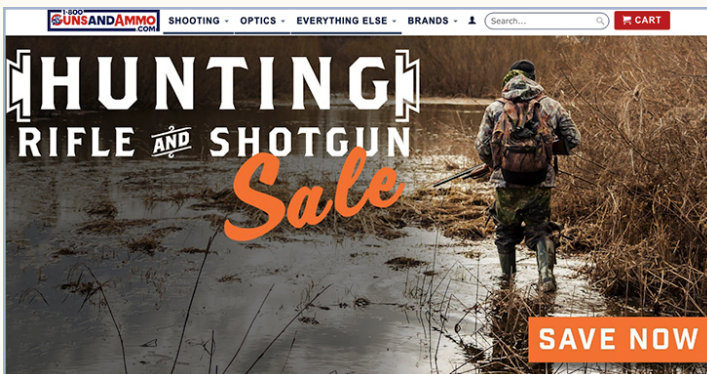
## A new face on marketing

Glossier Inc., which coins itself as “the beauty brand you want to be friends with” launched in 2014 as a spinoff of Into The Gloss, a blog that features interviews with models, makeup artists and other influential woman about the products they use and why. The blog’s already-loyal followers, numbering some 1.5 million monthly unique visitors, enables Glossier to listen and speak directly to its consumers. Glossier sells products it’s developed itself based on feedback from its wide audience. Its fans follow the brand off the site and blog, too: its Facebook page has 158,000 followers. The brand also has more than 809,000 Instagram and nearly 47,000 Twitter followers.

## Glossier



## 1800GunsAndAmmo.com



## A different approach

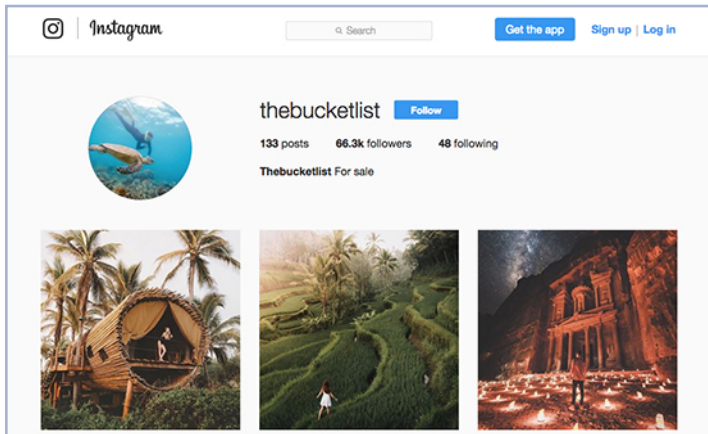
Facebook and Google are two crucial elements of most startup retailers’ customer acquisition strategies. But because 1800GunsAndAmmo.com sells firearms, which are banned from advertising on those platforms, the retailer had to take a different approach. Co-founder Mikhail Orlov turned directly to online communities, where he could engage directly with consumers, while also building an affiliate marketing network to help spread word about the site. He also launched a sister site, 1800Gear.com, to sell the gear gun buyers may be interested in without selling banned items. He then uses customer information from that site to target 1800GunsAndAmmo.com customers.

**VENDOR SPOTLIGHT**  
Affiliate Marketing



# Making money and saving elephants

## Ivory Ella



John Allen was still a student at Temple University when he and five friends started Ivory Ella in April 2015. Just two years later, the online-only apparel brand is generating well in excess of \$30 million in annual sales by marketing almost exclusively to its millions of social media followers.

In fact, the idea for Ivory Ella was born out of social media. The founders scoured social sites, such as Twitter and Instagram, to learn what people were passionate about, and quickly they found their answer: elephants. Ivory Ella sells a variety of elephant-themed items, mainly apparel but also such accessories as backpacks and hats. It gives 10% of its net income to Save the Elephants and, in some cases, to other nonprofits such as the American Heart Association and the Breast Cancer Research Foundation.

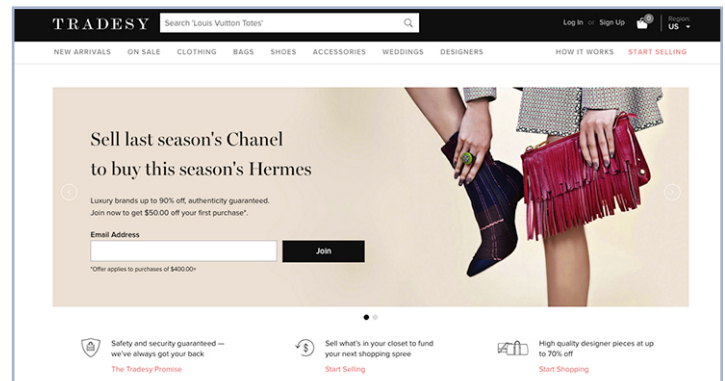
Allen says the company expects to grow another 20%-30% by the end of 2017 compared with 2016. And the company is profitable. Ivory Ella has donated more than \$1.2 million to charity. The secret of its success, and profitability, is that it's marketing for free to some 60 million followers on social media. That includes 1.4 million Instagram followers. The bulk of those fans, however, are following its accounts that are built around a theme and not an individual.

For example, Ivory Ella's founders are behind the Twitter account @TheBucktList, which has 1.42 million followers and features photos and comments about once-in-a-lifetime things people want to do, such as watching the sunrise over the Grand Canyon or bike riding in the Maldives. "When you have

a bunch of these accounts specific to certain interests, you know who you're targeting," Allen says. "That set us up for success."

In all, the Ivory Ella team operates social media accounts with 60 million followers, Allen says, and it targets young women ages 14 to 24. When Ivory Ella introduces new products, such as a line of athletic wear it launched recently or the baby line it plans to launch in 2018, it blasts out the news on social media. "Girls aren't going to the mall anymore. They're going on Instagram and finding us," Allen says.

## Tradesy

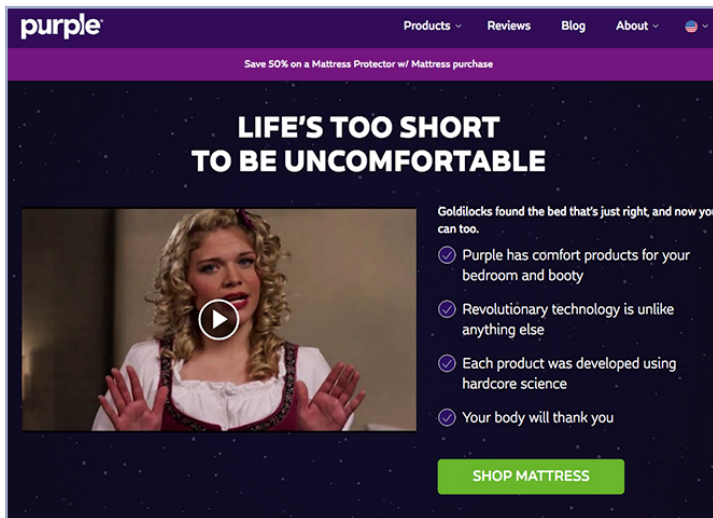


## Targeting the bullseye

"We track and measure and test, obsessively," says Kamini Rangappan Lane, chief marketing officer for luxury consignment retailer Tradesy Inc. The retailer wants to ensure it sends the right marketing message to the right group on the right platform. To achieve this Tradesy uses consumer data on what shoppers have previously looked at where and when to segment and personalize its marketing messages, she says. For instance, when the retailer recently launched a customer acquisition campaign focused on trendy designer handbags, it targeted female luxury shoppers with an affinity for certain brands on Instagram. Consumers who visited the site from the campaign viewed 25% more pages and had a 28% lower bounce rate than the average shopper.



## Purple



## Science and wrestlers

It's a business Cinderella story enabled with the help of Goldilocks. Purple Innovation LLC began selling mattresses online in early 2016 and by the middle of 2017 it announced a plan to go public at a value of more than \$1.1 billion. How it got there is a case study in how to use video to connect with consumers and explain scientific ideas—like the qualities of Purple's patented Hyper-Elastic Polymer "pressure-releasing material" the company uses to make its mattresses—in a humorous way.

Purple's most popular video features Goldilocks performing a "raw egg test," in which pressure is put on raw eggs to demonstrate the cradling qualities of Purple's mattress. Others make use of sumo wrestlers, Sasquatch and crash-test dummies.

"We educate consumers in a way that they don't realize they are watching an ad, and most of the time we do that with humor and tapping into that emotion" says Bryant Garvin, Purple's director of digital marketing.

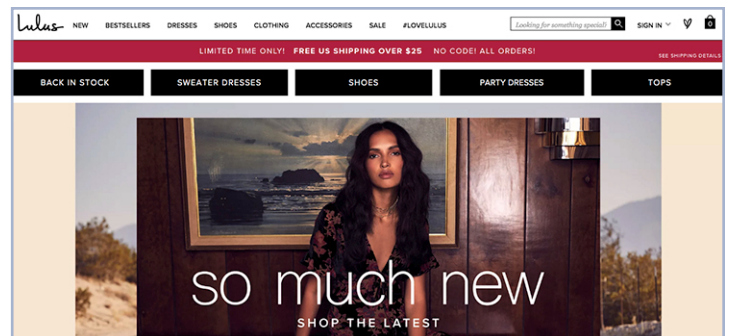
This formula has worked. The online-only retailer has racked up 800 million views of its videos, a spokeswoman says. Sales in 2016 were more than \$65 million and it expects its 2017 sales to soar to \$187 million, according to a July Securities and Exchange Commission filing.

As the retailer's business matures, it plans to continue its reliance on video marketing while also branching into new initiatives. For instance, in May Purple announced plans for a trial in which its products will be sold at some Mattress Firm Inc. stores.

## A private-label play

An affiliate network of fashion-conscious bloggers and websites has helped build Lulu's, an online retailer of women's apparel that sells its own private-label products as well as a select mix from other designers. Internet Retailer estimates Lulu's brought in \$150 million in web sales in 2016.

## Lulu's



### VENDOR SPOTLIGHT

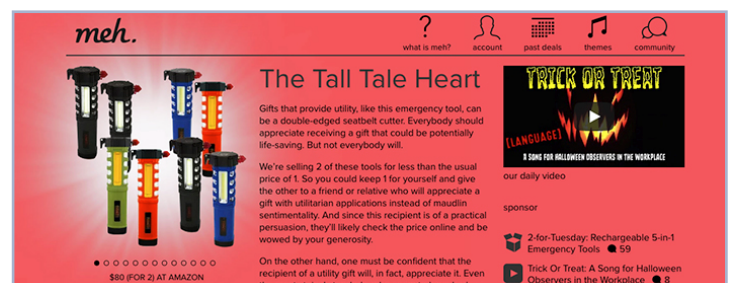
Email Marketing

ORACLE® + Bronto

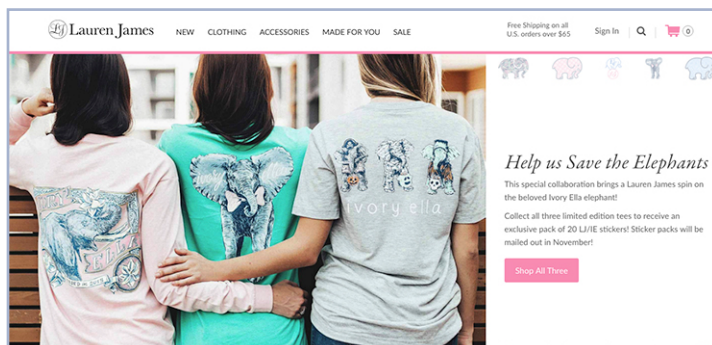
## These products suck

Most daily deals sites that sell refurbished products or unsold inventory want shoppers to feel like they're not buying lame leftovers. Mediocre Corp.'s Meh.com takes a different approach. Meh is happy to sell a refurbished dehumidifier, but it won't try to make the product sound great. Instead, its marketing copy often riffs on the product at hand. If the setup sounds familiar, you may have been a fan of Woot.com, the Amazon-owned daily deals site founded by Mediocre founder Matt Rutledge.

## Meh



## Lauren James



## Going social

Lauren James was launched in 2013 when CEO Lauren Stokes started designing seersucker dresses and selling them online while recovering from medical problems. These days, Lauren James sells everything from outerwear and swimwear to dog leashes and T-shirts with and without college logos. Social media has been crucial to its success as the retailer has 257,000 Instagram followers, more than 13,500 on Pinterest and 20,000-plus on Twitter. Its Facebook page has more than 90,000 likes. Lance Stokes, chief operating officer and Lauren's husband, says online sales—about 40% of Lauren James' business—should reach about \$5.1 million in 2017, up from \$4.3 million in 2016.

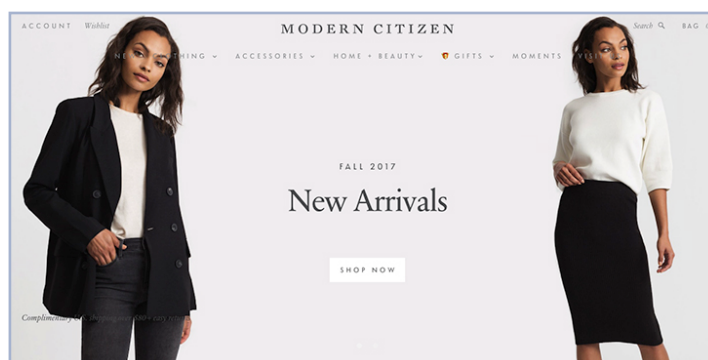
**VENDOR SPOTLIGHT**  
Order Management

**ShipStation®**

## Simple and disciplined

Modern Citizen strives to deliver an edited selection of premium clothes at accessible prices. Key to its approach are email and Instagram, where the retailer tags products in posts and shoppers are led to a product page to make a purchase, says co-founder Jessica C. Lee. Emails are deployed, using an artificial intelligence tool from email marketer Retention Science, at a rate that depends on engagement. For example, a customer who opens most of Modern Citizen's emails will receive the full calendar of messages, while a customer who engages on occasion will get fewer, she says. The average cadence is two to three emails a week.

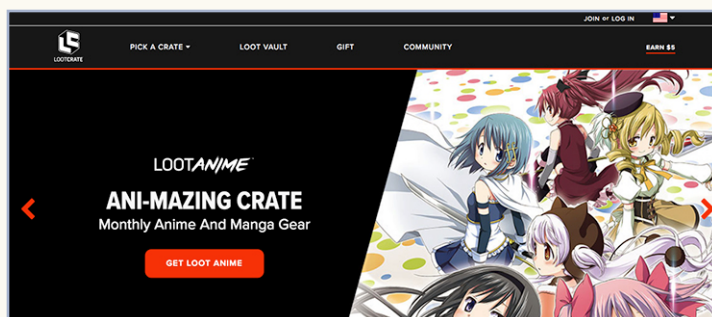
## Modern Citizen



**VENDOR SPOTLIGHT**  
Order Management

**ShipStation®**

## Loot Crate



**VENDOR SPOTLIGHT**  
Order Management

**ShipStation®**

## Get your geek on

Online subscription service Loot Crate targets passionate geeks who will eagerly await its monthly shipments of collectibles, apparel and gear from pop culture, gaming, and film and TV franchises. Community is key to the retailer's success: Its Facebook page has more than 2.6 million likes, and it has more than 680,000 followers on Instagram. The retailer holds monthly contests and awards a Mega Crate of goods to "lucky Looters," posting winners' names online, while its Daily Crate blog is just as likely to feature an exclusive interview with a show's creator or a recipe for how to make "Buffy the Vampire Slayer" ice cream floats.



# Marrying online and offline

**T**he lines between digitally native and store-first brands are blurring. A number of retailers that built their businesses online are venturing offline by opening physical stores. Meanwhile, multichannel retailers are increasingly focused on growing their online sales to help compensate for sluggish, stagnant or declining store sales.

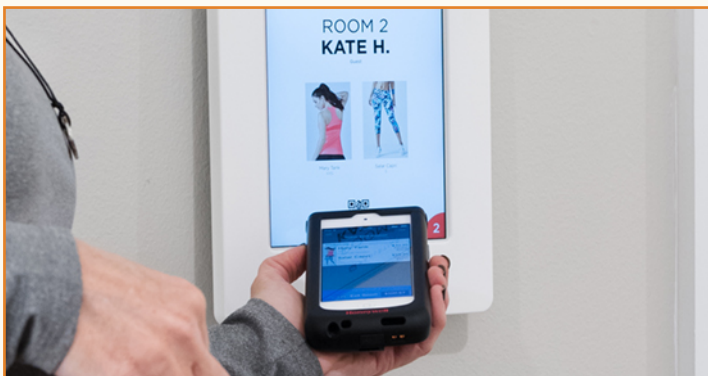
Both sets of retailers are coming to the realization that consumers don't think in terms of shopping a particular channel; they only think about the purchase they're trying to make. And merchants are increasingly pressed to meet consumers' expectations that they can interact with a brand easily in whatever fashion or format they choose.

**Consumers don't think in terms of shopping a particular channel; they only think about the purchase they're trying to make.**

Even online giant Amazon recognizes the need to offer shoppers more offline options to interact with its brand. That's one reason it paid \$13.7 billion to acquire Whole Foods and its 474 stores in North America and the United Kingdom. It's why it launched a program with Kohl's to allow shoppers to return Amazon orders to Kohl's store locations in Chicago and Los Angeles. And it's why Amazon installed pickup lockers in Whole Foods locations and opened up same-day pickup locations near and in some cases on college campuses nationwide.

Amazon isn't alone in leveraging another retailer's physical footprint to reach more shoppers. Bedding products company Casper has attracted \$245 million in funding from Target this year and as part of that arrangement, Target now sells Casper mattresses in its stores.

Other retailers are turning to technology to better weave together their online and offline operations. Take athleisure



retailer Fabletics, which last year unveiled a proprietary shopping cart technology called Omnishop. Omnishop places the items that a shopper tries on in one of Fabletics' store locations into her online shopping cart so that she can complete the purchase online, if she so chooses. Doing so helps keep the details of her trip to the store fresh in her memory by allowing her to see what she tried on when she logs into her Fabletics account.

One thing you can expect in 2018 is that more retailers will push the envelope to figure out ways to meet the shopper where they are while at the same time doing it in a way that both drives sales and saves the retailers costs on fulfilling online orders.

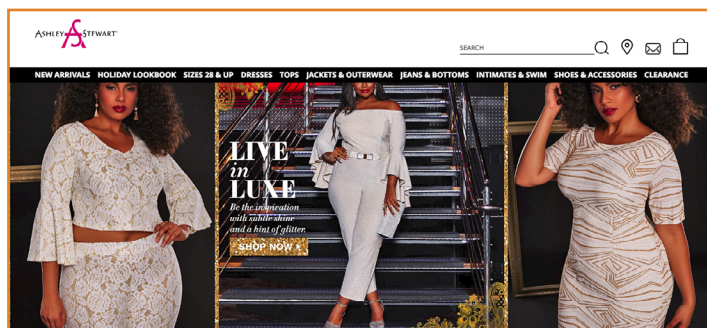
# Calling all divas!

**T**hin is in when it comes to fashion, but that's not how all women are built. For those who need larger sizes there is Ashley Stewart Inc., the plus-size women's apparel retailer. Rebounding from two bankruptcies, the latest in 2014, the retailer is investing heavily in online and mobile marketing initiatives designed to connect online shoppers with its 89 stores.

Ashley Stewart's loyalty program, Diva Dollars, gives shoppers credits they can use in its stores and online. The retailer's site identifies customers who are within 10 miles of a store and shows them a pop-up window promoting events coming up at the local Ashley Stewart store.

One of the retailer's most successful online projects of the past year flags which products are "hot" at the moment, based on how many website visitors have viewed a product or put it into a shopping cart. Since Ashley Stewart only buys limited quantities of each item, customers know that a product that is selling briskly will likely soon be out of stock, says Julie Daly, vice president of digital commerce. As a result, that "social proof" of interest from other shoppers has helped

## Ashley Stewart



increase conversions on "hot" products by 18%, Daly says.

Another success story of the past year has been sending text messages to customers about four-hour flash sales at stores. While the retailer also tried text messaging to promote sales on its web and mobile sites, Daly says customers respond in bigger numbers to messages that promote sales at its stores. Lots of customers appreciate those text alerts—418,000 have opted in to receive them, Daly says.

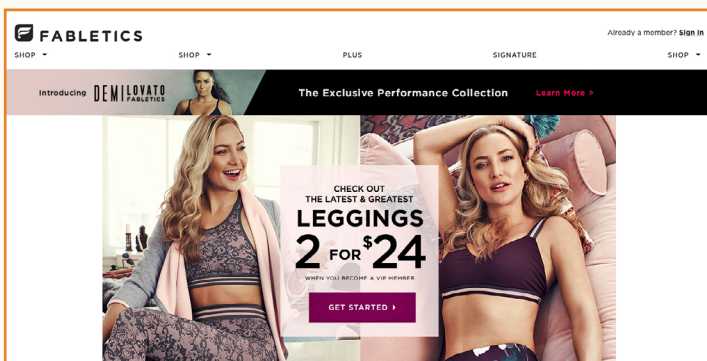
# Taking the offline shopping cart online

**A**thleisure retailer Fabletics uses technology to connect online and offline shopping for consumers.

For instance, the retailer last year unveiled a shopping cart technology called Omnishop. When a shopper goes into a fitting room in one of its store locations, a store associate scans the items. If the shopper has given Fabletics her email address in the past, those items automatically appear in her online shopping cart. After trying the items on, the shopper can rate them based on how they fit. If she completes the purchase in the store or decides she doesn't want them, they are removed from her online shopping cart. Otherwise, those items remain in her online shopping cart until she either completes the purchase online or removes them.

"We've got that customer information, we put that information into our point of sale, we scan those items in the fitting room, it allows us to track that conversion in store, and it gives us a much better idea of the items she likes and the items she doesn't like," says Ron Harries, head of retail stores at Fabletics

## Fabletics

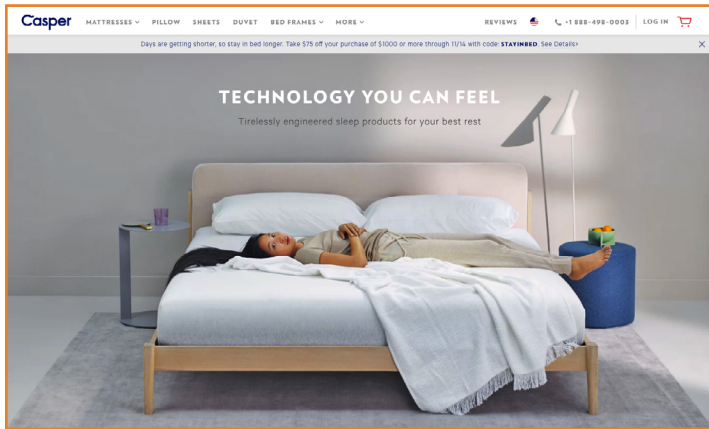


parent company TechStyle Fashion Group.

There's a big reason why Fabletics wants to get its offline shoppers to buy online and vice versa. Fabletics president Gregg Throgmartin says shoppers who shop with Fabletics via multiple channels are 3.2 times more profitable than those who shop via a single channel.



## Casper Sleep



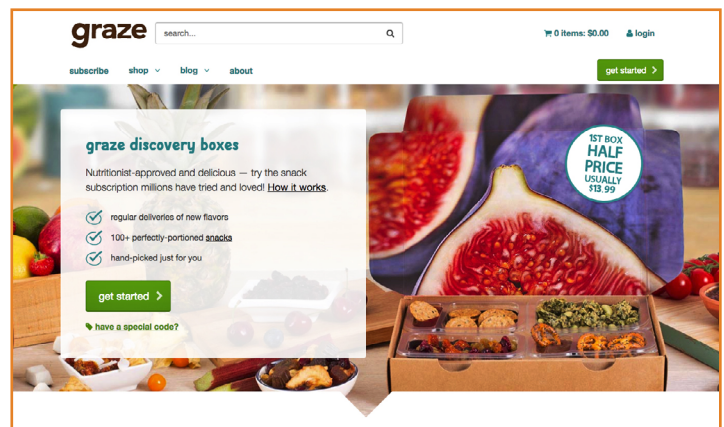
## Target the right partner

Casper Sleep Inc.'s online sales reached \$200 million last year, double the \$100 million it generated online in 2015 and nearly seven times the Internet Retailer-estimated \$30 million it generated in 2014. That's enough to make it the leading online mattress retailer by sales, which isn't easy given the category's intense competition. Key to its success has been the retailer's ability to evolve. For instance, earlier this year it teamed up with Target Corp. to allow the mass merchant to sell its products in its stores. The arrangement with Target (which also invested in the retailer) gives consumers more ways to try out the brand's products beyond Casper's 14 storefronts.

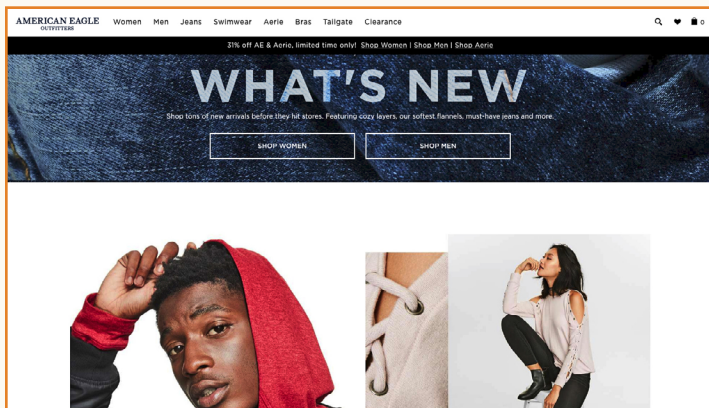
## Rapid expansion

Graze seeks to help snackers avoid that 3 p.m. after-lunch-but-before-dinner temptation for Cheetos from the office vending machine. The British healthy snack subscription service entered the U.S. market in 2013 and generated 200,000 subscribers in its first year across the pond. Graze late last year began expanding into 3,500 U.S. stores including Walgreen drugstores. Graze's taste team works to find interesting flavor combinations. In the past eight years they've invented nearly 2,000 new snacks. Subscribers can submit ingredients they don't like so they won't get them in a box. Graze boxes fit in most mailboxes, and are delivered by the USPS with no signature required with other mail so customers don't have to wait at home for their delivery.

## Graze



## American Eagle Outfitters



## Move to the music

American Eagle Outfitters Inc. wants shoppers to feel like they're in one of its stores while using its app. The young adult apparel brand has a radio station within its mobile app that plays the same music broadcast in its stores. American Eagle's clean and easy-to-navigate mobile app connects its stores to online by detecting a shopper's location and letting her know how much inventory of a product she's looking at online is available at the closest store where that product is available.



MOBILE  
SHOPPING

January 30 - February 1, 2018  
London

Unlock The Full  
Potential Of Your  
M-Commerce Strategy



SAVE WITH CODE: **MSIR18**

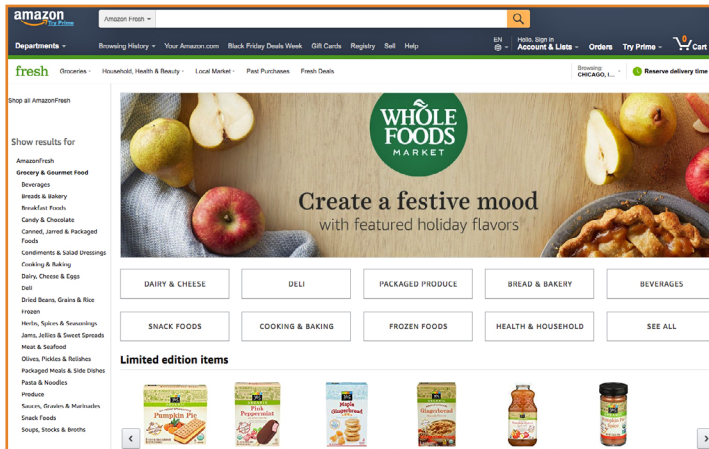
With thanks to our 2018 Sponsors





# A deal with major implications

## Amazon



Sure, Amazon.com Inc. has been dabbling with omnichannel initiatives for a few years, most prominently with the dozen Amazon Books stores that it operates and the high-profile, yet not-ready-for-prime-time Amazon Go cashier-free convenience store. But until this year its efforts to translate its online dominance offline were fairly modest. Then it paid \$13.7 billion for high-end grocery retailer Whole Foods Market Inc., and instantly North America's largest, most dominant online retailer had a significant omnichannel presence thanks to the grocer's more than 470 stores.

While it may be too early to fully assess the deal's impact, the move has the potential to transform the grocery industry. After all, Whole Foods' physical locations provide Amazon with retail space where it can sell organic kale and Echo speakers, while also serving as fresh food distribution centers.

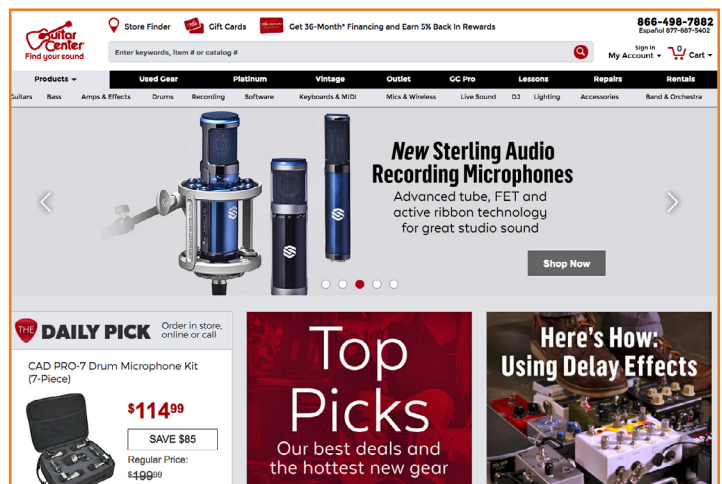
Amazon's online presence also benefits from the deal. For instance, Amazon in September added roughly 2,000 items on its site from the Whole Foods 365 Everyday Value brand (online sales of Whole Foods-branded products totaled about \$500,000 in the first week, according to One Click Retail, which monitored sales). The deal also enables Amazon to deliver select 365 Everyday Value brand products and other Whole Foods products in two hours or less via its Prime Now service (consumers can also use Instacart to order groceries for delivery via a prior agreement).

The deal has the potential to increase Amazon's already-sizable customer base by 5%, according to estimates by data management platform 1010data.

While the Whole Foods purchase was a major omnichannel initiative, Amazon is also embarking on other offline initiatives. For instance, Amazon in September announced that Kohl's Corp. would begin allowing Amazon customers to return their online orders in some of its stores. Kohl's packs and ships those returns, free of charge, to Amazon return centers.

The service is currently available at 82 Kohl's stores in the Chicago and Los Angeles areas. Shoppers do not need to have their Amazon orders in the original packaging in order to complete a return.

## Guitar Center



## Hitting the right notes

Guitar Center Inc.'s app is central to the retailer's omnichannel strategy, says Jeff Wisot, the retailer's vice president of marketing and e-commerce. For example, when a consumer searches in the app, she can see if the product is in a nearby store. The app also uses push notifications and in-app notifications to keep shoppers engaged. For example, Guitar Center in February sent app users a coupon that they had 48 hours to redeem in a store or in the app. The alert drove a "very large" number of shoppers to the store to make a purchase and an "incredible amount" of shoppers made a purchase with the in-app coupon, he says.

# E-commerce keeps evolving

Consumers expect a lot from retailers when they shop online. Consider, for instance, an Internet Retailer survey conducted in late 2016 that found nearly 68% of shoppers said the “look and feel” of a website had an impact on their decision to complete a purchase. And, when asked what they consider to be the most important design feature on any online shopping site, more than 72% said they want a site that makes it easy for them to find what they want. For mobile sites, that percentage jumps to 75%.

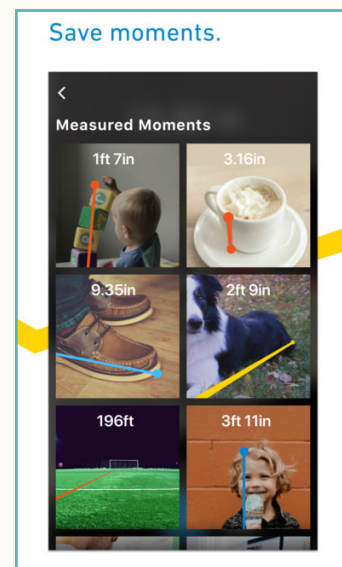
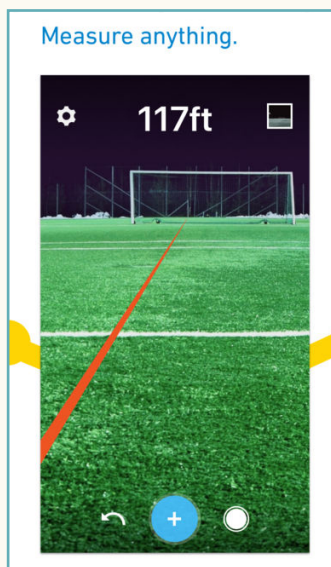
Retailers that want to meet shoppers’ ever-growing expectations have little choice but to invest in technology. 78% of online retailers plan to increase their technology spending over the next year, according to an October Internet Retailer survey of 76 online merchants. And 63% plan to increase their technology spending by more than 10%.

Of course, technology covers a broad swath of tools—from artificial intelligence-powered tools that enable a retailer to test a nearly unlimited number of website elements to determine the ideal arrangement to augmented reality tools that help shoppers visualize how a sofa will look their living rooms. The retailers in this year’s Hot 100 technology section are leveraging technology in their own ways as they attempt to provide a better experience for shoppers.

## More than 72% of consumers want a site that makes it easy for them to find what they want.

For instance, flower and gift retailer 1-800-Flowers last year rolled out the artificial intelligence-powered gift concierge service GWYN (an acronym for Gifts When You Need). The tool asks shoppers such questions as their desired delivery date and ZIP code, as well as the gifting occasion. GWYN returns the results it deems are most likely to fit the shopper’s needs.

Then there’s custom framing retailer Framebridge, which is in the midst of rolling out a new custom packaging process. The retailer is using software developed in-house to send frame



dimension data to warehouse equipment that cuts tailor-made boxes for each order. The retailer projects the new process will lower Framebridge’s shipping costs by up to 20%.

Meanwhile, high-end lingerie retailer Cosabella uses a number advanced e-commerce technology tools, including user testing software from Sentient Technologies that uses artificial intelligence to test a nearly unlimited number of elements across multiple pages at once to determine the arrangement that drives the most revenue. In the first 45 days that it tested that technology, Cosabella made 160 designs changes to its site, which helped it boost its conversion rate by 38%.

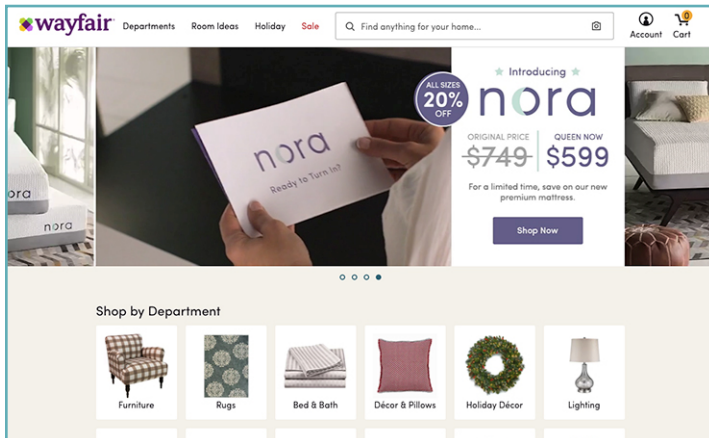
And then there’s home improvement retailer Lowe’s, which recently released an iPhone app called Measured by Lowe’s that transforms a shopper’s smartphone into a virtual tape measure. Another app from a Lowe’s subsidiary, The Mine, uses Apple’s ARKit augmented reality technology to enable consumers shopping at the home furnishings site to visualize furniture and décor in rooms in their homes.

That’s just a small sample of the wide range of technology experiments of this year’s Hot 100 retailers.



# A new reality

## Wayfair



Wayfair Inc. is making a long-term bet on augmented reality. “We’re trying to make it so it’s easy for a consumer to shop for their home from their home,” says Steve Conine, co-founder and co-chairman of the web-only home furnishing retailer.

Wayfair was one of the first retailers to debut a consumer-facing augmented reality feature. The tool, which it calls View in the Room 3D, allows a shopper to visualize furniture to-scale in her home on her smartphone.

Initially, the consumers using Wayfair’s AR tool were early technology adopters, who aren’t Wayfair’s core user base of shoppers, Conine says. To better understand how its broader customer base would use the tool, the retailer’s tech team “took it out into the wild,” by setting up a tent at a large furniture convention where it could watch “everyday” consumers use the tool, he says.

“We wouldn’t have the beautiful experience we have today if we hadn’t run experiments,” Conine says. For example, the app now guides shoppers by displaying text and visual hints on how to place and rotate products.

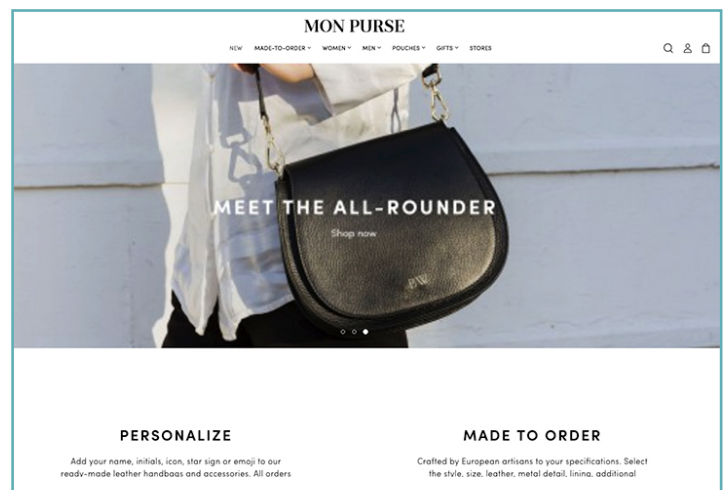
View in Room 3D is now available in the Wayfair shopping app for shoppers with Apple’s iOS 11 operating system on an iPhone 6S or later, as well as on Android devices that run Google’s Tango such as ASUS ZenFone and the Lenovo Phab 2 Pro smartphone. With consumers updating their devices every one to two years, Conine is confident more consumers will soon use augmented reality.

“I think the technology is at a tipping point now,” Conine says. “It’s now in the pockets of enough of our customers, and the user design has gotten good enough that it’s very approachable. We’ve moved it from being a side feature to something that is core to our features, core to our customer.”

Wayfair monitors how consumers use the augmented reality tool, whether it drives them to use the app and if it changes their behavior within the app. In the long-term, Wayfair aims to understand if the technology drives conversion, larger order values, and frequency of purchases, Conine says.

Although the retailer declined to share augmented reality-specific data, its app metrics—which is where the tool lives—are encouraging. As of Sept. 30, consumers have downloaded Wayfair’s app more than 11 million times (up from 2 million in 2015) and the average revenue of app visitors is three times that of other Wayfair shoppers, CEO Niraj Shah recently told investors.

## Mon Purse



## Personalize your purse

MonPurse.com enables a shopper to select from a number of leathers, strap styles, lining colors, metal choices and more to create a one-of-a-kind accessory.

A proprietary technology built by its in-house development team enables customers to rotate, zoom and pan the 3-D image on screen as their bag takes shape. Since launching in late 2014, Mon Purse has opened several stores in Australia and has locations within Bloomingdale’s stores in New York and San Francisco, plus a store at a New Jersey mall.

# A flexible platform helps retailers innovate

A growing number of retailers are making personalization a priority—not only on their websites, but also in their stores and anywhere else customers interact with their brands. Those that succeed are drawing insights from the data they're gathering about their customers and quickly applying what they learn to create simple, clear and informed buying experiences.

"Consumers want convenience, personalization and relevancy in their brand experiences," says Robert Poratti, product marketing manager at IBM Watson Commerce, a cloud-based e-commerce platform provider. "To make this happen, retailers need to identify shifts in the market or customer preferences. Responding to these changes with speed and precision is a big differentiator. But to do that, retailers must have the ability to gain actionable insights from multiple systems and data sources, and have the right tools and technology to continually improve the customer experience without long development cycles."

A lack of business and customer insights often prevent retailers from achieving this goal, he says. "Simply too much data or data that is inaccessible, coupled with an inability to understand what it all means, inhibits retailers from forming a complete understanding of their customers or their market," Poratti says. "Ultimately, they are unable to make the decisions that will have the largest impact on sales. This limits their ability to serve customers who want a simplified and tailored shopping experience."

**Another issue retailers often face** is their inability to quickly adjust to changes in the market. "All too often, they can't pivot to address new trends, customer preferences and expectations because of inflexible commerce solutions and therefore an overreliance on their IT and development departments to make changes that should be happening in real time," Poratti says.



**ROBERT PORATTI**  
product marketing  
manager at IBM Watson  
Commerce, a cloud-based  
e-commerce platform  
provider

However, retailers that shift to an e-commerce approach that uses the latest cloud, micro-service and artificial intelligence technologies can innovate while reducing both cost and overhead. "To keep up with today's customers and markets, retailers need e-commerce solutions that reduce their reliance on IT to add commerce services or to create innovative customer experiences," Poratti says. "Add AI-enabled tools for the e-commerce professional and suddenly the e-commerce team can make better, faster decisions, as well as build more tailored experiences for their customers."

Platforms such as IBM's Watson Commerce can help retailers respond to everything

thrown at them and personalize those customer experiences, he says. "It infuses AI into the e-commerce platform so marketers and merchandisers can quickly identify opportunities and take action to improve customer engagement and drive sales," he says. "Watson Commerce also helps retailers deliver omnichannel services like buy online, pick up in store, return to store and ship from store in the most efficient and cost-effective way possible; and create the engaging and intuitive brand experiences of tomorrow."

For example, when 1-800-Flowers.com recently wanted to win more customers and nurture loyalty, it implemented Watson Commerce's AI technology to create a virtual assistant on its site. The virtual assistant enables the company's customers to describe the kind of gift they are looking for and receive precise, personalized recommendations that meet their criteria. After rolling out the virtual assistant, the retailer is achieving a 65% click-through rate, increasing conversions and nurturing long-term loyalty.

"To thrive in this new age of retail, where change is constant and the sheer volume of information can be overwhelming, retailers need to act proactively and react effortlessly to any changes in the market or the behavior of consumers," Poratti says. "Retailers need to always be in the moment with their customers, no matter where that is in the journey with their brand."



# An early bloomer

Jim McCann started 1-800-Flowers.com Inc. in 1976 with one shop called Flora Plenty in New York City. His brother Chris McCann joined in 1984 and in 1986 the retailer embraced toll-free calling technology, acquired the 1-800-Flowers phone number and changed the company's name.

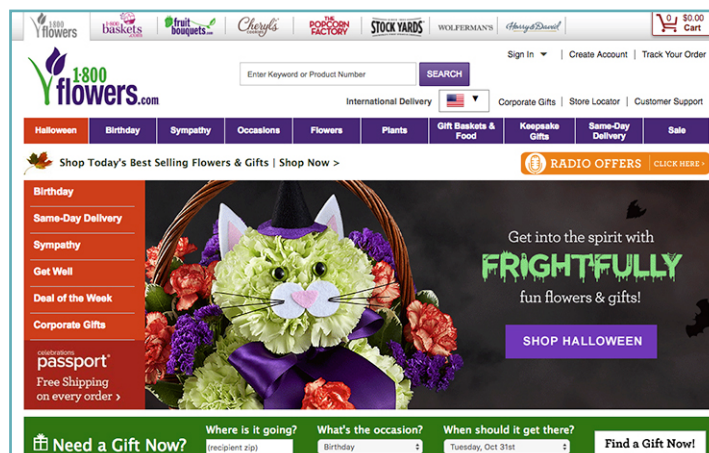
"We got that 800 number and it transformed our business overnight to being a national player," says Chris McCann, who became CEO in 2016, succeeding Jim. "We dramatically disrupted the retail floral industry."

Since then, the retailer has consistently been an early adopter of technology to ensure that it's a disruptor, rather than being disrupted, Chris McCann says.

For instance, this past Mother's Day, 1-800-Flowers participated in a pilot program with robot-maker Starship Technologies to deliver flowers and other gifts to a few gift recipients in California via an autonomous droid. In October, it enabled customers to use a voice-based Google Assistant to order floral gifts and select gourmet food gifts using a Google Home device or eligible Android and iOS devices.

Those moves came on the heels of the 2016 launch of its artificial intelligence-powered gift concierge service GWYN (for Gifts When You Need). The tool asks shoppers such questions as their ZIP code and when they need their gift delivered, and then requests information about the gifting

## 1-800-Flowers.com



occasion and their product preferences. GWYN returns results it deems most likely to fit the shopper's needs. The retailer also in 2016 enabled customers who own an Amazon.com Inc. Echo device to place an order on 1800Flowers.com by asking digital assistant Alexa to do so, and it allowed customers to order through Facebook's Messenger mobile messaging app.

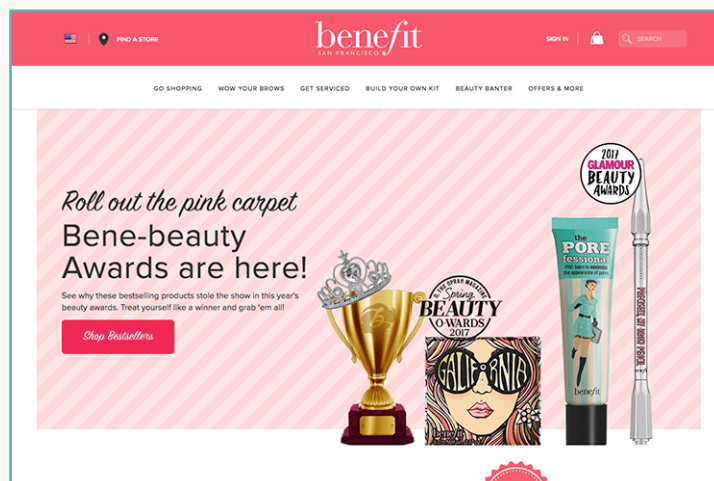
While technology like artificial intelligence, big data, analytics and voice-based computing may be in their early stages, McCann believes they will "change consumer behavior and change our business again. Ours is a culture of innovation and a culture of reinvention."

### VENDOR SPOTLIGHT

E-commerce Platform



## Benefit Cosmetics



## A local focus

With 40 regional e-commerce sites in more than a dozen languages launched in the last three years, Benefit Cosmetics LLC has been busy. Web sales for the company are up 37% year-over-year through the first nine months of 2017, says Cindy Shen, vice president of global e-commerce and customer relationship management. Data analytics and a localized approach have helped the brand grow its business. "We're constantly testing and learning—it's a huge advantage to have data," she says. "In Korea, customers' expectations for a product description page are vastly different than what they are here. We hear about it and see conversion rates go down if we don't have enough content there."

# I'VE MADE A HABIT OF SURPRISING AND DELIGHTING MY CUSTOMERS.

**With Watson,** digital commerce professionals can turn casual shoppers into brand enthusiasts. By using a modern digital commerce platform, they can quickly respond to everything thrown at them to give customers exactly what they want, when they want it. Find out more at [ibm.com/watson/commerce](http://ibm.com/watson/commerce). **This is digital commerce to the power of IBM.**

**you**<sup>IBM</sup>





## Boohoo



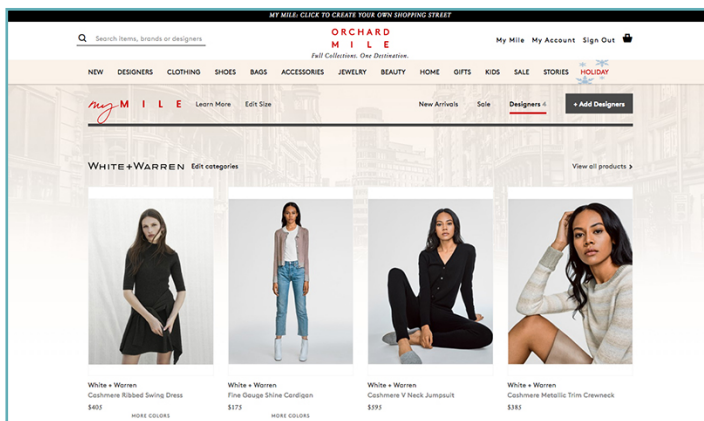
## Nothing to cry about

**B**oohoo.com UK Ltd. is a fast-fashion merchant that lives up to its label. The retailer orders a small number of a wide variety of items, then waits to see what its young shoppers buy. As popular fashions sell out, it reorders more. It sells only on the web and can quickly use sales data to spot hot trends. “In a fast-paced industry, technology-driven ideas will present shops with the opportunity to flourish and secure a larger share of shoppers who are craving an immediate, reliable and flexible shopping experience,” says Hugh Fletcher, global head of consultancy and innovation at e-commerce consultancy Salmon.

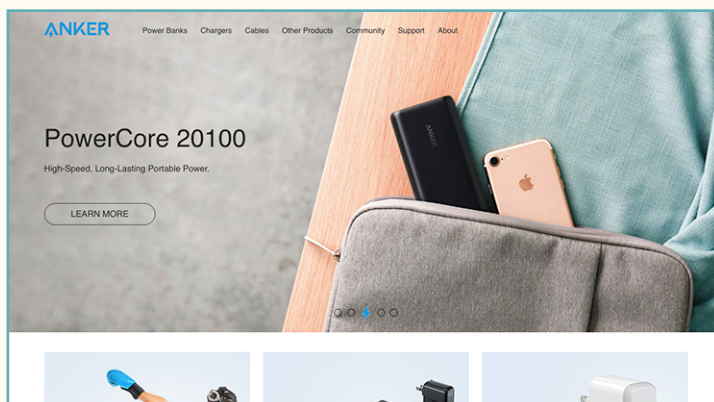
## A personal touch

Luxury apparel marketplace Orchard Mile Inc. aims to offer shoppers a personalized shopping experience—something the online apparel industry often lacks, says co-founder and CEO Jennie Baik. Take, for instance, My Mile, a page on the marketplace that shows a shopper a personalized feed of products that she can choose to filter by categories such as designer or size. Consumers see the feature, which launched in June, after they register and log into the site. “The issue with marketplaces is that there’s so many products, so how do you dig through all of that? We don’t get rewarded for offering more SKUs,” Baik says. “My Mile is the answer to that. We give them the universe, but make it really easy to shop.”

## Orchard Mile



## Anker

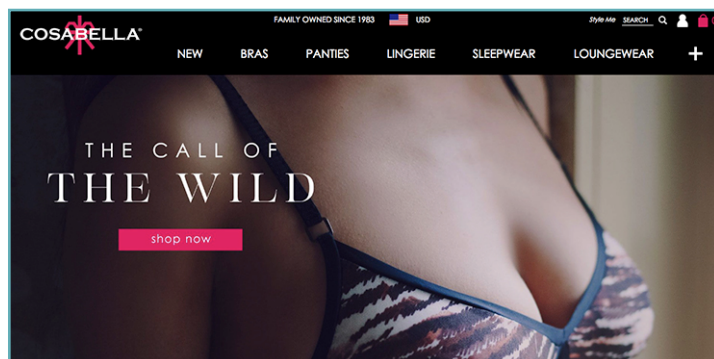


## Listening to customers

In the first half of 2017, electronics brand Anker Technology Co. Ltd.’s online sales grew 75%. That’s thanks in large part to its reliance on customer feedback. The Chinese retailer uses proprietary software to analyze reviews and break down customer sentiment using keywords. The data is turned over to research and development so the department can make product tweaks. “That way, we can be hyper-responsive and say ‘10% of people like the design of this button’ or ‘3% said they had connection problems.’ Then we can make fixes,” co-founder and CEO Steven Yang says.

# Technology is sexy

## Cosabella



Last year, 34-year-old family-owned luxury lingerie merchant Cosabella cut ties with the digital agency that was helping it with email marketing. It then sought out a vendor to help it better personalize its email messages and boost online revenue from its list of about 50,000 email subscribers.

“We were collecting a lot of shopper data, but we didn’t have the capacity to act on it,” says Courtney Connell, the retailer’s marketing director.

Cosabella in October 2016 signed a contract with Emarsys to help it customize the emails it sends to its subscribers. After implementing Emarsys the following month, email revenue increased 60% year over year and email open rates increased about 4%. What’s more, Cosabella’s popular 12 Days of Cosabella holiday campaign that contains a different offer or product for 12 days, generated 40% to 60% more sales in 2016 compared with a year earlier, Connell estimates. And for the first time, Cosabella did not offer discounts in that annual holiday email promotion, instead focusing on increasing editorial content, personalized suggestions and user-generated content.

Emarsys takes historical shopper data and then uses machine learning to identify shopper patterns and put shoppers into categories such as best shoppers based on what and when they buy.

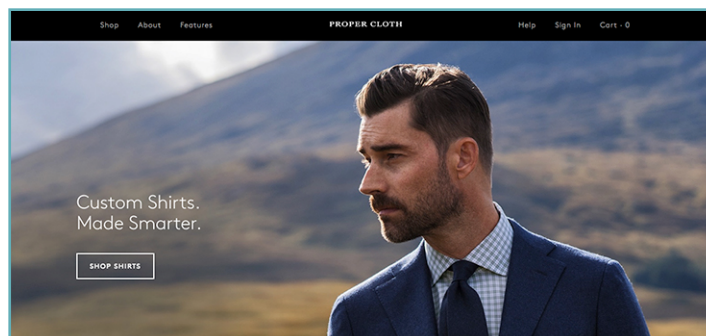
Using this data, Emarsys suggests the best message or offer for Cosabella to send based on what the system predicts will generate the most revenue. For example, rather than blast out a 20%-off discount to its entire email subscriber base,

Emarsys may suggest some shoppers receive a \$5-off discount instead and others simply get a message highlighting new bralettes without a discount.

Cosabella also is testing other advanced e-commerce technology, including user-testing software from Sentient Technologies that uses artificial intelligence to enable companies to test nearly an unlimited number of elements across multiple pages at once to determine the arrangement that works best.

Within 45 days of testing Sentient’s technology, Cosabella boosted its conversion rate 38%.

## Proper Cloth



## A style quiz that gets it

Made-to-measure clothing can be a tough proposition for online sellers. Consumers have to provide their own measurements, which may not be as accurate as those a tailor makes before custom-making a suit. But custom dress shirt retailer ProperCloth.com Inc. harnesses data to make sure customers are satisfied. The retailer asks for minute details about its customers’ preferences. It then feeds that data into its 11-question Smart Size guide, where customers answer questions such as whether they typically wear their shirts tucked in. Those questions help Proper Cloth ensure that customers are satisfied with their bespoke dress shirts.

**VENDOR SPOTLIGHT**  
Order Management

**ShipStation®**



# Taking shipping costs to the mat

Custom framing retailer Framebridge Inc. has to cater to both the design-minded consumer with a specific vision for an intricate gallery wall and the busy shopper looking to order a gift from her phone in three minutes. So in the middle of last year, the online-only company rebranded and made enhancements to its website to ensure that it resonates with both crowds. Its new, uncluttered design aims to streamline the navigation and ordering process and create a site experience with an intuitive flow, says Susan Tynan, the retailer's founder and CEO.

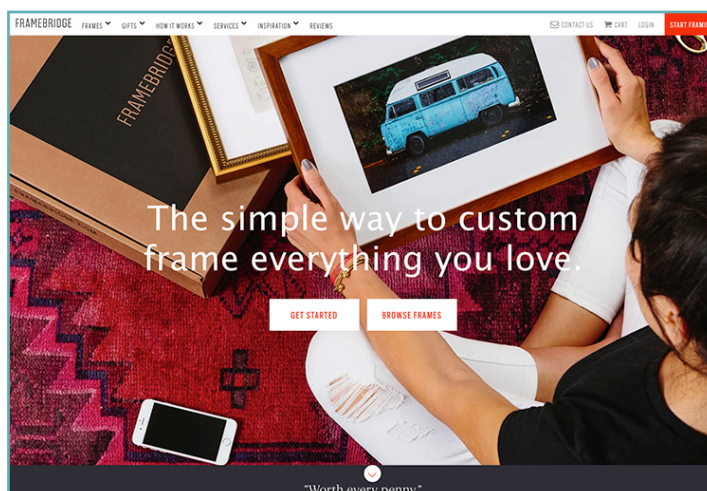
"We want customers to immediately understand the range of items we can frame and services we can provide," she says.

The refinements have paid off as brand trust and customer referrals are growing, and Framebridge's year-to-date sales have ballooned by 120% from the same period in 2016, she says.

Tynan says she's eager to devote more resources to machine learning. As the company collects more data on customer and designer product decisions, trends in frame color or matting size can be extrapolated more accurately to predict future framing treatment.

The retailer began rolling out a new custom packaging process with the first batch of orders shipping in late October. Using new software developed in house during a six-month period, Framebridge sends frame dimension data to warehouse equipment that cuts tailor-made boxes for each individual order, which all are uniquely sized. "It's a big project.

## Framebridge

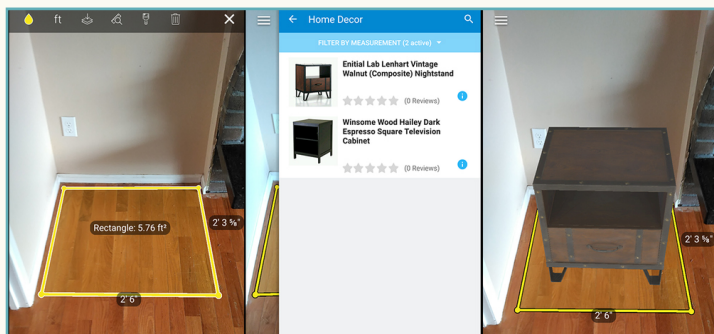


This is great for the environment and for the company's shipping costs," Tynan says. "It's good not to be shipping air across the country."

The new process could lower Framebridge's shipping costs up to 20% and improve product security in transit, she adds. The initiative is in testing at one of the company's two production facilities with plans to launch company-wide in time for the holiday rush.

Framebridge handcrafts custom frames within three days, and production is powered by proprietary technology. More than half of its customers buy again within one year.

## Lowe's



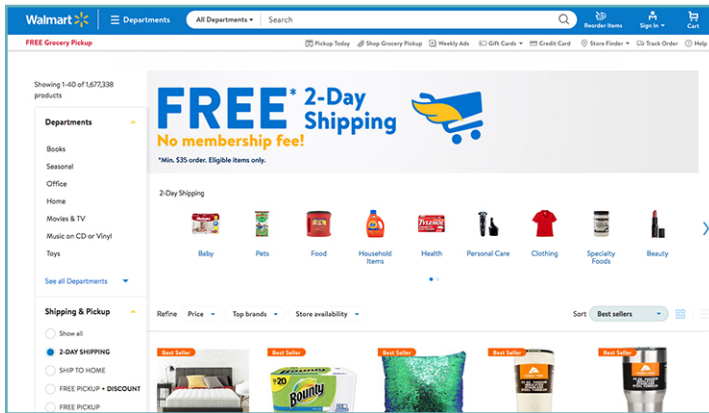
## Making hardware cool

Lowe's Cos. Inc. is pushing into augmented reality and other new technologies to engage online shoppers.

A new iPhone app called Measured by Lowe's, for example, turns a phone into a virtual tape measure. Another app from a Lowe's subsidiary, The Mine, uses Apple's ARKit augmented reality technology to enable consumers shopping at the home furnishings site to visualize furniture and décor in rooms in their homes.

# Many moving parts

## Walmart



Walmart Stores Inc. has a lot going on. The retailer added to its e-commerce portfolio this year with several acquisitions, namely Shoebuy.com, ModCloth, Bonobos and Moosejaw. Those deals came in the wake of Walmart's \$3.3 billion purchase of online marketplace Jet.com in 2016 and its appointment of Jet's Marc Lore as president and CEO of Walmart eCommerce U.S.

Walmart in October forecast its e-commerce sales will surge 40% in its next fiscal year. Its U.S. online sales have increased at least 60% in the past two quarters, which is four times the growth rate of the broader e-commerce sector. Much of that growth comes from Walmart's rapid expansion of its online marketplace, which now has more than 70 million SKUs compared with 8 million at the start of 2016, as well as its aggressive technological push.

Walmart plans to add 1,000 locations—double its current number—that will fill orders for customers buying groceries online and have drive-up lanes or pickup centers. In September, Walmart opened its 1,000th online grocery pickup location: a store in Seattle, headquarters of rival Amazon. In early 2017 it scrapped its membership shipping program, which was \$49 a year, in favor of free two-day delivery for orders of at least \$35. In April it launched Pickup Discount, which offers reduced prices on more than 1 million SKUs sold only online if shoppers pick up their purchase at a Walmart store.

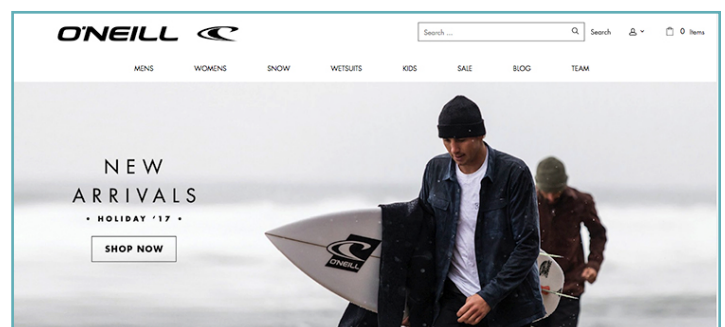
Walmart has 11 e-commerce fulfillment centers and more than 4,600 U.S. retail stores that help fulfill online orders. The retailer is integrating its Walmart and Jet back-end supply

chains, and in some cases, Walmart.com orders may be fulfilled from Jet.com fulfillment centers, a Walmart spokesman says. That enables Walmart to reach 99% of its customers within two days using ground shipping.

But the retailer isn't just aiming for two-day shipping. In October, it bought Parcel, a New York-based same-day and local delivery firm, to offer same-day delivery to customers in New York City. In June it announced that store associates could sign up to deliver online orders to customers' homes. The deliveries are done on employees' off hours and for extra pay, and the Walmart-built technology seeks to optimize the types of packages store workers deliver and the routes they use to make a delivery.

New technology also will come from Walmart's Store No. 8 technology incubator in Silicon Valley. Announced in March, it focuses on robotics, virtual reality and artificial intelligence. The incubator will work with startups, venture capitalists and academics to promote innovation in robotics, virtual and augmented reality, machine learning and artificial intelligence.

## O'Neill



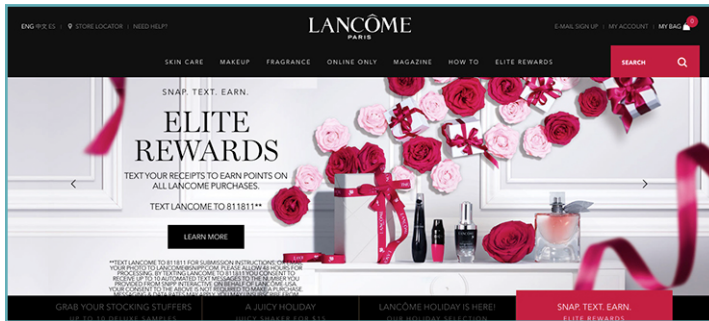
## Riding the wave

O'Neill Clothing's website uses an advanced personalization strategy that changes its recommendations based on a user's browsing behavior. Best known for its wetsuits, O'Neill also sells a variety of men's, women's and children's apparel, including the kind of outerwear not associated with California beaches.



# Investing in mobile

## Lancôme



Mobile commerce just keeps getting better, says Malik Abu-Ghazaleh, vice president, digital marketing and e-commerce at cosmetics brand Lancôme.

Lancôme has invested in accelerated mobile pages and progressive web app design technologies to keep its mobile site fast and engaging. Accelerated mobile pages allow retailers to build lightweight mobile pages that load extremely fast when a consumer visits a site from smartphone search results, while progressive web apps are a technology for coding a fast, interactive, app-like mobile site.

These two mobile technologies are a large part of why sales via smartphones now account for 25% of the retailer's e-commerce sales, up from 15% a year ago. This increase in smartphone sales is especially important as the devices account for 70% of Lancôme's traffic, he says.

The retailer's mobile features include a checkout page that features several quick-purchase buttons, including Apple Pay and PayPal, so that mobile consumers don't have to enter in their payment information. For those who do choose to manually enter their payment information, the retailer spaced apart its shipping and billing input boxes and used large text that's easy to navigate with a thumb, he says.

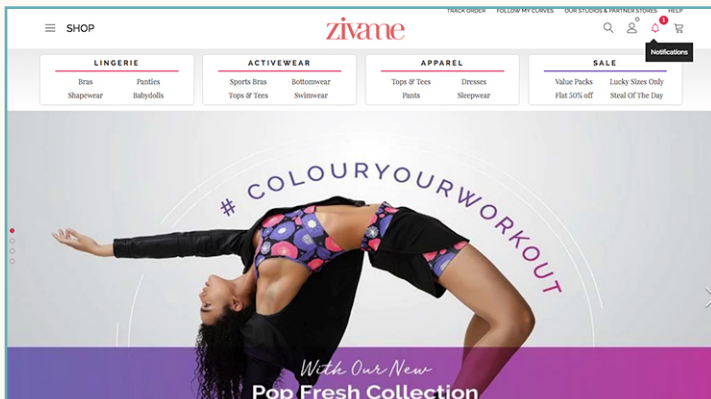
The retailer also recently updated its "account center" on desktop and mobile to expand the amount of information it shows users. While it previously only showed users their loyalty points, it now points them to products they can buy with those points, as well as the ability to browse previous purchases and a button to reorder a product.

"We normally get feedback when [shoppers] are unhappy with things, and we've gotten so many messages and emails and calls from customers about how happy they are with the [account center] redesign," Abu-Ghazaleh says.

Tailoring the site's information with information such as a shopper's past purchases is especially important, Abu-Ghazaleh says. In 2018, Lancôme wants to better tailor its website for each individual user, he says.

Right now, the retailer surfaces recommended products based on a shopper's browsing and purchase history, but it wants to go beyond that. For example, if a shopper usually buys a certain shade of foundation, it will make that shade the default shade she sees, instead of the typical dark-to-light layout or light-to-dark layout.

## Zivame



## Feel comfortable

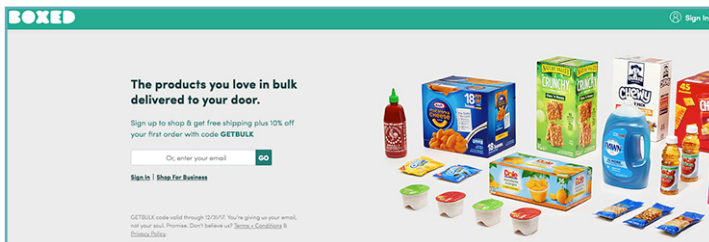
Online lingerie retailer Zivame is making it easier and more comfortable for women in India to purchase lingerie. The retailer's My Fitcode tool helps shoppers find the right bra size by answering a few questions. Zivame founder Richa Kar launched the business in part because she found the experience of buying a bra to be awkward. Mila Star Retail Private Ltd.-owned Zivame promises shoppers their orders will come in discreet packaging, so nobody knows where it's coming from or potentially what's inside. The retailer also has a blog that offers women style tips.

# Connecting its channels

Sephora wants to know as much as it can about its shoppers. “The more we know about her, the more it helps us personalize what we can offer her,” says Mary Beth Laughton, executive vice president of omnichannel retail at Sephora USA Inc. “In turn, she appreciates the tailored offerings and comes back to us seeking more.”

And so the cycle goes. The makeup retailer has worked to stitch together its online and offline consumer data so the retailer can have an accurate view of a shopper’s preferences. For example, when a shopper goes into a store for a makeover, the makeup artists saves and emails the shopper a Digital Makeover Guide, which includes the products she tried on in

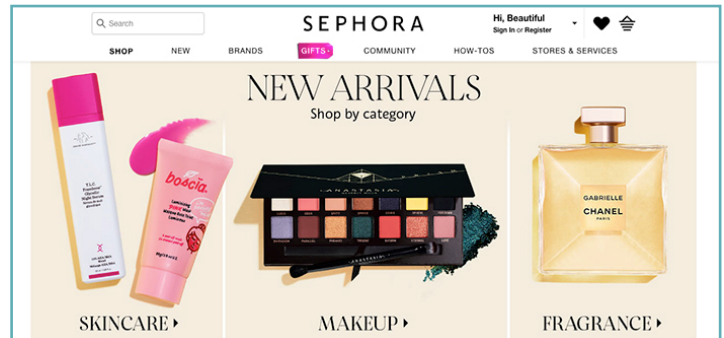
## Boxed



## Robot revolution

Bulk groceries and household products retailer Boxed Wholesale has invested tens of millions of dollars on a new automation system. Four miles of automated conveyor belts, which were integrated in April at a New Jersey facility, deliver goods to warehouse workers for packing. Automation has led to a 600% fulfillment productivity gain and a 350% total productivity gain, which measures labor cost per shipment, says Will Fong, the retailer’s co-founder and chief technology officer. Boxed’s in-house robotics engineers also built a prototype of a self-driving cart that can navigate inventory spaces to locate and fetch order items. The retailer is testing the technology in the same facility with plans to roll out as many as 90 or 120 of the vehicles across several other warehouses in 2018. So far, the prototype has produced an 80% increase in product retrievals per hour from using a human worker, the company reports.

## Sephora



the store, how the products were applied and her look preferences. This guide is then linked with the shopper’s account.

Sephora can then use data from a shopper’s account and information from her activity in its loyalty program to guide its marketing messages. This data helps Sephora market to the right consumers at the right time and at the right place, which is what Laughton calls “the trifecta of marketing.”

“We ran local inventory ads, as part of Google’s paid search program, for a few flagship markets and saw a strong lift in both sales and traffic,” Laughton says without revealing specifics. “When a client searched for products, it showed inventory available at a nearby Sephora store.”

Sephora also sends location-based push notifications to shoppers who are near to a Sephora store. One of the retailer’s best performing campaigns is when it alerts shoppers that an item she likes is back in stock at a nearby store.

“We’ve seen impressive open rates and percentages going into stores, and are excited to continue exploring ways to leverage this new capability,” Laughton says.

The retailer also uses its Facebook Messenger chatbot Sephora Assistant to communicate with shoppers. Consumers use the bot to book in-store makeovers and to share feedback on the retailer’s physical stores, she says.

Sephora measures its success with omnichannel technology by how often shoppers use the features and if a shopper is more likely to shop both online and offline instead of a single channel, Laughton says.

Sephora is also testing same day delivery in a few cities.



join us

## INTERNET RETAILER MAGAZINE **ONLINE**

Become a **Strategy Member** of our new website, DigitalCommerce360.com, for FREE and gain access to all of our Internet Retailer magazine content, anytime, anywhere, all online. And receive these benefits as well:

- Instant access to all strategic “gated” content
- Receive early-bird pricing on specific research reports throughout the year
- Receive notifications for special sales on research reports
- Get VIP passes to special live events, webinars and roundtables
- Account dashboard for saved content, downloads and order history

[digitalcommerce360.com/memberships/](https://digitalcommerce360.com/memberships/)

## APPAREL

# The fastest-growing apparel retailers have online roots

Clothing retailers and brands figured out years ago that consumers in large numbers would buy apparel online, and major companies responded by upgrading their e-commerce sites and offering conveniences like the ability to pick up their orders in a store or to return their online orders to a store.

However, the six fastest-growing online apparel retailers according to Internet Retailer's analysis of the 264 retailers and brands in the Internet Retailer 2017 Top 1000—North America's leading e-retailers by online sales—that primarily

The six fastest-growing online apparel retailers all got their start online rather than by operating physical stores.

sell apparel and accessories all got their start online rather than by operating physical stores.

Many of the fast-growing digital natives are offering goods not available elsewhere—including Amazon.com Inc. Several sell their own brands, whether that's hand-crafted shoes from M. Gemi, elephant-themed T-shirts from Ivory Ella, or clothing from Everlane, an e-retailer that says it's committed to sustainable production and shows consumers its production costs.

Or the merchandise they sell is not available elsewhere because it's second-hand, as is the case for online consignment retailer Swap.com, the second fastest-growing apparel retailer in 2016 after M. Gemi. As a group, the 93 web-only apparel retailers in the Top 1000 grew by 17.9% outpacing the 12.2% growth rate among the 81 retail

## 10 FASTEST-GROWING ONLINE APPAREL RETAILERS

Retailer	Top 1000 Rank	2016 Growth
M. Gemi	124	500.0%
Swap.com	178	257.1%
Sportique	196	178.6%
Ivory Ella LLC	242	150.0%
MeUndies	146	112.9%
Adore Me	100	100.0%
Sivana Inc.	261	100.0%
Everlane Inc.	98	80.0%
Boot Barn Inc.	106	60.9%
The Talbots Inc.	33	60.0%

Source: Internet Retailer

chains and the 4.6% growth rate among the 19 retailers that sell through catalogs and call centers, as well as on the web. But the fastest growth on average was among the 71 consumer goods manufacturers, which collectively grew 21.2%. Leading the way was Sivana Inc., a designer of apparel and jewelry that gives part of its proceeds to children and mothers in less-developed countries. Sivana doubled its web sales in 2016. But there was also big growth among such well-known brands as Adidas AG (59.1% online growth in 2016) Nike Inc. (51.0%) Canada Goose (41.1%) and Kate Spade (34.8%).

## HOW APPAREL SALES FARE ONLINE VS. OFFLINE

(Sales in \$billions)

	2016	2015	Growth
Top 1000 apparel e-retailers	60.3	52.8	14.1%
Amazon + other non-apparel retailers	24.0	18.2	31.9%
<b>Total online</b>	<b>84.3</b>	<b>71.1</b>	<b>18.7%</b>
Total apparel sales	358.9	342.9	4.6%
Apparel stores	274.5	271.9	1.0%
<b>Online share</b>	<b>23.5%</b>	<b>20.7%</b>	

Source: Internet Retailer, Cowen & Co., Statista



## FOOD

# Small online food merchants rack up big web sales growth

Aside from Amazon.com Inc. and Wal-Mart Stores Inc., only one of the largest online retailers, Blue Apron Inc., was among the Top 10 fastest-growing Top 1000 food and beverage e-retailers in 2016. The Internet Retailer Top 1000 ranks North America's leading e-retailers by online sales. The fastest-growing list for the category consisted of much smaller companies, nine of them web-only merchants. Seven of the fastest-growing were in the grocery/fresh food category. The fastest-growing food and beverage retailer was meal kit delivery service Chef'd, which grew

online sales by 1,100% in 2016, its first year in business.

Unlike some other meal kit retailers like Blue Apron and Green Chef Corp., shoppers on Chef'd can choose specific meals they want rather than simply telling the company what kind of diet they eat and then having the company select meals for them. Chef'd also doesn't require customers to sign up for a subscription service.

Meanwhile, Amazon earlier this year took a slice of the grocery industry—and potentially the online grocery industry—with its acquisition of Whole Foods Market Inc. and its more than 470 stores in North America and the United Kingdom for what many experts

deem a modest price of \$13.7 billion. At a time when Amazon is growing market share—it accounted for 49.4% of U.S. e-commerce growth in the second quarter, according to Internet Retailer estimates—many industry observers believe the combined Amazon and Whole Foods could help it garner an even larger share of retail spending while, at the same time, transforming the way consumers buy groceries. The deal may also cement Amazon's offline presence—largely in affluent areas in line with its customer base—where it can test new concepts to make its brand even more entrenched with consumers' daily lives.

### TOP 10 ONLINE FOOD RETAILERS IN THE U.S.

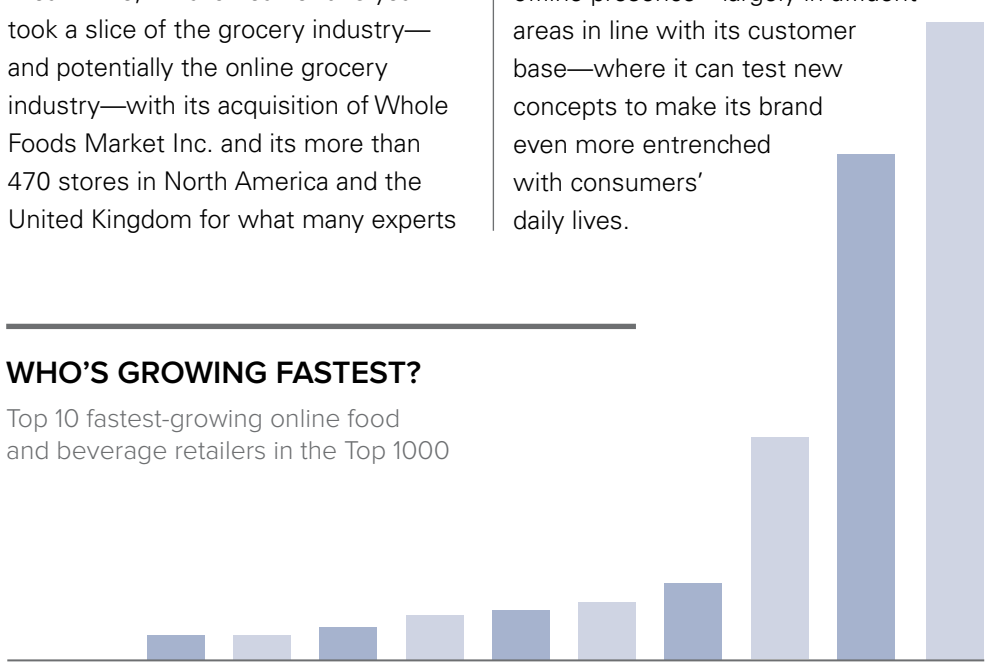
2016 online food sales (in millions)  
with share of total online food sales

\$8694.0	Amazon	39.3%
\$5303.0	Walmart	24.0%
\$864.3	Peapod LLC	3.9%
\$795.4	Blue Apron Inc.	3.6%
\$615.4	Fresh Direct LLC	2.8%
\$532.8	The Kroger Co.	2.4%
\$411.2	Keurig Green Mountain Inc.	1.9%
\$343.8	Weight Watchers	1.6%
\$288.0	Nutrisystem Inc.	1.3%
\$264.5	Colony Brands Inc.	1.2%
\$3987.6	Others	18.0%

Sources: Cowen and Co., Internet Retailer estimates

### WHO'S GROWING FASTEST?

Top 10 fastest-growing online food and beverage retailers in the Top 1000



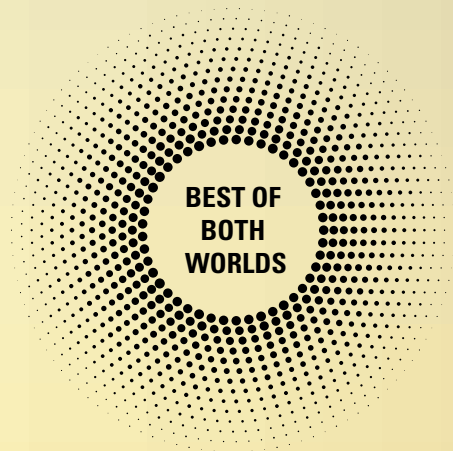
Retailer	Wal-Mart Stores Inc.	Amazon.com Inc.	Naked Wines.com Inc.	Boxed Wholesale	Green Chef Corp.	Chef Plate	Blue Apron Inc.	Thrive Market	Home Chef	Chef'd
2016 Growth	41.2%	41.2%	58.2%	85.0%	90.0%	100.0%	133.0%	380.0%	856.7%	1100.0%
Merchant Type	Retail Chain	Web Only	Web Only	Web Only	Web Only	Web Only	Web Only	Web Only	Web Only	Web Only
Subcategory	Grocery/Fresh Food	Grocery/Fresh Food	Wine Spirits	Grocery/Fresh Food	Grocery/Fresh Food	Grocery/Fresh Food	Grocery/Fresh Food	Grocery/Fresh Food	Grocery/Fresh Food	Grocery/Fresh Food
2017 Top 1000 Rank	3	1	263	326	683	661	244	197	291	838

Source: Internet Retailer's Top500Guide.com

# DATA & ANALYSIS

## ON THE TOP 1000 E-RETAILERS IN NORTH AMERICA

Internet Retailer's All-New Top 1000 Database Memberships offer more analysis than ever before. Now, included in your database membership comes the **Top 1000**, **Top 500** and **Mid-Market 500** Analysis Reports. Over 240-pages of analysis, tables, charts and data on the Top 1000 e-retailers in North America. Together, these 3 essential e-commerce reports are sold for \$897 (\$299 each).



BASIC	BASIC PLUS	PRO
<b>\$995</b> YEAR	<b>\$1995</b> YEAR	<b>Get a Quote</b>
1 User	1 User	Multiple Users
1000 Company Profiles	1000 Company Profiles	1000 Company Profiles
Up to 80 Metrics Per Company	Up to 260 Metrics Per Company	Up to 281 Metrics Per Company
Web Sales Ranges	Web Sales Ranges	Exact Web Sales Conversion Rates Average Tickets Growth Rates 5-Year Historical Sales
3 Analysis Reports	3 Analysis Reports	3 Analysis Reports

**"Get the DATA you need from the SOURCE you trust"**

[digitalcommerce360.com/our-databases/](http://digitalcommerce360.com/our-databases/)



## HARDWARE

## Store-based hardware and home improvement retailers dominate online

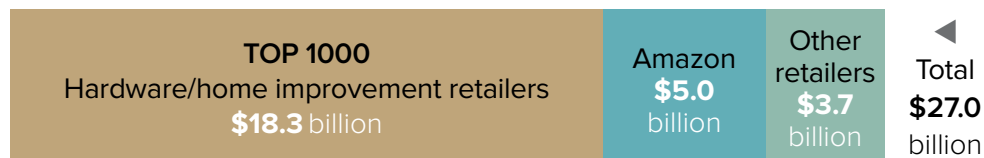
It pays to have stores when you sell hardware and home improvement goods online. Big retail chains like the Home Depot Inc. and Lowe's Inc. dominate e-commerce sales in the category. The nine hardware retail chains ranked in the Internet Retailer 2017 Top 1000 represent 72.6% of the total online sales in the category. Despite store-based retailers' dominance, seven of the 10 fastest-growing hardware and home improvement retailers in 2016 are web-only merchants.

Those fast-growing web-only retailers fall into a few different categories—industrial, kitchen/bath and tools, and they use a variety of strategies to stay ahead to grow sales at a rapid clip, including providing rich, in-depth how-to content on their sites and on YouTube. For instance, RepairClinic.com Inc., which sells more than 2 million appliance, lawn mower and heating and cooling parts, along with power tools, has built a devoted following by offering a library of nearly 3,000 online videos on

YouTube that show consumers how to fix items around the house.

Meanwhile, as is the case in many other e-commerce categories, Amazon.com Inc. is becoming an increasingly large player in hardware and home improvement. In fact, its sales in the sector are growing faster than those of any other retailer.

Internet Retailer estimates the total online hardware and home improvement market was \$27.0 billion in 2016. That number includes sales transacted online with the 58 hardware and home improvement retailers ranked in the Top 1000, along with sales through Amazon and other outlets not ranked in the Top 1000 or not categorized primarily as a hardware or home improvement merchant such as Walmart or Target.

STATE OF THE MARKET Makeup of online hardware/home improvement market

Source: Internet Retailer

## TOP 10 FASTEST-GROWING HARDWARE/HOME IMPROVEMENT E-RETAILERS IN 2016

2016 web sales growth, with merchant type

Retailer	Merchant Type	2016 Web Sales Growth
1 Kitchen Resource Direct LLC	Web Only	52.8%
2 Nature Hills Nursery Inc.	Web Only	28.7%
3 Lowe's Cos. Inc.	Retail Chain	28.6%
4 Sustainable Supply Company LLC	Web Only	28.0%
5 TechToCommerce	Web Only	26.3%
6 FastoolNow	Web Only	25.3%
7 RepairClinic.com Inc.	Web Only	25.0%
8 Woodcraft Supply LLC	Catalog/Call Center	21.2%
9 Interline Brands Inc.	Catalog/Call Center	21.0%
10 DoMyOwnPestControl.com	Web Only	20.8%

Source: Internet Retailer's Top500Guide.com

## HEALTH AND BEAUTY

# How BeautyKind and ipsy paint a pretty sales growth picture

The 34 online-only health and beauty merchants in the Internet Retailer Top 1000—North America's leading e-retailers by online sales—dominate a good portion of beauty product sales on the web, more so than retail chains and consumer brand manufacturers. The online-only retailers collectively generated \$4.17 billion on the web last year.

A few of the smaller, faster-growing players in the category appeal to millennials with non-traditional forms of marketing, such as live events or by relying on word-of-mouth reviews from influencers in the online beauty community.

Startup web-only cosmetics merchant BeautyKind, for example, opted for a unique approach to garner attention from its target demographic, millennials,

last fall when it orchestrated 14 pop-up style events at Southeastern Conference football games.

The merchant selected colleges in that region largely because the women there tend to wear more makeup than in other regions, says co-founder and CEO Hil Davis. The retailer gave out free water bottles and \$25 gift cards to BeautyKind.us to anyone who took a selfie at its booth and used the hashtag #beautykind on Instagram. Davis says roughly 18% of the people who received the gift card used it to purchase products. Beauty-

Kind gave out anywhere from 1,000 to 3,000 gift cards per event, which means it nabbed roughly 180 to 540 transactions at each event.

Plus, the merchant garnered up to 1.5 million impressions on Instagram per event, he says. These types of efforts helped the merchant nurture the beginnings of a loyal following on the web.

BeautyKind does not publicly disclose its revenue, but Internet Retailer estimates it generated \$5 million in online sales last year—up from \$2 million in 2015.

Similarly, beauty box subscription service ipsy has quickly risen to No. 188 in the Top 1000 through non-traditional marketing techniques. The company's founder is YouTube sensation Michelle Phan, who turned her large and loyal following into an online business that ships samples of beauty products monthly to consumers for \$10. While Phan recently exited the company, her fan base has helped the retailer generate strong growth. It grew 2016 web sales an estimated 30% to \$195 million.

ipsy

Beauty box retailer

Founded: 2011

2016 Web Sales: \$195 million\*

2016 Growth: 30%\*

1.4 million+ YouTube subscribers

\*Estimate



BEAUTYKIND™

Web-only reseller of  
prestige beauty products.  
5% of all sales go to charity.

Founded: 2015

2016 Web Sales: \$5 million\*

2016 Growth: 150%\*

15,000+ Facebook likes

5,800+ Instagram followers

\*Estimate

### MERCHANT TYPE COMPARISON: TOP 1000 BEAUTY PRODUCTS RETAILERS

	2016 Web Sales (in billions)	Number of Companies	% of Total
Web Only	\$4.2	34	45.6%
Consumer Brand Manufacturer	\$2.7	16	30.0%
Catalog/Call Center	\$1.2	2	13.0%
Retail Chain	\$1.0	6	11.0%

Source: Internet Retailer

# The First-Ever Internet Retailer AMAZON REPORT



The past, the present and the future of the company driving a global retail revolution

What's Included:

- 44-page PDF Report
- Timeline and analysis of Amazon's past, present and future
- Details on Amazon's revenue by segment and geography
- Inside look at Amazon's distribution and FBA business
- Amazon Prime Day Wrap-Up
- Amazon's new focus areas

\$299 PDF

[digitalcommerce360.com/amazon-report/](https://digitalcommerce360.com/amazon-report/)



## HOME GOODS

# Mattress e-retailers aren't sleeping on the job

In terms of sales, the top home furnishings and housewares retailer in the Internet Retailer 2017

Top 1000—North America's leading e-retailers by online sales—is Wayfair Inc.

Wayfair's online sales grew nearly 60% in 2016. But that surge in sales didn't even put Wayfair in the Top 10 fastest-growing companies in the category. Eight retailers in the category in the Top 1000 grew their web sales by 100% or more last year.

About 15% of growth in the home furnishings category comes from mattress brands that primarily sell online. Seven of the 10 fastest-growing merchants by web sales in the category only sell mattresses. The 11 mattress merchants ranked in the Top 1000

collectively grew online sales nearly 91% last year to \$1.0 billion from \$529.1 million, which is more than five times as fast as Top 1000 total sales growth.

In terms of total sales, Casper is the leading online mattress retailer, with an estimated \$200 million in sales in 2016. That represents 100% growth. But in this category, simply doubling your sales did not make you a growth leader in 2016. The fastest-growing mattress

e-retailer was Helix Sleep, which grew its sales 900% to \$50 million. Four others posted sales growth of more than 100%. Three of the online mattress retailers have raised millions of dollars from investors, but none has raised more than Casper. Casper has raised \$239.7 million since launching in 2013. That includes a major investment from Target Corp. which sells Casper mattresses in its stores.

## FIVE FASTEST-GROWING ONLINE MATTRESS RETAILERS IN 2016

2016 web sales growth



Source: Internet Retailer's Top500Guide.com

## MATTRESS RETAILERS DOMINATE GROWTH LEADERS

Top 10 fastest-growing home furnishings and housewares e-retailers

Company	2016 Web Sales	2015 Web Sales	2016 Growth	Subcategory
Helix Sleep	\$50,000,000	\$5,000,000	900.0%	Mattress
Deqor	\$4,000,000	\$408,200	879.9%	Furniture
Leesa Sleep LLC	\$76,000,000	\$28,500,000	166.7%	Mattress
Ashley Furniture	\$8,000,000	\$3,000,000	166.7%	Furniture
Tuft & Needle	\$100,000,000	\$40,000,000	150.0%	Mattress
Mattress Firm Inc.	\$87,806,837	\$41,917,500	109.5%	Mattress
Saatva Inc.	\$168,000,000	\$81,000,000	107.4%	Mattress
Casper	\$200,000,000	\$100,000,000	100.0%	Mattress
Newell Brands	\$1,100,000,000	\$600,000,000	83.3%	Storage/Organization
Brentwood Home	\$50,000,000	\$30,000,000	66.7%	Mattress
<b>Total</b>	<b>\$1,843,806,837</b>	<b>\$929,825,700</b>	<b>98.3%</b>	

Source: Internet Retailer's Top500Guide.com

## LUXURY

## Luxe shopping comes to the web

One common thread among the luxury retailers that are growing the fastest online is that they are all relative newcomers to e-commerce. While the 10 largest global online luxury retailers have been selling online since the early 2000s, many of the fastest-growing merchants have only been selling online since the end of that decade. Many of these retailers are also fueled by venture capital funding.

A prime example is Mon Purse, an Australian company that launched in 2014. The handbag retailer enables

shoppers to customize their bags by choosing the size, style, leather, metal, trimmings and a monogram. Because each bag is made to order, delivery takes four to six weeks. It grew web sales 100% in 2016 and has raised \$3.8 million to date.

The Real Real Inc. is another luxe web merchant that's relatively new to the web and is backed by venture funding. The operator of a consignment site where women can sell their fashion apparel raised \$50 million in July 2015 to bring its total funding to \$173 million

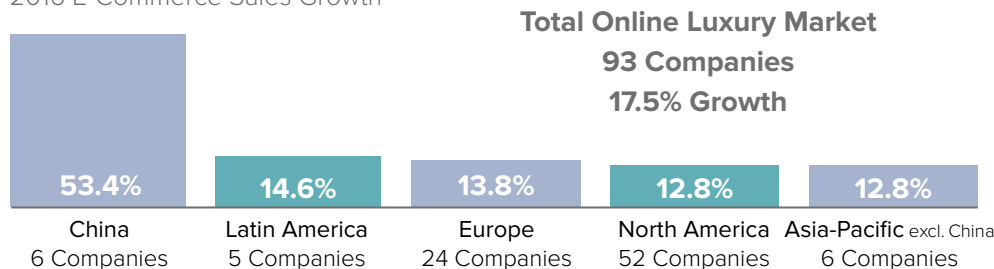
since its launch in 2011. The Real Real grew its sales 30% in 2016.

Additionally, three Chinese retailers making the Top 10 list for growth, Secoo, Zbird and Shangpin, have all raised at least \$60 million in venture funding, according to funding tracker Crunchbase. Secoo grew its 2016 web sales 72.3% according to Internet Retailer, Zbird by 65.0% and Shangpin by 59.1%.

Luxury retailers and brands are riding the wave of consumption among the newly affluent middle and upper classes in China. In the prospectus for its initial public offering of stock, Secoo cited a report from market research firm Frost & Sullivan that projects annual growth of China's middle and high income populations of 13.2% and 11.8% respectively between 2016 and 2021. By 2012 the report says 42% of China's population will be at least middle class, which would put well over 500 million consumers in that category.

## CHINA LEADS IN LUXURY E-COMMERCE GROWTH

2016 E-Commerce Sales Growth



Source: Internet Retailer

## VENTURE FUNDING DRIVES GROWTH FOR WEB-ONLY LUXURY RETAILERS

Retailer	Luxury Rank	Latest Round Amount (millions)	Date	Total Raised (millions)	2016 Sales Growth
Shangpin	3	\$50.0	August 2011	\$60.0	59.1%
Zbird	6	\$25.0	March 2011	\$80.0	65.0%
Farfetch	16	\$397.0	June 2017	\$701.5	5.0%
JamesAllen.com	21	\$140.0	April 2017	\$165.0	50.0%
Secoo Holding Ltd.	26	\$55.0	July 2015	\$205.0	72.3%
The RealReal	31	\$50.0	June 2017	\$173.0	30.0%
Rent The Runway	35	\$60.0	December 2016	\$176.2	20.0%
M. Gemi	51	\$16.0	June 2017	\$47.2	500.0%
SecretSales.com	55	\$7.6	April 2014	\$17.5	5.1%
Mon Purse	75	\$3.1	June 2016	\$3.8	100.0%

Source: Internet Retailer, Crunchbase

# internetRETAILER<sup>®</sup>

portal to e-commerce intelligence

## MARKETPLACE

80

*A monthly guide of products and services for the e-commerce industry*

### Fulfillment Services



**800.796.6471**

**Global Order Fulfillment**

**CALL NOW!**

- ✓ Award-Winning Customer Service
- ✓ Fulfillment
- ✓ e-Commerce
- ✓ Reduced Costs



[www.abdintl.com](http://www.abdintl.com)

### Domains for Sale or Lease

InternetWholesaler.com	BaseballSeason.com
XmasTrees.com	basketballSeason.com
Xmas.tv	SoccerSeason.com
LettersToSanta.com	Bizness.com
LettersToSantaClaus.com	BizPortal.com
CoastHighway.com	Chicana.com
DanaPoint.com	Espanolas.com
PacificCoastHighway.com	Tengo.com
Highway101.com	Tarde.com
3rdMillennia.com	

**For more information, please contact  
Beau Barrett at [Beaub1984@hotmail.com](mailto:Beaub1984@hotmail.com)**

#### INDEX TO ADVERTISERS

2017 Amazon Report.....	73
<a href="http://digitalcommerce360.com/product/2017-the-amazon-report/">digitalcommerce360.com/product/2017-the-amazon-report/</a>	
Americaneagle.com, Inc.....	22
<a href="http://americaneagle.com">americaneagle.com</a>	
B2B 300.....	2
<a href="http://digitalcommerce360.com/product/b2b-ecommerce-300/">digitalcommerce360.com/product/b2b-ecommerce-300/</a>	
BloomReach.....	30
<a href="http://bloomreach.com">bloomreach.com</a>	

Cake and Arrow.....	18
<a href="http://cakeandarrow.com">cakeandarrow.com</a>	
DC 360 Membership.....	67
<a href="http://digitalcommerce360.com/memberships/">digitalcommerce360.com/memberships/</a>	
FedEx Cross Border.....	7
<a href="http://crossborder.fedex.com/us">crossborder.fedex.com/us</a>	
IBM Corporation.....	60
<a href="http://ibm.com/watson/commerce">ibm.com/watson/commerce</a>	
IRCE 2017.....	14
<a href="http://irce.com">irce.com</a>	
NRF.....	46
<a href="http://nrfbigshow.com/Internet-Retailer">nrfbigshow.com/Internet-Retailer</a>	

Oracle + Bronto.....	5
<a href="http://bronto.com">bronto.com</a>	
Shipstation.....	11
<a href="http://shipstation.com/ir">shipstation.com/ir</a>	
Top Ten Wholesale.....	36
<a href="http://toptenwholesale.com">toptenwholesale.com</a>	
top500guide.com.....	70
<a href="http://top500guide.com">top500guide.com</a>	
WBR: Mobile Shopping Europe.....	54
<a href="http://mobileshoppingeu.wbresearch.com/">mobileshoppingeu.wbresearch.com/</a>	

**ANNOUNCING: The 2018**

## internetRETAILER<sup>®</sup> PRODUCT SHOWCASES

**FOCUS** on a particular e-retailing solution category... **POSITION YOUR MESSAGE** adjacent to targeted editorial... **MAKE THE GRAPHIC IMPACT** of a "mini-display" format that provides more than standard classified presence at a great rate.

**INTERNET RETAILER PRODUCT SHOWCASES** will cover a multitude of timely topics throughout the 2018 Editorial Calendar. Reserve your space to zero in on your targeted audience with high impact and great value.

#### JANUARY

- Technology Trends

#### FEBRUARY

- Personalization
- Survey: Fulfillment and Delivery
- E-commerce Platform

#### MARCH

- Fraud and Security
- Email Marketing

#### APRIL

- CM TOOLS

#### MAY

- IRCE Preview
- Order Management
- Search Marketing
- Customer Segmentation

#### JUNE

- Fraud Protection
- Social Media Marketing
- AI Tools

#### JULY

- Marketing Automation

#### AUGUST

- Holiday: Warehouse Strategy
- Marketing Automation
- Customer Service Technology
- Marketing Tools

#### SEPTEMBER

- 3PLs / Drop Shipping
- Content Management
- Customer Segmentation
- Marketplace Management Tools and Services

#### OCTOBER

- E-commerce Platforms
- Global E-commerce
- Marketing
- Order Management

#### NOVEMBER

- Hot 100

**CONTACT: Tom Moore**

[TMoore@verticalwebmedia.com](mailto:TMoore@verticalwebmedia.com) 312-946-2049



## AmericanEagle.com [www.americanagle.com](http://www.americanagle.com) / (877) 932-6691

AmericanEagle.com is a digital agency offering diverse, all-inclusive online services including web design, development, hosting, strategy, marketing, and support. Since 1995, AmericanEagle.com has developed 5,000+ e-commerce websites on various platforms.



**Product Categories:** Web Site Design

**Product Offerings:** Web Site Design and Development, E-commerce Platform, Hosting and Security, Integration, A/B Testing

**Contact:** Tony Svanascini / [info@americanagle.com](mailto:info@americanagle.com)

## AvantLink [www.avantLink.com](http://www.avantLink.com) / (435) 608-0294

AvantLink is an industry leading cost-per-sale affiliate network focused on disruptive technology, quality partnerships, and unmatched support. Top brands like REI, Grainger, Fanatics, Patagonia, Under Armour and Columbia choose AvantLink.



**Hot 100 Clients:** Fanatics, Patagonia, SAXX, 1800Guns&Ammo, REI

**Product Categories:** Affiliate Marketing

**Product Offerings:** Affiliate Marketing Platform

**Contact:** Scott Chaplin / [Schaplin@avantlink.com](mailto:Schaplin@avantlink.com)

## IBM [ibm.com/watson/commerce](http://ibm.com/watson/commerce) / (866) 745-8767

IBM Watson Commerce gives commerce professionals the power to create seamless experiences that customers want and value, monitor trends and behaviors, and understand market changes as they occur and optimize actions in real time. Only Watson Commerce combines business expertise with industry-leading digital commerce solutions embedded with AI capabilities.



**Hot 100 Clients:** Carters, REI, Target, Walmart, American Eagle Outfitters, Sephora, 1800FLOWERS.com

**Product Categories:** E-commerce Platforms

**Product Offerings:** IBM Watson Marketing, IBM Watson Commerce, IBM Supply Chain, IBM Business Consulting Services, IBM Experience Design Services

**Contact:** Michael Bell / [msbell@us.ibm.com](mailto:msbell@us.ibm.com)

## Oracle + Bronto [www.bronto.com](http://www.bronto.com) / (888) 276-6861

ORACLE® + Bronto

The Bronto Marketing Platform powers personalized multichannel content that generates the higher engagement needed for retail success. Keenly focused on the commerce marketer, Bronto continues its longstanding tradition as a leading email marketing provider to the global Internet Retailer Top 1000.

**Hot 100 Clients:** ELOQUII, GREATS, Helix Sleep, Hollar, Juice Beauty, Lulu's

**Product Categories:** Email Marketing, Product Recommendations, Browser and Cart Recovery

**Product Offerings:** Email Marketing, Product Recommendations, Browser and Cart Recovery, Customer Segmentation, Marketing Automation

**Contact:** [info@bronto.com](mailto:info@bronto.com)

## ShipStation [www.shipstation.com](http://www.shipstation.com) / (512) 485-4282



ShipStation leads the e-commerce world with our web-based software designed to make e-commerce retailers exceptionally efficient at processing, fulfilling, and shipping their orders from all the most popular marketplaces and shopping carts using all the top carriers.

**Hot 100 Clients:** Brandless, Carnivore Club, Loot Crate, DeathWish Coffee, M.M. Lafleur, The Good Kitchen, Modern Citizen, Lauren James, Feat Socks, Proper Cloth

**Product Categories:** Order Management

**Product Offerings:** Shipping Management, Returns Management, Order Fulfillment, Returns Management, Inventory Management, Order Tracking

**Contact:** Adam Singh / [adam.singh@shipstation.com](mailto:adam.singh@shipstation.com)