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Alex Nisenzon of Charm io On The Future Of Retail Over The Next Few Years

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Bridge the gap between the in-store and online shopping experience. As the line between in-store

and online shopping continues to blur, retailers must adapt to this omnichannel approach. QR codes in the store, mobile apps, and shopping online/pickup in-store will all be part of this expanded shopping experience. Not to mention AR, VR, and experiential retail will help to engage customers who are looking for entertaining experiences both in-store and online.

As *part of our series about the future of retail, we had the pleasure of interviewing Alex Nisenzon.*

Alex Nisenzon is the CEO of Charm.io (a Swiftline company) that is revolutionizing DTC brand discovery and analysis. Charm's platform tracks over 4M direct-to-consumer brands through 160+ critical performance metrics across social awareness, distribution, product pricing, ad exposure, and revenue growth. Charm leverages machine learning models and AI to analyze and curate this data, enabling retailers to discover emerging brands for assortment decisions. Charm has seen early adoption from market leaders like Ulta, Faire, and Academy Sports + Outdoors. You can follow Alex on LinkedIn @nisenzon.

Thank you so much for joining us in this interview series! Before we dive in, our readers would love to learn a bit more about you. Can you tell us a story about what brought you to this specific career path?

I've been in the e-commerce data space for about 10 years now. Prior to Charm, I was at a company called Similarweb that provides digital intelligence solutions, where I became fascinated with how large enterprises use external data to power decision-making. When I was first introduced to Charm I was impressed with how powerful the data was and realized how underserved the DTC ecosystem is with a lack of visibility on which brands are growing or declining in their respective categories, and what's driving that growth. From there it was a no-brainer to join the amazing team here :)

Can you share the most interesting story that happened to you since you started your career?

Many years ago I worked at a repricing business that would algorithmically adjust ecommerce clients' prices online based on competitive prices in the market. We once had a customer who forgot to set minimum thresholds for their products and ended up repricing against the wrong SKUs…selling very expensive goods (musical equipment) for fractions of their cost. That was a learning experience for me in not only customer service and satisfaction, but also making sure that your product is always fool-proof against human error. At the end of the day, regardless of whose fault it is, it always reflects poorly on the software the client is using. That experience still haunts me to this day.

Are you working on any new exciting projects now? How do you think that might help people?

Charm is dedicated to supporting the efficient growth and optimization of businesses by providing the world's most reliable and comprehensive data on e-commerce brands. Our priority for this year is reimagining the brand discovery and analysis experience to help users quickly and efficiently find

the best brands for whatever objective they have. To date, we've seen the most interest from retailers that use our data for merchandising and investors that want to source and diligence new investment opportunities.

In September, we'll be launching the first round of product updates that will transform the way users access e-commerce data. The updated platform will allow users to discover DTC brands and access in-depth e-commerce insights with a new and easy-to-use interface. We're also releasing a host of new features and improvements — revamped proprietary scoring models, new demographic analysis capabilities, and many others.

With a focus on enhancing the user experience and providing increased clarity, the launch of this new platform will revolutionize how users action data on DTC brands.

None of us are able to achieve success without some help along the way. Is there a particular person to whom you are grateful, who helped get you to where you are? Can you share a story?

I've been really fortunate to have amazing managers throughout my career. Especially at Similarweb, where Guy Weigert (my most recent manager there) taught me a lot about leadership and motivating people in the right ways. I think the best managers give you room to operate yourself but are always there to support you and guide your decision-making when you have doubts. Sometimes it's even just reinforcing the confidence in your decisions that can go a long way.

How have you used your success to bring goodness to the world?

One reality is that not every company can afford the data and insights that we provide. I always encourage my team to try and support those companies in other ways. That might be providing a small set of data for free or giving them some advice on how larger companies are leveraging third-party data for decision-making, but I think the main idea is to try and provide benefits even when you don't necessarily get something in return.

Ok super. Now let's jump to the main questions of our interview. The Pandemic has changed many aspects of all of our lives. One of them is the fact that so many of us have gotten used to shopping almost exclusively online. Can you share a few examples of different ideas that large retail outlets are implementing to adapt to the new realities created by the Pandemic?

As people were chronically online during the pandemic, online shopping boomed. Today, consumers' first touchpoint to new brands is still often through social media influencers and celebrities. Large retail stores are leaning in to expand their e-commerce presence and merchandise DTC brands to stay relevant and increase sales. For example, earlier this year we saw Saks Fifth Ave report that they were making strategic investments to expand their online experience and provide data-driven personalization. Brands are also leaning into the DTC space. For example, Levi's reported that their DTC revenue increased 8% globally and 12% in the U.S. alone. As a result, they are pivoting to a DTC-first approach to continue to yield profitable results.

Shoppers have gotten used to the hyper-personalization that the ecommerce landscape can offer and now new brands are entering the DTC market every day. To stay ahead of the curve, retailers need to make effective merchandising decisions to discover the hot new brands before their

competitors. Sephora has done a great job of launching partnerships with fast-growing DTC brands including Sienna Naturals, Dieux, and Luna Daily among others. The retailers that use e-commerce data, such as that provided by Charm, to identify fast-growing brands and partner with them before their competitors, will be the winners in this market.

The supply chain crisis is another outgrowth of the pandemic. Can you share a few examples of what retailers are doing to pivot because of the bottlenecks caused by the supply chain crisis?

As retailers have faced supply chain disruptions during the pandemic and afterward, they noted the importance of supplier diversification. It's important that retailers do not rely on one single supplier and instead, source from a more geographically diverse set of supply chain partners and strike a smart balance between air and sea shipping. Overall, shipping delays and bottlenecks have taught retailers that they must have a supply chain strategy that can be resilient even amid inevitable disruptions.

How do you think we should reimagine our supply chain to prevent this from happening again in the future?

As AI is shaping the world in many ways, there's no doubt that AI technology will be part of the forefront of supply chain innovation. As retailers must provide seamless online and offline shopping experiences, we understand they will only work with best-in-class fulfillment and 3PL providers, especially those with advanced tracking and monitoring technologies to allow for better decision-making and optimized logistics processes.

In your opinion, will retail stores or malls continue to exist? How would you articulate the role of physical retail spaces at a time when online commerce

platforms like Amazon Prime or Instacart can deliver the same day or the next day?

I believe that retail stores and malls will continue to exist, but they'll likely look different than they do now. We are moving to a place where there will be more of an integration between physical and digital shopping experiences. Just as shoppers look forward to seeing the holiday window displays and light show at Saks Fifth Avenue every year, I imagine we'll see more immersive popups and Instagram-friendly aesthetic displays from large retail stores. I also predict that retailers will blur the lines between in-store and online shopping experiences by using AR, VR, and/or mobile apps to create these interactive displays and events.

The so-called "Retail Apocalypse" has been going on for about a decade. While many retailers are struggling, some retailers, like Lululemon, Kroger, and Costco are quite profitable. Can you share a few lessons that other retailers can learn from the success of profitable retailers?

Today we see many retailers struggling to grow and succeed. In fact, in a study commissioned by Mastercard, Forrester surveyed 326 decision-makers at retailers around the globe and found that 65% of them are finding it harder to respond to rapidly changing consumer expectations than compared to previous years.

Nowadays, consumers interact with and establish relationships with brands themselves instead of retail organizations at large. There are new DTC brands emerging every day and consumers engage with them through social media. The retailers that are profitable are the ones that are partnering with emerging DTC brands and attracting new and younger customers as a result. For example, Nordstrom has seen much greater success attracting younger

customers in comparison to Kohl's and Macy's. They appeal to younger customers by offering popular DTC brands such as SKIMS and Beis. The retailer also launched the Australian fashion brand Princess Polly in January and debuted the millennial-focused fashion brand Nasty Gal.

Appealing to younger customers with DTC brand partnerships is a must for the broader success of retailers. However, it's not always easy to identify the emerging DTC brands that would fit a retailer's portfolio. As the e-commerce landscape becomes increasingly congested and consumers' discretionary spending continues to be pressured, retailers have no choice but to adopt data-driven strategies. Leveraging a platform like Charm, which provides in-depth e-commerce insights into millions of DTC brands, enables efficient merchandising decisions at scale, ensuring retailers are consistently meeting consumer demand and expectations.

Amazon is going to exert pressure on all of retail for the foreseeable future. New Direct-To-Consumer companies based in China are emerging that offer prices that are much cheaper than US and European brands. What would you advise to retail companies and e-commerce companies, for them to be successful in the face of such strong competition?

Instead of seeing online brands as competitors, retailers should see DTC-only brands as potential partners. While TikTok-famous and Amazon-famous brands (many of those based in China) are seeing success from online platforms, many of them still lack trust among consumers as they do not have the brick-and-mortar storefronts that retailers can provide. Retailers need to keep an eye on popular and fast-growing DTC brands as they could be a good fit for their merchandising portfolio.

Based on your experience and success, what are the five most important things one should know in order to create a fantastic retail experience that keeps bringing customers back for more?

1. Expand your e-commerce presence. Saks has been a trusted retailer for nearly a century and their heightened focus on their e-commerce presence is a testament to how e-commerce is a key part of how they will sustain their business into the future. It's crucial that retailers have a strong e-commerce presence, especially in this post-pandemic world.

2. Appeal to consumers with optimized product assortments, especially new and fresh DTC brands that are recognizable from social media. It's crucial that retailers stay relevant by offering fast-growing DTC brands to their customers. Celebrities, influencers, and hashtags like #TikTokMadeMeBuyIt all sway buyers in their purchasing decisions, so it's crucial that retailers take advantage of popular DTC brands by adding them to their portfolios. With increased offerings of DTC brands, retailers will be able to attract younger audiences and increase sales.

3. Use data to inform merchandising decisions and partner with fast-growing DTC brands before competitors. While it's crucial for retailers to add fast-growing DTC brands to their portfolio, it isn't always easy for retailers to identify which brands will be successful at their stores and get to them before their competitors do. Retailers must use in-depth e-commerce data, such as the data provided by Charm.io, to quickly identify and partner with fast-growing brands within key categories. Our clients, including Ulta and Academy Sports + Outdoors, have seen fantastic growth by using Charm to identify these brands and make informed merchandising decisions.

4. Bridge the gap between the in-store and online shopping experience. As the line between in-store and online shopping continues to blur, retailers must adapt to this omnichannel approach. QR codes in the store, mobile apps, and shopping online/pickup in-store will all be part of this expanded shopping experience. Not to mention AR, VR, and experiential

retail will help to engage customers who are looking for entertaining experiences both in-store and online.

5. Embrace new advancements in social commerce. Social commerce is a huge opportunity for retailers. With TikTok being a key channel for consumers to discover new DTC brands, we see TikTok Shop being the next frontier of online shopping. This channel allows consumers to shop while engaging directly with emerging brands.

Thank you for all of that. We are nearly done. Here is our final 'meaty' question. You are a person of great influence. If you could start a movement that would bring the most amount of good to the most amount of people, what would that be? You never know what your idea can trigger. :-)

I'm a big believer in doing something kind for strangers. It can be as meaningless as holding open a door for someone or just being extra polite to a barista and asking how his or her day is going — the world needs more kindness and it is truly contagious. You never know what someone is going through!

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This was very inspiring. Thank you so much for joining us!

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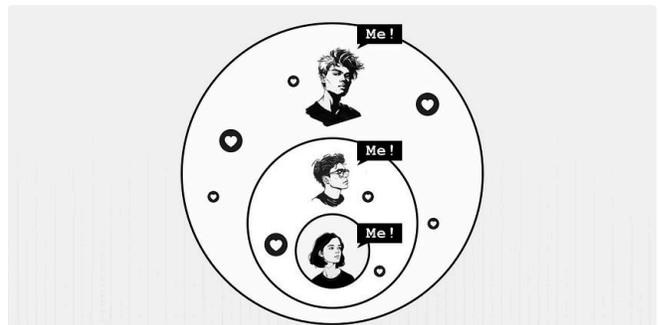
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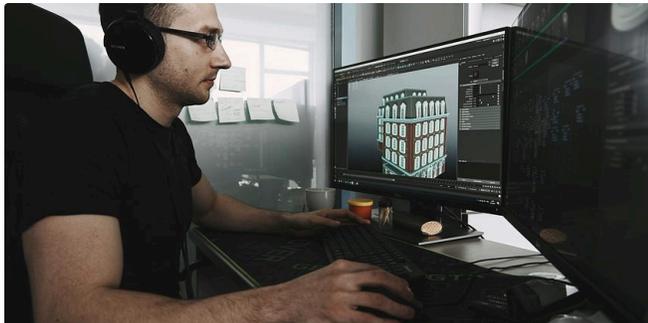11 stories · 631 saves

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