The DTC Collective is a community that brings together influential, global voices to realize the potential of digital retail. The group was founded to give retail execs an opportunity to share otherwise behind closed doors strategies for dealing with the rapid shifts in the industry, from the mounting privacy regulations to the massive shift to digital through the pandemic. The founding members saw a need for a community to come together and discuss how to do things differently in an all direct-to-consumer world, and help actively shape the trajectory of the retail industry.

New AI innovations are promising to change the retail marketing landscape, performing at greater scale than humans across a host of different factors like creative and content synthesis, personalization and analysis. But, retailers are uncertain how to implement AI effectively and avoid risks. Some teams are genuinely afraid that AI will take their jobs.

However, retail leaders know that they need to dive in despite the concerns, especially as the effectiveness of AI in multiple areas continues to improve at exponential rates. AI can help retailers dramatically increase their productivity and effectiveness. With the rise of generative AI in particular, retail marketing teams have an opportunity to create better content faster. AI also can free marketers from mundane tasks and allow them to focus on strategy to optimize and scale more targeted customer experiences.

To thread the needle between risk and reward, retailers need to be aware of the impacts of AI to their teams, customers and bottom line.

That’s why testing AI tools as part of a larger human-led optimization strategy that is tied to customer experience goals and best practices is critical to success with this evolving field – whether it’s to save marketing teams time, design better campaigns or gain new insights to feed into strategic initiatives.

Below is a summary of our recent conversation with retail executives from the DTC Collective who are testing AI across their marketing team and learning what works, and where it works best.

**Getting Everyone On Board**

"**MEMBERS OF THE COLLECTIVE STATED**

Everyone’s at zero on the knowledge scale for using chatGPT at this point, especially copywriters. The fear that I think everyone in our creative team has is “I’m replaceable” because you can go on chatGPT, but at some point you still need someone to put something in there to train and validate.

- SVP, Customer Strategy & Growth, Luxury Brand Portfolio Company"

Retailers are selling to people, and people crave great experiences. AI can help, but so far, it’s not good enough to do the job alone. People still need to oversee AI-driven strategies and in many cases retail leaders expect their teams to become AI-enabled. Using that concept as a north star, retailers can get their teams excited for how AI can help them reach their goals in smarter, faster, more creative ways, rather than replace them outright.
Bringing AI Opportunities Together

Taking the Fear Out of AI

The best way for people to stop being afraid of something is to get to know it better. Retailers are challenging their teams to test AI, from free ChatGPT to predictive models within their martech stack, so that they understand how it can work with them, rather than against them. No AI output is unique — it’s all based on input, so teams that provide high-quality input, such as a really great email copy, will get better results from the AI. Testing and learning not only reduce fear, they also create a positive learning curve, showing members of your team how they can strategically implement AI in ways that saves time, automates tasks, scales their efforts and improves outcomes.

MEMBERS OF THE COLLECTIVE STATED

This year, we actually initiated a seasonal priority with our teams to understand what generative AI is. There’s a lot of fear, there are a lot of questions and there’s a lot of unknowns. So we’ve challenged every team member — all 300 plus of us — to experiment and play even in areas that aren’t directly related to marketing or the business.

- VP Digital Experience + Head of Product Management, Balsam Brands

What we’re driving to is personalization — and we’ve been doing this for about two and a half/three years, even presenting in our board meetings. We initiated the concept of what we call our “house of AI,” which is not internally built, because there are other tech partners that are building things for our similar use case many times over.

- CMO, Excelligence Learning Corp.

I would say we’re in stage one with AI and trying to test our way into doing more. There was a point last year where our in-house team that runs CRM tried to build something to go up against our existing site personalization partner’s older AI capabilities and they weren’t able to match that. So that was when, luckily, we made the decision that we will be buying versus building in the future. I think that was really important for us just because obviously AI talent is in super high demand and it’s almost impossible to build and catch up on those things.

- VP, eCommerce & Marketing, Vince Camuto

Many retailers are relying on their technology and data partners for AI capabilities, which makes sense. Few retailers have AI development resources in-house, and many of their current partners have developed AI features that can work together to become more than the sum of their parts.

Find Your AI Allies

Understanding the AI that’s already available to you is a critical first step. Even before you create an AI strategy of your own, doing a bit of research can help generate new ideas and act as a catalyst for your own AI goals. Bluecore is one of a number of different technologies that retail marketing teams use with AI capabilities built in.
Retailers are starting to build centers of excellence around AI, starting with the accessible AI that’s available already across analytics, personalization, content creation and automation. Simply asking each partner what AI tools they have available and getting examples of how they are used can be an enlightening exercise.

Create Your Own AI Plan
Once it’s clear what AI capabilities you have access to, you can see how those features line up with your needs and goals. There can be a layered effect with AI - which can help with everything from low level tasks to sophisticated analytics.

Make AI Work For You

MEMBERS OF THE COLLECTIVE STATED

I am curious about that evolution, how you maintain quality and streamlining processes using AI to support the business.

- Divisional Vice President, Loyalty, Insights & MarTech, Saks OFF 5TH

Our first attempts at using AI for markdown automation and inventory optimization are all checked by humans. So, similar to a replenishment system giving you suggested orders and having humans confirm the orders. We’re doing that with everything. Even with generative AI where we have started working with automated creative.

- Vice President, Direct To Consumer, Jockey

Ultimately, AI is a tool to make us work smarter. Retail marketers that have kicked off projects with AI like ChatGPT, personalization and automated campaign optimization know that it’s not a “set it and forget it” strategy. AI still works best when it’s integrated into human-led processes to keep things on track and up to quality standards.

Kick off Plans That Will Work
To get used to AI, start with smaller projects that have a high chance of producing positive results. You could start by looking at low hanging fruit such as time savers to automate tasks that your team gets bogged down with, like list-pulling and template-building. The design team could save time by feeding their own creative into a generative AI tool to get a variety of different ad formats and sizes from it so that your well-paid designers aren’t wasting their time on mind-numbing work.

Use Your Best Work to Differentiate
Remember, ChatGPT is free, so your competitors have access to the same AI. Differentiate yourself with quality and creativity, don’t be a commodity. Rather than asking AI to make your campaign for you, take some high-performing email copy and ask for a few different versions of it. Given broader concerns about security and the information base that trains ChatGPT, consider the benefits of building your own LLM and GenAI tooling where needed to maintain quality control and differentiation of creative and content.

Use AI to Optimize
Many companies, Bluecore included, use AI to optimize something, such as message timing, placement or combinations of experiences. This is all part of a “test and learn” culture that retailers need to embrace to get the most out of performance-oriented AI. AI can produce fantastic insights, such as how to segment audiences differently or when to send triggered messages, but retailers need to be ready to implement and test these recommendations in an ongoing cycle. Ultimately, Al isn’t a “one and done” – it’s about working together to continuously improve.
AI & ML needs to be vertical-specific to achieve the unique outcomes of the industry it’s meant to serve. For retail, that means driving the most important retail objectives, from retention and product discovery to churn prevention and margin preservation.

This is why Bluecore has built the most accurate predictive retail models from the most expansive retail data set in the industry. Available at the push of a button within any campaign, marketing teams save time and drive more revenue by leveraging these predictive models to automate the curation of content, offers, recommendations, timing, and even channel within communications for each individual shopper.

Bluecore’s retail data model processes 500M products and attributes, 5B shopper identities, and 300B behaviors that change and grow as predictive models analyze the data for the best results.

And with an open and integrated platform, customers can bring their own models into Bluecore or extend models and predictive audiences into their existing CDP, data warehouse, data lake, or into other channels — and never be limited by black-box intelligence.

We welcome the opportunity to talk more about how our customers are doing this today.

Sherene Hilal
Chief Product Officer
Bluecore