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# Jim Phillips of Charm.io On The Top 5 E-commerce Trends Shaping the Future of Online Shopping

An Interview With François Marchand, Editor of The Ecomm Manager



François Marchand, Editor of The Ecomm Manager · [Follow](#)

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innovative brands and new emerging trends. There is a big opportunity for DTC brands and companies that serve DTC brands to keep up with these trends and learn about what is driving success for top-performers. At Charm.io we plan to continue to track the progression of e-commerce brands, identify the top performers, and share insights with multiple different types of e-commerce stakeholders. Aggregating all of the data necessary to do so is not trivial but our team is up for the challenge.

**A**s *e-commerce continues to grow exponentially, businesses must stay up-to-date with the latest trends and innovations to remain competitive in the ever-evolving online shopping landscape. In this interview series, about “Top 5 Ecommerce Trends Shaping the Future of Online Shopping” we are talking to e-commerce experts, industry professionals, and thought leaders with in-depth knowledge and experience in online shopping trends. As a part of this series, we had the pleasure of interviewing Jim Phillips.*

*Jim is a part of the Founding team at eCommerce analytics platform Charm.io. Charm was acquired by Swiftline in April 2022. Jim now leads Charm at Swiftline. His work history is centered on early-stage growth in both B2B & B2C SaaS platforms focused on digitizing commerce. Prior to Charm, Jim launched the United States market for mobile food ordering app Ritual.co and Co-Founded Foda.com.*

**Thank you so much for your time! I know that you're super busy. Before diving in, our readers would like to get to know you. Can you tell us a bit about your backstory and how you grew up?**

**I** grew up a city kid in Chicago in a lower middle-class family. I always had support and what I needed but if I wanted something I had to figure out how to get it on my own. A formative upbringing without excess isn't always enjoyable at the time but I believe it makes the best entrepreneurs and gives you valuable experience & perspective.

**What led you to this specific career path?**

My entire career has been in start-ups. My first gig was at a new logistics company started by serial Chicago entrepreneurs Brad Keywell & Eric Lefkosky. This is where I learned sales, how venture capital works, and the excitement of building from the ground up. Since then, I've only wanted to start or work for companies where I have skin in the game.

**Can you share the most exciting story that has happened to you since you began at your company?**

We got acquired! Prior to the acquisition, Charm was a very small team and only a side project for most of us. There were 4 core people, David Wurtz (Founder), Ludovic Alarie-Vézina (Data Science), XG Han (Engineering), and myself (GTM). Additional contractors helped at times but I was very impressed with how well David and the team executed with such little



resources. We grew Charm to be the best DTC analytics platform in the world and thus got acquired by Swiftline in April 2022.

**What are some of the most interesting or exciting projects you are working on now? How do you think that might help people?**

The core value of Charm is identifying what websites are selling physical products direct to consumers and also providing metadata about their business and performance. Charm's performance scoring, such as the brand Growth Score, helps numerous types of stakeholders within commerce spot the fastest-growing companies. I'm excited to share that our core DTC product is now enhanced by additional data from Amazon.

**You're a successful business leader. What are three traits about yourself that you feel helped fuel your success? Can you share a story or example for each?**

**Optimism** — You have to be an optimistic person to persevere through the inevitable challenges of entrepreneurship.

**Beginner's Mind** — Having a beginner's mind means that there are multiple possibilities whereas an expert only has one path. Challenging your own assumptions & cultivating optionality is key to creative problem-solving.

**First Principles Thinking** — This is essential for decision-making. In a leadership role, you can spend most days answering questions and directing teams. You have to get very good at making numerous decisions in real-time. The cumulative amount of times you make the right decision determines whether or not you'll be successful. First-principles thinking is one of the

best ways to reverse-engineer complicated problems, unleash creative possibilities, and determine the best course of action.

**Excellent, thanks so much for sharing that. I want to shift gears and talk about eCommerce. What was the original vision for your eCommerce business? What pain point(s) were you trying to solve for your customers?**

We started the business as DTC Angel Investors. In 2020 we wanted to find the best next up and coming DTC brands and we realized there were limited resources to do so. The incumbent business databases covered only the biggest DTC brands and there wasn't a solution to identify the long tail of ecommerce merchants. We decided to map the space ourselves and attempting to solve that problem is how Charm was born.

**How do you see the e-commerce industry evolving in the coming years?**

I think of it more as just commerce. Offline commerce and e-commerce are going to merge and there won't be as much of an offline/online distinction between the two. Digital payments will provide customer insights to brick and mortar businesses and enable personalization across any type of commerce transaction. We are also seeing many online first businesses create experiential brick and mortar retail stores. The goal of these stores is to engage and educate customers on products. They are more marketing focused than direct sales profit. So a customer journey can start offline and then continue online and vice-versa. Companies that invest in meeting their customers where they are will be the most successful.

**How do you balance the need for innovation and experimentation with maintaining a stable, reliable e-commerce infrastructure?**

Testing! E-commerce is essentially designed for this question. Since everything is digital you can test a hypothesis and get answers rather quickly. A/B testing in a controlled environment is an effective method to experiment with different ideas while keeping the infrastructure stable. By randomly splitting the user base into groups and offering different experiences, you can gather data on the performance and user response to different innovations without affecting the entire system.









**Ok super. Here is the central question of our interview. What five emerging trends do you believe will have the biggest impact on the future of online shopping? Please explain each in detail.**

## 1 . Artificial intelligence

You'd have to be living under a rock not to lead with this one! Some specific applications of AI include personalization, customer service and chatbots, product discovery, price optimization just to name a few.

AI customer service helps converse with customers, utilizes data to personalize the experience, and also gathers sentiment analysis. The part not often realized is that having an AI system as a customer interface is essentially like having a thousand ears to the ground floor customer experience. It transforms a low NPS job into a goldmine of data. Thousands of conversations can uncover areas of improvement by parsing nuanced data. This accelerates the development of product and packaging iterations based on what the customer is saying. This is good for the consumer in that companies can improve their understanding of what customers want. AI summarizes and synthesizes large amounts of unstructured data and gets insight and understanding very quickly in ways human support simply never could.

One of Charm's customers is an Irish company called eDesk. They recently launched an AI Cx interface that provides businesses with AI-driven summaries and sentiment analysis, AI-assisted replies and auto-responses. This helps reduce support center costs, improve speed, and boost customer

engagement. You can actually demo their AI technology at [edesk.com/ai/demo/](https://edesk.com/ai/demo/).

## 2 . New Versions of Social Commerce

Despite pouring millions into the experience, major platforms such as Facebook, Instagram, and TikTok have encountered difficulties in achieving successful implementation of social commerce. As a result, some platforms have chosen to completely withdraw from the experience, while others have taken a step back to reassess their strategies.

At the Shoptalk conference in Vegas this past March, Tiktok invested heavily in displaying their live shopping experience. As I referenced in [this article](#), it is huge in Asia but hasn't garnered the same traction in the U.S. As recently as May 10th WSJ reported TikTok is postponing the launch of its U.S. shopping platform due to concerns about “wanting to get it right” and a potential U.S. ban.

With social platforms struggling to convert, new players have emerged to improve the customer experience. For example, **FERMÀT** is a commerce platform that enables brands to create stores that are native to their social content. Instead of sending a user to a website or an Instagram shop, you can show the same type of content that resonated with someone throughout the checkout funnel. This reduces friction in the customer's funnel to purchase. Fermat pages load super quickly, have express checkout preferred, and can have content tailored from the creator or content they came from which helps conversion.

Back to Meta, they recently announced that starting June 5th they will no longer allow brands with Instagram or Facebook shops to redirect users to a



brand's store. Onboarding of new shops via Commerce Manager and Shopify will only be completed with Checkout with Facebook or Instagram enabled. Beginning April 24, 2024 shops without Checkout with Facebook or Instagram enabled will no longer be accessible.

Facebook has chosen to force users to transact in their shops in order to gain better consumer traction. This move reiterates that owning the transaction is crucial to the viability of Facebook ad attribution and revenue generation. According to Charm data, over 94% of the top 500 fastest-growing DTC brands advertise on Facebook. From advertisements to high organic followings, nearly all successful e-commerce brands use social media channels to drive awareness and grow sales. Brands will be following this move by Meta closely and if it proves to be a detriment to their conversion you'll see platforms like Fermat accelerate.

### **3 . Shoppable Video (similar to 2, but different!)**

This point is very much related to #2, but we are now seeing new platforms enable content-based shopping experiences. Most notably, Amazon's TikTok-like Inspire shopping feed is now available to all customers in the U.S. As per the information on Amazon's website, the feature was initially introduced to a limited number of U.S. customers in December, following Amazon's earlier experimentation with a TikTok-like shopping feed during the previous summer.

With the introduction of the new short-form video and photo feed, consumers can now delve into products and shop directly from content generated by influencers, brands, and fellow customers.

Unlike TikTok, Amazon's content approach is entirely focused on promoting products. While people use social media platforms mainly for seeking information and entertainment, Amazon uses short-form videos to guide consumers to purchase products. This distinction and the built-in customer intent of searching for products on Amazon should generate different outcomes than social platforms attempting to fit commerce into their social feeds.

If this move by Amazon provides a lift in sales you'll see this trend expand to other e-commerce platforms and Direct-to-Consumer stores.

#### **4. Advancements in Personalization**

One of the most popular trends in e-commerce over the last 5 years has been personalization. Consumers are increasingly expecting to receive a customized shopping experience, and first-party data collected by Direct-to-Consumer brands is used to offer that level of personalization.

Successful DTC brands allow shoppers to personalize how they want to pay, how frequently they want to receive products, and how they want to be notified about brand updates. Analyzing the fastest-growing DTC brands based on Charm's Growth Score, we can see that personalization technologies are clearly trending and contributing to their success. Many of the fastest-growing brands use personalization softwares such as buy now pay later technologies, text message updates, AI-driven product recommendations, and personalized subscription services.

AI algorithms can analyze vast amounts of customer data to understand preferences, behaviors, and purchase history. This data enables e-commerce platforms to improve the effectiveness of product recommendations,

tailored marketing campaigns, and individualized shopping experiences. This leads to higher customer satisfaction and increased sales.

It will require a bit more time to take shape, but consumers will eventually have digital wallets, and DTC shops will become “wallet aware.” Consumers will have token indicators in their wallets that will enable a shop to deliver customized website content specifically for that consumer.

## 5. Marketplaces Productizing Services

Amazon is taking their marketplace services such as the Buy with Prime experience and enabling it outside of their walled garden. For example, a DTC shop that also sells on Amazon can now enable Buy with Prime on their direct-to-consumer webstore. It's early, but in theory this could greatly increase the conversion rate for the store. The customer is familiar with Amazon and the built-in trust removes any question of delivery times or the need to enter personal information.

Zalando, a German-based European marketplace is doing something similar for DTC brands. They are enabling brands to improve their shipping times while productizing their logistics network. This leads to a better customer experience. Ultimately, innovations that make the consumer experience better will always win, and we'll continue to see trends that succeed in doing so.

**Is there a past trend that's now common practice in e-commerce that you would have spent 50% more time focusing on? Which one and why?**

Profitability. There was an unrealistic trend of venture capital infused growth at all costs and high multiple valuations for DTC brands. Many of

those companies either failed or failed to live up to expectations and are now back to focusing on profitability. When you are profitable your company is “default alive” meaning you control your destiny by not needing outside funding to operate. A company’s profitability is always important but it’s of utmost importance in a recession where your market of customers may be shrinking.

**Looking ahead, what are the biggest opportunities and challenges facing the e-commerce industry, and how do you plan to address them in the coming years?**

E-commerce is one of the fastest moving industries in the world yet it only encompasses 20% of global retail transactions. This means we’ll continue to see more innovative brands and new emerging trends. There is a big opportunity for DTC brands and companies that serve DTC brands to keep up with these trends and learn about what is driving success for top-performers. At Charm.io we plan to continue to track the progression of e-commerce brands, identify the top performers, and share insights with multiple different types of e-commerce stakeholders. Aggregating all of the data necessary to do so is not trivial but our team is up for the challenge.

**You are a person of significant 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 would make it a required curriculum to teach meditation to young people in schools.

**How can our readers further follow your work online?**

I'm active on [LinkedIn](#), [Twitter](#), and my website [jimtphillips.com](http://jimtphillips.com). Charm.io is constantly analyzing the ecommerce space and you can sign up for our weekly [newsletter here](#). I also have my own nootropic brand [trygraymatter.com](http://trygraymatter.com). Our flagship product Bright Mind helps me stay on top of all of these fast-moving trends :)

**I want to thank you so much for your time and for sharing your expertise with us. I wish you continued success!**

Thanks for chatting with me!

**A** bout The Interviewer: Francois Marchand is the editor of [The Ecomm Manager](#). Throughout his 20+ years in journalism, communications, and marketing, Francois has created and managed high-value content for Postmedia, Vancouver Film School, and Unbounce. He loves helping business leaders grow their skillsets and knowledge base to stay ahead of the competition. Visit The Ecomm Manager: [theecommmmanager.com](http://theecommmmanager.com)

Business



## Written by François Marchand, Editor of The Ecomm Manager

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Francois Marchand is the editor of The Ecomm Manager. François has 20+ years in journalism, communications, and marketing

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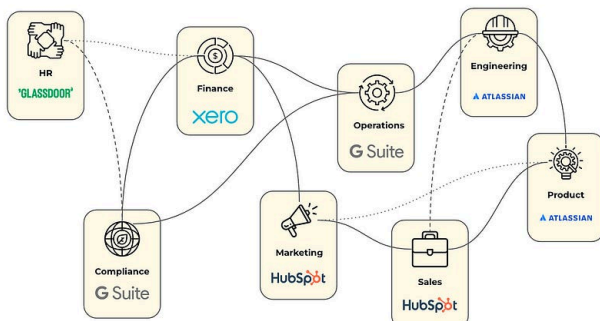
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