



Introduction

Smart recommendation systems have frequently been likened to rockstar salespeople.

You know, the type of person who knows exactly what is "perfect" for you — (and is right)! And while offering relevant recommendations is expected in both B2B and B2C ECommerce, not all recommendation systems are like this. Many annoy, instead of delight.

Yes, shoppers want convenience, but that definition varies and changes with each shopper's circumstances. Some prefer privacy over convenience. Others want to browse and don't wish to be distracted.

"There are so many variables and factors to consider — for example location, goals, available data — and so many combinations that the number of use cases for recommendations can quickly increase," explains Andrea Polonioli, product manager, Coveo.

Determining where, what, why and how you deliver helpful recommendations depends on what you wish to do for your online shoppers. It's much easier to help them if you know them — but you can even make recommendations for unknown or first time guests as well. But, of course, you have to have access to a smart recommendation system.







Recommendation System Best Practices



If you have this rockstar salesperson serving your online shoppers 24/7, imagine how you can increase your average order value (AOV) and customer lifetime value (CLV). Here, then, are the six most popular recommenders that can make useful — and highly personalized — suggestions to delight customers.



For Repeat Customers



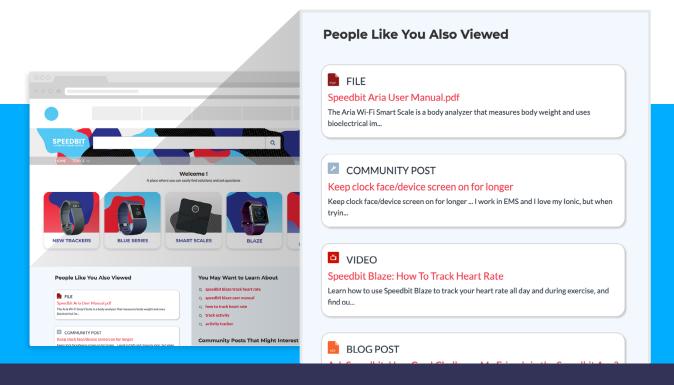
Repeat customers are people who have made a minimum of two purchases from you. And they are your most profitable customers. Naturally, they also demand more personalized recommendations and exclusive offers

1. Interest-based, experience-driven recommendations

Serve up intelligent shopping experiences.

Securely tap into the rich data your customers have been generously sharing with you — personal information such as age, birthday, job title, company name, etc. — as well as purchase and search history. Then, have your recommendation engine crunch that data along with data from similar users, to provide them with relevant recommendations tailored to their preferences every time they log in to your online store.

If they start searching for a specific item — which signals their current intent — be sure to deliver accurate results, alternatives if what they need isn't available, complementary items and helpful content. Otherwise, allow them time to browse then react accordingly with real-time recommendations unique to their profile, based on their current activity on your site.



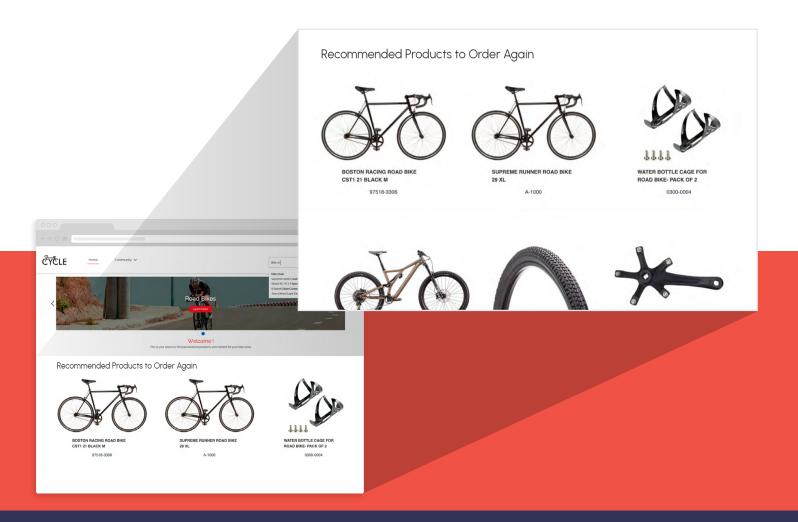
For Repeat Customers

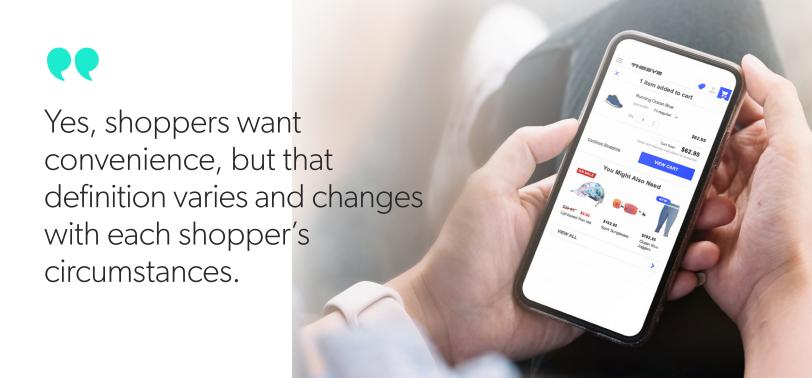
2. Recommendations based on past purchases

Take the work out of mundane tasks. Wouldn't it be nice if your customers could quickly pick up something tried-and-tested — their favorite cheeses, folders for the office or electrical cables for the lab — and move on to other priorities? Perhaps they simply need to replace worn bicycle parts.

Reminding customers about their recurring purchases, making it easy to "buy again," and suggesting upgraded versions for something that will be phased out (or alternatives if what they usually buy isn't available) contribute to frictionless experiences for your customers.







For Anonymous or First-Time Visitors

When it comes to Ecommerce sites that have nailed interest-based, personalized recommendations — think Amazon, Netflix or Booking.com — customers are usually logged in.

For many other companies, reality looks somewhat different. Some visitors might decline tracking and prefer to browse anonymously. Or perhaps your recommendation system is not equipped with content filtering capabilities to offer relevant recommendations in real time to first-time visitors.

However, insufficient data on your website visitors is no excuse for delivering generic recommendations. It is still possible to provide recommendations to newcomers, and with 48% of shoppers abandoning their online shopping in favor of purchasing in store or at a competitor's due to the poor curation of products — it is critical that you do.

Your recommendation engine knows your products' attributes and has a wealth of data on the most-viewed and best-selling products. Powerful and actionable insights can be drawn from this data if Al is applied properly.

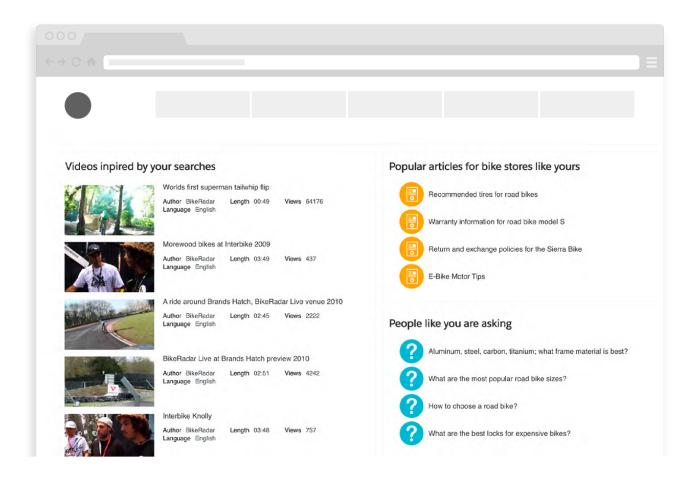
Here's how your recommendation engine can deliver helpful suggestions, turn anonymous shoppers into buyers, and boost your conversion rate.

3. Cart based recommendations

An item added to the shopping cart signals the shopper's current intent and preferences. As the shopper searches for a second item, e.g. socks to match the pair of sneakers in the cart, prioritize socks with attributes that match the sneakers to increase conversion. At the same time, increase product discovery by recommending complementary products such as sunglasses or joggers to complete the outfit.



For Anonymous or First-Time Visitors



4a. Recommendations based on items frequently **viewed** together

Help speed up shoppers' research process and increase product discovery. For example, if they are looking for a new bicycle, recommend similar models that others frequently view and compare against. Go the extra mile and recommend related products frequently viewed together to help them put together a complete package. Add useful content to the mix too, to address frequently asked questions about the product or which model is best for their intended purpose.

4b. Recommendations based on items frequently **bought** together

Offer information on what other shoppers have frequently bought together to shorten the research and decision-making process, connect the dots, pre-empt future needs and inspire confidence in the items they have added to cart.



For Anonymous or First-Time Visitors

5. Popular viewed item recommendations

Curate and showcase popular products and services individually or package them into meaningful categories (by product category, trends, etc.) to help shoppers kickstart their discovery process.

Best seller recommendations

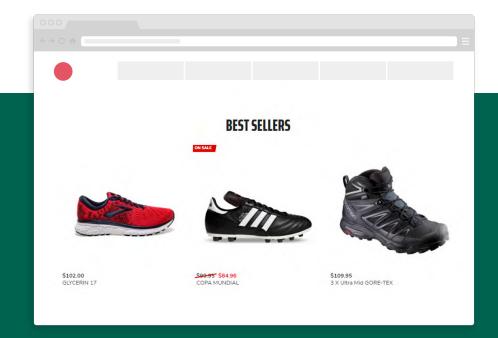
Leverage your "popular items (bought)" data to recommend items that are favored by your customer base. For example, if you offer several types of electric scooters, wireless printers or industrial air filtration systems at different price points, recommending best sellers helps cut down research time for your shoppers.

Besides helping anonymous visitors narrow their options and arrive at the best one in the shortest time, best-seller recommendations also let you showcase products for shoppers who might be looking for them.



This increases product visibility for shoppers who already know what they want, so as soon as they get to your site they'll know they came to the right place.

With advanced AI technology, you could also opt to scour the long tail of data, such as shopper comments, to surface highly-regarded but lesser-known products to generate new best sellers.





Key Takeaways

Shoppers do appreciate useful, personalized recommendations that help them save time, get the best and cheapest products, and make them look and feel good. Focus your recommendation efforts on your customers' needs and you'll see your AOV and CLV increase.

Companies that do so are rewarded with customer satisfaction, loyalty and higher revenues.

Use Al-powered search & recommendations to drive higher conversions

Learn more



Learn more about Coveo

Coveo is the world's leading cloud-based relevance platform. The Coveo Relevance Cloud $^{\text{TM}}$ uses applied AI to deliver relevant experiences in all digital interactions, from search to recommendations to personalization.

Contact us



