



Relevance Report 2021

ECOMMERCE





High Expectations and Crushing Disappointments

Coveo research shows that retailers are falling short of consumers' rising expectations

Retail ecommerce sales grew 28% worldwide in 2020. Yet many retailers went out of business during the year.

It's not because they hadn't embraced digital — all these unfortunate brands had online storefronts. It's because they didn't understand customers and how radically their expectations have changed.

90%

of consumers expect
online shopping to
be equal to or better
than the in-store
experience



Google, Amazon, Netflix, Wayfair, and Spotify have set the bar high. Really high. These digital giants leverage search, data, and AI to serve people with effortless, highly individualized and relevant experiences.

Customers are hooked. We are all hooked.

So retailers can't just keep doing the same old things and hope for the best.

Amazon Founder Jeff Bezos calls it "divine discontent" — the way consumers get used to last year's innovations and keep raising their expectations.

Furthermore, expectations are growing faster and faster. "It's the Moore's Law of Digital Experience Expectations," says Louis Têtu, Coveo's CEO and Chairman. But rather than the doubling of computing power, he's referring to the rapid improvement of relevant digital experiences and our demand for them.

"It's the Moore's Law of Digital Experience Expectations"

Louis Têtu

Coveo's CEO and Chairman

Stop Disappointing Your Shoppers

Coveo recently invited 2,000 shoppers to tell us their thoughts. While 9 out of 10 said they expect online shopping to be equal to or better than in-store, half of them are experiencing crushing disappointment.

If retailers don't address this experience gap, more bad news awaits.

Almost three quarters of customers say they will abandon a brand after a short series of negative experiences, according to the results.

And up-and-coming digital natives — loyal customers of the future — show even less tolerance. When compared to the Silent Generation (the oldest generation surveyed, born before 1945), twice as many Gen Z members say they'll abandon a brand if they can't find the information they're looking for themselves.

50%
of customers say they sometimes or always experience a problem when shopping online.

73%
of customers will abandon a brand after three negative customer experiences

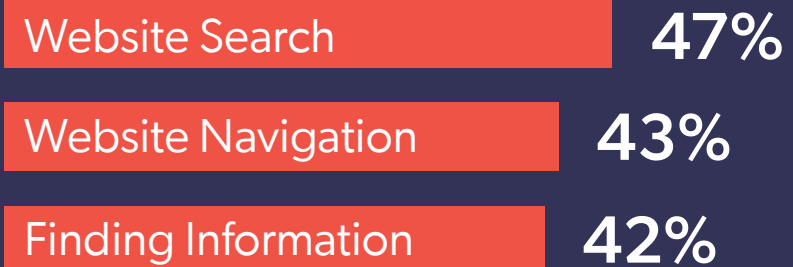


What's the Heart of the Issue? It's a Relevance Problem

Shoppers are clear. Their frustrations are not connected to the functions of the merchandising or commerce platform. Rather, they are simple: Shoppers just want to find what they are looking for.

And they share a common link to the challenges we hear from retailers every day.

What frustrates **shoppers** online:



What frustrates **retailers** online:

- Shopping cart abandonment
- Low marketing conversion rate
- Low-repeat business and low-average purchase

The connection among all these end-user concerns and retailer challenges is the difference between retailers who make it online and those who don't. **That link is customer relevance.**

Most companies know they are failing to deliver an exceptional experience. At its Fall Relevance 360, Coveo asked some of the 4,500 registrants how many had met or exceeded their user experience expectations.

Only 15% said they did.

How to Bridge the Relevance Gap at the Root of Bad Experiences

Retailers are sitting on a wealth of knowledge: They know what shoppers have bought, they know where shoppers live, and they know what shoppers search for. Retailers have all the information needed to deliver winning ecommerce experiences. What's missing? A layer of intelligence that puts it into action.

Coveo provides the intelligence behind the relevant experiences people expect. Our product, the Coveo Relevance platform, does more than democratize AI. We democratize relevance.





Without requiring a change in your ecommerce tools, Coveo injects relevance into search, recommendations, and 360° personalization. That in turn drives more revenue, conversions, engagement, cart size, self-service satisfaction and employee proficiency.

At Coveo, we believe all businesses should have access to the amazing relevance that “AI on tap” can provide at scale. You shouldn’t have to be a tech titan or hire herds of data scientists in order to have a chance to compete.

Relevance is no longer the exclusive domain of tech giants. Coveo makes relevance possible for every business.

And with relevance, every business can win.

Methodology

Coveo commissioned Researchscape International to conduct an online survey of 1,988 consumers that was fielded first on December 26, 2020 and most recently on January 6, 2021.

Coveo ensures relevant results for your customers and employees, driving revenue and productivity.

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