Your Guide to Delivering Intelligent Shopping Experiences

Worried about
keeping up
with digital giants?
Here's how AI can
make your business
more relevant
than ever.

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As online shopping continues to dominate, all businesses – even brick and mortar retailers – need a digital strategy to survive. And with tech giants raising the bar, your shoppers expect relevant and effortless digital experiences.

But how can you compete with digital giants?

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With a decade of R&D and seemingly bottomless pockets, these Goliaths have fortress-like infrastructures to support massive scale. And with treasure troves of consumer data at their disposal, they can personalize the experiences for all shoppers — including your customers!

You don't have a decade — nor the deep pockets — to transform your business. What can you do?

The answer is Applied AI

While many Ecommerce businesses know data and AI are important, taking action can feel like a steep mountain to climb. **Almost 85% of companies** believe AI allows them to obtain or sustain a competitive advantage. Only 20%, however, have incorporated AI in some processes or offerings.

Catching up and maintaining a competitive advantage requires a new approach — specifically, adopting technologies that deliver an intelligent, tailored shopping experience to every person that visits your website.

With Applied AI, you are getting packaged machine learning models geared to a specific business objective.

The keys to delivering intelligent shopping experiences

- **First and foremost**, making products and content easy for shoppers to discover is fundamental. A Coveo survey found that difficulty finding information is the most frequent problem for online shoppers (42%).

- **Second**, delivering personalized recommendations throughout their journey on your site goes a long way in ensuring they don't bounce, but instead, add more to their cart.

- **Thirdly**, learning from every interaction to automatically improve relevance from the search bar to the product listing pages. Trends change fast and not always in a predictable manner; your site should be able to respond accordingly without a lot of manual interventions and heavy lifting from your merchandise team.

Why is this so important right now? Let's take a deep dive into the current state of the industry.

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The State of Shopping Experiences

To help more businesses determine how they can deliver intelligent shopping experiences, Coveo surveyed 2,000 shoppers across North America to gain greater insight into their buying behavior.

> **Only 1% of shoppers said online shopping experiences always feel personalized or relevant to their specific buying habits and preferences.**

You never get a second chance to make a first impression

When we asked shoppers how they typically discover products they purchase online, 66% said they search directly on a website. That search experience is vital to sales. The ability to quickly find what they need (27%) and website ease of use (26%) are big factors that influence shoppers' online purchasing.

Search experiences, however, are not meeting shoppers' expectations. Almost half (47%) said they have had problems with search. And those problems can drive them away from a brand. Six out of 10 shoppers said they have left a site because of a poor digital experience, making it that much more important to get them to what they're looking for fast.

99% of people find online shopping experiences irrelevant and impersonal

Relevance matters at every touch point

Only 1% of shoppers said online shopping experiences always feel personalized or relevant to their specific buying habits and preferences.

Six out of 10 shoppers said they get frustrated when sites don't tailor site search results based on their past online behavior or search queries. To keep their loyalty, over 60% of shoppers said they want you to suggest what to search for, based on what you know about them.

Your shoppers hold you to a high standard. So if results and recommendations aren't tailored to their needs, they'll go elsewhere. By learning from your shoppers, you can meet and beat their expectations by giving them exactly what they want, exactly when they want it.

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Recommendations deliver revenue and loyalty

Over 90% of shoppers said they would return to a site that tailors product recommendations based on their previous shopping habits.

And over 60% of shoppers purchased something based on a product recommendation from a retailer. That number skews even higher for younger generations.

By developing and evolving your understanding of shoppers at every touch point, you increase not only satisfaction, but also customer value from things like upselling and repeat buying.

These findings coalesce into a key message:

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In today's digital reality, the value of search, recommendations and personalization in Ecommerce can't be ignored.

Remember: acquiring a new customer is **five times more expensive** than retaining existing ones. You can't afford to waste money driving people to your website only to have them leave due to poor search experiences.

Relevance and personalization also affect what shoppers are willing to pay. Forty-three percent of people would pay more if they knew they could find what they were looking for on a site in just a few clicks. More than a quarter would pay more for easily findable supporting content, personalized recommendations, and the ability to discover something they didn't know they needed.

Search is so much more than a one-time act to find information. When combined with AI, it is an ongoing opportunity to learn more about your site visitors and ultimately deliver experiences they expect.

The good news is that these kinds of intelligent shopping experiences can be easier to deliver than you might imagine. Let's dig in.

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How You Can Deliver Intelligent Shopping Experiences

So how can you create the highly personalized shopping experiences needed to compete and survive in this new digital reality?

The answer: By embracing a new approach powered by Applied AI, you can deliver the intimacy of an instore experience to millions of experiences online. We call this relevance.

A Relevance Platform uses machine learning across product information, content, shopper context, and behavior, to deliver truly intelligent shopping experiences. Experiences that are unified, relevant, and valuable — at scale.

Under the hood, Relevance Platforms are the confluence of leading-edge technologies: unified cloud native search; natural language processing; intent and propensity detection; recommendations; and personalization — all underpinned by Applied AI.

Let's take a closer look at the three characteristics of an intelligent shopping experience.

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1 Intelligent Shopping Experiences are **Unified**

If shoppers can't find what they're looking for quickly and easily, they will leave. By connecting and carrying signals from across shopping journeys, products become easily discoverable — allowing shoppers to find exactly what they need, when they need it.

Leverage a unified search index

One way to help your shoppers find the right products for them is to unify the view of each product. This allows shoppers to easily see variants, attributes, availability, and pricing without having to click and sort on a whole host of filters and values.

For example, let's say a shopper is looking for a black walking shoe, size 7, that they can purchase online and pick up at a store near them. An intelligent shopping experience shows them that information in a single view instead of requiring them to go back and forth between listing pages and product detail pages.

Go beyond the catalog

Unifying your ecommerce experience may also mean showcasing pertinent information. Customers may need content beyond product catalog data to inform their buying decisions. This content could include buying guides, blogs, community posts, or instructional videos.

Make all of this relevant content easily accessible from a single search UI to boost conversions and improve customer satisfaction.

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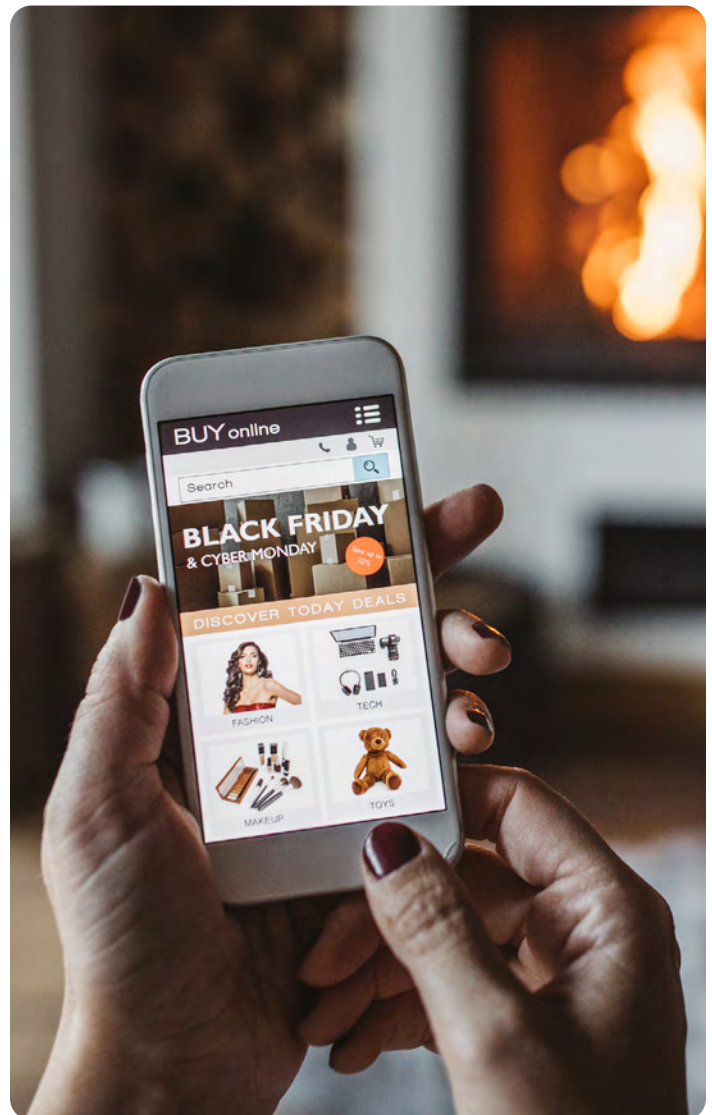# 2 Intelligent Shopping Experiences are **Relevant**

In every journey, across every interaction, people now expect relevance and personalization comparable to what they experience with tech giants. You can only offer relevance if you truly understand shoppers' intent. And you need to do this at scale.

Use contextual and behavioral data

You are already sitting on a wealth of additional contextual data you can activate while ensuring privacy laws are followed. This can include basic shopper information, such as IP address, geo-location, browser/device used, and internet search terms used to find the website.

Additionally, there is a wealth of behavioral data at your fingertips. Each customer sends signals of what they like, what they don't, what they searched on, and how they re-wrote those queries. All of this provides critical behavioral data.

With new machine learning technologies, you can leverage all this data combined with product catalog data to personalize the shopping experience and deliver more tailored recommendations.

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3 Intelligent Shopping Experiences are **Valuable**

It's not enough to gear personalized experiences solely toward shopper satisfaction. You must also consider important business parameters such as margins and return rates. Easily analyze customer data with business drivers to optimize the shopper experience and generate value for your business.

Combine shopper needs with business needs

It is easy for your business to fail by relying solely on shopper preference — a balance must be in play. You might boost a product to the top of the results because it is popular for shoppers. However, you may not realize that it also has a very high return rate or has a very low margin, or a 'loss leader'.

AI has the horsepower to bring together and analyze shopper and business data, and then use it across each shopper journey to automatically deliver optimized ranked results that meet their needs — and those of your business — in real time at scale.

Give merchandisers insight on product performance

Collecting the right data about how shoppers discover and buy, what is typically bought together, and what they are looking for-but you don't stock, is crucial to optimizing your digital storefront. Arming merchandisers with a detailed set of analytics and dashboards on product performance allows them to buy and promote with confidence. They can then easily identify trends, find product gaps, and directly measure how search impacts business goals, such as conversion, average order value, and revenues.

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A Relevance Platform Lets You Successfully Compete With Giants… Today

The competition got out to a fast start, but that doesn't mean you can't catch up. The ability to deliver this kind of relevance used to be accessible only to the technological elite. But today relevance has been democratized — meaning it is within reach for every business, right now.

With easy-to-implement machine learning and secure, scalable cloud computing, being relevant is cost-effective, user-friendly, and very easy to adopt.

A Relevance platform that offers cloud native search, recommendations and personalization underpinned by Applied AI, is a game-changer.

It will allow shoppers to find what they need, when they need it, in the way they desire, to buy the product they need.

Relevance is the difference between...

- Buy or bounce
- Add to cart or abandon cart
- Include more or check-out now

Relevance will either make or break your shopper experience. And your business. Period.

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HEARTS ON FIRE®

Learn about how Hearts on Fire created intimate digital shopping experiences and saw a **580% boost in conversion rates**

Learn more >

LIFE EXTENSION®

Learn about how Life Extension was able to drive **28X more Add-to-Cart Conversions**

Learn more >

CALERES
★ 5 ★

Learn about how Caleres is **empowering their digital commerce teams** — from Sam Edelman to Famous Footwear

Learn more >

To find out how you can start winning with intelligent shopping experiences, contact one of our experts.

Learn more about Coveo

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

Contact us

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