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Ecommerce Relevance Report 2022

Shoppers Reveal the ‘Brand Experience’ Gaps

Resolving the relevance challenge

An Ongoing Battle for Retailers

Coveo issued its first Relevance Report in January 2021, which found that retailers often fail to meet shoppers' rising expectations. Twelve months on, we sought to find out whether the situation had improved.

At first glance, the outlook on customer expectations is not a whole lot better: 91% of respondents encountered at least one problem when shopping online over the past year, citing issues such as slow websites (35%), not finding what they want (34%), and disorganized site or app navigation (29%).

Despite lockdown restrictions loosening in recent months, shopping online remains the primary mode of consumption for many of us. We examined what consumers crave from their digital experiences, and how businesses can better meet this relevance challenge in 2022 and beyond.

93%

of consumers expect the online shopping experience to be at least equal to, if not better, than in-store — an increase from last year's figure of 90%.

Where the consumer journey starts

Time Is Precious

If nine out of 10 consumers expect the online shopping experience to be at least equal to recently reopened brick and mortars, then retailers need to prioritize elevating that experience. Personalization is key — retailers need to know what shoppers want from their sites. Separate from that, we need to ask: Where are consumers starting their journeys?

When asked how they typically discover products online, respondents were given the option to choose more than one source. However, of the 44% who selected only one answer, one-third (32%) said they do so through Google or a search engine, 30% start their search on Amazon, and only 16% search directly on a specific retailer's site.

This order of preference directly mirrors our overall findings, even when more than one answer was selected.

The resounding outcome being the time consumers spend on a site is precious and valuable when so many other options are out there. Retailers need to make it count!

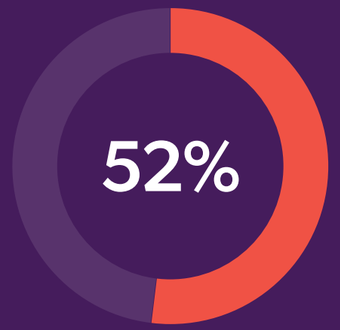
The next step of the journey

Reducing the Experience Gap

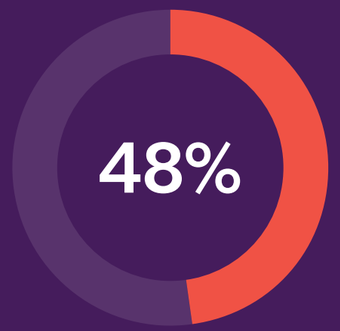
One of the reasons why consumers are not going directly to brands is because those brands have not set themselves apart as being memorable.

68% confirm that personalized or relevant experiences are still not 'often' provided when shopping online. With sites like Google and Amazon offering convenience, a recollection of previous preferences, or data-driven recommendations for future purchases; it's easy to see how this experience disparity is created.

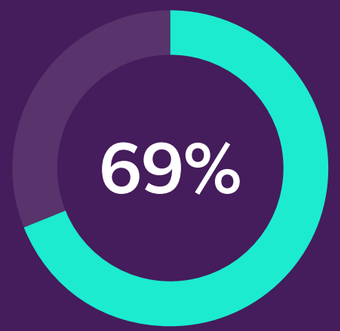
Recurring problems for consumers include website navigation (32%), search deficiencies (29%), post-transaction problems (27%) and, vitally, customer service shortfalls (48%). Fortunately, there are ways to bridge this gap. Ways that consumers are not only listing — but are willing to pay for!



would be willing to pay more to find what they are looking for in just a few clicks



would pay more for supporting content that adds value to products



overall, would be willing to pay for one or more value-add service that elevates the experience

The relevance remedy

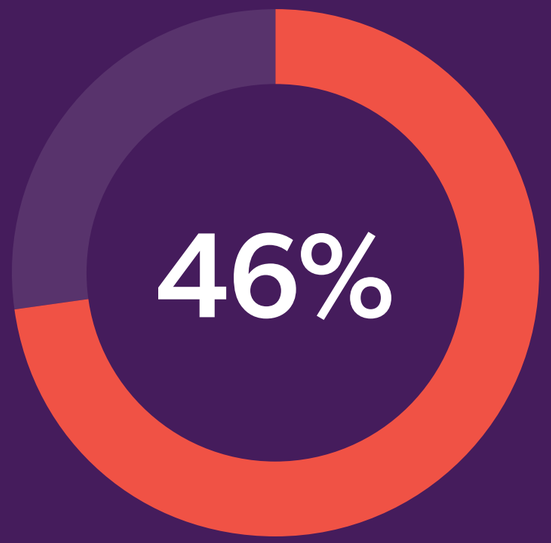
All Is Not Lost

Massive online retailers like Amazon spend hefty sums on data scientists and artificial intelligence (AI) to meet customer expectations. This approach comes from the mindset of treating every employee as a data analyst.

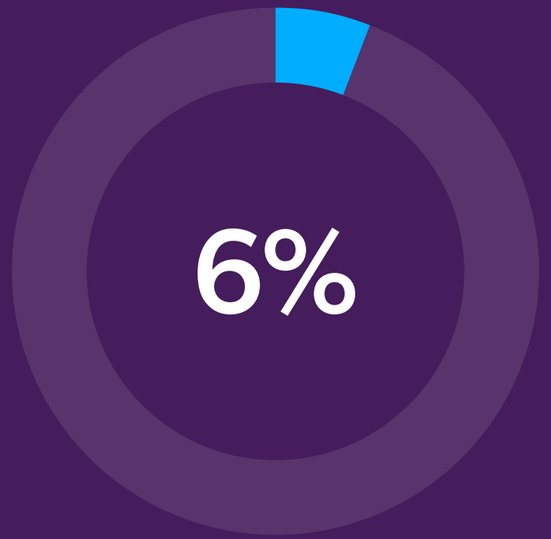
In contrast, we found that only 6% of customers find online shopping experiences as 'always' relevant to their buying habits and preferences.

However, this may be more promising than you might imagine. Countless other reasons were also listed by respondents as potential reasons why they could turn away from the retail giant.

The thunder is there to be stolen by retailers who can go beyond the price point and speedy fulfillment Amazon promises by creating a compelling brand experience on a more personalized level.



of respondents would choose not to shop via Amazon because either a product is not available, they prefer other sites, or do not trust reviews, despite earlier finding that consumers use the likes of Amazon as a primary source.



of customers find online shopping experiences as 'always' relevant to their buying habits and preferences.

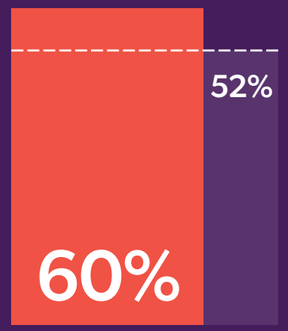
Today's Youth Signal What Tomorrow Has in Store

To capitalize on the opportunities already listed, retailers should consider tapping into the preferences of our younger demographics — our Millennial and Generation Z* respondents. What they want from their present and future retail experiences represent what tomorrow's relevance parameters will include.

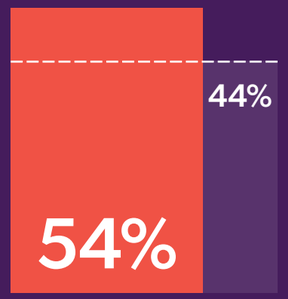
For example, while 46% of the overall sample listed reasons to veer away from Amazon, this number rose to 53% among the 18-24 year olds.

* Millennials are people born between 1980 and 1994 and Generation Z represents people born between 1994 and 2001.

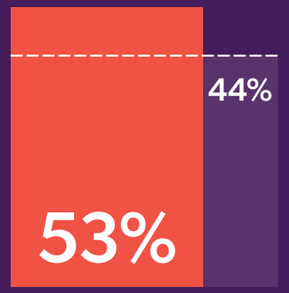
Start listening to younger shoppers



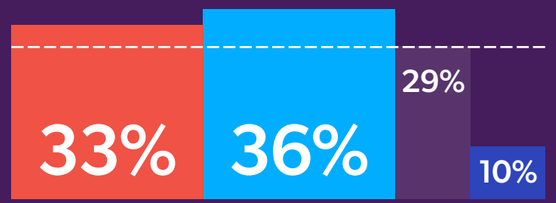
of Gen Z respondents would pay more to find products quicker.
(52% overall)



of Gen Z respondents would pay more to discover something new.
(44% overall)



of Gen Z would pay more to receive tailored recommendations.
(44% overall)



33% of Gen Z and 36% of Millennials discover products via social media.
(29% overall, and only 10% of 55+)

Despite 59% of people agreeing they are concerned about how their data is being used by retailers, 51% confirmed they would still be more likely to share personal data with a brand they trust.

Cold-Start Shopper Dilemma

Online shoppers are demanding the same personalized attention they might receive from an observant in-store sales assistant who can quickly surmise what those shoppers are looking for.

Unfortunately, those visual cues are missing online. With cookie-less browsing, privacy laws, and customers wary of giving away personal information, 40% of online customers shop anonymously and use guest check-out. The leaves brands scrambling to determine intent.

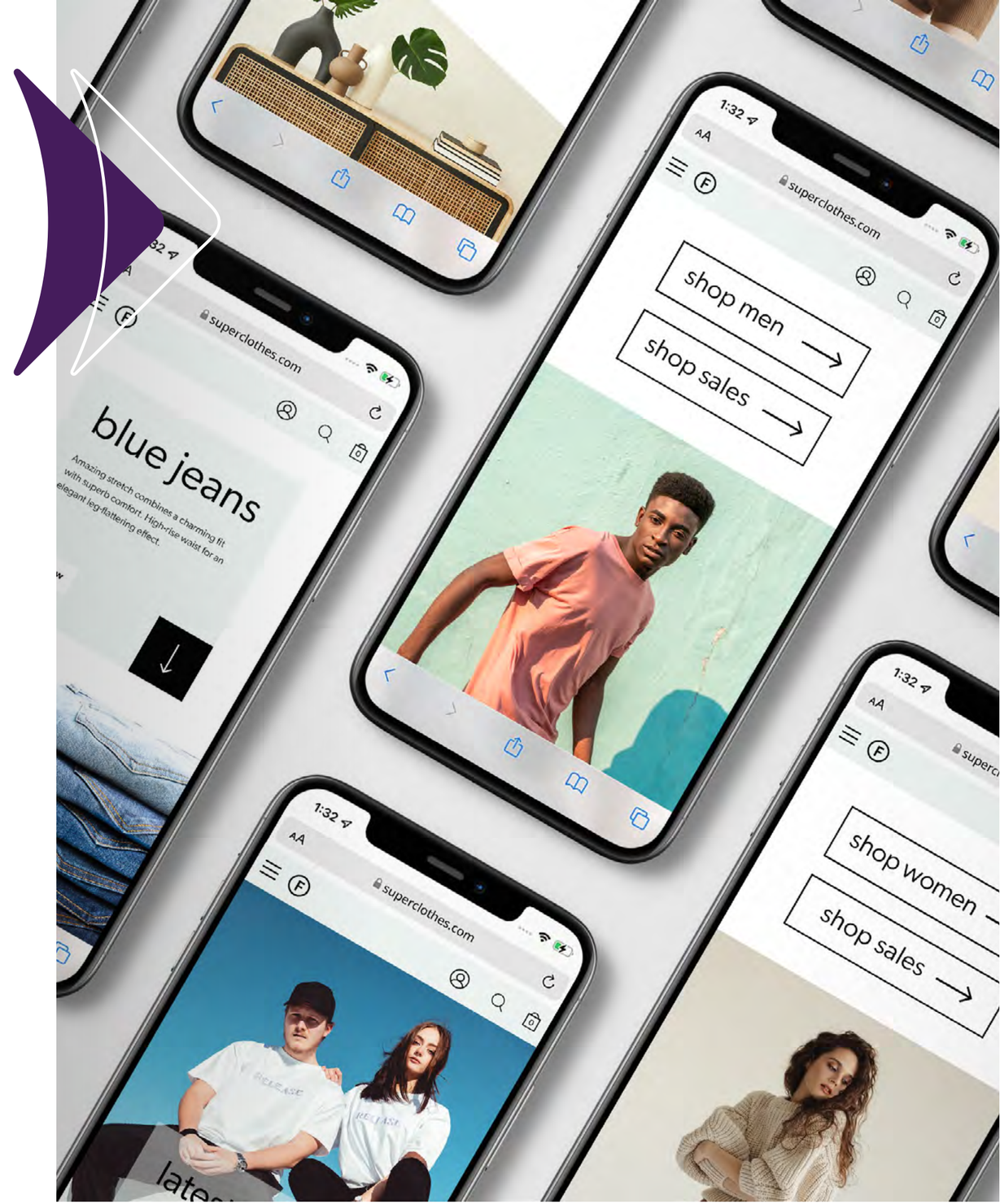
We call this the cold-start shopper dilemma.

Embrace Relevance

To remain relevant today and in the future, retailers must embrace AI to offer personalized experiences. At Coveo, we provide AI-powered solutions to harness this double-edged sword by injecting relevance into search, recommendation, and personalization strategies.

Our cloud-based proposition uses AI to tap into relevance patterns and develop an understanding of retailers' catalogs to improve the personalization of each individual consumer search. And our session-based capabilities (e.g., search ranking, query suggestions, recommendations) help determine shopper intent — even if they are shopping anonymously.

And if there is one lesson to be learned from this year's study, it's that relevance matters at every single customer touchpoint.



Methodology | As part of Coveo's 2022 Relevance Report in retail, Arlington Research was commissioned to undertake a study across the UK and USA to discover trends relating to Ecommerce, Customer Services, and the Digital Workplace. The survey comprised a nationally representative sample of the working population across both the UK and USA, with **4,000 adults aged 18+** taking part, evenly distributed between each country. All respondents were people who use a computer for their work, as a part of companies which contain more than 250 employees. This first instalment focused on trends relating to Ecommerce.

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The Relevance Company

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.

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