

Ecommerce Personalization **Benchmark Report 2021**

A research study of 200 retailers and 600 consumers'

netcore | **WAKEFIELD**

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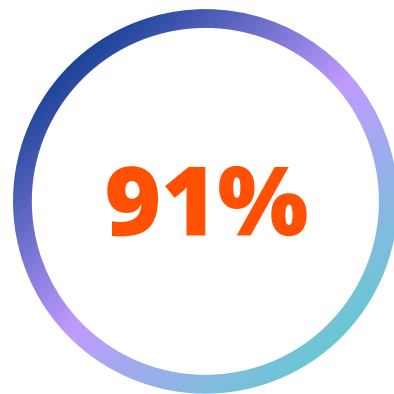
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Introduction

An overwhelming **91% of shoppers would abandon an online retailer over a poor shopping experience.** Many say it is crucial for retailers to personalize the experience to fit their preferences.

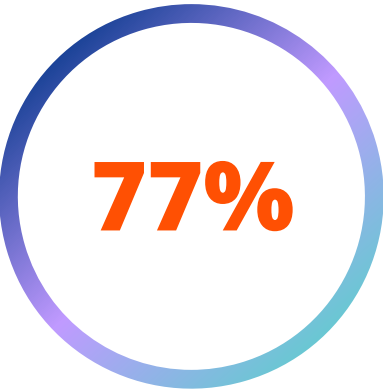


abandon an online retailer

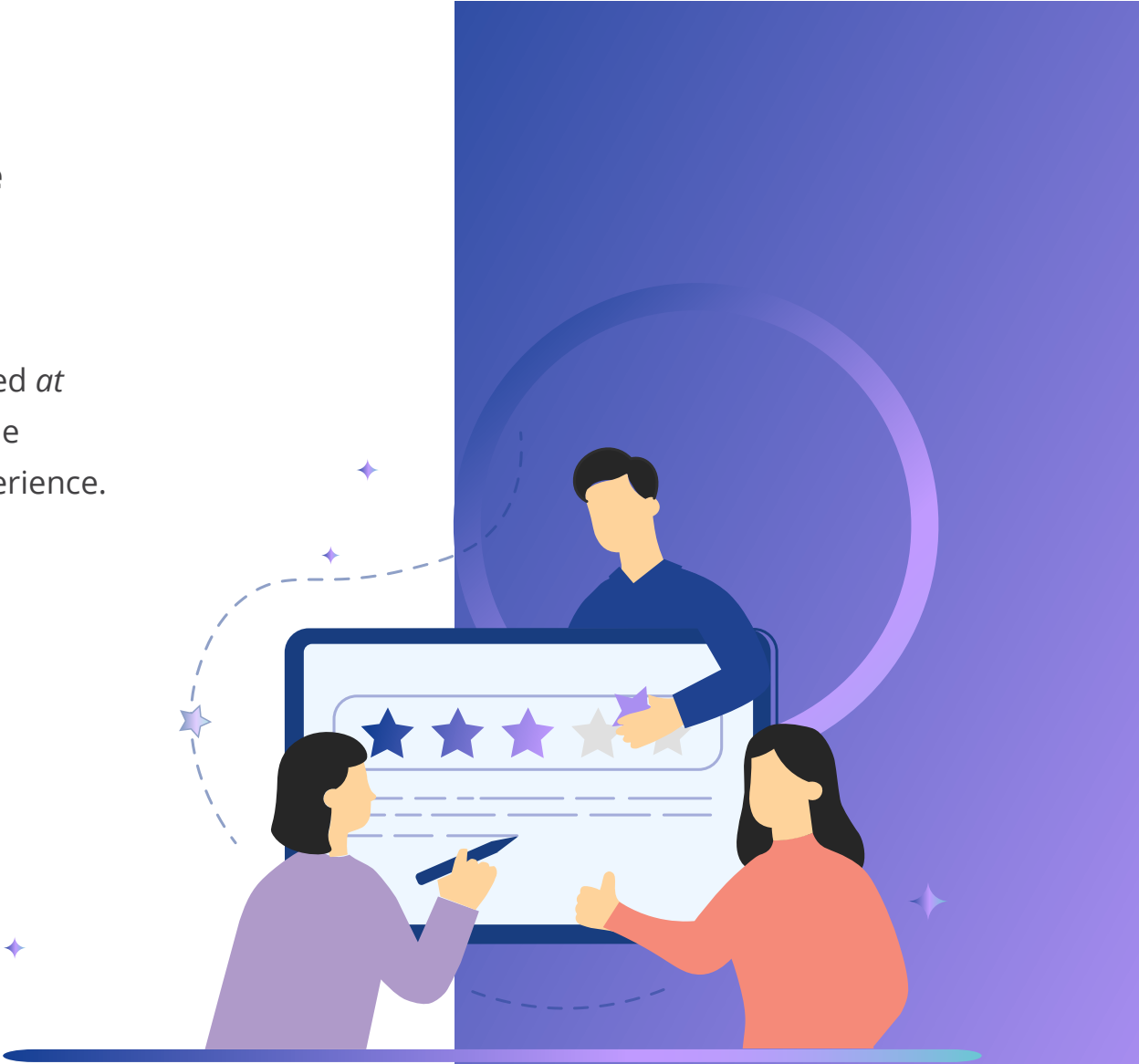


More than 3 in 4 shoppers want a **more personalized customer experience**

A surprising 41% of retail executives say their ecommerce platform is somewhat personalized *at best*— while just 13% of online retailers provide shoppers with a completely personalized experience.

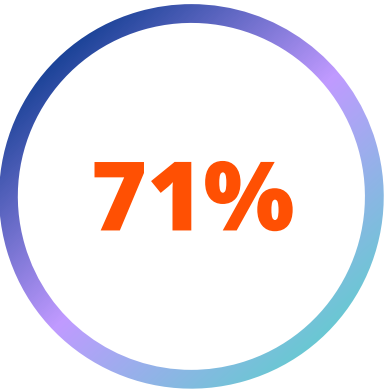


want more personalized CX



7 in 10 retailers who invested in personalizing CX have seen an **ROI of at least 4X**

This coincides with improvements across retailers' most important benchmarks: **conversion rates** increase by more than 40%, **cart abandonment rate** falls below 50% and **revenue per user** jumps by more than 10% for many retailers, highlighting the benefits of transforming data into actionable items that make the most of every click.



saw ROI of at least 4X





Key Findings

Consumer Expectations vs. Retail Experience

Personalization helps retailers generate more page views, resulting in more purchases



Shoppers view 8 products on average before making a purchase...



...but personalization helps most (75%) retailers achieve at least 10 page views per user...



...ensuring that shoppers see more than enough relevant products to make a purchase.

Ecommerce Metrics & Benchmarks

Conversion Rate



Personalization increases the conversion rate by 45% for retailers on average

Cart Abandonment Rate



Most retailers previously had cart abandonment rates of 60% or more, but after personalization the average rate drops to 46% for all retailers

Average Order Value



3 in 5 (60%) retailers are seeing average order value jump by 10% or more post-personalization

Average Revenue Per User



2 in 5 (41%) retailers are seeing revenue per user growth of 10% or more after personalization



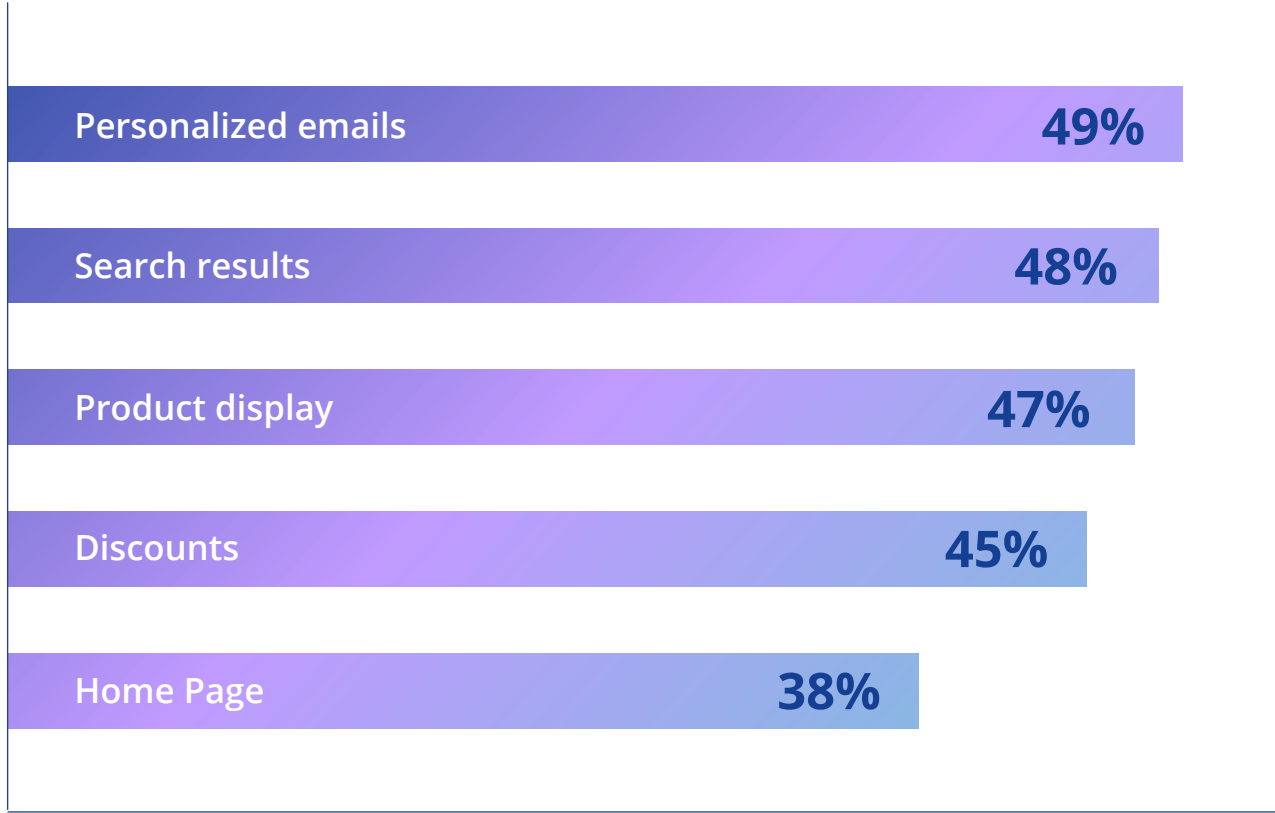
Section I

Personalization challenges

While 62% of retailers claim to have improved their personalized shopping experience over the last year, a worrying 45% of shoppers have not seen any improvement

The Cost of Falling Behind

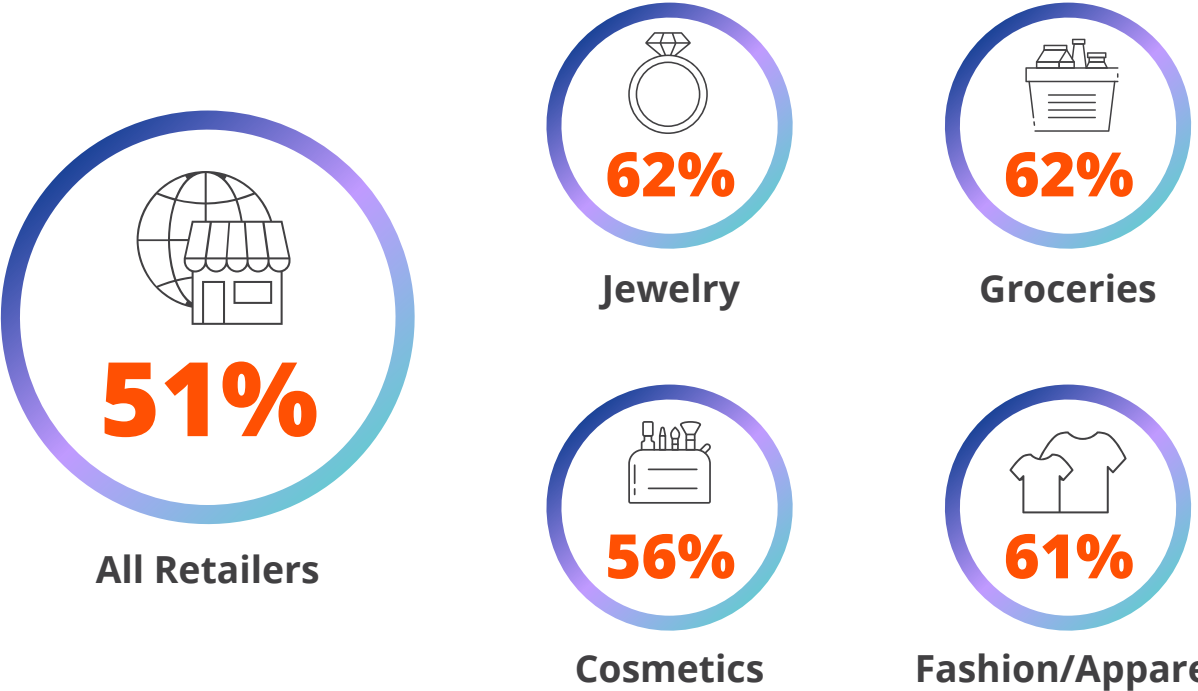
Personalized touchpoints are offered by fewer than half of retailers:



Half of retailers say that gathering customer data presents challenges to personalization. This results in significant shares of retailers **not** using various types of important customer data such as **cross-device and offline data (51%)**, **real-time behavioral data (49%)**, **cookie-based historical data (39%)** or **users' location, device and profile data (32%)**.

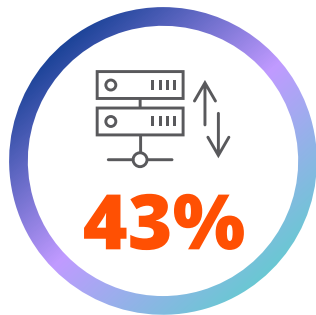
Data Dearth

A slim majority of retailers are using customers' **real-time behavioral data for personalization**



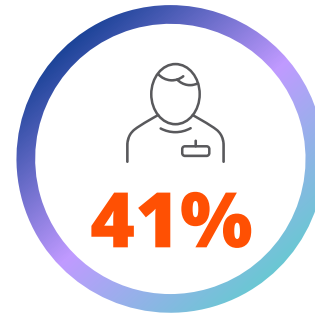
Personalization Challenges

Nearly all retailers (96%) have encountered some challenges to their personalization efforts, indicating an increasing need to rely on trusted third parties to customize the shopping experience.



IT Bandwidth

Many retailers lack the IT bandwidth for personalization



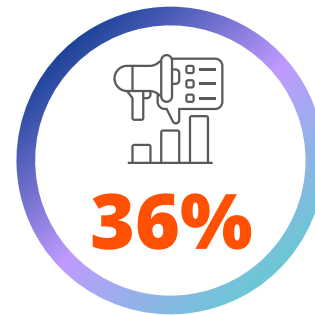
Identifying A Partner

Retailers also struggle to identify the right solution partner



Misalignment

Difficulties aligning various internal teams are common



Inadequate Tools

More than a third lack adequate tools for personalization

For shoppers, meaningful personalization means sticking with a retailer—but when implemented poorly, it will drive them away.



Half of retailers have at best somewhat accurate data on shoppers' preferences



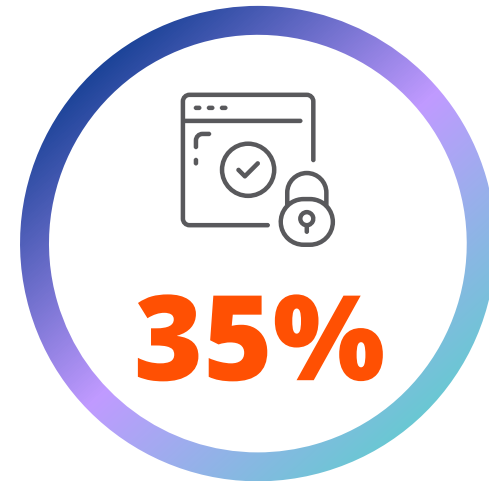
1 in 4 shoppers are more likely to abandon their cart if offers are not relevant to them



1 in 3 shoppers are more likely to unsubscribe from a mailing list if emails aren't relevant

Data Privacy Issues

Privacy is Paramount: many customers want to know what will be done with their information



More than a third of shoppers would be more willing to share data if they were granted more transparency about how retailers will use the information



Section II

Rewards to Reap

Return on Investment: **Cart Abandonment Rate**

Most shoppers (58%) believe that custom touchpoints can help them find items quicker, and 28% are more likely to purchase a product they did not initially intend to buy. Another 26% say a personalized experience can drive them to be more likely to buy something more expensive than originally planned.

Nearly 3 in 10 shoppers (29%) are less likely to abandon their shopping cart during a personalized shopping experience, as seen in retailers' cart abandonment rate metrics:



Most retailers (63%) could not bring cart abandonment rates below 60% **before** personalization

&

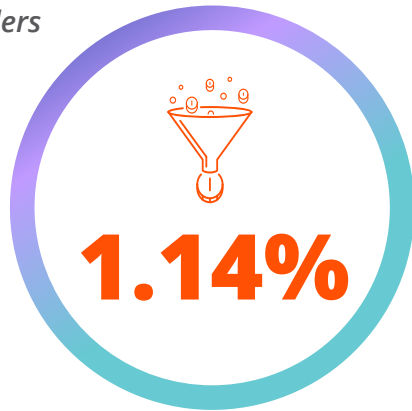


is the average cart abandonment rate for all retailers **after** personalization

Return on Investment: Conversion Rates

Personalization efforts have been well worth retailers' time: 71% have seen overall returns of at least 4 times their investment in personalization

Among retailers surveyed



was the average conversion rate **before** personalization

&

Retailers saw an average **Conversion Rate** increase of **45%** after investment in personalization

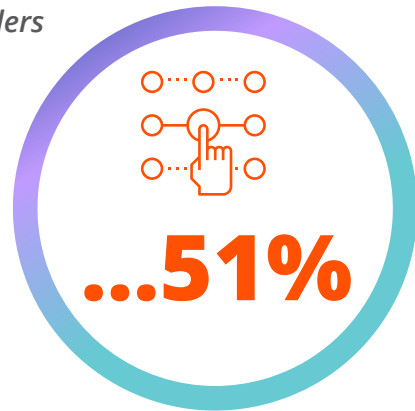


is the average conversion rate **after** personalization

Return on Investment: Average Page Views per Customer

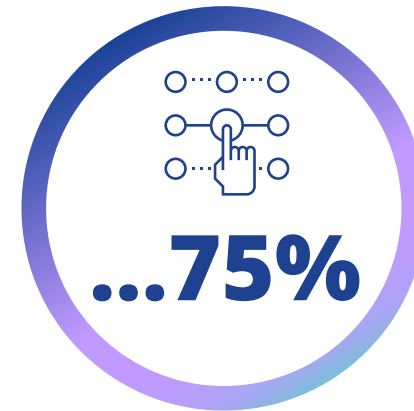
An impressive 37% of those with very personalized platforms achieve 15+ page views per customer. Moreover, **shoppers add more products to their cart at a higher rate**. Retailers with highly personalized platforms see shoppers add 24% of all products viewed to their cart.

Among retailers surveyed



reported 10+ page views per customer
before personalization

&

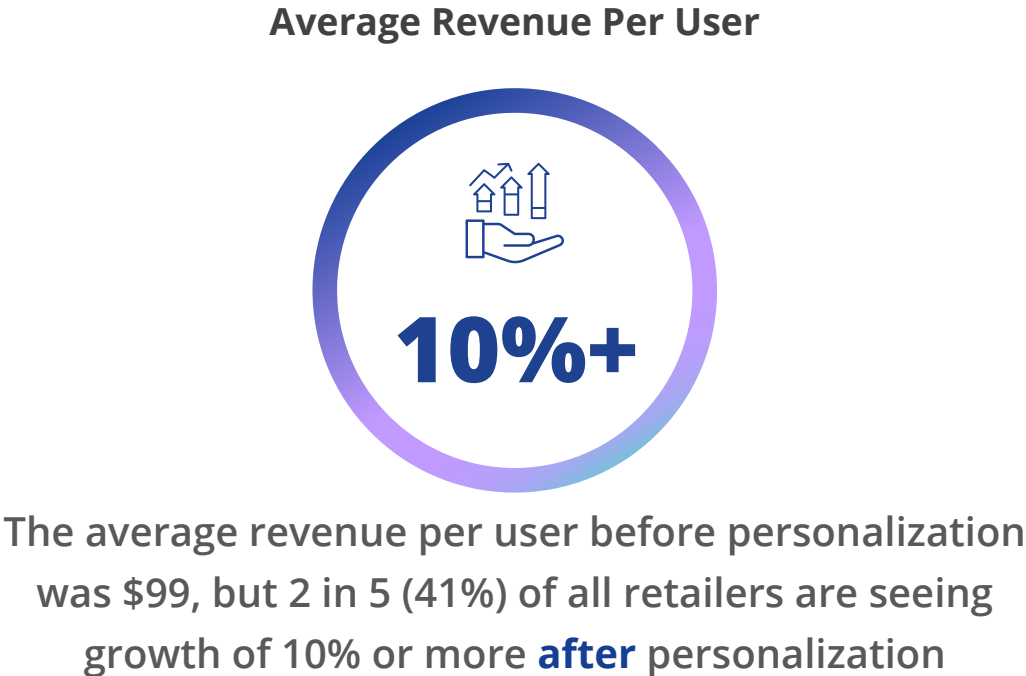


reported 10+ page views per customer
after personalization

But those with little or no personalization see rates of just 19%.

Return on Investment: Increased Spending

While retailers with personalization are seeing more users make purchases, they are also gaining significant increases in customer spending. Virtually all see increases in average order value (98%) and revenue per user (97%).

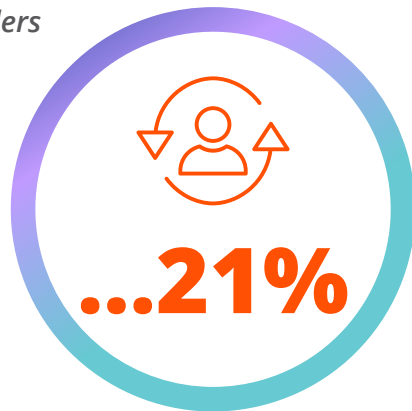


Return on Investment: Customer Retention

Personalizing ecommerce platforms produces benefits for shoppers, who in turn reward retailers.

44% of shoppers say they become more loyal to a retailer that provides personalization.

Among retailers surveyed



is the average 90-day customer retention rate for retailers with **some or no** personalization

&



is the average 90-day customer retention rate for retailers with **a very** personalized platform

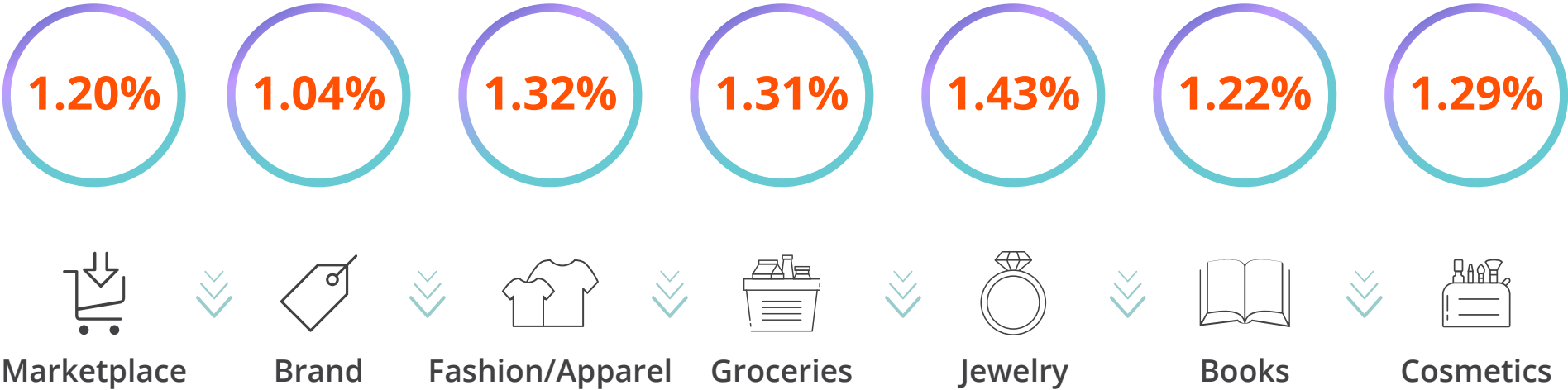


Section III

Retail Category Findings

Retail Category Findings: Conversion Rates

Pre-personalization



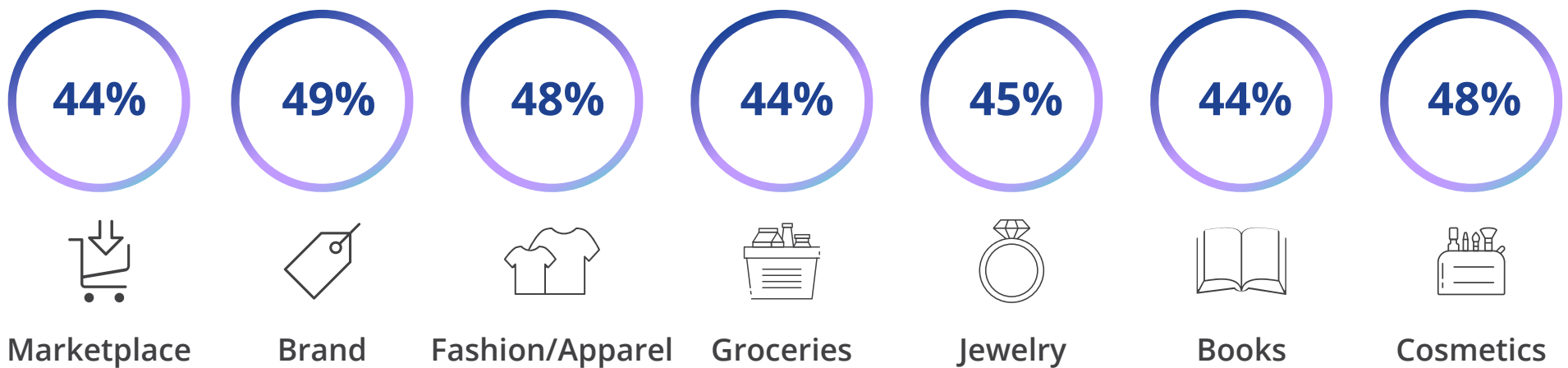
Post-personalization



Retail Category Findings: Cart Abandonment Rates

Personalization has a similarly positive impact on cart abandonment rates across various types of retailers. Rates below 50% are achieved for marketplaces, brands and those that sell numerous types of products.

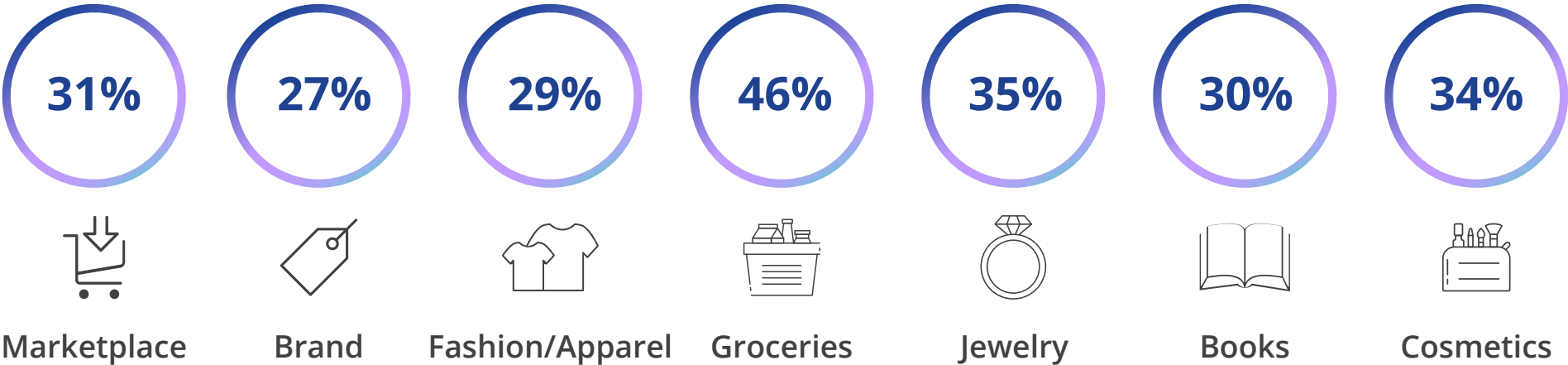
Post-personalization Cart Abandonment Rate:



Retail Category Findings: 90-day Customer Retention Rate

Marketplace retailers and those that sell groceries or jewelry see the strongest 90-day customer retention rates after personalization investment.

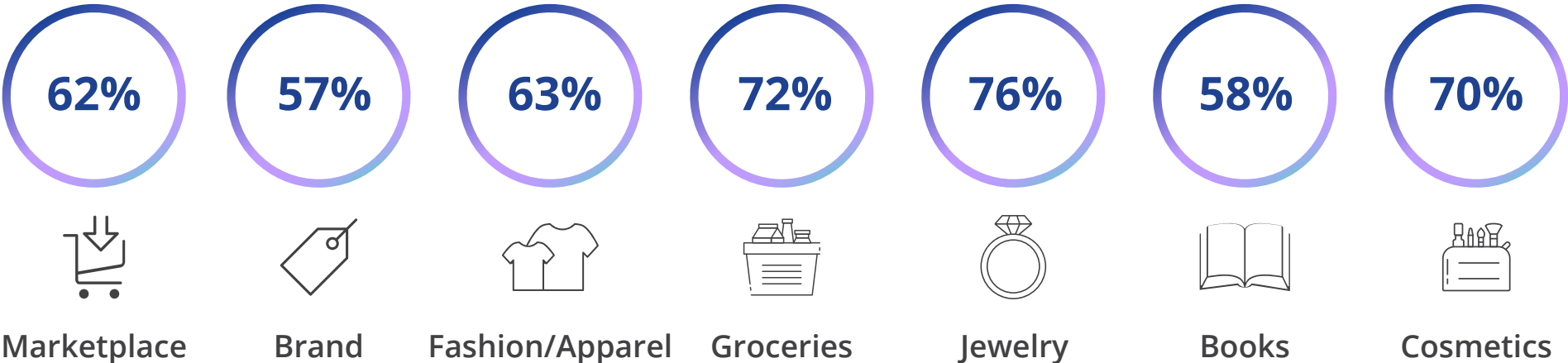
Post-personalization 90-Day Customer Retention Rate:



Retail Category Findings: Average Order Value

The majority of retailers across product categories see improvement in average order value of at least 10%, with higher shares of grocery and jewelry retailers seeing gains.

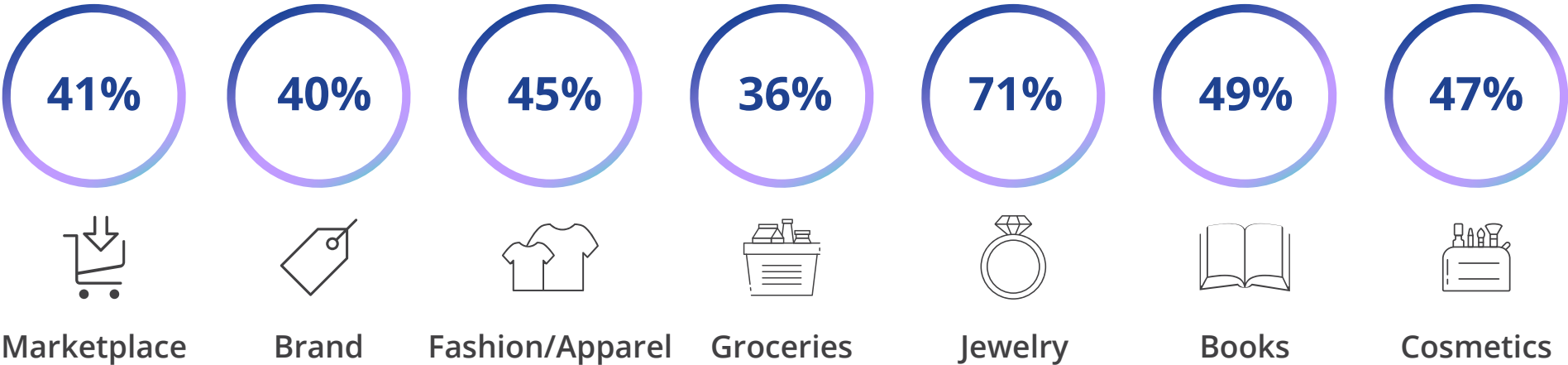
Post-personalization Average Order Value gains of at least 10%:



Retail Category Findings: Revenue per User

Nearly all retailers (97%) achieve an increase in revenue per user after personalization investment, with significant numbers across retailer types achieving growth of at least 10%.

Post-personalization Revenue Per User gains of 10% or more:

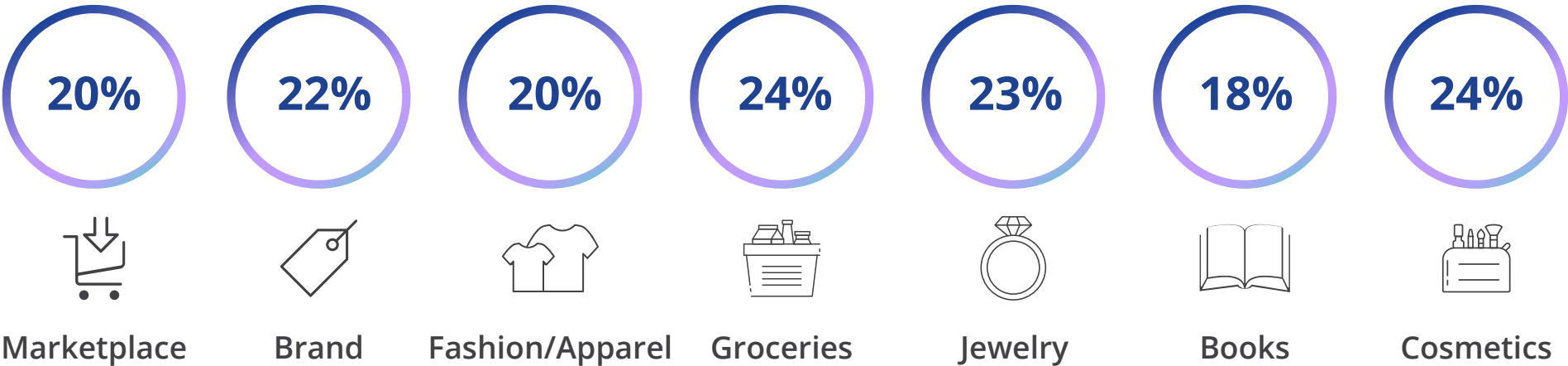


Retail Category Findings: Product-View to Add-to-Cart rate

(share of products-viewed which are added to the cart)

The average rate of products viewed that are added to the cart is 22% across all retailers, but some categories outperform, such as those that sell groceries or cosmetics.

Post-personalization Product-View to Add-to-Cart rate:





Section IV

Trends & Innovations



Retailers need to understand how customers shop in order to make the most of those visits

Innovation Areas



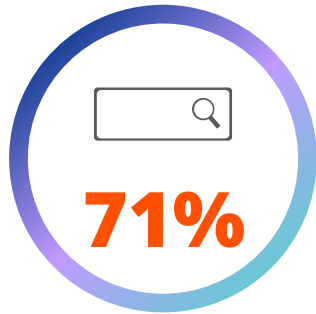
Products are viewed by each customer before buying, on average



Visits are made to websites before buying, on average

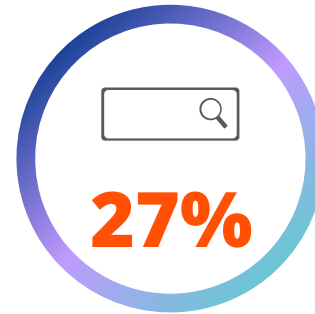


Nearly 4 in 5 want a shopping experience made just for them



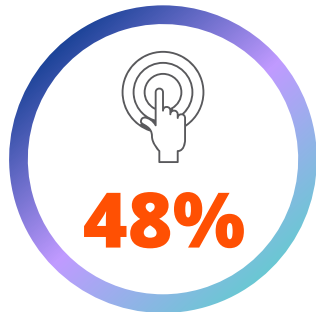
search

More than 7 in 10 (71%) shoppers use the search bar frequently...



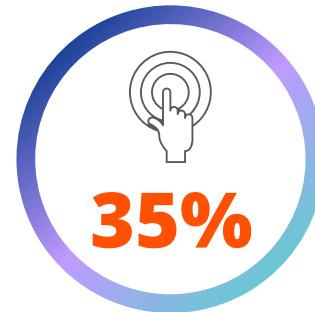
always search

... and about a quarter (27%) of those who use the search bar to shop do so all the time.



personalized search

Retailers are taking action to address customers' search demands, with nearly half (48%) offering personalized search results...



want such a search

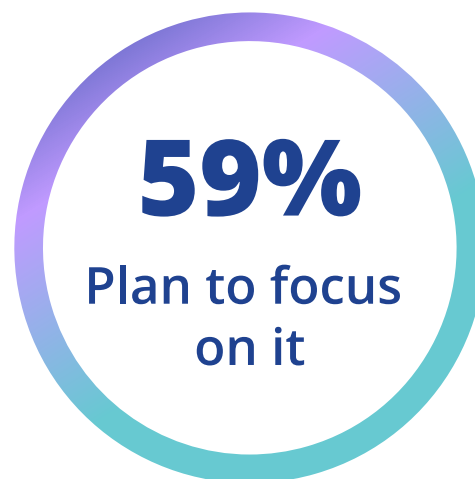
...surpassing the share of shoppers who are demanding this at just over a third (35%).



Nearly 3 in 5 retailers say **visual search** will be a focus over the next five years

The top five innovation trends: #1 - Visual Search

Retailers



Shoppers

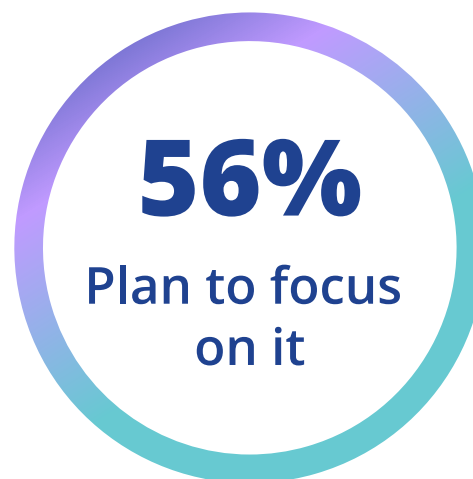




A majority of retailers expect **real-time behavioral data** to be a focus in the coming years

The top five innovation trends: #2 - Hyper Personalization

Retailers



Shoppers



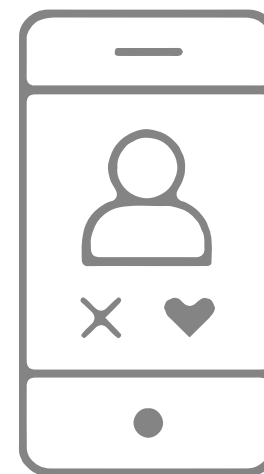
The top five innovation trends:

#3 - Gamification



Two in five retailers said that **gamification** helped them improve their key ecommerce metrics

Retailers





More than 2 in 5 retailers are set to focus on initiatives that will allow shoppers to **shop** from any smart device **using just their voice**

The top five innovation trends: #4 - Touchless Shopping

Retailers



Shoppers





The concept of “**try before you buy**” using interactive technology will come to the fore by 2026 according to a third of retailers

The top five innovation trends: #5 - Augmented and Virtual Reality

Retailers

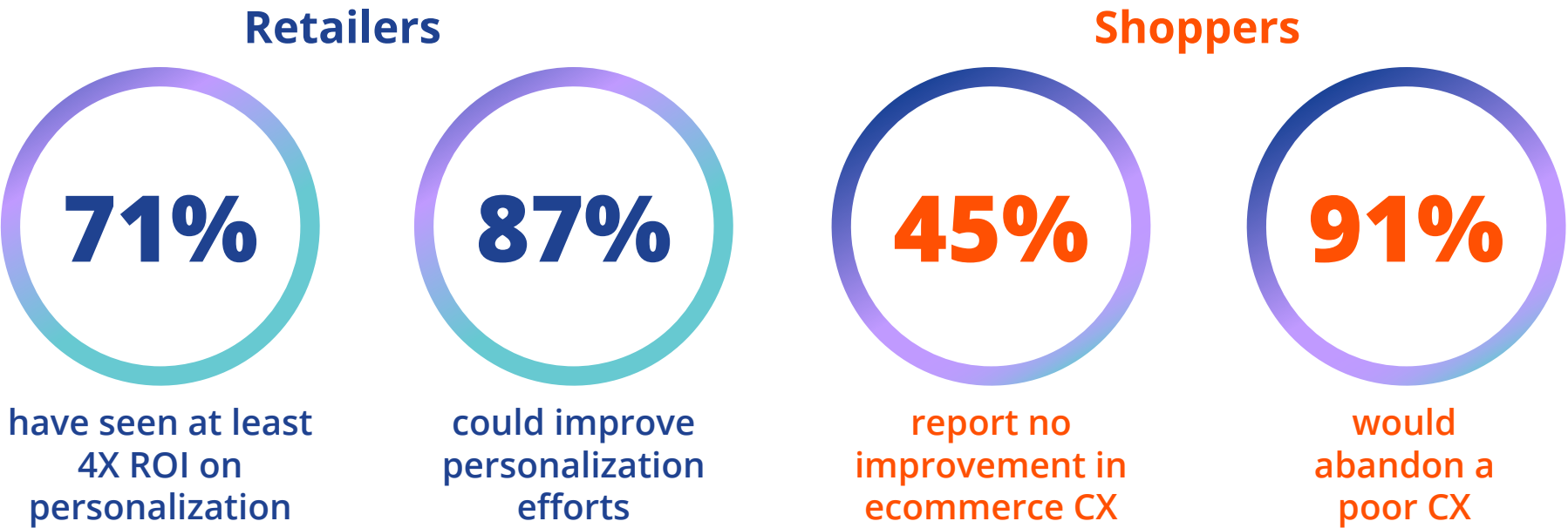


Shoppers



Conclusion

Shoppers have made it abundantly clear: they want personalized ecommerce platforms that customize their experience to make it easier, faster and more accurate—and the benefits will be visible across retailers' most important metrics. Otherwise, retailers risk losing customers who are becoming less and less willing to trudge through cluttered search results and irrelevant information.



Conclusion

More than 3 in 4 shoppers (77%) want personalized shopping experiences, starting with search, which retailers are working to improve. And shoppers are willing to help retailers augment the experience. But shoppers alone cannot provide retailers with the help they need. With so many retailers facing an array of obstacles ranging from a lack of IT bandwidth to inadequate tools, they must act now and devise a strategy to improve their platform’s personalization, or risk being left behind.





Netcore is a customer engagement & experience platform that helps B2C brands create amazing digital experiences with a range of products that help in engagement, retention and conversions.

Netcore over the last 20+ years has enabled thousands of marketers and product managers around the world with its No-Code / Low-Code products to create a personalized omni-channel experience across website, mobile app & communications channels.

With early investments in AI backed with 3 acquisitions, Netcore has led the way in delivering exceptional 1:1 customer experience—to reinvent how companies engage with their customers.

To learn more, visit: www.netcorecloud.com



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Methodological Notes

This research was conducted by Wakefield Research among 200 U.S. executives from ecommerce retailers and 600 U.S. consumers, between February 24th and March 10th, 2021, using an email invitation and an online survey.

The overall margin of error for the Consumer Survey is +/- 4.0 percentage points at the 95% confidence level. The overall margin of error for the Executive Survey is +/- 6.9 percentage points at the 95% confidence level. Base sizes under 100 are considered small and associated findings are directional.

Why Choose Netcore for Personalization



Patented AI-based model

Algorithms that improve your web & app conversions by predicting & sharing right products for each customer in real-time



Quick integration Quicker results

Taking less than fifteen minutes, the platform is built to integrate & scale-up quickly to help you jump right into business



Performance Reporting

Measure conversion uplifts with advanced A/B testing within 5 weeks of integration



Personalization beyond home-page

Make shopping easy for your customers by greeting them with personalized boutiques and communications using past data

Our Promise

10 - 13%

Increase in Conversions

6 - 9%

Increase in Add-to-Carts

30 - 60%

Increase in CTRs

15

Minutes to integrate

5

Days for going online

5

Weeks to see results

Our Ambassadors



Sky-Rocket your Conversions with AI-led Personalization

Product Recommendations That Deliver

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