Reimagining commerce

Experience-driven commerce helps shoppers complete online needs, increasing loyalty and differentiation

The ultimate goal of any commerce site is to facilitate online purchases. However, while U.S. consumer online sales will pass $500 billion by 2020, what some brands fail to realize is that consumers don't always visit their site to buy. In fact, the recent Episerver study, "Reimagining Commerce," finds that most shoppers gravitate to websites to do something other than make a purchase.

In today's digital-first world that puts the web at shoppers' fingertips, consumers are logging in to complete tasks like browsing, product comparison, query research and more.

Purchase may be the end goal for most online shoppers, but a shopper's final purchase doesn't represent the entire journey he or she took to get there. Like a 21st century version of the mall, where shoppers often went to hang out first and purchase second, consumers are visiting websites with buying as a secondary concern. Brands overly focused on transactional affairs too often miss out on other key engagement opportunities.

The biggest opportunity is website content. Relevant, useful and complete content serves many important purposes beyond transactions. To tailor websites to the needs of users, brands must revisit their understanding of website content and what it can do for online shoppers.

Key Findings

Intents and preferences

- Ninety-two percent of consumers visit a brand's website for the first time to do something other than make a purchase.
- Even when visiting a brand's website or mobile app with the intent of purchasing, a third (32 percent) of consumers rarely or never make a purchase.
- Online shoppers list desktop computer(s) as their outright digital channel of choice, followed by smartphone(s) and tablet(s).
- Two-thirds of shoppers expect to make more online purchases in 2017 than they did in 2016. This will be more pronounced among shoppers who purchase every time they visit a brand's website or mobile app with the intent of purchasing.

Consumer experience

- Ninety-eight percent of shoppers have been dissuaded from completing a purchase because of incomplete or incorrect content, with a third (32 percent) of consumers being dissuaded every time.
- Over a third of shoppers (35 percent) feel brands do a poor or very poor job of customizing the online shopping experience, with just 7 percent believing that brands do this very well.
- Nearly two-thirds (59 percent) of shoppers are interested in personalization as a part of their online shopping experience, and 43 percent are open to personalized in-store experiences.
- Twenty-eight percent of shoppers chose personalized content as one of their top three contributors to a great digital user experience. One in 10 shoppers ranked it No. 1.
- Shoppers are more interested in brands tailoring content for coupons based on location (44 percent) and images (31 percent) than emerging technologies like virtual reality (7 percent) and augmented reality (6 percent).
- Twenty-one percent of shoppers are more likely to purchase again from brands that do more to personalize their digital experience than those that do not, and nearly the same number are more loyal (17 percent).

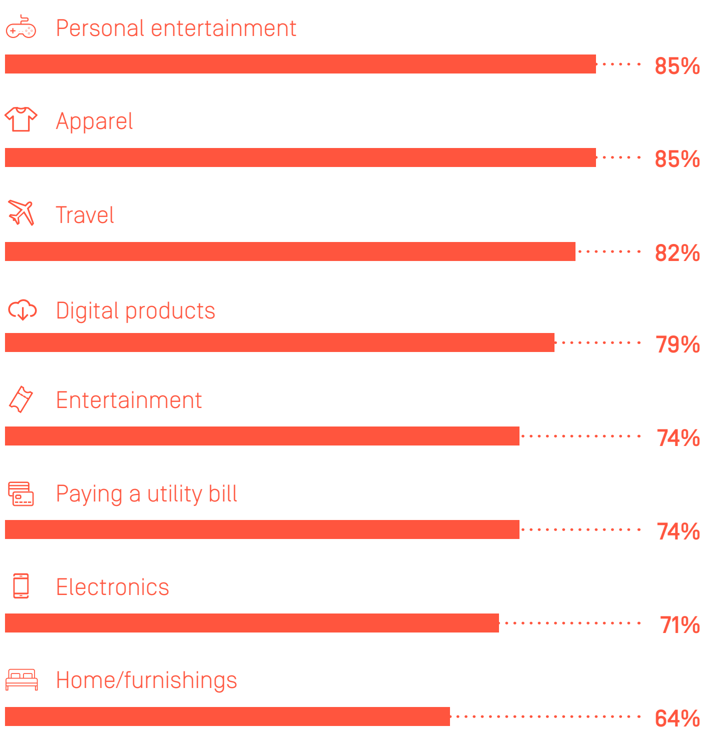
The big questions guiding consumers’ online experiences

To create better digital experiences for shoppers, brands must first understand their audiences.

What

Today’s consumers are logging on to shop for seemingly everything. Top interests include personal entertainment, apparel and travel.

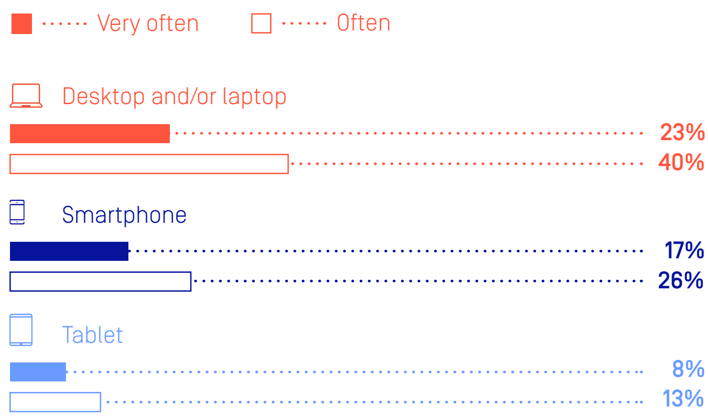
Percentage of consumers who shop online for the following products/services



Where

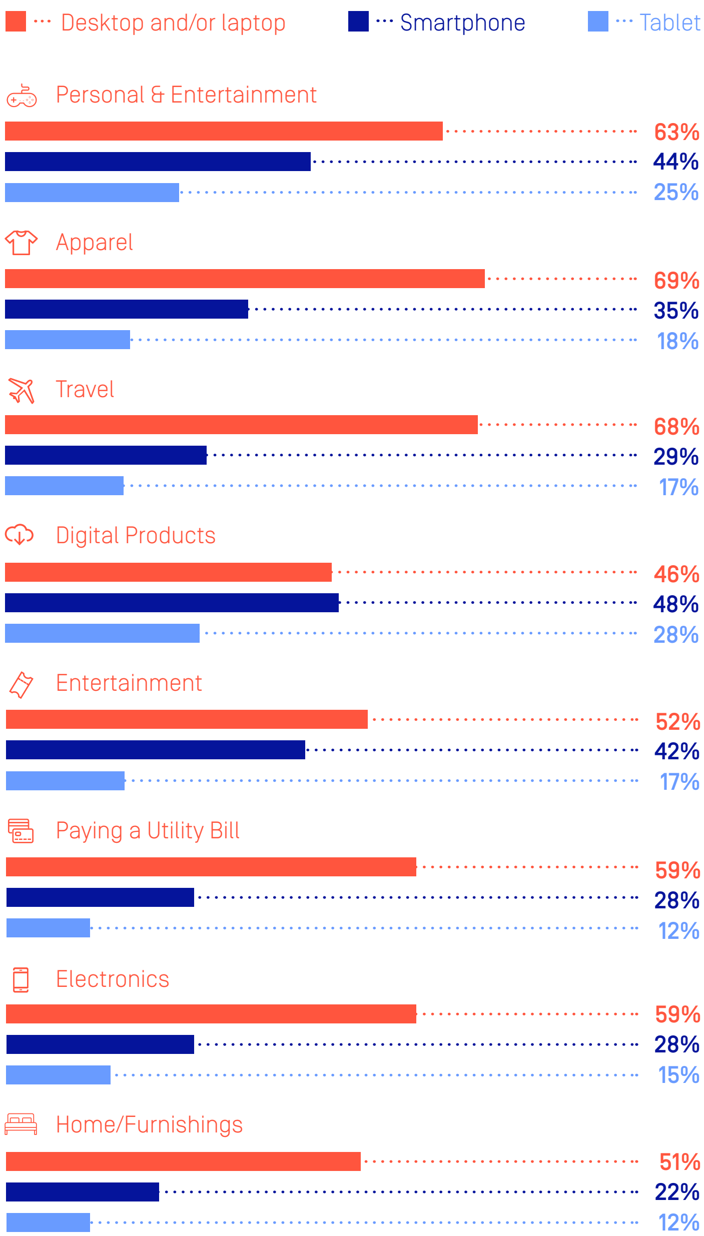
Across all products and services, online shoppers list desktop or laptop as their preferred digital channel. However, mobile devices overall (smartphones and tablets) are quickly growing in popularity. A quarter of consumers use a mobile device very often when shopping online, compared to 23 percent who use desktops.

How often do you shop using the following devices?



Device preference holds true when broken down by product/ service. The majority of shoppers are turning to desktop for all shopping needs, but nearly half of consumers use smartphones to shop for personal entertainment and digital products, and over half use tablets to do the same.

On which digital channels do you shop for the following product and/or services?



Finally, age is a major factor in how consumers engage brands online. Shoppers ages 18-44 shop on smartphones most often, followed by desktop or laptop. Conversely, those who are 45 and older are much more likely to shop on desktops very often.

When

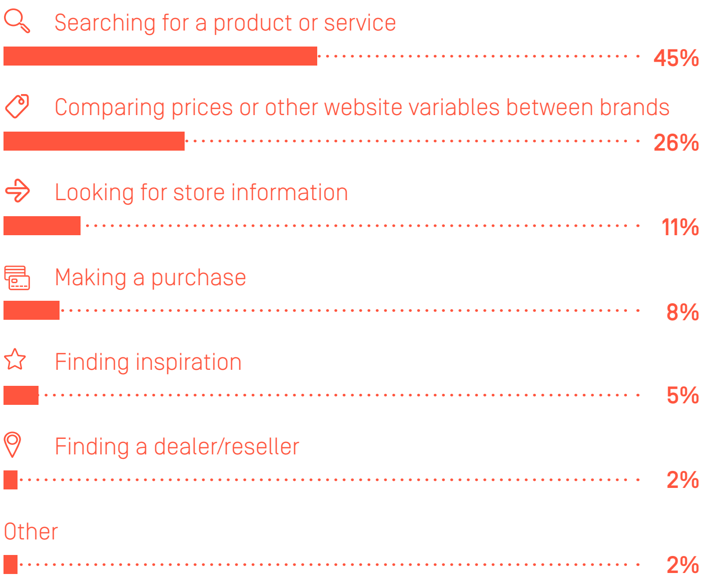
Two-thirds of shoppers expect to make more online purchases in 2017 than they did in 2016. This statistic increases among shoppers who purchase every time they visit a brand's website or mobile app with the intent of purchasing, 91 percent of whom expect to purchase more in 2017.

Why

Ninety-two percent of consumers visit a brand's website for the first time to do something other than make a purchase. Forty-five percent of shoppers are searching for a product/service, 26 percent are comparing prices or other variables between brands and 11 percent are looking for store details like hours, location and contact information.

Even when visiting a brand's website or mobile app with the intent of purchasing, a third (32 percent) of consumers rarely or never make a purchase.

What is usually your primary purpose for visiting a brand's website for the first time?



How often do you actually make a purchase when you visit a brand's website or mobile app with the intent of purchasing?

How

Sixty percent of shoppers go directly to the product they are looking for when visiting a brand's website or mobile app. Eighteen percent go to sale items first, and 7 percent seek out customer testimonials.

The Bottom Line

Consumers are turning to multiple devices, shopping more often and diversifying what they do once online.

What brands should do — Revisit user experience design to enhance the shopping experience.

Brands must focus on improving the overall customer experience with a well-designed website, including navigation, shopping and checkout. Brands must thoroughly understand the needs of site visitors and then design a site to suit those needs, providing rich and accurate content to guide the user throughout the entire process.

To achieve this, brands should:

- Conduct a site audit with user testing or conduct a focus group to give site experience feedback.
- Design a new user experience if necessary based on mobile and desktop experiences.
- Implement new designs that remove barriers to a successful visit.
- Track pre- and post-launch average order values and conversion rates.

Three ways to lose shoppers online

Brands have many opportunities to please shoppers online, but just as many pitfalls exist that can turn consumers away. Three top mistakes brands make are:

01

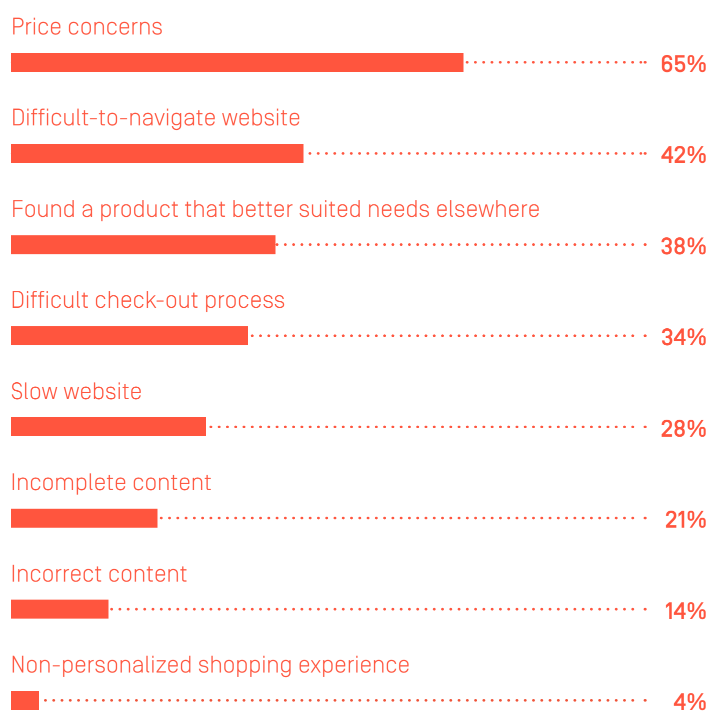
Showing shoppers incomplete and/or incorrect content

Ninety-eight percent of shoppers have been dissuaded from completing a purchase because of incomplete or incorrect content. In fact, incomplete or incorrect content dissuades a third (32 percent) of consumers from completing a purchase every time they visit a brand's website or mobile app.

Insufficient content can prevent purchases even when shoppers intend to transact. Of the 97 percent of consumers who have not completed a transaction when visiting a brand's website with the intent of purchasing, 21 percent say incomplete content prevented them from doing so.

Many shoppers do not transact because they have found a better product or more competitive price, and there is little brands can do to stop these defectors. However, some shoppers are not transacting online because they would rather purchase in store, and brands do have influence over this consumer pool.

When you don't make a purchase when you visit a brand's website or mobile app with the intent of purchasing, what about the website or mobile app prevented you from purchasing?



For example, brands can enhance the digital shopping experience with stronger visual content, including high-quality product pictures. Or, brands can show shoppers how products work with tutorials, videos and photo sets. An apparel company may demonstrate how one article of clothing pairs with others to form an outfit, while a furniture store could showcase how a couch works in multiple configurations, or what decorations look best with its fabric and color.

Consumers may think they know what they want when shopping online, but many need additional convincing once there. Brands can incorporate digital enhancements and product information to better replicate the in-store experience and offer the tactile assurance many shoppers desire before purchase. This will turn intent into action.

What brands should do — Blend content and commerce to enhance the shopping experience.

Brands must create a seamless digital experience across all devices with consistent and complete content to support these multichannel behaviors and varied intentions. Brands that recognize that purchase is rarely ever a shopper's first goal when visiting a site will be better positioned to engage shoppers online — and in effect, convert shoppers into customers.

To achieve this, brands should engineer websites that put information like store hours, product details and customer reviews front and center. However, when consumers are ready to buy, purchasing information should be available clearly on a brand's website. Purchasing may not be every shopper's first goal, but consumers will quickly grow annoyed if this information is hard to locate or overly complex. Brands must facilitate easy purchasing and create intuitive avenues for transaction.

02

Creating inconsistent expectations

Thirty-seven percent of shoppers have received a product purchased online that looked different than expected in the past 12 months. Twenty-seven percent of consumers have received a product that did not match its online description in the same timeframe.

Inconsistent expectations have major financial implications for brands. Nearly half (48 percent) of shoppers have returned a product because it wasn't what they expected. Shoppers returned over $250 billion worth of items to U.S. retailers in 2015, and this number will only increase as order volume balloons online. Companies should be doing everything in their power to minimize returns and stop hemorrhaging profits.

Which of the following experiences have happened to you when shopping online in the past 12 months?

What brands should do —
Develop compelling content to enhance the shopping experience.

While consumers cannot physically interact with products online, brands can color website content with customer testimonials, product specs, multiple product views, and more to simulate a similar experience.

To achieve this, brands should:

- Develop rich product content and high-quality photos to limit inconsistencies in purchase expectations.
- Leverage smart product recommendation tools that crunch user behavior, purchase data and the behavior of other users to make intelligent product recommendations that consumers appreciate. Brands should also embed these recommendations in remarketing ad buys.
- Curate ratings and reviews on the product detail page to validate the accuracy of product information.

03

Failing to personalize the shopping experience

Over a third of shoppers (35 percent) feel brands do a poor or very poor job of personalizing the online shopping experience, with just 7 percent believing that brands do this very well.

This could be for several reasons, including irrelevant ads, irrelevant product recommendations and non-personalized web content.

No matter the motivation, past online shopping ventures lead a third of shoppers (30 percent) to say that they feel brands and marketers do not care enough about personalizing the online shopping experience. In fact, 7 percent of shoppers have left a brand's website or mobile app without making a purchase because the digital content (videos, images, text, etc.) wasn't personalized to them.

What brands should do —
Craft website content based on individual shopper insights.

We'll delve into this in the next section.

Online shoppers expect a personalized experience

With so many brands, products and services to choose from, consumers are drawn to highly relevant digital experiences with information that is meaningful to their particular shopping needs.

Nearly two-thirds (59 percent) of shoppers are interested in personalization as a part of their online shopping experience. In fact, when asked what makes a great digital user experience, 28 percent chose tailored content as one of their top three factors. One in 10 shoppers ranked it No. 1.

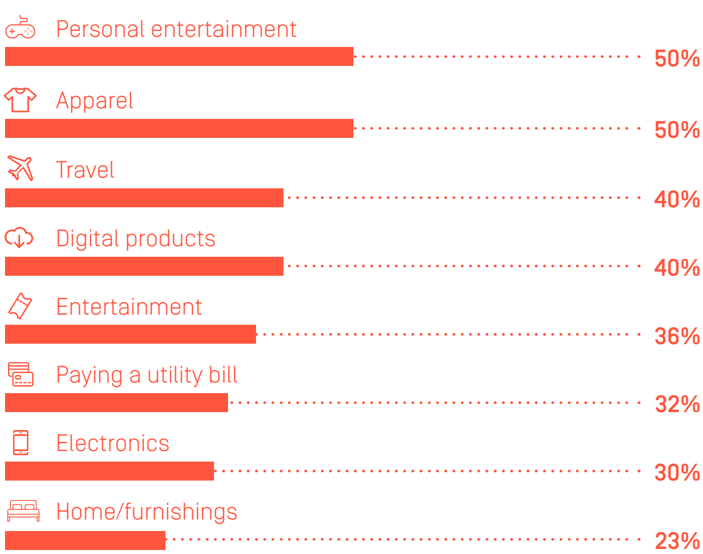
Ranking	01	02	03	04	05
Personalized content	10%	9%	10%	17%	54%
Fast websites	21%	26%	21%	20%	11%
Easy search functions	43%	24%	15%	11%	8%
Easy checkout	14%	27%	33%	17%	9%
Customer support	12%	15%	21%	35%	18%

Personalized content trails other website attributes such as speed and searchability, but not by much. This suggests that personalization online will be just as important as site infrastructure moving forward. To anticipate consumers' rising acceptance and expectations for personalization online, brands must first understand where shoppers' desire for relevance is strongest:

Products and services

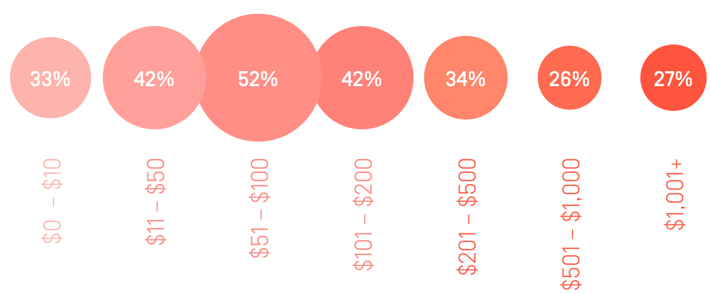
Consumers expect tailored online content across all products and services, with apparel and personal entertainment ranking highest (50 percent).

For which categories do you expect to see adapted online content based on your personal interests, purchase history and demographics?



Interestingly, consumers also expect relevant content for less expensive purchases when shopping online. Over half (51 percent) of consumers desire relevant content when shopping for products or services within the $51-$100 price range, followed by $11-$50 and $101-$200 (42 percent). Just over a quarter of shoppers expect to see relevant content when shopping for expensive products ($500 or more), with twice as many consumers expecting relevant content for items $51-$100 compared to $501-$1,000.

Among which price ranges for products and/or services do you expect to see personalized content when shopping on a brand's website or mobile app?



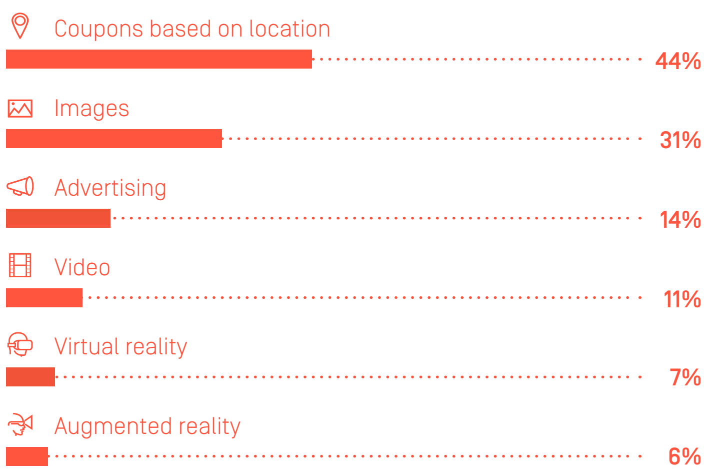
Website content

When asked what content they most prefer to be adapted to their interests, consumers reported shipping info (43 percent), product recommendations (37 percent) and product/service information (33 percent).

Shoppers have equally high expectations for personalized website copy. Top areas of interest are coupons based on location, images, advertising and video. Fewer consumers desire personalized content for emerging technologies like virtual reality and augmented reality.

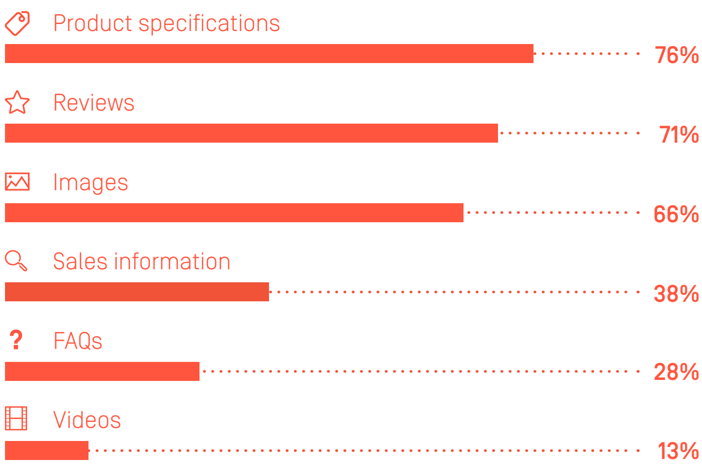
Of the following, what website content do you prefer to see adapted to your interests without you inputting information?

Which of the following content would you like brands to personalize as a part of your online shopping experience?



When consumers are ready to buy, brands should tailor the information that shoppers find most important for making a purchase. Top forms of content include product specifications, reviews, images and sales information.

Which of the following forms of content are most important to you when making a purchase on a brand's website or mobile app?

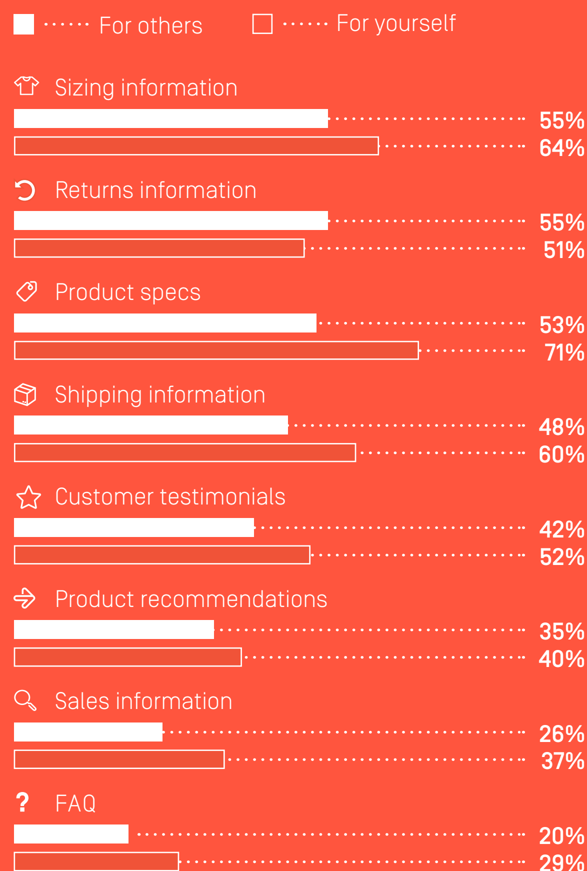


Brands that can align the content areas most important to consumers with the types of content for which shoppers expect personalization will create the strongest digital user experience. For example, brands could try populating product specifications with highly relevant images, or customize the advertisements featured in product reviews and sales information.

Shopping online for yourself vs. for others

Consumers have higher expectations for website content when shopping online for themselves vs. others. Interestingly, however, shoppers said that returns information is more useful when shopping online for others than when shopping online for themselves. Brands should feature returns information on their websites during time periods where shoppers are most likely to buy gifts for others, such as the holiday season.

What information is useful to you when shopping online?



Two ways to nail online personalization

Once brands know where online shoppers expect personalization, they must learn what types of personalization shoppers desire:

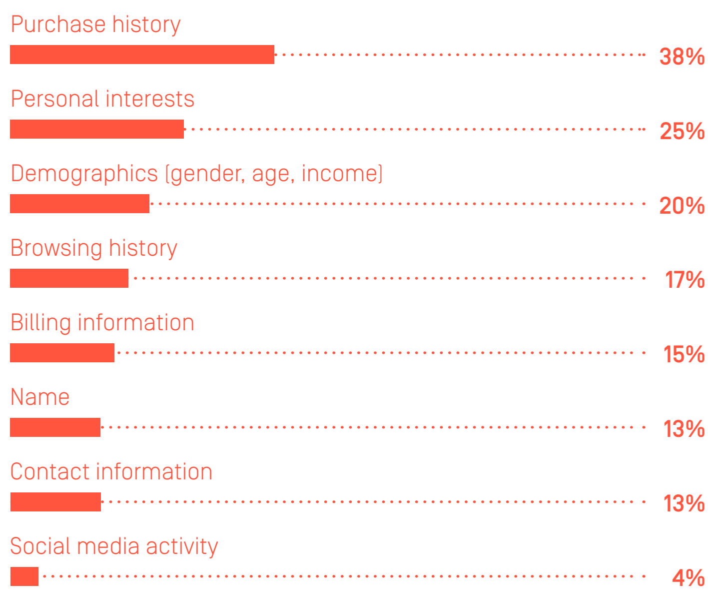
01

Go beyond demographics

Fifty-six percent of shoppers are open to brands knowing things about them to better tailor the online shopping experience, but consumers have also grown tired of traditional tactics like personalizing for their name and contact information. Even nuanced demographic information like gender, age and income are now viewed as routine, even expected.

The personalization benchmark now includes personal information like purchase and personal interests, as these details are more useful in guiding shoppers toward their next purchase.

Which of the following should brands know about you to best personalize your online shopping experience?



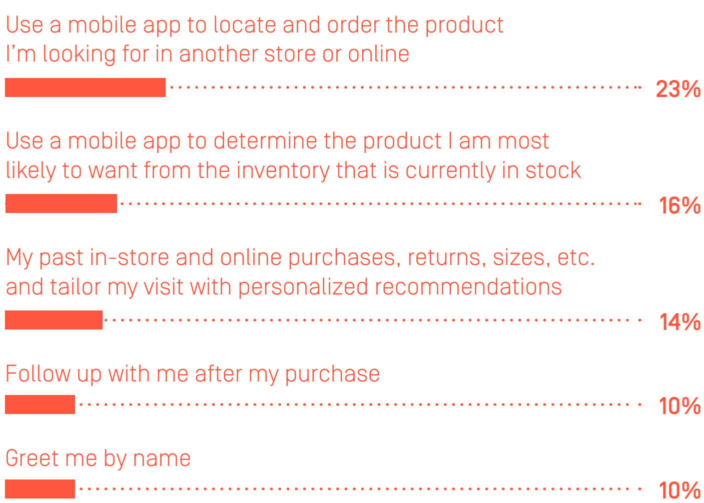
02

Merge online and in-store experiences

Forty-three percent of shoppers are open to personalized in-store experiences. As with online, however, brands must go beyond the basics. Just one in 10 shoppers are interested in being greeted by name when shopping in store, compared to the 23 percent of consumers who want in-store associates to use a mobile app to locate and order the product they're looking for in another store or online.

Likewise, 16 percent of shoppers want brands to use a mobile app to determine the product they're most likely to want from the inventory that is currently in stock. Thanks to the proliferation of digital channels and technologies, shoppers now expect the level of in-store personalization to match their online shopping experience.

When shopping in store, what do you want store assistants to know/do?



Twenty-one percent of shoppers are more likely to purchase again from brands that do more to personalize their digital experience than those that do not, and nearly the same number are more loyal (17 percent) to brands that personalize. Likewise, 18 percent of shoppers say brands that personalize digital experiences care more about them than brands that do not. Clearly, investing in tailored content is an easy win for brands looking to earn a larger market share online.

However, brands cannot rest on their laurels and must move beyond traditional personalization points like a customer's name to engage shoppers. Similarly, brands must recognize that online user experiences do not stop at devices in today's omnichannel world. While consumers may start their shopping journey online, many are finishing in store and expect the customized experience to follow.

Conclusion

In the race to convert and please shoppers online, brands must erase any preconceived notions that consumers are logging on only to purchase. This may be the final goal for most shoppers, but the journey to transaction is far from uniform. This is hardly surprising considering the diversity of consumers today.

With an understanding of why shoppers are visiting websites, brands should focus on crafting a stronger digital user experience. This means brands must develop consistent omnichannel content that's personalized where and how shoppers want it.

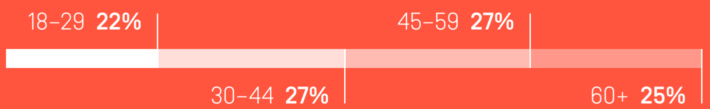
Brands may need to implement new digital experience technology such as a Content Management System or an eCommerce Platform that combines commerce and content management tools. This blend of capabilities ensures that brands can deliver and manage the experience, content and shopping tools that consumers are looking for, across all aspects and every device. Leading platforms also allow brands to implement the exact user experience they need to delight consumers in real time.

Relevant, useful and complete content should be at the heart of everything. Website content is the substance that keep shoppers engaged until purchase, as well as coming back for more. And in today's competitive online world, there's nothing better than a repeat customer.

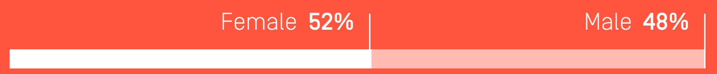
Methodology

This study is based on a survey of 1,112 U.S. consumers that have shopped online within the last year conducted online October 4–10, 2016. The age, gender, location and household income breakdown of the respondents is as follows:

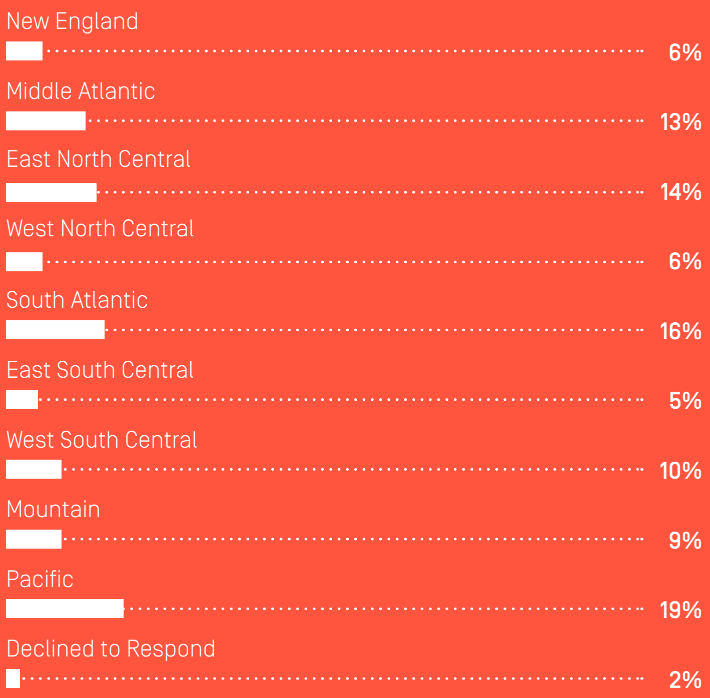
What is your age?



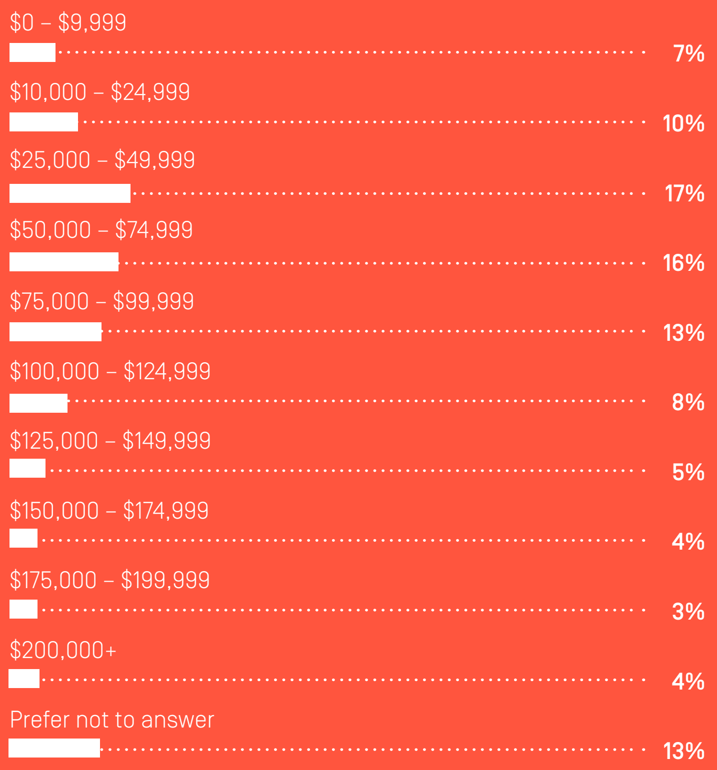
What is your gender?



U.S. Region



How much total combined money did all members of your household earn last year?



About Episerver

Episerver connects digital commerce and digital marketing to help organizations create unique digital experiences for their customers, with measurable business results. The Episerver Digital Experience Cloud™ combines content, commerce, multi-channel marketing, and predictive analytics in a single platform to work full-circle for businesses online — from intelligent real-time personalization and lead-generation through to conversion and repeat business — with unprecedented ease-of-use. Sitting at the center of the digital experience ecosystem, Episerver empowers digital leaders to embrace disruptive, transformational strategies to deliver standout experiences for their customers — everywhere they engage. Founded in 1994, Episerver has offices in Australia, Denmark, Finland, Germany, The Netherlands, Norway, Poland, Singapore, South Africa, Spain, Sweden, UAE, UK and the USA.

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