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Time to get (really) personal

Article 2 | Thrive in the world of eCommerce

Intro

Across eCommerce, personalization is widely talked about, but seldom done right: A truly holistic approach is rare.

Many businesses focus narrowly on product recommendations or targeted marketing, overlooking the many other aspects of the customer experience that can be personalized. From the homepage and search results to pricing strategies, customer service interactions, and even post-purchase communications, every touchpoint in an eCommerce journey could be tailored to the individual shopper, setting the business apart from the competition.

Yet, most businesses fail to integrate these elements into a cohesive, user-centric experience. To unlock the full potential of personalization, it's crucial to explore and understand all the dimensions where it can be applied, in line with your online strategy and ambition, to offer a more immersive and satisfying shopping experience.

This article explores the critical areas where personalization can significantly enhance engagement, drive conversions and create a more satisfying shopping experience.
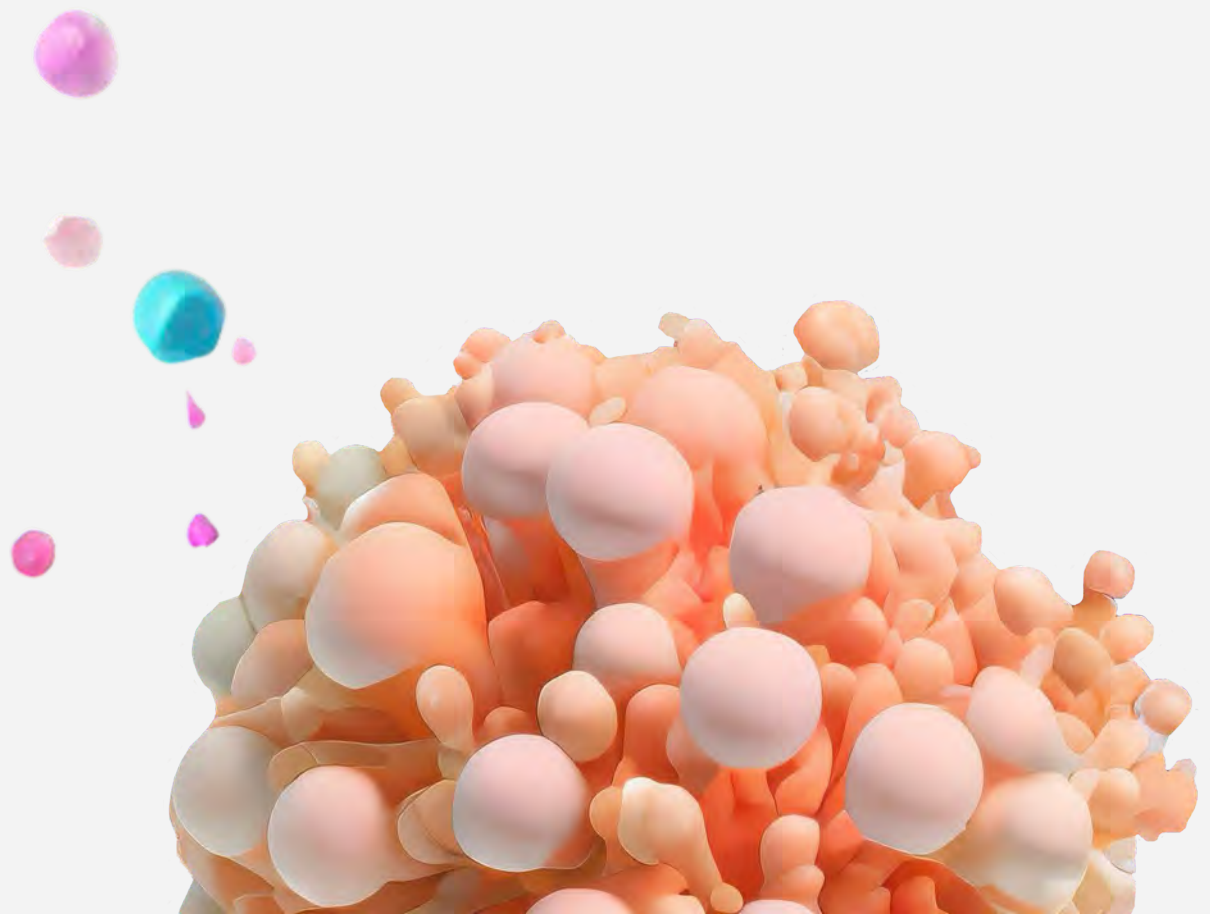
Customers increasingly value personalization

Customers increasingly expect personalized experiences at every moment in the customer journey from brand awareness and marketing to sales and customer service. To meet that demand, businesses should seek to adapt every aspect of the online browsing/shopping experience to reflect individual preferences and behaviors.

In a typical customer journey, eCommerce channels are now the most frequent touchpoint between the brand and the shopper. That means businesses can harness eCommerce applications to gather insights from customer interactions, and leverage this knowledge to boost overall conversion rates. If customers are presented with products, offers and recommendations that resonate with their interests and needs, they will feel valued.

What does it really mean to personalize customer experiences in an eCommerce application? What are the key enablers, and which components create opportunities for personalization? These are questions that many brands find challenging to answer. Too often, they focus on isolated aspects of personalization, investing in different solutions without a unified strategy to deliver a fully integrated, personalized experience throughout the eCommerce customer journey.

Enabling personalization in eCommerce

The raw ingredient for personalization is data. Relevant information, such as shipping addresses, abandoned carts and past orders, is generally collected by eCommerce systems and stored in detailed customer profiles. These systems also increasingly track customer behavior on the website and integrate with third-party applications, such as CRM systems and CDPs, to gain deeper insights into customer preferences and behaviors. This data is then used to categorize customers into distinct groups.

Customer profiles and groups can then be used to enable personalized eCommerce experiences. As the eCommerce system shares the relevant data with other platforms, such as CDPs, marketing automation tools and customer service systems, the merchant can further tailor the customer experience across the entire journey.

Key areas of personalization in eCommerce

Within an eCommerce application, various components, such as the home page, product listing pages, product detail pages, search and checkout, facilitate the customer's browsing and purchasing journey. Across these components, there are many opportunities to personalize the customer experience. Six of them have greatest impact: content, search results, product recommendations, dynamic price adjustments, conversational commerce and front-end experiences.

Content

In an eCommerce application, there are multiple places in which the content displayed to the customer can be personalized, such as landing pages, category pages, product details pages and brand pages. These banners and components can be customized and made dynamic so that different content is shown to different customer groups or even profiles. For example, new customers could see different content to returning customers. Similarly, specific content could be displayed to seasonal shoppers, high spending customers and people who have abandoned a shopping cart.

The content pages or blocks can also be utilized to showcase targeted promotional messages, blog posts or articles tailored to specific customer groups and profiles.

Search results

Personalizing search results enables users to find products that align closely with their needs and preferences. When a customer begins a search on your web shop, prioritizing products that match their profile and interests will generally enhance their experience. For instance, on a jewelry website, if you know a customer likes gold jewelry, you might elevate all "gold bracelets" to the top of the search results when they look for "bracelets," thereby increasing the likelihood of a purchase.

A customer's past purchasing behavior can play a key role in enhancing the personalization. For example, if they typically buy within a certain price range, you can prioritize "gold bracelets priced between X and Y" at the top of the search results, boosting the chances of conversion.

In an eCommerce application, search results also play a crucial role in category (product listing) pages, meaning these pages can also benefit from personalized search results. Using the previous example, if a customer navigates to the 'Bracelets' category, 'gold bracelets' should appear at the top of the list. AI-enabled tools now also make it possible to personalize search results in real-time based on the ongoing customer interactions.

Product recommendations

When a customer arrives at your web shop, the home page should greet them with a list of products tailored to their preferences and profile. This personalized experience increases the likelihood that the customer will click on these products and proceed to checkout, rather than spending time browsing the site for various options.

As well as appearing on the home page or content pages, product recommendations should also be placed on product detail pages, cart view pages, order confirmation pages etc.

As with search results, businesses can increasingly use advanced AI-enabled tools to update the recommendations in real time to reflect the customer's ongoing behavior in the web shop. For example, if a jewelry shopper browses many different product categories, they are probably looking for present ideas. The merchant could then make appropriate recommendations.

Dynamic price adjustments

An analysis of a customer's past purchases, browsing history and location can be used to guide personalized promotions and discounts that can significantly enhance conversion rates. For instance, if behavioral data suggests an existing customer may be about to switch to a competitor, a 'retention discount' can be applied to their cart. Equally, offering discounts to customers who have abandoned their shopping carts can encourage them to complete their purchases. Other strategies might include providing free shipping for registered customers or offering special birthday discounts as a personalized gesture to celebrate their special day.

Conversational commerce

Conversational commerce is the next frontier in sales channels. When a customer asks questions or requests additional information, brands can use that data to deliver content and products directly aligned with these inquiries. The content of an interaction can be used to personalize search results, tailor product recommendations and inform dynamic pricing strategies. By personalizing interactions, businesses can foster deeper customer engagement, ultimately leading to higher conversion rates.

As conversations become more relevant and tailored to individual needs, customers are more likely to feel understood and valued, increasing their likelihood of making a purchase. As well as driving immediate sales, engaging customers in meaningful dialogues helps builds lasting relationships.

As with search results and product recommendations, AI is transforming conversational commerce by fostering more authentic, seamless and customized interactions between brands and their customers. Leveraging sophisticated technologies, such as chatbots and virtual assistants, AI can interpret and address customer inquiries instantly, offering personalized product suggestions and assistance.

Front-end experiences

In certain instances, brands may wish to hide/show different features of the eCommerce application for various customers. For example, they can present personalized shipping options tailored to the customer's location, preferences or order history. This might include offering express shipping to customers who have previously opted for this service or displaying a prompt that encourages customers to add items to their wish list if they haven't done so yet.

Closing

In summary, personalizing customer experiences in an eCommerce application is essential for enhancing online interactions. However, achieving this is often more challenging than it sounds. Traditional eCommerce systems typically offered limited personalization capabilities, requiring integration with specialized third-party systems to access various data and advanced personalization features. As a result, brands frequently found themselves incurring costs twice—once for their eCommerce platform and again for the additional third-party solutions.

In our next article, we will explore a new architectural approach, known as composable commerce, which facilitates personalization in eCommerce by allowing brands to select best-of-breed systems to build compelling eCommerce solutions and optimize costs.
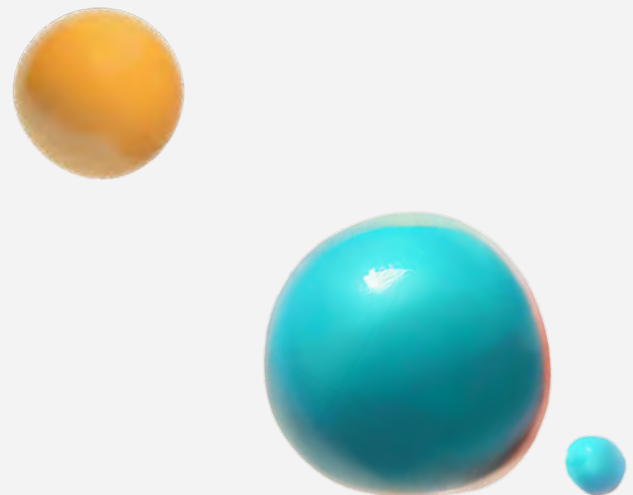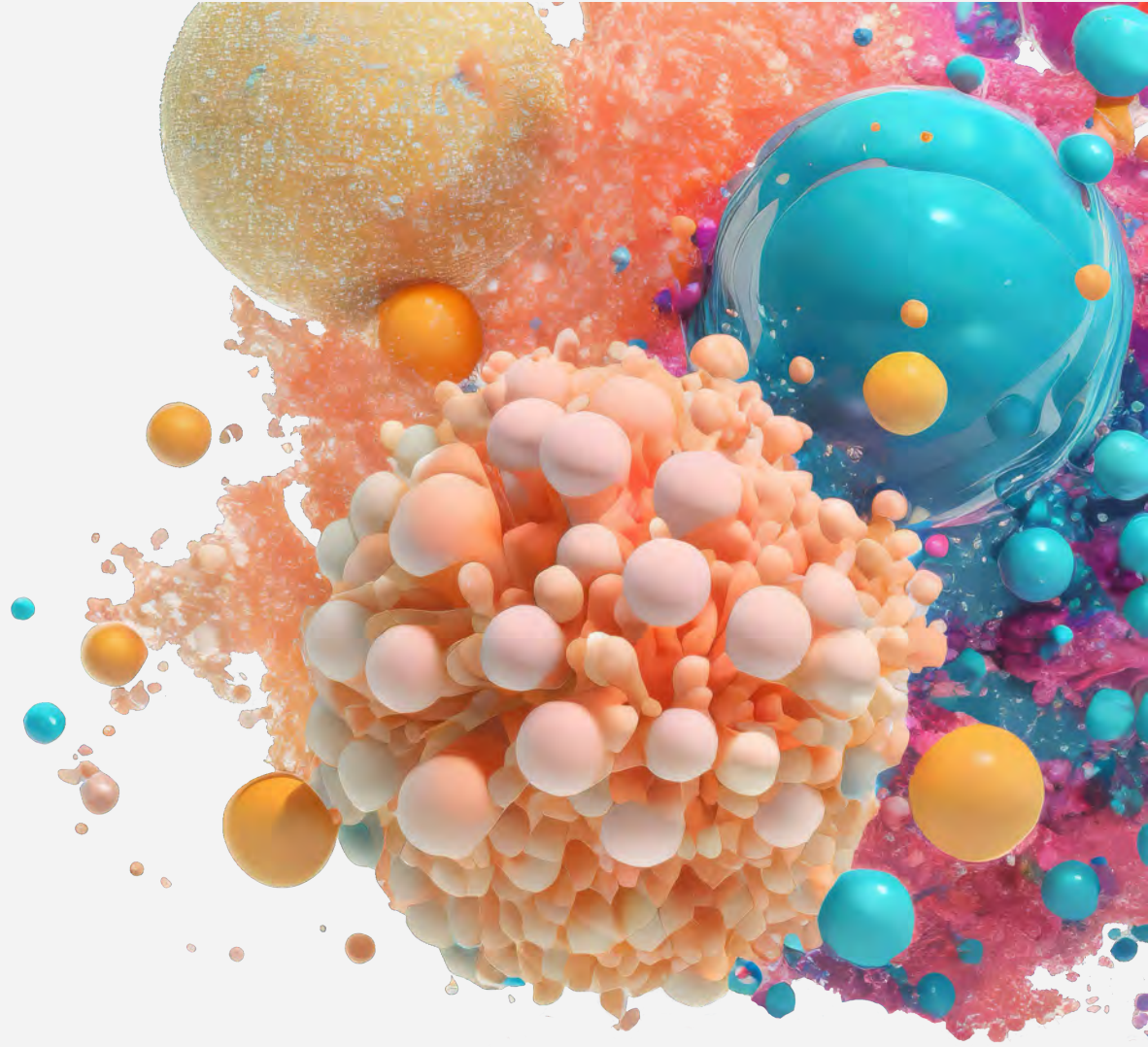
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