

Product Discovery: What Amazon Doesn’t Want You To Know

DECEMBER 05, 2019

 5 min reading time

The online shopping industry is growing at an unprecedented rate. It is estimated that **retail e-commerce sales worldwide** will more than double between 2018 and 2023, surpassing 6.5 trillion U.S. dollars in 2023.

This trend opens a massive growth opportunity for e-commerce brands. However, with the increase in online shopping, comes increased competition.

With thousands of companies competing for the attention of the same shoppers, customers now expect much more from their online shopping experience.

This means e-commerce brands must distinguish themselves from the rest of the pack to gain a competitive advantage. It's no secret that personalized marketing is the Holy Grail of creating a great customer experience strategy. But because the needs and wants of users' can change in an instant, it's hard for e-commerce brands to keep up.

To stand out in a crowded marketplace and keep your shoppers more engaged, it's critical to have personalized marketing strategies in place. To do this effectively, these strategies must go beyond making decisions based purely on customer personas or a set of pre-defined rules.

Companies like Amazon, Spotify, and Google ushered in the "personalization wave" for their customer journey. By driving engagement through advanced recommendation systems, these innovative companies conditioned their customers to a shopping experience specific to their own personal needs.

For example, **76% of consumers** now expect companies to understand their needs and expectations. Additionally, **48% of consumers** have reported they left a brand's website and purchased somewhere else due to a poorly-curated experience. Now, consumers demand personalized content when choosing which brands they interact with and buy from.

While it may seem difficult to keep up with the giant companies that have endless resources at their disposal, all is not lost.

That's where personalized real-time product recommendations come into play. Leveraging Machine Learning technology, retailers of all sizes can take their e-commerce personalization strategy to the next level to create a more tailored and unique customer journey. In fact, **Gartner** estimates that by 2020, smart personalization engines that recognize customer intent will enable digital businesses to increase their profits by up to 15%.

At LiftIgniter, we help brands take advantage of this trend. By recommending products, ecommerce websites can better connect with their customers at every click.

Below are three ways our personalization platform can help grow your e-commerce business and offer superior customer engagement at every touchpoint.

1. Increase Your Business Revenue with Real-Time Personalized Recommendations

While every business has its own definition of success, it's safe to say most business goals revolve around generating revenue. Yet, winning new customers and retaining the existing ones is a constant battle in the ever-changing consumer behavior.

Personalized marketing is not just about building a better connection and loyalty with your customers. It is also a great tool to increase conversions, cart add ons, and ultimately boost your overall sales.

Every shopper is unique, so personalization should be focused on every shopper's specific needs. Because people can change their preferences in an instant, the most predictive signal of intent comes from what the shopper is doing at that moment. For instance, the shopper may be shopping for a friend when they are normally buying for themselves.

Other product discovery solutions might require manual inputs and personal information, or the recommendation engines may rely entirely on predefined rules. LiftIgniter combines machine learning on top of human intuition to provide site visitors with truly personalized recommendations.

With LiftIgniter, e-commerce website owners can maintain a rapidly changing or unpredictable inventory with automatic catalog integration, purchase data synchronization, and real-time delivery. No manual tagging is required, making it easier to offer product recommendations in real-time.

By leveraging current behaviors, trending, similar items, and past purchases, our personalized recommendations predict the products most likely to convert for every customer in that exact instance.

This real-time approach is particularly useful when you are interacting with a new user or an infrequent user who you do not have much information on yet. We call this the **"Cold Start problem,"** as it's often difficult to create personalized product recommendations to a new user when there isn't a lot of data to make inferences.

LiftIgniter tackles this issue by relying on real-time technology that tells what the user is doing at that moment, rather than merely relying on who they are.

From the very first page, we can immediately make a good guess at what the new user might click on next. Conversion rates will continue to improve throughout the customer journey by showing the right recommendations to the user on each new product page.

Even first-time users will convert into loyal customers if they discover the right products at the right time.

2. Exceed KPIs with a Personalized Customer Journey

The fast-paced nature of the ecommerce industry often makes it difficult for companies to continuously measure and monitor KPIs to understand business performance. Using personalization to guide shoppers down a specific journey will educate your internal product teams and user researchers. Insights and metrics from this process will tell you if you are taking your customers down the right path.

As an e-commerce website, the more direct KPIs typically map to revenue, whether it be conversion rate, add to cart improvement, or general increase in attributable revenue.

Real-time recommendations predict the products most likely to convert. The most effective product discovery starts with collecting data. Most importantly, collecting the current behavior both of that user and all users, current trending items, similar items, conversions, and past purchases. All of these data points culminate in a finely-tuned area for personalized product discovery.

With LiftIgniter's easy-to-use dashboard, website owners can collect user activities, view reports and audience insights, and maintain full control over what, where, and how the results are displayed. Combined with other tools, use A/B testing to drive customers to quicker purchases, or decrease shopping cart abandonment.

Define your objectives and successfully measure how successfully those targets are hit by improving the product discovery area. In the dashboard, you can also see where you are excelling and where your company may be falling short through the use of benchmarks.

If you successfully recommend the right product at the right time, you will increase your click through rates on the area. More importantly, however, you will improve the cart size, overall attributable conversions, and substantially increase your revenue.

3. Decrease Website Bounce Rates

Attracting users to your site is hard, but keeping them there is even harder. Let's say you have mastered the art of drawing qualified website traffic through effective social media, excellent search engine optimization, and efficient marketing campaigns. But if your visitors leave in a matter of seconds, then what's the point?

The average visitor has a short attention span. According to industry insights, websites have an **average bounce rate of 40.5%** and most users stick around **less than 15 seconds before they click away**.

You have only seconds to convert your window shopper into a customer. The best way to keep visitors on your site is by taking them directly to what they want.

Offer your visitors personalized content discovery to help guide them to the content that best serves them.

Making real-time recommendations can significantly decrease bounce rates and greatly improve the customer experience. When shoppers are suggested the right products, they are more likely to make a purchase.

As the online e-commerce market continues to outpace traditional in-store shopping, personalization will be critical for brands to stay competitive in a crowded market.

The ability to grab consumers' attention and create a tailored on-site journey with relevant recommendations will have a major impact on your bottom line. Creating a digital experience that makes site visitors feel more comfortable and gives them exactly what they want ultimately creates a more engaged and satisfied customer ready to make a purchase.

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