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Survey Reveals That Shoppers Want Connected Experiences to Meet Their Needs at Every Moment

As we start to finally move beyond the "sink or swim'' mentality that plagued 2020, business leaders and analysts are guessing at what features will stick around in a post-COVID world. In the past year, brands made significant investments in their digital experiences. Lucidworks conducted a survey to shed some light on how shoppers are feeling about the digital experience today and the in-store (or not) future. 800 consumers in the U.K. and U.S. who shop online at least once a week shared how they prefer to interact with brands, including:

1) Behavior and preferences around chatbots
2) How and where customers interact with product and content recommendations, and
3) Plans for post-pandemic interactions with their favorite brands

One of the biggest takeaways? Customers want connected experiences that meet their diverse needs in a personalized way. Shoppers are ready for a comprehensive experience with expanded chatbot capabilities, diverse recommendations, and experiences that know who they are and what they like.

Chatbots Have Untapped Potential

Shoppers definitely aren't shy when it comes to using chatbots. More than half of online shoppers said they use a site's chatbot every visit or often. This percentage is even higher among American shoppers, 70% of whom are using the chatbot often or at every visit. Chat is becoming such an important touchpoint for so many shoppers that if it doesn't work, the consequences are significant.

When customers can't self-solve using a chatbot, 36% call up customer support, increasing traffic on already overburdened call centers. A quarter of shoppers will take their wallets elsewhere if they can't find what they need, leaving the website to search for information on a different site.

Here's how to modernize your chatbot:

Go Beyond Customer Service

70% of shoppers use a website's chatbot to connect with customer service. Chatbots that can crawl FAQs to answer the simplest questions are table stakes. It turns out that many shoppers are interested in chatbot capabilities that have traditionally been fulfilled by the search box.

More than half of respondents said they'd like to use the chatbot to connect with an employee for advice or to get support for finding specific products. 48% of shoppers said they'd like to use the chatbot to check product compatibility or get additional product information.

70% of American shoppers say they use chatbots often or at every visit, compared to only 40% of U.K. shoppers.

When stores closed, several brands like Restoration Hardware gave customers access to expert employees through the chatbot. A great solution, but not scalable for every brand. Brands that leverage chatbots to go beyond basic FAQs are providing the multifaceted chatbot experience shoppers expect. Brands can index valuable information like customer reviews and product catalogs to create a more well-rounded chatbot that keeps shoppers shopping on their site.

Listen, Learn, and Improve

Since most chatbots aren't designed to be used to automate product discovery, shoppers are left struggling. 43% of U.K. shoppers said they feel that chatbots understand them **rarely or never** and, unsurprisingly, the majority of U.K. shoppers (60%) use them rarely or never when shopping online. Invest in machine learning and natural language processing to extend a chatbot's functionality so shoppers can ask questions in a natural way and get immediate, relevant, and contextual answers.

Another way to improve the chatbot is by capturing and applying customer signals. Data from chatbots can support brands' strategic decision-making, but according to a Forrester survey, only 37% of organizations are able to use the data for this purpose. Connect the dots and use insights from your shoppers' interactions with the chatbot to improve functionality. A smarter chatbot empowers customers to easily access all of the great product information, customer reviews, and how-to guides that you have to offer.

Recommend More Than Products

Relevant product recommendations play an important role in exploration and discovery. The overwhelming majority (78%) of shoppers interact with product recommendations, with almost half of shoppers **often** interacting with product recommendations and 30% **always** interacting with them. And customers aren't shy when a recommendation hits home. 62% of respondents say every visit or often they buy recommended items they didn't initially plan on buying. That number is even higher in certain age groups: 63% of 18-34 year-olds and 67% of 35-54 year-olds always or often buy recommended items that they didn't initially plan on buying.

The survey also revealed that 'similar items' are the most preferred type of recommendation. Brands need to ingest shopper behavior signals including price preference, purchase history, and similar customer behavior and apply those insights in real-time to deliver the most relevant recommendations. However, these recommendations for 'similar items' or 'best-selling' aren't the only keys to the kingdom. Shoppers are searching for information, not just products.

Engage Customers During Pre-Purchase Research

Almost three-quarters of shoppers do product research on social media, blogs, articles, and product reviews every time or often before making a purchase. If your recommendation strategy is product-only, you could be losing shoppers to other websites during their research phase. The majority of shoppers (61%) like to do research every time or often via reviews on the brand's website where they'll be purchasing from — but if they can't find it, they'll go elsewhere. Almost half of U.S. shoppers research using third-party marketplaces like Amazon, Google Shopping, and Ebay where reviews are aplenty.

According to data from Social Media Today, user generated content (UGC) can also have a major impact on purchasing decisions.70% of consumers trust UGC more than branded content, and 79% of people say UGC highly impacts their purchasing decisions. Invest in technology that makes it easy for shoppers to find the most relevant reviews, content, and product information on your website — whether they're clicking through recommendations, using the search bar, or talking with the chatbot.

What types of suggestions do you find useful when shopping online?

35% Suggested Searches (ie, related searches or similar searches)

29% Suggested Content (ie, How-To and DIY Guides, Expert Recommendations, Product Videos, etc.)

22% Suggested Products (ie, customers also bought)

12% Suggested Categories (ie, also found in)

Fulfill Shopper Intent with Relevant Customer, Employee, and Brand Content

Survey respondents find 'suggested content' (ie, how-to and DIY guides, expert recommendations, product videos, etc.) more useful than 'suggested products'. Although recommending this type of unstructured content is more difficult technology-wise, it can be a competitive advantage for brands. For example, half of US shoppers like to do research via branded content on the website they'll be purchasing from. Surfacing relevant content builds trust with shoppers and keeps them on the site longer.

36% of American shoppers go to their personal contacts to do research versus only 16% of U.K. shoppers.

In addition to reviewing proactively recommended content, customers may want to search for it themselves. Technologies like semantic vector search can help brands understand their shoppers' search intent. Are they looking for a how-to guide? Trying to find return policies? Scanning for customer reviews? Semantic vector search goes beyond keyword matching to surface the most relevant blend of results based on shopper behavior, and it's continuously learning to deliver a better experience with each interaction. Brands need to go beyond product recommendations to service the customer's desire for more content about the things they are shopping for.

Connected Experiences Are Driving Loyalty Post-COVID

Two-thirds of shoppers prefer to see recommended items based on previous purchases on the website—no surprise there. Product recommendations are a proven approach to adding value to consumers' shopping experiences, as well as increasing average order value for brands. The survey found that the top three places customers interact with recommended products on the website are the product page (60%), homepage (50%), and shopping carts (38%).

Where on a website do you usually interact with recommended products?

#1 Product Page
(60% of shoppers)

#2 Home Page
(50% of shoppers)

#3 Shopping Cart
(38% of shoppers)

#4 Landing or Category Page
(32% of shoppers)

#5 Search Page Results
(30% of shoppers)

#6 Never interact with recommendations
(6% of shoppers)

While you're improving the website experience, don't neglect the other channels your customers are using. Half of shoppers prefer to see recommended items in email and on social media. 71% of shoppers also said they always or often click on a post or ad on social media for recommended products that feel relevant to them. Sometimes that click ends up with a purchase — more than half of consumers have purchased a product on at least one social media platform according to research from Hubspot. The challenge lies in connecting experiences across every channel.

A connected customer experience means that the email team can personalize recommendations based on the research a shopper did on the website and products they purchased on social media. According to Forrester, while many firms are prioritizing this type of cross-channel personalization, less than half of respondents (44%) strongly agree that they provide personalized experiences across channels, and only 33% say those experiences are relevant and connected. That means there's lots of opportunity for your brand to stand out!

61% of respondents say they subscribe to email and social media channels of their favorite brands.

Here's how to create connections that strengthen shopper/brand relationships:

Prepare Your Biggest Store for the New Online-Mostly Shopper

Even before COVID, brick-and-mortars were struggling for foot traffic. As restrictions are lifted, 24% of consumers say they plan to avoid in-person shopping as much as possible and one-third plan to visit in-person stores less than they did before COVID. It's time to double-down on what's working for your digital experience.

As COVID restrictions are lifted, how frequently do you plan to visit stores in-person?

24% "I plan to avoid in-person shopping as much as possible"

35% "I plan to visit stores in-person less often than I did before COVID"

32% "I plan to visit stores the same amount I did before COVID"

9% "I am eager to shop in-person and will go into stores more often than I did pre-COVID"

59% of shoppers plan to either avoid in-person shopping as much as possible or visit in-person stores less often than before COVID.

Connect Logistics to Stay Competitive

For the shoppers who are ready to come back to stores, some brands are digging in on having "experiences" as the main focus of their brick-and-mortar (versus buying products). According to the survey, making physical locations more about brand experiences than purchasing products is what shoppers prefer the least. Most shoppers actually prefer to keep stores the same, but still retain some of the COVID safety protocols including physically distanced lines and contactless payments.

The survey found that shoppers' hesitancy to go in-store will impact some industries more than others. The top three categories that consumers shopped online were apparel, grocery, and electronics. Once restrictions lift, shoppers say they plan to primarily purchase apparel and grocery in-store. Not so for industries like electronics where it's easier to shop, compare, and research online. More than half of respondents say they currently order electronics online, but only a third plan to purchase these things primarily in-person once COVID restrictions lift.

One of the main competitive advantages brands like Amazon have is their distribution channels—shoppers can get products really fast. Invest in technology that can deal with the heavy-lifting logistics including complex inventory, searches across multiple locations, and inventory visibility to support tactics like curbside pickup. For example, Bed Bath & Beyond made BOPIS and contactless curbside delivery a priority and by April 2020 had converted 25% of its U.S. and Canada stores into "regional fulfillment centers". They were able to double their digital fulfillment capacity in a matter of weeks.

It's the same situation for pet products where 47% buy online now, but only 33% plan to buy primarily in-person once restrictions lift, and results are similar for home improvement where 47% of shoppers are online and only 34% plan to return in-person. Brands must continue to invest in digital experiences to help replace the foot traffic and re-capture consumer loyalty.

What would you most prefer for brick-and-mortar storefronts as restrictions are lifted

46% Keep stores the same, but retain some of the COVID protocols (physically distanced lines, contactless payments, etc.)

30% Keep stores the same as they were before COVID

24% Make physical locations more about brand experiences than purchasing products

Prioritize Product Quality, Personalization, and Service to Boost Long-Term Loyalty

Loyalty poses a challenge when customers have limitless options. Shoppers say high product quality, personalized recommendations, and excellent customer service are the top three reasons that they're loyal to brands. Brands must create a connective tissue across all channels and deliver customer insights to employees in real-time so they can improve the customer experience, including site experience, product quality, and customer support to engage shoppers for the long haul.

Forrester found that only one in three organizations completely agree that they have a comprehensive and integrated strategy for serving customers across all digital touchpoints. If brands can't connect things like customer reviews and customer support conversations, and deliver those insights to employees, there's a fatal disconnect between customers and employees. Invest in technology to deliver the most relevant recommendations that understand who shoppers are and what their goals are—that includes developing products that meet their standards, recommendations that understand their intent, and customer service that knows their entire journey.

Top Three Reasons Shoppers Are Loyal to a Brand

#1 High-quality products

#2 Great product recommendations that understand who I am and what I like

#3 Excellent customer service

Meet Your Shopper at Every Moment

How online shopping will look in coming years is being defined at this very moment as the world reopens. Customers have gotten accustomed to living much of their lives online, and not everyone is rushing to go back into stores. Connect all of your digital channels to meet shoppers' diverse needs in a personalized way. Enhance chatbots with more expansive capabilities, provide personalized content recommendations, and create a connected experience to improve shoppers' experience and the bottom line.

→ **Power Product Discovery and Customer Experience with Lucidworks**

Help shoppers find relevant products, increase conversions, and keep your customers coming back. Contact us today at **lucidworks.com/contact** or call 415-329-6253.

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