

RETAIL

Online shoppers expect both privacy, personalization: report

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Online shoppers do not gravitate to brand or retailers sites. Image credit: Affim

By SARAH RAMIREZ

Although more shoppers are becoming adept to online channels of discovery, less than 20 percent of consumers begin their journeys directly on brand sites because they find them to be lacking relevance.

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According to Coveo's [2022 Relevance Report: Ecommerce](#), only 6 percent of consumers believe online shopping experiences are always relevant. Additionally, while 93 percent expect ecommerce experiences to be at least equal to in-store shopping, 91 percent encountered at least one issue when online shopping in the last year.

"Luxury retailers should take note of how customers are starting their online journey and make sure that once a consumer finally lands on their website, they instantly deliver a highly personalized experience that delight and engage customers at first click," said Brian McGlynn, general manager of ecommerce at [Coveo](#), Montreal.

The report is based on a survey of 4,000 adults from the U.K. and U.S.

Ecommerce engagement

Online shoppers are driven by convenience, resulting in consumers casting a wide net by using more than one source when they are searching for products.

"Of the 44 percent who selected one answer, nearly one-third said they find products through Google or another search engine while 30 percent start their search on Amazon and just 16 percent find products on a brand's site," Mr. McGlynn said.



Most online shoppers do not start searching for products directly through brand sites. Image credit: Bloomingdale's

Brands and retailers are hampered because their owned sites do not offer the convenience, customer history or data-driven recommendations that Amazon or search engines offer.

Relatedly, 68 percent of respondents reported they are not often provided personalized or relevant experiences when they are online shopping.

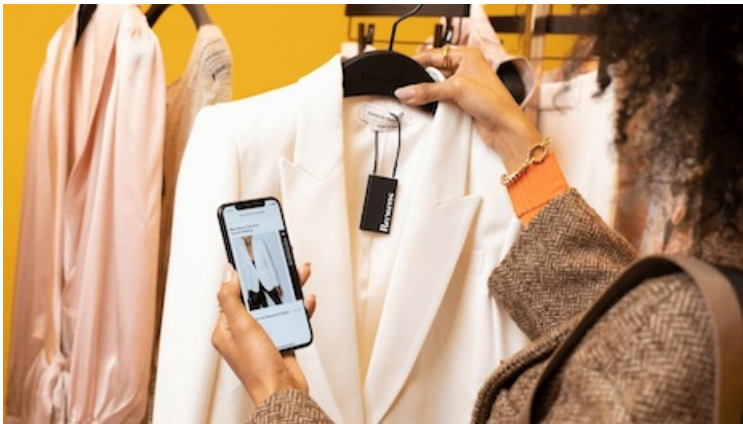
Shoppers are not making it easy on retailers, however, as many expect both privacy and personalization.

"Consumers want a personalized experience that they have grown accustomed to thanks to Netflix and other digital experience platforms," Mr. McGlynn said. "Yet, 59 percent of respondents said they are concerned about how their data is being used by retailers.

"As a result, shockingly, 40 percent said they remain anonymous during checkout," he said. "Without the right consumer data, offering a personalized experience can be difficult for retailers, but not impossible."

Trust is of top importance for businesses, as 51 percent of consumers would be willing to share personal data with brands they trust.

In more promising news for retailers, more than half of online shoppers would be willing to pay more to find what they are looking for in a few clicks. Forty-eight percent would also be willing to pay more for content that adds value to products.



Consumers want online and in-store experiences to be personalized. Image credit: Farfetch

Notably, despite the widespread popularity of Amazon, 46 percent of respondents would choose not to shop through the ecommerce marketplace because of product unavailability, preference for other sites or distrust of user reviews.

This leaves an opportunity for other brands, particularly those at luxury price points that can invest in both personalized brand experiences and efficient fulfillment options.

Engaging next-gen shoppers

In demand Gen Z consumers report higher willingness to pay for enhanced online shopping experiences. This cohort is also the least likely to be loyal to retail giants such as Amazon.

Being the first to experiment with new products is another top priority for Gen Z shoppers. In comparison to other generations, Gen Z is 20 percent more likely to try and compare products to their current brands, according to new research from social platform Pinterest ([see story](#)).

If luxury brands and retailers want to reach Gen Z consumers, they must implement effective technology.

According to new findings by digital marketing solutions provider CM Group, Gen Z is immensely focused on sustainability, values and technology. These consumers also believe that seamless omnichannel experiences are essential, indicating that if brands do not continue to provide these kinds of circumstances, opportunities for profit could be lost ([see story](#)).

"Gen Z shoppers are more likely than other generations to pay more if they could find products quicker, discover something new or received tailored recommendations just for them," said Coveo's Mr. Mr. McGlynn. "Luxury brands need to understand that true personalization can only occur at scale with the power of AI.

"Think of an analog experience in the world of luxury," he said. "Luxury brands seek to serve and inspire customers making a personal connection.

"This is done across the entire interaction spectrum inspire, interact, purchase, after-sale support. AI is the critical component to interact with users and provide the level of personalization they are accustomed to in a non-digital capacity."

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