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Introduction

We're entering the era of highly personalized online commerce experiences

Today, most consumers are seasoned online shoppers. They not only desire a seamless brand experience across all digital touchpoints, but they also want brands to deliver better online commerce experiences—ones that are both intuitive to their preferences and provide a smooth customer journey from initial discovery to final checkout.

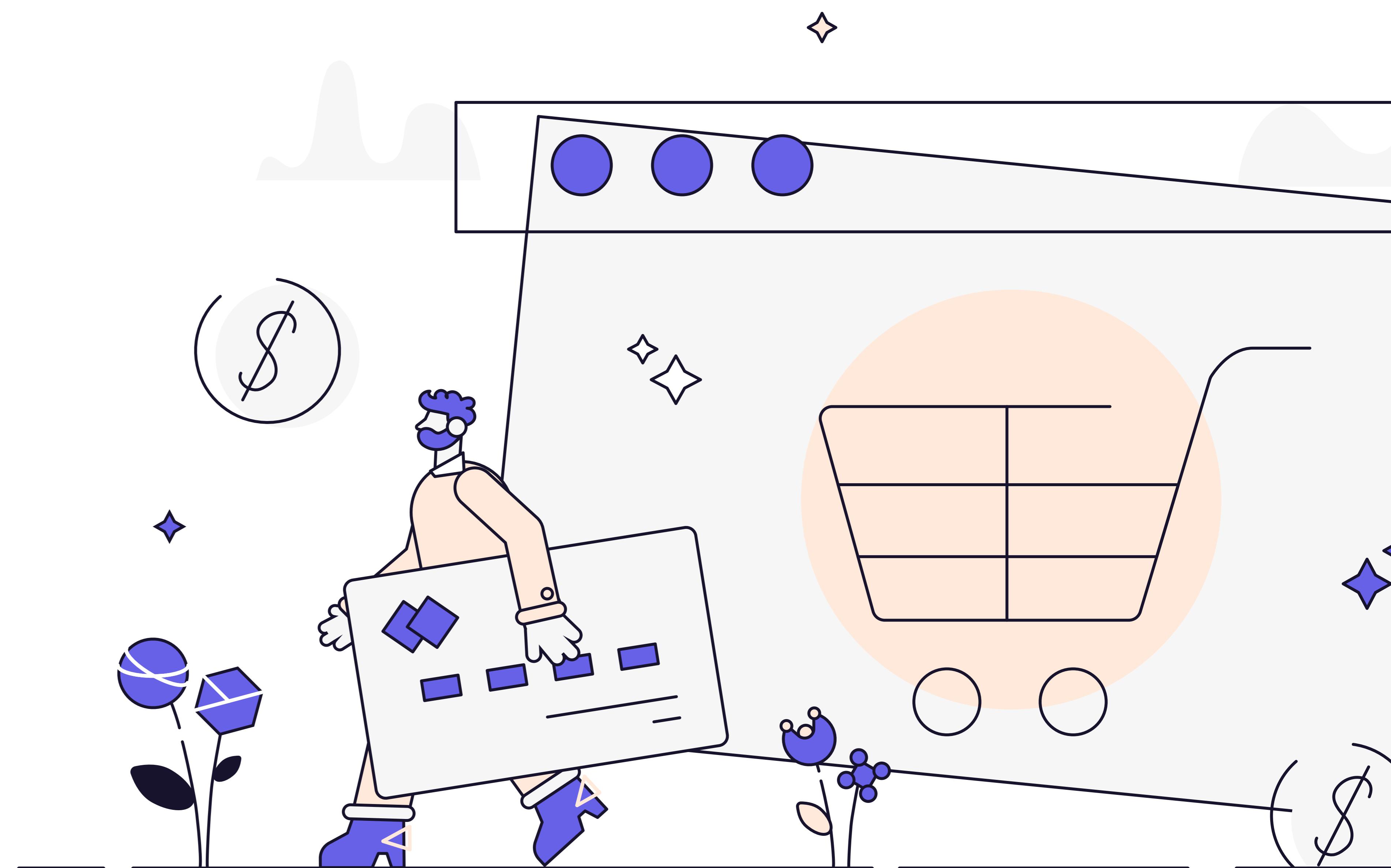
Of course, this can sound like a complex endeavor; Creating a unique experience for each customer while maintaining a consistent online brand experience on top?

In this guide, we address:

- The obstacles to creating superior online commerce experiences (and how to solve each one)
- Personalized online commerce strategies proven to help brands win customers for life
- The tools required to create and deliver these experiences—while also saving you time, money, and effort

Are you ready?

Let's dig in!



The roadblocks to creating superior online commerce experiences

First, we look at the potential barriers that could arise on your path to delivering intuitive and personalized online commerce experiences.

We often find that, although businesses have a strong desire to use more advanced methods to attract and delight shoppers, they lack either the knowledge, the means, or both to tackle these common issues:

Diversity of shoppers

Every shopper is different, and many flit between stages of the buying funnel. Therefore, pinning down a strategy that speaks to unique people at various funnel stages can be a complex and time-consuming task.

Plus, when attempting to implement personalized strategies, you're not guaranteed to deliver the right experience to the right person at the right time unless you enlist the help of an AI-powered, machine learning tool that can automatically react to real-time shopper data.

Missing behavioral data

Most data a user leaves behind is behavioral. However, it can be hard to obtain because of its granular and copious nature. Behavioral metrics can include:

- Time on site
- Site search queries
- Button clicks
- Interactions
- Return page visits
- Average number of products viewed
- Products added to cart
- Category views
- Average number of visits before conversion
- Average number of pages viewed
- Category and brand affinities.

Behavioral data often slips from the grasp of businesses because it's housed in complex data structures that require data scientists (more hiring, more money) to properly leverage. Not to mention, the protocols for ensuring data collection is compliant with entities like GDPR and CCPA. This, in turn, leads to untapped opportunities for brands to create segments of users from this data to come up with intuitive commerce experiences (i.e., serving the right products and content to someone based on their behavior).

Luckily, there are platforms built to collect and analyze behavioral data to remove part of the equation for you. Then, all you have to do is decide the actions you'll take from the insights.



Siloed information

Most brands use a breadth of technologies, with each collecting different types of data. But they also wish to use this data across multiple solutions. For example, if you have identified customer segments on your site, you might then want to transform these into send lists for your email campaigns (or vice versa).

Unless you have a compatible tech stack, using data across technologies means relying on manual imports/exports that are timely to run (not to mention mundane), and leave you vulnerable to error.

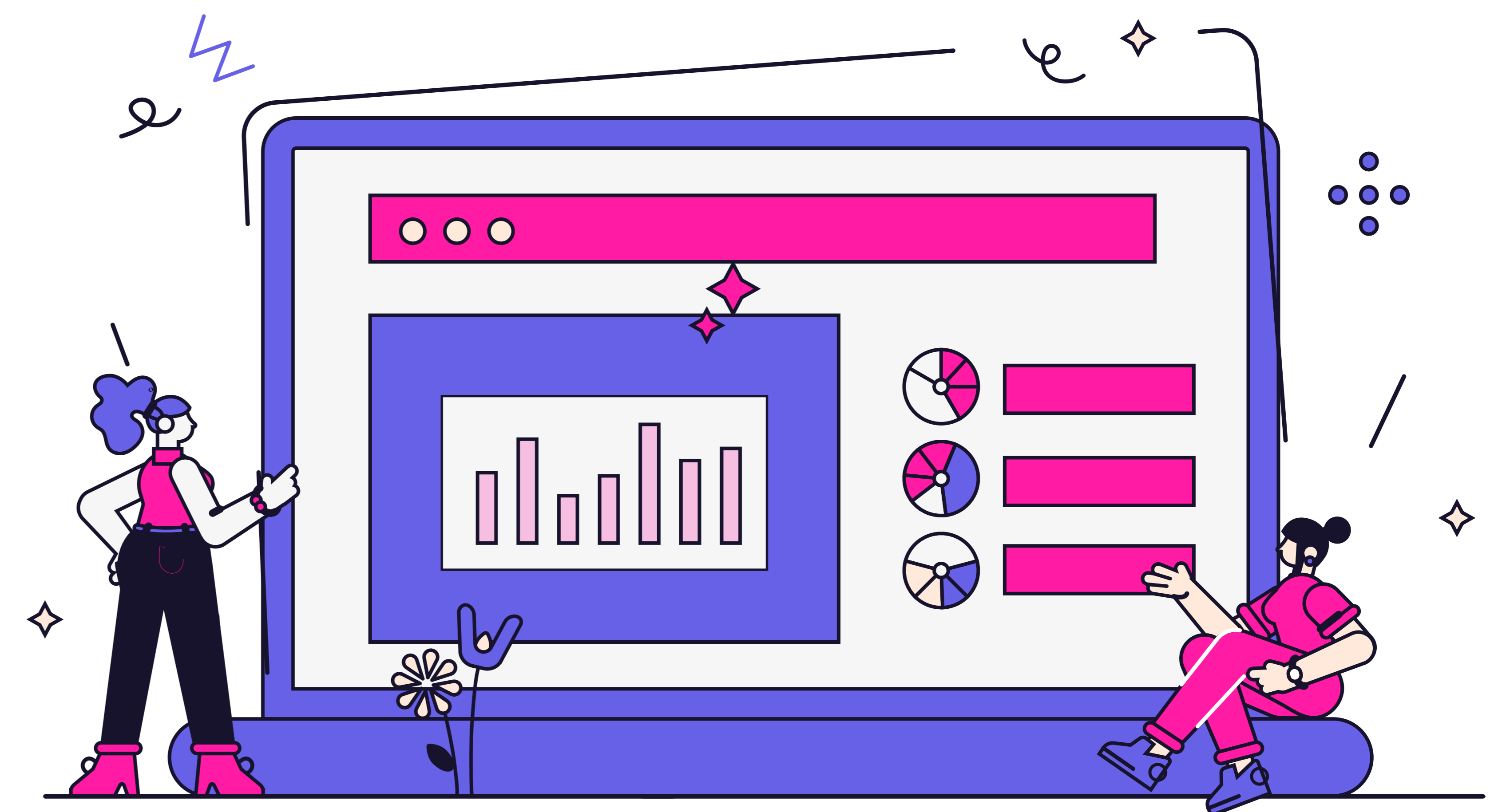
While advances in technology have paved the way for many software, getting them all to 'talk' to each other is essential. When selecting a vendor, always consider a software's integration capabilities to prevent data silos, manual intervention, and task duplication.

Actionability gap

When businesses don't have the requisite data—or the knowledge of how to use it to sharpen online commerce experiences, they suffer what we call an 'actionability gap.'

In other words, the gap between having the required data you need collected and analyzed (in one centralized place) and the delivery tools to apply those insights and bring personalized shopping experiences to fruition. These could include pop-ups specific to first-time site visitors or offering exclusive promotions to loyal customers as a reward and incentive to purchase again.

This gap not only represents a missed opportunity to delight shoppers but also increase your revenue!



**The key elements of
delivering better online
commerce experiences**

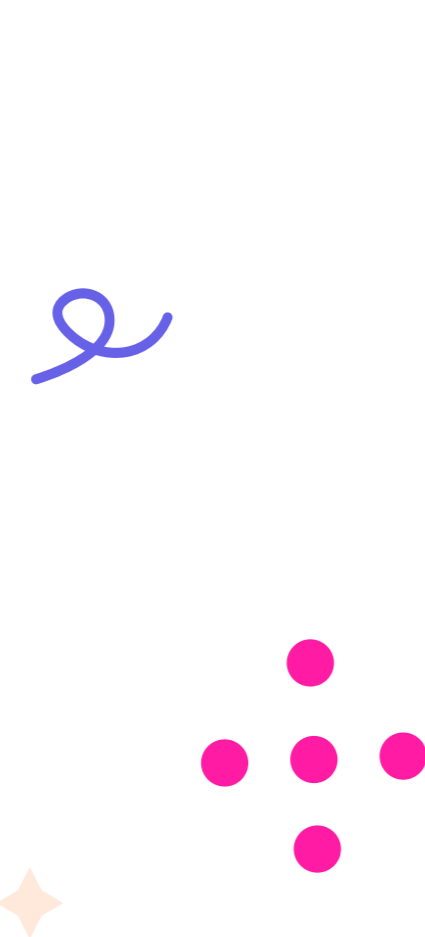
We've gone through the main challenges of delivering personalized online shopping experiences. Now, let's talk solutions!

Here's what you'll need to enable you to push forward in creating better online commerce experiences for your customers:

Real-time data

Accurate, real-time transactional and behavioral data is the foundation of any good personalized commerce experience strategy. It is impossible to know your customers and what they want without reliable and timely insights, let alone show them the products and experiences that most resonate with them.

You want your campaigns to respond to real-time insights, so you're taking advantage of every possible opportunity while the shopper is still engaging with you (and not after the fact). For example, having products that become out-of-stock automatically stop surfacing within campaigns. Better still, show current bestsellers with the most buys in the last eight hours (yeah, you can do that).



Fast deployment

It shouldn't take ages to get up and running with new technology. To keep go-to-market time to a minimum, you should look for solutions with:

- 1 Good plugin options.** Make sure there's a plugin for your current ecommerce platform and any you might use in the future.
- 2 User-friendly interfaces and available tech resources.** Certain technologies with highly complex and nuanced interfaces can take time to learn. Adopting a platform with a user-friendly interface empowers you to use it independently with far less tech support compared to other platforms—enabling you to quickly onboard and start creating campaigns. That said, when you do hit a technical snag, you also want something with tech resources and personnel you can take advantage of.
- 3 Third-party integrations.** Consider how a specific solution integrates with the rest of your current and future tech-stack. When your tools work together cohesively as part of a larger ecosystem, it helps you deliver optimal and consistent experiences across your customers' shopping journey.

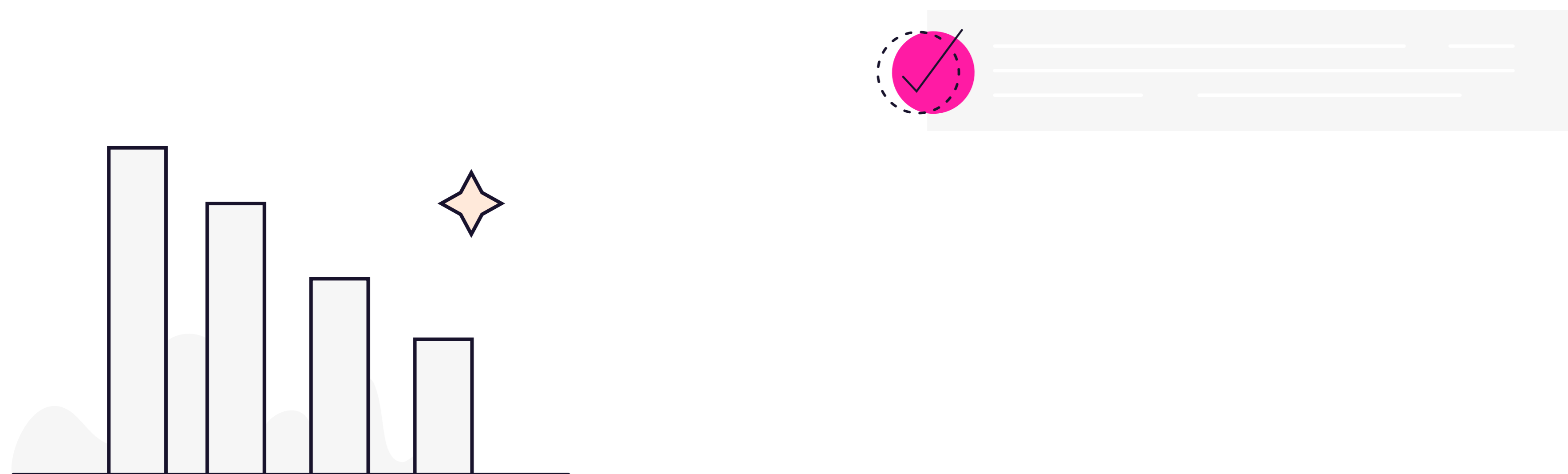
Segmentation and insights

It's limiting to your business to personalize without the proper data insights and segmentation. A good personalization strategy starts with identifying user groups, analyzing them, and developing a dedicated strategy for each.

If you feature a 'product recommendations' section on your site or email, with insights from data, you can choose to display items that people are most likely to pick.

For example, if you're a jewelry brand, you might want to have a 'thrifty' shopper segment and another segment for 'luxury' shoppers. This allows you to continue promoting expensive products to the luxury shoppers while at the same time targeting price-conscious shoppers (who would bounce at the sight of luxury prices) with lower-priced inventory.

Being able to make your digital experience more sophisticated in its targeting (segments like traffic source, geolocation, discount-oriented shoppers, category affinity, and much more) means you can deliver more relevant content to the right people.



Omnichannel delivery

When it comes to personalized online commerce experiences, you can't afford to leave any stone unturned. Therefore, your campaigns should cover a breadth of experiences across the entire customer journey (in-store, email, mobile apps, social media, site pages, etc.).

For that, you need a solution that considers every possible touchpoint where your audience encounters your brand—wasting no time in delivering a custom experience to that person on that channel.

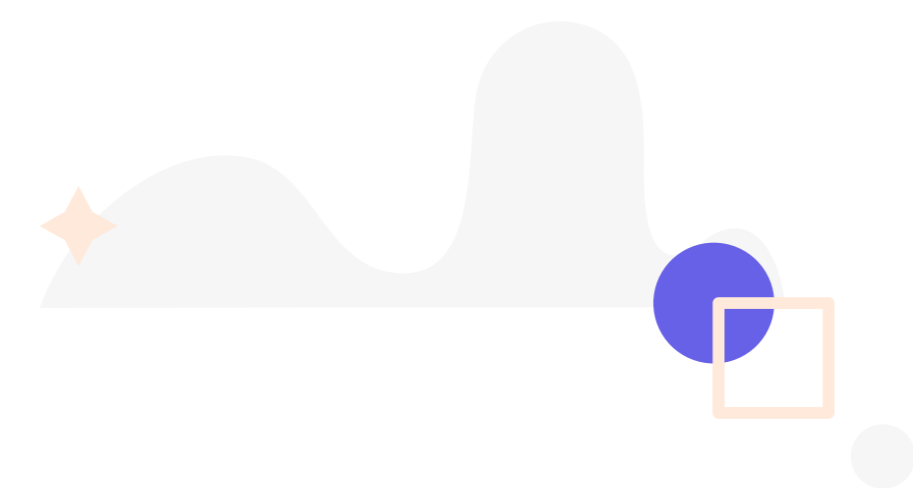


Authentic visual content

Modern consumers quickly see through generic advertising, especially regarding visuals. Understandably, this can make them wary of whether to trust an online purchase.

By including authentic content generated by real customers within your product imagery, the shopper gets a realistic idea of what it's like to buy a specific product they can only see through a screen. We refer to this as visual user-generated content (UGC), which can influence a shopper's willingness to convert. In a consumer survey, 79% of people said UGC highly impacts their purchasing decisions.

Even if a customer does move on without purchasing, that's not necessarily a bad thing. Giving people an accurate picture of a product via reliable UGC can help significantly reduce return rates and save your business money. In addition, it can increase your brand's trust factor by a considerable margin and help your shoppers feel recognized—increasing loyalty as a result.



Test, optimize, repeat

Once you've released your smart campaigns out into the world, don't simply drop them there. Setting up targeted campaigns that are likely to resonate is great. But setting up variations of these campaigns—to test which performs best and which should run? Even better.

Adapting your campaigns is also about considering extraneous variables. We mentioned before how people, seasons, and product landscapes are ever changing—it's important to keep up with what your customers want and evaluate how you can update current campaigns to reflect that.

While there is some risk involved with testing, the opportunity costs it presents are essential for positive long-term revenue. Plus, by using a solution built for continuous optimization as part of its core capability, you lower this risk by automatically directing traffic based on the winning metric. That way, it is easier than ever for ecommerce managers to implement a robust testing and optimization strategy.



**How to create online
commerce experiences
that win customers for life**

Okay, so you know the roadblocks to look out for and the elements required to deliver better experiences for consumers. Now, let's drill into the specific strategies and functionality needed to achieve your objectives and smash your online commerce goals.

We will explain what each strategy means and provide customer examples for you to read, to see how other brands have used these—and the results that came from them.



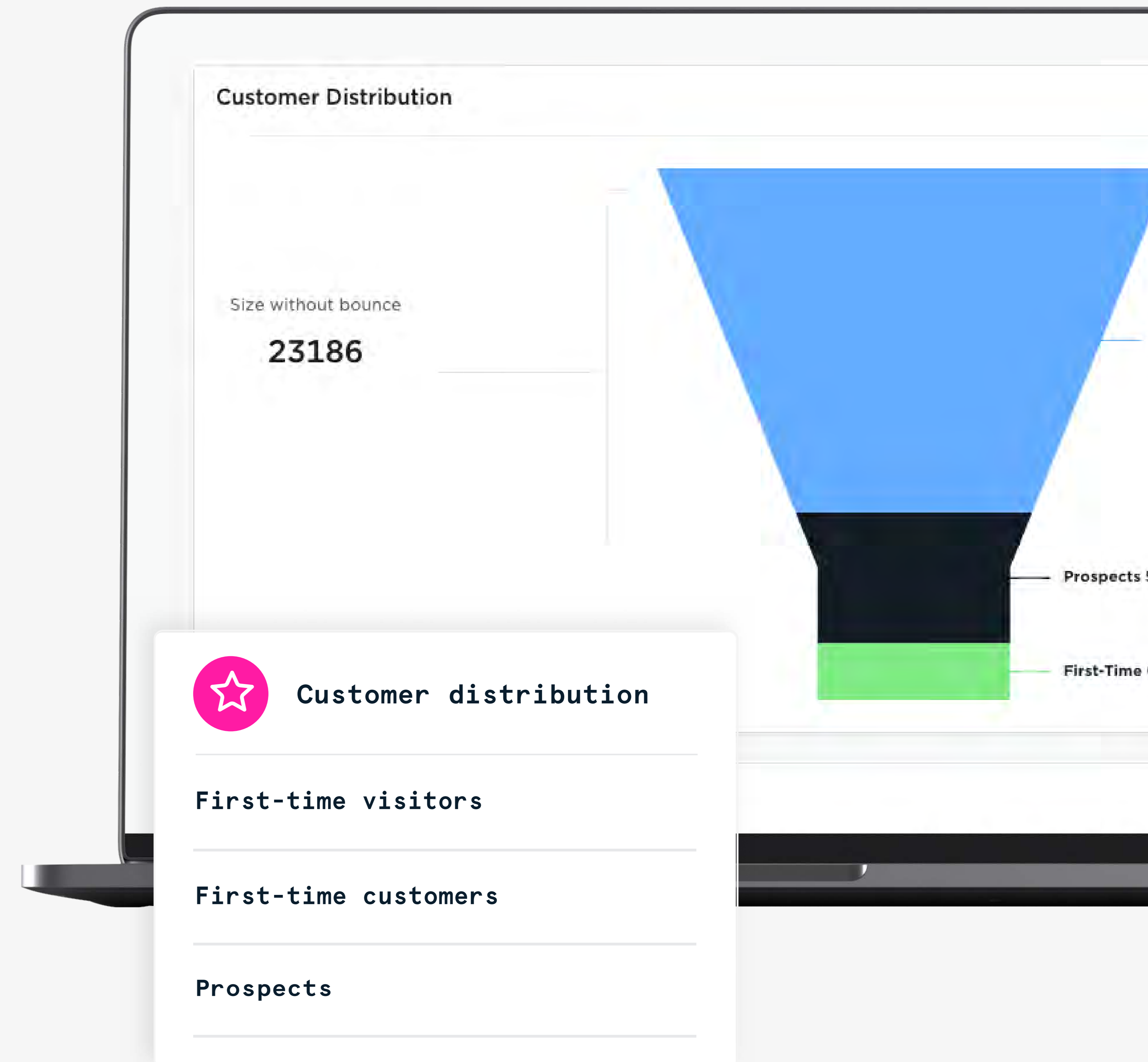
Segmentation

Using behavioral data presents myriad opportunities for brands to target different groups of people. Taking a combination of real-time behavioral data, transactional data, and personal data helps you build unique profiles for shoppers that can be used in any combination of experiences. Plus, when using the right tool, you can have an infinite, unified view of shopper activity with solid predictions of what a segment is most likely to buy.

With the power of AI and machine learning on your side, you can have segments created automatically, along with predictions for what shoppers are most likely to buy. This means more effective campaigns and, ultimately, more revenue.

Brands can segment customers and site visitors based on a [number of factors](#): category affinity, discount affinity, device, average order value, lifecycle stage—the sky's the limit.

Once you have your segments established, you can use them to come up with personalized product recommendations, content, category merchandising, pop-ups, and more.



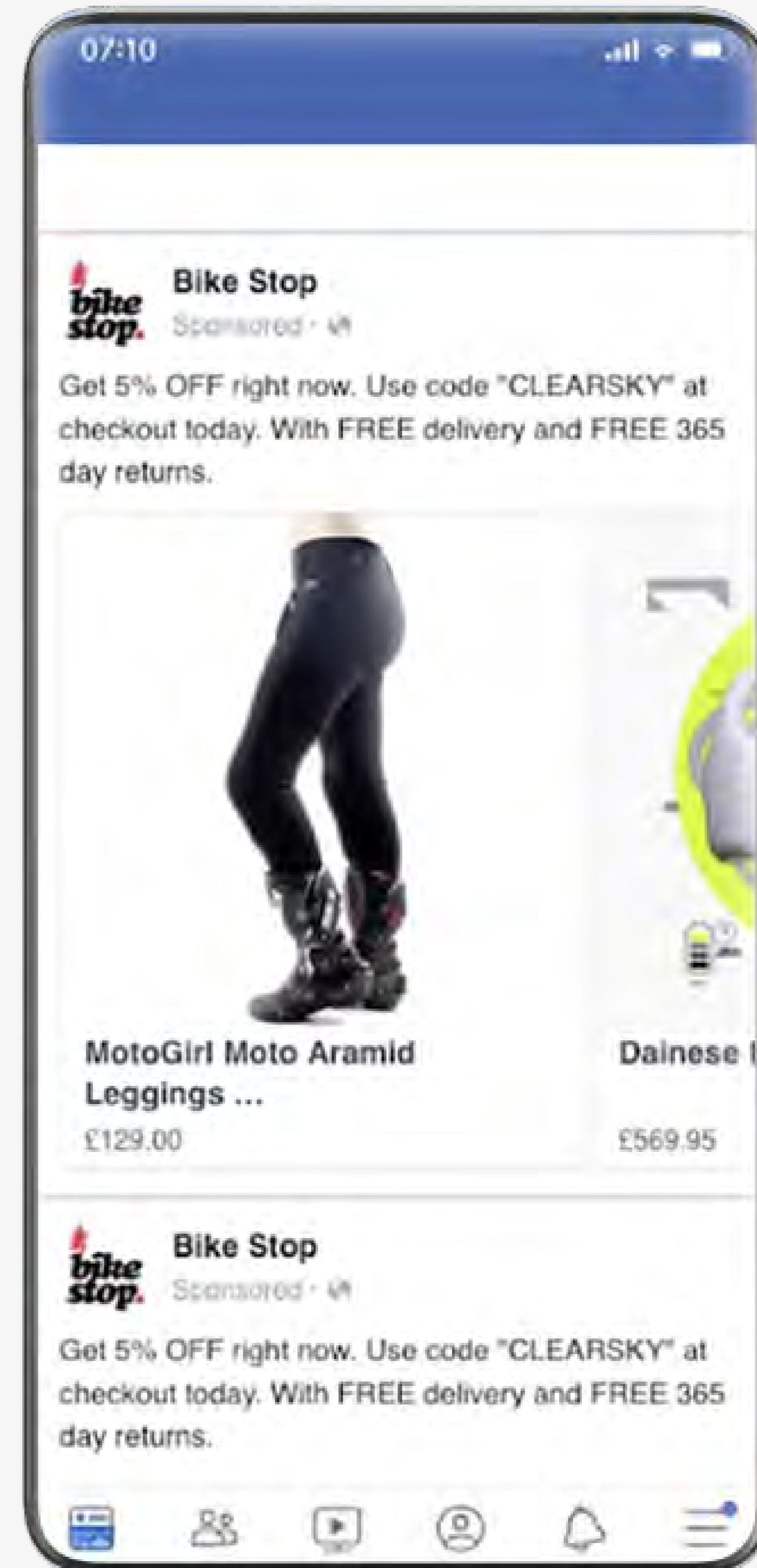
Segmentation

Example: Bike Stop

For motorcycle apparel and gear retailer Bike Stop, its typical strategy of retargeting the same visitors again and again became stale; they weren't seeing the payoff they used to from their Facebook ads. To improve, they decided to use **Nosto's out-of-the-box 'Prospects' segment** to target an ecommerce-specific segment of users who had shown an intent to purchase on their store.

After some experimenting, Bike Stop discovered that using Nosto's targeting options to create a custom audience of 'Prospects within the last 7 days' was their winning formula. They began to run monthly dynamic product ad campaigns targeting this custom audience, **resulting in an average return on ad spend (ROAS) of 7.58€!**

[Read more here.](#)



Onsite content personalization

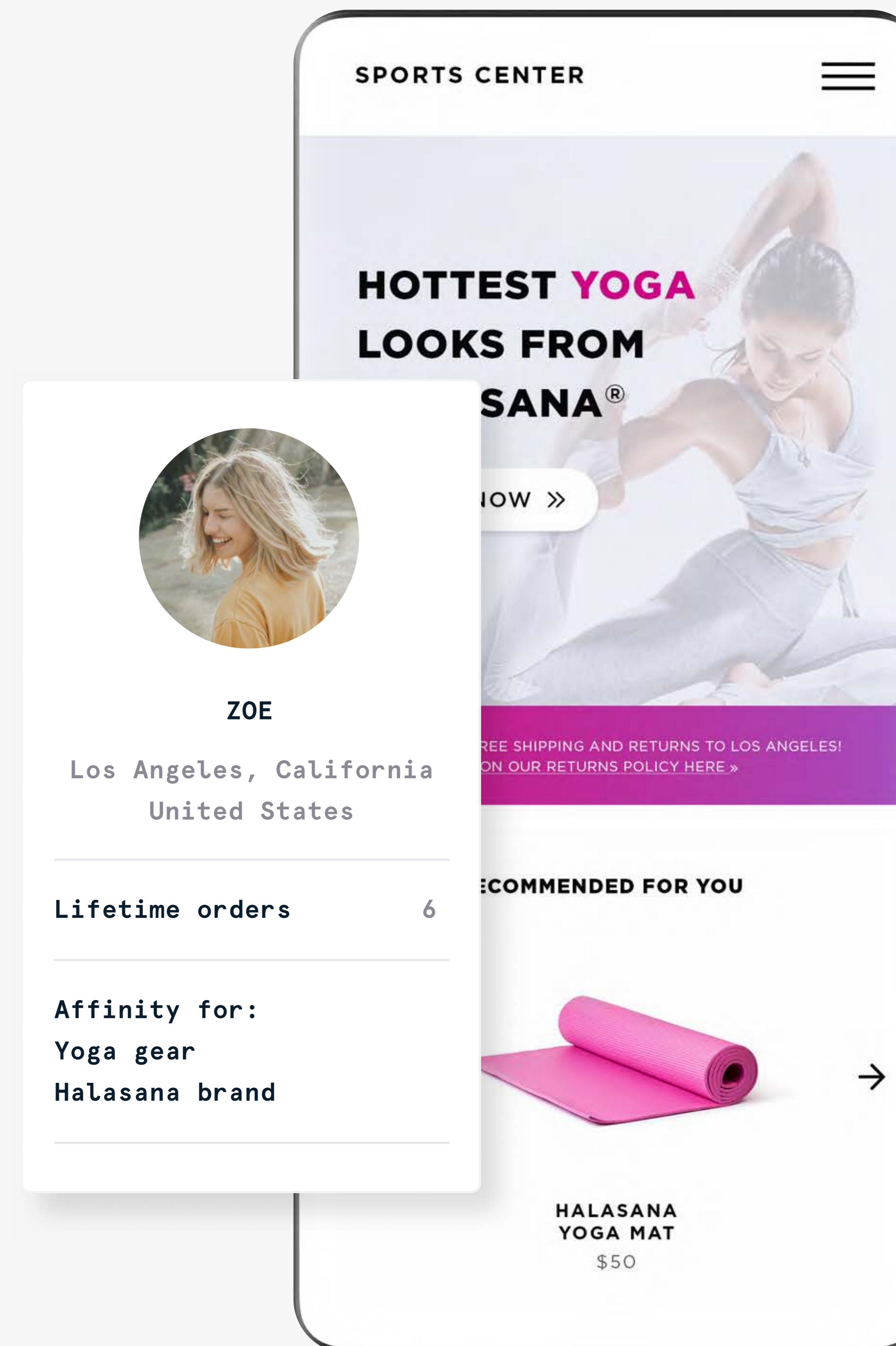
Personalizing every content element on your site helps you deliver a better overall brand experience and boost conversions by serving more relevant content to a person's unique circumstances.

In a recent study, 70% of consumers say it's important for brands to provide them with personalized experiences and 72% say they are more likely to purchase from a brand if it consistently provides them with a personalized experience.

Every shopper's experience is unique, and the content you show each one should reflect that. You can dynamically personalize the visuals on your site according to a shopper's demographic, behavior, and even demonstrated preferences. You can personalize everything from the photos on a product page to the brands featured in homepage images.

When we think of onsite content that we can personalize, it could be messaging, visuals, layouts, site banners, and a whole lot more; it all depends on your goals.

For example, say you have a goal of helping first-time visitors get familiar with your brand. You could show a brand quote that makes visitors relate to your brand's purpose, offering price-matching guarantees or even social proof. Making your onsite experience heavily personalized for the shopper makes them feel as if your store was made just for them.



Onsite content personalization

Example: Dunhill

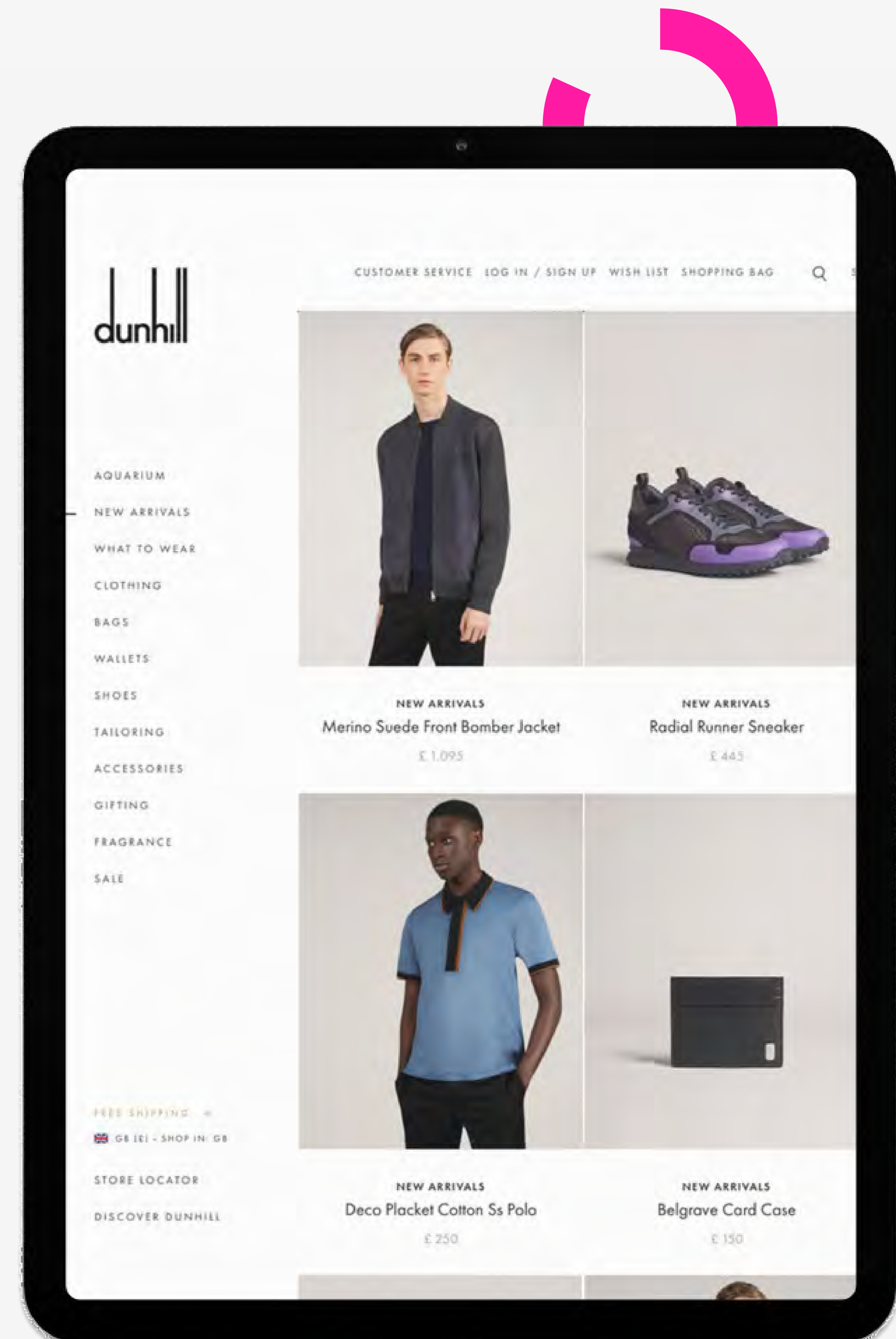
Dunhill is a luxury menswear brand that used an AI-powered content personalization tool to promote the launch of its new 'Aquarium' collection. During pre-launch, Dunhill created distinct customer segments aimed at targeting each customer with a unique onsite experience upon visiting the website:

1. A 'traditional' segment that got delivered content related to their previous browsing history with a more subtle hero banner for the Aquarium collection
2. A segment for those not part of the 'traditional' segment were shown a homepage with more prominent Aquarium content than the former group, as well as a 'shop now' banner CTA.

By creating these distinct customer segments and coming up with onsite personalization experiences for each, Dunhill saw:

- a 62% increase in average visit value (AVV)
- a 31% increase in online conversion rate
- a 15% increase in average order value (AOV)

[Read the complete case study.](#)



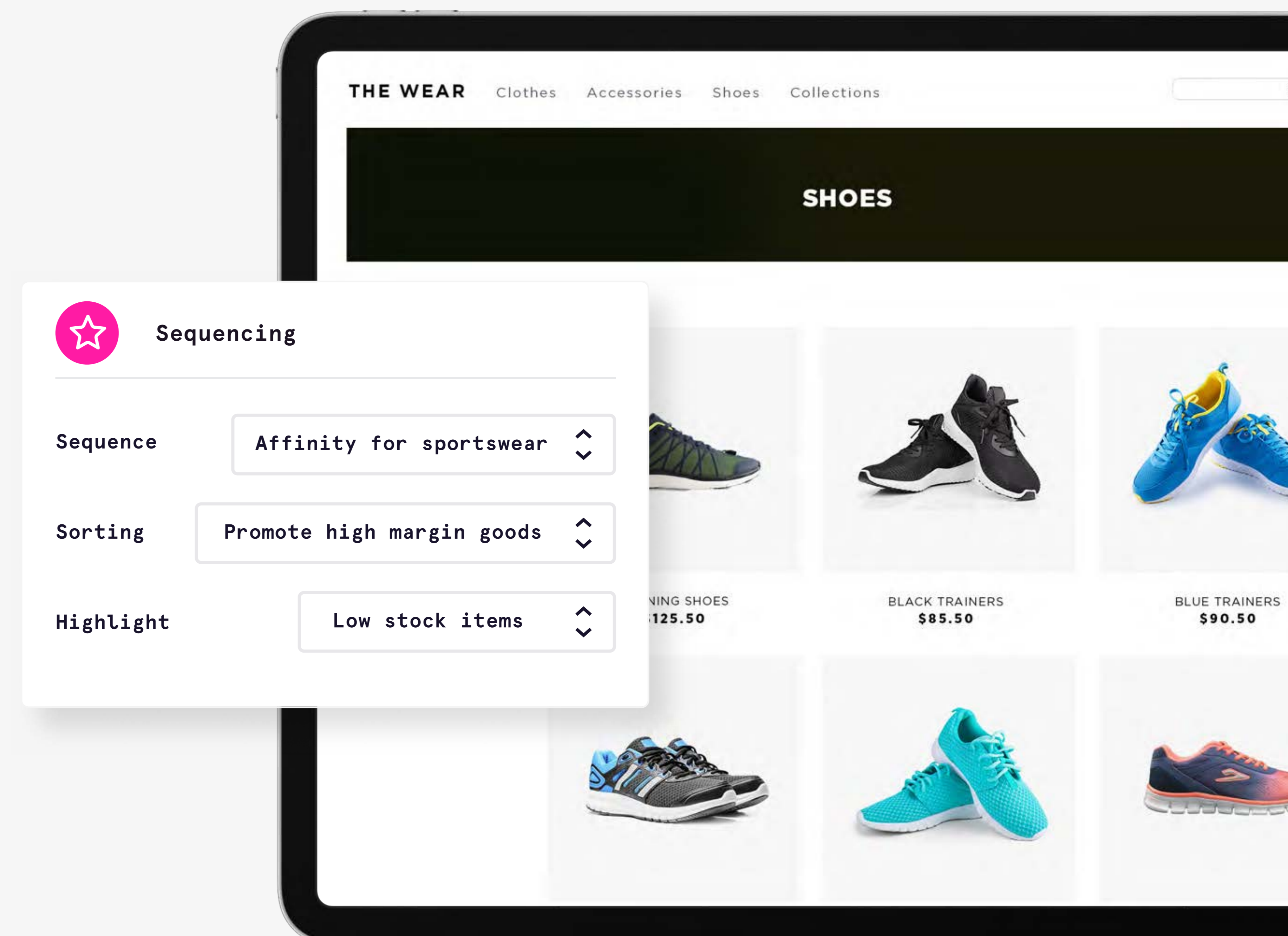
Category merchandising

Personalizing the experience of your category pages is a great way to appeal to customers and achieve your merchandising goals. For example, you can have a category automatically respond to shopper behavior and affinity—relieving you of the constant work that comes with static merchandising.

With category merchandising, you can promote or demote products based on sorting rules that you create, giving different weights of importance to each. For example, a skincare store may want to emphasize anti-aging products for its ‘mature’ shopper segment. Or, for a handbags category, you could create a more detailed sorting rule that prioritizes high-converting leather bags with 10+ units in stock. Some other ideas for category merchandising:

Another possibility is implementing a personalized ‘highlights’ banner for a specific category that you choose where to show (top of the page, between rows, etc.). You could feature best-selling products, newly added products, surplus products—however you want to customize it. You could even automate it to feature products within specific campaigns (like seasonal ones).

Now, you’ve personalized each shopper’s experience while also serving multiple business goals. **A win-win!**



Category merchandising

Example: Skinnydip

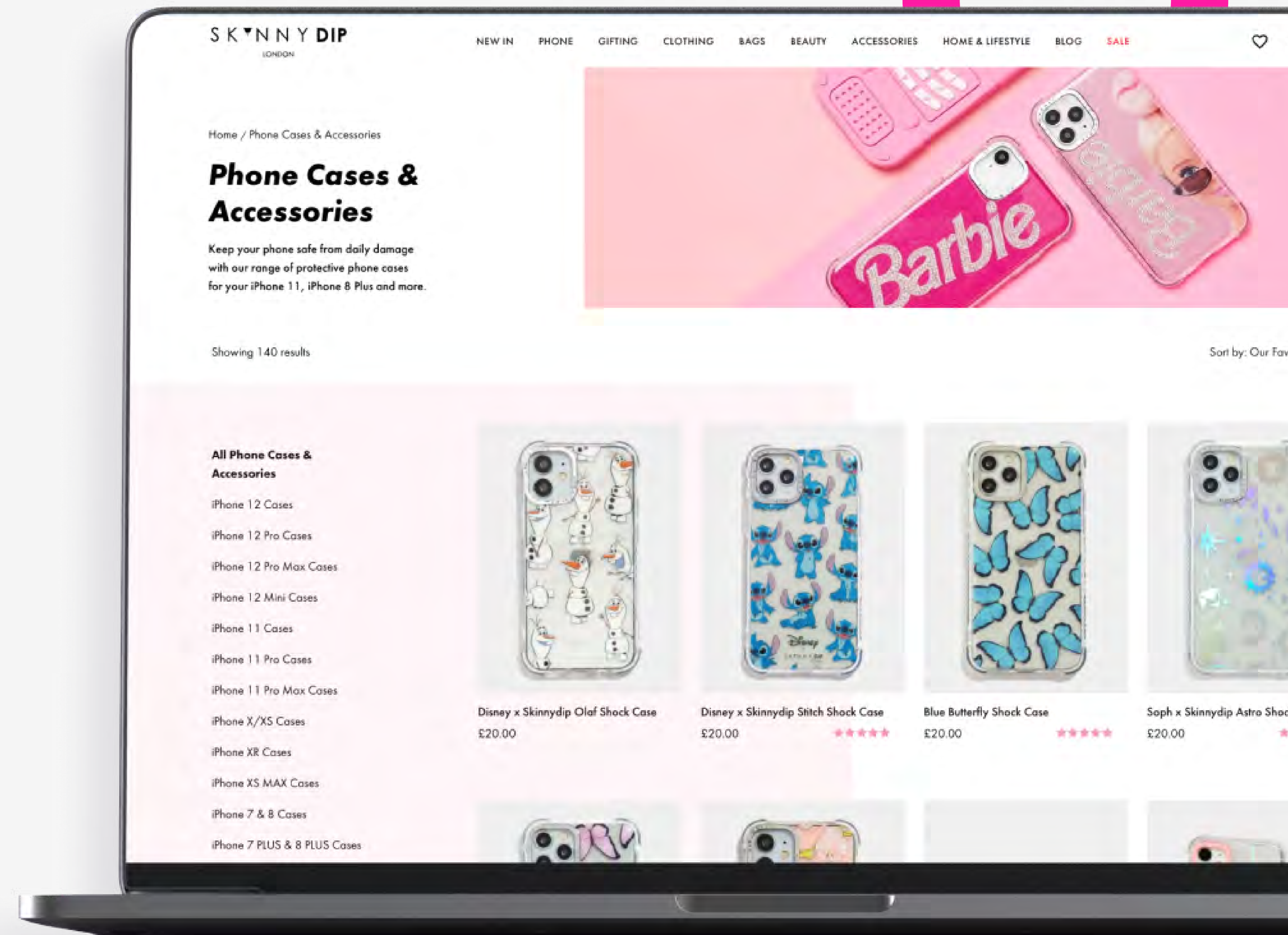
Fashion and accessories brand, Skinydip, was one of many that pivoted during the pandemic to focus more on its online experience. As a fast-growing brand with a small team and ever-increasing traffic, Skinnydip moved from manual to automated Category Merchandising.

This helped them foster product discovery, convert new site traffic, and nurture new shoppers to become loyal, returning customers.

The brand eliminated what was previously a manual process (spending their entire day moving & updating out-of-stock products) and saw a return on investment in less than one month. After adopting automatic Category Merchandising across its store, Skinnydip could quickly implement different approaches with minimal manual oversight—saving time and effort while generating more revenue at the same time.

In addition, they're now able to test the value of these approaches and make more informed assumptions that positively impact their bottom line. With this new strategy, Skinnydip achieved a 16% higher AVV site-wide, a 15% higher conversion rate site-wide, and an ROI increase 8x.

[Read the complete case study.](#)



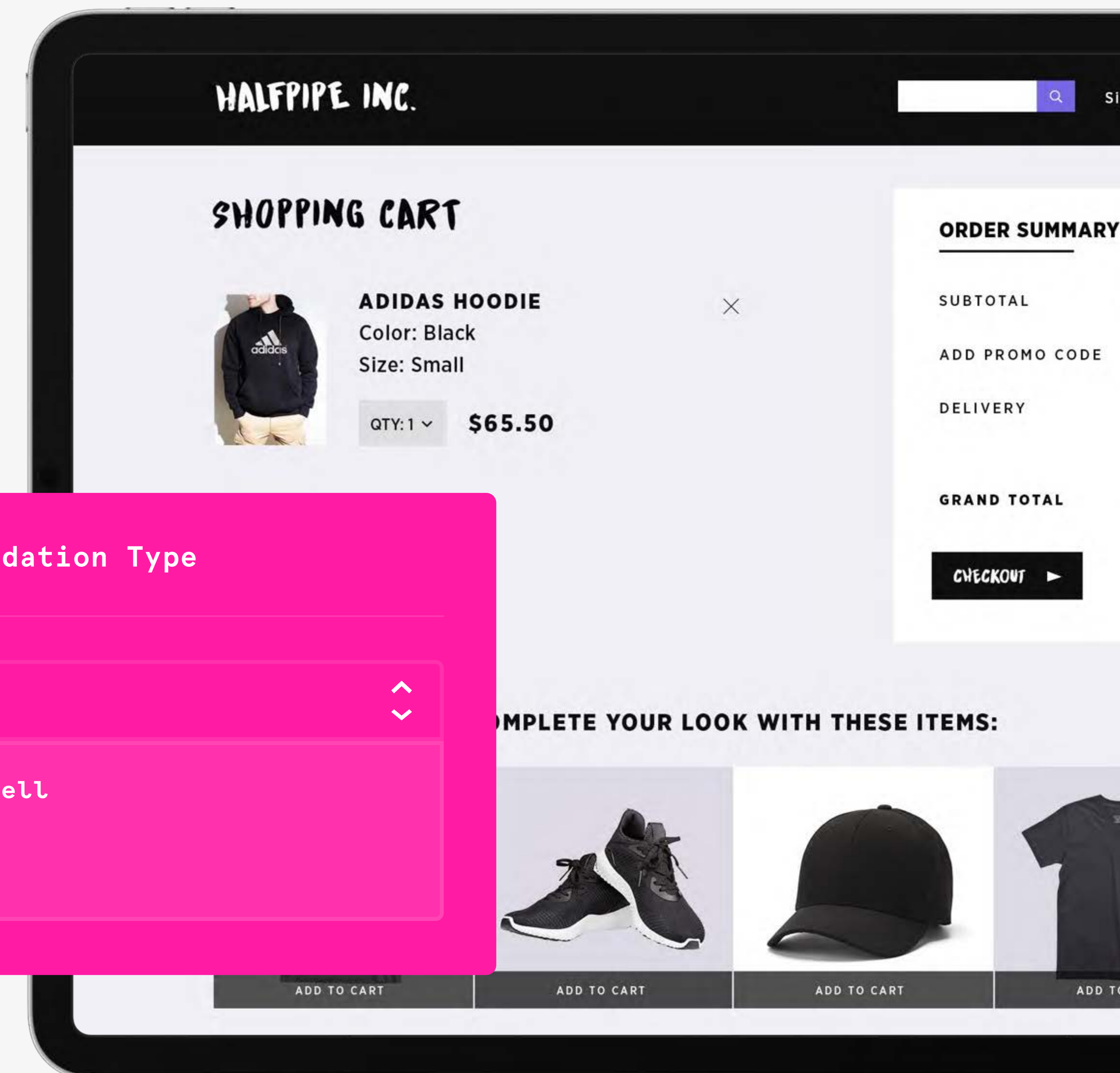
Product recommendations

Personalized product recommendations are a tried and true commerce strategy that every brand should be leveraging. They help you improve product discovery by surfacing the most relevant products from your catalog instead of making the consumer go on a hunt through your channels to find products they desire (if they even have the patience to!).

Personalized product recommendations can serve multiple purposes like:

- Upping average order value
- Increasing overall revenue
- Reducing cart abandonment
- Maximizing the visibility (and, as a result, sales) of specific product types like best-sellers, inventory surplus, trending products, etc.
- Increasing engagement
- Reducing bounce rate by showing product alternatives

You can present product recommendations across multiple touchpoints, including your site pages, mobile app, and marketing emails. For example, you could set your product recommendations to populate for unique customer segments based on what they already have in their cart, introduce cross-selling recs based on things like color, brand, material, and more. You can even set custom recommendation triggers to help customers reach a certain free shipping threshold.



Product recommendations

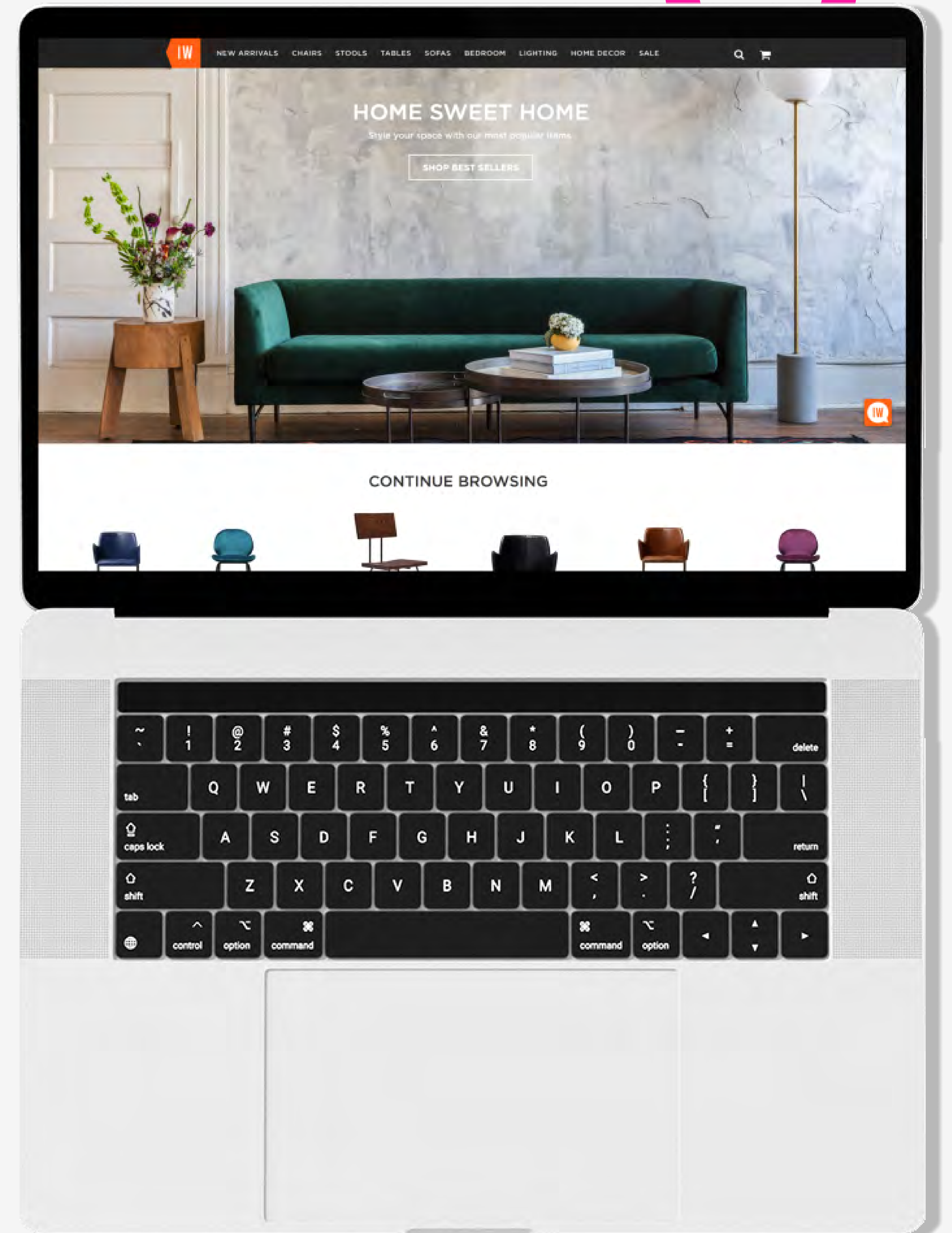
Example: Industry West

Ecommerce-first home and garden company, [Industry West](#), looked to move away from manual product recommendations on PDPs to an AI-informed, dynamic product recommendation system. They established site-wide product recommendations in four key areas:

1. **Product detail pages (PDPs)** displayed cross-sell and related product recommendations to help shoppers compare relevant options and find the best fit for them.
2. **404 pages** automatically showed product recommendations based on users' browsing history, putting them back on their buying journey.
3. **Category pages** showed best-sellers specific to given categories inspiring shoppers to browse the most popular collections.
4. **Checkout** product recommendations encouraged upsells with the likes of “customers who bought this also bought” messaging aside suggested add-ons.

The result? **A 15% increase in AOV with 25% attribution of sales tied directly to using Nosto.**

[Read the case study here.](#)

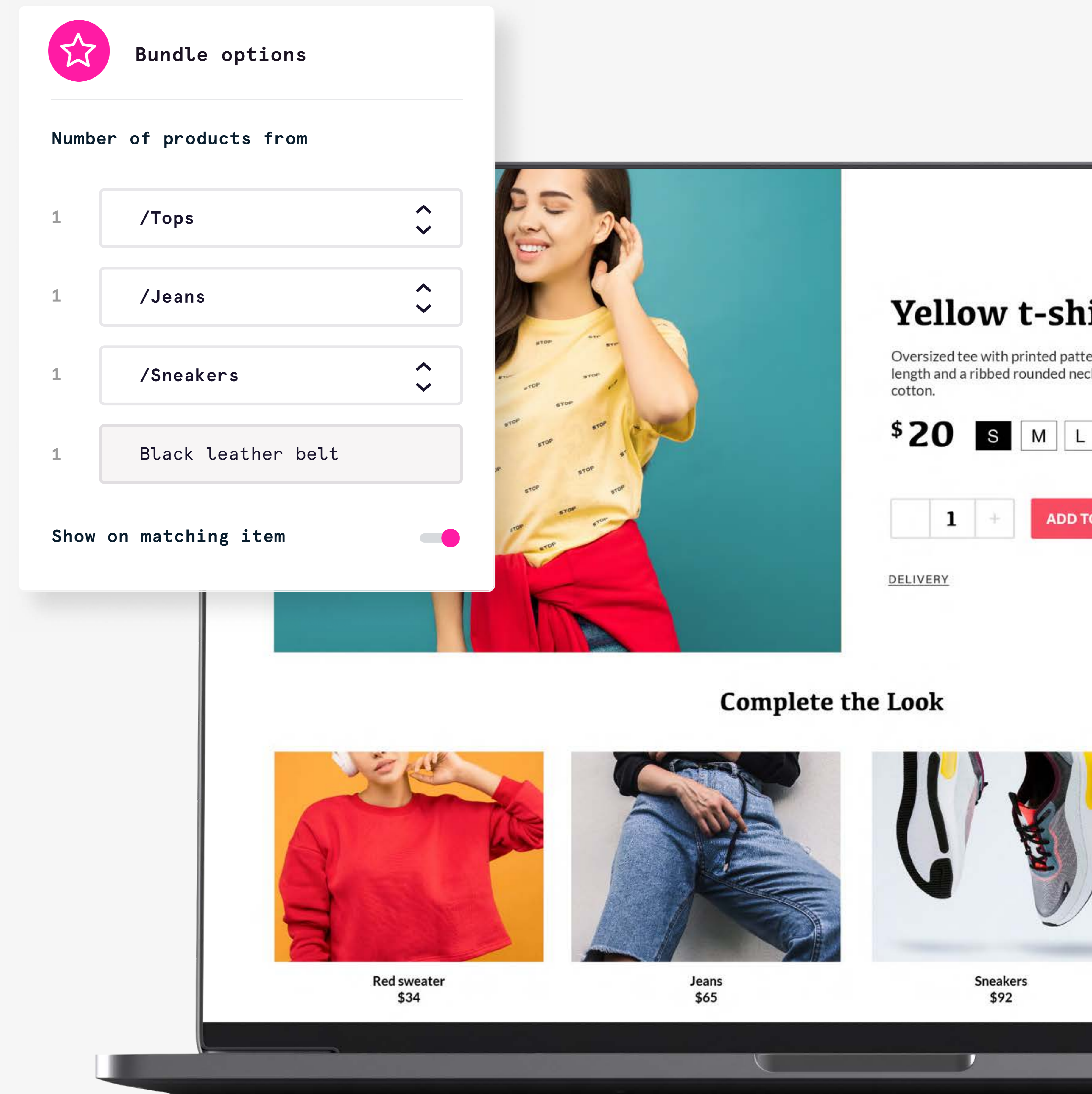


Dynamic bundles

Dynamic bundles are another type of product recommendation that help shoppers discover complementary products. These might be items frequently viewed or bought together, or that form a 'set.'

Dynamic bundles are created through advanced filtering techniques that enable ecommerce managers to create bundles automatically with the added flexibility of manual control over which products to show.

By grouping specific products, you can create better PDPs, make it easy for shoppers to buy more products, and drive higher AOV.



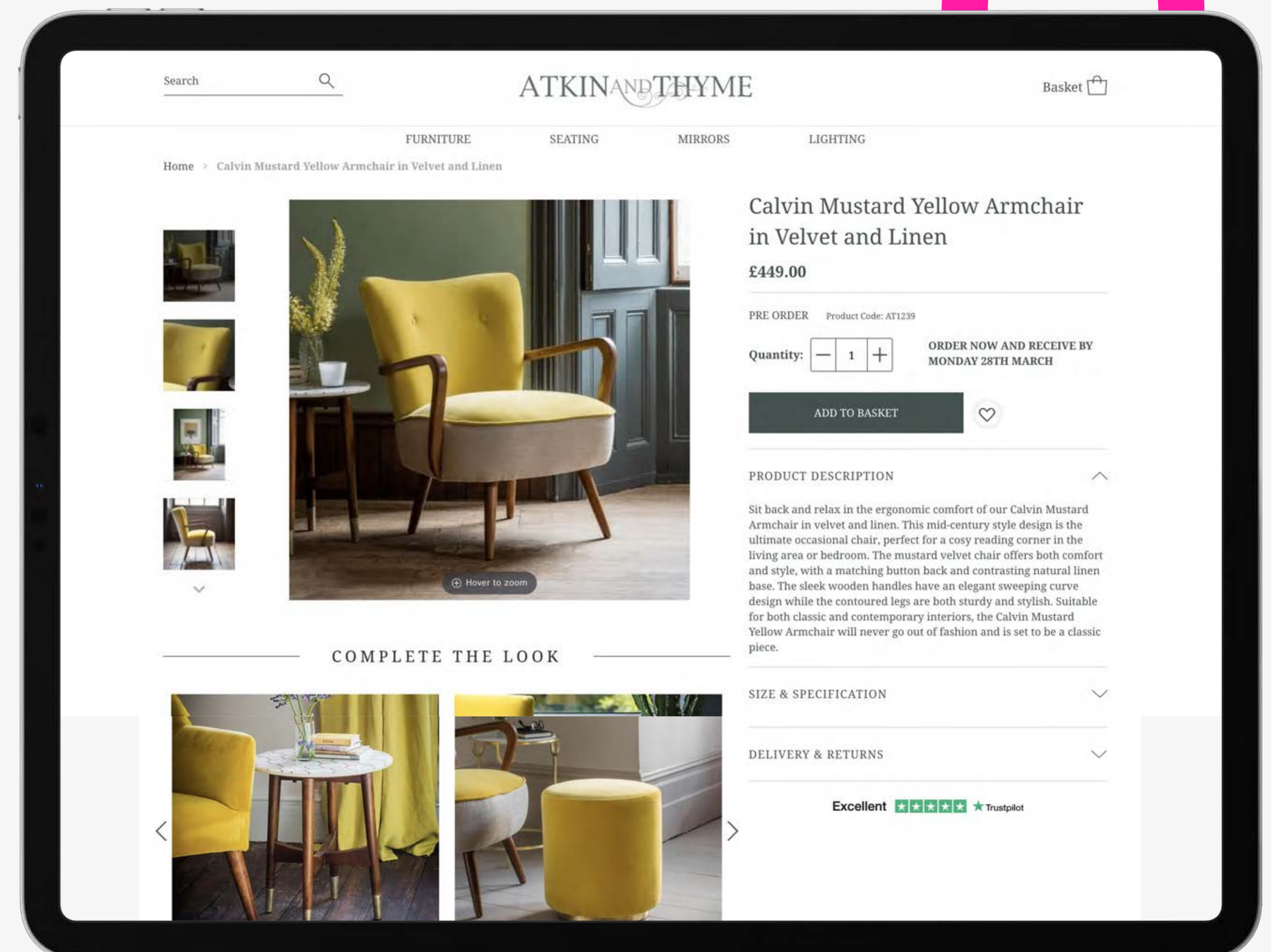
Dynamic bundles

Example: Atkin & Thyme

[Atkin & Thyme](#) is a furniture and home accessories company that sought to implement automatic dynamic bundling across its site in the form of ‘complete the look’ recommendations for its style-focused customer base.

Using a combination of product tagging, browsing behavior data, and machine learning, the brand orchestrated recommendations to populate relevant products.

The dynamic bundles were **created and implemented in under two weeks**. They added a new scrolling carousel on the site to allow up to three products to populate recommendation slots on the page. After the implementation was complete, the results rolled in, and **Atkin & Thyme saw a 6.5% increase in AOV**.



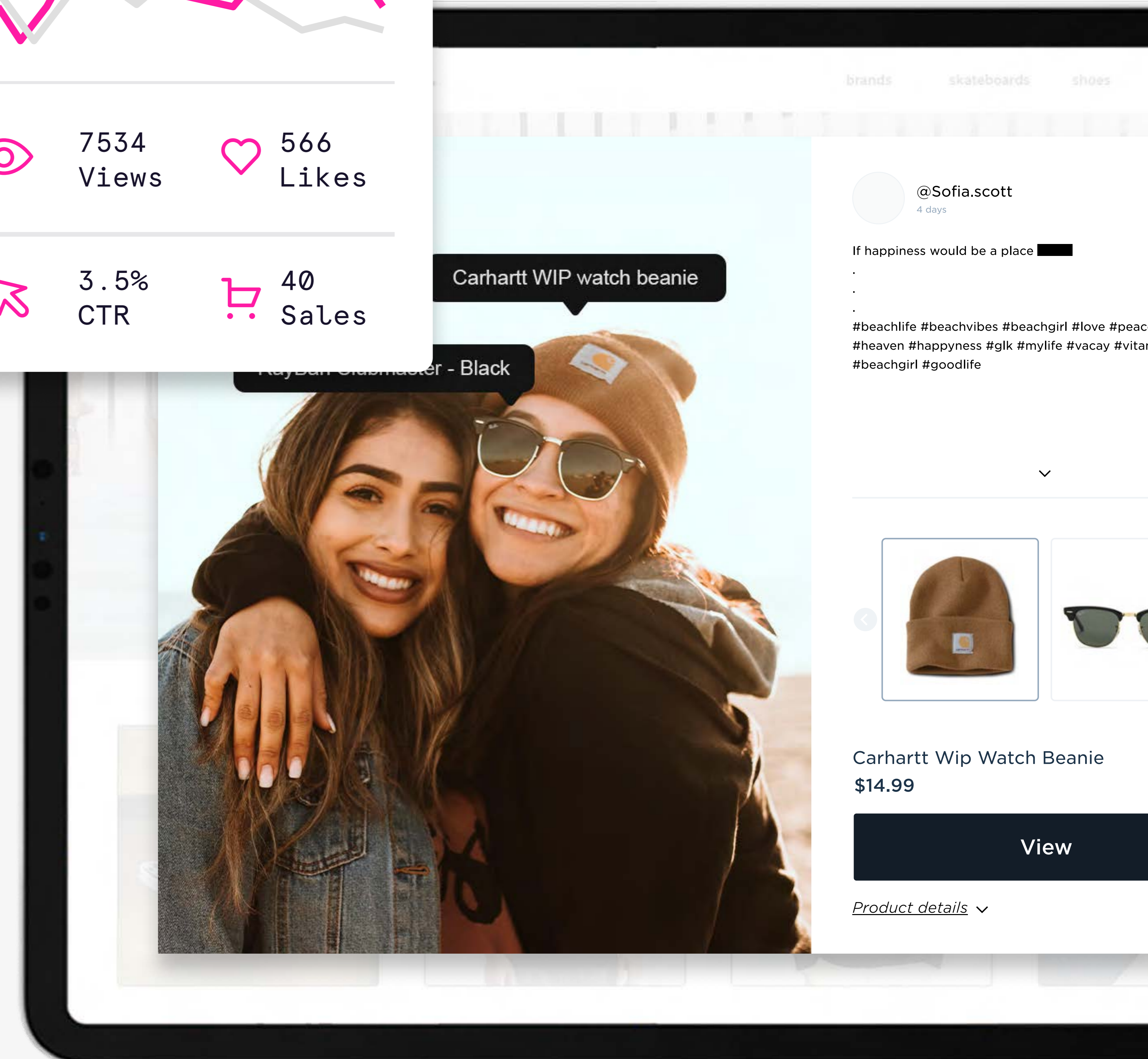
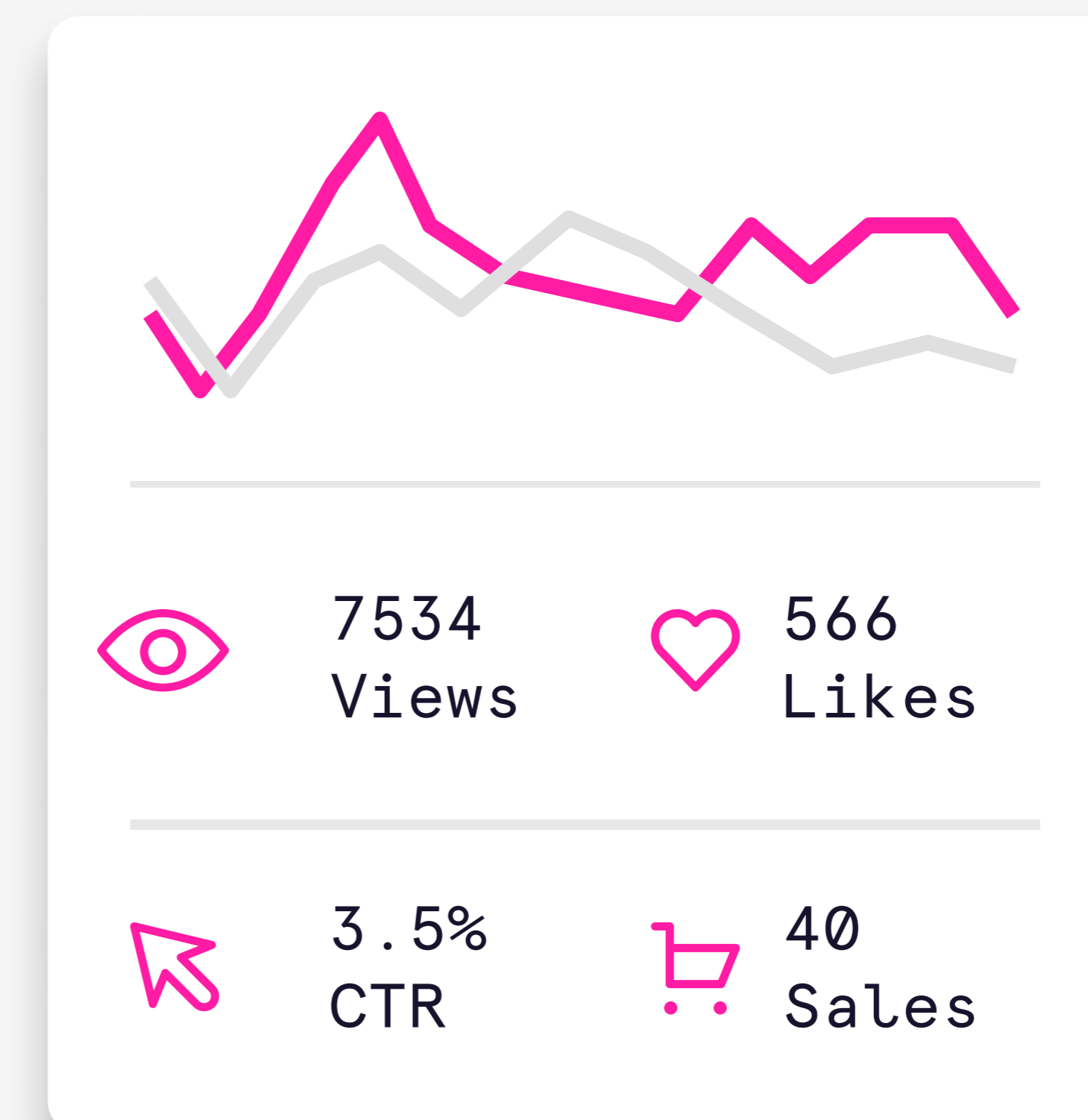
Shoppable UGC

Remember earlier how we spoke about delivering authentic, user-generated content to your customers? By adopting a visual UGC tool, you can easily collect and curate content from happy customers and make it shoppable across your site, on social media, and more. If you wanted to take it a step further and pair shoppable UGC with segmentation, you could then show specific UGC feeds to different shoppers.

By combining **authentic UGC + shoppable content + personalization**, you're guaranteed to offer a highly unique experience that customers will be hard-pressed to find elsewhere.

What better way to shorten their path to purchase for someone than enabling them to click-to-buy directly from an inspirational image? In a study, 71% of people say they would be more likely to buy from an online store if it made it easy to do this.

Moreover, 80% of consumers say they'd be more likely to purchase a product from an online store if its website features photos and videos from real customers.



Shoppable UGC

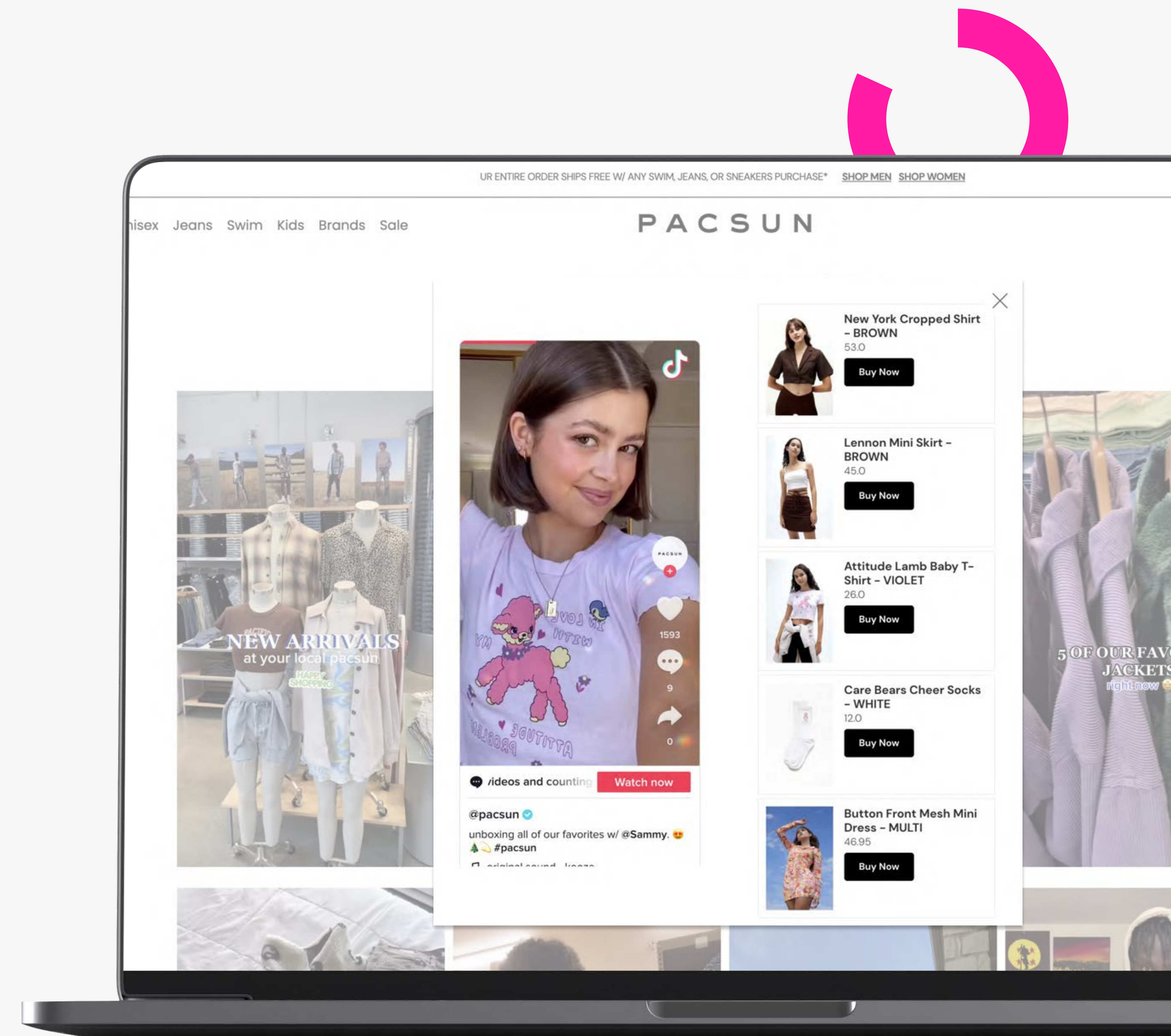
Example: Pacsun

Fashion and apparel brand Pacsun looked to do something unique to appeal to its consumer base. Knowing how popular TikTok was becoming as a platform, the Pacsun team wanted to capitalize on that. So they decided to implement a new inspiration landing page tied to the site featuring a curated feed of influencer UGC.

They amplified this campaign further by implementing a shoppable function to each video. So whenever a user clicked on a specific TikTok video, they would automatically see the product featured populated on the side with the links to shop.

This resulted in an increased **AOV of 103%** and **increased conversion rate of 443%** compared to all other pages on the Pacsun site.

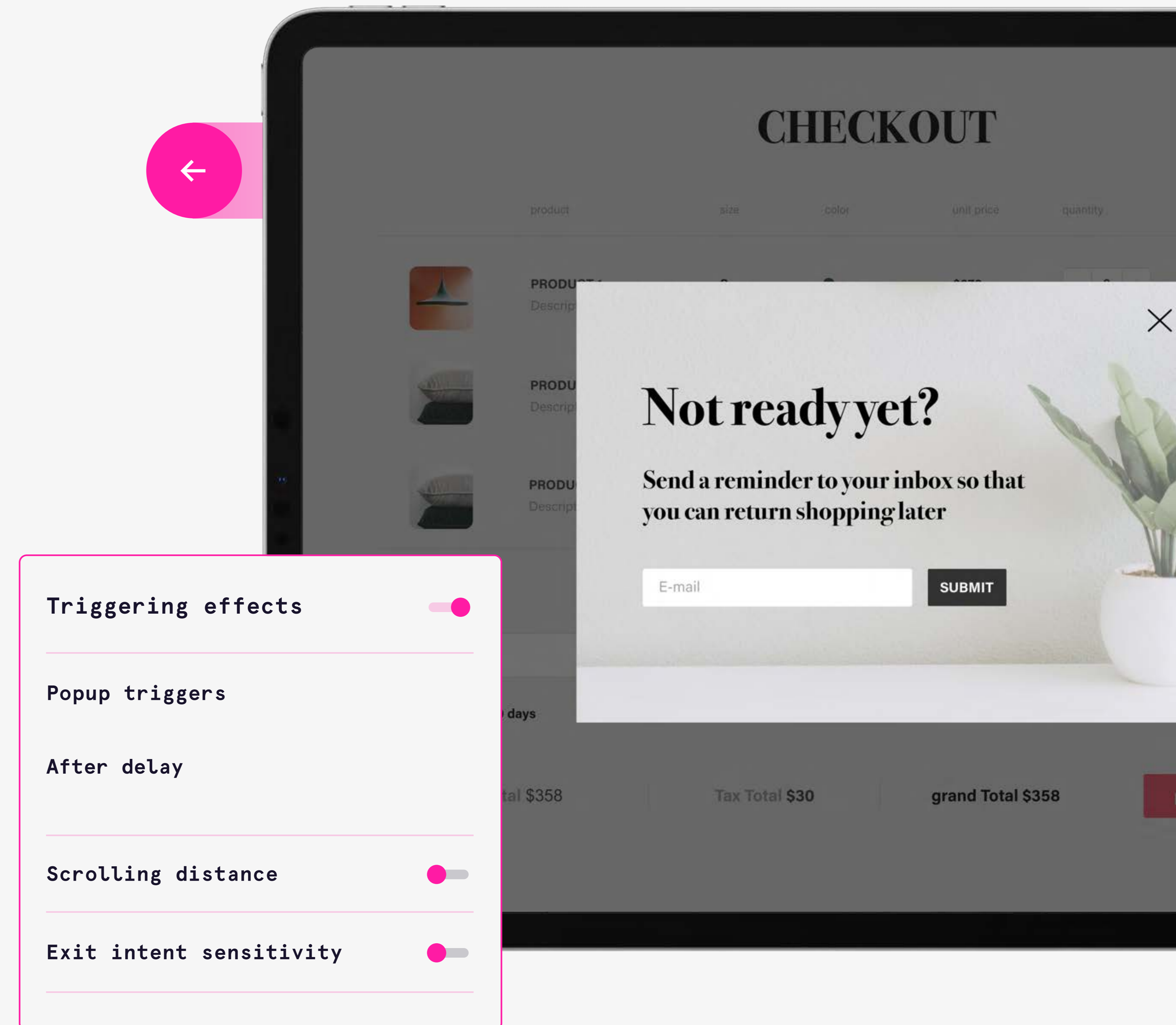
[Read more here.](#)



Onsite pop-ups

Pop-ups are a great way to push shoppers to action and recover any potential abandonment while the iron's hot. You can have pop-ups programmed to trigger based on various behaviors. For example, you can have pop-ups triggered to reduce exit intent, increase email sign-ups, and create a sense of urgency for shoppers. You can even start a pop-up based on a user copying a product name, which indicates they might be price-comparing to another site.

You should ensure your pop-ups reflect the audience segments you've created to maintain that consistency we keep stressing across multiple touchpoints.



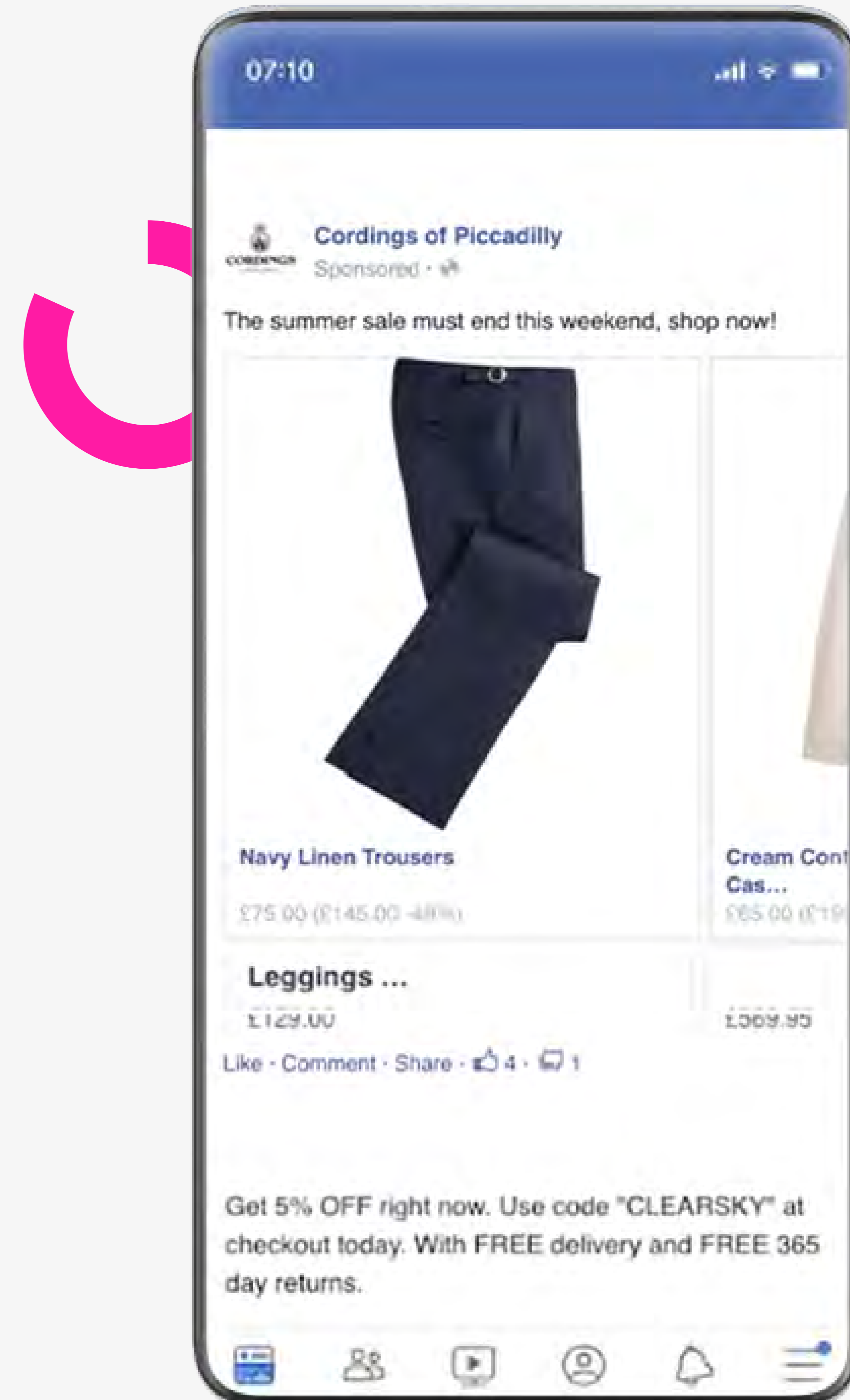
Onsite pop-ups

Example: Cordings

British heritage brand Cordings is well-known for its warm-weather outerwear, most popular during the autumn and winter. However, with lesser-known spring/summer collections available, too, they sought to drive awareness around these products to help increase sales during a typically low period for them.

Cordings decided to retarget cart abandoners via Facebook and Instagram ads. To incentivize those who landed on the site from clicking the ad, Cordings then served them a pop-up with a free shipping code for £7 off. In addition, they showed this pop-up to customers navigating away from the cart page when they had a value of £50+ in their basket (to avoid losing the higher value carts). Not only **did these pop-ups account for 2.5% of the brand's total sales in July**, but they brought an added benefit of gathering 74 new email subscribers for Cordings' list!

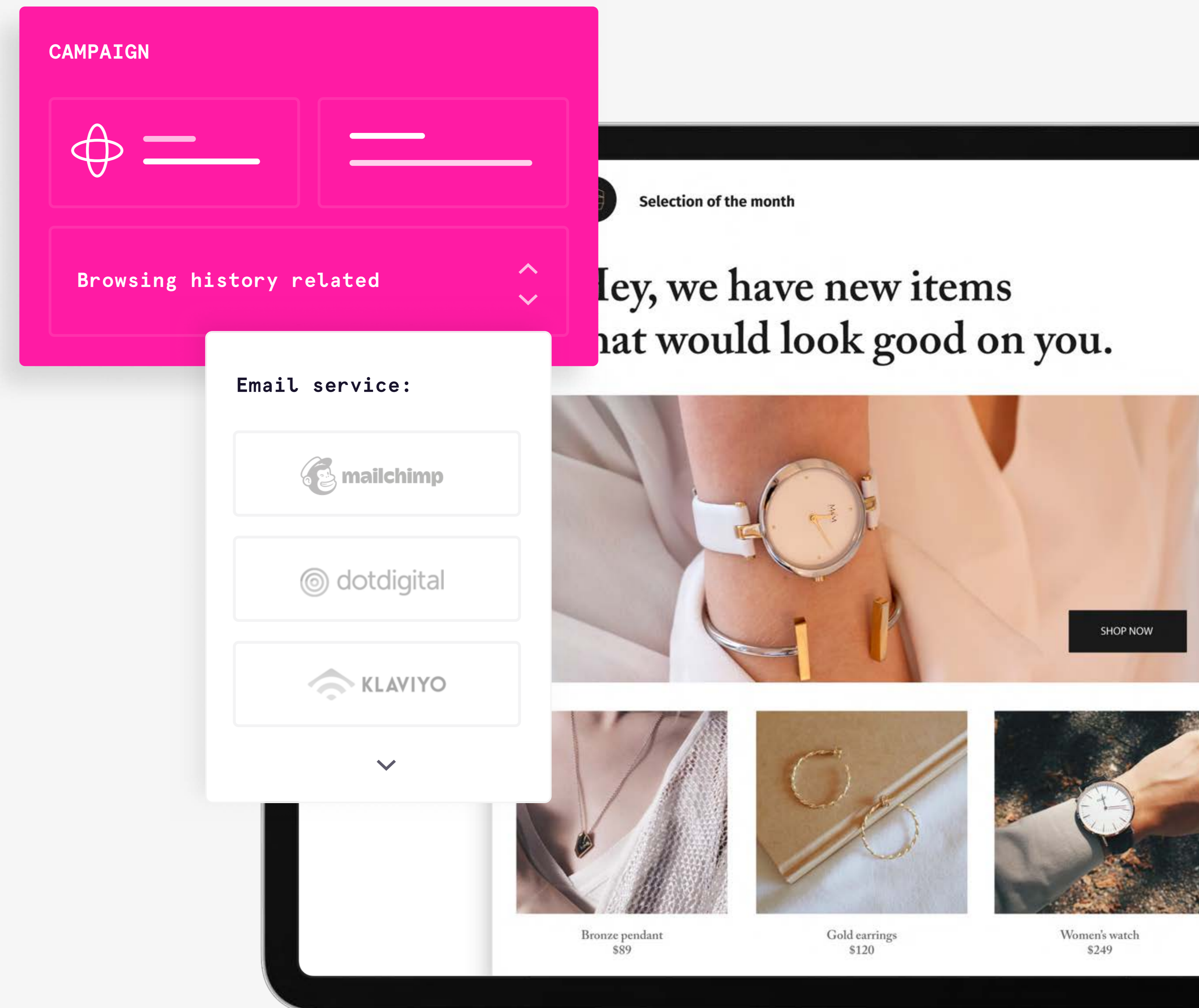
[Read more in the case study.](#)



Email personalization

There are many reasons why brands would want to personalize their email campaigns. After all, this is the primary channel for 1:1 customer communications, so it's essential to make the email experience as tailored to their unique preferences as possible.

Make emails more interesting and, dare we say—juicy—by implementing personalized recommendations based on previous purchases and browsing history. Remind hesitant shoppers of abandoned products, or you can even show them related products they haven't yet browsed on the site to keep the content fresh and exciting. Better still, foster loyalty by including visual UGC of the products purchased or browsed.



Email personalization

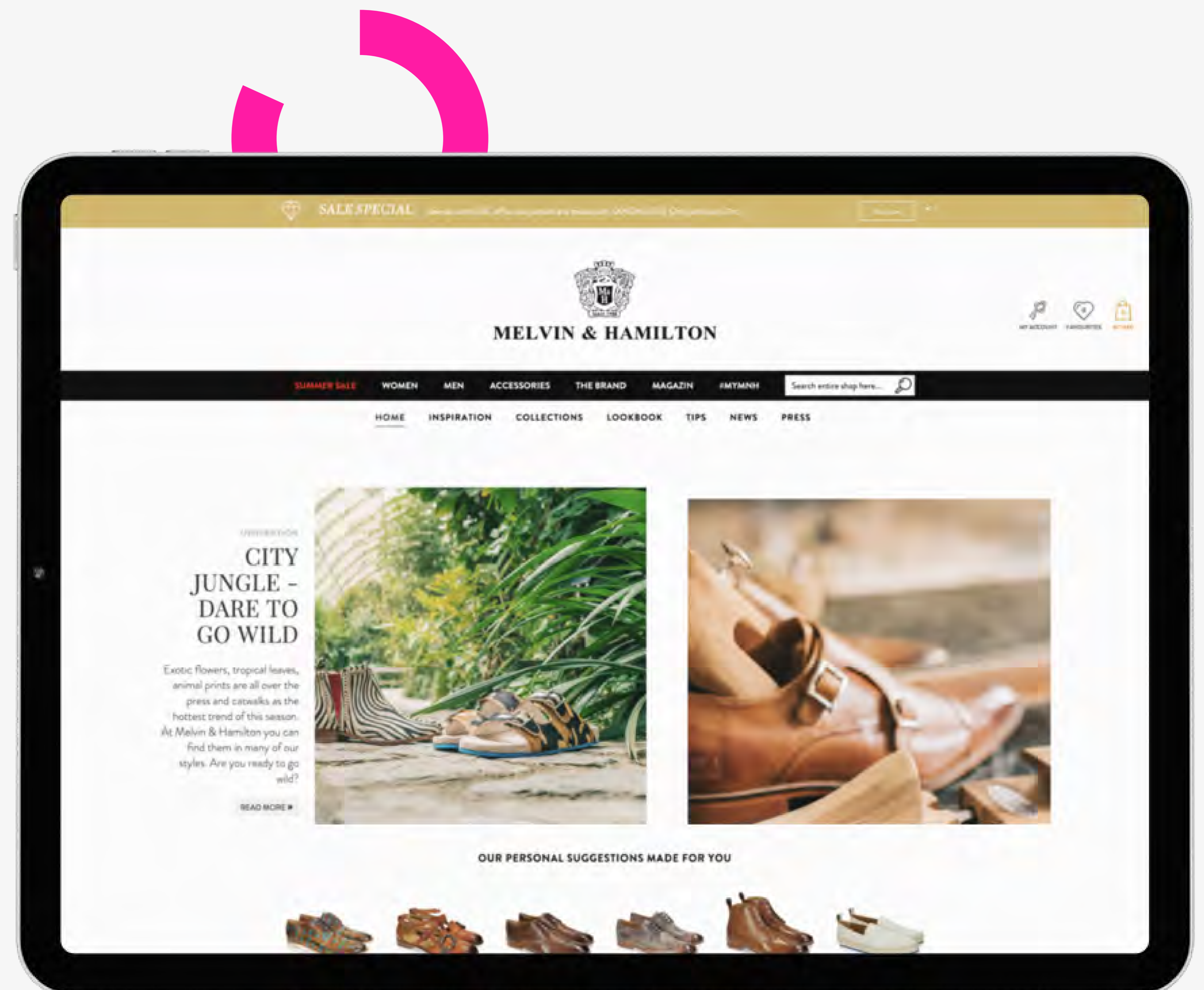
Example: Melvin & Hamilton

German fashion brand Melvin & Hamilton wanted to implement built-in personalized email widgets in its customer newsletter. The email widget would highlight special promotions, best-sellers, new products, and personalized recommendations in each edition. In addition, the widget could dynamically update products—for example, if an item suddenly went out-of-stock, the email widget would automatically substitute that recommendation with an in-stock product, even if they open the email, say, six months later.

Additionally, the email widget could show personalized product recommendations based on a shopper's browsing history—displaying recently viewed products and more.

In six months, the email newsletters achieved an **open rate of up to 57%** and a **click-through rate (CTR) of up to 37%**.

[Read the case study.](#)

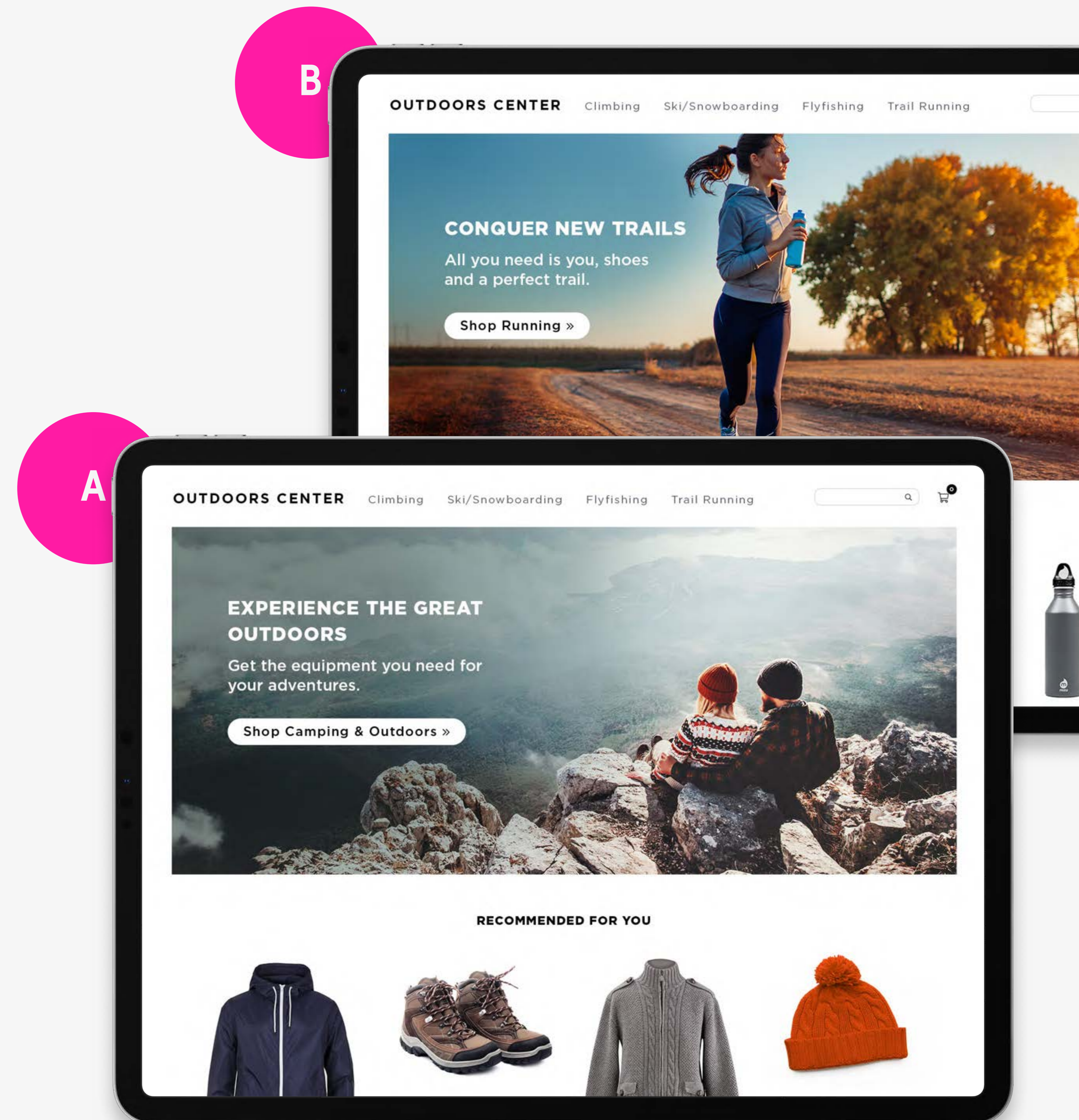


A/B testing and optimization

To truly know whether your online commerce strategy is working and you can further improve it, the best approach is to continually A/B test and optimize all your campaigns across product recommendations, content, and category merchandising.

A robust A/B testing program allows you to test campaign variations (or specific elements within a single one) with chosen audiences. Doing so removes the guesswork, helps you discover what's most impactful, and enables you to pursue precisely that—maximizing returns.

Almost anything can be tested, from homepage banners to product recommendation bundles to calls-to-action and so much more. A/B testing and continuous optimization is a crucial avenue through which to create superior commerce experiences for your customers.



A/B testing and optimization

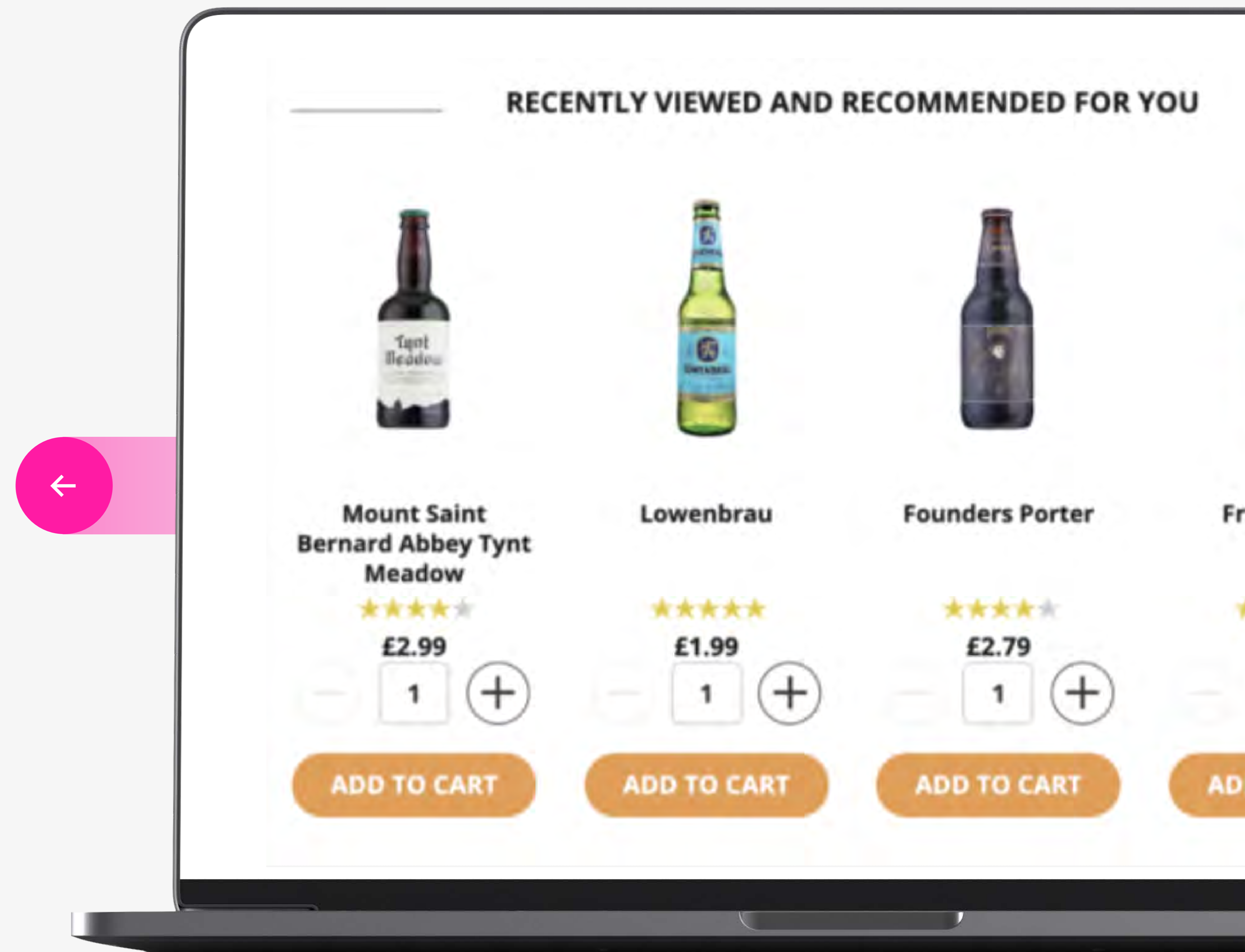
Example: BeerHawk

Beer Hawk is a drinks distributor in the UK offering a curated range of craft and specialty beers from around the world. As its product range is so large, it made sense for the brand to implement a personalized A/B testing strategy for its onsite product recommendations. Of course, the team at Beer Hawk also wanted to know how much a personalized strategy could affect the bottom line.

Beer Hawk quickly began building out A/B tests to see how variations of personalized product recommendations affected conversion rates. They decided to measure how cart page recommendations tied to customer behavior (such as beer type preference) performed compared to more general cart page recommendations (such as similar products or affordable add-ons).

After testing, Beer Hawk discovered that not only do the more personalized recommendations increase conversion rates for **both first-time customers (+14%) and repeat loyal customers (+35%)**, but they also increase average order value within both segments.

[Read the case study.](#)



Commerce Experience Platform checklist

Here's a short checklist to keep in mind as you start to plan and implement your campaigns:

- Advanced AI and machine learning to optimize performance
- Comprehensive analytics (transactional + behavioral) to measure
- Best-in-breed tech integrations and partners
- Performance reliability: up-time, etc.
- Support from world-class experts in your region—notably customer success, and tech
- User-friendly interface
- Guaranteed actionability
- Easy to use
- Omnichannel capabilities
- Speedy go-to-market plugins for ecommerce platforms
- Holistic platform: Personalization + UGC



Conclusion

So, you've heard the challenges to consider, the key elements of a good commerce experience, and the steps for creating and delivering superior commerce experiences. Plus, you now have your checklist to keep you in lane. It's time to get implementing!

There is a solution that combines the value of behavioral data, AI-powered personalization, testing, and optimization, and that's Nosto. We enable brands to make every impression count by delivering carefully merchandised and meaningfully personalized shopping experiences at every touchpoint across every device.

As an AI-powered Commerce Experience Platform designed for ease of use, Nosto empowers retailers to build, launch, and optimize 1:1 omnichannel commerce experiences without the need for dedicated developer resources or a lengthy implementation process. As a result, leading commerce brands in over 100 countries use Nosto to grow their business and delight their customers.

Proven outcomes with using Nosto:

- Increased conversion rate
- Higher average order value
- Higher average visit value (AVV)
- Better customer retention and loyalty
- Sales and revenue uplift
- Great ROI 😊

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