

REPORT

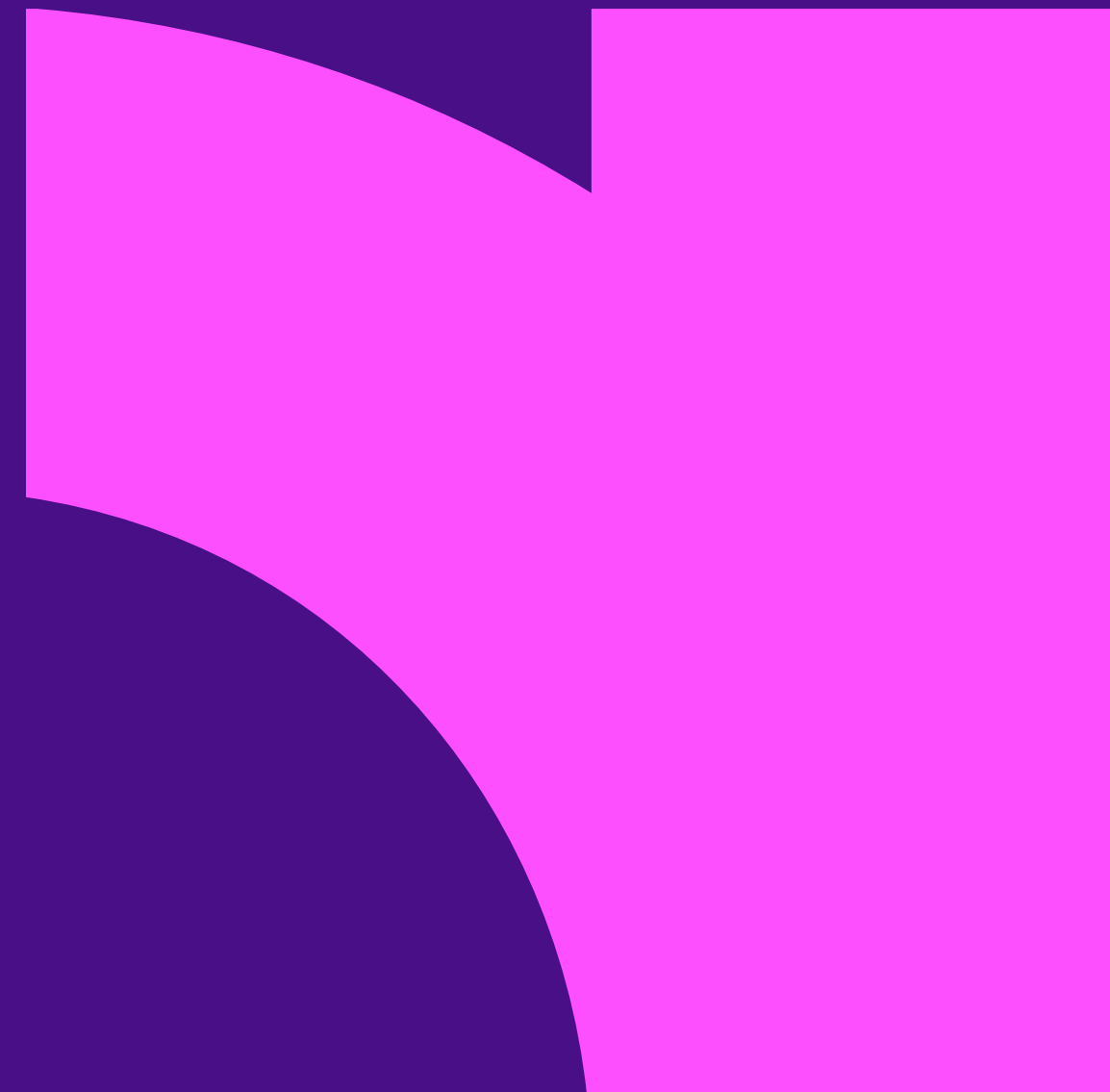
The State Of Commerce Experience 2021

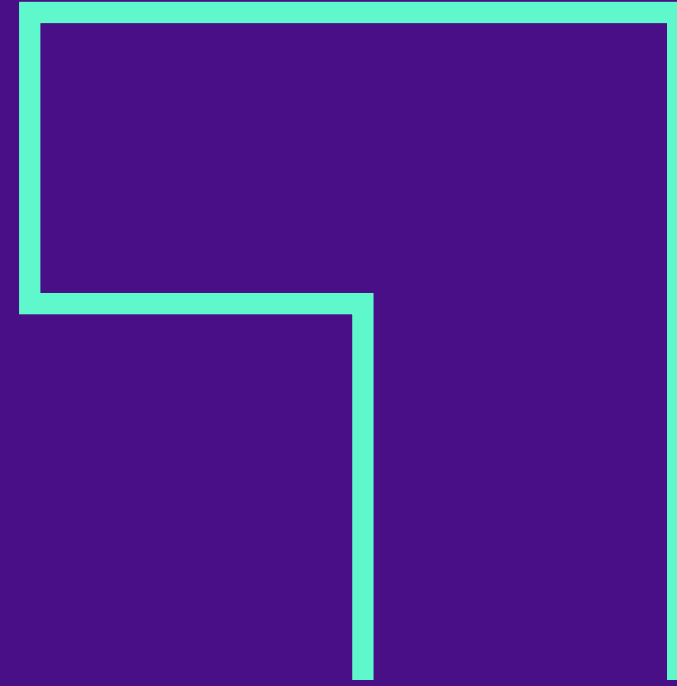
A Turning Point In E-Commerce History



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Executive Summary: A Make-or-Break Moment



Executive Summary: A Make-or-Break Moment

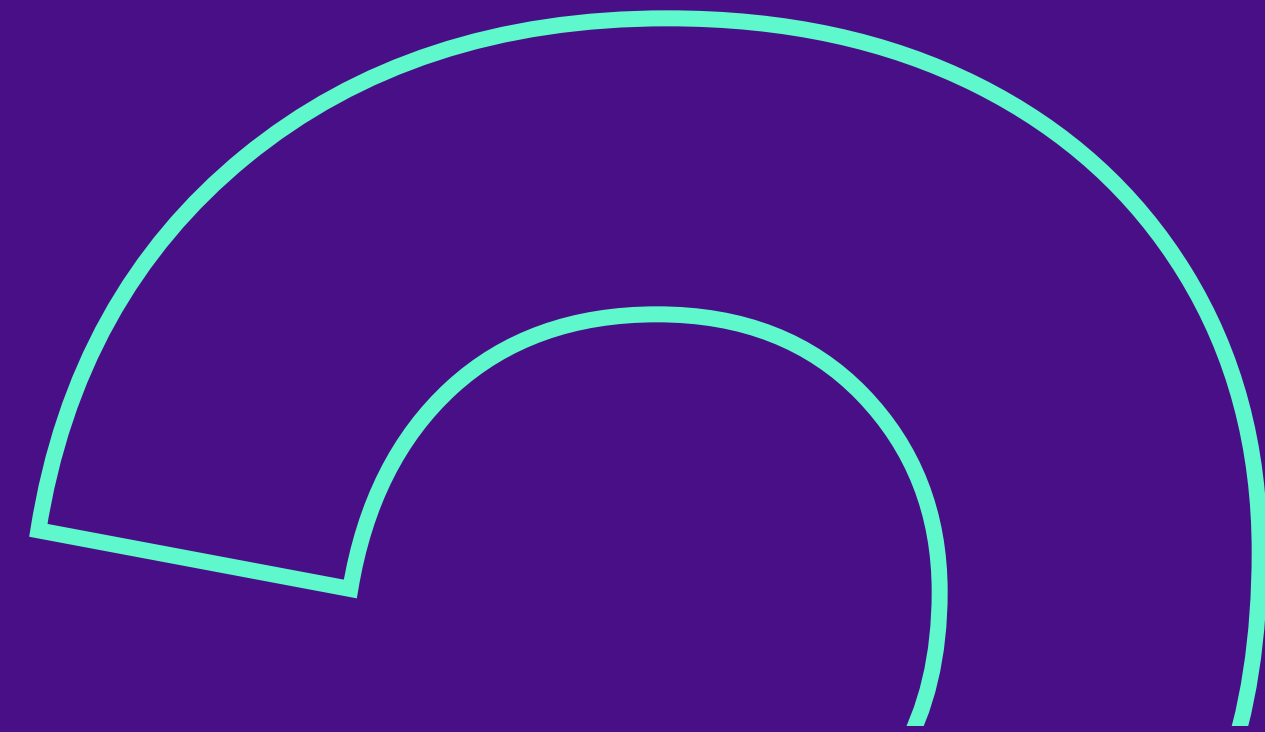
COVID-19 incited a major turning point in e-commerce history. With brick-and-mortar shops closed for much of 2020, B2C consumers and B2B customers relied on digital channels to make purchases. This shift certainly amplified online behaviors, but more importantly, it created new ones, as many buyers shopped online for products they'd never bought online before.

For firms, this has been a make-it-or-break-it moment. Ramping up a digital commerce strategy has ensured business survival, continuity, and even growth. But what exactly does a successful strategy look like?

In this commissioned study of 156 US, UK, and German e-commerce decision makers conducted by Forrester Consulting, it was found that **branded direct websites** have been absolutely crucial to firms' growth in the last 12 months. However, in surveying 625 US, UK, and German consumers and B2B customers who make online purchases, it was found that three-quarters or more face challenges across the buyer journey online. This is because firms don't meet buyers' basic requirements and lack rudimentary digital commerce capabilities.

How can firms capitalize on the market share they've captured during COVID? In this report, we take a look at how most are actively investing in e-commerce channels and technology with a primary focus on improving their direct website.

This is not a moment to let pass you by. A whopping **83%** of decision makers reported double-digit growth in digital revenue in 2020. In 2019, before COVID, only 9% experienced such growth.



Our Online Lives



Our Online Lives

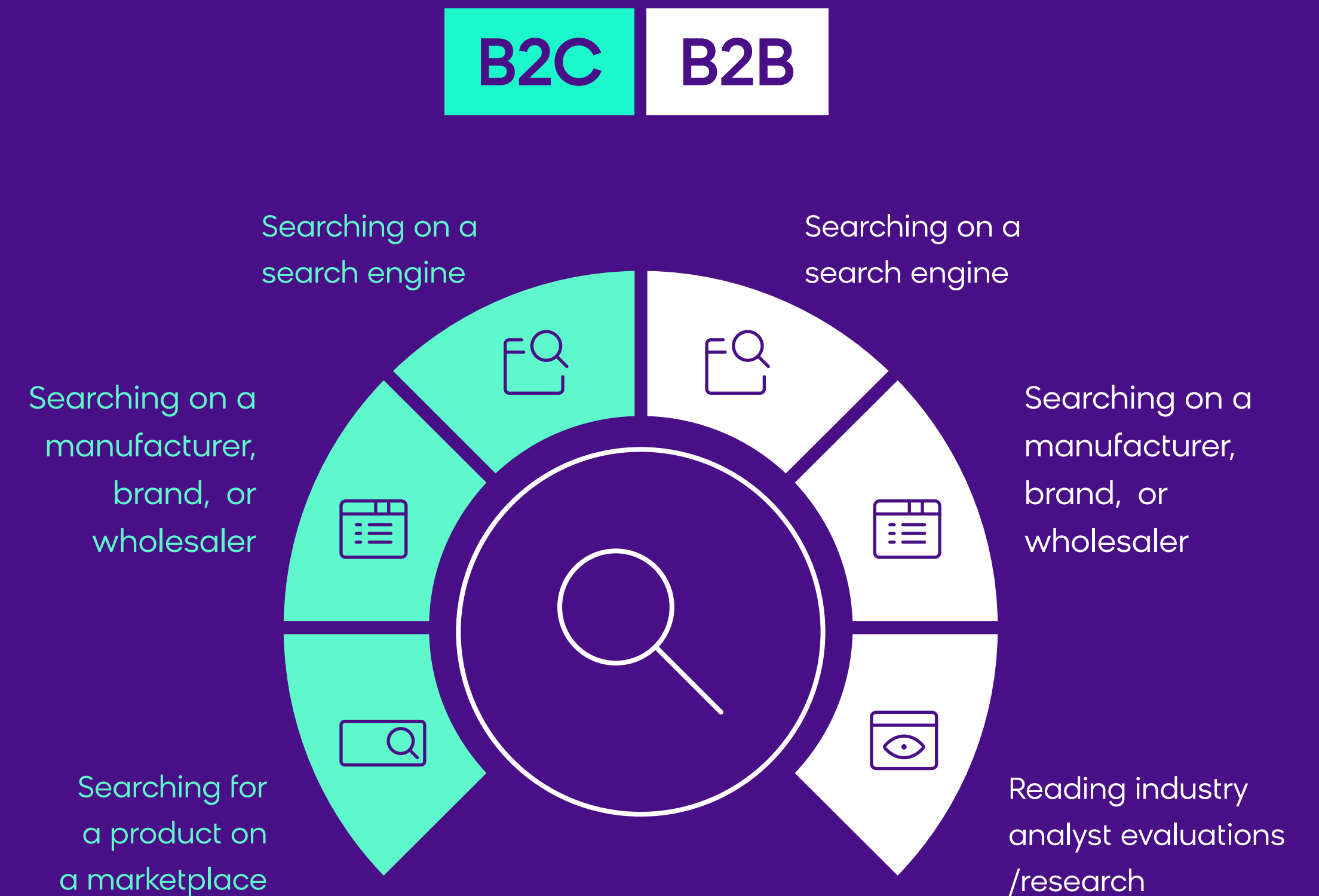
The switch to digital life has been moving at a fairly quick pace, particularly in recent years, but the forced migration to digital technologies driven by the pandemic has accelerated adoption by record leaps and bounds.

Prior to the pandemic, it was common for consumers to do online research about purchases they planned to make — even when the intent was to make the purchase in-store. Since COVID-19, these behaviors have amplified, and now include products consumers have never purchased online before in both the B2C and B2B spaces.

Our study found that direct website is the fastest growing channel, makes the biggest contribution to annual revenue (26.5% this year vs. 17.9% last year), and is the most important channel in driving online customer engagement and sales.

Buyers Live Online

Buyers search online for inspiration and place high importance on these activities for finding the products or services they plan to purchase:

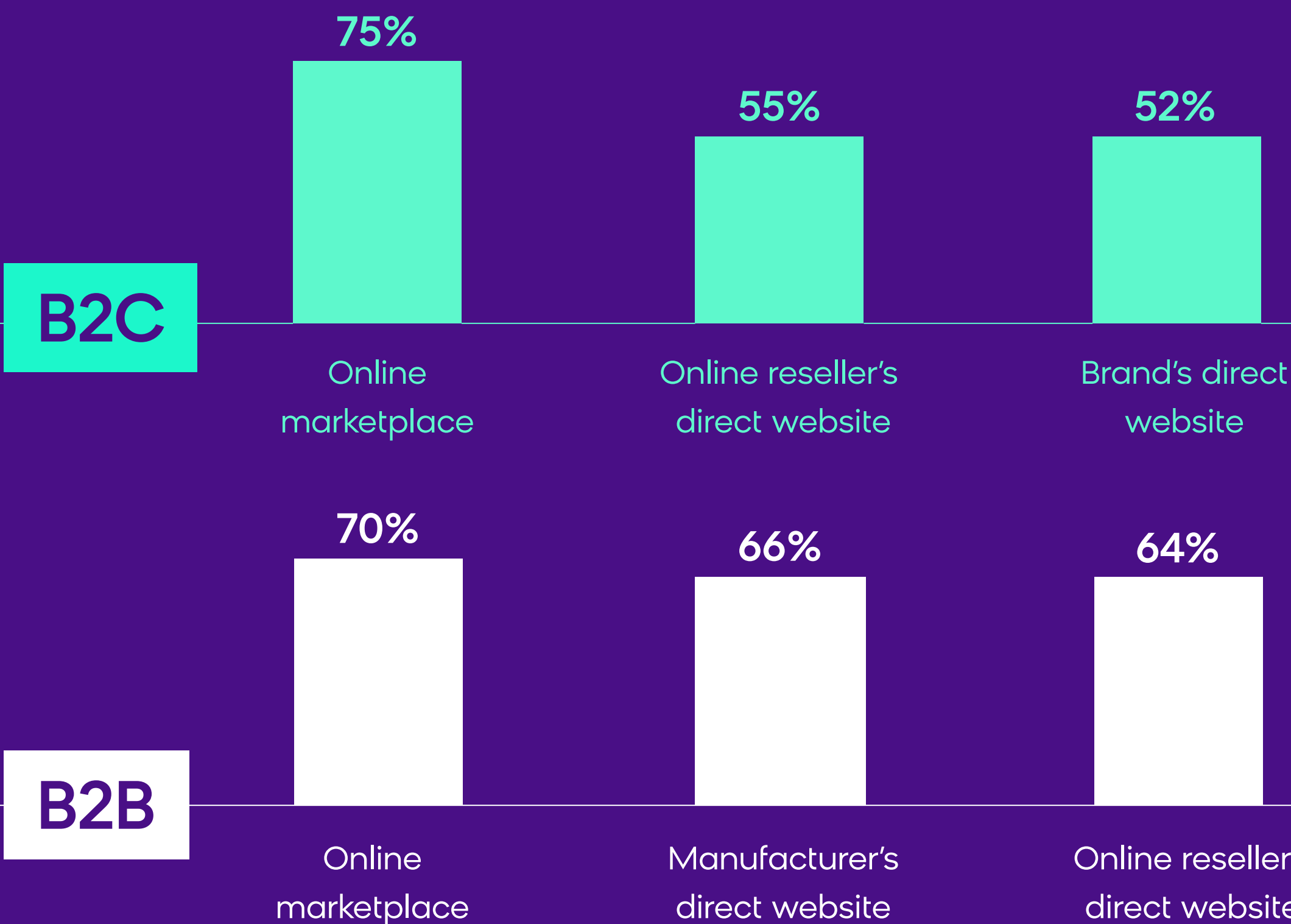


Base: 625 US, UK, and German consumers and B2B customers who make online purchases
Source: A commissioned study conducted by Forrester Consulting on behalf of Bloomreach, February 2021

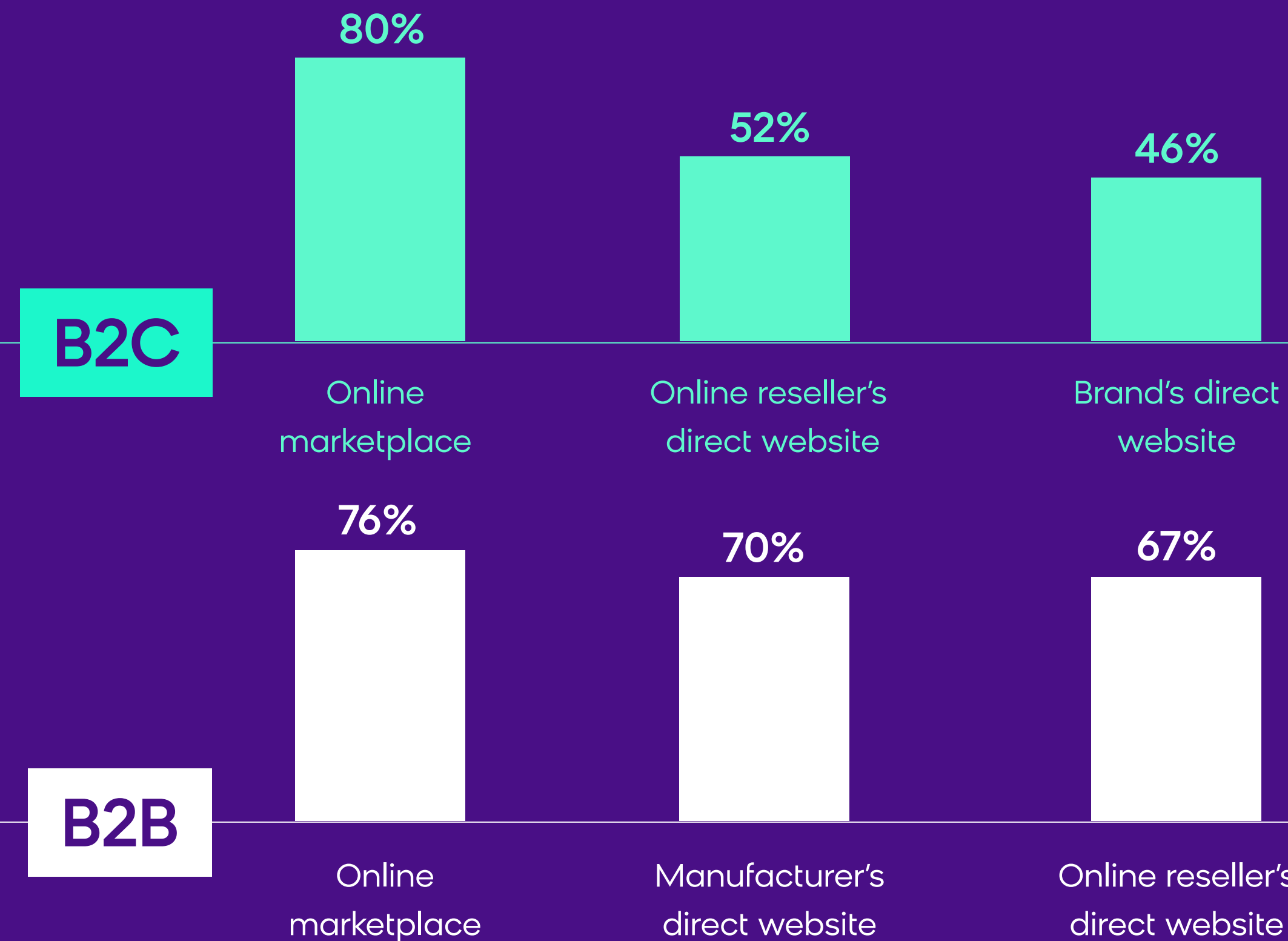
Buyers Prefer To Research And Purchase Online



They prefer to research in online channels often or always:



They purchase from the same channels daily, weekly, or monthly:

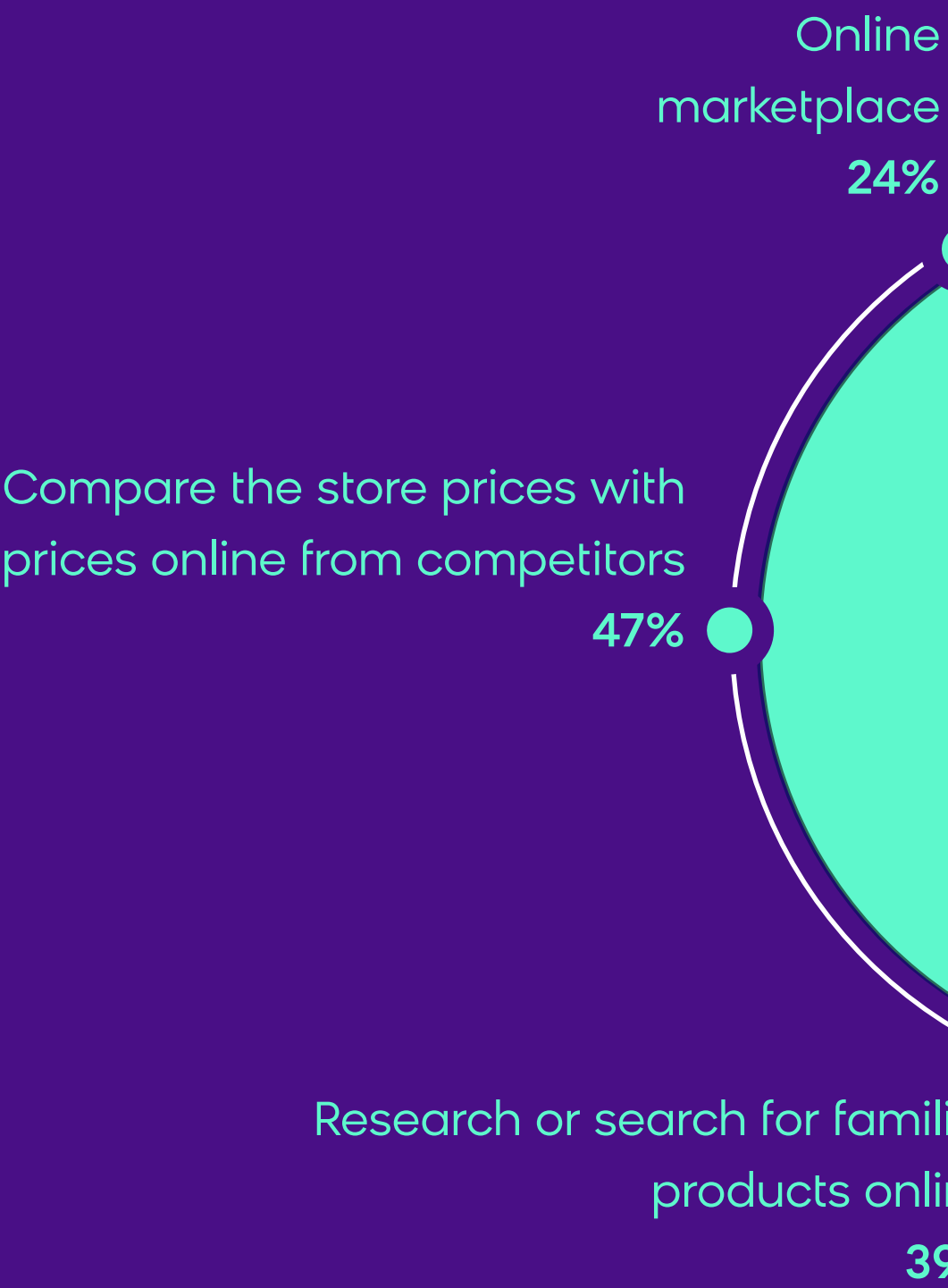


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Online Activity Influences In-Store Expectations

44% of B2C buyers and 58% of B2B buyers say they always or often research a product online before going to a physical store. Even when in-store, they will still go online to:

B2C Consumers



B2B Consumers

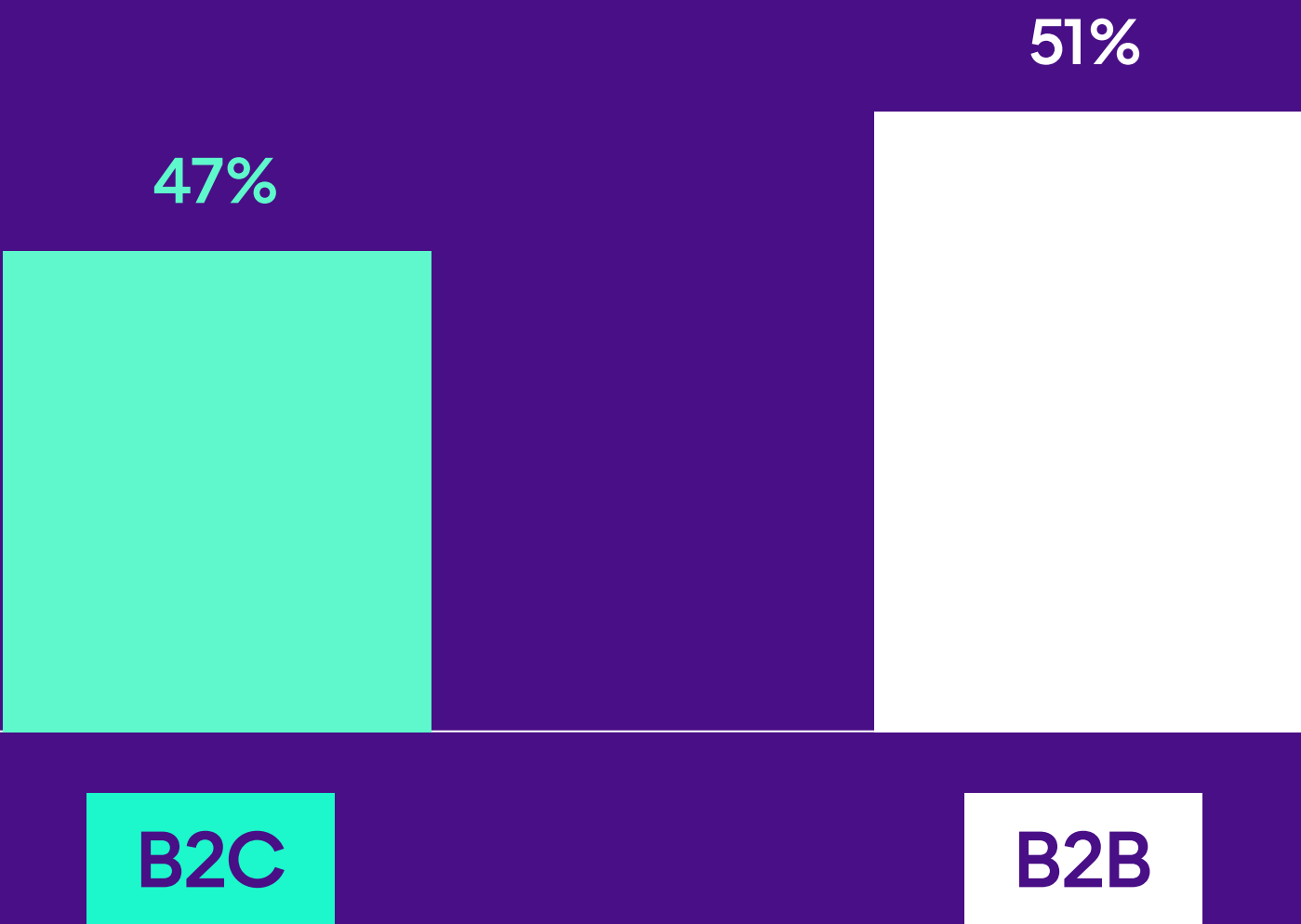


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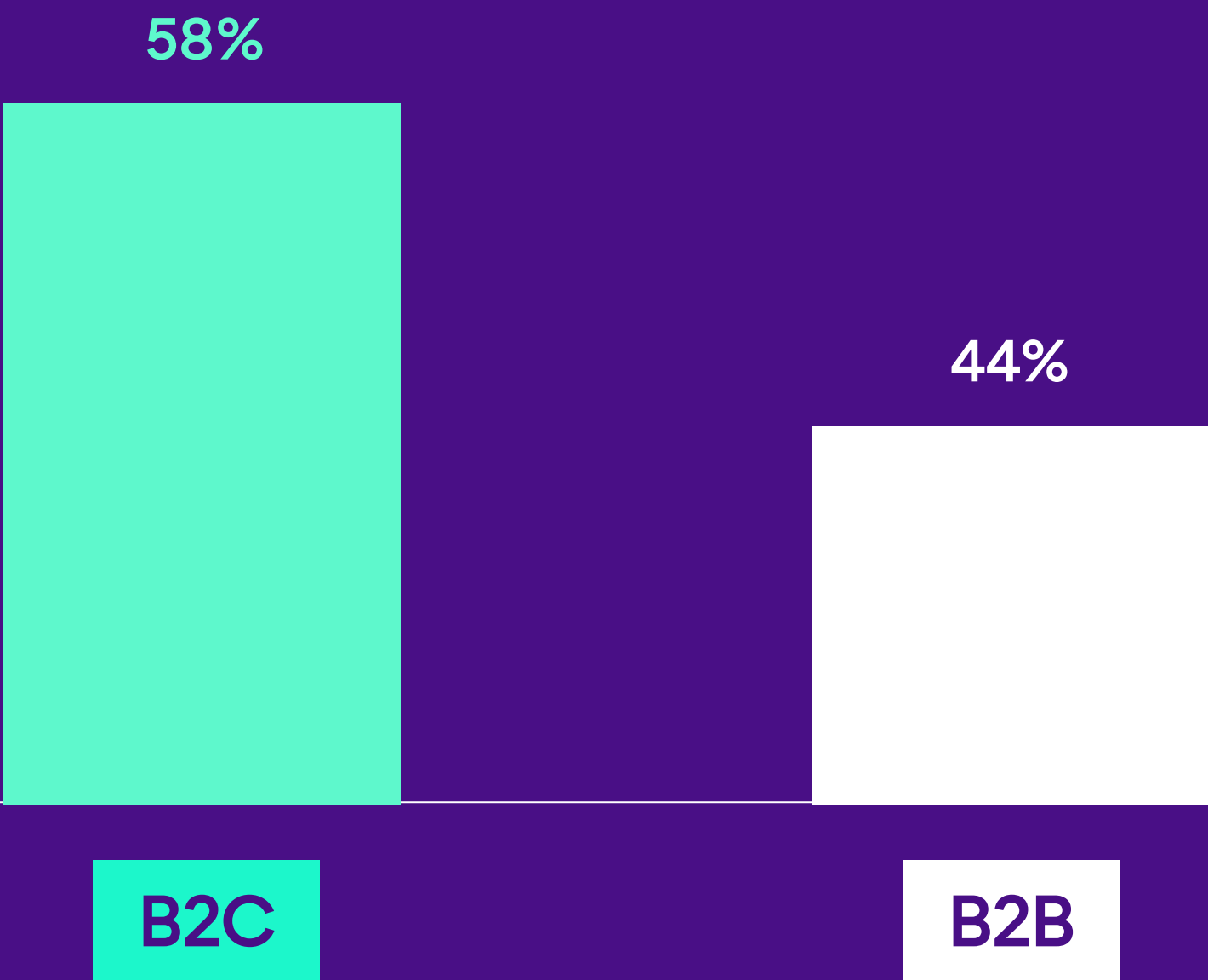
COVID - 19 Has Amplified Online Behaviors And Created New Ones



93% of buyers say COVID has changed their behavior toward shopping. They're primarily buying online as much as possible.



At the beginning of the pandemic in 2020, buyers shopped online for products they've never bought online before.

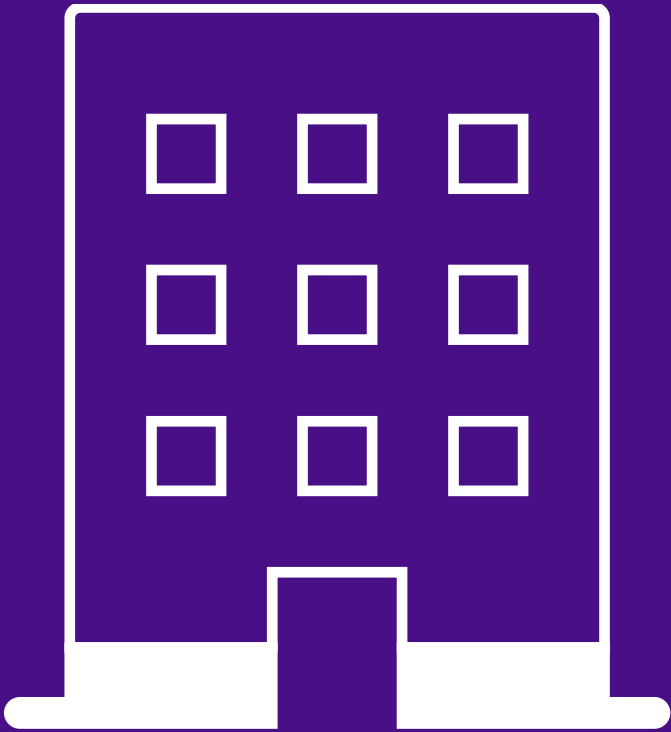


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Digital Commerce Has Become Increasingly Important To Firms' Success

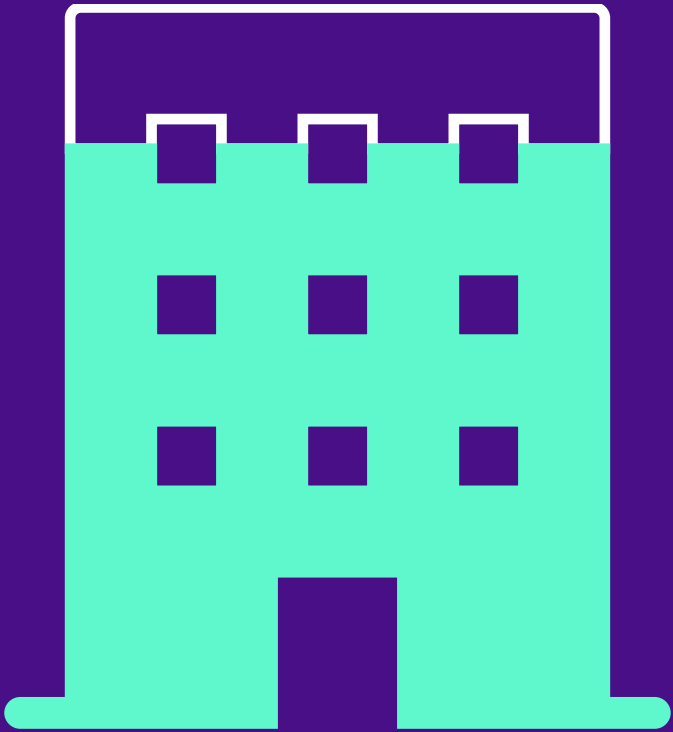
77% of e-commerce decision-makers agree that digital commerce is/will become the most important sales channel within one to three

This has become evident in the last 12 months:



9%

Firms that experienced double-digit growth in digital revenue in 2019

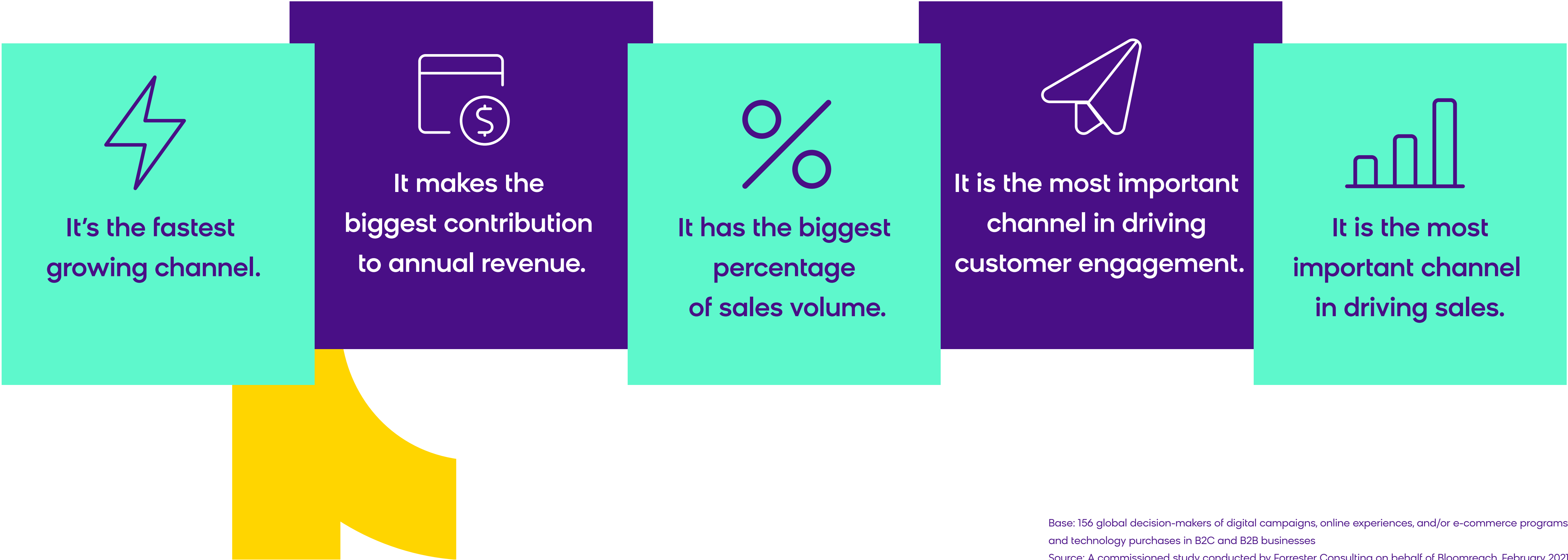


83%

Firms that experienced double-digit growth in digital revenue in 2020

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Direct Website Is Playing A Key Role In The Buyer Journey And Firms' Growth



Base: 156 global decision-makers of digital campaigns, online experiences, and/or e-commerce programs and technology purchases in B2C and B2B businesses
Source: A commissioned study conducted by Forrester Consulting on behalf of Bloomreach, February 2021

Direct Website Has Become Even More Important Than Last Year



It's growing faster.

62% say it's their fastest growing channel this year vs. 34% last year.



It's contributing more revenue.

It's contributing even more revenue: 26.5% this year vs. 17.9% last year.



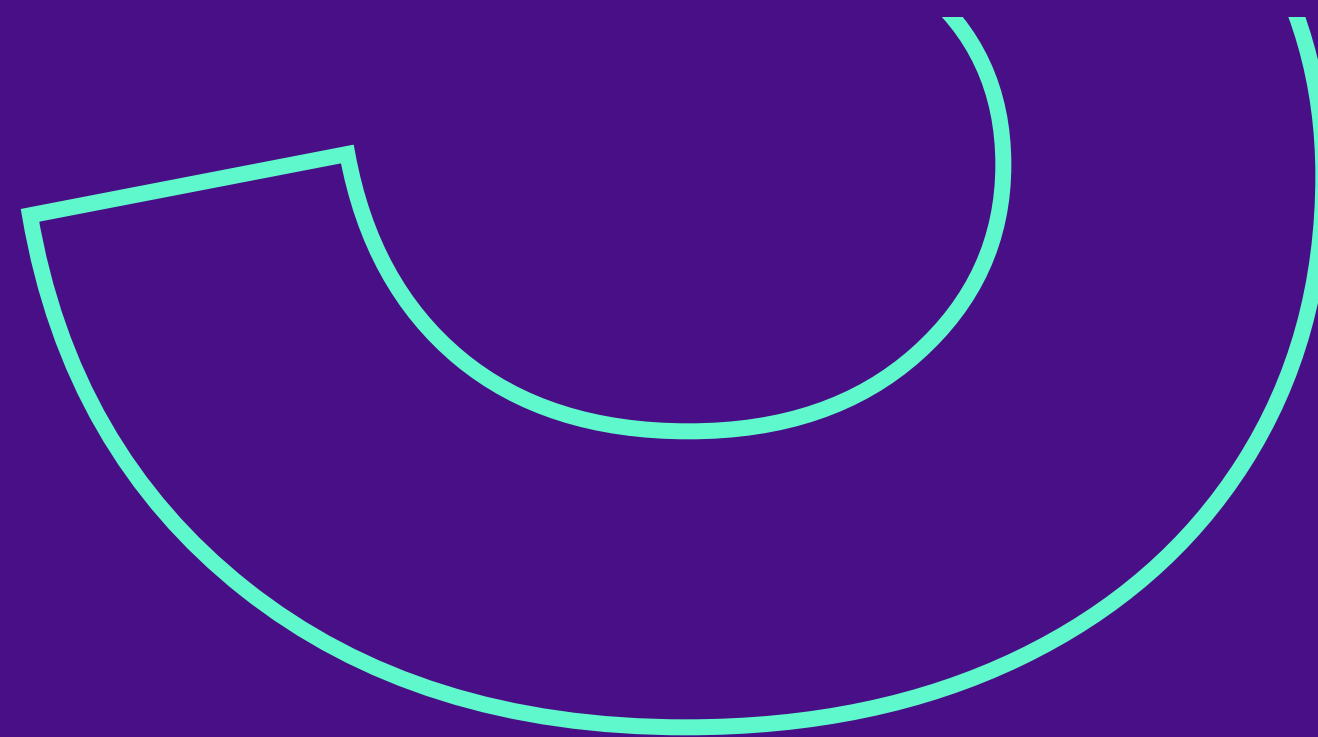
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The Most Commonly Missed Opportunity



The Most Commonly Missed Opportunity

Digital growth and a clear leading channel presents a considerable opportunity for businesses to provide consumers with the experiences they need to become loyal customers, but firms don't seem to be rising to the challenge. In fact, only about a third of shoppers are completely satisfied with their research experience or purchase experience on direct websites. Their most commonly reported challenges include everything from higher than expected product prices to the inability to find the products they were searching for.

Customers today need more than just great reviews on third party sites or interesting social media accounts to convince them to click on to a direct site and make a purchase. Once they get there, they need easy navigation, relevant search, and the ability to refine their choices. And delivering these capabilities requires the right technology.

This brings us to the professionals responsible for identifying and implementing the required technology. When we pull back the curtain, we unfortunately find that the outlook from this vantage point is fairly negative: 92% of decision-makers expect hurdles in achieving their commerce priorities. 92% also experience challenges with their commerce tech stack. **Let's take a look at some of the details.**

Buyers Have Disappointing Experiences

76%

experienced challenges in a recent shopping experience with ...

Only about a **third** are completely satisfied with their **research** experience or **purchase** experience on direct websites.



Higher than expected product prices



Difficulty finding answers to questions



Inability to find products they were looking for

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Basic Commerce Capabilities Encourage Buyers To Make A Purchase

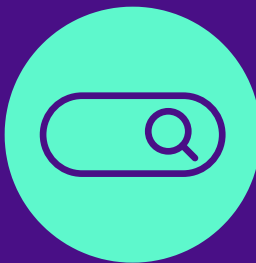
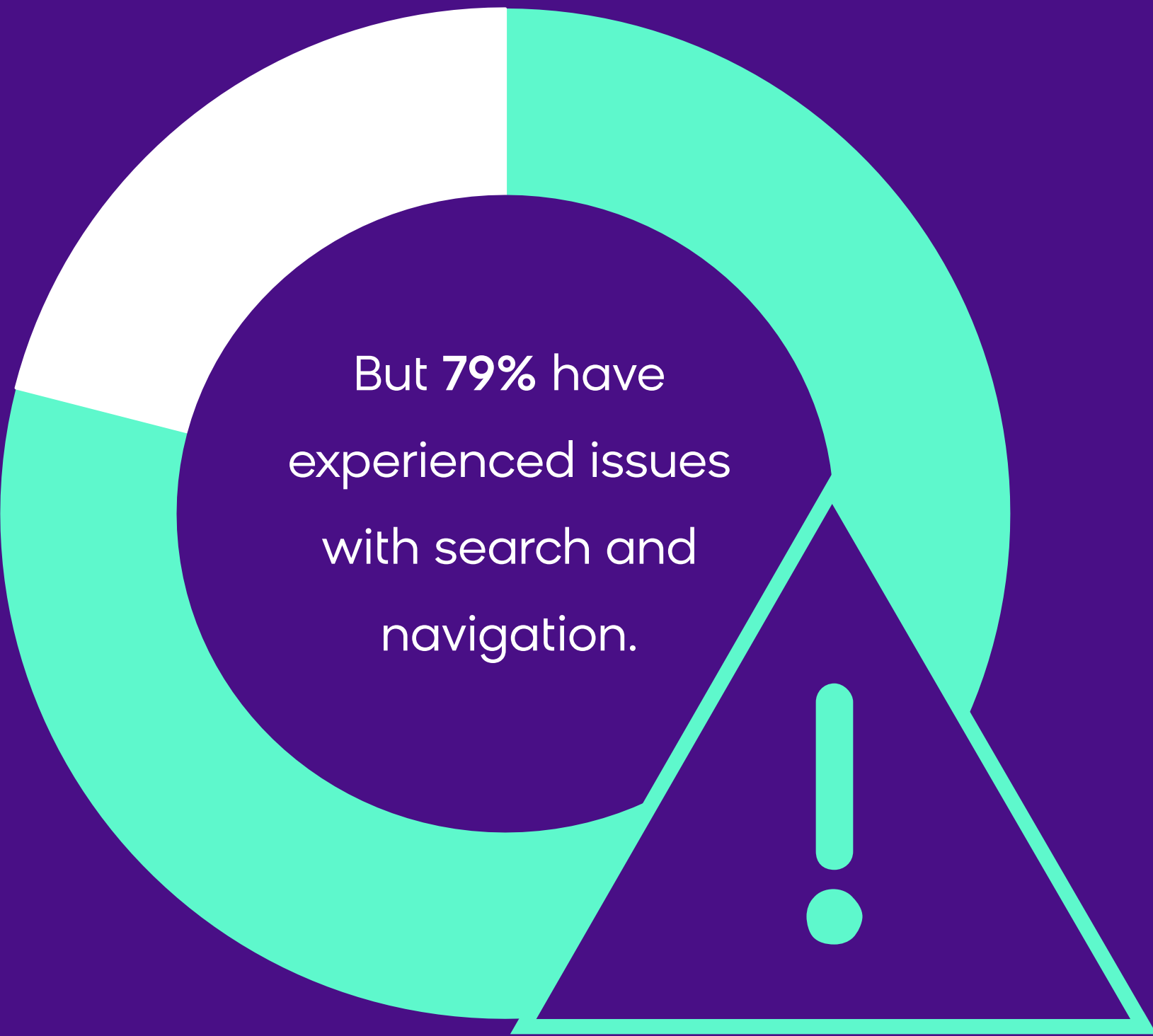


... are in the top 5 factors that lead buyers to make a purchase decision.

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Yet Firms Don't Meet Buyers' Basic Requirements: They Miss The Mark On Search And Navigation

Buyers want **easy navigation**, **relevant search**, and the **ability to refine**.



Half of firms don't provide visual search.*



2 out of 3 don't provide autofill search.*



And even though most think they provide easy navigation and search, buyers list them as their top issues.

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Firms Miss The Mark On Product Information



Buyers want **product images, clear pricing, detailed product info, and product availability.**



However, **75%** faced challenges with product information and features.



This is because only about **a third** of firms offer detailed product information today, a basic capability.*

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Firms Miss The Mark On Supporting Tools



Most buyers value **ratings and reviews** for supporting tools.



Yet **77%** faced challenges with finding supporting content.



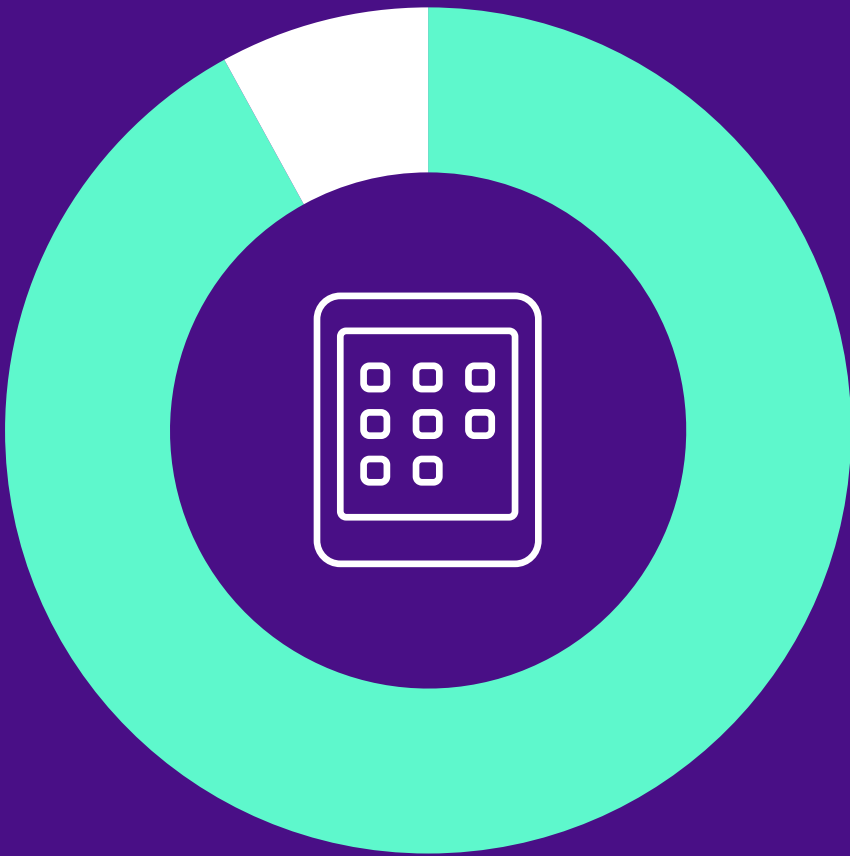
Half or more firms don't provide supporting tools like comparison tools and how-to's.*

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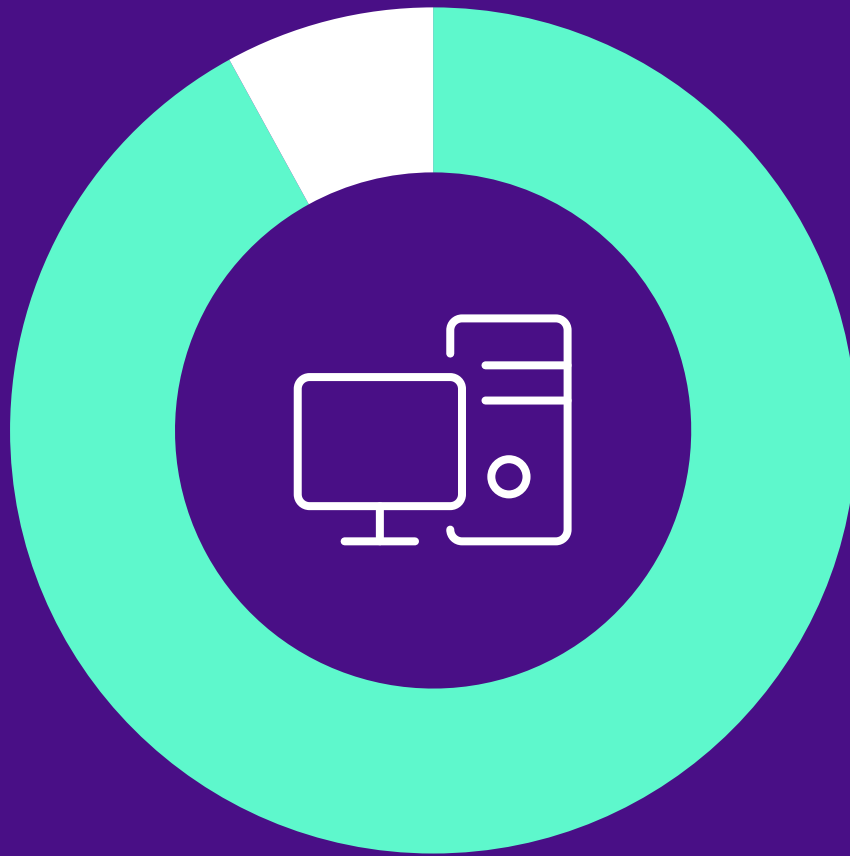
Firms' Tech Issues Prevent Their Success

92% of decision-makers expect hurdles in achieving their commerce priorities.



Lack of required tech surfaces in the top 3 issues.

92% also experience challenges with their commerce tech stack.



Outdated tech, siloed data, costs, and lack of customization are the top 4 challenges firms face.

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Technology Is The Biggest Hurdle Across The E-Commerce Journey.

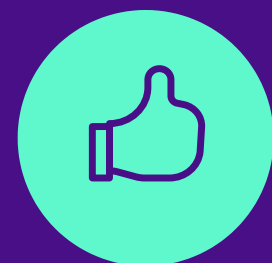
It prevents firms from:



Providing good search capabilities



Retuning helpful product/pricing info



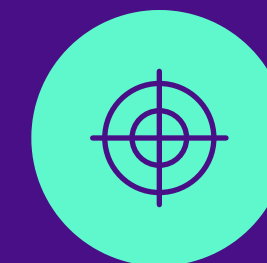
Providing helpful content



Providing a consistent experience across touchpoints



Testing changes to the website quickly and efficiently



Identifying key customer segments that require different experiences

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Tech Issues Have Implications On The Bottom Line

79%

of buyers would change suppliers/retailers
if they had a poor experience

79%

of buyers are likely to tell others through
word-of-mouth

52%

of buyers are unlikely to purchase from the
same firm again if they have a bad experience

53%

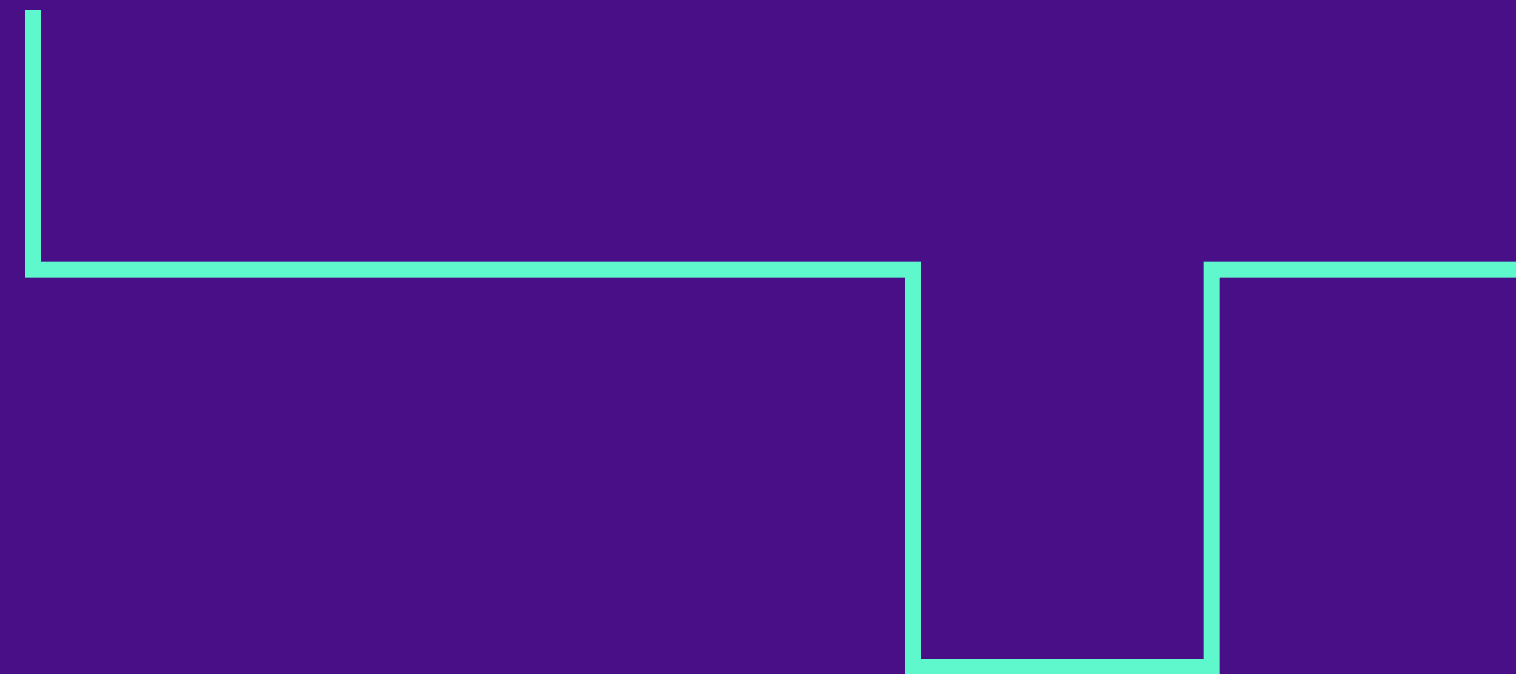
of buyers are likely to tell others through online
ratings and reviews

And they are likely to tell others about it

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Making the Commitment to Digital





Making the Commitment to Digital

A tough time with technology thankfully hasn't deterred commerce professionals. CX is at the top of firms' list of priorities going forward. Most firms are expanding or planning to invest across digital commerce technologies and channels (with direct website receiving the largest increase), and they believe that **marketing automation, CDP, CMS, and personalization** are the capabilities that will deliver on their desired business outcomes.

Firms' Priorities Focus On Digital Experiences



Their commerce priorities mirror company-wide priorities, with a strong focus on **improving digital experience and tools** for their top 5 priorities



Given buyers' online behaviors and the challenges they face, it's unsurprising that **CX is at the top of firms' list of priorities**

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Firms Are Actively Investing In E-Commerce Channels

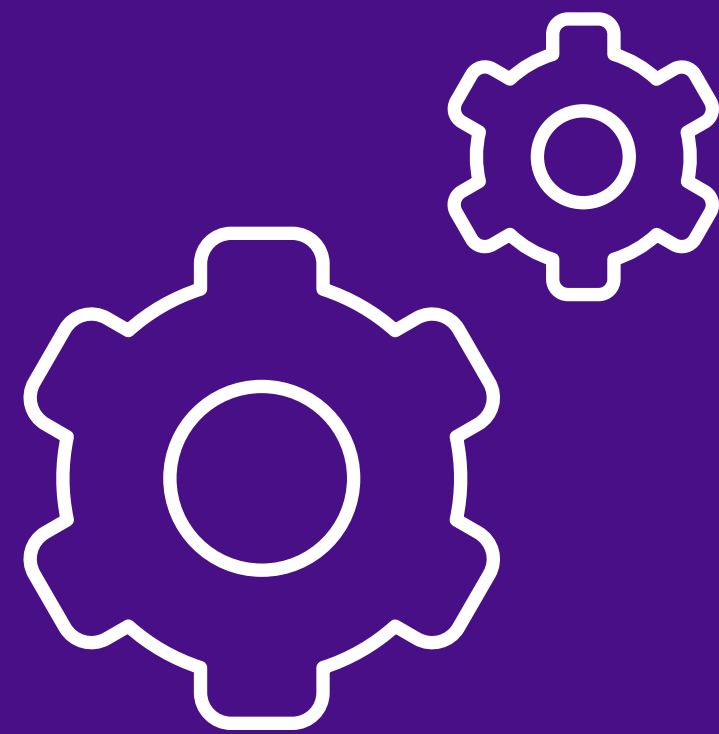
Their top 3 budget increases are all online ...

And these increases are higher than last year's.

... with the biggest increase in direct website.

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Firms Are Actively Investing In E-Commerce Technology



Most firms are **expanding or planning to invest** across digitalcommerce technologies and channels.



And they believe that **marketing automation, CDP, CMS,** and **personalization** are the most important capabilities to deliver on their desired business outcomes.

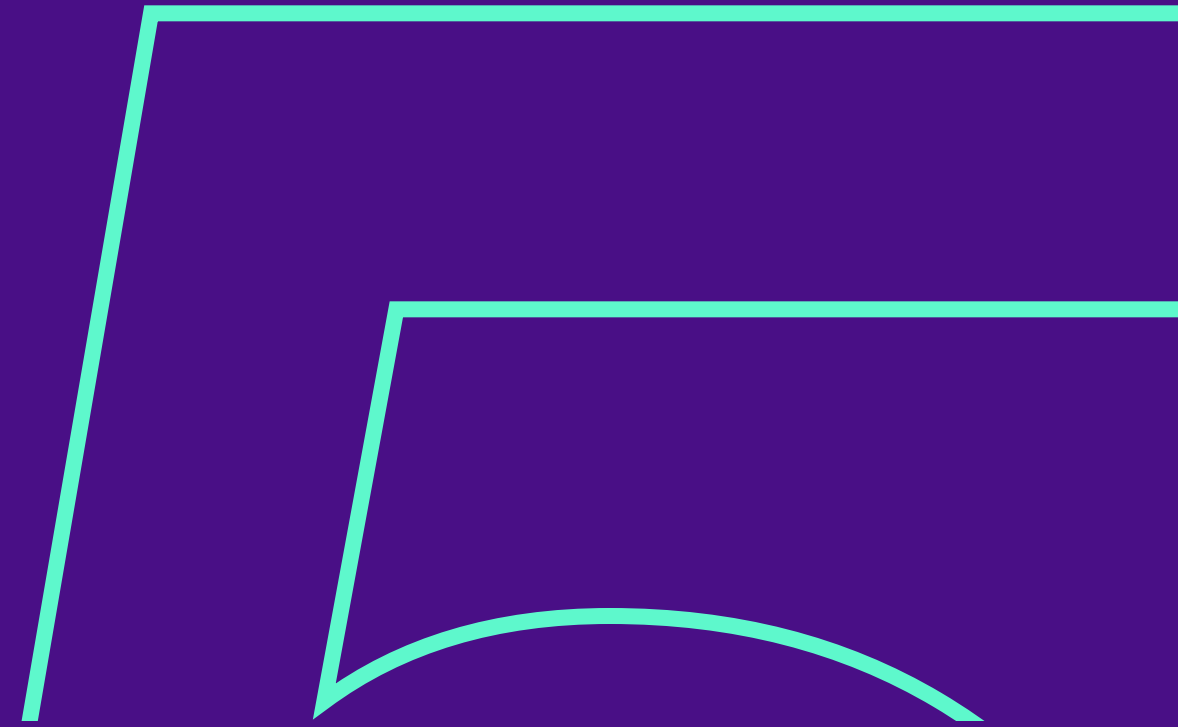
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Those Who Invest Stand To Benefit

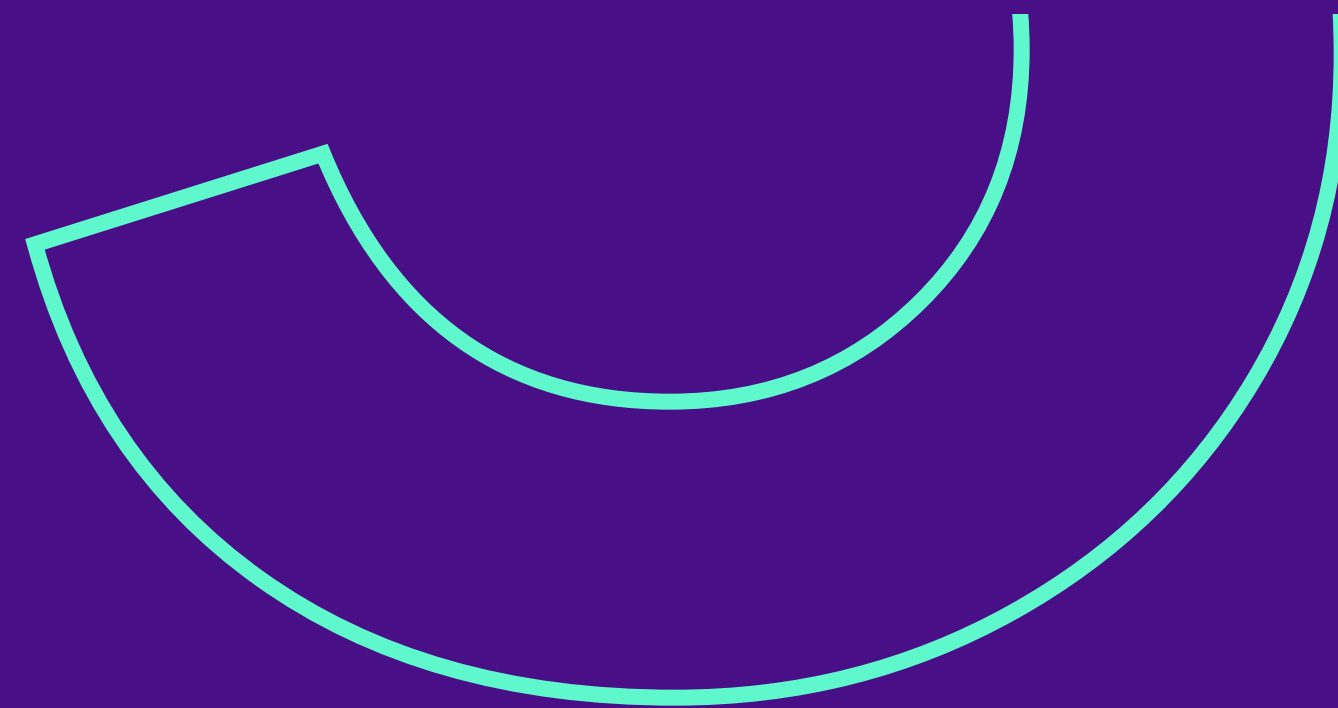
As a result of their investments, decision-makers expect ...



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Recommended Next Steps



Recommended Next Steps



Fix the basics

Commerce should start by fixing the basics. Conduct an audit of features and functionality that customers expect, and ensure that the features most used by your customers are in place. Design thinking workshops or website reviews are the second step to ensuring that those features are well-executed and not leaving money on the metaphorical table.



Build out a comprehensive to-do list

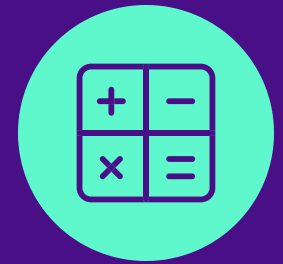
Focus on all the top features and functions, which tend to be similar regardless of the type of business you are (e.g., B2B or B2C). All customers have high standards for easy digital experiences. Even less mature e-commerce sectors have customers who have been trained by more sophisticated players. The best players with the most feature-rich websites will thrive while those without such websites will lag.



Invest in e-commerce technology, even if it means taking funds from other parts of the business

As digital has only increased in importance following the pandemic, commerce companies must reallocate resources to e-commerce technology and headcount to support that technology. One of the lasting impacts of the pandemic has been the growth of e-commerce and the recognition that digital selling is here to stay for all categories. Firms are now held back by inadequate technology budgets; as a result, firms must focus on solutions like site search, synchronization across touchpoints, and digital customer lifecycle management.

Recommended Next Steps



Reduce your variable costs where possible

Investment in e-commerce technology isn't enough. E-commerce tends to have higher variable costs, so it is also crucial to look to technology to reduce costs from returns and fulfillment expenses. Rich product content can often reduce returns, for instance, and investing in slower (but more transparent) shipping enables merchants to have their cake and eat it too.



Focus on owning your customers first and foremost

The channel that commerce companies have seen grow the most through the pandemic has been their own. Brands and merchants must reduce their dependencies on the tech titans or other partners. Build your own customer database, leverage it for marketing, and promote your brand and direct-to-consumer business on your product packaging. Partners can be a customer acquisition strategy but are risky for retention or long-term demand generation.



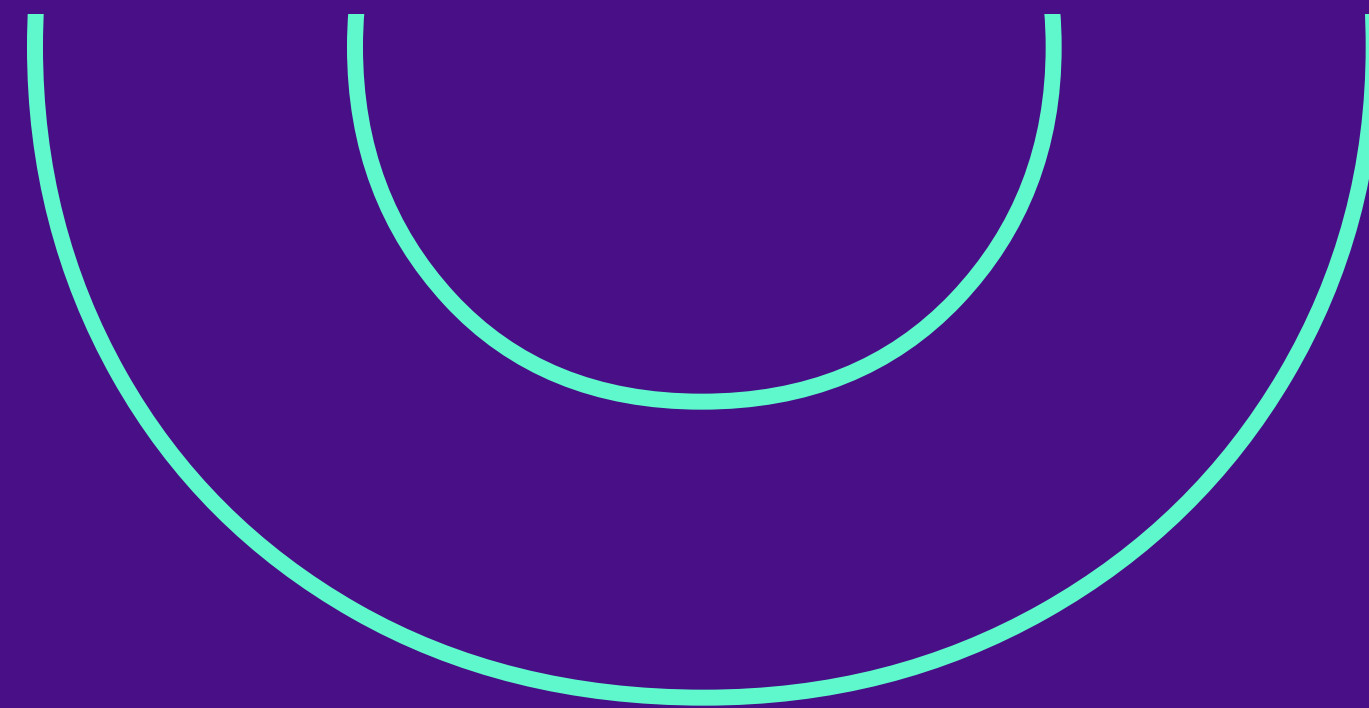
Assess your company's digital maturity

No more guesswork and hours spent wondering what competitors are doing. With this assessment tool, you'll get a customized report detailing the maturity of your organization's digital e-commerce strategy.

[ASSESS YOURS](#)



Methodology





Methodology

In this study, Forrester conducted an online survey of 156 B2C and B2B decision-makers of digital campaigns, online experiences, and/or e-commerce programs and technology purchases at firms in the US, UK, and Germany.

All firms sell online through their own websites and have an annual digital commerce revenue of at least \$25 million. The firms primarily represent the retail, manufacturing, CPG, and electronics industries. Forrester supplemented this study with an online survey of 625 US, UK, and German B2C consumers and B2B customers who make online purchases. The studies were completed in February 2021.





About Bloomreach



About Bloomreach

Bloomreach is the leader in commerce experience™. Our flagship product, brX, is the only digital experience platform that utilizes the full spectrum of commerce data, from product to customer, alongside content management capabilities, and AI-driven search, merchandising, and personalization in one flexible, API-first platform.

We serve over 700 global brands including Albertsons, Staples, Bosch, Puma, FC Bayern München, and Marks & Spencer, and power \$200 billion in digital commerce experiences annually.