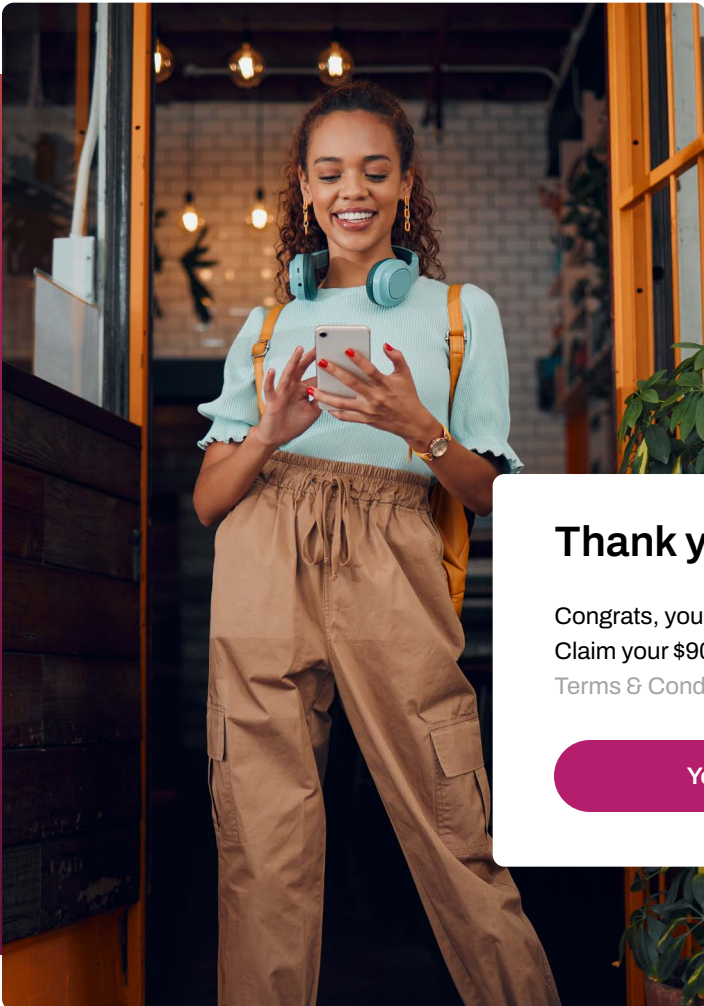


REPORT

# AI and the rise of relevancy:

Shifting expectations of the modern shopper



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*The primary data points shared in this report are US numbers with the commensurate UK and Australian numbers noted. In some cases, global averages are shared and in those instances, there is a footnote noting the same.*

# Part 1: The paradox of choice and the rise of relevancy

Today's global shoppers are increasingly sophisticated in their search for products, services, and experiences – hunting for both validation and value.

Yet for many consumers, navigating choices feels overwhelming. **46% of US consumers (46% UK, 48% AUS) say they feel exhausted by how many choices they sort through online.**

Choice, while desired, also comes with diminishing returns: as options proliferate, consumer satisfaction starts to dip.

Sifting through choices can lead to anxiety, indecisiveness and fatigue. Inflation has further compounded this stress.

**63% of US consumers (62% UK, 61% AUS) say they now spend more time online, searching for lower prices, relevant deals, and offers.**

For retailers, these stressed out hunters are a growing – and increasingly demanding – audience. That means retailers must become even more deliberate about knowing what the consumer needs and wants – and serve up the best offer at precisely the right time.

## Today's consumers have elevated their expectations regarding the level of service they anticipate from retailers:

**64%**

67% UK, 65% AUS

of US consumers agree

“When I’m shopping online, I expect companies to offer me relevant products, services, or experiences curated just for me.”

**84%**

of US consumers agree

“I feel excited when I receive a promotion that is delivered the moment I need it.”

78% UK, 81% AUS

**67%**

of US consumers agree

“I am more likely to buy from brands/businesses that provide personalized communications and products/services tailored to my needs.”

68% UK, 71% AUS

**65%**

of US consumers agree

“I’m looking for online shopping experiences to help me buy more of what I actually want.”

60% UK, 63% AUS

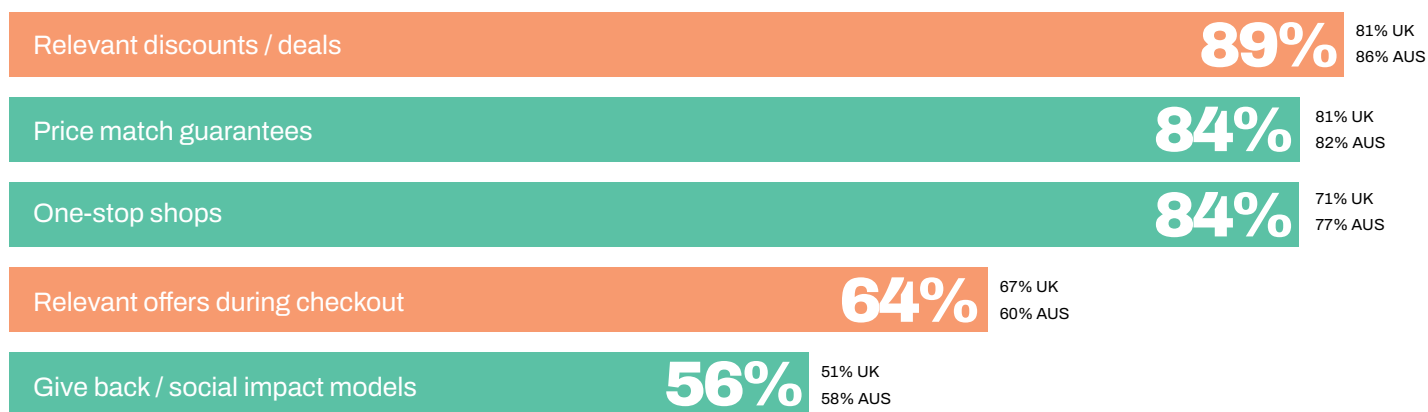
# Part 2: Relevancy nurtures long-lasting brand relationships

Beyond the paradox of choice, we examined the dynamics of relevancy. Our findings illuminated a key insight: the provision of a pertinent and contextualized customer experience cultivates a sense of value, excitement, and appreciation among various audience segments.

## Targeted appeal makes the "hunt" for deals more compelling

When consumers embark on the hunt for deals, the relevance of the deal directly amplifies its allure. Consumers ranked "relevant deals" as the #1 thing they are interested in when shopping. Similarly, strategies such as price match guarantees and personalized promotions, due to their targeted appeal, foster a feeling of recognition among customers. Furthermore, deal placement is crucial, with **64% of US consumers (67% UK, 60% AUS) saying they would like relevant offers during checkout.**

## Interest in elements of the online shopping experience



## Contextualization drives excitement

For retailers, serving up compelling offers at checkout is not just a matter of growing the cart size – it's a matter of inciting surprise and delight for the customer. For shoppers, online shopping can be a euphoric experience, especially when offers are delivered at just the right moment.

**84%**

of US consumers agree

"I feel excited when a promotion is delivered the moment I need it."

78% UK, 81% AUS

**77%**

of US consumers agree

"It's satisfying when I find something I needed last-minute while checking out."

74% UK, 74% AUS

**61%**

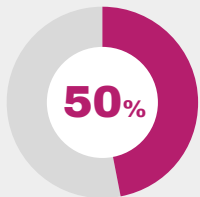
of US consumers agree

"I enjoy the feeling of adding a little something extra to my online shopping cart when I'm checking out."

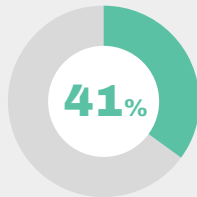
58% UK, 58% AUS

## Relevancy drives nearly half of consumers to become repeat customers

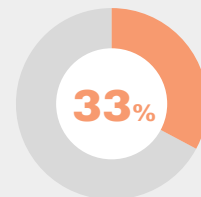
Relevancy acts as a potent catalyst, motivating nearly half of consumers towards recurring interactions and purchases. Furthermore, relevant experiences serve as strategic gateways to enroll more consumers into brand loyalty programs and amplify organic advocacy, particularly amongst Gen Z.



want to shop again with the brand that delivered the relevant experience  
48% UK, 54% AUS



want to join the brand's loyalty program  
35% UK, 39% AUS



of Gen Z want to share their experience with friends  
Global average



## Tailoring experiences makes customers feel appreciated

In a world where people often feel misunderstood by marketing, individualized online shopping encounters can bridge this gap. **Nearly half of the consumers (48% US)<sup>1</sup> report feeling more valued by customized online shopping experiences, a sentiment that is particularly strong among the time-conscious Millennials (44%).** Prioritizing these individual needs is integral to fostering enduring relationships.

<sup>1</sup> UK 42%, AUS 47%



# Part 3: AI shopping: the new frontier for young consumers

## Young consumers embrace the potential and possibilities of AI shopping

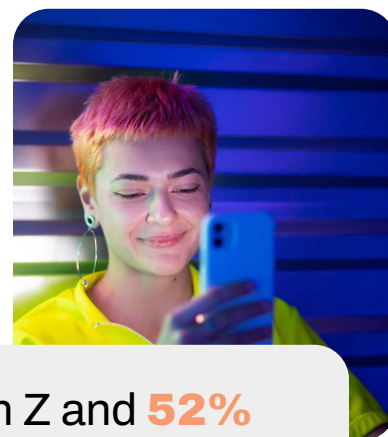
Today, over half of Gen Z and Millennials (57%) admit that inflation-induced stress affects their online shopping decisions. Nevertheless, many are optimistic about AI's role in optimizing their shopping experience. They foresee AI aiding in navigating the labyrinth of price comparisons and discounts, while simultaneously enhancing personalized product discovery.



**88%** of Gen Z and **86%** of Millennials think AI can improve online shopping<sup>2</sup>

Below are the **top five ways** Gen Z and Millennials believe AI will improve online shopping:

- 1** Price comparisons (50%)
- 2** Finding deals (46%)
- 3** Relevant offerings / products (41%)
- 4** Personalized assistance (35%)
- 5** Reviews (29%)



**55%** of Gen Z and **52%** of Millennial shoppers say they are interested in an AI shopping assistant<sup>2</sup>

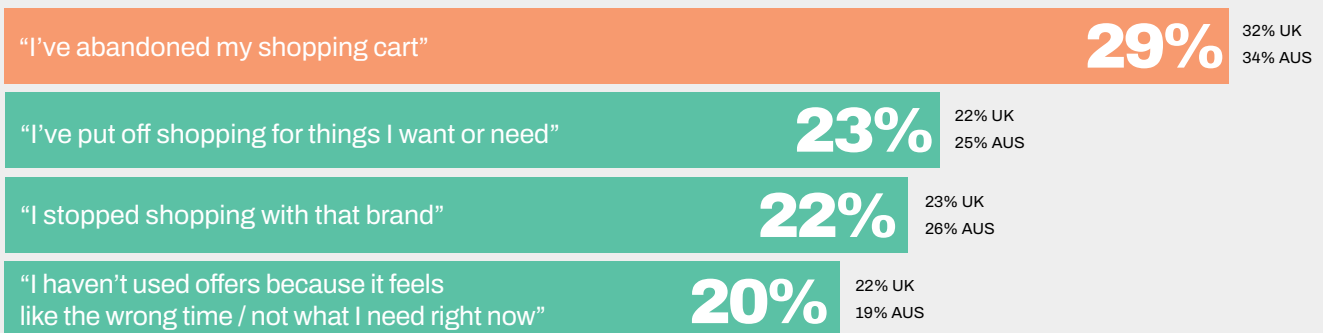
The following are the **top three reasons** Gen Z and Millennials are interested in AI shopping assistants:

- 1** Makes discovering new things easy (35%)
- 2** Makes online shopping convenient (33%)
- 3** Anticipates my needs / desires (33%)

# Part 4: Business blindspots: the financial fallout of missed contextualization

When shopping experiences don't feel personalized, between 20-29% of consumers will walk away from the cart, brand, or experience. According to Forrester, cart abandonment causes e-commerce brands to lose \$18 billion in sales revenue annually.<sup>3</sup>

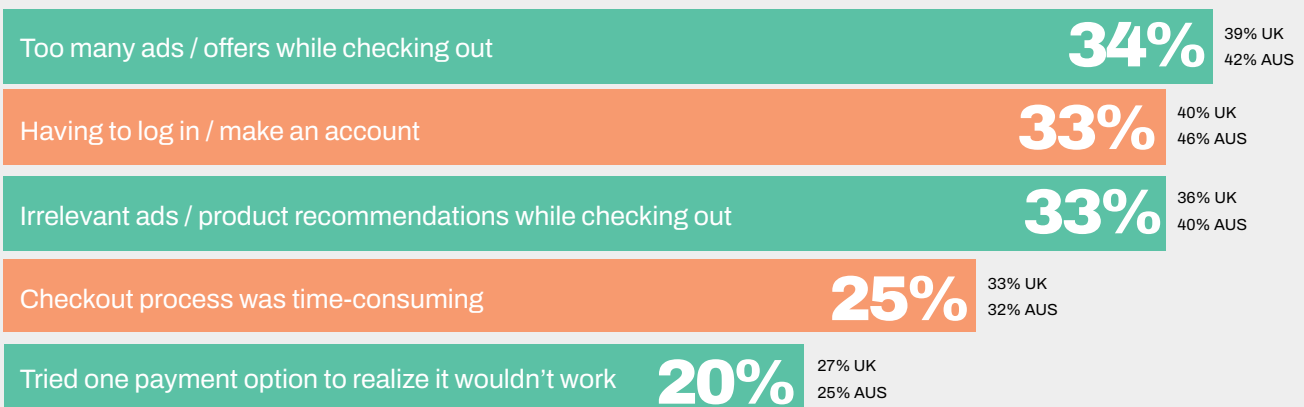
## Reactions to irrelevant / impersonal online shopping



A golden opportunity to meet consumers' expectations is at checkout. Capitalizing on mounting consumer desires, the checkout stage offers an opportunity to blend time-efficiency with context-awareness — streamlining transactions while personalizing the experience. **79% of US consumers (79% UK, 81% AUS) say that “when shopping online, I expect streamlined experiences during checkout,” 72% (68% UK, 69% AUS) say they want “checkout that remembers who I am,” and 69% (67% UK, 68% AUS) say they want checkout that “knows how I like to pay.”**

And yet – **73% of US consumers (83% UK, 80% AUS) say they often experience some form of frustration or barrier at checkout.**

## Frustrations / barriers during online checkout



<sup>3</sup> [Understanding Shopping Cart Abandonment](#)

Any frustration or long pause in the shopping experience is the difference between a sale and a lost customer for a brand. Frustration at checkout leads to a direct hit to revenue and the company's reputation, and it's a drag on customer perceptions, loyalty, and trust.

Expediting checkout and remembering consumer identities can fulfill escalating consumer desires, making checkout a prime opportunity for optimization and brand impact.

## Top consumer responses to frustrations during online checkout



**40%**

reconsidered purchase / removed items from cart.

38% UK, 42% AUS



**37%**

abandoned cart, never to return.

40% UK, 46% AUS



**31%**

found different site to buy items.

34% UK, 34% AUS



**31%**

abandoned cart, but returned later.

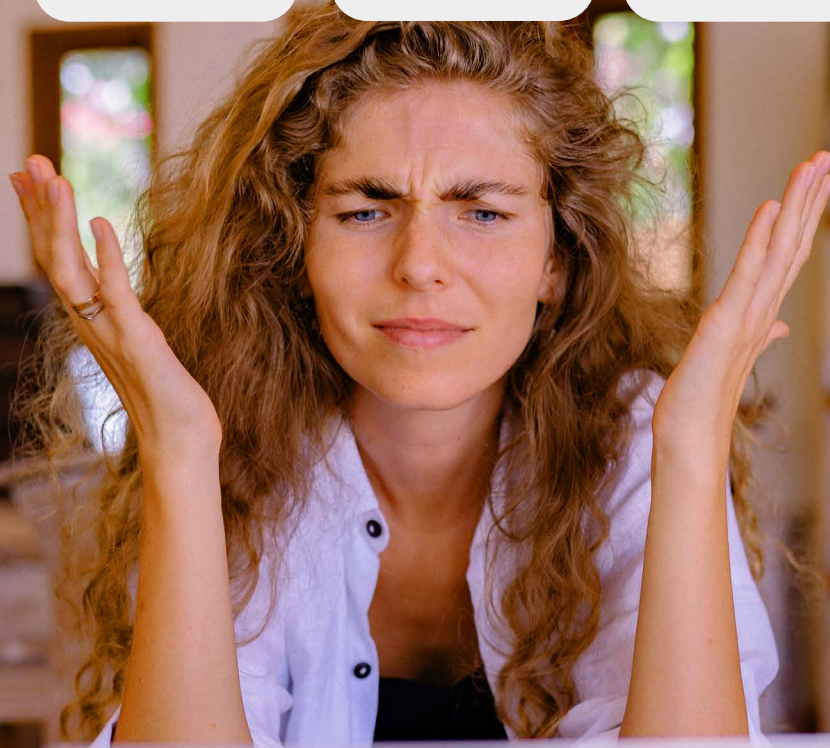
28% UK, 28% AUS



**22%**

lowered brand perception.

23% UK, 25% AUS

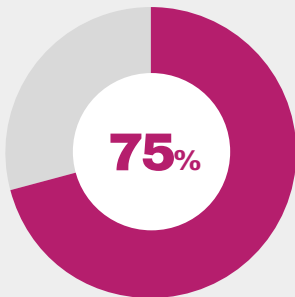




# Part 5: First-party data is key to achieving relevance

Today's sophisticated shoppers – particularly younger consumers – understand that data is currency, and that use of first-party data in particular enhances their shopping journey. As such, they willingly trade their personal information in exchange for more personalized experiences.

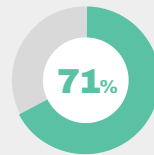
## Impact of companies' data use on frequency of shopping



would shop the same amount or more with companies leveraging first-party data to ensure a more relevant experience.

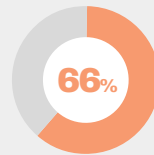
71% UK, 70% AUS

## What companies should / shouldn't use to offer more relevancy



would prefer companies use their past purchases to offer more relevancy.

65% UK, 67% AUS



would prefer companies use items or experiences they've looked at / put in their cart to offer more relevancy.

62% UK, 62% AUS

For retailers, leveraging first-party data is a powerful way to signal the next-best action for consumers to take. It provides accurate data that allows retailers to improve targeting, relevance and optimization throughout the shopper journey.

Using advanced machine learning, Rokr processes a retailer's first-party data on the current customer and their cart in real-time, and then instantly predicts engagement via lookalike modeling based on similar customer attributes and similar carts across Rokr's closed network.

The result is an ad message and experience tailored to each individual – without compromising or exposing first-party data. In an industry that relies heavily on third-party data, use of first-party can provide a unique competitive advantage.

## With first-party data, retailers can:



### Improve targeting

Using first-party data allows retailers to more accurately reach consumers within their target audience.



### Improve the customer experience

To combat the “paradox of choice,” retailers can use first-party data to show only the most personalized content to each customer – fueling more efficient decision making and a reduction in abandonment rates.



### Push relevancy beyond the checkout

Consumers want to see relevant follow-up post purchase:

**Grocery / CPG:** 46% US, 48% UK, 47% AUS

**Retail:** 46% US, 42% UK, 48% AUS

**Travel:** 27% US, 29% UK, 33% AUS



### Deliver exclusive, non-endemic offers in-cart and on the confirmation page

Often overlooked, the order confirmation page is a powerful source of revenue – it’s an opportunity to deliver personalized, non-endemic offers to customers after checkout. Doing so unlocks onsite inventory and generates incremental spend – with no upfront cost, heavy lift, or disruption to the customer experience. Using this approach helps retailers generate an additional \$250,000 in profit for every 1M orders on average.



## CASE STUDY

### HelloFresh: A fresh take on harnessing first-party data to grow customer acquisition

HelloFresh, the #1 global meal-kit provider, has partnered with Rokt since 2016 to achieve their customer acquisition goals and grow their presence across 12 markets and 4 subsidiary brands. Using Rokt’s machine learning, HelloFresh was able to scale more efficiently across their KPIs, **grow yearly customer acquisitions by 164%** and automate LTV and ROAS analyses. Through their tenured partnership with Rokt, HelloFresh has seen global expansion into 10 new countries and portfolio growth with scaled campaigns for subsidiary brands like GreenChef and EveryPlate.

# Conclusion

Amid fluctuating economic conditions and spiraling customer acquisition costs, achieving relevance is increasingly critical for brands. Faced with a vast array of choices, consumers are turning to brands that preempt their needs, streamline the discovery of personalized offers at opportune moments, and facilitate seamless and efficient checkouts. Brands that neglect the mounting consumer demand for personalized experiences risk higher cart abandonment rates. The key to success involves leveraging first-party data, analytics, and machine learning to amplify the overall relevancy of shopping experiences, which in turn fosters customer enthusiasm and loyalty, culminating in superior business results.

## METHODOLOGY

The survey referenced in this report conducted by The Harris Poll, on behalf of Rakt, from May 1 to May 15, 2023. Survey respondents consisted of 6,023 consumers across the following markets: United States, United Kingdom, France, Germany, Australia, and Japan. For more information about The Harris Poll, please reach out to [libby.rodney@harrispoll.com](mailto:libby.rodney@harrispoll.com).



**ROKT**



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