

PERSONALIZED RECOMMENDATION SYSTEMS TRANSFORMING ONLINE RETAIL INDUSTRY

Digitizing the Shopping Experience

2019 - 15.8%
2020 - 21.3%

In the US, the online share of retail sales has increased from 15.8% in 2019 to 21.3% in 2020

OUT OF STOCK

is a huge factor for customer dissatisfaction. Hence, consumers have shifted to online shopping, which offers them several choices

52%

Consumers will not go back to shopping for groceries in-store

60%

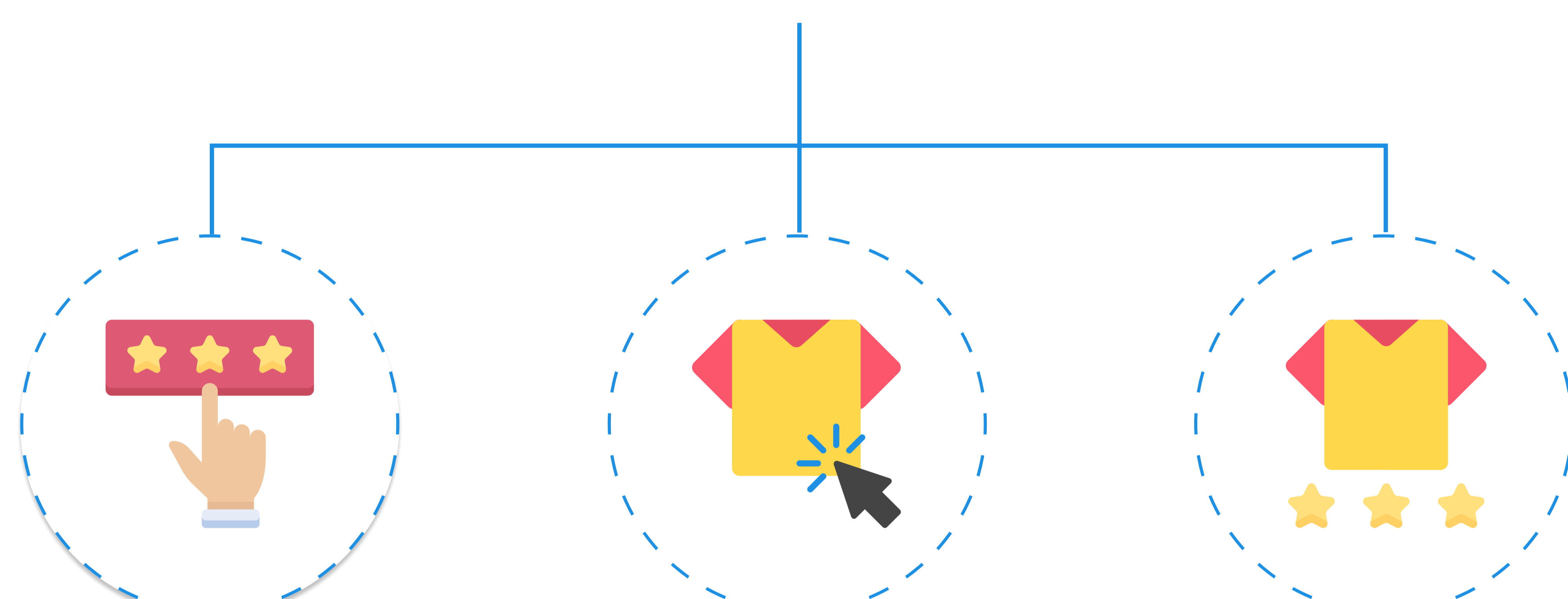
Consumers will continue shopping online for other goods the same way they are now

“Consumer buying patterns have changed. Online shopping is here to stay even post the pandemic”

PERSONALIZED RECOMMENDATION SYSTEMS A GATEWAY TO CUSTOMER RETENTION AND IMPROVED ONLINE SALES

- **Personalized Shopping Experience:** 51% of shoppers find a homepage that shows products they are looking for or might be interested in helpful
- **Improved Email Open Rates:** Personalized promotional mails have **29% higher** unique open rates and **41% higher** unique click rates
- **Repeat Buyers:** 44% of consumers are likely to become repeat buyers after personalized experiences
- **Increased Sales:** 10 to 15 % in sales-conversion rates due to personalized recommendations; Recommending similar products, products that work together under ‘You Might Also Like’ or ‘Frequently Bought Together’ also leads to increased sales
- **Reduced Marketing and Sales Costs:** Marketing and Sales costs can decrease by around **10 - 20%**

TYPES OF PERSONALIZED RECOMMENDATION SYSTEMS



Collaborative

Combining ratings/recommendations of products

Recognizes similarities between the users based on ratings

Recommendations based on inter-user comparisons

Content

Recommends similar items users have liked in the past or is exploring currently

Hybrid

Combining strengths of two recommendation systems that fits a particular industry

PERSONALIZING RECOMMENDATION SYSTEMS USING GRAPH DATABASE

Graph databases are preferred over traditional relational databases for creating personalized recommendation systems

Finds and examines relationships between **highly connected data**

Gives a **360-degree view of the customer** by using information from all the different repositories, giving us a better understanding of the customer

Creates real-time recommendations - graph databases can transverse data at many different levels of depth in real-time and connect new data on the fly

Creating an excellent personalized recommendation system by leveraging customer's data from their multi-channel shopping experience (stores, mobile app, website) is crucial. To know how Personalized Recommendation System can be created for your online retail business,

GET IN TOUCH WITH US

or

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Sources: PYMNTS.com, Salesforce, Think With Google, GlobeNewswire