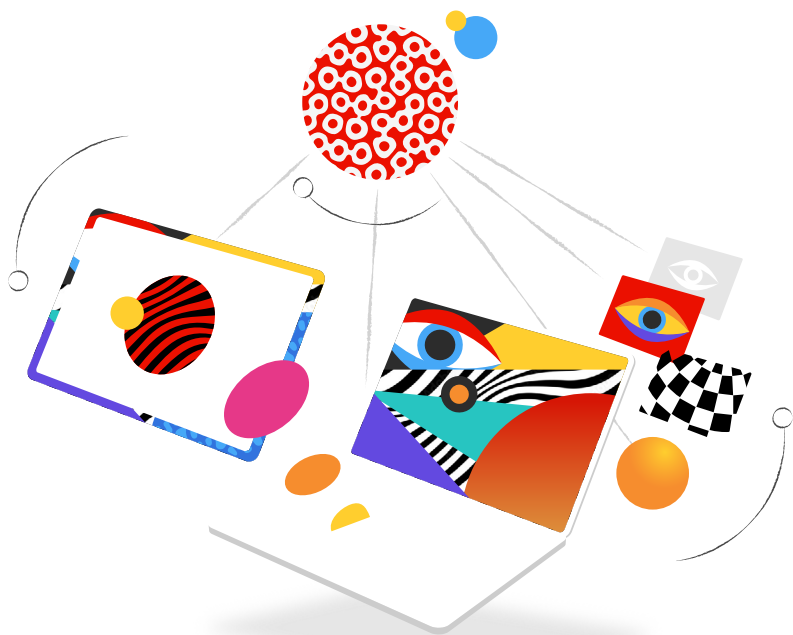


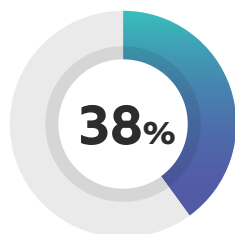


The rise of intelligent commerce.

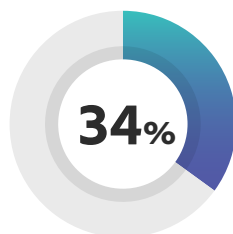
Smarter, AI-powered commerce gives shoppers exactly what they want.



Today's shoppers prefer a commerce experience that's fast and simple—one that works for them. According to research by Forrester and Adobe, shoppers are looking for effective search (38 percent), a seamless shopping experience online and in person (34 percent), and the ability to access important product and service information in a self-service digital way. The research shows what they want most from your online storefront is convenience.



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It's imperative, then, for ecommerce sellers to make shopping truly easy. This means allowing customers to search for products using plain language and surfacing the content and product information they want most—something that's easier said than done.

Many ecommerce websites are actually designed in ways that make it harder for customers to buy. Product search may rely on manually assigned tags, which can include complex terminology that customers are unlikely to guess. And product recommendations may be one-size-fits-all or developed for broad market segments rather than individual customers.

Enter intelligent commerce—a new and smarter way to sell online. It relies on artificial intelligence (AI) to get the right information to each individual shopper at every stage of the customer journey. It uses real-time and historical data to make every aspect of shopping simpler. Hallmarks of intelligent commerce are search features that deliver super-relevant results and highly personalized product recommendations. Intelligent commerce also drives efficiency, so it's easier for businesses to maintain.

This guide will take a deeper dive into how intelligent commerce can help online sellers of all kinds deliver a digital experience that's both personalized and extremely convenient.



Search simply, seamlessly.

For consumers and business buyers alike, doing a product search can be one of the most challenging aspects of shopping online. It can often take several tries—or more—to find exactly what you want. That's because, on the back end, many ecommerce products are tagged with unique, non-intuitive search terms that most shoppers never guess.

AI-powered search can make this process much easier for all your customers, no matter what they're looking for. It analyzes the language people use to search for products and identifies synonyms for your unique search terms. It also learns over time the less formal and idiosyncratic language people may use to describe your product. For example, let's say you sell a product tagged in your catalog as a "surface reconditioning solution." AI could help surface this product in customer search results for "floral-scented cleaner," "blue cleaner," and other terms.

Automated product tags are an important feature of AI-powered search. As it learns how your customers search for products, AI can update tags or send suggestions to your product marketing team, saving the team hours each month.

Visual search

AI also uses visual search to help customers find products. To use it, your shopper takes a photo of an item, such as a shirt they like or a product they can't identify, and uploads it to your website. AI compares the photo to your product imagery and uses a variety of data sets to predict the product your customer wants to see.



Personalize product recommendations.

Personalized product recommendations are another hallmark of intelligent commerce. AI-powered recommendation engines analyze massive amounts of data automatically to recommend the most relevant items to a particular user in a given context. Recommendations can be personalized according to user-specific data or generalized for anonymous users browsing your web pages.

AI agility

AI-powered product recommendations automate processes that used to be done manually. Previously, business analysts defined rules for which products would be recommended to which customer segments, and then updated them as seasons, SKUs, and buying cycles changed throughout the year. Of course, this process was extremely time-consuming, and recommendations quickly became stale as market trends evolved.

AI-powered recommendations are updated automatically, so they're always fresh. Even better, these updates take no extra effort from marketing or operations teams.

How product recommendations work.

There are two main approaches to generating recommendations:



Content-based filtering



Collaborative filtering

Content-based filtering

Content-based filtering is based on an individual user's interactions and preferences. This approach uses the metadata collected from a user's history and interactions to identify shopping patterns over time. Generally speaking, the more information the user provides, the higher the accuracy. In other words, existing customers get very accurate recommendations, but new visitors may not.

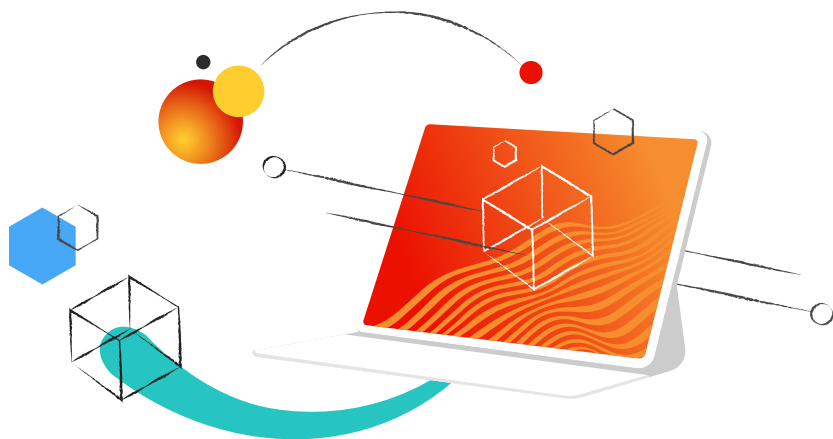
Collaborative filtering

Collaborative filtering casts a much wider net, collecting information from many different users. This approach makes recommendations based on other users with similar tastes or situations. It uses their opinions and actions to recommend items to you or to identify how one product may go well with another. "Frequently bought together" recommendations are one example of this approach.

What to look for in an intelligent commerce platform.

If you want to improve your customers' shopping experience and adopt an intelligent commerce platform, the expansion of AI and machine-learning technologies means you have lots of choices. It also means you have some work ahead of you. Evaluating these options and making the right choice for your business can take time.

On the next few pages are three features to look for as you consider an intelligent commerce platform.



“Battle-tested” AI

AI with machine learning is the gold standard for intelligent commerce. With machine learning, search tags and product recommendations are developed in response to user behavior rather than by static rules. As users interact with your site, machine learning can customize their experience according to their browsing behavior. And it gets better as the AI “learns” over time, so search results and product recommendations are always relevant and accurate.

However, even if an intelligent commerce platform incorporates machine learning, that doesn't mean it's mature or has been proven to work in real-world shopping environments. To find an AI-powered platform that's truly “battle-tested,” you'll need to know much more.

Ask questions like these to learn if an intelligent commerce platform is proven and mature:

- How long has your company been in business?
- Does your company have a history of innovating with AI?
- What does your product development team look like? Does it include engineers and business experts?
- How long has your engine been on the market?
- How do you test new features and functions?
- How many customers do you have, and in what industries?
- What are market analysts saying about your platform?

Real-time personalization

Some ecommerce platforms rely heavily on user profiles and purchase histories to inform product recommendations. This approach is so problematic for a website's first-time visitors that it's earned the name "the cold start problem." Instead, look for a solution that applies machine learning to real-time user data.

Ask questions like these to determine if a solution provides accurate, personalized recommendations in real time:

- Does your system use historical data, real-time data, or both?
- Does it provide real-time recommendations?
- If so, what types of real-time recommendations, (also-boughts, etc.) does your platform's engine provide?
- What is the average conversion rate for different types of product recommendations?
- Does your platform deliver "backup" recommendations?



Shopper- and business-friendly experience

One more consideration for an intelligence commerce platform is how easily intelligent search options and product recommendations fit into your existing digital experience. Ideally, they should be simple for your team to create, deploy, and manage. They should be a natural part of your customers' online journey, making it easier for them to find the items they want, discover related products, and get to checkout faster.

Here are some questions to ask prospective solution providers:

- Will we be able to embed recommendations and search tools into home, product, and category pages?
- Can we format our recommendations and search results any way we want?
- Can recommendations and search options appear on multiple store-front pages along the shopping journey?
- How much manual tagging and setup will be required to ensure accurate search results?



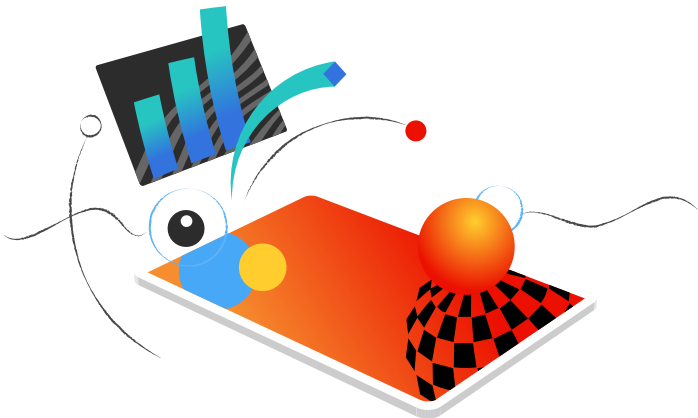
Keep an eye on intelligent commerce solution metrics.

It's easy to tell if intelligent commerce is working. For AI-powered search, look at these metrics:

- How many times users search before clicking through
- Conversion rates for click-throughs from search results
- Percentage of revenue coming from search

When you're evaluating product recommendations, consider the following metrics for each instance where recommendations appear:

- Click-through rates for recommendations
- Conversion rates for recommendations
- Number of products viewed
- Average revenue per 1,000 recommendations
- Percentage of overall revenue coming from recommendations

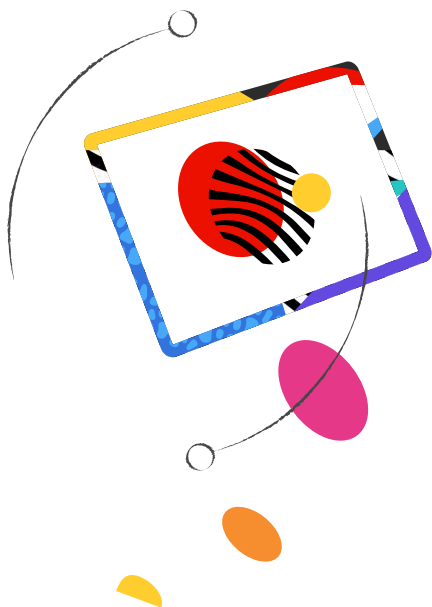


Take the next step.

Transitioning to intelligent commerce is a powerful way to make shopping seamless and easy for your customers. It can also automate back-end commerce operations like updating product tags, freeing your teams to focus more on the future of your business and less on updating the ecommerce site.

Adobe Commerce, the world's leading digital commerce solution, is built with these needs top of mind—and it comes with AI-powered features designed to improve your business efficiency as it delivers an exceptional customer experience.

[Get details](#)



Adobe Experience Cloud

Adobe Experience Cloud is the most comprehensive suite of customer experience management tools on the market. With solutions for data, content delivery, commerce, personalization, and more, this marketing stack is created with the world's first platform designed specifically to create engaging customer experiences. Each product has built-in artificial intelligence and works seamlessly with other Adobe products. And they integrate with your existing technology and future innovations, so you can consistently deliver the right experience every time.

Adobe Commerce

Adobe Commerce is the world's leading digital commerce solution for merchants and brands. With Adobe Commerce, you can build engaging shopping experiences for every type of customer—from B2B and B2C to B2B2C. It's built for enterprise on a scalable, open-source platform with unparalleled security, premium performance, and a low total cost of ownership. Businesses of all sizes can use it to reach customers wherever they are, across devices and marketplaces. It's more than a flexible shopping cart system. It's the building block for business growth.

Sources

"Consumers Demand Digital," Forrester Consulting (research commissioned by Adobe), April 2021.



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