

N A M O G O O



INSIGHTS REVEALED

THE 2022 ANNUAL GLOBAL ECOMMERCE LEADERS SURVEY

Introduction

Our Annual eCommerce Leaders survey is a benchmark guide into the state of mind of today's senior eCommerce executives, to understand where they will be focusing their efforts in the year ahead. Which KPIs are they looking at? Where are they investing their budget? What challenges will they face in 2022?

On top of that, of particular interest to us is how recently rolled out data privacy restrictions are impacting marketers and their ability to deliver personalized digital experiences at scale.

This report was created in partnership with our partners at Microsoft to provide insights into priorities and challenges of eCommerce leaders in 2022 and to guide eCommerce marketers in their strategies in the upcoming year.

Who We Surveyed

We commissioned a survey of 200 senior eCommerce executives from companies of different sizes.

SMB: Annual revenue from \$29M-\$50M

Mid-Market: Annual revenue from \$50M-\$150M

Enterprise: Annual revenue over \$150M

The executives surveyed were all in a variety of verticals in the eCommerce industry, and were either pure-play eCommerce or have a hybrid-model with both brick-and-mortar and an online presence.

They were split 50/50 between the UK and the USA to get a more global outlook on today's challenges and goals.

KEY FINDINGS



1 **Cost-optimization is the highest priority for 2022.**

In last year's 2021 eCommerce Leaders Priorities survey, cost-optimization didn't even make it into the top three investment priorities. This year, it's at the top of the list, with 95% calling it a priority, and 61% giving it high priority status.

The impact and uncertainty of the pandemic including the supply chain crisis and rising acquisition costs, means that maximizing budgets and focusing on cost optimization is more important than ever.

2 **Average Order Value stands out as the most essential metric eCommerce leaders want to measure.**

Average Order Value (AOV) is the top KPI that eCommerce executives are looking to measure this year, with 47% of leaders calling it their highest priority. It's more expensive than ever to get customers to your website considering the increase in competition. Therefore, once they are there and ready to purchase, it's essential to maximize the return on each acquisition.

KEY FINDINGS



3 Leveraging data is a struggle for brands of all sizes.

No matter the size of company, whether they are hybrid or pure-play, or how much online revenue they pull in, eCommerce execs are struggling to leverage the tools and data that they have to provide the ultimate personalized customer experience.

Interestingly, the larger the company the greater the challenge, with enterprise companies finding this more problematic than any other group. 57% of enterprises also say that they find it challenging to access the data that they have to personalize in real-time. Perhaps enterprises struggle with leveraging the data, while smaller companies aren't able to get the data to begin with.

4 Personalization and audience building activities are most impacted by data privacy regulations.

It's clear that recent changes in data privacy regulations are having an impact on marketing activities. For enterprises and mid-market, the top impact is on website personalization, and for SMBs it's in their ability to build audiences.

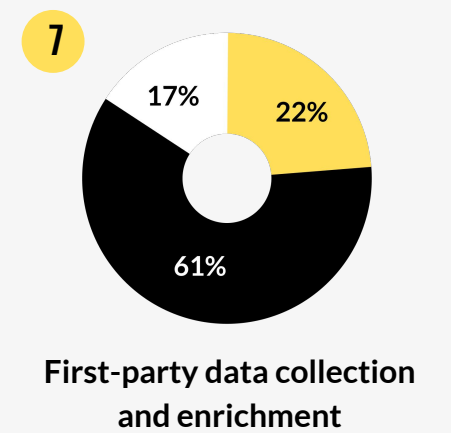
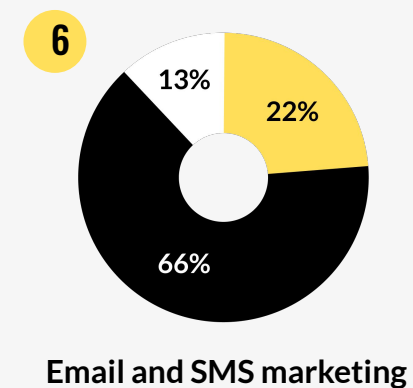
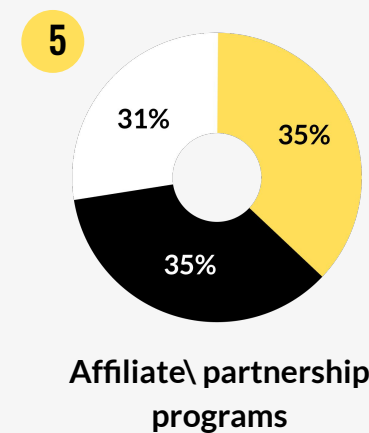
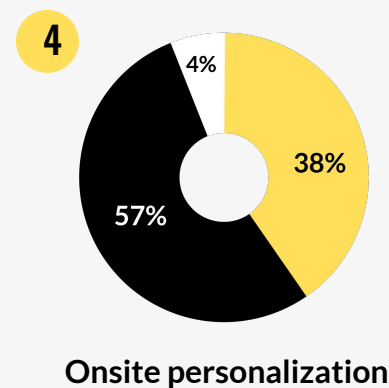
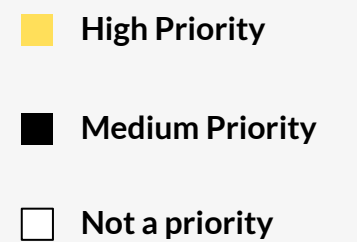
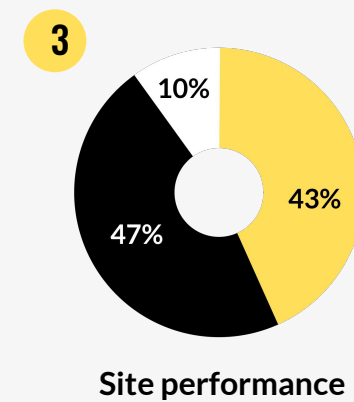
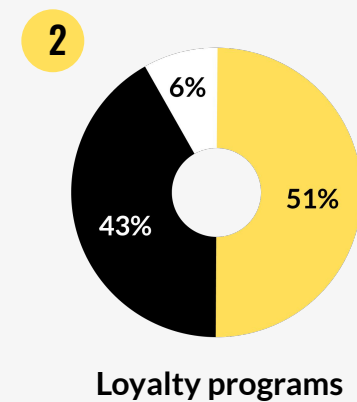
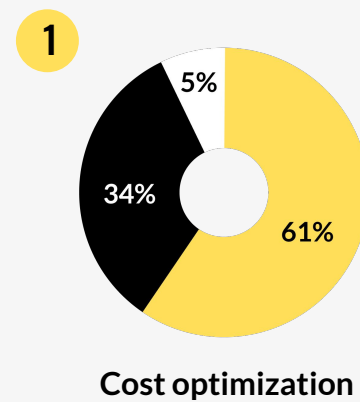
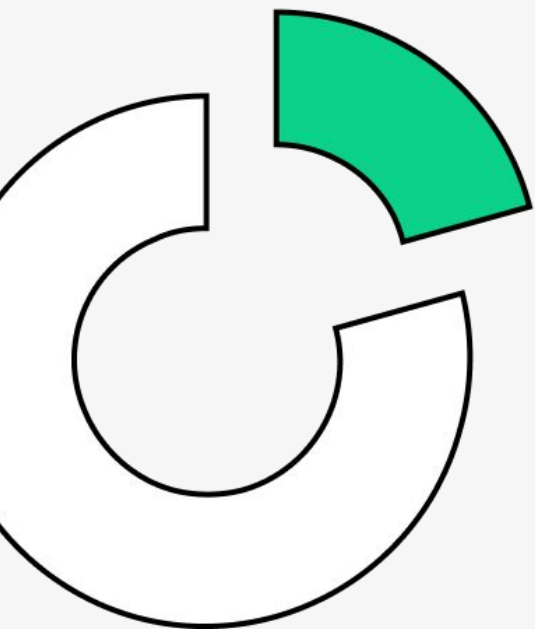
Moreover, 97% of companies are investing in data collection, with the top areas for investment being data enrichment (25%) gathering non-personally identifiable information (PII data) (24%) and also collecting first-party data (18%).

BUSINESS PRIORITIES AND CHALLENGES IN 2022

INVESTMENT PRIORITIES FOR 2022

The top three investments that are of high priority for 2022 are cost optimization (61%), loyalty programs (51%), and site performance (43%). Based on these percentages, it appears that companies are attempting to maximize their existing investments and also planning to invest in optimization.

We're still in the midst of a global pandemic with much uncertainty ahead. There's no guarantee that the strategy set at the beginning of 2022 will still be fit by the end, but focusing on optimization, loyalty, and performance will give retailers the best chance of success.

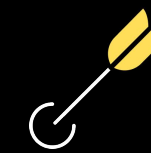


KPIS IN FOCUS FOR 2022 VS. 2021

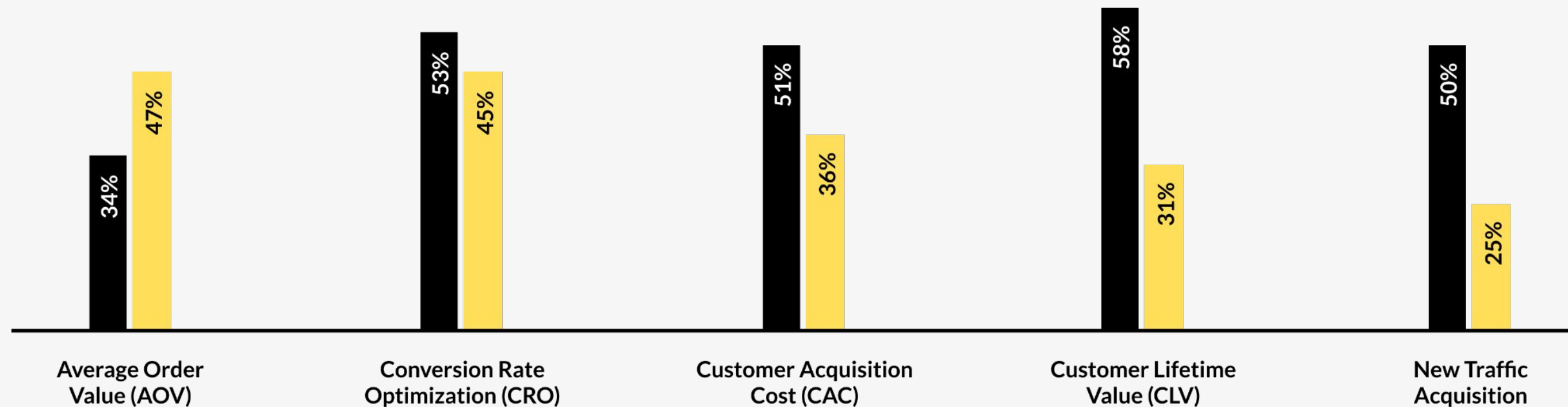
The three KPIs that have the highest priority in 2022 are average order value (47%), conversion rate optimization (45%), and customer acquisition cost (36%).

We're seeing a change from last year, particularly in terms of the order of the priorities as last year, customer lifetime value (58%), conversion rate optimization (53%) and customer acquisition cost (51%) were the top three KPIs.

It's not surprising that average order value has risen in priority. As the pandemic drives more customers online, retailers want to maximize every chance they can to increase profits from the traffic they drive.



CLV was the top KPI in 2021. However this year, AOV is the top KPI to improve.



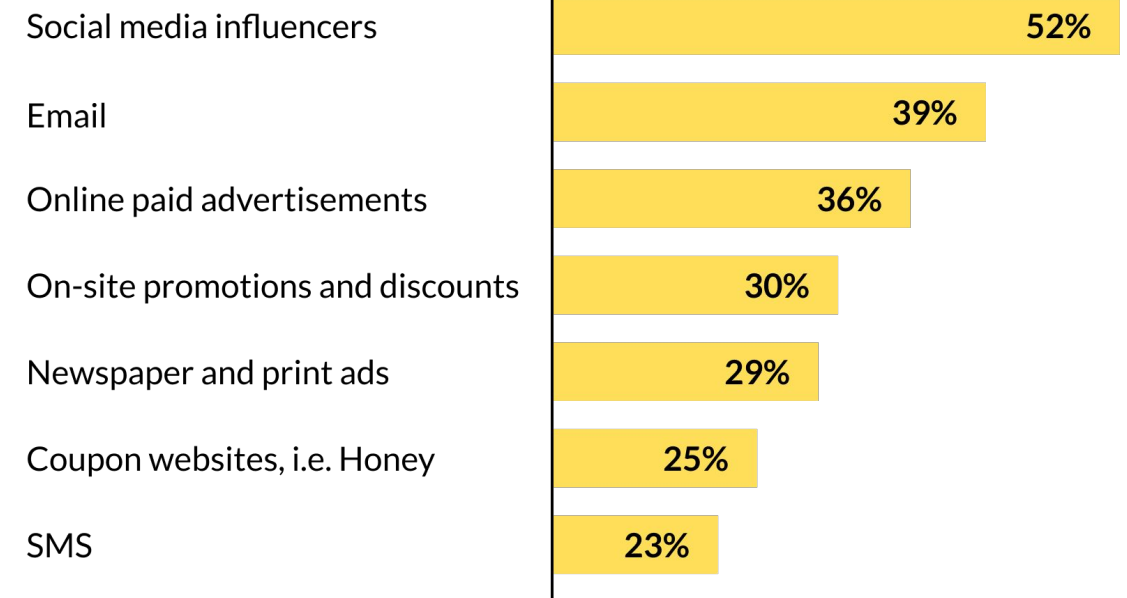
KPIs in Focus 2022 vs. 2021

High Priority: ■ 2021 ■ 2022

PREFERRED PROMOTION CHANNELS IN 2022

The three preferred promotional channels in 2022 will be social media influencers (52%), email (39%), and online paid advertisements (36%).

It's understandable that the added layer of trust that influencers garner over other kinds of marketing channels make it top choice for promotions in the year ahead.



*This question allowed more than one answer and as result, percentages will add up to more than 100%

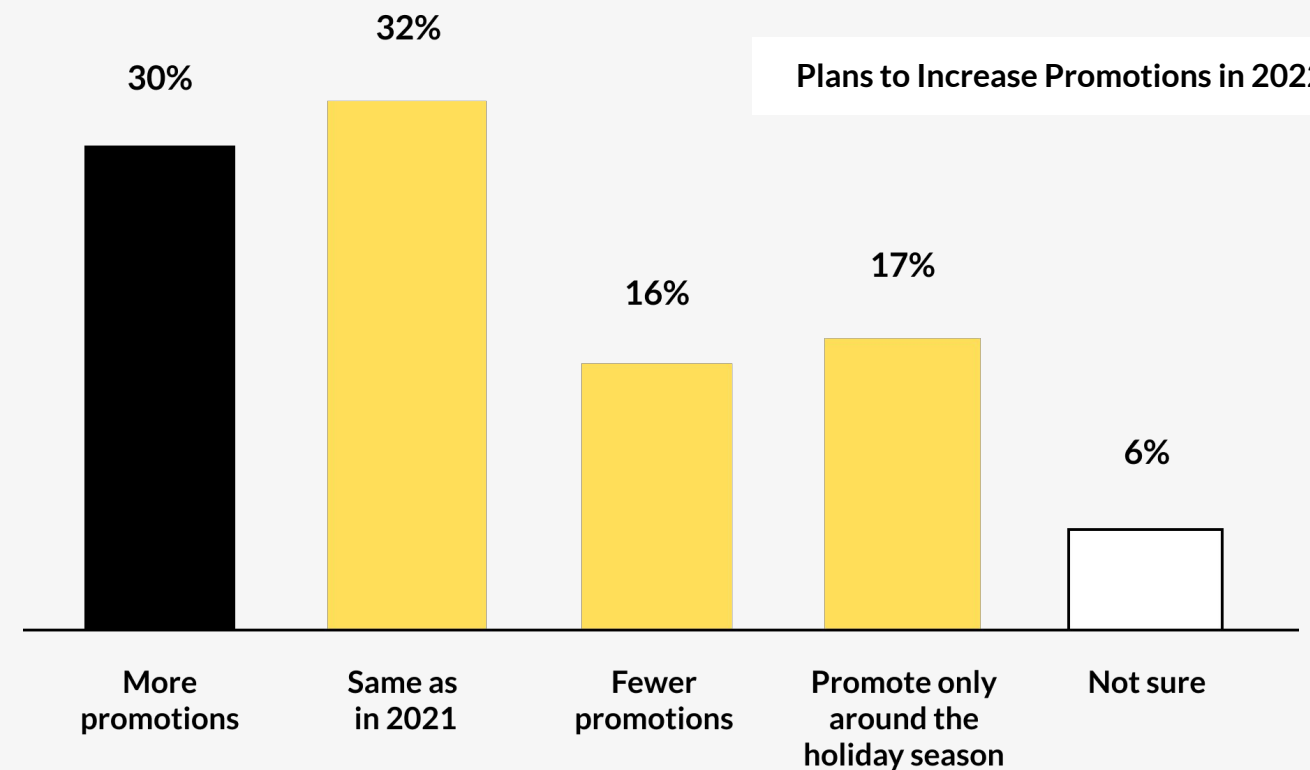
Top Promotion Channels in 2022



30% of eCommerce leaders plan to increase promotions in 2022.

About a third (30%) are planning to increase the amount of promotions they will run in 2022, another third (32%) will promote the same as in 2021 and only 16% plan to reduce promotions in 2022. Competition is here to stay, which explains the growth in promotional activity.

*Percentages on do not add up to 100% due to rounding up of numbers.



Plans to Increase Promotions in 2022

ONSITE AND CRO STRATEGIES IN 2022 TO INCREASE SALES

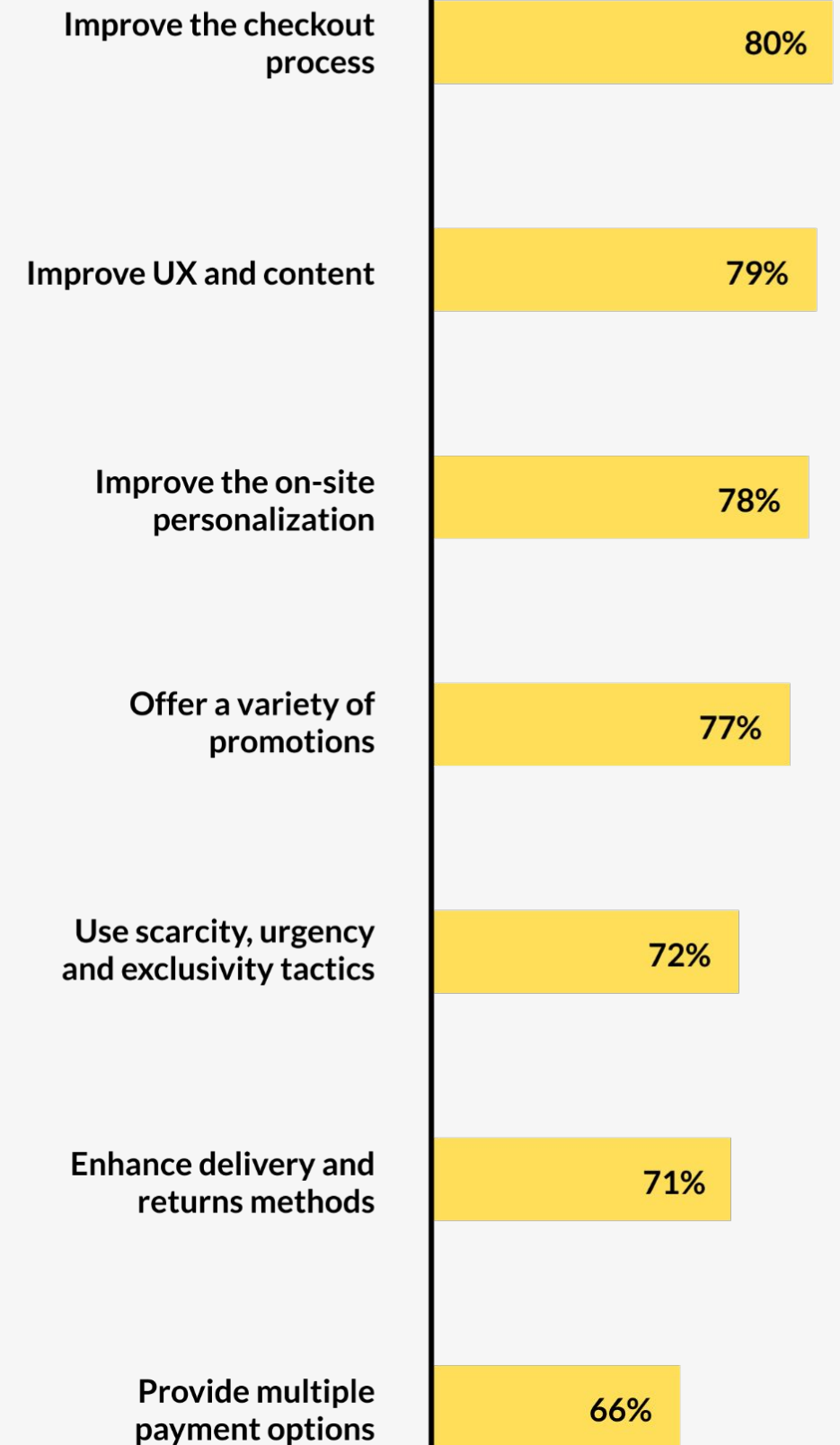
Crafting superior customer experiences is going to be one of the most important investments for eCommerce executives in 2022. Having a seamless and customer-centric approach in a market that is rife with competition will allow brands to truly differentiate themselves, increasing customer loyalty and lifetime value. We're excited to be partnering with Namogoo on this survey which provides insights into the challenges, priorities, and investments brands of all sizes will be facing in the coming year.



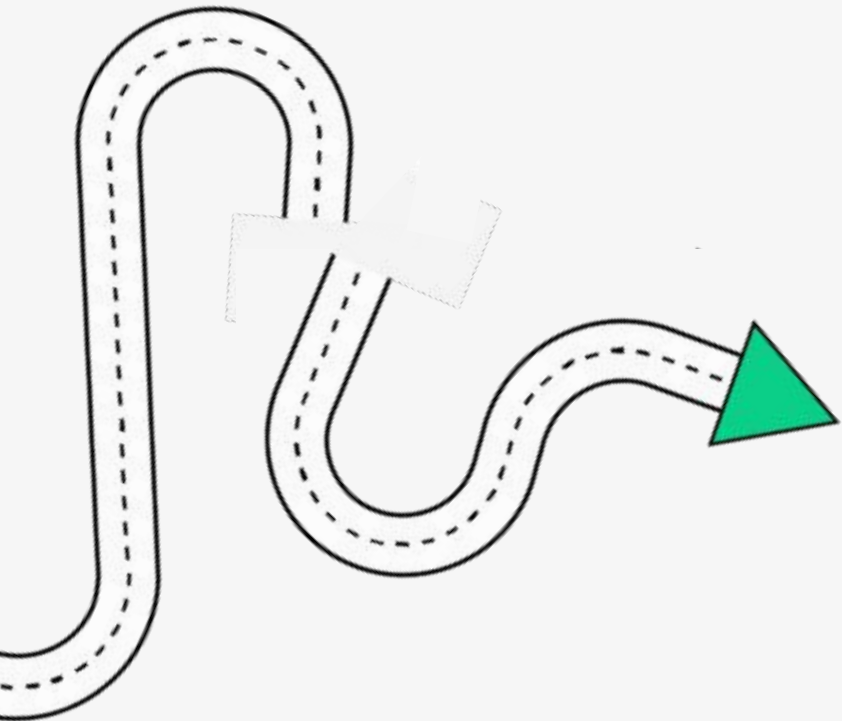
Almost all onsite and CRO strategies were indicated as a priority for 2022. 66% are prioritizing providing multiple payment options, and 80% are making it a priority to improve the checkout process. This shows how important it is to fully invest in all kinds of conversion-rate optimization strategies.



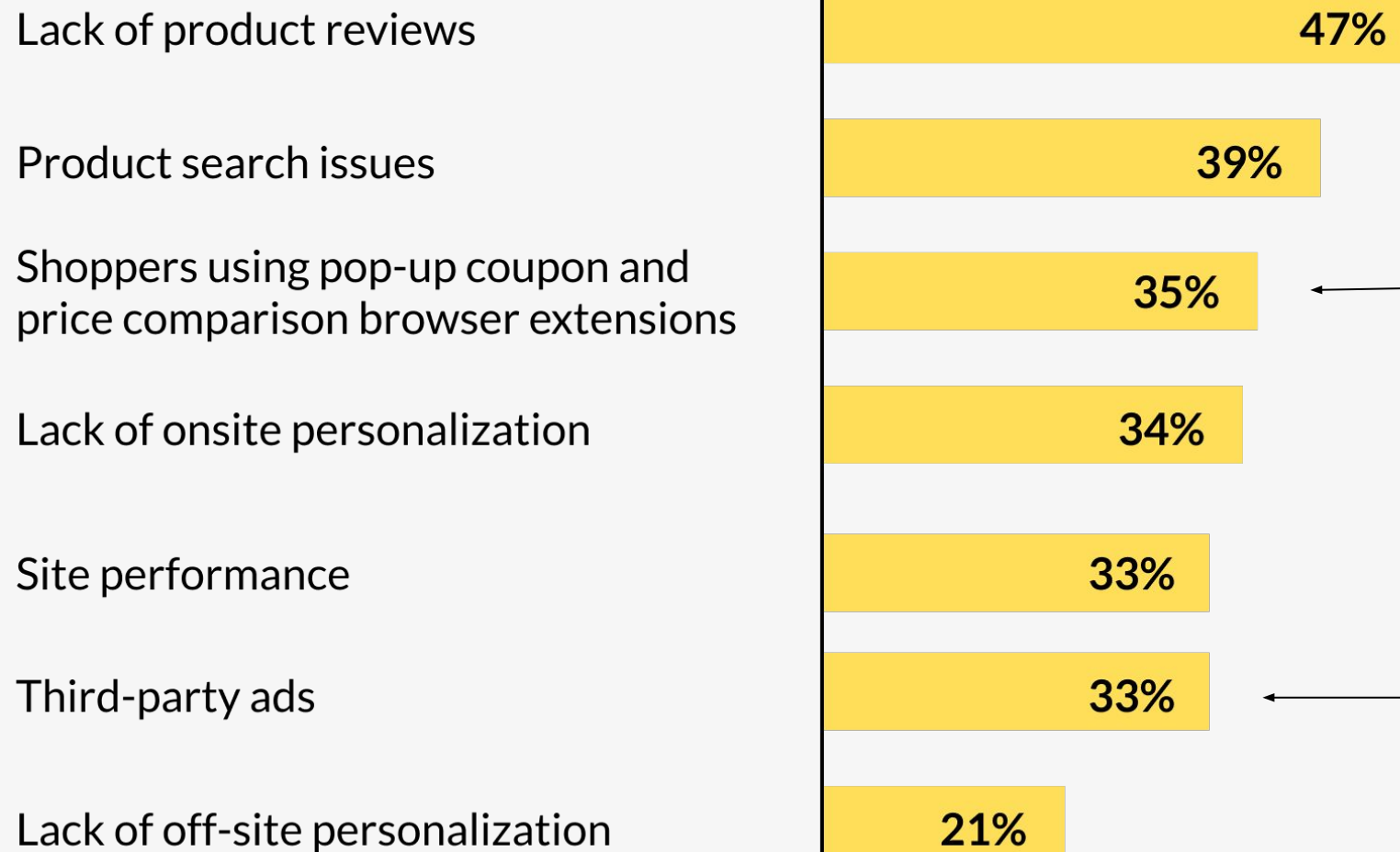
RICARDO BELMAR
Director Partner Marketing
for Retail & CPG



MAIN CAUSES FOR FRICTION IN THE CUSTOMER JOURNEY



The top two product-related causes of friction in the customer journey are lack of product reviews (47%) and product search issues (39%).



More than a third of retailers believe friction is caused by pop-up coupons and browser extensions, lack of onsite personalization, site performance, and third-party ads.

Top Causes for Friction in Customer Journey

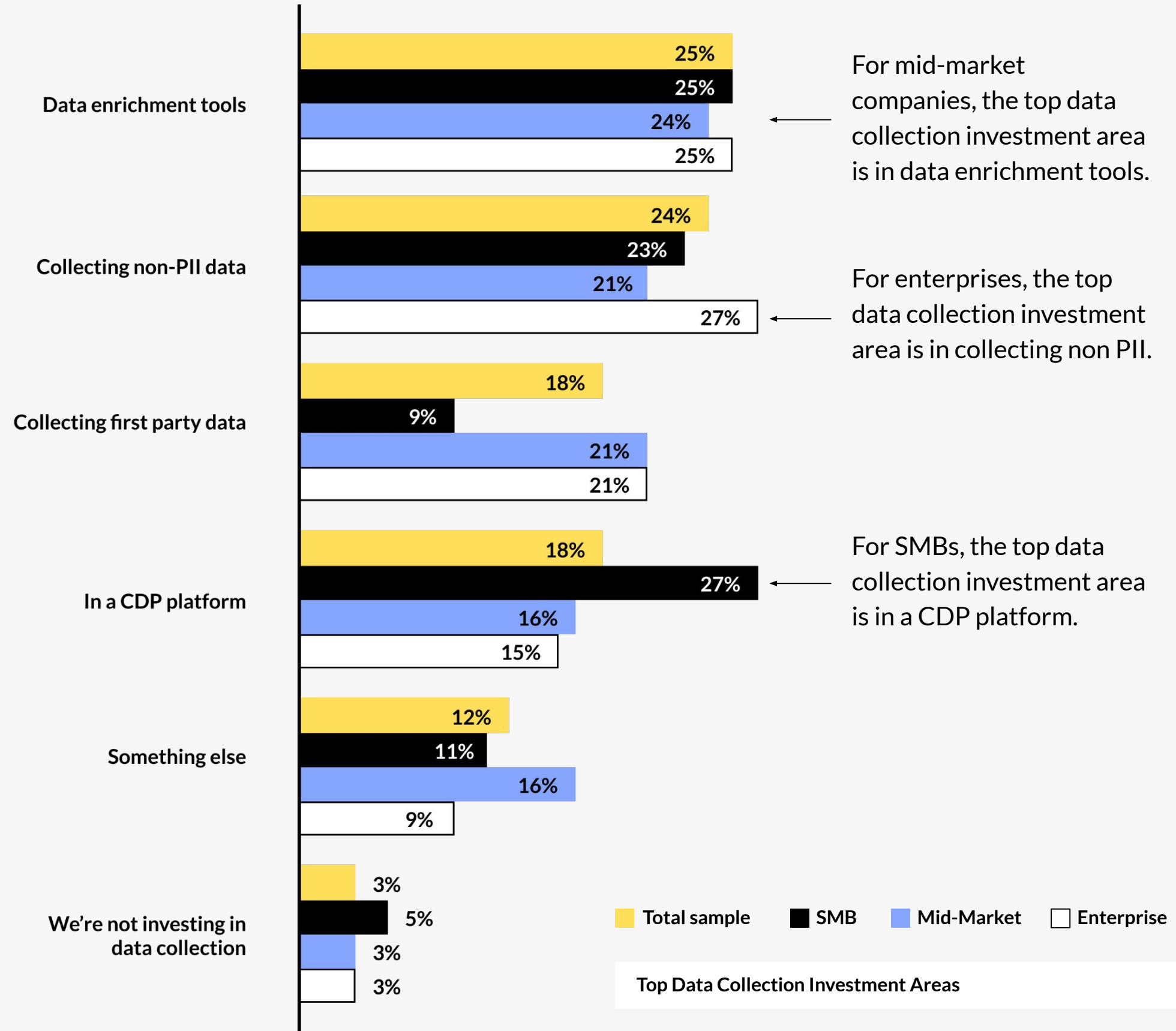
IMPACT OF DATA COLLECTION RESTRICTIONS

WHERE BRANDS ARE FOCUSING THEIR DATA INVESTMENTS IN 2022



The top areas for investment are data enrichment tools (25%), collecting non-PII (24%), and collecting first-party data (18%).

These areas are all more important to enterprises compared to other groups.

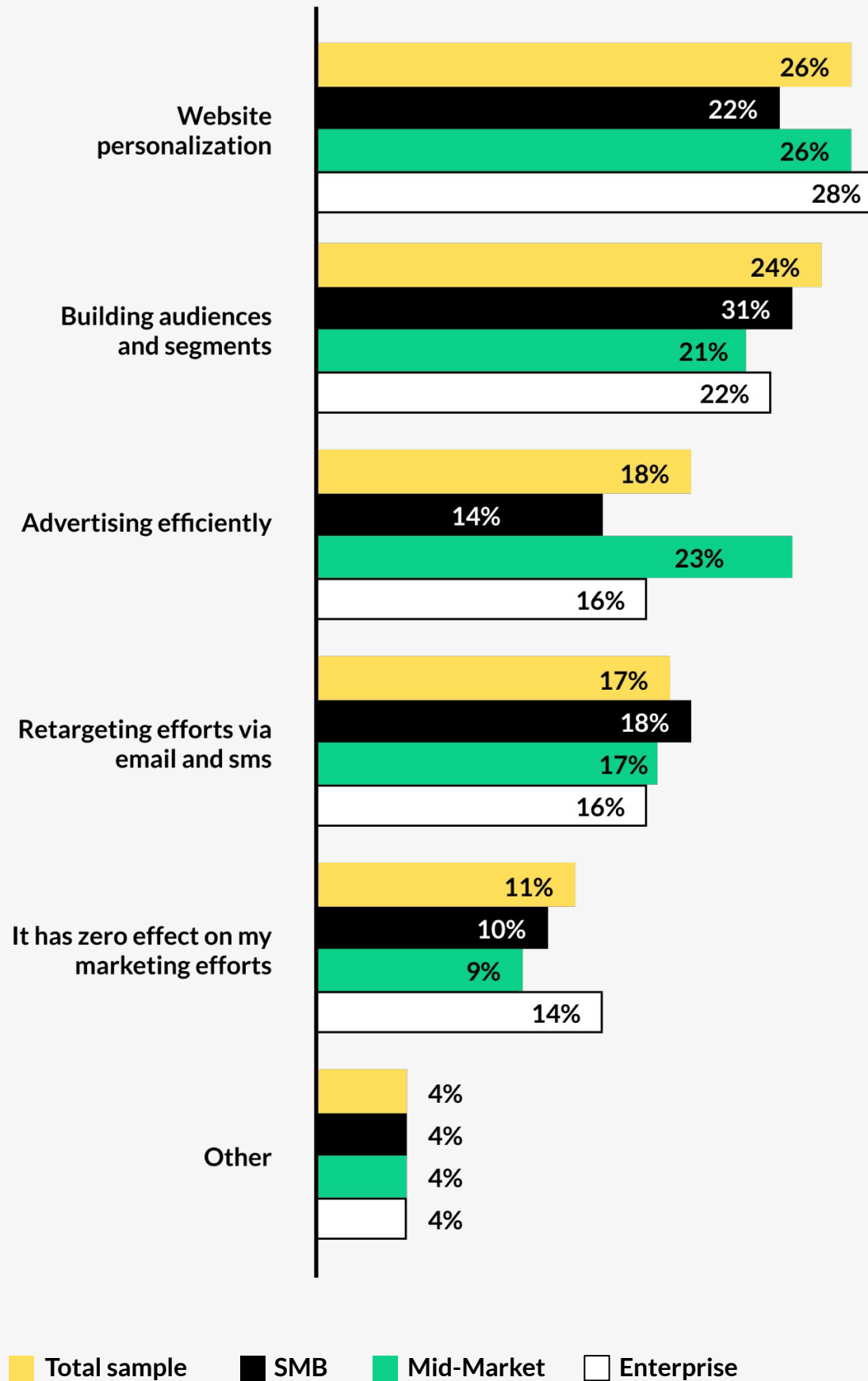


IMPACT OF DATA COLLECTION RESTRICTIONS ON MARKETING EFFORTS



For both enterprise and mid-market companies, the top area of impact is on website personalization.

For SMBs, the top area of impact is on building audiences and segments.



Impact of Data Collection Restrictions on Marketing Efforts



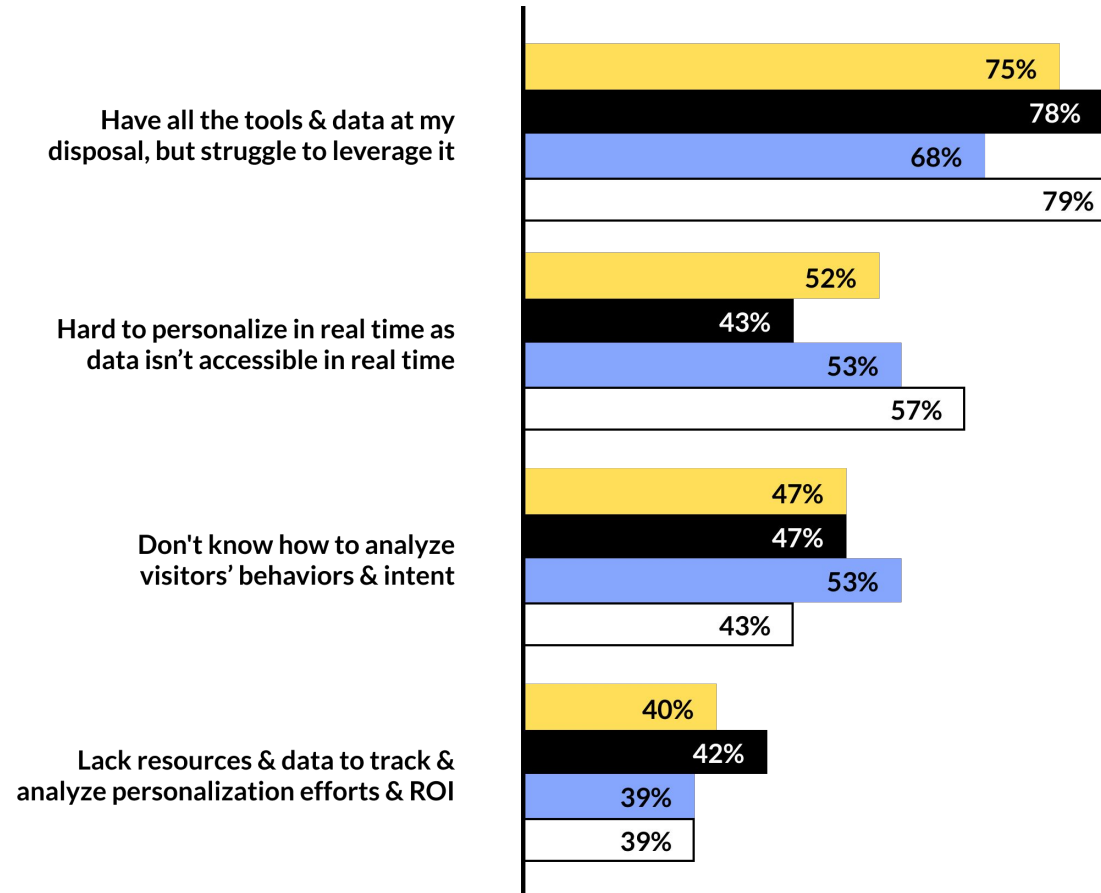
EINAT ETZIONI
CMO

N A M O G O O



Improving onsite personalization is a top priority for brands, irrespective of their size. However, the recent privacy updates related to data collection restrictions are impacting marketers' abilities to personalize the digital customer experience. eCommerce leaders that overcome this challenge by investing in non-PII and first-party data collection to deliver the personalized experiences that shoppers want and expect, will be set up for success in the long run.

HOW DATA IS A BARRIER TO PROVIDING PERSONALIZED CUSTOMER EXPERIENCE



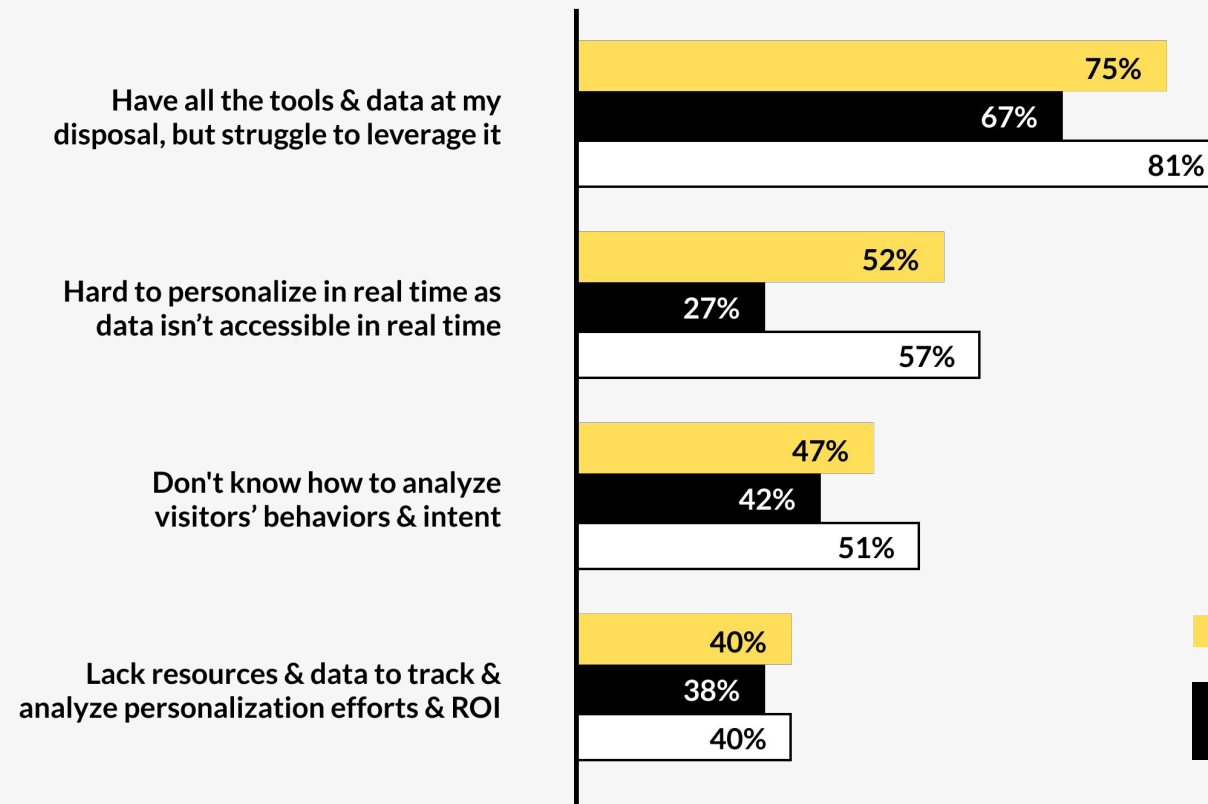
When looking at this challenge by company size, enterprises are struggling the most (79%), followed by SMBs (78%), and then mid-market (68%).

■ Total sample ■ SMB ■ Mid-Market □ Enterprise

Barriers for Providing Personalized CX by Company Size

The top barrier for providing the ultimate personalized customer experience is the ability to leverage current tools and data (75%). The second highest barrier is the ability to personalize data in real time (52%).

*These questions allowed more than one answer and as result, percentages will add up to more that 100%



It's also more challenging for hybrids (81%) compared to pure-play eCommerce (67%). This is likely related to the difficulties of personalizing in-store experiences compared to online ones.

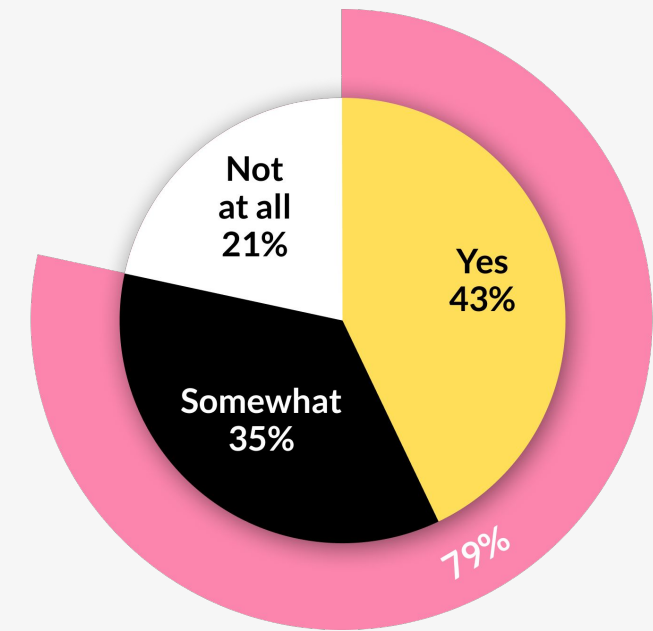
■ Total sample ■ Pure-play ecommerce □ Hybrid

Barriers for Providing Personalized CX by Retail Channel

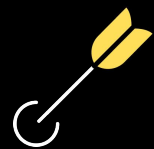
THE IMPORTANCE OF PERSONALIZED MARKETING WITHOUT PII DATA

Adequately leveraging tools and data is more difficult than ever before due to increased regulation and updates around data collection.

79% of companies, regardless of their size, are seeking to personalize their marketing efforts in ways that don't involve PII data, such as using intent and behavioral data.



Seeking Personalized Marketing Efforts Without PII



79% are seeking to personalize their marketing efforts without PII.

At Dollar Shave Club, our customers are at the forefront of everything we do. One priority I set for 2022 is educating our customers, both new and existing, on why our products are so amazing. This effort speaks to an aspect of personalization that is based on using new technologies that allow us to enhance the customer experience with intent and behavioral data.

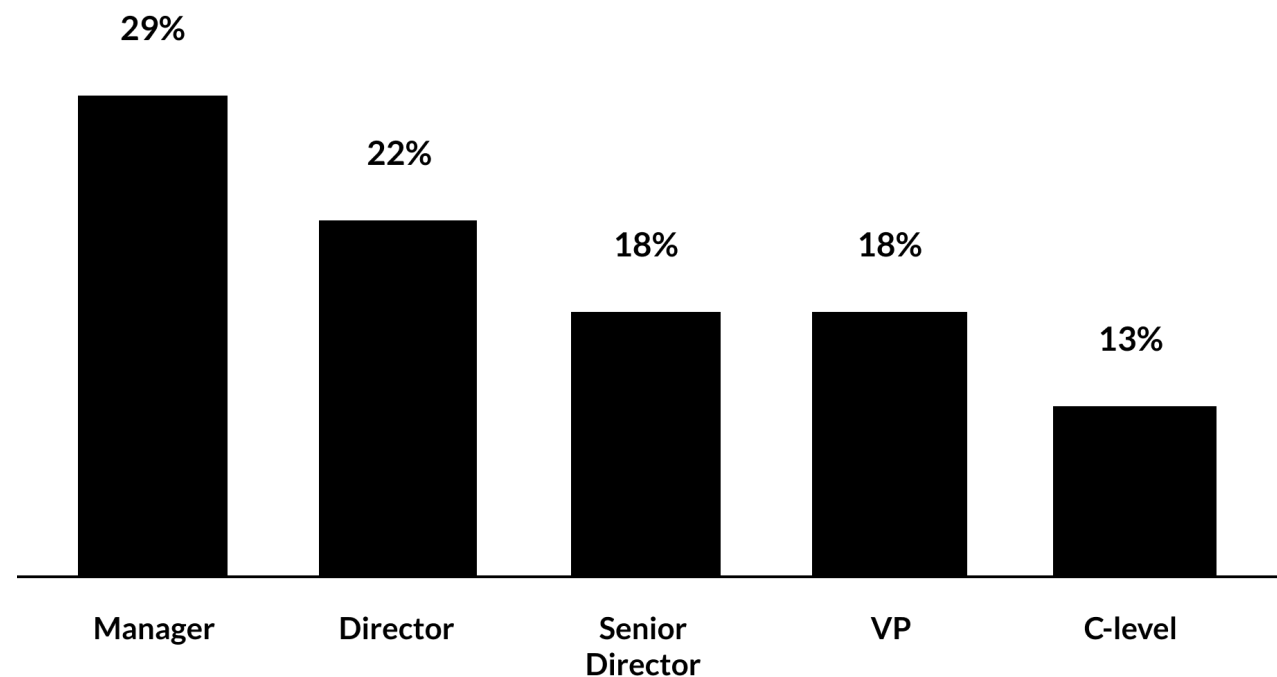


KEVIN SAKAMOTO
Director of Product Management
and Product Operations

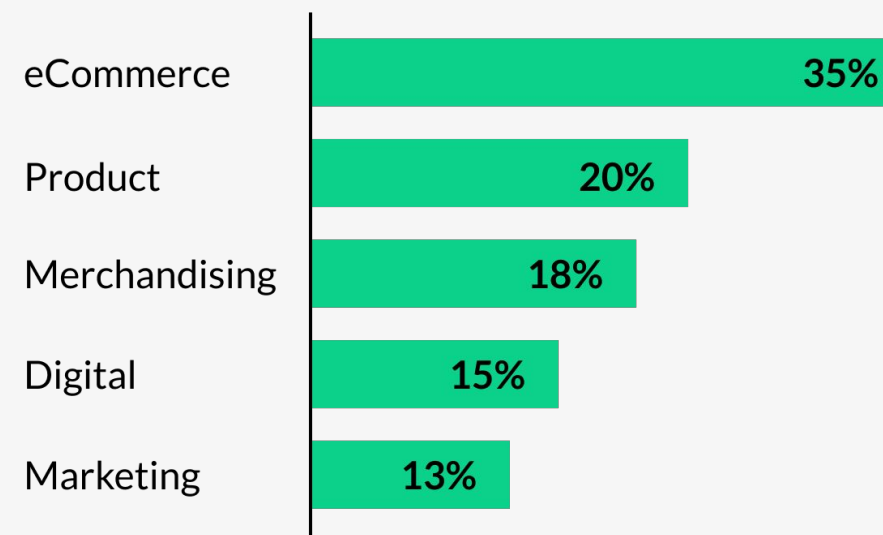
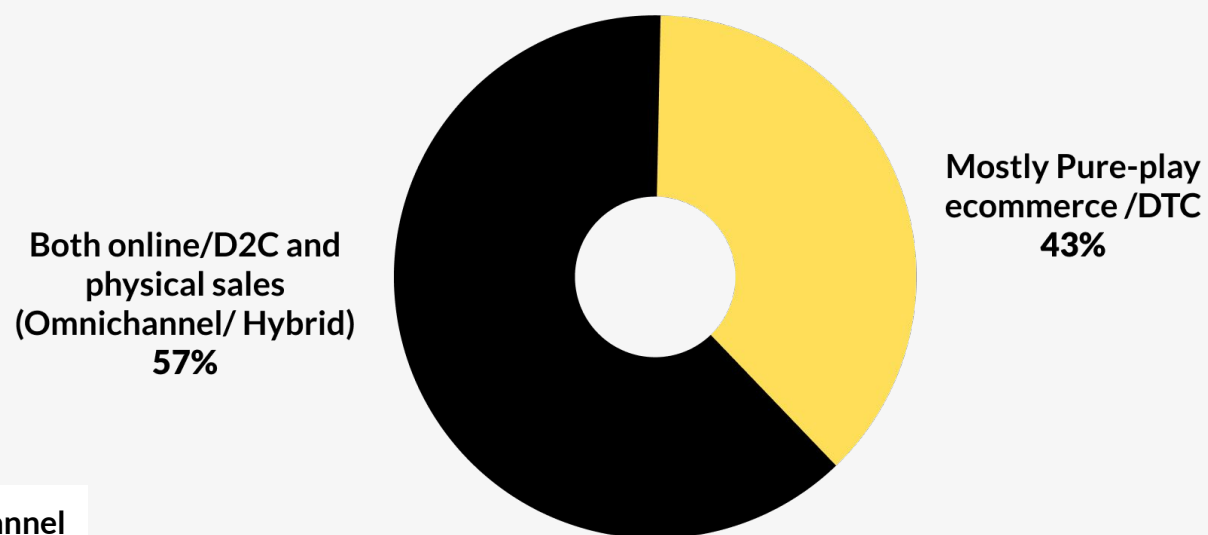
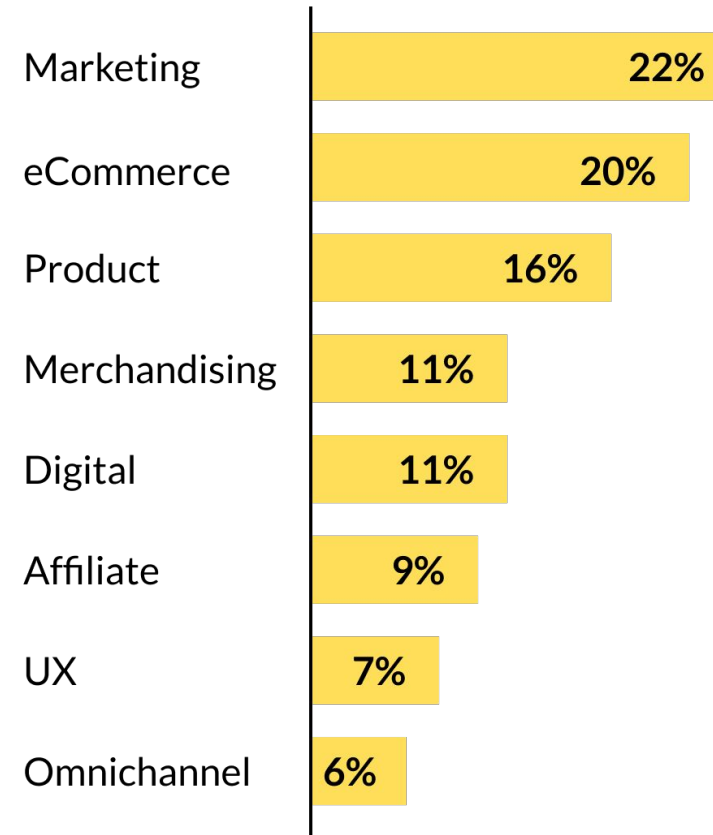


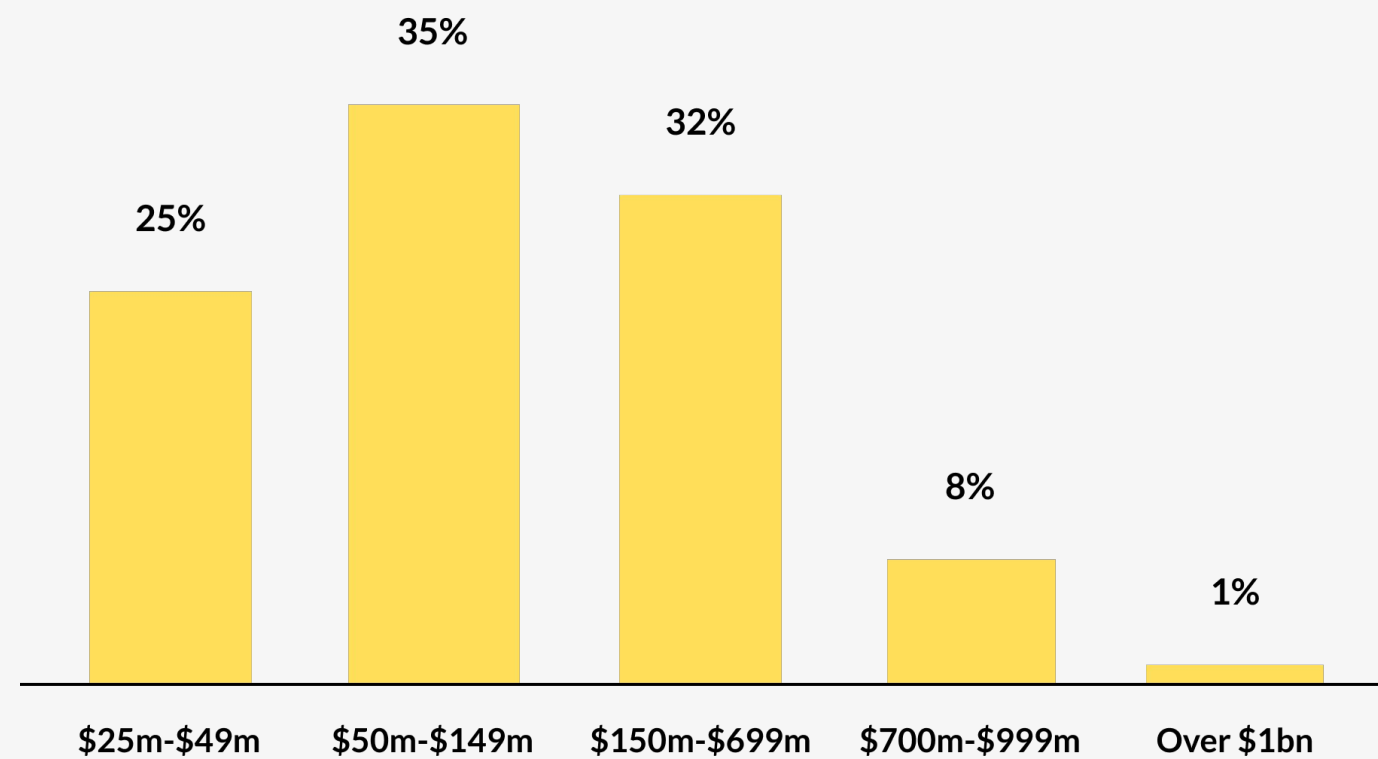
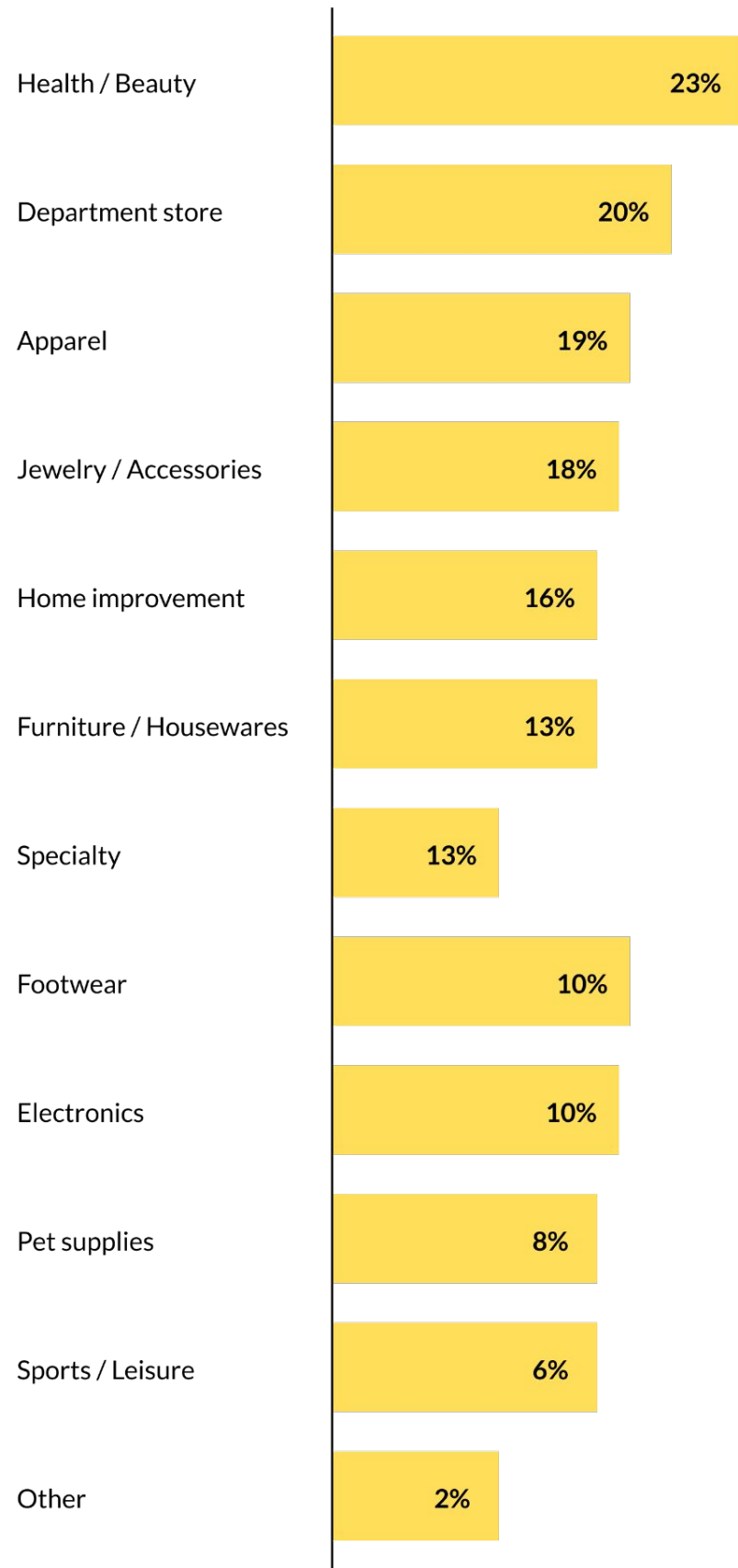
DEMOGRAPHICS

Seniority

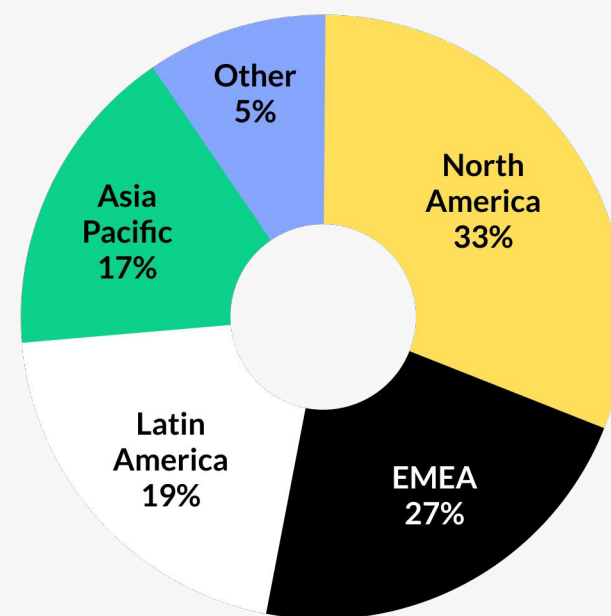


Role

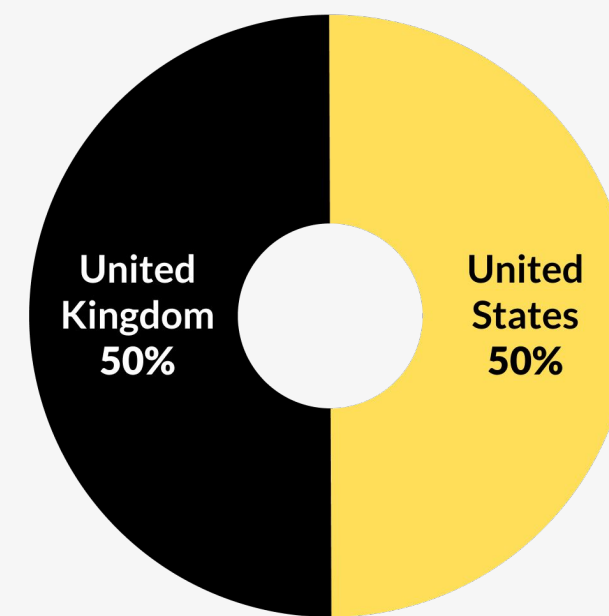




Online Annual Revenue



Main Target Market



Country

Retail Verticals

ABOUT NAMOGOO

Namogoo is the world's first Digital Journey Continuity platform, enabling online brands to drive their customer journeys forward and clear the path to purchase. The platform autonomously adapts to each customer visit in real-time, keeping the journey flowing right on to its destination.

Customer Hijacking Prevention identifies and blocks unauthorized ad injections from diverting online shoppers to competitors, immediately lifting conversion rates and revenue.

Intent-Based Promotions engine predicts and individualizes the most effective minimum promotion for each visit – saving eCommerce retailers' margins and strengthening brand equity.

Shopper Extensions Management solution provides brands with visibility into the impact of coupon and price-checking extensions to drive revenue and enhance the customer experience.

Personalized Email and SMS enables brands to re-engage with shoppers across all channels, including social media, wherever they are in their journeys.

Over 1,000 leading global brands trust Namogoo to keep their digital journeys hesitation-free and their business on the path to growth.

