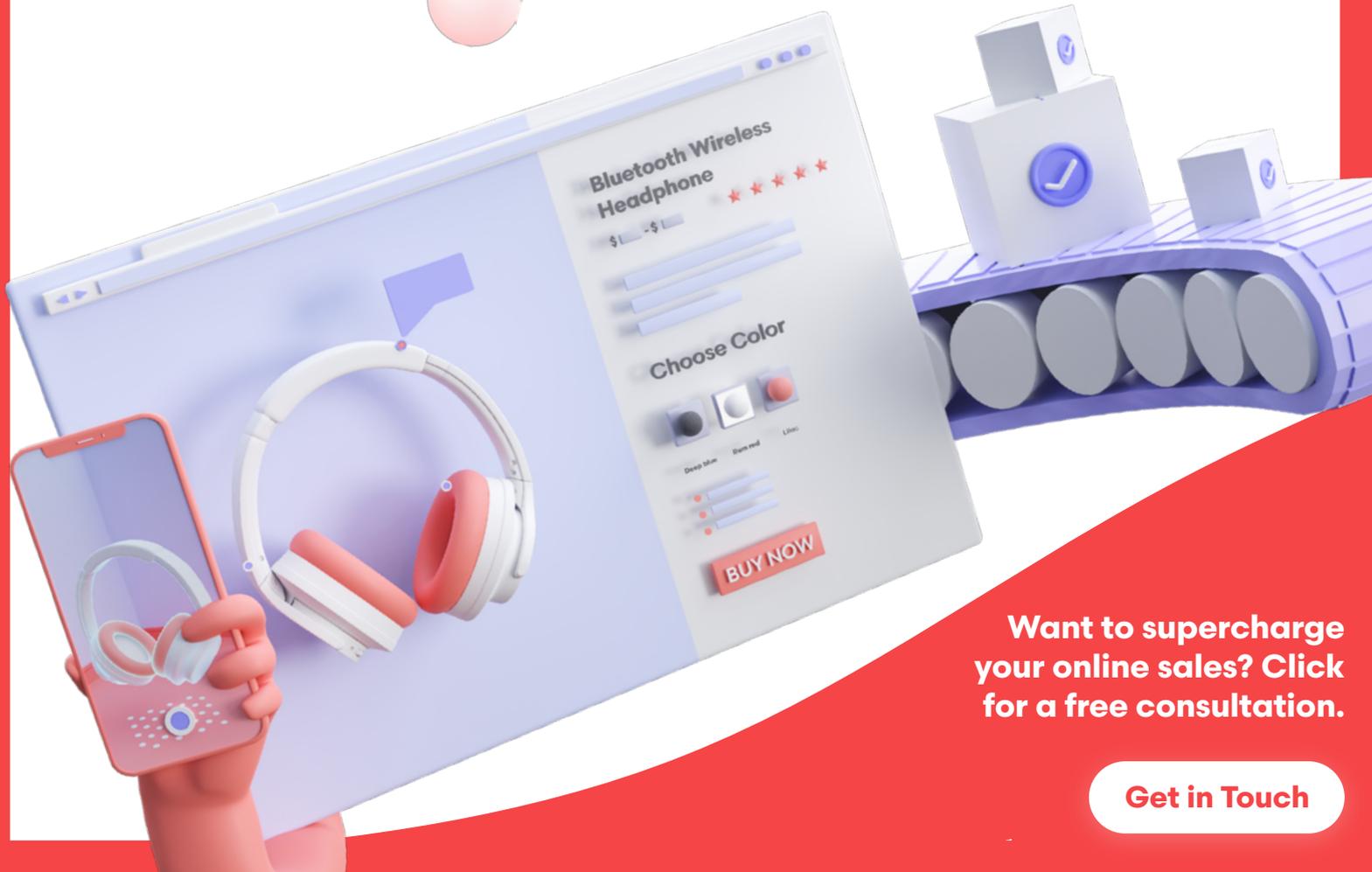


# Digital Customer Experience Trends

## 2020

Take a look at some of the key trends that you need to know and apply to boost your E-Commerce conversions .



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# Evolution of Commerce

Commerce has evolved from the barter system to trading of goods in marketplaces followed by brick & mortar stores to now a host of digital spaces for trading goods online.

As commerce evolves, continued developments in technology have consistently helped create digital retail landscapes both online and offline to deliver a seamless omnichannel offering. As commerce evolves from brick and mortar stores to e-commerce following through to mobile commerce (m-commerce), the common thread linking the evolution is the digital revolution.

As the digital revolution has gathered momentum, it has become widely understood that the “digital customer experience” is the key to engage with, delight and monetize customers in the modern world. Customers and individuals are increasingly expecting seamless engagement experiences, irrespective of how they touch organisations. In turn, businesses have to recognise the importance of their lifetime relationship with an individual, where interactions must evolve to meet their ever changing desires and needs.

Consumers today exist in a hyper-connected world and have a multiplicity of ways to discover and purchase products and services thanks to the growth of mobile technologies and internet facilities, in order for a brand to stand out user experience has become one of the key areas of competitive advantage. A superior customer experience has turned into a key business metric, as it takes precedent in strategic priority for most businesses. A seamless-customer experience influences willingness of brand advocacy and loyalty.

*56% of CEOs said digital improvements have led to revenue growth. \*Gartner*

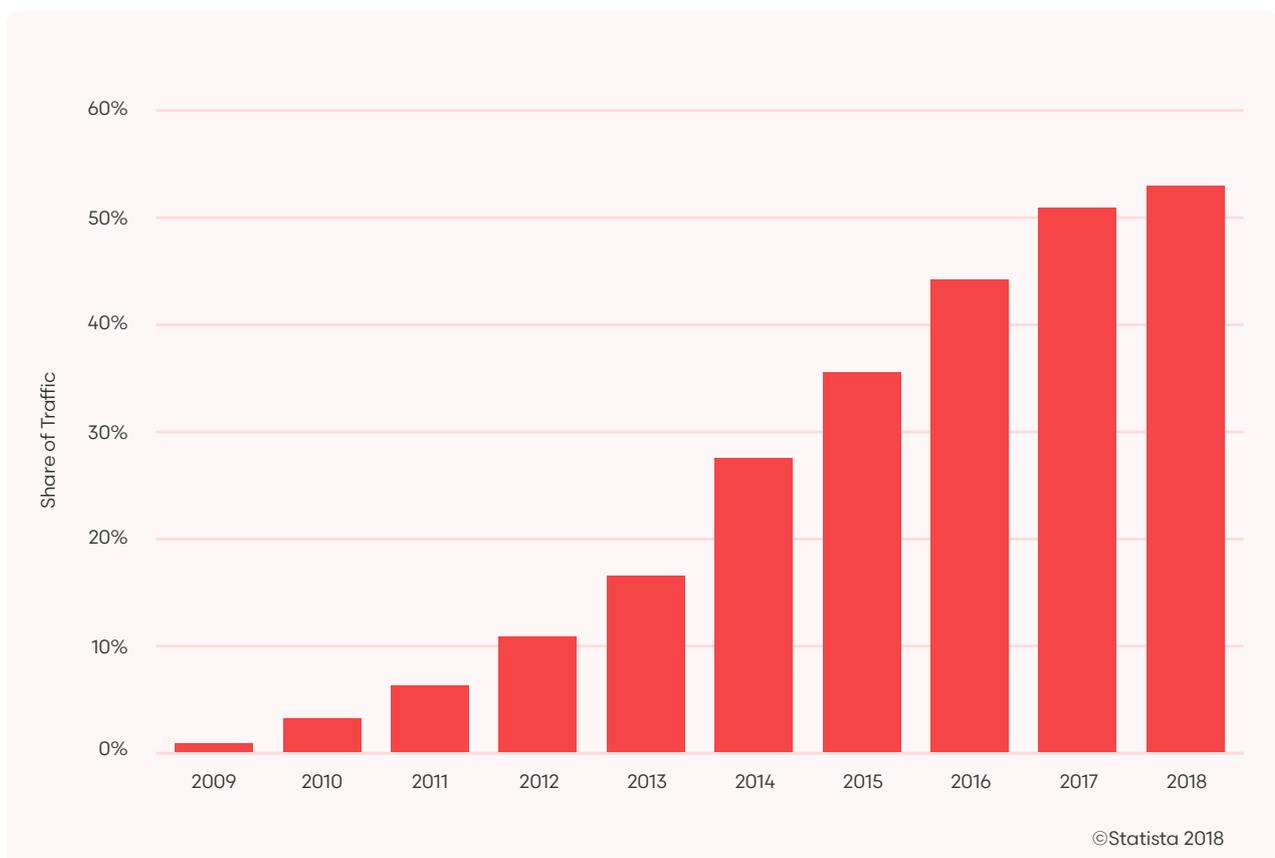
The trends set for the next digital revolution of commerce include aspects of transforming the online experience to keep up with changing shopping behaviours and shopper expectations. This paper will provide you with the top digital consumer trends of 2020 and suggest a couple of strategies you can implement to harness these trends and stay ahead of the curve.

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# Mobile Friendly Websites

Ecommerce is the most popular online activity and has been growing exponentially. Online sales are forecast to reach **\$4.5 trillion in 2021**. This popularity stems from the ease and comfort that online shopping offers, prompting more and more people to cut down on mall visits and purchase online instead. Nearly half the world's traffic comes from mobile devices.

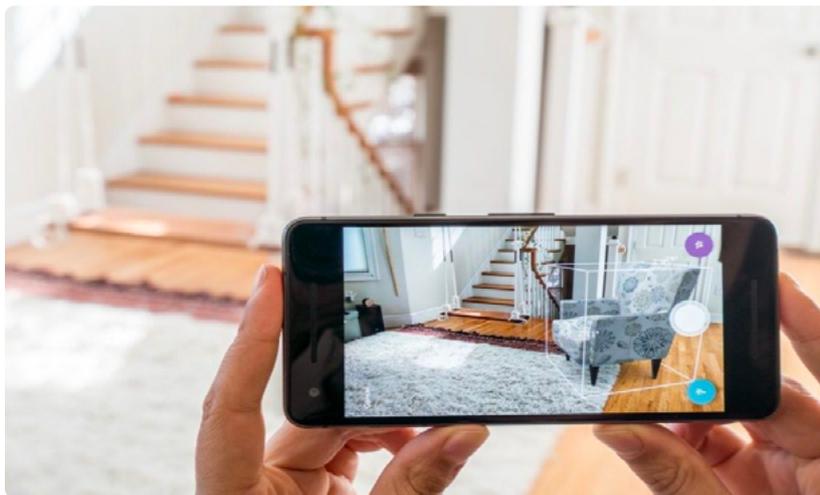


If you're not optimizing your content and your website, you're likely not making the most of your traffic and it may be preventing you from getting more traffic, the question you need to be asking yourself is are your products even being displayed as optimally as they should be? Keep in mind your website needs to be optimized for mobile users. To do this effectively, you need to understand some important design principles and choose the right font and layouts and optimize it across all device types.

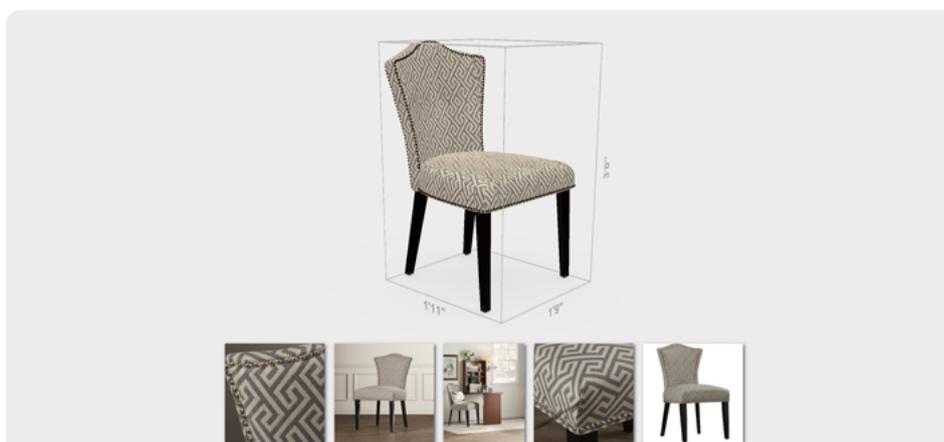
*Strategy tip: Include 3D visualizations of your product with a View in your space button on your mobile site, this not only gives your customers better contextual information about your product but also helps them visualize the product in their space.*

With the help of Web-enabled augmented reality (WebAR) experiences connect directly with your customers from your website, disrupting the classic eCommerce vs. brick-and-mortar tradeoff between traffic and conversion rate. These experiences don't need any additional applications to be downloaded for your content to be viewed and are extremely simple to integrate.

With consumers having these WebAR capabilities on their mobile and connected devices, within commonly used browser applications, they can experience, experiment, and share immersive product interactions—without having to leave your website.

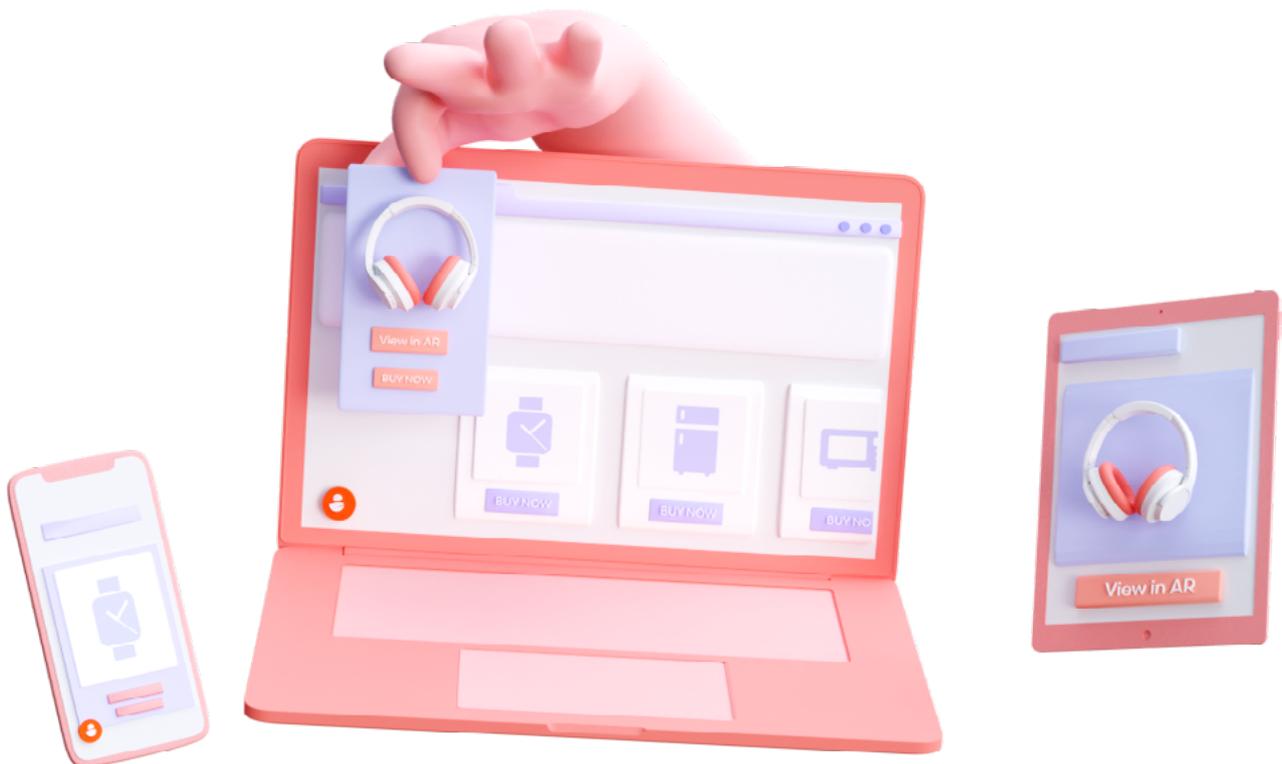


Leading retailers are rushing to put immersive experiences into the classic example being home decor. The tool allows prospective buyers to experiment with different styles, sizes, and colors—even share with a friend for a second opinion.



## The 'New' Digital Experience

Products are no longer just solving problems but changing the way a customer lives, companies are no longer just meeting expectations but exceeding it at every touch point of customer interaction. The 'new' digital experience opens a plethora of opportunities for customers. Among various benchmarks, the best in class digital experience provided by other service providers is an important benchmark to measure customer experience. Today, digital experience is about solving complexity with simplicity and creating an experience.



# Social Media Shopping

The amount of time being spent on social media by various customer groups and types has steadily increased over the years.

*In 2019, 3.48 billion people use social media, and 2.23 billion of them are active monthly users on Facebook, having a social media presence across the top platform and creating content tailored for your audience is key.*

## DAILY TIME SPENT ON SOCIAL MEDIA

Average h:mm spent engaging with/connected to social networks/services during a typical day

### OVER TIME

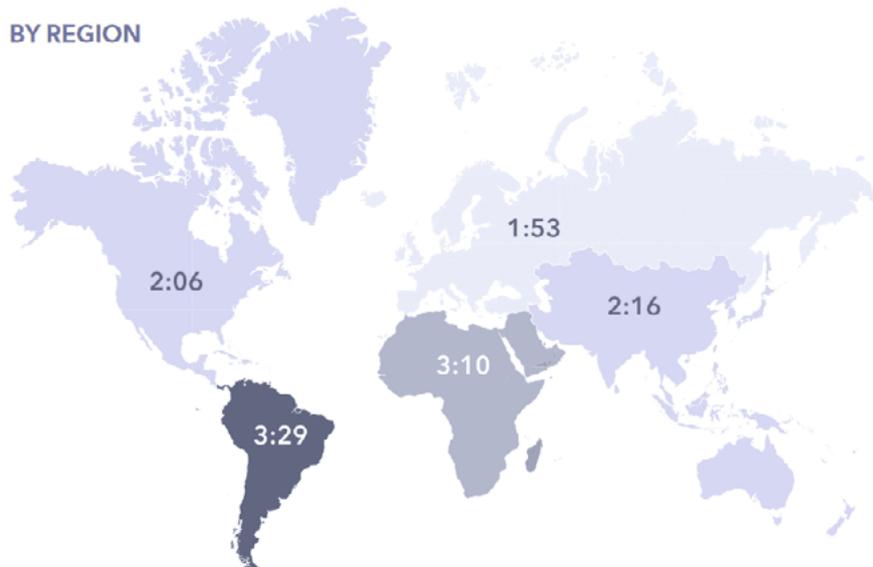


### BY AGE



Being able to connect with your customers in the spaces they currently interact in is a key strategy. The types of customers and their online personas are changing, whilst most Gen.X-ers and Gen. Y-ers prefer Facebook the rise of the Gen. Z consumer cannot be disputed.

## BY REGION



**16-24s spend  
3 hours per day  
on social media**

Question: Roughly how many hours do you spend engaging with/connected to social networks or services during a typical day?  
Source: GlobalWebIndex 2012-2018 (avg. conducted across each wave of research)  
Base: 61,196 (2012), 156,876 (2013), 168,045 (2014), 197,734 (2015), 211,023 (2016), 370,052 (2017), 113,932 (Q3 2018), Internet Users aged 16-64

Compared to the older generation only **36% of Gen Z** uses Facebook at least once a week, and the rest of their social media habits also differ from their predecessors, in many cases creating a stark contrast to what many thought was the “new norm” after the digital revolution set in.

**Poised to make up 40% of all online consumers** within the next year or two, Generation Z makes up 32% of the world and has **\$44 billion in spending power**.

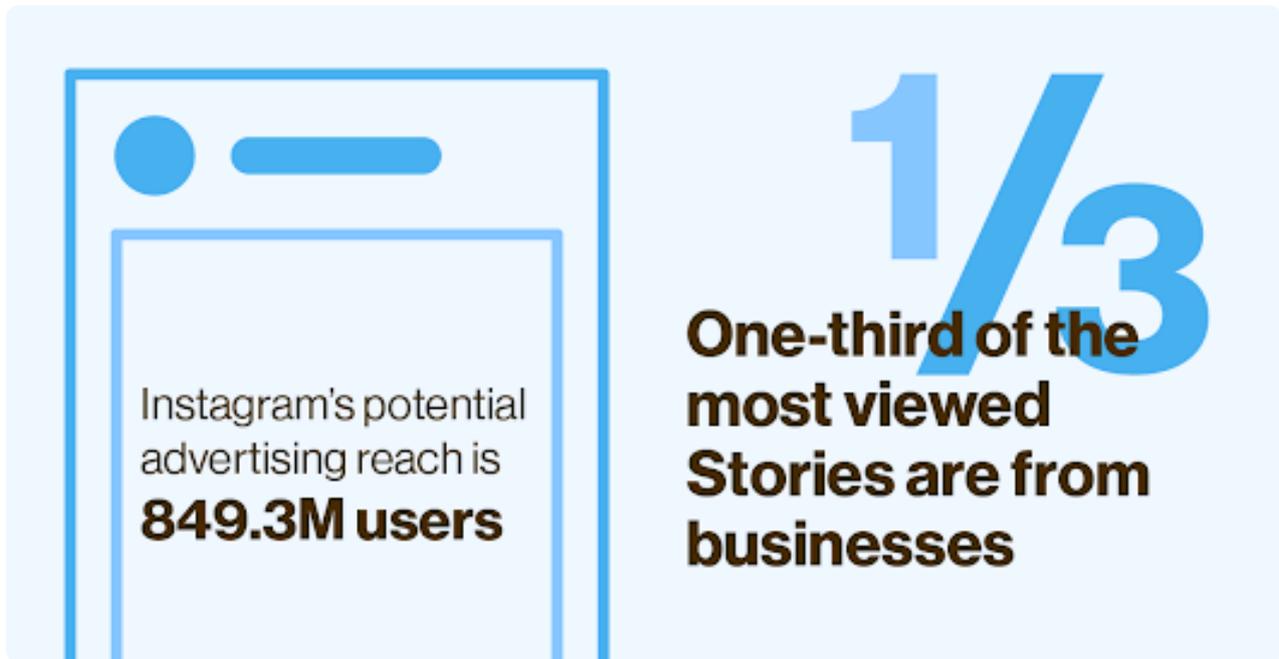
This generation has distinctly different online habits than their predecessors, and businesses that want to keep up with them will soon need to relearn, retrain, and re-strategize their marketing habits to keep up.



**1 billion people  
use Instagram  
every month**



**500 million  
people use Instagram  
Stories every day**

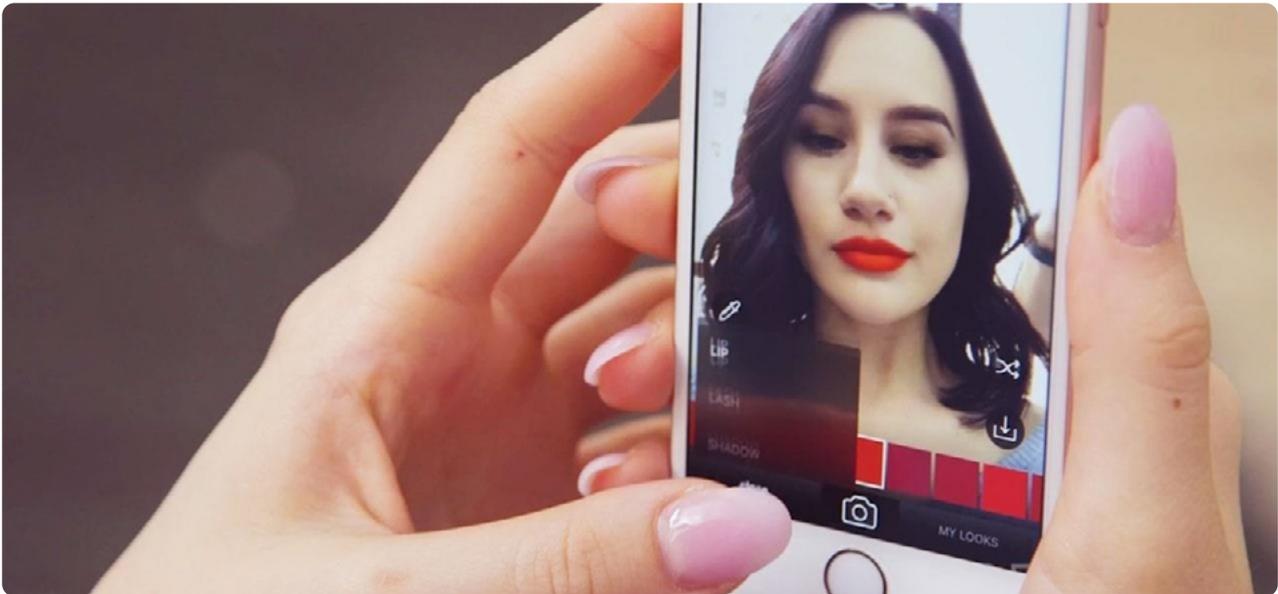


Gen.Z prefer YouTube, Instagram, and Snapchat to any other social media platform. Innovative brands have already launched AR experiences on social media which involve Virtual Try-ons of various products, product interactions and Augmented Reality games across social media platforms which help create stronger brand association and help customers try-on and interact with brands in spaces they spend their time in.

**Strategy Tip:** *To capture your customer's attention across every single channel, not just your website create an Augmented Reality try on experience taking inspiration from brands such as Michael Kors & L'Oreal allowing customers to try on products before purchasing online.*



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*Potential Returns: Augmented Reality campaigns on social media such as Michael Kors incur a 14-15% incremental lift in conversions and also experience a boost in ad recall and brand favourability*

*Engagement based Augmented Reality campaigns such as AR games encounter 200% more engagement and an increase in impressions.*

We're entering a new age of immersive media. The screen is no longer the barrier for digital experiences that it once was. Augmented Reality (AR) is no longer a futuristic technology. It has made inroads into a majority of industries with rapid adoption by the gaming, retail, healthcare, and automotive industries.

*Global Market Insights predicts AR market size will exceed USD 50 billion by 2024.*

#### *Everyone is doing it, but why?*

We at Scaptic believe that 3D and AR are compelling solutions compared to 2D traditional media. Unlike 2D media, 3D and AR require active participation from consumers, with the potential to establish new standards for what qualifies as "engagement"

# CPQ Revolution

A huge challenge for the e-commerce sector is product personalization with configuration options, online retailers can provide a richer experience for their current and prospective customers. It goes beyond visual aspects (customisation), enabling customers to select the technical characteristics of their products. With the arrival of new technologies, production means have evolved and online retailers are now able to respond to the growing demand for product personalisation, in both B2B and B2C. Product configuration is part of a trend that aims to reduce stocks as far as possible, with a shift towards the 'make to order' model.

*CPQ stands for configure, price, quote. It helps organizations reduce inefficiencies in their sales processes by making it easy to configure product options and prices.*

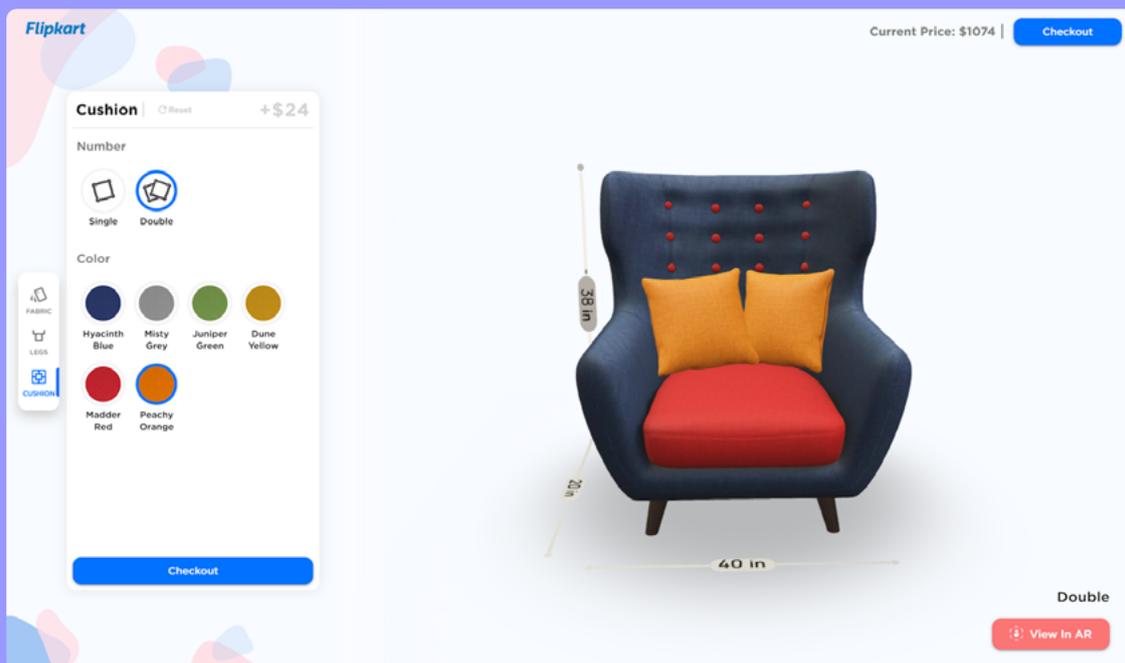
This process uses predetermined products and pricing rules to provide a quote to customers within minutes, which can be a fraction of the time it takes traditional sales teams to do so. One of the biggest changes in consumer behaviour has indicated that customers expect offerings to be customized to their specifications from food to music to clothing and even cars, customers like interacting with custom features and designs specifically catering to their budgets.

Customizers as an offering give customers an active role in their experience allowing for complete involvement in the product's construction process. From a basic prototype they can add one or more features until they obtain a product made just for them.

**Strategy Tip:** 3d configurators as interactive tools powered by 3D models allow customers to personalize products. A 3D configurator allows potential customers to truly experience your products, viewing them at any angle or scale with photorealistic rendering. In addition, a configurator allows consumers to engage in real time with products designed to their exact specifications. **So, whether it's colors, styles or components, 3D brings customizable products to life with stunning speed and greater detail than**

With 3D your customers can check the product inside out 360-degrees, interact with it and customize, you can minimize mistakes, errors, and misunderstandings between you and your customer because they have proactive control of what they buy.

3D configurators help consumers understand the complexities and benefits of your product. They offer a guided tour of the product and educate the user in a playful way. Configurators can help increase conversion, and keep customer attention because of the amount of interaction required. Tracking customer behavior on a configurator will help you analyze preferences and anticipate trends ahead of time.



**Potential Returns: 3D Configurators improve visitor to Lead conversion rates by 30 - 40% on average and a 50% conversion boost on purchases.**

# Contextual Visualization

People like to try things out before they buy them, and that desire to touch and see is what interactive product visualization is all about. When it comes to e-commerce, the importance of images can't be overstated.

*59% of customers consider images the most important factor in their decision to make an online purchase – more important than product descriptions, reviews, or even price.*

In a world dominated by digital interfaces, interactive product visualization gives consumers the opportunity to experience, see, and understand products before buying them whilst giving them the freedom to explore products online as though they were in a store and getting direct access to enriched content. A successful interactive product visualization ultimately is one that gives a true-to-life experience of a product, and a key part of this experience is an intuitive user interface.

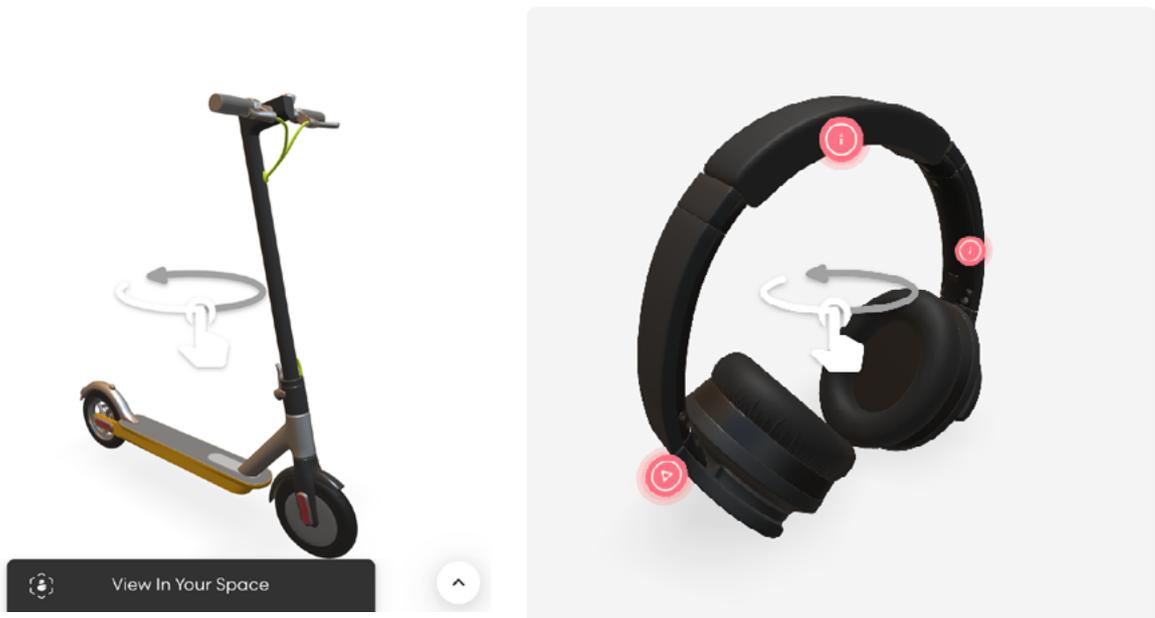
Incorporating product visualizations into an overall story being told about the product and the company is another way to make sure they have a positive impact on consumer experiences and buying decisions.

***Strategy tip: The 3D e-commerce revolution is here and it's time to get ahead. Including 3D visualizations of your product to replace tonnes of images on your product display page not only helps provide your customers with more information about your product but also help them focus on features that matter to them.***



***You may think 3D models would increase your site speed and reduce your SEO score however, it's the opposite, 3D models just like images can be compressed and be integrated on your website as easily.***

With respect to SEO scores, Google algorithms love "content", especially new content that visitors to your website will spend time interacting and sharing. Google's algorithms take into account parameters such as bounce rate, time spent on the page and shares. The more content your website has, the better Google will rank your pages. ***The best part about 3D product visualizations is the amount of time spent on this kind of content is 3x higher than traditional content therefore generating a higher user dwell time score helping you land a better site score.***



To level up your product visualizations, add hotspots on your product which can house key information about your product, from styling notes to helpful videos helping customers access the most important aspects without having to scroll through tonnes of product descriptions.

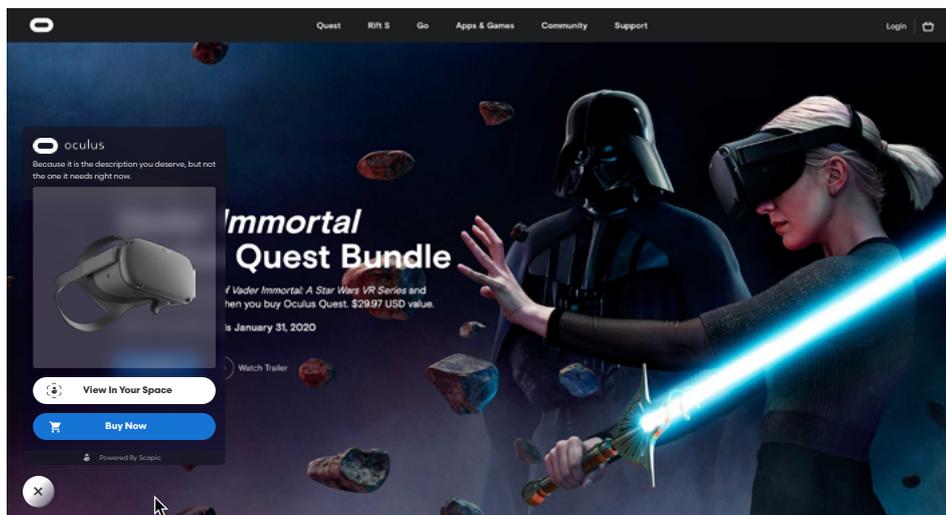
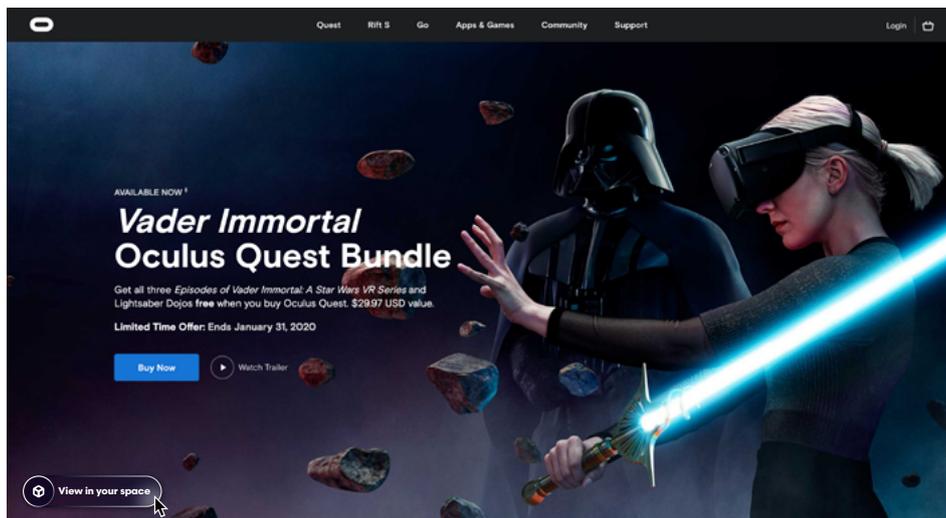
The best part of getting a 3D model of your product is being able to use Web-AR technologies to help your customers place your product in their space, walk around it and explore all the details that make your product special with just the click of a button. Enabling this particular implementation doesn't cost an arm and a leg and also gives you a potential advantage over your competitors.

# Bonus Strategy:

## Increase conversions on your landing page

Implementing 3D product visualization doesn't have to be limited to the product display page, add in a conversion booster button your landing page to help you move last season's stock or feature a key product on your landing page

With custom activation messages such as discounts and the ability to let your customers place the product in their space capture customer attention from the second they land on your website and reduce bounce rates.



*Potential Returns: By adding a 3D and AR to your website increase conversions by 30% and reduce product returns by 50%.*

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# Metrics to track

Augmented reality commerce (3D & AR product experiences) can help merchants overcome e-commerce's steepest challenges—starting with the industry's high rate of returns. But to get the full picture of how 3D visualization and augmented reality can impact their businesses, merchants must evolve their metrics along with their e-commerce sites.

*Returns have long dogged the e-commerce sector. While return rates for retail as a whole hover between 8 and 10%, online the number is much larger, with anywhere from 20% to 40% of e-commerce purchases being sent back.*

Consumers routinely buy multiple sizes and styles with the intent to return the rejects, a practice Amazon and other major retailers have tried to combat by making returns as easy as possible. But this customer tactic is simply a practical workaround to a major gap in the online buying experience: the inability to scale, touch, and interact with items prior to purchase. E-commerce consumers want to gauge product fit, both physically and aesthetically, and to date, buying and returning items has been the best way to do that.

The advent of 3D product visualization and augmented reality may soon eliminate this purchase barrier, with mobile technology available today that enables shoppers to view 3D products from multiple angles and to virtually try items on or in their space in context.

These new tools have the potential to reverse the tide of returns — but quantifying the impact of 3D and AR e-commerce goes far beyond that single number. Augmented reality e-commerce holds the promise of driving more sustainable purchases, whose ripple effect requires merchants to adopt a nuanced approach to measuring the impact of 3D and AR initiatives.

# Consideration

## Category-Wide Engagement

**Metrics to watch:** Engagement by category and product over time, repeat visitor behavior, retargeting ad performance, customer service pre-sales costs.

Today's path to purchase includes numerous diversions, rest stops, and loops as consumers encounter products online, study specs, weigh customer reviews, compare prices, save items in shopping carts, look up local store inventory, gather social proof, and otherwise take the scenic route to order completion. AR e-commerce has the potential to help shoppers make each brand interaction along the path a richer, more engaging experience that broadens awareness of the breadth and depth of the product offering.

*Shoppers are eager to access research tools that provide real-life context: 57% of respondents in a Vertebrae study said they wanted help visualizing how products would look in their environments, and a quarter seek ways to virtually try on items or looks.*

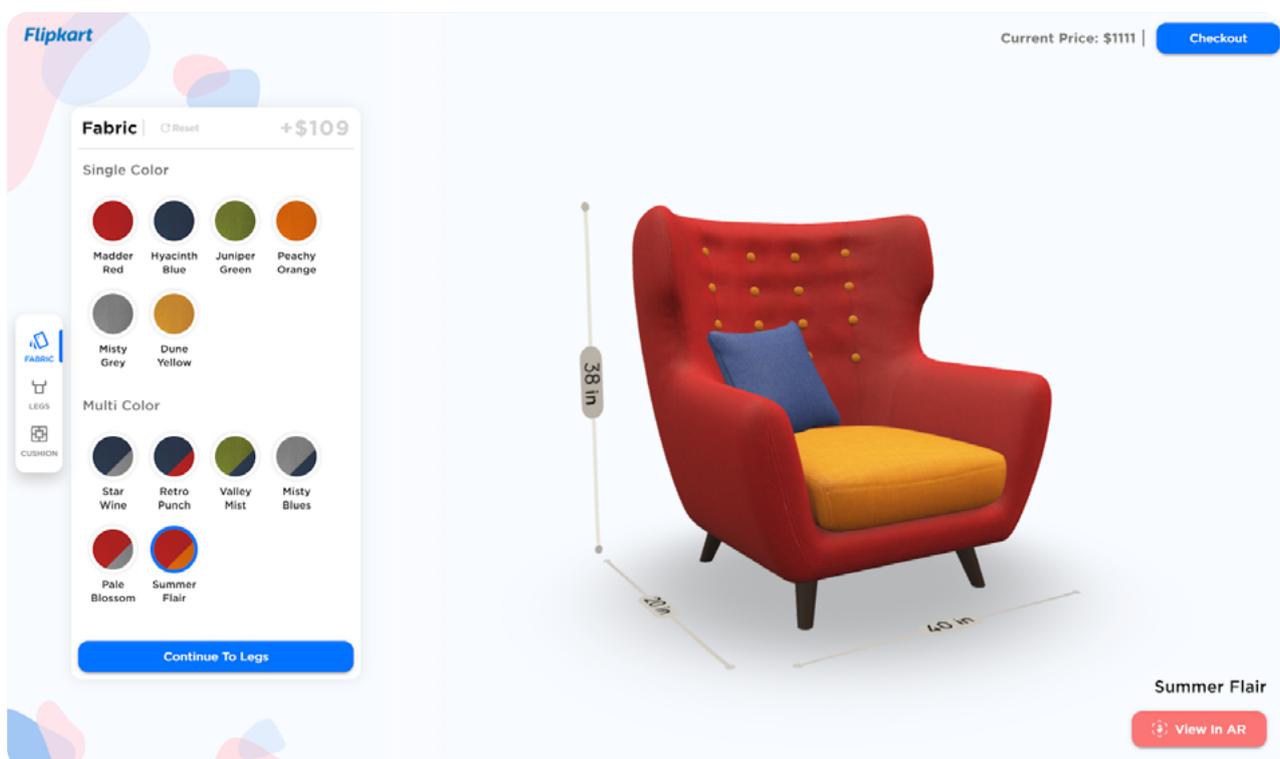


# Consideration

## Category-Wide Engagement

With the help of such tools, shoppers may reject the initial products they consider. But by offering the means to evaluate products accurately, sellers can earn shoppers' trust — and with the help of retargeting and re-engagement campaigns, they can win return visits and encourage consideration of alternatives within the category.

*3D and AR tools can also help balance the cost side of the consideration phase. The visual context provided by immersive e-commerce tools can instantaneously resolve uncertainties about fit, usage, and function, reducing the number of customer service calls related to product questions.*



# Purchase

## “Qualified” sales

**Metrics to watch:** Conversion over time, revenue per visit, average order size, cost per acquisition.

As shoppers gain more knowledge of the available products and the pros and cons of each, merchants can nudge them toward higher-priced items within the category. AR e-commerce supports such upsell efforts with tools that give shoppers a 3D view of advanced features and showcases how top-of-the-line items look in real-world context.

When shoppers place orders after an informed consideration phase, their purchases are “qualified” — meaning that their expectations are in alignment with the reality of the products they’ll receive. **Merchants who implement AR and 3D visualization tools on their e-commerce sites increase the chances that shoppers will make the right match for their needs.**

Capturing this qualitative difference in the form of quantitative KPIs can pose a challenge. Instead of relying solely on traditional e-commerce metrics that emphasize order volume and single-session performance, merchants should develop new formulas that focus on revenue generation per customer and track purchasing behavior over time.

This might require different approaches to analysis than what is traditionally used today. Analysts will need to get creative — for example, looking at intra-day session partitioned by geography to delineate and understand the impact of deferred shipping. Analytics data may also need to be enriched with other system information, such as store geographies tied to latitude and longitude paired with store loyalty export data.



# Post-purchase

## Less friction, more satisfaction

**Metrics to watch:** Return rate, post-sale customer support costs, customer satisfaction rates, customer review content

*When shoppers can examine products from multiple angles and visualize them in their own environments, they're less likely to discover unpleasant surprises when the items arrive*

In addition, merchants who help shoppers make the right product match can burnish their reputations through positive customer reviews, which can **increase conversion rates by 270%**, as well as word-of-mouth recommendations, and overall brand satisfaction leading to repeat business.

3D and AR tools are poised to vastly improve the online shopping experience and solve persistent e-commerce challenges, starting by lowering returns. To capture the full picture of AR e-commerce's impact, merchants should rethink their business metrics to reflect the new shopping experiences they deliver.



# AR Statistics across the industry

*Customers who engage with the 3D viewing experience convert with order values 104 percent higher than those who don't.*

*With AR based shopping, returns are down 50%*

*Showing products in 3D drove conversions up by 30%*

*Users are 11 times more likely to purchase with AR features*

*Online sales up by 263% with immersive shopping*

*Nearly 70% of consumers chose a lack of product information as a reason they've left a page. Adding 3D product visualization helps negate this.*

*Only 17% of consumers think AR would work best for a retailer via a dedicated app, compared to the 75% who think it would work best integrated directly into a retailer's website*

*Those who used AR features were 11 times more likely to purchase and spend 2.7 times more time on the product*



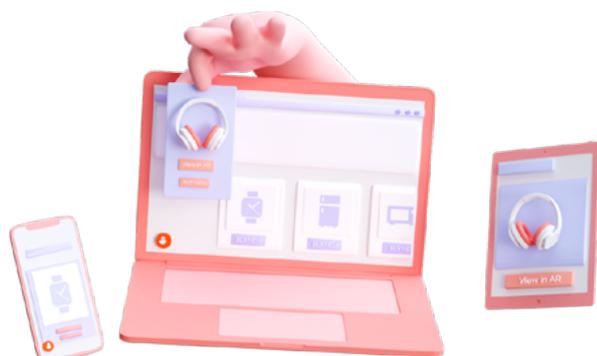
# Enabling AR & 3D

Today's digital customer experiences need to provide visitors with a stunning experience, contextual information and potentially bridge the gap between brick & mortar and the digital world. Implementing various strategies to help boost product visualization and transform the digital customer experience need not be expensive and difficult to navigate.

At Scopic, we help your brand harness the power of the 3D and Augmented Reality on the web, across social media and advertising to help you digitally transform your online customer experience. Whether you're a small firm looking to gain a competitive edge or a digital agency looking to implement AR on a large scale we've got a suite of easy to integrate products that help you supercharge your conversions, reduce bounce rates and increase user dwell on your products.

We take care of every single process along the way so that you can focus on selling.

From creating optimized 3D models of your product our implementations can help boost that SEO score whilst keeping your site speed low.



With one-line integrations we can enhance product visualization and make your site AR ready in minutes.

The proof of the pudding with any new strategy are the metrics, our secure analytics dashboard helps you get relevant insights to help you create better strategies.



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# The Scapic Advantage

*Take the plunge, transform your digital customer experience with **3D and Augmented Reality** in 2020.*

*We'll make it worth your while with a **Free** consultation & implementation today.*

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