New Modes:

Redefining Personalization in the Age of AI

Future Commerce

BIGCOMMERCE

No one argues that the introduction of the iPhone was a revolutionary turning point for eCommerce. The next decade plus was dedicated to optimizing desktop experiences for the mobile user, retrofitting the content and commerce accessible via big screens and a mouse, to work on small screens with a fingertip. "Mobile first" was the omnichannel marketer's mantra.

For the first time, we held the world in our hands.

Then, the rise of social media, influencers, and "the algorithm" reinforced expectations that brand experiences not only fit in your hand, but belong there—and should be tailored to individual preferences, needs, and desires. Aided by our actions—likes, comments, shares, and searches—individual preferences shaped our reality.

Our world became participatory.

We've entered the next phase of evolution, with AI being incorporated into trusted user experiences at a rapid clip. Not only do our preferences shape *what* we are exposed to, but *how* we see, sift and sort through information is changing. Complex predictive models, synthetic data, and LLMs deliver "speed to solution", lowering our cognitive load and seeming to "know" our unarticulated needs. Taste and desire are being mined, triggering adoption of new modalities.

Brands must become omnimodal.

How can brands navigate this shift away from devices and towards new modes?

BigCommerce and Future Commerce teamed up to explore how shoppers of today are thinking about, and using, technology of tomorrow—unlocking insights to help brands prepare for the nascent eCommerce revolution.

METHODOLOGY

An online survey was conducted with more than 200 Future Commerce subscribers between June 18-30, 2024.

Respondents were uniquely poised to provide feedback on leading-edge consumer behavior, given their dual role as eCommerce executives and "regular" American consumers.

Analysis in this report is focused on Total, with key difference highlighted across segments based on "digital nativity" and age of participants:

Key Segments

The Scroll Set:
20s—never knew adulthood without mobile or social

Generation Net:
30s—the bridge generation

Technostalgians:
40s and older—analog experiences are cultural touchstones

Shopping Online Dominates Our Digital Activities

Commerce is culture. At any given moment, we are just as likely to be shopping—if not more so —as we are to be streaming premium media content.
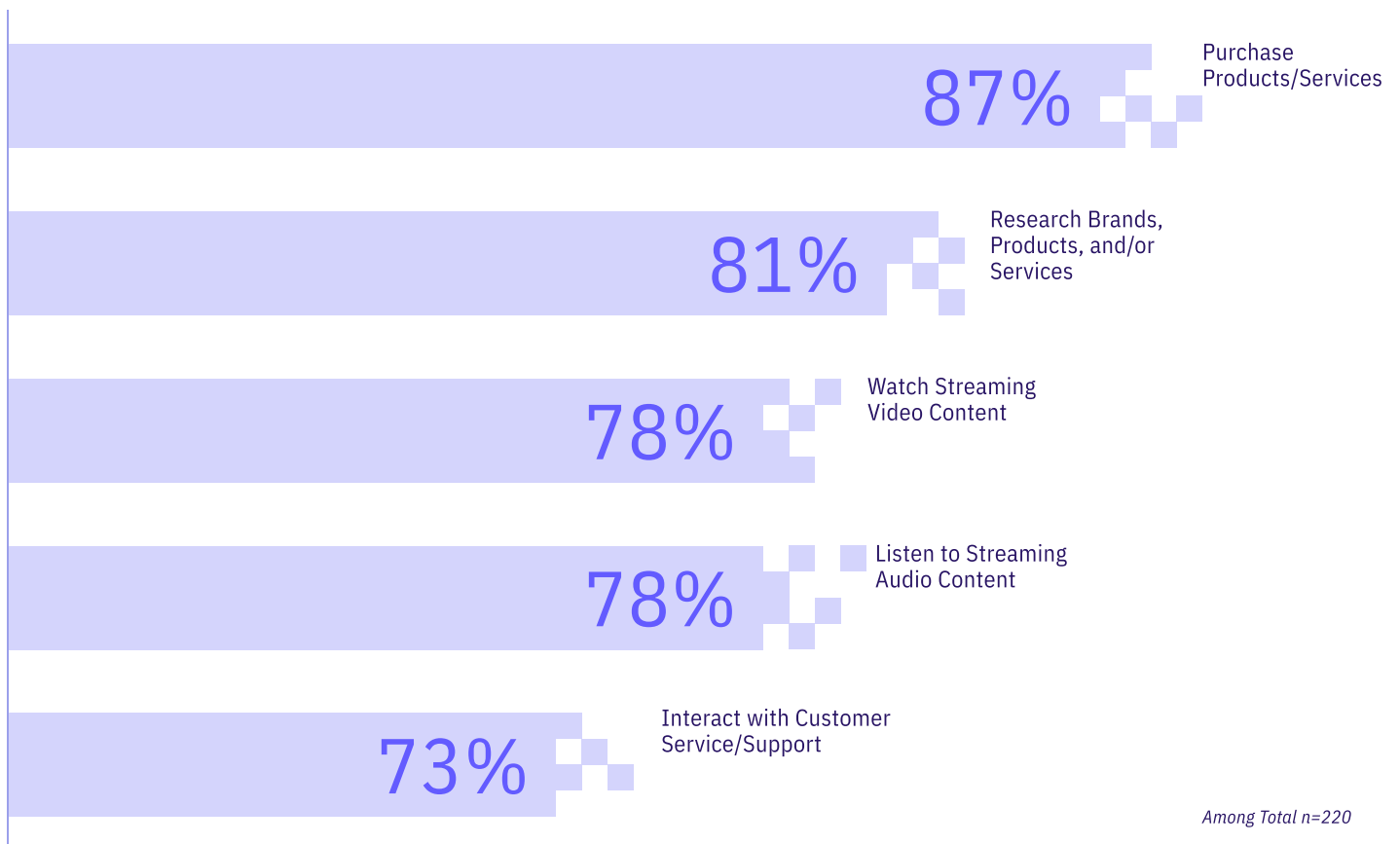
"Must see TV"—the relic of **Technostalgians** —has been replaced by "Must buy right now."

4 of 5

consumers can't go a week without shopping online.

Top Five Online Activities in Typical Week

87% Purchase Products/Services

81% Research Brands, Products, and/or Services

78% Watch Streaming Video Content

78% Listen to Streaming Audio Content

73% Interact with Customer Service/Support

Among Total n=220

Despite Ubiquity of Online Shopping, The Scroll Set Have the Highest Expectations
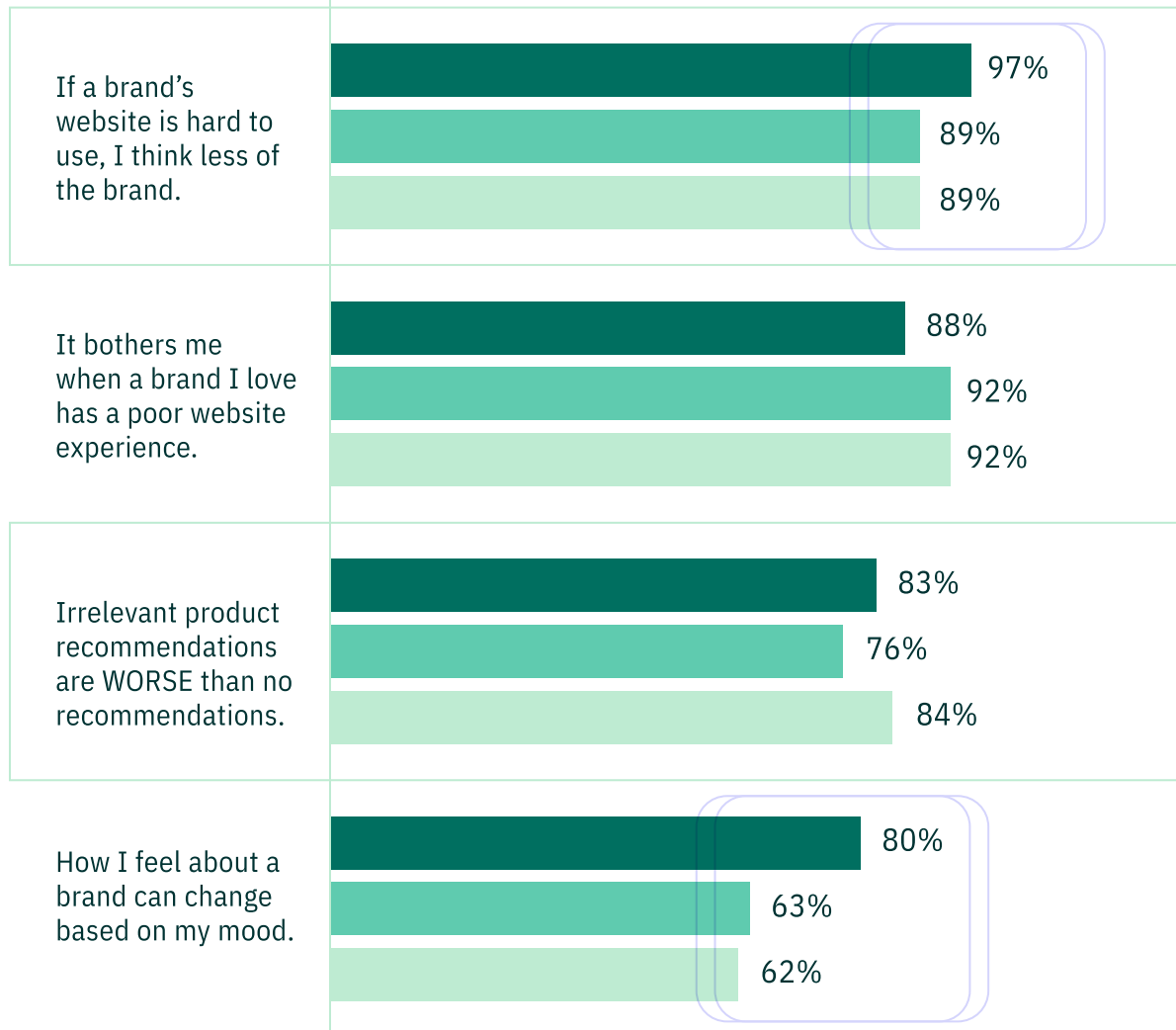
Whether items are shipped home or ready for in-store pickup, **81% prefer shopping and transacting online** across key categories—Fashion, Beauty and Personal Care, Home and Sporting Goods. After convenience, the most cited benefit to eCommerce is access to user reviews—**2 out of 3 shoppers are scanning through the sea of UGC to find someone like them** to validate their purchase decisions.

While the well-worn, circular path to purchase—discover, assess reviews, compare, assess again—is familiar across segments, growing up mobile/social means younger consumers have mobile/social savvy, and expectations to match. **The Scroll Set are less forgiving of friction**—unsatisfactory digital experiences have a bigger impact on brand perceptions for younger shoppers than among older consumers.

High expectations translate into the checkout experience as well. Even if shoppers don't have a relationship with a brand, they do have a preferred mobile payment app — and **40% have abandoned their cart upon finding that they can't use their preferred wallet method.**

UX Attitudes
% Agree

If a brand's website is hard to use, I think less of the brand.
- Scroll Set: 97%
- Generation Net: 89%
- Technostalgians: 89%

It bothers me when a brand I love has a poor website experience.
- Scroll Set: 88%
- Generation Net: 92%
- Technostalgians: 92%

Irrelevant product recommendations are WORSE than no recommendations.
- Scroll Set: 83%
- Generation Net: 76%
- Technostalgians: 84%

How I feel about a brand can change based on my mood.
- Scroll Set: 80%
- Generation Net: 63%
- Technostalgians: 62%

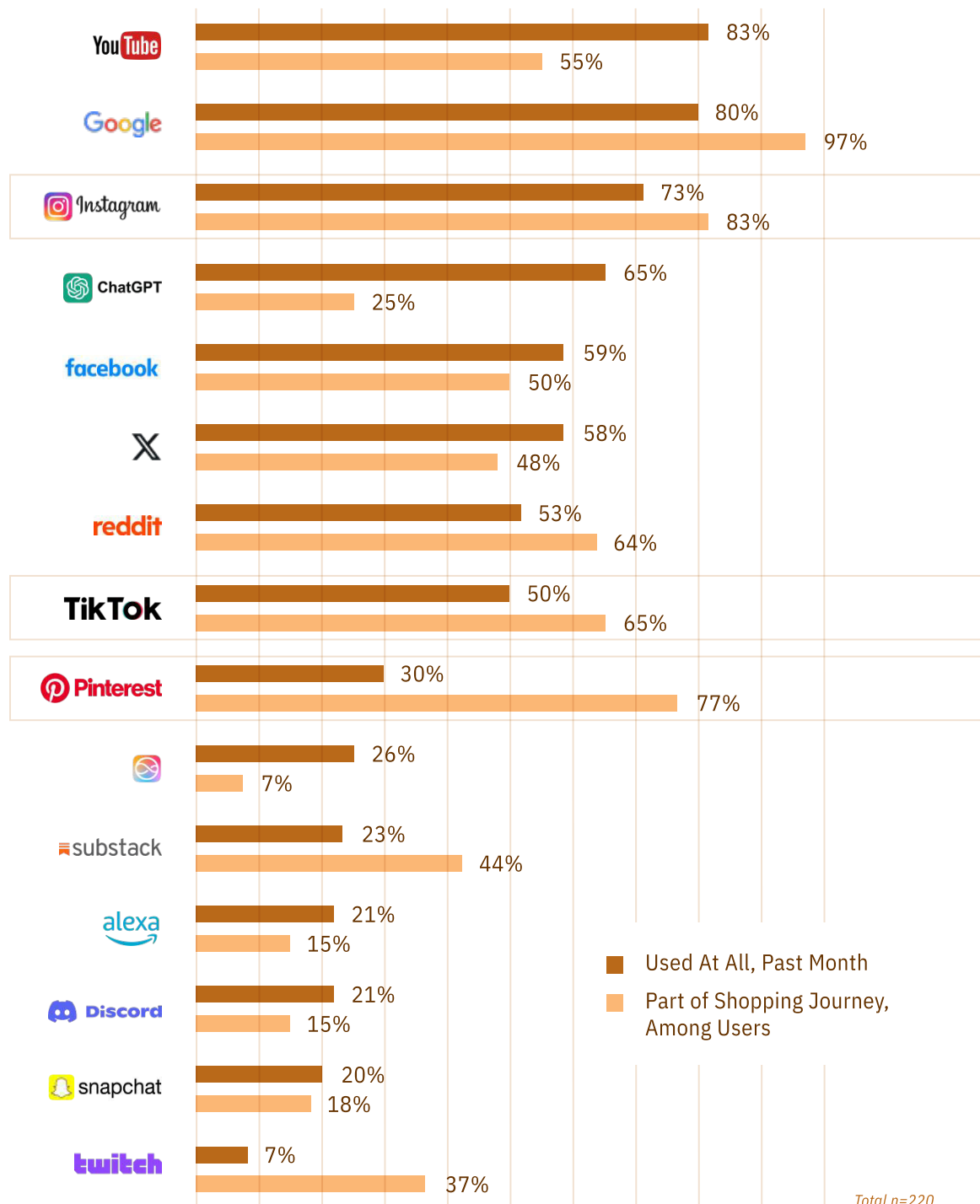*Across Segments: Scroll Set n=64, Generation Net n=93, Technostalgians n=63*

So what? As the spending power of Gen Z and Gen Alpha increases, brands that embrace contemporary user interfaces, flows, and features are poised to win versus those with legacy UX.
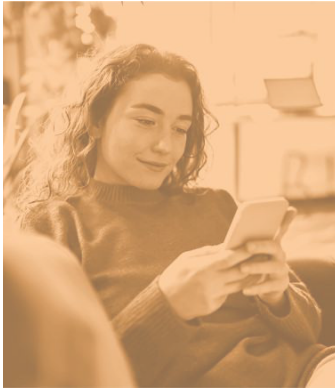
Legend:
- Scroll Set
- Generation Net
- Technostalgians

Desire for Contextual Relevance is On the Rise; AI is a Mechanism for Enhanced Personalization

Unsurprisingly, **the apps we use most in general are universally included during some stage of the shopper journey**; although Google dominates when we *don't* know what we want, our algorithms drive Discovery—especially via visuals on Instagram, Pinterest, TikTok.
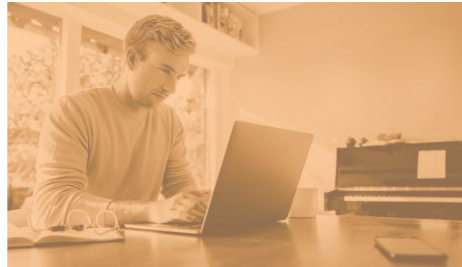
App Usage and Reliance for Shopping

App	Used At All, Past Month	Part of Shopping Journey, Among Users
YouTube	83%	55%
Google	80%	97%
Instagram	73%	83%
ChatGPT	65%	25%
facebook	59%	50%
X	58%	48%
reddit	53%	64%
TikTok	50%	65%
Pinterest	30%	77%
(BeReal)	26%	7%
substack	23%	44%
alexa	21%	15%
Discord	21%	15%
snapchat	20%	18%
twitch	7%	37%

■ Used At All, Past Month
■ Part of Shopping Journey, Among Users

Total n=220

Nuances across segments exist of course, with hype around specific platforms often translating into niche appeal:

Substack is most relevant with *Generation Next*, who are 3X more likely to use than The Scroll Set.

*Amazon Echo* "Alexa"—leader in voice—is primarily the domain of *Technostalgians*, who are 2X more likely to use than younger cohorts.

Snapchat's popularity is concentrated among *The Scroll Set*, who are 2X more likely to use than older consumers.

But despite the myriad ways to find and evaluate new products and brands, **ChatGPT is challenging Google's leadership position as "go to" for new category education:** The Scroll Set are 3X more likely to turn to ChatGPT as an alternative to Google when exploring a "new-to-me" category.

Consumers are beginning to realize that conversational prompts and queries—input that leverages keywords and reveals individual taste—means more contextually relevant output. In fact, **58% like seeing AI-driven search integrated into default search functionality.** As with traditional WOM and Influencer content before, AI has become a mechanism for enhanced personalization and brand connections.

First Resource for New Category Research

Legend:
- Scroll Set
- Generation Net
- Technostalgians

Google: 67%, 84%, 84%
ChatGPT: 33%, 11%, 10%
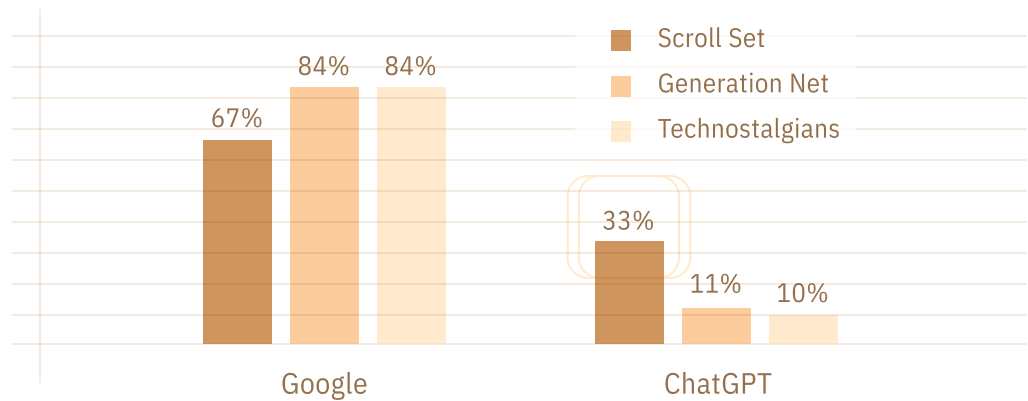
Across Segments: Scroll Set n=64, Generation Net n=93, Technostalgians n=63

So what? *The ability to arrive at data-based recommendations as quickly as a list of results gives consumers more confidence in their purchase decisions—setting a new level of expectation and engendering loyalty.*

"To me, personalization means curation, yet an algorithm can't really curate—it requires conscious selection. AI kind of gets you there."
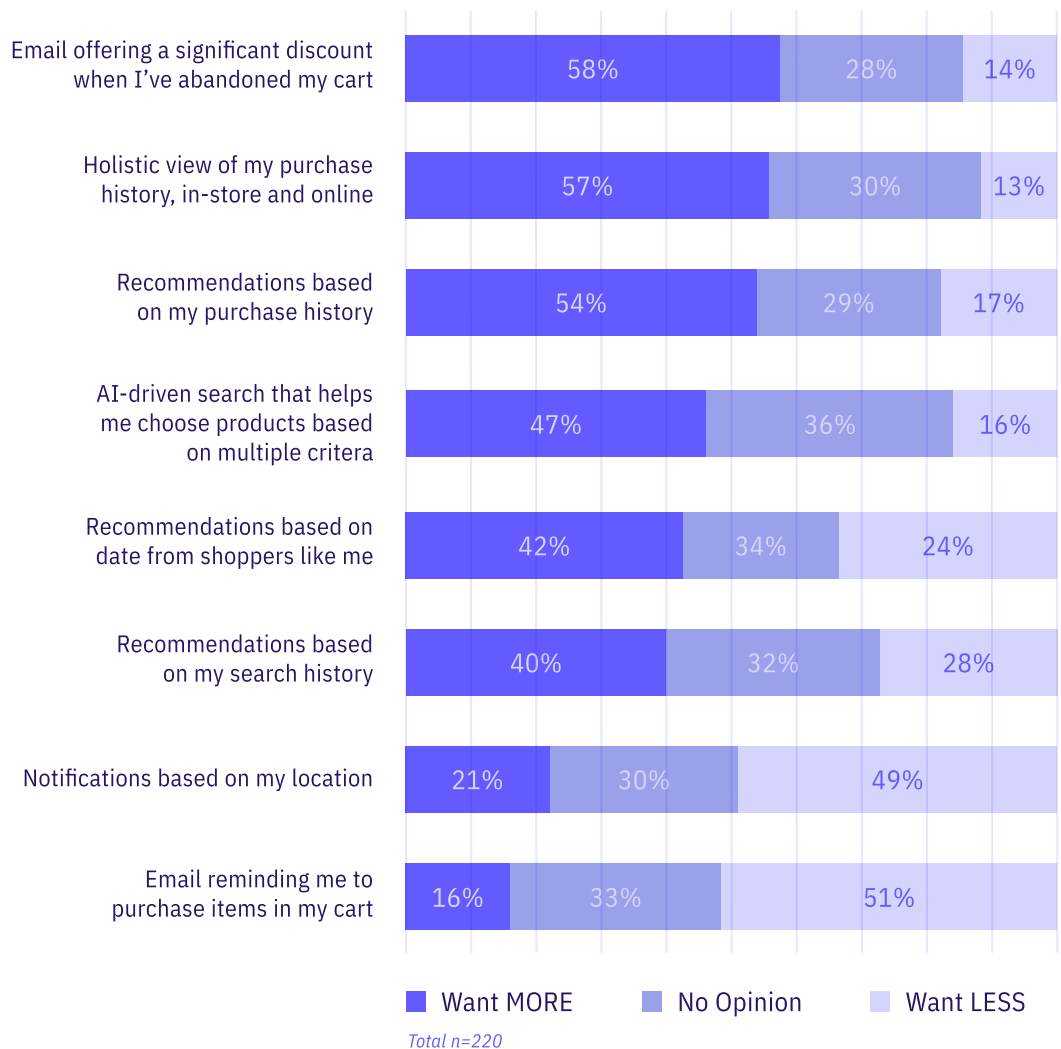
— *Future Commerce Subscriber*

Whether Behavioral, Attitudinal, or Conversational, Consumers Expect to Receive Tangible Benefits in Exchange for their Data

The expectation of "data for you, deals for me" is pervasive: **74% of consumers have opted-in and out of brand messages same-day** in order to score a discount.

Shoppers approach interactions with conversational search, chatbots and personalized pricing/offers with a common goal in mind—reduced friction at checkout. Ultimately, they are optimistic that AI innovation will deliver a higher-fidelity experience of what they've always wanted from eCommerce: a faster way to get what they need at the best prices.

While desire for discounts is understandably universal, so is assessing an holistic view of purchase history with a brand — both online and offline transactions. That this expectation is consistent across segments, age or level of digital "maturity" illustrates that consumers assume transactions are part of the value exchange and should feed into personalized experiences.

Interest in Types of Personalization

	Want MORE	No Opinion	Want LESS
Email offering a significant discount when I've abandoned my cart	58%	28%	14%
Holistic view of my purchase history, in-store and online	57%	30%	13%
Recommendations based on my purchase history	54%	29%	17%
AI-driven search that helps me choose products based on multiple critera	47%	36%	16%
Recommendations based on date from shoppers like me	42%	34%	24%
Recommendations based on my search history	40%	32%	28%
Notifications based on my location	21%	30%	49%
Email reminding me to purchase items in my cart	16%	33%	51%

■ Want MORE　　■ No Opinion　　■ Want LESS

Total n=220

So what? *Reminders are a nuisance when they lack a tangible benefit that "proves" you know the customer. If a discount is not feasible, consider recommendations for companion items or products that may need replenishment to illustrate their brand engagement is valuable.*

Digital Natives across the spectrum, from Technostalgians down to The Scroll Set, understand that personalization comes with giving brands a peek into their private lives, but they want the option to remain anonymous. Aside from change in inventory, cart abandonment is also the result of demands for more data:

# 63% have abandoned a cart when unable to checkout as "guest"

58% have walked away from a purchase when both email and phone number are required to receive a promotional discount

Unsurprisingly, **The Scroll Set** are the least likely to be deterred by the requirement to provide personal data compared to older consumers. Having grown up in an app-oriented world where digital authentication is standard operating procedure, they are more comfortable sharing their information.

"I don't care how 'personalized' something is, I'm interested in a smooth experience."

— *Future Commerce Subscriber*
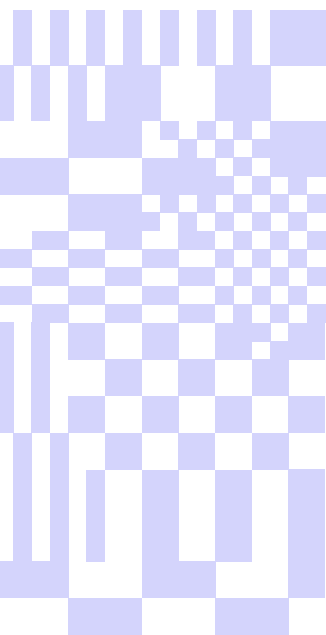
KEY TAKEAWAYS

- Consumers have an ideal outcome in mind, but the journey still matters. Shopping online is a "job to be done" that they want to complete on their own terms; brands have the **opportunity to customize user flows to meet their high expectations.**

- Innovative features and functionality that rely on **user data must deliver tangible benefits** that shoppers can see and/or feel—whether that's through enhanced content relevance, efficient transaction or compelling offers.

- **Contextual relevance is a catalyst for brand affinity;** recommendations that resonate have a positive halo effect. The Scroll Set have grown up experiencing this dynamic, and they're pushing shoppers of all ages to expect better.

- As consumer shopping mindset shifts from omnichannel to omnimodal, **they recognize AI can help identify needs efficiently and holistically** - surfacing relevant content anytime, anyplace, any mood.

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