

The Impact of Product Recommendations

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User-generated ratings and reviews are a known confidence-builder among online shoppers. But retailer product recommendations can also affect decision making—to a larger degree than you might think.

A new study by [Monetate](#) set out to quantify the sales impact on product recommendations. They compared shoppers who saw a recommendation but didn't engage with those who engaged with a recommendation. The research found that online retail browsers who engaged with a recommended product had a 70% higher conversion rate during that session. Return sessions also benefited from the initial product recommendation but to a lesser degree (55%).

In-Session Ecommerce Purchase Rates Worldwide, by Product Recommendation Engagement, Q2 2018

% tracked by Monetate

Saw recommendation and clicked

10.5%

Saw recommendation but did not click

6.2%

Note: represents activity on Monetate's network, broader industry metrics may vary; read as customers who clicked on a recommended product purchased the product at a rate of 10.5%, whereas those who saw the recommendation but did not engage purchased at a rate of 6.2%

Source: Monetate, "Q2 2018: The Right Recommendations," Aug 10, 2018

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Even shoppers who clicked on a product recommendation but didn't buy anything had higher engagement rates. These online retail browsers were 20% more likely to return to the site later.

According to Monetate, the effect of seeing but not engaging with a recommendation is practically the same as a shopper seeing no product recommendations at all. The average order value (AOV) was \$107.04 and the average number of items bought was 3 for shoppers shown no recommendations vs. \$101.63 and 2.9 items for irrelevant ones.

Of course, getting product recommendations right is easier said than done. In a January 2018 [Bazaarvoice](#) survey, 38% of US digital shoppers said they would stop shopping at a retailer that made poor product recommendations. This sentiment was consistent across many types of retailers including apparel and accessories (32%), health and beauty (31%) and sporting goods (30%).

Accurate recommendations go hand in hand with the current marketing mandate for personalization. More than one-third (36%) of retailers in North America viewed personalized recommendations as a customer experience priority, according to an April 2018 survey by [Boston Retail Partners](#).