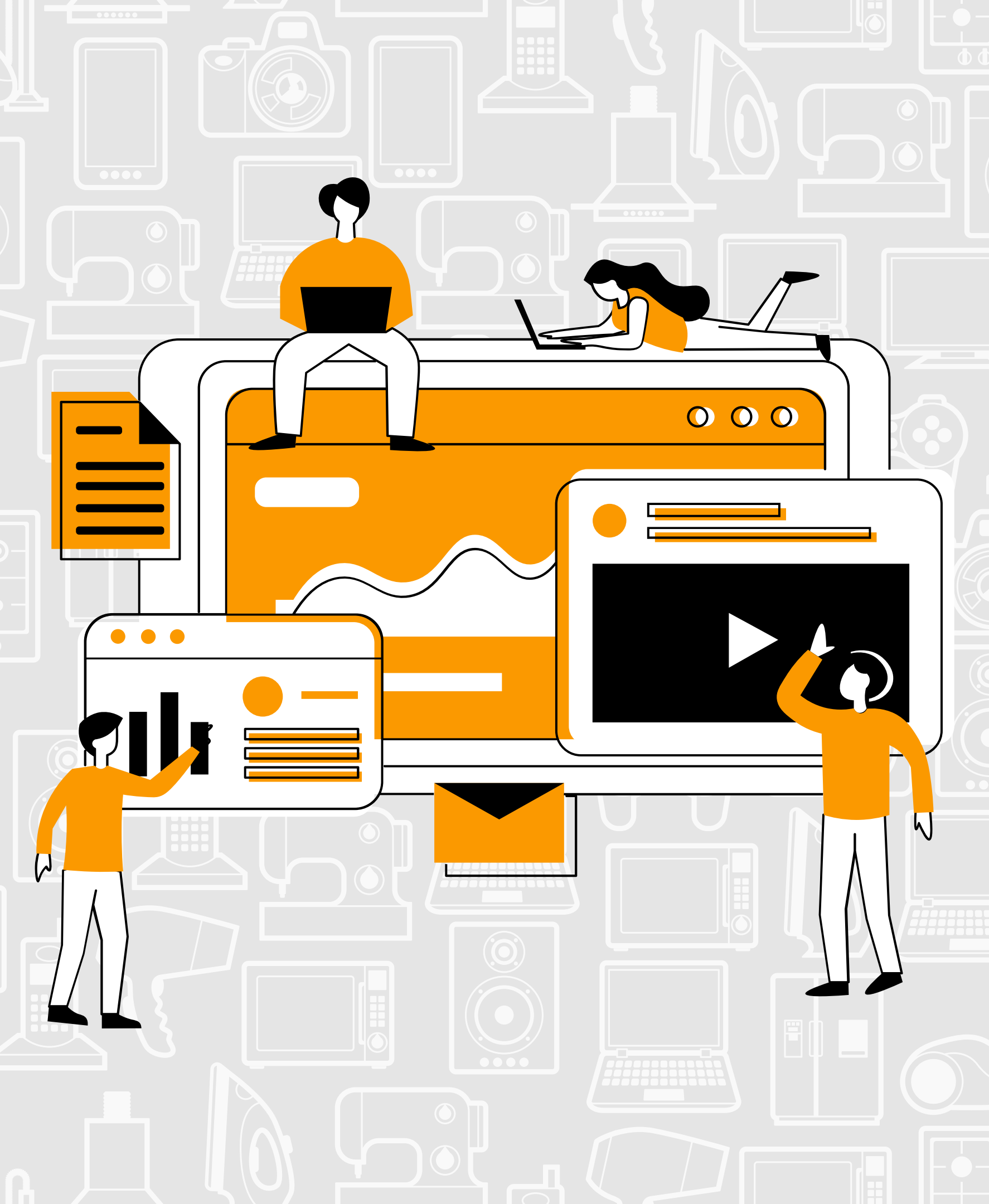




# AI-DRIVEN PERSONALIZATION:

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A major growth driver for consumer  
electronics ecommerce  
in 2022 and beyond





# Contents

## 01 Summary

## 02 Challenges and trends in consumer electronics ecommerce

## 03 Personalization strategies

Make product discovery easier

Bring the site search to the next level

Cater to your customers' interests

Show accessories and services related to recent purchases

## 04 Success story: Power

## 05 Risk-free personalization with Frosmo Try & Buy

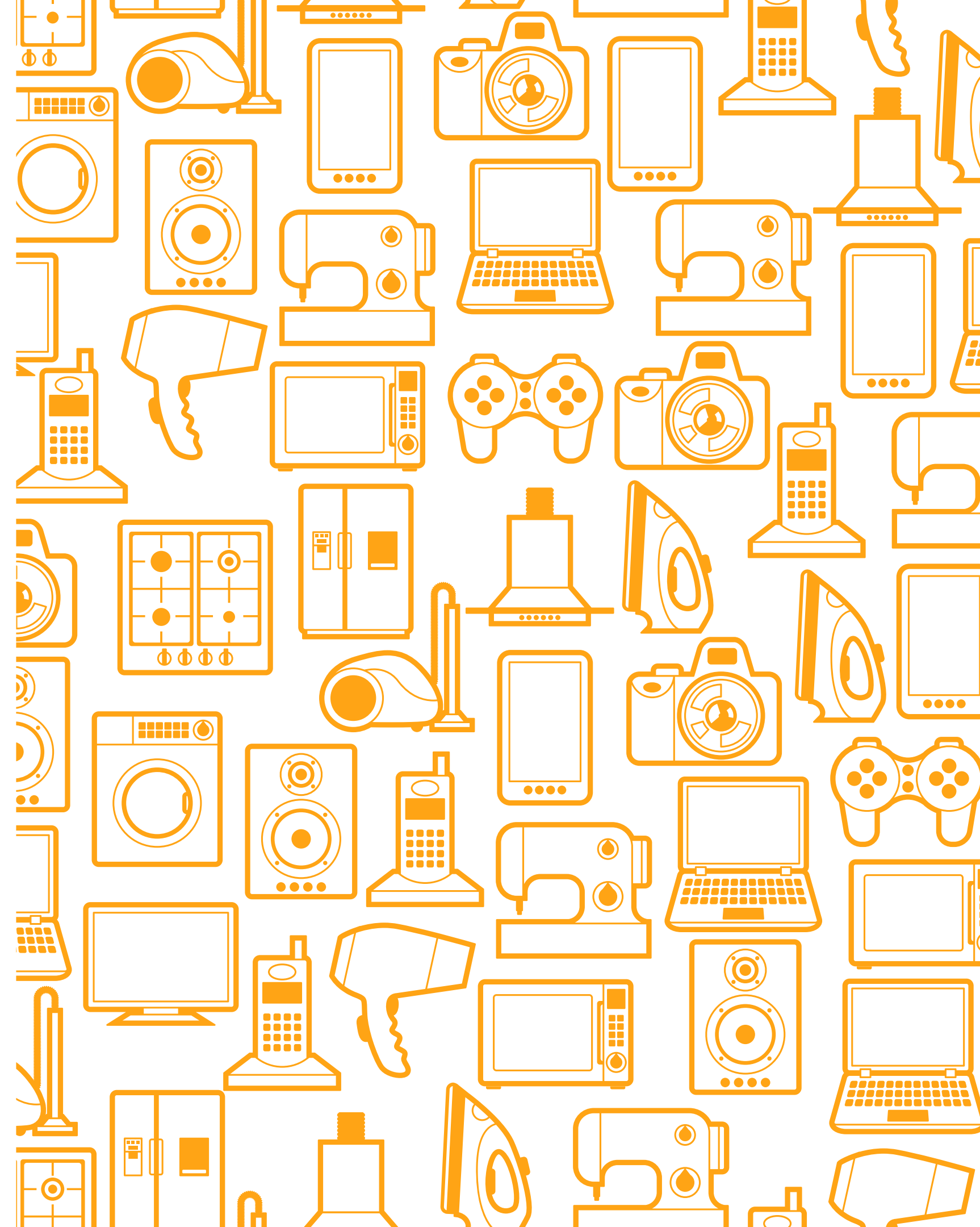
# 01 Summary

*Product discovery is a challenge in consumer electronics ecommerce, and that's why major players are currently investing heavily in AI-based solutions, such as personalized product recommendations, to improve customer loyalty and lifetime value.*

As customer journeys are not linear and often consist of repeated site visits, it's important to apply multiple personalization strategies, such as:

- **New visitors:** Recommend products that are popular or trending with other visitors.
- **Search:** Help visitors quickly and easily find the products or categories they're looking for.
- **Affinity:** Discover what your customers like, and provide them with relevant content.
- **Ancillaries:** Make sure to recommend the right accessories and services.

At Frosmo, we are experts in supercharging retail ecommerce revenue through smart, data-driven personalization.



## 02 Challenges and trends in consumer electronics ecommerce

The consumer electronics market is extremely competitive with multiple operators offering the same brands and products both globally and locally. While the product price is often the decisive factor for consumers, a great customer experience on an ecommerce site is proven to result in better conversion rates and a bigger average order value.

While the majority of consumer electronics purchases globally still happen in physical stores, the current trends suggest that by 2023, **47%** of total sales revenue in this vertical will come from online channels. The biggest players, such as Alibaba and Amazon, are investing heavily in developing AI-based solutions, such as image recognition and personalized product recommendations.

***This is just as well, since research shows that **80%** of customers are more likely to purchase a product or service from a brand that provides personalized experiences. If you don't personalize, you're seriously damaging your customer experience and thus your revenue.***

A consumer electronics ecommerce site can easily have tens of thousands of individual products available with several nearly similar models and brands, so creating an optimal customer journey is not an easy job. Customer journeys are not linear but rather a maze of repeated visits, a variety of consumed content, and other actions. The final conversion rarely happens during the first visit. Visitors have different ways to discover products and make purchase decisions.

This means that the entire customer journey needs to be personalized – not just the page on which the conversion is most likely to happen. For example, it doesn't make sense to show a static front page for a visitor who has previously engaged with the website and is likely to complete the purchase.



# 03 Personalization strategies

Personalization is all about creating a tailored and seamless customer experience based on what you know about a person's needs, wants, and preferences. Personalization allows online retailers to move away from the one-size-fits-all approach by presenting the relevant message at the right time across all touchpoints along the customer journey. This is a proven formula for improved customer loyalty and lifetime value.

Here are some personalization strategies to start with:

- Make product discovery easier
- Improve the site search
- Cater to your customers' interests
- Show accessories and services related to recent purchases



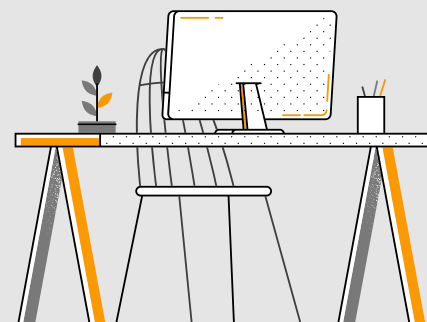


# Make product discovery easier

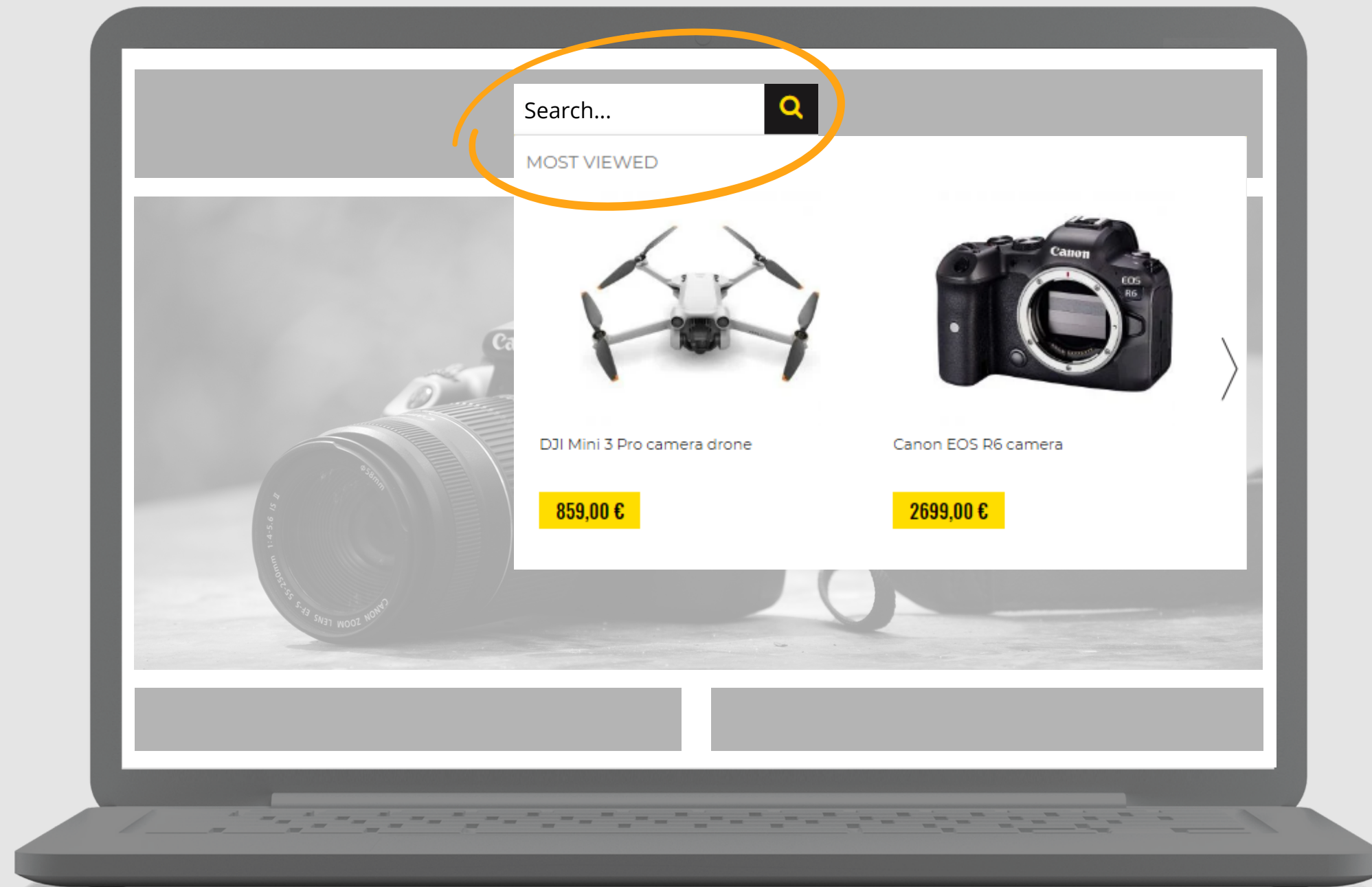
For new visitors, the challenge is to **engage them quickly by making product discovery smooth and easy**. However, you don't know the new visitor yet, as there is no data built up about their interests.

In this case, it's effective to **show AI-driven recommendations for the most popular products on the site** based on the most viewed and bought products by all visitors. On the front page, you can add a second set of recommendations showing products recently viewed by the current visitor.

In consumer electronics, customers like to compare different products and models. By combining product recommendations with comparison, you'll be able to provide real support for the purchase decision.



## Bring the site search to the next level



While smooth product discovery helps your customers engage with new and sometimes unexpected products and content, a powerful site search allows them to easily find the exact brands and products they are looking for. **Site search is a great way to promote the content that most effectively meets your business objectives and the needs of your customer while gathering information about popular search terms.**

Frosmo Instant Search replaces a site's native search function by taking over the site's search box. When a visitor first selects the search box, the solution displays product recommendations based on visitor affinity and the most viewed products on the site. When the visitors then starts typing into the search box, the solution returns instant, dynamically updating top results based on the typed search term.



## Cater to your customers' interests

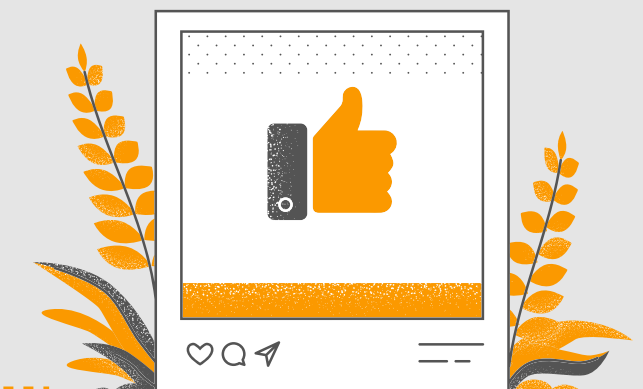


For visitors who keep returning, you can take a completely different approach.

In consumer electronics, **customers tend to be brand-loyal**. By tracking their affinity towards specific brands and product categories, you'll ensure that recommendations are genuinely relevant to individual visitors and help them make the final purchase decision.

Even in the early stages of the customer journey, **tracking affinity allows you to get started with audience analysis for your site, discover promising new visitor segments for targeted content, and gain a deeper insight** into what interests your visitors by studying the affinity group statistics for your site.

When you use the Frosmo Platform to track affinity, the platform continuously generates the statistics without any work required on your part.



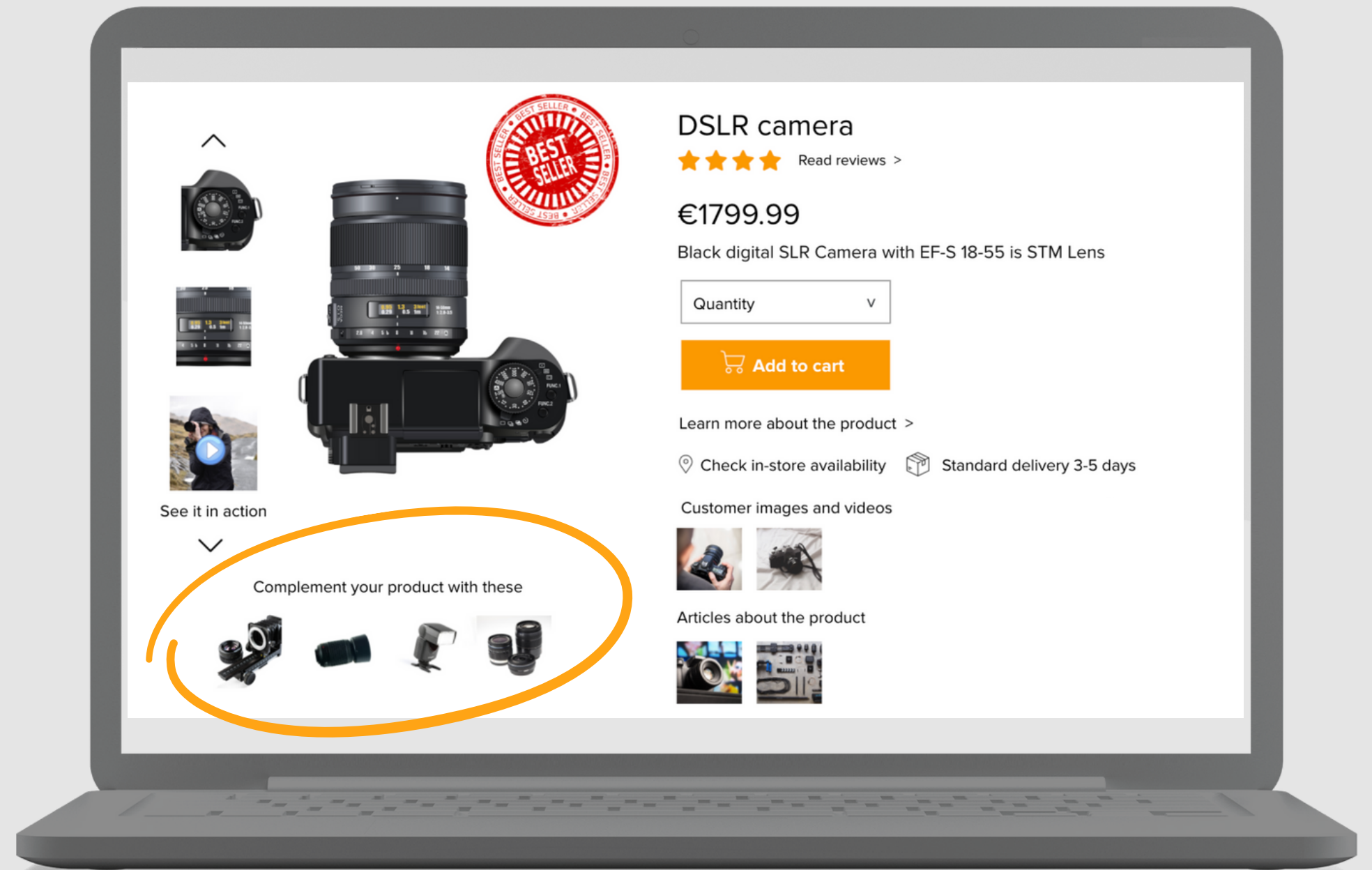


## Show accessories and services related to recent purchases

Exceptional customer service extends to recommending accessories and services that benefit the customer the most. Personalized recommendations on the front page make the revisiting customer feel more welcome, leading to a smoother buying process.

In addition, once the visitor has a product in their shopping cart, or shows genuine interest in one or more products, **you can make their purchase decision easier by offering necessary or complimentary accessories and services**, such as cables and cords, software, and delivery options.

It's also very important to **show the right accessories to returning customers**, who have already bought a product.



## 04 Success story: Power

Power International AS is the leading electronics retailer in the Nordics since 2015. To support the whole customer journey, Power implemented Frosmo's AI-driven product recommendation strategies for several parts of their online store: front page, category page, product detail page, add-to-cart pop-up, and search results page.

Read the entire story [here](#).

***The results of this cooperation have been strong and effective. Purchase conversion rates have gone up by 170% and the average order value by 41% compared to visitors who didn't see recommendations.***

"We're very satisfied with the increase in conversions and average order values that Frosmo brings us with AI-driven product recommendations. The overall experience of implementing the recommendation strategies and the cooperation with Frosmo has been straightforward and was surprisingly deployed as a turnkey project. I would highly recommend using Frosmo against other competitive solutions."

**Jarkko Lehtismäki**  
CTO

**POWER**

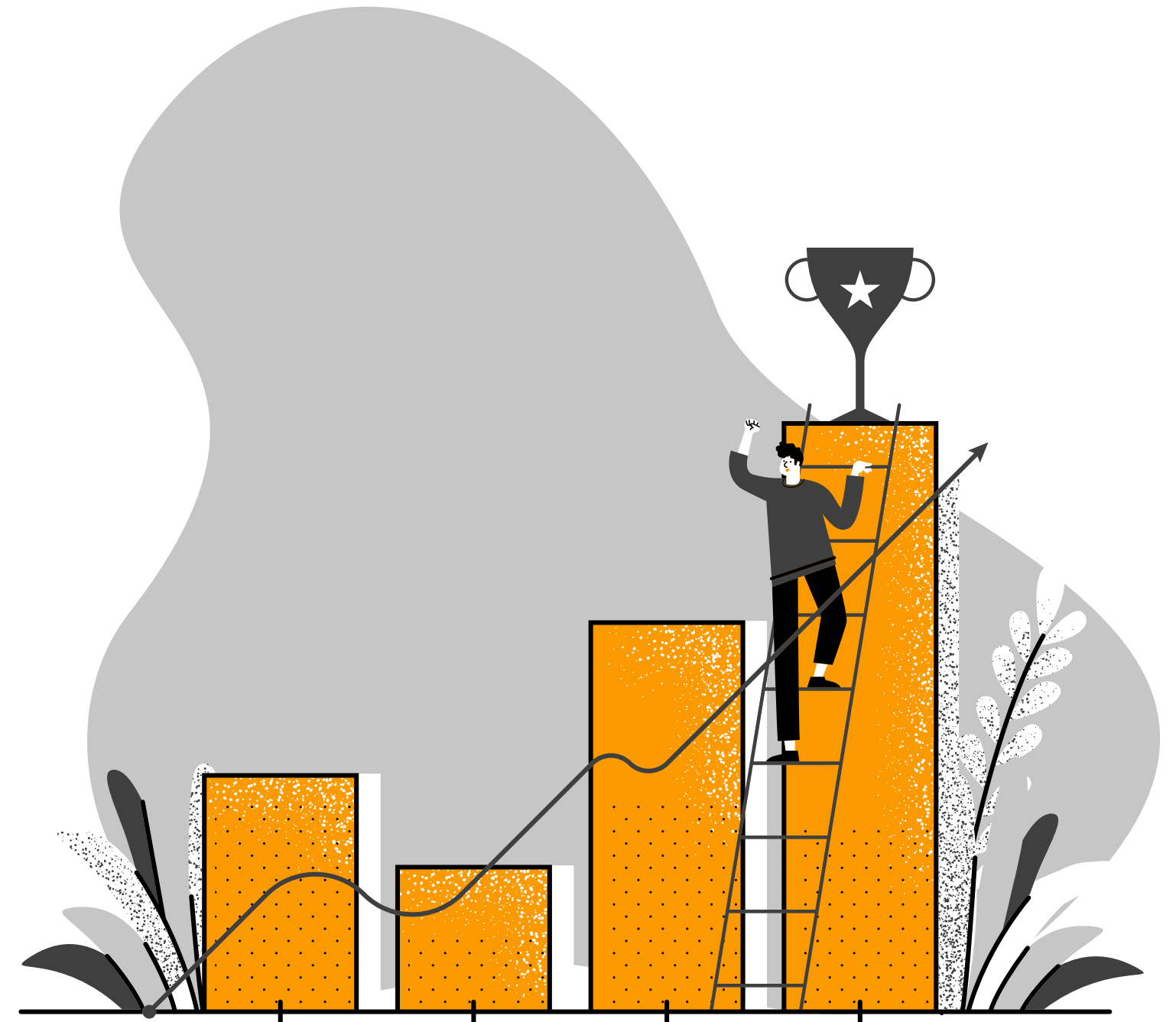
# 05 Risk-free personalization with Frosmo Try & Buy

*With Frosmo Try & Buy model, you can start personalizing your customer journey with no hassle or risks.*

Setting up the Frosmo Platform for your ecommerce site takes a couple of days at the most. During the 30-day trial period, you'll have plenty of time to experiment with personalization, gather visitor data, and see the results.

**During the Try & Buy period, you should already see a 5-10% uplift in the site revenue** with increased conversion rate and growth of your average order value. Once the Frosmo Platform accumulates more data about your visitors, you'll be able to target them even more accurately – and see even more growth in your revenue.

Want to know more? [Contact us at Frosmo!](#)





## ABOUT FROSMO

Frosmo is a Finnish software company based in Helsinki with offices in the UK, Poland, and Romania. With the Frosmo Platform, you can efficiently implement, optimize, and personalize each user journey without the need for a complex integration project. The winning personalization formula consists of AI-driven product recommendations that optimize each step of the customer journey, delivering the best results in the market.

[frosmo.com](https://frosmo.com)