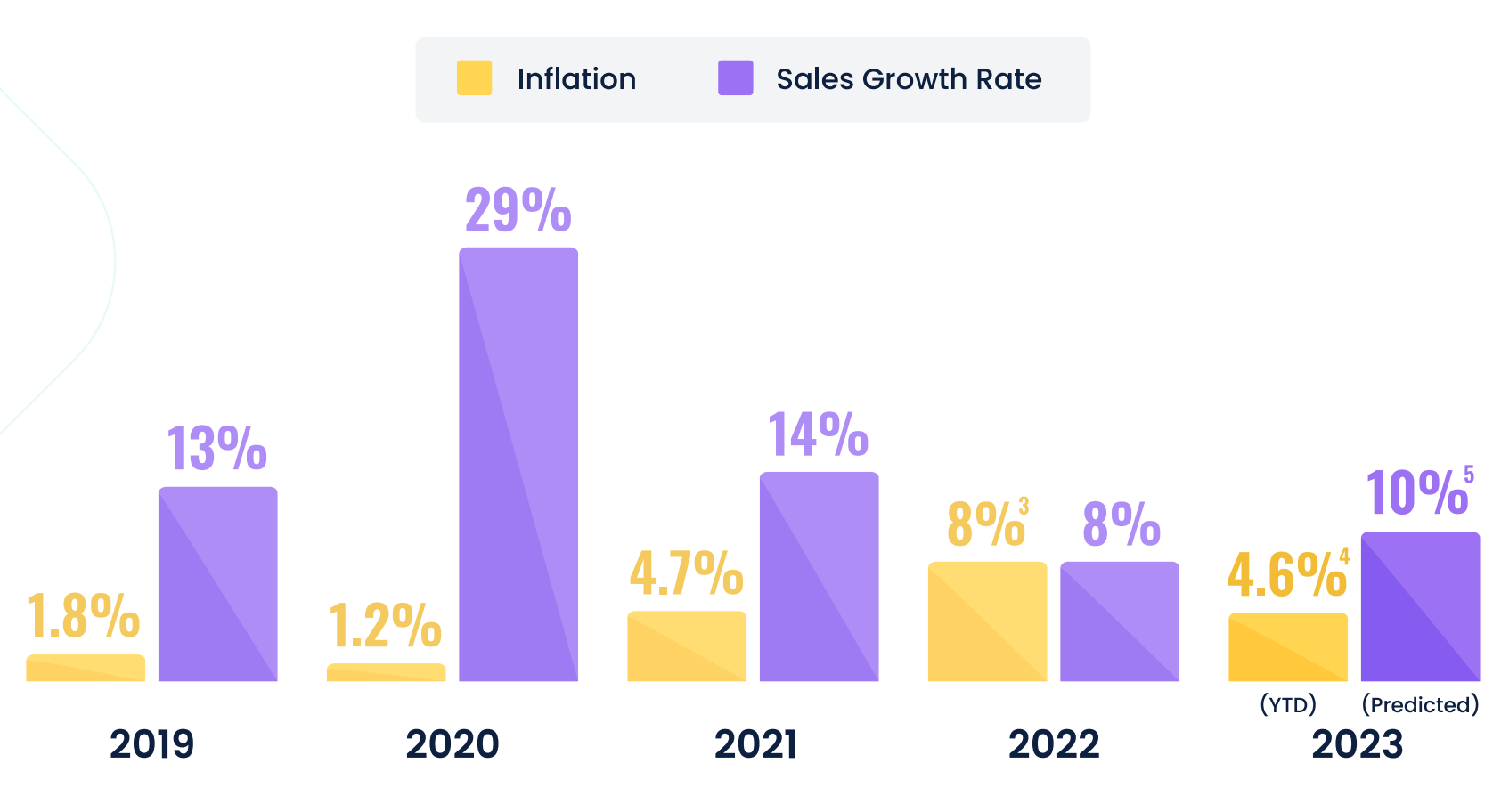
Preparing for the 2023 Holiday Season

Increase Profits this Holiday Season with Next-Gen eCommerce Search

Don't let inflation erode your margins!

Inflation is hitting hard this year!
2022 online holiday sales totaled $936.3 billion, up 5.3% year-over-year[1]. However, with an annual inflation rate of 8.3% in 2022[2], those gains are not as impressive as initially thought.

While the drivers for online retail remain strong, US online retail growth is slowing



Looking at US online retail growth rates over the last 5 years, a recognized trend right now is that inflation is driving sales. So how can retailers overcome that trend and sell more inventory?

Let's Break It Down By Sales

(2022 U.S. Sales)

Holiday Sales Are Projected to Hit $260.56B in 2023[6]

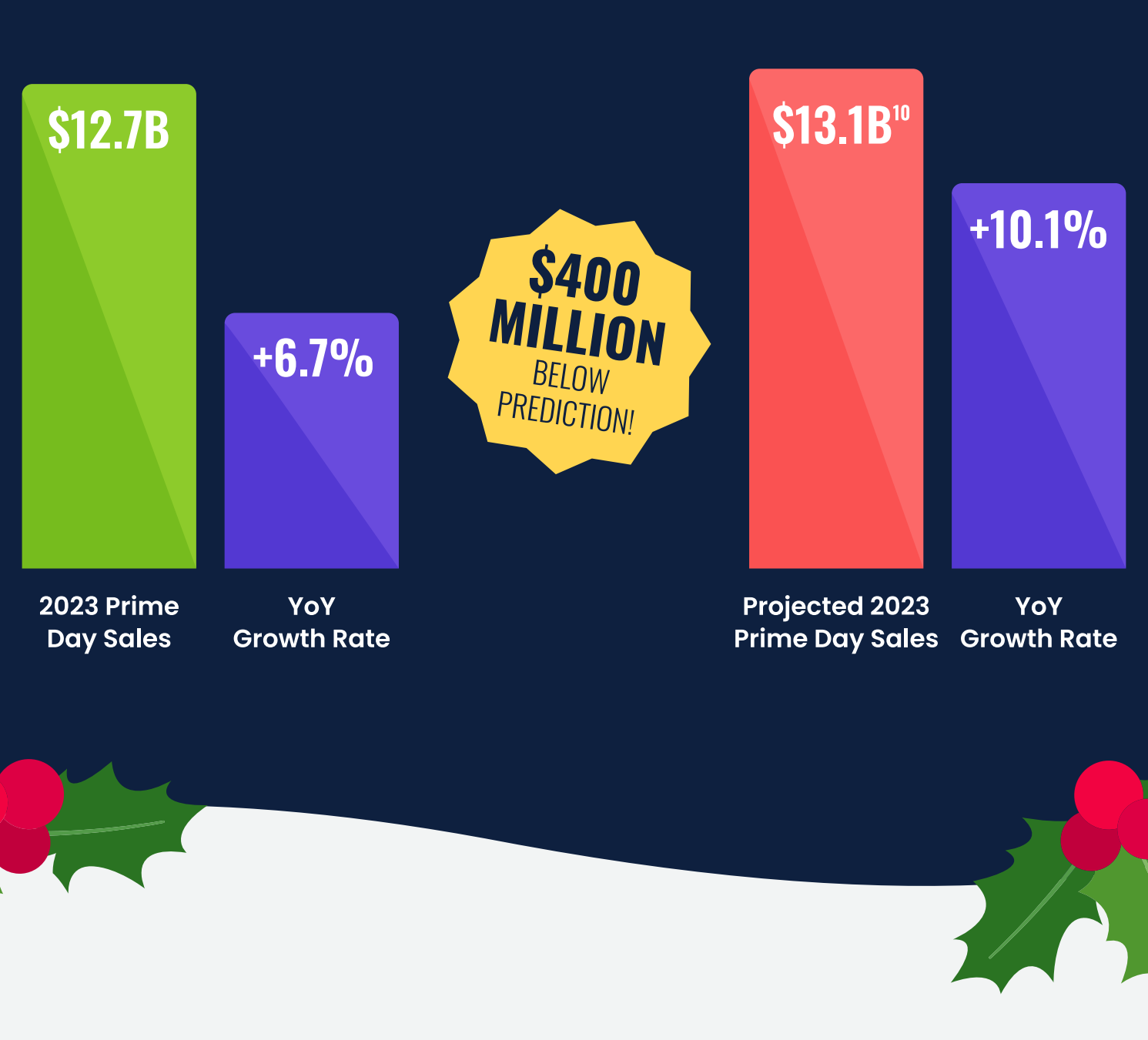
$11.9B[7]
Amazon Prime Days
Two-day period

$35.3B Cyber Five (+4% YoY)
Five-day period: Thanksgiving through Cyber Monday

$5.29B	$9.12B	$9.55B	$11.3B
Thanksgiving	Black Friday	Sat / Sun	Cyber Monday
(+2.9% YoY)	(+2.2% YoY)	(+8.5% YoY)	(+5.8% YoY)[8]
Nov 24, 2022	Nov 25, 2022	Nov 26/27, 2022	Nov 28, 2022

Kicking off the 2023 Holiday Season, Amazon Prime Days Hit Record Numbers – But Sales Fell Short of Predictions

The first 24 hours of Prime Day 2023 marked the "single largest sales day in company history."[9]



Key Factors That Will Influence The eCommerce Holiday Season

1 | Customers are focused on value and deals this year

67% of retailers expect 2023 holiday shoppers to be looking for discounts

71% of retailers are concerned inflation will curb 2023 holiday spending

80% of consumers are "trading down" to save money in 2023

Search abandonment is on the rise, impacting retailers' sales | 2

$2 Trillion is lost to search abandonment worldwide every year.[11]

After an unsuccessful search, 3 in 4 consumers reported that it resulted in a lost sale for the retail website.[12]

The average cost of a lost sale for retailers was $72.[13]

3 | Search functionality plays a pivotal role in customer experience

69% of consumers use the search function on retail websites, making it the most common way to find products.[14]

72% of holiday shoppers will filter by product availability (in-store or online) to determine if products will arrive in time.[15]

99% of consumers are at least somewhat likely to return to a website if it has a good search function.[16]

Customers reward retailers who invest in a great search experience | 4

After a successful search 92% of consumers purchase the item they were searching for.[17]

78% also buy at least one extra item besides the one they initially searched for.[18]

On average, **three** additional items are purchased after a successful search.[19]

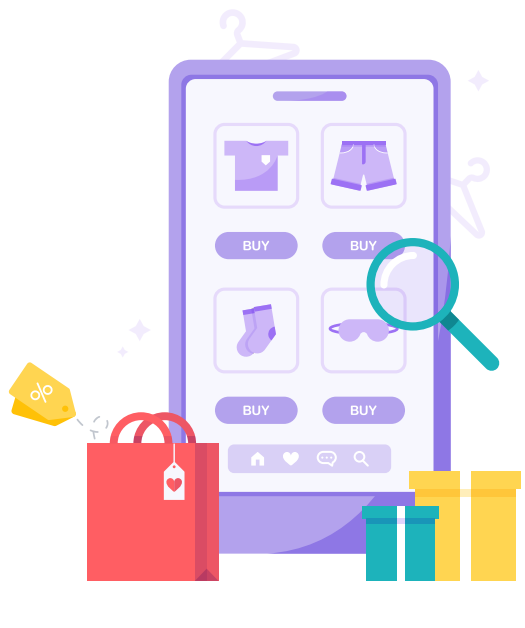
The data is clear: providing an excellent search experience will bring sales and boost revenue, this holiday season and beyond

AI-First Next Generation Search Is The Key To Helping Your eCommerce Business Thrive

Legacy search solutions are built on legacy search engines and run on decades-old keyword-matching technology. AI enhancements to these platforms are layered over top of this legacy technology to improve functionality, but they still require intensive manual intervention to deliver quality search results.

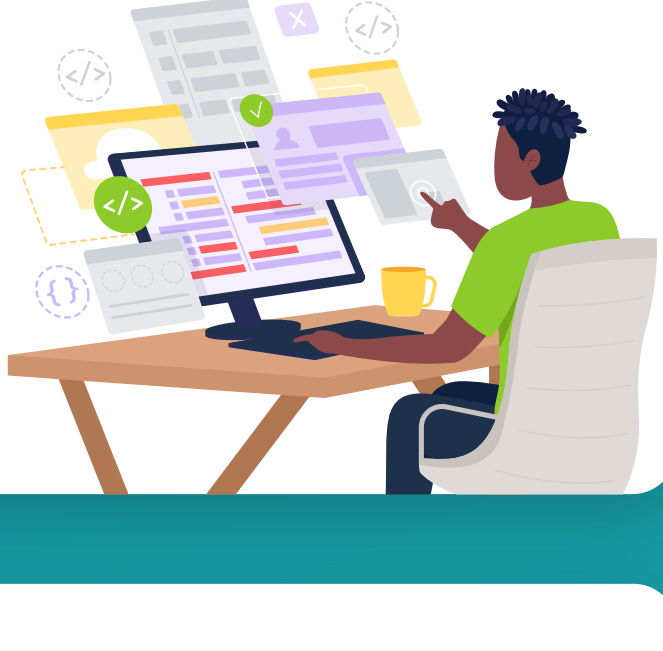
GroupBy's next-generation Search and Product Discovery platform, on the other hand, leverages the power of Google Cloud's Retail Search engine – a next-generation, AI-first search engine custom built for retail use cases – to deliver relevant, personalized, and buyable search results from day one.

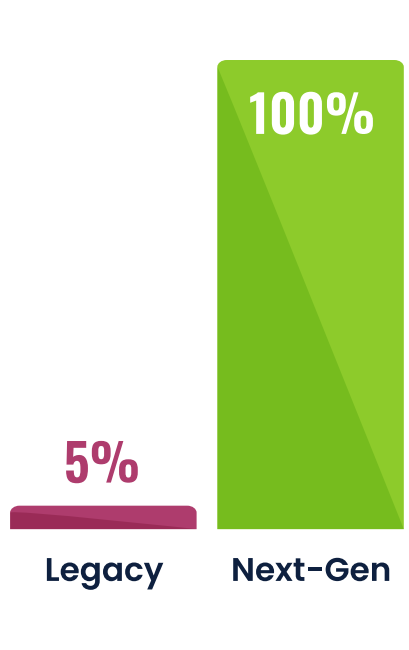
Our next-generation search solution can:



Optimize Search Results for *Revenue*
An AI-first search solution such as GroupBy's platform powered by Google Cloud Discovery AI, **automatically personalize and order search results with the most buyable items at the top** – increasing the likelihood of purchase.

Drastically Decrease the Amount of Manual Intervention Needed
Legacy search solutions require thousands of search rules and hours manual intervention to deliver relevant search results. **GroupBy's AI-first search solution dramatically reduces manual rule curation** and routinely launches with less than 10 search rules – usually for promotional agreements – freeing up merchandising teams to focus on revenue-generating activities.





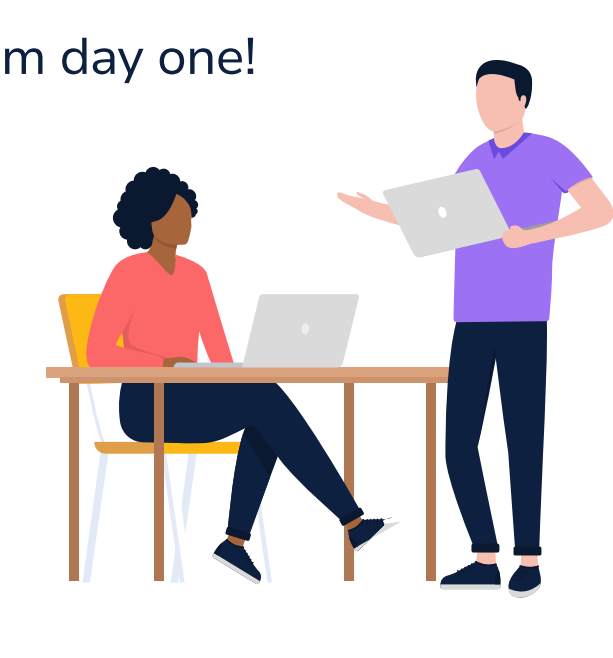
Deliver Optimized Results for Every Search On Your Site
Even with thousands of search rules, merchandising teams can only optimize the top 5% of searches. **GroupBy's AI-first search solution can optimize 100% of site searches** – including long tail searches and conversational queries.

Free Up Your Merchandising Team To Work On More Valuable Initiatives
From site monetization strategies to promotional campaigns – there are some things only humans can do. By nearly eliminating search tuning, GroupBy's AI-first search solution can free up your merchandising team to **focus on more valuable business initiatives** – like planning upcoming campaigns, working on monetization strategies and optimizing your eCommerce site experience.

Lower Your Total Cost of Ownership in 3 Ways:
GroupBy's AI-first Search & Product Discovery platform powered by Google Cloud Discovery AI lowers total cost of ownership in 3 ways:

1. Gain access to a one-stop-shop that **contains all vital search and product discovery functions.**
2. Best-in-class merchandising tool **transforms eCommerce merchandising from rule-based to revenue-generating**, optimizing productivity and improving efficiencies by providing an optimal balance of AI-led optimization and manual control.
3. Speed time to market with an **implementation time of 7 to 12 weeks** and boost revenues from day one!

GroupBy's composable and API-first platform easily integrates into any retail tech stack, creating seamless omnichannel eCommerce experiences for modern shoppers, while significantly boosting revenue for B2B and B2C retailers



Boost Sales, Increase Your Profit Margins while Lowering TCO & Merchandising Costs

with GroupBy's AI-First Search & Product Discovery Platform

1 | Deliver Hyper-Personalized Search Experiences

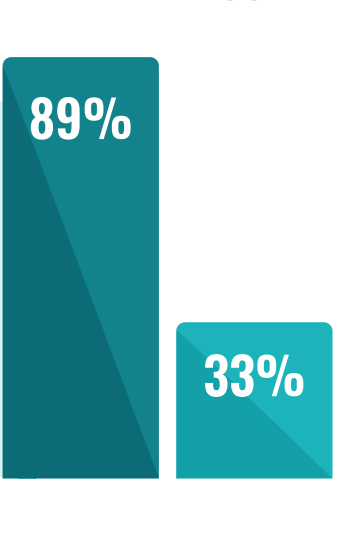
Understand true customer intent with AI-first search and serve up highly personalized results based on both in-store and online historical data to drive conversions.

71% of consumers expect companies to **deliver personalized interactions.**[20]

Scalable Omnichannel Functionality | 2

Ensure high-quality search accuracy at scale and enable store/zip code level search across platforms and devices while supporting all fulfillment types.

89% retention rate for companies with **extremely strong omnichannel customer engagement**, compared to 33% for companies with weak omnichannel customer engagement.[21]



3 | AI-First Product Discovery

Leverage a Product Discovery Platform that provides access to state-of-the-art AI algorithms that have been trained on significantly more data than traditional legacy systems.

40% **more revenue** is generated through **AI-powered personalization**, in a way that no static commerce platform's product catalog ever could.[22]

Merchandising for Key Business Outcomes | 4

Make data-driven merchandising decisions, run and optimize smart campaigns, reduce excessive manual rules, and let AI automate product findability to enhance the digital customer experience and improve productivity.

30% – 40% of a **merchant's time can be freed up with automation**. In fact, merchandising teams spend 20% of their time on merchandise-planning activities.[23]

Average Customer Results...

when Implementing GroupBy's Product Discovery Platform powered by Google Cloud Discovery AI (vs existing legacy solutions)

10%	25%	8%	17%
Increase in Online Revenue	Increase in Conversion Rates	Increase in Average Order Value (AOV)	Increase in Add to Cart

Just one of these increases represents millions of dollars for Enterprise Retailers bottom line!

Learn more about how GroupBy's Product Discovery Platform is optimized for your business outcomes.
Revenue. Margin. Profit.

Learn more at groupbyinc.com >

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Citations
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[5] US Online Retail Forecast, 2023 To 2028, Forrester Research, Inc., July 2023
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