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Coveo's 2022 Holiday Report Reveals Consumers Still Planning to Shop Online, with 50% Choosing Fashion as the Top Retail Category

55% U.S. and U.K. respondents cite poor fit as top reason for returns, followed by unmet product expectations and bad quality

MONTREAL and LONDON and SAN FRANCISCO, Oct. 20, 2022 (GLOBE NEWSWIRE) -- [Coveo](#) (TSX:CVO), a leader in retail AI that helps to transform search, recommendations, and personalization within digital experiences, today announced a new report which provides insights into key retail shopping trends and the factors impacting purchasing decisions. [The 2022 Holiday Shopping Report: Habits, Trends, and Motivators](#) provides findings from the company's survey of 4,000 U.S. and U.K. consumers conducted by Arlington Research in conjunction with Coveo this past summer.

With the holiday shopping season quickly approaching, the report comes at a critical time for brands seeking to engage with consumers as they grapple with inflation-driven price hikes and supply-line challenges impacting everyday goods, including food, gas, and groceries.

The new Coveo report follows the company's September [2022 Holiday Shopping Report: Spending Trends & Impact,](#) which focused on shopper sentiment, trends, and macro and microeconomic factors. It also highlighted the advantage that omnichannel brands have, with more than half of consumers reporting they look at products online and buy them in-store or vice versa.

Survey findings confirm that consumers are open to personalization techniques, stating they prefer tailored offers (51.2%), top reviews and best seller notifications (46.5%), product recommendations (34.3%), and virtual try-on tools that guide fit, style, color, and sizing options for online shoppers (22.2%). One key motivator for Gen Z (ages 18-24) is whether a brand's mission aligns with their values, especially when it comes to sustainability.

"Our hope is that this latest report will help brands better understand customer motivations when it comes to online retail, and adjust strategies accordingly," said Brian McGlynn, General Manager of Commerce at Coveo. "Our survey indicates that consumers now expect hyper-personalization and true 1-1 personalization at scale, which is a necessity for brands to win. We believe brands must provide tailored offers, product reviews, and personalized recommendations that interact with the instantaneous intent of the shopper. Combining these strategies will enable retailers to guide shoppers to the products they really want, reducing the potential for returns, which continues to [plague](#) retailers and threatens their profitability by cutting into profit margins."

The new report offers a variety of insights on consumer behavior, including the products they prefer to buy online, personalization preferences, and the role sustainability plays in their purchase decisions, among others. The following findings offer brands a glimpse of what's to come in the remainder of 2022 and well into 2023:

- **Fashion/apparel is the most popular ecommerce segment**: Shopping for consumer electronics and groceries round out the top three most popular online retail categories. One in two consumers in the U.S. and U.K. (50%) said they plan to buy fashion/apparel online.
- **Gen Zers are more likely to shop with luxury brands online:** While 15% of shoppers overall said they *want* to shop for luxury products online, 28% of Gen Z (aged 18-24) shoppers said they *will* purchase luxury goods online.
- **Visitors bounce because of poor experience:** Most (68%) consumers won't make a purchase if they can't find the products they're looking for, while 51% will leave a brand's site due to poor website navigation. A limited number of product reviews, or none at all, will lead 36% visitors to abandon the online store, while 32% of respondents said the same for a poor mobile shopping experience.
- **Three key reasons for returns:** According to 55% of respondents, the top two reasons for returns are Ill-fitting clothing and products not looking the same as they did online, while 46% said that poor quality prompted the return.
- **Sustainable product offerings drive conversions:** Gen Z (64%) and Millennial (57%) shoppers are most interested in sustainable products. Sustainability also plays a role in shopping decisions for more than half (52%) of all consumers, yet more than 43% think that sustainability is a brand bonus.

To obtain complete survey results please **download,** 2022 Holiday Shopping Report: Habits, Trends and Motivators and check out our previously released 2022 Holiday Shopping Report: Spending Trends & Impact which focused on shopper sentiment, trends, and macro and microeconomic factors.

About Coveo Solutions

We believe that relevance and personalization are critical for businesses to win in the new digital experience economy, to serve people the way they expect, and that applied AI is an imperative. Coveo is a market-leading AI-powered relevance platform. Our SaaS-native, multi-tenant platform injects search, recommendations, and personalization solutions into digital experiences. We provide solutions for commerce, service, website, and workplace applications. Our solutions are designed to provide tangible value to our customers by helping drive conversion and revenue growth, increase profitability, reduce customer support costs, increase customer satisfaction and website engagement, and improve employee proficiency and satisfaction. Coveo is a trademark of Coveo Solutions, Inc.

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