New Shopify and Google Cloud AI Integration Brings Advanced Ecommerce Capabilities to Retailers and Merchants Worldwide

Shopify merchants can now deploy advanced search and browse experiences using Google Cloud's Discovery AI solution; Rainbow Shops the first to see success

- *New research finds that search abandonment—when a shopper searches for a product on a retailer's website or mobile app, but doesn't find what they are looking for—costs the retail industry more than $2 trillion annually globally*
- *Google Cloud integration with Shopify puts the power of AI directly into the hands of enterprise merchants and brands to solve the pervasive problem of search abandonment*
- *Rainbow Shops has leveraged Google Cloud's AI technology to increase search volume by 48% and slash bounce rate on visits three-fold on its ecommerce properties*

SUNNYVALE, Calif., March 23, 2023 /PRNewswire/ -- Ahead of Shoptalk 2023, one of the retail industry's most important events, Shopify Inc. (NYSE:SHOP)(TSX:SHOP) and Google Cloud today announced a new integration that enables retailers using Commerce Components—Shopify's enterprise retail solution—to leverage Google-quality search capabilities and AI innovations.

Enterprise brands on Shopify can today access Google Cloud's Discovery AI solutions directly through Commerce Components, Shopify's modern, composable stack for enterprise retail. This integration, which can now be used by Shopify merchants globally and is available in most languages, increases access to Google's advanced search and browsing technologies so that retailers can create more fluid and fruitful shopping experiences for their customers.

Shopify and Google Cloud's new integration equips enterprise brands with artificial intelligence (AI)-driven product discovery capabilities that address real-world business challenges, including:

- **Google Cloud Retail Search**, which provides advanced query understanding that can produce better results from even broad queries, including non-product and semantic searches, to effectively match product attributes with website content for fast, relevant product discovery.
- **An AI-powered browse feature** that uses machine learning to select the optimal ordering of products on a retailer's ecommerce site once shoppers choose a category, like "women's jackets" or "kitchenware." Over time, the AI learns the preferred product ordering for each page on an ecommerce site using historical data, optimizing how and what products are shown for accuracy, relevance, and likelihood of making a sale.
- **An AI-driven personalization capability** that customizes the results customers get when they search and browse retailers' websites. The AI underpinning the personalization capability uses a customer's behavior on an ecommerce site, such as their clicks, cart, purchases, and other information, to determine shopper taste and preferences.
- A Google Cloud **Recommendations AI** solution that helps retailers deliver personalized recommendations at scale. Recent upgrades to Recommendations AI can make a retailer's ecommerce properties even more personalized, dynamic and helpful for individual customers.
- **Advanced security and privacy practices** that help ensure retailer data is isolated with strong access controls and is only used to deliver relevant search results on their own properties.

"We're thrilled to continue our long-standing partnership with Google Cloud," said Harley Finkelstein, President of Shopify. "We're bringing together the best in commerce with the best in search to solve a complex and costly problem for enterprise retailers—world-class search and discovery for the online store."

"Shopify integrating Google Cloud's Discovery AI technology into its enterprise retail solution puts the power of AI directly into the hands of merchants and brands to solve everyday problems," said Thomas Kurian, CEO of Google Cloud. "Now, retailers will be able to enhance their digital properties with better product discovery experiences,

creating more fulfilling shopping experiences for their customers."

Rainbow Shops builds a better customer experience with Google Cloud search technology

Rainbow Shops, a Shopify merchant and popular retail apparel chain with more than 1,000 stores, recently integrated Google Cloud's Discovery AI for Retail technology directly into its own digital domains. After experiencing limitations with other search and product discovery solutions, Rainbow Shops approached Shopify about the possibility of using Google Cloud's search and browse capabilities.

When compared to other specialty search services, Rainbow Shops' internal testing found that Google Cloud's solution could deliver helpful results to an assortment of test queries 100% of the time. In addition to accuracy, Rainbow Shops saw an immediate reduction in the amount of time and effort its teams previously spent on manually refining search results, creating redirects, and pulling up to 50 other levers to get useful results.

Rainbow Shops is now using Google Cloud's Retail Search technology, and importantly, it took less than a week for Google Cloud's AI tools to be successfully integrated into Rainbow Shops' online store and mobile app—all right before last year's peak shopping moment for the retailer, Cyber Week.

"Now our search bar can handle almost anything our shoppers throw at it, surfacing helpful product results for nuanced queries like 'lbd' (little black dress) and extremely general searches like 'Mardi Gras.' We've also significantly advanced our ability to produce relevant results when a shopper has a typo in their query, which is commonly seen among our many customers now shopping on mobile devices," said David Cost, vice president of Ecommerce and Marketing, Rainbow Shops. "Rainbow Shops is using Google Cloud's AI tools to create an undeniably better shopping experience for our customers. In just three months we've already seen search volume increase 48% and our bounce rate on visits has decreased three-fold."

Consistency lacking in retailer search experiences, resulting in search abandonment

Despite the continued rise in online shopping, many shoppers report hurdles in the product discovery experience on retailers' ecommerce properties. New research from a Google Cloud-commissioned Harris Poll survey found that **search abandonment**—when a shopper searches for a product on a retailer's website or mobile app, but doesn't find what they are looking for—costs retailers more than $2 trillion annually globally[1], and more than $234 billion in the U.S. alone.

Shoppers themselves say they depend on the search function or search box when shopping; it's the most common way U.S. consumers search for products on retail websites (69%), followed closely by general website browsing (63%). The problem is that retailers' search experiences lack consistency, as only one in 10 U.S. shoppers say they get exact results for their queries (12%) or good alternatives (11%) every time they use the search function on a retailer's site. In fact, more than three in four U.S. consumers (76%) say that in the past month they have used the search function or search box on a retail website and it did not provide the item they were looking for.

Read more about the study.

About Google Cloud

Google Cloud accelerates every organization's ability to digitally transform its business. We deliver enterprise-grade solutions that leverage Google's cutting-edge technology – all on the cleanest cloud in the industry. Customers in more than 200 countries and territories turn to Google Cloud as their trusted partner to enable growth and solve their most critical business problems.

About Shopify

Shopify is a leading provider of essential internet infrastructure for commerce, offering trusted tools to start, grow, market, and manage a retail business of any size. Shopify makes commerce better for everyone with a platform and services that are engineered for reliability, while delivering a better shopping experience for consumers everywhere.

Proudly founded in Ottawa, Shopify powers millions of businesses in more than 175 countries and is trusted by brands such as Allbirds, Gymshark, Heinz, Tupperware, FTD, Netflix, FIGS, and many more. For more information, visit www.shopify.com.

About Rainbow Shops

Fashion at prices you'll love.™ Rainbow is a national fashion retailer with over 1,000 locations in the United States, Puerto Rico and the US Virgin Islands as well as RainbowShops.com. We offer a wide selection of women's, juniors, plus size, and children's clothing, as well as shoes and accessories. With hundreds of new styles arriving every day in stores and online, Rainbow is the ultimate purveyor of must-have looks in fast fashion. Headquartered in Brooklyn, NY, Rainbow has been the final say in affordable style since 1935.

Citations and Research Methodology

The survey was conducted online within the United States by The Harris Poll on behalf of Google Cloud from November 29 – December 5, 2022 among 1,008 adults aged 18+ who have visited a retail website and used the search function on a retail website in the past six months.

Data are weighted where necessary by age by sex, race/ethnicity, region, education, income, household size, marital status, and propensity to be online to bring them in line with their actual proportions in the population.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within ±4.3 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.

A few questions from the US survey were fielded as part of a smaller global survey that was conducted online within Australia, Brazil, Canada, Colombia, France, Germany, India, Italy, Japan, Mexico, South Korea, Spain, and the UK by The Harris Poll on behalf of Google Cloud from November 30 – December 2, 2022 among 13,407 adults ages 18 and older, including 12,456 who have used the search function on a retail website in the past six months. Results were weighted where necessary to align them with their actual proportions in the population.

[1] Local currencies in each country were converted to USD using conversion rates from March 16, 2023

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