The 7th edition of the global report
on emerging technologies for online sales

eCommerce Trends 2020

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What's inside?

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Online sellers are continually fighting for new shoppers, but with current tools and techniques in their hands, they are often lost and on the verge of failure. We are living in the age of changes. The technologies of tomorrow are shaping the behaviors of our customers, and to meet their expectations, we should look owards the new.

In this report, we investigate 40 trends in eCommerce, rate them according to the opinions of over 250 eCommerce experts, and dig deeper into the most crucial among them.

This year, we focus on 12 trends, pointed out by eCommerce practitioners, as those which have the potential to change the shape of online sales in the short-and long-term.

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Divante.

At Divante, we prize curiosity and the courage to reach for the unknown. We look for talents and partners ready to take the risk of working with cutting-edge technologies. The stakes are high, as only those who are in the avant-garde can become leaders of the future.

We believe that leveraging the latest technologies is the fastest way to deliver new experiences to our customers and attract them with added value. That's why each year we run an extensive study of emerging trends that have a chance to influence and impact eCommerce. The results are gathered in one place and presented in the eCommerce Trends report. The first eCommerce Trends report was released in 2013. Since then, we have observed massive changes in the business and technological landscape of eCommerce.

We believe that leveraging the latest technologies is the fastest way to deliver new experiences...

The trend of 2020 will definitely be AI. We see some AI and Machine Learning-based tools as a standard component of modern eCommerce, marketing automation, enhanced search, recommendation engines, price intelligence and more... This year we also saw proven ROI generated by these tools.

What will the future bring?
We'll try to answer this question in this report.

Enjoy reading and feel free to reach out to us to discuss the presented trends!

Tom Karwatka

CEO at Divante

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Kantar.

The development of eCommerce occurs in an exciting interplay of technologies, business models, and consumer needs and expectations.

These factors are strongly related and mutually drive changes in the eCommerce market. Today, when eCommerce is no longer just a story about fighting for the lowest prices, consumers are beginning to appreciate online shopping for saving other valuable things at their disposal. In addition to money, these things are time and commitment of consumers, their emotions, and energy. And in these aspects, online shopping saves the most. The validity of non-monetary values is also confirmed by the results of this year's eCommerce trend survey.

For consumers of online shopping, this is one of the most critical drivers to choose this sales channel.

Content marketing continues to be a relevant trend year by year. Contextuality of content, full product descriptions, and the multi-dimensionality of photos are already standards for effective eCommerce. The transparency of product features and their high quality allow you to limit the scale of product returns, which is so cost-intensive for stores covering the cost of return shipments.

Trends related to VR and AR are interesting, although they probably require more time for adoption among customers. While consumers are currently expecting the removal of recent difficulties in the purchasing process, it can soon be expected that they will expect solutions that will enrich the quite 'sterile' experience of product selection and shopping. VR and AR open completely new possibilities in this field, and are now strongly adopted in the category of electronic devices.

Magdalena Rumas　　**Piotr Sztabiński**

Kantar　　　　　　　　Kantar

KANTAR

Key learnings.

Going mobile for higher CR

Multiple mobile-related trends moved to key positions in the ranks. User demand for mobile-first solutions is high and brands are using modern mobile apps, social media and payments to improve conversion rates

[Learn more](#)

The future lies in AI

Artificial Intelligence is the No.1 trend for future eCommerce. Widely used in other fields, from AR to IoT, Artificial Intelligence supports brands in understanding data and delivering customers highly-related suggestions.

[Learn more](#)

Security is at stake

Companies are pushing new solutions to market but numerous security concerns arise - many of which will only be revealed in the long term. The global approach to data security must be rethought.

[Learn more](#)
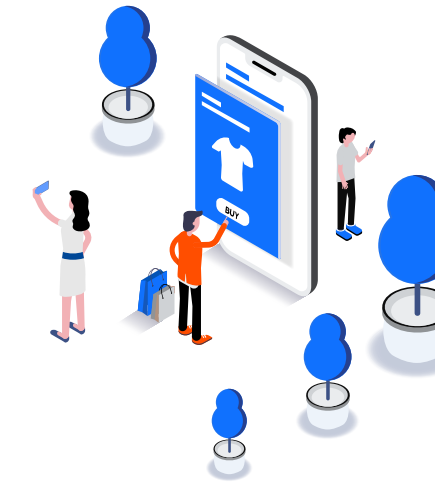
Asia sets the new standard

Asian markets outgrew many legacy technologies and are now focussed on the development of emerging technologies, like cryptocurrencies, AI, chatbots, and moving perception of online sales and customer behaviors to the next level.

[Learn more](#)

Technology natives win

Companies with digital technologies in their DNA win globally. Quick adoption of new solutions to changing needs of customers allow them to spot niches and deliver new values.

[Learn more](#)

Key learnings.

33%
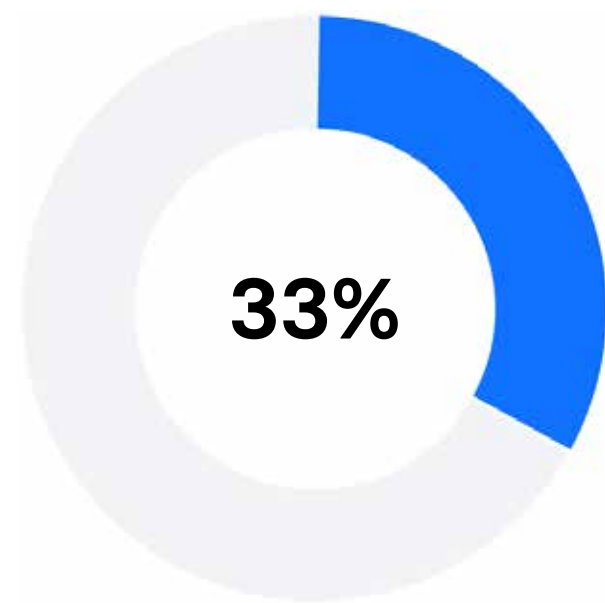
33% of surveyed eCommerce experts identified mobile payments, mobile apps, and security as the most important investments in 2019.

20%
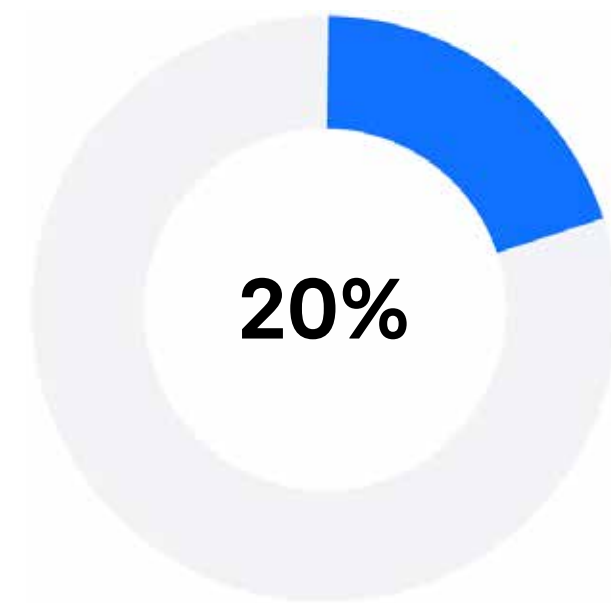
20% of eCommerce experts declared their intention to invest in social commerce in 2020.

37%
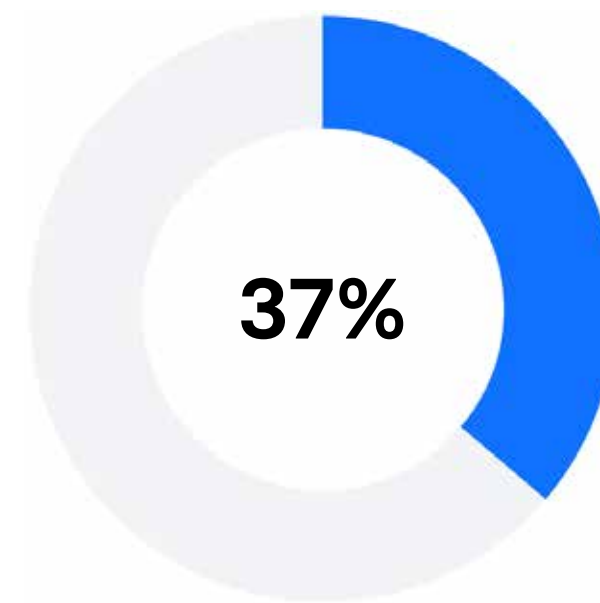
37% of eCommerce managers believe that Artificial Intelligence is the trend that will have the most significant impact on the future of eCommerce.

59%
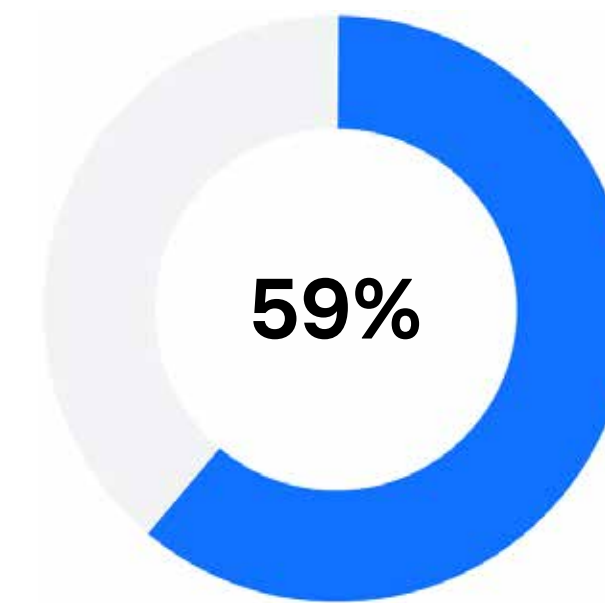
59% of eCommerce experts from Brazil have dedicated teams looking for trends.

66%
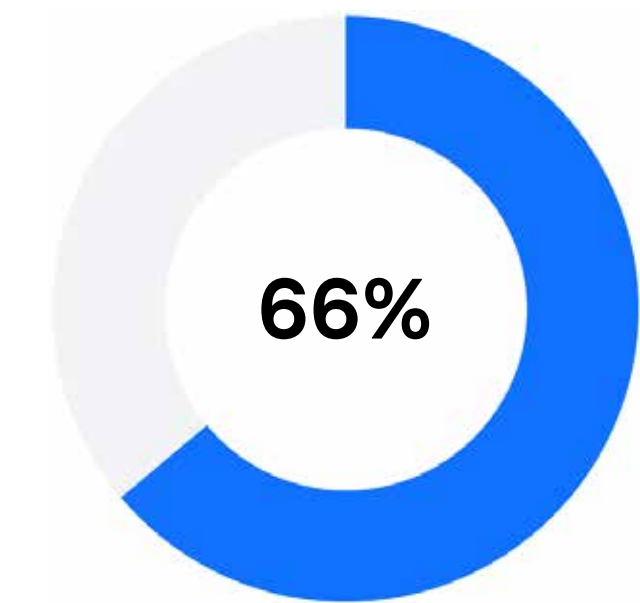
66% of surveyed eCommerce experts from the UK implement trending technologies with regular in-house teams.

Global
survey results

The methodology of the eCommerce Trends survey
is presented at the end of this report.

Investments made in 2019.

Global results

Mobile came out on top in many aspects of the investments made in 2019, from the most obvious (apps and payments) to indirect trends like social commerce or marketplaces which are massively used via mobile devices.

Global Top

33%

Mobile Payments

Mobile Apps

Security

32%

Social Commerce

28%

Selling and Advertising on Marketplaces

25%

Free Shipping / Returns

24%

Internet of Things

Same Day Delivery

Content Marketing

22%

Cloud Hosting

Building a Marketplace

Other investments:

21% Artificial Intelligence (AI) **20%** Business Intelligence /Cryptocurrencies (Bitcoin/Ethereum) **19%** Personalization / Price Intelligence / Customized Products **18%** Drop-Shipping / Virtual Reality (VR) / Cross Border Commerce **17%** Referral Programs **16%** Progressive Web Apps / Big Data / Design Systems / Data-driven Loyalty / CRM / Order Mana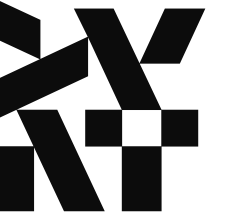gement Systems / Conversational Commerce (Chatbots, etc.) **15%** Drones / Voice interfaces / Automated Promotion Management **14%** Visual Search / Mobile-first Approach / Automated Pricing Optimization **13%** Headless & Microservice (API-based architecture) / Programmatic Ad Buying / Augmented Reality (AR) / Multichannel / Push Notifications **12%** Geo distribution / Open API Economy / Algorithmic Driven Supply & Demand **11%** Data-driven UX **10%** Dev-ops / Serverless Architecture / Omnichannel Features **2%** Other

Investments made in 2019.

In selected countries

UK

Social Commerce	**50%**
Selling and Advertising on Marketplaces	**41%**
Free Shipping / Returns	
Mobile Payments	**38%**
Security	
Cloud Hosting	
Data-driven Loyalty	
CRM	
Mobile-first Approach	

Brazil

Security	**53%**
Social Commerce	**47%**
Selling and Advertising on Marketplaces	**41%**
Mobile Apps	**38%**
Price Intelligence	34%
Same Day Delivery	
Referral Programs	

USA

Mobile Payments	**59%**
Mobile Apps	**53%**
Security	**47%**
Free Shipping / Returns	44%
Selling and Advertising on Marketplaces	**41%**
Social Commerce	

Indonesia

Social Commerce	**35%**
Mobile Payments	
Price Intelligence	32%
Cryptocurrencies (Bitcoin/Ethereum)	29%
Mobile Apps	**26%**
Conversational Commerce (Chatbots, etc.)	

Finland

Security	**25%**
Mobile Payments	**22%**
Cloud Hosting	
Free Shipping / Returns	16%

South Korea

Mobile Apps	**30%**
Same Day Delivery	27%
Virtual Reality (VR)	
Customized Products	
Artificial Intelligence (AI)	

Mexico

Security	**41%**
Social Commerce	
Selling and Advertising on Marketplaces	
Content Marketing	
Mobile Apps	**38%**

Germany

Mobile Apps	**39%**
Mobile Payments	**32%**
Selling and Advertising on Marketplaces	
Security	
Cloud Hosting	29%

Top eCommerce trends in selected countries.
Trends overlapping with top global investments made in 2019.

Investments made in 2019.

Conclusions

- Owned and external marketplaces took a leading role in driving online sales.

- Mobile-related technologies, like payments, native apps, PWAs, and the mobile-first approach are strongly presented.

- South Korea leads in the use of emerging technologies, including VR, AI, and customized products.

- Social commerce is becoming one of the leading channels of communication between customers and brands.

- Solutions connected to the convenience of online shopping are still strong - free shipping and returns, as well as same day delivery, are more and more often treated as givens by customers.
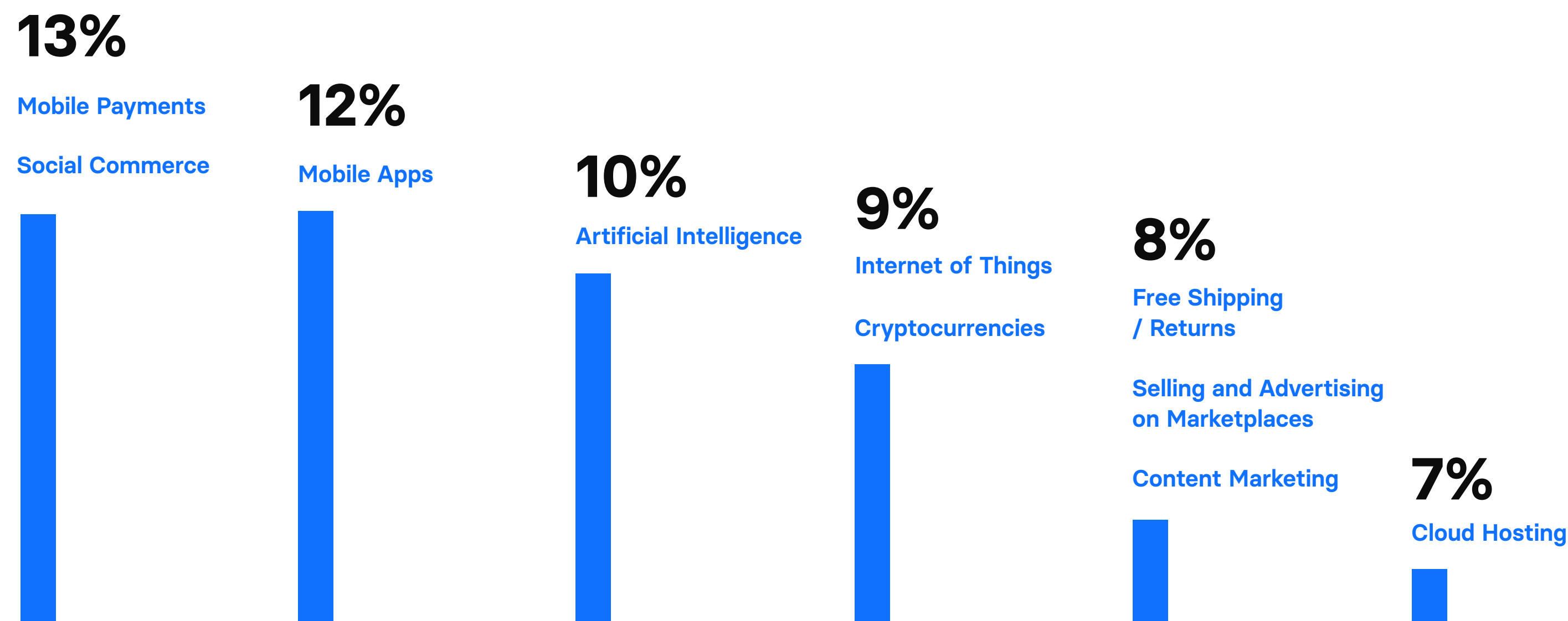
Investments with the highest ROI made in 2019.

Global results

The presence of Cryptocurrencies, AI, and IoT reveals their great potential, as well as the growing trust in these technologies.

Only a year ago, eCommerce managers were less confident about these technologies.

Global Top 10+

13%
Mobile Payments
Social Commerce

12%
Mobile Apps

10%
Artificial Intelligence

9%
Internet of Things
Cryptocurrencies

8%
Free Shipping / Returns
Selling and Advertising on Marketplaces
Content Marketing

7%
Cloud Hosting

ROI from other investments made in 2019:

6% Business Intelligence / Big Data / Security / Building a Marketplace /Drop-Shipping **5%** CRM / Same Day Delivery / Automated Pricing Optimization / Cross Border Commerce / Virtual Reality (VR) **4%** Automated Promotion Management / Algorithmic Driven Supply & Demand / Customized Products **3%** Multichannel / Personalization / Drones / Conversational Commerce (Chatbots, etc.) / Augmented Reality (AR) / Data-driven Loyalty / Price Intelligence **2%** Progressive Web Apps / Geo distribution / Design Systems / Referral Programs / Order Management Systems / Dev-ops / Open API Economy / Data-driven UX / Other **1%** Headless & Microservice (API-based architecture) / Programmatic Ad Buying / Serverless Architecture / Omnichannel Features /Voice interfaces / Mobile-first Approach **0%** Push Notifications
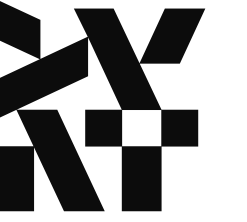
Investments with the highest ROI made in 2019.

In selected countries

UK

Social Commerce	**16%**
Mobile Payments Cloud Hosting Data-driven UX	**13%**

Brazil

Social Commerce	**22%**
Content Marketing Selling and Advertising on Marketplaces	16%

USA

Mobile Payments Free Shipping / Returns	**24%**
Social Commerce	**18%**
Business Intelligence	15%

Indonesia

Mobile Payments	**19%**
Cryptocurrencies	**16%**
Mobile Apps Internet of Things Cross Border Commerce Same Day Delivery Free Shipping / Returns Automated Pricing Optimization Conversational Commerce Automated Promotion Management Business Intelligence	**10%**

Finland

Free Shipping / Returns Cloud Hosting	13%
Mobile Payments OrderManagement Systems Security	**9%**

South Korea

Virtual Reality	20%
Social Commerce Artificial Intelligence	17%
Cryptocurrencies Mobile Apps	13%

Germany

Mobile Apps	**19%**
Selling and Advertising on Marketplaces	16%
Mobile Payments Security CRM	**13%**

Mexico

Artificial Intelligence Mobile Apps	**22%**
Social Commerce	**19%**

Top eCommerce trends in selected countries.
Trends overlapping with top global investments with the highest ROI made in 2019.

Investments with the highest ROI made in 2019.

Conclusions

- Mobile payments are used as a solution to low conversion rates on mobile devices.

- Social Commerce (selling via social media) presents a strong alternative to traditional eCommerce and reaching users already engaged on social media like Instagram, Facebook, etc.
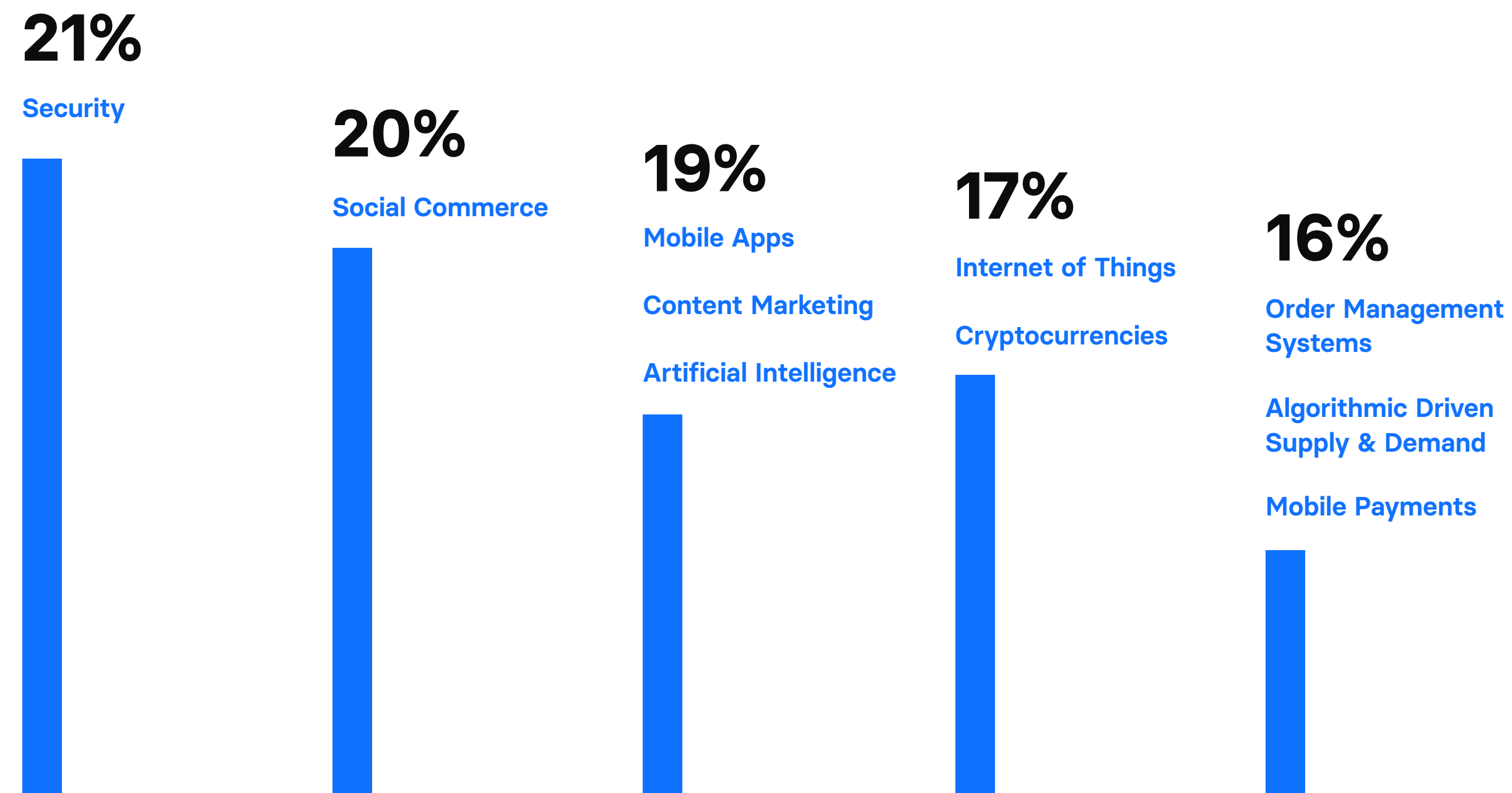
Investments planned for 2020.

Global results

Security will continue to be one of the greatest focuses in eCommerce. With changes in technology, shopping patterns, and user behaviors, sellers will have to provide solutions ensuring the trust and safety of shopping processes.

Global Top 10+

21%
Security

20%
Social Commerce

19%
Mobile Apps
Content Marketing
Artificial Intelligence

17%
Internet of Things
Cryptocurrencies

16%
Order Management Systems
Algorithmic Driven Supply & Demand
Mobile Payments

Other investments planned for 2020:

15% Building a Marketplace / Virtual Reality (VR) / Big Data / Conversational Commerce (Chatbots, etc.) / Augmented Reality (AR) **14%** Selling and Advertising on Marketplaces / Business Intelligence **13%** Free Shipping / Returns / Same Day Delivery / Customized Products / Price Intelligence / Personalization / Cross Border Commerce / CRM / Data-driven Loyalty / Progressive Web Apps / Design Systems / Automated Pricing Optimization / Visual Search **12%** Drop-Shipping **11%** Cloud Hosting / Referral Programs / Automated Promotion Management / Drones / Multichannel **10%** Voice interfaces / Headless & Microservice (API-based architecture) / Programmatic Ad Buying / Data-driven UX / Serverless Architecture **9%** Mobile-first Approach / Open API Economy / **8%** Geo distribution **7%** Push Notifications / Dev-ops / Omnichannel Features **3%** Other

Investments planned for 2020.

Global results

UK

Building a Marketplace	31%
CRM	
Security	**28%**
Social Commerce	
Mobile Apps	

Brazil

Algorithmic Driven Supply & Demand	25%
Social Commerce	**22%**
Customized Products	
Augmented Reality	
Virtual Reality	
Cryptocurrencies	

USA

Security	**38%**
Artificial Intelligence	
Big Data	32%
Mobile Payments	
Content Marketing	
Cryptocurrencies	
Referral Programs	
Visual Search	

Indonesia

Artificial Intelligence	23%
Mobile Payments	
Social Commerce	19%
Internet of Things	
Order Management Systems	

Finland

Content Marketing	16%
Geo distribution	
Security	
CRM	**13%**

South Korea

Mobile Apps	**27%**
Artificial Intelligence	**17%**
Same Day Delivery	
Mobile-first Approach	
Augmented Reality	

Germany

Security	**29%**
Mobile Apps	**19%**
CRM	
Same Day Delivery	**16%**
Serverless Architecture	
Big Data	

Mexico

Content Marketing	**31%**
Algorithmic Driven	28%
Supply & Demand	
Social Commerce	**25%**
Mobile Apps	
Internet of Things	
Progressive Web Apps	

Top eCommerce trends in selected countries.
Trends overlapping with top global investments planned for 2020.

Investments planned for 2020.

Global results

- Security remains the number one trend that lies at the heart of customers' trust.

- Social media entered the path of online sales and won't be going anywhere as eCommerce features bring more traffic, more engagement, and more profit.

- Mobile apps are still a more commonly planned investment than PWAs, but the market for mobile sales is huge and these two solutions can coexist.

- Content marketing is a long-lasting trend that we've seen in the top trends since 2017.

- Strong presence of solutions based on data gathering and processing, like AI, CRMs, Big Data, and Algorithmic Driven Supply & Demand.
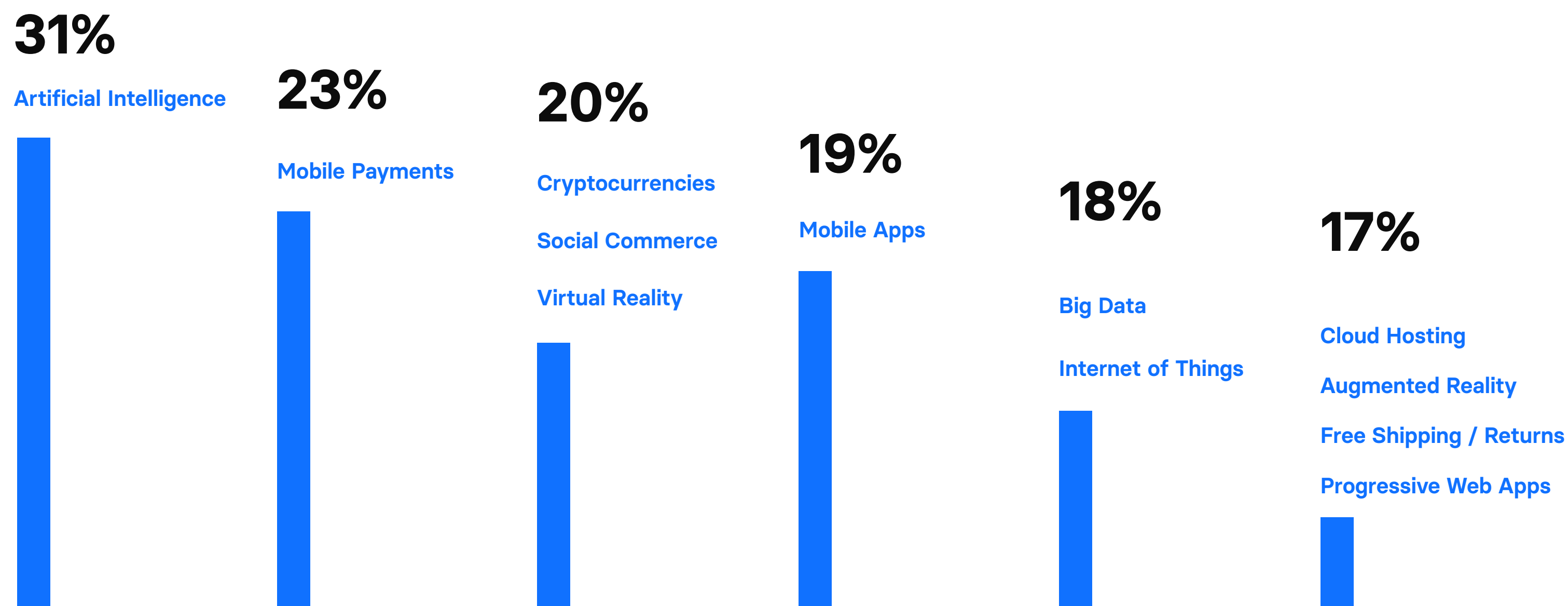
Trends with the highest impact in next 5 years.

Global results

With the increasing usage of AI, Cryptocurrencies, VR and other emerging trends, we should expect new and revolutionary ways in which customers approach online shopping across the globe.
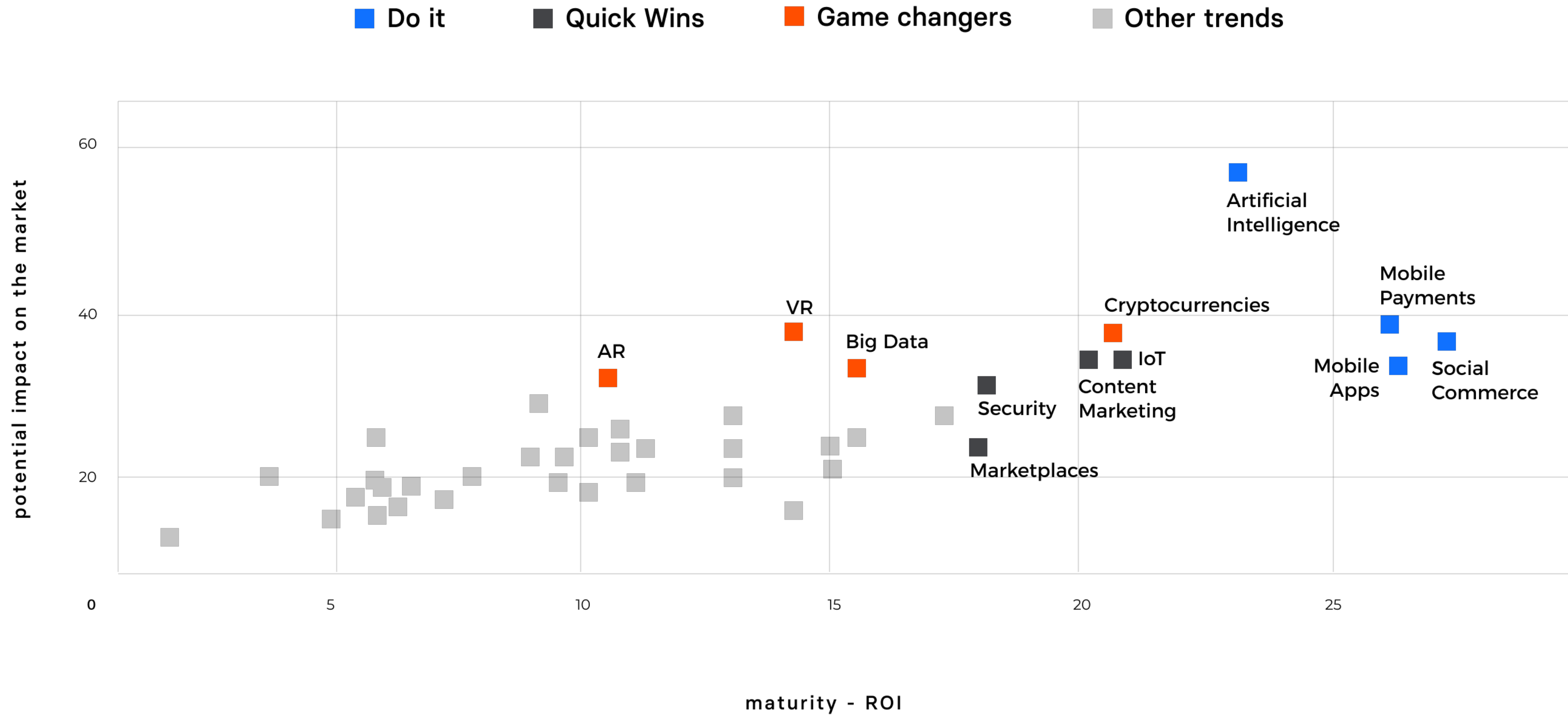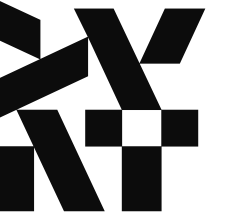
Global Top 10+

31%
Artificial Intelligence

23%
Mobile Payments

20%
Cryptocurrencies
Social Commerce
Virtual Reality

19%
Mobile Apps

18%
Big Data
Internet of Things

17%
Cloud Hosting
Augmented Reality
Free Shipping / Returns
Progressive Web Apps

Other trends:

16% Same Day Delivery / Security **15%** Algorithmic Driven Supply & Demand / Selling and Advertising on Marketplaces **14%** Building a Marketplace / Business Intelligence / Conversational Commerce (Chatbots, etc.) / Data-driven Loyalty / Visual Search **13%** Automated Pricing Optimization / Cloud Hosting / Cross Border Commerce / Customized Products / Drones / Price Intelligence **12%** Design Systems / Order Management Systems **11%** Automated Promotion Management / Geo distribution / Headless & Microservice (API-based architecture) / Multichannel / Personalization / Push Notifications / Serverless Architecture **10%** CRM / Data-driven UX / Mobile-first Approach / Programmatic Ad Buying **9%** Open API Economy / Referral Programs / Voice interfaces **8%** Dev-ops / Drop-Shipping / Omnichannel Features **1%** Other
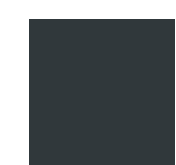
eCommerce Trends Matrix.

Legend:
- ■ Do it
- ■ Quick Wins
- ■ Game changers
- ■ Other trends

Chart data points labeled:
- Artificial Intelligence
- Mobile Payments
- Cryptocurrencies
- VR
- Big Data
- AR
- IoT
- Content Marketing
- Security
- Mobile Apps
- Social Commerce
- Marketplaces

Y-axis: potential impact on the market (20, 40, 60)
X-axis: maturity - ROI (0, 5, 10, 15, 20, 25)

DO IT

Artificial Intelligence

Social Commerce

Mobile Apps

Mobile Payments

QUICK WINS

Security

Internet of Things

Content Marketing

Selling and Advertising on Marketplaces

GAME CHANGERS

Cryptocurrencies

Big Data

Virtual Reality

Augmented Reality

**Read more about each DO IT, QUICK WIN
and GAME CHANGER trend in the following chapter.**

Trends overview

DO IT

Artificial Intelligence

Social Commerce

Mobile Apps

Mobile Payments

Artificial Intelligence (AI).

Gartner predicts that, in 2020, 85% of customer interactions are managed without human involvement. It's a trend that has moved at rapid speed.

AI is present in almost every area of eCommerce from recommendation engines and hyper-personalization to visual search. Based in big data and empowered machine learning, AI lets us make recommendations based on actual user behaviors, often in real-time. As the example of Netflix or Amazon shows, enabling Artificial Intelligence is a great way to serve users the exact content and products they are looking for.

In connection with mobile devices and personal assistants, AI makes a powerful tool for shoppers. Finding products by visual search or making orders via voice assistants becomes hassle-free.

In the years to come, we will therefore observe a massive growth in the global artificial intelligence market.

Artificial intelligence is something that must be prepared and developed with humans. Without the unique human interaction and engagement, there would be no AI." - Respondent from Finland

➜ Learn more about Artificial Intelligence in eCommerce
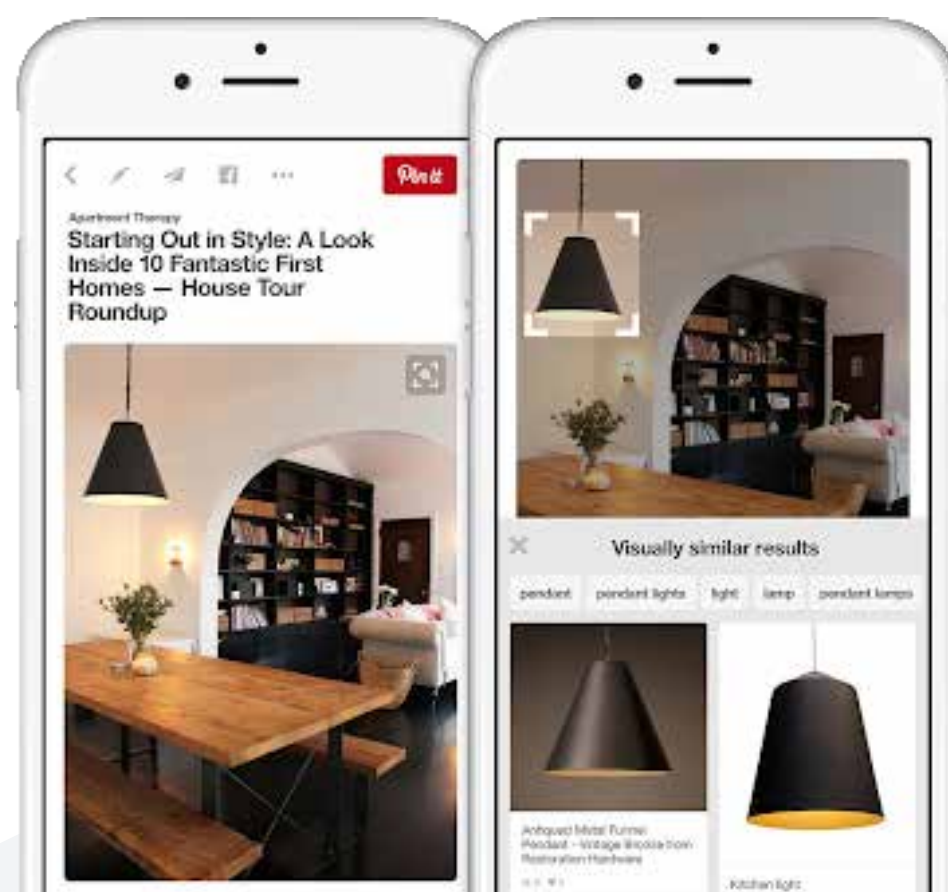
Visual search

AI-powered visual search enables users to find their desired products via a picture found on social media or simply taken on the street. Visual search enables users to find products without even knowing its name or brand.

Recommendation engines

Recommendation engines analyze user behavior and preferences in real-time, so the user instantly gets product recommendation tailored to their expectations.

In-store AI

Artificial intelligence also empowers the omnichannel experience. When connected with in-store devices like smart mirrors, it allows shoppers to explore more products in brick and mortar stores.
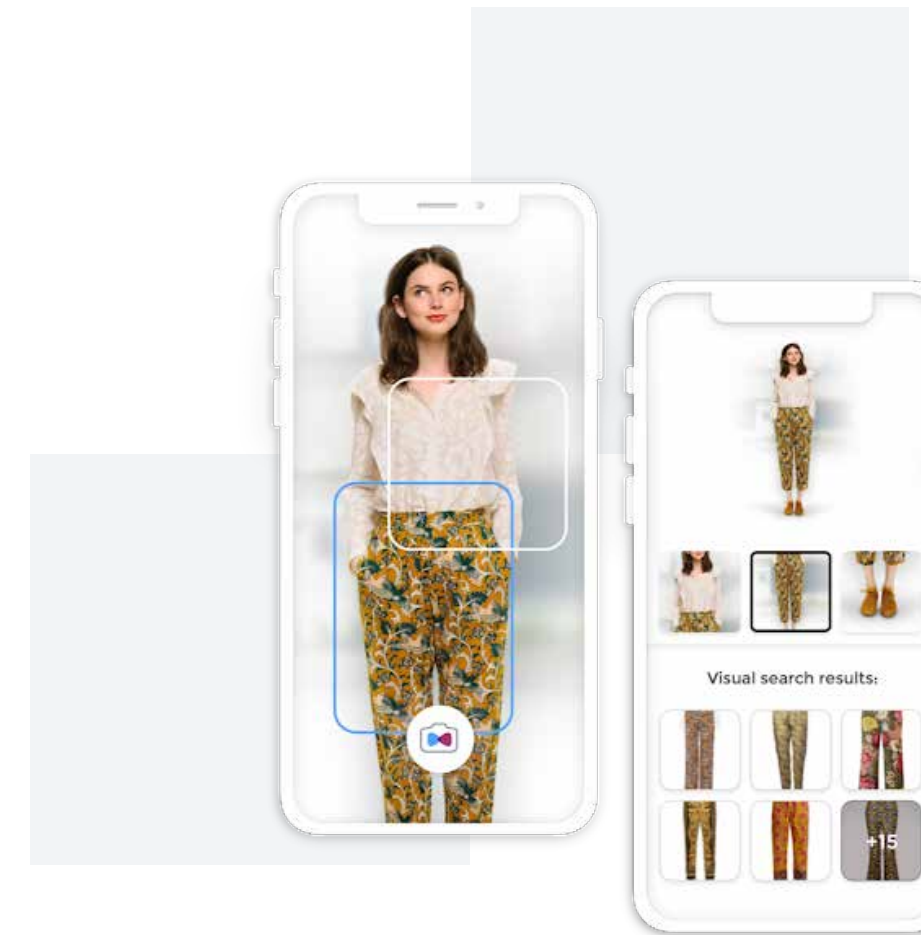
AI solutions for retailers.

Vue.ai

Vue.ai® is an end-to-end retail automation platform that is redesigning the future of fashion retail with Artificial Intelligence.

vue.ai

Syte.ai

Syte changes the way retailers connect shoppers with the products that inspire them, by delivering the best Visual AI technology for retail.
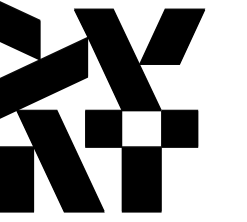
syte.ai

6 river

6 river is an example of how AI provides scalable and flexible warehousing management.

AI-powered robots can be used in all storage, picking, counting, replenishment, and sorting tasks.

6river.com

> **Playing a much bigger role in retail today, AI will continue to blur the lines between eCommerce and brick and mortar, and introduce ways to leverage and augment the human element in retail.**

This year, we saw the rising significance of experiential retail. More consumers prefer to spend money on experiences and share these experience-related purchases on social media; while retailers are leveraging the strength of combining physical and digital assets.

Fabletics, the digital-first activewear brand, opened its New York store in 2019. Similar to Nike, Rebecca Minkoff, and Farfetch, the brand implements an omnichannel approach that connects not only online and offline sales but also shopping carts. It tracks conversion of every item and understands what's trending. The result? Actionable insights offering a holistic view of the customer.

As the technology matures, AI will help retailers deliver an even better and more seamless omnichannel experience with IoT; enhance search with visual, conversational, and guided product discovery; and offer adaptive, device-responsive, and dynamic outreach.

Consumers today are demanding more out of the customer experience. Identifying their ever-evolving needs and offering proactive solutions-at a faster pace-is the new norm. With AI, retailers have exciting, engaging new ways to win and retain consumers.

To decide which AI capability to add to an eCommerce platform, retailers first need to define customer needs. For instance, the biggest pain point in eCommerce is usually product search—finding the right keywords to search on the website—which visual search solves. Next, is doing deep research about possible solutions and providers. Lastly, is diligently evaluating and creating a timeline towards implementation. In other words, combining AI with a customer-centric strategy is a strong foundation as the retail revolution advances.
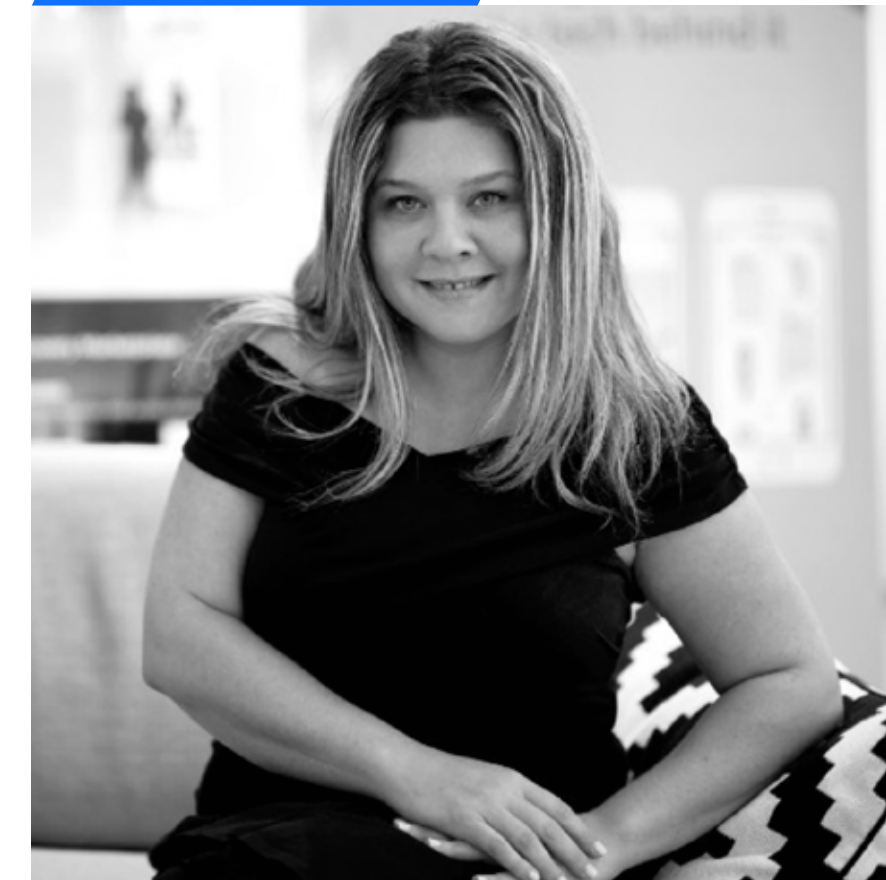
Lihi Pinto Fryman

CMO and Co-Founder at Syte

> **The level of AI technology adoption in leading, global industries is growing every year. Currently, AI-based solutions are well on their way to moving from being a part of companies' competitive advantage strategies to becoming a market standard, and eCommerce is not an exception.**

The trend is highly visible in South Korea - the global leader in digital adoption. In 2019, AI-based technologies in eCommerce are predicted to generate one of the highest ROIs compared to other technologies in eCommerce.

At the same time, the level of investment in machine learning and deep learning (AI) solutions is high in 2019 and is predicted to stay significant.

In the last two years, AI-based solutions have become more are more accessible for business. Partly because of the technology itself; faster, more efficient, and lower data consumption models; and AI-as-a-Service solutions which are relatively easy to use. On the other hand, we can observe more effective knowledge distribution between data scientists, data engineers, product managers, and stakeholders. As a result, decision-makers are more likely to invest in AI.

Kamila Stępniewska

Owner at Ginger Tech

Social commerce.

This year, social network penetration stood at <u>45%</u> globally. An average user spends <u>142</u> minutes daily on social media.

This is the time in which they mainly socialize with their network. however, users also discover new products and follow their favourite brands, which makes it an ideal opportunity to sell products. For a long time, companies were using paid ads or content to attract users and transfer them to external transaction pages. But why should they convert them at all?

Social media providers also saw this opportunity, and after Facebook Marketplace (which is used by 800 million users in 70 countries), Instagram and Snapchat also enabled eCommerce features directly on their platforms and held customers in one platform. In the US, over <u>one-third</u> of adults shop through social media. In Asia, WeChat has the leading position, and <u>92 percent</u> of the sellers in Asia believe social commerce is vital to their business growth.

Last year, we hit over 2.65 billion social media users worldwide, a number projected to increase to almost 3.1 billion in 2021. We can expect more social media providers to enable shopping directly on their platforms.

❝ *Social commerce is great! It gives us direct contact with customers and the personal touch is so important.*❞ - Respondent from the UK

❝ *I trade through social networks because I feel that I have grown very quickly in popularity with consumers. I have chosen to sell directly to my customers, thus I can clarify their questions, offer customization options of the product and help in case of setbacks.*❞ - Respondent from Mexico
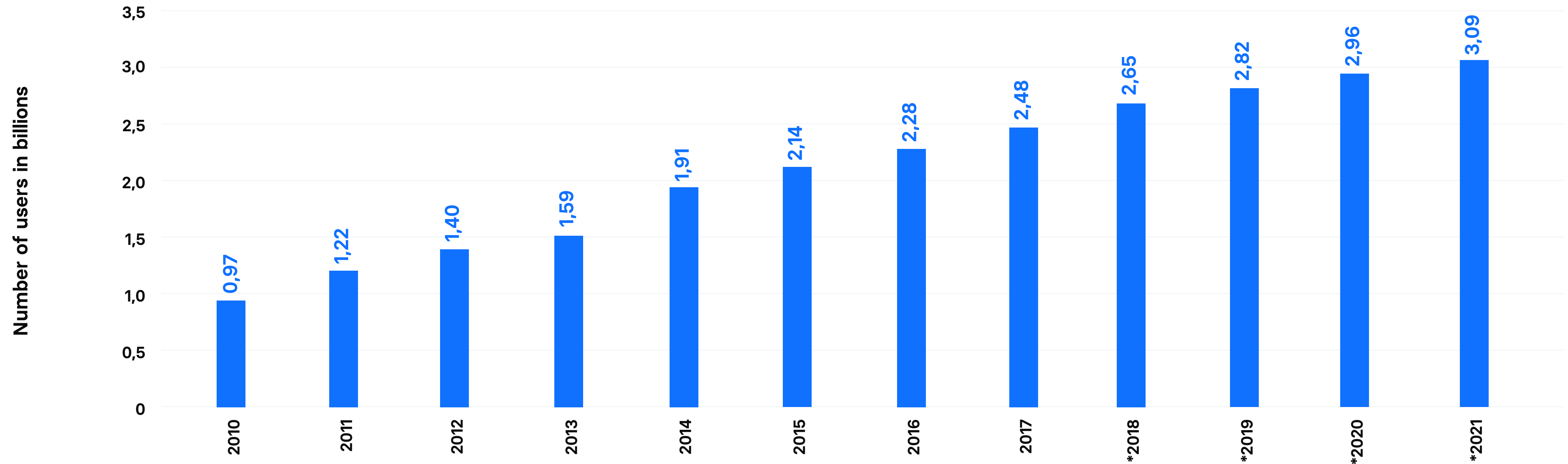
❝ *Social media is becoming such an important part of the luxury customer journey, particularly in the inspiration phase, and retail needs to keep pace with this.*❞ - Burberry Chief Executive Marco Gobbetti

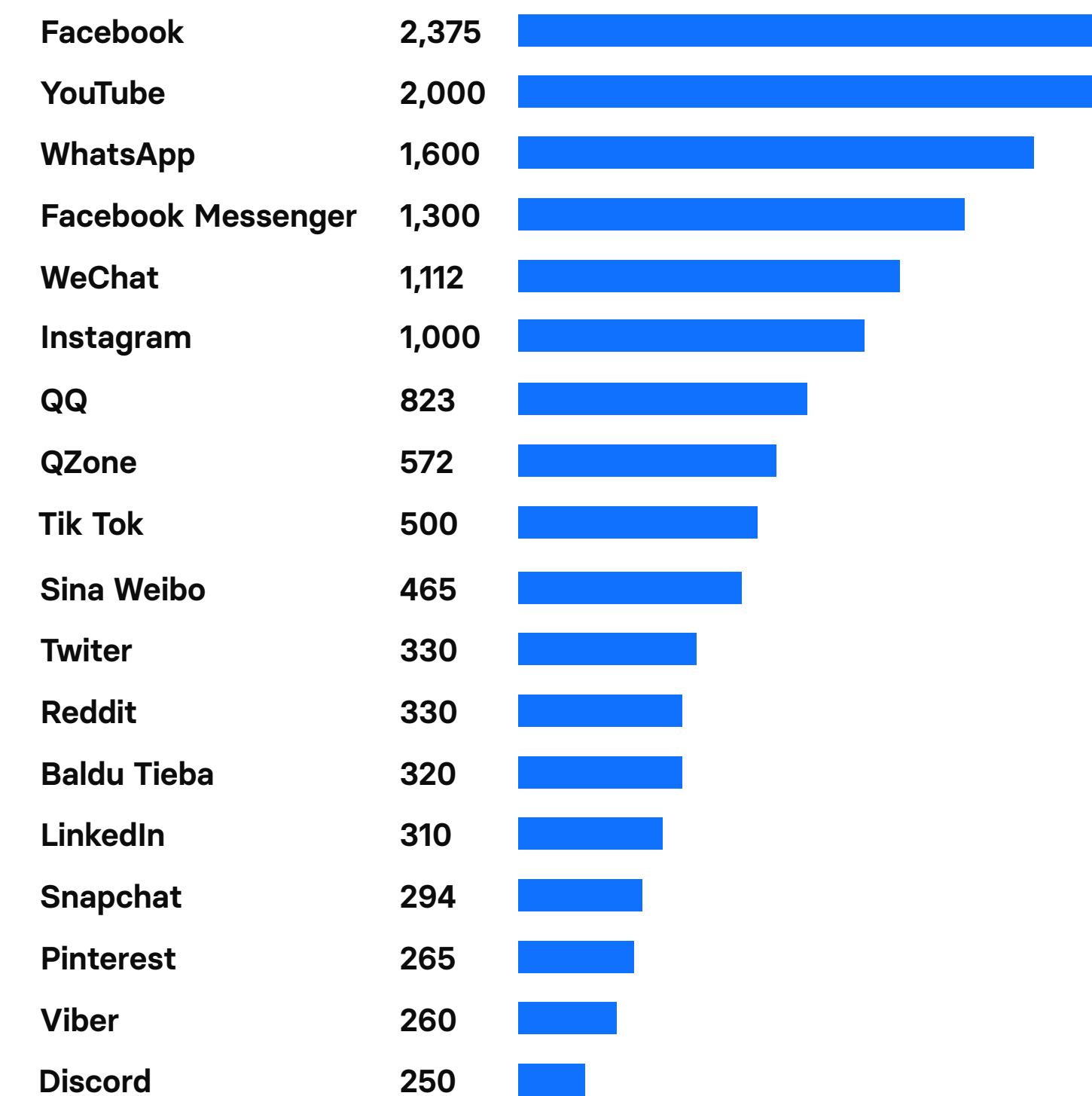# Number of social network users worldwide from 2010 to 2021

(in billions)

Number of users in billions

- 2010: 0,97
- 2011: 1,22
- 2012: 1,40
- 2013: 1,59
- 2014: 1,91
- 2015: 2,14
- 2016: 2,28
- 2017: 2,48
- *2018: 2,65
- *2019: 2,82
- *2020: 2,96
- *2021: 3,09

Source: Statista.com

*estimated

Which among the largest social media platforms offer in-app shopping and payment capabilities?

List of leading social networks by the number of active users.

July 2019

Platform	Availability
■ Facebook	yes
■ WhatsApp	yes
■ WeChat	yes
■ Instagram	yes (in test)
■ QQ	yes
■ Snapchat	yes (in tests)
■ Sina Weibo	yes
■ Tencent Weibo	yes (in tests)
■ Tik Tok	yes (in tests)

Network	Active users
Facebook	2,375
YouTube	2,000
WhatsApp	1,600
Facebook Messenger	1,300
WeChat	1,112
Instagram	1,000
QQ	823
QZone	572
Tik Tok	500
Sina Weibo	465
Twiter	330
Reddit	330
Baldu Tieba	320
LinkedIn	310
Snapchat	294
Pinterest	265
Viber	260
Discord	250

Source

➡ **Learn more about selling via social media in eCommerce**
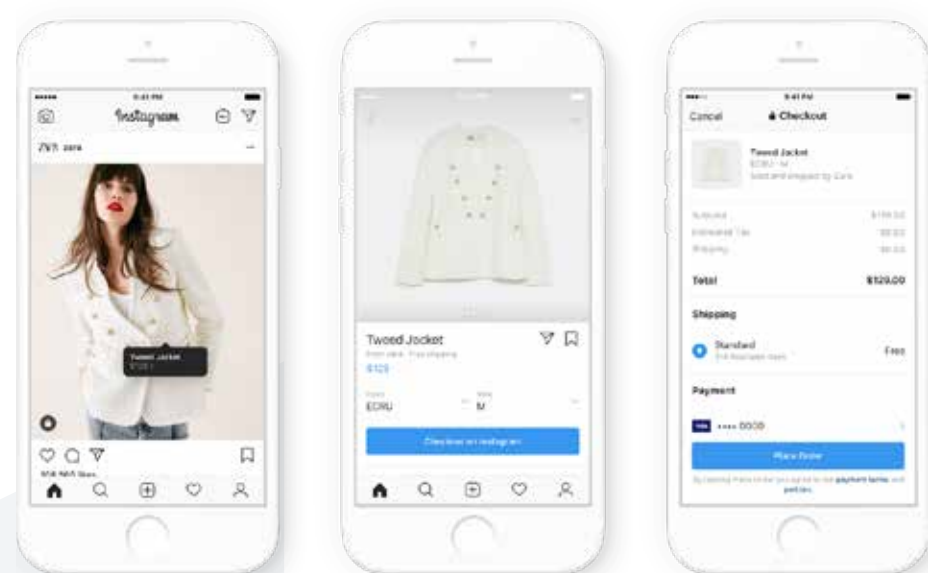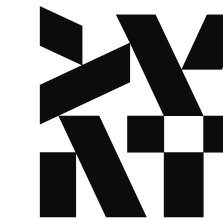
Instagram launched Checkout

Earlier this year, we saw the checkout feature on Instagram which allows users to buy products without leaving social media. Global fashion brands welcomed it with great joy as a large portion of their traffic comes from Instagram.
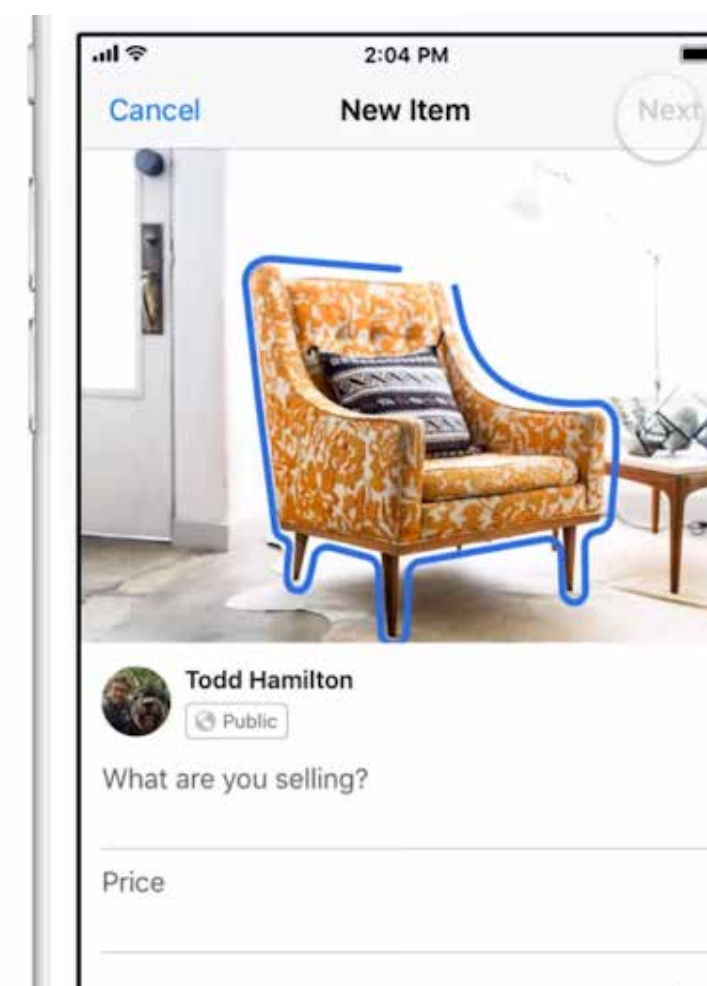
[Source](#)
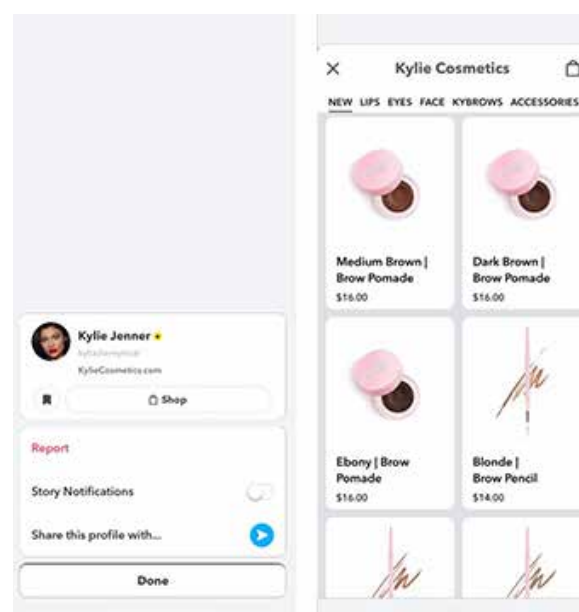
Buying from influencers

In June 2019, Snapchat test-launched the 'Shop' button. The new eCommerce feature allows influencers to sell products directly from their Snapchat accounts.

[Source](#)

AI in Facebook's marketplace

Launched in 2016, the marketplace on Facebook is constantly bolstered with new features. AI is probably the most important among them as it helps users to add products, translates conversations, and connects sellers with potential buyers.

[Source](#)

BURBERRY
LONDON ENGLAND

Social retail in Asia

Social commerce is particularly popular among customers in Asia, and luxury brands are about to tap into this niche. Burberry teamed up with Tencent to offer a "social retail" store which mixes retail and social media. The store will be opened in Shenzhen in 2020.
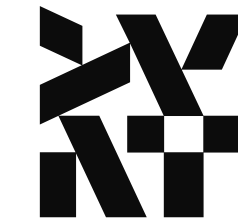
Source

Development of digital payments

The growth of social commerce is driving new demand for seamless and efficient payment methods. PayPal, Alipay, and Google Checkout are the most popular, but local payments like GCash, PayMaya and DBSPayLah, are selected by customers.

Source

❝ In recent years, social eCommerce has been on the rise and a number of enterprises with great potential have emerged. In China, and not only, it's the future of eCommerce and New Retail.

According to the 2019 China Social ECommerce Industry Development Report, the number of mobile online shoppers in China reached 610 million in 2019, and the number of individual eCommerce transactions on social media reached <u>592 million</u>. This is larger than the number of social eCommerce shoppers in the United States and the United Kingdom combined.

The essence of social commerce is the immediacy of peer to peer sharing and traffic generation. It allows things to go viral. It promotes trends. It lives on gimmicks. Top eCommerce is about high quality products. With the current saturation, consumers have realized that sustainable brands are reliable and have high quality goods and services. Brands can't skate by on social media gimmicks and trends.

Pinduoduo, Yunji, Beidan, and Youzan are some Chinese social commerce providers worth noting. Also, giants and top investment firms, such as

Tencent, Sequoia, and Alibaba have joined in the battle.

In comparison to Asia, social commerce iin Europe and the U.S. is still in its infancy, with great demographic challenges and opportunities.

On the other hand, social eCommerce drives import consumption and has helped overseas brands to enter China.

Ashley Dudarenok,
Founder of Alarice & ChoZan

Mobile Apps.

In 2018, users downloaded mobile apps 194 billion times. Shopping apps are in the top 10 most downloaded apps on both Google Play and iOS, but it is worth mentioning that other app categories also offer paid products and services.

Thanks to integrated payment systems and biosecurity features, shopping in mobile apps became seamless both in physical and virtual spaces.

In spite of this, it is difficult to gain commercial success as apps are often abandoned, need updates, and aren't 100% synchronized with the online offers of stores. The development and maintenance of native apps is also rather expensive (inlc. fees for iOS and Android). Progressive Web Apps solve most of these problems.

We believe in mobile apps because the flexibility is able to reach more customers in a convenient way." - Respondent from the USA.

What's the trend of the year? Mobile apps! Everyone has a phone and selling via them has become very easy." - Respondent from the UK

Selling via mobile apps is faster and more convenient, both ways." - Respondent from Brazil

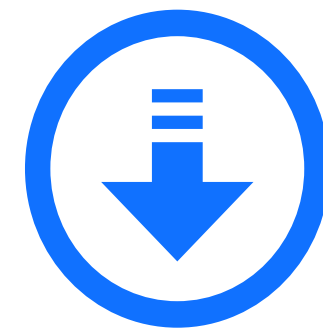**Learn more about mobile apps in eCommerce**

Mobile Apps.

Global apps downloads, and value of the global mobile app market in USD, including annual trends.

194
Billion

Number of mobile apps downloaded worldwide in 2018 (all platforms).

+9%

Annual growth in the number of mobile apps downloaded.

$101
Billion

Total value of global consumer spend on mobile in 2018.

+23%

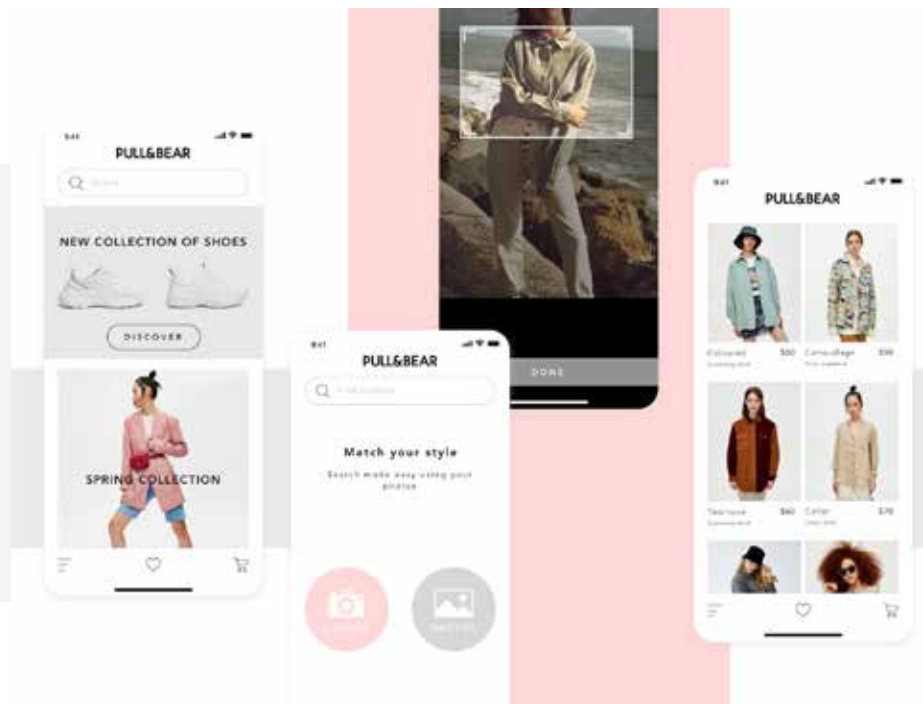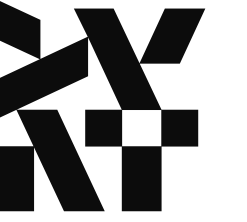Annual growth in value of global consumer spend on mobile apps.

$20.15

Average consumer spend on mobile apps per smartphone in 2018.

Source

Mobile Apps.

Visual search

Chinese giant Taobao uses visual search in mobile apps to find products in their marketplace. Users don't even have to know of the product, they have to take a picture of it.

Super Apps

Super Apps pioneered by Chinese companies have become one-stop shops for products and services, from money transfers to booking a flight.

The concept introduced by WeChat, Alipay and Meituan has already been copied by Facebook, Line and Go-Jek.

Progressive Web Apps

A step between desktop and native apps - PWAs connect the two solutions and provide a desktop site, mobile site and mobile app in one solution. This technology is backed by the latest Google, Microsoft and Apple regulations.

We now live in a mobile-first world. The statistics show that up to 70% of traffic happens on mobile devices. When the primary vehicle of engagement for consumers is their mobile devices, then logic dictates that the way to commercial success is to meet them there. The real question to ask is: which companies are "not" behind mobile apps, and why?

It's about digital "experiences", and that's critical for brands to understand. Consumers are demanding hyper-personalized experiences that are direct and secure. When they are on their phones, they expect the experience to transform to suit that device. But if you are looking for mobile app developers, they you're already behind. Certainly, the most prominent players, such as Google and Microsoft, have been enabling Progressive Web App technology for years to help create immersive, adaptive experiences that work no matter what device you are on.

What's the future of mobile apps? Simply put, they will be hyper-personal, secure experiences. This means that two consumers can be engaging with the exact same "app" offered by a brand and have entirely different experiences.

In the future, we will also see a very heavy focus placed on privacy and security. Brands already know that in offering the hyper-personal experience, they have no choice but to also ensure those experiences are safe for the consumer. Consumers want to be treated individually, but they will refuse to engage with your brand if their trust is breached. If anything, our future app experiences will more closely reflect the human experience we've known for thousands of years, which is essentially reduced to this fact: Humans desire to be known personally, but we tend only to build those relationships with people we trust.

Karolyn Hart

Founder at InspireHUB

Worldwide, more than half of all web traffic is now generated through mobile web alone. Providing customers with access to a robust mobile web experience — eliminating the mobile gap for them between you and the best possible experience for eCommerce business — is all-important in the mobile-first world in which we now live.

We have found that if brands provide customers with experiences that entice them to come back to do business, they are actually far more likely to download the native mobile app. Brands need to "earn" the right to appear on a customers homescreen and try to see mobile web traffic as a positive for acquiring new users rather than cannibalizing what happens on mobile apps.

Regardless of the technology, it's all about the experience, and we know that smartphone users are significantly more likely now than a year ago to purchase from companies whose mobile sites or

apps allow them to make purchases quickly. Many top brands are seeing a strong business uplift from investing in both web & app tech.

Native mobile apps have deep integrations into the prevalent operating systems (iOS & Android) and are especially useful if you have a high number of repeat visitors. Typically, we see more sophisticated and tech savvy customers expanding to nascent technologies available in the app.

Mobile apps are winning customers over with more enhanced accessibility, personalization, engagement-enabling features, privacy and other unique benefits like "no disruption" (due to no obtrusive pop up ads) in app experiences. This means that a user can benefit from the best possible brand experience exclusively from your brand with ultimate security regarding how they might like to pay you (mobile payments: Apple Pay, GPay, PayPal) and really no distraction.

Its immersive-like qualities ensure that customers enjoy the fact that they are undistracted by other ads, other brands, etc. and answers the question of

why users turn to native mobile apps. They are truly loyal to you.

Of course, having multiple environments to manage means having multiple responsibilities as a business owner. Aligning a business organization to mobile ambitions means that there is a necessity for more cross-functional alignment and quality decision-making for customers and business. Clear communication among all stakeholders is critical.

Conor McGann

Mobile UX Specialist at Google

Mobile Payments.

As mobile technologies are maturing, users are more keen to trust in payments operated by mobile devices. According to Global Webindex, 37% of global internet users pay for goods or services.

In Europe, the Payment Services Directive (aka PSD2), sets rules to prevent fraud and increase the transparency of mobile transactions but, at the same time, makes the payments more complicated. Apple Pay and Android Pay are the exception and are an easy-to-use choice for many customers.

Apple Pay, Samsung Pay, Android Pay and PayPal are the most popular mobile wallets in the western world. Retailers, like Walmart or Starbucks, also offer separate mobile wallets.

Asian customers pick GrabPay, WeChat Pay, Line Pay or Alipay which are now ubiquitous.

" *Payments on mobile were initially associated with many problems, but nowadays these have been fixed with the beta version.*" - Respondent from Germany

" *Mobile wallets is what we perceive as the future because they make life easier; customers don't need to carry cash, and now they can even be can even be used with small traders. Debit and credit cards can only be used in large stores.*" - Respondent from Mexico
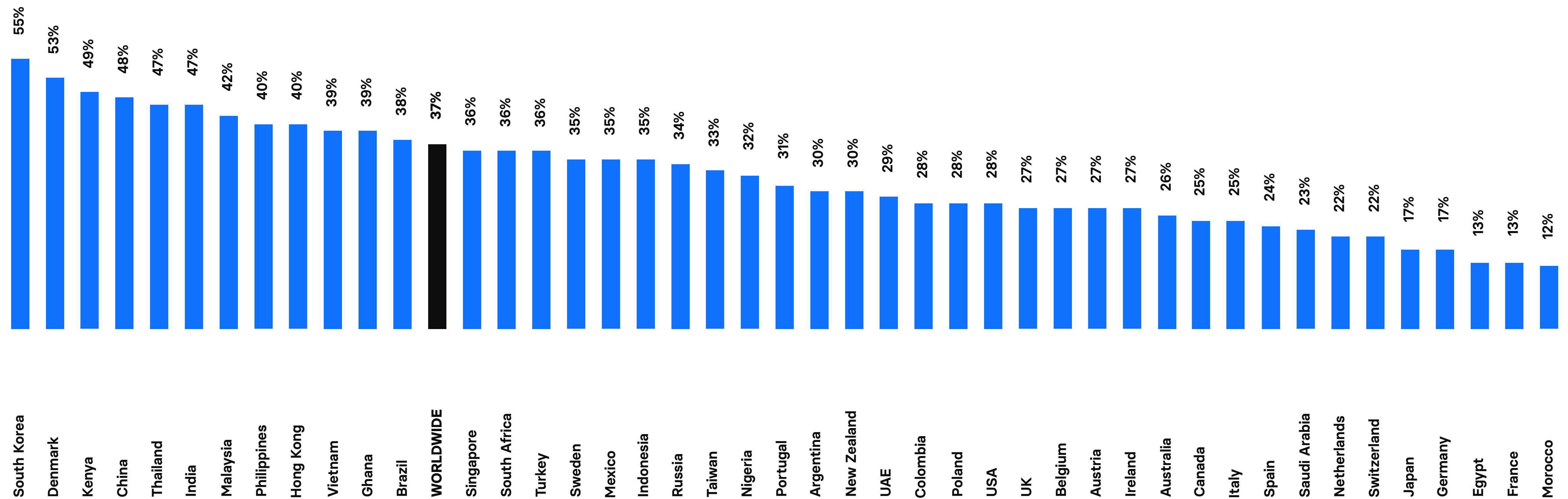
→ **Learn more about mobile payments in eCommerce**

Use of Mobile Wallets.

Percentage of Internet users who
use their phone to pay for goods
or services each month:

| Country	%
South Korea	55%
Denmark	53%
Kenya	49%
China	48%
Thailand	47%
India	47%
Malaysia	42%
Philippines	40%
Hong Kong	40%
Vietnam	39%
Ghana	39%
Brazil	38%
WORLDWIDE	37%
Singapore	36%
South Africa	36%
Turkey	36%
Sweden	35%
Mexico	35%
Indonesia	35%
Russia	34%
Taiwan	33%
Nigeria	32%
Portugal	31%
Argentina	30%
New Zealand	30%
UAE	29%
Colombia	28%
Poland	28%
USA	28%
UK	27%
Belgium	27%
Austria	27%
Ireland	27%
Australia	26%
Canada	25%
Italy	25%
Spain	24%
Saudi Arabia	23%
Netherlands	22%
Switzerland	22%
Japan	17%
Germany	17%
Egypt	13%
France	13%
Morocco	12%

Source

Global online payments.

Estimated global online retail payments volume and fee revenue:

(in billions USD)

	Revenue from fees	Processing volume	Revenue as percentage of volume
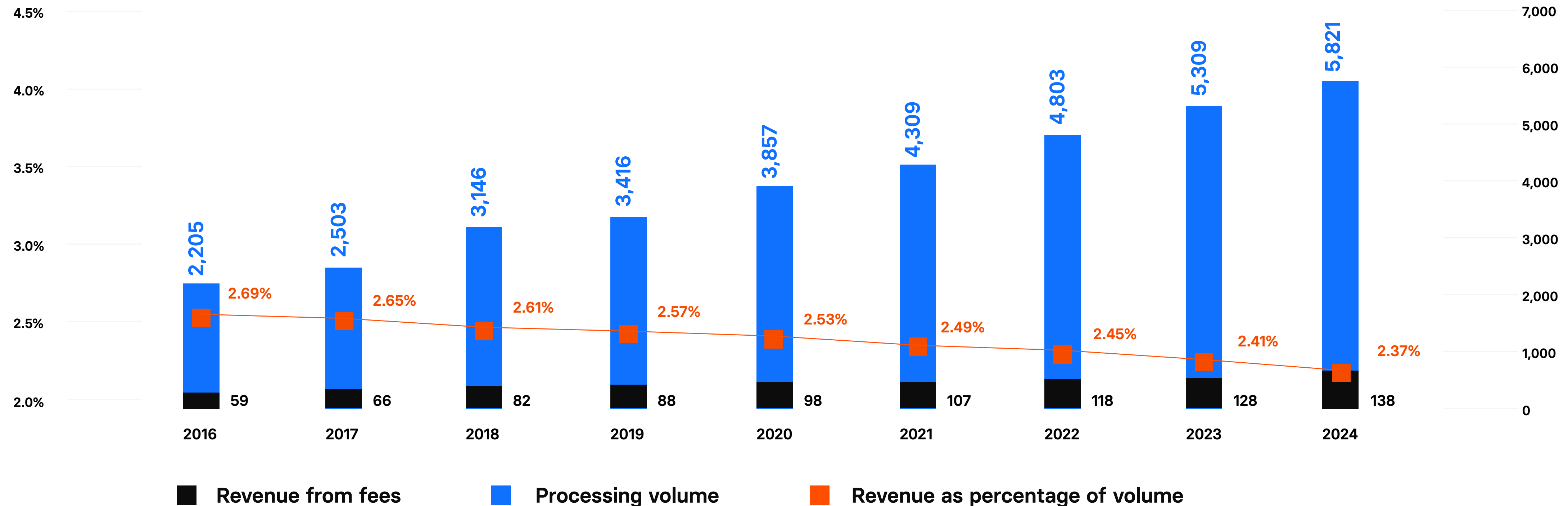
Source
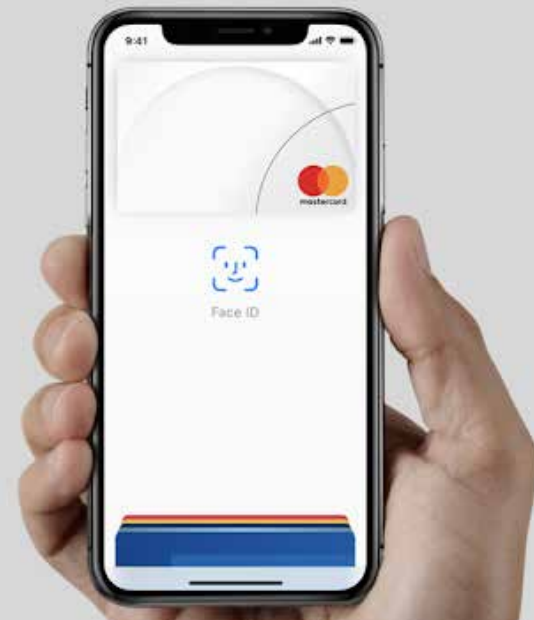
Mobile Payments.

Security of mobile payments

Android, Apple and other providers of mobile wallets pay great attention to security. All operations are encrypted, merchants never see the customer's credit card number or authorization code, and in the case of loss of a smartphone, a mobile wallet is additionally protected with PIN numbers, fingerprint or face authentication.

Slow adoption in Western culture

Mobile payments are more secure and reliable, but in Europe and the USA, they are still less popular than among Asian customers. The most popular payment apps in Asia are GrabPay, WeChat Pay, Line Pay or Alipay. The latter generates over 250k transactions each second!
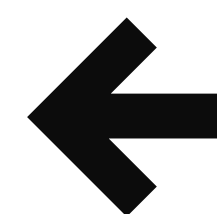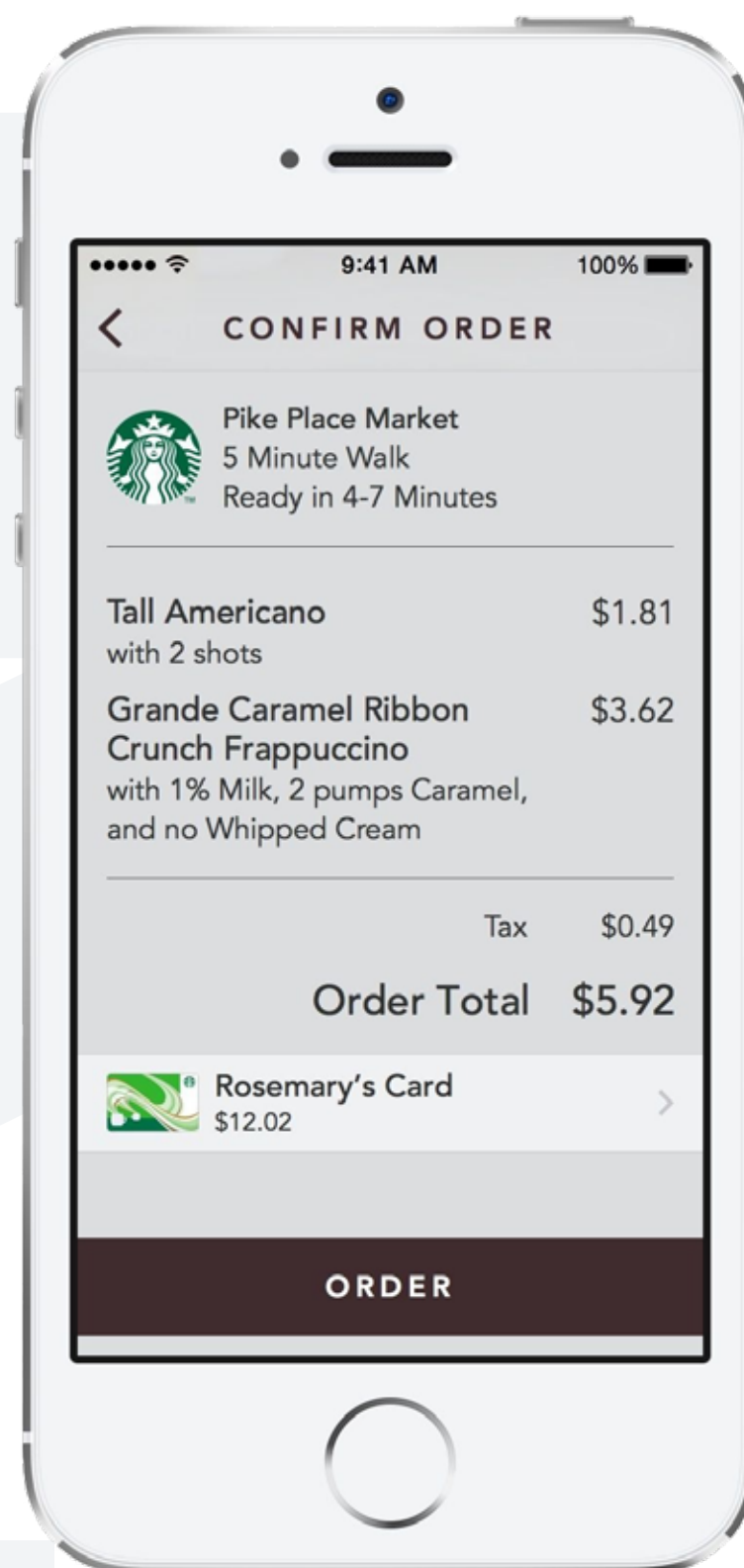

Facial-recognition

With Dragonfly, Alibaba launched seamless payments based on facial recognition. The new method is already used in stores, vending machines, and others. WeChat is following in their footsteps. Facial recognition is also pushing out QR codes, already widespread in Asia. Facial recognition technology is spreading rapidly—even at the expense of privacy.

See video

Mobile Payments.

Chinese payments for foreigners

WeChat Pay and Alipay, payment platforms which were previously only available to Chinese bank account owners, have opened up to foreign credit and debits cards (Visa, Mastercard, JCB and Diners Club).

[Source](#)

Loyalty and mobile wallets

Walmart, Starbucks and other brands offer their customers brand-specific mobile wallets combined with loyalty programs.

"The way a payment is made is a critical component of the customer experience. With a comScore study highlighting that almost 20% of customers report difficulty navigating checkout as a reason for abandoning a shopping card on mobile, reducing friction can significantly increase sales.**

Consider, that while most ecommerce traffic is driven by mobile devices, the majority of purchases continue to be via a personal computer (in 2018 traditional online shoppers converted at rate of 3.91%, while those shopping via smartphone converted at 1.61%). The introduction of mobile wallets from the likes of Apple and Google have made purchasing seamless, providing a trusted, secure channel without the need to re-enter your card details. As payments become easier, safer and more efficient, the likelihood of customer 'cart abandonment' decreases and eCommerce shops make more sales.

While we are at the very beginning of payment innovation, and particularly mobile payment innovation, PayPal, Alipay, Google and Apple are the current market leaders here. I expect Apple and Google to dominate in the West as they leverage their existing eco-systems and customer base (and financial clout) to accelerate adoption.

While concerns around the security of mobile payments continue, we are seeing an increase in the use of and acceptance of mobile payments. While it still trails traditional payment methods, I would expect this trend to continue.

In the future, credit and debit card providers will have to face Apple Pay and Google Pay, as well as other e-payment providers, as buyers confidence in mobile purchases increases and the roll out of 5G allows for improved mobile experiences and enhanced access. With this combination, I'd expect to see a significant uptick in payment innovation as well-funded internationals and fintechs drive explosive innovation and look to win on the checkout page.
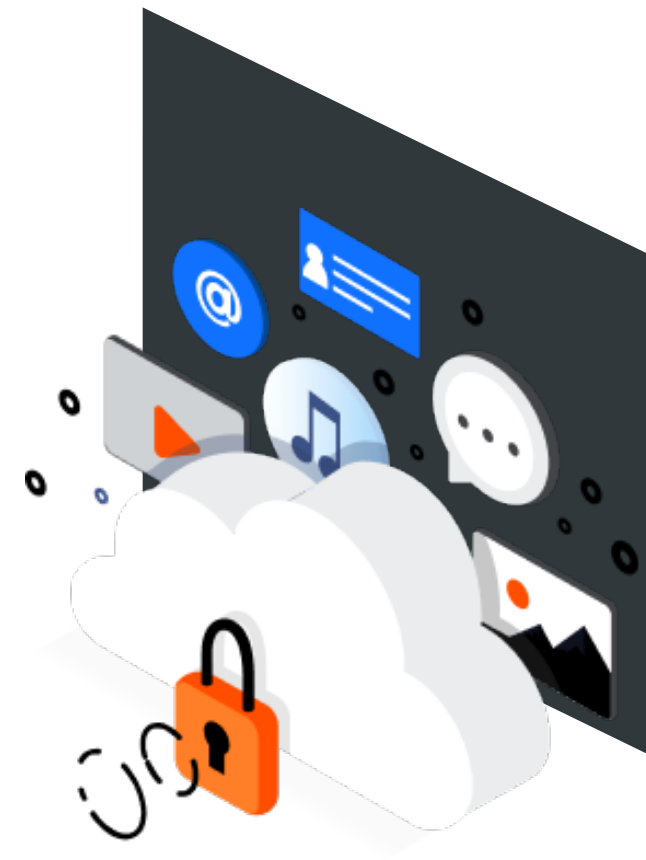
James Hickson

Founder & CEO at Bloom Financial Group

in

Quick Wins

Security

**Internet
of Things**

**Selling and
advertising
on marketplaces**

**Content
Marketing**

Security.

Security should be one of the most important issues for eCommerce. Adoption of emerging technologies, like IoT, AI, and machine learning, is creating a larger attack surface and more frequent data breaches. Attention must also be paid to data privacy.

Although GDPR, launched last year, forced many companies to invest in improvement and clarity of customer privacy and security, more than 42% of internet users still believe that their data is being misused online. As we heard on the Google I/O conference: Privacy is dead…but we're ok.

Online sellers should consider a change of approach from open to closed, from op-out to opt-in.

Customers are more and more keen to use biometric verification (fingerprint and face scanners) but many of them are still stuck in two-factor authentication or physical payment tools (credit cards). We see that face-scanning fraud tests and a debate on the security of biometric data is still ongoing.

On the other hand, eCommerce platforms provided multiple tools to monitor safety and ensure a high level of security in their online stores.

Check out how WeChat payment is defrauded with a hyper-realistic face mold.
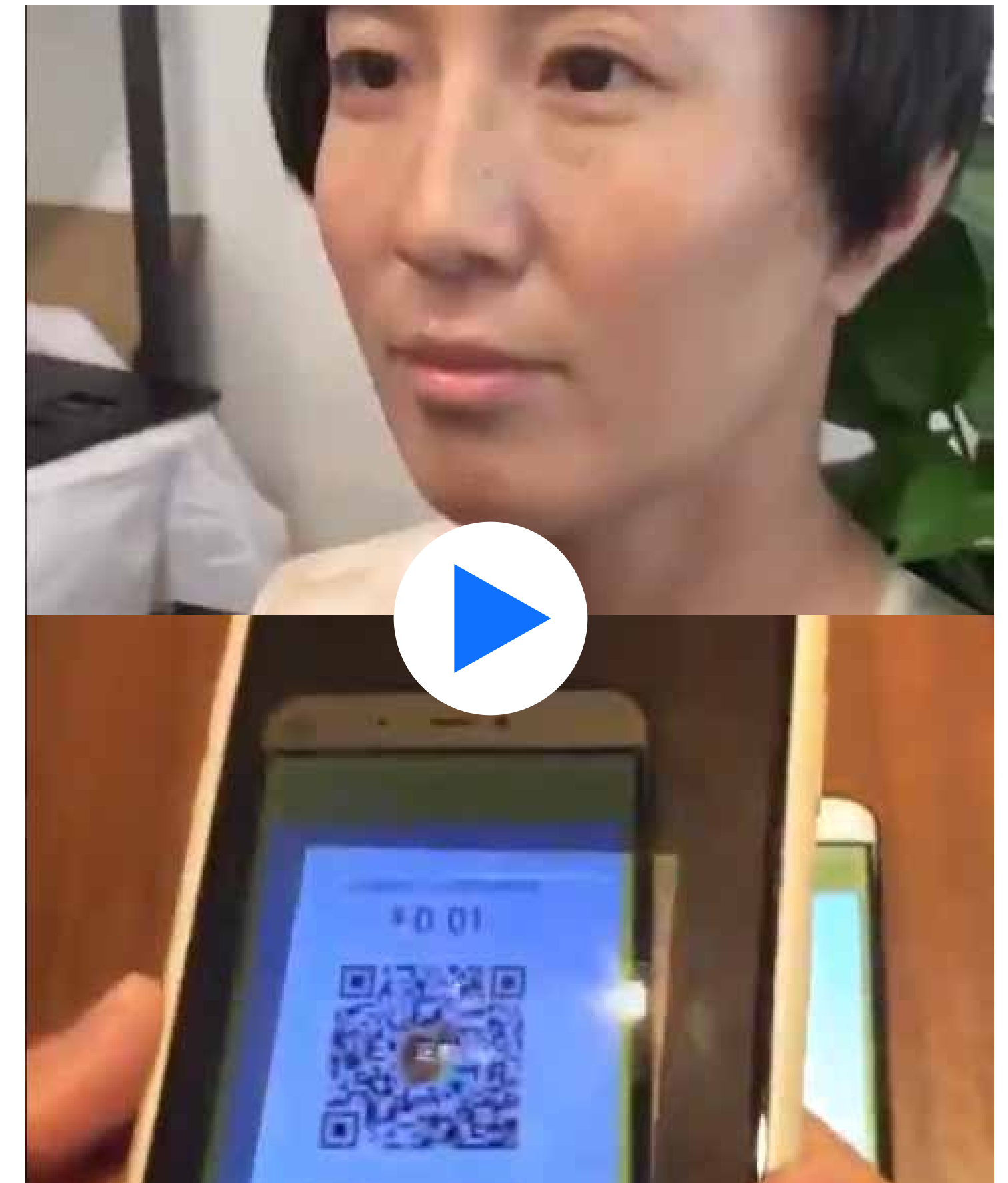
➡️ **Learn more about security in eCommerce**

CCPA

After EU's GDPR, California introduced their own regulation on data privacy known as the California Consumer Privacy Act. Microsoft pledges to apply the new act across the whole US market.

Source

GDPR

The General Data Protection Regulation went into effect in May 2018, and showed that many companies, both in the EU and overseas, weren't ready for it. In some cases, European customers of American brands lost access to their favorite products. The general discussion on data privacy continues and more countries are following suit.

Increase in lawsuits

According to Forrester, customers are taking active measures to protect their protect their data and privacy class-action lawsuits will increase by 300% in the near future.

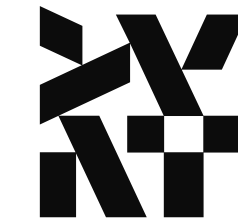**Source**

" This year, various European advisory and regulatory bodies – the <u>Dutch SA</u>, <u>CJEU</u>, <u>ICO</u> and <u>CNIL</u> have offered their recommendations for cookies and consent collection. The Berlin DPA has also published <u>a press release</u> with requirements for data collection in Google Analytics and similar technologies. All these developments are a direct aftermath of the GDPR and reflect the growing need for privacy protection.

Companies have realized that customers are becoming more privacy-conscious. Tighter data control and legal compliance are crucial in industries that handle sensitive data and in eCommerce where clients' information—payment details, transactions, addresses—is processed. Brands that want to build lasting relationships with their customers need to ensure not only data safety, but also abide by the <u>privacy laws</u> and have relevant consent mechanisms in place.

Maciej Zawadziński

CEO at Piwik PRO

in

With digital commerce growing strongly and becoming an integral part of people's lives around the globe, it has become crucial for brands, retailers, and platforms that the data which their customers trust them with are safe.

This is especially true for financial data. When it comes to the loss of credit card details, this can have severe consequences for both consumers and vendors. But even if "only" contact data get into the wrong hands, this can lead to anything from annoying spam emails to cases of identity theft. So businesses need to take extra care to keep all this data safe, which is not a trivial task. Apart from relying on modern technology and encryption, they also need to make sure to create awareness for the importance of data security with their employees.

In the future, we will see many new personalized products and services which require extremely sensitive data, such as health data. Of course, it is convenient to have devices track your body functions, monitor your diet, or warn you when your blood pressure is too high. And surely it saves time and effort to have those data stored online, where they can be viewed by doctors to make an informed diagnosis. However, when the security of those data is at stake, consumers will have zero-tolerance.

Unless data security is deeply ingrained into a company's vision, organization, and processes, they won't be able to grow in tomorrow's digital market.

Roman Zenner

Industry Analyst at commercetools

Internet of Things.

We've been waiting for something big. In the meantime, the network of small devices, known as IoT, has taken the world by storm—especially on the business side.

This year, the Internet of Things played a role in the successes of stores owned by the largest fashion brands in the world. Brick-and-mortar stores of the Inditex Group or LPP are equipped with RFID technology that allows retailers to track the location of products in stores, choose matching accessories or automate delivery processes for products ordered online. For many retailers, IoT is becoming an important part of their digital strategies.

> *The IoT will continue to deliver new opportunities for digital business innovation for the next decade, many of which will be enabled by new or improved technologies." - Nick Jones, research vice president at Gartner*

But the revolution is also happening in customers' homes where home appliances connect with the Internet, enriching the user experience, and more and more often, this leads to online shopping.

The next big step for the IoT is still ahead of us. Along with 5G, the IoT will have better connectivity and thus more devices will be able to connect and work together seamlessly.

> *We see the Internet of Things as the game-changer, because of the possibility of networking, its enormous profit opportunities and a broad response from customers." - Respondent from Germany*

→ **Discover more about Internet of Things in eCommerce**

Smart homes

Smart speakers, smart refrigerators, smart washing machines... we are surrounded by smart devices and a growing number of them connect with eCommerce. Try out voice ordering at Sephora, Domino's or Starbucks.

Smart mirrors

Fitting rooms equipped with smart mirrors read product data from attached RFID chips and help customers to see available sizes, colors and accessories matching with the product in hand. Check out how Rebecca Minkoff is using smart mirrors.

Smart shelves

Smart shelves, also known as ‚digital shelving', offer a few kinds of digital support (ads, digital coupons). Connected with a network of sensors on products, they keep inventory counts. This attractive solution for large stores is being tested in Kroger, a US-based grocery chain.

> **Digital transformation shows us that everything that can be digitized will eventually be digitized. Surprisingly, one of the most important areas of digitalization was so far not in focus: our homes.**

Most commonly-used devices are still not connected and we do not find fully integrated (non-monolithic) smart services easing our home lives. Future consumers will not be changing room temperatures by hand, let alone controlling a cleaning robot via a mobile app. "Traditional" user touchpoints for Residential IoT (like mobile apps) will transform into highly-automated and seamlessly-integrated user journeys managed via voice assistants. Considering the rapid development and availability of these assistants (Amazon just started in 2014, Google in 2016) it sounds like a self-fulfilling prophecy that this will be a key enabler for IoT at home. As consumers use voice assistants mostly at home in order to keep their privacy (74%), this enabler is actually applicable vice versa.

Popular voice use cases next to online search or shopping are already coming from the IoT domain, like controlling lights, alarm systems and thermostats (44%). Our homes are the next exciting IoT playground (after industry 4.0 for B2B), and will finally establish IoT for end consumers. More connected devices, improved voice recognition/ processing and seamlessly integrated digital offers will eventually prepare the path to that B2C IoT vision.

What can be digitized, will be digitized—also in our homes.

Christian Hartmann

Residential IoT Lead at Bosch Power Tools

in

Content marketing.

Content marketing is one of the most stable trends on our list. High quality, engaging content is the best way to attract customers, and so short video formats and cooperation with influencers were the most successful strategies in the past year.

Another reason would be the usage of ad-blocking tools by almost half of internet users. Content must be displayed where customers are naturally viewing the web.

As we observe a shift towards private digital spaces, we need to think of new content forms that create important, interesting and timely relations with users, rather than filling endless content calendars.
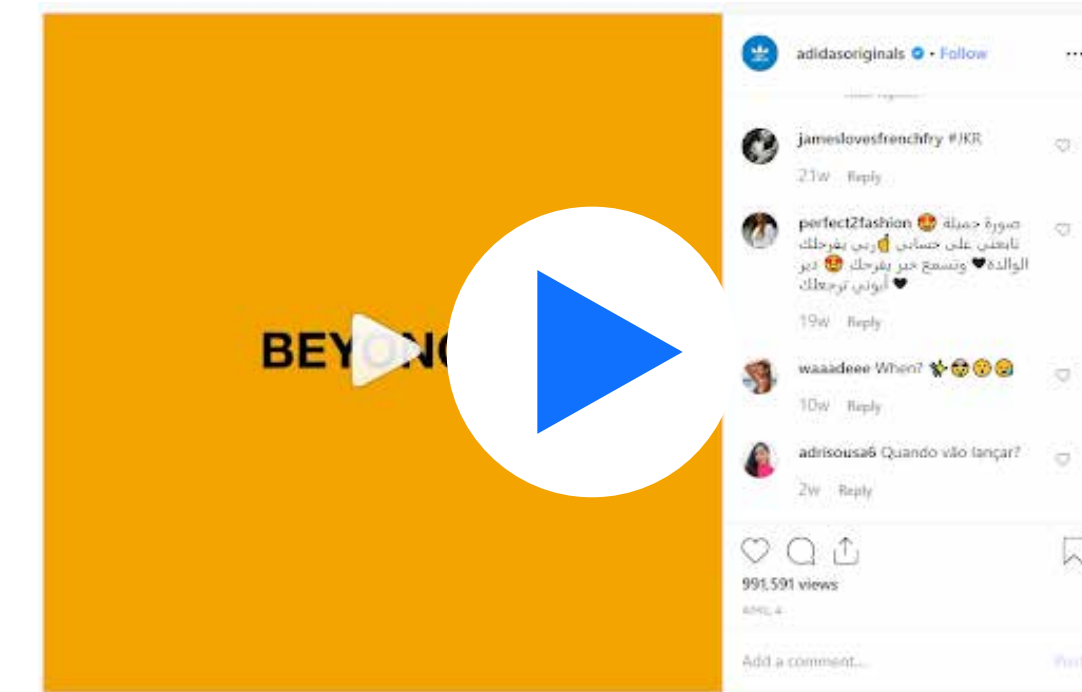
➡ **Learn more about content marketing in eCommerce**

Shoppable food inspirations

People looking for dinner inspiration can easily find amazing recipes online, and now also add them to their shopping list. It is another idea for serving content enriched with eCommerce features. The idea was implemented by Walmart and The Tasty cooking videos app.
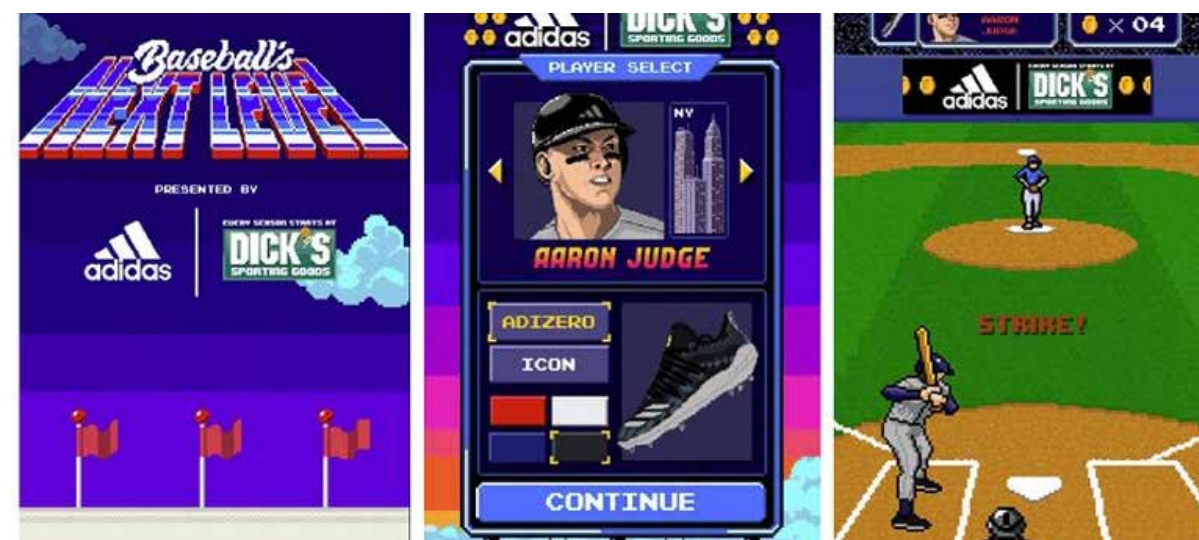
Source

Power of influencers

As pure brands showed this year, there is no better way to skyrocket engagement and social traffic than creating unique content with a world-famous influencer.

Source

Shopping in a video-game

Another idea is selling products in a video-game. Adidas and Dick's Sporting Goods launched such a possibility this year on Snapchat, where customers could shop for limited-edition shoes inspired by a video game.

Source

Lo-fi mobile storytelling

Many brands complain of lack of resources for video creation, but companies like Dunkin' Donuts or Guardian found lo-fi mobile storytelling more than successful. Their users looked more for unique stories than expensive production. Lo-fi mobile storytelling turned out to be equally engaging, but cheaper and faster to produce

Short-video

Video is the most engaging format to attract online users, and a great way to close the gap between discovery and purchase. Apart from video product presentations, look for social media formats to recreate the need for real-life shopping experiences.

" Old eCommerce tactics have changed. Instead of pushing product recommendations, successful eCommerce players are pushing relevant content. They shifted the game from presenting products to suggesting them, embedding them and subtly persuading you to act through information and by association.

Some great examples come from China. In 2019, Zhang Yixing, a superstar in China, released his song on Taobao, where his fans could support him and buy his online album. This also meant that Taobao is now more than just a purchasing platform.

Another one is video and live streaming. In 2013, live streaming really caught the public's eye. In 2018, live streaming and eCommerce began to be truly linked and eCommerce live streaming went viral. This made video and eCommerce giants enter the market.

On 11 November 2019, Tmall's Double 11 Shopping Festival, sales on Taobao Live reached 20 billion RMB. At its peak, Taobao's top live streamer, Viya, had an audience of 40 million on her stream. Her sales volume during this year's D11 exceeded 7 billion RMB.

Ashley Dudarenok

Founder of Alarice & ChoZan

"Today, Content Marketing in eCommerce is just as crucial as free delivery or online payments. Accurate product descriptions, the right keywords, personalized ads and content meeting precisely the recipients needs is essential for driving eCommerce traffic and sales.

In eCommerce we tend to focus on product descriptions, but is that all content marketing is? In my opinion, it's mainly about personalization and solving people's problems.

Every eCommerce Manager should stop for a moment and ask himself whether I, as a consumer, need such information: does the description of my product give me all the data I need to buy it? In my opinion, this is the easiest way to start, and adding data to this analysis should give us a full picture of what we should change.

Looking at the overall market, individual industries, and advertising content, we still have some work to do to achieve the best results. The market even demands very valuable, retail content marketing to be able to personalize the message precisely and reach the right users.

Jakub Strzelczyk

eCommerce Director Central Europe at Lacoste

in

Selling & advertising on marketplaces.

Online marketplaces are still the favorite space of online sellers to reach an extensive, ready-to-buy customer base, while keeping the costs of payment and shipment processes low. In Q2 2019, over 54% of products sold at Amazon were offered by third-party sellers. Amazon and Alibaba are the largest global marketplaces, but smaller marketplaces are gaining popularity in local markets.

In 2018, more than 50% of eCommerce sales globally were made through marketplaces, and this number will grow to about two-thirds within five years, especially since they strongly support cross-border exchange of goods. Marketplaces are convenient both for customers and sellers.

Due to the immense scale and budget, marketplace owners are those who are driving innovations first. Amazon, Alibaba, and Aliexpress are testing out new concepts and technologies like SuperApp, face-recognition based payments, drone delivery or even sales models mixed with brick-and-mortar shops.

For us, marketplaces are the key to growth. It is because they are an innovation in the market, a new and multifunctional product that competes with the free market and OLX. Besides, marketplaces are very practical for people who are not adept at technology." - Respondent from Brazil

Marketplace made a great impression on me this year. It brought us the most revenue." - Respondent from the UK
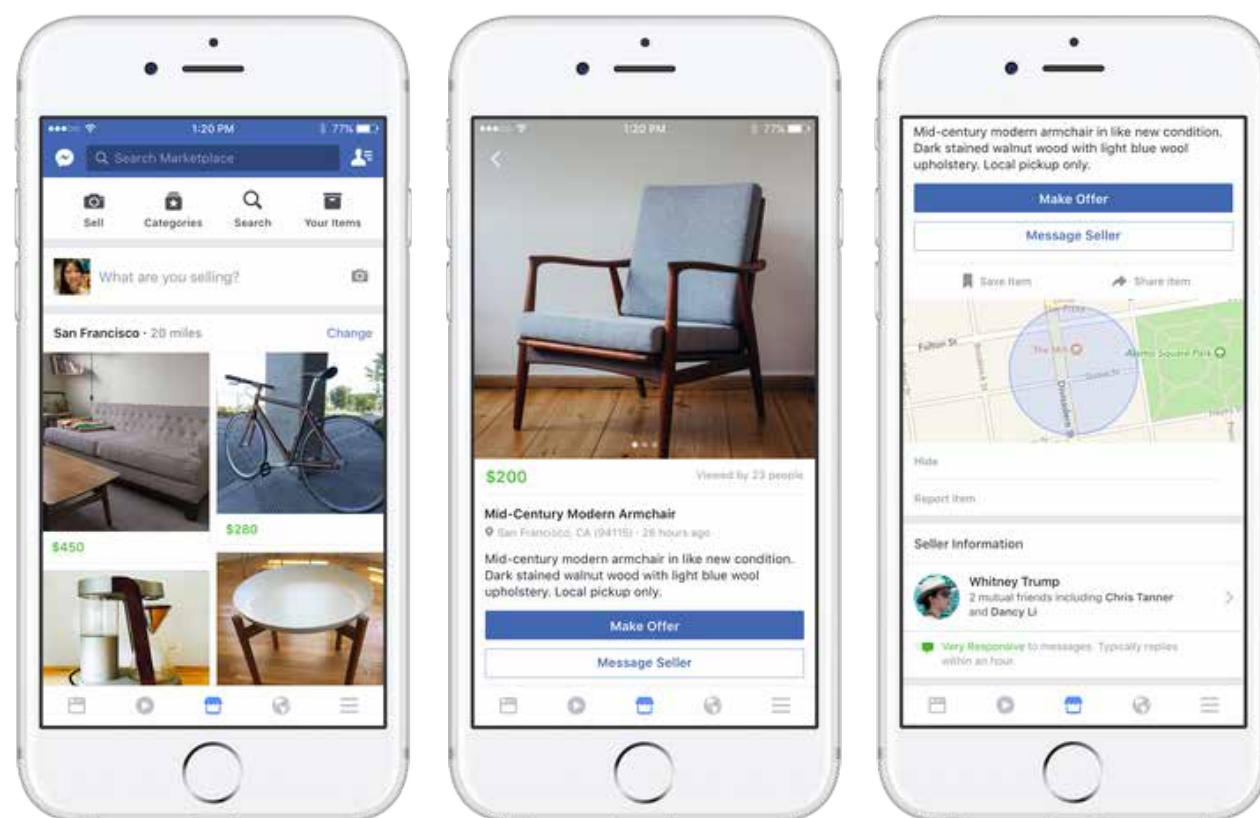
Transformation to Super Apps

All major marketplaces are transforming into 'Super Apps' offering not only products and services but also working as mobile wallets, ticket booking agencies or services to pay utility bills.
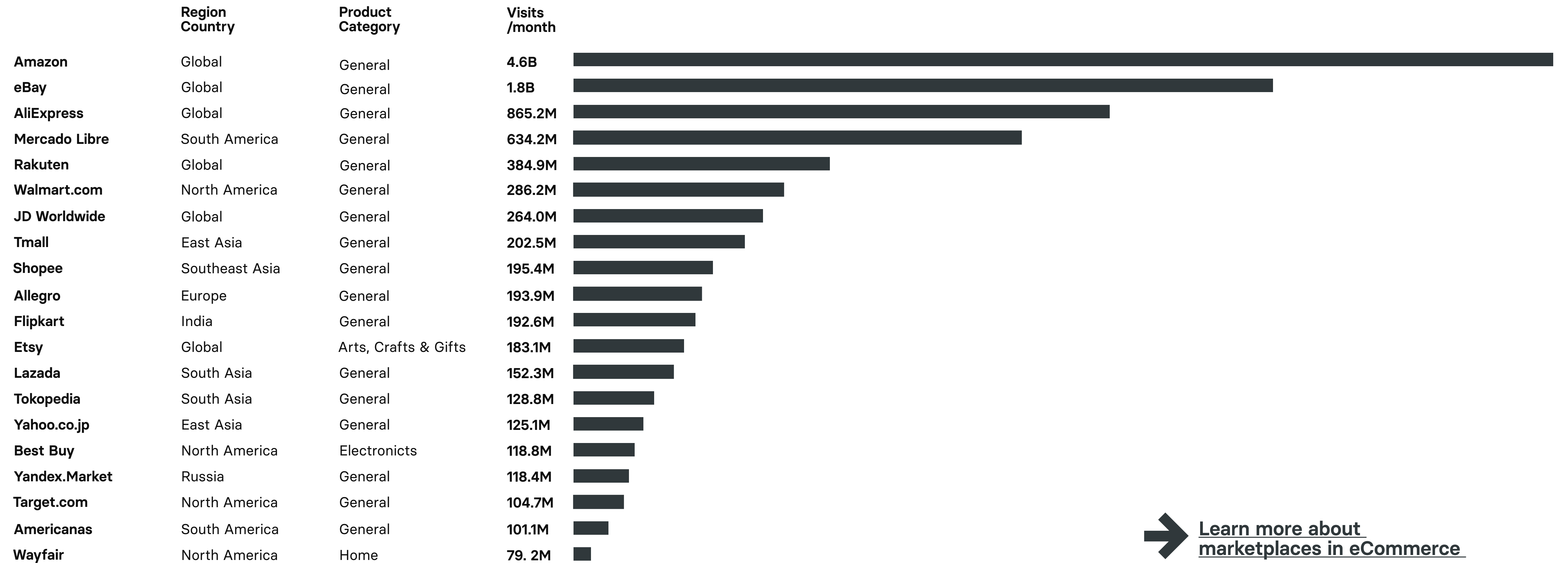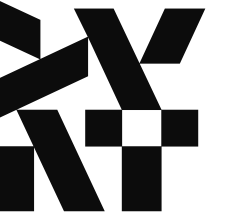

Brick and mortar stores

Online marketplaces, like Alibaba or Amazon, are also fighting in the physical world. After testing out concept stores, Alibaba wants to buy the Metro stores chain. Amazon launched Amazon Go stores in the UK and USA.

New delivery methods

Fast delivery is one of the biggest advantages of selling via shared selling platforms, and so marketplaces are testing novel delivery methods. Amazon and Alibaba are developing delivery drones, and Meituan is working on autonomous delivery vehicles.

The 20 largest online marketplaces globally.

	Region Country	Product Category	Visits /month	
Amazon	Global	General	**4.6B**	
eBay	Global	General	**1.8B**	
AliExpress	Global	General	**865.2M**	
Mercado Libre	South America	General	**634.2M**	
Rakuten	Global	General	**384.9M**	
Walmart.com	North America	General	**286.2M**	
JD Worldwide	Global	General	**264.0M**	
Tmall	East Asia	General	**202.5M**	
Shopee	Southeast Asia	General	**195.4M**	
Allegro	Europe	General	**193.9M**	
Flipkart	India	General	**192.6M**	
Etsy	Global	Arts, Crafts & Gifts	**183.1M**	
Lazada	South Asia	General	**152.3M**	
Tokopedia	South Asia	General	**128.8M**	
Yahoo.co.jp	East Asia	General	**125.1M**	
Best Buy	North America	Electronicts	**118.8M**	
Yandex.Market	Russia	General	**118.4M**	
Target.com	North America	General	**104.7M**	
Americanas	South America	General	**101.1M**	
Wayfair	North America	Home	**79. 2M**	

Source

Learn more about
marketplaces in eCommerce

Marketplaces are growing in popularity the world over, in terms of adoption and sales volume. It's not just Amazon in the US, but eBay in Australia, BOL in the Netherlands, Alibaba in China, and many local operators who are carving out an increasingly significant share of retail spending.

Compared with other retail channels, marketplaces offer an increasingly compelling proposition for shoppers: a wide assortment, competitive pricing, and often additional comfort and security of the marketplace facilitator who offers customer service and delivery guarantees.

Amazon is the most well-known marketplace, especially in the US where the company can count 50% of households as members in its Prime subscription program. Amazon is also aggressively expanding into new markets, seeing strong growth potential by taking its winning marketplace formula abroad. Amazon has been investing significantly in its advertising program, whereby sellers and vendors can pay to display their products to high-potential shoppers. This represents a profitable revenue stream for Amazon, and higher sales potential for advertisers. We're seeing other marketplaces invest in their advertising capabilities

as well, including Walmart's marketplace which recently announced improvements for 2020.

As marketplaces like Amazon capture more share-of-wallet from other retail channels, they will attract more regulatory scrutiny. In the US, Congress is holding Amazon accountable to make their algorithms and other competitive practices fair and transparent.

Marketplaces are driving many consumer brands to adapt to new technology, take command of their brand, and generally be more data-driven. In the past, a manufacturer might rely on its retail partners to drive shopper demand, inform marketing decisions, and set inventory positions. Today, manufacturers need to do this work themselves, in order to drive results on marketplaces. This can be both freeing and intimidating for brands who have been operating primarily through traditional brick-and-mortar retail channels.

Shoppers will increasingly turn to marketplaces for purchases, because of their attractive assortment, competitive pricing, and ease of purchasing through a trusted facilitator.

Kiri Masters

Founder at Bobsled Marketing

It comes as no surprise that selling and advertising on marketplaces hold 5th place among the top 10 investments in 2019.

Marketplaces possess the lion's share of the global eCommerce market. Harnessing their potential can be found among the top strategic goals of companies operating on strong, well-saturated markets, like the USA, UK, or Germany as well as in developing countries like Brazil or Mexico. The potential of these platforms is not overlooked by Asian companies, which not only increase sales efforts on existing marketplaces but also work on developing new analog and technologically advanced ventures, adapted to local conditions. The golden age of marketplaces is far from over.

With the advancement of fin-tech and logistics, as making payments and receiving delivery becomes quicker and more convenient, the number of consumers choosing big platforms offering a unified and simplified experience will significantly increase. On the other hand, there is a rising awareness of opportunities that global marketplaces provide to producers and resellers looking for a quick and lucrative way of entering new markets.

Amazon remains the largest player among marketplaces, growing particularly well in new markets like India or Turkey. On markets, such as the USA and Germany, where Amazon already has around 50% market share in eCommerce, the growth rate is much slower. It is becoming clearer that successful marketplaces are not the ones with the most original ideas, such as niche industries or local platforms, but rather those with precision copying of Amazon's model of simple UX and vast amounts of diverse products, like Real.de.

In Western Europe and the USA, almost all major online shops already function as platforms or plan to make the transition shortly. Looking at the big picture, we can see an emerging trend of a progressive decline in the number of online shops, as big shopping platforms gain more market share.

Sascha Stockem

CEO & Founder of Nethansa

> **The customer oriented development of marketplace platforms includes a lot of challenges caused by the dynamically growing importance of online commerce in the world and the fact that this particular eCommerce business model allows companies unlimited possibilities in terms of scaling the sales of their products and services globally.**

A great example of what huge potential a global marketplace brings is another record broken by the Alibaba.com group - on Monday, 11 November 2019. Last year's record of sales of USD 31 billion, was beaten after just under 17 hours! During that day, the Chinese platform completed over 12,000 orders per second.

While developing our own B2B marketplace platform, we closely observed all key marketplace platforms, i.e. Alibaba.com, Amazon.com, JD.com, cdiscount. com, or smaller ones like Ozon.ru and Rozekta.ua.

Each of them provided us with a lot of knowledge and information concerning which consumer needs are shaped in Europe, Asia, or the Middle East markets. We have observed that consumer awareness from European, Asian, or emerging markets is consistently unifying: we have more and

more opportunities and courage to perform cross-border purchases. We expect the highest quality logistics services and convenience related to the purchase of products and services on one-stop-shop platforms offering many product categories and after-sales services in one place.

These conclusions are extremely interesting. On the one hand, consumers from the Asian or emerging markets are becoming more pragmatic; they appreciate the high quality of European products or services and value premium brands— especially in the fashion, automotive or health and beauty categories. On the other hand, very aware European consumers learn from and are inspired by technological solutions and shopping habits which have their origins in Asia, such as mobile shopping and communication, using innovative online payment methods, and the focus on instant (often

less than 1 hour) delivery of orders in major cities. We're excited that all the above-mentioned trends strongly intertwine and mean that entrepreneurs are increasingly aware of the global eCommerce potential of the marketplace business model.
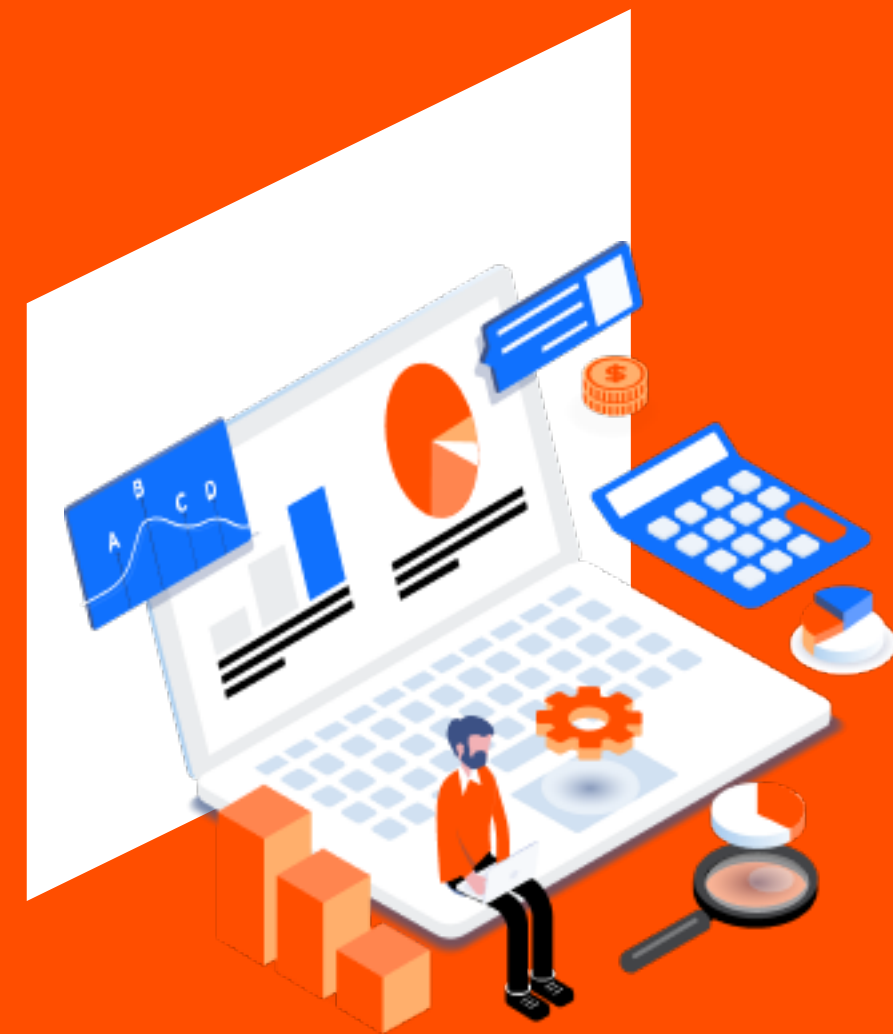
Konrad Zach

Head of eCommere at OEX24.com

Game Changers

Cryptocurrencies

Big Data

Virtual Reality

Augmented Reality

Cryptocurrencies.

Today, 5.5% of internet users declare owning some form of cryptocurrency. This might not be a lot, but looking at the speed of cryptocurrency development is an important factor, especially in regions with low stability of state-regulated currencies or where cryptocurrencies are considered to be the national currency (like in China).

For now, South Africa, Thailand, Indonesia, Vietnam, and Brazil are taking leading positions in the usage of cryptocurrencies.

Despite the constantly changing valuation of cryptocurrencies, Mastercard, PayU, and PayPal are making serious investments in this branch of payment methods, but instead of bitcoins, they are working on stable coins. This could be a real alternative for over 1.7 bilion users across the world who don't have any access to banking services. One

such attempt is the Libra project, a global payment solution based on an open-source blockchain, that has engaged companies like Facebook, Uber, and Spotify, as well as some non-profit organizations. The launch of this project is planned for 2020.

❝ *I think cryptocurrencies are the trend to change the future. They represent a real alternative to traditional, state-regulated currencies."* - Respondent from Germany

❝ *For me, the game-changing solution are cryptocurrencies, as their market is growing even beyond the use of eCommerce by digital platforms."* - Respondent from Brazil

❝ *The crypto market is growing very fast and is supported by blockchain technology which is very impressive."* - Respondent from Indonesia
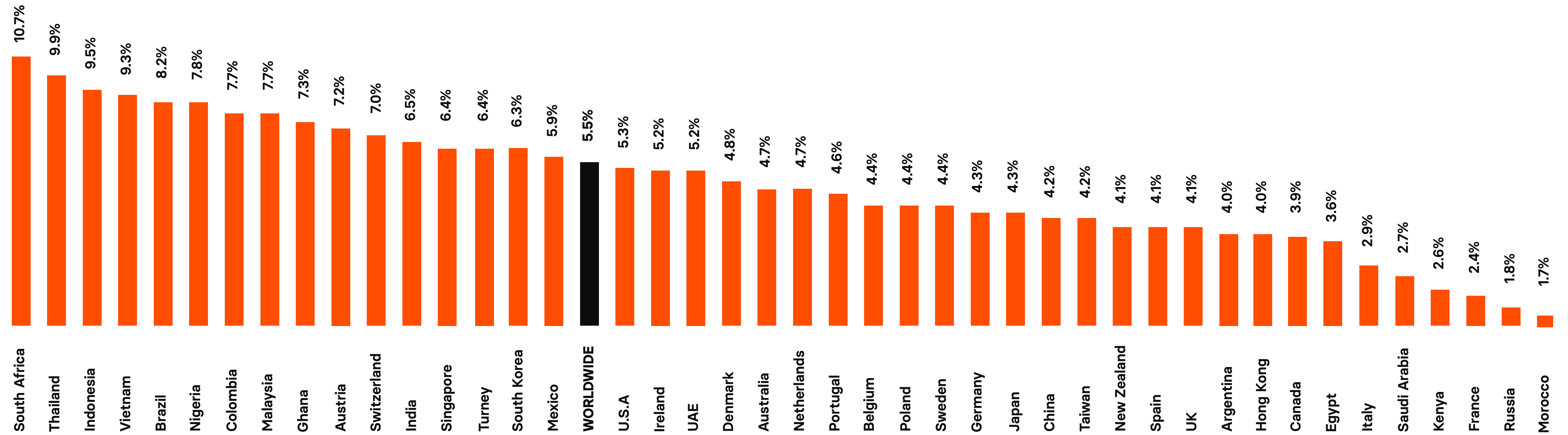
The Top Ten Cryptocurrencies

Bitcoin
$133,3B

Ethereum
$49,0B

Ripple
$24,7B

Bitcoin Cash
$12,7B

EOS
$7,2B

Liecoin
$7,1B

Cardano
$5,4B

Stellar
$4,4B

NEO
$4,3B

IOTA
$3,8B
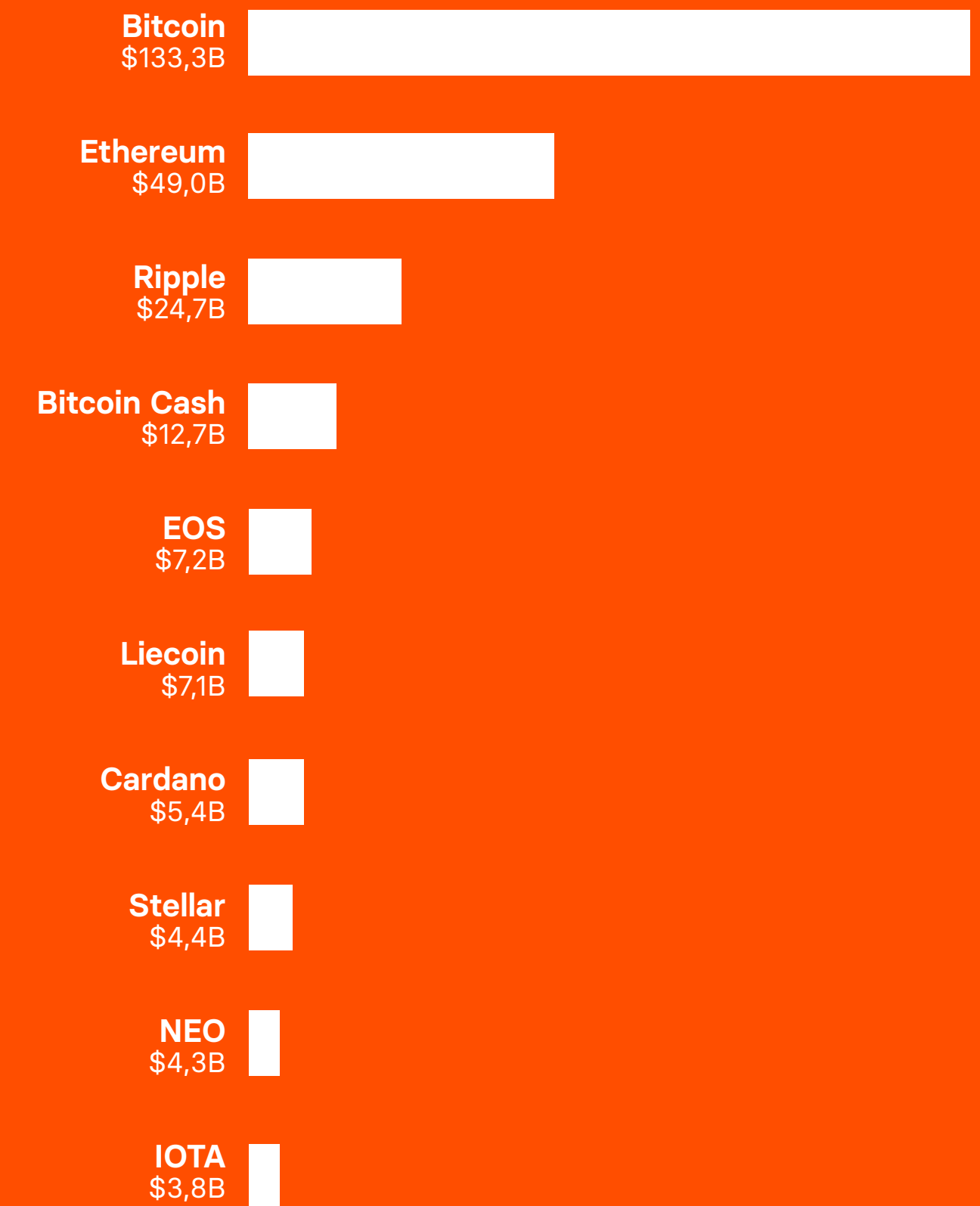
Source

Ownership of cryptocurrencies

Percentage of internet users who report owning any form of Cryptocurrency.

Chart: Percentage of internet users who report owning any form of cryptocurrency, by country:

Country	%
South Africa	10.7%
Thailand	9.9%
Indonesia	9.5%
Vietnam	9.3%
Brazil	8.2%
Nigeria	7.8%
Colombia	7.7%
Malaysia	7.7%
Ghana	7.3%
Austria	7.2%
Switzerland	7.0%
India	6.5%
Singapore	6.4%
Turney	6.4%
South Korea	6.3%
Mexico	5.9%
WORLDWIDE	5.5%
U.S.A	5.3%
Ireland	5.2%
UAE	5.2%
Denmark	4.8%
Australia	4.7%
Netherlands	4.7%
Portugal	4.6%
Belgium	4.4%
Poland	4.4%
Sweden	4.4%
Germany	4.3%
Japan	4.3%
China	4.2%
Taiwan	4.2%
New Zealand	4.1%
Spain	4.1%
UK	4.1%
Argentina	4.0%
Hong Kong	4.0%
Canada	3.9%
Egypt	3.6%
Italy	2.9%
Saudi Arabia	2.7%
Kenya	2.6%
France	2.4%
Russia	1.8%
Morocco	1.7%

Source

National cryptocurrencies

At first, China banned cryptocurrencies, but after the Libra project was announced, it has changed. Now China is taking part in the global race and is working on its national cryptocurrency. Having a national cryptocurrency would allow China to become independent from the SWIFT system.

≋libra

Libra project

Initiated by Facebook, an association of payment providers, companies and non-profit organizations are working on stablecoin technology. Although the project is not ready yet, it came under strong criticism from politicians. Nevertheless, the project shows the direction in which many companies want to go.

Source

○IOTA

Decentralized cryptocurrency

Decentralized cryptocurrency for the IoT, based on a Tangle (a stream of individual transactions entangled together).

Source

Year of recovery

Bitcoin and Ethereum has seen a massive loss of value since 2018, but cryptocurrencies are fighting on many fronts. The growing interest on institutional and governmental sides, as well as the popularity of stablecoins, suggest a continued positive trend.

Source

I do not expect cryptocurrencies to be widely adopted. Bitcoin and other altcoins are attractive as a speculation vehicle and I think they will find some niche applications, but for both corporates and normal people they would be a hindrance.

Cryptocoins are by design not integrated with existing financial systems, and they do not support regulatory regimes and risk management. To deeply integrate crypto would require completely rebuilding the banking industry and its supporting legal framework. I believe this would be prohibitively expensive and organizationally unfeasible.

I believe the real innovation here is the technological revolution behind distributed ledgers and blockchain design of which cryptocurrencies are only one potential branch. This innovation has so much potential and is so powerful, it promises to challenge the fundamentals of how banking and payments work. It allows us to recalibrate the existing systems of authorization, transactions, and risk into a completely new system of economic exchange.

People do not need a new currency in their daily lives—they need currencies they know to work better.

Stablecoins are one such approach to streamline national currency transactions. For less popular national currencies, they may be the innovation necessary to shift from physical to digital cash. Finally, the newly created consortium of banks using UBS's stablecoin is focused on such solutions and is making progress. However, the story of Libra, with massive regulatory resistance and key players, like Paypal, Visa or Mastercard, pulling back from the project, proves how important compliance is and what may go wrong if we do not think about it from the start.

A better approach is to match the solution to the problem from the outset. If the problem being solved is to provide certainty to immutable transactions of regulated currency, it is more elegant and practical to design DLT solutions to fully comply with existing regulations. Billon took such an approach in its distributed digitized cash concept, with money on-chain fully collateralized with funds stored on a bank account. If China launches the digital Renminbi next

year, as promised, this would be a massive step forward in acceptance of such ideas. This is also the path Billon follows by developing a PoC for Raiffeisen Bank International to store and transfer digitized euro on-chain.next year, as promised, this would be a massive step This is also the path Billon follows by developing a PoC for Raiffeisen Bank International to store and transfer digitized euro on-chain.

Which solution - stablecoin or digitized cash - will prevail? Three factors may shape the future: the ability to manage personal information and data protection, interoperability with existing infrastructure, and regulatory challenges. It is still early days on both approaches, though most experts seem to believe that both are here to stay.

Robert Kałuża

Co-founder and Chief Operating Officer at Billon group (PN)

in

Big Data.

Big Data is continuously at the top of the trend rankings. It lies at the heart of every digital transformation, and it is a gateway to more advanced technologies like AI or machine learning.

Fast-growing mobile data traffic, cloud computing traffic, and the rapid development of trending technologies such as artificial intelligence (AI) and the Internet of Things (IoT) will all contribute to the increasing volume and complexity of data sets. And the launch of 5G is ahead of us, which will result in more interconnectivity and data sharing than ever before.

Advanced analytics tools, such as predictive analytics and data mining, will let eCommerce companies extract high-quality data to better understand their business and user needs. New data sources and improvements in data literacy levels will lead to the generation of new business insights.

Global retailers, like Prada, get a better understanding of gathered data and leverage it in the processes of digital transformations as well as further business development. They are strongly backed by software and eCommerce platform providers.

We work with big data because, thanks to it, we have representative information about customer service." - Respondent from Mexico

→ **Learn more about
Big Data in eCommerce**

Forecast of Big Data market size, based on revenue, from 2011 to 2027:

Market volume in billion USD

Year	Value
2011	7.6
2012	12.25
2013	19.6
2014	18.3
2015	22.6
2016	28
2017	35
2018	42
2019	49
2020	56
2021	64
2022	70
2023	77
2024	84
2025	90
2026	96
2027	103
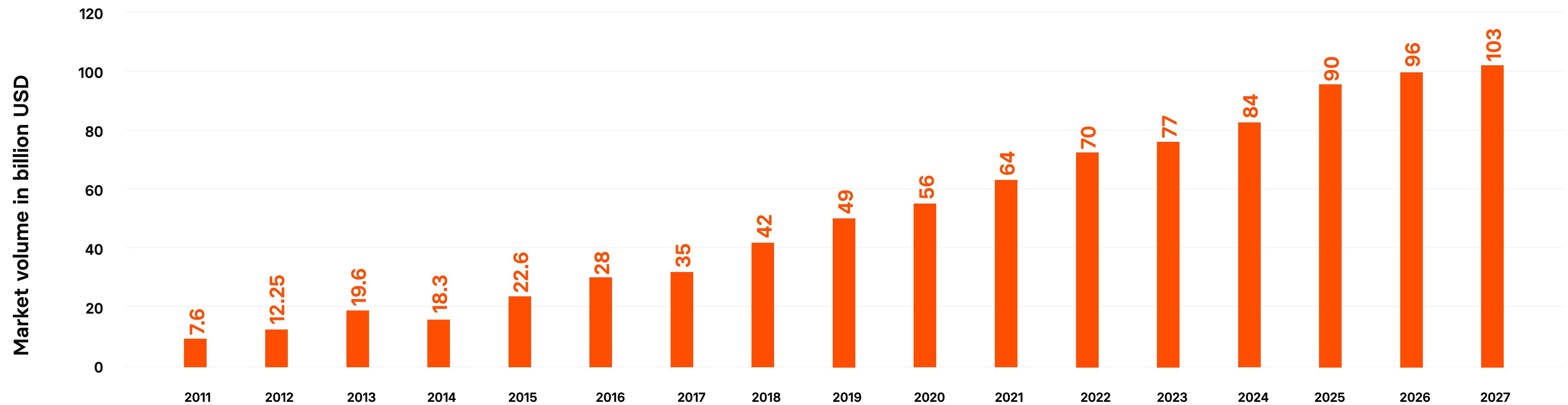
Source

Fortunately, Big data is not a hot topic anymore, but that does not mean it is less important for industry. It has gone from headline news, to the more boring implementation phase – it is encouraging to see that many companies are well on their way to becoming data–driven businesses by investing heavily in data management.

In theory, the whole process is easy – you take as much data as you can, apply some analytics with some Machine Learning on top (a must!) and move that model to production. However, when it comes to the details, old-fashioned data engineering comes into play, and you simply cannot skip this step. It is no different in the case of eCommerce.

Over the past few years, it turned out that even if you get the latest tech stack, you still have to make sure your data is correctly acquired and clean enough to produce correct insights and then, if it happens that you go into Machine

Learning, you need to label your data. Evidently, data management is hard. It is even harder when combined with data governance, and the latter is becoming more important in the days of GDPR and similar regulations. We can still scrape the web to enrich our models, but we need to be ready to answer questions about where and how we got that data, and whether it was ethical. The other side of the equation is where we use the collected data, especially user data, even if this is just an online shop.

Companies have also learned that the one-tech-fits-all approach is not efficient and analytics have to be accessible to a large group of business users. We can see that large organizations are building flexible and complex automated platforms that give users the ability to utilize data in their daily work. Big Data is getting operationalized and even sophisticated ML models are within the reach of business users.

We have to remember that technology in this field is changing very rapidly, so be prepared for constant change of your building blocks. This also means the adoption of some Cloud functions, as such data

management tools provided by major players are getting mature and should definitely be considered as an option.

In eCommerce, the customer experience will remain the biggest deal for data analytics-starting from personalization to analysis of customer feedback. Basic recommendation systems are available, even for smaller players. Bigger players will be also interested in improving operational efficiency with data.

Rafał Małanij

Chairperson at PyData Warsaw

in

Virtual Reality.

Virtual reality is a great for product discovery over a large distance, but the barriers of VR adoption are still blocking many customers from enjoying this technology in full. There are approximately 171 million VR users globally.

So far, only a few brands, IKEA, Wayfair and Lowe's among them, have decided to display their products in virtual reality and allow their users to move them around spaces filled with their products and get the feeling of having them in real life. VR is used similarly in the real estate sector.

Brands also use Virtual Reality to deliver unique in-store shopping experiences and present customers with promotional content and games or engage them in loyalty programs. Similar VR content can be displayed via social media platforms, like YouTube, to customers with their own VR headsets.

Virtual Reality is expected to flourish with 5G.

We love virtual reality due to the search for the interaction between the human being and the system." - Respondent from Finland

➡ Learn more about VR in eCommerce

Shopping in VR

InVRsion introduced a VR store simulation which can be an alternative way of shopping for remote customers.

See video
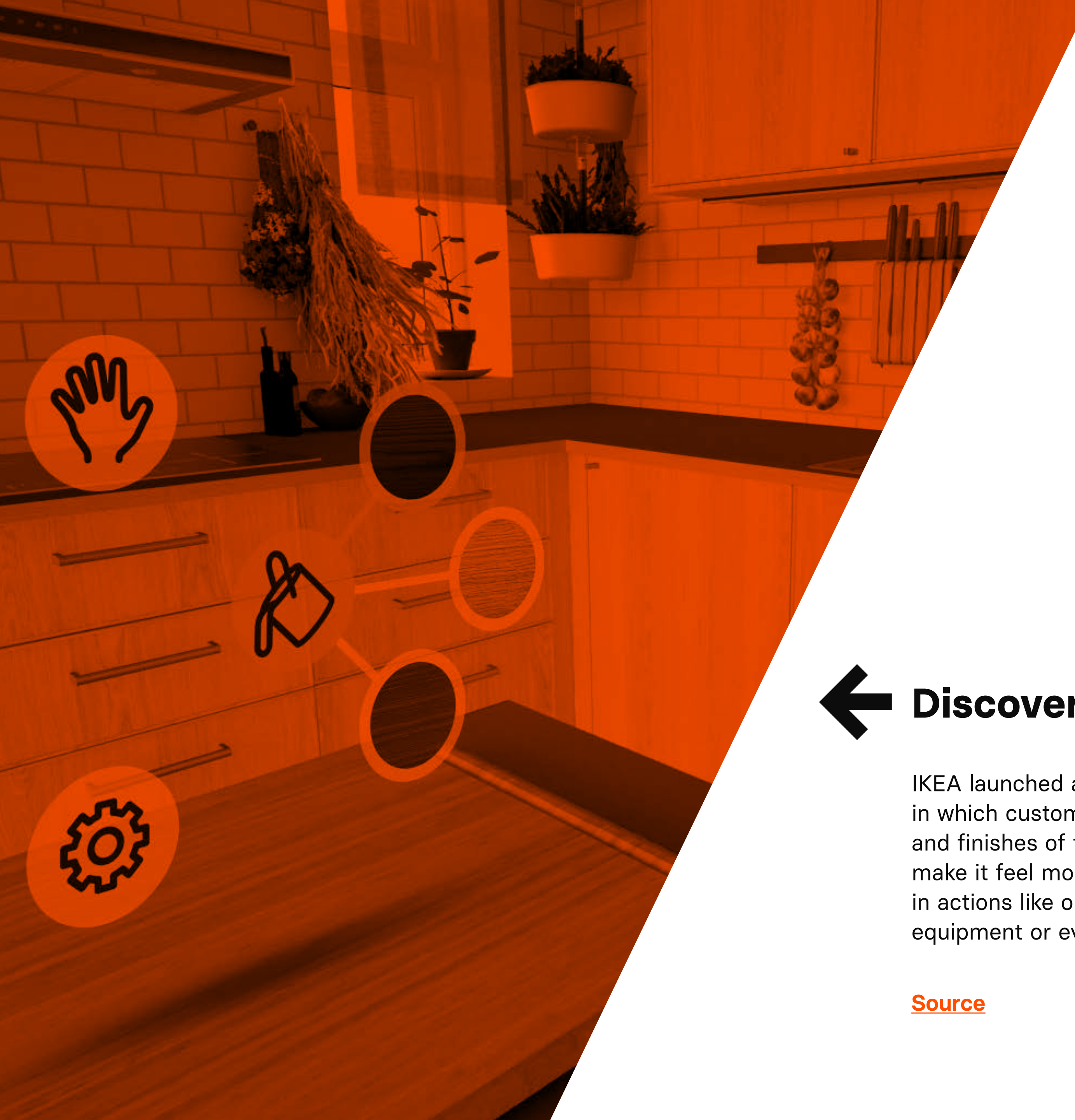
← Discovering spaces

IKEA launched a virtual reality kitchen in which customers could see furniture and finishes of the IKEA kitchen. To make it feel more realistic, IKEA built in actions like opening cabinets, more equipment or even cooking!

Source

Luxury products

Swarovski, in partnership with Mastercard, used Virtual Reality to build a virtual showroom and present a series of home accessories.

Audi's VR trip →

During the promotion of the e-tron model, Audi merged the traditional car ride with a virtual reality experience. This innovative connection was presented to over 1000 visitors at the Salzburg Festival.

Source

Virtual Reality is not something new for the gaming industry; however, it still brings a whole lot of novelty to eCommerce. Today's online shopping tends towards the gamification of interactions with customers, and VR is a part of this process. This technology allows developing solutions that let customers interact with their beloved brands on a whole new level – a gamified shopping experience.

Virtual showrooms, mobile apps with a built-in AR/VR function, product visualizations with detailed specs and features, etc. – all these VR appliances spark bright customer emotions and feelings that have not been experienced before. It works as a user engagement magnet with a ripple effect, motivating people to prefer a brand to its competitors.

Moreover, eCommerce companies consider VR as a vast area for investments and experiments since it still is not widely incorporated into marketing

strategies by other brands. VR is a competitive advantage and an innovative way of interacting with a target audience that helps to stand out in the saturated market.

Many global brands have already injected their marketing with AR/VR. For example, H&M has visualized the full spectrum of its products in a virtual showroom to let customers see all the beauty of new collections and get the motivation to create their look for a season.

Another great example is BMW. In cooperation with Swag Soft mobile app development house, this global giant has developed BMW All Access App with a built-in augmented reality function. The app offers exclusive access to the BMW Art Spots at the Esplanade Singapore and features captivating performances that bring the theme "Performance Made Beautiful" to life. Admittedly, it also serves as excellent marketing support for the BMW sales team

Businesses are always striving to find more convenient and engaging ways to communicate information about their products to users. That is why many brands may try to solve this problem

by incorporating VR in the product context. For example, they can create mobile apps that let users see how particular products can look in their homes and interiors or right on themselves (when it comes to clothing and accessory brands). The VR marketing options are almost limitless.

Dana Kachan

Marketing consultant for eCommerce brands

Virtual Reality and Augmented Reality enable consumer product visualizations that do not require experiencing a product in-store.

Using AR or VR, consumers can experience a myriad of products and product variations from their home or a small footprint retail location that would normally require a big-box store. Macy's reduced product return rates to less than 2% for VR-assisted furniture purchases, down from 5-7% for non-VR shopping.

As most people do not yet own a Virtual Reality headset but most do own an Augmented Reality capable smartphone, Augmented Reality is most important for eCommerce.

Adoption of VR headsets has been slow due to complex implementations requiring the headset to be tethered to an expensive high-end computer. In 2018-19, the introduction of reasonably priced stand-alone headsets like the Oculus Go and Oculus Quest has made Virtual Reality a frictionless, affordable reality. Popular games like Beat Saber and Social VR experiences are slowly taking VR use from casual to everyday. As entertainment and social take hold, users will discover other uses like eCommerce.

Rob Crasco

Co-owner at CyberAdept

Augmented Reality.

Gartner estimates that 100 million customers have already bought products with the use of augmented reality. This includes online and in-store AI experiences. The accessibility of AR will grow with the full launch of 5G.

According to Mobile Marketer, 63% of retail brands have used augmented reality (AR) to date. So far, we've seen the massive explosion of AR-powered virtual try-on of shoes, glasses, and make-up. Nike, Converse and other retailers were followed by social media, including Instagram and Snapchat, which enabled AR in their filters. Combined with tests of eCommerce features, this gives an engaging and powerful tool for social commerce.

Customers don't rely on AR when making purchase decisions, but over 50% of them admit that AR makes shopping fun!

➡ **Learn more about Augmented Reality in eCommerce**

I don't think there is any sector or industry that will be untouched by AR." - Tim Cook, Apple CEO, Vogue Magazine.

I like Augmented Reality because of its ability to let the customer "taste" the product at a great distance, it also increases the range of service offered." - Respondent from Brazil

What surprised me the most? Augmented Reality; it amazingly brings us, and our customers, closer to see things from another perspective." - Respondent from Mexico
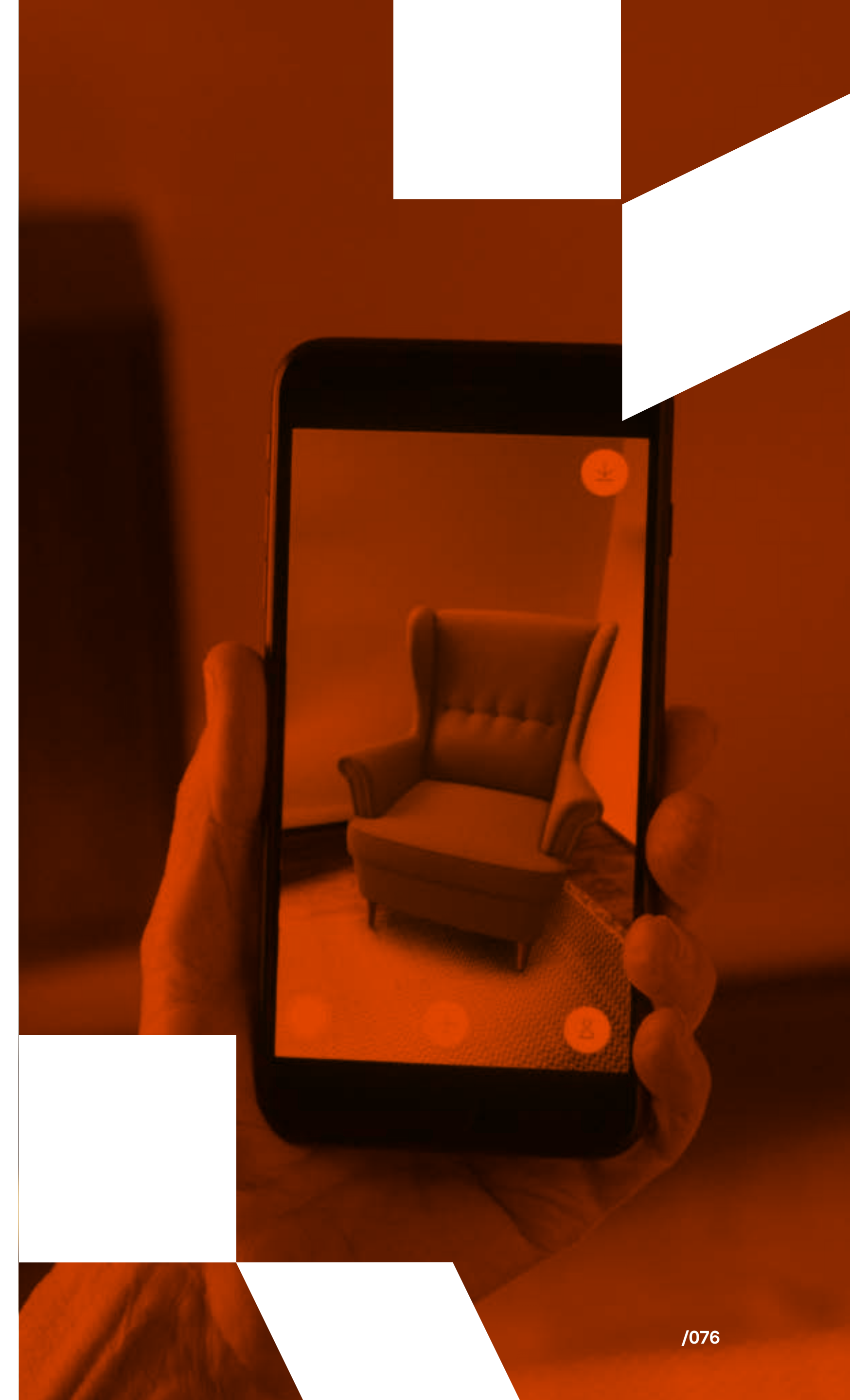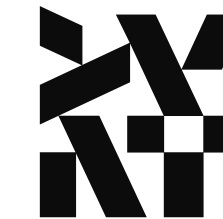
Virtual try-ons

In the past year, companies like Nike, Converse, and Gucci have been investing heavily in AR technology to enable their customers to virtually try on their latest shoe collections.

Enhancing the in-store experience

Brands are adding AR to drive traffic into the brick-and-mortar store and encourage people to visit physical stores more and more—an idea to prove that offline stores are not dead yet. An example is the virtual catwalk on Zara's storefronts.

AR for small and medium businesses

In contrast to Amazon, Niantic, the creator of Pokemon Go, is expanding its AR platform and opening it to local businesses. Niantic has started a beta test and lets small- and medium-sized businesses sponsor locations that appear in the company's location-based AR games.

Source

AR glasses

Apple's AR glasses have been a source of speculation for years, but recently it seems that Apple has intensified their development. AR glasses would let users see Augmented Reality at every turn... and the first of them might be released in 2020.
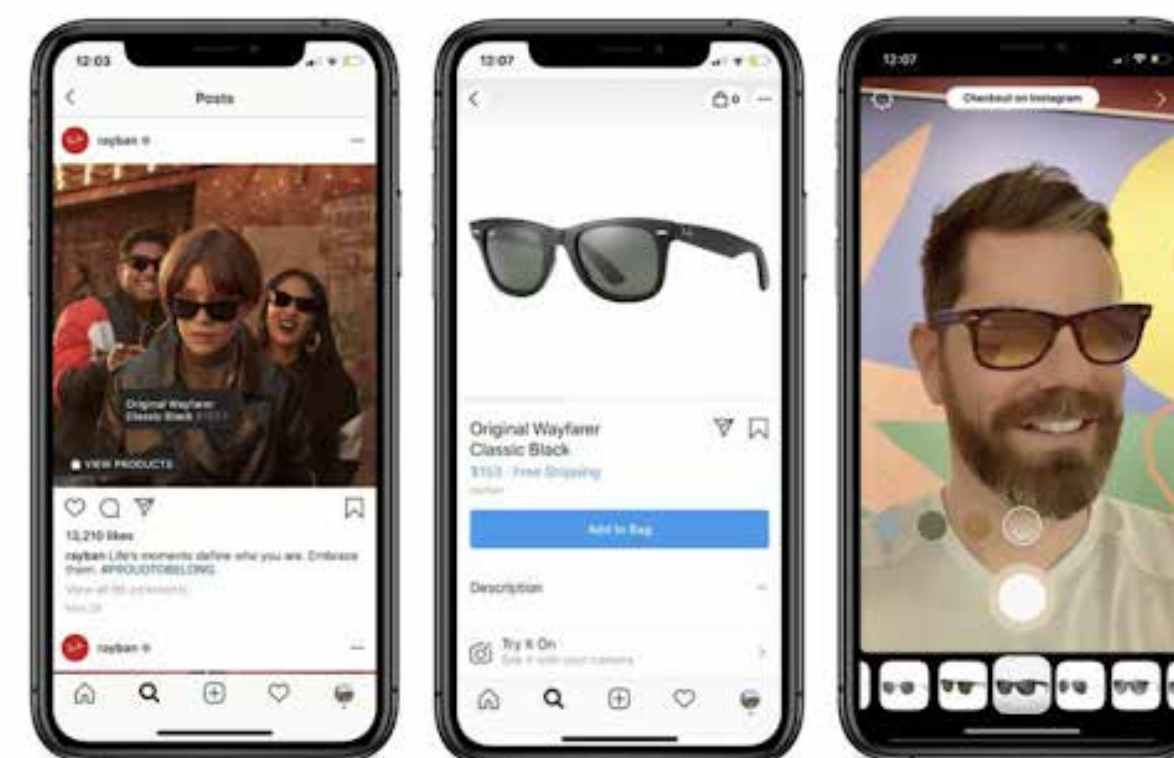
AR is social media

We have seen Augmented Reality in communicators, and now social media platforms like Instagram are adding AR to their shopping features. Users can not only buy products but also try them on in a single app.

While using Augmented Reality, consumers can use a traditional mobile eCommerce app, enhanced with AR, to go from product selection to in-home visualization and purchase seamlessly. In addition to increased conversions, Augmented Reality has been shown to reduce return rates of furniture and other home goods.

Since consumers can see what a product will look like, including if the item will fit in their home, they are less likely to be disappointed when the product arrives. This benefit is something that even seeing the product in-store cannot achieve.

Augmented Reality tops the lists of technologies that make consumers think a brand is innovative, with many consumers wanting to see these technologies improve their shopping experiences. In the next 3-5 years we will see Augmented Reality hardware shift from smartphone and expensive bulky developer headsets to affordable light standalone glasses that people can wear all day. These glasses will rival smartphones and become the ubiquitous computing platform. This will bridge the gap between online and offline sales and marketing, enabling eCommerce to happen everywhere.

Rob Crasco

Co-owner at CyberAdept

What's next?

We hope that this roundup of key trends in eCommerce has given you a firm grasp of how experts see the future of eCommerce. Of course, the dynamic growth of technologies leaves more threads to observe, so let us add a short extension of the trends worth observing.

Ultra-fast network with 5G.

The average mobile internet connection speed 25.1 Mbps, but the modern development of technologies related to connectivity between devices requires more.

Our eyes turn towards 5G, the fifth-generation of mobile communication technology that transfers data 20 times faster than existing networks. So far, limited 5G plans have been launched in South Korea, the UK, Germany, and the USA. China joined this group this November.

The high data transmission that comes with 5G will open multiple doors in eCommerce. These ultra-fast wireless networks will enable the development of virtual and augmented reality, smoothen streaming of video content, and support communication of the IoT.

It might seem that with 5G everyone can shop online without limitations, but...

Average mobile internet connection speeds.

Based on the average download speed of mobile internet connections, in Mbps.

Country	Mbps
Canada	63.1
Singapure	61.0
Australia	56.5
Netherlands	55.1
South Korea	51.0
Belgium	50.2
UAE	48.1
Switzerlad	47.5
Denmark	46.5
Sweden	42.8
New Zeland	41.3
Taiwan	40.3
France	36.9
Austria	34.1
Spain	34.1
Turkey	32.0
Hong Kong	32.0
USA	31.7
Germany	30.9
Japan	30.2
Portugal	29.7
Italy	29.4
China	29.3
Saudi Arabia	29.2
UK	27.9
Poland	25.5
Aouth Africa	25.1
WORLDWIDE	22.1
Ireland	21.6
Vietnam	21.2
Brazil	20.8
Mexico	20.8
Marocco	19.9
Malaysia	19.4
Argentina	19.0
Russia	17.6
Thailand	17.5
Columbia	17.0
Egypt	15.5
Kenya	15.1
Philippines	11.7
Nigeria	10.5
India	10.1
Ghana	8.8

Source

Mobile data traffic by region

Total monthly mobile data traffic to smartphones, by region.

Latin America	North America	Asia–Pacific	Middle East & Africa	Western, Central & Eastern Europe
2.09	**3.57**	**19.43**	**2.56**	**4.87**
Billion gigabytes	Billion gigabytes	Billion gigabytes	Billion gigabytes	Billion gigabytes
Annual change:	Annual change:	Annual change:	Annual change:	Annual change:
+45%	**+32%**	**+29%**	**+57%**	**+45%**

Source

Mobile for everyone.

... although lots of customers enjoy the privilege of having internet access and online shopping, still half of the world's population is not connected at all.

That's about 3.5 billion people, living mostly in developing countries. Such a large number of potential users and customers has not escaped the attention of the largest players on the market.

Google, Android, and mobile phone producers are working on simple and low cost operating systems and mobile devices, known as smart featured phones, that could be the first online touchpoint for many. The challenge lies in the methods of communication with the OS, as many of the not-yet-connected users are illiterate. The answer is voice.

This trend is aligned with the increased speed of voice commerce development.

$100-$500

$50-$100

$20
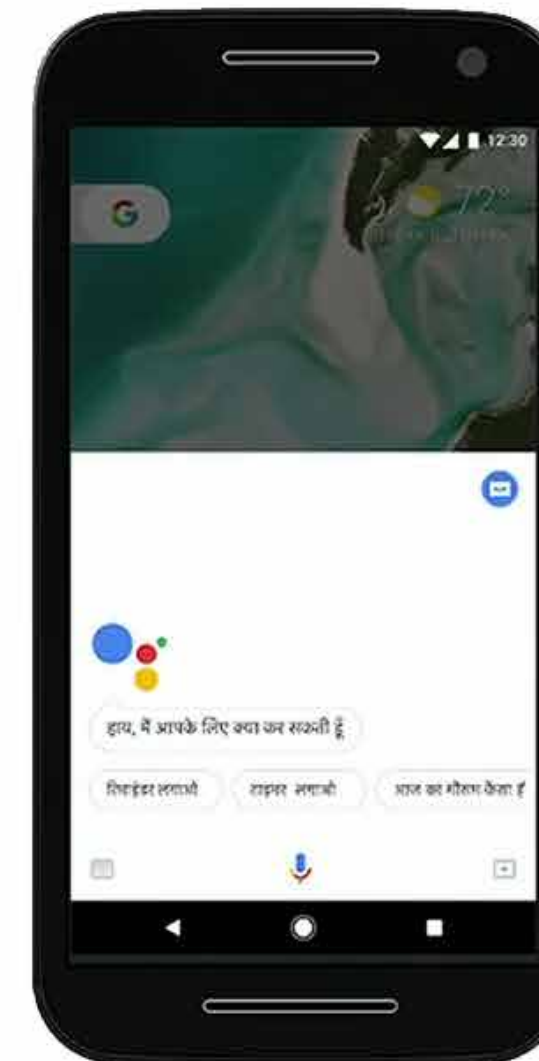
Android

Android GO

Smart Feature Phones

Source

Voice commerce.

We expect an installed base of 328 million smart speakers by the end of 2021. Approximately 39% of internet users worldwide already report using voice search and voice commands.

The next step is entering the purchase path with voice commands. We already observe the amazing use cases of voice commerce, that were introduced by leading brands, like Amazon, Walmart, Target, Domino or Sephora. Growth of voice in eCommerce is dictated by improvements in voice recognition, more user-friendly interfaces, and new behavior patterns. Soon, voice commerce might revolutionize the way in which people use the internet.

→ **Learn more about voice in eCommerce**

Use of voice search & voice commands

Percentage of Internet users in top economies who report using voice-controlled functionality (any device):

Country	%
India	51%
China	49%
Indonesia	48%
UAE	45%
Thailand	45%
Turkey	44%
Vietnam	41%
Mexico	40%
WORLDWIDE	39%
Saudi Arabia	38%
Philippines	37%
Colombia	36%
USA	35%
Brazil	34%
Taiwan	33%
Hong Kong	32%
Egypt	31%
Italy	30%
South Africa	29%
Malaysia	28%
Canada	27%
Spain	27%
UK	26%
Argentina	26%
Singapore	26%
Ireland	25%
Australia	25%
Russia	21%
New Zealand	21%
Switzerland	20%
France	19%
Portugal	19%
South Korea	19%
Belgium	18%
Poland	18%
Sweden	18%
Denmark	17%
Germany	17%
Austria	16%
Japan	15%
Netherlands	13%

Source

Voice commerce

Repetitive orders

Customers are more keen to make repetitive orders via voice assistants, where the purchase path and products are already known to them. for example, over 39% of Americans are interested in ordering food with their voice assistants.

Gateway
to new users

With well developed language (and dialect) recognition, voice is a gateway to entirely new groups of users that so far do not use computers, mobile or any other electronic devices. That includes over 3.5B people who are not connected to the internet.

Smart homes

Smart speakers, smart fridges. As Voice Assistants are better in voice recognition they also become an excellent tool to buy products or book services. Try out voice ordering at Sephora, Domino's or Starbucks.

Tone of voice →
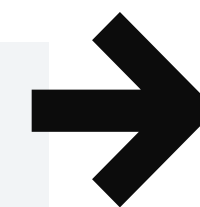
Did you know that Amazon's Alexa can detect our tone of voice or emotional and behavioral states and adjust messaging to match?

divante

Reinvent your eCommerce with voice solutions.

Integrate your online store with Samsung's Bixby voice assistant and engage customers with a unique user experience.

Bixby
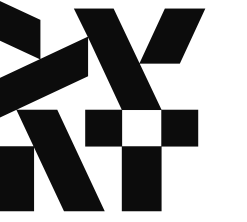
Vue Storefront

www.divante.com
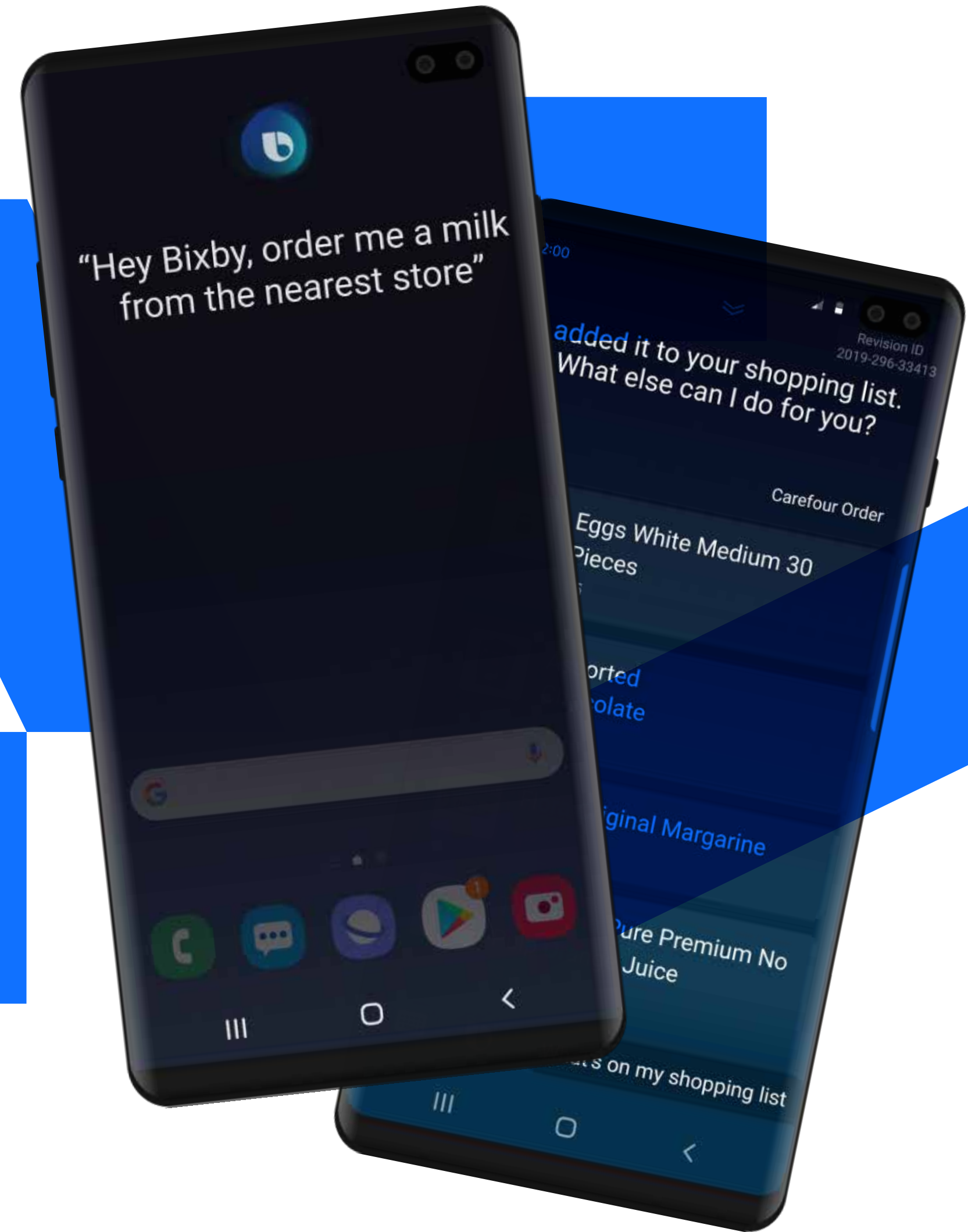
Leaders in eCommerce trend implementation

What are the differences between countries?
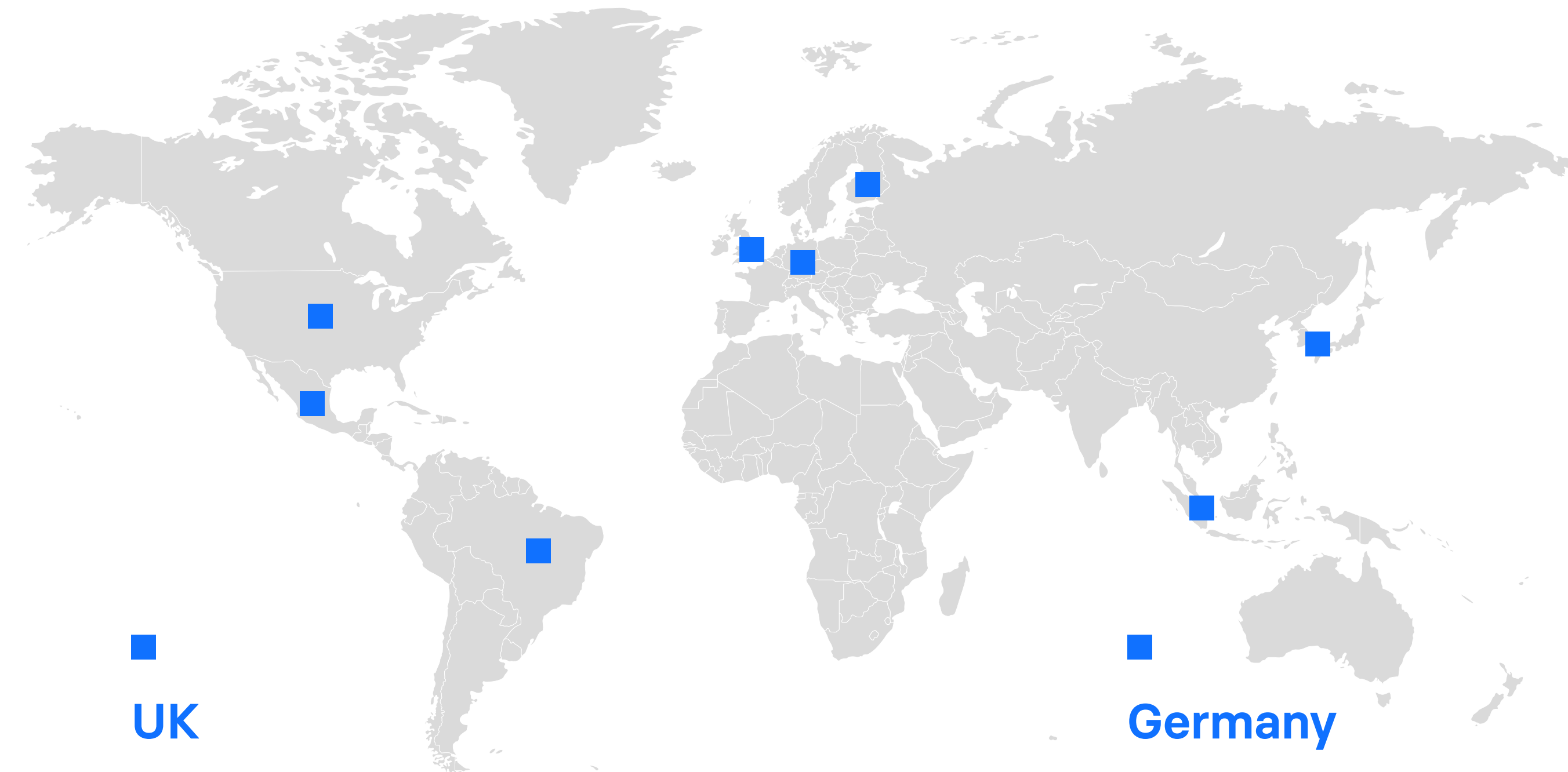
USA

Mobile Payments
Mobile Apps
Security

Mexico

Security
Social Commerce
Selling on Marketplaces
Content Marketing

Brazil

Security
Social Commerce
Selling on Marketplaces

UK

Social Commerce
Selling on Marketplaces
Free Shipping & Returns

Germany

Mobile Apps
Mobile Payments
Selling on Marketplaces
Security

South Korea

Mobile Apps
Same Day Delivery
Virtual Reality
Customized products
Augmented Reality

Indonesia

Social Commerce
Mobile Payments
Price Intelligence

Finland

Security
Mobile Payments
Cloud Hosting

Top eCommerce trends in selected countries.
Trends overlapping with global trends.

Who is the leader of change?

Cryptocurrencies, virtual reality, and chatbots are the trends which are developed and perfected in the Asian countries.

By surpassing legacy technology (that we are used to in Europe or the USA), countries such as South Korea and Indonesia took the leader's seat and are paving the way for others.

Pioneered trends:

■ Price Intelligence

■ Cryptocurrencies

■ Conversational Commerce

■ Same Day Delivery

■ Virtual Reality

■ Customized Products

■ Artificial Intelligence

When we talk about Asian eCommerce, we can't ignore that the biggest player in this area is China where shopping online and via mobile is the norm. Here are some reasons behind it:

01 China is a mobile eCommerce pioneer. Many consumers completely skipped the PC and desktop phase and went straight to the era of smartphones. They were used to this simplified shopping process.

02 The digital revolution in China coincided with higher incomes and consumption. Consumers were ready for an upgrade in consumption while tech trends were making it easier and easier to do online shopping.

03 Providers had to innovate faster and explore more ways to attract consumers with higher standards and new trends, such as UGC campaigns and private traffic.

04 China has relaxed restrictions on social eCommerce and has strongly supported trade initiatives for imported goods. During the China International Import Expo held in 2018, Alibaba, Suning, JD.com and other eCommerce platforms announced their import plans, purchased goods and connected with suppliers and sources.

05 eCommerce giants aren't satisfied with being just another eCommerce platform. They're trying to build ecosystems, improve supply chains and have to constantly outdo each other to stay relevant. For example, after the huge success of WeChat's mini programs, Alipay and Baidu made their own version of mini programs for their different markets.

A prominent feature of Chinese eCommerce is that traffic is highly concentrated on a few platforms, such as Tmall and JD.com, resulting in large-scale, cross-category mass consumer behavior data concentrated on the top platforms. This gives these platforms enormous power and allows them to quickly iterate innovations.

The online third-party platform is the absolute leader in the eCommerce revolution. Brand-owned websites and traditional retailers' self-operated eCommerce never really got off the ground.

Meanwhile, the influence of mobile payments and logistics is far-reaching and extensive. They're the foundation of China's digital revolution. Chinese consumer tech companies have an overwhelming advantage against international giants like Amazon, Apple Pay, Uber and so on.

The Chinese market is very special and it's difficult for foreign brands to enter—even for the most successful brands. Amazon is a good example. On 18 April 2019, Amazon announced that they would close their China business. One of their biggest problems was that they were still using credit card payments, which aren't widely used by Chinese consumers and are controlled by a few domestic providers.

Ashley Dudarenok,

Founder of Alarice & ChoZan

Leading companies.

Along with their own approach, experiences, and plans related to trend implementations, we asked respondents about other companies that are perceived as trendsetters and leaders of change. Here's what they replied:

"I think it is Amazon who dictates the guidelines of digital commerce, not only in terms of purchases but in terms of payment. It is also expanding its portfolio of products and services available worldwide."

Respondent from Mexico

A global approach
to working with trends

How do leaders work with trends?

We were wondering what approach global companies take to the analysis of emerging trends. Do they have time and resources to follow up with every new technology? Do they have teams ready to latch onto emerging trends, test them out and implement them?

How do you monitor trends in eCommerce?

The majority of the surveyed companies look for new trends and solutions independently. This is of great importance because only the internal teams know best what solutions are compatible with their internal infrastructure.

From our observations, these are often bottom-up initiatives based on enthusiast groups and open source technologies.

On the other hand, over 30% of experts declare cooperation with external agencies or solution providers that have a broader view of the technology and trends landscape.

Global answers

46%
We follow innovative ideas from our technical / marketing teams

43%
We have a dedicated team looking for trends

38%
I look for new trends personally

28%
We work with technology providers and partners

28%
We work with external experts (agencies, consultants)

1%
Other
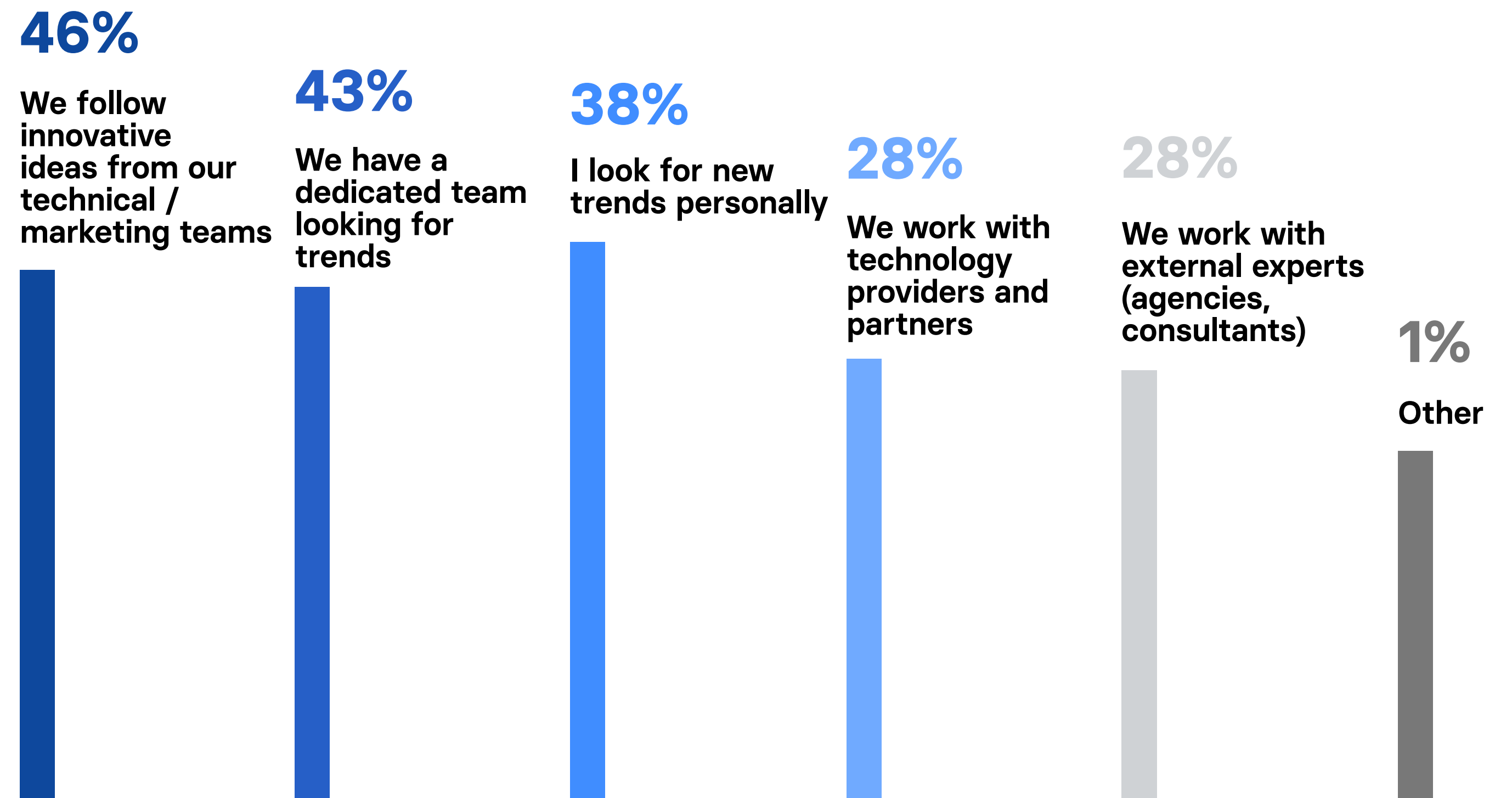
How do you monitor trends in eCommerce?

Local answers

■ We follow innovative ideas from our technical / marketing teams   ■ We have a dedicated team looking for trends   ■ I look for new trends personally

254 answers

■ We work with technology providers and partners   ☐ We work with external experts (agencies, consultants)   ■ Other

respondents could give multiple answers

UK
32 answers

| 47% | 47% | 38% | 34% | 25% | 0% |

Brazil
32 answers

| 56% | 59% | 25% | 44% | 41% | 0% |

Mexico
32 answers

| 50% | 47% | 41% | 28% | 34% | 0% |

Indonesia
31 answers

| 61% | 45% | 45% | 35% | 35% | 0% |

Finland
32 answers

| 31% | 28% | 34% | 22% | 6% | 6% |

South Korea
30 answers

| 33% | 30% | 33% | 17% | 17% | 0% |

Germany
31 answers

| 39% | 29% | 45% | 19% | 29% | 0% |

USA
34 answers

| 47% | 56% | 44% | 26% | 32% | 0% |

How much does innovation cost?

This question is rather tricky as perception of innovation in every company might vary. Nonetheless, the surveyed companies declare that rather large parts of the company's budget are dedicated to emerging trends.

Over 10% of companies keep their spending on trend implementation at a level close to 75% and 6.9% of the companies even perceive themselves as based majorly on innovations.

In our opinion, these are the companies that will drive changes to the shape of online sales in the near future.

Global answers

17%
0%-15%

22%
16%-30%

14%
31%-50%

11%
51%-75%

7%
76%-100%

30%
I don't know
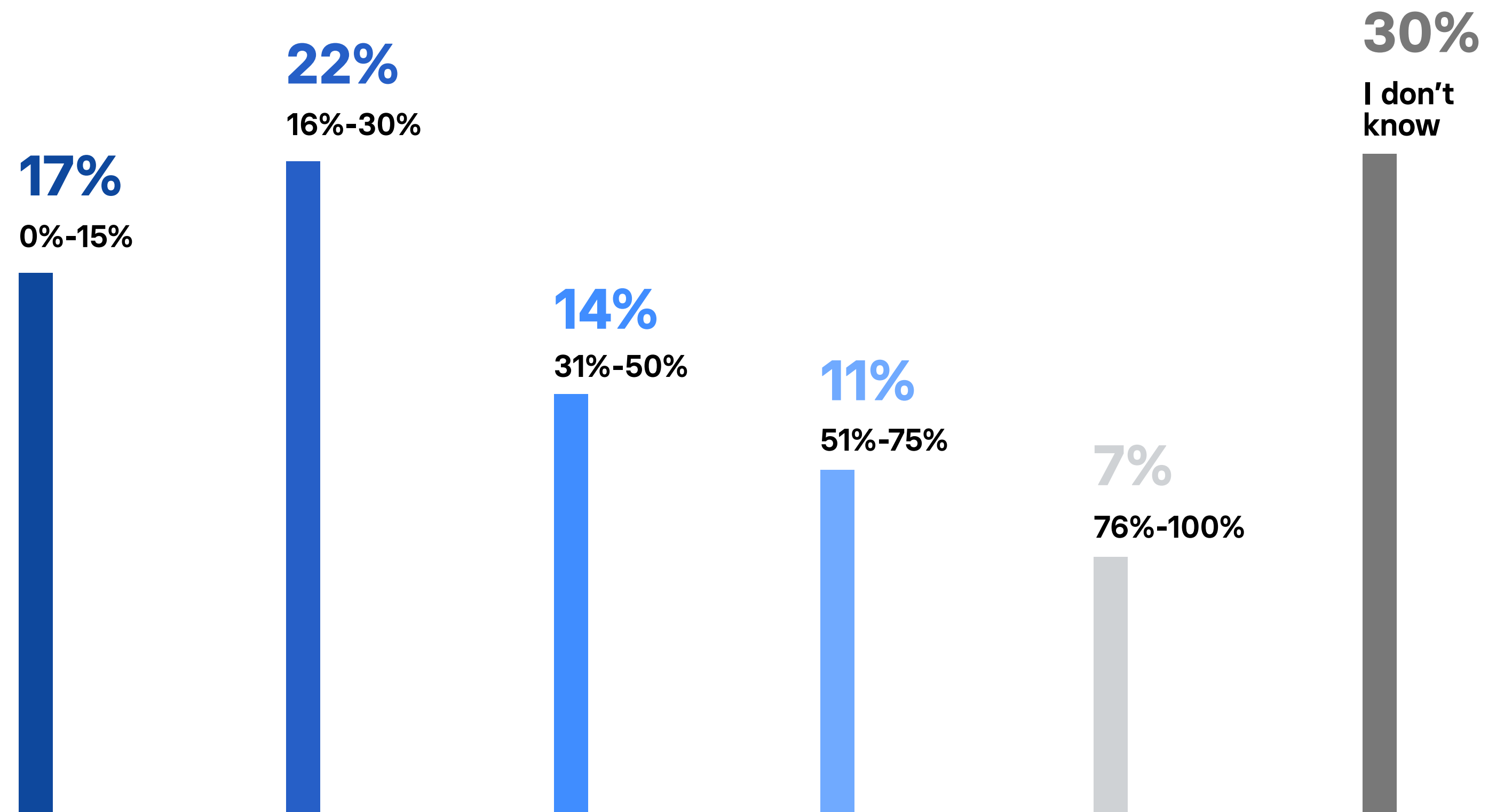
How much does innovation cost?

Local answers

■ 0%-15%　■ 16%-30%　■ 31%-50%　■ 51%-75%　□ 76%-100%　■ I don't know

254 answers

% of the company's budget

UK
32 answers

| 16% | 19% | 16% | 6% | 13% | 31% |

Brazil
32 answers

| 9% | 13% | 22% | 16% | 6% | 34% |

Mexico
32 answers

| 0% | 38% | 16% | 13% | 16% | 19% |

Indonesia
31 answers

| 13% | 26% | 16% | 23% | 0% | 23% |

Finland
32 answers

| 41% | 6% | 9% | 0% | 0% | 44% |

South Korea
30 answers

| 13% | 30% | 3% | 3% | 10% | 40% |

Germany
31 answers

| 29% | 16% | 13% | 0% | 0% | 42% |

USA
34 answers

| 18% | 26% | 18% | 24% | 9% | 6% |
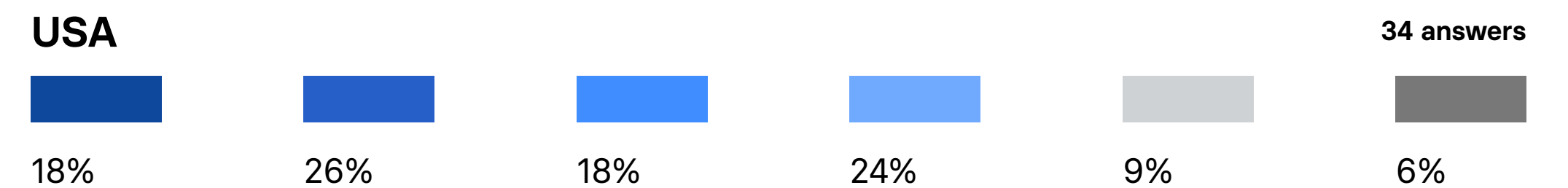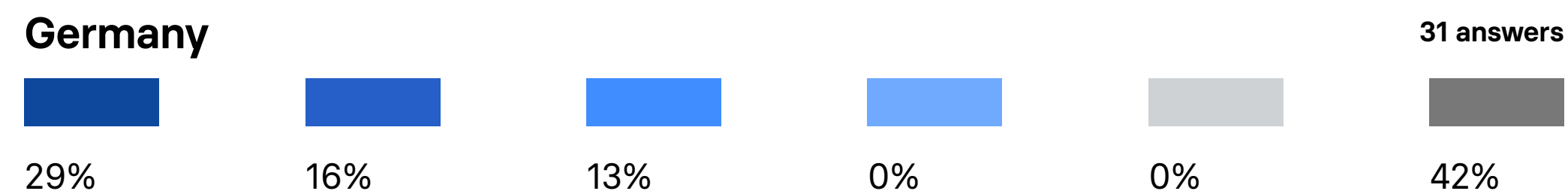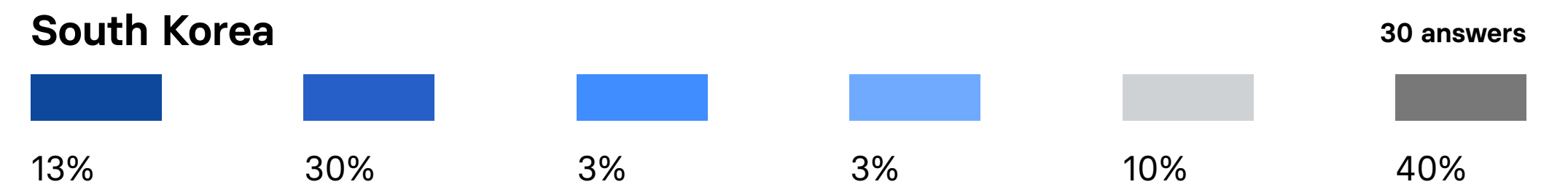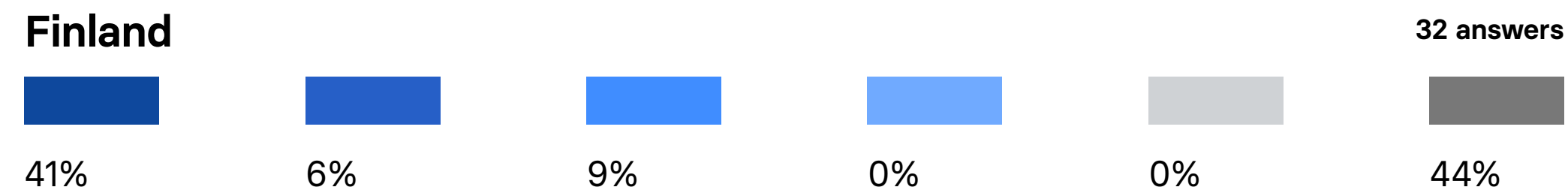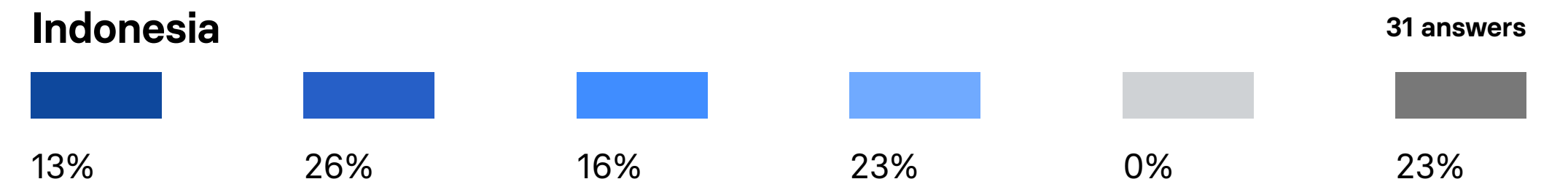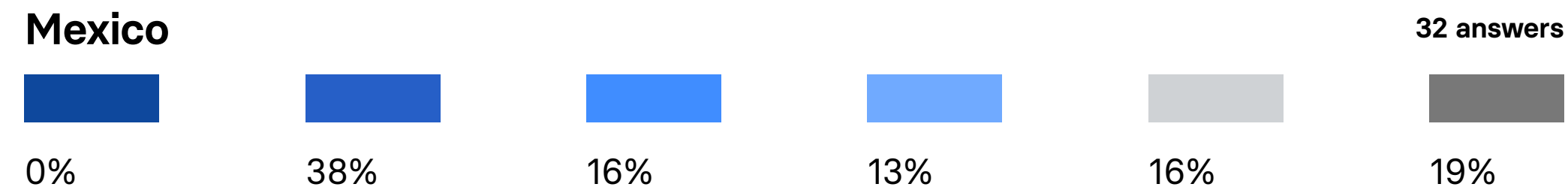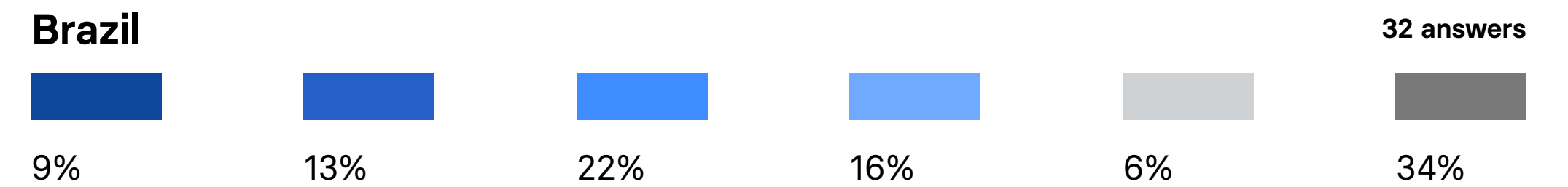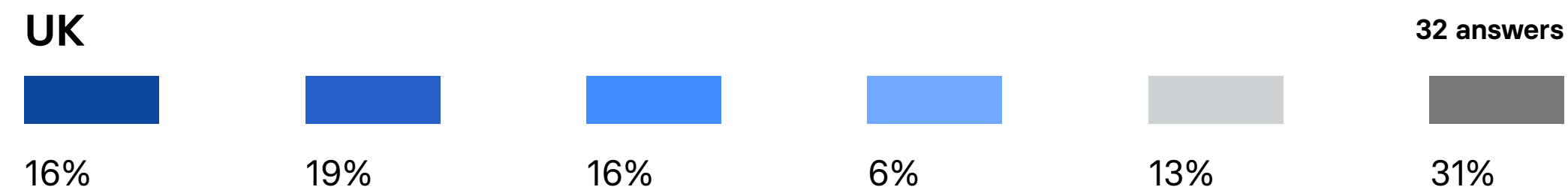
With whom to implement trends?

Implementation of trends seems to be the domain of internal teams in global companies, although every fourth company outsources implementation to external agencies. This may be affected by the pace of implementation as in-house teams, engaged in keeping every-day business constancy, tend to be less agile.

Over 20% of surveyed experts declare a mixed cooperation consisting of agencies and in-house teams—which can be a good way to implement a given solution with external resources—while training the team who will be responsible for maintenance and optimization.

P.S. Did you know that the mixed approach was the way in which SAP gained external experts who supported their team in development of Spartacus - a PWA solution for SAP Commerce Cloud?

Global answers

46%
In-house, dedicated R&D team

43%
In-house, regular teams

30%
Mixed teams
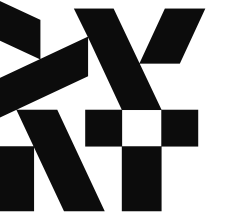
26%
External Agency

1%
Other

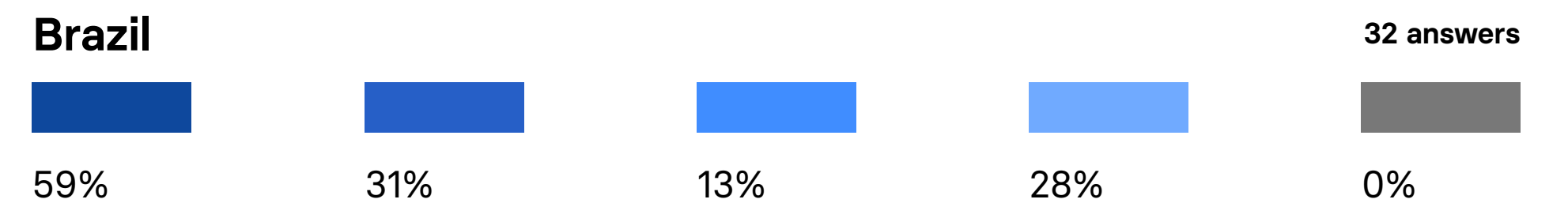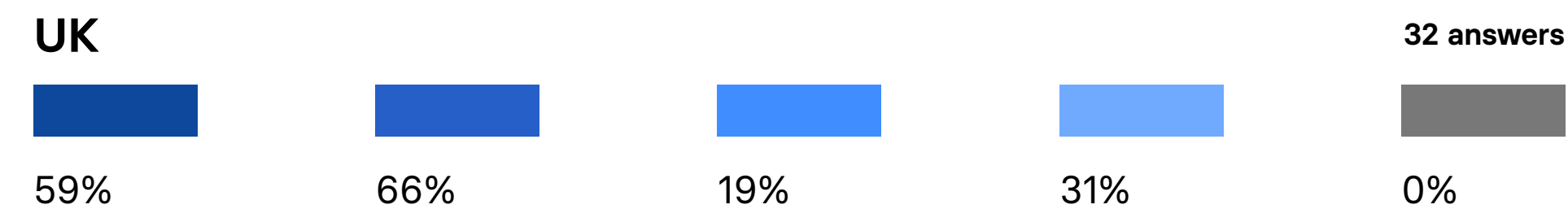# With whom to implement trends?

Local answers

■ In-house, dedicated R&D team   ■ In-house, regular teams   ■ Mixed teams   ■ External Agency   ■ Other

254 answers

respondents could give multiple answers

UK
32 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
59%	66%	19%	31%	0%

Brazil
32 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
59%	31%	13%	28%	0%

Mexico
32 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
63%	38%	28%	31%	0%

Indonesia
31 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
58%	48%	16%	29%	0%

Finland
32 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
22%	41%	38%	16%	9%

South Korea
30 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
37%	23%	43%	23%	0%

Germany
31 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
16%	39%	42%	19%	0%

USA
34 answers

In-house, dedicated R&D team	In-house, regular teams	Mixed teams	External Agency	Other
56%	59%	41%	32%	0%

Leaders' approach to innovations.

Companies that took the leading position in the eCommerce market pay strong attention on adaptability. They observe market dynamics, customer experiences, and arising technologies. In every case, they experiment with, and rapidly exploit, opportunities to grow.

All of those who succeeded show similarities in the approach to working with trends and emerging technologies; this includes:

- Adapting the agile way of working.

- Making data-driven decisions.

- Introducing new and attractive tools for developers.

- Working with microservices and other adaptive modern architectures.

- Leveraging Open Source solutions.

- Testing and experimenting a lot.

- Paying attention to authenticity.

- Giving autonomy to teams.

- Sharing the outcomes with the community.

Accelerating innovations.

In the market dominance race, the speed of innovation is crucial. Those who are first often secure their positions, but more and more companies are deciding to share their solutions with others.

That's how Google, Amazon, Alibaba and Samsung came up with their open-source centers. It's a win-win situation.

Today, open-source is present in over 60% of retail and eCommerce platforms. It is an amazing base of fresh solutions related to emerging technologies, like VR, Big Data, AI, machine learning, IoT or cybersecurity. Cooperating global communities of developers are first to test them out and introduce solutions.

Open-source is a great way to speed up discovery, tests and implementation of innovation in online stores—often with a significantly smaller budget.

But what's important is that agile working practices with trending technologies or open-source solutions is faster and more secure when the whole eCommerce system is built upon a flexible and adaptive base.

averaging
58%
open source
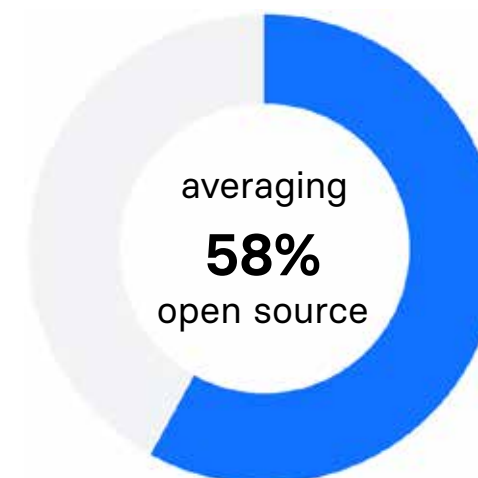
Enterprise Software/SaaS: Virtual Reality, Gaming, Entertainment, Media

averaging
61%
open source
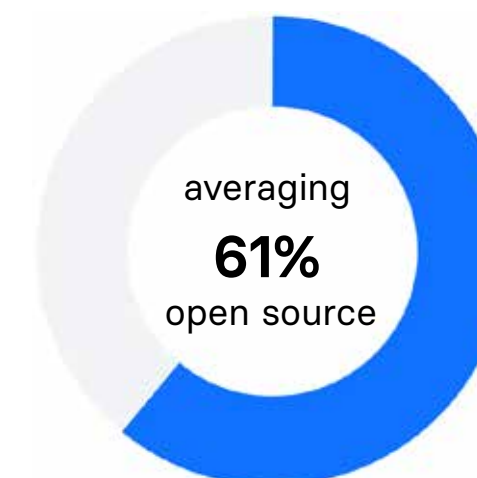
Internet & Software Infrastucture; Computer Hardware & Semiconductors

averaging
62%
open source

Retail & eCommerce
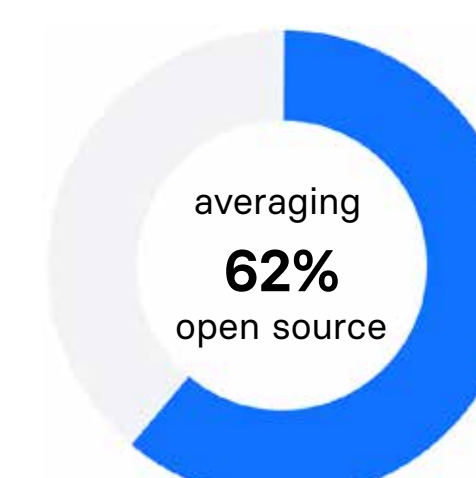
averaging
64%
open source
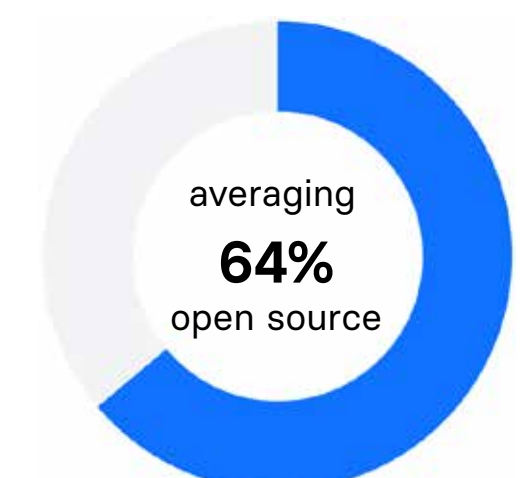
Financial services & FinTech; Big Data, AI, BI, Machine Learning; Healthcare; Life Science

averaging
66%
open source

Internet of Things

averaging
70%
open source

Cybersecurity

averaging
74%
open source

Internet & Mobile Apps

averaging
78%
open source
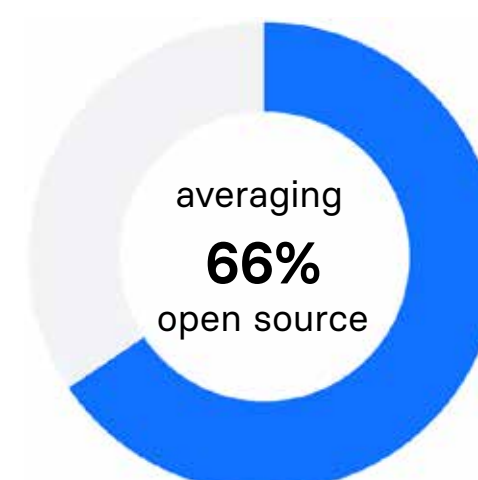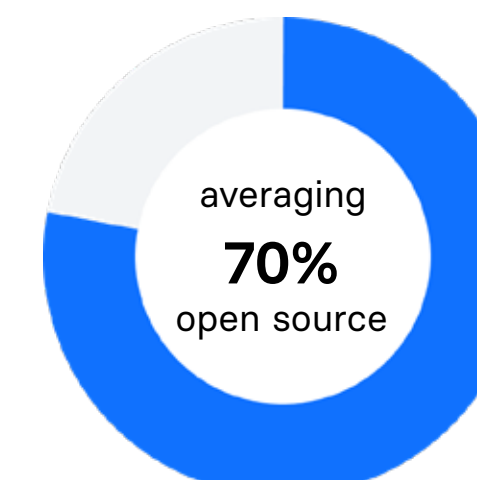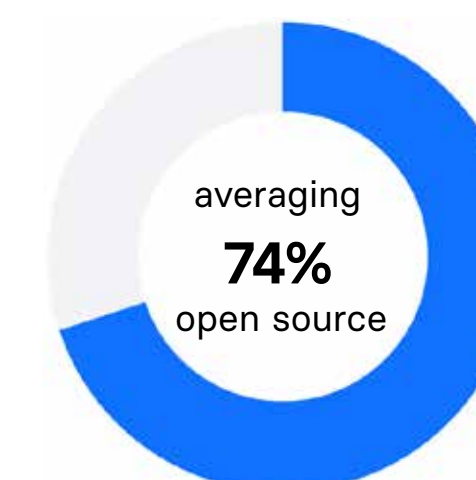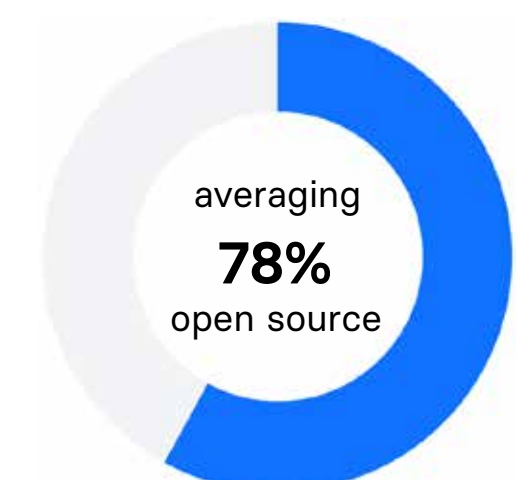
Marketing Tech

Source: 2019 Open Source Security and Risk Analysis by Synopsys

A strong and adaptable foundation

Many established retailers struggle with technological and data debt, impeded by the existing organizational structure. That legacy blocks them from adopting innovation in a short time to market. How can they straighten out all the complexity that stops agility and change?

Based on the examples provided by leading companies in eCommerce, as well as the young behemoths, we observe that a strong and adaptable foundation is the key. It is often obtained with a combination of the headless approach, microservices architecture, an open API, and cloud services.

For those who never had to rebuild the foundation of their eCommerce platform, it is not an easy task, but converting towards modern architectural structures will help to build a strategic, operational, and technical foundation able to adapt to dynamic business needs.

Report
methodology

eCommerce Trends survey.

In this section, we present the results of the eCommerce Trends 2020+ survey conducted by Kantar and Divante.
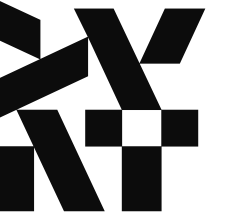
The goal of this research was to learn the actual actions, investments, and plans of globally operating eCommerce companies.

The survey was run in Q3, 2019, among over 250 CTOs, CEOs, and eCommerce experts representing various businesses building their leading positions and sales with the use of online sales channels.

The eCommerce Trends survey in a nutshell:

- 250+ participants.
- CEOs, CTOs and eCommerce experts.
- Representatives of B2B sector, responsible for eCommerce solutions in the company.
- Various company profiles: FMCG, durables, fashion, service, medicines, and many more.

- Diverse age and size of companies.
- UK, Brazil, Mexico, Indonesia, Finland, South Korea, Germany, USA.
- Online interviews.
- Insights on investments, ROI and ways of implementing trends in eCommerce platforms.

Profile of respondents

USA

34 experts

Mexico

32 experts

Brazil

32 experts

UK

32 experts
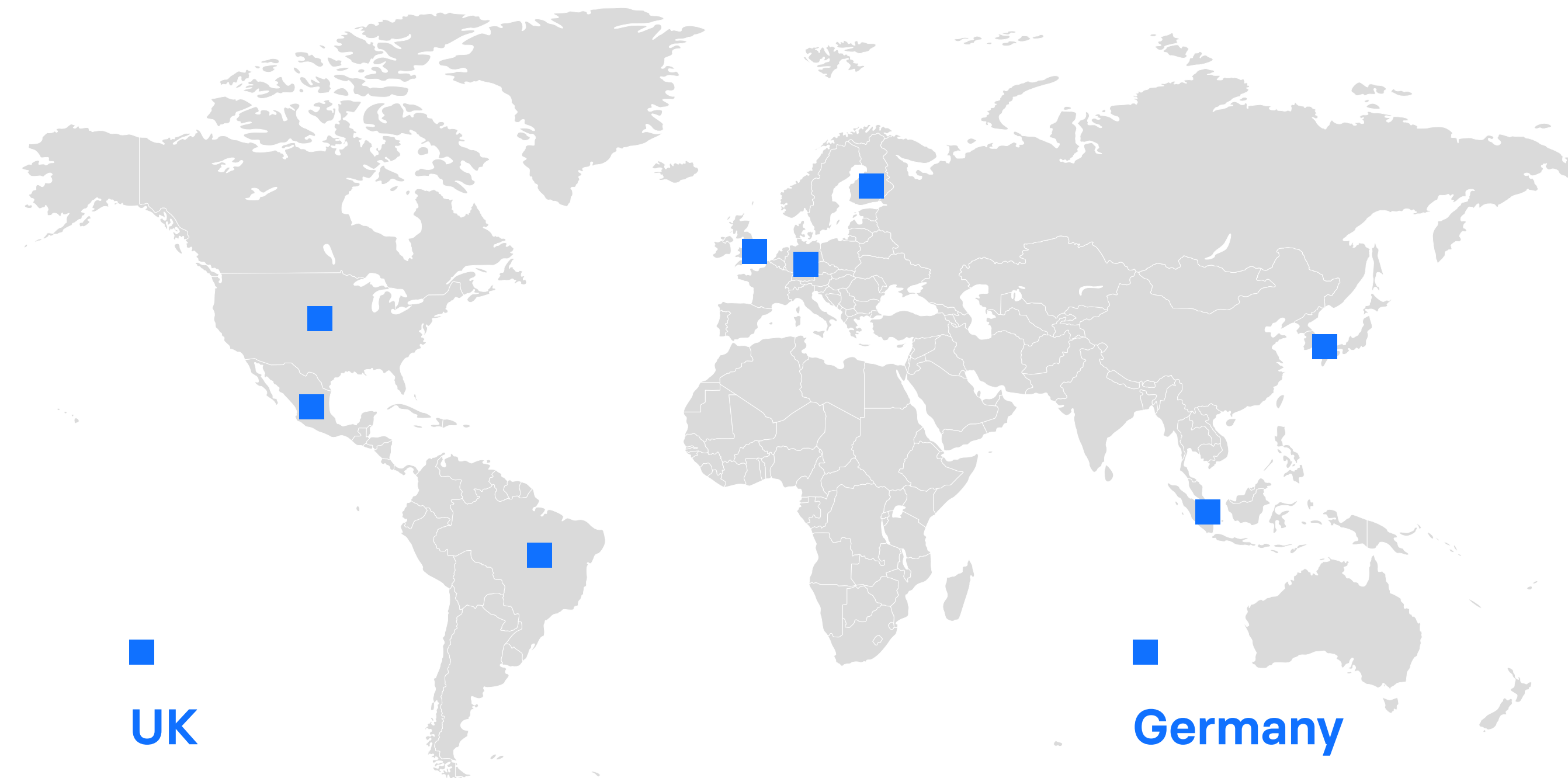
Germany

31 experts

South Korea

30 experts

Indonesia

31 experts

Finland

32 experts

Profile of respondents.

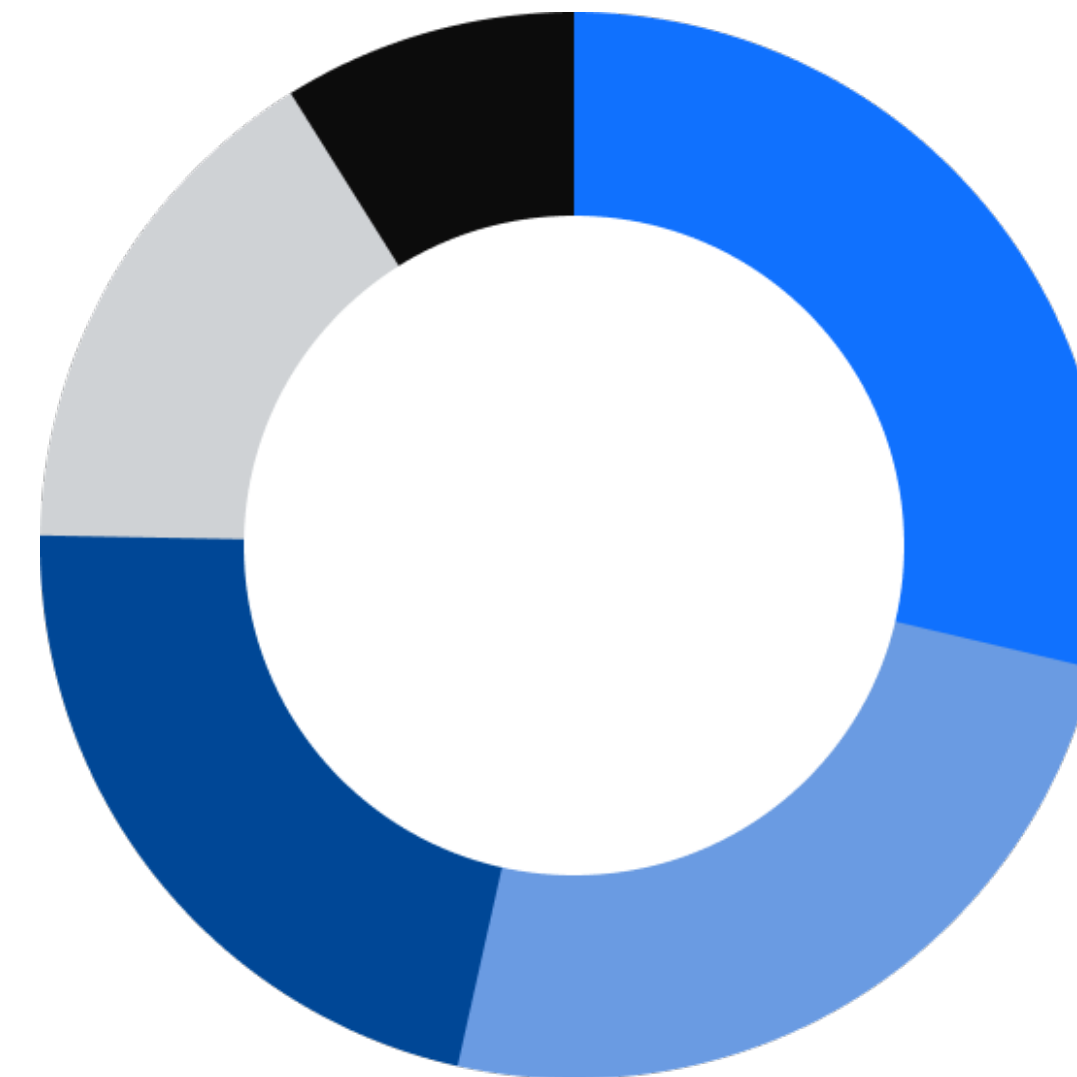## I work at:
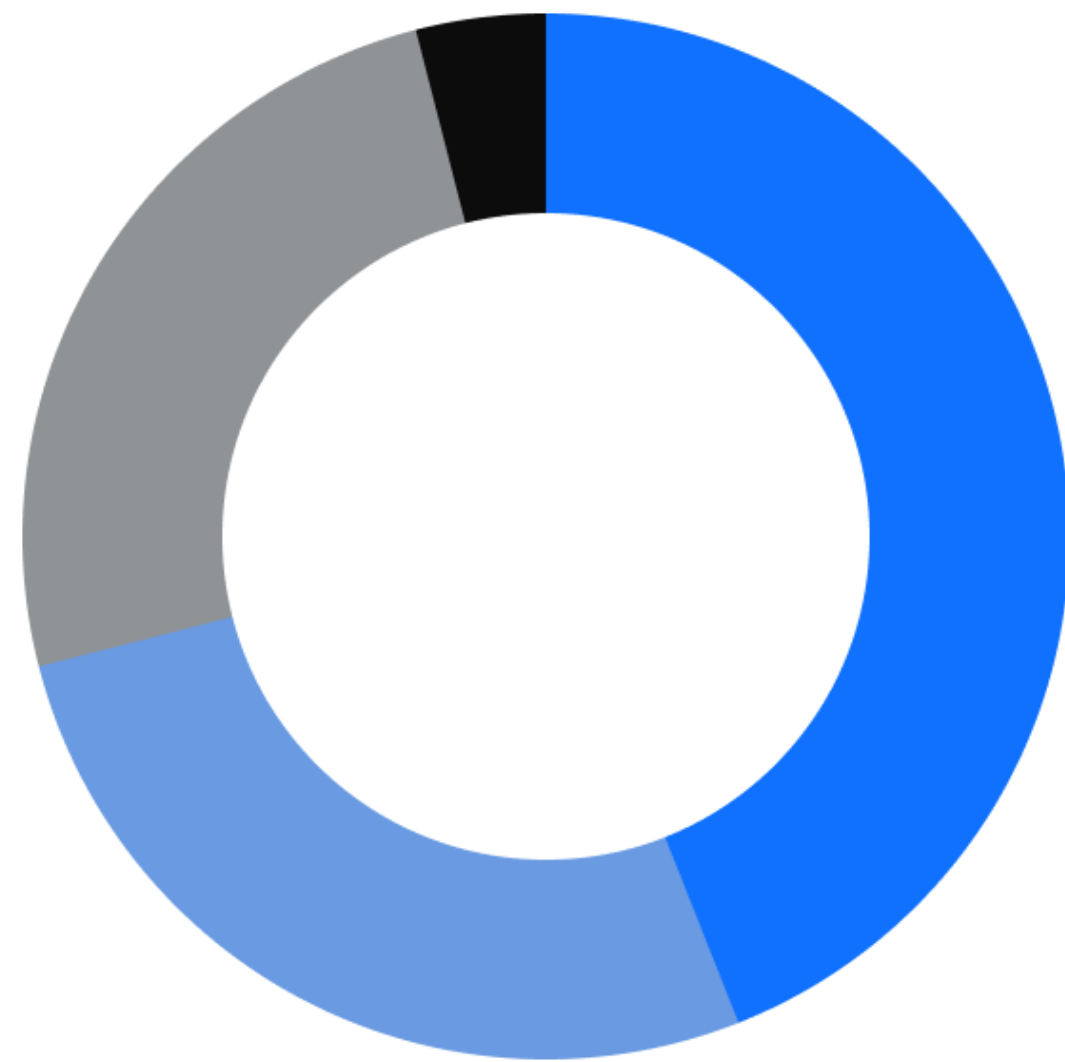
- ■ Service provider   44%
- ■ Manufacturer   27%
- ■ Retailer   25%
- ■ Other   4%

I am:

- ■ eCommerce manager   29%
- ■ Managment CEO   25%
- ■ IT manager   22%
- ■ Marketing manager   16%
- ■ Other   9%

Profile of companies.

Company age:

- ⬛ Less than year   2%
- ⬛ 1-2 years   7%
- 🟦 3-5 years   29%
- 🟦 6-8 years   20%
- 🟦 9-11 years   10%
- 🟦 More than 11 years   25%
- ⬜ Rather not say   4%
- ⬛ I don't know   2%

Size of company:
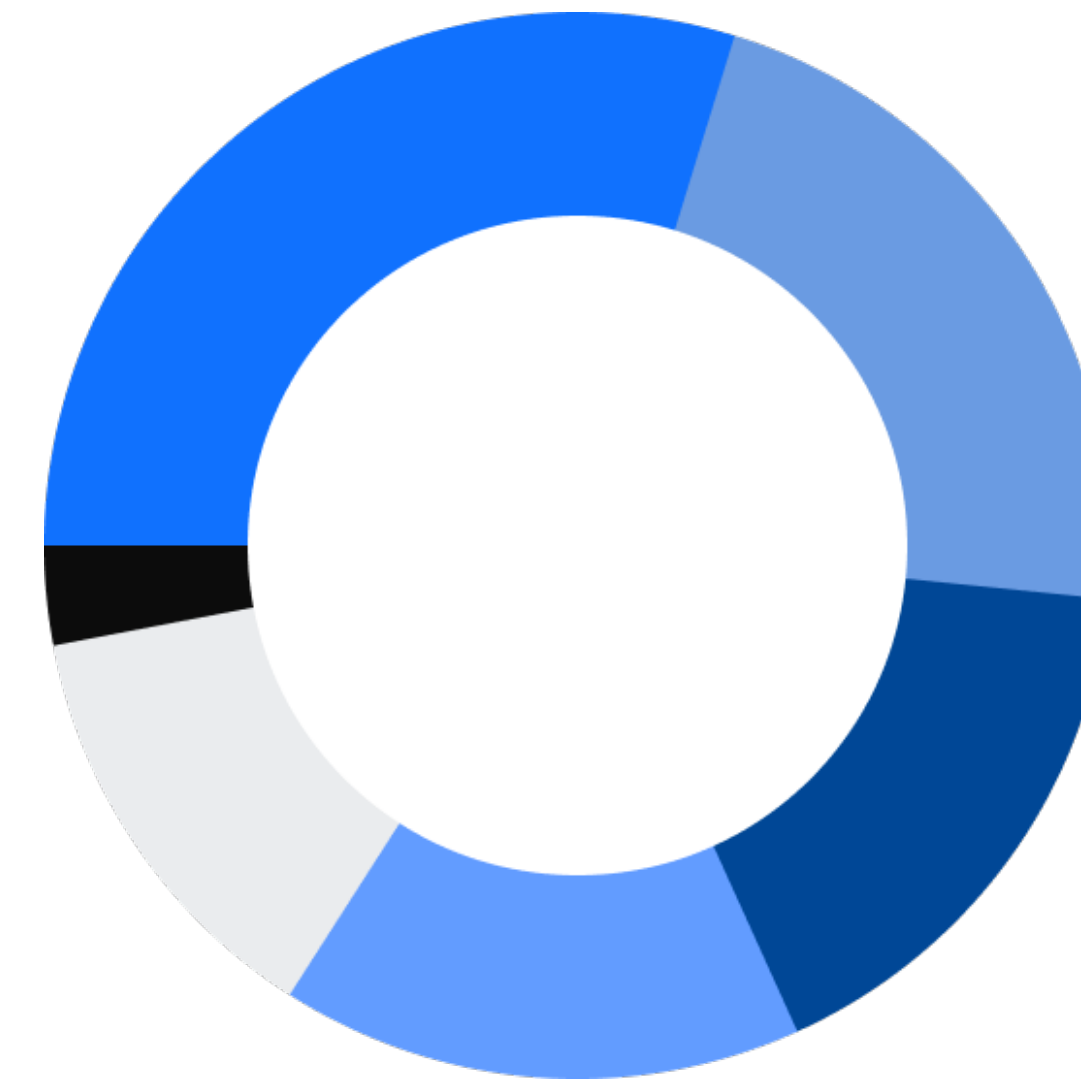
- 🟦 Up to 10 employees   16%
- ⬜ 11-50 employees   13%
- 🟦 51-100 employees   22%
- 🟦 101-250 employees   17%
- 🟦 250+ employees   30%
- ⬛ I don't know   3%

Sectors & industries.

Sector:
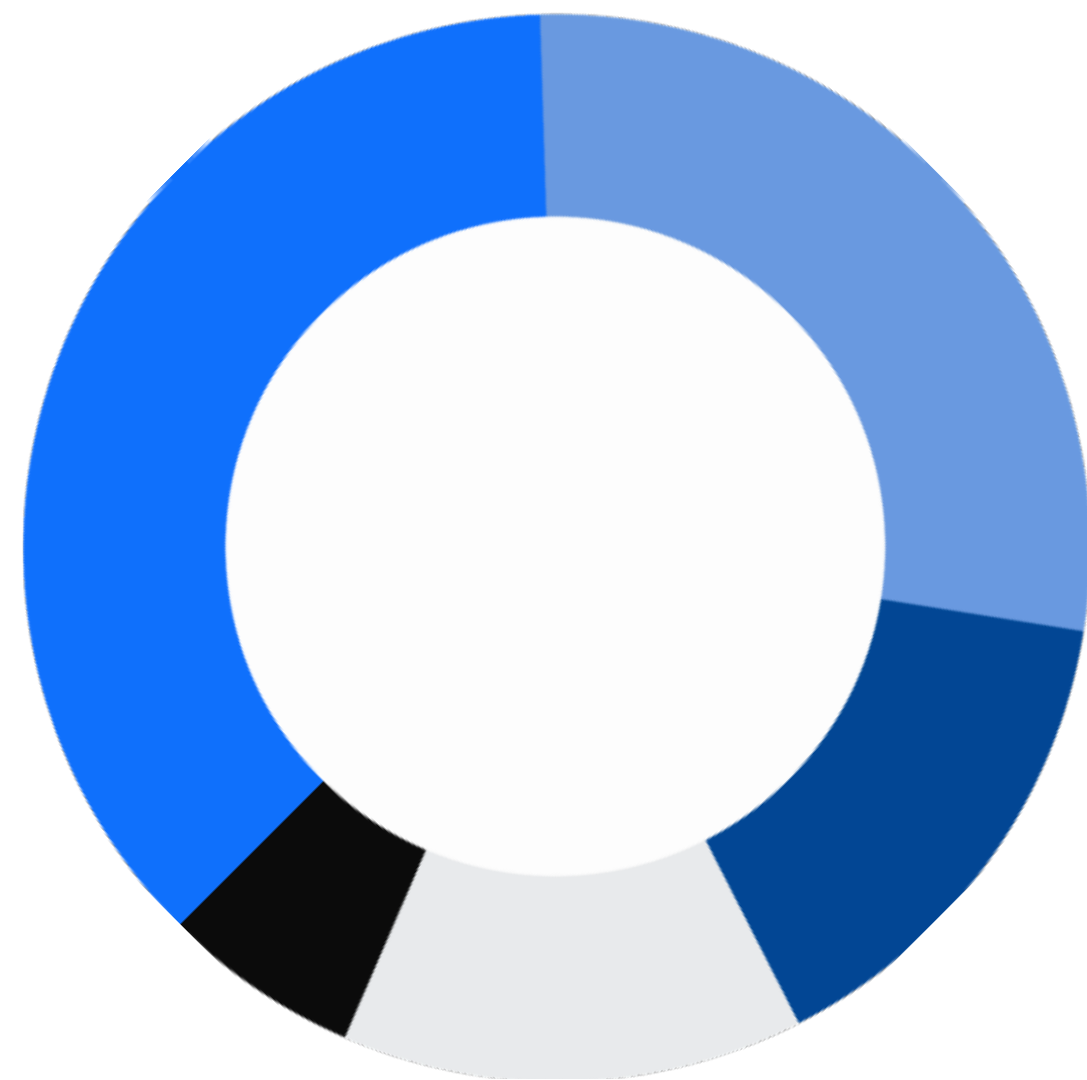
Industry or field:

- 🟦 B2C   37%
- ⬛ C2C   6%
- 🟦 B2B   28%
- ⬜ Other   15%
- 🟦 B2G   14%
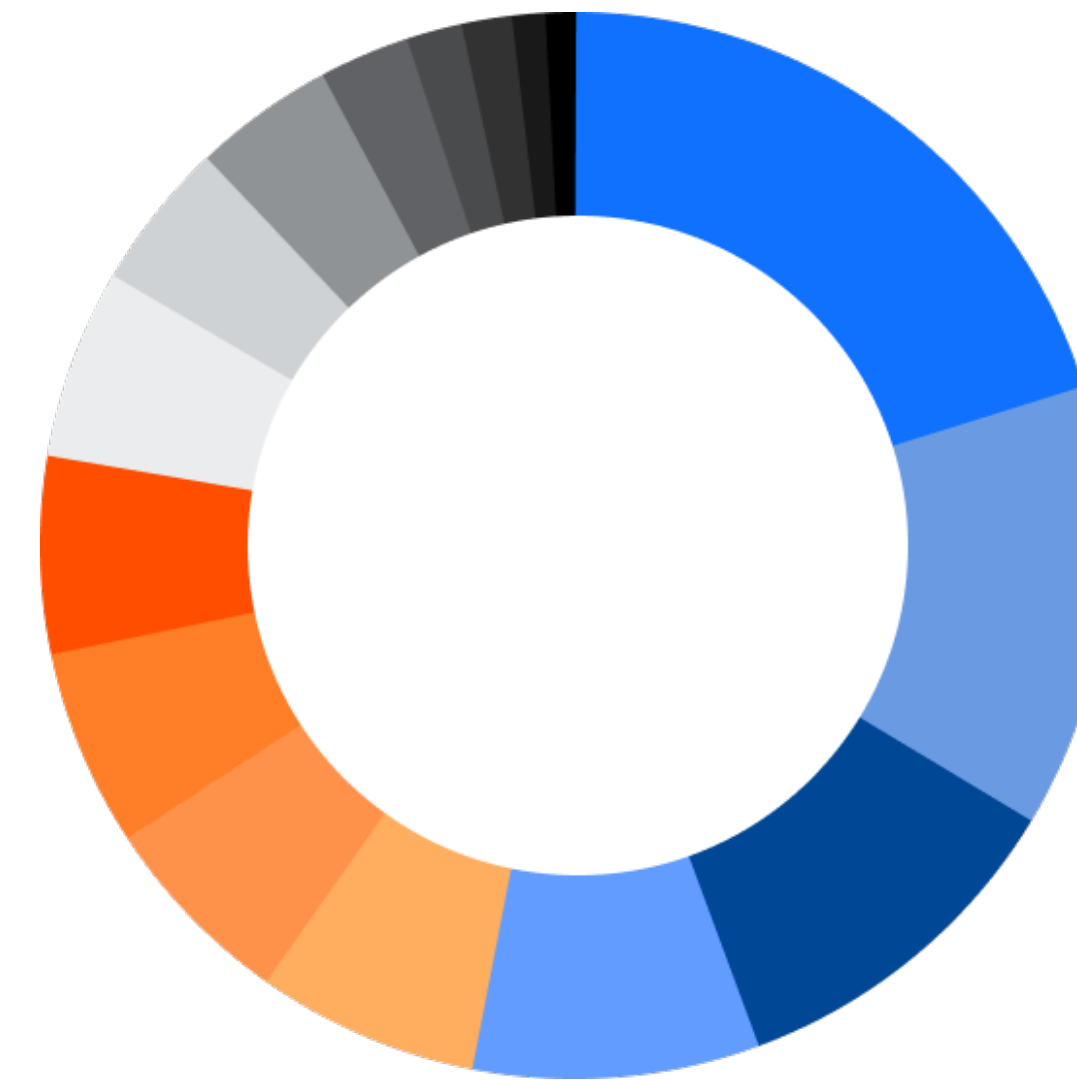
Industry	%	Industry	%
🟦 Electronic devices	20.4%	🟧 Finance	6.8%
🟦 Consumer goods	13.6%	🟧 Energy and building tech.	5.8%
🟦 Digital devices (smart)	10.7%	🟧 Beauty	5.8%
🟦 Fashion	8.7%	🟥 Other	5.8%
		⬜ Rather not say	4.9%
		⬜ Food	3.9%
		⬛ Pharmaceuticals	3.9%
		⬛ Home & Garden	2.9%
		⬛ Supply for companies	1.9%
		⬛ Toys & baby products	1.9%
		⬛ Travel	1%
		⬛ Animal products	1%
		⬛ Alcohol	1%

Experts.

Lihi Pinto Fryman

Co-founder and Chief Revenue Officer at Syte, leader in Visual AI for retail. Experienced speaker and thought-leader in the retail-tech industry, speaking at conferences such as Shoptalk, and interviewing for publications such as TechCrunch, Hubspot and more.

Kamila Stępniowska

Owner at Ginger Tech, a boutique consultancy focusing on development strategy, machine learning and AI. Public speaker, Ex-Training Program Manager at deepsense.io, Ex-COO at Geek Girls Carrots, Advisor at She's Coding, SheWorx Steering Committee member.

Rob Crasco

Futurist, thought leader, influencer, consultant, occasional developer, designer. Focus on spatial computing, artificial intelligence, robotics and technology's impact on society.

Ashley Galina Dudarenok

Renowned Chinese marketing expert, entrepreneur, bestselling author, professional speaker, and vlogger. Founder of several China-focused businesses, including social media agency Alarice and marketing training company ChoZan.
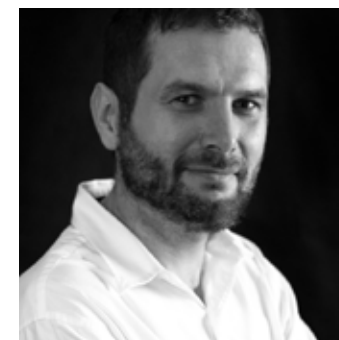
Robert Kałuża

Co-founder and Chief Operating Officer at Billon. Expert in transforming businesses from concept to reality, blockchain technology, and on the banking sector.
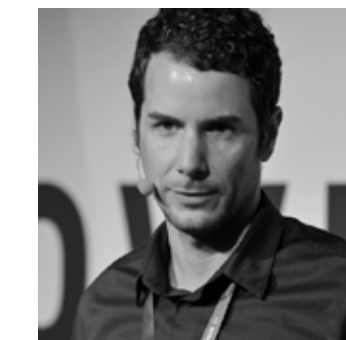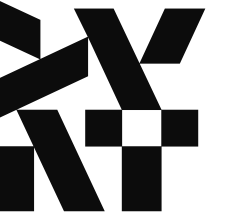
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Residential IoT Lead at Bosch Power Tools, expert in digitalization of automotive, public, and consumer industries. Focuses on supply chain optimization with industry 4.0 solutions, eGovernment service platforms and eCommerce with dedication on sales and marketing.

Experts.

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Mobile UX Specialist at Google. Currently works in the PerformanceX Team on the CSS Program advising EEA's Comparison Shopping Services.

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James Hickson

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Roman Zenner

Industry Analyst at commercetools, author, consultant, and speaker in eCommerce. Focuses on next-generation commerce technologies and explores what retail will look like in a post-web world.

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Expert in analytics and advertising technologies, technology enthusiast and entrepreneur. CEO at Piwik PRO, GDPR-compliant analytics platform, and Clearcode.

Kiri Masters

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Experts.

Konrad Zach

Head of eCommerce at OEX24.com marketplace, an expert with over 15 years of building B2B and B2C eCommerce platforms.

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Dana Kachan

Marketing consultant with extensive experience in providing digital marketing solutions for eCommerce brands, AR/VR development companies, product design, and software development houses in Singapore, USA, and Europe.

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A tech enthusiast who is always amazed by data and what insight we can get out of it. Currently involved in Data analytics and Cloud projects.

Authors.

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Thank you.

This is the end of this year's edition of the eCommerce Trends report. We hope it was interesting and insightful, and that it shed some light on the future of eCommerce.

If you're eager to discover more about emerging trends in eCommerce, visit Divante's blog, our knowledge section, and workshops led by seasoned experts in online sales.

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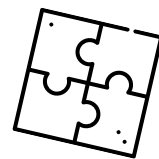
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