

The Top 40 Ecommerce Trends for 2020

Ultimate review that every ecommerce should know





1 The Rise of Virtual Reality

Considering the fact that Amazon alone features 200 VR headsets as well as 450 startups are defined as VR technology companies on AngelList, VR and AR are a real ecommerce opportunity. For example, users can 'visit' virtual showrooms and visualize the products in real life.

2 Designing Customers' Journeys

In short, a <u>customer's journey</u> is a research process that he or she goes through to buy a product. It can take a few seconds (picking an ice cream in a grocery store) or months (buying a car or a house). Ecommerce marketing needs to be aware of that and cover every step of the journey that usually has 3 stages: awareness, consideration, and decision.

O Interactive Product Visualization

Nowadays, it's obvious that high-quality images and juicy descriptions are must-have in ecommerce businesses. However, in 2020 it's high time to go further and present products in interactive, 360° viewers, allowing customers to visualize the product in real-life. They'll reward it - 72% of consumers are more eager to buy from digitally innovative retailers, such as Amazon Prime.

Mobile Shopping & Mobile Payments

It's estimated that four out of five Americans shop online and more than 50% of them do it using a mobile device. In Europe, these numbers are even higher - 64% of Europeans shop online and 55% do it on mobile devices. Both tech giants and newly emerged ecommerce businesses do their best to improve customer experience and facilitate mobile payments, including using e-wallets. China is the leader - both WeChat and Alipay have over 1 billion users each.

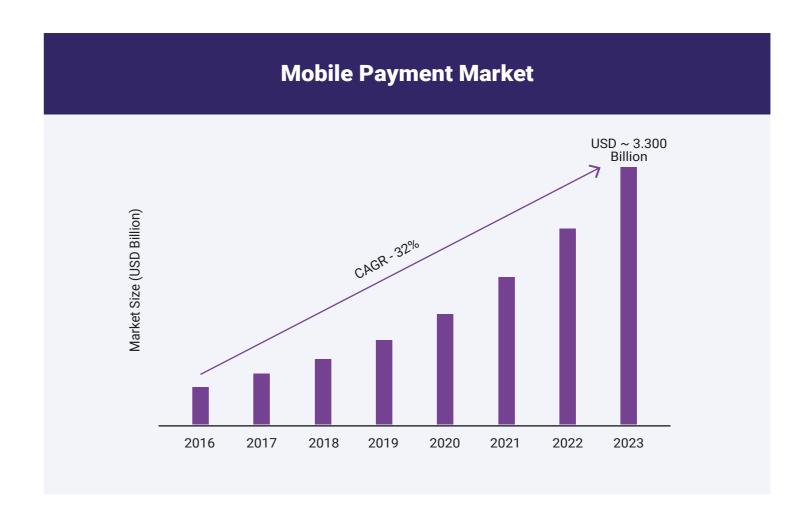


TREND SPOTLIGHT: Mobile Shopping & Mobile Payments

Mobile shopping, also called mcommerce, has been constantly on the rise since the advent of smartphones. In 2019, mobile shopping was predicted to make up almost 45% of all American ecommerce transactions and this trend will likely stay hot in 2020 for at least two reasons. Firstly, an average American uses a smartphone for more than four hours per day and secondly, ecommerce businesses do their best to optimize apps and mobile-friendly websites so that their clients receive the best mobile experience possible.

Europeans are not left behind this trend. Although the desktop used to be the primary sales channel of online shopping, it's no longer true. In 2018, 55% of online transactions happened on mobile devices. Mobile shopping is also aligned with the previously mentioned (under number 8) omnichannel trend. Even in a brick-and-mortar store, people tend to look for information about the product online, using their smartphones.

It's pretty obvious that mobile shopping goes side by side with mobile payments. According to the



Allied Market Research, it's estimated that by 2022 the global mobile-payments market will grow by 33% and reach \$3,388 billion. It seems the growth of mobile payments has no limits, especially in China, and recently, there has been a wave of launches of new e-wallets that facilitate mcommerce even further. The shift towards a cashless society is also visible in Europe - 68% of European customers have used a mobile wallet in 2017. Popular e-wallets, such as Apple Pay, Amazon Pay, Android Pay, and Alipay shows that technology giants work hard to keep the lion's share of the ecommerce market.



Expert opinion on Mobile Shopping & Mobile Payments



Paweł Ogonowski Growcode

Practically every online retailer realizes the importance of dedicated mobile strategies. This includes building a mobile site, running mobile optimization campaigns, and creating storefronts on third-party apps like Instagram and Facebook.

But there's an essential point that's often overlooked.

Mobile habits change much faster than desktop habits, and it's vital for retailers to emulate new features from a user experience standpoint. This is nowhere more apparent than with mobile payments, where new features, like e-wallets and one-click purchase, are emerging at an astonishing rate.

What's more, browsing habits are shaped by the entire mobile ecosystem: social media platforms, mobile operating systems, common app designs, and so on.

It's extremely common, for example, for users to swipe photos, to tap screen-wide CTAs with their thumbs, and to utilize share buttons.

Retailers need to be aware of these habits and mirror them, wherever possible and appropriate, on their own sites.



Same-day-delivery

Customers want high-quality and personalized products and services and they want them now. No wonder that same-day delivery is a significant trend, paved by Amazon - 25% of around 40 million American Amazon Prime members have used Prime Now delivery.

Packaging Made by Robots

There is no doubt that automation will significantly change the future of work. Actually, it has already started to happen and packaging robots are a good example. Their rise is aligned with the need for light-speed delivery and robots can pack items 24/7.

6 Subscription Economy

The subscription economy is booming despite requiring a major mindset change. Instead of buying a product or service once, there is a periodic (usually monthly) fee for having access to them. Comparing buying a blue-ray disc to pay-as-you-go service is a simple example, but the subscription-based business model is entering more businesses, such as car-sharing or buying the software.

Q Omnichannel Experience

Omnichannel, an approach that provides customers fully integrated customer experience, is now a necessity rather than novelty. Modern customers who are active on the website, in the mobile apps, on social media, instant messengers, and in many more channels, expect the same from the brands.



O Headless Ecommerce

Customers are rarely aware of the technical side of their favorite ecommerce services, but it doesn't mean it isn't shaped by the new trends. On the contrary, headless ecommerce is a hot topic as it allows the presentation layer of a website to be decoupled from the ecommerce functionality. Thanks to that, services can provide more personalized customer experience and be richer in content.

10 Ecommerce Conversion Optimization

Despite its exponential growth and the massive market, the ecommerce industry remains highly competitive. There are between 12M to 24M ecommerce websites in the world, which means it's not easy to stand out of the crowd. Luckily, optimization cancome to the rescue.

1 1 Big Data is Even Bigger in 2020

Ecommerce can't afford to neglect the power of big data. It was already clear in 2019 and will remain crucial in 2020. According to Accenture, 6 out of 10 customers would buy more if the recommendations they received were more precise.

1 7 Micro-moments Marketing

Modern consumers are flooded with marketing content - ads, tweets, pop-ups, push notifications, just to name a few. Micro-moments in marketing refer to these few seconds when brands have an opportunity to catch consumers' attention.



13 Unstoppable Customer Engagement

In 2020, even more brands and businesses will try to compete for the customers' attention (which is constantly decreasing) and loyalty. No wonder they're going to spend more on ecommerce advertising and to keep their loyal <u>customers engaged</u> by deeply personalized offers and innovative customer loyalty programs.

Voice Assistants and Chatbots

Although <u>Voice Assistants</u> like Google's Assistant, Amazon's Alexa and Apple's Siri are growing in popularity each year, there is still lots of untapped potential in using them in ecommerce. It's also true in terms of chatbots. Take advantage of that!

1 Instant Messengers

Especially, but not only Millenials are eager to use instant messengers on a daily basis. Not only do they use messenger apps to communicate with others, but they also expect customer service to be available on this channel.

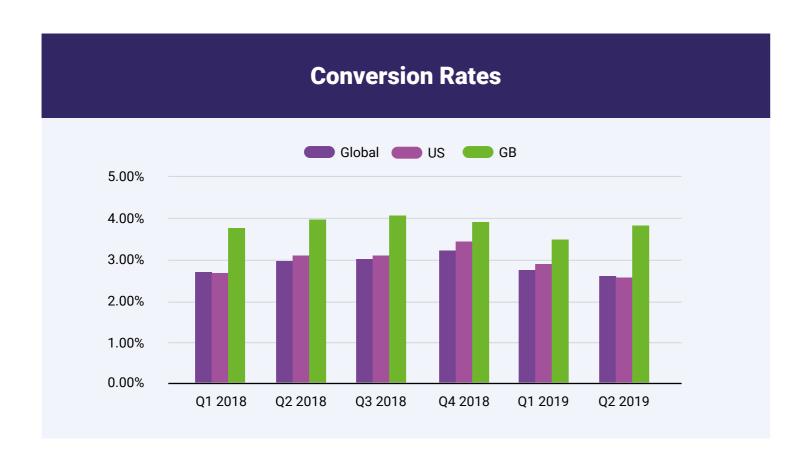
16 Personalization for the Win

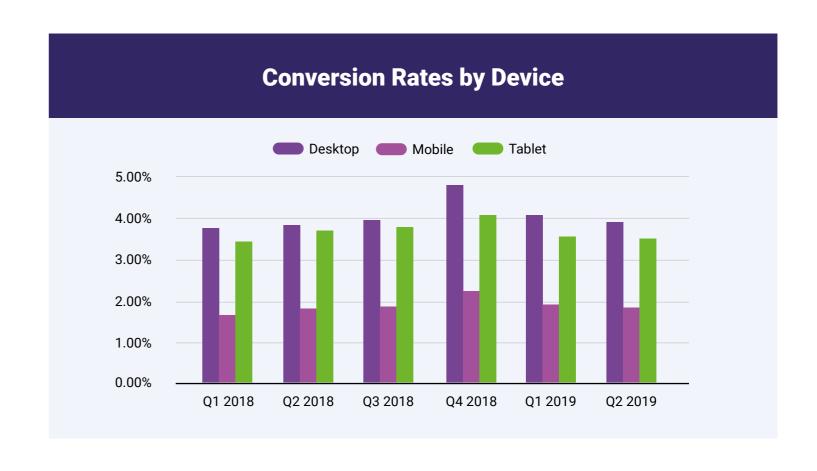
80% of customers are more likely to buy from a company that offers <u>personalized experiences</u>. You mustn't waste this opportunity.



TREND SPOTLIGHT: Ecommerce Conversion Optimization

Unless you operate in a niche, having an ecommerce business means dealing with a highly competitive market. That's why ecommerce optimization is a key - it allows to stand out from the competitors, build trust, offer better customer experience and finally, to have higher conversions. The average ecommerce conversion rate is about 2.77% but it can vary a lot depending on the country and even devices people use to do the shopping. That's why instead of comparing your business to average numbers, you should rather track your conversion rates in Google Analytics and experiment to increase them.





One of the easiest ways to improve the conversion rate by optimizing the website is improving product pages by adding top-notch images and video (!) presenting different aspects of the product, adding clear and rich product descriptions, and using social proof, such as ratings, views, and reviews. Nowadays, every ecommerce website must be optimized for mobile as mobile shopping is constantly on the rise. Knowing the fact that 40% of mobile users will leave the site if it takes more than 3 seconds to load, optimizing its speed is absolutely crucial. It's also worth mentioning that when optimizing a website for search engines, the mobile search mustn't be neglected.



Expert opinion on Ecommerce Conversion Optimization



Ben Culpin
WakeupData

Ecommerce businesses are becoming more omnichannel than ever before. This means that in order to stand out, brands need to be proactive if they hope to reach and convert their target audience.

Optimizing your product listing's titles, images, descriptions is a key element on this road to success – not just for your online store but all your sales and marketing ecommerce channels.

To truly gain the edge over competitors, each ecommerce businesses needs to optimize how they export data to each channel: feeds need to be updated frequently, tailored to audience and seasonality, correctly formatted and well-structured to meet strict channel requirements.

Whether it's for a Dynamic Ad on Facebook, product ads for Amazon or Shopping Ads on Google, boosting revenue and lowering costs needs high-quality product data which has been truly optimized.



1 7 Ecommerce in China

In 2019, ecommerce sales in China grew much faster than total retail and this trend won't stop soon. On the contrary, it's estimated that ecommerce will represent almost 64% of all Chinese retail sales by 2023.

1 Q User-Generated Content is Still a King

User-generated content has been and will always be valuable. Especially in ecommerce, where <u>reviews</u> and other user-generated <u>social proof</u> is priceless.

1 O Dynamical Apps

Dynamical apps go side by side with another hot trend, personalization. They also answer the challenge of buying clothes without trying them on. By scanning a client's face and/or figure, they can create a fitting room literally anywhere.

7 Apparel & Shoes

According to Statista, by 2023 the global online fashion market is predicted to grow to \$872 billion. Apparel still dominates this market but footwear and accessories also have a significant share. It's safe to say that it's possible due to fast and easy shipping and returns.



71 Subscription Services

Amazon and Netflix have paved the way for the growing number of subscription services. Maybe you should follow then and include a pay-as-you-go or other subscription plan?

77 Al and Machine Learning

When asked about using <u>Al and Machine Learning</u> in ecommerce, the first thing people have in mind is smart product recommendations. However, this is just the beginning of what Al can bring in 2020.

23 ROPO (Research Online, Purchase Offline)

Both ROPO (Research Online, Purchase Offline) and reversed ROPO (Research Offline, Purchase Online) are nothing new in the ecommerce world (88% of customers research online before making a purchase) but their importance is going to grow in 2020.

24 New Payment Options that Facilitate Online Shopping

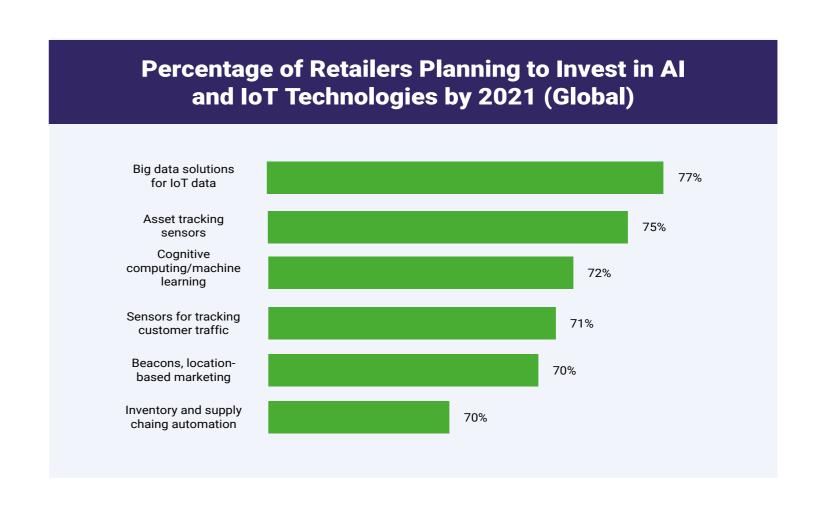
Ecommerce businesses are well-aware that customers seek services that are hassle-free and that applies not only to ordering and delivery but also payments. If you want to win the attention of your leads, invest in secure One-Click Payments and let them shop and pay as fast as possible.



TREND SPOTLIGHT: All and Machine Learning

Similarly to the previously mentioned big data, Al and Machine Learning remain the hottest trends in ecommerce. No wonder - they're giving marketers the powerful weapon - never before have both automated and personalized shopping experience been as possible as now, thanks to machine learning. Although it's far from being a novelty, machine learning has been growing in popularity in ecommerce relatively recently. Now, it's mostly used in search and product recommendations. Before modern algorithms emerged, product recommendations were done mostly manually which was not only inefficient but also prone to error. Now, recommendations can be done automatically and they match customer's preferences about brands or color, gender, budget, and many other factors. In product search, machine learning can allow displaying much more relevant results, also based on a consumer's profile.

An Al-related technology that will likely be a game-changer in ecommerce is image recognition, developed enough to allow you to find a coat that grab-



bed your attention on Instagram in an online store. In addition, you'll get a personalized discount.

Another machine learning application in ecommerce is dynamic pricing. What was commonly used by airlines that increase their prices when demand is higher and decrease when it's lower, is now achievable for ecommerce business. What is more, now it's possible to analyze many more factors, such as season, time of day, current competitors' pricing and many more.



Expert opinion on AI and Machine Learning



Danielle Strouther Adzooma.com

The potential power of AI and machine learning grows every single day. In ecommerce, the focus will shift away from smart recommendations, as AI increases its reach across all stages of a customer journey.

This includes:

- Intelligent analysis of your customers to streamline your targeting.
- Machine learning within PPC campaigns to drive visitors to your store.
- Chatbot assistance to answer any queries and put aside any reservations about buying.
- Automatic emails after a successful purchase, with in-depth tracking abilities and updates to keep your customers in the loop.
- Dynamically-generated retargeting campaigns to bring lost customers back into your sales funnel.

Most of this technology already exists – it's just getting smarter. 2020 will be the year of discovering the right tools for each part of the chain, while companies race to decide what other manual tasks can be automated. My top tip? Get ahead of the game by seeing what Al solutions already exist to help with your most time-consuming tasks.



25 Black Friday, Cyber Monday or Rather Cyber November?

Although <u>Black Friday and Cyber Monday</u> are still hot days in the ecommerce industry, in 2020 you should also be ready for Cyber November. Your clients can't wait for good deals on those days!

76 Visual Search

Visual search is taking the ecommerce world by storm. Every month, people do more than 600 million visual searches on Pinterest and we can't wait for further development of image processing technologies.

77 Smart Automation

It's impossible to imagine a modern ecommerce business on a massive scale without smart automation. They allow lead nurturing on every stage and personalized offers customers seek more and more often.

2 Live Video Streaming

Live video has already been a big thing that has drives 300% more engagement than regular video. This trend won't likely fade in 2020.



29 Ecommerce Specialists are in Demand

With the growing number of new online shops, here comes the growing number of jobs and businesses competing for the best specialists. Take it into account when planning to grow your team!

30 Master Targeting

Personalized and targeted offers have been in demand for a long time, but in 2020, thanks to the Al and big data, you can bring them to the next level.

21 Smart Ad Retargeting

If you don't use retargeted ads, it's high time to start in 2020. Both <u>Facebook Ads</u> and Google Ads are ready to increase your sales results.

Yoice Commerce

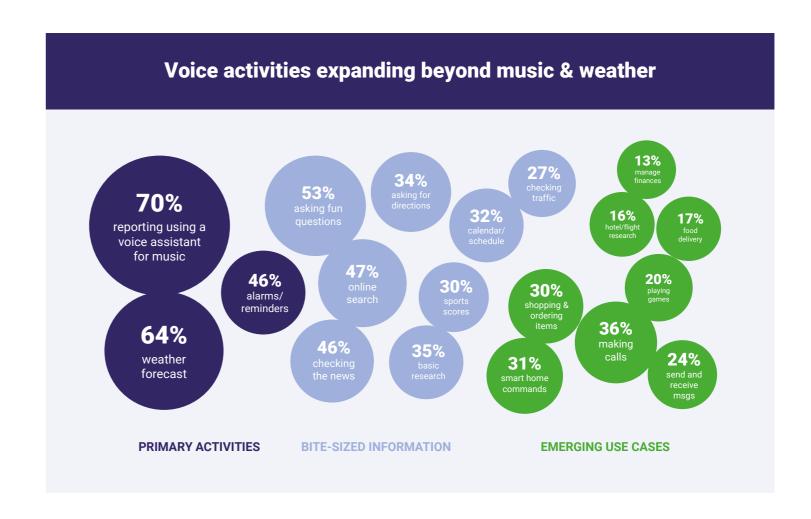
It's predicted to be 8 billion devices with voice assistants in them (including smartphones) by 2023, yet it seems that both big and small ecommerce players still don't understand their potential - only 11% of smart speakers owners in the US use them to buy products.



TREND SPOTLIGHT: Voice commerce

The potential of the voice commerce market is already big and rapidly growing. To give you some numbers to support this, according to the Juniper Research report, it's predicted there will be 8 billion devices with voice assistants in them (including smartphones) by 2023. In 2018 there were 2.5 billion such devices. At the same time, it seems that the ecommerce players still don't take full advantage of it - 30% of American smart speakers owners use them to order products and only 17% to order food and services.

However, these numbers are likely to grow. Making an order using voice assistants is intuitive, hands-free, it doesn't require a mouse or a keyboard and is perfect for multitaskers. Voice technology still needs more development and support for more languages and accents but once it's improved, ecommerces will strive for implementing voice search and voice assistants to the customer journey they offer.



Another reason why this trend will grow is that it has already been under the interest of technology giants that have won the lion's share of the ecommerce market. Apple's Siri, Amazon's Alexa, and Google's Assistant are growing in popularity around the world and although now they're used more to check the weather forecast, set an alarm or stream music, it's only a matter of time when they'll be widely used in ecommerce.



Expert opinion on Voice Commerce



Emil Waszkowski
Future Mind

As the numbers show, it might take a while before voice search makes a lasting impact on ecommerce. It has, however, a real chance to become mainstream – mostly because it makes completing a purchase faster.

At the moment, it's Amazon's Alexa that takes the lead – customers are already using Alexa-enabled devices to search for, order, and buy products from Amazon using voice. Basically, Alexa suggests items based on your past purchases, or chooses an 'Amazon Choice' product if there were no previous items in your history like the one you're currently looking for. Once you're happy with the choice, Alexa will place the order for you. It's simple as that.

Yet, it's a matter of time before voice commerce is used to compare, buy, return, or exchange products, as well as track orders. Some of these options are already available, but still not used that widely.



22 Priceless Customer Loyalty

It costs 5 times more to attract a new client than to retain the existing one. This classic statistic remains true in 2020, but there are more ways to win customers' loyalty. With deeply personalized offers, you can make sure customers are rewarded for choosing your products and services.

21 Beacons

The reports on beacons' death are greatly exaggerated. These handy and low-energy devices are still popular in proximity marketing and they have an opportunity to expand.

25 Delivery Drones

Drones seem to be the future of rapid delivery. Amazon is already working on delivery drones that can fly up to 24 kilometers and deliver a small (under 2.2. kg) package in 30 minutes.

Product Tagging

Instagram and Facebook have already allowed adding product tags to their posts. It's a perfect way of using visual content in ecommerce. Don't neglect this trend in 2020!



37

Smart Search Store

Did you know that 80% of customers research online before making a purchase? Let them do it within your service, using smart search tools.

38

Cybersecurity

Although online shopping is extremely convenient, it can also rise security issues. That's why you don't only have to be trustworthy and get every little process bulletproof, but also make sure your clients know it.

39

Dynamic Shopping Experience

Customers love dynamic content as it provides deeply personalized shopping experience. Enable it on your website and see how sales are growing in 2020. 40

Importance of B2B Ecommerce

The global B2B ecommerce revenue is predicted to reach over \$6.6 trillion by 2020 and surpass B2C ecommerce which is supposed to stand at \$3.2 trillion the same year. Don't stay behind this trend!



TREND SPOTLIGHT: Importance of B2B ecommerce

B2B has always been an important part of the ecommerce markets. Not only consumers need goods and services - businesses buy them too but their needs and shopping experience are different. However, we observe a massive growth in this sector. According to some reports, by 2020 the global B2B ecommerce is predicted to hit \$12 trillion globally and to compare - it stood at \$5.5 trillion in 2012. There are many reasons for it. The most obvious one is that people who are used to online shopping choose ecommerce both at home and in the workplace. The massive popularity of e-marketplaces like Alibaba or AmazonSupply pays an important role too. A growing Chinese B2B market also contributes to the global numbers. In fact, Asia dominates the B2B ecommerce almost entirely, with 78% of the market share of the global gross merchandise volume.

European share on the B2B ecommerce market may seem to be small but it doesn't mean this trend doesn't affect Europe. In fact, over three-quarters of local manufactures sell online and they plan to increase the volume.



Although in B2C eommerce, personalization is a big thing and more and more customers expect tailored offers, it wasn't always like that. Only relatively recently, ecommerce websites introduced dynamic content and personalized product recommendations. In B2B, on the other hand, because of the much bigger scale, this expectation has always been high. What used to be done manually can be not only automated but also significantly improved thanks to machine learning and big data. No wonder B2B ecommerce has become even a bigger giant than B2C.



Expert opinion on Importance of B2B eCommerce



Jonas Sickler
Terakeet

B2B ecommerce is much more complex than B2C because there are far more potential customers who are involved in the buying process.

That means your website strategy must have content that addresses each buyer's concerns:

- C-Suite's have questions about the bottom line
- IT department wants to know about technical integration workload
- HR has efficiency-related questions



SUMMARY

In 1995 Amazon sold its first item, a book. Since then there has been a massive growth in numbers and types of goods sold online and ecommerce has been shaped by various trends. When gathering all top trends that will affect ecommerce in 2020, we've clearly noticed they affect almost every aspect of shopping online: customer experience, B2B ecommerce and even state-of-the-art technology, like Artificial Intelligence, behind all of that. Not all of them are novelties - in fact, the majority has been visible in 2019 and earlier but they're constantly growing popularity and importance. These trends are not buzzwords - on the contrary, they have already proven the potential to revolutionize retail.

It's clear that ecommerce businesses that embrace these trends can expect higher revenue. On the other hand, those that neglect emerging technologies and clients' changing expectations, are likely to stay behind the competitors. Even in the profitable ecommerce business where all marketing and sales processes are in place, there is room for improvement as customers' needs and expectations are changing and growing. So, if you want to take your ecommerce business to the next level in 2020, analyze these trends and start introducing at least some of them.



About the author:

Pawel Ogonowski - The Ecommerce Optimization Guy

With 10+ years of ecommerce experience, I've been helping companies (e.g Limango, Virgin Mobile, Eniro, 4F, Showroom, Budapester) leverage data from their online channels to improve user experience that results in higher conversion rates, average order value and customer lifetime value.

Co-founder and Partner @Growcode



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