

Looking ahead: eCommerce marketing in the near future



The market share of eCommerce was steadily rising in the past few years, even before the COVID-19 pandemic pushed more people towards online services. Most of the speculations concerning eCommerce in 2021 come from statistics produced before the pandemic and its consequences on consumer habits and the market itself. Here, we have tried to look at the incoming trends in accordance with the new realities facing eCommerce. Most of the ideas discussed here are already rising in popularity, either globally or in specific markets.

eCommerce post COVID-19: The new market is already here

We all know how the pandemic has pushed so many consumers to look for products and services online. In one of our marketing stand-ups before Christmas, we were all discussing how each one of us was planning to buy presents for our friends and families. The answers were as diverse as they could be: from buying a product on a well-known platform like Amazon, to supporting small businesses by visiting independent eCommerce stores, to wine subscriptions and everything in between.

As we now know, the pandemic did not go away in a few weeks or even a couple of months. By now, the consumers are completely adapting to the consequences. According to a new study¹, almost 40% of consumers believe that they are more comfortable with digital technology today when compared to pre-pandemic times. Arlington Research recently claimed that 44% of consumers have tried new brands since the pandemic hit.²

Based on pre-pandemic numbers, eCommerce was supposed to take \$4927 billion of the worldwide retail sales in 2021. By now, we can be sure that the actual number is going to be considerably higher than what previously thought. While many brick-and-mortar businesses have suffered in the past months, many online businesses are struggling to keep up with the orders. The current shift to eCommerce seems to be a profound one, and not tied to any specific country, class, or market. For example, UN's Conference on Trade and Development³ pointed out that while the pandemic has greatly decreased the purchasing power of consumers in developing countries, online purchasing has increased by 6%-10% across most product categories. The recurring theme in current studies seems to be that regardless of the absolute monetary changes in the market, there is a global shift towards eCommerce.

However, this shift also has consequences in the way eCommerce functions. The new market will undoubtedly bring new trends with itself, which will have long-lasting effects on most online businesses. Let's look at some of these trends:

1. Shopping through voice-commands will rise

The use of voice-activated assistants were already on the rise pre-pandemic. In a study from 2019, Loup Ventures predicted that by 2025 a total of 75% of U.S. households will have some form of smart speakers, which would be responsible for around \$30 billion revenue in the U.S. only.⁴

We still do not have reliable numbers for the post-pandemic voice commerce, however it is clear that it will grow larger than before. This growth is not only due to the overall preference in eCommerce compared to traditional commerce, but also the demographic shift among consumers. Younger consumers, and especially those with college degrees, are believed to make 14% of their purchases through voice-commands.⁵

Gone are the days when voice-assistance was a novelty to report the weather or make a phone call. All technology giants are investing heavily on voice-assistants. Google Assistant, Amazon's Alexa, and Apple's Siri have become competent virtual assistants that are capable of conducting complicated processes, with an ever-growing level of accuracy in speech recognition. All these companies are also pushing for equal levels of quality in different languages.

2. Visual commerce will become more popular

Visual commerce is an all-encompassing term that describes any form of visual interaction between a consumer and a brand's product. While almost all online shops have at least one 2d visual depicting the product, it seems that in the near future we will see more sophisticated digital showrooms. Gartner puts visual commerce at the top of its "10 hot trends"⁶ impacting the future of digital commerce. The first step forward for most companies is to change the static picture into a configurable 2d or 3d model. Visual configuration allows a flexible

representation of the product based on the features and options that the user chooses. These tools are already implemented in many online businesses, including most clothing and accessories shops. In the post-pandemic market, another Gartner report notes that "Visual configuration software vendors have reported a significant uptick in business because of the COVID-19 lockdown. Manufacturers are investing in visual configuration to enable them to sell their more complex offerings online or remotely."⁷



Silhouette is an eyewear company that has successfully implemented visual configuration capabilities. Customers can change the features and control the 3d models of the products. They chose **Storyblok** as their CMS.

Silhouette®

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Explore in 360°

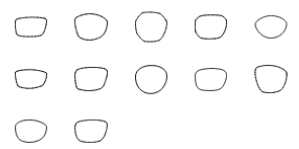


Virtual Try-On

Select colour



Lens shape



Visual configuration capabilities can bring fundamental changes to digital commerce. The most obvious one is of course the increase in personalization on the customers' side. However, perhaps the even more important impact is in the subsequent reduction of costs. As visual configuration becomes more advanced, the need for direct sales goes down. Companies would be able to change to a self-service approach for their complex products, if they can offer a reliable visual configuration tool. Likewise, the need for physical showrooms and samples may disappear, as visual configuration can represent each and every option, without the need to leave the house.

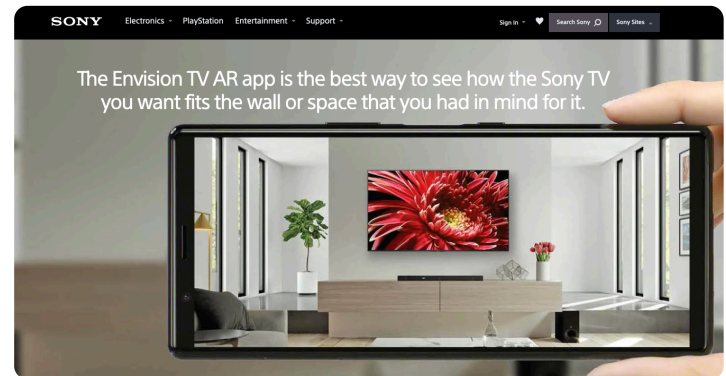
3. AR/VR will play a bigger role in eCommerce

Both of the previous points directly connect to AR/VR technologies. There is a clear indication that the AR technology is growing rapidly, as its market is projected to be valued over \$18 billion by 2023.⁸ While currently seen as more of a novelty than a necessary option, AR and VR capabilities can perfectly enhance customer experiences, as 63% of consumers believe it would transform their shopping experience.⁹

The potential for these technologies in commerce is truly incredible: from "trying on" makeup and preview placement of furniture in your house, to simply taking part in live commerce.



Ikea is already using AR to offer its customers a better shopping experience, by virtually trying out every piece of furniture they like, in their own houses. A similar experience is offered by Sony for its customers to see how their TVs look like in their living rooms.



Currently many businesses are taking advantage of live streaming services to showcase their products and interact with their customers in real time. Gartner also predicts that with the growing popularity of eCommerce, live streaming, and AR/VR technologies in addition to the consequences of the pandemic, we should expect enhanced virtual "live commerce" to be gaining popularity in the near future.¹⁰

4. Hyper-personalization and comfort take center stage

Personalization and convenience go hand in hand, and the resulting experience on the customers' side is what matters the most. These issues are nothing new and everyone seems to be aware of their importance. So instead of the usually

discussed points, here we are only going to mention the cases specific to recent times, and specifically 2021.

As each and every market is flooded with similar products with similar prices, the value of personalization and optimized customer journeys become more apparent. While the usual personalized product recommendations and special offers are still extremely important, many companies are now using AI extensively to offer so-called hyper-personalized experiences. For example, recent advancements in AI has

drastically improved chat-bots' abilities in offering personalized experiences.

With the growing popularity of cross-border commerce, the issues of localization and internationalization become even more crucial. It shouldn't matter where the company is based, if the products are to be shipped to different countries, it is absolutely necessary to be able to redirect the potential customers to their local language.

Consumers also expect flexible payment and shipping methods. In the past few years the possibilities for payment processing have been steadily increasing. Lacking any option will certainly result in reduced sales. The emerging social payments like **Twitter Buy** and **Facebook Payments** are indications of the growing diversity in payment methods.

5. Marketing automation

As the needs for unique and personalized content grows, so do the demands for proper marketing tasks. Marketing automation is the necessary tool for answering these growing demands.

No matter how great a marketing team is, if there are simply too many tasks, there is going to be an unavoidable drop in quality. Automating parts of the content's lifecycle can ensure the marketing team has enough time for more creativity-driven tasks, instead of spending their time on repetitive ones.

In 2021, marketing automation goes well beyond the standard scheduled social media posts and email campaigns. By implementing the modern principles of intelligent content (look at chapter "Automating and Optimizing Content Creation" for more information), companies can seamlessly automate a bulk of the content creation and management processes, while at the same time ensuring the same high quality of personalization in each and every case.

6. API-first commerce to take a bigger share

Gartner puts this among their "[Top 10 Trends in Digital Commerce](#)" and adds that API-based (same as API-first) eCommerce is set out to out-weigh the traditional monolithic counterpart in the coming years. This is not surprising, as API-first commerce is inherently more omnichannel-friendly. With the extreme popularity of mobile commerce and IoT, omnichannel presence has become the center of attention across all online businesses. By separating the back-end and the front-end of the operation, API-first commerce ensures simultaneous publication of highly personalized content on every device.

7. Subscription model to rise in popularity

Subscription commerce is not limited to movies and TV series anymore. Everything from razors, socks, drinks, and video games are now sold based on subscription plans. The recurring sales can help companies get a more accurate prediction of their revenue. Without a doubt, the most important element in the popularity of subscription models is the issue of value. This sense of value highly depends on a successful personalization strategy that is able to offer the right package to the right consumer.

The market for subscription commerce is already big, but is predicted to be growing rather rapidly in the coming years. Gartner reports that by 2023, 75% of companies selling direct to consumers will offer subscription services.¹¹ Since the initial COVID-19 outbreak, the demand for subscription plans has spiked dramatically, especially in the case of food and beverages.¹²

8. As omnichannel stays a top priority, mobile commerce will dominate the scene

With the growing connectivity of different devices to the internet, and the current demand for online commerce, consumers feel more comfortable making purchases on different smart devices. While many devices have a considerable share in the market, phones are the absolute favorite choice for many. Pre-pandemic numbers suggest that by the end of 2021 mobile devices are expected to make around 73% of the total eCommerce sales.¹³ The actual number is again most probably going to be higher than the old estimates.



Key Takeaway

Online businesses which are trying to strengthen their presence in 2021 must adapt to the demands of the new market by implementing a series of already-growing approaches. It is true that eCommerce is projected to grow exponentially, however its highly competitive nature also means a less forgiving attitude towards businesses that fail to evolve in time. While omnichannel and personalization continue to be central, voice and visual commerce, AI and AR/VR capabilities, and automation are proving to be almost as important in the coming year.



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