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2021 Trends in Ecommerce (AU)

Your roadmap to Ecommerce success

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As we look to close out 2020, it's a good time to reflect on what has been and what will be. The world has seen online retail take a seismic leap forward this year. Retailers have had to react to a changing landscape month by month, week by week and even day by day, and the changes we've seen in 2020 will undoubtedly lead to greater success for retailers in ecommerce for 2021. At Comestri, we look to help brands sell more everyday and here is how we see 2021 shaping up

Frank Nesci, Co-Founder - Comestri

01
Ecommerce isn't just for Millenials

When online ecommerce transactions skyrocketed at the beginning of 2020 (currently on trend to reach $4.2 trillion globally) companies like Paypal reaped the benefits seeing their biggest month in history in April 2020. Sign-ups to their payment platform tripled and were predominantly made up of people in the 50 or older age group. Additional data also highlighted that credit card usage was highest in those in their 60s (increasing from 15.4% in January to 21.9% in March 2020).

Convenience has always been one of the key drivers of ecommerce participation and many of this new demographic will be likely to keep ordering some of their goods online into the future. Retailers will need to look to adjust specific marketing strategies for this older demographic such as loyalty programmes, subscription models and tailored messaging to find ways to retain continued loyalty.

Sustainable Shopping

It has always been in the back of the minds of Australian retailers and merchants, however, key research is showing more than ever that sustainable and ethical shopping is at the forefront of Australian shopper's minds. In a survey conducted in mid-2020 of more than 1000 Australian shoppers, there has been a positive trend towards conscious consumerism. The survey's findings concluded that 87% of Australian shoppers are more likely to purchase products that are ethically and sustainably produced. Over 85% of people surveyed would also like to see retailers and brands be more transparent about the origins and sustainability of their products and whether they are engaging in ethical practices. As delays in delivery windows from overseas suppliers hit up to 6 weeks (in some circumstances longer) Australians a now more than ever looking domestically to have their shopping needs met.

These findings are nothing new, with reports from Nielsen in 2019 indicating that environmental issues are a major concern to 77% of Australian households. However, as shifting trends in 2020 will see more and more retailers implementing ecommerce operations to chase the increasing online dollar in 2021, this could be the difference between your company closing a sale or your competitor pulling the rug from underneath your feet.
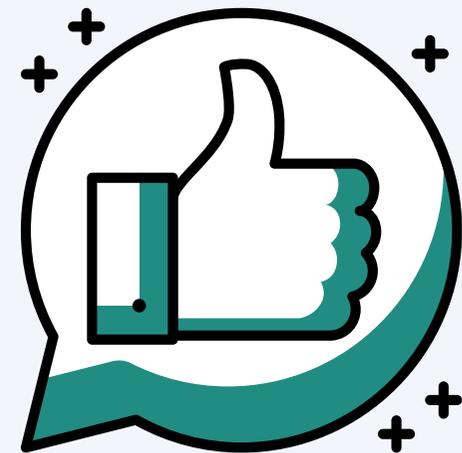
03
Personalisation
is Key

1/3

**of customers
are lost
due to a lack of
personalisation**

Customers are constantly expecting more and more from their online purchasing experience and personalisation is at the core of most of their demands. As a matter of fact, 33% of customers have abandoned relationships with businesses because a personalisation factor was lacking. Think about that in real terms. By not personalising for your customers, you could potentially be losing 1/3 of all retail sales.

Ecommerce personalisation comes in many different forms and gone are the days when acknowledging a customer by name is enough. The primary source of data for personalisation can come by analysing personal information of your online customers including demographics, browsing behaviour and purchase history. This data can then be matched with a detailed product information catalogue maintained by a retailer to create targeted cart recommendations for additional products that your customer may be interested in purchasing also.

Additionally, as cross-border ecommerce has remained unscathed by the Coronavirus Pandemic across most regions (in some cases, growing even higher past March 2020), personalisation will need to come in many different forms. 92% of consumers have a preference for shopping in their local currency with 33% likely to abandon a purchase if USD is the only option.

We are in an interesting position within Australia. Ecommerce orders were on the rise due to safety concerns of shopping instore and lockdowns issued across Australian states at the start of 2020...and despite this demand, delivery networks are struggling to keep up. Due to this increase in demand, delays in fulfilment have increased with some reports highilghting a potential 1-2 week delay on domestic deliveries.

Australian consumers, like all consumers, are fickle in nature! Expectations with regards to delivery are very high. A survey conducted by Commonwealth Bank recently indicated that many in Gen Z, Y & X find that express delivery/same day delivery is of the upmost importance. In a world where you have a consumer base that wants to purchase online to avoid stores as much as possible but also want their orders as soon as possible, Click and Collect sits as a healthy alternative to ensure that your customers can have the best of both worlds.

However, most retail stores were not designed to be distribution centres. To ensure that pick and pack functions that in-store staff don't have a detailed knowledge of are efficient and cost-effective, systems will need be looked at and optimised for integrating POS with ecommerce capabilities to provide live updates of inventory in real time.

05 Omnichannel Experiences
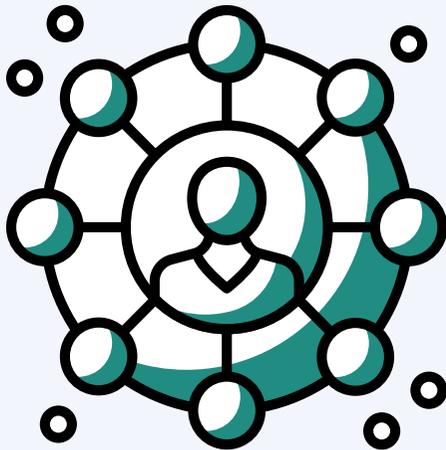
Omnichannel retailing is the way that retailers provide shoppers with a consistent experience across all channels and devices of their purchasing journey. The Harvard Business Review conducted a survey in which 73% of respondents confirming that they use multiple channels during their shopping journey. It's becoming clearer that with more channels appearing, the number of omnichannel customers will continue to grow too.

Integrating your ecommerce website with your marketing, CRM, channels and POS systems will help to ensure that your customers feel supported along their purchasing journey no matter where they touch your brand.

Let's face it, online shopping is here to stay. With over [71%](#) of Australians using social media for up to 2 hours a day on average, the importance of connecting with your customers where they are has never been more prevalent. You need to make it simple and easy for your customers to purchase products when they need them wherever they are. Enter social commerce.

In 2020 alone, this strategy has rapidly increased in popularity with [partnerships between Shopify and Tiktok](#) entering the fold, [Snapchat expanding their Native Stores for Brands](#) offering and [Facebook launching Shops](#) for Facebook and Instagram (Instagram expected to launch in Australia in early 2021). Research conducted by [pepper.com](#) analysing their platforms and consumer engagement have indicated that retailers selling consumer electronics and fashion products will benefit the most from social commerce.

In 2021 and beyond, social commerce can be expected to become an even more integral part of the ecommerce experience for brands and shoppers alike.

Technology (AI & AR)

3.5

billion users of AR by 2022

With more merchants and retailers moving online than ever, automation and intelligent technology will be vital to ensuring competitiveness, innovation, and value for your business. For example, AI has become a necessity for retailers who want to compete in the personalisation field and the algorithms that Google are using today have reached a new level of complexity from where they started. Mobile-optimisation and voice search capabilities are at the forefront and will need to be tended to in order to ensure your products are being showcased to consumers.

Additionally, Augmented Reality (AR) will be the way of the future. By 2022, it is predicted that there will be over 3.5 billion mobile AR users globally. AR will act as an online fitting room to allow customers to engage with a product and "try it on" before they make their purchase. Innovations like this will be the way retailers will be able to compete and stand out amongst the growing eCommerce retail-scape.

As 2020 has demonstrated, retailers need to learn how to quickly adapt and shift in a fluctuating and rapidly changing environment. Business Continuity should be at the forefront of all retailers' minds now and moving into 2021. Shutdowns of distribution or fulfilment centres (DC) could have dramatic effects on your ecommerce supply chain. This can have a trickle down effect on your customer's satisfaction leading to demands for refunds or loss of loyalty from existing customers.

Complimenting a Ship from DC policy with options like ship from store has a wealth of benefits beyond mitigation of risk including; decreasing backlogs of online order fulfilment during promotional periods, increasing conversions and sales by increasing product range and reducing stockouts (estimated to cost nearly $1 trillion in sales globally) and stock turnover in stores before inventory becomes distressed or out of season.
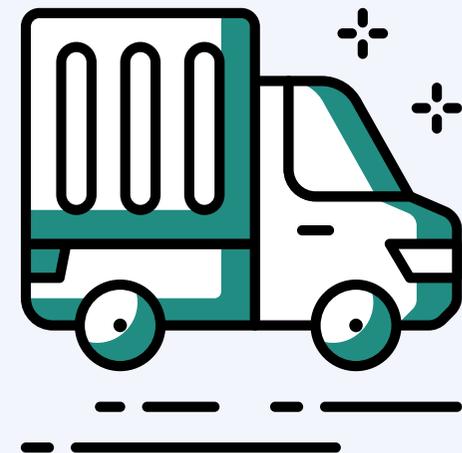
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Comestri empowers brands to sell more everyday.

The platform gives merchants the ability to manage and enrich multiple sources of product information for use across independent sales channels such as ecommerce platforms (Salesforce Commerce Cloud, BigCommerce, Magento, Shopify), marketplaces (Amazon, eBay, The Iconic, Catch) and other online channels such as social media (Google, Facebook), email marketing platforms, order management systems and dropshippers.

Let's Connect.
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All the tools you need in one place:

Product Manager (PIM)   Automation Engine

Channel Manager   Order Manager