



ECOMMERCE TRENDS:

The future is customer-driven.
The future is here.
The future is now.



Introduction

The pace of change in the eCommerce technology landscape is not slowing down. More than ever, customer segments that traditionally shopped offline have discovered the benefits of eCommerce—and may never revert to old buying habits.

All this is moving us toward a predominantly digital buying experience quicker than previously forecast. So, what does this mean in the context of our eCommerce technology planning process?

First, merchants must strive to align eCommerce experiences with the expectations of the buyer: highly personalised and contextual.

Second, buyers expect online retailers to be at the forefront of digital innovation. That means blazing fast mobile experiences, highly visual and intuitive buyer journeys, and seamless transitions between shopping channels and touchpoints. This requires merchants to move outside of their comfort zones and start experimenting with emerging technologies such as progressive web apps and headless architecture.

Finally, we're seeing shifts in traditional selling. Brands that traditionally only sold through retail channels are opening up Direct to Consumer (D2C) channels to better understand customers. In B2B, buyers are demanding B2C-like buying experiences like eCommerce. And in both B2B and B2C, the rise of marketplaces is offering choice and competitiveness like never before.

The bottom line is that there are no futuristic trends coming down the track in eCommerce. They're already here.

The future is now.



Executive Summary

The eCommerce industry is on the cutting edge of technological innovation. It has to be. It is held accountable to a generation of consumers that demands excellent experiences across every channel.

As we enter a new decade where customer demand for instant shopping experiences is even higher, the pace of change in eCommerce is not slowing down. One thing is clear: **the future is now.**

The industry underwent a digital transformation before most other industries even thought about it. eCommerce growth is still outpacing overall retail growth at **14.1 percent versus 4 percent**. These advances in technology are helping savvy merchants stay ahead of the curve and meet ever-growing customer expectations.

In conjunction with 13 Magento ecosystem partners, we bring you the blueprint for eCommerce success in 2020 and beyond.



PETER SHELDON
SENIOR DIRECTOR STRATEGY
DIGITAL EXPERIENCE, ADOBE

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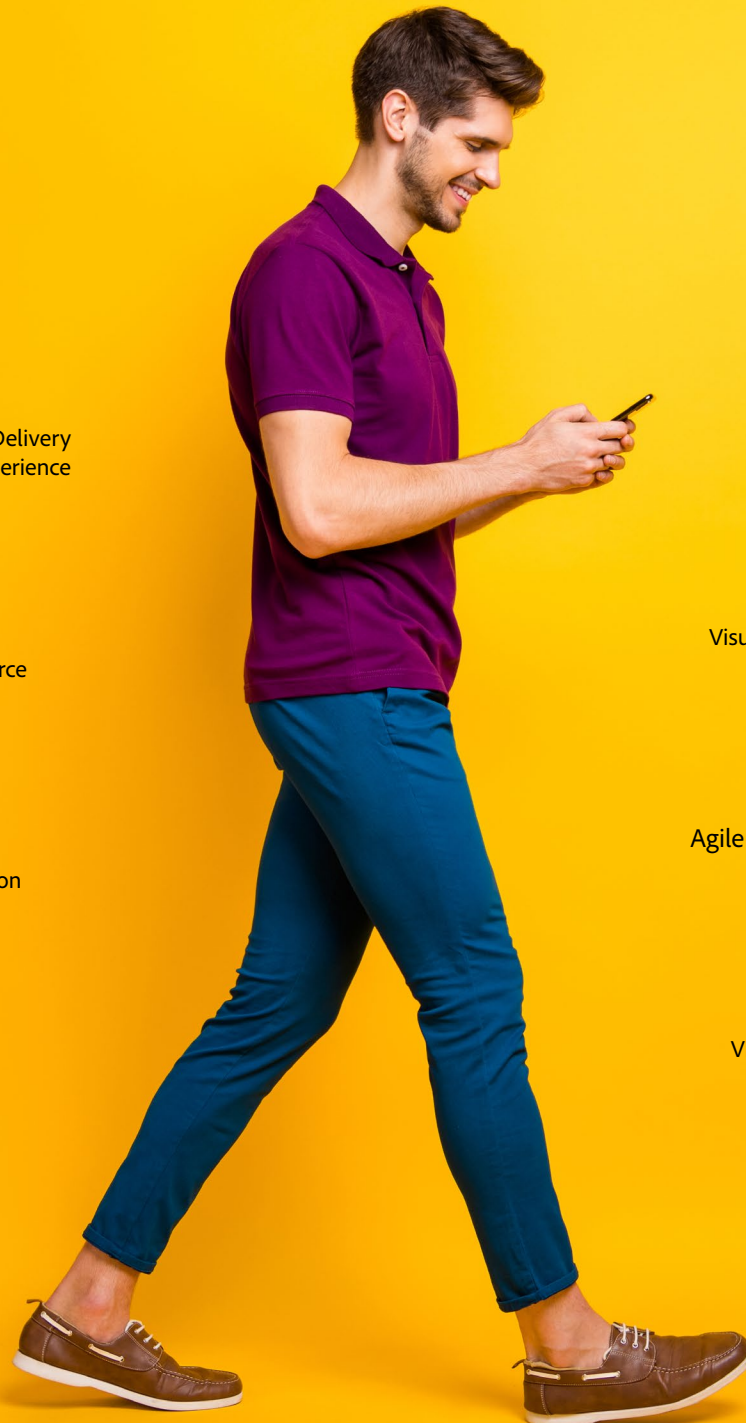
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THE FUTURE IS CUSTOMER-DRIVEN

Today, eCommerce is as much about the experience customers have with your brand as it is about the product or price. Creating experiences that prioritise what customers value most—sustainability, convenience, trust, and efficiency—is key.

The Omnichannel Delivery Experience

Livestream eCommerce

Delivery Transformation





The Omnichannel Delivery Experience



creativestyle

Delivery options such as click-and-collect, or BOPIS (buy online pick up in store), are important components of the omnichannel experience. In Germany alone, **20 percent of shoppers** expect retailers to offer these services and that number is expected to grow in the coming years.

Click-and-collect offers a great opportunity for retailers to connect their online and physical store channels. This allows them to create in-person interactions with traditionally online buyers while fulfilling consumers' growing need for fast fulfillment.

"Magento Commerce is an excellent choice for us. With its high level of standardization and multitude of out-of-the-box features, we are able to offer our customers a seamless and outstanding shopping experience."

BENEDIKT MERL
MARKETING CONSULTANT
CREATIVESTYLE

NKD

NKD Customers Prefer Click-and-Collect Over Delivery

NKD sells discount clothing at more than 1,800 branches throughout Europe, with the majority located in the DACH region.

The company engaged **creativestyle** to migrate to a new eCommerce store on Magento Commerce and enable click-and-collect options within the NKD checkout process.

To make this work, it had to dynamically synchronise the stock at their physical NKD branches with that in their online store. Today, each NKD branch is treated as an individual pickup location, enabling the user to choose the store closest to them, where they can then try, purchase, or return items.

Since the launch of the new store, most NKD customers now prefer store pickup over shipping (since it's free of charge!).

"With NKD's ambitious growth goals, we feel click-and-collect is a future-proof choice to offer new ways for customers to engage with us."

RALF EISEND
DIRECTOR ECOMMERCE
NKD



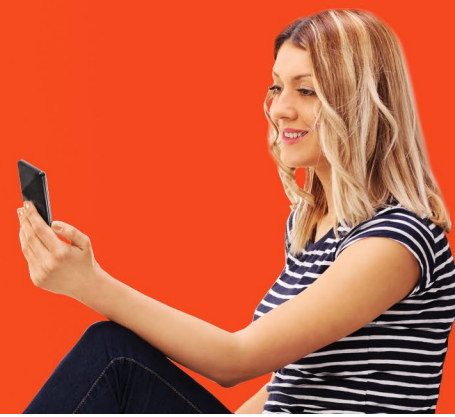
~4,700
orders per day

~1,000
active users

~5
months to migrate
to new platform



Livestream eCommerce



Fast White Cat
DIGITREE GROUP

Today, eCommerce is not limited to an online store as channels like social media offer more paths to purchase.

Livestream selling is the latest eCommerce trend, responsible for over **\$61 billion in transactions** in 2019 and expected to grow to more than double that this year. Livestream eCommerce occurs when buyers shop directly on social media channels. It allows brands to connect with their hyper-targeted audiences, fulfill expectations, and encourage consumers to buy promoted products.



"As companies face new and difficult challenges—including how to maintain sales levels amid shopping mall and high street closures and changing shopping patterns—brands are turning to solutions like livestream to secure revenue."

CEZARY KOŻON
CHIEF EXECUTIVE OFFICER
FAST WHITE CAT

QUIOSQUE

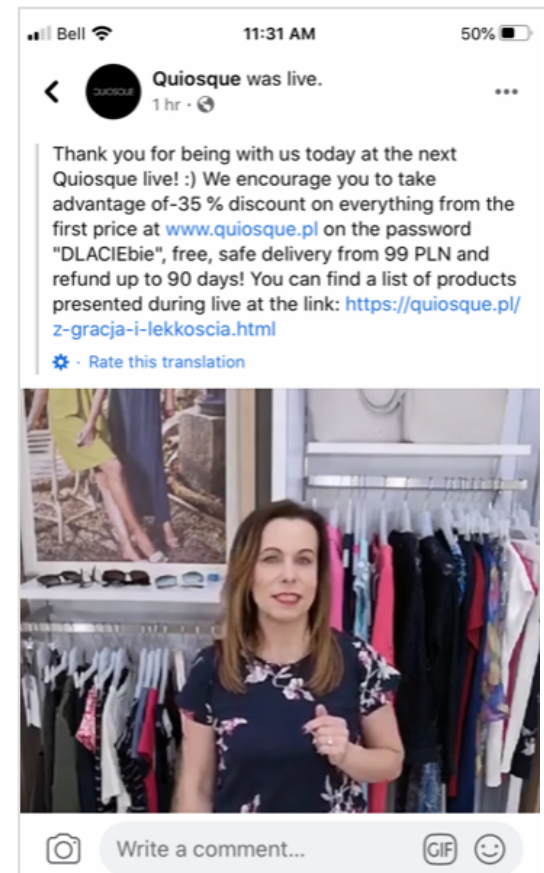
Quiosque Boosts Sales During COVID-19 with Livestream

During the COVID-19 pandemic, women's fashion brand **Quiosque** shut over 180 retail stores across Poland. To boost online sales, they engaged **Fast White Cat** to build a livestream sales solution on Facebook, one of the most popular social media channels in the country, with **75 percent market share**.

Quiosque's main goal was to drive sales while delivering a great customer experience. To achieve this they:

- Provided customers with limited-time discounts to drive them to the online store. These promotions were based on current sales and product stock levels.
- Ensured product accessibility by displaying merchandise in a descriptive and visual way. They showed photographs of the clothes on models, including the sizes, measurements, colours, and links to purchase.
- Started the livestreams at strategic times based on analysis of the traffic and activity of Quiosque's Facebook page followers.
- Offered customers the opportunity to order via a live Helpdesk consultant if they are uncomfortable fulfilling online.

Fast White Cat helped Quiosque build workarounds for some of Facebook's limitations, so the entire customer experience was optimised.



Livestream Results

28,258 - 40,260

New active followers

44%

Online sales increase



Delivery Transformation



Customers expect faster deliveries. From small eCommerce companies to global logistics giants, companies need to adapt to meet these expectations.

There are several innovations shaking up the eCommerce delivery business from logistics management and flexible delivery options to AI and autonomous delivery methods:

“Shipping companies like DHL are constantly looking at more ways to use data to drive innovation and AI’s potential is endless: data-driven supply chains could bring previously unimaginable levels of optimization. AI is the future of shipping.”

LEENDERT VAN DELFT

GLOBAL VICE-PRESIDENT SALES PROGRAMS AND DIGITAL MARKETING
DHL EXPRESS

1. Mobile Warehouses

As data analytics get more advanced, customers can expect a range of additional purchase options when a package arrives. For example, by basing “mobile warehouses” in high-density areas, consumers will have an opportunity to purchase more products on delivery of their original order. These mobile warehouses will be combined with new delivery methods using autonomous vehicles and robots.

2. Autonomous Vehicles

McKinsey predicts a world where autonomous vehicles deliver 80 percent of parcels. Self-driving robots, which operate like small lockers, are already being tested.

In just a few years’ time, there is a good chance that your online purchase will arrive at your door with no delivery person. For example, in the Bavarian community of Reit im Winkl, **DHL ran a successful three-month test** of Parcelcopter — a drone, or “flying postman,” that delivers parcels by air to remote or hard-to-reach areas.

3. Robots

In some urban areas, last-mile, door-to-door deliveries often require the delivery person to navigate crowded sidewalks and multi-story buildings.

In the future, small, autonomous vehicles will complete this last mile of the delivery. They will follow a set route to the recipient’s door where the recipient will receive a text or email notifying them of the arrival.

4. Artificial Intelligence

Shipping companies are constantly looking at more ways to use data to drive innovation. AI offers enormous potential to bring more optimisation to data-driven supply chains.

Consumers are willing to pay significant premiums for fast delivery (younger, more impatient consumers will pay **up to 30 percent more**). Faster delivery will remain a key differentiator for generations to come.

THE FUTURE IS HERE

What is the next new wave of innovation in the eCommerce space? Many of the innovations we talk about in this section are in the nascent stages but many are already being tried-and-tested by savvy merchants. Let's dive into some of the latest innovations.

Product Experience Management

Visual Content

Agile Project Approach

Visual Search in eCommerce

Voice as an eCommerce Channel





Product Experience Management



Merchants that look at omnichannel strategy from only a sales standpoint are missing out. As the number of touchpoints required to make a decision continues to grow, sales and marketing channels are increasingly complementary, creating the need for consistent experiences.

According to a **survey conducted by PWC**, 43 percent of buyers would pay more for greater convenience and 65 percent find a positive experience with a brand to be more influential than great advertising.

A compelling product experience is the foundation for any great customer experience. By adopting a **Product Experience Management (PXM)** approach, brands can deliver product information in context, adapted and tailored by channel and geography for every touchpoint in the buying journey.

KURT GEIGER

Kurt Geiger takes control of a large volume of product data

Kurt Geiger is Europe's largest luxury shoe retailer, designing shoes in London and manufacturing them all over the globe. Today, the company has over 60 stores and over 200 concessions within the world's most prestigious department stores, including Harrods and Selfridges.

Kurt Geiger had previously built a custom Product Information Management solution but this tool was no longer able to handle the growth of the business, nor the increasing amount of bespoke catalog information. Eventually, the company decided they needed to find a way to save time and resources by better managing their growing collection of product information without wasting time making improvements to an outdated system.

"Companies that best understand and anticipate the needs of their customers will stand out from their peers in the coming years. Correct and convincing information, in the right place at the perfect moment - that is the demand of those who secure sustainable competitive advantages in the Experience Economy."

TOBIAS SCHLOTTER
GENERAL MANAGER
AKENEO CEE



So, Kurt Geiger implemented a Product Information Management solution which has allowed them to more efficiently product data and share it easily and quickly across multiple channels and with many partners.

"We share our product data with about 20 partners on a daily basis, and we needed something efficient and easy to use".

STEVEN KING
HEAD OF IT
KURT GEIGER



Visual Content

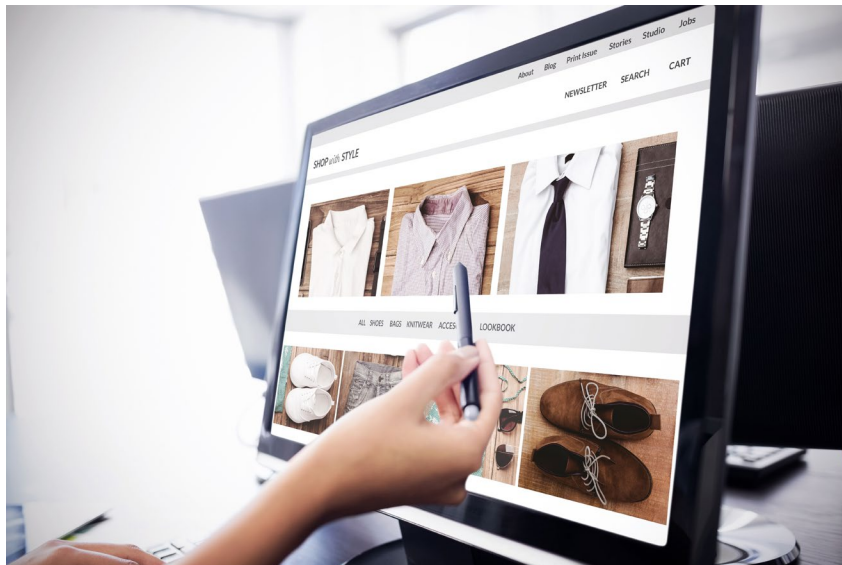


With eCommerce expected to account for **36 percent of global fashion sales** by 2022, it is imperative that fashion brands adopt a multichannel strategy.

To convey their brand values consistently across channels, brands must make their styles digitally tangible. After all, customers cannot touch and feel their materials online like they can in stores.

"Fashion brands need to provide highly visual experiences across all physical and digital touchpoints. In short, they require a digital showroom to transfer their fashion experience to the online world."

NIELS STRUCKMEYER
MANAGING DIRECTOR
BRANDUNG





EDWIN Replicates Its Unique Customer Experience Online

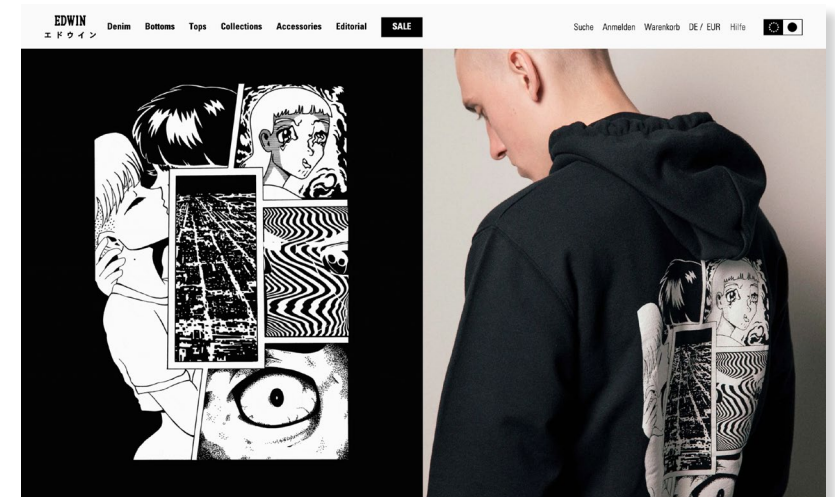
Over the past 70 years, **EDWIN** has built a reputation in the fashion world as a supplier of exclusive materials and an innovator in exceptional manufacturing technologies and hand washing techniques.

The laid back denim and street wear brand engaged eCommerce agency **brandung** to reproduce its unique in-store fashion experience in the digital world. Following a successful relaunch of EDWIN's online shop on Magento Commerce, brandung implemented a sophisticated shopping experience with two goals in mind:

1. An Editorial Look and Feel

EDWIN's online store features a modern "lookbook" approach adopted by most innovative high fashion retailers. New collections are presented on EDWIN's site with an appealing story that invites customers to feel the designers' intentions digitally through modern wide banners and the use of premium photography.

The themed fashion shoots showcasing EDWIN's collections crosslink to featured products for a seamless shopping experience.



2. A New Digital Brand Experience

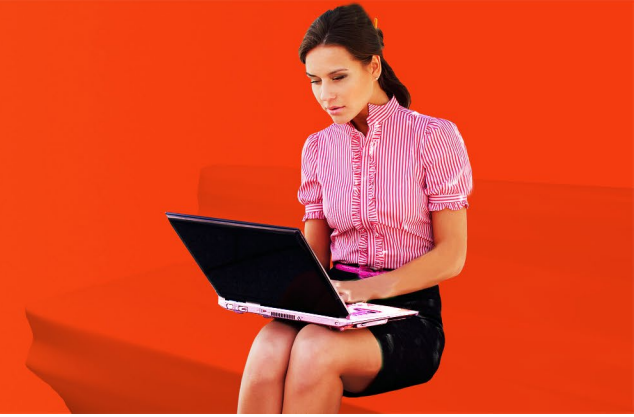
EDWIN set a new benchmark in fashion commerce with their digital store.

With a mobile-first approach, the site ensures the best presentation of EDWIN's products across all devices. EDWIN's CMS editors can maintain the content easily through the convenient interface. Content blocks for each denim line ensure a guided customer journey where endless searches are a thing of the past.

Denim and fashion lovers can also use the fit guide for individual assistance to find perfectly fitting denim and street wear.



Agile Project Approach



With the pace of change in eCommerce today, traditional eCommerce project management has evolved. Some merchants are adopting an agile approach—outlining, estimating, prioritising, developing, and testing features in two-week sprints—that leaves room for flexibility as the project progresses (be it a new website or a migration for example).

Agile eCommerce Project Management Tips:

- Define the requirements with user stories to reduce complexity.
- Define minimum viable product (MVP) to achieve a faster time to market.
- Set a minimum of criteria to be considered a finished project (definition of done).
- Compare business value to time and budget.
- Don't lose sight of the 'go-live' date to fulfil all necessary features and functions in time.

"To take a large project like Mey to market in only five months, it's important to balance every decision between time to market and the functionalities required. It only works, if customer and service provider consider themselves as a team with a common vision."

FLORIAN KLAPPERT

PRODUCT OWNER

netz98



A Collaborative Approach Helped Mey Achieve the Right Mix of Functionality

Underwear and loungewear brand [Mey](#) worked with [netz98](#) to implement with an agile approach. They created regular corporate backlog refinements, planning and sprint reviews, and ensured the right balance of using Magento standard functionalities and dedicated adjustments and customisations.



FLYER Adopted Agile Development for Digitisation and Better Automation

[FLYER](#) split their large project into phases, to achieve a faster time to market and a quicker amortisation of the costs. The phases were exactly defined to ensure the project stayed on track.





Visual Search in eCommerce



Today's consumers — especially those between the ages of 18-34 — have shown a **growing interest in using visual search** and image recognition technology, in order to discover new brands and products.

Fueled by machine learning technology, visual search and image recognition engines identify objects within the images presented to them and then search for images related to those objects. In the context of retail personalisation, this presents a massive opportunity for brands to foster deeper connections with their shoppers by making it easier for them to find the products they're looking for.

By 2021, early adopter brands will redesign their websites to support visual search, resulting in a **30% increase in digital commerce revenue**. This is especially beneficial for retailers in the fashion and home goods industries, which rely heavily on visuals to inspire shoppers to purchase.

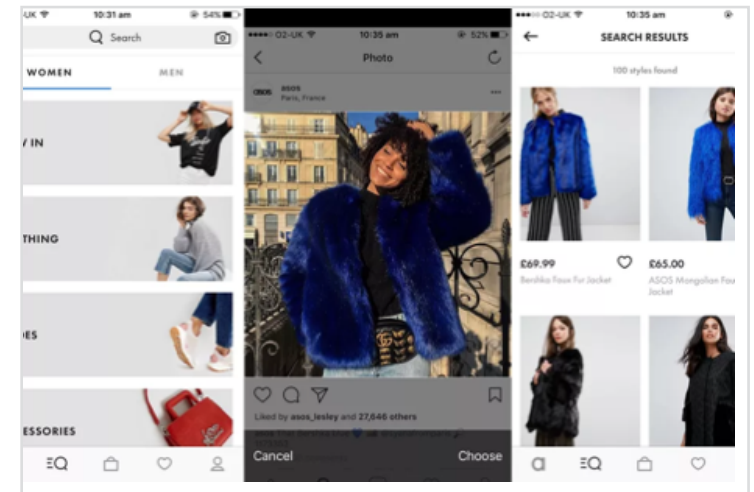
Enhancing the Shopping Experience with Visual Search

Large fashion retailers such as ASOS have already implemented visual search and image recognition into their shopping experiences, allowing their shoppers to snap a photo of products they discover in a physical store and find similar items through the website.

Visual platforms like Pinterest also use it to streamline search capabilities and empower users to find exactly what they need. In 2018, the platform reported that their users generated more than 600 million combined monthly searches using their visual search tool, Lens, generating more image results than ever returned by Google

"In the context of eCommerce personalisation, this presents a massive opportunity for brands to foster deeper connections with their shoppers by making it easier for them to find the products they're looking for."

MATT LEVIN
GLOBAL HEAD OF MARKETING
NOSTO





Voice as an eCommerce Channel



While many people say we're still in the early days of voice, almost three-quarters of people would rather use their voice as an input to search and **76 percent of companies** have already realized quantifiable benefits from voice and chat.

In fact, recent research found that roughly **20 percent of consumers** with intelligent speakers use them to shop and that's expected to rise to 50 percent in the next 12 months.

But voice is more than just smart speakers, too. Customers increasingly expect to see voice input as an option for searching on mobile. This new interaction model provides a stronger way of building a relationship between retailer and customer.

Add your brand to Alexa, Google Assistant, and add a voice input to your mobile apps. In the future, voice will be your main engagement channel with your customers.

Merchants should keep in mind that:



Consumers want to search with their own words, not the keywords a merchant has specified



Customers expect to see voice input as an option for searching on mobile

"Voice takes the friction out of the customer experience. Are they thinking about the product on the bus? Or while walking home from work? Or in the kitchen while cooking? Voice is a way to be where customers are when they are thinking of you."

JULIEN LEMOINE
CTO & CO-FOUNDER
ALGOLIA

THE FUTURE IS NOW

According to Accenture, the post-digital era is coming. In an environment where everything is digital and the only speed fast enough to meet customer expectations is instant, we need a new set of rules to be successful. Digital is still important, but now it is simply the price of admission for doing business—it is no longer a differentiation advantage. This section examines some ways to create competitive advantage in a post-digital world.

Unified Commerce

Marketplaces





Unified Commerce



Unified commerce is the term used for a platform which connects all your inventory and customer data—B2B or B2C—to all your online, in-store and mobile sales channels.

Until recently, there were huge differences in the way brands addressed customers in B2C and B2B environments. Today, B2B merchants realise that their buyers expect the same level of functionality when shopping at work as when they shop in their personal lives. They respond to an appealing visual appearance, comprehensive product information, and various comfort functions such as product recommendations, additional products/parts, powerful search, comprehensive product presentation.

The Magento platform enables the best possible unified commerce experience, addressing both B2C and B2B customers with the corresponding features via a central platform.

"Today, B2B merchants realise that their buyers expect the same level of functionality when shopping at work as when they shop in their personal lives."

STEFAN WILLKOMMER
CO-FOUNDER AND CEO
TECHDIVISION GMBH

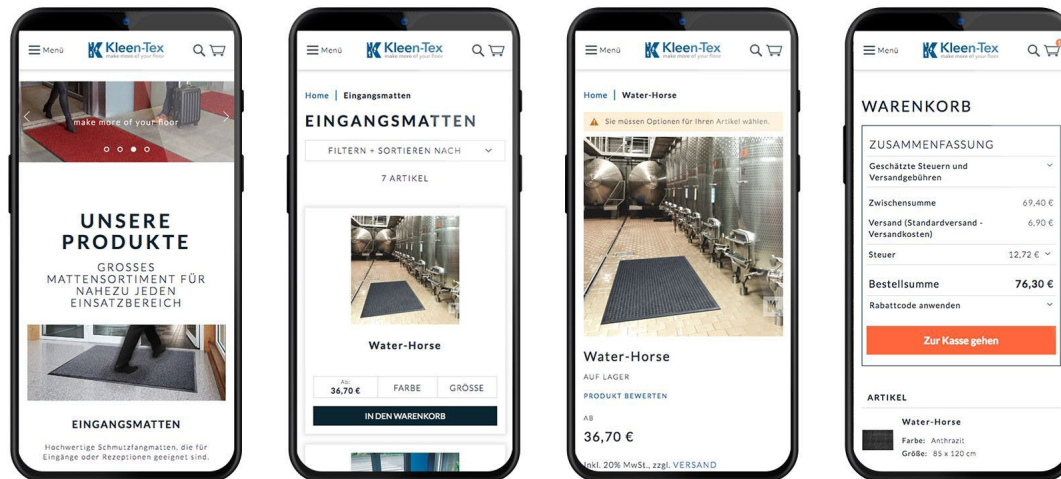


Kleen-Tex

Traditionally, the sale of commercial and industrial mats was exclusively via wholesale, specialised, or stationary trade channels. An old site serving the B2C space was outdated and no longer viable. To address this, Kleen-Tex broke new ground in eCommerce with the launch of a unified commerce platform that would serve B2B and B2C audiences.

TechDivision helped Kleen-Tex implement their new system—built on Magento Commerce—with comprehensive multi-shop capability which allows extensive internationalisation, flexibility, and state-of-the-art functionalities.

Two different online shops were launched on the same platform in both German and English. The Kleen-Tex Shop was launched to serve the B2B space and STUDIO 67, with a separate look and feel, was launched to serve the B2C space. This enables Kleen-Tex to address two different customer groups on one platform while still delivering completely separate experiences.





Marketplaces



Merchants who build a Marketplace are actually building a platform approach to their business—transforming the business model to capitalize on connecting systems, and building networks of partners and people, to offer more value to end customers.

McKinsey predicts that, in the next 5 years, platforms could account for more than 30 percent of global corporate revenues. By 2024, B2C marketplaces are set to reach **\$3.5 trillion** and B2B marketplaces are expected to reach **\$12 trillion**.

The **platform revolution** will reach a tipping point in 2020, driven by buyers seeking easy, familiar, and competitively-priced marketplace experiences. The explosion of online marketplaces is a clear sign that the marketplace revolution is already underway:



The top 100 online marketplaces already sell **\$1.8 trillion each year**



In China, **Alibaba accounts for 80%** of eCommerce



In the U.S., Amazon's third-party marketplace accounts for **58% of its sales**

"The businesses that are taking the lead in this new, digital ecosystem-driven economy are seeing nearly double the revenue growth of the companies that play it safe. And while the opportunity is ripe, there isn't much time left to become a first mover."

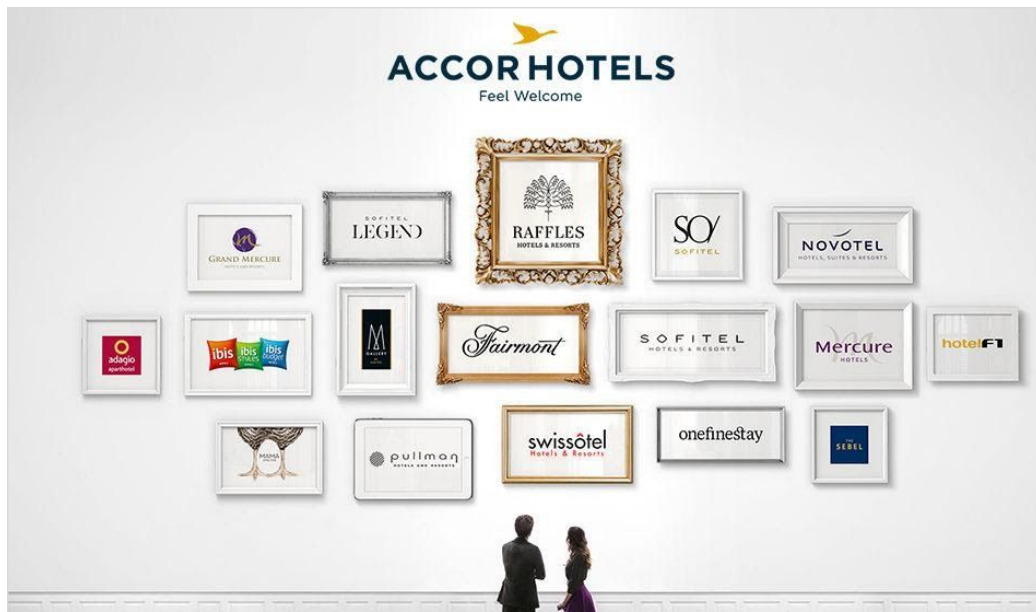
ADRIEN NUSSENBAUM
CO-FOUNDER AND CEO
MIRAKL



In 2020, we will see a critical mass of enterprises acting on the simple fact that business-as-usual is no longer enough to maintain their leadership positions. Instead, they must launch online marketplaces to ensure long-term survival in this new digital economy.

Incumbent businesses like AccorHotels, the largest hospitality company in Europe, and Albertsons Companies, one of the largest grocery brands in the U.S., are already at the leading edge of the platform revolution. They've launched online marketplaces that transform their digital commerce offerings by creating an ecosystem of buyers, sellers, and service providers.

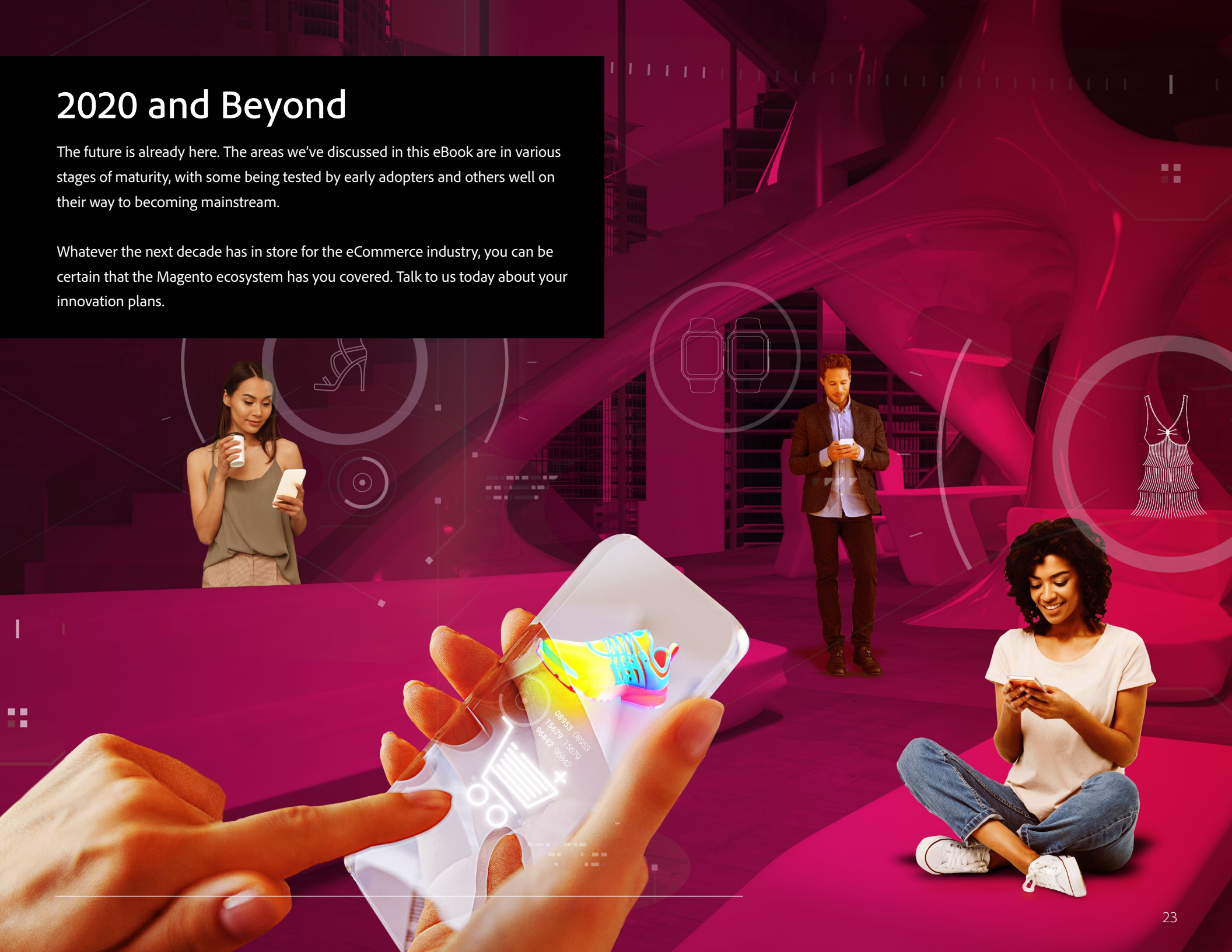
The power of the platform revolution comes from one simple truth: only platforms can offer the scale and agility that businesses need—and customers expect—in a digital age.



2020 and Beyond

The future is already here. The areas we've discussed in this eBook are in various stages of maturity, with some being tested by early adopters and others well on their way to becoming mainstream.

Whatever the next decade has in store for the eCommerce industry, you can be certain that the Magento ecosystem has you covered. Talk to us today about your innovation plans.



About Magento Commerce

ADOBE EXPERIENCE CLOUD

Leveraging deep customer intelligence, Adobe Experience Cloud gives you everything you need to deliver a well-designed, personal, and consistent experience that delights your customers every time you interact with them. Built on the Adobe Experience Platform, leveraging Adobe Sensei machine learning and artificial intelligence, Adobe Experience Cloud gives you access to the world's most comprehensive suite of solutions across three clouds—Adobe Analytics Cloud, Adobe Marketing Cloud, and Adobe Advertising Cloud. And because it's from Adobe, it's integrated with Adobe Creative Cloud and Document Cloud so that the design of a great experience is inextricably linked to its delivery.

ADOBE COMMERCE CLOUD

Adobe Commerce Cloud combines Magento Commerce with Adobe Experience Cloud, providing an end-to-end platform to manage, personalize, and optimize the commerce experience across every touch point.

MAGENTO COMMERCE

Magento Commerce is a flexible, scalable commerce solution with integrated tools for managing, measuring, and optimizing every aspect of the commerce experience.

magento.com



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