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EVOLVING WITH THE TRENDS DRIVING E-COMMERCE

It's a new age for e-commerce. For small businesses and micro-merchants, that means an entirely new world of possibilities — as well as an evolving set of customer expectations.

Millennials and Gen Z are set to overtake Baby Boomers as the dominant US consumers in the coming years.[1] The country could see the dawn of an economic "youth boom," **with significant implications for retailers**, the food and beverage industries, electronics and travel.[2]

Staying ahead of e-commerce trends has never been more important for growth-minded business owners. Read on to discover six key forces shaping e-commerce today, and how you can adapt to keep your business thriving in the future.

TOP 6 TRENDS DRIVING DIGITAL TRANSFORMATION

Growth in online shopping

Upswing in mobile shopping

Advancement in tech and artificial intelligence (AI)

Integration of connected devices

Emerging voice technologies

Rise of peer-to-peer payments

Explore this e-book to learn more.

GROWTH IN ONLINE SHOPPING

US e-commerce is poised to grow to $1.1 trillion in 2024, making up 18% of total retail sales.[3]

What's Behind the Trend?

Online shopping is **not only a convenient way to shop but also saves money** for many customers by leaving out physical retailing costs.[4] That's why a growing number of shoppers are making purchases online.

Cards continue to be the preferred payment method online — 77%[5]

Consumer use of digital payment options is growing:[6]
PayPal, Venmo or Zelle — **71%**
Mobile payment applications — **38%**
Checkout buttons — **37%**

How Can Your Business Adapt?

Take control of your e-commerce experience by maintaining your own online store.

An e-commerce website prevents visitors from being distracted by products from other sellers, reducing the likelihood of cart abandonment.[7] In addition, streamlining your checkout process can help increase your chances of conversion. E-commerce shoppers take 118.5 seconds to complete online checkout processes.[8] Each passing second increases the risk that online shoppers may abandon their carts.[9]

230.5 million people in the US

are projected to browse products, compare prices or buy merchandise online in 2021 — up from 209.6 million in 2016.[10]

TREND 2:

UPSWING IN MOBILE SHOPPING

M-commerce volume is predicted to hit $488 billion in 2024, a 25.5% compound annual growth rate (CAGR) from 2019.[11]

What's Behind the Trend?

The **increased use of shopping apps**, which tend to attract customers who are more likely to convert and offer a better overall experience, is a major contributor to mobile sales growth.[12] Other innovations, like **optimizing mobile sites** and **leveraging augmented reality (AR)** to improve online shopping experiences, will increase volume as well.[13] Millennials' and Gen Zers' growing spending power also can boost volume, as they're more likely to do a wider share of shopping on their smartphones.[14]

How Can Your Business Adapt?

Make your m-commerce process as user-friendly as possible.

For example, you can introduce one-click checkout. This method requires shoppers to enter their payment information once, and then they can use the one-click option to make purchases without having to re-enter it.[15] Or, simplify the basics of app development by focusing on converting the shopper to a purchaser with ease of app usage and basic personalization.[16]

84% of US retailers

will offer a mobile-optimized browser experience by 2021.[17]

ADVANCEMENT IN TECH AND ARTIFICIAL INTELLIGENCE (AI)

44% of retail businesses say they do not find the process of implementing AI or machine learning (ML) challenging.[18]

What's Behind the Trend?

Businesses are finding increased value in adopting **technology solutions to assist in the back office** as customer demand for quickness and e-commerce solutions increase.[19] Incorporating automation technologies in your business can help increase agility, lower costs, improve productivity, reduce delays, minimize errors and improve customer satisfaction.[20]

How Can Your Business Adapt?

Determine where you spend excess time and money on your e-commerce processes.

Then, explore options for implementing advanced tech. For example, shipping software helps ensure that you're printing the right labels for delivery, scheduling software minimizes errors in employee management, and a smart inventory tool eliminates the need for counting items manually.[21]

72% of US medium-sized businesses surveyed use AI and machine learning.
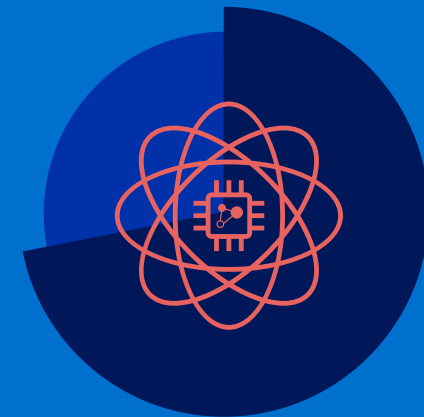
Very small businesses are lagging behind at 13%.[22]

INTEGRATION OF CONNECTED DEVICES

US connected device payment volume is expected to hit $24.2 billion in 2024.[23]
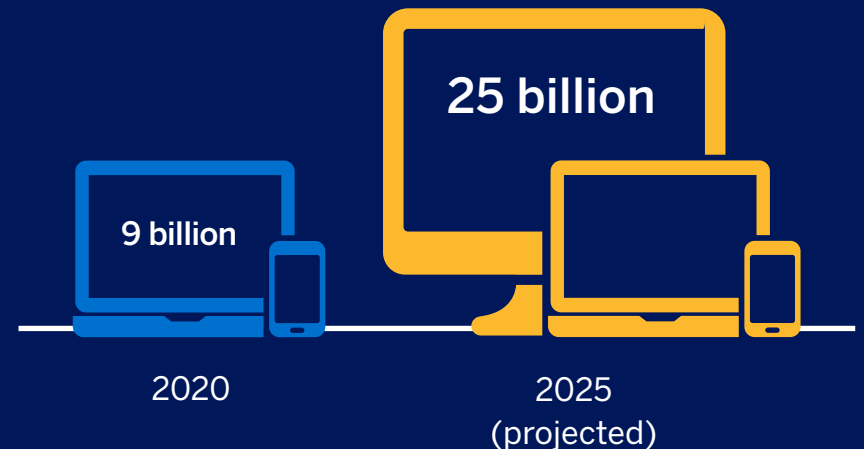
What's Behind the Trend?

Seamless payment experiences are starting to become available on a wider array of connected devices.[24] The notion of **on-call commerce will make commerce present — and effortless — in entirely new channels**. Thus, creating new efficiencies will have a positive impact on the economic well-being of countries all over the world.[25]

How Can Your Business Adapt?

Make it as easy as possible for your customers to purchase via any connected device, both to help improve your customer experience and help boost sales volume.

The explosion of connected devices will push commerce anywhere a device and an internet connection intersect.[26] All of these developments have laid the groundwork for the on-call commerce experiences that will shape how and why consumers engage with businesses of all types — forcing firms to adapt to those changes in order to attract consumers who increasingly want commerce delivered on demand.[27]

Number of devices capable of interacting with the internet:[28]

9 billion

25 billion

2020

2025 (projected)

EMERGING VOICE TECHNOLOGIES

94% of business decision-makers surveyed said they plan to increase their investments in voice in the next year.[29]

What's Behind the Trend?

Voice technology is another way to **help support and/or improve customers' overall shopping experience**. Voice commerce is in large part driven by its ability to lead to conversion and increase revenue.[30] Services like order tracking, quick refills and product research can create more loyal shoppers who may close the deal elsewhere.[31]

How Can Your Business Adapt?

Consider developing a voice app that can support m-commerce, help track order status, renew/refill orders and more.

88% of companies surveyed said they will develop voice apps for different platforms.[32] Voice is the great payments and financial services equalizer — the most ubiquitous and natural of all ways to communicate and trigger a transaction.[33]

Number of devices equipped with voice-assistant technology globally:[34]

3.25 billion
2019
(estimated)

8 billion
2023
(projected)

RISE OF PEER-TO-PEER PAYMENTS

The number of P2P payment users in the US is estimated to grow to 73.8 million in 2020.[35]

What's Behind the Trend?

Peer-to-peer (P2P) payments are increasing significantly in the US.[36] P2P payment apps like these **provide simple and costless transfers from one person to another**, a service which conventional banks were slow to provide.[37] **Millennials, in particular, treat P2P payment apps like a social media platform**; they login to see what their friends are doing, not just to send them money.[38]

How Can Your Business Adapt?

Enable your customers to make purchases using P2P payments.

Accepting payments from these kinds of apps could be beneficial in two ways: first, because Millennials like to make their payment experiences social and simple, and second, because it's free publicity when others see that their friends patronized your business.[39]

P2P mobile transaction value in the US:[40]

$309.95 billion

$612.23 billion

2019 (estimated)

2023 (projected)
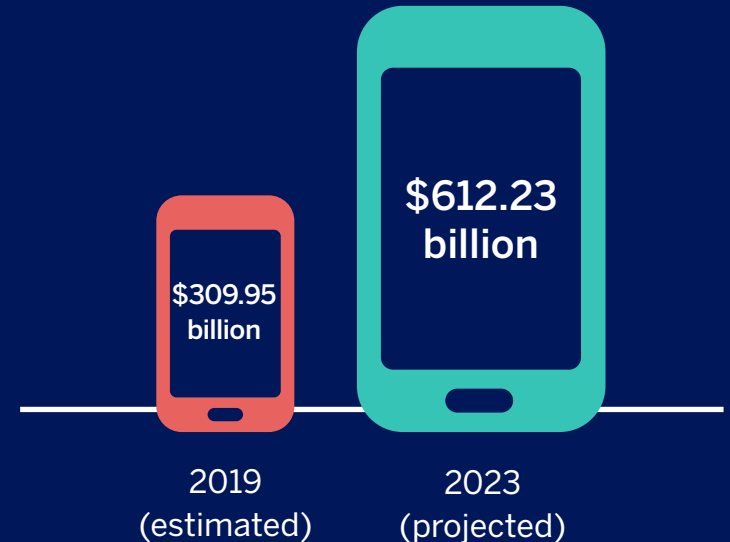
6 WAYS TO HELP YOUR BUSINESS ADAPT FOR THE FUTURE

Position your business for growth in the face of a changing e-commerce landscape by following these six strategies:

- ✓ **Own your e-commerce store** to promote brand recognition among your customers, limit their exposure to competitors and maintain control over their buying journey.

- ✓ **Integrate AI and ML** to increase accuracy, reduce time spent on tedious manual tasks and optimize efficiency. By identifying areas of your e-commerce process that require outsized amounts of time and resources, you can implement outcome-based solutions that can help increase efficiency and generate ROI.

- ✓ **Streamline your m-commerce experience** to increase customer satisfaction — and ease of purchase. Consumers are becoming more comfortable with using mobile devices for purchasing and the pain point of checkout is minimized through mobile payments or saved payment information.[41]

- ✓ **Seek ways to integrate your e-commerce with a range of devices**, such as wearables and smart TVs. As device interconnectivity continues to increase, so too do customer expectations regarding the availability of on-demand e-commerce.

- ✓ **Consider enabling voice-activated and P2P payments**. Doing so will not only give customers more ways to purchase from you but also can help you keep pace with competitors.

- ✓ **Stay up to speed with the latest digital advancements** so you can stay the course in areas where you're doing well and take action in areas where improvement is necessary.

IS YOUR BUSINESS OPTIMIZED FOR THE NEW AGE OF E-COMMERCE?

An evolving e-commerce world presents business owners with an entirely new set of challenges and opportunities. Millennials are quickly becoming the main consumer force in America and beyond, and everyone is trying to figure out how to better sell to them.[42]

Successfully adapting depends on your ability to identify emerging trends, recognize areas of need and understand how today's choices can impact tomorrow's results. American Express can help.

TAKE THE NEXT STEP

Learn more about the e-commerce trends shaping your industry at [TBDPartnerURL.com]. Then, make sure your customers know you accept the card they carry.

DOWNLOAD DIGITAL SIGNAGE

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