## 16 Technology Trends Shaping eCommerce in 2021

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If the first few months of 2021 have taught us anything, it's that uncertain times call for quick pivots to sales and marketing plans.

Businesses have had to evolve quickly. Trade shows, events, and in-person sales meetings have been cancelled, throwing a wrench in many sales and marketing strategies.

But even as we navigate a new normal, there is one place that is experiencing an incredible boom in traffic: eCommerce websites. Consumers are turning to online shopping to gather the essentials as well as other items they can't get from temporarily closed stores.

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In other words, if you don't have an eCommerce store, now is the perfect time to make the investment. And if you do have an eCommerce presence, you need to make sure you're equipped to keep up with the influx of shoppers and increased competition.

## Technology Trends Shaping eCommerce in 2021

- 1. Mobile dominates online sales.
- 2. eWallet technology is a must.
- 3. eCommerce subscription services gain traction.
- 4. Customization makes products highly personal.
- 5. Upselling and cross-selling fueled by personalized product recommendations.

- 6. Augmented and virtual reality are making online shopping interactive.
- 7. Customer experiences improve thanks to better CRM integration.
- 8. Magento emerges as the top global eCommerce platform.
- 9. Actionable content is driving business.
- 10.PWAs help shoppers quickly complete tasks.
- 11. Social media is a driving force behind mobile sales.
- 12. Cognitive supply chain management gains momentum.
- 13. Video continues capturing consumer attention.
- 14. Gamification is making online shopping more fun.
- 15. Chatbots are personalizing eCommerce.
- 16. Voice search is growing in popularity.

Let's review the latest eCommerce technology trends to focus on as we move through the year.

1. Mobile dominates online sales.

Worldwide mobile retail revenue is expected to reach \$3.57 trillion in 2021, up from \$2.91 trillion in 2020. This comes as no surprise considering that 125 million Americans own and use smartphones. It's interesting to note that consumers use mobile to research products they are considering buying and not just to make purchases.

However, just because websites are accessible from mobile devices doesn't mean businesses are prepared to succeed at mobile commerce. For example, <u>only 12% of consumers find mobile commerce convenient</u>, which means there is significant room for improvement.

2. eWallet technology is a must.

Enabling your customers to use eWallet functionality, commonly known as mobile wallet, is no longer optional. While digital payments accounted

for \$3.04 trillion USD in payments in 2017, they're projected to reach a whopping 6.6 trillion USD in 2021, more than doubling in only four years.

In addition to boosting sales and conversion rates for merchants, eWallet usage provides customers with ease of use and increased security. They no longer need to enter credit card information on websites or give their credit cards to cashiers; plus, many eWallets offer or require dual authentication prior to use.

3. eCommerce subscription services gain traction.

Subscriptions are an increasingly common way to buy products and services online. The eCommerce subscription market is forecasted to **grow by 68%**, **reaching \$478.2 billion USD in revenue by 2025**, and the Subscription Economy Index reports **a 403% growth in subscription services** in the past eight years.

There are three types of eCommerce subscription services: replenishment (automates purchases), curation (provides personalized experiences), and access (provides lower prices or members-only perks). Place your subscription model in one of these three buckets for optimal success.

4. Customization makes products highly personal.

Consumers increasingly expect customized products and, thanks to advances in digital and manufacturing technology, brands can enable them to personalize or customize products they want online. By empowering customers to become partners in the product creation process, brands strengthen the user experience, which increases customer satisfaction and loyalty and leads to higher profits.

5. Upselling and cross-selling fueled by personalized product recommendations.

By personalizing product recommendations to the tastes and interests of customers already on your site, you increase the likelihood of them making a purchase.

Marketers recognize the importance of personalization to buyers, with <u>92%</u> reporting that their customers and prospects expect personalized

<u>experiences</u>. And they've seen quantifiable business results from personalization efforts. <u>97% of marketers</u> report seeing a positive impact on their brand after personalizing the buying experience for prospects.

In order to make personalized product recommendations, you must leverage the details of users' previous purchases and on-site searches to recommend relevant products.

6. Augmented and virtual reality are making online shopping interactive.

Augmented reality (AR) and virtual reality (VR) are helping eCommerce retailers overcome one of their biggest challenges — the fact that their customers cannot try on or experience products before buying them. With AR and VR, customers can virtually try on products, place furniture within rooms of their homes, and more.

This personalized and interactive online shopping experience has led to greater adoption of this technology. The augmented reality market is **projected to have 2.4 billion users by 2023**.

7. Customer experiences improve thanks to better CRM integration.

Online retailers connect with customers through a variety of channels, including online marketplaces, eCommerce websites, chatbots, email, and social media, all of which must be carefully managed to ensure the best customer experience.

To keep up, online retailers are implementing integrated eCommerce CRM (customer relationship management) systems. In addition to resulting in a better customer experience, CRM eCommerce integration provides a central location for customer data that can be used to make marketing more effective. Sales data can also be used for improved inventory planning and forecasting. Automated, synchronized data increases overall business efficiency by improving order fulfillment and timely communication.

Next to built-in integrations and integrated eCommerce CRM systems, online retailers often use **native integrations** to connect their eCommerce tool not only to CRMs, but to all the channels and systems that gather customer data.

That way, they ensure a smooth customer experience across platforms and channels.

8. Magento emerges as the top global eCommerce platform.

The reliability and scalability of <u>Magento</u> has made it the most popular eCommerce platform in the world, powering over 250,000 businesses. Its customers are typically enterprise-level online stores with a high volume of products and the budget to invest in <u>certified third-party design</u>, <u>development</u>, and <u>programming services</u>.

Magento's main competitors include Shopify, Yo!Kart, BigCommerce, VTEX, WooCommerce, and Tictail, some of which better meet the needs of smaller eCommerce retailers.

9. Actionable content is driving business.

Relevant and helpful content helps drive business by attracting potential shoppers, guiding them to purchasing opportunities, and boosting conversions. There are several forms of content that can be effectively mixed and matched. They include <u>interactive</u>, <u>lifestyle storytelling</u>, <u>stance-taking</u>, and email.

Typically the most effective content involves storytelling and creating memorable experiences. It's also crucial whenever possible to ensure that any offers, ads, and promotions are tailored and unique to each customer's interests. Justin Ablett, global lead of Adobe at IBM iX, <u>asserts</u> that "[customers] have no tolerance for poor digital experiences anymore." A general digital experience is a poor digital experience, emphasizing the importance of personalization.

10. PWAs help shoppers quickly complete tasks.

Progressive Web Apps (PWAs) are websites accessed directly in a browser that provide the high-converting features of a native app. These apps are not downloaded from an app store platform.

While websites are optimized for users to get informational content, PWAs are designed to help shoppers accomplish tasks quickly. They have <u>fast and</u> <u>reliable features and functionalities</u> that create a highly engaging shopping experience.

11. Social media is a driving force behind mobile sales.

Platforms enabling eCommerce stores to sell directly through their social pages are increasingly driving sales. With a simple click on a product link within a social post, consumers are immediately taken to a product page where they can make a purchase.

As a result of this shift, social commerce sales are expected to reach upwards of **80 billion USD in revenue by 2024**.

12. Cognitive supply chain management gains momentum.

eCommerce companies are increasingly seeking distribution and inventory management systems that are self-learning, predictive, adaptive, and intelligent, which are known as cognitive supply chains. They result in improved, personalized customer service and decreased inventory. These systems can also mitigate risk, improve insight and performance, and increase transparency.

13. Video continues capturing consumer attention.

Using product videos on eCommerce sites can increase sales and product understanding. <u>94% of video marketers</u> agree that video helps buyers understand their brand's offerings, with <u>78% of marketers saying that video directly increases sales</u>.

This is because customers have more confidence in products when they see a video about them. When done right, product videos can educate and encourage consumers to make a purchase. Another plus is that they're highly shareable via social media.

14. Gamification is making online shopping more fun.

For some, shopping online can lack the interactive experience of shopping at brick-and-mortar locations. Gamification injects fun into online shopping by motivating customers to behave in a certain manner in exchange for additional benefits. Three common gamification methods include **promotional contests**, **spin-to-win opportunities**, **and tiered VIP loyalty programs**.

15. Chatbots are personalizing eCommerce.

A chatbot is a computer program that simulates a human conversation. It instantly communicates with customers and can resolve their challenges among multiple platforms 24/7.

Chatbots use artificial intelligence to infer customers' preferences and create a personalized online shopping experience. It's no wonder that this medium has grown in popularity — and will continue to grow. Business Insider reports that <a href="https://doi.org/10.1001/journal.com/business/">by 2024</a>, <a href="consumer retail spend via chatbots will increase to \$142">billion USD</a>.

16. Voice search is growing in popularity.

Mobile users and owners of devices such as the Amazon Echo or similar technology are increasingly comfortable with speaking their queries. **Nearly one-third of Internet users** have used voice search to either shop or look up information about a product, while voice shopping is predicted to grow to \$40 billion in 2022.

Successful voice search strategies for eCommerce retailers include implementing a solid SEO strategy, building brand affinity with informational skills and actions, including product-feature and review videos, and staying focused on delivering a superior customer experience.

Your toughest competitors are inevitably planning to implement some of these eCommerce trends to gain an advantage this year and beyond. Which ones do you intend to act upon to become a dominant eCommerce brand?

Editor's note: This post was originally published in December 2019 and has been updated for comprehensiveness.