The Future of Shopping

Presented by EasyPost
The Future of Shopping

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About EasyPost
It’s 2023.

Retailers’ life cycles are at risk of being cut short. By 2023, many of the traditional retailers we know today will disappear due to a lack of foresight and innovation. As a retail executive, your ability to predict trends and position yourself as a modernized channel will be crucial to your company’s survival and success. The COVID-19 crisis has put eCommerce into hyper-drive, and with the focus on managing the immediate impacts, few have thought about the long-term effects of this pandemic-fueled digital sprint.

In 2023 our lives will be digitally driven — a retailer’s ability to interact with the digital world will define how much and how fast it grows. To prepare, one has to assume that they’re already operating in the year 2023.
The Future of Shopping

Invest in eCommerce, invest in the future.

The future of retail is online. Invest in your online presence to continue growing your business in the coming years.

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eCommerce will overtake Brick-and-Mortar by 2025.

eCommerce has grown in market share year after year, and is projected to continue its expansion.

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Is your business ready for the future of shopping?

These strategies should be top-of-mind over the next 3 years to capitalize on digital growth and ensure you stay a step ahead of the competition.

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2023 Checklist

- Same-Day Shipping
- Flexible Delivery Date and Location
- Social Commerce
- Micro-Influencer Networking
- Experiential Shopping
- Cross-Border Expansion

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The future of shopping is online. Invest in your online presence to continue growing your business in the coming years.
Adapting to COVID-19

The American economy and lifestyle is shifting beneath our feet at this very moment. Since the COVID-19 outbreak accelerated at the beginning of 2020, over 36 million Americans have filed for unemployment. Every 1 in 5 restaurants will not reopen once shelter-in-place orders are lifted. And with extended stay-at-home orders, more households are turning to online shopping to source goods and supplies.

While the world waits for the curve to flatten and diminish, businesses must look ahead to figure out how they’ll continue to service customers who are looking to purchase items for comfort and necessity in the coming months. Now more than ever, it’s time for companies of all sizes to rethink their eCommerce strategies as they prepare for what the near and distant future looks like.

In this white paper, we’ll examine the what, why, and how of 7 trends in eCommerce and provide insights into how online merchants should adapt to meet new digital demand in 2020 and beyond.
The Future of Same-Day Delivery: Here Sooner Than Expected

Through technology, commerce has become nearly on demand. A trend that has been on the minds of shoppers and shippers over the past several years has been same-day delivery. A recent study found that:

**80%**

of eCommerce shoppers want same-day delivery to be an option at checkout

**56%**

of Millennials expect it

**23%**

of consumers would pay a premium to have their orders delivered same-day

Once a niche and expensive service available only via obscure courier services in large cities, same-day shipping has entered the spotlight. This trend has only gained momentum as the country faces a pandemic; consumers have been introduced to new methods of quick shopping while staying at home.

Behind the headlines and virtual storefronts lives a complex combination of digital, physical, and workforce assets. Orchestrating and optimizing the shipping process in order to achieve a viable cost structure requires leading technology and advanced algorithms. Many carriers are achieving this by making same-day delivery not only convenient in these times, but also expected moving forward. Big retailers continue to invest billions of dollars into delivery infrastructure, recognizing that eCommerce is not only a part of the future of shopping, but in many cases, it is also the future of shipping.

**Same-Day Delivery Changes the Landscape**

As warehouses pop up, and legacy retail spaces are converted to fulfillment centers, products are now closer to consumers than ever. This allows shippers to overlap SKU availability with carrier coverage, creating network density that gets products into the customer’s hands.
faster. When the time it takes to receive an eCommerce order rivals the time it takes a customer to go to the mall — as is the case with grocery delivery in many places today — near-instant gratification in the shopping experience will transform into a societal expectation.

Companies view carriers as a commodity. In the same way consumers expect retailers to offer expedited (and often free) shipping options, retailers expect carriers to have excellent on-time delivery rates (OTD) at cost-effective prices. In this scenario, well-capitalized, competent carriers will thrive, while others will consolidate or in some cases, cease to exist. With less available carriers to choose from, but a higher overall average NPS (Net Promoter Score), consumer expectations for seamless delivery of products will only increase. The combination of strong eCommerce retailers with capable same-day carrier networks will lock-in consumers and create staying power for both parties.

Businesses today need to have a plan centered around the way the world will look in 2023. Gone will be the days of 5-7 day shipping, and more than likely, innovative retailers with brick-and-mortar stores will have transformed at least some part of their operations to enable initiatives like Ship-from-Store. While today, 85.4% of holiday shopping is done in physical stores, eCommerce has been gaining share at a rapid pace, and it is only likely to continue.² While some businesses view eCommerce as a threat and carriers as a cost center, the experience provided by a combination of eCommerce and same-day delivery can actually create a profit center.

Selecting Your Carrier Mix
When an eCommerce business adopts the mindset of making shipping a part of its strategy and competitive advantage, selecting the very best partners is key. An understanding of the importance of same-day carriers — their relative strengths and what they can enable — will help differentiate forward-thinking eCommerce players from the pack. If recent events are any indication, businesses need to be prepared for changes in how consumers shop. Trends already in motion are often expedited by events like the COVID-19 crisis. This current eCommerce boom may be a glimpse into a future that has arrived sooner than expected. eCommerce businesses need strategies centered around same-day carriers in order to keep up with customer demands.

The What
A number of new, tech-forward, same-day and next-day carriers have emerged over the past several years including AxleHire, Deliv, and Veho. Verticals such as grocery, pharmacy, and digitally native DTC brands have been early...
adopters, with more established players starting to embrace expedited service levels. As seen in the chart below, trends that already had tremendous momentum have accelerated during COVID-19 — for example, eCommerce orders of cleaning products increased over 200%. The question is not whether the trend for these verticals will continue, but which verticals will be disrupted next, and which carriers are going to service the extra demand.

**eCommerce Consumer Sales (COVID-19)**

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Products</td>
<td>61%</td>
</tr>
<tr>
<td>Medical (Essential)</td>
<td>43.3%</td>
</tr>
<tr>
<td>Household Cleaning</td>
<td>210%</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>158%</td>
</tr>
<tr>
<td>Work from Home</td>
<td>85%</td>
</tr>
<tr>
<td>Health and Wellness</td>
<td>84%</td>
</tr>
<tr>
<td>Toys and Games</td>
<td>81%</td>
</tr>
</tbody>
</table>

**The Why**

If the billions of dollars invested into fulfillment and delivery infrastructure over the past several years by retail giants are any indication, delivering products cheaply and quickly to customers needs to be a priority for any eCommerce company. As the old retail giants, like Macy’s, J.C. Penney, and Nordstrom teeter on the brink of bankruptcy, it should be a lesson to every eCommerce business that embracing the expectations of a new generation of shoppers will help a business survive and transform shipping into a profit center. There are numerous examples where increasing cart conversion, AOV, and NPS scores can be attributed to offering fast, low-cost shipping. This ultimately leads to a higher CLV as they become accustomed to a routine of ordering necessities, instant gratification of spontaneous purchases, and loyalty to eCommerce companies which offer seamless delivery experiences.

**The How**

As more consumers expect same-day delivery to be an option and with many willing to pay a premium for it, brands, retailers, logistics platforms, and carriers alike will have to adjust. Next-generation 3PL and fulfillment providers like Darkstore, Flowspace, and FLEXE provide flexible micro-fulfillment to help traditional brands get inventory closer to consumers, enabling quicker delivery of products. Delivery orchestration platforms like Bringg cater to large enterprises like Coca-Cola and AutoZone, who recognized a shift in consumer expectations taking place. The future of delivery is fast approaching and brands quick to adopt service providers and platforms that enable same-day carriers have the opportunity to make instant gratification a part of their core brand value proposition ahead of the herd.

**Sources**

1. Deliv (2020)
2. CNBC (2019)
4. AxleHire (2020)
5. Orendorff (2020)
6. Thomas (2020)
Delivery When You Want It: Empowering Consumers to Schedule Deliveries

The growth of eCommerce is often attributed to the convenience of shopping without needing to physically enter stores. As eCommerce orders have skyrocketed in response to consumers’ love of convenience, a new inconvenience has risen in managing this abundance of volume. Porch theft, “signature on delivery,” and apartment buildings with no front desk are all major factors consumers consider when ordering online. These variables can trigger stress around changing one’s schedule, which brings us full circle: having to rearrange our routine or experiencing any inconvenience negates the value in ordering online in the first place. Fortunately, this trend has introduced new opportunities for eCommerce retailers to provide a buying experience that consumers love and, in some cases, even lower the cost of shipping.

It’s critical for retailers to recognize that they are the captain of the ship while carriers are merely the vehicle. According to Convey, “73.6% of consumers reported delivery is most important to the overall shopping experience.” While a package may ultimately be delivered at the hands of the carrier, retailers are in the driver’s seat when it comes to creating a shipping framework that yields customer satisfaction.

Three key elements to this framework include:
1. a diversified carrier mix,
2. carrier performance data analysis, and
3. the execution tools to act on carrier data insights.

This stack can enable a wide range of delivery options at checkout that won’t break the bank. For example, historical data can point to ground services that will meet delivery SLAs in certain scenarios, eliminating the need to pay the premium on a guaranteed service. Beyond increasing margins, having multiple delivery options has even become a purchasing factor for 76% (up from 64% in 2017) of shoppers. Therefore, providing the right shipping experience has become a critical measurement in both cost per acquisition and lifetime value.

**Ancillary Services, Delivery When You Want It**
Fenix Commerce productized a data-driven strategy of exposing delivery date and cost options at checkout driven by real-time ratings. Their results have been fruitful, earning them clients such as Tailored Brands’ Men’s Wearhouse and Jos A. Bank. Other companies, such as Fetch Package and Sealed, have taken a more capital-intensive approach.

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While Fetch currently focuses on apartment buildings and Sealed has launched with San Francisco residents and brands, each company provides the same service: send all of your packages to a 3rd-party business address, then schedule a single delivery within a one-hour window at your convenience to get your packages delivered to your doorstep. Fetch works with large-scale property managers such as Pinnacle and Invesco; Sealed has managed packages for Target, Best Buy, and Home Depot. All of this suggests that “delivery when you want it” is more of a macro trend than a micro trend for a specific category or vertical.

Ultimately, consumers’ evolving expectations around package delivery present retailers with a new strategic point. As Ware2Go recently reminded us: “In a world where shoppers can browse and compare an endless supply of products simply by clicking a button, merchants are being forced to reevaluate what ultimately drives an online customer to make a purchase.” While flexible delivery has yet to supersede fast or free delivery as the hot topic in shipping, the early success of companies such as Fenix and the variety of consumer categories being delivered by Sealed are both concrete indicators of the trend. Rather than seeing an obstacle, retailers can opt to be early adopters of this trend and capitalize on the opportunity to make their customers happy – and come back for more.

The Why
According to Convey, “52% of shoppers prioritized guaranteed delivery dates over free shipping.” Consumers usually order online because it’s more convenient than going to a store. When you have to send orders to your office, rearrange your schedule to meet the carrier, or go to a 3rd-party pick-up location after a missed delivery, the order then becomes more inconvenient than going to a store in the first place. Below are staggering statistics that indicate a need for “delivery when you want it”:

- **36% of Americans** have had a package stolen from outside their home at least once⁶
- **90,000 packages are stolen** daily in NYC⁴
- **$333 million in potential lost revenue** by retailers due to delivery issues during the holiday season, as well as another $1.5 billion in potential lost revenue if customers have a poor experience and churn⁵
- **66% of supply chain leaders** are held accountable to CX metrics¹

3PLs can leverage delivery preference data to optimize for efficiencies such as fulfillment SLAs, carrier pick-ups, and resource planning. Both software platforms and 3PLs will benefit from providing added flexibility and enhanced customer experience.

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Beyond porch theft and the annoyance of missed deliveries, other weighty factors include growing concerns about the environmental impact and infrastructural inefficiency of fast delivery as well as multi-merchant orders (ie. a dresser from IKEA and the required wrench from Lowe’s should arrive on the same day.) Consumers are entering a “post-fast-delivery-addiction” state of consciousness and it will benefit all parties to embrace the movement.

The How

The factors that have contributed to the rise of “delivery when you want it” are conditions most commonly found in cities: delivery difficulty at apartment buildings, high rates of porch theft, busy work schedules, and concerns of eco-consciousness. It is most likely that retailers will simultaneously provide flexible delivery options across their customer base and incorporate demographic data around preferences to optimize the underlying carrier and service level mix and shipping pricing model. Retailers will find themselves ingrained in the lifestyles of their frequent buyers as consumers come to find a reliable routine with online orders. To further drive LTV (Lifetime Value), retailers will be able to upsell based on consumer’s delivery habits (ie. grocers can offer a new smoothie for Monday deliveries or an in-season fish for Saturdays.) This trend can develop in a way that both improves profits for retailers and makes the lives of consumers easier.

Sources
1. Convey (2020)
2. Ware2Go (2019)
5. Amato-McCoy (2017)
Delivery Where You Want It: Convenient Collection Points For Delivery

We’re all aware that online shopping has been growing in popularity since the start of the internet. In recent years it’s become increasingly clear that eCommerce is being adopted at unprecedented rates.

Most of the drawbacks for consumers are related to the actual delivery and receiving of purchased goods. Online purchases delivered to your home or office can succumb to any number of unintended fates: packages left outside or in an apartment lobby are often stolen, or otherwise misplaced. Delivery times can be unpredictable, so deliveries requiring a signature from the recipient can result in confusion over where the package is, along with an unplanned trip to the post office. And in more extreme cases, the package is returned to sender. It can also be difficult for delivery drivers to gain access to some destinations, resulting in similar outcomes.

The Rise of BOPIS
BOPIS (Buy Online, Pick-Up In-Store) is exactly as it sounds. Shoppers make purchases online, then visit a brick-and-mortar location to pick up their goods.

According to Forrester, online sales will account for 17 percent of all U.S. retail sales by 2022. Additionally, online sales are projected to grow five times faster than offline sales. These figures should come as no surprise considering 80 percent of Americans now shop online and 62 percent of them make online purchases every week.

Global News Wire

There are many benefits that go along with — and likely encourage — this shift online: convenience, saving time, bargain hunting, etc. However, even with these benefits and the obvious surge of adoption, online shopping is not without its drawbacks for both consumers and merchants.

While merchant support for BOPIS eliminates the difficulties that sometimes occur with delivery, it’s not a perfect solution — though it is a step in the right direction. Many consumers excited to pick up their purchases are met with confusion over where their order could be retrieved — ultimately ending up at the
The Kibo 2018 Consumer Trends Study shows nearly 80 percent of shoppers have picked up web orders in a store, and half are willing to remain loyal to brands who offer it. So part of the retail revolution must include accommodating BOPIS.

Streamlining the customer pick-up process with automated lockers has been proven to increase satisfaction and often leads to additional in-store purchases while the customer is picking up their order.

Digital Commerce 360²

customer service desk. While promising, oftentimes online shoppers end up waiting in line behind in-stores customers, which result in long wait times and frustration.

Pickup Lockers
The latest trend — and one we believe will continue to grow in support and adoption — is the pickup locker. Again, this is just as it sounds: make purchases online, arrive at their local store for pickup, and retrieve their items from a locker, rather than a customer service desk.

The process, though with slight variations across retailers, is simple and straightforward. Pickup lockers are generally at or near the front door. The customer enters a code, or scans a QR/barcode from their phone. The locker door opens and items are retrieved. The customer carries on with their day. Pickup lockers are safe, secure, and convenient. Most can also be used for returns.

The Last Mile Challenge
Online shopping with delivery has created a logistical challenge for most retailers.

Typically referred to as the “last mile” — or getting products from a retail location to the customer’s delivery destination — is a complicated and costly undertaking for most merchants. They find themselves needing the infrastructure to support the organization of purchases, deliveries, returns, carrier accounts, and everything else that goes along with the shipping business — a business many never intended to get involved with. Pick-up lockers not only reduce or entirely eliminate the time and cost associated with the last mile, they’ve also been shown to improve customer engagement, satisfaction, and additional purchase rates.

With clear benefits on both sides of the online shopping experience, we’re seeing growing adoption across many industries and verticals. This includes large retailers like Walmart and Home Depot, eCommerce giants like Amazon, carriers like FedEx and UPS — as well as many retailers in beauty, apparel, and grocery.

The What
Many retailers are now offering BOPIS options as a way of providing secure, relatively inexpensive, and convenient ways for online shoppers to retrieve their purchases.

An increasing number of retailers that have both an online and brick-and-mortar presence are offering their customers the flexibility of BOPIS. According to research by RetailMeNot, 60% of retailers planned to provide these options this holiday season, compared with 52% in 2018.

Street Fight Magazine³
The Why
Retailers with an online shopping experience have often found themselves in the position of solving the "last mile" problem - how to get online purchases to their customers' final destination. These solutions are typically time consuming and costly for merchants and have created some unexpected challenges for customers as they often need to sign for deliveries, be present to provide access to secure locations, or find their packages stolen or misplaced after delivery.

The How
Retailers have supported various BOPIS options over the last number of years, but one gaining in popularity is the automated pickup locker. Customers’ online purchases are placed in an onsite locker and access is gained by either entering a code or scanning a QR/barcode. This keeps items secure, allows customers to retrieve them on their schedule, and has provided merchants with additional benefits such as cost reduction and an increase of in-store purchases made at the time of pickup.

Sources
5. Cleveron (2020)
6. Produce Blueprints (2020)
8. FedEx (2020)
9. UPS (2020)
Example of BOPIS in Major Retailers Today

**Pick-Up Lockers** - "Lockers are located just inside the entrance so you don’t have to look far to find them. Accessing them is easy and they don’t require any assistance from any employees as it’s completely self serve and help is available from a human in case you need." 4

**Click and Collect Pick-Up Solution** - "By the end of 2019, there will be around 1600 Pickup Towers installed in the States. Walmart has also installed the Pickup Towers in a few of their shops in Canada." 8

**Kroger Package Services** - "A package pickup and delivery service, aptly named Kroger Package Services, is also being tested in partnership with FedEx, UPS, and the U.S. Postal Service, in 220 of Kroger’s stores across the country." 6

**Ship, Pick-Up, and Returns** - FedEx and Walgreens announced that FedEx package pickup and drop-off services are available at 7,500+ Walgreens in all 50 U.S. states. 7 They have expanded to Dollar General, Albertsons, Kroger, Shaws, Star Market and Vons too. 8

**UPS Access Point** - UPS Access Point locations are participating businesses in your neighborhood that offer a secure location to receive packages. They are an ideal delivery option for customers not at home to receive packages during standard delivery hours. 9
The future of shipping is the future of shopping.
Social Commerce: Where Social Media and eCommerce Merge

Social commerce is changing how consumers make purchasing decisions. It enables brands to offer an Amazonesque experience for all social media followers — going from social post to doorstep in just 2 days. Social commerce allows for social media users to make purchases directly from channels like Facebook, Instagram, and Pinterest.
### Facebook Stats
- 15% of U.S. social media users shop on Facebook
- 94% of Facebook’s advertising revenue comes from mobile
- 65% of Facebook users are under the age of 35 (Millennials and Generation Z)
- An average Facebook user clicks on 11 ads per month
- 1.47 billion daily active users on Facebook

### Pinterest Stats
- 47% of U.S. social media users shop on Pinterest
- 70% of users are female
- Nearly 6 out of every 10 millennials use Pinterest to discover new products
- 82% of weekly active users say they have bought products based on the brand content on the platform
- 322 million monthly active users

### Instagram Stats
- 70% of users look up a brand on Instagram
- 60% of users learn about new products through Instagram
- 1/3 of Instagram users have purchased through the platform on mobile
- 75% of U.S. 18-24 year olds are Instagram users
- More than 200 million users visit a business profile at least once daily

### Social Commerce
- 84% of shoppers review at least one social media site before purchasing
- 51% of millennials are likely to make a purchase over social media
- 30% of online shoppers say they would be likely to make a purchase from a social media network like Facebook, Pinterest, Instagram, Twitter, or Snapchat
- 23% of shoppers are influenced by social media recommendations
In order to predict what the future of social commerce holds, we must look at China. It is evident that Chinese consumers use social media platforms to receive promotions and make purchases. Chinese companies decided to bring the mountain to consumers, and allow them to make purchases directly from the social channels they were already viewing. Chinese eCommerce brands understand that social media and eCommerce are deeply interconnected, so social media is built around supporting eCommerce and the customer journey is seamless.

In fact, in China, consumers do not use mobile browsers to research products or companies; rather, they use social media for every step of the sales cycle. In the chart to the right, you can see how behind the Global eCommerce market is and how much room there is to grow.

**Social Commerce Strategies**

One of the most important aspects of social commerce is your ability to manage customer relationships and engagement. Companies like ManyChat allow brands to increase engagement through Messenger with automation. Meanwhile, bot checkouts can be used to increase conversion and simplify your checkout flow. Jumper.ai allows businesses to use pre-built chatbots to automate the checkout flow through a number of social media channels.

In addition to checkout automation through Messenger engagement and chatbots, you can consider utilizing eCommerce platforms like Shopify and BigCommerce. They allow you to manage social media shopping directly from their dashboards — allowing for your social media platforms to integrate seamlessly with your website or application.
Social Commerce Around the Globe: China Leads the Way

China

- 45% discover new brands or products
- 54% read reviews, comments, and feedback
- 25% purchase products directly via social media
- 27% write reviews, comments, and feedback

Globally

- 39% discover new brands or products
- 47% read reviews, comments, and feedback
- 15% purchase products directly via social media
- 20% write reviews, comments, and feedback
Lower Price Tag, Higher Conversions
It has been proven that consumers using social media are not likely looking to make purchases — they are using these platforms to entertain themselves. When executing social commerce strategies, you should be aware that high-ticket items are not ideal products to promote over these channels. Low-cost items, on the other hand, are bought on impulse and perform extremely well on social media channels.

Combining Sales Channels
Social commerce can be used to promote your brand, your vision, and/or sell ancillary products. You can acquire customers for lower ticket items through your social commerce channels, then push them to buy higher ticket items by retargeting to them once they have made that initial purchase. The goal of your social media channels should be to build trust, foster relationships, and promote your brand vision.

Once you’ve successfully delivered a product to a customer, they are significantly more likely to develop a deeper relationship with your brand. Story features, giveaways, contests, and live streams are a great way to build and maintain a customer relationship. By responding to comments, producing quality content, sending promotional discounts, and partnering with micro and macro influencers in your industry, you will be adding value to your audience beyond your product.

Video is Paramount
Brands that use video to promote products perform significantly better on social media. Video adds credibility and showcases the products that you have seen in action, giving the audience a better understanding of what it is they’re purchasing. In fact, 84% of consumers felt convinced enough to buy a product after watching a video about it.

The What
Social media channels should be top of mind for retailers of all sizes. Businesses should be leveraging Facebook and Instagram for quality video content that deepens your brand identity. eCommerce shopping is expected to grow at double digit rates for the next 5 years with an expected total of 200 billion orders coming from American consumers annually by 2025. There is a huge growth opportunity, and what better way to acquire customers than to leverage platforms they already use and trust? Items under $100 perform significantly better on social media. If you sell high-ticket items, use social media to promote accessories and do giveaways in order to build trust with your customers, which will eventually drive them to your website.

The Why
Our phones have become more powerful and useful than we ever thought. Consumers can operate productively without the need of a computer if they have their mobile device. We take control of our professional and personal lives directly through our smartphones. Mobile shopping is a part of social commerce. Many
consumers access their social media platforms primarily through their phone. Pixel Union suspects that “the future of eCommerce is blindingly bright. By 2021, mobile is predicted to dominate online sales, driving 54% (or $659 billion) in sales.”

**The How**

It’s clear individuals are adopting mobile commerce. The most used apps across the United States demographics are Facebook, YouTube, Reddit, Instagram, and Safari. Instead of investing thousands of dollars into your Google AdWords strategy, you can focus on building social media communities where you promote products and incentivize customers to shop.

**Sources**

1. Statista (2019)
2. eMarketer (2018)
4. Pinterest (2019)
5. PwC Total Retail (2017)
6. PwC Total Retail (2017)
7. BigCommerce (2020)
8. Pixel Union (2020)
Shopping Discovery and Brand Engagement at the Micro-influencer Level

As Millennials and Generation X-ers begin to dominate the buying power within the digital market, the fight for their attention becomes increasingly difficult. The average attention of this growing demographic is short-winded at around 8 seconds. Marketers and eCommerce brands are being forced to capture buyers’ interests within seconds of their product being discovered. As shifting demographics demand more content and more products at a faster pace, companies are looking to maintain relevance at the micro-influencer level.

A micro-influencer is someone who has between 1,000 to 100,000 followers. Micro-influencers focus on a specific niche and are generally regarded as an industry expert or topic specialist. This type of influence has become increasingly beneficial to brands. Influencers in this arena can afford to interact with buyers more directly because they don’t have as many followers. The more they engage and the more genuine the engagement, the better. This is one of the biggest benefits of using micro-influencers.

The 2018 State of Attention Report conducted by consumer insights firm, Kelton Global, reported that "more than half (55 percent) of all business professionals surveyed said that a great story captures their focus and keeps them engaged with the content." One-third (33 percent) of respondents report that visual stimulation is critical to maintaining their attention.

Driving Conversion with Micro-Influence

eCommerce companies looking to drive conversion with micro-influence must penetrate markets with hyper-precision. By partnering with influencers who create compelling and competitive dialogue, today’s brands can see impressive bottomline results as well as increased customer loyalty. Each transaction, whether in-store or online, is about building trust. Today’s online shoppers seek to build trust with brands that provide not only a great product, but also an authentic and direct experience. In 2017, this technique of activating micro-influential fans for lifestyle brand, Spartan Race, with the help of NYC based influencer and affiliate platform, Scoutsee, saw click-through and conversion rates climb to nearly 40% and 10%, respectively.

The shopper of today and future shoppers will continue to seek unique experiences, while their attraction and attention will continue...
to be influenced at all levels of media. The 2017 Consumer Content Report conducted by Stackla found that a majority of respondents agreed that less than half of the brands they interacted with produced content that resonated as authentic. In comparison, 60% of those respondents claimed that content from friends, family, and influencers ultimately drove their purchasing decisions. The ability for companies to attract and maintain influencers at the micro-level will become increasingly important as brands seek to strengthen their customer loyalty and growth in this digital age.

As Nielsen reported, the average online consumer spends less than 20 seconds making a purchasing decision. The survival of many eCommerce companies lies within this 20-second window, and their ability to capture an audience. While gaining the ever-shrinking attention of micro-influencers poses its own challenges for companies seeking growth, the future of online shopping will continue to be propelled by influence at the smallest level.

The Use of Micro-Influencers
Micro-influencers are used by fast-acting start-ups aiming to make a splash in the market, in addition to multinational companies looking to generate impactful sales with otherwise neglected, previously non-targeted users. Among these product verticals, Fashion and Beauty have emerged to have the most engaged audiences. Travel and Lifestyle, as well as Health and Fitness, are also strongly represented. With online influencers alleviating the pressure of in-store sales tactics, companies such as Sephora have seen user engagement spike and online sales climb. This can be attributed to the safety and trust that micro-influencers have the unique ability to convey. It is much easier for an everyday person to picture their own interactions with products when conveyed via a trusted influencer, and thus move from shopper to buyer quicker.

IMPACT Live, Facebook’s expert advertising panel, reported that 49% of people say they trust recommendations by influencers when making purchasing decisions. That same study found that the “access” these influencers provide and the ability for shoppers to gain instant feedback to be among the top traits driving purchasing decisions.

Since 2016, the number of firms deploying micro-influencers has increased >300% with the addition of 380 new influencer marketing-focused agencies and platforms established in 2019 alone. These figures, produced by the The State of Influencer Marketing 2020: Benchmark Report, are reflected by the fact that more than 50% of marketing firms have a stand-alone budget dedicated towards micro-influencers. As companies aim to remain competitive, this number will continue to increase. The reach and sophistication of this industry will accelerate for the coming years, as will the emergence of in-house influencer programs and influencer networks around the globe.

While trends toward CGI influence are also expected to grow, it is anticipated that FTC regulations providing stricter guidelines to protect consumers will also surround this expansion. With the abundance of influencer marketing software and firms exploding into the marketplace, traditional sales and marketing tactics will be tested as the evolution of hyper-specialized, hyper-local influence continues to command our attention.

The What
Micro-influencers are driving increased traffic and conversion to online retailers, so more marketing departments are dedicating resources and capital towards capturing and leveraging micro-influencers and their communities. The verticals that will be the most impacted include Fashion and Beauty industry, followed by Health and Fitness.
The Why
Micro-influencers deliver nearly 2x conversion rates and demand far less compensation compared to larger influencers. Due to the deeper, personalized relationships these micro-influencers have with their following, they are able to generate more authentic, impactful product campaigns. Product categories such as makeup and apparel demand a higher level of interaction, description, and honest testimonial that is effectively conveyed by trusted and followed micro-influencers.

The How
There has been >300% growth of firms utilizing micro-influencers in the past 4 years. That growth has been demonstrated with: 380 new influencer marketing-focused agencies and platforms established in 2019, and 50% of marketing departments now having stand-alone budgets dedicated to micro-influencers. With the rise in this type of paid promotion, expect to see increased regulations regarding this type of marketing along with more sophisticated production of branded content as companies sponsor micro-influencers. To succeed, however, these partnerships will need to be focused on originality and product placement/pitch, rather than production value.

Sources
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5. Stackla (2020)
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The Future of Retail is Experiential

Shopping is changing. The world we live in today has twice as many brands as it did 20 years ago. The barrier for companies to enter the market has diminished while the platforms to sell, discover, and advertise those products has become increasingly saturated. The platforms of the technology age such as Facebook, Instagram, Etsy, and YouTube have increasingly become clogged with new brands, paid advertising, and content.

Traditional advertising of showcasing a “cheap deal” and driving them to a website store is no longer attracting shoppers. Their attention is drawn to so many different deals that they have become desensitized to the advertisements and are no longer converting to eCommerce websites. Customers have so much optionality on where they shop that brands need to find unique ways to stand out and drive engagement to their point of purchase.

Experiential Shopping

Headless commerce, the ability to decouple the logistics aspect of the buying experience (order management, inventory management, and shipping carrier software such as EasyPost) to the customer-facing experience, is allowing businesses to engage their potential customers in new and exciting ways. Voice shopping, video games, IoT, kiosks, billboards, smart mirrors, VR/AR, wearables, and vending machines are all channels in which brands are now exploring to create brand awareness and drive consumers to new points of purchase.
Voice-Activated Purchasing
Digital Commerce 360 led a research report that stated: “20% of consumers who own voice-activated speakers are using them for some shopping-related activities.” With over 70 million Amazon Alexa speakers sold each quarter in the US, the potential for brands to engage with their customer base is enormous. Companies like VoiceFront and Voice2Biz are low code plug-ins that can enable merchants with the ability to sell via voice without investing heavily in the channel.

The Paradigm Shift in Brick-and-Mortar
The brick-and-mortar purchasing experience is changing as well. High-touch customer service, interactive exhibits, and engaging displays are all becoming more prevalent. Smart mirrors are the new trend to provide a unique buying experience and a new point of purchase. According to research by retail consultant Paco Underhill, “71% of customers who try something on in a fitting room will go on to buy something.” This makes the fitting room a unique space that retailers can utilize to boost sales. Companies such as LVMH, Lululemon and Ralph Lauren have realized the importance of engaging customers at points where they have purchase intent.

LVMH’s MemoryMirror shows you a 360-degree view of yourself with the outfit on and allows you to compare outfits side-by-side. You can also snap photos of yourself to share with friends on Facebook before you make your purchase. Ralph Lauren’s smart mirror can adjust the lighting in your fitting room and gives you the ability to select different sizes or colors of your outfit, which an employee will immediately get for you. It also recommends other items that would go with your outfit. If you don’t want to buy something that day, the mirror sends the information of the item to your mobile phone in hopes that you’ll make a future purchase.

Today, brick-and-mortar plays less of a role in retail with the growth of eCommerce. Therefore, brands need to ensure that customers visiting stores are converting. Smart mirrors play a further role into the future of shopping as businesses are looking to reduce costs. Smart mirrors enable shoppers to order through the device and have items shipped to their home, thus reducing the need for in-store inventory.

The Perfect Mix of Content and Sales
The future of shopping involves a highly blended mix of content and sales. YouTube, Twitch, and other video content sites are now channels that brands can utilize as points of purchase. Companies such as Facebook have invested heavily in turning video content such as livestreams and influencer content into potential sources for brands to advertise and convert into a purchase. In 2019, Facebook acquired Package, which enables any video content to be a point of purchase in as little as one click. As influencers become more influential to fashion trends, brands need to align themselves with those people and where they spend their time, which is increasing on video through platforms such as TikTok and Instagram.

As we look to the future, the shopping experience has completely evolved into a highly experiential process where customers expect high-quality service and curated products at places where they spend their time, and unique experiences all without the hassle of worrying about the logistics of where they buy the product or how it gets to them. As brands think about shopping, they need to continually think about how they can provide an engaging and truly omnichannel experience.

The What
Experiential retail is going to impact shoppers in the future. As businesses look to stand out and create a connection with shoppers they will need to think about different ways to engage
with their customer base. Voice-activation, smart mirrors, and video purchasing are only a few new channels that brands can now experiment with to create a true omnichannel experience driving customers to multiple points of purchase.

**The Why**
Experiential retail is important for merchants to be aware of as standing out from competitors becomes increasingly difficult, with advertising becoming saturated and consumers becoming more desensitized to targeted marketing. Being able to stay top-of-mind and engage with customers with their undivided attention will be key to driving sales in an online and offline ecosystem.

**The How**
Experiential shopping is evolving from experimental technology to fundamentally changing how people view the shopping experience. The evolution from brick-and-mortar to eCommerce changed the face of shopping. Technology combined with high-touch experiences will be an even bigger trend in moving shopping from a dedicated thought process to brands interacting with people in their everyday lives in more engaging ways.

**Sources**
4. Sandalo (2020)
5. Hutchinson (2019)

We can’t ignore today’s unprecedented landscape — millions of businesses are shuttered, and demand has softened as global unemployment has skyrocketed. Ocean freighters are lessening traffic as production grinds to a halt. Air cargo is being supplemented by the passenger air industry as their revenue disappears from consumer and business travel.

These bleak realities are all true and a bit frightening. Despite these facts, there are other realities to consider that lend to optimism. Testing for the virus is also skyrocketing. The pharmaceutical industry is collaborating globally on treatments and vaccines for the virus in a manner of collaboration the world has not seen since the Polio crisis. Private sector companies are re-tooling for ventilator and PPE production. For these reasons, there may be cause to look to a future after COVID-19 and prepare for the massive opportunities for businesses that position themselves to capture these opportunities. The world can see how interconnected people are at a time like this, and staying connected will lead to both a health recovery and economic recovery.

Retail Sales Year-Over-Year Growth During A Crisis

SARS Outbreak 2003

MERS Outbreak 2015

The Future of Shopping
Shifting to Online Everything
During this time of sheltering indoors, some segments of eCommerce have experienced record growth due to online ordering being the only way to source necessary goods for daily life. Older consumers who resisted ordering online have suddenly been forced to and are becoming more comfortable with ordering food, medicine, household goods, and more to be delivered. Studies are suggesting that ordering online will become a habit even after shelter-in-place mandates are lifted.

Online shopping can be automated, can drive down the cost of goods, and can expose consumers to new and exciting options. In fact, the whole internet is becoming the everything store. You can access it at any time, from anywhere, for any reason.

Fulfilling the Global Demand
No two countries are the same in terms of how they are impacted by the virus and how they will recover. This variance in recovery opens the opportunity for a company that is able to ship to any country whose economy is barely impacted or countries that recover faster in order to fulfill the demand in that country. The ability to quickly export goods where there is demand ensures that a company will be able to continue to sell goods, even when their competitors and peers that are geo-located close by will essentially be shuttered.

A company’s ability to be nimble and to export intelligently may be a factor that makes or breaks entire industries. The opportunity for outsourcing is most obvious for essential goods whose demand in eCommerce is currently

Changes in US Adults’ Digital Grocery Shopping Activity Due to the Coronavirus, March 2020

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<th>Week of March</th>
<th>Digitally Shopped More</th>
<th>No Changes</th>
<th>Digitally Shopped Less</th>
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elevated but extend into high-demand, non-essential goods that may not be available in a given country. Businesses of all sizes can adopt a few simple measures to ensure that they can source, sell, and ship goods all over the world. Savvy businesses must first understand where demand is spiking or may spike in the near future in order to plan for a country-specific cross-border strategy.

CCI is tracking the week-over-week changes in global demand for both Online Retail and Pure Play eCommerce.* The week ending 5/16/20 shows major spikes in online retail and eCommerce across most of the developed world.

In the coming decade, it’s going to be easier than ever to be a global business from anywhere in the world. As supply and cross-border continue to get easier, eCommerce demand will continue to soar.

Before the COVID-19 crisis, 21.8% of the population worldwide already shopped online. Retail eCommerce sales worldwide are expected to reach $4.8 trillion by 2021. It’s more important than ever to think about how you can serve customers wherever they’re located.

Many business owners avoid shipping overseas due to the “perceived” complexity. Businesses are struggling right now, it may be time to open
up the opportunity to consider a cross-border strategy to mitigate the risk of slowing demand in their local area.

Another business aspect to consider is the product sourcing strategy. Coronavirus halted Asian imports and may lead companies to diversify their sourcing and manufacturing. Many companies across verticals will source more from South America and Canada. Some might even bring all of their manufacturing in-house back to the US.

The true impact this crisis will have on sourcing will not be clear until well after 2030. However, the most obvious impact is the need to diversify. It’s become increasingly obvious that the ability to change where products are sourced, what products are offered, and where products are sold and shipped to, can be the difference between thriving or shuttering as a company.

These months are a great time to analyze which countries are less affected by the virus and seek out relationships for sourcing goods that will be in global demand. Evaluating where the market will be is a gargantuan task, which is why dropshipping websites and sourcing aggregators are helpful in identifying potential vendor partners. Some companies are experimenting with putting products on sale first with the expectation of 1+ month delivery to provide pre-orders as a confidence point to new manufacturers.

With their product in hand, companies need to prepare to sell a product to overseas markets. This can be done without tackling translation — as English can reach much of the world — but does require thought about accepting different currencies, complying with taxes, and understanding legal, data, and privacy restrictions.

By the year 2040, as much as 95% of shopping will be facilitated by eCommerce.\(^5\)
Seemingly, the greatest challenge of cross-border is shipping. Companies must accurately pass customs information and wrangle specific regulations for more sensitive products (hazmat, CBD, live animals, etc). Additionally, customers need to set up shipping accounts with carriers that support the regions they sell to. The USPS’s partner network for international, along with DHL, have shown to be strong options for shipping to most of the developed world. Once rates are established, products need to be accurately categorized, and customs forms and labels must be applied to be exported. Finally, companies need to find solutions for covering the duties and taxes on a country-by-country basis.

The beauty of exploding eCommerce is that a lot of these complexities have been tackled by numerous platforms and APIs that provide all or part of these needs and enable companies of all sizes to take advantage of the cross-border opportunity. Prioritize selecting software partners that provide international shipping capabilities and that can integrate and work well together — with the ERP or the eCommerce platform as the center of business management. Some eCommerce platforms may cover all the features that a small business would need to source, sell, and ship internationally. APIs and software platforms provide the components for small business and enterprises to scale and cover all of the complexity at higher volumes.

Don’t miss the next wave of global commerce — prepare your business at any size to sell to any part of the world that is and will be eager to buy.

**The What**

Essential goods, entertainment, and work-supporting goods are currently in high demand. Beauty, travel, and luxury are currently in decline but may rebound as pent up demand comes to light when the virus is contained. Any goods with rising demand before the virus outbreak will likely see increases during or at least after.

**The Why**

Cross-border trade will continue to get easier as more software platforms and international trade agreements are formed for the good of all global citizens. The top eCommerce, inventory management, and dropshipping platforms have already begun to make cross-border trade possible for businesses of any size.

**The How**

Cross-border sales are critical for diversifying your customer base when local purchases are in decline, but demand is spiking abroad. Companies that can fulfill demands by country will win when other companies who only sell locally are decimated.

**Sources**

1. Cheng (2020)
2. eMarketer (2020)
3. Andrienko (2020)
4. CC Insight (2020)
5. Profit Industry (2020)
About EasyPost

EasyPost was founded in 2012 as the first RESTful API for shipping. EasyPost has thousands of customers shipping millions of packages each month. Our customers range in size from public companies to SMBs.

Our API is adaptive to your business needs. Household brands, 3PL/4PLs, and marketplaces all use EasyPost to deliver a shipping experience that delights customers. If you’re interested in building the shipping infrastructure of your online business and in future-proofing your business, please contact us at partnerships@easypost.com

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