Exceptional E-Commerce: 5 trends you can't ignore in 2022

Globally, over half of consumers discovered at least one new form of online shopping and 81% of them discovered new brands online in the last year.

Source: Google, 2021

'Of the 9 million Aussie households that bought online in 2020, 1.36 million made an online purchase for the first time.'

Source: AusPost, 2021

However, shopping cart abandonment rates remains high at around 69%.

Almost 60% of consumers say they abandoned because they're <u>not ready to buy</u>.

Source: Baymard Institute, 2021

How can businesses better engage with their online customers and boost customer confidence and excitement?

What opportunities can brands explore to stand out and stay relevant?

1. Connection in an online world
2. Digital for all
3. Power in your hands
4. Into the new dimension
5. Moving towards circular services

01.
Connection in an online world

Many online shopping experiences still lack the human element of what an in-store experience offers.

Whether this is the retail associate who can answer any questions you might have or the validating sight of your peers purchasing from the same store you're in.

What are leading brands doing to close the gap between the physical and online world and gain the hearts of online consumers?

Personalised support from the comforts of your home

Virtual consultations are a new type of customer service offering that enables personable, real-time customer support and clienteling in the digital world.

Leading brands are offering online customers 'white glove' experiences and tailored support where chatbots can't reach. Customers can now instantly connect with store associates while browsing online, all from the comforts of their home.

Leading brands in this space include:

- US-based Credo Beauty offers customers real-time consultations with their beauty experts. The business found online customers who shop using this service are up to 15 times more likely to make a purchase versus those who don't.

- Other leading retail brands that have introduced online consultations include: *Gucci* (Luxury Fashion), *Lush* (Cosmetics), *Hype DC* (Sneakers) *Suzannah* (Luxury Womenswear), *Nordgreen* (Designer watches).

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Community & convenience through social commerce

Spending by social commerce buyers in Australia increased fivefold in 2020. One-in-four Australians now shop on social, rising to 1-in-3 for those under 40 years. However, only 35% of business actually sell via social. (PayPal, 2021)

Social commerce provides customers with the convenience of shopping as they browse and a sense of belonging to communities with shared values.

Leading brands in this space include:

- UK-based Ted Baker create shoppable, short-form videos that are available on their online store. Viewers are able to send likes, chat with staff, click through to different products, and save outfit recommendations.

- European apparel merchant, Lindex, hosted its' first interactive livestream shopping event in March 2020 with promising success. They reported that the May 2021 event generated a 55% add-to-cart rate.

Photo by Joel Muniz on Unsplash

02.
Digital for all

An estimated 1 billion people globally (15% of the world's population) have disabilities — that's 4.4 million people in Australia.

During the pandemic, e-commerce sites went from nice-to-haves to essential services. However, the shift to virtual has shown many holes remain in digital accessibility and inclusion.

# How can brands enhance autonomy and inclusivity, and empower all customers when shopping online?

Accessibility has become a must for online shopping

Although the technology to enhance online accessibility is becoming more easily available, less than 10% of websites are accessible to everyone.

Ultimately, all users want to find what they're looking for with speed, minimal friction, and no outside help. By adding accessibility features to e-commerce sites, brands can help all visitors feel seen and empowered to make purchases independently.

A leading brand in this space includes:

- On the Map Internet Marketing is attempting to bridge the accessibility gap by developing an ADA compliant plugin for Shopify and Wordpress. This plugin offers the ability to add a large variety of accessibility features and users are able to use multiple features at the same time.

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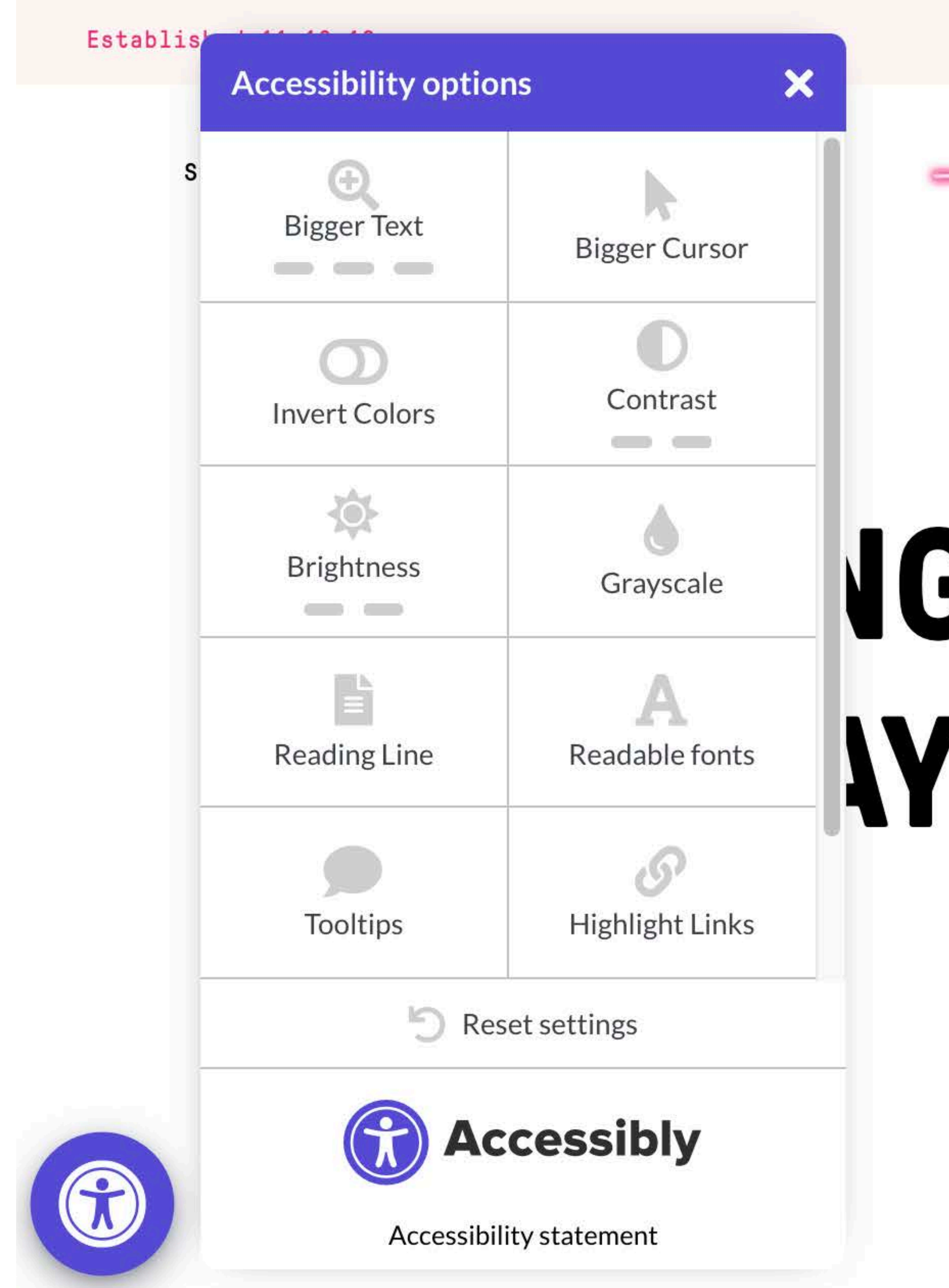
Inclusivity allows users to relate to companies

Diversity and inclusion gives consumers the ability to see themselves reflected in your brand values, products, and shopping experience. To reach the wider market, brands need to be relatable and manifest inclusivity as a foundational principle in their communications and market positioning.

Overall, inclusive design spans racial, ethnic, socioeconomic, geographic, religious, political, sexual, gender and other differences, too.

Leading brands in this space include:

- EVERYBODY.WORLD, a gender neutral clothing brand, focuses on organising clothing into collections, as opposed to traditional gender groupings, and allow consumers to filter by size, colour or cost. This unique navigation system stops users having to pick their gender just to shop.

- Other brands like The Iconic (Fashion) offer plus size ranges for larger customers, as well as a practical and stylish collection designed for people with disabilities. Another brand, ASOS (Fashion) has models from all different racial and ethnicity groups as well as a gender neutral clothing line.

03.
Power in your hands

Google found that searches for 'ethical online shopping' have grown globally by over 600% YOY. PayPal reported 46% of Australians prefer to buy from brands that are environmentally and socially responsible.

Buyers are increasingly assessing their purchases based on the product and brand's alignment with their values.

# How can brands empower purpose-driven customers to make purchases they believe in?

Empower customers to make confident purchases

As consumers start shaping the lifestyle they want to lead post-pandemic, they are also changing how they make purchase decisions. Consumers are demanding more information about the social and environmental impact of the products and brands they engage with.

Brands can empower their customers in their decision-making process through transparent product and brand information.

Leading brands in this space include:

- GreenChoice empowers consumers to make informed food purchases. The idea was born when they recognised how overwhelming it can be to shop with your values.

- Google Flights recently started to display carbon emission estimates on flight search results and booking pages. Other brands like Levi's have a 'Shop sustainably' section.
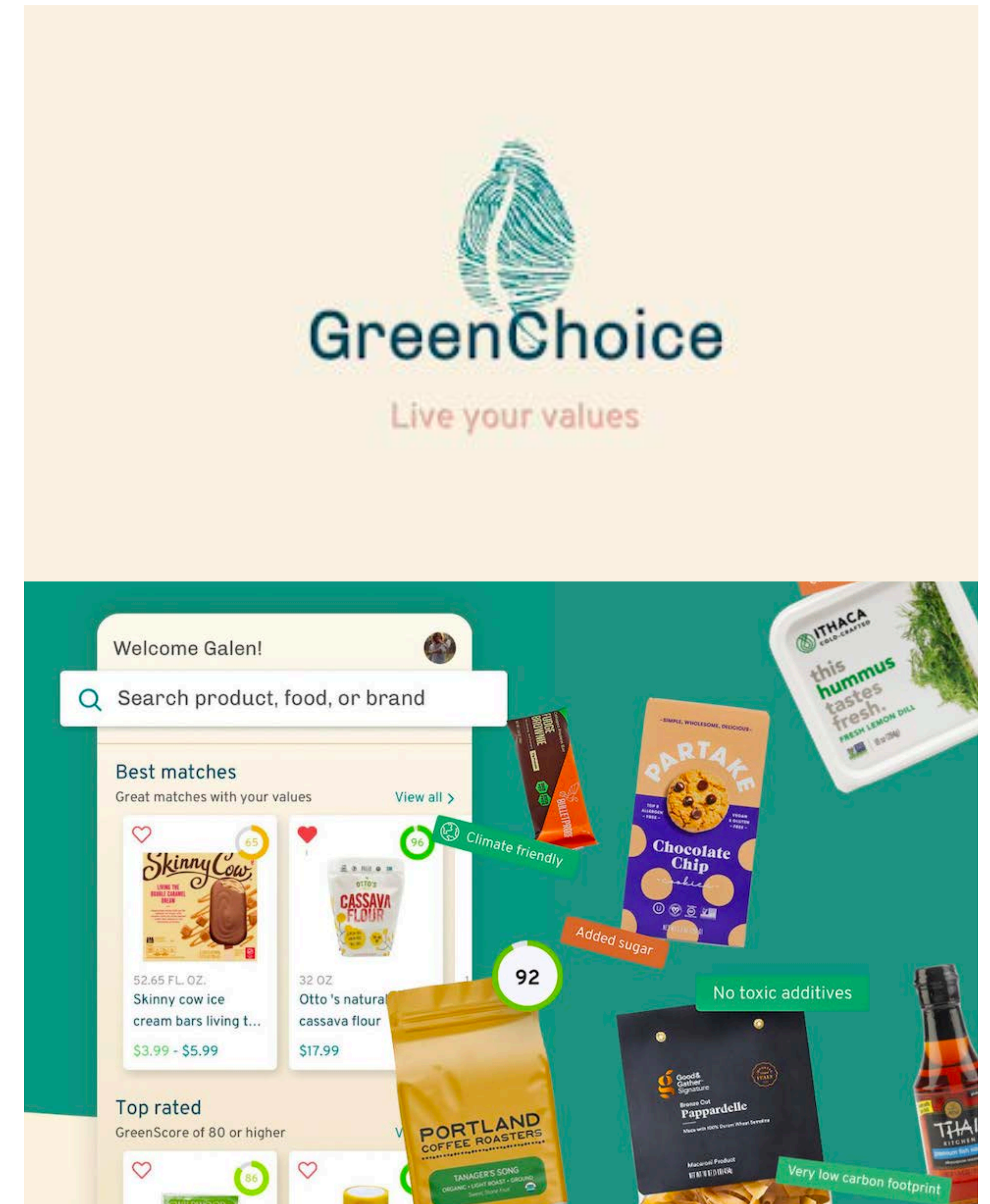
Let consumers choose their impact

There have been big movements towards green commerce and for brands to become more sustainable in their e-commerce practices. Features like fast shipping, paper receipts and thank-you notes have come at a cost to the environment.

At times, it's a matter of giving value-driven consumers the choice of more environmentally-friendly alternatives.

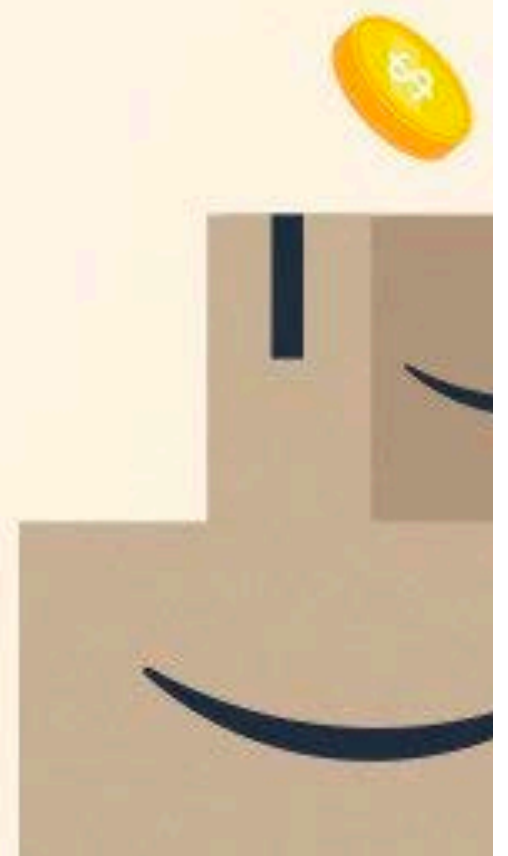**Leading brands in this space include:**

- Amazon gives consumers the option to pick 'No-rush shipping' or 'Amazon day shipping'. From a business perspective, delaying delivery helps take pressure off the supply chain. From a sustainability perspective, it helps decrease carbon emissions and limit waste in packaging.

- Other brands like Tribe Kelley (Fashion), Wildway (Food & beverage), Simply (Furniture) give their customers the choice to make their online order carbon neutral using third-party extensions like EcoCart. Since introducing this option in 2020, Tribe Kelley reported boosts in cart conversion by 19%.

04.
Into the new dimension

Google reported that 6 in 10 people say they want to be able to visualise where and how a product could fit into their lives.

Using immersive technologies, brands now have new ways for customers to engage with their product and brand that were not previously possible.

How can brands leverage new technologies to bring their brand and products to life in the digital world?

Customisation as a dynamic experience

Personalisation of products has traditionally been a static and limited experience, mostly involving choosing different colours through standard options, pic by pic on a website.

Thanks to new technologies, brands are turning personalisation and customisation into a dynamic experience, inviting customers to be part of the product creation process.

Leading brands in this space include:

- Nike has upgraded its service offerings with Nike By You – a 3D builder that turns buying sneakers into a fun and empowering experience.

  The builder offers an interactive 3D model of the product that renders as the customer makes their selection of customisations. The customer is able to zoom in and out and have 360° view of the product.

  Once the customer is happy with the final design, they are given a unique, sharable image of the finished shoe.

- Other leading retail brands that have introduced interactive customisation experiences include: *J. Press* (Menswear), *Flex Arcade* (Custom Arcade Cabinets), and *Studio Henk* (Furniture).
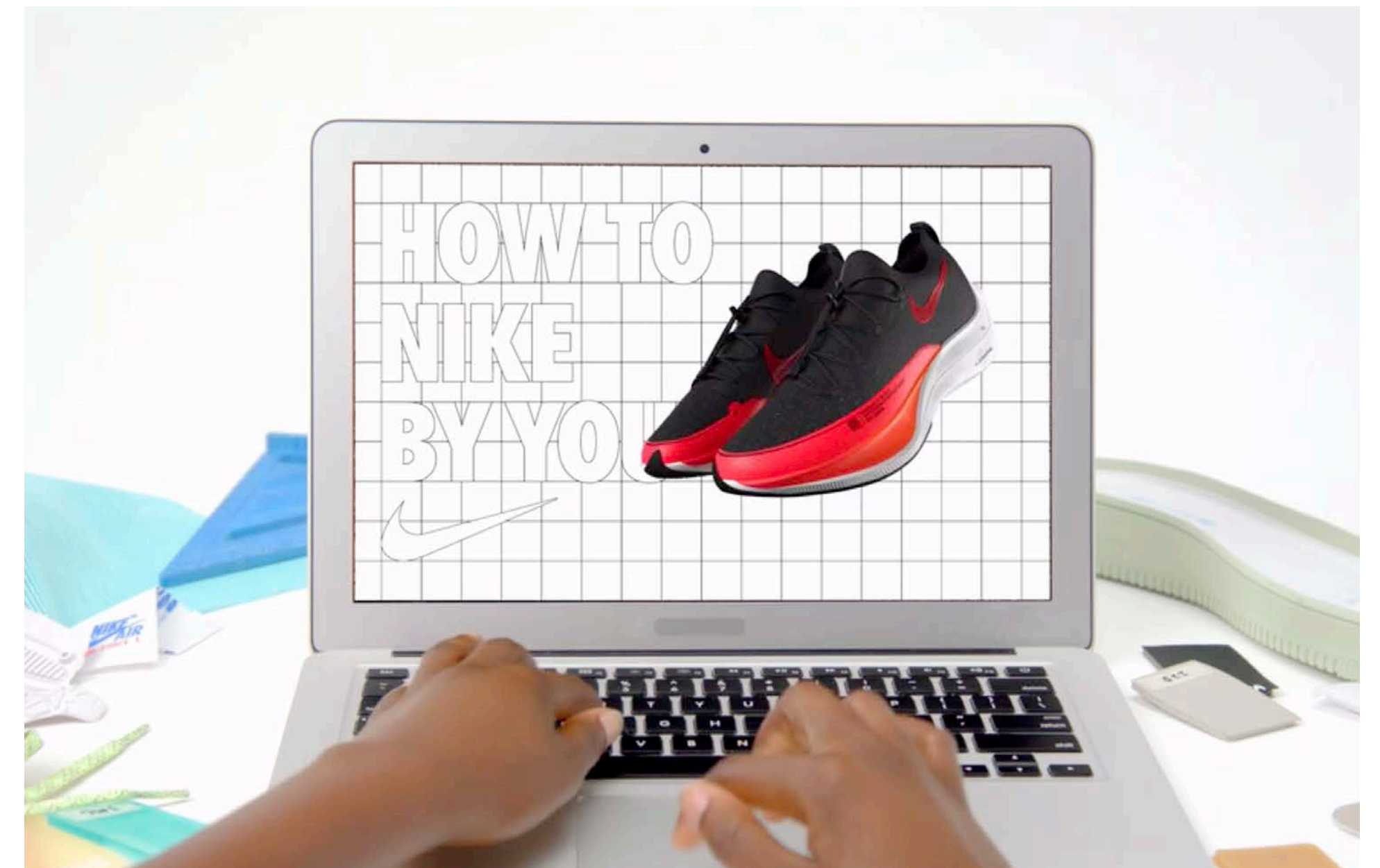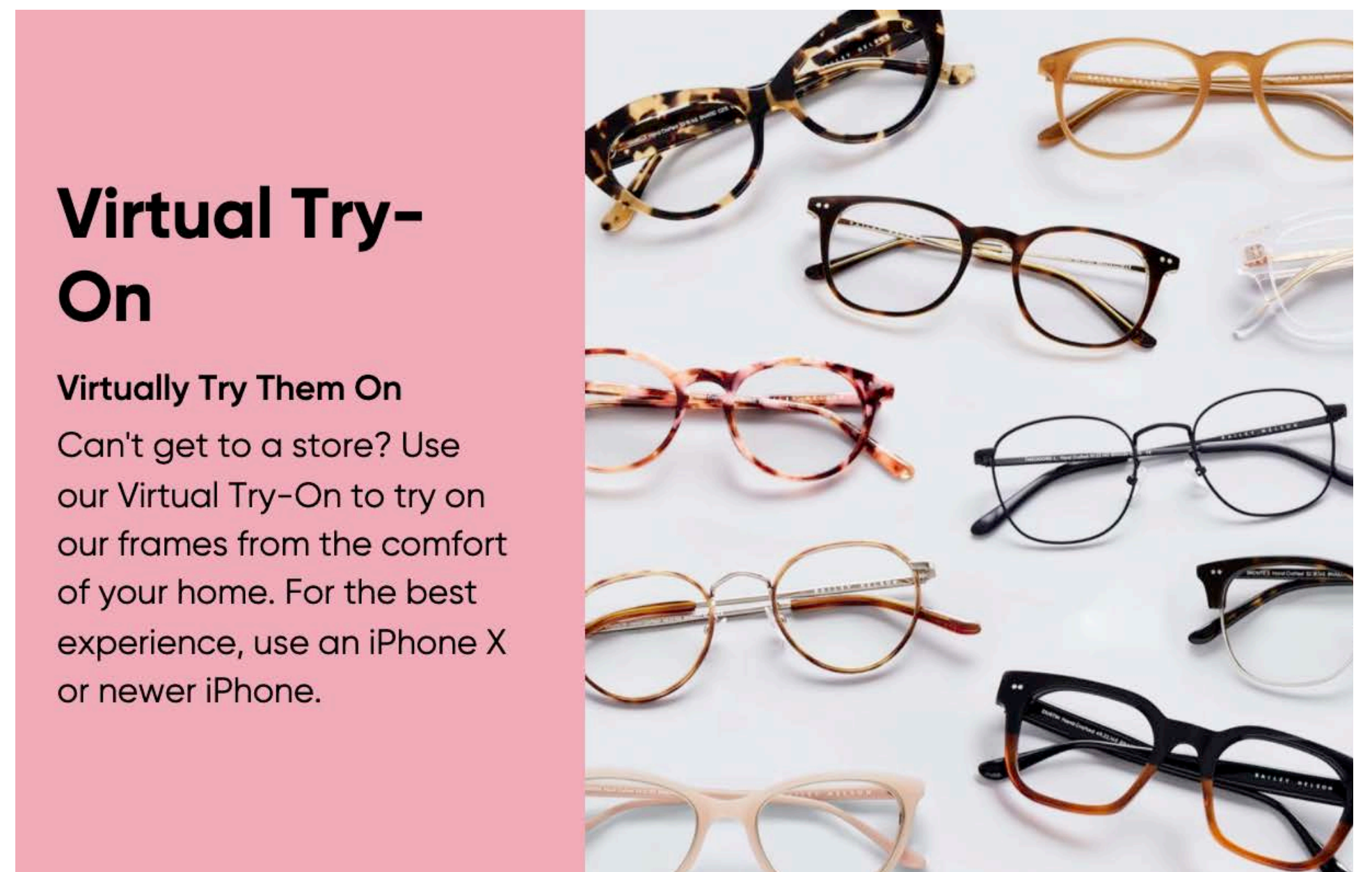
Boost confidence with virtual 'try before you buy'

Online shopping comes with the inherent risk that you can't try before you buy.

AR and AI technologies allow customers to inspect and virtually try on products. Shoppers can feel confident about making a purchase, leading to increased sales and less product returns for retail brands.

Leading brands in this space include:

- Since introducing a virtual try-on solution for spectacle wearers in February 2021, Bailey Nelson has seen online sales conversion lift by 400% in Australia and more than 600% in Canada.

- Other brands offering similar solutions include: *The Iconic* (Fashion), *Wacoal* (Lingerie), *Adidas* (Footwear), *Chrono24* (Luxury watches), *IKEA* (Furniture).

Virtual Try-On

Virtually Try Them On

Can't get to a store? Use our Virtual Try-On to try on our frames from the comfort of your home. For the best experience, use an iPhone X or newer iPhone.

Bringing the discovery experience online

Virtual shopping transforms e-commerce catalogues into an engaging and immersive experience designed to drive product discovery, boost engagement, and increase lead conversion.

In addition, brands are able to experiment with different storefronts and concepts — unbounded by physical real estate — and provide online consumers a richer way to engage with their products.

Leading brands in this space include:

- In collaboration with Harrods, Dior Beauty created a virtual experience called 'Atelier of Dreams'. Featuring two floors and a starry night sky, the virtual store showcases a limited-edition collection of customised cosmetics and perfume products. Shoppers can directly purchase in the virtual store and also schedule private in-store showings.

  Initial results showed an average of 18.2% add-to-cart CTR and 91% new visitors.

- Leading brands in areas like real estate (*LJ Hooker),* fashion (*Tommy Hilfiger*), cosmetics (*Charlotte Tilbury*), platform retailer (*KrisShop*) have already started using virtual stores and showrooms to connect with their customers — ranging from wholesale buyers to the individual consumer.
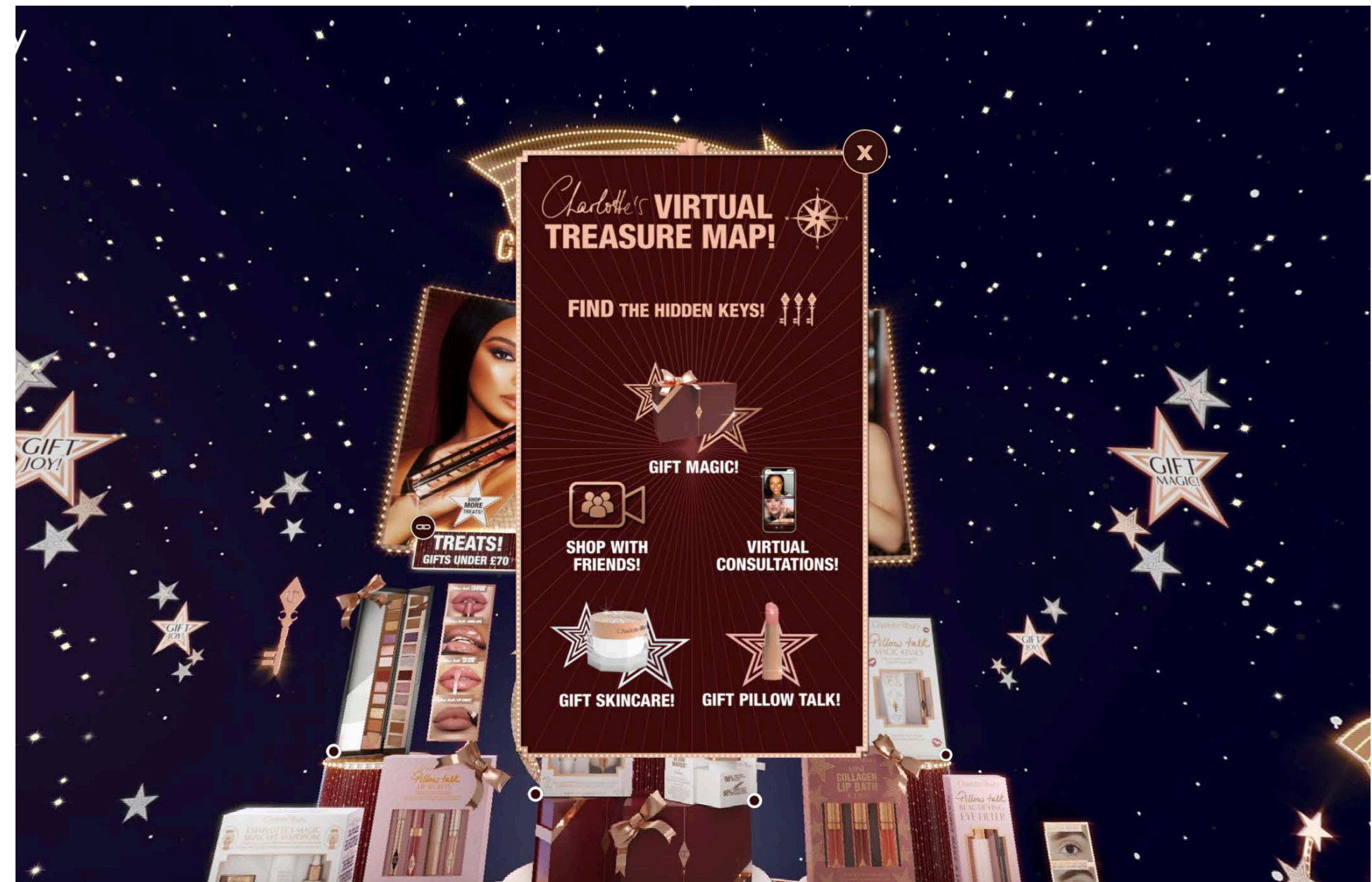
05.
Moving towards circular services

McKinsey reported that 67% of consumers surveyed said they've started to go out of their way to recycle.

In recent years, there's been a renewed sense of urgency around how we can consume and live sustainably, accelerating the adoption of circular service models and a new ownership paradigm.

How can brands stay relevant and build circularity into their e-commerce ecosystem, designing services that harness the potential of the new paradigm?

Rethinking ownership and consumption

Consumers are becoming increasingly aware of the environmental costs of our traditional, linear methods of consumption. There's renewed interest in alternative ways to approach ownership and consumption sustainably.

Leading brands and start-ups are exploring new offerings and business models, like resale and rental services, that re-frame products into services and aim to design out waste.

**Leading brands in this space include:**

- Adidas officially launched Infinite Play Rental in 2021, part of its broader program where they have been actively building ways to maximise a product's lifecycle.

  With Infinite Play Rental, consumers can rent Adidas apparel and footwear and return the items for the brand to re-list. As Adidas put it, consumers can 'keep the memories, return the gear'.

- Start-up, Circular, recently launched and offers consumers a subscription-based model to experience tech.

- Retails brands like Decathlon and Kipling are partnering with start-ups to expand into rental and resale services.

  Lizee, who specialises in helping retail brands launch rental and resale services, found that brands are able to engage new consumer segments when they introduce these services.
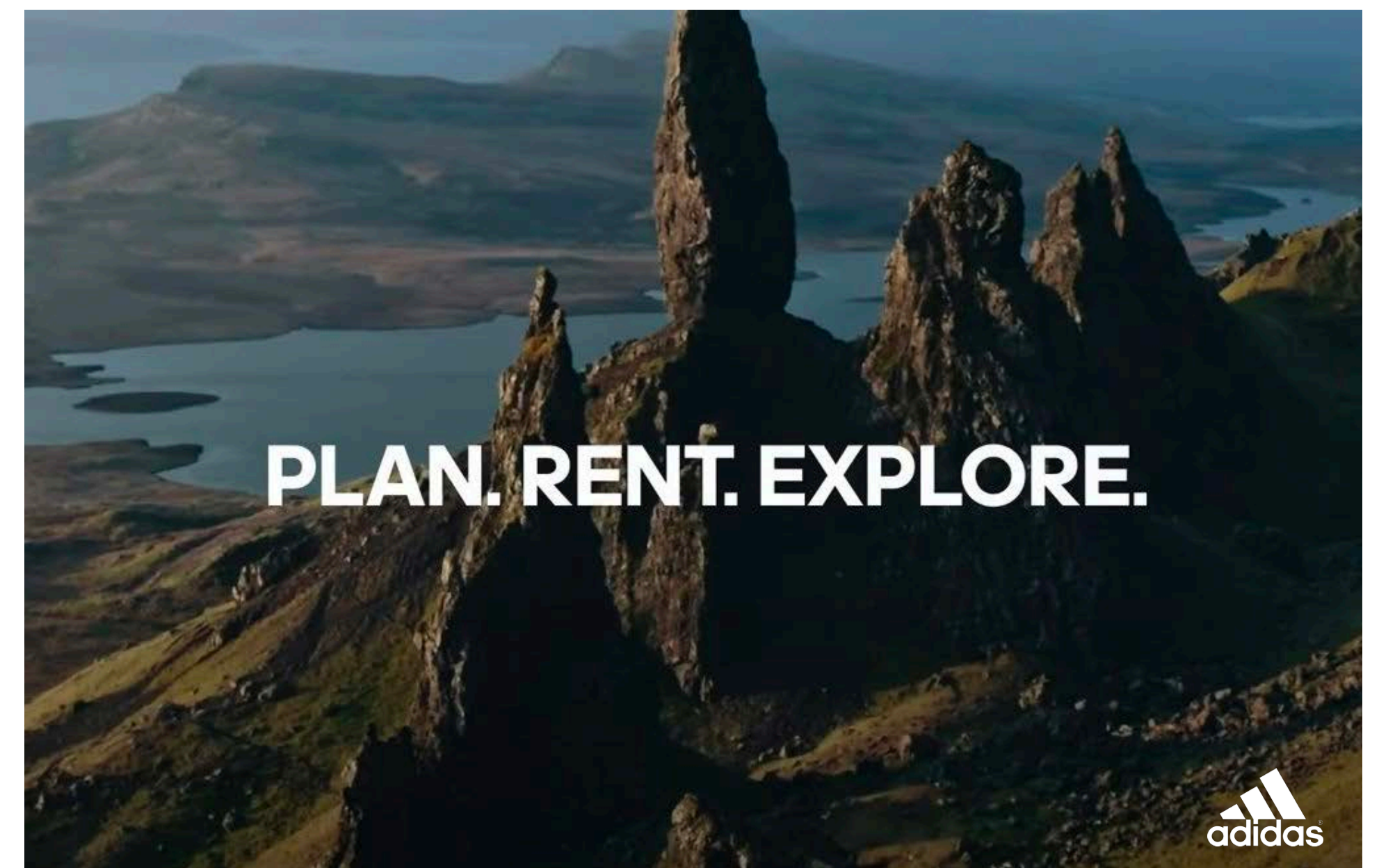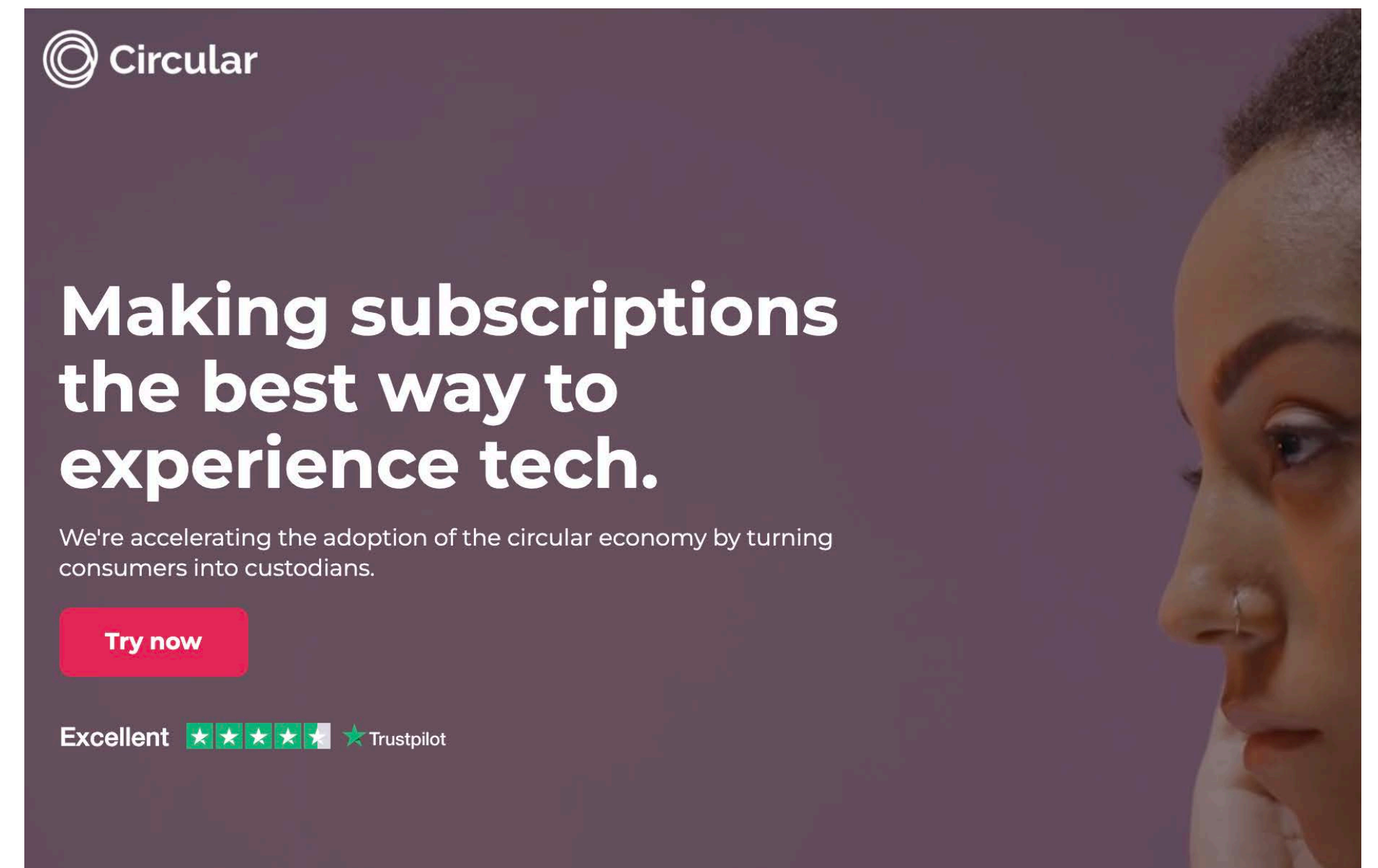
Services that encourage durability and longevity

Beyond new business models, brands looking to build trust with their customers are offering complementary services and ways that encourage longevity and reduce waste.

Take-back programs and repair services are examples of offerings that are becoming more prevalent as more purpose-driven consumers look to adopt new habits and reduce environmental harm.

Leading brands in this space include:

- Patagonia's Worn Wear program is designed to 'keep your gear in action longer and provides an easy way to recycle Patagonia garments when they're beyond repair.'

  As part of the program, Patagonia has Repair Hubs for basic repairs alterations that are open to not only Patagonia garments but clothing items from other brands.

  There's also educational content and call-to-actions on how Patagonia customers can maximise the value of their purchases, e.g. trade or donate.

- Other leading brands that offer similar services include: *Levi's* (Clothing), *Girlfriend Collective* (Activewear), *Etiko* (Sneakers), *Poly* (Electronic Communication).

What you can do

How can you create immersive brand experiences for your customers in the digital world?

Creating a brand experience that transcends physical spaces to meet customers in their digital lives.

Your customers are expecting a digital experience of your brand that is as frictionless as the one they find in your physical shop.

In addition, they will not just expect an adaptation of the physical service to an online version, but also want to experience and interact with the brand in its digital expression.

Why is it relevant for your business?

Understanding what your customers expect from your brand and online offering goes beyond allowing you to make the most of your channels, it opens up opportunities to position your brand closer to your customers in contexts where they find it more relevant.

This will involve leveraging the right technologies to enable and enhance your shopping experience.

How can you build an online experience that all your customers can connect and identify with?

Prioritising digital inclusion and inviting people of all abilities and identities to connect with your brand.

Being inclusive is past being a trend — it is a foundational experience principle that enables customers to access products and services, and allows them to connect their identities with brands.

For customers embracing digital products and services, seamless and inclusive access for all abilities and identities will be a must.

Why is it relevant for your business?

Being accessible and inclusive through all channels and touch-points enables you to reach a wider customer base but, beyond that, it positions your brand's commitment to social responsibility in a market that is becoming ruthlessly conscious.

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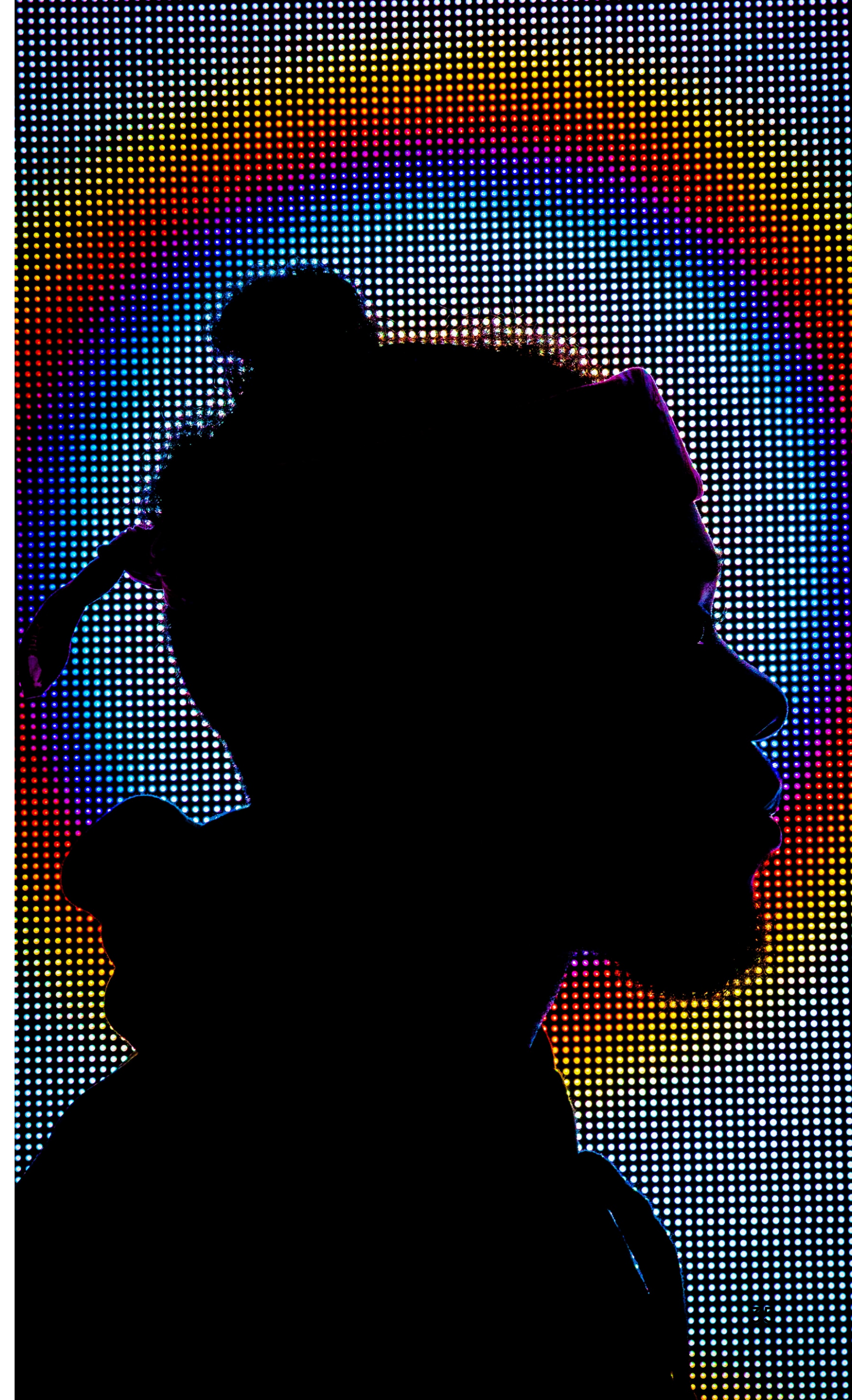
How can you create experiences and services that embrace new models of ownership?

Transitioning from a product to a service model to engage with your purpose-driven customers.

Beyond convenience, the pressures of the climate crisis and social responsibility are driving customer behaviour towards favouring service models that align with their values.

Consumers expect organisations to embrace their new understanding of ownership and offer services that are sustainable and make their lives easier.

Why is it relevant for your business?

Adopting service models is an opportunity to create an enhanced customer experience around your products. There is potential to unlock new revenue streams, while also embracing the principles of the circular economy.
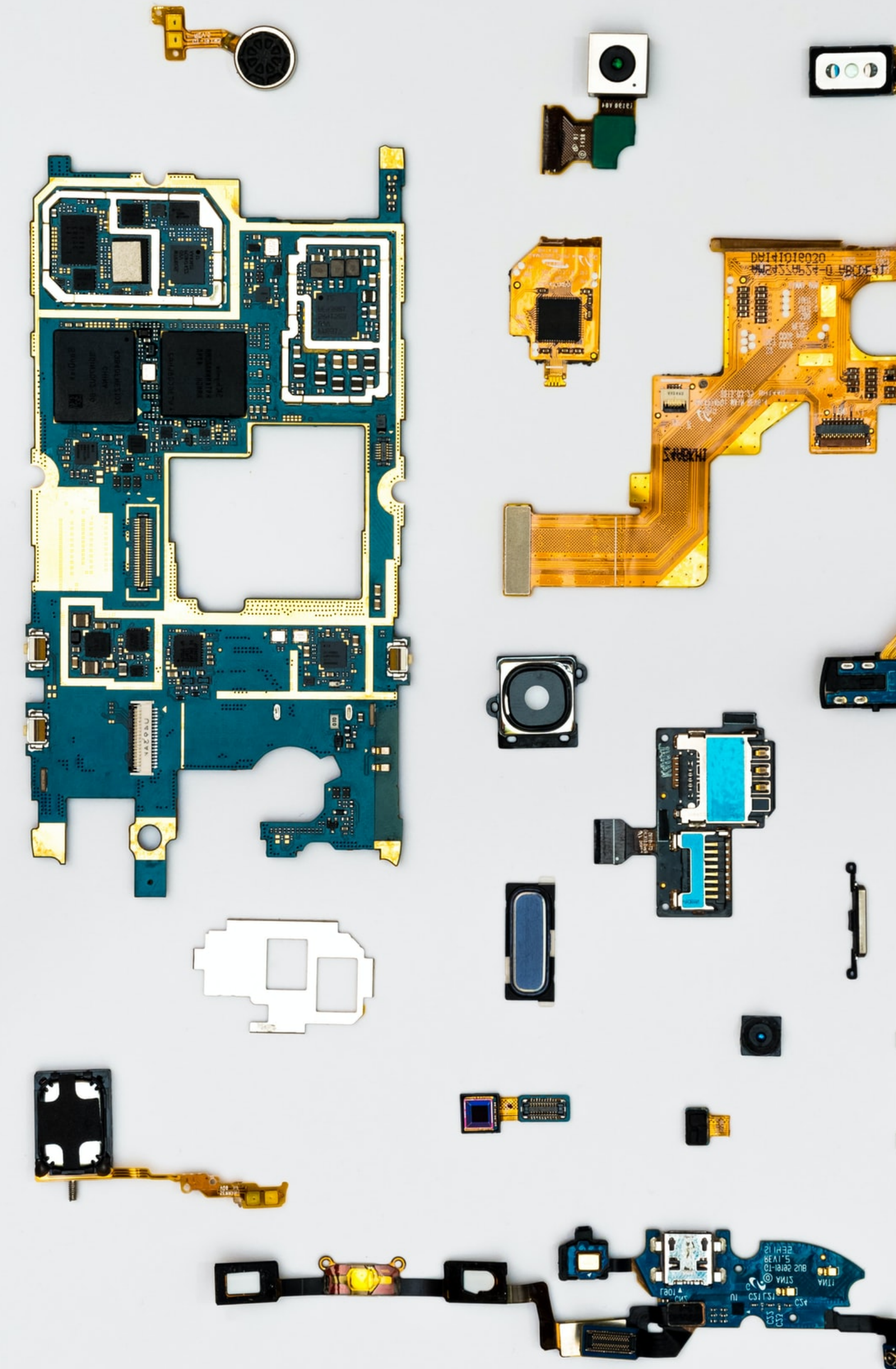
Arigatō, danke, dhanyavād, gracias, tack, tak, takk, thank you, toda.

Get in touch
Stefan Farnan
stefan.farnan@designit.com

About Designit

As an experience innovation company with creativity at our core, we work at the intersection of strategy, design, marketing, and technology. Through diverse lenses, humane technology, and purposeful risk, we're driven by the belief that what matters tomorrow is designed today.

We've always known that design has the fundamental ability to change the way people live, work and play. We've seen it happen, and we've made it happen.

But it's time for solutions that better connect brands, organisations, and businesses. Time to start addressing the challenges people and businesses face every day. And this calls for a new way of thinking. A new way of solving problems and measuring success. A shift from a human-centred perspective towards a humanity-centred one. Pursuing long-term progress for all over immediate value for some.

So, together with our partners, we're hell-bent on turning change into progress—shared progress.

Contributors

Angel Poon
Amalie Judd
Cimara Carneiro
Guillermo Granda
Mikael Gotlib
Stefan Farnan
Joff Outlaw