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The e-commerce market: Handbook 2023



E-COMMERCE MARKET OVERVIEW

In 2021, retail e-commerce sales amounted to approximately 4.9 trillion U.S. dollars worldwide. This figure is forecast to grow by 50 percent over the next four years, reaching about 7.4 trillion dollars by 2025. (Statista, 2022)

The e-commerce market is expected to grow by almost \$11 trillion between 2021 and 2025. Advancements in technology and the growth of available marketplaces have made it easier than ever to buy and sell online. (Shopify)

More than ever before, shoppers are finding trends, discovering brands, purchasing products, and handling returns and deliveries online, a trend that has only been accelerated by the COVID-19 pandemic that closed brick-and-mortar stores worldwide.

Merchants continue to follow consumer demand online, flocking to e-commerce in record numbers. There are an estimate 12-24 million e-commerce sites worldwide (Digital in the Round). With high growth comes high competition. As a result, e-commerce businesses are competing for digital advertising which is becoming more costly and reaching less consumers than before.

As such, e-commerce businesses need to invest more in their multi-channel sales strategies, improve their services, and further strengthen their position.



KEY E-COMMERCE STATISTICS

Conditions across the globe continue to nourish the thriving e-commerce market. Technological developments, a burgeoning middle class in developing countries, and improved infrastructure and internet connectivity are just some of the factors which serve to provide a very stable foundation for the sector.

Meanwhile, the impact of social media and digital advertising are changing the rules of the game. Plus, consumers are driving demand for sustainability, inclusivity, and ethical practice. For e-commerce businesses that can act swiftly, engage audiences through digital channels, and leverage tech to drive efficiency, the future looks very bright indeed.

Read on as Asendia sheds light on the state of the sector in our **e-book on e-commerce industry**.



E-commerce in numbers



Up to **95%** of sales are expected to be conducted via e-commerce by 2040 (Nasdaq)



65% of consumers would purchase globally rather than locally if the price was right (PwC)



Department store sales were expected to decline by **60%** before the start of 2022 (Shopify)



3 out of 4 consumers buy from their smartphones (Oberlo)



There are more than **2 billion** people buying online worldwide (Statista)



53% of electronics and computers are purchased online (Statista)



\$2.25tn maximum projected growth of the global Fashion & Apparel market between 2020-2025 (Statista)



The average conversion rate of e-commerce websites is **2.58%** (Invespcro)



69% of books, music, and videos are purchased online (Statista)



16.5% of all global Health & Beauty purchases are made online (WARC)



WHICH E-COMMERCE MARKETS ARE GROWING FASTEST?

The Philippines and India will lead the world in retail e-commerce sales growth this year, with respective increases of 25.9% and 25.5%. Countries in Latin America and South-East Asia will make up most of the top 10 list, while the last spot will go to the US, the only advanced economy to slide into the rankings, with 15.9% growth. (Insider Intelligence)



Mexico

Over the next four years, the Mexican e-commerce market — already worth over USD 33 billion — will double in size.

Brazil

With an e-commerce market worth USD 40 billion, Brazil is one of the top-10 biggest e-commerce markets in the world. And the value of its online retail sector is growing at an impressive 22% a year.

The Philippines

Online shopping and rising internet penetration is expected to induce faster Philippine growth, potentially reaching Php 1.2 trillion or 11.4% of GDP by 2022.

(The Paypers)

India

India is now the eighth-largest e-commerce market in the world, between Canada and France. India's e-commerce market continues to grow at around 5%, with projected sales of US\$56.6 billion per year.

Colombia

Although currently worth just USD 10 billion, the Colombian e-commerce is expected to grow to the value of USD 17 billion within just four years.

Indonesia

While this list focuses mostly on Latin American and European markets, we'd be remiss to not mention Indonesia. E-commerce sales in Indonesia are expected to double over the next 4 years from USD 24 billion to USD 54 billion.



WHICH REGIONS WILL GENERATE THE HIGHEST DIGITAL RETAIL SALES?

As in 2020, Asia-Pacific and North America will lead the regional rankings for retail e-commerce sales this year. China's outsized role will mean that Asia-Pacific will account for 60.8% of retail e-commerce sales worldwide in 2021. North America will claim a 20.3% share, and Western Europe 12.6%. *(Insider Intelligence)*

The e-commerce market in South-East Asia is growing at a significant rate. In particular, Singapore, Malaysia, Thailand, and Vietnam where demand for both e-commerce and m-commerce is on a huge growth trajectory and poised to be one of the fastest-growing markets in the world.

Even before the pandemic, Singapore alone was one of the fastest growing markets in the region and projected to make \$10 billion in online sales in 2020. Across the South-East Asia region as a whole, the market is expected to exceed \$150 billion by 2025.

From an economic perspective, Singapore, Malaysia, Thailand, and Vietnam are part of the Association of South-East Asian Nations, ASEAN, which focuses on socio-cultural and economic development across the region.

With a market size of \$2.3 trillion and 600 million people, ASEAN aims to achieve a single integrated market through the process of regional economic integration. Already showing themselves as leaders in e-commerce and m-commerce adoption, various ASEAN initiatives are also in place to create world-class digital infrastructures.

[Read more](#) about selling to APAC





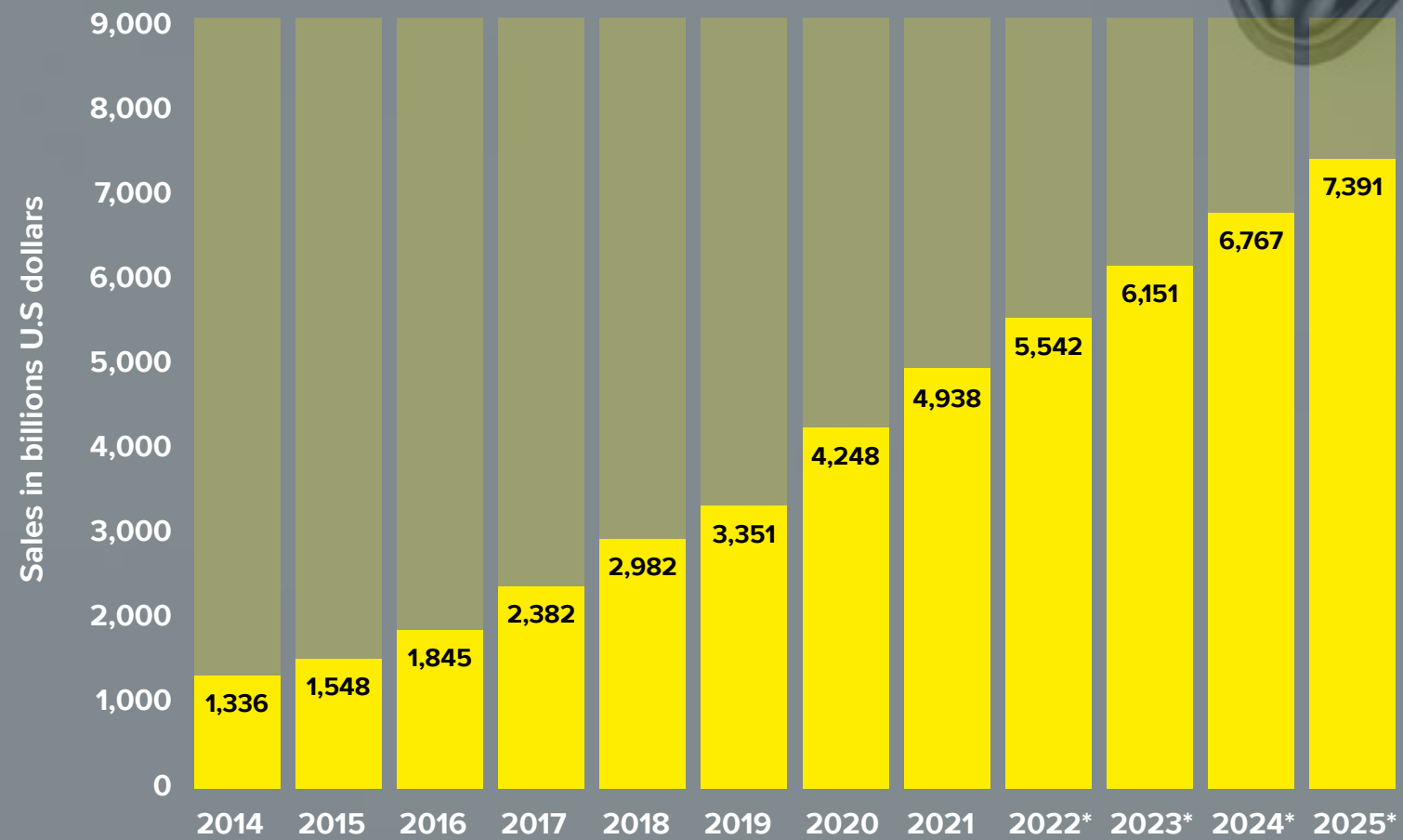
THE SHIFT ONLINE

Online e-commerce has been far more resilient to the market disruption caused by the pandemic than its brick-and-mortar counterpart; e-commerce looks set to grow at a very healthy rate in the coming years. Brands resisting the move to online sales – such as low-cost, fast fashion retailer Primark – have found themselves at an impasse with a business model that is struggling to adapt to e-commerce.

Many strong online brands have found success in omnichannel strategies that seamlessly blend successful e-commerce operations with physical stores, either as returns centres or offering “try-before-you-buy” experiences.

Retailers such as Macys, Zara, Sears, and H&M have utilised the hybrid model to keep customers up to date and offer fast, easy shopping online, with the security of a physical store nearby to answer queries and provide efficient returns and exchanges. The combination of “brick and click” has enabled them to reduce costs on labour, inventory management, and also marketing activity. (Fibre2Fashion)

Retail e-commerce sales worldwide from 2014 to 2025



Release date
February 2022

Region
Worldwide

Survey time period
2014 to 2021

Supplementary notes

*Forecast. Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfilment in the UK; excludes travel and event tickets. 2014 to 2019 data are from earlier reporting.



EXPERT INSIGHT

JOERI GROENEWOUD



As Asendia's Business Development Director, Joeri listens, gathers data and works closely with a team of talented people

in order to present clients with the solutions that will help the most to grow their businesses.

It's been a year like no other for the e-commerce/ multichannel sector. How well has the industry adapted on a global basis?

The industry has always been very agile and adaptable to change, notwithstanding that every time you think you have caught up, something new happens. Yet such constant volatility means that costs can increase, making it a real challenge for brands and retailers to stay profitable. Now, more than ever, we need technology-

driven solutions such as Artificial Intelligence to support us in better understanding our customers' needs.

What trend or development do you think businesses should be taking more notice of?

There has been a growing shortage of raw materials. Production was very limited during the Covid-19 lockdown period and coming out of that has impacted sales across almost all verticals. You regularly hear in the media about shortages in the construction industry – especially wood – or that a shortage of microchips has led to limited stocks of the iPhone. All of these shortages have had a knock-on effect on the e-commerce sector.

Which global delivery trends do you predict for 2022 and beyond?

The main trend continues to be a focus on sustainability, especially regarding last-mile delivery. With big players like Amazon, but also postal operators like our parent company La Poste, investing in

electric cars, greener last-mile deliveries have become a priority for everyone in e-commerce. The popularity of PUDO – pick-up and dropoff – and lockers will likely continue as more and more people value the flexibility of different delivery options. Nowadays, delivering what you promise, at the right price point, is often more important than the speed you do it.

What impact will the growing awareness of sustainability have on the global e-commerce market?

This will have a major impact as companies try to figure out how to best organise their supply chain model from factory to consumer. There is a lot to weigh up and consider, such as comparing the benefits and costs of, for example, local hubs versus regional hubs, or air freight versus ocean freight. Finding sustainable solutions for returns and recycling will dramatically transform how e-commerce operates. It's an exciting time.





CONSUMER CONSIDERATIONS

No two shoppers are exactly alike, and expectations vary significantly from one territory to the next. So, if you have ambitions to grow your e-commerce company across borders, it's vital that you do your research and get to know your target audience, from how they shop to what they're buying.



Consumers across APAC and the Middle East are driving luxury goods purchases, with an average spend of \$313 USD per customer in 2020. (shopify)



North America was the fastest-growing region for fashion e-commerce in 2019, but forecasters predict the high-spending APAC region will take the lead as of 2021. (GNW)



While US shoppers utilise m-commerce for fashion purchases, desktop conversion rates remain high in the UK, Germany, Austria, and Switzerland.



Germany has 50,000 PUDO points nationwide, with 20% of deliveries now going to efficient, convenient pick-up and drop-off locations.



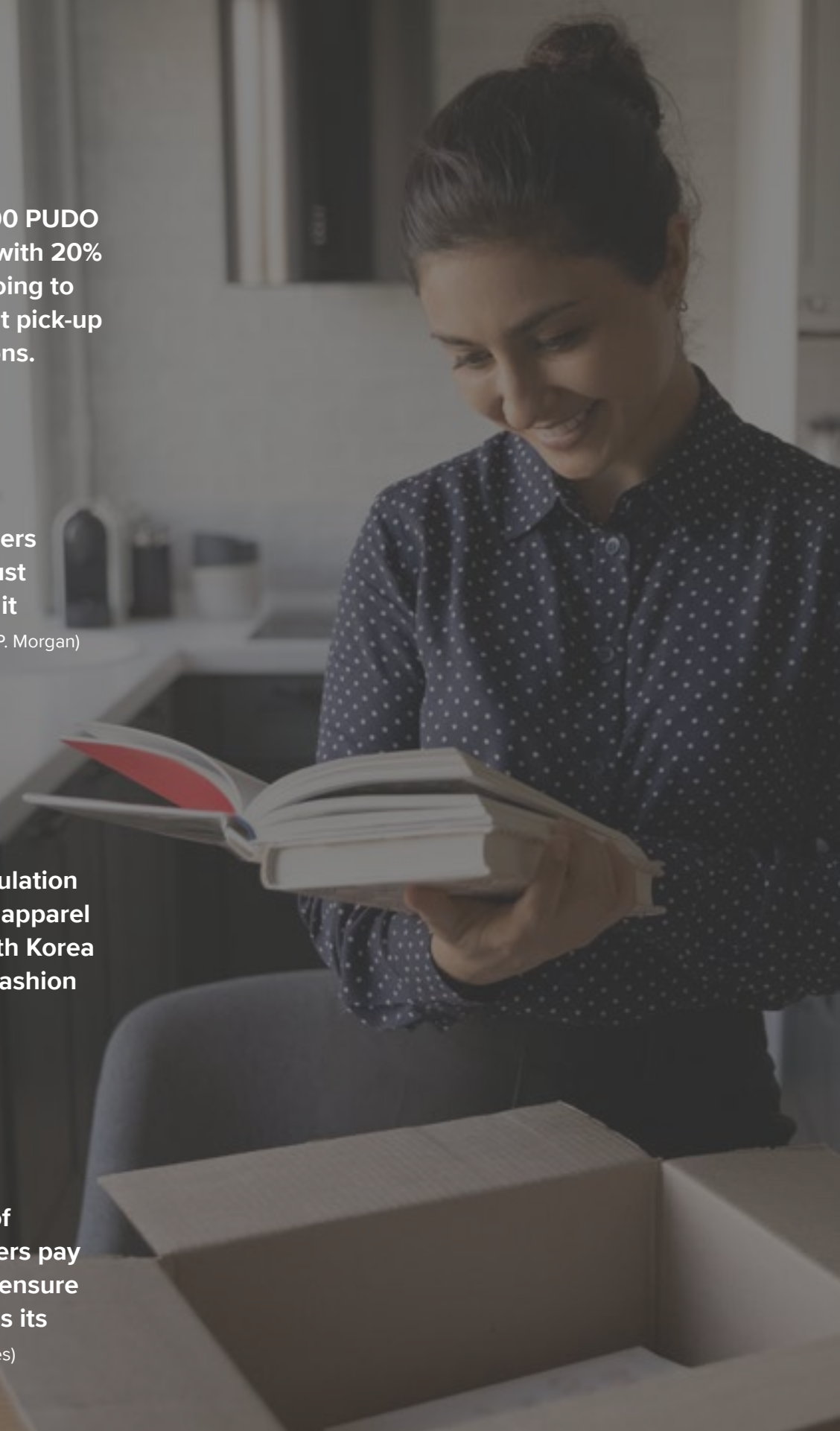
Indonesian consumers rely on cash, with just 0.66 debit and credit cards per capita. (J. P. Morgan)



With 77% of its population buying clothes and apparel online in 2019, South Korea spent the most on fashion worldwide in 2019.



In India, over 80% of e-commerce shoppers pay cash on delivery to ensure the product matches its description. (onlinesales)





RETURNS

Returns are inevitable in online retail. Research shows that **25%** of shoppers identify as 'frequent returners', sending back at least **10%** of the items they buy online.

However, return rates are much higher in Fashion & Apparel. (eDelivery) Millennials and Gen-Z shoppers are more likely to return online F&A purchases than older shoppers, and womenswear (**34%**) is more frequently returned than menswear (**21%**).

Overall, e-shoppers expect a simple returns process with little or no cost to them. In the clamour for custom, the pressure is on for e-tailers to provide cheap, reliable, hassle-free solutions.

- The average returns rate for F&A items is **25% (1 in 4 items)**...
- ...but it can be as high as **45%**, with some customers returning nearly half of their purchased goods (IMRG)
- **60%** of shoppers review a returns policy before making a purchase
- **49%** of shoppers have been deterred from making a purchase because of a returns policy (Accenture)
- **59%** of millennials would never shop with an e-tailer that charged for returns



Bracketing

Buying several sizes and/or colours of the same item with the intention of returning the unwanted items.

30% of consumers purposely order more and return unwanted items when returns are offered for free. (Eco-Age)

A quarter of all consumers return between **5%** and **15%** of the items they buy online. (Shopify)

As a major contributor to the high returns rate for online F&A retailers, many retailers have moved to tackle this with "try before you buy" services; Amazon Prime Wardrobe allows shoppers to order various sizes and colours of a garment, but only pay for the ones they keep.



MINIMISING RETURNS

Greater numbers of online orders have naturally led to an increased rate of returns, which can be a challenge for retailers to handle efficiently. The complexity of managing returns has been compounded by same-day delivery, simple returns processes, and COVID 19 store closures, as customers opt to buy items in various sizes/colours to try at home, and then return any unwanted items.



- Accurate product descriptions, photography, and even videos demonstrating fit and feel reduce returns – 70% of shoppers want to zoom in on product photography before buying
- Customer reviews and feedback on whether items fit true to size helps shoppers identify the right size for them
- Clear, accurate sizing can establish the correct size at the earliest possible stage of the customer journey
- Size and fit technology, purchase and returns history analysis, virtual visualization tools, and augmented reality can all help increase consumer satisfaction
- Delivery and return subscription models allow retailers to manage, plan, and cover returns costs more easily with frictionless deliveries and returns
- Find a reliable logistical partner that can deliver the most cost-effective solution that offers simplicity and convenience





HIGH EXPECTATIONS

Customers want control over their deliveries. Price-sensitive shoppers, for example, may be willing to wait longer for their parcel, or forgo tracking for a cheaper delivery option.

Consumers have a huge range of choice as to where they make their purchases, and 'shopping around' is very easy on the internet. That's why every aspect of the customer experience must be optimised. Enhance the customer experience with

multi-language customer services, local pricing, and up-front duties and customs calculations.

These simple offerings ensure repeat customers, favourable reviews, and increased recommendations.

- **42%** of shoppers rely on recommendations from friends and family
- **24%** listen to social media reviews

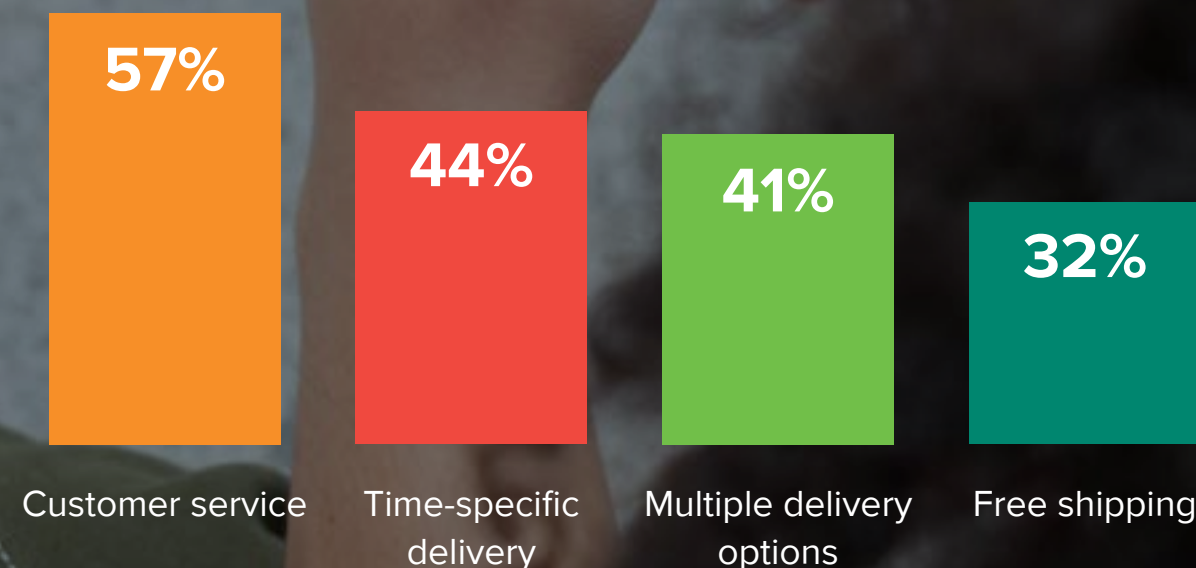
Did you know?

The average shopper expects to wait no more than 2 seconds for a webpage to load and **40% of shoppers** will abandon a site altogether after 3 seconds.

(Forrester Consulting)



Considered 'extremely important' by consumers



(Discover)



THE RISE OF SOCIAL COMMERCE

Social commerce is a new trend in online shopping and a potential goldmine for e-commerce businesses around the world.

It is a subset of e-commerce that encompasses every step of purchasing a product through the intermediary of a social media platform. Consumer spending via channels such as Instagram, TikTok, Snapchat, and WeChat has become the fastest-growing sector in retail, with Livestream shopping events driving huge uplifts in the South-East Asia and USA regions in particular.

Our recent Insights LIVE event explored social commerce with how Asia is driving many exciting new e-commerce trends and a fast-changing e-commerce landscape. Co-hosted by Asendia's Head of Asia-Pacific, Lionel Berthe, it also looked at how sustainability is becoming mainstream in Asia, transforming how Eastern consumers shop and even adopt social commerce.



New trends and technology will dictate how this sales platform will grow, and we look forward to providing more research and content in 2022.

In October 2021, WPP and Snap Inc. announced a new global e-commerce partnership that would use Augmented Reality on the Snapchat platform. According to a study Snapchat commissioned, 94% of surveyed respondents stated that they plan to use augmented reality for shopping at the same or greater levels in 2022 than they did this year. David Roter, vice president of global agency partnerships at Snap, claimed that more than 200 million Snapchat users engage with AR functions on a daily basis. (Retail Dive, 2021)

We expect to see Social Commerce used by businesses globally over the next year, especially the adoption of this sales approach by companies based within Europe. New trends and technology will dictate how this sales platform will grow, and we look forward to providing more research and content in 2022.

You can download our checklist for international social commerce success below.

[Download Checklist Here](#)





CONSCIOUS CONSUMERS

For all its popularity, fast e-commerce has come under serious scrutiny in recent years. The focus it puts on low prices and ever-changing trends has inevitably raised questions about working conditions and the environment.

While the internet has played a vital role in fuelling the growth of the e-commerce industry, it has also been an important platform for fuelling conscious consumerism. Social media, for example, provides a channel for direct engagement between brand and consumer, empowering ordinary people to help drive change. Ultimately, through their purchasing decisions, consumers play a very important role in making e-commerce a fairer and greener industry.

70% of all consumers agree that addressing climate change is more important now than ever. (GlobalData Covid Survey)



Ethical & Sustainable Policies

37% of shoppers base their buying decisions on retailers' ethical and sustainability policies.

(KPMG's UK retail report)

Packaging

88% of shoppers believe retailers use too much packaging in their outbound parcels. In addition, nearly half (43%) of shoppers changed their mind on purchasing due to the packaging used (KPMG's UK retail report). Brands should consider using recyclable and energy-efficient materials and packaging.

Delivery emissions

Transport emissions are important too; consider using a logistical partner that offsets its emissions.

Labour conditions

As with the environment, consumers are becoming more aware of the plight of vulnerable garment workers throughout the supply chain. 66% of consumers say they would stop or significantly reduce purchases from a brand that fails to treat its employees or suppliers fairly. (McKinsey)

Inclusivity

Consumer and employee pressure will continue to drive inclusivity and representation in marketing materials and in the board room. There is now very real pressure for companies to go beyond tokenism and to deliver meaningful change and representation. 54% of consumers believe that brands have an important role to play in issues like #MeToo and #BlackLivesMatter. (Kantar)



ASENDIA
100% carbon neutral
sustainability.asendia.com

e-PAQ is a carbon-neutral delivery solution designed for online retailers with specialist services ideal for e-tailers.

The e-PAQ range of packet and parcel services combines cost-efficiency, speed, simple returns, customs management, tracking and sustainability.

Four service levels ensure flexibility and value for money, so you can choose a solution that works for you and your customers.

Discover the e-PAQ range at

www.asendia.com

“ Working with Asendia has provided us with a whole new opportunity for the European market and having a high level of responsiveness and support from our Account Manager frees up our time so we are able to focus on the aspects of the business that we know best. ”

Chilly's bottles

Fast growing brand of reusable bottles and valued Asendia customer.



Service comparison chart

	e-PAQ Standard 0-2kg	e-PAQ Plus 0-2kg	e-PAQ Select 0-30kg	e-PAQ Elite 0-30kg
Delivery experience	★★	★★★★	★★★★★	★★★★★
Speed	★★★ (★)	★★★★ (★)	★★★★★	★★★★★
Customs options	★★★★	★★★★	★★★★★	★★★★★
Availability	★★★★★	★★★★★	★★★★★	★★
Tracking	-	★★★	★★★★	★★★★★
Price	£ £	£ £ £	£ £ £ (£)	£ £ £ £ £

e-PAQ Select

Ideal for e-commerce retailers

With faster delivery times, returns management and tracking notifications, e-PAQ Select offers a complete delivery service for e-tailers shipping goods.

- ▶ 2-5 days regional delivery, 4-9 days intercontinental
- ▶ Fully-tracked and signed-for services
- ▶ Delivery to over 200 destinations
- ▶ Choice of customs pre-paid or pay at destination
- ▶ Economy delivery solutions available
- ▶ Suitable for packages up to 30kg
- ▶ Customisable additional options e.g. PUDO, cash on delivery

Contact Asendia today and see how e-PAQ Select can support your e-commerce business to grow globally.



HELPING BRANDS THROUGHOUT THE ENTIRE E-COMMERCE VALUE CHAIN

Asendia does so much more than deliver parcels around the globe. We act as a trusted partner to brands we serve, helping them with everything from acquiring customers and facilitating transactions, to returns management and customer care.

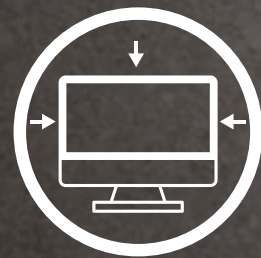
Asendia's fulfilment solutions will help you to:

- **Save money** – Reduce costs with efficient integrated warehousing, fulfilment and delivery services.
- **Save time** – Spend less time on operations and more on business development.
- **Improve customer experiences** – Fast and accurate fulfilment, reliable delivery and simple returns.
- **Grow internationally** – With Asendia, you can offer international shoppers affordable, trusted and convenient delivery and returns, encouraging them to hit the checkout button.
- **Deliver sustainable e-commerce solutions** – Asendia offsets all our fulfilment services to be 100% carbon neutral, for the benefit of you and your customers.

Supporting you along the whole supply chain



Collection and pick-up



IT Integration



Warehouse and Fulfilment



Delivering Orders



Customer Care

OUR FULFILMENT CENTRES

With approximately 200,000 sq. ft. of secure, climate-controlled warehouse space in strategic locations around the world, we can deliver products, merchandise and marketing materials quickly to over 220 countries and territories.



USA

Philadelphia (HQ),
New York, Miami, Chicago,
San Francisco, Los Angeles



UK

Bedford &
Southampton



Italy

Milan



China

Shenzhen
& Shanghai



Hong Kong

Tsuen Wan



Singapore

Free Trade Zone

Contact Asendia today and find out how we can help your brand reach customers, wherever they are.