

KARMA JACK DIGITAL MARKETING AGENCY

# 10 THINGS YOU MUST KNOW ABOUT E-COMMERCE IN 2021

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2020 and all of its unpredictability has had long-reaching effects on consumers' wants, needs, and spending habits. As many companies had to pivot from brick-and-mortar to strictly online during the on-going pandemic, e-commerce led the way for spending.

Many consumers prefer the convenience and safety of online shopping. Ordering online and picking up in-store has become more common than in-store browsing. Curbside delivery for online purchases is often the new norm. These changes have greatly impacted how consumers spend their money and what avenues they choose to do so.

What does this mean for e-commerce in the coming year? What can we learn from 2020 to show what lies ahead in 2021? Here are ten things you must know for e-commerce as the new year is underway.



# #1

**E-commerce exploded last year and will continue to boom for years to come.**



E-commerce sales recorded a whopping 27% increase in 2020, with sales over \$4 trillion.

Early estimates are already predicting over \$5 trillion in sales for 2021, and even more in 2022.





# #2

## **E-commerce has grown—but so has the competition.**

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The COVID-19 pandemic caused e-commerce to boom. In just 90 days, e-commerce saw 10 years of growth during the peak of the pandemic.

However, that doesn't mean it will last forever. As brick-and-mortar stores begin healing from the difficulties of the pandemic, the growth of e-commerce is expected to slow down to 7.8%.

Not everyone can compete with these new changes. New competition means new challenges, such as massive spikes in ad cost. This means less than half--only 38%--of the largest companies have the ability to compete on customer service.



# #3

## The future of retail is in the hands of the consumer.

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### SHOPPING HABITS HAVE CHANGED DRASTICALLY IN THE PAST YEAR.

Most people have tried new online stores and brands, and out of the 75% of customers who did, more than half of them expect they'll keep shopping with those same brands even after the pandemic has ended.

On top of that, nearly half of all consumers say they'll continue shopping online just as much now as they will in their post-pandemic lives. Online shopping has taken an even bigger slice of the pie, and it isn't giving it back anytime soon.



**IF THE CONSUMER ISN'T HAPPY,  
NOBODY IS HAPPY. BUT WHAT DO  
CONSUMERS WANT?**

Free shipping is a big one, with 64% of online shoppers voicing their desire for it, and nearly half of consumers saying they expect 2-day shipping to be free.

This also means that same-day shipping market is on the rise--it's on track to hit \$9.6 billion in the U.S. alone in 2022.

Additionally, environmentally friendly products are important to consumers with half saying they don't mind paying extra for them.

**#4**

**Consumer  
satisfaction  
separates the  
successful from the  
unsuccessful.**





# #5

## **Acquiring new consumers is costly. Getting them to stay is what matters most.**

It can cost over \$30 to attract a single new customer through marketplace apps. This means retaining customers is more important than ever to cover that cost and keep the momentum moving forward.

New competition has led to major increases in digital ads. Brands are spending more than ever on ads to not only acquire, but retain new customers.

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# #6

## Online sales have boomed for both small and big brands.

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### AS THE SAYING GOES, A RISING TIDE LIFTS ALL BOATS.

With e-commerce booming, it benefitted online shopping in brands of all sizes.

The holiday season of 2020 saw a smaller gap than most years of increased sales between large businesses and small ones.

With the uncertainty of how long the pandemic will last, this momentum will carry throughout 2021.



# #7

**E-commerce will continue to accelerate in the first half of 2021, but grow slower in the second half.**

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No doubt the current trade of e-commerce will dominate in the first half of the year, but as things slowly get back to normal consumer demands could change with it.

As more options for in-person purchases become available, the bottled-up desires for dining in, entertainment, and much more could slow that growth from a full-on sprint to a quick jog.



As more companies strive to build their online presence, a personalized touch will separate the bold from the boring.

AI-powered recommendations for products based on things like age and gender will expand to boost things like purchase history and search history to deliver personalized experiences for consumers.

Consumers want to feel like their needs are being listened to specifically for them when it comes to shopping for products or services.

#8

**Brands are in a race to deliver the best personalized online shopping experiences.**



A woman with blonde hair, wearing a red hat and a light-colored scarf, is smiling and holding a blue and white plaid shirt. She is in a clothing store, with racks of clothes and shelves in the background. The image is overlaid with a semi-transparent blue filter.

# #9

## “Buy now, pay later” (BNPL) is on the rise.

Many consumers who have been hurt financially from the pandemic need the flexibility of BNPL.

40% of millennials have used BNPL and this number is expected to continue to grow.

Nearly half of consumers that use some form of credit for purchases say they refuse to purchase through anyone that doesn't offer BNPL.

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# #10

**Programmatic  
CTV advertising  
will see massive  
increases.**

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Over \$1 billion was spent on programmatic CTV advertising in 2020 than in 2019.

Another additional \$2 billion is projected to be spent on programmatic CTV ads in 2021.

Over half of US advertisers will redistribute ad funds from linear TV ads to programmatic CTV in 2021.



# Ready to learn more?

Well, good news.  
We're here to help.

**Get started at [KARMAjack.com](https://KARMAjack.com)**

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## **MAILING ADDRESS**

2915 John R Suite 507  
Detroit, MI 48201

## **PHONE NUMBER**

(800) 457-7751