

The Future of E-Commerce: Flourishing Opportunities for APAC Businesses



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The unabated march of the 24/7 x 365 e-commerce marketplace likely started with eBay's launch in 1995. Over the next 25 years, e-commerce would steadily alter major industries - including retail, logistics and even banking - as well as business and consumer behaviours and expectations.

In 2020, COVID-19's sudden onset gave e-commerce momentum a dramatic boost. In Singapore, an initial plunge of 52% in year-on-year retail sales in May quickly rebounded with a 151% growth in June. Faced with lockdowns, travel bans and shop closures, buyers ventured online for everything, including food, furniture and electronics for working from home.

E-commerce prospects are continuing to rise. Global revenues are projected to top US\$5 trillion in 2021, up from US\$3.9 trillion in 2020. Asia-Pacific will contribute a whopping 60%. A Salesforce study also found that 58% of consumers and 80% of business buyers expect to conduct more online transactions post-pandemic.

What should businesses do to seize opportunities in this fast-growing marketplace? We consider four e-commerce trends that underpin longer-term industry growth.

Trend 1: Embracing Digital-First

Social distancing has made online engagements not only a convenience, but a necessity. Increasingly, 'digitally-dependent' consumers expect to find and buy products quickly, at the right time, place and price, with the push of a few buttons.

Thus, replacing legacy systems with digital-first practices and artificial intelligence (AI)-driven applications will equip companies to manage everyday interactions more effectively. Being able to offer a diversity of preferred payment methods, personalised merchandise, extensive logistics and shipping options will enhance operational efficiencies and user experience to achieve a competitive edge.

Electronics retailer Audio House's efforts to switch on Facebook Live sessions by redeploying showroom sales staff paid off as consumers turned online for purchases, including big-ticket items.

Trend 2: 'Omni-channel' Strategies

As the borders between digital and physical worlds blur and users demand seamless online/offline experiences, e-commerce companies can benefit by adopting end-to-end automation platforms to orchestrate cross-channel marketing strategies.

The ability to track and integrate user data across touchpoints - such as text/SMS, voice, video-chats, wearables and in-store sales - allow companies to analyse user behaviours and make meaningful predictions and recommendations that resonate with customers. Delivering richer, more personalised experiences will enhance customers relationships and drive sales conversions.

Even traditional outfits have jumped on the bandwagon, as seen from carmaker BMW's move to launch its new model with online marketplace Lazada.

Trend 3: Understanding Social Commerce Trends

Businesses must keep pace with emerging e-commerce and IT industry developments - like progressive web applications (PWA) and 5G - to stay ahead in today's hyper-competitive digital economy.

Social commerce, a subset of e-commerce, is currently in the spotlight as social media influencer campaigns drive massive sales. An example is 'social shopping-enabled' Instagram profiles with shopping bag icons that lead users directly to product details and purchase links. With social commerce, businesses not only reduce significant traditional reseller overhead costs, they also gain direct reach to potentially millions of socially-connected consumers spread across different geographies and socio-economic classes.

Are you still using conventional channels that are slowing down your business?

Trend 4: Promoting Trust & Values

As the ongoing pandemic crisis has amplified health, charitable and environmental concerns, consumers are paying more attention to company values in their purchasing decisions.

Businesses need to be aware that their corporate actions - from support for social causes to ethical practices, or the lack thereof - can potentially impact customer acquisition and retention. Online platform Zalora, which has been helping small businesses build their web presence, recently saw nearly 2 million downloads of its app.

Business Imperatives to Stay Competitive

With these trends in focus, forward-thinking businesses need to prioritise two things to stay competitive: firstly, keep informed about prevailing market trends and preferences in order to quickly develop or re-design strategies that optimise returns. Secondly, be open to change and innovation, especially new technologies that can enhance efficiencies and user experience to keep your business top-of-mind with consumers!