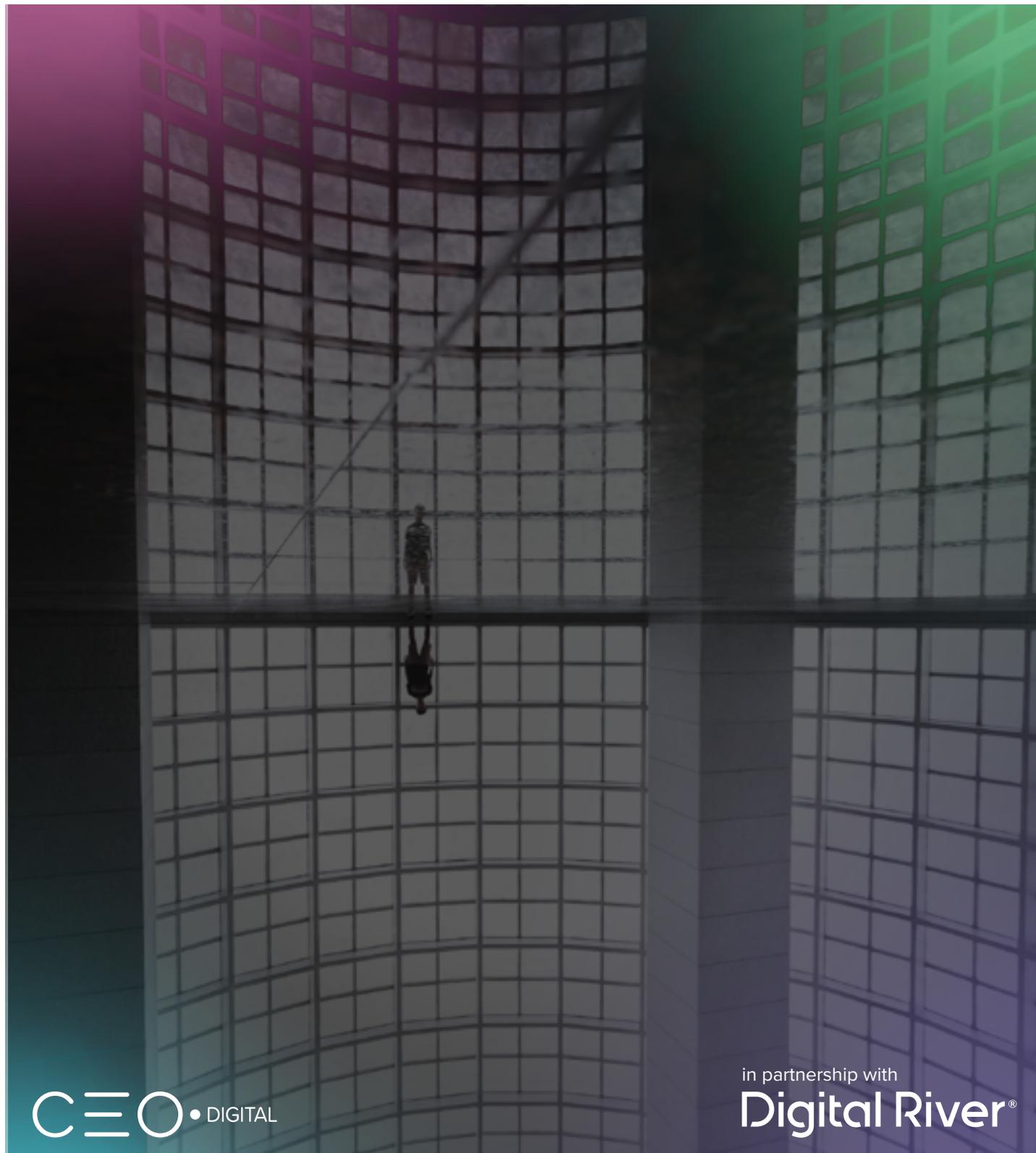


☰ The Consumer Expectations Landscape ☰

# The Ecommerce Era



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# Introduction

The 21st Century ecommerce consumer has high expectations from each business they buy from. It isn't enough to simply facilitate a transaction for goods or services – businesses must also provide consumers with a unique, tailored experience.

Localisation and personalisation must now integrate to deliver an experience that not only enables customers to find and buy the goods and services they want, but that also leaves them with a lasting positive and emotional connection. For ecommerce businesses, these experiences lead to high levels of brand advocacy and long-term loyalty.

Ecommerce today is a multifaceted landscape that businesses need to navigate successfully. The mobile channel is, of course, rapidly expanding. An omnichannel approach to delivering high levels of customer service is also now a critical component of successful ecommerce.

As the ecommerce landscape expands and diversifies, it's crucial that businesses are using different platforms to deliver new and engaging customer experiences. Having agile, flexible and secure platforms to build new experiences onto is vital for all ecommerce businesses.

In this report, you will learn how placing the customer at the centre of your ecommerce activity is the secret to a long-term sustainable and profitable business. In addition, you will see why experiences are now the new currency of engagement across the ecommerce landscape. You will also learn how the cloud can be leveraged to enhance your ecommerce business today, and ensure you have the systems in place to fully support and develop your business well into the 21st Century.

# Understanding the Persona: Who is today's ecommerce customer?

Born into a world awash with digital technologies, the ecommerce customer today has high expectations. Their smartphones are an omnipresence in their lives, giving them access to goods, services, entertainment and their essential social media networks.

For today's customer it is vital that when they want to access goods and services, they can achieve their goals in the fewest number of steps. They need to be able to switch devices and channels at will and be confident that their transactions are safe and secure.

It's vital that businesses have a 360-degree view of their customers to ensure they are delivering their goods and services across every channel and touchpoint.

Supporting the omnichannel approach should now be ubiquitous across your enterprise. As your business is collecting masses of data about each customer, leveraging this information is a crucial aspect. Connecting siloed datasets from each channel to deliver a holistic view of each customer ensures they are fully supported throughout their purchasing journeys.

The level of support your business offers means

not merely omnichannel purchases, but an omnichannel approach to customer services as well. Often the focus will be on the transaction component of the channel in use. The reality is that consumers also want to contact businesses on their terms, using a channel of their choosing and a time that suits them.

Also, the customer journey to make a purchase is now non-linear. The traditional sales funnel no longer adequately describes how today's consumers locate and then buy goods or services. Customers still pass through familiar stages of purchasing, but many other elements now impact on this journey.

Research from eMarketer estimates that almost 59% of online sales came from a mobile device in 2017, up from IMRG's estimate of 51% in 2016. This is expected to reach 56% by 2021. Also, Textlocal report: "Worldpay anticipate the UK m-commerce market will rise at an annual average of 21% over the next five years, fuelled in part by the strong growth forecasted for eWallets and mobile payment types."<sup>1</sup> Textlocal project that by 2021 eWallets will be the most popular method for making online purchases, taking a greater share of the market than either credit cards or debit cards.

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1. *Mobile Consumer Behaviour Report: Evolution of the digital swiss-army knife*, Textlocal

2. *The New Omni-Channel Approach to Serving Customers: Strategy Implications for Communications Service Providers*, Accenture

In their overview of the omnichannel, as it applies to communications service providers, Accenture concluded: “More content than ever is being put in front of customers, much of it beyond any given service provider’s control. Amplified and empowered by technology, the “voice or noise of others” is increasingly insistent and influential. It is available anytime and anywhere, and it can come from or through anyone. Consumers can more easily compare a provider’s promise versus delivery, and how well the overall experience matches up to their own expectations.”

Today’s consumer exhibits several key characteristics:

### **Channel agnostic**

Where in the past, a consumer would favour one channel to make purchases, today’s consumer will use multiple channels throughout their purchasing journey.

### **Omnichannel is expected**

Consumers now expect to be able to seamlessly move between desktop, in-store and mobile when making a single purchase.

### **Customer services are now social**

Contacting businesses for customer service queries is far more likely to take place on Twitter and Facebook than via phone or online forms. Also, response times continue to shorten as consumers demand responses in minutes.

### **Personalised products and services**

Personalised buying experiences are now expected and can be a key brand differentiator.

### **The noise of others is influential**

As today’s consumers are immersed in social media, this noise has a direct and tangible impact on the customer journey and their buying decisions. Consumers pay attention to the opinions of others and will spend substantial amount of time researching a product or service on their social networks before making a purchasing decision.

Many businesses have multiple sales channels, but these may not offer an integrated journey for their customers. The 21st Century consumer will use increasing numbers of channels and wants to freely move between them as they make their way through their purchasing journey. The businesses that make these journeys as integrated and seamless as possible will become favoured brands and enjoy long-term loyalty.

# Great Expectations: How Customer Experience (CX) Drives Sales

The expectations that ecommerce customers now have when they make a purchase is based on their overall experiences of a brand and the channels it uses to reach and support its customers. Consumers don't just want to purchase from a brand, they want to experience a brand.

Today's customer wants an always-on experience across all the channels and devices they use to connect with businesses. Having the always-on experience with their social media via smartphones means that online presence now influences the traditional consumer-brand relationship.

Research suggests that in the short term, CX will become a core brand differentiator when consumers are making purchasing decisions. It's vital that brands understand what CX means for their businesses and how this can manifest in each customer touchpoint.

The CX Network explained: "True customer obsession entails unlocking a 360-degree customer view across all of your contact channels from using next-level surveying to capture the voice of your consumers through to listening to that valuable voice of the employee. However, it's not enough to merely listen —

you must take these insights and make them actionable to drive business improvements and necessary organisational change. By connecting these different data points into one central system and creating easy access points for staff from the frontline to the boardroom, you will have a powerful CX resource available at your fingertips."<sup>3</sup>

There is also, of course, a commercial aspect. According to research from PwC, 65% of UK consumers state that a good customer experience helps them decide between buying options. "Want to win the experience race?" asks PwC. "Change your customer experience goals to reflect what matters to customers. When customers feel appreciated, companies gain measurable business benefits—including the chance to win more of their customers' spending dollars."<sup>4</sup>

Contextualised experiences are also important core business goals, as consumers increasingly want experiences that are tailored to them. Research from Gartner indicates that companies need to do more: "CIOs must get together with their CMO, customer experience, business unit and product leaders to revisit and reset the current digital experience priorities and projects in light of these insights," said Brad Holmes,

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3. Market Report: Striving for omnichannel excellence, The CX Network

4. Experience is everything: Here's how to get it right, PwC

Managing Vice President. “The path is well paved by best practices of leading retailers, banks and the successful digital natives. Understanding and applying cross-industry best practices in order to re-engineer digital product and service capabilities is the right way to make progress.”<sup>5</sup>

CX is a multifaceted and long-term component of every business’s strategic planning. Great CX is not just one touchpoint but should also create the fabric of each customer channel. CX in customer services functions is often a focus yet expanding CX business-wide reaps the most lucrative rewards.

A clear focus for CX is across your business’s social media channels. When researching ecommerce customers in Ireland, PwC<sup>6</sup> found that 62% of 25-34-year-olds find purchasing inspiration through social media. 94% of 18-24-year-olds use social media to inspire their purchases. Enhancing a customer’s experience when using your social channels has clear advantages.

Deloitte also succinctly asked: “Your customers are more knowledgeable; moving from static on-line research to social media to get candid views from their peers. They are seeking advice on new initiatives, complaining about your competitors, wanting to be educated and asking for advice on your company, your products and your services. Also, where are you?”<sup>7</sup>

Assisting your customers at every opportunity is also a tangible way to enhance CX. The expansion of smart assistants will continue to impact on CX, brand allegiances and advocacy. Intelligent assistants are fast becoming a key component of great CX. Consumers often feel fatigued when searching for the right product for them amongst, in some cases, the hundreds that are available.

Also, according to research from Ericsson: “43% of smartphone shoppers [want] a shopping assistant that helps them narrow down purchasing choices, [so] we are moving towards an era where the most important thing is the chooser we select, rather than making decisions ourselves.”<sup>8</sup> Building strong support for smart assistants is, therefore, a critical component of your business’s CX.

However, care must be taken when automating these customer interactions. The technologies your company uses to deliver the additional assistance must be fully supported with a human element. Your customers will use your website, mobile app and the self-service machines in your stores, but may need to reach your customer services team to ask a question, or when something goes wrong with their purchase. Reaching your teams must be an integrated component of your CX. PwC found that 78% of UK respondents said they would want to interact with a real person more as technology improves.<sup>9</sup>

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7. *Re-invent sales for the 21st century*, Deloitte

8. *Beyond smartphone shopping: the rise of smart assistants*, Ericsson

9. *Experience is everything: Here’s how to get it right*, PwC

World-class CX is a crucial differentiator for your business and includes several key components:

### Unique branded experiences

Consumers are always looking for companies that can not only sell them the goods and services they want to buy, but also offer them new experiences.

### Experiences are not just technology

Using technology to enhance CX is a clear driver for all businesses. As ecommerce moves inexorably to the mobile space, CX on mobile digital devices will be vital to get right.

### CX still needs a human component

Implementing technologies to deliver CX also requires a human component and that is often overlooked. Smart assistants often fail. In this scenario, consumers will immediately want to speak with a live customer services representative. Successful CX integrates this human component into the customer-facing technology.

### Each CX experience drives revenue and retention

Consumers that have a good experience when completing a transaction with your company will reward you with repeat business, but more importantly, your business will be able to retain that customer over the long term.

### Multiple touchpoint CX

Businesses need to ensure that the CX they develop isn't channel specific. Ecommerce now takes place across many channels and it's critical that a good CX experience is maintained as a customer moves from channel-to-channel.

Adobe advises how to enhance CX and begin your business's transformation: "Without strong and sustained CX commitment from executives, CX transformations will fail. To convert lip service into strong commitment, articulate a clear "why" for the CX transformation that connects to executives' hot buttons — like achieving goals on numerical metrics or leaving behind a certain legacy. Then, develop a vision and shared CX values. Finally, craft a road map for how to achieve the overall goals, with key milestones and objectives for each phase."<sup>10</sup>

Creating, maintaining and communicating good CX requires a deep understanding of your customers. Identifying what kind of experiences they crave and how these should be delivered are the first steps to great CX.

As ecommerce moves to the mobile space, crafting these experiences to work well on mobile devices is a must. Using emotional engagement coupled with advanced technologies such as bots and AI, is part of the CX delivery mix.

10. *The Business Impact of Investing in Experience*, Adobe

# The Commerce Cloud: Cloud Services for Agile Ecommerce

The cloud and ecommerce have a symbiotic relationship. As the cloud has infinite scalability, ecommerce thrives in this environment.

Moreover, as ecommerce continues its move to mobile devices, cloud-based services become essential to continue this trend.

Cloud-based ecommerce solutions are also critical to support the expanding omnichannel. Indeed, the omnichannel could not offer a high level of integration and flexibility without the cloud. As consumers now expect an always-on experience when they are in the sales funnel, the cloud can adapt to deliver these demands.

In their report, Shopgate explains: “Online retailers have opportunities to create seamless experiences across channels—such as mobile-optimised website, mobile apps, and marketing channels like push notifications. To succeed in integrating mobile marketing and retail into a broader strategy, retailers must understand the unique aspects of mobile channels, how they are used by customers, and the specific marketing strategies effective in these areas.”<sup>11</sup>

For ecommerce businesses, in particular, high-quality cloud services that deliver maximum

uptime can't have their importance overstated. The cloud also enables businesses to build on their core ecommerce activities. “Device proliferation, high-quality mobile connectivity and cloud services are now mature enough to allow you to extend your reach, enhance your value proposition and improve customer loyalty,” says Deloitte. “But again, as with any other technological disruption, you need to correct your business and sales model.”<sup>12</sup>

Today's sales models are the omnichannel where multiple revenue streams are integrated to deliver great CX that translates into brand advocacy and long-term loyalty.

Cradlepoint mention in their report into retail trends: “The question about big data is no longer how to obtain it, but what to do with it. Cloud-based applications are helping make sense of big data and deliver it when it's most useful: in real time. In a culture where trends rise and die in mere days, aggregate sales information can keep store managers and sales associates in-the-know about current top sellers. Back at corporate headquarters, purchasing agents can use real-time sales information to make inventory choices.”<sup>13</sup>

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11. *The 2017 Mobile Commerce Outlook Report*, Shopgate

12. *Re-invent sales for the 21st century*, Deloitte

13. *Trends in Retail Network Infrastructure*, Cradlepoint

Over the last decade, the ecommerce pure play brands have shown how cloud services can be leveraged. Now that cloud services have become commoditised; this offers a massive opportunity for all retailers.

In particular, today's cloud services also deliver to e-tailers the ability to integrate sales channels and enable their customers to use the touchpoints of their choosing.

Fundamentally, the cloud enables new agile supply chains to be created and maintained. The massive expansion of click and collect is just one example of this in practice. And the cloud will continue to play a vital role as ecommerce expands and becomes an even more connected space as the power of APIs is realised.





# Legal eagles: Compliance in Today's Ecommerce Landscape

As ecommerce has expanded, the regulations that impact on this space have been enlarged and extended. For all ecommerce businesses, there are many critical pieces of regulation that businesses must comply with:

### The Companies Act 2006

For ecommerce businesses, this Act governs the minimum pieces of information that must be displayed on a website. This information includes:

- Company name
- Company registered number
- Place of registration (England and Wales for example)
- Registered office address
- Company name, postal address and company email address
- How your business can be contacted by post or phone
- Your VAT number (if you are registered)
- The name of any trade bodies or professional associations your business is part of, including membership or registration details

### The General Data Protection Regulation (GDPR)

These regulations came into force in May of 2018. GDPR aims to give consumers more control over the information that businesses and organisations collect about them.

In essence, all ecommerce businesses will need to:

- Assign a Data Protection Officer to oversee GDPR and become a point of contact for all GDPR related queries.
- Ensure customers can easily give their consent to receive all types of communication from your business. This permission must be explicitly given and not just assumed. On any forms across your website, a box could be made available that customers must tick to provide to show they have given their permission.
- The personal information on each customer must be securely held. Under GDPR, consumers have the right to request a copy of the information your business keeps on them. They can also request that this information is destroyed under their 'right to be forgotten'. Detailed information about GDPR is on the Information Commissioner's Office (ICO) website.

### **Ecommerce Regulations (Electronic Commerce (EC Directive) Regulations 2002)**

This is the legislation that governs all forms of ecommerce, including advertising using electronic systems. The regulation details the contractual relationship that consumers have with ecommerce businesses (distance sellers). Full terms and conditions and privacy notices should be easily accessible on your website.

### **Data Protection Act 2018**

GDPR does not replace this Act. Both the responsibilities under GDPR and the Data Protection Act should be fully complied with. There is some crossover in some areas, but the ICO advises that the two pieces of legislation should be read and acted upon side-by-side to ensure your business has full compliance.

### **Distance Selling Act 2000**

This regulation carries many of the prerequisites for selling goods online that are found in the Ecommerce Regulations. Also, this Act makes it clear how secure payments must be handled that are compliant with the industry standard Payment Card Industry Data Security Standard (PCI-DSS).



# **Integrated Experiences:** The Future of Ecommerce

The future of ecommerce is bright, as it expands to embrace new channels and innovative digital platforms. According to estimates from Statista, global ecommerce retail will reach USD\$4.9 trillion by 2021, accounting for 17.5% of all global retail sales.<sup>14</sup>

A key aspect of this massive growth will include the expansion of the omnichannel. The physical and digital retail environments will continue to merge. Consumers will expand their use of multiple channels as they move through the purchasing journey, which will continue becoming non-linear.

Ecommerce is also transforming. In their report into the future of ecommerce, Ovum explains: “Consumer ecommerce today is largely driven by price and convenience: a good deal on products that are delivered quickly. A smaller but growing number of consumers are starting to want more from ecommerce, for example, wanting the ability to discover unique goods they will not find in big-box retail chains. By 2026, these fundamental desires will still exist, but consumer expectations of the ecommerce experience will have changed drastically, along with the shopping experience.”<sup>15</sup>

New experiences, and not merely price and convenience, will form the foundation of ecommerce evolution. The use of AR and VR will expand as these technologies become cheaper and readily available to consumers. Ecommerce businesses that want to stay relevant to their customers will need to rapidly incorporate these technologies into the customer experiences they deliver. Voice commerce will also expand as voice-based assistants drop in price and become more widespread.

Another key component of the future of ecommerce is the influence and impact social media will have to the consumers. Social commerce is in its infancy at the moment. However, your business should expect this channel to rapidly expand. The trend ‘collaborative consumption’ will become widespread and will also form the cornerstone of many purchases.

The use of more social commerce will be coupled with expanded personalisation. The customer experience must be tailored to highly focused groups and individuals. Indeed, Accenture notes that 33% of customers have abandoned a business because personalisation was lacking or poorly implemented.<sup>16</sup>

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14. Retail e-commerce sales worldwide from 2014-2021, Statista

15. The Future of E-commerce: The Road to 2026, Ovum

16. Put Your Trust in Hyper-Relevance, Accenture

Lastly, the mobile channel is the next battleground for ecommerce businesses. Payments, especially on mobile channels, will continue to expand and diversify. The shift away from cash will continue as digital payments become more convenient. The smartphone and wearable devices will become consumers' wallets. It is also expected in the medium term that cryptocurrencies will become more mainstream. Being ready to offer these payment methods should be on the development roadmap of all ecommerce businesses.

It is vital that ecommerce businesses have the platforms in place to support their customers today and innovate in the future. Cloud-based services are clearly the environment where ecommerce will continue to expand, as the cloud offers the flexible, agile, dynamic and secure systems that ecommerce businesses need to flourish.



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