



2022  
E-COMMERCE AND SHIPPING  
**BENCHMARKS  
REPORT**



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2022 E-commerce & Shipping Benchmarks Report

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**NOTE ON SHIPPO BENCHMARKING DATA:** Aggregate totals represent all Shippo customers across industries; individual industry metrics represented here (apparel, beauty/skincare, electronics, health/wellness, sports & outdoor) do not collectively include all Shippo customer categories in aggregate



# Looking At Today’s E-commerce Landscape From a Macro Lens

When zooming out and looking at the past year, a lot of positives can be taken into account. The rollout of the Covid-19 vaccine meant consumers felt safer traveling, going to live events, seeing family and friends, and also going back to shop at brick and mortar stores. While these are all things that we sorely missed as a society, the positive effects of the vaccine were thought to have had a negative impact on e-commerce sales. Thankfully, this wasn’t the case. Instead, e-commerce sales have continued to rise and will likely surpass expectations this year.

To get a better understanding of the state of e-commerce from a macroeconomic perspective consider the following:

 <div>2.14 billion</div> 	 <div>41% of consumers are now doing at least half of their shopping online.</div>	 <div>16% growth</div> 
	<div>\$</div> <div>There are an estimated 12-24 million e-commerce sites operating around the world, with less than 1 million of them generating more than \$1000 in revenue each year.</div>	

As you can see, even with in-person shopping making a comeback, the consumer habits developed during the two years of the pandemic are still in effect. Almost half of consumers are doing more than half of their shopping online, which in turn is taking e-commerce sales to new heights and inviting a growing number of competitors. The strain on the global supply chain has also still been in effect despite the lower number of Covid-19 cases. In 2021, 38% of merchants claimed that their supply chain was disrupted.

Even with those disruptions, e-commerce as a whole is reaching new milestones. Knowing where your business stands in the bigger e-commerce picture is key to understanding how to measure your performance and set goals through a more holistic approach.

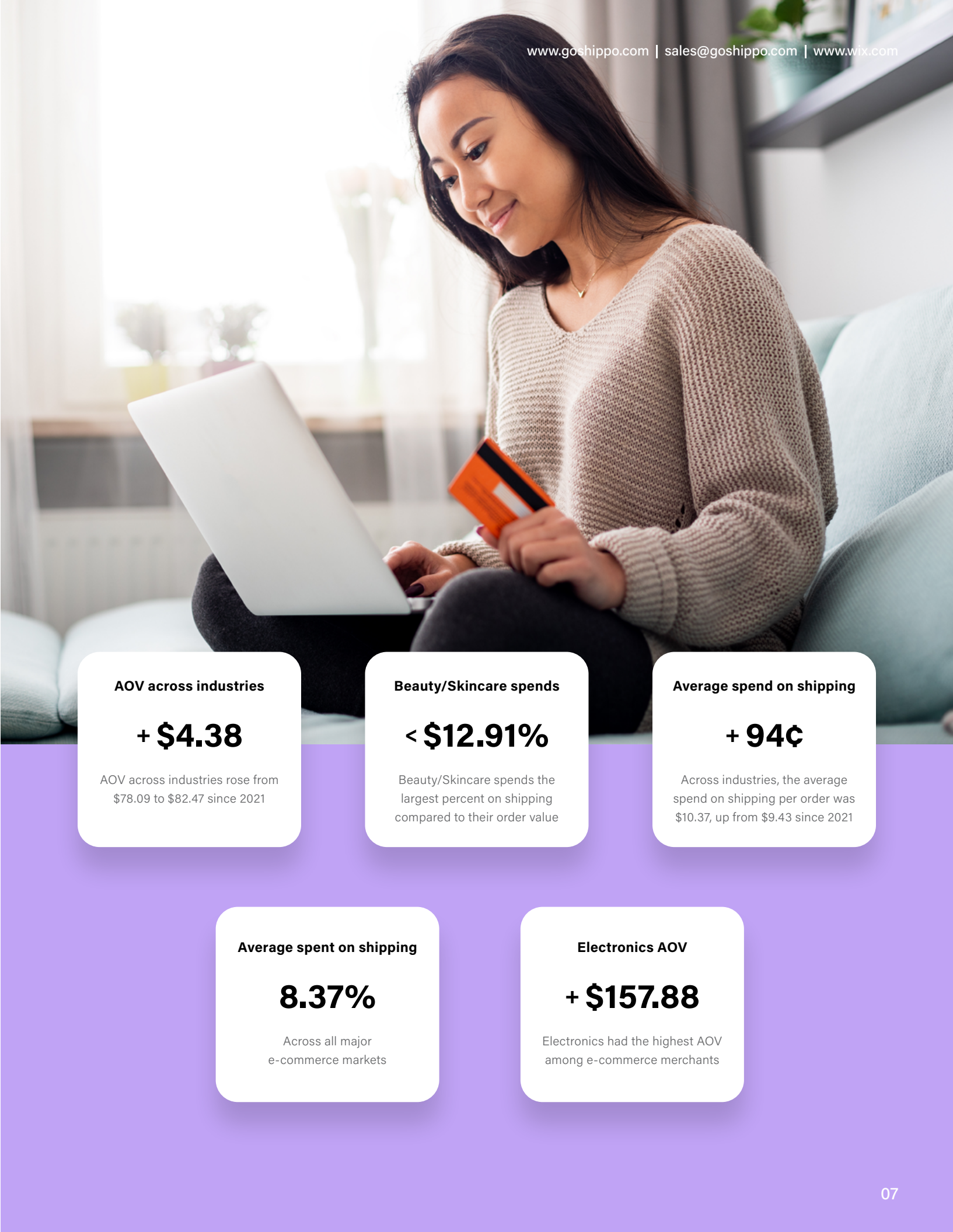
This 2022 report will cover benchmark data across multiple e-commerce segments, highlight industry trends, and provide insights to help you see how your business stacks up with e-commerce and shipping as a whole.

## Follow The Money: Online Spending & Shipping Costs From April 2021 to March 2022

For this benchmark, we want to look at the Average Order Value (AOV) and average shipping spend per order. Unless stated, the average order value measured does NOT include taxes and shipping. Shipping spend represents the total dollar amount merchants spent on shipping as a percentage of overall revenue. Both metrics can be used a measurement tool to see how your own AOV and shipping spend compare to those selling in the same product category as you.

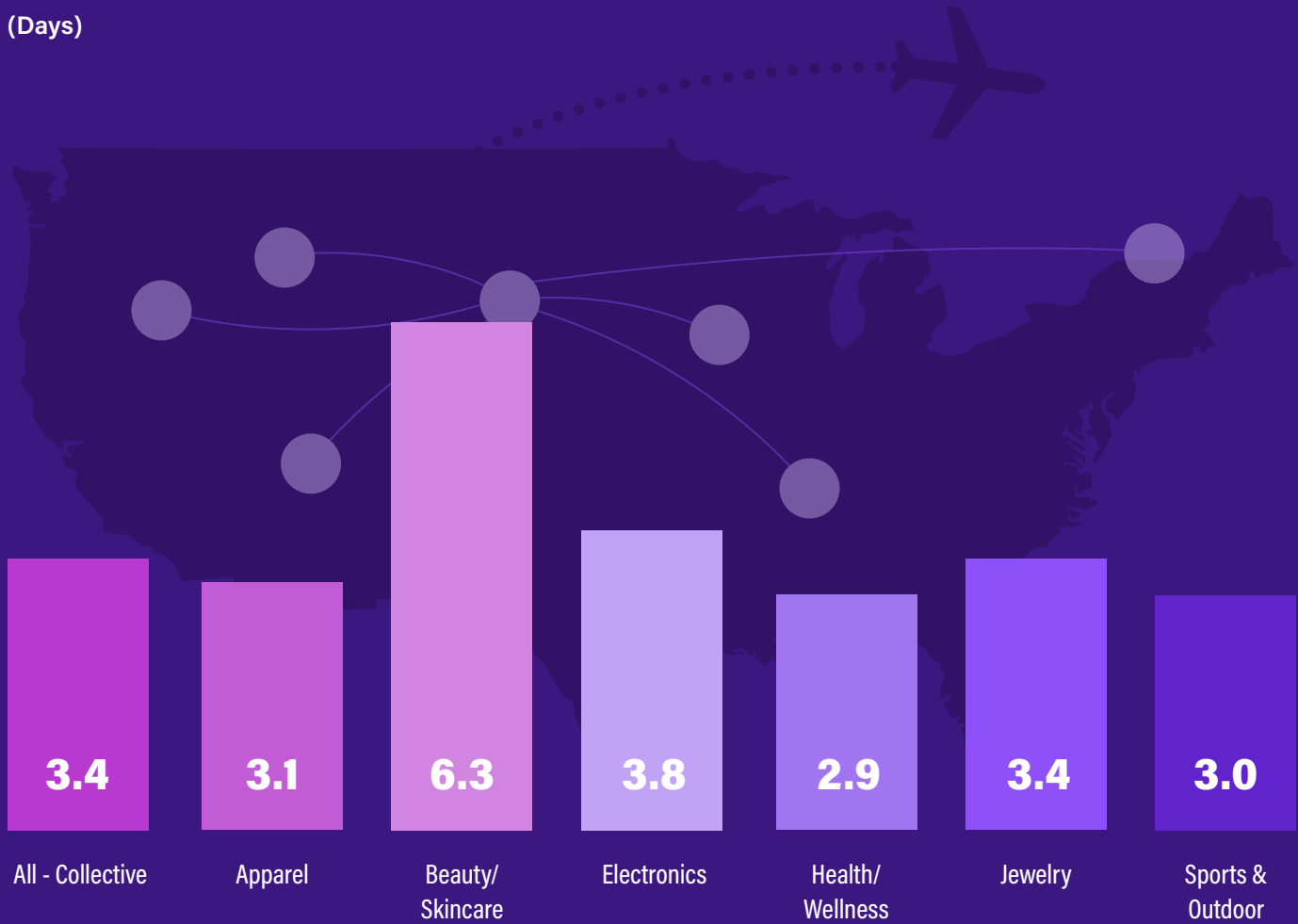
Industry (Category)	Average Order Value (Cart Value)	Average Order Value (Shipping + Taxes Included)
All - Collective	\$82.47	\$123.80
Apparel	\$96.36	\$103.11
Beauty/Skincare	\$73.79	\$80.45
Electronics	\$146.05	\$157.88
Health/Wellness	\$77.75	\$83.98
Jewelry	\$89.08	\$94.71
Sports & Outdoor	\$132.91	\$142.73

Industry (Category)	Average Spent (On Shipping)	Percent Spent (On Shipping)
All - Collective	\$10.37	8.37%
Apparel	\$8.29	8.03%
Beauty/Skincare	\$10.39	12.91%
Electronics	\$15.90	10.07%
Health/Wellness	\$9.29	11.06%
Jewelry	\$7.66	8.08%
Sports & Outdoor	\$13.97	9.78%

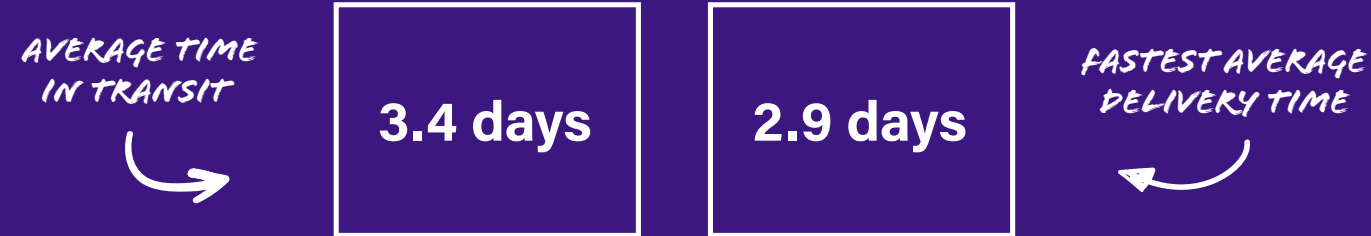




Average Delivery Time  
(Days)



Along with AOV and shipping spend, benchmarks surrounding other shipping aspects can also be just as insightful to merchants. Knowing how many packages your industry ships on average as well as who they’re being shipped with, and how long they’re taking to reach customers can also help in setting expectations for your business and your customers.



# Top 10 Zip Codes Getting The Most Packages Delivered

As expected, e-commerce merchants can be found scattered across the country. However, a few pieces of key information can be taken from these findings.

- 1<sup>st</sup> | 07094 - New Jersey
- 2<sup>nd</sup> | 30354 - Georgia
- 3<sup>rd</sup> | 07608 - New Jersey
- 4<sup>th</sup> | 92335 - California
- 5<sup>th</sup> | 38930 - Mississippi
- 6<sup>th</sup> | 90745 - California
- 7<sup>th</sup> | 43219 - Ohio
- 8<sup>th</sup> | 46143 - Indiana
- 9<sup>th</sup> | 64105 - Missouri
- 10<sup>th</sup> | 90232 - California

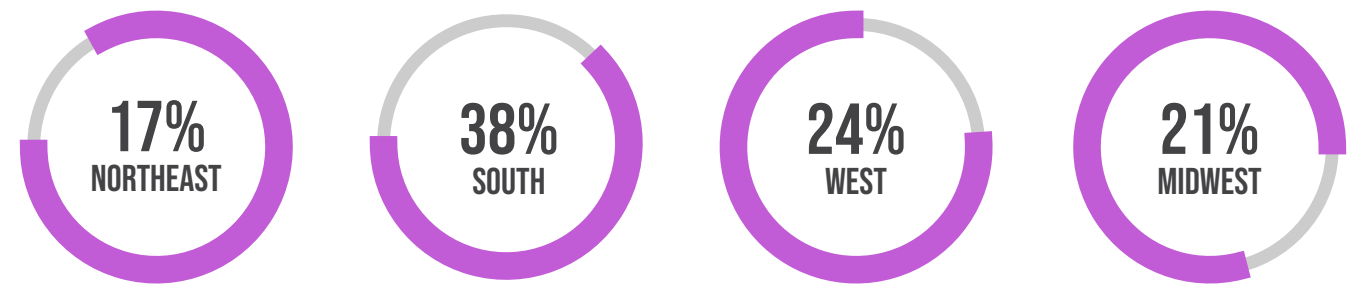
## KEY TAKEAWAYS

**New Jersey**  
Takes 2/5 top spots

**California**  
Takes 3/10 top spots

Surprisingly, this doesn't match where the concentration of the US population is.

U.S. Total Population According to Statista:



## The Effects of Seasonality On E-commerce Shipping

There is no denying that e-commerce businesses’ performance across the board fluctuates throughout the year. This past year was no different with Autumn taking the cake as the peak season for e-commerce sales.

Quarter	Order Value Across All Segments*
April 1, 2021 - June 30, 2021	\$428,435,884.18
July 1, 2021 - September 30, 2021	\$428,217,019.56
October 1, 2021 - December 31, 2021	\$500,185,981.21
January 1, 2022 - March 31, 2021	\$404,617,159.45

*\*Order Value does not include include taxes and shipping spend. Segments include that of Apparel, Beauty/ Skincare, Electronics, Health/wellness, Jewelry, and Sports & Outdoors. Order value does not reflect total sales of all merchants in this category.*

Along with how much consumers are spending on e-commerce each season, the number of packages delivered also shifts as the seasons go along. The amount of packages delivered also varies by segment.

Quarter	Total Percent Increase in Packages Delivered (QoQ) Across Segments
April 1, 2021 - June 30, 2021	17.93%
July 1, 2021 - September 30, 2021	14.96%
October 1, 2021 - December 31, 2021	11.98%
January 1, 2022 - March 31, 2021	6.90%

### Highest Order Value of 2021

\$500,185,981.21

October 1, 2021 - December 31, 2021

When looking at this breakdown you can see that while the holiday season (October-December) brought in the highest order value of the year, it did not translate to the most packages. This could be because consumers during that time often buy pricier items such as TVs, game consoles, and other large ticket items, leaving less disposable income on smaller items.

### Highest Number Of Packages In 2021

17.93%

April 1, 2021 - June 30, 2021

In comparison, the quarter with the highest number of packages delivered (April-June) did not have one of the highest order values.

### Lowest Order Value in 2021

\$404,617,159.45

January 1, 2022 - March 31, 2021

### Lowest Increase in Packages Delivered

6.90%

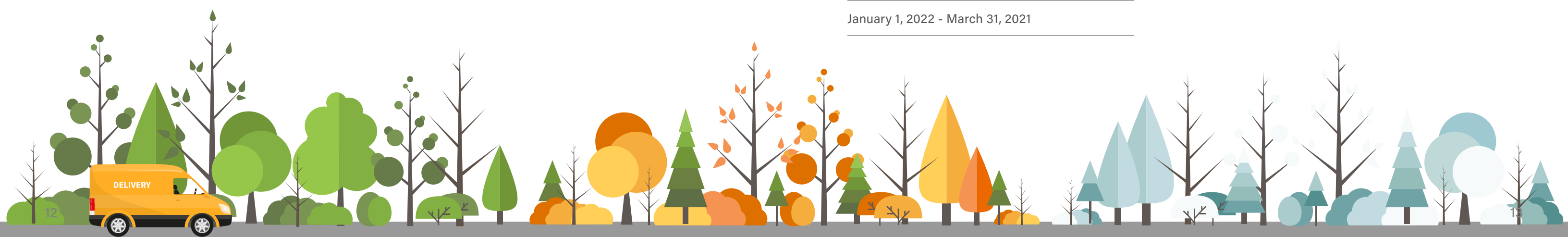
January 1, 2022 - March 31, 2021

When looking at both tables you’ll find that January through March saw the lowest order value and the lowest percentage increase of packages delivered. The beginning portion of every year is known in the industry as “returns season.” This time period usually consists of customers returning unwanted holiday gifts. This may explain the lower percentage of increase for both segments.

### Highest Increase in Packages Delivered

Beauty/Skincare 51.73%      Health/wellness 41.19%

When digging into the numbers further we found Beauty/Skincare and Health/wellness had the highest percentage change of packages delivered at 51.73% and 41.19% respectively. This could be due to the products themselves being smaller and more affordable, resulting in more sales and more packages required.



## The Prolonged Effects of Covid-19 On E-commerce

Even with the introduction of the Covid-19 vaccine to the public in April 2021, the effects of the virus were still felt throughout the year. Adoption of the vaccine was slower than expected and hesitation to shop in physical retail stores held true for much of the year. Supply chain issues caused by the upheavals in 2020 were also still in full effect – but this didn’t stop consumers from ordering online. This is especially highlighted when comparing AOV from 2020 and 2021.

Industry	2020 AOV*	2020 Average Shipping Spend	2021 AOV*	2021 Average Shipping Spend
All - Collective	\$71.10	\$9.43	\$82.47	\$10.37
Apparel	\$81.94	\$8.20	\$96.36	\$8.29
Beauty/Skincare	\$56.29	\$8.77	\$73.79	\$10.39
Electronics	\$122.98	\$11.79	\$146.05	\$15.90
Health/Wellness	\$79.87	\$8.37	\$77.75	\$9.29
Jewelry	\$89.94	\$8.35	\$89.08	\$7.66
Sports & Outdoor	\$102.72	\$10.55	\$132.91	\$13.97

\*AOV does not include shipping and taxes.

 **7%**  
increase in consumer prices for all items from December 2020 to December 2021

With much of the world under lockdown in 2020, consumers turned to online shopping as a means to handle more of their buying needs. That habit carried over into 2021, as highlighted by the increase of AOV year over year (YoY).

Another area of the economy that may have affected this change in AOV could be the rise in inflation. According to the U.S. Bureau of Labor Statistics, [consumer prices for all items rose 7%](#) from December 2020 to December 2021. However, the collective change in AOV for merchants year-over-year was about a 16% increase. While inflation certainly had an effect, it wasn’t the only reason for the increase in spending amount.

 **16%**  
increase in Average Order Value for merchants year-over-year

To go along with this, average shipping spend also increased. More people shopping online meant more packages that needed to be delivered, which put a strain on an already hampered global supply chain. Peak surcharges, fuel surcharges, and general price increases were set by all major carriers to keep up with consumer demand despite these supply chain issues. This may have aided in this increased shipping spend YoY.



## Key Figures For International Shipping

One of the biggest advantages of e-commerce is the ability to buy and sell from all over the world. Shipping internationally opens your business up to reach customers you may have never thought possible. Many online merchants based in the US are finding this to be the case as highlighted by the percentage of them in each category that are shipping to customers outside the country.

Percentage of U.S. Based Online Sellers Shipping Internationally	
Apparel	39.26%
Beauty/Skincare	37.19%
Electronics	61.07%
Health/Wellness	34.44%
Jewelry	46.22%
Sports & Outdoor	52.84%

**VS**

Percentage of Non-U.S. Based Merchants Shipping Internationally	
Apparel	65.77%
Beauty/Skincare	50.00%
Electronics	73.33%
Health/Wellness	85.71%
Jewelry	84.62%
Sports & Outdoor	85.71%

However, while a large portion of merchants in the U.S. ship internationally, the numbers pale in comparison to merchants based in other countries. Several factors come into play that could explain this disparity. The first is that the U.S. by size and population is one of the largest in the world, limiting the need to ship overseas. The second is that international shipping adds a layer of complexity to your e-commerce business that may not be needed depending on what your selling. However, in order to maximize the potential of your e-commerce business, selling internationally should be a key consideration.

# Top 5 Destinations For U.S. Merchants Shipping Internationally



Canada and the UK being the top two countries for international shipping can be attributed to certain factors such as having a shared language. With both of those countries predominantly speaking English, it makes it easy to sell in online marketplaces of those countries without having to translate your site. Canada and Mexico in particular are hot spots for international shipping due to their proximity, which gives e-commerce businesses the ability to ship products to customers there without overly lengthy transit times.

However, while these were the top five countries to ship to throughout the year, the top 10 countries merchants were shipping to changed quarter over quarter (QoQ).

# Top 10 International Destinations For U.S. Merchants QoQ

Rank	4/01/2021 - 06/30/2021	7/01/2021 - 9/30/2021	10/01/2021 - 12/31/2021	1/01/2022 - 03/31/2022	Overall
1	Canada	Canada	Canada	Canada	Canada
2	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom
3	Germany	Germany	Germany	Germany	Germany
4	Mexico	Australia	Australia	Australia	Australia
5	Australia	Mexico	France	Mexico	Mexico
6	France	France	Mexico	France	France
7	Netherlands	Netherlands	Hong Kong	Hong Kong	Netherlands
8	Saudi Arabia	Italy	Netherlands	Saudi Arabia	Italy
9	Italy	Saudi Arabia	New Zealand	Italy	Saudi Arabia
10	Hong Kong	New Zealand	Saudi Arabia	Japan	Hong Kong



## KEY TAKEAWAYS

The only countries that remain as a consistent favorite to ship to throughout the year are Canada, the U.K., and Germany. For those looking to invest in marketing their products to customers in other countries, these provide a safe bet year-round.

However, If you’re looking to run any online promotions in other countries, your target audience may change throughout the year once you get past the top three destinations.

# Need-to-Know Stats & Facts About Protecting Your Shipments



## Shipping Insurance Metrics

Shipping insurance is one of the more misunderstood aspects of the e-commerce shipping process. More packages are being delivered today than ever before, which means the likelihood of one going missing is something all merchants should be aware of.

When looking at a cost-benefit analysis of shipping insurance, handling returns and shipping back replacements can outweigh the cost of using shipping insurance more regularly. Even with that in mind, many e-commerce merchants chose not to protect their packages with shipping insurance in the past year.

Percentage of Merchants Who Used Shipping Insurance At Least Once In The Past Year

Industry Type	% of Merchants Who Used Shipping Insurance	<div><div><div>📦</div><div>📦</div><div>📦</div><div>📦</div><div>?</div></div><div><div>📦</div><div>📦</div><div>📦</div><div>📦</div><div>📦</div></div><p>Approximately <b>1 out of 10</b> packages go missing or arrive damaged.</p></div>
Apparel	15%	
Beauty/Skincare	14%	
Electronics	23%	
Health/Wellness	15%	
Jewelry	30%	
Sports & Outdoor	21%	

The percentage changes seen across industries can be attributed to a couple of factors. The first being that major national carriers such as UPS and FedEx automatically cover packages with a value of \$100 or less. This means the need for shipping insurance automatically lends itself to packages containing bigger ticket items.

Electronics, Jewelry, and Sports & Outdoor all boast the highest percentage of shipping insurance usage for that very reason. Looking at it in a real-life example also highlights the necessity for shipping insurance further.

Let’s say you sell Jewelry online. If you sold 10 rings in a week at \$200 each then you would have made \$2000. If one in 10 of those packages went missing your business would lose \$200. However, if you had shipping insurance on each of those shipments which is typically 1% of the package’s value, you would have paid \$2 extra on each of those packages totaling \$20 in shipping insurance. If one of those packages went missing you’d only be out \$20 vs. \$200.

However, even for merchants selling apparel and beauty/skincare products, shipping insurance can be beneficial for packages containing multiple items that yield high value when added together.



## Package Tracking Metrics

Package tracking is another essential element of e-commerce that may not be getting the recognition it deserves, as customers want to know where their orders are at every stage of the journey. In fact, [97% of customers](#) expect to be able to monitor their order as it goes through every step of its shipping journey.

Having an order tracking page is essential to meeting your customers’ expectations. But not only that, it serves as an additional way to promote your brand. Customers on average check order tracking [3.5 times per order](#). It’s because of these consumer trends that most merchants across industries all tend to use order tracking pages as part of their e-commerce shipping strategy.



### Percentage of Merchants Using Order Tracking Pages

Industry Type	% of Merchants Using Package Tracking
Apparel	75%
Beauty/Skincare	77%
Electronics	75%
Health/Wellness	76%
Jewelry	82%
Sports & Outdoor	78%

## E-commerce Returns Stats

While many e-commerce merchants dedicate a majority of their efforts to the initial selling and shipping of products to their customers, return shipping is an inevitable part of e-commerce that merchants simply can’t afford to ignore. Consider the following.

When surveyed earlier this year for [Shippo + Loop’s 2022 Returns Report](#), 55% of consumers claimed that they had returned anywhere between two and four items in the past year. On top of that, 84% of customers read the return policy before making a purchase. And the most eye-opening stat is that 96% of respondents said they’re more likely to make a purchase if free returns were offered.

Providing an enjoyable return experience is part of the greater selling strategy for merchants. But how often are customers actually returning products purchased online?

Industry Type	% of Merchants Who Used Shipping Insurance
Apparel	1.44%
Beauty/Skincare	3.54%
Electronics	0.26%
Health/Wellness	8.93%
Jewelry	19.71%

*\*Rate of Returns specifically includes merchants who printed and used a return label from Shippo.*



For the most part, merchants did not see a high rate of returns. By taking the time to ensure that you have a fair and customer-focused return policy you can increase your sales potential without having to worry about the cost of e-commerce returns coming back to bite you. Another important aspect to note is that returns don’t always mean a lost sale – they can also present the opportunity for customers to make exchanges. By enticing customers to make exchanges instead of returns, you’ll be able to keep your customers happy while also keeping the profits you made from the initial sale and potentially covering any cost of returns shipping.



## Biggest Challenges Facing E-commerce Merchants

### Supply Chain Issues Have Still Not Been Completely Resolved

Ever since the Covid-19 pandemic began in the Spring of 2020, supply chain issues have been at the forefront of global commerce. The disruption caused by mandatory shutdowns for warehouses, manufacturing facilities, and those in the shipping industry (to go along with an increased demand for e-commerce products due to stay-at-home lockdowns) at that time was still felt throughout 2021 and is still being felt today.

The [past year's supply chain problems](#) were marked by the shortage of shipping containers, blockages at major seaports, labor shortages in the trucking industry, fewer commercial flights carrying cargo, and even a shortage of warehouse storage space. This meant e-commerce products may have been out of stock, on back order for longer, or were delayed on their way to reach customers. Supply chain experts agreed at the beginning of 2021 that operations likely wouldn't go back to normal until 2023, which likely remains the case.

The war in Ukraine presents its own issues on the global supply chain. This could potentially prolong the issues e-commerce merchants currently have for longer than expected.

“ **July 2021 online prices increased 3.1% year-over-year.** This runs counter to the trends seen before the start of the pandemic. **From 2015-2019, e-commerce prices were declining at a rate of 3.9% each year.** ”

### Inflation Found In Every Aspect of Business

With so many shortages over the past year, another issue that arose was that of inflation. Demand outweighed supply, driving prices up for virtually every part of the e-commerce process. Raw materials to make goods were more expensive, warehouse storage shortages made it more expensive to keep goods, and shipping costs to deliver those goods also went up. With all these factors accounted for, e-commerce merchants, like many others, had no choice but to raise their prices for consumers to make up the difference.

According to the [Adobe Digital Economy Index](#), as of July 2021 online prices increased 3.1% year-over-year. This runs counter to the trends seen before the start of the pandemic. From 2015-2019, e-commerce prices were declining at a rate of 3.9% each year.

In August of 2021, the economic inflation rate was pegged at 5.3%. However, the issue has continued to this year with the inflation rate reaching a 41-year high of [8.5% in March of 2022](#). Online retailers will have to continue balancing the rising cost of operating their businesses while also charging customers a price that will still incentivize them to buy.

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It should come as no surprise that consumers want free shipping.

But while some only want it, others expect it – and the consequences of not offering free or discounted shipping at least some of the time can lose you business.

20% swap stores for free shipping

89% of customers opt for free or lower cost vs faster shipping

33% say they only purchase online with free shipping

22% of merchants always offer free shipping

31% of merchants do not offer free shipping at all

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Keeping Up With Shipping and Fulfillment

With so many consumers shopping more regularly online over the past year, the demand for free and faster shipping has also gone up. According to [Shippo's 2021 State of Shipping Report](#), 33% of consumers responded that they would only purchase online with free shipping, while 20% said they would swap stores for free shipping. In that same survey, 48% of consumers said that 2-3 day service is their preferred shipping speed, while 18% said same or next-day delivery speed is their preferred shipping speed.

Partnering with a 3PL and using a fulfillment center close to your customers is one way to minimize transit times and meet customers' expectations. However, the cost of using a fulfillment center and shipping products with carriers has made it difficult to offer free shipping.

Merchants in the past year have had to be creative when offering free shipping. Oftentimes this isn't an option unless customers meet an order value threshold or if they add a certain item to their cart as a means for businesses to clear out inventory.

Cyber Security And Protecting Customer Data

Commerce ultimately hinges on trust. You sell me a quality good, service or product, and I reward you with my hard-earned money. Even the smallest breach of that trust can disrupt a buyer-seller relationship forever. Therefore, it's become imperative that e-commerce businesses of all sizes treat security and customer data with utmost care. [Businesses suffered 50% more cyber attack attempts per week in 2021.](#)

To start, business owners should work with vendors, especially e-commerce platforms,

that make privacy and security top priorities. Store owners already have enough on their plate to contend with, and should be able to entrust threat prevention, real-time monitoring, and privacy policies to platform experts who work around the clock to deliver enterprise-grade standards

Creating A Custom Customer Experience

Though many online merchants settle for pre-made templates when building an online experience, the most successful merchants know the name of the game is customization. In today's competitive e-commerce landscape, every store has to find a way to stand out. Their shopper journey should be an experience that doesn't just service customers, but delights them.

The e-commerce businesses that scale are typically those that build customer experiences centered on just that: the customer. As a result, they're often optimized around custom functionality that stems from ongoing user testing, consumer research, and industry best practices. For this reason, merchants need e-commerce infrastructure that can be tailored to business and customer needs. Unfortunately, not every e-commerce platform allows for the same type of adaptability.

Website Performance

Website downtime isn't just a business-killer in the short-term, its negative effects can hurt your brand and bottom line for years to come. [Nearly 70% of consumers admit that page speed impacts their willingness to buy from an online retailer.](#)

Merchants want to ensure that their website isn't just fast, but also reliable. On top of selecting a platform that can handle traffic spikes, merchants should consider if their software partners offer tools that help them monitor loading speed per page, or tools for optimizing their site performance across desktop and mobile.

Increased Competition Means Pricier Ad Budget

Thanks to the wonders of modern e-commerce platforms like Wix eCommerce, anyone can start an e-commerce

business in a matter of days or minutes. But, with the barrier to entry lowered, competition across every e-commerce category and industry has stiffened. With it, ad bidding and pricing have shot up to the moon. [Certain parts of 2021 saw upwards of a 68% increase in Cost-Per-Click \(CPC\) costs compared to the previous year.](#)

To make matters worse, due to Apple's recent iOS privacy changes, merchants also feel like they're getting less bang for their advertising buck.

Meeting Consumer Expectations

Merchants have a hard time these days moving at the speed of consumer expectations. In many ways, Amazon has upped the ante, making customers expect competitive product pricing, free 2-day shipping, no-hassle returns, and personalized product recommendations.

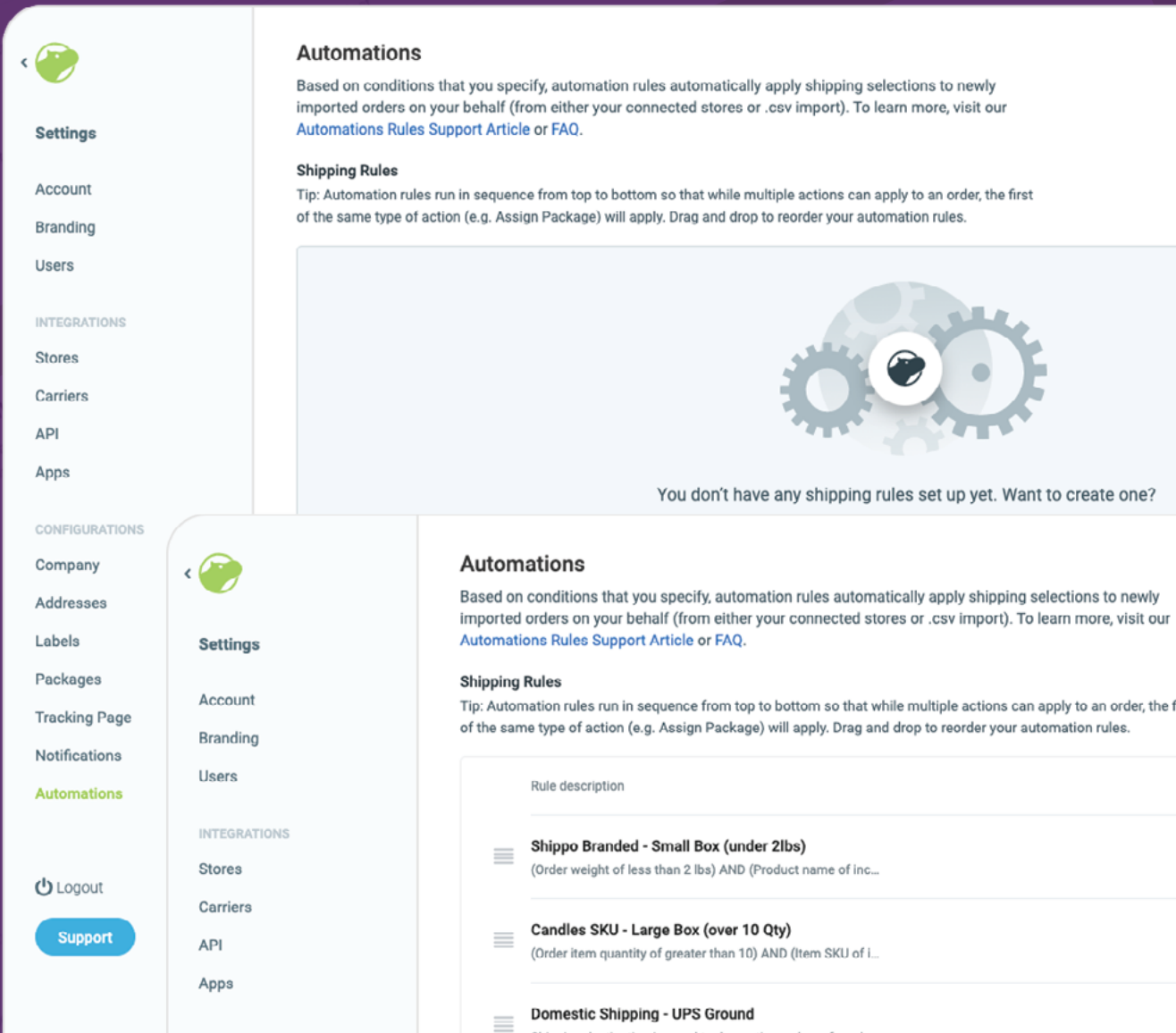
50% MORE Businesses suffered attempted cyber attacks in 2021

NEARLY 70% of consumers shop with online retailers based on page speed

68% INCREASE in Cost-Per-Click compared to the previous years



Save time spent creating labels manually and increase label accuracy with automation rules. Choose carrier or package defaults for every shipment or automate using order properties.



## How E-commerce Merchants Are Improving Operations And The Customer Experience



Customer Spotlight - Vontelle

### Incorporating Automation in Shipping And E-commerce Processes

Keeping up with the flow of orders on your e-commerce site can become more difficult the more you grow your product catalog. Add that to peak season demand during the holidays and you can easily run into fulfillment issues trying to manually handle the shipping process. Incorporating automation into your shipping flow means creating “if this, then that” rules that you only have to set once, while your shipping technology platform handles the rest. For example, if you always use a particular shipping service for a certain product of yours, you can set that as the preferred service within Shippo so that anyone that is on staff fulfilling orders only has to click “print label” to get the desired outcome.

Setting up automation rules can help your business become more efficient and minimize human error, resulting in happier customers. For example, by using automated functions powered by Shippo, online retailers such as Vontelle have been able to [increase their team's efficiency by 50%](#). Automation has been

key in allowing e-commerce merchants to meet the demand of online shoppers and will remain that way in the future.

### Leveraging 3rd-Party Shipping Insurance For High-value Orders

As an e-commerce business owner, you want to ensure that your customers receive their order in the exact condition you packaged it. However, once that package leaves your hands, you lose a bit of control over what happens to your product in transit. While major national and regional carriers should be trusted and some even offer shipping insurance for low-value orders, mistakes can still happen.

Having 3rd-party shipping insurance helps your business recuperate the value of the product faster so that you can send customers a replacement sooner without having to worry about the claims process. Getting 3rd-party shipping insurance like that

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available on Shippo also helps businesses [save up to 50% of the cost of buying insurance](#) from a carrier. Businesses ultimately save money, handle claims regarding lost or damaged packages faster, and rectify any customer issues more quickly.

Utilizing Package Tracking Pages as a Revenue Driver

E-commerce merchants across industries are recognizing the importance of the post-purchase experience now more than ever. As mentioned earlier, customers are viewing order tracking pages 3.5 times on average per order. With that being the case, merchants are using this opportunity to further their brand awareness and incentivize repeat sales while also reducing customer service inquiries.

Customers view order tracking pages **3.5 times** on average.

On those very same tracking pages, online retailers have the opportunity to include their brand elements links back to encourage more sales on their site or social media channels. For example, if a customer purchased a camera from your site, you can recommend buying a camera stand, camera bag, or lens wipes directly from the order tracking page. Customers get the information they need for finding out where their products are in their shipping journey but are also able to discover new products they may not have realized they even needed.

Using Plugins And Apps To Manage Different Aspects of Your Site

Plugins and apps are both great tools store owners turn to when wanting to expand or extend their site functionality with minimal resources and commitment. To encourage greater control over their customer experience, commerce companies like

Stripe and Wix are offering their customers access to app marketplaces to empower merchants with more control over their CX.

That said, store owners should keep in mind that apps and plugins can add bloat to a website. And in cases of plugins, can pose elevated security risks. Researching and choosing ones that fit your specific business needs will be key to striking the right balance.

Connecting Your Online Store To Different Online Marketplaces



While an owned store experience should sit at the center of every e-commerce business strategy, successful merchants understand that channel diversification is their friend.

Apart from being an added way to showcase your brand and merchandise to new and increasingly global audiences, marketplaces can help fortify your revenue streams by ensuring you're not at the mercy of a third-party channel or market forces.

Using Website Data To Improve The Customer Journey

Your competitors aren't shooting in the dark, they're making data-driven decisions to improve shopper journeys in a way that bolsters visits, conversions, and lifetime customer value. By that token, you too should be making business decisions driven by customer data.

While most e-commerce platforms offer native analytics dashboards and reporting, you should look for ones that also offer a level of industry

"Stores that offer Buy Now, Pay Later options on checkout **have 97% more orders** on average than stores that do not."

benchmarking and personalized recommendations to stay one step ahead of the competition.

Cutting Operations Cost Without Sacrificing Quality of Business

Many e-commerce organizations run on paper-thin margins. As a result, store owners might find themselves constantly compelled to cut operating costs at every corner. But cost-cutting can often be a double-edged sword.

In one example, an e-commerce business might minimize or outsource its customer support team to

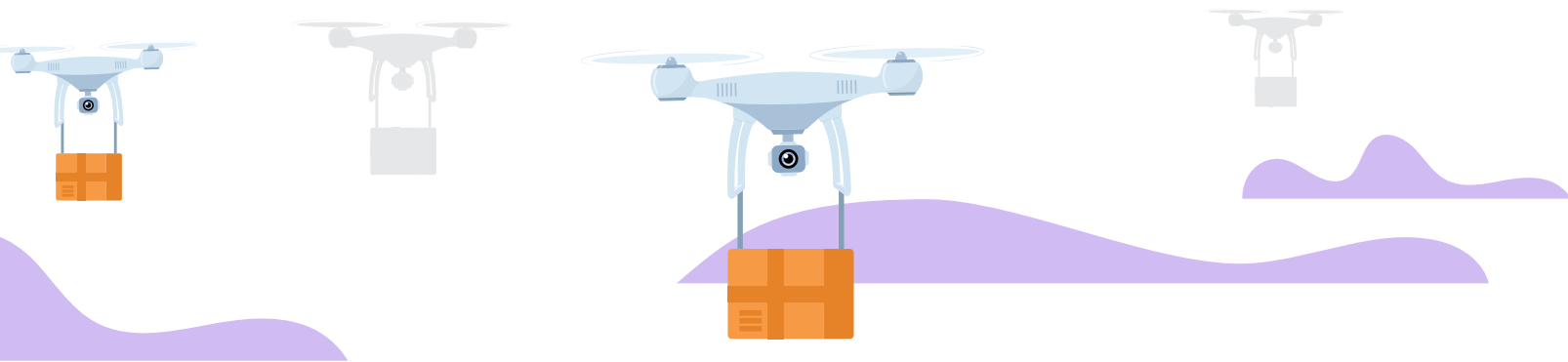
help minimize costs but risk hurting their post-purchase experience (and ultimately their end-to-end customer experience) in the process. A good workaround could be to offer a live chat agent or a comprehensive FAQ page or knowledge base to field recurring customer questions and issues—this way, customer needs are met in a streamlined and scalable manner.

Buy Now, Pay Later Has Become An Industry Norm

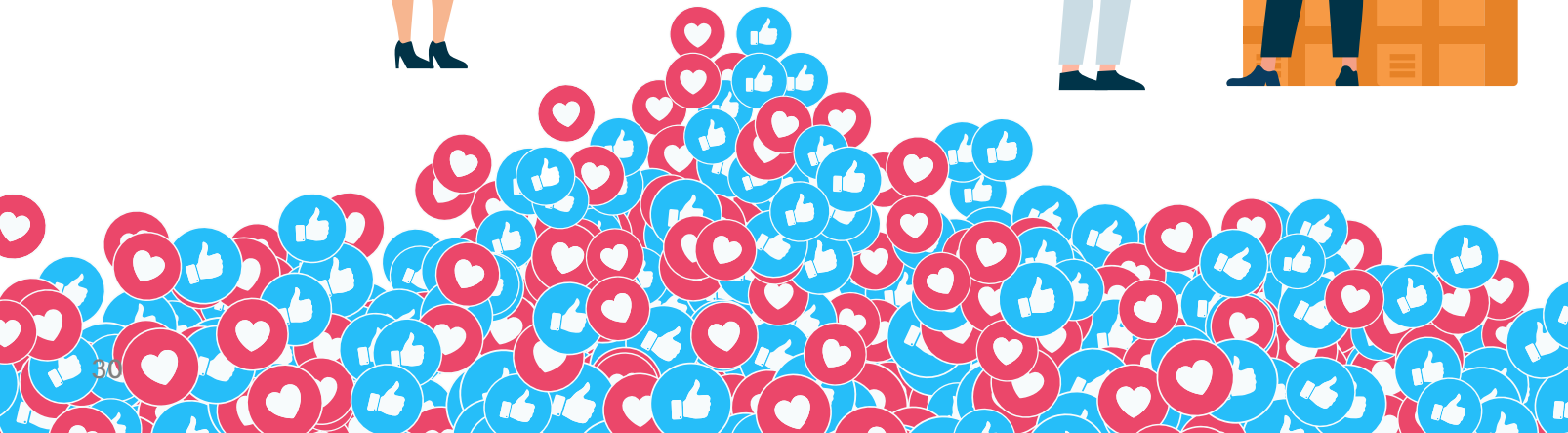
The fact that Apple has stepped into the BNPL arena tells you everything you need to know about its staying power. Up to now, it's been an e-commerce innovation that has served both merchants and customers equally well.

Research from Wix eCommerce shows that stores that offer Buy Now, Pay Later options on checkout have 97% more orders on average than stores that do not. On top of being a great driver for improved sales and Average Order Value (AOV) for merchants, it's a great alternative to credit cards for consumers who might want to avoid interest charges and late fees.





# E-COMMERCE IS CHANGING FOR ONLINE RETAILERS



## The Future of E-commerce And What To Consider

### Shipping Internationally Will Be Key To Staying Competitive

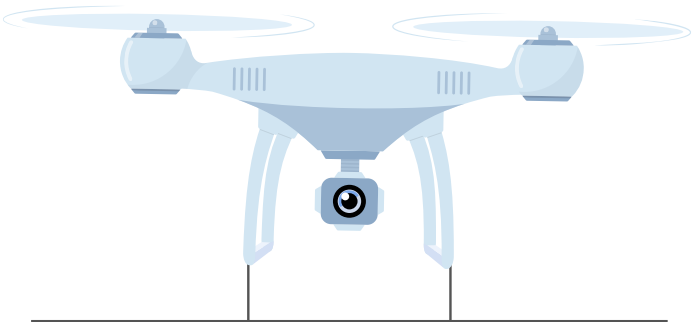
E-commerce sales have boomed all over the world in the past year. In 2021, Latin America saw a 25% increase YoY in e-commerce sales. The UK, Russia, and the Philippines also saw an over 20% increase in e-commerce sales in the past year, and that percentage is even greater in other countries such as India and China. This rise in global e-commerce sales is estimated to maintain its course and follow a positive trajectory in the next year. For e-commerce merchants to meet the potential of their overall sales volume, expanding internationally will be key. Using translation plugins for your site and working with carriers that can deliver internationally should be part of your global shipping strategy. Making sure you compare rates and get discounts for international shipping rates will also help to ensure you can provide competitive pricing in those markets.

### Drone Shipping To Become More Normalized

Commercial drone shipping has been in talks for years, but last year officially saw the first drone shipments successfully take flight and deliver packages. Leading the charge was Walmart and Google's sister company, Wing. Walmart started to deliver packages from its Bentonville, Arkansas headquarters, while Wing has started to deliver in the Dallas, Texas suburbs of Frisco and Little Elm. While shipments have been limited in their travel, it marks the dawn of a new day when it comes to shipping. As the technology becomes more normalized, e-commerce merchants will have to strategize around this possible fulfillment strategy.

### Augmented Reality To Become Part Of Product Descriptions

The beauty industry offers a glimpse into the future of Augmented Reality (AR) as it relates to



**25% INCREASE**

for Latin America in YoY in e-commerce sales

The UK, Russia, and the Philippines also saw a

**20% INCREASE**

in e-commerce sales in the past year

e-commerce. On many beauty websites, product pages and descriptions are outfitted with AR tools and features that help offset one of online shopping's biggest challenges: a lack of physical interaction with a product. While flowery text descriptions and customer testimonials help paint a picture for prospective customers, there's nothing quite like seeing a shade of lipstick on your face in real-time prior to buying.

The e-commerce furniture industry is also at the cutting edge of this space, in many instances allowing customers to "augment" their living space with a virtual couch or rug prior to settling on a purchase. Those selling apparel and eyewear have also begun to implement this feature on their sites as it is becoming an industry norm.

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### Live Stream Shopping Continues Its Global Ascent

Consumers love the spontaneity and authenticity that live stream shopping brings. For this reason, the trend has become a powerful sales channel for brands, reaching heights of \$60 billion in global sales in 2019.

What’s exhilarating about the trend is that it’s still very much in its infancy, especially when China, where the service has really taken off, is removed from the picture. With TikTok fast unseating established social media platforms, the live stream shopping trend is one especially ripe for merchants to take advantage of.

### Third Party Cookies Declining vs. Customer Personalization

Increasingly, merchants are turning to zero-party and first-party data as third-party data becomes less reliable or constricted by recent privacy changes.



**42% of online visitors on average** disagree to the consent of using cookies.

Offerings like Wix Analytics quietly capture first-party data in the background centered on visitor and user activity, but merchants are directly soliciting data from their best customers by leveraging interactive quizzes, surveys, social media polling, and newsletter registrations. They then are able to use that gleaned info to deliver more personalized experiences to their customer base, all while ensuring more relevance, fidelity, transparency and data compliance.

### Social Commerce Becoming Natural Extension of E-commerce

On Instagram, you can now browse, source, purchase, and track a product all without ever leaving the visual-rich platform. While the world of traditional e-commerce, with robust catalogs and checkouts, isn’t going anywhere, Instagram’s foray into commerce shows where the industry is going.

The companies at the forefront of social commerce are no longer treating social media platforms as distribution or marketing channels, but as sales channels that meet consumers where they spend a larger portion of their waking hours.

### Optimizing for Mobile Continues To Be Crucial For Online Retailers

For many shoppers, mobile sites and shopping apps are becoming their first and main connection to the brands they buy from. As a result, online retailers need to ensure that their sites are not only mobile-optimized but, in many cases, built or architected from the mobile experience up.

A functioning mobile store has been considered table stakes for years now. Now is when organizations should be thinking about additional mobile sales channels like native branded apps. Our data at Wix, for instance, shows that businesses with mobile apps see a 162% increase in sales.

**162% increase** in sales for businesses with mobile apps

Often, shoppers prefer an app-first shopping experience over simply purchasing from a mobile version of your main e-commerce site.



The **live stream shopping** trend reached **\$60 billion** in global sales in 2019



About Shippo

E-commerce is complex. Shipping doesn't have to be. Shippo helps you grow your business by integrating with your workflows, providing experienced support, and connecting you with easy access to the best rates at the most carriers.

- **Easy access to the best rates on the most carriers** - Access over 85 carriers worldwide and best rates at each, including regional carriers others cannot provide.
- **The end-to-end shipping platform for every business** - Make shipping a seamless part of your business - connect your e-commerce platform or build our implementation-ready API directly into your workflow, fulfill orders quickly with smart defaults and configurable automations, and gain insights that help you ship smarter with analytics and reporting.
- **Support every step of the way** - Go with confidence thanks to our experienced customer support, implementation and success teams. We have the shipping knowledge to get you started quickly and keep you up and running consistently.
- **Grow into the future with Shippo** - You will only ship more tomorrow. Shippo is there for you with 99.99% uptime, a modern tech stack, and all the features you need to create a greater brand connection to your customers and scale to match your highest ambitions.

Get Started Today



About Wix

Wix eCommerce enables businesses to launch, run, and scale their online stores successfully.

With industry-leading online storefront features and an advanced eCommerce platform, Wix eCommerce is the complete solution for entrepreneurs, omnichannel retailers, and brands selling millions of dollars online.

Not only can you build a state-of-the-art online store, with full dev customization capabilities, Wix eCommerce lets you sell everywhere while managing everything from one place.

From product drops to flash sales, Wix's industry-leading 99.98% uptime will ensure your store will reliably process record traffic and sales. And with advanced marketing automations, you'll keep customers coming back for more.

Join over 700,000 stores worldwide growing their business on Wix.

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