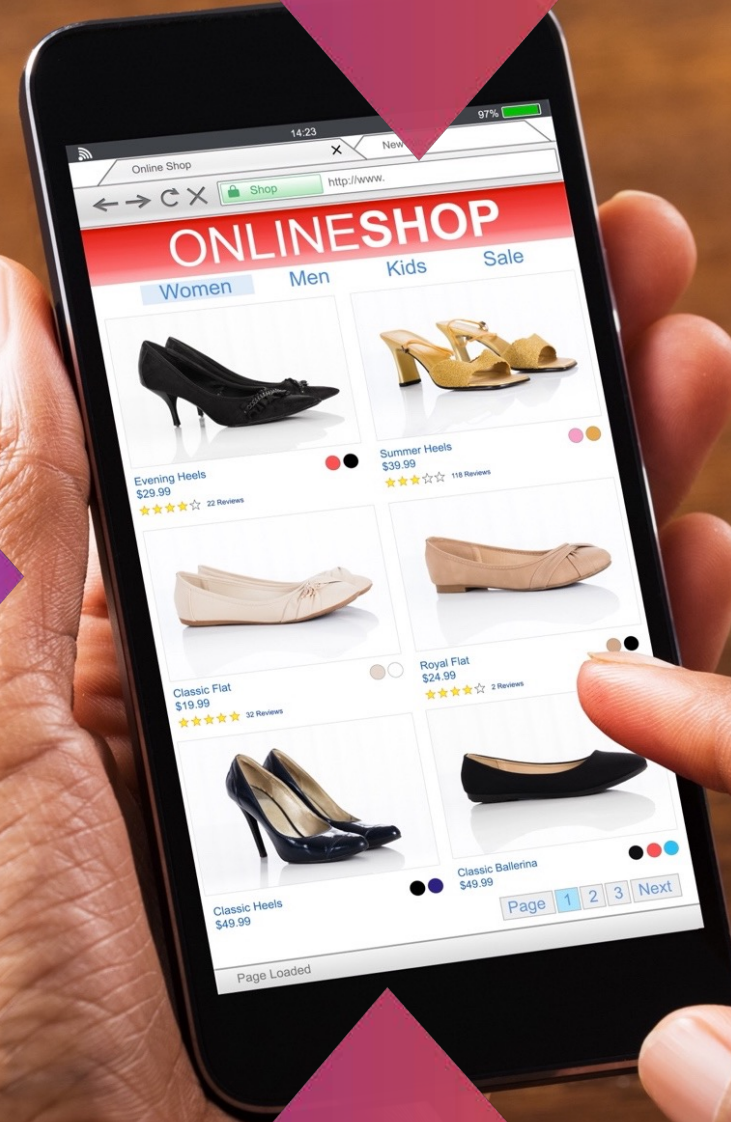




2023 e-commerce trends to watch

How the top trends and insights can impact your business



2023 trends that could impact your business

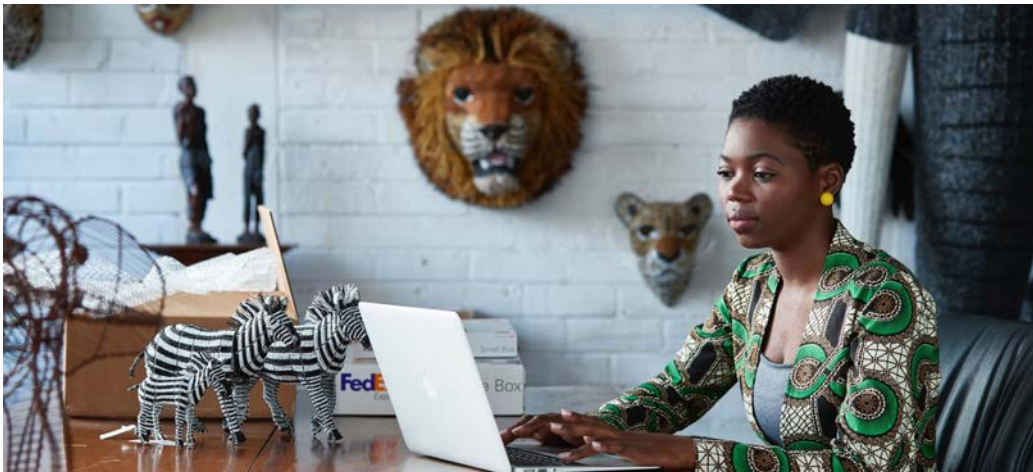
What you'll find in this report and the sources that helped get us there

Brands that deliver convenient and meaningful experiences can attract more consumer attention, preference, and loyalty—that's why we're sharing these insights into top e-commerce trends. We hope they can help you develop your critical strategies for the year ahead.

c space

FedEx® worked with C Space to survey consumers and small and medium-sized businesses regarding online shopping behavior; these results are shared throughout the report.

Throughout the report, look for the icon, pictured in the purple box below, for insights on online retail from our E-Commerce Specialists. [Visit our resources section](#) for more information about how this team of digitally savvy marketing experts can support your business.



FEDEX E-COMMERCE SPECIALIST INSIGHT

Factors affecting shopping behavior in 2023

A number of critical factors are impacting how consumers will shop this year, from a growing number of online marketplaces to the return of travel and live events.



Economic complexity

Consumers dealt with rising prices, interest rates, and the possibility of a recession.



Shop anywhere

With a growing number of online marketplaces and the return of in-person retail, shopping can happen anywhere and at any time.¹



Purchase power shifting to millennials and Gen Z

These two groups account for 32% of the total retail spend in the U.S.²



Connected consumers

The average American spends 13 hours per day using digital media or technology.³



Shoppers continue to desire more convenience

Expedited delivery, curbside pickup, and Buy Online Pick Up in Store weren't just stopgaps against COVID challenges.



Growing awareness and preference for sustainability

55% of consumers surveyed indicated they have purchased a sustainable product or service recently.⁴



Return of pre-COVID activities

Consumers want more physical experiences like travel, restaurants, and live events, which are trending toward pre-COVID levels.⁵

1. "Connected Retail 2023," CI&T, October 2022
2. "Millennials and Gen Z in the US: Nextgen Index," August 2021
3. "Consumer Trends 2023, New Consumer," 2023

4. "Sustainability in retail: Profit, people and the planet," Deloitte, 2022
5. "Are experiences stealing discretionary dollars away from retail," Retail Wire, January 4, 2023

2023 e-commerce trends to watch

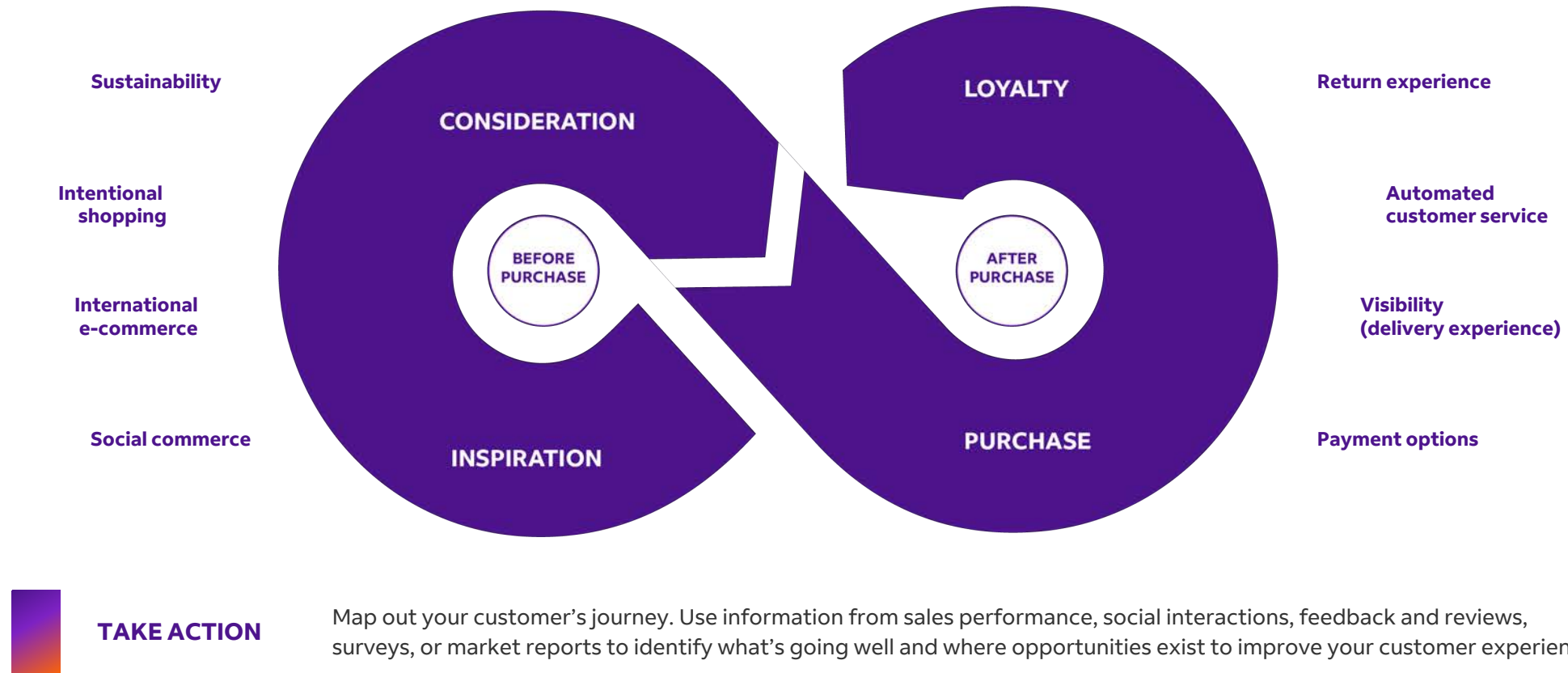
Click on a topic below to jump to that section.

- 1 Economic uncertainty turning customers into **intentional shoppers**
- 2 **Social commerce** is playing a larger role, including as a point of sale
- 3 **International e-commerce** is expected to continue to grow
- 4 Consumers want **sustainability**, and brands are exploring ways to deliver
- 5 More consumers and merchants are using **convenient digital payments**
- 6 **Automated customer service** increasingly offers convenience and speed while maintaining quality
- 7 **Delivery experience** becoming even more important for shopper satisfaction
- 8 Shoppers want **easier returns** while many retailers implement stricter policies



How 2023 trends impact experience across the customer journey

This year, we've overlaid the top e-commerce trends from 2023 onto a typical customer journey so we can visualize the path to purchase and identify opportunities for your businesses growth. **A good customer experience can drive satisfaction and influence repeat purchases.**⁶



Economic uncertainty turning customers into intentional shoppers



SURVEY RESULTS

62%

of shoppers strongly or somewhat agree that they've been making fewer fun or impulse purchases.⁷

In 2022, facing rising prices and the threat of recession, consumers tightened their belts and realigned their budgets with their personal values.



75% changed their shopping habits in 2022, citing inflation as the reason⁸

6.5%

The Consumer Price Index (CPI) was up 6.5% overall for 2022⁹

37%

switched to cheaper options for clothes and basic goods¹⁰

3 in 5

say they'd rather pay more for something that's better quality than opt for a cheaper alternative (buying the cheaper option backfired on more than 60% of consumers)¹¹

28%

postponed major purchases¹⁰

58%

say that inflationary concerns are making them less loyal to brands¹²

8. "The Great Uncertainty: US consumer confidence and behavior during inflationary times, McKinsey," August 16, 2022

9. "Consumer prices up 9.1 percent over the year ended June 2022, largest increase in 40 years, Bureau of Labor Statistics," July 18, 2022

10. "It's the economy stupid: Jobs, inflation and partisan politics, Reuters," October 17, 2022

11. "More consumers opting for quality over price, new survey finds, Consumer Affairs," September 28, 2022

12. "Global Consumer Trends: The Economic Crossroads," Dynata, June 28, 2022

What do consumers want more of in 2023?

INTENTIONAL SHOPPING



SURVEY RESULTS

91%

of shoppers say that ratings, reviews, and testimonials are very or somewhat important when deciding what to buy online.¹³

Consumers are more focused on family, experiences, and wellness:

Multi-select question, answers don't add up to 100%

78%

want to have more fun¹⁴

73%

want to spend time with their family¹⁴

54%

have made travel plans or plan to¹⁴

57%

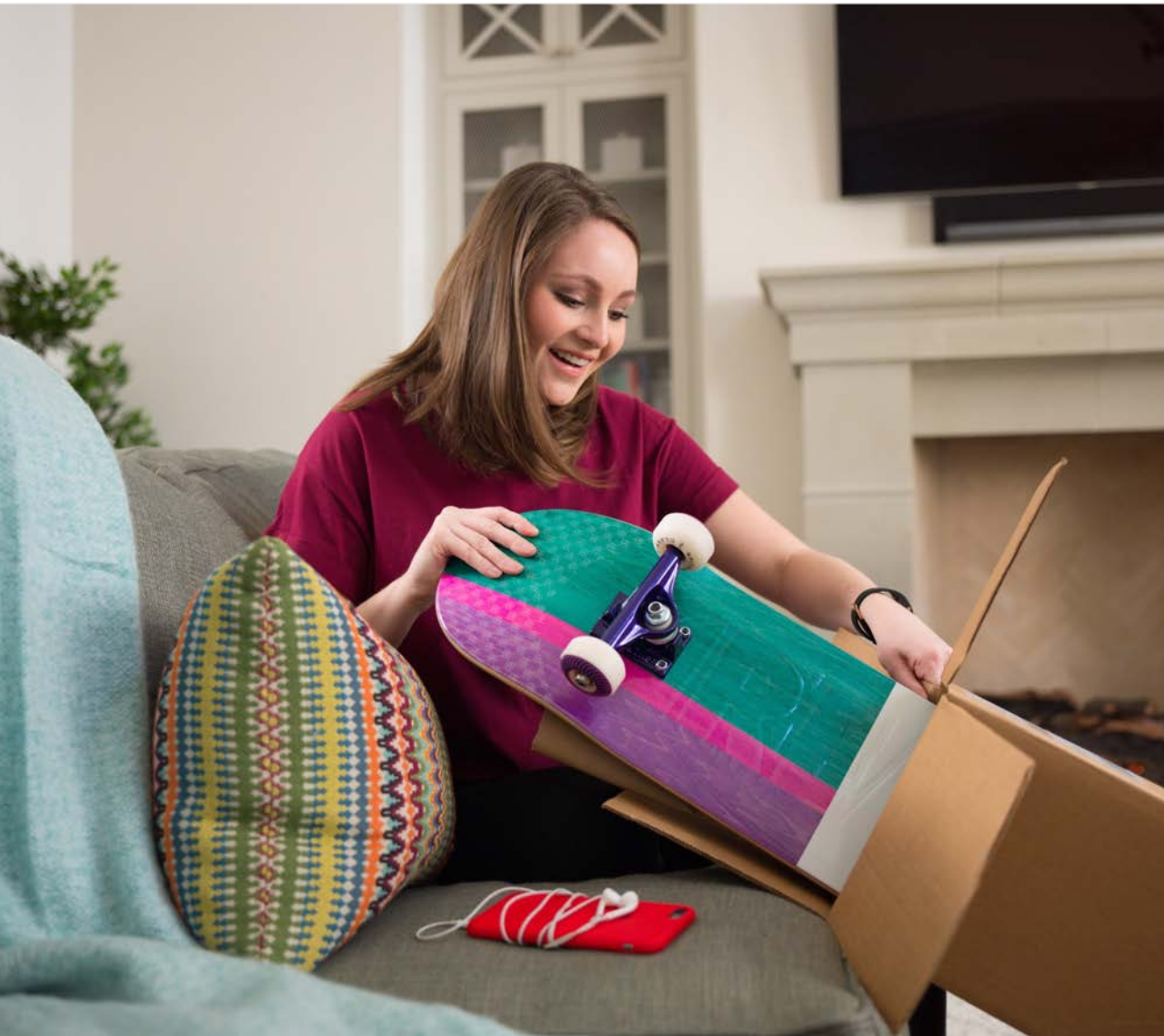
are spending more on products they can enjoy with friends and family¹⁵

+27%

is how much more consumers expect to spend, on average, for "health and fitness"¹⁶

How to give shoppers what they want

INTENTIONAL SHOPPING



FEDEX E-COMMERCE SPECIALIST INSIGHT



Look for new opportunities to add value through fulfillment, delivery, and returns steps. Messaging and experiences built around value will make pricing less of an overall factor and continue to resonate with consumers regardless of market conditions.

TAKE ACTION

Product content that showcases the look, feel, and quality of your product can make its value even more tangible. Consider third-party credibility through social proof such as ratings, reviews, press coverage, certifications, or awards.

Social commerce is playing a larger role, including as a point of sale

SHOP SOCIAL

**\$107B**

is the estimated amount of U.S. social commerce sales by 2025¹⁷

38%

of U.S. shoppers make monthly purchases through social media¹⁸

50%

of younger consumers look to social platforms like Facebook, Instagram, and TikTok for purchases¹⁹

40%

of Americans ages 18–24 use TikTok and Instagram as their search engines of choice²⁰



FEDEX E-COMMERCE SPECIALIST INSIGHT

Social media is great for brand storytelling, allowing you to showcase what makes your product or brand unique in an approachable and engaging way.

TAKE ACTION

- Explore tactics such as video, live streaming or stories, user-generated content, and influencers to help engage viewers.
- Use hashtags or trending music/songs/sounds to capitalize on consumer social search.
- Utilize shoppable content for more seamless conversions.

17. "What's behind the social commerce surge in 5 charts, Insider Intelligence," November 30, 2022

18. "12 Important shopping trends for 2023," Exploding Topics, December 5, 2022

19. "Half of younger consumers buy products on social media," Insider Intelligence, October 26, 2022

20. "Google exec suggests Instagram and TikTok are eating into Google's core products, Search and Maps," TechCrunch, July 12, 2022

3 | International e-commerce is expected to continue to grow



Consumers around the world are becoming more interested in shopping outside their country to access a wider variety of goods of potentially better quality or price.



57% of online shoppers currently shop internationally, presenting a large opportunity for global retailers²¹



An increasing number of platforms and channels help brands connect with international customers



More than 40% of Americans find international brands online—largely through social media and search engines²¹



Cross-border e-commerce is set to **exceed \$2.1 trillion in 2023**, up from \$1.9 trillion in 2022²²

Top 3 reasons for shopping overseas²¹

- 1 Lower prices (41%)
- 2 Availability of items not available locally (38%)
- 3 Discovery of new and interesting products (35%)

21. “2022 Borderless Commerce Report,” PayPal, February 2022
22. “Cross border e-commerce to account for 38% of all sales by 2023, driven by marketplaces,” Internet Retailing, April 6, 2022

Getting competitive in cross-border e-commerce

GO GLOBAL



FEDEX E-COMMERCE SPECIALIST INSIGHT



Retailers can take a variety of steps to be competitive in the cross-border e-commerce space, such as providing high-quality customer service and fast delivery times, attractive discounts and promotions, utilizing multi-channel marketing strategies to reach customers across multiple platforms, and using technology to automate and streamline their processes.

TAKE ACTION

Lean into technology for more seamless transactions.

- 46% of global online shoppers are more likely to buy from a business that offers innovative virtual or digital experiences.²³
- Explore search tactics (SEO, paid search) to make your products easier to find for online shoppers.
- Payment software can provide access to a wider range of payment options, allowing sellers to accept payments from customers using different currencies.

Consumers want sustainability, and brands are exploring ways to deliver



82% of shoppers want brands to embrace sustainable practices, and Gen Z is leading the charge.²⁴

55% recently bought a sustainable product or service²⁵

32% say that they paid significantly more for their sustainable purchase or were willing to wait longer to obtain it²⁵

30% say environmental factors always or often factor into their decision to buy²⁶

75% of Gen Z shoppers say sustainability is more important than brand names²⁷

Consumers are also adopting more sustainable practices to help with budgetary pressures:²⁸

Repairing and upcycling their possessions	38%
Buying reusable and refillable products	38%
Buying second-hand items	30%
Buying recycled or refurbished things	29%

Multi-select question, answers don't add up to 100%

24. "Social media trends report for 2023: How to disrupt a disruptive customer," Talkwaker|Khoros, October 2022

25. "Sustainability in retail: Profit, people and the planet," Deloitte, 2022

26. "June 2022 Global Consumer Insights Pulse Survey," PWC, June 2022

27. "The state of consumer spending: Gen Z influencing all generations to make sustainability-first purchasing decisions," First Insight|Wharton School of Business|Baker Retailing Center, November 21, 2021

28. "What's really driving retail purchasing today: Accenture Consumer Pulse Survey 2022," Accenture, May 2022

How you can deliver on sustainability

SUSTAINABILITY



Environmental factors that are important to shoppers:²⁹

Eco-friendly shipping options 63%

Use of recycled materials 57%

Product durability and sustainable packaging 54%

Multi-select question, answers don't add up to 100%



FEDEX E-COMMERCE SPECIALIST INSIGHT

From recycled cardboard to reusable mailers, reducing the amount of shipping products is a great first step toward being more sustainable.

Many companies are also now exploring buyback and resale programs for their used products, which help cut down on items going into a landfill and offer consumers a price break.

TAKE ACTION

Small steps are big steps. Grow your sustainable practices over time.

Implement a program of recyclable or reusable packaging, use the smallest boxes possible to ship items, and consider offering additional sustainable options for a fee.

Reduce overall returns through enhanced product content and customer support and by helping customers understand the impact of returns on the environment (emissions, waste).

More consumers and merchants are using convenient digital payments



Consumers continue to demand a greater variety of convenient, flexible payment methods. The right payment options can provide an easier checkout experience, thereby driving more sales.

“Buy Now, Pay Later” (BNPL) options are expected to keep gaining popularity in 2023 as it helps consumers **maximize their buying power**.

3 in 5

shoppers have used a BNPL service³⁰

\$576B

is the projected value of the BNPL market in 2026, 4x its value in 2021³²

3x

Consumers ages 18–34 are three times more likely to use BNPL regularly than consumers 55+³¹

+50%

of U.S. BNPL users are Gen Z³⁰



Digital wallets were the most preferred payment options for Gen Z and millennials.³³

Digital wallets like PayPal, Apple Pay, and Google Pay help provide customers with a more **seamless checkout experience** as the user can complete payment in fewer clicks.

Digital wallets made up **49%** of e-commerce transaction value globally in 2021 and are projected to rise to 52.5% of transaction value in 2025.³⁴

30. “Buy Now, Pay Later Statistics and User Habit,” C+R Research, May 13, 2021

31. “Study: Buy Now, Pay Later Services Grow in Popularity,” Motley Fool, July 18, 2022

32. “Online shopping trends to watch in 2023,” Forbes, November 16, 2022

33. “New payment options: Why consumers are trying digital wallets,” Pymnts, November 2022

34. “The Global Payments Report,” FIS, March 2022

Using payment options to enhance customer experience

PAYMENT OPTIONS



25%

of customers say they've abandoned a purchase because their preferred payment method wasn't available.³⁵

New payment methods are used more by Gen Z (**79%**) and millennials (**70%**) than any other age group.³⁶



FEDEX E-COMMERCE SPECIALIST INSIGHT

Having multiple payment options can increase conversions by making it easier for customers to complete their purchase.

TAKE ACTION

Consider digital wallets to remove checkout barriers and BNPL options to provide the flexibility budget-conscious consumers need. Check with your e-commerce platform to find out what's possible within your platform and makes sense for your business.

Take it a step further: Promote these payment methods in your messaging to attract new customers and address pain points.

35. "The State of Shipping Report, 2022: Why faster shipping matters," X-Delivery|Retail Management Institute of Santa Clara University, July 25, 2022

36. "New payment options: Why consumers are trying digital wallets," Pymnts, November 2022

6

Automated customer service increasingly offers convenience and speed while maintaining quality

AUTOMATED SERVICE



Good customer support influences purchasing decisions, boosts overall satisfaction, and prevents returns. It also keeps shoppers coming back—repeat purchasers can account for more than 50% of overall revenue and nearly half of all transactions.³⁷

79%

of shoppers expect businesses to provide support tools to help them find answers without having to contact support³⁸

40%

of internet users worldwide prefer interacting with chatbots versus customer service agents³⁹

37. "How To Design A Post-Purchase Experience That Creates Raving Fans," The Good, May 1, 2022

38. "15 Customer Self-Service and Experience Stats To Know," Vanilla, September 1, 2020

39. "Chatbot market in 2022: Stats, trends, and companies in the growing AI chatbot industry," Insider Intelligence, April 15, 2022

Turning shoppers into repeat purchasers

AUTOMATED SERVICE



FEDEX E-COMMERCE SPECIALIST INSIGHT



A chatbot or virtual agent on a website can provide 24/7 support for customers, such as tracking packages or answering product questions. As a supplier, it's important to be communicative and flexible and to use automated post-purchase emails to keep shoppers informed about their orders.

TAKE ACTION

Explore additional channels such as email, push/SMS, chatbot, or smart search to integrate into your customer service suite.

Consider post-purchase email opportunities such as thank-you's, reviews, surveys, product-related information, or product recommendations.

Utilize data from these interactions to identify additional opportunities to enhance your customer experience.

Delivery experience becoming even more important for shopper satisfaction



Global shoppers rank fast and reliable delivery as the #1 factor when shopping online; more transparent delivery provides reassurance to the retailer and the consumer.⁴⁰

56% of abandoned carts are blamed on concerns relating to delivery⁴¹

96% say they would find GPS tracking useful when awaiting deliveries⁴²

76% say that a poor delivery experience would affect their decision to order from that company again⁴²

75% have paid for faster shipping (including 90% of high earners)⁴¹



FEDEX E-COMMERCE SPECIALIST INSIGHT

For the best possible experience, retailers should provide increased visibility into package movement and transparently communicate expectations and processing time. It's also beneficial for retailers to have multiple communication channels such as SMS, email, and in-app if possible.

TAKE ACTION

Use clear and consistent delivery messaging throughout the online experience.

Check with your provider for ways to further enhance the delivery experience through visibility options.

Consider post-purchase communications to keep the customer informed every step of the way and follow up post-delivery for feedback.

40. "12 Important shopping trends for 2023," Exploding Topics, December 5, 2022

41. "The State of Shipping Report, 2022: Why faster shipping matters," X-Delivery|Retail Management Institute of Santa Clara University, July 25, 2022

42. "Visibility and control are consumers' priorities for last-mile delivery, with 96% indicating a desire for GPS delivery tracking," Yahoo, March 16, 2022

Shoppers want easier returns while many retailers implement stricter policies



86%

say they make a point of checking a retailer's return policy before making a purchase⁴³

76%

say that free returns is an important consideration when shopping online⁴⁴

1 in 4

returned more of their online purchases as a result of inflation and other economic pressures⁴⁵

2 in 3

are less likely to return a product if they're able to view user-submitted reviews, Q&A, or image and video prior to purchasing⁴⁴

60%

of retailers are changing their return policies to help combat rising costs and volumes.⁴⁶

Reducing return rates is a top priority for **83% of retailers**, but a majority (69%) don't have a good understanding of the root causes of their returns.⁴⁷

43. "Returns Happen 2022," Happy Returns, October 27, 2022

44. "Consumer Survey: Returns in retail in 2021," Power Reviews, June 2021

45. "Returns Happen 2022," Happy Returns, October 27, 2022

46. "Don't bank on free returns: 60% of retailers roll out stricter policies," CNBC, November 25, 2022

47. "State of the Industry: Returns as an engagement strategy," Apriss Retail/Incisiv, September 2022

Creative returns can help you meet the needs of your customers and your business

RETURNS



Recent research shows that **convenient returns outweigh the need for free returns.**

98%

agree that a fast, convenient, and hassle-free returns experience makes them more likely to shop with them in the future⁴⁸

56%

are willing to pay a fee for hassle-free returns options⁴⁸

51%

would pay between \$1 and \$5 to return their item more easily⁴⁸



FEDEX E-COMMERCE SPECIALIST INSIGHT

Retailers can use their return policy as a value proposition for customers as shoppers are looking for a transparent, easy-to-use, and convenient returns process. Provide clear and easily accessible information for your returns process throughout your shopping experience.

TAKE ACTION

Get creative with your returns strategy. Don't be afraid to introduce a fee in exchange for a more convenient or sustainable experience. Reduce returns through more robust product content and customer service tools and follow up on returns to uncover opportunities for improvement.

48. "New Report Reveals Consumers Embracing Return Fees In Exchange For Convenient, Premium Offerings," Yahoo, January 10, 2023

Take action to improve your customer journey

ACTION STEPS



Intentional shopping

Create content that brings your product to life and reinforces the value.

International e-commerce

Lean into technology to enhance the international experience, including new channels or payment software.

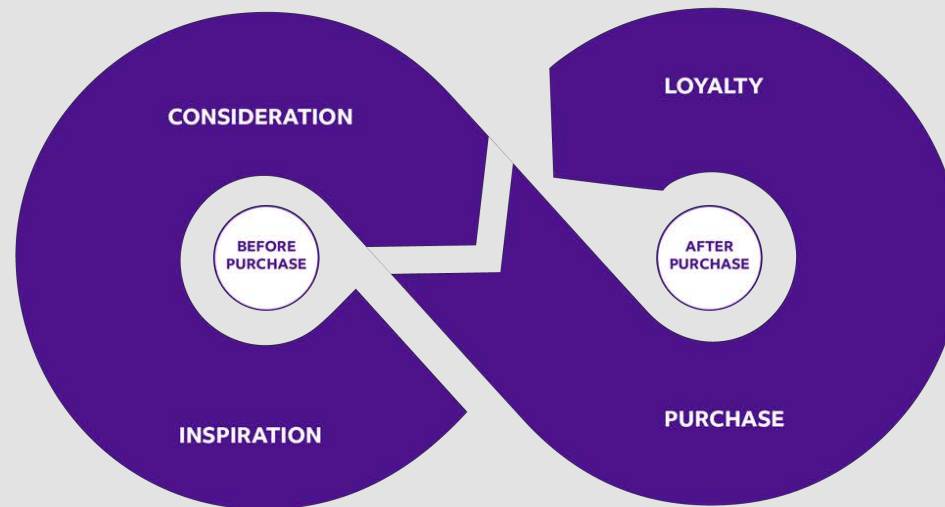
Payment options

Explore digital wallet and BNPL options available through your e-commerce platform.

Deliveries

Use clear and consistent communications and explore enhanced delivery options through your shipping provider.

Use your customer journey to guide you in determining which of these trends impact your business and where/how to apply them.



Social commerce

Use shoppable features and support social search with hashtags or trending music/songs/sounds.

Sustainability

Small steps are big steps. Discuss sustainable options with your shipping partner.

Automated customer service

Consider automated self-service tools and post-purchase emails to support your customer experience.

Returns

Get creative with your return strategy and follow up on returns to uncover opportunities that enhance customer experience.



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2023 buzzwords to look for

ACTION STEPS



We've identified some key buzzwords and phrases to help you better understand the emerging trends shared in this report.



Chatbot

Interactive tool (usually in the form of a “how can I help you?” pop-up) that supports customer self-service. These can be helpful for solving smaller issues immediately and queue up larger issues for customer service representatives.



Customer Relationship Management (CRM)

Strategies focused on building long-term customer relationships, or loyalty, are considered CRM. Some common examples you may have experienced yourself are surveys, special rewards/promos, product recommendations, or refill reminders.



Omnichannel

A strategy aimed at creating a consistent and smooth shopping experience across all communication and shopping channels. This is important because customers expect a consistent experience no matter where they shop, including physical stores, mobile devices, and the internet.



Picture Proof of Delivery (PPOD)

When a picture is taken and shared with the customer and merchant to confirm delivery. This is commonly used for food and grocery delivery platforms, like DoorDash.



Social commerce

Shopping experiences that take place entirely on social media platforms. An example would be buying directly from a TikTok or Instagram merchant account. The benefit is being able to complete a purchase without ever leaving the app.



Re-commerce

Selling previously owned items. Another word for resale. Stores like Lululemon are introducing this concept to support sustainability initiatives.⁴⁹

49. “Lululemon launches a trade-in and resell program as shoppers grapple with inflation,” CNBC, April 12, 2022

More resources for small businesses

ACTION STEPS



[Visit our Small Business Center](#) for helpful tips, articles, and inspiration.

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[Learn about our sustainability initiative](#) Priority Earth and the solutions that can help your business become more sustainable.

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