Ecommerce Trends 2024

8 pioneering strategies for growth in digital commerce

Shopware

Contents

Introduction	4
Reflecting on recent developments and looking ahead	6
8 key ecommerce trends for 2024	7
Ecommerce trend 1: Generative Al	9
Ecommerce trend 2: Personalized Shopping Experiences	11
Ecommerce trend 3: Spatial Commerce	13
Ecommerce trend 4: Subscriptions	15
Ecommerce trend 5: Brand Building & Customer Loyalty	17
Ecommerce trend 6: Online payment technology	19
Ecommerce trend 7: Digital Sales Rooms	21
Ecommerce trend 8: Composable Commerce	23
Summary and actionable insights for merchants across various industries	25



Preface

Dear Reader,

When asked about my vision for the future of ecommerce, three terms immediately spring to mind: **personalized, immersive,** and **instantaneous**. We stand at the cusp of a transformative leap in online commerce, a shift set to profoundly alter both our shopping habits and the ecommerce landscape. These three concepts are pivotal in this evolution.

Let's be frank: shopping alone lacks appeal. In traditional online commerce, personalized advice, tailored product selections, and innovative shopping experiences have been noticeably limited. Enter **Digital Sales Rooms**, a revolutionary change that enables real-time, face-to-face interactions between consumers and merchants.

Consider the hesitation to purchase online due to inadequate product representation, like static images. **Spatial Commerce** is poised to bridge this gap between the real and the virtual worlds. It promises an unprecedented product experience, offering multidimensional views, augmented reality integrations, and real-time customization options.

And what about the consumers' growing expectations for immediacy? In a rapidly changing world where shopping trends emerge and spread globally in an instant, the demand for immediate availability and response is escalating. **Artificial Intelligence** is key to this challenge, enhancing everything from smart process automation and content creation to search engine optimization and generative image production. Al is set to accelerate product launches and keep pace with market trends.

Being a pioneer, however, means embracing courage, vision, and strategic investment. It's about creating the right conditions for a future geared towards growth. This includes selecting an ecommerce infrastructure that not only accommodates but actively encourages progress. And this is also made possible by close cooperation with our partners such as **PayPal**. PayPal welcomed the opportunity to collaborate and innovate with us and our shop system, by leveraging our mutual customer centric approach. By integrating PayPal Checkout, Shopware merchants can offer consumers a way to spend, send, and manage their transactions, easily and securely. Leveraging its strategic partnership with PayPal, Shopware enables merchants to access the full potential of PayPal's ecosystem of products and services.

At Shopware, we're committed to the principle of progress, we recognize and leverage ecommerce trends capable of reshaping entire industries. In **Shopware 6**, our most extensive and advanced ecommerce platform yet, we've already embedded numerous cutting-edge features and are fervently developing further innovations. The year 2024 marks a significant milestone for us.

This trend report serves as a comprehensive guide, offering deep insights and practical action plans for the most pivotal trends over the next 12 months. It's designed to inspire and equip you to proactively adapt your ecommerce business to the forthcoming opportunities and challenges.

Happy reading, Stefer Heheny Founder & Co-CEO, shopware AG



Introduction

In the world of commerce, success hinges on meeting customer needs with precision: the right moment, the right place, and the right arguments. In ecommerce, this idea takes shape as a "user-centric approach," focusing on understanding and fulfilling buyers' desires at every stage of their shopping journey. This perspective has profound implications, influencing how merchants showcase their products, the level of customer service they provide, and the choice of ecommerce platforms and features they utilize.

Research indicates that since the 1960s, people's willingness to adopt innovations and new technologies has accelerated significantly. This trend of rapid adaptation has become especially pronounced in the internet era. And it's not just consumers adapting; businesses are, too. A **survey** encompassing over 800 global companies in relation to the "fourth industrial revolution" revealed that over 75% plan to make digital commerce a key component of their strategy between 2023 and 2027, with an 86% adoption rate for digital platforms and apps.

This trend underscores a key message for businesses: Sustainable growth and success are contingent on staying abreast of current trends, recognizing them in a timely manner, and integrating them into their ecosystem. Those who remain stuck in the status quo risk losing the attention of their potential customer base. So, what are the ecommerce trends you should be focusing on to future-proof your business today? Based on our analysis, there are three main areas of technological dynamism and potential:

- Artificial Intelligence is revolutionizing online stores by enhancing adaptability, reducing time-to-market, and serving as a revenue multiplier. The AI-driven ecommerce sector is expected to grow by an average of nearly 16% annually until 2030.
- **Personalization** is becoming the linchpin for efficient conversions, heightened customer loyalty, and increased brand awareness. A **McKinsey report** suggests that brands offering personalized experiences see a 76% higher purchase likelihood and a 78% greater chance of being recommended.
- Improving User Experience (UX) is now directly tied to increased product margins. According to Salesforce, 66% of consumers are willing to pay a premium for a positive shopping experience.

Leading platform providers, including Shopware, are intensively focusing on these areas. By 2024, concepts like Generative AI, Spatial Commerce, Digital Sales Rooms, and Composable Commerce will transform from buzzwords into market-ready features, delivering tangible benefits to merchants.



This trend report offers a holistic view of these pivotal developments, spotlighting eight key trends that will be indispensable in 2024. Starting with an overview of the current status and economic outlook for the ecommerce market in 2024, it provides in-depth insights into these trends and practical strategies for their swift and efficient adoption.

Equip yourself today with the knowledge to propel your ecommerce business into a prosperous tomorrow!



Reflecting on recent developments and looking ahead

The year 2023 in ecommerce was shaped by a global landscape recovering from various challenges, spanning from the pandemic to energy crises, geopolitical conflicts, and inflationary pressures.

These challenges had a mixed impact on the industry. While inflation dampened consumer spending power, the trend toward online shopping continued its upward trajectory post-pandemic. Although the total revenue of the sector in the first half of 2023 showed a plateau compared to the **previous year**, it still marked a nearly **15% growth from the prepandemic levels of 2019**.

In terms of technology, 2023 was a year of significant progress. The widespread introduction of ChatGPT, Google Bard, and similar platforms marked the mainstream emergence of Generative AI, bringing artificial intelligence into the daily lives of many users and businesses for the first time. This technological advancement unlocked new possibilities in ecommerce, with platforms like Shopware deploying innovative features such as the AI Copilot. The rise of AI was also notable in customer support and service, with intelligent chatbots streamlining everything from basic inquiries to complete shopping experiences.

Key themes of the year included Unified Commerce, integrating the shopping experience across various channels and devices, and the

automation of inventory and order management processes. Omnichannel distribution via shopping platforms also took center stage. Notably, **B2B commerce solidified its status as a major trend in 2023**, leading to significant developments in feature releases and sector-specific innovations.

Looking toward 2024, economists predict solid economic growth for the US, with estimates ranging between 1.7% and 2.1%. With inflation projected to fall below 2%, the consumer climate is expected to improve, setting a positive stage for ecommerce. Merchants are likely to regain confidence, potentially making up for investments postponed in the past, especially in areas like shop and future technologies.

Considering the expected advancements in 2024, especially in fields like AI, Spatial Commerce, and Digital Sales Rooms, merchants would do well to embrace these innovations. The anticipated growth will bring its own set of challenges, particularly in scaling up online stores, which can be effectively managed with AI tools. Additionally, as the pace at which people adopt new trends and technologies accelerates, it's crucial for merchants to prepare in advance to thrive in the promising growth landscape of 2024.

💽 shopware

8 key ecommerce trends for 2024

Your cheat sheet for the major growth drivers of the next 12 months

Generative Al

Leveraging Al tools can drastically shorten the time-to-market and substantially boost your team's productivity.

Benefits:

- Accelerated content creation
- ✓ More efficiency in product management
- Tailored marketing strategies
- ✓ Boosted online presence

Shopware's solution:

• Al Copilot

Personalized Shopping Experiences

Custom-crafted offers and audience-specific content not only elevate conversion rates but also create an unforgettable brand experience.

Benefits:

- Increased average order value
- Custom display options
- Enhanced customer satisfaction
- Fewer shopping cart abandonment

Shopware's solution:

- Shopping Experiences
- Composable Frontends
- Flow Builder and Rule Builder

Subscriptions

Offering product subscriptions as an added purchasing choice aligns with user preferences and boosts the customer lifetime value.

Benefits:

- ✓ Stable and predictable revenue streams
- Strengthened customer loyalty
- Expanded opportunities for up- and cross-selling

Shopware's solution:

• Subscriptions feature

Spatial Commerce

Bringing products to life through 3D presentations and virtual or augmented reality environments, Spatial Commerce enhances the ecommerce experience and streamlines the decision-making process for buyers.

Benefits:

- ✓ Makes intricate products more accessible
- Prolongs customer engagement
- Delivers information in an interactive manner
- Lowers the rate of product returns

Shopware's solution:

• Spatial Commerce tools



Brand Building & Customer Loyalty

Elevating online shops into ecommerce brands with a distinct recognition factor converts first-time purchasers into dedicated brand advocates.

Benefits:

- ✓ Reduced costs for acquiring new customers
- Incentives offered through loyalty programs
- Enhanced profit margins on products
- Building a loyal customer base

Shopware's solution:

- Promotions module
- Recommendations | Cross- and up-selling
- Product Reviews module
- Subscription feature

Online Payment Technology

Keeping pace with online payment technology is imperative for businesses to create spaces where customers can pay confidently, safely, and securely.

Benefits:

- ✓ Fuel automation and personalization
- ✓ Better fraud detection
- ✓ Optimize outdated business processes
- ✓ Adapt to ever-changing customer needs

Shopware's solution:

• Partnering with PayPal to help deliver best in class online payment tech at scale

Digital Sales Rooms

Offering real-time, face-to-face consultations amidst the shopping experience significantly enhances the service standards of ecommerce businesses.

Benefits:

- ✓ Boost in customer engagement rates
- ✓ Stand out in the competitive market
- Enhanced ratings for products
- ✓ Increased likelihood of repeat purchases

Shopware's solution:

• Digital Sales Rooms

Composable Commerce

The separation of front-end and back-end systems enables simultaneous development activities and facilitates more independent and adaptable modifications.

Benefits:

- ✓ Acceleration of development processes
- Endless possibilities in design choices
- Minimized risks of system downtimes
- Enhanced overall website performance

Shopware's solution:

- Shopware Headless Commerce
- Shopware Composable Frontends



Ecommerce trend 1: Generative AI

In 2024, artificial intelligence is set to become a pivotal factor driving success in ecommerce. Beyond AI-assisted process automation and predictive analytics, a new primary application emerges: the efficient, automated generation of product-related content, encapsulated by the term "Generative AI."

What exactly is Generative AI?

Generative AI encompasses a suite of algorithms and machine learning models adept at analyzing data and autonomously generating, editing, or amalgamating content such as texts, images, speech, or code. This AI is classified as 'generative' because it creates novel outputs based on historical data patterns.

Why is Generative AI a trendsetter in ecommerce?

Generative AI is rapidly gaining traction in ecommerce due to its ability to streamline manual tasks, such as crafting product descriptions or managing customer support. This technology not only conserves company resources and time but also elevates the overall shopping experience. In the next decade, this trend is forecasted to witness an **annual growth of nearly 15%**.

What's possible with Generative Al in 2024 on a technical level?

With the advancement of Generative AI tools like ChatGPT or Google Bard, 2024 will see a surge in the abilities and quality of this technology. It will enable the creation and editing of content that is both stylistically engaging and substantively rich, along with detailed, lifelike images. Progress in generating motion graphics and audio will also be notable. Access to Generative AI tools will become more streamlined, and due to their enhanced quality, they will be increasingly deployed in direct customer interactions, such as through sophisticated chatbots.

Algorithm of the state of th

Ecommerce use cases for Generative Al

For ecommerce, the primary applications include generating and refining product descriptions and improving product imagery. With Generative AI, existing texts can be tailored more effectively to target audiences, and products can be visually placed against appealing backgrounds or in realistic settings with minimal effort. The technology will even facilitate the creation of complex, niche-specific content, as these tools will not just rely on historical data but also scour the internet in real-time for relevant information.

The future trajectory of Generative AI beyond 2024

Research institutes like McKinsey predict that by approximately 2030, Generative AI will match the average human level in knowledge and language capabilities, and by 2040, it will rival the top 25% of the educated population in various fields such as knowledge work, content production, law, technology, and art. The productivity output is expected to surge dramatically, with Generative AI's contribution to economic value, including ecommerce, reaching an annual total of 4.4 trillion USD.

How Shopware facilitates the use of Generative Al

Shopware's AI Copilot is a groundbreaking virtual assistant designed for online shops, offering a suite of 10 innovative features. It enables users to effortlessly generate AI-driven product descriptions, content for shopping experiences, translations, and appropriate icons. Additionally, it can autonomously summarize the key points of product reviews, create suitable product attributes, and intelligently classify customer segments. Discover more: AI Copilot.





Ecommerce trend 2: Personalized Shopping Experiences

In today's world, where individuals are increasingly at the forefront, thus escalating their expectations from companies and products, personalized experiences have emerged as a critical strategy for achieving competitive distinction and cultivating customer loyalty. In 2024, Personalized Shopping Experiences will become an essential sales and marketing tool for merchants.

What exactly are Personalized Shopping Experiences?

Personalized Shopping Experiences are tailored shopping journeys crafted based on the unique preferences and behaviors of each user. By leveraging user data, online shops can personalize content and offers, providing targeted product recommendations. This approach renders the shopping journey uniquely personalized for every individual user.

Why are Personalized Shopping Experiences a trendsetter in ecommerce?

Research indicates that online stores employing personalized content can achieve conversion rates up to **5.5 times higher**, potentially leading to a **10 to 15% increase in revenue**. The depth of personalization plays a pivotal role in this success. Ecommerce platforms, acknowledging this impact, are increasingly developing sophisticated personalization features, elevating the importance of this trend in 2024.

What's possible with Personalized Shopping Experiences in 2024 on a technical level?

A well-established method in this domain is rule-based personalization, allowing merchants to set triggers based on user actions to deploy personalized content. Furthermore, entire ecommerce landing pages can be customized, for example, according to customer groups or device types. Advanced systems like Shopware 6 are being designed for completely customizable storefronts, giving developers extensive freedom to tailor them to customer preferences.





Ecommerce use cases for Personalized Shopping Experiences

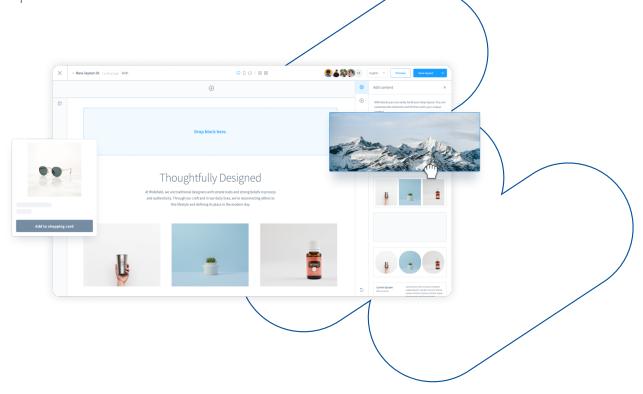
Beyond personalized product suggestions based on browsing behavior, exciting applications lie within online marketing. By analyzing and segmenting customer data, tailored marketing strategies, such as targeted discount and coupon campaigns, can be implemented. Products available in multiple variations can be pre-configured for the customers, and shopping environments can be customized based on criteria like gender, age, or shopping history. Post-purchase email campaigns providing valuable product insights can enhance customer satisfaction.

The future trajectory of Personalized Shopping Experiences beyond 2024?

The foundation for these personalized experiences is a shop technology capable of supporting such customization. Necessary software architectures are under active development, with ample scope for advancement. Post-2024, it is anticipated that the systems will become even more modular and flexible, enabling merchants to implement dynamic, seamless personalizations based on real-time data analysis. This evolution is also expected to incorporate innovative formats like augmented reality content and motion graphics.

How Shopware facilitates the use of Personalized Shopping Experiences

Shopware leads the way in ecommerce with the Shopping Experiences feature, revolutionizing the presentation of product overviews and shop pages. The Flow and Rule Builder empowers merchants to manage personalized marketing and sales workflows, while Composable Frontends allows for complete customization of the store's look and feel to align with user preferences. Discover more: Shopping Experiences | Flow Builder | Rule Builder | Composable Frontends.



Ecommerce trend 3: Spatial Commerce

Until recently, traditional retail held a significant edge over ecommerce: the tactile and experiential aspect of products was much more pronounced in physical stores. However, this landscape is shifting dramatically with the advent of Spatial Commerce, a groundbreaking trend set to redefine ecommerce in 2024. It introduces a spatial dimension to online shopping, showcasing products in 3D and virtual reality. While still in its early stages, Spatial Commerce is rapidly evolving to become a key differentiator in online commerce.

What exactly is Spatial Commerce?

Spatial Commerce is a segment of ecommerce that integrates spatial technologies such as Augmented Reality (AR), Virtual Reality (VR), and 3D visualizations into the shopping journey. These innovations enable customers to visualize and interact with products in a virtual setting, crafting an immersive and engaging shopping experience.

Why is Spatial Commerce a trendsetter in ecommerce?

The increasing fascination with virtual and augmented reality technologies, coupled with the launch of advanced devices like the Apple Vision Pro, is paving the way for Spatial Commerce applications in 2024. The adoption of this trend is closely linked to user acceptance, which has seen a significant increase, with mixed reality technologies in retail gaining a 20% rise in acceptance since 2020.

What's possible with Spatial Commerce in 2024 on a technical level?

An early stage of the fully immersive Spatial Commerce experience is the 3D visualization of products, offering views from every perspective. This innovative form of product presentation is currently feasible and is set to undergo further enhancements in 2024. Additionally, more shopping applications will start to overlay reality with virtual elements, placing products in real-world settings through smartphones or VR headsets.

Click and drag to rotate



Ecommerce use cases for Spatial Commerce

Spatial Commerce particularly benefits online merchants offering premium, customizable, or unique products. From fashion to complex electronics, vehicles, and home furnishings, it reduces barriers and fosters a closer connection to products, particularly in areas where customers traditionally preferred physical shopping experiences. The trend will gain momentum as technologies like AR-based virtual try-ons and in-room furniture visualization become commonplace.

The future trajectory of Spatial Commerce beyond 2024

As a pioneering technology trend, the full potential of Spatial Commerce, much like Artificial Intelligence in its early days, is not yet fully comprehended. Should VR/AR glasses become more mainstream, future shopping could shift away from traditional online stores to a reality where virtual shopping is seamlessly integrated. Through VR glasses, users could identify products, compare prices, customize items, visualize them in their own space, and make instant purchases.

How Shopware facilitates the use of Spatial Commerce

Shopware has been at the forefront of adopting and advancing the Spatial Commerce trend. Starting in early 2024, Shopware will launch pioneering features in this domain, including state-of-the-art 3D product visualizations and initial augmented reality applications accessible via mobile devices or QR codes. Progress in virtual try-ons and AR-enhanced product comparisons will also be key features, such as the ability to virtually compare and place furniture items in a room. Discover more: **Spatial Commerce**.







Ecommerce trend 4: Subscriptions

Subscriptions have long been a staple in traditional retail, but their recent embrace by the ecommerce sector marks a significant shift. The trend of purchasing products through online subscriptions is gaining rapid popularity among consumers. In today's fast-paced world, where routine tasks like reordering household essentials can easily slip one's mind, subscriptions offer a convenient solution.

What exactly are Subscriptions?

Subscriptions in the digital realm are arrangements where customers commit to regular deliveries of products or services. Unlike one-off purchases, subscribers receive their chosen products or services automatically at predetermined intervals, adding ease and consistency to their shopping experience.

Why are Subscriptions a trendsetter in ecommerce?

Subscription models are witnessing a surge in ecommerce. A McKinsey study highlights that 15% of online shoppers have already opted for subscriptions, and the segment is projected to grow by an unbelievable average of 71% yearly from 2023 to 2028. This trend, gaining momentum prior to 2024, is now becoming mainstream.

What's possible with Subscriptions in 2024 on a technical level?

Ecommerce platforms are rapidly adapting to the growing demand for subscription services. These platforms enable customers to subscribe to products and services with customizable delivery schedules. Merchants are leveraging this opportunity to offer discounts on subscription items, while users enjoy the flexibility of managing their subscriptions directly through their shop accounts.

Subscribe

Frequency every 30 days

ne number of n

m deliveries is 12. This results in an



57€ 52€

¢

Ecommerce use cases for Subscriptions?

Beyond the traditional realms of household, cosmetic, or food products, innovative subscription models are emerging in ecommerce. Examples include themed subscription boxes, annually updated fashion collections, and educational materials like online courses. Even virtual services such as on-demand fitness classes are being streamlined through efficient subscription models.

The future trajectory of Subscriptions beyond 2024

Artificial intelligence is set to revolutionize subscription services in the coming years, offering enhanced customer experiences and opening new sales avenues. Al can tailor subscription recommendations based on individual customer behavior and preferences, identifying when a subscription model may be more cost-effective than individual purchases. Additionally, the use of predictive analytics can refine the timing of reorders, ensuring deliveries align perfectly with customer needs.

How Shopware facilitates the use of Subscriptions

Shopware 6 is at the forefront of this shift, offering advanced features for managing subscription models. A key highlight is the integration of the Subscriptions feature with Shopware's Rule and Flow Builder, allowing for nuanced customization. Merchants can use these tools for specific payment method configurations and to dispatch timely email reminders for automatic reorders. Discover more: Shopware Subscriptions.

droceries and beverages

Envision subscription offerings like meal kits, exclusive wine memberships, regular coffee and tea shipments, and premium gourmet dining experiences.

👕 Clothing and fashion

With the Subscriptions feature, you can offer regular deliveries of clothing, footwear, and accessories tailored to your customers' style and taste.

↔ Health and wellness

Gym memberships, yoga, and meditation app subscriptions, as well as vitamins, supplements, and customized health and wellness boxes, are all in vogue.

Beauty and grooming products

Offer your customers the ability to easily repurchase their essential skin care products, cosmetics, shaving blades, and other personal care items.



Ecommerce trend 5: Brand Building & Customer Loyalty

In the fiercely competitive world of ecommerce, merchants are constantly exploring innovative strategies to make their products and online stores stand out. Brand building has emerged as a key element in this quest, vital for cultivating a loyal customer base that evolves into brand ambassadors. Leading ecommerce giants in the US, like Target, Wayfair, or Best Buy, have exemplified this by transforming their shopping platforms into recognizable brands.

What exactly is Brand Building and Customer Loyalty?

Brand building is the art of creating and enhancing a brand's identity. It involves initiatives designed to foster a positive brand image and robust presence in consumers' minds. Customer loyalty focuses on forging long-term connections between customers and a brand or company. The objective is to achieve such high levels of customer satisfaction that they not only become repeat buyers but also advocate for the brand. Central to this are Customer Loyalty Programs.

Why are Brand Building and Customer Loyalty Programs a trendsetter in ecommerce?

In 2024, the customer lifetime value (CLV) is increasingly becoming a vital key performance indicator (KPI) in ecommerce. The emphasis is shifting from merely acquiring first-time buyers to maximizing the value of each customer. This shift heralds a strategic redirection in marketing, where brand building gains prominence as a means to bolster CLV. Additionally, Customer Loyalty Programs are gaining traction, enhancing brand loyalty. With technological advancements, such programs are no longer exclusive to large entities but are increasingly accessible for proactive merchants.

What's possible with Brand Building and Customer Loyalty Programs in 2024 on a technical level?

While brand building transcends mere technology, encompassing company strategy, design, and communication, technological advancements are opening new avenues for branding. This includes establishing a consistent online presence, customizable storefronts, and dynamic shopping environments that effectively represent the brand. Utilizing social media and advertising networks directly from the online shop is crucial for brand dissemination. Technically, customer loyalty can be boosted through personalized content and tailored offers.

Ecommerce use cases for Brand Building and Customer Loyalty Programs

Exclusivity is key in brand building, making clubs and memberships an effective approach in ecommerce to offer exclusive access to products and services. This can be complemented by targeted email marketing, offering brand members special discounts, early access to products, and unique deals. Ambitious merchants can take this further by establishing their own Customer Loyalty Programs, forging partnerships with other ecommerce entities, issuing coupon codes, or offering volume discounts.

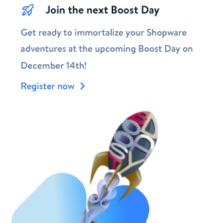
The future trajectory of Brand Building and Customer Loyalty Programs beyond 2024

The trajectory of brand building post-2024 will be shaped by evolving technological and societal trends, including advancements in personalized marketing and artificial intelligence. The more precisely merchants can understand and engage their customers, the more potent their brand building efforts. Issues like sustainability and social responsibility will increasingly influence brand perception and customer loyalty, emphasizing not just user experience but also the ethical practices of ecommerce businesses.

How Shopware facilitates the use of Brand Building and Customer Loyalty Programs

Shopware 6 Core empowers merchants with complete control over their shop's design. Features like Shopping Experiences, Composable Storefronts, and an extensive app ecosystem enable merchants to tailor their ecommerce brand precisely to their vision. To foster long-term customer retention, merchants can utilize tools for promotions, cross and up-selling, highlight customer reviews, or simplify shopping experiences with subscription models. Discover more: Shopping Experiences | Promotions | Crossand Up-Selling | Reviews | Subscriptions.





Ecommerce trend 6: Payment Technology

Understanding the digital payments landscape is crucial for any business owner, and there are more ways to pay than ever before. Credit and debit cards. Digital wallets like Apple Pay and Google Pay. PayPal Pay Later options. Country-specific payment methods. It's imperative for businesses in the modern age to create spaces for customers to pay confidently, on their own terms. Equally as important to a business's lasting success is quickly adapting to online payment trends as they come.

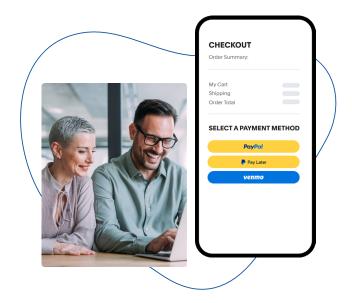
PayPal is positioned to allow people to pay however they want and keep pace with potential industry-wide updates in payment technology. PayPal's payment solutions allow for management of popular payment methods through one account – all with one easy payments package.

What exactly is online payment technology?

Online payment processing refers to how money moves from the customer to your business. Though this may sound simple, a lot of technology is involved in processing online payments. One of the most important ones that enables merchants and customers to transact is the payment gateway, the software that links the website's shopping cart to the processing network. PayPal has developed an all-in-one payment gateway, called PayPal Checkout, that gives customers the freedom to pay how they want, on a platform they trust. The underlying payment technology helps to seamlessly process debit and credit cards, Apple Pay®, Google Pay™, PayPal Pay Later options, and country-specific payment methods. And at the same time monitor transactions to help businesses secure and protect customers' information protected.

Why is online payment technology a trendsetter in e-commerce?

Online payment systems offer convenient, quick, and secure transactions, leading to improved customer experiences, efficient record-keeping, and helpful integration capabilities. Adopting these systems can optimize payment processing and contribute to the overall growth and success of a business in the digital age. With new technologies arising, such as cryptocurrencies and Al already entering the online payments sphere, it is crucial to turn an eye to how automation, payment integration and other digital solutions can optimize your business's processes and answer customer demands.





Will digital currency trends shape the future of online payments?

While digital currencies are only a piece of the overall online-payment pie, there's no denying that it's become an increasingly popular payment method among today's shoppers.

As Insider Intelligence reported, more than 34 million U.S. adults own cryptocurrency, with that number having increased by double digits through 2023. Crypto transactions are also predicted to exceed \$16 billion this year — a whopping 55% jump from 2022'.

Cryptocurrencies — from popular ones like Bitcoin and Ethereum to PayPal USD (PYUSD), a U.S. dollar-denominated stablecoin² — attract shoppers due to their potentially fast and cost-effective transactions. For small businesses, getting in on crypto can potentially open a whole new customer base and help increase sales.* That's why PayPal accepts popular cryptocurrency options like PayPal USD, Bitcoin, Ethereum, Litecoin, and Bitcoin Cash.

What's possible with AI payment technology?

Bringing AI into the world of online payments can be a game changer. Not only can it help improve shopping by recognizing speech and adapting to user behavior, but AI can also potentially speed up approvals, minimize false declines, reduce chargebacks, and create a more positive customer experience through machine learning.

A recent study revealed that more than 80% of U.S. consumers would shop online more often if they knew they had fraud protection.³ Well, thanks to AI, PayPaI is well on the way — using machine learning to power the latest fraud mitigation tools and leverage large-scale analytics to look for patterns, trends, and anomalies.

The future of digital payments beyond 2024

Digital payments are evolving, and companies no longer think of them as a simple must-have. Instead, they're developing into value-added brand experiences that may better support customers while differentiating themselves from competitors.

How does Shopware facilitate the use of new payment trends via PayPal?

The integration of PayPal into Shopware's platform can give merchants next-level selling power. In the US, PayPal's online payments solution has helped business owners boost sales by up to 46%.** You can make the most of Shopware by offering more local payment options and creating a better customer experience. (Jason Nyhus, President / GM, Shopware US.)

Between the simplicity of PayPal's set-up, its low processing fees, global reach, and ability to manage money with ease, the collaboration between PayPal and Shopware is the perfect distillation of how two-forward-thinking companies can come together to elevate the user experience for e-commerce merchants almost everywhere.



Ecommerce trend 7: Digital Sales Rooms

In 2024, the dynamics of online commerce are set to shift significantly. The challenge of overcoming anonymity and effectively handling complex products or services, particularly for B2B sellers, is being addressed innovatively. Digital Sales Rooms are emerging as transformative tools, enabling real-time product consulting and direct interactions between merchants and customers, thus revolutionizing B2B commerce.

What exactly are Digital Sales Rooms?

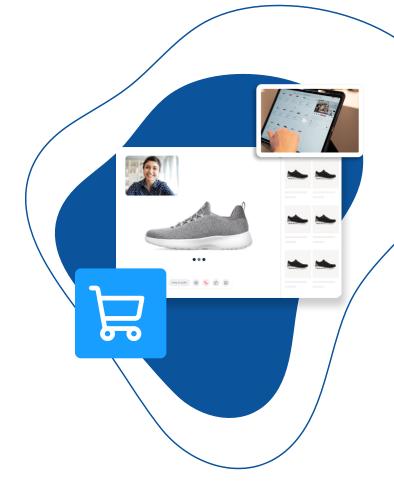
Digital Sales Rooms are a component of the evolving live commerce or live shopping arena, blending live streaming with interactive shopping capabilities. They allow products and services to be showcased through real-time video while viewers engage directly with the presentation, asking questions, interacting with hosts, and making purchases. Beyond product showcases, they serve as vital platforms for B2B sales teams to share key documents, presentations, and sales materials.

Why are Digital Sales Rooms a trendsetter in ecommerce?

The adoption of Digital Sales Rooms has been made feasible by advancements in streaming technology and the expansion of bandwidth capacities like 5G. **Gartner** forecasts that by 2026, around 30% of B2B sales processes will utilize Digital Sales Rooms, covering the entire spectrum of the customer lifecycle. The success of these platforms hinges on their ability to offer interactivity, real-time communication, authenticity, and enhanced advisory quality.

What's possible with Digital Sales Rooms in 2024 on a technical level?

Forefront ecommerce platforms, including Shopware, are introducing features for live, face-to-face consultations and interactive product presentations. These innovations guide customers through their online shopping journey, enriching the experience. Furthermore, Digital Sales Rooms enable the pre-filling of shopping carts, which can then be transmitted to B2B clients, greatly enhancing both the efficiency of the purchasing process and overall customer satisfaction.





Ecommerce use cases for Digital Sales Rooms

Digital Sales Rooms offer groundbreaking opportunities for B2B commerce, from live product demos to Q&A sessions, aiding in the comprehension of complex products. The potential extends to B2C sectors as well, where these rooms can host exclusive product launches and enable customer service to interactively engage with shoppers, suggesting products and facilitating purchases.

The future trajectory of Digital Sales Rooms beyond 2024

The integration of Digital Sales Rooms in B2B commerce is expected to grow substantially beyond 2024. These platforms will increasingly mimic real-life interactions, becoming key elements in the globalization strategies of B2B businesses. By bridging geographical gaps and fostering personal connections, they'll build trust in B2B brands and their offerings. Moreover, their role will be crucial in shaping the acceptance and growth of Live Commerce in markets like Europe and the USA, bridging the gap with established markets **like China**.

How Shopware facilitates the use of Digital Sales Rooms

Shopware 6 has seamlessly integrated Digital Sales Rooms into its platform. This integration allows merchants to offer state-of-the-art interactive product consultations, elevating the online shopping experience to new heights. Guided Mode in Shopware 6 enables merchants to lead customers through the shopping process with live streaming and interactive features, conduct dynamic product showcases, and curate personalized shopping experiences. Particularly for B2B merchants, Shopware offers specialized personalization tools, enabling the creation of tailored product lists during live sessions. Discover more: **Digital Sales Rooms**.





Ecommerce trend 8: Composable Commerce

In 2024, Composable Commerce is set to be the technological cornerstone for the leading sales and marketing trends. A flexible ecommerce platform that allows for the integration of various software solutions and enables independent, simultaneous work by development teams is essential for merchants to keep up with the rapid pace of global online trade.

What exactly is Composable Commerce?

Composable Commerce is an innovative approach in ecommerce, prioritizing flexibility and adaptability. It moves away from rigid, all-in-one ecommerce platforms, offering businesses the ability to selectively combine and integrate diverse ecommerce solutions and services like PIM, ERP and CRM. This strategy is often characterized by the term "Best-of-Breed" solutions.

Why is Composable Commerce a trendsetter in ecommerce?

In the fast-evolving ecommerce landscape, agility is crucial and often impeded by technological constraints. The modular architecture of Composable Commerce allows businesses to swiftly adapt to market shifts, forge unique customer experiences, and scale their systems efficiently. Gartner forecasts that by 2023, organizations embracing a Composable strategy will launch new features 80% faster than competitors.

What's possible with Composable Commerce in 2024 on a technical level?

The essence of Composable Commerce lies in a tripartite software architecture: The API-first approach enables the connection of external services or multiple applications. Cloud computing power ensures scalability and facilitates on-demand use of individual components without manual updates. The headless approach separates frontend and backend, allowing for numerous customizable storefronts. This architecture is already part of several shop systems, including Shopware 6.



Ecommerce use cases for Composable Commerce

Composable Commerce empowers companies to tailor shopping experiences for distinct customer segments. Its modular design allows rapid adaptation to trends like Al, Social Commerce, or Digital Sales Rooms and quicker implementation of third-party solutions in areas such as marketing automation, customer data analysis, or product management. Additionally, decoupling services reduces system failure risks and enables real-time, non-disruptive modifications.

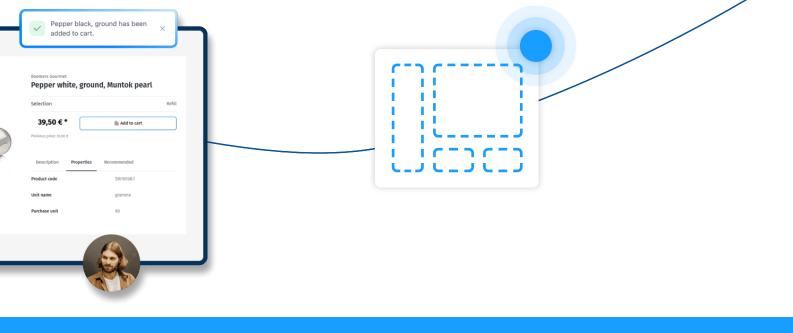
The future trajectory of Composable Commerce beyond 2024

In the coming years, Composable Commerce is likely to revolutionize B2B commerce architectures. There's a growing necessity for holistic integration of diverse corporate systems. Composable Commerce will thus transform ecommerce platforms into pivotal elements of IT infrastructures. An increase in easy-to-use plug-and-play connectors is anticipated, facilitating seamless integration of Best-of-Breed systems, enhancing data collection and utilization for personalized shopping experiences.

How Shopware facilitates the use of Composable Commerce

Shopware 6 Core encompasses the aforementioned software architecture, enabling merchants to fully embrace the headless commerce model by decoupling front and backends. Shopware Composable Frontends offer complete control over your tech stack, allowing seamless integration of Shopware functionalities like wish lists or blogs into your storefronts. Discover more:

Headless Commerce | Composable Frontends.





Summary and actionable insights for merchants across various industries

This trend report underscores the importance of recognizing and promptly adapting to current trends as a key determinant of success in digital commerce. The year 2023 marked a period of cautious operation for many ecommerce merchants due to challenging market conditions despite significant technological advancements, particularly in artificial intelligence.

Looking ahead to 2024, there's a strong indication of a rebound in the global consumer climate, poised to bolster the ecommerce sector. Al will become a fundamental component of ecommerce, with advanced personalization features set to further elevate conversions and strengthen customer loyalty. The growth trajectories of online shops will increasingly hinge on delivering a unique user experience.

The eight commerce trends outlined in this report represent crucial areas of development for 2024. While each trend offers substantial growth opportunities, merchants are advised to approach adaptation with a strategic and measured mindset, avoiding the pitfall of overextending.

Among the **straightforward and impactful strategies** are the introduction of **Subscriptions** for suitable products and services to enhance customer satisfaction and predictability of shop revenues. Additionally, keeping on top of emerging **Payment Technology** trends by utilizing innovative solutions such as PayPal's can help convert better and offer customers a more joyous experience.

For **B2B merchants** dealing with complex or configurable products, trends like **Spatial Commerce** and **Digital Sales Rooms** are ripe with potential. They provide solutions to challenges traditionally faced in offline commerce, such as the need for tangible product demonstrations and personalized consultations. Transitioning these target groups to online shopping can lead to significant sales increases.

Mid-sized ecommerce businesses aiming for ambitious growth, yet operating with limited resources, should continue to focus on **Personalized Shopping Experiences**. Automating these processes as much as possible minimizes the need for manual intervention. Key strategies include developing customer-specific storefronts, offering curated product recommendations, and employing targeted marketing approaches.



For **larger-scale ecommerce enterprises** already aware of these trends, the challenge lies in implementation, which is contingent on having the right system architecture. **Composable Commerce** presents a future-proof, Best-of-Breed approach, accommodating the integration of existing systems like ERP, CRM, or PIM.

Is there a comprehensive solution to implement multiple trends simultaneously? **The answer is Shopware 6 in combination with PayPal**. The collaboration between Shopware and PayPal demonstrates **"the portfolio of capabilities that a relationship with PayPal unlocks really provides a lot of value to Shopware merchants. The value that PayPal can bring is far deeper than just payments. It has to do with the ability to do returns, how effective you are at fraud, and all PayPal's portfolio of products."** (Jason Nyhus, President/ General Manager, Shopware US)

Our most advanced ecommerce platform provides cutting-edge features and solutions for all the key trend areas. From AI Copilot and Spatial Commerce to Digital Sales Rooms and the Composable Commerce Core, Shopware 6 positions itself as the trendsetting platform for 2024 and beyond.

Join the journey now!

Secure your spot for a Shopware demo today, witness our ecommerce platform's dynamic capabilities, and explore the full spectrum of our cutting-edge trend features!

Book your Shopware demo now

¹ https://hbr.org/2013/11/the-pace-of-technology-adoption-is-speeding-up

² https://www.statista.com/statistics/1382924/technology-adoption-forecast/

^a Share of consumers who would shop online more often if they had fraud protection in selected countries worldwide as of January 2021, Statista, March 2022 Source: The power of machine learning for payment fraud detection | PayPal US

* Buying and selling cryptocurrency is subject to a number of risks and may result in significant losses. Please see our disclosure for more details. PayPal does not make any recommendations regarding buying or selling cryptocurrency. Consider seeking advice from your financial and tax advisor. Custody, trading and transfer services for cryptocurrencies are performed for us by our licensed service provider, Paxos Trust Company, LLC or other appropriately licensed or otherwise authorized service provider.

** Nielsen, commissioned by PayPal, Nielsen Behavioral Panel of USA with 29K monthly average SMB desktop purchase transactions, from 13K consumers between April 2022-March 2023. % checkout conversion measured from the point at which customer starts to pay on PayPal accepting websites.

