



The State of E-commerce 2021

Everything you need to know about the current state of e-commerce in Europe and the biggest upcoming trends.



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Introduction

In the state of e-commerce, we look at the current state and future of the e-commerce industry in Europe. Of course, we also asked our experts to review the impact of COVID-19. To get a complete view of the industry, we interviewed specialists from Adobe, Pimcore, and Alumio. This allows us to view our field from surprising and sharp angles. As you might know, you need data management and integrations to make your online shop truly successful.

Because our partners operate in different fields, the state of e-commerce is an interdisciplinary view of our field. This allows us to properly form the current and future state of affairs. Together with our partners, we sketch a clear picture of what is happening now and what awaits all companies operating in the e-commerce market. In the state of e-commerce, we look at our field from three angles. The three angles are:

1. The current state of e-commerce in Europe
2. The e-commerce trends of 2021
3. The biggest upcoming challenges for e-commerce companies

Nowadays, e-commerce is not strictly just for the B2C market it is also available for B2B companies and due to the pandemic, which resulted in lockdowns, people working from home, and companies needing to rethink their strategies, e-commerce has actually become a must for all companies and markets. That's why in the state of e-commerce, we will look at both the B2C and B2B markets.

In each chapter, our experts share their personal and professional opinion. The result is a clear picture of the current e-commerce market, an overview of the upcoming trends, and insights into the biggest challenges that will arise for all companies operating in the e-commerce world.



Meet our experts

Peter Sheldon, Senior Director Commerce Strategy at Adobe

About Adobe

Leveraging deep customer intelligence, Adobe Experience Cloud gives you everything you need to deliver a well-designed, personal, and consistent experience that delights your customers every time you interact with them. Built on the Adobe Experience Platform, leveraging Adobe Sensei machine learning and artificial intelligence, Adobe Experience Cloud gives you access to the world's most comprehensive suite of solutions across three clouds—Adobe Analytics Cloud, Adobe Marketing Cloud, and Adobe Advertising Cloud. And because it's from Adobe, it's integrated with Adobe Creative Cloud and Document Cloud so that the design of a great experience is inextricably linked to its delivery. The Adobe Commerce Cloud combines Magento Commerce with Adobe Experience Cloud, providing an end-to-end platform to manage, personalize, and optimize the commerce experience across every touchpoint.

Magento Commerce is a flexible, scalable commerce solution with integrated tools for managing, measuring, and optimizing every aspect of the commerce experience.

About Peter

Peter is a well-known industry expert in e-commerce and omnichannel technology, having previously held the role of Vice President and Principal Analyst at Forrester Research. He spent five years leading Forrester's global research on digital commerce technologies, helping to challenge the thinking and lead change for e-commerce executives undertaking major digital transformation and commerce technology programs.

Today Peter leads commerce strategy for Adobe, the leading provider of open omnichannel commerce to retailers, brands, and branded manufacturers with over \$50B in gross merchandise volume transactions processed annually by a community of more than 250,000 online retailers. Peter has extensive experience working with an ecosystem of e-commerce technologies, including e-commerce platforms, mobile commerce solutions, content management, web analytics, search engine marketing (SEM), search engine optimization (SEO), digital asset management, payment systems, and social media, to name a few. He has more than 16 years of experience in e-commerce and web technologies.



Meet our experts

Christian Kemptner, Marketing and Partner Manager at Pimcore

About Pimcore

Pimcore is an open-source software platform used by more than 100.000 companies worldwide. It offers state-of-the-art digital asset management, product information management, master data management, digital experience management, multi-channel publishing, and e-commerce. Acclaimed by analysts at Gartner and Forrester, its customers include Fortune 100 companies such as Pepsi, Sony, and Audi. The company's headquarters are in Salzburg, Austria.

Pimcore makes it fast and easy to build highly converting, consistent, contextual digital experiences and innovate on them at hyperspeed, collaborating in a single platform across the entire digital organization. It enables a superior time-to-market and unmatched connectivity. Youwe has been named Pimcore partner of the year 2021.

About Christian

Christian Kemptner manages the relationships with all solution partners, including digital agencies, e-commerce agencies, PIM/MDM consultants, and system integrators, at Pimcore. In his former role as an e-commerce project manager at a digital agency in Austria, he delivered multi-channel commerce platforms for major retail companies such as Intersport. Christian heads the marketing at Pimcore and has an excellent understanding of global e-commerce trends due to his tight relations with Pimcore's customers and leading analysts at Gartner and Forrester.



Meet our experts

Caspar Hardholt, CEO & Founder at Alumio

About Alumio

Alumio offers an integration platform as a service for the e-commerce market, based on the new wave of iPaaS software solutions. Alumio is designed to provide today's businesses with the ability to integrate their processes, with a scalable solution that can be used to grow as you grow.

Alumio is the go-to solution for companies who are searching for a fast, stable, and reliable connection between their ERP system and digital software, such as e-commerce platforms, product information management, and marketing automation software.

Choosing Alumio means choosing a scalable, high-performing, secure and compliant solution to handle integrations. Alumio helps you to improve business processes, streamline order management, accelerate decision-making and drive better business outcomes.

About Caspar

Caspar is Alumio's CEO and founder. With over two decades of web and e-commerce experience, Caspar creates an ambitious, respectful, and trustful environment for clients, partners, and employees to evolve in the world of information technology. Alumio serves renowned e-commerce merchants across the globe and has the ambition to become a global leader in the digital economy with the dedication to solve the various challenges that businesses face when it comes to integrations.

"This year proved that e-commerce is ubiquitous – across industries, verticals, demographics, regions. It became clear that there are no boundaries for e-commerce – almost any product regardless of cost, size and complexity can be sold online."

- Peter Sheldon, Senior Director Commerce Strategy at Adobe



The current state of e-commerce in Europe

B2C

As we all know 2020, was a year nobody could have foreseen and the world changed tremendously. This had a great effect on how companies do business and on the e-commerce world. So what is the current state of e-commerce in Europe? Our experts share their insights.

The state of e-commerce

"What we've seen is that many of our customers have experienced a sudden increase of orders since March 2020 and that it took a lot of effort from our customers to cope with this additional load. Their operation and processes weren't ready for the growth that occurred. We've seen a lot of creativity and entrepreneurship that helped them to act upon this opportunity and we've seen efficiency increase to be able to process the high amounts of order transactions. The number of sales channels keeps growing, and marketplaces have an increasing impact on the sales numbers in comparison to the main website of customers. Therefore, interconnectivity with specialized integration software like Alumio iPaaS remains of growing importance for the future of e-commerce. Flexibility and futureproof e-commerce is required to succeed going forward." –

Caspar Hardholt

"Brands, manufacturers, and retailers have realized that living in a digital-first world means that offering e-commerce is no longer optional but has become a necessity. Companies are shifting budgets from offline into digital commerce initiatives at tremendous rates. 2020 will enter the history books as the year of the final breakthrough of e-commerce into the general society." – **Christian Kemptner**

"Everything and everyone is much more interconnected than we realize. From shipping and logistics to manufacturing and design, any slight break in the supply chain creates issues that we need to be aware of and plan for. This year proved that e-commerce is ubiquitous – across industries, verticals, demographics, regions. It became clear that there are no boundaries for e-commerce – almost any product regardless of cost, size and complexity can be sold online." – **Peter Sheldon**

Impact of COVID-19

"E-commerce has been a massive beneficiary of the COVID-19 pandemic. COVID-19 has accelerated the shift of consumer spend from brick-and-mortar to online and condensed 2-3 years of forecasts online spending growth into the past 9 months." – **Peter Sheldon**

The biggest change of 2020

"Major marketplaces and digital platforms such as Amazon are here to stay. Brands must include these giants into their channel strategies to stay relevant." – **Christian Kemptner**

The current state of e-commerce in Europe

"The largest change is new entrants (late adopters) into e-commerce. Before COVID-19, numerous brands survived solely through in-person retail or whom had only nascent online selling capabilities. The advent of COVID-19 has forced almost every business regardless of size, industry or region to embrace e-commerce."

– **Peter Sheldon**

The biggest lesson of 2020

"The biggest lesson for me is that we – as e-commerce experts – must educate our customers, more than ever before. We have moved out of the last decade where e-commerce has grown mature. Now that we're in the 10's, things are changing and expanding rapidly. Advising custom code for – for example – integration in this new decade is 'not-done' anymore. It creates a tangled infrastructure, increases in flexibility, risk, time to market, and running cost. It's our sole duty to help our customers to understand that this era is about agility. E-commerce runs through so many channels and multiple generations have very different demands, which causes complexity to increase exponentially. To run a solid and scalable e-commerce business, it's vital to choose the right techniques, software, integration strategy, and channels."

– **Caspar Hardholt**

"Being able to adapt to new and different challenges. No one expected 2020 to turn out like this and to be successful means extreme flexibility. The ability to adapt/rapidly implement big changes – from having no e-commerce presence to be able to scale up and offer new channels and execute quickly."

– **Peter Sheldon**

"Product data syndication is now critical. The ever-increasing number of channels requires that companies centralize their data and create product feeds from a single data repository. Having a solid marketplace strategy in place is a must to enterprises."

– **Christian Kemptner**

Most unexpected moment of 2020

"The quick reaction of thousands of small local retailers, shops, and restaurants to a total lock-down of their business. It's amazing to see the speed of innovation and the transformation that is possible with all the digital tools we have available today."

– **Christian Kemptner**

"The successful shift to a remote work environment. That was a much longer trend that accelerated due to necessity in 2020. For retailers, this also meant transitioning traditional in-store / showroom associates to digital positions. The advent of virtual meetings between associate and customer was almost unheard of before the pandemic, yet today is becoming increasingly common, especially in luxury and fashion verticals. We are also seeing the advent of shoppable live streaming take off in markets like China, enabling manufactures and retailers to connect in a two-way, livestream shopping environment with multiple shoppers at once."

– **Peter Sheldon**

The current state of e-commerce in Europe

B2B

The worldwide pandemic probably had the most effect on B2B companies, for them, digitalization became a harsh reality, and e-commerce became very important in their day-to-day operations.

The state of e-commerce

"Just like B2C retailers, B2B manufacturers and distributors faced significant operational disruption during COVID-19. Contact centers had to migrate to a remote working environment, branches were shuttered, and field sales representatives were and for the most part, are still unable to visit customers in a face-to-face setting. B2B firms were forced to embrace online sales and pivot some or all of their channels to digital-only interaction." – **Peter Sheldon**

"This year it has been very clear that the entire chain from manufacturing to selling will become shorter and shorter. Manufacturers become more experienced with selling to consumers, and they already can sell in bulk to businesses. Manufacturers have an extensive background in creating an integrated IT infrastructure and can accelerate because of business automation. Selling something that everyone can do, will become obsolete. Direct-to-consumer (D2C) will become a key focus of manufacturers, which will clash heavily with traditional retailers. Also, for most B2B companies becoming agile could be the biggest change that happened this year. Optimizing purchasing processes and policies, inventory management and sales agreements are vital aspects of running a lean business. And a lean business comes with API-led integrations and software with minimum custom code, leveraging the software's core features at its best." – **Caspar Hardholt**

"B2B commerce software will become a commodity very soon. In 2020, Adobe was recently recognized as a market leader in the latest 2020 Gartner Magic Quadrant for Digital Commerce report. Spryker and Shopware have entered Gartner's Magic Quadrants now and Shopify has upgraded its B2B capabilities, we are seeing that creating B2B commerce platforms becomes more attainable also to smaller and medium-sized enterprises. Having a solid data management tool in place, that can connect to these modern, cloud-based SaaS-solutions, is a strategy that companies should keep in mind for this next year." – **Christian Kemptner**

Impact of COVID-19

"Direct-to-consumer has become a major component of nearly all commerce initiatives. As offline distribution channels are under lock-down, brands have discovered that successful retail means that they have to get even closer to their customers." – **Christian Kemptner**

The current state of e-commerce in Europe

How do you think B2B companies are coping this year?

"It's been a difficult year. Those who can plan ahead and have flexibility have been able to maneuver successfully, but there are plenty who couldn't. It has required B2B firms to discard normal operating procedures and experiment with completely untried strategies, such as curbside pickup at branches and moving online sales to encompass the core OEM equipment business as well as spare parts, accessories, and consumables." – **Peter Sheldon**

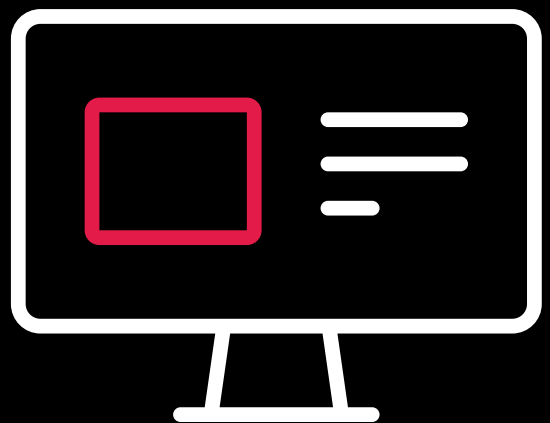
"Companies who have invested in solid digital strategies and processes are coping very well. They have built the necessary resilience needed in times of crisis in recent years. Companies that are not operating digital-first yet are often struggling because they are still relying on manual processes, such as transcribing faxes and offering only phone orders instead of self-service via digital platforms. They need to invest in digital transformation initiatives urgently to keep up with these new standards." – **Christian Kemptner**

We see a lot more hybrid business models and B2B companies entering the D2C market, is this the future?

"This is definitely one of the sales channels that nearly all brands are keeping in mind and investing in." – **Christian Kemptner**

"This is already happening at a scale, and I believe it's absolutely the future." – **Caspar Hardholt**

"Absolutely, we see a merging of B2B with B2C and D2C, and Magento Commerce is positioned extremely well to assist companies to manage a single e-commerce offering with this trend. Many B2B firms realize they need a more direct relationship with the end buyer/users of their products and consequently have been experimenting with new direct to buyer distribution and engagement models." – **Peter Sheldon**



"Where business previously relied on successes from the past, they are no longer able to ignore the massive shift that is taken place."

Caspar Hardholt, CEO & Founder at Alumio

The upcoming e-commerce trends of 2021

B2C

Trends in e-commerce have always been there, but most trends were only achievable for e-commerce giants. We have now noticed that some trends have become musts for a lot of companies and that COVID-19 accelerated the developments that already took place. Just as the world itself, the e-commerce world has changed massively. Caspar Hardholt: "Where business previously relied on successes from the past, they are no longer able to ignore the massive shift that takes place." And Peter Sheldon added: "Developing trends became much more reactive and flexible out of necessity. All the planning in the world couldn't prepare you for the past year. With that said, the longer-term trends will continue in the same directions, just at a different pace." What are those trends? We asked our experts to highlight what they see as the biggest trends of 2021.

The biggest trends according to Adobe

- Marketplaces
- Mobile-first e-commerce
- Headless Commerce
- Artificial Intelligence & Machine Learning
- Shoppable emails

"Shoppable emails will be a very interesting trend to watch in 2021. AMP-enabled email clients will unlock for the first time the ability to transact and complete a purchase directly in the context of the email client. Potentially this will have a profound impact on the effectiveness of email marketing as a demand gen channel, as buyers will no longer need to be redirected to the merchant's website to complete the purchase." – **Peter Sheldon**

The biggest trends according to Alumio

- Diversification
- Voice commerce
- Augmented Reality
- Dynamic pricing
- Visual commerce

"I believe that diversification is the most important for companies. It comes with high complexity, but it gives retailers the ability to increase revenue, find the right target audiences and be competitive." – **Caspar Hardholt**

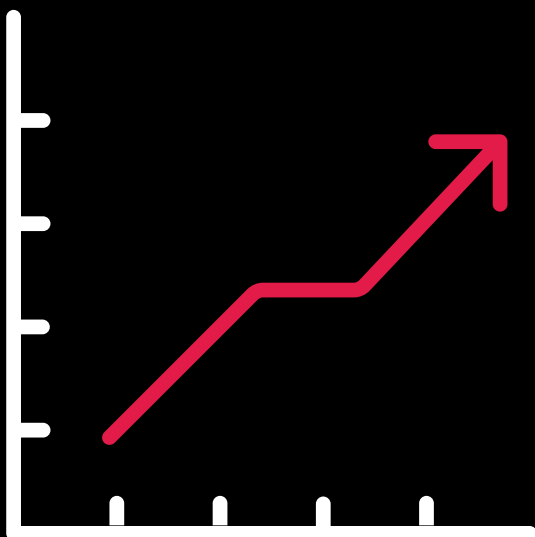
The biggest trends according to Pimcore

- Customer Data Platforms
- Product data syndication
- Marketplace integration
- Product feed management
- Personalized experience

“Syndicating product data to channels such as Amazon, Instagram, and Google Shopping Feeds is now essential. E-commerce does not only take place in your online shop anymore. You have to be where your customers are and create a perfect omnichannel experience.” – Christian Kemptner

"B2B has always been lagging behind B2C. But sooner or later all trends from B2C also become important for B2B. B2B buyers expect a digital commerce experience that is like the Amazon experience they know from their B2C purchases. Customer-centric experience is the need of the hour for all e-commerce initiatives."

- Christian Kemptner, Marketing and Partner Manager at Pimcore



The upcoming e-commerce trends of 2021

B2B

We see B2C and B2B often as two different worlds. And they were, but we see a clear change happening and the gap between the two markets is getting smaller and smaller. What historically has been two different worlds can be seen as one. Where B2B commerce seems more conservative, it follows similar steps as B2C. Human-centric commerce transcends B2B and B2C, which is the core of future e-commerce. The main problem is that most B2B companies are not mature enough in their digitalization to implement the newest trends right away. To implement new trends requires a radical change of doing business. It's not something you do next to the 'normal' business. It's a shift of focus or deploying an entirely new business unit. What should B2B companies focus on? Our experts will let you know.

Are trends different in B2C and B2B?

"B2B has always been lagging behind B2C. But sooner or later all trends from B2C also become important for B2B. B2B buyers expect a digital commerce experience that is like the Amazon experience they now have from their B2C purchases. Customer-centric experience is the need of the hour for all e-commerce initiatives." –

Christian Kemptner

"What historically has been two different worlds can be seen as one trend. Where B2B commerce seems more conservative, it follows similar steps as B2C. Human-centric commerce transcends B2B and B2C, which is the core of future e-commerce." – **Caspar Hardholt**

"At this point, I believe B2C and B2B are merging together and the largest trends will be the same for both." –

Peter Sheldon

The biggest trends for B2B

- Direct-to-consumer
- Marketplaces
- Direct integrations with retailers
- Focus on buyer experience and consumer-like marketing (human-centric e-commerce)
- Payment options (B2B financing)

"Direct-to-consumer will become a key focus of manufacturers, which will clash heavily with traditional retailers." – **Caspar Hardholt**

"Many B2B firms are experimenting with marketplaces, both selling their products through 3rd party marketplaces as well as augmenting their own product lines by offering adjacent partner products through their own online marketplace." – **Peter Sheldon**

The biggest upcoming challenges for e-commerce companies

B2C

Companies are coping with a lot of challenges at the moment. But there always will be challenges. New enterprises will arise during extreme periods. Some companies achieve change. Other companies fail to change and vanish. If we look at the e-commerce world at the moment, we see the same thing happening. Some companies are growing faster than ever and other companies or better yet, some industries are really struggling as the demand for certain products is really affected by COVID-19. We asked our experts what besides COVID-19, are the biggest challenges for companies at the moment.

The biggest challenge for e-commerce companies at the moment

"Coping with the major complexity of diversification. Being able to reach your customers in the right way, via so many channels. And to keep up with new innovations." – **Caspar Hardholt**

"Engaging customers and differentiation. Customers expect a lot and making sure they enjoy that personalized journey and experience is tantamount for a successful business." – **Peter Sheldon**

"Choosing a solid architecture for an ever-increasing number of marketing software that must interconnect seamlessly." – **Christian Kemptner**

The biggest challenge for newcomers to the e-commerce market

"Finding the right focus to kickstart e-commerce and how to create the right blueprint for future growth. Companies tend to focus on an e-commerce website and forget vital aspects like integrations, that'll support them to grow and expand over time." – **Caspar Hardholt**

"Making sure they pick the right partner and platform for their needs and taking a Crawl-Walk-Run approach to their e-commerce rollout." – **Peter Sheldon**

The biggest challenge for e-commerce giants

"They should be constantly reevaluating their platform and needs. Lots of companies who start small and grow into a much larger e-commerce presence may not be optimizing their customers' journeys." – **Peter Sheldon**

"There's no status quo in e-commerce. It'll require them to keep changing, innovating, investing to keep up with the evolving e-commerce market." – **Caspar Hardholt**

The biggest upcoming challenges for e-commerce companies

COVID-19, the biggest challenge of all

"If COVID-19 will still be around in 2021 It will hurt macroeconomics on a global level, in ways we've never seen before. For e-commerce, we'll most likely see an even more rapidly growing pace." – **Caspar Hardholt**

"If COVID-19 remains, e-commerce will continue to expand its' reach as more companies will need to pivot and reach customers while brick-and-mortar remains closed." – **Peter Sheldon**

The biggest upcoming challenges for e-commerce companies

B2B

B2B companies will not only have the same challenges as B2C companies but on top of that, they have even more challenges facing them. They need to digitalize in an extremely fast phase, so what challenges will they face in their digitalization?

The biggest challenge for B2B e-commerce companies at the moment

"Keeping up with global enterprises like Amazon, and domestic markets like China that are entering the markets B2B companies are in." – **Caspar Hardholt**

"Being constrained by legacy systems constraints and inflexible business processes." – **Peter Sheldon**

The challenge of digital transformation

"To successfully complete the digital transformation, you need to implement a flexible e-commerce offering with a partner that has B2B experience. This can make this transition much easier than expected." – **Peter Sheldon**

"A digital transformation is a change at core. This requires strong leadership and a clear vision to enable digital transformation." – **Caspar Hardholt**

The biggest challenge for B2B companies who aren't active in the e-commerce world yet

"If companies are still hesitating to enter the e-commerce world, sometimes a pilot program or a small launch for a single business unit or product line is a great way to dip your toes in without a huge resourcing ask and lift to transform the entire business digitally." – **Peter Sheldon**

"Research the opportunities for e-commerce. Invest time and effort to gain knowledge. Understand what is required to kickstart this initiative, to overcome the initial 24 months and what is needed – from an operational and financial perspective – to reach an established e-commerce business in 5 years." – **Caspar Hardholt**

The overall challenge always will be: we can't predict what happens, as a company you need to always be able to evolve and make sure you are reaching your customer in the best possible way.

Conclusion

It is very clear that the e-commerce world has changed. The year 2020, was a year like we never have seen before and it was a year where a lot changed. A lot of people think only of negative changes, but if you look at the e-commerce world the worldwide pandemic changed some things for the better. The biggest lesson we learned last year is that as a human and as a business you need to be able to adapt to new and different challenges. The ability to adapt/rapidly implement big changes is key for business.

We also learned that the world can't exist without e-commerce. Due to the pandemic and the lockdown, a lot of shops needed to close. Because of that, the e-commerce business grew. The year 2020, proved that e-commerce is ubiquitous – across industries, verticals, demographics, regions. It became clear that there are no boundaries for e-commerce – almost any product regardless of cost, size and complexity can be sold online. And if we look at the upcoming trends, the biggest trends involve ways of selling products via more and more different channels such as marketplaces, shoppable emails, visual commerce, and mobile-first e-commerce for example.

And for B2B companies? The biggest trend and as our experts say a real must is making the digital transformation from being a traditional B2B business to a direct-to-consumer (D2C) company and start selling to their end-users directly. This means their entire operation needs to change. This will result in some big challenges as they not only need to digitalize their business but also change their way of operating and change their mindset. But on the other hand, challenges will always be there. Even the biggest e-commerce giants need to make sure they keep evolving. So even without an enormous challenge such as a global pandemic, the e-commerce world is challenging and companies operating in the e-commerce world always need to stay on top of their game.



Youwe is your guide in the digital jungle. With our data-driven and interactive approach, we help our clients to succeed in their digital transformation and achieve growth with a smart and future-proof business model.

**Stay ahead.
Go beyond.**

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