



# The 2022 Canadian Ecommerce Trends Report

How to Apply Customer-Focused Decision Making  
to a New Ecommerce Landscape



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01.

# Introduction

## Goals and Aims

The last year has stretched the ecommerce industry in ways nobody could have predicted – and most of the impacts will continue long into 2022. These new challenges throw new curveballs to business owners, both of small business up to managers of enterprise organizations, in a space that was already difficult to grow and scale in.

So how do you succeed? You innovate, and keep two things central to your operations:

1. What trends and challenges you are facing.
2. How do you embrace these trends and tackle these challenges, while keeping your customers at the center of your decisions.

This guide will take an in-depth dive into the current state of the ecommerce world, and how businesses can still come out better on the other side of this ever-changing landscape.

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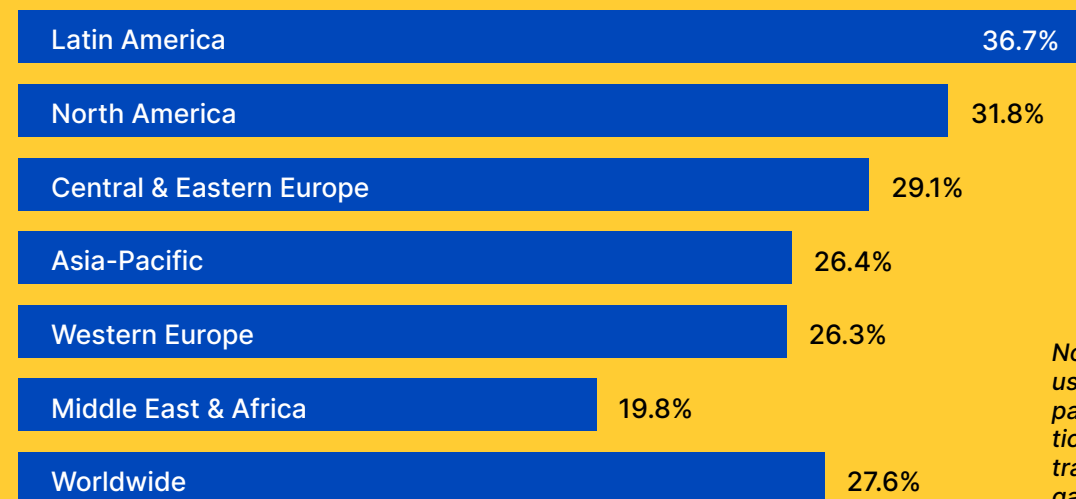
# How Has Ecommerce Grown This Year?

Even before the pandemic, which elevated consumer dependency on online shopping, the ecommerce industry was booming.

However, the ecommerce boom brought on by the pandemic is most definitely here to stay. According to [Insider Intelligence](#), ecommerce sales saw a 27.6% growth rate throughout 2021, while worldwide total sales declined by 3.0% as a result of COVID-19.

## Retail Ecommerce Sales Growth Worldwide, by Region, 2020

% change



*Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales*



With these growth numbers, Insider Intelligence expects that the \$5 trillion market will be achieved by 2022, and \$6 trillion will be hit only two years later in 2024.

This is largely fuelled by the fact that online sales continue to grow. Even as stores are able to reopen, the percentage of customers that opt to shop online is getting larger. In 2020, 18.0% of all retail sales took place online, and that number is expected to hit 21.8% by 2024. Many industry leaders assume that these online shopping habits are here to stay, especially given the projected growth in online sales year over year.

**“We anticipate  
that consumers  
will maintain many  
of their newfound  
digital behaviour.”**

**ETHAN CRAMER-FLOOD,  
INSIDER INTELLIGENCE**

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# Looking at the Canadian Ecommerce Market

## What does the online market *actually* look like?

In 2019, Canadian ecommerce sales amounted to nearly \$32.32 CAD. This is expected to reach \$46.63B USD by 2024, according to Reviewlution.

Numbers like that only reinforce the fact that a solid ecommerce store presence is key to business success in today's day and age. And what business would want to miss out on being a part of those \$46.63B dollars in sales?

But how do you get customer's eyes on your business? What's the best way to stay ahead of ecommerce trends for your business? By being aware of them. This section will break down the most important information Canadian ecommerce businesses need to know in order to find success.



## What Do Canadians Buy Online?

As many ecommerce businesses experienced firsthand, COVID19 caused a boom in online shopping – which looks like it is here to stay, as explored above.

And this online shopping boom isn't exclusive to select industries. From electronics to apparel, fitness equipment and everything in between, Canadians are now taking to the world wide web en masse to make their purchases. See how the pandemic impacted the growth of online purchases across select in-store categories.

### Percentage of Growth in Online Purchases for Different Industries



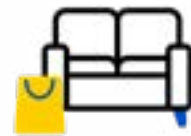
Retail trade

**+94.8%**



Food & beverages

**+107.0%**



Furniture

**+191.2%**



Clothing & accessories

**+83.3%**



General Merchandise

**+170.1%**



Health & Personal Care

**+55.6%**



Sports goods, books,  
music, & hobby

**+154.9%**



Building materials &  
garden equipment

**+40.5%**

Source: Reviewlution - <https://reviewlution.ca/resources/online-shopping-statistics/>

While this level of growth is not sustainable, the growth that comes is here to stay – and many of those online shoppers will be staying online.

Now let's look at what industries are seeing the biggest percentage of online shoppers. For Canadians, computers and electronics, women's apparel, and books are currently dominating the online sales. But as online shopping continues to boom and the process becomes even easier for Canadians, it's a safe assumption that these numbers will grow as well.



Source: Small Business Canada

And while some industries are bigger than others, it is clear that somebody searching for a product under *any* product category will now expect there to be an online option.



04.

# The Trends Expected to Define 2022

Trends are an important part of any business. Trends define what people are buying, how they buy, and how much of it. Trends also help guide business decisions, giving you an idea of where you need to focus your customer experience efforts to keep new and present consumers happy.

Let's look at the trends that are set to define ecommerce in 2022.



## Payment Plans

2021 was the year of payment plans becoming the norm with ecommerce shopping. Ecommerce sites worked with companies like [Afterpay](#) and [Sezzle](#) to give consumers the option to “buy now and pay later”. These companies let consumers divide a purchase up over four different payments, oftentimes interest-free. Paying \$200 at once on shoes seems like a lot, whereas \$50 over four payments seems a lot less daunting.

With these “payment plans” growing in popularity, the expectation for these on ecommerce sites will also grow. This trend is great for consumers, as they can buy a product for less up-front, and a great trend for businesses. It lowers the cost of purchase on products, and therefore decreases the barrier for purchases!



## Social Media as a Sales Channel

There's no doubt social media is a necessary marketing tool, but the emphasis on social media as a sales tool will be a huge theme in 2022.

In 2020, Canadians picked up their online buying habits. Out of 25.35 million active social media users in Canada, [47% of them](#) bought something from social media. Who wants to miss out on just over 11M potential buyers right in your backyard?

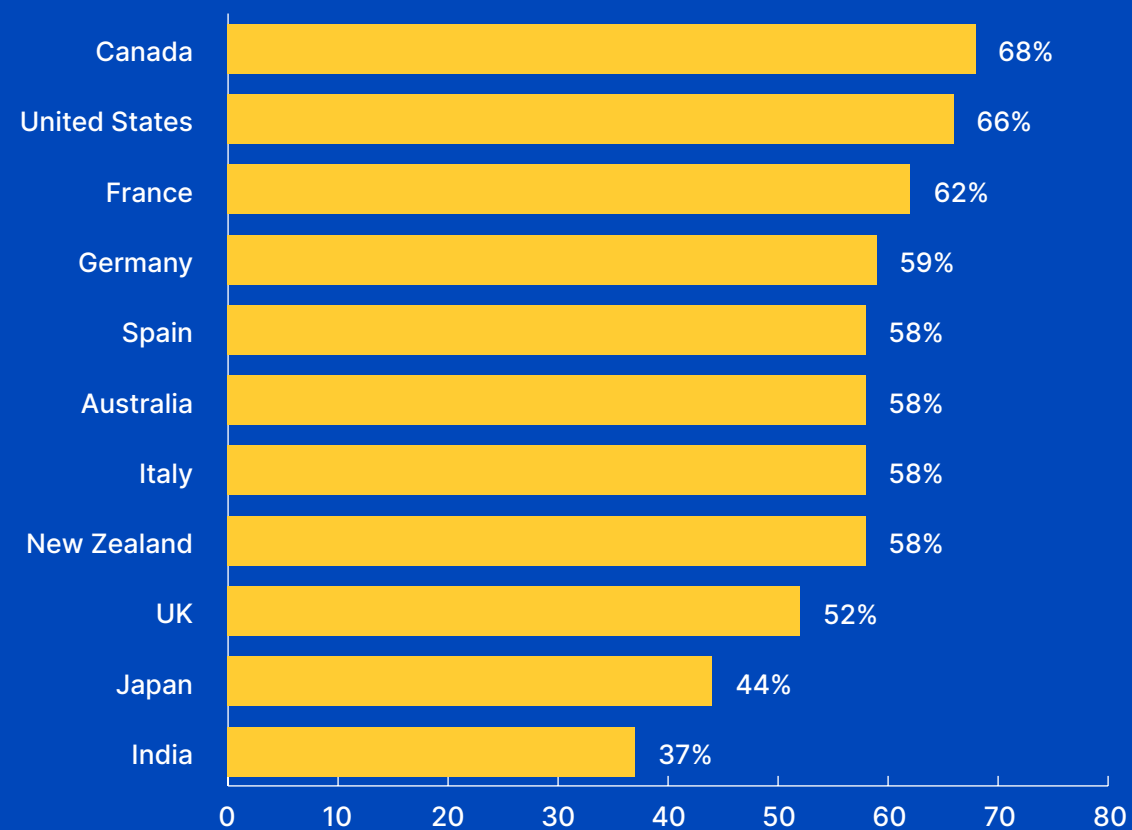
**Pro tip:** Don't count new social media platforms out of this trend. In fact, they're driving a lot of the social media growth. Tiktok, the social media video platform, recently hit [1B followers, experiencing 45% year over year growth](#). And the great thing is TikTok integrates easily with Instagram. You can create videos on Tiktok and reshare them on Instagram, meaning a new platform requires no additional work.

**30%**  
**Year Over Year  
Growth in Social  
Media Purchases**

## Desire to Support Local

In 2020, [Canada had the highest percentage of their population](#), when compared to other countries, that actively tried to support local businesses, online or in-store, to strengthen their local economies.

**Percentage of Population Shopping Local to Support Local Economies, by Country**



Source: Statista  
<https://www.statista.com/statistics/1192308/consumers-that-shop-locally-to-strengthen-the-economy/>



The idea of shopping local and supporting the community really boomed as a result of COVID, and this feeling is here to stay. While it's not always possible for ecommerce businesses to be *fully* local (you may need to outsource parts of your product to put it all together), it's important for businesses to build their local identity as much as possible or make a presence in local communities. Businesses from one-person operations to large chain stores can find ways to incorporate local identity into their brand!

Here are some starting points:

- Partner with a local charity and see about making a product where donations go to them
- Sponsor community events, like picnics or carnivals
- See if you can source part of your product locally and brand it proudly as produced in your country or town

It's important to keep local connections **authentic**. If you stretch the truth to seem local, it can leave a lasting impression – and not a good one. If you can't authentically weave a local identity into your brand, focus your efforts on one of the other incoming trends.

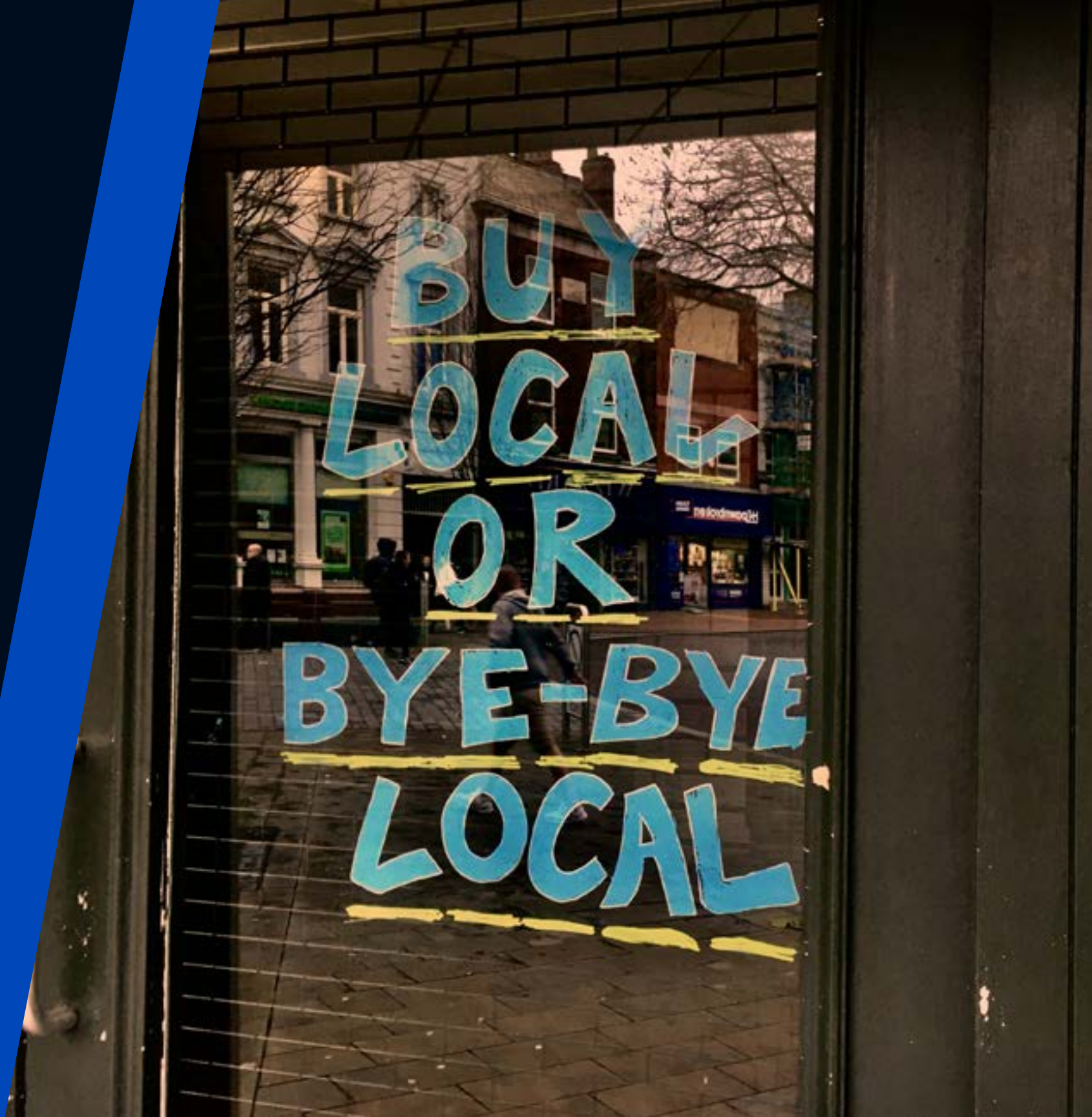
## The Need for Localized Production

Unfortunately, supply chain issues and finding unique ways to source products looks like it will be an extremely prominent theme in 2022.

Due to this, however, local production has been a growing trend in an effort to combat the supply chain issues. Brands that were able to shift production more locally were able to combat some of the supply chain issues – you don't need to wait for cargo ships to be unloaded when everything is made in your home country!

While this doesn't counter all the supply chain issues, it is definitely a trend that businesses can capitalize on.

Bonus: this also lends itself nicely to incorporating more of a local identity into your brand!



## Demand for Personalization

Believe it or not, personalization is a lot more common than you may think – and it's oh so powerful. Think about [Kit Kat Chocolatory](#), for example. The store allows visitors to customize a Kit Kat bar to their liking through toppings, chocolate flavour, and mix-ins. The store typically has a line up that goes out the front door of people wanting the chance to make their own custom Kit Kat (and pay the larger price tag that goes with it!).

While your gut reaction may be that personalization requires a good amount and upfront work, it's proven that the effort to personalize is a “short term pain for long-term gain” situation. Deloitte recently did a [study](#) that showed the value of personalization in business. Some of the key takeaways include:

- 1 in 5 customers who want a personal product are willing to pay over 20% more for said product
- 42% of customers who want customized products don't want something fully customized. They want their options for personalization to be guided by the brand
- Nearly a quarter of customers (22%) will happily share more information about themselves with a business to receive more personalized products or options

And unlike the Kit Kat Chocolatory, this doesn't have to mean each customer can make a completely unique chocolate bar (or product). Think about companies that have different product lines. They offer a “quiz” or recommendation – which haircut or skincare routine is right for you? – and “personalize” a recommendation based on a customer's answers.

**Small personalization efforts on an existing product can go a long way.**

## Virtual Reality Shopping

Believe it or not, virtual reality doesn't mean a headset that transports you to another world for a game. It's actually already a part of the shopping experience, and you may not even have realized it. That's how seamlessly it's becoming a part of the experience.

Think about when you get to “try glasses on” from the comfort of home with your selfie camera, or a whole outfit on Amazon before you add to cart. This ability actually boosts the likelihood of purchase! According to Michael Prusich, Director of Business Development at [1Digital Agency](#), “Polls have shown some really powerful numbers in regards to AR too: 35% of people say that they would be shopping online more if they could virtually try on a product before buying it, and 22% would be less likely to visit a brick-and-mortar store if AR was available via their favorite ecommerce store.”



## Customer Experience, Front and Center

Customer experience was a big theme of 2021, and this only continues to be critical to ecommerce success. In fact, all of the above trends really boil down to a positive customer experience.

If customers want to shop through social media, it's your job as a business to meet them there. If orders are being placed, despite delivery being months away, you want to ensure you communicate regularly so customers still feel valued.

See which trends are feasible for your business and focus down on those. You would rather do one or two things amazingly well, versus try tackling all the trends with a fraction of the attention they require.



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# Ecommerce Challenges

With a new set of trends comes a new set of challenges. Here are some of the struggles that ecommerce businesses are set to face in 2022.



## Supply Chain Issues

Remember when the cargo ship was stuck in the Suez Canal at the beginning of 2021? Those few days held up \$9B in global trade – \$6.7M in trade a *minute* – according to the [BBC](#). Supply chain issues have felt like front page news since.

Supply chain issues are impacting every industry, from cars to apparel and construction. Businesses are struggling to source materials and products. And even if businesses are able to get their hands on materials, purchasing is only half the battle. Shipping concerns grow daily as busy ports see traffic jams that leave products at sea for days, just waiting to be unloaded. In Los Angeles, where ports are facing severe backups, [ships wait at sea for weeks](#) to be unloaded. Businesses big and small are going as far as to schedule private boats and barges for shipping in an attempt to get through a backlog of orders.

With some consumers placing online orders today for products that are not expected to be delivered well into 2022, this is an (unfortunate) industry trend that businesses will be navigating for the foreseeable future.

**Pro tip:** Make sure you're regularly updating customers about order status – whether it's delayed, once it's shipped, and estimated delivery dates. Roughly 93.8% of customers want notifications on orders about status, especially if it's held up, according to [RetailWire](#). This is up from 87.8% in 2018.

## Labour Shortages

Unfortunately, shortages seem to be a common theme in ecommerce challenges for 2022.

The labour shortage is being felt across nearly all industries, but the impacts on ecommerce are major. Retail, truck, and manufacturing jobs are all at record vacancies in Canada, which naturally impacts how ecommerce businesses are able to operate. These are three of the six top hit industries by the labour shortage, according to [CTV News](#).

### Number of Job Vacancies, by Industry



How do you tackle this? Take care of the staff you have, especially as the peak holiday season at the end of 2021 wraps up. When staff feel cared for and respected, they're more likely to stick around. You can also look into ways to boost your company's appeal for potential new staff. See if it's possible to boost wages, offer training programs that level up their skills, and find unique ways to keep morale high. After all, your current staff can be your biggest advocates. Maybe a referral program is the way to go!

**“People are the greatest asset of a company. You aren't fully taking care of your business if you don't take care of the people that make everyday happen.”**

**ADAM LONG,  
CHIEF PEOPLE OFFICER,  
BOLT LOGISTICS**

## Shipping Struggles: Time and Cost

Did you know that [abandoned shopping carts online amount to \\$18B in lost revenue](#) annually for the ecommerce industry?

And with shipping timelines and cost being a huge factor in abandoned carts, this next pain point can mean even more lost revenue.

A lack of supply and a lack of workers can lead to an increase in shipping costs (especially for businesses who are trying to find non-traditional methods to get their product shipped). This also means an increase in the time it takes to ship. These shipping struggles mean extended shipping times and potentially higher shipping costs.

Unfortunately, this one is a hard challenge to tackle. Even enterprise organizations are having to resort to chartering their own boats or planes for overseas shipping, and they still feel the pinch. The best idea is to be *honest* with customers and set expectations early. People are still placing orders, even when said orders aren't expected for months.

In these cases, communication is key. It's the best – and sometimes only – tool in your arsenal to tackle this pain point as things start to recover from the COVID-shipping boom.

06.

# Tackling These Trends and Challenges Head-On

Now that we've looked at the trends and challenges, it's time for (arguably) the most important section. How do you handle all of this?

While some tips were covered at each point, here are the general themes to ensure you are able to continue your successes.



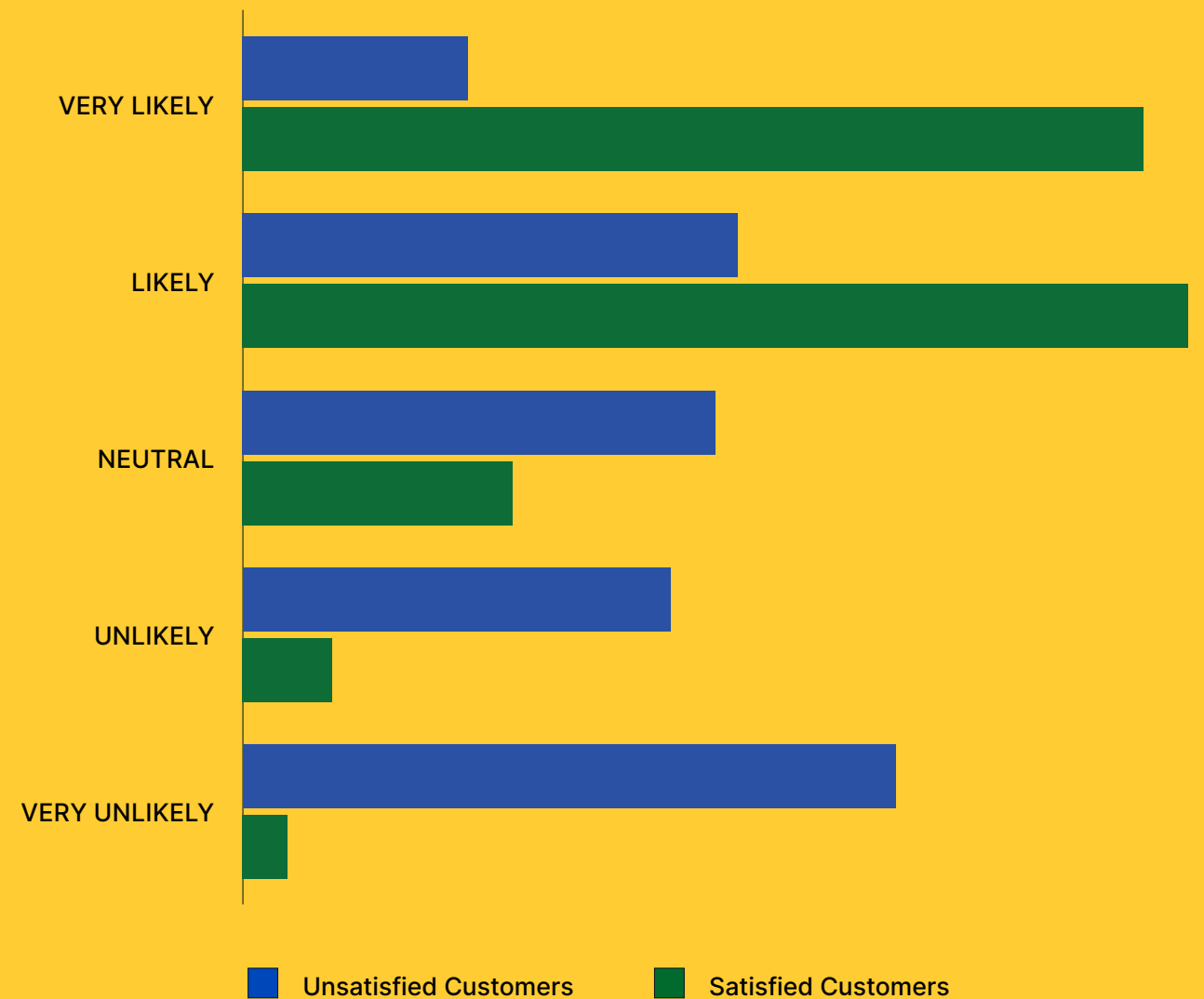
## 1. Put Your Customers First

In every decision you make for your business, consider how it impacts your customers. If the decision improves their experience, it's probably a great decision. If not...

Let's look at an example. Say you find a new and more affordable manufacturer for the boxes you ship your product out in. This seems great, but the packaging is flimsy and most of the product is arriving with some sort of damage. So what do you do?

In theory, you could keep using this manufacturer because it's a more affordable product. But your customers are unhappy, and complaints are going to roll in. If your customers are unhappy, is it worth the savings on boxes? Probably not, especially when unhappy customers are nearly 50% less likely to ever give you a second chance. You can see how important keeping your customers' happiness is to your business, because you may not get a second chance if the first instance isn't ideal.

When you keep your customers central to what you do, you'll keep them happy and coming back.



N = 2,400

Source: MarketingSherpa - <https://www.marketingsherpa.com/article/chart/how-customers-give-second-chance>

## 2. Focus on a Few Great Changes, Not Changing Everything

You've heard the saying, "a jack of all trades is a master of none". Apply this mindset to the trends you choose to capitalize on or the pain points you decide to focus on minimizing. You can't do everything at once (as much as you may want to try), even if you're an enterprise company.

Evaluate your strengths and weaknesses, then decide what you have the ability to focus on and do well. If you brought in a new local partner, make sure to advertise that! Is your team packed with creative minds? See how you can double down on personalization for your customers.

Here's a great way to choose what to focus on if you're debating between what makes the most sense to action on.

<b>High Effort, Low Reward</b>	<b>High Effort, High Reward</b>
<b>Low Effort, Low Reward</b>	<b>Low Effort, High Reward</b>

Make a table like the one above and plot all your ideas in this chart. Any ideas that are high effort and low reward you want to make the last priority – why put a ton of work with no expected benefits?

Focus your time on the ideas that fall into the two categories on the right. When you have limited time on your hands, you want to put that time into initiatives that will likely have a high reward!



### 3. Don't Got At It Alone

There are so many intricacies to tackling these trends or challenges, so why go at it alone? Find experts in the different spaces that can take some of these challenges off of your plate, or have the expertise to get a trend off the ground quickly.

An example of this would be finding a [3PL \(third party logistics\)](#) provider. The right partner can help you tackle a lot of the big pain points businesses are experiencing moving into 2022. And if they can't fix it completely, they at least have the expertise to handle things as smoothly as possible (while giving you more time back in your day!).

Some of the major areas a 3PL partner would focus on include:

- Picking and packing orders
- Optimizing shipping times
- Finding discounted shipping rates
- Storing your product
- Working with you to optimize your logistics efforts
- Helping your business go more green in your efforts
- And more!

[Find the Right 3PL For Your Business](#)

**“With the current challenges being guaranteed to extend into 2022, having a 3PL you can trust will help reduce the headaches during a time where merchants and entrepreneurs need more support than ever before”**

JARRETT STEWART,  
CHIEF OF STAFF,  
BOLT LOGISTICS

07.

# Conclusion

## Final Notes for 2022

Of course, things will always change and evolve. But a lot of these trends and challenges are rooted in years of build-up plus a landscape that is still reeling from overnight changes as a result of the pandemic.

As the trends continue to change, and challenges continue to arise, there is one central message that we hope you take away from this: **keep your customers at the heart of everything you do.**

If the decisions you make to tackle these obstacles are centered around improving things for your customers, you'll come out okay on the other side.




# Want to Electrify Your Ecommerce Efforts? Contact Bolt Today!

With trends and pain points constantly changing, working with a professional only elevates your ability to tackle this changing landscape with ease.

[Bolt](#) offers ecommerce and last mile solutions that will ensure your product gets your customers faster and more affordably for you. Reach out today to see how we can partner with you.

## Contact Us

Someone on our team will get in touch as soon as possible!

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