

# Retail in Transition: Capitalising on Future E-commerce Opportunities

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## INTRODUCTION

About the report

Key findings

## THE DIGITAL REVOLUTION IN RETAIL

The Digital Revolution in Retail

Digital revolution has led to a more fragmented retail sector

COVID-19 accelerated the retail sector's digital transformation

COVID-19 has accelerated the development of several retail trends

The key retail trend fuelled by the crisis was the e-commerce boom

## E-COMMERCE EMERGES AS THE DEFAULT SETTING

E-Commerce Emerges as the Default Setting

COVID-19 drove radical change in the e-commerce marketplace

Digital growth in 2020 carried by the most sophisticated online markets

Category spotlight: online grocery reaches historic heights in 2020

Case study: Walmart's US e-commerce business makes dramatic gains

E-commerce transformation is likely to be global and permanent

Case study: Shopee teaches its sellers how to hawk through livestreams

More developed e-commerce markets were better able to handle surge

Crisis-driven tech investment related to improving online experience

## HOW SHOPPING BEHAVIOURS CONTINUE TO EVOLVE

How Shopping Behaviours Continue to Evolve

E-commerce posted a double-digit percentage point increase during crisis

Consumers purchased across more categories at the height of the crisis

Consumer spotlight: younger consumers continue to drive digital shift

Consumers turned to mobile more for purchases during COVID-19

Shopping behaviours also evolved in other ways as a result of the crisis

Trend: going virtual will continue to supercharge the online experience

Trend: livestreaming emerges as a tool for engaging shoppers in real time

Case study: Alibaba's live selling platform surges during COVID-19 crisis

Trend: last mile faces its day of reckoning as e-commerce skyrockets

Case study: Ohi uses nano-fulfilment centres to get items closer to homes

## IDENTIFYING E-COMMERCE GROWTH OPPORTUNITIES

Identifying E-commerce Growth Opportunities

Identifying the markets best placed for sustained e-commerce growth

E-commerce growth possible through optimisation rather than expansion

Leading e-com markets China and US have the greatest unmet potential

Case study: Best Buy makes decisive pivots to capture more online spend

Fresh food accounts for more than half of unmet opportunity in China

Case study: F reshippo was positioned to capitalise on the digital surge

Mobile phone category accounts for a third of unmet potential in the US

E-commerce market is expected to expand by USD1 trillion by 2025

Regional spotlight: Latin America emerges as e-commerce growth story

Apparel and food to drive e-commerce opportunities at category level

Brands must ensure they have the right positioning and assortment

## HOW TO WIN IN THE DIGITAL-FIRST ERA

How to Win in the Digital-First Era

Digital has changed the rules of the game for those in the retail sector

Brands have been giving a harder look at new channels, business models

Marketplace business model is outpacing traditional wholesale model  
Case study: Nike's shift away from wholesale paid off during COVID-19  
Case study: PepsiCo launches direct-to-consumer sites within a month  
Retailers pursue new business models to capture and retain consumers  
The retail sector also faces other challenges as e-commerce expands  
Where retail should make tech investments to support digital growth  
Why retailers and consumer brands must invest in technology

## HOW TO WIN IN THE DIGITAL-FIRST ERA

Recommendations for how to win in retail's digital-first era  
What to consider when evaluating your e-commerce strategy

## APPENDIX

About the Digital Consumer Survey and Voice of the Industry: Digital Survey  
About the E-Commerce Readiness Model

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