

E-commerce in the 2020s

# Is your e-business ready for Lazy Conquerors?

During one year, e-commerce's customers have  
changed more than throughout the whole previous decade

They buy more

Their purchases are more frequent

Their shopping horizons are expanding further

They do not accept limits

They do not tolerate difficulties

They became addicted to comfort

They became impatient

**They became Lazy Conquerors**

Over the past several months the world has changed – and so has online trade. E-commerce suddenly stopped being just a sort of complementary shopping method. Instead, it became a part of daily life, both for those who were already used to e-shopping, and for hundreds of new e-customers. Both groups have discovered an ocean of new opportunities available through e-commerce, shaping the market in accordance with their expectations and habits.

Just as rising water levels can lift boats, but too fast a rise can capsize them, so a surging economy can also have dramatic effects. For sellers and other entities in the e-commerce sector – from payments to logistics – interesting times lie ahead. The future is very promising and potentially lucrative, but also restless, rocky and demanding. It is a new future that requires an element of reinvention.

The first step towards this goal must be understanding the phenomenon. It has not yet been thoroughly researched, weighed and measured, so we need to capture it like a picture in motion. That is the reason why we are publishing this report. It is the result of our observations of the phenomena and changes taking place in e-commerce on an ongoing basis.

The force that is reshaping the e-commerce market is the changing nature of customers, who are not only making more purchases, but – they are also buying differently. And they are demanding new solutions to suit their requirements. The characteristics these customers show have led us to call them Lazy Conquerors. The paradox hidden in this term is less self-contradictory than might first appear – as we will see on the following pages. So, let's go ahead and meet the Lazy Conquerors.

**Dawid Rożek**

Founder and CEO at ZEN

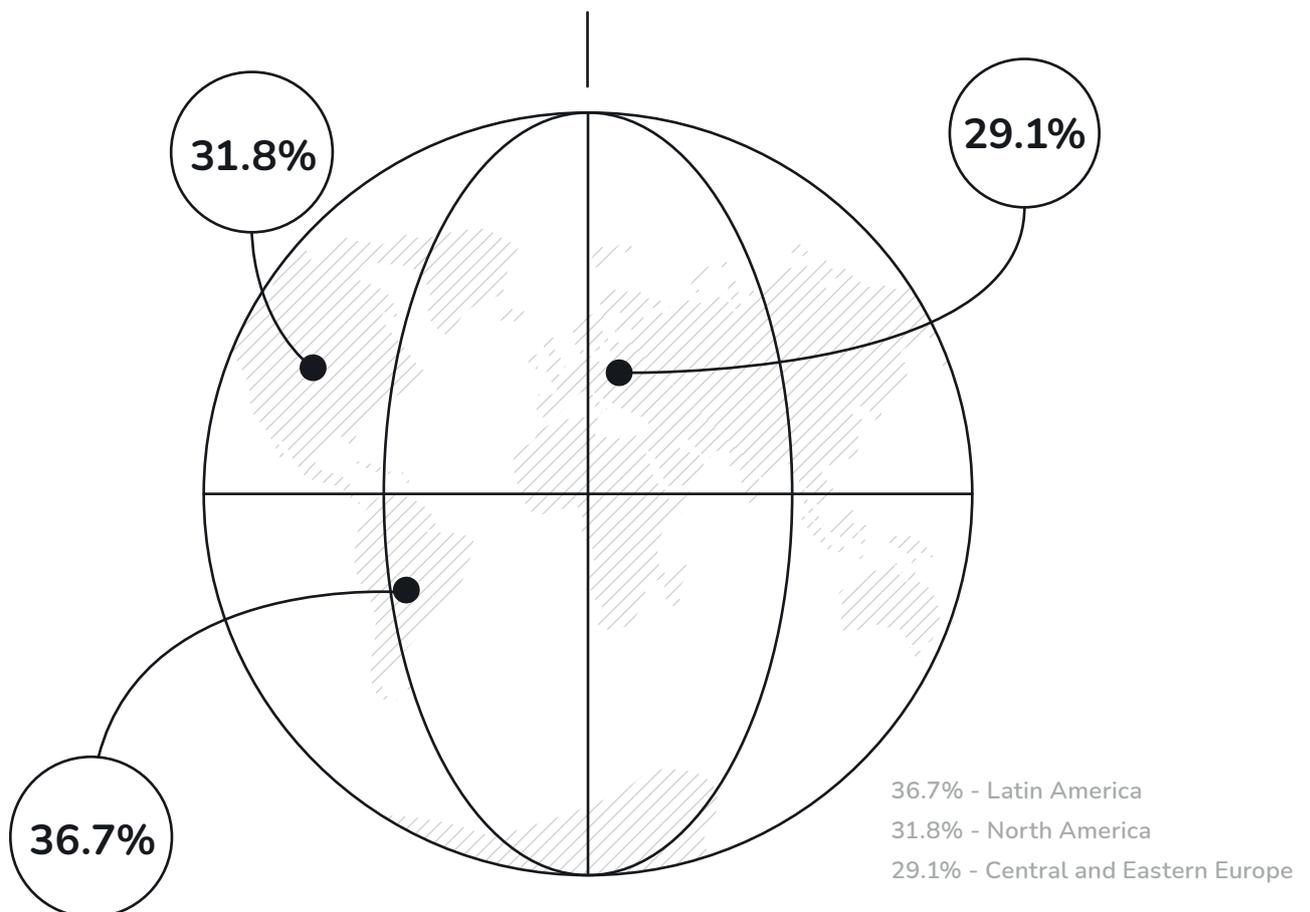


# A boom that is changing everything

The online sphere is growing rapidly – we are buying more and more...

## 27.6%

– that is how much e-commerce sales grew globally in 2020

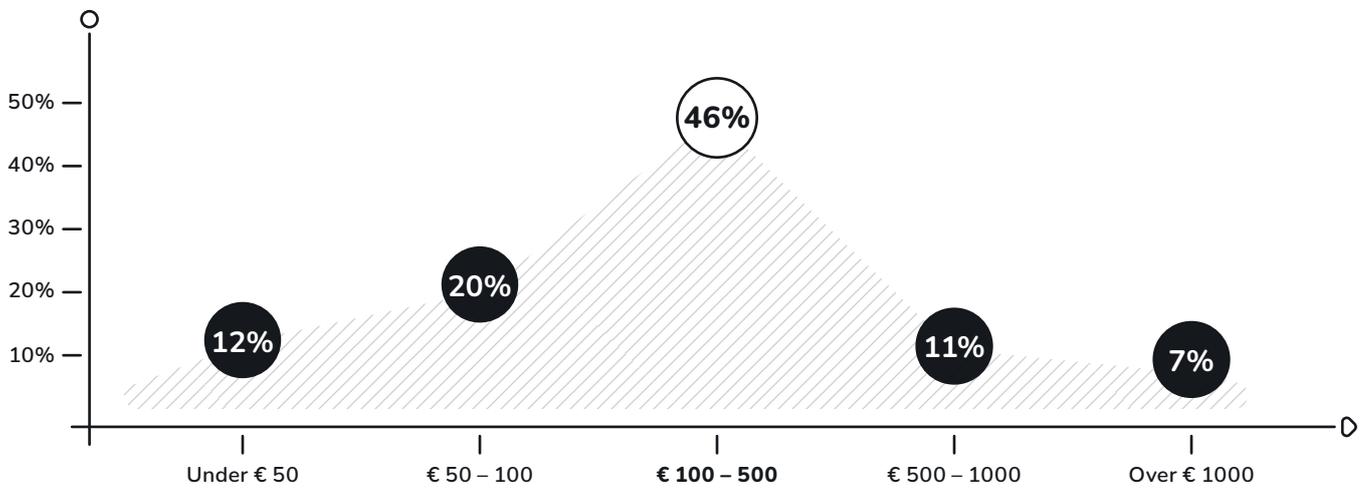


At the same time, global income from retail (including e-commerce) decreased by 3%.

Source: eMarketer

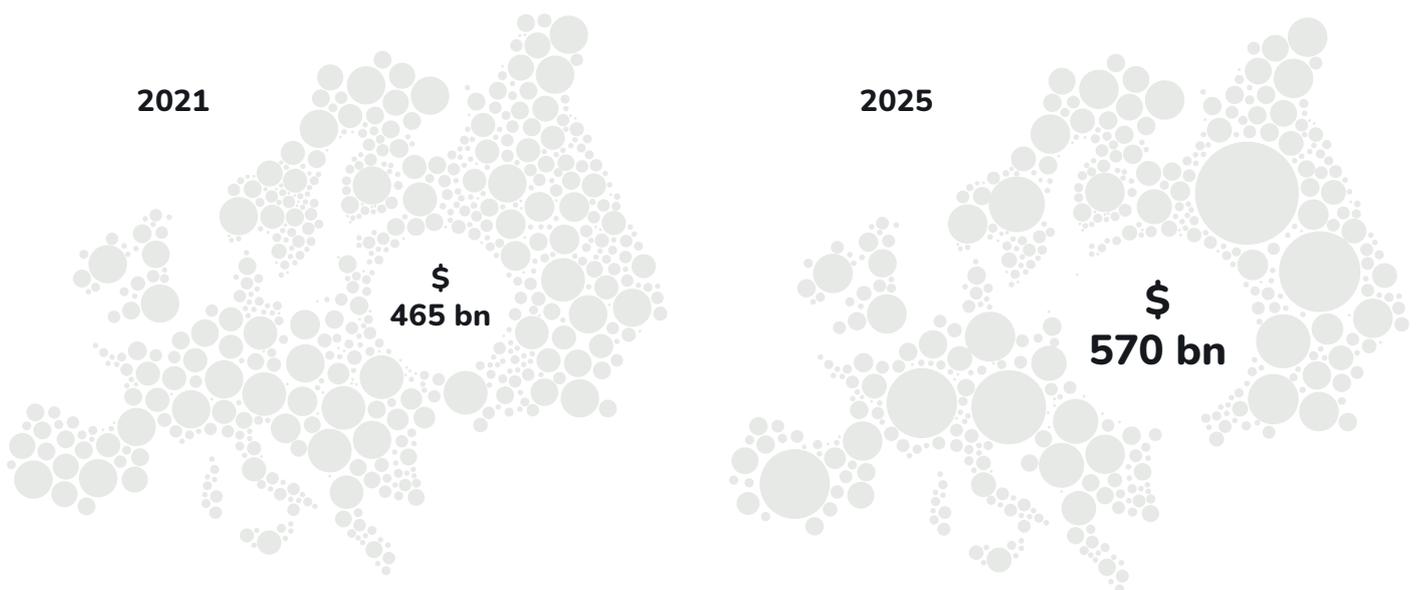
# Average quarterly online expenses in the European Union (in 4Q 2020)

Source: Eurostat



## Predicted e-commerce value in the coming years

Source: Statista Digital Market Outlook



# ZEN.com's perspective

The pandemic has proven to be a catalyst of change in the e-commerce sector. For hundreds of millions of customers, electronic trade is currently becoming their primary way of purchasing goods – starting with food and everyday necessities. The developments that are happening in this industry are helping to create a new quality, as well as new challenge for the whole e-commerce ecosystem.

The culmination of every purchase is the moment of payment. If the growth of e-commerce is to be harmonious, the changes in the sector must be followed by appropriate adjustments in payment methods. With the rapid evolution of online trade, both customers and merchants need new tools that go beyond the corset of strict finances. Tools that not only provide easy access to money, not only guarantee the convenience and security of the payment itself, but also ensure proper care over the entire transaction process, meeting the expectations of both parties.

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Founder and CEO at ZEN



# #1 Impatient

## Fast delivery is a basic feature

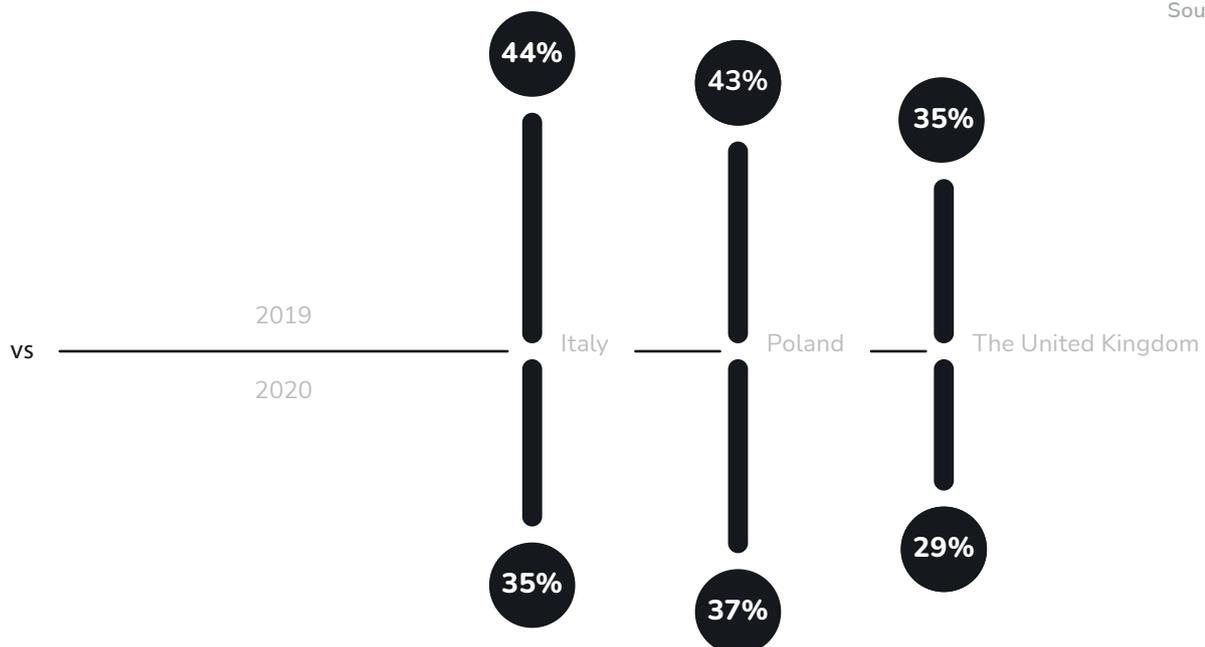
From 3 to 5 days – that's the maximum acceptable time of waiting for the delivery of a good purchased on the web, according to European e-consumers.

Speedy delivery is no longer a premium feature – over the last year, the willingness to pay extra charges for fast delivery has decreased.



## Willingness to pay extra for fast delivery:

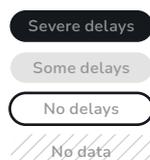
Source: PostNord



# Logistics is not always keeping up

The rapid growth of online shopping means that e-commerce logistics can no longer keep up with customer expectations.

Source: Ecommerce Europe



## Instant chargeback

It takes an average of **30 to 45** days to resolve a chargeback dispute.

**Lazy Conquerors** don't want to wait that long.

With solutions offered by third-party payment hubs, the waiting period can be as short as **0 days**.



# ZEN.com's perspective

In the real world, purchasing a good usually means taking immediate possession of it. We are now seeing the transfer of consumer patterns from the world of traditional shopping to e-commerce, resulting in rising expectations of a smooth transaction and the fastest possible delivery of the product.

Lazy Conquerors treat all delays, obstacles and hindrances in their way as unnatural. They expect to experience intuitive service and a lack of problems from start to finish, including the solutions offered by the payment app, which is the key to a successful transaction and purchase. The minimalism and simplicity of use that characterizes ZEN is a perfect example of this trend. Providing modern consumers with functionalities such as instant chargeback makes them feel unfettered by lengthy procedures.

## Michał Bogustawski

Commercial Director at ZEN



# Mastercard's perspective

For purchases to go smoothly, payments must also be quick and easy. That is why e-commerce is moving towards one-click solutions or payments that don't require the card number. They are possible when we allow a trusted seller to save the details of our payment card and then we only confirm its use during subsequent purchases. Such solutions are also supported by the Mastercard tokenization technology, thanks to which the card number is replaced by a token assigned to a specific e-shop. Such a token can only be used for purchases from one retailer, which further increases the level of security.

The hassle-free purchases and payments are also an additional layer of security in the form of the chargeback procedure. It protects the cardholder in the event that the seller does not deliver the goods or the goods do not comply with the order. This protection only applies to card payments, and solutions such as those offered by ZEN allow for each case to be processed immediately.

## Aleksander Naganowski

Director of Digital Solutions Development at the Polish Branch of Mastercard Europe

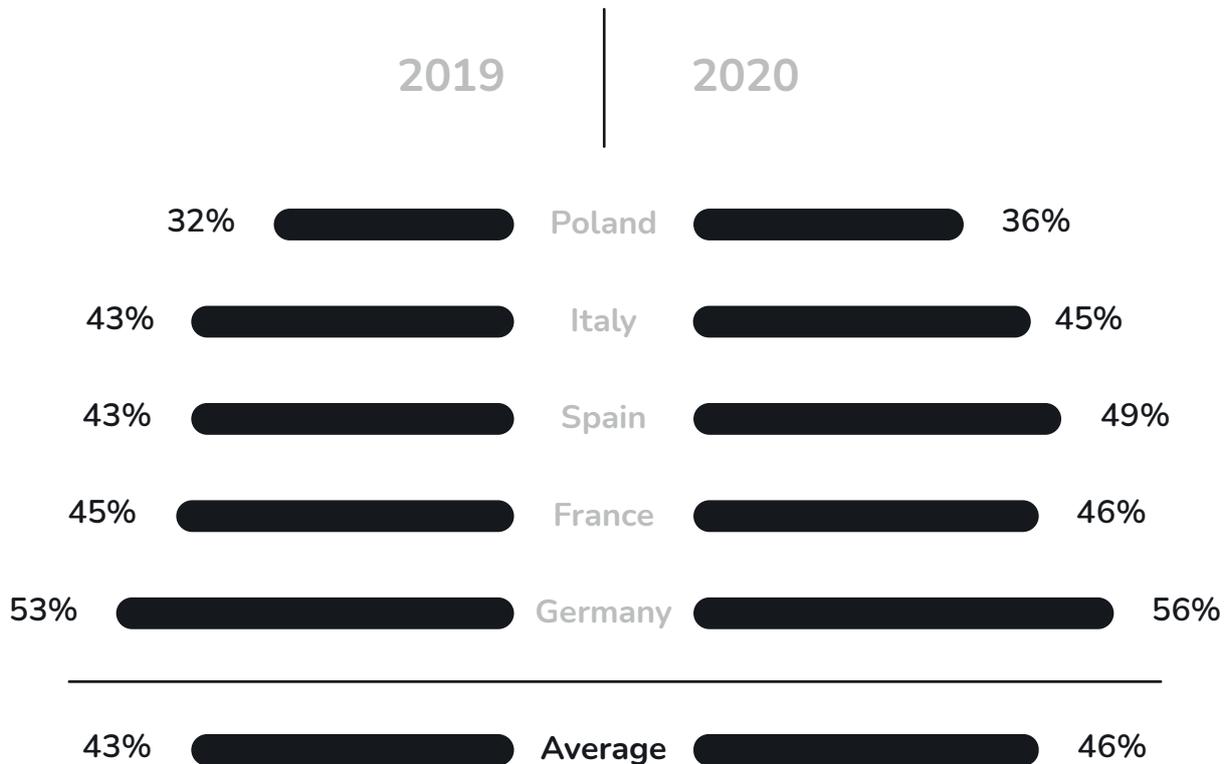


# #2 Flexible

## Returns are on the rise as the market develops

Percentage of customers who have returned an online purchase in the last year:

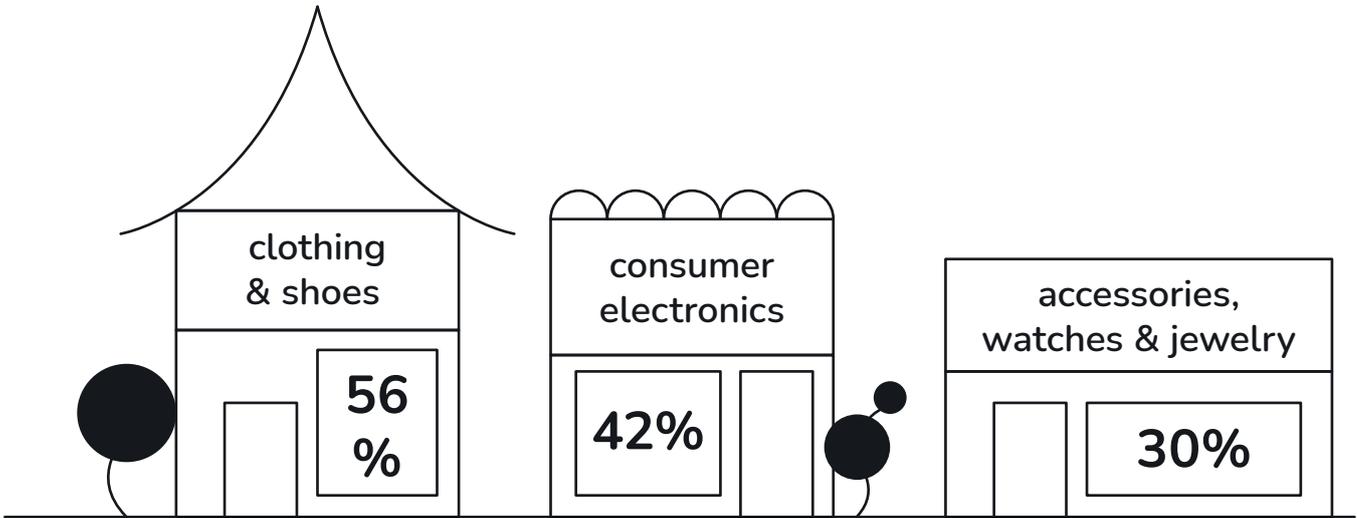
Source: PostNord



# Home fitting room

Most frequently returned product categories:

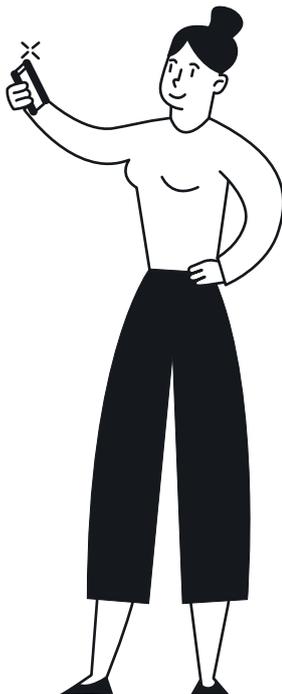
Source: global webindex



## Home fitting room

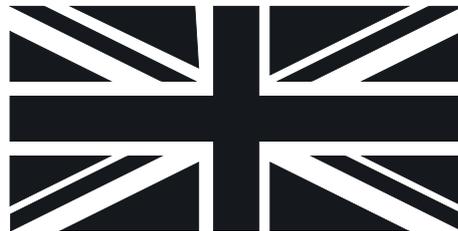
In 2019 alone, **67.2 European million consumers** returned clothing or footwear purchased online.

Source: PostNord



**Every tenth** UK e-customer admits that sometimes they buy clothes only to snap photos for social media purposes, and then send them back.

Source: Barclaycard



# ZEN.com's perspective

Lazy Conquerors have a taste for testing, checking and trying. They don't want to close the door on all the possible alternative choices by making just one purchase. They like to keep their options open until they are absolutely sure. Sometimes that means ordering several variants of the same product and only once they have it in their hands can they decide which one to choose. That is why they demand that sellers offer policies and mechanisms that allow them to easily return goods.

The typical Lazy Conqueror's habit for returning items prolongs the relationship between customer and seller, as it does not end upon the delivery of the good. This means there is a higher risk of potential clashes or misunderstandings, which are very poorly perceived by today's e-customers. Lazy Conquerors therefore look for innovative offers that take this risk off their shoulders – and seek out solutions allowing that to happen.

**Dawid Rożek**

Founder and CEO at ZEN



# #3 Borderless

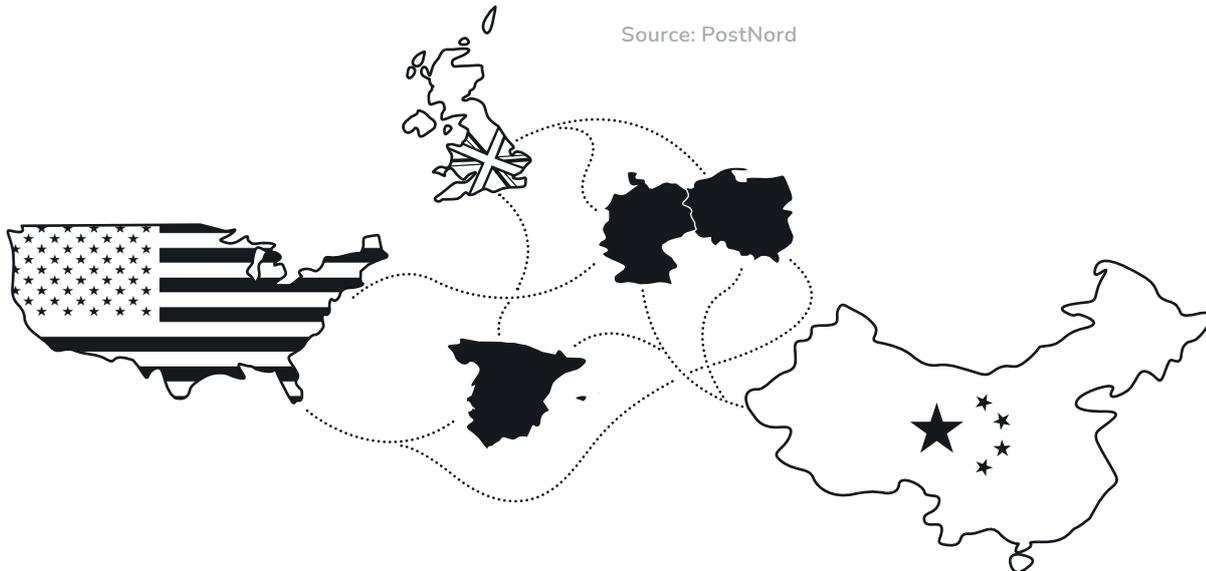
## 220 million

– almost this many Europeans bought something online abroad in 2020, including:

- 45.9 million Germans
- 26.2 million Spaniards
- 18 million Poles

When making purchases abroad, European shoppers most often bought goods in e-stores located in:

- China
- The United Kingdom
- The USA



# 82%

– the growth of the global cross-border e-commerce market in 2020

# 68%

of online shoppers have made purchases abroad during the past year

Source: EshopWorld

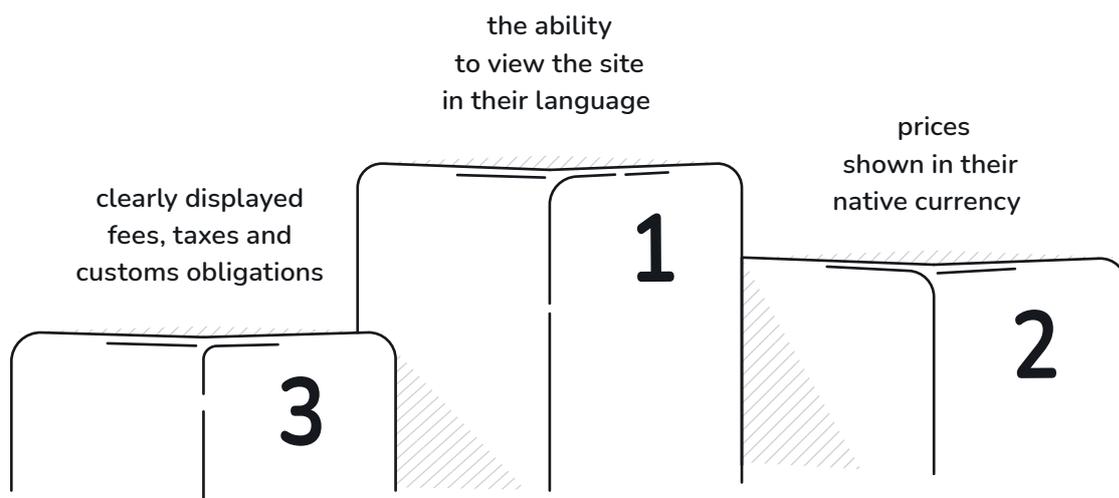
# Foreign shopping, local experience

Just because shoppers nowadays are searching for and buying goods online across borders, it doesn't mean they like to feel foreign in e-stores located abroad. The key to attracting a cross-border customer is to offer a local experience.

Source: global webindex



## When shopping on a foreign site, customers appreciate:



Source: EshopWorld

# ZEN.com's perspective

Lazy Conquerors don't care for geographical restrictions on the web, an e-commerce store operating on the other side of the continent is just as close as one operating across the street.

In international shopping, simplicity and transparency of payments are critical. Lazy Conquerors want to pay in the same simple way, regardless of the store's location, language or the currency in which they see prices on the site. And it needs to be a payment free of worries about hidden costs or additional fees that reduce the attractiveness of the purchase. That's why Lazy Conquerors require innovative offerings to take that risk off their shoulders, and they actively seek such solutions. ZEN Care, or transaction protection, gives the shopper support at every stage of the transaction, including the returns phase.

**Michał Bogustawski**

Commercial Director at ZEN



# #4 Ready for the best

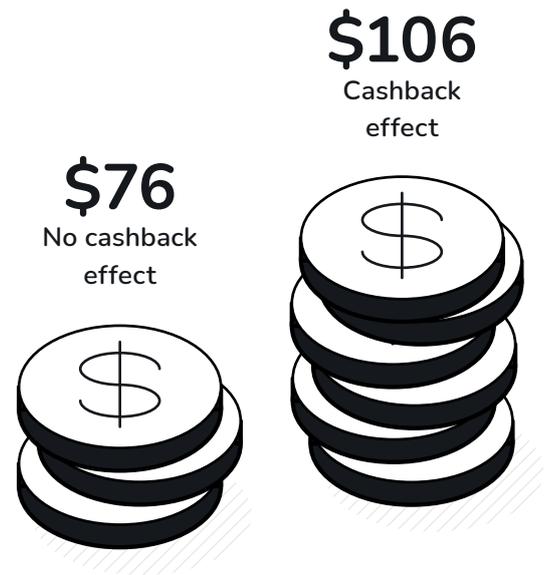
## Loyalty for money

Cashback gives customers a particularly strong incentive to return to the e-commerce site.

Promotions including cashback have helped to increase the average order value by **46% (from \$76 to \$106)**.

The estimated value of the global cashback market is **\$108 billion**.

Source: Global Cashback Report, Cashback Industry News



## Guarantee of bigger shopping

The COVID-19 pandemic has revealed a need among Lazy Conquerors to strengthen their sense of security in various aspects of everyday life. This is also clear from the greater interest in the topic of extended warranties for products purchased online, especially electronic devices, which are particularly valuable and particularly susceptible to all kinds of damage.

# It is worth remembering that:

computers, tablets, smartphones and electronic accessories are in the most popular e-commerce shopping categories. Every **1 in 4 e-customers** make such purchases.

Source: Eurostat



## 24/7 support

Customers who use live chat possibilities before buying are **40% more** likely to opt-in.

Source: websitebuilder

**63% of customers** were more likely to return to a site that offers live chat.

Source: eMarketer

**1 in 5 customers** are willing to stop using a product or service if they consider the response time of online chat to be too long.

Source: Forrester



# ZEN.com's perspective

E-commerce is an ocean of shopping opportunities that continues to expand amidst expressly increasing competition for customers. Lazy Conquerors understand the value of their money, and they are used to being courted by retailers. A good price and a comfortable shopping experience are necessary to entice them – but even that is not enough in times of declining customer loyalty. Additional benefits that accompany the transaction are playing an increasingly important role in e-commerce. Lazy Conquerors expect them – and they get them.

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Founder and CEO at ZEN

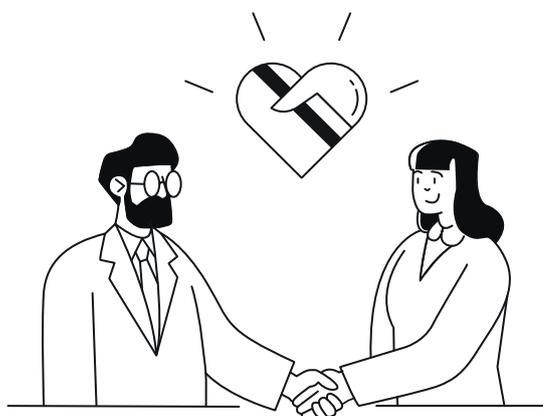
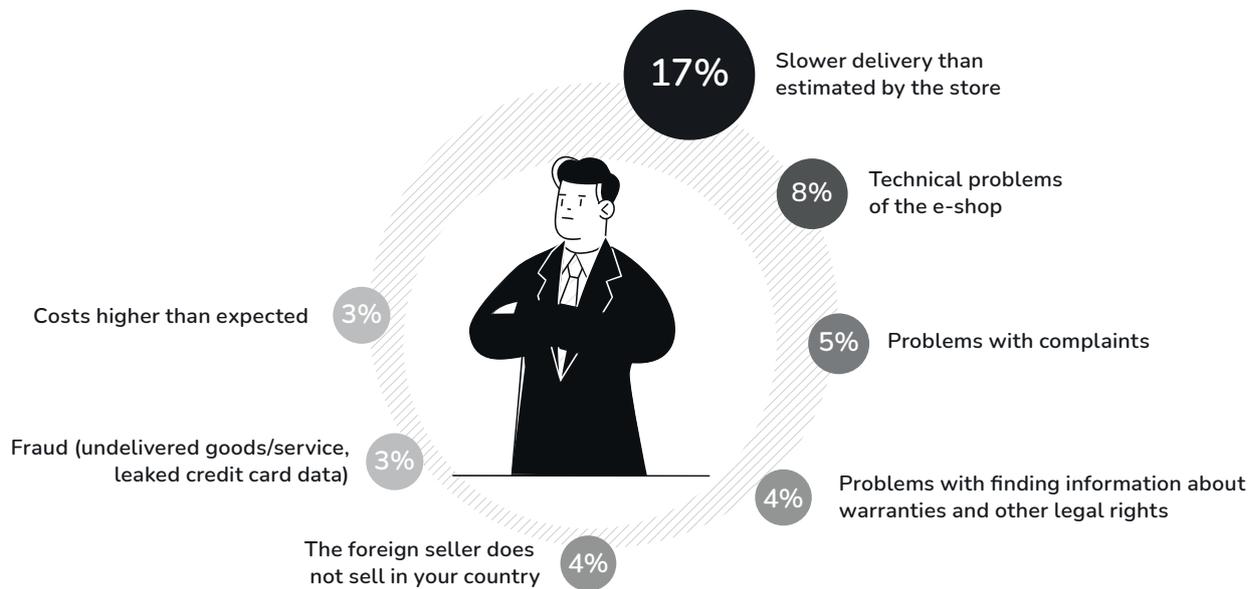


# #5 Intolerant of obstacles

## Be attentive to their needs

If you want to provide a better customer experience, listen to what your customers are unhappy with – and then you'll know what to improve.

Source: Eurostat



**Try to convince the unconvinced** by offering maximum security during the purchase.

**Of the EU residents** who don't buy online, as many as 1 in 4 mentioned concerns about the **lack of transaction security** as their main reason.

Source: Eurostat

# ZEN.com's perspective

In the difficult and troubled times of the ongoing pandemic, online shopping is also supposed to be a chance to unwind, a form of relaxation. In contrast to the hardships of everyday life, the world of e-commerce should be pleasant and comfortable, making it possible to explore without effort or stress.

For Lazy Conquerors, purchasing problems are not a challenge, just a nuisance – when they buy and pay, they want someone to fix those problems for them, without taking up their time and energy. Thanks to ZEN.com's partnership with one of the world's most reputable financial institutions, purchases with ZEN Mastercard are always fully protected.

## Michał Bogustawski

Commercial Director at ZEN



# Mastercard's perspective

Payment is a particularly sensitive stage of e-shopping as it requires 100% security of the customer's money and data. But greater protection should not mean sacrificing the convenience that e-commerce customers value. Fortunately, there are more and more technological solutions that allow you to reconcile these two elements. For example, there are digital wallets where you can save a payment card, such as Masterpass, Apple Pay or GPay.

Thanks to them, the card data comes under additional security so e-purchases don't require the card number to be entered each time, but only selecting one of the cards stored in the wallet. Another convenience is biometrics. A facial scan or a fingerprint authentication method allows you to confirm the buyer's identity with much greater certainty than passwords or codes, which are also easy to forget. Biometric verification takes a fraction of a second, thanks to which you can achieve speed while remaining in accordance with all the security requirements regarding strong customer authentication.

## Aleksander Naganowski

Director of Digital Solutions Development at the Polish Branch of Mastercard Europe



