

A Rapyd Research Report
using data from

FORRESTER®



Rapyd

Playbook for the New Era of Digital Commerce

How to Drive Digital
Transformation, Tap New
Consumer eCommerce Trends
and Grow Sales Globally with
Cards and Local Payments

Rapyd.net

Table of Contents

- 3** — **Introduction: It's Not Just What You Sell, It's How Consumers Pay**
- 4** — **Part One: With Great Change Comes Great Opportunity**
How COVID-19 Has Changed Global Consumer Behavior
- 5** — New Consumer Behaviors
- 7** — How Consumers Are Spending Their Time
- 9** — How Purchasing Habits Have Changed
- 11** — **Part Two: Putting the New Normal Into Practice**
Building a Cross-Border Digital Commerce Strategy
- 13** — Digital Commerce Strategies for Successful Localization
- 14** — Why Invest in Cross-Border eCommerce
- 15** — Why Customers Buy Cross Border
- 16** — Top Countries for Cross-Border Sales
- 17** — Top Cross-Border Product Categories by Country

It's Not Just What You Sell, It's How Consumers Pay

The world is experiencing a tectonic shift in how people live, work and shop. The move to digital commerce is accelerating rapidly. To adapt, businesses must create digital experiences that meet quickly changing consumer expectations and needs.

Merchants know they must work harder to find new areas of growth and every conversion to a sale counts. To remain viable and to thrive in the expanding digital commerce environment it is now mandatory for digital commerce businesses to implement a next-generation payment stack that supports all the ways consumers expect to pay. This includes credit and local debit cards, as well as local payment methods such as bank transfers, ewallets and cash. Merchants can capitalize on the growing digital commerce opportunity and increase conversion rates and revenue by offering the payment preferences of a diverse and growing population of digital consumers.

This Guide reveals how consumer behavior is changing and identifies how merchants can optimize their ecommerce and checkout experiences to thrive in the New Era of Digital Commerce.



With Great Change Comes **Great Opportunity**

Forrester asked over 6,000 consumers across the US, Canada, the UK, France, Italy and China about changes in their shopping behavior since the COVID-19 Pandemic.

Their answers reveal:

- What consumers stopped doing
- What they are doing more of
- What they are doing less of
- A way forward for businesses

Let's Explore

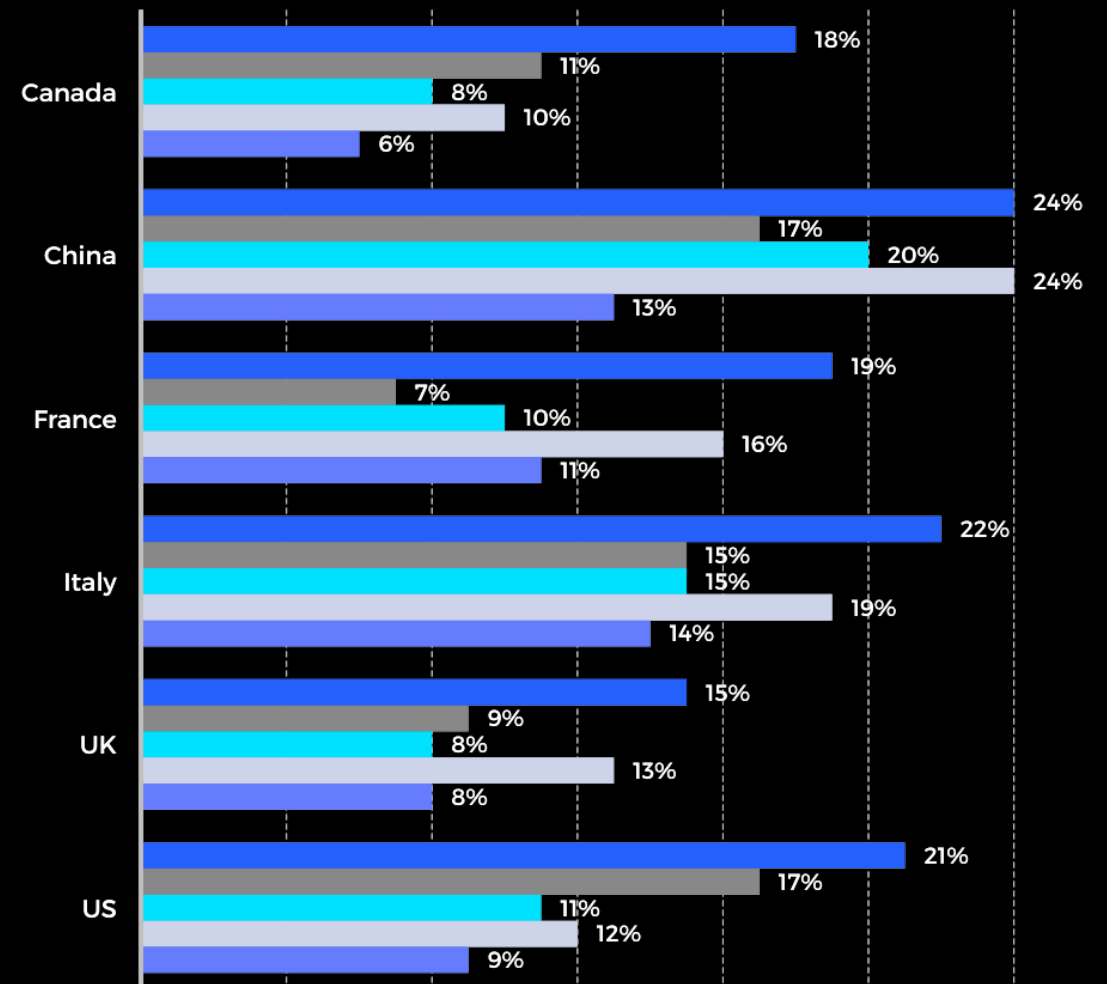


Record Numbers of People Are Engaging in Digital Commerce Experiences for the First Time

The division between brick & mortar and digital commerce no longer exists. Businesses must blend both channels into a seamless experience.

- Purchase Groceries
- Order Restaurant Delivery
- Used a Digital Payment Method
- Took an Exercise Class Online
- Signed Up for Music or Video Streaming

What have you done for the first time as a result of COVID-19?





Across All Countries, Purchasing Groceries Online Was the Number One New Behavior

China had the highest number of new online grocery shoppers, at 24% of respondents. 21% of US consumers reported doing this for the first time as a result of the coronavirus pandemic.



People in Every Market Are Consuming More Digital Content

Online exercise classes ranked as the second most common behavior for consumers world-wide to try for the first time. 12% of Americans and 10% of Canadians reported trying an online exercise course for the first time as a result of COVID-19.



Many Consumers Are Also Using Digital Payment Methods for the First Time

In the world's two largest ecommerce markets, 20% of Chinese consumers and 11% of US consumers reported using a digital payment method for the first time.

Thought Starters

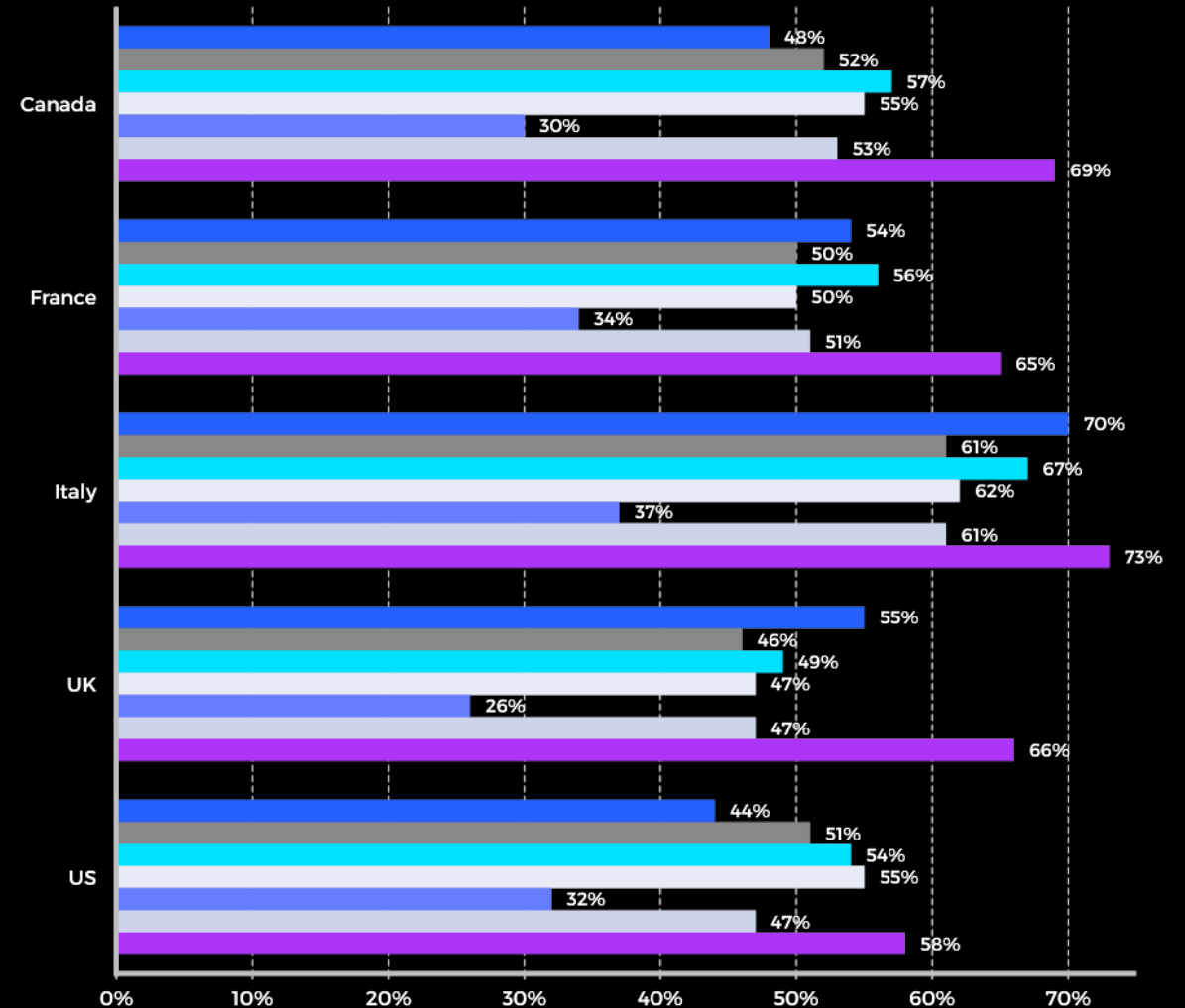
The majority of behaviors that consumers reported doing for the first time are activities that already had readily available digital substitutes. Ask yourself and your colleges, what behaviors have consumers given up that don't already have digital substitutes?

Consumer Are Spending More Time Than Ever on Mobile Devices

They are also shopping and paying for goods and services more frequently on those same mobile devices. This creates a new imperative for merchants to provide seamless digital payment experiences across platforms.

- Video Calls w/Friends Family & ■
- Cooking and Baking ■
- Streaming TV and Movies ■
- Watching Network TV/Cable ■
- Playing Video Games ■
- Using Social Media ■
- Reading/Watching News ■

What are consumers spending more time doing?

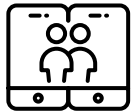


Percent of respondents who are spending more time doing each activity



Consumers Are Discovering New Content and Consuming More Digital Goods

It comes as no surprise that consumers around the world are spending less time in public spaces. They're also spending less time on their personal appearance. They are using the extra time to communicate more with friends and family, cook, consume media and news.



Consumers Are Connecting More Digitally with Friends and Family

In the US, Canada, the UK, France and Italy, consumers report spending more time communicating with friends and family by phone, video call and text. More than 1-in-4 survey respondents across countries report spending more time exercising. And nearly 1-in-3 say they are spending more time playing video games, and over half of all respondents are watching more TV.

Thought Starters

People are spending more time communicating with friends and family and consuming content online. How can content and communications providers blend these two activities to deliver more fulfilling activities?

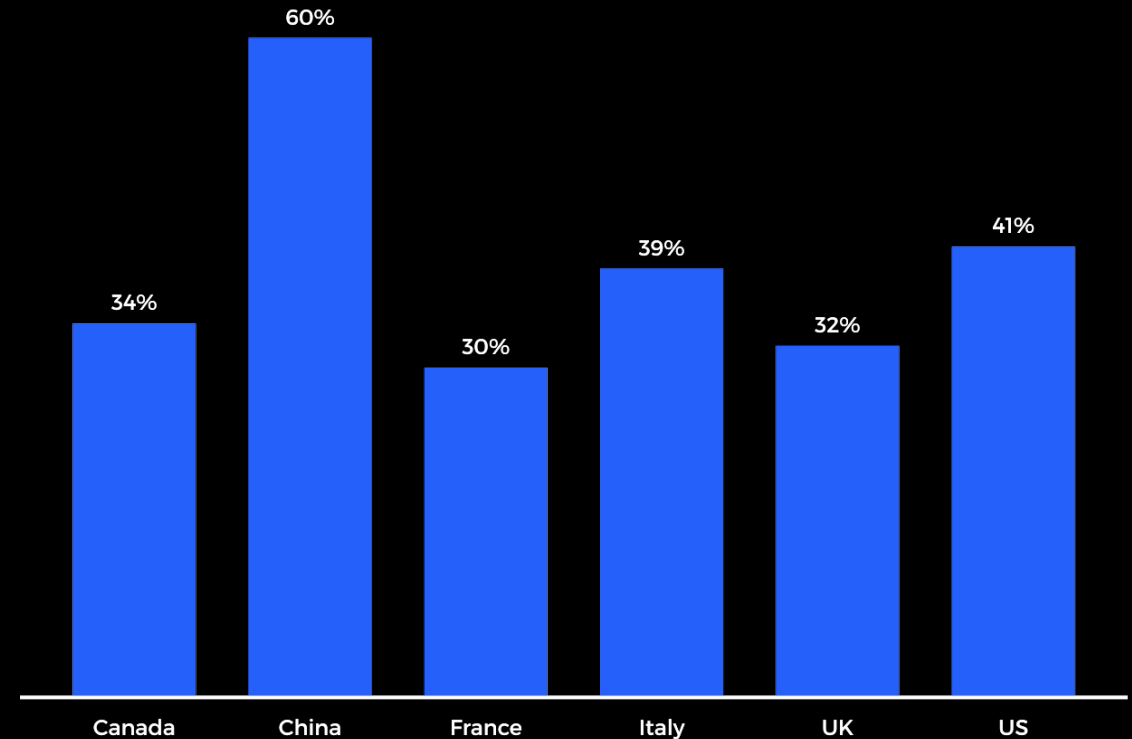
Consumers Purchasing Habits For Everyday Household Items has Shifted To Digital

Spending on healthcare products, household cleaning items and groceries has increased. Consumers are also spending more on streaming media, entertainment and online gaming.

Clothing, beauty products and big-ticket items have seen the sharpest declines.

As ecommerce expands, so do the methods consumers use to make digital payments. Capturing a greater share of these online purchases requires a diverse payment stack.

Percent of consumers buying more online





Consumers Across 6 Countries and 3 Continents Report Buying More Online

China and the U.S. report the largest increases in online purchases.



The Largest eCommerce Markets Before the Pandemic are the Ones Experiencing the Highest Growth in Online Spending

In China, nearly 60% of consumers report buying more things online than normal. In the United States, over 40% of consumers say they are making more online purchases.



A Diverse Payment Stack That Accounts For Local Payment Preferences Drives Increased Conversions

Accepting a diverse set of payment methods like cards, as well as bank transfers, ewallets and cash can meet the checkout preferences of a growing digital consumer base and prevent lost sales opportunities.

Thought Starters
How can you make your products or services easier to purchase and receive digitally?

Putting the **New Normal** into Practice

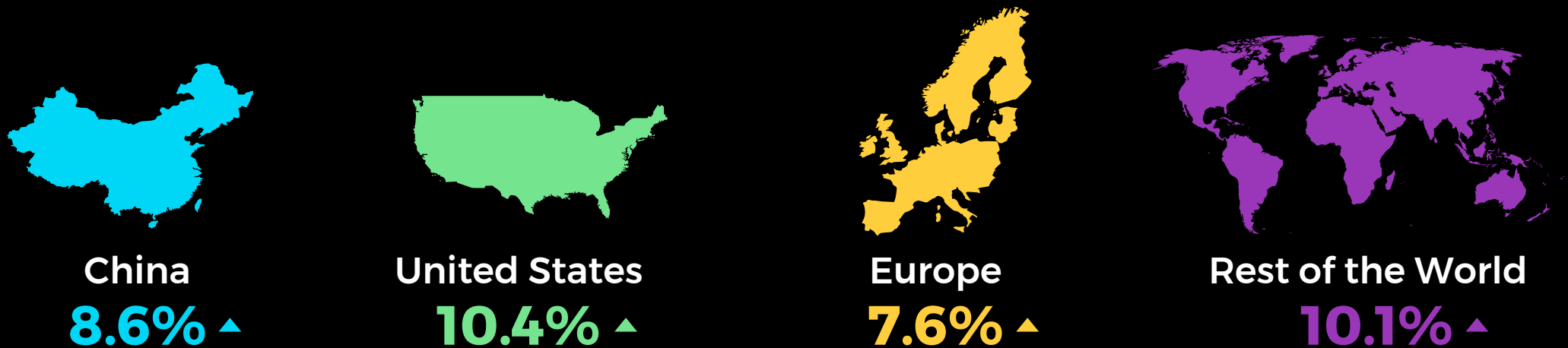
Even goods and services that were once the exclusive domain of brick and mortar businesses, like spas and gyms, are adopting an omnichannel model to survive. Here's how to grow your business by reaching a larger international audience with a voracious appetite for digital commerce.



Successful Cross-Border Strategies

With steep digital commerce growth projected across the globe, there has never been a better time to expand digital commerce.

Total Global eCommerce is Forecast to Experience Significant Growth



Cross-Border Success Requires Localization

In digital commerce, cultural distance is more important than physical distance. User experience, language, currency and payment methods must be localized and optimized to reach the maximum number of consumers in any market.

Most Important Considerations for Successful Localization



Card Acceptance Plus Local Payments

Many western countries favor cards. Around the world, it's a different story. In Southeast Asia, offering bank transfers and ewallets is a must. Cash vouchers and digital wallets like Mercado Pago are indispensable in Latin America. Work with a payments provider like **Rapyd** to simplify global commerce by offering local payment methods across 100+ countries with one integration.



Language

Having site navigation, product descriptions, reviews and instructions throughout the checkout experience professionally translated helps build trust. Modern browsers may be able to translate sites but they leave the content feeling foreign and unfamiliar.



Site Design

Designing sites and apps to meet regional expectations and preferences helps international merchants feel like local, trusted businesses. Design preferences vary around the globe. For instance, Japanese ecommerce web design tends to use much less white space than US sites.



Mobile Web and/or Apps

Preferences for mobile shopping change as you expand abroad. For instance, US consumers make purchases on mobile sites and mobile apps. In China, consumers have a strong preference for in-app purchases. And UK consumers prefer to complete transactions on the mobile web.



Local Currencies

Displaying prices in local currency is not optional. Retail Info System's research shows that one in four shoppers leave a website if their local currency is not displayed. Consumers can't make a value judgement if they aren't familiar with the currency.



Shipping and Returns

Shipping and return policies rank near the top of the list of consumers' concerns about shopping cross border. Offering free shipping can go a long way toward addressing some of those concerns and simplifying the consideration set for your customers.



Customer Support

Providing customer support in your customers' languages helps make your company feel local even when you are half a world away. If live local language operators are out of the question, consider a robust local language self-help section and/or chatbot.

Cross-Border Commerce Isn't Just About Growth, **It's About Survival**

In the post COVID economy, cross-border digital commerce is an indispensable component of a business continuity plan. Cross-border and digital sales insulate businesses from waves of infectious diseases, localized natural disasters and economic disruptions.

In a political climate that is increasingly nationalistic, adopting a global mindset can help you outmaneuver your competition.

Even Before the COVID Pandemic, 91% of US Merchants Surveyed Ranked Cross-Border Sales as a Moderate to High Priority

Top Three Reasons Merchants Invest in Cross-Border Sales

1.

New expansion opportunities

2.

Full penetration in existing markets

3.

Keep up with competitors

Growing International Online Sales Means Knowing Why Customers Buy Cross Border

Top Five Reasons Consumers Say They Buy Products From International Sites

1. Website offers products I can't find here.
2. Cost (including shipping) is lower than what it costs here.
3. I'm experienced buying from foreign sites and have had good experiences.
4. The website offers more variety of products than domestic retailers.
5. Delivery time is similar to domestic purchases.

Availability and Costs Are Top Reasons Consumers Shop Cross Border, But They Aren't the Only Reasons

The variety of products offered, customer experience and quality of goods all play a role. Additionally, fast delivery times can significantly increase your competitiveness.

Some countries, such as Canada and India, have populations who are familiar with shopping cross border. In these countries, localizing language, currencies and payment methods while ensuring reasonable shipping times and customer support can help you quickly expand and capture market share.

Where Should You Focus Localization and Cross-Border Efforts?

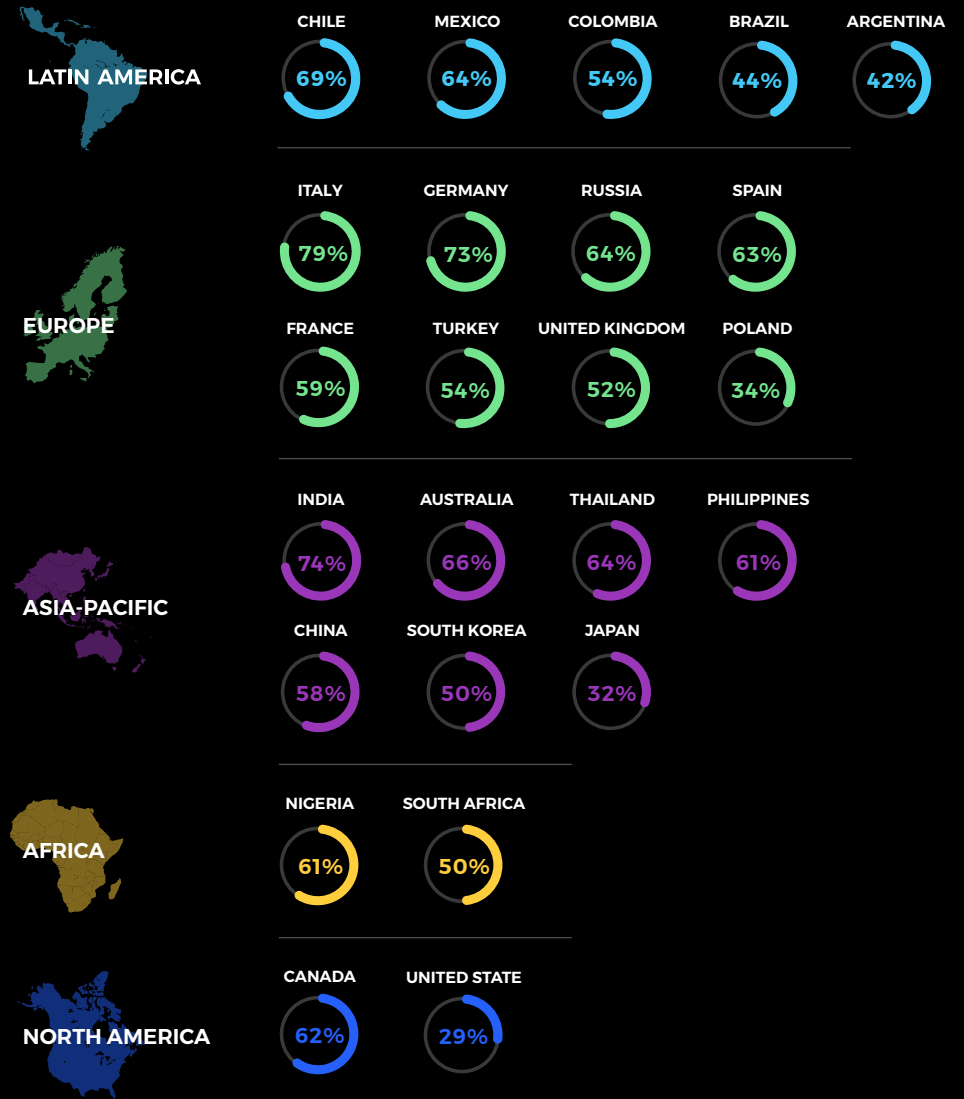
Some of the best markets for ecommerce expansion are in Latin America and Southeast Asia.

Cross-Border Success Means Localizing Payment Methods for Each Country

In many of these countries, credit cards and even bank account adoption are low. Mobile payment apps and digital wallets are must-have payment methods to offer in these countries. To be successful, companies must offer local payment methods at checkout.

The Top Markets for Cross-Border eCommerce

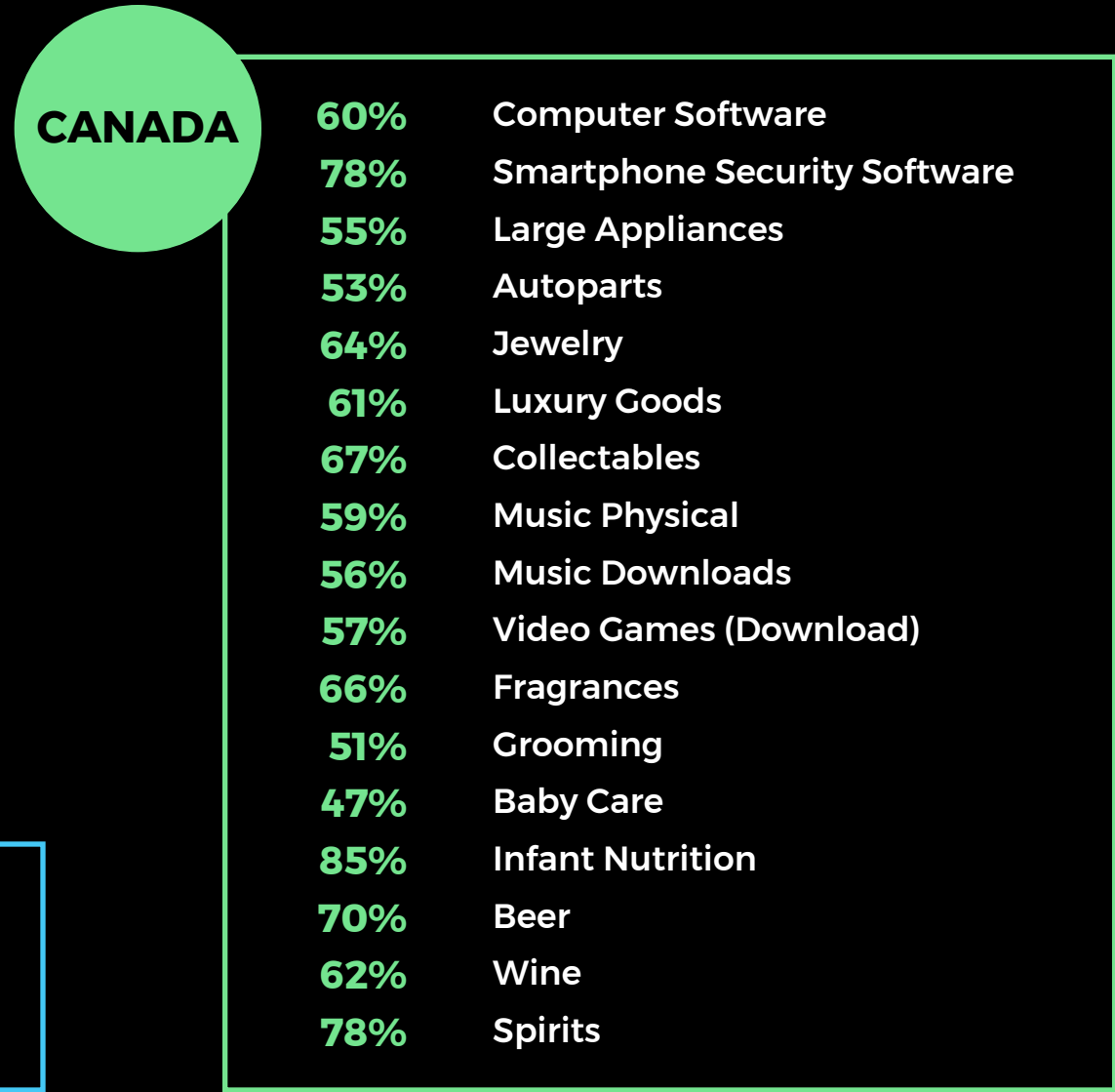
Percent of online shoppers who shop cross border by country.



Align Country, Product and Payments to Maximize Success

Which Products Do Online Shoppers Buy Cross Border?

Categories where at least 50% of respondents reported purchasing products/services from a website outside of their home country in the past three months.



ITALY

61%	Computers
71%	Computer Software
77%	Smartphone Security Software
59%	Furniture
56%	Autoparts
55%	Children's Fashion
69%	Jewelry
53%	Luxury Goods
78%	Collectables
60%	Flowers, Cards & Gifts
59%	Music Physical
65%	Music Downloads
50%	Video Games (Disc)
62%	Video Games (Digital)
59%	Baby Care
67%	Infant Nutrition
53%	Groceries
76%	Beer
52%	Wine
72%	Spirits

FRANCE

59%	Computers
69%	Computer Software
89%	Smartphone Security Software
50%	Personal Appliances
62%	Jewelry
59%	Luxury Goods
84%	Collectables
54%	eBooks
52%	Music Physical
56%	Music Downloads
54%	Video Games (Disc)
60%	Video Games (Download)
59%	Grooming
68%	Baby Care
76%	Infant Nutrition
53%	Beer
54%	Spirit

Rapyd

Fintech as a Service

Rapyd is the fastest way to power local payments anywhere in the world, enabling companies across the globe to access markets quicker than ever before. By utilizing Rapyd's unparalleled payments network and fintech as a service platform, businesses and consumers can engage in local and cross-border transactions in any market.

The Rapyd platform is unifying fragmented payment systems worldwide by allowing merchants to accept payment methods, including cards, bank transfers, ewallets and cash in over 100 countries through a single integration.

Rapyd.net

