



COVID-19: 10 years of e-commerce growth in just a few weeks?

WHAT OTHERS SAY

- 01.** Q1 reports for Bol.com and Amazon show acceleration in e-commerce orders, but grossly underestimate the impact of this acceleration
- 02.** More leading indicators that point toward disruption: the number of pageviews has increased, and order counts have closely followed suit
- 03.** Omnichannel retailers are seeing a surge in online sales: Target saw +275% growth in Year-over-Year (YoY) sales in April, Tesco managed to fulfill one million deliveries in one week, and de Bijenkorf became a pure-player overnight
- 04.** E-commerce is growing in less-developed markets as well. According to VISA, 13 million card holders in Latin America made their first-ever online purchase in Q1

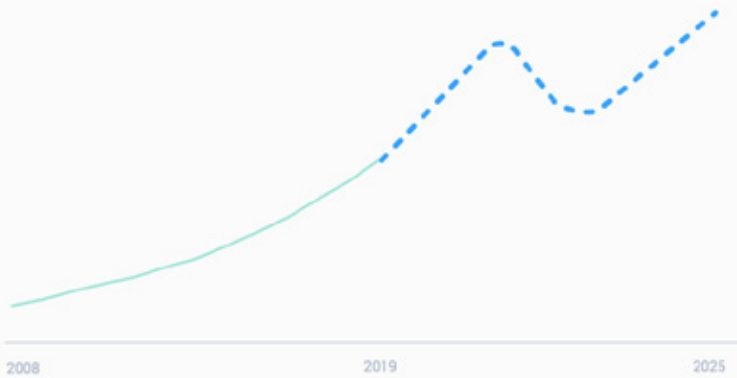
WHAT OUR ANALYSIS DISCOVERED

- 01.** Demand for certain categories has skyrocketed, even while delivery times (temporarily) lagged. Weight training and other home gym equipment jumped 800% , while demand for suitcases dropped 77%
- 02.** The average product price across all categories has risen steadily since the start of the coronavirus pandemic in the Netherlands
- 03.** As expected, the categories with high demand have the highest price increases. The average product in the DIY category has increased in price by as much as 6%, while a specific HP monitor we tracked had a 20% price increase during March
- 04.** Retailers are not increasing prices in a margin optimization strategy; they're raising prices to protect supply chains

MOVING FORWARD:

What comes next?

Nobody knows what will happen in the future, but we suspect that each category will rebound differently. What we can say for certain though is that the pandemic has changed consumer behavior and tipped the scales in favor of e-commerce across all categories.



Our prediction? We predict continued growth of e-commerce for the rest of 2020, at least, with a peak once stores begin to open again and people shop safely. But we expect that the consumer behavior has changed irreversibly: once the hype of stores winds down, e-commerce will continue its upward trajectory again.

SHORT TERM ADJUSTMENTS

What can you do in the short term to ensure commercial success? Our suggestions include:

- Build more advanced pricing strategies to stay agile in a constantly changing market
- Consider market popularity data and price elasticity data as you build new strategies
- Identify gaps in your competitor’s assortments and fill those with your products

LONG TERM ADJUSTMENTS: INVEST IN TECHNOLOGY AND INNOVATION

Post-pandemic consumer behavior won’t be the same. Companies need to invest in technology and innovation like electronic shelf labels (ESLs), pricing software, and marketing automation tools to stay competitive.

- With the continued growth of e-commerce, assortments will explode from 3,000 products to over 20,000
- Marketing decisions will need to be executed more quickly: companies will need to update their marketing strategies daily, if not hourly
- Physical stores will become less important for sales, so plan to use your real estate to create omnichannel experiences

QUESTIONS?

Have a question? Want to discuss your thoughts? Feel free to contact us [via our website](#) or reach out to info@omniaretail.com. We’re always happy to chat.

About Omnia

This webinar was lovingly created by Omnia Retail, a pricing automation software company based in Amsterdam, the Netherlands. Built by two industry experts – one a retail software engineer, the other a retail strategy consultant – Omnia was created to help each founder’s respective clients achieve more with their pricing. Omnia’s mission is to help retailers and brands take control of their pricing and grow profitably with automation and insights, and the enterprise-ready software makes it easy for teams to manage pricing without the need for IT.