

RETAIL

## Millennials drive DTC ecommerce growth to 52pc: report

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*Almost half (46 percent) of global consumers bought directly from international brands online. Image credit: Unsplash*

By NORA HOWE

As the COVID-19 pandemic limited access to stores and significantly boosted ecommerce traffic, nearly half of global shoppers have resorted to buying directly from international brands online, according to eShopWorld (ESW).

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Fashion remains the most popular international online shopping category, while luxury saw the highest growth over the past six months. Excluding apparel, millennial and Gen Z consumers made three times as many international purchases as baby boomers, showing signs of increased purchasing power.

"Brands that understand the evolution of traditional retailing see the importance of blending their direct international ecommerce trading with their existing omnichannel structure," said Patrick Bousquet-Chavanne, president/CEO of eShopWorld, in a statement.

"Stores of the future will be experiential meccas, where brands will espouse and reinforce the brand personas and experiences they are building on social media," he said. "But the transactional engine for future growth has undoubtedly accelerated into digital channels, and it seems unlikely that trend will ever reverse."

ESW's consumer survey was collected from 14,697 consumers in 14 countries: the U.K., France, Germany, U.S., Canada, Mexico, South Africa, UAE, India, Russia, China, South Korea, Japan and Australia. The survey took place online in July 2021.

### Going digital

More than of shoppers overall, 52 percent, were motivated to buy online during the pandemic. That average rose to 58 percent among 25-44-year-olds, as closed stores and reduced access to physical shops prompted consumers to purchase items online that they normally would have validated and bought in-store.

This was most keenly felt in South Africa and India, both at 63 percent, followed by the UAE at 56 percent, China at 53 percent and the U.S. at 52 percent.



*Louis Vuitton recently debuted an ecommerce site and flagship store in Mexico in a Latin American push. Image credit: Louis Vuitton*

Consumers in India and China, both at 61 percent, Mexico at 59 percent and Russia at 50 percent were the most likely to have purchased directly from an international brand online in the first half of 2021.

As a result, traditionally high-touch items that consumers would have previously purchased in-store, either by trying on or testing them, proved the most popular type of international purchases over the past six months.

A quarter of global shoppers bought clothing online outside their domestic market over the period. Other popular international ecommerce purchases included footwear at 19 percent, luxury goods at 18 percent, skincare at 17 percent, health and beauty at 17 percent, fragrance at 16 percent and cosmetics at 16 percent.

The significant uptick in international commerce throughout 2020 has continued in 2021, although year-over-year growth has been slightly subdued.

Of the top five most popular ecommerce categories, luxury grew the fastest over the past six months, rising 6 percent compared to the end of 2020, followed by skincare and fragrance, both up 4 percent over the period.

This increase in luxury purchases, driven mostly by younger shoppers, may have been fueled by new international buying behaviors caused by the pandemic, ESW suggests.

More than half, 56 percent, of global shoppers admitted to spending more online as a coping mechanism, rewarding themselves for getting through lockdowns. Meanwhile, 28 percent bought more online gifts for friends and family during the pandemic, presumably to make up for not being able to see them in person.



*As restrictions begin to lift, shoppers are looking forward to mixing digital and physical shopping channels. Image credit: National Retail Federation*

While 57 percent of global shoppers said the pandemic had opened their eyes to the convenience and choices of online offers, 71 percent said that post-pandemic, they would continue to purchase via a mix of digital and physical channels.

This data further emphasizes the importance of omnichannel capabilities in retailers' international commerce strategies as many countries begin to ease COVID-19 restrictions.

#### Omnichannel opportunities

Luxury retailers have had to adapt to the rising demand for online shopping services, while also satisfying consumers' demand for in-person experiences.

U.S. retail company Neiman Marcus Group expanded its digital investments with its acquisition of Stylyze, Inc., a cloud-based software platform.

The acquisition of Stylyze, which helps deliver enterprise solutions to home and fashion retail verticals, will assist Neiman Marcus in building a differentiated luxury experience. This is the first of several digital investments and growth moves planned for the retail group ([see story](#)).

In October 2020, department store Saks Fifth Avenue launched a new website, marking the first comprehensive website redesign from the retailer in the last five years. Using Salesforce Commerce Cloud, saks.com now emphasizes fashion, convenience and personalization while ensuring flexibility for future enhancements.

The site allows customers to add items directly to their carts or "Wish List" from a variety of products, while product pages now feature a stylized "Complete the Look" section with the ability to add items directly to cart. Additional filtering options, such as buy-online-pickup-in-store (BOPIS), same-day delivery, preorder and currently available are also offered to provide a more convenient shopping experience ([see story](#)).

"To succeed retailers must double down on their efforts to create a holistic, deep level of understanding of international markets, across all their sales channels and customer touchpoints, so they can offer localized, customer-centric and cost-competitive shopping experiences," said Martim Avillez Oliveira, chief commercial officer at ESW for EMEA and APAC, in a statement.

"Only then can they truly open up the cross-border commerce opportunity by both maintaining the loyalty of existing customers and attracting new ones."

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