

2023 merchant trends report

Insights on category growth, channel popularity, and consumer purchasing methods

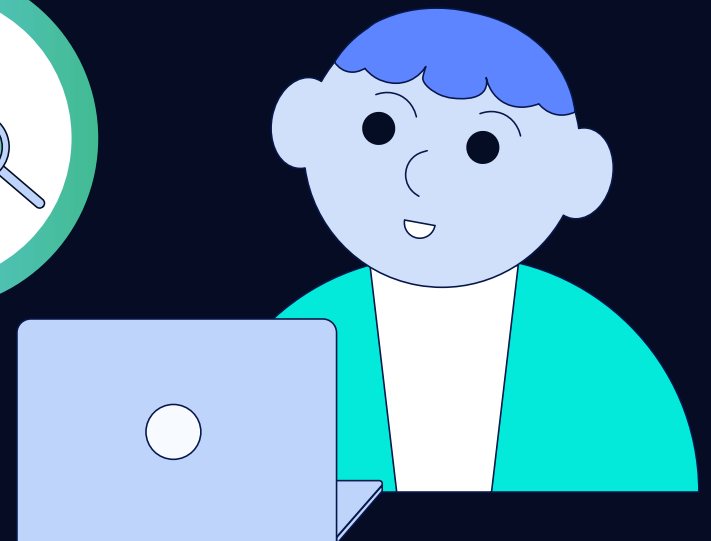


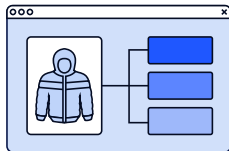
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Introduction

In the world of ecommerce, we like to say you're only as good as your data. Feedonomics is the great connector of that data, optimizing it for each shopping destination, sending it to hundreds of sales channels, and synchronizing it across a variety of systems. Our team manages an immense amount of data, and we thought it would be helpful to share some of what we've seen from working with global merchants of all sizes.

In collaboration with BigCommerce, we've gathered internal data about gross merchandise volume (GMV) trends for product categories, mobile shopping, marketplaces, social commerce channels, and buy now, pay later (BNPL). We also noted developments in average order value (AOV) and order volume.



Trends by product category

	GMV Q1 YoY
Apparel	+5.1%
Automotive	+5.2%
CBD	+136%
Digital goods and software	+4.9%
Electronics	-1.59%
Food and beverage	-0.69%
Hardware and tools	+12.3%
Health and beauty	+4.9%
Home and garden	-13.62%
Luggage	+115.4%
Sporting goods	-4.64%



Key terms and phrases

Gross merchandise volume (GMV)

The total value of goods sold on a platform or marketplace over a period of time.

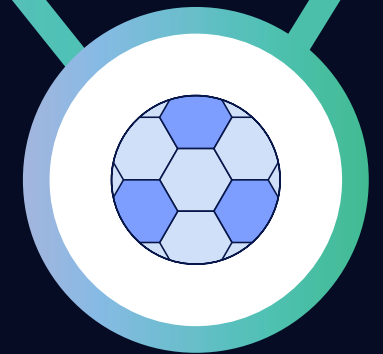
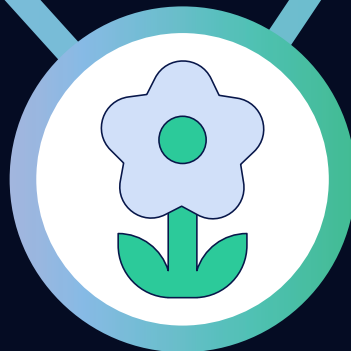
This table shows a year-over-year (YoY) comparison of BigCommerce merchant performance from 2022 and 2023. It provides a product category breakdown of the change in GMV in the first quarter (Q1) of 2023, using same-store data from approximately 30,000 merchants.

The percentage changes are relatively mellow for most categories, but a few stand out. CBD jumps off the page with 136% growth. This jump in GMV is not surprising, given that Google [updated its ad policies](#) in January 2023 to allow the promotion of some FDA-approved pharmaceuticals containing CBD in California, Colorado, and Puerto Rico.

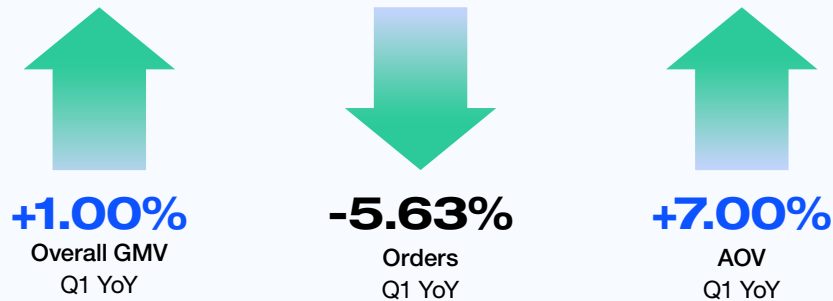
Other trends indicate a return to pre-COVID trajectories. Due to global travel restrictions, [luggage sales plummeted](#) in 2020. In 2021 and 2022, worldwide [luggage revenue went up](#), but did not reach pre-pandemic levels. In 2022, there was still some [reticence about traveling](#), with only 60% of survey respondents stating that they felt more comfortable traveling compared to the previous year. But a 115% increase in Q1 2023 GMV for BigCommerce luggage stores shows a category on an upward swing.

Trends by product category *(cont'd)*

The home and garden category dropped 13% after a major spike during the pandemic. According to the National Gardening Association, the pandemic created [18.3 million new gardeners](#), and demand was so high that approximately one-third of them had trouble getting the supplies or materials they needed. Against the backdrop of a return to office, more in-store shopping, and high inflation, a departure from the COVID boom is not surprising.



Trends in mobile commerce



Mobile commerce refers to purchases that were made through mobile devices, such as smartphones or tablets, rather than laptops or desktop computers. It is not strictly limited to purchases through social apps, though it does include them. For example, you can visit the website of your favorite jewelry store and make a purchase directly from your phone’s browser, or you can visit the brand’s Instagram account through the Instagram app and make a purchase using the Checkout feature.

With the ongoing improvement of mobile technology, the popularity of shopping on social apps, and the convenience of digital wallets and payment options like Google Pay, Apple Pay, and Amazon Pay, the ceiling for mobile commerce remains high. [According to Insider Intelligence](#), mobile commerce is expected to grow from 6% of total retail sales in 2022 to nearly 9% by 2026.

BigCommerce merchant data shows that overall GMV for mobile commerce increased by 1%, orders decreased by nearly 6%, and AOV went up by 7%. This dynamic—the growth of AOV alongside a decrease in orders—stands out across our collected data, as you will see in the sections ahead. No matter how you slice it, shoppers appear to be grouping orders together or buying bigger ticket items.

For merchants, increasing AOV can be beneficial for a number of reasons. It means more revenue with fewer shipments, and it means a greater return on the investment of marketing products to a customer. If merchants can figure out how to reduce the abandoned cart rate on mobile devices—[84%, compared to 72%](#) on desktop computers in the U.S.—they can benefit even further from increased AOV.

Merchants should employ remarketing campaigns to re-engage those abandoned cart shoppers, if they’re not doing so already. To turn abandoned carts into conversions, Google recommends you set up an audience data segment to target “website visitors of a page who did not visit another page.” Your ads should target users who visited the shopping cart page, but did not “visit” the final order confirmation page.

Our guide, [“29 Key Considerations for Adopting an Omnichannel Strategy,”](#) covers remarketing strategies for getting the most out of every customer interaction.



Key terms and phrases

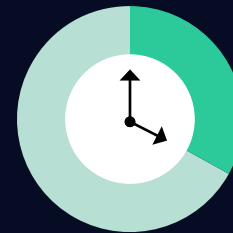
Mobile commerce

The purchasing of products through smartphones or tablets.

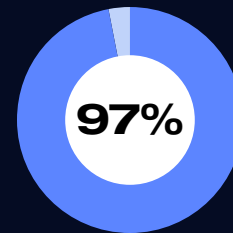
Average order value

The average amount of money spent by customers on each order placed through a website, store, or platform.

Trends in social commerce



The majority of Gen Z spends **four or more hours** a day on social media.



97% of Gen Z consumers say they use social media as their **top source of shopping inspiration**.

Key terms and phrases

Social commerce
The use of social media platforms to directly market and sell products and services.

Internal BigCommerce data reveals that social commerce GMV, which includes the total value of all goods sold through BigCommerce via social commerce channels, increased by more than 9%. Social commerce continues to surge in popularity; users have grown accustomed to the convenience and more channels have improved their ecommerce capabilities, such as live shopping and in-app purchasing.

The number of orders made through social commerce channels decreased by more than 33%, while AOV increased by 63% (\$85 to \$138). Similar to mobile commerce, customers are placing fewer orders, but each order is of higher value.

With customers opting to make higher-value purchases, building customer trust becomes a more important factor. For example, most consumers do more product research on a pricey winter jacket than a three-dollar toothbrush, so establishing an authentic presence on channels where your target audience lives is paramount for brands.

Connecting with Gen Z through authenticity

Our no-brainer sentence of the day—by understanding your customers, you're able to build more authentic relationships with them. Consider these two statistics: [97% of Gen Z consumers](#) say they use social

Trends in social commerce *(cont'd)*

media as their top source of shopping inspiration, and the majority of Gen Z spends [four or more hours](#) a day on social media.

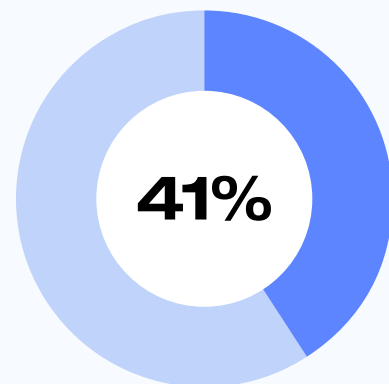
Having grown up with the Internet, Gen Z is said to be more desensitized to traditional advertisements. Throw in the popularity of short-form video content on platforms like TikTok, YouTube, and Instagram, and you have less time than ever to grab hold of your customer's attention, so personalizing your content is important.

[Meta found that 41%](#) of Gen Z users felt “more personally connected” to a brand when the brand posted content that made them feel like they were part of a community. Social commerce channels are great for brands to utilize, because they marry authentic human connection with native checkout features to create powerful shopping experiences.

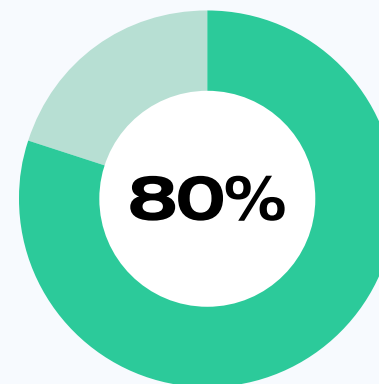
You can go from laughing at a person's humor to purchasing their outfit within a few minutes and within the same platform.

In 2021, [80% of social media live-stream](#) viewers said they were more likely to purchase a product as a result of an endorsement from their favorite influencer. To capitalize on this trend, brands should make a conscious effort to build [authenticity with user-generated content \(UGC\)](#) and work with influencers who understand their audiences to create these genuine connections.

Pairing UGC marketing with your social commerce channel's native checkout features can turn these popular advertising channels into viable marketplaces in their own right.



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Trends in new marketplace integrations

	% of new integrations		% of new integrations
Target Plus	23.64%	Saks	0.91%
Walmart	19.09%	Fruugo	0.91%
eBay	14.55%	Overstock	0.91%
Amazon	14.55%	Etsy	0.91%
Meta	9.55%	Sears	0.45%
Macy's	5.00%	Zalando	0.45%
Other	2.73%	Buy on Google	0.45%
Bed Bath & Beyond	1.82%	Houzz	0.45%
Newegg	1.36%	Wish	0.45%
Belk	1.36%	Kohl's	0.45%

Trends in new marketplace integrations *(cont'd)*

This table details the new marketplaces Feedonomics customers integrated with from January 2022 to May 2023. The data doesn't distinguish between regional instances of marketplaces, such as Amazon U.S. and Amazon U.K.

It's important to note that these are new-to-the-merchant marketplace integrations, not existing integrations that merchants migrated to Feedonomics. For example, a merchant that previously sold its products on Amazon and then switched to Feedonomics is not included in this data set, but a merchant that added Target Plus for the first time does get counted.

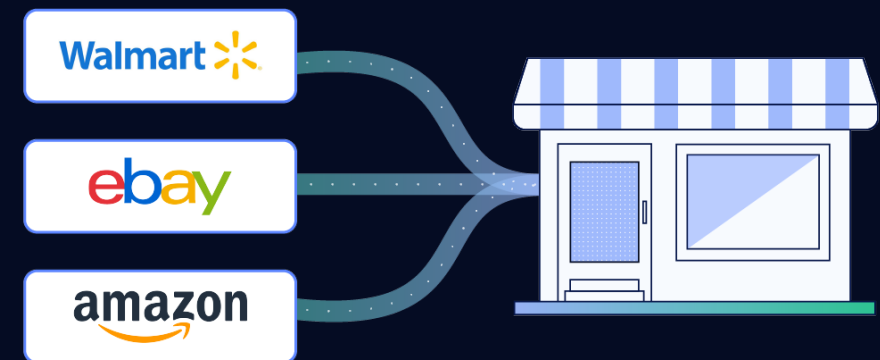
The most added new marketplace among Feedonomics merchants was Target Plus, which accounted for nearly a quarter of the cohort. We dive more into why Target Plus is such a popular option below.

The second most popular choice was Walmart, with more than 19% of integrations. This illustrates the growing attraction toward Walmart's large retail network and robust digital infrastructure among businesses.

Amazon and eBay shared third place, with nearly 15% of new integrations each, despite their global prominence. This is likely because many marketplace merchants already have a presence on these channels, so the number of new integrations is lower than more recently established channels.

Meta—which includes Facebook Marketplace, Facebook Shops, and Checkout on Instagram—accounted for nearly 10% of integrations, underscoring the growing trend of adding social commerce channels as a part of a brand's multichannel strategy.

Macy's, one of the world's largest high-end department store chains, holds the sixth position, with 5% of integrations. Along with Target Plus, it's one of two invite-only marketplaces in the top six.



Key terms and phrases

Invite-only marketplace

A marketplace that requires third-party merchants to be specifically invited to sell on the platform by the marketplace, rather than allowing them to submit an application for approval.

Trends in new marketplace integrations *(cont'd)*

The appeal of invite-only marketplaces

A key reason why Target Plus and Macy's are popular for new integrations is that they're invite-only marketplaces. This exclusivity creates an environment of curated quality, which can attract customers looking for a more controlled shopping experience.

Brands tend to expand into these invite-only marketplaces after proven success in marketplaces with lower barriers to entry, like Amazon or eBay.

Feedonomics' status as a preferred listing partner for Target Plus and Macy's simplifies the integration process for merchants, making them more accessible for brands that meet each channel's criteria.



Strategic opportunities in niche marketplaces

Many of the less-represented marketplaces are smaller or more specialized channels. Bed Bath & Beyond (1.82%), Newegg (1.36%), and Belk (1.36%) are three examples of this. There were 10 additional marketplaces on the list that each accounted for less than 1% of new integrations.

What to make of this breakdown?

While larger marketplaces continue to prove most popular among merchants, more and more businesses have recognized the opportunities to reach niche audiences on newer marketplaces, and have chosen to diversify. These marketplaces may be less saturated with competition and give brands better visibility.



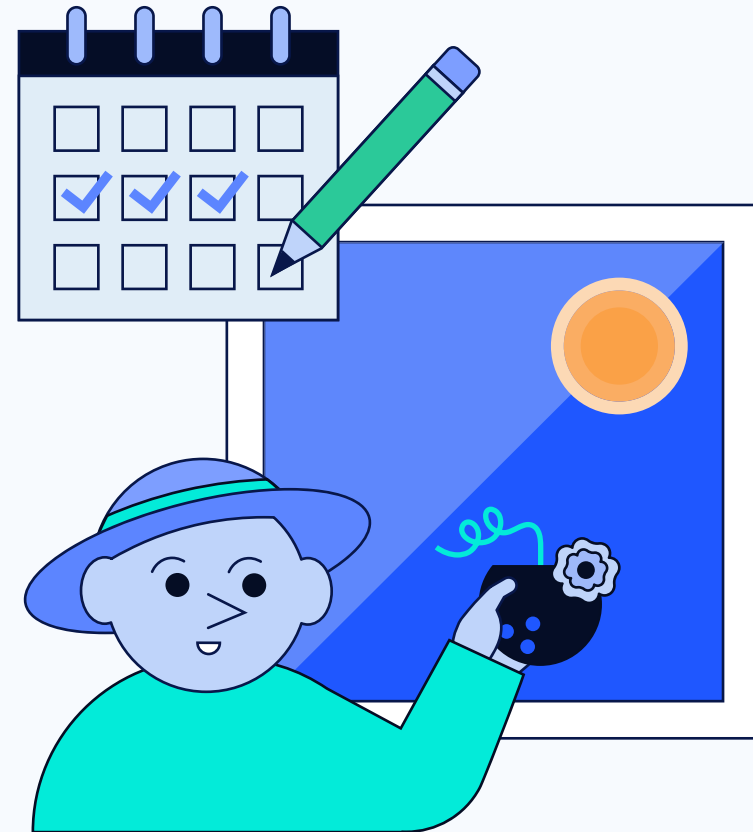
Trends in buy now, pay later (BNPL)



BNPL is surging in popularity, with widespread adoption among consumers and more shopping destinations presenting it as a payment option. BNPL is the option to finance a purchase across multiple payments over time; most services do not charge interest or fees unless the payments are late.

According to a report by the [Consumer Financial Protection Bureau](#), between 2019 and 2021, the number of BNPL loans originated in the U.S. by the top five lenders grew by 970%. Not only that, but the dollar volume of BNPL loans grew by more than 1,000% during that same period, going from \$2 billion to \$24.2 billion. In 2022, there were an estimated 360 million people using BNPL services, and by 2027 it is expected that there will be [900 million BNPL users worldwide](#).

The growth of BNPL goes hand-in-hand with an increase in AOV, because higher-priced items become accessible to more people. According to C+R Research, PayPal Credit [is the most popular BNPL service](#), followed by Afterpay, Affirm, Klarna, and ZipPay. More than half of BNPL users say they prefer using these services to paying with credit cards. Merchants can capitalize on this behavior by making sure this is an available payment option on their websites.



Key terms and phrases

Buy now, pay later (BNPL)

The option to purchase a good or service in installments over time.

Conclusion

Our internal data shows that merchants are tapping into new opportunities when they emerge, or getting back to normal after pandemic-related shifts. The growth of CBD-related GMV is one such example of merchants capitalizing after a change in Google's ad policies, whereas the spike in luggage and the decrease in home and gardening are movements back toward the center.

Mobile and social commerce continue their ascent and offer merchants more opportunities to connect with customers and improve their AOV, and the surge of BNPL indicates that shoppers are open to new spending habits, assuming they increase the convenience of the shopping experience.

Feedonomics and BigCommerce are uniquely suited to meet the demands of modern commerce, with synergistic technologies that allow merchants to keep pace with the scale of evolving consumer habits and channel updates. We hope that these data points help you understand the trajectory of commerce today and take action on opportunities you see to grow your business.



About



BigCommerce

BigCommerce (Nasdaq: BIGC) is a leading open software-as-a-service (SaaS) ecommerce platform that empowers merchants of all sizes to build, innovate and grow their businesses online. BigCommerce provides merchants sophisticated enterprise-grade functionality, customization and performance with simplicity and ease-of-use. Tens of thousands of B2C and B2B companies across 150 countries and numerous industries use BigCommerce to create beautiful, engaging online stores, including Ben & Jerry's, Molton Brown, S.C. Johnson, Skullcandy, Solo Stove, Ted Baker and Vodafone. Headquartered in Austin, BigCommerce has offices in London, Kyiv, San Francisco, and Sydney. For more information, please visit www.bigcommerce.com or follow us on Twitter, LinkedIn, Instagram and Facebook.



Feedonomics

Feedonomics unlocks scalable data ingestion, optimization, syndication, and other capabilities with its leading product feed management platform. Our flexible platform, full-service support team, and automated order management technology allow us to support a variety of data management use cases across numerous industries, including ecommerce, automotive, employment, travel, real estate, and more. Feedonomics has thousands of active clients, integrations with the top ecommerce platforms and systems, and partnerships with industry leaders like Amazon, Meta, Google, and Target.