

Cross-border e-commerce to surpass \$2.1tn in 2023, new research reveals

The value of cross-border e-commerce will exceed \$2.1tn in 2023, up from \$1.9tn in 2022, accounting for 38% of all e-commerce transactions globally by value, according to a new study from Juniper Research.



Source: Getty

This growth of over 13% in a single year reflects the increasing success of marketplaces that offer goods across borders, as well as the rising viability of cross-border sales as an e-commerce model.

The new research, *Cross-border eCommerce: Emerging Opportunities, Future Challenges & Market Forecasts 2022-2026*, found that as e-commerce models diversify, including models such as 'buy now pay later' and 'click and collect', cross-border options must also keep pace, by agreeing to local distribution and payment partnerships.

The research recommends that cross-border e-commerce vendors offer localised e-commerce models, or they will lose out to options that better serve consumer appetites.

Marketplace model critical for growth

The research found that the marketplace model, where large vendors, such as Amazon or Wish.com, sell goods to users on behalf of cross-border vendors, will be critical to growth. This model represents an easy way to access a large audience, while ensuring that accepting payments and other logistical issues are seamlessly handled.

Research co-author Nick Maynard elaborated: "The marketplace model within e-commerce takes the complexity away, meaning that cross-border merchants can provide a localised service. As such, marketplaces are an excellent way to gain immediate access to an existing user base, albeit one that can be restrictive compared with having a direct-to-consumer relationship."



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Physical goods dominating cross-border e-commerce spend

The research found that physical goods will account for over 97% of cross-border e-commerce spend in 2023, with digital goods making up the remainder. It identified the maturity of cross-border export of physical goods as a business model as a major factor in this difference, as well as increasingly cost-conscious end users.

The research recommends that payments vendors support a wide range of local payment methods, in order to capitalise on this sizeable opportunity.

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