



Ecommerce sentiment snapshot

Canada's online merchants on the state of ecommerce in 2023

Benchmark your ecommerce performance and fine-tune your priorities with this snapshot of how Canada's online merchants fared last year and what they expect in the year ahead.

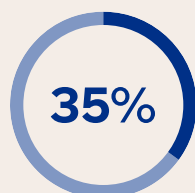


Looking back at 2022

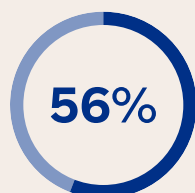
Online sales climb and sustainability takes hold

Most merchants saw their ecommerce sales increase in 2022. Growing demand for sustainability, increased consumer spending and support for local businesses were the top trends impacting their performance.

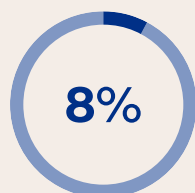
How merchants' 2022 sales compared to 2021



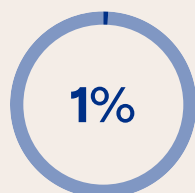
Much higher (+ 20% or more)



Somewhat higher (+ 5 to 20%)



About the same (+/- 5%)



Lower

Top 5 trends that impacted merchants' performance in 2022

- 01 Growing consumer demand for sustainability (21%)
- 02 Increased consumer spending (19%)
- 03 Growing support for local businesses (18%)
- 04 Economic factors like inflation (17%)
- 05 More consumers shopping online (17%)

79%

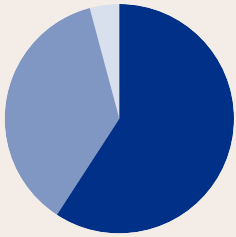
of online merchants believe sustainability is becoming an important driver of ecommerce success.

Looking ahead to 2023

Optimism despite economic uncertainty

Despite economic uncertainty, most merchants are optimistic about their business outlook for 2023. They credit their optimism to their growing customer base and business changes they've introduced over the past few years.

Merchants' ecommerce sales outlook for 2023



Better than 2022 – 60%
Same as 2022 – 37%
Worse than 2022 – 4%



Why merchants are optimistic about the year ahead

26% Growing customer base



- 26% Business changes we've made over the past few years
- 25% Increasing demand for our product offering
- 25% Supply chain issues clearing up
- 23% Growing support for local businesses



Why merchants are concerned about the year ahead

37% Economic factors like inflation or recession

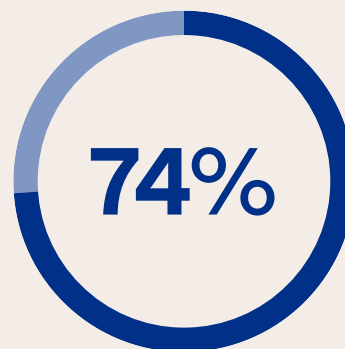


- 26% Supply chain and stock fulfillment issues
- 26% Increased competition from Canadian retailers
- 22% Increased competition from Amazon
- 22% Rising consumer expectations related to delivery

Merchants' top 10 priorities in the next 12 to 18 months

Over the next 12 to 18 months, Canada's online merchants will focus on growing sales from their existing customers and reducing costs.

- 01 Growing sales from existing customers (26%)
- 02 Reducing costs to save money (25%)
- 03 Improving the customer experience (24%)
- 04 Expanding sales to markets outside Canada (24%)
- 05 Acquiring new customers (24%)
- 06 Providing more delivery options (24%)
- 07 Improving fulfillment processes (22%)
- 08 Improving the returns experience (22%)
- 09 Improving the online/mobile experience (22%)
- 10 Increasing the speed of delivery (20%)



of online merchants believe it's getting harder to meet online shoppers' expectations.

The theme of 2023 for Canadian ecommerce? Cautious optimism. Though Canada's online merchants are upbeat about their growth prospects, their emphasis on customer retention and cost reduction suggests a concern about the current economic climate and a desire to proceed with caution.

For more forward-thinking insights and advice to empower your decision-making, visit our ecommerce hub at canadapost.ca/ecommercehub.

