

# The Global E-Commerce Puzzle

Tailoring Regional Approaches to Build Consumer Trust and Increase Growth

The rise of e-commerce is truly a global phenomenon, connecting buyers and sellers who may be located half a mile or half a world away. Currently, [more than 20 percent](#) of all retail purchases take place online at one or another of the [more than 28 million](#) e-commerce stores that have set up virtual shop over the past three decades.

But while technology has erased the physical divide between shopper and merchant, there still exists a potential trust divide, according to [a 2024 Chubb report](#) exploring how e-commerce companies can earn consumer trust. Regional sensitivity plays a big part. Online sellers who want to thrive in this still-developing global marketplace need to understand and appreciate regional nuances - often reflecting different approaches to technology usage or regulation, as well as more fundamental differences in culture - that can impact consumer satisfaction, preferences and overall levels of engagement with e-commerce platforms.

## | Evolving Technologies, Evolving Purchase Patterns

As a technology juggernaut that also happens to be the world's second most populous country, China, unsurprisingly, currently sits atop the leaderboard for e-commerce: In 2023, it brought in nearly [\\$1.26 trillion](#) in online sales. So vigorous is China's engagement with e-commerce, in fact, that it has managed to export several of its most successful shopping platforms, establishing markets outside the country and skillfully using social media sites it owns (such as TikTok) to incentivize sales. China's dominance in the sector is at least partially attributable to the speed with which the country's shoppers have embraced mobile technology as a means for conducting transactions: It currently has the world's largest share of smartphone users per capita, with a [mobile internet penetration](#) of more than 65 percent.

Even amidst a recent economic slowdown and a corresponding [dip in consumer confidence](#), China vastly outperforms its e-commerce rivals by virtue of its shoppers' higher-than-average comfort level with making online purchases - a comfort level no doubt enhanced by the rapid ascent of [digital e-wallet platforms](#) such as WeChat Pay and Alipay. The popularity of these secure, frictionless payment methods has also transcended China's borders and is

now considered a significant factor in the remarkable growth of e-commerce throughout the entire Asia-Pacific region, particularly in Southeast Asia, where, according to [one recent report](#), "digital payments have become ubiquitous."

In the European Union, where e-commerce is projected to expand by [more than 50 percent](#) into a \$977-billion sector over the next four years, [an increasing comfort](#) with digital payment platforms - driven mainly by younger cohorts of digital natives - has also been cited as a growth catalyst. But as is the case in the U.S., Great Britain, Canada, Australia and New Zealand, relatively [high levels of disposable income](#) in the EU may play a greater role in e-commerce growth than the spread of smartphones or e-wallets.

In the U.S. and Canada, for example, digital wallets accounted for [37 percent and 27 percent](#), respectively, of e-commerce transactions in 2023. Those numbers pale in comparison to China, where e-wallets were [used in 82 percent](#) of online transactions that same year. By comparing and contrasting regionally varying patterns such as these, online sellers can modify their strategies based on what they know about local practices and conventions.

# Establishing Trust in New Markets

Shopping is more than the act of finding and purchasing goods or services in the marketplace. It's a reflection of cultural norms, values and attitudes that are ingrained in the way people conduct business within their communities. Sellers engaging in cross-border e-commerce can benefit greatly from [identifying and exploring](#) how consumers in different parts of the world approach online shopping; doing so can help these merchants determine how best to tailor their inventory, marketing and delivery practices in order to build trust and maximize customer satisfaction.

Website copy, imagery, payment methods and other aspects of a business strategy that work well in one geographical market may not work nearly as well in another. By localizing their strategies to mesh with the prevailing culture in a region, sellers can not only avoid awkwardness or misunderstanding but can actually build trust and foster brand loyalty by connecting directly with their target audiences. Tools for doing so might include focus groups,

surveys and other research conducted by a local marketing research team that can provide important cultural context regarding local tastes, conventions and subtleties of language and dialect, as well as insights gleaned from customers' personal stories about their past online shopping experiences – be they positive or negative. Encouraging customer feedback will also help sellers better understand their target audiences and forge important connections.

But trust isn't built on cultural attunement alone. An online seller who has never set foot in the country where he or she is trying to gain an e-commerce foothold is nevertheless subject to the rules and regulations of that country as they relate to things like data protection, consumer rights, transparency and cybersecurity. Those entering foreign markets should practice due diligence with regard to local laws and keep abreast of any updates or changes to those laws.

## Consumer Preferences: A World of Difference

As an initial step before entering any regional market for the first time, online sellers should learn about differences in what their new customers want to buy, how they want to buy it, and how and when they would like to receive it. Are they hungry for luxury items and name brands, or do they tend to be more practical and value-minded? Do they prefer giant global shopping sites like Amazon or Alibaba, individual merchant sites, or aggregators and social media marketplaces? Would they rather pay with a credit card or with an e-wallet?

Chubb's 2024 report on the trust relationship between e-commerce buyers and sellers revealed noteworthy differences in regional online shopping trends. For instance:

- Latin American consumers are the most frequent users of online stores: Close to three-quarters of them (74%) report visiting and purchasing from e-commerce platforms at least several times a month, compared to 59% of European and 56% of Asian respondents.
- Social media shopping platforms are making great strides in markets outside of North America, with 91% of European shoppers, 86% of Asian shoppers and 84% of Latin American shoppers saying that they place high levels of trust in them.

Though sentiments will vary regionally – no consumer population has uniform preferences, after all – sellers should, in the course of their research into new markets, seek to answer these initial questions through investigation and analysis. Studying sales trends in the region from online retail giants, and even from smaller competitors, can help companies see what items and

brands are most popular among certain sets and subsets of shoppers. Brands can also closely examine search activity on their own sites and platforms to see how often they have foreign visitors, and which items or categories these visitors are engaging with.

As noted earlier, preferred payment methods for online purchases can vary widely from country to country and region to region. Sellers who limit their payment methods to credit cards only, or to a single digital payment platform, may be missing out on sales opportunities that competitors with greater insight into regional payment preferences are snapping up instead. And finally: The famed [last mile problem](#) that has long vexed companies delivering goods to online shoppers can look very different depending on the country, the city or even the specific neighborhood where deliveries are taking place. Customers in some regions may be more – or less – adamant that their items arrive within a tight time frame, or without an added cost for expedited delivery. Sometimes a smaller, local [logistics specialist](#) can have a better grasp of how best to get items from Point A to Point B – and how fast they need to get there – than an internationally known name.

All of these considerations, taken together, have the potential to overwhelm e-commerce companies that are branching out into new markets. Partnering with Chubb, a global insurance provider operating in 54 countries and territories around the world, can help online sellers navigate new landscapes by providing regionally tailored insurance solutions relevant to the online sellers' products that help build customer trust in platforms, processes and brands.



# Working With Chubb's Global Team

[Digital insurance](#) is a tool that online sellers can use to build trust and increase customer satisfaction in new and unfamiliar markets. By providing customizable, one-click coverage for purchases at the point of sale – typically right before a customer checks out – merchants can give buyers an added sense of security that protects against damage, loss, theft and other contingencies, fostering brand loyalty and driving repeat business in the process. In 2025, Chubb will be introducing a click-to-call option in certain markets that will make learning more about and adding this embedded insurance to digital platforms as easy as pressing a single button.

The range of embedded insurance options offered by Chubb includes those specially designed for e-commerce businesses moving into new global markets. Through our [Chubb Studio](#) digital platform, we partner with hundreds of global brands that sell products and services to hundreds of millions of customers all over the world. Add your company's name to our list of global partners by visiting our [Chubb Studio integration portal](#) and [telling us about](#) your business and its plans for branching out. To learn more about how embedded insurance can help you navigate the regional complexities of e-commerce and build relationships with customers, [click here](#).

Digital communications technology has made the world smaller for e-commerce companies, and made borders and barriers far easier to cross. But building customer trust across a diversity of regional markets still requires paying attention to – and respecting – the cultures and preferences of different people living in different places. Insurance is just one of the compass points that can help your company get to where it's going on its international journey.

