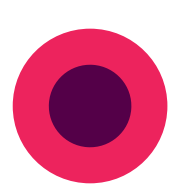




THE NEW RULES OF COMPETITION IN EXPERIENCE COMMERCE THE ARCHITECTURE OF TRUST



It is not greater speed, but a more predictable and more stable experience that determines choice

The winner in e-commerce is no longer determined solely by faster delivery or lower prices. The company that most effectively designs away uncertainty and inconvenience across the entire purchase journey is the one that earns customer choice.

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At the Peak of Efficiency, the Market Encounters a New Deficit

Shift in Competitive Rules: After the Standardization of Efficiency, the Market Demands a Trustworthy Experience Structure.

After the standardization of low prices and fast delivery, customers no longer choose platforms based on more features, but on fewer uncertainties and higher predictability.

Lowest prices and fastest delivery are no longer sources of differentiation. They have become baseline requirements to enter the e-commerce market. As markets mature, functional advantages are quickly standardized, and companies invest more while achieving increasingly smaller differences.



Over the past decade, the e-commerce market has grown around two axes: being cheaper and being faster. Logistics technologies have become more sophisticated, payment systems have become more seamless, and delivery speed has become a fundamental capability across the industry. Elements that were once considered innovation have now become standard services across most platforms.

The problem is not that the value of efficiency has weakened. The problem is that efficiency alone can no longer create a reason for choice. Dawn delivery, lowest prices, easy payments, and membership benefits are still important. However, they are no longer sufficient to explain the customer's final choice. As markets mature, functional superiority quickly disappears, and companies end up paying greater costs while securing only smaller differentiation.

What customers actually respond sensitively to now is not the presence of more features. What matters more is whether product information is accurate, whether delivery arrives as promised, and whether problems can be resolved clearly and easily when they occur. What matters more is whether these can be predicted.

Catch-up Competition Accelerates Standardization Rather Than Creating Differentiation

The Strategic Trap: The Race to Not Fall Behind No Longer Leaves Lasting Assets.

Feature competition centered on price and speed is effective for short-term response, but once it becomes the market baseline, it weakens differentiation and leads to greater investment burdens and margin deterioration.

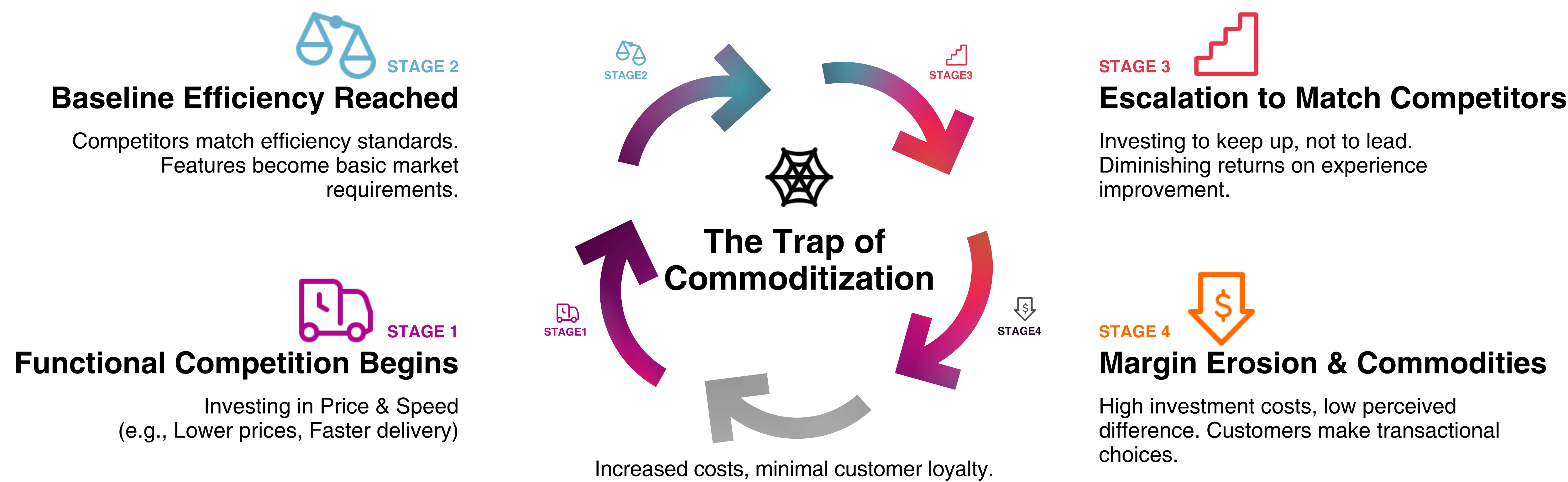
Today’s e-commerce market is less a structure where companies run to get ahead, and more one where they constantly react to avoid falling behind. If a competitor reduces delivery time, others must follow. If a competitor strengthens discounts or membership benefits, others must respond. The same applies to easy payments, reward systems, and convenience features. A single innovation rarely remains a long-term differentiating asset; it quickly becomes a basic condition of the market.

The starting point of this structure is typically price and speed. Lower prices and faster delivery initially function as clear competitive advantages. However, as competitors rapidly catch up, efficiency soon becomes the market baseline. Customers no longer perceive it as a differentiator but accept it as a given condition. At this point, feature competition shifts from a strategy for differentiation to a mechanism that accelerates standardization.

The real problem begins after that. Companies are no longer investing more to get ahead, but to maintain their current position. Investment scales increase, yet the perceived difference for customers continues to shrink. Ultimately, competition centered on price and speed tends to reinforce transaction-based choices rather than build customer loyalty, leaving companies with higher cost burdens and thinner margins.

FIGURE 1. THE EFFICIENCY ESCALATION LOOP

Why functional competition leads to diminishing differentiation and margin erosion.



Saltcake interprets the cost customers incur during decision-making across three axes: Price, Speed, and Trust. First is monetary cost. It is the most direct cost, but also the most easily imitated. Second is time cost. It reflects the value of convenience in reducing search effort and waiting time, but its differentiation potential becomes limited as the market matures. Third is risk cost. It is the total sum of uncertainties that pass through the customer's mind just before payment, and it represents the key inflection point of the next phase of competition.

Price – Monetary Cost: The burden of the payment amount. It is the most direct competitive factor. However, because price is easily comparable and quickly replicated, it is difficult to create lasting differentiation.

Speed – Time Cost: The minimization of search effort and waiting time. It is a key factor determining purchase convenience and usage efficiency. However, as logistics and payment infrastructure become standardized, the scope for differentiation rapidly narrows.

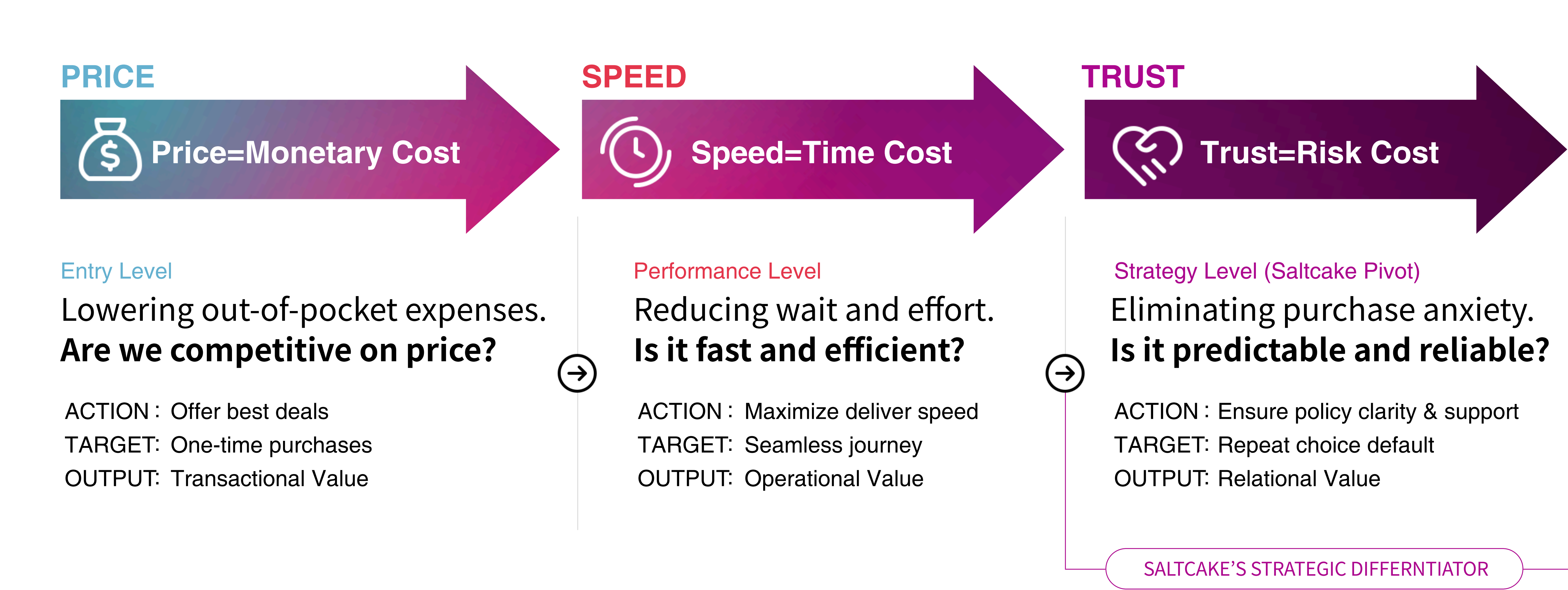
Trust – Risk Cost: The total uncertainty surrounding whether product information matches reality, whether delivery schedules are fulfilled as promised, and whether issues can be resolved clearly and easily when they occur. This includes concerns about product mismatch, delivery errors, return burden, and processing delays. Customers are most sensitive to this cost right before payment, and ultimately, repeat choice depends on how effectively this risk cost is reduced.

The battleground is no longer about offering lower prices. What matters more is how precisely a company eliminates the uncertainty customers calculate at the final moment. Customers trust platforms not simply because they are the cheapest, but because the information they see is reliably fulfilled and problems can be easily resolved. Ultimately, the next winners will not be those who cut prices further, but those who structurally reduce the risk cost that customers calculate just before payment.

Recent research also supports this direction.^[9]

FIGURE 2. THE THREE COST LOGICS OF E-COMMERCE SUCCESS

How customers calculate cost beyond price



The highest stage is the emotional layer. At this level, customers go beyond perceiving the platform as convenient and reliable—they connect the brand’s meaning with their own decision criteria. When the brand’s values align with the customer’s lifestyle and become part of their identity, a form of fandom emerges that cannot be replaced by price cuts or temporary promotions. Emotional loyalty is created not through functional superiority, but through meaningful connection.

Within this structure, the most critical point is the transition from function to relationship. Creating entry through price and speed and delivering a seamless experience is not enough. To bring customers back repeatedly, they must experience consistent operational standards across product information, delivery execution, and problem resolution.

Ultimately, sustainable loyalty is not built on transactional convenience. It is built on repeatedly proven trust and the relationship structure that accumulates on top of it.

Therefore, what companies must manage is not simple satisfaction. More importantly, they must design a structure that moves customers beyond the functional entry stage, through experiential evaluation, and into relational trust and emotional connection. If price competition once created entry, long-term growth now comes from an experience architecture that shifts customers into the layer of repeat choice and relationship-based assets.

FIGURE 3. E-COMMERCE EXPERIENCE ARCHITECTURE OF LOYALTY

To achieve sustainable growth, businesses must design systems that can guide customers from a functional foundation to higher levels of trust and connection.



Figure 3. E-Commerce Experience Architecture of Loyalty
E-commerce

This is why a Trust OS^[4] is required as an operational framework of trust. The Trust OS referred to here is not a single new technology system. It is a structure of operational principles that ensures all information, processes, and responses experienced by customers are connected under the same standard. The accuracy of product information builds trust in the exploration stage, the stability of order processing builds trust at the payment stage, and the consistency of delivery execution and issue resolution builds trust after purchase. Ultimately, what leads customers to perceive a brand as a stable and reliable choice is not the friendliness of individual touchpoints, but the consistency of principles maintained across the entire journey.

In the end, the next battleground in e-commerce is not about becoming the fastest brand. What matters more is making it clear what customers can expect—and consistently delivering on those expectations, even in exceptional cases. The brands that endure will not be those that add more features, but those that leave behind fewer uncertainties.

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Only Companies That Design Trust Will Capture the Long-Term Value of Experience Commerce

Redefining Value: Trust Is Not an Add-on to Service, but a Core Asset That Drives Conversion, Repurchase, and Customer Lifetime Value^[5] Together.

If price and speed drive customer entry, trust drives repeat choice and sustained relationships. Only companies that build structures where customers can choose without hesitation can secure longer relationships and higher profitability with lower persuasion costs.

Trust is not merely a qualitative factor that reassures customers. It reduces hesitation at the moment just before payment, creates reasons for customers to return after purchase, and ultimately enables continued choice without additional investments in price cuts or promotions. Trust is not a supportive element that enhances the atmosphere of experience—it is a core foundation that drives business performance.

Price competition can bring customers in. Speed competition can make the purchasing process more convenient. But neither alone can sustain long-term relationships, because customers can always find cheaper or faster alternatives. Platforms with accumulated trust operate differently. When customers are confident that product information is accurate, that orders and deliveries are reliable, and that issues will be resolved consistently, they reduce search time, simplify comparison criteria, and ultimately choose the same platform again.



At this point, trust transforms into a financial asset. When customer hesitation decreases, conversion rates increase

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