

Upcoming Trends: A Paradigm Shift For E-Commerce Industry

Baljinder Kaur

Assistant Professor, Dept of COMMERCE

Hoshiarpur, Punjab, India

Abstract- A wave of innovation and rapid widespread of digitization are significantly transforming the old age business methods, financial services, global business markets and almost every walk of modern society round the globe. Thus, modern world has become digital where trading, purchasing, manufacturing and cross-border business practices are benefited utilising the modern technological advancements. Such modifications may largely affect the growth of large and small enterprises reshaping their development, opportunities and competitive challenges. Consequently, changing customer expectancies & behaviour, application of big data analytics, subscription based business models, machine intelligence, personalized video based advertising may be seen as the major trends in future e-commerce market. Therefore, e-commerce sector is all set to boom in a smart and enhanced lifestyle, offering convenient financial services and shopping experiences to the consumers. Presently, e-commerce is no longer limited to high profile society only; instead it has become one of the most important entity in almost every individual's buying habit. Modern e-commerce operations are appreciably impacting the lives of entrepreneurs, employees, students and rural sector too and thereby bringing broad changes in rural e-commerce development. In recent years, different e-commerce companies have emerged and are playing an important role in world commerce driving the e-commerce sector towards tremendous growth. This paper mainly explores the recent trends in e-commerce markets that are ready to give new dimensions to the e-commerce accompanied with latest technologies like big data applications and advanced modes of communication with consumers to enhance the service availability and the customer experience. Furthermore, impact of recent trends on e-commerce and technologies involved to reform the global e-commerce are also discussed in the present paper.

Keywords- E-Commerce Trends, Intelligent Services, Virtual Experience, Drones, Big Data Analytics, Challenges

I. INTRODUCTION

E-Commerce mainly constitutes supply, buying, selling, marketing & advertising products or services with the help of internet and other computational methods. To achieve

seamless shopping experience, several new overlapping touch points are adding in the path of purchasing items. All such extensions and additions are making the marketplace more sophisticated where multiple steps may be involved. As compared to brands, customers now prioritise their online shopping destinations considering the different components which enable expedient purchase journeys. Therefore, a new generation of digital commerce is evolving where competitive e-commerce vendors give prime importance to customer preferences and put them at top of their list while deciding the company's growth strategies. Although several new trends offer a lot of benefits to e-commerce industry but at the same time, a number of challenges are also concerned with it. For example, while utilising the big data applications and data mining techniques in e-commerce to formulate predictions that help in analysing the past events and thereby assist in future strategies. Some of the challenges such as customer security and privacy related constraint are also critical parts that need to manage for enhancing customer faith. Altogether, globalisation trend may potentially create new opportunities and jobs with skilful management and creating a smart e-commerce ecosystem. Irrespective of the challenges, e-commerce industry may be headed towards growth with carefully handling the e-commerce operations in accordance with recent trends. This may be best achieved with the incorporation and remaining upgraded with different aspects without missing any single segment which could resist the economic growth and thereby shaping the best opportunities to companies and society.

II. FUTURE TRENDS CREATING PARADIGM SHIFT

In an environment with progressively booming digital marketplace, a magnificent revolution of future e-commerce market is expected. It is retailing, global or rural e-commerce development; there may be several drifting forces in market trends, technology and value chain which may considerably get affected. Therefore, for deep understanding, upcoming e-commerce trends may be broadly studied under following headings:

- *Cellular and Web Based Platforms for Customers:* Currently, usage of smart phones and internet has

significantly increased and the future of mobile communications is expected to upgrade with 5G technologies^[1]. Therefore, progress of Internet of Things (IoT) has shifted the preference of buyers more towards assessing the e-commerce companies through internet. In such environment, e-commerce vendors may go with mobile friendly designs, offering consumer convenience with which companies may also upsurge their revenues. Many recent examples of such companies can be seen today which use responsive designs to provide better user interface^[2]. As a result, just like the mobile journey has been very rapid, in the same way e-commerce vendors are giving ample attention to creating mobile friendly apps and websites to secure their positions in competitive marketplace.

- *Intelligent Services and Smart Supply Chains:* With the advancement of artificial intelligence, smart sensors and inexpensive data storage devices may also revolutionize the e-commerce functions. Additionally, some of the e-commerce companies in future may require opting smart supply chain processes to satisfy the customer demands within shorter time period accompanied with increased flexibility. Subsequently, such transformations may bring a competitive value to the supply chain^[3].
- *Flexible Purchase Experience:* Magnificent growth in exchanging information and IoT inspire the companies to highly focus on giving a flexible purchase experience to the customer, so that they can buy the products of their choice at any time from wherever they want. Therefore, in nearest future, digital commerce industries may create an ecosystem giving 24/7 product availability and cross-border delivery to the distinct locations and that's too utilising the digital wallets^[2].
- *Virtual Experience, Product Presentation and 3D Environment:* Virtual experience represents a psychosomatic state where customers experience the product representation in a 3D environment. It may consist of 3D merchandise presentation, virtual replication of physical environment and virtual product experience using simulators and other devices^[4]. Therefore, by 2020, customers would like to have acquaintance about product before they purchase it. In such instances, virtual reality and 3D fitting rooms may help in making easier engagement between customers and e-commerce firms^[5].
- *Smart Manufacturing Work-Units:* In order to produce extremely modified goods, future manufacturing units and factories will have a combination of electronic and mechanical systems to form adaptable production line^[3]. Therefore, factories may follow and become accustomed to a fully automated system.
- *Personalized Interactions:* Customers will be expecting an increased convenience and personalized interactions with merchants by 2026. This will be possible to enable by accepting the terms to share personal data with them^[6].
- *Replacement of Delivery Vehicles:* Recent technological innovations coupled with consumer expectancies have brought a revolutionary trend in delivery channels. Several e-commerce companies in Asia such as Alibaba, SingPost have tested drone deliveries for rural and distant provinces^[7]. Even Amazon, which is one of the front leading e-commerce companies in today's aggressive market, has also announced the future package deliveries using drones. Such efforts may positively enhance the fast deliveries with reduced carbon combustion.
- *Big Data Analytics (BDA) Application in E-Commerce:* BDA application in e-commerce industry is emerging as a new trendsetter helping in rapid widespread of e-commerce companies utilising the data obtained from customer reviews and preferences. Moreover, it may potentially assist in careful tracking of transactions. One of its fresh examples is a digital commerce company-Homeshop18. This company trails the entire customer behaviour/ appearance and navigation history on their portal^[8].
- *Alteration of Conventional Stores:* In future, considering the growing rate of online procures; several traditional retailing stores will experience metamorphosis. Therefore, they will essentially need to implement effectual marketing strategies^[3].
- *Evolution of Economy:* Futuristic scope indicates the trends where profits could be decoupled from output and simultaneous outcomes will be related for people^[3]. This will happen because products will be changed into services and ultimately, services into practices. Here, data will play a key role in the effective delivery.

III. IMPACT ON SOCIETY AND RETAILING

Cross-border e-commerce sector is expected to rise by ten percent per annum in forthcoming years^[9]. Therefore, e-commerce trends may be deeply affecting the society as a transformation in purchase path, traditional retail stores, e-commerce logistics, supply chain management and fast

deliveries may be analysed accordingly. Contrarily, physical trade will not completely vanish but will become a source of entertainment ^[6]. Additionally, society may get benefitted with highly upgraded shopping experiences by means of technological implications. Similarly, future e-commerce industry may offer more job opportunities demanding highly intelligent atmosphere with improved skills. Such transformations may guide the rural e-commerce development path, as in some areas; rural e-commerce is already growing faster than urban e-commerce market ^[10]. Increased e-commerce dissemination throughout different channels may extensively impact the brands and manufacturers. According to McKinsey predictions, by 2025, in China only, online revolution may create around 46 million new job opportunities ^[11]. Technological adoption will further add new experiences in creating a brand experience because it may not be ignored while strategising the future plans.

IV. CHALLENGES & RECOMMENDATIONS

With the advent and adoption of new technologies, it would be interesting to see that how e-commerce markets will flourish across the borders to extend their limits as it is challenging due to its association with government regulations and other legal considerations. In the environment of advanced upcoming trends, small players in the market may struggle to keep their secure places in market to gain huge profits. Maintaining the highly skilled workforce and proper organisation is another difficulty that may hinder the path of e-commerce vendors in future. However upgrading the supply chains is a complicated process which involves multiple partners across the globe. The idea of having smart setup for factories may be challenging for governmental regulations because an automated system drastically affects the job opportunities. Therefore, companies will need to ensure the government that new productive jobs will be offered to the workers who will be retained to upgrade their competency and skill sets. On the other hand, to secure a safe place in today's spirited e-commerce market, online vendors should have an extraordinary approach to learn new digital skills because it is a time consuming process. Certain data privacy and security related challenges associated with Big Data Analytics application and personalised shopping experience also need to be address carefully without losing customer faith. Therefore, e-commerce industry should make the future strategies considering the upcoming trends. Otherwise, evolving successfully in future market scenarios may not be possible without making the right choices on right time. Meanwhile, an appropriate balance should be maintained between expenses over intelligent architecture and product cost management to obtain fruitful outcomes.

V. CONCLUSION

Future e-commerce market is ready to evolve with scientific developments and approaches for long term success. Several digital tools may become part of the integrated e-commerce channels, offering improved productivity with lower costs. Customer preferences may highly affect the futuristic scope and e-commerce emergence. Therefore, customer shopping journeys should be critically analyzed to understand their interests for better customer experience. Traditional retail stores are no longer limited to physical barriers; instead they are also promoting their businesses through various social media platforms. Today's smart customers expect a flawless shopping experience. Concerted utilization trend may effectively facilitate the purchase and selling of goods and services, which may become more prominent in 2026 ^[6]. It may be best achieved with the desire to save money. Therefore, contribution economy and joint consumption efforts may also impact the environmental issues, such as carbon emission may be greatly reduced through using the common delivery vehicles/ modes. So, information technology has also contributed in transformation of product manufacturing and marketing strategies. Customers can directly commute with retailers or can also track the whole process; starting from their online shopping till final delivery through various online interactive platforms and customer services offered by e-commerce vendors. Altogether, e-commerce trends, as a whole, may progressively participate in benefitting the sector. At the same time, it is equally important to circumvent existing gaps in adopting new technologies. Finally a new e-commerce era is waiting ahead coupled with magnificent efforts and rewarding outcomes with effective decision making.

REFERENCES

- [1] "5G- The Future of Mobile Communications", Author: Andy Sutton, Rahim Tafazolli, Online Reference Source: https://www.surrey.ac.uk/sites/default/files/thefutureofmobile_communications.pdf, Publication: The Journal, Volume 9, Part 1, 2015
- [2] "Recent Trends in E-Commerce", Author: Shaji Thomas, Prince V Jose, Publication: International Journal of Engineering and Technology, Volume 2, Issue 6, September 2015
- [3] Digital Transformation of Industries: In Collaboration with Accenture Consumer Industries", White Paper Publication online Reference Source: <http://reports.Weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/wef-dti-consumer-industries-white-paper-final-january-2016.pdf>, Publication: World Economic Forum, January 11, 2016

- [4] “Beyond 2D Product Presentation in E-Commerce: A Literature Review”, Author: Wanxian Zeng, Alex Richardson, Online Reference Source: https://www.acis2017.org/wp-content/uploads/2017/11/ACIS2017_paper_94_FULL.pdf, Article Publication: Australasian Conference on Information System in Hobart, Australia, 2017
- [5] “The Future of E-Commerce has Arrived- Understanding the New Asian Consumer”, Online Reference Source: https://www.accenture.com/t20160729T064247__w_/us-en/acnmedia/PDF-8/Accenture-ECommerce-PoV-v6-FINAL.pdf, Publication: Accenture (Professional Services Company), 2016
- [6] “The Future of E-Commerce: The Road to 2026”, Online Reference Source: <http://www.criteo.com/media/4094/ovum-the-future-of-e-commerce-the-road-to-2026.pdf>, Ovum Report Published Online by: Criteo Company
- [7] “E-Commerce Trends and Challenges: A Logistics and Supply Chain Perspective”, Whitepaper Online Reference Source: <http://www.tliap.nus.edu.sg/pdf/whitepaper/vol16-Nov-ti.pdf>, Presented at: Think Innovation! 3.0 E-Commerce – Gearing Up For the New Future 22 – 24 November 2016 Singapore, Published by: The Logistics Institute- Asia Pacific, Volume 16, November 2016
- [8] “Big Data Analytics of Global E-Commerce Organisations: A Study, Survey and Analysis”, Author: Kumud Arya, Tapan Kumar, Manoj Kumar Jain, Publication: International Journal of Scientific and Engineering Research, Volume 7, Issue 12, December 2016
- [9] “Alibaba's Market Cap Passes Wal-Mart as Shares Hit New High”, Author: Tom Huddleston Jr., Online Reference Source: <http://fortune.com/2014/10/28/alibaba-market-cap-passes-wal-mart/>, Published on: October 28, 2014
- [10] “E-Commerce for Rural Development: Global Trends”, Author: Marie Sicut, Online Conference Reference Source: <http://unctad.org/meetings/en/Presentation/mdtleweek2016MSicaten.pdf>, Publication: United Nations Conference on Trade and Development at Geneva, Switzerland, April 18, 2016
- [11] “China’s Digital Transformation: The Internet’s Impact on Productivity and Growth”, Author: Jonathan Woetzel et al, Online Reference Source: <https://www.mckinsey.com/~media/McKinsey/Industries/High%20Tech/Our%20Insights/Chinas%20digital%20transformation/MGI%20China%20digital%20Executive%20summary.ashx>, Publication: McKinsey Global Institute, July 2014