Future of E-commerce: An Analysis of Ecommerce in Retail Business

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***Abstract*— The recent decade has observed a drastic change in the field of commerce. With the introduction of e-commerce in the early 2000's thousands of retail and consumer businesses have set up their platforms online. It is only through internet that e-commerce has gained so much popularity, where things have become digitalized and are now available with just a click of the mouse or tap on the screen. Starting as a simple process of executing commercial transactions through Electronic Data Change and Electronic Funds Transfer to selling almost anything and everything, E-commerce has change the way businesses operated once. However, due to advancement of technology ecommerce platforms face several complexities and competition. Till date ecommerce model is by far the most successful platform served on the internet. Today some of the most popular countries such as UK, China, Norway, Finland and South Korea has the largest E-commerce suppliers and buyers. All of the following countries have total e-commerce sales ranges in between 10-15% of their total spending. Some of the most prosperous and established organizations such as Amazon and eBay have E-commerce as their base. E-commerce has made the day to day tasks of various businesses and consumers so rapid that gone are the days when it took over a week to sell or buy a product. With all this being said there is still a lot more to unravel about this vast field of commerce. This study revolves around further improvements and suggestions related to the future and growth of ecommerce in retail businesses. (Reynolds, 2000)**

***Index Terms*— E-commerce, internet, Retail, Consumers, Technology, Future, EFT, EDC**

I. INTRODUCTION

Ecommerce is a simple concept that was brought in the early 90's with the main focus of buying and selling goods or services through use of the internet that will involve transfer of money and data in order to execute transactions from both the ends of customers and suppliers. E-commerce gains huge popularity as more and more commercial transactions occur through online shopping. Today it has been over 30 years of its introduction and there have been major improvements in the same field. Consumers in recent times are buying more products online and so are the businesses selling products online at the same time. It is now not difficult at all for even small businesses to reach out customers online. The internet and its search engines has made it easier for them to be found by customers without spending more on marketing and advertising campaigns like in the case of traditional businesses.(Kenneth C. Laudon, Carol G. Traver (2008)) Ecommerce platforms has made available a wide range of products belonging to various categories and models on the internet. As a result these platforms are better able to serve and meet the requirements of their consumers. However as with too much information comes information overload, with too many products comes errors in categorization, content mining and management. Although despite of all this every year businesses confront changes that either help them grow or just quit the platform without effecting the huge expansion of ecommerce. The purpose of this study is to thoroughly analyze the growth and future of ecommerce in retail businesses. A recent study have projected a worldwide increase in the retail e-commerce sales within the next two years growing from $1.3 trillion in 2014 to $4.9 trillion by 2021 anticipating approximately 265% growth rate. There seems no doubt that ecommerce businesses have a very promising future. There is going to be a huge shift from offline business to online businesses in the coming future simply because the cost of operating a business online is by far cheaper than an offline physical store in the opinion of majority. The future of ecommerce is surrounded by focusing on omnichannel that provides consumers with ideal shopping experience despite of the device they use to shop from, social media platforms due to its strong impact on generations of this day , globalization that will bring in more customers and suppliers from various regions across the globe, B2B ecommerce in order to make digitalized business to business trade practices possible ,ecommerce personalization because customers expect a lot more than just provision of their wants and mobile shopping revolution through introduction of mobile friendly apps and push notifications for the purpose of promotion and engagement of users. It is important to focus on the above because they are the crucial checkpoints in the future of ecommerce platforms. Adrian, (2019)

II. LITERATURE REVIEW

Impact on Ecommerce Retail Business through Mobile Apps

The future of ecommerce is very vast in scope. It is estimated that about 45% of all e-commerce businesses decisions would be made on mobile by 2020 as compared with previously desktop shopping experiences. That's where mobile shopping revolution comes into play. The Mobile market is rapidly maturing and has drawn 70% of ecommerce traffic easily people nowadays use their phones more than a desktop.

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Shopping at the convenience of their fingertips is how they function now. At this point of time it is important to introduce more of mobile friendly apps than desktop websites, ensure user friendly mobile checkpoints to test the speed of the same, applying ASO(App Store Optimization) in order to increase the app's visibility in the apps store search results just like SEO in traditional desktop design is the future of ecommerce.

3.2 Impact on Ecommerce Retail Business through Social Media

Social media is where ecommerce businesses are able to make the most profit and publicity from. They are now taking their stake in ecommerce more than before their focus is not just to provide advertising channels for ecommerce businesses but is also allowing people to conveniently purchase and sell in products based on their chosen social media. Social media channels such as Instagram recently launched its shoppable post which would enable businesses to add product tags and stickers in stories. Adding in new options such as coupon codes will also help increase sales of existing ecommerce platforms. With these improvements social media is definitely helping ecommerce businesses to grow more in the future. One possible way is to add in more and more ads on such platforms in order to timely remind the presence of businesses to potential stakeholders.

Impact on Ecommerce Retail Business through Globalization

Another aspect into the future of ecommerce is the shift from western part of the world. According to a source its been said that the US total global ecommerce retail market share is likely to fall by 16.9% next year. This will happen probably due to the advancement of technology that they fail to cope with and the development of other parts of the world. Now this is where a challenge comes in for ecommerce platforms wherein they must focus on adopting an international policy to assure that their accessibility and convenience in operating business overseas is not at risk. It is important for ecommerce platforms at this point of time to approach trusted partners from different countries that will help them operate their business smoothly. This will provide a win-win situation for both the business and its customers. The businesses will be able to sell their products abroad and customers will enjoy international produce.

Impact on Ecommerce Retail Business through B2B Ecommerce

Business to Business e-commerce or B2B ecommerce is on the rise these days of course due to the huge margin that it brings in. B2B ecommerce helps businesses trade with each other rather than a typical business to consumer model. It is usually done on a wholesale level but if done rightly can be proved very beneficial for both. However, it doesn't completely omit selling to consumers. Ecommerce the future of B2B, (2019) B2B ecommerce will help the small businesses grow in the future as more and more people will shift from offline to online. B2B ecommerce platforms are now able to increase their sales by 11%. Through B2B ecommerce platforms businesses will save time searching for right kind of products and proposals for their business. Although it never will be completely in favor of a business to be recognized online. Therefore, before switching towards online, businesses have to get a clear view about their vision and be specific about their services. Another hurdle is adoption of Business to Business ecommerce in developing countries differs from that of developed ones in the context of necessary financial, legal and physical infrastructural support that the latter lacks. Therefore, it is imperative for developing countries to understand the scope of ecommerce and the benefits of growth that comes alongside with it. Information & Management (2007), Pages 332-351.

Impact on Ecommerce Retail Business through Ecommerce Personalization

The online businesses witnessed an ecommerce personalization as a huge trend in the past couple of years but nonetheless it has a lot more to do in future of ecommerce. About 33% of online customers declined relationships with online business due to lack of personalization. How exactly does this personalization works is through making a customer feel exclusive and special just like the traditional way. It is done through making them feel that you are well aware of their likings. A recent report by Accenture says 91% of customers would buy from companies that remember them and at the same time provide them with best offers. Another 83% of them would be ready to share their information for exchange of a personalized experience. As we all know that data plays a crucial role when it comes to selling products online. It is regarded as the only thing that will help serve the customers better online. Therefore more advancements in personalization such as taking surveys in order to understand a customer's psychological , behavior, creating personalized homepages, offering personalized guides and introducing campaigns and giveaways exclusively based on user behavior, making your ecommerce marketing game strong will work out wonders for online businesses in future. Kristensen (2019)

Impact on Ecommerce Retail Business through Voice Commerce

Yet another advancement in the field of ecommerce is the voice commerce which has been recently launched. They are slowly changing the way how people initially interacted with ecommerce platforms. In the coming years voice commerce is estimated to generate a total of $6 billion online sales in the US. Voice devices such as amazon echo and google home has already started taking their leads. With ecommerce into the scene numbers have just started to sky rocket. Its time for ecommerce platforms to focus more on mobile commerce rather than Search Engine Optimization in my view since. It's time when they focus more on the questions asked by consumers over voice commerce and get to improve their search by using more flexible and natural words. Some of the payments have been predicted to be done through voice commerce by 2025. Optimization of voice commerce in various ecommerce platforms is likely to be a profitable

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venture looking at the prospects it has for the coming future. Is voice search the next big thing for ecommerce sector? (2019)

Impact on Ecommerce Retail Business through New Payment Options

The next improvement in the field of ecommerce that the future would witness is the addition of new payment options. Initially payment options were the essential drivers of customers to move towards the final stage of purchase and not getting the option of their choice would mean a loss of sale for the ecommerce website. Today with the introduction of various digital payment options such as google pay, PayPal, apple and Samsung pay this aspect of ecommerce business has taken a new shape. Digital payments are expected to take over 70% of cash and card payments by 2030. Physical money in wallets is long gone in this era of digital world but what's more exciting is to experience a more elevated step in this field i.e. cryptocurrency which is said to make the transactions faster than the existing ones. Manually typing in the payment information is still considered troublesome by most people. Hence, In order to sustain in the ecommerce marketplace it is important for businesses to meet the preferences of all kinds of customers through giving them options that will increase your conversion rates while at the same time offer convenience to your customers. With introduction of cryptocurrency ecommerce platforms would be able to operate much more ahead of others. It will also help reduce the risk of potential theft or false information as all such transactions are automatically monitored by algorithms. Moreover, there will be no extra charge on transactions as all cryptocurrencies have decentralized exchange. 5 ways cryptocurrency benefits ecommerce, (2019)

Impact on Ecommerce Retail Business through Blockchain Network

Blockchain also has an anticipated scope in the future of ecommerce. A lot of processes in a typical ecommerce platform from supply chain to customer loyalty can be easily managed through the blockchain system. With data being the driving force in retail industry in today's world it becomes hard to manage it efficiently. Blockchain can aid in the process of supply chain by storing the data related to shipment at every stage and will check in real time if all the stages have been successfully handled. It will also provide help to retailers by finding out the lost or damaged products in the shipment which today is the most difficult task in every retail business. It will also enable retailers to buy or sell from one another through blockchain shared ledger. Customer profiling can be made a lot easier through blockchain data warehousing systems. Blockchain will be able to give more transparency by making the information stored visible to various customers, retailers and suppliers. In the case of loyalty blockchain would be able to store customer data, coupons and discounts making this data available to various online stores in order to layout a more analytical view on customer records. Chauduri, (2019). All these improvements and measures are definitely the future of ecommerce businesses that bring about a promising future to both the users and manufacturers of the same.

III. Research Methodology

The purpose of this study is to find out the improvements and advancements that will take place in the future of ecommerce business.

The research design used here is explanatory design along with quantitative design wherein a brief explanation and suggestions related to the ecommerce platforms have been thoroughly highlighted in light of future advancements.(Baskaran, 2019) A quantitative method is also added to this research in order to prove the statements being made. This study was able to get 25 respondents through an online survey and was conducted in United Arab Emirates.

The study used google forms to conduct an online survey from respondents. This was done to get as much as data without wasting much time to get respondents through other ways. The respondents were approached through social media platforms such as Instagram and WhatsApp. The eligibility criteria of respondents included:

1. Youth between the ages of 18-35 years
2. Youth that were well informed active users of the ecommerce platforms
3. English speaking
4. Youth that were much more likely to adopt new advancements in technology.

A sample size of 30 was targeted. However due to lack of time and resources the study was able to get a total of 25 respondents only. The respondents were sent an embedded link to the online survey through WhatsApp or Instagram. The objective was to find out whether:

1. Ecommerce platforms are going to be profitable in future or not.
2. If people still used desktop for their online shopping
3. The scope of voice commerce in future
4. The scope of cryptocurrency mainly bitcoin as a payment option in ecommerce platforms
5. If people were still induced to impulse purchases through online websites.

Limitations

The research was not able to draw in much respondents as expected due to limited time and resources. The available content related to future of ecommerce is very less and precise on the internet hence the research fails to cover most advanced areas that might be seen in the future of ecommerce.

IV. Data Analysis

This study was able to draw in various insights related to the future of ecommerce through several articles and survey questionnaire. The data gathered provides a valuable information pertaining to the perceptions of today's youth that will come across these future advancements. The survey focused on questions that were in favor of online retail businesses.

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About 96% respondents perceives online business to be more profitable in the future which makes it pretty obvious that ecommerce platforms are on the rise. As of my own experience working in the ecommerce department of a renowned organization if compared the sales revenue majority of it came from its online website and app.

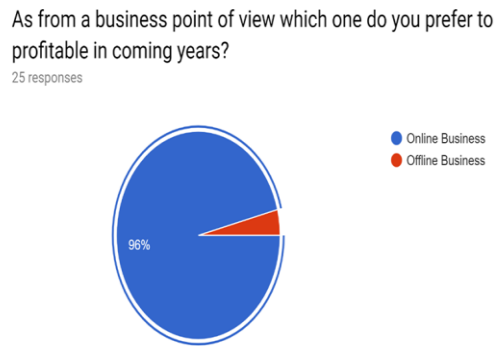


Fig. 1. Business Profitable Query Outcome

Out of the total 25 respondents 23 respondents use mobile phones to make most of their online purchase. This suggests that mobile shopping revolution is just about to began. Mobile draws almost 70% of traffic towards the online platforms. The percentage is not a small deal for ecommerce platforms. Therefore, more and more mobile friendly apps are just about to come into play.



Fig. 2. Online Shopping Through Various Devices

About 17.4% of online shoppers still get induced to buy a product other than the one they want online which means it is more or less same as how people shopped before. However, an online store offers them with a more convenient shopping experience as compared to the offline physical stores. And that's exactly how ecommerce is the future.



Fig. 3. Business Profitable Query Outcome

16 out of 25 respondents get back to the app after receiving push notifications about special offers and discounts. This explains that the future expects more of personalization and social media recognition in ecommerce business. The main focus of any ecommerce website is to draw the attention of its customers. Pushing notifications through the app or website is a very important way of doing so rather than paying towards ads that won't guarantee sales.

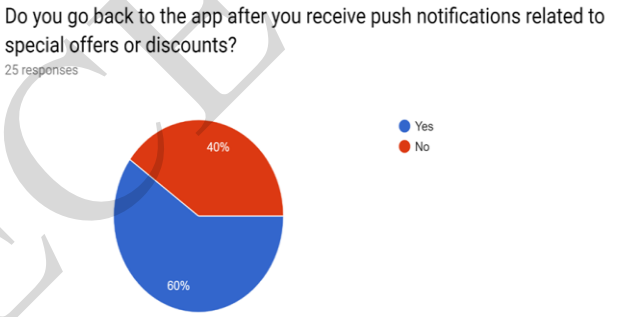


Fig. 4. Special Offer Push Notification Response

About 70% of respondents feel that voice commerce will be able to generate more sales opportunities for ecommerce platforms. But at the same time about 30% says it will not be adopted by majority. Voice commerce is a recent solution and a lot of people are still unaware of it. But one can't deny the ease it has brought in with itself. Looking at the future when technology will take over most of the operations it is nowhere far that voice commerce will turn into a habit just like Siri for instance.

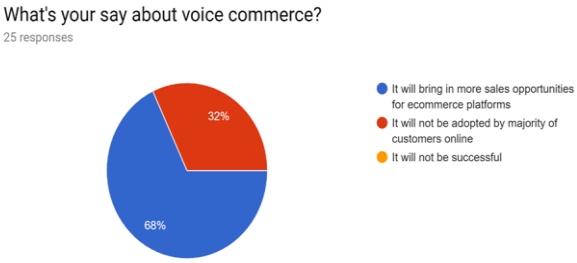


Fig. 5. Voice Commerce Query Outcome

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About 40% of respondents feel the need of new payment options added into ecommerce platforms. About 70% of card and cash payments are expected to turn into digital payments by 2030. Digital payments will reduce the risk of theft and false information. Transactions will occur more rapidly than before. Cryptocurrencies such as bitcoin will become a popular payment option. Some of the ecommerce websites such as amazon, microsoft and shopify already has bitcoin as an added payment option. Convenience is the key in today's world and businesses who are ready to accept that would be the most successful ones in the future.

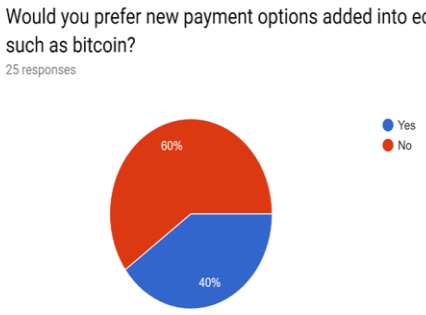


Fig. 6. Payment Option Related Query Outcome

V. CONCLUSION

This research was able to introduce the concept of future advancements such as cryptocurrency, blockchain and various other improvements in the future of ecommerce platform. There's no doubt that cryptocurrency is going to be a game changer in the realm of ecommerce businesses in near future With the help of this research any researcher would be able to conduct a more specific study on the mechanism of cryptocurrency and blockchain in ecommerce or perhaps find out more upcoming advancements in ecommerce platforms such as Artificial Intelligence. E commerce is a platform that will continue to evolve and grow throughout the course of time with more and more technological improvements or better solutions pertaining to its operations. The bright future of e commerce is undeniable. With growing purchasing power of customers and increasing social media users we are yet to witness a lot more in ecommerce. E commerce started with teleshopping and electronic data interchanges. Amazon, the world's first and today the largest ecommerce website took the leap and is now followed by several others trying to do the same. Several small businesses are on the rise due to ecommerce because of the huge benefits and success that comes along with it. ecommerce still continues to shape that way businesses operated once by improving whatever possible is related to it be it mobile applications, social media channels, providing personalization to its customers, managing globalization, benefitting both B2C and B2B online platforms. C2C online websites is the next big development of future in my opinion which will help customers to buy and sell from each other. If implemented in a right manner e commerce can work wonders for any business. As employee or owner of an Ecommerce platform it is recommended to keep ourselves aware and learn the changes that are undergoing in this huge potential field. The risk factors involved are also very less in case of operating an ecommerce business. Hence it is a world being built by us all together brick by brick, laying a secure foundation for the future.

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