



E-commerce Trends

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ABSTRACT

The E-commerce sector has seen tremendous growth in recent years by the increasing use of devices such as smart phones, tablets, access to the internet through broadband, 3G, 4G and credibility of E-commerce companies, which led to an increased online consumer base. This paper describes the recent trends in Ecommerce business. Key Words: Computer Networks, E-commerce, Internet, Traditional commerce.

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1. Introduction

Electronic commerce or E-commerce consists primarily of the distributing, buying, selling, marketing, and servicing of products or services over electronic systems such as the Internet and other computer networks. In the broad meaning electronic commerce is a means of conducting business using one of many electronic methods, usually involving internet, computers or both. E-Commerce is not about the technology itself, it is about doing business using the technology. It is an electronic business application and involves electronic fund transfer, supply chain management, online transaction processing, e-marketing, corporate purchasing, value chain integrations etc.

Ecommerce creates new opportunities for profitable activities online. It promotes easier cooperation between different groups, business sharing information's to improve customer relations, build new products or services, more personalization, better customer service etc. With the onset of information technology the way we do business has changed. It replaced from money to electronic payment system, from paper or postal invoice to electronic invoice and from traditional commerce to electronic commerce etc.

Today we are live in the age of E-commerce and it develops from traditional commerce. The e-commerce is one of the biggest things that have taken the business by a storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing way businesses are done. Here we try to analyze the recent trends in e-commerce.

2. Trends

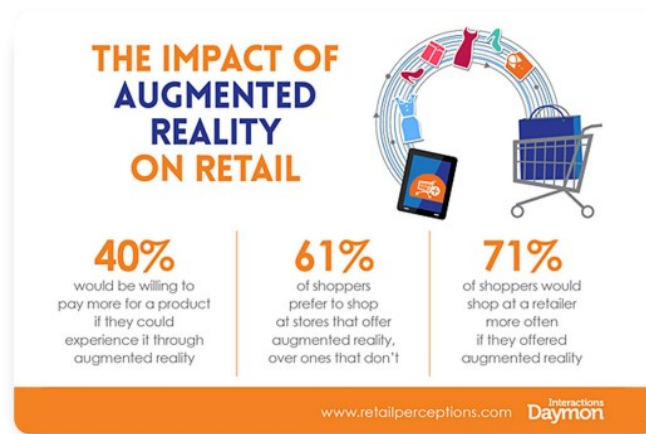
a. Augmented reality (AR) and virtual reality (VR) keep changing customer experience as we know it. Using AR and VR solutions a customer may take a virtual tour around a digital store, place the virtual products onto the real world objects and try on virtual clothes. For example, the new app by Ikea allows its users to visualize furniture in their homes using the mobile's camera.

Augmented reality can motivate shoppers to buy as they get more enhanced customer experience. In short, implementing AR and VR can be the greatest shift in E-Commerce technology since its beginnings.

One more trend that fits here is the rise of voice search. Humans can speak 150 words per minute vs type 40 words per minute. As the accuracy of voice search and voice recognition becomes more precise, E-Commerce retailers should optimize their site content to be searched appropriately.

Augmented reality will generate 120 billion dollars in revenue by 2020.

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A study by Oracle indicates that 78% of brands want to integrate the VR in customer service by 2020, while 4 out of 5 companies (80%) will use virtual assistants in this process.

The drastic decrease in customer interaction with company representatives is due to brand alignment with consumer preferences for self-service digital services: 35% of companies participating in the Oracle study "Can Virtual Experiences Replace Reality?" highlights the fact that the customer's desire is not to come into contact with any company member, both at the time of sale and post-acquisition.

Although investments made at emerging technologies such as virtual reality, virtual assistants and artificial intelligence are massive and are designed to meet customer needs, their business integration may risk returning the desired benefits if brands can't match and interpret multiple data sources to which they have access.

60% of the companies surveyed said that the customer profiling process does not currently include data extracted from previous interactions with its social media brand. In this situation, operating on incomplete client profiles, VR interaction and virtual assistant may suffer and users may become frustrated.

"Brands are at a crossroads, some prefer to experience, launching innovative services, while others are still waiting to see concrete results. The reality is that many companies do not yet have a complete vision of their customers at the individual level and their priority in this case is the correlation of the data that they already have, all for their profiling. Clients will always appreciate a positive experience in the field of customer service, no matter how they are delivered.

Not long ago, many would have considered virtual reality (VR) and augmented (AR) as more likely to be found in SF movies than in local electronics stores. It's no longer the case. Now, major companies like Google, Facebook and Sony have announced they want or have already launched VR platforms, writes Small Business Daily.

Also, businesses wishing to offer innovative E-Commerce services to customers should pay attention to these technologies, as the potential of augmented reality is to enhance customer experience. Here are just a few of the possibilities offered by ARs to ecommerce companies.

AR can dramatically change how customers shop. For example, imagine that a consumer is browsing an online store page, trying to choose new furniture for his apartment. He may be reluctant to make a purchase if he is not sure what a particular element would look like in his home.

With AR technology, customers can overlay a furniture scale on a wall, for example, by getting the answer to the question whether or not they are interested in buying those items.

An application of Sephora's cosmetics company has a similar approach, allowing users to apply cosmetics virtually instead of going to a physical store to try them personally. Other cosmetics companies followed the example, including major brands such as L'Oreal and Yves Rocher.

One of the major obstacles to e-commerce implies convincing buyers that a product is right for them. In person, they can test them before buying them. Online, you need to evaluate a product based on a few photos and a description. The augmented reality for e-commerce will change this by allowing customers to "try out" before buying.

Offline trade - E-commerce platforms provide clients with a wealth of useful information, including customer reviews and related product information. AR technology can bring this digital experience to traditional (offline) trades.

Buyers can view a product through a smartphone using an app that recognizes the products and provides all the important details available on screen. This also enables retailers to direct buyers to similar products that they might be interested in.

Customizing your experience - Augmented reality can help users customize their shopping experience.

For example, Converse Footwear manufacturer offers an application that allows users to try their products directly from their own home. By simply pointing the phone to foot, a shoe image (on foot) appears directly on the phone screen so that users can see how shoes look like.

For other brands of clothing, a similar technique allows users to change between styles and colors. Virtual and augmented reality will make online shopping more personal, unique and exciting. Companies that pay attention to these technologies will be the ones that will benefit most from them.

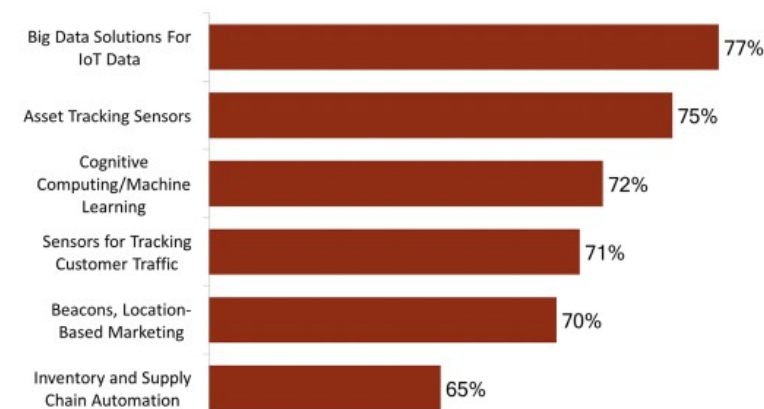
b. Artificial Intelligence (AI) and Machine Learning

Whilst artificial intelligence and machine learning have been a prerogative to many global companies due to its price, the trend is growing, and new cheaper tools to enter the market.

Forrest Research predicts that Artificial Intelligence tools have grown by 300 percent in 2017 with businesses becoming more competitive by 2020 and gaining 1.2 trillion per year. By 2020 over 80 percent of all clients interactions will be handled by Artificial Intelligence.

Percentage Of Retailers Planning To Invest In AI And IoT Technologies By 2021

Global



n=1,700
Source: Zebra Technologies, 2017

Machine learning can contribute valuable options to E-Commerce software. Intelligent algorithms become instrumental in customer segmentation and personalization. They help to identify patterns in customer's web browsing and thus create huge possibilities for personalized recommendations. Implementing these technologies can boost sales up to 15%.

Order and inventory management can become more efficient with inventory forecast and predict market demands. Shipping software may benefit from anticipatory shipping algorithms which may predict shipping demand before an order is made.

Chatbots and the rise of conversational commerce present a separate distinct trend in E-Commerce tech.

Chatbots or chat robots have become more and more used even by small businesses, especially for improving customer relationships and loyalty. Here's how these robots work with artificial intelligence, how they can help you grow your sales, and what other companies have already tested.

Chatbots are automated or semi-automated software designed to interact with customers. They are thought to respond quickly to users' questions and to get relevant information from a huge amount of data. Generally, bots run simple and repetitive tasks at a much faster rate than a human being could. Built on the principle of neural networks, bots are endowed with a certain degree of artificial intelligence and become more and more efficient in their responses.

Facebook Messenger has already introduced such chatbots - for example, one through which you can order a Uber, or one of the KLM, which gives you flight information and helps you make reservations.

But how can you use such robots in a small business? For example, for a restaurant or fastfood who takes orders and makes deliveries at home, a chatbot can take command of customers by asking the standard questions: what name is the order, what the customer wants to order, contacts, etc. An example of this is Domino's Pizza that has introduced such bots all through the Facebook messaging service.

How can chatbots help a business:

- offers immediate support to customer relationships - small businesses do not always allow the necessary staff to answer the various questions customers can have, and such chatbots can be helpful, give details about the product, price, functionality, take over orders.
- helping clients loyalty and a better understanding of them - dealing with each client can sometimes be impossible even if we are talking about a small business. Moreover, these intelligent software can collect data about your customers or use of your service to see what their interests, what are the expectations of your business, how you can improve your service.
- increase the visibility of the brand in social media - the best example in this case is Uber and KLM who have called Facebook Messenger.
- simplify payments - bots can be created to store the card data and the customer can make a payment via a simple message. One such service is Snapcahs, launched by the Snapchat messaging application.

In 2018 chatbots will widen their functions, from supporting customer service routine to more complicated personal shopping assistance. As customers are getting used to the help of AI creatures we will see more ventures developing chatbots for every possible purpose.

c. Personalization

Contrary to smartphone expectations, deliveries or artificial intelligence are not among the top 2018 trends in online commerce but personalization. The major challenge for a online retailer is to make customers feel like they are special.

The customer wants to feel the unique recipient and can count on products, content, communication methods and personalized services, according to a PayU analysis.

Following an analysis of specialized publications, online surveys and reports, customization is on top of trends this year, and more and more customers are looking for individual offers or individual advertising.

The major challenge for an online retailer is to make customers feel special. They do not want to be one of the thousands of consumers but want to feel the unique recipient who can count on products, content, methods of communication and personalized services. It is not an occasional observation, but a confirmed data phenomenon. A study by AgileOne (a company that analyzes consumer behavior) shows that 70% of Americans and Britons want more personalized "experiences" during online shopping.

Also, BIA / Kelsey research agency estimates that advertising spending, including consumer location, meaning geo-personalization, will grow from \$ 4.3 billion in 2014 to \$ 18.2 billion in 2019.

In order to keep up with the expectations of consumers, it is necessary for the business to turn to the consumer. This may mean changing customer relationships, implementing new payment or delivery technologies, and a new approach to Internet analytics, says PayU.

One-to-one personalization will be the key to success in e-commerce in 2017. Knowing what customers want before they act and giving them will lead to the creation of a growing community of loyal customers. It is important to mention that the key to customize is the ability to collect and use customer data.

An example of a leader in customization is Amazon. The American giant personalizes the entire shopping trip for customers - starting from the time of entering the site through the product search process to payment and delivery.

5. Conclusion

With the development of the internet of things, customers will enjoy an "intelligent" shopping experience and will increasingly be connected through a network linking physical and digital worlds into an ecosystem of devices, including vehicles, stores and software.

The Internet of things, drones, delivery robots, autonomous cars, 3D printers will all allow retailers to automate and optimize their supply chains. Both parts of the equation - demand and supply - will change dramatically, according to the World Economic Forum report.

- customers will demand transparency in terms of prices and source of supply;
- customers will have less time to research the products they buy - but will be more concerned about how they are obtained;
- customers will choose stores that offer transparency so they can feel the items they buy

Online shops will have to work directly with the source, with the manufacturers and offer quality products. Those who will do so and inform their customers about the quality and provenance of the products will gain their trust.

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