

**CHANGING PHASE OF ECOMMERCE INDUSTRY IN 2020****Deepali Amol Toraskar***K. J. Somaiya College of Arts and Commerce***Abstract**

The Ecommerce sector is changing very fast as the demand for ecommerce business is rising, Be it B2B type of business or B2C type of business, ecommerce has grown far behind the idea of just selling on online platform. Ecommerce platform have adopted latest technologies like Chatbots, Augmented reality to enhance the feature of the E platform and to make more buyer friendly. Not only that but also fulfilling the demands of the buyers, the ecommerce industry have tried to give personal touch to the customers, making them more comfortable than offline shopping. The paper studies the latest technologies that have been adopted by many online selling businesses which become a lesson for Indian businesses selling online. The paper uses secondary data. The entire study is based only on observation and documentary analysis.

Keywords : *Augmented Reality, Chatbots, Artificial Intelligence, Subscriptions, Sustainability*



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Introduction

Ecommerce now plays a vital role in our daily lives. It is redefining commercial activities around the world. Over the years, Ecommerce has evolved in profound ways. It affects large sectors such as communications, service, finance, retail trade and holds promises in areas such as education, health, transport and government. E-commerce presents opportunities to accelerate business processes, reduce costs, reach new customers and develop new business models and markets in the business organization. Electronic commerce expands the marketplace to national and international markets. It decreases the cost of creating processing, distributing and retrieving paper based information.

Literature Review

In a research paper by Rajneesh Shahjee on The Impact of Electronic Commerce on Business Organization highlights the impact of Electronic Commerce on Business. The research study has highlighted the Management Information Systems, Finance and Accounting, Marketing and Computer Sciences of E-Commerce on Business. The impact of e-commerce on local and global economies; understanding the concepts of a digital and knowledge-based economy and how this fits into economic theory. The paper also discusses the cost of creating, processing, distributing, storing and retrieving paper-based information has decreased through ecommerce.

Another paper by Dr. C. Eugene Franco and Bulomine Regi. S. on advantages and challenges of e-commerce customers and businesses: in Indian perspective discusses about the role of ecommerce, its advantages and disadvantages for businesses and challenges faced by Indian banks with respect to ecommerce. Factors like safety and security of online money transaction being the biggest problem along with others have curbed the smooth expansion of the online industry in the country

A Review of Emerging Technology Trends in E-Commerce by Dr. Qingxiong Ma(2008) discusses the emerging



technology trends and its implications for businesses in making strategic decisions and thus increase their business sustainability and competitiveness.

Objectives of the Study

1. To study the theoretical concept of E-Commerce.
2. To study the changing phase of ecommerce business activities

Scope

E-commerce is no longer an infant now. It has reached the toddler stage. According to the statistics of Forrester Research, worldwide total E-commerce was \$6,790 billion in 2004. Research and analysis firm Jupiter Research (Business Wire Jan. 17, 2007) has forecasted that US online retail sales will grow by 16 percent in 2007 to reach \$116 billion. No doubt, these figures imply that E-commerce has become mainstream and matured. Still the growth of ecommerce in among the native businesses is less specially among the developing countries. The paper focuses on the latest technologies that is being adopted by ecommerce industry which has gained momentum as it increases the conversion rates among the buyers.

Research Methodology

This study is of descriptive nature and tells about the meaning and reasons of ecommerce along with the changing phase of ecommerce on business activities and how the new technologies like AR & AI bring more customer base for industry. Hence makes use of secondary data. The entire study is based only on observation and documentary analysis. Furthermore, the required & relevant secondary data are collected from various Research Papers, Journals, & Publications, websites and many others. Books have also been referred for theoretical information on the topic as required

Ecommerce and changing phase of ecommerce business

Ecommerce refers to the activity of buying and selling products or services over the internet. With the help of the internet, people can buy and sell virtually everything like books, electronics, apparel, software, furniture. The rise in the use of mobile devices globally has contributed to the growth of ecommerce. With mobile devices, people are buying and selling over the Internet more flexibly and passively. Brick-and-mortar commerce still exists, but, is quickly being replaced by ecommerce. In an evolutionary sense, most of the brick-and-mortar stores are transforming into ecommerce stores. Thereby requiring the establishment of an online presence and moving core business operations online.

Ecommerce is gearing up for some major changes. Some of the new technological changes that are found to be impressive in giving more customer base to Ecommerce industry are as follows:

1. Augmented Reality enhances the reality of online shopping.
2. Growing volume of voice search technologies
3. Artificial Intelligence helps industry learn about shoppers.
4. Chatbots improving the shopping experience.
5. Growth of Mobile shopping.
6. Availability of more options for epayments.
7. Use of Videos technology to widen Customer base
8. Huge business from Subscriptions.
9. Sustainability is becoming more important.
10. B2B is growing and changing.



1. Augmented reality enhances the reality of online shopping.

Augmented reality is the technology that expands our physical world by adding layers of digital information on top of it. Viewed via a screen, it offers a view of the physical real-life environment with superimposed computer-generated images, therefore changing the perception of what you see in front of you. The superimposed sensory information can be constructive (i.e., improving/adding to the natural environment), or destructive (i.e., covering the natural environment), but the intent is to seamlessly combine the digital and physical worlds.

Augmented Reality (AR) has become a major game changer when it comes to online shopping, significantly closing the gap of ambiguity. It helps online shoppers visualize the products that they're interested in, whether it's a clothing item or furniture. Shoppers can now see how they would look while wearing a certain item or how nice their home would look with a certain paint color, all before hitting the "Buy Now" button. This helps online shoppers overcome the hurdle of not being able to see the product firsthand, bringing comparison shopping to a whole new level.

While fast shipping options have been able to lend online shopping almost the same instant gratification of retail shopping, there has historically been one downside: you can't feel the product or see it on your body or in your home till it reaches your home. AR makes visualizing the product in your life possible. Using AR, your customers can preview products and be more likely to pick the right product the first time. These days brands use social media AR filters for certain benefits like increased awareness of a brand or product or increased engagement, AR filters are a good way to boost audience engagement. Now that AR is on the rise, it's quickly finding application in most, if not all, product-driven industries. This includes the world of ecommerce. However, many ecommerce store owners are still wary of adopting AR technology — and that's mainly because many of them still don't know what AR exactly is and how it can change their online selling game.

For most people, AR is still a quite abstract and mysterious technology, AR expenditure is expected to reach \$60 billion by 2020. 61% of online shoppers prefer to make purchases on sites that offer AR technology. 70% of consumers are expected to be more loyal to brands incorporating AR as part of their shopping experience.

How Ecommerce Businesses Are Using Augmented Reality

There are some benefits brands using social media AR filters. Increased awareness of a brand or product. It is a great way to showcase a new product by telling people to 'test' how it'll look on them. We MakeUp, the Italian cosmetics brand, created an AR filter on Facebook that allowed users to 'try-on' different shades of its lipstick. Users could find their perfect match and make the purchase right away. The creative involved a video that demonstrated the filter's use, encouraging users to try it for themselves. The campaign was a huge success with 53% higher revenues and a 28-point lift in sales when compared to video-only ads.

2. Growing volume of voice search in ecommerce business

Voice search is the closest humanity has come to wizardry. Speak into a digital apparatus, hear any song you want, find the nearest sushi restaurant, call your relatives in anywhere or restock your groceries supply. everyday household items are the most common voice search based purchases, more people are asking mobile queries on voice search.

It is forecasted that 75% of worldwide households will own a smart speaker by 2025. People are increasingly relying on voice assistants like Google Assistant or Amazon Alexa to do everything from check the weather to buy products. When we realize that we are running low on groceries all of which we can order with a simple voice command on our voice assistant. It saves time on browsing, entering our payment and shipping information, and the device remembers past



purchases, making it very easy to repeat the order. It doesn't require a single screen to touch. As more and more households gain this technology and grow more comfortable using it to make purchases, there's a lot of untapped potential for ecommerce businesses looking to get in on the new technology.

It allows consumers to use voice commands linked to their eclectic devices to easily search the internet, a website, or an app for information about local businesses. Popular examples of voice search include Siri, Alexa, Google Assistant, and Cortana. It is expected anything that can be searched with a text query can also be asked through speech. In fact, 50 percent of all searches could be voice activated by 2020, which will bring ecommerce business on a larger scale. Smartphone-based voice assistants, meanwhile, are basically like the magic mirror from Beauty and the Beast

3. Artificial Intelligence helps shops learn about shoppers.

Artificial Intelligence has progressed to the point where it has become an essential component of the ecommerce industry. Considering this advancing trend, many ecommerce businesses have begun to use different forms of artificial intelligence for understanding their customers' buying behavior, offering relevant products at the right time, and identifying competitors' strategies by enabling AI reliable analytics.

AI in ecommerce has improved the entire experience of online buying & selling and adding a personal touch to the customer experience. Companies like Amazon and Flipkart have already revolutionized their traditional practices to bring the best results in their businesses.

Applications of Artificial Intelligence in ecommerce:

Personalization of Online Purchases

With AI-enabled systems, companies can view their customers' preferences in real-time and provide them with reliable and specialized shopping experiences. AI can deliver suitable product suggestions according to the preferences of the user. AI can play a big role in identifying customer behavior through personalization and, by analyzing clicks, shopping carts, purchasing history, and search queries. All these can help ecommerce brands to deliver suitable suggestions for additional purchases that make sense in the eyes of the user.

Warehouse Automation

AI in ecommerce is also transforming warehouse management for small businesses. AI-powered solutions help to streamline product pick-and-pack processes without taking lunch breaks. AI robots can work 24/7. Employing AI solutions in the warehouse can result in a reduction of errors as AI robots understand their placement and thus can place and retrieve them when required. The robots can also take over the high-risk tasks, and thus is beneficial for improving the safety of employees at the warehouse.

Visual Search

When purchasing online a customer should have a simple search process but in many cases the journey from 'searching' to 'seeing' a product is a path filled with hassles that often leads to no-purchase at all. AI-enabled visual search eases the way consumers see a product. AI in ecommerce has improved the visual search capabilities and helps in finding products that match close to your search.

Superior User Experience

With AI in ecommerce, certain advanced systems are being used by companies such as facial recognition, recommendation engine, and voice interfaces. These systems help in understanding customer behavior when buying a particular product or service.



Ecommerce Catalog Management

An online ecommerce catalog provides product names, descriptions, prices, supplier details, and other related information. Within those thousands of product categories, small details like color, texture, pattern, style, sleeve, length, bottom type, and fit need to be accurately mentioned in the catalog to help customers get the right product information. The use of AI in ecommerce catalogs can now help in obtaining accurate and consistent data for getting deeper catalog insights.

Automated Pricing Management

With AI in ecommerce pricing, you have analytics software for price analysis that uses a certain statistical model, machine learning, and a number of other AI models to create algorithms that automatically identify pricing patterns from the data and predict prices based on that information.

4. Chatbots improving shopping experience.

A Chatbot is a computer program that simulates human conversation through voice commands or text chats or both. Chatbot, short for chatterbot, is an artificial intelligence (AI) feature that can be embedded and used through any major messaging applications. This tool helps add convenience for customers—they are automated programs that interact with customers like a human would and cost little to nothing to engage with consumers can speak to a device rather than typing on a keyboard. Some of the best examples of chatbots are Facebook Messenger and Slack. They can adapt to any language and respond depending on the region. The chatbots understand the dialect and languages including past behavior of a user and customer chat statistics to provide the best possible solution. Popular ecommerce websites such as Amazon and eBay have implemented chatbot applications to deliver convenient order placing and customer service experience to the users.

Chatbots allow stores to communicate with thousands of customers while giving them the feeling of personal attention and thoughtful recommendations based on their responses. And in reality, a growing number of shoppers actually prefer to converse with bots and other digital self-service tools. One study found that more than 60% of customers report preferring having websites, apps, or chatbots answer their simpler inquiries. One of the major reasons for this is because of the faster response time. Experts predict that 80% of businesses will be using chatbots in 2020.

5. Growth of Mobile shopping

So far, we've mostly focused on the ways ecommerce is closing the gap and bringing physical store experiences online. However, there are still many things that ecommerce has up on in-person retail. One of the clear advantages is the ability to shop from anywhere. In 2019, Statista, an international data base company, estimated that by the end of 2021, 73% of ecommerce sales will take place on a mobile device. With that in mind, our site must be built using robust responsive design. Consumers should be able to shop on their phones just as easily as they can on their desktops. Ecommerce businesses are doing their best to provide a smooth user experience on their ecommerce sites with a number of payment options including e-wallets. China is a leader in online payment, with WeChat and Alipay each having over 1 billion users.

6. Availability of more options for e-payments.

We talked about the expectation around payment options for mobile, but customers are also expecting more and better payment options. For example, when shopping from an overseas business they may expect to be able to buy using their



preferred local payment provider. Additionally, customers are used to the ease of shopping on big online retailers like Amazon and Walmart. They save the customers' billing and shipping information to make for a fast and easy checkout experience without a lot of data entry. Ecommerce websites are increasingly using payment options like Apple Pay, Paypal, and other financing options that enable a frictionless checkout.

7. Use of Videos technology to widen Customer base.

In 2019, video was shown to increase conversion rates with 62% of consumers saying they watch product reviews before making a purchase. Streaming video on your homepage can also be an eye-catching way of drawing customers' attention. Zwiift, a fitness app, uses video on their homepage to capture the excitement and energy of their product. *The importance of videos can't be understated. Videos can help you explain and showcase your products better than images ever can. You should consider adding videos of your products in your ecommerce store.*

8. Ecommerce business get huge response from Subscriptions

Subscription plans have a number of advantages for retailers because they make it easier to predict fulfillment needs and allows to maintain customers for a greater long term value. In these models, regular customers are paid more attention, making it more about **customer retention** than customer acquisition. Subscription-based models try to convert long-term customers from one-time purchases to recurring purchases, by giving them continuous access to a product or service they always need. This subscription service offers delivery of recurring household needs, from goods to beauty, personal care items to baby care, automatically every month. Amazon provides a discount of 15% on goods if you subscribe and buy five or more products monthly. Prime members get 20% off these prices. Free shipping is also included and shoppers can cancel subscription anytime for free. Between 2011 to 2016, revenue for the largest retailers in the ecommerce subscription market rose from \$57 million to \$2.6 billion.

9. Sustainability is becoming more important.

In what is hopefully not a passing trend, people are becoming more aware of the role their purchasing decisions have on the Earth's limited resources. Sustainability is taking on a renewed importance for modern shoppers and brands are finding ways to weave that into their products, their fulfillment strategies, and their marketing. One survey found that 50% of respondents wanted more sustainability in the fashion industry, and 75% wanted to see less packaging. Brands that are improving their operations on behalf of the environment will have a robust impact on buying decisions. Some environmentally-friendly initiatives include:

- Biodegradable packaging
- Sourcing products from fair-trade organizations
- Going paperless
- Using recyclable supplies
- Conserving energy by demonstrating that your business uses LEDs, turns off all computers at EOD, employees work from home, etc.
- Taking on more sustainable practices and making sure your customers are aware of them can be a good way to stay competitive in 2020.

10. Business to Business model is growing and changing.

The global B2B market in ecommerce is moving solidly upward currently, and likely into the future. Global retail ecommerce sales for B2B are expected to reach \$1.1 trillion in 2021, according to data from Statista. As more B2B



businesses move online and existing online businesses hone their offerings, one factor to take into account is the changing expectations of B2B buyers. By 2020 almost half of all adults will be Millennials, which also means an increase in Millennial B2B buyers. Gen Z is starting to enter the workforce as well. These audiences prefer a simpler, more self-serve user experience that allows them to research and get the information they need without talking to salespeople.

Findings

E-commerce businesses around the world are using AI to generate more revenue and improve productivity. From chatbots to Amazon's Alexa & Google's home devices - Artificial Intelligence is already a part of our lives. While these are the top ecommerce trends we see impacting the industry, there are plenty more waiting in the wings for their moment. Will delivery drones turn the skies into a whizzing buzz of constant commerce? Will facial recognition in stores connect to customer shopping data online? Will one-day shipping become the new expectation? The world is changing very fast with these technologies adopted by the ecommerce businesses.

Conclusion:

E-commerce industry is facing difficulties in web marketing because of infrastructural difficulties and computer illiteracy in the developing nations. Some of customers in urban areas do not have credit facilities and therefore online buying and selling of goods is limited to urban class having knowledge of computer internet if Indian marketers take into account the potential of these technologies that is being used by international companies worldwide, we can definitely make success in marketing our goods in international markets.

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