Trends & Strategies in E-Commerce

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Abstract

E-commerce is a business model that allows organizations to explore global markets. The use of electronic commerce by business in developed countries has grown considerably in the past few years. This paper examines how e-commerce applications, issues, challenges, new trends, strategies. The findings from this paper demonstrate both the challenges face in using e-commerce in developing countries and the opportunities emerging from this new Internet platform for development. E-commerce stands for electronic commerce. E-commerce is improving standard among the business community in worlds, about the opportunities offered by E-commerce.

E-commerce as part of the information technology revolution became widely used in the world trade in general and Indian economy in particular. With advancements in technology, there have been many changes has been occupied. The study is qualitative and descriptive in nature and most of the data is based on secondary sources of survey data. Such an approach is adopted in the study as the area of research is very broad and sources of data are also spread across multiple locations. Since this research paper is based on exploratory study and secondary data, content analysis is done. It raises key challenges that are being faced by consumers relating to ecommerce Ethical issues. Finally many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce; critical challenges remain to be overcome before e-commerce would become an asset for common people.

Keywords: E – Commerce, E- Commerce Trends, Social Commerce, Future.

Introduction

The growing inventions and innovations in technology have impacted the way of doing Electronic business. The varied inventions have led to different data formats and conventions of communicating and sharing data over the global business and user community. Though many standardization efforts were attempted, data problems still persists and prevents e-business in achieving its fullest potential. In the globally connected world we face hurdles in managing business processes with different data exchange formats, vocabularies and structures. The rise of social networks, the mass adoption of mobile devices and the sheer breadth of global companies is transforming how consumers research products and make purchase decisions.

Research Methodology

The study is qualitative and descriptive in nature and most of the data is based on secondary sources of survey data. Such an approach is adopted in the study as the area of research is very broad and sources of

data are also spread across multiple locations. This was done in order to fully understand how the sector has transformed to meet the changing social and economic realities. The selected papers have been discussed under various sections below.

E-COMMERCE, AN OVERVIEW

The basic fundamentals behind E-Commerce are the cost reduction for consumers and improving the quality of service as well as the speed of delivery of the goods. One of the major features of E-Commerce is to save consumers from their time. Today consumer is compact in between the personal life and professional life. Hence E-Commerce helps the consumers to save more time during the online transactions. With the help of E-Commerce, an order is placed and then executed through internet quickly without any difficulty. For example, traditional banking processes take more time where as at present a banking transaction is done via the internet and the time spent is also less. Hence E-Commerce is helpful to both businesses and customers.

E-Commerce also provides benefits to the channel partners. By using E-Commerce, the dealers of the products can save on the selling expenses. Transaction cost in between producers to ultimate consumers will reduce which they can use for expanding their business. For example DELL, The Computer Enterprise, adopts such a technique to carry out their transactions using internet without involving any third party. E-Commerce models are also required less establishment cost like only a Head Office is required to manage an E-Commerce business rather than many branch offices all across the country.

Connectivity is another strength point of E-Commerce where both consumers and businesses are interconnected through internet. Customers can access the web page of the company either from their personal computers or any other places like cyber café, office, friend's home etc.

E-Commerce also protects consumers' privacy, where the entire transaction is confidential and restricted only to the consumer who is using it. Mode of payment is also very much consumer friendly by many online companies where the consumer need not use his/her debit or credit card due to the lack of trust and security. In this case companies are allowing consumers to pay cash on delivery after safe delivery of the product at their door step.

E Commerce Trends

Augmented Reality (AR)

Almost any person with a smartphone can get access to augmented reality, making it more efficient than VR as a branding and gaming tool. AR morphs the mundane, physical world into a colorful, visual one by projecting virtual pictures and characters through a phone's camera or video viewer. Augmented reality is merely adding to the user's real-life experience.

Virtual reality (VR)

Virtual reality takes these same components to another level by producing an entirely computer-generated simulation of an alternate world. These immersive simulations can create almost any visual or place imaginable for the player using special equipment such as computers, sensors, headsets, and gloves.

Difference Between Augmented Reality (AR) & Augmented Reality (AR) :

AR uses a real-world setting while VR is completely virtual

AR users can control their presence in the real world; VR users are controlled by the system

VR requires a headset device, but AR can be accessed with a smartphone

AR enhances both the virtual and real world while VR only enhances a fictional reality

Voice search

This innovative technology allows users to ask questions and issue commands to devices with a simple vocal cue—eliminating the need to lift a finger. Its impact extends beyond mere convenience; voice search is fundamentally transforming the landscape of online shopping, rendering the experience smoother, more efficient, and potentially more enjoyable.

Product customization

Product customization is about allowing customers to tweak and tailor products according to their preferences, making them uniquely theirs. This customization can range from simple options like choosing a different color, size, and material to more complex configurations like adding personalized engravings or uploading custom designs. The goal is to let customers create products that suit their tastes and needs.

Sustainability

The latest sustainability trends in e-commerce focus heavily on minimizing packaging waste, adopting circular economy practices like product buybacks and refurbishing, prioritizing carbon-neutral shipping, promoting ethical sourcing, and actively educating consumers about the environmental impact of their purchases, all while emphasizing transparency about sustainability efforts to build trust with customers; essentially moving towards a more responsible and eco-friendly approach to online shopping.

Social commerce

Social commerce is the practice of buying and selling products and services through social media. It is a subset of e-commerce that combines marketing and retail channels. Social commerce is a rapidly growing branch of e-commerce that uses social networks and digital media to facilitate transactions between businesses and customers. It encompasses activities such as product discovery, reviews, ratings, sharing, recommendations, transactions and loyalty programs.

Multiple payment

Multiple payment options allow customers to pay for goods and services using a variety of methods, such as credit cards, digital wallets, and mobile payments.

Problem statement

The development of information technology has led to the occurrence of new branches of business and opportunities for it, so-called e-business. An important, ever growing part of e-business is e-commerce, which is associated with the sale of goods and services over the Internet. Therefore, an analysis of current global trends in E-commerce will identify general trends in this area and its prospects. Global and regional trends in E-commerce affect both the national economy as a whole and individual businesses. Therefore, it is important and relevant to study the current Ecommerce state.

Analysis of recent research and publications.

Such Ukrainian scientists as Marusei T., Kirsanova V., Kovalova O., Sak T., Sinyavska O., Skrypnyk N., Zosimov V. have been involved in researching the topic of e-commerce development. Among foreign researchers in the field study of trends in e-commerce should be noted Andrienko O, G. Duncan, D. Kozier, K. E Kendall, F. Vittadello, V. Zwass and others.

Main material exposition

Rapid growth of e-commerce

India is experiencing a rapid growth in its e-commerce sector, considered one of the fastest growing in the world, driven by factors like increasing internet penetration, smartphone usage, a young tech-savvy population, and government initiatives, with projections showing the market value reaching a substantial $325 billion by 2030, according to recent reports by Deloitte and Statista.

India's e-commerce market, the eighth largest globally, has significant room to grow, with only 40% of its 1.4 billion population currently shopping online. The Indian e-commerce market is experiencing robust growth. The sector is set to grow at a 19% CAGR, reaching $400 billion by 2030.

Key points about India's e-commerce boom:

Market size: The Indian e-commerce market is expected to reach a value of around $325 billion by 2030, with a significant CAGR (compound annual growth rate).

Driving factors: Increased internet access, rising smartphone penetration, growing middle class, and the adoption of digital payment methods are key factors fueling this growth.

Major players: Flipkart and Amazon are dominant players in the Indian e-commerce market, with intense competition between them.

Emerging trends: Quick commerce, focusing on fast deliveries, is witnessing explosive growth in India with companies like Swiggy and Zomato leading the way.

Reach to rural areas: E-commerce platforms are increasingly targeting rural markets by improving logistics and providing localized services.

Impact on consumer behavior: Online shopping is rapidly becoming a part of everyday life for Indian consumers, with a growing preference for buying across categories like electronics, apparel, and groceries.

Manufacturers become retailers

In India, manufacturers are increasingly becoming retailers by selling their products directly to consumers through online platforms or by setting up their own physical stores, a trend often driven by the desire to control pricing and customer experience, with companies like Aditya Birla Fashion and Retail, Avenue Super marts (D Mart), and Landmark Group being prominent examples of manufacturers who also operate as retailers.

Key points about manufacturers becoming retailers in India:

E-commerce platforms:

Many manufacturers utilize online marketplaces to sell directly to customers, allowing them to bypass traditional retail channels and reach a wider audience.

Brand control:

By selling directly, manufacturers can manage their brand image and customer interactions more effectively.

Cost efficiency:

Eliminating intermediaries can potentially lower costs for both the manufacturer and the consumer.

Development of mobile commerce

In 2024, India's mobile commerce market is experiencing significant growth, driven by increasing internet penetration, widespread smartphone usage, and the popularity of digital payment methods like UPI, with the market a value of $147.3 billion, representing a substantial 23.8% growth compared to the previous year; this growth is further fueled by major e-commerce players like Flipkart, Amazon, and Myntra capitalizing on mobile-first shopping trends through promotional events and user-friendly mobile apps.

Key aspects of m-commerce development in India by 2025:

Dominant shopping platform: Mobile apps will be the primary channel for online shopping, with most major retailers offering dedicated, user-friendly mobile apps for seamless transactions.

Omnichannel approach: Businesses will focus on providing a unified shopping experience across all channels, including physical stores, websites, and mobile apps, allowing customers to browse and purchase products seamlessly.

Digital payment dominance: UPI and other mobile wallets will continue to be the preferred payment method, further boosting mobile commerce adoption.

Emerging technologies: Augmented Reality (AR): Virtual product try-on experiences will become common for apparel, cosmetics, and other goods through AR features on mobile apps.

Voice shopping: Voice-activated assistants will be used for product searches and purchases, particularly among users comfortable with voice commands.

Social commerce: Buying directly through social media platforms will see increased traction with integration of shopping features on social media.

Tier 2 and 3 market penetration: Mobile commerce will expand rapidly in smaller towns and villages due to improved internet access and growing smartphone usage.

Personalized shopping experiences: Data analytics will be used to deliver customized product recommendations and targeted marketing based on user behavior and preferences.

Focus on customer service: Mobile apps will incorporate features for easy customer support, order tracking, and return management.

Growth in the popularity of marketplaces

By 2025, online marketplaces in India are expected to see significant growth in popularity, with the e-commerce market projected to reach a substantial size, driven by factors like increasing internet penetration, rising disposable income in Tier 2 and 3 cities, and the growing adoption of digital payments, leading to a surge in online shopping across diverse categories including groceries, fashion, and electronics; with quick commerce platforms like Insta mart and Blin kit playing a crucial role in this expansion.

The Indian e-commerce market is projected to grow from US$ 123 billion in 2024 to US$ 292.3 billion in 2028, reflecting a compound annual growth rate (CAGR) of 18.7%. According to a Deloitte India Report, as India is moving towards becoming the third-largest consumer market, the country's online retail market size is expected to reach US$ 325 billion by 2030, up from US$ 70 billion in 2022, largely due to the rapid expansion of e-commerce in tier-2 and tier-3 cities. In FY24, tech and e-commerce giants Google, Meta, Amazon, and Flipkart generated over Rs. 60,000 crore (US$ 7.19 billion) in advertising revenue, a 9% increase from Rs. 55,053 crore (US$ 6.60 billion) in FY23. India's Business-to-Business (B2B) online marketplace would be a US$ 200 billion opportunity by 2030.

Driving factors:

Increased internet penetration: More people in Tier 2 and 3 cities are accessing the internet, expanding the potential customer base.

Mobile commerce: Smartphone usage is driving online shopping habits.

Social commerce: Platforms like Instagram and Facebook are being used for shopping, fueled by influencer marketing.

Quick commerce: Services like instant delivery of groceries and other essentials are gaining traction.

Artificial Intelligence Applications for Personalization and Sales Automation In India in 2024, artificial intelligence (AI) is being used for personalization and sales automation through features like AI-powered chatbots for customer interactions, personalized product recommendations based on customer data, predictive lead scoring, automated email marketing campaigns tailored to individual customer needs, real-time insights for sales reps based on customer behavior, and intelligent sales forecasting tools; with companies like Tata Elxsi, Fractal Analytics, and Haptik leading the way in developing these AI solutions.

Source: https://www.marketresearchfuture.com/reports/india-artificial-intelligence-market-21411
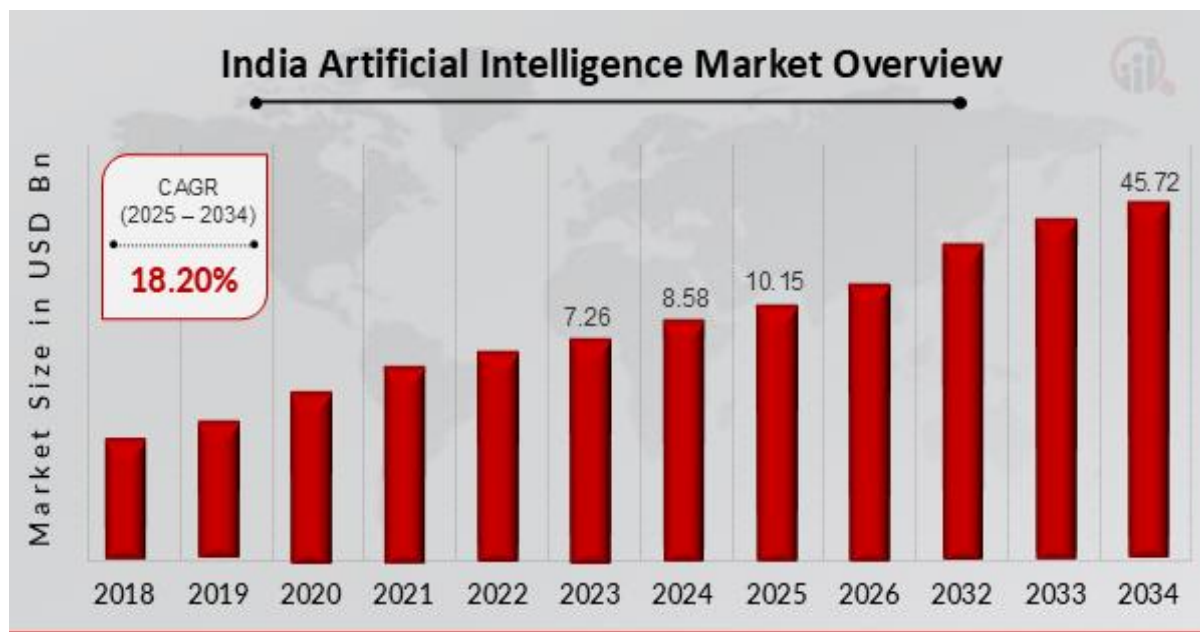
In this diagram explain is India Artificial Intelligence Market is projected to grow from USD 10.15 Billion in 2025 to USD 45.72 Billion by 2034, exhibiting a compound annual growth rate (CAGR) of 18.20% during the forecast period (2025 - 2034). Additionally, the market size for India Artificial Intelligence Market was valued at USD 8.58 billion in 2024.

Focus on the younger generation
In India, the younger generation is a key driver of e-commerce usage, heavily utilizing platforms like Instagram, Snapchat, and YouTube for online shopping, with a significant portion of their online activity happening through social media, contributing to the growing trend of "social commerce" within the country; this is primarily due to their high level of smartphone penetration and comfort with digital platforms. the number of online shoppers in India is projected to reach 350 million by 2025, driven by the youth demographic, improved connectivity, and the proliferation of affordable smartphones.

Support for small and local businesses
In India during 2023-24, the primary support for small and local businesses in e-commerce comes from the government-backed "Open Network for Digital Commerce (ONDC)," which aims to create a level playing field by allowing smaller retailers to access a wider online marketplace, competing more effectively against large e-commerce giants like Amazon and Flipkart; this initiative is facilitated by various ministries including MSME, Commerce and Industry, and Digital India, focusing on onboarding small businesses and artisans to enhance their digital presence. he Indian online grocery market is estimated to reach US$ 26.93 billion in 2027. India's e-retail market is projected to exceed US$ 160 billion by 2028, driven by strong post-pandemic growth and significant potential for expansion, as online spending currently represents only 5-6% of total retail spending compared to much higher rates in the US and China.

Conclusions

E-commerce is an industry that is constantly evolving and offers great potential. E-commerce companies are constantly seeking ways to outcompete their rivals. As a result, new trends emerge on the market every year. Keeping up with these trends is a challenge for entrepreneurs. It is often difficult to decide whether a given trend will be a breakthrough or just a passing fad. Each of the aforementioned trends is an interesting subject for research. Choosing the right trend is a challenge for companies. It is necessary to select the right actions and methods of implementation that will allow for gaining an advantage over the competition. Choosing the wrong trend can cost a company dearly

E-commerce businesses have a lot to do in the next years. Acting in accordance with the latest trends includes placing the customer and his needs at the center of activities carried out by e-sellers. To achieve this, it is worth using chatbots, sending personalized newsletters, offering modern payment methods and acting in accordance with ecology. In these activities, it is necessary to use new technologies and solutions, such as Big Data, the Internet of Things or Artificial Intelligence. It is indisputable that in such a turbulent environment only those enterprises that can constantly adapt to change have a chance of survival.

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