

Rapid development of e-commerce

[Business](#), [Industries](#)



Electronic commerce, also referred to as e-commerce, is basically the use of internet to aid businesses and sales transactions. As internet grew from its nascent stages to the complex cobweb that it is today, e-commerce grew at a similar pace side by side. This essay will illustrate the current state of global e-commerce and the likely shifts that are poised to occur in the e-commerce industry during the next five years. In this aspect, particular emphasis will be placed upon the changes in technological, business and societal factors that are likely to happen due to this evolution.

Vision of e-commerce today

E-commerce today comprises of a highly complex virtual business space supported by the significant increase in internet data transfer speeds. While dedicated e-commerce websites such as Amazon, EBay and Alibaba continue to penetrate into untapped markets around the globe, it is the rise of social media that has brought about the most change to the way e-commerce is conducted. The presence of a variety of social media platforms have allowed individual vendors and small businesses to make a significant mark in the global economy through the use of unparalleled consumer access provided by social media platforms. The advent of virtual currencies, online cashless banking, greater internet penetration and speeds and competitive prices has allowed the lower and lower-middle classes to also jump on the e-commerce bandwagon. As a result, developing and underdeveloped countries are witnessing a significant increase in e-commerce today and e-commerce continues to increase its share of retail sales the world over.

Impending developments in e-commerce in the next five years

The next five years are poised to develop the e-commerce industry even further. At present, consumers only order certain product categories online. These products include electronics, videogames, movies and food and the electronic sales of products such as office supplies, auto parts and personal care products remains woefully low. As e-commerce transactions become easier to perform, consumers are likely to shift to e-commerce for all their needs. This means that those product categories, which were neglected up till now, are likely to receive a tremendous boost in sales.

Secondly, improvements are also poised to occur in the method of goods delivery. At present, product delivery methods are cumbersome and frequently face delays and cancellations due to both human and natural factors. This is all set to change with the introduction of drones that will deliver the products directly to consumers (Laudon & Traver, 2016). This method of product delivery is poised to be faster and more efficient than traditional methods because traffic congestions and accidents are less likely to impact product delivery if products are transferred through the air. It will also be more cost effective to use drones as fuel charges and delivery rider charges are also likely to be reduced to zero. Several fast food franchises have already started to deliver pizzas through drones and e-commerce giants Amazon and EBay are poised to start drone delivery in the coming months as well.

The coming five years are also likely to bring an improvement to transaction modes and methods (Kueter & Fisher, 2000). Currently, the presence of a

variety of payment options frequently overwhelms and confuses consumers. E-banking, PayPal, website credits, bit coins and a slew of other payment modes has made the e-commerce industry convoluted and complex. Therefore, the industry would greatly benefit if a single cashless payment mode is introduced which would then be accepted and integrated by every major e-commerce giant. Similarly, revolutionary changes are also inevitable in how consumers shop. A reputable e-commerce giant has proposed a service where consumers select items on their phones and pick up their desired goods from retail outlets directly without stopping at check out kiosks. The products would be automatically scanned when consumers would leave the stores and charged to the consumers' accounts later on. This would save consumers a lot of time in addition to reducing sunk costs for businesses by eliminating most of the sales workforce and other related office costs.

In addition, mobile based e-commerce is also expected to increase in the near future. Consumers presently prefer to buy products using desktops, laptops and tablets with only a small percentage using mobile phones for e-commerce. However, with the introduction of faster and more efficient applications, more consumers are likely to use mobile phones for e-commerce (Abwanzo, 2013). This is especially beneficial for third world countries where internet and mobile penetration has reached stratospheric levels. The ease of use of mobiles in e-commerce applications is also likely to be a major factor in the greater use of mobiles for buying and selling products on the internet.

Potential technological, business and societal shifts

Technologically, e-commerce is poised to take a massive leap forward. The use of drones for product delivery is likely to increase along with the use of mobiles and mobile applications for buying and selling products (Dahlberg, Mallat, Ondrus, & Zmijewska, 2008). Virtual assistants may also be introduced in the near future to aid consumers and answer queries related to products. In addition, improvements in 3-D printing may result in consumers producing a large number of products in-house after purchasing their blueprints over the internet. Simultaneously, newer and faster methods of payment processing will also be introduced.

From a business perspective, the spread and evolution of e-commerce will continue to favor small businesses more as consumer outreach increases as a result of increasing internet and social media penetration. Secondly, a decrease in operating costs resulting from increasing e-commerce is likely to drive profits higher and will result in greater investment in telecommunications and internet sectors. Home-based businesses are also likely to increase in number leading to a decrease in unemployment and increase in economic growth.

From a societal perspective, e-commerce will increasingly break down regional and political boundaries as consumers from all over the world interact amongst each other with greater ease (Vaithianathan, 2010). This would lead to an increasingly globalized community which would be driven by trends and economic growth indicators. Simultaneously, this would diminish the monopoly of a select few corporations on the global economic

system by providing small business owners with unparalleled access to consumers. In addition, e-commerce is likely to bring people together while supporting a capitalist way of life that diminishes thrift and encourages spending.

Conclusion

In the last decade, the rapid development of e-commerce has touted some researchers and analysts to label it as the future of shopping. Although, e-commerce accounts for a measly 7 percent share of global yearly retail sales today, it is poised to rapidly increase its share in the coming years.

Undoubtedly, this potential rise is likely to be supported by technological advances and increasing internet penetration in the world's poorest areas.