To: Vijay Chandrasegaran

From: Jeremy Duong

Subject: E-commerce Is Changing Fast in 2022

Hello Vijay,

I have completed my research on the trends of e-commerce in 2022. There are a few key trends that may greatly influence the future of our company. As you read through these trends, I would draw your attention to the way consumers are changing their expectations and behaviors, as well as how we need to change our technology to meet the consumers’ needs. These trends are:

1. **Omnichannel E-commerce has Become an Expectation**

As we have already known, technologies are changing daily. With the evermore frequent releases of new and different types of computer devices as well as the new types of software that accompany them, e-commerce companies such as ours need to be able to adapt to these new technologies in order to maximize the number of customers using our service. These technologies include the traditional desktop computer, smartphones, tablets, and many more.

As these technologies continued to be developed, changed, and improved, so is the customers’ comfort in using technologies to interact with the world. According to *globalpayments.com,* “over half of consumers consider themselves more digital than ever before, with 39% shopping from a smartphone daily or weekly and 23% saying that they shop online at least daily.” [1] It is plain to see that online shopping has become a norm, and online shopping with unconventional devices, such as the smartphones, is becoming more and more common.

1. **Social Media has Become a Common Mean where Online Shopping Takes Place.**

According to *shopify.com, “*about 30% of internet users in the United States already make purchases directly within social platform, and sales through social media channels around the world are expected to nearly triple by 2025.” [2] We can see this trend more clearly by looking at Facebook. More than 33% of Facebook users are predicted to make purchases directly through Facebook itself and not some other websites. [3]

Social media platforms such as Facebook, Twitter, Instagram, TikTok, Snapchat, and many others are overwhelmingly common among the younger generations. As such, the youths nowadays feel much more comfortable using the platforms they are already using for the purpose of making purchases online. However, this does not necessarily mean that any marketing strategy on social media platforms will bring success with the younger population. In fact, integration with social media platforms must be done carefully and with great consideration to bring success. Certainly, the types of goods advertised or shown through such platforms must be ones that the younger people care about.

According to Robert Befumo, head of e-commerce strategy at Parkfield Commerce, in order to successfully reach the young of shoppers, “brands’ activity on social media needs to be genuine… You need to have an understanding of [this group of] audience and speak their language.” [4] This means that each product made available to the young shoppers through social media must be carefully studied and predetermined to be something desired by them before the money is spent to put it on such platform.

1. **Using Artificial Intelligence to Personalize Customers’ Shopping Experience**

One of the biggest trends of e-commerce in recent years is the use of artificial intelligence in many different aspects of the customers online shopping experience. In recent years, the use of AI has continued to prove able to effectively meet the customers’ needs while keeping the cost of human labor to the minimum. There are 4 aspects of e-commerce in which AI has proved to be most effective: chatbots and virtual assistants, product recommendations, personalized e-commerce (personalized ads), and inventory management [5]. In these 4 areas, AI technologies can be used to analyze users’ data, including their interaction with different websites, and recommend the right products, display the right ads to the customers, answer users’ questions, and suggest the number of items available in stock for each product based on sale trends.

According to *medium.com,* “40% of the online shoppers are looking for great offers and shopping deals from chatbots.” [6] According to *financedigest.com,* Servion Global Solutions warned that “by 2025, AI will power 95% of all customers interactions, including live telephone and online conversations…” [7] Clearly, AI has and will become more and more dominant in the customers interaction with online shopping. Customers will continue to feel more comfortable using services provided by AI, and the technology will continue to prove cost-effective to businesses. As such, businesses that fail to adapt their business models around this technology will certainly have to face the risk of being dominated by their competitors.

**Conclusion:**

To sum up, the 3 main trends of e-commerce in recent years are that the customers are expecting online shopping services to be accessible on any platform, social media has become a very effective tool to reach customers, and that artificial intelligence will significantly improve the work of personalizing customers’ experience in near future. Business decisions regarding marketing strategies, technologies use, and human resources management must be carefully made with regards to taking advantages of these trends.

Thank you for your time!

Jeremy Duong.

**Citations:**

**[1]** *Top 5 2022 payment & commerce trends | global payments*. (n.d.). Retrieved June 2, 2022, from https://www.globalpayments.com/commerce-payment-trends

**[2], [3], [4]** About the author Oliver Lindberg Oliver is an independent editor. (2022, January 26). *10 ecommerce trends that will define online shopping in 2022*. Shopify. Retrieved June 2, 2022, from https://www.shopify.com/partners/blog/ecommerce-trends-2022

**[5], [6]** Countants. (2019, September 18). *How artificial intelligence is transforming the e-commerce industry - countants : Scalable custom...* Medium. Retrieved June 2, 2022, from https://medium.com/@Countants/how-artificial-intelligence-is-transforming-the-e-commerce-industry-countants-scalable-custom-73ae06836d35

**[7]** *AI will power 95% of customer interactions by 2025. Finance Digest. (2017, March 10).*

*Retrieved June 2, 2022, from*

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