**DIGITAL COMMERCE**

**(**Digital commerce is the buying and selling of goods and services using digital channels such as the internet, mobile networks, and commerce infrastructure. **)**

**Digital commerce refers to buying and selling things online.** Digital commerce can occur anywhere you’ve got a WiFi connection, from your smartphone, TV, fridge, or iPad, to all the different connections online like social media, [**Livestream shopping**](https://www.vaimo.com/livestream-ecommerce-is-the-future-of-shopping/), and more

Digital commerce enables customers to purchase goods and services through an interactive and self-service experience. It includes the people, processes and technologies to execute the offering of development content, analytics, promotion, pricing, customer acquisition and retention, and customer experience at all touchpoints throughout the customer buying journey.

# Digital Commerce vs eCommerce

* It’s a matter of phrasing because for most people, ecommerce and digital commerce mean **the same thing**. For posterity’s sake, let’s look at the different definitions floating around online.
* Digital commerce is the newer term, but it only came around because the scope of ecommerce broadened over time. You could potentially say that the range of digital commerce is broader.
* Some understand ecommerce to mean the website you visit to buy products or services. They see “digital commerce” as a digital transaction.
* Still, others define digital commerce as a fully automated successor to ecommerce.
* Perhaps by renaming ecommerce as digital commerce, we understand that the commerce website stretched to include many channels

Despite electronic commerce being on the special rise after the pandemic, many business and marketing experts agree that now we are entering the era of digital commerce which is a new step in eCommerce evolution. However, the concepts of electronic commerce and digital commerce are often mixed up so let’s draw a clear line between them and discover how to prepare your business for the upcoming changes and challenges.

**Some examples of digital commerce include:**

* the marketing activities that support these transactions, including people, processes, and technologies to execute the offering of development content
* analytics and promotion
* pricing
* customer acquisition and retention
* customer experience at all touchpoints throughout the customer buying journey.

**“There was a time when digital commerce meant static storefronts and shopping carts. Today, digital commerce spans an integrated set of personalized digital experiences, from customer acquisition through retention, which are often owned and managed by marketing.”**

## eBusiness vs Digital Commerce vs eCommerce

The concepts of electronic business (eBusiness), digital commerce (D-commerce), and eCommerce have a lot in common and overlap greatly. Let’s define them one by one to find out the difference between eCommerce and eBusiness, and discover the place of digital commerce among them.

### eBusiness Definition

Any money-making activity on the web can be called electronic business. Scientific resources define eBusiness as a certain business model that implies using information technology tools to make a profit. Electronic business covers all the possible activities on the web aimed at money-making, including but not limited to selling products and services online, running a crypto business, or creating an income from blogging.

### What Is eCommerce?

Electronic commerce, in turn, is the process of selling products and services online, using a trading platform as the main interaction point and electronic transactions as one of the possible payment methods. eCommerce is a more narrow concept, compared to electronic business.

### What Is the Digital Commerce?

* Digital commerce, in turn, is the next step in eCommerce evolution. While eCommerce refers only to the process of selling and buying online, digital commerce is more about delivering customer experience using the whole set of digital tools. Digital commerce is customer-centric and experience-centric, aimed at creating holistic impressions and experiences across multiple marketing channels.
* Leveraging Big Data is the only opportunity to create the highest-end digital commerce experience, stand out from the competition and have a growing pool of loyal customers. That’s why the businesses driven by this goal use multiple technologies, tools, and apps integrated and exchanging data with each other.

**The Technology Behind Digital Commerce**

Below are the main tools and apps modern businesses use to deliver an outstanding digital commerce experience, boosting their revenues, supporting loyalty, and staying sustainable at once.

1. **Content Management System.**A content management system or CMS is the main tool for website content storage and delivery. There are a lot of both simple and more advanced content management systems, however, their embedded features directly influence the experience you can create with their help. For example, running your eCommerce store on the top of Magento allows for connecting to the [Adobe Experience Platform](https://business.adobe.com/products/experience-platform/adobe-experience-platform.html). The latter will help to leverage customer data, including but not limited to their purchasing history and behavior patterns to deliver even more personalized shopping experiences.
2. **Customer Relationship Management System**. A CRM is another advanced tool for managing relations with the customers, getting started from their first touchpoint with the brand. SalesForce is one of the most advanced and sophisticated CRM systems that connects marketing, commerce, sales, customer service, and IT processes under the roof of a single solution.
3. **Supply Chain Optimization System.** Using a supply chain optimization system is essential for businesses eager to cut costs at a better delivery speed, staying sustainable and eco-aware.
4. **Marketing Automation Solutions.** Using digital marketing solutions, and most importantly, the ones that allow for marketing data gathering, analysis, and campaign automation is a must for the businesses striving to deliver top-notch digital experience. The set of such solutions includes but isn’t limited to email marketing automation, social media management, PPC campaigns analytics, lead generation tools, and much more.
5. **AI-Powered Fraud Prevention Apps.**The sphere of electronic commerce is directly interconnected with online banking. while secured payment opportunities are one of the pillars of an outstanding digital commerce experience. That’s why modern businesses heavily opt for AI-powered fraud detection and prevention tools that allow for storing customer financial data in a more secure way and detecting potentially fraudulent transactions.
6. **Customer Behavior Analysis Tools.**Customer behavior patterns are changing frequently under the pressure of evolving trends. For example, Gen X customers (Millenials) are more likely to buy an environmentally-friendly product for a higher price even if there is a cheaper analog. Unlocking customer insights with the help of Big Data analytics becomes essential for the eCommerce businesses driven by the goal to foresee customers’ needs, meet their expectations, and deliver an omnichannel digital experience.
7. **Price Optimization Software.** While the product’s price isn’t the only decisive factor for the modern customers, keeping it at the reasonable and expected level is important, in addition to the other digital customer experience perks your store can offer. Using AI-powered price optimization software makes sense for staying updated on changing market trends, and quickly adjusting the price of your products being guided by historical and current data.
8. **Virtual and Augmented Reality Software**. Using virtual and augmented reality technologies is an emerging trend leading eCommerce businesses to begin to follow. For example, Ikea has an augmented reality app that allows for fitting a certain furniture item into the interior of the user. H&M offers an application for virtual try-on. VR and AR software is projected to evolve, revolutionizing the eCommerce experience so getting started with it now makes a lot of sense.
9. **AI Chatbots and Voice-Powered Virtual Assistants.**These are the tools that modern customers are already used to. Smart chatbots and virtual assistants, especially voice-powered ones, have already become an integral part of the digital commerce experience. They are also great at gathering customer data, spotting their behavior patterns, and suggesting deeper personalized offers.

## How to Get Ready for a New Era in Digital Commerce?

So, eCommerce is evolving and transforming into digital commerce. While this process will not be instant, getting ready for it now makes a lot of sense for building a future-proof eCommerce business. Below are getting-started tips for the eCommerce companies eager to join the digital commerce race.

### Find out where you are now

As always, any strategic change begins with analyzing the current point. So, get started with business analysis, taking a deeper look at the current state of your business and the market, re-analyzing your customers’ preferences and expectations, and discovering the number of resources you can invest in changing your business digitally.

### Define the weak points of your eCommerce business and fix them

In 2020, one-third of US small businesses hadn’t a website. This is the simplest but still the clearest example of what your eCommerce business may lack to successfully deliver the digital commerce experience modern customers would like to have. So, define the weal points of your eCommerce business, and get started with fixing them step by step.

### Get started with digital transformation

Digital transformation isn’t an ongoing process that implies integrating multiple tools and solutions we have overviewed above. At this stage, partnering with a tech vendor makes the most sense in the long run. Their technical expertise along with the opportunity to instantly hire the necessary tech talent would be strong support along your digital transformation path.

## WHY IS DIGITAL COMMERCE IMPORTANT?

Within the [**B2B**](https://www.vaimo.com/expertise/b2b-ecommerce/), [**B2C**](https://www.vaimo.com/expertise/b2c-ecommerce/), and [**D2C**](https://www.vaimo.com/expertise/d2c-ecommerce/) arenas, consumers interact with brands and retailers in new ways. Digital commerce now encompasses the entire customer journey, a new world where consumers and brands interact across a blend of physical and digital spaces.

## THE FOUR BENEFITS OF DIGITAL COMMERCE

The benefits may seem obvious, but digital commerce can provide more than just a boost in sales.

### EASILY EXPAND INTERNATIONALLY

* Digital commerce makes it more manageable and cross-effective to reach consumers worldwide.
* If you plan to expand internationally, you must prepare for the [**logistics of global sales**](https://www.vaimo.com/expertise/). While many consumers shop from international brands, they expect fast shipping at little to no additional cost.

### MANAGE MULTIPLE BRANDS

* Manage multiple brands simultaneously with digital commerce. With the right ecommerce solution, you can easily reuse assets, manage product information in one centralized location, and deliver memorable experiences to the right audience based on [**targeted data**](https://www.vaimo.com/services/digital-enablement/ecommerce-analytics/).

### OFFER A BETTER CUSTOMER EXPERIENCE WITH CUSTOMER DATA

* Nearly [half of buyers](https://www.businesswire.com/news/home/20191217005699/en/Frustrated-Consumers-Times-Satisfied-Consumers-Avoid-Buying/) would pay more for a better digital shopping experience. Additionally, this same group of customers would not buy from the same business again if their experience was poor.
* That’s why it’s essential to gain an in-depth understanding of the experience your customers expect. Focus on the entire customer journey, pinpoint the speedbumps, and utilize [**customer data**](https://www.vaimo.com/services/digital-enablement/ecommerce-analytics/) to improve the overall experience.
* Digital commerce can provide invaluable customer data when used with the right tools. You can provide a more personalized experience across all channels by harnessing customer data. Customer data allows brands to acquire new customers, build loyalty with existing customers, and improve overall sales.

### MEET YOUR CUSTOMERS

* A digital commerce strategy empowers you to meet your customers anywhere.
* This could be a timely text message promoting a new product to a customer while they ride the train for their morning commute. It could bring helpful guides to a new mom, including pointing out must-have items from your online store.
* Regardless of what you are selling, this strategy allows you to interact with your customers on a new level. You are invited into your customers’ homes and daily lives, allowing you to reach them with highly targeted, ongoing experiences.

## SEVEN TOP TRENDS IN DIGITAL COMMERCE

Trends in digital commerce move at lightning speed. Expect the following key trends to make waves in the coming year.

### OMNICHANNEL ECOMMERCE AND CONTENT

* Buzzwords come and go, but for us, omnichannel still means a seamless transition from one channel to the next. Creating and delivering the right message at the right time and place improves brand awareness and supports a consistent [**customer experience**](https://www.vaimo.com/services/customer-experience/customer-experience-optimization/) across channels.
* Whether your customers interact with you via an app, a social media messenger, or in person, the experience should be the same.
* This also allows you to deeply understand your customers via cross-channel analytics.

### DIGITAL-FIRST

* By 2023, [58% of retail sales](https://www.retaildive.com/news/58-of-retail-sales-will-be-influenced-by-digital-by-2023/545080/) will be influenced by digital. Having a digital-first approach to your strategy is a business essential.
* Digital-first means incorporating every interaction your customer might have with your brand into your digital strategy.
* For example, suppose a customer visits your brick-and-mortar location to look at a product. In that case, you might retarget them later with an SMS message offering a promotion to complete their purchase online. Linking all channels into one strategic approach will influence your brand’s future success.
* Additionally, this means unifying all teams across your company to work towards a digital-first approach. From sales to marketing to warehouse management, the focus should be on digital channels.

### CUSTOMER DATA IS THE KEY TO A PERSONALIZED EXPERIENCE

* If your brand is not using customer data, now is the time to begin. Customers expect a personalized experience when interacting with brands. Understanding your customer will involve a deep dive into analytics on consumer behavior.
* While digital commerce allows brands to learn more than ever before about their customers, this is only as useful as your business’s ability to analyze and adapt.
* Use your customer data to build personalization into the heart of your customer experience and cascade it across every interaction. Use targeted offers, personalized headlines, or an organized record of shopping history to keep your customers coming back for more.

### HEADLESS ECOMMERCE

* If you feel like your ecommerce platform isn’t growing along with your business or worse, impeding growth, it might be time for a change.
* [**Headless ecommerce**](https://www.vaimo.com/expertise/headless-ecommerce/) refers to the concept where the frontend presentation layer, or the “head” of the website, is separated from the backend or the “body.” A lightweight **application programming interface (API)** facilitates communication between the systems.
* Headless ecommerce provides the ability to deliver updates and customizations to the frontend without affecting the backend. Easily reach your customers with consistent, relevant, and timely content experiences across all touchpoints.

**Related Reading:**[**Headless and Composable–The Next Step in Digital Commerce**](https://commerce.vaimo.com/composable-headless-webinar)

### COMPOSABLE ARCHITECTURE

* [**Composable Architecture**](https://www.vaimo.com/expertise/composable-architecture/) takes the headless concept a step further with an ecommerce system fully made of “composable” building blocks that work together as one unit.
* Composable Architecture allows you to choose and tailor the best-of-breed tools and functionality to fit your business needs. The lightweight, flexible concept fully supports the constantly evolving needs of a modern ecommerce business.

**Related Reading:**[**Is Composable Architecture Right for You?**](https://www.vaimo.com/is-composable-architecture-right-for-you/)

### ARTIFICIAL INTELLIGENCE

* Artificial Intelligence (AI) uses advanced analysis, logic-based methods, and machine learning to support and automate choices, define events, and perform actions.
* Use AI in your ecommerce solution in areas ranging from product recommendations and customizing the user journey to site search optimization.

**Related Reading:**[**AI in Ecommerce–It’s Everywhere**](https://www.vaimo.com/ai-in-ecommerce/)

### ECOMMERCE MARKETPLACE

* An online marketplace provides customers with the convenience of a one-stop shop and the chance to take advantage of the best prices.
* Adding an [**ecommerce marketplace**](https://www.vaimo.com/expertise/marketplace-ecommerce/) as one of your sales channels brings many advantages, such as a relevant audience, visibility online, and a chance to reach worldwide markets with relatively low overhead costs.

## FIVE TIPS TO IMPROVE YOUR DIGITAL COMMERCE

* Almost every business today partakes in digital commerce in some form or another. However, many businesses are in danger of being left behind in this space.
* If your ecommerce strategy involves setting up an ecommerce website and calling it a day—it’s time to adapt.
* Improving your approach involves a few key strategies.

### FOCUS ON MOBILE

* Data shows that [50% of website traffic](https://www.statista.com/markets/424/topic/539/reach-traffic/#overview) now comes from mobile devices. A digital commerce strategy must focus on improving the mobile experience. From investing in a mobile app to improving the mobile version of your website, be sure to pay attention to the mobile experience with your brand.

**Related Related:**[**Omnichannel Strategy and Investments in Mobile Commerce**](https://www.vaimo.com/omnichannel-strategy-investments-in-mobile-commerce/)

### PROVIDE MULTIPLE, FLEXIBLE PAYMENT OPTIONS

* Consumers want to be able to pay in a myriad of ways. This includes everything from connecting popular payment options to your ecommerce store to offering monthly financing options. Digital commerce should consist of a strategy around expanding your payment options.
* More payment options make it easier for consumers to choose to purchase your products over a competitor.

### ADOPT A MARKETING AND SALES STRATEGY BACKED BY BEST PRACTICES

* Jake Sorofman, Vice President of Research at Gartner, stated: “There was a time when marketing and selling were two distinct disciplines. In many cases, digital merges these two into a single, continuous activity from initial awareness, through engagement, conversion, transaction and repeat purchase.”
* Your strategy must be backed by best practices that combine marketing and selling into an optimized experience. It is no longer enough to serve up an ad to a customer and hope they convert to a purchase. Instead, it’s becoming an interactive experience.
* With the rise of conversational commerce, shoppable content, and AI-powered personalization, your business must continually adapt to new best practices in both the digital and physical realm.

### MEASURE YOUR EFFORTS

* Don’t just measure sales—track your overall efforts through meaningful KPI’s. Define KPI’s that tell you relevant information about your shoppers, such as the number of visits before a purchase, the types of channels they use or products they buy, and time spent on the site.
* Take a deep dive into your content. What content supports your KPI’s? By working through customer personas and customer data you have around your content, you begin to understand the type of content that really resonates with your customers.

Look at customer behavior around content like:

* Did they click on the “Read More” under product details?
* Did they often click on the recommended products?
* Did they visit the Shipping and Returns page?

This data provides a deeper insight into how your content is performing. Armed with this knowledge, you try different types of content, work with A/B testing, and CTAs (call-to-action) to see what helps your KPI’s.

### WHEN IT COMES TO A PARTNER—CHOOSE WISELY

* At Vaimo, we specialize in helping businesses improve their digital commerce strategy. Whether you are hoping to add new channels or optimize existing customer experiences, our team can help you use the power of data, [**analytics**](https://www.vaimo.com/services/digital-enablement/ecommerce-analytics/), and testing to create an [**improved strategy**](https://www.vaimo.com/services/digital-enablement/ecommerce-strategy/).
* We can help you implement the right technological solutions to ensure your business can continue to scale over time. The right ecommerce solution will make managing multiple channels, product information, and content more efficient. [**Reach out today**](https://www.vaimo.com/contact/) to learn more about optimizing your ecommerce strategy.

## Challenges of digital commerce

Some challenges like online identity verification will remain outside of your direct control. However, the greatest challenge will be outshining competitors in your industry. As you’re learning, so are they. The race between your ability to [deploy new strategies](https://www.optimizely.com/insights/blog/debunking-5-dxp-myths-holding-back-your-digital-transformation/), campaigns and experiences will determine who comes out on top.

The main challenges digital commerce brands need to overcome include:

* Omnichannel experiences – Optimize all of the digital touchpoints you provide for the best customer experience you can possibly achieve.
* Reverse logistics – When customers need to access after-sales services, you need to ensure you can respond effectively if you want to grow customer loyalty.
* Product personalization – More customers want personalized products and shopping experiences from the convenience of their own home.
* Securing customer data – There is a consistent rise in cybercrimes that threaten customers’ private data. You’ll need to convince your consumers you are taking the necessary precautions to keep their information safe.