

# The future of e-commerce

Since the web first ushered in a new era of e-commerce, marketplaces, payment services, and massive scaling of shipping and distribution networks have made e-commerce successful. This reading considers how e-commerce might change over the next decade.

## Future trends for e-commerce

No one can say for sure which innovations today will be used tomorrow. However, a few e-commerce trends stand out:

- Specialization of smaller retailers
- Immersive customer experiences
- Distribution and delivery innovations

### Specialization of smaller retailers

Large online marketplaces and retailers will still probably account for most online purchases. Smaller retailers may increasingly become more specialized by offering highly customizable products, niche product categories not offered by the larger retailers, and more personalized service.

### Immersive customer experiences

Today, many customers still like to go to a physical store because they want to handle or try on an item before they buy it. Virtual and augmented reality can provide immersive experiences online so customers feel like they've handled an object or tried on a garment without actually making a trip to the store.

**Virtual reality (VR)** is fully immersive. By putting on a VR headset, users are able to view a simulated physical world with audio-visual feedback. Imagine putting on your headset and going to the virtual dressing room to try on clothing items before buying them. That is an example of a VR experience.

**Augmented reality (AR)** is semi-immersive. Users may not need to enter a simulated physical world. AR adds audio-visual feedback to your existing world. What if you could automatically view sunglasses in your shopping cart overlaid on a virtual image of yourself on your phone? What if it saved items from any e-commerce store so you could "try them on" again? This would be an AR solution to shopping at different stores in person.

**Chatbots** are computer programs designed to simulate conversation with human users. They can ask you if everything is fine and if you need help. This would be an online version of a sales associate asking you the same questions in a physical store. Artificial intelligence (AI) and machine learning by chatbots using data from actual conversations may improve the overall experience for shoppers.

### Distribution and delivery innovations

You might have heard or read about the possibility of drones or self-driving vehicles making the last-mile trip between a warehouse and a residential home or office. These methods of distribution and delivery may be commonplace in the next ten years.

## Key takeaway

No matter which technologies end up being adopted over the next ten years, e-commerce will continue to grow, and our daily lives and habits will change, too.

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