10 NEXT GENERATION E-COMMERCE TRENDS YOU SHOULD ABSOLUTELY KNOW ABOUT

SOCIAL COMMERCE

B2B FEATURES

MONETIZATION

OMNI-CHANNEL

BIG DATA & ANALYTICS

PERSONALIZATION

MARKET PLACES

PRODUCT INFORMATION

MOBILE POS

MOBILE COMMERCE

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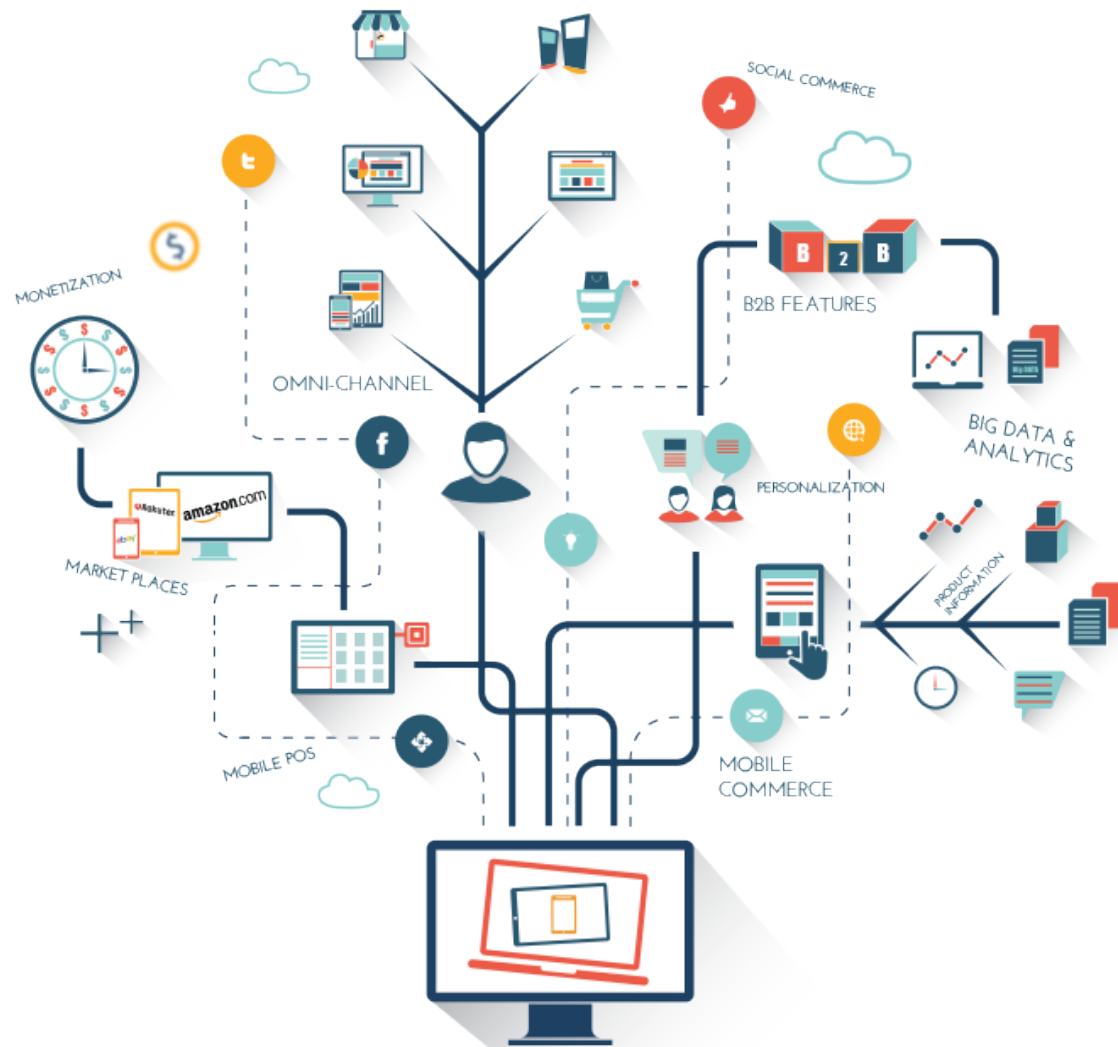
Drive your *ideas*...

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INTRODUCTION

In today's technology driven world, internet and mobile technology has had a dramatic impact on both our personal and professional lives. It has changed the way we live, shop, connect and work, and retail businesses and commerce are no exceptions to this trend. Gone are the days when retailers had to invest in setting up brick-and-mortar stores as their primary point of sale. Today, more and more consumers prefer shopping online. Not only is online shopping faster and more convenient, but it also provides consumers with options that were previously not possible. For instance, online shopping has made it easier for consumers to research the product, compare prices, read customer reviews, and consult with others via social media. It has also allowed buyers to shop from merchants regardless of geographic location, instead of being limited to the sellers in their neighborhood or local mall.

Consumers are increasingly taking charge, leveraging different sources of information and channels to optimize their shopping experience. As a consequence, they expect retailers to keep pace or risk becoming extinct. Below, we have highlighted a few trends that will change the face of e-commerce in the coming months and years, each of which present challenges for retailers and other businesses who must adopt them to remain competitive.

Big Data & Analytics

In 2014 Big Data and analytics will continue to evolve into a critical tool for retailers who recognize the value of collecting and analyzing customer data. Such analysis is crucial to discern shopping patterns, which have predictive value, and to understand consumer experiences in digital and physical contexts. Fitness equipment manufacturers, for instance, have begun to link their products with smart phone apps, providing users with long-term analytics on their heart rate activity, running distances, speed, calories burned and other training metrics. Their users benefit from the digitally enhanced experience, and the data they create also provides usage insights that inform product design and e-commerce strategy.

Data will be the driver for capturing more customers, upselling to existing customers and retaining them for the long term. The underlying tools for the management of this data will only grow smarter, faster and more affordable as companies catch up with an overabundance of data. Big

Data analytics should emerge in 2014 as not just a nascent trend, but a core business practices for e-commerce retailers desiring to understand their business and their customers in fundamentally new ways.

New Monetization models

Big data and analytics will also give rise to new ways of generating revenue. New monetization models will rely on an in-depth understanding of customers to deliver value over a long period of time. Today Businesses are seeing the increasing power of in-app commerce as well. Software-as-a-service (SaaS) gives businesses a new view of how users interact with their software or digital products, providing new ways for businesses to engage and reward their users for using the application. This real time feedback loop is invaluable for large, enterprise-class software publishers. Subscription-based business models will also grow in importance. Consumers will increasingly trust companies to curate and regularly deliver physical goods like food, clothing and accessories. As a whole, data-driven business models will aim to personalize what might otherwise be an impersonal online experience.

Personalization

There is a growing need for retailers to provide personalized services to customers across all sales channels. To provide this level of service, businesses need a centralized repository of customer data & other customer server applications. Such a system will provide not only these personalized services and an overall experience to create customer loyalty, but will also help businesses measure customer lifetime value based on past transactions. Personalization can be provided at multiple customer touch points, including Point of Sale (POS) screens on e-commerce websites – where the customer can get personalized greetings, and with targeted promotions that are tailor-made for the customer based on collected data.

Mobile POS

Mobile Point of Sale, which allows sales associates to make sales from anywhere inside or outside a store by using a mobile device, is becoming a non-negotiable tool for many retailers and wholesalers. With 39% of shoppers using mobile coupons when shopping at clothing establishments (forecast to exceed a whopping $120B in two years' time), upgrading POS technology to what's fast becoming the norm in the industry should be a priority. Imagine a scenario in which an in-store customer is trying to make an educated choice between two products. One can easily imagine that customer becoming so flustered with uncertainty that she simply leaves to (hopefully) return later more informed. Now, introduce a sales associate, armed with a tablet, who can instantly access pertinent product information with a few easy taps and clicks and share that information with the customer. Such a confidence-building experience is much more likely to lead to an immediate purchase.

Evolving Social Commerce

Social media is quickly changing the e-commerce landscape. Retail companies that view e-commerce strictly as an e-store website-driven channel will struggle to compete in 2014 and beyond. Although consumers will still make the overwhelming majority of e-commerce purchases on websites, social media networks will increasingly be the initial point of contact and research. Many consumers spend the bulk of their time online on social networking sites. According to a report from Social Labs, 62 percent of online shoppers read product-related comments from their Facebook friends, 75 percent of them have clicked on the product link to visit the retailer's site, and 53 percent of those who clicked have proceeded to buy the product. Thus we can say that today's consumers are heavily influenced by the choices of their peers, which is further reflected in the way brands are using social media to capture attention. Retailers that want to find, connect and retain customers have to be present in these spaces. To help retailers, some social networking sites now have the added capability of allowing customers to purchase products within the site.

The benefits of integrating/ supporting social networking platforms with e-commerce are:

- ✅ Enables customers to discover your products
- ✅ Increases sales
- ✅ Improves customer experience

In 2014, e-commerce retailers that make the purchase experience a seamless part of the social media realm, rather than a process that takes individuals away from engaging with their friends, will have the best chance of success.

New Market Places (eBay/Amazon/Rakuten)

Customers today have multiple shopping options (channels), and it is crucial for retailers to catch their attention at every possible location. Marketplaces like eBay and Amazon provide an opportunity for retailers to access a large group of customers and increase sales. With so many channels to manage, retailers are forced to look for time-saving options which can help them make the most of the opportunity.

By integrating the e-commerce platform with eBay, Amazon and Rakuten, retailers can manage all their orders from a single location and reap the benefits of the

increased sales. The benefits of integrating these channels are:

- ✅ Increased sales
- ✅ Improved customer experience
- ✅ Sales managed from a single location
- ✅ Improved brand presence

Consistent Product Information

Retailers have often faced challenges in managing product data as it is widely dispersed, and stored in multiple places and in multiple formats. Only the accurate and updated product information will help the companies selling in multi-channel environment. To successfully compete in the multi-channel environment, an online store must be integrated with a robust ERP and CRM system to synchronize orders, customers, products, and inventory data. This, in turn, provides the sales team, warehouse managers, and e-commerce managers a consolidated view of all B2B and B2C operations. In addition, this synchronization provides a consistent shopping experience across all sales channels – the coveted omni-channel experience customers expect. The benefits of this integrated e-commerce solution are:

- ✅ Automated order processing
- ✅ Improved customer experience
- ✅ Better inventory management
- ✅ 360-degree business view

- ✅ Consistent data across systems
- ✅ Reduced order processing time
- ✅ Improved operational efficiency
- ✅ Increased productivity

Mobile Commerce (Responsive Design)

Mobile commerce (i.e. buying on smartphones and tablets) is already playing a major role in online retail. ComScore's mobile sales estimates for Black Friday and Cyber Monday in 2013 found m-commerce accounted for hundreds of millions of dollars and a sizeable percentage of total U.S. online spending. Black Friday saw $314 million in m-commerce spending, representing 21 percent of the $1.512 billion in total digital commerce on that day, while Cyber Monday saw $350 million in m-commerce, good for 17 percent of the $2.085 billion in total spending.

These statistics clearly indicate the potential for growth of mobile sales in retail e-commerce is enormous. With the current projections, mobile will exceed desktop numbers in the next couple of years. Consumers expect mobile sites to work like any app (i.e., intuitively they will swipe if they see a carousel or more than one image), and responsive design is the key to success for any mobile website. Retail businesses should actively take advantage of mobile features such as price comparisons with other retailers by scanning the product, self-checkout, payment wallet, store card/loyalty as an app, and in-store GPS-enabled advertising push.

In 2014, we will likely see a tipping point where adapting to the competition from online retailers becomes mission-critical, as quick shipping and reduced pricing remove the barrier between in-store and online purchases. Retailers will need to invest more in their mobile apps, but also focus on creating a great in-store experience so customers won't be tempted to buy elsewhere or online.
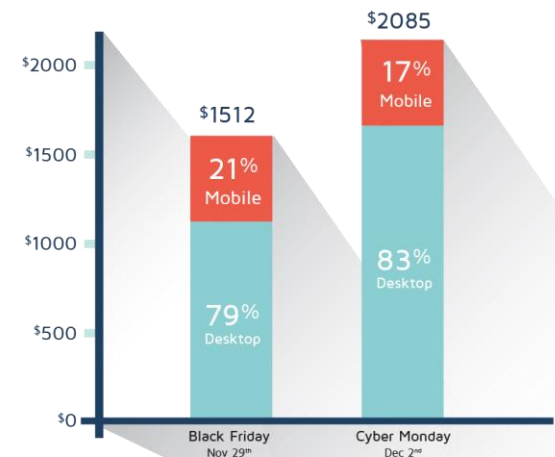
Omni-channel Imperative

Today, retail means much more than owning a brick and mortar store; it encompasses a wide variety of activities, including e-commerce, mobile commerce and social commerce. Retail stores need to have a uniform approach that integrates all aspects of their retail business but uses a wide variety of methods to gain customers' attention. Omni-channel retailing gives retailers the chance to interact with customers through a variety of methods that all serve as an extension of their physical stores.

Successful retailing today means more than operating a physical store. It means incorporating all aspects of omni-channel retailing successfully to render the experience seamless for the customer. Customers should be able to view your store online, through a mobile application or on a kiosk in-store and see the same design interface, making it a simple process to complete the sale, no matter how they connect. With this strategy, retailers can create an exceptional shopping experience and encourage deeper engagement with shoppers.

B2B features

Historically, end-use consumers have dominated online sales channels, but a new study from Forrester Research shows that businesses are now following in their footsteps and sourcing products via online channels, creating huge incentives for B2B retailers to flesh out their online offerings. The study showed that 50% of B2B companies are currently selling direct to business partners online.

Requirements of a B2B e-commerce portal are distinct from those of a B2C channel. The B2B e-commerce cart must support the following features to be of any value to the wholesalers and distributors:

- ✔ User Role Management
- ✔ Sales Person
- ✔ Quick Order
- ✔ Sales Quote
- ✔ Credit Limits
- ✔ Returns Management

- ✔ Sales Literature
- ✔ Layered Navigation
- ✔ Frequent Order
- ✔ Out of Stock Items
- ✔ Advanced Shipping

Forrester concluded that failure to embrace B2B e-commerce could see companies suffering serious losses to competitors with this capability.

Others

Shipping - Free shipping has become customary for online shopping. This makes product offerings more enticing for the customers because it eliminates a charge many consumers see as burdensome and avoidable, if purchased in-store. Rendering this a more attractive experience for customers, whether by offering free delivery, same day delivery, or creating enticing packages for your products, will ensure better conversion rates.

Google Penguin - Penguin is designed to provide high-quality search results while simultaneously filtering out fraudulent or spam sites that use what are known as black hat techniques to artificially inflate their search engine ranking results. With the release of Penguin, the quality of website content is more important than ever, so retailers with e-commerce sites need to make sure they are posting quality content along with high-definition product images. This will ensure higher search rankings.

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About i95Dev

i95Dev provides complete suite of ecommerce solutions for B2B and B2C markets. We are one of the leading systems integrators for Magento in supporting complex integrations with various ERPs, POS, CRM, Accounting, Mobile and Social Applications.

We advise more than 1500 brands from Retail, Manufacturing, Distribution and Wholesale Trade on Next Generation Commerce and Omni-channel strategies.

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