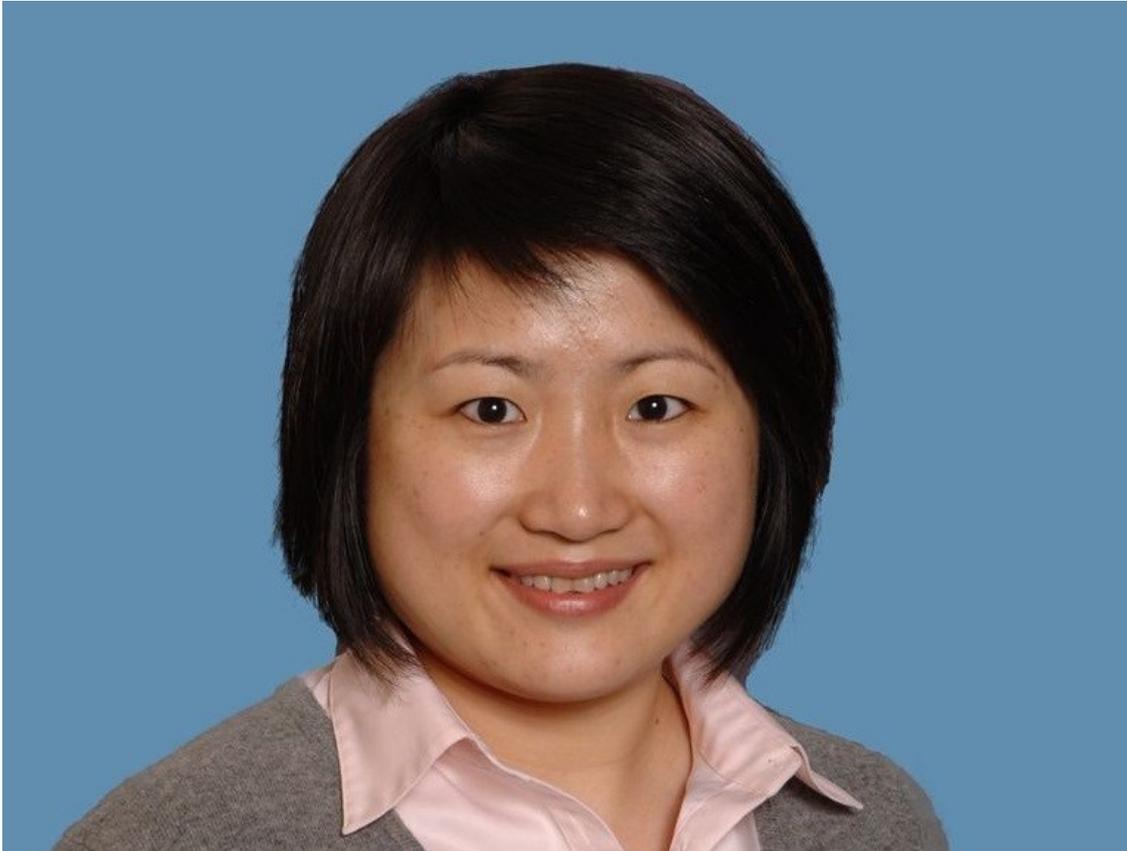


Top 10 trends in digital commerce

By [Sandy Shen](#)

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Much has changed since the first products were sold online in the 1990s. Early instances of e-commerce focused on the transaction, with little emphasis on improving fulfilment, customer service or loyalty.



Sandy Shen is research director with the e-commerce team at Gartner

Retailers began to hone their commercial operations in response to customer desires, offering features like inventory visibility, product reviews and package tracking.

Now, retailers are focused on more strategic initiatives that will give them a competitive advantage in the future, such as providing a unified experience throughout the customer's journey across channels.

What's next?

Digital commerce is getting more conversational, visual and intelligent.

“ It's worth remembering the old maxim 'a picture paints a thousand words'. Conversational interfaces make the shopping experience more intuitive, but incorporating images, video and immersive technologies like augmented reality are more powerful techniques for engaging and converting customers. ”

Artificial intelligence (AI) is the technology that will have the most profound impact on all aspects of commerce. By 2022, at least 5% of digital commerce orders will be predicted and initiated by AI.

10 trends will impact the future of digital commerce

1. Conversational commerce

Voice or text chat and messaging platforms such as Facebook Messenger, WhatsApp and WeChat enable people (and machines) to discover and purchase goods and services via a dialogue (for example, when ordering food). Although the first wave of [conversational commerce](#) bots met with mixed success, improvements are on the way thanks to maturing AI and related technologies.

2. Immersive commerce

Technologies like augmented reality, [virtual reality](#) and 360-degree video allow customers to project virtual products into the physical environment to configure for fit or function.

For example, people can view furniture in 3D then project the selected items into a physical space to check if they fit, or “try on” clothing and accessories for colour and size in virtual fitting rooms.

3. Unified commerce

Customers use an increasing number of channels throughout both the buying and owning stages. They want to have a seamless experience as they hop across channels at various stages of the journey, and expect organisations to recognise and interact with them in a way that builds on their prior experience and understands their preferences.

4. Subscription commerce. Everything from socks to video games can be now sold on a recurring and automatically renewing basis. Subscription commerce enables organisations to build and manage a subscription business model. Sellers benefit from repeatable, predictable revenue; customers like the convenience cost savings and personalised curation.

5. Thing commerce. Connected machines such as home appliances and industrial equipment can make purchases on behalf of human customers, either by directly taking requests from the customer or inferring demand based on rules, context and customer preferences. The primary benefit of [thing commerce](#) is to reduce customer effort and friction in purchases.

For example, industrial equipment manufacturers can offer predictive maintenance to help customers keep a machine in its best working condition while keeping operational costs down.

6. Enterprise marketplace. This is an emerging business model, as organisations shift from selling only products they own or source, to selling third-party products that are owned, priced and delivered by someone else.

Early adopters such as airports, shopping malls, real estate developers and manufacturers already have large numbers of customers and partners. Examples include Walmart, Target, Fraport and Sinopec.

7. Application programming interface (API)-based commerce

Businesses are building modular platforms instead of relying on a single monolithic commerce solution, to support new customer experiences, business models and an increasing number of ecosystem partners. [API-based commerce](#) enables organisations to decouple the frontend from the backend and quickly integrate new capabilities or systems without impacting the architecture.

8. Artificial intelligence

AI comprises a group of technologies including [natural language processing](#), [machine learning](#) and deep learning that can learn from data and make conclusions without being explicitly programmed. Examples of AI in digital commerce range from product recommendation, content personalisation, fraud detection, price optimisation and virtual assistants to image search and categorisation and customer segmentation.

9. Personalisation engines

This technology is more mature compared with other technologies in this list. There are many opportunities to personalise throughout the customer journey such as landing/product page, search, product recommendation, banners and offers. Personalisation has many paybacks including lower cart abandonment and increased revenue.

10. Visual configuration

A visual product configurator presents an accurate depiction of configurable and customisable products, allowing customers to have a compelling experience interacting with the product. Visual configuration includes a combination of technologies such as 2D/3D images and video, floor space planning and computer-aided design, and can be used together with AR and VR.

Don't try to do everything at once. Check out the competition to see which technologies are must have or give you competitive advantages, move those to the top of the list. Prioritise the remaining options based on business value, time and cost to deliver.

ABOUT THE AUTHOR

Sandy Shen is research director with the e-commerce team at Gartner. She specialises in covering e-commerce technologies, players, market trends and go-to-market strategies. She has an in-depth knowledge of China's e-commerce market and players, as well as its social media space. She helps IT leaders understand technologies, vendor capabilities and market dynamics, and respond to emerging trends and user behaviour.

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