



Explore the Development of New E-commerce Models and Their Impact on Consumer Purchasing Power

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Abstract. With the advancement of the Internet, e-commerce has flourished and created a progressive trend toward becoming more social, mobile, and local. Concurrently, the continual growth of e-commerce influences consumers' purchasing decisions. Therefore, this article has continued the exhaustive investigation of the two dimensions of the fan and the consumer.

Keywords: E-commerce · Consumer purchasing decision · KOLs · Transformation

1 Introduction

E-commerce has become more social, mobile, and local and consumer purchases are increasingly influenced by the sentiments of their social networks [1]. The rate of expansion of e-commerce exceeds that of traditional retail. Moreover, the scope of e-commerce is expanding, especially in the social, travel, entertainment, and other service industries. E-commerce businesses are able to target a broader spectrum of consumers than the relatively confined traditional company strategy [1]. This report will analyze the veracity of these arguments against the backdrop of contemporary e-commerce environments. After outlining the current contextual drivers of e-commerce, the innovative changes pertaining to its enhanced sociability, mobility, and localization, as well as its effect on customers and future roadblocks, will be studied critically.

2 Current Context of E-commerce

After the colossal dot-com crash, surviving companies and prospective firms on the supply side explored ways to prosper in the new internet environments [2]. The increasing prevalence of small and medium-sized businesses is anticipated to increase demand at a rapid rate. Due to the lower costs of communication and infrastructure, established businesses and large corporations are leaning towards online commerce. E-commerce enables businesses to reach their clients more effectively and, thus, to realize the dynamic supply side of contemporary e-commerce. However, many brick-and-mortar businesses still cannot adapt, as Walmart's failure on the Internet demonstrates [3]. After consumers have experienced the convenience that e-commerce provides, they place orders that are both diverse and frequent, despite the increasing demand [4].

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Moreover, the ever-changing advancements in e-commerce have hastened the growth of social media, often known as third-party platforms. E-commerce has not only improved the B2C communication paradigm, but it has also created new demand for B2B data processing and analysis, resulting in the rise of new companies specializing in the data processing. Through its enormous array of disruptive technologies, e-commerce has become a major participant in international business [5]. Due to COVID-19, Gen Z and Millennials are increasingly turning to e-commerce to avoid potential infection [6]. Thus, E-Commerce shows excellent momentum.

3 New Changes in E-commerce: More Social, Mobile, and Local

3.1 Drivers of the New E-commerce

With increased discretionary income levels and technological developments, the atmosphere for e-commerce was conducive to rapid expansion. As business communication got more rapid, simple, effective, and economical, businesses with a local focus became worldwide. As customers took full advantage of a system that increased efficiency at lower costs, technological innovations in online banking, cryptocurrencies, and cybersecurity gave consumers the confidence to settle their financial commitments via electronic payments. According to Laudon and Traver [8], Facebook, Google, Twitter, and Amazon illustrate how e-commerce is undeniably transforming company processes and fostering global economic shifts. Customers can quickly peruse reviews of suggested products, at which point they can contribute their ideas anonymously or consider the consensus when making purchasing decisions. A return to traditional industries is practically impossible, as major components of global supply chains, such as online education, retail, food, and consumer items, have spent substantial sums to migrate to more online models. The expensive costs required to convert back and the soaring public demand for e-commerce are the primary causes.

Technology, as the primary and indispensable driver, provides the platform for supply and demand in e-commerce, gives customers sufficient confidence in the transaction, and the improvement of the global supply chain model, along with the integration of global economies of scale, are additional drivers for a more diverse transformation of e-commerce, namely social, mobile, and localization.

3.2 Analysis of the New E-commerce

Due to the prevalence of social media applications, there are a plethora of marketing possibilities available nowadays, which in turn drives the e-commerce sector towards growth trajectories. People utilize social applications to seek the virtual opinions of respected KOLs and respectable businesses. Due to social media's capacity to influence online decision-making, firms followed Facebook's lead in exploiting the social qualities of online social platforms by integrating products into them to combine social features into electronic transactions.

In addition to being mobile and local, e-commerce is also social. The evolution of technology has enabled consumers to abandon the old point-of-purchase model. Regardless of their actual location, consumers can do e-commerce transactions with the touch of

a button. The new mobility-rich e-commerce provides firms with a new type of development simplicity, namely the simple addition of driver information. However, the proportional reduction of market barriers brought about by mobility may represent major safety issues. Consequently, localization is a new trend that firms are increasingly emphasizing and supporting as social and mobile technologies are rapidly used and their limitations are uncovered. This decision was probably also aided by research into local purchase trends and feedback.

3.3 Resistance and Challenges in Development

Due to the pandemic, e-commerce has been the primary contributor to the global economy's sluggish development in FY 2020. Without the substantial contributions of gaming and consumer goods e-commerce titans, the global economy would have contracted even further. Although the emergence of modern e-commerce provides a more accessible form of transactional dialogue for both the consumer and the demand side, there are still risks and obstacles to its growth, such as a decline in face-to-face communication and harmful smartphone addiction. In addition, site outages, hacking, the loss of sensitive client information, the inability to trial the goods prior to buying, lengthy shipping waits, product damage, and inadequate customer support are all potential disadvantages of e-commerce.

In a number of potential situations, it is conceivable that the progression toward increased mobile, social, and local circumstances would be impeded. According to Timmers [12], the final worth of a virtual community is determined by the members who add their information to a virtual environment given by the virtual community provider. Therefore, if the community has reason to revolt against the e-commerce company, the customers may choose to shop elsewhere. Consumer trust could erode if a large number of businesses experience comparable problems. In addition to negative perceptions of the companies within the e-commerce industry, the trend could be halted by a systemic issue with Internet access that causes consumers to lose patience with the Web. Moreover, a planned succession of global breaches performed on well-known e-commerce sites could create terror in the minds of buyers, prompting a short-term return to established enterprises.

4 Influences on Consumer Purchase Decisions

4.1 Changes in Consumer Behaviour in the New E-commerce

Due to MIP (Marketing Intelligence Platform), CDP (Customer Data Platform), MTA (Multi-Touchpoints Attribution), CDJ (Customer Decision Journey), and event monitoring, there is a dichotomy between the past and present in e-commerce.

As the use of Big Data and intelligent marketing decision systems expanded, so did the use of Via Marketing Intelligence Platforms, and customers were enticed by advertising that recognized their preferences. Consequently, e-commerce, particularly in the fields of music, games, and education, is now considered to be the standard. Online dating, for example, was previously nearly taboo. Online partnerships are more prevalent,

especially due to Tinder's introduction of "a new era in the history of romance" (Fetters, 2018). This is an improvement to the traditional CRM paradigm for CDP (Customer Data Platform) and DMP (Data-Management Platform), which are the firm's digital marketing cloud (Customer Relationship Management). With these additional features, retailers are better able to adapt to the ever-changing retail landscape. Through MTA, the company is able to engage with the client on various levels in order to collect the data that supports CDP and DMP. Thus, MTA enables the acquisition of a more complete image of the customer. With event tracking, information is gathered directly from the client using technologies such as Google Analytics and Sentry Analytics.

4.2 Impact and Follow-Up Steps on Consumer Purchase Decisions

The aforementioned transformation in e-commerce was a response to consumers' shifting preferences and, by extension, their social networks. Numerous preparatory actions were required to ultimately witness this revolution. From 2012 to 2020, according to Statista.com [15], the number of smartphone users globally climbed from 1.06 billion to 3.5 billion. E-commerce has prospered as the number of mobile devices capable of connecting to the sites has increased. Second, when prominent applications such as Facebook and Instagram grew in popularity, users gravitated toward reading material from KOLs and friends and occasionally adding their content. Third, as Patel [16] explains, modern technology and information interchange foster rapid pleasure. As a culture, we need instantaneous outcomes, thus our mobile devices can rapidly display the experiences of past consumers so we can make speedy purchasing judgments. Fourth, as internet companies routinely solicit feedback or reviews and sometimes offer incentives for these actions, the accumulated knowledge can serve as a recommendation for prospective customers [17]. When there is a noteworthy shift in opinion on a product or service, especially among KOLs or close advisors, friends, or family, the majority of people tend to follow the crowd, especially in the case of KOLs or close advisers, friends, or family. With access to more and better mobile devices that served as the launching pad for globally recognized applications, consumers demanded faster results in the form of online content and procedures; over time, as more and more people provided pertinent feedback, conformity to the dominant positions became standard operating procedure [18].

5 Conclusion

This study evaluated and subsequently addressed two major inquiries. The first question is whether e-commerce has become more social, mobile, and local. Second, how have customers been influenced? E-commerce has become increasingly social, mobile, and local concerning the first factor. Li and Ku [23] use the term social commerce to describe how the confluence of e-commerce and social networks on mobile devices makes all conceivable purchases both global and local. Mittal [24] asserts that consumers will turn to e-commerce for purchases more frequently as a result of its ease, cost-effectiveness, and consumer confidence.

In reality, evaluating these two difficulties is only a critical conversation based on actual cases, data, and theories that are being shaped and discarded by the ever-changing

world of e-commerce. More unpredictability, such as the recent COVID-19 epidemic, has expedited the transfer of most consumers from traditional to e-commerce channels. As the worldwide influence of e-commerce develops, both businesses and customers are accountable for delivering accurate, honest feedback to maximize the supply-consumer dynamic's utility.

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