



Evolution of E-commerce Industry; A Brief History of Evolution of e-commerce

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Abstract-

The emergence of new technologies in recent years has revolutionized businesses all over the world by transforming the internet into a commercial medium. With only one click, we can connect to the internet from any location at any time. This evolution connected everything in the world and made e-commerce possible. Because it is easier for them to communicate online, more and more individuals are doing so, and marketing methods have changed to reflect this. In order to comprehend what has changed in such a short period of time and what are the resulting effects of this new kind of commerce, this article explores the evolution of global marketing and e-commerce. This study shows how e-commerce grows exponentially with the timeline of e-commerce evolution. Further, it defines the factor behind the evolution of the e-commerce industry.

Keywords- Evolution of E-commerce, Timeline of E-commerce.

Introduction-

One of the greatest evolutions of the 21st century was the Internet where the internet has changed economic activity completely. Electronic commerce (E-Commerce) is the mechanism of conducting business online using internet technology. E-commerce is a paradigm change that has an impact on both marketers and consumers. E-commerce is instead more than simply another tool to expand the current business models. It is driving a total

transformation of the established business model. India is not an exception to the remarkable rise this substantial change in business strategy is experiencing globally. Massive internet use has contributed to the expansion of e-commerce, and start-ups in particular have been adopting this option as a distinctive business model more and more.

E-commerce includes more than just online shopping; it also includes B2B, B2C, and C2C transactions for the exchange of goods and services as well as money or data. While e-commerce ecosystems were still in their infancy in the first decade of this century, they have grown dramatically in the last ten years. As a result, what might be considered the foundations of e-commerce in 2022 are different from what they were in 2012. These are the changes over the past ten years. Now change is very significant in the way consumers behave, way of payment and the business expanded using internet services. Users all over the world now have an excellent opportunity to take advantage of internet services and use them in a number of various ways.

Moreover, e-commerce has a big impact on the environment. Although the concept is heavily utilized in the present corporate environment, the alternative has not been fully explored. The world was digitized into a single platform by e-commerce, which surpassed borders and distance. Unexpectedly, e-commerce evolution is just accelerating.

Objective of the study-

- To understand the evolution of the E-commerce industry.
- To understand the present status and trends of E-Commerce.

Evolution of E-commerce-

Even before the internet existed, some forward-thinking businesspeople were pondering the prospect of e-commerce. The e-commerce sector was created as a result of technology development over the past 50 years.

For e-commerce to expand, three developments are crucial:

Personalization: AI and machine learning enabled the collection of enormous volumes of data, their interpretation, and the creation of tailored shopping experiences. Loops of feedback and dynamic adaption to constantly shifting consumer behavior improve the entire customer experience.

Omnichannel: As the internet expanded, social networks did as well, and mobile devices gave them a boost. Our regular activities now include using social media. A Google study found that roughly 85% of customers start their shopping trip on one gadget and finish it on another. The trend required flawless synchronization of offline and online sales platforms.

Safe payment: Electronic fund transfers that are quick and easy thanks to digital wallets have made payments simple. Although Google Wallet, Apple Pay, and many more mobile wallets are now on user smartphones, Paypal is the industry pioneer. Blockchain technology is accelerating the speed and safety of these transactions.

Timeline of E-commerce-

1. Launch of CompuServe in 1969

The history of eCommerce in the USA and the rest of the world began in Columbus, Ohio with the establishment of CompuServe, the first eCommerce business, amid the historic events of 1969. Because there is no internet, the company sends data over phone lines to businesses to provide computer-sharing services (known as Electronic Data Interchange, or EDI).

2. Computers Made the First Online Sale Possible 1972:

Contrary to popular belief, marijuana was not the first item to be sold online. Although marijuana is sold using an Arpanet account, students from MIT and Stanford really exchange real money and items. The transaction is not genuinely "sold over the internet," even though a computer makes it feasible.

3. Introduction of online transaction processing in 1976

Atalla Technovation and Bunker Ramo Company launch technologies for financial institutions that are intended to execute secure online transactions as our country marks its bicentennial.

4. Electronic shopping was created in 1979.

British inventor Michael Aldrich shows how electronic shopping could function ten years after the launch of CompuServe by using a telephone connection to connect a customized television to a transaction-processing computer.

5. Electronic commerce in 1983 Acknowledged

"Electronic commerce" is the topic of the first hearing before the California State Assembly. CPUC, MCI Mail, Prodigy, CompuServe, Volcano Telephone, and Pacific Telesis all gave testimony. The Electronic Commerce Act of California, which was passed a year later, imposed guidelines on programs created "to conduct the acquisition of goods and services via a telecommunications network."

6. CompuServe inaugurated the Electronic Mall in 1984.

In one of the earliest instances of online retail, CompuServe launched the Electronic Mall in 1984, enabling customers to buy goods from about 100 different vendors. Check out this old news footage highlighting this innovative shopping method.

7. World Wide Web Starts in 1990

Launch of the first web browser will act as a stimulant for online shopping since users of the internet will find what they're seeking for more quickly and retailers will be able to reach a larger audience.

8. The first secure online transaction occurred in 1994.

Netscape 1.0 debuts ten whole years after the Electronic Mall's debut. It uses the Secure Socket Layer (SSL) protocol, which uses encryption to keep both the sending and receiving sides of online transactions secure. Soon later, as the internet develops into a genuine commercial medium, several third-party credit card processing businesses start operating.

On August 11, 1994, Phil Brandenberger purchases the Sting CD Ten Summoners' Tales on NetMarket, marking the first-ever safe online transaction that use encryption, as described in

9. 1995: The Internet Market, Amazon, and eBay Boom

Internet markets start to emerge. This includes Pierre Omidyar's AuctionWeb, the first online auction site that would later be known as eBay, and Jeff Bezos' Amazon, which was first intended to sell books.

10. Launch of PayPal in 1998

Confinity, the original name of PayPal, makes its debut as a mechanism for money transfers. It would merge with Elon Musk's online banking business in 2000, signaling its ascent to fame.

11. 1999: \$150 billion is spent globally online.

With entrepreneurs being drawn in by the internet's get-rich-quick promise, startups are on the rise. The good days won't last forever, of course.

12. 2000: Internet Advertising and the Dotcom Bust

The NASDAQ plunged 75% between March 2000 and October 2002 when the bubble burst, wiping out the majority of the profits achieved since the advent of the internet. Numerous companies in the online and technology sectors file for bankruptcy, including Webvan, a pioneer in food delivery.

Google AdWords is launched as a means for eCommerce enterprises to advertise using short-text ad content and display URLs in spite of the bust. Online retailers' pay-per-click (PPC) marketing initiatives are gaining traction.

13. 2005: Online shopping returns

The Monday after Black Friday, known as Cyber Monday, is introduced to help online holiday sales recover significantly from the recession. Moreover, Amazon introduces Amazon Prime, which offers members free 2-day shipping within the US and raises consumer expectations for quicker service. In the United States, there are currently about 142 million Prime members.

14. 2006 saw an increase in online shopping platforms

Tobias Lütke, Daniel Weinand, and Scott Lake started the company that is now known as Shopify to make it simple for business owners to launch online stores. Other additional eCommerce platforms enter the market and quickly establish themselves, including Magento and BigCommerce.

15. Online grocery shopping 2012:

Food shopping ultimately finds its footing in 2012 with the launch of Instacart, despite the failure or struggle of the aforementioned Webvan and other grocery delivery services in the past. Customers who order goods online with Instacart are sent shoppers to nearby supermarkets to pick them up. Online food buying is big business nowadays thanks to improvements in cold storing and delivery.

Rick Nelson established The Fulfillment Lab, a provider of fulfillment services, in 2012. This company offers eCommerce business owners new options to customize packaging, gain greater insight into their inventory, and find new ways to boost sales.

16. The Inexorable Growth of Ecommerce 2017:

The amount of money generated by worldwide e-commerce transactions, which include \$25.516 trillion in B2B transactions and \$3.851 trillion in B2C purchases, is rising as physical store sales fall.

E-commerce growth in last 10 year-

E-commerce has had astonishing expansion between 2010 and 2020. The sector has grown throughout that time from its beginnings into a crucial component of global retail. Cross-border communication and global market access are made possible by e-commerce. Yet e-commerce growth is still going strong; in fact, it has entered an expedited phase as a result of the epidemic. Across 66 nations with statistics available, the average proportion of internet users who made purchases online climbed from 53% prior to the pandemic (2019) to 60% after it started (2020-21).

Yet, the circumstances before the pandemic and how much online purchasing was boosted varied in each country. Before the pandemic, many industrialized countries had quite high rates of online purchasing (more than 50% of internet users), whereas the majority of developing countries had a lower penetration of consumer e-commerce.

	2010	2020
US Retail Purchases made online	\$ 165.4 billion	\$861.12 billion
Global E-commerce Sale	\$ 572 billion	\$4.2 trillion
Sale made on Amazon	\$ 34.2 billion	\$386 billion
Sales made on Alibaba	\$ 845 billion	\$109 billion
E-commerce as a share of US retail sale	4.6%	18%

Reason for Fastest Growing E-commerce-

The Growth of Mobile Shopping-

The rapid expansion of internet use and smartphone usage made it possible for e-commerce to go mobile. In underdeveloped nations, where smartphone users were an exclusive legion of their own, the trend became increasingly obvious. Many influential e-tailers created mobile applications and even offered deals that were only available to app users, encouraging quicker

consumer decisions that could then be tapped into to increase sales. In addition, the action made sense logically. Since customers always have their smartphones with them, shopping should be simpler. Ecommerce's success was made easier thanks to mobile wallets that enabled frictionless payments. 59% of online sales are now made through mobile devices, according to e-marketer.

Digital Marketing's Popularity-

The expansion of e-commerce sales is mostly due to extensive digital marketing strategies. To put their ads and increase online sales, businesses take advantage of the popularity of several online platforms. By having a wider reach than any physical campaign and offering greater deals and discounts, digital marketing generates a higher return on investment.

Use of social media-

Many e-commerce businesses were compelled to increase their social media marketing spending in 2011 due to the popularity of social media platforms like Instagram, Facebook, and Twitter. Also, their investments soared as paid social media advertising rose in popularity. 74% of consumers, according to Kinsta, use social media to influence their purchase decisions. Additionally, BigCommerce claims that online shops with social media presence generate 32% more revenue on average than those without.

Third-Party Logistics (3PL) and Dropshipping Gaining Ground-

Another thriving e-commerce trend that has become quite popular with consumers and small business owners is dropshipping. Dropshipping facilitates online product sales without the headache of managing inventory and delivery logistics because products are shipped directly to merchants from manufacturers or specialized warehouses. Ironically, one of the best instances of a dropshipping supplier is Amazon.

Innovative Payment Methods-

The majority of people relied on credit/debit cards, internet banking, and cash-on-delivery (COD) systems for payments in the early years of the previous decade. However, speculations and misinformation regarding account safety and the need to go through a rather long and complicated payment process drove many people away from online shopping, often leading to abandoned shopping carts. Moreover, international e-commerce had its own share of limitations owing to different regulations set up by each country. Since 2015, fintech advancements have removed the 'long and complicated' from the digital payments equation, enabling secure, fast, and mobile-friendly payments. The introduction of digital wallets by companies like Google (Google Pay) and PayPal, alongside the liberalization of regulations, has enabled international ecommerce to thrive, especially in developing.

Growth after the pandemic-

The pandemic has already swept the globe by the second quarter of 2020, causing the majority of retailers to switch to e-commerce retailing in order to survive. Online sales had a sharp decline in the first few months, possibly as a result of interruptions in the world's supply chains and travel restrictions. Yet by the end of the year, it had fully recovered. Even those in the older age groups, who may not have even previously placed an online order, started becoming more familiar with using ecommerce platforms.

Friendly to Mandate Fulfillment-

Retailers must now figure out how to offer products and services without endangering the public's safety due to the pandemic. Although contactless delivery is beneficial, maintaining safety standards remains difficult. Also, e-commerce businesses are beginning to spend more money protecting the health of their staff members, particularly those working in warehouses and supply chains.

Conclusion-

E-commerce has shown a constant increase in sales despite the dramatic rise and fall of Internet companies. E-commerce has a major impact on society as a whole as well as the businesses and customers engaged. E-commerce may increase efficiency and productivity for businesses. Also, e-commerce gives employees more access to resources and services, which can support the maintenance of a positive company culture. E-commerce offers customers a very practical option to conduct many different types of business seven days a week, 24 hours a day. E-commerce has the potential to promote social economic development while also presenting difficulties and privacy and surveillance-related concerns. The deflating of the dot-com boom may have actually resulted in a more logical and long-term strategy for e-commerce. The way individuals think about organizations, transactions, and communications will continue to alter as e-commerce develops, and time and location considerations in economic activities will undergo a profound transformation.

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