

Kulova Ivelina

PhD, Chief Assistant

Faculty of Economics

Department of Industrial Business and Entrepreneurship

University of Food Technologies (Plovdiv, Bulgaria)

CONTEMPORARY TRENDS IN GLOBAL BUSINESS – ENGINES FOR INTERNATIONAL E-SALES

***Summary.** The rapid progress of technological innovations and their influence on human life have a remarkable impact on international business. With the right planning, strategy and tools, starting and developing not only a traditional brick and mortar store but also an international online business can be more easily achieved. In this regard, the purpose of this study is to outline some of the key contemporary trends in global business, driving the growth of international e-sales. The main research thesis is that the conjuncture and circumstances today allow any entrepreneur who wants to start up or develop their online business internationally, to accomplish it in a much shorter time compared to previous years. The paper explores and analyzes some contemporary trends in global business, which have a positive impact on international e-sales growth, namely – global expansion of payment tools and fintech companies; general reduction of international logistics costs and courier services costs; fulfillment services in outsourcing warehouse; Software as a Service (SaaS) and open source platforms; e-commerce personalization; social media e-commerce through influencers; interactive visualizations; robotic process automation. As a result of the study, it is concluded that contemporary trends in global business contribute significantly to the growth of international*

e-sales. Taking advantage of all the new opportunities that are available facilitates the prosperity of companies abroad in a much shorter time than in previous years.

Key words: *international e-sales, planning, international logistics, business process automation*

Introduction. The coronavirus has accelerated the growth of the e-commerce industry worldwide and more businesses are joining the revolution. People around the world are changing their consumption and shopping habits. Companies which have invested in e-commerce are enjoying an expansion in the midst of shrinking sales from physical stores. However, competition is growing, online shopping behavior is changing faster than ever, and international e-sales require entrepreneurs to plan carefully, avoiding unpleasant surprises that global business could bring. In this regard, the *purpose* of this study is to outline some of the key contemporary trends in global business, driving the growth of international e-sales. The *thesis* is that the the conjuncture and circumstances today allow any entrepreneur who wants to start up or develop their online business internationally, to accomplish it in a much shorter time compared to previous years. The *methodology* for achieving the goal of the research is based on in-depth review, synthesis, quantitative and qualitative analysis of empirical studies, secondary statistics, examining current trends in global business, which have a positive impact on international e-sales.

Analyzes and results. The COVID-19 pandemic has shifted the focus to e-commerce in 2020. According to Forbes [1], traditional retail sales are declining, but e-commerce is growing by 129% year on year in the United States and Canada as of April 21, 2020. Many traditional retailers have switched to online selling in order to survive. Global e-commerce is growing every year, with retail e-commerce sales worldwide expected to reach an impressive \$ 6.54 trillion by 2023 [6]. This means that the market offers ample business

opportunities in a number of different categories, and if companies want to take advantage of them, they must be well prepared for fierce competition, both locally and globally.

Contemporary trends in global business, which have a positive impact on the growth of international e-sales are related to: global expansion of payment tools and fintech companies; general reduction of international logistics costs and courier services costs; fulfillment services in outsourcing warehouse; SaaS and open source platforms; e-commerce personalization; social media e-commerce through influencers; interactive visualizations; robotic process automation.

One of the trends that has facilitated cash flow between merchants in different countries is the ***global expansion of payment tools and fintech companies***. This has made the settlement of payments between manufacturers, importers, distributors and retailers much easier and cheaper. In recent years, companies such as TransferWise, Revolut, Paysera and others have seen significant growth in their customer bases, mainly because people are looking for better options to transfer their money from one country to another without paying huge bank fees for international transfers.

According to PwC survey [9], 82% of traditional financial institutions plan to increase partnership with fintech companies within five years. This collaboration is mutually beneficial: on the one hand it brings innovative solutions for the incumbents and on the other hand fintech companies get access to large customer base. Another drive is the threat that fintech will eventually displace the incumbents. 88% of participants are afraid a part of their business is at risk to standalone fintech companies.

Another major trend that entrepreneurs and managers need to understand in order to get a complete picture is the ***general reduction of international logistics costs and courier services costs*** [5]. It is now much cheaper to

transport goods from one country to another than before. International supplies are becoming increasingly affordable [7].

The so-called Last mile delivery also costs only a fraction of the price it was a few years ago. The infrastructure of the courier companies has also improved and nowadays same-day delivery and express delivery from 1 to 3 hours are mandatory services for any serious company on the market.

The growth of e-commerce has also created a growing need for new professionals to help online stores focus on their core business and not waste time in routine day-to-day operations. ***Fulfillment services in outsourcing warehouse*** allow business owners to spend more time improving their products and services and to prevent losing too much money due to seasonal declines in sales of certain product categories.

According to E-commerce Fulfillment Services Market Report's [3] projections, the global e-commerce fulfillment services market will grow by 6.5% annually from 2020 to 2027. By 2027 it is expected to amount to USD 1,13,592.22 million. This growth is mainly driven by the thorough e-commerce expand and the relevant upsurge in online buying.

According to a Bulgarian national survey [11] conducted by Pragmatica, together with Metrica, nearly 30% of online retailers believe that the fulfillment service would be useful for their business. The purpose of order fulfillment is, on the one hand, to help online retailers who need assistance in operational and logistics processes, so that they have enough resources to focus on the product itself and its marketing. On the other hand, the end user receives not only the product, but also professional service from placing the order to delivery. Therefore, it can be concluded that fulfillment is a complex service that benefits everyone.

Nowadays, there is an easier and faster solution to complex and time-consuming daily operations such as sorting, collecting, packing and shipping products, as well as to managing returned orders. Both Amazon and Shopify are

investing heavily in the development of these services, but there are also excellent smaller local and international fulfillment companies that entrepreneurs and managers can cooperate with, if they want to be independent of the giants but at the same time not to perform these activities themselves.

SaaS (Software as a Service) and open source platforms for e-commerce are another emerging trend that contributes to the growth of international e-sales. They allow people with limited (or completely lacking) technical knowledge to quickly build small online stores and start selling their products within a few weeks. Furthermore, the global pandemic, which forced companies to shift to remote working, has had its beneficial effect on SaaS growth rate. According to Gartner [2], SaaS will continue to maintain its dominance, bringing \$ 138 billion in 2022.

Today, the vast majority of e-commerce websites is managed either by one person or by very small companies. Some of them are already growing at a brisk pace. Naturally, most people who don't take e-commerce seriously, usually suffer.

Another trend in global business is *e-commerce personalization*. A survey [8] shows that 74% of online customers are frustrated with websites when they receive offers, advertisements and promotions that have nothing to do with their interests. Successful e-commerce companies use personalization technology to give personalized customer experience. Rendering individualized experience on e-commerce sites is achievable through dynamic content, product recommendations and specific offers based on browsing behavior, previous actions, shopping history, customer demographics and other personal data.

Customer touchpoints provide many opportunities to beat the competition. This is the magic of personalization – imitation of what would be the user's experience in the store, through a personalized online trip.

Social media platforms and SEO tools allow companies to collect tons of personal information about their visitors and buyers, such as search queries, page visits, purchase history, and more.

When the personalization is done correctly, the customer can feel that the company is reading his thoughts. This emotional response evokes a sense of loyalty.

The next emerging trend is related to ***social media e-commerce through influencers***. Social commerce sells products directly through social media networks. It differs from social media marketing, as it does not redirect users to an online store, but allows them to make a payment directly on the network they are currently using.

Social commerce, combined with influencer marketing, is a recipe for increasing sales. Many businesses are already turning to work with influencers through sponsored content partnerships.

According to The Influencer Marketing Report [4] by Business Insider Intelligence, the influencer marketing industry is estimated to reach \$15 billion by 2022, having been \$8 billion in 2019, which is almost double rise for 2 years period. According to Influencer Marketing Benchmark Report: 2020 [12], by Influencer Marketing Hub in association with CreatorIQ, 66% of brands are planning to increase their influencer marketing budgets over the next 12 months. In 2019 this percentage was 63 %. These figures show a stable trend that companies rely on partnerships with influencers on the social media and see real results.

Interactive visualizations are also a trend that supports the growth of international e-sales. Often users like a product, but are not sure that what they see on the site is what they will get. Due to this dubiety the site loses users.

In 2020, online reviews are not enough to convince the customer to buy a product. Today's consumers need to trust the company, the product and the experience before buying. That is why high-resolution images are important in

e-commerce. Static images are not sufficient. Consumers demand more, such as 360-degree images that allow potential buyers to see the product from all angles, to animate the moving parts, visualize interior parts, switch among color, to fully interact with the product. According to Comscore & UPS Study [13], 59% of consumers say that multiple high quality images or the ability to zoom in is the most important factor for purchase decision making.

Keeping up with trends and using the latest technologies can help e-retailers drive sales, attract new customers and increase market share.

Another trend in global business that stimulates international e-sales is related to *robotic process automation*, which helps save time and resources. Automation in all operations and marketing has made it possible to grow the business on a large scale without requiring hiring too many people. This allows entrepreneurs to reduce their operating costs or invest more money in their core business. According to Grand View Research report [10], the projection for the global robotic process automation market is to reach USD 25.56 billion by 2027, with compound annual growth rate of 40.6%.

Machines, robots and algorithms can perform simple or complex tasks faster, without errors and without the need for rest, unlike humans. As a result, there is much more time left to develop better products or to improve and optimize processes.

Conclusion. All the trends and factors listed above contribute significantly to the global growth of e-commerce. The amount of goods moving across international borders, thanks to online sales, is really impressive. It is safe to say that there has never been a better time for brand owners to start selling abroad. However, entrepreneurs and managers who are considering starting international activities – either globally or in a neighboring country and region – need to plan carefully to avoid unpleasant surprises. The conditions allow anyone who wants to start or develop their online business to do so much faster than in previous years.

References

1. Columbus L. (2020). How COVID-19 Is Transforming E-Commerce. Forbes. URL: <https://www.forbes.com/sites/louiscolumbus/2020/04/28/how-covid-19-is-transforming-e-commerce/?sh=470310dd3544>
2. Gartner. (2020). Gartner Forecasts Worldwide Public Cloud End-User Spending to Grow 18% in 2021. Gartner. URL: <https://www.gartner.com/en/newsroom/press-releases/2020-11-17-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-grow-18-percent-in-2021>
3. Grand View Research. (2020). E-commerce Fulfillment Services Market Size, Share & Trends Analysis Report By Service Type (Warehousing & Storage, Bundling, Shipping), By Application, By Region, And Segment Forecasts, 2020–2027. URL: <https://www.grandviewresearch.com/industry-analysis/ecommerce-fulfillment-service-market>
4. Insider Intelligence. (2021). Influencer Marketing: Social media influencer market stats and research for 2021. Business Insider. URL: <https://www.businessinsider.com/influencer-marketing-report?r=US&IR=T>
5. Kersten Wolfgang, Blecker Thorsten, Ringle Christian M. (2017). Digitalization in Supply Chain Management and Logistics: Smart and Digital Solutions for an Industry 4.0 Environment, Epubli GmbH, Berlin, 1st edition. URL: <https://www.econstor.eu/bitstream/10419/209192/1/hicl-vol-23.pdf>
6. Lipsman A. (2019). Global Ecommerce 2019. Ecommerce Continues Strong Gains Amid Global Economic Uncertainty. eMarketer. URL: <https://www.emarketer.com/content/global-ecommerce-2019>
7. Logistika Team. (2014). The courier, my friend. Logistics Magazine, issue 8. URL:

<https://www.logistika.bg/bg/menu/23/post/12658/Kuri%D0%B5ryt-moqt-priqt%D0%B5l>

8. Morgan B. (2020). 50 Stats Showing The Power Of Personalization. Forbes. URL: <https://www.forbes.com/sites/blakemorgan/2020/02/18/50-stats-showing-the-power-of-personalization/?sh=1c4980702a94>
9. PwC Global Fintech Report. (2019). Crossing the lines: How fintech is propelling FS and TMT firms out of their lanes. URL: <https://www.pwc.com/gx/en/industries/financial-services/assets/pwc-global-fintech-report-2019.pdf>
10. Robotic Process Automation Market Report. (2020). Grand View Research. URL: <https://www.grandviewresearch.com/press-release/global-robotic-process-automation-rpa-market>
11. Tancheva R. (2019). Fulfillment services are increasingly gaining popularity among Bulgarian online retailers. URL: <https://pressroom.msl.bg/fulfilmnt-uslugite-vse-povece-nabirat-popularnost-sred-blgarskite-onlajn-trgovci>
12. The State of Influencer Marketing. (2020). Benchmark Report. Influencer Marketing Hub. URL: <https://influencermarketinghub.com/influencer-marketing-benchmark-report-2020/>
13. United Parcel Service of America. (2015). UPS Pulse of the Online Shopper. Empowered shoppers propel retail change. URL: <https://upscapital.com/wp-content/themes/upscapital/assets/uploads/UPS-Pulse-of-the-Online-Shopper-U.S.-Study-White-Paper-June-2015.pdf>