

How Blockchain is Powering the Evolution of E-commerce

Perhaps the biggest innovation in the e-commerce industry is the use of blockchain technology. For the most part of its existence, e-commerce (and online shopping in general) has not seen much change or improvement. The most popular marketplaces such as Amazon and Ebay are still running on the same archaic infrastructure as they did years ago. However, now that blockchain technology is being introduced to the industry, we may finally get to see e-commerce evolve into something much more impressive.

New and upcoming marketplaces such as [Openbazaar](#) and [ApolloX](#) have made blockchain the cornerstone of their ecosystem. This allows them to be decentralized, giving them the means to grow and maintain a fairer and more trustworthy environment. The blockchain trend has also extended to larger, more established marketplaces. Both [Walmart](#) and [Alibaba](#) are actively looking into how blockchain can help them from a logistical angle. Companies like these are leading the way for a new and reformed industry which respects both its buyers and sellers equally. Not just does blockchain help bring this about, but it is the driving force behind it.

What is blockchain?

To understand how important blockchain is, we are going to need a basic definition of what it entails. Blockchain technology is a tool which digitally and permanently records data without the need for a centralized body to check or verify documents.

The most important element of blockchain technology is the lack of a need for centralized bodies. Blockchain allows for entire ecosystems to be created without the need for rulers or leaders. This is why blockchain was used to create and power Bitcoin. The idea behind Bitcoin (and most other cryptocurrencies) was to build a financial system which did not rely on an economic, corporate, or political class to make the decisions. Blockchain allows people to handle their finances without outside interference.

The lack of a draconian and authoritative body is what makes blockchain technology so impressive. Rather than having things controlled by a handful of figures, blockchain relies upon the involvement of individuals from around the globe to maintain it. These people are called nodes, and the blockchain uses their computers to verify data. A substantial amount of nodes (all scattered around the world) is needed to keep the blockchain running smoothly and decentralized.

Initially when blockchain technology was unveiled, it was mainly being used for cryptocurrencies such as Bitcoin and Litecoin, but as time has moved on, computer scientists found other uses for it too. One of these uses is that it can power entire global marketplaces. Many people are frustrated with the way that centralized markets such as Amazon and Ebay exploit their buyers and sellers by overcharging for certain features and tools. They would consider these places to be unfairly treating its main user-base. Despite the fact that these companies need customers and store owners, there are instances where they show little regard for anything other than their own profit margins. Decentralized marketplaces eradicate this problem by unchaining people from the concept of a centralized authority, and re-introducing fairer business models.

How is blockchain technology changing e-commerce?

Blockchain has the potential to make a huge impact on the way the e-commerce industry runs. For instance, there are several exploitive measures that centralized marketplaces use which

decentralized marketplaces can easily avoid. One of which is the use of excessive commission fees. Ebay take between 10% to 15% in commissions, and Amazon take between 15% to 25%. These numbers are disproportionate and unnecessary. They harm small business owners by cutting their profits, forcing them to raise their prices. Naturally, this harms buyers too as they are charged extra for their goods. Decentralized marketplaces such as ApolloX have much lower commissions as they focus on building and maintaining a thriving ecosystem. Fees are kept as low as possible because these marketplaces are designed around fairer principles. There is a recognition that user satisfaction and involvement is a necessary element of running a successful platform.

Decentralized marketplaces also offer tighter data controls, meaning that customers can restrict the access to their information. On centralized marketplaces, buyer's information is automatically sold and passed around without any clear ability to opt-out. However, services like ApolloX, for example, offer precise data access controls, giving buyers autonomy over their information. This is achieved seamlessly through the blockchain's ability to keep data cryptographically secure. This means that not even the owners of ApolloX can view buyers' data without explicit permission.

Note that just because decentralized marketplaces use blockchain technology, this does not mean that users are restricted to using cryptocurrency. While OpenBazaar only accepts crypto, several other, similar marketplaces accept fiat cash (e.g. legal tender such as USD, GBP, EUR, etc.).

These decentralized marketplaces are also extremely easy for both buyers and sellers to use. The process of signing up and setting up a shop, or making a purchase, is quick and smooth. While blockchain technology may be complex, the end-user never has to feel intimidated by it.

How is the e-commerce industry performing with blockchain?

While joining e-commerce with blockchain technology is still a new concept, it has already had an impact on the industry as a whole. Since people have recognised how impressive and freeing decentralized marketplaces are, they have been regularly advocating for them. People are frustrated with centralized markets and are moving to more accommodating ecosystems such as OpenBazaar and ApolloX. These are places which truly respect their audience, and work in accordance with them. The blockchain has allowed for these places to exist, giving users genuine alternatives to the centralized marketplaces which ill-treat or even neglect them.

It will be interesting to see just how revolutionary blockchain technology will be to the world of e-commerce. Right now, the foundations for a complete reform are being laid down, so within the next few years we could witness a shift, where consumers and small business owners choose to move to more accommodating platforms such as decentralized marketplaces. Arguably, the giants of the industry such as Amazon and Ebay, have been acting too complacent. This happens when there is little competition. Now that blockchain powered marketplaces are forming and growing, we might soon see centralized bodies getting agitated and uncomfortable.