

Chapter 3

How a Sustainability Strategy Can Leverage E-Commerce?

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ABSTRACT

During the last decades, we have seen building sustainable business models as an innovative part of the business strategy. Different economic sectors have used the concept to meet their economic objectives, and one of the leading business models with the highest growth in the last decade was e-commerce. It is not too much to emphasize the importance of sustainability in e-commerce in all its dimensions. We have seen several investigations on the subject covering a wide range of application areas. In this context, a systematic review of the bibliometric literature was carried out on the SCOPUS indexing database using the keywords “sustainability,” “e-commerce,” “electronic commerce,” “B2C e-commerce”, “business, management, and accounting” in the last decade (2012-2022). This study aims to understand how a sustainability strategy can leverage e-commerce.

INTRODUCTION

Over the past decade, the fast pace and scale of technological growth have significantly revolutionized the business industry, including the retail sector. There has been intense global growth in the electronic commerce (e-commerce) market, leading to increased retail sales and transactions conducted through online marketplaces or channels. Rao et al. (2021) demonstrates this growth by indicating that e-commerce has recorded an annual growth rate of 20% in the last decade, with the global e-commerce market size valued at 9 trillion in 2019. In addition, the scholars project that the e-commerce sector's growth from 2020 to 2027 will be at a compounded annual growth rate of 14.7%. Similarly, Escursell et al. (2021) weigh on this growth, indicating that e-commerce market penetration by 2026 will increase up to 25%, noting that online purchases increased from 32% in 2015 to 43% in 2018. The development of Information and Communication Technology (ICT) has played a critical role in this business revolution by providing resources and tools to facilitate online trading. For example, e-traders collect and analyze

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customer information from multiple sources, including social media platforms, to guide and derive consumer decision-making (Sun et al., 2021). In addition, they can use data technologies and market research tools to evaluate consumer demand, behaviors, and preferences, allowing them to implement appropriate business and marketing strategies and processes. Research projects that e-commerce will continue to grow as technologies develop and evolve.

While the prospects of e-commerce look promising, there has been a global increase in the desire to address sustainability issues. Most consumers have begun to question what the growth of e-commerce means to the environment and whether it is more environmentally friendly than the traditional brick-and-mortar retail model (Ukko et al., 2019). As a result, adopting sustainable strategies has become a critical success factor in e-commerce, with companies devising ways of addressing climate change and environmental pollution issues. Sun et al. (2021) explain that most consumers worldwide pay attention to organizational activities and their sustainability initiatives, using these aspects to make purchasing decisions. Rao et al. (2021) contributes to this notion by stating that a recent study shows that environmental concerns influence buying decisions for approximately 50% of online consumers. This shift in consumer attitude towards sustainability is associated with increased awareness of the impact of lifestyle choices, industrialization, and economic development on the planet. In this regard, growing consumers in the virtual markets significantly depend on organizational sustainability efforts, ensuring competitiveness and success (Arora, 2019). This research essay specifies the interconnection between the e-commerce ecosystem and sustainability to illustrate how leveraging associated elements can lead to sustainable business growth and economic development. A systematic bibliometric literature review (LRSB) of 70 documents was used to gather and analyze data from e-commerce and sustainability literature. The study provides insights on how businesses can leverage the e-commerce ecosystem to promote and achieve sustainability.

METHODOLOGICAL APPROACH

A systematic bibliometric literature review (LRSB) methodology was used to comprehensively analyze the topics of e-commerce and sustainable strategies and how they intersect to promote sustainable business practices and economic development. The choice of LRSB was based on Donthu et al. (2021) description of the methodology as a helpful technique used for “deciphering and mapping the cumulative scientific knowledge and evolutionary nuances of well-established fields by making sense of large volumes of unstructured data in rigorous ways” (p.285). Given the popularity of both e-commerce and sustainability concepts, substantial research has been conducted to demonstrate how companies are applying them to achieve competitive advantage and promote sustainable production and consumption for the betterment of society and the environment. Thus, the approach was deemed more desirable.

The methodology used can build knowledge about the How A Sustainability Strategy Can Leverage E-Commerce. The use of the LRSB review process is divided into 3 phases and 6 steps (Table 1), as proposed by Rosário, (2021), Rosario and Dias, (2022).

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