

PAPER

## FACTORS OF E-COMMERCE DEVELOPMENT IN THE DIGITAL ECONOMY

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### Abstract

The article investigates the main elements which shape e-commerce growth within the context of the digital economy. The researchers conducted a systematic literature review to discover four main factors which drive e-commerce development. The research indicates that e-commerce development success depends on organizations using combined technological, institutional, and market-based approaches.

**Key words:** e-commerce, digital economy, technological infrastructure, digital transformation, online commerce, electronic business, digital platforms

### INTRODUCTION

Digital commerce has created a new business framework which now operates through e-commerce as its primary business model. E-commerce exists as a digital network and platform-based commercial activity that extends beyond technological progress to create an entirely new system for conducting economic transactions [1]. The worldwide growth of electronic commerce has reached exponential levels because digitalization changes how different industry sectors produce goods, deliver services, and sell their products to customers. The study of e-commerce development factors which either enable businesses to grow or limit their progress has reached critical importance

for researchers and policymakers. Nations establish digital technologies as their development base while they build competitive advantage through internet business operations. [2]. E-commerce development factors create social impacts together with economic effects and technological innovation spread and institutional changes.

Developing economies and transitional economies use e-commerce to create new markets and foster business growth and enable businesses to join global value chains while they encounter problems with their infrastructure and regulations and digital skills shortages [3]. The digital economy environment creates ecosystem effects which lead to multiple factors working together or competing with one another to determine e-commerce

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development paths. The research investigates various factors that affect e-commerce development through a systematic review of existing research to create a complete framework which shows how digital commerce develops in complicated social-technical systems.

## **METHODOLOGY AND LITERATURE REVIEW**

The researchers used a qualitative research approach which combined systematic literature research with theoretical framework development. The research method requires researchers to study academic articles and policy documents together with analytical reports which explain e-commerce development factors in different geographical and institutional settings. The scholarly literature reveals several primary factor categories which impact e-commerce development. Technological infrastructure serves as a primary factor because research studies show that internet access and broadband availability and mobile technology expansion and digital platform development enable electronic commerce [4].

Research shows that businesses cannot start e-commerce operations when their technological systems do not meet basic standards because proper infrastructure needs exist to advance digital commerce development. The infrastructure element includes all elements which create physical connections plus all software systems and cybersecurity frameworks and data management capabilities that together build the technical base necessary for electronic transactions [5]. The literature contains extensive documentation about institutional frameworks and regulatory systems which constitute the second main factor category.

Business engagement in e-commerce and consumer trust in online shopping both depend on legal certainty which covers electronic contracts and consumer protection laws and intellectual property enforcement and international trade regulations [6]. The third critical factor domain shows that user behavior and digital literacy directly influence research about online trust and digital payment systems and cultural perceptions of technology-based commerce systems [7]. The research shows that different cultures result in distinct e-commerce adoption patterns because of variations in trust and privacy concerns and customer preference

for conventional shopping methods in digital spaces which appear to be the same everywhere [8]. Scholars in their research work show digital payment infrastructure together with financial service integration as the fourth major factor which affects their studies. The availability of secure, convenient, and widely accepted electronic payment methods directly influences e-commerce feasibility, with research demonstrating strong correlations between payment system sophistication and online commerce volumes [9]. Multiple studies identified business environment factors which include entrepreneurial capacity, logistics infrastructure, digital marketing capabilities, and competitive dynamics as a separate research category. The literature documents how e-commerce success depends on business sector readiness to adopt digital models, availability of supporting services such as delivery networks and digital marketing platforms, and market structures that incentivize innovation and quality competition [10].

## **RESULTS AND DISCUSSION**

The analytical synthesis of literature findings shows multiple important insights which explain the factors that drive e-commerce development and their interrelations. First, the research confirms that successful e-commerce development requires simultaneous advancement across multiple factor domains rather than sequential progression through predetermined stages. The interaction effects among technological infrastructure, regulatory frameworks, consumer readiness, and business capabilities create non-linear development pathways where progress in one domain can accelerate or be constrained by conditions in other domains. The systemic character of e-commerce development requires policy interventions to implement comprehensive solutions which treat multiple factors at once instead of focusing on separate elements.

The analysis demonstrates that different economic systems and institutional frameworks lead to variations in factor importance across different contexts. The analysis shows that technological infrastructure needs to exist as a basic requirement for e-commerce expansion. However, the e-commerce growth requires different conditions based on the existing

commercial traditions and regulatory frameworks and financial sector development and societal technology adoption patterns of each market. Developing economies face particular challenges in achieving the factor alignment necessary for robust e-commerce ecosystems. This situation arises because these countries have to deal with three critical problems at once. The literature documents cases of leapfrogging which show that countries with underdeveloped retail systems can achieve fast e-commerce growth through mobile-first approaches and platform-based business models. These strategies enable them to reach e-commerce success without following traditional development pathways.

The research demonstrates that e-commerce development factors show dynamic behavior because their respective importance changes when digital ecosystems reach more advanced stages. Early-stage e-commerce development requires basic infrastructure and legal framework development, but advanced stages require organizations to maintain competitive advantages through service quality differences and international business operations. The temporal dimension requires development strategies to adjust their implementation according to evolving factor configurations instead of following fixed policy guidelines. The literature describes two feedback loops which operate when successful e-commerce growth creates both resources and incentives that drive infrastructure development and regulatory improvement and business innovation, resulting in two possible outcomes which depend on environmental conditions.

Scholars show opposing views about e-commerce development factors through their examination of these research results. The research shows that both basic technological systems and institutional systems need to be established before proving essential for all parties involved in the research. The analytical tensions show two different theoretical positions about how digital economies operate and which frameworks should be used to study technology-driven economic changes. The research shows multiple research gaps because existing studies do not examine how e-commerce growth will sustain itself over time and how digital commerce expansion affects the environment

and how e-commerce development in areas with major digital gaps impacts social equity.

## CONCLUSION

This analysis has identified and examined the primary factors influencing e-commerce development within digital economy frameworks through systematic literature synthesis. The research confirms that e-commerce evolution depends on complex interactions among technological infrastructure, regulatory and institutional frameworks, consumer behavior and digital literacy, payment system capabilities, and business environment conditions. These factors operate systemically rather than independently, creating development pathways characterized by non-linearity, contextual variation, and dynamic evolution.

The findings emphasize that successful e-commerce development requires integrated approaches addressing multiple factor domains concurrently while adapting strategies to specific contextual conditions and development stages. The study contributes to academic understanding by consolidating insights from diverse scholarly traditions and proposing comprehensive analytical frameworks for assessing e-commerce ecosystem development. Future research should prioritize empirical investigations of factor interactions in specific contexts, longitudinal studies tracking e-commerce evolution trajectories, and comparative analyses examining development pathway variations across different institutional and economic settings to build upon the theoretical foundations established through literature-based analysis.

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