

POST COVID IMPACT ON TRADE AND COMMERCE AND HOW INFORMATION TECHNOLOGY HAS HELPED COPE WITH IT

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ABSTRACT

The impact of Covid-19 in our live scan be debated and discussed endlessly. What can safely be concluded is that, never has the world seen an almost halt to its proceedings in the way it has during the last 2 years. The effect on human lives is clearly reflected in the economic slowdown of various degrees in the world. It has compelled us to think about innovative ways to respond to sustaining businesses and thus helping the lives dependent on both sides of the Demand-Supply Chain. While the Scientific world grappled with getting the Vaccine against the dreaded Virus, technology has emerged as the 'invisible vaccine' connecting people across the world. The umbrella of information technology has expanded in an unprecedented manner reaching a new audience which has finally awakened to its utility, creating its own unique eco-system of growth. A fascinating new way of IT-based life is evolving along these troubling times of the pandemic. With a new set of numerically large users ready to embrace it in its various forms, it appears ready, more than ever, to become a mainstream way of conducting business.

Keywords: Covid-19, Information Technology, Demand-Supply Chain, Eco-System of Growth.

Introduction

Kerala is a unique state in more ways than one. Known as Gods own country, it signals the arrival of monsoon in India and thus becomes a gateway of joy and happiness in our largely agrarian country where more than 50% of employment is Agri-based. However, Kerala also had the dubious distinction of reporting the 1st ever Covid-19 case in India signalling the arrival in India of what appears to be the biggest threat to human-kind in many centuries.

As human life faced one of the worst forms of attack on its survival unprecedented events began to take shape around us. Masks, PPE Kits, Physical distancing, Janta Curfew, Lockdown, Essential services, Travel Ban, Labour Migration were some of the many iconic images of the last 18 months.

What is striking though, is the sheer grit and determination with which Covid-19 has been fought with. The biggest impact of Covid-19 after human life was on the economy. Organized business felt the heat when consumer movement became restricted and then totally stopped. Unorganized forms of business were the worst hit and the entire chain got disrupted indefinitely.

In the eye of the storm, new ways of interaction were invented and IT-enabled services became a massive support system. Digital payment options became the norm of the day and contact-less forms of delivery of goods and services started to fill the enormous gaps left by the traditional forms of business behaviour. Of course some sectors were more hit than others, however, IT for sure offers hope to open newer vistas of economic growth for a nation which has finally acknowledged the tech-way of life and is living it in some form or the other.

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What is Information Technology?

Information technology refers to use of internet and computers which is used for building communications network for a company, safeguarding data and information, creating and administering databases, helping troubleshoot problems with their computers or portable devices along with ensuring data security. IT has revolutionized the business functioning by providing tools to solve complex problems, helping decision making, improving marketing, customer/supplier support and resource management.

Research Objectives

- To evaluate the adverse impact of Covid-19 on trade and commerce by analysing the performance of various sectors and industries in India during lockdown.
- To analyse how the use of Information Technology has stepped up in businesses as well as the lives of the common man to help us cope with this adversity and making virtual the new normal.

Research Methodology

- In order to study the impact of the pandemic on Indian primary and tertiary sectors and various service industries secondary data has been used from referred sources.
- Primary data has been collected from an Ahmedabad based local delivery service provider-“VOCAL FOR LOCAL” using a simple mobile technology and produced as a case study in support of the hypothesis.

Hypothesis

The pandemic has had an adverse impact on Indian trade and commerce however Information Technology has made it easier for businesses to sustain during this once in a lifetime kind of crisis.

Limitations

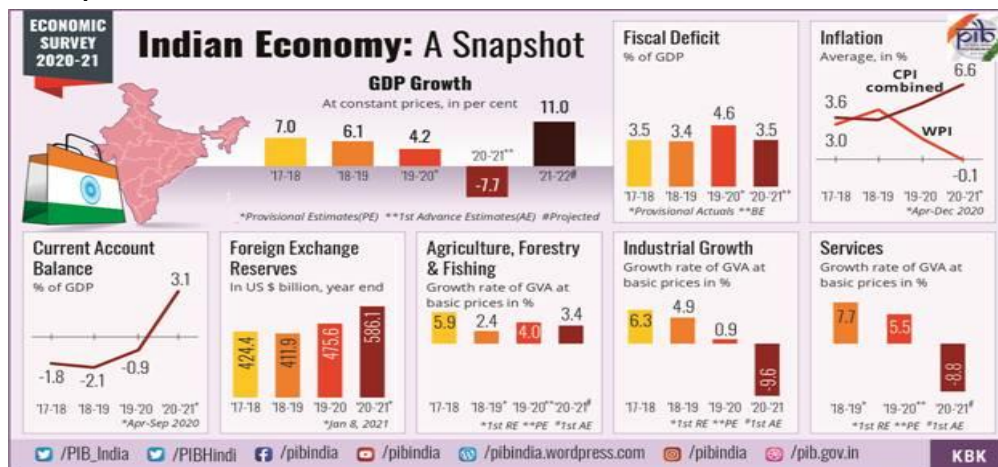
The limitation of this study is that it may be relative in urban areas as compared to rural areas due to limited use of internet in remote areas.

Literature Review

Trade and commerce is one important aspect to determine the development of a nation as it helps to enhance and build up a strong economy. The Covid-19 virus has not only affected and claimed millions of lives worldwide but has also posed a serious threat to the global economy caused due to the huge disruption in demand and supply. Many countries were forced to lockdown and close borders halting domestic and international trade.

The Indian economy too has seen a remarkable downfall as the life versus livelihood debate played out with the government first announcing that life would be prioritized over livelihood but later changed to equal importance being given to both life and livelihood. The Honourable Prime Minister, Shri Narendra Modi addressed to the nation first on 25th March, 2020 announcing a nationwide lockdown and on 12th May, 2020 saying that the pandemic was an opportunity for India to become self reliant promoting the Atmanirbhar Bharat mission and proposing its economic package.

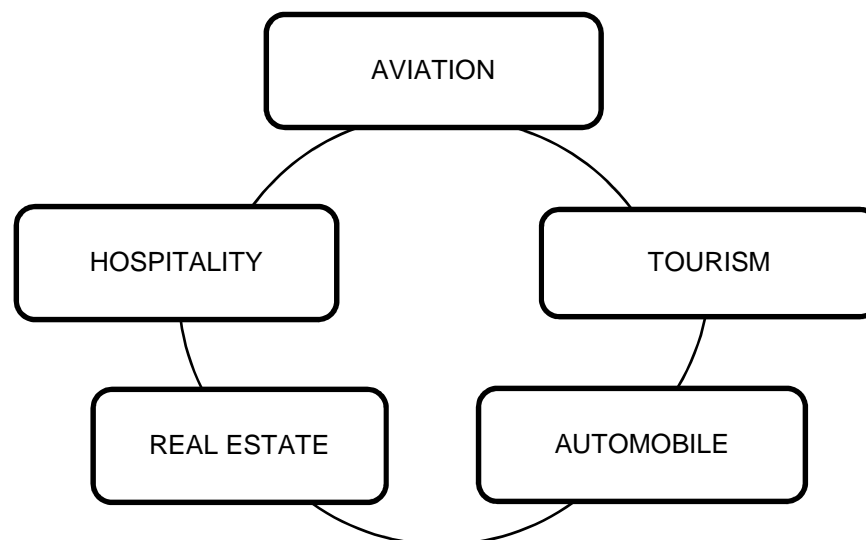
Covid-19 Impact on Indian Trade and Commerce



- The GDP of India was at its lowest since independence at 7.3% and due to the second wave of Covid-19 forcing another lockdown is expected to again be lower than the expected 11%.
- However starting from July, 2020 a V-shaped recovery curve is seen due to phased unlocks, Atmanirbhar Bharat economic packages, vaccination drives, etc.
- The Current Account balance recorded a surplus of 3.1% during Apr-Sept 2020.
- The Foreign Exchange Reserves rose to US\$586.1billion in 20-21 as against US\$475.6 billion in 19-20.
- The Agricultural sector recorded a 3.4% growth rate to the Gross Value Added (GVA) which was the only sector which showed a positive lining as compared to the manufacturing and service sectors which showed -9.6% and -8.8% growth to GVA.

The economic impact of the first and second Covid-19 wave has been devastating and manufacturing and service sectors have taken the toll of being hit financially the most. Efforts have been ramped up earlier to prevent the spread of the virus and now to break the chain of these infections, along with the vaccination drive being carried out in phases for different age groups however the economic damage on these contact based services shall not recover until people step out in full confidence that they might not contract the virus which in the near future looks grim reducing the pace of growth in the economy however amid these crisis IT enabled industrial sectors have been the saving grace for the service sector which otherwise dived nose down.

Sectors most Affected by Covid-19



- **Hospitality Sector**

The hospitality sector which includes many businesses like restaurants, hostels, serviced apartments, pubs, bars, nightclubs etc. and contributes a large portion of India's annual GDP, declined considerably in the first quarter of 2020 due to curfews imposed by states. People are scared to step out as reports of new cases and deaths every day keep coming, causing many businesses to come to a standstill as only food delivery qualifies as an essential service. All hospitality-related businesses in the country are facing a similar challenge.

- **Tourism Sector**

The tourism sector comprising of hotels, home stays, guides, vehicle drivers, tour operators, hotels, restaurants, shops and other facilities related directly or indirectly to tourism have taken a hit owing to the spread of the virus. The travel bans, border closures, events cancellations, quarantine requirements and fear of spread, have placed extreme challenges on tourism sector which contributes nearly 7 per cent of India's annual GDP. The restrictions due to the second wave have again crippled the tourism sector, which was struggling to recover from the initial losses suffered by businesses in 2020 having a devastating impact as unemployment rises.

- **Aviation Sector**

The outbreak of the coronavirus has caused excessive damage to aviation sector, threatening its survival and sustainability of airlines around the globe since most of the countries cancelled domestic and international flights on account of lockdown during the first and the second wave of the pandemic. Reports suggest that air travel has seen a 50 per cent reduction in the recent past again owing to the fact that people are scared to step out of their houses and its recovery depends on when the people will start gaining the confidence to opt for these services.

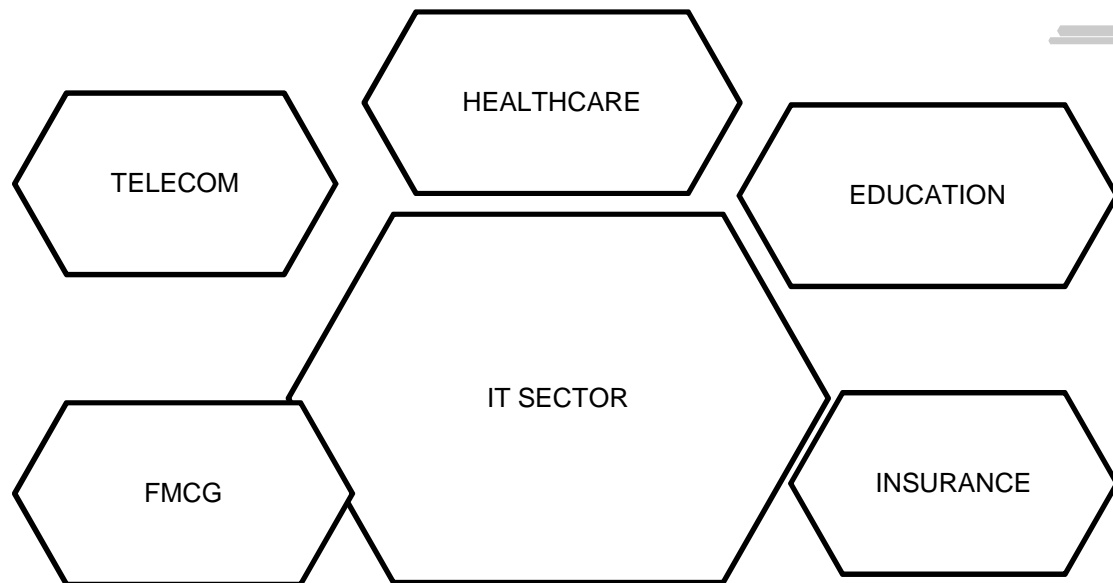
- **Automobile Sector**

The magnitude of the blow of COVID-19 pandemic and the nationwide lockdown were felt when the sector recorded absolute zero sales in the month of April 2020, the first such instance in the history of the Indian auto sector. In parliamentary report submitted to M Venkaiah Naidu, Chairman of Rajya Sabha the automotive industry suffered Rs 2,300 crore loss per day and an estimated job loss of 3.45 lakh in the sector. The report said that the sector is expected to recover only in the second quarter of the year. Since automobiles are discretionary items, vehicles sales largely depend on consumer sentiments which remains weak and the demand for non-essential items are likely to fall further.

- **Real Estate & Construction Sector**

Real estate and construction sector activity faced disruption during the second wave, as a large number of migrant workers started leaving urban areas. The lack of labourers and material shortages due to transportation restrictions has resulted in significant delays in infrastructure project completion mainly in urban areas. The consumer behaviour changed as people saved for their necessities as companies slashed the employee salaries decreasing their purchasing power and reducing their interest in buying property.

Sectors Least Affected by Covid-19



- **Healthcare**

As India struggled to reduce the infections and fight its first and second wave of coronavirus the healthcare sector and pharmaceutical companies have been one with an overwhelming response with all the components of healthcare, from supplying to the frontline medical workers being busier than ever. The government has had to increase resources and money spending nearly Rs10000 crore (\$1.3 billion) given to the healthcare industry with a focus on pharmaceuticals, PPE kits, testing kits, and hospitals, also issuing guidelines for testing, capping the test prices and roping national laboratories for providing statistics on confirmed cases, death and recoveries. On a positive note Vaccination drives have started in phases for different age groups pan-India as a prevention of casualties due to this deadly virus.

- **Telecom**

In order to stay safe the nation urged its citizens to stay at home and also work from the comfort of their homes and as a direct effect of the lockdown there has been a considerable surge in the usage of telecom services as people are now relying on mobile data and internet to communicate with each other. With people working from home is where the IT enabled telecom service gained as India consumed more data for its virtual meets, online education, online shopping, e-payment, Netflix and chilling etc. The importance of having a strong telecommunication network was acknowledged by the Indian government and the MHA announced IT and IT enabled services as essential thereby exempting it during lockdown.

- **Education**

With the world's highest school-going population, Ed-tech is definitely one of the biggest beneficiaries of the impact of Covid-19. India is the second biggest IT-enabled learning market after US and with the advent of the likes of Upgrad, Simplilearn, Udemy etc. many corporate professionals are upgrading to newer skill-sets from the comfort of their home. In a nutshell, Education appears to have undergone the maximum change during the Covid-19 period as teaching changed from chalk-talk to being technology driven.

- **Insurance**

This sector has proved to be more peculiar than any other. If the first wave of Covid-19 fuelled a never-seen-before surge in the insurance sector, the second wave has created unprecedented claims of Covid-19 related cases making it a never-before kind-of environment. Expected to grow rapidly, as benefits are seen by new users and word-of-mouth and relentless advertising create a large consumer base

- **FMCG**

As the world grappled with the impact of Covid-19 pandemic the Fast Moving Consumer Goods rose from the disruption faced by the economy with innovations and adopted digital medium for marketing and distribution. For the year food, personal care and hygiene products had a higher market share with hand sanitizer and disinfectants emerging as the hero products. As per the reports early pandemic months saw a surge in panic buying but was not concentrated until the lockdown but also extended beyond resulting in approximately 5% growth which could have not been the case under normal circumstances. The rural areas contribution to the FMCG growth was more than its urban counterparts as per surveys. The manner in which the business functions have modified with the acceptance of the new normal during and post the Covid-19 era with the help of IT has been such that seminars became webinars, traditional ways of business have given way to e-commerce, physical advertising succumbed to the social media advertising, cash payments turned to going cashless with the help of e-wallets, artificial intelligence helped in corporate decision making, etc.

The Covid-19 outbreak also achieved what the demonetisation 2016 failed at- Digital Payments for everything from groceries, electricity bills, cab fares, etc. as people feared to handle bank notes amid the pandemic. Organized retail got a big boost from digital payments during demonetization, however, during the pandemic even unorganized retail has benefitted, as every local vendor has now enabled this hassle free payment modes on their phones giving online payments a big thrust. Despite of a large increase in the number of digital payment users, cash remains the king, as only one third of Indians have access to the internet and those who do often face connectivity hardships. Also, 20 percent Indians have no bank accounts, limiting card transactions. The government has tried its best to promote digital payments all over India through the Digital India Initiative and also Jan DhanYojana, yet, it remains largely an urban phenomenon and its growth rate will be a challenge to sustain. However along with businesses this pandemic has affected the common man who is the consumer of the goods or services provided by these businesses and helps running the trade cycle. Hence, here forth is an example of an Information Technology led service which boasts of working for the common man- **“VOCAL FOR LOCAL”**

Vocal For Local (VFL) is the brain child of two Ahmedabad, Gujarat based women who have hired an all-women's team for the delivery of mainly essential goods or services to the customer in their hour of need.

VFL started its services on 15th August, 2020 building a customer base by enrolling them for a game of Housie played virtually. VFL stands tall on the four pillars of the government led initiatives namely:

- Start-Up India
- Digital India
- Women Empowerment &
- Atmanirbhar Bharat.

What does VFL Do?

VFL obtains orders from its customers over call, SMS and WhatsApp Text or Media and then assigns the order to the delivery agents who have been trained to identify quality goods and then make doorstep delivery of the same in merely an hour and at a nominal delivery charge. These delivery services are in a radius of 5kms of where it is centrally located in Motera, Ahmedabad and soon plans to expand its area of operations. The delivery agents may make use of the two wheelers owned by them for these product deliveries.

VFL provides delivery of personalized as well as customizable goods. One can place an order from a single or multiple stores demanding groceries, fresh fruits and vegetables, dairy products, medicines, sweets, etc. and can be assured that items of the same shop or brand will surely reach them with the bill provided by the store owner thereby maintaining transparency. In order to affirm the quality and quantity with the customer the delivery agents make use of the WhatsApp Video Call Feature enabling them to save time as VFL also has a return or exchange policy in case of an unsatisfied customer. Hence a customer gets customizable, qualitative, transparent and safe services from VFL all at the disposal of a few keypad clicks on the mobile phone with internet that too at the comfort of their homes. The impact that VFL has made in the customers life during Covid-19 is likely to stay as it may have now become a habit for most to not unnecessarily step out from the homes and the customized deliveries will help it in staying in the businesses even after Covid-19 may have phased out of our lives.

VFL itself makes use of IT by making E-Payments to the local vendors in a once-a-week lump sum payment of its credit sales and also pays electricity, rent, basic salary and fuel charges to its employees by Net Banking. It makes use of Social Media Marketing via posting on Facebook and WhatsApp story along with a broadcasting pulse message on WhatsApp informing daily fruit or vegetables charges. VFL is now on the verge of developing a user friendly App for selection of products, ordering, order tracking, payment and grievance redressal for its customers.

Benefits of VFL's e-Commerce Services

Vocal For Local's this E-commerce services has helped its various stake holders in the following ways:

- **The Customers**
 - **Convenience:** The customers can place an order over call, SMS, WhatsApp and expect the order to be delivered at their doorstep without having to step out during this pandemic situation.
 - **Customized Services:** The customers can place an order of the products they require like groceries, fresh fruits and vegetables, dairy products, medicines, sweets, etc. from a single store like Reliance Fresh / DMart or multiple local stores as per their requirement. In addition to this VFL prioritizes to deliver products of the same brand as demanded by the customer. Working of VFL is such that there is hardly any chance of any product being out of stock. The VFL team has joined hands with many working from home entrepreneurs making Cakes, Pickles, Papad, Cookies, etc. or providing tiffin services to the homes affected by Covid-19. One feature least used by VFL customers is that of delivering a parcel from point A to point B which is similar to that of Swiggy Genie.
 - **Time Saving:** VFLs contemporaries in the market are Apps like Grofer's, DMart Ready, Big Basket, Amazon Grocery, etc. which operate pan India however the shortcomings to these Apps are its time slots which may be next day and might even be unavailable due to working at full capacity. This shortcoming is met by timely supplying the products within an hour by the VFL team making it a more obvious choice over the other apps.
 - **Long Distance Service:** As mentioned above VFL delivers product within a radius of 5kms of its centrally located office in Motera. This distance could be a limitation for a local seller who may not deliver beyond a corner or two of its operational area but is not a case for VFL delivery agents who use their two wheelers for its constant deliveries and VFL also looks forward to expanding this area of operation.

- **Transparency:** VFL delivers goods with actual bills from shopkeepers without adding any margin of profit on them and charges a nominal delivery charge of Rs.20. This ensures that the customer pays the MRP only and hence transparency of the transaction is maintained.
 - **Quality Control:** Customer is the King and Customer Satisfaction is the priority for team VFL hence their motto is to deliver quality product for which the delivery agents are trained beforehand and also in their line of operations for certain products the agents use the video call feature of WhatsApp to ensure customer satisfaction. In case of an unsatisfied customer there is a return policy which the team proactively is ready to do just to keep the customers happy with their dedicated service.
 - **Easy Payments:** VFL accepts payment of bill in both Cash and also by Cashless means where a customer can use any UPI service for the same. The team gives the number or carries the card which has QR code for easy digital payments from the customers E-Wallet in case they don't want to deal in cash during the pandemic or cash unavailability.
 - **Safety:** The all-women's delivery team ensures women and children are comfortable in receiving the deliveries and also helps us all stay safe within our homes during the Covid-19 pandemic as they bring the essential products ordered by us to our doorstep.
- **The Vendors**
 - **Increased Customer Base:** Physical sourcing of goods was a major limiting point for all retail stores as consumers did not venture out very far from their homes. This has been significantly overcome allowing newer consumer-retailer interactions even if they are not physically in the close-by vicinity increasing the customer base or creating new markets for the vendor.
 - **Reduction in Cost:** A vendor who usually would provide in shop services as well as home delivery would need an added staff for managing both but with the help of VFL they can now reduce such cost.
 - **Inventory Management:** Consumption pattern of buyer ensures better management of inventory with reduced inventory days with a predictable cycle of procurement from whole-sellers.
 - **Free Advertising:** Team VFL in order to advertise its customized services have used the names of different shops from which they can pick-up the products and in this process it freely advertises for the vendors to those customers who are unaware of it again building up its customer base.
 - **Efficiency Improvement:** Since VFL is dedicated towards delivery the vendors don't have to worry for the same and can pay attention to their core business of selling products thereby improving its efficiency.
 - **Recurring Payments made Easy:** VFL has become a big name in the local areas and its credibility has grown. Thus these vendors provide credit sales and a weekly lump sum payment is made with the help of digital payments
- **The Government**
 - **Instrument to Fight Corruption:** As VFL delivers the actual bill to the customers the vendors have to oblige by issuing bills or cash memos which gets recorded in the system which in turn helps curb tax evasion and helps government in fighting corruption.
 - **Reduction in Use of Ecologically Damaging Materials:** As the primary function of VFL is to deliver products they carry their reusable packaging bags or boxes with them which they empty after every delivery and thus saves the environment from the extra plastic which is harmful to the natural eco-system.

Conclusion

The VFL case study clearly illustrates that technology is an enabler in finding credible solutions to problems arising out of unforeseen sources and finds patronage from the buyers and sellers alike. These solutions can be commercialized and replicated across geographies albeit taking the local business environment into consideration. The government is ready, more than ever before, to facilitate the transition into the digital way of business and the market is opportune for all kinds of businesses to embrace digital business model in various degrees.

Certain sectors will take longer to recover from the Post-Covid impact but are expected to register a stronger bounce-back as vaccination numbers rise. An altered landscape of business is upon us. It looks likely that smarter IT-based buying and selling will differentiate the lives of people henceforth. The prosperity of nations in the future would be reflected by the digital literacy of its citizens.

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