

## COVID-19: IMPACTS ON E-COMMERCE

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### ABSTRACT

*E- Commerce or electronic Commerce is a methodology of modern business which is most considered and chosen way of buying and selling different types of products and services. Nowadays, E Commerce has replaced the traditional method of purchasing. E commerce is also considered as transaction of money, funds and data. E-commerce has deeply affected the life of a normal man, business and governments operate. People have switched from shops, supermarkets and shopping complex to online portals for purchase of products, ranging from basic commodities to branded goods. It plays a significant role in the marketplace both nationally and internationally. There are different functional version of E commerce i.e. retail ,wholesale, physical products ,digital products, drop shipping, subscription services, crowd funding etc. It can be operated over personal computers, smartphones, tablets and other smart gadgets. Nearly every imaginable products and services are available through electronic transactions including, music, plane tickets as well as financial services such as stock investing and online banking. It is also considered as a very **Disruptive Technology**. E-commerce is a huge part of the economy and plays more pivotal role to business that sell their product or services through electronic commerce. Statistics shows that 96% of Americans have made a purchase online with the access to the Internet. E-commerce offers consumers a more easier way to shop for the products and services. The worldwide spread of the COVID-19 pandemic has disturbed the E Commerce business also. E-commerce market is also facing some challenges which are not expected before. This paper studies about impression on E Commerce business and change in buying behavior of people and in their demand due to COVID-19 all of a sudden. We will take a look of positive as well as negative impacts of COVID pandemic on E commerce in this study.*

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**Keywords:** E-commerce, Lockdown, Covid, Pandemic.

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### Introduction

#### Objective

- To study the impact of COVID-19 on e-commerce.
- To analyze the factors influencing the rapid usage of E Commerce.
- To create awareness among people about COVID-19 and e-commerce.

#### Introduction

First case of COVID-19 in India, which originated from China, was reported on 30<sup>th</sup> January 2020 In the state of kerala. The Government of India under Prime Minister Mr. Narendra Modi implemented a nationwide lockdown for 21 days on 24 March 2020 limiting movement of entire population of India to curb the spread of the infection. Even then, the coronavirus positive cases are increasing at a rapid rate and hence the lock down got extended.

#### **Dynamics of COVID-19 in India; A Review of Different Phases of Lockdown**

Phase 1:25 March 2020 – 14 April 2020(21days)

Phase 2:15April 2020- 3 may2020(19days)

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Phase 3: 4 May 2020-17 May 2020 (14 days)

Phase 4: 18 May 2020-31 May 2020 (14 days)

Phase 5: 1 June 2020-30 June 2020 (With restrictions and only for containment Zones)

**Table 1: Progress of COVID-19 in different Phases of Lockdown in India**

	Pre-lockdown (30 Jan– 24 Mar)	Lockdown Phase 1 (25 Mar– 14 Apr)	Lockdown Phase 2 (15 Apr–3 May)	Lockdown Phase 3 (4–17 May)	Lockdown Phase 4 (18–31 May)	Lifting of lockdown (1–12 Jun)	Total
Number of cases	571	10914	31294	52920	94949	118955	309603
Number of tests	22694	222199	801557	1181192	1509385	1626418	5363445
Number of deaths	1	395	1067	1562	2382	3483	8890
Number of recoveries	3	1362	10398	25032	55067	62369	154231
Positivity rate (%)	3	5	4	4	6	7	6
Case fatality rate (%)	0	3	3	3	3	3	3
Recovery rate (%)	1	12	27	38	48	50	50

Source: Authors calculation from [www.covid19india.org](http://www.covid19india.org)

E Commerce has become so commonplace that many people may not even realize when they are part of an E Commerce transaction. E Commerce is growing at a rapid pace among users which involves the transfer buying and selling of goods as well as transfer of information through the Internet. In 2018, E Commerce made up 14.3% of US retail sales, up from just one 12% in 2017. In wake of this coma E Commerce has exploded into one of most important industries today.

Major types of E Commerce businesses are as follows:

- Business-to-business(B2B)
- Business-to-consumer(B2C)
- Business -to- administration(B2A)
- Consumer-to-administration(C2A)
- Customer- to -customer(C2C)
- Mobile Commerce(M-Commerce)
- Facebook Commerce(F-Commerce)

#### **E-commerce and COVID-19**

Coronavirus impact the whole e-commerce business of the world. E-commerce has experienced rapid growth since its humble beginnings with e-commerce sales projected to grow to 5 double 9.2 million USD by 2024. Do to COVID-19 sales spike 25% in March 2020 alone and we can see the status of retail websites during cobbled in the following table.

#### **Top Retail e-Commerce Websites in COVID-19 Pandemic**

Sr.no	Retail website	Millions
1	Amazon.com	4059M
2	Ebay.com	1227M
3	Rakuten.co.jp	804M
4	Samsung.com	648M
5	Walmart.com	614M
6	Appel.com	562M
7	Aliexpress.com	532M
8	Etsy.com	395M
9	Homedepot.com	292M
10	Allegro.pl	272M

(Andrienko, 2020)

### Positive Impact of COVID-19 on e-Commerce

- **Wide Product Variety:** The usage of E Commerce has been increasing rapidly for the past 20 years. In the global marketplace with an almost endless choice of brands and products to choose from, consumers are not limited by the availability of specific products in their local town, city or country. The width and depth of product sold through online traffic are unbeatable.
- **Lower Prices:** This is one of the biggest e-commerce advantage. Online prices are typically lower than traditional store prices as less staff is required to manage an online shop that unable owners to automate inventory management. E Commerce sites are able to offer more discounts that are easier to claim.
- **Convenient and Safe:** online shopping is extremely more convenient and gives more control to consumers. In this COVID-19 pandemic people can do shopping from their bedroom, without heaping out, wait in lines and all challenges that go along with consumerism.
- **Accessibility:** consumers can assess E Commerce services 24 hours a day. They can place order, browse products and avail online services whenever they wish just by a touch of a button. Even people living in remote areas can easily do shopping from their home.  
*“Customers want to avoid stepping out unless it’s very critical. We are helping customers who are stuck in that situation, and we are able to play a small part in helping (cater) to their needs,”* – Gopal Pillai, Vice President for Seller Services at Amazon India.
- **Saves Time:** 63% of consumers start their shopping journey online. As it provides massive time savings to the consumers in this busy life. No need to shop in stores, wait in lines and then come back home as you can buy product range at lower prices from the comfort of home.

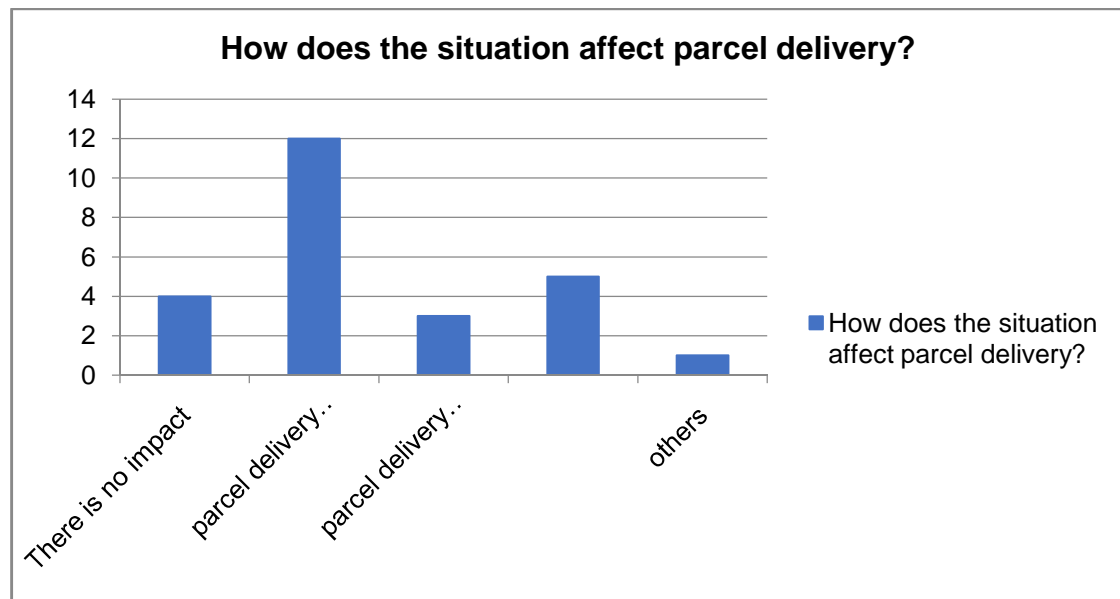
### Negative Impact of COVID-19 on e-Commerce

- **6%: ecommerce revenue decreased during lockdown**

Of course, there were questions about Covid-19. It seems that most ecommerce companies saw their online revenue increase during the global lockdown in the spring of 2020. According to the survey, 90% of companies saw their online sales increase at least a bit, with 50 percent of respondents claiming it grew by over 100 percent. But still, 6 percent say their ecommerce revenue decreased during the lockdown.

After the lockdown was over, many consumers started shopping at brick-and-mortar retailers again. Still, 86 percent of respondents say their online revenues increased and only 4 percent say it decreased.

- **Increased Competition:** Increased usage of online traffic due to COVID-19, E Commerce platform is filled with competitive businesses. It is very important to do a thorough analysis of your competitors to get a better understanding of the market realities. If you are not as compatible as your competitors then you can’t survive in market for a long run.
- **Profiling Fraudulent Users:** Online shopping tools helps in recognizing fraudulent users across different platform .This also create hurdles in working of online Commerce in this panic age. It is challenging time for E Commerce due to COVID-19.
- **Impacts on parcel delivery:** The majority of the respondents state that the COVID-19 situation has caused delays for parcel delivery operators, with 4 respondents qualifying the delays as “severe”. Furthermore, 5 respondents report that parcel delivery operators have resorted to asking consumers to pick up their orders from designated pick-up spots. While some respondents state that the parcel delivery delays during the second lockdown were less severe than the ones during the first one, others report that due to the combined effects of strict lockdown measures, a shift in consumer behavior towards online shopping and the increased demand around the Christmas period, parcel delivery operators had to open extra pick-up points to manage the increased flow of parcels.



### Conclusion

In this study, we have analyzed the different phases of COVID-19 outbreak. Awareness about this topic and provide better information to people and helps in knowing how coronavirus affected E Commerce business and economies of countries how e-commerce provides alternative ways to people to meet their demands. And it will help the other researchers to investigate more deeply how coronavirus changed the present status and scenario of e-commerce.

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