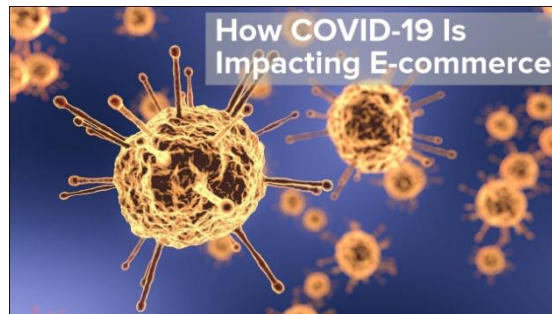


E COMMERCE DURING COVID 19: AN OVERVIEW

Prof. Shruti Pagare

Asst. Professor, St. Paul Institute of Professional Studies



1. INTRODUCTION

E-commerce had been steadily gaining momentum — the world over and also in India much before COVID19 happened. By and large the onset of the pandemic and the ensuing lockdown has thrown the progression of online purchasing off balance because of restrictions on eligible items to essentials and due to the limitations placed on physical movement directly impacting deliveries. Nevertheless, experiences of life during the lockdown may result in nudging attitudes towards opting for e-commerce once things are back to normal.

1.1 Objective

- ✓ To clarify the growth of e commerce during Covid 19.
- ✓ To examine the challenges and future of e commerce during and after Covid 19.

2. IMPORTANCE OF ECOMMERCE

The importance of **E-Commerce** in the present scenario has been gaining huge popularity owing to its benefits. E-commerce refers to doing business; buying or it can also be selling products or services either through the internet or electronically. They can create a unique identity on the web, in addition, to help you in marketing and selling the products. All thanks to the advantages- E-commerce development has become one of the latest business trends, which paved the way to do e-commerce business online. enforcement of social distancing, lockdowns and other measures in response to the pandemic has led consumers to ramp up online shopping, social media use, internet telephony and teleconferencing, and streaming of videos and films.



✓ Lesser cost

If the inventory management of goods and services is an automated process then not only there will be a reduction in costs, but also in risk. Also having an ecommerce business is much more cost effective than a physical store as it saves your extra expenses like rent, electricity, etc.

✓ Easy setup



The setting up cost of e-commerce business is extremely low as compared to setting up of a physical shop. Moreover, it is quite easier to license and permit e-commerce marketing site than a physical shop.

✓ **Economy**

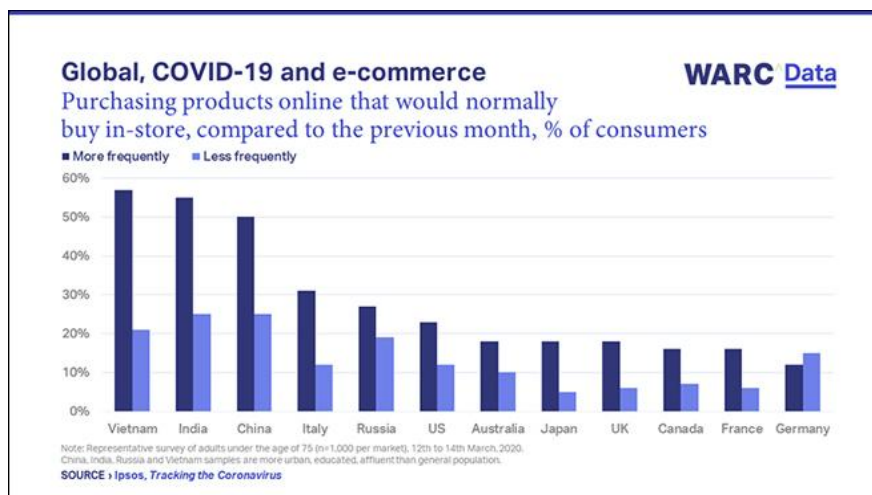
As, there is no investment in terms of infrastructure or insurance in the e-commerce business, more money can be invested in the products, strategy & promotion. It will boost your marketing strategies and thus can also increase the traffic on your e-commerce website.

✓ **Better product information**

Most e-commerce websites have detailed information of their products along with the images & videos for product demonstration. It helps in customer getting a clear image of the product & its usability.

3. GROWTH OF ECOMMERCE DURING COVID 19

Based on a market research before the Covid outbreak, it was predicted that the growth in the e-commerce market in India would reach 200 billion US dollars by the year 2026. Post the outbreak, recent trends suggest that the goal of 200 Billion U.S. Dollars may be reached a lot sooner than originally predicted spurred by a jump in consumers opting for online deliveries amid fears of possible infection if they step out of their homes. The e-commerce sector is being impacted on the supply as well as the demand side and while some companies are able to adapt and respond to the changes, others are not able to because of the nature of limitations that have been imposed.



Source: <https://www.warc.com/content/paywall/article/WARC>

DATAPOINTS/Ecommerce_shopping_more_frequent_because_of_COVID19/132077

On the one hand there has been a decline in sales of fast-moving consumer goods since the lockdown and a survey conducted by Digital Commerce in March 2020 found that from among 304 e-commerce retailers about 36% strongly felt that their businesses will face a significant downfall while 42% of them felt that there will be shift in consumer confidence. Another major problem is the shortage of staff which makes it difficult for companies to attend to orders. Online supermarkets like Grofers and Big Basket report that they only have access to 60% and 50% of the total staff respectively, due to the pandemic and hence can only meet order deliveries at a reduced frequency which has put pressure on the availability of slots for consumers. Similarly, Amazon has suspended deliveries of certain goods and only restricted deliveries to essentials in light of the staff and logistical crisis ensuing as a result of the lockdown.

4. FRAUD THROUGH E COMMERCE DURING COVID -19

Today lockdown restrictions have driven technology-averse consumers towards using technology for delivery of food and online shopping of essential products. The rapid growth



of the e-commerce sector has also inadvertently led to a rise in frauds. The number of online shopping frauds registered with the National Consumer Helpline has jumped nearly six times from 977 cases in FY17 to 5,620 cases in FY20 till November 2019, taking the total count of cases since FY17 to 13,993. The various ways of committing fraud and wrongdoings that may emerge in this sector could be as below.

- ✓ **Sales and distribution fraud:** Employees and fraudsters could work in collusion due to low focus on compliance in a remote-working scenario. There could be a creation of fictitious customers to misuse sales promotion schemes/cashback offers, abuse of new user promotions, misuse of electronic gift vouchers among others due to increase in the count of consumers subscribing to e-commerce platforms during the lockdown.
- ✓ **Counterfeit, expired and damaged products:** Such products could be put into circulation on e-commerce platforms, to meet the increased demand and perceived shortage of essential products.
- ✓ **Kickbacks, bribes and conflict of interest scenarios:** Third parties and vendors appointed during the lockdown period with limited or no due diligence could lead to vendor favouritism as a result of collusion between employees and vendors.
- ✓ **Logistics and inventory management:** Pilferage of original products by delivery personnel and, pilferage of products from the warehouse or during transit due to shortage of manpower during the lockdown period.
- ✓ **Hiring of unsuitable/unethical employees:** Such hiring by e-commerce organisations to cope with augmented demand and manpower shortage or inaccessibility during the lockdown period as candidates may submit fictitious credentials to secure these jobs
- ✓ **Cyber fraud:** This could be on the rise due to the remote working, demand for essential products and augmented digital transactions, which could then lead to data breaches and loss of intellectual property for e-commerce organisations. These could be by way of phishing/vishing attacks, fake websites/mobile applications, fake customer care that preys upon customers and coerces them into providing credentials or remote system access, charity scams that solicit donations for non-existent charities falsely claiming to help individuals or areas affected by COVID-19 and lastly leakage or misuse of personal consumer information.

5. FORECAST FOR ECOMMERCE DEVELOPMENT IN FUTURE

With lockdowns, brick-and-mortar retailers are facing a harsh reality, considering that the government has enforced quarantine and restricted outdoor trips. With eCommerce, on the other hand, shipping and supply challenges are persisting.

All the forecasts regarding eCommerce sales hike across the world in 2020 and upcoming years are likely to alter substantially.

- ✓ **The Rise of Online Grocery Stores:**
The world is facing a severe lockdown currently. With only a few people out on the roads, the number of those who have isolated themselves is increasing day-by-day, fortunately. As a result, housebound consumers across the globe are turning towards online groceries for their essential supply. As per Carrefour, a French retailer, the delivery of vegetables has increased by 600%. Not just that, but a Chinese retailer has also reported a 251% increase in the online grocery sale during the initial 10-days between late January and early February.
- ✓ **Major Hit on the Smartphone Delivery:**
Owing to issues with supply-chain during this quarantine period, the online sales of the smartphones is expected to decrease by more than 20% in the Q1 2020 of China. And, if talking about the global drop, there a major hit of 5% is expected. Even Apple, a smartphone giant, is concerned about not being able to meet the objectives for Q1, considering the disruption to its supply across Asia.
- ✓ **A Ray of Innovation Amid Epidemic:**
All doesn't seem stormed amid this epidemic. Although the disease is contagious, however, it is simultaneously compelling innovators to come up with revolutionary ideas. Now is the time when a lot of companies, including a handful of them in China, are experimenting with robots, drones, and automation for delivering products. It is of course tough time for certain businesses, like a travel website design company or tour



operators, but pumping up some creativity and innovative ideas will certainly help them to survive. Considering the need to minimize physical contact, this idea, if executed well, can create a contactless resolution and prevent significant losses in this sector. With this idea, there seems to be potential for companies that are looking forward to developing such technologies that can work seamlessly in a public environment.

✓ **A Successful Surge in Virus Protection Products:**

Since authorities, both medical and governmental, have been urging people to maintain adequate hygiene and not to touch their faces for obvious reasons, people are listening. And, that is one of the major reasons why people are running behind protective products, including gloves, sanitizers, masks, and much more. Where the offline retailers are having a tough time fulfilling mass demand, millennials are choosing to order these products online; helping eCommerce portals acquire a surge in revenue. As per the recent analysis by Adobe, the eCommerce purchase of these virus protection products has increased by 817%. Besides this, the fact that people are going berserk over toilet paper has increased the online sale of the same by 186%.

✓ **The Stock for Online Medicines:**

Researchers, across the globe, are urging people to self-quarantine themselves the moment they feel minor symptoms of Covid-19. With this engraved in their minds, a majority of the US consumers are also stocking up their medicines as a precaution in case they catch the symptom. By analyzing the eCommerce transactions, Adobe found out that the medicines sale for cough, flu, and cold have gone up 198% high. As far as pain relievers are concerned, their purchase has increased up to 152%. In such instances, a medical website design company can come to your rescue and help you develop a feature rich website to leverage the most out of this situation.

6. CONCLUSION

The implications of the COVID-19 pandemic may last for a long time, and e-commerce in goods and services will need to continue to adapt to the new environment. A similar spike in the use of tele working services and in B2B and B2C e-commerce was also documented during the SARS (Severe Acute Respiratory Syndrome) epidemic in 2002-03, when e-commerce firms such as Alibaba and Taobao rose from relative obscurity. Similarly, COVID-19 could trigger further digitalization of society and the development of policies and rules to regulate online trade. While the current situation is rapidly evolving, and suggestions may become outdated at the samepace as the development of the pandemic, the question is what lessons can be drawn in the context of e-commerce. The pandemic has highlighted the importance of digital technologies in general, but also several vulnerabilities across the world. The resulting experiences and lessons are relevant to various discussions in the WTO, including those on electronic commerce, which could benefit from looking at greater international cooperation to facilitate the cross-border movement of goods and services, narrow the digital divide, and level the playing field formicro, small and medium-sized enterprises (MSMEs).

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