

A SURGE IN E-COMMERCE MARKET IN INDIA AFTER COVID-19 PANDEMIC

Komal Sharma

Research Scholar
Gujarat University.
sharma.komal0096@gmail.com

Abstract

Covid-19 is affecting many e-commerce businesses. Covid-19 crisis is likely to have long lasting effects on e-commerce. E-commerce is a business model that lets firms and individuals buy and sell products and services over the internet. Today 40% of internet usage made for online purchase. According to IBM'S report covid-19 pandemic pushed the industry ahead by around five years. Moreover, after the covid-19, social distancing and staying home is further expected to push the consumers towards online shopping. This study examines the growth of e-commerce due to covid-19 pandemic and also find that e-commerce became substitute source of traditional marketing or not with the help of secondary data taken from authorized websites. The popularity of e-commerce increase after the advent of covid-19 pandemic is 17% and expected to rise further. sectors such as electronics, fashion and accessories, health and pharma and FMCG did particularly well, with an average growth of 133% in sales.

Keywords: COVID-19, Pandemic, Growth, E-Commerce.

INTRODUCTION

Electronic commerce, commonly written as E-COMMERCE is the trading (buying and selling) of product and services using computer networks, such as internet. E-commerce has helped businesses establish a wider market presence by providing cheaper and more efficient distribution channels for their products or services. Nearly every imaginable product and service is available through e-commerce transactions, including books, music, clothing, electronics travel tickets, and financial services such as stock investing and online banking. As such, it is considered a very disruptive technology. These business transactions can be done in four ways: Business to Business (B2B), Business to Customer (B2C), Customer to Customer (C2C), Customer to Business (C2B). The standard definition of E-commerce is a commercial transaction which is happened over the internet. Online stores like Amazon, Flipkart, Shopify, Myntra, eBay, Quikr, Olx are examples of E-commerce websites. By 2020, global retail e-commerce can reach up to \$27 trillion. E-commerce is one of the fastest growing industries in the global economy. As per one estimate, it grows nearly 23% every year. And it is projected to be a \$27 trillion industry by the end of this decade. India is 3rd largest e-commerce economy in the world after China and U.S.A. According to TRAI (Telecom Regulatory Authority of India) by the end of 2021 82 crore population will be use internet and 40% usage of internet usage made for online purchase.

By the help of the flexibility offered by computer networks and the availability of internet, E-commerce develops on traditional commerce. E-commerce creates new opportunities for performing profitable activities online. It promotes easier cooperation between different groups: business sharing information to improve customer relations; companies working together to design and build new product/ services; or multinational company sharing information for a major marketing campaign. E-commerce business may employ online shopping websites for retail sales direct to consumers, providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-business sales, business-to-business buying and selling, gathering and using demographic data through web contacts and social media, business-to-business electronic data interchange, marketing to prospective and established customers by E-mail or fax (for example, with newsletters), engaging in retail (also referred to as pre-retail or pre-commerce) for launching new products and services. Pre-commerce is a sub-category of E-commerce and online retail for introducing new products, services, and brands to market by pre-launching online, sometimes as reservations in limited quantity before release, realization, or commercial availability. Pre-commerce includes pre-sale commerce, pre-order retailers, incubation marketplaces and crowdfunding communities." (Wikipedia 2015)

COVID-19 pandemic creates new potentials and opportunities for e-commerce cooperation: more or less independent persons/organizations work together. Business actors can come together whenever they want it or whenever there is a need. It builds a global virtual place where every organization and person being interested in making business can come together without geographical restrictions. E-commerce increase the economic efficiency of business process, through coupling of business processes at the boundaries of the business partners.

REVIEW OF LITRATURE

Here an attempt is made to briefly review the work already undertaken and methodology employed. A brief review of selected studies has been presented below:

Bhatti et al. (2020) examines that e-commerce grew due to coronavirus. E-commerce is become a substitute source and considered top in this condition and consumers bought in superstore traditionally. Coronavirus impact on whole e-commerce. Meanwhile we want to comprehend their efficiency to stability both cost and benefits as well as connected actions in coming upcoming.

Tran and L.L.T. (2020) study adopted uses and gratifications theory to base the conceptual model while adding a boundary condition of pandemic fear. The primary research method of this study is a quantitative survey and analysis. Using sample size of 617 online consumers with PLS analytical technique. This study finds a positive moderating effect of pandemic fear on the relationships among PEEP, economic benefits, and sustainable consumption.

Hasanat et al. (2020) the key purpose of this research is to determine the impact of coronavirus on the online business Malaysia. The results illustrated that as the maximum of the products come from China and the maximum of industries are lockdown which means that there are no import and export of the product. Therefore, it is assumed that this deadly virus will severely impact the Malaysian online business especially the Chines products.

Pantelimon et al. (2020) the study consists of two parts, the first one analyses the impact of the mobile commerce's growth on the Gross Domestic Product for both a West European country-Germany and an East European country-Romania from 2014 to 2019. The analysis aims to understand the mobile commerce importance in the pre-COVID-19 era, in the context of stable economies. The second part studies the general consumer behavior towards classic commerce and electronic commerce in the context of COVID-19 pandemic state. In this regard we analyzed data for January-April 2020 and studied the main changes for the countries which were either early affected by the pandemic, severely affected or both.

M. A. Salem and K. Md Nor, the study empirically assessed the factors that affect consumers 'intention to adopt e-commerce during Coronavirus Disease 2019 (COVID-19) in Saudi Arabia. The 10 factors examined in this study are perceived usefulness (PU), perceived ease of use (PEOU), subjective norms (SN), perceived behavioural control (PBC), perceived lack of alternatives, perceived risk, perceived punishable infractions, risk-taking propensity, perceived external pressure, and government support. Data were collected online among social media users by employing the snowball sampling technique. A total of 190 valid responses were obtained. The data analysis showed that PU, risk taking propensity, PBC, perceived lack of alternatives, and government support significantly influenced consumers 'intention to adopt e-commerce during the COVID-19 outbreak in Saudi Arabia. Meanwhile, PEOU, SN, perceived external pressure, perceived risk, and perceived punishable infractions exerted insignificant effect on consumers 'intention to adopt e-commerce.

RESEARCH GAP

Very few studies have been conducted on E-commerce market surge after COVID-19 pandemic. The previous studies concluded that COVID-19 pandemic came up with high growth in e-commerce market nearly every imaginable products and services like apparels, electronic goods, travel tickets and many more. The research based on Indian E-commerce market have not been done. In this research an attempt is made analyze the E-commerce market growth in each sector of India.

RESEARCH METHODOLOGY

OBJECTIVE OF THE STUDY

- To examine the growth of E-COMMERCE due to COVID-19.
- To know E-commerce is become a substitute source and considered top in this condition or not.

SOURCE OF DATA

This research is based on secondary data. Data which is used for study purpose collected from the IBEF (Indian brand equity foundation), UNCTAD and Netcom Suisse e-commerce association, unicommerce e-commerce report and U.S. department commerce data and many other authorized websites.

E-COMMERCE AND COVID-19 PANDEMIC

Coronavirus impact the whole e-commerce of the world; it has changed the nature of business. Despite the Covid-19 crisis and economic downturn, the e-commerce industry in India saw an upward trend post lockdown, registering a 17 per cent increase in order volume as of June 2020, when compared to the pre-lockdown period.

KEY DIGITAL NUMBER: - INDIA 2020

Year 2019 vs year 2020

Factors	Users	% Growth from previous year
Population	1.37 billion	+1.0%
Mobile phone connections	1.06 billion	-1.4%
Internet user	687.6 million	+23%
Active Social media users	490.0 million	+48%

(source: we are social, hootsuite)

E-COMMERCE CATEGORY-VOLUME GROWTH

Category	% GROWTH from Year 2019
Fashion and accessories	20%
Electronics and Home appliances	22%
Eyewear and accessories	47%
Beauty and wellness	130%
Health and Pharma	38%
FMCG and agriculture	55%
Other	13%
Overall	20%

TOTAL RETURNS

	2019	2020	Absolute increase/decrease in returns
Total return per forward order	20%	17%	-3%
Return on COD	27%	20%	-7%
Return on Pre- paid	12%	22%	-1%

MONTHLY TRAFFIC ON TOP 10 INDIAN E-COMMERCE WEBSITES

Websites	Monthly Traffic (Millions)
Amazon	200.0
Flipkart	157.5
India mart	52.2
Myntra	14.2
Snapdeal	12.9
Firstery	12.55
1 mg	9.05
Book my show	7.2
Nykaa	5.35
2gud	4.05

FINDINGS AND CONCLUSION

The popularity of online retailing on the increase after the advent of covid-19 pandemic 17% more from 2019 and expected to rise further. Sectors such as electronics and home appliances, fashion and accessories, health and pharma, and fast-moving consumer goods (FMCG) did particularly well, with an average growth of 133 per cent in sales. Titled 'E-Commerce Trend Report', it further stated that the top three states in terms of e-commerce volumes were Delhi-NCR, Maharashtra and Karnataka. Together, these states constituted 65 per cent of the overall consumer demand in the country that has otherwise seen a massive slowdown in the economy. Online delivery platforms such as Jiomart, Swiggy and Zomato were able to meet consumer demands at a faster pace by making hyperlocal deliveries after tying up with local grocery stores, the report added. The study was conducted in two parts — a pre-COVID-19 period (February 2019 to February 2020) and post-COVID-19 (from February to June 2020). The consumer electronics sector, noted the report, contributed to the maximum revenue growth in India's e-commerce industry post lockdown. Smartphones brought in the maximum revenue, followed by television and other white goods. Overall, the electronics segment saw a growth of 22 per cent till June. While some metros cornered two-thirds of the overall e-commerce business, tier III cities onward saw the fastest growth at 53 per cent, said the report. It also noted that the top five tier III cities contributed 22 per cent of the total volume, while the top five metro cities made for 90 per cent of the overall orders. Though traditional metro cities have seen higher growth than the rest of India in order of volume, this trend has reversed post Covid-19. The rest of India witnessed a growth of over 31%, which was primarily contributed by growth in Tier III," the report reads. Currently, tier II and beyond cities contribute

<https://www.gapgyan.org/>

around 66 per cent of the total online consumer demand in India. This is expected to rise in the coming years, the report said. In the pre-COVID-19 period, sectors which showed growth (when compared to previous year's sales) were beauty and wellness — with an unprecedented order volume growth of 130 per cent — followed by FMCG and agriculture, and health and pharma (with growth rate of 55 per cent and 38 per cent respectively). Limited availability and fear of infection, post lockdown, has led to a shift in consumer behavior and a subsequent rush of online customers, said the report.

REFERENCES

JOURNALS

- [1] Bhatti, A., Akram, H., Basit, H. M., Khan, A. U., Raza, S. M., & Naqvi, M. B. (2020). E-commerce trends during COVID-19 Pandemic. *International Journal of Future Generation Communication and Networking*, 13(2), 1449-1452.
- [2] Tran, L. T. T. (2020). Managing the effectiveness of e-commerce platforms in a pandemic. *Journal of Retailing and Consumer Services*, 58, 102287.
- [3] Hasanat, M. W., Hoque, A., Shikha, F. A., Anwar, M., Hamid, A. B. A., & Tat, H. H. (2020). The Impact of Coronavirus (Covid-19) on E-Business in Malaysia. *Asian Journal of Multidisciplinary Studies*, 3(1), 85-90.
- [4] Pantelimon, F. V., Georgescu, T. M., & Posedaru, B. S. (2020). The Impact of Mobile e-Commerce on GDP: A Comparative Analysis between Romania and Germany and how Covid-19 Influences the e-Commerce Activity Worldwide. *Informatica Economica*, 24(2), 27-41.
- [5] Salem, M. A., & Nor, K. M. (2020). The Effect Of COVID-19 On Consumer Behaviour In Saudi Arabia: Switching From Brick And Mortar Stores To E-Commerce. *International Journal of Scientific & Technology Research*, 9(07), 15-28.

ELECTRONIC RESOURCES

- [1] www.ThePrint.in
- [2] www.forbes.com
- [3] www.investopedia.com
- [4] www.unicommerce.com
- [5] www.ibef.com
- [6] www.unctad.org