

# A Study on Ecommerce during Covid Pandemic

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**Abstract:** *The worldwide spread of the COVID-19 pandemic has agitated how people buy commodities and other services and how they are involved in e-commerce. This is fully based on the current situation and current information. The patterned lockdown rules across India and the growing hesitation among consumers to go outside and shop for essential goods have given a wider view of the nation towards e-commerce. Consumers have a turnabout from shops, supermarkets, and shopping malls to online portals and other shopping apps for the purchase of products, ranging from basic commodities to reputed brands.*

**Keywords:** E-Commerce, Covid-19, Online Shopping, Contactless Store, Online Payments

## I. INTRODUCTION



In an increasingly competitive global marketplace, it is extremely important for businesses to embrace the latest methods and trends to conduct their businesses. With the advancement of technology, particularly the Internet, the world has discovered a new path of opportunities, switching the transactions of traditional business models into a better model far superior in terms of efficiency, productivity, profitability and competitiveness.

This is where e-Commerce comes into the picture in which is simply a short form for “Electronic Commerce”. E-Commerce is generally the “in-thing” today, which concept covers the global information economy which includes electronic trading of goods and services, electronic fund transfer, online procurement, direct marketing, electronic billing, etc. through the internet via the computer. E-Commerce does not change the core of businesses, which is to generate profitability from transactions, but it is to change the mindset of how to go about generating profits through an efficient manner. This simply means obtaining information at our fingertips, without wasting time, money and effort, and also to conduct real time transactions in a “borderless world” 24 hours a day, 7 days a week. With e-Commerce transactions, it is a Win-Win situation for the parties (both buyers and sellers) participating in it. It offers distinguished benefits such as less overhead expenses, larger advertising market exposure, and reduces middle man participation and all these benefits are easily understood and quantifiable. E-Commerce itself is categorized into several sections. Among the sections are Business-To Business (B2B), Business-To-Consumer (B2C), and Business-To-Government (B2G).

### 1.1 Special Considerations

Ecommerce has changed the way people shop and consume products and services. More and more people are turning to their computers and smart devices to order goods, which can easily be delivered to their homes. As such, it has disrupted the retail landscape. Amazon and Alibaba have gained considerable popularity, forcing traditional retailers to make changes to the way they do business.

But that's not all. Not to be outdone, individual sellers have increasingly engaged in e-commerce transactions via their own personal websites. And digital marketplaces such as eBay or Etsy serve as exchanges where multitudes of buyers and sellers come together to conduct business.

## **II. HISTORY OF ECOMMERCE**

Most of us have shopped online for something at some point, which means we've taken part in ecommerce. So it goes without saying that ecommerce is everywhere. But very few people may know that ecommerce has a history that goes back before the internet began.

Ecommerce actually goes back to the 1960s when companies used an electronic system called the Electronic Data Interchange to facilitate the transfer of documents. But it wasn't until 1994 that the very first transaction. Took place. This involved the sale of a CD between friends through an online retail website called NetMarket.

The industry has gone through so many changes since then, resulting in a great deal of evolution. Traditional brick-and-mortar retailers were forced to embrace new technology in order to stay afloat as companies like Alibaba, Amazon, eBay, and Etsy became household names. These companies created a virtual marketplace for goods and services that consumers can easily access.

New technology continues to make it easier for people to do their online shopping. People can connect with businesses through smartphones and other devices and by downloading apps to make purchases. The introduction of free shipping, which reduces costs for consumers, has also helped increase the popularity of the ecommerce industry.

### **2.1 Doing business - electronically**

E-commerce is conducting business transactions facilitated by the Internet or other electronic networks. It is the exchange of information, goods, services or money through the use of computers with customers (Business to Customer) or with other businesses (Business to Business). Whether you are marketing or selling products or services to your customers, or communicating inventory data to your suppliers, you are taking part in e-commerce.

E-commerce can be defined by various electronic activities from web page creation to supply chain management:

- Customer Orders (Buying And Selling)
- Invoicing
- Fund Transfers
- Inventory Control
- Customer Service
- Market Information Research

E-commerce continues to evolve, addressing customer concerns about privacy and the security of on-line transactions. Net security systems now assure that there isn't any danger of breaching confidentiality. Governments, as well as international organizations such as the World Trade Organization, the United Nations Commission on International Trade Law, and the International Organization for Standardization are working to define legal, taxation and intellectual property rules in order to build a global commercial framework that is fair, predictable and consistent.

### **2.2 Benefits of E-commerce**

E-Commerce is one of the most important facets of the Internet to have emerged in the recent times. Ecommerce or electronic commerce involves carrying out business over the Internet with the assistance of computers, which are linked to each other forming a network. To be specific ecommerce would be buying and selling of goods and services and transfer of funds through digital communications. The benefits of Ecommerce:

- E-commerce allows people to carry out businesses without the barriers of time or distance. One can I log on to the Internet at any point of time, be it day or night and purchase or sell anything one desires at a single click of the mouse.
- The direct cost-of-sale for an order taken from a web site is lower than through traditional means (retail, paper based), as there is no human interaction during the online electronic purchase order process. Also, electronic selling virtually eliminates processing errors, as well as being faster and more convenient for the visitor.
- Ecommerce is ideal for niche products. Customers for such products are usually few. But in the vast market

place i.e. the Internet, even niche products could generate viable volumes.

- Another important benefit of Ecommerce is that it is the cheapest means of doing business.
- The day-to-day pressures of the marketplace have played their part in reducing the opportunities for companies to invest in improving their competitive position. A mature market, increased competitions have all reduced the amount of money available to invest. If the selling price cannot be increased and the manufactured cost cannot be decreased then the difference can be in the way the business is carried out. Ecommerce has provided the solution by decimating the costs, which are incurred.

From the buyer's perspective also ecommerce offers a lot of tangible advantages.

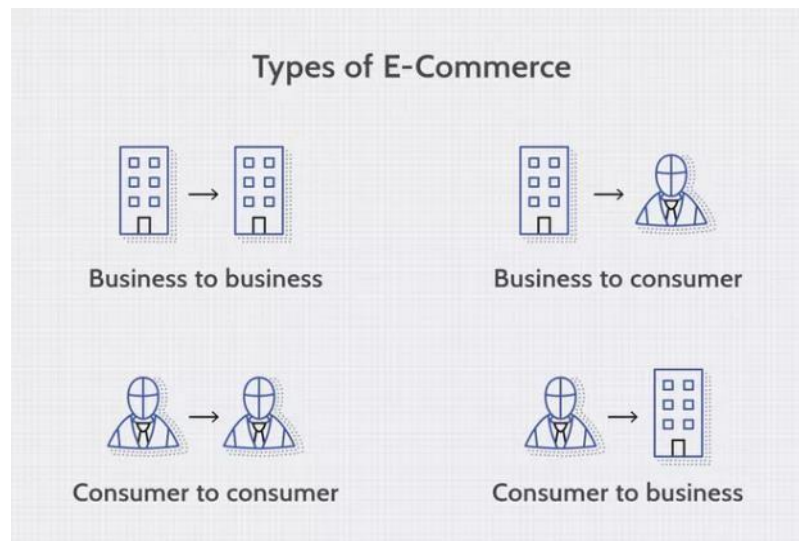
1. Reduction in buyer's sorting out time.
2. Better buyer decisions
3. Less time is spent in resolving invoice and order discrepancies.
4. Increased opportunities for buying alternative products.

The strategic benefit of making a business 'ecommerce enabled', is that it helps reduce the delivery time, labour cost and the cost incurred in the following areas:

1. Document preparation
2. Error detection and correction
3. Reconciliation
4. Mail preparation
5. Telephone calling
6. Data entry
7. Overtime
8. Supervision expenses

Operational benefits of e commerce include reducing both the time and personnel required to complete business processes, and reducing strain on other resources. It's because of all these advantages that one can harness the power of ecommerce and convert a business to business by using powerful turnkey ecommerce solutions made available by e-business solution providers. Access to markets, customers, suppliers, contacts

- Sharing of information
- Greater efficiency
- Reduced costs
- Time-saving



### **2.3 Some benefit, others fall behind**

The findings show the strong uptake of e-commerce across regions, with consumers in emerging economies making the greatest shift to online shopping. Latin America's online marketplace Mercado Libre, for example, sold twice as many items per day in the second quarter of 2020 compared with the same period the previous year. And African e-commerce platform Jumia reported a 50% jump in transactions during the first six months of 2020.

China's online share of retail sales rose from 19.4% to 24.6% between August 2019 and August 2020. In Kazakhstan, the online share of retail sales increased from 5% in 2019 to 9.4% in 2020. Thailand saw downloads of shopping apps jump 60% in just one week during March 2020. The trend towards e-commerce uptake seen in 2020 is likely to be sustained during recovery, the report says.

But in many of the world's least developed countries, consumers and businesses haven't capitalized on pandemic-induced e-commerce opportunities due to persistent barriers. These include costly broadband services, overreliance on cash, lack of consumers' trust, poor digital skills among the population and governments' limited attention to e-commerce.

"Countries that harness the potential of e-commerce will be better placed to benefit from global markets for their goods and services in this digitalizing economy, while those that fail to do so risk falling behind even further," said Shamika N. Sirimanne, UNCTAD's technology and logistics director.

One of the challenges, the report says, is that the pandemic has mostly benefited the world's leading digital platforms. Many solutions being used for e-commerce, teleworking and cloud computing are provided by a relatively small number of large companies, based mainly in China and the United States.

Smaller players may have gained a deeper foothold, but their market presence is still dwarfed by the digital giants, which could entrench their predominant role during the pandemic. "The risk is that the huge digital divides that already existed between and within countries will only worsen in the wake of the pandemic," said Torbjörn Fredriksson, UNCTAD's digital economy head. "The result will be even deeper inequalities that would threaten to derail progress on the UN Sustainable Development Goals," he added.

### **2.4 Government Responses**

Most governments prioritized short-term responses to the pandemic, but some have also begun to address longer-term strategic requirements for recovery. Several governments in developing countries have intervened to protect businesses and individual incomes.

In Latin America and the Caribbean, for example, Costa Rica's government initiated a platform for businesses without an online presence, and a smartphone app and texting service to facilitate trade among producers of agricultural, meat and fish products.

In Africa, Senegal ran an information, education and awareness campaign on the benefits of e-commerce across all segments of the population.

In Asia, Indonesia launched a capacity-building programme to expedite digitization and digitalization among micro, small, and medium enterprises.

### **III. E-COMMERCE COMPANY IN INDIA**

- Flipkart- Flipkart is an Internet company and has headquarters in Bengaluru, Karnataka, India. Flipkart has 21933 employees and has a revenue of \$2,896M. It was founded in 2007. Flipkart specialises in online shopping. Flipkart is a private company. Flipkart is now owned by Walmart Inc after its acquisition in 2018 for 16 billion USD.

Founders of Flipkart are Sachin Bansal and Binny Bansal.

After launching in the year 2007, Flipkart raised a total of 7.5 billion USD in 17 funding rounds and Flipkart has acquired a total of 12 companies including Myntra, Jabong, eBay India and PhonePe.

- Snapdeal- Snapdeal is an Internet company and has headquarters in Gurugram, Haryana, India. Snapdeal has 4553 employees and has a revenue of \$132M. It was founded in 2010. Snapdeal specialises in online shopping. Snapdeal is a private company.

Snapdeal is founded by Rohit Bansal and Kunal Bahl.

After launching in the year 2010, Snapdeal raised a total of 1.8 billion USD in 12 funding rounds and Snapdeal

has acquired a total of 12 companies including GoJavas, RupeePower, Shopo and Exclusively.

Snapdeal also acquired Freecharge which was further acquired by Axis Bank. The CEO of Snapdeal is Kunal Bahl.

- Amazon- Amazon is an Internet company and has headquarters in Seattle, Washington, United States. Amazon has 334555 employees and has a revenue of \$3,393M. It was founded in 1994. Amazon specialises in online shopping, online grocery. Amazon is a public company.

Amazon is founded by Jeff Bezos

After launching in the year 1994, Amazon raised a total of 108 million USD in 2 funding rounds and Amazon has acquired a total of 83 companies including PillPack, Canvas Technology, Blink and Ring.

The CEO of Amazon is Jeff Bezos