

THE STUDY OF THE IMPACT OF CORONA ON THE E-COMMERCE SECTOR

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Abstract: *Changes in consumer behavior have been observed due to the coronavirus pandemic, due to which it is estimated that India's e-commerce market will grow by 84% to \$ 111 billion by 2024. Consumers are increasingly turning to online shopping to avoid exposure to disease vectors such as cash and point of sale terminals, resulting in a boom in e-commerce payments. Growth has been recorded; it was completely unimaginable a few decades ago. Since the closure of shops is mandatory due to the lockdown, digital transactions are being preferred by shopkeepers and consumers. As a symbol of globalization and in many ways its deceptive feature, e-commerce represents a cutting-edge breakthrough in this digital age.*

For the past few days, e-commerce i.e. electronic commerce is in the headlines. Due to this, while the draft of the national e-commerce policy was in the news, on the other hand, online shopping company Flipkart was acquired by American company Walmart. On one hand, where the craze of online shopping is increasing in the country, on the other hand, consumers are also suffering due to this. In view of these problems of the people, the government has decided to bring a national e-commerce policy to take effective steps on this. For this, the government has constituted a task force, which has prepared a draft on e-commerce policy and submitted it to the government. Many suggestions have been given in this draft, which if the government accepts, then the way of online shopping will change completely. These include issues such as the process of giving discounts, the availability of new products, and how to get complaints redressed in a simple manner.

The global coronavirus (COVID-19) pandemic has created a challenging business environment across the nation. E-commerce businesses are being presented with many new challenges. People are requested to stay in their respective homes. The global coronavirus has forced consumer behavior to change. They cannot perform their normal routine in isolation or under lockdown. Retailers, primarily, are ordered to close their shops for security reasons. This global pandemic has also had a massive impact on e-commerce. How is the changing trend of e-commerce in the Corona era? What is the impact of Corona on e-commerce? What is the impact of Corona on the purchasing behavior of customers? This research topic has been chosen to find answers to these questions.

Keywords: *Coronavirus, E-Commerce, Consumer Demand, Purchasing Behavior*

Introduction:

Today e-commerce is very popular in Indian society and it has become an integral part of our daily life. Where at present there are websites providing each and every goods and service? Indian e-commerce is growing at very fast pace with more and more online retailers entering the market. And as we have mentioned above that due to the coronavirus pandemic, Indian e-commerce has registered much faster growth than before. In general, with the current trend picking up, consumers are using online sites to shop more than usual.

E-commerce is a business that is done online or over the Internet. Due to its huge reach and popularity, it has completely changed the way entrepreneurs do business and has been adopted by small businesses to big giants as well. India accounts for about 40% of the population i.e. approximately 696.77 million Internet user base as of May 2020. Despite having the second-largest user base in the world, the United States (the United States -266 million, 84%), or France - 54 million, 81%) E-commerce investment in India is low compared to markets like commerce) and the first online “business-to-business” directory (B2B) in India was launched in 1996. The most common users of e-commerce at that time were 'business-to-business users', such as micro and small enterprises, who had traditional media and potential such as newspapers and television to present themselves to customers. There was a lack of necessary financial resources to the source.

Trade through business-to-business channels increased the visibility of MSMEs in the market and also helped in removing the constraints of time, communication, and geography. Business-to-business activities include purchasing and purchasing, supplier management, inventory management, payment management, and service and support between retailers and organizations.

The landscape changed drastically with the introduction of low-cost carriers in the aviation sector in 2005, giving a manifold boost to air travel in India. Along with this, the facility of travel information, flight schedule, and ticket booking were made available online through ICC marriage. At the same time, Indian Railways had already developed its own portal for online ticket booking and providing travel-related information. Widespread customer satisfaction in the e-ticketing space encouraged e-retail and instilled confidence in businesses to enrich customer experiences by launching several online websites in 2007. Visit the segment's share of revenue from total business to consumer remained dominant at 81% as of 2011. The revenue generated through mobile phone infrastructure grew eight times from 2012 to 2013. The number of Internet users increased from 140 million in 2012 to 213 million in 2013 and is projected to increase to 400 million in 2016. The e-commerce industry was reported at 2.4 crores in 2017 and recognized as the fastest-growing industry in India. Also in 2018, its sales growth increased to 3850 crores.

Data Collection Method Used for Research:

Data for the research paper has collected from reports, books, newspapers, magazines, and websites.

The Objective of Research:

- To study the changing trend of e-commerce in the Corona era
- To Study the impact of Corona on e-commerce
- To know the impact of Corona on the purchasing behavior of customers.

The Impact of Corona on the E-Commerce Sector:

India's e-commerce sector is registering steady growth. Orders on e-commerce have grown by 20%, while GMV has registered a growth of 23% with an average order size of Rs 1,100. Beauty and wellness is the sector where orders have increased by 130%. This is followed by FMCG and agriculture and health and pharma with 55 percent and 38 percent growth respectively. All the e-commerce companies today are shifting out of the metropolis and focusing on smaller cities. Currently, Tier II and above cities in the country contribute about 66 percent of the total online demand and this figure is expected to increase in the times to come. The third tier and above cities have registered 53% growth, which is the fastest-growing sector. It was found that the top five cities contributed 22 percent to the third-tier cities, while the top five cities contributed 90 percent when it came to metros. Talking about e-commerce volume, the three states Delhi-NCR, Maharashtra, and Karnataka account for 65 percent of the total consumer demand.

E-Commerce and the First Wave of Corona Infection:

In India, people are getting small to big items sitting at home by shopping online. There is also anger in the business class due to the closure of shops and the continuation of online shopping. Despite this, e-commerce companies are coding silver during the curfew. Due to the second wave of Corona, the craze for online shopping has increased among people. Due to being imprisoned in people's homes during the Corona curfew, due to work from home, the sale of laptops is also increasing online. The business of e-commerce companies has increased due to the closure of shops of electronic equipment. Online goods are being delivered from morning till evening. In the summer season, ACs, coolers, and other electronics items are sold online. This has a direct impact on the local businessmen. In this era of increasing infection of coronavirus, buying goods online has become the preferred option for people. If any item is needed from the local store then people want contactless delivery.

21 percent of people are ordering essential goods from online platforms. 19% of the people said that they are ordering home delivery of goods from major retailers and local shops. This survey indicates that the demand for online shopping and home delivery is increasing continuously. Industry experts and analysts believe that e-commerce sales have declined during the lockdown and subsequent period due to the increasing infection of coronavirus. However, recovery is being recorded in their business as compared to offline channels. The fashion category was the most affected during the lockdown period of Coronavirus. Now sales improvement is being seen in online business as compared to offline stores. People are really preferring to buy from online sites instead of any shop. It is however

true that the overall sales figures are still very weak compared to before the Corona crisis. His business is slow as compared to before Covid-19. Along with this, if we talk about the sales figures, then it is a little weak due to the increasing cases of coronavirus. According to people following the rules of social distancing, 92 percent of customers shop online and want home delivery of goods.

Managing return is an important part of any e-commerce business. The overall percentage of returns (as a percentage of forwarding dispatches) has declined by 13 percent over the previous year. E-commerce companies have made extensive investments in reducing COD returns, as they form the largest share of the total returns. The quantum of returns in COD orders has come down to 20 percent in 2020 which was 27 percent in 2019. Last year, there was an increase in online orders after the lockdown was lifted. Average daily shipments through e-commerce stood at 50-55 lakhs. Right now this figure is 40-45 lakhs. Last year the e-commerce market grew by almost 30 percent. If demand in rural markets continues to decline, the e-commerce market may slow down to 15-20 percent.

Brands are reaching out to customers in the Corona era; In the last year, the purchase on the website created has increased by 88%, the online sale of beauty products has also increased. After Covid-19, there has been an initial improvement in e-commerce in various segments. There has been a 130% increase in orders in the beauty and wellness sector. The number of first-time shoppers shopping online has also increased. Due to the coronavirus pandemic, the trend of most customers has shifted towards online shopping. Unicommerce's E-commerce Trends 2020 report states that customers are buying online due to Covid-19. Because of this, more companies are selling online. Especially those companies that have recently launched their websites have seen a more rapid increase in sales.

Various aspects related to e-commerce such as returns, shipping, brand, website development, and adoption of technology have also been impacted by COVID-19. There were more sales on e-commerce than before the lockdown. Orders have increased by 17 percent since June 2020. The way customers buy and buy has changed. Segments like health & pharma, FMCG, and agriculture have seen increased demand.

The number of first-time shoppers shopping online has also increased. After the resumption of e-commerce after Covid-19, the return rate has come down by up to 30 percent. This may be due to new safety regulations, increased demand for essential products, as essential products are generally not returnable. It will be interesting to see whether this reduction in the rate of return continues over the long term.

More customers are buying directly from the brand's website than before. Retail brands are now expanding their online capabilities and adopting new strategies to engage with customers. Brands building their websites have registered a 65 percent growth in the last year. The number of orders shipped from their website has increased.

The e-commerce system in India is success better. A large number of brands are trying to connect with the customers directly. For this, while on the one hand brands have

created their own websites, on the other hand, brands are also continuing to operate on the marketplace. Even today more orders are being received here.

The number of customers buying directly from the brand's website has increased faster than the marketplace. Brand websites have registered an 88 percent increase in order volume, while orders on marketplaces have registered a 32 percent increase. Top 3 segments where the B2C brand has grown its reach. They are in the Beauty & Wellness, Fashion & Accessories, and FMCG & Agriculture sectors.

The Second Wave of E-Commerce and Corona Infection:

The second wave of corona infection has had a profound effect on the business of e-commerce companies. Last year, there was no significant impact on the business of e-commerce companies due to the attack of Corona infection. But this time this pandemic has affected it. As soon as the lockdown ended in May last year, suddenly the order booking had accelerated and the delivery also picked up the pace. But this time due to the lockdown and restrictions in different states, there is uncertainty in the industry. The delivery and sale of goods have been seen to be impacted for the past few weeks and there has been concern about the recovery in e-commerce.

In 2020, the impact of the pandemic was largely limited to the major cities of the country. But this year, e-commerce sales are getting affected more in non-metro markets, which is a matter of concern. The second wave of the COVID-19 pandemic has impacted consumer demand across the non-essential segments on e-commerce platforms in both urban and rural markets. The e-commerce market was also not untouched by the second wave of Kovid 19, online shopping fell by 11% in April. The second wave of corona infection has had a profound effect on the business of e-commerce companies. Last year, there was no significant impact on the business of e-commerce companies due to the attack of Corona infection. But this time this pandemic has affected it. As soon as the lockdown ended in May last year, suddenly the order booking had accelerated and the delivery also picked up the pace. But this time due to the lockdown and restrictions in different states, there is uncertainty in the industry. The delivery and sale of goods have been seen to be impacted for the past few weeks and there has been concern about the recovery in e-commerce.

In mid-May last year, when the nationwide lockdown was lifted and delivery of goods was allowed, there was an almost instantaneous surge in online orders. For the past several weeks this year, the e-commerce market has also been seeing the effects of a second wave of the pandemic and there is uncertainty about the recovery among industry executives.

The recovery in demand is expected on the back of anticipation that customers will continue to avoid offline shops and malls. Data from Unicommerce shows that sales of fashion and accessories fell 22 percent in April, while sales of eyewear and accessories were down 16 percent. Only FMCG & Agri and Health & Pharma were the segments in which sales grew by 33 percent and 18 percent, respectively. Sales in non-metro markets are getting

affected more this year, which is a matter of concern. In 2020, the impact of the pandemic was largely limited to the major cities of the country.

Conclusion:

E-commerce also has some challenges. There are problems with supply chains and product distribution, companies already starting to get smart about solving them. If their online platform is not able to offer a competitive user experience, it is likely that it will fail to impress or retain customers. It is important to make sure that the company's e-commerce site or app is optimized and ready for the success of online offers, and how competitive you can be in such a scenario. As consumer behavior is changing and more and more customers are shopping online. Certainly, e-commerce will impact the economy; it is having an impact on productivity and inflation in general. The continued expansion of electronic commerce can put pressure on inflation through increased competition, cost savings, and changes in the pricing behavior of sellers. The role of e-commerce in business is that electronic commerce is synonymous with electronic commerce and involves the exchange of goods and services through electronic support. The number of electronic businesses has now increased significantly since the Internet and Corona.

Suggestion:

- Instead of stopping marketing activities like analytics, search engine optimization (SEO), content marketing, paid campaigns, etc., companies should start investing more heavily in such activities.
- Every business is different and will face its own challenges, investing in these areas can help companies thrive competitively, and can help offset the financial impact of the pitfalls of offline sales.
- The key to success lies in understanding your customer's intent and providing solutions that meet or exceed their needs.
- Businesses should take an in-depth look at their analytics and understand the current needs of customers as these needs have definitely changed recently.

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