Rise of E-Commerce in India During Covid Pandemic Situations

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ABSTRACT:

COVID-19 has affected the retail shop and the customer shopping habits a lot.. As the world responds to the corona virus (COVID-19) pandemic, they're seeing a dramatic shift from offline to online shopping. Consumers are relying on the digital world more than ever and businesses are forced to adapt their strategies and shift toward digital transformation with much more urgency than before. Due to lockdown, people who used to prefer retail shops for any kind of shopping, they are also using online apps for ordering their daily needs. From this survey, it is very much clearly observed that most of the people agreeing to the fact that pandemic situation actually boosted up the popularity of ecommerce or online selling and buying.

KEY WORDS: *Rise of e-commerce in India during covid pandemic situation*

INTRODUCTION:

The pandemic has accelerated the shift towards a more digital world and triggered changes in online shopping behaviors that are likely to have lasting effects. The COVID-19 pandemic has forever changed online shopping behaviors. The survey, entitled "COVID-19 and E-commerce", examined how the pandemic has changed the way consumers use e-commerce and digital solutions. Following the pandemic, more than half of the survey's respondents now shop online more frequently and rely on the internet more for news, health-related information and digital entertainment.

Consumers in emerging economies have made the greatest shift to online shopping, the survey shows. This study also showed that the covid pandemic has pushed many shoppers to make their purchases online as many physical retail outlets across the world are either closed due to lockdown measures or have limited capacities to maintain social distancing. E-commerce firms have reported record sales during major shopping events. Most analysts and e-commerce companies predict that the growing trend of online shopping is here to stay even when the pandemic is over.

Objective: Since online business broadens the brand (expands business), has a larger scale opportunity , increase the reach, gives more marketing opportunities, it is important for the reader to know more as the Covid-19 situation is getting worse day by day. It will be helpful to know how e-commerce or online business is being essential in day to day life (during pandemic situation).

Hypothesis: The popularity of online business/ e-commerce has increased during pandemic (Covid-19) situation. It has spread in a larger scale during covid-19 situation than before. It is the assumption of the study and the whole research will be based on this.

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Types of E-Commerce or Online Business:

Business-to-business (B2B) e-commerce:

It refers to the electronic exchange of products, services or information between businesses rather than between businesses and consumers. Examples include online directories and product and supply exchange websites that allow businesses to search for products, services and information and to initiate transactions through e-procurement interfaces. In 2017, Forrester Research predicted that the B2B e-commerce market will top $1.1 trillion in the U.S. by 2021, accounting for 13% of all B2B sales in the nation.

Business-to-consumer (B2C) :

It is the retail part of e-commerce on the internet. It is when businesses sell products, services or information directly to consumers. The term was popular during the dot-com boom of the late 1990s, when online retailers and sellers of goods were a novelty.

Today, there are innumerable virtual stores and malls on the internet selling all types of consumer goods. The most recognized example of these sites is Amazon, which dominates the B2C market.

Consumer-to-consumer (C2C) :

It is a type of e-commerce in which consumers trade products, services and information with each other online. These transactions are generally conducted through a third party that provides an online platform on which the transactions are carried out.

Online auctions and classified advertisements are two examples of C2C platforms, with eBay and Craigslist being two of the most popular of these platforms. Because eBay is a business, this form of e-commerce could also be called C2B2C -- consumer-to-business-to-consumer.

Consumer-to-business (C2B) :

it is a type of e-commerce in which consumers make their products and services available online for companies to bid on and purchase. This is the opposite of the traditional commerce model of B2C.

A popular example of a C2B platform is a market that sells royalty-free photographs, images, media and design elements, such as i-Stock. Another example would be a job board.

Business-to-administration (B2A)

it refers to transactions conducted online between companies and public administration or government bodies. Many branches of government are dependent on e-services or products in one way or another, especially when it comes to legal documents, registers social security, fiscals and employment. Businesses can supply these electronically. B2A services have grown considerably in recent years as investments have been made in e-government capabilities.

Consumer-to-administration (C2A)

It refers to transactions conducted online between individual consumers and public administration or government bodies. The government rarely buys products or services from citizens, but individuals frequently use electronic means in the following areas:

Education: Disseminating information, distance learning/online lectures, etc.

Social security: Distributing information, making payments, etc.

Taxes: filing tax returns, making payments, etc.

Health: Making appointments, providing information about illnesses, making health services payments, etc.

Mobile e-commerce (M-commerce)

It is a type of e-commerce on the rise that features online sales transactions made using mobile devices, such as smartphones and tablets. M-commerce includes mobile shopping, mobile banking and mobile payments. Mobile chatbots also provide e-commerce opportunities to businesses, allowing consumers to complete transactions with companies via voice or text conversations.

E-commerce platforms and vendors:

An e-commerce platform is a tool that is used to manage an ecommerce business. E-commerce platform options exist for clients ranging in size from small businesses to large enterprises. These ecommerce platforms include online marketplaces such as Amazon and eBay that simply require signing up for user accounts, and little to no IT implementation. Another e-commerce platform model is SaaS, where store owners can subscribe to "rent" space in a cloud-hosted service that does not require in-house development or on-premises infrastructure. Other e-commerce platforms may come in the form of open source platforms that require a hosting environment (cloud or on premises), complete manual implementation and maintenance.

Disruption of physical retail:

Given the large rise in e-commerce in recent years, many analysts, economists and consumers have debated whether the online B2C market will soon make physical, brick-and-mortar stores obsolete. There is little question that online shopping is growing at a significant rate. Research from Big Commerce has found that Americans are about evenly split on online versus offline, traditional retail shopping, with 51% of Americans preferring e-commerce and 49% preferring physical stores. However, 67% of millennials prefer shopping online over offline. According to Forbes, 40% of millennials are also already using voice assistants to make purchases, with that number expected to surpass 50% by 2020.

An example of the impact e-commerce has had on physical retail is the post-Thanksgiving Black Friday and Cyber Monday shopping days in the United States. According to a Marketing data, in 2017, Cyber Monday, which features sales that are exclusively online, saw 68% higher revenues than Black Friday, which is traditionally the biggest shopping day of the year.

According to data from ShopperTrak in 2017, physical store traffic on Black Friday declined by 1% year over year, and the two-day Thanks giving-Black Friday period saw a 1.6% decline in traffic. Nearly 40% of sales on Black Friday came via a mobile device; up nearly 10% from the previous year, an indication that e-commerce is becoming e-commerce. Along with physical retail, e-commerce is transforming supply chain management practices among businesses, as distribution channels become increasingly digitized.

E-commerce vs. Physical retail:

E-commerce refers to commercial transactions carried out through an electronic network such as the internet whereby businesses list their products on an online platform. Consumers then view the

product descriptions, prices, and images. Upon choosing a product, the consumer can then checks out and pay for the goods through an electronic payment method. The goods are then delivered to the consumers' location. On the other hand, retail refers to the sale of goods in small quantities from a single point such as a departmental store, supermarket, shop or mall in small quantities. Customers visit the physical stores where they can touch products and also read product descriptions of items on display before ordering, after which they purchase the product. While the future of business lies in e-commerce, the retail industry remains an important aspect.

Accessibility While e-commerce offers accessibility as it serves customers within a wide geographical location and is open on a 24/7 basis, retail is only accessible to consumers within a specific region and may not be open on a 24/7 basis.

Customer focus: Ecommerce has a larger consumer focus and reach.

On the other hand, retail has a smaller consumer focus and reach. Shopping process: In e-commerce, businesses list their products on an online platform whereby consumers can view the product descriptions, prices, and images. Upon choosing a product, the consumer can then checks out and pay for the goods through an electronic payment method. The goods are then delivered to the consumers' location. On the other hand, customers in retail visit the physical stores whereby they can touch products and also read product descriptions of items on display before ordering, after which they purchase the product. Market competition : While ecommerce faces global competition, retail faces local competition.

Initial costs : While the cost of starting an e-commerce business is low, the costs of starting a retail business are high due to additional costs such as store rent.

Shipping costs : E-commerce is expensive due to shipping costs. On the other hand, retail does not have shipping costs.

Payment options: While e-commerce does not have the cash payment option, retail has the cash payment option.

Pricing comparison: E-commerce makes it easier to compare pricing with different vendors while retail makes it hard to compare pricing with different vendors.

Goods ownership: In e-commerce, goods are not obtained immediately after purchase. On the other hand, goods are obtained immediately after purchase in retail.

How much safer E-commerce/Online business is, from physical retail during pandemic (Covid-19) situation?

As it becomes even more clear just how infectious COVID-19 is, some have raised questions about the safety of receiving their online orders. Experts are finding that the virus can live on surfaces from three hours to up to three days, depending on the material. (Note that conclusive findings are difficult to come by in these early days of the virus, and as experts continue their study of it, these numbers may change.) It's unlikely that COVID-19 would survive on your purchased items from the time they were packed to the time you received your package (especially with the slowdown in the delivery system). And shipping conditions make a tough environment for COVID-19 as well, so it's not likely you'll be exposed via the package itself, either.

According to this, very low risk of spread from products or packaging that is shipped over a period of days or weeks at ambient temperatures. They referred to packages that have been in shipment for at least several days and did not come into contact with any sources of contamination after packaging.

The "WHO" addresses the concern as well, by saying that it is safe to receive packages from locations with reported COVID-19 cases. From their website: "The likelihood of an infected person contaminating commercial goods is low and the risk of catching the virus that causes COVID-19 from a package that has been moved, travelled, and exposed to different conditions and temperature is also low."

RESEARCH METHODOLOGY:

Content Analysis:

Product category shift during Covid-19

GROCERY, FOOD AND BEVERAGES: In addition to long-term quarantine type items, for groceries in general, sales are up. However, there are some behavioral changes around the way people are buying groceries.

For example, in an effort to avoid crowds at supermarkets, many people are choosing BOPIS (buy-online-pick-up-in-store) or delivery options. Downloads of apps like Instacart and Shipt that allow people to hire personal shoppers to prepare and in some cases deliver their grocery orders have increased by between 124% (for Shipt) and 218% (for Instacart). People are also choosing to buy these items from online stores more than they did prior. Shipbob, a shipping and fulfilment partner for ecommerce stores, gathered data from 3,000+ of their merchants and is tracking the data. While the chart below shows some fluctuations, the month-over-month increase in online sales for food and beverage is 18.8%.

DIGITAL STREAMING: While less about the immediacy of protecting and feeding them, it comes as no surprise that as people are homebound and no longer pursuing external entertainment options that there is an increase in digital streaming services. In addition to streaming services like Netflix, Amazon, Hulu, and Disney+ seeing atypical gains in subscribers in the first quarter of 2020, non-traditional streaming services like movie studios are releasing media streaming, on-demand, sometimes earlier than projected release

FASHION AND APPAREL: These sellers are seeing big losses, in part because they're closing the retail arms of their businesses all together.

People are understandably not interested in shopping for clothes in person. Department stores like Macy's and J C Penney, large chains like Abercrombie & Fitch and Nike, and DTC brands with some storefronts like Rothys and Everlane are all closing their physical stores and experiencing losses. Even online apparel sales are down as people are putting more of their budgets into daily essentials. A data of 3,000+ merchants show an overall 20% decrease in sales month-over-month.

Fashion e-commerce player Myntra's strategy to expand its footprint into tier 2 and 3 markets is paying off during the Covid-19 lockdown. The online player is seeing demand picking up from hitherto untapped markets.

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Amar Nagaram, CEO, Myntra, told Business Line that the demand from these markets is picking up because consumers there have unrestricted access to premium brands and styles through the online platform. Prior to the lockdown, customers in these geographies could travel to the nearest tier 1 or metro city to buy premium products.

With travel restrictions in place during the lockdown, customers in these regions are shifting to online shopping. Myntra had expanded its footprints by adding 4,000 new pin codes this year, most of them in untapped geographies in tier 2 and 3 markets. "Though the purchase cart value will be lower than a repeat customer, we're bullish about the retention of the new customers coming to the platform," Nagaram said. Myntra has also invested in safeguards to avoid the transmission of Covid-19 via physical contact. For example, digital payments have gone up by 60 per cent on Myntra in comparison to pre-Covid times.

The fashion e-commerce player recently launched the 12th edition of its flagship 'End of Reason Sale' (EORS) and acquired a record high of 2.5 lakh new customers on day 1.

A recent report on consumer sentiment by BCG Consulting stated that the current situation has triggered a significant push towards the adoption of digital modes. "Many consumers are trying out digital in shopping/payments/media for the first time. There have been 20 per cent additional users reading the news online; 40 per cent new users shopping staples online; and 20 per cent new users using digital wallets."

Ever since the lockdown was eased up, in existing markets, the Flipkart owned player saw the demand for 'work from home' essentials and work casuals. In newer markets, the demand was for casual t-shirts and kurtas. "We have also seen a demand in grooming, and beauty essentials for both men and women," Nagaram said. He added that EORS is unique because it was completely planned and organised by all its employees working from home. During the lockdown, the fashion-tech portal picked up the pulse of the customers and coordinated with its brands and suppliers in order to meet the demand, he said.

The only challenge that remains for the company is last mile delivery, because of the situations on ground being inconsistent and dynamic in different parts of the country, said Nagaram. However, the company is bullish that it can overcome these headwinds with its wide network.

When asked how Myntra differentiates itself from parent Flipkart's apparels business, he said: "Right from the experience, price points and collections, there is a distinction. The overlapping fashion is negligible between the two platforms. While Flipkart caters to the masses for entry-level customers, Myntra is an outlet for premium and upper premium range of products for consumers who are comfortable going upwards in the fashion stride. This also goes hand in hand to provide a gradual transition from mass selections to becoming selective about brands."

Tata Digital, a wholly-owned subsidiary of Tata Sons, has acquired a majority stake in Indian online grocery seller Big Basket. The announcement came after India's antitrust body Competition Commission of India (CCI) approved the acquisition of up to a 54.3% stake in Big Basket by Tata Digital in March this year, as reported by PTI. Financial details of the transaction are not disclosed, but according to media sources, the deal is valued at approximately $1.31bn (Rs95bn). The deal reportedly involves buying out Chinese online retailer Alibaba's stake in the company. Tata Digital CEO Pratik Pal stated that they are delighted to welcome Big Basket as a part of the Tata Digital. Founded in 2011, Big Basket expanded its presence to more than 25 cities in the country and offers

one of the largest assortments of over 50,000 SKUs. Additionally, the company operates a farm-to-fork supply chain with more than 12,000 farmers. Big Basket reached the milestone of $1bn in annual revenues last year. Earlier, Tata was reportedly in talks to acquire at least an 80% stake in the online grocery seller backed by Alibaba Group in a deal valued at $1.3 to 1.6bn. Big Basket CEO Hari Menon said: "As a part of the Tata ecosystem, we would be able to build stronger consumer connect and accelerate our journey."

How Amazon Fashion is Using Technology to Personalize the Shopping Experience: Presently, Amazon Fashion is witnessing a growing demand for products like women's western wear, sportswear, comfort wear (T-shirts, shorts, track pants and sportsware in general), and fashion jewelry among Gen Z customer base. With so many industries impacted by the unprecedented circumstances, the fashion industry has also borne the brunt of the pandemic. Most fashion brands have adapted by optimizing their e-commerce efforts since a majority of consumers choose to shop online from the safety and comfort of their homes. In keeping with this shift, brands too are accelerating their online presence as they aim to emerge stronger than before and reach more customers than ever before.

Changes in sell due to pandemic: With the advent of 'Stay home stay safe', sells are gradually increasing. Deputy Editor of Indian retailer.com stated "The pandemic has also brought back the idea of 'no rules' in the fashion space, giving the industry an opportunity to explore multifunctional values of clothing. The previous year witnessed a growing fondness for sustainable fashion, leading to sustainability holding a solid grasp over the fashion industry. Customers are also keeping themselves engaged at home through self-pampering, spending time on grooming, and experimenting with make-up. The beauty industry has seen the emergence of the demand for joyful colours, clean beauty, and professional hairstyling products along with the revival of make-up. These beauty trends are bound to grow as advancements towards the next year.

Survey Analysis:

A survey has been carried out on the study of the popularity of Online business/ E-commerce during pandemic (Covid'19) situation. 300 people have responded to the survey where the percentage of female and male participants is 70.8% and 29.2% respectively. And the age group is between 18 years to 29 years. The survey results are as follow:

Q.1. How often do you shop? Would you prefer to shop?

 Out of 300 people 50.8% people responded that they occasionally shop, 32.3% people stated that they shop once in a month, 13.8% people responded that they shop once in a week and 3.1% people shop regularly. Hence, we can conclude that most of the people like to shop occasionally.

Q.2. How would you prefer to shop?

 a) Online b) Offline

From this result it is found that out of 300 people 50,8% people stated that they prefer to shop from physical retailer stores and 49.2% people stated that they like to shop Online. It is visible that the responses have been divided into almost equal segments though the number of online shoppers is slightly higher.

Q.3. Before covid pandemic situation how often did you use online mode for shopping?

From this result it is found that 56.9% people use online mode to shop occasionally, 27.7% people use online mode to shop once in a month, 7.7% people use online mode to shop once in a week and the rest 7.7% people use online mode to shop regularly.

Q.4. During covid pandemic situation how often do you use online mode for shopping?

This result is showing that out of 300 people 49.2% people used to shop occasionally through online mode, 29.2% people used to shop once in a month 12.3% people used to shop once in a week and 9.2% people used to shop regularly. Then it is clearly being shown that before pandemic the number of people used to shop online occasionally is higher.

Q.5. Do you think frequency of online shopping has increased during pandemic situation?

92.4% people agreed to the fact that frequency of online shopping has increased and rest of the 7.4% people denied the above mentioned fact. It is clearly being seen that much higher number of people have agreed to this fact.

Q.6. Do you think online shopping is safer than offline shopping since social distancing is a must during pandemic?

73.8% people agreed to the statement that online shopping is safer than physical retail. 23.1% people gave neutral answers and 3.1% people denied the fact. Here it is seen that the number of people agreeing to the fact is much higher than neutral people and those who denied too.

Q.7. Why do you think online business has gained popularity during pandemic (covid-19) situation?(If yes)

Analysis: From the survey of this question it is observed that 92% people agreed to the statement, 4% of them denied with the fact and 4% of them remained neutral.

Among those 500 people the category of why they think online business has gained popularity during pandemic (covid-19) situation are-

Safety Measures/ Lockdown protocol - 80%

Easily accessible from anywhere- 14%)

Variety of collections- 2%

Time consuming- 2%

1% people who denied that they don't think online business has gained popularity during pandemic (covid19), they stated that online selling and buying had popularity before pandemic as well. They stated previously people also were inclined towards e-commerce.

Rest 1% people remained neutral so their responses will not be considered in the study.

Interpretation: From this survey it has been clearly seen that the number of people agreed to the fact that online business has gained popularity during pandemic are much higher than the people who denied the statement. Very less number of people denied the statement. Now from the people who agreed to the fact, the number of people who stated due to safety measures or lockdown protocols has boosted the spread of E-commerce. So, finally it is concluded that online business/e-commerce actually gained popularity during pandemic situation.

Q.8. Why do you think online Selling/Buying is safer than physical retail? (If yes)

Analysis: From the survey of this question it is observed that 92% people have answered with agreeing the fact that online selling and buying is safer than physical retail. Only 8% people have denied to this above mentioned statement.

Among 300 people the category isn't divided into many reasons because almost all of them have answered that online selling and buying is safer due to less contact buying than physical retail. Since Government had declared some protocols which includes social distancing it is clear to all of us that due to less contact buying and selling, e-commerce is obviously safer than physical retail.
Only 8% people has stated that they don't think e-commerce is safer from physical retail. They haven't stated any reason behind their answers. So automatically, it is remained unknown that why they denied the fact.
Interpretation: From this survey it has been observed that the number of people agreeing to the fact that e-commerce is safer from physical retail is much higher than the people who denied. As well, the people who denied haven't stated a single reason behind their answer. So it is concluded to the phenomena that E-commerce is definitely safer from physical retailer shops.

RESULT:

In a nutshell, the hypothesis which has drawn before that "The popularity of online business has increased during pandemic (Covid19) situation and it has spread in a larger scale during covid-19 situation than before" has already proven to be true. Most of the people stated that they prefer to shop offline but due to pandemic the use of online business has increased. The number of people agreeing to the fact that covid-19 boosted the spread of e-commerce or online business is much higher. They also agreed that the frequency of using online buying and selling has increased. They also stated that it is safer than physical retail. So from this survey, the result had been driven that the hypothesis which was chosen to prove, has already been proven.

CONCLUSION:

From all the other surveys which researchers had done previously, they also proved that online selling and buying became popular just after the covid-19 pandemic period. Due to lockdown, people who used to prefer retail shops for any kind of shopping, they are also using online apps for ordering their daily needs. From this survey, it is very much clearly observed that most of the people agreeing to the fact that pandemic situation actually boosted up the popularity of ecommerce or online selling and buying.

Through the survey it is already been proven that a large number of people are agreeing to the statement that covid-19 and it's protocol have a large effect or impact on boosting up the popularity of online business. From the whole research it has been seen that the main reasons behind this rise are-

- Safety protocols
- Lockdown

This was previously taken as an assumption in this survey has been able to prove this research's hypothesis is true in the end. Now an assumption can be taken for future that the pandemic has

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encouraged irreversible changes in shopping behavior which is a firm move towards e-commerce that is likely to continue in the post-Covid world.

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