

IMPACT OF E COMMERCE DURING COVID PENDING TIME: A BRIEF ANALYSIS

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Abstract

This research paper laid emphasis on how covid pandemic affected E-commerce. In this there is brief analysis of E-commerce and the working of E-commerce during covid pandemic times. As there is situation of complete shutdown of physical market in the world economy during lockdown period only online marketing was only option for people to demand and purchase the product online. Due to availability door to door service online shopping make the product availability for the customers at remote area also .and online shopping were on the boom periods at the covid pandemic times.

Introduction

E-commerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Whereas e-business refers to all aspects of operating an online business, ecommerce refers specifically to the transaction of goods and services.

The history of ecommerce begins with the first ever online sale: on the August 11, 1994 a man sold a CD by the band Sting to his friend through his website Net Market, an American retail platform. This is the first example of a consumer purchasing a product from a business through the World Wide Web—or “ecommerce” as we commonly know it today.

Since then, ecommerce has evolved to make products easier to discover and purchase through online retailers and marketplaces. Independent freelancers, small businesses, and large corporations have all benefited from ecommerce, which enables them to sell their goods and services at a scale that was not possible with traditional offline retail.

Global retail ecommerce sales are projected to reach \$27 trillion by 2020.

Types of Ecommerce Models

There are four main types of ecommerce models that can describe almost every transaction that takes place between consumers and businesses.

1. **Business to Consumer (B2C):** When a business sells a good or service to an individual consumer (e.g. You buy a pair of shoes from an online retailer).
2. **Business to Business (B2B):** When a business sells a good or service to another business (e.g. A business sells software-as-a-service for other businesses to use)
3. **Consumer to Consumer (C2C):** When a consumer sells a good or service to another consumer (e.g. You sell your old furniture on eBay to another consumer).
4. **Consumer to Business (C2B):** When a consumer sells their own products or services to a

business or organization (e.g. An influencer offers exposure to their online audience in exchange for a fee, or a photographer licenses their photo for a business to use)

On 24 March 2020, the Government of India under Prime Minister Narendra Modi ordered a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure against the India. It was ordered after a 14-hour voluntary public curfew on 22 March, followed by enforcement of a series of regulations in the country's COVID-19 affected regions. The lockdown was placed when the number of confirmed positive corona virus cases in India was approximately 500. Observers stated that the lockdown had slowed the growth rate of the pandemic by 6 April to a rate of doubling every six days, and by 18 April, to a rate of doubling every eight days.

As the end of the first lockdown period approached, state governments and other advisory committees recommended extending the lockdown. The governments of Odisha and Punjab extended the state lockdowns to 1 May. Maharashtra, Karnataka, West Bengal and Telangana followed suit. On 14 April, Prime minister Narendra Modi extended the nationwide lockdown until 3 May, with a conditional relaxations after 20 April for the regions where the spread had been contained or was minimal.

On 1 May, the Government of India extended the nationwide lockdown further by two weeks until 17 May. The Government divided all the districts into three zones based on the spread of the virus—green, red and orange—with relaxations applied accordingly. On 17 May, the lockdown was further extended till 31 May by the National Disaster Management Authority.

On 30 May, it was announced that lockdown restrictions were to be lifted from then onwards, while the ongoing lockdown would be further extended till 30 June for only the containment zones. Services would be resumed in a phased manner starting from 8 June. It was termed as "Unlock 1.0". Modi later clarified that the lockdown phase in the country was over and that 'unlock' had already begun.

The second phase of unlock, Unlock 2.0, was announced for the period of 1 to 31 July, with more ease in restrictions. Unlock 3.0 was announced for August. Similarly, Unlock 4.0 was announced for September and Unlock 5.0 for the month of October.

Objectives of this study

1. To understand the Impact of covid - 19 Pandemic on E-Commerce.
2. To understand the comparison of Profit before covid 19 pandemic and after Covid 19 Pandemic .

Research Methodology

The data for the study have been collected through secondary sources. Various books, Journals, Articles and websites have been accessed to collect the information for study

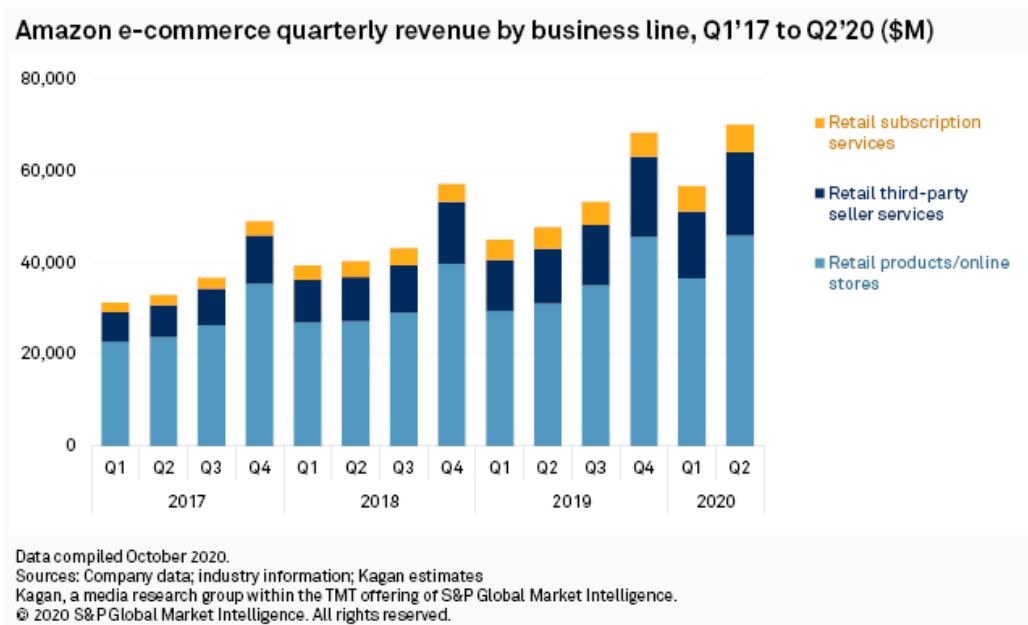


Impact of corona virus on E-commerce

India's top E-commerce companies Amazon and Wal-Mart-owned Flip kart are in the midst of the first big sale since the pandemic.

As COVID-19 shook the global economy, [Amazon.com Inc.](https://www.amazon.com)'s e-commerce revenue saw gains of 47.0% year over year for second quarter 2020. A spike in sales from Amazon's core e-commerce operations, which include online stores, third-party seller services and retail subscription services has fueled its revenue growth amid the COVID-19 pandemic. Aside from its e-commerce business lines, Amazon Web Services, digital advertising and physical store sales — primarily via the supermarket chain Whole Foods — are Amazon's other major business sectors.

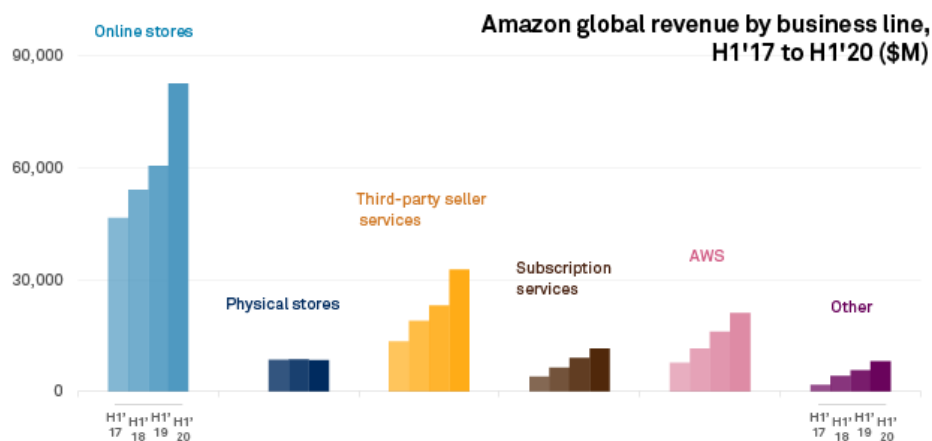
Amazon's quarterly trends for global e-commerce revenues usually show a year ending with a strong fourth quarter that is only surpassed by the fourth quarter of the following year. Revenue generated from just e-commerce sales for the second quarter of 2020 of \$70.11 billion already surpassed that of the fourth quarter of 2019 at \$68.34 billion. All three e-commerce categories had large revenue gains, with online stores and third-party seller services each having an annual percentage change north of 46%. It is uncertain if this new trend will carry through the end of the year as shelter-in-place orders and physical shopping limitations relax.



As regulations regarding shelter-in-place and social distancing came into effect during the first half of 2020, online stores and third-party sellers generated over 70% of Amazon's global revenue for the first six months. With an increasing amount of people participating in "panic shopping" in the wake of COVID-19, essential items quickly became scarce in brick-and-mortar stores. As a

result, more people flocked to Amazon's online stores and third-party sellers to meet their needs while companies boosted their digital ad spending to target a larger number of prospective buyers. With e-commerce business booming, Amazon opened more fulfillment centers and increased the number of employees to meet consumer demands.

Amazon Web Services, or AWS, also did relatively well during the first half of 2020, making up 12.8% of the company's global revenue. Businesses worldwide moved their employees to work remotely, and many companies may have turned to AWS as a way to make this transition easier and to maintain work efficiency.



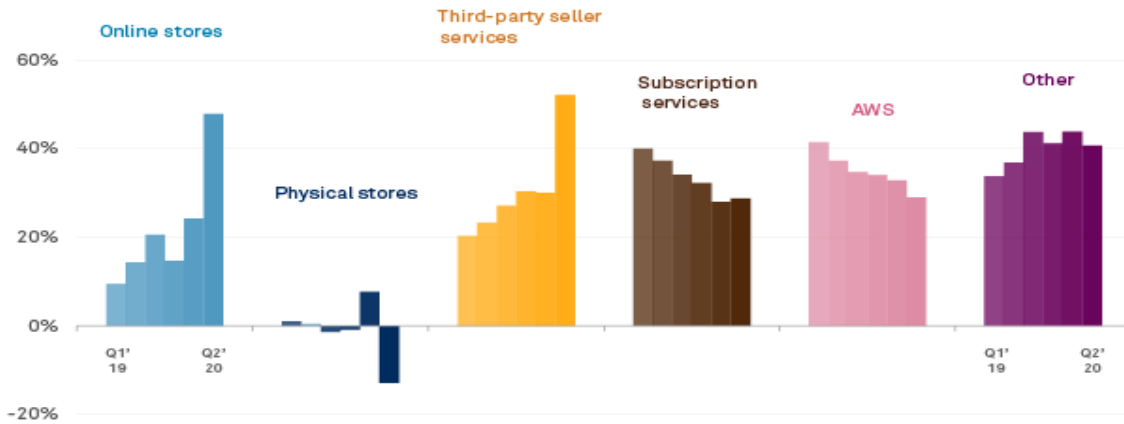
Data compiled October 2020.
Sources: Company data; industry information: Kagan estimates
Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.
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Viewing quarterly revenue across business lines, third-party seller services had the highest annual percentage change of 52.1% in the second quarter of 2020. High demand for certain items amid the pandemic may have driven consumers to make more purchases from third-party sellers, especially when products were sold out or unavailable on Amazon's online stores.

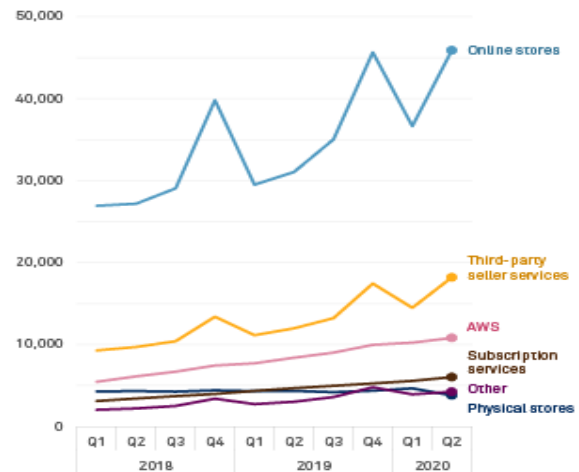
Amazon saw an annual increase in its physical stores, mainly Whole Foods, during the first quarter of 2020, and then saw a sharp annual decline of 12.8% in the following quarter. These results were largely driven by people going to physical stores during the first quarter to stock up on essentials before shelter-in-place orders came into effect between March and April 2020. Once restrictions came into full effect at the beginning of the second quarter, more customers decided to make purchases online via other services, such as Whole Foods pick-up services and Prime Now delivery, which are not counted as part of physical store sales.



Amazon annual percent change by business line, Q1'19 to Q2'20 (%)

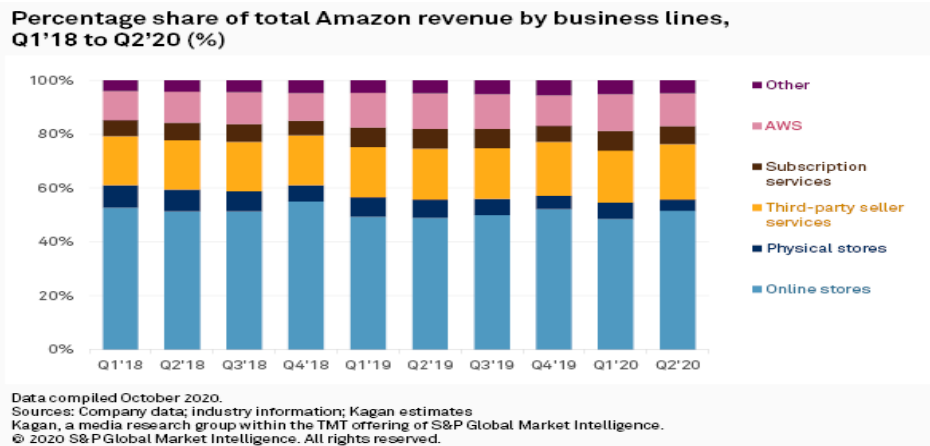


Amazon quarterly global revenue by business line, Q1'18 to Q2'20 (\$M)



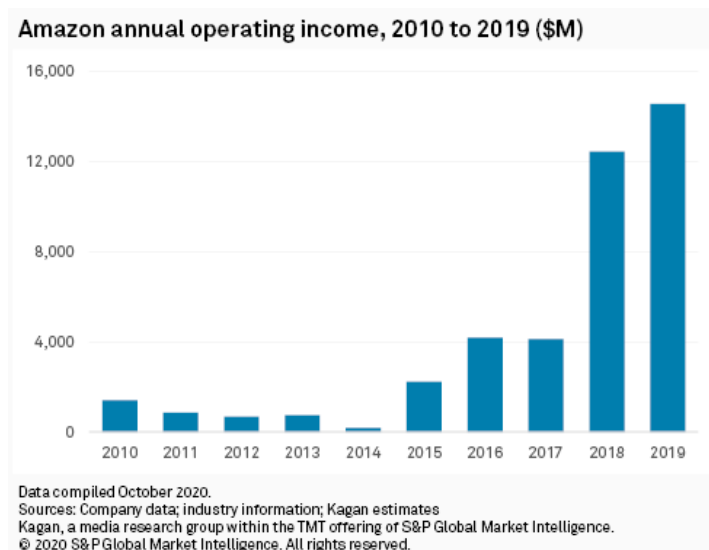
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Looking at each business line's percentage share of Amazon's total revenue, online stores and third-party sellers saw gains while all other sectors lost share percentages during the second quarter of 2020. Physical stores were hit the hardest, with a 2.6-percentage-point share loss compared to the second quarter of 2019, largely impacted by shelter-in-place orders and a rise in online purchasing. Online stores continue to yield to the most revenue among the different business sectors and saw the biggest jump in share with a 2.6 percentage point gain in the second quarter of 2020.



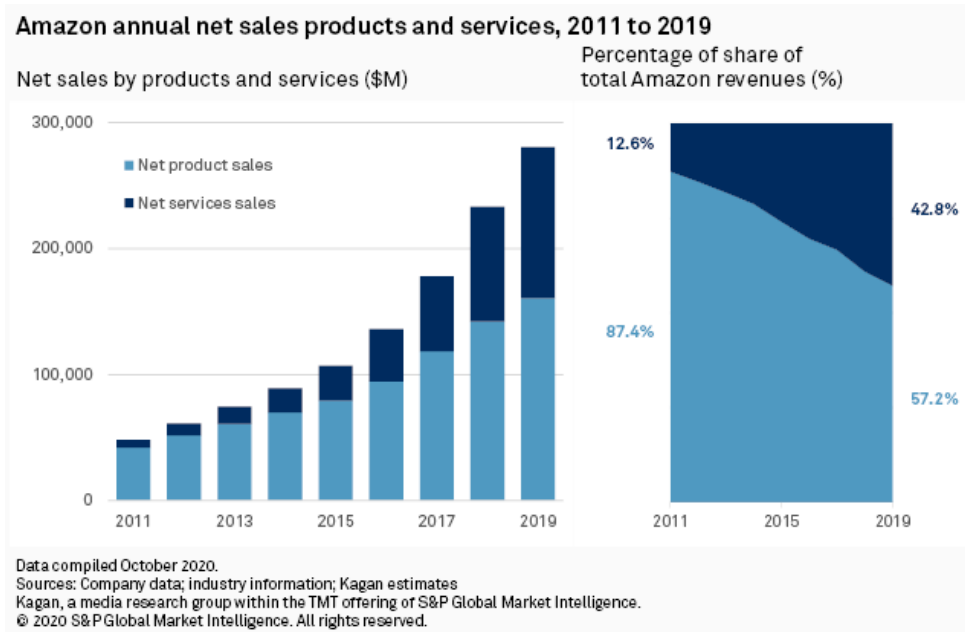
Amazon has grown significantly from its start as an online bookstore in 1994. Struggling to make profits in its initial years, most investors believed more profitable book retailers at the time, such as Borders and Barnes & Noble, would overtake the small e-book store. After years of financial losses, Amazon reported its first positive operating income in the fourth quarter of 2001. Operating income in the following years remained low, however, as Amazon channeled most of its revenue into further developing its e-commerce business and expanding into higher-margin areas such as cloud services and digital advertising.

Operating income and revenues skyrocketed between 2010 and 2019, with total revenues eclipsing \$280 billion by 2019 and operating income growing to \$14.54 billion that same year.



Operating income has also risen as net sales from its services gained momentum. Amazon began reporting net sales by products and services in 2011, with the latter comprising only 12.6% of total

revenue. That gap had dwindled significantly by 2019 when products accounted for 57.2% of total sales versus 42.8% for services.



Conclusion

After a complete shutdown in March and April – when India was under a government-mandated lockdown and only essential items were allowed to be sold – demand for online shopping bounced back with a vengeance. “As compared to the pre-March period, we have Prime members who are shopping at a higher frequency and buying across categories,” an Amazon India spokesperson said. The new launches and deep discounts during the festive season are likely to further boost demand.

“Store closures amid Covid-19 lockdowns lowered customer appetite to spend on discretionary products,” said Vijay Bhupathiraju, retail analyst at GlobalData. “(The) fear of contracting the virus during shopping trips is shifting the customer spending to online channels, and other factors such as reduced working hours and frequent lockdowns will cause a sharp decline in growth forecYet, e-commerce players will need to undertake several tweaks to meet the changing trends. The coronavirus pandemic forced brands to pivot their 2020 ecommerce strategies immensely to cope with consumers’ constantly shifting behavior. Here are some the latest stats:

12% more time spent with digital this year (<i>Merkle</i>)
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10% more time spent on mobile this year (<i>Merkle</i>)

79% of consumers will continue to spend more conservatively in the coming months (<i>Merkle</i>)
11% of advertisers expect COVID-19 to significantly impact their ad spending in Q4 (<i>Influencer Marketing Hub</i>)
68% of advertisers expect COVID-19 to impact their ad spending into 2021 (<i>Influencer Marketing Hub</i>)
62% of consumers shop online more now than before the pandemic (<i>Bazaarvoice</i>)
3.5% less foot traffic in UK stores the week of October 17th (<i>Reuters</i>)

Prime Day amid the pandemic

After being postponed from July to October due to the coronavirus pandemic, *Amazon Prime Day 2020* went off without a hitch.

The annual sales event took place on October 13 and October 14 this year across the U.S. and 18 other countries. *Prime members saved more than \$1.4 billion* over the two-day sales event, according to a press release from Amazon.

Digital Commerce 360 estimates that despite the pandemic, *Amazon Prime Day 2020 sales hit \$10.4 billion* – up from \$7.16 billion (+45.2%) over Prime Day 2019 and from \$4.19 billion (+148.2%) over Prime Day 2018.

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