

## SURGE IN ONLINE SHOPPING IN CORONA TIMES

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### ABSTRACT

The covid-19 pandemic and the consequent restrictions resulted in a big boost for e-commerce. The e-commerce's share of global retail trade increased from 14% in 2019 to about 17% in 2020. Some top e-commerce players like Mercado Libre and Jumia reported handsome gains in their revenues in their respective markets. Consumers are not only buying luxury items online but also groceries. Convenience and safety are the two critical considerations for customers of these online marketplaces. Moreover, the shift brought about by the pandemic is likely to sustain in the long term. In order to make the ecosystem future ready, governments must try and increase internet penetration and financial inclusion in the rural areas and create conducive environment for the ecommerce players. This will help e-commerce thrive in the future.

**Keywords:** Online, Ecommerce, internet, Covid 19, groceries

### Introduction

In the midst of slowing economic action, COVID-19 has led to a surge in e-commerce and accelerated digital transformation. As lockdowns became the new ordinary, businesses and consumers increasingly "went digital", purchasing and providing more services and goods online, raising e-commerce's share of global trade in retail from 2019s 14% to around 17% in 2020.

Latin America's online marketplace Mercado Libre, for instance, daily sales volume went up by 100% in the second quarter of the year 2020 if compared with second quarter of the year 2019. And African e-commerce stage Jumia reported a 50% jump in exchanges during the initial half year of 2020. China's online share of retail sales shot up from 19.4% to 24.6% during the period from August 2019 to August 2020(UNCTAD, 2021).

### Literature Review

Ecommerce and impact of covid-19 is a widely researched topic. Below are a few abstracts from recent literature.

Sharma (2020), have posited that coronavirus is affecting numerous e commerce businesses. Coronavirus pandemic is likely to have long lasting effects on ecommerce. E-commerce is a business model that lets firms and people purchase and sell items and services over the internet. Today 40% of internet usage made for online purchase. As per IBM's report Coronavirus pandemic pushed the business ahead by around five years. Moreover, after the

Coronavirus, social distancing and remaining at home can mean that customers are pushed further towards shopping that is online. This investigation examines the growth of e-commerce due to Coronavirus pandemic and additionally find that e-commerce became substitute source of conventional marketing or not based on secondary data sourced from authorized websites. The quantum of e-commerce increase after the advent of Coronavirus pandemic is seventeen per cent (17%) and is expected to rise further. Sectors like fashion and accessories, electronics, health and pharma and FMCG did particularly well, with an average rise of 133% in sales.

Bhatti et al. (2020), have argued that the Coronavirus intensely transformed the global trends. In this article determined the ecommerce trends in coronavirus predicament just as what imminent progress in e-commerce that may mean for consumer behavior in future. This article examines that e-commerce grew due to coronavirus. E-commerce has emerged as replacement and considered top in this condition, and e-retailers provides products that typically consumers purchased in superstore customarily. Coronavirus impacts whole of e-commerce. Meanwhile, we need to comprehend their efficacy to stability both cost and benefits.

Reardon et al. (2021), have opined that, Coronavirus disease 2019 and related lockdown policies in 2020 shocked food industry firms' supply chains in developing regions. Firms "pivoted" to e-commerce to

reach consumers and e-procurement to reach processors and farmers. "Delivery intermediaries" co-pivoted with food firms to help them deliver and procure. This was essential to the capacity of the food firms to turn. The pandemic was a "crucible" that influenced this set of fast-tracking innovations, speeding-up the spread of e-commerce and delivery intermediaries, and enabled the food industry firms to redesign, their supply chains in the short-run as well as during the entire period of the pandemic. We present a theoretical model to explain these firm strategies, and then apply the framework to arrange firms' functional strategies. We center around cases in Asia and Latin America. Enabling policy and infrastructural conditions allowed firms to rotate and co-pivot smoothly. According to Rayka (2020), this brief discusses how the COVID-19 emergency is stepping-up an expansion of the e-commerce business for new firms, their customers and types of items, likely involving a drawn-out shift of e-commerce exchanges from luxury items and products to everyday necessities. It additionally features how the pandemic has likewise helped refine which categories of merchandise consumers feel are essential, the examination tracked down the standardized lockdown rules across India and the growing hesitation among consumers to head outside and search for essential products have tilted the country towards e-commerce.

According to Dinesh and Muni Raju (2021), the COVID-19 pandemic has had significant influence on the people everywhere on the world. This has additionally influenced the consumers to shop online owing to their apprehensions regarding the safety. Therefore, this has opened up huge opportunities to online retailers and stages to increase their sales and revenue and at the same time posed several challenges. E-commerce business is becoming scalable as more and more people are forced to purchase online due to their apprehension to go to actual stores in the time of pandemic. This examination is aimed at understanding the factors that are causing an increase in the e-commerce exchanges and additionally attempts to know the consumer behavior during the COVID-19 pandemic. Through a survey of 195 respondents, the investigation found that

frequency of online shopping has increased during the pandemic period. The examination suggests that both offline and online and retailers have to make investment in smarter technologies and thus improve customer engagement.

### Key Considerations

1. The COVID-19 pandemic stepped-up an expansion of e-commerce by new firms, types of items and customers. It provided the customers with an access to a large variety of items from the safety and convenience of their homes, and has allowed firms to continue their operations in spite of restrictions on physical contact and other restrictive measures (OECD, 2020).
2. Despite significant cross-country differences, the COVID-19 pandemic has increased dynamism in the e-commerce ecosystem across countries and has enlarged the scope of e-commerce, including through consumer segments (e.g. elderly), new firms, and items (e.g. groceries). Meanwhile, e-commerce trade in large number of countries have to some extent shifted from luxury goods and services segment to everyday necessities of life that are relevant to a large number of people.
3. Some of these changes in the e-commerce ecosystem and landscape are likely to be of long-term nature, given the chances of new waves of the pandemic, the convenience with the new purchasing propensities, costs of learning and the incentive for the firms to capitalize on the investments made in new sales channels.
4. Despite the efforts of some governments to boost e-commerce during the COVID-19 pandemic, persistent advanced divides infer that not everyone has been able to participate. Moreover, regulations that are not adapted to e-commerce can create barriers to firms, for example, in the case of new modes of delivery or emerging omni-channel sales models. While a sizable lot of these challenges also existed before COVID-19, the current crisis and the new role of e-commerce for firms and individuals has heightened the need for

policy activity for various stakeholders as stated below:

- a. For consumers, systemic challenges related to financial inclusion, connectivity, skills and trust (e.g. protection, advanced security, and consumer protection) have been brought into great relief. To address this issue, governments could expand quality and affordable broadband to underserved and rural areas, increase financial inclusion, and promote trust and the acquisition of skills to participate in e-commerce.
- b. For firms, policy makers ought to decrease regulatory uncertainty to foster the creation of new business models, for instance, in the context of an increasingly complementary relationships between online and offline sales strategies.
- c. Governments likewise need to deal with the specific need of SMEs, including by ensuring a reasonable level playing field in

the context of intermediate services (for instance online platforms). A well-functioning enabling environment for e-commerce, ensuring a reasonable competition in the retail sector and, including logistics or trade and communication services, is also important.

### Conclusion

COVID-19 pandemic and the resulting social distancing norms and lockdowns have benefited the e-commerce industry. Due to convenience and safety aspects, consumers are not only shopping luxury items online, but also groceries. This trend is likely to be a long-term trend and online channels have gained at the cost of traditional ones. For these trends to sustain, governments must focus on internet penetration in rural areas and policies which support the online retailers.

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