

The Significance of E-Commerce during COVID-19

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Abstract: *This research investigates the growth and importance of e-commerce, particularly during the COVID-19 pandemic. It explores the shift from offline to online shopping, the role of technology in this transition, and the impact of emerging trends in the e-commerce sector. The study primarily uses secondary research and qualitative methods. The main purpose of doing research is to understand the importance of E-commerce websites especially during the COVID-19 situation. E-commerce sector has been growing in the last 5 years and there has been a drastically change in the E-commerce sector and the trend of online shopping is growing in past so many years. There has been a drastic shift off offline shopping to online shopping seen among the consumers. My research mainly focuses on the importance of E-commerce websites in the emerging market and try to focus on the impact of the growing trend of digitalization in the E-commerce sector and how every now and then new trends are also introduced to increase the purchasing rate of the consumers. Today, the technology to a certain extend is playing a vast difference in all the sectors and it is not only restricted to any one sector but it is playing a very crucial role in different sectors and to a certain extend it is boosting our economy to a certain extend. Today there is a tremendous growth in E-commerce website and there are many big retails shop which have turned into online mode such as Big Bazar, D-mart and many other small retail shops also and this change has been seen drastically during the COVID-19. Many consumers during this pandemic era got exposure to online shopping, where they grabbed the opportunity to try something new by doing shopping and buying the grocery through online mode too. Although one of the oldest E-commerce websites such as Amazon, which is also said to be a giant in the field of E-commerce sector, but today we have lot of different E-commerce websites such as Flipkart, Snap Deal, Ebay and many more. The E-commerce website gives a different experience to the consumers and the research revolves around why E-commerce websites stands apart from offline shopping among the consumers.*

Keywords: COVID- 19 impact, digital transformation, online retail, consumer behaviour, technology adoption

1. Introduction

E-commerce is the buying and selling of good or services via the internet, and the transfer of money and data to complete the sales. It's also known as electronic commerce or internet commerce.

Types of e-commerce

As commerce continues to evolve, so do the ways that it's conducted. Following are the most traditional types of e-commerce models:

- 1) **Business to Consumer (B2C):** B2C e-commerce is the most popular e-commerce model. Business to consumer means that the sale is taking place between a business and a consumer, like when you buy a rug from an online retailer.
- 2) **Business to Business (B2B):** B2B e-commerce refers to a business selling a good or service to another business, like a manufacturer and wholesaler, or a wholesaler and a retailer. Business to business e-commerce isn't consumer-facing, and usually involves products like raw materials, software, or products that are combined. Manufacturers also sell directly to retailers via B2B e-commerce.
- 3) **Direct to Consumer (D2C):** Direct to consumer e-commerce is the newest model of e-commerce. D2C means that a brand is selling directly to their end customer without going through a retailer, distributor, or wholesaler. Subscriptions are a popular D2C item, and social selling via platforms like Instagram, Pinterest,

Facebook, SnapChat, etc. are popular platforms for direct to consumer sales.

- 4) **Consumer to Consumer (C2C):** C2C e-commerce refers to the sale of a good or service to another consumer. Consumer to consumer sales take place on platforms like eBay, Etsy, Fivver, etc.
- 5) **Consumer to Business (C2B):** Consumer to business is when an individual sells their services or products to a business organization. C2B encompasses influencers offering exposure, photographers, consultants, freelance writers, etc.
Successful e-commerce sites

E-commerce accounts for trillions of dollars in sales every year. Today it's almost inconceivable that a company wouldn't be using a digital space to drive sales and bottom lines.

Here are some of the top e-commerce companies:

- **Alibaba:** Launching in 1999, The Chinese company Alibaba is by far the world's most successful e-commerce company and retailer, hosting the largest B2B (Alibaba.com), C2C (Taobao.com), and B2C (Tmall) marketplaces across the globe. Their online profits have surpassed all US retailers-including Walmart and Amazon-combined since 2015.
- **Amazon:** Amazon is the largest e-commerce retailer in the United States, and has changed the face of retail so much that a burning question for most retailers is how to beat Amazon.

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- **Walmart:** Once the top retailer in the US, Walmart has focused mightily upon their online business, with great results, offering traditional retail sales, as well as grocery delivery and subscription services.
- **eBay:** One of the first e-commerce sites, eBay still dominates the digital market space, allowing for businesses and individuals to sell their products online.
- **Wayfair:** This home furnishing e-tailer is a drop-shipper, carrying hardly any inventory. They manage suppliers, orders, and fulfillment, and credit their success on personalization-meaning they study how their customers engage and offer up products they believe consumers most want.
- <https://www.the-future-of-commerce.com/2020/01/19/what-is-e-commerce-definition-examples/>

2. Objective

Needless to mention, the significance of the internet and its usage in today's world is skyrocketing. The increasing usage of mobile devices has enabled customers to purchase anything from anywhere. Evidently, the future of commerce is headed online. As e-commerce is replacing other traditional commerce models to provide seamless services and consumer experience, there has been a significant reduction in operational costs. If customers are willing to bear the shipping and other costs, even cross-border shopping is possible through e-commerce. This platform allows users to conduct a comparative analysis and purchase an item at the best available price. This doesn't just inculcate awareness and transparency but also inculcates a sense of achievement among the consumers when they save a penny. The clarity in communication between portals and customers further streamlines the process. Apart from the listed benefits, it also involves some threats. These threats usually involve a breach of customer trust and a volatile economy. The failure of e-commerce business is rare, but not absent. It also reflects on the reliability of a platform when cross-border trading is undertaken. Prioritizing customer satisfaction is the key to the success of an e-commerce business. Upcoming trends in e-commerce will pave the path for successful business ventures and economic development. As more and more businesses adopt AI-driven technologies, augmented reality, and speech recognition techniques in enhancing customer experience, there will be a shift towards personalised solutions which is mostly possible through e-commerce. Ecommerce has an integral role to play in helping businesses enhance reach and scalability.

New Trends in E-commerce Websites

The ecommerce world is becoming increasingly competitive. To stay ahead of the competition, ecommerce trends need to be constantly monitored. As we move into 2021, you need to know these trends in order to take advantage of them. That's why it's so important that ecommerce trends are analyzed and adopted in a timely manner. By doing this you can drive your ecommerce brand forward, and stay ahead of your competition.

<https://www.oberlo.in/blog/ecommerce-trends>

The changes in every sector are mandatory and every sector is growing and adapting to new changes that takes place every day. Consumers are also used to these changes and they all are adapting to the new changes in the market. The major changes happened was after the policy of globalization, Privatization and Liberalization that was adopted by India in the year 1995 by the congress Government. This provided an opportunity to all the International market, which gave an opportunity to venture the business in India. All though during that point, many international companies were in the process of starting the business by opening of malls, shopping centres during that time Amazon was the first ever company to go offline and start with the E-books.

Ecommerce sales have been growing constantly and for good reason. Online shopping is one of the most popular online activities. Global ecommerce sales are projected to increase 26.7 percent year-over-year to \$4.891 trillion in 2021 (eMarketer, 2021). This increase in online shopping can be attributed to a number of factors. One of the main ones is arguably the level of comfort that is provided to online shoppers.

There is also an increase in trust that online buyers have when they are purchasing online, as well as improved website experience. At one point, people used to be hesitant to buy things online, but that's no longer the case. Websites have also become a lot more customer-friendly.

Ecommerce growth has been driven in part by the increase in usage of mobile devices. That's because consumers aren't just checking out online, they're also using their mobile devices to browse or research before making their mind up about their purchase.

As trust in online shopping increases, consumers start to feel more comfortable shopping on mobile devices than ever before. This is especially so with Millennials and Gen Z consumers, who have grown up surrounded by computers and the internet. These generations are also more likely to be shopping online using their mobile devices in comparison to older generations.

The coronavirus pandemic's effect on ecommerce cannot be denied. More than half (54 percent) of consumers increased their spending online after the coronavirus hit.

But even though this shift to online shopping is seen across consumers of all ages, it's mostly the younger generation that's responsible for this ecommerce trend.

Social media has changed the way we live our daily lives, including the way we buy things. This is a great opportunity for brands to start thinking about how to improve their position on social media, which is a great platform for brands to get discovered. With consumers spending more time on different types of social media, ecommerce businesses can get help from Instagram influencers to increase their chances of getting discovered by their target audience.

These social media platforms act as channels for inspiration and allow brands an opportunity to be discovered while people scroll through their feeds. As social media continues to become a regular part of our daily lives, its power to influence ecommerce trends will only increase. That's why brands need to adopt a shopping-focused approach to their social media strategy.

Personalizing the online shopping experience is the key to keeping customers satisfied. People shopping online want help to find the products that they need, and they value a more personalized experience. As a result of poor product recommendations, online shoppers might avoid certain stores altogether.

Ecommerce sites are on-board with this trend and are investing in personalization tactics to make the online shopping experience a better one. This could include the personalization of messages that go out via email, or by providing the right information to the interested consumer group. By offering personalized customer communications, providing relevant discounts, and engaging with customers through, for instance, video content, will help deliver a better shopping experience and strengthen the bond with your customers.

visual commerce is the next generation of normal static visuals. It takes marketing to a whole other level as instead of simply using product photos to market your business, visual commerce takes it one step further by incorporating other types of visuals such as consumer-generated media, interactive content, engaging videos, and as previously mentioned, augmented reality.

Visual commerce is slowly but surely becoming an integral of ecommerce, as shown by the growth of the deep-learning technology behind it.

<https://www.oberlo.in/blog/ecommerce-trends>

Future of E-Commerce Website

India's e-commerce industry will grow 84 per cent to \$111 billion by 2024 as it gains from demand created by the coronavirus pandemic's impact, said a report on Wednesday.

The 2021 Global Payments Report by Worldpay FIS, a financial technology product and services provider, tracked trends in 41 countries to find that digital commerce accelerated during the pandemic.

"The Indian eCommerce industry (sic) has witnessed a huge upsurge due to COVID-19 and there is substantial room for future growth," said Phil Pomford, managing director of Asia Pacific, Worldpay from FIS.

The report said India's e-commerce market will be driven by mobile shopping, projecting it to grow 21 per cent annually over the next four years. Digital wallets (40 per cent) followed by credit cards (15 per cent) and debit cards (15 per cent) were the most popular payment methods online in 2020.

https://www.business-standard.com/article/economy-policy/indian-e-commerce-to-grow-84-in-4-years-helped-by-COVID-19-impact-study-121031000846_1.html

The \$850 billion Indian retail market is the fourth largest in the world and is largely unorganised. This market has been on the cusp of a transformation, led by the emergence of e-retail and its growing influence on Indian shoppers. The e-retail industry in India has seen an upsurge in the last five years and there is significant headroom for further growth.

The Indian e-retail market is primed to reach nearly 300 to 350 million shoppers over the next five years—propelling the online Gross Merchandise Value (GMV) to \$100 to 120 billion by 2025. As Indian e-retail sees a steep increase in shopper penetration, driven by lower data prices and investments to improve customer experience, online platforms are innovating to onboard the next hundreds of millions of shoppers. The next wave of shoppers will have different needs and will interact differently than the current set of online shoppers. We see four key trends going forward: Voice and Vernacular, Visual and Video, Social Shopping and an emergence of large digital ecosystems.

<https://retail.economicstimes.indiatimes.com/news/e-commerce/e-tailing/e-commerce-revolution-in-india-gets-its-second-wind-post-COVID-19/77460376>

3. Conclusion

Overall there have being a major change in the sector of e-commerce and especially in the past 5 years and also during the pandemic situation a huge change and new trends are introduced by all the e-commerce sectors. Now a day's consumers are aware of the buying pattern and what attracts the consumers to do an online shopping. The major change in the e-commerce sector is mostly all the e-commerce websites comes up with the attractive packages, huge discounts and one on one free which attracts the consumers to purchase more products online. Today even e-commerce websites are doing lot of marketing about themselves to inject the message in the consumer's mind about variety of products and their offers. Today almost 2 out of 3 customers are aware of the latest trends that take place on e-commerce platform and this allows the consumers to explore variety of product offers by just a click of a button. There will be always be a growth in the e-commerce website at least in the upcoming year and one of the major reasons is because of the era o digitalization.

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