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Analysing the Impact of Covid 19 on Ecommerce

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ABSTRACT

The most popular and preferred method for acquiring different goods and services is through e-commerce. Nowadays, conventional shopping must take the role of online shopping. The only explanation for this is that buyers have access to a wide range of products from around the globe at their fingertips. The COVID19 epidemic is posing several obstacles that were not anticipated for the E-Commerce industry. The entire global e-commerce industry has been impacted by the coronavirus. The COVID-19 crisis will probably have a lasting impact on e-commerce. E-commerce is a business strategy that enables organisations and people to buy and sell goods and services online. Also, it is anticipated that social isolation and staying at home will increase customer preference for online shopping after COVID-19. The availability of items at lower prices, a broader selection, and the chance to save time are just a few of the many advantages it offers consumers. The goal of the current study is to demonstrate how COVID-19 has affected e-commerce in India and around the world, as well as how it has been overcome also discussing the future potential of e-commerce.

Keywords: covid 19, ecommerce, future, impact, overcome.

I. INTRODUCTION

The coronavirus (COVID-19) eruption has had a profoundly negative impact on the lives of millions of individuals around the world. It significantly affected the world economy and it has an impact on all areas of life. Working from home before the lockdown changed the trend of online buying for the better. But this couldn't last for very long. The unexpected 21-day shutdown had a significant impact on Indian online purchasing and marketing patterns. The impact of Coronavirus on consumer purchasing habits, brand loyalty, and use of online resources was mostly unknown at first. This paper aims to reflect various issues and perspectives of online marketing due to COVID-19. Even now also there exist many uncertainties to predict how sales will affect the global community, both personally and as professionals, during this period. It is understood that the fashion's impact on everything from

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a single paper to the food, and many other everyday items has been changed recent times.

Some companies operate through social commerce, which is e-commerce and marketing using social media. 46% of users admit that social networks are important for information sharing and product selection.² However, while the results show that online marketing and shopping will soon return to normal, the losses and downshifts this pandemic is causing to cannot be ignored. Most nations severely limited social life in order to slow the virus's rapid spread. These limitations included banning major gatherings, closing schools and universities, and temporarily shutting down the economy³ The majority of retail establishments and services had to close in nations that imposed a shutdown. Because of increased unemployment and short-term employment, consumers simultaneously experienced increasing levels of economic uncertainty. Due to the closing of stationary retail outlets, consumers can now only fulfil their consumption demands through internet purchasing. The COVID-19 epidemic itself, as well as government limitations, had an impact on consumer behavior. Although Baby Boomers were significant drivers of e-commerce expansion, consumers from all generational groups reported making digital purchases of goods and services at a higher rate during the COVID-19 crisis. Overall, there has been a significant movement toward digital spending as 43% of all respondents, compared to 12% prior to the COVID-19 crisis, had done their shopping online. Additionally, the frequency of purchases rose. Across all demographic cohorts, 25% of respondents reported doing weekly online shopping, up from 9.8% of respondents prior to the COVID-19 issue.⁴

Thus, it may be claimed that the COVID 19 contributed to the growth of e-commerce. The likelihood of online purchase, or e-commerce, has increased as a result of the majority of consumers choosing it over crowded stores during the current recession. Both the pandemic and the governmental restrictions have had an impact on customer views. The majority of them lose interest in going out, and social isolation also increases the likelihood of internet shopping.⁵ Therefore, it can be concluded that 2018 will mark a turning point for e-commerce as it opens the door for new societal shifts about online shopping. Global e-commerce has been significantly impacted by COVID-19, sometimes negatively, but overall, e-commerce is expanding quickly due to the virus. Customers were pushed to use the internet and incorporate

² Jon C.W. Peterhouse, *The COVID-19 Pandemic, International Cooperation, and Populism*, 74 *International Organization* E191–E212 (2020)

³ *Social Work and the COVID-19 Pandemic: International Insights* (M. Lavalette et al. ed., Policy Press) (2020) 3 Kawasaki, Tomoya and Wakashima, Hisayuki and Shibasaki, Ryuichi, *The use of e-commerce and the COVID-19 outbreak: A panel data analysis in Japan* (Elsevier) (2022)

⁴ *How Shopping Habits Changed Due to COVID-19*, (May 11, 2022)

⁵ Rashmi Gujrati & Hayri Uygun, *Digital marketing: changing consumer behaviour*, 4 *International Journal of Forensic Engineering* 323 (2020)

it into their everyday routines by the coronavirus. In addition, e-commerce companies confront a number of difficulties, including longer delivery times, trouble controlling movement, social isolation, and lockdown. Even if the supply and shipment processes are now rather delayed, individuals are still buying since they have no other options.

(A) Methodology

The information gathered for this study is secondary in nature. The information needed for this paper is gathered periodicals, books, and magazines, through internet, government agencies, and company webpages, product catalogues, blogs, and other online sources Exploratory research is used in this work to present comprehend the research topic.

Interview method and survey method has also adopted in order to analyse the changing trends in the consumers during covid 19. Data was collected through a survey method through an online method by using the social media applications and other online polling methods. Mainly the survey was conducted to understand the mindset of people during covid 19.

(B) Objectives

- To understand the factors that influence consumers' purchasing through e-commerce in India
- To understand the impact of COVID-19 on e-commerce
- To analyse the increasing of cybercrime in e commerce during covid 19

II. E-COMMERCE AND COVID-19

The influence of the coronavirus on global e-commerce has altered the nature of business. According to data, 52% of buyers stay away from busy places and brick and mortar stores. In addition, 36% postponed going shopping in-person until they received the coronavirus vaccine.⁶ This has become the reason for the growth of online platforms such as Amazon Flipkart etc. and the people get the easy availability of products including the house hold through the online platforms. Customers in industrialized nations are accustomed to utilizing the internet and have profited from e-commerce, but consumers in developing nations are used to doing business in person and have little faith in the electronic systems at work.

Customers between the ages of 25 and 35 felt more at ease shopping online. The rapid and widespread COVID-19 outbreak has had a significant effect on e-commerce because consumers

⁶ Bhatti, Anam and Akram, Hamza and Basit, Muhammad and Khan, Ahmed and Mahwish, Syeda and Naqvi, Raza and Bilal, Muhammad}, E-commerce trends during COVID-19 Pandemic}, (2020)

now choose to order online rather than go to real stores.⁷ The coronavirus dramatically changed the global trends. These mutations contributed to the significant secondary and accidental spending on this virus. Additionally, the economies of 205 nations are being affected by this infection. It is a difficult scenario for the country and it affects e-commerce. Global trends are significantly altered by coronavirus. In every industry, change has happened quickly. It has altered human behavior, the nature of commerce, trading, and even manner of life. People avoided interacting with one another as a result of spreading fear among them.⁸ The impact of COVID-19 varies depending on the type of the product, with certain items suffering a significantly greater impact than others. Because of this COVID 19, more individuals are choosing to shop online, maintain their social distance, and work from home, increasing e-commerce overall sales by 74% for Walmart groceries, for example.

Additionally, media consumption has expanded throughout this time, and Facebook and Google have updated its capabilities to connect more people at once, such as Facebook Messenger, which competes with Zoom.⁹ It is evident that COVID-19 has had an influence on e-commerce. It is clear that a number of industries are doing really well financially. This is typically demonstrated by the fact that since the beginning of the lockdown in March, demand for apparel—both festive and casual—has surged significantly, driving up prices for these industries. The practise of offering discounts on in-demand items is one indication that a profit was made. Following the COVID-19 epidemic, the trend of sales has significantly increased, and consumers are taking full advantage of it. If the fashion industry's sales percentage alone were to be examined, the profit for the months of March and April would have been 21%.

In this pandemic, e-commerce is a crucial tool for consumers. Some businesses' first-quarter 2020 results are good, while others have a negative effect. The leading e-commerce companies' findings are as follows:

The largest online retailer, Amazon, was founded by Jeff Bezos in 1994. It is an online store with a variety of goods like books, furniture, toys, video games, movies, and more. The biggest internet business generates a significant quantity of revenue over time. However, the present pandemic situation also has an impact on Amazon's revenue, and the first quarter of 2020's net

⁷ A. V. Popov & T. S. Soloveva, Sustainability of workers in terms of the COVID-19 pandemic: international research experience, 8 *Upravlenie* 101–108 (2020), <https://upravlenie.guu.ru/jour/article/view/356> (last visited Nov 19, 2022)

⁸ The Impact of Coronavirus (COVID-19) on E-commerce and Customer Spending Pattern in South Korea – e-Market Trends, Forecasts and Statistics, *Journal of Marketing and Consumer Research* (2020), <https://iiste.org/Journals/index.php/JMCR/article/view/53453>

⁹ Kitukutha, Nicodemus Mutinda and Vasa, the Impact of COVID-19 on the economy and sustainable e-commerce (2021) ⁹ Kitukutha, Nicodemus Mutinda and Vasa, the Impact of COVID-19 on the economy and sustainable e-commerce (2021)

income was lower than the same period in 2019.

Flip kart was established in 2007 and has its headquarters in India. It was first founded by the two partners Sachin Bansal and Binny Bansal to sell books online, but it now offers a wide range of products, including electronics, home appliances, and stylish goods. As of 2018, Wall Mart, a US firm, owns a 77% interest in Flip kart for 16 billion dollars, making it the largest e-commerce company in the world.¹⁰

III. POSITIVE IMPACT OF COVID-19 ON E-COMMERCE

Over the past 20 years, E-commerce use has been growing quickly. Consumers are not constrained by the accessibility of certain products in their local town, city, or nation in the global marketplace with an almost infinite number of brands and products to pick from. The breadth and variety of products offered for sale online are unparalleled. One of the main advantages of e-commerce are lower prices. Online costs are usually. prices are less expensive than those in traditional stores since an online store's proprietors cannot automate inventory control because there is less staff needed to run it. E-commerce platforms can provide bigger discounts. They are simpler to assert. Convenient and Secure: Online buying is far more secure and allows customers greater control. People can buy from the comfort of their homes during the COVID-19 epidemic, avoiding crowds, long lines, and other problems associated with modern consumerism. Accessibility: Customers can evaluate E-Commerce services whenever they want. By pressing a button, users can easily place orders, view products, and access online services anytime they want. Even those who reside in rural places can effortlessly conduct their shopping from home. Consumers begin their online purchasing journey in 63% of cases. Due to the significant time savings, it offers users in their hectic lives. You can purchase a wide selection of goods at lesser costs from the convenience of your home, eliminating the need to shop in stores, stand in line, and then return home.¹¹

IV. NEGATIVE IMPACT OF COVID-19 ON E-COMMERCE

1. 6%: ecommerce revenue decreased during lockdown

Naturally, there were inquiries on Covid-19. During the global lockdown in the spring of 2020, it appears that the majority of e-commerce businesses experienced a boost in online sales. The poll found that 90% of businesses experienced an increase in online sales, with 50% of respondents reporting increases of more than 100%. However, 6% of respondents claim that

¹⁰ Reetu Punia , Impact of Covid-19 on E-commerce sector, 459–500 (2021)

¹¹ Gurpreet Kaur, COVID-19: IMPACTS ON E-COMMERCE (International Journal of Advanced Research in Commerce, Management & Social Science) (2022)

their ecommerce revenue fell off during the lockdown. Many customers resumed their in-store purchasing at brick-and-mortar stores after the lockdown was lifted.

Nevertheless, 86 percent of respondents reported a rise in internet revenue, while only 4 percent reported a reduction. Due to COVID-19's increased consumption of web traffic, the e-commerce market is crowded with fiercely competing companies. To gain a better grasp of the market realities, it is crucial to do a detailed investigation of your competition. You cannot remain in the market for an extended period of time if you are not as compatible as your rivals. Online purchasing solutions make it easier to identify fraudulent individuals on various platforms. In this anxious age, this also creates obstacles for internet commerce.

Because of COVID-19, E Commerce is currently facing difficulties.

2. Counterfeiting in e-commerce

They are particularly vulnerable to fraud and counterfeiting because the majority of products sold through e-commerce platforms are not physically examined and inspected. Products that are counterfeit can seriously damage a brand's goodwill, leading to reputational harm and financial loss in addition to confusing customers. counterfeit goods include imitations of designer clothing, handbags, jewelry, watches, accessories, fragrances, cell phones, video games, DVDs, and other media. They might also include medical supplies as well as auto and aviation parts.¹² Some brand protection managers have set in place professional and commercial methods that are successful and effective, and they have established sound practises. The tactics or procedures that Brand Protection Managers have selected to combat online counterfeiters frequently yield greater results. Counterfeiting online is initially addressed offline. Fake items are typically ordered from Chinese online merchants and shipped via courier to the US or EU. The items are then made available for purchase on local websites including eBay, Gumtree, Craigslist, and Amazon. More and more often, they are marketed through Facebook posts on social media. While they are criminals, the counterfeiters are quite clever and inventive. As a result, brand protection managers and those tasked with helping and supporting them need to be even more creative. They need to imagine themselves in the shoes of counterfeiters in order to properly grasp how they exploit the online environment. Then, and only then, can plans of action be developed to address this threat. Counterfeiters make use of the amazing technologies of the online world. Brand protection managers failing to use the power of the internet would

¹² Sneha Mahawar, *Counterfeiting in e-commerce and steps to prevent them - iPleaders*, IPleaders (Sept. 28, 2022), <https://blog.ipleaders.in/counterfeiting-in-e-commerce-and-steps-to-prevent-them/>.

be irresponsible.¹³

3. Increasing of cybercrime in e-commerce

Due to the COVID-19 epidemic and the enacted lockdown, more individuals are now confined to their homes, spending more time online daily and relying more and more on the Internet to acquire services they would typically obtain offline. Emails are one of the most popular tools since they are utilized in phishing, spear phishing, spamming, disseminating false information, fraud, and bogus fundraising campaigns.

Additionally, emails are regarded as the most official form of communication between businesses and employees, thus hackers take advantage of this situation to expand their campaigns. The huge rise in crime attacks on the governmental, medical, and commercial sectors become more severe. Even while the number of recorded ransomware assaults definitely decreased, losses increased as a result of larger ransom demands, and the cost of remediation is rising. Additionally, social media provided a favorable environment for the astonishing rise in the dissemination of false information and fake news. Additionally, the largest hacker operation and most deadly hacking attack were both discovered toward the end of 2020, which shocked the world. The upgraded software was issued under the guise of Sunburst Trojans.¹⁴

V. DATA ANALYSIS AND INTERPRETATION

Since the declaration of the state of emergency, there has been a 40% rise in online sales. Due to the current economic climate, it is becoming more and more crucial for businesses to provide an online buying experience. Other benefits to your firm in the worldwide market, such as branding and advertising, go beyond just being a method of raising money. It has never been more important for your company to have an online purchasing platform than it is right now. Before COVID-19 put e-commerce on an upward development trajectory and accelerated the industry's growth by 4-6 years, it was developing slowly. The Covid -19 pandemic situation brought attention to the numerous advantages of e-commerce, particularly in terms of ease, safety, and hygiene. Global e-commerce sales increased by 77% to \$82.5 billion in May alone, during the Corona virus shutdown, from the previous year.¹⁵ Up until 2019, 85% of retail sales took place in brick-and-mortar establishments, according to a Deloitte analysis. When COVID-

¹³ Chin, Shih-Hsien and Lu, Chunwei and Ho, Ping-Tsan and Shiao, Yung-Fu and Wu, Tzu-Jung, *Commodity anti-counterfeiting decision in e-commerce trade based on machine learning and Internet of Things* (Elsevier) (2021)

¹⁴ Palestine Technical University – Kadoorie, Faculty of Graduate Studies, Tulkarem, P.O. Box 7, Palestine et al., *Cybercrimes during COVID -19 Pandemic*, 13 *International Journal of Information Engineering and Electronic Business* 1–10 (2021)

¹⁵ March Tayade, Dr Prafullkumar Nanasaheb, *Covid-19 And Its Impact On E-Commerce In India-A Critical Study* (2021)

19 arrived, traditional retailers hurried to get online, and e-commerce numbers skyrocketed. The market for grocery shopping has seen a significant change in the US.

- **Findings**

- a. Government initiatives

The Indian government offers a number of efforts to help the e-commerce business thrive. The following are the main actions the Indian government has taken:

- Various government efforts include Make in India, Digital India, and Skill India.
- In order to support the growth of India's e-commerce industry, the government increased the cap on foreign direct investment to 100%.
- The Bharat Net program will receive 6000 crore rupees from the government in 2020–2021. The Bharat Net initiative was launched to provide high-speed broadband networks to local panchayats.
- The GST (Goods and Services Tax) is a significant move by the Indian government in the area of taxation. In India, the GST increases transparency and streamlines cross-border taxation.

Consequently, government offers numerous programs and aids in improving India's e-commerce market

VI. CONCLUSION AND SUGGESTIONS

This paper examines and purposefully disparages the COVID-19 outbreak and the main areas focused are the global impact of the Corona virus on global e-commerce. Awareness of this issue can contribute to improved understanding among people and consideration of how the corona virus has affected e-commerce, business, and economies of other nations and also discussed How e-commerce gives people various ways to meet their needs. COVID-19 enhances e-commerce. Today, e-commerce plays a significant role in daily life. This is a platform that is not just helpful for urban residents, but it is also very significant in rural areas as well. E-commerce is one industry that will likely continue to expand in the future and is crucial in the pandemic crisis. There are certain recommendations that will assist e-commerce businesses flourish more in the future and they are highly beneficial in the covid-19 pandemic circumstance. This is how they can fulfil consumer expectations for the future.

Finally, research demonstrates that the COVID-19 pandemic has altered typical consumer behavior, established new shopping customs, and compelled consumers to spend more time

considering their options, focus solely on purchasing necessities, and cut back on their frequency of shopping. The findings suggest that age, wealth, and industry of employment are the factors most strongly associated with changes in consumer behavior as a result of the COVID-19 pandemic; gender of respondents does not appear to be a relevant factor.

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