

COVID-19 SPARKED THE E-COMMERCE REVOLUTION; SOME BENEFITED, WHILE OTHERS LEFT IN COLD

Bilal Ahmed Wani and Dr. Noor Azizah BT. MohamadAli

Kulliyyah of Information and Communication Technology International Islamic
University of Malaysia, Kuala Lumpur, Malaysia

ABSTRACT

The world economy, and particularly international commerce, has incurred huge losses because of the coronavirus epidemic. Due to the worldwide lockdown, social isolation, and other precautions taken to prevent the spread of the COVID-19 pandemic, consumers have boosted their purchases on digital services. Therefore, the corporate environment underwent dramatic changes throughout the quarantine period. The COVID-19 crisis sped up the expansion of the digital commerce industry. The digital commerce industries have exploded in growth during the COVID-19 disaster. Businesses and consumers progressively "went online" as lockdowns became routine. It is anticipated that the growth rate of global e-commerce will be 12.2 percent in the year 2022, which will bring the total sales of global e-commerce to \$5.542 trillion. Despite this, the pace of increase is slower than it was this time last year. By 2021, growth rates for worldwide e-commerce will have reached 16.3 percent. This is a slowdown compared to the growth rate of 26.4 percent that was seen in 2020, which was also the biggest year-over-year rise those experts anticipate between 2020 and 2025 and may be related to the coronavirus pandemic that occurred in recent years. Consumers in developing economies are the most likely to purchase online. Consumers and companies in many of the world's least developed nations have been unable to take advantage of pandemic-induced e-commerce prospects owing to continuing restrictions. These include high-cost internet services, an overdependence on cash, a lack of customer trust, and a populace with little digital skills. The danger is that the existing massive digital disparities between and within nations would deteriorate further in the aftermath of the epidemic.

KEYWORDS

e-commerce; Pandemic, Digital Divide, Covid-19.

1. INTRODUCTION

In the years to follow, we will look back on the year 2020 as the year when everything began to change. Nobody else has seen unusual and unexpected growth like the internet and e-commerce industries, which have exploded in response to the COVID-19 financial crisis. During a time of declining economic activity, COVID-19 has led to a surge in e-commerce and an acceleration of the digital revolution. As Lockdowns became routine, firms and customers progressively "went online," offering and buying more products and services online. As a result, e-proportion commerce's of global retail trade increased from 14 percent in 2019 to around 17 percent in 2020, according to the World Bank. Consumers in developing markets have made the biggest move to online buying, according to the data, which suggest that e-commerce is growing rapidly around the world. Mercado Libre, a Latin American internet marketplace, sold twice as much per day in 2020 as in 2019 at the same period. The first half of the new year saw a 50% rise in transaction volume, according to the African e-commerce site Jumia. Between August 2019 and August

2020, the proportion of retail transactions conducted online in China increased from 19.4 percent to 24.6 percent. In Kazakhstan, the proportion of retail transactions that are conducted online has climbed from 5 percent in 2019 to 9.4 percent in 2020. In only one week in March 2020, Thailand had a 60 percent increase in the number of shopping applications downloaded. The upward trend in e-commerce adoption that began in 2020 is projected to continue throughout the recovery period. However, consumers and companies in many of the world's least developed nations have been unable to take advantage of pandemic-induced e-commerce possibilities as a result of ongoing hurdles. These include high-priced internet connections, an over-reliance on cash, a lack of customer confidence, a lack of digital skills among the general people, and a lack of government attention to e-commerce. Governments that capitalize on e-potential commerce's in this digitalizing economy will be in a better position to gain from global markets for their products and services, whilst those who fail to do so will risk slipping farther behind. As one example, consider the fact that the influenza epidemic has primarily benefitted the world's most prominent internet platforms. There are a very limited number of major corporations headquartered mostly in China and the United States that supply many of the solutions that are utilised in e-commerce, teleworking, and cloud computing services. Despite the fact that smaller businesses have achieved a stronger footing in the industry, their market presence is still dwarfed by the digital giants, who are poised to consolidate their dominating position throughout the epidemic.

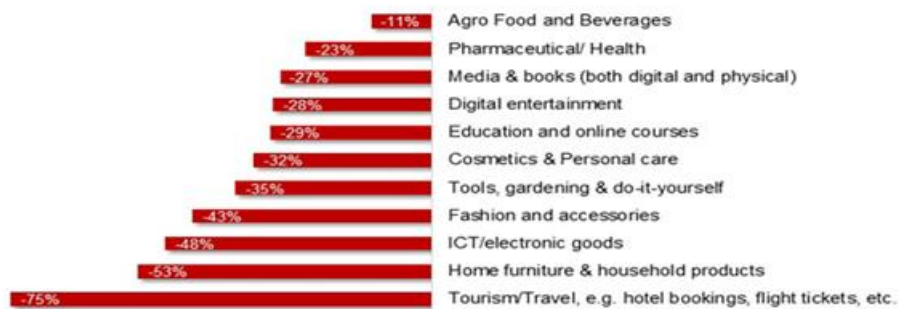


Figure 1 Growth of average spending per month
 [Source: UNCTAD and NetComm Suisse eCommerce Association]

The danger is that, as a result of the epidemic, the enormous digital disparities that previously existed within and between nations would likely widen even more dramatically. As a result, disparities would deepen even more, and the UN Sustainable Development Goals' advancement will be hindered. However, the average monthly expenditure per consumer on the internet has decreased significantly. Consumers in both developing and established nations have deferred bigger purchases, with consumers in emerging countries prioritizing more basic items such as food and medicine. The tourism and travel industries have seen the most significant declines, with average expenditure per internet buyer decreasing by 75 percent in recent years.

2. LITERATURE REVIEW

In principle, the shift in customer behavior toward online buying will benefit online merchants of all sizes, regardless of their size. It is probable that if an online platform is unable to provide a competitive user experience, it will fail to lure, impress, and keep consumers. According to Fortune magazine, "businesses with extensive e-commerce services... will fare the best amid the present turbulence." Because of the continuing impact of COVID-19 on the world's population, and because consumers are adapting, businesses with a strong ecommerce offering may ensure

that they are available when customers need them. Nike, for example, has been able to raise their digital sales by 30% as a consequence of the integration of its fitness and e-commerce applications into their existing websites (Alber, 2020).

(Nakhate and Jain, 2020) sought to determine the impact that the coronavirus had on online business. The vast majority of the kits are made in China, which contributes to their impressive level of reliability. Because of the effects of the coronavirus, every step of the shipping process is made more difficult, which in turn slowed the expansion of e-commerce throughout the nation and the state. This research study investigates the consequences that the Corona virus has had on the industries that are involved in ecommerce. It was revealed in the study that the broad pandemic is having a substantial negative effect on online businesses, and this impact is becoming worse as time goes on.

In a highly competitive market context, businesses that put money into digital marketing strategies like analytics, search engine optimization, content marketing, conversion rate optimization, and sponsored social may be able to thrive.. Maintain your involvement in internet marketing strategies. Using sponsored media to market your company at this time of crisis is a wonderful idea. Due to changes in demand, paid media campaigns may need to adjust their emphasis to succeed. In order to adapt to changing customer search patterns, it may be necessary to use a different set of terms (Majali, 2018) (Hasana et al., 2020).

The purpose of study sone by (Pandey and Parmar, 2019) was to evaluate the variables that influence the online buying behaviour of consumers. According to the findings of the study, consumers' online shopping behaviour is influenced by a number of different factors, including demographic factors, social factors, consumer online shopping experience, knowledge of using the internet and computer, website design, social media, situational factors, facilitating conditions, product characteristics, sales promotional scheme, payment option, delivery of goods, and after sales services.

Even little tweaks to a website's user experience and page load speeds may have a major influence on customer retention and conversion rates, according to the study. According to research conducted by Amazon, a one-second increase in load time resulted in a 7 percent reduction in conversions. Despite the fact that this rise may seem tiny, for Amazon, it represented a \$1.6 billion boost in sales at the time. Ecommerce sites are in a good position to benefit from this, but only if they are able to attract clients in the first place, which they are not. Our behavior toward internet channels is fast altering as a result of the pandemic, and these alterations are likely to persist after the outbreak has ended (Elsayed & Elrhim, 2020) (Majali & Bohari, 2016). Bold enterprises who invest aggressively and promptly in their internet businesses will get to the top of their respective industries. A quick response is required to survive, but it is the long-term view that distinguishes victors. It is now time to build that digital marketplace or acquire crucial digital skills to help you grow your business (Fernandes, 2020).

In addition to saving time and energy, online shopping allows consumers to purchase their goods faster and more conveniently. When buying online and comparing products with a large variety of options and supplies, the price advantage might easily win out. Brown et al discovered that everyday chores such as grocery shopping have grown simpler for consumers who dislike crowds, according to their findings (Williams, Bertsch, Wiele, Iwaarden & Dale et.al). Online purchasing is used by certain customers only for the purpose of avoiding face-to-face engagement with salespeople because they are uncomfortable haggling with salespeople. Johnson and colleagues discovered that there are significant disparities between E-marketing and conventional marketing.

Since traditionally focused marketing can only concentrate on one-to-one contact, it is necessary for marketers to promote their products to a single consumer around the clock. Because online shopping marketers conduct their business via a user-friendly website, it is critical to create a website that is visually appealing to the most prominent customer.

3. METHODOLOGY

The qualitative research approach was selected as the technique to be used for this investigation. According to Gaudet and Robert (2018), the primary objective of qualitative research is to get a knowledge of the characteristics of various social phenomena. The acquisition of new information is a continuous process whose main objective is to achieve a deep level of comprehension with regard to the topic that is the subject of the study (Kalman, 2019). On the other hand, quantitative research attempts to anticipate and generalize results (Tetnowski, 2015). Despite the fact that the findings of a qualitative study cannot be generalized across all small businesses, quantitative research was not the best fit for this study given that the point of the research was not to attempt to prove or disprove a hypothesis. The purpose of the research was to gain a better understanding of the phenomenon being studied. The purpose of the research was to gain a better understanding of the phenomenon being studied (Hammarberg et al., 2016). Since the purpose of this research was not to identify a cause or an effect, but rather to investigate, a qualitative research approach was the one that worked best for this investigation (Tetnowski, 2015). According to Kalman (2019), when the purpose of the research is to recognize and investigate various ideas or points of view, it is suitable to employ a qualitative technique. In this scenario, the objective was to investigate the successful e-commerce marketing methods that are used by the owners and managers of small retail businesses in order to either achieve sustainability or boost profitability.

Yin (2014) explains that the goal of an exploratory case study is to provide answers to "what" questions. The answers to these "what" questions may be obtained using a variety of methods, such as questionnaires, archival research, or interviews. Interviews were the method that worked best for this particular investigation. A descriptive case study offers a complete explanation of a phenomenon, whereas an explanatory one answers "how" and "why" (Yin, 2014). This study design was more suited than other feasible research designs within the chosen approach, such as phenomenology or narrative inquiry, and it was one of the options available to us. The purpose of conducting a narrative inquiry, as stated by Caine et al. (2017), is to understand the meaning of a story that participants contributed throughout the data collecting process and to have continued cooperation with the participants over the course of a given length of time. When all of the participants have lived through and had the same experience, or phenomenon, a phenomenological design is utilized (Van Manen, 2017). The goal in this situation would be to completely analyze the participants' conversation about their lived experience; nevertheless, that goal does not coincide with the aims of this research.

4. DISCUSSIONS

The Covid-19 virus has forced customers to direct their product demands more toward online businesses than they have in the past as a consequence of the lockdowns. Consumers are placing significant orders for the goods offered by Company X, and the company is now making a profit as a result of the Covid-19 scenario. On the other hand, respondent X disclosed his uncertainty about the manner in which Covid-19 would possibly be influencing them in a bad manner in the foreseeable future. Customers are not currently experiencing substantial financial difficulties; however, this position may change in the not-too-distant future if the lockdowns are resumed, which may result in a decline in demand for the firm. The fact that the items intended for sale are

meant to be created currently, but part of the manufacturing has been halted owing to recent COVID-19 increases in China and Hong Kong, might cause complications, which means that buyers may be unable to shop for certain products during those occasions. The company is experiencing low client requests on their pricey furnishings, which is generating uncertainty in the following months. Furthermore, respondent X indicates that he is scared that Covid-19 might trigger a recession in the future, which could perhaps be the year 2023. In addition, X said that the organization has lengthier delivery periods and delays for consumers, but that the customers, for the most part, accept the situation. However, the delays are not the company's fault; rather, they are the result of specific issues that have arisen with the forwarding agents and the limits that they have imposed. Company X informs their clients about the issue and maintains a page on their website that is only devoted to Covid-19. Customers may now take advantage of more affordable choices for home delivery, and they now provide expedited shipping options. Customers are more comfortable with online buying at these periods, which has mostly had a favorable influence on the urban population's sales.

4.1. Top e-Commerce Retailers

Coronavirus has had a profound effect on global e-commerce. Research shows that 52% of shoppers avoid going to brick-and-mortar stores in congested regions. In addition, 36% of those polled said they would wait until they had the coronavirus vaccination before going shopping in person. Because the effects of the coronavirus are dependent on the kind of product, the impact of COVID-19 may be more or less depending on the type (Andrienko, 2020). Since this epidemic has spread, individuals are staying at home and shopping from the comfort of their own homes, working from home like Walmart's grocery e-commerce has risen by 74%. This time period saw a surge in media use, as well as Facebook and Google updating its capabilities to connect more people at once, such as Facebook's new 44-person Messenger service. On the other hand, Google released an upgraded version (Sarah Davis, 2020). The top 10 e-commerce retailers in pandemic are all found below.

Table 1. Andrienko, 2020

No	Online store	Earnings
1	Amazon.com	4059M
2	Ebay.com	1227M
3	Rakuten.co.jp	804M
4	Samsung.com	648M
5	Walmart.com	614M
6	Appel.com	562M
7	Aliexpress.com	532M
8	Etsy.com	395M
9	Homedepot.com	292M
10	Allegro.pl	272M

4.2. Online sales are booming, while in-store sales are improving

It is important to note that e-commerce existed long before COVID-19 was ever mentioned in our jargon. There were 16.6 percent of retail sales online in 2019 compared to 7.6 percent in 2013. From 2013 to 2019, e-commerce's percentage of retail sales has steadily increased. The pandemic accelerated this tendency. In the second quarter of 2020, e-commerce sales were \$211.5 billion, up 32% from the first quarter and 44.5 percent from the previous year. E-

commerce sales in the third quarter were almost \$210 billion, up 37% from the third quarter of 2019. If a consumer does research on a product online before going to the shop and purchasing it, these stats don't reflect such transactions. There hasn't been a direct correlation between online retail sales growth and a decline in physical retail sales, though. Q3 2020 saw an all-time quarterly high of \$1.259 trillion in in-store retail, up 14.5 percent from a wobbly Q2 quarter. A real retail store's immediacy and in-person encounter are important selling points for customers nowadays. However, they want to interact with these stores in a new manner, one that incorporates elements of both online and offline purchasing. After a poor start to the year, in-store retail rebounded 14.5 percent in Q3 2020 to \$1.259 trillion.

4.3. Adapting to the New Retail Environment Requires a Hybrid Strategy

Internet shopping had a major part in saving the US economy from incurring even more harm during the epidemic. People are increasingly purchasing items online and having them delivered right because they prefer to remain at home rather than risk contracting the virus. However, most customers are still not totally satisfied with online shopping. More than ninety percent of those polled in 2018 research said that high shipping costs and delivery times of more than two days to their homes would discourage them from making an online purchase. Only Walmart, the nation's biggest retailer, can compete with Amazon's Prime programme, which offers free delivery and turnaround times of two days or less. In 2020, Amazon had a significant increase in sales. As Walmart and Target have invested heavily in their online delivery systems, so have other major retailers.

It is possible for brick-and-mortar merchants to satisfy consumers in this new context of growing comfort with internet buying by embracing omni-channel marketing. As an example, shoppers may purchase goods online, then pick them up at the store or even at their car's front step. Small merchants face enormous obstacles because of the retail industry transition, which were made worse by COVID-19. E-commerce is much more than merely putting up an online store and waiting for customers to come through. Small businesses find it challenging to implement omni-channel marketing strategies because of the high expenditures involved.

4.4. e-commerce growth has not benefited all online vendors and product categories

In the case of e-commerce, the impact of the COVID-19 problem is not consistent across product categories or vendors. Consumption of products connected to personal protection (e.g., disposable gloves), home activities, groceries, or information and communications technology (ICT) equipment increased in the United States while demand for travel, sports, and formal clothes decreased. Online sales of medications and groceries increased dramatically in Germany in March 2020, despite the fact that total online sales decreased by almost 18 percent. Chinese consumers have seen significant growth in dining services (66.3 percent), domestic goods (48 percent), and food and drinks (46.7 percent), among other categories. According to the National Retail Federation, its share of total e-commerce in the United States fell from 42 percent in January 2020 to 38.5 percent in June 2020. It is possible that the COVID-19 issue resulted in a change in demand away from small and specialized suppliers and toward bigger and more varied merchants. Clothing product sales fell by 16% in 2019 compared to the previous year, after a period of significant growth from 2018 to 2019 (23.7%).

4.5. Covid-19 may have long-term effects for e-commerce

As a direct reaction to COVID-19, 21% of individuals in the United States report ordering groceries online or via an app from a local retailer. Anecdotal data from the SARS outbreak in 2002 and 2003 shows that the pandemic was a key impetus for Chinese retail's digital revolution.

In Brazil, around 54 percent of Internet users have purchased food or food items through the Internet in 2020, up from just 22 percent in 2018. Many enterprises impacted by the COVID-19 problem have a long-term motivation to capitalize on their acquired infrastructure or capabilities. This is especially true for bigger retailers that have invested in their own sales and delivery systems. For example, on April 12, 2020, Amazon's supermarket business Whole Foods Markets had raised online order capacity by more than 60% to match the rise in.

5. CONCLUSIONS

Coronavirus has had a profound effect on global e-commerce. 52% of shoppers avoid going to brick-and-mortar stores in congested regions. E-commerce sales in the third quarter were almost \$210 billion, up 37% from the previous year. Internet shopping saved the US economy from even more harm during the Ebola epidemic. Most customers are still not totally satisfied with online shopping, but brick-and-mortar retailers can take advantage of this growing comfort with the internet buying by embracing marketing.

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