

## E-Commerce and its usage in India as a result of Covid 19 Pandemic

Ms.Dalvy Jose  
Ms.Nethravathi. N  
Mr. Jenin Raj. S

Asst. Prof, Dept of Commerce, ST Pauls College, Bengaluru  
Asst. Prof, Dept of Commerce, ST Pauls College, Bengaluru  
Head, PG Dept of Journalism and Mass Communication, ST Pauls College, Bengaluru

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### **Abstract**

*E-Commerce is a business activity which involves the firms and individual to buy and sell the product or service over the Internet. E-Commerce has replaced old form of Retailing. There has been a drastic change in how companies reach out to their customers. Now-a-days it's very easy for people to do their purchases online as everything is available at fingertips. Covid 19 is an infectious disease caused by virus which is affecting different people in various ways. The enforcement of lockdowns, social distancing and other restrictions by the government has led to increase use of online platforms. Use of E-Commerce has helped people to buy basic necessities during pandemic. Many customers during this period preferred online purchases over store purchases this has led to the growth of E-Commerce in India and also has contributed to various developments in E-Commerce. This paper focus on studying the E-Commerce trend in India. The pandemic has focused on the need to narrow the digital gap, both within and across countries.*

**Keywords:** E-Commerce, Covid 19, Customers, Online, Pandemic.

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### **Introduction**

Covid-19 is a deadly virus which is currently a concern to the whole globe due to its rapid spread. Many humans have lost their lives due to this pandemic. It has affected the people of our country to a large extent. Data shows almost all the countries in the world have been infected .The COVID-19 pandemic has put the Country and economy to a standstill position. Many companies are striving hard to promote their product and capture the market. Various strategies are implemented by the companies to reach their customers. Initially many business and consumers stocked up things they needed but later it led to scarcity. The consumer during this stage felt that there was a need for them to adapt to online platforms to purchase their basic needs. In turn this led to growth in the number of Internet users purchasing online products.Effective implementation of government protocols and measures aimed at containing the further spread of COVID-19, several countries around the world have encouraged electronic purchasing as an alternative option to physical shopping or purchasing and consumers have adapted to this particular behaviours to reduce risks of getting infected. E- Commerce has created a new chance for achieving profitable activities online. It builds a global common place virtually through which every companies, institutions can come together to meet their business demand without any geographical limitation (Komal Sharma,2020).There is an assumption that there are high chances that the Coronavirus will spread through the exchange of cash which has become one of the major reasons for the consumers to prefer transactions.The use of mobile applications allows consumers to search for products, categories, price, design and brands and also helps them to compare before making a purchase (W Sardjono et al 2021). The pandemic has increased the trend towards higher adoption of social media and achieve sales growth through e-commerce websites. Shifts in consumption habits and preferences have also been observed during this period of time.Consumers also prefer more of cashless payments due to the fear.Companies like Amazon, Flipkart, Ebay and others noted that there is need for social distancing and proving safety to the people during the pandemic has led to millions turning to ecommerce platforms this past year(AnamBhatti, 2020).

### **OBJECTIVES OF THE STUDY**

- To Study the growth of E-Commerce in India during pandemic.
- To know the major recent developments in the Indian E-Commerce sector.

### **COLLECTION OF DATA**

This research paper is based on secondary data. Data is collected from the IBEF (Indian brand equity foundation), e- commerce reports, UNCTAD,various other databases and authorized websites.

**E-COMMERCE AND COVID -19 IN INDIA**

Covid 19 has impacted much business but E-Commerce Industry witnessed an increase in sales as many people around the globe including India spent amount to purchase all basic and necessary items online. According to Statista most peoplespend money to buy food, groceries, personal hygiene products and house hold cleaning products during the pandemic.

**Table 1: Table showing increase in Internet and social media users Jan 2021 Vs Jan 2020**

<b>Factors</b>	<b>Users in India</b>	<b>% Annual Digital</b>
<b>Population</b>	1.39 Billion	+1.0%
<b>Mobile connections</b>	1.10 Billion	+2.1%
<b>Internet Users</b>	624 Million	+8.2%
<b>Active Social Media</b>	448 Million	+21.2%

(Source: We are Social, Hootsuite, Jan 2021)

**Observation and Interpretation**

It is observed that there were 624.0 million internet users in India in January 2021. The number of internet users has been increased by 47 million (+8.2%) compared to the previous year. The number of social media users in India increased by 78 million (+21%) between January 2020 and January 2021. More and more people in India are using the internet to make various transactions or purchases. This will certainly boost the E-Commerce Industry

**Table 2: Change in total amount spent in consumer E-Commerce categories in 2020 Vs 2019**

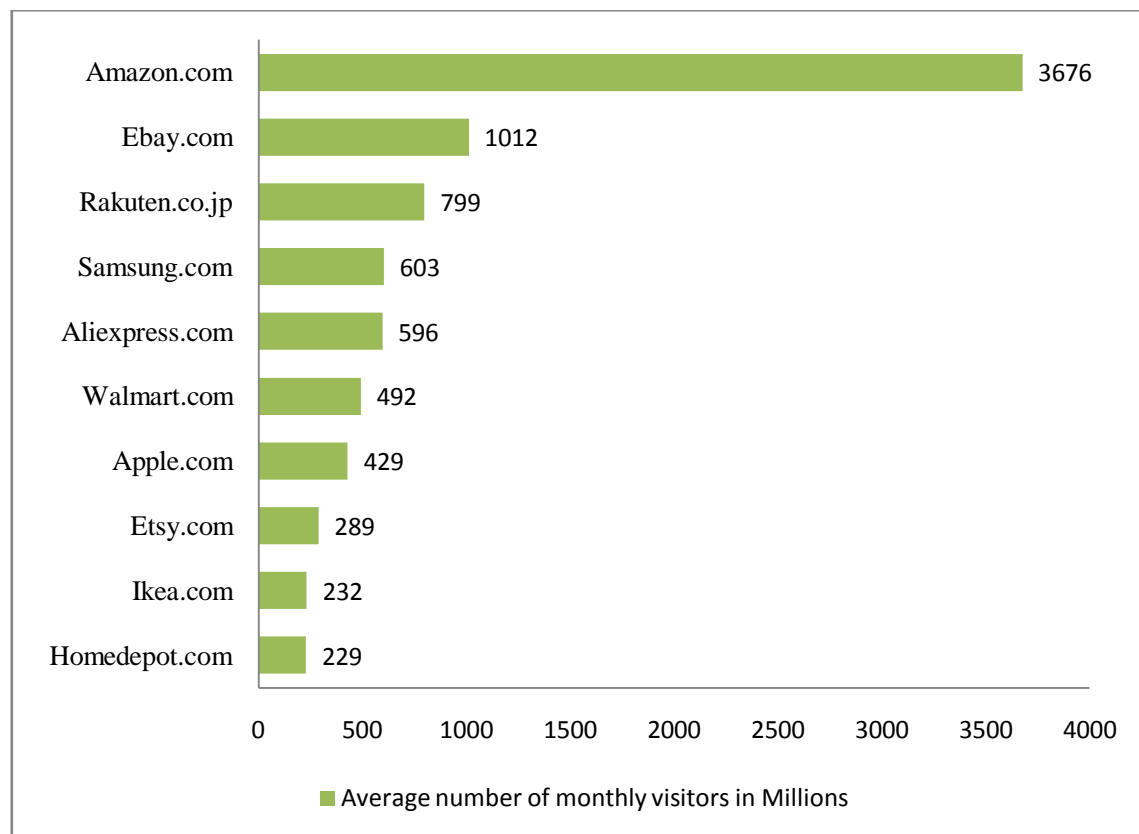
<b>Sl.No</b>	<b>E-Commerce categories</b>	<b>% Growth(India)</b>
<b>1</b>	Travel Mobility and	-54.4%
<b>2</b>	Fashion & Beauty	+39.5%
<b>3</b>	Electronics	+32.1%
<b>4</b>	Food & Personal Care	+55.4%
<b>5</b>	Furniture & Appliances	+29.9%
<b>6</b>	Toys & Hobbies	+29.6%
<b>7</b>	Digital Music	+45.2%
<b>8</b>	Video Games	+50.1%

(Source: We are Social, Hootsuite)

**Observation and Interpretation**

From the above table it is clear that E-commerce sectors are making huge difference in people’s lives. Purchase of food and Personal care is highest as there is 55.4% increase compared to previous year. Also other categories items such as video games, digital music, beauty products, electronics are also showing an increasing trend compared to previous year.

**Figure 1: Chart showing Top retail e-commerce websites during Pandemic**



(Source: Worldwide; SEMrush; 2020)

**The recent major developments of E-Commerce sector in India**

- Flipkart partnered with PayTM for its annual Big Billion Days Sale event in October 2020, this will help million of paytm users the convenience of making payment through their paytm wallet and UPI while shopping on flipkart during the Big Billion Days. Flipkart users will also get the offer of instant cashback to their Paytm wallets.
- In November 2020, Amazon India had collaborated with Hindustan Petroleum Corporation Limited. Under this Agreement, the customers will be able to book and pay for their LPG cylinders.
- Flipkart acquired startup Scapic in the month of November 2020, an Augmented Reality (AR) firm, to boost user experience. Bengaluru-based Scapic is a cloud-based platform which helps in creation and publishing of AR and 3D content and serves clients.
- In November 2020, Reliance Retail Ventures Ltd. (RRVL), a subsidiary of Reliance Industries (RIL), had taken over a minority stake of Urban Ladder Home Decor Solutions Pvt. Ltd. for Rs. 182.12 crore for expanding its business in India’s fast-growing e-commerce market.
- Amazon India has opened 'Made in India' toy store, along with the government's 'Atmanirbhar Bharat' vision in November 2020. The store will allow thousands of producers and vendors to sell toys driven by the Indian culture, folk tales and toys that promote innovative thinking and are locally crafted & manufactured
- Leading global Financial Technology (Fintech) solutions provider Infibeam Avenues collaborated with Oman’s second-largest bank, the Bank of Muscat, to process the bank’s online card transactions of various payment networks through its digital payment solution CCAvenue Payment Gateway Service in November 2020.
- Flipkart introduced SuperCoin Pay in January 2021 to strengthen its SuperCoin rewards programme by allowing customers to pay through SuperCoins in more than 5,000 retail outlets across the country. Through SuperCoin Pay, Partner Company across fashion, food, grocery and

beverages, travel, and health and wellness can register themselves and begin accepting payments through SuperCoins. Customers will be able to pay their full bill value across the 5000+ partner stores (using only FlipkartSuperCoins. These rewards can be earned on Flipkart and redeemed with a purchase from these partner stores across various categories

- The Khadi and Village Industries Commission (KVIC) in January 2021 started an e-commerce portal eKhadiIndia.com. The websites comprise over 50,000 products ranging from apparel grocery, cosmetics, home décor, health and wellness products, essentials and gifts. The main aim was to build ecosystem where any SME/Artisans/ Weavers can sell their products directly thus driving the country towards digital India and “Aatmanirbhar Bharat”..
- In January 2021, the B2B e-commerce platform and Bengaluru based startup Udaan has raised Rs. 2,048 crore in additional financing from new investors—Octahedron Capital and Moonstone Capital, along with existing investors Lightspeed Venture Partners, DST Global, GGV Capital, Altimeter Capital, and Tencent. The company wants to deploy the latest fund towards continued market creation of B2B e-commerce in India and digitalize small business units across the country. Its main focus is on expanding their products and categories, increasing user experience, enhancing technology platforms and also expanding its SME financing activities, along with reinforcement of the supply-chain infrastructure.
- In February 2021, The online restaurant guide and food ordering platform Zomato Considering the popularity of street food signed into an agreement with the Ministry of Housing and Urban Affairs (MoHUA) to help more than 300 street food vendors on its portal.
- In February 2021, Flipkart Wholesale, the digital B2B marketplace of Flipkart Group will now deliver grocery through app to provide kiranas and small retailers access to a wide selection of products.
- In February 2021, Udaan, a B2B e-commerce firm is trying to expand its warehouse capacity by fivefold to 50 million sq. ft. across several states in the next 7-8 years mainly with the aim of transforming the trade ecosystem and empowering small businesses.
- In February 2021, Flipkart an E-commerce company, signed an MOU with Maharashtra State Khadi & Village Industries Board and Maharashtra Small Scale Industries Development Corporation to bring artisans and small businesses into the e-commerce ecosystem.
- In March 2021, Purple, an online hygiene and beauty store whose headquarters is at Mumbai, has raised US\$ 45 million from Sequoia Capital India, Verlinvest, Blume Ventures and JSW Ventures.
- The Confederation of All India Traders which represents 80 million traders and 40,000 trader associations, announced the launch of a mobile app for its e-commerce portal, ‘Bharat E-market’ in January 2021 The association aims to help small traders to sell online easily through smartphones.
- In March 2021, Captain Fresh, founded in 2019 by Utham Gowda, a B2B marketplace for seafood, raised US\$ 3 million in seed capital led by Matrix Partners India and Ankur Capital.

## **Conclusion**

E-Commerce has transformed the way business function today. The Indian e-commerce market is in advantageous position due to the pandemic, as government measures has brought millions to the convenience of online shopping and also prompted seasoned online shoppers to buy more. The outbreak has compelled many to use technology tools and non-contact form to cater to demand. Due to quarantine rules, people’s way of purchasing necessary items has changed. The situation has continued long enough for these patterns and behaviour to become embedded among the customers. People will still continue to be cautious and many will prefer online shopping for their safety. Certain items that became non-existent in brick and mortar stores could be ordered online. Those who have well positioned themselves with digital payments capabilities will capture the next wave of growth in the E-Commerce market in India. E-commerce can also support small businesses by making economies more competitive which is a driving factor for both domestic growth and international trade. Through emergence of various mobile payment solutions, it is now possible to provide customers a truly diverse range of

payment options. To Conclude, The ecommerce industry in India has witnessed boom situation due to COVID-19 and there is Considerable room for future growth.

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