

A Study on Growth Prospects of E-Commerce Transaction during Covid Pandemic

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Abstract

E-commerce has converted the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been generated by an increase in internet and smartphone penetration. Covid 19 is respiratory causes decease. It was continuing to spread all over world from the year 2019 December. Indian government announced lockdown from the month march 2020. In that situation most of people were ready to purchase their necessary product via online mode. And they are used digital money transfer for every money transaction. It is the plat form for fast growing of e commerce transaction. This paper is shown that a growth prospects of ecommerce transaction during covid pandemic.

Key Words: E-Commerce, Covid Pandemic, Retail Shopping, Supply Chain management, growth prospects.

Introduction

E-commerce has transformed the way business is done in India. The Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. Much of the growth for the industry has been triggered by an increase in internet and smartphone penetration. As of September 2020, the number of internet connections in India significantly increased to 776.45 million, driven by the 'Digital India' programme. Out of the total internet connections, ~61% connections were in urban areas, of which 97% connections were wireless.

Meaning of E-Commerce

E-commerce (Electronic Commerce) is the activity of electronic buying or selling of products on online services or via internet.

Modern electronic commerce typically uses the WWW for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail. Typical e-commerce transactions include the purchase of online books (Ex. Amazon) and music, Video purchase (Ex Music down load) in the form of digital distribution such as I Tune Store),

There are three areas of e-commerce: online retailing, electronic markets, and online auctions. E-commerce is supported by electronic business.

E-commerce businesses may also employ some or all of the followings:

- E-Shopping for retail sales direct to consumers via web sites and mobile apps, and conversational commerce via live chat, chat bots, and voice assistants.
- Providing or participating in online marketplaces, which process third-party business-to-consumer (B2C) or consumer-to-consumer (C2C) sales;
- Business-to-business (B2B) buying and selling
- Gathering and using demographic data through web contacts and social media.
- Business-to-business (B2B) electronic data interchange.
- Marketing to prospective and established customers by e-mail or fax (for example, with newsletters).
- Engaging in pretail for launching new products and services.
- Online financial exchanges for currency exchanges or trading purposes.

Objective of the Study

The following major objectives are.

- To identify the impacts of online trade during Covid Period.
- To find out the growth of e-commerce transaction during Covid Pandemic.

Testimonial of the problem

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable

cascading effect on other industries as well. Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. Technology enabled innovations like digital payments, hyper-local logistics, analytics driven customer engagement and digital advertisements will likely support the growth in the sector. The growth in E-commerce sector will also boost employment, increase revenues from export, increase tax collection by ex-chequers, and provide better products and services to customers in the long-term. Rise in smartphone usage is expected to rise 84% to reach 859 million by 2022. Hence, the researcher have been attempt this article **“A Study on Growth prospects of Ecommerce transaction during Covid Pandemic”**

Impact on Market retailers

E-commerce markets are mounting at obvious rates. The virtual market is projected to rise by 56% in 2015–2020. In 2017, retail e-commerce sales worldwide amounted to 2.3 trillion US dollars and e-retail incomes are expected to nurture to 4.891 trillion US dollars in 2021. Traditional markets are only expected 2% growth during the pandemic time.

E-commerce lets customers to overwhelmed terrestrial barriers and agrees them to purchase products anytime and from anywhere. Online and traditional markets have different plans for conducting business. Traditional retailers offer fewer varieties of products because of shelf space where, online retailers often hold no inventory but send customer orders directly to the manufacture. The pricing strategies are also different for traditional and online retailers. Traditional retailers base their prices on store traffic and the cost to keep inventory. Online retailers base prices on the speed of delivery.

Online marketers can offer lower prices, greater product selection, and high efficiency rates. Many customers prefer online markets if the products can be delivered quickly at relatively low price. However, online retailers cannot offer the physical experience that traditional retailers can. It can be difficult to judge the quality of a product without the physical experience, which may cause customers to experience product or seller uncertainty. Another issue regarding the online market is concerns about the security of online transactions. Many customers endure trust worthy to eminent retailers because of this issue.

Security is a main problem for e-commerce in developed and developing countries. E-commerce security is protecting business' websites and customers from unauthorized access, use, modification, or obliteration. The type of threats include: malicious codes, unwanted programs (ad ware, spyware), phishing, hacking, and cyber vandalism. E-commerce websites use different tools to avoid security threats. These tools include firewalls, encryption software, digital certificates, and passwords.

Impact on supply chain management

For a long time, companies had been troubled by the gap between the benefits which supply chain technology has and the keys to deliver those benefits. However, the emergence of e-commerce has provided a more practical and real way of distributing the aids of the new supply chain technologies.

E-commerce has the skill to mix all inter-company and intra-company functions, meaning that the three flows (physical flow, financial flow and information flow) of the supply chain could be also exaggerated by e-commerce. The affections on physical flows enhanced the way of product and inventory movement level for companies. For the information flows, e-commerce optimised the capacity of information processing than companies used to have, and for the monetary flows, e-commerce lets companies to have more well-organized payment and settlement solutions.

In addition, e-commerce has a more erudite level of impact on supply chains: Firstly, the performance gap will be abolished since companies can recognize gaps between different levels of supply chains by electronic means of solutions; Secondly, as a result of e-commerce advent, new capabilities such implementing ERP systems, like SAPERP or Mega inventory, have helped companies to manage operations with customers and suppliers. Yet these new capabilities are still not fully exploited. Thirdly, technology companies would keep investing on new e-commerce software solutions as they are expecting investment return. Fourthly, e-commerce would help to solve many aspects of issues that companies may feel difficult to cope with, such as political barriers or cross-country changes. Finally, e-commerce provides companies a more efficient and effective way to collaborate with each other within the supply chain.

Impact on employment

E-commerce helps make new job opportunities due to information related services, software app and digital products. It also causes job losses. The areas with the greatest predicted job-loss are retail, postal, and travel agencies. The development of e-commerce will create jobs that require highly skilled workers to manage large amounts of information, customer demands, and production processes.

Impact on customers

E-commerce gets handiness for customers as they do not have to leave home and only requirement to browse website online, especially for buying the products which are not sold in nearby shops. It could help customers buy wider range of products and save customers’ time. Consumers also increase power through online shopping. They are able to research products and compare prices among retailers. Also, online shopping often provides sales promotion or discounts code, thus it is more price effective for customers. Moreover, e-commerce provides products’ detailed information; even the in-store staff cannot offer such detailed explanation. Customers can also review and track the order history online.

E-commerce technologies cut transaction costs by allowing both manufactures and consumers to skip through the intermediaries. However, e-commerce lacks human interaction for customers, especially who prefer face-to-face connection. Customers are also concerned with the security of online transactions and tend to remain loyal to well-known retailers.

Impact on traditional retail

E-commerce has been cited as a major force for the failure of major retailers in a trend frequently referred to as a "retail catastrophe. The rise of e-commerce outlets like Amazon has made it harder for traditional retailers to attract customers to their stores and required companies to modulate their sales approach. Many companies have twisted to sales promotions and enlarged digital efforts to lure shoppers while shutting down brick-and-mortar locations. The trend has forced some traditional retailers to shutter its brick and mortar operations.

Variation of Annual online Shopping

Table - 1

Annual online Shoppers for 3 years

Year	Annual online Shoppers (in Million)
2018	110
2019	135
2020	165

The above table shows that, annual online shoppers from the year 2018 to 2020. It has shown the increasing trend compared among pre - covid and pandemic duration.



Table - 2
Annual Online total Retail Spend

Year	Annual online Shoppers (in Million)
2018	2.6
2019	3
2020	5

The above table reflects annual online total retail spend from the year 2018 to 2020. It is also reflected growth trend.



Conclusion:

India’s e-commerce industry will grow 84% to \$111 billion by 2024 as it increases from demand created by the coronavirus pandemics. A financial technology product and services provider, tracked trends in 41 countries to find that digital commerce accelerated during the pandemic. “The Indian E-Commerce industry has witnessed a huge improvement due to COVID-19 and there is generous opportunity for future growth.

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