



The Rise of the E-commerce Market in India in the Post-COVID-19 Era

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Abstract: The turning process is a widely used machining operation for creating cylindrical parts in various industries. One of the numerous e-commerce companies are being impacted by Covid-19. The Covid-19 issue is probably going to have a big impact on e-commerce. E-commerce is a business model that enables organisations and people to purchase and trade goods and services online. Today, web purchases account for 40% of internet utilisation. The covid-19 pandemic, according to IBM's study, advanced the business by about five years. After the COVID-19, social withdrawal and remaining at home are also anticipated to encourage consumers to purchase online. By using secondary data obtained from reputable websites, this research can determine whether or not e-commerce has replaced conventional marketing as a means of distribution as a result of the COVID-19 pandemic. After the CoVid-19 epidemic, e-commerce prevalence increased by 17% and is predicted to continue to do so. With an average revenue increase of 133%, industries like technology, clothing and other goods, health and pharmaceuticals, and FMCG performed especially well.

Keywords: COVID-19, Pandemic, Growth, E-Commerce

I. INTRODUCTION

Electronic commerce, often abbreviated as e-commerce, refers to the buying and selling of goods and services using computer networks, particularly the Internet. E-commerce has significantly expanded the reach of businesses by offering cost-effective and efficient distribution channels for their products and services. Virtually any product or service can be accessed and transacted online, including books, music, clothing, electronics, travel tickets, and financial services like stock trading and online banking. As a result, it's considered a highly disruptive technology. E-commerce transactions typically occur in four primary ways: Business to Business (B2B), Business to Customer (B2C), Customer to Customer (C2C), and Customer to Business (C2B).

E-commerce is the standard term for commercial transactions conducted over the Internet. Prominent online stores such as Amazon, Flipkart, Shopify, Myntra, eBay, Quikr, and Olx serve as examples of e-commerce websites. By 2020, the global retail e-commerce market is estimated to reach up to \$27 trillion, making it one of the fastest-growing industries in the global economy, with an annual growth rate of around 23%. It's projected to become a \$27 trillion industry by the end of this decade. India ranks as the world's third-largest e-commerce economy after China and the United States, with the Telecom Regulatory Authority of India (TRAI) estimating that by the end of 2021, 82 crore (820 million) people will use the internet, with 40% of internet usage being directed towards online purchases.

E-commerce leverages the flexibility offered by computer networks and the ubiquity of the internet to evolve traditional commerce. It opens up new avenues for conducting profitable activities online, promoting easier collaboration among various groups. This collaboration can include businesses sharing information to enhance customer relations, companies working together to design and develop new products and services, and multinational companies sharing information for extensive marketing campaigns. E-commerce businesses may use online shopping websites for direct retail sales to consumers, participate in online marketplaces that facilitate third-party business-to-consumer or consumer-to-business sales, engage in business-to-business buying and selling, collect and utilize demographic data through web interactions and social media, conduct business-to-business electronic data interchange, engage in marketing via email or fax (e.g., newsletters), and participate in pre-retail or pre-commerce activities to introduce new products and services to the market.

Pre-commerce, a sub-category of e-commerce, encompasses activities like pre-sale commerce, pre-order retailing, incubation marketplaces, and crowdfunding communities. These practices involve launching new products, services, and brands online, often as reservations in limited quantities before their official release, realization, or commercial availability.

The COVID-19 pandemic has presented new opportunities and potential for cooperation within the e-commerce sector. Independent individuals and organizations can collaborate more easily, creating a global virtual space where businesses and individuals interested in conducting transactions can come together without geographical limitations. E-commerce enhances the economic efficiency of



business processes by integrating them at the boundaries of business partners. This results in streamlined and effective operations, facilitating collaborative efforts in a digital landscape.

II. REVIEW OF LITERATURE

Here is a brief review of selected studies related to the impact of e-commerce during the COVID-19 pandemic and the factors influencing its adoption:

1. Bhatti et al. (2020): This study focused on the growth of e-commerce during the COVID-19 pandemic. E-commerce became a prominent alternative source for consumers, and traditional in-store shopping was impacted. The study aims to assess the efficiency of e-commerce in balancing costs and benefits and its future prospects.
2. Tran and L.L.T. (2020): This study employed the uses and gratifications theory and examined the impact of the pandemic on online consumer behavior. It used a quantitative survey and analysis involving 617 online consumers. The study found a positive moderating effect of pandemic fear on the relationships among PEEP (Purpose, Enjoyment, Economic benefits, Psychological benefits), and sustainable consumption.
3. Hasanat et al. (2020): The primary objective of this research was to determine the impact of the COVID-19 pandemic on online businesses in Malaysia. The study highlighted the disruption caused by the pandemic, particularly in the context of supply chains and imports from China, which is a significant source of products for Malaysia.
4. Pantelimon et al. (2020): This study had two components. The first part analyzed the impact of mobile commerce growth on the Gross Domestic Product (GDP) in Germany and Romania from 2014 to 2019, focusing on the pre-COVID-19 era. The second part explored consumer behavior in classic commerce and e-commerce during the COVID-19 pandemic, considering early and severely affected countries.
5. M. A. Salem and K. Md Nor: This study empirically assessed factors influencing consumers' intention to adopt e-commerce during the COVID-19 pandemic in Saudi Arabia. It examined ten factors, including perceived usefulness, perceived ease of use, subjective norms, perceived behavioral control, perceived lack of alternatives, perceived risk, perceived punishable infractions, risk-taking propensity, perceived external pressure, and government support. Data was collected online from social media users, and the analysis indicated significant influences on consumers' intention to adopt e-commerce during the pandemic.

These studies collectively offer insights into the evolving landscape of e-commerce during the pandemic, including its growth, consumer behavior, and the factors influencing adoption.

III. RESEARCH METHODOLOGY

Objective of the Study:

The study has the following objectives:

1. To examine the growth of e-commerce during the COVID-19 pandemic.
2. To determine whether e-commerce has become a substitute source and if it is considered a primary choice during these pandemic conditions.

Source of Data:

The research relies on secondary data obtained from various reputable sources, including:

- IBEF (Indian Brand Equity Foundation)
- UNCTAD (United Nations Conference on Trade and Development)
- Netcom Suisse E-commerce Association
- Unicommerce E-commerce Report
- U.S. Department of Commerce data
- Several other authoritative websites and sources.

E-commerce and COVID-19 Pandemic:

The COVID-19 pandemic has had a profound impact on the global e-commerce industry, fundamentally altering the nature of business. Despite the challenges posed by the pandemic and the economic downturn, the e-commerce sector in India exhibited a positive trend after the lockdown period. It recorded a significant 17% increase in order volume as of June 2020, compared to the pre-lockdown period. This growth suggests the resilience and adaptability of e-commerce in response to the pandemic-induced disruptions.



TABLE1: YEAR 2019 VS YEAR 2020

Factors	Users	% Growth from previous year
Population	1.37 billion	+1.0%
Mobile phone connections	1.06 billion	-1.4%
Internet user	687.6 million	+23%
Active Social media users	490.0 million	+48%

TABLE2: E-COMMERCE CATEGORY-VOLUME GROWTH

Category	% Growth from the Year 2019
Fashion and accessories	20%
Electronics and Home appliances	22%
Eyewear and accessories	47%
Beauty and wellness	130%
Health and Pharma	38%
FMCG and agriculture	55%
Other	13%
Overall	20%
Category	% GROWTH from Year 2019

TABLE3: TOTAL RETURNS

	2019	2020	Absolute increase/decrease in returns
Total return per forward order	20%	17%	-3%
Return on COD	27%	20%	-7%
Return on Pre- paid	12%	22%	-1%

TABLE4: MONTHLY TRAFFIC ON TOP 10 INDIAN E-COMMERCE WEBSITES

Websites	Monthly Traffic (Millions)
Amazon	200.0
Flipkart	157.5
India mart	52.2
Myntra	14.2
Snapdeal	12.9
Firstcry	12.55
1 mg	9.05
Book my show	7.2
Nykaa	5.35
2gud	4.05

IV. FINDINGS AND CONCLUSION

The popularity of online retailing has seen significant growth following the advent of the COVID-19 pandemic, with a 17% increase in comparison to 2019, and further growth is anticipated. Several sectors, including electronics and home appliances, fashion and accessories, health and pharmaceuticals, and fast-moving consumer goods (FMCG), have performed exceptionally well, experiencing an average growth rate of 133% in sales. According to the 'E-Commerce Trend Report,' the top three states in terms of e-commerce volumes in India were Delhi-NCR, Maharashtra, and Karnataka. These states collectively accounted for 65% of the overall consumer demand, even in the midst of a broader economic slowdown. Online delivery platforms like Jiomart, Swiggy, and Zomato responded to consumer needs by establishing hyperlocal delivery partnerships with local grocery stores, enabling faster delivery services. The study conducted in two parts, one before the COVID-19 pandemic (from February 2019 to February 2020) and the other after the pandemic's onset (from February to June 2020), revealed that the consumer electronics sector made the most



significant contribution to revenue growth in India's e-commerce industry post-lockdown. Smartphone sales generated the most revenue, followed by television and other white goods, contributing to a 22% growth in the electronics segment. While major metropolitan areas accounted for a significant portion of overall e-commerce business, tier III cities and beyond experienced the fastest growth at 53%. The report highlighted that the top five tier III cities contributed 22% of the total volume, while the top five metro cities were responsible for 90% of the overall orders. However, a noteworthy trend emerged post-COVID-19, where the rest of India saw a growth of over 31%, with Tier III cities playing a substantial role. Currently, tier II cities and beyond make up about 66% of the total online consumer demand in India, and this is expected to increase in the coming years, as indicated by the report. In the pre-COVID-19 period, sectors that exhibited growth compared to the previous year's sales included beauty and wellness, with an extraordinary order volume growth of 130%, followed by FMCG, agriculture, and health and pharmaceuticals, which experienced growth rates of 55% and 38%, respectively. The report also noted that limited availability and the fear of infection post-lockdown led to a shift in consumer behavior, resulting in a surge of online customers.

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