

# An examination into E-commerce Growth in India with Impact of Pandemic

*B. Maheshwari*

Assistant Professor

Department of Economics

Avinashilingam Institute for Home Science and Higher Education for Women

Coimbatore.

## Abstract

The purchasing and selling of goods and services using computer networks, such the internet, is known as electronic commerce, or simply E-COMMERCE. E-commerce has aided firms in expanding their market reach by offering less expensive and more effective avenues for distributing their goods and services. The pandemic –led lock down has its impact on all walks of human life and the world economy is of no exception. In this current study the e-commerce growth due to pandemic has been observed among 100 respondents. The study found that people’s mode of shopping has changes drastically with covid-19. There is positive relationship between covid-19 and e-commerce growth in India. The study suggested that for better development of e-commerce there is need of strict action to be taken in order to prevent false and fraud e-commerce sites.

**Keywords:** Covid-19, pandemic, e-commerce, mode of shopping, lockdown.

## Introduction

Since a decade ago, programmes from the Indian government, including Digital India, Start-up India, Make in India, and skill development, have encouraged business owners to start a variety of digital ventures and have assisted them in sustaining them. India's e-commerce contributed as almost half of smartphones that were sold and about a fifth of clothes purchased in the first half of 2021, driven by the adoption of online services for everyday reasons like booking tickets, Recharge and bill payment, shopping grocery and the education sector. With 140 million online shoppers, India ranked third behind China and the US. Indian e-commerce companies received more than USD 8 billion in private equity and venture funding through 400 agreements. The personal care, beauty, and wellness area saw the biggest growth in India's E-commerce orders volume in the last quarter of 2020. E-commerce has revolutionised how businesses operate in India (Khatri 2022, Hwang et.al., 2022, Kohan 2020 and Lăzăroiu et.al, 2020)

According to GlobalData, a top provider of data and analytics, the Indian e-commerce business has experienced rapid growth in recent years. This trend is anticipated to continue as e-commerce sales are predicted to increase by 21.5% in 2022 to reach INR5.5 trillion (\$74.8 billion). E-commerce has changed how people shop in India over the past few years, helped along by rising Internet and smartphone penetration, rising consumer digital literacy, and government-led digital initiatives. The transition to online shopping has been driven by the COVID-19 pandemic. The introduction of fresh options will further encourage individuals to choose online channels. GlobalData's E-Commerce Analytics predicts that between 2021 and 2025, India's e-commerce payments will expand at a compound annual growth rate (CAGR) of 18.2%, reaching INR8.8 trillion (\$120.3bn) (Global Data 2022, Net India 2021 and Spielvogel 2021)

People all over the world have been compelled to stay inside as a result of the emergence of the coronavirus pandemic, which has caused widespread devastation. People's habits of purchasing goods and services, as well as their perspectives on e-commerce, have been thrown off by the consistent lockdowns that were imposed during the early stages of the pandemic. The pandemic caused a tectonic shift in the Indian e-commerce industry, which has resulted in an expansion of the sector's potential for 2021. Online shopping portals are becoming increasingly popular as an alternative to traditional shopping venues such as retail stores, shopping malls, and supermarkets among consumers who are looking to buy products ranging from everyday necessities to recognisable brand names (Agarwal 2021 and Sullivan 2020

With this background the current study is been made with the following objectives,

- To study the socio-demographic background of the customers
- To examine the reasons for choosing e-commerce sites
- To understand the relationship between age and preferring key factors of e-commerce.

### **Review of Literature**

Ghosh et.al, 2021 stated that the advent of smart phones and growth of the internet has completely transformed shopping experience. Online shopping is a rapidly growing phenomenon in India, enabling customers to shop at their convenience. To ensure continued growth of online shopping, understanding factors which influence customer satisfaction becomes paramount. The purpose of this research is to explore the key factors which influence consumers' online shopping behaviour. Also, e-commerce industry is majorly impacted due to COVID-19. This research looks into consumers' shopping behaviour during COVID-19 pandemic. By collecting data from online shoppers and analyzing it, study found out the main factors which influence customers purchasing online. By comparing the shopping behaviour before and during COVID-19 lockdown, findings of the study were able to discern the changes in online shopping due to the pandemic.

Khatri et.al, 2022, stated that use of Information technology and computers in our life has also transformed the way of doing business. Continuous increase in internet users is also an important factor for growth of E-commerce. Increase in internet connections and smartphone penetration has created a huge scope for E-commerce in rural areas also. The COVID-19 epidemic has exacerbated many forms of uncertainty, but on the other hand one trend has clearly been to accelerate digital discovery. The COVID-19 disaster has accelerated the expansion of Ecommerce to new businesses, customers and product types. It has provided customers with access to a huge variety of products and services from the convenience and safety of their homes, and has enabled firms to continue operation. This study focuses on the key factors which supported E-commerce development in the pandemic phase and the future challenges in the success path of E-commerce firms. This Study is Exploratory in nature and Secondary Data has been used for the study which is collected from Media reports, News papers and Government department publications.

Aggarwal and Kapoor (2020) examined the drivers of E-shopping in the situation of COVID-19 pandemic and to know about preferred products that customers want to purchase more through online after COVID 19 pandemic. The methodology in this study is descriptive, use of published reports, use of published research papers in journals and existing literature about this topic. Findings of the study will help in knowing the e- shoppers behavior under situation of COVID-19 and this study will help the online shopping service providers to make better strategies for providing more satisfaction to customers and to win the

competition. This Study suggested that E-commerce companies should take proper steps to make effective marketing strategies to exist in the e-commerce sector.

## Methodology

During the epidemic, information was gathered from consumers who shopped online through the use of an online survey (January 2022 – March 2022). In order to gain insight into how customers handle making purchases online while the epidemic is ongoing, a questionnaire has been developed. The preliminary metrics were developed using qualitative research processes such as an in-depth literature analysis, observations made on social network platforms, and consultations with industry professionals. The level of agreeableness of each respondent was evaluated using a scale of the Likert type with five points, ranging from 1 (which represents "strongly disagree") to 5 (which represent "strongly agree"). SPSS was utilized in the process of statistical analysis (version 25) based on the finding regression and garret ranking was done.

## Findings of the Study

The following provides findings of the study tabulated with interpretation in the section. Table 1 provides details on the demographic profile of the respondents.

**Table 1 : Demographic Profile of the Respondents.**

Variable	Levels	Percentage
Age	18–25 years	45.28
	25–35 years	30.30
	35–50 years	20.75
	Above 50 years	3.67
Gender	Male	69.92
	Female	30.08
Occupation	Public Employees	33.96
	Private Employees	45.28
	Home maker	15.09
	Self employing	5.60
Marital status	Married	55.81
	Unmarried	38.20
	Other	5.99
Education	Senior secondary	12
	Graduated	58
	Post graduated	23
	Professional/technical diploma holder	7

Source: Primary Data 2022

When the respondents were categorized according to their ages, it was found that around 45.28 percent of them were between the ages of 18 and 25 years old, and 69.92 percent of them were male. It was discovered that over 45.28 percent of the respondents were working in the private sector, and further investigation into their marital status revealed that approximately 55.81 percent were already in a committed relationship. The respondents' educational backgrounds revealed that 58 percent of them had at least a bachelor's degree.

The reasons for preferring e-commerce among the respondents was studied and the result is been given in table 2.

**Table 2 : Reasons for preferring E-commerce**

Variable	Percentage	Ranking
Easy Shop	45.52	4
Flexibility	62.15	1
Variety of Collection	34.26	7
Alternative offer	22.01	8
Cash less Transaction	42.67	5
Fast delivery at door step	55.78	2
Less time consumption	36.67	6
Compare prices with different sites	48.21	3

Source: Primary Data, 2022.

The reasons for preferring e-commerce among the selected respondents were identified under eight variables by the investigator. Garret ranking scale was used for identifying the rank preference on the reasons for preferring e-commerce and the result showed that Rank 1 was assigned to the reason Flexibility. When e-commerce site is chosen for shopping the customer has variety of flexibility in choosing around various sites at easy click. Rank 2 was assigned for the reason fast delivery at door step and rank 3 was assigned for the reason to compare prices with different sites.

The e-commerce site preferred by respondents was studied and the finsing is been given in the Table -3.

**Table-3 : E-Commerce site Preferred by Respondents**

Variable	Percentage
Amazon	54.72
Filpkart	33.96
Ajio	24.53
Meesho	45.28
Glow road	22.12
Nykaa	19.20
Purple	15.23
Others	28.90

Source: Primary Data, 2022.

Majority of the respondents (54.72 %) were found to be using amazon followed by 45.28 percent preferring meesho and 33.96 percent using flipkart sites for their consumption. It can be found that due to the prices, quality and quality of products available the preference of consumers on various sites is been preferred.

Further, the investigator has tried to identify the impact of covid-19 on the e-commerce usage among the respondents and the result is been given in table 3.

**Table-4 : Impact of Covid-19 and E-Commerce**

Variable	Levels	Percentage
Has covid-19 increased online shopping usage	Yes	85.23
	No	14.77
If Yes reason	Safe Shopping	32.08
	Social distance	34.33
	Cash less transaction	30.25
	Wide range of select	25.41
	Door step delivery	10.01
If No reason	Financial crisis	52.83
	Not satisfied with online products	39.62
	Afraid of fake products	7.55

Source: Primary Data, 2022.

About 85.23 percent of the respondents stated that the covid-19 has impacted on their e-commerce usage and in that the main reason was 34.33 percent felt that using e-commerce site was due to the social distancing where 32.08 percent preferred it because of safe shopping whereas 30.25 percent felt that there is cash less transaction followed by 25.41 percent stating that there is wide range of collections to select as per their preference and 10.01 percent liked it because of the door step delivery option. Whereas 14.77 percent stated that they did not prefer e-commerce during covid-19 as 52.83 percent was having financial constrain followed by 39.62 percent who were not satisfied with the online products quality and 7.55 percent were afraid of getting fake products.

A multiple regression was estimated to find out the relationship between impacts of covid 19 on choosing e-commerce platform. The result is been given as follows,

**Table 5 : Model Summary**

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.044(a)	.002	-.164	13.64540

Table shows, R is the correlation, its value is 0.44 and R square is degree of determination, its value is 0.002. The degree of determination shows the extent to which the impact of covid-19 on e-commerce sites. Here the dependent factor is determined to an extent of 44 % by the independent factor

**ANOVA**

Mode l		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.172	1	2.172	.012	0.05
	Residual	1117.182	6	186.197		
	Total	1119.354	7			

ANOVA table shows that the significant value is less than 0.05, which means dependent variable is significantly predicted by independent variables at 95 % of confidence level. This indicates that the regression model is significant.

### ***Coefficients(a)***

Mode I		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	44.239	9.077		4.874	.918
	impact	-.023	.216	-.044	-.108	.003

From the above it is found that there is statistical significant between the impact of covid-19 on the e-commerce preference as  $p=0.003$ . from this it can be understood that with th effect of covid-19 the preference of e-commerce sites has increased among the respondents.

### **Conclusion**

The future looks promising for consumer spending on electronic goods in India. Following COVID-19 in India, consumers' attitudes about internet buying have been more positive. It will be very useful in putting an end to the widespread fear of the Corona virus spreading from person to person. The pandemic caused by the COVID-19 virus has prompted customers to become more engaged in their online shopping activities. In light of the recent outbreak of the Corona virus, online shopping has emerged as a viable alternative. Online retailers offer products to customers that are comparable to those that are typically acquired by shoppers from supermarkets. Age is being one of the main aspect in considering online e-commerce sites for shopping and with covi-19 there is higher preferences made by the customers in selecting e-commerce for their shopping needs.

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