

## **A study of challenges faced by E-commerce companies in India due to COVID-19**

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### **Abstract**

The research “A study of challenges faced by E-commerce companies in India due to COVID-19” is to determine the challenges faced by e-commerce companies in India and measure employed by them to overcome these challenges. Be it the economic recessions or much-dreaded pandemic; these black swan episodes are changing the entire course of businesses. With Covid-19, at its all-time high, the early signs of consumer behavior shifting can be palpable. While remote working is garnering much importance, the profitability of a majority of businesses, such as airlines and more, is getting adversely impacted. However, this pandemic seemingly has enough potential to change how consumers shop, consume information and even their regards towards how businesses work. Irrespective of how much leaders avoid getting into the trap, the fact is that the instant economic stop by this virus is going to lead to a global recession in 2020 and for a few more upcoming years. However, the magnitude of the impact may seem entirely different from the online sector.

The most important question right now is how Covid-19 is impacting the e-Commerce business? And, what will happen once all of this gets over? Let’s find out in this post.

**Key words :** e-Commerce, online purchasing, challenges, Palpable, COVID-19.

### **1. Introduction:**

With lockdowns, brick-and-mortar retailers are facing a harsh reality, considering that the government has enforced quarantine and restricted outdoor trips. With e-Commerce, on the other hand, shipping and supply challenges are persisting. A survey conducted by February Re-Hub in China states that Chinese consumers are expecting this situation for at least the next four months. Adding to it, 6 people in 10 claimed that they might end up spending more on consumer products in the forthcoming months as compared to the last year. All the forecasts regarding e-Commerce sales hike across the world in 2020 and upcoming years are likely to alter substantially.

Today many e-Commerce companies have developed their own ingenious ways to attract the Indian consumer like Cash On Delivery, EMI option etc. Hence, this survey intends to find out the challenges faced by these companies in India due to COVID-19 and the measures that they have employed to overcome these challenges.

### **2. Objectives of the study:**

To acknowledge the most crucial challenges faced by e-commerce companies in India and determine the measures employed to meet them.

### **3. Hypothesis:**

1. Cash On Delivery and Logistics & Shipment and EMI option services are the most crucial challenges faced by e-commerce companies in India.
2. Many E-commerce companies in India struggling to meet the challenges they are facing due to COVID-19.

### **4. Challenges faced by the E-Commerce Companies:**

- **The Rise of Online Grocery Stores:**

The world is facing a severe lockdown currently. With only a few people out on the roads, the number of those who have isolated themselves is increasing day-by-day, fortunately. As a result, housebound consumers across the globe are turning towards online groceries for their essential supply.

As per Carrefour, a French retailer, the delivery of vegetables has increased by 600%. Not just that, but a Chinese retailer has also reported a 251% increase in the online grocery sale during the initial 10-days between late January and early February.

- **Major Hit on the Smartphone Delivery:**

Owing to issues with supply-chain during this quarantine period, the online sales of the smartphones is expected to decrease by more than 20% in the Q1 2020 of China. And, if talking about the global drop, there a major hit of 5% is expected.

Even Apple, a smartphone giant, is concerned about not being able to meet the objectives for Q1, considering the disruption to its supply across Asia.

- **A Ray of Innovation Amid Epidemic:**

All doesn't seem stormed amid this epidemic. Although the disease is contagious, however, it is simultaneously compelling innovators to come up with revolutionary ideas. Now is the time when a lot of companies, including a handful of them in China, are experimenting with robots, drones, and automation for delivering products.

It is of course tough time for certain businesses, like a travel website design company or tour operators, but pumping up some creativity and innovative ideas will certainly help them to survive.

Considering the need to minimize physical contact, this idea, if executed well, can create a contactless resolution and prevent significant losses in this sector. With this idea, there seems to be potential for companies that are looking forward to developing such technologies that can work seamlessly in a public environment.

- **A Successful Surge in Virus Protection Products:**

Since authorities, both medical and governmental, have been urging people to maintain adequate hygiene and not to touch their faces for obvious reasons, people are listening. And,

that is one of the major reasons why people are running behind protective products, including gloves, sanitizers, masks, and much more.

Where the offline retailers are having a tough time fulfilling mass demand, millennials are choosing to order these products online; helping e-Commerce portals acquire a surge in revenue. As per the recent analysis by Adobe, the e-Commerce purchase of these virus protection products has increased by 817%. Besides this, the fact that people are going berserk over toilet paper has increased the online sale of the same by 186%.

- **The Stock for Online Medicines:**

Researchers, across the globe, are urging people to self-quarantine themselves the moment they feel minor symptoms of Covid-19. With this engraved in their minds, a majority of the US consumers are also stocking up their medicines as a precaution in case they catch the symptom.

By analyzing the e-Commerce transactions, Adobe found out that the medicines sale for cough, flu, and cold have gone up 198% high. As far as pain relievers are concerned, their purchase has increased up to 152%. In such instances, a medical website design company can come to your rescue and help you develop a feature rich website to leverage the most out of this situation.

- **The Combination of Irrepressible Environment and Supply Chains:**

It has been long since global supply chains are preparing to keep the expected quality consistent while concurrently lowering down the costs at each step. For most companies, it has resulted in a substantial risk as far as geographies are concerned.

For instance, China shutting down its operations because of Covid-19 has made the business environment even tougher. What the world needs today is an amalgamation of coordinated, distributed and trackable supply of products across the world while maintaining the demand at the same time.

In such a scenario, those who have been actively using sophisticated technologies, like IoT, robotics, blockchain and more will have to be more cautious. This will also have a positive impact on the adoption of delivery drones and alike products as the demand for e-Commerce delivery will outstrip the present condition.

The expectations, in this regard, are majorly on Alibaba and Amazon that may step up and take the ownership of an urbane supply chain in the upcoming decade.

## **5. Is the e-Commerce Industry Going to Experiment Post Covid-19?**

There is no denying the fact that the outbreak of coronavirus is going to leave a substantial void for business owners. So, cut to the time when all of this is over, are e-Commerce development services providers still going to experiment at the same level?

The chances for the same seem quite bright. Consumers can expect an increase in rich, relevant content, virtual reality (VR) and augmented reality (AR) as these will be experimented at their best by marketers. Apart from that, the world might also come across more novel and creative channels and digital innovations to keep the online shopping streams alive.

#### **6. Benefits due to this pandemic situation:**

- Providing door to door delivery of groceries, medicines and other essential commodities to consumers, while upholding the rules of social distancing is coming to the fore. It is effectively complementing local kirana stores in ensuring availability of essential supplies for consumers. However, the sector is plagued with various challenges, traditional as well as new, which must be overcome in order to unlock the true potential of e-commerce during the pandemic and beyond.
- The contagiousness of Covid-19, and its unrelenting increasing spread, has prompted people to explore online purchasing options for essential products and services, from the safety of their homes. Given that it supports the implementation of social distancing measures due to the limited amount of physical contact involved in availing the same. Industry experts have termed e-commerce as the lifeline for cities under lockdown to fight against the pandemic.
- E-commerce is also known to be providing many benefits for Micro, Small and Medium Enterprises (MSMEs), by providing them access to wider markets, overcoming geographic boundaries, providing a level playing field for competing with larger players etc. Consumers also gain through wider choice of goods/services, competitive pricing etc. One of the most noteworthy benefits of e-commerce for MSMEs and consumers alike during the pandemic has been matching the demand and supply of essential products such as medicines, hand sanitizers and face masks.
- Apart from the 'safe shopping' experience and access to essential products provided by it during the spread of Covid-19; e-commerce is also known to be benefiting or has potential to benefit farmers, by enabling them to bypass intermediaries and middlemen, and sell their (perishable) produce directly to wholesale buyers such as corporate grocery stores, restaurants, agri-businesses etc. This provides benefits of enhanced income for farmers, along with reducing wastage and enabling financial inclusion.
- Various modes of enabling agri e-commerce are visible today, such as established e-commerce majors expanding into the grocery segment, or brick and mortar grocery stores opening online channels, or exclusive agri e-commerce businesses, or even e-commerce platforms tying with local kirana stores for last mile deliveries. Notably, some of such e-commerce service providers are changing their business model during the lockdown, and are connecting farmers with end consumers, in the absence/reduction of traditional wholesale buyers as mentioned above.

#### **7. The World after the Pandemic:**

Undeniably, the pandemic of Covid-19 has sent an appalling shockwave to the global economy; not to forget, thousands of families will be affected. In the current scenario, it is crucial for companies, whether offline or online, to make sure that their associates are safe and healthy.

If looked at it from a long-term perspective, the coronavirus has irreversibly changed the method of business and how they are going to compete and run for the next decade. In the end, e-Commerce firms and wordpress development service providers that will choose to capitalize based on these fundamental changes will see a surge; but the ones that won't adopt the new ways will be hit.

In the end, both the individuals as well as the business world are hoping that the right preventive measures are being taken and that the medical researchers find a cure or vaccine as soon as possible.

## **8. Conclusion:**

I don't think it's too soon to say that the COVID-19 global pandemic will likely be one of the defining events of 2020, and that it will have implications that last well into the decade.

The situation is rapidly changing. The amount of people deemed safe to gather in a single place has dwindled from thousands, to hundreds, to ten. Restaurants, bars, movie theaters, and gyms in many major cities are shutting down. Meanwhile many office workers are facing new challenges of working remotely full time.

Essentially, people are coming to terms with the realities of our interconnected world and how difficult it is to temporarily separate those connections to others. To say that we are living in unprecedented times feels like an understatement.

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