

INTERNATIONAL RESEARCH JOURNAL ON ADVANCED SCIENCE HUB

e-ISSN : 2582 - 4376
Open Access

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Available online at www.rspsciencehub.com

E-Commerce industry and its effect on the world today

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Abstract

The Covid-19 pandemic has made a huge impact on the e-commerce industry. The industry has experienced some benefits and problems during the pandemic. People tend to buy more items online as it can be more secure when it comes to the spread of disease. The reports are saying that overall e-commerce industry is having an increased sales growth. Many methods and techniques are being used by the e-commerce industry to make-up the negative impacts that happened to online business during the Covid-19 pandemic. This study is done to deeply analyse the problems and factors that are affecting the Online businesses and to know about the situations of e-commerce business in different parts of the world.

Keywords: E-commerce, E-shops, Covid-19, Lockdowns, etc.

1. Introduction

E-commerce business takes place when buyer and seller conduct their business transactions with the help of internet. It is the most considered and preferred way of purchasing all sorts of products and services by the consumers all over the world now. E-commerce businesses are of following major types like Consumer to consumer (C2C) Business to business (B2B), Business to government (B2G), Business to consumer (B2C), & Mobile commerce (M-commerce). E-Commerce has become a part of our daily lives. We order clothes, electronics, and food online. We use credit/debit cards almost every day. Online shopping or e-commerce is fully integrated into our lives and it is hard to imagine our life without it. Covid-19 pandemic outbreak has affected all segments of population right from the rich to the poor, from prime minister to layman. Covid-19 has pressed the panic button not only in terms of increasing death tolls all over the world but also has its impact on population in terms of health concerns, stock market falls, job concerns, social concerns and day to day life routines. COVID-19 impact to the online sector is more in terms of volumes along with the concerns and anxiety regarding spread of virus. The emergence and

prevalence of COVID-19 has significantly transformed consumer buying behaviour from the luxury to the basic needs, from leisure to survival stuff. This certain shift in online buying behaviour is for the Essential products which are needed most during lockdowns, restrictions and period of uncertainty. The pandemic has created a change in the way shoppers deal with the customers and raise out their activities, without delay affecting the e-commerce industry. The scenario that solely essentials and specifically medical elements are being made reachable and also people are no longer inclined to spend cash past their necessities, gives both challenges as properly as opportunities. COVID-19 is changing the e-commerce landscape. Retail companies around the world over are being affected by way of COVID-19 through everything from unexpectedly altering patron behaviour to provide issues.

2. Evaluation of the Topic

E-commerce impacts financial factors and development rates. It prompts to higher wages, greater requirements of living for individuals, structuring and organizing markets, expanding marketing, increasing income and exports and for that reason growing production and boom rates. E-commerce is increasing exchange in services between countries.

3. Impact of e-commerce on the world today

E-commerce is growing to become virtually extraordinary in present day commercial enterprise world; some accept as true with it already has reached higher level. Since the earlier stages of e-commerce, buying, selling and the entire design of commercial enterprise have changed. Today for a enterprise to survive, an on-line entity is necessary. With well-established companies like Flipkart and Amazon in the business, retail outlets have no desire however to go online [19]. Digitisation has made the discipline intensely hard to thrive in. A business having a physical keep is no longer accurate enough for the genuine customers in online. 2018 is a period of digital expansion. Smartphone's have given a major contribution in this phase. The quantity of humans actively using a cell phone is a ways greater than people using a laptop - such is the impact of digitisation. A Smartphone enables so many activities and presents infinite aspects to utilize; one of these is e-commerce through telephones – M-Commerce; which is actually the same as the former however via a mobile [19]. A famous example is Amazon. Though it started off inside a garage, nowadays it has developed to turn out to be one of the top online businesses. Amazon has a connect over the international market and provides the people lot from apparel to home equipment - all on one large online portal. This is the best aim every business wants to achieve. The business equilibrium is tipping toward e-commerce now; small scale organizations like apparel outlets to massive giants, all of us is rushing to occupy the e-commerce space. [19]. E-commerce is the best solution for developing companies. Minimum investment, and non-guaranteed returns, but top notch experience. Most of the companies start with low investments; e-commerce affords the ideal platform to invest on!. Normal shops, requires a lot of starting investment, depart along mid-way and final expenses. Activities such as renting a shop, buying products from wholesalers, advertising etc., take a big amount from the investments. in the previous days before digitisation, people tend to line up to purchase branded products. This is not needed now; people can shop from any corner of the world. Though a tax has been paid for this comport and luxury, e-commerce has greater so than less, delivered convenience [19].

4. How e-commerce helps to overcome current issues?

Corona virus has made its impact on the complete e-commerce of the world; it has shifted the traditional nature of business. As per lookup 52% of buyers travel to the crowded markets in order to purchase. The other 36% avoid buying at crowded area until they are vaccinated for corona virus. Overall sale of e-commerce will increase because of this pandemic situation, humans warding off to go out, preserving social distance and shopping, the online shopping has increased 74% since pandemic. The media utilisation additionally extended in this time [21].

5. Sales rate/e-commerce statistics of previous years (Before 2020)

1) In 2018, there Were 1.8 Billion Global digital buyers [18].

As of writing, there are 7.7 billion humans in the World.

That skill 21.55 percentage of the World's population buy online, and in 2021, the range is anticipated to upward jostle to over 2.14 billion.

That's a large pool of possible buyers.

So, if you're now not already promoting online, these numbers should persuade you to do so.

But with extra humans shopping online, extra on-line agencies are emerging, creating a fierce and aggressive marketplace.

This makes it tougher for online businesses to stand out from competitors, and the want for new creative methods to promote your product rises [18].

2) Menspend sixty eight Percent More Online than Women (KPMG) [18].

I was greatly surprised when I first examine that statistic, but when you think about it, it makes sense.

On average, guys spend Rs 16,000/- per transaction in contrast to Rs 11,000/- per transaction for women. So it's no longer that men keep greater than women—it's that they spend extra per transaction.

Male consumers are extra in all likelihood to purchase higher-priced items such as grooming merchandise and electronics. Women, via contrast, tend to buy lower-priced gadgets such as cosmetics and skincare products. Moreover, when guys store

online, they tend to be efficient, which means they bulk buy to retailer time.

So, when promoting to a male audience, you can improve conversions via providing related merchandise and package deals [18].

3) Generation X Shop More Online Than Baby Boomers and Millennials (KPMG) [18].

People born between 1966-1981, or “Generation Xers,” make extra on-line purchases than any different age group, averaging nearly 19 transactions per year.

This would possibly come as a shock to many thinking about Millennials are the digital natives of our society.

However, as Millennials develop older and enter the team of workers and begin families, their spending increases. It’s predicted that Millennials’ on-line purchasing will amplify exponentially in the future and a ways surpass on line spending by using older generations.

So, if you favour to market your products to Millennials, you need to create a cost proposition they can identify with. Millennials view the products they purchase as an extension of their image, and if a product doesn’t have a fine impact on their favored self-image, they won’t purchase it [18].

4) In 2019, E-Commerce Sales Accounted for 14.1 Percent of All Retail Sales Worldwide [18].

Considering that extra than a tenth of all retail sales are made online, you can’t underestimate the importance of constantly optimizing your on-line store. Online shopping is turning into more popular than ever, and by means of 2021, e-commerce sales are anticipated to attain 17.5 percentages of retail sales worldwide.

This means there’s extra possible for e-tailors to amplify visitors and conversions—and a hazard to create a better on-line experience (a vicinity most online stores fall short)[18].

5) There Are More Than 286 Million Active PayPal Accounts in The World [18].

This is a 17 percent year-on-year increase compared to 220 million in 2017.

With PayPal, possibilities can purchase products on-line barring having to pull out their credit card, simplifying the checkout method further.

The faster and easier a prospect can go thru your checkout, the greater probably they are to whole their purchase.

But this doesn’t imply credit card payments are dead. According to one report, 42 percentage of on-line consumers prefer to pay with their credit cards [18].

6) Fifty-Nine Percent of 16-36-Year-Olds Head to Amazon before Any Other E-Commerce Website [18].

I assume we can all agree that Amazon is a pinnacle contender in the e-commerce market.

Again, it comes down to convenience. If a prospect can buy all the distinctive items they want in the same place, then it’s a no-brained [18].

So, to accommodate this growing trend, consider promoting on Amazon, if your USA permits.

You can even add a call-to-action button on your site that links to the object on Amazon [18].

7) Eighty Percent of Respondents Said They Had Stopped Doing Business with a Company Because of Poor Customer Experience [18].

Someone once stated by no means underestimate the strength of a smile. (Or possibly it was once me, I can’t remember.)

While we might now not be able to smile to our on-line customers, we can make them feel appreciated special journey when they get in touch with us.

A terrible ride will continue to be with prospects longer than a high quality experience [18].

That’s why you want to make sure that each and every person who interacts with your brand has a precise experience [18].

A desirable notion is to survey your web page site visitors to get insights on how to improve the client experience on your site—even if you think it’s good already.

One way to do that is to use a multistep campaign on your web site to civilly ask for traveler feedback [18].

6. Where we are going to use this thought or which platform?

Ways to expand customer engagement in e-commerce

1. Enable Customer Feedback and Allow for Reviews

A handy way to enhance the patron engagement in e-commerce is to let the clients supply feedback.

Make arrangements so that they can leave a feedback or provide rating for the enterprise.

Letting the customers communicate is solely half of the battle. Company should make sure that the customers feedback is been listened and noticed. Otherwise, this method will only prove to your clients that you pretend to listen [17]

2. Pair Requests with Rewards

One truly positive way to make the customer understand that you're genuinely listening is to reward customers for their feedback and rating. human beings are fond of free stuff, so that's a brilliant way for utilizing this method [17].

You can use customized pop-ups, stay chat, and emails to reap evaluations from your customers. Then, leverage e-commerce personalization to pair their remarks with coupons, rewards, or different kinds of one of a kind offers [17].

Giveaway additionally indicates that you definitely price what market has to convey. It's actually costing you to hear the feedbacks and reviews from them, so it is something you consider important [17]

3. Access to the information should be made easy

People working at retail shop have the habit of asking the customer "can I help you to find things" While it may additionally be well-intentioned, the advice ignores the truth that most human beings would as an alternative help themselves.

Again, this isn't by a small margin. Across each industry, 81% of consumers will strive to help themselves before asking a stay consultant to do so. 90% of them will go to your website first.

You can use these statistics to enhance your purchaser engagement in e-commerce with the aid of presenting your site visitors with a self-service portal that offers as many resources as possible. This should encompass the whole lot from buyer's courses to an FAQ [17].

4. Engaging unhappy customers with service

Customer churn is a serious problem. Lowering this number for your business enterprise ought to extend your profitability by means of as a whole lot as 125%.

Unfortunately, sad customers don't usually let businesses comprehend earlier than figuring out to take their commercial enterprise elsewhere..

Unhappy customers don't tend to say their feedbacks and opinion to you. But they reflect

their feedback in social network and people of their close circle

That's why you need to have interaction sad clients earlier than they turn away from your corporation for good. You can do this through supplying surveys with each transaction and enabling those channels we referred to in the first tip[17].

5. Creating more accounts

Increasing consumer money owed will genuinely enhance your ability to have interaction stated customers.

The problem is that most humans would alternatively make purchases besides opening accounts. So while they provide you profits, they don't assist you improve your customer engagement on your e-commerce platform [17].

The key here is no longer to look for that account advent right away. Wait until they make that preliminary purchase and then offer them the possibility to start that account. At that point, you've earned a bit of trust, and they've established they like what you have to offer[17].

7. Review of Literature

COVID-19 pandemic has become a nightmare for e-commerce business. It is estimated that the global economic growth could cut by 2% per month if the pandemic situation continues. E-Commerce sales of firms are not consistent across the board. But also, they have proved that e-commerce can be very important solution for consumers in times of crisis. (Mrs. Kranti Shashikant Patil, 2020). As the situation is becoming worse, the customers are trying their maximum to adapt to changes and uncertainty. Business owners are also facing uncertainty while trying to support customers and their own needs. COVID-19 has affected business in a bad manner and has given a chance for development of e-commerce. Still, due to many reasons & drawbacks, e-commerce has not fully taken over. (Susan Meyer, 2020). The integration of e-commerce suggests the existing possibilities in bringing the client interior the company, to explore new product ideas as E-commerce and business will make a comeback in advertising function. Also, commercial enterprise showcasing is positively affected with the aid of e-trading. An

investigation of the failure to find out the item or administrations of top rate swiftly is the best obstruction to successful promoting. This difficulty may be defeated via Internet enterprise where number of establishments provide a few gadgets thru the net. (Sandip.U.Deshmukh, 2020). Covid-19 spread has affected e-commerce companies globally. 5 largest e-commerce companies were chosen including Amazon, Alibaba, Rakuten, Zalando, ASOS. It was found out that global e-commerce market has been affected by the spread of coronavirus. Consumer's online shopping behaviour is affected by factors like website design, experience, social media etc. Amazon of America and ASOS of United Kingdom were the most effected e-commerce companies during this pandemic. (Mansour Abd Elrhim, Abdullah Elsayed, 2020). The Covid-19 has affected the trends of e-commerce. So, quintessential research have been performed to be aware of their efficacy to stabilise both fee and benefits. The pandemic scenario transformed the world trends. According to many researchers, nearly 52% of customers avoid brick and mortar purchasing and crowded areas. It has affected e-commerce in a good way overall. It is said that e-commerce has enhanced due to Covid-19 outbreak. This change has encouraged researchers to investigate more. (Hamza Akram, Ahmed Usman Khan, 2020). In Saudi, many factors have been influencing the adaption of on line shopping with Saudi e-shops. E-commerce in Saudi Arabia has an extraordinary probability to grow. Online buying is one of the famous varieties of B2C E-commerce and the adaption of customers are the way for development. The study has reported 13 factors influencing Saudi females when adapting to online shopping. The online shopping includes other parties like e-shops owners and business. So, it is valuable to conduct research that studies perspectives of females about the Saudi market and the challenges they face. (Noura Mohammed Aldaej, 2019). A study has been done on the need of new security frameworks from third party services. They provide ultimate security to consumers and business groups. In perspective of security in e-commerce business environments,

main observation is that the data mining interfacing gives ability to analyse future trends, knowledge patterns and interesting measures. (Dr B.V Ramakrishna, B. Sushma, 2020). India has got many opportunities and challenges in e-commerce business. With the emergence of new technologies like smartphones, a social change has sparked in India. The main point is that the virtual platform allows the consumers to scan barcodes for items on their mobile phones and place orders with retailers. The country's relevance in digital economy is increasing through such technologies. Number of serious players are entering the Indian market as a result of maturing E-commerce sector. (Raj Kumar Singh, 2019). The evolution of e-commerce in India is on it's increase stage. So, for growing this firms need to push themselves to the provision of services and utility of internet marketing, to generate and retain large audience. In the future there is high possibility of witnessing a upward thrust in area of interest business, as nicely as, mergers. Some futuristic trends in the growth of e-commerce apart from niche business and mergers and acquisitions are Omni channels, focus on services, internet marketing, better infrastructure etc. (Madhurima Khosla, Harish Kumar, 2019). E-commerce websites have a great influence on the environment including customers. Firms should commit themselves to the provision of services utility of net marketing, to get and preserve large audience. Development of e-commerce is done by B2B & B2C and it helps the customer to fulfil the requirements. E-Commerce websites are done by scripting languages like HTML, CSS3, JavaScript & bootstrap. These mark-up languages can be used to make the site attractive and user friendly. The share of digital payments is expected to rise, so firms must develop safer payment infrastructure. (Aaftab Aalam Shivansh Mishra, Satyam Sharma, Richa Gupta)

8. Results and data analysis

Leaders from a extensive range of e-commerce web sites have been interviewed in order to measure the direct impact e-commerce technologies have on the backside line, the lookup

focused on executive titles from the line of business, such as Vice President of e-commerce, alternatively than IT executives. [20] Some of the key findings are given below.

- 3rd party e-commerce applied sciences continue to grow but threaten prolateness compliance, client experience, and web page performance. 92% of survey respondents referred to they will invest in new 3rd party applied sciences in 2020. 67% fear that patron records captured with the aid of third parties on their web sites will have an effect on privacy regulation compliance [20].
- Online brands continue to look for ways to effectively compete with Amazon. For example, 46% would consider merging their fulfilment networks with other brands to help compete against the e-commerce giant[20].
- Fast site overall performance is vital to increasing on-line conversion and enhancing consumer experience. 61% believe quicker web performance results in greater conversion[20].
- Since 2012 the industry has been talking about modern micro services architecture and in 2020 headless commerce will finally become a reality. 61% of retailers surveyed they are either currently leveraging or planning to leverage a headless commerce architecture in 2020[20].

So, the place where e-commerce is now? Well, through the cease of 2019 the world e-commerce market had sales reaching \$3.5 trillion and represented 14% of the total share of world retail sales. And what's coming in 2020?

Retail e-commerce sales worldwide from 2014-2023(in billion U.S dollars)

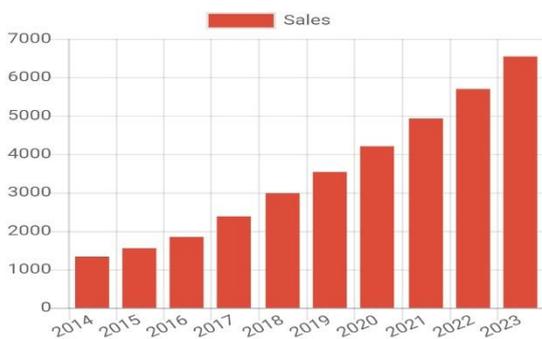


Fig.1 Rate of E-commerce sales

The above data predicts that through the give up of 2020, world e-commerce income will reach \$4.2 trillion and make up 16% of total retail sales. And these numbers are solely estimated to go up as we proceed into the '20s [22].

Number of digital buyers in India from 2014-2020(in millions)

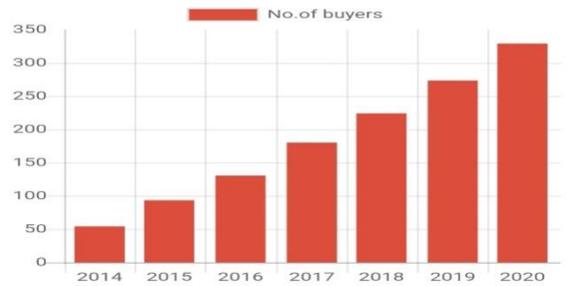


Fig.2 Rate of Indian E-commerce

India had round 224 million digital consumers in 2018, which will upward push to 329 million by means of 2020, which is an incredibly rapid upward shove rate. **Based on that we can anticipate it to reach somewhere between 273 million to 280 million buyers in 2019.**

9. The World has turned to e-commerce during the situation of pandemic and lockdowns.

Nearly half of the web customers surveyed with the aid of Global Web Index at the starting of April said that they've been spending more time buying online in latest weeks; however there are some fascinating variations between the behaviours of special genders and age groups.

More than half of web customers aged 25-44 in the 17 countries included in the survey say they've been spending more time purchasing online in latest weeks, with guys in particular announcing that they've multiplied the amount of time they are spending on e-commerce activities.

The graph below shows the percentage of internet users of each age and gender according to the survey done on April 2020: -

Table.1: Internet usage

Percentage of internet users of each age and gender

Age	Male	Female
16-24 years old	47%	44%
25-34 years old	55%	50%
35-44 years old	52%	48%
45-54 years old	44%	40%
55-64 years old	30%	33%

The meals and groceries classes have considered the best extend of income via e-commerce. It is

observed that 1/3rd of net users have been shopping extra for those items on-line as a result of their country's covid-19 situations.

Table.2: Product based internet usage

Percentage of internet users who shop online according to the interest on items

Items	Food & Groceries	Household essentials	Personal care products	Clothes	Entertainment items	Cosmetics	Chocolate
Percentage	33%	29%	27%	19%	17%	15%	12%

Items	Treat for yourself	Home & Garden	Alcohol	Home appliances	Gifts	Vacations
Percentage	9.90%	9.09%	9.06%	7.70%	5.10%	3.60%

Conclusion

These were found that online companies are severely hampered owing to this disease outbreak virus when analyzed. The nation is experiencing severely as the death rate rises, but the economy of the country too has decreased throughout the upcoming months. It is expected to be quite hard to restore and to improve the economy as it ever was. Increasing the country's sales is often very challenging. It is recommended which investigators with every possible result must do their research mostly on Covid-19. This will continue to boost India's trading situation.

Acknowledgement

I wish to thank Mr. Nirsandh .G and other mentors of **KEDS GROUPS Research and Development** for their constant support and effective training on writing this paper.

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