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**The Impact of Coronavirus (Covid-19) on E-Commerce**

# INTRODUCTION TO CORONAVIRUS (COVID-19)

Coronavirus is considered as one of the most infectious diseases which mainly occurs after contaminating the human with the rigorous acute syndrome of respiratory issues. The particular disease has been evolved like a pandemic public health crisis because of extensive spread within the number of nations. The pandemic of COVID-19 is accelerating its transition towards digital commerce in a very significant manner. The customers of the nation are expected to be practicing social distancing. COVID-19 is identified as an independent variable because the economy of the nation and the world has been influenced significantly. Based on this particular pandemic the people of the nation have imposed a higher level of limitations upon the individuals as well as on the businesses. This virus has incurred a large number of calamities in the world economy. COVID-19 has been presented as the independent variable in this particular study since the entire economy and the wellbeing of the entire population has relied on this particular pandemic to a greater extent.

COVID-19 and the subsequent economic crisis will mean financial hardship for many consumers, which will require many to reduce their spending for possibly some years. It is conceivable that, as a consumerist society, we learn a lesson from the current crisis in that certain products might not always be available to us, that we can't always just go to the store and get what we want or that we have to curb our mobility and associated consumption. The longevity of behaviour change probably depends on how long we will have to live with shutdown scenarios. This collective experience may enable us to look at consumption reduction as something we can learn and adjust to, instead of perpetuating our consumption-heavy lifestyles, which accelerate climate change. I am cautiously optimistic that we will have some momentum with consumers, industry and the government to address the need for continued consumption restraint to meet the challenge of climate change, but I also see potential for rebound in that consumers, once again free to roam the stores, will simply try to go back to business as usual.

The outbreak of the coronavirus (COVID-19) pandemic has caused a severe disruption of businesses and services across the globe, e-commerce is no exception. While businesses across China, Europe, and America stopped instantly, the impact of the pandemic on e-commerce is not so straightforward.

**As cities went under lockdown and social distancing became the new norm, consumers turned to online shopping to meet their daily needs.** This resulted in an increase of 52% year on year in online sales with an 8.8% increase in online shoppers. Some might think this as a blessing in disguise for online retailers. But, the story is not yet complete.

According to a report by Bloomberg, about half of the retailers have witnessed a downward trend in their online traffic since mid-February. Also, 64.5%of retailers have not witnessed shifts to their e-commerce stores post spread of COVID-19 virus in their country. This presents a somewhat mixed picture for the e-commerce sector. In this post, we’ll try to understand the true effects of the COVID-19 pandemic on the e-commerce.

## The impact of COVID-19 on E-Commerce Industry

## Hygiene Products Became the Biggest Selling Items Online

## The e-commerce sector has witnessed a spurt in pharmaceutical product purchases due to coronavirus pandemic. With the closure of shops and malls, people have turned to online stores to get what is now known as virus protection gear. This includes items like masks, gloves and personal hygiene products like hand sanitizers, antibacterial sprays, etc. According to Adobe Analytics, online stores have seen an increase of a whopping 817% in their purchases.

### 2. Spurt in Online Medicines Purchases

Similarly, the sales of medicines have increased significantly post the outbreak. People are generally looking for medicines for cold, cough and flu, as expected, due to the virus’ fears. Online purchases of medicines have increased by at least 198% over the period. Online stores selling pharmaceutical products had a run for money during this period.

### 3. Sale of Online Groceries Picked Up

Online grocery purchases, too, have picked up during this period. It is not surprising to see people ordering online to fill their pantry to meet the worst-case scenario. Non-perishable food items have seen a jump of 69% in their sales, whereas, shelf-stable items like oatmeal, rice and pasta sales grew by 58%.

Social distancing, the hassle of dealing with crowds and lines, and frequent inventory shortages have been increasingly frustrating people out of the grocery stores and onto the web. Online grocery delivery services are booming, acquiring new customers even outside their previous majority demographic.

### 4. Weak Consumer Sentiment has Dampened Demand

As authorities grapple with the onslaught of the virus, economies are battered by the closure of factories and the stoppage of production by the wide scale lockdown. It is not surprising then to see consumer sentiment turning pessimistic. According to Sucharita Kondali, VP at Forrester, “Consumer confidence in the US economy for the next 12 months is bleak, causing consumers to buy less – both in-store and online.”

### 5. Supply Disruptions have Affected Products’ Availability

Production and supply of goods have taken a hit amid fears of a spread of coronavirus. Factory production has completely stopped. Distribution channels are busy in supplying the essentials. And, governments have restricted movements. How can online stores under such circumstances source consumers’ demands? It is but natural as a result that online stores, too are closing.

### 6. Consumers are Uninterested

Experts have initially speculated that online sales will pick up when more people will be sitting at home. That has not happened. The truth is coronavirus has completely caught the imagination of the entire world’s population. The whole world is so much pre-occupied with Coronavirus news and updates that it hardly has time for anything else. In this hour of crisis, people are more focussed on survival and as such taking more care of their family.

### 7. People are Being Overly Cautious

### The highly contagious nature of the disease has instilled fear in the hearts of millions of people. People are avoiding not just meeting other people, but are also avoiding coming into contact with outside objects that may carry the infection into their homes. Online deliveries change many hands and the fear that the chain may itself be infected has alarmed many. This is one of the major reasons why people are ordering only essential items.

### 8. Adverse Change in Consumer Behaviour

COVID-19 has not only affected shopping patterns across the globe, but it has also changed consumer behaviour. The picture becomes somewhat clear when we see that consumers have shifted their focus to meet their survival needs. They are focused on getting the essentials, which has dramatically brought down the demand for other products.

### 9. Online stores are diversifying products.

In the face of rapidly changing consumer lifestyles and shopping habits, businesses are finding the need to pivot quickly to stay competitive in today’s landscape.

Some ecommerce sellers are adding soaps and other hygiene products, medical supplies, or various DIY or self-care related products to meet consumer demands. Others have had to change their delivery models to offer curb side pickup, or offer digital versions of their products/services to[avoid shipping](https://www.bigcommerce.com/blog/ecommerce-shipping/) and fulfilment altogether.

### 10. Increase in coronavirus-related ecommerce stores.

The rise of SaaS ecommerce platforms like Big Commerce and [Shopify](https://www.bigcommerce.com/blog/shopify-vs-magento-vs-bigcommerce/)have lowered the barrier to entry to sell online — and that’s a positive thing for retailers providing quality products to their customers.

Unfortunately, with the rise of the coronavirus, some sellers quickly [stood up online storefronts](https://www.nytimes.com/2020/03/24/business/coronavirus-ecommerce-sites.html?auth=linked-google) to sell products they claimed could protect against or cure the virus — claims that are unfounded and completely unsubstantiated by medical professionals.

### 11. Increase in contactless payments

Another result of stay-at-home orders is a huge surge in demand for digital payment services. Italy, for example, has experienced an [81% increase](https://www.wsj.com/articles/digital-payments-soar-amid-coronavirus-restrictions-11585005215)**in ecommerce transactions** since the end of February. While these surges have been a challenge for payment platforms, many companies have contingency plans for high-demand events such as Black Friday or Prime Day, which have been vital to their success in handling huge payment volume.

Despite the success of payment processing companies so far, there are signs of the internet reaching capacity during this crisis. Netflix, YouTube, and Facebook have all agreed to reduce video streaming quality in Europe to avoid broadband congestion.

As we’ve seen with other shopping habits, the pandemic has triggered a change in behaviour ahead of its time. **Groups who may have been hesitant to convert to online payments before COVID-19 now use it as their primary option.** Time will tell if this will be a lasting change in behaviour.

12. Consumption

COVID-19 and the subsequent economic crisis will mean financial hardship for many consumers, which will require many to reduce their spending for possibly some years. It is conceivable that, as a consumerist society, we learn a lesson from the current crisis in that certain products might not always be available to us, that we can't always just go to the store and get what we want or that we have to curb our mobility and associated consumption. The longevity of behaviour change probably depends on how long we will have to live with shutdown scenarios. This collective experience may enable us to look at consumption reduction as something we can learn and adjust to, instead of perpetuating our consumption-heavy lifestyles, which accelerate climate change. I am cautiously optimistic that we will have some momentum with consumers, industry and the government to address the need for continued consumption restraint to meet the challenge of climate change, but I also see potential for rebound in that consumers, once again free to roam the stores, will simply try to go back to business as usual.