NAME: ONUNKWO IFUNANYACHUKWU DIVINE

DEPARTMENT: BUSINESS ADMINISTRATION

MATRIC NO: 17/SMS03/015

COURSE: MANAGEMENT INFORMATION II

COURSE CODE: EMS302

LECTURER: MRS OPEOLUWA FLORENCE

**ASSIGNMENT**

In not less than 1500 words, explain the impact of the pandemic COVID-19 on E-commerce.

**ANSWER**

**E-commerce** (**electronic commerce**) is the activity of [electronically](https://en.wikipedia.org/wiki/Electronically) buying or selling of [products](https://en.wikipedia.org/wiki/Product_%28business%29) on online services or over the [Internet](https://en.wikipedia.org/wiki/Internet). Electronic commerce draws on technologies such as [mobile commerce](https://en.wikipedia.org/wiki/Mobile_commerce), [electronic funds transfer](https://en.wikipedia.org/wiki/Electronic_funds_transfer), [supply chain management](https://en.wikipedia.org/wiki/Supply_chain_management), [Internet marketing](https://en.wikipedia.org/wiki/Online_advertising), [online transaction processing](https://en.wikipedia.org/wiki/Online_transaction_processing), [electronic data interchange](https://en.wikipedia.org/wiki/Electronic_data_interchange) (EDI), [inventory management systems](https://en.wikipedia.org/wiki/Inventory_management_software), and automated [data collection](https://en.wikipedia.org/wiki/Data_collection) systems. E-commerce is in turn driven by the technological advances of the [semiconductor industry](https://en.wikipedia.org/wiki/Semiconductor_industry), and is the largest sector of the [electronics industry](https://en.wikipedia.org/wiki/Electronics_industry). Modern electronic commerce typically uses the [World Wide Web](https://en.wikipedia.org/wiki/World_Wide_Web) for at least one part of the transaction's life cycle although it may also use other technologies such as [e-mail](https://en.wikipedia.org/wiki/Email). Typical e-commerce transactions include the purchase of online books (such as  [Amazon](https://en.wikipedia.org/wiki/Amazon_%28company%29)) and music purchases ([music download](https://en.wikipedia.org/wiki/Music_download) in the form of [digital distribution](https://en.wikipedia.org/wiki/Digital_distribution) such as [iTunes Store](https://en.wikipedia.org/wiki/ITunes_Store)), and to a less extent, customized/personalized online [liquor store](https://en.wikipedia.org/wiki/Liquor_store) [inventory](https://en.wikipedia.org/wiki/Inventory) services. There are three areas of e-commerce: [online retailing](https://en.wikipedia.org/wiki/Online_retailing), [electronic markets](https://en.wikipedia.org/wiki/Electronic_markets), and [online auctions](https://en.wikipedia.org/wiki/Online_auction). E-commerce is supported by [electronic business](https://en.wikipedia.org/wiki/Electronic_business).

Corona virus 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 COVID-19 disease was characterized as a pandemic by the World Health Organization (WHO) on March 11, 2020, according to the Centers for Disease Control and Prevention (CDC).

A pandemic is a global outbreak of a disease. Pandemics happen when a new virus emerges to infect and spread between people sustainably. Because there is little to no pre-existing immunity against the new virus, it spreads worldwide. 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.

The corona virus (Covid-19) has a wide-reaching effect on e-commerce, technology, business travel, and the economy. It has already taken the lives of many and is also taking effect on businesses as well. In addition to this, every country follows the lockdown procedures as a means of preventing measures and Nigeria has also adopted the same. It seems both private and the public sector are messed up due to this virus. The fact is unavoidable that the effect of corona virus will have a significant effect on the country, economy, and society. The increasing threat of corona virus is a public health crisis and hampers the macro economy as a whole. It has also cut off the supply chain of the business. The production and the manufacturers are expected to be hampered more. The outbreak of COVID-19 Corona virus has stagnated global business growth and most importantly affected the e-commerce sector. There have been significant shifts in the stock market. The Organization for Economic Co-operation and Development (OECD) has declared that the corona virus outbreak poses the biggest threat to the global industry since the 2008 financial crisis. It’s no secret that the world is facing a serious global health crisis thanks to the corona virus (COVID-19) outbreak. It’s not only a potential public health pandemic, but it’s also having a critical impact on global supply chains and markets worldwide, the e-commerce sector has been on a rollercoaster as a result of this. On the supply side, businesses are grappling with how to continue their manufacturing operations since so much of that activity stems from where the outbreak has been most severe: China. Factories have been closed for extended periods of time and many aren’t yet re-opened or operating at full capacity, which leaves retailers wrestling with current and potential disruptions in their production processes. Many brands are seriously concerned about their ability to supply goods to customers without major delays—as the demand for products online is increasing as well as declining rapidly. **The world is an interconnected global village** and Nigeria is not immune to the adverse effects that may occur through this virus.

The effect of corona virus (covid-19) has both a positive impact and a negative impact on e-commerce. **The positive impacts on e-commerce is stated as follows**; E-commerce companies have emerged as a favorite play in Nigeria during the corona virus pandemic, amid a growing consensus that upcoming results will reveal a potentially permanent shift in consumer behavior toward online shopping. While online sales have long been growing their market share as a percentage of overall retail spending, the trend has been accelerated as shutdowns force closures at brick-and-mortar rivals. Analysts have said that the higher demand is likely to outlast the pandemic, especially in categories like groceries, which [previously had less traction online](https://www.bloomberg.com/news/articles/2020-04-24/delivery-upstarts-target-amazon-freshdirect-kroger-overload). The closure of ‘physical stores and fear of public places’ is resulting in a shift towards online retail, benefitting the e-commerce sector. Companies such as jumia and konga which offer food takeaway and delivery services, (and soon a grocery delivery service) thereby minimizing social contact, are increasing in popularity. Amazon, in particular, is enjoying increased consumer demand. Selling vital items across a variety of sectors such as food, cleaning supplies and household essentials, the company has been described as the ‘best operator and best positioned’ to cope with the current socio-economic situation and is predicted to increase its share of both general retail and online retail industries following the outbreak of the virus. The companies under this sector of delivery online have a lot of deliveries to take from people as people can’t go outside and this have in turn given them the opportunity to improve their services and so much deliveries in order to get more profits. On the other hand, there are many [B2B services that have been launching new platforms](https://inc42.com/buzz/startups-vs-covid19-ecommerce-gets-boost-even-as-lockdown-extended-on-day-21/) in the area of healthcare, delivering goods ranging from essential medical care supplies to even ventilators online. Many retailers dealing specifically with essential goods have witnessed a boom in business. Companies engaging with healthcare facilities believe that [people are indulging in regularly monitoring](https://qz.com/india/1824990/how-amazon-flipkart-nykaa-lenskart-are-coping-with-coronavirus/) the health and fitness of their families, leading to these businesses having a higher engagement with customers. The e-Commerce sector has also witnessed a spurt in pharmaceutical product purchases due to corona virus 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, and etc. online stores have seen an increase of a whopping 817% in their purchases.  Such a surge in demand for e-tail could overwhelm logistics providers and workers, which might require e-commerce companies to revisit their strategies for order fulfillment and delivery, including potentially slowing down fast-shipping strategies, in order to keep up with surging demand and keep workers safe. It's worth noting that changes in online shopping habits may be particularly prevalent among older customers—the group most susceptible to the corona virus and most likely to avoid stores because of it, but least likely to shop online. E-commerce businesses in Nigeria are also improvising amid the lockdown to stay afloat. Jumia a well known company in the e-commerce sector in Nigeria has been at the forefront of e-Commerce operators and has implemented a deliberate strategy to promote the safety of Nigerians in the midst of COVID-19. Aligned with its recent COVID-19 inspired campaign theme, ‘Stay Safe with Jumia’, ‘Shop from home and have it delivered contact-free!’, Jumia promotes ‘cashless’ payments and ‘contactless’ delivery of prepaid packages to curb COVID-19 in Nigeria and Africa at large. The ingenuity entails taking measures that keep customers, delivery agents and partners safe by leveraging on JumiaPay payment platform that enables consumers to make prepaid payments for products online and get them delivered without a direct body contact or cash exchange with the delivery agents. It is worthy of commendation to also note that through Jumia Logistics, the leading e-Commerce company has been enabling micro, small and medium businesses to stay afloat amidst the pandemic while at the same time ensuring people get their essential needs delivered to them in the comfort of their homes and keep safe. Jumia beyond any reasonable doubt has proven to be the number one e-Commerce and logistics enabler and safest way to shop as the COVID-19 scourge rages. Its unwavering commitment to investment and innovation has also endeared it as the number one preferred online platform of choice that has played and continues to play critical roles in our socio-economic life as individuals, households, firms and government and the future. E-Commerce platforms serve as the critical logistics and supply backbone during emergency situations including the time of lockdown. In the wake of the rising spread of corona virus, countries such as China, U.S., UK, Spain, Italy and others relied on e-Commerce channels for the logistics and supply of food, water, drugs, toiletries and essential needs to the people during lockdowns. In the U.S., e-commerce giant Amazon even implemented fresh employment of over 100,000 Americans as a result of increased orders for supplies occasioned by the COVID-19 outbreak. A shift to the online trade channels can indeed, provide Nigerians with the needed incentive to keep safe and by extension promote the growth of Nigeria’s e-commerce industry in the midst of the increasing rate of corona virus transmission. **The negative impact of the corona virus on e-commerce is stated as follows;** The COVID-19 pandemic has tested wholesale and logistics services and other features of supply chains like no other event in recent history. Due to the lockdowns instituted to contain the further spread of the virus, e-commerce in goods has faced supply chain disruptions. Many firms have continued to experience supply challenges as a result of the suspension of manufacturing activity, decreased production and labour shortages. Those with warehousing facilities in impacted areas have faced difficult decisions about how or whether to keep manufacturing their products. The pandemic has therefore brought to the fore the vulnerabilities of supply chains and tested the ability of businesses to adjust swiftly which in turn has negatively affected e-commerce. The international transport and logistics services on which all e-commerce and more traditional trade transactions rely have also been severely affected by the introduction of new health regulations that have disrupted land, sea and air cargo transportation. The challenges faced by the retailers present in the e-business are the lowering of the buying behavior of the customers. The lowering of the buying behavior is also lowering the supply and the shipping processes. E-commerce retailers may and will, of course, also be hit by supply shortages, which may affect their ability to deliver, reduce inclination to purchase, etc. 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 and they are hardly indulging in buying or trading online.

The corona virus (COVID-19) in general has greatly impacted on e-commerce both positively and negatively causing an upward and downward shift in supply and demand. The mixed approach to e-commerce during this time demonstrates that the channel is hardly a panacea against the danger levels of lost sales as well as the rising factor in improved sales.