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ASSIGNMENT

IN NOT LESS THAN 1500 WORDS, EXPLAIN THE IMPACT OF THE PANDEMIC COVID-19 ON E-COMMERCE

The impact of COVID-19 on E-Commerce businesses is a topic of importance to both business owners and their customers, Firstly we define Ecommerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. This network allows people to do business without the constraint of distance and time. Corona virus came as a surprise, forcing everyone to change their way of life and set new goals. Everyone’s original goals were to increase sales, attend more business meetings, seminars, attend school; vacations etc, and are now on hold. During this covid-19 pandemic Ecommerce has proved itself essential in days of social distancing and lockdown of stores. It’s difficult to predict the full impact of the corona virus on online sales growth rates overall, but what is sure is that results won’t be consistent across the board. It will depend on niche, changing shopper behavior, and how much longer communities are asked to socially distance among other things. During this pandemic, people can no longer physically appear to do business (buying and selling) so the only way people can transact their businesses is mostly by e-commerce. Because physical transaction is restricted/limited because of the safety measures applied during this pandemic and this has opened a lot of space for e-commerce. 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. A [survey from mid-March 2020](https://www.cnn.com/2020/03/19/business/grocery-shopping-online-coronavirus/index.html) found that one-third of those interviewed had used online pickup or delivery services for their grocery needs in the past seven days, and 41% of those were using that service for the first time. The rise of ecommerce platforms like Big Commerce and [Shopify](https://www.bigcommerce.com/blog/shopify-vs-magento-vs-bigcommerce/) has 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 corona virus, 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, they claim that are unfounded and completely unsubstantiated by medical professionals.

Brick and mortar retail is one of the hardest hit industries during the corona virus outbreak. Study shows that 80% of people are avoiding stores and malls due to the concerns. With more cities and states implementing “shelter-in-place” or other restricted behavior, the impact will be even greater. This also means that e-commerce sellers are getting a bigger piece of the shopping pie. 1 in 5 respondents are doing more online shopping resulting from concerns of the virus. Sellers not only need to prepare for increased online shopping demand, but they also need to be aware of a possible shift in consumer spending attitudes. Shoppers are prioritizing the “need to have” items and are spending less on products that fall into the “want to have” category. In addition, people are more concerned about where products come from, with 64% of consumers saying the virus made them more aware of product origins. 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 curbside pickup, or offer digital versions of their products/services to[avoid shipping](https://www.bigcommerce.com/blog/ecommerce-shipping/) and fulfillment altogether.

According to reports, the impact of the COVID-19 virus on e-commerce businesses is interesting. As expected, [internet usage has spiked up by 50%](https://www.theguardian.com/business/2020/mar/18/vodafone-rise-data-usage-more-people-work-from-home-coronavirus). More people are giving thoughts to the idea of shopping for groceries online. As of April 7th, Grocery E-commerce was reported to have increased revenue by [56.36%](https://commonthreadco.com/blogs/coachs-corner/coronavirus-ecommerce#coronavirus-ecommerce-data). Even the e-commerce giant [Amazon plans to hire 100,000 additional employees in the U.S](https://www.cnbc.com/2020/03/16/amazon-to-hire-100000-warehouse-and-delivery-workers.html) and increase workers’ pay to respond to surging online orders. To meet the increased demand of necessities like medical supplies and household staples, Amazon confirmed on March 23 that it would be prioritizing the shipment of those types of products to its warehouses. Other product categories [getting the go-ahead](https://www.cnbc.com/2020/03/18/amazon-sellers-brace-for-layoffs-and-worse-due-to-coronavirus-constraints.html) include baby products, health and household, beauty and personal care, grocery, and pet supplies. That leaves shipments of other goods delayed for up to a month. An [Amazon](https://www.bigcommerce.com/blog/selling-amazon-bigcommerce/) spokesperson credited the change to efforts toward easing logistics pressures and keeping employees safe, according to an [article in CNET](https://www.cnet.com/news/amazon-delays-shipments-of-nonessential-items-in-the-us-by-up-to-a-month/). Third-party sellers on Amazon will be hit particularly hard — those with products outside of the categories deemed “essential” will not be able to use FBA, [Amazon’s fulfillment services](https://www.bigcommerce.com/blog/amazon-fba/) the report above confirms that in the middle of the pandemic, e-commerce businesses and delivery platforms need to double up. E-Commerce businesses and delivery platforms will need to focus on maintaining social distancing and other health measures while ensuring shoppers get their delivery right in time. .

There are a lot of unknowns right now like how far the corona virus will spread, how the market will respond and what the overall impact of the pandemic will be worldwide. Though no one truly knows what will happen, these predictions will give sellers an idea of what to expect. Almost half of retailers expect some economic downturn due to the pandemic; however, preliminary data from Quantum Metric shows that e-commerce has recently experienced average revenue weekly growth rate increase of 52% and an 8.8% increase in conversion rates compared to a year ago. This may reflect a sudden increase in demand as more consumers turn to online shopping. And more people are shopping online. Nearly [75%](https://www.emarketer.com/content/the-biggest-business-impacts-of-the-coronavirus-pandemic-according-to-business-insider-intelligence) of U.S. internet users say they plan to avoid in-store shopping because of the pandemic. And with brick-and-mortar retail accounting for 85% of U.S. retail sales, this is shifting day-to-day shopping to online marketplaces. However, this increase in demand will cause other issues like Conversions on Longer-Delivery Items, Decline in Consumer Confidence, Inventory Shortages, supply chain issues etc. One thing to keep in mind is consumer confidence, which can diminish product demand if it decreases. 84% of consumers say they need proactive and transparent communication if a delivery is delayed or canceled due to Corona virus. Similarly, 81% of consumers want the ability to cancel an order altogether if there are delivery or order changes. 70% of consumers want an extended returns window to accommodate a delayed delivery, and 34% want a discount to apply to their next order. These requests may be different than your current policies, but it is important to be flexible and accommodating in these uncertain times to increase consumer confidence in your brand and products. Another thing to keep in mind is the supply chain impacts due to the corona virus, like lack of inventory or [restricted delivery regions](https://hubs.ly/H0nSKNb0). If your products are especially at risk for delays, make sure your communications are transparent and you have a flexible return policy to preserve customer confidence. 78% of consumer’s day their brand perception will not be impacted negatively as long as the company provides information. These circumstances are unexpected and confusing for everyone, so try to operate your business with honesty and flexibility as we navigate this uncertainty.

Google is launching a new [Rising Retail Categories](https://www.thinkwithgoogle.com/feature/category-trends/us/month) tool on Think with Google. It will surfacefast**-growing product categories in Google Search, the geographical locations they’re growing in, and the queries associated with them.** The data will be updated daily. Considering the fast-changing digital landscape brought on by the corona virus, these daily updates will be a huge boost for businesses trying to stay informed. These insights can be used to better **inform content creation, promotions, or even product ideas.** This month’s surging categories feature sewing machines and baking materials. So, a craft company may consider promoting sewing machines on their homepage or a home goods store may discount cooking supplies. If businesses create content that appeals to these searches, it may also be an asset to their ranking on [SERPs](https://www.wordstream.com/serp), which can have an effect lasting longer than promotion itself. Over the next few weeks, Google will be [releasing their video meeting tool](https://techcrunch.com/2020/04/29/google-is-making-meet-free-for-everyone/), Meet, to all users for free. With COVID-19 spawning the surge of video conferencing tools, **Google is hoping this change will help them better compete with their direct competitor, Zoom.** While Zoom and Meet both have screen-sharing capabilities, real-time captions, and a tiled layout, there are some differences between the two platforms. The biggest difference is that Meet users must have a Google account to participate in meetings. While this does add more friction, it won’t be a big barrier for most people. Google stands by this requirement because it allows for a safer platform by running in the browser. It also addresses one of the biggest issues Zoom has been facing: [Zoom bombing](https://fortune.com/2020/04/02/zoom-bombing-what-is-meeting-hacked-how-to-prevent-vulnerability-is-zoom-safe-video-chats/). Meetings all over the world, from AA groups to government gatherings, have been impacted. Currently, the only limit to meet is that meetings can’t have more than 100 participants. After September, however, free accounts will be limited to 60-minute meetings. With daily participants surpassing 100 million last week, **Meet is likely to see a huge surge in the coming weeks.**

Similar with what Google is doing, **Face book has also released an app to rival Zoom.** Messenger Rooms is very similar to Zoom, but differentiates itself by focusing on personal meetings rather than professional. Currently, rooms can be created for free within Messenger or Face book, but they will soon be available in Instagram, WhatsApp, and Portal, as well. Rooms accessible to a user will also be visible on their News Feed, Groups tab, or Events menu. With **Face book Messenger already being used by 44% of adults** to talk to friends and family, Messenger Rooms has a good foothold to compete with Zoom.Facebook will also be incorporating augmented reality (AR) features from Messenger into their new app. Users will be able to use filters on themselves while in the rooms and will soon be able to use immersive 360-degree backgrounds from iconic locations. As of now, Messenger Rooms won’t feature ads.