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QUESTION: in not less than 1500 words, explain the impact of the pandemic COVID-19 on e-commerce.

First I would start by defining E-commerce which is also known as the electronic or internet buying and selling of goods and services. E-commerce also encompasses other activities including online auctions, internet banking, payment gateways and online ticketing.

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%. 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 to have increased revenue by 56.36%. even the e-commerce giant Amazon plans to hire 100,000 additional employees in the united states and increase workers’ pay to respond to surging online orders. The report confirms that in the middle of the pandemic, e-commerce businesses 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.

Citizens in all the arears of the world are being told by the health and political authorities to remain in their homes to help curb the spread of the virus. As consumers are restricted in movement, they turn to online shopping for essential items to sustain the families. With school closed and workers encouraged to work from home wherever possible, online sales of health products food, and some educational and home office items have surged. Even though the number of online orders in some nations has increased greatly, the decreased in the purchase of travel agreements and higher-priced items could contribute to lower total online revenues, as projected in the report. Brick and mortar sales are projected to undergo an even greater decrease because of the economic uncertainty triggered by the corona virus outbreak, which is expected to contribute to E-commerce garnering an even greater share of total retail sales globally.

Most people are coming to terms with the reality of our interconnected world and how difficult it is to temporarily separate from each other. One of the responses we see in the world today is the changes to the shopping behavior. From bulk buying to online shopping. People are changing what they are buying, how and when. The pandemic has created a shift in the way consumers behaves and carry out their activities, directly affecting the e-commerce industry. Based on the research before covid-19 outbreak, it was predicted that he growth in the e-commerce market in the world would reach 200billion us dollars by the year 2026.

The ecommerce sector is being impacted on the supply as well as the demand side and while companies are able to adapt and respond to the changes, others are not able because of the nature of limitations that have been imposed. Another major problem is the shortage of staff which makes it difficult for companies to attend to orders. Online stores like the jumia and Ali express has reported that they only have access to50% and 60% of the total staff respectively, due to the pandemic and hence can only meet online deliveries at a reduced frequency which has put pressure on the availability of slots for consumers. For instance, Amazon has suspended deliveries of certain goods and only restricted deliveries to essentials in light of the staff and logistical crisis ensuring as a result of the lockdown. On the other hand, there are many Business to Business services that have being launching new platforms in the era of health care, delivering goods ranging from essential medical care supplies to even ventilators. Many retailers dealing specifically with essential goods have witnessed a boom in business. Companies engaged with health care facilities believe that people are indulging in regularly monitoring the health and fitness of their families, leading to these businesses having higher engagement with customers. with the advance of the disease, the population is encouraged to stay at home in order to mitigate the contagion. This will eventually increase digital reliance, as delivery services are the best alternatives to shopping for goods while also avoiding crowded spaces. there have been surges in Amazon searches for products such as hand sanitizers and antibacterial soap, to avoid going to stores, consumers especially the elderly are more willing to purchase online, even if this means an extended delivery time

E-commerce businesses are also improving amid the lockdown to stay afloat. Online food ordering and delivery platforms like jumia pay, where the e-commerce company also encourages digital payments over cash, which can be conduit for the spread of corona virus. With its unrivalled network of partnership with almost 20 quick service restaurants and kitchens jumia food can reach millions of employees in their offices or those that may prefer to continue to work remotely from home. Jumia ‘countless delivery’ ensures safe doorstep delivery agents in protective wear without close physical contact with customers thereby reducing persons to person transmission and also, swiggy has introduced contactless deliveries to allay heightened apprehensions related to hygiene that exist right now. Beside these new platforms, gaming and over the top (OTT) media are booming as screen times of people have risen exponentially. For example, Netflix, online steaming services has reportedly added a whopping 15.8 million paid subscribers in the first three months of 2020 which coincides with the initiation of the lockdown and social distancing in various part of the world.

Also, the supply and shipping chains have been significantly affected by the lockdown in china as Alibaba CEO (Daniel Zhang) has warned. Even before the virus spread to other countries, business worldwide faced a number of problems due to the outbreak in China as at then.

Businesses that import products from one of the largest suppliers in the world have faced stock problems. Leaving many of their own clients limited unattended. E- commerce businesses have also faced difficulties. Since the products are shipped directly from China. And also the delivery due date has been affected.

The pandemic restrictions have impacted the RTM adopted by most of the companies. Given the restrictions it has been challenging for companies with essential products who are still open to move their products through the wholesalers in the market, some of whom close. Also the retail route is also challenged due to transportation constraint and limited visibility of open retail outlets

The most significant change during and after the covid-19 crisis will be the surge in e-commerce. Consequently, there will be a need for organisations to maximize e-commerce potential and logistics. The ability of the FMCG’s to leverage the integration of delivery services providers within the retail sector will be a game changer.

The covid-19 pandemic has also impacted power of consumers in the short and mid-term. There have being increased demand arising from panic buying of essential items at the expense of non-essentials while it is expected that the economy will fully reopen within a year, based on experiences in other countries such as china, there is a risk that in discretionary spending is likely to be low. The increased demand for essential goods has resulted in a price spike. On the other hand, companies producing non-essential items may have to provide incentives such as price discount to spur discretionary spend.

The e commerce in various regions such as North America, Europe, Asia Pacific and the rest of the world are impacted by the novel COVID 19 pandemic. The countries in which most cases recorded include Italy, Spain, France, and Germany in Europe and China in Asia-Pacific. China’s giant e-commerce service provider Alibaba has struggled to sustain growth rates during an economic slowdown in its domestic market and faced with the uncertainty of the coronavirus outbreak.

Key companies getting affected in the market include Alibaba Group Holding Ltd, Amazon. com, Inc , Qoo10 Pte. Ltd JD.com Walmart Inc, shopify , Rakuten Group, and eBayInc , and others. For instance, Amazon made some heavy investments in oneday shipping that aren’t compensating off quite yet. In 2019, its net income fell by 26% and shipping costs rose by 46%. The coronavirus pandemic affects Amazon’s profits throughout the first half of year 2020.

 As people are making buying choices based on new and ever- changing global and local circumstances. As it becomes even more clear just how infectious COVID-19 is. some shoppers have raised questions about receiving their online orders. Experts are finding that the virus can live on surfaces from three hours to up to three days, depending on the material. It is likely that COVID -9 would survive on your purchased items from the time they were packed to the time you receive your package (especially in the slowdown in the delivery system). And shipping conditions make a tough environment for COVID-19 as well, so it is not likely you will be exposed via the package itself.

 According to the CDC, there is likely very low risk of spread from products or packaging that are shipped over a period of days or weeks at ambient temperatures.’’ The CDC’s statement refers to packages that have been in shipment for at least several days and did not come into contact with any sources of contamination after packaging.

The World Health Organization addresses the concern as well, by saying that it is safe to receive packages from locations with reported COVID-19 cases. From their website “the likelihood of an infected person contaminating commercial goods is low and the risk of catching the virus that causes COVID-19 from a package that has been moved, travelled, and exposed to different conditions and temperature is also low.