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# The impact of coronavirus (Covid-19) on E-business in context to India

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### Abstract

The key proposal of the Research is to determine the impact of Coronavirus (Covid-19) on the online business in India. Coronavirus, one of the deadly known viruses has already taken the lives of many in almost half of the country. This means that the company's economy growth has lowered down. It has almost shaken all type of business either traditional or E-commerce on a massive scale. In this paper, we are going to determine the impact of Coronavirus on E-Commerce business as well as how at hand progress in e-commerce they may have an effect on client behavior in future. Along with it, this research paper would provide some insight about the barriers arises into E-commerce business during or after the pandemic.

**Keywords:** Coronavirus, E-business, barriers in E-business, consumer behavior

### Introduction

E-Business stands for the electronic business and caters (serve) to exchange of merchandise, services and data via Internet. E-Business also considered as E-Commerce refers to that form of online business which is done through electronic mode via Internet. It includes the whole online method of developing, marketing, selling, delivering, serving and paying for products and services. The websites and web portals are the meeting places for Producers and Consumers. Electronic media also helps in doing payment through debit card, credit card and other electronic mechanism.

The Electronic Interchange of Data (EDI) is considered as an early stage of E-Commerce development. In 1960s, a collaborative effort between industry group yields the first group of data interchanged, which was only for purchase, transport and Finance. In 1970s, Global data for electronic data interchange have been set, and then have been well developed in early 1990s to integrate information among large organizational parts. In August 1994s, the First business transaction was conducted across the internet in USA (Feigenbaum parkes, and pennok, 2009).

E-Commerce has become most popular in the last decades. While considering the E-commerce business Amazon and Alibaba, have become leader and continue grows. However, in today's scenario many businesses provide their services with the help of E-commerce. It helps to provide new information to consumers, providing consumer's feedback to producers and helps to producer in online advertising and marketing. Today a number of companies provides their services through Electronic Commerce and removes the difficulties faced by producers, wholesalers of direct physical contact with consumers. E-commerce business offers wide opportunities in developing countries Like-India. Accessibility to E-Commerce is a necessity not only for urban areas but also for rural areas. Now in this endemic situation The E-Commerce sector is very useful for business organizations and has a lot of growth in the near future also.

### Classification of E-Commerce on the nature of Participations

The two most common participants in the e-commerce are business and consumer. Based on these participations we can divide into four e-commerce types:

- 1. Business to Business (B2B Commerce):** In this type of business, both the participant is business. It means that, one is producer firm and the other is supplier firm. Under this model, the price of the product is based on the quantity of order. example of B2B online trade platform is Udaan- which is used for connecting the small and medium size manufacturers with online retailers.

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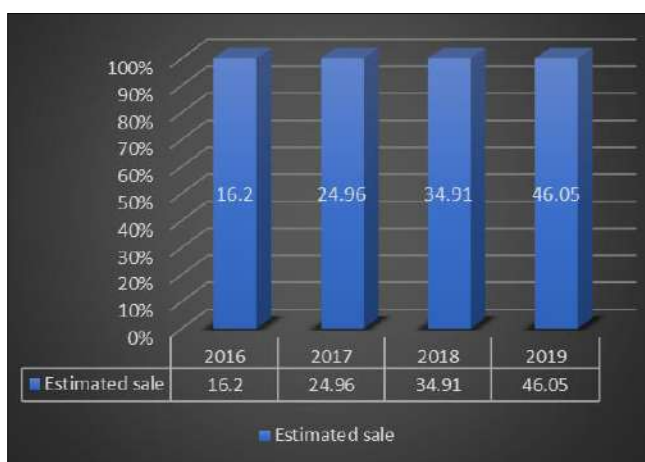
2. **Business to Consumer (B2C Commerce):** In this type of business, one party is Business firm and the other party is consumer. These organizations have their own websites on which their products are displayed. Example: - Snapdeal.com, Amazon.com, flipkart.com are the leading companies which are performing through B2C model.
3. **Consumer to Business (C2B):** Consumer to business model is a new type of model of E-commerce in which a consumer provides goods and services to business organizations. Internet forums and blogs are used in C2B model through which consumers provide their ideas or products to businesses.
4. **Consumer to Consumer (C2C Commerce):** In this type of Business, Both the parties are consumer and who sale the goods to another consumer. OLX website is a common example of C2C model in which a consumer purchases a product from another consumer. Other examples are like cloudacar.com, quickr.com

**Present status of E-commerce sector**

Indian economy is the fastest growing economy in the world. Indian market has a huge scope for the growth of e-commerce business in India. According to an estimation, it is found that The Indian e-commerce industry is expanding continuously and it is expected to cross the USA to become the world’s second market till 2034. The maximum (70-75%) ecommerce businesses are dealing with smart phones and appliances. The e-commerce is expected to increase by USD 9 billion from USD 46.05 billion in 2019. The companies like Amazon, Facebook-Reliance are investing in e-commerce businesses. This advancement will increase employment, revenues (exports, tax collection etc.)

**Table 1:** Table Showing Retail Sale in India

Year	2016	2017	2018	2019
Estimated sales	16.2	24.96	34.91	46.05



**Fig 1:** Estimated Sale

**The Coronavirus (COVID -19) impact on E- commerce sector**

The history of e commerce is very initiative in India and government initiatives are also very helpful in the growth of E-commerce. Every sector faces a lot of problem during this pandemic and electronic commerce sector has also grape under this crisis because the Indian government imposed its 1<sup>st</sup> lockdown on 22<sup>nd</sup> march,

2020, which become obstacle for e-commerce sector to perform it business operations regarding manufacturing and movements of goods.

According to the Industrial report, it is estimated that e commerce sector in India lost US \$ 400 million in a week due to this virus.

After getting approval from central and state government, E Commerce operations are getting started and government provide authority to take only order of essential goods and services. Due to less demand and disrupted supply the e commerce sector predicts less growth as compared to normal situation, but with the help of good policies companies renovates their business.

Novel coronavirus which causes an extremely affected disease affected more than 10 lakh people in India. Since it spread through a contact with another infected person, or once by touch the surface that has the virus on it. This has exaggerated online shopping usages. In India, it has led to increase in the number of First-time users who done online shopping. In lightweight of this heavy load on website the company inform to its customers by displaying a message on site that “Please try again in few hours” due to overdemand of essential goods arises due to lockdown situations.

**Literature Review**

**1. Article entitled “E-Commerce in India- A review”, (2013):** “In this article an attempt is made to study the present status of E-Commerce in India, analysis the present trend of e-commerce in India and examine the barrier in India.”

**2. Research entitled, Influence and development of e-commerce on accounting (2017):** “The difference in the development of accounting under e-commerce.”

**3. According to Deloittee Report:** “85% of the Retail sale were increase due to Covid 19 pandemic. A huge shift in the US has been in the Grocery shopping market. In March, 2020 42% consumer shopped for grocery online during pandemic.”

**4. According to survey On Indian online shopping behavior conducted by Rakuten Insight in May 2020:** “About 59% of the respondent said that, they purchase online during pandemic.”

**5. According to the International Journal of analytical and experimental model analysis:** “Overall sale of walmart grocery increased to 74% during pandemic. In India, it led an increase in number of first-time users who done online shopping.”

**6. According to Journal of Vikram P. Bhalekar, SSRI’s ASC College:** “Indian prefer maximum Cash on Delivery and believe that offline store is more reliable and better accessibility than open market. During the pandemic customers are not looking for style or footwear so many companies restrict their service.”

**7. According to Journal published by Reetu Punia, College of hishar**

- Net Income of Amazon company during 1<sup>st</sup> quarter is \$3.6 billion decline to \$2.5 billion in 2<sup>nd</sup> quarter of

2020.

- Net income of Flipkart during 1<sup>st</sup> quarter is \$ 3.84 billion Increase to \$3.99 billion in 2<sup>nd</sup> quarter of 2020.
- This Decrease to increase trend shows that after unlocking the e-commerce sector become helpful for reaching the customers.

**8. As per Research conducted by Revista Universo Contábil:** “New Challenges of Accounting And Auditing In E-Environment in India (2009)”, “The author discusses the issue arises by Accounting professional in e-commerce while accounting and auditing are as:

#### Accounting issue

- Should the cost of website development be expensed within the year like revenue expenditure or capital expenditure?
- Issue of cost of operation of a website treated either revenue or capital?
- Depreciation arises in hardware or software for a long term and short-term use, either they should be written off on their useful life or should be expensed in the year which incurred?

#### Auditing Issue

- Security issue in e-commerce like manipulation of information disclosing it to unauthorized person.
- Lack of internal control issue arises due to leaving no trace on electronic data and lack of efficient and effective accounting restraint.

**9. As per UNC Journal of student research in accounting issue:** “Mainly point out the legal issue arises during e-commerce business that protection of sensitive customer and supplier transaction. Also, to a lack of clear information on the term and condition of a contract and uncertainty related to setting the issue arises during online payment. A “Trust gap “arises between customer and the seller arises that “what users wants and what market palace provides.”

**10. As per Journal of Korean law, Volume:04:** “Taxation and tax structure is another issue which is mentioned under this report that, since e-commerce business expand the tax system of India are more complex than other countries like USA and UK. Due to this the world needs an entirely new International Tax regimen for technology progress and distributing its fruit in a new equitable manner.”

**12. As per Journal of V. Nivethitha (2020), in this journal mainly focus created on the barriers arises in E-commerce after pandemic like**

- a) Poor internet facility in Rural area
- b) Logistic and supply chain facility in remote area
- c) Trust issue in online purchase
- d) Cash on delivery payment rather than digital payment.

#### Research Objective

The main aim of this research is to find out the new and unique thing from the universe. Though, each study has some specific purpose and objectives, following are the main objective of this research are as follow:

1. To examine the present trend of e-commerce in India and study the importance of this sector after pandemic situations.
2. To examine, how is a virus affecting the buying

behavior of consumers in India regarding the online product?

3. Does the e-business also face the effect of coronavirus (Covid-19) in India?
4. How to overcome from the issues of E-commerce and Accounting professions which is going through the time?

#### Research Methodology

It constitutes the blue print for the collection, measurement and analysis of data. The study will be based on the data collected both from online and offline mode through the survey of journal, previous research and interviews considered as secondary data.

The target audience would include accounting professionals, Consumers, IT developers, Managers and leaders from different sectors of corporate world, academic and startups.

#### Conclusion

The Research paper comprises of the Impact of Covid-19 on Online business in India. On analysis, it is found that online business is seriously hampered due to coronavirus. The imposing of lockdown in India for a long period of time affect the logistic facility, server facility in remote areas. Due to Pandemic the taste and preference of Customer (consumer behavior) get changed and they shifted to consumer goods from luxuries goods and due to these sales of the sector get affected badly, which lower the economy of country. For boosting e-commerce sector, the Indian Government provide various initiative like Digital India, Mahila-e-haath program, Allocation of Rs.6000 crore for Bharat Net program to connect village panchayat with High broad band Network, but with all this initiative and measures, this research can help the e-commerce sector regarding covid-19 with every possible outcome. This will help to improve the trading situation of India along with world by finding new and innovative outcomes.

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