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TRENDS FOLLOWED BY E-COMMERCE COMPANIES DURING COVID-19 PANDEMIC IN INDIAN CONTEXT

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ABSTRACT

COVID-19 Pandemic is still wreaking havoc across entire world causing damage to lives, economies, and a lot of industries. Some of the worst hit industries are Aviation, tourism, hospitality, retail, finance etc. which are struggling with a number of unseen challenges and changes posed by this pandemic. Due to the outbreak of this global pandemic, Governments as a primary step has announced "lockdown" in initial and complete stages. Till date, the government have directed the "Unlock" process with proper guidelines and concerns which are still required to be followed by us not only in India but in other Nations to. Since "Stay at home" and "Social Distancing" were the major tools during the lockdown process, it was really tough for the people to sustain as there were "panic buying" conditions for essential items which were created all over the local markets, ultimately leading to sudden out of stock conditions. This also created a shift to the consumer buying behaviour towards online purchasing for basic essential products. People attempts to approach online websites for the same. During the time, the government has allowed the E-commerce companies to deliver the essential items with proper guidelines and restrictions. It was surely difficult for the e-commerce companies to manage in such situations. The purpose of this paper is to study the trends adapted and enlist various steps taken by E-commerce companies so as to serve the consumer during the lockdown period in India. The paper is solely rooted on Secondary source of information.

Keywords- COVID-19 Pandemic, Lockdown, Unlock, Panic buying, E-commerce Companies

1. INTRODUCTION

Corona Virus / COVID-19, a severe acute respiratory syndrome Corona Virus 2 (SARS-CoV-2) got its first outbreak in Wuhan, China in December, year 2019 and has now turned into a havoc across

the world. The very first case in India was reported on January 30, 2020 in Kerala, which has multiplied its figures into million worldwide. Considering the exact statistics till date, than there is a total of 22.07 million corona virus cases, resulting in about 778,108 deaths. The positive out of this is that there are about 14.81 million cases columned as recovered. In India, the reported corona virus cases are 2.8 million, about 51,955 deaths, and near to 1.97 million recovered cases, registered as per August 16, 2020.

In response to this dreadful global pandemic, the government has announced for the "Lockdown" process all over the country, since "staying home", "Social distancing" were the only preventive measures which could be enforced during the initial outbreak of Virus. The term LOCKDOWN can be defined as the state where people are required to stay wherever they are, they are not allowed to move freely. "Stay at home" and "shelter in peace" are often referred as lockdown.

In India, after the 14 hours voluntary public curfew which was held on 22nd of March, 2020, the government on 24th March has announced for a Nationwide Lockdown, affecting a population of 1.3 billion people for a whole of 21 days. The lockdown was extended on 14th April till May 3rd, again to be continued till 17th May with minimal relaxations. In Madhya Pradesh, the Lockdown was extended till the end of Month May 2020 as per State Governments orders.

The government started to "Unlock" the country from 1st of June, in different stages. The country at present is under Unlock-3 stage and soon is wished to get restriction free.

Since "Stay at home" and "Social Distancing" were the major tools during the lockdown process, it was really tough for the people to manage as there were significant "panic buying" conditions which came into notice for the purchase of essential items which were created all over the local markets, ultimately leading to a sudden out of stock condition. This also created a shift in the consumer buying behaviour towards online purchasing for basic essential products. People attempt to approach online websites for the same.

During that time, the government in the month of April did allowed the E-commerce companies to deliver the essential items with proper guidelines and restrictions in some selective zones (green and orange zone). It was surely difficult for the e-commerce companies to manage in such situations. In spite of such strenuous circumstances, Companies like Flipkart, Amazon India, continued to serve the consumers with proper sanitization procedures, sanitized supply chain, social distancing, cash free payments, etc.

As of now, the e-commerce companies are working rigorously to get back in action by offering price drops, attractive sales and discount offers, since almost all products are under delivery status, except for the areas under red and containment zone. The e-commerce companies are strict when it comes to proper obeying of guidelines and safety measures, and are trying to give their best.

For the purpose of serving consumers across the country during the lockdown, the Ecommerce companies adapted few changes and some immediate actions so that they can fulfil the orders on time placed for essential products and groceries items. The focus of this paper is to study the trends adapted by E-commerce companies and enlisting the various steps taken by them so as to serve their consumer base during the lockdown period in India.

2. OBJECTIVE OF THE STUDY

The objective of this paper is to study the trends followed by the E-commerce companies during the COVID-19 pandemic in Indian Context.

3. LITERATURE REVIEW

- **Dr. Jain Neelu & Nakhate B Subhash (2020)** in their research paper ***"The effect of Corona Virus on E-Commerce"***, have discussed about the effect of Corona Virus on Electronic Commerce with special reference to Maharashtra State. In the paper the author discussed about the COVID-19

pandemic, its origin, and its spread in India, specifically in cities like Mumbai and Pune belonging to state Maharashtra. The research paper emphasis majorly on the effects of Corona Virus over the E-commerce companies, the negative impact on the retailers during the lockdown and also have talked about the necessary initiatives which were taken by the government for preparing guidelines for the e-commerce companies to serve during the lockdown period. For the study, both the primary and the secondary data were used. The research revealed that there were various issues observed during COVID-19 lockdown period mainly the issues related to supply chain, logistics, limited and delayed Deliveries, challenges faced during managing the stocks within fulfilment centres, shortage of delivery personnel and staff. Thus, it is concluded that COVID-19 Pandemic has seriously hampered the online business and also have lowered the growth of online e-commerce companies in India.

- **Pingle Vishwanath Pratiksha (2020)**, in her research paper **"COVID-19 Pandemic: Positive consequences"** have thrown light over the positive consequences of such pandemic. The researcher in her research have Identified few sectors which have shown a positive graph with reference to customer's changing perception and acceptability towards new technology and changes. Secondary source of data is employed for the purpose of study. The sectors which are identified are E-commerce industry, online grocery retailing, health care and online teaching platforms. Also, the researcher has talked about the transformation of India towards "Digital India". The author suggests that it will be more beneficial if we focus on the upcoming opportunities rather than worrying about the situation. The paper mentioned that during the lockdown when it was difficult to visit shops and malls which lead people to rush towards online shopping sites for purchasing necessary goods. Due to strict lockdown, schools and colleges were all shut down for unknown period thus; online teaching platforms applications such as Google meet, Zoom, WebEx were used for continuing sessions. The author has considered the online grocery retailing as an emerging industry wherein have talked about "Bharat Market" a national ecommerce market place launched by CAIT.

- **Dr. Saraswathi Moorthy, Shetty Devaki (2020)**, their research paper **"A Study of the Economic impact of COVID-19 on the E-commerce Companies in India with reference to Amazon and Flipkart"**, exposed the economic impact of COVID-19 Pandemic on E-commerce companies in India. The researcher has considered Amazon and Flipkart under their study. It has been observed that during the lockdown phase apart from essential good and agricultural products rest all businesses were standstill. The e-commerce companies in India were allowed to sell the essential products only as per the Government guidelines. The paper also explains the preventive measures adopted by Amazon and Flipkart during the Lock down period. For the purpose of study only secondary data was used. The paper concludes these two e-commerce giants have taken various steps such as distribution of protective masks, insurance cover, protective gears, disinfectant sprays, income protection plans etc for their delivery agents so as timely delivery can be made and to run other operations timely.

4. LIMITATIONS OF THE STUDY

Following are some limitations observed during the study-

i) The study is solely based on secondary source of data, since primary data collection was very difficult during such situation.
ii) In the paper, only Trends and various measures followed by the e-commerce which were taken during lockdown period have been discussed.

5. RESEARCH METHODOLOGY

Only Secondary source of information is been used for the purpose of study. The Secondary source of data includes the previously published research papers, online news articles, official websites of selective companies and blogs.

6.   TRENDS FOLLOWED BY E-COMMERCE COMPANIES DURING COVID-19 PANDEMIC-

Due to the practices such as "Staying home", "Social Distancing" etc., which were enforced by the Indian Government, suddenly created a panic among the people which ultimately led to "panic buying" of essential commodities and thus also created a speedy out of stock situation in local dime stores and nearby shops. Many retailers and consumer goods outlets experienced that their average daily sales got more than double on 19 March, before the first lockdown, as consumers rushed to buy essentials. In response to this, the government assured the citizens that, there will be enough food and ration supplies and advised them against panic buying.

These conditions created a shift of consumers towards the online retails. At the initial stage of Lockdown, the e-commerce websites were under government restrictions completely, which unfortunately created a hold on all prior ordered items, no new orders, and even led to auto cancellation and refund of pre-paid orders. The websites clearly mentioned that due to corona virus pandemic, all the activities are kept on a hold.

But, in a later phase, the Government issued a notice allowing the E-commerce companies to deliver the essential items only, with proper obeying of guidelines. Recently, the guidelines are revised, and the e-commerce companies are allowed to resume full operations in all parts of country except the Red zone and the containment areas.

It was a challenge for e-commerce companies to sustain in such critical conditions. But in order to overcome this panic and to serve their consumers, these companies adopted some immediate trends and steps to keep working and facing the challenges.

Some of the leading E-commerce companies are discussed below with their recent adaptations and trends followed by them during lockdown period in India.

1. Flipkart-

When the supply chain management, logistics, warehouse, and operation hub were all standstill, it was gargantuan task for team Flipkart to plan, find solutions and launch quick fire solutions to over 250 million customers, staff and the seller community of Flipkart.

Flipkart considered this pandemic situation as an opportunity and thus their "Program Management team" leveraged technology to serve the consumer base amid COVID-19.

The trends adopted by Flipkart are as follows-

- **Consumer Centric thinking-** Being consumer centric was the crux for all the solutions, the ideology behind every innovation here has come up with a single goal .i.e; to meet the consumers need by providing the essentials as soon as possible. Safety and hygiene were the parallel priorities, though.

- **Cashless, Contactless, Convenient** serving- The triple "C" here means to focus on a safer side of payment transactions. Receiving payments through debit/credit cards, online wallets, or net banking could reduce the give and take of cash. Thus, during the time of delivery, there would be lesser contact in between the delivery agents and customer. This was Flipkart's **"Contactless payment model"**.

- Making **Kirana stores go digital-** In order to meet the increasing demands for essential commodities, during lockdown, Flipkart on-boarded more kirana (neighborhood grocery shops) all across India as a last mile solution. Wish masters and other delivery agents were instructed to pick the items from kirana and to get them delivered at customer's doorstep.

- **Supplying of Groceries**- Flipkart introduced groceries under "Grocery lite program", everything from listing products online to getting products delivered and payment options

were all revised again. Before Lockdown, groceries via Flipkart were available in selective cities, but as the pandemic deepens, Flipkart expanded its "**Grocery Delivering Model**" to reach out more and more consumers.

- **Partnering with Vishal Mega Mart in 26 cities -** Vishal Mega Mart, a modern retail chain store joined hands with Flipkart for essentials delivery initially in 26 cities, the wish masters were asked to pickup the products from nearest Vishal stores and get them delivered at doorsteps of customers.

- Partnering with **Meru**, one of the cab operation apps in India and **Uber** for deliveries of groceries and essential commodities was also an innovative idea. This is under the "Model of Collaboration" hence, this approach helped Flipkart to fulfill promised deliveries.

- Flipkart tie-ups with other **Courier Partners** apart from self owned E-kart was also helpful as a last mile delivery option.

- **Supply chain and warehouse**- More than 3000 awareness programs for more than 100k employees were organized by Flipkart on how there can be a minimal exposure while keeping in mind the simple precautionary measures. Wish- masters were provided with alcohol based sanitizers and face masks.

- New **Insurance protection** and **Incentive policy** was introduced specifically for the supply chain partners, Kiranas and freelance delivery executives, to safeguard them against the impact of COVID-19.

2. Amazon India -

- Free **COVID-19 Health insurance for its Seller** - A complete free of cost health insurance was announced by Amazon on 27th of March for its sellers in India. The insurance is a cover for all expenses related to COVID-19 hospitalization and treatment also the ambulance and CU assistance worth up to 50,000 NR, with a validity of one year from the date of policy.

- **Encouragement to 6 Lakh retails and MSME's on Amazon market place** - As soon as the government allowed the e-commerce companies to start delivering products, enabled over 6 Lakh retailers and MSME's to get back on work and thus helped a little in reviving back the economy.

- **Announcement of COVID-19 Supply stores** - Amazon India announced the COVID-19 Supply stores to provide easy access for businesses to purchase Covid related supplies on Amazon. These stores were specifically curated to provide instant access to medical supplies and safety. The stores had a wide range of items such as N-95 masks, surgical masks, sanitizers, PPE Kits, face shields etc. These stores were purposely opened for frontline organizations as the healthcare and government organizations.

- **Special Delivery Services in Containment Zones in Mumbai in Collaboration with BMC-** The delivery services in containment zones in Mumbai were synergized by Amazon collaborating with BMC, Mumbai. This initiative helped in supporting the residents of containment zone who were facing serious trouble during the lockdown restrictions.

- **Amazon Pay Later service** - As Flipkart, Amazon also launched a pay later service that is basically a virtual credit facility for customers. This service offers the customers to buy now and pay later the amount in subsequent month without any additional charges.

- **Amazon India partnership with Indian Railways -** Amazon India strengthens its partnership with Indian Railways to get ease in Freight movements. This initiative helped Amazon to get smooth transport of consignments via rail across country. The e-commerce giant leveraged the COVID-19 Parcel Special Trains, which were introduced by Indian railways to ramp up the

operations to 55 lanes during the lockdown period. This particular step taken by Amazon was a boost to its delivery network and also helped their business running.

- Amazon also I**ntroduced "Local Shops on Amazon"** which can be framed as a new beginning for offline retailers to sell their products across India.

3. Snapdeal-

- **Partnering with MedLife** - India's one of the largest E-health platform MedLife, announced its recent partnership with Snapdeal, one of the top value retailer enabling users to order medicine and also full body health checkups and curative diagnostic tests all through Snapdeal. This collaboration covered more than 400 cities in Bharat.

- **On-boarding 52,000 merchants in Uttar Pradesh** - As the need of hour, medium and small retailers are also trying to think out of box. Seeking for the chance for growth, Sellers from UP, India are now using online platform. These sellers offer a large variety of women apparels, watches, personal care items and home decors etc.

4. Nykaa-

- Nykaa, one of the leading Indian beauty store which operates both online and offline, also was under a dip in the Month of April due to lockdown and restricted deliveries. Nykaa here identified an opportunity and started selling the essential commodities with a bit longer delivery timelines. Products offered by Nykaa were mainly sanitizers, sanitary napkins, face masks, hand disinfectants etc. which definitely was an inventive initiative.

7. CONCLUSION-

COVID-19 is the most marked topic of year 2020, putting million of lives, economies and businesses on risk. The governments from all directions are applying tactics, strategies to bring a hold over situation. Scientists and medical experts are working continuously to develop an effective vaccine to combat this deadly virus. As of now, more than 30 vaccines are under human trial phase. The fight is still on. Seeking opportunities in bad times is the need of the hour. Considering the Indian E-commerce industry, which was one of the most affected sector in India due to the Lockdown is constantly struggling for its come back. E-commerce giants such as Amazon, Flipkart and others followed some new trends and initiatives to cope up during the hard times. Introducing new models, collaborations, working best at the customers end was surely challenging. There is no doubt that the sector was worst hit by the pandemic but it is reviving back itself is also a reality. Even during unlock, when the retail outlets are open, a huge amount of population is avoiding physical shopping and thus prefers to shop online. Not even essentials, but the demand for Big ticket items, work from home essentials, apparels, electronics etc. are also added in to the cart. As per a recent poll, conducted by the BCG i.e. Boston Consulting Group, near to 35 percent to consumers said that they would prefer online shopping rather than physical shopping. And about 54 percent of crowd expressed that they would avoid visits to shopping malls and overcrowded places.

One of the team members of Flipkart's Program Management team stated that "COVID-19 Crisis forced them to come up with many innovations, trends and fast track solutions to keep serving". He also stated that digital penetration and faith of people helped them a lot here.

Thus, the paper concludes that in spite of such difficult conditions, the E-commerce companies found a way out to serve their customers during lockdown restrictions by providing them the essentials at their doorsteps that too in a safe and hygienic manner and also are looking forward for more such synergistic approaches for the upcoming future.

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