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# THE INFLUENCE OF E-COMMERCE AMIDST THE PANDEMIC: EXAMINING ITS IMPACT ON INDIA

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### **ABSTRACT**

E-commerce platform is considered to be the most preferred way for buying and selling of goods and services. It is not just for big companies it also includes small companies and startups. Ecommerce is also called electronic commerce. It has made its way up, especially during the pandemic. Numerous people have lost their lives during pandemic to the deadly coronavirus. COVID-19 was something that the world hadn't experienced before, E-commerce made people's life easier. E-commerce has mostly overtaken traditional retail in most of the countries, People adapted the shift from going to supermarkets, malls, and local grocery stores to fully digitalize the market segments of the country. The main rationale behind this is the Covid-19 outbreak in the world. Other reasons for the shift from traditional shopping to e-commerce include a lot of variety and choices available to consumers, low prices, Innovation, selecting products at their fingertips from around the globe, and doorstep delivery. E-commerce has escalated over the years as people mostly buy online be it goods or services. Over the years E-commerce has become a boon for consumers whereas it has become a bane to the traditional market at large. Covid-19 has impacted customer behavior, the standard of living, consumption patterns, and volume of sales. Because of covid-19 E-commercebusinesses did experience certain difficulties that were not anticipated in the past. Most ecommerce companies also boomed and there were massive opportunities for the new entrants in the market. The pandemic has forced E-commerce business platforms of all kinds to adapt and change to sustain in the market. Technology plays a significant role in benefiting both buyers and sellers. Many businesses undergo notable modifications rather than ceasing or taking a break during hard times like the pandemic to

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survive and also change the nature of business with the aid of technology. E-commerce focuses not only on tangible products but also services like online education platforms, the Porter industry, the healthcare industry, and many more. The Digital India initiation program of the government of India was not that effective before the pandemic but rocketed up during and post covid. E-commerce acted like a weapon for people during the pandemic. People have opted for online shopping due to social distancing, and curfew but people are continuing to opt for the same post-COVIDcovid and it shows that the impact is too huge as it was convenient for both the suppliers and buyers. Consumers explored customized shopping experiences and contactless payments in the e-commerce industry. People sought help from e-commerce to fulfill both their needs and wants because of the lockdown. The pandemic was a blessing for many industries like food, grocery, and medicine, and other industries like travel, real estate, the entertainment industry, and the print media industry faced challenges. E-commerce expansion was ascended during covid-19 which also served to structure the industry's terrain. This article examines the impact of e-commerce during COVID-19,the boon and the bane, the change in demand, the behavior of consumers, the evolution of the market, and the aid of technology.

#### INTRODUCTION

The COVID-19 pandemic of 2020 brought unprecedented challenges and disruptions to the Indian economy, with many businesses forced to close their doors and consumers unable to leave their homes. However, e-commerce has emerged as a lifeline for businesses and consumers during this difficult time. The Pandemic has led to several changes in consumer behavior, including an increased willingness to shop online. This is due to several factors, including the convenience of e-commerce, the wide range of products and services available online, and the competitive prices offered by e-commerce retailers. The growth of e-commerce during the Pandemic had a positive effect on the economy of India. E-commerce has helped to maintain economic activity by enabling businesses to reach consumers who are unable to leave their homes. E-commerce has also created jobs in the logistics, customer service, and marketing sectors. In addition to the economic benefits, e-commerce has had several social benefits during the Pandemic. E-commerce has helped to ensure the availability of essential goods and services,

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such as groceries, medicines, and personal care items. E-commerce has also helped to reduce the risk of the spread of the virus by minimizing the need for people to leave their homes. In this discourse, we delve into the multifaceted impact of e-commerce during the Pandemic in India, exploring how it not only served as a vital lifeline for consumers and businesses but also reshaped consumer behavior, redefined retail strategies, and set the stage for a more digitally empowered future. This transformative period serves as a poignant reminder of how e-commerce has become an indispensable facet of India's retail landscape, and its significance is poised to continue evolving in the post-pandemic era.

# **CONCEPTUAL FRAMEWORK**

Definition of the term E-commerce

Investopedia directly defines the term "Electronic commerce" as Electronic commerce (e-commerce) refers to companies and individuals that buy and sell goods and services over the internet. E-commerce operates in different market segments and can be conducted over computers, tablets, smartphones, and other smart devices.<sup>2</sup>

Definition of the term Pandemic

Investopedia directly defines the term "Pandemic" as an outbreak of infectious disease that occurs over a wide geographical area and that is of high prevalence. A pandemic generally affects a significant proportion of the world's population, usually for several months.<sup>3</sup>

**Economic Impact** 

The Pandemic has led to a surge in the adoption of e-commerce, as consumers have shifted to online shopping to avoid physical stores and comply with social distancing measures. This has resulted in a significant increase in the revenues and profits of e-commerce companies in India.

Sales and Revenue: Changes in e-commerce sales and revenue during the Pandemic.

3https://www.investopedia.com/

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<sup>&</sup>lt;sup>2</sup>https://www.investopedia.com/

During the COVID-19 pandemic in India, the e-commerce landscape experienced significant and dynamic shifts in sales and revenue. With the imposition of lockdowns and restrictions on physical retail, there was a notable surge in e-commerce sales as consumers increasingly turned to online platforms for their shopping needs. This surge was particularly pronounced in essential categories, including groceries and healthcare products. However, as the Pandemic persisted, there was a diversification in consumer behavior, with a rebound in demand for non-essential goods like electronics and fashion items. Small and local businesses, many adapted to e-commerce, witnessed both opportunities and challenges. Supply chain disruptions, affecting product availability and delivery, influenced sales patterns. E-commerce marketplaces, acting as intermediaries, experienced substantial growth. Government initiatives promoting e-commerce and digital payments also played a role in shaping sales and revenue trends. The Pandemic catalyzed a profound transformation in the e-commerce sector, impacting businesses and consumers alike, with long-term implications for the future of retail in India.

Market Share: Shifts in market share between e-commerce and traditional retail.

The COVID-19 pandemic triggered significant and transformative shifts in market share between e-commerce and traditional retail in India. E-commerce, steadily gaining ground before the Pandemic, saw its market share grow considerably during the crisis. The restrictions on physical retail and concerns over in-person shopping drove consumers towards online alternatives, expanding the e-commerce market share. Many traditional retailers, mainly smaller and independent stores, faced immense challenges during lockdowns, leading to a decline in their market share. E-commerce's market share gain was particularly evident in categories such as electronics, fashion, and non-perishable goods.

Furthermore, online grocery shopping, a relatively niche market, witnessed substantial growth. Several established e-commerce players and new entrants capitalized on this shift. However, it's important to note that traditional retailers also adapt by integrating online sales channels, creating a hybrid model. As the Pandemic subsided, there emerged a coexistence of e-commerce and traditional retail, demonstrating the need for businesses to embrace omnichannel strategies. The dynamics of market share between e-commerce and traditional retail will continue to evolve, with implications for the future of the retail industry in India.

Employment: Impact on employment in e-commerce and related industries.

The COVID-19 pandemic had a profound impact on employment in the e-commerce sector and its related industries in India. E-commerce, being one of the few sectors that thrived during the crisis, generated new job opportunities, especially in areas such as warehousing, logistics, and last-mile delivery. The surge in online shopping led to an increased demand for workers to manage inventory, handle packaging, and facilitate speedy deliveries. Many e-commerce companies hired extensively to meet this demand. On the flip side, traditional retail, which experienced a decline in business due to lockdowns and reduced foot traffic, faced job losses and reduced working hours. Smaller brick-and-mortar stores, in particular, were hit hard, leading to layoffs and economic hardships for retail employees. Thus, the impact on employment in e-commerce and related sectors during the Pandemic was multifaceted, with implications for labor practices, job security, and the broader labor market in India.

Supply Chain: Disruptions and adaptations in supply chains

The COVID-19 pandemic induced significant disruptions and adaptations in supply chains within the e-commerce sector in India. Lockdowns, labor shortages, and transportation challenges disrupted the flow of goods, affecting product availability and delivery times. In response, e-commerce companies revamped their supply chain strategies, diversifying sourcing options, optimizing warehouse operations, and enhancing last-mile delivery capabilities. These adaptations included the adoption of automation and advanced inventory management systems. The crisis underscored the importance of resilient and agile supply chains. It prompted e-commerce businesses to reevaluate and fortify their logistics infrastructure to withstand future disruptions better and ensure a smoother shopping experience for consumers.

Consumer Behavior

Consumer behavior underwent substantial changes during the COVID-19 pandemic as individuals in India and around the world adapted to the new normal. The impact on consumer behavior in the context of e-commerce was particularly significant.

Surge in Online Shopping: With lockdowns and safety concerns, consumers increasingly turned to e-commerce platforms for their shopping needs. This increased online shopping across various product categories, from groceries and essentials to electronics and clothing.

Purchase Patterns: During the COVID-19 pandemic in India, e-commerce purchase patterns saw a distinct evolution. Initially, essential items such as groceries and healthcare products took precedence as consumers stockpiled necessities and limited in-person shopping. As lockdowns continued, a pivot towards non-essential goods occurred, including electronics, home office equipment, and home entertainment. Subscription services gained traction for their convenience and value. Health and wellness products surged in popularity, and fashion choices shifted towards casual and comfortable attire. Support for local businesses through e-commerce platforms emerged, and sustainable product purchases gained attention. This dynamic transformation of purchase patterns underscored the adaptability of Indian consumers in response to the Pandemic's challenges and lifestyle adjustments.

Trust and Safety: Amid the COVID-19 Pandemic, trust and safety in e-commerce emerged as paramount concerns for Indian consumers. Striving for hygiene and sanitization, consumers sought contactless deliveries and transparent, timely communication from e-commerce platforms. Assurance of product authenticity, secure online payments, data privacy, flexible return policies, and robust anti-fraud measures became vital in instilling trust. Customer reviews played a significant role in guiding purchase decisions. Furthermore, adherence to government regulations underscored the commitment to safety. E-commerce companies that effectively addressed these trust and safety aspects survived and thrived during the Pandemic, assuring consumers of a secure and dependable online shopping environment.

# **Technological Advancements**

Technological advancements in e-commerce during the COVID-19 pandemic in India played a pivotal role in adapting to the evolving landscape and meeting the changing needs of consumers.

Digital Payments: Contactless payment methods, including digital wallets, UPI, and contactless cards, gained significant traction. These methods reduced the need for physical cash handling, aligning with safety measures.

Logistics and Delivery: Logistics and delivery have been two of the most critical aspects of e-commerce during the COVID-19 pandemic. With lockdowns and restrictions on movement in place, e-commerce has been the only way for many people to purchase essential goods and services. This has put a strain on logistics and delivery networks, but they have primarily been able to meet the increased demand. Logistics companies have had to adapt their operations to meet the challenges of the Pandemic. They have implemented new safety measures to protect their employees and customers, and they have also invested in new technologies to improve efficiency. Delivery companies have also had to adapt their operations, and they have implemented new measures to ensure that deliveries are contactless and safe. Overall, logistics and delivery companies have played a vital role in ensuring people have access to the goods and services they need during the Pandemic.

Artificial intelligence (AI): AI has been used to improve the efficiency of logistics and delivery operations. For example, AI-powered chatbots are now being used to answer customer queries and resolve issues quickly and efficiently. AI is also being used to optimize delivery routes and reduce delivery times.

### Social Impact

The COVID-19 pandemic in India had profound social impacts on the e-commerce sector, influencing not only how people shopped but also how they interacted with technology, local businesses, and their communities.

Digital Inclusion: The Pandemic underscored the importance of digital inclusion as many people, including senior citizens and those in rural areas, adopted e-commerce for the first time. This accelerated digital literacy and inclusion.

Social Distancing Compliance: E-commerce facilitated social distancing by reducing the need for in-person shopping, thus helping to curb the spread of the virus.

Support for Small Businesses: Some consumers actively supported local and small businesses through e-commerce platforms, recognizing the economic challenges faced by these enterprises during the Pandemic.

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# **ISSUES INVOLVED**

In the world of e-commerce, the COVID-19 epidemic raised several problems. These include issues with disruptions to the supply chain, cybersecurity threats and consumer protection concerns, and the exacerbation of disparities in access to digital resources. The epidemic also highlighted how crucial it is to maintain health and safety in the e-commerce ecosystem, as well as how this affects customer confidence and behavior. Furthermore, concerns about sustainability in e-commerce operations, as well as issues about small and local firms, especially their capacity to compete in the e-commerce sector, have gained prominence.

## JUDICIAL PERSPECTIVE

The judicial perspective on e-commerce during the Pandemic has been generally positive. The advantages of e-commerce in sustaining economic activity and satisfying customer wants have been acknowledged by the courts. Nonetheless, the judiciary has additionally emphasized the necessity of implementing suitable measures to preserve the rights and welfare of consumers.

Consumer protection is one of the critical topics that the courts have considered. The possibility that e-commerce companies could mislead or swindle customers has worried the courts. As a result, the judiciary has rendered several decisions that have reinforced legislation and policies safeguarding consumers. For instance, the Indian Supreme Court recently ruled that e-commerce companies are accountable for the conduct of their third-party vendors. This decision will likely discourage online retailers from doing business with dishonest or dishonest vendors.

The topic of data privacy has also been discussed by the courts. The possibility that e-commerce companies may gather and utilize customer data without permission has alarmed the courts. As a result, the judiciary has rendered several decisions that have reinforced privacy legislation and policies. For instance, the Delhi High Court ruled in a recent case that e-commerce companies need to get customers' agreement before collecting and utilizing their data. This decision will probably discourage online retailers from gathering and exploiting customer information without authorization.

Judiciary views on e-commerce during the Pandemic have usually been favorable. The benefits of e-commerce have been acknowledged by the courts, which have reinforced consumer

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protection laws and regulations with several verdicts. The courts have, however, also made clear that e-commerce companies must take action to safeguard the rights and interests of their customers.

# **ANALYSIS**

The COVID-19 pandemic has exerted a dual impact on the e-commerce industry, with both positive and negative ramifications. On the positive side, e-commerce emerged as a lifeline for consumers during lockdowns, allowing them to purchase essential goods and services safely from home. E-commerce companies thrived, experiencing a surge in demand and, in turn, contributing significantly to keeping the economy afloat. The industry's adaptability was highlighted by implementing safety measures like contactless deliveries and social distancing in fulfillmentcenters. However, challenges emerged as well. Rapid demand growth strained logistics and delivery networks, leading to delays and increased shipping costs. Supply chain disruptions and heightened competition posed hurdles, and cybersecurity risks, including cyberattacks, became a concern. Consumer protection issues also arose, with some customers experiencing problems related to product delivery and returns. Despite these challenges, e-commerce persevered and thrived, adopting new strategies and technologies, collaborating with stakeholders to address concerns, and witnessing remarkable growth rates among major players like Amazon and Walmart. The Pandemic has underscored the resilience and adaptability of the e-commerce industry in a dynamically evolving landscape.

#### **FINDINGS**

The COVID-19 pandemic has profoundly impacted the e-commerce sector, resulting in a complex mosaic of both beneficial and detrimental outcomes. During lockdowns, e-commerce proved to be a lifesaver, supporting economic activity and meeting customer demands. By reducing the possibility of virus transmission, safety precautions, contactless deliveries, and digital payments improved public health. In addition, the industry flourished, generating job

<sup>&</sup>lt;sup>4</sup>https://www.junglescout.com/blog/walmart-ecommerce-growth/

possibilities. But there were also significant obstacles in the way: supply chains were disrupted, cybersecurity threats escalated, supply networks were strained, and concerns about consumer protection surfaced due to increasing competition. Despite these challenges, e-commerce companies demonstrated resiliency by embracing technology and working with the government. To sum up, e-commerce is still expected to flourish after the Pandemic.

## **CONCLUSION**

The COVID-19 pandemic has left an indelible mark on the e-commerce landscape, revealing its resilience and vulnerabilities. The impact has been mixed. E-commerce has benefited from increased demand and helped maintain economic activity and meet the needs of consumers. However, e-commerce has faced several challenges, including increased demand, supply chain disruptions, competition, cybersecurity threats, and consumer protection concerns. E-commerce businesses have adapted to the challenges of the Pandemic and are expected to continue to grow in the post-pandemic era. The COVID-19 pandemic has accelerated the growth of e-commerce and has changed the way that people shop. E-commerce is now an essential part of the global economy and is expected to continue to grow in the future. E-commerce businesses will need to continue to adapt to the changing needs of consumers and address the challenges they face. Governments and other stakeholders will also need to ensure that e-commerce is fair, safe, and inclusive.

#### **SUGGESTIONS**

Several essential suggestions emerge for policymakers, businesses, and consumers:

Policymakers should consider comprehensive regulations that address cybersecurity, consumer protection, and tax policies to ensure a safe and equitable e-commerce environment.

Businesses should focus on enhancing their supply chain resilience, investing in innovative technologies, and fostering sustainability practices to better prepare for future disruptions. E-

commerce platforms should prioritize data security and customer trust through robust cybersecurity measures.

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Consumers should remain vigilant while shopping online, be aware of their rights, and exercise caution in sharing personal information.

They can support local and small businesses and prioritize sustainable choices, contributing to a more ethical and resilient e-commerce ecosystem.

These suggestions highlight the necessity of a comprehensive strategy to guarantee e-commerce's sustained expansion and advantageous effects in a post-pandemic society.

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