



THE EFFECTIVE CONSEQUENCES OF POST COVID ERA SPREAD ON THE E-COMMERCE MARKET: THE CASE STUDY OF 3 LARGEST COMPANIES

G.Gowtham¹

Ph.D (Research Scholar), Department of Commerce, Dr. NGP Arts and Science College, Coimbatore

ABSTRACT:

This paper attempts to investigate the effects of post covid era spread on the global e-commerce companies, the three largest companies in the global world has to chosen in terms of revenue and finance of companies, and they were as follows: Amazon, Alibaba Group Holding and Walmart has been measuring by prevalence in the terms corona virus by “Cumulative Infections” and by “Cumulative Death” occurs on daily crisis. Apart from throughout, the various “new corona virus cases” and “new corona virus death” daily, it reflects the response of global e-commerce market to the impact of corona virus and is measured by the daily returns of shares and returns of the company to the global financial markets. This paper examines between on the daily basis from 01 January 2020 to 31 December 2020.

The study is based on the descriptive analysis of the returns of e-commerce companies showed that the companies achieve the positive returns by calculating the daily returns of average.

Keywords: Covid-19, Impact, E-Commerce and its Economic Development Era.

1. INTRODUCTION:

The primary way in which E-commerce will affect the economy is its impact on productivity and inflation. The continuous expansion of electronic commerce can lead to downward pressure on inflation through increased competition. The role of E-commerce in business is that it helps in the exchange of goods and services through electronic support. Electronic business has grown significantly since the internet has launched.

The pandemic of COVID-19, the social dimensions and staying at home has pushed the customers to purchasing goods through online shopping now days and brings to its loyalty.

COVID-19 affects the uncertainty of supply chain issues for the E-Commerce industry. Today in fact of our daily lives, the internet has become one of the essential parts of our life now a day.

We cannot go direct shopping by purchasing the things as we need. We can save our time and usefulness to purchasing the products through various E-Commerce Website what we decide.

The World Trade Organization indicated that it is the right time for e-commerce to save the world economy and that it is to intervene with vigor and vitality and prove e-commerce of its importance and effectiveness in the field of trade and online shopping (WTO, 2020).

2. LITERATURE REVIEW

(Nakhate and jain 2020) aimed to find effect of corona virus on e-commerce. Most of the kits are manufactured in China and hence, dependability is remarkable. With effect of corona virus, all the shipments processes are hindered which lowered the e commerce growth of country and state. The research paper here comprises of the impact of the corona virus on the online business of India. On the analyzing, it has found that online businesses are seriously hampered due to this pandemic disease.

3. REVENUE AND MARKET VALUE

TABLE (1): The revenue and market value of these companies were as follows

S.No	Company	Headquarters	Revenue (Billion USD)	Fiscal Year	Employees	Market Value (Billion USD)
1	Amazon	Washington, USA	\$125.55	2020	12,98,000	\$1,634.000 Billion USD
2	Alibaba Group Holding	China	\$221.08	2020	1,17,600	\$648.320
3	Walmart	USA	\$523.96	2020	2,20,000	\$407.840

4. PROSPERING IN THE PANDEMIC TOP 3 COMPANIES

- ❖ **AMAZON-** Amazon.Com is the world's biggest e-Commerce portal. Amazon sells electronics, mobiles, laptops, dresses, toys and whatever the things in the world associated with price you can find at Amazon. Headquarters is in USA. Amazon Web Services which is Cloud Infrastructure became World Number 1 in Cloud Services and Cloud Infrastructure World. Amazon has its operation in e-Commerce operations in USA, UK, China, India, Canada, Australia, Germany, Italy, Spain, Netherlands, Brazil, Japan, Mexico, Ireland, and France. Amazon is present across the globe. Amazon

providing Amazon Cloud Services which became very popular and Amazon Cloud became leader in short time. Amazon Cloud became umbrella for many companies to host their services with Amazon Cloud.

- ❖ **ALIBABA GROUP HOLDING-** Alibaba is world top B2B service provider. Alibaba connects importers and exporters through online platform. Alibaba is China based multination e-Commerce Industry. Headquarters is in USA. Alibaba provide Business to Business Services, Business to Consumer Services. 2 Million Plus suppliers have registered with Alibaba. Globally if suppliers want buyers or buyers wants suppliers Alibaba is the best platform. Alibaba allows small businesses to sell their products online nationally and internationally by providing easy platform through Alibaba.com. Alibaba Annual active consumers on China retail marketplaces reached 757 million as on Sep 2020.
- ❖ **WALMART-** Walmart is World's biggest retail market company and it has E-Commerce business as well along with brick and mortar Retail stores. Around the world as on 2019, 2.2 million employees are working for Walmart. In the U.S., where about 90% of the population lives within 10 miles of a Walmart store or Sam's Club. Headquarters is in USA. As on Oct 2020, each week, over 265 million customers and members visit approximately 11,400 stores under 55 banners in 26 countries and E-Commerce websites. With fiscal year 2020 revenue of \$524 billion, Walmart employs over 2.2 million associates worldwide. Walmart acquired 77% of Flipkart, which is India's biggest e-Commerce portal for 16 Billion USD.

5. COVID-19 TRIGGERED THE DIGITAL AND E-COMMERCE TURNING POINT

In years to come, we will look back at 2020 as the moment that changed everything. Nowhere else has unprecedented and unforeseen growth occurred as in the digital and e-commerce sectors, which have boomed amid the COVID-19 crisis?

Amid slowing economic activity, COVID-19 has led to a surge in e-commerce and accelerated digital transformation. As lockdowns became the new normal, businesses and consumers increasingly “went digital”, providing and purchasing more goods and services online, raising e-commerce’s share of global retail trade from 14% in 2019 to about 17% in 2020.

These and other findings are showcased in a new report, COVID-19 and E-Commerce: A Global Review, by UNCTAD and E-Trade for all partners, reflecting on the powerful global and regional industry transformations recorded throughout 2020.

“We need to recognize the challenges and take steps to support governments and citizens as they continue to embrace new ways of working,” he said.

UNCTAD Acting Secretary-General Isabelle Durant said: “Businesses and consumers that were able to ‘go digital’ have helped mitigate the economic downturn caused by the pandemic.”

“But they have also sped up a digital transition that will have lasting impacts on our societies and daily lives – for which not everyone is prepared,” she said, adding: “Developing countries should not only be consumers but also active players and thus producers of the digital economy.”

6. THE IMPACT OF COVID-19 ON E-COMMERCE IN INDIA

The worldwide spread of the COVID-19 pandemic has disrupted how people buy products and services and how they perceive e-commerce. The standardized lockdown rules across India and the growing hesitation among consumers to go outside and shop for essential goods have tilted the nation towards e-commerce.

Consumers have switched from shops, supermarkets, and shopping malls to online portals for the purchase of products, ranging from basic commodities to branded goods.

Since the norm of social distancing has been initiated for almost the entirety of 2020, the scope of online purchases and online businesses is expected to surge. Many people are embracing the concept of online retail and the surge in FTUs (First Time Users) on e-commerce sites is visible.

7. E-COMMERCE AND ITS ECONOMIC DEVELOPMENT ERA

- ❖ **TECHNOLOGY POLICY** - One of the key features of electronic commerce is the potential system-wide gains in efficiency to be reaped when firms are linked across industries. Fostering such system-wide improvements requires rethinking technology and innovation policies, such as technology diffusion programmes, which tend to focus on one industry, such as manufacturing, while in fact the largest contributions to system-wide gains may come from services, such as wholesale trade, transportation and retail trade. This suggests the need to widen the notion of “innovation” from a focus on high technology in manufacturing to include consumer goods and services and to adopt in more system perspective.
- ❖ **TRADE POLICY** - Issues of how to accommodate products bought and sold by electronic commerce in existing trade rules are being analysed at the WTO. E-commerce will increase international trade, particularly in electronically delivered products, many of which are services which have not yet been exposed to significant international trade but have been “traded” through foreign direct investment or have operated on a global level only for large corporate clients. This change may come as a shock to sectors that have been sheltered by logistical or regulatory barriers. In addition, it will generate pressures to reduce differences in regulatory standards – accreditation, licensing, and restrictions on activity – for newly tradable products.
- ❖ **COMPETITION POLICIES** - As the ease of forming business networks increases, as traditional market boundaries blur, and as technology undermines the rationale for the monopoly privileges granted to many service activities, competition policy will have to address new types of

anticompetitive practices. Many e-commerce products benefit from non-rivalry (one person's consumption does not limit or reduce the value of the product to other consumers), network externalities (each additional user of a product increases its value to other users), and increasing returns to scale (unit costs decrease as sales increase).

- ❖ **SOCIAL POLICIES** - While small, e-commerce has the potential to grow quickly and may be symptomatic of other applications that have been enabled by advances in information and communication technologies that create demand for new skills, new organizational structures, and new businesses models and generally increase the speed and geographic reach of economic and social activity. To many, these changes appear to be occurring more quickly than in the past and this may create a sense of insecurity.
- ❖ **BUSINESS-GOVERNMENT POLICIES** -Nearly all parties agree that the Internet and e-commerce will be led by business, with government playing a minimalist role. The dynamism of the e-commerce market as described in this book would support this view. Nonetheless, it is important to recall that governments have played, and continue to play, a critical role in developing technology for these activities, and that they have an obligation to pursue broad societal goals. Government procurement and demonstration projects also play an important part. While governments should not intervene excessively in this area, neither should they simply be spectators. Governments will need to work closely with business to maximize the potential of this activity.

8. CONCLUSION

To ensure an efficient e-commerce landscape that delivers for everyone, policy makers should further foster the enabling environment for online transactions in areas such as digital connectivity, (international) logistics and trade, including in digital goods and services. For example, an area with immediate bearing for e-commerce is postal services. While logistics and postal services have been slowed in many countries, due to new COVID-19 related safety guidelines and government recommendations, the fact that they were considered critical sectors by many governments helped to retain their functioning as key enablers of e-commerce on the supply side. Additionally, service providers have reacted by fostering contact-less delivery options in several countries, including via parcel lockers or by replacing signatures with alternative proofs of delivery. Governments can actively support such solutions. For example, Italy is considering different measures to encourage the use of automated parcel lockers, including increasing the coverage of parcel locker networks or promoting a more efficient use of lockers, such as through increased interoperability or sharing between different providers.

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