

**An Assessment of E-commerce in the Pandemic and beyond**  
*project report submitted in partial fulfillment of the requirement for the award  
of degree of*

**MASTER OF BUSINESS ADMINISTRATION**  
**in**  
**PORT AND SHIPPING MANAGEMENT**

by

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under the guidance of  
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(A Central University, under the Ministry of Ports, Shipping and Waterways)

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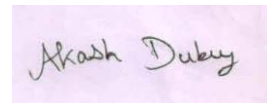
**July, 2021**

## DECLARATION

I **Akash Dubey, Registration No. 1903304004**, student of School of Maritime Management, Indian Maritime University, Chennai Campus pursuing **Master of Business Administration in Port and Shipping Management**, hereby declare that this report titled "**An Assessment of E-commerce in the Pandemic and beyond**" has been prepared and submitted by me towards the partial fulfillment of the requirement for the award of degree of "**Master of Business Administration in Port and Shipping Management**" under the guidance of **Dr. A Mourougane**, Associate Professor & Head, School of Maritime Management, Indian Maritime University, Chennai Campus.

I also declare that this project report is my original work and has not been copied from any of the report previously submitted for the award of any Degree, Fellowship, or other in similar titles.

Place: Chennai



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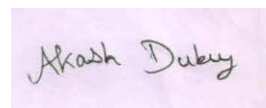
Forwarded by: **Dr.A. MOUROUGANE**  
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## ACKNOWLEDGEMENT

My heartfelt and sincere thanks to **Dr. A Mourougane**, Associate Professor & Head, School of Maritime Management, Indian Maritime University, Chennai Campus who gave me the golden opportunity to do this wonderful project on the topic "**An Assessment of E-commerce in the Pandemic and beyond**" which also helped me in doing a lot of research and I came to know about so many new things.

I pay him a deep sense of gratitude for guiding me in each step of the project, alleviating inspiration, encouraging and kind supervision in completing my project despite his busy schedule.

And I am also thankful to faculty members, library staff, family members, friends, and well-wishers who were very cooperative during my project in providing appropriate guidance and support without whom this project would not have been completed successfully.

A handwritten signature in black ink on a light purple rectangular background. The signature reads "Akash Dubey" in a cursive script.

**AKASH DUBEY**

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## LIST OF ABBREVIATIONS

SERIAL NO.	ABBREVIATED NAME	FULL NAME
1.	E-Commerce	Electronic Commerce
2.	E-Business	Electronic Business
3.	FMCG	Fast-Moving Consumer Goods
4.	UNCTAD	United Nations Conference on Trade and Development
5.	GDP	Gross domestic product
6.	LDCs	Least developed countries
7.	O2O	Online to offline
8.	HCWs	Healthcare workers
9.	FLWs	Frontline Workers
10.	Mohawk	Ministry of Health and Family Welfare
11.	USIBC	U.S.-India Business Council
12.	UNICEF	United Nations International Children's Emergency Fund
13.	AI	Artificial intelligence
14.	ML	Machine learning
15.	R & D	Research and development
16.	CAGR	Compound Annual Growth Rate
17.	GMV	Gross Merchandise Value
18.	GST	Goods and Services Tax
19.	B2B	Business to Business
20.	D2C	Direct to Consumer

## EXECUTIVE SUMMARY

This report gives a detailed study about E-Commerce during COVID-19: Preparing for now, next, and beyond. It was my privilege to get this wonderful opportunity to work on this project.

E-commerce business plays a vital role in the economy. Covid – 19 is affecting many E-commerce businesses, and it shifted the human race's perspective. They have also influenced consumers to shop online because of their security concerns. As a result, online retailers and platforms have many opportunities to grow their sales and revenue, but they also have a lot of challenges. E-commerce is becoming more scalable as more people are forced to buy online due to their fear of visiting physical stores during a pandemic.

This research seeks to discover what is creating a rise in e-commerce transactions and learn about customer behaviour during the COVID-19 epidemic and how E-businesses may move beyond. Online shopping now accounts for 40% of all internet usage. According to IBM's study, the covid-19 epidemic moved the industry forward by roughly 5 years. It also informs us about the shift in customer purchasing habits and the consequences for company initiatives. Finally, it also shows us how the sector has adapted to a recent change and how they are prepared for the future. Since the emergence of the covid-19 pandemic, the popularity of e-commerce has grown by 17 percent, and they projected it to continue to rise. Electronics, fashion and accessories, health and pharmaceuticals, and fast-moving consumer goods (FMCG) performed exceptionally well, with an average sales increase of 133%.

## **CHAPTER- I**

- 1.1 Introduction
- 1.2 Importance of the Study
- 1.3 Literature Review
- 1.4 Objective of the Study
- 1.5 Research Methodology
- 1.6 Scope of the Study
- 1.7 Limitations of the Study

## 1.1 INTRODUCTION

Electronic commerce refers to the purchasing and selling goods and services via computer networks such as the Internet. By providing more cost-effective and efficient distribution channels for their goods and services, e-commerce has assisted firms in increasing their market reach. E-commerce transactions may purchase nearly any commodity or service conceivable, including books, music, clothes, gadgets, airline tickets, and financial services like stock trading and online banking. As a result, it is seen to be a highly disruptive technology.

The constant rise of web clients and growing knowledge of web-based buying, extending internet dispatching of products, reduced cost due to bulk buy, and other elements promote the expansion of the online business industry prior to the COVID-19 pandemic. Furthermore, an increase in the number of specific goods on the market and lower production costs due to the instantaneous dispersion channel and economies of scale all contribute to the expansion of the global online business market.

When companies were allowed to reopen during the epidemic, they could only use a fraction of their personnel. Governments first permitted the establishment of e-commerce firms since they needed the least amount of face-to-face interaction and were simple to avoid any sort of collection. This reduced the likelihood of a pandemic spreading. Workers must, however, keep the social separation policy in place at their particular companies even today.

Buyers' attitudes on purchasing things have altered due to the pandemic's social isolation and other impacts. To understand the variations between the two eras, however, it is important to examine the preceding market (i.e., before the pandemic) and purchasers' purchasing methods at the time.

### ➤ Industry and Sector

As of May 2020, India's Internet user base was at 696.77 million, accounting for about 40% of the population. Despite having the world's second-largest user base, trailing only China (650 million, or 48% of the population), e-commerce penetration is low in comparison to economies such as the United States (266 million, or 84%) and France (54 million, 81 percent). It is still expanding, with around 6 million new entrants each month.

The industry consensus is that growth is reaching an inflection point Flipkart, Snapdeal, and Amazon were India's 3 largest e-commerce companies in 2017. However, Amazon surpassed Flipkart as India's largest e-commerce company in terms of revenue in 2018.

### **Mergers & Acquisitions in Indian E-commerce Market**

<b>Date</b>	<b>Merger/Acquisition</b>	<b>Companies Involved</b>	<b>Cost</b>
May 2014	Acquisition	Myntra acquired by Flipkart	US \$300 million
March 2015	Acquisition	Anticommerce acquired by Snapdeal	Undisclosed
April 2015	Acquisition	Free Charge acquired by Snapdeal	US \$400 million
April 2016	Acquisition	PhonePe acquired by Flipkart	Undisclosed
June 2016	Acquisition	Jabong acquired by Myntra (owned by Flipkart)	US \$70 million
July 2017	Acquisition	FreeCharge acquired by Axis Bank	US \$60 million
May 2018	Acquisition	Flipkart acquired by Walmart	US \$16 billion
January 2020	Acquisition	Uber Eats acquired by Zomato	US \$350 million

#### ➤ **Closures**

Although the sector has experienced and is expected to continue to grow, many e-commerce businesses have faced significant challenges in maintaining cash flow. However, it has not worked for all e-commerce sites. To survive, many of them, including Dhingana, IndiaPlaza.in, eBay-India, Rock.in, and Seventy MM, had to shut down or change their business models. The Indian government restricted online sales of all goods except necessary items such as food, pharmaceuticals, and medical equipment in March 2020. Many Indian start-ups are losing money because of the

COVID-19 epidemic, including Pepperfry, Urban Company, BookMyShow, and Nykaa, which are not on the government's list of recognised essential services.

### ➤ Collaborations

In the context of the Covid-19 epidemic, the Indian government directed e-commerce companies to stop selling non-essential products. As a result, a flurry of e-commerce sites that collaborate and sell essentials have sprouted up. For example, Myntra and Wildcraft worked in collaboration to sell face masks. Rossari Biotech Ltd collaborated with McCoy Mart to market hand sanitizer. Flipkart has teamed up with Uber to deliver essentials to consumers at the last mile.

### ➤ Regulation

In India, foreign ecommerce is regulated; under national regulations, international companies are only allowed to act as marketplaces between sellers and their customers, and they are not allowed to keep stock (inventory) in the country. Furthermore, under new laws that take effect on February 1, 2019, foreign firms will be barred from selling items from vendors in whom they control or have ownership holdings, and exclusive agreements between vendors and websites would be prohibited. This law is in response to Amazon and Walmart's market domination, which disadvantages smaller sellers.

## Top 7 E-commerce Websites in India



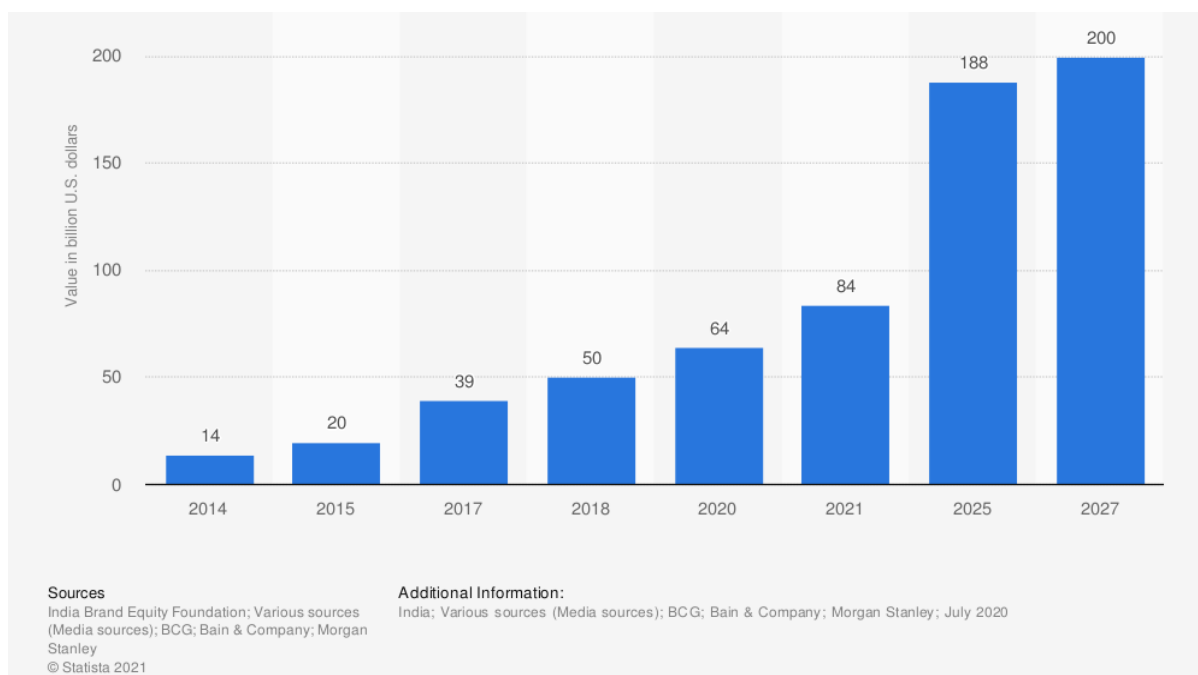
Figure 1 – E-commerce Websites

➤ **Benefits of Doing Business Online**



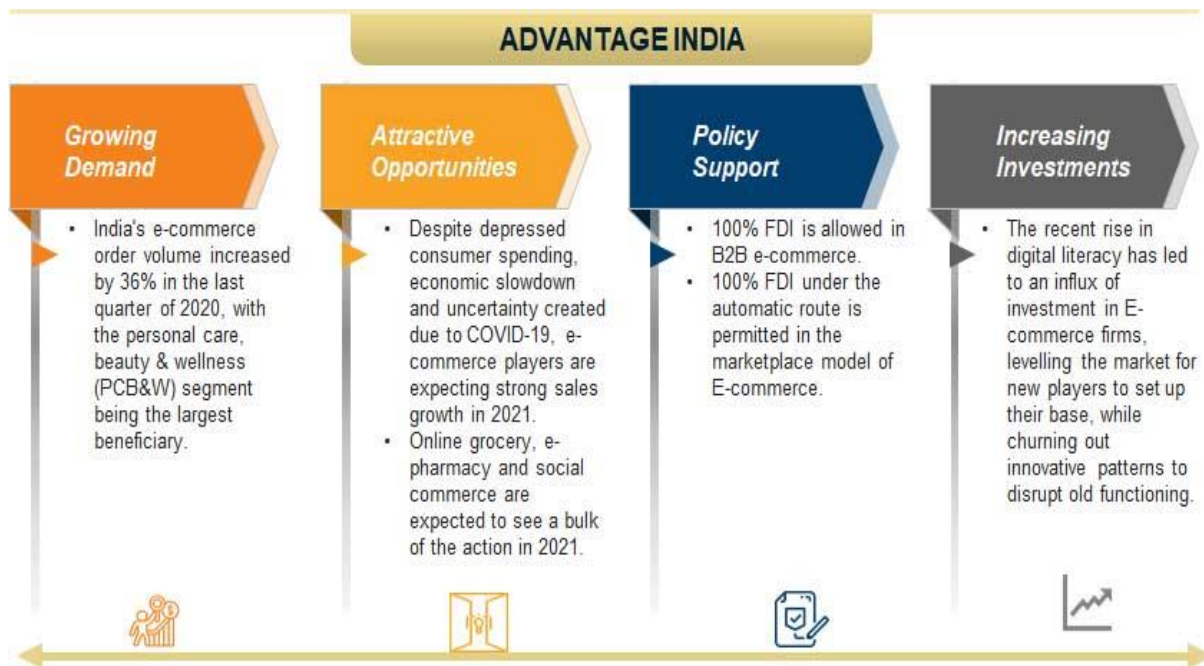
**Figure 2 – Benefits of Doing Business Online**

➤ **The market size of the e-commerce industry across India from 2014 to 2018, with forecasts until (in billion U.S. dollars)**

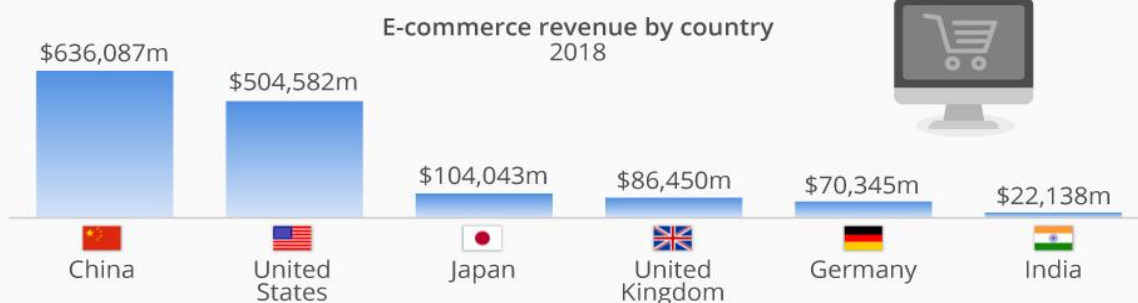
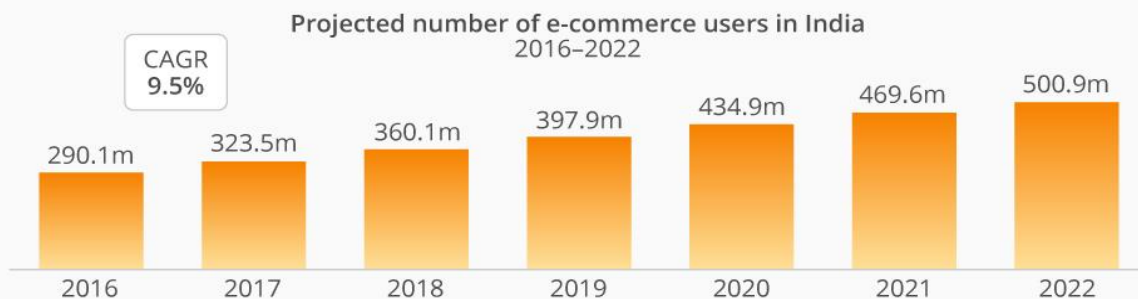


**Figure 3 – Market trends from 2014 to 2027**

## ➤ Advantage of E-commerce Industry in India



## Indian E-Commerce Market Anticipates First Regulations



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**Figure 4 - Indian E-Commerce Market over the World**

## 1.2 IMPORTANCE OF THE STUDY

Since the impact of the coronavirus pandemic on India has been primarily disruptive in terms of economic development and human life loss. Almost all industries have been negatively affected as domestic demand and exports have also fallen dramatically, with few noteworthy outliers where high growth has been recorded. As a result, the COVID-19 issue is hastening the spread of e-commerce toward new businesses, customers, and product categories, implying a long-term shift in e-commerce transactions away from luxury goods and services and toward daily necessities.

Although persistent cross-country discrepancies exist, the COVID-19 issue has increased dynamism in the global e-commerce scene and broadened the reach of e-commerce, especially through new enterprises, customer segments, and products. This led to an increase in e-commerce transactions in many nations where there was a change from luxury items and services to everyday necessities that are meaningful to a significant number of people.

Hence, throughout the world, e-commerce has increased due to the pandemic, where growth has been uneven across industries. E-commerce has grown faster at various periods of the pandemic in countries with more severe containment measures and where e-commerce was less developed at the start. Thus, this could have ramifications for structural change and the digital economy's expansion.

## 1.2 LITERATURE REVIEW

Here, an attempt is made to review the work that has already been done and the methodology that has been used. The following is a quick rundown of some of the studies:

- i. **Mansour Abdelrhim & Abdalla Elsayed (2020)** – Analyse the effect of COVID-19 spread on global e-commerce companies. A study of the returns of e-commerce firms. They also wanted to see how the Coronavirus outbreak affected worldwide e-commerce firms.
- ii. **Susmitha Kunchaparthi (2021)** – Review and deliberate disparagingly COVID-19 outbreak. Key variables influencing the increased usage of E-Commerce and tell us about the deliberation of how e-commerce, business, and economies of countries affected by Coronavirus.
- iii. **Abdul Hadi Mohamad, Anis Athirah Hamzah, Ramona Ramli and M. Fathullah (2020)** — Study adopted that due to Covid-19 the growing numbers of users of digital platforms. The primary method of this survey is from a questionnaire sent to different peoples. The Proposed Improvement & E-Commerce Online-to-offline (O2O) Model and E analysis of such improvements suggest that customers would save an optimum amount of effort and time.
- iv. **Laura Cyron and Alessandro Vitale (team lead) (2020)** – This report is published in UNCTAD. The researcher describes the influence of the Covid-19 on e-commerce firms, overall sales trends and problems, company coping measures, and regulatory reactions. Increasing market development and e-commerce readiness. It does, however, tell us about the impact of e-commerce companies and third-party online marketplaces in many LDCs and other developing countries, as well as the different levels of readiness of e-commerce ecosystems and varying degrees of implementation of reforms and development of digital skills for women's employment generation.

- v. **Pantelimon et al. (2020)** – The research is separated into two parts. The first looks at the influence of mobile commerce growth on GDP in both a West European nation, Germany, and an East European country, Romania, from 2014 to 2019. The study aims to find out the significance of mobile commerce in the pre-COVID-19 era in the setting of stable economies. The second section investigates general consumer behaviour toward conventional and internet commerce in the context of the COVID-19 epidemic. In this regard, they examined data from January to April 2020, focusing on significant changes in nations that were either early or late victims of the epidemic.
  
- vi. **Komal Sharma (2020)** – The study empirically analysed the rise of E-COMMERCE because of COVID-19 and to determine if E-commerce has become a substitute source and is regarded top in this situation or not. The popularity of online commerce has increased 17 percent since the outbreak of the covid-19 epidemic in 2019 and is projected to climb further. The top five tier III cities accounted for 22% of total volume, while the top five metro cities accounted for 90% of total orders.
  
- vii. **Sahana Dinesh and Dr. Y. MuniRaju** – The key purpose of this research is to know the scalability factors in the e-commerce business during COVID-19. To understand the online customer behaviour during COVID-19. It also suggests suitable e-commerce strategies to enhance customer experience. The review is about Apprehensions regarding shopping from physical stores and restrictions on movement that have forced customers to buy online during the pandemic. Furthermore, the need for necessities and hygiene goods is rising, and online platforms must guarantee that client demand is supplied efficiently to maintain pleased customers.
  
- viii. **Viviana Alfonso C, Codruta Boar, Jhon Frost, Leonardo Gambacorta, and Jing Liu (2020)** – The study empirically evaluated data sources in order to evaluate e-commerce. This article was published in the BIS Bulletin and provides a quick overview of how E-commerce has increased during the epidemic throughout the world. However, growth has varied between industries and phases of the epidemic,

and certain changes in consumers' purchasing patterns and payment behaviour may be more long-lasting. This might impact structural change and the expansion of the digital economy.

- ix. **Priyadarshani Tyagi and Dr. Vanishree Pabalkar (2021)** – The primary goal of this research is to learn about the impact on customers' financial situation, the role of the internet market, and the role of mass media. Strategies for reviving the market are still in the works, and results are yet anticipated. Consumer purchase behaviour is continuously changing; therefore, it is difficult to anticipate.
- x. **Amruta Patil (2021)** - The study experimentally examined them during and after the potential of Coronavirus in India in the web-based company. The ideal chance for them to have a ripple effect in the scope of their accomplishment. The company must resolve minor issues before embarking on a lengthy bull run. It also informs us about the problems and opportunities faced by web-based businesses.

### ➤ **RESEARCH GAP**

Only a few studies have been conducted on the rise of the E-commerce sector in the post of the COVID-19 epidemic. Previous research found that the COVID-19 epidemic increased e-commerce purchases of almost every viable product and service, including clothes, electronic items, airline tickets, and many more. However, no study has been conducted on the Indian e-commerce future market. The purpose of this research is to look at the most recent efforts, innovations, and growth in the Indian E-commerce market in each area.

### **1.3 OBJECTIVES OF THE STUDY**

- i. To review the Effect and Impact of COVID-19 in E-Commerce Business
- ii. To evaluate and analyse E-businesses transformation in the New Normal
- iii. To study and predict the future of E-commerce

## 1.4 RESEARCH METHODOLOGY

The study is incorporated by extensive secondary research conducted by different sources. Secondary research was carried out to improve the data that was already available. The market value and market growth rate have been calculated using various methods. In the report, the analysis of the country is provided by analysing different regional players, laws and policies, consumer behaviour, and macro-economic factors.

E-commerce is the most common way to buy various items and services. Traditional shopping must now be done through e-commerce. The sole explanation for this is that buyers have instant access to a diverse variety of items from across the world. Because of the Covid-19 epidemic, e-commerce firms are also encountering some unforeseen problems. This study looks at how Covid-19 influences e-commerce firms and the unexpected shift in customer demand and purchase behaviour. It also explains how companies responded to recent developments, how they operated throughout the epidemic, and how they are preparing for the future.

### ➤ Research Design

The study research was completed using investigational data. To ascertain the aspects of customer buying behaviour shift toward e-commerce during the pandemic lockdown and the consumer's level of satisfaction with the e-commerce business. It also offers us a brief overview of how organisations are planning to be future ready.

### ➤ The Report Covers

- a. The global e-commerce industry has a comprehensive research methodology.
- b. It also featured a thorough market analysis with important analyst insights.
- c. An in-depth study of the micro and macro factors influencing the market, with significant suggestions by prominent market players.
- d. Market factors that are driving the global e-commerce sector are examined. Market segmentation is wide and thorough, with revenue estimates distributed geographically.
- e. How new technologies can help businesses to be future ready.

## **1.5 SCOPE OF THE STUDY**

The report focuses on the impact of the e-commerce industry by considering top players in the industry and has collected the data for the same for 3 years. (2018-2021)

This report lays greater emphasis on Amazon, Flipkart, and Swiggy, followed by many other e-commerce competitors like Udaan, Swiggy, Grofers, Myntra, and Snapdeal. As a result, this study provides a clearer and in-depth understanding of how e-commerce businesses are preparing for now, next, and beyond.

## **1.6 Limitations of the Study**

The e-commerce industry in India includes a lot of e-commerce firms, which is merely impossible to cover due to a lack of time and a broader understanding of the multiple disciplines of e-commerce. The data collected is secondary in nature due to the unavailability of primary data. The secondary data is mainly collected from renowned websites and journals, highlighting the performance of top key players in the industry, followed by the other frequent players with the help of graphs and detailed explanations.

## **CHAPTER II – TO REVIEW THE EFFECT AND IMPACT OF COVID-19**

- 2.1 Market Prior to the Pandemic
- 2.2 Consequences of Novel virus on the Indian E-Marketing
- 2.3 Analysis of Supply
- 2.4 The Effects on Consumers' Financial Situations
- 2.5 Obstacles came up with the E-Commerce Boom
- 2.6 The significance of social distancing

## 2.1 MARKET PRIOR TO THE PANDEMIC

Whereas the internet retail's share of total retail sales in India is currently lower than in mature markets, it is expected to increase to the low double digits rapidly by the middle of 2019. As the year began, less than half of India's population had access to the Internet, and access was sporadic at best. While internet shopping is now a smaller percentage of overall retail sales in India than in developed markets, it was anticipated to rapidly increase to the low double digits by the middle of the next decade. As the year began, roughly half of India's population had an Internet connection, which was inconsistent.

As in 2019, every year, there are a few trends that shape India's e-commerce industry. Experts estimate that this ever-expanding market will be worth \$4.88 trillion by 2020.

### ➤ The Rise of the "Phygital" Stores

Many retailers are becoming increasingly 'Phygital' (a combination of digital and classic retail). Brands in the fashion and lifestyle categories are now primarily responsible for this. Many Indian businesses are now adopting a 'Phygital' strategy. For example, Firstcry began operating offline stores in 2012 and now has over 300 franchise locations.

### ➤ Niche E-commerce Verticals

Although e-commerce giants like Flipkart and Amazon have a 75 percent market share, many online players operate primarily as vertical players. These vertical players take advantage of unique customer demands, such as the need for more personalised purchasing experiences. On the other hand, niche retailers would need to focus on customer loyalty and shopping experience to survive in the competitive landscape of online retail. Purplle, Panchi, Nykaa, and Wholesale Box are just a few examples.

In 2020, India's e-commerce sector was expected to generate around the US \$120 billion in revenue. Moreover, the industry is growing at a rate of 51 percent per year, and these trends will largely drive the growth of Indian e-commerce. Thus, the year ahead promises to be a fascinating one for Indian e-commerce.

## ➤ Rising Potential of E-commerce Enablers

It is exciting that companies like Flipkart have generated revenue of up to \$100 million in just one day with their Big Billion Day Sale! As a result, logistics, inventory management, and vendor management will now become indispensable among other e-commerce ancillaries. This has resulted in a slew of new job opportunities in and around the e-commerce industry. In addition, private equity firms such as Equirus Capital are assisting ancillary e-commerce businesses in raising capital.

With offline sales still struggling, seller confidence in online sales is at an all-time high, as evidenced by the 50-60% increase in seller registrations on Amazon.in and Flipkart.com. "We see that number rise every day as more and more sellers decide to sell online. They are very upbeat and looking forward to the Diwali sale because offline is closed," said VP of Amazon India, Manish Tiwary. On Amazon.in and Flipkart.com, there's been a substantial increase in demand for athletic, pet toys, open footwear, essential 'stay at home' clothes, TVs, laptops, furniture, gourmet food, and sports equipment.



**Figure 5 – Different trends of Online Shopping**

## ➤ Retailers Eyeing Rural Markets to Drive Growth

Companies in various industries are looking to open physical stores in smaller towns to increase market share. For example, Xiaomi- a mobile and accessory company, Limeroad- fashion e-commerce company, and Raymond-a fashion retailer, are all interested in such markets. Over the next three years, e.g., Limeroad decided to establish 3,000 offline stores in smaller cities.

## 2.2 CONSEQUENCES OF NOVEL VIRUS ON THE INDIAN E-MARKETING

People all around the world have been forced to stay at home due to the coronavirus epidemic. The continuous lockdowns implemented during the pandemic's early phases had thrown people's purchasing patterns and impressions of e-commerce off.

The pandemic-induced lockdown and mobility restrictions represented a watershed moment in Indian e-commerce, driving demand to new highs, drawing new customers and sellers onto digital platforms, and promising long-term development to participants.

The epidemic has triggered a seismic change in the Indian e-commerce business, broadening the sector's potential for 2021. Consumers are changing their purchasing choices away from retail shops, supermarkets, shopping malls, and internet portals for products ranging from essentials to branded goods.

However, social distancing is being used to limit the risk of a highly contagious disease. As a result, customers are becoming increasingly unwilling to go outside and buy for necessities, allowing for a constant flow of online transactions. As a result, many brands and small merchants have gone online, resulting in a growth in online sales that has been constant. There has also been a huge surge in first-time purchasers who were previously afraid to shop online on numerous e-commerce sites.

From shifts in category preferences to the emergence of "new essentials," from native language adoption to a surge in new-age payment methods, the past year saw a slew of unique consumer trends.

- **Amazon** – Many local Kirana shops and offline retailers quickly followed suit, utilizing digital technology to reach customers right at their door. Sellers have witnessed strong demand in categories such as groceries, laptops for online classes and work from home, smart gadgets, and headphones over the previous year as customer consumption patterns and habits evolved. Personal grooming items, exercise products, masks and sanitizers, and health products were also in high demand.

- **Grofers** – According to a Grofers CEO, 64 percent of all new users on the site last year were first-time online grocery buyers, while 20 percent were new to e-commerce entirely.
- **Flipkart** - During the 'Unlock' period last year (July-September), Flipkart witnessed a near-50 percent rise in new users immediately after the lockdown, with tier III and above seeing the greatest growth of 65 percent.

Flipkart added new features to help first-time buyers through the buying experience, such as a voice assistant and vernacular interfaces in different languages.

- **Snapdeal** – Essential goods get approved-for-delivery supplies like as food, groceries, medications, masks, and hand sanitizer. They developed safety standards for safe delivery to guarantee they could fulfil the needs of our users. Moreover, they went out to sign up with local farmer mandis in order to begin hyperlocal delivery of necessities.

The early phases of lockdown meant no commerce for players dealing in non-essential sectors such as fashion.

- **Myntra** – Myntra went back to the drawing board to develop a fresh approach for coping with this "temporary but significant situation."

They worked with over 80 different brands in the prior weeks of the shutdown to obtain masks and made every attempt to deliver them securely across the country. Furthermore, in order to keep our audience interested, they created Myntra Studio, which focuses on fashion-related content on our site.

The pandemic was also a watershed event for small and medium-sized enterprises, which adapted swiftly to the new e-commerce market.

During the first two phases of the shutdown, e-commerce businesses were only permitted to offer necessary products such as food, healthcare, and medicines. However, in later phases, the limitations were gradually relaxed (beginning May 4).

However, to accommodate the spike in orders, these digital companies took several initiatives, including recruiting thousands of delivery people.

## 2.3 ANALYSIS OF SUPPLY

On the macroeconomic level, India's SMEs are heavily reliant on China for raw materials. China is critical to India's and the global supply chain's success. Falling raw material imports from China have led to a decrease in exports, a halt in production, a shortage of labour, and a market liquidity crisis, all of which have affected MSMEs. As a result, consumer reactions and consumption across the country remain unpredictable. MSMEs, which account for 30% of India's GDP, cannot afford to go out of business for an extended period of time. The government's recent relief measures and backing from major retailers such as Walmart may aid in recouping the sector's losses because of the lockdown. Flipkart, which Walmart owns, actively engages and aids MSMEs in resuming operations. E-commerce beasts like Flipkart are also boosting economic activity by creating several possibilities for MSMEs to become digital. As a result, the number of MSMEs taking part in E-commerce is projected to rise by the conclusion of COVID – 19.

Even though the Indian government has previously declared efforts to liberalise the industry, a breakdown in the distribution network caused by COVID – 19-related limitations imposed by various states has resulted in a lengthier fulfilment time for all E-commerce firms. As a result, players are unable to satisfy client demand within the specified time frame, such as prior to COVID. The situation is still not back to normal. This has had an influence on consumer behaviour, with typical retail customers limiting their online purchases to necessary and non-essential products. Adversity in the economy, like job losses and salary cutbacks due to the pandemic, will influence consumers' spending power, causing them to decrease their retail expenditure even further. People are also being more thrifty in their spending as a result of the epidemic. As a result, they anticipate a short-term revenue loss in the E-commerce industry, with recovery reliant on the broader economy's recovery. E-commerce is anticipated to improve as the economy improves.

## 2.4 THE EFFECTS ON CONSUMERS' FINANCIAL SITUATIONS

In the nations affected by COVID-19, consumer opinion differs significantly. Consumers in Indonesia, China, and India are said to be more hopeful than the rest of the globe. In contrast, Japan and Europe are less enthusiastic about their economic prospects following COVID-19. With the increase of confirmed COVID-19 cases since mid-July, hope has all but vanished in European countries, except for Italy.

Because of the widespread spread of the COVID-19 epidemic, people's economic and personal life were turned upside down. Some nations were able to keep new cases under control for six months after the COVID-19 crisis, while others are still coping with the epidemic. If the epidemic would continue to be a reality for the foreseeable future, several nations have reopened their economies and enabled residents to return to work and play. Decision-makers worldwide reported a negative impact on health in June, even though many countries had improved their hospitalisation rates since May. Improvements were reported in almost all countries over the next three months, from May to June. For a longer period, the financial health of standing makers remained poor. Household financial decision-makers worldwide have reported a 30 to 80 percent reduction in income and savings. In most nations, between 20 and 60 percent of decision-makers expressed anxiety about their present employment or sources of income.

Since the May survey, little has changed in different areas, such as bank service quality for customers and the way customers interact with banks. During this crisis, customers' main request to banks is for concrete assistance, such as the opportunity to skip loan payments for a few months, avoid late penalties, and lower minimum payments. It's also worth mentioning that digital forms, rather than cash, are increasingly being utilised to make payments. Because cash transactions are more likely to spread the virus, digital payments would be perfect for avoiding these encounters. It was also revealed that, while most banks in most nations satisfy their customers' expectations, they cannot surpass them, at least not on a net basis.

## 2.5 OBSTACLES CAME UP WITH THE E-COMMERCE BOOM

Challenges have emerged because of the rapid rise in online penetration. Discussing the issues that have developed as a result of the e-commerce boom.

India's warehousing industry has grown rapidly, riding the crest of the booming e-commerce industry. However, it has brought with it a number of difficulties. To ensure last-mile delivery, it is first necessary to concentrate on strategic locations. Shristi Infrastructure's warehouses, for example, are strategically located in West Bengal's Siliguri and Raniganj, which are the respective gateways to North and South Bengal. This will allow e-commerce businesses to fulfil their delivery promises better. Second, there are issues with properly planning expansion plans, providing individualised services, and ensuring margins. Third, streamlining last-mile logistics is difficult enough without COVID restrictions. To meet the ever-increasing demand of customers, e-commerce companies must devise novel strategies.

The e-commerce boom has transformed the traditional supply chain. As a result, the speed with which products are delivered has become a critical factor, and rising consumer expectations have emerged as a significant driving force. However, even though e-commerce is rapidly expanding, the sector is beset by inconsistencies in last-mile delivery. Furthermore, last-mile delivery accounts for a sizable part of total delivery costs. Logistics service providers must build tech-enabled delivery methods to overcome these challenges.

Although the e-commerce business is expanding at an unprecedented rate, it faces several obstacles. India has more significant cost pressure than industrialized countries such as the United States, Japan, and a few European countries. Due to cost constraints, e-commerce retail logistics businesses are shifting to surface transportation for deliveries. Poor infrastructure has led to inefficiency, longer transportation times, greater logistical costs, and higher returns. Because most of the demand is projected to originate from tier-2 and below cities, infrastructure will be important in e-commerce retail.

## 2.6 THE SIGNIFICANCE OF SOCIAL-DISTANCING

After physical movement became hampered, a significant portion of business shifted to e-commerce. Following the rise in the number of orders placed by consumers to fulfil their basic needs or requirements, people increasingly rely on e-commerce. E-commerce players respond quickly to rising demand by increasing overtime pay and increasing delivery driver hourly pay. In addition, people nowadays evaluate a product or brand based on its sanitation and hygiene practices. Consequently, customers demand products that provide a consistent level of service while also holding the staff to a high standard of accountability. As a result, food stores such as Big-Basket and Grofer are growing increasingly popular.

Consumers use web platforms like Practo for online medical consultations. Customers were compelled to accept alternative backup channels once the lockdown was extended. Electronics, cars, and other high-involvement items are included, as web searching can replace other expensive goods.

People will demand new-age forms of relevant and dynamic types of entertainment at their homes rather than going out for the same recreational services. This pandemic would drive users to modify their behaviour, leaving little opportunity for human interactions and increasing their usage of digital technology.

A new social distancing technique was proposed and evaluated. The two different functional aspects that must be controlled are price and personnel; thus, the social-distancing technique is influential. People also want to avoid stores because they are afraid of catching a virus and maintaining a social distance from others.



**Figure 6 – Social Distancing**

# **CHAPTER III – TO EVALUATE AND ANALYSE E-BUSINESSES TRANSFORMATION IN THE NEW NORMAL**

- 3.1 E-COMMERCE COMPANIES RESPONDED TO PANDEMIC
- 3.2 PANDEMIC FORCING SMALLER RETAILERS TO ADOPT O2O, SOCIAL COMMERCE
- 3.3 SHORTAGE AND RECRUITMENT OF STAFF
- 3.4 VACCINATION DRIVE FOR FRONTLINE WORKERS IN E-COMMERCE
- 3.5 INITIATIVES DURING PANDEMIC BY COMPANIES
- 3.6 SWOT ANALYSIS

## EVALUATE AND ANALYSE E-BUSINESSES TRANSFORMATION IN THE NEW NORMAL

Companies assume that combating the COVID-19 problem requires an ecosystem. Our strict safe ecommerce standards at every step and level of interaction have established a non-negotiable habit that will last long after the epidemic has been defeated.

When more Indians turn to Ecommerce for safe, their supply chain personnel remain at the vanguard of our safe commerce operations, ensuring that individuals across the nation can access all of their necessities from the safety and comfort of their own homes. Their distribution network operations are prepared to safeguard their well-being through a variety of activities such as on-site physicians, frequent sanitization, awareness campaigns, and more. They realise that it is their families, more than anyone else, who enable our staff to achieve what they do daily. Access to insurance, wellness seminars, exercise initiatives, and other benefits, among other things.

Customers turned to E-commerce first for products such as hand sanitizer, face masks, and disinfectants to protect themselves from Covid-19 due to store closures and empty shelves. They then stocked up on groceries and household items, and as the crisis progressed, they ordered office supplies and fitness equipment to help them adjust to staying inside the home.



**Figure 7 – Businesses running during Covid 19**

### 3.1 E-COMMERCE COMPANIES RESPONDED TO PANDEMIC

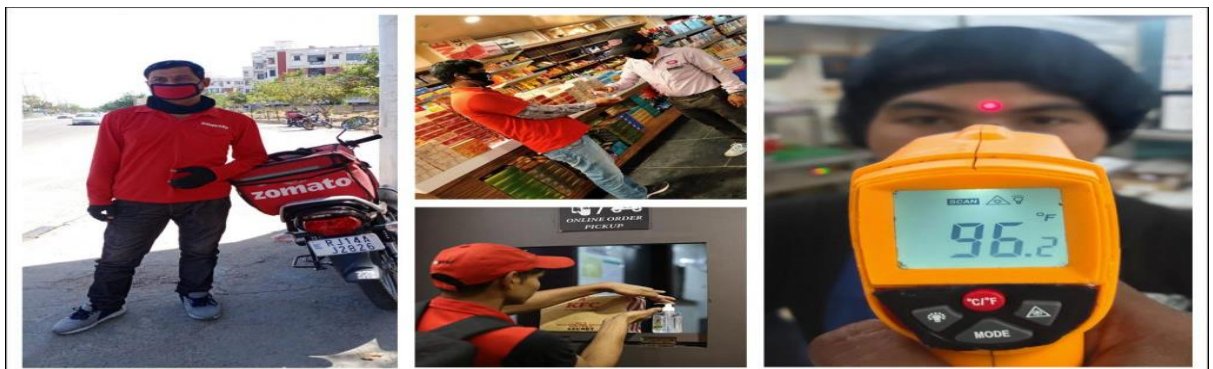
The e-commerce game has never looked like this before, and no one knows what it will look like tomorrow because of the ongoing pandemic. So that all the industry's best demand forecasts have been thrown out the window, and every brand, big or small, is simply trying to adapt and respond.

Some have seen buying trends shift in their favour, but those who resist complacency and actively carve a new path forward will be the ones who survive when it's all said and done.

Following are some clever Pandemic adaptations that will shape the future of e-commerce.

- 1. Health Monitoring of Partners** – In e-commerce, they generally consider what they must do for their consumers. At the time of the pandemic, they may first want to think of partners like suppliers, manufacturers & other vendors.

Reach out, ask about their activities, and offer assistance where and when needed. Sharing their facts and how their firm is performing throughout the epidemic is sometimes sufficient. Everyone is currently looking for steadiness and understanding what orders to anticipate will help them set their pace more effectively.



**Figure 8 – Body Temperature Monitoring**

- 2. Contactless Delivery** – Given the country's current state of emergency, guaranteeing safe and hygienic food delivery to consumers is crucial. As a result, they've developed contactless delivery to meet this demand. Customers have the

option of having the product delivered outside their home, eliminating any human-to-human interaction, and therefore lowering the chance of transmission.



**Figure 9 – Contactless Delivery**

- 3. Adjusting cash Tied to Inventory** – One of the most dynamic parts of the e-commerce activity has been shifting inventories. Popular goods such as bread machines and disposable gloves have been sought to be stocked by brands. However, every firm will need huge cash to adjust to the epidemic, and many experts recommend focusing on inventory to find it.

They've observed liquidity targets affect how businesses restock goods, putting an end to both slow-moving things and profitable high-value ones that take a long time to sell. Inform your suppliers and any logistical partners if they want to change what and how frequently they can restock. Prepare them for the changes to better estimate whether their warehousing and production expenses will changeover and see whether their suppliers can ramp up production if they want to buy in larger quantities.

- 4. Capitalizing On New Buyer Behaviour** – E-commerce businesses with a wide range of products seek to capitalize on new purchase behavior before they fade away. This includes monitoring social media and the news to see what's popular. It also includes anticipating what will happen next.

If the e-commerce company provides outdoor products, they should begin determining which states and towns will reopen first. Local SEO and ad keywords targeting such regions might help you be the first site they notice as they prepare to return to the world.

**5. Identifying Potential New Targets** – Because of the shift in purchasing patterns, several e-commerce businesses redefine who they target. As a result, the lines between conventional B2B and B2C brands are becoming increasingly indistinct. For example, restaurant suppliers are preparing their items available in smaller quantities to sell their food fresh.

Because of increased demand for all garments, shoe and apparel firms are beginning to directly target nursing homes and hospitals. They're also collaborating with local organizations to be known as the brand that gives things - at the very least, this promotion will keep warehousing and storage expenses low.

**6. Utilizing Local Resources to Fill Gaps** – The businesses are trying to balance supply and demand; the pandemic has caused production and restocking delays, freight shipping difficulties, and a range of cost rises.

Some e-commerce businesses have begun to purchase their items from local and U.S.- based vendors to solve these concerns. Onshoring production is more costly, but if they locate a firm nearby that is ready and eager to produce their items, they may save a lot of time and have a more regular supply of goods.

Identify groups that aren't dependent on the same source or manufacturer for their primary materials. This strategy ensures that none of their suppliers will be affected if something goes wrong in the future.

**7. Prioritizing Customer Relationships** – Improving their customer service experience. This category includes anything from hiring humans to answer queries to putting chatbots onto your website.

The characteristics of effective customer service are consistent: honesty, clarity, and quickness. Help those who are suffering from anxiousness. Knowing when their goods will be delivered might give consumers a measure of competence. If at all feasible, automate this: send an email with a tracking number once the product is purchased, another when it ships, and another on the day the goods are anticipated to arrive.

There'll be more inclined to purchase with you again if your returns procedure is straightforward (even if they don't intend to return an item).

- 8. Digital marketing** - Brands must determine the finest way to spend their money across digital channels and properties. They should optimize spending across various digital properties, such as banner advertisements, search listings, social media, and so on, according to their goal. The competency to hyper-personalized content is an important benefit of digital marketing. By being agile about which consumer cohorts to target and their purchase journey to target them, brands can increase their ROI.
  
- 9. COVID Insurance** – They have assured the delivery partners that they will not be forced to work for financial reasons if they become Covid Positive. The Delivery Partner Insurance Plan, which previously only covered hospital treatment, will now also cover lost wages if a delivery boy contracts COVID-19.

### **3.2 PANDEMIC FORCING SMALLER RETAILERS TO ADOPT O2O, SOCIAL COMMERCE**

Retailers across the country are considering moving to offline-to-online (O2O) or social commerce platforms as the pandemic makes it difficult to move products on the offline market. While such platforms had been growing in India for some time, their customer base was primarily made up of lifestyle sellers and small firms without the resources to engage in e-commerce.

Even Kirana stores and other critical businesses, such as medical stores, are adopting these services to grow their businesses. Indeed, Amazon recently announced a Local Stores initiative in India, a first for the company, which will bring offline businesses to the country.

Offline retailers can quickly create their own web stores and take orders using platforms like CoutLoot, Shopmatic, Shopify, and others. Facebook, WhatsApp, TikTok, etc., are utilized to promote these platforms. Before making a purchase, CoutLoot allows potential customers to chat with merchants. Thind claims that customers will talk to a company for days before making a purchase.

Regardless matter how things turn out, current thinking assumes that the new normal will be different. While local businesses in big cities work with larger cash flows, their own equivalents in smaller towns do not.

### 3.3 SHORTAGE AND RECRUITMENT OF STAFF

The major problem is the lack of labour, which makes it difficult for firms to fulfill orders. Because of the epidemic, online supermarkets such as Bigbasket and Grofers articles having access to just 50% and 60% of their whole personnel, respectively. Consequently, they can only fulfill order deliveries at a minimized frequency, putting pressure on the availability of slots for customers. Because of the personnel and logistical problems caused by the lockout, Amazon has also halted certain deliveries and only authorized essential deliveries.

Consumer internet firms are planning for steps such as pay cuts and layoffs to offset business losses, leading to the drop in e-commerce delivery.

**HIRING** – Ecommerce companies are ramping up hiring to replace the growing number of delivery and supply chain workers who have tested positive for Covid-19, especially in the country's larger metros, where the disease is spreading rapidly. Some businesses are doubling their recruitment efforts due to a labour shortage when demand for online supplies is at an all-time high, even as they increase frontline worker testing and lobby for a faster vaccination rollout.

- **Flipkart**, which Walmart Inc. owns, said it hired 23,000 new employees for various roles in its logistics and supply chain in the last three months (March-May), including delivery executives. This is to ensure that the e-tailer can fulfil incoming orders while adhering to the Coronavirus guidelines.
- **Amazon** aims to employ 75,000 individuals in a tight labour market and is providing prizes to encourage workers, including \$100 for new hires who have previously been vaccinated for Coronavirus.
- Workers for warehousing and delivery Job positions and those who pack, and dispatch online purchases are in demand. **BigBasket** is hiring twice as many people as it needs and building a bench to weather the current wave, which has seen orders rise by 23-25 percent month over a month.

- **Grofers** stated that it has already hired over 2,000 workers in its logistics and plans to hire an additional 7,000 workers in the upcoming months to fulfill the increased demand.
- **Swiggy** has also stated that it will increase hiring throughout India to meet the increased demand for food during the IPL season.
- **Women on Wheels** – BigBasket, an online grocery delivery service, recently recruited fifty female bikers. It is, however, not the only one. Female delivery agents and riders are being employed by various e-commerce and online delivery firms, including Amazon, Flipkart, and Ecom Express, since they are regarded to be "more disciplined" and take much less leave days than men equivalents.



**Figure 10 - Women Delivering Products**

On the ground, it's still a concern of life and death for delivery personnel, who can't afford to miss work unless they're sick. While most large e-commerce businesses have told their staff that they would be reimbursed for medical bills and given paid time off if they catch the virus, field staff continue to think they are putting their lives in danger in order to deliver items to consumers.

### 3.4 VACCINATION DRIVE FOR FRONTLINE WORKERS IN E-COMMERCE

The no. of daily Coronavirus cases in India has decreased to one lakh and 20,000, Indian states are gradually phasing out the regular lockdown. Meanwhile, tech companies that rely heavily on frontline workers, such as, Uber, Ola, Dunzong, Swiggy, Amazon, Flipkart, Bigbasket Zomato, and others, have begun a free vaccination drive for these workers.

These tech start-ups took action after the government reaffirmed its commitment to providing free vaccination to Health Care Workers (HCWs), Front-Line Workers (FLWs), and all people over the age of 18 in April 2021.



*Figure 11 - Vaccination*

- **Amazon** – Amazon India has announced plans to cover the vaccination costs of 1 million people, following the announcement of a \$ 25 million Amazon Relief Fund and a Partner Support Fund for its partners and vendors. This applies to all Amazon associates and workers in India and its operational partner network ecosystem of delivery services partner associates such as trucking partners, Amazon Flex drivers, store partners, and their eligible dependents.
- **Flipkart** – The e-commerce giant has started a vaccination drive for frontline employees of Flipkart and Myntra. They are collaborating with hospitals to organise

vaccination camps all over India. Flipkart and Myntra will cover the entire cost of vaccinations for all their employees, including their five dependents.

Furthermore, Flipkart and Myntra employees are provided with a broad range of medical services, including at house and in hospitals. This includes having enough insurance coverage.

- **Dunzo** – Dunzo, a Bengaluru-based hyperlocal delivery start-up, has pledged to vaccinate 95% of its delivery partners within the next three weeks, beginning June 6.

The company has partnered with Rotary Club and the Greater Chennai Corporation, collaborating with healthcare providers such as Apollo and ACT Grants to support partners and their families getting diagnostic and medical aid should and if they need it.

- **Swiggy** – an online food delivery platform, announced in May 2021 that it would vaccinate its delivery boy and frontline employees, including Instamart delivery partners & those who work in the company's cloud kitchens.

On its platform, the company started to display the vaccination status of its delivery partners. While they have given the first dose of the vaccine to a few thousand delivery partners, the company hopes to vaccinate everyone within the upcoming weeks.

Similarly, BigBasket is holding vaccination camps at its partner hospitals for its staff and delivery partners.

### 3.5 INITIATIVES DURING PANDEMIC BY COMPANIES

#### ○ AMAZON –

- Amazon has joined the Global Task Force of the US Chamber of Commerce to assist India in combating COVID-19 by bringing in ventilators. They cooperated with USIBC, which is establishing the ventilator distribution strategy in collaboration with NITI Aayog and the Ministry of Health and Family Welfare (MoHFW).
- Amazon Pay honours the unsung heroes of Covid - 19 with the UmmeedKeChehre campaign — a digital-led campaign honouring the pandemic's unseen and unsung heroes who continue to help and support others. The campaign begins with a digital video that shows the amazing efforts and devotion of people and organizations, including frontline workers.
- They have collaborated with vendors to provide oxygen concentrators to clients in India.

#### ○ FLIPKART –

- Flipkart develops new policies for the well-being of employees' families.
- Fostering an ecosystem of giving – Flipkart and Myntra have partnered with GiveIndia to facilitate donations, and lakhs of consumers have donated their Flipkart SuperCoins points on the app, allowing for donations of PPE kits, oxygen cylinders, and ambulance services, among other things.
- As part of the US-India Business Council and US-India Strategic Partnership Forum's joint relief efforts Walmart and the Walmart Foundation have pledged to fund an additional 2,500 oxygen concentrators. In addition, the Walmart Foundation is contributing \$2 million to other non-governmental organizations in India.

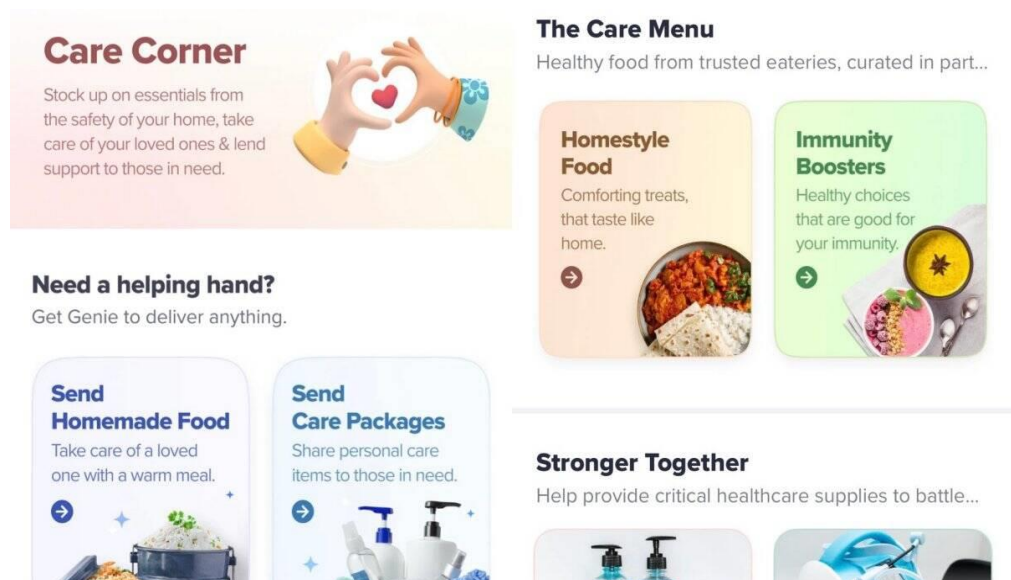
#### ○ SWIGGY –

- **Swiggy Genie** - Swiggy Genie is a latest service offering from Swiggy that allows you to deliver or receive anything from medical necessities,

PaanShops, Supermarkets, Pharmacies, lunch boxes, documents, laundry, repair items, shoes, stationery, and other materials from one location to another in your city.

Swiggy is also cooperating with hundreds of Covid heroes who are delivering meals to affected families, and these deliveries will be prioritised.

- **Care Corner** – To assist with COVID-19 efforts, Swiggy has added a special Care Corner to its app. The features are similar to those offered by Swiggy Genie, except that this appears to be focused on COVID-19. Swiggy's Care Corner displays options for sending home-cooked meals, sending care packages, and having medications and groceries delivered.



**Figure 12 – Swiggy Care Corner**

○ **GROFERS –**

- Grofers collaborates with UNICEF to promote COVID-19 vaccination. The future endeavours to create an omni-channel retail store comprises point-of-sale training, customer retention, and data analytics to help inventory planning.

### 3.6 SWOT ANALYSIS

The SWOT analysis aims to form the most use of the company's strengths while also keeping an eye out for forthcoming chances to use them fully. Although, it is critical to keep the company's weaknesses in mind while adopting the appropriate measures to minimise the upcoming risks.

#### ➤ STRENGTH

- Discounts - The usage of e-commerce sites reduces manufacturing costs, merchants are ready to offer good deals on their items, attracting more potential customers.
- Less operating costs than a traditional shop.
- Efficiencies imply that its offerings complement one another.
- Customer Support - prompt & dependable service.
- Cost Leadership-controls greater purchasing power.
- Merchants & Range - a wide variety of items are offered.
- Technology-special internet protocol (IP) and research and development (R&D), AI
- Worldwide capabilities based on the best logistics & distribution networks.

#### ➤ WEAKNESS

- The Generational Gap - Shoppers of the elder age still preferring to buy their items in person instead of online. This is largely due to a lack of access to technology and a lack of confidence in online transactions.
- Cost - perishable, Heavy, and bulky products are expensive to deliver. Whereas e-commerce sites can offer great deals, so that sometimes shipping cost is often quite high, and in some cases even higher than the product cost.
- Unwillingness to process payments because to worries about fraud and security.

## ➤ OPPORTUNITY

- Tie up with retail stores by the purchase of more merchants in order to have a larger footprint.
- Partnerships with leading hardware for AI/voice recognition partner with top hardware Artificial Intelligence, Machine Learnings.
- Businesses may now use Machine Learning & AI to better understand their customers' behaviour and liking.
- Social media marketing is a low-cost method of increasing brand recognition.

## ➤ THREATS

- Changes in privacy policies
- Low entry barriers can lead to the emergence of new entrants.
- Price disputes with major e-commerce firms.
- Regulatory and legal changes have an impact on growth.

The SWOT Analysis of the e-commerce sector offers a clear picture of the growth of the e-commerce industry and how it will function in the future. However, there is no question that more customers are entering the league every day, there are acute issues that are also pushing them away from it. It is predicted that such problems would be handled within the approaching times so that the online shopping procedure becomes easier for the buyers.

## **CHAPTER IV – TO STUDY AND PREDICT THE FUTURE OF E-COMMERCE**

- 4.1 How they are Future Ready
- 4.2 Investments/Projects
- 4.3 Key trends which hold the potential to take forward  
the growth of e-commerce and consumer internet in  
India
- 4.4 Upcoming Innovations & Investments

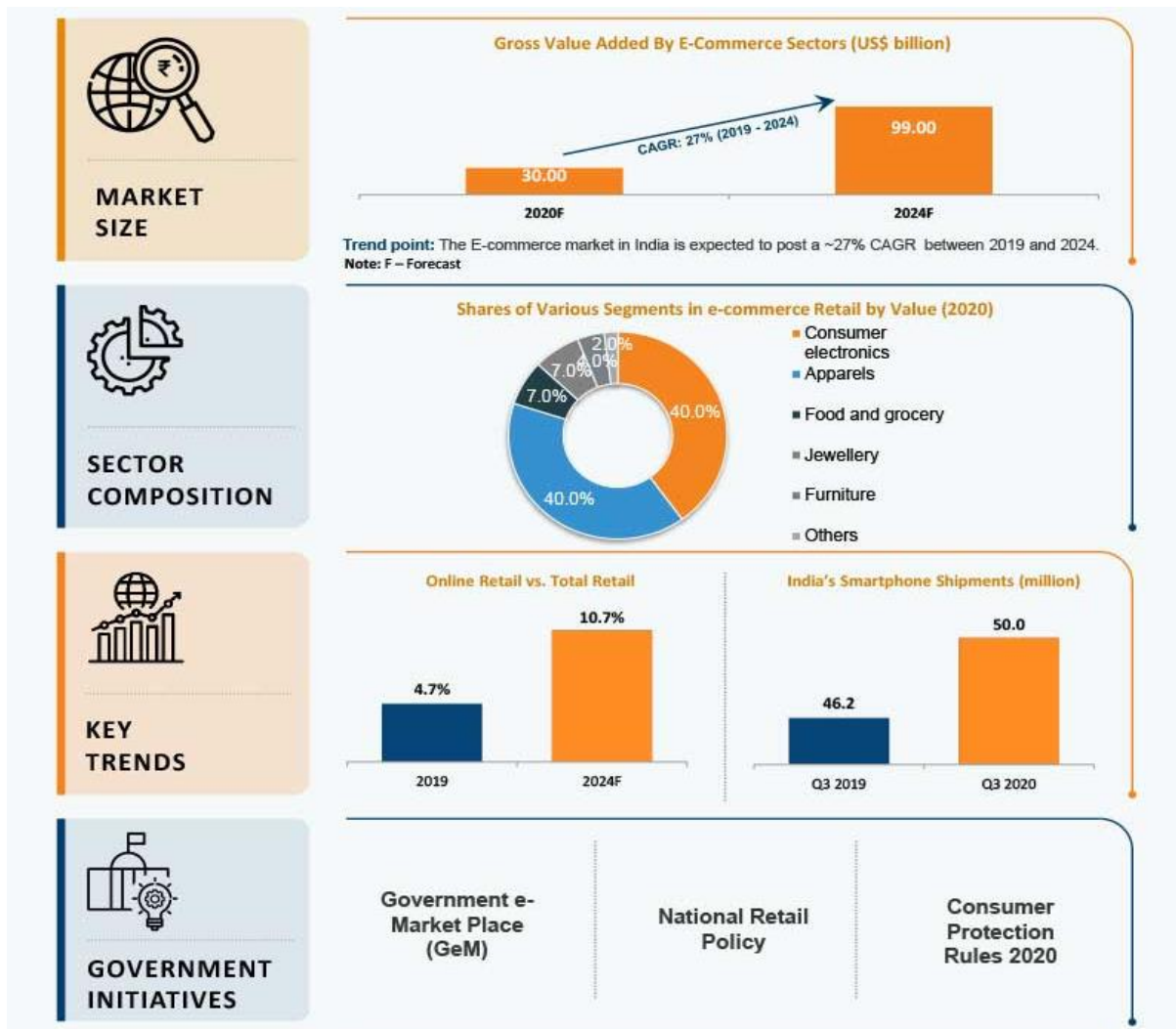
## 4.1 TO STUDY AND PREDICT THE FUTURE OF E-COMMERCE

The E-commerce sector of India is on the rise, and it is anticipated to overtake the United States as the world's second-largest e-commerce market by 2034. The Indian e-commerce market is expected to grow at a 27 percent CAGR (Compound Annual Growth Rate) to US\$99 billion by 2024, up from US\$30 billion in 2019, with groceries and fashion/apparel anticipated to be the major drivers of further development. According to Forrester Research, Indian e-commerce sales would grow by 7-8% in 2020. The Indian online grocery industry is anticipated to expand at a CAGR of 57% to \$18.2 billion in 2024, up from \$1.9 billion in 2019.

According to Payoneer research, the Indian e-commerce sector is the ninth fastest-growing world in terms of cross-border growth. E-commerce in India is predicted to expand from 4% of total food and groceries, clothing, and consumer electronics retail sales in 2020 to 8% by 2025. In the fourth quarter of 2020, the number of e-commerce orders in India rose by 36%, with the personal care, beauty, and wellness (PCB&W) category benefiting the most. In India, e-commerce sales are anticipated to grow by just 7-8 percent in 2020, compared to 20 percent in China and the United States. The e-commerce market in India is anticipated to reach \$84 billion by 2021, owing to robust development in the country's organized retail sector.

The Indian e-commerce business expanded as more Indians bought online rather than leaving their homes. From October 15 to November 15, 2020, India's e-commerce festive sale season produced Rs. 58,000 crore (US \$8.3 billion) in gross sales for brands and sellers, a 65 percent growth over the previous year's Rs. 35,000 crore (US \$5 billion).

According to Bain & Company research, India's social commerce gross merchandise value (GMV) would be \$2 billion by 2020. Due to increased mobile usage is anticipated to reach US \$20 billion by 2025, with a possible huge growth to US \$70 billion by 2030.



Source: India Brand Equity Foundation

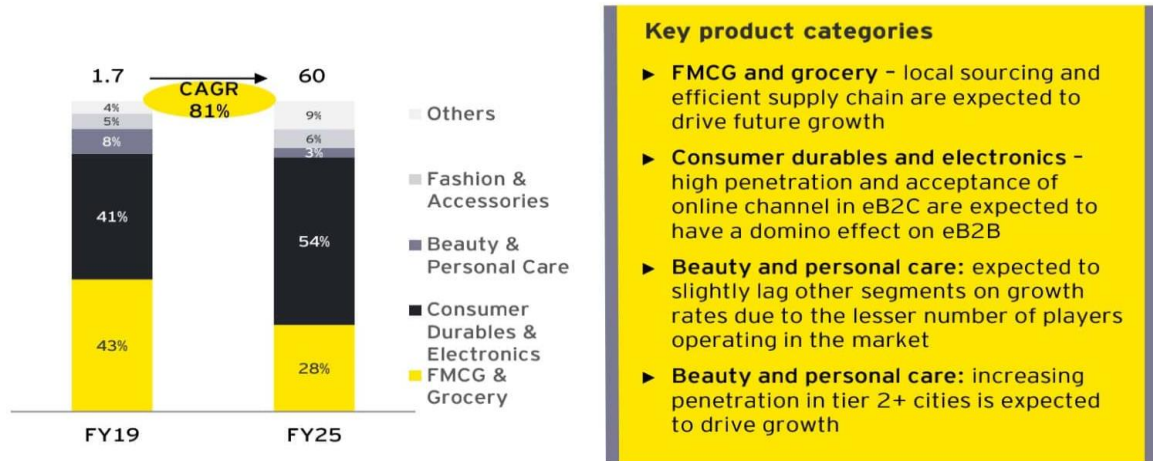
Figure 13 – Trends

### ➤ B2B E-Commerce

The Indian government has permitted 100 percent FDI in Business-to-business e-commerce in India, which has sparked growth in the industry as global players show interest. Also, Demonetization, GST, and digital governance continue to act as crosswinds, enabling the development and application of the digital economy framework. However, the back-to-back regulations proved to be a stumbling barrier for the business sector for a while, resulting in a falling economy. However, these policies were a boon to the thriving e-commerce industry, particularly B2B e-commerce.

In India, there are several B2B e-commerce businesses rising. Amazon Business is one of the major B2B e-commerce platforms in India. Flipkart, Alibaba, Indiamart, and Shopify

are among the other companies. Furthermore, over the last four to five years, numerous start-ups, including Ninjacart, Indiamart, Udaan, Jumbotail, Moglix, and ShopX , have aimed to digitalize the wholesale supply chain.



Source: EY Report

Figure 14 – India eB2B retail market (US\$ billion)

## 4.2 Investments/Projects

The following are among the most significant developments in the e-commerce sector of India:

- **January 2021 –**

- **Flipkart** introduced SuperCoin Pay to strengthen its SuperCoin rewards programme by allowing customers to pay with SuperCoins at over 5,000 retail outlets across the country.
- **The Khadi and Village Industries Commission (KVIC)** launches eKhadiIndia.com, an e-commerce portal with over 50,000 products ranging from apparel to home décor.
- **Udaan**, a B2B e-commerce platform, raised US \$280 million (Rs. 2,048 crores) in additional funding from new investors Octahedron Capital and Moonstone Capital. Previously, in Oct 2019, the company has raised US \$585 million (Rs. 4,280 crores) from Footpath Ventures, Hillhouse, Tencent, GGV Capital, Citi Ventures, and Altimeter. The recent fund will most presumably be used to digitise more small businesses across the country and expand the market for B2B e-commerce.

- **February 2021 –**

- **Flipkart** collaborated with Maharashtra Small-Scale Industries Development Corporation and Maharashtra State Khadi & Village Industries Board to bring local artisans and small and medium businesses into the e-commerce ecosystem.
- **Zomato** announced a partnership with the Ministry of Housing and Urban Affairs (MoHUA) to introduce 300 street food vendors to its portal.
- **Flipkart Wholesale**, the Flipkart Group's digital B2B marketplace, has included groceries in its app, with the objective of giving kiranas and small merchants with one-stop consumers with a wide selection of items.

- **Udaan**, a B2B e-commerce company, revealed intentions to more than fivefold increase warehouse capacity to 50 million square feet across various states over the next 7-8 years.
  
- **March 2021 –**
  - **Amazon** paid Rs. 107.6 crores (US \$14.5 million) for "Perpule" Bengaluru based retail tech start-up.
  - **Purple**, an online beauty store, raised US \$45 million from Verlinvest, Blume Ventures, JSW Ventures, and Sequoia Capital India.
  - **Captain Fresh**, a B2B marketplace for seafood, raised US \$3 million in seed capital led by Matrix Partners India and Ankur Capital.
  - **The Confederation of All India Traders (CAIT)**, which represents 80 million traders and 40,000 trader associations, has announced the release of a mobile app for its e-commerce platform, 'Bharat E-market,' The organization's objective is to inspire more small business owners to sell online using their mobile phones.
  
- **April 2021 –**
  - **Flipkart** announced a business partnership with Adani Group to strengthen the company's logistics and data centre capabilities while also creating about 2,500 direct employments.
  - **Flipkart** announced the acquisition of Cleartrip, an online travel technology firm, as the company increases its investments to widen its digital commerce services for customers.
  - **ElasticRun**, a Kirana commerce platform, gets \$75 million in a round-headed by current investors Avataar Venture Partners and Prosus Ventures.

### 4.3 KEY TRENDS WHICH HOLD THE POTENTIAL TO TAKE FORWARD THE GROWTH OF E-COMMERCE AND CONSUMER INTERNET IN INDIA

- **Omni channel approach** – Traditional offline channels are increasingly reliant on internet channels to reach clients. However, the inverse is also true, as online channels strive to increase their presence through experiential stores and other ways.
- **Multi-language integration** - With Bharat positioned to be the next growth engine (tier 2 cities and beyond), it will be critical for e-commerce platforms to deliver their services in various languages to achieve momentum.
- **Direct to Consumer (D2C)** - With exponential growth in the number of first-time users coming online to satisfy their buying needs, brands and companies will certainly require an online presence, either through marketplace listings or the more profitable D2C channel. In addition, the online shopping trend will aid the expansion of specialised product categories and brand reach.
- **Business prospects for digitization** - The pandemic highlighted the need for digital ringfence in establishing a resilient organization. As a result, traditional conglomerates, corporate services, and even tiny mom-and-pop businesses have begun to digitise their operations, and this trend is anticipated to continue.
- **New talent model** - To keep up with demand when it emerges from the lockdown, firms must account for a shortfall in the gig economy owing to labour migration, which will take some time to stabilise.
- **Deep technology adoption** - To provide more personalized services to their consumers, many eCommerce firms implement deep technology such as Artificial Intelligence, Machine Learning, Internet of Things, and Virtual Reality.
- **The Rise of Super Apps** - We've witnessed an increase in portfolio service offerings as online firms vie to be a one-stop shop for satisfying client demands. While it is still in its early stages, this is a fascinating trend to watch.

- **Consolidation** - Because the industry is still in its infancy and there is still significant potential to be tapped, online firms are scrambling to get market, wallet, and mind share as soon as possible. Players in the area are always seeking to cement their position and guarantee long-term, sustainable growth in an increasingly competitive market.
- **Planning for future black swan events** - Because this is a leveller, the starting gun will be the same for all firms. So now is the greatest moment to innovate and stay relevant.

Consumer behaviour is more unpredictable than ever right now, because to the uncertain global environment. But one thing is certain: e-commerce will continue to expand significantly in the coming months. As a result, firms will need to stay current on trends. They must future-proof their business model, decrease risks, and improve their offerings. This lowers the possibility of getting ran over by the times, and enterprises will achieve new heights as a result.

### Four actions can address immediate customer needs and prepare for the future.



#### Focus on care and concern

- Reach out, but with support, not marketing
- Make a priority of employees and community
- Stay true to company purpose and values



#### Meet your customers where they are

- Innovate digital models to help customers weather the crisis safely from home
- Expand home delivery options
- Consider contactless operations



#### Reimagine the post-COVID-19 world

- Economic hard times will force cost cuts
- Migrate customers to digital channels to save money and boost satisfaction
- Brick and mortar stores may look very different post-crisis



#### Build agile capabilities for fluid times

- Tap social media, not surveys, for quick customer readings
- Solicit employees for ear-to-the-ground insights
- Save time with “test and scale” labs
- Pay attention to “failure modes” indicating that you’ve missed customer signals

## 4.4 UPCOMING INNOVATIONS & INVESTMENTS

### AMAZON –

- As Amazon.in celebrates its eighth anniversary, they reaffirm their commitment to India. They become obsessed with serving customers and small companies, inventing on their behalf with innovation, and thinking long term. They are humbled by how they positively impact people's daily livelihoods all over India. They are excited by the prospect of being a key digital partner for India as it realizes its true potential in the twenty-first century, and they are laser-focused on our pledge to digitise 1 million small and medium-sized businesses (SMBs), facilitate \$10 billion in exports, and create 20 lakh job opportunities by 2025.
- Recently at Smbhav, they made a series of announcements, including:
  - The Amazon Smbhav Venture Fund, worth \$250 million, will fund start-ups and entrepreneurs focused on technology breakthroughs in SMB digitalization, Agriculture, and Healthcare.
  - Announced the 'Spotlight North East' project, with the goal of bringing 50,000 weavers, artisans, and small enterprises from India's eight North-Eastern states online by 2025.
  - They also stated their commitment to adding 1 million local retailers and neighbourhood stores to Amazon.in by 2025.
- Amazon will invest \$1 billion in digitising SMBs (Small and Medium Businesses) in India. Amazon India has also committed to add 10,000 electric vehicles to its delivery fleet by 2025.

### FLIPKART –

- **Pilot Drone Delivery of Covid-19 Vaccines in Telangana** – Under the 'Medicines from the Sky' project, Flipkart has partnered with the Telangana government to lead a consortium tasked with the development and execution of drone deliveries of medical supplies to remote areas. The pilot, which is expected to last six days,

will test the delivery of thousands of Covid-19 vaccines in Hyderabad while keeping all safety and efficiency parameters in mind.

- **100% Electric Mobility by 2030** — Flipkart drives towards sustainability with EV100



**Figure 15 – Electric Mobility**

- **Humans + AI-Powered BOTS: The Future of Indian E-Commerce**—Over 4,500 shipments per hour, at twice the speed, and with 99.9 percent accuracy — the future of Indian e-commerce is taking shape at a Flipkart sortation centre on the outskirts of Bengaluru. Humans and AI-powered bots known as Automated Guided Vehicles (AGVs) collaborate to guarantee that your Flipkart goods reach on time and without overburdening the facility employees.



**Figure 16 – Automated Guided Vehicles**

## **CHAPTER V**

- 5.1 Findings and suggestions
- 5.2 Conclusion:
- 5.3 Bibliography

## 5.1 FINDINGS AND SUGGESTIONS

### ➤ FINDINGS

The findings of the study indicate that there are numerous e-commerce businesses in the e-commerce industry, out of which the major key players in the industry are Flipkart, Amazon, and swiggy, followed by other frequent players in the industry which are Udaan, Snapdeal, Zomato. Various insights and examples have been taken into consideration for an effective understanding by the readers.

The findings show the strong uptake of e-commerce across regions, with consumers in emerging economies making the most significant shift to online shopping.

Since the rise in Covid cases throughout the country, a sudden rise in the sale of products in the e-commerce industry is because consumers are more concerned about their safety. Thus, the businesses started expanding themselves so that they required a large amount of Manpower in their organization so that they began to hire new people.

Also, e-commerce businesses are looking forward to introducing new ideas. They are doing research and development on their application and to ease the supply chain so that lead time can be decreased, less of a number of errors in their order of packing and shipping.

The major key players of Indian E-commerce, i.e., Amazon and Flipkart, have acquired some e-commerce companies and payment merchants so that online payment can be much easier for their consumers.

Although, the Government of India has implemented Initiatives for E-commerce i.e., 100% FDI in their sector.

The price-effective internet packages for 4G services are very popular where people are trying their best to use it to the maximum leading them to try a search and make use of contactless shopping in the present situation of a pandemic.

The future of E-commerce is very bright and sparkling as the technology is improving along with the internet speed where thoughts of people can be captured with the help of technology and growth, they are displayed in the hands of humans with multiple options with effective price availabilities.

## ➤ SUGGESTIONS

- Just because it is online, and the reach would be to the end customer never rush the product always allow and make time for the product to reach the desired quality and then push the product.
- E-commerce is linked with the internet and always consider the interlink and work on the progress of the whole situation.
- Always focus on the user and consider the aspects of the product cycle, keeping the user intact.
- Investing in paid traffic in digital marketing can help in relinquishing the business reach to the desired customer.
- Pandemic added a great advantage to the industry and considering the need if a better-quality service is provided the retention of customer ratings would stay constant.
- The future of E-commerce holds a more significant share in human life so concentrating on better quality and upgradation add value to the industry.
- Increase in customers, increase in average transaction size, and the frequency per customer is the keen areas to focus on the sales area of E-commerce.

## 5.2 CONCLUSION:

The COVID-19 epidemic is still wreaking havoc on most businesses on a global scale, including retail, which has seen major disruption in recent months. Indian retailers are facing a slew of issues, with the majority of stores experiencing a complete halt in operations. These difficulties include controlling consumer demand, guaranteeing liquidity, supply chain interruptions, managing retail operations to ensure social distancing and proper hygiene, governance issues, and assuring employee health and safety. As a result, it can be concluded that these e-commerce firms must focus on transforming their businesses in order to succeed in a new business landscape challenge, which would assist these firms in catering to their consumers through preferred channels and building business resilience to operate smoothly during any future disasters.

Thus, there is a need to ease the disruption produced by this problem, where digitization will aid in reinventing company processes and satisfying consumer demand for immediate fulfillment as the market shifts to more multichannel and delivery-based models. This pandemic, however, serves as a warning to immediately develop a flexible and adaptable business and operational strategy to deal with future disturbances. This will cause a strong focus on transforming into digital businesses, as this is the time for retailers to take control of the current crisis and invest in developing a more robust business.

Hence, it can be concluded that e-commerce helps enterprises increase their market reach by providing more cost-effective and efficient distribution channels for their goods and services. Also, the e-commerce game has never looked like this before, and owing to the continuous pandemic, no one knows what it will look like tomorrow. As a result, all the industry's finest demand estimates have been tossed out the window, and every business, big or small, is simply adjusting and responding.

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