

IMPACT OF PANDEMIC ON E-COMMERCE & DIGITAL PAYMENTS

Dr. Deepak Kumar

Assistant Professor, Dept. of Commerce, Sanatan Dharma College, Ambala Cantt

Ms. Pooja

Assistant Professor, Dept. of Commerce, RKSD College, Kaithal

Dr. Ajay Mittal

Assistant Professor, Dept. of Commerce, RKSD College, Kaithal

Abstract:

The coronavirus pandemic has modified people's lives in each attainable means. The pandemic is driving a big share of this e-commerce transactions through digital payments, making ready shoppers for a permanent shift. As per trade specialists, there'll be consistency within the rise in e-commerce and digital payments. thanks to this coronavirus, a lot of folks are clench digital payments and in step with specialists, this trend is about to continue and grow. it's noteworthy that India's on-line retail recovered quickly once the nationwide imprisonment and conjointly witnessed a flourishing joyous sales amount ever. The sector saw huge upsides from new internet buyers, existing shoppers shopping for additional food and grocery, and mature shoppers moving additional of their payment to on-line platforms. However, firm's area unit hopeful and expecting sturdy sales growth in 2021. on-line grocery, e-pharmacy, and social commerce area unit the segments that area unit expected to check a bulk of the action in 2021

Keywords: Pandemic, Digital Payments, Covid 19, E-Commerce

Introduction:

Demonetization in November 2016 and constant push by Government and regulators for less cash economy have propelled the growth trajectory. The digital payments market in India was valued at INR 1,638.49 trillion in FY 2019 and is expected to reach INR 4,323.63 trillion by FY 2024, expanding at a compound annual growth rate (CAGR) of ~22 per cent during the FY 2020 -FY 2024 period.¹

Social distancing has become a new norm in today's grim situation. The COVID-19 pandemic has affected all the markets and industry sectors along with daily life globally.

However, in this digital world, the flow of money cannot stop by the coronavirus outbreak or lockdowns. As a result, the adoption of the digital payment solution is increasing at a rapid pace.

The industry has been equally supported by technological innovations. In the last 10 years, the country has seen many unique and state of the art product innovations in the digital payment industry. The advent of a younger population who has grown up with mobiles and data, has enabled faster adoption of technological advancements in digital payments. According to a survey² conducted on parameters such as round-the-clock availability of the services, adoption, and immediacy of payments, India is considered to have a more evolved digital payment ecosystem compared to 25 other countries including the U.K., China and Japan.

The industry has also seen continued involvement from the government by way of its targeted regulatory policies in the payments space. While, demonetization indirectly pushed forward the digital transformation of the Indian payments ecosystem, other initiatives like the Digital India program (under the Ministry of Electronics and Information Technology or, Jan Dhan Yojna, mandating electronic payments for businesses having turnover over INR 50 Crores and several other incentive and awareness programs have directly contributed to the industry's growth. A number of remarkable innovations and initiatives have changed the way India transacts. For instance, push towards digital payments with initiatives such as United payments interface (UPI), Bharat interface for money (BHIM), RuPay cards, FASTags, introduction of interoperability on wallets, cash recyclers, or innovations by FinTech players like radio frequency identification (RFID) based fuelling apps, all-in-one quick response (QR) code for merchants and, QR-based cash withdrawals on ATMs; digital India clearly holds an extremely promising future. However, consumer awareness and security concerns continue to be amongst the biggest hurdles faced by the industry, and needs continuation of sustained collaborative drive from banks, payment providers, regulators and government.

In the current COVID-19 situation, the digital payments sector witnessed a decline of ~30 per cent in the transaction value, and recent data made available from National Payments Corporation of India (NPCI) attest to a sharp decline observed in the months when lockdowns were initiated³ (primarily due to the impact on the travel, hospitality and retail sectors). However, Government and regulator have pushed digital payments in such times by means of National electronic funds transfer (NEFT), Immediate payment service (IMPS), UPI, BHIM etc. so as to avoid usage of physical cash which has higher risk

element of COVID-19 transmission. Such efforts along with opening of economy are further reflected in the recoveries observed in various digital payment platforms on NPCI in a relatively short period of time. This clearly indicates that the detrimental impact of COVID-19 on digital payments, although significant, is not lingering and digital payment ecosystem in India is expected to evolve rapidly to help shape the post-COVID-19 era growth.

Data Collection

Method Data is collected from secondary sources, such as books, articles, magazines and websites.

Research Objectives & Questions

To study the impact of covid-19 on e-wallet in India.

Will Ecommerce Grow And How Will It Affect Payment Industry.

RBI Is Pushing For Digital Payments During COVID-19

(RBI pushes digital payments in the time of COVID-19, 2020), RBI Governor Shaktikanta Das urged Indians to use the country's digital payment infrastructure in the country in a bid to end the coronavirus virus epidemic. "The RBI and the government have a strong focus on improving digital payment," Das said, pointing to examples of using NEFT, IMPS and UPI to cut through social networks to create jobs. He also said that banks were given the right advice to improve digital payments. The RBI also said in a separate notice that COVID-19 could be prevented from avoiding network forums and visiting public places. "The public can use these digital payment methods through their home invasion by using online means such as mobile banking, online banking, credit cards etc. and spending money in crowded places while sending money or paying bills Avoid," urges the director.

COVID-19 As Catalyst in The Deep Adoption of Digital Payment Frameworks

(CHAWLA, 2020) founds that Until 2019, digital payments receivables were slow and varied by country. The reasons included culture, democratization, and technology - many of which were economists at different stages of development. However, the long-term uncertainty of the COVID-19 issue will result in the public being accommodated on digital payment platforms, almost as much as power. With inbound wireless access significantly improved, with about 5.1 billion unique users and 3.7 billion unique Internet users by the end of 2019, it will help smooth the adoption of digital payment platforms.

And with many competitors offering digital payment platforms, the competition should help sharpen the user experience of the app as poor performance will lead users to vote on their (digital) wallets.

How COVID-19 Increases Digital Payment Adoption Worldwide

(Patel, 2020) analyses that the digital payment acceptance rate is dropping in 2019. In addition, it was a major change in every category and country. COVID-19 disease has increased the adoption of digital payment solutions. Although various economic disputes around the world are at various stages of development, the outbreak has forced people to change their buying habits to interact with eCommerce and m-commerce. This has blocked the way for digital payments. We can hope that the coronavirus crisis will end soon, but an increasing number of smartphone users will drive the development of digital payments in the future. While most of the competitors will come with digital payment platforms, customers will undoubtedly have an enhanced experience. Whether it's a digital wallet or other means of communication, digital payment solutions are here to stay.

Behavioural customer behaviour change is driving digital technology

Community reductions and other measures to reduce the disease exacerbate the need to provide digital banking services. This forces many traditional payment providers to quickly track their digital procurement efforts. Real estate banks and paying players may want to work together to bring digital payment solutions to the market. The full impact of COVID-19 is unknown for months - if not years. The global economy looks very different when we get back to normal. The subscriber sector plays an important role in economic development. The possibilities are:

- Converting cash and checking into digital payment systems o Building infrastructure to support more remote vendors
- Accepting digital currency in universal payment solutions o Controls cloud-based infrastructure, automation and analytics to scale

Electronic Payments Seem To Be More Attractive As People Fear That Money Can Spread The Coronavirus

(Rooney, 2020) highlights the key points as:

- Seeing money as a coronavirus vehicle can change how consumers choose to pay in person.
- Critics say that the "psychological factor" of people who think money as "dirty"

can spur more adoption of things like Apple Pay and Venmo.

- "People default to normal, unless something pushes you away," said Jodie Kelley, manager of the Electronic Transaction Association. "Wireless billing has been considered as something new for consumers who know what they're up to."

Growth of E-Commerce and M-Commerce during Coronavirus Outbreak

People who are locked in their houses prefer online shopping. Even in a few countries where partial or no lockdown is imposed, people tend to avoid visiting brick-and-mortar stores. From groceries to household essentials, people prefer online shopping. Many retailers have also embraced eCommerce technology to capitalize on this changing trend. As consumers increase the stock of food and other essentials, eCommerce and M-Commerce routes remain handy. The volume of online transaction surges as consumers switch to various eCommerce and m-Commerce channels including on-demand grocery delivery apps. It is a 'corona effect' that the eCommerce transactions were up 23% in March. However, online travel purchases like hotel booking and flight booking along with the cross-border eCommerce payments are declined due to COVID-19.

Conclusion:

The adoption rate of digital payment was slow until 2019. Also, there was a vast variation as per the sector and country. The COVID-19 pandemic has, however, increased the adoption of digital payment solutions significantly. Though various economies are still at different stages of development across the world, the outbreak has forced people to change their shopping habits in favor of eCommerce and M-Commerce. It has paved the way for digital payments.

We can hope that the coronavirus crisis will be eliminated soon, but the ever-growing number of smartphone users will drive the growth of digital payment in the future. Though more competitors will come up with digital payment platforms, customers will certainly get an improved experience. Be it a digital wallet or other contactless methods, the digital payment solutions are here to stay.

Bibliography

- RBI pushes digital payments in the time of COVID-19. (2020, March 16). Retrieved from <https://bfsi.economictimes.indiatimes.com/news/policy/rbi-pushes-digital-payments-in-the-time-ofcovid-19/74655639>
- CHAWLA, A. (2020, April 8). COVID-19 as a Catalyst in the Deeper Acceptance of Digital Payment Platforms. Retrieved from

<https://www.counterpointresearch.com/covid-19-catalyst-digital-payment/>

- Patel, M. (2020, April 22). Retrieved from

[https://www.business2community.com/tech-gadgets/how-covid-19-increases-digital-payment-adoption-globally-02303758:](https://www.business2community.com/tech-gadgets/how-covid-19-increases-digital-payment-adoption-globally-02303758)

<https://www.business2community.com/techgadgets/how-covid-19-increases-digital-payment-adoption-globally-02303758>

Financial Express. Retrieved from

[https://www.financialexpress.com/industry/covid19-want-contactless-payments-go-digital/1912889/:](https://www.financialexpress.com/industry/covid19-want-contactless-payments-go-digital/1912889/)

<https://www.financialexpress.com/industry/covid19-want-contactless-payments-go-digital/1912889/>

- Saigal, K. (2020, April 02). Euromoney. Retrieved from

<https://www.euromoney.com/article/b110fc800bd85v/cashless-after-covid-19>

- AGARWAL, S. (2020, April 27). accenture. Retrieved from

<https://bankingblog.accenture.com/top-eight-wayscovid-19-will-impact-payments>