

ONLINE BUSINESS DURING COVID-19: BENEFITS AND CHALLENGES

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Abstract:

Covid-19 has hit the whole world very badly. The pandemic which was arisen in China in 2019, later on, affected almost all the societies and economies around the world. It has changed the whole world on various levels and led to a need of remedies and solutions with an urgent imperative of business transformation. This study examines the effect of Covid-19 on our business sector. As, business environment is changing continuously and is affected by many internal as well as external factors. So, in order to maintain the regularity of business activities, a businessman has to change its policies in accordance with changing business scenario .So, this paper will shed light on opportunities as well as challenges faced by online business during covid-19 and will also give suggestions to reduce the impact of crisis with creativity, flexibility and innovation. For the purpose of this study, data has been collected from secondary sources such as journals, newspapers, magazines and various websites.

Introduction:

Online business means buying and selling of products with the help of internet. It has emerged as a boon to all of us as it offers a variety of products on a single click at our smart phone. It's cost effective and time saving features make it more popular as today's life is busier than before. People these days are having hectic job schedules due to which they can't find time to go to the marketplace for buying things. So, online shopping has become a part of our daily lives. There are many online shopping websites which are popular and frequently used by Indian consumers such as Myntra, first cry, amazon, flipcart, azio etc. But, not all sellers were selling their products online before pandemic covid-19, which hit our country India in March 2020 when we faced first lockdown due to which, all business units were closed. Initially, it was important to close down all business units for safety reasons but, when the situation did not improve, businessman has to follow an alternative way and that was online business.

Now, this was not the choice of a seller to follow online sale-purchase. Instead, this was the only way of survival of all business units and it would not be wrong to say that this pandemic has increased the dynamism in online business and has made it stronger and competitive. In almost all the affected countries, data revealed that online trade has increased especially of products of personal hygiene like sanitizers, gloves, masks etc.

Phases of Pandemic: the phases of Covid-19 were featured by different needs and requirements and they had a strong effect on all individuals whether they are employees or the customers. We refer the year 2020 as new normal and as now in 2021, we are in transition phase towards next normal. As, we fought the unexpected changes occurred during pandemic and stood up even stronger and better. The phase one of Covid-19 gave various challenges to us as it was declared as an emergency situation where almost all areas were forced to close. It was really dangerous as it took more than a million lives within days. It seemed like world has stopped. In India also, it was declared by the government that people should not come out of their homes except a situation of medical emergency. All schools, colleges, public buildings, public transport and business units were closed. Only medical and grocery shops were open. It was a situation where we citizens were fighting to save our lives. The second stage of pandemic came with many solutions. Here, it was stated by the government that lockdowns had a negative impact on our economy. So, we have to follow safety measures. We should wear masks and gloves, should sanitize our hands properly whenever we go outside and with these guidelines, we can see all areas are working again.

The biggest change which happened during these phases was the use of technology in all sectors. Particularly, I would like to throw light on our business sector where online marketing has become common now. Even the small shopkeepers who could never think of going digital were selling their products online during the pandemic. It was a surprise to see that people were ordering fresh juices and fruits online. What a drastic change it was?

Opportunity for online business during pandemic: Well, covid-19 was really a tuff time for many business units but also, it came with a great opportunity for our growth and development. As we know that technological advancement is the need of the era and almost, all sectors are going online now-a-days. But, this was not mandatory for all

sellers and manufacturers as some small shop keepers were not following online selling due to their own convenience. The pandemic gave a chance of online selling to them and now they found it more effective and economical.

Benefits of online business during pandemic:

- ***Catering growing market space:*** even if we talk about the situation before pandemic, online marketing was a speedy growing market and the trend of online shopping was adopted by a huge number of customers. According to digital commerce 360 reports of 2007, it was identified that online purchase accounted for 13.2% which was increased to 16% by the end of 2019. And further during pandemic, this growth rate was increased drastically as those customers who were not relying on online purchase now had no other option. This was a great opportunity for businesses to cater the needs of these new customers.
- ***Engaging with new customers:*** online business has reduced the geographical barriers and has provided our local shopkeepers and retailers a platform where they can connect with the customers of other areas also. By this, they can increase their sales as well profits that further improve their goodwill and increase popularity. In 2019, an estimated 1.92 billion people around the world made online purchase.
- ***Lowering cost:*** it is more costly to buy a shop or doing business at a rental place. Moreover, a small shopkeepers also has to bear many other expenses like pay of workers, electricity charges, maintenance and travelling expenses etc. which are eliminated in case of online business. As, online business need less staff and less infrastructure which further reduces our operational cost and enhances our profitability. During pandemic, when companies allowed employee's to work from home, it might not be thought by anyone that companies would start liking it. Because it reduced so much expenses of their luxury buildings like electricity bills, maintenance charges, travelling and refreshment expenses of employees and so on.
- ***Necessary for long term survival:*** in today's modern era where customer is busier and choosier than before, the only way of survival of a business is to go online and

providing variety products to customers at their own convenient place and pandemic period has proved that this is not difficult for small shopkeepers also. And this pandemic has given them the ability to compete with those businesses which were already following online activities.

- ***Better understanding of consumer behaviour:*** online marketing is highly trackable. Now, businessman can understand its customers in a better manner. A customer provides a bundle of information when visits a website and businessman can understand their choices properly and improve their shopping experience. By knowing the customers better, a businessman can make good strategies and can cater new opportunities.
- ***Receiving payments quickly:*** online marketing has a big advantage of receiving payments easily and quickly. It has eliminated the concept of buying products at credit which was very much prominent in local markets where sellers have to sale products on credit in order to maintain good relations with the customer and to survive in the market. Online selling has solved this problem as now customer has to pay immediately when he buy a product. So, in this way also, covid-19 has improved the liquidity position of businesses.
- ***Provides 24/7 selling experience:*** in our traditional marketing method, buying and selling can be done only for a particular time during the day such as for a maximum of 8 or 9 hours. Whereas online business provides 24/7 selling experience to a sellers which increases the sales and ultimately the profits.
- ***Encourages impulsive buying:*** in online selling, if photographs of products are attractive having vibrant color or human emotions, it creates a strong impact on buyer which influences him to buy the product immediately.

Challenges faced by online businesses during pandemic: everything in this world has positives as well as negatives. In the same way, online business has gone through many difficulties during the hard times of covid-19. Some of those are mentioned below:

- ***Security issues:*** as modern customers are enjoying the online experience very much but at the same time, it has given rise to many fraudulent activities. So, it is

really necessary for the businessman to invest in latest security systems in order to protect their website and transaction processes. Otherwise, their image will be destroyed and they can be thrown out of the market by customers.

- **Cost of infrastructure:** well online business is an economical way of selling as it requires no space but if we talk about the warehouses which are must to keep the huge variety of products. It will increase the cost. Online selling is popular due to more variety and for keeping them, more space is required which enhances the infrastructural cost.
- **Experts help:** to create, design, maintain and secure a website can't be done by an ordinary retailer. Professionals help is required for all this and if a businessman is not in the position to arrange a qualified and trustworthy expert, the website can be handled properly.
- **Lack of in-store engagement with customers:** well, personal experience is really significant as it improves the customer seller relationship which further increases customer loyalty which is greatly affected in online buying and selling. As there is personal contact between buyer and seller, customer will only pay for what he wants and he can buy from any website where more discount is given. So customer loyalty is reduced during pandemic.
- **Legal issues:** when a business go online, it has to be more cautious with the laws related to online selling as consumer is more aware these days and any kind of violation of law or following any unethical policies can create big trouble for the business.
- **Consumer's trust:** it is more difficult to create a trusted brand name, especially without face to face interactions between customer and selling staff. As, to win customer trust is important for the long term survival of a business. So, they have to invest more in creating consumer friendly policies and procedures.

Conclusion: Covid-19 is likely to leave a long lasting effect on our businesses. It has given our business new height of success as the large business corporations as well as the small retailers are now working on same track. By throwing light on the various benefits provided by online business during pandemic, it can be said that our business can survive

well even after getting affected by any kind of internal and external changes. Now-a-days, when lockdowns became new normal and customers are buying more products online which further enhance the share of online trade during pandemic period. Although, some challenges are also associated with online selling and buying but those can be removed by taking proper care. So, it is concluded here that online business during lockdown has played a very significant role to maintain economic stability of our country during pandemic.

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