

# The Rise Of E-Commerce Amidst Pandemic: Evidence From A Digital Worldwide Company

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**Abstract:** - The nineties paved the way for the internet. People use it every minute of every day and it has changed people's lives immensely: from reading, watching movies, playing music, gaming, teleconsulting, online tutorials and schooling, learning new stuff, and of course, shopping. E-commerce businesses are direct retail online shopping, online marketplaces such as business-to-consumer (B2C) or consumer-to-consumer (C2C), buying and selling (B2B), online financial exchanges for currency exchanges or trading purposes, engaging in pretail for launching new products and services, gathering and using demographic data through web contacts, social media, and electronic data interchange. (Wikipedia, 2021). Company M began in the mid-90s as an online bookseller and now has established itself as a household name, making it the go to place in the U.S. when shopping for anything and everything. Over the last two and a half decades, the company has changed the business of e-commerce by introducing a wide variety of innovations to the market. Retail sales of e-commerce shows that COVID-19 has a significant impact on e-commerce and its sales are expected to reach \$6.5 trillion by 2023. (Anam, Bhatti, et. al, 2020).

**Key Words:** — *COVID-19, e-commerce, e-retail, business, pandemic, retail, shopping.*

## I. INTRODUCTION

COVID-19 has put e-commerce at the forefront of retail. Before the pandemic, online shopping was growing at a steady rate of 4.5% percent a year globally. (Totolo & Baijal, 2020). COVID-19 has massively accelerated the growth of e-commerce, total online spending in May hit \$82.5 billion, up 77% year-over-year. (Koetsier,2020). Revenue in the e-commerce industry has jumped to US\$52 billion, with Company M leading the sales in the U.S.

According to the 2020 financial report of Company M, one of the world's largest e-commerce platforms, their sales increased to 38%, from \$280 billion in 2019 to \$386 billion. Their net income has risen to \$21 billion, compared to last year's \$11 billion.

As per an article by J. Clement, last year of March 2020,

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Company M had almost 4.06 billion visitors with global retail website traffic amounting to 14.34 billion visits. (Statista, 2020).

While many businesses have filed for bankruptcy this pandemic, the e-commerce sector has remained mightily strong, mainly because of sustainable business paradigm suitable in this type of economic climate. Job loss and closing down of businesses is rampant because patrons who frequent their businesses and services were told to stay at home. But the e-retail business continues to flourish despite the pandemic because they can deliver goods and services without physical appearances from their customers.

## II. STATEMENT OF THE PROBLEM

The rise of e-commerce business is very much evident in the 21<sup>st</sup> century. Companies must be able to adapt quickly to the changing trends and needs of customers, this is now the new way of doing business.

Through the years, digital initiatives of businesses around the world are at the forefront of their goal: to be able to provide better products and services, at cheaper prices to people at a timely manner not just locally but internationally.

Company M has been in the e-commerce business for more than 25 years and has been an e-commerce leader. It is a go-to shop for online purchases in America and in some parts of the world. This was proven even before pandemic and it continues to deliver to a wider consumer network this pandemic and hopefully, in the years to come.

How Company M will be able to withstand their success and how they plan to sustain it long term?

### III. CAUSES OF THE PROBLEM

Although Company M has soared in revenue this pandemic, it has yet to prove sustainable growth post-pandemic.

This challenging trend in sales may be mitigated by implementing hip ideas and adapting breakthrough innovations. As per Company M's founder, "ideas stroke up growth." (Tvisha.com, 2019). The company began as an online book seller and has transitioned to multi-product and services variety. Since the pandemic started, their streaming and cloud services have gained market share.

Scalability must also be considered by Company M, if it plans to have a steady upward growth in the future. Recently, goods sold by Company M in its platform are mostly from other sellers. The company have few warehouses that keep the merchandise they sell.

The automated service also has return policy, that customers can trust and businesses dealt are clear and transparently handled. Thereby, more and more customers trust Company M.

Significant returns by expansion. The term "selling less of more" as coined in some articles, is the reason for good revenue streams i.e., retail sales, commission on reseller sales, and monthly subscriptions of their customers. Due to continued business expansion, sales increased from 14 billion to 386 billion in a span of 13 years. To date, there are over 200 million active customer accounts worldwide (Statista, 2021) and the company must endure making each customer happy and satisfied.

It has been in the news that the company is using drones or robots in their delivery with certain qualifications. This intends to cut the 2-day delivery to just 30 minutes or an hour.

Company M must also take further risks and learn to accept what would be a hit or a miss in their business as competitors in Asia are gaining market share.

### IV. COURSES OF ACTION

The top retailers in the U.S. for e-commerce sales are an expected group, but what got them here is harnessing the digital experience in innovative, unexpected ways. (Grill-Goodman, 2021)

The dramatic growth is attributed to safety measures observed during this pandemic, where governing bodies urged citizens to stay at home to stop the spread of the highly transmittable, highly fatal flu disease. Because of this ongoing policy, consumers have resorted to purchase their essential everyday consumables, like foodstuffs, via e-marketplaces. The company will benefit more if they have added strategic warehouses that keep the products they directly sell. This will also save time and cost in the delivery of the products.

Not only is this growth in sales is exclusive for tangible products. Company M's cloud and streaming services have also increased in revenue during pandemic. Work-related activities use cloud-based computing, a system which is utilized in remote work to organize and process contributions of several people physically distant to one another into one resource pool. Meanwhile, the company's streaming services are being heavily used in the leisure side of things, most probably because of travel bans during this pandemic.

Since the company began as an online bookseller, it is still growing its book business and is now operating a publishing platform for authors and publishers. Thru this, the company takes a sales cut from every book it helps to sell (Investopedia.com, 2021).

This 2021, the company has been operational for quarter of a century with a reach of more than 200 million customers each month and with domain in 21 countries around the world. Last year, the company's market capitalization went over \$1 trillion dollars again. (CNBC, 2021).

### V. RECOMMENDATION

Company M created numerous brands and services in almost all categories, i.e., online books or reading materials, online entertainment like movie or drama series viewing or music and video streaming, online selling or delivery of goods. It is part of their multi-level sales strategy, to be able to reach not just customers around the globe but to be able to deliver more products and services conveniently. The company should consider investing or partnering with food and beverage businesses to add to their online services and in cybersecurity

services as part of their growing business expansion to protect the online customers while conducting their businesses.

It can also boost profit with faster processing of goods and services. Same-day delivery, especially of essentials, must not only be exclusive for their premium members. The addition of drones, robots and other high-tech initiatives if carried smoothly posts a threat to competitors.

In addition, since they are now operating a publishing platform, maybe they want to launch a book club or a talk show that features the authors or top sellers in their site.

Lastly, the strategy of Company M has been diversification in many different lines of businesses. The key to Amazon's success moving forward is to quickly find any new businesses to enter and be able to decide which companies it will keep supporting and which to cut.

## VI. CONCLUSION

Company M is by far one of those highly strategic companies and it will be forever remembered, since they invest in what matters most – keeping their customers happy. As such, it is also evident of their growing market presence all over the world.

Having high growth rate and high operating profit margin are good measures of financial stability and success. Keeping these numbers healthy even during crisis proves that the company is resilient and is here to stay. If businesses are able to strategize same with Company M, then success will be on their side as well.

The company ventured into many businesses wherein some have failed, but from failures comes successes. More so, being one of the most customer centric companies will surely put you on top of the e-commerce business on a sustainable basis.

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