



## **E-COMMERCE AMIDST COVID 19 PANDEMIC IN THE PHILIPPINES: A LITERATURE REVIEW**

Jepth Warren H. Tibay

### **ABSTRACT**

The purpose of this literature review article is to investigate and explore how the E-commerce emerges during Covid 19 Pandemic. The article will also focus on the effect of the pandemic on its marketing strategies on shifting to online business or e-commerce during the pandemic. The article will also focus on the rise of e-commerce in the Philippines and its impact to business. The explanatory paper will also discuss how the changing behavior of the Filipino buyers has evolved from the usual process of acquiring the product like going to the physical store to online or e-commerce business.

### **INDEX OF TERMS**

#### **Covid 19**

According to David J. Cennimo, (2021) Coronavirus disease 2019 (COVID-19) is defined as illness caused by a novel coronavirus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2; formerly called 2019-nCoV), which was first identified amid an outbreak of respiratory illness cases in Wuhan City, Hubei Province, China. [1] It was initially reported to the World Health Organization (WHO) on December 31, 2019. On January 30, 2020, the WHO declared the COVID-19 outbreak a global health emergency. [2, 3] On March 11, 2020, the WHO declared COVID-19 a global pandemic, its first such designation since declaring H1N1 influenza a pandemic in 2009. [4] Illness caused by SARS-CoV-2 was termed COVID-19 by the WHO, the acronym derived from "coronavirus disease 2019." The name was chosen to avoid stigmatizing the virus's origins in terms of populations, geography, or animal associations.

#### **Pandemic**

A pandemic is an outbreak of global proportions. It happens when infection due to a bacterium or virus becomes capable of spreading widely and rapidly. According to the WHO, a pandemic involves the worldwide spread of a new disease. While an epidemic remains limited to one city, region, or country, a pandemic spreads beyond national borders and possibly worldwide. Authorities consider a disease to be an epidemic when the number of people with the infection is higher than the forecast number within a specific region. If an infection becomes widespread in several countries at the same time, it may turn into a pandemic. A new virus strain or subtype that easily transmits between humans can cause a pandemic. Bacteria that become resistant to antibiotic treatment may also be behind the rapid spread.

Sometimes, pandemics occur when new diseases develop the ability to spread rapidly, such as the Black Death, or bubonic plague (Fellman (2020)).

## E-Commerce

Electronic commerce or e-commerce (sometimes written as ecommerce) is a business model that lets firms and individuals buy and sell things over the internet. E-commerce operates in all four of the following major market segments such as business to business, business to consumer, consumer to consumer, consumer to business (Blomental and Anderson( 2020)).

## INTRODUCTION

E-commerce is the buzzword of the modern-day. Confronted with lockdown regimes and shop closures, customers shift to online and mobile platforms to shop for groceries, daily essentials, and other products. A neoteric survey shown in an article reported that a double-digit percentage of online customers was purchasing more digitally due to COVID-19. Most of them adopted the method for the first time during the lockdown. The percentage of global retail sales produced through E-Commerce increases, as a result, projected to reach one-third by 2024 (Wood, 2020). The coronavirus outbreak is converting the means consumers shop and wherewith they pay for their purchases.

## DISCUSSIONS

E-commerce and COVID-19 Coronavirus impact the whole e-commerce of the world; it has changed the nature of business. According to research 52% of consumers avoiding to go brick and mortar shopping and crowded areas. Furthermore, 36% avoiding brick and mortar shopping until they get coronavirus vaccine. Coronavirus effects different on different nature of products, means the impact of COVID-19 on several products is very high and on some product less impact (Andrienko, 2020). Overall sale of e-commerce increases because of this virus, people avoiding to go out, keeping social distance and buying from home, working from home such as Walmart grocery e-commerce increases 74%. Moreover, the media usage also increased in this time and Facebook, Google update their features to connect more people in single time such as Facebook introduce messenger for 44 people that is competing to Zoom. Similarly, Google also launched updated version (Sarah Davis, 2020). Top ten retail of e-commerce in pandemic is below

E-Commerce Business	Millions
1. Amazon	4059M
2. E-bay	1227M
3. Kakuten.jp	804M
4. Samsung.com	648M
5. Walmart.com	614M
6. Apel.com	562M
7. Aliexpress.com	532M
8. Etsy.com	395M
9. Homedepot.com	292M272M
10. Allegro.pl	

Andrienko (2020)

Mostly buying products during pandemic are toilet paper, disposable gloves, freezer, bidet, kettlebells, bread machine, paint by numbers, puzzle, peloton, coloring book, air purifier, treadmill, stationary bike, yoga mat, refrigerator, exercise ball and exercise equipment (Andrienko, 2020)

COVID-19 has a significant impact on e-commerce globally and, in some cases, adverse impact, but overall, ecommerce is proliferating because of the virus. Coronavirus compelled customers to use the internet and make it a habit in their daily routine (Abiad et al., 2020; Basu, 2020). The significance of this study is not just to investigate and explore how e-commerce firms are affected by the Covid-19 pandemic; it also aims to perceive how their value chains have changed.

E-commerce firms have used new technologies for logistics and last-mile deliveries during the pandemic. E-commerce giants such as Alibaba, Amazon and JD have employed automated technologies, such as autonomous cars, robots and drones to provide “contactless” deliveries safely to customers (Lin (2020)). E-commerce platforms have burgeoned out to cover new societal needs, such as online education and telemedicine (Alfonso, Viviana, et al.) 2021.

The coronavirus pandemic has accelerated the adoption of electronic commerce (e-commerce) in the Philippines, a government official said on Monday. “We know the increased adoption of e-commerce over the past year. Our records will show that more and more people are getting into the online business,” said Trade Secretary Ramon Lopez during the Sulong Pilipinas 2021: Partners for Progress, A Pre-State of the Nation Address (SONA) Economic Development and Infrastructure Clusters Forum held virtually on Monday. Citing data from the Department of Trade and Industry’s (DTI) Business Name Registration System (BNRS), Lopez reported there were 86,726 business names registered for online businesses from April to December last year. Lagare (2021).

Online shopping is booming in the Philippines due to the strong improvement of the internet, mobile applications, and various web developments. It is an easy solution for the busy life and COVID-19 pandemic that the world is facing today. Based on a study conducted by Statista, the Philippines ranks third place in the world's fastest-growing e-commerce markets outlasting its neighbor country in Southeast Asia [1]. In addition, a study conducted found that Filipinos shopped online for the convenience of not having to go to and line up at brick-and-mortar stores (58%), better prices (47%), and deals (46%) [2] Dela Fuente and Prasetyo (2020).

## CONCLUSION AND RECOMMENDATION

The articles reviewed showed that there is really a shift on e-commerce type of business from the traditional way of marketing. Online shopping became the trend as people buy their needs and wants online. The pandemic and lockdown protocols of the government enables some businesses to shift on e-commerce for them to cope up with the challenge of the pandemic. Buyers also engage in e-commerce or online flat forms because of the fear on the virus. E-commerce was also used not only in buying products but also in logistics and deliveries. The use

of e-commerce for businesses in times of pandemic is really recommended. This will greatly improve the performance of businesses which suffers loss during the pandemic. Studying and utilizing the online flat forms will surely help businesses to cope with the challenge of the new normal in the business world.

### LITERATURE CITED

- Buffington, Catherine, et al. *Measuring the effect of covid-19 on us small businesses: The small business pulse survey. No. 20-16. 2020.*
- Buffington, C., Dennis, C., Dinlersoz, E., Foster, L., & Klimek, S. (2020). *Measuring the effect of covid-19 on us small businesses: The small*
- BUFFINGTON, Catherine, et al. *Measuring the effect of covid-19 on us small businesses: The small business pulse survey. 2020.*
- David J Cennimo, MD, FAAP, FACP, FIDSA, AAHIVS Associate Professor of Medicine and Pediatrics, Adult and Pediatric Infectious Diseases, Rutgers New Jersey Medical School. *Coronavirus Disease 2019. (2020)*
- Davis, L. T. (2020). *How Coronavirus Is Impacting Ecommerce.*
- Andrienko, O. (2020). *Ecommerce & Consumer Trends During Coronavirus.* from <https://www.semrush.com/blog/ecommerce-covid-19/>
- Lagare, Jordeene B.. *Covid Fuels iE-commerce PH.*  
<https://www.manilatimes.net/2021/04/27/business/business-top/covid-fuels-e-commerce-in-ph/867797>
- Alfonso, Viviana, et al. "E-commerce in the pandemic and beyond." *BIS Bulletin* 36 (2021).
- Alfonso, V., Boar, C., Frost, J., Gambacorta, L., & Liu, J. (2021). *E-commerce in the pandemic and beyond. BIS Bulletin, 36.*
- ALFONSO, Viviana, et al. *E-commerce in the pandemic and beyond. BIS Bulletin, 2021, 36.*
- Prasetyo, Yogi Tri, and Darlene Gayle D. Dela Fuente. "Determinant Factors Affecting Customer Satisfaction among Filipinos in Lazada Online Shopping during COVID-19 Pandemic: A Structural Equation Modeling Approach." *2020 7th International Conference on Frontiers of Industrial Engineering (ICFIE). IEEE, 2020.*
- Prasetyo, Y. T., & Fuente, D. G. D. D. (2020, September). *Determinant Factors Affecting Customer Filipinos in Lazada Online Shopping during COVID-19 Pandemic: A Structural Equation Mo 7th International Conference on Frontiers of Industrial Engineering (ICFIE) (pp. 48-52). IEE*
- PRASETYO, Yogi Tri; FUENTE, Darlene Gayle D. Dela. *Determinant Factors Affecting Customer Satisfaction among Filipinos in Lazada Online Shopping during COVID-19 Pandemic: A Structural Equation Modeling Approach. In: 2020 7th International Conference on Frontiers of Industrial Engineering (ICFIE). IEEE, 2020. p. 48-52.*
- Fellman, A. (2020, March). *What to Know About Pandemics.*