

THE COVID 19 PANDEMIC AND ITS INFLUENCE ON THE ONLINE ENVIRONMENT

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Abstract

The Covid 19 pandemic has disturbed the whole world and has affected the sectors of activity of all countries, predominantly in a negative way. The first five months of the year 2020 marked the beginning of this pandemic, overshadowing all the world's nations and influencing, in a way or another, the rhythm and the nature of the population's life.

The goal of this article is to present some general aspects of this pandemic, focusing my attention especially on one of the domains that has prospered in this “dark” period regarding the personal life, environment, communication and economy, more exactly on the online commerce. The e-commerce is one of the few domains that gained a lot in this period, registering considerable increases.

We can say that the online commerce has become, for most traditional stores, a kind of a lifeline, the respective stores having to implement, if they had not already, or to expand, in an accelerated way, the online sales and at the same time, to introduce services for picking up the so-called “click and collect” purchases on the one hand and home delivery on the other hand. In this article, I have analyzed the way in which the e-commerce has developed in Romania and based on the graphic, I noticed that the pandemic period has registered the largest increase.

Keywords: Covid19, online commerce, work-from-home, affiliate marketing

Classification JEL: L81, M31

1.INTRODUCTION

The Covid pandemic19 has been a global problem since its beginning, a problem that has affected the entire world population. Since all important areas suffered during this period, the devastating effects of this pandemic being noticeable with the naked eye, I decided to focus my attention in this article on a branch that flourished during this period. More precisely, I refer to - Commerce (Electronic Commerce), in Romanian the term being *online commerce* [1], [2].

The Internet is, as we well know, the main source of information and communication and at the same time it is the means by which a relationship is developed and created between the potential buyer and the goods belonging to a bidder. In other words, we can mention that e-commerce is a specific activity that belongs to the marketing part of a commercial company and more specifically it is that activity which is a component of the expansive marketing policy [1]. The latter can be achieved by transmitting remote data in the sale or purchase process.

The medical, economic and social systems of all countries of the world have been severely affected by this period of pandemic, and its evolution has directly affected the lives and health of many people since the onset of the virus and until today, its pressure continues to be felt in our lives. According to analysts and specialists in the field, the pandemic can only be stopped by urgently and ,as correctly as possible, managing all economic and social problems. This can only be achieved by promoting solutions that can support the severely affected domains.

I intend that, by the end of this article, we should all realize that this period was the boom that led to the much faster technologicalization of online commerce and see what are its advantages.

2. THE COVID19 PANDEMIC DEVELOPMENT OF E-COMMERCE?

China, the epicenter of the Covid 19 pandemic, made public in the media since December 2019 the presence of this new virus, but the rest of the states considered that it was not a subject that should create panic, considering that we were safe and not taking into account the warnings coming from the Chinese.

In Romania, the first part of March 2020 coincides with the appearance of the much feared virus in our country. Market globalization has been the key to the spread of this virus both in Europe and on the rest of the continents. In Europe, the first country to be significantly affected is Italy, more precisely its north, ie the provinces of Bologna, Milan and Turin. Studies have shown that in this part of Italy lived many Romanians who had left the country in search for a better life. These people, only in a critical situation like this, understood that money does not bring happiness and that home is there where your heart is. Although considered one of the most developed areas of Italy (with an aging population and extended families), when the pandemic began its severity was not realized and as a result no measures were taken in time to stop the accelerated spread of the harmful virus, hence the exaggerated number of deaths.

The virus spread at an alarming rate, affecting both the active and passive population. The moment that led to a general panic among the population was when the decision was made to close the borders and establish institutionalized quarantine, as people working in other countries began to return home for fear they might not be able to see their families again. It was found from various studies conducted by researchers that this population migration was closely linked to the rapid spread of this virus. If we refer to Romania, we can say that the return of Romanians from countries in the red zone (Germany, Spain, England, Italy), being the countries most frequented by Romanians for work and holidays, on the one hand and the drastic measures applied very late on the other hand, we can say that the latter was the main cause that led to the critical situation we are in at present by the uncontrolled spread of the virus.

The "lifeboat" most used during this period by most people who wanted to denote preventive behavior and show solidarity and respect for others in this global pandemic context is represented by e-commerce. Both the people with experience in using this concept and the less experienced ones managed to adapt more or less easily to this new method of purchasing the necessary goods or services.

Statistics showed that 80% of the people using the new technologies were tempted to place an online order at least once in their life and ,even if the reluctance regarding the originality or quality of the product was high, they pressed the „ confirm button” and waited for the delivery of the desired product by the courier companies [4] . If the first order placed online was successful, this type of online shopping would become a habit. No one would have thought that online shopping would turn from a simple whim into a necessary measure of protection ,on the one hand, and on the other hand a real necessity.

In the first eight weeks of the pandemic, there was a global increase of between five to ten years in terms of online commerce, and this increase could be observed in our country,too. Without question, it can be said that one of the industries favored by this pandemic context is the online trade. In the two months of lockdown, there was a somewhat forced acceptance of many online tools, including that of shoppers, this need to use online commerce being largely due to the home confinement, but also to the increasingly common concept of „ infinite shelves” and the period of return between 14 and 30 days.

Another advantage that online commerce offers is represented by a set of price aggregators, a tool that in less than 5 minutes helps us find the best offer, and then the products are delivered to the buyer at home, this being the main reason for the explosion of online commerce.

The main categories of products that have seen increases of up to 3 times more in terms of online orders are: beauty, food shopping, clothing for adults and children, appliances, IT products, but also various products for pets.

The future of online commerce accelerated its emergence in 2020, which is why we can say that at the beginning of April the increases rose to 400% for a wide range of products, which led to a level of transaction growth of 78.4% [3].

In Romania, in the current context in which the measures are starting to be drastic, it is estimated that an increase will be achieved in terms of online commerce compared to last year, up to 50% or even higher for some products. Romanians will remain loyal to online commerce after this period, which will determine the appearance of most brands online.

The year 2019 places Romania on the penultimate place in terms of online trade in the EU (23% of Romania's population made online purchases), the last on this list being Bulgaria [3].

This pandemic period was compared to the BlackFriday period, the latter being the one that helped traders without knowing in one way or another to be prepared for everything that followed.

All online commerce is what brought parents in this online environment, being able to say that the online experience has become a mainstream due to the fact that eCommerce has reached and influenced all segments of education and age.

It was observed during this period compared to Black Friday that the online environment was prepared to sustain its sudden growth. Certainly when everything will return to normal, in addition to online commerce, whose advantages have been clearly observed, there will be 7 further offline trade, thus the two forming a kind of mix, still benefiting from advantages prepared in this regard, such as infrastructure, the multitude of courier companies, marketing companies.

Although nothing is certain yet as the current situation takes various turns from day to day, we can say that the share of eCommerce in total retail has changed, so that in our country it is expected to reach somewhere between 20% -30 %. In order to be able to reach figures such as those recorded during the pandemic, we would have normally needed 6 years. An example of such a leap was found by Adobe in a report on online spending in the United States in April of this year which shows that there was an increase of 77%, reaching the amount of 82.5 billion dollars. The growth of a significant number of the business areas and the much faster digitization are the effects of this trend that has created an overall impact.

During this period, the advantages of working from the comfort of their own home were observed, and according to the statistics resulting from eCommerce platforms, there is an increasing interest that people start to have for online work and also their attempt to supplement their income through new technologies and platforms that lead to earning a commission.

After this work-from-home period, the question arises whether the relationship between employer and employee on the one hand and that between customer and supplier on the other hand is destabilized or not. An advantage for the employer in this type of work from home is the fact that utility costs decrease on the one hand and the fact that it is much easier to monitor, supervise and measure the employee's efficiency and working time.

When the restrictions imposed by the authorities were applied, many of the small businesses had to move their activity online by creating a page through which they could sell their goods.

Regardless of the size of the site, in order for it to bring in sales, entrepreneurs must allot a budget of at least 10,000 euros. Although in the first instance it seems that we are wasting money, it has been discovered that the online environment helps to determine and find much easier information about competitors in the market and what are our advantages compared to their disadvantages.

During this period it was discovered that online commerce is of high importance, which is why most brands focused on this type of trade in the situation where traditional stores were not available.

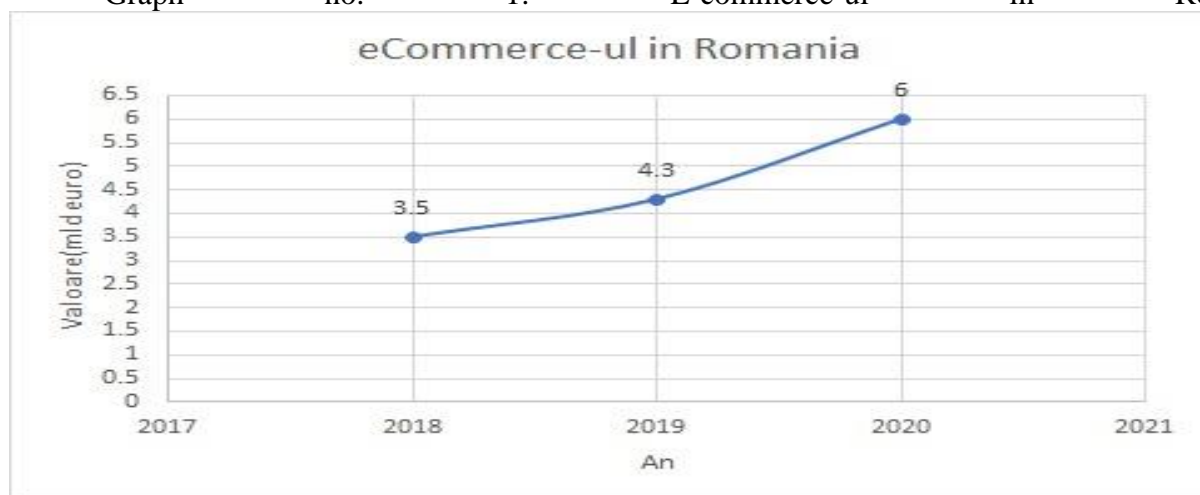
It has been proven that affiliate marketing, that type of marketing in which advertising is paid at cost per sale, along with performance-based marketing, has become an inevitable trend that is found globally, being perfectly adopted to the times and situations that we live now.

In Romania, affiliate marketing, meaning advertising with payment for sale, has made its presence felt since 2010 through the client who prefers to choose the option of affiliation and with it to become members, this affiliation being just another type of collaboration in which "players" have a common interest in this much more efficient way. Through affiliation we can understand who are the people who represent our target audience and what are their expectations about our services, this process being used by many publishers because the things we think we know about our audience may be completely different in reality.

The field in which the gain is directly proportional to the level of sales generated and the performance obtained through the freedom of efficiency and transparency is in a more veiled form affiliate marketing. After this period in which the offline was in power, it is clear that in order to keep up with the competition a brand must resort to hiring ambassadors, who are in turn willing to become an extensive marketing and sales team for that certain brand. This team must be available and willing to work 24 hours a day.

According to GpeC statistics, the year 2019 ranked the level of eCommerce in Romania for shopping in figures exceeding 4.3 billion euros, which shows a value 20% higher than in 2018. The top year of eCommerce in our country was 2020, a year that recorded at its end in this field figures of over 6 billion euros [5].

Graph no. 1: E-commerce-ul in Romania



Source: Personal processing of data on Yale's Composite Environmental Performance Index (EPI)

As we can see from the chart above, the slope of eCommerce in Romania is ascending, the year with the highest growth being 2020.

In both Romania and CEE, the share of online trade in total retail does not exceed 10% (Romania registers a percentage of 7% -8%), compared to Western Europe where the percentage reaches 15%, but ,nevertheless, there is a high potential of development for CEE countries,too. Although the level of 23% registered by Romania referring to Romanians who shop online is relatively low, the estimates made by specialists show that this percentage will register substantial increases in the next period [5].

3. CONCLUSION

In conclusion, it should be emphasized that although the Covid 19 pandemic has caused a multitude of problems in all domains, increasing online commerce and sales has been one of the

few benefits. So, the Covid 19 pandemic became the “binder” that was the basis for the development and improvement of a less used trade method

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