



E-COMMERCE: A CATALYST OF MARKETING ESPECIALLY ON FMCG PRODUCT UNDER COVID PANDEMIC

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AUTHORS' CONTRIBUTIONS

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Received: 22 March 2021

Accepted: 27 May 2021

Published: 29 May 2021

Original Research Article

ABSTRACT

The present paper explains how E-commerce is effected during COVID pandemic especially on FMCG product. E-commerce (electronic commerce) is the activity of buying or selling of products on online services or over the Internet. E-Commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management system, and automated data collection systems. E-commerce is in turn driven by the technological advances of the semiconductor industry, and is the largest sector of the electronics industry. There are three areas of e-commerce: online retailing, e-markets, and online auctions. E-commerce is supported the business.

Objective of the study: To study the importance of e-commerce in FMCG products, To study the hike of e-commerce in FMCG products in post COVID pandemic.

Sample: Randomly selected 50 housewives who can use e-commerce in FMCG products.

Result: E-Commerce boost the FMCG Sector at Post COVID-19. The impact of COVID-19 has increased the demand for household items and grocery items. As COVID-19 continues to create havoc with markets, industries and small businesses being shut, people in lockdown were abstained from buying non-essential items. Disruption of home deliveries meant that no one could buy any essential or non-essential items online.

Keywords: E-Commerce; COVID; FMCG.

1. INTRODUCTION

Online shopping continues to rule FMCG sales and compared to offline sales via kirana stores, malls and other stores, people bought more fast-moving consumer goods on Amazon and other e-tailers. "In the year ending 30 June 2019, global FMCG online sales grew seven times faster than total FMCG sales on average," Kantar World panel said in a recent

report. The report also said that by 2025, online grocery sales will double i.e. 10% of global FMCG sales will happen online. "The continued demand for convenience in urban areas, the marketing integration [1] between online and offline; to the creation of new direct-to-consumer [2] options and more technology alongwith software accuracy [3] will all help reach new targets beyond the current profile of affluent families with children," Stephane Roger, global

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shopper and retail director at World panel Division, Kantar, said [4].

In India, one in every two items bought via online shopping platforms such as Amazon and Flipkart belongs to fast-moving consumer goods such as cosmetics, food and beverages, skincare and other categories. FMCG products remain the most sold items on e-commerce platforms by volume [5-11]. The highest volumes of orders are for FMCG at 56%, information, data and measurement firm Nielsen had earlier said in a report. In terms of value, FMCG sales contribute about 11% of e-commerce sales [12-15].

However, with increasing consumer demand for convenience, and better technology and other enabling conditions [16, 17], online FMCG growth is accelerating across the globe: Nielsen's Future Opportunities in FMCG E-commerce study estimates four times faster than offline sales [18]. Compared with other global markets, South Korea and China demonstrate the highest uptake of online FMCG, where e-commerce has already reached 18% and 16% market share of their respective FMCG markets. By 2022, FMCG e-commerce will be in excess of US\$400 billion and comprise 10%-12% of all FMCG sales globally [19].

Fast-moving consumer goods (FMCG), also called consumer packaged goods (CPG), refer to products that are highly in-demand, sold quickly, and affordable. Such items are considered "fast-moving" as they are quick to leave the shelves of a store or supermarket because consumers use them on a regular basis [20-25].

Fast-moving consumer goods include packaged food, toiletries, beverages, stationery, over-the-counter medicines, cleaning and laundry products, plastic goods, personal care products, as well as less expensive consumer electronics, such as mobile phones and headphones. Some fast-moving consumer goods are highly perishable, such as meat, dairy products, baked goods, fruits, and vegetables [26,27]. Sales of FMCG are usually affected by discounts being offered by the stores, and by holidays and other seasonal periods. Consumer goods are products purchased for consumption by the average consumer. They are divided into three different categories: durable, nondurable goods, and services [28-32]. Durable goods have a shelf life of three years or more while nondurable goods have a shelf life of less than one year. Fast-moving consumer goods are the largest segment of consumer goods. They fall into the nondurable category, as they are consumed immediately and have a short shelf life. Nearly

everyone in the world uses fast-moving consumer goods (FMCG) every day. They are the small-scale consumer purchases we make at the produce stand, grocery store, supermarket, and warehouse outlet. Examples include milk, gum, fruit and vegetables, toilet paper, soda, beer, and over-the-counter drugs like aspirin.

FMCGs [33] can be divided into several different categories including:

- **Processed foods:** Cheese products, cereals, and boxed pasta
- **Prepared meals:** Ready-to-eat meals
- **Beverages:** Bottled water, energy drinks, and juices
- **Baked goods:** Cookies, croissants, and bagels
- **Fresh, frozen foods, and dry goods:** Fruits, vegetables, frozen peas and carrots, and raisins and nuts
- **Medicines:** Aspirin, pain relievers, and other medication that can be purchased without a prescription
- **Cleaning products:** Baking soda, oven cleaner, and window and glass cleaner
- **Cosmetics and toiletries:** Hair care products, concealers, toothpaste, and soap
- **Office supplies:** Pens, pencils, and markers

2. REVIEW OF LITERATURE

Ruchika Gupta & S.P Agarwal [34], with the ever increasing population of citizens in the world, the cyber threat is also growing in frequency and variation. Cyber threats include cybercrime, cyber terrorism, cyber espionage, cyber warfare etc [35]. These threats pose a wide range of risks for economies like identity theft, financial losses, destroyed network infrastructure and breach of confidential information. This paper carries out a comparative assessment of cyber threats in the world's most lucrative targets- the BRICS nations which are emerging economies and at higher risk of cyber attacks. The paper focuses mainly on the factors which makes them vulnerable targets of such attacks as well as on the impact assessment of such attacks on these economies. While the impacts of these threats cannot be over emphasized, recommendations were proposed on how these threats can be minimized if not totally eliminated.

Shivendra Suman & Ruchika Gupta [36], It has likewise been watched that promotions make the

customer to take imprudent buy choices. At the point when the purchaser has not considered the deal legitimately and is influenced to make an arrangement through some severe and manipulative showcasing procedures, his rights may effectively be endangered. That is the reason persevering endeavors and boundless endeavors to clarify purchaser motivation purchasing conduct have been made by researchers all through the world. A customer’s conduct at any given point in time is particularly identified with individual qualities of restraint and impulsivity. The level of greatness in which these activities exist is needy upon each other. The same is valid with the sum and degree to which a choice procedure happens. Buyers regard basic leadership as a methods end chain of critical thinking where objectives are looked to be accomplished or fulfilled. The more noteworthy the need or want for achievement is the more prominent increment in inspiration to succeed.

2.1 Objective of the Study

1. To study the importance of e-commerce in FMCG products.
2. To study the hike of e-commerce in FMCG products in post COVID pandemic.

2.2 Hypothesis of the Study

There is no change in hike of e-commerce in FMCG products in India at post COVID pandemic.

3. METHODOLOGY

3.1 Sample of the Study

Accordingly the present research has been segregated into two parts- the first part involves critical study of present situation and technological aspect as climate prevailing in the country and the second one is directed towards finding relation between various independent and dependent variables. Since the two parts of the research entails two approaches, the research methodology has been segregated into two parts and discussed separately. The primary data would be obtained with the help of open-ended questionnaires, conducting surveys, interviews and discussions with the concerned of the study. Thus, with the help of primary and secondary data, the study would be conducted and inferences would be drawn to submit useful recommendations. The questionnaires are the main source of data collection and have been used systematic sampling to get at a broad range of opinion. Different tables shall be prepared to ascertain the trend and impact. In this study, we selected randomly 50 housewives who can use e-commerce in FMCG products.

3.2 Data Analysis

As per the title we tried to assess the importance of e-commerce in FMCG products and its hike post COVID or no. Hence, we asked the housewives of that region whether they agree that there is hike of e-commerce post COVID or not. In this regard we got the response as mentioned below:

Table 1. Response for the question number 1

Question	Option	Data Collected (50 Responses)	Mean
Q-1 Do you agree that e-commerce for marketing in FMCG products is beneficial?	Highly agree	14	5.02
	Agree	15	
	Partly agree	6	
	Not sure	3	
	Partly disagree	2	
	Disagree	5	
	Highly disagree	5	

Table 2. Response for the question number 2

Question	Option	Data Collected (50 Responses)	Mean
Q-2 Do you think that post COVID e-commerce uses in FMCG is increase in rates?	Highly agree	4	3.22
	Agree	5	
	Partly agree	6	
	Not sure	3	
	Partly disagree	12	
	Disagree	5	
	Highly disagree	15	

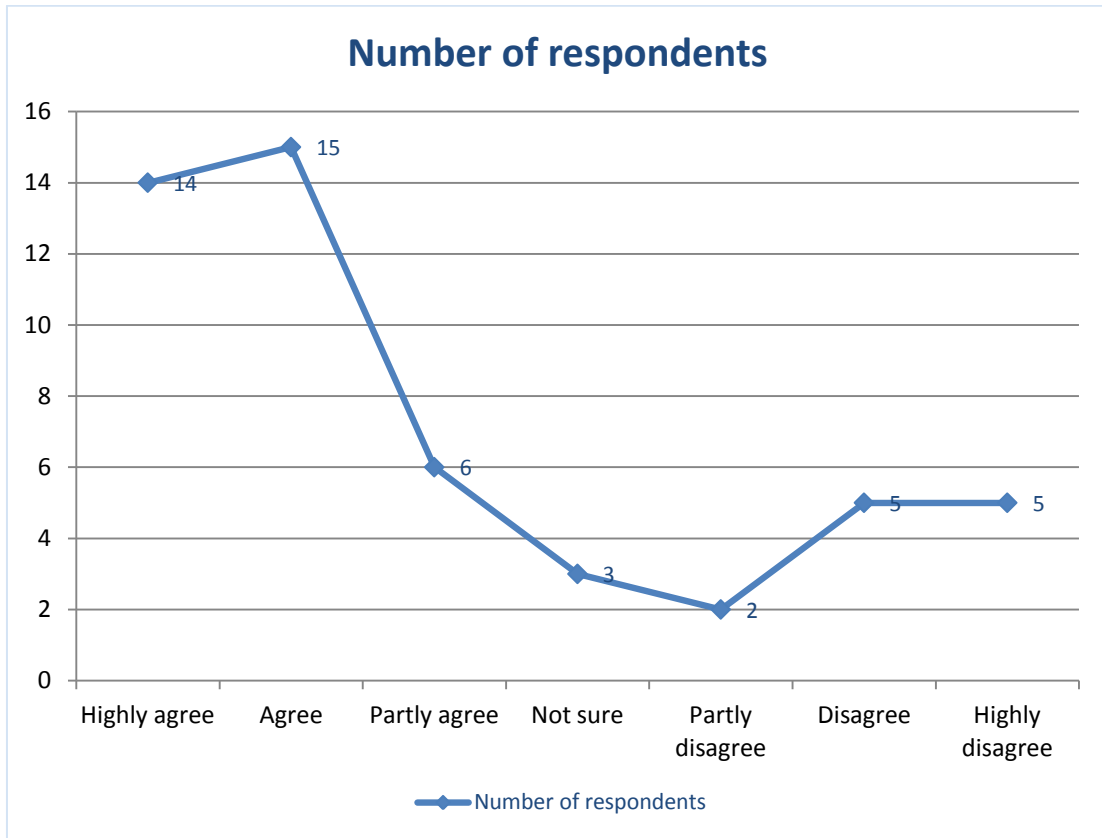


Chart 1. Response for the question number 1

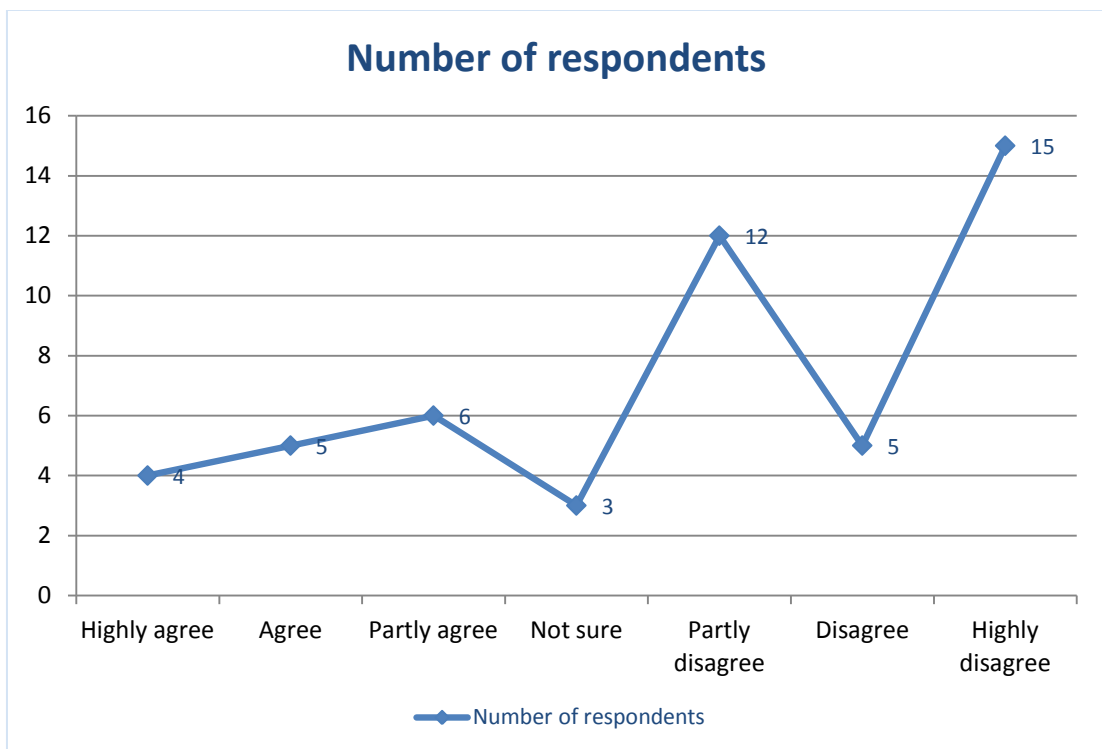


Chart 2. Response for the question number 2

Table 3. Response for the question number 3

Question	Option	Data Collected (50 Responses)	Mean
Q-3 Do you believe that there is risk in e-commerce for COVID as safety purpose?	Highly agree	4	4.22
	Agree	5	
	Partly agree	16	
	Not sure	13	
	Partly disagree	2	
	Disagree	5	
	Highly disagree	5	

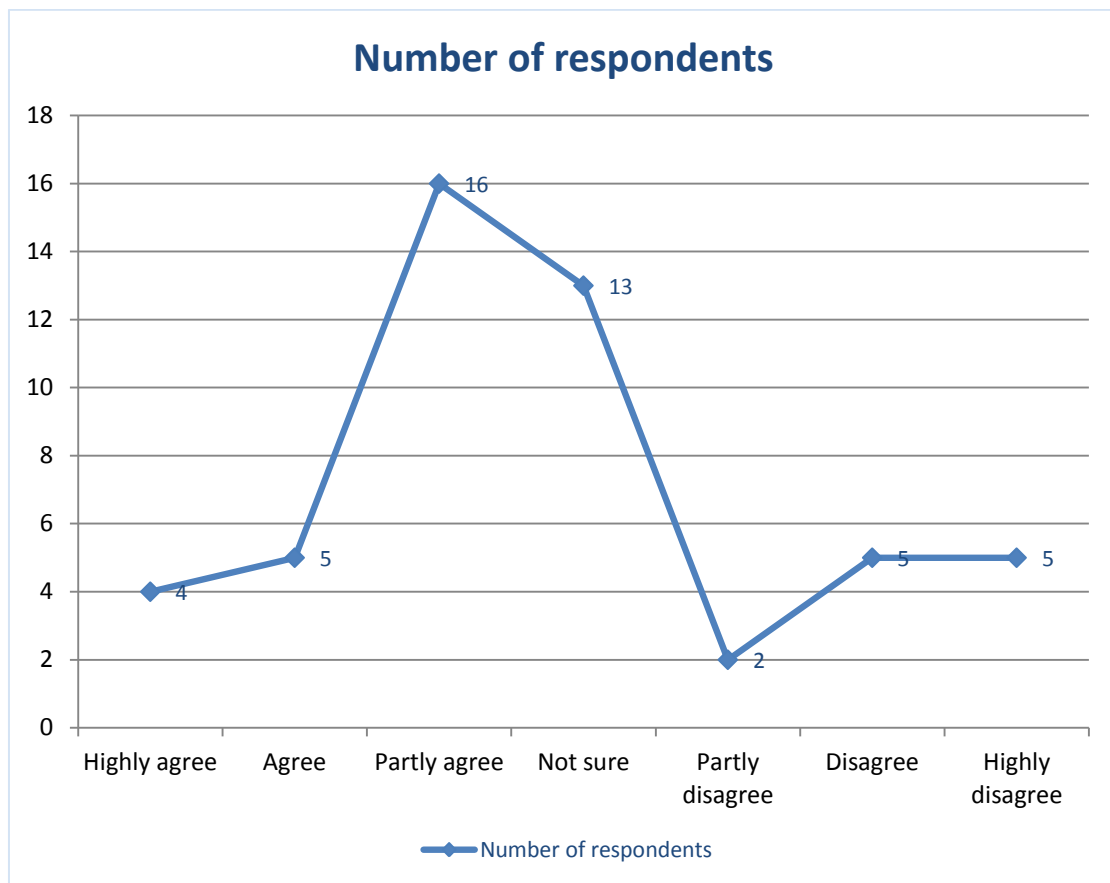


Chart 3. Response for the question number 3

Table 4. Response for the question number 4

Question	Option	Data Collected (50 Responses)	Mean
Q-4 Do you agree that e-commerce marketing increase because of FMCG products only?	Highly agree	7	3.9
	Agree	6	
	Partly agree	8	
	Not sure	7	
	Partly disagree	6	
	Disagree	8	
	Highly disagree	8	

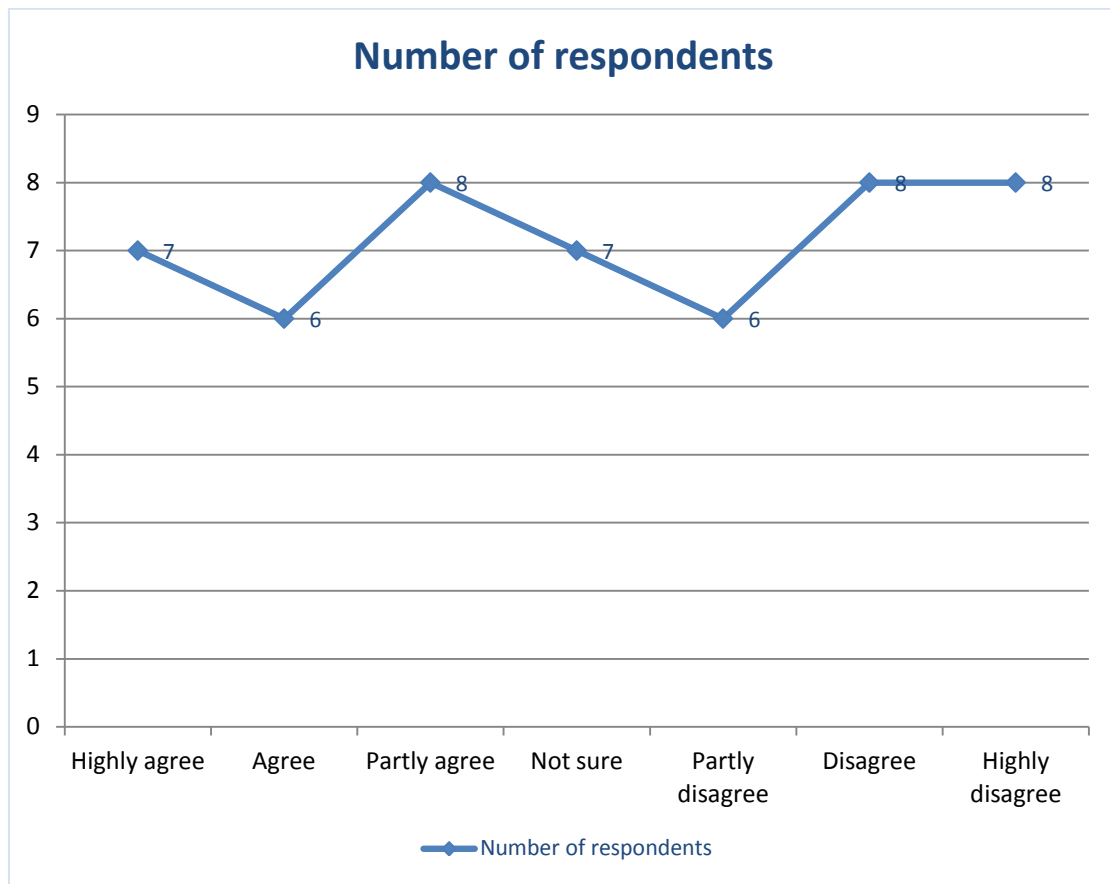


Chart 4. Response for the question number 4

Table 5. Response for the question number 5

Question	Option	Data Collected (50 Responses)	Mean
Q-5 Do you agree that it is easy to handle with e-commerce during such a pandemic situation especially for FMCG products?	Highly agree	11	4.36
	Agree	9	
	Partly agree	6	
	Not sure	5	
	Partly disagree	4	
	Disagree	10	
	Highly disagree	5	

Table 6. Response for the question number 6

Question	Option	Data Collected (50 Responses)	Mean
Q-6 Do you agree that vendors working in e-commerce follows safety measures as compared to local market vendors?	Highly agree	16	5.06
	Agree	12	
	Partly agree	8	
	Not sure	2	
	Partly disagree	2	
	Disagree	5	
	Highly disagree	5	

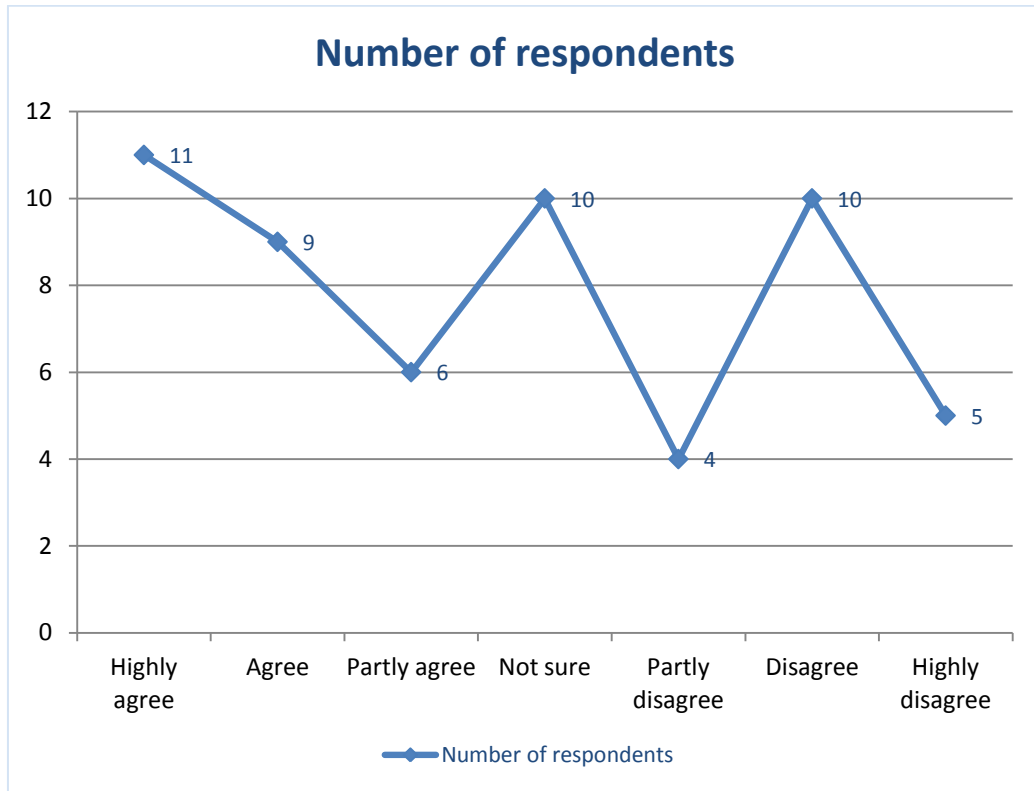


Chart 5. Response for the question number 5

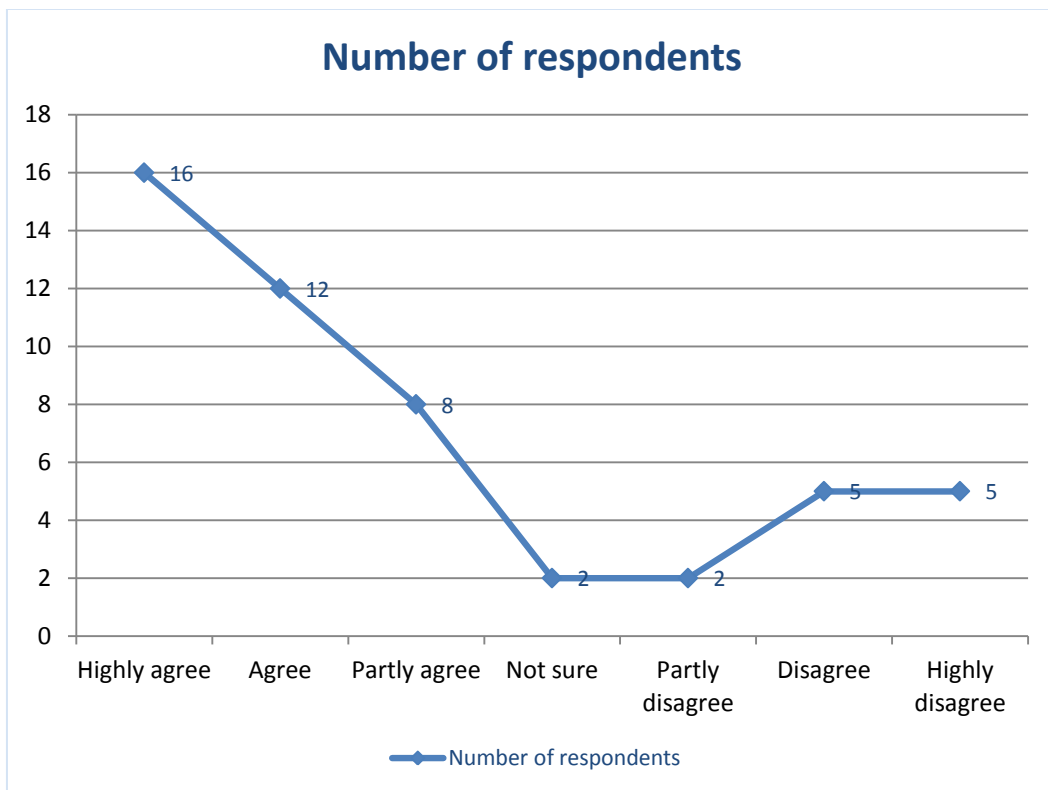


Chart 6. Response for the question number 6

4. RESULT AND DISCUSSION

The impact of COVID-19 has increased the demand for household items and grocery items. As COVID-19 continues to create havoc with markets, industries and small businesses being shut, people in lockdown were abstained from buying non-essential items. Disruption of home deliveries meant that no one could buy any essential or non-essential items online.

The corona virus outbreak has had a major impact on the FMCG sector. Some businesses in the FMCG sector are thriving, some are in lockdown and others are making significant changes to adopt the new ways to reach customers in order to continue trading. In a crisis like this, all companies have to adopt new measures to continue working in order to manage both existing and COVID-19 related risks.

In the current situation a business owner has to deal with a million concerns, prioritize time and resources. Companies are bearing the impact of the virus, facing challenges to adapt, and many are struggling to ensure business continuity and to protect employees from losing their jobs. The government has taken a few financial measures to ensure that businesses and individuals continue to function. However, the corona virus outbreak has surely changed the business landscape. Therefore, it is vital to make the right decisions to protect employees and ensure public safety while helping businesses to stay open.

FMCG sector, the fourth largest sector in the Indian economy includes food and beverages, which accounts for 19 per cent of the sector, household and personal care, which accounts for 50 per cent of the sector and the remaining 31 per cent in healthcare. Though the FMCG market is expected to grow at 9-10 per cent by 2020 based on moderate inflation, increase in private consumption and rural income, as per an India Brand Equity Foundation report.

Due to obstacles in supply chain, the FMCG sector's growth, including e-commerce, slowed down to 6.3 per cent in the first quarter of 2020. Out of this growth, 3.3 per cent growth is from organized trade, 1.9 per cent is from modern trade and 1.1 per cent is from e-commerce. The e-commerce contribution is higher in metro cities; however, other cities are also extending although e-commerce websites for goods and services have been adversely impacted by the strict lockdown situation in supply and demand overall, and has resulted in delivery delays or complete cancellation of orders. Several other challenges have emerged during this pandemic such as inflating prices to irrationally high levels, product safety concerns, deceptive practices and cyber

security concerns. However, the necessity of social distancing, lockdowns and other measures due to the pandemic has led buyers to shift towards online shopping websites/sites, social media use, online payment methods. It has resulted in the growth of e-commerce businesses with an increase in sales of medical supplies, healthcare products, household essentials and food products with an increase in the adoption of modern trade and e-commerce platforms [37].

As COVID-19 lockdown varying shopping behaviour, indicating more consumers to avoid crowded places due to safety reasons [38, 39], it is likely to heighten the adoption of e-commerce in India. Online grocery and gourmet foods shopping websites and retailers have been overwhelmed with orders since India's strict lockdown started. Major shopping websites are currently engaged in the delivery of essentials. The demand has also encouraged more industry players to join in FMCG companies, and retail stores to have amped up their presence on online platforms with new apps, and tie-ups with logistics companies for home deliveries.

The impact of COVID-19 on e-commerce will promote the further progress of new policies for online purchases and supply [40]. It is promoting all kinds of small businesses, the partnership in e-commerce activities by small producers, manufactures, retailers and consumers have also been increased. For several FMCG companies, e-commerce platforms are an important part of building a network, by programs like direct home deliveries or direct store deliveries, customer backhauls and nurturing partnerships with tech-enabled delivery platforms or apps. E-commerce boosts in enhancing business to consumer (B2C) deliveries also efficient in Business to Business (B2B) deliveries to distributors and retailers directly.

4.1 E-Commerce for FMCG Companies

- **Cut Out the middleman and maximise profits**
With e-commerce you are selling direct to the consumers so there are no margins. You can make 2/3 times the profit per product that you can through the major retailers.
- **Overcome geographical limitations**
If you have a physical store, you are limited by the geographical area that you can service. With an e-commerce website, the whole world is your playground.
- **Keep your eye on consumer's buying habits**
Data is one of the most valuable commodities within FMCG and using analytics on your e-

commerce platform you can learn more about your consumer and this can help build more effective NPD, Marketing and digital campaigns.

- **Low investment: high ROI**
Setting up an e-commerce platform is surprisingly affordable. The automation of checkout, billing, payments, inventory management, and other operational processes lowers the number of employees required to run an e-commerce setup. Additionally, an e-commerce merchant does not need a physical location so real estate isn't an expense.
- **Open 24/7**
E-commerce websites run 24/7/365 meaning more convenience for the customer.
- **Consumers can locate products quicker**
No searching in various retailers or up and down shop is less, with a few clicks your consumer can easily find your products.
- **Provide abundant information**
There are significant limitations to the amount of information that can be displayed in a physical store and sometimes it can be challenging to convey your brand's message and the benefits of your products. E-commerce platforms are a limitless platform to provide this information in the form of videos, images or text.
- **Create a market for niche products**
Consumers and brands can find it challenging to locate each other in the physical world. Online, it is only a matter of the consumer searching in Google [41].
- **Scalability**
Brands can reach new markets easily and scale internationally [42].
- **Use consumer data to build a long-term relationship**
Consumers typically don't feel comfortable giving their personal details in a physical store but on your e-commerce platform you have access to their email, name and number. Email marketing is one of the most effective digital marketing strategies and costs nothing to implement.

5. CONCLUSION

E-commerce has become an important tool for small and large businesses worldwide, not only to sell to customers, but also to engage them [43]. E-commerce is reshaping the global retail market. Since the turn of the century, online shopping has boomed as internet access has reached all corners of the world and smart phones have quickly become an intrinsic part in the

lives of billions of people. While global behemoths like Amazon and Alibaba are well known around the world, the rise of e-commerce is providing exciting growth opportunities for hundreds of thousands of companies in all shapes and sizes, from major bricks-and-mortar players through to tiny cottage industries. E-commerce has opened up a whole new shopping world, providing hundreds of millions of consumers with access to much greater assortment and value opportunities, and helping to satisfy their increasing demand for convenience. Today, e-commerce across multiple categories like Fashion, Electronics, FMCG and others account for about US\$2.8 trillion, some 10% of the global retail market. Growing at an estimated 20% a year, e-commerce shows no signs of slowing, and by 2020 it is likely to be worth in excess of US\$4 trillion.

CONSENT

As per international standard or university standard, respondents' written consent has been collected and preserved by the author(s).

DISCLAIMER

The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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