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## **E-BUSINESS CLIMATE IN INDIA: COVID-19 RISKS AND CHALLENGES**

COVID-19 has become a moment of opportunism for Indian e-commerce companies to consolidate their market power, insert themselves into local supply chains and co-opt neighborhood stores. Policy interventions are urgently needed to preserve the autonomy of the traditional retail sector and prevent Big Tech's takeover of local economies.

When the government of India shut down the country, a certain sector received special protections: e-commerce. The lockdown order granted no such privileges to the Food Corporation of India, the agency that the poorest depend on for food rations—yet retail platform companies in food, medicine, and medical equipment were categorised as essential services and allowed to continue their operations.

This unequal treatment was a candid admission that e-commerce companies have become infrastructural utilities indispensable to India's aspirational middle class. Prior to the lockdown, Flipkart, an Indian e-commerce unicorn acquired by Walmart for USD 16 billion in 2018, had extended a hand to the government, offering to partner in any programme for the delivery of essential commodities. Then, immediately after the lockdown began, Indian e-commerce companies met with the Minister of Commerce and Industry, asking for an expedited channel for trucks and suggesting that consumers, and not the government, should decide which items are essential.

History has shown that wars, natural disasters, and epidemics are often followed by disaster capitalism: calculated, free-market "solutions" that exploit and exacerbate existing inequalities. During the COVID-19 crisis, disaster capitalism is evident in the zeal that e-commerce platforms in India have displayed. For these companies, the lockdown is the moment to consolidate their dominance in the market. The pot at the end of the rainbow must be claimed now, and the traditional retail sector—grocers,

pushcart vendors, neighborhood traders who have actually been catering to the public in these trying times—rendered irrelevant.

Though the spread of coronavirus cases in India has had some impact on the ride-hailing and online food ordering segments, it has come as a boon for the e-commerce companies as more people prefer buying goods, especially grocery items, vegetables and other daily needs from online platforms.

According to industry insiders, e-commerce companies such as Flipkart, Amazon, Bigbasket, and Grofers have witnessed about 20-30 per cent spike in orders as customers are avoiding visiting crowded places like malls and supermarkets. In such an environment, where an increasing number of people are also working from home, these firms are doubling down to bring convenience to customers and win their trust.

These companies are seeing an increase in demand for products such as fresh fruits and vegetables, milk, flour, rice, and lentils, and personal hygiene items like sanitizers and soaps and household cleaning products. Other products include instant noodles, baby food and Ayurvedic items. These trends are similar to the pattern in China, where consumers increasingly relied on the internet to get their daily supplies and other products because of COVID-19, according to experts.

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