International Journal of Engineering & Technology, 9 (3) (2020) 612-615

International Journal of Engineering & Technology

Website: www.sciencepubco.com/index.php/IJET

Research paper

The consequence of corona-virus (covid-19) on e-business in Pakistan

Muhammad Waqas Ashraf[1]*, Dr Khalid Latif[2], QaisarMaqbool Khan[3], Jahangir Jabbar[4]

[1,3]BahauddinZakariya University, Multan, Pakistan
[2]Government College University, Faisalabad, Pakistan
[4]National College of Business Administration & Economics, Multan, Pakistan
**Corresponding author E-mail:hmwaqasa@gmail.com*

Abstract

This study investigates the consequences of Corona-virus (COVID-19) on the online business in Pakistan. COVID 19 changed the business world operations and procedures drastically. The new business norms evolved, and the human beings learned new practices for their behavior and business conduct. Developed nations like USA, UK, Italy suffered collapse of health care and economic activities. COVID-19 impacted all businesses including E-Business but the e-business is among few who got dual impact as most of the business activities are moving from physical to online that is e-business but due to the lock down e-businesses are not able to get the items on time. Small and medium enterprises (SMEs) and local business-es in Pakistan incurred huge losses due to the lock down and lack of facilities in developing countries like Pakistan. Some of the small-scale business permanently closed due to the COVID-19. E-Business also faces these terrible conditions in Pakistan due to the lack of government support and awareness. Many E-Commerce business imports product from China so that is the reason it is assumed that the Pakistani E-Business harshly effected by the COVID-19. This research survey shows that the COVID-19 has a negative impact on the e-Business in Pakistan.

Keywords:*Coronavirus (COVID-19); E-Business; E-Commerce.*

1. Introduction

Corona virus was discovered in 1960s and scientists found severe impact of this virus on lungs (breathing track infection) especially in children. Since 2003 there are 5 types of human corona viruses have been recognized in which excessive acute respiratory syndrome corona virus, which brought large morbidity and mortality. [9]. The severe acute respiratory syndrome corona virus 2 (SARS-COV-2) is a newly discovered ribonucleic acid corona virus isolated and diagnosed from patients with unexplained pneumonia in Wuhan, China in December 2019 [20]. On 12thFebruary 2020, the virus named as 2019-nCOV. Earlier the name given by the International Committee of Viral Classification [7]. Strict lock down and business closure was ensured in allcities of Chinadue to Novel Corona Virus (COVID-19), which triggered excessive actions to be taken in other provinces as well. . All the departmental stores, institutions and markets were closed due to this corona-virus (COVID-19) in Wuhan (China) [3]. Different areas were highlighted and placed on high alert where the virus was reported these areas are long away from China. A few defensive actions were taken in Beijing, Hubei area and in Hong-Kong to stop the spread of virus [5].

The corona-virus (COVID-19) has a broad impact on the technology, business and E-commerce. In addition to this every country is following the lockdown methods as a way of preventive measures and Pakistan also followed the lockdown method in order to prevent the spread of Covid-19. Operational activities of both the private and the public institutions are messed up because of this virus. The negative impact of Covid-19 is obvious and inevitable all across the globe. The novel corona virus had a large effect on the society, economy, and the country's financial well-being. The increasing threat of novel corona-virus is a public health disaster and hampers the macro financial system as a whole. The supply chain of the businesses is drastically affected due to Covid-19. The manufacturer and the producers are expected to suffer losses and extraordinary delays in order deliveries. China is the main production hub and supply business items globally. Therefore, any distraction in china's output will certainly have repercussions all across the business sectors globally [13].

The online businesses are facing complication and issues in order to promote their merchandise online and additionally facing huge problems at the time of importing their products from China. Though China supplies variety of products but the main products in which China heavily deals includes machinery, equipment, instruments, and communication related equipment. Any interruption in these sectors will surely impact on the other country business. Likewise, Pakistan imports many products from China hence Pakistani markets also rely on Chinese products and therefore Pakistan's economy is getting impacted. Not only the delay from China, issues faced by China and other countries, the lockdown also created problems for import and export services in the country. Due to corona-virus many businesses have been disrupted like automotive, metals and metals products, chemicals, communication equipment, rubber and plastic, and office machinery also. Organizations involved in online business are suffering from the shortages of the goods and are not able to deal

Copyright ©Muhammad Waqas Ashraf et al. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

with the online orders of the customers. This increased the prices of the goods as unfortunately the supply of the goods is suffering. Moreover, e-commerce groups are trying to manage these issues and trying to work out solutions of the problems they are facing during this crucial period. Amazon and other online business not only are dealing with one country rather dealing and managing orders from all over the world [6].

2. Literature review

China emerged as one of the mega superpowers with tremendous economic growth and became threat for many countries. Under developed countries, developing countries and even developed countries heavily rely on China for their economic growth and business items as China sell cheap items to these countries with large quantity. China is the country which not only linked with the manufacturer and exporter but also provides instant products for the manufacturing companies [17]. China produces and supplies 20 percent products of the manufacturing products all over the world. So, increase of (COVID-19) affects not only China but also has a great affect on those countries where the Chinese products are imported. Pakistan highly depends on the Chinese products so the sale of online business products has decreased due to this viral disease (though many people are doing online orders for the products but the e-businesses are not able to get the items from China and other countries) The automotive industry, machinery and other associated industries are also affected because of this [1].The pandemic of COVID-19 has pressured the shops to close their businesses. This situation has diagnosed to be remarkable disruption for many businesses. At the same time most of the towns has declared self-isolation, lockdowns and following social distancing. The number of online customers has increased in Pakistan and globally. According to the research the number of online customers increased in retail application and e-commerce mobile apps. The upward push in the online user's data base as of March, 2020 clearly indicates the increase in online shopping [8]
The number of online users has increased specifically in those applications which provide food delivery services and facilities. Online traffic increases on the food delivery website specifically in the South Asia, for example, Pakistan, Malaysia, Thailand and Singapore [10]. According to the research the new user and active user is increasing day by day from the month of March and April 2020 [16].

2.1. Corona virus (COVID-19)

The COVID-19 started in Wuhan city in December 2019. In a shorter span of time this virus reached to almost all countries of the globe from Wuhan city. Almost 200,000 cases have been recorded worldwide in the first report. Currently, the number of affected people with Covid 19 reached to three million and more than 200,000 have lost their lives. The number of new cases reported on daily basis is increasing and new countries are also entering in the list of World Health Organization (WHO) where the virus has been reported. Now the cases in China started falling after reaching to the peak of this pandemic. Europe and America had sever impact of Covid19 and the number of infected people increasing drastically. WHO declared the health emergency all over the world. For sustaining the economy, governments are preparing the emergency plan and relief packages for the businesses. China imposed sever lockdown and this led to stoppage of production and reduced the supply of the products globally. Functioning of the global supply chain has been disrupted. Millions of people are losing their jobs and more are predicted to lose their jobs in the coming months. Additionally, disturbing news are coming every day regarding number of companies closing their operations, changing financial estimates, or declaring layoffs. Customers also changed their consumption patterns, resulting in shortage of many goods in supermarkets worldwide. Global financial markets have declined dramatically and fluctuations are at or above the level of the 2008/9 financial crisis [11].The disease in particular has developed an epidemic due to the public health crisis. The COVID-19 epidemic is accelerating the change in need, demand, and process flow of regular business scheme to electronic commerce. Governments and businesses now understand the importance of online business set up and infrastructure. The consumers are expected to close the social gap. Because of this virus all the people and businesses face a higher level of limitation and this virus also affects the economy. COVID-19 is used as an independent variable in this study and welfare of the population has relied on this pandemic to greater extent [18].

2.2. E-Business

The digital business (electronic business) refers to the network, internet, intranet, extranets or any of its composite to run the business. E-business is very similar to e-commerce, but it is far from selling and buying products and services online. The e-commerce as a whole covers a wide range of corporate supply chain strategies, controlling handling, digital order processing, and user relationships. Due to the e-business countries are able to face COVID-19 Infectious Diseases Pressure [2].For this reason, consumers are moving towards electronic commerce. It is considered as the only reason why the country's population can survive this epidemic situation. The situation is getting worse day by day and people are trying to take advantage of the digital grocery facilities [12]. In this study E-business is used as dependent variable and COVID-19 as an independent variable in order to check the effect of COVID-19 on the E-Business.

3. Methodology

This study used the qualitative method approach. The qualitative method is the best method to gather data and helps to capture the perception of the respondents [15]. The study explains various aspect of the COVID-19 to the respondents. 10 interviews were conducted for this research. The respondents who were selected for the interviews are the key players of the online business in Pakistan. The interviews were conducted in two phases. During the first phase, interviews were conducted at the end of March 2020. In second phase the interviews were conducted at the end of second week of May 2020. The second phase interviews respondents were same who participated in the first phase. It is important to mention thatqualitative research especially interview method is challenging approach in the case of developing countries because developing countries lacks of transparency and have culture of hiding information[4], [14], [19]. A brief introduction of the interviewees is given in Table 1.

Table 1:

Sr No	Organization Name	Interviewee Designation	Location (Head Office)
1	Daraz.pk	Supervisor	Karachi
2	Kaymu.pk	Supervisor	Karachi

3	HomeShopping.pk	Supervisor	Karachi
4	Symbios.pk	Area Manger	Karachi
5	Alibaba	Area Manager	Lahore
6	Yayvo	Supervisor	Karachi
7	iShopping.pk	Delivery Manager	Karachi
8	Mega.pk	Delivery Manager	Islamabad
9	Telemart.pk	Supervisor	Karachi
10	24hours.pk	Area Manager	Karachi

All the interviews were started from the brief introduction of the research project and also explain the objective of this research. The duration of each interview was 30 mints to 1 hour. All the interviews were recorded with the permission of the interviewees. After the semi-structured interview procedure, the interview questions supported open-ended answers; it helped the interviewees to provide the answer from their own perspective/experience. Interviews focused on following issues from the managerial and non-managerial performer:

1) Effects of corona-virus COVID-19 on the online business
2) COVID-19 increases/decreases the online business opportunity
3) COVID-19 increases/decreases the customer spending on online business
4) Does your organization face crisis during COVID-19?

The data gathered during the interviews was compiled and summarized. The interviews conducted for this research provided distinct views of the organization and allowed to discover answers of the questions raised in this research of covid19 and its impact on e-businesses within the context of a developing country.

4. Finding and discussion

The research results showed that e-businesses in Pakistan are declining due to corona virus (COVID-19) in Pakistan. This is because the interviewees import items from China and due to the trembling Chinese production sites and the lockdown in China, supply of items is restricted rather drastically reduced in Pakistan. One of interviewee who is working as Area manger of the online business in Pakistan said that the number of the mobile app users is stable during the mid of the April, 2020 to second week of May, 2020 but the sale of the business is decreased during lockdown as it is hard to deliver the goods with the few staff members and another important reason is lack of facilities in order to import the goods from any international country.

Another interviewee, from online food delivery business shared that the number of mobile app users decrease during April and May, 2020. The e-business of online food delivery decreases due to COVID-19 in Pakistan. (In Pakistan everyone wants to buy the products physically as it is the regular behavior of most of the customers. They do not like to order online grocery and buy the other products except food items. In a developing country people do not trust online shopping because the products which are delivered online consider not up to mark or a green product. Everyone wants to go market and buy the products himself with the huge level of satisfaction.) (Argument of the interviewee)

There is negative impact of COVID-19 on the e-business in Pakistan. The business activities are weakening day by day due to this pandemic in Pakistan. The retailer faces difficult situation because of the stumpy buying behavior of the customer. The stumpy behavior of the customer also leads to the lowering of the supply and shipping process. During the interviews it was recorded that in normal days the average of total delivery parcels of one day is 2500 to 3000 but during the corona virus (COVID-19) and lockdown it is now at its minimum level of the business history now it is decreased to 500 delivery parcels per day.

The situation forecasted by the expert that the lockdown will increase for two month more months. The e-business will face huge losses in the future unless the government provides support to this industry and increase the trust level of public. The availability of the Chinese products in Pakistan's market is also decreased due to the decrease in from the buyer. So there is very horrible impact on the online business of the Pakistan market.

5. Conclusions and recommendation

Corona Virus COVID-19 is a terrible disease that captured whole world in claws. Researchers are trying hard to find how this virus was created and what the reasons of it are highly infectious nature. This viral disease is making the circumstances worse than ever for the growth of the countries and for the survival of regular businesses. It damaged the economy of poor countries especially economy of Pakistan. China is contributing much in the production of goods all over the world. Pakistan is also dependent on the Chinese products. Pakistan is not importing goods from China as no such trade possible because of this virus.

This research paper focused on the effects of COVID-19 on the businesses specifically on the online business in Pakistan. The results shows that because there is no possible way to import the goods from China or any other country and not even possible to trade within the country so the effects of COVID-19 is terrible on the online business. A lot of peoples are dying every day and economy is deteriorating and will further decline in future. It is recommended to conduct future research on how to control this disease (COVID-19) and increase the trade for the economic survival of the countries specially under developed countries like Pakistan.

References

[1] Abiad, A., Arao, R. M., &Dagli, S. (2020). The Economic Impact of the COVID-19 Outbreak on Developing Asia.https://doi.org/10.22617/BRF200096.

[2] Ahmad, T., & Hui, J. (2020). One Health Approach and Coronavirus Disease 2019. *Human Vaccines &Immunotherapeutic*, *16*(4), 931-932.https://doi.org/10.1080/21645515.2020.1732168.

[3] Allam, Z., & Jones, D. S. (2020, March). On the coronavirus (COVID-19) outbreak and the smart city network: universal data sharing standards coupled with artificial intelligence (AI) to benefit urban health monitoring and management. In *Healthcare* (Vol. 8, No. 1, p. 46). Multidisciplinary Digital Publishing Institute.https://doi.org/10.3390/healthcare8010046.

[4] Belal, A. R., Cooper, S. M., & Khan, N. A. (2015). Corporate environmental responsibility and accountability: what chance in vulnerable Bangladesh? *Critical Perspectives on Accounting*, *33*, 44-58.https://doi.org/10.1016/j.cpa.2015.01.005.

[5] Buckley, C.; May, T. Effects of Coronavirus Begin Echoing Far from Wuhan Epicenter. Available online: https://www.nytimes.com/2020/01/25/world/asia/china-wuhan-coronavirus.html

[6] Craven, M., Liu, L., Mysore, M., & Wilson, M. (2020). COVID-19: Implications for business.

[7] Huang, C., Wang, Y., Li, X., Ren, L., Zhao, J., Hu, Y., & Cheng, Z. (2020). Clinical features of patients infected with 2019 novel coronavirus in Wuhan, China. *The lancet*, *395*(10223), 497-506.https://doi.org/10.1016/S0140-6736(20)30183-5.

[8] Jebril, N. (2020). World Health Organization declared a pandemic public health menace: A systematic review of the coronavirus disease 2019 "COVID-19", up to 26th March 2020. *Available at SSRN 3566298*.

[9] Kahn, J. S., & McIntosh, K. (2005). History and recent advances in coronavirus discovery. *The Pediatric infectious disease journal*, *24*(11), S223-S227.https://doi.org/10.1097/01.inf.0000188166.17324.60.

[10] Karimi-Zarchi, M., Neamatzadeh, H., Dastgheib, S. A., Abbasi, H., Mirjalili, S. R., Behforouz, A., &Bahrami, R. (2020). Vertical transmission of coronavirus disease 19 (COVID-19) from infected pregnant mothers to neonates: a review. *Fetal and Pediatric Pathology*, 1-5.https://doi.org/10.1080/15513815.2020.1747120.

[11] Liang, F., &Litscher, G. (2020). COVID-19 (Coronavirus Disease-19): Traditional Chinese Medicine including Acupuncture for Alleviation–A Report from Wuhan, Hubei Province in China. *OBM Integrative and Complementary Medicine*, *5*(1), 1-4.https://doi.org/10.21926/obm.icm.2001009.

[12] Mehraeen, E., Hayati, B., Saeidi, S., Heydari, M., &Seyedalinaghi, S. (2020). Self-Care Instructions for People Not Requiring Hospitalization for Coronavirus Disease 2019 (COVID-19). *Archives of Clinical Infectious Diseases*, *15*(COVID-19).https://doi.org/10.5812/archcid.102978.

[13] Meyer, S. (2020). Understanding the COVID-19 Effect on Online Shopping Behavior.

[14] Momin, M. A., & Parker, L. D. (2013). Motivations for corporate social responsibility reporting by MNC subsidiaries in an emerging country: The case of Bangladesh. *The British Accounting Review*, *45*(3), 215-228.https://doi.org/10.1016/j.bar.2013.06.007.

[15] O'Dwyer, B., Unerman, J., & Bradley, J. (2005). Perceptions on the emergence and future development of corporate social disclosure in Ireland. *Accounting, Auditing & Accountability Journal*.https://doi.org/10.1108/09513570510584647.

[16] Pymnts. (2020). Can eCommerce Overcome COVID-19?

[17] Unctad. (2020). Global Trade Impact of Coronavirus (COVID-19) Epidemic.

[18] Varshney, D., & Varshney, N. K. (2017). The effect of resilience on performance and job satisfaction among construction managers in Saudi Arabia. *Global Business and Organizational Excellence*, *36*(5), 36-45.https://doi.org/10.1002/joe.21799.

[19] Yunis, M. S., Jamali, D., & Hashim, H. (2018). Corporate social responsibility of foreign multinationals in a developing country context: Insights from pakistan. *Sustainability*, *10*(10), 3511.https://doi.org/10.3390/su10103511.

[20] Zhu, N., Zhang, D., Wang, W., Li, X., Yang, B., Song, J., &Niu, P. (2020). A novel coronavirus from patients with pneumonia in China, 2019. *New England Journal of Medicine*.https://doi.org/10.1056/NEJMoa2001017.