The Impact of Corona Virus (Covid-19) on E-Business in Pakistan.

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Abstract: This study documents the impact of Covid-19 on the E-Business in Pakistan.COVID-19 has a significant influence on public health and induces hasty changes in way of life, social distancing and home alienation, with social and economic implications. This indicates the socioeconomic expansion in the country has deteriorated. It's now messed up all sorts of industry on a global scale including the e-commerce sector. Big retailers had their stores turned off temporarily. In addition, due to declining footfalls, medium-sized and small-sized retailers are battling the situation. For fact, online companies are not off the list as well. Pakistan is also heavily impacted by them. Several e-commerce firms depend on China for most of their goods. In China, lockdown restrictions drastically decreased the production of goods, Thus it is expected to have a big impact on the Pakistan online sector, in particular Chinese goods. Primary research through a sample survey analysis is executed to boost outcomes.The result shows that because China is the biggest producer and the largest number of industries are locked. That's why all the shipping processes which have hampered domestic economic growth are hindered by the influence of corona viruses.

Keywords: E-Business, Consumer Behavior, Online sector,Corona Virus (Covid-19)

INTRODUCTION

In addition to its effect on public health, COVID-19 has significantly influenced commerce, technology, transportation and economy. The economic instability of Pakistan caused by this pandemic exacerbated an global crisis and has become one of the countries which are worst affected by COVID-19.Moreover, all countries follow the lock-down methods to avoid intervention and Pakistan has embraced the same. This virus seems to have detoriate both the private and the public sectors. The SBP announced that Pakistan had achieved a surplus of $13 million in its current account during May compared to its deficit of $530 million in April 2019 and $1 billion in May 2019. It was primarily attributed to declines in exports (1.27 billion dollars) and import payments (2.8 billion US dollars). Large-scale business operations in April 2020 have decreased by 41% compared to the same timeframe in the previous year. In March-April 2020, remittances from Pakistani expatriates decreased by 4.3%.For the third straight month, exports of textiles and apparel declined to US$ 751.13 million by 36.5% in May 2020 match up to the same as were in May 2019. In March the KSE-100 index of the Pakistani stock exchange fell by more than 25 percent and the rupture by more than 6 percent. Pakistan's economy is projected to lose up to 4% of its GDP as a result of trade disruptions, potential decline in FDI and transfer payments, and flows from other industries, including online industry. It is inevitable that the impact on the world, the economy and society of the new corona virus will be substantial.

It is difficult for the online companies to sell its goods online and to deal with tremendous problems when sourcing its shipments manufacturers. Disruptions in these markets can impact other industries in other countries. The Chinese commodity is also competitive on the Pakistan business market and will make a big difference in Pakistan's economy. In addition, the lockout has also closed the country's import and export facilities. All are due to the coronavirus effect. The automobile, metals, chemicals, communications utensils, plastics and mechanical industries have been distorted in addition to e-commerce. Most online retailers suffer from lack of goods that can not satisfy their customers ' demand. That could also lead to a market spike in goods in the next year.

In fact, e-commerce firms seek to deal with the situation. Taking into account the situation of the Daraz and Cheetay, the country's two biggest e-commerce retailer and the fastest expanding suppliers of e-commerce goods and services. Much of their commodities come from China. The pressure from its supply crunch would also be felt by other online companies [3].

LITERATURE REVIEW

China's intellectual development has shocked the world over the last three decades. Today, all the big companies set up their factories in China to make them the biggest commercial powerhouse in the world. China manufactures 80% air conditioners, 70% smartphones, 60% clothes, 74% solar cells, 60% cement, 45% cars, and 60% steel. China produces the most important goods. The Chinese economy is 2nd highest in the world with a GDP of $23.25 billion. The Chinese economy exceeded the US to become the number one exporter in the world with exports valued at 2.2 billion dollars. The Chinese name has become common in all countries especially in Pakistan Due to China Pakistan Economic Corridor. As corona virus bites, countries that import their products facing a huge problem globally. China is the largest import market globally, which happens to share a border with Pakistan and brutally affected by Corona virus . As Pakistan is therefore a highly dependable on Chinese commodity, with this abrupt pandemic epidemic, the market growth of E-business has been deteriorated [1].It also upsets transportation, health care, high technology and supply chains.

Globally, retailers have all been seriously impacted by the monitoring steps to curb COVID-19 spread. Retail sales in Pakistan have been greatly affected since 19 March 2020 when lockdowns came into effect across cities in the markets. One of the major problem faced by majority (80%) of the retailers is only managing their operational costs and (38%) of retailers in Pakistan are facing no support from distributors or brands to defer on payments schedule.

The corona virus pandemic has been going on for just over four months in much of the world and has already felled several iconic retail giants: in the United States, many Big names including luxury store Neiman Marcus have shown signs of strain and have even announced bankruptcy..

In Pakistan, online deliveries are growing, and technologies such as contactless delivery are becoming the new standard, not only are businesses ramping up their activities, but they are also changing their way of working and picking up problems with their systems and business models. The study findings have indicated a significant growth in inactive and emerging customers in the usage of online shopping services and mobile devices for e-commerce.The growth in the number of web viewers was seen at the first week of March 2020 [4]. Mobile apps of E commerce indicates a similar trends. Investigator also be expecting that the ratio of dynamic viewers on the web platform will be elevated as compared to February& March.In South East Asian countries such asTaiwan,Malysia,Singapore and Hong kong the traffic on-line at food delivery sites has increased. [5]. A researcher can obviously analyze an increase in demand and traffic in the first period of March, which represents a considerably higher proportion of dynamic and prospecting customers, and the investigatorsconfirmed that, with the daily transition from April 2020, the rate of increased traffic will increase [10].

COVID-19

Novel Corona virus is a massive global calamityhas descended on us in the form of the COVID-19. Pakistanconfirmed its first two cases of the coronavirus on 26 February 2020.[Arman1] . Today, Pakistan is the country having third-most confirmed cases of corona in Asia and the twelfth highest in the world.

The COVID-19 pandemic is dramatically accelerating the transition from classical to digital trading. The consumers are supposed to separate themselves and practice social distancing in their social circles. Consequently the trends in transactions and spending habits of people have changed. Corona virus is considered an independent variable since national and global markets have been significantly affected. In the world economy this epidemic has triggered a lot of crises. For this meticulous analysis, COVID-19 was viewed as an independent variable, because the whole financial system and welfare of the whole world depended to a greater degree on the deadly virus[12].

Customer Behavior

The pandemic triggered a dramatic change in the worldwide shopping trend, with buyers increasingly opting to buy online rather than physically. The behavior or the sentiment of the customers is also regarded as the separate variable. It is mainly because the way in which the population acts in response to the particularCOVID-19 pandemic[6]. The behavior of Pakistan 's customers thus influences mainly the demand for e-commerce business. Lockdowns shaped a drastic change in the Customer Purchase behavior in the country, because non-essential physical stores have been forced to close as goods and services at the different retailers are not available.In order to satisfy vital survival requirements, customers primarily rely on e-commerce site [9]. Companies introduced online channels in order to compensate for their traditional brick and mortar stores' drop in sales. As a result, consumers move towards online shopping to comply with social distancing standards.

E-Business

Regardless of the COVID-19 pandemic, the e-commerce sector has been driven through severe limits. During the coronavirus pandemic, Pakistan's e-commerce and digital economy saw a huge increase in revenue as shoppers' physical mobility is limited. The country has been attempting in recent years to expand the

digitalization of its economy by encouraging online businesses in order to boosts export and build jobs for young people. Nevertheless, prevention initiatives associated with corona viruses appear to be adding to the Pakistani global upheaval economy. E-commerce is considered to be the dependent variable, given that the spike up or fall of the demand for the particular online marketplace highly dependent on COVID-19 and on and the consumer behavior in relation to this lethal pandemic [2].

Daraz.pk is the largest online shopping shop in Pakistan owned by the international e-commerce-giant Alibaba a Chinese based online company with over seven million online products, more than 30,000 sellers and 500 brands on the platform. Due to the Covid 19 breakout, 300 Pakistani companies are now licensed for the foreign export of different goods.Nearly half of Pakistan's exports go to the coronavirus affected countries ,China, Japan, US, France , Italy , Spain and Germany.Around 40 percent of exports to the affected Western countries from Pakistan, and 9 percent of exports to China are destined. This implies, of course, that the effect of the pandemic on Pakistan 's exports is likely to be important as its major export destinations face the crisis. The smartphone device monitoring agency known as Apptopia shows that day-to-day installs of common food apps, including Walmart Supermarket, Instacart and Shiipt, was dramatically launched at the beginning of March[7].
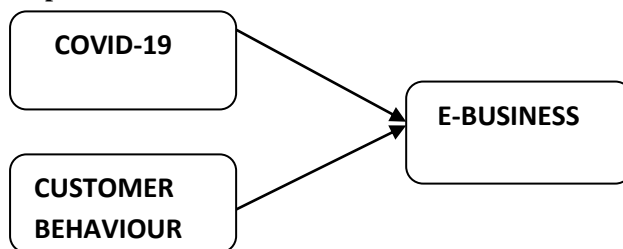
Conceptual Framework

Fig.1: Impact of Covid-19 and Customer Behavior on E Business.

Research Methodology
Sampling Technique:
The sampling techniques employed for a scientific study explain how we select participants in the research from the population. The chosen sample size is 100 respondents for the survey process. Such interviewees help the investigator gather data on the effect of corona virus on the e-commerce industry in Pakistan (COVID-19). In this study the researchers set up the survey questionnaire using the seven points Likert scale. It permits the researchers to obtain the data. In this study the researchers also used the random sampling method to capture the respondents' results. This data collection process is conducted by the investigator to accomplish the study objective.

Data Collection
Data collection and compilation process is done through the survey questions that the investigator distributed in order to help the researcher gather the necessary information about the effect on the Pakistani e-business. For interpretation of data obtained by the survey researcher, the SPSS computational method is used. The SPSS analysis method helps the researcher to gather the necessary data. The study answered the following research subjects:
• Does the corona virus (COVID-19) impact on e-commerce in Pakistan?
• How does Covid-19 impact consumer buying behavior for Chinese goods in Pakistan?
The following hypotheses are established by the investigators to accomplish the research objective.
H1: E-Commerce industry confronted negative effects of corona virus (COVID-19) in Pakistan.
H2: Coronavirus influences the consumers' buying behavior for Chinese goods in Pakistan.

DATA ANALYSIS
The data collection method is conducted using quantitative data analysis. In this analysis, the author uses the quantitative method of study, because it enables the researchers get all the data properly. The study uses the statistical modeling software (SPSS).This lets the researcher obtain the answers in sequence. The researchers help the researchers to accurately represent the data with the inquiry questionnaires presented by them.

Demographic Variables

Gender	Frequency	Percentage%
Male	70	70%
Female	30	30%
Age Group		
15-20	0	0.0%
21-25	24	40%
26-30	36	60%
Income		
Below 10000	0	0%
10001-15000	4	8%
15001-20000	22	32%
20001-25000	36	56%
Job Description		
Sale Executive	26	44%
Manager	34	56%

Table 01: Demographic Variables
The following is the result of the frequency analysis, which includes frequency and percent of occupation,profession,age group, gender, respondents' income and employment.The evidence of the participants collects by the author is used in depth.The researcher should list the frequency and the number of respondents, both men and women.

Reliability Test

Variables	Items	Cronbach's Alpha
Corona virus (Covid-19)	7	0.958
Customer Behaviour	7	0.962
E-Business	7	0.977

Table 02: Reliability Test
Reliability measures internal consistency.The technique is mainly used by the investigators to assess accuracy in the process of analysis. Depending on the data gathered, the Alpha of Cronbach's is less than and close to 1.00. Therefore, researchers prefer the positive hypothesis without the Null hypothesis.

Kaiser-Meyer-Olkin (KMO) Test

KMO measure sampling	.803
Chi-Square approx.	1293.310
Df	81
Sig.	.001

Table 03: Kaiser-Meyer-Olkin and Bartlett's Test
This method helps the investigator to calculate the validity of the sample in each of the models. The sig value is less than 0.05, which is 0.001, depending on this test. The value of KMO varies from 0.8 to 1.00. This represents both the worthy and constructive process of representing results. By refusing a null hypothesis, the alternative hypothesis selected by the researcher should be considered.

Correlation Analysis

Construct	E-busines	Covid-19	Cons.behavior
E-business	**000**		
Covid-19	-0.154	**000**	
Consumer Behaviour	-0.123	0.178	**000**

The results demonstrate that E-business and Covid-19 has negative and strong correlation (Cohen,1988). As the coefficient of correlation, $r = -0.154$, $P \leq 0.00$, this confirms the statistically significant correlation between E-business and Covid-19. While, E-Business and Consumer behavior displaynegative correlation with E-business.

Regression Analysis						
			Beta	S.E.	T-value	P
COVID-19			-0.235	-0.100	2.345	000
Consumer Behavior			0.212	0.095	2.234	000

F-value, 45.67, R-square, 0.46

Regression table display the path analysis which explained the outcome of one variable on another in the context Pakistan. The effect potrays that Covid-19has negitiveand statistically significant ($\beta = -0.235, P \leq 0.05$). Many previous reseacher varafied similar result(Havranek & Irsova,2011). The outcome also display that consumer behaviorhas a positive, and statistically significant ($\beta = 0.21, P \leq 0.05$).

RESULTS AND DISCUSSION

Lockdown restrictions and health- and economic-driven demand shifts from COVID-19 are expected to shutter many small E- businesses and entrepreneurial ventures in the world. The study explores and find out the adverse impact of Corona virus on e-commerce industry in Pakistan. The negative consequences are having an impact on both the consumers' sales and purchasing behavior. The obstacles faced by e-business companies include the decline in consumers' spending behavior. The reduction of the purchasing efficiency also affects procurement and delivery processes. The condition found would last at least six months longer, according to the survey processes conducted. This will weaken the e-business and cause massive losses for the e-commerce industry. Chinese goods also decrease competition for the goods on the Pakistan market by rising customer buying behavior. For this cause, the e-business current on the Pakistani market is being further impacted. Despite the buyer's worries that food safety has became vulnerable with the distribution of consumer goods by e-companies. Therefore, human interactions are limited to society and the e-commerce markets are declining.The analysis thus acknowledges both the research problems and the study goals of the researchers.

CONCLUSION AND RECOMMENDATION

COVID-19 has fundamentally altered human lives. The worldwide shutdown of industries to contain the pandemic has contributed to a decline in aggregate production, while the rise in consumption and investment has resulted in a decline in demand. Scientists are studying the causes behind these pandemic outbreaks. The outbreak of COVID-19 is likely to trigger bankruptcy for many well-known companies in many sectors as customers remain at home and economies are shut down. The widespread closure of stores and industries in China and around the world due to corona virus is alarming. Stores, warehouses and several other companies have closed down .China is the leading import market in the world, share a land border with Pakistan and struggling violently from the Corona virus. While Pakistan is entirely dependent on Chinese materials and goods, so the E-business has deteriorated with this abrupt pandemic. All the shipping processes which have hampered domestic economic growth are hindered by the influence of corona viruses. Mostly importers are actually trying to get their products from other sources to begin their business cycle. Secondly, Pakistan is primarily a cash-based economy. Electronic payment systems were embraced by the customers. According to data provided by the State bank of Pakistan only 0.2% Online (E-Payments) transactions takes place annually. The analysis in this article involves the corona virus effect on Pakistan's online business. As it was examined, E-commerce businesses were severely affected by the pandemic. The nation is struggling severely as the risk of

death increases, but the GDP has plummeted in the days ahead. The restoration and the improvement of the economy as before is supposed to be very complicated. Sales in the country are often very difficult to rise. Researchers are doing all necessary research on the Covid-19. This helps to boost China-Pakistan trade conditions.

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