

The Influence of the Covid-19 Pandemic on Online Acquisitions

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Abstract

In contemporary conditions, economic digitization creates a particularly strong impact on all states of the world. The contribution of national economies to international economic and financial exchanges is an important source and condition for achieving sustainable economic growth. Regardless of how they are achieved, these external economic exchanges have acquired considerable importance of economic growth at national, regional or company level. The technological changes that have taken place in the last decade have made a dramatic change in the climate of a business. The emergence and development of the multilateral trading system has been achieved gradually, under the influence of historical realities. production and movement of goods, the international division of labor and the international specialization in production, but also the technical-scientific revolution. In this paper, aspects are outlined that directly and pertinently aim at how the members of the society adapt to the changes that take place at a global level and first of all with the introduction of new technologies.

Key words: e-commerce, internet, online shopping, pandemic Covid-19

J.E.L. classification: M15, M21

1. Introduction

E-commerce has become the norm in almost all industries globally. The rapid growth and acceptance by companies has aroused the interest of individuals and organizations in creating a new business model. The Internet has become, without question, the main tool for the proper conduct of electronic activities. He has changed the way information is shared with business partners, the way communication is done and the way it is bought and sold. The accelerated spread of fast broadband internet connections has been the key factor in fueling the growth of e-commerce so the internet and e-commerce technologies are transforming the entire economy and changing business models, revenue streams, customer bases and supply chains. By implementing new technologies, work could be improved so dangerous or difficult tasks can be automated, people can choose where and when to work freely, resulting in a better work-life balance, work environments can become safer and healthier.

2. Literature review

Historically, the Internet has been the only one that has spread at a much faster pace than previous generations of communication technologies (Jaffe, 2006, p.23).

As mentioned (Popescu, 2014, p.123) the Internet is a key factor in the growth of e-commerce by developing business and supply models. Companies have taken a proactive approach and are focusing on new ways of doing business (Lubbe-Johanna, 2019, p.13)

New technologies and a more integrated, globalized world offer many opportunities to create new jobs and improve the quality of existing jobs. Both technological change and globalization create jobs by lowering the price of goods and services, increasing their quality and, therefore, increasing consumer demand (Levy, 2019, p.6). It also creates completely new jobs, such as big data managers, robotics engineers, social media managers and drone operators, jobs that did not exist in the past.

E-commerce has become the norm in almost every industry globally. The rapid growth and acceptance by companies has aroused the interest of individuals and organizations in creating a new business model. According to the Organization for Economic Co-operation and Development, e-commerce is "the conduct of business through the Internet, with the sale of goods and services taking place offline or online." (Serbu, 2004, p.39)

As a result of the accelerated progress in the scientific and technological field, the rapid development of all types of economic activity was an impetus for the emergence of new forms and methods of its implementation. E-commerce has not only become a huge thing in itself, but it has done so in a way that will change any type of business, both offline and online. (Fan, M., et al., 2016, p.104-109).

Despite the many opportunities, there are also some concerns about the future of the labor market. There are concerns that the world of work is moving towards a future of mass technical unemployment, precarious work, low-bargaining workers and significant skills shortages as the population ages rapidly (Petrov, 2021, p.65).

E-commerce has become the norm in almost every industry globally. The rapid growth and acceptance by companies has aroused the interest of individuals and organizations in creating a new business model. In order to facilitate the development of electronic commerce, a series of regulations (standards and norms) have been developed for both the national and international level: obligations of the parties, online contracts, protection of personal information, consumer protection, property rights intellectual property, transaction security, online payments, secure delivery of products to the end user, authentication, digital signature and specific connection protocols. However, the regulations and laws adopted so far cannot fully ensure the protection of intellectual property rights. (Fan, M., et al., 2016, p.104-109)

As robots, artificial intelligence and digital transformation enter the labor market more and more, and economies around the world become more integrated, many people are concerned about the impact of these mega-trends on the number of jobs (Drum, 2017, p.12).

The digital economy and e-commerce companies have created their own business game by changing the rules everywhere and for everyone. Numerous typologies have been developed to describe and analyze the structure and components of this economy. For example, Thomasz and Wu based the digital economy classified business into three areas of application: basic, narrow and broad (Tomasz, 2018, p.163), (Wu, 2019, p.37).

3. Research methodology

The main purpose of the article is to show the effects of the Covid-19 Pandemic on online shopping, on e-commerce.

To carry out this study, a series of Council of Europe reports, statistical reports of the institutions, were analyzed. The data were collected from the National Institute of Statistics and compiled for later use.

4. Findings

Romania, located at the intersection of three major markets: the CIS, the EU and the Middle East, has experienced significant economic growth, becoming one of the most attractive and dynamic markets in Europe.

In recent years, due to the increasing computerization of both the population and businesses, electronic sales have become practically a way of life (<https://insse.ro/cms/en>). Thus, according to a study conducted by INSSE, in 2020 internet users (16-74 years old) reached a number of approximately 12.8 million people, a rather small increase compared to the previous year.

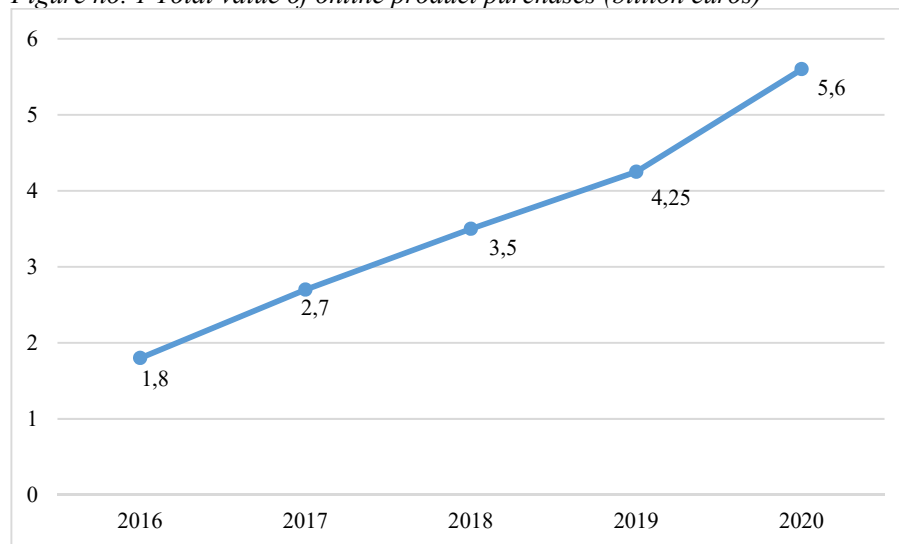
Table no.1.Evolution of the internet

	Years	People who have never used the internet (%)	People who use or have ever used the internet (%)	Number of people - Internet users
TOTAL PEOPLE	2016	30,3	69,7	10,6 milion
	2017	26,5	73,5	11,0 milion
	2018	21,2	78,8	11,7 milion
	2019	17,7	82,3	12,1 milion
	2020	8,7	91,3	12,8 milin

Source: <https://insse.ro/cms/en>

Despite the fact that most Romanians still prefer classic shopping, the e-commerce market has grown, growing from year to year, registering values as high as possible.

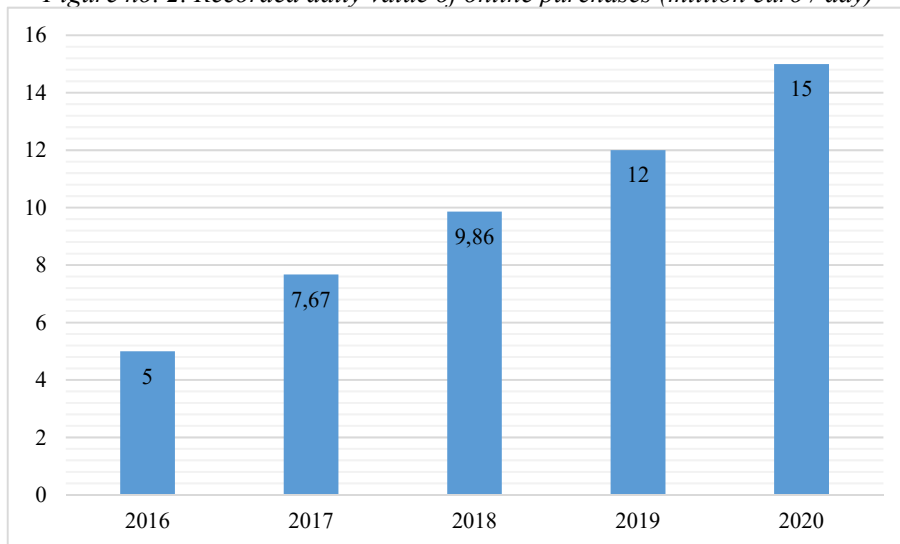
Figure no. 1 Total value of online product purchases (billion euros)



Source: <https://ec.europa.eu/eurostat>

According to the graph, in recent years there has been a huge increase in online purchases, reaching 5.6 billion euros in 2020, compared to 1.8 billion in 2016. This phenomenon is called the fast market. Romania is among the EU countries with the highest annual growth rate of online commerce, which shows the significant potential for development of the e-commerce sector in the future, in a market that has not yet reached the maturity level of other northern countries and Western Europe.

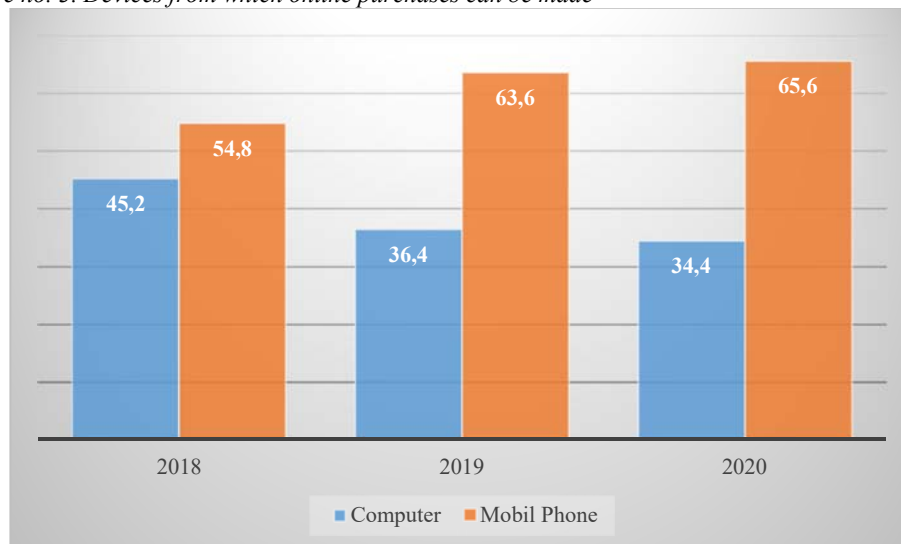
Figure no. 2. Recorded daily value of online purchases (million euro / day)



Source: <https://ec.europa.eu/eurostat>

Romanians who choose online shopping, identify the following aspects as the main benefits of e-commerce: time saving; easy comparison of products; much richer product offer than offline; lower prices than in traditional trade; the convenience of online shopping.

Figure no. 3. Devices from which online purchases can be made



Source: <https://ec.europa.eu/eurostat>

Table no. 2. Payment methods for online shopping

	Repayment	Online with card bancar	Online bay bank transfer
2016	90%	6-7%	3%
2017	85%	12-14%	1-3%
2018	83%	15%	2%
2019	80%	18%	2%
2020	62%	37%	1%

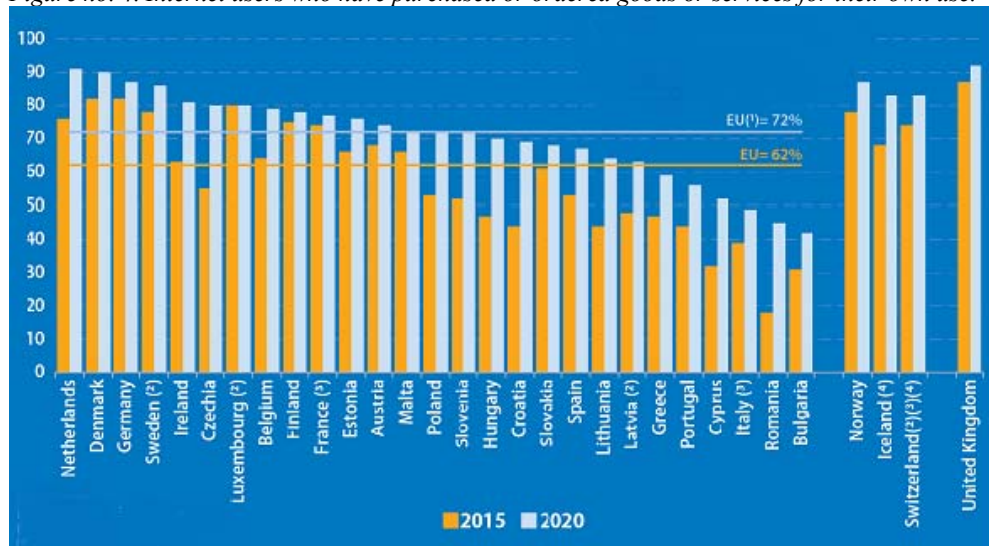
Source: <https://digital-strategy.ec.europa.eu/en/policies/desi>

The "cash on delivery" method, although preferred by Romanian customers, decreases from year to year with small percentages reaching from 90% in 2016 to 80% in 2019. In 2020, the percentage of online payments by bank card increased by 17 % compared to the previous year and over 30% compared to 2016.

As well as sales, the number of online stores in Romania increases significantly every year: at the end of 2019 over 20,000 merchants in Romania from approx. 35,000 "add to cart" websites sold actively online, compared to about 15,000 in 2018, 7,000 in 2017 and 5,000 in 2016. (https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/E-commerce%20market%20in%20Romania%202020.pdf)

As expected, the COVID-19 pandemic had a huge impact on the market and people's shopping habits, turning it into an opportunity for online shopping.

Figure no. 4. Internet users who have purchased or ordered goods or services for their own use.



Source: <https://ec.europa.eu/eurostat>

Against the background of this pandemic and the closure of physical stores in the 27 Member States of the European Union, e-commerce has grown massively. Over the last year, 89% of Europeans aged 16-74 have used the Internet, and 72% of them have bought products / services online (4% more than in 2019 and 10% more than in 2015). The most passionate about online shopping are the Nordics: the Netherlands (91%), Denmark (90%), Germany (87%), Sweden (86%) and Ireland (81%), Romania ranking last together with Italy and Bulgaria. The most common online purchases were: clothing / footwear and accessories (ordered by 64% of online shoppers), movies / series (32%), food delivered at home (29%), furniture, home and garden accessories (28%), cosmetics, wellness or beauty products (27%), books, magazines, printed newspapers (27%), computers, tablets, mobile phones and accessories (26%), music on streaming / download services (26%).

Analyzing the situation in Romania, the e-commerce market recorded transactions worth 4.25 billion euros in 2019, increasing in 2020 to 6 billion euros. Specifically, the value of 5.6 billion euros refers to all transactions generated in Romania both to domestic merchants and to online stores outside the country and represents strictly the e-tail segment, ie physical products (tangible) that were purchased via the internet. Excluded from this category are services, payment of utility bills, digital content or airline tickets, vacations and travel, hotel reservations, tickets to shows or various events.

Returning to e-commerce, a very large number of Romanians overcame in 2020 the fear of ordering online and discovered how simple, convenient and safe it is, while others, already familiar with online shopping, have expanded the product categories you order. Once you win, these customers will stay true to this way of shopping.

Apart from purchases in Romania, a third of Romanians prefer to shop online from stores in China (27%), EU member states (23%) and the USA (4%).

The way Romanians chose to pay for online purchases was another change in behavior, the incidence of online card payments increasing by 17% compared to 2019. The highest increase was recorded in the first part of the year until May (15%) following a growth period of only 2% between May and October 2020.

The reviews were also very important in 2020, because based on them, the stores won the trust of customers, generating more sales; 55% of respondents to the study said they would not buy from an online store where they cannot find opinions, and 75% are actively looking for reviews. When it comes to trust 37% trust reviews from independent store sites, 36% in Social Media reviews and 27% in testimonials displayed by online stores on their own pages.

5. Conclusions

It can be said that the simultaneous development of the use of computers and telecommunications, has led to an explosive growth in the Internet in a relatively short time, and has created specific technologies, directly influencing economic and social activities. Information technology driven by the rapid transmission of information and the need for storage, has revolutionized global trade. The evolution of e-commerce is directly proportional to the increase in the number of Internet users and accessibility. Today, the term e-commerce has become synonymous with increasing profits. In terms of impact on companies, this type of trade offers opportunities to redefine markets, create new markets and organize business. It has developed extensively lately with the help of these conditions, aiming at revolutionizing business, as well as boosting international trade, marring during the Covid-19 pandemic.

Due to the special situation we have not yet gone through, the year 2020 can not remain in people's memory only as the year of the pandemic, but also as the year in which e-commerce aimed at the turning point, migrating to the main trend from the niche segment. Romania was ranked as one of the largest e-commerce industries in Southeast Europe, following the events, which is supported by figures. 600 million euros were registered in 2013, reaching 1.4 billion euros in 2015. Since 2019, Romania has seen an extraordinary increase in this type of trade. This trend continued in the following years, being mainly determined by the pandemic. According to statistics, the e-commerce market in Romania grew by over 30% in 2020, exceeding the 5 billion euro threshold. The fastest growth of online sales in 2020 in Romania, was registered in the category of food and beverages with a percentage of + 115%. Significant changes were registered among online shoppers, the number increasing by 13%, and the average value spent online increased by approximately 41%, in 2020 compared to 2019.

Certainly this segment of trade will have a stable future, continuing to develop as the statistics show, causing an increasing concern on the part of the players in the field, in order to attract and retain customers, despite the new competitors on the market, such as and diversification.

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