

# Trick or Treat: The Impact of COVID-19 on Business World

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**Abstract** - According to a survey conducted by universities like Columbia, Harvard and many more reported that about 43% of small businesses have been closed temporarily and employment rate was down by 47%.

Correspondingly there were numerous data that displays many businesses were tricked and had catastrophic downfall but there were some companies that were striving hard to balance the economy caused by the contagion. Therefore, I decided to style research on how the Covid-19 has treated some businesses and to examine of how companies' revenue has preserved economic situation from being still worse during this dreadful pandemic. The research includes a case study, which was made on businesses who has increased their employment rate even during the crisis. Thus, we have chosen a company from both developed and economically developing countries that helped the employees and has drastically increased their business.

**Index Terms** - Business, effect of Covid, developed and developing countries, Economy.

## I. INTRODUCTION

During this pandemic we can witness many businesses has gone through turnover and loss, which directly affected towards the economic growth of the respective countries. In spite of a health disaster and one of the worst economic downturns in modern history, startup business activity grew in the United States last year— business startups [2] grew from 3.5 million in 2019 to 4.4 million in 2020, a 24 percent increase. The number of new businesses likewise increased in Chile, Turkey, and the United Kingdom. Other economies were not so vibrant: new business formation declined by a quarter in Portugal and Russia. Startup activity in China barely moved, growing by 3 percent in the first three quarters of 2020 relative to 2019 [3].

Efforts to comprise COVID-19 in evolving and developing economies, including low-income economies with limited health care capacity, could cause quick deeper and longer recessions— intensifying a multi-decade trend of slowing possible growth and productivity growth [4]. For example, if we consider India as it is a developing country, we can notice that, during the lockdown, approximately 71.31 percent of the businesses dealt with reduced cash flows with the manufacturing sector being the worst hit. Additionally, postponement and cancellation of developments have also been a major cause of concern, especially in the tertiary sectors, particularly retail, non-profit, consultancy, education, and financial services [5].

Every activity and occupation that could move online did, fueling a mass digital migration. Companies sent their employees home and disregarded business travel, and many now plan to continue with some hybrid form of remote work and virtual meetings. Consumers went online to fulfil needs ranging from buying groceries and taking school classes to exercise and doctor appointments. Businesses also turned to digital tools in new ways [1].

## II LITERATURE REVIEW

Much recent literatures indicate how downfall of businesses and global effect has been caused by the coronavirus. 'The impact of COVID-19 on small business outcomes and expectations' a research article published by PNAS, which highlights on the status of well-designed and sustained economic and public health policy measures. The research emphasizes the financial fragility of many small businesses, and how deeply small business are affected by the existing crisis [6].

Another work, 'This is the impact of the Coronavirus on Business' an article published by world economic

forum, states that the epidemic of COVID-19 highlights cracks in global trust, the pitfalls of global interdependency and the challenge for global authority [7].

But in this research, we will come over the business modifications in developed and developing countries. There are many types of business, based on product manufacturing, services, etc. And the bearing of COVID-19 is different on these businesses. It has dissimilar impression on industrialized countries and the countries which are trying to accomplish an improved economy. But as we know that every coin has two sides, which means if there is a downfall of economy then, there is even the effort of companies which has maintained the economic condition from being still worse. So, in this research I have mentioned about how a profit of business has even assisted in economy of advanced and emerging countries. To elaborate this, I have used a case study to design this research.

### III RESEARCH DESIGN

To manner this analytical framework, the case study research methodology was elected. This case study reports on the activities about the below companies, which are-

- Amazon
- Flipkart

Amazon and Flipkart both are product companies which has made their position globally. And according to the research Amazon company is a recognized company and its headquarters stands from a developed nation. Whereas, Flipkart is also familiar company and it originates from developing realm.

A Amazon:

Amazon has undoubtedly been the outstanding performer through the course of this global pandemic and has played an indispensable role in providing access to the supplies and necessities important to daily lives. Like many retailers, it has been focused on initiatives to find solutions to the way that COVID-19 has reshaped shopping habits, industries and economies around the world [8]. During 2021, the company banked a profit of \$8.1bn, compared with \$2.5bn a year ago, which covered the period just before government across the world began issuing stay-at-home order [9]. The E-commerce giant, with its seemingly endless selection and drive to deliver convenience and low prices, became the default

retailer and an essential service for many consumers at the height of the coronavirus crisis [16]. Activities of Amazon during pandemic is shown below (fig.1):

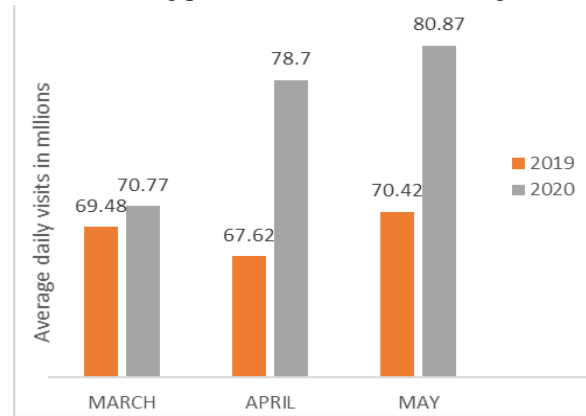


Fig.1 Amazon application daily visits during Covid [12]

B Flipkart:

Flipkart Internet private Limited is an e-commerce company based in Bengaluru, India. In July, Flipkart strengthened its wholesale presence with the acquisition of Walmart India, which operates the best price cash and-cash business [13].

Walmart-owned Flipkart, announced a slew of measures, including waiver of various fees paid by sellers, to help small and medium businesses amid the deadly second wave of COVID.

In 2019, the increased demand for products in multiple categories led to a strong top line and gross margin results. Revenue was \$137.7 billion, an increase of \$7.4 billion, or 5.6 percent. Excluding currency, revenue increased 7.5 cent to reach \$140.2 billion. Operating income was \$6.1 billion [13].

Activities of Flipkart during pandemic is shown below (Fig.2):

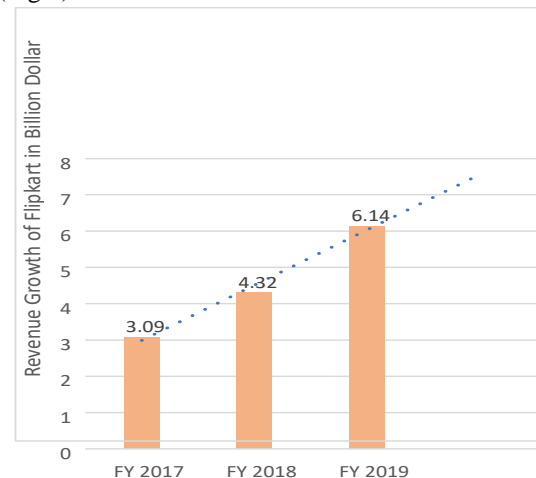


Fig.2 Revenue of Flipkart during the start of COVID-19 [15].

IV RESULT

This section provides the descriptive results of the study. From the above research we can conclude that there was a vast variance between before and after of COVID-19. During the pandemic, businesses and governments faced the necessity to solve multiple, competing priorities concurrently. Some businesses were tricked and some were treated, such as online shopping has made profit throughout this crisis. As, we considered Amazon and Flipkart which has made tremendous revenue in this period than before (fig.1 and fig.2). Once the government issued people to quarantine these sites were helped in many ways. As they provided harmless delivery to door which was an advantage for people, consequently there was additional usage of these sites. Hereafter these companies’ sales and revenue were increased. Other than the turnover of these Corporations, their hire rate was also increased by thousands. As we know that many people have been unemployed during this COVID-19, but these online firm has given opportunity for those who have lost their anticipation which indirectly strained to maintain the employment rate in developed and developing countries.

From the above case study, I can distinguish the activities of these companies-

Amazon Company	Flipkart Company
From 2019-2020 we can observe that, the number of visits has been increased	The revenue of the company has been increased in 2019 compared to 2017 and 2018.
Amazon revenue jumped 44% in 2021 [11].	Flipkart revenue jumped 42% in 2019 (Fig.2).
Amazon has embarked on an extraordinary hiring binge this year, vacuuming up an average of 1400 new workers a day [14].	In 2019, Flipkart said that it will help create more than 70,000 direct jobs [10].
This company’s economy has even increased the economy of respective country.	The profit of this company has helped in economy of its respective country.

Table.1. Brief table on Case Study

The companies I have included for case study has satisfied the need of this research. Statistically, we are aware of how pandemic was cause for many companies’ downfall as it has been mentioned in many

articles, therefore I wanted to shed a light on the area where companies have been advanced which we can consider as treat in this deadly epidemic.

V.CONCLUSION

As some regions emerge from the worst of the health crisis, it’s alluring to think that there could be a return to focusing on just one main concern. COVID-19 has changed how we live and work in ways that will adjust our behavior long after the pandemic decreases. Companies stimulated rapidly to install digital and automation technologies, dramatically accelerating trends that were recounting at a much slower pace before the crisis. Work went remote, shopping, entertainment, and even medicine went online, and businesses everywhere twisted to deploy digital systems to put up the modifications [1] which undoubtedly helped the concerns which are online based marketing.

We know that how Covid has tricked in companies’ downfall but there are some companies which had a positive impact on their revenue part. Hence the above research main objective was to highlight the point that even though there was a crisis some companies in both developed and developing countries has made an effort to gain profit, which has helped in the economy of those respective countries.

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