

The Impact of Coronavirus (Covid-19) on E-Business in Malaysia

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Abstract - *The key purpose of this research is to determine the impact of coronavirus (Covid-19) on the online business in Malaysia. Coronavirus one of the deadly known viruses has already taken the lives of many in almost half of the country. This means that the country's economic growth has lowered down. It has almost shaken up all types of business including the e-commerce business on a massive scale. Major retailers have temporarily shuttered their stores. Apart from that, the medium and small-sized retailers are combating with the situation due to low footfalls. Further, online businesses are also not out of the list. They are also severely affected by Malaysia. Many e-commerce businesses rely upon China for half of its merchandise products. Therefore, it is assumed that this deadly virus will severely impact the Malaysian online business especially the Chinese products. A survey has been conducted for this research and primary research has been carried out to get a better outcome. The results illustrated that as the maximum of the products comes from China and the maximum of the industries are lockdown which means that there is no import and export of the product.*

Keywords – *Coronavirus (Covid-19), E-Business, Consumer Behavior, E-commerce*

INTRODUCTION

The coronavirus (Covid-19) has a wide-reaching effect on e-commerce, technology, business travel, and the economy. It has already taken the lives of many and is also taking. In addition to this, every country follows the lockdown procedures as a means of preventing measures and Malaysia has also adopted the same. It seems both private and the public sector are messed up due to this virus. The fact is unavoidable that the effect of novel coronavirus will have a significant effect on the country, economy, and society. The increasing threat of novel coronavirus is a public health crisis and hampers the macro economy as a whole. It has also cut off the supply chain of the business. The production and the manufacturers are expected to be hampered more. China is the central manufacturing hub for many businesses globally. Therefore, any disruption in china's output will simply have repercussions [8].

The online business is finding it difficult to sell their products online and also facing tremendous issues while sourcing their products from China. China mainly deals with the machinery, equipment, instruments and communication-related equipment. Any disruptions in these sectors will simply affect other country business. Similarly, the Malaysian market is also dependable upon the china product and it will highly impact the economy of Malaysia. Further, the lockdown has also obstructed the import and export facilities in the country. All is the impact of the coronavirus. In addition to e-commerce business the automotive, metals and metals products, chemicals, communication equipment, rubber and plastics, and office machinery sectors are also got disrupted. Many online businesses are facing shortages of the products which are unable to satisfy the demand of the customers over there. This may also increase the price of the products in the coming futures after everything gets well.

Moreover, e-commerce businesses are trying to handle the situation. Take up the situation of the Amazon does not only deal with one country rather, but it also deals with other countries too. Maximum of their sellers are from china of Amazon. Other online businesses are also going to feel the pressure of their supply crunch [3].

LITERATURE REVIEW

In the last two decades, the name of china has become common in every country. it has become one of the crucial countries to enhance the economy of the country. The country plays an immense role in terms of boosting the economy by providing them great infrastructure. The importance of China in the global economy is not only related to the manufacturer and exporter of the product but also the suppliers of the immediate products for the manufacturing companies [11]. Globally about 20 percent of the manufacturing products are produced in China. Therefore, with the rise of COVID 19, the countries are facing an immense issue. Not only China but other countries where their products are imported are equally hampered. As Malaysia is a highly dependable china product therefore, with the rise of this sudden pandemic disease the sales rate of online business has slowed down. Online businesses are hampered just like private and public sector companies of the country [1]. The automotive industry, machinery, and other associated industry are also got affected due to this.

The pandemic of COVID-19 has forced the retail outlets of the nation to remain closed. This situation has identified to be unparalleled disruption of many businesses. When the number of major cities has declared self-isolated, lock-downs and following social distancing have directed towards the enhancement in the activities of the user. The users have enhanced their activities upon the online applications concerned with shopping in Malaysia. As per the research studies it has been found out that the usage of online retail applications and e-commerce mobile apps has

experienced a significant rise inactive and new users. The rise in the numbers of the online audience has been evidenced from the primary week of March of the financial year 2020 [4]. Online wholesale mobile applications display an alike trend. It has been observed that there is development in the total number of active users, new users and pays out during the second week in the month of March 2020. It is also anticipated by the researchers that the proportion of active audiences in the online platform would be more as compared with the months of January and February. The majority of the development of new and active audiences in online mobile applications is mainly on websites that offer food delivery services and facilities. In the nations of South East Asia, for example, Malaysia, Taiwan, Thailand, Singapore, and Hong Kong have experienced increase online traffic on the food delivery websites [5]. The increase in demand and traffic could be evidently analyzed by a researcher from the initial period of March month a significant rise in the number of active and new customers and he stated that the rate of increasing traffic has been increased with the passage of every day from month of march 2020 [10].

CORONAVIRUS (COVID-19)

Coronavirus is considered as one of the most infectious diseases which mainly occurs after contaminating the human with the rigorous acute syndrome of respiratory issues. The particular disease has been evolved like a pandemic public health crisis because of extensive spread within the number of nations. The pandemic of COVID-19 is accelerating its transition towards digital commerce in a very significant manner. The customers of the nation are expected to be practicing social distancing. COVID-19 is identified as an independent variable because the economy of the nation and the world has been influenced significantly. Based on this particular pandemic the people of the nation have imposed a higher level of limitations upon the individuals as well as on the businesses. This virus has incurred a large

number of calamities in the world economy. COVID-19 has been presented as the independent variable in this particular study since the entire economy and the wellbeing of the entire population has relied on this particular pandemic to a greater extent [12].

Customer Behavior

The behavior of the customer is also considered as the independent variable. The main reason behind its independence is that the way the population will act in response to the particular pandemic of COVID-19 [6]. As per the significant impact of this pandemic the customers would take necessary precautions and will more likely to act accordingly. Therefore the behavior of the customer of Malaysia mainly influences the demand of e-commerce business activities to a great extent. The purchase behavior of the customers would be influenced due to the lockouts in the nations since there would be a lack of availability of products and services in the various outlets and stores. For this particular reason, the customer should depend mainly on the e-commerce platform in order to fulfill the essential necessities required for their survival [9].

E-Business

The e-commerce business is being driven into significant limitations due to the pressure from the pandemic of COVID-19. The e-commerce is identified as the dependent variable since the rise or the downfall in the demand of the particular online platform is significantly dependent on the widespread of COVID-19 and also on the customer's behavior towards this global issue [2]. The online business is mainly dependent on these two factors which would influence its overall demand in the market. For this particular reason, the customers have shifted towards the e-commerce approaches. This is considered as the only means through which the population of the nation can able to survive this pandemic situation. Increased numbers of audiences are trying to gain benefits from the digital grocery

facilities. The tracking entity of the mobile application well known as Apptopia has signified that the daily downloads of popular grocery applications such as Walmart Grocery, Instacart, and Shiip have been coming forward significantly starting at the end of the month of February [7].

Conceptual Framework

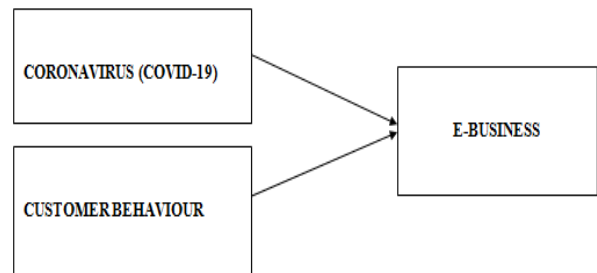


Figure 1: Conceptual Framework

MATERIALS AND METHOD

Sampling Design

The sampling design is identified as a framework that is used by the researcher for the selection of the survey sample. The sample size selected by the researcher for executing the survey process is 60 respondents. These respondents are helping the researcher in gathering the data related to the impact of coronavirus (COVID-19) established on the e-commerce business in Malaysia. For designing the survey questionnaire, the 7 points Likert scale is being used by the researcher. It is helping the researcher in gathering the survey data from the selected respondents. The random sampling process is also used by the researcher for gathering the data responses provided by the respondents. This process of gathering data is seen to be carried out by the researcher for accomplishing the research objectives.

Research Procedure

The data gathering process is carried out with the help of the survey questionnaires which are distributed by the researcher. The survey questionnaire developed by the researcher is

helping the researcher in gathering the appropriate information on the impact established on the e-business present in Malaysia. The SPSS analysis process is used for analyzing the data gathered by the researcher from the survey process. The SPSS analysis process is enabling the researcher to gather the appropriate information. The researcher framed the research questions which are provided below:

- Does the e-business face the effect of coronavirus (COVID-19) in Malaysia?
- How is a virus affecting the buying behavior of the customers for the Chinese products present in Malaysia?
- The hypothesis is prepared by the researcher which is enabling the researcher to meet the research objective.

H1: E-business is facing a negative effect of coronavirus (COVID-19) in Malaysia.

H2: Coronavirus is impacting the buying behavior of the customers for the Chinese products present in Malaysia.

DATA ANALYSIS

The data analysis process is seen to be executed by the help of analyzing the quantitative data. The quantitative research method is used in this research by the researcher as it is enabling the researcher to gather the data appropriately. The statistical analysis software (SPSS) software is used by the researcher. It is enabling the researcher to gather the responses in a sequential manner. The survey questionnaires framed by the researcher are helping the researcher in representing the data appropriately.

Demographic Variables

Gender	Frequency	Percentage %
Male	40	67
Female	20	33
Age Group		
15-20	0	0
21-25	25	42
26-30	35	58
Income		
Below 10000	0	0
10001- 15000	5	9
15001-20000	20	33
20001-25000	35	58
Occupation		
Sales executive	25	42
Managers	35	58

Table 01: Demographic Variables

The demographic variables selected by the researcher are representing the demographic details such as gender, age group, income and the occupation of the selected respondents. It is enlisting the detailed information of the respondents selected by the researcher. The researcher is enabled of enlisting the frequency as well as the individual percentage of the male and female respondents.

Reliability Test

Variables	Items	Cronbach's Alpha
Coronavirus (COVID-19)	7	0.960
Behavior of Customers	7	0.966
E-Business	7	0.988

Table 02: Reliability Test

The reliability test is enabling the researcher in identifying that the variables are reliable or not. The researcher is using this process for measuring the consistency in the research process. On the basis of the gathered data, the Cronbach's Alpha is found to be less than and near to 1.00. Due to this reason, the selection of the positive hypothesis prepared by

the researcher is being made with rejecting the null hypothesis.

Kaiser-Meyer-Olkin and Bartlett’s Test

KMO measure of sampling	.801
Chi-square approx.	1294.320
Df	81
Sig.	.001

Table 03: Kaiser-Meyer-Olkin and Bartlett’s Test

RESULTS AND DISCUSSION

The data analysis executed above is illustrating that the negative impact is established on the e-business in Malaysia due to coronavirus (COVID-19). The negative impact established is impacting the sales as well as the buying behavior of the customers. The weakening of the business environment in Malaysia is seen due to COVID-19. The challenges faced by the retailers present in the e-business are the lowering of the buying behavior of the customers. The lowering of the buying behavior is also lowering the supply and the shipping processes. As per the survey processes executed, the situation identified will be lasting at least four months more. This will be degrading the e-business as well as huge losses will be acquired by the e-businesses. The presence of the Chinese products in the Malaysian market is also lowering the demand for the products by lowering the buying behavior of the consumers. Due to this reason, more effect is established on the e-business present in the Malaysian market. As the concerns present in the buyer that with the delivery of the food products by the e-businesses, there lies a change of food contamination. Due to this reason, the limitation of human to human contact is being made which is leading to the degradation of e-commerce sales. Thus, the analysis provided is supporting the research questions as well as the research objectives framed by the researcher.

Kaiser-Meyer-Olkin and Bartlett's Test is seen to be helping in measuring the suitability of the data for executing the factor analysis. This test is enabling the researcher in measuring the sampling adequacy for each of the variables in the model. On the basis of this test, the sig value is less than 0.05 which is 0.001. The KMO value is between 0.8 to 1.00. This reflects the meritorious as well as the positive data representation process. The positive hypothesis selected by the researcher should be taken into consideration by rejecting the null hypothesis.

CONCLUSION AND RECOMMENDATION

COVID-19 has emerged as one of the pandemic health menace. Researchers are trying to find out the reasons behind these pandemic diseases. As per china, this pandemic disease can be tackled only when response control strategies and tactics are applied. This pandemic disease is worsening the country's situation. The country gets hampered both in terms of health and economics. Most of the kits are manufactured in China and Malaysia is also highly dependable upon the china products. With the effect of coronavirus, all the shipments processes are hindered which have lower down the economic growth of the country. Countries are trying to bring back their product from other countries apart from china only to continue their business process. The research paper here comprises of the impact of the coronavirus on the online business of Malaysia. On analyzing it has found that online businesses are seriously hampered due to this pandemic disease. The country is severely suffering as the death rate is increasing but in the coming days the country's economy has also lowered down. It is expected that to return and to enhance the economy like before is much hard. it is also much hard to increase the sales of the country. It is recommended that researchers must do their research regarding the Covid-19 with every possible outcome. This will help to improve the trading situation between China and Malaysia.

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