



E-Commerce Activities in the Covid-19 Pandemic in Vietnam

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Abstract: E-commerce is becoming a new opportunity for many businesses after the COVID-19 pandemic. E-commerce was still quite strange to people in the past but it has become popular now. It is the context of the epidemic that has caused consumer behavior and E-commerce activities to change rapidly. This also has contributed to the promotion of the E-commerce sector and the digital economy to develop strongly. However, in addition to the positive impacts, it also faces many challenges that need to be removed in the context of the COVID-19 pandemic. This article focuses on analyzing and evaluating the overall impacts of the COVID-19 pandemic on E-commerce activities and thus offering a number of solutions to contribute to improving the efficiency of this activity in the current context.

Keywords: E-commerce, COVID-19, Vietnam

I. The impact of the COVID-19 pandemic on E-commerce activities in the current context

The prolonged outbreak of the COVID-19 pandemic has severely affected the Vietnamese economy. In the field of E-commerce activities, the COVID-19 pandemic has had certain impacts on this activity through the following aspects:

Firstly, the COVID-19 epidemic has an impact on consumer behavior. Consumers used to purchase in person before the pandemic, but they are now turning to internet purchasing. The rationale for this adjustment is due to the complicated nature of the epidemic situation, and the entire country must adhere to the Prime Minister's Directive on blockade and distance in order to prevent epidemics. Consumers are unable to travel to work alone, yet they continue to purchase for needs and personal items. As a result, they've shifted to online shopping, where they can just download the app, create an account, and begin purchasing. According to a recent poll, the number of Internet users who shop online climbed from 77 percent in 2019 to 88 percent in 2020.

Secondly, COVID-19 pandemic affects businesses 1. Businesses have increased working from home online to secure the safety of the community and employees while still ensuring that business operations run smoothly. As a result, various remote business running solutions have been implemented. During the peak period of Covid-19, up to 67 percent of firms require more over half of their employees to work online, while 18 percent demand between 21 percent and 50 percent of their employees to work online. The majority of functioning businesses emphasize online work during the pandemic outbreak, according to this statistics. Many technology

¹ Vietnam E-commerce Association (Vecom) (2021), Vietnam e-commerce accelerates after the COVID-19 pandemic, p.3.

applications have been chosen to serve work, specifically, up to 87% of businesses choose Facebook, Google, Zalo, Skype, Viber, WhatsApp, Email as a similar tool for internal cooperation. A small number of businesses (21%) choose to hire a professional online support system instead of the above applications. According to the data above, the majority of operational firms opt for the original solution in order to save money, which is especially important given the present financial condition.

Thirdly, E-commerce has positive growth. According to the Southeast Asia 2020 E-commerce Report of Google, Temasek and Bain & Company, Vietnam's E-commerce in 2020 will increase by 16% and reach a scale of over 14 billion USD. In which, the field of online retailing of goods increased by 46%, ride-hailing and technology food increased by 34%, online marketing, entertainment and games increased by 18%, and the online travel sector alone decreased by 28%. This report also predicts that the average growth rate in the period 2020 - 2025 will be 29% and by 2025, the scale of our e-commerce will reach 52 billion USD. In terms of revenue, 10% of businesses said their 2020 revenue increased despite the pandemic, while 50% of businesses suffered a decrease and 40% had revenue almost unchanged. The trend of businesses selling products on E-commerce floors is increasing, especially after the COVID-19 pandemic. Many E-commerce enterprises, particularly in the fields of online retailing of commodities, ride-hailing services, and technology food, have taken advantage of the chance to increase revenue during the pandemic. These are areas where customers' needs have grown as a result of social distancing, when it was no longer viable to travel and shop in person. However, despite the successes, E-commerce activities in our country continue to encounter numerous hurdles.

Firstly, it is about the concerns of consumers in shopping online. According to a recent survey, many obstacles have directly affected consumers' satisfaction when buying online, specifically, concerns related to the price of goods (44%), lower quality of goods than advertising (42%); personal information disclosed (33%); shipping and forwarding are not guaranteed (25%); poor customer service (22%); 19% involve complicated payments (19%). unprofessional website/application (14%); the hassle of ordering online (13%). Therefore, the level of consumer satisfaction when conducting this survey has decreased from 55% (in 2019) to 40% (in 2020). Despite the fact that the rate of online buying increased during and after the pandemic, consumers' quality, trust, and contentment with E-commerce activities deteriorated. This presents a challenge for E-commerce enterprises to quickly adapt and overcome limits in order to meet the current context, as E-commerce plays an increasingly vital part in Vietnam's socio-economic growth.

Secondly, E-commerce businesses face new troubles when working online from home. Specifically, this online working method is relatively new and has little testing time, so most businesses find that the work efficiency remains unchanged or decreased compared to the method of working at the office. According to the survey, only 13% of enterprises participating in the survey said that the online method of working was more effective, while 44% of enterprises said that the working efficiency remained almost unchanged, 44 % of businesses reported a decrease in working efficiency ². The reason for this limitation is that E-commerce enterprises do not have time to approach and adjust their operating methods, or if they do, the quality does not remain stable due to the disease's rapid and prolonged outbreak. Furthermore, compared to previous years, the share of firms with specialist personnel in e-commerce has declined dramatically in 2020, partly owing to the pandemic's large impact and financial pressure, resulting in a reduction in payrolls and concurrent positions in the country. Responsible for a variety of jobs that organizations use to keep afloat during challenging times. As a result, human resource quality assurance is limited, which has a substantial influence on E-commerce activities for consumers.

²E-commerce Association (2021), vol. (3), p.4.

Thirdly, there is a difference in the e-commerce index between localities. According to the survey, e-commerce activity is now concentrated primarily in large cities, particularly Hanoi and Ho Chi Minh City. Localities in the northern and southwestern hilly zones have the least developed e-commerce infrastructure. It is clear that local governments have not yet taken advantage of the potential provided by E-commerce, and that E-commerce businesses are reluctant to scale up and grow sustainably. That example, e-commerce has only evolved in two major cities, has not yet expanded to other areas, or has expanded but not much.

II. E-COMMERCE ACTIVITIES IN THE COVID-19 PANDEMIC IN VIETNAM

It is vital to evaluate and execute the following remedies in order to promote E-commerce activities to continue to grow significantly in the context of the current complex scenario of the COVID-19 pandemic:

1. Solving the concerns of consumers in doing purchasing through e-commerce

Firstly, it is about the price and quality of the goods. To alleviate this concern, it is necessary to strengthen the responsibility of the seller. Specifically, according to Decree No. 85/2021 amending and supplementing a number of articles of Decree No. 52/2013/ND-CP on May 16, 2013 of the Government on E-commerce, for goods and services If a service is advertised on a website, the seller must offer sufficient information for the consumer to accurately identify the features of the items or service in order to avoid misunderstandings while deciding whether or not to propose a contract. As a consequence, sellers must give truthful and accurate information about the goods and services so that customers can acquire the information they require and make an informed decision about whether or not to purchase the goods or services. Customers must not be misled by sellers, causing them to misinterpret the features and applications of goods and services. Furthermore, buyers must conduct thorough research before to purchasing goods and services. In fact, it is unavoidable as a result of over-reliance on advertising. When purchasing low-quality things that are not in line with the intended uses and needs, consumers must be "bitter." As a result, in addition to the seller's responsibilities, consumers must be accountable for assessing the quality of goods and services based on marketing.

Secondly, it is about the customer information security. In Vietnam, network security and the privacy of personal information in e-commerce transactions are currently a problem for business owners and government authorities. 3. Therefore in order to properly apply personal data protection in E-commerce, the legal framework must be well defined and comprehensive. However, this is difficult since, while the Cybersecurity Law of 2018 has requirements on privacy protection for a specific audience when participating in E-commerce, there are few comparable laws in this legal instrument. As a result, while we wait for legislation to address this issue, both customers and E-commerce enterprises are responsible for preserving client information. For consumers, when buying goods through E-commerce, they need to raise their awareness of protecting their personal information, only providing information that is really necessary in trading, buying and selling goods on E-commerce. In particular, it is necessary to choose a reputable and transparent E-commerce floor in protecting customer information. For E-commerce businesses, it is necessary to build a secure system of customer information security. In addition, businesses need to limit asking customers to provide unnecessary information when they shop for goods and services on E-commerce platforms.

Thirdly, it is about the improving shipping and freight forwarding. Transportation of commodities has become difficult and time-consuming throughout the outbreak as a result of social distance and travel limitations. Although the situation has improved since the separation, there is still a substantial backlog of goods that have not been delivered to consumers. As a result, in order for delivery and receiving of goods to be effective,

³Duong Ngoc Hong (2020), "E-commerce in economic development in Vietnam", <https://tapchitaichinh.vn/tai-chinh-king-doanh/thuong-mai-dien-tu-trong-phat-trien-king-te-tai-viet-nam-330340.html>, accessed on 11/27/2021.

delivery and forwarding organizations must speed up the process and stream the items so that they may be delivered to customers quickly, with those goods being prioritized. Early on, the service was swapped.

Fourthly, encourage consumers to pay online. In fact, most customers will prefer to pay cash when receiving goods. Specifically, according to a survey, the percentage of online shoppers paying cash accounted for 86% (2019) and 78% (2020), although it has decreased, this percentage still accounts for the majority of the prioritized forms. For the form of payment by domestic ATM card accounted for 39% (2019) and 39% (2020); credit cards, debit cards account for 17% (2019) and 20% (2020), e-wallets account for 18% (2019) and 23% (2020) 4. According to this data, consumers' preference for cash payment persists, despite the fact that the rate of payment by electronic means, such as credit card, has increased although not dramatically. Because the use of smartphones is becoming increasingly prevalent, a shift in payment methods is unavoidable. It is only necessary to apply sooner or later. As a result, businesses must encourage buyers to pay electronically by offering incentives and free shipping throughout the checkout process.

2. Improving the working efficiency of E-commerce enterprises

Due to the general nature of working from home, a number of modest and small firms arose spontaneously during the epidemic, with no systematic approach to organization and staff management. As a result, firms' capacity to operate has been severely limited. To counter this, E-commerce businesses must actively establish a team of E-commerce experts. Because the pandemic situation is still complicated, many businesses are experiencing labor shortages. This is a new challenge that companies must address. Businesses must maintain a stable quality and number of present employees while also recruiting new labor sources, particularly people with expertise in information technology and personal information security, in the near future.

3. Improving the e-commerce index between localities.

As previously stated, there is currently a significant disparity in the E-commerce index between localities. This demonstrates that many communities have yet to take advantage of the potential provided by E-commerce, despite the fact that E-commerce is becoming increasingly crucial in today's market economy. As an outcome, state agencies and E-commerce enterprises must collaborate to develop accurate and relevant policies in order to increase the E-commerce index among locations.

III. CONCLUSION

In today's digital economy, e-commerce is becoming increasingly significant, especially in the post-COVID-19 era. As a result, in order to develop and improve business efficiency, E-commerce enterprises must actively adjust to overcome restrictions and problems. On the other side, appropriate policies are required for state management authorities to promote development motivation for E-commerce firms.

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⁴ Ministry of Industry and Trade Department of E-commerce and digital economy (2021), tlđđ (1), p.35