

The Implications of The Covid-19 Pandemic on E-Commerce in Saudi Arabia

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ABSTRACT

The COVID-19 pandemic succeeded in including the concept of e-commerce as one of the most important variables that entered the world in a natural way to simplify the reality of life in light of home. As the COVID-19 pandemic has caused the suspension of most economic activities, many organizations may stumble in their work and activities, and in order to stay in touch with their customers, they must resort to technological and economic transformations in order to communicate remotely using electronic maps, e-commerce platforms and communications to conduct its business and increase its sales electronically, to remain a leader in this field. Saudi Arabia is among the countries in the world affected by this economic and health crisis. However, the influx of e-applications from its part has initiated the e-partners of one of the largest markets in the Middle East Africa region due to the building of trust in its online markets as a result of trade relationships that sustain business from the increase of e-commerce given this global pandemic. Through the spread of online orders during the epidemic period, Saudi Arabia was able to identify the quality of the infrastructure and technology that the government has established to develop its electronic commerce, so it was found that it should identify all strengths and weaknesses to allow opportunities to develop its digital performance in the future and to keep pace with its rank among the countries most dependent on e-commerce.

Keywords: E-commerce, epidemic, e-applications.

1. Introduction

Although the COVID-19 crisis is a health crisis and has a clear impact on people's lives, it has caused a major economic, social, and political shock that hit most countries of the world, starting with China, which in turn announced extensive health measures. The isolation measures, so the matter later moved to the rest of the world, which affected the total demand, mobility, trade relations and the state of the global economy, except for business growth in three economic sectors represented in the pharmaceutical industry and medical equipment for sterilization. Prevention and logistics services, as well as e-commerce, whose commercial activity has reached 30%, are among the most prominent sectors. Saudi Arabia is among these countries that, since the outbreak of the epidemic, have imposed restrictions on population and commercial movement to limit the spread of this virus, as it took the initiative to expand the use of e-commerce as a source of hedging, by expanding open electronic platforms. This led to a noticeable shift in consumer behaviour in Saudi Arabia. As an increasing number of its citizens are turning to digital channels as a preventive step against the spread of the virus.

2. Problem Statement

The objective of the analysis is to test the various factors to measure the impact of the COVID-19 pandemic on the changing consumer purchasing behaviour before and after the crisis in Saudi Arabia, which may affect the performance of companies that deal with customers through the e-commerce sector. Many scientific articles

have been written to test the various factors that influence consumer behaviour and ultimately the performance of business firms. Saudi Arabia is among the countries in the world affected by this economic and health crisis. However, it has been known for the influx of e-application sites by its citizens to become one of the largest markets in the MENA region in e-commerce due to building trust in its online markets because of taking measures and laws that work on business sustainability from the increase of e-commerce given to this global epidemic.

3. Research Objectives

This study aims to uncover the implications of the COVID-19 pandemic on e-commerce in Saudi Arabia and the response of consumers' behaviour to shopping through electronic platforms in light of this pandemic through their followers of the curfew to prevent the epidemic. And for that, this research was divided into parts that dealt first with concepts on e-commerce, and how business continues in the light of this pandemic, to get to know in the second part the impact of Covid-19 on directing shopping behaviour towards e-commerce, and in the final part we will address the impact of the Covid-19 pandemic on e-commerce in Saudi Arabia using a descriptive analytical.

The study also aims to:

Determining the impact of the COVID-19 pandemic on the business sector and its impact on the behaviour of online shopping for the world in general and Saudi Arabia in particular.

Highlighting the measures taken by Saudi Arabia to reduce the effects of COVID-19.

Highlighting the contribution of the COVID-19 pandemic to increasing the volume of e-commerce market revenues in Saudi Arabia, based on some statistics.

- Analyzing the reality of the e-commerce sector in Saudi Arabia.

- Learn about international experiences in electronic commerce during the spread of the Corona pandemic.

- Identifying the opportunities available to commercial companies considering the Corona pandemic.

- Uncovering the challenges facing companies considering the Corona pandemic.

approach based on some statistics that showed that the Covid-19 virus has a prominent role in increasing the growth of the volume of e-commerce business in Saudi Arabia due to the imposition of social divergence, which strengthened consumers' tendency to shop online in a short period in implementation of the precautionary decisions that Issued by Saudi Arabia in order to enhance the activity of its corporate business for delivery via e-commerce.

4. Research Questions

Through the spread of online orders during the period of the epidemic, Saudi Arabia was able to identify the quality of the infrastructure and technology established by the government to develop e-commerce, so it was found that all strengths and weaknesses must be present and identified to allow opportunities to develop its digital performance in the future and keep pace with its ranking Among the countries most dependent on e-commerce.

- How has the COVID-19 pandemic affected e-commerce in Saudi Arabia?

- How did Saudi Arabia care about setting regulations and implementing precautionary laws to limit the spread of the Covid-19 epidemic?

- How the COVID-19 pandemic has changed consumer behavior towards platform use electronic?

- How did the Covid-19 pandemic contribute to the growth of e-commerce market sales in the Saudi Arabia?

4. Literature Review

The study and analysis of e-commerce opportunities and challenges considering the current Corona crisis has become a necessity necessitated by a set of cognitive, cultural, and economic considerations. Especially considering the paradigm shift in the use of information, and the important shifts in the contemporary economy that impose urgent changes and difficult competitive conditions on companies. Within these considerations, the idea and problem of the current study cantered in the framework of monitoring the effects of the COVID-19 pandemic on E-commerce in the world and in Saudi Arabia in particular, and its surrounding opportunities and challenges, through analyzing the reality and reviewing recent previous studies published on the subject. Saudi Arabia has made great strides in supporting e-commerce through the establishment of the Electronic Commerce Centre, which aims to support

commercial enterprises and coordinate with governmental and non-governmental agencies to encourage e-commerce and develop information technology and technologies. Related to SMEs, it is a successful model of public-private partnership.

5. Building Hypothesis

To answer the research problem, we formulated the following hypotheses:

- Saudi Arabia has taken care of developing regulations and implementing precautionary laws to limit the spread of the Covid-19 epidemic.

The COVID-19 pandemic has changed the behaviour of consumers towards the use of platforms electronic.

The COVID-19 pandemic has contributed to the growth of e-commerce market sales in Saudi Arabia.

The study model relied on three pillars as independent variables: Confidence, tangible value, and consumer convenience.

6. Methodology

The study followed a descriptive analytical approach based on some statistics that showed that the Covid-19 virus had a prominent role in increasing the volume of e-commerce business in Saudi Arabia as a result of the imposition of social distancing, which led to the strengthening of consumers' tendency to shop online in a short period in implementation of the precautionary decisions Issued by Saudi Arabia with the aim of promoting commercial traffic activity to provide e-commerce. A questionnaire was selected to be shared with a sample of (250) respondents according to the market share of each service provider, and then collected information one by one at the same time to ensure that the information collected is to some extent reliable and trustworthy. The appropriate sampling method was used to select the individuals to whom the study questionnaire was distributed, which included both sexes, different age groups, all income levels, and various levels of education from all cities of Saudi Arabia. The next step is to use both SPSS and Excel sheet software to try to do some calculations that help create a formula for companies to develop their e-commerce business for customer service. Additionally, to be able to see how metrics and variables work to attract customers, time response, information feasibility, and competitiveness.

7. Findings

The study model relied on three pillars as independent variables: Confidence, tangible value, and consumer convenience. This chapter presents research, conclusions, and analysis of demographic data to confirm that e-commerce technology is unknown to many consumers and implemented in the commerce sector despite the reputation and acceptance of primary respondents for managing and dealing with commercial services companies. This study was conducted to investigate the effects of the degree of customer loyalty, customer satisfaction, perceived value of service from the customer, trust in the service provider, and integration chosen based on a review of previous studies on performance. A survey was conducted to review the

research proposal. The information collected from the questionnaire is analyzed by SPSS and Minitab as already discussed in Chapter 4. The results show that two of these variables, loyalty, and trust, affect the performance of business firms according to each theory. Hence the hypotheses results of the study as follows:

Accepted-hypothesis:

H1: Gaining customer trust and loyalty when managing customer supply service time and response is difficult for commercial companies.

H2: The greater the perceived value of the service from the customer, the greater the loyalty to the company.

Rejected-hypothesis

H3: Company performance has a positive impact on customer satisfaction. Refusal of the hypothesis refers to information received from respondents who do not support the hypothesis. It may be caused by inaccurate information received from respondents because not all respondents are experts in dealing with online e-commerce, and the effect of this.

6. Conclusion

A set of results were obtained that can be illustrated as follows: Because of COVID-19:

-The trend of the world of commerce and business has changed as a result of the significant and steady growth in the market, which led to the actual growth of e-commerce.

-Knowledge of the technical, strategic, and marketing infrastructures adopted in trade all over the world.

-The emergence of investment activities in informatics so that the information industry becomes the most comprehensive framework for expressing the status of technology in leading the economy.

-The growth of e-commerce by accelerating the digital transformation of various industries and companies and changing the behavior of individuals by moving them towards platforms that were available for communication but were not used sufficiently in the past.

-The behavior of most citizens in Arab countries still faces fears of using the Internet, which constitutes an obstacle to the success of Arab e-commerce. Since there is no awareness of electronic marketing means, especially electronic payment methods, as a result of lack of confidence in the security aspects of protecting their information through online shopping and the lack of credibility of the published data, which leads them to fall victim to fraud.

-The pandemic enabled the Saudi market to face challenges, which helped it move towards the use of e-commerce and open electronic applications for traditional stores to provide needs commensurate with these situations to maintain customers.

- Helped expand e-commerce in Saudi Arabia, enabling customers to increase and diversify purchasing opportunities in a wider range than traditional commerce due to a variety of choices from sellers.

7. Recommendations

Although this study contributes greatly to knowing the importance of the impact of the COVID-19 pandemic on businesses and understanding how it affects the behaviour of consumers when shopping online for the

world in general and for Saudi Arabia in particular, and its impact on the performance of e-commerce companies. In addition to determining the extent of Saudi customers' satisfaction with online shopping during the Corona Virus pandemic and its impact on online shopping behaviour after the end of the epidemic. However, it is still accompanied by the following limitations:

First, the study is limited in scope because it focuses only on commercial businesses (consumer delivery companies). Hence, there is a need to conduct such a study in other sectors to gain insight into the subject matter of study from different points of view.

Second, this study is limited to the small sample, and thus it becomes important for researchers to conduct this study on a larger sample to generalize.

Third, in this work, only certain determinants of business performance have been investigated. Therefore, it is important for future work to explore other variables that explain performance more broadly.

Fourth, the study focuses only on the non-financial aspects of e-commerce, and as such, it is important for other researchers to consider studying financial variables or even a combination of both to gain a greater understanding of the e-commerce phenomenon, especially in the retail sector.

8. Future research

Considering the results of the following research proposals for future studies, the current study is proposed:

- Providing good infrastructure and systems for communications and providing various facilities such as reducing the cost of using the Internet.
- Creating a legal and legislative environment that regulates such digital commercial transactions, and meets the standards related to trade, taxes, commercial exchange, and other laws that cover the requirements of e-commerce and facilitate the conduct of its activities in front of various parties, whether institutions, individuals, and buyers.
- Provide appropriate privacy and security procedures to ensure the completion of the process of digital trade exchange and maintain the privacy of the data of institutions and customers who deal through e-commerce.
- The possibilities of employing big data and artificial intelligence to enhance the use of information for the success of e-commerce projects in Saudi Arabia.
- Solving the challenges facing small and medium enterprises towards digital transformation.
- Community awareness of the importance of e-commerce and its role in overcoming crises during epidemic outbreaks.

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