

SURGE IN VALUATION OF ONLINE SERVICE PROVIDERS IN INDIA DURING COVID'19- BLESSINGS IN DISGUISE: AN EXPLORATORY STUDY OF ONLINE EDUCATION AND PHARMACY COMPANIES

Dr. Monirul Islam^{1*}, Simran Handa²

*Assistant Professor of Marketing Management¹

Xavier Business School (XBS), St Xavier's University, Kolkata, India

MBA Final Year Student²

Xavier Business School (XBS), St Xavier's University, Kolkata, India

e-mail: moni05081985@gmail.com, hsimran018@gmail.com

Abstract: - This exploratory research paper focuses on understanding and analysing the contributing factors and reasons for sudden increase in overall valuation of online education and online pharmacy companies in India during COVID'19. The pandemic for these companies proved to be a 'blessings in disguise'. The whole creation is in the grasp of Coronavirus. The dissemination of the virus is so massive that it indulged the World Health Organisation to declare it as a pandemic. The sudden outbreak of the virus has unmatched implications on the worldwide economy. Unadorned economic onus and grave aftermath shock have been borne by the Indian economy. However, unlike other industry and sectors companies like online education and online pharmacy companies proved to be in the reverse trend. Therefore, this article is intended to study the reasons behind this surge in valuation. This study would also explore why education & pharmacy companies has been selected for the study. In larger context it is an attempt to advise the stakeholders for keeping the ongoing performance & pace with the industry trends. Moreover, it deals with the managerial implications associated with the research paper.

Keywords: Covid19, Pandemic, Indian Economy, pharmacy companies, virtual education, MOOCS, Higher education

I.INTRODUCTION

The impacts of COVID-19 on the businesses globally are reaching its peak, since this is bringing about remunerative changes wherein the entire market scenario is being impelled into being transferred to the digital platform. People in today's world as well believe in buying the necessary products traditionally by going to shopping /grocery/medicine stores. But the increased risk of this pandemic has put everything to a halt where individuals are now moving up to a much safer option wherein, they can buy the products from the safety of their own home and just by a click. In a variety of countries, online shopping is risky or well very uncommon, due to the lack of proper infrastructure, the reluctance of consumers to use their own bank accounts and to buy products online especially anything related to online education courses or medicines. But this pandemic, led to rapid growth and change in the lifestyles of every individual around the globe, wherein everyone had to change their mind-sets and adapt to the new era. For instance, many people in Mexico do not have bank accounts and only about 5 percent sales happened digitally before the pandemic, wherein consumer's lack of trust and proper financial infrastructure, made Mexico's growth rate drop in comparison to Europe, China, and United States. But as soon

as COVID-19 took a turn, millions of offline shops closed, and the entire system took a toll to go online since the entire holdout went digital. This erupted and pushed the economy of Mexico up into the competition by 54% which was followed by other major economies like India, Russia, and Brazil as well.

The infrastructure development, the establishment of trust amongst the consumers and the security provision of the online transactions, may have queered a very important pave way for the growth and development of the underdeveloped nations, digitally. This has hiked up the usage of online education system as well as the online pharmacy websites. Education requires a more personal touch, since all the generations are attached to the traditional studying scenario, before this pandemic they never thought of getting their children tutored online via any digital educational platform like Byju's, Udemy, Unacademy, Olcademy etc., but as soon as last year hit, parents had to consider that option since even the school and University professors had to teach the students via online teaching platform like Zoom or Google meet. This increased the growth rate of e-commerce educational sites which in turn increased the valuation of such useful and trusted companies. Not only in the arena of education, but the pandemic has also paved a way for the pharmacy companies to flourish and built a good and

AND ENGINEERING TRENDS

loyal customer base. People who used to buy products especially medicines whilst going to the medicine shop are now more considerate of their own health and safety, thereby, they are more inclined to get a tele-consultation from the doctors online via applications like CareClues Patient, and after getting an online prescription, get the medicines from online pharmacy websites like Medwick, Pharmeasy, Netmeds, 1mg etc.

The cascading of the rising value of these e-commerce sites, has lured more new companies to come up and built their businesses on the recent trends of every step of us going digital, where the growth of online education and pharmacy sites are just the beginning. Evolution is just at its inception. Hence to know actual reasons for the increase in valuation of the above two mentioned companies, this study tries to explore the ways & means for the same.

II PROBLEM STATEMENT

The question here arises that how the pandemic surged and refluxed the valuation of online education and pharmacy companies. Though this pandemic has made various organizations adapt a new sense of technologies and techniques to cope up with the distress worldwide, no company has let down its will and power to subdue in it and are continuously working to develop itself more and more in the eyes of its consumers.

Amidst these, online education and pharmacy companies have emerged and proved its worth, by changing the new norms and making us believe that no matter what, services will be offered more profoundly and with full safety. This is not a problem but an evaluation as to the effect that COVID-19 has had on the expectancies of growth and development of businesses. The companies during distressful times have impacted our lives with various new technologies and has benefitted the consumers by its fastest and securest transaction levels. This pandemic has considered to be as a turning point in the development of e-commerce and bringing about a change wherein the entire offset of organizations has gone digital.

III LITERATURE REVIEW

For the online education platforms, the best citation to be used is by means of various research done until now during the COVID-19 threat. One of the instances, was mentioned in Bao (2020), where he has mentioned clearly as to how this pandemic led to the closure of various Chinese Schools, Universities and Colleges, that made them initiate the process of online education and thereby, they made strategies to provide a good platform for their students so that their career growth isn't affected. Various platforms of online education like Byju, Zoom, Google Meet, Ola academy, udemy, toppr, meritnation.com, etc., have secured a valuable position in the market due to this pandemic time, which has already led to an increase in the market scenario for e-commerce ventures in today's era. For the online pharmacy platforms, currently people are more focused on maintaining their health rather than

focusing on their salary schedule; this forced the e-commerce sector to boost up leading to the decline of the traditional approach of buying medicines, which is mentioned in the paper based on E-Pharmacy (2020) and its impact. Many companies like Pharmeasy, Medlife, Netmeds, Easymedico, Practo, Myra, etc., have also emerged as the black horse in the e-commerce sector during this pandemic distress, wherein they have bloomed and upped their strategies, gaining a valuable status in the e-commerce sector because of COVID-19, making us go digital a compulsory feature in our daily lifestyles.

Online Startup	Location	Website	Target
HealthKart-2011	India	www.healthkart.com	Online store for health, sport and nutritional supplements
1mg-2015	India	www.1mg.com	Online pharmacy marketplace with doctor listing and online consultation services
Medlife-2014	India	www.medlife.com	An app for purchasing medicines
PharmEasy-2015	India	www.pharmeasy.in	First hyperlocal platform for medicine ordering and diagnostic tests
NetMeds-2015	India	www.netmeds.com	Provides an online platform selling prescription, over the counter (OTC) drugs and wellness products
Edemix-2016	India	www.edemix.in	Better delivery and excellent services nationwide

Source-Author compilation

Nowadays, the progression in E-learning has been in full swing through Massive Open Online Courses (MOOCs) for students, society, and the industry as well since 2012 (Calisir et al. 2014; Margaryan et al. 2015). MOOCs are recognized as a substantial development in higher education million of the peoples and student are taking the assistances and uplifting the existing skill (Gupta and Gupta 2020). Meanwhile, the researchers will discover out the reasons of surge in valuation of companies providing online education & pharmacy services over the lockdown period.

IV METHODOLOGY

To discuss the surge of valuation of the online platform during this pandemic time, that are considered best right now for education and medicinal purposes, various methodologies can be used. Thus, the methodology used in this research is Exploratory research, which thereby includes both the techniques of primary and secondary research, thus, focusing on both primary and secondary data collections. Moreover, this research is based on literature, case study and online research, the main statistics of research data is configured.

A positivist theory, a deductive approach and a quantitative method accompanied by survey-based study design are employed in the research methodology.

V DATA EXPLORATION & ANALYSIS

There are rather a good number of companies that can be compared when it comes to valuating the surge for the given research topic, but in totality if the comparison is made between the two industries of the e-commerce ventures-pharmacy and education, it can be said that the 21st century “Going Digital” has been the high point due to this pandemic.

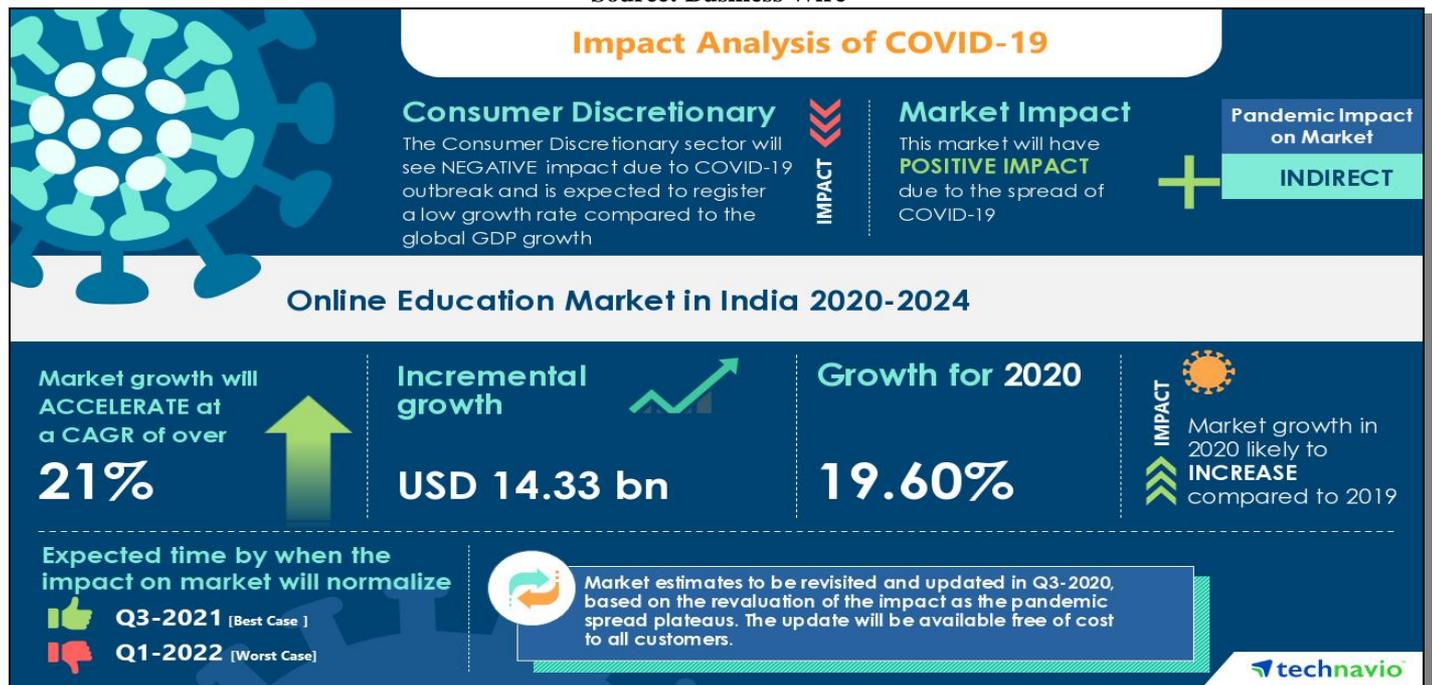
Online Education Industry:

The two industries have the most relevant use, thereby gaining the most profitable situation. Be it Byju’s or Pharmeasy, both have attached itself to the betterment of not only their own businesses but also gaining the loyalty of the customers. In one hand, where the online education industry was already up and going exceptionally, on the other hand the e-pharmacy sector was having trouble setting up shop since the beginning, mostly because people preferred the traditional methods of going to the pharmacy physically and getting the right medicines. But with the onset of this pandemic, everyone was forced to focus more on their health and keep themselves safe in this unhealthy environment of COVID-19. This boosted the sales and increased the growth rate of the e-pharmacy companies wherein people could get all their necessary medicines whilst sitting at home and within full safety measures. This pandemic came up as a boon to the online pharmacy industry.

Before the pandemic, the education technology was still widely adopted throughout the world for the betterment of the education system, wherein Global Edtech investments reached around US\$ 18.66 billion in 2019 and the market for online education was forecasted to reach \$350 billion by 2025.

But COVID-19 has increased the valuation of this industry, wherein people from all over the world are now using the online technology software be it virtual tutoring or video conferencing. This has led many companies survive and grow in this sector, one of them being the Bangalore-based company Byju's, who started offering free access to some of its services that in return attracted a huge amount of audience increasing their student count to upto 200%.

Figure 1- Impact analysis of Covid19 on education industry
 Source: Business Wire



This change affected the entire world that pushed every school and university to transfer its mode of studying to the online platform. One of such became well-renowned in China named Tencent Classroom, since the Government of China instructed a quadrant of the population to carry out their studies online, which led to around 81% of the learning going online, pushing the goodwill of this industry up and high.

Companies around the globe are strengthening their positions in this new era of going digital, where both the teachers and their students are on a well-informed and well-formed platform, without any hindrance towards their future and career. Taking some examples wherein a Singapore company named Lark started its own platform named ByteDance to initiate growth where they provided both the teachers and students a well-built platform to interact, relay project ideas, involve smart calendar scheduling, and many more features. Speaking of innovative ideas, Alibaba's idea of a distance learning plan of action, DingTalk, did prepare a similar influx, thereby stationing about 100,000 new cloud servers for a better convention of technology that could provide a smooth functioning to its customers, increasing the capacity for expansion swiftly.

Key categories of online education	
• Primary and secondary supplemental education	Supplement to school learning for students enrolled in primary and secondary classes in school
• Higher education	Provide an alternative to traditional higher education courses
• Test preparation	Online programmes aimed at coaching students in preparation for competitive examinations
• Reskilling and online certifications market	Courses designed to assist users in skill enhancement, which may result in certifications
• Language and casual learning	Learning of non-academic subjects such as spoken English and playing guitar

Figure2- Online education category
 Source-Aurum equity partners

In a recent study, opinions of the students were taken into consideration as to how is the new era suiting their career growth and apprehension of knowledge. In the research journal published on online education during pandemic (2020), around

358 students responded to a 20-statement questionnaire made related to online education during this pandemic, wherein most students (65.9%) do believe that traditional method of teaching is a better option than the online education system, whilst about 31.6% of them felt vice-versa regarding the issue. Anyhow, this research also convicted that the teaching skills of the professors have improved over time and so they now prefer online studying just as the best alternative due to this pandemic distress, thereby respecting the resources provided to them so that there is no hindrance on their studies.

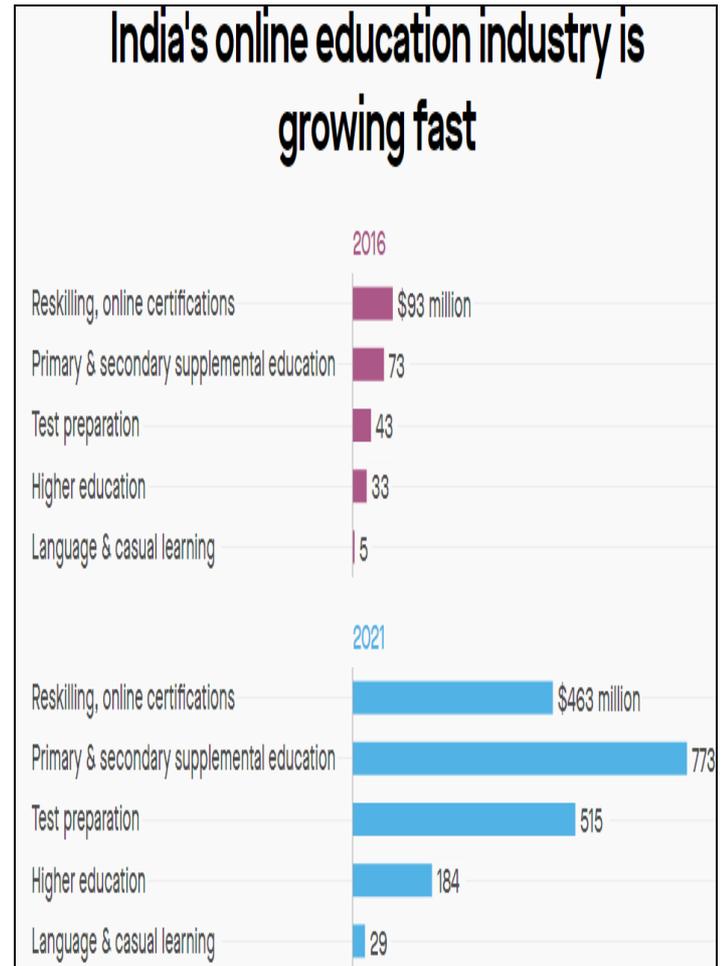


Figure3- Surge of valuation of online education industry

Source-KPMG study

This given research have detailed analysis of how the skills, content, techniques as well as the online resources are improving day by day. Education Technologies have ameliorated over time and rapidly during this COVID-19 time, which has increased the goodwill and valuation on this industry. People who once did not believe much in learning based on a digital platform, are now appreciating the resources which are helping them at the comfort and safety of sitting at home. They now trust and believe in going digital in the education industry, thereby creating a surge in the e-commerce industry based on education, making children and themselves more equipped and

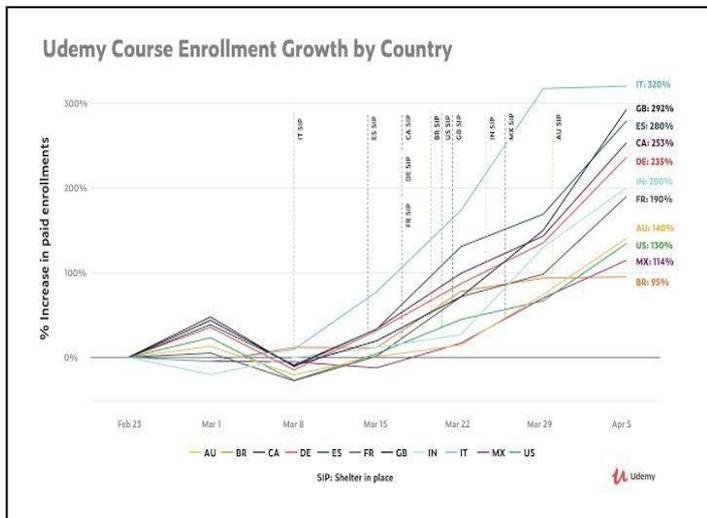


Figure 4- Udemy course enrolment Source: Business Wire

The above given graphs and data depict the scenario of e-learning across the globe where the online education industry is now growing at a positive rate and due to the pandemic has reached the level of high profits, goodwill, and valuation.

Online Pharmacy Industry:

2019 brought the world amidst a wide safety and health pandemic which brought upon us a situation almost as like a plague. People getting affected with COVID-19 created a mess in the lifestyle and living scenario of the entire world. Before this happened, every individual preferred the traditional method of going to the doctor, getting a prescription, and then buying the medicines from the shop itself. Online delivery of medicine was termed irreverent, since people never trusted the internet, who has now come to the rescue for almost the whole world.

Due to COVID-19, the major pharmacies opened their services to the entire world at the tip of their fingers so that going out in an unhealthy environment would not be an option for them and so they stay safe. These acted as the pillar in accountability with the health of the public. The pandemic caused the entire e-commerce industry based on pharmacy to reach its potential and surge high in profit and valuation. It gave a boost up to the industry.



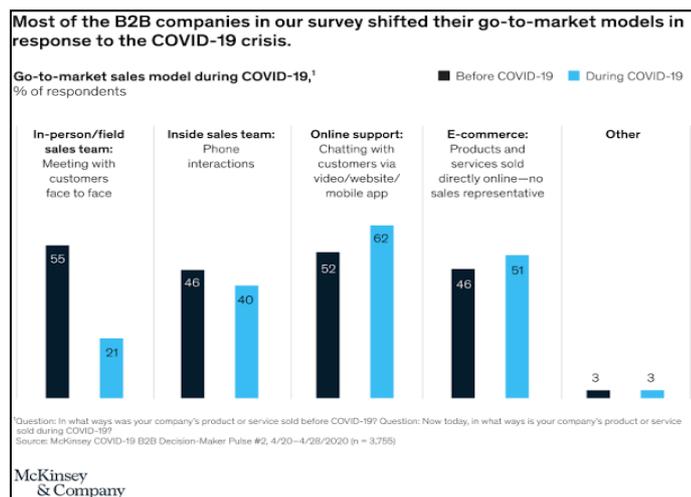
Figure5- Model of online pharmacy Source:- ibef.org

Before the onset of this pandemic, people thought twice about accepting the new era of going digital. They would not trust easily on the sites online and so the online pharmacy industry was having a hard time thriving success. But due to COVID-19, this industry has upped its game and have started focusing on gaining more goodwill by providing safe measures and trustworthy products.

Some examples of such companies would be HealthKart, Pharmeasy, Netmeds, 1mg, Emedix, etc. In 2016, the market scenario for E-Pharmacy was valued to be around USD 33.03 billion and thereby its forecasted growth rate was to be of CAGE 14.8% since the impact of internet have had a great effect on the mind-sets of the people worldwide. Currently E-Pharmacy tends to a growth rate of about 1.5- 2 % of the entire pharmaceutical sales, and about 10 % increase in the valuation is to be expected in coming 2023.

The need and urgency that this pandemic has brought upon the world, made the importance of online pharmacy companies soar up high, which led to push the e-commerce ventures towards profit and worth value.

Figure6- Reasons of shift to online pharmacy Source- McKinsey study



The above given images depict how has the e-pharmacy industry have risen during the entire time and mostly during the crisis of COVID-19.

These statistics depict the entire structure of the market scenario due to the pandemic and how going online has changed the lives of every individual worldwide.

The current situation is that people believe in the products and brands that they purchase from an online site. It is firstly because of the urgency of the situation and secondly, the managerial implications of the company heads who think about employee as well as consumer wellness and so they focus on building up strategies and innovations that guide them to the hearts of the consumers, which in turn leads them to the high point of their own goodwill.

VI STUDY FINDINGS

This pandemic brought distress on the entire world, on their lives, their businesses, and their everyday lifestyle. How each and everyone have been handling the situation is of more concern since this situation is improving but at a slow rate. This is where the most viable invention came into the picture, Internet. Going digital not only improved the various scenarios of reducing the safety risks, but also guided the businesses to keep flourishing even in recession period.

The entire business is based upon the plethora of ideas and innovativeness a company can withstand and behold to keep engaging its customers and to keep flourishing even in the worst market scenario situation. So, what did the companies think of to implicate to focus on its own goodwill even during these days? Some of the main points are stated below:

- The companies not only focused on keeping their businesses alive but also tried to improve customer’s wellness. It provided safe measures wherein the consumers could trust the company and stay safe without even having to go out.
- They believed that the key to a loyal customer is to maintain its employee’s well-being as well. The safer and happier the employees are, the more comfortable the customers will be to buy from their sites online.
- The main assurance that the online education company provided was with guaranteeing a proper career development for the children by providing the parents with good quality services and discounts during this recession as well as providing the teachers and professors with proper training programs that could assure the parents as well that their children are learning every day and despite of being stuck at home for their own safety, they will be developing themselves and furnishing their curiosity.

Source- Analysis Mason

The same way the online pharmacy company focused on maintaining the health of their employees so that when they deliver the products, the customers are safe as well. The packaging also plays a major role in it. Even when the customers can order the medicines they need, by just going online bestowing the comfort of their own home, the packaging of their products are done in such a manner that there is no way of the customers getting infected by any way whatsoever. The convenience, the urgency, the delivery, and the bill payment online, everything has been built up on complete security and trust of the customers. This is what led to a sudden increase in the valuation of the online platform for E-Pharmacy companies.

- The online industry also took extensive measures wherein they came up with the plan of actions to guide and access the level of exposure and promotion each site could come up with, thereby, positioning themselves in support of their employees, stakeholders, key members, and customers.
- The HR expertise was used to guide the employees and maintain their own emotional and mental well-being, to keep their businesses growing. Even Corporate Social Responsibility schemes were carried on maintaining the stability of the work environment, economy, and safety of the customers as well.
- Various new technologies and software were made available to equip their employees with so that they can carry on their work without any hindrance, seamlessly. Also, the e-commerce industry focused on helping the customers worldwide, especially in the countries where the resources are scarce for them to accommodate and thereby help them be cautious, safe and be furnished with the essential goods like sanitizers and face masks during this crucial time. They also focused on setting up a proper price structure so that many people could afford to buy it and at least keep themselves safe.
- The companies focused on revising their cash flow management and inventory forecasts as well, so that their financial stability is not at bay.

All these points are just a highlight of how the online ventures/companies took into consideration the points of improvement where they could focus on to keep upping their strategies and thereby focus on their growth as well as consumer wellness. The graphs depicted how has this industry focused on getting better and how has the pandemic been a blessing in disguise for them whereas for some it has wreaked havoc. But in case of the online education and online pharmacy industry, this pandemic has surged their valuation since these two sectors are the most important sections in the in the lifestyle of the everyday life of the consumers since neither can we thrive without education and nor can we live without medicines.

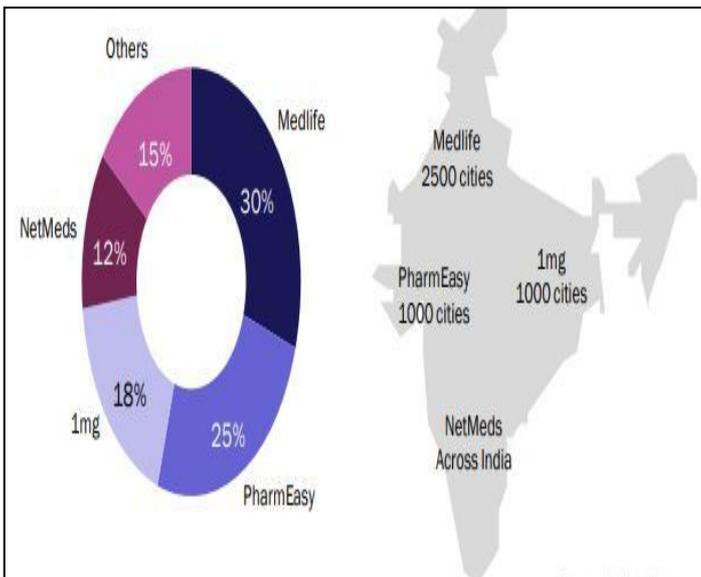


Figure7- Market share of online pharma companies in India and their presence:

VII CONCLUSION

Currently, the main players in electronic pharmacy are: 1mg, Netmeds, PharmEasy, Medlife. Today, around 150 start-ups are currently operating as an online pharmacy. India needs an effective regulatory mechanism in this regard. The goal should be to implement the online pharmacy without further delay because the delay will not be beneficial to these service providers and customers. Both AIOCD (All India Origin Chemists & Distributors Ltd) and IIPA (Indian Institute of Public Administration) have the right to demand. The government must come up with a suitable solution for both parties to benefit. India is a large country and online pharmacies must work. The factors driving the demand for e-pharmacies in India are mainly due to unmet medical needs due to increasing population and increased use of the internet. As consumer behavior in India is changing rapidly, there is a great demand to access a wide range of products with a click of the computer and at competitive prices.

ACKNOWLEDGMENT

The author wishes to acknowledge the constant support & motivation of Fr. Dr. John Felix Raj, Vice-Chancellor of St Xavier's University, Kolkata. The duo also acknowledges to thank Dr. Manodip Ray Chaudhuri, Dean Xavier Business School for guiding & providing valuable insights towards academic enrichment.

REFERENCES

- [1.] Martı́nez-Torres MR, Toral SL, Barrero F. Identification of the design variables of elearning tools. *Interact Comput.* 2011;23(3):279-288.
- [2.] Gupta, S.B., Gupta, M.: Technology and E-learning in higher education. *Technology* 29(4), 1320–1325 (2020)
- [3.] Margaryan, A., Bianco, M., Littlejohn, A.: Instructional quality of massive open online courses (MOOCs). *Computer Education* 80, 77–83 (2015). <https://doi.org/10.1016/j.compedu.2014.08.005>
- [4.] Chen, H.J.: Linking employees'E-learning system use to their overall job outcomes: An empirical study based on the IS success model. *Comput. Educ.* 55(4), 1628–1639 (2010). <https://doi.org/10.1016/j.compedu.2010.07.005>
- [5.] <https://www.pharmatutor.org/articles/need-of-online-pharmacy-during-covid-19-lockdown>