

Market Trends in Post Covid-19 Trades and Services

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Abstract

The rise of the digital economy as a major force in the expansion of the economy and the modernization of society is undeniable. Although digitalization enabled solutions to temporary needs like remote employment, distance learning, telemedicine, and e-commerce during the crisis, these developments have the potential to become permanent changes in the digital environment. If Europe were to catch up to the United Usa in digital or artificial intelligence technologies by 2030, the McKinsey Global Institute predicted that it would contribute €3.6 trillion to GDP. Funding (particularly for early financial investments), skills, and effective business models are the traditional digitalization entry obstacles (Offices of Science & Innovation, 2020). The COVID-19 problem has led to three major market shifts: The rapid rise of digitization in business and culture, the challenges and prospects of Industry 4.0, and the need of protecting personal data.

Keywords: Covid, economy, social transformation, digitalization, Global Issue, business,

Introduction

More investments in digital or data related infrastructures, such as better connection (like 5g networks) or processing capacity, would encourage the rapid adoption of digitalization in the industry and the society (e.g. supercomputers). Increased data transfers will need agreements on standards, interfaces, or data sharing. Businesses will prepare for core business innovation by adopting a digital-first perspective and

responding to shifting customer preferences. It is important to note that while sometimes lacking the necessary capabilities, fewer digitalized Firms show a great deal of promise for digitization.

As more and more parts of life and work are digitized, concerns about safety and privacy have risen to the top of the list. The worldwide cyber security industry grew rapidly prior to the crisis as a result of increased data and privacy controls, more risk awareness among digital organizations,

and the shift to cloud-based and managed services. Due to the economic effects of the corona viruses pandemic in 2020, the same market is expected to develop at a lower average pace of 6.2% each year until 2023. While certain projects may be delayed, security has become more of a strategic priority, and businesses can no longer afford to ignore it even when trying to save money. Investments are likely to be concentrated on areas like identity and access management, cyber resilience, and blockchain technology.

Industry 4.0 is centered on digitalization as well as seeks to improve conventional production, industrial platforms, and processes via the application of cutting-edge technology. The effects of COVID-19 on business continuity are greater than those of any other previous pandemic. It would seem that automation and digitalization are important components of a crisis-proof corporate strategy.

The expansion of the Internet of Things in industry, the rise of autonomous robots, and the use of big data analytics are all elements that are helping to propel the market forward and usher in the Fourth Industrial Revolution. Prospects for smart manufacturing will also benefit from the current trend toward elevating production efficiencies and expanding visibility across the whole value chain.

Sustainability in a World Rocked with Instability

A return to "business as usual" and ecologically detrimental investment patterns or activities should be avoided if the economic growth from the COVID-19 crisis is to be robust and long-lasting (OECD,

2020) Reduced emissions of greenhouse gases and air pollutants as well as decreased water pollution are two positive environmental outcomes of the economic shutdown, although these benefits will not last forever (Le Quéré et al., 2020). If business as usual is resumed, the impacts are going to be short-lived and easily forgotten. In this sense, the crisis presents a genuine chance to "Build back better."

Key components of the recovery plans should include the Sustainable Development Goals outlined in the Sustainable Development Agenda for 2030, which was adopted by all UN Member States in 2015 (United Nations, 2015), the European Green Negotiate (European Commission, 2019), and the associated Investment Plan³⁰. Although many developments provide assistance to sustainability, the COVID-19 situation has brought attention to four in particular:

- a) Getting to the energy transition is crucial.
- b) In order to make the transition to a more sustainable economic model
- c) Value chain analysis for food production
- d) To fund environmentally friendly infrastructure

Renewed Trends in Vulnerabilities and Coping

The short-term reduction in demand for fossil fuels and the predicted minor growth in demand for renewables in a globally shaky economy due to COVID-19 (International Energy Agency, 2020) . While large-scale renewables are still crucial, recent developments point to the importance of distributed renewables, which increase

power system flexibility, and demand-side energy efficiency. Cities, and the construction industry more generally, are prime areas for implementing energy-saving measures. According to a research by Roland Berger, the market value for energy efficiency services in Europe will reach over EUR 50 billion by 2025 as demand for these services doubles. Smarter cities also rely heavily on the smart transportation sector. Electric cars, ridesharing programs, and other forms of environmentally friendly, on-demand transportation are all part of the smart mobility movement. Forecasts put its growth rate at 19.9% per year between 2017 and 2023. (Roland Berger, 2019). The COVID-19 crisis has shown the weaknesses of our linear manufacturing paradigm. The early phases of the crisis exposed the fragility of numerous global supply networks, including but not limited to problems with the availability of medical equipment. Design and product policy variables including reparability, reusability, and possibility for remanufacturing provide significant prospects in resilience (supply availability) and competitiveness, and these solutions are supported by circular principles. Examples include the anticipated over 10% annual growth in the worldwide market for refurbished medical equipment between 2020 and 2025, which offers both market potential and increasing asset utilization rates (less reliance raw materials). Experts agree that climate change is the greatest global health hazard of this century, and that implementing a circular economy will help mitigate this problem while also promoting water and nutrient security and material security or resilience (Ellen MacArthur Foundation, 2020).

New circular business models are emerging, such as Product as a Service and the Sharing economy. There is also a growing need for either a regulatory shift (such as rewriting trash laws to permit reuse) or further financial incentives (taxation, public procurement, etc.). Legislative and non-legislative actions aimed at sectors where EU intervention would offer substantial additional value have already been included in the EU Circular Economy Action Plan (European Commission, 2020). The European Commission estimates that by 2030, there might be as many as 700,000 more employment in the EU as a result of implementing circular economy concepts throughout the industry. Closed loop models may boost manufacturing businesses' profitability while protecting them from resource price changes, and there is a compelling financial justification for this at the company level as well, given that EU manufacturing firms spend on average roughly 40% on materials.

Resilience Through Global Crisis Melt Downs

Although while this is not the first economic catastrophe to hit our society, the magnitude of the COVID-19 disaster has pushed the topic of resilience and preparation to the forefront of the discussion. The capacity to bounce back from failure, embrace change, and persevere in the face of adversity is what we mean when we talk about resilience (2015, Harvard Business Review).

Resilience is grounded on six principles:

- a) Fragmentation
- b) Variety
- c) Extensibility
- d) Adaptability Ability for Change

e) The presumption of safety

The COVID-19 pandemic demonstrates the need of a solid healthcare environment, well-educated and retrained workers, strong political institutions, and a secure supply chain.

One of the most important things we've learned from this catastrophe is how urgently we need to construct better, stronger, and more varied supply chains. Healthcare is one industry where the inherent hazards of inventory or single-sourcing models driven only by cost reduction have been exposed due to the race for protective equipment. As a result, it's possible that multinational corporations will begin to spread their supply networks out across more regions. In addition, as more businesses attempt to bring production back home, we will witness a decentralization in manufacturing capacity. There may be growing calls for policymakers to assess the need of domestic or regional production of certain goods. Digitalization will be the backbone of the shift to a new supply chain paradigm. When usual suppliers experience interruption, supply chains might easily move to alternate sources using innovations such as artificial intelligence as well as the internet of things (World Economic Forum, 2020).

Demand for factory automation and the fast expansion of e-commerce are driving forces that are predicted to propel the worldwide smart and mobile distribution network solutions market to a market value of roughly \$23.8 billion by 2024. (PRNewswire, 2019).

Investing in Education and Re-skilling

Because to the COVID-19, classes have been canceled all across the globe. More than 1.2 billion kids throughout the world aren't in school. E-learning, in which instruction is delivered through the Internet, is one example of the ways in which this transformation of the educational landscape has occurred. Global Ed Tech investments reached US\$18.66 billion in 2019, and the whole market for online education is expected to reach \$350 Billion by 2025; both of these figures show rapid development and widespread acceptance of education technology even before COVID-19. In addition, the school system, which many claim was already losing its relevance, has been severely affected by this epidemic. One of the many takeaways from this catastrophe is the growing importance of qualities like critical thinking and flexibility in determining future success. New educational initiatives designed to address skill gaps will be sparked by developments like digitalization. Key to resilience is re-skilling the existing workforce; the McKinsey Global Institute predicts that by 2030, 30–40% of workers in industrialized countries may need to switch careers or undergo comprehensive retraining (Mc Kinsey, 2020). Instead of focusing on a particular future function, the most successful companies are advising workers to acquire transferable abilities that can be used in a variety of contexts (Gartner, 2020).

The health crisis has also shown the inequality and fragility of our society, raising questions about how to implement inclusive recovery methods and the need to strengthen the democratic character of our institutions as cornerstones of resilient communities. With the rise of democracy technology (like

online legislative sessions) and the deliberative democracy community (like the participatory budget), individuals will be able to feel more connected to the levers of power in a democracy.

As the number of individuals who have access to the internet and social media continues to grow, so too does the rate at which false news and misinformation are being disseminated, to the point that governments and the business sector have been compelled to take action to counteract the problem.

Reconsidering Business Strategies Through Embedding Innovation

The rise of digitalization has been a boon to the development of technologies that attempt to facilitate corporate strategy. For instance, with the use of business intelligence tools, companies may make educated guesses about things like industry trends and customer purchasing habits. From 2019 to 2025, the worldwide market for business intelligence software is projected to expand at a CAGR of 10.1% from its 2018 valuation of USD 24.9 billion. With the help of digital marketing tools, businesses can connect with their customers in new and meaningful ways across various digital mediums. Email programs, online analytics tools, customer relationship management platforms, and marketing automation platforms are all examples of digital marketing software. From 2020 to 2027, the worldwide market for digital marketing software is projected to grow at a CAGR of 17.4 percent from its 2019 valuation of \$43.8 billion.

The COVID-19 emergency has unquestionably prompted a new standard in

terms of creativity. In particular, it has shown the potential of open innovation to expand the scope for creating value. For instance, Siemens, a German conglomerate, made its Advance Manufacturing Network available to anybody working on the design of a medical equipment. The post-COVID world may benefit from the innovations made possible by public-private partnerships. The need of creating genuine innovation ecosystems is shown by this fact (McKinsey, 2020)¹¹¹. The present Intellectual Property regimes have also been called into question by the crisis. As a result of the pandemic, patent and design owners may find themselves in the unusual position of having to temporarily license their intellectual property to others in the public good. If remote employment becomes commonplace, it will likely have far-reaching effects on how businesses are structured. According to Gartner, following the pandemic, 48% of workers would use remote access, up from 30% before the outbreak. There are, however, difficulties that come with remote employment for both firms and individuals. Recent class actions launched against Zoom have shown that concerns about data security, privacy, and access to adequate and fast technical help are widespread. Labor legal difficulties, such as ensuring a secure place to work or income tax issues, may be further complicated by remote employment. Further psychological research is needed to fully understand the effects of remote employment, and existing regulations and laws must be amended accordingly. The office real estate market will also be affected by the rise of remote workers, necessitating more adaptability.

Conclusion

More remote work and increased data gathering on employee monitoring and well-being are only two of nine major ways in which the corona virus epidemic may alter the future of work. Further psychological research is needed to fully understand the effects of remote employment, and existing regulations and laws must be amended accordingly.

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