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Market Watch

Lockdown: Online travel segment hit hard, digital payments biggest gainer, says report

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Mumbai: In spite of the whole nation being confined indoors due to the Covid-19 [lockdown](#) with all the attendant curbs on movement, the same has not helped the e-commerce sector much as the online travel space, one of its biggest contributors, has virtually come to a halt, says a report. The biggest beneficiary of the lockdown is the digital payments space that grew nearly 50 per cent to 72.5 per cent during the first two weeks of the three-week lockdown that ends on April 14, according to data collated by [Wibmo Inc](#) that claims to be the largest processor of e-commerce authentication in the country.

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On the contrary, the worst impact was on the online [shopping](#) space, which plunged 30 per cent on March 22, the day of the 'Janta Curfew'.

As banks remain practically out of bounds for account holders due to the lockdown, there has been a massive rise in digital transactions, primarily bill payments and other financial payments.

While during the pre-lockdown period the daily average digital payment transaction constituted 50.5 per cent of the total 2.2 billion-odd transactions, the same rose to 72.5 per cent during the lockdown days, the data showed.

The second biggest gainer has been online shopping that constituted 10 per cent before March 22 and has gone up to 12 per cent now as more and more people are buying groceries online.

There has been an increase in purchase of groceries and essential items to a large extent. In addition, there are large players (online marketplaces) which are open for all types of shopping, says the report.

While travel as a category constituted a little over 3 per cent of transactions in the pre-lockdown period, its share plunged to 0.5 per cent during the lockdown days, which the report attributed to the complete grounding of airlines, trains and buses.

Another booming sector that has been hit is the online food and beverages segment, which had constituted 10 per cent share before the lockdown but has plunged to 2.3 per cent.

Even the share of online gaming has come down to 9.4 per cent from 12 per cent.

From the card issuer perspective, the RBI-promoted domestic card RuPay has quickly returned to normalcy after a plunge on March 22.

"Within a few days of the shutdown, spend on RuPay cards slowly climbed back to about 98 percent of normal volume. On the other hand, [Visa](#) and [Mastercard](#) usage has not recovered to beyond 86 percent after plunging to 70 percent, which could be attributed to a reduction in discretionary spend," it said.

As the week progressed, RuPay saw a further rise of 10 per cent, as opposed to Visa and Mastercard purchases. During this same time, average ticket size dropped by 25 per cent as consumers focused on necessities.

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