

THE DIGITALIZED VILLAGE DEALING WITH COVID-19

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ABSTRACT

Purpose- The aim of this paper is to explore the relationship between different variables and how these variables can change from what have been found in the literature. Today's world is changing and transforming continuously, it became hard to talk about constancy of different definitions, notions and results; especially the world is going through a big change due to Covid-19. This pandemic made the governments reevaluate their policies, the companies re-examine their management and strategies and individuals rethink about their social life and values. Scientific research will be done in this study in order to examine how the terms chosen are related to each other and how they will be impacted by the pandemic we are going through.

Methodology- Nowadays, Our life became so depending on digital technologies, which had made the world a small village and enhanced the globalization. In this paper, we will define and examine globalization and digitalization and their relationships with other terms in the literature. We will cover different aspects and then study how Covid-19 impacted and will impact these relationships. Firstly, we will study the relationship of digitalization with three dimensions, which are consumer behaviour, sustainability and governance. Then we will examine the relationship between globalization and three different dimensions, which are e-commerce, social media and mental health.

Findings- The analyses of the literature review have ensured the impact of Covid-19 on every variable and relationship we have studied. It has proved that covid-19 has affected every side of our lives, especially that globalization and digitalization have made the world a small village that is living in a continuous change. Covid-19 showed how it become hard to talk about stability and how transformation become a part of our daily life.

Keywords: Covid-19, Globalization, Digitalization, E-commerce, Governance, Mental health, Social media, Consumer behaviour, sustainability

JEL Codes: E00, F60

1. INTRODUCTION

We have always been hearing about digitalization and globalization, these two notions that the world is based on and everything is related to them and depend on them. They play a crucial role in our lives. Digitalization is a term that whenever we hear we remember how it has made our life easier and simpler. Today, no one can dispense with digital technologies that provide individuals, companies, governments, and even environment with solutions to every problem. Digitalization has impacted every aspect of our life whether we can notice it or not. It can be defined as the inclusion of different digital technologies (smartphones, social media, computers, applications, ...etc.) in daily life. Globalization, on the other side, can be defined as the spread of economic innovations around the world and political, legal and cultural adjustments that accompany this diffusion. It has made the world a small village; if something happens in this side of the world it will impact the other side of the world. Globalization has erased the borders between countries and made the movements of people, goods, knowledge and capitals easier.

In this Paper, we are aiming to study these two terms from a new perspective, which is the impact of Covid-19 on them. Covid-19 is the virus that made everyone change their thoughts about life and priorities and had impacted different aspects of our lives in this digitalized village. Our study will not be limited to the effect of Covid-19 on digitalization and globalization but before that we will explore the relationship that gather these two notions with other ones. Firstly, we will examine the relationship between digitalization and the three terms, which are consumer behaviour, sustainability and governance, precisely corporate governance. Then we will define the relationship between globalization and three dimensions, which are e-commerce, social media and mental health. We will also try to understand the impact of Covid-19 on these relationships and how the digitalized village will be after this pandemic.

2. DIGITALIZATION

No one can deny the importance of digitalization in today's life; we are living in the digital era. Everyone and everything is depending more and more on the usage of digital technologies. Internet, mobile applications, social media and different digital communication technologies

have become a part of people's daily lives (Stephen, 2016: 17). Digitalization is based on the organization of different domains of social life around digital communication and media infrastructures (Brennen and Kreiss, 2016: 5). Digital technologies not only have changed individuals' life but also it has impacted the governance of the companies and environmental sustainability. After Covid-19, will digitalization have the same role in our lives? What changes will happen? How this virus will impact different variables?

2.1. Digitalization and Consumer Behaviour

2.1.1. The impact of Digitalization on Consumer Behaviour

Literature has proved that the emergence of digitalization had a big effect on consumer behaviour. The digitalization brought a positive change as the updated technologies and the usage of Internet has made buying and paying possible wherever and whenever the customer wants, which made the engagement and interconnectivity of different consumers increase (Kaur et al, 2018: 2,12). Digitalization made the consumers take the decision of purchasing in a much easier and quick way. Consumers are frequently using digital media whether to look for information about different goods, purchase them or share their experiences with others (Stephen, 2016: 17). It has given consumers the opportunity of organising and spreading products and services information on social media sites, forums and blogs, which impact the behaviour of other consumers (Cochoy et al, 2017: 1). Through literature we have seen that digitalization came with a big impact on the consumer behaviour. It has facilitated the process of purchasing a good; with a click you can get whatever you want wherever you are and with different payment modalities. These advantages have encouraged the consumer to spend more and more and have increased his engagement and interaction with brands.

2.1.2. How Covid-19 Enhanced the Impact of Digital Technologies on the Consumption Culture?

People were living their lives in a normal way, until the day a pandemic called Covid-19 came and turned the world upside down. Everyone's life was affected by this virus especially their consumption behaviour. This virus has obliged everyone to keep their distance and to avoid contact with other people. Before, consumers used to go to markets to buy goods but with Covid-19, they are migrating to online shopping. It is true that since a long-time people were into using digital technologies to purchase goods, but now the number is increasing as consumers are finding all their needs there. All this has proved the importance of digitalization in the presence of this virus. Digitalization has made the life simpler for every consumer by facilitating every purchase and making it achievable. If there were no digital technologies, consumers' lives would have been more complicated and tough. Covid-19 also affected the types of products purchased by consumers. As people are only staying at home, they have to entertain themselves. This is what has made many consumers go for downloading different applications related to healthcare, education, or entertainment and subscribe to services like Netflix. The usage of applications and digital technologies has replaced the normal activities of people. To summarize, Covid-19 have enhanced the fact that digitalization has an impact on the consumer behaviour. During this crisis, Consumers all over the world whether they are familiar with digital commerce or not have been using it intensely to purchase different goods and services. Digitalization has made it simple for consumers to reach whatever they need.

2.2. Digitalization and Sustainability

2.2.1. What Is the Relationship between Sustainability and Digitalization?

Sustainable development is defined by FAO (n.d.) as the protection and management of the natural resource base, and the direction of technological and institutional change in way to ensure the achievement and continuous fulfilment of human needs for present and future generations. Sustainability has been the concern and interest of many organizations, companies and individuals around the world. The arrival of Digitalization has helped the world in the environmental sustainability. Doing business with a sustainability goal driven by digitalization would make it easier for businesses to generate value for the firm, community and the planet (Aksin-Sivrikaya, 2017: 42). A digitalized industry is having a positive impact on the environment by providing the opportunity to apply different forms of sustainability and encouraging the expanded usage of renewable energy sources (Beier, 2017: 232). Digitalization has proved its effectiveness in empowering sustainability by delivering effective systems and tools that increase water and food security, minimize the impact of climatic risks, improve the performance of power infrastructure and provide effective fast warning and emergency response (Balogun, 2019: 3). Digitalization has brought many solutions for individuals in order to contribute to environmental sustainability development. One of the most creative tools that digitalization provided is the online applications or platforms to share household appliances, accommodations, bikes, cars, and more which reduce the overconsumption and allow an efficient usage of resources (Aksin-Sivrikaya, 2017: 37).

2.2.2. Will Covid-19 Affect the Sustainability?

Covid-19 has affected positively the environment. Many countries have imposed lockdowns, so the usage of cars decreased and the factories were shut down which reduced the emission of gaz. Many countries have noticed signs on the environment that show how it was positively impacted and those signs have not been seen for years now like how in Venezia in Italy the waterways appeared cleaner than ever. Covid-19 will make people more conscious about how precious our environment as being locked in the house make them realize how important it is. Individuals know now that environment is a treasure that we should protect and how important is our contribution to sustainability if it is not for us, it is for our children. It is hard to say that covid-19 impacted the role of digitalization on the preservation of the environment. For the moment, what we are certain about is that Covid-19 has an impact on sustainability and it is a positive one.

2.3. Digitalization and Governance

2.3.1. The Importance of Digitalization in Corporate Governance:

Corporate Governance is the structure of processes, relationships, and rules within and by which any organization control and practice authority (Asx Corporate Governance Council & Australian Securities Exchange, 2007: 3). Digitalization has brought solutions to everything in our lives as it presents many technologies that facilitate the realization of every goal whether as individuals or corporates. To improve the corporate governance in this digital era, the board of directors can resort to the usage of digital dashboards in order to investigate the key performance indicators for gaining a competitive advantage (Grove et al, 2018: 59). Also, one of the solutions that digitalization has brought is Blockchain, which is a technology offering efficient solutions for corporate governance. It is improving the relationship between shareholders and the company and makes the process of decision-making faster (Lafarre and Van der Elst, 2018: 1). Also, Internet, which is an important tool of digitalization, is playing an important role in improving the corporate governance especially the transparency. Gandia (2005: 1) have proved through his research that the use of the Internet as a channel of disclosing the corporate governance information, increase the transparency of these corporates.

2.3.2. Corporate Governance during Covid-19

Due to Covid-19, we were obliged to respect many conditions such as working from home. Digitalization has provided online services, remote working and digital solutions for corporate governance and governance in general to keep executing work. Many applications have provided companies with the opportunity to hold online meetings. For example, companies annual general meetings will not be possible to hold but online technologies allow holding meetings virtually to give the shareholders the opportunity to ask questions to the board and take the urgent decisions. Digitalization has proved its importance for corporate governance during Covid-19. And it will be the same thing even after this pandemic; as everyday administration will record a noticeable change due to the remote working that will be used increasingly in many companies and the digital technologies that will be adopted to accomplish administrative tasks.

3. GLOBALIZATION

Globalization is the growing interconnectivity of the world due to flows of people, information and capital between different countries (Held et al., 2000: 15). It is also characterized by the social and political connections that occur with the expanding economic integration. It has come with the goal of providing organizations with a better competitive position by offering lower operation costs, in order to gain higher numbers of consumers, products and services (Aydin and Savrul, 2014: 1268). It has brought many opportunities to organizations. Globalization not only has impacted the business world but its impact goes beyond that and includes all aspects of life. Globalization is present in everything we do and we can see it clearly in our daily life. In this part we will study the impact of digitalization on E-commerce, social media and mental health. After that, we will see the impact of Covid-19 in all these relationships.

3.1. Globalization and E-commerce

3.1.1. How Globalization and E-commerce Are Related?

These last years have noticed the emergence of the use of E-commerce by people from all over the world. E-commerce can be defined as the exchange of goods and services and includes any commercial activity that happens between a business and its customers, between businesses or between business and its partners through the use of communication technologies and Internet (Aydin and Savrul, 2014: 1269). E-commerce is a practice that is enhancing globalization by targeting customers from all over the world especially when considering cultural differences when applying and adopting global marketing strategy (Elbeltagi, 2007: 196). Kraemer et al (2005) believe that globalization has a powerful and meaningful effect on e-commerce that leads to a higher firm performance. The process of globalization is a process that encourages the organizations to adopt E-commerce, while e-commerce is remodelling business in a marketplace globally oriented (Totonchi and Kakamanshadi, 2011: 272). It is a key driver of e-commerce spread for firms. Companies operating globally and facing a foreign competition are obliged to adopt e-commerce in order to hold a competitive advantage that help them increase market share and working efficiently (Totonchi and Kakamanshadi, 2011: 273). To sum up, the impact between globalization and e-commerce goes in both ways, as their relationship is a mutual relation. But still for developing countries where there is strong telecommunications and technological infrastructure, globalization is more effective on diffusion of e-commerce than the opposite case (Aydin and Savrul, 2014: 1275).

3.1.2. The Effect of Covid-19 on E-commerce and Its Relationship with Globalization

The impact of Covid-19 on e-commerce is seen through its intense usage during this pandemic. Due to lockdowns and social distancing that was obliged in many countries, Consumers have resorted to online shopping to purchase their needs especially food, household materials and medical suppliers. It was the only and effective solution to cover the needs of customers. Covid-19 has shown companies from all over the world, the importance of being present online and adoption of e-commerce as a strategy to increase performance. During this pandemic, the companies not having e-commerce have been the most impacted and have figured the necessity of having e-commerce platform.

3.2. Globalization and Social Media

3.2.1. Globalization and Social Media: What Is the Relationship between Them?

Social media are computer-mediated technologies that give the users the possibility of creating profiles, connecting with others, creating and sharing content and navigating (Ifigneia and Dimitrios, 2017: 1-6). Instagram, Facebook, YouTube and Twitter are few examples of social media platforms. The major reasons that incite people to use social network sites are entertainment, seeking friends, social support, looking

for information and convenience (kim et al, 2011: 370 -371). Everyone agrees that the emergence of social media has enhanced the globalization by allowing the access to information globally. Being connected in social media makes you feel the globalization effect through the news and content shared from all over the world and that reach you in no time. Social media platforms such as Facebook and Twitter are providing users with the opportunities for dialogue and difference as they are even adopted in political communication and help exposing different views (Flew and Iosifidis, 2019: 16). It is providing people with a set of strategic tools for exposing their opinions and fighting for their rights. Social media is strengthening globalization by affording connections globally, anyone from any country can share information or make a comment that can impact and influence people from all over the world. Social media is turning the world into a small village where everything is shared fastly and easily.

3.2.2. Will Covid-19 Influence Social Media Use Globally?

During this pandemic, the use of social media has been intensified, for example people are using it more and more to get information about the pandemic. It has provided people with information about the situations in different countries, I am in Turkey and I can easily get information about the situation in Italy or China. Social media has also been a powerful tool to influence people. Social media platforms have been used globally to educate people and spread awareness about the pandemic; a video about giving information about how to protect ourselves from Covid-19 posted in the US can be useful for people all over the world and influence the public.

3.3. Globalization and Mental Health

3.3.1. How Globalization Has an Impact on Our Mental Health? Is It Positive Impact or a Negative One?

Mental health can be defined as the well-being state whereby individuals have the ability to recognize their capacities, to work effectively, to contribute to their communities and to deal with normal stresses of life (Okasha, 2005: 1). Mental health is getting more and more interest from all people over the world, as it is becoming increasingly sensitive with people facing many pressures and stress. Through the literature, we concluded that globalization has both negative and positive effect on mental health.

Globalization affects negatively mental health through growing poverty and inequalities, migrations, identity diffusion and fast unmanageable socio-cultural value change. These determinants have harmful effects on the well-being, which lead frequently to common mental disorders (CMDs) (Sharma, 2016: 251). Globalization is encouraging the construction of global marketized identities; the more we become interconnected because of globalisation, the more the differences will be important and will impact negatively mental health (Swartz, 2008: 307).

Globalization has also a positive effect on mental health by providing it with improvements through the exchanges of researches between countries that will allow a better comprehension of the mental health profiles and interchange of best practices (Bhavsar, 2008: 382). It has also enhanced the protection of human rights of mental patients and the implementation of international protocols in psychiatric training, and development of mental health policy (Okasha, 2005: 1).

3.3.2. Will Covid-19 Have an Impact on Our Mental Health? How It Can Happen?

Covid-19 has obliged people to work from home, being locked down, spending time far from friends and families; which made people more stressed, anxious and isolated. Facing a pandemic like Covid-19 with no clear future or vision about what can happen make people more and more distressed. This pandemic has impacted the mental health of many people negatively. The number of deaths increasing everyday around the world, being concerned about your life and the lives of your beloved ones, daily news focusing only on the information about the brand have made people scared and stressed.

4. CONCLUSION

Living in a digitalized village has impacted our lives in many ways; it has impacted our lifestyle, our behaviours and our thoughts. Everything has become digitalized, no one can spend a day without using digital technologies whether he wants or not. The world has become a small village with no boundaries, every part of the world is connected with the other parts.

Everyone believes that Covid-19 turning into a pandemic threatening the entire world is a result of globalization and digitalization. Digital technologies and technologies in general have enhanced the globalization which has led us to our situation today. A virus started in China has ended up affecting the whole world, is nothing other than an example of what globalization have driven us to. But still, no one can deny that digitalization has some positive effects on our lives. For example, digitalization has brought many improvements to consumer behaviour, solutions to maintain sustainability and effective tools for corporate governance. Digitalization has made our lives easier and simpler with being able to reach anything and do anything with less effort. For globalization, we figured out that globalization have some positive impact on our life. Through our research, we concluded that globalization have enhanced the e-commerce that has made our lives noncomplex. It has also brought advancement to our mental health through facilitating the access to therapies and has let the world know the importance of the mental health. But on the other side it has some negative effect on our mental health by making people more stressed. Globalization has been enhanced by some digital technologies such as social media.

To sum up, Covid-19 has impacted every aspect of our life and it is sure that our life will not be back as it was. This virus made governments, businesses, and individuals rethink about their priorities and how they should be always ready for change. With globalization and digitalization, life is no more stable and everything is fastly changing and progressing. Covid-19 taught us an interesting lesson; which is the things that we are taking for granted and thinking that they are normal things are not anymore. Everything is facing change and transformation.

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