

ONLINE SHOPPING - A STUDY ABOUT CHANGE IN CONSUMER PERCEPTION ON PURCHASING OF PRODUCT/SERVICE SINCE COVID-19 OUTBREAK

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ABSTRACT

"If your business is not on the internet, then your business will be out of business"

- Bill Gates (Co-founder of Microsoft)

Online buying and selling of product and services are the core function in E-commerce. Electronic commerce is the activity of electronically buying or selling of products on online services or over the internet. On the broad spectrum E-commerce are of four types viz Business to business (B2B), Business to Consumer (B2C), Consumer to business (C2B) and Consumer to Consumer (C2C). Current study aims to know the changes in behavior of consumer while purchasing online product or getting service before and after pandemic outbreak and how frequent it becomes within few months. Behavior is influence by habit of adapting and learning new. COVID-19 pandemic severely damage humankind and their development. However, it teaches better and simple lifestyle by adapting new technology within short span of time to those who were against or had fear to accept technology based shopping. On positive note for trading and commerce in new tech era has become much easy, fast and profitable with least disturbance to physical movement during current scenario as well as eco friendly to some extent.

Keywords: COVID-19, E-Commerce, Perception, Behavior, New Technology.

Introduction

"The e-commerce industry is a force that no inventor can afford to ignore"

- Cushla Sherlock

Corporate Communication, Credit Suisse

Trading is an ancient activity used by humans since needs sense developed in humankind. Necessity causes the dealing of goods in exchange of currency between two individuals and territories. As the evolvement in human knowledge to explore and develop self along with surrounding commerce comes in existence. Consumer psychology of purchasing is driven by their wants, needs and likes. Their choices influence them to buy the product. Perception towards anything is not permanent it is changeable. Same perception works for buying product. Traditional trading, purchasing were also affected by consumer perception. Perception could drive consumer in any direction either in positive image of product or negative based of what he/she heard about it by others or their previous experience. As time passes e-commerce introduced in market and accepted worldwide in short time. Focusing on current situation around the globe, world is facing severe destruction due to virus disease named COVID-19 on 11 February 2020 by 'WHO' and it was declared pandemic. It affected all countries in the world badly. In India, COVID-19 curse seen in every sector like downfall in share market, employment, Indian Railways in its history not moved for 2 months and more, commerce business including both traditional market place as well as online shopping place. E-commerce companies like Amazon, flipcart, Bigbasket, Netflix, Ganna.com, Urbanpro etc are examples of various product and service providing companies. As per the economic times news, "Amazon says India lockdown has hit it the hardest internationally"- *Speaking to analysts over an earnings call on Thursday, Amazon chief financial officer Brian Olsavsky said that the demand of the revenue side has been severely impacted in India when compared to other shelter-in-place geographies across the world.*

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The recent lifestyle of staying at home is turning the attention of people towards online buying and selling and virtual shopping that has become a leading and expanding trend in the pandemic of COVID-19 thereby adding more importance and success to the E-commerce business industry. Before the outbreak of Corona Virus people were free to move and interact in all kinds of businesses and thus the domain of E-commerce business was not in attention as it is nowadays. E-commerce had been steadily gaining momentum - the world over and also in India much before COVID19 happened. By and large the onset of the pandemic and the ensuing lockdown has thrown the progression of online purchasing off balance because of restrictions on eligible items to essentials and due to the limitations placed on physical movement directly impacting deliveries. Nevertheless, experiences of life during the lockdown may result in nudging attitudes towards opting for e-commerce once things are back to normal.

Objective

This research has been done with the prime object to know the change in perception of consumer since COVID-19 pandemic outbreak towards online shopping of products and services. Under sub objectives includes knowing the variables what cause in change buying behavior of consumers.

Literature Review

Mahendra Kumar & Sachin Dwivedi (2 April, 2020) "Impact of Corona virus Imposed Lockdown on Indian Population and their Habits" concluded in their research that Lockdown situation have changed habits and way of living of given population results of responses about work from home 55% participants are working from home since lockdown condition implementation. Since lockdown 40% of participants agreed to use more internet data on official work and 31% of participants use internet data more than usual to access social media since lockdown as per respective research population Sample Size.

Vikram P. Bhalekar (April 2020) "Novel Corona Virus Pandemic-Impact on Indian Economy, E-commerce, Education and Employment" has discussed about the impact of pandemic. Some highlights are; The Indian e-commerce industry is expanding continuously and it is expected to cross the USA to become the world's second market till 2034. The maximum (70-75%) e-commerce businesses are dealing with smart phones and appliances. The companies like Amazon, Facebook-Reliance are investing in e-commerce businesses. This advancement will increase employment, revenues (exports, tax collection etc.); since Indians prefer maximum cash on delivery services and they believe that offline stores are more reliable and better accessible than online market. During the pandemic customers are also not looking for style or footwear or gazettes; so most of the e-commerce companies restricted their services, while some have suspended fully for the period of lockdown. The e-commerce industry directly affecting the micro, medium sized enterprises and entrepreneurs by providing resources like financing, technology and also has a dropping effect on other industries. The companies like Amazon focuses on essentials (grocery segment) but these are also affected due to clearance at the local levels and as per the availability of delivery boys. The Government has directed e-commerce companies to operate with necessary permissions from 20, April 2020.

Spire research and consulting (white paper, April 2020) India's E-Commerce Logistic industry: In their report they have mentioned that Amazon and Flipkart are the two largest players in the Indian E-Commerce market with a combined market share of 63% (2018). Amazon and Flipkart also have their own captive arms which handle more than 80% of their logistics needs. Some more highlighted conclusions has taken by researcher to review are 1) **A more transparent tax structure.** 2) **Growth of online shopping:** with growing trust in E-Commerce companies and rising access to a wide range of product categories, this sector will continue to grow well in Tier II and below cities, driving most of the growth in the next 3 to 5 years.

Hamza Akram and more authors (June 2020) "E-commerce trends during COVID-19 Pandemic" discussed COVID-19 has significant impact on e-commerce of the world and in some cases negative impact but overall e-commerce is growing rapidly because of virus. Coronavirus compelled to customers to use internet and make it habit in their daily routine (Abiad, Arao, & Dagli, 2020). Furthermore, many challenges facing by retailers in e-commerce, such as extend the delivery time, difficulty face during movement control, social distance and lockdown (Hasanat et al., 2020). The process of shipment and supply is quite slow now, but still people buying because they do not have another alternative. Hence, people moving towards technology due to virus.

Deloitte article (August 2020) "E-commerce in new tech-driven India Embracing the new normal"

Changes in the e-Commerce Business Model and Consumer Behavior

The nation-wide lockdown has severely affected numerous industries and sectors in India. However, e-commerce seems to have weathered the storm partially. Initially, due to strict government regulations, traders were finding it difficult to manage the production and distribution of essential goods. As the government relaxed the restrictions and allowed the movement of goods eventually, business continuity (as far as supplies of goods are concerned), stands reinstated. Measures such as social distancing and lockdown (undertaken by authorities to contain the spread of the virus and address supply shortage at local shops) have pushed consumers towards online shopping. Consumers are flooding e-commerce sites to purchase essentials and non-essential items, which constitute about 70 percent of the total e-commerce business (valued at US\$30 billion in 2019). With the Indian government opening up operations across the country in a staggered manner, companies should monitor the gradual shift in consumers’ demand and their sentiments. Companies also need to ensure business continuity in the short-term, and develop innovative solutions to safeguard long-term sustainability.

According to a recent 30-days consumer survey* by Deloitte, the current Indian consumer is ‘conscious, tech savvy, and self-reliant’ in the COVID-19 times. The online survey, conducted with nearly 1,000 consumers aged over 18 in India, indicated consumers’ intent to use digital services. The third wave of the consumer survey has seen a rise in the digital trend. About 44 percent respondents are likely to use digital services for groceries, 27 percent for virtual doctor appointments, 36 percent for exercise programmes, 52 percent for video conferencing, 47 percent for streaming entertainment, and 53 percent for payment apps/services. In terms of purchase intentions, the majority of the consumers intended to purchase products through the online or Buy Online Pickup In Store (BOPIS) modes. Nearly half of the consumers intended to purchase apparel, books and stationery, electronic products, etc., through the online/delivery mode. Similarly, more than one-third of the consumers were willing to purchase groceries, alcoholic beverages, household goods, medicines, etc., online. Nearly 51 percent respondents feel the trend of BOPIS is a safer option, while 37 percent respondents feel that it is faster than shopping in a store.

Research Methodology

Researcher has taken 187 Sample Size randomly from three B-tier cities name Bhilai, Rourkela and Jabalpur, India. Telephonic interview method used by researcher to collect the responses as primary data and research paper, e-newspaper articles, blogs and websites were followed by researcher as secondary data. The research has been done during April 2020 till July 2020. The study has limitation to responses by respondents as due to call drop problem and not answering to all survey questions by respondents. Demographic of population for survey is male & female of age category bar of 16-63 years, working professionals, self-employed, students, retired people, home makers and government employees.

Data Collection, Analysis and Interpretation

Researcher has collected data through telephonic interview method. Set of questions were asked to participants to whom they have responded. Likert scale method used to know change in perception while using online purchasing mode to buy product and service since COVID-19 outbreak.

Table 1

Questions Asked to Participants During Telephonic Interview. Questions 10 Respondents 187	Satisfaction Level				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
• Does buying perception about online shopping change since lockdown due to COVID-19 pandemic outbreak?	19	17	35	23	93
• Does online shopping frequency increase as lockdown release by June-July 2020?	12	14	11	59	91
• Does social media platform like Whatsapp messenger helps in purchasing from kirana store?	5	7	13	67	95
• Keeping safety and hygiene at priority, online shopping will be feasible for coming years?	0	0	20	56	111
• Practicing online shopping frequently, now make change in easy and confident access to e- commerce Apps and websites?	4	3	9	65	106
• Online shopping through smart phones by logging in apps and websites become easy for every member in family.	2	7	11	75	92

• Online payment at door step influence positively to prefer online purchase.	8	14	2	56	86
• Amazon and flipcart are the trustworthy e-commerce companies in India.	5	9	29	79	65
• New perception on buying online, ignite idea to do same for own business.	11	19	24	46	87
• Vendors started taking online orders through Whatsapp for daily need products home delivery against online payment by Gpay, paytm, UPI transfer etc during lockdown release hours bring change in thoughts like in normal circumstances this could happen too for time saving, hygiene and safety and easy purchasing point of view.	3	5	29	45	105

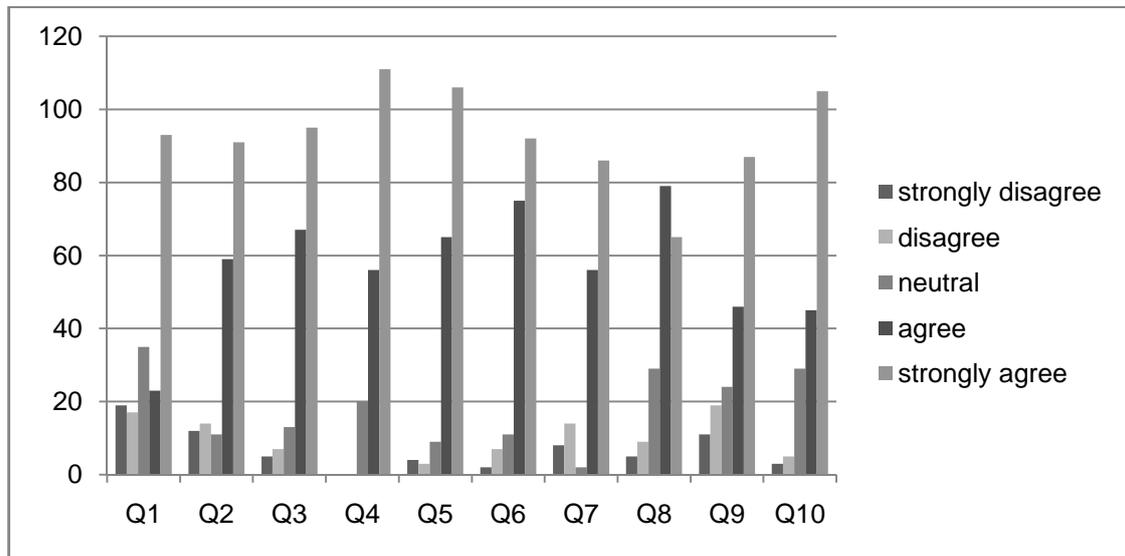
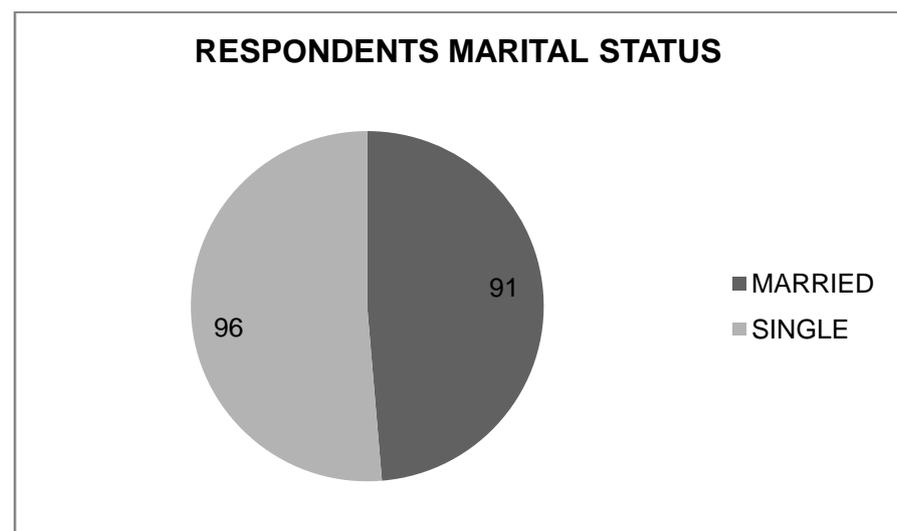
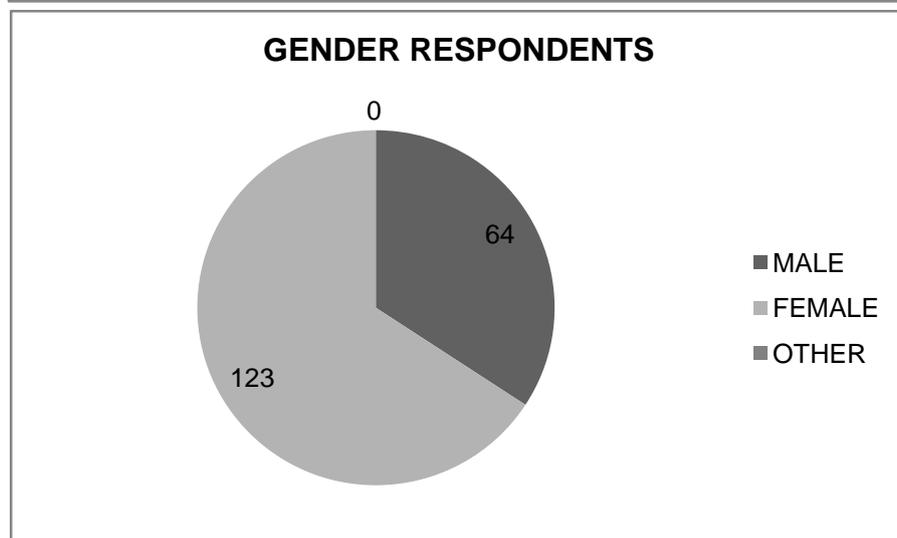
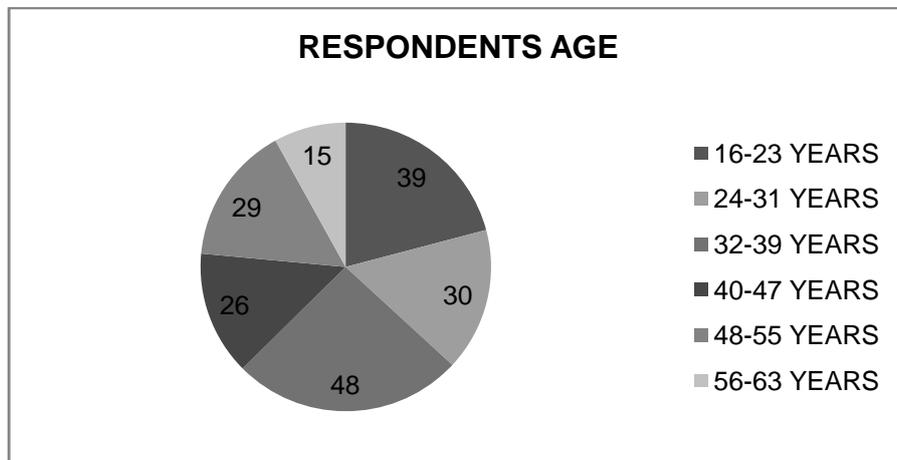


Chart 1: Based on Table 1

Interpretation: consumer perceptions changes as mostly respondents were strongly agree.

Table 2

Socio-Demographic Variable	Respondents
Age	
16-23	39
24-31	30
32-39	48
40-47	26
48-55	29
56-63	15
Gender	
Male	64
Female	123
Others (LGBT)	0
Marital Status	
Single	91
Married	96
Occupation	
Govt. employee	24
Self- employed	26
Working professional	59
Homemaker	78



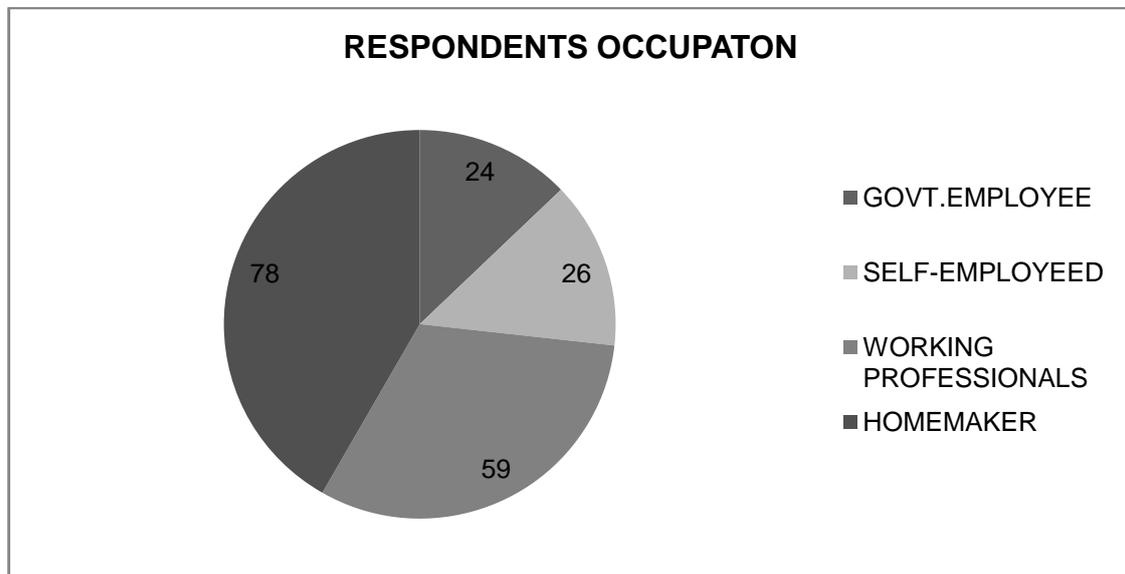


Chart 2, 3, 4 & 5: Based on Table 2

Findings

- Consumers are strongly agreed that there is change in shopping habits. Mostly, prefer online shopping.
- Safety and hygiene with product supply this reason is to prefer online purchase.
- Habitual to access smart phone, Apps and websites.
- Agreed to continue this habit as it is time saving with huge variety options.
- Very much convenient mode for home makers for daily utility product purchasing.
- New opportunities are open for startups work from home.

Conclusion

Researcher after analysis of data has concluded that there is huge acceptance seen in buying behavior of consumer since COVID-19 outbreak reason behind that was safety was utmost priority. Due to this consumer belong to study areas started purchasing product online through which they realize the difference between physical market and virtual market by self as an individual because everyone was together during lockdown period that help each other in learning gadgets, smart phones, online selling websites, payment methods, application usage, pacing orders and many more. This creates trust with e-commerce by all age group with confidence to get product easily. Perception of consumer very much change post COVID-19 on online buying of product and Services. Contrary statement for services as it was forcefully imposed to use service online as in school and college online regular. Earlier, it appears comfort and safe for receivers as well as for others. However, this routine of regular online classes as service from administrative sector (another kind of e-commerce C2A) causes negative effect on health.

Suggestions

Researcher has found huge acceptance behavioral buying change in online mode. On the basis of this some suggestions for future studies as this study is limited to three cities and random population were selected for research. More can be explore on consumer buying behavior especially after lockdown and the use of online mode to purchase household thing frequently by homemakers because during survey most satisfied, confident and happy respondents were house ladies who earlier were not trust in online purchasing because of traditional market buying system to which they were too much loyal.

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