

COVID-19'S IMPACT ON THE DIGITALIZATION PROCESS IN INDIA: ONLINE VS OFFLINE SHOPPING

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ABSTRACT

The growing digitalization of the retail business has been underway for several years. The breakout of the novel disease Covid-19, on the other hand, has accelerated the digitalization process by compelling firms to adapt to a required digital method of working in just a few weeks. This study tries to determine the impact of Covid-19 on the digitalization process in the retail business, as well as how it influenced consumers' decisions to shop online versus offline. An online survey was used to determine how much the rare disease Covid-19 influenced participants' decisions to purchase online versus offline, as well as how their attitudes regarding shopping online had altered. Furthermore, the paper highlights key motivational variables that influence consumers' decisions to shop online vs. offline. The most powerful motivating reason to shop online appears to be convenience. At addition, the research shows how factors such as physically examining desirable products influence the decision to shop in brick-and-mortar establishments. Finally, the study provides useful information on how preferences for product categories changed before and after the pandemic, as well as the correlations between claims about shopping experiences during the Covid-19 period and demographic variables.

Keywords: Covid 19, Digitalization, Online vs Offline Shopping.

Introduction

In the year 2020, the world faced a crisis for which no one could have anticipated. Covid-19, a contagious disease, has had an impact on how we live, love, and work. The virus was first detected in Wuhan, China, in December 2019 and has since spread globally[1].

The retail industry's continuing transformation is a well-known phenomena. Due to the ongoing wave of digitalization, the retail sector is constantly evolving [2].

Consumers nowadays have a difficult time selecting whether to shop online or offline. It must be established which method of purchasing best meets the needs of customers and maximises their satisfaction[3]. Between April and July, according to PWC, physical stores see a decline in customer visits. However, due to a better product evaluation, most consumers still prefer shopping in a traditional physical store.

The major goal of this study is to assess Covid-19's impact on the retail industry's digitization process, as well as the factors that influence consumers' decision to shop online vs offline. The digitalization process and Covid-19 are the subjects of this project, which has numerous goals. First and foremost, the potential effects of the digitalization process on brick-and-mortar retail businesses must be assessed. After that, it must be determined whether Covid-19 has influenced the consumer's decision to shop online or offline, and ultimately, the primary benefits of shopping online must be assessed.

Literature Survey

The first step toward a company's digitalization is digitization. The process of transforming analogue information or forms such as text or sounds into digital formats, such as the implementation of electronic reports, is known as "digitization" [4][5].

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According to Baig et al., institutions implemented digital technology five years faster than the average [6]. Because of the outbreak, institutions were required to implement a digital transformation of their business practises within eight weeks [6]. For example, supermarkets must alter their entire platform from brick-and-mortar retail spending to online grocery stores with delivery. As a result, existing online grocery retailers, for example, saw a rise in popularity since the shutdown. Consumers were unable to get to the grocery store due to their country's lockdown restrictions or fear of disease [7]. Some consumers place a high value on time-saving shopping paired with a wide range of products and options, while others prefer human engagement with sales associates and the chance to touch and try the product[8]. Furthermore, research have revealed that buyers prefer direct tactile examination of their selected products before making a final purchase [9]. In comparison to online stores, brick-and-mortar stores are more mature. When comparing costs between stores, consumers who choose those have lesser hopes of discovering a lower price.

Methodology

The quantitative research approach was chosen as the best method for gathering primary data for this investigation. Furthermore, the researcher chose to conduct a survey using a non-experimental approach. The absence of researcher-caused manipulation of the independent variable is a major benefit of a non-experimental approach. Non-experimental designs aim to find and describe correlations between variables without the researcher's active involvement[10]. Another advantage of non-experimental methods is that a well-crafted questionnaire can yield high measurement validity and reliability. A non-experimental approach also has the advantage of being able to collect data fully anonymously. Non-experimental approaches, such as questionnaires, have a number of drawbacks, including the danger of low participation, the participant's inability to successfully complete the questionnaire, and the comparatively long amount of time required to analyse the survey results (Christensen, Johnson and Turner, 2014). The researcher decided to employ a questionnaire design to determine the participants' sentiments toward online and offline buying, as well as the impact of the Covid-19 outbreak. The questionnaire aids in the identification of correlations between variables and the determination of a result with future research implications.

The purpose of the online survey was to find out what variables influence consumers' decisions to shop online or offline, as well as the impact of Covid-19 on this process. The data was evaluated by the researcher using SPSS, a statistical analysis software. Excel was also used to make graphs and other tables. There are a number of variables in this study. The term "independent variables" refers to variables that are unaffected by changes in other variables. Changes in the independent variable, on the other hand, alter dependent variables (Matthews & Ross, 2010). The study has defined many variables based on this information. Gender, home size, age, level of education, and the Covid-19 Pandemic are all independent variables in this study. Consumer purchase intention, consumer buy motive, and consumer risk perception are some of the research's stated dependent variables.

Result and Discussion

The questionnaire analysis revealed a number of significant discrepancies between the variables. It also demonstrated that demographic factors such as gender have a significant impact on the participants' choices. The idea that there is a significant difference between online shopping frequency before and after the pandemic outbreak was accepted. The findings show that following the Covid-19 epidemic, the participants' internet buying frequency changed significantly. This is most likely due to the numerous limitations and lockout policies that prevent individuals from doing their regular shopping offline. Products that were previously only available in stores are now available online. The study also attempted to assess the impact of Covid-19 on the retail industry's digitization.

The respondents were asked to indicate their favourite shopping mode at the start of the survey. The majority of interviewees stated that they prefer to shop online. This result demonstrates the enormous relevance of internet shopping channels while the importance of conventional shopping channels continues to decline. The study also found a significant difference in online purchasing frequency before and during the pandemic, indicating that participants increased their online shopping frequency. In addition, Covid-19 has altered the possibility of customers purchasing specific product categories online. Before and after the Covid-19 epidemic, the researcher was able to find one significant difference in the participants' product preferences.

Conclusion

Covid-19 has clearly had a tremendous impact on our daily life. The necessary rapid move from offline to online activities has changed not just the way we work, learn, and live, but it has also had a profound impact on consumer shopping behaviour. The main goal of this study was to figure out what factors influence consumers' decisions to shop online vs. offline, as well as the role of Covid-19 in this process. Essential terminology and procedures were established and studied in the literature study to assist the researcher in comprehending the importance of digitalization and customers' incentive to shop online. After that, the study completed a questionnaire and was successful in reaching out to 117 people. The questionnaire included various questions about, for example, changes in shopping frequency and product choices after the epidemic. Furthermore, the study attempted to determine how Covid-19 has altered the whole buying experience. By examining the results of the questionnaire, the study issue of what influences customers' decision to shop online vs. offline can be answered. Consumers place a high importance on tactile touch with desired products, according to the survey. Physical interaction with products statements, such as the physical appraisal of the product and the potential of a physical comparison, earned a very high degree of agreement. Almost 80% of those polled agreed or strongly agreed with the comments about physical assessments.

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