

CHANGING CONSUMER BEHAVIOURS TOWARDS ONLINE SHOPPING - AN IMPACT OF COVID 19

Anupam Sharma, School of Humanities and Social Sciences, Thapar Institute of Engineering and Technology, Punjab, India

Deepika Jhamb, Chitkara Business School, Chitkara University, Punjab, India

ABSTRACT

The coronavirus (COVID-19) eruption is first and prime human tragedy across the globe, affecting the lives of millions of people. It has greatly impacted the global economy. This paper is envisioned to provide business leaders with a view on the progressing situation and implications on the consumer as well. Every sphere is affected and impacted by the pandemic. Before lockdown work from home created a positive shift in the trend of online shopping. But this could not reside for a long time. Unexpected lockdown of 21 days impacted Indian online shopping and marketing trends drastically. Initially, Coronavirus's influence on consumer buying behaviour, towards brands and online tools was largely unknown. This paper aims to reflect on different issues and perspectives of online marketing due to COVID-19. There are still many more uncertainties to predict how the sale for the next few months will be impacting the global community, both personally as well as professionally. This study explores the impact of the epidemic from toilet tissue rolls to baby gear, pet food to many more daily essentials. Although some of the companies managed to operate through social commerce that is marketing by using e-commerce and social media. Forty-six percent of users admitted that social networks are important for information sharing and for making product choices. But results are indicative of the fact that online marketing and shopping will soon go back to normal but the losses and downshift brought by this pandemic are not ignorable.

Keywords: COVID-19, Changing Trends, Online Shopping, Consumer Buying Behaviour.

INTRODUCTION

With the emergence of globalization and digitization, people, places, and products have started coming close, approachable as well as affordable (Cetrez & Van Dam, 2018; Foberg & Murphy, 2020). Life was very fast, as everything from toilet roll to airplane ticket was just one click away. All the business plans, meetings, trips came to halt with the introduction of COVID-19 to the globe. The situation of the COVID-19 outbreak, made people think, dynamically and timely diagnosis of how families have adjusted their spendings and online shopping, and what are the characteristics of the households who have responded the fastest and strongest. News media reported that customers collapsed supermarket drops to stock-pile for durable goods (Barr, 2020). This was very much unplanned and sudden set back from businessman to the common man. Every sector and individual has been affected badly by this epidemic. Online marketing and shopping trends among customers are also squeezed by this unsure epidemic. If the situation continues for a longer period, it will not be possible for the big giants such as Myntra, Flipkart, Amazon etc. to retain their workforces as they have huge turnover which have come to a complete halt. As per the current status, Coronavirus disease (COVID-19) has infected more than 2.8 million people globally (World Health Organization, 2020). Since as per the medical science it spreads primarily through

contacting the infected person (even through cough or sneeze) or by touching the surface that has a virus on it, so the best way chosen out by the government is to stay at home and stay safe. Initially, this has jumped the number of users of online shopping, globally, but because of delay in order deliveries, this has come to halt after a week. Specifically, in context to India, stay at home has augmented the number of First Time Users (FTUs), earlier who were inhibited to shop online.

The present research also relates to the literature done on how crises influence the economy of the world, and policymaker's reactions to those crises. In the outcome of the 2008 Great Recession time, a large literature studied the impact of credit supply shocks (Mian & Sufi, 2009, 2011; Argyroudis & Siokis, 2018; Cipollini & Parla, 2018; Garcia, 2020) and securitization (Keys et al., 2012, Wood & Gokhale, 2017; Dou, 2017; Bentolila et al., 2018) led to the financial crisis. This paper is an attempt to join a quickly growing body of work swotting the impact of the COVID-19 epidemic on the economy of the Indian online market. Eichenbaum et al. (2020); Barro et al., (2020) and Jones et al., (2020) proposed a macroeconomic framework for reviewing epidemics. Gormsen & Koijen (2020) have attempted to study the impact of COVID-19 on stock prices and dividend future reactions to the pandemic, and anticipations of a probable recession due to COVID-19. So, this study is an attempt to identify the impact of this crisis on online shopping platforms and how the changed spending behaviour of customers is going to sustain in the future.

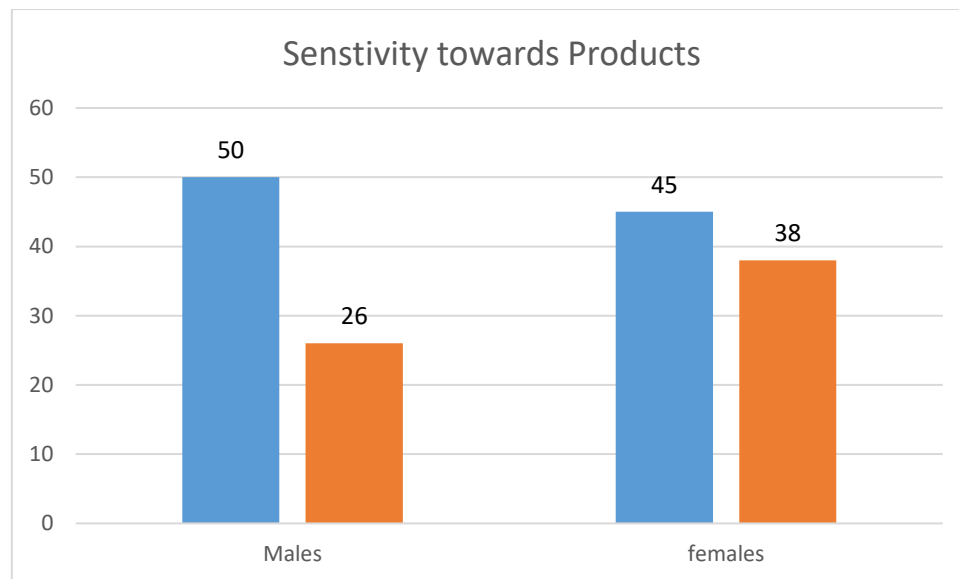
LITERATURE REVIEW

Indian Retail Market

The Indian retail market is segregated in unorganized and organized sectors, out of which unorganized sector includes about 13.8 million conventional family-run neighbourhood stores and the organised retail sector with a share of less than 10% (IBEF, 2020; Halan, 2020). The organised sector further includes all organized brick and mortar stores and online shopping sites (Sinha, 2019). Despite the boom in the B2C e-commerce sector in India, the majority of Indian consumers continue to have faith in the neighbourhood brick and mortar stores for shopping as they prefer to touch and feel the products before buying and negotiating discounts over-the-counter. In India, a great majority of B2C e-commerce retailers, draw consumers to shop online by offering various exciting schemes such as discounts, free delivery, buy-one-get-one-free and exchange offers (Srivastava & bagale, 2019; Joseph, 2019). However, many Indian shoppers known to be cost-conscious and conservative as a part of their value system, are generally not attracted to making quick decisions based on promotions and advertisements. Moreover, online shoppers, many-a-times, come across problems concerning product delivery timelines and customer support services (Khare, 2016; Arpana, 2020). Customers' perception of risk toward online web sites is aggravated due to the inferior IT set-up used by several e-tailers, resulting in the hacking of personal information (Retail Economic Times of India, 2020; Staff, 2020).

Sensitivity towards Products Manufactured Abroad

Consumers have expressed their concern towards products that are made in china (Uyar, 2018). The emergence of this disease has created a panic mental situation among regular users of the few products now, they are becoming more conscious of buying products made abroad. This has given a boom to locally manufactured products and supports the MAKE in India's initiative of the government. The majority of the consumers said that they will no longer prefer the products made in china.



Source: Author's Compilation

FIGURE 1
SENSITIVITY TOWARDS PRODUCTS MANUFACTURED ABROAD

Consumers are very much aware of the details of where the product has been made, and what quality has been delivered to them at home. Surevy has been done among seventy six males and eighty three females regarding their change in behaviour towards products manufactured outside India. From figure 1 one can infer that majority of the male respondents do care about the place of product manufactured and hesitate to buy products manufactured abroad and fifty four percent of females supported that after COVID-19 they are concerned about a product manufactured place and will not prefer made in china products as of now.

A shift in the Consumers' Buying behaviour

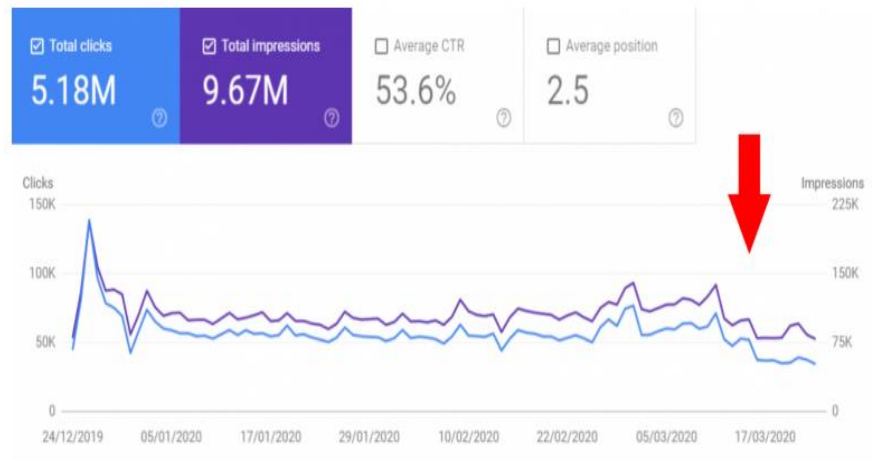
Empty shelves during COVID 19 have generated severe problems for the consumers' (Lufkin, 2020). COVID 19 has forced consumers to change the way they preferred to shop. There is an increased shift in consumer buying behaviour from traditional shopping to online shopping (Reddy, 2020). Apart from the augmented number of customers indulging into online shopping shift has been observed in the choice of products being ordered by customers through these online tools. The majority of the customers have started positively ordering more personal care and medical kits rather than ordering fashion products. National Retail Federation (NRF) has surveyed on consumer's online shopping behaviour in this epidemic situation and has briefed certain consumer buying behavioural changes as follows:

1. As per the survey results, 9 out of 10 customers have changed their shopping practices.
2. Results are supportive that more than 50% of customers have changed their traditional shopping habits by ordering products online.
3. About 6 out of 10 customers stated that they avoid going to store due to the fear of being infected and ordering necessary goods from online marketing tools.

All these behavioural changes are not permanent but few are going to last permanently. As the society will recover from this survival mode, this digital- online shopping adoption is likely to become permanent. So, in the end, this pandemic situation has been classified into two aspects one is a shift in customer behaviour that avoids public

crowded gatherings and second is more inclination towards digital adoption (Shashidhar, 2020).

Marketing research company Nielsen has further explored that one of the UK-based fashion retailer's online search traffic drop by approximately 40% after severe new procedures have been announced in mid-March to fight with COVID-19 virus results are shown in Figure 2 below:

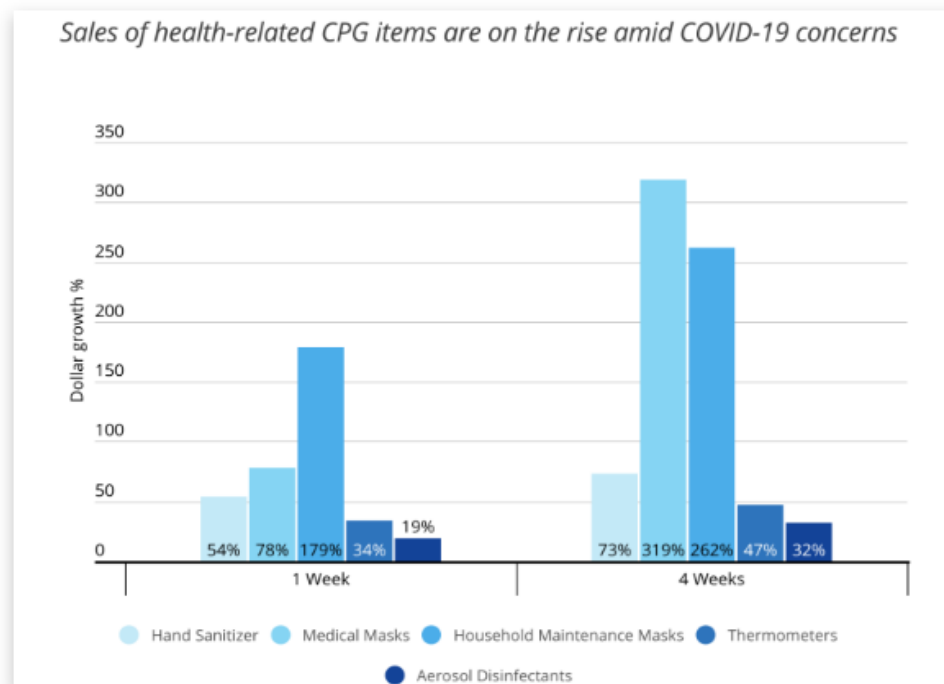


Source: Nielsen Retail Measurement Services (2020)

FIGURE 2 COVID-19 IMPACT ON SEARCH ITEMS PREFERENCE

Research done by Nielsen company claims that customer buying behaviour has been changed from fashion-oriented shopping to daily need-based shopping things as explained follows:

1. Active health product buying (increased purchasing of anticipatory health and wellness products).
2. Responsive health management kits (increased purchasing of protective kits like masks and alcohol-based hand sanitizers).
3. Vigorous pantry items purchasing (storing more of groceries and household daily essentials).
4. Quarantine preparation in advance (facing shortages of goods in stores, customers have cut down on store visits).



Source: Nielsen Retail Measurement Services (2020)

FIGURE 3 COVID-19 IMPACTS INCREASE IN THE SALE OF HEALTH-RELATED ITEMS

Researches by Gourinchas & Parker (2002); Kaplan & Violante (2014); Kaplan et al., (2020) proposed theoretical models of household consumption responses. Initially in March, there was little direct effect of COVID-19 in the United States, and India but substantial awareness of prospective damage in the near future. Research by agencies supports that significant stockpiling and spending reactions among customer, which is consistent with expectations playing a large role in house hold consumption and decisions medical marks as shown in Figure 3.

RESULTS AND DISCUSSION

Initiatives taken by Online Players

This pandemic situation surely will pass soon, and everything will be at place by the time. But this time it will not be easy for people, business, and economies to settle. As the losses incurred by the crisis are never fulfilling and forgotten. Everyone involved in the social service sector doing their best to save the humanity. So as online market players too came forward to provide uninterrupted delivery of medical and house hold services, so that all together we can fight with the situation.

On 25th March 2020, India's renowned grocery online store posted a message that "*We'll be back soon!* As we are currently experiencing unprecedented demand. Even Amazon one of the leading e-commerce players over the globe- is showcasing that "*we are getting back on track*". Myntra is posting "*STAY Safe Stay Home*". So this is the story experienced by all the available online merchants in the phase of the epidemic.



Source: www.amazon.in

FIGURE 4
AMAZON'S THANKYOU MESSAGE

As shown in Figure 4 Amazon one of the largest e-commerce player is coming forward to thank the doctor's workers, volunteers, picker suppliers, drivers and everyone who is contributing towards fighting with this epidemic. In Figure 5 Amazon is supporting the lockdown announced by the Indian government and promoting the safety message by staying at home and following the WHO norms.



Source: www.amazon.com

FIGURE 5
AMAZON PROMOTING STAY HOME STAY SAFE



Source: www.myntra.com

FIGURE 6
MYNTRA SUPPORTING STAY HOME STAY SAFE

Like other online merchants in Figure 6, Myntra is also supporting the cause and making people aware of the benefits of staying and staying fit. Even Big Basket, India’s largest online food and grocery store has stood for the cause and initiated contactless delivery option for all their customers as precautionary measure to fight against Covid-19. They are trying to make people to ‘*be a caring shopper*’ by planning their grocery and essential good requirement for next 3-4 weeks and placing the bulk orders so as to ensure safe and easy delivery to customers of a locality in one go. All of the online marketing sites have conveyed to their respective customers that as of now they are supporting the respective governments to fight against viruses and very soon they will be back in work and deliver the orders in Table 1.

Table 1 SUMMARY OD KEY INITIATIVES TAKEN BY ONLINE PLAYERS		
Sr. No.	Online Player	Key Initiatives for Consumers
	Flipkart	<ul style="list-style-type: none"> Working closely with marketplace partners to ensure adequate availability of consumer sanitary products like hand sanitizers, gloves, and masks. Flipkart Travel is offering a full refund (including convenience fee) on cancellation and rescheduling of air tickets booked on Flipkart Travel. Working closely with our sellers to urge responsible pricing and behaviour. Products with fake claims and inflated prices are being removed an ongoing basis. Working with our sellers to replenish products and encouraging them to be fair in the prices they are proposing.
	Amazon	<ul style="list-style-type: none"> Increasing capacity for grocery delivery from Amazon Fresh and Whole Foods Market as quickly as possible. Enhanced cleaning at all Whole Foods Market stores and now open one hour early for customers who are 60+ years old in the U.S. (70+ years old in the UK). Focusing on high-priority items to ensure the fastest delivery of household staples, medical supplies, and other high-demand products coming into our fulfilment centers. Vigorously combating price gouging to help protect customers, help ensure fair pricing, and combat those seeking to profit off the COVID-19 crisis. Giving our customers more time to return items. Our Amazon and Alexa devices help keep customers stay connected and informed.

Big Basket	<ul style="list-style-type: none"> • Selling 1199 essential products including groceries, fruits and vegetables, baby care and feminine hygiene items. • Curating our product selection to reflect only the essential products needed at this time of Covid-19 to makes our operations easier and helps us serve more customers. • Vigorously combating prices by offering discounts to help customers. • Requesting and taking combined bulk orders of self and of neighbours to initiate easy delivery to a locality in one go. • Increasing our technical server capacity by 50% to enable our app/website to manage more traffic which will help in serving more orders. • Initiating a refund policy on cancellation of order by taking 7-9 days to credit the money back into customers account.
Nykaa	<ul style="list-style-type: none"> • India's largest Omni-channel beauty destination is offering upto 70% off on all the essential hygiene and beauty products. • Accepting pre-paid orders for essentials like personal hygiene products, hand sanitizers, sanitary napkins, and more, although with longer delivery timelines than usual. • Initiating 'stay safe at home' by promoting buying of beauty tips through beauty guides and videos.
Snapdeal	<ul style="list-style-type: none"> • Ensuring full access to the Snapdeal platform across the app along with full functionality to ensure customers continuous purchasing and tracking of their orders. • Tied up with dealers in local grain markets, FMCG wholesalers and medical equipment dealers for e- tailoring and delivering essential goods within 6-10 days • Maintaining constant touch with our courier partners to ensure that delivery of orders is run under high levels of safety and hygiene norms. • Working closely with our sellers to ensure that the orders placed can be collected quickly for their onward journey to customers. • Ensuring that 100% of our team members are working from home ensuring their safety. • Prioritizing the deliveries of essential goods to ensure timely delivery to our customers. • Ramping-up on-ground support and hiring in addition to offering incentives to supply chain and delivery executive engaged in grocery and essentials to enhance delivery capacity.

Author's Compilation

The above table depicts that the online players are continuously taking steps to help their consumers in providing what they need and committed to ensuring the safety of their consumers during this pandemic situation.

CONCLUSION AND IMPLICATIONS

This "New Changed World Order" as we visualise it, more fresh air, clearer sky, cleaned rivers has changed the mindset of people. Either this change is permanent or not but as now made everyone realising the blessing in disguise. As global economies are facing pressure for survival as they are facing huge losses in revenue, so the future actions were taken by marketing experts, and consumer preferences will decide the order of the new changing world, like who will be the new leader, survivor, and laggards?

Undoubtedly this epidemic has come up with a lifelong lesson and has impacted every sphere of natural life. So online marketing and consumer shopping preferences are not an exception to this. The best strategy of advice to adjust or to survive in this tough time is to adapt to changing needs of the consumer as the need of the hour is not the luxury or

availability of luxurious goods at the specific price range, but unitedly everyone is contributing and fighting for the passage of this phase. So preferences have changed over from trip to the globe to stay at home and buying luxury online to buying groceries for survival.

While the globe has been revolving from the special effects of the Coronavirus (COVID-19) pandemic, at the same time customer behaviour is being enforced to change and consumers are progressively moving towards online shopping. Many new challenges have been forced on business units as international borders have been closed for exchange of goods so, survival for many will be a tough job. Might be a chance that some companies will stop operating in the short run and few will face permanent shut down. This will lead to financial uncertainty among staff members.

Financial uncertainty among economies, business, staff and the outlook of a simple and long-term future recession that will set back to backdrop the economy for the long run. This will lead to a long-run impact on consumer shopping trends perception and preference behaviour.

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