

Impact of COVID-19 on Consumer Behavior – Buying Behavior towards E-commerce services

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ABSTRACT

The COVID-19, no one has ever thought that this virus will create worldwide pandemic in such short period of time. In such unprecedented time not a single sector is spared from its effect. Take any industry or sector in the society and you will see how adversely the COVID-19 crisis has affected it. The study has been carried out throw some light upon one of such affected sector in the industry and the results and findings of the study are put forth by this research paper. The sector considered in this study is E-commerce. E-commerce is one of the fastest growing sector in India but like other sectors it is also got affected by COVID-19. This paper is trying to show the behavior changes that happened in consumer towards E-commerce services due to lockdown situation implemented nation-wide to stop or decrease the spread of COVID-19 virus.

Key Words

COVID-19, E-commerce, Consumer Behavior, buying pattern

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Introduction

The attitude of the consumer can be understood by studying the three components which are highly interrelated: the belief, the feeling and the behavioral intention for some object.

Belief: A consumer can have both a positive and a negative belief. It can also be possible that consumer have a neutral belief. It depends on person to persona and also depends on the situation the consumer in.

Feeling: Consumer also have feelings for particular brand or product. The feeling that the consumer has may sometimes based on the beliefs he/she has or it is also possible that the feeling are totally independent of the beliefs.

Behavioral Intention: It is something that the consumer does with respect to the object. It is affected by both the belief and the feeling that consumer has in the certain situation.

The E-commerce sector has seen fast growth in last few years. It is seen that the rate at which the volume of online B2C transactions are increasing annually is very high.

There is so much research has been seen on the consumers considering above factors and also in E-commerce sector especially to understand the consumer's online buying behavior. In country like India where population is very large it is very necessary to do such kind of research in depth and

time to time. The year 2020 has seen some tough time so far and the reason is COVID-19 pandemic. Such kind of pandemic has never seen by mankind which the world level and so fast that it did not even gave mankind to make necessary precautions. Thus to fight against COVID-19 virus the entire nation went under lockdown situation and various rule like social distancing come into existence. This pandemic every single sector in society and E-commerce is no different. Thus in such unprecedented time for the companies in the E-commerce sector to come back and run again it is very important to understand the consumer buying behavior.

The research done before and the research that the researchers are doing now in such unprecedented time has huge gap as the situation that the consumer in now is way more different and difficult that the situation before the COVID-19 pandemic. Also the research done in the different country is very different if you compare like the research done in developed country and research done in the developing country are different in context to limit of generalization of the research results from developed countries to developing countries.

Literature Review

Number of studies and researches are done on the topic of consumer behavior and Ecommerce. The questions that have been raised in those researches are related to internet security, Education and its

impact on buying online, what are limitations of E-commerce, the online buying and the consumer satisfaction, the changes that can be made on websites of e-commerce and own brand websites in order to increase the margin and increase the search friction, the consumers behavior on social media and how the companies can use it strategically, how the consumer behaving while buying goods at brick and mortar shops, how the technology has changed the lives of the consumers and how consumer has become more dependent on the E-commerce services specially in the urban region, what type of payments consumer prefer to use for online shopping and what are the rising trends in online shopping.

Even though so much research is done already but still there are few areas where the researchers are still doing research and one such area is understanding the consumer behavior towards E-commerce in unprecedented situation and this paper is tried to showcase the behavioral changes seen in the consumer behavior towards E-commerce services due to COVID-19 pandemic.

Methodology

Design of research:

This research paper is aimed to understand the behavior of consumer thus it is descriptive research aiming to answer the what question.

Data Source:

The source of the data is primary data source that means survey.

The best way to understand the consumer behavior is by the method of asking questions directly to consumer. In the current scenario of COVID-19 most of the places are under lockdown, containment zones and social distancing policy is implemented. The government has strictly implemented the lockdown policies so that the spread of COVID-19 virus can be reduced, so the best way to conduct the consumer survey is through use of social media platforms like LinkedIn, Facebook, Twitter, WhatsApp, Instagram.

The research data collected for this research is done by above mentioned method. The form for the survey is made on google forms and shared on social media.

Method of Sampling:

Since the survey form was shared on the social media platform and it was open to fill the response

by any consumers, the sampling method for this research is random.

Data Analysis method used:

The data analysis method used in this paper is one sample chi square test. As the data that is being used for testing of hypothesis is categorical.

Objective of doing the Research:

To understand the impact of COVID-19 on consumer behavior towards E-commerce services. That means when the COVID-19 Pandemic struck India and government started implementing various methods to prevent or reduce the spread of virus like lockdown situation and social distancing norms and the case when there is fear of getting infected by virus, how the buying pattern seen in the India population is what this research is aimed to find.

Hypothesis:

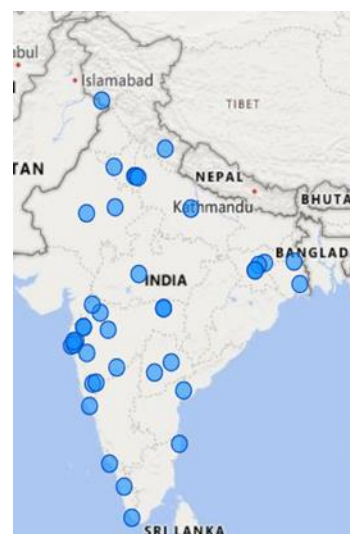
This research is done with the basic assumption keeping in mind that there is no change in the consumer behavior because of COVID-19 pandemic. Thus in this research,

Null Hypothesis (H_0): There is no difference in the consumer behavior due to COVID-19 pandemic.

While the alternative hypothesis which will be understood by this research is,

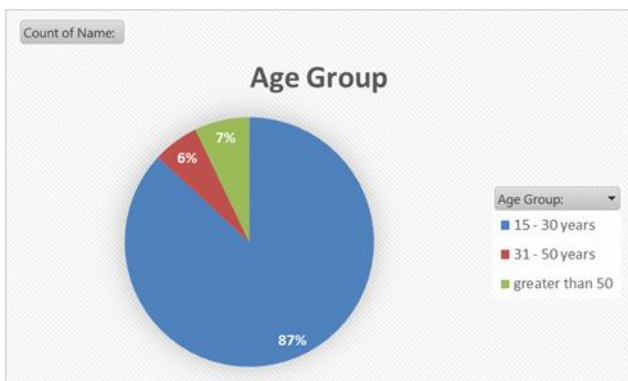
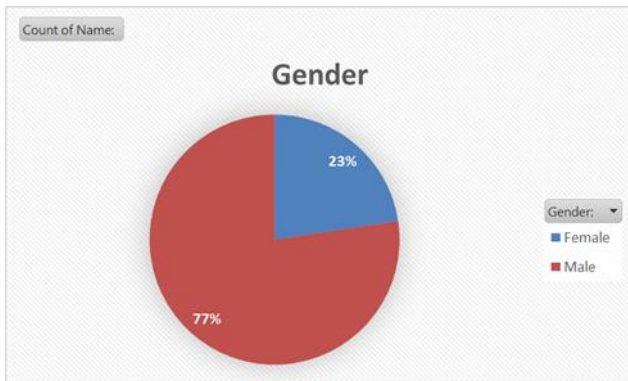
Alternative Hypothesis (H_1): There is difference in consumer behavior due to COVID-19 pandemic.

Data Analysis



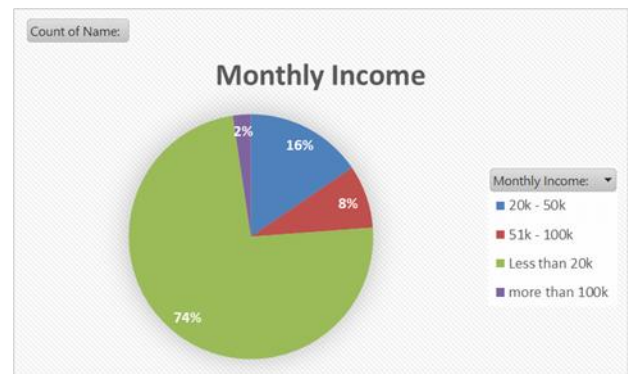
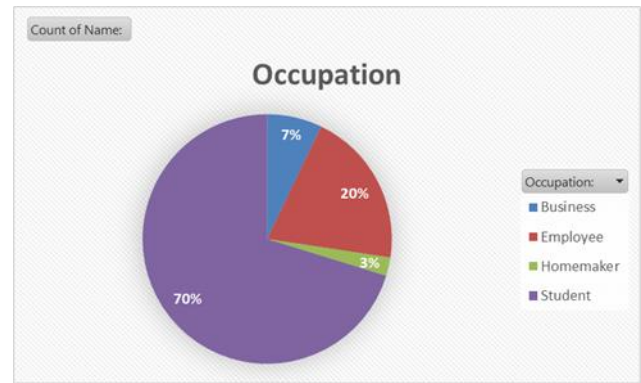
● Current Location

The data received from respondent about their current location is plotted on map chart, it showed the location from where the consumer have responded to the survey. The respondents are from all parts of India – east, west, south and north. As the sampling method that is considered in the study is random we can see the sample population for this study represents Indian population.



To understand more about the sample population the data received is analyzed according to gender and age group to know the demographics. The charts that are plotted show that there are 77% male and 23% female who took part and responded to the survey.

When the data is plotted according to age group it showed that there are 87% of sample population who is in the age group of 15 – 30 years which is the age group of young adults. While there are 6% of the sample population who is in the age group of 31 – 50 years that is middle age adults and 7% of the sample population are in the age group of more than 50 years that is senior adults.



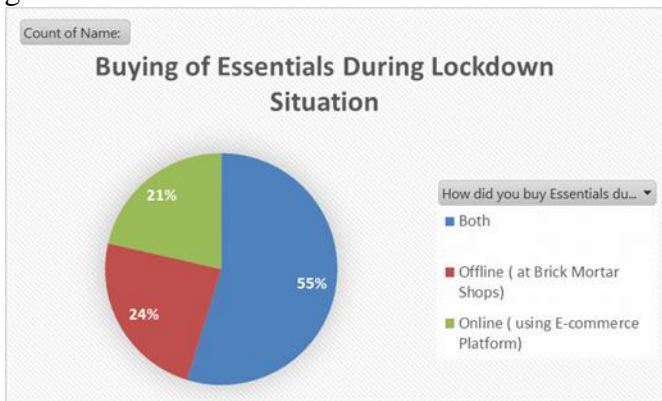
The overall picture show that the young adult age group population does the shopping online and offline more than other age group population



To get more insights about the sample population the charts for the occupation and monthly income are plotted. The charts show that the majority of the sample population who took part in the survey is from the category students followed by employees, business owners and homemakers. Also the monthly income chart shows that majority of the sample population’s income is less than 20k followed by 20k -50k, 51k – 100k and more than 100k.

The question asked to respondents in the survey as how do they do the shopping in general forgetting the current condition of COVID-19 and the responses are saved. The data then plotted showed

that majority of the sample population that is 65% like to do the shopping in both ways that is online and offline. While 29% of the sample population like only online mode for shopping the goods and the rest 6% of the sample population responded that they like only offline mode for shopping of goods. Thus the sample population contains all types of people who like online and/or offline mode for buying of goods. And this analysis showed that majority of people have preferences of buying the goods that means majority of people prefer to buy certain goods online and certain goods offline.



When the question asked to respondent was related to lockdown situation and buying of essential goods the responses received seen a difference compared to the responses received when asked about shopping method without considering the COVID-19 pandemic situation. And this change in the response seen is due to the impact of lockdown situation which created the feeling of running out of stock in lockdown. The behavior changed to bulk buying and also being reluctant from where the essentials are being bought and this behavior we can see from the chart – preferred way of buying essentials during lockdown. The drop in percentage of online buyers seen for while till the e-commerce services

were trying to find solution to resume delivering goods to consumer.

Hypothesis Testing

The one sample chi square test is performed on the received data using statistical tool and got the following results:

Chi – square Test Result			
Statistical chi square value	Significance value	Critical value	P – value
4.45	0.05	3.84	0.03

From the results that are obtained we can use two approaches to draw inference:

1. **Critical value Approach:** as we can see the calculated statistical chi square value of 4.45 is greater than the critical chi square value of 3.84 which is the evidence that we reject the null hypothesis of no difference.
2. **P – Value Approach:** as we can see the p – value of 0.03 is lesser than the significance value of 0.05 which is the evidence that we reject the null hypothesis.

Thus from above we can say that we reject the null hypothesis that is we are accepting that there is significant difference in the consumer behavior due to COVID-19.

Conclusion

The research done with help of surveying respondents from different parts of India showed that the COVID-19 does actually changing life of consumers. The hypothesis testing done on the data received from respondents show this change. Consumers who have never used E-commerce services have used it for the first time during the lockdown situation due to COVID-19. Also the percentage of consumers who responded that they prefer E-commerce for buying of goods visited the brick and mortar shops for buying of goods during lockdown situation.

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