

Impact of Covid-19 on Consumer Behaviour in Online and Offline Shopping

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ABSTRACT

With the spread of the COVID-19 pandemic and the increasing importance of e-commerce, the study of online consumer behaviour is of particular relevance. The purpose of this study was to form a methodological approach to assess the relationships and the level of influence of the factors activating the purchasing behaviour of online consumers against the background of the COVID-19 pandemic. This thesis aims to identify the influence of Covid-19 on the retail industry's digitalization process as well as how it affected the consumers' decision to shop online versus offline. An online questionnaire helped to understand to what extent the novel disease Covid-19 influenced the decision to shop online versus offline and how the participants' perception towards shopping online has changed. 2020 will be reminded in history, because of Corona Virus Disease 2019 (COVID-19) that has influenced our lives in every field. Economy will never be the same as before COVID - 19. Our country went into complete lockdown from 23rd march. On 23 March, the first day of the lockdown, almost services and factories were suspended. Now, offline shopping becomes difficult as well as risky. It will attract the shoppers to take the advantages of internet technology by shopping online. Therefore, there is a need to understand the influence on online buying behaviour of customers due to this pandemic. This Study suggested that E-commerce companies should take proper steps to make effective marketing strategies to exist in the e-commerce sector. This study proved the shifting influence of online consumer purchasing behaviour factors during the pandemic. The increasing importance of the speed of decision making by consumers when purchasing goods and services online was determined.

Keywords: COVID-19, Pandemic, Online Shopping, Customers, e-commerce, behaviour.

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I. INTRODUCTION

In the **75-years** of history, global health crisis is faced by humanity with **COVID-19** pandemic. At Extreme levels, this pandemic is killing, making human suffer

and upsetting lives of people. **COVID-19** pandemic is more than a simple health crisis. It is considered as the human crisis. Societies are attacked by this crisis at core level. Mortality rate is extremely high in this **COVID19** disease. More than **210 countries** as well as

regions are occupied by the unbearable influences of this pandemic which resulted to the widest pandemic in the whole world. On **January 30, 2020** WHO announced public health emergency as it is the international crisis. WHO also asked all the Countries to collaborate and support in rapid prevention from spread of **COVID-19** for the Response to this critical situation happened in all over the world. **COVID19** is declared as Pandemic by WHO on **March 11, 2020**. Because of the pandemic, it was suggested to the whole world by all the medical agencies, especially by WHO to maintain a safe distance and wear masks in order to kill the contamination. To stop the pandemic, governments of nearly all the countries effectively Implemented lockdown in their respective countries. All the people around the world were restrained in their houses and in addition, their respective work places were shut down. Moreover, all the business places were asked to close and were advised not to do business until next announcement. This was the first time when all the types of business were globally asked to shut down for indefinite time period. It caused havoc in the business market and made the whole Business community unstable. Even during the pandemic, when the businesses were allowed to re-open, they were only permitted to use their partial force to operate. Governments first allowed **E-commerce business or online shopping sector** to open as they had the minimum person to person contact and was easy to avoid any type of gathering. This reduced the chances of spreading of pandemic. Even till date, workers need to maintain the social distancing policy at their respective work places.

This social distancing and other impacts caused because of the pandemic have changed the buyers' perspective to purchase things. But before understanding the present market, it is Important to study the former market (i.e. before the pandemic) and buyers' purchasing strategies at that time for understanding the difference among both periods.

II. LITERATURE REVIEW

Consumer behavior has changed greatly over the past decades, but it has been evolutionary and the seeds of change have been apparent for generations.

Piyush K. Sinha, Arindam Banerjee, and Dwarika Prasad Uniyal,(2002), identified major drivers behind choice of stores for various shopping needs as exhibited by a typical Indian consumer, by conducting study on 293 participates recruited by e-mail.

Tony Ahn, Seewon Ryu and Ingoo Han, (2004), explored online and offline features of Internet shopping malls and their relationships with the acceptance behaviors of customers. Web survey with 932 users was conducted in 6 shopping malls of korea. The study validate technology acceptance model (TAM) in predicting the acceptance of the Internet shopping malls. Online and offline features have positive effects on the user acceptance, usefulness, attitude and intention to use.

Aron M. Levin, Irwin P. Levin and Joshua A. Weller, (2005), for the study two samples of size 199 were used from a large mid-western American university and an online survey panel. The study found that the preferences for shopping online or offline were shown to vary across products, consumers, and stages of the shopping experience.

When attributes such as large selection and shopping quickly were predominant, online shopping was preferred. When attributes such as personal service and ability to see-touch-handle the product were predominant, offline shopping was preferred.

Junhong Chu et.al. (2010), explored the moderating effects of household (e.g., shopping frequency) and product (e.g., sensory nature) characteristics on brand loyalty, size loyalty and price sensitivity across online and offline channels for grocery products. Data was collected from one of the five leading grocery chains in Spain. The study of found that the households were more brand loyal and size loyal but less price sensitive in the online channel than in the offline channel.

Rick L.Andrews and Imran S. Currim,(2004), examined behavioural differences between consumers attracted to online shopping and traditional supermarket shopping using actual choice data from an online supermarket and traditional scanner panel data. The study found that as Compared to traditional supermarket consumers, online consumers prefer larger sizes to smaller sizes, do more screening on the basis of brand names, do less screening on the basis of sizes, have stronger choice set effects.

Koen Pauwels et.al. (2011), found that the offline revenue impact of the informational website critically depends on the product category and customer segment. The lower online search costs were especially beneficial for sensory products and for customers distant from the store. In contrast, customers in a particular segment reduce their shopping trips, suggesting their online actions partially substitute for experiential shopping in the physical store.

Dong-Mo Koo, Ji-Hoon Lee (2011), proposed an interrelationship among dominance, energetic and tense arousal, pleasure and their impact on intention. Results from a survey of 406 consumers (217 from offline store customers and 189 online store users) demonstrated that dominance had a significant positive and/or negative effect on both energetic and tense arousal, it has no impact on pleasure and intention under both offline and online environment; Effect of dominance on tense arousal was not statistically significant in an online shopping environment; both energetic and tense arousal had a positive and/or negative impact on pleasure.

Yaobin Lu (2011), focused on factors that influence users' intention to transfer their usage from the offline to the online channel that offer similar services. The study revealed that innovativeness in new technology and relative benefit had positive effects on users' intention to transfer usage. Moreover, the findings of the study also indicated that internet experience moderates the relationship between relative benefit and consumers' intention to transfer usage from offline to online services.

Isabel P. Riquelme and Sergio Román, (2014), examined the role of several consumers' cognitive and psychographic traits in their perceptions of retailers' deceptive practices (perceived deception) and the different effects on perceived deception associated with online vis-à-vis in-store shopping.

III. OBJECTIVES OF STUDY

1. To know about preferred products that customers are purchasing more through online after COVID 19 pandemic.
2. Opinion on which is the most used platform online or offline or do people like both.

IV. METHODOLOGY

Research design is the arrangement of activities for the collection and analysis of the data in a manner that aims to combine relevance to the purpose with economy in procedure. For this study the design used was descriptive. Descriptive design as the Name itself implies, is conducted to describe something.

- Primary data: - All primary data for the project was collected from direct contact with the customers.
- Tools of data collection: - Questionnaire is used for data collection.
- Tools of analysis: - Percentage method has been used. Tables Chart and diagrams are used for Presentation.

V. LIMITATION OF THE STUDY

The study confronted numerous limitations throughout the research. First of all, the study was conducted during the time of Covid-19. Governments have continuously changed regulations and jumped from lockdown to lockdown. These ongoing changes could have influenced the sample population's perception towards online and offline shopping.

Moreover, only a limited number of sources about Covid-19 were available, which complicated the research process. Another limitation of this research may have been the survey. Participants with only average skills in English might have been confused by the questions.

The period of the study was the major limitations. The answers of the respondents, mainly from their Google forms, which might have caused error. The service of data is not adequate. Some of the replies of the respondents may be biased. The Organization rules and regulation also affect the study.

IMPACT ON COVID – 19:-

Corona virus which is commonly called as (COVID – 19).corona virus which is very small but most harmful virus. They harm the human respiratory system. 2019 which is ended red alert to the people of the world when COVID19 broke out in the city of when, **China in December 2019**. The speared of corona virus is at the root of the disease. Corona virus may cause illness in animals or human beings. The disease caused by this new virus is called **COVID 19**.The patient suffers from fever, cold and cough, sore throat and respiratory trouble. Soon the virus spread throughout the world. The disease may sometimes prove fatal. Scores of people have been attacked with this disease and lakhs of people have already died in world. In India about seven lakhs of people have been attacked and about eighteen thousand people have already died. It has now become a pandemic. The disease spread from person to person through touch or through small droplets from the nose or mouth of an infected person. As there is still no vaccination against this disease, we should protect ourselves by washing hands regularly with soap and water or clean with alcohol-based hand sanitizer, by using masks and maintaining social distance. We are sure that we shall be free from corona virus very soon.

Since the World Health Organization (**WHO**) proclaimed **Covid-19** as a global pandemic and asked for collaborative efforts from all around the world

(**WHO**), many countries have had drastic policies to try to prevent the spread of this disease. Especially when some of the Government's directives on social distance or social lockdown are issued, all social activities must be changed to adapt to this difficult context. This leads to people's views and perceptions about the disease that would directly affect their daily routines and activities, which consist of shopping activities. Therefore, this study concentrates on the influence of the **Covid-19** pandemic and considers the Awareness of **Covid-19** as the moderator variable which could indicate the change in consumer behaviour about online shopping.

Awareness of the market situation of people in many countries when the pandemic happens has become very wobbly, making traditional shopping activities become chaotic. Typical cases happened in Hungary when the consumers became panic in shopping (**András & Tamás,**), same situations also took place in **Australia**, the **USA**, and the **UK (Bekiempis, ; Carmody, ; Wilson,)**.

In fact, people's awareness of the pandemic depends largely on how the Government publishes information and controls society. In Vietnam, thanks to the quick response of the Government right from the beginning of the disease outbreak in China, along with the issuance of two Directives **No.15/CT-TTg** and **No.16/CT-TTg** requiring the whole country to implement social distance (MOH, , most Vietnamese are equipped a high alert and awareness of the spread of this disease. People are gradually becoming aware that they need to stay home instead of going somewhere outside, minimize their needs related to social interaction such as having meals at restaurants or using entertainment services, stop using public transport, reduce going to the office and the workplace, and stop traveling abroad (**Baker et al., ; Lewis & Garbett, ; Retail Economics,**). As long as having a solution to help people is not too stressed and worried, everyone will be ready to implement.

According to the research about shopping on Amazon in Italy, the awareness of this disease outbreak has

shifted the tendency of people to online shopping due to the fact that the sales of Amazon increased sturdily during the time of social distancing and state-official closures (MacDonald,). Because of this, it could be said that online shopping is an optimal alternative during this epidemic crisis because it helps customers maintain product consumption while helping to prevent risks of spreading the virus (Forster & Tang).

Covid-19 fear or risk

The fear or risk due to covid-19 increases the use of online shopping. People will be worry even after the quarantine ends, and many shoppers will also favour online shopping for security purposes.

Rapid growth of mobile devices

There is a continuous development in the production of mobile phones and increasing awareness about the use of mobiles and internet technology leads to shoppers to search for and shop online their preferred products and services. Shoppers can make orders at all times from their favourite websites or mobile apps.

Scarcity of products in physical stores

There were shortage of some products in physical stores or shops due to the lockout situation, but there were different choices for online shopping. Therefore, it is the motivator to customers to shop online.

Convenience and Time saving

Another driver of electronic shopping is that shoppers do not want to go out to purchase the things and waste their time. E-retailers provide the services of delivery of products or services at our home. Purchasers would prefer buying online in the coming years rather than from shops or other offline medium. Quarantine, on the other hand, is another explanation to online buying of goods. Throughout this time, so many people have faced different problems. People do not want to go from their home to shop because of the panic of get in touch with the corona positive person.

Preferred products/services

Hashem (2020) found that for most consumers in the world, doing e buying through various online sites or mobile apps is becoming a cornerstone day by day. In

the month of April, the most interest of buyers in online grocery shopping and other essential things.

Chang, and Meyerhoefer (2020) mentioned in their study that need for cereal, fruits, fresh vegetables and precooked foods have risen, benefiting small-scale farmers in agronomy. As per latest Nielsen report, there is a rapidly increase in online demand of India's FMCG goods that increased nearly 50% year-on-year in the March quarter due to shoppers increasingly purchased from grocers.

Hand sanitizer sales reported a speedy growth of 1425 percent via online and 144 percent via a neighbourhood store. The purchase of facemasks, hand sanitizer, face shield mask are more preferred products during this critical situation

Expectations of consumers

During the COVID-19 pandemic, almost retailers have modified their distribution of products or services, return schemes to provide maximum protection to their shoppers and employees. These improvements will alter consumer perceptions of online delivery and returns, as discussed by Global Data, a leading data and analytics firm. As per the Global Data report which provides businesses in the world's largest industries with unique data, expert insight and creative solutions.

Corona's Impact on Digitalization

Rapid digitalization occurred as a result of social distancing. Due to the outbreak of Covid-19, businesses had to find innovative solutions to deliver their services online. Companies had to adapt to the new way of operating in a short time period. Employees had to set up their home offices and started communicating remotely (Papagiannidis, Harris and Morton, 2020).

Consumer Intention and Motivation to Shop Online

Behavioural intention refers to the individual's motivation and willingness to perform a specific behaviour. If the individual's motivation is high, the desired behaviour occurs more likely than not (Ajzen, 1991). A similar concept applies to the consumer's intention to buy, in which the purchase intention refers to the consumer's motivation to consume a

product or service (Morwitz, 2012). Purchase intention may further be described as the consumers' willingness to engage in the exchange process on an e-commerce website. The exchange process includes sharing private information, transaction history, and a starting business relationship (Zwass, 1998).

Factors Influencing Purchase Intention

Numerous factors have an active impact on consumers' intention and motivation to consume a product or service. The most common motivation drivers are motives such as risk, loyalty, trust, or convenience, but already trivial factors can impact the intention (Suki, 2001). The design of a website can have an enormous influence on consumer purchase intention. Consumers tend to buy products from websites that have a colorful and bright layout as these enhance consumers' moods and increase purchase intention (Pelet & Papadopoulou, 2012).

Government Forced Online Shopping:-

COVID -19 changing everything in the world in general and India in particular. All local Government and Central government are encouraging rather directing people to stay at home and stay safe. WHO official body's statement. The coronavirus outbreak is a 'real threat to everyone on the planet.' At this critical juncture economic is at the crossroad affecting across sectors and all functional areas of management. The whole world will economy. Marketers and different brands trying to acquire consumer in response to COVID -19.

Sectors like organized Retail make avenues to sell their product through online, as because consumers will avoid shopping in the store because of social distancing. Big Bazaar has announced that its doorstep delivery services will remain open in various parts of the country during India's 21-day lockdown. The services will be available in Mumbai, along with Delhi NCR, some parts of Uttarakhand, Madhya Pradesh, Himachal Pradesh, Jammu and Punjab.

Most of the company while trying to reduce their work force, others started to be cutting the salary the same time as the black cloud has its silver lining, on the

other hand E- Big basket ramps up hiring process for delivery and warehouse staff for providing customers fast and smooth deliveries by providing employment to people in need.

The e-grocer has been witnessing heavy demand since the nation has entered a 21-day lock down, as announced by the Prime Minister on March 22, to control the spread of the deadly coronavirus. Though online delivery services have been exempted from lockdown by the government to ensure a smooth supply of essential items, e-tailors have faced disruptions in the form of supply and workers shortage. At the same time we should not forget that the outbreak of coronavirus has cast its spell on daily wage workers, as they are left empty handed with no jobs and money.

Flipkart ties up with Uber for delivery of essentials commodities to its consumers. Uber India and South Asia director operations and Head of cities Prabhjeet Singh said the partnership with Flipkart went live making it the third such partnership in India after Spencer's retail and Big Basket.

Selling of product online, virtual gaming products, and rise in social media marketing will no doubt increase digital marketing for all sectors to rich to their prospects with ROI. No doubt social media marketing will help digital marketing to the next step in this critical juncture. as people are staying at home, no traveling, physical fitness is the concern where the gyms are closed, same time demand for organic product have more demand in digital marketing.

When people stay at home and order online their requirements same time news on the other hand is way up. In fact, spending by news and information media agencies and information companies jumped over during lock down period. People don't just want to know what's going on with COVID-19 or coronavirus, they need to know. No doubt news organizations are capitalizing on that opportunities.

At the same time sectors will suffered a lot is tourism and travel industry, airlines, and hotel industries. The marketplaces becoming a mixed bag. There is some

growth, and some drop off which is normal to business. The problem is that if you're selling real goods to other people, there needs to be an actual physical hand-over at some point. Getting to a shipping office is harder, and meeting in person is also harder. The same is true

of the health and fitness category, and financial services. As far as finance is concerned, investments become uncertain, but there's no clear option but to hold and wait for the post-virus uptick.

VI. PRESENTATION AND ANALYSIS

TABLE: 1
Opinion Regarding Online Shopping

Age	Very Satisfied	Satisfied	Partly Satisfied	Dissatisfied
18 - 30	8	12	5	0
31 - 40	4	8	1	0
41 - 50	2	5	1	0
Above 50	1	2	1	0
TOTAL	15	27	8	0

From the table above **54%** are satisfied with the satisfaction of online shopping and **30%** of them are very satisfied, whereas **16%** are only partially satisfied and **0%** dissatisfied.

TABLE: 2
Opinion Regarding Offline Shopping

Age	Very Satisfied	Satisfied	Partly Satisfied	Dissatisfied
18 - 30	10	15	0	0
31 - 40	5	8	0	0
41 - 50	4	4	0	0
Above 50	2	1	1	0
TOTAL	21	28	1	0

From the table above **56%** are satisfied with the satisfaction of offline shopping and **42%** of them are very satisfied, whereas **2%** are only partially satisfied and **0%** dissatisfied.

TABLE: 3
Products Details

Age	Electronics	Clothing's	Accessories	Foot items	Luxury Goods	Grocery items
18 - 30	25	19	18	15	2	0
31 - 40	10	8	5	3	5	6
41 - 50	1	4	2	2	0	2
Above 50	1	1	1	1	1	2
Total	37	32	26	21	8	10

From the above table we know among the above categories electronics and Clothing's are the most purchased products and Luxury goods and Groceries are least purchased products.

TABLE: 4
Opinion Regarding Online Shopping Price

Age	Very Satisfied	Satisfied	Partly Satisfied	Dissatisfied
18 – 30	10	14	0	1
31 – 40	2	10	1	0
41 – 50	3	5	0	0
Above 50	1	1	2	0
Total	16	30	3	1

From the table above **60%** are satisfied with the satisfaction of online shopping price and **32%** of them are very satisfied, whereas **6%** are only partially satisfied and **2%** dissatisfied.

TABLE: 5
Opinion Regarding Offline Shopping Price

Age	Very Satisfied	Satisfied	Partly Satisfied	Dissatisfied
18 – 30	11	12	2	0
31 – 40	3	8	2	0
41 – 50	2	6	0	0
Above 50	1	1	1	1
Total	17	27	5	1

From the table above **54%** are satisfied with the satisfaction of offline shopping price and **34%** of them are very satisfied, whereas **10%** are only partially satisfied and **2%** dissatisfied.

VII. CONCLUSION

Covid-19 has undoubtedly influenced our everyday lives significantly. The needed rapid shift from daily live activities from offline to online has not only changed the way we work, study, or live; it also has had an immersive influence on the consumer's shopping behaviour.

The primary purpose of this research was to identify what affects consumers' decision to shop online vs. offline as well as the influence of Covid-19 on this process. In the literature review, essential terms and processes were defined and analysed to help the

researcher understand the importance of digitalization and the consumers' motivation to shop online.

The present table and graph shows that there are significant Differences between consumers purchase style in online and offline method of shopping based on certain Parameters. Despite the rapid growth in online sales in India and the projection of further uptick in this medium Of shopping, the majority of consumers in India still Prefers the so called 'real' shopping experience of electronics and cloth's. As different studies show, it's mostly the youngsters who are fuelling the amazing growth story of online shopping in India. With this also offline shopping in lockdown is going at a good rate. Large Discounts

offered by the e-trailers have indeed put Enormous pressure on their bottom line. Adding with that the ever increasing price of every product is not so much effecting the growth of online or offline market. On the other side, despite of ever growing Customer base of online retailers, none of them have broken even yet. Offering of huge discounts on products and services have proven to be the bane for them. The Huge amount of venture capital and private equity funds which used to drive these companies have also dried up recently. The concept of Omni-channel strategy has Started taking Centre stage whereas retailers are trying to Remain present in both online and offline channel to tap the demands of maximum number of customers.

VIII. RECOMMENDATION

- As per survey we will suggest offline stores to give certain discounts to engage the consumers.
- We will suggest online stores to make there net banking method more convenient and easy interface to access for every type of consumers and a safe and stronger security service.
- Olx, Snapdeal and Big Basket should make there interface more attractive for consumers to buy form.
- Demand for cereals, fresh fruit, vegetables, frozen food, groceries, soaps, sanitizers, masks and other fast moving consumer goods increased the most under COVID-19 situation.
- As per survey we will suggest offline stores to give certain discounts to engage the consumers.
- Offline platforms should gain more trust in peoples mind in terms of buying branded products.
- Online platforms can make there delivery time faster to be able to gain the most satisfaction from peoples behalf.
- The products like grocery and luxury goods should be more presentable and freshly delivered buy the online websites to gain the most trust of people.
- Among online and offline people mostly use both platforms for different needs.
- It's pretty clear that despite every limitation people still use both platforms for their different needs.

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