



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## Impact of the Covid-19 Pandemic on First Time Online Shoppers in India

Swati Tiwari, Postgraduate Student Symbiosis Institute of Management Studies (SIMS), Pune, India.

### Abstract

Covid-19 was declared as a Pandemic by the World Health Organisation (WHO) on March 11, 2020. While addressing the world Tedros Adhanom, WHO director said "Pandemic is not a word to use lightly or carelessly. It is a word that, if misused, can cause unreasonable fear, or unjustified acceptance that the fight is over, leading to unnecessary suffering and death". Soon afterwards on 24<sup>th</sup> of March, Government of India declared a nation wise lockdown for 21 days. Suspending all non-essential Economic Activities was a move having substantial consequences in several folds in multiple Sectors. The retail sector too was not left untouched during these times. Majority of Shopping malls, Showrooms, Factory Outlets and Standalone shops remained close for over 2 months across the country. What changed during these times from a Customer's Perspective, has online shopping become an absolute replacement of shopping from a Brick-and -Mortar stores? Through this article we intend to provide deeper insights on the same, additionally on the quest to explore Customers take on Online shopping during the Covid-19 pandemic First time shopper's overall experiences gets covered.

### Statement of Intended Contribution

Although a lot of studies in the area of Online Shopping has been done, the manner in which covid-19 has accelerated the adoption of this mode is yet to be dived upon. Identification of the keys reasons for adopting the Online or Offline mode during the pandemic can also provide basis for variety of Further Studies.

**Keywords:** Covid-19, Online shopping, Customer satisfaction.

### Background

In the paper the term "Online Shopping" comprises solely of the purchases made on various shopping websites and not the ones made through local physical store by exercising an at home delivery option. The primary data collected for this paper was done by circulating questionnaire online. The respondents included a healthy mix of First time Users (FTU) as well as Regular Shoppers.

### Introduction

With the increased Rigidity in terms of accessing different locations customer now have learned to shop variety of things online instead. "Store Comes Home" in countries like India, South Korea, Italy and many other nations was a practice at its peak during lockdown. Increased online purchasing is changing the habit of physically visiting the brick and mortar places. Shoppers in general have placed convenience as a considerable priority due to the changing times. It will be interesting to compare this paradigm shift with that of the conventional habit of shopping at Physical Stores (Sheth, 2020). There is no denying the fact that online shopping was a heavily exercised option by many customers even before the pandemic. But due to the restrictions posed on movement and the safety concerns, this number has multiplied significantly.

An in-depth research on the role of Haptic touch and how even the slightest change in the retail setups had an impact specifically on Indian Customers has been done in past. The layout changes which restricted customer's movement towards the products and prohibited them from touching the products reduced the overall satisfaction level. Keeping the same results in consideration layouts of the new upcoming stores were set up. Due to this a lot of physical store nowadays are setup to allow customers to directly get a touch and feel of the product and decide accordingly (Abhishek et al., 2013) But what happens when such factors are entirely missing is an interesting aspect to explore. Due to the COVID-19 pandemic our nation did witness a drastic surge in the sales online. On studies specific to Grocery Purchases online there were notable purchases made by retirees and many households that traditionally never exercised this option. An interesting aspect to explore will be whether this spike is a temporary or relatively permanent.

## Literature Review

Over the last decade an uprising in terms technology, the internet and its services has led to creation of new markets for businesses around the globe (D'silva et al., 2010). Observations indicate that a fair share of customer earlier were accustomed to using online shopping portals as a mere research tool, this is also termed as ROPO or the "Research online, Purchase offline". This was also practiced due to the risk they associated with size of the product, colour, quality etc as this may differ in real view or sense. As a solution to this many shopping websites nowadays primarily aim at creating an enjoyable experience for the shoppers. One major way of doing this is by manoeuvring the interface design and also by providing the option of "Online Try-on" mainly for apparel, footwear, jewellery and cosmetics products. (Chin and Swatman, 2005). "Free trials" upon delivery and the Option of returning the goods back are also aimed at providing experience similar to online shopping. Since the Coronavirus (COVID-19) pandemic has changed many businesses functioning, the customers too are moving along and accommodating these changes.

Results in the past have shown that offline channel purchases do encourage impulse buying in comparison to online channel, the role of social media is proving to be vital too in creating awareness and desire for various products. (i.e., Zhang et al., 2018), Although interestingly Respondents of the research have agreed to buying products online if they are priced lower than in physical stores. Online shopping does come with its advantages such as elimination of long-distance travelling, more variety of products in the same platform, 24\*7 Functionality, the facility of checking customer reviews, Exclusive offers for Sales Generation etc. (Joseph, 2019, Debnath, 2020). In the coming future Retail technology investments will continue to reflect digital transformation efforts, as retailers reserve capital for technology investments by reducing spending on store openings and remodels. According to a Gartner Report, Customers are continuously defining the value as per the overall experience received by them. This is also in turn making the retailers try their best, as an attempt to provide a unified retail experience by deploying upcoming technologies such as Augmented reality (AR) and Virtual reality (VR). (EGHAM, U.K., 2019) These investments are aimed at battling the discontent especially registered by younger generation on the tenets such as Speed at which the Website Operates, the overall services that are provided to Shoppers, the variety and offers etc. (Mahajan, 2017)

Covid-19 Indeed has accelerated the rate of adopting digital means for a wide variety of products, with e-commerce projected to contribute more than 11% of the total FMCG products by 2030. Also it is safe to conclude that the number of online shoppers and the shopping experience will improve substantially in the coming times too. An intriguing facet to look upon is how the pandemic impacts this gradual change. Gradual changes are often considered a part of life but due to the recent events "Rapid Change" is more appropriate in the sense of usage of Technology. As society recovers from the pandemic and let go of the survival mode, digital adoption is going to become permanent. It is said that, shopping is not only about going places and making the purchase. The process itself, where buyers go through the products and feel the colours, textures and other specification can be extremely enjoyable. Shopping in India was widely a family outing where the entire family use to go out together, make purchases, and watch movies or visit restaurants. (Sarkar and Das (2017)) Will the customers be satisfied in shifting over to the online mode entirely? And if they do shift what will be the impact in terms of their shopping experience. This was an idea left to explore by researchers trying to study the pandemic's impact on shopping.

## Limitations of Study

Due to the virus outbreak at the time when this study was conducted respondents were connected strictly Online.

## Methodology

The primary data was collected using the questionnaire method. A detailed form was circulated for the same to groups of shoppers and their response were recorded.

## Sample Size

For the purpose of the research a sample size of 300 respondents were taken.

**ANALYSIS FROM THE STUDY****1. Corresponding Age Groups of the Respondent**

<b><u>Age Groups</u></b>	<b><u>Number of Respondents</u></b>	<b><u>Percentage of the Total</u></b>
<b><u>Below 18</u></b>	<b>59</b>	<b>19.7%</b>
<b><u>18-35</u></b>	<b>115</b>	<b>38.3%</b>
<b><u>35-55</u></b>	<b>89</b>	<b>29.7%</b>
<b><u>Above 55</u></b>	<b>37</b>	<b>12.3%</b>

**Implications**

Interestingly unlike the contrary believe Online shopping was significantly exercised by people belonging to the Old(Above 55)and Middle age Group(35-55 Years) too. Around 60% of the Above 50 years age group people also were the “First Time Shoppers”. Hence it is safe to say that pandemic did attract a newly found demographic towards-Commerce”.

**TABLE 2 Shopping pattern of Regular V/S First Time Shoppers****2.1)Regular Online Shoppers and Frequency of Purchases**

<b><u>Total Regular Shoppers</u></b>	<b>205</b>	<b>68.33%</b>
--------------------------------------	------------	---------------

<b><u>Nature of Items</u></b>	<b><u>Frequency</u></b>
<b>Essential Items(Grocery Products, Medicines, Hygiene Products etc)</b>	<b>More than 15 Times</b>
<b>Non-Essential Items(Footwear, Apparel, Furniture etc)</b>	<b>More than 15 Times</b>

**2.2)First Time Online Shopper and Frequency of Purchases**

<b><u>Total Regular Shoppers</u></b>	<b>95</b>	<b>31.67%</b>
--------------------------------------	-----------	---------------

<b><u>Nature of Items</u></b>	<b><u>Frequency</u></b>
<b>Essential Items(Grocery Products, Medicines, Hygiene Products etc)</b>	<b>5-10 Times</b>
<b>Non-Essential Items(Footwear, Apparel, Furniture etc)</b>	<b>Less than 5 Times</b>

**Implications**

First Time Buyers are still very selective with their purchases and have made purchases of absolutely necessary goods only. In many cases the frequency of buying items such as Footwear, Apparel, Furniture etc where almost 50% when Compared to the Essential Items. On an Optimistic front the Pandemic Restrictions did create an urgency and induced buyers to make their First Purchase Online which in any other scenario they would not have considered.

**Table 3-First Time Shoppers V/S Satisfaction Rating from Services provided on Online Purchases(Try-it-On Option, Easy Return,Discounts,Try-On Haul)**

Percentage of Buyers	<u>Satisfaction Rating</u> <u>(On 1-5 Scale)</u>
<u>0%</u>	<u>1</u>
<u>5.7%</u>	<u>2</u>
<u>32.1%</u>	<u>3</u>
<u>35.8%</u>	<u>4</u>
<u>26.4%</u>	<u>5</u>

**Implications**

The Ratings indicate more than 50% of the First time Buyers having a Satisfactory Experience with the Purchases during the Period of Extended Lockdown.

**Table 4-Major Reasons for Preferring Physical Stores for shopping.**

Reasons	<u>Ranking</u>
Better Sense of Product Quality	First
Exorbitant Delivery Cost while Shopping Online	Second
Seller's Personal Touch	Third
Delay in Online Delivery	Fourth
Ability to Bargain	Fifth

**KEY TAKEWAYS AND CONCLUSION**

The study shows that online buying behaviour especially in terms of frequency was indeed disrupted by Covid-19. An important aspect was not only increase in the magnitude of purchases but also purchases made by New Users. Essential Commodities were highly in demand due to the restrictions but simultaneously substantial purchases were made for Non-Essential Items such as (Footwear, Apparel, Furniture etc) too. In terms of Perception Online shopping is a Viable Option which can be exercised according to the Situation's Demand as seen during the Covid-19 Pandemic. But other than that many Customers still prefer shopping majority of items from the store. Despite of the many efforts to enhance the virtual shopping experience there is still a potent distrust when compared to going and shopping Physically.

**FUTURE RESEARCH DIRECTION**

Through a detailed study on the gap between What the Consumer Wants and the efforts that the businesses online are making for improving the Customer Experience further insights can be generated. This will help in analysing how if so in the near future can brick and mortar be effectively replaced for Customers of various Demographics with that of the Online Counterpart.

**REFERENCE**

- 1) Sheth J. Impact of Covid-19 on consumer behavior: Will the old habits return or die? Journal of Business Research. 2020;117:280–283. doi: 10.1016/j.jbusres.2020.05.059
- 2) Abhishek, A., Sinha, P. K. & Vohra, N., 2013. Role of haptic touch in shopping. Some methodological contributions. Decision, 40(3), pp. 153-163.
- 3) Mahajan, Y. D. (2017). A Study of E-retailing: Analysing the Factors and Perceptions of Indian
- 4) D'silva, B., D'Silva, S., and Bhuptani, R., S., K. (2010), "Behavioral Aspect of Teenagers Towards Internet Banking: An empirical study", Indian journal of marketing, 40.10, pp.44-53
- 5) Debnath, Sucharita, Impact of COVID-19 on Consumer Purchase Behaviour in Retail Sector - Study Based in Kolkata Area (June 24, 2020)
- 6) Joseph, Elisee, Mall Performance: Corporate, Retail, Restaurants and E-Commerce Effects (January 13, 2019). International Journal of Financial Research, 10(2), 1-15., Available at SSRN: <https://ssrn.com/abstract=3333678>
- 7) Chin, C., and Swatman, P. (2005). The virtual shopping experience: using virtual presence to motivate online shopping. Austr. J. Inform. Syst. 13:74.
- 8) Zhang, K.Z.K., Xu, H., Zhao, S. and Yu, Y. (2018), "Online reviews and impulse buying behavior: the role of browsing and impulsiveness", Internet Research, Vol. 28 No. 3
- 9) <https://www.gartner.com/en/newsroom/press-releases/2019-04-01-gartner-says-100-million-consumers-will-shop-in-augme>
- 10) Sarkar R, Sabyasachi D. Online Shop-ping vs Offline Shopping: A Comparati-ve Study, International Journal of Scientific Research in Science and Technolo-gy 2017; 3, 1: 424-431

