

# IMPACT OF COVID 19 ON ONLINE SHOPPING BEHAVIOR OF CONSUMERS TOWARDS E COMMERCE PRODUCT WITH REFERENCE TO CHENNAI CITY

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## Abstract

**Introduction:** Coronavirus has had a global influence on the e-commerce industry. It has altered the business landscape. It has also had an impact on numerous e-commerce enterprises. The COVID-19 crisis is expected to have long-term consequences for e-commerce. With the development of the COVID-19 pandemic and the growing importance of e-commerce, research on online consumer behaviour is becoming increasingly important.

**Objective:** The goal of this study was to impact of covid 19 on online shopping behavior of consumers towards e commerce product with reference to chennai city

**Methods:** The study used the snowball sampling method. Chennai city residents who participated in the questionnaire survey total 100 and using chi square test were used.

**Conclusion:** The study discovered whether alterations in online consumer purchasing behaviour are usual during the COVID-19 pandemic. The importance of consumer awareness and experience has grown. Online shoppers have gained experience, which has altered their purchasing behaviour. During the pandemic, this study demonstrated the altering influence of online consumer purchasing behaviour determinants. It was established that the speed with which consumers make decisions while purchasing goods and services online is becoming increasingly important.

**Keywords:** COVID-19, E-commerce, Behaviour, Online shopping, Consumers.

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## **1 Introduction**

The coronavirus pandemic has caused and continues to cause enormous damage to both the global economy in general and international trade in particular. The uncertainty in which corporations and end users found themselves is made worse by a number of issues. Among them are, to name a few, the loss in income, travel limitations that apply across borders, evolving consumer demand, and shifting market actor behaviour. Consumers have been advised to make additional purchases on the internet markets as a result of the COVID-19 pandemic's global lockdown, social isolation, and other measures. As a result, the business landscape underwent tremendous transformations during the quarantine period. Finally, the corona crisis spurred the growth of digital commerce. Globally, a new digitally immersed customer has arisen, one that is more discerning and has financial challenges.

Income losses, limited transportation options, and pandemic mitigation measures have forced B2B manufacturers and sellers to reduce production and marketing costs, find new suppliers both abroad and within the country, and accelerate decision making. National companies were given opportunity to diversify their product range for the goals of import substitution and to furnish essential resources to other firms and branches of international companies. In contrast, B2C markets experienced a drop in purchasing power and cross-border mobility. Furthermore, consumers' preferences for low-cost goods and services have changed towards health and safety. Products that add comfort and cosiness to a living area drew more attention than usual. Overall, the situation's ambiguity and unpredictability caused customers to postpone some of their needs. Both the industrial and

consumer markets needed to speed digitization and make it easier to find and purchase things online.

Online sales increased dramatically as a result of the pandemic. Customers turned to online shopping as physical store visits were limited and many were strapped for cash, which led to an increase in online purchases. Even before the outbreak, customers were generally cautious. As a result, several buying categories, like experiences, were steadily lowered in importance on their priority lists, and COVID-19 sped up this process. Many people's goals and way of life have altered as a result of the COVID-19 epidemic, which has also influenced how they behave when making purchases. The goal of the current study is to evaluate these changes. In order to accomplish this, the study assessed how the pandemic affected e-commerce across businesses in order to discover the priorities of online shoppers. As the pandemic progressed, it also determined the key elements impacting online shoppers' purchasing decisions via a multi-stage survey. The direction of their alterations against the backdrop of the pandemic was analysed based on the presence of correlations between the studied elements and the complex indicator of activation of online consumer behaviour.

The purpose of this study is to evaluate the suggested method for analysing online shoppers' spending patterns in order to help identify trends and patterns in Chennai city. As a result, it can be a part of a comprehensive toolset utilised by both states and individual businesses to create their e-commerce strategies. The study is organised as follows: an introduction; a literature review highlighting the growing scientific interest in pandemic-related e-commerce challenges; a methodology outlining

the suggested approach; the findings; a discussion of the findings; and conclusions.

## **2. E Commerce**

Electronic commerce represents a paradigm change. It is a "disruptive" innovation that is fundamentally altering the way that business has always been done. One form of business model, or component of a broader business model, is electronic commerce, which enables a company or a person to transact business over an electronic network, generally the internet. E-commerce is the exchange of goods and services as well as the sending of money and data over an electronic network, most often the Internet. They can be business-to-business, business-to-consumer, consumer-to-consumer, or consumer-to-business transactions. E-tail is a phrase used to describe the transactional procedures involved in online retail. Electronic data interchange (EDI), file transfer protocol, web services, online shopping carts, email, fax, and other applications are all used in e-commerce. It can be compared to a more sophisticated version of mail-order shopping using a catalogue. The expansion of business online is known as e-commerce. E-commerce's consequences are already being felt in every aspect of company, from new product development to customer service. It enables new information-based business processes for connecting with and interacting with customers, such as online order taking, marketing, and customer support.

In the recent past, more businesses have started engaging in e-commerce. Major Indian portal websites have also switched from relying on advertising revenue to e-commerce. Nowadays, a wide variety of goods and services are offered on numerous websites, including groceries,

electronics, computers, greeting cards, flowers, and movie tickets.

## **3. Impact in India**

India has long been a desirable e-commerce market because of its size, even though only a small portion of its citizens have access to the internet or a sufficient level of income. The World Bank estimates that only 3% of people worldwide have credit cards. But in India, e-commerce is currently booming. The last year has been devastating for the nation due to COVID-19 because to the large number of hospitalisations and fatalities. Consumers learnt how to shop online while remaining at home.

- India's internet penetration rate is predicted by Statistic to be 45% in 2021. With 1.4 billion people, there are 630 million internet users, a staggering number that is 45 million higher than in 2020. With 96% of internet users in India between the ages of 16 and 64 owning a Smartphone, the country's populace is increasingly reliant on mobile technology. According to the research company GSMA Intelligence, almost 79% of the population is connected via a mobile device. On the other hand, a desktop or laptop computer is only owned by 56% of people, according to statistics source Global Web Index. One of the nations with the most affordable mobile internet service is India. Indians with internet connection are increasingly using mobile payment services for e-commerce purchases, such as Samsung Pay.
- Travel, ridesharing, and lodging accounted for the majority of online

spending in 2020, accounting for \$35.2 billion, but due to the pandemic, those expenditures decreased by 54% between 2020 and 2021, while those for food and personal care increased by 55%. The largest physical goods category, electronics and physical media, brought in \$14.6 billion in revenue in 2020.

- According to eMarketer, retail e-commerce sales in India are expected to increase by 27% from 2020 to \$66.76 billion in 2021. E-commerce increased 36% year over year in Q4 2020 alone. According to management consulting company Kearney, the personal care, beauty, and wellness sectors saw the greatest gains, growing by a combined 95% year over year. Bypassing merchants, brands saw the pandemic as an opportunity to concentrate on direct-to-consumer initiatives. DTC's e-commerce revenue increased 94% in Q4 2020 compared to the same quarter in 2019.
- Since the beginning of the pandemic, the number of Indian start-ups that have achieved unicorn status (a valuation of over \$1 billion) has increased. Many of these work in the logistics field for e-commerce.
- In July 2021, the food delivery startup Zomato successfully raised money through an IPO. For a total valuation of \$12.2 billion, it raised \$1.3 billion.
- The most recent funding round for the restaurant and food delivery service Swiggy was last month. It has raised a total of \$3.7 billion, and its current market worth is \$5.5 billion. According to a founder of Swiggy, grocery deliveries currently account for roughly 25% of the company's income, with

hopes to rise to 50% in the upcoming years to compete with Zomato. Because the cost of delivering groceries is lower than that of a restaurant (\$5 on average), in india.

- Delhivery offers services for goods, warehousing, shipping, and order fulfilment. It increased three fundraising rounds totaling \$402 million since December 2020. FedEx took part in the last round in July.
- The online store was valued at \$37.6 billion when e-commerce platform Flipkart closed a new financing round in July for \$3.6 billion. Walmart joined other international investors as the primary shareholder. As it concentrates on fashion, travel, and groceries, Flipkart, which has more than 350 million registered customers as of this writing, said it would utilise the most recent cash to enhance investments in technology, supply chain, and infrastructure.

#### 4. Review of Literature

With the addition of pandemic dread as a boundary condition, **Tran & L.L.T.'s 2020** study used the uses and gratifications theory as the conceptual model's foundation. A quantitative survey and analysis is the main method of research used in this study. utilising the PLS analysis technique with a sample size of 617 internet users. According to this study, pandemic dread has a beneficial moderating influence on the connections between PEEP, economic gains, and sustainable consumption.

**Bhatti et al. (2020)** mentioned in the study that the Corona virus has an impact on all global internet commerce. Due to this pandemic,

business has changed in nature. More than 50% of consumers are avoiding busy areas and offline shopping, per the report.

**Neger & Uddin (2020)** noted in their study that less time-consuming payment options, practical organisational considerations, and other factors affect consumers' online shopping decisions.

Online shopping, often known as E-buying, is a type of electronic company that enables customers to buy products or services directly from an online merchant utilising Internet technology and a web browser, according to **Charumathi and RANI (2017)**.

According to **Saravanan & Devi (2015)**, as the Internet has advanced, so has the technology for online purchases. It is a practical method of purchasing goods and services that gives customers options for a wide range of goods. Customers engage in internet purchasing behaviour when they browse websites or apps to find, choose, and purchase goods and services to satisfy their needs and wants.

The study by **Pantelimon et al. (2020)** is divided into two sections. The first part examines how the expansion of mobile commerce has affected the gross domestic product of both Romania and Germany from 2014 to 2019. The paper seeks to comprehend the significance of mobile commerce in the pre-COVID-19 period, in the context of sound economies. The general consumer attitude towards traditional and electronic commerce is examined in the second half within the context of the COVID-19 pandemic state. In order to study the key changes for the nations that were either early affected by the pandemic, badly affected by the pandemic, or both, we analysed data for January through April of 2020.

In their article, **Jamunadevi et al. (2021)** underlined that, in terms of age group, consumers between the ages of 21 and 30 carry out the majority of their online buying. There is a relationship between the respondent's age and customer cart behaviour as well as the factors that influence product purchases. Due to its insights into consumer behaviours, the study aids vendors in boosting sales.

**Lenka Svajdova (2021)** has demonstrated in her study how restrictions put in place during COVID-19 have altered consumer behaviour in the Czech Republic. Through internet platforms, sales volumes have expanded in a variety of industries, including the food and drugstore industries.

## 5. Statement of the Problem

Production and consumption decreased as a result of COVID-19's sudden outburst. Some of the industries prospered, but many are still having trouble surviving. In several industries, people began working from home, which decreased the likelihood of meeting new people and changed their purchasing habits. People were asked to work on alternating days in some industries, while they were asked not to work in other industries. The COVID-19 pandemic forced people to spend their money solely on necessities rather than on unnecessary products.

People no longer like to shop in person, preferring instead to buy more items online. This is done to keep their social distance from others. Although it can be difficult to make a quick changeover to a digital information system, the novel coronavirus has extended a vital message that digital technology is necessary in the modern world. Businesses with digital capabilities, such as digital supply chain management, digital marketing, and digital

payment systems, will breeze through this phase with no difficulty. Therefore, every company should work to develop digital skills for recovery. Online merchants have long existed, but they are now essential to providing consumers with goods and services in this epidemic circumstance.

## 6. Objective of the Study

1. Impact Of Covid 19 On Online Shopping Behavior Of Consumers Towards E Commerce Product With Reference To Chennai City

## 7. Research Methodology

The study makes use of both primary and secondary data sources. A Google Form questionnaire was used to collect the majority of

## 10. Results and Findings

the data. Online journals provided the secondary data, which was gathered. The study used the snowball sampling method. Chennai city residents who participated in the questionnaire survey total 100. In Chennai city and using chi square test were used, the questionnaire survey was conducted between May and June of 2022.

## 8. Hypothesis

1. Age of respondents has no effect on aspects of consumer behaviour during the Covid 19 epidemic..

## 9. Limitations

The study's findings could be skewed because it only used data gathered from Chennai city residents. The maximum number of respondents is 100 due to scheduling constraints.

**Table 1: Gender of the Respondents**

S.No	Gender	Respondents	Percentage
1	Male	55	55 %
2	Female	45	45 %
<b>Total</b>		<b>100</b>	<b>100 %</b>

Source: Primary Data

According table 1 shows that the respondents' demographics, male respondents made up 55% of the sample while female respondents made up 45%.

**Table 2: Age of the Respondents**

S.No	Age	Respondents	Percentage
1	Below 25 year	28	28 %
2	26-35 Year	40	40 %
3	36 – 45 Year	19	19 %
4	46 – 55 Year	7	7 %
5	Above 56 Year	6	6 %
<b>Total</b>		<b>100</b>	<b>100 %</b>

Source: Primary Data

Table 2 show that 40 % of the respondents were under the age of 26 to 35 years, while 28 % were between the ages of Below 25 years The proportions of responders who are between the ages of 36 – 45 Year, 40 and 46 – 55 Year and above 56 Year are 19, 7, and 6 respectively.

**Table 3 : Educational of the Respondents**

S.No	Educational	Respondents	Percentage
1	10 <sup>th</sup>	6	6 %
2	12 <sup>th</sup>	11	11 %
3	Degree	45	44 %
4	Post Degree	26	27 %
5	Others	12	12 %
<b>Total</b>		<b>100</b>	<b>100 %</b>

Source: Primary Data

Table 3 shows that the Degree made up 45% of the respondents, followed by Post Degree 26%, and other educational 12%. Additionally, there were 6% and 11% of students in the pool who had graduated from high school and/or intermediate school, respectively.

**Table 4 : Occupational of the Respondents**

S.No	Occupational	Respondents	Percentage
1	Private work	28	28 %
2	Government Work	10	10 %
3	Own Business	22	22 %
4	Students	31	32 %
5	Others	8	8 %
<b>Total</b>		<b>100</b>	<b>100 %</b>

Source: Primary Data

According to Table 4, 28 % of respondents worked in the private sector while 32 % were students. 10 % of respondents worked for the government. 22% owned their own business. 8% of people had a different job.

## 11. Hypothesis

Age of respondents has no effect on aspects of consumer behaviour during the Covid 19 epidemic..

### Chi- Square Test

S.No	Particulars	Value	Degree of Freedom	Decision
1	Age of respondents has no effect on aspects of consumer behaviour during the Covid 19 epidemic	14.558	20	Accepted

The Chi-square test was performed to examine the link between age and product purchases. The findings revealed that there was no significant association between age and product purchase

## 12. Conclusion

The future of electronic purchases in India is promising. After COVID-19, attitudes towards internet buying have improved in India. It will be very beneficial in putting an end to the fear of the Corona spreading from person to person. The Covid-19 epidemic has prompted customers to engage in more frequent internet buying. Eshopping is now a superior resource in this case of the Corona virus, and online merchants provide goods that customers would typically buy at supermarkets.

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