



Consumer's perception towards online shopping and its effect on COVID-19

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Abstract

The COVID-19 pandemic has profoundly transformed consumer behavior, particularly in the realm of online shopping. This study explores the changing perceptions of consumers towards online shopping during the pandemic and examines how these shifts have influenced purchasing patterns. The research delves into the factors driving increased online shopping, such as health concerns, convenience, and the availability of diverse product options. Additionally, the study investigates how the pandemic has accelerated the adoption of e-commerce platforms and altered consumer expectations regarding delivery speed, product availability, and customer service. The study concludes that the COVID-19 pandemic has not only increased reliance on online shopping but also reshaped consumer perceptions, making e-commerce an integral part of the modern retail landscape. These insights provide valuable implications for retailers, who must continue to adapt their strategies to meet the evolving demands of consumers in a post-pandemic world.

Keywords: Online, shopping, COVID, adoption, pandemic, consumer, retail

Introduction

Businesses are coordinating Internet marketing and internet communication include a broad spectrum of marketing activities, including but not limited to conducting market research, developing products, notifying customers about product features, promotions, customer services, and feedback, and so on. The ease of online buying is driving its popularity high quality, and increased value, all of which contribute to higher consumer satisfaction. It is a channel for communication and electronic commerce.

There are advantages and disadvantages to purchasing online. Many internet users try to avoid making purchases online due to concerns about credit card fraud, privacy invasion, non-delivery risk, and lack of quality assurance. Authorities that are worried about the risks of doing business online are working on regulations to reduce those risks. According to Liao and Cheung (2000) [16], the United Kingdom implemented "fraud-free electronic shopping" at the beginning of 1995, followed by Asia, namely Singapore and Europe, which, two years later, introduced SET.

The term "online shopping" is the term used to describe the exchange of goods and services that takes place on the World Wide Web. Internet shopping has surpassed all other online activities in terms of growth, according to Forsythe

and Shi (2003) [3]. Interestingly, the majority of online shoppers actually utilize the information they collect to make in-store purchases.

An article from www.acnielsen.com states that 627 million individuals have shopped online as of October 2005, one tenth of the world's population shops online, and the countries with the largest percentage of online shoppers are Germany and the United Kingdom. Books, DVDs, and video games are the most purchased items online, followed by airline tickets.

The most common payment method is credit card, according to a report (The 2005 ACNielsen Report on Online Shopping Attitudes Worldwide, released on www.acnielsen.com). The aforementioned figures demonstrate that internet activity is quickly growing and that Sweden has consistently ranked first in Europe for both internet usage and online commerce. Online Shopping Attitudes Worldwide: The ACNielsen Report from 2005 lists Sweden as the ninth most popular country to shop online, behind only the United States and Japan.

If you believe Forsythe and Shi (2003) [3], there are two main types of internet users: those who actively seek out online stores to purchase from and those who just peruse the web for informational purposes.

Offline and online consumer decision-making process

Both online and offline consumers go through essentially the same decision-making process. However, the retail setting and marketing communication are two key areas where the two diverge. The standard consumer choice model states that before making a purchase, consumers usually become aware of a need, then seek for information, evaluate alternatives, decide to buy, and lastly act after the purchase. In the context of internet communication, consumers may be piqued in interest in certain items when they see banner advertising or online promotions. They need more information to assist them in making a purchasing decision. They will use internet resources including search engines, websites, and online catalogues to fill up any gaps in their knowledge (Laudon and Traver, 2009) ^[18]. Customers will need to compare those options of items or services once they have appropriate information.

During the search phase, customers may peruse the comments and reviews left by previous buyers. By doing so, they will determine which brand or business meets their needs the best. Having a beautiful design and a well-organized website structure are crucial at this stage to pique customers' interest in purchasing the product or service. The data's classification sources may also impact how buyers behave. In the pre-purchase period, when clients are still considering their choices, the internet is most helpful since it allows them to compare prices and features. It seems that the most essential factors for customers to consider when deciding which product to purchase or which seller to buy from are the variety of products, the quality of sale services, and the information provided. After they buy anything online, what they do thereafter will matter more. Sometimes customers wish to replace or return an item they purchased because of an issue or worry they have with it.

A model for online buyer choice

Laudon and Traver (2009) ^[18] proposed a model that compares offline and online consumer decision-making processes; they also imply that a generic model of consumer behaviour needs updating to include new variables. Brand recognition and product attributes are two of the most important factors for customers when making a purchase decision. Software and books are examples of items that are well-suited for online shopping and delivery. Contrarily, internet channels could make it difficult to choose particular things. According to the suggested model (Laudon and Traver, 2009) ^[18], the attributes of the website, the capacities of the company, the stimulus of marketing communication, and the abilities of the customer are also significant.

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persuade people to buy things online is the functionality of the website. Online stores, for instance, may impact how customers see the web by enhancing their sites with cutting-edge innovation (Prasad and Aryasri, 2009) ^[19]. Customers are less inclined to try out or buy from a slow website, difficult to navigate, or not secure enough. Some factors that impact customers' propensity to purchase online include their level of familiarity with the process (Broekhuizen and Huizingh, 2009) ^[20] and their level of product expertise (Laudon and Traver, 2009) ^[18].

The importance of clickstream behaviour is also growing in the digital realm. According to Laudon and Traver (2009) ^[18], this refers to the following pattern of behaviour seen in online shoppers: they start by searching several sites simultaneously, narrow their search to one, view a single page, and ultimately decide to buy. All of these things contribute to people's unique perspectives on online shopping, as well as their belief in their ability to influence their virtual shopping environment.

Online shoppers in terms of demography

Demographics of online buyers are another significant factor to consider. Specifically, we're interested in learning if there are any age-related or gender-specific variances in online buying behaviour, as well as any disparities in income and education levels. According to research the majority of internet buyers are middle-to senior-level managers or professionals with a higher salary and a higher level of education. According to a local Business Times article and an online poll, those who purchase on the Internet tend to be male, those who have completed high school or its equivalent and are between the ages of 18 and 40, and from well-off families with an annual income of at least \$5,000. A majority of cyber-buyers were under the age of 36 and had a monthly income of less than \$3,500, according to the online study. Many of these cyber-buyers also had degrees or certificates. Young people dominate online, according to another research by Miller (1996) ^[21]. For example, Bhatnagar and Ghose (2006) ^[22].

Gender and financial status were identified by Sim and Koi (2002) ^[23] as the primary differentiating variables. According to Berry (1999) ^[24], in order for online stores to be successful, customer segmentation is crucial. According to Bhatnagar and Ghose (2006) ^[22], Using demographic data, Miller (1996) ^[21] has shown the characteristics of people who use the Internet.

The process of consumer purchasing behavior

Research on consumer behaviour relies heavily on the classical model of consumer purchasing behaviour. As individuals, we engage in mental and social processes that lead to behaviours, such as buying and utilizing goods and services. By studying human behaviour, we may learn more about our product preferences, decision-making priorities, and other methods for making a determination.



Fig 1: The process of consumer purchasing behavior

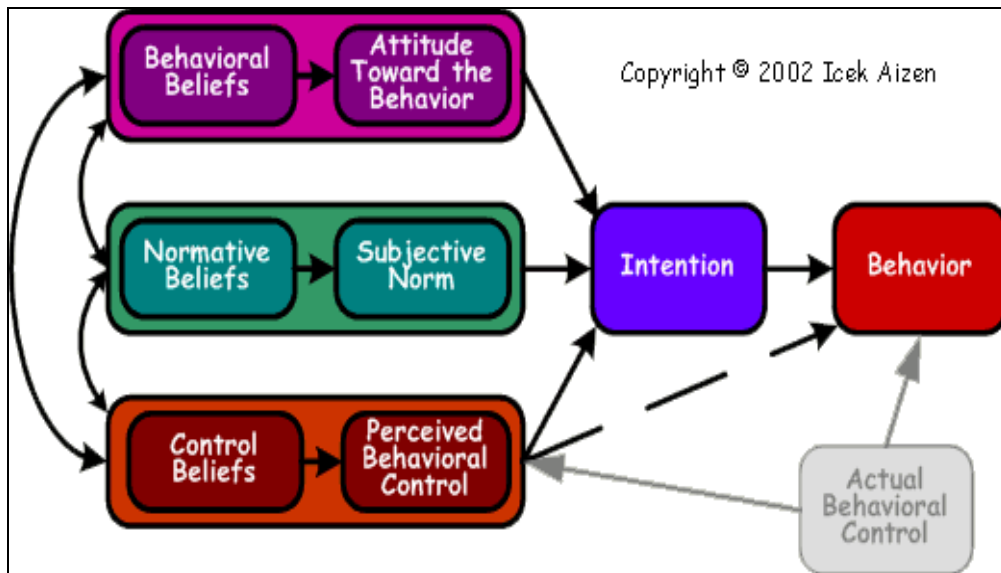
A consumer's decision-making process broken down into five steps begins with problem detection and continues with information search, alternative evaluation, and finally, product selection. Choosing to buy anything and then what to do after spending money. Beginning with the consumer's awareness of a need, the problem-solving process continues with an investigation of available information, during which the consumer consults both internal and external resources for analysis. One assigns weights to the products in order to evaluate their values when evaluating alternatives. If you've done a good job of weighing your options, the next step is to make a purchasing choice, where you'll have to choose between three options: when to buy, from whom to buy, and do not buy at all. Next, we have post-purchase behaviour, which includes how happy or unhappy you are with your purchase.

Theories of planned behavior (TPB)

The theory of reason action (TRA) developed by Ajzen and Fishbein (1975) [75] is the basis of TPB. Intention has a crucial role in carrying out a behaviour, as seen in the graphic below and proposed by Icek Ajzen (1988, 1991) [25, 26]. It is believed that the purpose captures the components that impact a behaviour, according to Icek Ajzen (1988, 1991) [25, 26]. These intentions show the level of work one is prepared to put in to carry out a certain action, according to Icek Ajzen (1988, 1991) [25, 26]. As said before, intention is crucial for carrying out behaviour, and the following figure shows that perspective on conduct and subjective standard are the primary factors influencing purpose. Conversely, by

impacting intentions, perceived behavioural control progresses towards real behavioural.

- **Behavioral belief:** According to Icek Ajzen (1988, 1991) [25, 26], it all comes down to how one thinks a certain action will turn out in the end.
- **Attitude toward behavior:** The focus is on the individual's performance and how they are rated, whether positively or negatively. Ajzen Icek (1988, 1991) [25, 26]. According to Icek Ajzen, it's a subjective element that could have both good and bad effects on people (1988, 1991) [25, 26].
- **Normative belief:** As per Icek Ajzen's claims in 1988 and 1991, one must consider how other significant players might impact the behaviour of individuals. Friends, relatives, coworkers, and the like may all play these roles.
- **Subjective norm:** Icek Ajzen (1988, 1991) [25, 26] argues that beliefs and societal forces may influence people's actions regardless of whether such actions are morally right or wrong. One component of social influence is subjective influence.
- **Perceived behavioral control:** A person's subjective assessment of the degree of difficulty in carry out the action in question, according to Ajzen (1988) [26]. A person's manner of doing something, whether they're having trouble with it or not (1988).
- **Control beliefs:** A person's expectations according to Ajzen, there may be elements that help or hurt the behavior (2001).



Source: Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, p. 179-211

Fig 2: Schematic diagram of theory of planned behavior by Ajzen, I. (1991) [25].

Technology acceptance model (TAM)

Ajzen and Fishbein published the Theory of Reasoned Action in 1980 and 1975, respectively. Richard Bagozzi and Fred Davis established TAM in 1989 and 1992, as extensions of that theory. Methods by which a person embraces and employs a technological system is the focus of technology acceptance theory (TAM), a branch of information system theory. TAM discusses both the why and the how of a user's choice to adopt a technology. The concept addresses the issue of how people embrace technology. "The degree to which a person believes that using a particular system would be free from effort" does what Davis (1989) [3] calls Perceived Ease of Use (PEOU), while "the degree to which a person believes that using a particular system would enhance his or her job performance" means that anything is seen as useful (PU). Understanding how a user embraces a certain technology is the primary goal of the TAM.

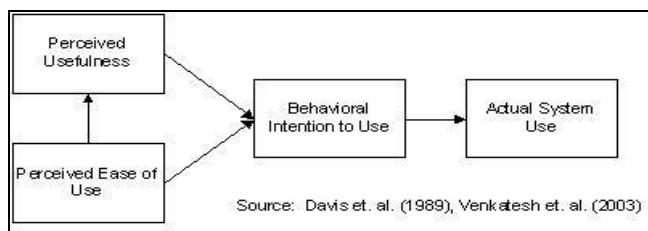


Fig 3: Technology Acceptance Model (TAM) by (Davis 1989, Bagozzi & Warshaw 1992) [3, 4].

The accompanying figure illustrates the interplay between two external factors-PU and PEOU-that impact behaviour intention to use, ultimately results in the system being put to use. The user will first think about the PEOU factor, which says that using the system would be easy; the PU factor, which says that utilizing the system would be convenient; and the author notes that this will be followed by the PEOU factor will increase one's job performance; and finally, the user will think about creating and intending to use the system.

Consumers’ online buying behaviours during COVID-19

The trend of buying products and services online has been

on the rise recently. The ease, speed, one-click buying, and COVID-19 security are contributing to its rising popularity. Some of the brands sold on online marketplaces aren't even accessible in the consumer's own country. Customers may shop for the latest trends and a plethora of other products and services on these sites. There are benefits and drawbacks to shopping online. Some disadvantages of buying online include the intangibility of the items (we can't physically touch them), the fact that many local businesses have had to shut their doors due to a lack of variety in products, the fact that many online platforms offer discounts, and the possibility of pandemics. If online businesses don't provide huge discounts, buyers would go back to buying in-person, says. So, customers' behaviour won't change permanently. Customers attempt to live stress-and order-free lifestyles when shopping, and their patience levels fluctuate in light of the COVID-19 spread.

Considering that individual tastes and life events, consumer behaviour differs from one person to the next. According to Valaskova *et al.* (2015) [1], consumer behaviour is an important and ongoing activity that involves making decisions, acquire, use, assess, and eliminate goods and services. This transition to digital life has been hastened by the COVID-19 epidemic. According to Mukhisa Kituyi, secretary general of UNCTAD, the world economy will be affected by the changes we make now even when it starts to recover. As the globe transitions from pandemic response to recovery, he emphasized the critical need to ensure that all nations can reap the benefits of digitalization, citing the rapid growth of internet commerce as an example. Although consumer spending has decreased, online sales have increased.

Online sales climbed by 6-10% across most product categories, according to a survey by Inveon and the Brazilian Network Information Centre (NIC.br), which was co-sponsored by the UNCTAD and Netcomm Suisse eCommerce Association. The sectors that have seen the most significant growth are information and communication technology, pharmaceuticals, categories such as cosmetics, personal care, furnishings, gardening, and do-it-yourself (Figure 4).



Fig 4: Share of consumers who buy anything online at least once every two months

Effect of pandemic COVID-19 on consumers behavior

Consumers' socioeconomic status quo has been upended by the horror that is 2020. This form of unforeseen epidemic, COVID-19, has been seen all around the globe. Businesses, lifestyles, ways of thinking, and learning approaches have all been impacted by this. Lifestyle, health, and, by extension, consumer behaviour, have all been profoundly affected by the epidemic, which has thrown conventional wisdom into disarray. Food, pharmaceuticals, apparel, footwear, and electronics are just some of the essentials that have been hit hard by the coronavirus epidemic. This article demonstrates how the political, regulatory, and economic considerations brought forth by the COVID-19 epidemic altered marketing strategies and consumer behaviour. Evaluation of consumer behaviour changes due to the COVID-19 pandemic will be the end outcome.

Change in the status quo of consumers

As a result of the pandemic's impact on earnings and the unexpressed discontent with the economy's contraction, Indian consumers have reduced spending in several areas, including travel, leisure, entertainment, clothes, and more. It is more important to restrict purchases to food and other household necessities. As the days go by, most Indian customers have become more frugal as a means of coping with the virus (Thich, 2019) ^[5]. Under extreme duress, individuals have a tendency to behave in ways they wouldn't normally, and some of these changes stick around. In order to control the spread of the COVID-19 pandemic, many measures were taken, including a complete and subsequent partial lockdown, which is not an ordinary emergency. The nation's economy experienced instability as a consequence of public health measures and lockdown, which might signal a shift in market dynamics (Seema, 2020) ^[6]. Clothing, shoes, makeup, jewellery, games, and gadgets are among of the non-essential goods that individuals are cutting down on spending money on during the epidemic. Developed countries are moving towards steady state buying after stock piling during COVID-19 as well, according to iRi POS data (2020).

Moving towards local products

The lives of regular customers are profoundly affected by this unstable scenario. The COVID-19 pandemic has prompted significant changes in consumer and business behavior, as pointed out by Pantano *et al.* (2020) ^[7] and Donthu and Gustafsson (2020) ^[8]. The propensity to purchase goods and services from one's own country has a substantial impact on nationalism in the economy, sustainable approach, lockdown emotions, and product-specific ethnocentric behavior ("PSEB"). The tendency of consumers to buy Indian brands (WBIB) or products created in India items is determined by elements such as the significance of hygienic products, environmental friendliness, local goods, and joy that extends beyond retail therapy, as shown by the author during the pandemic (Verma, 2021) ^[9].

Demand generation, which is ultimately driven by consumers, is the primary driver that causes harm. In light of this unpredictability, what changes have occurred at the consumer level that are causing more established enterprises to fail? Understanding the conduct that impacts customer

behaviour is crucial for predicting model disruptions in business. In developing nations like India, when the statewide lockdown was implemented, consumers changed their shopping habits, including where they bought things, what they bought, and how they paid.

People in the post-COVID and post-lockdown period believed that supporting the Indian economy by purchasing and promoting Indian-made goods would have a positive effect. The study also discovered that one's attitude towards foreign goods takes a middle ground between economic nationalism, LSSA, and PSEB, and how they affect the WBIB. The source cited is Verma (2021) ^[9].

Conclusion

The COVID-19 pandemic has undeniably altered consumer behavior, leading to a significant and likely enduring shift towards online shopping. This study has demonstrated that consumers, driven by safety concerns, convenience, and necessity, increasingly turned to e-commerce platforms during the pandemic. The findings reveal a marked increase in consumer trust and reliance on online shopping, as traditional barriers such as skepticism over product quality, payment security, and delivery reliability were gradually diminished by the necessity of the situation and the adaptive responses of e-commerce platforms.

Moreover, the study shows that the pandemic not only accelerated the adoption of online shopping but also transformed consumer expectations. Consumers now prioritize factors such as fast delivery, easy returns, and comprehensive product information, which have become critical in maintaining customer satisfaction and loyalty in the competitive online marketplace.

In conclusion, the impact of COVID-19 on consumer perception towards online shopping is profound, with lasting implications for the future of retail. As consumers continue to integrate online shopping into their daily lives, e-commerce platforms must evolve to meet the heightened expectations and preferences shaped during the pandemic. Retailers that can effectively adapt to these changes are likely to thrive in the post-pandemic economy, where the convenience, safety, and efficiency of online shopping remain paramount.

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