International Journal of Advances in Engineering and Management (IJAEM)
Volume 4, Issue 6 June 2022, pp: 674-678 www.ijaem.net ISSN: 2395-5252

Long Term Effect Of Covid-19 On Online Shopping Vs. Offline Shopping

Ankit Jalan* & Pratha Gajra **

* Bachelor of Commerce (Honours), Mithibai College of Arts, Chauhan Institute of Science and Amrutben Jivanlal College of Commerce and Economics [AUTONOMOUS], Vile Parle - 400056.

** Third Year Bachelor of Commerce, Mithibai College of Arts, Chauhan Institute of Science and Amrutben Jivanlal College of Commerce and Economics [AUTONOMOUS], Vile Parle - 400056.

Submitted: 01-06-2022 Revised: 10-06-2022 Accepted: 15-06-2022

ABSTRACT

The growing digitization of the retail business has been underway for some years. The breakout of the new illness Covid-19, on the other hand, has accelerated the digitalization process by compelling firms to adapt to a required digital method of working in only a few weeks. This thesis tries to determine the impact of Covid-19 on the digitization process in the retail business, as well as how it influenced customers' decisions to purchase online vs offline. An online survey was used to determine how much the rare illness Covid-19 impacted participants' decisions to purchase online vs offline, as well as how their attitudes regarding shopping online had altered. The questionnaire yielded 120 legitimate replies, which the researcher was pleased with. The collected data shows that Covid-19 has a significant influence on the participants' online buying frequency. The majority of individuals said they have increased their shopping frequency significantly after the Covid-19 outbreak. Furthermore, the data highlights key motivational variables that impact customers' decisions to purchase online vs. offline. The most powerful driving reason to purchase online appears to be convenience. At addition, the research shows how variables such as physically examining desirable items influence the choice to shop in brick-and-mortar establishments. Finally, the study provides useful information on how preferences for product categories changed before and after the pandemic, as well as the correlations between claims about shopping experiences throughout the Covid-19 period and demographic variables.

Keywords: Corona, retail, online, offline, shopping

I. INTRODUCTION

The coronavirus pandemic has caused and continues to cause huge damage to the global economy in general and international trade in particular. “Multiple factors have exacerbated the uncertainty in which enterprises and end customers have found themselves. To mention a few, income reduction, cross-border travel limitations, evolving consumer demand, and changing market actor behaviour are all factors. Consumers have been advised to purchase more on online marketplaces as a result of the global lockdown, social isolation, and other measures put in place to stop the spread of the COVID-19 pandemic. As a result, the corporate environment underwent dramatic changes throughout the quarantine period. In the end, the Corona crisis hastened the growth of internet commerce. A new digitally involved customer has evolved globally, one who is more discriminating and has financial concerns.”

B2B manufacturers and sellers have been forced to reduce production and marketing costs, find new suppliers both abroad and within the country, and accelerate decision making due to income losses, limited transportation opportunities, and pandemic mitigation measures that caused a reduction in supplier activities. “National enterprises were given opportunity to diversify their product portfolios in order to reduce import dependency and deliver required resources to other firms and international company branches. On the other side, B2C markets saw a drop in buying power and cross-border mobility. Furthermore, customers' priorities changed toward health and safety while still favouring low-cost goods and services. Products that provide a sense of comfort and warmth to a living area garnered more attention than usual.Overall, the situation's ambiguity and unpredictability caused customers to postpone some of their requests.” Both the industrial and consumer markets needed to speed up digitization and make it easier to discover and buy things online.

The epidemic triggered a surge in internet

International Journal of Advances in Engineering and Management (IJAEM)
Volume 4, Issue 6 June 2022, pp: 674-678 www.ijaem.net ISSN: 2395-5252

sales. Because physical store visits were limited and many people were short on cash, customers turned to the internet to shop, leading online transactions to skyrocket. Even before the epidemic, consumers were typically cautious purchasers. As a result, several buying categories, such as experiences, have steadily been pushed down priority lists, and COVID-19 has expedited this trend. Many people's lifestyles and motives have altered as a result of the COVID-19 epidemic, and their shopping habits have shifted as well. The goal of this study is to evaluate these changes. The study analysed the influence of the pandemic on e-commerce across sectors to identify the priorities of online customers in order to achieve this aim.

The presence of links between the researched parameters and the complex indicator of online consumer behaviour activation was determined using correlation analysis, and the direction of their changes against the backdrop of the pandemic was analysed. The goal of this study is to put the suggested technique to measuring online customers' purchasing behaviour to the test, with the hope of identifying trends and patterns in online shopping. As a result, it may be utilised as part of a larger toolset in the development of e-commerce strategies, both at the state level and for individual businesses. An introduction, a literature review that highlights the growing interest in e-commerce difficulties during the pandemic, a methodology that describes the suggested approach, the results, their discussion, and conclusions make up the study's framework.

II. RESEARCH HYPOTHESIS

i. Hypothesis 1:

COVID-19 had a significant effect on online shopping frequency.

ii. Hypothesis 2:

COVID-19 had a significant influence on preferred shopping channels and product categories.

III. RESEARCH METHODOLOGY

The survey questionnaires were chosen as the ideal technique to establish the participants' opinions on online and offline purchases, as well as the impacts of COVID-19 on frequency and preference, in this article's methodology. The survey questionnaires aided in the discovery of links between variables, the assessment of whether "the defined hypotheses are supported or denied, and the formation of final findings for future research considerations. In order to properly analyse each component and answer the hypotheses, the researcher organised the analysis in the same sequence as the survey questionnaire."

IV. IMPACT OF COVID IMPACT ON RETAIL LANDSCAPE

Businesses in areas such as retail have been substantially damaged by the limitations, with some unable to exist at all, since the populace has been asked to stay at home for work, relaxation, and pleasure throughout the past year. "There have been rays of light, such as the government's first financial reaction, which supplied funding and support to a number of organisations. However, in response to increased competition and new challenges, the retail industry is transforming itself, adopting new ways of working, rapidly integrating technology, and adapting ways to continue trading safely; this has both a positive and negative impact, and is hastening digital transformation" (Marozsan 2021).

Many individuals are still confused about what the retail industry will look like in the next years. There is, however, hope on the horizon, owing to the vaccination distribution. "The course of the pandemic, notably infection rates, travel limitations, and sector restrictions via the tiered system and national lockdowns, all have a role in predicting the route for Indian retail. Retail sales will be lower by the end of 2021 than they were in 2019", according to the Centre for Retail Research, but should have rebounded by 2022. (Sahar Nazir 2021)."Companies responding to the current acute disruption have two distinct perspectives: those who are utilising this time to plan their position in the 'new normal', and others who are merely keeping afloat while waiting for the world to return to normal. Companies who innovate at this time will emerge stronger as a consequence, taking advantage of the current crisis to digitally revamp their business".

Businesses were surprised by the speed and performance of their digital operations in response to COVID-19, according to a McKinsey & Company research. In a couple of months, digital services have surpassed seven years of advancement on average (McKinsey & Company 2020). Furthermore, "eight out of ten organisations increased their digital transformation programmes in 2020, according to Dell's Digital Transformation Index 2020 report (Dell Technologies 2020). COVID-19 also emphasised the necessity of having a more flexible and adaptive IT infrastructure, according to 89 percent of respondents".

Retailers are ten times more focused on their consumers than they have ever been, making a concentrated effort to develop cohesive single customer viewpoints and provide tailored experiences across physical and digital channels. Customers are the emphasis, and data and analytics are being used to better understand their needs, as well as AI-powered processes to deliver what they want (Experian plc 2021). One of the commercial repercussions of COVID-19 has been a significant growth in the use of digital technology to assist restrict in-person interactions and protect the health and well-being of consumers and workers (Eduardo Levy Yeyati and Filippini 2021).

Consumer-facing apps like grocery and "food delivery services, business-to-consumer ecommerce apps, and videoconferencing apps like Zoom and Skype" were used to connect consumers and businesses. Digital connection binds consumers and companies inexorably, and "COVID-19 has completely rewired the customer journey (Marozsan 2021). The customer journey begins with 'Awareness,' which happens when customers become aware of a product or brand through multiple channels", according to The Retail Economics (RetailEconomics 2021). The disruptions in the past year had a huge influence on this first part of the customer journey, as individuals stayed at home more, went to stores less, and even worked remotely from home. Similarly, spending more time at home increased the likelihood of successful online buying.

V. CHANGING ROLED OF PHYSICAL STORES

In the aftermath of the epidemic, retail establishments are reorganising at a time when a growing number of department stores and bigger businesses are shutting. "The physical retail space has to be reinvented to serve a purpose other than pure sales, which are now available online 24 hours a day, seven days a week". Rather than having a warehouse full of items, creating smaller, more cost-effective sales locations may exhibit concepts, provide opportunities for "in-person connection and engagement, and, if suitable, organise experiences and social activities. Even 12 online-only shops are attempting to establish a physical presence in order to capitalise on high-street store closures, such as the increased popularity of pop-up retail", which is especially beneficial to smaller independent enterprises (Hardcastle 2021).

Only one online shop, Amazon, is among the top 10 worldwide merchants, according to current trends. "Amazon is the second-largest retailer in the world, trailing only Walmart and considerably ahead of Costco, Swarz Group, and The Kroger Co. (Manju Mohan 2020). There are additional signs that brick-and-mortar stores will continue to play an essential part in retail development, one of which is conversion. People who shop at local shops and stores are more likely to make a purchase than those who shop online (Morgan 2021).Amazon, too, appears to be attempting to make a case for traditional purchasing. One of their most recent acquisitions, Whole Foods for nearly $14 billion, as well as several in-store booksellers, demonstrates that the company recognises that a successful future strategy will include a mix of channels". (Ventures 2020 by the Umdasch Group).

VI. ROLE OF SOCIAL MEDIA IN ENCOURAGING ONLINE SHOPPING

Influencers have provided "exposure, recognition, and revenue for companies that would not have reached their maximum audience potential without the medium, and direct to consumer (DTC) businesses have benefited from influencers providing exposure, recognition, and revenue for companies that would not have reached their maximum audience potential without the medium. Influencers are encouraged to earn money by sharing affiliate links and advertising their products by retailers. Brands are increasingly able to sell directly to consumers who connect with influencers, bypassing the intermediaries" (Meola 2020).

Celebrities such as Janhvi Kapoor initiated the trend, which has since spread to specialised sectors provided by micro-influencers. Gymshark, an English fitness gear firm, has used this method to great effect, developing networks of macro and micro influencers who routinely market to their followers, friends, and family. As customers become increasingly interested in new and unknown companies, "fashion was one of the most affected sales categories in 2020. Last year, 44% of millenials and Gen Z evaluated multiple brands, according to McKinsey"(McKinsey & Company 2020b).

VII. CUSTOMER BEHAVIOUR TOWARDS ONLINE V. OFFLINE SHOPPING

When it came to the role of online and in-store touchpoints in determining the initial trigger moment, over a third of consumers said retail websites were the most prevalent source of product knowledge, followed by online marketing (15%). Simultaneously, physical stores were named as the second most common source of awareness by 22% of respondents (KPMG 2017). Customer reviews (15%), talking to friends and family (15%), and social media sources are the next most popular forms of awareness after retail websites, internet marketing, and physical stores (13 percent). Furthermore, 12 percent cited seeing a friend using a product as a source of product awareness (KPMG 2017).

"Millennials are more receptive to being affected by both online and offline sources such as social media platforms and consumer feedback than any other generation. According to a KPMG poll, Millennials are 25% more likely than Baby Boomers to have noticed their recent purchases at a store and nearly 50% more likely to have told a friend about them". Because of their growing reliance on peers or ambassadors, customers are among the most powerful promotional media for businesses. The importance of peer opinions as top awareness influencers both online and off underscores the need of cultivating brand ambassadors and providing outstanding customer service.

VIII. CONCLUSION & RECOMMENDATION

As the globe steadily moves from catastrophe relief to recovery and economic reopening, it is clear that the time of lockdown had a significant impact on people's lives. The new consumer behaviours have an impact on many aspects of life, including how we live, work, and buy. These rapid changes have had significant implications for businesses, and consumer decision-making is becoming increasingly complicated, making the customer buying experience anything from linear. However, this has resulted in a significant increase in opportunities, with customers being aware of and finding things whether or not they are actively surfing (Branwell Moffat 2017).As a result, knowing and analysing customer behaviour is crucial for every organization's success in the modern day, whether online or offline, because consumers are the market's driving force.

COVID-19 had a considerable impact on online purchase frequency, "according to the survey, with 44.7 percent of individuals shopping online once a week or more before to the pandemic, compared to 63.8 percent shopping that regularly today. Consumers are purchasing somewhat less in-store today than they were before to the epidemic, showing that they have switched away from offline retail channels and toward internet channels due to safety concerns. Consumers' shopping channel preferences reflected these trends, with an increase in online shopping preference for clothing, shoes, bags & accessories, drugstore, body and health care products, books, movies, music, games, consumer electronics (TVs, smartphones), household appliances & goods, and food & beverages". In general, the average user's dependence on online shopping platforms has risen, and they increasingly prefer to purchase on both online and physical platforms.

Online and offline shopping channels tend to complement and improve one another rather than compete in the current retail era. Customers utilise both channels based on their requirements and preferences. While physical shopping continues to account for the bulk of merchants' global sales, internet shopping is fast expanding in prominence. It is evident that in this new environment, technology is no longer an option, but rather a basic business idea that must be integrated into every area of a firm, and it has matured into a highly trusted and required form of buying. "More contact inside and across organisations, a more personalised customer experience, higher employee productivity and creativity, and more trustworthy data analytics are all benefits of transformation, all of which contribute to a company's development and survival. Consumer purchase behaviour, as previously said, is totally reliant on the shopper's goal, and many customers still prefer the in-store experience."

While COVID-19 is a part of our lives, "it is clear that the movement in customer purchasing behaviour toward online shopping can only support and encourage retail, especially online enterprises. It will be interesting to see whether recent developments in online shopping continue to climb or fall once the pandemic is over, as brands strive to improve their online customer experience, whether through faster shipping, more accurate product descriptions, or the integration of customer reviews throughout their online and social media platforms. One thing is certain: the retail business will evolve into an omnichannel environment, as evidenced by the elements and data discussed throughout this essay".

BIBLIOGRAPHY

[1]. Ahmed, Z., 2015. Factors Affecting Consumer Switching Behavior: Mobile Phone Market in Manchester- United Kingdom. International Journal of Scientific and Research Publications [online], 5 (7), 550–555. Available from: http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.734.8669&rep=rep1&type=pdf #page=560. Ajzen, I., 2012. Martin Fishbein's Legacy. The ANNALS of the American Academy of Political and Social

Science [online], 640 (1), 11–27. Available from: https://journals.sagepub.com/doi/10.1177/0002716211423363 [Accessed 8 April 2022].

[2]. Bauerová, R. and Braciníková, V., 2021. Customer's Choice of Purchasing Channel: Do Channel Characteristic, Brand, and Loyalty Matter When Shopping in Hybrid Retailers? Sustainability [online], 13 (5), 2453. Available from: https://www.mdpi.com/2071-1050/13/5/2453/htm [Accessed 7 April 2022].

[3]. Dillman, D. A., Smyth, J. D., and Leah Melani Christian, 2014. Internet, Phone, Mail, and Mixed-Mode Surveys : the Tailored Design Method. Hoboken, New Jersey: Wiley. Eduardo Levy Yeyati and Filippini, F., 2021. Social and economic impact of COVID-19 [online]. Brookings. Available from: https://www.brookings.edu/research/social-and-economic-impact-of-covid-19/ [Accessed 13 April 2022].

[4]. 61 ESPN, 2020. Euro 2020 postponed until 2021 due to coronavirus [online]. ESPN.com. Available from: https://www.espn.co.uk/football/uefa-european-championship/story/4074294/euro-2020- postponed-until-2021-due-to-coronavirus-sources [Accessed 13 April 2022].

[5]. Experian plc, 2021. Covid-19 turbo charges Britain's digital transformation [online]. Experian plc. Available from: https://www.experianplc.com/media/news/2021/covid-19-turbo-charges-britain-s-digital-t ransformation/ [Accessed 13 April 2022].