

## **IMPACT OF COVID-19 ON CONSUMER PURCHASE DECISION IN EMERGING E-COMMERCE MARKETS**

**Dr C Yellaiah** Academic Consultant, Dept of Commerce, Vikrama Simhapuri University, Nellore, Andhra Pradesh, India.

**Dr.P Beulah Sucharitha** Academic Consultant, Dept of Commerce, Vikrama Simhapuri University, Nellore, Andhra Pradesh, India.

### **ABSTRACT:**

The COVID-19 epidemic has not only had a global influence on traditional business, but it has also provided the e-commerce industry with various challenges to overcome. It has sped up the speed of change in traditional commerce all around the world, which was necessary because of the sociocultural lockdown that stops people from selling or purchasing face to face. The COVID-19 outbreak paves the way for new opportunities and possibilities for e-commerce collaboration, in which individuals and organisations that are more or less autonomous work together. Actors in the business world are free to collaborate whenever they so choose or when circumstances demand it. It makes possible the creation of a global virtual area in which any organisation or anyone interested in conducting business can meet regardless of physical location. E-commerce increases the economic effectiveness of business processes by allowing the coupling of business operations at the borders of the business partners. The purpose of this research is to spread awareness about COVID-19 and online business. Secondary data, which may be obtained in a variety of online databases containing books, research papers, and other publications relevant to e-commerce, were used as the primary source of information for this research method. This study's objectives are to (1) describe the effects that COVID-19 has had on e-commerce in India and elsewhere throughout the world; (2) suggest possible solutions to the challenges posed by COVID-19; and (3) examine the potential scope of e-commerce in the years to come.

**Keywords:** covid-19 – consumer behaviour – e-commerce – purchase decision – retail.

### **INTRODUCTION**

The e-commerce industry has been significantly impacted globally by the coronavirus. It has brought about a shift in the competitive landscape. It has also had an effect on a great number of businesses that are involved in online commerce. It is anticipated that the COVID-19 issue will have far-reaching repercussions for online business. E-commerce, or electronic commerce, is a method of conducting business that makes it possible for individuals and companies to buy and sell products and services via the internet. In addition, it is anticipated that following COVID-19, social isolation and being at home will drive people to spend even more money shopping online. E-commerce is one form of transaction that can take place through the internet. It provides customers with a number of benefits, including as reduced prices, an increased variety of options, and the ability to save time. Companies and customers in the region, following trends seen all over the world, have quickly turned their focus to digital channels, responding to new business models, and adopting new purchase patterns. This shift has been driven by social isolationist policies and travel restrictions. Our perspective on the world as a whole has been profoundly reshaped as a result of the COVID-19 outbreak. People are changing the way they live, the products they buy, and the thoughts that run through their heads in a variety of ways: (www.accenture.com).

The retail industry in India is heavily divided between the unorganised sector, which consists of over 13.8 million typical family-run neighbourhood establishments, and the organised retail sector, which accounts for less than 10% of the market. The unorganised sector accounts for the majority of the market share. The term "organised sector" refers to the retail industry as a whole, including both traditional brick-and-mortar stores and online shopping websites. In spite of the expansion of business-to-consumer e-commerce in India, the vast majority of Indians still choose to shop at traditional brick-and-mortar stores near their homes. This is due to the fact that they take pleasure in physically inspecting and interacting with the products they intend to buy, as well as haggling for better prices with store clerks. The current economic crisis is affecting consumers' decisions regarding brands and product categories, as well as their shopping behaviours and expenditures: ([www.inmobi.com/blog](http://www.inmobi.com/blog))

The COVID-19 epidemic is currently sweeping the globe and has an effect on many facets of life, including the economy. The lack of purchasing power that may be attributed to domestic policy has contributed to a slowdown in the expansion of the global economy. The implementation of this law is supposed to slow down the spread of COVID-19, but what it actually does is encourage more people to shop online and use their mobile devices. Customers are believed to be able to benefit from the utilisation of e-commerce and mobile commerce in the process of acquiring essential goods and health care that is required for activities that take place in the customer's home. The volume of purchasing and selling transactions conducted through e-commerce and mobile commerce increased during COVID-19. This information is subsequently put to use by mobile commerce and e-commerce platforms in order to present customers with a wide range of tempting purchase options. The amount of business conducted online in Central Asia and the Caucasus is still extremely low but is quickly expanding. Although local platforms have emerged in recent years and have been gaining pace, international companies continue to dominate the market in Central Asia. The majority of consumers have adopted a digital style of life during this epidemic time, which has led to an increase in digital penetration throughout the country: (<https://community.nasscom.in>).

## **REVIEW OF LITERATURE**

S. Debnath (2020) According to the findings of the study, male respondents with monthly salaries ranging from zero to thirty thousand dollars and ages ranging from twenty-five to thirty-five have a significant impact on the purchasing behaviour of consumers. As a consequence of this, a strong connection can be drawn between consumer purchasing behaviour and the higher income of male respondents as well as massive price rises of commodities. The findings as a whole have implications for marketers, retailers, and advertisers in terms of the implementation of future plans in reaction to the pandemic state that now exists in the retail business.

The research that Bhatti et al. (2020) conducted on the effect that the coronavirus played in the expansion of online commerce Consumers used to make their purchases at superstores; but, in recent years, e-commerce has emerged as a leading alternative source and is recognised as the most effective in this context. Impact of the Coronavirus on Every Aspect of Electronic Commerce In the meanwhile, one of our goals is to have a better understanding of how effectively they can strike a balance between costs and advantages, in addition to other activities that will be occurring in the not too distant future.

The research conducted by Ali, B. J. (2020) investigates previously published works and secondary sales data from Samsung, the most successful consumer electronic durable-goods company in Iraq, in

order to provide an explanation for how the pandemic may have encouraged Iraqi consumers to embrace technology, as evidenced by an increase in the number of online purchases. In spite of the fact that the pandemic had an adverse influence on brick-and-mortar sales all over the world, certain regions have had a difficult time adapting to online shopping.

Uses and gratifications theory served as the foundation for the conceptual model that Tran and L.L.T. (2020) developed for their research. Additionally, they incorporated the boundary condition of pandemic fear into their model. The primary method of research utilised in this investigation is a quantitative survey and analysis. Applying the PLS analysis method to a representative sample of 617 customers that shop online. This research reveals that the fear of pandemics exerts a positive moderating influence on the connections between PEEP, economic benefits, and sustainable consumption.

The authors are G. Pathak and S. Warpade (2020) The current investigation was carried out in July of 2020, which is some time after it was announced that the initial round of unlocking will take place in Maharashtra. The majority of the samples were collected in the western part of the state of Maharashtra, specifically in the cities of Pune and Satara District. A Google form was used for the data collection by the researcher. After conducting the analysis, it was found that certain customers' preferences for stores to shop at while purchasing essential goods had varied over time.

Hasanat et al. (2020) state that the primary objective of this study is to analyse the impact that coronavirus has had on internet enterprises in Malaysia. The statistics showed that the majority of products come from China, and that the majority of industries are monopolised, which suggests that there is neither import nor export of the product in question. As a consequence of this, it is anticipated that this deadly virus will have a substantial impact on enterprises operating in Malaysia over the internet, particularly those dealing in Chinese goods.

V. K. Pham and his fellow researchers (2020) The Covid-19 outbreak has resulted in a significant increase in the amount of online shopping done by Vietnamese clients. Previously, this activity needed a significant amount of work from internet businesses, but it was inefficient. However, will this change in behaviour endure after the Covid-19 pandemic has passed? As a consequence of this, the objective of this study is to investigate the ways in which consumers' perceptions of the benefits and dangers of making purchases online have shifted throughout the course of the Covid-19 outbreak. The impact of the Covid-19 radiation on these two groupings of parameters, as well as the moderating influence of that radiation, will be analysed.

The research carried out by Pantelimon et al.(2020) contains two distinct parts. The first investigates the impact that the expansion of mobile commerce has had on the Gross Domestic Product (GDP) of both a West European nation, Germany, and an East European one, Romania, between the years 2014 and 2019. The purpose of this study is to gain an understanding of the significance of mobile commerce in the age before COVID-19, when economies were relatively stable. Within the context of the COVID-19 pandemic state, the second component studies general consumer behaviour with regard to traditional and internet commerce. In this regard, we examined the most significant shifts that occurred between January and April of 2020 across the countries that were substantially affected by the epidemic, seriously impacted early on, or both.

T. Wijaya (2020) According to the findings, the factors that had an influence on the behaviour of panic buying were a person's information and knowledge, the concerns of their family, a conditional or

influential impact from other people, and an avoidance of taking risks. These studies provide a description of the factors that contribute to panic buying, as well as the implications of government suggestions to educate the public through a variety of media and prevent disinformation that can lead to panic buying behaviour.

The research that was carried out by M. A. Salem and K. Md Nor (2020) involved doing an empirical analysis of the factors that influence customers' willingness to use e-commerce in Saudi Arabia during the Coronavirus Disease 2019 (COVID-19). The following ten factors were investigated in this study: perceived usefulness (PU), perceived ease of use (PEOU), subjective norms (SN), perceived behavioural control (PBC), perceived lack of alternatives, perceived risk, perceived punishable infractions, risk-taking proclivity, perceived external pressure, and government support.

The 'now,' 'next,' and 'beyond' phases present a multitude of challenges for Indian consumer products companies, not to mention the country's continuously shifting customer behaviour (Mishra, P,2020). An estimated 85 percent of consumers in India have reported that they are becoming more health-conscious in their purchase habits and more concerned about minimising food wastage. There has also been a significant shift in consumers' approaches to personal hygiene, with 48% of customers reporting an increase in their purchases of personal hygiene goods while reporting a decrease in their purchases of things considered to be discretionary (<https://www.warc.com>).

Companies need to develop strategies to address the challenges in all three phases as quickly as possible. These strategies should include implementing permanent safety measures in offices and on shop floors, re-evaluating brand portfolios, expanding relationships with third-party e-commerce platforms, exploring shared warehousing, and, most importantly, anticipating and being prepared to respond to newer habits that consumers will develop after living through the pandemic. (Bureau,2020)

## **IMPACT OF COVID-19 ON CONSUMER BEHAVIOR IN E-COMMERCE**

According to the findings of a survey that was carried out in March 2020 in order to assess the effects of the coronavirus (COVID-19) on Indians, the vast majority of respondents did not make any significant non-essential purchases while the lockdown was in effect. A little over half, or 56%, need some form of household items, the vast majority of which needed to be purchased online. On the other hand, around 8% of purchases made locally as well as online required electronic devices in order to participate in online classes or work from home (Keelery, P. B, 2020). The ongoing pandemic problem is having a huge and detrimental impact on Indian commercial activity (Das, D. K., and Patnaik, S., 2020) The issue caused by the COVID-19 coronavirus affects multiple businesses in a variety of different ways. According to <https://pharmascope.org>, the sectors that have been hit the worst are those that are focused on production, transportation, and distribution. This crisis will have significant effects on the economy, as well as significant psychological and social repercussions (Singh, D. P,2020) The impact that the coronavirus epidemic has had on the economy has been catastrophic. Analysts believe that the outbreak will have a long-term influence on consumer behaviour because it has forced millions of people to stay indoors and most retail stores, with the exception of those offering essential services, have closed (PunitaLal, R. M, 2020).

According to the EY Future Consumer Index, as consumers recover from the pandemic, five new markets may emerge: returning with a boom (38% of respondents), staying frugal (29%), maintaining reduction (19%), cautiously lavish (11%), and back to normal (2%). Lockdowns, social separation, closing schools, institutions, and religious meetings, and a variety of other preventative measures have

been implemented by the majority of nations' governments, including India's, in an effort to limit the disease's ability to spread. The majority of people in India live their lives at or below the international poverty level. India is a developing nation. As a direct consequence of this, the Indian government shutdown has had a negative impact on low- and middle-income people (Kundu, B, 2020).

Free shipping, discounts, buy-one-get-one-free promotions, and exchange offers are some of the enticements that the great majority of business-to-consumer (B2C) online retailers in India use to encourage clients to make purchases through their websites. The majority of Indian purchasers, on the other hand, are thought to be price-conscious and careful as part of their value system. As a result, they are typically not easily persuaded to make hasty purchases based on promotions and marketing. In addition, customers who shop via the internet frequently experience difficulties regarding the product delivery timetables and customer care services. Customers' perception that they are at risk when using online web sites is aggravated by the weak IT infrastructure of numerous online retailers, which leads to the hacking of customers' personal information. The rush to adopt digital platforms as a response to the epidemic resulted in a surge in online retail trade; nevertheless, it also showed obstacles that must be overcome in order to fully realise the benefits of e-commerce. A good number of these problems existed prior to the pandemic, such as the low level of financial inclusion on the one hand and the poor quality of digital financial services on the other. Another example is the moderate level of internet access that is growing, as well as the significant digital gap that exists between the countries in the region. The COVID-19 outbreak, along with the lockout and social separation legislation, has had an effect on the purchasing and shopping behaviours of customers. Consumers are becoming more accustomed to change and developing new routines: (Sheth, J., 2020).

There has been an outbreak of a new sickness caused by the Corona virus (COVID-19), which is a highly contagious infection that has infected over 400,000 people around the world. Because HIV is most often transmitted through direct contact with an infected person (such as when they sneeze or cough) or through touching a surface that is contaminated with the virus, the best way to protect yourself is to remain in your own house as much as possible. This has led to an increase in the number of purchases made over the internet all around the world. It has led to a rise in the number of first-time ecommerce users (also known as FTUs) in India, who were previously dissuaded from making purchases online due to the stigma associated with doing so. According to reports, the pandemic of SARS in 2002, which impacted more than 2700 people, is also claimed to have significantly altered the shopping habits of people since they became unwilling to purchase items outside. Especially in the early stages of the outbreak, passenger and freight planes were hampered by lockdowns, travel restrictions, and quarantine procedures, which led to a reduction in traffic. In addition to this, they had an effect on the accessibility, velocity, and expense of obtaining road supplies throughout the region, particularly in Central Asia.

Amazon, which is one of the largest e-commerce enterprises in the country as well as the world, has stated on its website that customers are relying on them more than ever before in their efforts to maintain social isolation and self-quarantine themselves. As a direct consequence of this, Amazon is temporarily prioritising its available fulfilment and shipping capacity to serve high priority items such as household necessities, packaged food, health care, hygiene, personal protection, and other similar categories. It will momentarily stop taking orders for things that are lower on the priority list. Amazon has seen an increase in orders across the globe as a result of the Corona virus outbreak, and as a result, the company is increasing the amount of overtime pay it provides to employees working in its facilities.

On March 25, 2020, the following statement was published by Big Basket, a significant player in the online grocery market in India: "We won't keep you waiting much longer! At the moment, we are coping with an extremely high level of demand. As a direct consequence of this, we will only grant access to our website to customers who are currently working with us. Please retry your request in a few hours." During COVID-19, there was such a rush in demand that the reaction was so overwhelming that it required the site to be shut down. Grofers, another competitor, issued a similar warning, claiming that they had to stop supplying various locations "because to the unexpected demand; nevertheless, we are attempting to boost capacity and will be restarting operations shortly." This growth in business-to-consumer ecommerce in India is, of course, attributable to the fact that existing online users have been stockpiling products in the wake of the breakout of the Corona virus and the shutdown of the government (to check its spread). In addition to the person who makes frequent purchases on the internet, it is possible to insert one or two more types. a portion of the population that did not shop online because of the obstacles that were outlined at the start of this article, and a second portion of the population that either did not know about online shopping or did not have a device or a data plan. After the outbreak of the Corona virus has subsided, it would be very interesting to observe the number of clients coming from these two industries who switch to doing their shopping online.

## **RECOMMENDATIONS**

Over the course of the previous two years, the COVID-19 has had an impact on and a negative impact on the lives of an innumerable number of people all over the world. The situation will still be the same after all of this is over, and it will still have consequences. During this pandemic, however, one thing that we can do for one another is offer assistance. The spread of COVID-19 has been particularly detrimental to the operations of smaller businesses. You may, however, reduce the negative effects that this will have on your company by taking the necessary preventative measures. Your e-commerce company and the people around you can both profit from your ability to maintain an energetic, positive attitude if you do so.

Even e-commerce and mobile commerce take advantage of the COVID-19 pandemic worries to boost sales by conducting campaigns offering free shipping, discounting items for basic necessities and health, and providing updated information regarding the pandemic. In addition, as a direct result of COVID-19, the motivations of customers to make purchases online have moved from a want to a necessity. As a consequence of this, it is only natural that the commodities directly related to health, products that assist work that can be done from home, and supplemental food items were the ones that saw the most demand from the general population during the COVID-19 epidemic.

COVID- 19 locations all over the world were required to close for several months in order to comply with stringent new regulations before being allowed to reopen their doors. The epidemic has accelerated the transition away from traditional enterprises by approximately five years, which has resulted in the period of lockdown resulting in a boom in e-commerce. In contrast, it is estimated that online shopping would grow by over 20% by the year 2020, while brick-and-mortar department stores will decrease by more than 60% by that same year. According to the survey, the epidemic has also assisted in defining the different types of things that individuals feel to be essential in their lives. For instance, when more home improvement supplies were available, the relevance of clothing decreased by 12 percent, 16 percent, and 14 percent, respectively. As can be seen by its recent record quarterly earnings and a sales gain of 40%, Amazon has, without a doubt, benefited from the shift from analogue to digital formats.

## **CONCLUSION**

The COVID-19 pandemic has had a significant impact, from a socioeconomic point of view, on people's shopping behaviours. As a result of the pandemic, individuals who had previously made their purchases in a conventional manner or offline have begun to shop online through a variety of businesses that offer services related to e-commerce and mobile commerce. This is doable due to the fact that everyone has access to a shopping model platform in the shape of e-commerce and mobile commerce communities, as well as the knowledge and ability to make use of these tools while working from the comfort of their own homes. E-commerce and mobile marketing provide clients with a great deal of ease and comfort during the COVID-19 epidemic, allowing them to purchase the required goods with greater convenience.

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