CUSTOMER PREFERENCES TOWARDS E-COMMERCE IN INDIA DURING COVID-19 PANDEMIC

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ABSTRACT

The COVID-19 pandemic imposed multiple restrictions on human movement, especially in countries like India. Many businesses faced and many more are still facing the aftermath of the COVID-19 breakout. The masses too, have embraced a new lifestyle within homes, minimizing outings during the pandemic. Shortage of goods due to hoarding, longer waiting periods in shops and inability of maintaining social distancing in markets has led to a decrease in outdoor shopping. People have turned to e-commerce outlets to satisfy their needs, whilst enjoying the safety of their houses.

This study is aimed at analysing the shifting preference of Indian masses towards E-commerce during the pandemic. The impact of a number of factors such as gender, age, income etc has been studied through the course of this study.

Keywords: E-commerce, COVID-19, pandemic, lockdown

I. INTRODUCTION

The advent and expansion of E-commerce in India took place with a vision to provide a larger consumer reach for small-scale manufacturers and sellers of the country. This unique concept of sales with well-designed transport logistics and appropriate accountability for damaged/undesired goods’ delivery provides employment and a source of income to thousands of people.

Delivery of a suitable product via the E-commerce chain comprises of the following steps:

1. Online ordering
2. Manufacture
3. Packaging
4. Shipment
5. Delivery

Disruption in any of the above can lead to an undesirable delay in delivery of the goods.

In March 2020, the Government of India announced a nationwide lockdown. As a result of panic buying, several goods went out of stock in the markets. Consequently, the masses turned towards E-commerce to satisfy their needs.

However, the E-commerce sector suffered its own kind of disturbances, as mentioned below:

1. The sudden, heavy traffic on e-commerce websites resulted in websites being crashed.
2. Production centres were shut, halting the manufacture of non-essential items
3. The packaging industry suffered setbacks due to the restrictions
4. Transport of non-essential goods was halted

Through the course of this study, we shall analyse the impact of the lockdown on the E-commerce industry.
II. LITERATURE REVIEW

eMarketer’s report of 2020 estimated that sales on e-commerce websites in April and May 2020 rose 7% from that in November and December 2019, a period which normally experiences peak sales on such outlets.

CNBC in 2020 reported that sales of platforms like InstaCart rose as high as 500% during the pandemic as compared to the previous year (2019).

According to Zalando (2020), due to increase in traffic on e-commerce websites, the companies hired technical staff to upgrade its software and also expanded its delivery staff.

Frau Toebben’s study of 2020 presents a view that numerous small-scale sellers had to shift to e-commerce outlets to sell off their goods during the COVID-19 lockdown as people’s preferences shifted.

Eavis in 2020 came to the conclusion that a number of big firms faced some or the other disruption in their services, be it due to transport interruption or halted production due to the restrictions imposed by state governments.

Objectives

1. To examine the impact of Covid-19 on e-commerce
2. To study change in the behaviour of customers for e-commerce during covid-19 Pandemic
3. To analyse the impact of age and gender of customers towards e-commerce.
4. To know about the mode of payment towards e-commerce

Hypotheses

1. There is no significant effect of age on various aspects of e-commerce during Covid 19 pandemic
2. The gender of respondents has no significant effect on various aspects of e-commerce during Covid 19 pandemic
3. There is no significant difference between the purchase of essential and nonessential goods before lockdown and the purchase of essential and non-essential goods during lockdown

Research Methodology

The present study is mainly descriptive research which focuses on change in the behaviour of customers towards e-commerce during Covid 19 pandemic. The sampling unit taken is respondents of different age groups, gender, and locations. The sample size taken for study is 100 and sampling technique used is convenience sampling. Data collection instrument was structured questionnaire method which was collected through google forms.

The demographic characteristics show that 56% of the respondents were male and rest 44% were female.
40% of the respondents belong to 20-30 years age group.

As much as 31% of the surveyed population had a monthly income of above INR 1,00,000.

62% of the respondents lived in nuclear families and rest (38%) lived in joint families.
About 60% of the people purchased essential and non-essential goods from both local markets and e-commerce websites and the rest 40% made purchases from local markets only.

A slight shift in preference was observed during lockdown as 7% opted for only e-commerce websites, 55% opted for local markets only and rest 38% purchased essential goods from both local markets and e-commerce websites.

As high as 49% people opted for e-commerce websites as and when need arose. Only 2% made daily purchases, 14% made weekly, 17% made monthly and 3% yearly purchases during lockdown.
A majority of respondents opted for no-cash payment methods such as credit cards (17%), debit cards (33%) and netbanking (22%). Only a quarter of the surveyed population opted for cash-on-delivery.

59% respondents were doubtful about the safety of goods delivered via e-commerce outlets, 30% believed they were safe and 11% believed them to be unsafe.
A majority of 65% of the people were satisfied with the quality of the products delivered to them through E-commerce websites, 26% were doubtful and 9% were unsatisfied with the goods’ quality.

71% people were of the opinion that their e-purchasing has not increased during lockdown while 22% agreed to the statement. 7% had no specific opinion regarding the same.
56% respondents believed that delivery time for e-commerce had increased during lockdown.

56% people held the opinion that prices of goods on e-commerce websites had increased during lockdown, while 25% had no framed opinion regarding the same and 19% disagreed with the statement.
As much as 60% of the population was comfortable with no-cash on delivery policy adopted by e-commerce websites during lockdown while 25% were not comfortable.

Data shows that before lockdown customers used to purchase nearly every type of product from e-commerce sites like clothes, electronics, Home appliances, books, furniture, beauty products etc.
Data shows that during lockdown majority of the purchase from e-commerce sites was restricted to essential products like groceries, medicines only.
Findings about features in e-commerce that attracts customers shows that major reason is discounts offered by various websites. Respondents quickly check the discounts offered at e-commerce sites even if they purchase products offline also. Others features are Design of website followed by advertisement, Variety and Value of money which are of significance to respondents.

When the respondents were asked about the reasons for purchasing online products the highest frequency was when respondents need home delivery followed by when they need to compare prices for products which was followed by when they don’t have the time to find things in different markets & when they want something unique & special.
From the reasons that led the respondents to opt for e-commerce websites during lockdown, the major reasons were contact-free delivery as the respondents were scared from corona virus and were resistant in visiting the shops. Other reason was they were not ready for standing in long queues as they wished to stay at home followed by ease of availability of products. Other reasons included packaging safety, faster delivery, lesser prices etc.
<table>
<thead>
<tr>
<th>S.N</th>
<th>Hypothesis</th>
<th>Chi-Square</th>
<th>Value</th>
<th>Degrees of Freedom</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is no significant relationship between Gender and the satisfaction of consumers with the quality of the products being delivered through e-commerce websites</td>
<td>Chi-Square</td>
<td>0.072</td>
<td>2</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>There is no significant relationship between Gender and the feeling of customers that the delivered products are safe for use</td>
<td>Chi-Square</td>
<td>1.332</td>
<td>2</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>There is no significant relationship between Gender and the opinion of customers that their e-purchasing has increased during the lockdown period</td>
<td>Chi-Square</td>
<td>6.147</td>
<td>2</td>
<td>Rejected</td>
</tr>
<tr>
<td>4</td>
<td>There is no significant relationship between Gender and the opinion of customers that the delivery time has increased for e-commerce during lockdown</td>
<td>Chi-Square</td>
<td>2.178</td>
<td>2</td>
<td>Accepted</td>
</tr>
<tr>
<td>5</td>
<td>There is no significant relationship between Gender and the feeling that prices of goods have increased on e-commerce websites during the lockdown</td>
<td>Chi-Square</td>
<td>0.094</td>
<td>2</td>
<td>Accepted</td>
</tr>
<tr>
<td>6</td>
<td>There is no significant relationship between Gender and the opinion about the comfort with the no cash on delivery policy adopted by some e-commerce websites during the lockdown</td>
<td>Chi-Square</td>
<td>6.641</td>
<td>2</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Chi-square test was used to find the association of Gender with various opinion of respondents towards e-commerce sites and it was found that no significant relationship exist between Gender and quality of products delivered through e-commerce sites, increase in delivery time, increase in prices during lockdown. Gender has significant relationship with comfort with no cash on delivery policy and increase in e-purchasing during lockdown period.

<table>
<thead>
<tr>
<th>S.N</th>
<th>Hypothesis</th>
<th>Chi-Square</th>
<th>Value</th>
<th>Degrees of Freedom</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is no significant relationship between Age and the satisfaction of consumers with the quality of the products being delivered through e-commerce websites?</td>
<td>Chi-Square</td>
<td>7.047</td>
<td>8</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>There is no significant relationship between Age and the feeling of customers that the delivered products are safe for use</td>
<td>Chi-Square</td>
<td>16.635</td>
<td>8</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>There is no significant relationship between Age and the opinion of customers that their e-purchasing has increased during the lockdown period</td>
<td>Chi-Square</td>
<td>12.467</td>
<td>8</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>There is no significant relationship between Age and the opinion of customers that the delivery time has increased for e-commerce during lockdown</td>
<td>Chi-Square</td>
<td>7.762</td>
<td>8</td>
<td>Accepted</td>
</tr>
<tr>
<td>5</td>
<td>There is no significant relationship between Age and the feeling that prices of goods have increased on e-commerce websites during the lockdown</td>
<td>Chi-Square</td>
<td>6.265</td>
<td>8</td>
<td>Accepted</td>
</tr>
<tr>
<td>6</td>
<td>There is no significant relationship between Age and the opinion about the comfort with the no cash on delivery policy adopted by some e-commerce websites during the lockdown</td>
<td>Chi-Square</td>
<td>5.897</td>
<td>8</td>
<td>Accepted</td>
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In order to test the association age with various opinion towards e-commerce sites it was seen that only feeling that the delivered products are safe for use has significant relationship with age and for other no relationship exist

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>Paired Samples Test</th>
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<tbody>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td>From where did you purchase essential and non-essential goods before lockdown? - From where do you purchase essential and non-essential goods during lockdown</td>
<td>0.402</td>
</tr>
</tbody>
</table>

Moreover, a t-test was performed to analyse if there is no significant difference between the purchase of essential and nonessential goods before lockdown and the purchase of essential and non-essential goods during lockdown. The results of the t-test proves that there is a difference between the purchase of essential and nonessential goods before and during lockdown (p=0.001 < 0.05; t= 3.360). Hence, the null hypothesis is rejected.

III. CONCLUSION

Due to Covid-19, there is a drastic change in the respondents purchase behaviour who earlier use to shop offline and are switching to shop online through various entities providing e-commerce services. This is because of the fact that e-commerce activities can be done from home during this lockdown period conveniently and comfortably. The various reasons for opting e-commerce activities are discounts offered by companies on different products, home delivery, attractive advertisements causing awareness in respondents, lesser prices, faster delivery, variety of goods available, contact free delivery, no queues as no waiting time is involved etc. As per the findings respondents view quality of products delivered through e-commerce websites. Price for the products and delivery time has increased during the period of lockdown. They believe that products are safe in use and prefer no cash options for making the payments.

Chi-square test was used to find the association of Gender and age with various opinion of respondents towards e-commerce sites. Findings showed no significant relationship exist between Gender and quality of products delivered through e-commerce sites, increase in delivery time, increase in prices during lockdown although there was significant relationship with comfort with no cash on delivery policy and increase in e purchasing during lockdown period. With respect to age it was seen that only feeling that the delivered products are safe for use has significant relationship with age

It was also seen that earlier respondents used to order every type of products online but during lockdown the purchase was mostly restricted to grocery and medicines items. Data revealed a significant change in the behaviour of customers for essential and non-essential goods. As a result of lockdown many factories were closed and there were disruptions in the supply chain also. But it can be concluded that e-commerce has proved as an important solution in this type of situation. Companies are continuously searching for new and innovative means to adapt to new type of situation in order to fulfil the needs of respondents For example technologies like customised apps, social media platforms, telemedication, robots, drones are used for delivery of goods
BIBLIOGRAPHY