

Article

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A Study on Impact of COVID -19 on the Consumer Buying Behaviour

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Abstract

Digitalization is the process through which adoption of new technologies or methods used in the business process. Nowadays, the availability of high-speed data and E-commerce technologies are transforming the entire economy and adopting innovative business models. Due to the change in behavior of the customers due to the COVID-19 pandemic outbreak, businesses are adopting an innovative way of technologies as per the preference of the customers. In this paper, we have mainly discussed about the digitalization and its impact on the buying behavior of the customer. The study also reveals that digitalization helps people to make transactions using e-wallets even in this pandemic situation. In earlier, it is impossible to avail moratorium in the banks, but now it is easy for the people to avail the moratorium even without stepping into banks, this is because of the digitalization process. In this study, we can understand that most of the customers have access to digital services but lacks awareness in digital transactions.

Keywords: COVID-19, Pandemic, E-Commerce, Consumer, Online Shopping, Digital Markets, Digitization

Introduction:

Coronavirus (COVID-19) is an infectious disease caused by Severe Acute Respiratory Syndrome Corona-virus 2 (SARS - CoV-2) This disease was first identified in December 2019 in Wuhan, Hubei, China, and has resulted in an ongoing Pandemic. This disease is highly infectious

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in nature. Digital technology has transformed the dimension of every individual, firm, and societal aspect. Digitalization means using technologies to innovate the products and services in a redefined manner. Today digitalization plays an important role from communication to accessing high-speed data for an individual. Digitalization has empowered the economy of our country, by making a drastic change from a cash-based economy to a cashless economy. According to the IMD world digital competitive rankings 2019 (WDCR), India has advanced to the 44th position in the improvement of technology and holding the first position in the telecommunication investments. Digital infrastructure has been increased with the help of the public and private organizations. Nowadays, people accessing smartphones and high-speed data have been increased. National Optical Fiber Network has been initiated by the government to provide digital connections to the Gram panchayats in all over the country with an average speed of 100 Mbps. Aadhar cards are linked with bank accounts, so people can make cashless transactions.

Digital markets help the customers to get the products and services by staying inside the home. Accessing internet and e-commerce platforms is transforming the economy and also changing the operations of the business models. Digitalization has reduced a lot of documentation processes by providing eKYC's for banking operations. Digitalization has provided new job opportunities, it also leads to innovation in the various sectors. The development of technologies has transformed the way people communicating with daily and professional life. It also influences the customers to utilize the online environment for various services available in the market.

Review of Literature:

Internet is no merely a source of information but an important contrivance for shopping, learning, communicating, getting service from plumbers, carpenters, doctors etc. Supply chain is helping to get connected with the customers that significantly reduce the waste and supporting to green businesses.

Over the past 15 years the ICT revolution has driven global development in an unprecedented way. With an immense progress in technology, internet and its services have led to creation of new markets (D'Silva et al., 2010). Awais Muhammad and Samin Tanzila (2012) indicate that use of internet has made the world a global village. The use of Internet has reduced the distances and brought the people together. The important feature in ecommerce is privacy which not only increases competitive advantage but confidence level also. E-commerce brings sellers and potential buyers at the distance of one click and it saves time as it is cost effective, as E-commerce is becoming a key to success. Rust and Chung, (2006) suggests to know not just what customers do in any particular e-commerce contact but also what they do (and how they perceive and feel) across multiple contacts.

The work also suggests to investigate the kinds of online services that promote growth of the customer relationship, and the most effective ways to combine the online relationship with the offline relationship, with the idea that the full relationship with the customer is not complete without considering both online and offline, as well as how they interact.

Objectives of the Study:

1. To study the Impact of Digitalization on the customer's new buying behavior due to the virus outbreak.
2. To analyze the various benefits of digitalization in carrying out the day to day activities by staying safely at home.
3. To identify whether digitalization has been safeguarding the customers from cybercrimes.

Need for the Study:

Digitalization has transformed society in large with the development of innovation in the business models. Today in the digital era of Artificial Intelligence, the Internet of Things (IoT) plays a dominant role in people's life to carry out the day to day activities. Nowadays, customers are provided with a lot of information available in the market with their smartphones. In India, nearly 684 million people are accessing smartphones with internet technology. In this study, we have mainly focused on the Impact of Digitalization due to Covid -19 pandemic on the buying behavior of the customers, which enables the companies to produce the goods as per their requirements.

Research Methodology:

Sources of Data:

Primary Data:

In this study, we use both the primary and secondary data. Primary data is collected through the structured questionnaire circulated to the respondents.

Secondary Data:

Secondary data are collected from the already published articles, research papers, newspapers, and some sources from the related websites.

Sample Size:

The sample is collected from 100 respondents.

Area of the Study:

The respondents of the study are from Chennai, Tamil Nadu.

DATA ANALYSIS AND INTERPRETATION

T-Test

H0: Online shopping users do not prefer online shopping for the price comparison or product evaluation.

H1: Online shopping users prefer online shopping for the price comparison or product evaluation.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Website preferred	100	1.3700	.69129	.06913
Evaluating products	100	3.6200	.95113	.09511
Compare price	100	4.0100	.93738	.09374

One-Sample Test

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Website preferred	19.818	99	.000	1.37000	1.2328	1.5072
Evaluating products	38.060	99	.000	3.62000	3.4313	3.8087
Compare price	42.779	99	.000	4.01000	3.8240	4.1960

Interpretation: Since the significance value is 0.00. It is interpreted that there is no significance difference between two variables. Accept H0.

CHI SQUARE TEST

H0: The online consumer need that by purchasing in online has positively transformed the banking focus & acts as consumer friendly and provides good post purchase services.

H1: The online consumer not need that by purchasing in online has not positively transformed the banking focus & not acts as consumer friendly and provide good post purchase services

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.279 ^a	8	.971
Likelihood Ratio	3.104	8	.928
Linear-by-Linear Association	.650	1	.420
N of Valid Cases	100		

Interpretation: Since the significant value is greater than 0.05, H0 is accepted.

CORRELATION

H0: Using this online payment mechanism in online shopping app increases finance literacy.

H1: Using this online payment mechanism in online shopping app not increases finance literacy.

Correlations

		Payment mechanism	Improved financial literacy
Payment mechanism	Pearson Correlation	1	.089
	Sig. (2-tailed)		.377
	N	100	100
Improved financial literacy	Pearson Correlation	.089	1
	Sig. (2-tailed)	.377	
	N	100	100

Interpretation: There is strong positive correlation. Since the significant value is 0.05, Accept H0.

Findings of the Study:

- ❖ Majority of the respondents are accessing the digital platform through the smart phones.
- ❖ Majority of the respondents showcased that through the social media they come to know about the digital platforms.
- ❖ From our study we are able to understand that time saving and convenience such as safety measures are the main benefits of digitalization.
- ❖ Most of the respondents are agreeing that digitalization helps the customers to evaluate the products in the market.

- ❖ They feel that logistical barriers are there during a nationwide lockdown and there have been disruptions in buying commodities. Also, it is safer to do e-shopping rather than stepping out of our houses.
- ❖ Majority of respondents confirmed that digitalization improves the financial literacy of the customers. Also, many new users had a warm and good shopping experience with E-Commerce platforms.

Conclusion:

In this study, we came know that, accessing the digital platforms has increasing year on year in India. To match their requirements, marketers need to understand the behavior of the customers. Through the increase in usage of smart phones, customers are accessing various digital platforms which help to get the up to date information in the market. Digitalization enables the customers with wide variety of products and services avail within the doorsteps. Customers can evaluate the products in the market, which helps them to choose the right product, but still people require awareness about the various cyber-crimes in the digital platforms. The Customers feel that shopping on these e-platforms are safer, especially considering on-going pandemic situation.

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