

Investigation on the Effects of COVID-19 on Consumers' Purchasing Behaviour

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Abstract

COVID-19 has badly changed the purchasing behaviour of consumers. Previously, in person shopping was preferred by consumers but due to the pandemic the scenario has changed now. Online shopping has become quite famous and e-commerce sites are growing day by day. Even traditional shops have converted into online shops in this lockdown. However, this study is conducted in Bangladesh where respondents participated through an online survey. This study would assist the researchers and marketers to understand the preference of consumers during this pandemic. Also, this would help them to introduce the products and bring changes in their products and marketing strategy based on the consumers buying pattern in COVID situation.

Key words

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Introduction

In international business, different kinds of lucrative opportunities are created through globalization. The extent of liberalization, privatization and globalization depends on world economic development. In addition to this economic development, the optimum use of natural resources, capital expenditure, manpower, technology used in production and the level of consumption of people rely on it. Economic peace and cooperative policy of the different countries results in improved foreign

trade. In reality, shoppers often prefer to look for discounts and outstanding value bargains rather than products or quality. With the growing usage of the internet by shoppers and the ardent use of it as an indispensable medium, the internet has begun to display its continuation in all areas of existence as the biggest innovation of the 20th century; the internet has taken its position as a new field of business in the world of consumption.

On 11th March, 2020, the World Health Organization (WHO) declared COVID-19 as a global pandemic that

causes disease through person-to-person interaction and spread over the countries. A fear of getting infected has been spread all over the country since March. In order to curb the spread of the novel coronavirus following four deaths and at least 39 infections, Bangladesh placed a nationwide lockdown on 24th March, Tuesday. At the lowest amount, the inventory of essential products in stores was impressive. During the early lockdown process, face masks and sanitizers were out of stock in different medical shops. This resulted in black marketing of basic and medicinal products. During the pandemic, people became highly dependent on E-commerce business for shopping or ordering daily essentials. The entire world of e-commerce has been influenced by Coronavirus; it has altered the essence of industry.

In Bangladesh, all single shopping stores have been shifted to online mode along with its regular mode such as Meena Bazar has been shifted to Meena Click, Shopno & Agora shifted to Panda Mart and in addition to all this a wide range of online shopping sites and businesses have been introduced during this pandemic. Coronavirus has various effects on different product characteristics, meaning that the effect of COVID-19 on some products is very high, with less impact on other products. Because of this virus, total e-commerce sales growth has been boosted to an unbelievable amount. In addition, Individuals avoid going out, maintaining social isolation, and shopping from home. Working from home has been seen also. Furthermore, the use of social media platforms and Facebook, Google Update, have also increased in this period.

Coronavirus dramatically alters global patterns. There has been a rapid shift in every organization. It has changed human conduct, consumers' buying patterns, the essence of commerce, industry, and even the way of life. It spreads fears among individuals who avoid engaging with others. As due to the pandemic some are suffering financially and some will suffer in the future, that's people's buying intention in pandemic depends on the usefulness and necessity of the products. The objective of the study strives to discover the following things: 1. to find out how the necessity of the product changes the buying behaviour of consumers in this pandemic, 2. to find out how usefulness of the product

impacts on the consumer buying decision in COVID 19 3. To point out the importance of the product quality in this COVID situation, 4. to identify the importance of the product information during pandemic and 5. to identify how price affects the buying decision of customers in COVID- 19.

In this investigation the second section is all about literature review whereas the third section is about research framework. In the subsection of the research framework the theoretical and conceptual model has been spotlighted. On the other hand, data analysis, discussion and conclusion are manifested sequentially.

Literature Review

With several countries shutting down their financial markets, closing corporate offices, retiring small companies, and cancelling big social activities, COVID-19 has already caused widespread harm to the global economy. Many other areas dependent on stable economies have been affected by the additional effects of decreased consumption and investment [1]. Organizations face uncertainties and obstacles around the world every day [2]. In turn, the associated uncertainties and risks impact economies directly. COVID-19 has had extraordinary effects, defying the most predictable scenarios. The COVID-19 pandemic has forced the nation's retail outlets to remain closed. This scenario has been described as an unprecedented disruption for several corporations. Once self-isolation is proclaimed by the number of major cities, lock-downs and social distancing are aimed at enhancing the user's behaviours. Users have increased their activities with online applications related to shopping in Bangladesh. It has been found, according to research reports, that the use of online shopping apps and mobile e-commerce apps has undergone a substantial increase in inactive and new users. The growth in online viewer numbers was seen in the first week of March of the 2020 financial year [3]. Wholesale smartphone apps online exemplify an increasing trend. It has been observed that the total number of active users, new users and payouts during the second week of March 2020 is increasing. The researchers also predict that the proportion of active viewers on the online platform will be higher compared to the months of January and February [3]. Most of the growth in online mobile apps for new

and active audiences is primarily on websites that provide food delivery services and facilities. For example, Malaysia, Taiwan, Thailand, Singapore, and Hong Kong have experienced growing online traffic on food distribution websites in the nations of South-east Asia [3].

However, consumers are buying products in a pandemic based on various factors. That means these factors are incorporated in the consumer's buying behaviour. Customer's intention of buying a product depends on their attitude. Attitude towards a product reflects the intention of buying it [4]. In contrast, the easy usage of digital platforms and useful products has changed the buying behaviour of customers [5]. Due to the pandemic people were focusing on buying the necessary products online [6]. In normal circumstances, the consumer's decision as to whether or not to not selecting a product is also connected to its intrinsic and extrinsic characteristics, and there is a shift in the appreciation of the utility of such products in the sense of the COVID-19 pandemic, with a focus on food supply and less on luxury goods and services [7]. According to [8], price has had a significant impact on purchasing conduct from a noteworthy perspective. In view of the price in supermarkets and incidental persuasive factors like monetary lift or shortfall, the price can be seen contrastingly by the buyers under various conditions. A changed impression of cost is regularly connected to

value affectability [9]. As online customers can't see, contact, feel, or smell the items, so the quality of the items relies upon the information. Moreover, [10] stated, in light of the fact that "service excellence works as an ideal, a norm against which decisions are at last framed," conveying guarantees and performing capacities will prompt positive insight concerning "value" online shopping and its service quality. Due to the pandemic customers will focus more on the quality of the product and based on this they will buy the product.

Research Framework

In the research framework there will be a subsection consisting of theoretical frameworks and conceptual frameworks. The paper discusses two theoretical frameworks from two different papers and based on that the researchers developed the conceptual framework.

Theoretical Framework

In this subsection two theoretical frameworks named "Technology acceptance model" and "Modified Model of Effects of Factors on Perceived Usefulness, Ease of Use, Trust and Intention to Purchase" are presented [11]. Based on these theoretical frameworks the authors developed the conceptual model.

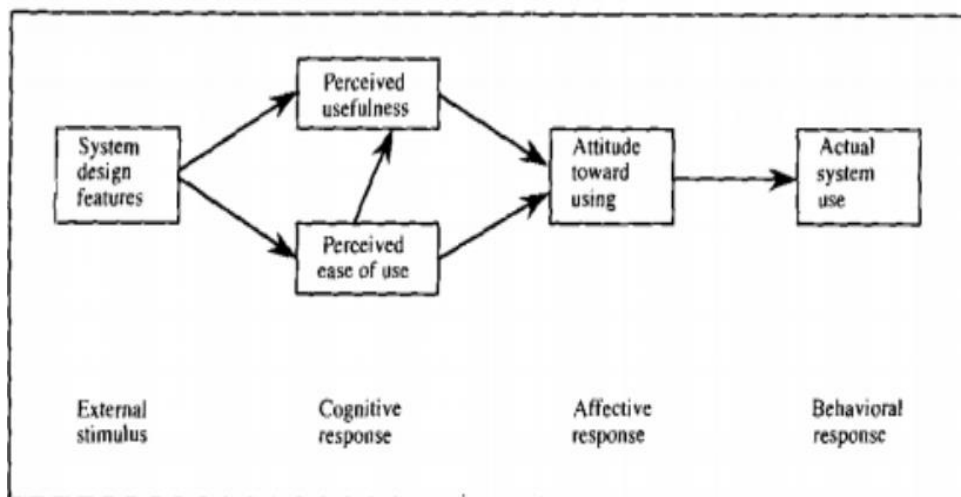


Figure 1. Technology Acceptance Model developed by Fred D. Davis [12]

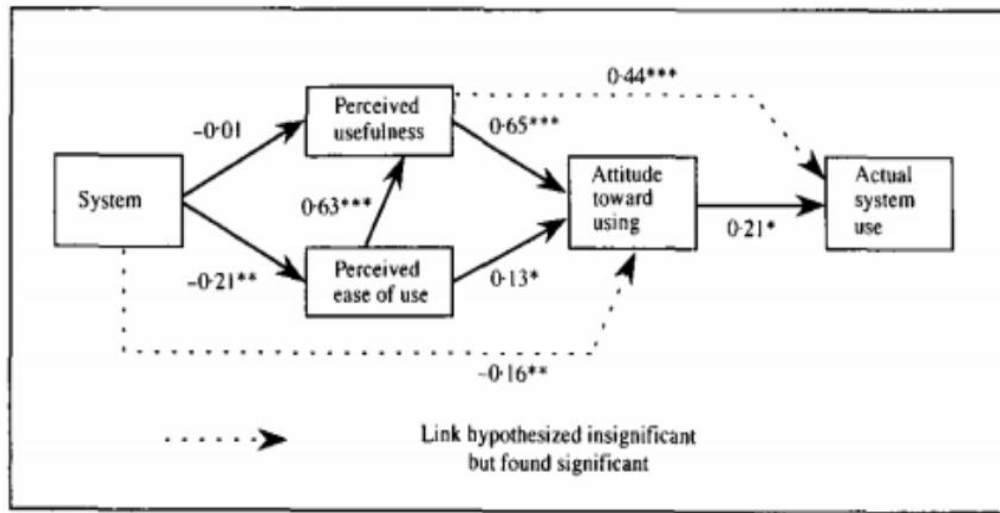


Figure 2. Results of Technology Acceptance Model by Fred D. Davis [12]

There are many research papers available on technology and online shopping. The first figure is collected from the research paper named user acceptance of information technology by Fred D. Davis. In the first figure the author illustrates that the user

acceptance is important while using the technology. System design should be easy to use and perceived as useful. In addition, system design features indirectly impact on the attitude of using and actual system use.

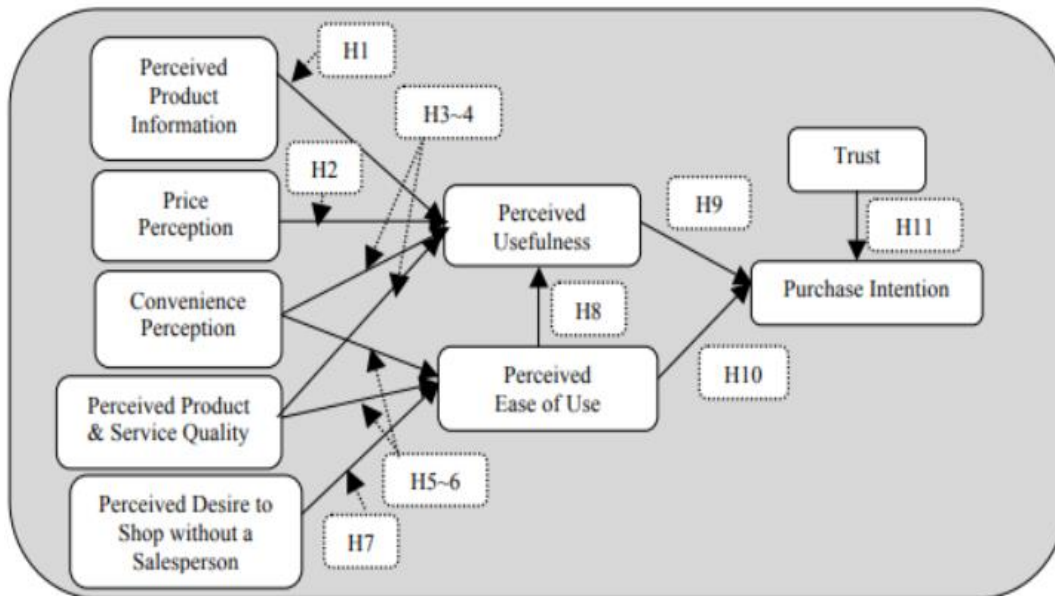


Figure 2. Modified Model of Effects of Factors on Perceived Usefulness, Ease of Use, Trust, And Intention to Purchase developed [11].

On the other hand, Figure 2 is collected from the paper named “Exploring Factors That Affect Usefulness, Ease of Use, Trust, And Purchase Intention in The

Online Environment”. According to both the author Yoon C. Cho and Esen Sagynov figure 2 demonstrates that customers perceived usefulness while

shopping online. In this model it illustrates that the intention of buying a product depends on the usefulness and ease of use. Meanwhile, the usefulness of a product depends on the information, price, quality, and ease of use of the internet, without getting assistance from the sales people and trust.

Conceptual Framework

Based on the theoretical models the conceptual model is produced which is instantiated in Figure 3. In this figure it exemplifies the consumers perception on the current scenario of online shopping. The conceptual model demonstrates that the purchase intention of the consumers depends directly on the necessity of the product and also the usefulness of the

product which means consumers now emphasize the need and usefulness of a product. Mainly, consumers like to save money on the pandemic and if the product is not necessary and useful to them, they won't purchase it. On the other hand, if there is a chance of a price hike of a product which is important to them, they would buy it in a bulk amount because that product is useful to them. Moreover, product information plays an important role while buying a product. Besides, the quality of the product is essential when it comes to purchase. As the pandemic is going on it is not possible for everyone to buy a product on a regular basis. That's why good quality products are on demand. If the quality of a product is not good enough, customers won't consider it as a necessary and useful product in the pandemic.

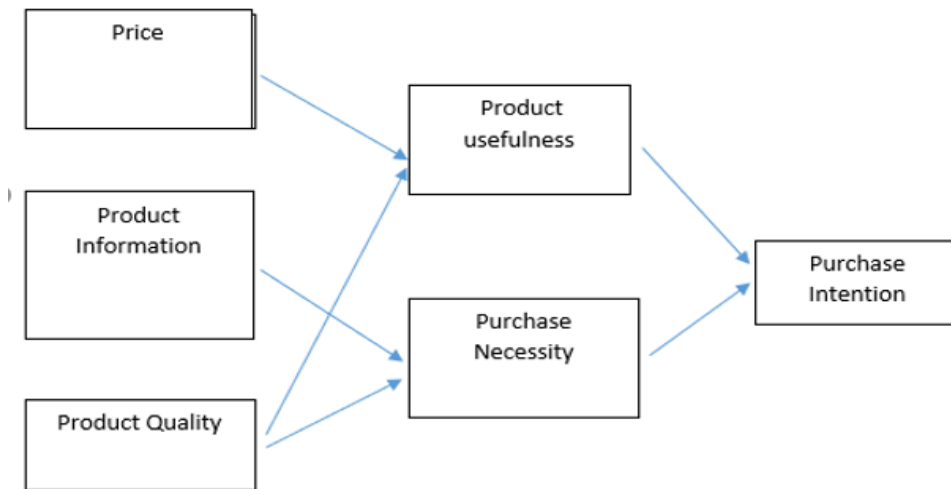


Figure 4. Consumers Purchase Behaviour in Pandemic, A Conceptual Model Developed by the Authors

Methodology

This descriptive research assists to know the consumers purchase preference during the COVID-19 situation. To conduct the study primary data and secondary data have been used. For secondary data, numerous research papers, articles and newspapers are used as in the literature section. On the other hand, for primary data, a formalized questionnaire which incorporates 30 questions is employed to collect the data of 228 respondents through an online survey. The participants aged between 18 to 46 years and above have expressed their transposition in purchase manners in this study. In addition, the researchers have developed a conceptual model demonstrated in figure 3 based on the theoretical frameworks in figure 1 & 2.

Data Analysis

In this study the authors conducted an online survey method through Google form to estimate the changing purchase pattern and behaviour of the consumers due to the COVID-19 pandemic. The survey questionnaire consisted of 30 questions. In this investigation MS Excel is operated as a statistical tool within the descriptive research and 228 respondents have participated in a diversifiable approach.

Figure 5 illustrates clearly that 82.5% respondent's monthly income is below 15000 BDT. 10.1% respondent's monthly income is between 15001 to 30000 BDT. 4.8% of respondents earn more than 50,000 BDT each month. (For reference: 1 USD = 83 BDT)

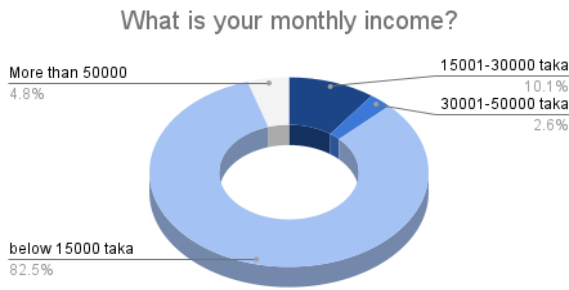


Figure 5. Monthly Income

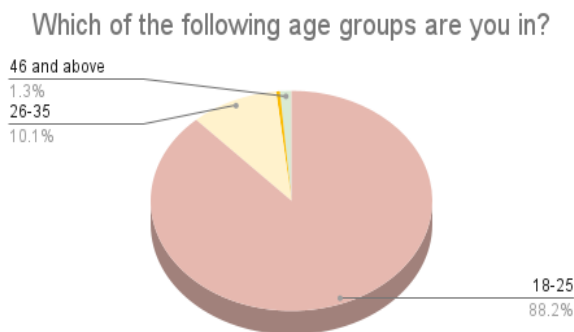


Figure 6. Age group

Figure 6 illustrates, the population is divided into four age groups: 18 to 25 years, 26 to 35 years, 36 to 45 years and 46 years and above. People in the 18 to 25 age group make up the largest group, at 88.2% of the total population. The 26 to 35 group and 46 and above make follow, with 10.1% and 1.3% of the population, respectively.

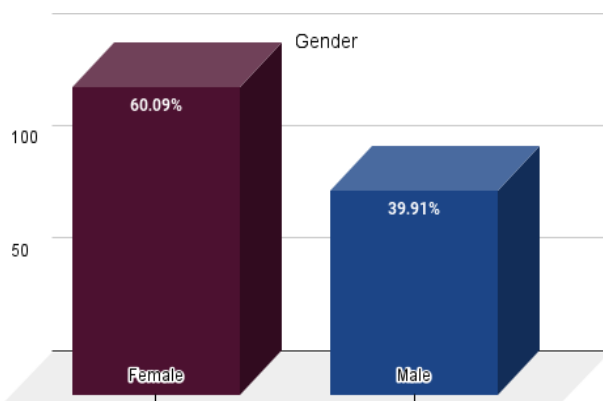


Figure 7. Gender

According to the findings, figure 3 exemplifies it is clearly visible that female respondents are leading over male. Out of 228 there were 91 (39.9%) male 136 (59.6%).

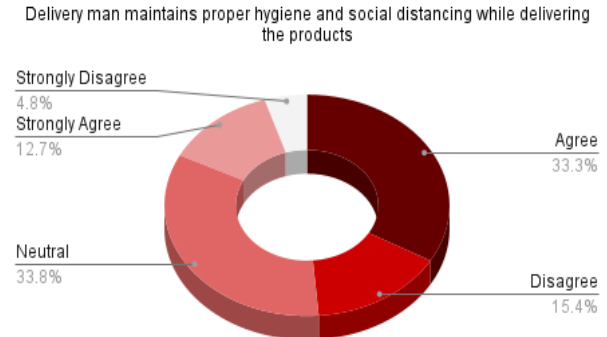


Figure 8. Safety of Delivery-Man

According to the pie chart 33.8% respondents were neutral about the proper hygiene and social distancing maintained by delivery men while delivering food. 33.3% was another largest portion of the chart that agreed with the question. The smallest portion of the diagram strongly disagrees with the statement with 4.8%.

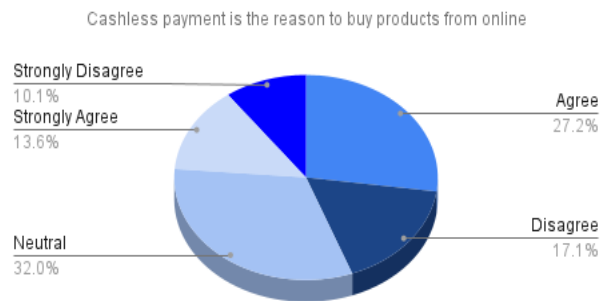


Figure 9. Reason behind Online purchase

Figure 9 encapsulates according to the pie chart 32 % respondents were neutral about the cashless payment. 27.2% was another largest portion of the chart that agreed that cashless payment is the reason to buy products from online. The smallest portion of the diagram strongly disagrees with the statement with 10.1%.

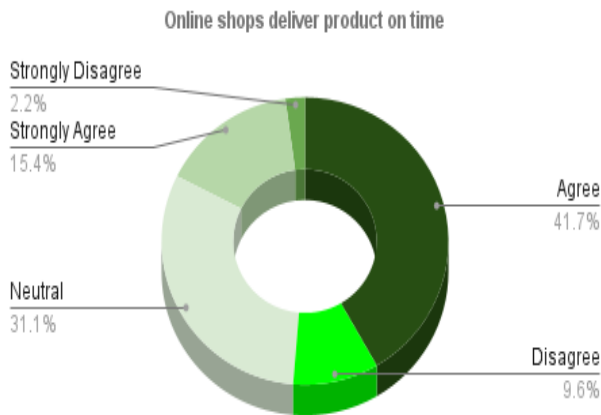


Figure 10. Timeliness

According to the pie chart, 41.7% of respondents agreed on the time preserved by online stores, while 31.1% were ambivalent on the subject. The statement is strongly disagreed with by the smallest portion of the diagram, 2.2%.

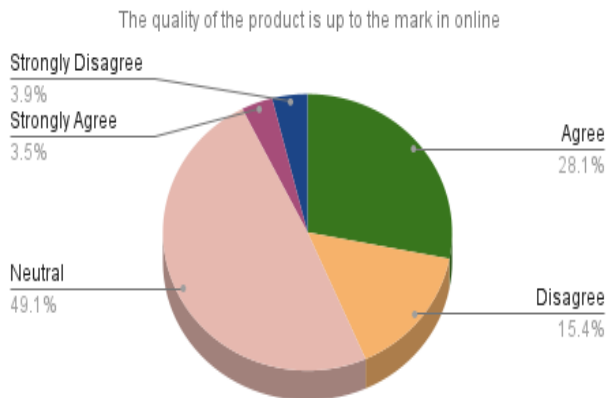


Figure 11. Quality

Figure 11 illustrates that the majority of the respondents selected neutral 49.1% about the quality of the online product. While 28.1% said they "Agree" that the quality is up to the marks online.

Figure 12 demonstrates that the majority of the respondents 33.8% selected neutral about the same price all over the country. While 27.2% did not agree about this statement and 20.2% respondents strongly disagreed.

The price remains same in all over the country during this pandemic

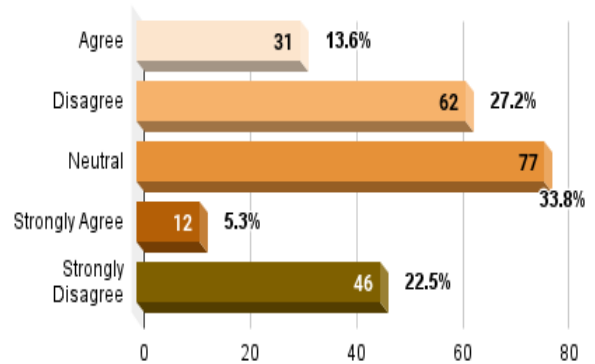


Figure 12. Price

During pandemic, I spend more on Online shopping for-

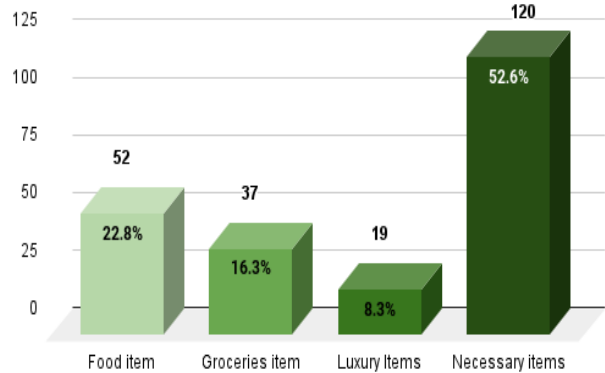


Figure 13. Amount of Spending

According to the chart in figure 13, the highest expenditure during a pandemic is on necessary items 52.6%. The lowest expenditure is on luxury which is 8.3%. However, people spend 22.8% on food and 15.4% for groceries.

If a product has the same price both in shops and on the internet, which one you would prefer to buy it during COVID-19?

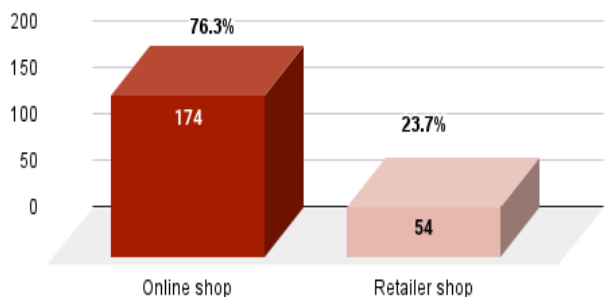


Figure 14. Preference

According to the investigations in Figure 14, if the price of a product is the same in stores and online, 76.3 % will buy from the online store, while the remaining 23.7 % will go to the retail store.

Approximately how much you have spent on shopping during the pandemic?

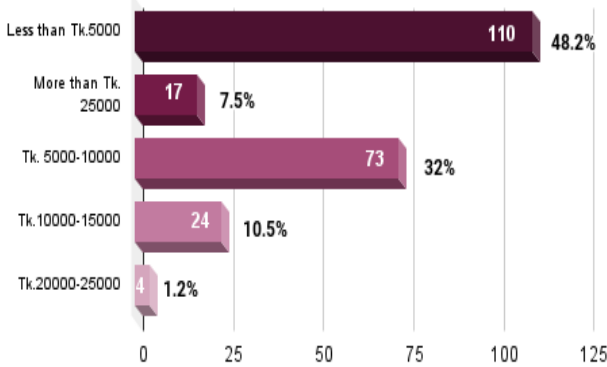


Figure 15. Spending amount

During the pandemic, 48.2 % spent less than 5000 on shopping, while 32 percent spent BDT 5000-10000 on their consumption. 10.5 percent of respondents spend between BDT 10000 and BDT 15000. Only 1.8 percent of those polled stated they spent BDT 20,000 to 25,000 during the outbreak. (For reference: 1 USD = 83 BDT).

During the pandemic did you feel any change on your consumption and buying pattern?

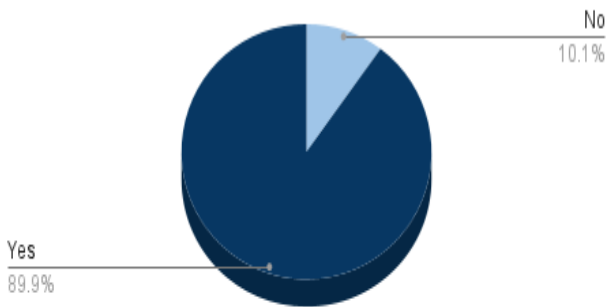


Figure 16. Consumption Pattern

During the pandemic, 89.9 % changed their consumption and purchasing habits. The remaining 10.1 % did not notice any differences.

Do you think because of panic buying the price of the products are increasing in the online shop?

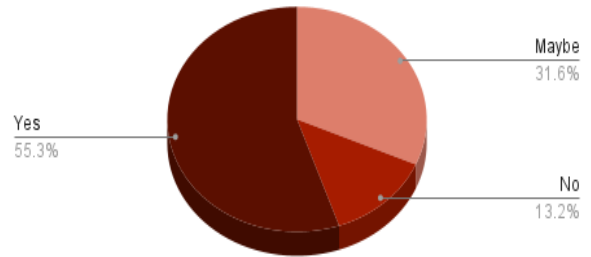


Figure 17. Panic Purchase Vs Price

55.3% of individuals believe that the price of products at online stores is rising due to panic buying. This assertion was rejected by 13.2% of those interviewed.

Approximately, how many times did you shop over the internet in this pandemic?

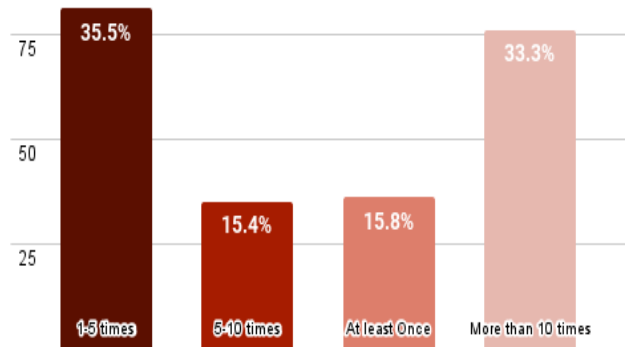


Figure 18. Frequency of Shopping

In this survey, 35.5% of the respondents indicated they purchase on the internet 1-5 times. In this epidemic, 33.3% of respondents stated they shopped online more than ten times while 15.8% of respondents claimed they had shopped at least once.

Which mode of shopping you prefer?

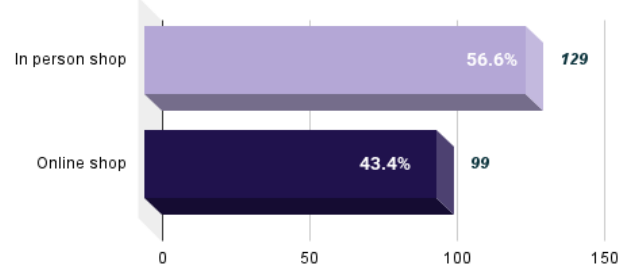


Figure 19. Mode of Shopping

According to the survey of figure 19, 56.6 percent of respondents prefer in-person shopping, while 43.4 percent favour online shopping.

Discussion

The perusal illustrates that the monthly income of 18 to 25 years old people is below 5000 BDT yet the demand for online shopping is very high in this pandemic. As the online shop delivers the product on time and there is an option of cashless payment. As the COVID-19 is contagious that's why people prefer cashless payment and well hygiene-maintained delivery man. The perusal additionally represents that the monthly income of 18 to 25 years old people is below 5000 BDT (1 USD = 84.78 BDT) yet the demand for online shopping is very high in this pandemic. As the online shops deliver the products on time and there is an option of cashless payment. For this reason, people go for online shops. Basically, COVID-19 is contagious and that's why people prefer cashless payment and well hygiene-maintained delivery man. On the other hand, online shops maintain the quality which encourages the buyers to shop more. In addition, almost everywhere in Bangladesh the price remains the same in the lockdown. The demand is increasing but due to pandemic customers prefer to buy food and grocery items compared to other items. That means people have started buying their necessary items online.

Conclusions

Coronavirus has affected almost all the sectors of the economy of Bangladesh especially the shopping malls and grocery businesses. Due to this, online e-commerce sites have faced a boom after the pandemic as the consumers started to buy both the necessary and luxury goods online. Even the traditional retail stores have switched to online stores. Due to safety and delivery customers prefer online shops. However, this research paper has analysed the effects of the pandemic on the consumers' online buying behaviour and it found that the number of online consumers has increased more than anything due to the pandemic immediately after it broke out.

Although the research paper tried to analyse different aspects, there are some of the issues that can be pointed out by the researchers. First of all, the in-person trading situation and the trading situation of digital platforms needs to have a

comparative view to better understand the diversity of the effect. Then, the respective authority needs to look into the availability and price of the products and handle the market more effectively so that dishonest businessmen cannot grab the advantage of panic buying. Besides, the community of marketing scholars needs to urgently comprehend and research the role of spirituality in modern consumption. This article is a starting point to understand consumer sentiments or requirements in buying 'what is enough' within the marketing context and how it can be reinforced post COVID crisis for ensuring sustainability of business models. Moreover, future researchers should sufficiently analyse the drawbacks of advantage of consumer behaviour and connect the behaviour to the other kinds of variables such as personality, changing needs, simplicity, crisis learning, nationality, culture etc. Further other issues on "will the dimension of consumer behaviour exist or decrease during the post pandemic scenario" would be a highly interesting topic to test. Finally, both qualitative and quantitative research needs to be done to fully understand the diversity of the pandemic and therefore explain its dynamics to the marketplace post pandemic crisis.

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