

A Study on “The Impact of Covid-19 on the Evolution of Customer Purchases to Behave”

Lagishetti Vikas Varma, Anchi Neha, S. Sai Adithi Reddy
*Bachelor Of Business Administration
School Of Management, Kondapur, Hyderabad.*

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ABSTRACT

This study is exploratory and constructive. The aim is to deepen knowledge on how Covid-19 is changing customer buying behaviour in retail.

The objective of the study is to identify and test new behaviour patterns that would influence the choice between online and offline stores when buying goods and buying fashion products.

The purchase activities of the customers and the type of product selection as well as the dealers have been exposed to different changes and developments.

E-commerce is entitled to continuous development. The recent development is due to the global Covid-19 pandemic, which came without warning. Customer behaviour is starting to take precedence over online digital channels in most of their needs and wants. The emergence of customer behaviour due to Covid-19 leads to the emergence of new customer behaviour.

CHAPTER-1 INTRODUCTION

This article focuses on the change in customer buying behaviour during the pandemic era of Covid-19.

The scope of this research is limited to the shopping behaviour of millennials in India; however, this study will not look at other customer segments. Continue for one higher sufficient data, the study preceded and limited the collection of data on life in India after the Covid-19 pandemic. To be more precise, data collection is limited to this living in India before the Covid-19 outbreak. Furthermore, the scope of this study is limited to the fashion retail sector only, where these retailers are located engaged in products such as clothing, shoes and accessories. Other products such as

Cosmetics and personal care products are excluded from this study. Additionally, other types of retailers from the fashion industry are also excluded from this study.

SURVEY OBJECTIVES:

- To study the customer behaviour during covid-19 situations at Hyderabad?
- To know customers who preferring online or offline.
- To analyse the factors the are influenced the customers to buy from online stores.
- To find out the reasons that how the covid-19 has encouraged more online shopping.
- To know the change in customer buying behaviour due to covid-19 in retail.

SCOPE OF THE STUDY:

The paper focuses on the change in consumer shopping behaviour during the covid 19 pandemic. The scope of the study is limited to the shopping behaviour of millennials in Hyderabad, Telangana. However, this study does not look at customer segments other than a few people. Moreover, the study limited data collection before and after the covid 19 pandemic to obtain more sufficient data. More specifically, data collection was limited to those living in Hyderabad and Telangana prior to the outbreak of covid-19.

LIMITATION OF THE STUDY:

Additionally, the scope of the study is limited to fashion retail, where retailers deal in products such as clothing, footwear, and accessories. other products such as

Problem statement:

The retail sector has developed rapidly in recent years as various retailers have invested more effort and resources to provide a seamless experience across multiple channels. Developments in the retail sector have led to significant changes in customer behaviour and a clear shift of customer activities towards online channels. As a result, the Covid-19 pandemic came without any warning and dictated new rules that hampered social interaction. These barriers have had numerous repercussions on both online and physical channels. On the one hand, the pandemic has increased demand on online channels coinciding with the retail transition, which could have a positive impact on retail. On the other hand, the pandemic may have led to a drop in demand on physical channels, which could negatively impact retailers. However, the choice between the different channels to make purchases is determined by customer behaviour. Due to the containment of the pandemic, shopping behaviour is expected to change. More specifically, here is the focus of this paper, which aims to uncover the role of Covid-19 in changing customer buying behaviour. Today, however, the scientific literature on changing customer buying behaviour in line with Covid-19 is scarce. The paucity of the current literature helped the researchers identify the gap in this study and helped pull the trigger to conduct this study.

CHAPTER-2 REVIEW OF LITERATURE

1. Customer Buying Behaviour

"Consumer behaviour is the mental, emotional and physical activity people engage in when selecting, purchasing, using and disposing of products and services to satisfy needs and wants." The term customer buying behaviour mainly focuses on the shopping activities of customers before and during the purchase, which includes the process of selecting and purchasing the product. Customer behaviour is an important factor in retail for predicting customer actions and future purchases. It is essential to understand the psychological part of the purchase of customers during the buying process to clarify their behaviour (Srivastava & Barmola, 2010). The customer buying process is different and it can be buying or shopping.

Buy is when the customer has previous knowledge of the required product, targeted it, and purchased it directly for a need.

While Shopping is the term that refers to the pleasure and desire aroused by the search for a product that the customer does not need. However, customers also differ in their personality and attitude as well as their level of confidence. Online retail channels and physical stores have different customer experiences. Therefore, future customer behaviour will change and adapt based on the current shopping experience of customers. Additionally, online channels face barriers related to lack of customer confidence in payment methods, product qualities and specifications. Online stores have an edge in the market as they provide an opportunity for customers to locate and find the right desired products to convince them to use online channels. Therefore, with the digitization of the market, new customer behaviours appear. While for offline channels, customers have had different issues affecting their purchase. For example, their purchase may be affected by the limited volume and options available in offline stores. Likewise, further improvements in the online channels increase the attractiveness for more new and existing customers as the new developed technology provides an opportunity to offer more services and options to the users.

Customers receive different services and experiences in each channel. The buying behaviour of customers can be influenced by the quality of service and the satisfaction of past experiences. So, on the one hand, customization option seems to be available flexibly, offline channels provide different experiences for professional employees, which brings more satisfaction to multiple customers.

2. covid – 19 Restrictions in India

India is the country that has not imposed lockdown on its land since the start of the covid-19 pandemics. However, the Indian government had announced some laws based mainly on people's responsibility to protect the public and limit the transmission of the virus. For example, there may be a limited number of people inside (shopping malls, shops, gyms) based on the size of the room. In a restaurant two people can sit at the same table. After covid-19 many more regulations that prevented them from going out.

3. Retailing Transformation

The expansion and growth of the internet is driving the retail sector towards more developed channels and rapid growth such as e-commerce and digital marketing (2019). The retail transformation and transitions that have taken place over the last decade have given the customer more functionality and power in the marketplace (2020). The different options that appeared in the market created an unstable situation which led to different results and implications and more complexity in the customer attitude and the retailers' performances.

On one hand, the massive shift to the digital market and e-commerce has encouraged customers to abandon physical stores. On the other hand, several physical stores have closed and some other retailers have switched to e-commerce due to the increased demand and rapid growth of the e-commerce market (2015). Thus, there is a high level of competition and high reliability and assortments in the e-commerce market, which differentiates it from local and physical stores (2019).

However, offline retailers are trying to deal with different customers by entering the world of e-commerce to attract and reach a wider range of customers (Rita 2019). Therefore, customer behaviour and shopping habits go with the flow and change accordingly. Customers and consumers use digital channels on all devices to compare different items and products from different retailers (2016). The advent of digital marketing has added additional benefits. The customer had the possibility to obtain the desired goods and products by ordering them sitting down, resting and paying with the bank card from the couch. Access to different stores and brands to shop or compare requires a minimum price, which attracts many users and buyers.

Moreover, the transition of retail to the digital market is driving retailers to evolve their process to reach more customers (2015). For example, many companies are using Virtual Reality (VR) in their marketing process and

services to fill several existing gaps in the market and increase customer satisfaction. Retailers use various unique approaches to gain a competitive advantage in the market and reach a large segment of customers (2020).

CHAPTER 3 – RESEARCH METHODOLOGY

TYPES OF RESEARCH CONDUCTED

1. Descriptive research:

It contains facts that facilitate different types of questions like what, why, when, who and how. The main objective of this research is to describe the descriptive characteristics of a phenomenon at the moment. This lookup has no control over the variable and only reports what is happening or has happened. Description researchers use frequencies, averages, and other statistical calculations. The methods used by these researchers refer to the method of investigation.

2. Sampling Methodology:

To collect the data for the study, a cluster form was adopted. A sampling procedure is a procedure for selecting members of a sample from a population. Small businesses in the region of Panjagutta and Ameerpet were sampled. Stores range from clothing to groceries. Sample size: 100
Sampling unit: Shopping by the people.

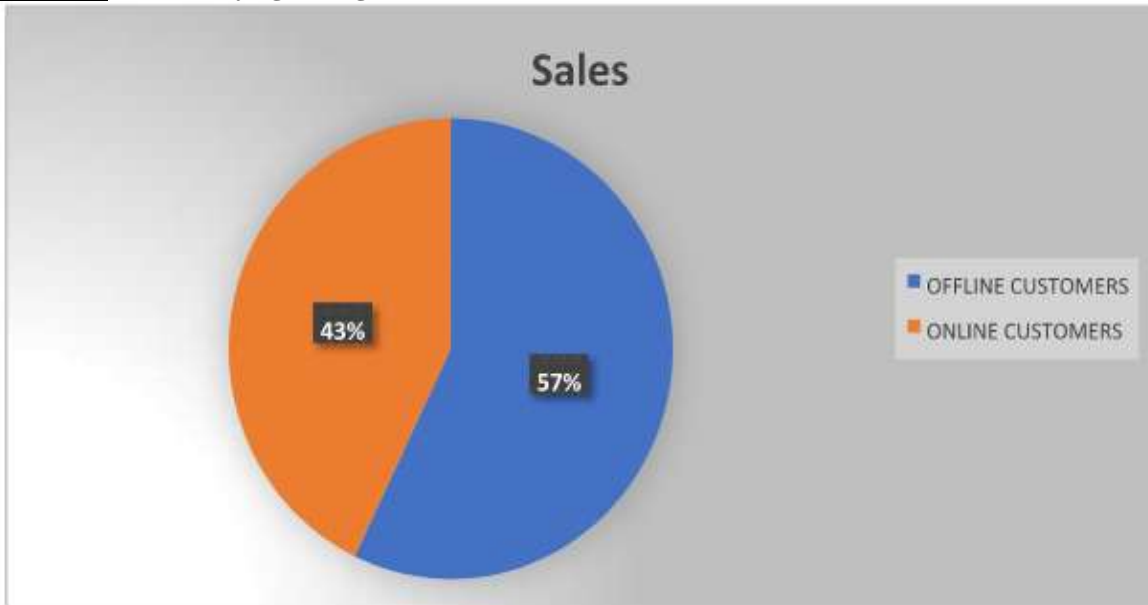
3. Collection Methodology:

I. Primary data: The primary data is freshly collected and has an original character. In this project, primary data was collected through questionnaires answered by store workers and store owners, and data was collected using Google Forms.

II. Secondary data: The secondary data has already been collected by someone else. Secondary data is collected through newspapers, magazines, websites, annual reports, etc. and is used only for literature search.

CHAPTER- 4 DATA ANALYSIS AND INTERPERTATION

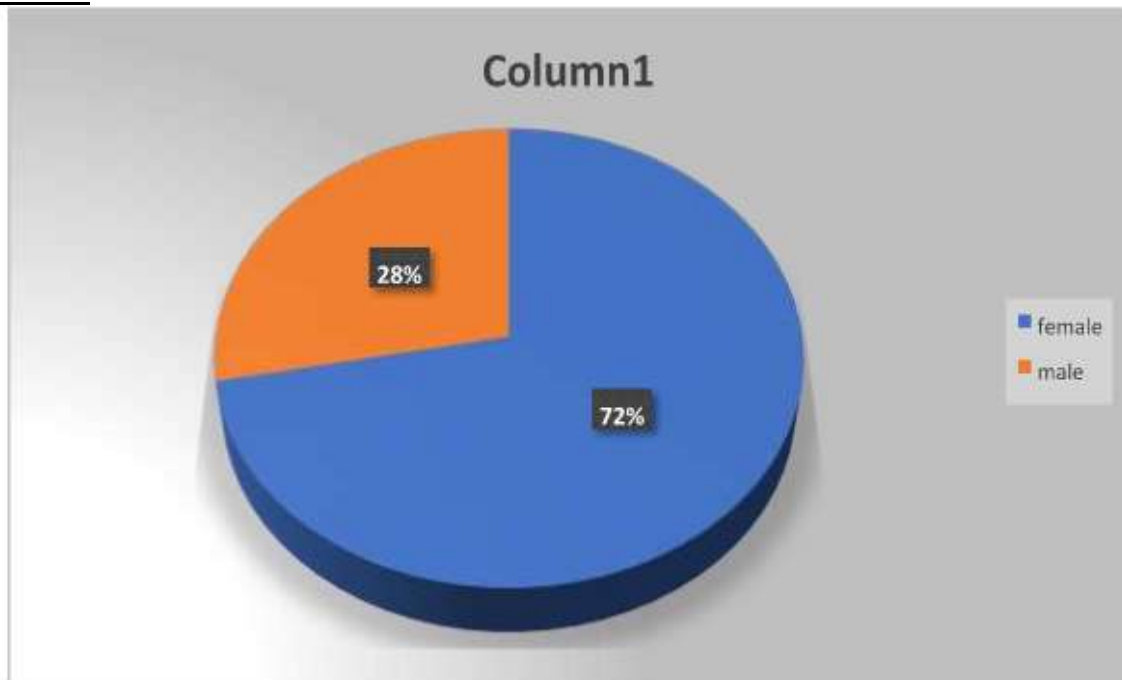
Question 1: Product buying through online or offline



Most of the customers prefer to buy a product only through offline store. Offline shopping advantages from the opportunity to physically choose and inspect what an item or thing

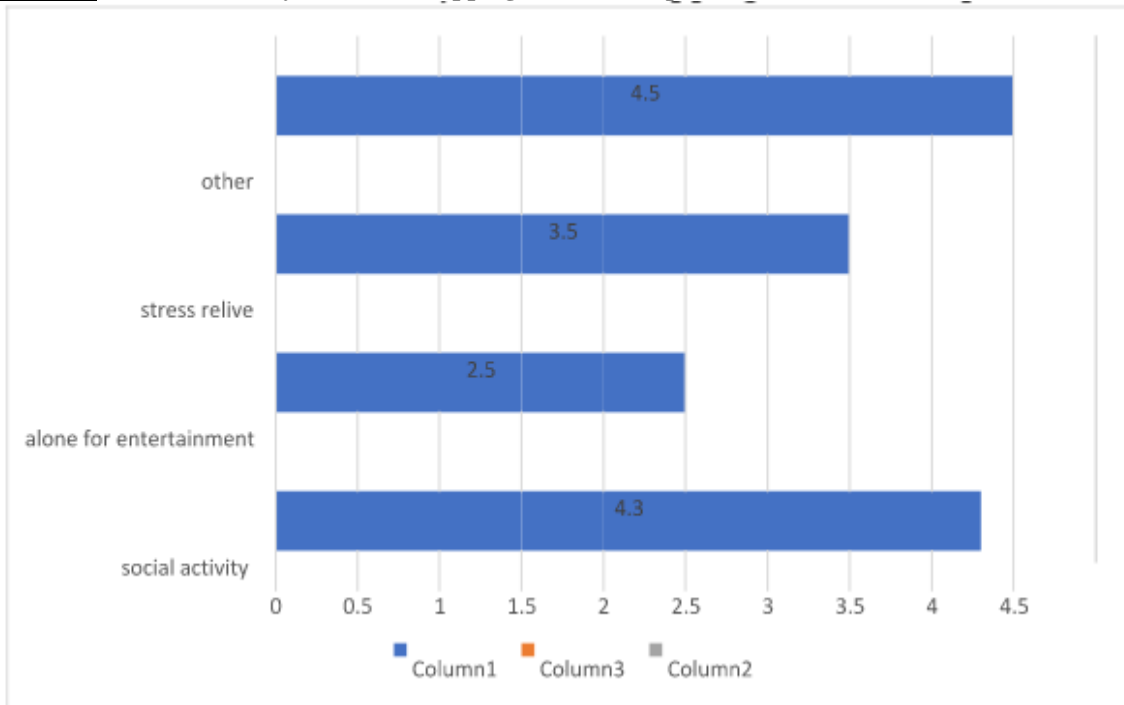
like, would look like and its attributes. The 5 to 7 days wait for a delivery that occurs with online shopping is not necessary. Customers can choose any product based on their unique experience.

Question 2: Gender



Women have 72% in the poll and that is more than the percentage of men. As it says female shopping is more than men at covid stations also.

Question 3: What motivates you for the shopping at store in – person?



According to the survey, social activities and other things personally motivate the store to shop. Its efficient, easy and convenient. Despite

the convenience of online shopping, a majority of our respondents indicated they prefer the overall experience of shopping in store (51%).

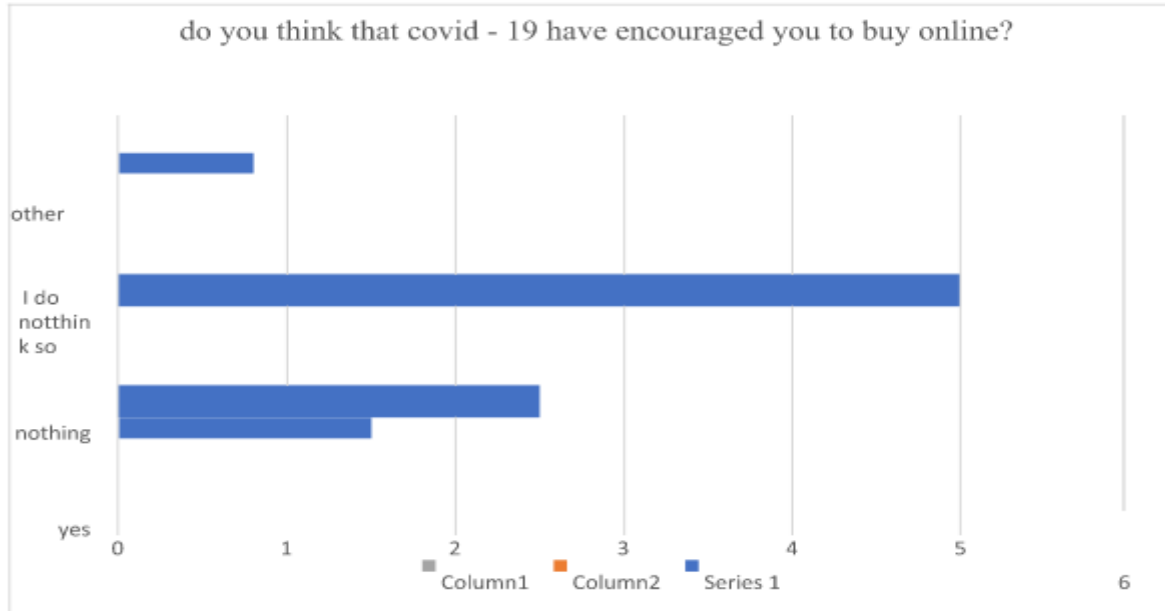
Question 4: What motivates you to buy at stores – in person?



Customers prefer to shop offline in stores as they have an immediate need and also, the promotion has less % than the immediate

needs. In-store shopping gives consumers the opportunity to discover new products, finding what they need and even making impulse purchases.

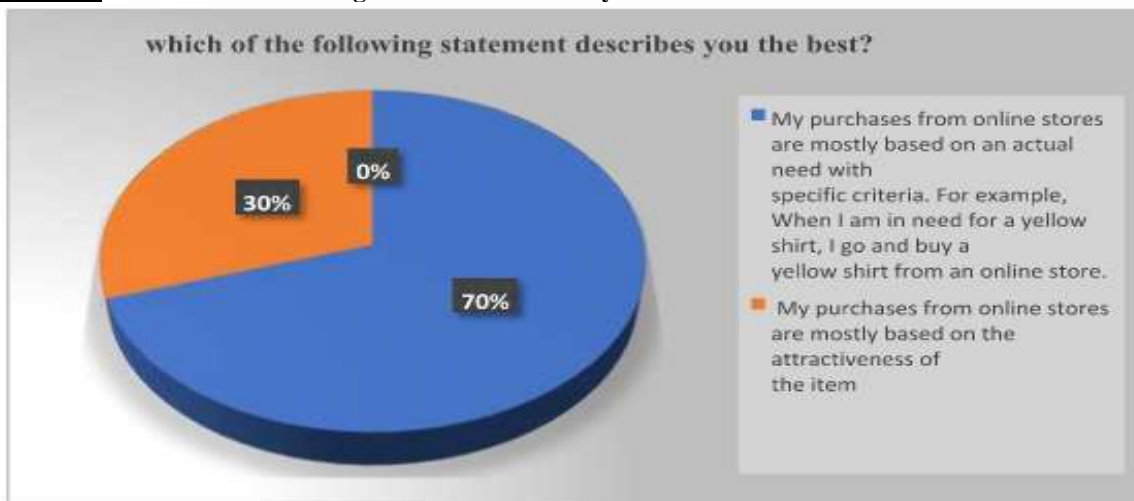
Question 5: Do you think that covid - 19 have encouraged you to buy online?



It is clear that the Covid-19 did not encourage you to buy online. As the Covid-19 situation affects health, most customers do not shop offline in stores. Covid-19 haven't encouraged to

shop online because it is mainly effected the health of the people. The concentration has changed from shopping and daily needs to the health.

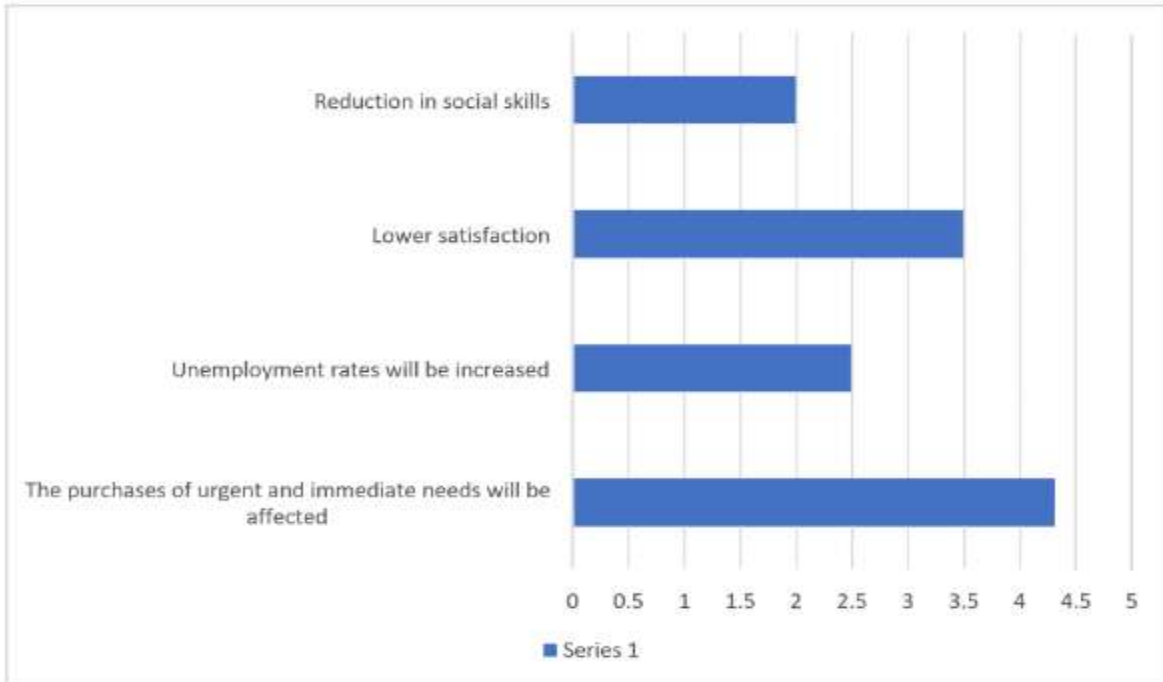
Question 6: Which of the following statement describes you the best?



According to survey though customers purchase online stores are mostly based on the actual need comparing to attractiveness of the item. The shopping has been changed from the interest to

the basic and very needed things. Mostly the concentration have been changed to most needed things.

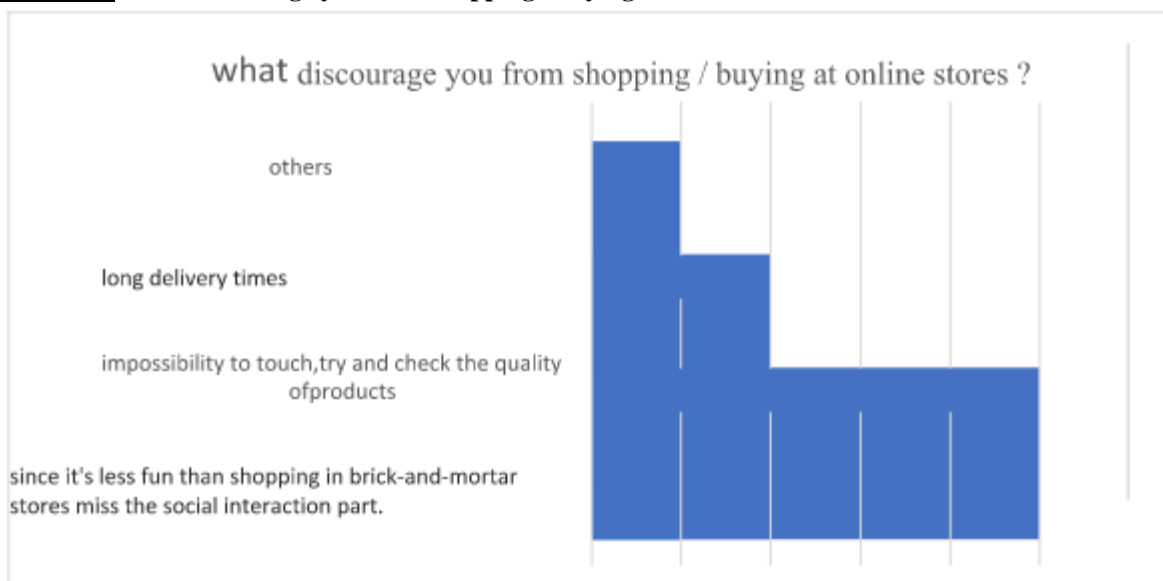
Question 7: What are your expectations about a future with fewer physical stores and shopping centres?



The purchase of urgent and immediate needs has been increased rapidly up-to 4.5. It has been on most needed thing. The unemployment rates have been increased to 2.5 where there will be work only related to online

basis which can be done by the people. The lower satisfaction has been gone to 3.5 for physical and shopping centres. The social skills have been changed to.

Question 8: What discourage you from shopping / buying at online stores?



50% of people chose the opportunity to touch the product and check the quality, because when the consumer needs to buy a product, quality

and price are important issues. The online shopping takes longer time to be dispatched when coming to the offline shopping we can just get the product at

the particular time. Its less fun than shopping in brick-and-mortar stores miss the social interaction's part.

QUESTION 9: What influence you to buy at online stores?



The customer needs very standard discounts so that the man can buy the right product. in the survey, although reduction and adherence reached 65%. The discounts are very standard and till particular time in online stores compared to the offline stores. The cheaper options for the online stores has been only to the 20%.

Question 10: What discourage you from buying products at stores in person?



From the figure above, we can observe that most of the customers refrain from buying products from the store in person because there are few products. There is very low variety of products in stored compared to online shopping. At the time of covid-19 online stores have been mostly

stopped by taking the health as the main reason. And also coming to offline stores it consumes more

time as the people need to travel to the stores.

Question 11: What are your expectations about a future with fewer physical stores and shopping centres?



Here we can see that most people's expectation of a future with physical stores is that they cannot buy urgent and immediate needs. This mainly effects when coming to the offline shopping. The unemployment will

also increase in future as there is no preference for the physical stores and shopping centres. Fun part in the shopping centres will also be lost to some extent.

Question 12: What is your preference in buying a product, clothes ...etc?



Most of the people will prefer to buy products offline because of the delay in delivery when compared to the online stores. The best quality will also be chosen in offline stores.

Purchase of urgent and immediate needs will be affected through online stores. The online shopping can be preferred by only 25% because of the discounts and variety of brands.

CHAPTER 5 – FINDINGS AND SUGGESTIONS

Findings:

1. Individual social responsibility

The study confirmed that individuals may shop online to protect themselves with others in high-risk groups.

2. Change in lifestyle

It has been confirmed that the lifestyle changes due to the Covid-19 (i.e., nowadays people spend more time at home, working, studying and socializing online) have led people to consider online shopping more than before.

3. Less entertainment due to Covid-19 restrictions

Research has confirmed that offline shopping is considered a fun activity for the vast majority of the research population. However, empirical results have shown that people have lower entertainment level in offline shops due to Covid-19 restrictions, which prevented them from shopping/purchasing in offline shops.

4. There is a vast customers' migration towards online stores

It has been empirically confirmed that a large portion of the studied population has shifted their purchases to online channels. Survey results show that (36%) of former offline shoppers switched to buying online after the Covid-19 outbreak and today almost (75%) of survey participants are geared towards buying fashion products online.

Suggestions:

- Delivery of products with greater security and appropriate packaging.

- Delivery to all pandemic areas with appropriate security measures.
- Maintain a possible distance in offline shops. Obtain customer satisfaction and positive feedback

CONCLUSION

Finally, this study aims to gain insight into the change in customer behaviour following the Covid-19 outbreak in the retail sector. This study explores and investigates the role of Covid-19 in influencing the selection process between online and offline channels. The focus of this research is limited to the shopping behaviour of Indian millennials when purchasing fashion products regarding the choice between online and offline stores. More precisely, the aim of this study is to identify and test new behaviour patterns that would influence millennials when choosing between online and offline stores to shop and purchase fashion products. In line with the social restrictions imposed by the Covid-19 pandemic, changes in customer buying behaviour were studied using samples from the identified population. This research was conducted on the customer side using focus groups and an online survey.

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