

Impact of Changed Buying Behaviour on E-Commerce

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ABSTRACT

With the emergence of globalization and digitization, people, places, and products have started coming close, approachable as well as affordable (Cetrez & Van Dam, 2018; Fouberg & Murphy, 2020). Life was very fast, as everything from toilet roll to airplane ticket was just one click away. All the business plans, meetings, trips came to halt with the introduction of COVID-19 to the globe. The situation of the COVID-19 outbreak, made people think, dynamically and timely diagnosis of how families have adjusted their spending and online shopping, and what are the characteristics of the households who have responded the fastest and strongest. News media reported that customers collapsed supermarket drops to stock-pile for durable goods (Barr, 2020). This was very much unplanned and sudden set back from businessman to the common man. Every sector and individual has been affected badly by this epidemic. Online marketing and shopping trends among customers are also squeezed by this unsure epidemic. If the situation continues for a longer period, it will not be possible for the big giants such as Myntra, Flipkart, Amazon etc. to retain their workforces as they have huge turnover which have come to a complete halt. As per the current status, Coronavirus disease (COVID-19) has infected more than 2.8 million people globally (WHO, 2020).

The advancements and developments in computerised hardware and sophisticated software over the past two decades has influenced the way organisations conduct their business in current highly complex and competitive globalised markets. Kotler and Armstrong (2010) are of the view that starting from traditional shops where consumers had to go physically for making purchases, the companies initially started providing a brick and mortar system in which consumers were allowed choice between going to the store, or making purchases online from official websites of the company. Valvi and West (2012) furthered on what Kotler and Armstrong (2010) stated and discussed the increase in online businesses without any physical presence in shape of shops.

It is not only the change in the way businesses conduct their business operations, the change has also occurred in the way consumers search, analyse, compare, and purchase products and services. While traditionally the consumers used to physically go in stores, look at the products, and decide whether to buy it or not, in current marketplace, online websites allow consumers to view, compare, and purchase products from the comfort of their own home. A general perception is that the way people make their purchase decisions has changed however Tractinsky and Lowengard (2007) stated that there exists a gap in empirical data regarding impact of e-commerce on consumer buying behaviour. This research therefore deems to fill this gap by analysing and evaluating the changes that have occurred in consumer buying behaviours due to e-commerce by taking the supermarket industry of UK as subject area.

Key words: *Consumers Buying Behaviour, E-Commerce, COVID-19*

INTRODUCTION

Many aspects of human life and activities have undergone rapid and radical changes in the past months, and these changes have been accelerated due to the Covid-19 pandemic. These changes may continue to exist and undergo further changes in future. These changes have been led by increased digitalisation and immediate implementation of previously predicted trends over many years. These possible technological advances have been discussed for many years in information management literature. The “new normal” so established has affected the areas of our work, education, healthcare, entertainment and leisure and online commerce. This paper attempts to review the last said aspect, specifically, identify the trends in e-commerce in 2020 (Barnes, 2020). Furthermore, the review will synthesise any learnings for e-commerce system development from a quality perspective. The term 'online commerce' or 'e-commerce' has been defined in many ways, all giving more or less the same sense. Wilkins, Swatman, and Castleman (2000) cited many definitions from different sources (as cited by the authors) as follows and then discussed the merits and demerits of each definition below it. 'For those companies that fully exploit its

potential, electronic commerce offers the possibility of breakpoint changes - changes that so radically alter customer expectations that they redefine the market or create entirely new markets.' (EU) 'In the broadest sense, "electronic commerce" can be used to refer to any information exchange which occurs over the superhighway (i.e. by wire or over-the-air transmission or a combination of the two) and encompasses not only commercial transactions, but also all forms of social intercourse that may take place via the medium of the superhighway; that is, "commerce" in its broadest sense. In a strictly commercial setting, it would encompass all the steps involved in negotiating, confirming and performing commercial transactions electronically and include both the contractual relationships formed in those transactions and the regulatory or administrative steps necessary to the conduct of those transactions.' (Australian government) 'Electronic commerce is usefully defined as the conduct of commerce in goods and services, with the assistance of telecommunications and telecommunications based tool. I use two basic models of the electronic commerce process, which I call 'deliberative purchasing' and 'spontaneous purchasing'. (Thompson EC Resources) 'Electronic commerce – or e-commerce – is the automation of commercial transactions using a computer and communications technologies.' E-commerce is concerned explicitly with commerce occurring over networks which use non-proprietary protocols that are established through an open standard-setting the Internet'. 'Electronic Commerce involves the undertaking of regular commercial, government or personal activities using computers and telecommunications networks and includes a wide variety of activities involving the exchange of information, data, or value-based exchanges between two or more parties. Electronic commerce refers to how the internet and the world wide web and Internetconverging technologies like Electronic Data Interchange (EDI) and national intranets like the French Minitel and Singapore One, are being used to process and transmit digitised data. This includes text, sound and visual images to complete business-to-business and business-to-consumer transactions'. However, the author does not propose their own definition. In an OECD workshop, Elmer (1999) presented definitions of various types of e-commerce through charts Thus, there are three main parts of ecommerce. The customer can be individual consumers (B2C) or business organisations

(B2B). Within B2B, it could be raw materials for some processes or final products and services.

LITERATURE REVIEW

Studying consumer buying behaviour is very difficult task as individual carries different perception. No one can predict how an individual can behave in particular situation. But the features and facilities present on E-commerce websites influence the buying behaviour. Consumers prefer the factors like information availability, reputation of website, security and after sales service while purchasing online (Mittal, A. 2013). Marketing mix and reputation (Guo, J., & Jaafar, N. I. 2011), product review (Bailey, A. A., 2005), web experience (Constantinides, E., 2004), very quick services, variety of products and services and fewer prices than traditional market (P.R.Kousalya, T.Mohan, D.Revathi, November 2013) etc. are the factors where e-commerce has been successful to attract the consumers especially youth (Hooda, S., & Aggarwal, S., 2012). These factors are also responsible for influencing the buying behaviour. Researcher also found that Trust and Security are the main factors considered by consumers and also influenced their buying behaviour. (Corbitt, B. J., Thanasankit, T., & Yi, H., 2003), (Chen, Y. H., & Barnes, S., 2007), (Kim, D. J., Ferrin, D. L., & Rao, H. R., 2008), (Hsin Chang, H., & Wen Chen, S., 2008), (Kim, D., & Benbasat, I., 2009), (Ganguly, B., Dash, S. B., & Cyr, D., 2009), (Sahney, S., Ghosh, K., & Shrivastava, A., 2013) Based on above two factors consumers concluded the new factor Risk with which personal information security, payment security, quality assurance, delivery of same product etc. sub factors had raised. Consumers can trust e-commerce companies when the risk factor is replaced by security. Nowadays the advertisements on the television showing e-commerce companies are claiming that they have made their websites very secured and almost zero risk present. And these advertisements have greater impact on consumer buying behaviour (Dinu, G., & Dinu, L., 2012). Consumer buying behaviour can be enhanced with rich quality and creative advertisements and by building positive consumer perception through strong marketing strategies (Malik, M. E., et al., 2013).

E-commerce companies have implemented solution of all concern factors to attract customers. Proper designed website and available information content and internet marketing (Miranda E., 2008-09), easy to use, usefulness of website (Nayyar, R., & Gupta, S. L., 2011), online store environment (Hsin Chang, H., & Wen Chen, S., 2008), information drawing and value perspective (Grant, R., Clarke, R. J., & Kyriazis, E., 2007), website reliability/fulfilment, website customer service and website security/privacy (Shergill, G. S., & Chen, Z., 2005), Consumer Impulsiveness and Website Quality (Wells, J. D., Parboteeah, V., & Valacich, J. S., 2011), colour (Pelet, J. É., & Papadopoulou, P., 2012), testimonials (Spillinger, A., & Parush, A., 2012), enhancing the internet experience (Dash, M., Dash, M., & Mahapatra, A., 2013) are main concern factors which are implemented by these companies to attract more customers. These factors have positive and considerable impact on business of websites by assisting consumers in purchase decision making. • E-commerce Benefits and its Success: E-commerce provides many benefits to consumers which are ultimately beneficial for consumers themselves. Following are some benefits which are provided by E-commerce: 1. Consumers worldwide can shop online 24 hours a day, seven days a week and 365 days a year. 2. Recommends products and related information as per interest and preference of individual consumer. 3. E-commerce is convenient, time saving and pleasant in use. 4. It provides very quick services, variety of products and services and fewer prices than traditional market. 5. It is simple to use, saves cost, delivers in time. 6. Consumers can access very rich information, can access maximum available retail brands and can avail extended offers in online buying.

RESEARCH PROBLEM

In Research Problem Definition research has to consider the root problem of the prescribed research subject. In this research, researchers specifically focus on the E=Commerce and its role in covid 19 pandemic situation. E-commerce provide smooth and simple path to identify and finalize the product for customer. Nowadays e commerce websites are so customized to

choose better option around the globe. Current situation is very pathetic and critical due to covid -19. traditional way is not helpful and support business in this pragmatic situation.

OBJECTIVES

The main aim of the research is to evaluate the impact of determinants of online shopping behaviour on the strategic management process of companies primarily focused on e-commerce in their long-term development and competitiveness. The partial aim of the research is to evaluate the quality of determinants of online shopping behaviour, which the monitored companies primarily oriented on e-commerce for their online customers, comparing the quality of these determinants and evaluating the importance of determinants of online shopping behaviour within the questionnaire survey. The research output is the identification of determinants of online shopping behaviour influencing the process of creating and implementing a strategy in e-commerce.

The main purpose of research is to find out the new and unique thing from the universe. Though each study has some specific purpose and objectives, following are the sub-objectives of this research.

1. To identify the role of E-Commerce in Business Enhancement
2. To Study the consumer behaviour in Covid-19 pandemic Situation

RESEARCH METHODOLOGY

Research design is a structured framework for carrying research; it constitutes the blueprint for the collection, measurement and analysis of the data. In this research secondary data is consider for research purpose data was collected through internet, journals, newspaper, report, etc.

CHANGES IN E-COMMERCE CUSTOMER BEHAVIOUR: HOW HAS THE FUTURE OF SHOPPING CHANGED?

Over the years, the use of e-commerce has begun to increase and with this has come to a gradual evolution in the customer purchasing behaviour. With e-commerce providing a fast-paced purchasing environment often influenced by wider trends, many consumers have increasingly begun to prefer the use of online shopping over that of traditional high-street stores. Not only has this been influenced by the pandemic, but convenience and fast delivery times continue to play a key role in the gradual growth of online e-commerce.

Alongside these changing customer behaviours comes the even wider variety of products that many people are purchasing. With 69.5% of the total audience purchasing clothing, 51.7% on beauty products and gifts online, the need for guidance and advice to improve the overall e-commerce experience has expanded.

2021 Consumer Insights on the Changing Customer Behaviour:

When looking at customer behaviour several contributing factors have been seen to greatly impact customer purchasing behaviour. With brand loyalty, detailed product descriptions and website user experience all heavily influencing customer purchasing behaviour. As a result, it is down to the business to provide a simple yet effective strategy to improve overall user experience and improve conversions. In addition to this, several other points of interest have a continued effect on the way people interact with your business.

Supporting consumers on their journey is a significant part of this process as this can boost conversions and gradually begin to increase brand loyalty as a result. Though improving user experience and streamlining the checkout process is often enough the use of a fully integrated Intelligent Guided Selling system that provides real-time customer insights in order to monitor and adapt to this changing customer behaviour. But how can an Integrated

Guided Selling platform such as this help your business to make the most out of this gradual shift in customer purchasing behaviour?

The Era of Digital Marketing Techniques and tools and Its Influence On Consumer Behaviour:

With the use of e-commerce platforms increasing as a result of the pandemic, customer behaviour and the point of awareness is changing. With many shoppers becoming more cautious in their purchases and the brands that they are purchasing from, consumer insights have suggested that having personalisation can help to drive conversions, particularly for those selling more expensive products. With the online experience expanding rapidly the pace of the online purchasing environment has become much more unpredictable. With many looking for a tailored experience with fast delivery, easy returns and a much more streamlined experience, it is the interaction with your business that could impact the customer purchasing behaviour.

Not only does your website need to be visually appealing, but it also needs to run correctly and provide your customers with an enjoyable experience. With long loading times affecting bounce rate and other contributing factors such as stock availability all impacting the purchasing behaviour of your audience, it is important to make sure that you are putting your best foot forwards.

Alongside the use of technology to influence customer purchasing behaviour retail research found that 30% of people received tailored offers around the product that led them to purchase the product. A further 38% stated that they led to purchasing a product they had previously looked at due to the product being recommended to them by the brand itself. This personalisation and focus on customer insights are proven to boost engagement and increase conversion over time. Therefore, investing in an integrated guided sales platform may be the driving force needed to ensure maximum ROI.

Online Retail Insights Showcase Social Media, Disposable Income and Its Impact on General Purchasing Behaviour:

Alongside the use of personalisation and email marketing, social media has also positively impacted the customer journey, particularly during the pandemic. With 35% of respondents from our online retail research claiming that social media influences them throughout their customer journey, this is a potential marketing opportunity for both small and larger businesses. With 68% of those between the age of 18-24 stating that they are heavily influenced by social media, this can present a marketing opportunity for businesses to drive traffic and tailor their ads.

With our online retail insights suggesting customer behaviour changing because of social media influence, there is reason to suggest that the likes of Instagram shopping and its customised user experience could become increasingly popular in the years ahead. Alongside the age divide, customer insights suggest that the monthly spend and disposable income of the younger generation could also be a contributing factor when it comes to the confidence around purchasing decisions. To bridge the age gaps surrounding these online purchases, many businesses have begun to integrate a guided selling experience to aid them in making these difficult decisions whilst tailoring it to meet their needs.

The impact of consumer behaviour on the future of commerce

The e-commerce industry was already on an upward growth trajectory with increased digital adoption, but the pandemic accelerated its growth at breakneck speed. The lockdowns and travel bans pushed consumers online and transformed the way we shop. Products that were rarely bought online, such as medicines and milk, are now purchased through the internet without any hesitation. This growth fuelled competition among online retailers. Wholesalers and retail giants moved online pushing small smaller businesses to rethink their marketing strategy. It changed the way entrepreneurs start, run, and grow businesses, and shaped how consumers choose to shop and pay. This sudden change in consumer and

entrepreneurial behaviour has reshaped the future of e-commerce for the years to come. We look at a few trends that will drive this change over the coming years.

Locally-owned and independent businesses: The pandemic also gave birth to small and independently-owned businesses. These businesses offer a more curated shopping experience with unique products and great customer service. They were backed by social media influencers and the consumers quickly caught on with the trend. 83% of consumers look for locally owned businesses to support. Their reasons for shopping at small and local businesses include supporting entrepreneurship, buying unique products, and a good customer experience.

CONCLUSION

Amid rise in e-commerce activities in the country, consumer behaviour has also changed a lot. With increasing internet penetration customer are having a tendency to purchase retail products from online store than traditional brick n mortal store. With growing new markets, consumer choice has improved and is posing a big challenge to ensure consumer welfare. E-commerce is also growing and E-commerce consumers are feeling more protected in transacting online without having prior touch and feel experience of the product. As the e-commerce activity is increasing.

Authenticity is the key: Consumers are no longer interested in just the product. Community and connections are important to them to make informed decisions. As more consumers support local businesses and sustainable products, authenticity becomes important. Consumers want to know the face behind the brand, the brand values, whether the brand is sustainable, and what the brand is doing for the community. Authenticity, transparency, and accountability are as important as the as the quality of the product. 41.8% of consumers want brands to be socially responsible and 50% of consumers are willing to pay extra for environment-friendly services. Consumers also look for brands with a good reputation and environmental responsibility. However, these demands have led to increased

shipping costs and increasing pressure on brands' fulfilment capabilities. Rising customer acquisition costs: The increased competition due to the pandemic also accelerated digital ad growth, which is expected to increase by 13%. The pandemic saw a surge in consumers adopting different channels. Naturally, advertisers had to follow the consumers. But experimenting with newer channels such as voice-shopping, connected TV and messaging apps adds to the uncertainty of the digital marketing industry. More importantly, established social media platforms are increasingly becoming competitive with pushing brands to build customer relationships on multiple channels increasing the customer acquisition cost. The pandemic has compelled businesses to be more attuned to their consumers' unique needs and consider their operations from a different lens. For entrepreneurs, sellers and merchants who have been hesitant to digitize their business, there is no more appropriate time than the present. Investing in Omni channel strategies and pivoting business strategies to offer relevant and timely solutions can help not only compensate for lost in-store revenue but also secure a robust pipeline for the future.

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