

# AN EMPIRICAL STUDY ON THE ONLINE SHOPPING ACCEPTANCE: PRE AND POST COVID-19 OUTBREAK



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## ABSTRACT

The COVID-19 outbreak an uncertain pandemic has affected every parts of the society. The safety of the people is now at very risk and most of the people are now using online shopping ways especially in containment zones. In order to reduce the transmission of the pandemic disease government has advocated social distancing and various pharmaceutical measures. Government has also issued advisory for self-quarantine as well as isolation and asked corporates and firms to allow work from home for their employees. This may affect the e commerce business due to the lockdown of some regions of the country because their business operations may get disrupted. It is actually a period when there is a peek in demand for home delivery of products and people may switch into online shopping. The outbreak of corona virus has also affected the business models and supply chain network. The virus causing the coronavirus disease 2019 called Covid-19 continues to spread across the globe, and the online retailers are wondering how it will affect their business. This chapter aims to give relevant information about the online shopping acceptance before and after corona virus outbreak. Here we are analysing and discussing whether there is a reduction in traditional shopping methods and rapid jump into online shopping due to the pandemic outbreak. Going digital is much more than a trend today because it has various positive effects on all type of businesses both from economic perspective as well as from consumer related perspective. Digital or online shopping is also very important during this pandemic period because of the prime reason of safety.

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## **INTRODUCTION**

Goods were exchanged for goods several decades before. Later it gets replaced by money, which was considered a medium of exchange during transactions involving value. Goods of any kind could be purchased with this medium of exchange. The traditional shopping method involved stepping into a store, and purchasing was made by touching and experiencing the product. This pattern of purchase was only followed several years before. Later with the advent of shopping, online things got changed. Everything was made available with just clicks. Purchasing online was just a matter of time. Although its initial period created several confusions like internet availability, computer facilities, etc. now online shopping is considered the easiest way to purchase any products. Amazon, Flipkart, etc., are famous online shopping sites. The significance of online shopping was magnified due to the pandemic- coronavirus. Now online shopping is a platform for all kinds of purchases. This article examines the acceptance of online shopping and its growth during the pre-and post-corona periods is discussed.

## **CONSUMER BUYING BEHAVIOUR IN ONLINE SHOPPING**

Most consumers do online shopping because it saves time, offers home delivery, provides ease in shopping, provides convenience, offers more variety of products for apparels, accessories, ticketing, etc., than that of traditional stores. The products can be sorted on the basis of price, relevance, new arrivals, popular products, etc. Most of the shoppers get the information primarily from a website and social media advertisements and by word of mouth communication.

## **FACTORS INFLUENCING THE ONLINE SHOPPING BEHAVIOR OF CONSUMERS**

According to earlier business concepts, profit-making was considered to be the sole aim of every business. However, later, it was slightly changed to consumer satisfaction and profit-making, which fetched better results. The consumer is treated like a king. Moreover, it is very difficult to predict their taste and preferences, especially when it comes to online shopping. Getting customer acceptance is the most tedious task for every online business. Several factors influence consumer behavior, other demographic factors like gender, age, income, etc., and geographical factors. Following are certain factors influencing online shopping;

## **FINANCIAL RISK**

Financial risk is considered to be an important factor influencing online shopping. It is the perception that the money spent on purchases may be lost. This is a common fear among the old generation compared to millennials. There may be some fraudulent cases where people may potentially lose their money during online shopping. Unsecured online shopping sites pose a threat to this industry. Some people are reluctant to share their bank account details on account of this.

## **THE DIFFERENCE IN THE ACTUAL PRODUCT**

In traditional brick and mortar stores, the customers get to see and touch the product to check its quality before making a purchase. Nevertheless, the same is not possible during online shopping even though maximum efforts are made to cover up this deficiency. Customers can read through the product descriptions, product reviews by previous users, zoom in to see the product, etc. However, sometimes, the actual product may not meet the expectations.



## **CONVENIENCE**

The most important advantage of online shopping is the convenience in shopping it provides to its customers. A person from any corner of the world could get an opportunity to try and experience the product. 24\*7 availability is an added advantage of online shopping.

## **RISK OF NON- DELIVERY**

Most of the online shopping sites offer speedy delivery of products within the stipulated time or sometimes earlier. There are also incidents of non-delivery. Loss of money, time, etc., makes customers aggressive.

## **RETURN POLICY**

Return policy enables the customers to return the unsatisfied product to their manufacturers within the time limit. If the delivered product does not meet the expectations or the product is defective, the customers can return the product and get a refund. So, there is no wastage of money.

## **CULTURAL DIFFERENCES**

Different customers have different tastes and preferences. As they come from different cultures, each of them requires special treatment. Timely market research helps to meet this objective.

## **CONSUMER BENEFITS AND RISKS IN ONLINE SHOPPING**

We know that online shopping has various advantages like convenience, time-saving, easy to search online, home delivery, etc., compared with offline shopping or traditional shopping. However, the relationships between shopping intention and perceived risks are also very significant. In sequence, cause-and-effect relationships are analyzed, and we can understand that the price risk and product risks are perceived to be the most serious hindrances negatively influencing customer attitude. Meanwhile, trust, security, quality, and quantity of products, etc., are very important aspects of online shopping. These factors are often considered as risks related to online shopping. If the customer is able to take a certain amount of risk while purchasing online and making online payments, it should be ensured that they actually receive quality goods and services. It is actually the duty of various e-commerce website operators and companies to take a follow-up or feedback from the respective customers after their goods have been sold online. Otherwise, there is a chance that they may lose their online customers.

## **CONSUMER PERCEIVED VALUE IN INTERNET SHOPPING**

We know that e-service quality and customer perceived value influence customer satisfaction, and then it influences customer loyalty. It is found that customers with a high perceived value have a stronger relationship between satisfaction and customer loyalty than customers with a low perceived value. It is also evident that emotional and rational routes influence customer loyalty in the online shopping process. In the pre-purchase stage, the customers get attracted by online retailers through the quality of e-service. In the purchase stage, online retailers should focus on the emotional factors that are customer satisfaction. In the post-purchase stage, rational factor such as customer perceived value should be analyzed because it plays an important role because they can strengthen the relationship of customers with the brand



and also between satisfaction and loyalty. We know that consumers may make a choice at each of the purchase stages according to their preference, and also, it is very important to examine the relationship between customer satisfaction and loyalty by identifying the effects of customer perceived value.

## **CUSTOMER ATTITUDE TOWARDS ONLINE SHOPPING**

Different customers have different attitudes towards online shopping. Attitude ranges from enthusiastic to positive to indifferent to negative and even hostile. Customers a positive attitude towards a particular online shopping site due to two factors:

1. Trust
2. Expected benefits

### **1. Trust**

The base of every online shopping is trust. Customers make purchases merely based on what they view on their screen. They trust service providers and online shopping sites. When they receive what they have exactly seen on screen, customers will be delighted. Otherwise, things may go the other way. So, trust has an important role in online shopping.

### **2. Expected benefits**

Every online shopper expects basic things like a fair price, quality products, after-sale services, etc. Customers show a positive attitude towards those online shopping sites that meet their expectations. Quality of the product could be assured in the traditional way of purchase. So, it is the responsibility of the online product providers to ensure the quality of the products they offer. The problem of unfair prices could be solved more easily in traditional shopping by way of bargaining to an extent. Therefore, to retain customers, online shopping sites should charge fair prices for their products. Even a very low price than normal could also lead to a potential loss of customers. Mere delivery of products to customers' doorstep is not enough. After-sale services need to be provided. This will create a positive attitude among customers.

## **NEW ONLINE SHOPPING TRENDS**

Several new trends have been introduced in the e-commerce sector that boosts up online shopping. Some of them are mentioned below:

### **CHATBOTS TO IMPROVE ONLINE SHOPPING EXPERIENCES**

Chatbots enable the stores to interact with thousands of customers while giving them the feeling of personal attention and care recommendations based on their responses.

### **BIG DATA FOR CREATING PERSONALIZED EXPERIENCES**

Online shopping sites are gathering big data to offer a personalized experience to each customer. Timely surveys are conducted to know the preference of customer attitude and likes.



## **MOBILE SHOPPING**

Online shopping apps are made available. So that customers can shop at any time using the apps installed on their mobile phones. They are timely intimated about new offers and benefits using this app.

## **MORE PAYMENT OPTIONS**

Other than cash on delivery, many convenient payment tools have been introduced. Google Pay, PhonePe, Paytm, etc., and credit card facilities are made available to make easy payments.

## **AN INCREASED VOLUME OF VOICE SEARCH**

People are relying on voice assistants like Amazon Alexa, Google Assistant, to do check products online.

## **FINANCIAL CAPABILITIES AND TECHNOLOGICAL IMPLICATIONS FOR ONLINE SHOPPING**

In order to promote online shopping among customers, first of all, they need to have the knowledge and ability to avoid difficulties with financial issues. The customers need to be financially capable, and it helps to put consumers on the path of a financially stable future. There are various principal components we need to be analyzed in order to understand the effect of consumers' financial capabilities and technology use on the decision to purchase online such as digital banking usage, financial advice, payment risk, and financial attitude. It is evident that individuals who use smartphones and administrate a social media account are more likely to involve in purchasing through online mode. Moreover, the decision to purchase online is more for those individuals who are well aware of digital banking usage, financial advice, technology usage, attitude towards risk tolerance, etc. We must highly encourage consumers to use digital banking and consult their financial issues when purchasing online with their respective bankers and financial institutions.

There is a potential effect of consumer financial capability on their online purchase decisions and the capability of consumers' behavior toward financial products/services. The customers' knowledge and understand about finance related matters play an important role in their purchase decision towards all products. Customer knowledge in financial matters helps them to manage their money and to take control of their income. Financial capability refers to the ability and opportunities to act and use people's knowledge, skills, attitudes, habits, motivations, and awareness of basic financial products they need to manage their finances. Furthermore, it is also evident this financial capability influences consumer online shopping decision making. Not only financial capabilities but technological implications also have an influence on the online shopping attitude of customers. By increasing smartphones and social media, the technological implications for online shopping are more. The widespread adoption of the banking sector, and its linkage with the online environment, a customer with more banking experience tend to choose the Internet as a platform for shopping.

## **IMPACT OF COVID-19 ON E-COMMERCE**

Due to community spread as a result of the pandemic outbreak, the Indian Government issued an advisory for isolation measure and social distancing, leading to unpredictable and unintended consequences in the e-commerce sector because most of their operations get



disrupted. This had affected the e-commerce business in a drastic way when there is a high demand for online shopping of goods and home delivery of products under the present circumstances. The outbreak of coronavirus accelerated India's e-commerce market even though it was initially severely affected during the lockdown. The e-commerce sector is set to grow at an annual growth rate of 19.6% between 2019 and 2023 because the consumer is highly shifting from traditional shopping to online shopping.

Moreover, we can say there are a positive push and a steep increase of 25.9% in online shopping during the pandemic outbreak. The country's lockdown situation had led to an overall decline in consumer spending. However, a rise in online shopping has partially offset this because most consumers stay at their homes due to safety and maximum utilized various online channels for purchasing products. The most used online payment modes are Google Pay, Paytm, Amazon Pay, PhonePe, etc. The pandemic outbreak of COVID-19 has a greater implication on consumers' buying behavior and pushes them to adopt online shopping.

### **ONLINE SHOPPING ACCEPTANCE PRE AND POST COVID-19 OUTBREAK**

COVID-19 has changed the shopping trend itself. Even though online shopping was accepted as a convenient mode for purchases by many, COVID-19 has accelerated this trend and triggered changes in online shopping behaviors that are likely to have lasting effects. According to a UNCTAD survey entitled "COVID-19 and E-commerce", this pandemic has changed the way of e-commerce use by consumers. The survey results revealed that more than half of the respondents shop online more frequently than before. The survey also shows that consumers in emerging economies have made a greater shift to online shopping. Even though online purchases rise, consumer spending falls due to income shortage. As per the survey results, consumers have postponed their larger expenditures for later and focus on more essential products. The number and frequency of online purchasing are on their hike. This shows the greater acceptance of online shopping after the pandemic outbreak. Online shopping was normal before the COVID-19 disease outbreak. However, now, online shopping has turned out to be the best purchase option among all categories of consumers.

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