

Impact of Covid-19 Pandemic for Online Shopping Preference of Consumables among Youth of Punjab-An Exploratory Study

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Payal Jaswal¹

Abstract

In the U.S. reportedly online sales hit \$791.70 billion in 2020, up 32.4% from \$598.02 billion in the prior year, according to Commerce Department figures. With an eye on the pandemic ecommerce seems to have thrived in 2020 because of store closures and shoppers' fear of contracting the Corona virus in public. This was largely because with the corona virus cases spiking in January, 2021, many of the consumers were avoiding direct contact at stores and purchasing online.

Focus: This paper looks into the market reports and surveys conducted by various government, non-government and civil society bodies. There were several factors that contributed to the rapid adaptation of online shopping by population across the developed and developing world and especially in India.

Method: The current research work is based on primary and secondary data. The tools of research were a telephonic interview of a sample of Punjab's college going youth. The students of the Science and Humanities streams of two colleges were taken up for the study randomly. Snowball sampling was done to take up influences of opining leaders who were emulated as examples by most other students.

Scope: The research would enhance the market understanding of the online shopping trends and benefit the retailers greatly. In a way the pandemic presented online shopping as a genuine step up from the traditional retail measures. It has equally boosted the small time business houses as well as large chain retailers of the world.

Results and Findings: On line shopping has presented a world-class shopping experience supported by the best shopping opportunities technology to the urban and rural youth of Punjab who are entrenched in utilizing the best post the Lockdown and the pandemic. As their expectations are growing they are including more adherents to this mode of shopping. In the case

¹Dr. Payal Jaswal, Assistant Professor, Dept. of Commerce, Govt. Shivalik College, Naya Nangal, Punjab. Email Id: payalpayaljaswal@gmail.com

of India the on-line shopping range of consumables has grown from bare necessities to essentials and finally to luxury goods like branded clothes and gadgetry.

Keywords: On-line shopping, consumables, e-commerce, doorstep, delivery, at-home shoppers

Introduction

Ecommerce was growing fast before Covid-19 hit but the pandemic pushed even more consumers online, contributing an additional \$105 billion in U.S. online revenue in 2020 and accelerating ecommerce in India by about two years at least according to various economic estimates. Online retail sales increased 32.4% year over year in 2020 and increased by up 39% in the first quarter of 2021. Online retail highlights from the previous year showcased retail's priority in catering to at-home shoppers.

In the U.S. reportedly online sales hit \$791.70 billion in 2020, up 32.4% from \$598.02 billion in the prior year, according to Commerce Department figures. With an eye on the pandemic ecommerce seems to have thrived in 2020 because of store closures and shoppers' fear of contracting the Corona virus in public. Additionally the figures from Q1 2021 show that the corona virus is continuing to make an impact on retail spending. Online sales increased 39% year over year in the first quarter of 2021, nearly triple the 14% increase in the first quarter of 2020 and faster than the 3rd and 4th quarters of 2020 respectively.

This was largely because with the corona virus cases spiking in January, 2021, many of the consumers were avoiding direct contact at stores and purchasing online. This paper looks into the market reports and surveys conducted by various government, non-government and civil society bodies. There were several factors that contributed to the rapid adaptation of online shopping by population across the developed and developing world and especially in India. This study examines the situation in two parts. Firstly, it takes cognizance of the situation as reported as reported through the commercial conduits of advertisements, media and academic reports. Secondly, the study concentrates on case studies of small time businesses and start-ups that became a by-word during the pandemic duration. The first part is being reported in this paper. It is essential to understand the mechanisms of functioning of a metamorphosed market that was wooing the consumers at very door step. Customer is kind became the embodiment of an age old adage as the customer now did not have to walk through and select consumer products. Instead all consumer goods were at his or her finger tips at the flick of a button. This dynamic change of market perspective tested the very basic principles of commerce. There was the emergence and development of a fulfillment strategy that adequately addressed supply chain, inventory management and delivery options for a turbulent period where millions across the world struggled for physical survival and basic amenities. It was seen as a Herculean task to ensure that even the poorest of poor and the affluent had almost equally enough of the bare necessities to fuel their daily needs.

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Covid-19 has changed grocery retailing forever. The corona virus pandemic changed consumer habits, forcing food retailers to adapt quickly. Millions of households started buying groceries online for pickup or home delivery and many continued using ecommerce options even after the major onslaught of the crisis passed by leaving several dead and innumerable destitute in its wake. Retail and wholesale business fell like a house of cards. Economies were threatened.

The corona virus pandemic spurred online shopping in unprecedented ways creating the nexus of delayed shipments and customer service inquiries. 'Online' became a buzz word in India and consequently its states as amenities like health, education, nutrition, fitness and even hobbies for mental stability – all came to be addressed on the screens of smart phones and laptops. India too reacted to the crisis in more ways than one. Retailers of toilet paper, face masks sanitizers and water bottles had significant sales escalation due to the corona virus. They booked profits and several commercial landmarks were attained. A special attribute was panic buying that was triggered by the inherent need for survival and therefore hoarding. Scenarios of empty shelves in shops and malls during relaxation amidst lockdowns and curfews created a false demand for goods and products that would not ordinarily hve been out of stock or been in such huge demand.

Consumer insights were observed to go haywire as sudden upsurges of demand for all types of protective material like masks, disinfectants and sanitizers pushed a number of consumer goods off the shopping lists. After these food was a single hyped consumer favorite. All forms of clientele used to eating out were observed to being constantly dependant on ready to eat edibles. Home delivery was the veritable magic of service and sales. Upto the pandemic, food delivery services like the Food Panda, Zomato, Swiggy were sluggish growers but the pandemic had then begun shooting up like the veritable bean stalk while Jack, its intrepid owners, laughed all the way to the bank. Banking was another sector that had to clean up its act. Google, Phone pae, Paytm were payment gateways that made the transactions of currency almost obsolete. Every one preferred the convenience of the handheld phone to address all fiscal needs. Social distancing put an end to the ordeal of going and waiting long durations at the bank. It is commendable how quickly everyone became savvy with this medium. Multitudes of consumers shifted to online shopping due to the pandemic and investments were directed towards developing a robust analytics platform and establishing cross-functional teams for working online with the retailer customers.

Table 1: Leading online stores (2016)

Sr. No.	Companies	Approx Annual Sales in Million (INR)
1	Amazon	35,016
2	Flipkart	31,912
3	Snapdeal	20,696
4	Myntra	15,864
5	Jabong	14,040

6	Bigbasket	7,864
7	Ebay	5,568
8	Shopclues	2,968
9	Infibeam	2,928
10	Firstcry	2,784

Source: Compiled by Author

Amazon thus, tops the chart with millions followed by Flipkart \and Snapdeal.

The coronavirus pandemic closed many factories across the world especially the developing countries early in 2020. The resultant was clogged ports and merchandise shortages among retailers. Online sales were soaring and certain categories of products were persistently in short supply. The web merchants developed the tendency of cutting back on discounts. The Coronavirus pandemic impacted the supply chains drastically all over the world. Merchants foresee a future in going digital. For this the retailers needed to be agile and enabled to make decisions about what product went where and when products are shipped out to various destinations. They are well attuned into where all their inventory is at any given moment and how they are required to supplement and upgrade it.

The Premise of E-Commerce in India

The Indian retail market can be divided into the unorganized sector and the organized sector of which the former includes about 13.8 million conventional family run neighbourhood stores. The organised retail sector has less than a 10% share and included a limited number of dedicated stores. Despite the boom in the digital retail sector in India, a majority of the Indians continued to have more faith in the neighbourhood stores for shopping as they preferred touching and feeling the products and negotiating discounts over-the-counter and in many cases know the business houses the tallied profits from them across generations. In India, before the boom time escalation during the pandemic a majority of ecommerce retailers had to draw customers to shop online by offering bargains like free delivery and discounts as well as buy-one-get-one-free or even exchange offers. Many Indian shoppers were known to be cost-conscious and conservative as a part of their value system. Generally they were not attracted by the concept of making quick decisions based on promotions and advertisements. It was also a recurrent fact that the online shoppers, were facing several problems concerning product delivery timelines and customer support services. A large part of reluctance on the part of the customers was observed based on their perception of risk towards online web sites which became aggravated due to the inferior IT set-up used by several e-tailers, resulting in ICT snags like hacking of personal information.

Increased online shopping usage, globally and in India, it has led to a rise in the number of FTUs or first-time-ecommerce-users in India, who had been so far inhibited to shop online. There are several examples of the players in the online shopping circuit. In March 2020, BigBasket emerged as a key online grocery player in India. So overwhelming was the response that it faced

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a breakdown due to an increased demand. Grofers, a rival, had passed on the messages that said “Due to the sudden rush, we had stopped serving many locations, but we are working to increase capacity and will be resuming operations shortly.”

Table 2: Factors Positively Impacting Upon Online Shopping

Sr. No.	Factors	Online Shopping
1	Retailer	Visibility of products and detailed information, online shop credibility, information comparability
2	Service Factor	Security, Privacy and Confidentiality
3	Environmental Factors	Virtual space occupied. No physical spaces required
4	Motivation	Convenient Time, Research based positioning of products
5	Personal Factors	Educational level, Experience Network

Source: Compiled by author

Amazon one of the leading commerce players in the country and the world, announced on its site that the customers were relying on them like never before in their adoption of the practices of social distancing and self-quarantine efforts. Amazon was at that time temporarily prioritizing its available fulfillment and logistics capacity to serve essentials like household staples, packaged food, health care, hygiene, personal safety and other high priority products. It stopped taking orders for lower-priority products temporarily. Globally Amazon experienced an upsurge in orders and was constrained to raise the overtime emoluments of almost all associates working in the warehouses while all around them and even in Punjab employees were experiencing a meltdown and salary reductions were taking place in all forms of employment.

The spike in B2C ecommerce in India was largely due to the existing online shoppers stocking up on essentials due to the accelerated panic buying of the shoppers staying at home. There were two recognizable customer segments, one that buys online regularly and those who did not shop online. Alongwith these there was yet another segment comprising those who were either totally ignorant about online shopping or did not have a device or data plan. In India this segment was overwhelmingly large at the outset during the clamping of the lockdown. This was especially so in rural Punjab. The shoppers from these two segments are poised to switch to online shopping, even at the tailend of the corona virus crises.

Thus, it can be seen that the shopping behavior of the Indian consumer has evolved greatly during the ongoing COVID-19 pandemic. While in the early stages there was a large part of the Indian consumers who were either in containment zones or could avail themselves of very limited options for making necessary and discretionary purchases. The consumers were willing to try and are still trying the new channels for a varied and diverse range of products and brands which were being boosted online and resulted in changes gradually occurring in the consumer's shopping habits. The dynamically changed consumer goods on their shopping lists and their

adoption paths to purchase were totally new experiences. The present study is an examination of the works of multidisciplinary scholars in their field. A review of the available literature on the subject is, therefore, attempted.

Review of Literature

Research on consumer behavior tends to rely on positive or descriptive consumer choice theories (Bettman, Luce and Payne, 1998 and Thaler, 1980). While the descriptive choice theory examines how decisions are effectively made in reality (Thaler, 1980) it acknowledges that a large variety of external or psychological factors impact upon the purchase decisions in a complex environment (Kahnemann and Tversky, 1970 and Thaler, 1980).

Arun Thamizhvanan (2013) research established that, “impulse purchase orientation, prior online purchase experience and online trust have significant impact on the customer purchase intentions”. Sultan and Dahiya Richa (2012) reported that gender impacts frequently on the frequency of the on-line shopping. Family size tends to impact the overall spending as well on the on-line shopping.

Vivek, V. (2016) in his research on “*Needs, Problems and Future of Online Shopping in India*”. reports that with the world fast shrinking into a global village because of internet and other communication media the retail industry rules have been revised and revisited by the impact of western culture which has affected many aspects of Indian life and especially the lives of the youth. The pace and lifestyles are becoming fast not only in the metros but also in the rural areas as can be seen in the cities town and even some villages of Punjab. The number of nuclear families have increased and both husband and wife are working. They usually have less time to go to the market for purchases. Late working hours and shortage of time made the internet and shopping at the door step an attractive alternative. The vast choice of online retailers improved their service and provided greater convenience to their customers. Advance payment options, payment on delivery and online transactions eased the modes of retail access for the consumer. Even convenient delivery timings at the choice of the customer have been adopted by several retailers.

A survey exploring consumer behavior in the US before and after the COVID-19 crisis revealed that “the pandemic has had an impact on purchasing behaviors, as individuals have significantly increased their online shopping use” (Mason, Narcum and Mason, 2020).

Koch, Frommeyer and Schewe (2020) in “*Online Shopping Motives during the COVID-19 Pandemic—Lessons from the Crisis*” examines established drivers of online purchase behavior have significant relevance during the COVID-19 pandemic, as companies anticipate consumer behavior during the global crisis to maintain a competitive edge. Online shopping motives of generation Y and Z during the COVID-19 lockdown in 2020 were investigated.

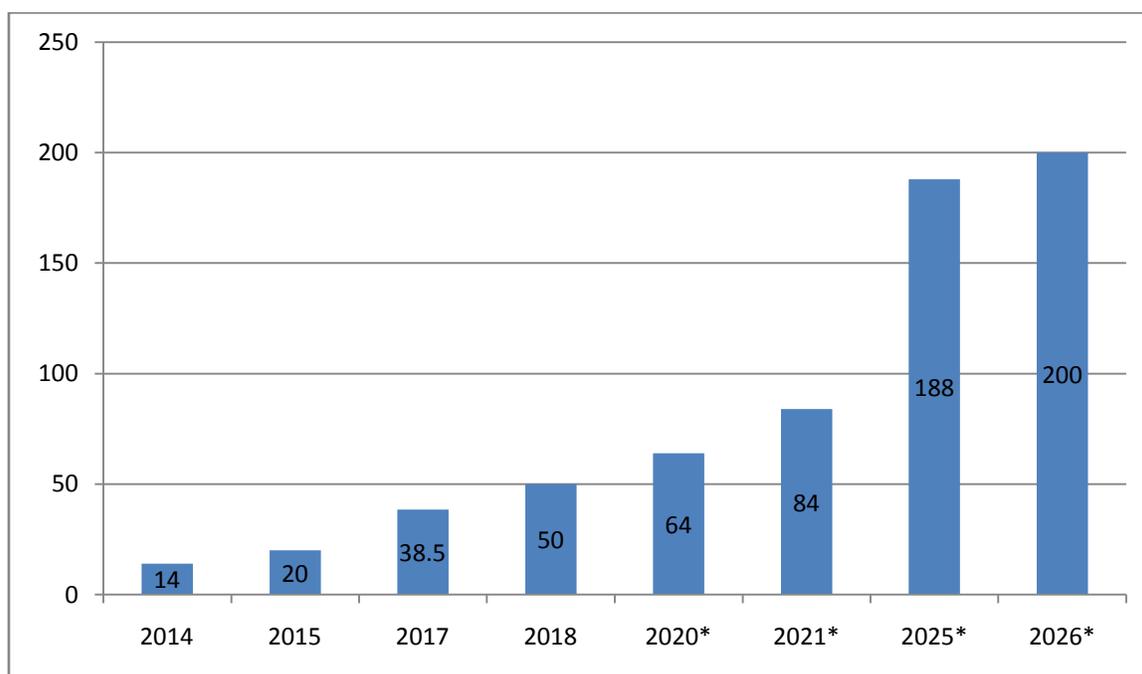
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Daroch, Nagrath and Gupta (2021) conducted a study on factors limiting online shopping behaviour of consumers and reported that six factors tend to restrain consumers to buy from online sites. These were: fear of failed, misplaced or improper bank transactions and faith, traditional shopping being more convenient than online shopping, first time experience, insecurity and insufficient product information besides lack of trust.

This study investigates shopping motivations that accelerated the online purchase behavior during the COVID-19 pandemic. This study will be further complemented with an investigation of how quarantining individuals and groups as a measure of social distancing and socio-demographic characteristics affects the consumers' shopping motivations. This survey's findings are presented in a sequel of the current paper.

Nougarahiya, Shetty and Mandloi (2021) carried out a review of 'E-Commerce in India: The past, present and the future' and explained that B2B e-commerce typically is an electronic business relationship between two companies or a producer and a wholesaler; whereas an electronic business relationship where businesses directly sell to their end users is B2C e-commerce. They predicted that the growth trends suggest that by 2034, India will overtake the US to become the second largest e-commerce market in the world as can be seen from Figure 1. The e-commerce market is expected to reach USD 200 billion by 2026 from USD 38.5 billion in 2017 (IBEF, 2020).

Figure-1: Market Size of E-Commerce Industries across India (in Billion USD).



Source: Data from Staista. Retrieved from <https://www.statista.com/statistics/792047/india-E-Commerce-market-size>

Therefore, it can be seen that India has a vast potential for the e-commerce market. The Covid-19 pandemic seems to have markedly accelerated the process further.

Methodology : The current research work is based on primary and secondary data. The tools of research were a telephonic interview of a sample of Punjab's college going youth. The students of the Science and Humanities streams of two colleges were taken up for the study randomly. Snowball sampling was done to take up influences of opining leaders who were emulated as examples by most other students. The data units taken have been depicted in Table 3.

Table 3: Data Units for Survey

Sr. No.	Gender	Science Stream subject	Humanities Stream Subjects	Total
1	Boys	29	38	67
2	Girls	71	62	133
	Total	100	100	200

Source: Compiled by author

The Table-1 shows that the students participating in the telephonic survey were not gender balanced as there were more girls than boys participating. The responses were more specific as the girls evinced a greater interest in the newer concept of online shopping. Data was collected over a period of 6 months from March 2020 to May 2021 taking oae months break between months. It took a month to design, field test and tabulate the tools and then evaluate the results of this study via online and telephonic interviews. Respondents were aged 18 or older and had access to internet either on their smart phones or laptop.

The significant convenience of the online stores is that they are open 24 hours a day, seven days a week, and their inventories are much more extensive than those of their brick-and-mortar counterparts.

Teething Troubles in Online Shopping:

- (i) Products received are not as perceived
- (ii) Return Policy not effective
- (iii) Hidden Expenses like handling charges, etc imposed
- (iv) Goods damaged in transit
- (v) Delays in product Delivery
- (vi) Failed Delivery of Products
- (vii) Wrong Delivery of Products
- (viii) Spurious Goods

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Discussion and Research Findings

Amazon advertising commissioned a study with Kantar in mid-2020 to understand the impact of COVID-19 on buying preferences of the Indian, urban active internet users. The total population covered under the urban active internet user definition was 309 million as of 2019. The findings of the study illuminated three trends. These were:

- (i) Consumers rapidly shifted to online channels after first-experience and this behavior is reflected in their purchasing patterns as 42% of the Indian urban active internet users resorted to shopping online with nearly half being first-time online shoppers. There were 46% of these 'new to online shoppers' who lived in Tier-1 and 2 cities.
- (ii) Amazon promotes well researched Products: The Indian shoppers were keen on researching most of the products online before making any of their online or offline purchases. Amazon online shopping has emerged as a popular destination for product discovery and popular usage. Users prefer buying products that they have researched online before buying products, either offline or online and a majority of the online researchers resorted to Amazon online shopping for their research.
- (iii) High satisfaction of online shoppers contributed to continued and sustained loyalty: Many of the new-to-Amazon online shoppers had reported being highly satisfied with their purchases and experience while a majority of them continued to be favorably predisposed to online shopping with Amazon and other servers.
- (iv) The main consumables the shoppers concentrated upon in the long run were: apparel and fashion products (43%), mobile phones and their accessories (42%), personal care and beauty products (41%), household and grocery (39%) home appliances and decor (33%), as well as electronic good (24%).

These findings are significantly similar to the Kantar survey. Punjab has recently come under a real estate boom where agricultural and other land has exchanged hands with prospective developers. Some of the agricultural families have come into a lot of money. The youth in these families has become increasingly exposed to the latest trends in the consumables markets for products ranging from phones to cars. They were more brand conscious and lived on the online purchases made under peer pressure and their own need to create an impression. The exercise created fresher avenues of purchase of consumables among the urban and rural youth of Punjab largely due to the newly attained status of greater purchasing power. Shoppers in Punjab are increasing their favouring, adoption and use for online channels in their shopping journeys, and many of them are using Amazon to research and discover before making a purchase either in an online or offline store. Among the brand conscious youth of Punjab, brands have an opportunity to think about how they can engage and cultivate relationships with these shoppers to help their companies harvest brand loyalists.

Amazon Advertising has constantly helped the brand marketers engage customers in every stage of the funnel. Most brands are investing in online advertising avenues to ensure the perpetuation of brand loyalty among the 'nouveau riche' youth of Punjab.

The paper has attempted to make an exploratory piece of research on the need, problems, determining factors and future of online shopping among the college going urban and rural youth of Punjab. The ease and selection of consumables as provided by the internet has changed the face of retailing forever. Consumers prefer visiting websites and make their choices online instead of traveling to the stores. In fact many shoppers are bypassing stores altogether as ordering online directly from the websites is much more convenient and they have the option of effective return policies that include a number of facilities like doorstep delivery and collection of consumables.

Conclusion

Internet use for shopping online in Punjab has been itinerantly used for making purchases of gadgets like mobile phones, laptops and other consumer goods. In India and in Punjab online shopping is fast catching on, not just in the larger metros but also in the smaller cities. Google estimates show that India has more than 100 million Internet users, of which around 50 percent have adapted themselves online purchasing and the number is rising every year. Traditional retailers like Westside and Pantaloons and some of the large malls like Best Price, Metro and even Big Bazar are looking at the online shopping space for growth. According to industry leaders in India, the portals offering daily deals and discount offers with good delivery services tend to attract the largest number of online shoppers and their number is constantly growing.

In the years post the pandemic online retailing in India is poised to grow even further. Long-standing sustainability is dependant on factors like market fluctuations, innovations and competitive market players. Penetration of plastic money and easy access to computing facilities to wider populations has helped Internet retailing escalate to great heights. On line shopping has presented a world-class shopping experience supported by the best shopping opportunities technology to the urban and rural youth of Punjab who are entrenched in utilizing the best post the Lockdown and the pandemic. As their expectations are growing they are including more adherents to this mode of shopping. In the case of India the on-line shopping range of consumables has grown from bare necessities to essentials and finally to luxury goods like branded clothes and gadgetry. In Punjab, however, there is marked differences in the shopping preferences. While males are rapidly growing towards luxury purchases the females are diverted towards fashion and make-up besides other outlook essentials. This deduction gleaned from the interviews of the survey participants needs to be further explored and provides scope for extensive research. It would be useful input for scholars and academicians. The research would enhance the market understanding of the online shopping trends and benefit the retailers greatly.

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In a way the pandemic presented online shopping as a genuine step up from the traditional retail measures. It has equally boosted the small time business houses as well as large chain retailers of the world. This progress, no doubt, rests on the informed choices of the consumers. It is based on the substratum of gendered selection of consumables on line.

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