



Consumer's Attitude towards Online Purchase during Covid-19: A STUDY ON AMAZON

Reshmi Pramanick

SACT, Department of Commerce

Jogamaya Devi College, Kolkata

Abstract

Covid – 19, a nightmare in the lives of common men, has a disastrous effect in the world history which can never be erased. This pandemic situation has led to a decreasing trend in the economic growth of every country which are badly affected by this virus. The human race has been disrupted in the context of purchasing pattern and lifestyle for the last one year. Though this adverse effect has ruined the daily lives, but it has a flipping brighter side too. With the increasing use of internet, people have developed the habit of online shopping with easy payments and deliveries at door step. The traditional on-store shopping has been replaced by the online mode providing benefits to all under one roof. Social networks play a unique role in sharing of information and also giving people choices for selecting their own needs. These online sites need to understand the current taste and preference of the people about this online shopping spree to cope up with this competitive society and try to meet their needs through their required ways by converting the challenge into an opportunity. The main purpose here is to depict the consumers' perspective towards this growing trend of online shopping due to the strike of deadly Covid-19 virus. As people are getting attracted to this online mode with easy means, the on-store owners are moving towards a footfall. Out of the online sites, Amazon has taken up a remarkable position in this social platform with its wide variety of daily essentials to needs required in various ends of life. It has gone out of its way and popularized the brand in digital streaming platform making people have the feel of theatres from their homes.

The study here focusses on the Covid-19 pandemic on the online shopping platform Amazon and consumers' changing attitude due to the economic instability around. This study is based on survey showing how Amazon like sites, keeping the safety measures in mind, are taking up strategies in inculcating the minds and increasing their sales for the past months all over.

Index terms: Covid-19, online shopping, Amazon

INTRODUCTION

Covid-19 outbreak which has shaken the entire world with its deadly nature creating health crisis globally has made the humanity suffer at extreme levels losing closed ones at every corner and upsetting human lives. It's a human crisis showing up mortality rate to an extreme level. Almost more than 210 countries affected by the unbearable influences of this disease have been impacted with the widest pandemic all over the globe. This pandemic, specially WHO has suggested people in wearing masks and maintain social distances to reduce contamination. As a result of this, people are avoiding on-stores for their regular purchase and thus the online shopping sites have come into the scene. The behavior of people is getting shifted in an unpredictable way. In the history of the world, for the first-time different types of businesses are shut down for indefinite period of time locking people in their homes till next announcement of opening of business houses.

In the meantime, Amazon, one of the leading online shopping platforms, have seen growth in the upward trend by providing unique benefits for the consumers round the clock, saving the travel costs, reducing their dependency on offline stores, expanding the market area and offering wide range of products. Not only in the main city of Kolkata but in the outskirts, areas also are getting to this trend of online shopping with the penetrating use of internet through their smart phones.

LITERATURE REVIEW

Online shopping has drastically revolutionized the marketing strategies making the customers more inclined towards moving online under one umbrella and getting things delivered at door step without even stepping out.

- **Keisidou, Sarigiannidis and Maditinos (2011)** stressed on the fact that consumers behave differently according to product variations. Consumers have different perceptions while buying inexpensive and expensive products and also when they are spending on daily needs and those products which are for long-term use. Thus, it can be said that consumers perspective towards online shopping is affected by the product in question.
- **Taruna (2017)** stated that consumers are showing their varied behavior towards online shopping as compared to visit in physical stores. Service class are more interested in purchasing online. Consumers not only use this method for shopping but also to compare prices, product dimensions and after sale services. In this era of internet technology, wifi-services and smart phones, the online promotional tools have become effective in reaching out to the audience at large. Since all types of products and services have the potential spreadout over the internet, companies must ensure that they promote their products on the internet effectively.
- According to **Veeragandham, Patnaik, Tiruvaipati and Guruprasad (2020)**, because of the appeal of maintaining social distance in Covid-19, buying perception of people have moved to online mode. Individuals have preferred buying mostly using debit card followed by COD. Consumers are looking forward to continue online purchases Post COVID also as Online shopping creates hustle free efforts and easy to shop with different offers.
- **Koch, Frommeyer and Schewe (2020)**, relying on the fact that among the increasing craze of people inclining towards online shopping, the strongest influence has been impacted on generation X and Y users' intentions to shop online. Adding further, it was found that individuals are more driven by external normative pressure to shop online rather than close network of friends and family. Companies can induce purchasing behavior by strategically harnessing normative influences.
- As per **Shetty and Dr.Rai (2021)**, the segment of sellers selling groceries, fashion accessories, cosmetics, etc. online are showing up good rather than those who are dealing with home appliances, clothing, electronics. Though through past studies it has been brought into attention that Covid 19 has an positive impact on online shopping, but has been proved partially true under this study. This might be due to the fear of the deadly impact of the virus in the lives or due to the rising unemployment rate.
- **Dr.Mishra, Rout, Sarkar and Naik (2021)**, stated that as online marketing has become convenient and gives a wide variety of choice to mass, a greater portion of the society is accepting this ongoing technology. B2C commerce facilities has paved the way for B2B, C2B and C2C commerce. Even during a shortage of any product in physical store, people can get the availability of that product online without going out and coming in contact with others during this pandemic period. Thus it can be said that though our traditional stores are all time good, but somehow online stores are fixing more issues of people easily and in the go of capturing their preferences more than physical stores.

OBJECTIVES OF THE STUDY

- To know the ongoing buying behavior of the individuals.
- To understand the impact of online store on the consumers due to COVID-19 outbreak.
- To know the consumer perception during pandemic of COVID-19.

METHODOLOGY

- **Research Sample:** Different reports related to Amazon has been studied for a selective time period for conducting the study.
- **Research period:** The research period is from pre covid situation i.e. JANUARY 2020 to the situation when 2nd wave of Covid has already arrived i.e. JUNE 2021.
- **Sources of data:** The data collected are secondary in nature. And are collected from different authenticate websites.
- **Techniques used:** Graphs and charts has been used for representation of data. Percentages of related figures(collected) has been calculated for explanation of data.

DATA ANALYSIS AND INTERPRETATION

Consumer behaviour is greatly affected by large number of factors. During this pandemic period, it has been found through a study that 42% of active internet users of Indian urban population has started shopping online, with nearly half of the people being first time online shoppers. Out of the total population 46% of new online shoppers reside in Tier-1 and Tier-2 cities. These Tier-1 and

Tier-2 cities have been classified by Indian Government on the basis of population density of the city. One merit of this system of online purchase is backed by direct reaching of the products to customers without any involvement of middlemen, causing profit to the manufacturers.



Fig 1: Buying Preference of Amazon Shoppers during Covid-19

New-to-Amazon purchases, are highly satisfied with their purchasing experience and almost 82% stated that they are willing to continue their buy on Amazon in future. As per the concerned study, it has been found that buyers have shown different preferences in categories like apparel & fashion (43%), mobile & accessories (42%), personal care & beauty (41%), household & grocery (39%), home appliances & decor (33%), and consumer electronics (24%) during the tenure of pandemic.

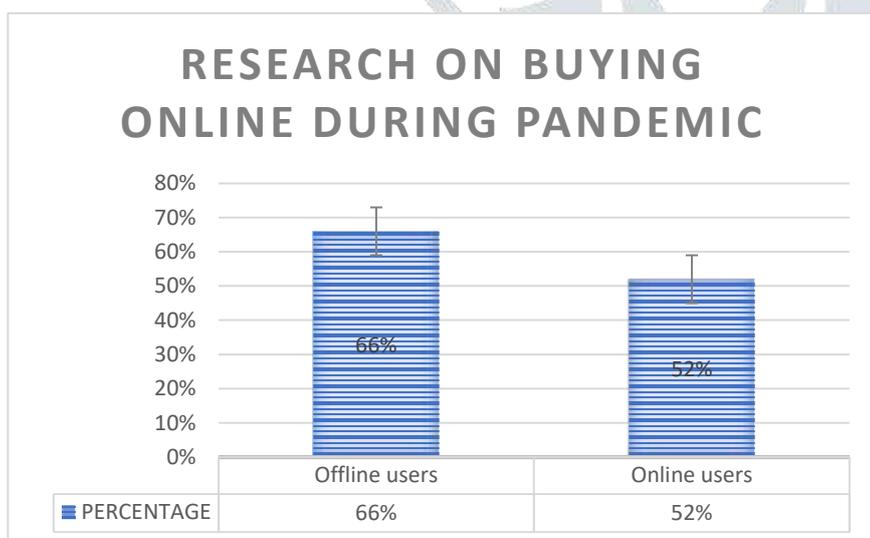


Fig 2: Research on Buying Products Online

Many of the Indian shoppers prefer to conduct research on the products online before purchasing them, online or offline. Amazon has emerged as one of the popular destinations for product discovery amongst other online shopping sites that the customers prefer. Approx. 66% of the Indian urban active users have researched online before buying the products, either online or offline while more than half of the online researchers have visited Amazon site for research.



Fig 3: Preferring Amazon Over Others

Since shutdown in March 2020 – consumers have relied on Amazon more than ever. It has been observed that about 73% of the people are showing up with Amazon for its fast and free shipping. About 67% of them are getting the shipping benefits more because of their Prime Membership subscription and almost 58% are preferring it because of its easy and convenient purchase process. The above reasons are making it as top ones for people to shop from Amazon more than any other online shopping platforms.

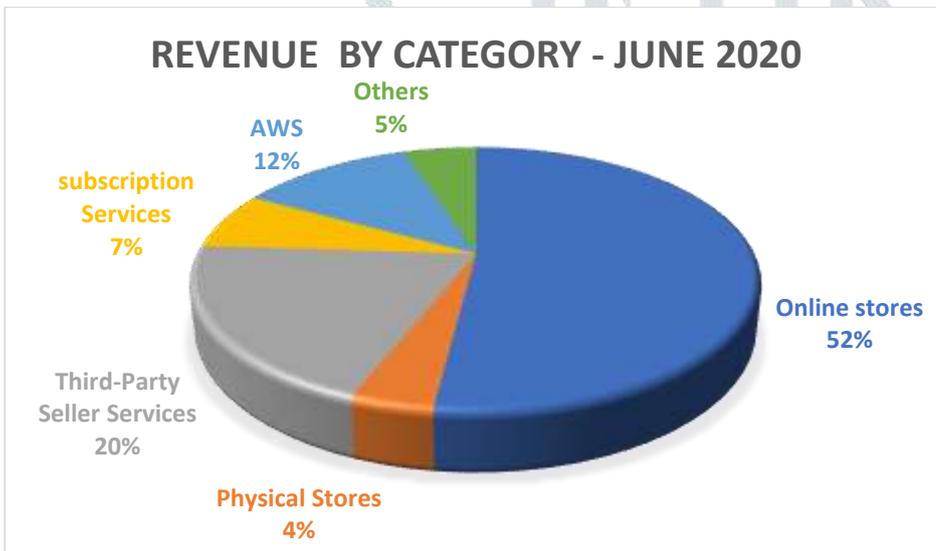


Fig 4: Revenue by Category – June 2020

It was observed that the online stores segment held the largest share of 52% of the company’s total revenue, while third-party services jumped to 20%. Amazon Web Services for the first time plunged below 30%. Subscription services including digital video and music also was up but Amazon’s ‘Others’ revenue category, comprising mainly of its advertising services was up by 41% over a good number of years. The higher growth in profit that was reported by the company was especially due to increased sales of the more profitable products and the shipments.

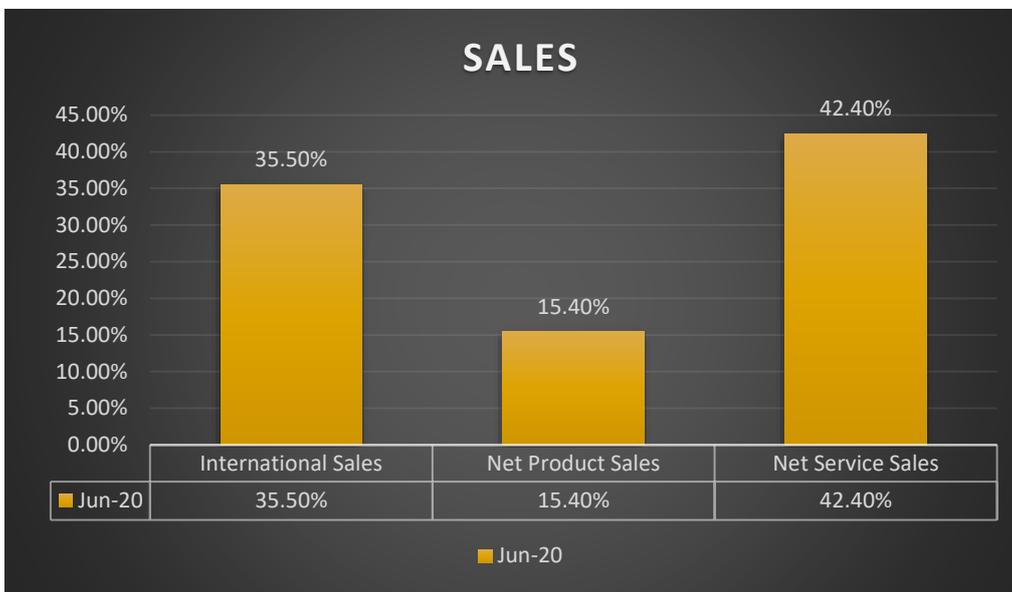


Fig 5: Sales

- For the first six months of the year 2020, it was reported by Amazon study that international sales have increased by 35.5% in comparison to the year 2019. Net product sales, the value of goods Amazon sells on its own behalf, increased 15.4% and the Net service sales reached sowed an increment of 42.4% increase than prior year. Net service sales include revenue from Amazon Web Services, Prime subscriptions and Amazon’s commission on sales by marketplace merchants and fulfilment fees charged to those merchants.
- Comparing to year 2020, in the first six months of the year 2021, it was observed that international sales was up with 46.9% than previous year 2020. Net product sales showed a surge up of 25.4% than earlier and Net service sales reached a 46.8% increase than previous.

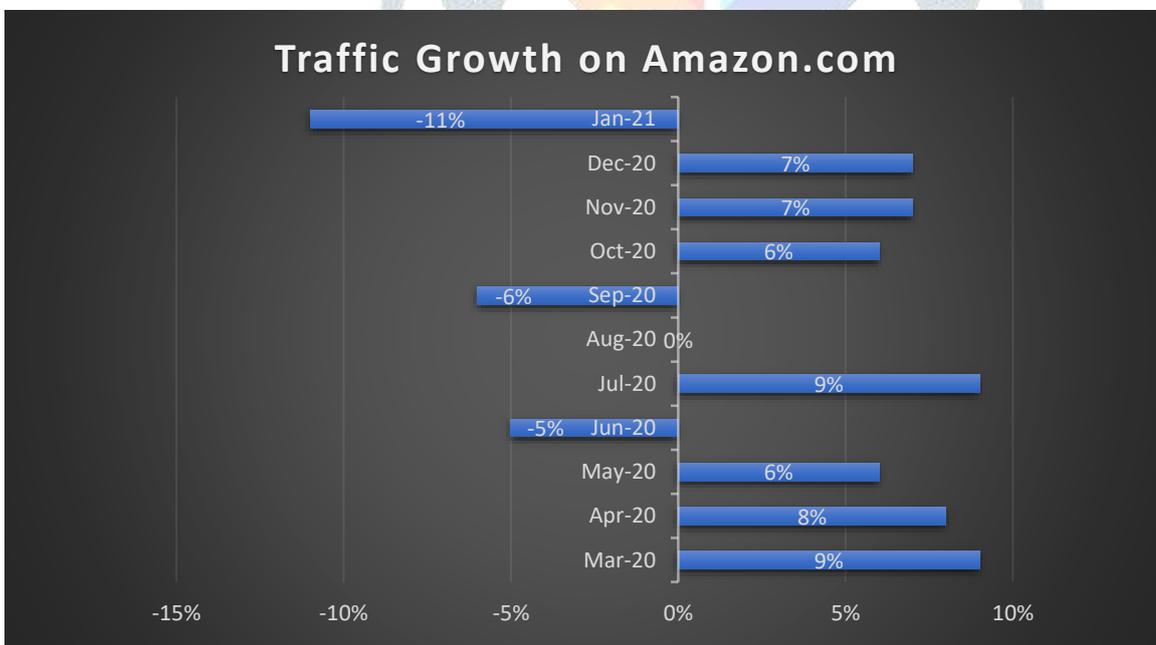


Fig 6: Traffic Growth on Amazon.com

By studying the month-over-month growth pattern of the total visits in Amazon site, it was cited that the total visits in June 2020 was down by 5% as compared to May 2020. It was seen as the first-time declination in the visits in the year 2020 since February. July 2020 had seen a rise in the traffic but in September it led to a fall in 6%. The visits had shown an upward trend in the next few months till the end of the year 2020. Then again, the visits slide downwards to a decrease of 11% in January 2021 from peak holiday traffic in December 2020. This up and down momentum of the visits in the Amazon site was due to the varying differences in the minds of the consumers due the prevailing changes in the pandemic situation all the year round.

CONCLUSION

Shopping behaviour amongst Indian consumers have evolved during the ongoing COVID-19 pandemic. During the early stages, a large number of Indian consumers were either in containment zones or there were limited options available for making their necessary and discretionary purchases. This led to consumers trying new channels, products and brands, which in turns has resulted in changes to consumer's shopping habits and their path to purchase.

From the limited areas of sources at initial stages to a greater transformation of wide services with improved technologies like customization in products, varied options in payment methods, developed exchange policies, etc have given every reason to an individual to opt for online purchase. In this very competition, Amazon has taken a remarkable seat in meeting up to the demands with wide access to items in need. Amazon has become a popular destination for the shoppers. Growing use of smart phones are making it easier for people to browse the networking sites and go for their preferred items from anywhere and anytime. It has been noticed in the recent studies that the customer base is getting shifted to the younger ones specially in 20s and 30s. social media is playing in frontline in bringing these shopping sites more into focus of the users. As a result, they are getting more updated about these sites and are able to access them. The unexpected discounts and clearance sale offers have become almost perennial and mainly its eye dropping during special festivals. Getting these benefits then and there sitting at home are catching more minds each and every day. Most importantly due to COVID 19 situation people have become more cautious about their health and to maintain social distancing and the crowd outside people, are taking up both essential and non-essentials from online stores only in just one go.

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