

Consumer Perception towards E-commerce websites before and after Covid-19 Pandemic

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Abstract

The spread of Covid-19 pandemic followed by lockdowns has disrupted the buying behaviour of people and their perception towards e-commerce. Due to hesitation among people to go outside during lockdown the scope of e-commerce has surged. The study aims to determine consumer perceptions towards E-commerce websites before and after covid-19 pandemic. A total of 131 responses were recorded in the survey that was conducted online. Data was collected by a valid and reliable questionnaire. Descriptive analysis is used to examine the results and the findings indicated that 82.4 percent of the respondents found change in promotional and advertising ways of e-commerce during Lockdown.

Keywords

Consumer Perception, E-commerce, Promotional schemes, Covid-19 Pandemic, Primary survey.

Introduction

E-commerce has changed the way of buying and selling of goods and services through online mode. It can also be stated as commercial transaction conducted online. So, whenever a person buys and sells something using internet that activity is called e-commerce. The models of e-commerce can be classified on the basis of marketplace model (like Amazon, flipkart, snapdeal etc.) and standalone ecommerce. In India the traditional way of doing business is changing into modern business. As per expert research forecast in India the e-commerce business will cross US\$ 200 billion by 2026 from US\$ 38 billion in 2017 and according to a research of “India goes digital” the e-commerce has expanded 21 percent in FY 2019. The apparel segment is contributing second highest share that is 31percent and electronic is leading with 47percent. The e-commerce further has its different types as all the services can apply to different business done on internet. Basically, the e-commerce can be divided into B2B, B2C, C2B. All this type of e-

commerce maintains huge network with different operators. As the market for apparel companies is moving towards saturation, it became critically important for apparel companies to offer sales promotion to its consumer in order to differentiate themselves from the competitors. More budgets are being allocated to promotional activities in order to sustain their sales volume or to generate new demand. In such a scenario, it became very important to study the effect of sales promotion as to see how the end consumer is making choice when there are several brands in the consideration set of consumers.

Customer perception is a process by which a customer selects, organizes, and interprets information to create a relevant image of the brand or the products. It is a three stages process that converts raw information into meaningful information. In simpler term, it is how a customer analyses a particular brand with whatever he or she understands by watching the products, its promotional techniques, feedback etc. It is the reputation of that particular brand in the mind of the customer. This paper first attempts a brief synthesis of the existing literature on the understanding of consumer perception towards E-commerce promotional schemes. Based on the perception developed through literature search, the objectives for this study are defined, design of the study is proposed, sample size and design is taken into account while working on developing instrumentation to be used towards data collections and in end research tools that are to be used to drive meaning full results out of the data is taken into account.

Review of Literature

The technology has made a lot of changes in today's environment, especially in the field of ecommerce. The numbers of people who are purchasing products through online are increasing day by day. One of the major reasons which shift the people to ecommerce is that, they can carry out their business without any problem like time, distance etc. They can use internet according to their convenience. At any time day or night, they are can purchase or sell through their Smartphone.

Krishnan (2017)analysed a study on consumer perception towards e commerce resulted an interpretation that, throughout this survey of online payment systems study concluded that many recent trends and new technologies involving these systems, with their risk factors, security measures, which is made available for general public, such assuming PayPal, or using safety Pay's online cash payment platform, other non-card payments.

Samreen & Maria (2017) organized a study on customers' attitude towards e-commerce which explains that the customers are mainly attracted to the online shopping through advertisement in internet especially through social medias like Facebook. People are watching more advertisement through internet when it compared to the advertisements in TV and newspapers.

Nalini (2017) identified from a study on consumer perception towards e-commerce which conducted on respondents in different age group gave an interpretation that ages are also playing an important role in consumer buying behaviour. It was found that most of the people who are using online shopping come under category of age group between 20-30 years. When compared to them study concluded even elders are using e-commerce.

George & Raj (2016) conducted a study on the promotional strategies used in the online shopping in this study they interpreted that the offers and the discount which are provided by the online shops are the major reason behind their growth. Most of the customers get attracted to the online shopping because of their promotional strategy. The consumer gets products in low price when compared to the store shopping. That is the major reason behind the growth of e-commerce.

Rao & Chandrashekar (2016) researched on customers attitude towards promotional activities it was found that consumer perception may be depends on certain key factors, they are convenience, website design, delivery, price advantage, reliability and responsiveness. A change in any of these factors can also create a change in consumers' response to the products.

Mohan & Shanthi (2016) researched on the promotional strategies which used in e-commerce industry to attract customers, states that the computer literacy rate is directly proportional to the e-commerce users. And the reason why the people purchase product is because of the promotional strategies. The online vendors are providing offers and discounts. This attracts customers and they also get the same product at cheap price when compared to the store purchase.

Gopal & Deepika (2016) conducted a study on consumer perception towards online shopping gives a conclusion that, whatever maybe it online market or offline market the marketers should identify the needs of the customers. The customers are also seeking for the products which are having good quality. They also look for the availability of good quality products at low price.

Customers are ready buy the products through online and offline but they are looking for good quality products.

Nausherwan, Zeeshan&Azam (2016) researched on customers attitude towards e commerce explains that due to the lack of awareness of e commerce in its early stage it couldn't able to attract larger population. Later onwards its promotion activities and marketing started to attract the customers. A customer always expects customer services from the vendors to solve their problems and queries through availability of 24*7 live chats.

Verma (2016) worked on Sales promotion often promotes the sales and gives great competition to the rivals. And promotions are 2 way visual and print Medias. Commercial make new requests of product. The scientist says that the manufactures and the retailers can have a string relationship and accordingly the discounts, coupons and 20 rate price offers.

Shanthi&Kannaiah (2015) researched on consumer perception towards online shopping and they came to a conclusion. The taste and preference of customers is different for everyone, likewise their perception towards online shopping is different from individual to individual. From the study it was found that majority of people who engaged in online shopping are in the age category of 20-25. The elder people are not going for online shopping that much when compared to the younger people.

Malik&Sachdeva (2015) researched on consumer perception towards the promotional strategies which used in ecommerce stated that sales promotional activities like personal email, promotional SMS, discounts play an important role in their growth. And from their study it also found that these promotional strategies can also may affect bad too.

Sonal& Aurora (2015) researched on consumers attitude toward ecommerce gives an explanation that there is a positive impact on consumers' attitude towards online shopping because of the perceived convenience which are offered by the e commerce company. They perceive that Internet enhances the outcome of their shopping experience in an easy way and it has great potential for youth marketers.

Chalam&Murali (2015)organised a study on consumers attitude towards online shopping gives an interpretation that e commerce is one of the most growing industry and the major reason behind its growth is the offers and the discounts which are provided by the e commerce vendors. So, the availability of the offers and discounts makes the online shopping differ from

the shopping through the stores. so the customers are mainly focusing on the discounts and other kinds of offers like this.

Need of the study

Before the coronavirus pandemic and lockdown as a security measure lot of people were not using e-commerce platforms for shopping but since the lockdown started all the ecommerce companies seen new customers and exiting customers started using more of their websites and mobile applications. So, we want to find out specifically about the how the consumer perception was affected in the lockdown period. Now since the pandemic e-commerce market seen biggest surge. It is a necessary for e-commerce platforms to evaluate and identify their strategies to get more customers by their promotional activities and to study what is the impact of it on customer's behaviour and perception towards their promotional schemes and activities.

Research Objectives

The present study is an attempt to meet the following objectives:

1. To find out the effect of promotional schemes on consumer buying behavior during lockdown.
2. Identify the various promotional strategies adopted by the e-commerce platforms during lockdown.

Research Methodology

The study is descriptive in nature and it involved a field survey of customers that purchased products of their interest from various online e-commerce platforms. So, that study can find out issues related to e-commerce. The survey was performed online through google forms. Which was sent through emails, contact sharing and forwarding. The present research was based on convenience sampling. Questionnaire created on google forms and then shared on public/social media platforms. Descriptive analysis is used to examine the demographic and intention of the customers. Statistical Package for Social Sciences (SPSS) was used to analyse the collected data.

Result and Analysis

Demographic profile

Among 131 respondents, 111 respondents (84.7 percent) are falling under the age group 21-30. Moreover, 13 percent of the respondents are falling under the age group of less than 20 years age group. However, 1.5 percent of the respondents included in the age group of 31-40 years. There are only 0.8 percent of the respondents who are falling under the age group of 40-49 years that describe only 1 respondent lies under this age group. Majority of the total respondents (81.7 percent) are students. Moreover, 13percent of the total respondents are working professionals and 3.1percent of the respondents are self-employed. The results concluded that among the 131 respondents 78 respondents were male and 53 were females. However, 41.2percent of the total respondents are post graduate and 49.6percent of the total sample were under graduate. Furthermore, 6.9percent of the respondents are from high schools and 2.3percent mentioned as others (included above post-graduation). The results also explain that 77.1percent of the total respondents mentioned their monthly income falling under the category of less than Rs 20,000 and 9.9percent of the respondents mentioned that they are falling under the category of Rs 20,001-35000. Furthermore, 6.9percent of the respondents are falling under the income group of Rs 35,001-50,000.

Consumers' online buying behaviour

Among 131 of the total respondents, 90.1percent of them mentioned that they buy apparels online and 9.9percent of the total respondents mentioned that they do not buy apparels online.

Consumer frequency of online shopping

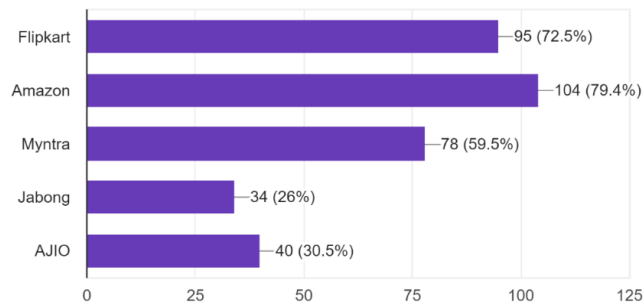
The results concluded that 55.7percentrespondents respond that they shop online according to their need. 18.3percent of the total respondents mentioned that they shop online once in 3-4 months and 9.2percent of the total respondents mentioned that they shop online once in a month. Moreover, 3.8percent of the total respondents shop online once a week.

Comparison of apparel items on various e-commerce platform by users

In the survey 64.9 percent of total respondents always compare apparel items before buying. However, 30.5percentof respondents sometime compare items and 4.6 percent of respondents do not compare apparel items on various e-commerce platforms.

Choice of users regarding e-commerce platforms

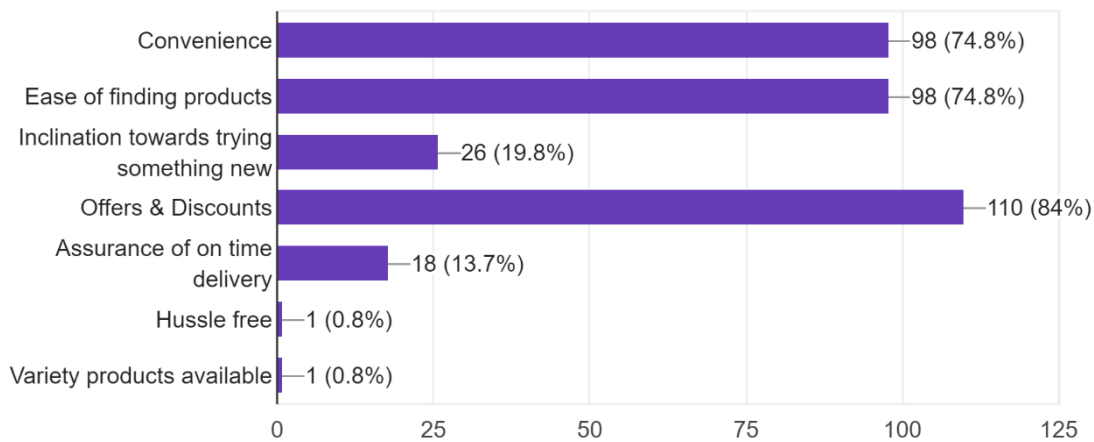
Where do you buy Apparels?
 131 responses



In study it was found 72.5percent of the total respondents buy apparels from Flipkart. However, 79.4percent of the total respondents use Amazon to buy apparels. Furthermore 59.5percent of the total respondents buy apparels from Myntra. About 26percent respondents buy apparels from Jabong and 30.5percent of the total respondents buy apparels from Ajo.

Reason for online shopping

Why do you purchase online shopping?
 131 responses



When people were asked why they purchase through online websites, 84percent people answered that they were interested in offers and discounts. While 74.8 percent of the people found it easy to find products online. Moreover 74.8percent of people found it convenient and 19.8percent

had inclination towards trying something new. So, this survey showed that majority of the people were attracted towards shopping websites because of offers and discounts.

Promotional and advertising Schemes during lockdown

82.4 percent of respondents observed a change in promotional and advertising ways during lockdown while 17.6 percent of respondents did not observe any change in it.

Promotion Scheme's effect on consumers choices during lockdown

Even after 82.4 percent of respondents said that they observed some changes in a promotional and advertising ways, still only 52.7 percent of respondents say that it affected their choices. However, choice of 47.3 percent respondents were not affected by these changes.

Checkout experience in e-commerce Websites

The checkout experience in e-commerce websites is good according to 67.2 percent, Average stated according to 30.5 percent of respondents and Bad as mentioned by 2.3 percent of respondents.

Online Advertisement

The study concluded that 64.9 percent always skip online advertisement, which means that they are not interested in online advertisements. Moreover 33.6 percent say that they sometimes skip online advertisements and 1.5 percent said that they never skip an online advertisement. The survey also states that 66.4 percent of the people do not click on the ads while seeing any offers on the websites. However, 33.6 percent of the people click on the ads on the websites.

Frequency of ads during lockdown

Out of 131 People surveyed, 68.7 percent said ads were Randomly appearing during lockdown. Moreover, 19.8 percent people say that they have seen Apparel ads more often during the lockdown and 11.5 percent people in comparison have seen less ads.

Payment experience of consumers on e-commerce websites

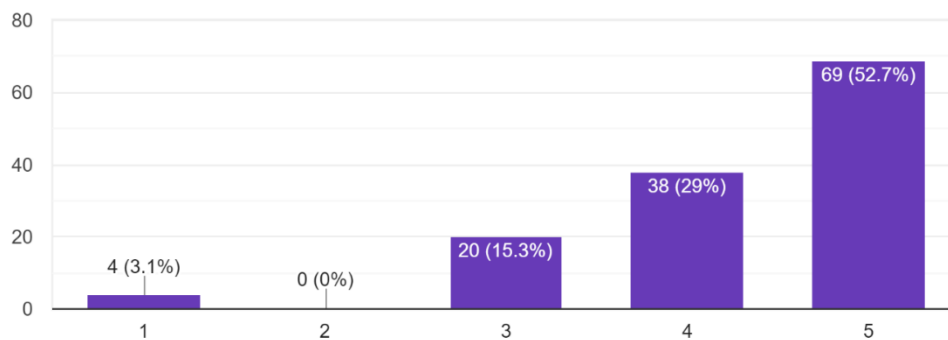
Out of 131 responses 61.8 percent Respondents always experience hassle-free payment. Moreover, 35.1 percent people say that they only experience hassle-free payments sometimes and

3.1 percent people say they struggle with the payment experience and never experience hassle-free payment.

Product rating

In the study 67.9percent found product ratings helpful while making a purchase decision. Moreover, 29percent said that its averagely helpful. However, 3.1percent do find the product rating helpful.

how much does an overall product rating affect your purchase decision?
 131 responses



From the above chart it can be clearly said that overall product rating affects the purchase decision of major portion of respondents (52.7percent). Moreover, 29percent selected 4th point and 20percent selected 3rd point on the scale. However according to 3.1percent, overall product rating does not affect their decision.

Range of products on e-commerce websites

113 people out of 131 responded with yes, when asked if they find enough range of products. While 18 out of total responded No, which means they do not find enough range of products on Ecommerce Websites.

Product details on e-commerce websites

The study states that 55percent of people always find enough product details on ecommerce website. While 45percent say that they do not always find enough product details.

Various alternatives for the same product on e-commerce websites

Alternative or substitute product refers to a product that consumers see as essentially the same or similar-enough to another product. In the study 90.1 percent people generally found various alternatives for the same product and 9.9 percent people do not find alternative products as per the responses.

Conclusion

As per the study 84.7 percent of the respondents fall under the age group of 21-30 years. The people among this age category have more influence on online shopping. In online shopping they are seeking for new products and offers. Availability of high-speed internet is a significant factor which is pulling the youth customer towards online shopping. The Study gives an interpretation that most of the respondents are student. Student segment are using internet for longer hours, that is the reason why they get attracted towards the online shopping. They are also keeping themselves updated with technology as compared to other age groups. While analysing the demographic profile of the consumers, it is worthwhile to note that 59.5 percent consumers are male, this shows the change in trend towards online apparel purchase. As in earlier researches, mostly women were considered as more active audience. It is also to be noted that under-graduation and post-graduation students are more attracted towards the various promotional schemes on e-commerce apparel as compared to other group of respondents. Furthermore, statistics reveal that the 77.1 percent respondents monthly income is less than 20,000 INR and this is the group which search for the promotion offers and discounts on online apparel stores. Sometimes these income category customers search or wait for the promotional schemes. Majority of the respondents are in the support of the statement, that they shop according to need or once in 3-4 months. However, 18.3 percent respondents are doing their shopping in 3-4 months because these respondents depend on discounts so, they shop for apparel on festive discounts which is given by e-commerce Websites. Due to development of technology the usage of internet in our country is increasing rapidly. As per the primary research we come to know that 118 respondents from 131 are using internet for shopping apparel products. However 9.9 percent didn't shop online because of the reason that they have to see, feel, and touch the products before buying. 74 percent of respondents say that they buy apparel from e-commerce site because it is more convenient, offers and discounts are better as compared to retail shop, variety of choice for colours, pattern, size etc. Due to increase in competition, e-commerce companies are giving more discounts to increase customers, providing discount offer mostly on festival season. From the respondent point of view we analyse that people buy

Apparels from Flipkart, Amazon, Myntra. However, 79.4 percent are buying their apparel from Amazon which was the highest and then customers also prefer Flipkart and Myntra for buying online. From the study it is clear that people who are engaged in online shopping are getting influenced by the promotional schemes which are offered by e-commerce apparel stores. The majority of the customers mentioned that they look for online shopping only when the price is lesser than the actual price. So, it is clear that the promotional scheme plays an important role in customers buying behaviour. Moreover, 82.4 percent of the respondents stated that the promotional and advertising ways has been changed during Lockdown period but received a mixed response on whether the changed ways have affected their choices.

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