

A STUDY OF COVID-19: RISING TRENDS OF ONLINE BUYING BEHAVIOUR OF CONSUMERS AND ITS IMPACT ON SMALL SCALE RETAILERS IN NAGPUR CITY.

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Abstract: This paper attempts to explore the COVID-19 pandemic along with the impacts of e-commerce on small scale retailers during this pandemic in Nagpur City. Since last 14 months, the city has been facing and fighting the deadly corona virus which has taken up on a huge number of lives leaving the residents helpless and scared. So as a precautionary step, the government had to resort to imposing strict rules for lock downs in order to control the spread of the deadly virus in Nagpur, the worst affected city in the Maharashtra state. This was done by the forced shutting down of the shops around the entire city for quite a few months. As a result, the residents were not able to acquire goods which was very easy otherwise. After the declaration of the lockdown, the warnings from the government and news from various television channels, daily alerts in the newspapers and social media created a tremendous fear and insecurity in the minds of the residents. Thus, a common man out of fear for his life, readily accepted the rules of social distancing. The government advocated this decision as a way to help slowdown the spread of this deadly pandemic. This shutting down of the shops, malls and retail outlets has definitely contributed to the rising trends of e-commerce. The consumers are now able to purchase the items online without any hassles and acquire the required goods at their doorstep. With a will to stay safe from the deadly virus, the consumers readily preferred to stay at home. They have switched over from physical shops, shopping malls and supermarkets to online portals and shopping sites for buying of all kinds of products, ranging from basic commodities to branded goods.

E-commerce (electronic commerce) refers to the buying and selling of goods and services by the businessmen, traders, or consumers without the use of paper and even transmitting of funds or data, through an electronic network, basically the internet. Electronic commerce is a very popular concept in mass media and is a modern way of conducting business transactions through huge electronic networks, namely the internet. In the recent pandemic scenario, the internet has shown a tremendous growth in Nagpur City, also contributing towards business transactions which has taken a new face of e-commerce, which can now be seen as a new business carrier.

From the view point of a seller, there are multiple benefits associated with e-commerce such as cost reduction, listing and display of a large number of items, creative advertising and marketing techniques no limit to the target customers and so on. Similarly, the buyer can avail the benefits of ease in selection, multiple payment methods, doorstep

delivery, product-price comparison, wide variety, 24/7 online services and so on. Still, when small and medium-sized companies have resorted towards implementing e-commerce, they are seeming to face many types of barriers that have proved to be significant obstacles. Thus, through this paper attempt has been made to reveal both positive as well as negative impacts of e-commerce on small scale businesses and also some suggestions regarding certain changes that should be applied so as to meet the needs of e-commerce which could be a help to these small retailers.

Keywords: Covid-19 pandemic, E-Commerce, Small scale retailers, lockdown, Internet.

Introduction:

Covid-19 pandemic has greatly destructed almost all segments of population, rich or poor. It has brought about many kinds of challenges before the global economy, which has resulted into many changes and impacts on the e-commerce trends. The outbreak of covid-19 pandemic has tremendously changed the consumer buying behaviour from luxurious to basic needs i.e. products needed for survival. This shift which was witnessed in the buying behaviour was for the essential products which were needed most in this lockdown. Thus, this pandemic had an impact on how traders as well as consumers live, work, trade and shop.

The Small-scale retail traders were no exception in this pandemic. They were one of the most badly affected sectors. The mass layoffs and closures were already visible within the first one month of the crisis. The small-scale retail business sector plays a very important role in the Indian economy, as it is viewed to be a key generator to income and employment. Also, it is said to be responsible to improve the standard of living of the society while catering a very large number of all classes of customers. But the negative impact of the pandemic shattered their base resulting into the closure and shutting down of the shops.

Apex industry body, Retailers Association of India (RAI) : said complete shutting of retail businesses other than essentials will impair the ability of retail and allied businesses to survive. The body calls it a “Retail lockdown” since only stores essential goods will be allowed to operate.

The World Trade Organization opined that this was the most appropriate time for e-commerce to save the world economy from getting demolished and that it is to intervene with vigour and vitality and prove e-commerce of its importance and effectiveness in the field of trade and online shopping (WTO, 2020).

This Covid-19 pandemic introduced us to a new category of goods called “new essentials.” New essentials are those goods and services which make the consumers feel more safe and comfortable staying indoors during the forced lockdowns and human curfews. People were also asked to stay at home and exercise the “Work from home rules”. The category of goods which fell under the new essentials were health & hygiene, office supplies, fitness equipment, cosmetics, home maintenance, toys, and hobby-related products and the most importantly, grocery, fruits and vegetables. The small-scale retail industry readily

accepted these norms and started taking orders online and delivering the good at the doorstep consumers. But not to forget that the huge online business sites like Amazon, Flipkart, Myntra etc. have eaten up a major share of these small – scale retailers leaving just a handful percentage of profits for them.

Aims and objectives:

- To study the various factors responsible for the rising e-commerce trends during the pandemic
- To analyse the impact of e-commerce on small scale retailers during the crisis.
- To study the efforts taken by the retailers to improve their sales and output.

Research Methodology:

In order to analyse the impact of e-commerce on small scale retailers during COVID-19 pandemic, the researcher has used an explanatory research design.

Sample Design:

For the selection of sample, the researcher has used an empirical investigation survey which was conducted through Google Forms. These forms were prepared with dichotomous questions and were sent through mail to the selected samples. The researcher has used a non-probability convenience sampling technique for the present study.

Sample Selection: For conducting the survey, the researcher has decided to select 50 online respondents as they can be easily handled so that the objectives of present research can be fulfilled.

Instrument Development:

For the instrument development of this research, focus has been made on the questionnaire instrument. However, questionnaire instrument is considered important and the research uses the adoptive questionnaire in order to check the reliability and validity, questionnaire is considered important to investigate the variables relationship.

Data collection procedures:

For the data collection procedure, there is a focus on administering the data personally so that the data could be collected through the ethical ways, the respondents have been informed about the purpose of the data collection and it is their choice that they are willing to fill the data or not. However, they are informed that questionnaires are not for the commercial purposes.

Data analysis technique:

In the data analysis technique, there will be the interpretation of collected data and for that focus has been made on the descriptive data analysis. However, in the descriptive data analysis, there will be the analysis through percentage or graph charts etc.

Hypothesis of the study:

H0: Pandemic situation has arisen due to Covid-19 and small-scale retailers have been remarkably affected due to the increasing online buying behaviour of consumers in Nagpur city.

H1: Pandemic situation has arisen due to Covid-19 and small-scale retailers have not been remarkably affected due to the increasing online buying behaviour of consumers in Nagpur city.

Scope of the study:

The main focus of the researcher while writing this paper was on the impact of Covid-19 pandemic and the rising trends of online purchases on the small-scale retailers in Nagpur City. The researcher has also made an attempt to understand the various factors that have affected the online buying behaviour of the consumers. This study is only related to the pandemic situation arisen due to COVID-19 and how the small-scale retailers were affected due to the altered buying behaviour of the consumers during this phase. The data collected for the research is of the periods of lock downs and public curfew.

Limitations of the Study:

- This study is limited to the period of lockdown and public curfew declared in Nagpur City due to COVID-19 pandemic.
- Due to strict rules laid down for lockdown and public curfew the researcher was unable to visit the consumers personally so google forms for the questionnaire were designed and sent to the respondents through e-mails.
- The time is an important constraint and there may be a chance for sample error.
- The study may not find out the relevant practical practices of the SSEs, as there can be the hidden characteristics and there may not be the in-depth survey on the online service offering Companies.

Collection of Data:

To observe the impact on the online buying behaviour of consumers during the period of public curfew and lockdown due to COVID-19 pandemic, the following sources of data collection were used-

Primary Data: The following techniques were used to collect primary data.

Discussion: A discussion was done with all the respondents on cell phones to understand the impact and they were also asked to fill up the questionnaire designed through Google Form.

Observation: Personal observation was carried out by the researcher in order to understand the various impacts that has affected their sales and distribution.

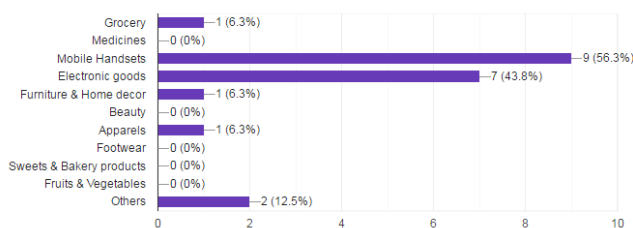
Secondary Data: Secondary data was collected through the following sources which are very useful tools.

- Government publications
- Published reports and survey
- Published sources collected from research papers, periodicals and newspapers.
- Web sites related to COVID-19 and buying behaviour of consumers and impact on small scale retailers.

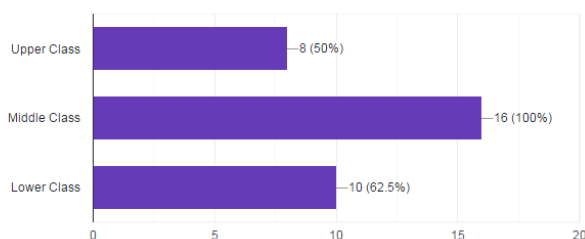
Data Analysis:

Following diagrams and graphs show the data collected and analysed for the research-

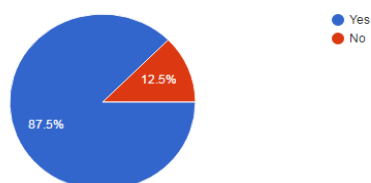
1. What kind of products and services do you deal in?



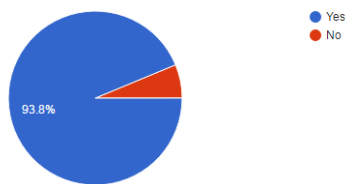
2. What category of customers do you deal with?



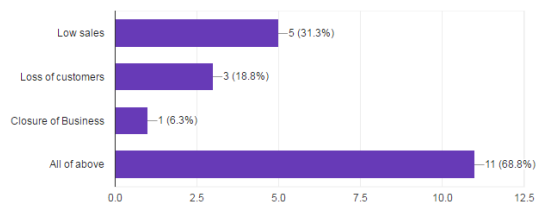
3. Did the Covid-19 news and lockdown alerts have an impact on your mind?



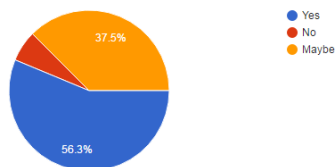
4. Did the lockdown news develop a sense of anxiety about the sales of your goods/services?



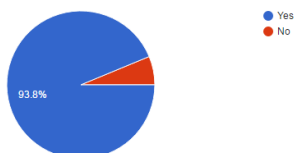
5. What kind of insecurity was developed in your mind for your business?



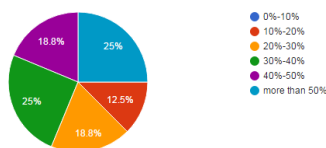
6. Do you feel your customers have diverted towards online websites for purchasing goods?



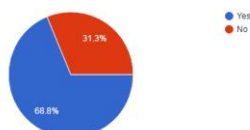
7. Did this affect your sales?



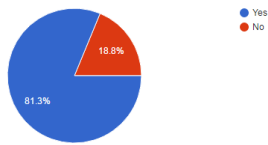
8. By what percentage have your sales decreased?



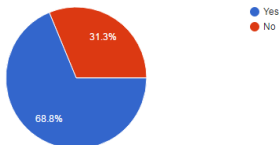
9. Did you think of any alternative medium of selling your goods during this pandemic?



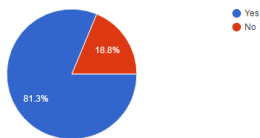
10. Did you use any social media applications for advertising your products/services?



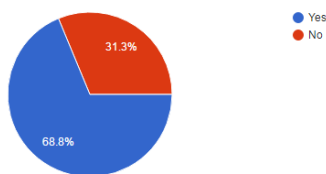
11. Did such online advertising help to increase the demand for your products/services?



12. Did you give the service of home delivery to your customers during this period?



13. Did this help to increase your sales?



Findings of the study:

- From the data received from this research, it is clear that Covid-19 pandemic has drastically affected the retailers and developed a sense of anxiety, frustration and insecurity.
- The research revealed that these small- scale retailers had to suffer due to low sales and even loss of customers.
- Many of the small retailers had to close down their business because of continuous loss.
- From the research, it was revealed that the forced lockdown and human curfew has pushed many consumers to switch over from physical shopping to Online purchases.
- From the analysis it can be seen that this diversion had a great impact on the sales of these retailers.
- The study shows that most of the retailers had to suffer a loss of sales from around 20% to 30% to 40% to 50%
- The study has revealed that due to such continuous losses, the retailers had to take an aid of some alternative medium like social media to boost up their sales.

- Around 70% of the retailers revealed that they made use of social media for online advertising and marketing of their products.
- Such online marketing helped them to capture a good market for their products and services and increase the demand.
- The data received also shows that the retailers even provided the service of home delivery during the lockdown period which enhanced their goodwill and eventually increased their sales.

Suggestions:

- From the researcher's point of view, in order to cope up with the pandemic situation, the retailers will have to stick with the social media to sell their products.
- It is suggested that the retailers must give attractive offers and services to keep a hold on the customers.
- Free home delivery service for the goods will be a great attraction for the customers.
- From the research it is suggested that, staying in regular touch with the customers through online advertising and can help to maintain the sales.

Conclusions:

The worldwide spread of the Covid-19 pandemic has drastically changed the attitude of consumers towards purchasing of goods and services. The forced lockdown rules and human curfews across Nagpur City and the hiking insecurities and fear among consumers to step out of their homes and shop for essential goods have shifted them towards online shopping. This altered buying behaviour has seriously affected the retailers and their profits have diminished.

Our analysis has confirmed the hypothesis that Pandemic situation has arisen due to Covid-19 and small-scale retailers have been remarkably affected due to the increasing online buying behaviour of consumers in Nagpur city. Although COVID-19 pandemic has at some point reshaped the lives of consumers, it has drastically affected the small-scale retailers with huge losses and even closure of their businesses.

But as an effort to cope up with such losses, these small retailers have resorted to some social websites for online marketing and receiving orders and even providing free home deliveries to maintain the chain of consumers.

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