



FROM CRISIS TO OPPORTUNITY: HOW COVID-19 PERMANENTLY CHANGED CONSUMER BEHAVIOR IN RETAIL SECTOR

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Abstract

The Covid-19 pandemic starting at December in 2019 was a big unexpected turn which caused enormous economic sequences worldwide. This virus effected every society and there is no country left unaffected. How businesses process and consumers purchasing behavior changed dramatically including their financial investments expenditures and wellbeing. After quarantine and restrictions everything was different from past, there were most of the businesses operating in-store and rocketing in their profit was now failing. But the Covid-19 affected everything afterwards businesses that could go along with their consumer changing habits see the positive outcomes. Especially in retail sectors when citizens are restricted from going outside retail companies changed their selling patters to online shopping. The article is aimed to understand the future changes, in what terms these changes continue in a real life and how all these events helped retailers to have opportunities in long term periods. Furthermore, it explores how during and after the pandemic customers` need and wants changed and how these aspects can be used by retailers to get more opportunities whle using e-commerce.

Keywords: COVID-19, retail sector, customer behavior, online shopping, hybrid retailing, customer needs and wants

Introduction

The unexpected appearance of the coronavirus effected every inch of the global economy deeply, especially retail sector is mostly affected one (Mishra et al., 2020). Countries on the other hand facing lockdown, thus businesses should adapt to the changes of consumers buying patterns. Online shopping become very popular with easy delivery to doorstep as customers search for better option of reaching out products. But as pandemic continue how people value products and how companies create the value by going along with costumers` needs was definitely future opportunities for e-commerce.

Majority of the issues were with decreasing unemployment, crack on the supply and demand ratios while other most stores` closure for some period was bad news for





community. Only some retail and pharmaceuticals were able to work in health protocol regulations. On the other hand, retail stores were crucial strategic elements in fulfilling the demand (Sulaiman and Ahmed, 2017)

When quarantine began, people panic to buy products more than enough and emptying stocks meanwhile online sales become popular way of buying place and online sellers thrived good enough that even doubled their sales. Also, retailers adapted accordingly to the market needs while using hybrid both online and in-store shopping places. According to (Timotius et al., 2022) people bought some certain products in big quantities. Where retail stores needed to balance the supply and demand to avoid social inequalities, increasing prices and product shortages. Das, Sarkar and Debroy (2022) states that impact of COVID-19 on customer buying behaviors shows they tend to spend more on groceries, hygiene and healthcare products during and after the pandemic, also types of customers` behaviors were panic buying, impulsive buying and stockpiling.

After a lockdown most crucial process of businesses was to track whether customers will spend their postponed moneys that are left behind from travelling, spending time outdoors or not. Also, they change their mind to save their money in the following unexpected days after the crises. Despite all customers definitely go for main purchasing products that should be bought in store. But people who are tend to buy online continue their purchases after the pandemic also. According to Tighe (2023) when consumers asked whether their purchasing habits changed or not after coronavirus pandemic 70% of shoppers around the world said they are buying more online than traditional way. Impact of COVID-19 on customer behavior will be explored in this article. Also focuses on acceleration of online shopping and a lot of opportunities for retailers for the after-pandemic lifestyle.

Literature review; this element is directed to examine the impact of COVID-19 on customer behavior and how long-term processes can be implemented in the retail sector. The main question is; how Covid-19 changed consumer behavior in the retail sector and what are the opportunities for retailer after it? By leveraging these changes, it would be easier to develop new ways to adapt for after-pandemic environment in retail sector.

Impacts on customer behavior; (Sheth, 2020) on his article states how crises and social distancing affected and forced consumers to adopt to changed new normal buying patterns. The work studies main motives which are digital technology adoption, reunions with family and friends, improvisation, and home delivery. Also,





it includes comprehensive idea of behavioral changes on consumer lifestyle. But the materials are mostly relied on theoretical analysis. Improvisation; consumer in most places stocked some certain products. Home delivery; retail was becoming personalized where ecommerce and fast home deliveries emerged (Sheth, 2020).. Integration work and life; working from distance made chaos that how normal buying patterns were (Sheth, 2020).

Long-term changes in online retailing; the article written by Szasz (2021) highlights how pandemic increased usage of online shopping for consumers. The main element of the work is to identify whether consumers buying behavior is temporary or in long term by using high-frequency data which allows to analyze factors behind the online sales. The article is strong in the usage of high-frequency data in their evidence, but when it comes to predicts the long-term trends their focus on beginning of COVID-19 may prohibit it. Also, for future studies comparing different retail sectors is good opportunity. The article leverages data of 23 countries, which is divided into three changing phases; 1 phase lure-in; this stage is to implement online retailing where consumers did not have any substitutes rather than online. 2 phase lock-in; retailers who are forming habits of consumers bring increased usage on online platforms which were secure and more convenient. Phase 3 phase-out; even though after normal physical store opened, people were used to new normal which is online retail and it become popular as customers trust increased.

Challenges and opportunities in retail; Retail sectors and consumer behavior significantly changed in cause of COVID-19, also after pandemic how consumers buying habits continued Sayyida et al. (2021). Consumers` interactions with retail stores shifted because of COVID-19 dramatically. Ngoh and Groening (2022) states that during the pandemic multichannel shopping evolved between consumers. Also, by the study it is clear, how online shopping become popular as traditional stores` closed and health concerns became usual. A retailer named Neiman Marcus is mostly faced bankruptcy because of higher operational costs and reduced foot traffic during pandemic. But processing hybrid, both physical and online stores played crucial role for the survival of his company.





Research methodology; this study aimed to analyze how COVID-19 effected customer behavior in the retail sector by using primary research and secondary research survey methods. The main objective is to identify how purchasing patterns changed in long-term or changing traditional to online shopping and finding new chances after pandemic life.

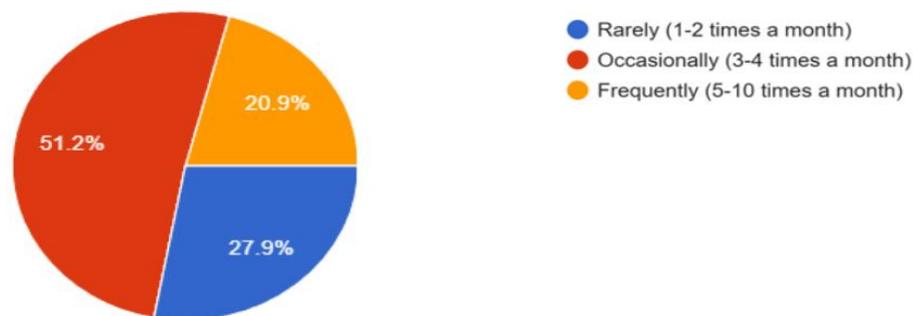
Secondary data; in order to understand consumer behavior in the pandemic times, bunch of reports, case studies and written literatures have been reviewed. So wide range of trends about consumers collected. Written articles by Szasz (2021), Sheth, (2020), Ngoh and Groening (2022) were reviewed to get insights about changed behaviors of customers and increasing demand for e-commerce.

Primary data; a online survey was using conducted for whom bought products online during and after the COVID-19 participating 96 people. There were different 5 questions included in the online survey. Qualitative and quantitative data gathered after getting answers to survey`s open ended and close ended questions.

Question 1

How often did you make online purchases during the following time periods: before the pandemic (pre-2020), during the pandemic (2020-2021), and after the pandemic (2022-present)?

96 responses



Findings, analysis & discussion; the section`s main purpose is to analyze main changes and popular trends in consumers` behavior after the pandemic and during the COVID-19. First question in the survey was about frequency of online purchases made by community in the quarantine. It shows 51% surveyors become more addicted to buy products online being frequent buyers, while some 27,9% said they purchased items online 1 or 2 times in a month. Another 20.9 % answered they used online shopping 3-4 times in a month. So, it is clear that, there are some changes in their online buying patterns due to COVID-19.

People adapted to online shopping in the pandemic because of store closures or lockdowns. Also, Sheth (2020) emphasized lock in phase where people get used to utilize digital platforms and online sources in their normal lives.

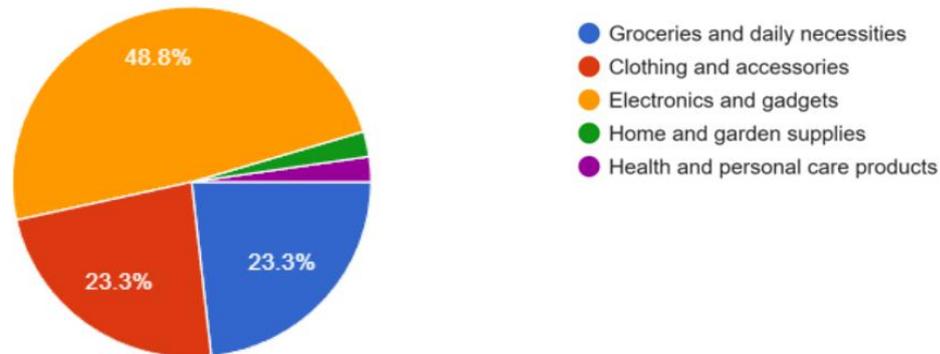




Question 2

What types of products did you primarily purchase online during the COVID-19 pandemic? Select all that apply.

96 responses

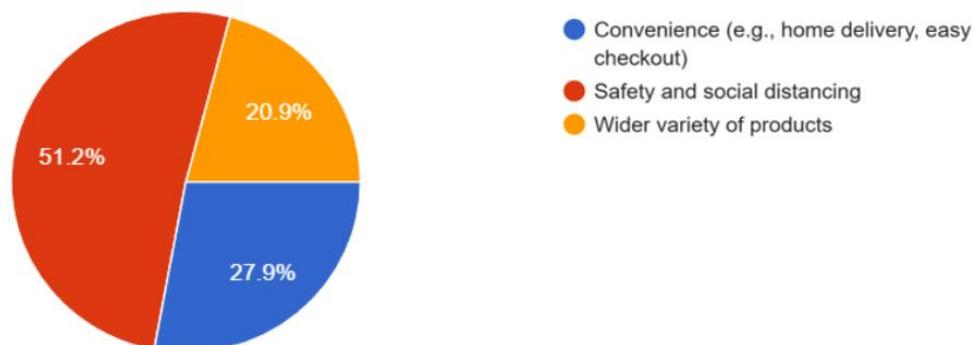


Next question in the survey is about the products that are bought mainly via online. Answers demonstrates that most products that are purchased were health or personal care products and daily necessity items with the 48,8 and 23,3 percent while other 27,9 percent people more cared about clothing, home / garden supplies and electronics. Additionally, it shows demand for essential products rose in the crisis. According to the research (e.g., Szasz 2021), there most people who were stockpiling and others were panic buying. This was opportunities for retailers to adapt selling their products vial online platforms to become competitive in hybrid business.

Question 3

What were your main reasons for preferring online shopping over traditional in-store shopping during the COVID-19 pandemic?

96 responses



The next question was aimed to get the answers about the element that triggered to make people`s choice on buying online during the pandemic items. Safety and social distancing were dominant answer with 51% people said they were cautious about their

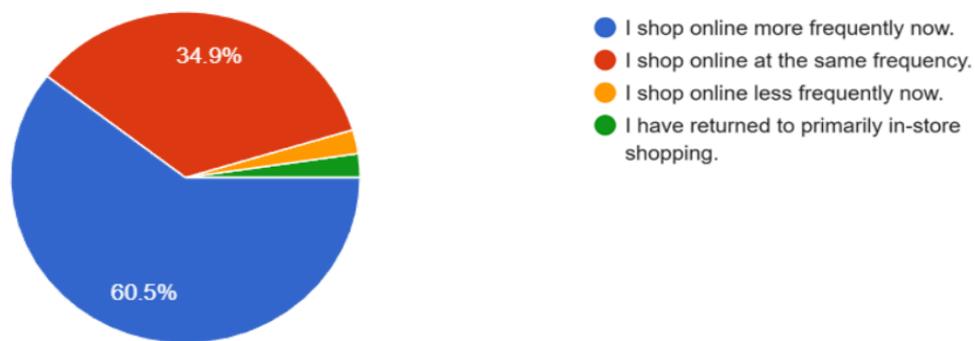


security. The next 28,9 answers were about home deliveries and convenience of online shopping while other 20.9% people were satisfied with wide range of products on online retailers. Easy access and security were most crucial elements in the pandemic times showing importance of online platforms. Sheth also mentioned about behavioral adoption of easy door step deliveries that became ``new normal``.

Question 4

How have your shopping habits changed post-pandemic compared to your habits during the pandemic?

96 responses

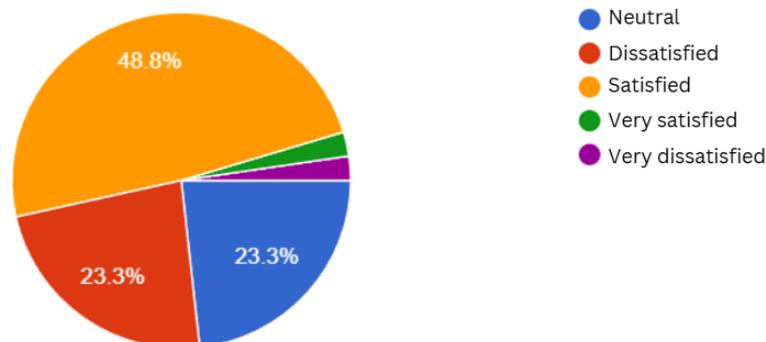


The respondents were asked with the 4th question whether their habits changed in the after-pandemic life after using online platforms to do shopping comparing it to the pandemic times. According to the survey 60.5% people do online shopping more frequently in these days, also another 34,9 % were also buying frequently. The other percent people returned to physical stores to make their purchases.

Question 5

How would you rate your overall satisfaction with online shopping during the COVID-19 pandemic?

96 responses





The last question included satisfaction level of customers during the COVID-19 on online shopping. There were about half respondents were satisfied by using online way of buying products with 48,8%. The 23,3% were not happy with it due to some problems occurred. And lasting 23,3% stayed neutral about online shopping, as they may had good thing happened and got some bad memories with it.

Retailers` opportunities; the survey shows more than 65% people prefer hybrid both online and physical stores. Retailers are prone to increase their online platforms or websites while getting benefit of in-stores (GrabnerKräuter, 2004). While in survey 7 % of people voted they encountered with problems during deliveries, all of the misunderstandings and issues should be solved immediately while making services better.

Conclusion

The COVID-19 has been changing consumer behavior continuously which led digital platform` popularity. Retailers that understood changes and respond reflectively with security and convenience have more market share during and after the quarantines According to survey most answers are to invest more on online retailing while other majority prefers physical store. Lastly, according to the research for the future of retail businesses investing little more on digital way of processing business is best way.

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