

Impact of COVID-19 on Online Shopping of Bangladesh -A New Window Opens for Digital Advancement

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Abstract

The revolution of information and communication technology has played a leading role to transform the global economy towards digitalization: the digital economy. It's considered as a driver of the modern economy to accelerate the economic growth of the nation. Nowadays, the traditional market has been replaced by a digital or online market with greater scope and confidence of the consumers. In the COVID-19 pandemic situation, it has already been proved that there is no alternative market place but online and the whole world solely depends on online economic activities.

Index terms— consumer, digital economy, online shopping

1 Introduction

igital economy refers to an economy focused on digital computing technology, but it is increasingly viewed as a business-driven economy by internet-based markets and the World Wide Web. The digital economy is often referred to as the Internet Economy, the Modern Economy, and the Web Economy. It is the single most important engine of innovation, competition, and development, and holds enormous potential for entrepreneurs. The digitization of a country's economy not only drives innovation in its service industry but also boosts domestic job opportunities, enabling faster economic growth. In recent years, Bangladesh has seen rapid growth in internet access and cell phone penetration, as well as a rapidly maturing support system for digital entrepreneurs and a young population with an openminded approach to technology. Digital Shopping has D reached a wider level with people's increasing willingness to shop online instead of visiting places physically. Skilled people with smart devices become accustomed to using digital payment methods like debit & credit cards, internet banking, mobile financial services and e-wallets. The ease of hassle-free cashless payment from anywhere has drawn people's attention and they embrace the digital economy every day.

Human society has come to a standstill in the light of the outbreak of the Pandemic Covid-19. Like many other facets of everyday life, people had to find an alternative to the physical buying of their daily goods and other purchases. To deter virus spread, a large amount of the entire customer base has moved towards online transactions. Not only did this change in the purchasing mode trigger a significant shift in customer buying behavior, it also created a distinction in the field of the digital economy. The term Digital Economy seems to boom faster than ever expected overnight at a radical pace.

The Covid-19 pandemic has promoted online shopping activities among Bangladeshi consumers. Previously it took a lot of effort to get the customer accustomed to online shopping but the outcomes were not as effective as the outbreak current phenomenon due to Covid-19. Therefore, our study aims to investigate how the buying behavior of the customers is changing during the Covid-19 and what changes it brings to the economy. One of the changes we have observed that people are approaching this period of isolation and uncertainty is in huge overnight changes to their shopping behaviors. People are changing the patterns of what they're buying, when, and how. Even the promotional activities are shifting towards digital promotion more and more where no human interaction is required. Digital and cashless transaction is becoming the new normal and the safest mode of transaction in term of mitigation of transmission. Online business are booming at the fastest pace possible even the traditional businesses are now adopting online product delivery and services to keep pace with the emerging new normal and this shift is not momentary the more a country will be able to adapt to online businesses the

faster it will be able to run in the digital economy race because it's just a matter of time for most of the business to operate in online platforms and the economies will eventually be turned into digital economies. This study mainly aims to investigate the online buying tendency of Bangladeshi customers in this crisis.

II.

Literature Review

Online shopping means electronic commerce allowing the seller to purchase goods or services directly from the Internet. Internet-based business model Click and Order replaced the traditional Brick and Mortar business model. More people use the web to shop for a range of items, from house to shoes to airplane tickets. Now customers have many opportunities to select their goods and services when shopping online.

According to Huseynov (2014), online retail means financial traction through the internet by keeping the privacy of customers and avoiding physical interaction. Demangeot and Broderick (2010) stated that security and privacy factors are mostly affected by the buying behavior of online consumers. Zuroni and Goh (2012) emphasized that the internet is the media between the customer and online shop and customers use and spent the internet for online purchasing.

Vrender (2016) stated that the evolution of the internet changes the consumer's preferences and their buying behavior depends on the use of the internet. Gaffar (2016) mentioned that the ICT sector playing a significant role for the development of finance and business, thus contribute for the future growth of developing economies like Bangladesh. According to Rashid MH (2020). Bangladesh is moving towards the fourth industrial revolution and the digital economy.

Haque and Ali (2015) emphasized about two factors that determine consumers buying behavior online, one is trust and another factor is benefit. According to Koufaris (2002), both satisfaction and usefulness (web page) increase the intention of customers for more purchases from online. Liao, Chu, Chen, & Chang, (2012) said that online current and historical data like product, price, service, review etc. influence customers re-purchase decisions from online. Gong, Stump, and Maddox (2013) mentioned in their study that customer's demographic features like age, education, income and marital status influenced the online buying decision in China. Haque (2015), product quality, brand image and popularity have a significant effect on online purchasing.

III.

Methodology

To examine the online buying behavior of Bangladeshi people during the Covid-19 situation, the study was conducted from both primary and secondary data. A self-developed questionnaire is used to collect the primary information online and various online articles are used as a secondary source of data. Thus, the study is designed as both qualitative and quantitative in manner.

According to many researchers, a convenient sampling method is easy to implement and costeffective and more common in research that gets a higher response rate (Eze, Manyeki, Yaw, & Har, 2011; Ritchie, Lewis, Nicholls, McNaughton, & Ormiston, 2014). By using a simple random sample technique, the study has collected the response of 232 customers/respondents as primary data through an online survey for the analysis. The questionnaire consisting total 12 items are used to find out the research objectives, questions like, demography, income level, preference reasons, advantage, and disadvantage, buying items, past and present difference, etc. asked to determine and compare the online buying behavior of the customers who belong to different age group and occupations at Dhaka city. Many statistical tools are applied to analyze the primary data, such as; frequency distribution, percentage determination, pie chart, bar chart with the help of SPS Sversion 25.0. Different popular websites, national and international journals, newspapers, online articles, etc. are represented as the secondary data sources of this study.

IV.

Findings and Discussions

In the context of demography, samples are featured as gender, occupation and income level. Buying behavior of people determined by choice which is associate with their income level, moreover shopping tendency varies significantly from male to female. The following graph traces out the ratio of male to female in our study: It is a common feature that the shopping tendency of the female is higher than male. However, from the above graph, it is shown that the male and female percentage is almost the same in the survey, male 52.6% and female 47.4% which indicates the true reflection of the whole population.

The following table shows the occupation status of our respondents.

Table 1: Occupations of the Respondents

The graph of the respondent's occupation states that most of the participants are service holders, i: e: approximately 33%. From the rest respondents, 27% are business persons, 26% are house workers and 14%

are involved with other activities like students, etc. ???: Income of the Respondents Among the respondents, income level from 10,000 BDT to 20,000 BDT is the lowest number (18%) and income level from 61,000 BDT to 80,000 BDT is the highest number (49%) involve online purchasing.

It has been observed that to maintain social distance, people have to avoid the crowded market place and they preferred online shopping rather than offline.

9 Table 3: Mode of Shopping During Covid-19

Another important factor of the demographic is income level, which is expressed by the following table and graph: The above graph represents that above 60% of people prefer online shopping during the pandemic situation and below 40% like offline. An important finding is also observed from the below table. It is shown that most of the respondents are habituate with online purchase regularly and occasionally. Very few, only 5 people in our survey have no buying experience from online. The above picture states that before pandemic people preferred to buy travel ticket and hotel booking through online and food items purchase also highest for each situation. V.

10 Conclusion

Spreading of the internet, online payment methods, and overall ICT structure determine and drive the online business more rapidly. At present, the penetration rate of the internet and the coverage area of Bangladesh is higher than previously. Despite the various difficulties of online shopping, the factors like price, quality, security, reliability, time-saving, energysaving, traffic ignorance, etc. are the most prime factors that lead the customers for choosing online shopping. However, Covid-19 adds the essential term 'social distance' that diverse a large number of customers to enhance their intention on online shopping and people have no alternative but online for their basic and daily requirements. A vast number of consumers now depend on online as well as the digital economy and in that sense, it turns the pandemic obstacle into an opportunity to expose us as more digitalize. The study reveals the consumer behavior of online shoppers in Bangladesh and it helps the decision-makers and techno-entrepreneurs to synchronize their existing policies and put more emphasis on preparing new policies to explore and enhance the digital trends in Bangladesh. This is surely a good sign for the industry in the long run. However, if the pandemic continues for a longer period, then a large number of smaller ecommerce firms will drop out of the race and that might create a major problem," (Chief Executive Officer of AjkerDeal.com, Fahim Mashroo. 2020).



Figure 1: Figure 1 :

Occupation	
Service	72
Business	60
House Workers	58
Others	32

Figure 2: Figure 2 :



Figure 3: Figure 3 :

Income Level	
1000 to 20,000	18
21,00 to 40,000	47
41,00 to 60,000	42
61,000 to 80,000	48
81,000 to 1,00000	49
Above 1,00000	28

Figure 4: Figure 4 :

Preferred Shopping Manner During Pandemic	
Online	145
Offline	87

Figure 5: Table 5 :GFigure 5 :



Figure 6: Figure 6 :Table 7 :

Preferred Shopping Manner Before Pandemic	
Online	81
Offline	151

Figure 7: Figure 7 :



Figure 8: Figure 8 :

Online Purchasing Frequency	
Frequently	98
Occasionally	129
Never	5

Figure 9: Figure 9 :GFigure 10 :



Figure 10:

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Figure 11: Table 4

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Figure 12: Table 4 :

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Figure 13: Table 6 :

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