

IMPACT OF COVID-19 ON ONLINE SHOPPING IN BANGLADESH: A CASE STUDY ON DHAKA CITY

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ABSTRACT

Widespread usage of Internet has made online shopping an ever increasing aspect in our daily life. With the increase of standard of living when one has less time to shop but he/she can virtually travel anywhere for shopping, people's preference for shopping are now changing from traditional market to virtual market. This change in shopping pattern is now accelerated by the current pandemic situation over the last one & half years. Now, e-commerce has become the most booming industry in Bangladesh since the outbreak of COVID-19. This study aims to explore the impact of COVID-19 on online shopping in Bangladesh. Questionnaires is used for collecting data through online from Dhaka City of Bangladesh where majority of the respondents involved in online shopping. The finding reveal that by mitigating the negative sides of online shopping like absence of Quality verification, Delay in Delivery, this surge of e-commerce business can sustain in the long run.

Key Words: internet, online shopping, e-commerce, transformation

1. INTRODUCTION

Internet has played a momentous preamble in our daily life and has been recognized as an effective communication channel exception to the traditional one, such as- Radio, Magazine and Television (Lee & Chen, 2010). Nowadays Bangladesh has achieved widespread access to internet and increasing usage of smart phones which opens up new avenues for digital entrepreneurs. People are interested to shop online in a wider level instead of visiting places physically. In our country people are now feeling comfortable to shop online thanks to the early contribution of Bikroy.com, ekhaney.com, buynia.com, bagdoom.com, Kiksha.com, PriyosShop.com who had introduced e-commerce in Bangladesh. The people who are using smart devices become habituated to using digital payment like debit and credit cards, internet banking, e-wallet and many more mobile financial services. The use of Internet in Bangladesh offers a growing expectancy for e-shopping. Online shopping has changed the marketing strategies of many sellers radically in recent decades as customers have grown habituated to online purchasing and door-step-delivery of products from anywhere in the world (Bucko, Jozef, Lukáš, & Ferencová, 2018). In Bangladesh, e-commerce is still in its early stages of development,

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but is demonstrating rapid growth. In 2018, the country ranked 88 out of 151 economies in UNCTAD's B2C E-commerce Index, and ranked 147 out of 171 in the ITU ICT Development Index of the same year. The e-commerce Association of Bangladesh estimated that approximately 8,000 e-commerce pages from Bangladesh existed on Facebook in 2016 (UNCTAD, 2019). According to the Bangladesh Telecommunication Regulatory Commission (BTRC), mobile broadband subscriptions are more than 50 per cent (85.5 million users), while overall Internet usage is estimated at 57.2 per cent (UNCTAD, 2019).

Due to the outbreak of the pandemic COVID-19, human society became immobile. Like many other level of everyday life, people had to search the substitute to the physical buying of their necessary daily goods. Restrictive lockdown rules and social distancing practices have severely crumbled up customer behavior worldwide (Sheth & Jagdish, 2020a). For this reason, many companies have been oppressed to search new ways to reach customer and re-enter their markets. The COVID-19 pandemic has flourished online shopping functions among Bangladeshi consumers. The e-commerce industry has been growing steadily at a rate of 25.6% before outbreak of pandemic but it has now growth rate of over 75% per year (Huq, 2021).

The recent development of online market has a strong emergence of online retailing against the substitute traditional offline retailing (Golnaz, Zainalabidin, & Mad Nasir, 2012). Formerly different strategies have been followed by many companies to get the customers habituated to online shopping but the results were not as efficient as the current situation due to outbreak of the pandemic. Hence the objective of our study is to find out how the buying behavior of the customers towards online shopping is changing due to COVID-19 and what changes it actually brings.

In this period of isolation and uncertainty, people are shifting to their mode of shopping overnight. People are switching their buying pattern in what, when and how. Even the advertising and other promotional activities are done through digital platforms like Facebook, YouTube etc. Digital and cashless transaction become the safest mode of transaction nowadays. To adapt the new normal situation, even the traditional businesses are now pursuing online product delivery and services. As consumer embrace new digital technologies in their lifestyles, their daily routines and habits are transforming the space of online shopping (Bucko, Jozef, Lukáš, & Ferencová, 2018). This study mainly aims to find out the online buying aptitude of Bangladeshi customers in this pandemic situation. To obtain this objective, existing studies as well as survey over the respondent consumers will be analyzed. Respondent are the one hundred and seventy-six (176) consumers who are actively involving in online shopping.

2. LITERATURE REVIEW

By providing various services, from communication to trade, the internet has played an important role in people's daily life (Katawetawaraks & wang, 2011). Hitherto, internet shopping has been widely recognized and accepted as a way of purchasing goods and services in the web world (Bourlakis, Papagiannidis, & Fox, 2008). It also helps the customers with proper information and choices to compare product and price with more choice and option to find anything online (Butler & Ppeppard, 1998). Online shopping is a form e-commerce where the customers can directly purchase goods and services over the internet. More people now habituated to shop online for varieties of items, from daily necessities to airplane tickets. Customers have many opportunities to select their goods and services when they shop online. (Yu & Wu, 2007) stated that online shopping has gained the customers authenticity and provide more satisfaction to modern customers who attempted to find convenience and speed. (Haque, Anwar, Yasmin, Sarwar, & Momen, 2015) emphasized about two factors that determines customers buying behavior consisting of trust and benefit. According to (Koufaris, 2002), both satisfaction and usefulness of webpage increase the intention of customers for more purchase from online.

According to (Huseynov & Yildirim, 2016), online retail means financial attraction through the internet by keeping the privacy of customers and avoiding physical interaction. Security and privacy factors are most affected by the buying behavior of online customers (Demangeot & Broderick, 2010). (Zuroni & Goh, 2012) indicated that the internet is the media between the customer and online shop, and also the customers using and spending 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. Nowadays in Bangladesh, the ICT sector is playing a significant role for the development of finance and business. According to (Rashid, 2020), Bangladesh is moving towards the forth industrial revolution and digital economy.

Organizations face uncertainty and challenges everyday worldwide (Eisenhardt, Graebner, & Sonenshein, 2016). The related uncertainties and risks, in turn, directly affect economies (Jarus, 2020). The consequences of COVID-19 have been unprecedented, defying the most predictable scenarios (Carlsson-Szlezak, Philipp, Reeves, & Swartz., 2020). (Stanciu, et al., 2020) noted that thousands of epidemics have occurred over the course of human history. In all cases, these outbreaks had direct negative impacts on businesses and economies. COVID-19 has already caused widespread damage to the global economy. (Ozili, K., & Arun., 2020) indicated that the additional effects of reduces consumption and investment have

impacted many other areas dependent upon healthy economy. In Great Britain , economic spending has been largely redirected towards necessities, such as groceries (Chronopoulos, K., Lukas, & Wilson., 2020). In Denmark, product and service market consumption has dropped 27% (Andersen, Lau, Hansen, Johannesen, & Sheridan, 2020). (Addo, Clement, Jiaming, Kulbo, & Liangqiang, 2020) noted that economic spending being largely redirected toward personal protective equipment. With the major sufferings faced by many organizations, several versatile brands have adapted quickly and are showing new signs of growth during this time (Knowles, Jonathan, Ettenson, Lynch, & Dollens, 2020). The pandemic has accelerated notable structures changes worldwide, especially those of digital transformation of businesses (Kim & Yule, 2020). (Moran, 2020) argued that consumer approaches to shopping for products and services changed when they used online commerce having more control over their strategies.

The current study is significant as it will enhance the understanding of the Bangladeshi customer's online shopping tendency in this outbreak of COVID-19. The findings will also help businesses to decide whether to further invest in e-commerce platforms or to continue offering products in conventional brick-and-mortar method.

3. OBJECTIVE OF THE STUDY

The general objective of the study is to find out the consumers' behavior towards online shopping in the outbreak of COVID-19 in Bangladesh. The specific objective of the study is as follow-

- I. To examine the preferred mode of shopping before and during the pandemic in Bangladesh.
- II. To identify the products shoppers used to buy online before and during the pandemic in Bangladesh
- III. To ascertain the satisfaction level of consumers while online shopping during the period of COVID-19.

4. METHODOLOGY

To analyze the online buying behavior of Bangladeshi people during Covid-19 situation, the study was conducted both primary and secondary data. A self-constructed questionnaire is used to collect the primary information 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 cost-effective and more common in research that gets a higher

response rate (Eze, Manyeki, Yaw, & Har, 2011). In this study, survey method is used to collect the data once from a population through using random sampling techniques. The study collected the response of 176 customers/respondents as primary data through an online survey for the analysis. The data were collected from the period of 2020-2021. The questionnaire consisting total 12 items are used to find out the research objectives. Questions like-demography, income level, preference mode of shopping, advantage and disadvantage, buying items, past and present differences etc. are asked to determine and compare online buying behavior of the customers who belong different age group and occupation at Dhaka city. Different statistical tools were applied to analyze the primary data, such as-frequency distribution, percentage determination, pie chart, bar chart with the help of SPSS 25.0. Different popular websites, national and international journals, newspapers, online articles, etc and so on are represented as the secondary data sources of this study.

4. RESULTS AND ANALYSIS

Table-1 showed the socio-demographic characteristics of the respondents. (51.7%) of the participants were males while (48.3%) were females. Here the table-1 shows us the percentage in the age of respondents. As it shows that from age under 18 years, the number of respondents are (2.8%), from age of 18 to 25, it is (14.2%), from 26 to 30, it is (34.1%), from age of 31 to 35, it is (29.0%) and lastly is more than 36 years, it is (19.9%). This table-1 also helps us to know the occupation of the respondents, this is to know that which segment of people are buying more product on the internet. Most of the respondents were service holders (29.5%), and rest were students (18.8%), business persons (25.6%) and house workers (17.6%). Another important factor of the demographic is income level which is also shown in the Table-1. Among the respondents, income level from Tk. 1000 to Tk. 20000 is the lowest (6.8%) and income level from Tk. 40001 to Tk. 60000 is the highest (35.2%) who are involving in online shopping.

Table-1: Demographic information of the respondents

Sl. No	Characteristics	Component	Frequency	Percentage
(1)	Gender	Male	91	51.7
		Female	85	48.3
(2)	Age	Under 18 Years	5	2.8
		18-25	25	14.2
		26-30	60	34.1
		31-35	51	29.0
		36-Above	35	19.9
(3)	Profession	Student	33	18.8
		Business Persons	45	25.6
		Service Holders	52	29.5
		House Workers	31	17.6
		Others	15	8.5
(4)	Income Level	TK. 1000-20000	12	6.8
		TK. 20001-40000	36	20.5
		TK. 40001-60000	62	35.2
		TK. 60001-80000	46	26.1
		Above TK. 80000	20	11.4

From Table-2, it has been found that maintaining social distance, people have now accustomed in online shopping rather than offline in this pandemic situation.

Table-2: Preferred Shopping Mode During COVID-19

Preferred Shopping Mode (During COVID-19)	
Online	122
Offline	54

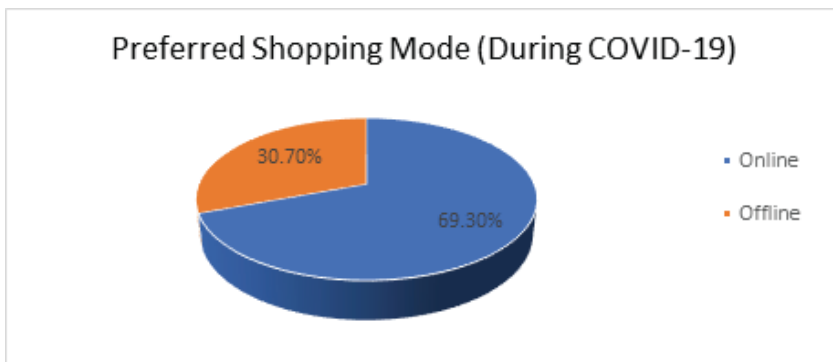


Figure 1: Mode of Shopping during COVID-19

The above graph represents that above 69.30% people prefer online shopping during the pandemic situation and rest 30.70% people still prefer online.

Table-3 shows the preferred shopping mode before COVID-19. 43 of the respondents are in favor of online shopping while 133 respondents considered physical store is better alternative for shopping before COVID-19 pandemic.

Table-3: Preferred Shopping Mode Before COVID-19

Preferred Shopping Mode (During COVID-19)	
Online	43
Offline	133

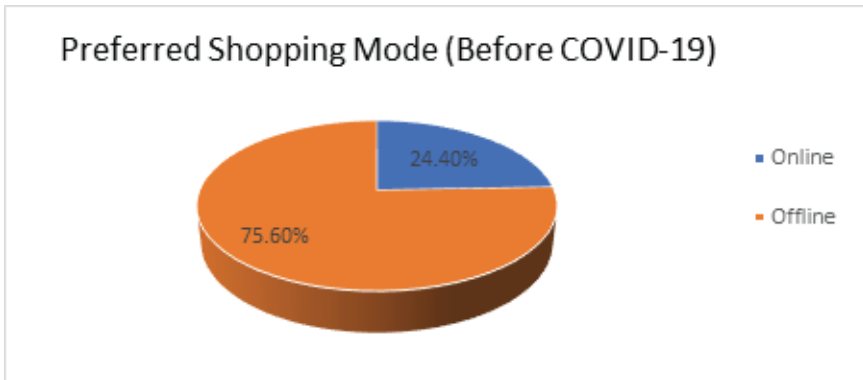


Figure 2: Mode of Shopping before COVID-19

According to the above figure, very few people, approximately 24.40% like online shopping before the crisis.

From Table-3, consumption of product is highest where 39.2% of the respondents said that they purchase products through online frequently. 29.5% of the respondents buy at least once in a month and 35 respondents representing 19.9% indicated that they purchase once in a six months and the last group of 32 respondents representing 10.8% said that they do online purchase once in a year

Table-3: Online Purchasing Frequency

Online Purchasing Frequency	
Frequently	69
At least Once in a Month	52
Once in a Six Month	35
Once in a Year	11
Never bought online	9

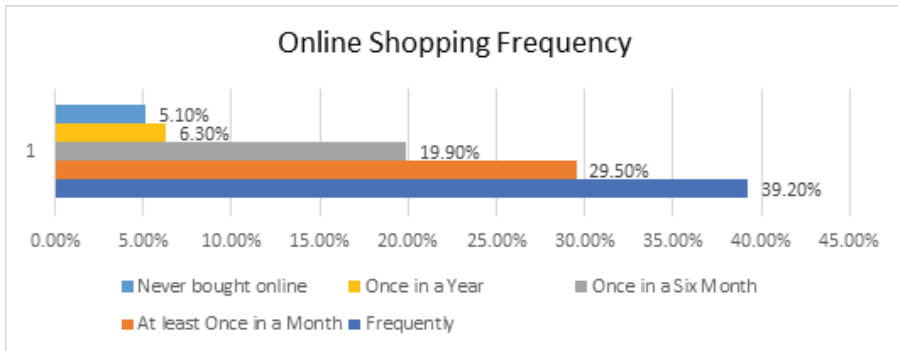


Figure 3: Online Shopping Frequency

Figure 3 shows that most of the respondents habituated with online purchase regularly and occasionally.

During COVID-19, people depends mostly on online purchasing where their demand alters by regular necessities. The following table and graph indicates the purchasing items from online during this crisis.

Table-4: Most Purchasing Item (During COVID-19)

Most Purchasing Item During COVID-19	
Food/Grocery	79
Apparel	20
Health Kits/Medicine	43
Accessories	27
Others (Travel Ticket/Hotel Booking etc)	7

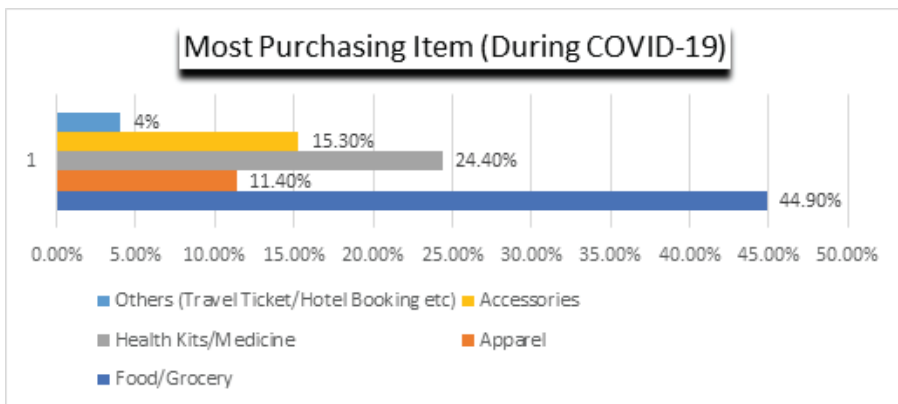


Figure 4: Most Purchasing Product During COVID-19

We can see most of the respondents depend on online purchasing for their food and grocery items and medical necessities. However, due to lockdown and other restrictions, the demand for ticket and hotel booking is reduced.

Table-5: Most Purchasing Item (Before COVID-19)

Most Purchasing Item Before COVID-19	
Food/Grocery	74
Apparel	25
Health Kits/Medicine	5
Accessories	52
Others (Travel Ticket/Hotel Booking etc)	20

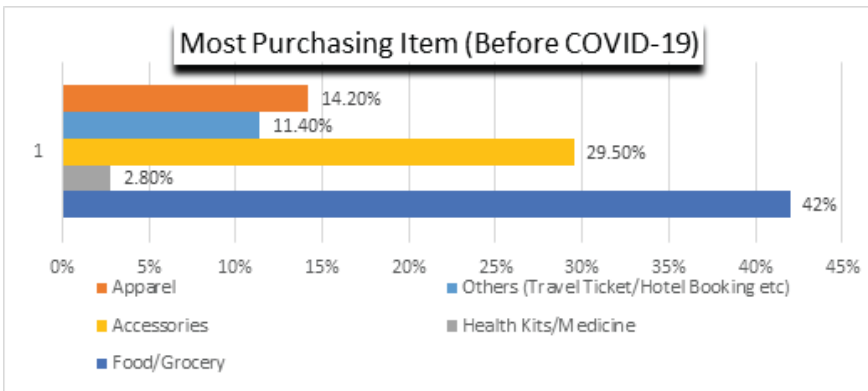


Figure 5: Most Purchasing Product Before COVID-19

The above graph (Figure 5) shows that before pandemic, people preferred to buy accessories, apparel, travel ticket and hotel booking through online. Purchasing food and grocery item is also highest for each situation.

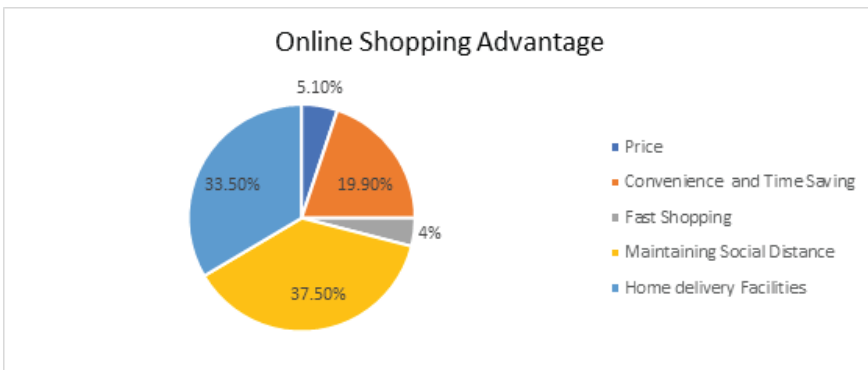


Figure 6: Advantages of Online Shopping

Nowadays the most important factor of online purchasing is maintaining social distance. In this study, we have found that 37.50% agrees with the advantage of social distance and choose online for their shopping. 33.50% of the respondents said that online shopping is mainly chosen due to the home delivery facilities. Besides 19.90% of the respondents preferred online shopping due to the convenience and time saving while price, fast Shopping and Brand Conscious have very low impact in the mind of consumers for deciding shopping through online in the context of Bangladesh.

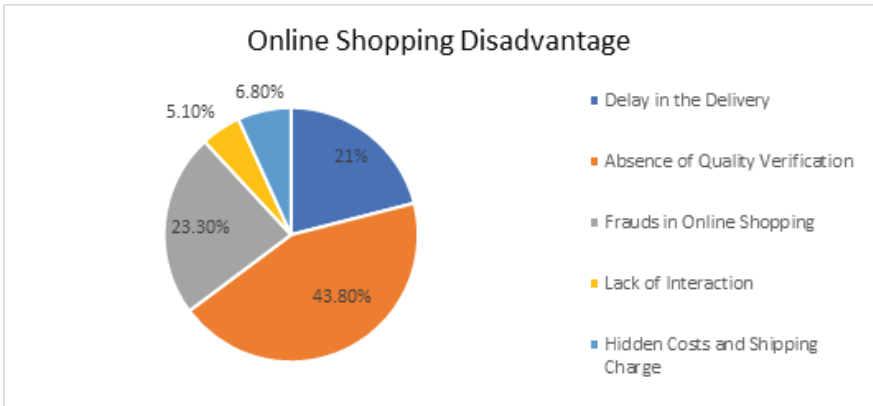


Figure 7: Disadvantages of Online Shopping

It is found from Figure 7 that people mostly dislike online shopping for the absence of quality verification. Near about 43.80% are highlighted this factor as one of the major demerits of online shopping.

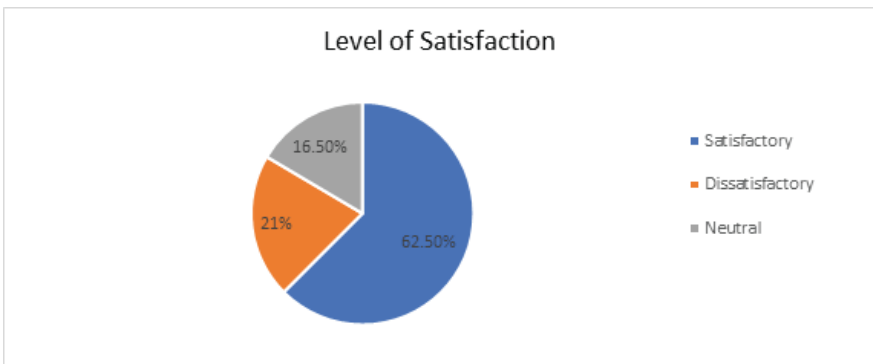


Figure 8: Customers Level of Satisfaction on Online Shopping during COVID-19

From the Figure-8, with regard to the overall satisfaction of making a purchase through online, 110 respondents representing 62.5% are quite satisfied

with the price, payment methods & delivery of products which indicated a technological upward trending towards digitalization. 29 respondents representing 16.5% are not certain and lastly 37 representing 21% are dissatisfied in terms of price, payment methods & delivery of products while making purchase through online during the period of COVID-19.

5. CONCLUSION

E-Commerce Industry has immense opportunity to grow in this country largely due to widespread usage of internet & digital devices backed by increasing standard of living. Proper policy support for ICT structure Development and protection of buyer's interest are the prerequisite for increasing the sustainability of this sector. E-Commerce ventures have to increase their collaboration with their vendors/suppliers to provide quality products with short delivery time. They have to abide by the prevailing rules regarding consumer protection rights and those others related to e-commerce policy of the Govt. to gain the trust of the consumers which is the most important factor for the growth of this industry. This pandemic has worked as the Big push that was required to take off the e-commerce industry in Bangladesh. Financial Institutions and Mobile Financial Service providers can also seize this opportunity to create digital credit products by using the data provided by both suppliers and customers. Through structured questions, this study has been conducted collecting data from 176 respondents. The objective of this study is to find out the consumers' behavior towards online shopping in the outbreak of COVID-19 in Bangladesh. This study shows that people are highly interested to buy product through online and it's been increased significantly during the pandemic. Social distancing in new normal life has accelerated this tendency. Foods, groceries, medicine are the most purchased products through online. Absence of quality verification and delay in the delivery cause great concern in online transaction. Shoppers need to be cautious while making the purchase decision through online. Nevertheless, Social Distancing which is to be prevailed in new normal life, Online Shopping is the only way out for us. The study identifies the consumer behavior of online shoppers in Bangladesh and it will help policy makers and e-commerce companies to formulate a balance ecosystem where everyone can work together and build a value proposition for all stakeholders.

6. RECOMMENDATION

This study recommended that Government should formulate & implement a balanced e-commerce policy where rights of consumers are being protected as well as e-commerce businesses can also be operated at a healthy business environment where they can flourish.

This study also recommended that E-Commerce ventures have to increase their collaboration with their vendors/suppliers to provide quality products with short delivery time. Techno-Entrepreneurs should not get carried away by this booming business growth resulted from ongoing pandemic rather to focus more to create more value proposition for the long term survival & sustainable growth.

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