

# IMPACT OF CORONAVIRUS ON ONLINE MARKETING

Md Danish Raza<sup>1</sup> & Reshma Nikhat<sup>2</sup>

<sup>1</sup>Research scholar, Department of Management and Commerce, Maulana Azad National Urdu University, Hyderabad, Telangana

<sup>2</sup>Assistant professor, Department of Management and Commerce, Maulana Azad National Urdu University, Hyderabad, Telangana

## ABSTRACT

India being worst hit during the first and second wave of coronavirus left a terrifying efficacy on lives and economy. The sudden increase of people being indoors has led to a change in lifestyle where consumers have shifted to spending more time online than before. As coronavirus grown the customer optimism declined in India and customers are concerned about their safety. People have devoured the low touch activities which has grown the online marketing and digital transactions. Being at home people are dwelling more time on online shopping websites, online gaming platform, social media etc. Online applications has proved to be the most useful tool in the crisis time as people are using online digital platforms for virtual office meetings, e learning tools for education, ecommerce for fulfilling their basic needs and social media for being connected.

This paper attempts to scrutinize the impact of coronavirus on online marketing.

**KEYWORDS:** online marketing, coronavirus, consumer behavior, shopping preference

## 1. INTRODUCTION

India is going through the greatest crisis since independence and the people are feeling insecure due to getting infected to this deadly virus. During this pandemic time digital has proved to be the most prominent mode to reach customers. As coronavirus increased certain changes came into the life of human being. Lockdown, social distancing and self-isolation has huge impact on e-commerce industry and digital media consumption and it has changed the mindset of the customers. Most of the people are doing their work from home and going out only to buy essential goods. Being home locked people are spending more time on internet, using more online applications for fulfilling their basic needs, ordering food and medicines online, consulting doctors through internet, using online shopping websites for buying the goods & products and ordering food with the help of various online food delivery applications. During this pandemic time consumers are buying more efficiently and effectively without putting their life in risk. Which gave the chance and emergence to online retail industry, starting from small bread to big giant like amazon and flipkart rose to the new height in online sales. Majority of people are preferring cashless transactions and paying more using digital wallets and UPI to avoid any touch activities. For entertainment purpose people are using online gaming, social media and online streaming platforms like Netflix, amazon prime etc. This pandemic has led to an increase in websites sales and visits, which indicate that business, will increasingly focus on driving online sales and visits. Budget for social media, content marketing, paid video, retail websites advertising applications have increased tremendously. This has resulted in intense digital transformation of business process. Lockdown has affected the behaviour of the consumer as buyers are preferring to purchase online rather than going to physical stores. As majority of consumers are worried about their safety so they are spending online and using digital channels for fulfilling their requirements [1]. This crisis has impacted the shopping preferences and buying behavior of the customers. It has produced fear in the mind of customers because of which people are preferring home deliveries rather than going to physical stores. This virus has led to behavioral changes in health, social life, employment etc.

### 1.1 OBJECTIVES OF THE STUDY

- To analyse the demographic influencing factors in the growth of online marketing in pandemic situation arisen due to coronavirus.
- To explore the impact of coronavirus in changing the shopping preferences and consumer behavior.

### 1.2 HYPOTHESES OF THE STUDY

- There is no significant demographic influencing factor in the growth of online marketing in pandemic situation arisen due to coronavirus.
- There is no epochal impact of coronavirus in changing the shopping preferences and consumer behavior.

## 2 REVIEW OF LITERATURE

Kumar & Dutt(2020) found that coronavirus influence is positive and satisfactory to ecommerce industry as it offered massive business opportunity to both small and popular businessmen. Buying behaviour of the consumers have changed as they are home

locked and doing work from home. This pandemic has negative effect on various industries but we find it has positive impact on ecommerce industry. Other industries should learn the strategies of online marketing so that they can convert the negative impact of this pandemic into positive effects.

Galhotra & Dewan (2020) observed that due to lockdown and social distancing norms people have minimized the physical contact for their safety and security. Majority of people turned to the digital wallet for online transaction and transferring the money. Online marketing proved to be the best supporting system in this pandemic time as from ecommerce to entertainment industry and online classes to virtual office meetings everything is going online.

Alam (2020) found that coronavirus pandemic has affected the normal human life, lockdown has disturbed the business as shopping malls, public places and business centres have been closed. People are staying at home and maintaining social distancing spending more time on the internet which has pushed the customers to shop online and it became a vigorous tool for ecommerce industry to stream business process.

Neger & Uddin (2020) found that as the coronavirus cases rises the e-commerce industry is witnessing huge growth globally. During the covid time internet shopping has proved to be the most effective and safe way to fulfil the needs. Safety and security factor, psychological factor, time saving factor, payment factor are the major influencing factor of increase in online shopping during this pandemic.

Chauhan & Shah (2020) found that people are scared of going into crowded places so the majority of people are adopting digital technology to fulfil their needs. More than 50% customers are ordering products online usually which they purchase at physical stores. 6 out of 10 customers have changed their shopping behaviour and are not going to stores due to the fear of getting infected to this deadly virus where some of this behaviour is undoubtedly temporary and some will be permanent.

Hoekstra & Leeflang (2020) observed that due to social distancing most of the customers switched to online shopping. This has led into the enormous growth in the turnover of online stores. Coronavirus crisis has increased the locally produced food buyers. Those consumers who were not familiar with online shopping have become addicted to the online marketing and digital payments.

Jain, et al (2020) found that coronavirus pandemic has increased the order placed on ecommerce platforms, online entertainment and food apps. Because of social distancing and lockdown people are using digital payment method for making transaction. E-learning apps, Google meet, zoom, online gaming and the use of social media has increased tremendously in this pandemic time.

Yang (2020) found that physical stores, supermarkets, malls, restaurants etc were closed due to the lockdown. For the basic requirements people started to using digital methods largely which increases the demand of online products. Due to which online channel has become the major focus of marketing. This pandemic forced majority of the people to spend more time at home where online games become the vital way of time pass. This led into the growth of online gaming industry and also increased the number of online users.

Bhatti, et al (2020) found that due to coronavirus people are avoiding to step out from home, maintaining social distancing, working from home and buying from home which has increased the ecommerce industry. In this pandemic time the media usage also increased as people are more online and spending time on social media. People are doing work through google meet, zoom and students are using e-learning apps to complete their studies.

### **3. EFFECT OF CORONAVIRUS ON ONLINE MARKETING**

The wide spread of coronavirus had a large negative impact on traditional marketing. Due to lockdown people were home locked and avoiding in stepping out which opened the door to online marketing, as people turned to digital media faster than expected. The following points explain the effect of coronavirus on online marketing.

#### **i. Increased demand for online shopping :**

During the covid time online shopping is on boom as people are home locked and afraid of stepping out. Because of this deadly virus customers are preferring home deliveries rather than going to physical stores. The closure of shopping malls, retail outlets, and markets led into the massive growth of online shopping.

#### **ii. Increased social media marketing:**

Because of coronavirus outbreak people are house arrests working from home, being at one place people are getting more free time, which they are spending on social media sites. Therefore it endows an opportunity for online marketers to capitalize on and superior appertain with customers with the help of various social media platforms, such as Whatsapp, Twitter, Facebook etc.

#### **iii. Augmented demand for video content:**

We have witnessed huge increase in the demand of video content. Video streaming platform such as you tube has augmented tremendously. We have also seen huge growth in live streaming video like Tiktok.

#### **iv. Increased in the demand of O.T.T content hubs:**

During the coronavirus lockdown period we saw huge increase in the viewership of over the top contents hub like amazon prime, Netflix etc. The increased demand of these O.T.T platforms endows online marketers with opportunity to encourage their products and services with the help of these platforms.

#### **v. Augmented product research among customers:**

In the last few months people have been spending more time on internet researching about the products and services. Which forces brands and online marketers to drive their reputation effectively and responsive to customers reviews and comments.

#### 4. EFFECT OF CORONAVIRUS ON CONSUMER BEHAVIOUR

Coronavirus has affected consumer behaviour in 4 ways

- i. **Shift to values and essentials:** During this pandemic time people have been continuously losing their jobs and their income is regularly declining. Because of this customers are spending consciously and the focus of spending is on inevitable goods such as health and hygiene products, household and groceries etc.
- ii. **Switch to digital and Omni channel:** This pandemic has been proved to be beneficial for e-commerce companies as people are avoiding public places such as shopping complex, super markets etc. Majority of the customers are working from home, preferring online shopping and opting home deliveries rather than going to physical stores.
- iii. **Brand loyalty:** This virus has dislocated the supply chain for certain brands and products, so customers are not getting preferred products at their selected retailers. This has led into the change of consumer buying behaviour. Now customers are no longer tied to one brand, as they are trying various products and nearby stores to buy.
- iv. **Homebody economy:** Most of the customers are still not feeling safe in resuming their normal life and doing outdoor activities. Customers are stepping out only to buy essentials such as groceries, household items etc. People are averting travel and staying away from the crowded places.

#### 5. RESEARCH METHODOLOGY

Primary and secondary data have been embedded for this study. Where primary data has been collected with the help of structured questionnaire and secondary data has been accumulated from the articles published in various journals, conference, magazines and newspapers.

##### SAMPLE SIZE:

The acquaintance was amassed through structured questionnaire from 170 people of different tier cities of India.

##### SAMPLING TECHNIQUE:

For this study Simple random sampling has been applied and for analysis purpose chi square has been exercised as statical tool

#### DATA ANALYSIS AND INTERPRETATION

**Table 1- Demographic profile of the respondents**

Variable	Characteristics	Frequency	Percentage
Tier of cities	Tier – 1	83	48.82
	Tier – 2	46	27.06
	Tier – 3	41	24.12
Gender	Male	117	68.82
	Female	53	31.18
Educational Qualification	Intermediate or Diploma	16	9.41
	Graduation	39	22.94
	Post-graduation	71	41.77
	MPhil or PhD	44	25.88
Age	Under 20	09	5.29
	21 to 35	124	72.94
	36 to 50	19	11.18
	51 to 65	18	10.59
Marital Status	Married	50	29.41
	Unmarried	120	70.59
Annual Income	0 to 2.5 lacks	86	50.58
	2.5 lacks to 5 lacks	31	18.24
	5 lacks to 10 lacks	24	14.12
	10 lacks and above	29	17.06

Source: Primary Data (Questionnaire)

Table 1 explains a concise on the demographic profile of 170 people from various tier cities of India. From among 83 (48.82%) respondents belong to tier 1 city, 46 (27.06%) belong to tier 2 city and 41 (24.12%) belong to tier 3 city where 117 (68.32%) were males and 53 (31.18%) were females. 5.29% were under 20 years, 72.94% were in between 21 to 35, 11.18% were in the age of 36

to 50 and 10.59% were in the age of 51 to 65 years. From among 29.41% were married and 70.59% were unmarried. 9.41% were up to school level, 22.94 were graduates, 41.77% were post graduates and 25.88% were doctorates. 50.58% respondent's income segment was up to 2.5 lacks, 18.24% was 2.5 to 5 lacks, 14.12% income was in between 5 to 10 lacks and 17.06% respondents income was 10 lacks and above.

**Table 2: Demographic influencing factors in the growth of online marketing in pandemic Situation arisen due to coronavirus**

Variables	Influencing factors					Total	$\chi^2$ Value	Table Value	Hypotheses
	S.A	A	D	S.D	N				Null
<b>Tier of the city</b>									
Tier 1	38	38	0	1	6	83	.056	.299	Accepted
Tier 2	23	24	2	0	1	50			
Tier 3	10	18	2	0	7	37			
<b>Gender</b>									
Male	52	58	2	0	5	117	0.25	.256	Rejected
Female	19	22	2	1	9	53			
<b>Age</b>									
Under 20	3	5	0	0	1	9	.001	.443	Rejected
21 to 35	56	60	0	0	8	124			
36 to 50	6	8	3	1	1	19			
51 to 65	6	7	1	0	4	18			
<b>Marital Status</b>									
Married	21	21	2	0	6	50	.585	.129	Accepted
Unmarried	50	59	2	1	8	120			
<b>Annual Income</b>									
0 to 2.5 lacks	36	41	0	0	9	86	.123	.323	Accepted
2.5 lacks to 5 lacks	14	14	1	0	2	31			
5 lacks to 10 lacks	12	7	2	1	2	24			
10 lacks and above	9	18	1	0	1	29			

Source: Primary Data (Questionnaire) significant at 5% level

**Interpretation of demographic influencing factor:** Table 2 explains that the calculated chi-square value is less than the table value at 5% level, there exist prominent relationship between Gender and age and will be demographic influencing factor.

The calculated chi square value of Tier of the cities, marital status and annual income is more than 5% level so there does not exist significant relationship and it will not be demographic influencing factor impacting the growth of online marketing in this pandemic circumstance.

## 6. FINDINGS OF THE STUDY

**Increase in online marketing:** During this pandemic time we have been witnessing huge growth in online marketing. Being home locked people are doing work from home, they won't go to office so they bought the office to their home through virtual mode, students are doing online classes with the help of various applications and doctors are giving online consultation.

**Demographic influencing factor:** Gender and age have more effect while tier of cities, marital status and annual income don't have more impact on increase in online marketing during this pandemic.

**Increase in digital payment:** This pandemic has caused an increase in the demand for cashless transaction, which has accelerated the shift from cash to digital options. Because of this pandemic majority of the people have adopted low touch activities which has increased contactless transaction. The use of cash has been declined as physical cash has been converted into digital wallet.

**Shopping preferences of the consumers:** This virus has affected the consumer behaviour as well as the shopping preference of the consumers. People are not running behind the brand and category as the main focus of the customer is on health and hygienic products. Consumers are giving more preference to online stores rather than going to physical stores and Preferring home deliveries.

## 7. CONCLUSION

Coronavirus pandemic shocked the whole world, in the middle of incertitude people have rapidly moved into the era of online marketing, e-learning, remote working, digital experiences and a new world of online business. The technology and digitalization

has almost covered the loss of this pandemic and also converted the thought of people staying at home, and doing their work without any hassle. During this coronavirus time online applications has become the most useful tool for the people as it has transformed the classroom teachings to virtual online classes, physical cash to digital wallets & online transactions and office meetings to virtual video conference & online board room chats. Online digital platforms is not only limited to learning and office work, it has also expanded their wings in the entertainment industry like subscription based OTT platforms, online gaming, social media sites and YouTube etc. Health care sector also arose with digital activity as health associated application for consulting online doctors and ordering online medicines increased tremendously in this pandemic time. This pandemic has amended the shopping preferences and buying behaviour of the consumer, as consumers are spending higher on health and hygienic products. Lockdown and social distancing has imposed many of the customers to switch into digital media and triggering the sales of e-retailing and e-commerce industry. Being home locked customers are getting more free time for being online. People are ordering food through various online applications and favouring home deliveries rather than visiting traditional stores. From the above study it is concluded that coronavirus has affected the shopping preferences & consumer behaviour and it has huge impact on online marketing and e-commerce industry.

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