MANAGING AND ORGANISING THE COVID-19 EFFECT ON ONLINE SHOPPING BEHAVIOR

Aleksandra Andreska – Sarevska¹ D Sanja Pavlova² D

DOI: https://doi.org/10.31410/EMAN.2021.275

Abstract: These days, we are all exposed to unusual conditions due to the Coronavirus pandemic COVID-19, which exposes to unpleasant circumstances our families, friends, and also our business activities. According to this fact, it will probably increase the online shopping, because the people are spinning to the e-commerce to buy the things which in normal conditions would buy personally. The paper aims to find out how the COVID-19 pandemic has influenced on the growth of online shopping and electronic commerce, such as managing the new way of living. The authors in this paper use the methods of synthesis, comparison, time series analysis and use data from the Association of e-commerce of the Republic of North Macedonia. The authors concluded that the COVID-19 pandemic has changed the habits of the domestic buyers, who redirected the big part of the online shopping from foreign countries to domestic e-shops.

Keywords: Association of e-commerce of the Republic of North Macedonia, Electronic commerce, Influence.

1. INTRODUCTION

And the relationships with the consumers. There are many questions about the changes in consumers' behavior, the predictions of their requirements and finally about the competitive advantage over the other companies. Some countries with a growing economy like Germany, France, Great Britain and the United States have success, although there is economic decrease all over the world. But, the question is how they do it? Different countries use different methods of maintenance in terms of their economic position, but they have one thing in common when they succeed during a pandemic. Those who listen to the requirements and wishes of their consumers are usually growing during a downcycle like this one we are living in.

The most important thing to carry on with loyalty from the consumers is to have a previous positive experience from the collaboration with some company.

Companies should focus more on managing the promotional activities on the Internet. Each of them should enhance websites and online applications with options for consumers, so they can find out something more about the products and services, and be encouraged to buy the products from their homes.

This article aims to show the real happenings during the pandemic, and to define that it is impossible for online shopping to be the same as it was before the coronavirus; it is now better organized, and the companies invest more finances in managing it.

European University Skopje, Sv. Kliment Ohridski N° 68, 1000 Skopje, North Macedonia

² European University Skopje, Sv. Kliment Ohridski N° 68, 1000 Skopje, North Macedonia

2. ADVANTAGES OF THE ONLINE SHOPPING THROUGH VIRTUAL SHOPS

The main advantage of online shopping is the convenience for the consumer. The majority of the people have a dynamic life, full of activities and when they should buy something, they often decide to do it through the Internet. This way of buying saves time, effort, and even money. Simply said, it is more comfortable to do it from home than to go in some shop. It is also important to mention that online shops are available 24/7, and it is possible to purchase anytime from anywhere.

The products that are available for online purchases almost always have better prices than in the shops. Online shops usually use to offer promotion packages and excellent collaborations. All this saves money and offers great value.

During online shopping we have complete control of the process, customers have unlimited time for viewing, checking, thinking and deciding for the offered options, without having to waste the time of the employees.

In the increase of e-commerce, there is a phenomenon called the virtual shop, which is more popular day by day. It is high technological, digital response of the personal experience that enjoy the consumers of physical retail locations.

The present situation ordered the presentation of the most modern electronic devices for adult smokers, IQOS, in the Republic of North Macedonia, to be directly and in the first moment, exclusively online. During online shopping, besides the advantages, disadvantages could be the deficiency of consulting possibilities, making questions or user support.

Luckily, this is not a case in mk.iqos.com, where besides the option to order from the e-shop, there is a virtual IQOS zone, available through one click, through which the experts will take care personally for every user to give a recommendation in the choice of IQOS or right additional information, and to make the order for the user.

The online order is just the start of the user's experience with the IQOS brand. The delivery is made by an IQOS consultant, who is not here just for the logistics, but to devote time and attention to the new user, to get to know the device, explain the way of using IQOS, from basic to more advanced tips.

3. IMPACT OF COVID-19 ON CONSUMER BUYING BEHAVIOR

COVID-19 has caused widespread damage to the global economy, with some countries shutting down their stock markets, closing corporate offices, retiring small businesses, and canceling major social events. The additional effects of reduced consumption and investment have impacted many other areas dependent upon healthy economies (Bayad Ali, 2020).

Empty shelves during COVID 19 have generated severe problems for the consumers. COVID-19 has forced consumers to change the way they preferred to shop. There is an increased shift in consumer buying behavior from traditional shopping to online shopping (Sharma, Jhamb, 2020). Apart from the augmented number of customers indulging in online shopping shift has been observed in the choice of products being ordered by customers through these online tools.

The majority of the customers have started ordering more personal care and medical kits, rather than ordering fashion products. National Retail Federation (NRF) has surveyed on consumer's online shopping behavior in this epidemic situation, and has briefed certain consumer buying behavioral changes as follows (Sharma, Jhamb, 2020):

- 1. As per the survey results, 9 out of 10 customers have changed their shopping practices.
- 2. The results support the fact that more than 50% of customers have changed their traditional shopping habits by ordering products online.
- 3. About 6 out of 10 customers stated that they avoid going to the store due to the fear of being infected and that they order necessary goods online (Sharma, Jhamb, 2020).

All these behavioral changes are not permanent but few are going to last permanently. As society will recover from this survival mode, this digital – online shopping adoption is likely to become permanent. So, in the end, this pandemic situation has been classified into two aspects: one is a shift in customer behavior that avoids public crowded gatherings, and the second is more inclination towards digital adoption (Sharma, Jhamb, 2020).

The results of many studies show that normative determinants such as media reports on the economic situation are related to consumers' purchase intentions, whereas the normative influence of close social networks is not related (Koch, Frommeyer, Schewe, 2020). Koch, Frommeyer and Schewe state that, they find out that hedonic motivation is a better predictor of purchase intentions than utilitarian motives, and that individuals practicing social distancing, generation Z, and women show higher levels of hedonic motivation. They provide recommendations for e-commerce companies on ways to address consumers' purchase motives and strategically harness normative influences (Koch, Frommeyer, Schewe, 2020).

4. THE ROLE OF THE E-COMMERCE FOR PROTECTION OF THE CITIZENS DURING A COVID-19 PANDEMIC IN THE REPUBLIC OF NORTH MACEDONIA

During the pandemic, the Association of e-commerce of Macedonia notices expansion and maximizing of the facilities of the e-merchants, which is proof of the benefits that have both the citizens and the companies which have implemented e-commerce in their business activities or are planning to do it soon.

This Association gives some advice for the consumers. They say that people should buy from the comfort of their home, without having to face the virus personally. Almost all the products can be bought online.

Some of the places where they can order and buy food, clothes and shoes are paket.mk, Reptil Kliknijadi, e-Tinex, Fashion Group, Sport M, Grouper, e-Kupi, Market Konekt. Halk insurance, Sava Insurance and Eurolink Insurance, which offer an opportunity for protection through online shopping, and many other companies that offer different products.

Filip Cizbanovski, the Acting President of the Association of the e-commerce of Macedonia considers that, even though the present situation with the pandemic is terrible for the economy, the domestic quarantine and the self – isolation motivate the e-commerce and the online orders, and habits that will stay even after the end of the crisis. According to him, all the world faces challenges from the aspect of setting appropriate security measures, the way of managing the

delivery of products and the increased demand of products in some companies. He also considers that e-commerce is one of the best opportunities that we have for supplying products and maintaining a physical distance.

The attitude of the Association of e-commerce is that people should pay attention when shopping online, and not buy in illegal stores that work only on social networks because they have to protect themselves.

5. THE WAY THE PANDEMIC INCREASES ONLINE TRADE IN THE REPUBLIC OF NORTH MACEDONIA

The change in the habits of the citizens, in conditions of limited movement due to the pandemic, contributed to the impressive annual growth of their payments with online payment cards in the country by 141%, as well as the credit transfers initiated electronically by 28%, during all three quarters in 2020, as the data from the National Bank show. However, the low level of digital skills slows down the further growth and development of e-commerce, according to the analysis of the Association for Electronic Commerce.

Table 1. The influence of COVID-19 on the consumer habits in North Macedonia

18%	Started to pay online
17%	Started to use government e-services
37%	Buy more online
76%	Will continue to buy the same way after the pandemic

Source: Analysis of the progress of e-commerce, AECM, 2020

6. GROWTH IN THE NUMBER OF ONLINE PAYMENTS

The change in the habits of the citizens in conditions of limited movement due to the pandemic contributed to the impressive annual growth of their payments with online payment cards in the country by 141%, as well as the credit transfers initiated electronically by 28%, during all three quarters in 2020 (National Bank of the Republic of North Macedonia).

To make payments, citizens, in particular, used mobile applications, which indicates a further change in payment habits, in addition to the use of digital payment channels.

Table 2. The opinion of the Macedonian e-buyers through messages on the social media

47%	Order through messages
78%	Because it is faster and easier
48%	Never get receipt
27%	Rarely get receipt
73%	Know that are part of the gray economy, but they accept the risk

Source: Analysis of the progress of e-commerce, AECM, 2020

The recommendation to businesses is that the digital communication strategy of brands must be adapted in times of crisis, just as it is important to adapt the way of working, selling, producing; e-retailers need to adapt the way of communication, and to adapt the tone and messages to the public in accordance with the stages of the crisis.

Table 3. The growth of e-commerce in Macedonia in the period of COVID-19

Total value of card transactions is almost equal, but the structure has changed		
Decline in the value of ATM withdrawals and transactions at physical points of sale		
114%	Growth of domestic card transactions to domestic e-merchants	
36%	Fewer transactions to foreign e-traders by Macedonian citizens	
37%	Fewer transactions at POS terminals in the country by foreigners	

Source: Analysis of the progress of e-commerce, AECM, 2020

6. FUTURE RESEARCH DIRECTIONS

Consumer behavior had to adapt very quickly to the new conditions. Planning (for larger and less frequent purchases) and limited time (spent in line in front of and in the store) have become especially important. Planning and timing will become much more important than they were before the Covid-19 crisis, so we expect both consumers and the economy to use more technology as a part of the new package solutions.

After the pandemic, it will be especially important for the movement of customers through the store to take place in the right way. Overcrowded crossings will create "bottlenecks" and retailers will think about how to change the look of stores and flow.

In addition to some retailers advising consumers through apps or online platforms on what is the best time to shop, we expect to see more use of other digital tools.

Virtual queues will probably be needed to manage the flow of consumers at a time when stores are heavily visited. Store entry controls, with the help of digital screens, could become a common option.

Tools that help shoppers complete their in-house purchases, such as an interactive application that shows the consumer where to find a product in the store, could be useful. It can be a valuable way to alleviate congestion in stores, and it would be more beneficial if combined with data on the availability of that product.

7. CONCLUSION

Based on the conducted research, we concluded that, with product availability challenges, which are greater than ever, consumers are more likely than usual to reach out for e-purchases to get everything they need. Whether it is a direct supply of coffee, beer, or wine from the manufacturer, ordering package meals or direct ordering from wholesalers, restaurants and delivery companies, many consumers are trying out new ways to shop online.

The COVID-19 pandemic provided an opportunity for e-commerce that had never existed before. There is a growth, globally; some more developed countries with an adequate level of digital skills have managed to achieve three- and five-year growth in a few months. Countries with lower levels of digital skills needed to participate in online shopping, such as North Macedonia, cannot catch up so quickly because these perennial weaknesses are not addressed in a few months. That is why it is important to set a clear goal and digital strategy for our country as soon as possible.

REFERENCES

Association of e-commerce of the Republic of North Macedonia

Bayad, A. (2020). Impact of COVID-19 on consumer buying behavior toward online shopping in *Iraq. Journal of Economic Studies*, 18(42):267-280. https://www.researchgate.net/publication/345507104_Impact_of_COVID-19_on_consumer_buying_behavior_toward_online_shopping_in_Iraq

Hoekstra, J.C., Leeflang, P.SH. (2020). Marketing in the era of COVID-19. *Italian Journal of Marketing*, 249–260 (2020)

https://doi.org/10.1007/s43039-020-00016-3

Koch, J., Frommeyer, B., & Schewe, G. (2020). Online Shopping Motives during the COVID-19 Pandemic – Lessons from the Crisis. vol. 12, issue 24, 1-20 https://www.mdpi.com/2071-1050/12/24/10247/htm

National Bank of the Republic of North Macedonia

Sharma, A., & Jhamb, D. (2020). Changing Consumer Behaviours towards Online Shopping – An Impact of Covid-19. *Academy of Marketing Studies Journal*, Vol: 24 Issue: 3 https://www.abacademies.org/articles/changing-consumer-behaviours-towards-online-shopping--an-impact-of-covid-19-9298.html