

Group Project Literature

B412

Analytics for Business Decision Making Post-Grad Program

An Exploratory of Public Opinion about Online Shopping During COVID-19

**For Courses Instructed Richard Boire:**

MGMT4084 – Digital Media Analysis

**Brief background of Industry**

E-commerce is the main trend in the future. E-commerce stores provide all kinds of businesses through the Internet. Companies can have a real store and an e-commerce store, or they can even only have an e-commerce store to start their business. The mode of online shopping not only provides an easy way for customers to shop, but also offers more opportunities for people who want to build their own business with little money. Merchants can operate online stores easily and with flexibility within this virtual space. Global e-commerce sales are predicted to be worth $5.4 trillion by 2022.

According to the online report, the number of online shoppers is more than that of Internet users, which means that people are willing to shop online. Many factors influence this shopping mode, such as price, convenience, various selection, and so on. Customers can view shopping websites anywhere and anytime, which increases their interest in online shopping. Based on the data in United States, 79% of people completed online shopping, 51% use their mobile phones to purchase online, and 15% click the social media link to make a purchase directly.

They think online shopping has huge risks, such as unsecure payment, disclosure of personal information, or return issues. They are willing to go stores and see real products. However, the data doesn’t show the whole picture. Even if people have many concerns about online shopping, price plays an important role in making purchase decisions. 65% of Americans mentioned that they will compare the price between the product online and in stores, which means that price will become the essential factor to stimulate their payment.

**Public Opinion of Online Shopping during COVID-19**

If people's consumption patterns are gradually shifting, the pandemic has become the trigger for this digital shift, according to UNCTAD Secretary-General Mukhisa Kituyi, who said the pandemic is accelerating the shift to a digital world. Surveys show that more than half of the population is relying on the Internet for entertainment, online shopping and other services in the wake of the pandemic. Not all categories have seen significant growth. Furniture, entertainment, and personal care were the categories that saw the biggest gains, while the travel industry saw the biggest declines. During COVID-19, online transactions were significant in China and Turkey, while Switzerland and Germany were relatively weak.

Experts believe that digitalization is going to last much longer than the pandemic and even change people's lifestyles completely. In order to follow the Canadian government's policy of keeping social distance, retail stores have had to close or limit foot traffic. The retail industry has had to turn to online sales in order to survive. From February-May 2020, retail sales declined by 17.9%, while online sales nearly doubled. People are shocked about online sales for both essential and non-essential items. More and more small businesses are turning to online sales as well.

**Summary**

Anyone who has hosted a game night over video chat or ordered groceries to be delivered at home for the first time understands how profoundly the COVID-19 crisis has changed our behavior as consumers. It compelled consumers, all around the world, to use online platforms for daily grocery shopping in order to follow lockdown-related restrictions and maintain social-distancing. E-shopping enables regional traders to be less local and more global and also reduces trade barriers.

Online shopping is considered the most convenient and easiest mode of shopping. Online consumers are affected by several factors like convenience, pricing, and quality, saving time, security. Consumer opinion regarding a traditional retailing environment has reveals that time-saving and minimum efforts are two factors in delivering convenient service to customers.

Initiatives such as 'no contact delivery' and the ability to make payments online made it convenient for consumers to buy groceries from online platforms during the pandemic. The online grocery market is dynamic, both, domestic and foreign players compete to expand their market share and presence. The key reason behind this growth is the COVID-19 pandemic.

In a matter of months, the grocery ecommerce landscape in North America accelerated by three to five years. Recreational goods spending increased due to increased spending on home gym equipment and the furnishings and household equipment sector grew. The COVID-19 pandemic is first a health and humanitarian crisis, and then others, businesses are rapidly adjusting to the change and ecommerce industry has grown extensively in these times. So, in order to be in stable business, intelligent data driven operating model to support new business model. Scan market for M&A opportunities.

Although online shopping brings many advantages to customers, some of them still have doubtful attitudes. In general, 64% of Americans reveals that they prefer to shop instore not online. The proportion of consumers worried about the impact on their personal job security is the highest it’s been across the four waves of research conducted. Overall, the users have mixed feelings regarding online shopping

**Approach and Methodologies**

**Methodological Approach**

This was an exploratory research, where we wanted to know the public’s opinion about online shopping during Covid-19 and how it affected individuals, business and countries. We carried out a literature review to analyze, synthesize and critically evaluate the topic.

We used quantitative data to know the changes (increase) in percentage of online stores sale during the pandemic, the portion of the population that relied on ecommerce due to Covid -19 and the number of people worried about their job security due to the revenue growth of online shopping. The percentage increase of global ecommerce and significant increase of global gross domestic product in GDP.

Some qualitative data that were useful in answering the research problem included how the pandemic changed the model of consumers and shopping behavior. What shopping will be like after the pandemic and how will it impact businesses?

The team conducted the research using secondary sources, such as statistical websites using bar charts, factual figures and predictions to illustrate findings, blogs, journal articles, newspaper articles and government agencies.

**Method of Data Collection**

In the sampling method, we used non-probability sampling, it is when not all members have an equal chance of getting selected. We used some secondary resources that means already someone had done the research on a similar topic and we just took their data and created our information or to find a solution to our research problem.

The tools we used were writeups from different internet resources. We used contents from various databases to gather our statistical data like Canada.ca and Statista. We put to gather qualitative content to identify our customers' opinion on Covid-19. We further took notes in MS Excel for the quantitative data.

Further we would like to conduct a [natural language processing (NLP)](https://monkeylearn.com/natural-language-processing/) technique to determine whether data is positive, negative or neutral. We would like to perform sentiment analysis on textual data to help and understand the audience's opinion. Depending upon how we gather data and interpret our audience’s unstructured data, with the help of coding and tailoring our categories to meet the needs.

**Describe methods of analysis**

Secondary sources are our primary means of acquiring information. This method helps us to find the information we need efficiently and, in a time-saving manner. Secondary sources mainly include finding data from various specialized websites and analyzing these data.

First, the team identified the issue that needed to be studied, namely the relationships between our audience and their opinion on online shopping. Again, determining access to resources was the first step in defining the problem. Specific websites included, but were not limited to Statista, various consumer sentiment websites, UNCTAD, and others.

After obtaining the data, we first used a mind map to perform some operations on the data, such as organizing and removing unwanted and duplicate data.

After organizing the data, we analyzed some of the data in Excel. This part of the data is mainly used to identify what has happened. Prescriptive analysis was used to make recommendations for the future.

The data is one part of this project. The team members also used the summary of highlights from different articles to support us in making conclusions and recommendations.

Finally, we used the data and known information to create a PowerPoint to present our results to other class members.

**Evaluate and justify methodological choices**

Secondary sources are very accessible and are readily available. A researcher can find information that spans a very large period of time. This source requires very little research saving time and money. The only problem is that secondary sources cannot be controlled for quality and accuracy. But compared to primary sources, secondary sources are the right way to go for this project. This is evident in the information gotten from the secondary sources which not only address the problem but also answer the research questions consistently. The results of the research were consistent across multiple secondary sources.

Although secondary sources have some limitations, we made use of genuine sources for information, such as choosing relevant and authentic websites, double-checking the data, and verifying multiple sources of information.

We also made sure the sources are not outdated and the data are within the needed timeframe relevant to the research.

This information gave the researchers a better understanding, perspective and knowledge about the issue and insights into future trends. The information was valid and reliable during the analysis process.

**Appendix A**

**Article 1**

* Grocery ecommerce soared in the second week of March 2020. 20-30% of business moved online during pandemic’s peak
* Online grocery penetration settled at 9-12% at the end of 2020
* With the broad expansion eMarketer says they will outsell Amazon in the online retail category.
* Consumer loyalty declined by mid-2021, more than 30 percent of consumers reported buying a different brand than usual.
* Online shopping has affected goods and services with pricing lower than 65% and 51% of products are out-of-stock.
* While some customers turned to digital commerce, others made use of new or expanded pickup from their local, physical store.

(BigCommerce, 2022)

**Article 2**

* Due to quarantine, people's way of buying items has changed. The situation has persisted long enough for these patterns to become ingrained.
* Certainly, when stores open customers will venture out more. However, this does not mean they will suddenly stop the fairly addictive, and comforting feeling of shopping online.
* In 2020, online revenue growth was [up 44%](https://www.digitalcommerce360.com/article/us-ecommerce-sales/) and in Q1, 2021 it increased 39% [year-over-year](https://www.digitalcommerce360.com/article/quarterly-online-sales/). There's a good chance that this trend will continue in the post-quarantine world.
* COVID-19 fears are not going to disappear overnight. Even when the quarantine ends, people will be cautious, and many will still prefer shopping online from the safety of their homes.
* Mobile devices are making it easier than ever to browse and shop online. Customers can place orders one-handed from the device that is always likely in their hand or pocket.

(Progress, 2021)

**Article 3**

* The dramatic rise in e-commerce amid movement restrictions induced by COVID-19 increased online retail sales’ share of total retail sales from 16% to 19% in 2020, according to estimates in an [UNCTAD report](https://unctad.org/system/files/official-document/tn_unctad_ict4d18_en.pdf).
* According to the report, online retail sales grew markedly in several countries, with the Republic of Korea reporting the highest share at 25.9% in 2020, up from 20.8% the year before
* Meanwhile, global e-commerce sales jumped to $26.7 trillion in 2019, up 4% from 2018, according to the latest available estimates.
* This includes business-to-business (B2B) and business-to-consumer (B2C) sales and is equivalent to 30% of global gross domestic product (GDP) that year.

(UNCTAD, 2021)

**Appendix B**

**Article 1**

* 79% of Americans make online purchase with any type of shopping. 51% of them shops online through phone. 15% clicks social media links directly to make a payment.
* 64% of Americans mentioned that they prefer to shop in stores not online under the same circumstances.
* Most people relied on online product reviews before making decisions. However, 51% of people believes reviews can make true product descriptions, but 48% still has a doubtful attitude about these product reviews.
* The mode of transaction has changed from physical current to virtual current. 24% showed that they are more likely to use virtual current like Apple pay or credit cards.

**Article 2**

* E-commerce provides accessibility and flexibility for sellers and companies. Virtual markets also expand customer bases to grow economic potential.
* The experts predicted that global online sales will reach $5.4 trillion by 2022.
* Three key aspects to success in E-commerce
  + Gain trust from customers: websites should be transparent to customers. Also, it is easy for customers to get support when they have problems.
  + Simple shopping experience: customers can follow the navigation to achieve their goal easily, which will increase the fun of shopping.
  + Digital market strategy: digital marketing will be the key factor to success in the market

**Article 3**

* Pandemic has changed the model of consumer and shopping behavior. After COVID-19, more than half respondents shop online frequently.
* The sales of most categories of products increased by 6% to 10%. The highest growth categories were gardening, household and other essentials. The travel industry, on the other hand, saw the largest decline.
* E-commerce will change the structure of international and national retail industry. It is necessary to promote small and medium enterprises to start their business online.

**Article 4**

* Due to the Canadian government's restrictions on social distance, retail stores have had to limit the number of people in their stores. Even during the city lockdown phase, these stores need to close. Online retail sales nearly doubled during this period.
* Online sales increased 63.8% in April 2020, while in-store sales declined 25.3%. Online sales are growing at a rapid pace.
* More and more companies are turning to online sales. The impact of the epidemic on sales patterns goes far beyond this. Even after the epidemic is over, this online sales model will continue to impact the market and people's lives.

**Appendix C**

**Article 1**

* Consumers quickly shifted from shopping brick and mortar store to online shopping, with a sale surge of 99.3%, during period February to May 2020.
* All of the major retail sector saw a decline by 29.1% during the period but on the other hand ecommerce of these sectors were rising to 63.8% at the same time.
* Lot of small businesses have already taken the shift of using ecommerce as consumers come there for shopping.

("Online shopping has doubled during the pandemic, Statistics Canada says | CBC News", 2020)

**Article 2**

* Online shoppers can easily look for best price, see more healthy options, and eco-friendly products before making their final purchase.
* A survey of 8600 people a across 22 countries show shopping preference; In-physical store 46%, Online via PC 34%, online via tablet 38%, Online via smartphone 44%.
* There is no brand loyalty as the consumers keep trying a new shopping channel, different brands, and in-store brand.

(Torkington, 2021)

**Article 3**

* A survey of 2000 Americans showcase that majority still continue to shop online while 13% respondents say that they will shop less online and prefer the brick-mortar store.
* Specially the household people with income more than $125,000 shop more online than ever. Age group under 35 years were more into online shopping.
* The professional people like personal care, home maintenance, and food preparation were shopping less online compared to other sector professional people.

(Ecola et al., 2021)

**Appendix D**

**Article 1**

* Businesses had to rely on the pandemic-proof ecommerce sales channels for basic survival.
* There was a distinct upward trend in the total global retail sales from 2019-2020 with a steady 8% growth in retail ecommerce sales worldwide forecast through 2024.
* The pandemic impacted the global ecommerce revenue adding 19% sales growth for 2020, and an additional 22% sales growth to the existing 9% and 12% regular forecast sales growth rates, respectively.
* The impact of the pandemic on businesses around the globe varied, creating opportunities for some where business was once lost.
* Small B2B companies in the United Kingdom and Brazil for example had a significant increase in online revenue from their pre- covid online figures.

("Impact of COVID Pandemic on eCommerce", 2022)

**Article 2**

* From November 2019 to November 2021, Walmart's online sales grew by 87 percent, while Amazon experienced a 200 percent increase in profits during the pandemic, partially due to Amazon food purchases.
* 34 percent of households reported grocery shopping online more since the beginning of the pandemic and 60 percent of these households planned to continue shopping online after the pandemic ends.
* Despite the tremendous growth of online grocery shopping, uptake is not universal. Significant disparities exist in who is using the service and who is *allowed* to use the service, resulting in inequitable access.
* households with college-level education or higher are more likely to shop online than households with an education of high school-level or less, while households with children are more likely to shop online compared to households without children.

(Arm, Miller & Tucker, 2022)

**Article 3**

* With revenues of US $351.9 billion, Europe was the third largest e-commerce market in 2019. Annual growth (6.0%) is projected to lead to revenues of US $565.9 billion by 2025 in Europe
* Increases were evident in consumption of food and non-alcoholic beverages, online educational services, and online content.
* Between March 2020 and April 2020, there was a decrease in spending on non-food categories such as online booking of leisure activities, transport tickets, body care, fashion clothing, footwear, and accessories. Spending on these categories decreased by over 40% from April 1, 2020, to May 1, 2020, compared to November 1, 2019, to December 1, 2019.
* The personal computer became the most preferred device (52%) for searching and purchasing online during the second wave of this research compared to pre-crisis greater use of smartphones and tablets. Before COVID-19, only 47% used a personal computer. Nearly 65% of digital consumers used digital payment methods (online banking, online money transfer or mobile pay), over 20% more than before the pandemic.

(Jílková & Králová, 2021)

**Bibliography**

Smith, A., & Anderson, M. (2020, May 30). *Online shopping and E-Commerce*. Pew Research Center: Internet, Science & Tech. Retrieved March 8, 2022, from

<https://www.pewresearch.org/internet/2016/12/19/online-shopping-and-e-commerce/>

Hughes, J. (2021, June 14). *An introduction to online shopping and the E-commerce store*. Velocitize. Retrieved March 8, 2022, from <https://velocitize.com/2021/05/03/an-introduction-to-e-commerce-store-3-key-tips-to-help-you-succeed/>

United Nations Conference on Trade and Development. (2020, October 8). *Covid-19 has changed online shopping forever, survey shows*. UNCTAD. Retrieved March 8, 2022, from

<https://unctad.org/news/covid-19-has-changed-online-shopping-forever-survey-shows>

Aston, J., Youssouf, O., Virgin, K., & Vipond, O. (2020, July 24). Retail e-commerce and COVID-19: How online shopping opened doors while many were closing. Retrieved March 8, 2022, from

<https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00064-eng.htm>

IPL. (n.d.). *Online shopping background*. Online Shopping Background - 921 Words | Internet Public Library. Retrieved March 8, 2022, from

<https://www.ipl.org/essay/Online-Shopping-Background-FK7KZCSK6C48R>

Victoria, Fryer. Understanding the COVID-19 Effect on Ecommerce + Trends. Big Commerce. Retrieved March 9, 2022, from

<https://www.bigcommerce.com/blog/covid-19-ecommerce/#covid-ecommerce-trends>

Jennifer, McAdams. Importance of Ecommerce During COVID-19 & Online Selling. Progress Software. Retrieved March 9, 2022, from

<https://www.progress.com/blogs/the-growing-importance-of-ecommerce-in-a-post-covid-19-world>

United Nations Conference on Trade and Development (2021, May 3). Global e-commerce

jumps to $26.7 trillion; COVID-19 boosts online sales. Retrieved March 16, 2021, from

<https://unctad.org/news/global-e-commerce-jumps-267-trillion-covid-19-boosts-online-sales>

Online shopping has doubled during the pandemic, Statistics Canada says | CBC News. CBC. (2020). Retrieved 10 March 2022, from <https://www.cbc.ca/news/business/online-shopping-covid-19-1.5661818>.

Torkington, S. (2021). The pandemic has changed global consumer behaviour forever - and online shopping looks set to stay. World Economic Forum. Retrieved 10 March 2022, from <https://www.weforum.org/agenda/2021/07/global-consumer-behaviour-trends-online-shopping/>.

Ecola, L., Lu, H., & Rohr, C. (2021). How Is COVID-19 Changing Americans' Online Shopping Habits?. Rand.org. Retrieved 10 March 2022, from <https://www.rand.org/pubs/research_reports/RRA308-6.html>.

Impact of COVID Pandemic on eCommerce. (2022). Retrieved 15 March 2022, from <https://www.trade.gov/impact-covid-pandemic-ecommerce>

Arm, K., Miller, L., & Tucker, A. (2022). Online Grocery Shopping During the COVID-19 Pandemic | Think Global Health. Retrieved 16 March 2022, from <https://www.thinkglobalhealth.org/article/online-grocery-shopping-during-covid-19-pandemic>

Jílková, P., Králová, P. Digital Consumer Behaviour and eCommerce Trends during the COVID-19 Crisis. Int Adv Econ Res 27, 83–85 (2021). <https://doi.org/10.1007/s11294-021-09817-4>