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PEOPLE'S ONLINE SPENDING HABITS BEFORE AND DURING COVID 19 LOCKDOWN

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ABSTRACT

People have been spending or earning money through online transactions for the past few years. It is normal for many people to transact money electronically. During the months of March, April and May 2020, many countries including India announced lockdowns because of the Covid19 Virus pandemic. Most of the regular businesses were locked down completely during this period. However some of the online businesses were permitted to continue their businesses by delivering products to customers directly, with minimum personal contact.

This paper tries to find, through an online survey, the online spending habits of people during this dynamic period, when most of the businesses were going through a sea change because of the COVID19 LOCKDOWN. This was unprecedented in recent memory. The online survey was conducted during the months of April and May 2020. As many offices were closed because of COVID 19 LOCKDOWN, people's ability to pay EMIs online. This paper includes information on the earning and spending habits of people before and during the COVID19 LOCKDOWN. The changes that the COVID19 LOCKDOWN has brought on people's behaviour. How people are planning to spend online, after the COVID19 LOCKDOWN. This paper discusses a variety of products or services people spent money on. The role of App Designs in influencing people's buying decisions. It is found that people were donating money

for noble causes during these pandemic times. Whether people are planning to increase or reduce the amount of online transactions after the COVID 19 LOCKDOWN..

1. Introduction

For the past few years, it has become normal for many people to spend or earn through internet. Many websites and Apps exist that facilitate these kind of transactions. People had developed certain habits while doing such online transactions. While such developments were progressing at a very fast pace because of network improvements and new products to facilitate users to access these facilities, COVID 19 Virus started spreading all around the world within a very short period of time. Many countries announced LOCKDOWNS to contain the pandemic. Under such circumstances people became more dependant on internet to transact their respective businesses. Regular office goers started working from home and educational institutes started conducting online classes. Such drastic changes within a short period of time became the new norm under the pandemic conditions.

2. Objective

During the months of March, April and May 2020, many countries including India announced lockdowns because of the Covid19 Virus pandemic. For the past few years, it is normal for many people to transact money through online transactions either to spend or earn. The online survey was conducted during the months of April and May 2020. This paper aims to find, the online earning and spending habits of people before, during and after the COVID19 LOCKDOWN. Most of the regular businesses were locked down completely during this period. This is a period when most of the businesses were going through a sea change because of the COVID19 LOCKDOWN. This was unprecedented in recent memory. However some of the online businesses were permitted to continue their businesses by delivering products to customers directly. Especially websites and Apps delivering food items were allowed to operate with some restrictions. As many offices were closed and unemployment rates raised because of COVID 19 LOCKDOWN, people's ability to pay EMIs online was affected, banks also announced moratoriums. It is of immense interest and research value while studying the kind of changes COVID19 LOCKDOWN has brought on people's buying decisions. This paper discusses a variety of products or services people spent money on during the lockdown period. The role of App and Website Designs in influencing people's spending decisions. It is found that people were donating money for noble causes during these pandemic times. How people are planning to spend online, after the COVID19 LOCKDOWN.

3. Covid 19 Lockdown

There are curfews, quarantines, and similar restrictions (variously described as stay-at-home orders, shelter-in-place orders, shutdowns or lockdowns) in place in many countries and territories around the world, related to the COVID-19 pandemic and established to prevent the further spread of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which causes COVID-19. By April 2020, about half of the world's population was under lockdown, with more than 3.9 billion people in more than 90 countries or territories having been asked or ordered to stay at home by their governments. The World Health Organization's recommendation on curfews and lockdowns is that they should be short-term measures to reorganize, regroup, rebalance resources, and protect health workers who are exhausted. To achieve a balance between restrictions and normal life, the long-term responses to the pandemic should consist of strict personal hygiene, effective contact tracing, and isolating when ill.

The Government of India confirmed India's first case of [Coronavirus disease 2019](#) on 30 January 2020 in the state of [Kerala](#), when a university student from [Wuhan](#) travelled back to the state. As the number of confirmed COVID-19 positive cases closed 500, Modi on 19 March, asked all citizens to observe 'Janata Curfew' (people's curfew) on Sunday, 22 March. At the end of the curfew, Modi stated: "Janata Curfew is just the beginning of a long battle against COVID-19". Following this, while addressing the nation second time on 24 March, he announced the nationwide lockdown from midnight of that day, for a period of 21 days. He said that the only solution to control the spread of coronavirus was to break the cycle of transmission through [social distancing](#). He also added that the lockdown would be enforced more strictly than the Janata Curfew. On 24 March 2020, the Government of India under Prime Minister Narendra Modi ordered a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure against the COVID-19 pandemic in India. It was ordered after a 14-hour voluntary public curfew on 22 March, followed by enforcement of a series of regulations in the country's COVID-19 affected regions. The lockdown was placed when the number of confirmed positive coronavirus cases in India was approximately 500.

4. Online Transactions

Online transactions take many forms. In business-to-business (B2B) transactions, businesses conduct transactions with one another. Business-to-consumer transactions (B2C) take place when businesses and consumers conduct business online, such as when individuals buy tickets from Ticketmaster.com. Person-to-person transactions (P2P) are online interactions between two individuals, like those conducted on online auction site eBay. Although these three types of transactions are the most common, other forms do exist. For example, when individuals submit their taxes electronically, they are completing an online transaction. E-commerce (electronic commerce) is the activity of electronically buying or selling of products on online services or

over the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the [World Wide Web](#) for at least one part of the transaction's life cycle although it may also use other technologies such as [e-mail](#). There are three areas of e-commerce: [online retailing](#), electronic markets, and [online auctions](#). E-commerce is supported by [electronic business](#).

5. Online Survey

This online survey was conducted during the months of April and May 2020, through my social media contacts (FACEBOOK) and WhatsApp, which included friends, relatives and other professional contacts, using an App named SURVEYHEART. The survey was conducted using a questionnaire.

6. Questionnaire To Find People's Online Transaction Habits

The questionnaire was prepared in such a way that many variables could be derived from the data collected. The questionnaire collected some general information about the respondents, like name, gender, age group, address during lockdown, contact details, etc. The questions asked included personal choices of the respondents. For example, what kind of transaction they did online. Did they buy products, services or send money to relatives or friends. The questionnaire also aimed to find for how long they have been using online modes of transaction, whether the LOCKDOWN had brought in changes to their online transaction habits. The questionnaire tried to probe the respondents with specific questions like, what are future plans of spending or earning through online facilities after the COVID19 LOCKDOWN. I received 114 replies to the questionnaire.

7. Findings

Below are the findings after studying the answers given by the respondents. The findings are categorised as: **1. AGE GROUP OF RESPONDANTS 2. DURATION OF PEOPLE'S ONLINE TRANSACTIONS 3. PEOPLE'S FINANCIAL ABILITIES DURING COVID19 LOCKDOWN 4. CHANGES IN PEOPLE'S ONLINE BUYING HABITS DURING COVID19 LOCKDOWN 5. APPS & WEBSITES REGULARLY USED BY PEOPLE 6. PURPOSE OF USAGE OF ONLINE FACILITIES DURING COVID19 LOCKDOWN 7. THE DESIGN OF THE APPS/WEBSITES INFLUENCES PEOPLE TO SPEND MONEY ONLINE**

1. Age Group Of Respondants

After studying the responses given by the respondents, it is found that, all the respondents, both male and female, who participated and replied to the

questionnaire have done online transactions. People aged 19 years and above have made online transactions. People between the ages of 18 and 32 are considered as young adults according to certain UN norms.

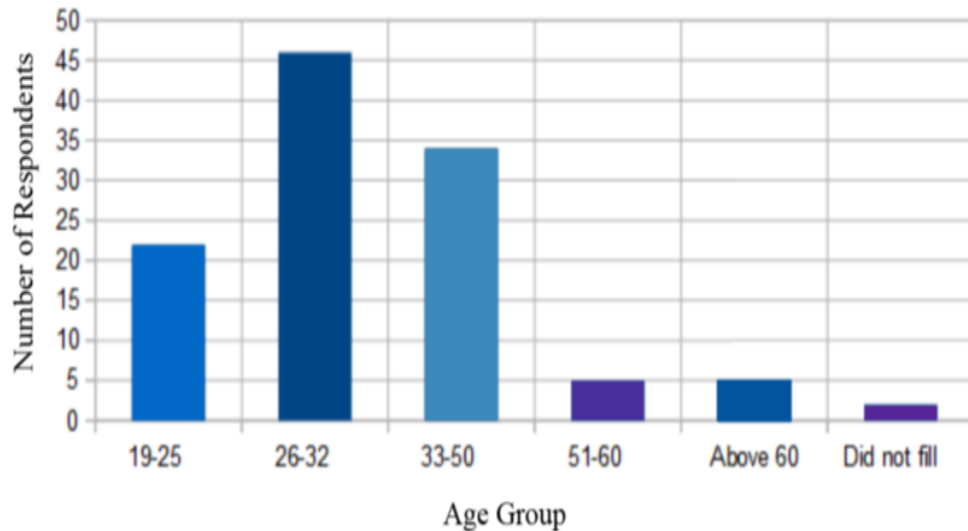


Fig. 1 Shows the age groups the respondents belong to:

2. Duration Of People's Online Transactions

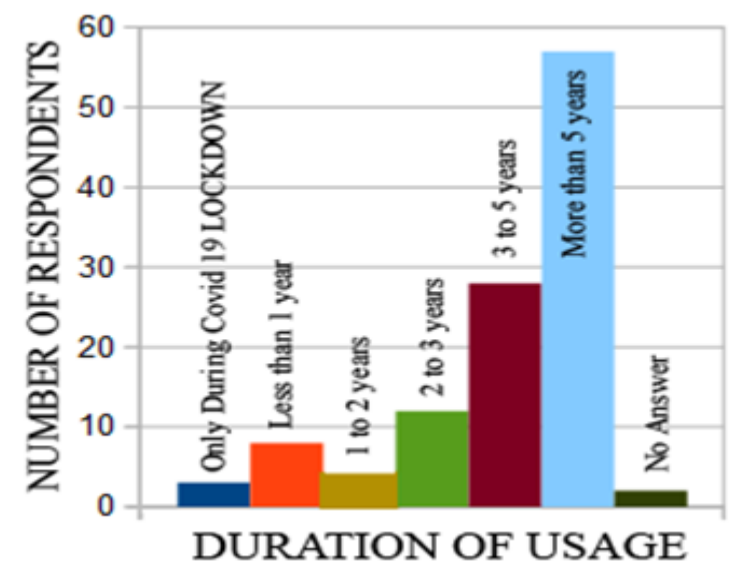


Fig. 2 Shows for how long respondents are using online-transactions.

Today it is normal for many people to use online transactions for various purposes. The survey tried to find, the habits of the respondents and the longevity of their habit of using online facilities to transact money. Here it can be clearly observed that the number of people who used online transactions is much higher than people who are doing online transactions only during COVID19 LOCKDOWN, for less than a year and 1to 5 years. This highlights the fact that online transactions through internet enables devices has had a long

distinct with people's habits. While observing such transactions it was noted that transactions were done for religious or spiritual and donation purposes!

3. People's Financial Abilities During Covid19 Lockdown

The survey tried to find the respondents income and spending habits during COVID19 LOCKDOWN. The survey tries to highlight the fact about whether COVID19 LOCKDOWN has led to the increase/decrease of online earning/spending of respondents.

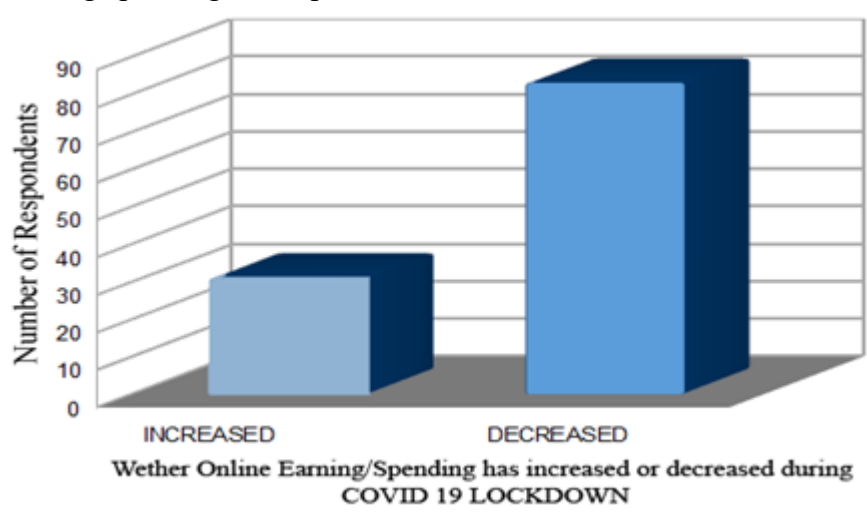


Fig. 3 Did peoples' Earning/Spending increase or decrease through online transactions DURING COVID19 LOCKDOWN.

4. Changes in people's online buying habits during covid19 lockdown

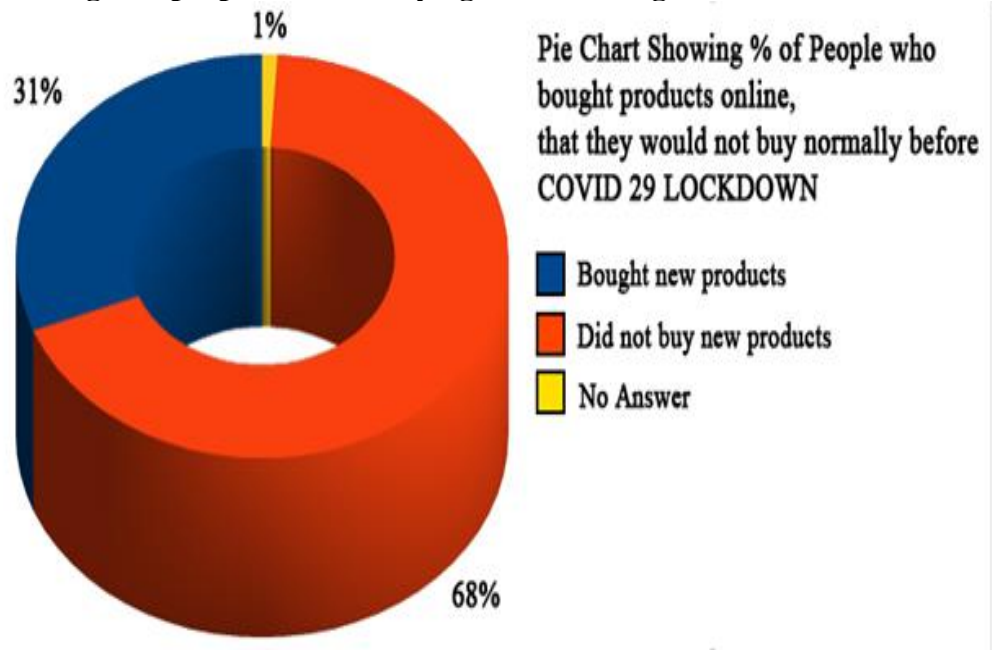


Fig. 4 Percentage of people who bought products online during COVID19 LOCKDOWN,

which they would not buy normally online before COVID19 LOCKDOWN.

5. Apps & Websites Regularly Used By People

The number of Apps & Websites regularly used by respondents to Earn or Spend money online before COVID19 LOCKDOWN is shown below.

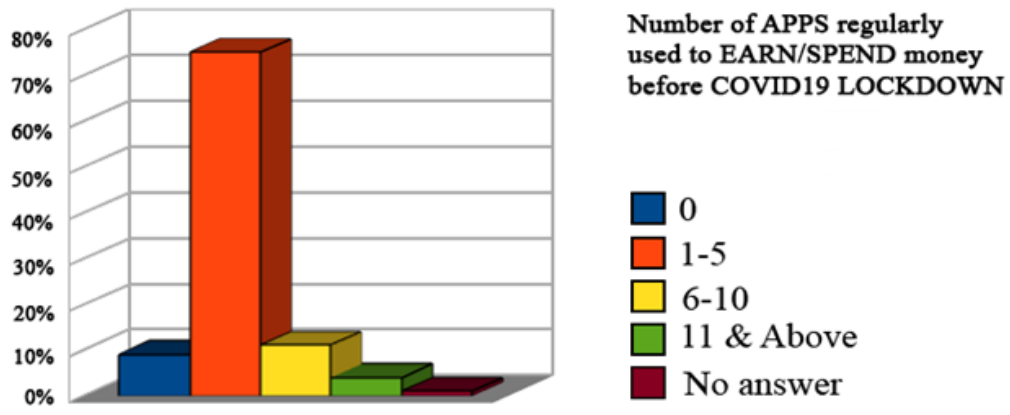


Fig. 5 Number of APPS respondents regularly used before COVID19 LOCKDOWN

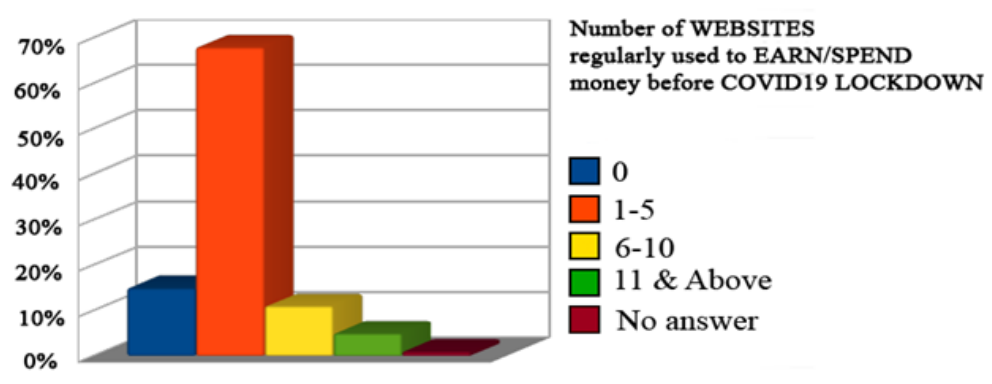


Fig. 6 Number of WEBSITES respondents regularly used before COVID19 LOCKDOWN

6. Purpose Of Usage Of Online Facilities During Covid19 Lockdown

It is very useful and interesting to observe the purpose of usage of online transactions by people for various purposes. The purposes vary from entertainment to banking or financial transactions, buying products, for medical purposes, spiritual or religious purposes and other purposes-including buying grocery, mobile recharges, games and consultation purposes.

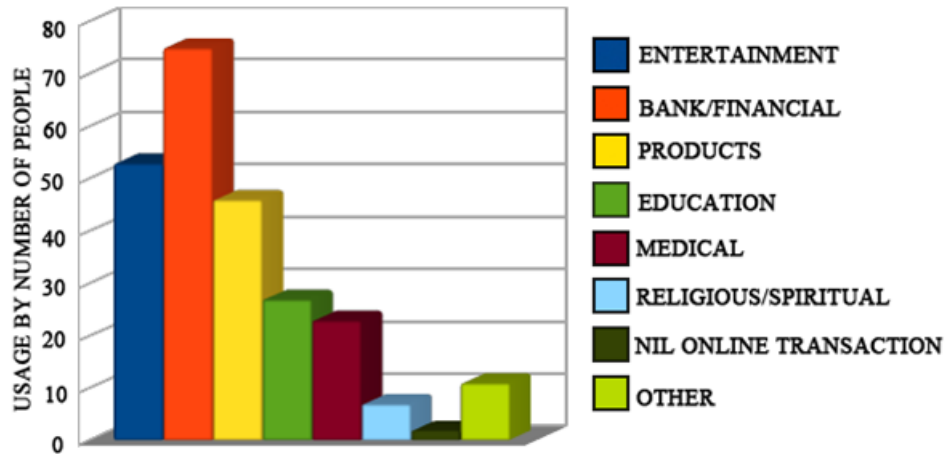


Fig.7 Purpose of usage of online transactions

7. The Design Of The Apps/Websites Influences People To Spend Money Online

As it is human nature to get attracted to visual designs, I hypothesised that the designs of Apps or Websites would influence people's spending online. 39% of the respondents have accepted that the design of the App or Website made them spend online!

Percentage of people who accept that the design of the Apps/Websites made them spend money online

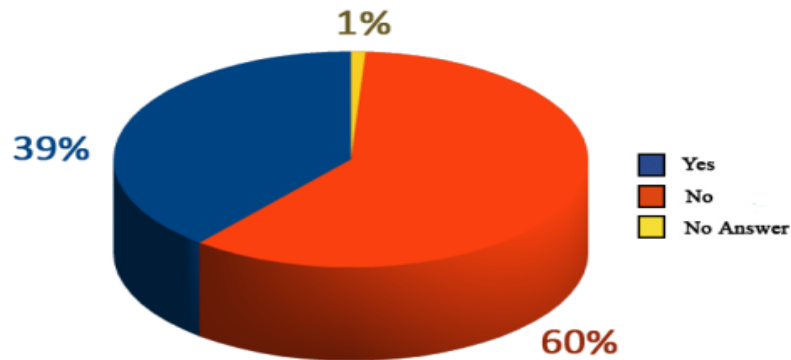


Fig.8 Percentage of people who accept that the design of the Apps/Websites made them spend money online.

8. Analysis

The unprecedented and rarest of the rare circumstances under which this survey was done is an interesting fact by itself, which helped in understanding the online earning or spending habits of people. Though the pandemic forced people to discard their routine life and enter into a new norm, the online spending habits of people had adapted towards the new norms during COVID19 LOCKDOWN. Though earnings had reduced during the lockdown, people were positive enough to continue spending online. People considered

as belonging to the young adult age group play a very important role in doing online transactions. It is found that more people use, between 1 to 5 Apps and 1 to 5 websites to do their online transactions. A small percentage of people use more than 10 Apps and websites to do online transactions. The design of the Apps or Websites plays a significant role in making people spend more online.

9. Conclusion

COVID 19 LOCKDOWN has to a significant level influenced people in how they do their online transactions. The important role played by Apps or Websites and the importance given to them by people. The significant role played by the Designs of these Apps and Websites in making users spend more money online. How inspite of the various difficulties posed by COVID19 LOCKDOWN, people have adapted to the new norms by continuing to use online modes of transactions to fulfill their needs.

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