

# THE PEAK OF E-COMMERCE: CONVERSION OF CONSUMER BEHAVIOR IN THE PANDEMIC PROCESS

**Murat Yılmaz**

Manisa Celal Bayar University, Turkey

murat.yilmz@cbu.edu.tr

## **Abstract:**

E-commerce and supply chain constitute one of the largest industries of our time with its innovative competitive approach. This system continues to develop every day with new platforms and different applications. The covid-19 outbreak, which began at the end of 2019 and almost closed the entire world to its home, caused consumption behavior to change. On the one hand, fighting the epidemic, on the other hand, undoubtedly there has been a big increase in e-commerce at the point of meeting the needs. In this challenging process, where preferences, needs and habits differ, how we benefit from the e-commerce system as consumers is an important issue. In the study, these changes and expectations were investigated by a four-part survey method (demographics, consumption habits and reliability, online shopping, supply chain). In addition, potential advantages and disadvantages of e-commerce factors such as problems in shipping process, payment options, campaigns and social media were been discussed.

**Keywords:** E-Commerce, Covid-19, Supply Chain, Consumption Behavior.

**JEL Codes:** F17, H31, I12 R40

## **Introduction**

Beginning in the last months of 2019, Coronavirus also known as Covid-19, affected the entire world, has causing humanity to experience a difficult and sad process. It is extremely difficult to stay healthy both mentally and physically from this great epidemic, where the number of cases and deaths is expressed in millions. For this, we had to stay at home for months and get away from our loved ones in order to overcome and be protected pandemic.

In order to sustain our lives, we went to great changes in consumption habits and preferences. At the very beginning of this is online trading. So much so that the volume of online commerce has recorded very serious increases at home and abroad in the process of this epidemic. There have been occasional problems even with supply. But adapting to the change in consumer needs during this difficult process was another matter.

In the study, after addressing the pandemic process, information on e-commerce was given by figures. In the third section, the change in consumer preferences is discussed. These changes and expectations were investigated by a four-part survey method (demographics, consumption habits and reliability, online shopping, supply chain). Besides, discussed potential advantages and disadvantages of e-commerce. After the survey results were presented, general evaluations were made in the results section.

### **1. Epidemic Process**

On December December 12, 2019, the COVID-19 virus appeared in China in Wuhan, Hubei province, and the world became aware of the outbreak caused by this virus on December 31, 2019, when China reported the situation to the World Health Organization. One indicator of more than a year is that the virus is spreading rapidly and will leave more lasting effects than past pandemics and epidemics. The effects in question have health, psychological, sociological and economic dimensions. Each of these effects is quite significant. But this study will focus specifically on economic effects. The first economic effect that comes to mind when it comes to economic effects is increased unemployment due to the pandemic and the problem of social justice caused by it. McCann and Matenga (2020) point out that one of the most important social problems of COVID-19 is the income gap it has created.

Since 2009, the global capitalist system is in a general crisis. Markets are often fragile and volatile. Economic way of the outbreak, the current crisis in the "opportunity" life process has a negative impact on the uncertainty and closure of the duration of the outbreak of many firms in the current account balance of foreign trade and production activities, left large companies and especially contraction, and (Le Pere, 2020) has created opportunities, although it continues from there, the system and in some respects.

## **2. E-Commerce**

Developments in information technologies in the process of globalization have accelerated socio-economic interaction and communication. Progress in Information Technologies has rapidly reduced transport and communication costs, allowing information to be spread quickly and easily, and in this direction, the spheres of influence of globalization have been differentiated.

Today, the concept of globalization and the complementary concept of its process is e-commerce. Stock market transactions, government bonds, treasury bills, foreign exchange transactions, banking transactions, goods and services flows have now started to be carried out in electronic markets and the banking sector instead of in traditional markets. Based on this, globalization; where local Sunday and technologies are integrated, the throne of international trade is gradually lost to e-commerce; the nation-state transfers authority to e-state; all kinds of goods and services have evolved into a process in which qualified manpower has to access levels of quality that will ensure competitive conditions; unique behavioral models are created in terms of State Administration and political institution (Aydemir and Kaya, 2007: 277-278).

Trade, in short, is the name given to the exchange of all kinds of goods, services and products or to the exchange of money (Civelek and Güçlü, 2003: 22). E-commerce, “all kinds of goods and services, computer technology, electronic communication channels and related technologies (Smart Card, Smart Card, electronic funds transfer, EFT POS terminals and the like) using a term that includes the sale or purchase of”. According to another view, e-commerce covers purchases and sales where payment transactions are made over the internet. It can also be defined as a commercial business action that can be performed electronically without creating a physical bond and without the need for a physical exchange process. In this way, it is the creation of an environment in which physical boundaries are eliminated and humanity can access the products and services it wants at the touch of a button (Yamamoto, 2013: 6).

Finally, if we mention some of the features of e-commerce, e-commerce facilitates commercial transactions regardless of geographical distance. It also offers companies in developing countries the opportunity to join the global market at the cost of a personal computer, Internet Browser and phone connection. Thus, e-commerce not only encourages competition in the market, but also facilitates cheap Sunday Entry, and this is why it is envisioned as a boon for small and medium-sized businesses in developing countries. It is also much cheaper and therefore has facilitated the globalization of small firms. A second unique feature of using Commerce for the internet is that it actually facilitates a commercial transaction that is unlimited

and therefore makes it difficult to regulate using tariffs or quantitative restrictions. To the extent that it avoids traditional trade barriers, e-commerce benefits the most developing countries. Thus, the digitally distributed form of e-commerce brings the efficiency advantages of free trade for small open economies, most of which are developing (Bhatnagar, 1999: 288-289).

E-commerce advantages: a way for a new shopping, low operating costs, the cost is fairly low investment, high profit and sales, to provide advertising and promotion is very cheap in terms of the physical and the limitation of the lack of commercial space, unlimited time, to provide fast processing, recording transactions, second-hand sales, provide allow you to make it easy to export and easy to provide customer tracking, most viewed products sold to allow it to be to provide small and medium sized businesses the opportunity to compete saglamsi, in the absence of mandatory product stock, customers to the companies alone to grow saglamsi comfortable and fast access to your target audience the target audience is very broad, and finally has advantages such as the possibility of extensive knowledge about the products and visual presentation (Sugözü ve Demir, 2011: 110).

E-commerce Disadvantages: lack of control over distributed information, a lack of control on theft and dissemination of knowledge, the diffusion of knowledge, problems of the wrong technology choices, the delay in participation in the application the reluctance reluctance in israrcilik, legal issues, security, technical issues, privacy issues can be sorted payments in the form of (Erbaşlar ve Dokur, 2008: 8). More importantly, and in the context of results that arise in practice, there is a danger that monopolization trends arise on another plane. Although there is frequent reference to the possibility that e-commerce will serve to create a fully competitive environment in the context of commercial exchange, the existence of a clear lack of competition in terms of payment systems in the final analysis is undeniable.

According to official figures, E-commerce volume reached 91 billion 700 million pounds from 55 billion 900 million pounds in 6 months of the year, an increase of 64 percent compared to the same period last year. 91 percent (83.3 billion pounds) of this includes domestic expenditures, 5 percent (4.5 billion pounds) of Turkey's purchases from other countries, and 4 percent of other countries ' purchases from Turkey. On the other hand, according to payment methods, e-commerce realized 58 billion pounds (63.3 percent) of total e-commerce through card payments, 30.1 billion pounds (32.7 percent) through wire transfer/EFT and 3.4 billion pounds (4 percent) through door payment method. 60 percent of total e-commerce was made in 3 provinces. 47 percent of this is distributed in Istanbul, 8 percent in Ankara and 5 percent in Izmir. (Ministry of Commerce of the Republic of Turkey).

### **3. Consumption Preferences**

A survey method was used to measure individuals consumption habits during the covid-19 outbreak. Multiple likert-type questions were applied online in the survey. Survey were investigated by a four-part survey method demographics, consumption habits and reliability, online shopping, supply chain. The results of the survey method applied on 500 individuals are shared below.

According to the demographics in the first episode, 227 of the participants were men and 273 were women. Of these, 328 are working, while the remaining 172 are students. During the outbreak, more than half of employees had to carry out their work from home.

At the point of meeting basic needs, 55% of respondents used online markets. This rate reaches 90% when meeting non-food needs. Especially in cleaning products, there is an increase of close to 200%. In products such as electronics, household appliances, hobbies, the increase is close to 50%.

63% of those who have never shopped online have ordered from these sites during the epidemic. 19% of respondents experienced difficulties in the procurement process. In order to benefit from online trade campaigns in this process, 84% of participants made an order. This, in turn, shows that the campaigns have been of a nature to increase the volume of trade. The rate of participants choosing at least one online shopping site is 88%, while the rate of using multiple sites corresponds to 64%. Almost all consumers who trade online have ordered for the second time. In general, the proportion of those who are satisfied with online trade is 92%. The biggest problem encountered is that 12% of the expected product does not arrive, and 38% are problems in the cargo.

Although the use of e-commerce decreases as individuals age, it is obvious that an increase was recorded during this period. In particular, the diversity of online shopping channels increases price competition. Campaigns, coupons and discount facilities almost attract consumers. Meeting our general needs through these channels during our stay at home is both a time saver and a fun time. For all these reasons online trading 21. century it seems to have become an inevitable part of the century.

In terms of payment convenience, the proportion of users who think that e-commerce is both healthier and easier is 76%. The perception that staying at home leads people to shop more is around 41%. The opinion that ads and social media promote online shopping is very high, as 82%. This, in turn, shows that advertising and marketing strategies create an expression in terms of consumption when used correctly. The order yield rate of products not received before is 39%. This rate clearly reveals the change in consumption in the pandemic process.

## **Conclusion**

The covid-19 pandemic, which closes the world to its home, is actually a process in which consumption differs. The findings from the study clearly show that our consumption habits and shopping preferences have undergone a major change. Most respondents stated that they consumed more goods and services during their time at home. In addition, demand for very different types of goods has increased. Although there are problems in the cargo and supply stages during this period when Online trade is at its peak, people tend to give online shopping another chance.

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