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Measuring the Impact of the COVID-19 Pandemic on Customers' Changing Buying Behaviors

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Abstract: *This research aims to measure the Impact of the COVID-19 Pandemic on customers' changing purchasing behaviors in the City of Erbil in Iraq. In particular, it was tried to understand the changes in customers' internet usage and online shopping behaviors during the Covid-19 pandemic. For this purpose, two types of data were collected; qualitative and quantitative. Primary data was collected from 106 customers using structured survey questionnaires in the city of Erbil. According to the results of the analysis using SPSS; Internet usage and online shopping rates increased in the city of Erbil during the Pandemic, however, the rate of online shopping increased more than the rate of internet use.*

Key words: *Covid-19 pandemic, internet, online shopping, customer behavior*

1. INTRODUCTION

The aim of this study is to examine the changes in the behavior of customers on internet usage and online shopping during Coid-19 pandemic in this region chosen as the study area, and to contribute to those who work in this area and those who do business in this region and organizations in determining their marketing strategies.Accordingly, it is to contribute to the companies operating in this region to take the necessary precautions in advance during Covid -19 and to minimize the risks they may encounter.Customers use various methods to minimize the Covid-19 pandemic effect and to meet their needs in the shortest time and the cheapest method; one of these methods is online shopping.The importance of this study is to investigate the effects of the coronavirus (Covid-19) pandemic in the city of Erbil in the Kurdistan region of Iraq, chosen as the study area, on the purchasing behavior of customers on online shopping and to make recommendations to the companies doing business in this region and to take precautions accordingly.On February 11, 2020 the World Health Organization announced an official name for the disease that is causing the 2019 novel coronavirus outbreak, first identified in Wuhan China. The new name of this disease is coronavirus disease 2019, abbreviated as COVID-19. In COVID-19, "CO" stands for corona, "VI" for virus, and "D" for disease.

Almost all countries around the world have declared quarantines for 14, 30 and 45 days sometimes more to protect their citizens from the effect of COVID-19 and prevent the spread of the disease; accordingly companies have changed their strategies including online marketing.

One of the biggest impacts of COVID-19 is that businesses adapt to the digital forum as best they can, due to shutdown measures, lockdown effects and social distancing.

Iraq ranks high in a number of economic, political, societal, environmental, and security fragility metrics(Zoellick, 2008). The spread of COVID -19 in Iraq has been much faster than in other developed and developing countries. The countries such as Iraq where income inequality is at an extreme level, social justice is absent, national income per capita is below the world average and health services are very inadequate. Accordingly, developed and developing countries should urgently help Iraq in order to control and stop the spread of the disease and to achieve an effective vaccination.

The global spread of the coronavirus, or COVID-19, is a rapidly evolving situation.This situation is happening in KRG in Iraq and the government is trying to take the necessary measures.(https://gov.krd/coronavirus-en/situation-update/)

COVID-19: Kurdistan Region at a Glance

Total confirmed cases: 115,210

Total recovered: 106,677

Total deaths: 3,591

Total active cases: 4,942

Data include confirmed cases of COVID-19 reported by the Ministry of Health (MOH) since 1 March 2020.

The virus is currently a global problem and has affected worldwide marketing, spending, and various marketing strategies. This virus has affected different companies, organizations, firms, international and regional markets through marketing and spending operations (Sharma, 2020).Social media use increased during the COVID-19 due to the dynamics of staying at home as a result of the pandemic. For this reason, the online marketing has been used by a large audience that is active on social media.

The fashion world is also one of the business areas affected by COVID-19, and thousands of people work there. The fact that the fashion world regains its performance before the pandemic depends on the diminishing the effect of the pandemic on the supply chain on the world and the end of this effect over time. Kannappan(2020) stated that marketing agility and e-commerce agility become the foundation of fast fashion brands if they have to regain their leadership position in the post-COVID-19 pandemic.Online marketing has become one of the most important marketing models due to the pandemic. Organizations should reach their customers using social media and adapt to the situation by overcoming the crisis caused by the pandemic. The COVID-19 pandemic affected economies and financial markets worldwide more than previous outbreaks due to severe government restrictions on economic activity and social life (Koch, Frommeyer&Schewe, 2020).

Sharma (2020) stated that COVID-19 has had a huge impact on digital marketing, social media marketing, email marketing, 4P marketing, ads, and search engines (SEO).During the pandemic period, it is only possible way to keep the customers we had before is to communicate with them; one of the most important of these communication channels is online marketing.The Covid-19 crisis has been recorded as one of the biggest crises in the history of the world, considering the number of people it has affected.

This crisis, which cannot be predicted exactly when it will end, seems to have no area in our lives that it has not affected.The world as we know it is currently experiencing one of the biggest challenges since the Second World War. The COVID-19 crisis affects every aspect of our lives (Hoekstra &Leeflang, 2020).As Donthu& Gustafsson (2020) showed that pandemics are recurring events, we will most likely see another epidemic in our lives. It is obvious to everyone that the current epidemic is enormous, but hopefully short-term - the

effects on all our lives. The companies around the world should be prepared for epidemics like Covid-19, which we are likely to encounter in the future, and develop their marketing strategies and marketing policies accordingly.According to Saleh (2020) the participant companies have used social media as a marketing tool such as Instagram, WhatsApp, Snapchat, e-mail and websites to communicate with customers and collaborate with business partners in market conditions caused by Covid-19.

1. RESEARCH OBJECTIVE

The study is based on specific research objective formulated to reach the research goals and formulated as:
To understand the effects of Covid-19 on internet-usage rate on people around Erbil city in KRG in Iraq.
To investigate the effects of Covid-19 on online-shopping rate on people around Erbil city In KRG in Iraq.

2. LITERATURE REVIEW

History shows that the world has been repeatedly affected by pandemics in the last decade; these epidemics include 1918-1919 "Spanish Flu", 1957-1958 "Asian Flu", 1968 "Hong Kong Flu", 2002-2003 SARS-CoV-1, and 2009-2010 "Swine Flu"(Cherry, 2004).Human history is full of health crises such as the Covid-19 pandemic, and unfortunately, millions of people lost their lives due to these crises.

COVID-19 is a disease caused by SARS-CoV-2 that can trigger what doctors call a respiratory tract infection. It can affect your upper respiratory tract (sinuses, nose, and throat) or lower respiratory tract (windpipe and lungs). It spreads the same way other coronaviruses do, mainly through person-to-person contact. Infections range from mild to deadly (Pathak, 2021).

As Mason, Narcum& Mason, (2021)found that consumers have increased their use of social media as a means of identifying products, collecting information about products, evaluating products and purchasing products. Therefore, the findings show the increasing importance of social media marketing since the COVID-19 pandemic began. Koch, Frommeyer&Schewe (2020) explored the causes of online shopping for Generation Y and Z during the shutdown of COVID-19 in April 2020 and they found that normative determinants such as media reports on the economic situation are related to the purchasing intentions of consumers, but that close social networks have no normative influence.The economic recession caused by the last pandemic has significantly affected the shopping and media habits of consumers and changed the marketing activities and performance of companies.As Vafainia (2020) has shown, periods of recession can provide marketers with opportunities to grow their brand's market share with the right marketing mix spend management.

Nguyen, et al (2020) investigated the influences of the COVID19 pandemic situation, utilitarian and hedonic motivations on consumer intention to buy books online and they found that the COVID-19 pandemic situation has a positive and significant impact on consumer intention toward online book shopping.

Bhatti, et al (2020) examined that e-commerce grew due to coronavirus. E-commerce is become a substitute source and considered top in this condition, and e-retailers provides goods that usually consumers bought in superstore traditionally and they were

primarilyinterested in how coronavirus spread and effects the e-commerce of not only china rather it effects globally.

Sharma &Jhamb (2020) aimed to reflect on different issues and perspectives of online marketing due to COVID-19. There are still many more uncertainties to predict how the sale for the next few months will be impacting the global community, both personally as well as professionally.The results showed that online marketing and shopping will soon go back to normal but the losses and downshift brought by this pandemic are not ignorable (Sharma &Jhamb 2020).

Research Hypothesis
Hypothesis -1
H0: Covid-19 does not haveeffectson online-shopping rate
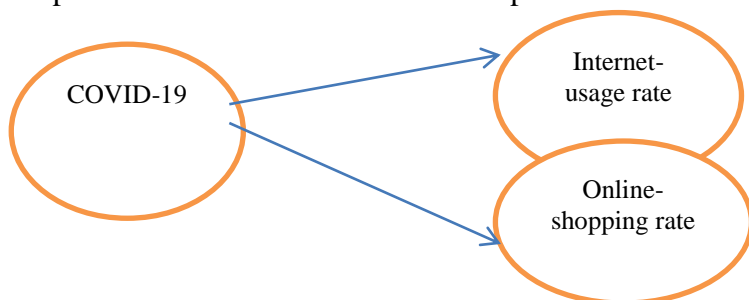H1: Covid-19 has effects on online-shopping rate
Hypothesis -2
H0: Covid-19 does not have effects on internet usage rate
H1: Covid-19 has effects on internet usage rate

Conceptual Modal
Independent variable   Dependent variables

COVID-19 → Internet-usage rate

COVID-19 → Online-shopping rate

3. RESEARCH METHODOLOGY

The study is descriptive in nature and for this purpose;data sources, primary data source, and secondary data source were used.First, secondary data (qualitative)was used as a literature review to understand the current situation in the city of Erbil and around the world. The goal was solved by visiting different online libraries,reading published articles presented with different online databases, and books.Second, primary data (quantitative) was collected using structured survey questionnaires with the sample of 106 customers and clients around Erbil city.

For collecting quantitative data, a five-point Likert scale was used, and SPSS software package was used to analyze the data.

Demographic Analysis

Item wise analysis:

	N		Mean	Median	Mode	Std. Deviation	Skewness	Std. Error of Skewness
	Valid	Missing						
Q1	106	1	4.5	5	5	0.63621	-0.905	0.235

Q2	106	1	4.3679	4	5	0.69454	-0.643	0.235
Q3	106	1	4.1887	4	4.00[a]	0.75735	-0.331	0.235
Q4	106	1	1.0189	1	1	0.1367	7.174	0.235
Q5	106	1	4.5849	5	5	0.63046	-1.257	0.235
Q6	106	1	4.566	5	5	0.63274	-1.173	0.235
Q7	106	1	4.2075	4	5	0.81319	-0.617	0.235
Q8	106	1	4.1321	4	5	0.88453	-0.516	0.235
Q9	106	1	3.8208	4	4	0.92373	-0.298	0.235
Q10	106	1	3.6604	4	4	0.9143	-0.107	0.235

Reliability Analysis:

Reliability Statistics

Cronbach's Alpha	N of Items
.816	10

The current study has Cronbach's alpha is .816 which is above the standard and acceptable.

Testing Hypothesis -1

Correlations

		COVID19	INTERUSAGE
COVID19	Pearson Correlation	1	.366[**]
	Sig. (2-tailed)		.000
	N	106	106
INTERUSAGE	Pearson Correlation	.366[**]	1
	Sig. (2-tailed)	.000	
	N	106	106

**. Correlation is significant at the 0.01 level (2-tailed).

The pearson correlation value is .366 where the relation between independent variable covid-19 and dependent variable internet usage rate are correlated moderately positive and significant to each other.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.366[a]	.134	.126	.33171

a. Predictors: (Constant), COVID19

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.773	1	1.773	16.111	.000[b]
	Residual	11.443	104	.110		
	Total	13.216	105			

a. Dependent Variable: INTERUSAGE
b. Predictors: (Constant), COVID19

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.369	.257		9.234	.000
	COVID19	.235	.058	.366	4.014	.000

a. Dependent Variable: INTERUSAGE

Based on the above regression analysis, R^2 value is .134 where 13.4% of variables were explained.

Correlations

		COVID19	ONLINE
COVID19	Pearson Correlation	1	.538[**]
	Sig. (2-tailed)		.000
	N	106	106
ONLINE	Pearson Correlation	.538[**]	1
	Sig. (2-tailed)	.000	
	N	106	106

**. Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation value is .538 where The relation between independent variable covid-19 and dependent variable online shopping rate are correlated moderately positive and significant to each other.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.538[a]	.290	.283	.58849

a. Predictors: (Constant), COVID19

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.707	1	14.707	42.466	.000[b]
	Residual	36.018	104	.346		
	Total	50.725	105			

a. Dependent Variable: ONLINE
b. Predictors: (Constant), COVID19

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.013	.455		2.226	.028
	COVID19	.676	.104	.538	6.517	.000

a. Dependent Variable: ONLINE

Based on the regression analysis, R^2 value is .290 where 29% of variables were explained.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	51	47.7	48.1	48.1
	2.00	55	51.4	51.9	100.0
	Total	106	99.1	100.0	
Missing	System	1	.9		
Total		107	100.0		

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	16 years-25 years	29	27.1	27.4	27.4
	26 years-35 years	58	54.2	54.7	82.1
	36 years-45 years	19	17.8	17.9	100.0
	Total	106	99.1	100.0	
Missing	System	1	.9		
Total		107	100.0		

Marital_status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	25	23.4	23.6	23.6
	2.00	81	75.7	76.4	100.0
	Total	106	99.1	100.0	
Missing	System	1	.9		
Total		107	100.0		

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary	26	24.3	24.5	24.5
	Intermediate	31	29.0	29.2	53.8
	Graduate	36	33.6	34.0	87.7
	Post Graduate	9	8.4	8.5	96.2
	PhD	4	3.7	3.8	100.0
	Total	106	99.1	100.0	
Missing	System	1	.9		
Total		107	100.0		

Profession

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	student	23	21.5	21.7	21.7
	Private Employee	37	34.6	34.9	56.6
	Govt. Employee	28	26.2	26.4	83.0
	Business	17	15.9	16.0	99.1
	Self Employed	1	.9	.9	100.0
	Total	106	99.1	100.0	
Missing	System	1	.9		
Total		107	100.0		

4. CONCLUSION AND LIMITATIONS

Researcher would like to conclude that Covid-19 has positive significant effect on Internet usage rate and online shopping rate where online shopping rate is more than Internet usage rate. The present study has limited sample size due to time and resources. The outcomes of the study may vary when the sample size and demographics vary.

Scope for further research
Research may be carried out by adding extra variables regarding Covid-19 by taking latest circumstances into consideration.

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