

## Analysis of Indonesian Consumer Online Shopping Behavior During the Covid-19 Pandemic: A Shopee Case Study

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**Abstract.** Covid-19 affects and changes almost all aspects of life. Change is not only for awareness to have a healthy lifestyle but also people's preferences in doing online shopping. Many indicators influence changes in society in making decisions, especially in making online purchases. Because of this, in this research the needs of people with changing preferences after Covid-19, Shopee as one of the giant e-commerce in Indonesia must also adapt to existing conditions. This research was conducted using a descriptive method based on the results of a questionnaire to several samples with purposive sampling of Indonesian society in metropolitan cities to obtain the findings and expected results of this study. Apart from using primary data, this research is also supported by reliable secondary data. The results of this study are to determine changes in people's preferences for online shopping after the Covid-19 pandemic. The research is limited to a sample of Indonesian people and Shopee as e-commerce platform. This research is expected to help Shopee, other e-commerce and other online seller to understand changes in customer demand and perception during Covid-19 to increase their sales and lead to customer satisfaction.

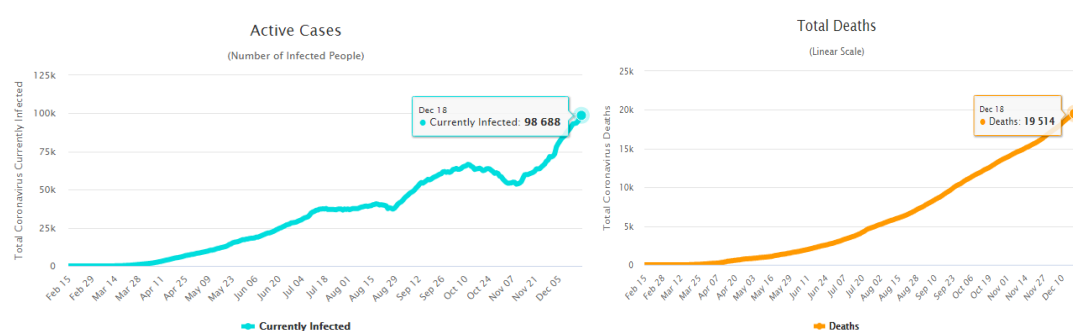
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### INTRODUCTION

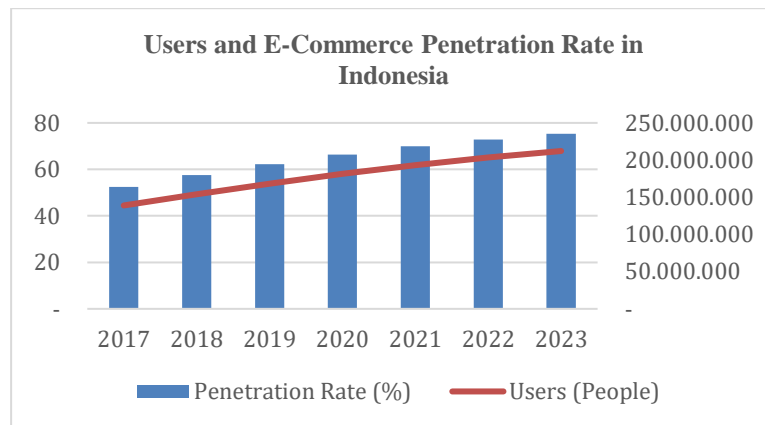
Covid-19 caused panic throughout the world, not only in terms of health but also spreading to economic problems. The many uncertainties in the future have prompted most parties to refrain from taking risky actions, both from the investment and consumption side, which have a significant impact on their business and their survival. The death rate is also increasing from day to day, even now several countries have experienced the second wave of Covid-19. In Indonesia, the number of new cases and the number of victims who died is still experiencing an increasing trend as shown in graph 1 and graph 2.



Graph 1. Covid-19 Infected Cases in Indonesia  
Source: <https://worldometers.com>, 2020.

Graph 2. Covid-19 Death Cases in Indonesia

Various countries in the world are experiencing economic pressures, even though there are large balances in the Americas and Europe. Businesses from various business sectors are also experiencing difficult times, the low level of consumer demand has made their position more difficult. On the other hand, since this pandemic, people are increasingly paying attention to health, hygiene and safety in their daily activities, including when making shopping decisions or consuming certain products. This pandemic has brought people's behavior patterns to the adaptation of new habits (New Normal). To minimize the possibility of contracting this virus, people have begun to change their shopping patterns through online shopping, as well as shifting shopping preferences. From previous research, It is known that the e-commerce business is one of the beneficiaries due to shifting consumer preferences during the pandemic, so that they make purchases through Shopee or other e-commerce. Based on databox research, e-commerce users are projected to experience an increasing trend with 212.2 million users in 2023, where the penetration rate is 75.3% of the total population of the selected market.

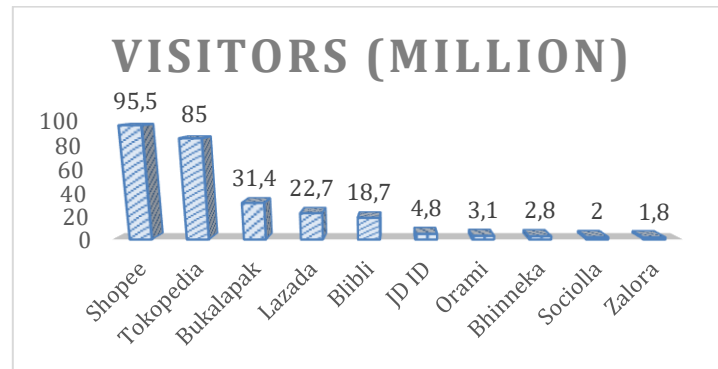


**Graph 3** Users and E-Commerce Penetration Rate in Indonesia  
Source: <https://databoks.katadata.co.id/>, 2020.

Covid-19 is not certain when it will end. This pandemic is changing the mindset and habits of consumers into a new habit known as the "New Normal". All elements of the economy must be able to take advantage of the existing conditions not only to survive but to grow and develop. Based on research by Anam Bhatti et al (2020), overall e-commerce sales have increased due to covid-19, consumers avoid leaving the house, maintaining social distancing, shopping from home and working from home.

### **E-Commerce and Covid-19**

The spread of covid-19 limits the behavior of consumers who previously were able to make physical contact through free direct (physical) trading, now leading to a situation that encourages consumers to minimize physical contact and be more vigilant in direct interactions. Based on Sirclo's research, 2020 there were 12 million new e-commerce users during the pandemic in Indonesia. Pandemic has a significant impact on some products, but not so significant impact on other products (Andrienko, 2020). The increasing use of e-commerce in Indonesia is an opportunity for entrepreneurs, especially e-commerce, which is the main game for online shoppers. Based on the data in the following chart,



Graph 4. Monthly Visitors to E-Commerce Sites (Quarter III 2020)

Source: <https://databoks.katadata.co.id/>, 2020.

There is an opportunity for a significant increase in market share in Indonesia, of course global and Indonesian e-commerce entrepreneurs are competing to attract the attention of potential shoppers, including Shopee, so that currently it is able to become the top e-commerce with the highest visitors.

### Marketing Mix

The concept of the marketing mix was introduced by Kotler and Keller (2012: 25) which includes the 4Ps, namely product, price, place and promotion. These four formulas can be combined by entrepreneurs / business people to attract consumer interest in order to solve consumer desire problems which consist of 4C, namely customer solution, customer cost, convenience and communication. Customer Solution reflects the market demand that is expected to be fulfilled. Customer Cost is the rate charged to obtain a product or service. In setting this rate, the company must consider the overall marketing strategy to be carried out. This convenience includes convenience and comfort. In an era of technological advancement like now, the ease and convenience in distributing the products or services offered is becoming increasingly unlimited. This communication serves to give a meaningful impression to potential consumers aimed at driving sales.

### Consumer Behavior

Pandemics change the way consumers behave, 95% of GenZ and millennials have concerns and cautions regarding this condition (Rachita Ota et al, 2020). This condition encourages consumers to use the internet and make it a habit in their daily activities (Abiad, Arao, & Dagli in Anam Bhatti et al, 2020). Even though this pandemic has had a negative impact on the world economy, on the other hand, the e-commerce business has experienced a significant increase. Based on research by Rudi Yanto et al (2020), Covid-19 accelerates consumer habits towards digital trade which results in an increase in the cumulation of consumers who shop online. Therefore, e-commerce companies must be able to take advantage of existing opportunities to be able to compete in these conditions.

### METHOD

This study intends to understand the mindset of Indonesian consumers towards online shopping during the new habit adaptation period (New Normal) of the Covid-19 pandemic. The research was conducted on Shopee as e-commerce with the largest users in Indonesia. The data used in this study include primary data and secondary data. This study uses a descriptive method on the results of the questionnaire and collected secondary data.

The objectives of this study are to (1) Study the mindset of Indonesian consumers towards online purchases from Shopee during the COVID-19 pandemic period; (2) Analyze what main product ranges consumers buy from Shopee and which products are not in great demand during this emergency period; (3) Study the marketing strategies being practiced by Shopee to retain and assist customers during this pandemic.

Primary sources were obtained using questionnaires, while secondary data were collected through online journals, articles and news. Research used purposive sampling that is limited to Indonesian Consumers in the metropolitan cities include Jakarta, Surabaya and Makassar which is presented sophisticated societies. The number of research samples was determined as many as 74 people. Data collection was carried out with the help of Google Forms and was carried out in January 2021.

In interpreting the secondary and primary data sources on the questionnaire results, descriptive statistical methods are used to interpret all the questions on the questionnaire. This method will separate a percentage based on the answers they convey on the questionnaire. The respondents in this study amounted to 74 people with the demographics of the respondent profiles shown as follows:4

Table 1. Demographics of Respondents Sample

Gender	amount	Percentage (%)
Man	28	38%
Women	46	62%
Age Group	amount	Percentage (%)
Below 20	11	15%
20-30	46	62%
31-40	15	20%
41-60	2	3%

## RESULT AND DISCUSSION

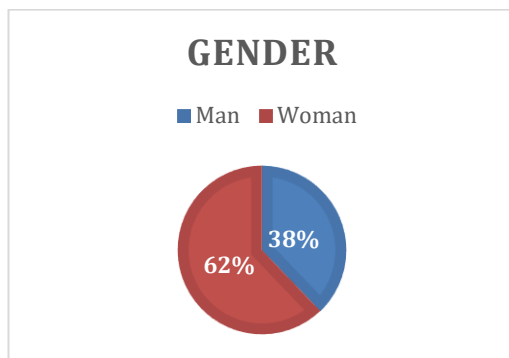


Diagram 1. Percentage of Respondents by Gender

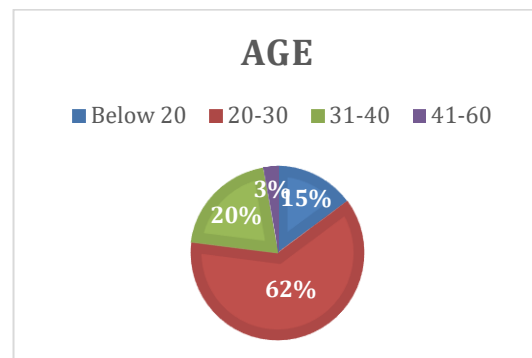


Diagram 2. Percentage of Respondents by Age

It is clearly reflected in table 1 and diagrams 1 and 2 that 62% of respondents are female and the remaining 38% are male with the following age groups: 15% are under 20 years old, 62% are 20-30 years old, 20% 31-40 years old and the remaining 3% are 41-60 years old.

### The mindset of Indonesian consumers towards online purchases from Shopee during the COVID-19 pandemic period

From the sample of respondents, it is realized that the use of Shopee in Indonesia is already very popular, so the questionnaire results show that before the pandemic 97% of respondents had used online shopping through Shopee and the rest only 3% of respondents who had not. Meanwhile, during the pandemic, the use of online shopping increased but was not significant, around 99% of the total respondents, and the remaining 1% had not used Shopee at the time of the pandemic. The condition after the pandemic, online shopping through Shopee is projected to be the same as during the pandemic because based on the survey results there is still 1 person who will not switch to trying to shop online through Shopee during the pandemic or post-pandemic.

Table 2. Shopee consumers' mindset towards online shopping before, during, and after the pandemic

Utilization	Yes	No
Before Pandemic	97%	3%
During Pandemic	99%	1%
After Pandemic	99%	1%

Source: primary data

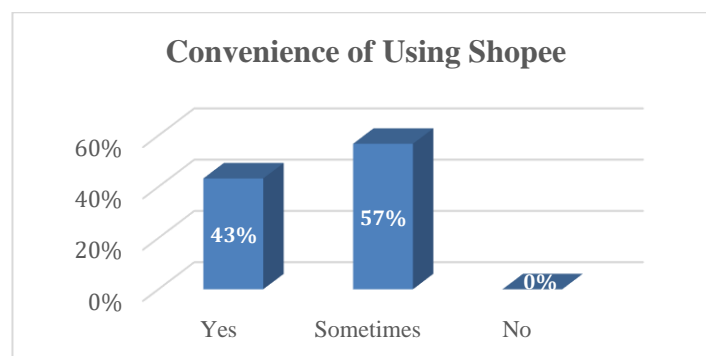


Diagram 3. Perception of comfort

Source: Primary Data

Consumers' perceptions of the convenience of using online shopping through Shopee can be illustrated through diagram 3, which illustrates that 43% feel comfortable using Shopee compared to shopping offline (shops / markets) and there are no respondents who are uncomfortable with Shopee's online shopping services, even though the rest 57% of respondents still feel that shopping online is sometimes more comfortable, but this does not stop people's preferences for shopping offline (not frequent buyers).

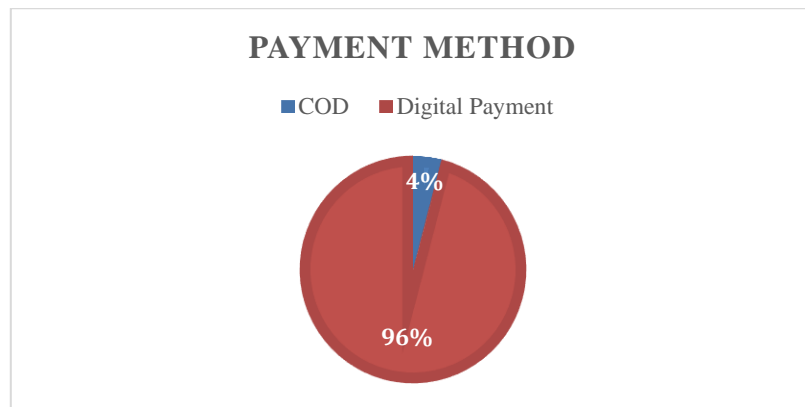


Diagram 4. Payment Method Preferences  
Source: Primary Data

Diagram 4 shows that the majority of respondents choose to use digital payments which include: Bank transfer, ShopeePay, Debit / Credit Card, Indo / Alfamart and so on. Meanwhile, the rest still prefer to pay in cash (Cash On Delivery / COD), which is 4% of respondents.

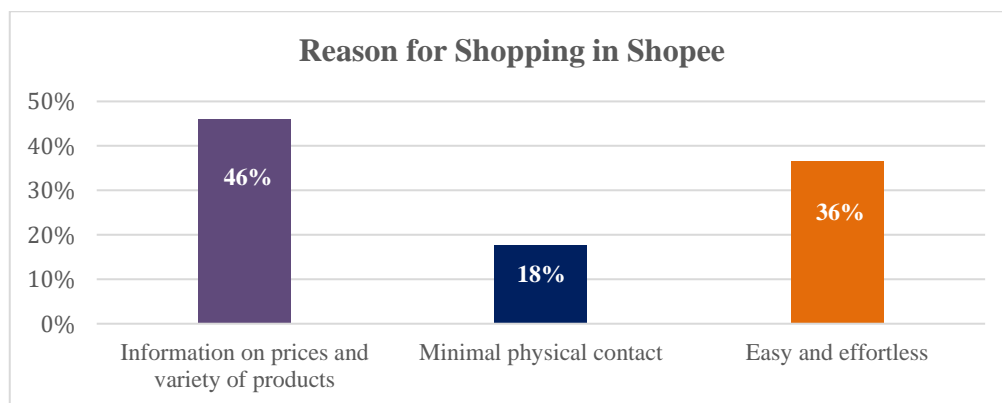


Diagram 5. The Reason for Shopping Online  
Source: Primary Data

Based on diagram 5, the majority of Shopee consumers (46%) shop online because they think price information and product choices are more diverse, while 36% choose to shop online because of easy access and do not require excessive effort, the remaining 18% prefer to avoid contact during this pandemic, so they tend to shop online through Shopee.



Diagram 6. Shipping Products Preferences  
Source: Primary Data

Based on diagram 6, it is known that 58% of consumers focus on good product packaging at the time of delivery, the remaining 36% of respondents focus on sterilizing packages that are sent, and the remaining 5% hope that by shopping online during a pandemic, the packages are few in the hands of people or minimum contact, so as to minimize the spread of covid-19.

### Consumer Purchase Preferences During Covid-19

During a pandemic, the preferences for products purchased by consumers are not necessarily related to health or food needs. For Shopee consumers in Indonesia, diagram 7 shows that online shopping preferences are most often made for fashion products. As many as 38% of respondents admitted that fashion products were the items most often purchased online through Shopee during the pandemic, while 20% and 15% of respondents admitted that during the Covid-19 pandemic, they more often bought Health products and food ingredients, while the remaining 8% and 4% admitted that they often provide beauty and electronic products.

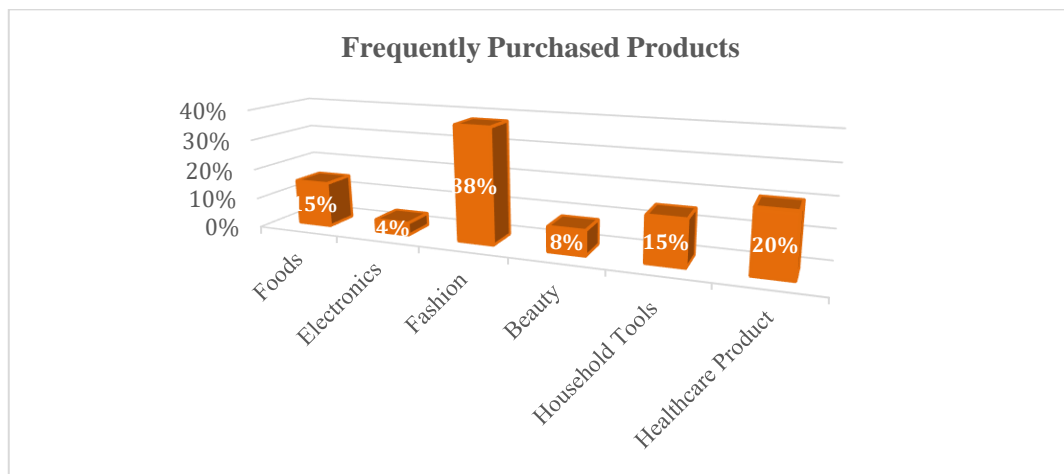


Diagram 7. Products Purchased During Covid-19  
Source: Primary Data

### Marketing Strategy From Shopee To Attract Consumers

During the Covid-19 pandemic, Shopee implemented a marketing strategy to increase customer engagement with the Shopee brand and to attract potential customers. Shopee has a Shopee live feature that helps consumers determine which products to buy. In addition, during this pandemic, Shopee also provides entertainment services as part of getting opportunities for new consumers to do more activities at home during the pandemic with several game features such as Shopee games and Shopee Liga. In fact, the marketing strategy through Shopee Live is not well known by the public. Based on the survey results, it is known that only 14% have ever used this feature as shown in diagram 8.

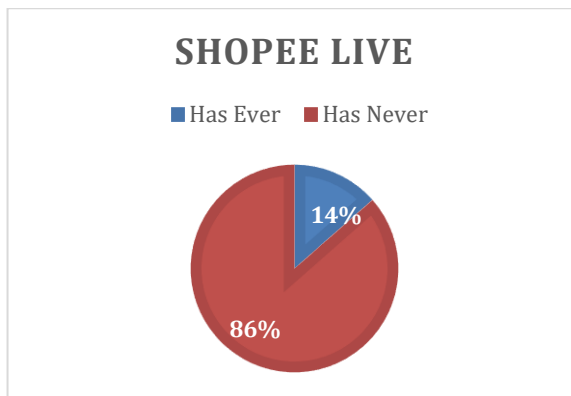


Diagram 8. The Use of Shopee Live Features  
Source: Primary Data

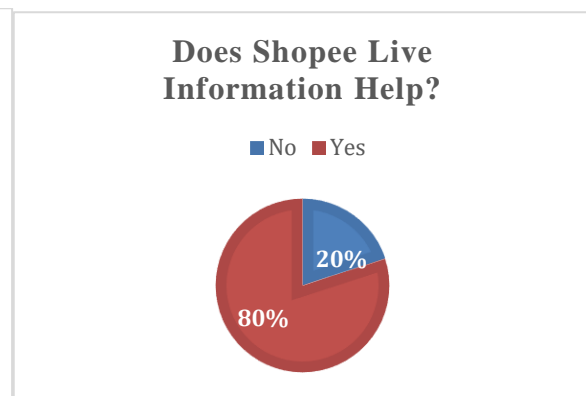


Diagram 9. The Use of Shopee Live Features

From the 14% of respondents who claimed to have used the Shopee live feature, the majority of 80% admitted that the information obtained through Shopee Live really helped consumers in determining which products to buy, while the remaining 20% felt the information did not help in making product purchase decisions.

On the other hand, apart from being a shopping platform, during the pandemic, Shopee also offered entertainment media services such as Shopee Games and Shopee Liga, although the service was not optimal yet, Shopee entertainment media users were quite good compared to the Shopee Live feature, namely 34% of respondents claimed to have used it. where 80% used the entertainment media Shopee Games, 4% only used Shopee Liga, while 16% claimed to have used both media as shown in diagram 11.

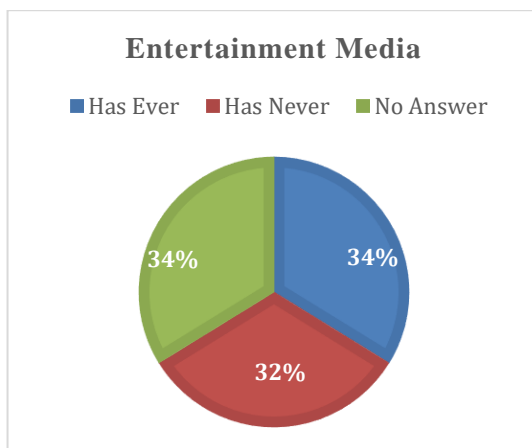


Diagram 10. The Use of Entertainment Media  
Source: Primary Data

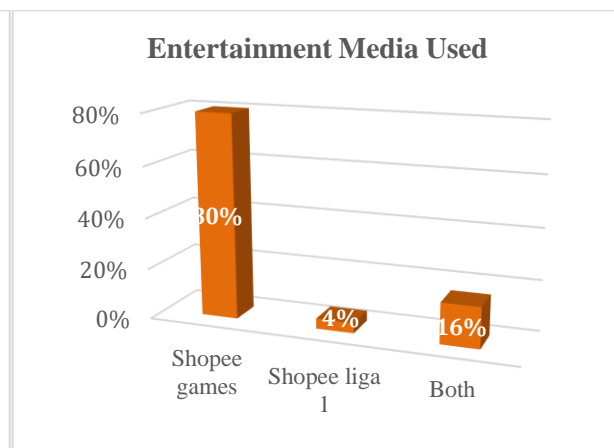


Diagram 11. Entertainment Media Used

From the findings above, there is some evidence to strengthen previous research that there is an increase in the use of online shopping during the Covid-19 pandemic. However, this increase is slightly different for Indonesian respondents, the majority before the pandemic they were accustomed to using online shopping through Shopee, so that the increase in online use before and after and after Covid-19 was not significantly affected. The productive age group in Indonesia are very familiar with online shopping through e-commerce, Shopee is one of the most visited e-commerce platforms. This can also be seen from the findings that the majority of Indonesians feel more comfortable shopping through online (Shopee) rather than coming or shopping at the offline market. although this does not result in them moving



100% shopping online, because in some cases they still come to buy offline to shops and markets. Technological improvements and also the conditions of the Covid-19 pandemic also encourage an increase in digital transactions, the majority of Indonesians use digital payments when shopping through Shopee, very few respondents use cash payments upon product arrival (Cash On Delivery). This shows that the Indonesian people are very familiar with digital payments, especially during the Covid-19 pandemic to minimize contact and maintain distance. Although in general, the people in their current condition after 11 months through the pandemic still make the main reason for online shopping to be chosen because it provides more information about prices and product choices rather than concerns about minimizing physical contact. Likewise for product delivery (packages), the majority of respondents still prioritize good packaging compared to concerns about the sterility of the packages sent.

The most popular product during the pandemic is still very mainstream, namely fashion. There are no significant changes leading to health products or foodstuffs, in contrast to previous research conducted at the time of the lockdown at the start of the pandemic in India, where health and food products were targeted when shopping online, while fashion products experienced a decline in preferences. This difference occurs due to the difference in time when this study was conducted. The questionnaire responses were received in January after the pandemic period in Indonesia had lasted for about 11 months, so that people began to get used to the adaptation of new habits.

In an effort to improve its performance, Shopee provides services outside of buying and selling to increase consumer engagement with the brand. This is shown by creating the Shopee Live feature which indirectly provides an understanding of various products, as well as the shopee games and shopee league features as a form of entertainment media that consumers can use to optimize their time during their many activities at home or activities during the adaptation period of new habits. Shopee's efforts are good enough, because some respondents are familiar with these features.

## **CONCLUSIONS**

Based on the research results, it can be concluded that the thinking patterns and preferences of online shopping during the Covid-19 pandemic have increased compared to before the pandemic. The Indonesian people feel more comfortable shopping online through Shopee compared to coming directly to offline stores because of the availability of information about prices and various products, the mindset related to the delivery of products expected during the Covid-19 pandemic is good delivery, and some respondents expect delivery done by first sterilization and a little contact. For product preferences during the Covid-19 pandemic, the main products that are most in demand are still fashion products, although in other respects the preference for health and food products was also chosen by some respondents.

From Shopee's marketing strategy through the Shopee live feature and entertainment media such as Shopee Liga and Shopee Games, has been recognized by some consumers, but it is still not optimal for increasing consumer loyalty considering that there are still many consumers who have not tried this feature both to support their shopping needs as well as as a the main entertainment media. Therefore, the results of this study are expected to be used as input for management to optimize the use of features that are formed, so as to provide added value for the company. but it is still not optimal to increase consumer loyalty considering that there are still many consumers who have not tried this feature both to support shopping needs as well as as the main entertainment media. Therefore, the results of this study are expected to be used as input for management to optimize the use of features

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