

Analysis of The Impact Of Covid-19 on Consumer Behavior in E-Commerce Transactions in Indonesia

Mardhiyah Hayati¹, Yeni Susanti², Mad Heri³, Nindi Riyana Saputri⁴
{Mardiyah.hayati@radenintan.ac.id¹, yenisusanti@radenintan.ac.id², madheri@stebilampung.ac.id³,
nindiriyana@stebilampung.ac.id⁴}

Universitas Islam Negeri Raden Intan Lampung, Indonesia¹, Universitas Islam Negeri Raden Intan Lampung, Indonesia², Sekolah Tinggi Ekonomi dan Bisnis Islam Lampung, Indonesia³, Sekolah Tinggi Ekonomi dan Bisnis Islam Lampung, Indonesia⁴

Abstract. This study aims to determine the analysis of the impact of covid-19 on consumer behavior in e-commerce transactions in Indonesia. The data used to analyze this research is secondary data, where this data is obtained from several media on online pages that provide information about the economy that occurred during the Covid-19 pandemic in Indonesia especially on changes in consumer behavior in carrying out e-commerce transactions as a result of policies issued by the government such as social distancing including Work from Home (WFH) and dismissing teaching and learning activities until the implementation of PSBB with the aim of breaking the chain of covid-19 spread.

Keywords: COVID-19, Consumer Behavior and E-Commerce

1. Introduction

At the beginning of March 2020, the impact of the Corona virus (Covid-19) outbreak was not only detrimental in terms of public health around the world, but also affected the economies of countries around the world, including Indonesia. Indonesia started the battle to deal with the Corona Virus (Covid-19) which began to enter Indonesia. Corona virus (Covid-19) is an infectious disease caused by the most recently discovered corona virus. This new virus and disease were not previously known, until the outbreak of this virus began in Wuhan, China in December 2019 and is still ongoing today, and is increasingly spreading in almost all countries in the world.

According to data from the covid control group reported by merdeka.com, until the end of August 2020, Covid-19 cases in Indonesia had increased by 2,743 cases, bringing the total cases to 174,796 cases. Meanwhile, the number of recovered patients increased by 1,774 and the total number of patients recovered became 125,959. Meanwhile, 74 patients died and a total of 7,417 patients died[1]. This number is likely to continue to grow.

This has led to widespread anxiety in the community, especially with the increasing news that has been exposed to the public regarding the number of data on victims of death caused by this corona virus which is increasing from day to day without knowing when this corona pandemic will end. Several economic stimuli were launched, even President Joko Widodo asked all parties to carry out social distancing including Work from Home (WFH) and several regional heads decided to dismiss teaching and learning activities.

Based on year-on-year growth, Indonesia's largest source of economic growth in the first quarter of 2020 was in the information and communication sector at 0.53 percent. This is reasonable considering that with the advice not to leave the house, many people access jobs, entertainment and education through information technology. In line with this, the sales volume of PLN electricity to households has increased [2].

Social distancing that was enforced in the Covid-19 pandemic era caused consumers to be more careful in making purchase transactions in markets. So that to fulfill their daily needs, some consumers have begun to look to use online transactions (e-commerce), especially after it is known that the corona virus can stick to objects, money and so on. This is also one of the reasons why the use of digital money has increased recently because digital money cannot be held or touched so that it will not cause virus transmission, unlike cash (banknote and coin) that can be held and of course this will cause the spread of the virus.

Before Covid-19, e-commerce transactions were only an option. E-commerce is considered to be more efficient in terms of time and energy, because it can be done anywhere. Consumers do not need to go to sales outlets. But for now, can e-commerce transactions be a solution for consumers in this pandemic era.

2. Scope Of Paper

This paper describes the impact of the corona virus (covid-19) on consumer behavior in e-commerce transactions, in Indonesia.

3. Literature Review

3.1 Corona Virus (Covid-19)

According to the WHO website released by cncindonesia.com, the corona virus is a large family of viruses that can cause disease in animals or humans. In humans, corona is known to cause respiratory infections ranging from the common cold to more severe illnesses such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). The most recent corona virus found is the COVID-19 corona virus. This virus is an infectious disease and was only discovered in Wuhan, China in December 2019 which later became a worldwide epidemic.

The most common symptoms of COVID-19 are fever, fatigue and dry cough. Some patients may experience aches and pains, nasal congestion, runny nose, sore throat or diarrhea. These symptoms are mild and occur gradually. However, some people who are infected do not show any symptoms and don't feel well. Most people (about 80%) recover from illness without needing special treatment. About 1 in every 6 people who get COVID-19 becomes seriously ill and has difficulty breathing [3].

According to WHO Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness.

The best way to prevent and slow down transmission is be well informed about the COVID-19 virus, how it causes and how it spreads. Protect yourself and others from infection by washing your hands or using an alcohol based rub frequently and not touching your face. The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so it is important that you also practice respiratory etiquette (for example, by coughing into a flexed elbow) [4].

3.2 Consumer Behavior

According to economic theory, it is explained that humans are economic beings who always try to maximize their satisfaction and always act socially. According to Billson Simamora (2003: 2), consumers will always maximize their satisfaction as long as their financial capabilities allow. They have knowledge about product alternatives that can satisfy their needs [5]. Consumer behavior according to Setiadi, Nugroho J. (2003: 2) is an action that is directly involved in obtaining, consuming and consuming a product or service, including the decision process that precedes and follows it. [6], Meanwhile, according to Mothersbaugh and Hawkins in Indrawati, (2017): 2), *consumer behavior is the study of individuals, groups, or organizations and the processes they use to select ,secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society*[7].

Consumer behavior is the behavior shown by consumers in finding, exchanging, using, assessing, managing goods or services that are considered capable of satisfying their needs [8]. In understanding consumer behavior, it is necessary to understand who the consumer is, because in a different environment there will be research, needs, different incomes, attitudes and tastes.

In decision making, consumers generally have several stages in the decision-making process in buying a product, namely: [9]

- a) Introduction of needs
- b) Information Search
- c) Evaluation of products / brands
- d) Purchases
- e) Post Purchase Evaluation

3.3 E-commerce Transaction

Amir Harman in his book Net Ready: Strategies for Success in the Economy in Haris Faulidi Asnawi, (2004: 15) [10] defines in more detail that e-commerce is a type of electronic business mechanism that focuses on business-based transactions individuals using the internet as a medium of exchange of goods or services between two institutions (business-to-business) and between institutions and direct consumers (business-to-consumer).

The presence of the internet for business people is important, according to Djoko Purwanto (2006: 345 -346) [11], because it is useful in supporting business, namely:

- 1) Media promotion of products and services produced at relatively low cost and broad (global) reach.
- 2) Media online transactions (online shopping).
- 3) Simplify the payment system for transactions in online shopping.
- 4) Provide opportunities for the growth of new service businesses such as internet cafes, telematics consultants and website designers.
- 5) Provide convenience for faster delivery of information to various parties.
- 6) Provide teleconferencing capabilities between the parent company and subsidiaries located in several parts of the world.

According to Onno W. Purbo and Aang Arif Wahyudi, (2001: 5) the characteristics of business-to-business include [12]:

- 1) Trading partners who already know each other and have been in a relationship between them for a long time.
- 2) Repeated exchanges with the agreed data format.
- 3) One of the perpetrators does not have to wait for their other partners to send data.
- 4) A commonly used model is peer-to-peer where processing intelligence can be distributed across both businesses

Meanwhile, according to Onno W. Purbo and Aang Arif Wahyudi, business-to-consumer has the following characteristics:

- 1) Open to the public, where information is disseminated in general.
- 2) The service used is general.
- 3) Services provided are upon request.
- 4) Often a client-server approach is used.

4. Result And Discussion

Covid-19 is a disaster that has hit almost all countries on earth, including Indonesia. So many people have fallen victim to this virus. This makes people nervous and worried about being attacked by this deadly virus.

Many people have begun to limit their access outside the house, even if they are forced to leave the house, they do it with the Covid protocol, namely maintaining distance, wearing masks, and diligently washing their hands either with soap or using hand sanitizers.

The enormity of this virus attack not only causes an impact on the health sector, but also has an impact on the economic sector, for example the garment industry, which implements a system of reducing employee density by means of two working weeks and two weeks off to reduce the spread of the corona virus. Of course this has an impact on decreasing production so that companies can experience losses that lead to layoffs. The tourism and aviation sectors are also severely affected by this virus, lack of passengers due to social distancing policies, and non-food retail which also has no customer.

Other impacts are also felt by micro, small and medium enterprises (MSMEs). Apart from sluggish economic growth and acceptance, this is due to the decline in consumers visiting and making transactions on the products they produce. Many small shops have also closed because no

one is buying due to changes in consumer behavior in this pandemic era. Therefore, it is very important for retail stores and manufacturers to sell products through e-commerce platforms in order to be able to maintain their business.

Many ways are used to approach consumers, including the online shop mechanism or using the portal concept. Thus consumers will benefit, for example, buyers do not need to spend special time shopping outside the house by simply opening the desired e-commerce site at any time for 24 hours non-stop every day with a variety of choices, and can compare the products offered with products that are obtained in traditional markets. Consumers are starting to change their habits in making purchase transactions, namely by conducting e-commerce transactions, as an effort to avoid crowds in the market such as in offline transactions to prevent themselves and their families from being exposed to the corona virus.

E-commerce transactions make it easier for consumers to make transactions with merchants. As a result, in the era of the corona pandemic, many new businessmen have emerged who rely on transactions via online media. E-commerce, because it is considered not requiring very large funds, is more flexible in time and also this business can be run from home.

E-commerce transactions that are chosen by consumers in meeting their daily needs, make consumers feel more protected from the dangers of the corona virus, so that e-commerce transactions in the era of the corona pandemic have increased sharply. Even according to the Coordinating Minister for the Economy Airlangga Hartarto, released by tempo.co, said e-commerce transactions in Indonesia are currently increasing rapidly, reaching 400 percent. This increase is driven by the needs of people who depend on online transactions especially during the corona pandemic. "If you see, respondents who used digital platforms during Covid-19 were 51% social media, 45% online education, 42% e-commerce, 40% virtual meetings. , and e-banking 34%," said Airlangga in a virtual conference, Friday, July 17, 2020. [13]

5. Conclusion

The corona virus pandemic (COVID-19) has an impact on shifting consumer behavior in e-commerce transactions. Previously before the corona outbreak occurred, e-commerce transactions were only an alternative choice in transactions when someone was busy and did not have time to go to the market / mall. However, at present, e-commerce transactions are transactions that are of great interest to many consumers, because these transactions are considered to be more capable of protecting consumers from the dangers of exposure to the corona virus. Consumers only need to make transactions from home. They do not have to meet many people who are likely to be a medium for spreading the corona virus.

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