

# Marketing strategies through mobile app adoption and its impact on digital consumer behaviour during pandemic

Nagappan P, Dr. Panchanatham N, Dr.V.S.Adigal

Research Scholar, Dept. Of Business Administration, Annamalai University, Tamil Nadu, India-608 002

Professor, Dept. Of Business Administration, Annamalai University, Tamil Nadu, India-608 002

Manjunatha College of Commerce, Kanchangaon, Khambalpada, Thakurli East, Thane, Maharashtra 421 201

## Abstract

COVID-19 Pandemic control measures taken by governments globally in the form of complete & partial lockdown have helped in reducing the spread of Infection & moreover have brought transformational changes in the consumption pattern of consumer & marketing strategies to use by organizations. Consumers being the drivers in making the market competitive. Organization top most priority is to understand the behavior of their consumers. The solution to this problem is in the form Branded Mobile app, digital marketing tool which will help Marketers to connect with consumers & alter their marketing strategy accordingly on a real time basis. Almost all Brands have their Own Branded Mobile app & consumers are finding it effective than web and before. Consumers and Marketers have taken advantage of digital platform ecosystem by adopting themselves towards branded mobile applications to buy & sell products and services respectively, by removing location barriers with their help of affordable smartphones. In this article we touch upon the factors (personal or external) which are influencing towards the adoption towards mobile app & analyze the change is permanent or temporary.

**Keywords**— Pandemic , Adoption, Branded Mobile app, digital Consumer Behaviour

## Introduction

The term consumer behaviour, is defined as the behaviour, on how individuals being consumers make purchase decisions on the products and services to satisfy their wants/needs. It focuses on how individuals spend their valuable time, money and effort to make a decision on what/why/when/where/how often they buy it and how often they use it. Every individuals are different and what is unique among them is that all are consumers i.e., consume food, education, services, etc, on a regular basis. The purchase decision made by consumer have an impact on demand, health of the economy, decide the

success/failure of business. Marketer's interest has been always been to understand how customers think, feel and select from available alternatives before decision on products, services and brands.

In the era of digital revolution, consumers are informed and connected. Today market place being a dynamic and rapidly evolving, there is a need for marketers of the respective business organization to understand more about existing customers, prospective consumers. In the Pre-Digital era, consumers visit an offline store to meet their shopping needs. Due to the advent of Internet, Innovation in digital Technologies, public health emergency i.e., pandemic has transformed the Digital ecosystem, which is changing the consumer habits & shopping behaviour. Consumers are connected to the digital economy by using digital devices to improve shopping experience

In the Year 1997 we have witnessed financial crisis in Asia followed by Global Financial Crisis during the year 2008 and the end of 2019 and beginning of 2020 we are in global health crisis due to COVID 19 Pandemic. The outbreak of COVID-19 caused by Corona Virus (SARS-CoV-2) is a shock to the Global Economy.

COVID-19 being the sixth public health emergency, the previous being H1N1, Polio, Ebola in Western Africa, Zika, and Ebola in Congo. **CO** for Corona, **VI** for Virus, **D** for Disease and **19** represents the Year. The Pandemic has caused large number of fatalities and costed millions of dollars. COVID-19 is likely to cause much human suffering than other contagious disease.

Pandemic has impacted everyone in different ways, irrespective of gender, culture, Occupation and age. The COVID-19 Pandemic has paused our lives, decreased social interactions and halted businesses worldwide by making our economies globally at risk. Historically, Pandemics have forced human beings to overcome past & imagine a new world COVID-19 Pandemic is not different, will be gateway to the new world

There was economic hardship for consumers, businesses and communities across the globe due to the coronavirus (COVID-19) outbreak. The COVID-19 pandemic which has caused havoc on the businesses globally, which has prompted leaders to manage the difficult times through organization innovation and creativity.

COVID 19 has become an event which has changed the world and the crisis is not only restricted to Human but also a social and economic crisis and has disconcerted the supply chain and the logistics industry. As the virus has the characteristics to spread rapidly, several firms has to scale down the business impacting the economic growth of several business enterprises, due to which affected the economy of the countries across globe.

The onset of COVID-19 pandemic witnessed the Producer/Seller Market place transition from offline to online for groceries shopping, entertainment services, white-collar professionals have started working from home, which has brought major changes in the consumption pattern or behaviour of consumers.

In recent years, Growth of Technology is fast and different aspects of life is getting influencing such as education, retail, etc., Due to which, Our thinking, habits, social activities and life style are all changed when compared to few years ago. Purpose of technology is to increase productivity, ease of life regardless of technology impacts i.e., positive or negative. Due to Technological advancements, Changes happens at a fast pace; consumers must be proactive and be prepared to adapt to new environments.

Marketplace has witnessed dramatic changes in the consumer lifestyle due to advancement of digital ecosystem. Marketing has to gauge the behaviour of customers in the era of digital revolution, which are characterized by individual expectations. Companies in the era of digital age have to understand consumer purchase behaviour, should go beyond conventional demographic factors for effective marketing strategies, as the internal though process are changing rapidly.

E-Commerce being the foundation for birth of digital technologies, which has led to the shift of consumers and business from offline transactions to online transactions. Innovation in digital technologies have disrupted the entire industries namely Shopping, Music, Travel, Accommodation, etc., The birth of Internet has enhanced the information access to all thereby helping the

customer with plenty of details about the product/services before consumer committing on the decision . Motivations for the consumers to use digital platforms includes convenience, cost savings along with maximization of wealth by organizations by earning additional profits.

Electronic Commerce (E-Commerce) can be defined as Buying and Selling of Goods & services or transmitting of funds over an electronic network.

Internet forms the foundation for the digital ecosystem. Electronic commerce (e-commerce) shall be defined as the process of buying, selling, exchange of products/services through computer networks E-Commerce can be described as engaging consumers with World Wide Web vendors through online exchange.

The potential of Digital platform towards organizations is immense. However consumer's motivation to engage with digital platform depends on the purpose of the transaction. The organizations has to carefully design the digital ecosystem to convert to real customers using their service

Traits of the consumers who use internet for shopping make more money, Convenience seeks, innovate, impulsive, price conscious, more positive attitude towards advertising and direct marketing when compared to consumers who do not use internet for shopping.

Below are the factors which are influencing digital consumers to use internet

- Increasing number of organizations are providing affordable internet connectivity to consumers
- Improvement in search capabilities & Improvements in usability of software are providing enjoyable experience to consumers
- Availability of abundant information & knowledge in Internet domain are creating interest among consumers

The rapid increase in the availability of affordable 4G/Volte enabled devices has created a new industry - Mobile APPs. APPs which has the potential to grow organization sales by engaging with consumers.

The key factors for mobile application adoption

- APP Marketing Factors, helps to increase the usage of the APP, through Social Networking Sites like Twitter, Facebook, etc.

- APP Design Factors being the Operating System used influences the Usage of APP.
- APP Consumer Factors are the variables namely location, time & Profile of the User

The term 'adoption' implies for consumers, it is the behavioural intention while using the mobile apps for their personal use; whereas for organization it is for business purposes. Adoption i.e., Research on Technology Adoption has evolved over a period through the development of Theories and Models this is possible due to changes or innovation in Technologies.

Adoption, is the stage in which the technology is selected for use by an individual or an organization. Diffusion, is the stage in which the technology spreads to general use and application  
Adoption is for Individual & Organization, whereas Diffusion is for the Masses.

Research using mobile app has increased significantly, however studies to understand the advancement of customer expectations has not been done in relating to mobile app adoption. Due to increase in mobile traffic, retailers have adopted to do business, consumer's experience depend on the mobile channels. Both Mobile & Physical Channels which are interconnected, have to provide a seamless retail customer experience.

Time spent by consumers through mobile devices are higher compared to other electronic devices. Mobile applications provides user experience, features when compared to websites. Mobile retail applications shall be added to the existing channel and do not require large capital investments. To increase customer satisfaction, retailers personalize their marketing activities. Mobile retailing has developed rapidly

### **Factors affecting digital consumer Behaviours**

There exists multiple factors which affects the consumer Behaviours. The factors are controllable and Un-controllable. The factors are interlinked and interconnected among themselves.

- Cultural Factors  
Cultural Factors are important to understand the need of consumers. Culture varies across globally and it is part of our society. Culture has been characterized by set of values, rules and belief which binds the individual with the

society. Marketers adopt different marketing approaches based on customer needs. Every culture has its sub culture and it varies within the group of the people within the culture.

- Psychological Factors  
Individuals characteristics namely motivation, perception, learning influence the buyer decision. Consumers make buying decision based on their needs and wants
- Personal Factors  
Personal factors changes based on the individual stage of the person. Personal Factor variables exist in the form of occupation, personality, economic condition. People in different age group have choices varying in terms of food, clothes, entertainment. The financial conditions based on Monthly Income, Savings impact the individual choice in selecting the goods/services. Individual Personality has influence on the buying behaviour of the individuals
- Social Factors  
Social Factors influence consumer buying. Social Factors are made up of Family, Friends, Reference Group. Family is made up of adults, children's influences the Buying pattern. Members in one Social group influences the buying behaviour of other members based on discussion, following Role Model. Informal discussion happens through Friend's circle

### **Types of digital Consumer Behaviours**

- Routine Response Behaviours  
These consumer buy the products/services which are low cost. This activity requires less search and decision effort as these are frequently purchased.
- Limited Decision Behaviours  
Consumer buy these products/services occasionally. Requires less time for information gathering
- Extensive Decision Behaviours  
Consumer buys expensive, infrequently bought products with high involvement
- Impulsive decision Behaviours  
Consumer do not plan before shopping

## Types of digital Consumer Purchase Decisions

On a daily basis, consumers are faced with purchase decisions. Consumer effort varies, based on the complexity of the decision. Purchase decisions shall be classified as

- Minor /New Purchase - The product being purchased is not important in the customer's mind. The purchases represent the products/services which are new to consumer
- Minor /Re-Purchase -The purchases represent products/services which are routine to consumer; as the consumer is purchasing the same product, without giving much thought to other products.
- Major/ New Purchase - The product being purchased is important in the customer's mind. Consumer little or previous experience or lack of confidence, requires consumer engage in a process of extensive decision making.
- Major/ Re-Purchase - The product being purchased is important in the customer's mind. Consumer feels confidence in decision making, as he has previous experience of purchasing the product

## Influences on digital consumer purchase decision

Internal Influences / Perceptual Factor Learning varies based on Individual. By learning, we mean, how individual change after they know, which may affect the way individual act. Example: Individual may be able to retain details of advertisement after exposing only once, whereas other Individual has to be exposed multiple times.

Perception, is an individual experience, on how we see the world we live and how we see ourselves. Perception goes through the phases namely Exposure i.e., sensing the stimuli,

Attention i.e., effort made to recognize the stimuli, Awareness i.e., assigning meaning to the stimuli and Retention i.e., mapping meaning to one's internal makeup.

Perception is defined as how an individual see the world through recognizing, selecting, organizing and interpreting the stimuli based on person's needs, value and expectations.

The way consumers perceives a price i.e., high or low has a strong influence on the purchase intentions and satisfaction by consumers. Service environment has a strong influence on behaviour & impression of consumers.

Acquisition utility, represents the perceived economic gain or loss associated during the purchase of the product/service. Transaction Utility, represents the perceived pleasure or displeasure associated with the financial aspect during the purchase of product/service.

Consumer Price Perception varies between plausible low or plausible high or implausible high reference prices. Plausible low prices are within the range of market prices; plausible high are near the outer limits range of market prices; Implausible high are above the range of market prices.

Individuals remain as Customer when the service quality are high and due to strong customer relationships. Individuals defect to competitor at a time when the relationship with customer are weak customer and quality of service are low. Shops have greater influence on consumer decision where to buy due to physical environment and design, perceived quality of products which they carry, pricing strategies and product assortments.

Influence of the app depends on the product the consumer chooses to buy. The consumers who have enjoy favorable image with manufacturers, their associated products have high acceptability when compared with manufactures who have neutral image.

Consumers when making the decision on what products or services to buy and where to buy, uncertainties been faced when they cannot foresee purchase decisions consequences which is termed as perceived risk.

The Perception of risk by consumer varies depending on the individual, the product category, the situation and the culture. The amount of risk perceived depends on the specific consumer and it varies between high to low. The risk perceived by the consumer as an individual varies between functional, physical, financial, social, psychological and time risks while making product decisions

- Functional risk, is the risk that the behaviour of a product or service is not as expected.

- Physical risk, is the risk that the product or service might pose to self and others.
- Financial risk, is the risk that the cost of the product or service being offered will not be worth its cost.
- Social risk, is the risk that the choice of the product or service will result in social discomfort.
- Psychological risk, is the risk that choice of the product or service will hurt consumer's self-confidence.
- Time risk is the risk that time spent in product search may be wasted; if the product do not perform as expected

To reduce perceived risk, consumer develop their own mitigation/risk-reduction strategies, which will enable them to act with confidence when making product/purchase decisions. Prominent Risk strategies adopted by consumers are by knowing the details of the product through word-of-mouth communication from friends and family, being loyal to a brand instead of purchasing new or untried brands, trusting a well-known brand if they do not have prior experience with a product.

Internal Influences / Knowledge Cumulative information possessed by an Individual about worldly facts and experiences.

Internal Influences / Attitude Is an individual feeling or belief about something and how an individual acts based on the belief. Attitude are difficult to change.

Internal Influences / Personality Is an Individual characteristics exhibited consistently in the presence of others. We shall define Personality as how a person responds to his or his environment based on inner psychological characteristics. Theorists view personality as an influence of childhood experiences, heredity (or) through social and environmental influences which has been developed continuously over time. Personality of an Individual are unique, tends to be consistent and shall undergo change in response to events. Freudian Theory believe that personality of consumer drives are largely unconscious & unaware of the reasons for buying what they buy. Neo-Freudian Theory suggests personality is instinctual in nature.

Internal Influences / Lifestyle Is a set of activities in which the individual engage his time and money and express his interests

Internal Influences / Motivation Desire of an individual, to achieve an outcome.

External Influences / Culture - Culture as a concept, interest marketers. Culture is a share behaviour, belief learnt through interaction or observing other members in the society. Purchase decisions made by consumers have direct or indirect impact on how they live and what they consume

External Influences / Group Membership - Consumers belong to groups through which certain characteristics influence purchase decisions.

External Influences / Group include Social class - categorized based on income level, education and occupation, Family - Family situation, Reference groups - Other groups which consumer associate themselves

External Influences / Purchase Situation - Circumstances, purchase environment, emotional state, time constraints a person in while making a purchase decision

### *Discussion*

Due to technological uprising, there is a shift towards consumers purchasing niche products. COVID-19 has exposed the globalized manufacturing system weakness and mitigation plan for the business to succeed is by sourcing the supply chain at the regional level to establish a flexible and adaptable supply chain to eliminate single source dependencies.

BETTER FOR ME (i.e., Self Interest) and BETTER FOR THE WORLD (i.e., Broader Interest) forces present a Significant opportunity for business and consumers for new technologies, products and services to shift business and consumers from an ownership-based economy to an access or sharing based economy

When countries around the world are dealing with the COVID-19 outbreak, Business & citizens have started adapted to digital technologies to make life easier, which has permitted business to run with certain level of activity through mobile app adoption.

Today, our digital economy have witnessed the emergence of technologies starting from Internet, high speed mobile connectivity followed by Artificial Intelligence, data science and others.

Due to COVID restrictions on visiting physical stores and avoiding physical stores, consumers have transitioned to online market place by using digital technologies for innovative ways of consumption.

Due to social distancing and lockdown restrictions consumer are shifting towards online shopping, which makes consumer behaviour highly predictable at the individual level based on the past and repetitive buying behaviour.

To build & maintain long term relationship with customers, business are developing systems in the form of mobile applications which can run on mobile devices. Mobile Apps lessen the digital divide and lays the foundation of digital transformation.

The proliferation of digital ecosystem, based on radio access technologies has enabled ubiquitous intelligent, connected environment where consumers and organizations are connected to mobile applications. Technologies has aid in the development of mobile connected society. Access and affordability of technologies has reduced the digital divide across regions, gender and communities

The world has changed fundamentally due to COVID-19 pandemic. The attitude and purchasing habits of consumers has been forcefully changed due to pandemic. Health issues, safety/ protection concerns has made consumers to reconsider their purchase decisions and retailers has adopted to contactless payments to reshape business transactions

### **Conclusion**

COVID Protection has brought self-discipline in the behaviour of Consumers by avoiding crowded places & super spreader events by following COVID appropriate behaviour. In the Post-COVID world, the prime driver for business to succeed is return to regional supply chains ecosystem.

COVID Protection has brought self-discipline in the behaviour of Consumers by avoiding crowded places & super spreader events by following COVID appropriate behaviour.

Understanding digital Consumer behavior will help to capture the competitive market in the era of digital world as Consumer shopping pattern provides feedback to marketers to fine tune the marketing approach, thereby resulting in organization success.

Digital Technology adoption is likely to modify old habits of consumer

### **References**

Dinner, Isaac M. and van Heerde, Harald J. and Neslin, Scott, Creating Customer Engagement Via Mobile Apps: How App Usage Drives Purchase Behaviours (October 5, 2015). Tuck School of Business Working Paper No. 2669817

Donthu, Naveen and Adriana Garcia (1999), "The Internet Shopper," Journal of Advertising Research, V 39 (3), 52-58.

J. Sheth, Impact of Covid-19 on Consumer Behavior: Will the Old Habits Return or Die?, Journal of Business Research (2020)

Leon G.Schiffman, Leslie Lazar Kanuk, Havard Hansken, Consumer Behaviour A European Outlook (second edition), Pearson Education Limited

Khan, A. and Syed, A.A. (2018) 'Determinants of online consumer behaviour towards e-tailing in India', Int. J. Enterprise Network Management, Vol. 9, Nos. 3/4, pp.455-480

Pedro Soto-Acosta (2020): COVID-19 Pandemic: Shifting Digital Transformation to a High-Speed Gear, Information Systems Management

Philip Kotler, Kevin Lane Keller, Marketing Management (15th edition), Pearson Education Limited