EFFECT OF E-MARKETING ON SALES OF CONSUMER GOODS IN COVID-19 ERA

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ABSTRACT: The study examined the extent to which e-marketing usage increases the sales volume of consumer goods in the covid-19 era. Since it was impossible to reach all the online buyers in Ado-Ekiti, the study adopted Multi-Stage Cluster to select a total of one hundred and ninety (190) respondents from Ado metropolis. The survey research design was adopted with a questionnaire serving as the research instrument. Regression analysis and ANOVA were used for the analysis of the data. The research findings revealed that the adoption of E-marketing by firms and individuals boost sales volume. It was thus recommended among other things that an increase in the size of internet usage influences growth in the sales volume.

KEYWORDS: E-marketing, Sales Volume, Online Shopping, Retail Industry and Customer Satisfaction.
INTRODUCTION

Marketing professionals consider the 21st century to be a distinctive period because of the electronification of traditional marketing practices. Since the 1960s, marketers have lived and worked through three distinct stages. The first was the PC age (1960 – 1990), with its rapid expansion of computing power fueled mainly by the development of microchips. During this stage, the organization used consumer databases and other vital databases to enhance marketing practices (Lee, 2002). The second stage was the internet age (1990-2000). The use of the internet became a regular part of the daily work experience by marketers. The third stage was the dot.com babble (Kirsner, 2001). This stage was a breeding ground for new business models and novel marketing concepts with this development, internet marketing grow rapidly.

Businesses are established by investors to mainly undertake or handle certain services and products upon which they are expected to overtime build their brand in a particular market and environment. This makes the activities, crises and events or happenings in such market and environment could, to an extent, influence the sales, patronage, and profit of that business (like departmental stores). Averting this scenario amidst a crisis like COVID-19, as coronary disease and fast-spreading global pandemic that has unprecedentedly ignited the transformation and shuttering of economic activities including aiding consumers evolving or shifting and changing their brands and needs, is extremely important. In view of this, Motti (2020) stated that COVID-19 has not only impacted consumer shopping and habits but has inevitably compelled operators of departmental stores to responsively make changes in stocking the products and delivering services that are essential and trending among customers if they are to retain their brand loyalty.

This is what Adach (2020) regard as the COVID-19 business world that marketers must strategically plan to effectively respond to by deliberately rising to occasion and intense pressure of swiftly providing and delivering the products, brands, goods and services (like household staples and health-related goods, such as groceries, bottled water, hand sanitiser, toilet paper, face masks, etc.) that consumers desire or crave for in these times of the COVID-19 outbreak, using technology as a strategy to increase retailing without physical contact in this period of isolation (Meyer, 2020). In other words, the adoption of agile marketing which Kalsi (2020) says has soared from 32% globally, would help businesses meet up with changing their short, medium and long-term marketing plan and marketing campaigns in line with current realities like flexible payments, remote work and shifting priorities expected to change consumer buying pattern and behaviour, task marketers ingenuity, as well as dip business output (i.e. performance, profit and patronage).

Businesses are consistently or continuously exploring strategies like market research, product brand and friendly pricing regimes in order to advantageously position or situate them designing effective systems and practices which they could leverage to edge out or outshine their fellow competitors and enhance consumer loyalty, patronage, and buying behaviour in favour of their brand, store or outlet’s increased profit or business even during a crisis period. In specificity, a crisis like the novel COVID-19 pandemic which has necessitated remote, restricted and closed work rules or guidelines alongside businesses (like departmental stores) shifting priorities towards adopting e-commerce and total retail industry M&A deals that
increased in February 2020 to a net worth of over $2.05bn globally (Kalsi, 2020). Also, conceiving e-commerce is said to enable departmental stores to stay afloat without experiencing the business acquisitions and mergers which has already commenced with the recent acquisition of AR technology startup, Next VR for $100 million by Apple, which is a contemplated post-COVID-19 economic fallout that may well be worse than the Great Depression (Motti, 2020). Despite the novel or unique nature of the origin, spread, threat, and modus of the COVID-19 pandemic or epidemic which has dropped retail sales at 8.7% in the month of March 2020 due to stringent actions like market shutdown and border closure (Helm, 2020). Businesses continue to innovate or update steps, techniques, systems and strategies to maximally swell up their reach, patronage and profits by identifying the essential needs (like food, groceries, medicines, sanitisers, face masks, etc.) required to benefit their customers. Thus, the innovations designed to promote product and brand loyalty is considered a modern business development strategy that could enhance business profits amidst emergency policies or programmes like market shutdown and border closure which seems plausible to truncate or slow down businesses, reduce production and economic activities, yet businesses or firms like departmental stores have devised means and integrated activities that could maximize investment profits in the midst of this global pandemic. Furthermore, there abound to be uncertainties surrounding the influence these specific emergency policies would still edge them among competitors, enhance brand loyalty, customer patronage, sales, and profits beyond the pandemic wherein such measures of stimulating consumer buying behaviour was instituted. And at the same time ensuring that strategic planning guides the emerging consumption pattern in order not to encourage wastage thereby, jeopardizing the future and viable use of resources for a sustainable post-COVID-19 economic development of the state and country (Ibbih & Siyan, 2018).

The objective of the study is to examine the extent to which E-Marketing usage increases the sales volume of consumer goods in the covid-19 era.

LITERATURE REVIEW

Conceptual Framework

With e-commerce being at an early stage in most third world countries of the world, the online shopping trend in Nigeria is not as advanced as it is in the UK and other developed countries. Although people engage in online banking (e-banking), most people are still not open to the idea of shopping online and prefer to carry out their transactions traditionally, i.e. face-to-face. Previous research on the slow adoption of e-commerce and online shopping have identified various contributing factors (Egwali, 2009; Adeshina & Ayo, 2010). One of such factors is accessibility to the internet. A recent study on internet usage in the UK reveals that 82.5% of the total population are internet users and are broadband subscribers (Internet World Stats, 2009). This ease of access to the internet has been identified as one of the factors encouraging the adoption and growth of e-commerce and online shopping in the UK (Soopramanien & Robertson, 2007).

In contrast, the majority of Nigerians do not have access to the internet. A recent study on internet usage in Nigeria reveals that about 16.1% of the total population are internet users and less than 1% of the population are broadband internet subscribers (Internet World Stats, 2009).
From these percentages, it is evident that only a fraction of the population uses the internet and even those who access it do so through numerous cybercafés scattered all over urban parts of the country (Ayo, 2006). Cybercafés are places where internet public access services are provided by entrepreneurs for a fee (Adomi, 2003). They are quite popular among Nigerians because of the high cost of connectivity by individuals. However, due to the public nature of these cybercafés, people are not comfortable carrying out e-commerce activities there for privacy, security and network reliability issues, and this negatively affects online shopping trends in the country (Adeshina & Ayo, 2010).

Another factor that affects the use of e-commerce for online shopping in Nigeria is the lack of a nationally acceptable payment method for online goods and services (Ajayi, 2008). Ayo (2008) suggest that the low level of e-payment infrastructure in the country serves as a hindrance to public participation in e-commerce.

Adeyeye (2008) also identifies another crucial factor affecting online shopping in Nigeria to be the shortage of indigenous online vendors. Most people who shop online do so from foreign online vendors like Amazon and eBay because there are very few credible online vendors in Nigeria. However, shopping from these foreign vendors can be discouraging due to high shipping costs and most orders not being processed. Nigeria has a negative reputation as one of the world’s most corrupt countries engaging in wide-scale internet fraud.

However, due to poor internet access, lack of structured e-payment systems, few online vendors often requiring offline payments, and other factors affecting online shopping in Nigeria, only a fraction of the Nigerian populace engage in online shopping. Most people would rather engage in face-to-face transactions than go through these troubles associated with online shopping.

**Traditional Marketing and Internet Marketing Compared**

**Product:** Product in traditional marketing is tangible for the customer whereas the use of website in internet marketing is just a virtual image (Lee, 2012). The customer cannot experience the quality and size of the product by seeing it on the website the same way as seeing the product in a physical store. Not being able to reach and feel the product physically, can create doubts for the customer and have an effect on his or her purchasing decision. When it comes to the range of products offered through the internet compared to physical stores, there is an advantage of the possibility for a company to offer a wide range of products on their website. The issues that can appear here are cost and space for inventory and store space itself, where there is a connection between cost spaces (Rivad 2012).

**Price:** The pricing of a product can be based on the costs of its process in reaching the market. When a company does internet marketing, it has a bigger opportunity to save costs and therefore the possibility to have a lower price. One of the reasons for this is the cost of space for keeping the products or the cheap way of communication through the internet such as communication by e-mail. When marketing through the internet, the competition is very tough which affects the pricing reasons. The competitors are a click away when a potential customer is searching for information on the internet (Kotler, 2003).

**Place:** According to Allen and Fjemestad (2011), in traditional marketing, companies have the opportunities to decorate the stores in order to create a specific atmosphere that can attract customers. Some attractive tools created within the atmosphere can be music, colours etc, but
through internet marketing, it is almost impossible to create a real sensation since a website is just a virtual image. Even though many of the websites try to create an atmosphere by adding the same tools for attraction, they cannot create a real experience as can be created in the physical store.

**Promotion:** Zhillin (2004) postulated that when it comes to promotion, one thing is clear in the difference between communication through traditional tools and the internet and that is the speed. Speed of getting the message of advertisement, news or any type of information through to customers is very quick through the internet. This is a very important issue in the competitive world of business. Another difference between promotion by internet and promotion by traditional ways is the durability of the marketing message the marketer wants to communicate with the customers. In an additional manner, the message would receive attention for a limited amount of time (Lee & Turban, 2012).

**Challenges of Online Shopping in the Retail Industry in Nigeria**

The low adoption of the internet to make purchases in retail stores by Nigerian consumers may be attributable to some challenges discussed in this section. The literature has divulged a number of challenges militating against the adoption of the internet, especially in developing countries (Aminu, 2011; Ezeoha, 2006; Rogers, 2005; Williams, 2012).

**Cultural Barriers:** The use of the internet for shopping is culture-bound and, therefore culture influences its adoption from one country to another. This view is corroborated by Rogers (2005) who explained that the degree of compatibility of the information technology and its various uses with the values and norms of a social system influences its diffusion pattern in that social system. Suki, Ahmad and Thyagarajan, (2012) have also indicated that one of the obstacles which limit the development of e-commerce locally is related to the culture or the behaviour of customers when it comes to buying goods and services through credit cards.

**Infrastructure Challenges:** This is another major challenge militating against rapid adoption and continued use of the internet to do shopping in developing countries, including Nigeria. According to GESCI (2012), infrastructure refers to the hardware or equipment, software applications and services associated with ICTs, including telecommunication and electricity, grid networks (Fleenor & Raven, 2003). From this infrastructure challenge can be categorized as; the challenge of personal computer (PC) penetration, the challenge of access to the internet, the challenge of electronic payment and the challenge of electricity supply.

**Fraud and Security Concern:** Another serious impediment to the adoption of the internet to make transactions in the retail industry is security concerns by the prospective and actual shoppers. Security is defined as a set of procedures, techniques, and safeguards designed to protect hardware, software, data and other system resources from unauthorized access, use, modification or theft (Davis, Bagozzi & Warshaw, 2009).

**Perceived Risk:** This challenge stems from the factor of fraud and security. As users interact with new technology, they will learn the usefulness as well as the risks associated with the technology. Torkzadeh and Dhillon (2011) defined perceived risk as an assessment of uncertainties or lack of knowledge about the distribution of potential outcomes.

**Inadequate Regulatory Framework:** With the advent of the internet, many developing nations have not amended their laws to accommodate rights, obligations and responsibilities of
the providers and users of the internet services, and how redress can be sought and obtained in the court of competent jurisdiction, thus making it difficult for shoppers to get redress in case of injury.

**Benefits of Online Shopping**

**Reduced Consumer Search Costs:** It is generally accepted that search costs are lower than in offline markets. The rise of consumer information sites, from price aggregation and comparison sites (aka shopbots) to product review and discussion forums, has led to large decreases in consumers’ cost of gathering information. This has important implications for market outcomes like prices, market shares, and profitability.

**Lower Distribution Costs:** E-commerce affects how goods get from producers to consumers. In some industries, the internet has caused disintermediation, diminishment or sometimes the entire removal of links of the supply chain. For example, between 1997 and 2007, the number of travel agency offices fell by about half, from 29,500 to 15,700. This was accompanied by a large increase in consumers’ propensity to directly make travel arrangements - and buy airline tickets in particular – using online technologies (Saloner & Spence, 2012).

**The Concept of Consumer Satisfaction**

Consumer satisfaction is a measure of how products or services, meet or surpass customer expectations. In a competitive market like the banking industry, it consists of various strategies aimed at keeping, meeting or exceeding customers’ expectations. Saha and Zhao (2005) see customers’ satisfaction as a collection of outcomes of perception, evaluation and psychological reactions to the consumption experience with a product/service. In other words, it is a result of a cognitive and affective evaluation where some consumption standard is compared to the actual perceived performance. Thus, if the performance perceived is less than expected, customers will be satisfied and this would lead to positive behaviours or outcomes (Saha & Zhao, 2005; Yau, 2007).

A satisfied customer tends to be loyal (Timothy et al, 2007), takes less time, are less sensitive to prices (Gan, Limsombuncha & Wong, 2006) and pay less attention to competitors’ advertising (Stun & Hiry, 1991). Umorok (2009) in his study noted that satisfied customers would not only continue their patronage but would keep on referring prospects to the firm and that such continuous patronage is likely to lower the retention elasticity of the firm. Therefore, understanding the level of customer satisfaction is important to the bank because satisfaction in consumer contexts amounts to beliefs and thoughts about the outcomes of purchasing.

**Relationship Between E-Marketing and Customer Satisfaction**

Numerous studies support the idea that there exists a link between online marketing and customer satisfaction (Saha & Zhao, 2005; Casalo, Flaviam & Guiraliu 2008). Studies such as; Ratanasingham (2008). Raman and Michael, (2007) produced hard data qualifying this relationship. Both studies emphasized a direct relationship between internet marketing and consumer satisfaction.

Boateng and Molla (2006) maintained that constraints related to customer location, the need to maintain customer satisfaction and the firm capabilities in maintaining software all affect the decision to enter electronic marketing services and thus affecting the level of satisfaction.
When customers are satisfied, they are bound to continue their patronage, thereby growing the relationship which leads to continuous loyalty. Zeithaml, Berry and Parasuraman (1996) observed that loyalty and commitment or retention is critical indices of customer satisfaction. Accordingly, Calaso et. Al., (2008) contends that a higher level of website usability can lead to higher levels of customers’ affective commitment to the website as well as a direct and significant relationship between satisfaction in previous interactions and the consumers’ commitment to an organization service website.

**E-Marketing and Sales Volume in Covid Era**

Incidentally, the COVID-19 pandemic has led to the adoption of stringent measures like the shutdown of especially conventional markets including the closure of local and international borders.

This prompted the drastic reduction or decline in the consumer’s discretionary and impulsive buying or spending in terms of clothing, footwear, fittings, travel, showbiz, furniture, automobiles, and hardware (Bhakat & Muruganantham, 2013), for the more purposeful and imperative needs or wants with which they have now streamlined their finances and reprioritize their shopping or spending, and changed their purchasing or buying behaviours (Team, 2020). Additionally, Helm (2020) states that the COVID-19 crisis has led to many consumers attempting online grocery ordering or procurement through platforms provided by departmental stores. Chand (2018) see the departmental store as large local and international retailing organizations (like Spar, MacDonalds, Chanrais, Timeless, Everyday Mart, Market Square, Kingsway, Domino, etc.) which handles an extensive variety of shopping and speciality goods from different departments in the same building that are centrally controlled by the one purpose, promotion, service, and ordering.

Similarly, globalization amid the scourging COVID-19 brings almost unified changes, innovations, and styles (devoid of racial, religious, and ethnic boundaries) in the global, national, communal and household consumption patterns for products and services both now and in the future (Mishra, 2015). Although, Cohen and Murphy (2001) had stated that consumption pattern begets unsustainable expenditure pattern because it is only concerned with today’s use up of resources and products for individuals’ sustenance. However, Ibbih and Siyan (2018) argued that the decision on using services and products is influenced by certain factors (like cultural, social, personal, and psychological) and values guiding producers delve into the new, quality and profitable products and resources that could help meet the ever-changing and immediate needs needed for the survival, comfort, enjoyment and satisfaction of consumers.

Del Aquila-Obra and Padilla-Melendez (2006) indicated in their study that one of the factors that can affect the adoption and use of the internet is the perceived benefits that individuals and firms derive from using such technology. The finding of the duo indicates that the use of the internet for the sales of consumer goods is capable of boosting sales. Similarly, Cloete et. al., (2002) asserted that the adoption and use of the internet are largely based on perceived benefits. Perceived benefits according to the authors can be direct such as cost-saving, an increase in sales volume and an increase in the number of new customers or indirect aspects such as convenience and the building of customer loyalty. In this study, the perceived benefits which are considered are: the ability of the internet to reach global markets, security and increase sales volume. This study is analysing the effect of e-marketing usage on sales volume. Similarly,

METHODOLOGY

In this study, quantitative research was adopted. The correlational research establishes the relationship between two or more variables in order to find out the effect of the independent variable (i.e. Consumer goods) on the dependent variable (i.e. e-marketing) including the effect of the moderating variable in the interaction or association (Nwankwo, 2013). In this study, the independent variable with dimensions (like market shutdown and border closure) was examined with the dependent variable (i.e. e-marketing) in an interaction that is moderated by consumption pattern. The study was specifically carried out in Ekiti State (Southwestern Nigeria). The study adopted Multi-Stage Cluster to select a total of one hundred and ninety (190) respondents from Ekiti metropolis. The data collected for the study was analysed using Correlation, Regression Analysis and ANOVA.

Data Presentation and Analysis

Table 1: Coefficients of Regression Parameters

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.652</td>
<td>.329</td>
</tr>
<tr>
<td></td>
<td>There is no confusion in the use of the internet for buying activities and it is easy to make payments for transaction via the internet.</td>
<td>.093</td>
<td>.042</td>
</tr>
<tr>
<td></td>
<td>Customer are handled promptly and satisfactorily Internet buying is safer compared to the traditional means</td>
<td>.278</td>
<td>.065</td>
</tr>
<tr>
<td></td>
<td>.103</td>
<td>.059</td>
<td>.126</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Internet fast-track buying task (Sales Volume).
From Table 1, all the parameters have their coefficients less than unity i.e. 1 and all except (PEOU) are positively related to the proxy of the dependent variable (Sales Volume). The constant-coefficient gives a positive value of 2.652 implying that if all explanatory variables are held at zero level i.e. held constant, the sales volume will increase by 26.5%. The beta coefficient of what PEOU denotes in the research model gives a negative value of -0.093 implying that a unit increase in PEOU results in a 0.093 unit decrease in the Sales Volume. The beta coefficient of consumers being handled promptly and satisfactorily (ATD) has a positive value of 2.278 which indicates that an increase in the value of ATD leads to a 2.278 unit increase in sales volume. Also, the coefficient of internet buying safer, compared to the traditional means (SET), gives 0.103 units and indicates that a unit increase in the SET results in a 0.103 unit rise in the sales of consumer goods in the covid-19 era.

**Test of Hypotheses**

H₀: E-marketing usage does not have a significant effect on the sales volume of consumer goods in the covid-19 era.

H₁: E-marketing usage has a significant effect on the sales volume of consumer goods in the covid-19 era.

The test of hypothesis can be conducted using either the t-test or the probability value test. The T-test is a two-tailed test used to test the statistical significance of parameters. The condition for statistical significance under the t-test approach is that T-calculated must be greater than T-tabulated. But for the probability value test, the test is conducted at a 5% significance level i.e. 95% confidence level. The decision rule is that if the p-value is less than or equal to 0.05 i.e. p-value ≤ 0.05, the variable in question is statistically significant and if otherwise, the variable is statistically insignificant. This present study, therefore, makes use of the t-test in order to determine the statistical significance of each of the specified parameters. This becomes necessary in line with the kernel objective of the study and the test of the four(4) research hypotheses which have been earlier stated in the first chapter of this research work.

The test of the main hypothesis for the study is examined by looking at the variables that constitute the model. The table above provides evidence that the surrogates of e-marketing all put together to have positive significant effects on the sales of consumer goods in Ondo state. Ardura, Artola and Reguena (2007) discovered that increase in the size of internet users could result in proportionately higher growth in the sales volume attributable to marketing. This result is in line with the findings of the study which states that e-marketing has significant effects on the sales volume of consumer goods. Abhamid and Khatibi (2006) also confirmed in their findings that consumer adoption of e-marketing increases the sales volume of consumer goods.
### Table 2: The Test of Research Hypotheses

<table>
<thead>
<tr>
<th>Variables</th>
<th>T calculated</th>
<th>T tabulated</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>SET (perceived Security)</td>
<td>1.756</td>
<td>1.984</td>
<td>Insignificant</td>
</tr>
<tr>
<td>PEOU (Perceived Ease of use)</td>
<td>2.226</td>
<td>1.984</td>
<td>Significant</td>
</tr>
<tr>
<td>ATD (Consumer Satisfaction)</td>
<td>4.272</td>
<td>1.984</td>
<td>Significant</td>
</tr>
</tbody>
</table>

**Dependent Variable:** - Sales Volume

**Source:** Author’s Computation (see appendix IV, Table XVII)

**Decision Rule:**

If T-calculated is greater in value than the T-tabulated, we Reject H₀ (Null Hypothesis) and Accept H₁ (Alternative Hypothesis), but if T-calculated is lesser in value than the T-tabulated we, therefore; Reject H₁ (Alternate Hypothesis) and Accept H₀ (Null Hypothesis).

The table above shows that all the explanatory variables except SET are statistically significant in the explanation of the behaviour of the dependent variable (Sales Volume) because their respective T-calculated is greater than T-tabulated in absolute terms. Both PEOU and ATD are statistically significant because their T-calculated is greater than the T-tabulated at absolute terms.

**FINDINGS**

It was discovered from the research conducted that, the usage of e-marketing significantly affects the sales volume of consumer goods in the covid-19 era. This was revealed in the calculated statistics and the corresponding significant probabilities as stated in Table 2. This finding is in line with the study of Del-Aquila-Obra and Padilla-Melendez (2006) who indicated in their study that the adoption and usage of internet marketing increases the sales of consumer goods. This, according to them, occurred because of the perceived benefits derived from the technology. Also, Salwani et. Al., (2006) in their findings, deduced that internet marketing usage significantly influenced the increase in sales volume and thereby affect business performance and profitability. The findings of Salwani et. Al., (2006) are in agreement with the study.

The study also conforms to Vijayalakshmi and Milcah (2017) that the macro-level change in individuals and households consumption patterns occur because of structural or physical shifts (otherwise periods) in the environment (like COVID-19) which affects the buying behaviour, lifestyle, value-system and needs of consumers which could sometimes erupt emerging cultural, racial, religious, class, and educational limitations likely to vary the consumption pattern between and within different states, regions and countries.
CONCLUSION

The study concludes that adoption of E-Marketing by Nigerian businesses in the covid-19 era will sustain consumers’ usage of internet marketing for purchases and also advised existing knowledge by addressing the potential of internet marketing usage and its relation to individual and group performance.

RECOMMENDATIONS

There is no gainsaying that the internet is fast becoming an important asset to individuals, groups, corporate bodies, and governments worldwide; owing to its numerous advantages. This underscores the need for policymakers in government, at all tiers, to take deliberate measures to ensure that there is adequate sensitization of the entire citizenry on the need to be computer literate with a view to acquiring the basic prerequisites for computer usage, including computer networking and internet buying.

Based on the findings, the study recommends that we deduce that increase in the size of internet usage influences growth in the sales volume. More importantly, organizations that sell online cut costs because they do not need physical shops or necessarily produce anything. In view of this, organizations that are not currently selling online should be sensitized to these numerous advantages.

REFERENCES


