

Impact of Covid19 on Purchasing Decisions of Consumers

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Abstract:

Vision of Paper:

The COVID-19 pandemic and the lockdown and social distancing mandates have disrupted the consumer habits of buying as well as shopping. Consumers are learning to improvise and learn new habits. For example, consumer cannot go to the store, so the store comes to home. While consumers go back to old habits, it is likely that they will be modified by new regulations and procedures in the way consumers shop and buy products and services. New habits will also emerge by technology advances, changing demographics and innovative ways consumers have learned to cope with blurring the work, leisure, and education boundaries.

Research Methodology:

In this research project, we have used a survey method to find out the buying behavior of the consumers, before and after the pandemic. A structured questionnaire was conducted and was circulated among different age groups.

Findings:

The study states that, most people prefer online shopping post pandemic keeping in mind the safety. Instead of going to the stores and risking the lives, people have now switched to online mode of shopping.

Keywords:

Pandemic, covid19, shopping, buying, method, consumers, behaviour, online.

Executive summary:

The uncontrolled spread of COVID-19 pandemic has surpassed all the expectations. Nations closed their borders; the economy is going into recession and the whole world is suffering from emerged pandemic. Although the effects of the pandemic economically and socially can be measured and estimated, though the changes in the buying behavior of customers is not easily predicted. As hygiene products demand went up and supply went down causing panic hoarding by some of the consumers. It became interesting for the researchers to explore the impact of the COVID-19 pandemic on the brand preferences in purchasing decisions. As a result, the main purpose of this thesis is to broaden the scope of consumer behavior as a field by adding a complementary empirical perspective to the current literature on how a pandemic affects brand preference in purchasing behavior of consumers, for this, research was done with the help of questionnaire. The findings indicated aspects of price, quality, risk and loyalty became tied to the pandemic in the context of the health aspect of the COVID-19 virus. While there were not much indicating large shifts in preferred brands, there were large changes in health consciousness and qualitative demands on brands due to the pandemic affecting brand preference.

Introduction:

The uncontrolled spread of the COVID-19 pandemic has surpassed all the expectations. It was only on March 11th that the world health organization declared the disease as a pandemic. Pandemics are not exactly a novel phenomenon strictly related to the current modern societies as they were recorded since ancient times. Each pandemic triggered major changes in economics, regional and global policies, social behavior, and citizens' mentalities as well. The majority of people got and still getting infected which is overwhelming countries, as a result they are not able to provide the needed health care for the masses or keeping the economic wheel functioning and maintaining it and the society. Like any other pandemics, COVID-19 has caused significant changes on all levels of contemporary society. All states; continents; regions; urban and rural communities; families; and ultimately, thinking and lifestyle of each individual have been impacted by the pandemic. Most of the countries have slowed down their manufacturing of the products. The various industries and sectors are affected by the cause of this disease; these include the pharmaceuticals industry, solar power sector, tourism, Information and electronics industry. This virus creates significant knock-on effects on the daily life of citizens, as well as about the global economy.

PROBLEM OF THE STUDY

During covid 19 pandemic public faced a lot of problem, financial crisis was major. Customer faced a lot of problems and market also faced crisis, there was scarcity of daily use products in market and consumers left with very less choice. Supermarket, big groceries, brand outlets were closed and consumers only left with two of the options, 1. Locally Made Products.

2. Online Sites.

Online sites shopping was having a problem that its delivery was getting late due to lockdown so consumers were basically preferring locally made products and consumers left with no other option.

Consumers were very confused at the time of pandemic what to buy, from where to buy, how much to buy so we tried to understand what is the behavior of majority of consumers during pandemic.

Consumers, suppliers, retailers everyone were in problem and in the situation of dilemma so this research paper will help everyone how to operate in this type of situations.

Through this research paper we would basically find out the behavior of consumer, how consumers acts at the time of any crisis or pandemic situation.

Literature

Currently, many markets are in a position of uncertainty. COVID-19 has affected the world both economically and socially. Looking specifically at the economic impact there has been an effect on demand. Retail consumption habits have changed in the wake of the pandemic. There has been an increase in purchases of crisis goods such as toilet paper and hand 9 sanitizers. Additionally, Swedish supermarkets are facing issues keeping up stocks. People are buying food at a record high, and multiple products such as pasta and rice are sold out and many shelves remain empty in supermarkets (Westerberg & Arvidson, 2020). Consequently, there are currently

changes occurring in consumption demand and habits of products such as sanitizers, toilet paper and food, possibly due to the COVID-19 pandemic. Furthermore, the economic impact has not only been regarding purchases. It has also affected supply chains due to closed borders and changes in production. Moreover, looking specifically at personal-hygiene and food products, other countries besides Sweden have also faced the problem of empty shelves for personal-hygiene and food products in supermarkets, as they are main products people panic buy and hoard.

Objective:

The purpose of this research paper is to examine the impact of Covid-19 pandemic on consumer behavior. Will the consumers permanently change their consumption habits due to lockdown and social distancing or will they go back to their old habits once the global crisis is over? Will there be new habits consumers will acquire due to new regulations related to air travel, shopping at the shopping centers and attending concerts and sports events? Will consumers find that going to a store or attending an event in person is much of a hassle, and therefore, it is better to let the store or the event come to home? To some extent, this has been happening for quite some time in sports tournaments and entertainment by broadcasting them on television and radio.

So, the main purpose of this master thesis is to:

- broaden the scope of consumer behavior as a field by adding a complementary empirical perspective to the current literature on how a pandemic affects brand preference in purchasing behavior
- The secondary purpose of this thesis is to produce data which can be used by managers to manage effectively during a pandemic.

Immediate Impact On Consumer Behaviour

All consumption and consumer behavior are anchored to time and location. Since World War II, more and more women have been working resulting in reduction of discretionary time. It is estimated that today more than 75 percent for all women with children at home are working fulltime. This has resulted in time shortage and time shift in family as well as personal consumption. Monday through Fridays, no one is at home between 8am to 5 pm for service technicians to do installations and maintenance of appliances as well as repairs of broken heating and cooling systems. The supplier has to make appointments with the household to ensure there will be someone at home to open the door.

There is also time shortage as the discretionary time of the homemaker is now nondiscretionary due to her employment. This time shortage has resulted in consumers ordering online and have products delivered at home. Similarly, vacations are no longer two or three weeks at a time but are more minivacations organized around major holidays such as Easter, Christmas, Thanksgiving, Memorial Day, and Labor Day extended weekends.

With lockdown and social distancing, consumers' choice of the place to shop is restricted. This has resulted in location constraint and location shortage. We have mobility shift and mobility shortage. Working, schooling and shopping all have shifted and localized at home. At the same time, there is more time flexibility as consumers do not have to follow schedules planned for going to work or to school or to shop or to consume.

Shortage of space at home is creating new dilemmas and conflicts about who does what in which location space at home. As homo sapiens, we are generally more territorial and each one needs her or his space, we are all struggling with our privacy and convenience in consumption.

COVID-19 has forced many companies to rapidly change their approach to work, raising crucial HR concerns. Here are some practical insights on five key policy areas. :

The global economic impact of the corona virus (COVID-19) is significant. The increase in government-directed "lockdown" regulations since the world health organization declared the novel corona virus outbreak a pandemic has companies scrambling to respond strategically to the threat. Many organizations are relying on their human resources teams to help them navigate the changes – and companies without internal HR departments still face critical and potentially costly HR policy decisions.

RESEARCH METHODOLOGY

RESEARCH DESIGN-

Research design is the framework of research methods and techniques chosen by a researcher.

The design allows researchers to hone in on research methods that are suitable for the subject matter and set up their studies up for success.

RESEARCH DESIGN:

- By analysing the situation, I listed some questions.
- Gradually, I framed a general questionnaire.
- As I mentioned, that I would be sending the questionnaire through social media (whatsapp). I went through my contacts and categorized them in 3 category
 - Students
 - Private Job
 - Govt job
 - Self Employed

After sending to all of them, I received 61 responses.

The data is collected through phone because it is the easiest medium to reach people. It is the easiest way to complete the survey. It is time saving. There are no limitations such as printing costs and time spent on distribution.

The scale used is Multiple Choice type and Simple answer type questions.

SAMPLING DESIGN AND PLAN:

- TARGET POPULATION- 100 Person of 18 or above 18
- SAMPLING UNIT USED- 61
- METHOD USED FOR SELECTING SAMPLE UNITS- NON PROBABILITY SAMPLING
- SAMPLE SIZE- 61

EXPLORATORY RESEARCH

A structured questionnaire was used to collect relevant data pertaining to the said research. The study based on primary data. With the help of questionnaire. We conducted this survey via social networking sites from where we got the responses. The survey helped us a lot to gather the required data.

- **GENERAL AND SPECIFIC QUESTIONS:**

In my research there are no specific questions. All of them are generally related to what brands or products consumers preferred to use during lockdown, with respect to this we prepared a questionnaire including following questions:

The specific objectives of the research are to answer the following questions:

- Which mode of shopping you prefer during Covid19 pandemic?
- Did Covid19 Pandemic force you to buy daily needs from local market?
- Which type of product you preferred during pandemic?
- Consumers are more fearful of the economic impact of Covid - 19 than for their health.
- Has pandemic changed your shopping preference permanently?
- What did you cared more about during shopping in pandemic?
- Has price dictated what brand of food and hygi products you buy during the pandemic?
- Have you tried more or less new brands then you would before the pandemic?
- Have you tried new brands of food or hygiene products during the pandemic?
- What factors are normally important in your brand choice for food and hygiene products, before the pandemic?

DATA ANALYSIS AND INTERPRETATION:

The gathering of data includes a variety of alternatives.

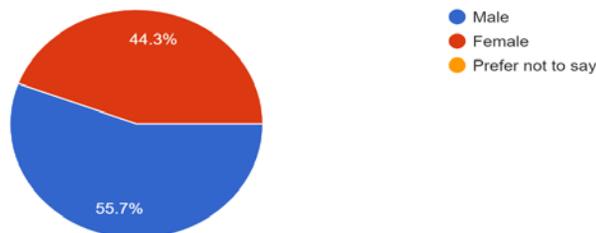
The method I used was the QUESTIONNAIRE method to collect the raw data.

Information gained from research should be as accurate as possible. The error which was found during the research was minimized by using some strategies.

Data analyze includes editing, reducing, minimizing, summarizing and applying techniques to interpret data.

Analysis of the survey is as follows-

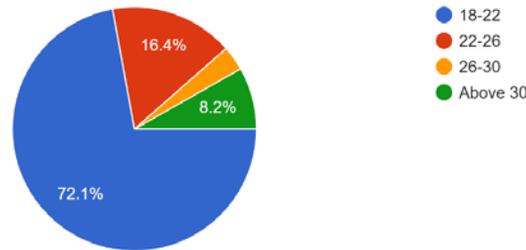
Gender
61 responses



I tried to take response from all the genders of society to understand purchasing behavior of everyone in the society.

Age Group

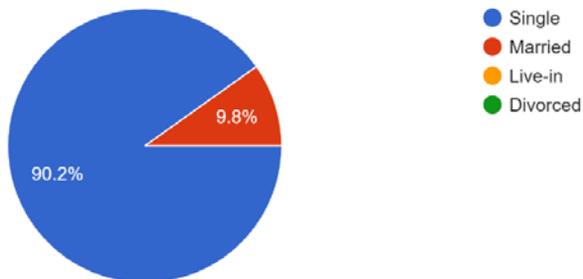
61 responses



I included the age group from 18 as this is the age from where consumer generally becomes rational so they are good sample for my research.

Marital status

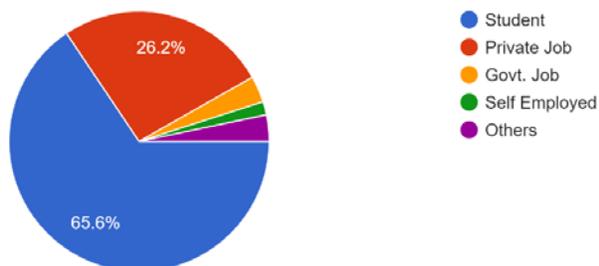
61 responses



I tried to take responses from sample who are single or in any marital status as purchasing behavior mostly depends on how we live.

Occupation

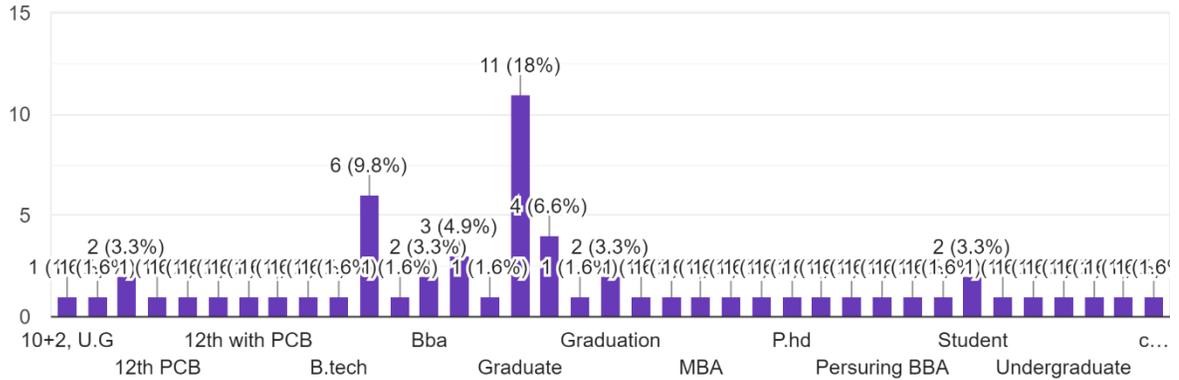
61 responses



Occupation plays an important role in deciding how you spend money for daily uses product, so I tried to take response from all the sectors.

Qualification

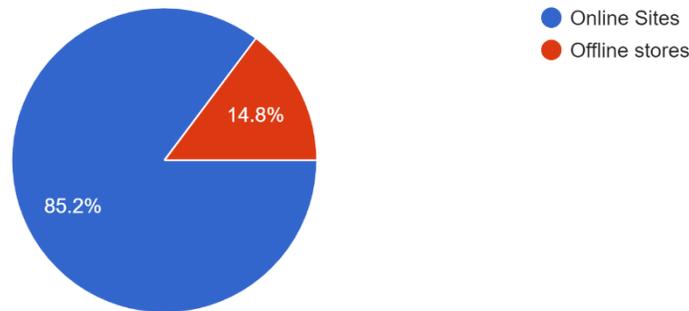
61 responses



Qualification also decides how you do shopping, so I tried to take responses from people from persons of educational background.

Which mode of shopping you prefer during Covid pandemic?

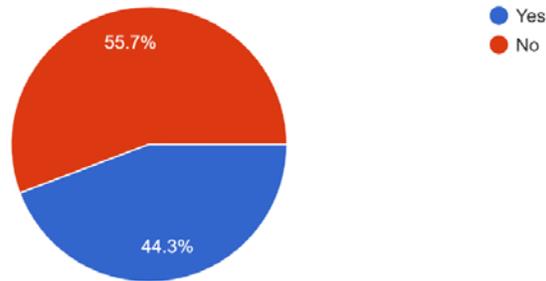
61 responses



Online shopping has big market share these days and covid pandemic & lockdown boosted it a little more as public didn't preferred to go out of the home so a major group of public preferred to get things online, so I took response regarding this to understand what consumers preferred during Lockdown.

Did Covid Pandemic forced you to buy daily needs from local market?

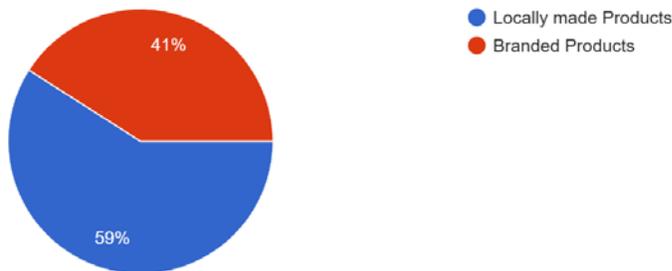
61 responses



During covid pandemic consumers didn't had a lot of option to buy all the products they want as all the supermarkets, groceries, mall were closed during lockdown so consumers were left with the option is local markets.

Which type of product you preferred during pandemic?

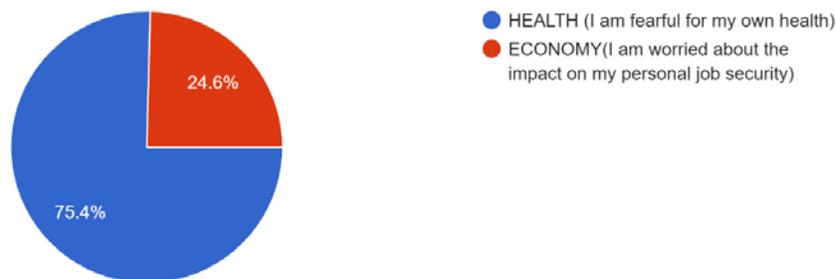
61 responses



Broadly consumers had option of locally made products but some of consumers continued to use their preferred brand, we can see the difference of preference from above graph.

Consumers are more fearful of the economic impact of Covid - 19 than for their health.

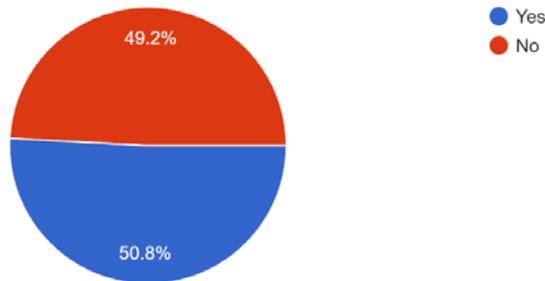
61 responses



During pandemic some consumers preferred health over budget and some preferred budget over health. By above graph we can see difference between the preference of consumers.

Has pandemic changed your shopping preference permanently?

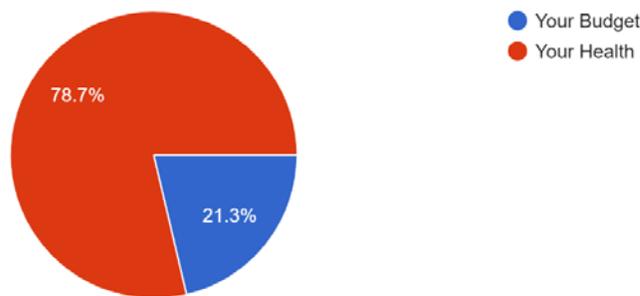
61 responses



During pandemic some consumers started to use locally made products or other than the products they were earlier using and now they started using the same products as their preference got changed.

What did you cared more about during shopping in pandemic?

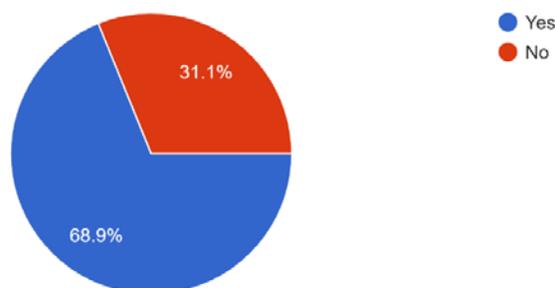
61 responses



This response shows that most of the consumers preferred their health over their budget during pandemic.

Have you tried more or less new brands then you would before the pandemic?

61 responses



This response shows that the consumers have tried new brands & products or not during the lockdown, by above graph we can see that a majority of public had tried new products.

RESULTS

FINDINGS:

- A majority of consumers preferred to purchase daily use items from online sites as this consumers considered safe as they don't had to go out for shopping.
- The set of consumers who always did shopping from branded stores, super markets, groceries were also forced to buy from local markets as they were left with option only.
- During covid majority of consumers preferred local made products as this was easily accessible during lockdown.
- During covid almost every consumers preferred health over budget as health was most important during covid pandemic.
- Majority of consumers have changed their shopping preference permanently after lockdown but also group of consumers didn't changed their preference and stick to their preferred brand.
- Majority of consumers had tried new brands or products they haven't used earlier and also major group didn't preferred to use new brands and products as they didn't shown trust in new products.

SUGGESTIONS:

As Covid19 is spreading out too fast, one should prefer online shopping instead of going to the markets as it's the matter of the individual health. According to research the customers prefer online shopping and have tried new brands and because of the lockdown the customers were unable to do shopping from the local markets hence they have to purchase stuff online.

CONCLUSION

Covid19 pandemic and lockdown was a such a situation which none of us has ever witness, we never seen such a drastic change in our life neither our older generations had any experience about this type of situation. Everything was just on hold, people were losing jobs, financial crisis was a major problem that we all dealt with. As the financial crisis hit the consumer behavior also changed as majorly consumers had changed their brand preference and the way of shopping. In spite of preferring brand, consumers preferred value for money products, basically the products which were good in the budget of consumers were preferred. After using some new brands or products during lockdown, majority of the consumers have permanently shifted to newly used products.

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Links:

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