

COVID-19 - Impact on Consumer Behaviour in India

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Abstract

The COVID-19 outbreak was triggered in December 2019. The virus continued to spread across the world. Although the epicentre of the outbreak was initially in China, cases later are being reported in many other countries. Amidst the significant public health risk COVID-19 poses to the world, the World Health Organization (WHO) has declared a public health emergency of international concern to coordinate international responses to the disease and declared it as global pandemic. The government of India took strong containment measures to prevent the spread of COVID-19 in India with restrictions on daily living such as social distancing and the closing of businesses, schools and transportation etc. While these measures are essential to stop the virus spreading. The COVID-19 Pandemic, the lockdown and social distancing mandates have disrupted the consumer habits of buying as well as shopping. Now that India has experienced two strong waves of the COVID-19 crisis, the rich data from these pulse checks gives us an opportunity to step back and look at how the pandemic has transformed people's consumer behaviour. Consumers have learnt and improvised the new habits, this has changed the consumer behaviour towards the goods and services that Indian households buy. This paper is an attempt to understand and examine the impact of Covid-19 pandemic on consumer behaviour specially to analyse the spending of consumer on the consumption of domestic products like groceries, Medicines, etc, this paper will also focus on the inclined modes of buying of consumer in India during and Post Covid.

Keywords: COVID - 19, Consumer spending habits , Consumer Behaviour, Modes of Shopping, Customer Experience

Introduction:

The COVID-19 pandemic has fundamentally changed the world as we know it. People are living differently, buying differently and in many ways, thinking differently. The current crisis is affecting the brand and category preferences, shopping behaviour and spends. During this pandemic period, most of the consumers have adopted the digital way of living therefore there is an increase in digital penetration in the nation. 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

Objectives of the Study

- To understand the General Consumer Behaviour in India
- To Determine the level of awareness and concern of people towards coronavirus outbreak
- To Explore the sentiments and experiences of consumers during coronavirus outbreak
- To analyse the consumer attitude towards covid 19 impact on the buying behaviour
- To get an insights on the effects that coronavirus is having on consumer behaviour.

Research Methodology

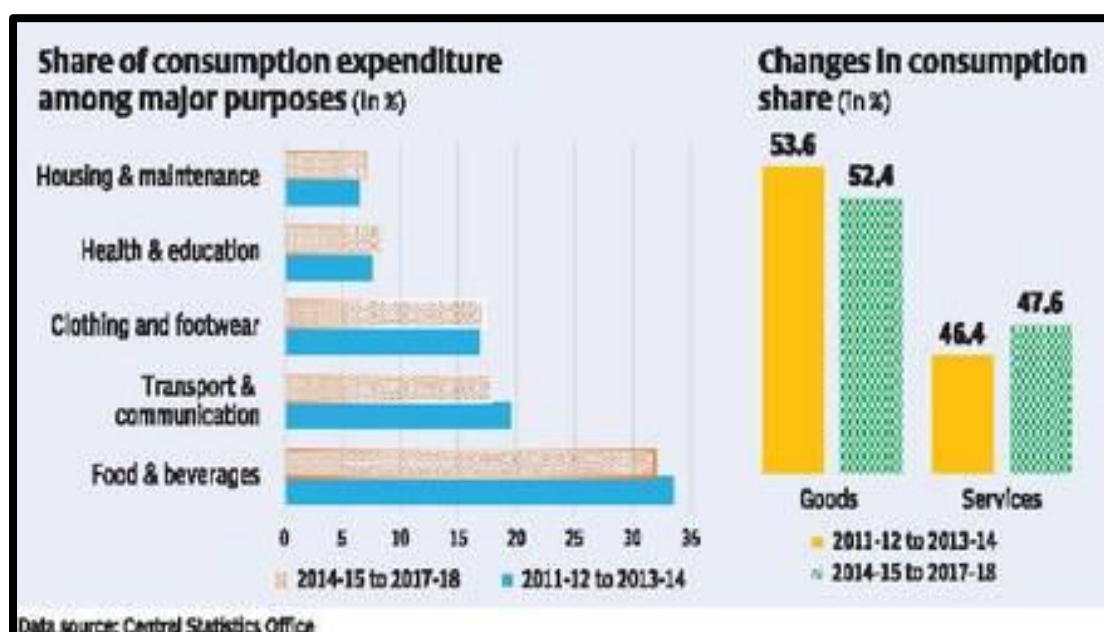
The present study is an empirical research and it is based on the survey method. The primary data have been collected a structured interview schedule was used to collect information. a pre-test has been conducted before finalizing the Interview Schedule. The secondary data have been collected from websites, books, magazines, journals and research reports. The researcher has adopted the Convenient Sampling Method. A total of 82 responses of the consumers have been collected. The researcher has used an online Google form for data collection. The data collected for the study have been analysed for the purpose of the above objectives.

Limitation of the Study

The study is focused on consumers towards COVID 19 impact on buying behavior. The study is confined to the extent of interpreting data which is collected only from 82.

General Consumer Behaviour In India

Consumer spending is what, households spend to fulfil everyday needs. This private consumption includes both goods and services.. According to a survey one-third of the personal consumption expenditure is on goods. These include so-called durable goods, such as washing machines, automobiles, and furniture. More frequently, we buy non-durable goods, such as gasoline, groceries, and clothing. The remaining t two-thirds of consumer spending is services, like housing loans, health care. The consumer also spends on other services which include financial services, such as banking, investments, and insurance, Further it also includes Cable and internet and Phone services.



As per the secondary data sources it is observed that the consumer spends his major income on Housing and maintenance, health and education, clothing and accessories, Transport and communication and food & beverages . These includes both the service and non service sector .

Changing Trends in Indian Consumer Behaviour : Purchasing urban products is taking place in India at a tremendous pace and is influencing the life style and buying behavior of the consumers. The working urbanites are depending more on fast and ready-to-serve food, they take less pain in traditional method of cooking and cleaning. Bulk purchases from hyper stores seem to be the trend these days, rather than frequent visits to the neighborhood market or store or vendor. A

large number of consumers are visiting especially to the Malls rather than the plenty of shops available to the next door.

Trendy Life Style: The current urban middle and upper class Indian consumer buying behavior to a large extent has western influence. There is an increase in positive attitude towards western A Study on Changing Buying Behaviour of Indian Customers 3 trends. The Indian consumer has become much more open-minded and experimental in his/her perspective. Foreign brands have gained wide consumer acceptance in India, they include items such as; Beverages, Packed food, Ready to eat food , Pre-cooked food, Canned food, Personal care products , Audio/video products, Garment and apparel, Footwear , Sportswear, Toys and Gift items .

Spending Behaviour of Consumer: The way Indian consumers are spending their money on various items has changed in recent years. The share being spent on the basis (food and beverages) are falling. For urban India, averagely 30 days consumer expenditure was split up into food, and for nonfood. Food expenditure includes cereals and cereal substitutes, milk, milk products, vegetables, edible oil and others. Non-food expenditure included fuel and light, and rest on clothing, footwear and on other non-food expenditure. In India, the higher income group spends more amount of their income on luxury goods and trendy products than fact moving consumer products. The middle income group spends more on consumer expendables than the rich.

Determine The Level Of Awareness And Concern Of People Towards Coronavirus Outbreak: The COVID-19 pandemic has had large scale ramifications for India. The strict lockdown enforced by the government to curb the spread of the virus in India precipitated a humanitarian and economic crisis. As the pandemic spreads across the country, greater challenges in terms of human and economic costs need to be tackled. India now holds the dubious distinction of having the second highest number of COVID-19 cases trailing only to the United States of America. The COVID-19 pandemic is far more than a health crisis: it has unpredictably changed our whole way of life. As suggested by the analysis of economic data on sales, this dramatic scenario has also heavily impacted individuals' spending levels. Majority of Indian population demonstrated preceded good knowledge, positive attitude and good practice regarding COVID-19 pandemic. Furthermore, due to systemic approach and health communication strategies significant awareness and apprehension in knowledge, preventive strategies and optimistic attitude was assimilated general population. Other than that, government policy makers has worked well in targeting grass-root population having low

level of education and non-professional workers and managed proactively the concept of “social distancing” in COVID-19

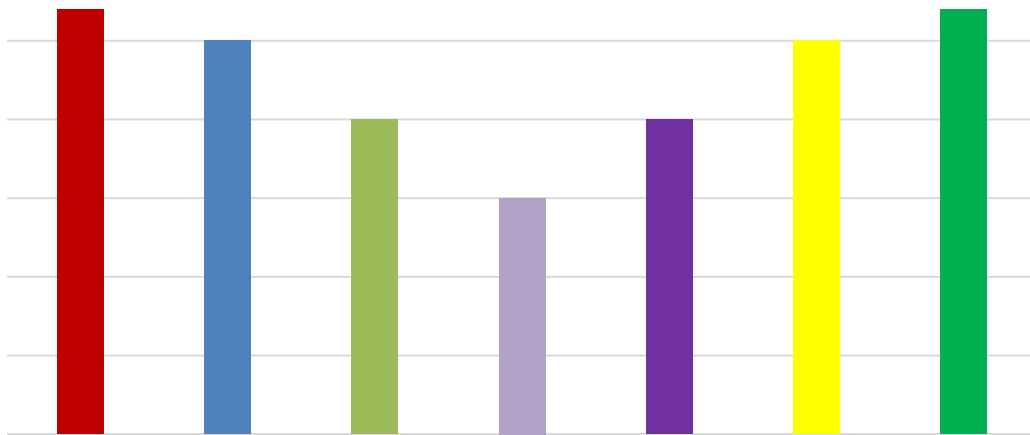
Explore the sentiments and experiences of consumers during coronavirus outbreak:

The COVID-19 pandemic is far more than a health crisis: it has unpredictably changed our whole way of life. As suggested by the analysis of economic data on sales, this dramatic scenario has also heavily impacted individuals' spending levels. To better understand these changes, the present study focused on consumer behavior and its psychological antecedents. Previous studies found that crises differently affect people's willingness to buy necessities products (i.e., utilitarian shopping) and non-necessities products (i.e., hedonic shopping). Therefore, in examining whether changes in spending levels were associated with changes in consumer behavior, we adopted a fine-grained approach disentangling between necessities and non-necessities. The present study extended our understanding of consumer behavior changes during the COVID-19 pandemic. Results could be helpful to develop marketing strategies that consider psychological factors to meet actual consumers' needs and feelings..

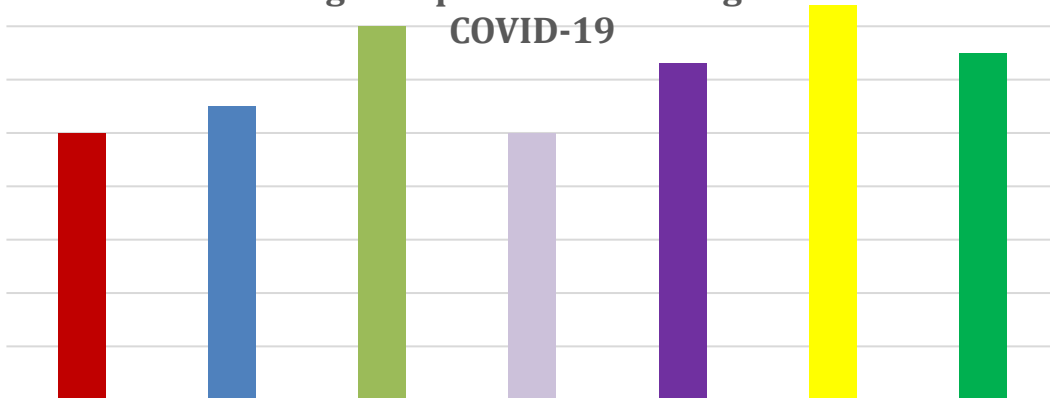
Consumer attitude towards Covid 19 impact on the buying behaviour

After declaration of first lockdown , the attitude of the consumer changed towards their purchasing style . all the essential commodities were purchased in lumpsum to face the uncertain future because of covid. In lockdown period financial, nonfinancial, psychological, social & cultural and some other factors were affected on the consumer buying behaviour.to understand the buying behaviour a questionnaire was prepared with set of 10 questions to understand the behaviour of the consumer pre and post Covid periods. 82 people responded to the survey. The responses were further analysed and assessed . The Following observations were done as per the assessment

1. Ranking of Expenditure before COVID-19

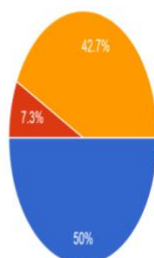


2. Ranking of Expenditure During and After COVID-19



3. Most of the payments before Covid -19 were

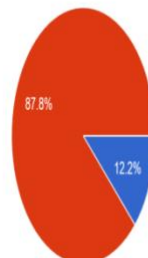
82 responses



● Cash Payment
 ● Cashless Payments (E -Payment like Googl pay , Paytm, Debit Card etc...)
 ● Both

4. Most of the Payments During and after the second wave of Covid -19 were

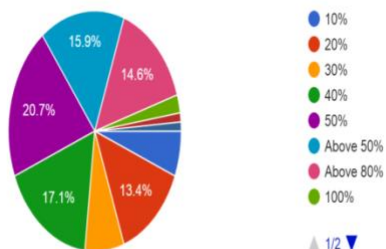
82 responses



● Cash payments
 ● Cashless payments (E -Payment like Googl pay , Paytm, Debit Card etc...)
 ● Both

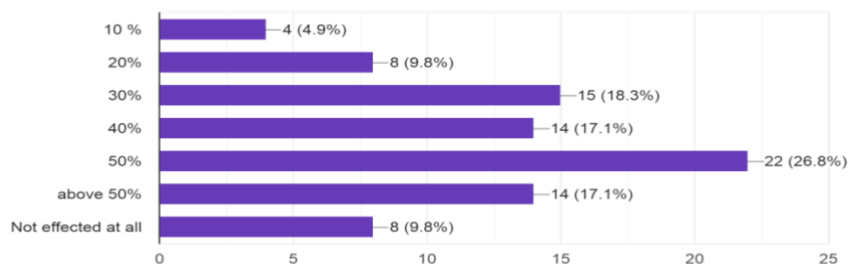
5. Did Covid - 19 affect your family Income ? If yes to what extent of the following?

82 responses



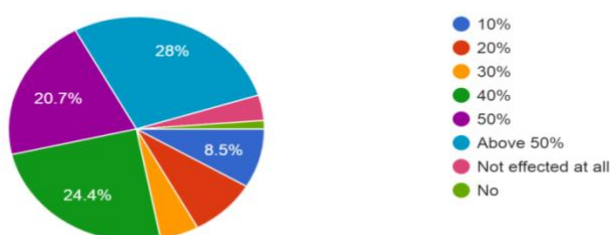
6. What percentage of your spending habits got effected because of COVID-19

82 responses

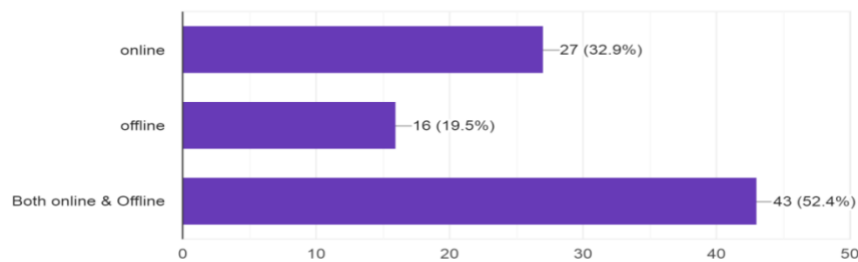


7. By What percentage of your savings got effected because of COVID.

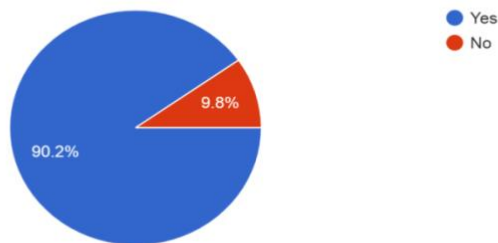
82 responses



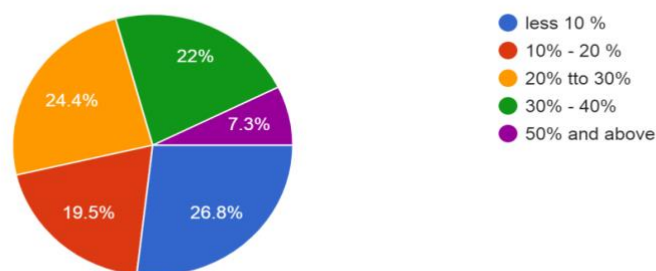
8. Preferred Shopping mode after COVID - 19
82 responses



9. Did you experience the need of buying products which you did not need before?
82 responses



10. During Covid Emergency what percentage of your income was spent on Non - Essential
82 responses



The major observations

- It was observed from the sample data collected that in the pre Covid period the Indian consumer's major spending priorities were ranked in the order as Housing, food, Entertainment, Education & Transport.
- After the pandemic was hit of it was observed that the ranked were changed to Food, Housing, Healthcare and Entertainment.

- In Pre-Covid scenario primary expenditure was on housing, which was replaced by Food post Covid.
- Transportation was at third priority of spending pre-Covid but it was replaced by Health care
- During Covid period the expenditure on Transportation has drastically come down
- It is also observed that Entertainment also was effected slightly. Though people were restricted to home because of Lockdowns but people continued entertaining themselves through digital modes such as Netflix, YouTube, Amazon prime etc.
- Researchers had found that during nationwide lockdown period, Flipkart, Amazon and other online company's temporary postponed services for keeping and maintaining social distancing
- From the study it was found that different factors were affecting on the consumers buying behavior in lockdown situation.
- It is observed from the data that majority of the respondents preferred cash payment only, very few preferred cashless payment before covid.
- It is observed that majority preferred cashless payment in the post Covid Scenario. Because of covid protocol of following "No contact transaction" and also many initiatives were taken by to promote E- Payments Banks, Traders, and Government. Another reason for cashless payment was that E- Shopping were preferred during Covid
- Another significant observation was that more than 50% of the respondent's income was effected by 60% because of lockdown.
- 80% of the respondents agreed that that 60% of the savings got effected because they income was reduced or for some no income as they lost they job to covid. They were forced to use up them saving and also some could not save as much as before.
- Another major effect of covid was that 90 % of the respondents agreed that, spending was on the items which they never purchased before.
- It is also observed that only 10% of income was spent on non-essentials
- The research also found that five distinct areas are increasingly driving consumers' purchasing decisions. These five factors are health and safety; service and personal care; ease and convenience; product origin; and trust and reputation.

Conclusions

It is concluded that there were drastic change in the consumer behavior because of Covid -19 pandemic. Consumers preferred offline shopping and cash payment before the pandemic. But covid changed the consumer behavior very significant. These changed were reflecting two sides of a coin. On a brighter side the consumers became more health and fitness conscious, they made themselves more digital literate, online modes of entertainment and shopping were resorted to, in view of following social distancing. Those who found online transactions difficult initially later as a necessity they got themselves equipped with the digital transaction modes. As a result most of the people experienced E-payment mode as more convenient and has got adapted to it. Therefore it is concluded that any change is for good as long it makes our live worth it.

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