

## **A Study on Impact of Coronavirus (Covid-19) on Consumer Behavior with Special Reference to Udaipur City**

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### **ABSTRACT**

*In order to consider the present research, impact of global pandemic on consumer behavior in India is analyzed with a major focus on Udaipur Zone. Numerous journals were checked from diverse disciplines and a content analysis was carried out. Understanding the behavior of buyers is a priority for various firms. Companies may use this research paper to develop ideas regarding the way to target consumers in the time of global pandemic. This information will support academicians and practitioners in adapting to the current change in the behavior of shoppers. The literature survey demonstrated that not much academic content has been published on this topic. Aim of this research paper is to determine the impact of COVID-19 on consumer behavior in India. To prepare this paper, 30 respondents have been selected to whom 10 questions has been asked.*

**Key Words:** Consumer behavior, COVID-19, global pandemic.

## **RESEARCH PROPOSAL**

### **Introduction**

The current pandemic of COVID-19 represents a major risk not only to the economic well-being and health of the people but also to the primary structure of social steadiness in the community and also to the democracy. Other than an increase in direct medical expenditure of treating the patients, the pandemic also have harmful impact on Indian economy. Restrictions on transportation of goods and people are placed in regions where the hazard of infectivity is very high. The epidemic has also disrupted the exports and manufacturing and potential development that results into loosing the trust by investors in the market (Grover, *et.al*, 2020). Furthermore, it has unpleasant influence on spending of the customers and people repeatedly delay the travelling and visiting public places as a step to reduce the risk of infection and this has resulted into disturbance in consumption and investment that affects the economy of India.

### **Impact on Gross Domestic Product (GDP) growth rate**

Economic activities in India has affected in negative way due to COVID-19. Industries and business activities have remained closed for 2 months during national lockdown. Even as the limits has been relieved in some parts of the country mainly with respect of business operations and business travel, states with a high case load are under pressure to deal with the pandemic (Arora, *et.al*, 2020). Even before the global pandemic, which resulted into the shutdown of the economy and developed path for the worst reduction of the GDP of India in April-June quarter, Indian economy was already witnessed a slowdown.

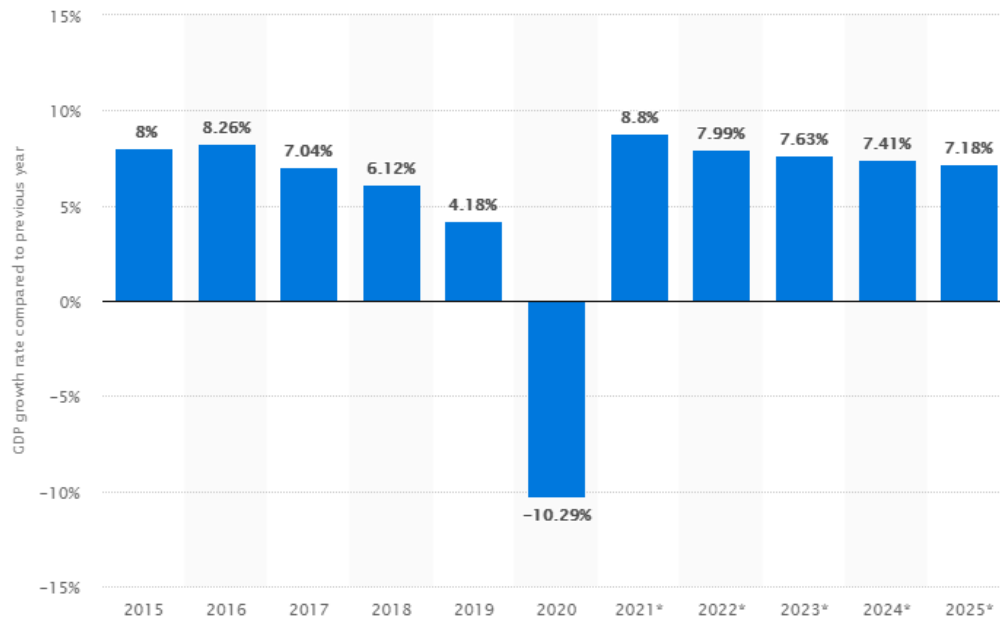


Figure1: Real GDP growth rate

Source: (Statista, 2020)

The above graph shows a consistent downfall in GDP of India from year 2017. The diagram reflected the growth of real gross domestic product (GDP) from year 2015 to 2020 with forecasting up to year 2025. GDP is defined as the total value of goods and services in the market within a nation in a year. Real GDP is adjusted for changes in the price and considered as the major indicator for economic growth. In year 2020, the real GDP of India was nearly -10.29 percent in comparison with the previous year (Statista, 2021).

The global pandemic has created a shift in behavior of buyers that the firms have begun to prepare for. COVID-19 has brought a significant change in habits and behavior of the customers. Furthermore, India faces a vast reduction in growth of income and revenues as the pandemic hits the economic activity of the nation. In this thought, the present research paper concentrates on the impact of COVID-19 on consumer behavior in India with a major focus on Udaipur region.

## **Aim and objectives of the research**

**Aim-**“To analyze the impact of COVID-19 on behavior of consumers in Udaipur zone

### **Objectives-**

- To understand the concept of COVID-19 and its economic impact
- To assess the idea of consumer behavior
- To evaluate the impact of global pandemic on buyer's behavior in India
- To examine the influence of COVID-19 on behavior of buyers in Udaipur

## **LITERATURE REVIEW**

### **Concept of COVID-19**

In late 2019, a previous unrevealed corona virus presently named as 2019 novel corona virus appeared in Wuhan, China and expanded at global level involving nations like U.S. Korea, India, and Japan etc. This disease is also called as Corona virus Disease-2019.

According to Patil and Patil (2020) billions of people have faced difficulties due to the global pandemic. Prime Minister Narendra Modi has announced complete lockdown in the country from 25 March that brought nearly 70 % of investments, economic activities, discretionary and exports consumption to a standstill.

### **Idea of consumer behavior**

As per the view of Dev (2020) consumer behavior is defined as the study of the way in which groups, individuals or organizations choose, purchase, dispose ideas, services and goods to fulfill their wants and needs. The study of buyer's behavior involves the way in which organizations and individuals feel regarding various options, the behavior of customers while shopping and researching etc.

### **Impact of global pandemic on buyer's behavior in India**

According to Alvi and Gupta (2020) the lockdown for the period of two months and the period of unlocking has created a major effect on credit card spending with more buyers choosing to purchase online rather than offline. During lockdown, spending on online and digital platforms was the only avenue available for affluent (rich) consumers. While the trend has seen as necessity, the safety, accessibility of digital platforms has resulted into sustained change in behavior in which customers consistently spending funds on these channels post lockdown as well. Apart from household and groceries supplies, people living in India spent on entertainment at home on a consistent basis (from TV to streaming the websites). The movement towards distant education and aiding personal wellness and fitness through online resource is expected to accelerate. Patil and Patil (2020) argues that, other than effect of covid-10 on expenditure and production, there is major negative impact to keep in mind that triggers unfavorable shocks to customer spending at the other hand. The pandemic has urged many Indians to rethink their current needs and lifestyles with many now observant of their spending habits and behavior. As per new analysis by ETMoney, in general the spending by consumers between March and June

was declined by approximately 40 % as compared to last year as more people have used digital channels for payment and UPI.

In view of Lowe and Roth (2020) in mid-April, the supply of vegetables and fruits at Azadpur mandi, Delhi which is largest vegetable and fruits market in Asia, had go down by 50 % from the beginning of India’s nationwide lockdown.

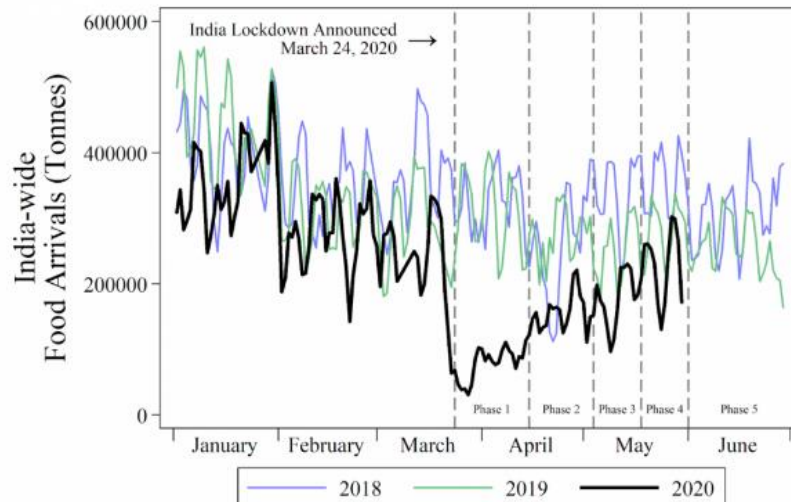


Figure2:Food arrivals across 1804 Wholesale Mandis

Source: (Lowe and Roth, 2020)

The above diagram demonstrates the data on arrival of food to 1804 markets across India. The blue line reflects volume in year 2018, green line shows volume in year 2019 and black line in year 2020. In stage 1 of the lockdown, food quantity had decreased by more than 60% on an average. However, it has recovered since April and by the month of May they emerge to have fully recovered.

### **Influence of COVID-19 on behavior of buyers in Udaipur**

In the opinion of Chaudhary (2020) COVID-19 has created an impact on the funds available with people and during the lockdown mostly people have set aside money in the form of personal savings for emergency purposes. Other than this, majority of people have lost their jobs due to uncertainty in the business.

Due to this, majority of people living in the region of Udaipur have fear of losing their employment due to economic effect of the corona virus. Moreover, people have preferred to purchase items through online channels.

## **RESEARCH METHODOLOGY**

It refers to the specific techniques or procedures that are used for selecting, analyzing and processing the information in respect of a particular topic. It helps readers to critically evaluate the reliability and validity of the overall study.

### **Research approach-**

It is the procedure and plan that involves the steps of wide assumptions to methods of collecting, interpreting and analyzing data. Research approach is divided into two types that are deductive and inductive. Inductive approach is related with the development of a new theory with the help of data. Deductive approach involves analysis of existing theories and then testing the hypothesis that emerge from those theories. Therefore, inductive approach has been used in this research.

### **Research design-**

It is the advance preparation of the methods to be used for gathering appropriate data and techniques that will be used in performing an analysis. There are various types of research design such as descriptive, experimental, correlation, diagnostic, explanatory etc. In descriptive, a researcher is mainly interested in explaining the situation. Experimental design, individual observes the impact of independent variable on dependent variable. Correlation design is a non-experimental technique that assists researcher to develop a relationship between two connected variables. In explanatory research design, researcher is focusing on analyzing the underlying reason of a particular topic. Explanatory design, researcher thought on a specific subject to further investigate the theories (Lokhandwala and Gautam, 2020). The present research used descriptive research design that helps in evaluating the impact of COVID-19 on consumer behavior.

### **Research philosophy-**

It is a belief regarding the manner in which data regarding a situation should be analyzed, collected and used. It is of different types such as positivism, pragmatism, interpretivism and

realism. In this way, interpretivism research philosophy has been used to interpret the parts of the study and to gain an in-depth knowledge and qualitative information.

#### **Method for collecting data-**

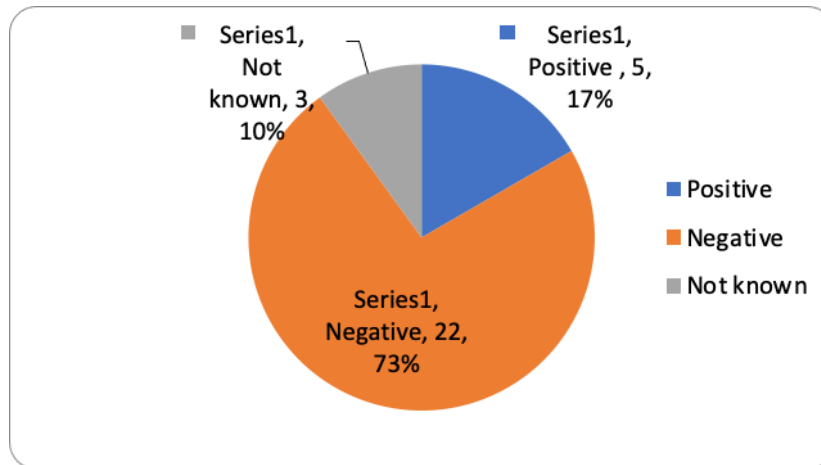
Primary data is the facts that are collected by the researcher himself. Secondary data is gathered by some other individuals earlier. Under primary data collection, respondents are asked to fill up the questionnaire. As the global pandemic is fairly new, much literature was not available online therefore, other sources like industry reports, government publications, books has been used to find out relevant details.

#### **DATA ANALYSIS AND INTERPRETATION**

To gather relevant data, the technique of thematic analysis has been used to prepare this research project that means analyzing, identifying and interpreting the meaning within qualitative data (Tellis, 2020). Appropriate data has been gathered from respondents by asking them to fill questionnaire.

#### ***Theme1-* Majority of respondents thinks about negative economic impact of COVID-19**

In your opinion, within 1 year from today, will the overall economic impact of COVID-19 be?	Respondents
Positive	5
Negative	22
Not known	3

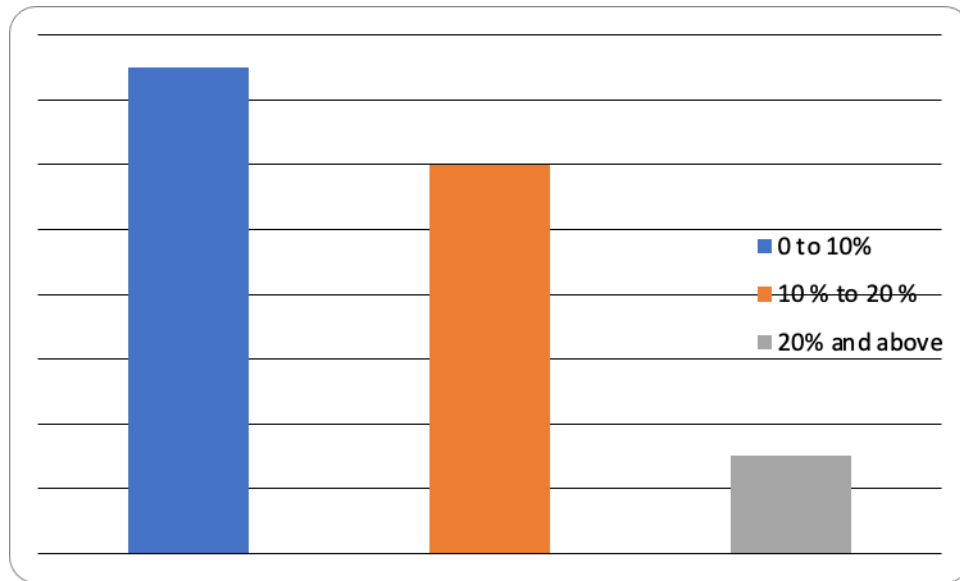


**Interpretation:**

From the above graph it can be concluded that, there are 22 respondents who have thought that, the global pandemic will impact the economy in negative way. Other than this, there are only 3 interviewees who do not have any knowledge in this respect.

**Theme 2-Majority of interviewees has increased savings by 0 to 10 %**

By how much percentage you have increased your personal savings due to the global pandemic?	Respondents
0 to 10%	15
10 % to 20 %	12
20% and above	3

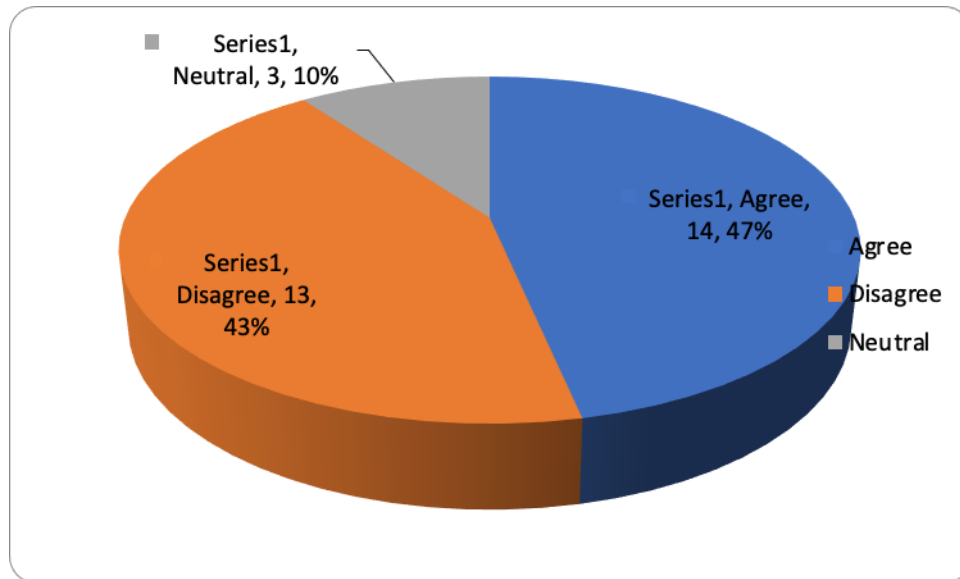


**Interpretation:**

From the above graph, it has been concluded that there are 15 respondents who have increased their personal savings by 0 to 10% whereas, only 3 interviewees have said that, they have boost their savings by 20 % and above during the pandemic.

**Theme 3-Majority of respondents has fear of losing their job**

Whether you are agree of the fear of losing the job due to the economic consequences of the Corona virus?	Respondents
Agree	14
Disagree	13
Neutral	3

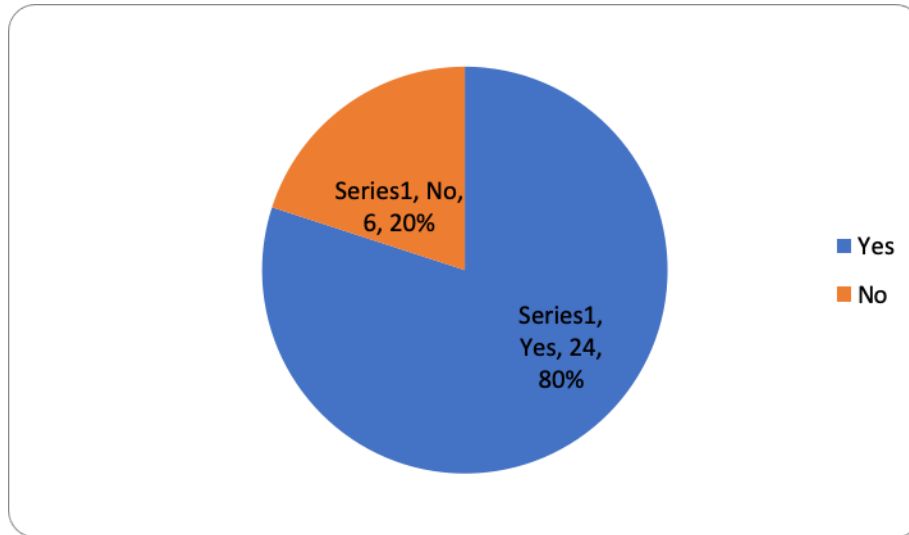


**Interpretation:**

From the above diagram, it can be stated that there are 14 respondents who agree that they are having panic of losing their jobs due to corona virus. However, 3 respondents are neutral in this respect and remaining 13 respondents said that they do not have fear of losing their job due to COVID-19.

**Theme 4-Majority of respondents have avoided themselves from larger purchasing**

Have you avoid yourself from planned larger buying due to the occurrence of COVID-19?	Respondents
Yes	24
No	6

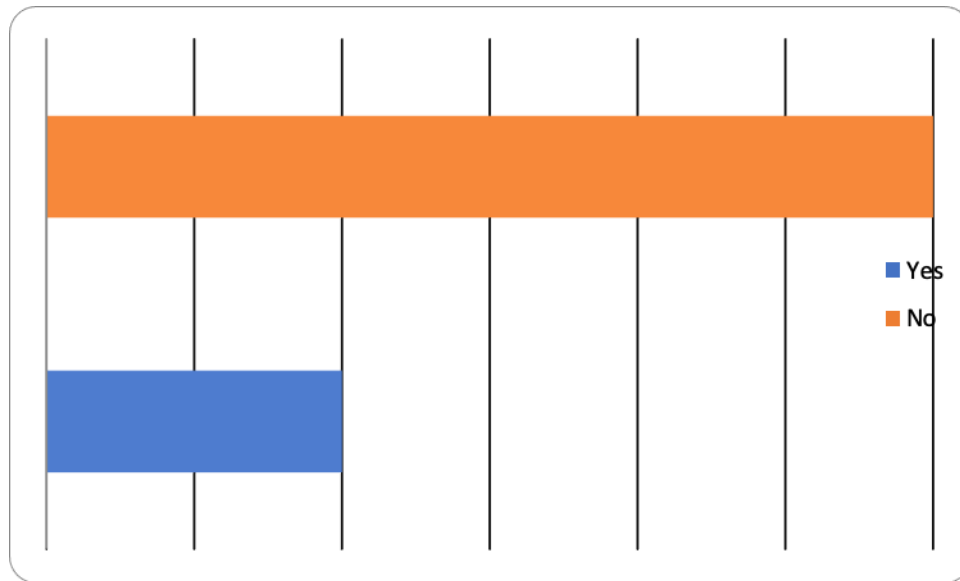


**Interpretation:**

From the above graph, it can be stated that there are 24 interviewees who said that, they have circumvent themselves from larger purchasing due to COVID-19. Other than this, there are 6 respondents who have stated that they have not performed any planning for large amount of purchasing.

**Theme 5- Majority of people have not stored food items in large amount**

Since the outbreak of global pandemic, have you begin to store food products in large quantities at home than before?	Respondents
Yes	14
No	16

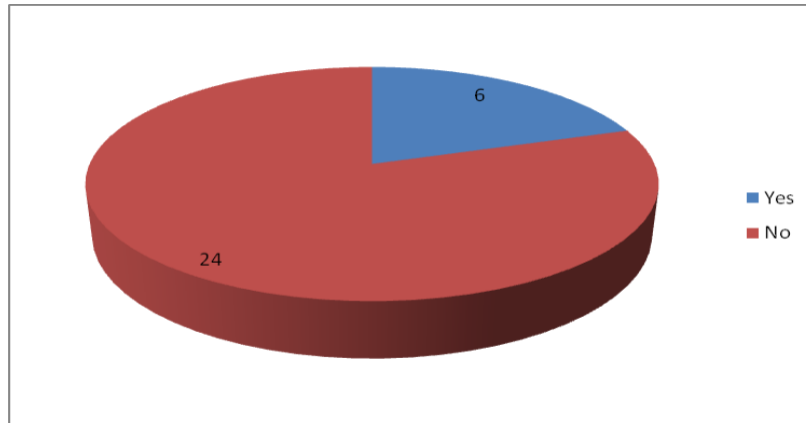


**Interpretation:**

From the above graph it can be concluded that, there are 16 respondents who said that, they have not stored food items in a large amount whereas, remaining 14 interviewees stated that, since the pandemic they have started storing food products in a large quantity.

**Theme 6-Majority of the interviewees has not stored medical items in large quantity**

From the occurrence of COVID-19, have you initiate to store medical items in large amount at home than before?	Respondents
Yes	6
No	24

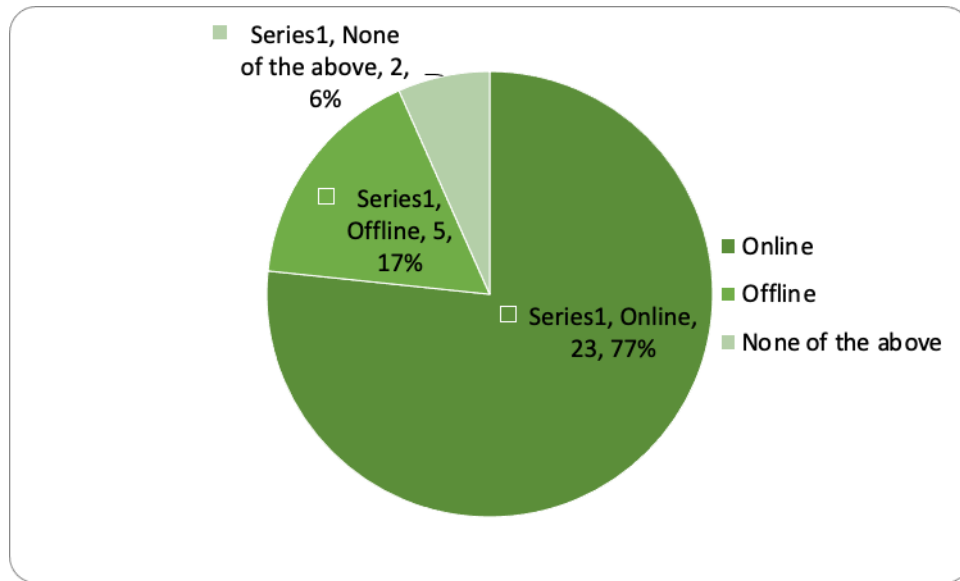


**Interpretation:**

From the above diagram, it has been concluded that there are 24 respondents who said that, from the time of pandemic they have not stored medical things in a large amount at home. Another 6 interviewees have kept medical items in a large quantity at home.

**Theme 7-Majority of people has preferred online way of shopping**

During the global pandemic you have preferred which of the following way of shopping?	Respondents
Online	23
Offline	5
None of the above	2

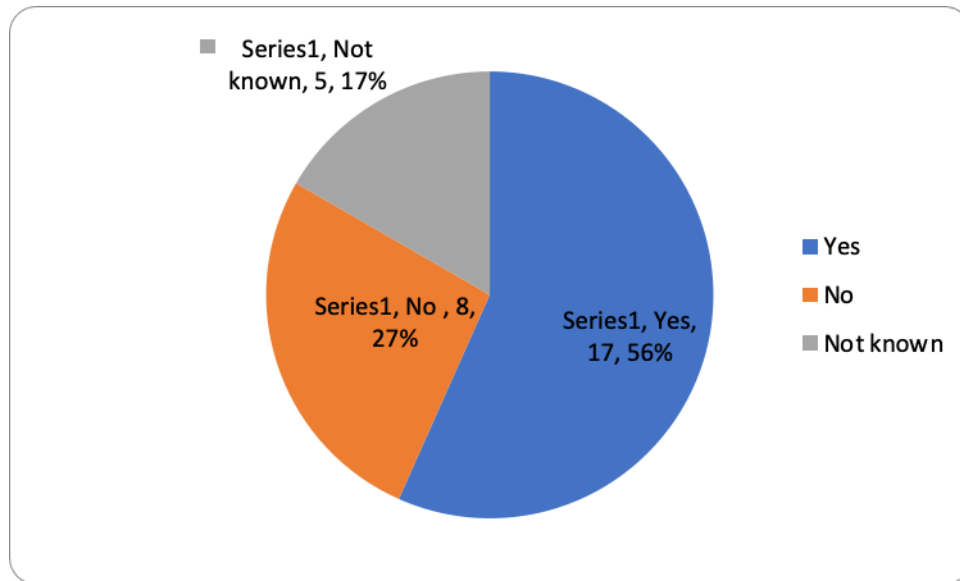


**Interpretation:**

The above diagram shows that, there are 23 interviewees who said that, they have preferred online method of shopping during COVID-19 whereas; another 5 respondents have chosen offline way of shopping. Remaining 2 people have not selected any of the two methods.

**Theme 8-Routines and finances will not become normal until 2021**

Whether you expect that the finances and routines will not become normal until July 2021?	Respondents
Yes	17
No	8
Not known	5

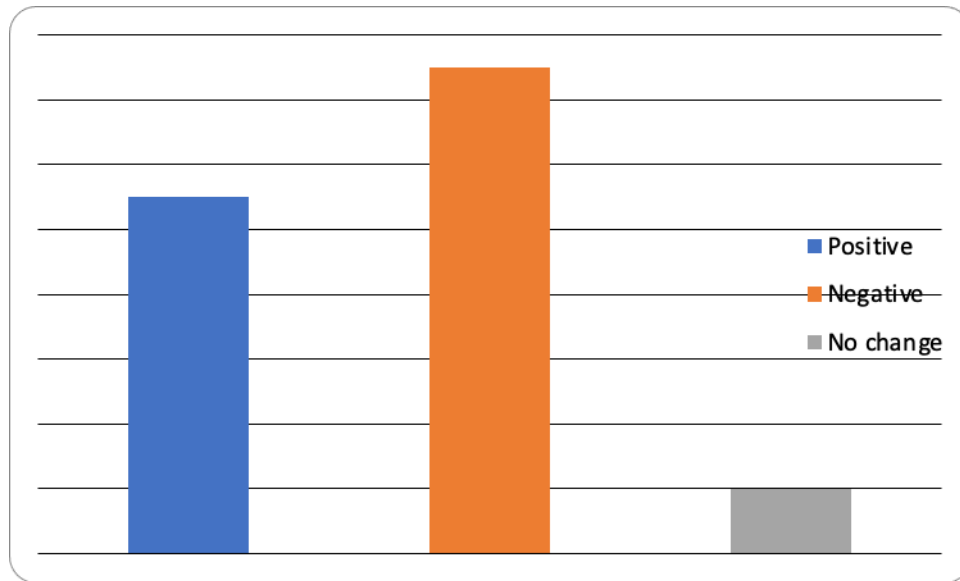


**Interpretation:**

From the above graph it can be concluded that, there are 17 interviewees who believes that routine and finance will not become normal until 2021 whereas, 8 respondents said that finances will become normal before 2021 and remaining interviewees do not have knowledge in this respect.

**Theme 9-Respondents believe that Indian economy will not recover after COVID-19**

What is your view in respect of the recovery of Indian economy after COVID-19?	Respondents
Positive	11
Negative	15
No change	2

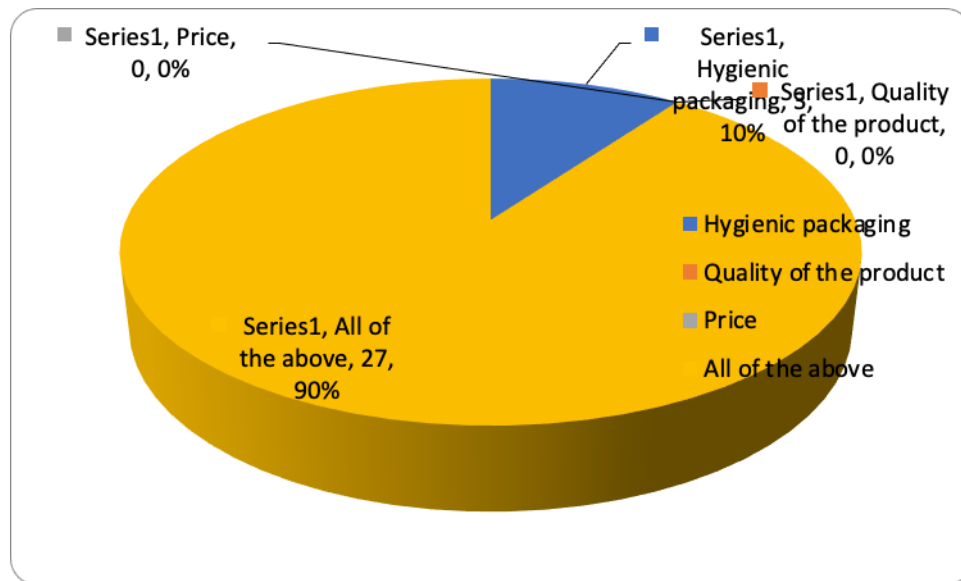


**Interpretation:**

From the above graph it is concluded that, 15 interviewees believes that economy of India will not recover after the pandemic whereas, 11 respondents said that Indian economy will recover after COVID-19. Remaining 2 interviewees stated that there will be no change due to pandemic.

**Theme 10-Majority of people gives major preference to all the factors**

What is your view in respect of the recovery of Indian economy after COVID-19?	Respondents
Hygienic packaging	3
Quality of the product	0
Price	0
All of the above	27



**Interpretation:**

From the above graph it is concluded that, 27 respondents have given major value to all the factors like hygienic packaging, price and quality etc. while buying products. The remaining 3 interviewees have said that, they prefer hygienic packaging while purchasing items.

**CONCLUSION AND RECOMMENDATION**

It is concluded that, people living in Udaipur region has preferred online way of shopping during the global pandemic and majority of the respondents believe that, they are having the fear of losing their job as an impact of COVID-19 on Indian economy. Retailers should focus on forecasting demand along with relevant data in respect of consumer needs and demands. Companies should understand the factors that are responsible for decline or growth in demand of a specific item to analyze the demand in the future.

Government of India has made significant efforts during the pandemic and it has planned to cover nearly two-third of the population under Pradhan Mantri Garib Kalyan Anna Yojana (KPM, 2020). Furthermore, government has declined repo rate by 75 basis points that is from 5.15 % to 4.4 %.

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