

IMPACT OF COVID-19 ON RETAIL INDUSTRY DEPARTMENT OF GENERAL MANAGEMENT

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ABSTRACT

Since the Indian retail sector is witnessing tremendous growth with the changing demographics and an improvement in the quality of life. The retail sector has faced many development and changes in multiple folds in the last three decades. This COVID 19 has brought so many changes around in all the aspect. The lockdown implemented by the government to prevent the spread of COVID 19 has greatly affected retail business most store garment, saris, electronic, furniture etc. Are closes expect essential food and grocery shop. The sudden impact of COVID 19 has sent shockwaves across the businesses and economic order. As retail business have a crucial role to play in protecting employee and customer health. Worldwide COVID-19 pandemic is affecting the market in India all the industries getting effect of this on their operations and overall business except some as like insurance and pharmaceutical industry. As a part of academic research under the subject of service marketing we are conducting this study.

This research is about how retail industry in India is getting changed in the period of global coronavirus pandemic. Which trends were going famous and climbing the success in retail industry before covid-19? and how they ruined during lockdown period? Also, what kind of changes happened in the Indian retail industry? and how retail market adapts this change quickly? These all questions we are going to find out in this report.

KEYWORDS : Impact of COVID-19 on retail industry, retail industry, pandemic, COVID-19.

PURPOSE

The purpose of this research paper is mainly to see effects (pre and post) of COVID 19 pandemic on retail industry which is driven by the mentality and psychology of the people. The concern for safety and concern determines the attitude of customers towards the retail industry which can help the retail industry to recover back to the normal state.

To gain knowledge about Indian retail industry

To know how covid-19 pandemic affect Indian retail industry.

To understand how new trends emerging in this situation.

INDUSTRY PROFILE

Indian retail industry has risen as one of the most powerful and relentless enterprises because of the passage of a few new players. All out-utilization consumption is relied upon to reach almost US\$ 3,600 billion by 2020 from US\$ 1,824 billion of every 2017. It represents more than 10 percent of the nation's GDP (Gross domestic product) and around eight percent of the business. India is the world's fifth biggest worldwide objective in the retail space. In FDI Certainty Record, India positioned 16 (after US, Canada, Germany, Joined Realm, China, Japan, France, Australia, Switzerland, and Italy). Retail industry came to US\$ 950 billion of every 2018 at CAGR of 13 percent and is required to reach US\$ 1.1 trillion by 2020. Online retail deals were gauge to grow 31 percent y-o-y to reach US\$ 32.70 billion out of 2018. Income created from online retail is extended to reach US\$ 60 billion by 2020. Income of India's disconnected retailers, otherwise called blocks and concrete (B&M) retailers, is required to increment by Rs 10,000-12,000 crore (US\$ 1.39-2.77 billion) in FY20. Indian retail industry is one of the quickest developing on the planet. Retail industry is relied upon to arrive at Rs 76.87 lakh crore (US\$ 1.1 trillion) by 2020. India positioned 63 On the planet Bank's Working together 2020 distribution. India positioned 73 in the Assembled Countries Meeting on Exchange and Advancement's Business-to-Customer (B2C) Internet business List 2019. India's immediate selling industry recorded deals of US\$ 2.47 billion out of 2019, improving its position to 15 from 19 every prior year. India's population is taking to online retail huge way. India's Web based business will reach US\$ 99 billion by 2024, developing at a CAGR of 27 percent more than 2019. Online entrance of retail is required to arrive at 10.7 percent by 2024 versus 4.7 percent in 2019. India will turn into a great market for style retailers on the rear of a huge youthful grown-up customer base, expanding extra cash and loose FDI standards.

LITERATURE REVIEW

According to the article published in Hindu Business- "Post, "Covid- 19 has hugely affected following key segments – Kirana or the small stand alone, Mass merchandise stores, consumer durables and IT products stores, apparel and other lifestyle stores and online retail.

As mentioned in the future of commerce, the study says following things has been adapted by retailers to survive their business.

1. Keep in constant touch with customers through online measures.
2. Finding and applying advanced ways to self- service solutions
3. Discovering new way to accomplish orders.
4. Offering total visibility into the inventory.
5. Arranging for Omni channel retailing. Also offering safe delivery (zero contact) is also taking place.

RESEARCH METHODOLOGY

Problem Statement:

Pre and during COVID-19 situation and impact of COVID-19 on Retailing Industry.

It is essential to know and study the situation in the retailing industry before and after the pandemic. This will tell us whether customers and the retail industry can adapt to the changing trends.

Questionnaire: A Structured Question was developed and the responses were collected from consumers.

Research Design: Descriptive Research

Research Tool: Google Forms, Microsoft Word, Microsoft Excel.

The questionnaire was circulated to every possible age group and occupations to understand their perception over the impact on retail industry due to the pandemic situation.

Sample Size: There was no sample size since the goal was to reach to consumers as much as possible. Over 211 responses are recorded from all possible geographical locations.

Sample Frame:

Sampling Area: All over India.

Age Group: 15-70

DATA ANALYSIS

Data Analysis:

The analysis of data was done with response that was received from 211 consumers. The responses were collected through the questionnaire with the help of Google Forms which was circulated using various social media apps like WhatsApp, Instagram and Facebook. The respondents were asked to keep their responses as true as possible and in a fair manner.

The questionnaire contained basic details to the questions regarding the retail industry so we could analyze the Impact of COVID-19 in Retail Sector.

Based on the responses received the data has been analyzed with the help of bar and pie charts. The interpretations are made to each of the question that was asked to the respondents.

Table 1: Demographics of the respondents

Parameter	No of respondents	Percentage
GENDER		
Female	110	52.1
Male	101	47.9
Total	211	100

AGE		
15	1	0.5
19	7	3.3
20	2	0.9
21	13	6.2
22	46	21.8
23	35	16.6
24	27	12.8
25	13	6.2
26	7	3.3
27	2	0.9
28	2	0.9
30	2	0.9
31	1	0.5
34	3	1.4
36	1	0.5
37	3	1.4
39	2	0.9
40	4	1.9
41	3	1.4
42	4	1.9

43	4	1.9
44	3	1.4
45	6	2.8
46	1	0.5
47	1	0.5
48	3	1.4
49	1	0.5
50	3	1.4
51	1	0.5
52	1	0.5
55	2	0.9
57	1	0.5
58	1	0.5
59	1	0.5
62	2	0.9
64	2	0.9
Total	211	100.0

Table 1 Interpretation:

From table 1 we get to understand that out of 211 respondents 110 were female respondents (52.1%) while 101 were male respondents (47.9%).

While considering the age parameter 1 response was from the age of 15 years (0.5%) . 7 responses from the age of 19 (3.3%). 2 responses from the age of 20 (0.9%). 13 responses from the year 21 (6.2%). 46 responses from the year 22 (21.8%). 35 responses from the age of 23 (16.6%). 27 responses from the age of 24 (12.8%). 13 responses from the age of 25 (6.2%). 7 responses from the age of 26 (3.3%). 2 responses from the age of 27 (0.9%). 2 responses from the age of 28 (0.9%). 2 responses from the age of 30 (0.9%). 1 response was from the age of 31 (0.5%). 3 responses from the age of 34 (1.4%). 1 response from the age of 36 (0.9%). 3 responses from the age of 37 (1.4%). 2 responses from the year 39 (0.9%). 4 responses from the year 40(1.9%). 3 responses from the age of 41 (1.4%). 4 responses from the year 42 (1.9%). 4 responses from the year 43(1.9%). 3 responses from the year 44 (1.4%). 6 responses from the year 45 (2.8%). 1 response from the year 46 (0.5%). 1 response from the year 47 (0.5%). 3 responses from the year 48 (1.4%). 1 response from the year 49 (0.5%). 3 responses from the year 50 (1.4%). 1 response from the year 51 (0.5%). 1 response from the year 52 (0.5%). 2 responses from the age 55 (0.9%). 1 response from the year 57 (0.5%). 1 response from the year 58 (0.5%). 1 response from the year 59 (0.5%). 2 responses from the year 62 (0.9%). 2 responses from the year 64 (0.9%)

Table 2: How did your income react during COVID-19?

Parameter	No of Respondents	Percentage
Decrease by 50% or less	52	24.6
Decrease by 51% or more	38	18
No change	121	57.3
Total	211	99.9

Interpretation:

The above table shows that most of the respondents didn't have any changes in their income. 121 (57.3%) respondents out of 211 had opted out 'no change'. 52 (24.6%) respondents opted for 'decrease by 50% or less', it means 52 respondents faced a salary decrease by 50% or less. 38(18%) faced a steep salary decrease during the COVID-19 situation.

How did your income react during COVID-19?

211 responses

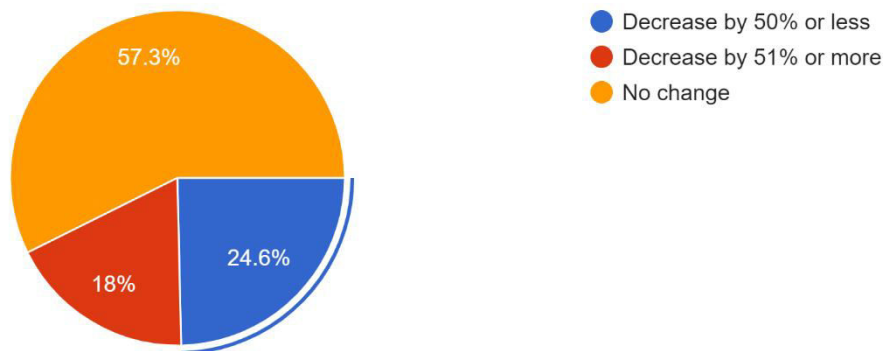
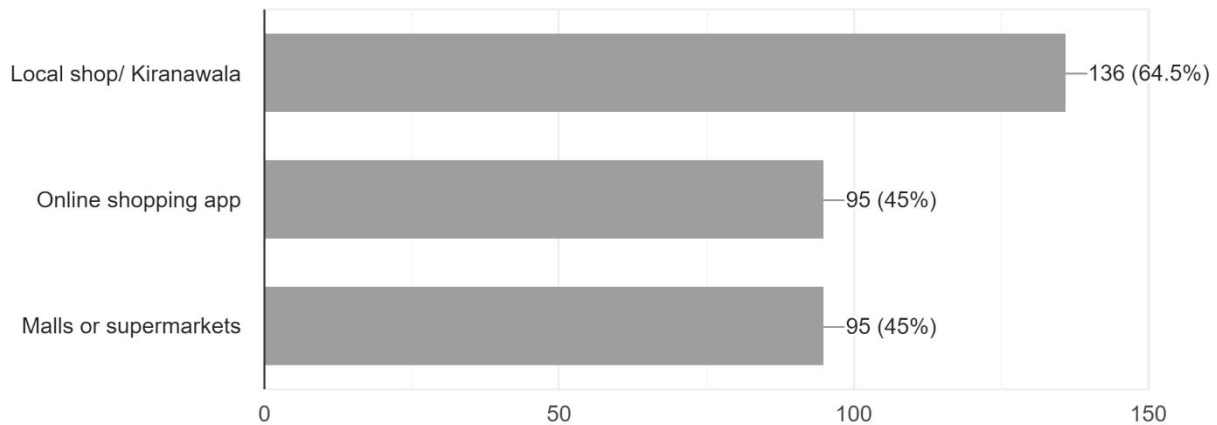


Table 3: Purchasing monthly products.

Where do you buy your monthly products?(Select one or more options)

211 responses

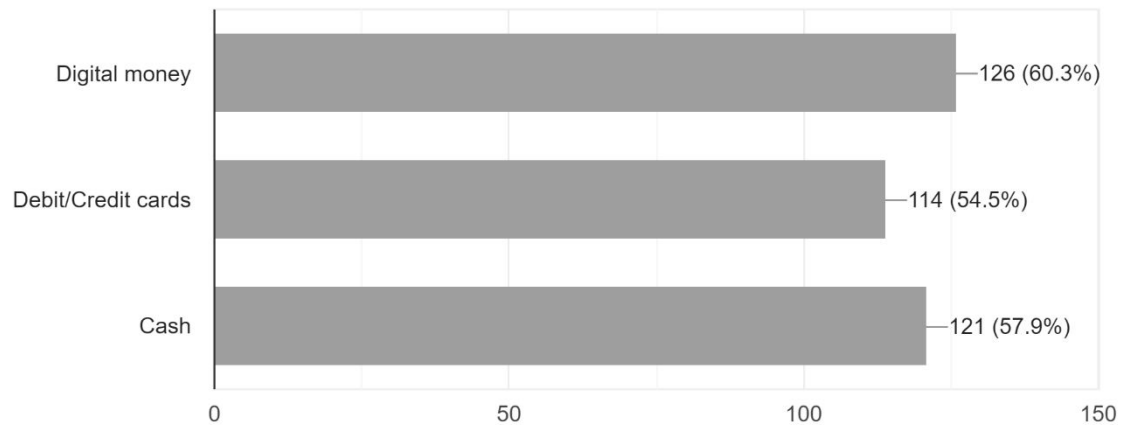
**Interpretation:**

For this question the respondents preferred to choose Local shops/ kiranawala. Where as 45% respondents choose online shopping app to shop. 45% of the respondents chose to buy products from various malls and supermarkets. With the highest percentage, our respondents rely on local kiranawala to buy their products. Let's keep in mind that the respondents tend to fluctuate according to the availability.

Table 4: Payment methods.

Which of the following payment methods do you use?

209 responses

**Interpretation:**

Responses from 209 respondents were taken in this case. 60.3% respondents chose digital money as their payment options. Which is the highest. 54.5% respondents chose debit/credit cards (plastic money) as their payment options after the COVID- 19 situation. Whereas 57.9% choose cash as their payment option. Respondents fluctuate between these options according to the availability.

Table 5: Ordering food online.

Parameter	No of Respondents	Percentage
Never ordered	109	54.7
Occasionally	93	41.1
Always	9	4.3
Total	211	100.1

Interpretation:

Out of 211 respondents 109 (54.7%) respondents never ordered from any restaurants. 93 (41.1%) respondents order food occasionally. Whereas only 9(4.3%) of respondents always order food from online. So, by this we can make out that people have restrained themselves from ordering food online and mostly rely on homemade food.

How often do you order food online during the pandemic?

211 responses

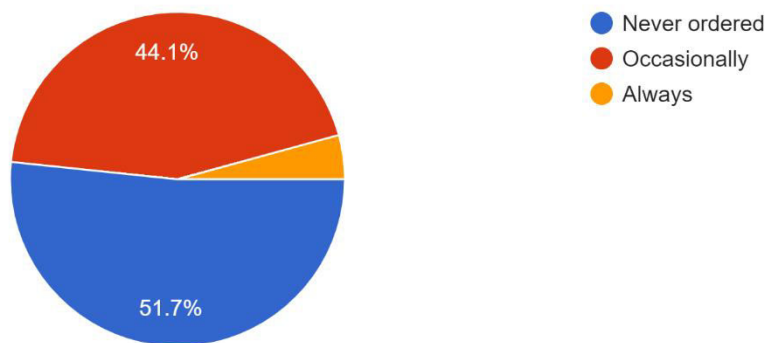


Table 6: Stocking up products.

Parameter	No of Respondents	Percentage
Yes	108	51.2
No	50	23.7
Maybe	53	25.1
Total	211	100

Interpretation:

Over 108(51.2%) out of 211 respondents chose to stock up grocery items to avoid going out during the pandemic. 50 (23.7%) respondents prefer not to stock up the items. Whereas 53(25.1%) are not sure whether they want to stock up or not.

By this we can conclude that the respondents are now being cautious and try to avoid as much as human contact by stocking up their grocery items.

Did you prefer stocking up of grocery items during the pandemic?

211 responses

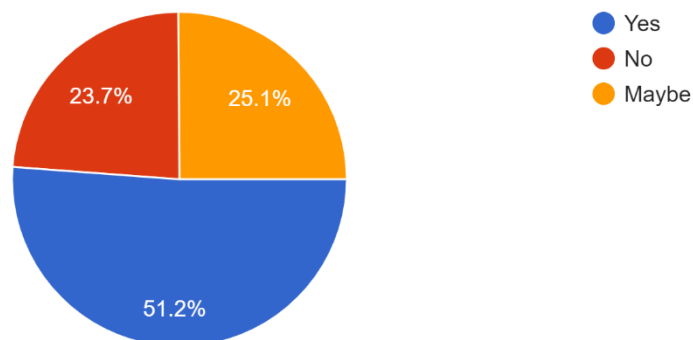
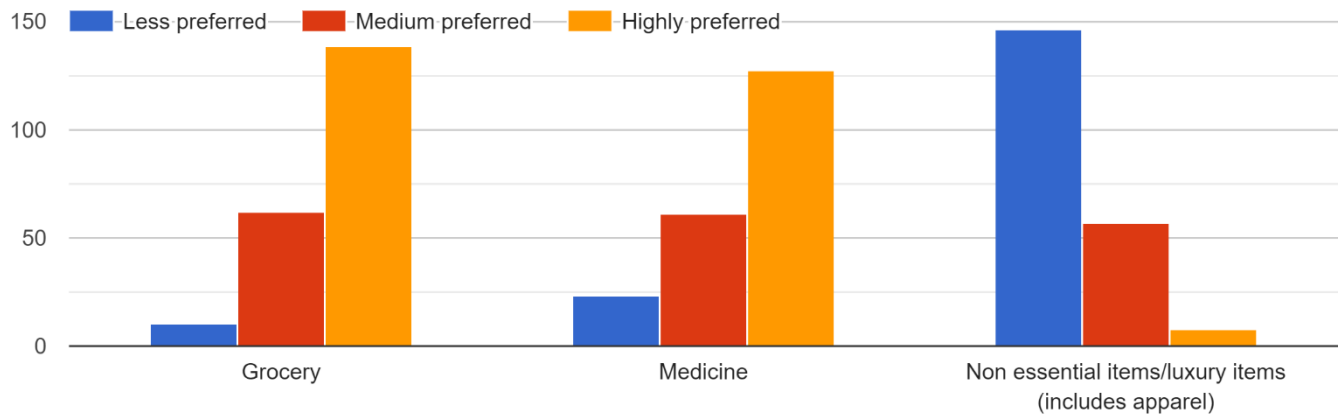


Table 7: Preference.

Kindly rate your preference.



Interpretation:

Out of 211 responses 139 respondents highly preferred to for grocery items. 62 respondents medium preferred and 10 respondents less preferred grocery items.

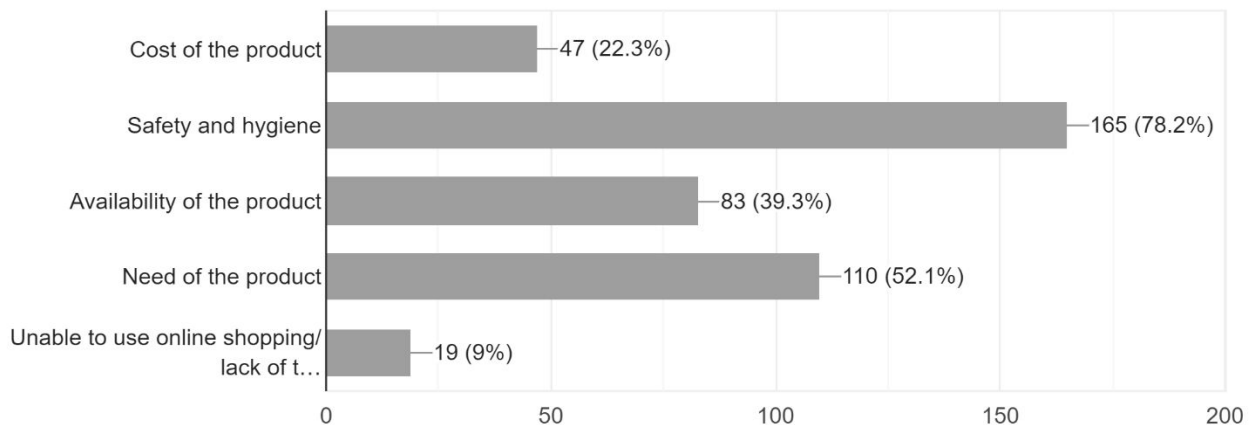
Out of 211 responses 127 respondents highly preferred medicine. 61 respondents medium preferred medicines and about 23 respondents less preferred medicine.

Out of 211 responses only 8 highly preferred to buy non-essential items. 57 medium preferred non-essential items, whereas 146 respondents preferred not to buy these items.

Table 8: Impact on buying decision.

Which factor affected your buying decision during the pandemic?

211 responses



22.3% of respondents buying decision affected due to the change in the cost of product during the pandemic.

78.2% of the respondents buying decision affected due to the safety and hygiene during the pandemic. During the pandemic respondents chose to give priority to their safety and hygiene.

39.3% of the respondents buying decision affected due to the availability of the product. Due the increase in the demand of the essential items products went either out of stock or were never stocked again, due to this it affected their buying decision.

52.1% of the respondents bought only required products. These products were bought only when they were needed.

Only 9 % of the respondents buying decision affected due to the lack of trust.

Table 9 :Out of stock products or waiting quesus affects buying decision-

Parameter	No of Respondents	Percentage
Yes	124	58.8
No	35	16.6
Maybe	52	24.6
Total	211	100

Interpretation:

Out of 211 respondents 124 respondents accepted that their buying decisions were affected due to out out stock products and long waiting queues.

35 respondents denied that their buying decision was affected.

52 respondents were not sure or disagree that out of stock products and long waiting queues affect their buying decision.

Does 'out of stock products or long waiting queues' (both online and offline respectively) affect your buying decision?

211 responses

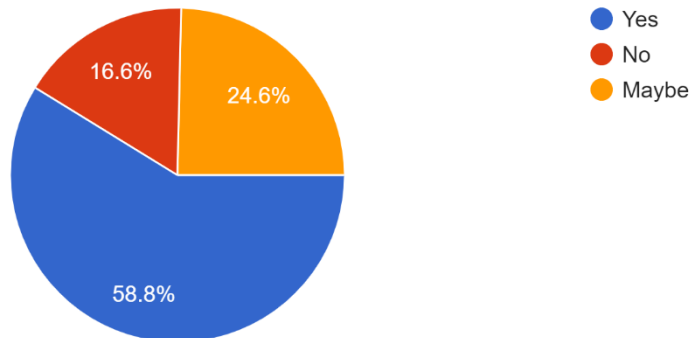


Table 10: Price hike

Parameter	No of Respondents	Percentage
Yes, definitely	96	45.5
No, not acceptable	53	25.1
Maybe	62	29.4
Total	211	100

Interpretation:

45.5% of the respondents did not accept that the price hike justified. According to this table the respondents were unhappy with the increased pricing during the COVID-19 situation.

25.1% of the respondents agree and accept the price hike. They are comfortable with the pricing of the products during the COVI-19.

29.4 % of the respondents are not sure whether the price hike in the products are acceptable or not. They are not sure whether the hike is justified.

In view of COVID-19 do you think the price hike is justified?

211 responses

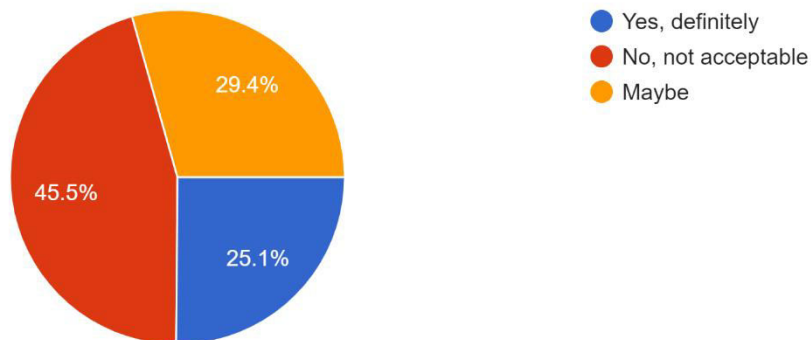


Table 11: Will consumers choose online stores over offline stores?

Parameter	No of Respondents	Percentage
Yes	57	27
No	112	53.1
Maybe	42	19.9
Total	211	100

Interpretation:

27% of the respondents choose to buy from online stores. They prefer online stores over offline stores after the pandemic is over.

53.1% of the respondents choose to buy from offline stores, they would still prefer to buy from offline stores during and after the pandemic.

19.9% of the respondents are not unsure about the deciding factor.

What if the government shuts down offline stores and make 100% online stores? Would you accept this?

211 responses

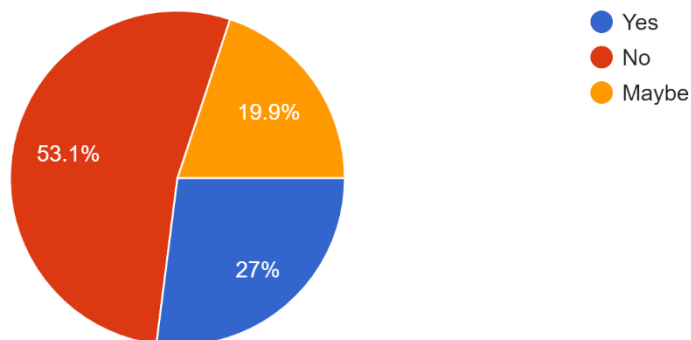


Table 12: Choosing sustainable products

Parameter	No of Respondents	Percentage
Yes	115	54.5
No	10	4.7
Maybe	86	40.8
Total	211	100

Interpretation:

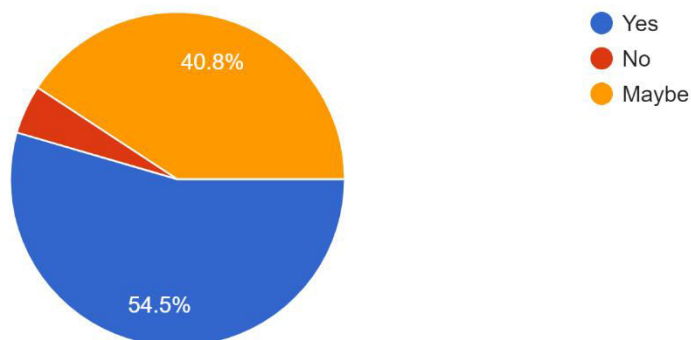
54.5% of the respondents choose to use sustainable or environment friendly products after the pandemic realizing the need of the hour.

4.7 of the respondents did not agree with the idea of using sustainable products after the COVID-19 situation is over.

40.8% of the respondents are not sure whether they will give a try to these products.

Would you prefer to purchase sustainable products during or after the COVID-19?

211 responses



FINDINGS

The retail sector in India contributes 10% to the Gross Domestic Product and 8% to the employment of the country. In the terms of growth, the FMCG retail sector is fastest growing unit and the retail relating to household care, confectioner etc., have lagged behind.

As from the data, we can conclude that the income-react due to the Covid-19 situation is decreased by 50% or less. As retailers learn to adopt new technology that helps them improve their store function, CSR policies, social presence and back-of-shop efficiency; physical and online retail have very opportunity to thrive. And in the COVID-19 situation customers are more concern about safety. Where they accepting online shopping more.

As per the data studied hospitality sector is opening up with new protocols on hygiene and contactless deliveries, as the people started to order food online beside of going there physically. Due to the COVID-19 situation the preference of medical, has been increase as compare to the Non essentials or luxury items. COVID-19 affected the availability of the product as the transport was off-road for many times. As per the data the buying behavior of the customer has been change due to the less availability of the product.

The COVID-19 situation has made a lot of change in retail world. In past few months have brought unprecedented uncertainty, complexity and change to the retail industry. Base on the collective experience the world is changing and how the retail industry might prepare for the new reality.

The new business model evolves: - Even before COVID-19, it was becoming increasingly clear that the store-based retailing has passed its zenith. While many physical stores will certainly return to the growth through physical store are cover. Many are looking to the platform companies to help deliver some of those important capabilities.

The purpose moves to the forefront: - From the outset the vast majority of government and business have been clear that they plan to put people ahead of profit.

Rethinking the cost of doing business: - Most retailers recognize that conventional forms of cost cutting are no longer enough to shore up margin and rebuild the business. Even after the aggressive cost containment strategies rolled out in the immediate aftermath of response of COVID-19, most retailer thought to go further if they think of profitable business growth this year.

The choice of customer comes under the microscope: - in today's environment customer are less about breadth and more about availability. And that change the way many retailers operate. As many countries move in to the lockdown status and non-essential retail store closed their door and grocery shelves emptied, those retailers who know their customer had clear advantage.

RESEARCH IMPLEMENTATION

With the retail sector one of the most immediately impacted during this pandemic, it has created new challenge for the sector with structural change. Many retailers are shifting their attention from cash preservation towards flexible omnichannel retail model and sustainable fulfilment to the drive sales and looks at the county region and the impact on retail operation and recovery profile.

CONCLUSION

This survey data provides an evidence of how retail industry is impacted by COVID-19. It is evident that the COVID-19 pandemic has brought unprecedented uncertainty and challenges for these retail industries. The containment measured put in place by government, which includes travel restriction, state of emergency and the dusk-to-dawn curfew, have led to supply-chain disruption which directly affect the retailers. The disruption has led to reduce the working hours and lower the consumer demand, which have resulted in lower incomes for the retailers.

ORIGINALITY/VALUE

The study delivers an exclusive method to understand the impact of retail management in COVID-19 situation. And retail management come up with new changes.

The following are the contributions done by each of us while working on the research paper:

Aniket Bhilare: Questionnaire for primary data, worked on secondary data, collecting data, abstract, purpose, literature review.

Shruti Abhang: Questionnaire for primary data, analysis, interpretation- primary data. Worked on plagiarism test, keywords, collecting data.

Deepa Mishra: Abstract, purpose, industry/ sector profile, collecting data.

Shriya Bhisen: Findings, originality, keywords, conclusion, research implementation collecting data.

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