

A Study of Covid-19 Pandemic and its Impact on Consumer Behaviour

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ABSTRACT

A significant wellspring of economic activity is consumers' purchases, which collapsed when the first wave of the pandemic swept across nations in mid-2020 (India's economy rate decelerated from 6.1% to -9.6%). Out of nowhere, consumers had to change their behavior, organizations had to change plans of action, and governments had to change guidelines. Similarly, as the coronavirus has influenced locales and people in incomprehensibly various manners, the monetary effect has likewise been exceptionally lopsided. Employees who were able to work from home have maintained their jobs and pay, amassing more savings while compelled to scale back spending from lockdowns, travel limitations, and wellbeing fears; others lost employment and income or had to shut down their businesses and have battled to cover the bills. Simultaneously, there is motivation to be positive for an effective recuperation in buyer spending once the COVID-19 virus is controlled because of their repressed interest and amassing savings. Understanding how that affects the buyer's behavior—an essential factor for worldwide financial recovery—is the research paper's focal point.

Keywords: Change in buying behavior, Consumer behavior, COVID-19 pandemic, Health.

INTRODUCTION

Coronavirus pandemic has affected individual's daily lives and has severely disrupted work, Socialization, people's business activities; moreover, it has modified the purchasers purchasing conduct for assorted items.

The impact of influenza (WHO 1918-1919) is equivalent to the current COVID-19 pandemic partially, yet the financial ramifications might not be similar to COVID-19 due to technological advancements.

This research paper is centered around how factors like product quality and accessibility impact public sentiments, economic savings, and fear of health, affecting consumer behavior and the business sector during the pandemic.

To comprehend the impacts of COVID-19 on the medical services sector, I studied the rise and surge in pharmaceutical company's stock prices. The surge was attributed to potential opportunities for finding a COVID-19 vaccine.

DRN (disease Related news) made a lift in drug company's stocks by creating frenzy, dread, and uneasiness among the investors and further the effect of DRN's expanded sales and stock prices of different sectors. This impact has triggered changes in consumer behavior.

The COVID-19 pandemic has also impacted people's nutrition and dietary intake and has shown how an individual's health becomes a direct function of their awareness and choices.

This paper has taken individual factors such as accessibility of the product, financial savings, impact through public emotions, dread of wellbeing, and quality of the product. The research paper aims to study the direct and long-term impact of Covid-19 on consumption and consumer behavior.

LITRATURE REVIEW

1. PAST PANDEMICS AND ITS IMPACT

Humans have endured pandemics in the past, for example, Avian Flu, Ebola, and Spanish Influenza, and specialists have examined and broken down the impact of these pandemics on a country's economy.

Avian influenza infected the livestock in the territory of Manipur, and in this way, affected the economy of the state as the state saw a 14 % loss of total livestock, which affected producers and enterprises like poultry, and egg merchants.

Pandemics affect the vocation of individuals and negatively alters the trust in associated businesses, which was seen in Liberia's agricultural sector during the Ebola outbreak where EVD (Ebola Virus Disease) affected the production of farms.

Coronavirus affected the businesses due to the migration of laborers after when the lockdown was imposed. A comparable circumstance was experienced during the H1N1 flu in the United States, wherein limitation on individuals' movement was set to stop the spread of the H1N1 virus.

Recent research explains that a pandemic can increase the health risk of a community and straightforwardly affect the monetary paradigm of impacted sector. It also leads to the limitation of utilizing assorted products and services, which changes consumers' purchasing behavior.

While several studies were done on the pandemic's impact on individuals, less research focused on the reactions that individuals will have/had during a pandemic, such as awareness and precautions against the virus. The rate at which a pandemic spread relies upon a person's behavior, formed by their understanding of the plague.

The communities from less affected territories of H1N1 flu revealed more grounded interest in taking proper precautions. In contrast, individuals living in regions of higher probability of contamination communicated less interest in taking medicines and following precautionary guidelines.

Studies show that the factor of awareness changes, based on demographic and geographic territories, which makes consumers' pattern of purchasing a product.

2. COVID-19: IMPACT ON FINANCIAL SYSTEM AND TRADING

The effect of COVID-19 has been severe on the world's economy as it affected different sectors and businesses within few months, and one such example is Google, wherein the use of Google search engine expanded since lockdown. Pandemic related news and sanitization products such as sanitizer and facemask were among the top searches on Google. This led to Google earning profits and spread awareness among people about products and services to be utilized during this pandemic.

Because of COVID-19, the limitation on travel was imposed by restricting railways and the aviation sector during the lockdown, which impacted the economy's socio-efficient aspect. Lockdown led to a drastic drop in the travel industry and impacted the world's GDP (Gross Domestic Product), which caused unemployment.

In this way, it is evident that COVID-19 affected different areas, and because of the limitations and lockdowns, individuals were warier towards the buys they made. In this manner, individuals would cautiously buy the product which had positive reviews and fulfilled their requirements.

3. COVID-19: PRESENT SCENARIO

In this pandemic, certain items like sanitizers and face masks saw increased sales and gained profits. There has been an increment in medical products like equipment (ventilators), PPE kits and other products.

Disturbance in the routines and increased leisure time has increased the usage of electronic devices and media streaming platforms like Netflix and Instagram.

Since the coronavirus outbreak, all the medical staff (medical students, doctors, nurses, and ward boys) have been wearing PPE (Personal Protective Equipment) while doing their duties for corona patients. Studies showed that PPE kits assisted doctors while treating patients and simultaneously saved them from getting infected by the virus. It was found that after the outbreak of the Covid-19 virus, the products and services related to hygiene and disinfection increased, the medical waste and wastewater from the hospital were also discarded safely as it was hazardous for any human if it came in contact with the waste.

Due to cross country lockdown and restrictions, there was a change in individuals' routine, leading to a change in products and their usage. People now only focus on the products that satisfied their needs rather than their wants.

As discussed earlier, there was an expansion in healthcare products like PPE kits, gloves, and other medical supplies, which are obligatory health workers and were not re-usable. Thus, the factor of well-being can change consumer's behavior and the same is reflected in the choices they make for buying a product or a service.

Today, the job of pretty much every individual has been affected by the COVID-19 pandemic paying little heed to their financial status.

This research paper focuses on the impacts that the COVID-19 pandemic has had on customer behavior and the degree to which these factors will impact the change in their buying pattern. This paper has taken individual factors such as accessibility of the product, financial savings, impact through public emotions, dread of well-being, and quality of the product. Based on each individual's response, this paper will attempt to sort and find the most influential factor and most negligible influential factor that affects consumer's buying behavior.

OBJECTIVES

This paper has taken individual factors such as:

1. Accessibility of the product
2. Financial savings
3. Impact through public emotions
4. Dread of wellbeing
5. Quality of the product

Based on survey done via google forms, this paper will attempt to sort and find the most influential factor among those five parameters and most negligible influential factor that affects consumer's buying behavior. The research paper aims to study the direct and long-term impact of COVID-19 on consumption and consumer behavior.

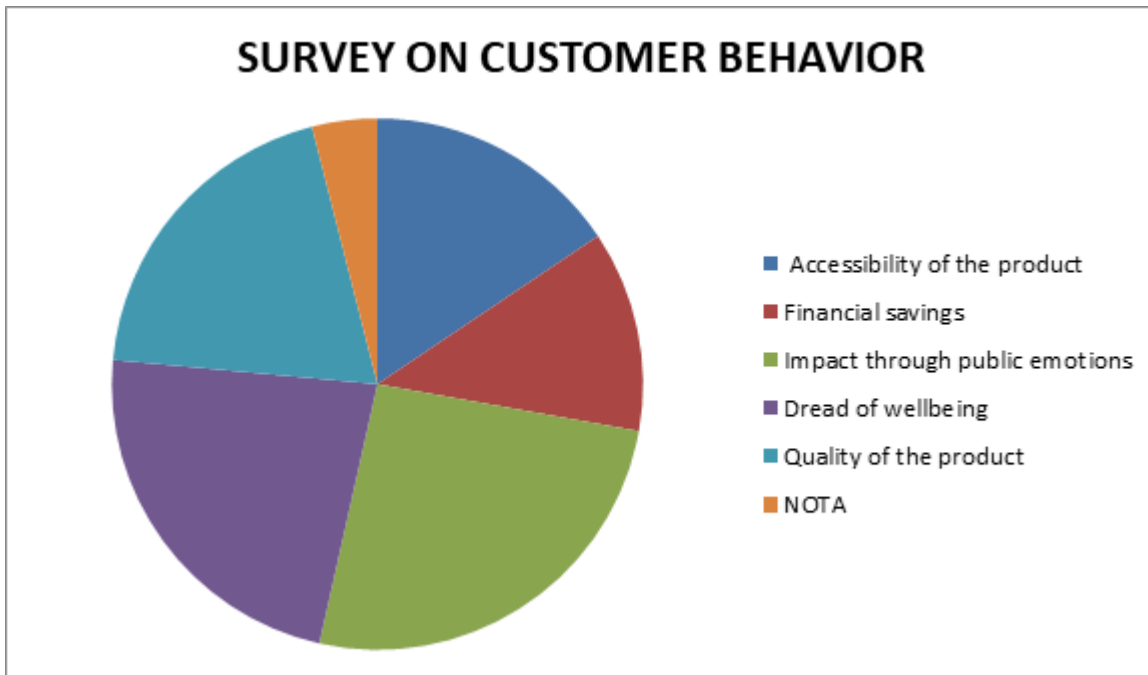
RESEARCH METHODOLOGY

A survey was conducted on five parameters that influenced consumer behavior the most, and those parameters were accessibility of the product, financial savings, impact through public emotions, dread of wellbeing, and quality of the product via Google Forms, and their responses were recorded and represented in the form of pie chart. Seventy-eight participants participated in the online survey, which was conducted through Google Forms. Participants were from various age groups (16-50) containing working male and female, homemakers, and students.

ANALYSIS

In total, 5 factors were considered that influenced consumer behavior during the pandemic:

1. Accessibility of the product
2. Financial savings
3. Impact through public emotions
4. Dread of wellbeing
5. Quality of the product



1. ACCESSIBILITY OF THE PRODUCT

51% of participants selected "accessibility of the product". During the Covid-19 pandemic, this factor became especially important because we had seen before how chemist shops in India lacked sanitizer and mask. A similar problem was seen in the United States when the toilet paper in the stores ran out.

2. FINANCIAL SAVINGS

40% of participants selected "financial savings". Many people were forced to leave their jobs after lockdown, like migrant laborer who left their livelihood to survive in the pandemic as many of them were the single bread earners in the family. Thus, this factor is crucial as savings were the utmost priority to survive during the virus outbreak than spending it on their needs and wants.

3. IMPACT THROUGH PUBLIC EMOTIONS

84% of participants selected "impact through public emotions". During the pandemic, a few fights and developments occurred, which molded Indian insights towards assorted products. These thoughts and insights affected their behavior towards the product purchase. During COVID-19, numerous individuals got influenced by boycotting/prohibiting China-based products, which caused decreased Chinese products sales.

4. DREAD OF WELL BEING

75% of participants selected "dread of well-being". Dread of wellbeing was a significant factor while conducting this survey because the spread of Covid-19 expanded at a high rate. According to this survey, we can construe individuals were hesitant towards attending the function and were reluctant to interact or socialize with other individuals. This led to increased online shopping, and products like face mask and sanitizer became the topmost priority, leading to profits earned by the respected industries.

5. QUALITY OF THE PRODUCT

65% of participants selected "quality of product". Quality of product is a significant factor for forming customer's purchasing behavior, even without a pandemic condition. Many surveys and research on the same matter explain that a product's quality is subjective to different individuals. During the lockdown, there were two distinct groups, the first one seeking quality products even if the prices were high as they did not want to compromise on their health and the second one seeking products that could fulfil their needs even if the quality were worst as that was the only thing they could afford.

SECTORAL ANALYSIS

The impact of COVID-19 lockdown was seen on all industries and affected individuals' livelihood to a great extent. COVID-19 affected the travel and tourism industry in India. Due to fewer travelers, the low paying jobs in that sector confronted extreme negative effect. One could surmise that comparative interrelated impact on sectors could be responded with various sectors.

the areas of Local leisure action, Traveling, Restaurant dine-in and delivery, automobiles, buying real estate and Alcohol were affected by the COVID-19 lockdown. However, the areas of life insurance, indoor entertainment, studies, Social media, and Cleaning & Disinfection services acquired benefit during this lockdown, as individuals were more inclined towards spending on these areas.

CONCLUSION

We found out the elements that set off the changes in consumer behavior. Our point is to comprehend the change's reasons and reflect positively on both the consumer and business end. The paper showed an abrupt expansion in the utilization of products in specific sectors like medical services, sanitizers, OTT platforms, social media and so forth. These changes simultaneously had their effects on the economy of the country.

Most research focus on the sale in different sectors because of lockdown. Yet, the territory of catching the reasons that set off such changes in consumer purchasing behavior was less noticed.

It may be derived through the research that the factor "impact through public emotions" influenced the consumer's behavior the most. This factor was closely trailed by the "dread of well-being", "quality of the product and "accessibility of product". The least un-affected factor was "financial savings".

It was noticed that during the pandemic, individuals were not inclined towards buying unnecessary products. The explanation gathered for this was that individuals were paid less because of public lockdown, and therefore individuals were purchasing products cautiously.

Other factors like impact on individuals because of protests or news and dread of well-being had a higher impact on the purchaser's behavior.

In sectorial analysis, it was found that the change in spending limit had altogether influenced each area (both positively and negatively), aside from the scope of education, where no difference was noticed in spending limit before and during the COVID-19 pandemic and lockdown. Additionally, it was found that the sector of indoor entertainment, OTT platforms and social media had acquired the most benefit during this time. The explanation behind the advantage was because individuals were at home during the lockdown, and these methods were easily accessible to most of the individuals. In this way, we saw a continuous expansion of its use.

The fear of getting infected from coronavirus forced individuals to incline to clean products and services. In this manner, a moderate benefit was seen in life insurance plans and cleaning services during a pandemic.

The sectors that confronted the most negative impact of the COVID-19 pandemic lockdown were restaurants and the travel industry. In these areas, individuals had limited their spending as they feared getting infected.

Sectors like local relaxation activity, liquor, vehicles, and real estate got moderately influenced. The reason behind the moderate impact on these sectors was that their purchase before the lockdown was occasional.

FUTURE SCOPE

Following ideas might be consolidated in a future study: The proposed model can be additionally imitated on each element to comprehend the reasons that impact consumer behavior at a more granular level. For impact through public emotions, one should understand what sort of approach a news segment or a protest has on consumers' insight that triggers them to change their purchasing behavior.

Elaborate responses on sectorial analysis to direct an in-depth analysis on financial gains and losses. The result of this analysis will give an in-depth comprehension of the sector with the most benefit and losses.

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BIOGRAPHY

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