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# Impact of Covid-19 Pandemic Situation on Consumer Buying Behaviour in Indian Market- A Review

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**Abstract:** Consumer behaviour is determined deeply by cultural factors and India being influenced by social community for group activities have experienced shift in consumer buying behaviour due to covid-19 pandemic situations, changing consumption patterns of people and the lockdown resulted in panic buying behaviour rushing to stock up on essentials. Further the major sectors experiencing consumer behaviour changes including entertainment, travel tourism, newspaper, food industry, personal hygiene, small business, education, pharmacy, agriculture, and e-commerce have resulted in proactive buying behaviour, adaptability to new technologies, reactive health management, pantry preparation, quarantined living preparation, restricted living and living a life with basic requirements. The consumer companies urgently need to anticipate, so that they can make it through the current crisis and build capabilities that can meet future necessities. Therefore, in this paper we will be reviewing possible consumer changes in their buying behaviour in various sectors during covid-19 outbreak in India.

**Keywords:** Corona virus, covid-19, pandemic, lockdown, consumer buying behaviour, adaptability, changing consumption, quarantined, social distancing.

## I. OBJECTIVE OF THE STUDY

The continuing health crisis covid19 has exaggerated all paces of life. Protecting survives of people suffering from the illness as well as forefront health responders have been the urgency of nations. This study will note the changes in consumer buying behaviour during covid-19 pandemic condition. How people were shifting to their buying habits very frequently and they started stocking up things for their future in order to when this lockdown will end. Out of 10 consumers 9 have changed their buying behaviour due to this lockdown. Therefore, we focus on what all changes occurred during this pandemic on consumers buying behaviour in Indian market.

## II. INTRODUCTION

Over the worldwide many countries are affected by Covid-19 and this has heavily impacted on lives of billions of people. Consumers started stocking up things with a hope when that conditions would be fine, and they can have a routine life. This situation has occurred first time ever in history that many countries had executed lockdown to decrease the spread proportion of this virus which leads to an extreme change in buying behaviour in Indian market. Knowing about this virus; Corona virus is a new deadly virus which is very infectious and was discovered in 2019, therefore it is also called covid-19 meaning; co- corona, vi-virus, d- disease and since it occurred first in 2019 so it has 19 in its name. This virus primarily spreads through air/respiratory mode, droplets of saliva or when any infected person sneezes. The virus also spreads via touching the infected things. Infected patients or positively tested patients' symptoms are dry cough and problems in breathing, fever, tiredness, chest pain or pressure, loss of speech etc; these are most frequent seen symptoms though many more symptoms are observed under different patients. Till date no vaccine is discovered for this deadly corona virus, but many patients have recovered as well. Few precautions against this virus are maintaining social distance, using mask, washing hands regularly, using sanitizer after every 30mins, avoiding contact with your face and eye frequently, maintain good hygiene etc.



This deadly virus has made the world lockdown and hence it is disturbing the proportion of economy of the country and many changes have been observed under this lockdown situation on consumer buying behaviour in Indian market. Previously it all started with closing of theatres, gyms, schools, colleges, shopping malls, complexes, and public places where the risk of spreading virus was too high. On a trial basis and on request of Indian Prime Minister Narendra Modi, Janata-curfew was imposed on 22<sup>nd</sup> March 2020. The very first case was traced in china on 17<sup>th</sup> November 2019 and from there it got spread among half of the country and cases kept on increasing. Whereas in India the first case was reported on 30<sup>th</sup> Jan 2020 in southern state of Kerala who was a female student at Wuhan University in china, she was quarantined, and examined further. So lately due to very fast spread of this virus India was the 1<sup>st</sup> country to enforce lockdown at very early stage only. This all lead to the 1<sup>st</sup> lockdown in India from 24<sup>th</sup> March 2020 to 14<sup>th</sup> April 2020. Due to which panic buying begun and people were stocking daily necessary items comprising flour, grams, lentils, vegetables, fruits, oil, spices, milk, bread and all other necessary items, even though when it was announced that all essential services will be provided including daily groceries, hospitals, banks, ATM's, dairy products till limited hours. The main panic buying occurred for buying hand sanitizers and face mask in order to avoid any risk, a huge scarcity occurred for the same and many sellers were accusing double or triple the amount of MRP on these products, so this shows that how trades created profit in this worst situation and added value to the country's economy, but lately with time under essential services these were supplied to every medical store so that people can buy. This demonstrates that how much this covid-19 outbreak has changed the buying patterns and how much variations occurred among every migrant, students, middle class family, workers, doctors, nurses, policemen's and every individual of this country. Therefore, in this paper we intensely review about how this lockdown in India has affected the buying behaviour of customers and what all major changes occurred in Indian market.

### III. PARADIGM SHIFT IN CONSUMER BUYING BEHAVIOUR

As per current situation it is noticed that covid-19 has changed work life, shopping habits, communication changes, social gatherings, travelling and many more changes occurred in a very short time. People started working from home and with high risk of spread of this virus all the shopping mall were also closed hence people had to stick only to the basic essential needs. This all shift in buying behaviour of consumers came in a very short time. Now only local kirana stores are opened for the consumers to get their essentials that too only for limited hours as per the time allotted in each city by the govt. this illustrates that out of 10 consumers 9 have changed their traditional buying behaviour. A study conducted by NRF says that more than 50% customers have switched to online buying rather than offline buying from local stores in order to avoid infection, they prefer contactless safe delivery. The same study also shows that out 10 customers 6 have switched to digital platforms and are adopting the technology change for the safety of them and their family, hence a massive variation is seen in usage of digital platforms. People who used to prefer only cash while shopping are now trying to shift to use digital apps to transfer money and are also encouraging others to use the same. Therefor we can say that the shift has occurred broadly in two ways-

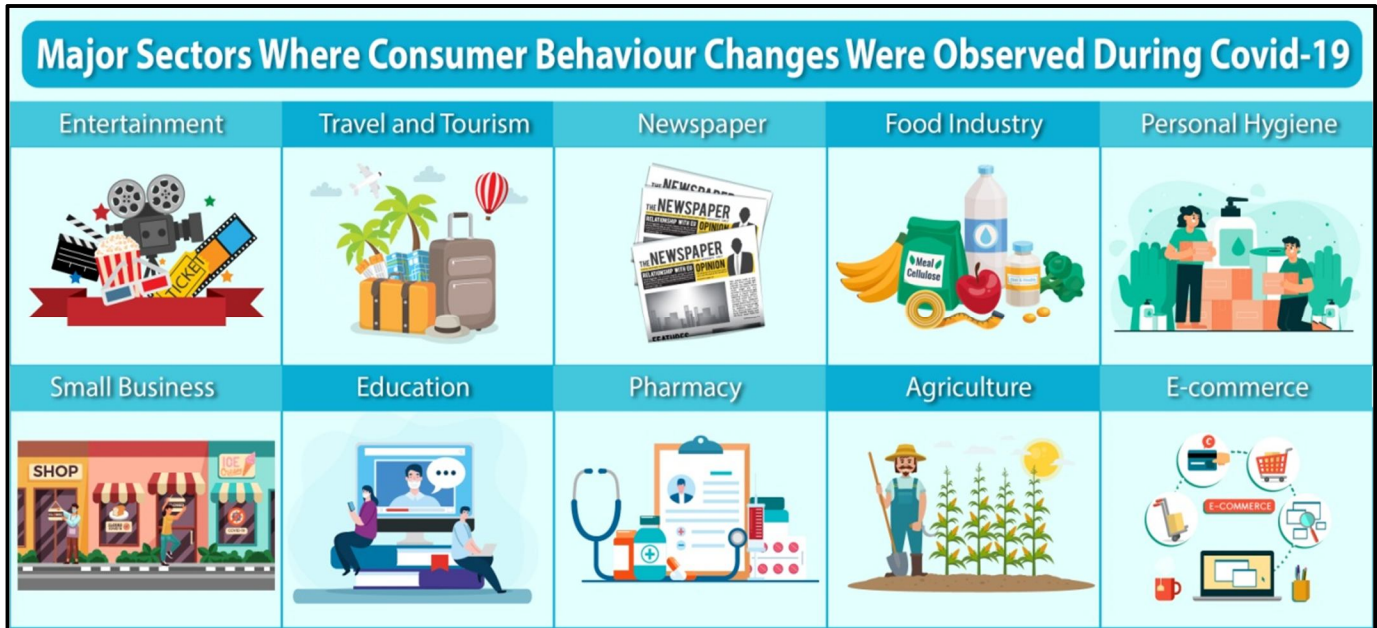
- 1) Decrease to mingle in crowded places.
- 2) Increase to adopt digital platforms.

A recent study conducted by Mckinsey suggests that people will more opt for online shopping even the when the lockdown ends specially for products like groceries, personal hygiene, and other few essential items. This trend of shopping more from online platforms will continue for a very long time as many people prefer this as safe mode of shopping in comparison to go out and shop on own and expose to risk of getting infected. In short it can also be said that 2020 is the year in which huge adoption of technology by major of the Indians is seen and which will continue for a very long time in future as well. [1]

### IV. MAJOR SECTORS WHERE CONSUMER BEHAVIOUR CHANGES WERE OBSERVED DURING COVID-19 OUTBREAK

As the world battles the quick spread of corona virus amid an enormous lockdown, numerous individuals are limited to their homes. In India consumer behaviour is majorly influenced by cultural factors as India is known for its culture and festivals we have; Indians are a group of social community with huge requirement of group activities. The impact of the pandemic is uncommon. It is changing consumption of individuals, modifying the customer behaviour. It has altered the way we think, work, read and relax consistently. Most of the rural and urban people are quite calm down at their places but considering urban poor and migrant workers and labor class is still struggling for daily food and essentials. The impact of total shutdown in economic drills is causing organizations to limit their production and actions, and this is probably going to last till the principal quarter of 2020-21. Henceforth these buying behaviour changes will continue even after the pandemic situation is over. Let's discuss what all major sector were observed where changes in consumer buying behaviour occurred the most during covid-19 outbreak. [2]





#### A. Entertainment Sector

On March 24 nationwide first lockdown was announced by Prime Minister Narendra Modi, and before that only all cinema halls and theatres were sealed for any movie, event or any kind of project. Great releases were delayed and making of TV series, web series, pictures was paused till further approval from film bodies counting Federation of Western Indian Cine Employees (FWICE) and Indian Film & Television Directors' Association (IFTDA). Foremost production houses like, Yash Raj Films, Dharma Productions, & Balaji Motion Pictures also ceased their continuing makings. Few movies which were about to release in month of March 2020-June 2020 like Sooryavanshi, Ranveer Singh's movie Sports Drama 83 and Salman Khan's Eid release Radhe are all halted till further notice from government. Entertaining business specialists says that it is for the first time in record that entire India box office is nil. This shutdown of box office has badly affected the earnings of workers behind the scenes and daily pay wages employers as well, they all are struggling for their daily meals as well. The pay scale of these workers was never too high, it was between 15000 to 20000 in which they have to manage their whole family and with little savings they are passing their time in this amid lockdown situation, but these savings are reducing day by day and are concerned to feed their family. A description from monetary express speaks the film business tackled a decline of 29.1% to Rs 1062.4 crore in the primary quarter of 2020, which raised at Rs 1499.4 crore for the similar period historical year.

Alok Tandon, CEO of INOX Leisure Ltd, said they are thinking of alternate options to reopen theatres with all safety measures which will include allocation of alternate seats, checking temperature of every individual before giving entry to the cinema hall, providing sanitizer to customers, ensuring that two movies don't have same break time and end & start time which will prevent too much crowd in the foyers, restrooms and food counters. [3]

A major shift was observed from cinema halls to online entertainment platforms including- Netflix, Amazon Prime, Hot-Star, Disney plus, Popcorn time, etc; the recent release before the lockdown were also shifted to these online platforms, like the recent and the last movie of Irfan Khan Angezi Medium was shifted to Hot-Star instantly after the announcement of lockdown. Henceforth consumers have switched their source of entertainment more to online platforms as they can't visit any theatre and cinema hall.

#### B. Travel and Tourism

Due to this lockdown many of the corporate organization's both govt and private have allowed for work from home which automatically leads to reduction of transportation and employees in essential services were given a permission pass to go to their workplace. With the huge spread of coronavirus consumers started avoiding use of public transport and therefore from the month of February 2020 a decline ratio was observed in this industry. Consumers were preferring to stay at home rather than opening to any kind of risk therefore the rules by government resulted in no taxi, auto, train, and flights will be running as public transport. Focusing few major changes in each subcategory of travel and tourism is as follow-

- 1) *Flights and Trains*: Both international and domestic flights i.e. airline sector is badly affected in this lockdown as they were banned by the government till further notice. The Centre for Asia Pacific Aviation (CAPA), a market intelligence firm, states that maximum airlines in the world will be bankrupt by the end of May 2020. The Indian airline industry was previously also affected by the slowdown of economy and now this pandemic lockdown situation has worsened this. The Indian aviation industry faces initial losses of USD 3.3-3.6 billion i.e. ₹24,000 crore in the first quarter of 2020-21 projected by CAPA. Out of which 40% of it would be from Indigo and SpiceJet. [2] Focusing on Indian railways, this sector contributes the most in countries economy and plays a vital role in lives of people. As decline is seen in every sector similarly from the month of March a great decline was seen in Indian Railways (IR) as all the passenger trains were halted till further opening of lockdown or permission from government. Only trains with good services could move across the country in order to transport the essential items including medical supply, food packages, groceries, and other necessary items. The economic impact of IR will remain for a very long period till 2020-21. In this crisis also, government came up with an opportunity to use IR as a service to patients by making railway coaches as quarantine centers and provide health services to these people. Later in April mid-end IR also started Sharmik special trains for the stucked migrants and labors to reach their home safely. All the pre booked tickets till 30<sup>th</sup> June were cancelled and now only 15 trains are running again on tracks of which bookings can be made only by online mode via IRCTC official website and customers have to sanitize themselves before entering the railway station along with this they have to go through thermal scanning and only passengers with no symptoms and those pass in thermal scanning with a valid confirmed ticket will be allowed to travel. [4]
- 2) *Local taxi's, Auto and Buses*: As per Redseer, an investigation and counseling firm, portability, including of taxis, automobiles and bicycle administrations, went somewhere around 45-50% down in the initial 15 days of February and now it's nearly nil. And when lockdown was announced all government buses were stopped and private busses too were halted once they reach their destination which were already running on road. In future also these cab service will come up with full protection to driver seat by making a transparent cover all over the driver seat to avoid any spread of this virus via travelling in cabs. [2]
- 3) *Metro Trains*: In all the metro cities like Delhi, Mumbai, Bangalore, Hyderabad the metro service was also stopped and in Delhi metro was only operated in initial days for 2hours in morning and 2hours in evening for the travel of employees of essential services permitted by government.

#### C. Newspaper

India, the largest democratic country in the world supports over 82000 registered newspapers in the country with cumulative per day circulation of 11crore and represents a turnover of Rs 32000 crore. Many middle-class families have already switched to using digital platforms for news update and reading pdf of newspaper. With this lockdown and spread of virus via touching infected things, many vendors and delivery persons denied providing this service and asked the publishers to reduce the daily number of publications done. Many consumers also stopped this service with the fear of touching an infected newspaper and gradually shifted to digital platforms. This all resulted in loss of newspaper industry even many print media ads also, were not publishing any kind of advertisement as markets were shut down completely. Journalists supported this pdf version of newspaper and hence kept on publishing daily news via online apps and pdf versions. The Times of India, The Indian Express, The Hindu, The Hindustan Times, Mid-Day, and others are few of them providing free of cost service on internet. [5]

#### D. Food Industry

Drastic changes were observed in this industry as the lockdown begun, consumers started buying and stocking up their daily necessary grocery items, dairy products etc. a time period was allotted to every city, district, town to open grocery shops for the consumers to buy the essential items/ products they need. Initially as per government orders all the restaurants were shut down even providing home delivery service was not allowed. But later, with permission few restaurants opened up only with very few staff members and home delivery was allowed in green zone areas. But coming to consumer point, people were avoiding online food order as well because it also included risk of getting infectious via parcel even when all safety measures were taken, and contactless delivery was done. [6]

- 1) *Online food Delivery*: Restaurants were shut and so as the online food delivery too, online food delivery companies like Zomato, Swiggy, uber eats, are left with little to deliver and an estimated 70% sales drop was reported during this lockdown. These companies will take very long time to recover these losses even after the pandemic is over consumers will prefer home cooked food to avoid any risk. Both Zomato and Swiggy took permission from government to deliver essential items at home

- and later permission was granted to deliver food also in green zone areas with limited staff in kitchens preparing food. Coming to the delivery of grocery items Big-Basket and Grofers jumped up to increase in sales as per previous sales. [2]
- 2) *Dine-ins*: with the lockdown of whole nation all the restaurants, bars, clubs are all shutdown which ultimately affected a lot on dine out business and as per reported by The National Restaurant Association of India, said they are usual to drop up to ₹80,000 crore in 2020. The worth of the food service industry is valued at ₹4.23 lakh crore in India. [2]

#### E. Personal Hygiene

Following social distancing and amid lockdown consumers have shifted to purchase hand sanitizers, soaps, hand wash, home cleaning products and personal hygiene products, a huge increase in sale of these products is observed. A huge demand was raised for these products by the consumers and this will last even the pandemic situation is over. [7]

#### F. Small Business

Start up or a well settled business, retailers to whole sellers, small businesses to large businesses, every niche of business is affected in this pandemic lockdown situation. It was the most difficult time for small business and startup companies to survive and provide salaries to employees working under them and overcome the current situation. Sales of almost every kind of product and service is declined therefore entrepreneurs must come up with new ideas and strategies to survive this crisis. [8]

#### G. Education

Whether its work from home or study from home, both require upgradation of technology which plays a very important role during this lockdown. By the second week of march only schools and colleges were ordered to remain close which affected on the whole curriculum of the students and universities. Many private schools with good income started online classes for students and schools with low income and government schools unfortunately could not conduct online classes as this requires good income to set up technology for online classes. Hence it is to be marked that schools are broadening the gap of learning between good income families and lower income families. [9]

All competitive exams are postponed till further notice, including final exams of every class, later CBSE announced that exams for 10<sup>th</sup> and 12<sup>th</sup> board will be conducted in between first two weeks of July. Rest students to be passed to next class on basis of previous exams conducted.

For college students also UGC announced that exams will be conducted for final year students and rest students to be promoted to next year based on internal exams of same semester and final grades of last semester.

Sky is the limit for learning and gaining knowledge therefore many e-learning platforms came up with introducing certification courses for every student and every individual who want to learn in this crisis too. Google, Swayam, Coursera, Udemy, UnAcademy, Tata consultancy services, WHO, AICTE etc. have already come up with providing multiple certification courses. Many e-learning authorized institutes have also showed up offering courses to students.

Hence in this lockdown situation also it is an opportunity for many students to keep learning and prepare for their future competitive exams, this shows that consumer behaviour in education sector has switched from offline mode more to online mode and no doubt the curriculum has slowed down but has not halted and soon this will speed up the learning process of students.

#### H. Pharmacy

India is the world's third largest pharmaceutical drug producer globally. It establishes 40% to 70 % of supply to gratify the World Health Organization's (WHO) demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette Guerin (BCG) vaccines and 90% of the global demand for the measles vaccine.

With this pandemic situation in India consumers demanded more for vitamins and immunity boosters due to which these vitamin tablets and immunity boosters like seven seas fish oil, and penicillin were sold double or triple the rate of MRP.

India was depended on china for supply of 70% of active pharmaceutical ingredients (API) and due to amid lockdown worldwide this couldn't take place anymore which resulted in increase in price of available drugs in the country.

When it's about inter transport in India from one state to one another, many difficulties were faced regarding transportation and supply of medicines from major states like goa, Sikkim, and Baddi from where major stocks of medicines are transported to every part of India. Therefore, it is detected that consumers buying behaviour in pharmaceuticals have more shifted to immunity boosters, vitamins and penicillin and this demand wont decline for a long time till coronavirus is completely vanished from the world. [10]

[11]

### I. Agriculture

Border closures, lockdown, and market, supply chain and trade disruptions could restrict people's access to enough and nutritious sources of food, especially in areas hit hard by the virus or already affected by high levels of food insecurity. The Indian council of agricultural research has issued state-wise different guidelines for farmers to be followed during the lockdowns period. Making the grains, fruits and vegetables and other essential items available to consumers in rural and urban areas, is the most critical challenge for Government machinery during the lockdown period. Smooth functioning of the supply chain, with an adequate safety measures for the people involved, is of paramount importance. Transportation of public distribution system (PDS) items to last mile delivery agents, by both rail and road, must be ensured by respective Government agencies. Yet another problem is the severe labour crunch in villages. Watermelons and muskmelons are harvested by specialized laborers who come from outside; have also stopped working, said Srinivas, a farmer from Srinivas-Pura in Kolar. Farmers' leaders said the crisis has put the spotlight on the lack of adequate cold storage infrastructure in the State. "Farmers are dumping their produce because of the absence of cold storage facilities at most APMC yards. There is no security for farm production in the country," said the Mysuru-based farm activist Vasanth Kumar Mysore math. The reserve bank of India has announced specific measures that address the "burden of debt servicing" due to covid19 pandemics. Agricultural essentials and crop loans have been postponed till May 31 by banking institutions with 3 percent concession on the interest rate of crop loans up to INR 300,000 for borrowers with good repayment behaviour. [12] Hence forth the consumer buying behaviour for agricultural products like fruits and vegetables remained same as previous, but it drastically changed for farmers as many sellers were not allowed to go to cities and sell their products which resulted in loss for farmers.

### J. E-Commerce

India's top e-commerce platform includes Amazon, Myntra, Flipkart, Alibaba, India Mart, Nykaa, Book My Show, Snapdeal and many more listed faced a huge change in consumer demand, as previously the demand was for clothes, home décor, other necessary tools, gifts, cards, toys, books etc. but with this lockdown demand increased for hand sanitizers, mask, gloves etc. All most all the products to be delivered in month of march end were halted and from April no one can shop online as delivery was halted & only delivery for essential items was allowed. During this period the employees of these e-commerce platforms faced a lot many calls on customer care numbers which increased the new challenges of working remotely full time. Therefore, during this lockdown e-commerce platforms like Grofers and Big-Basket were on peak of sales and subscription platform of Amazon Prime too went on hike. [13]

## V. CONCLUSION

Consumers are trying their best to adopt to these new habits which they must follow for a very long time. Even when the situations are normal, they must adopt these habits as a part of their culture. India being the land of festivals and different cultures, it is difficult for Indians to make these changes permanent in their life but despite of any factor these norms of social distancing, using mask and sanitizers has to be followed on a long run. Once the cases will decrease and lockdown ends, there will be a ray of hope that soon consumers will switch to normal buying behaviour habits and the impact of changes in consumer buying behaviour will decrease but not demolish from the lives of people worldwide. Many or all most all the sectors were impacted in this covid-19 outbreak but by following the rules & regulations one day everyone will come up with this crisis situation as nothing lasts permanent, this temporary shift of things will soon be over with a little permanent change in habits of consumers life.

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