IMPACT OF THE COVID -19 PANDEMIC ON CONSUMER BUYING DECISION PROCESS THROUGH SOCIAL MEDIA (SPECIAL REFERENCE TO FMCG PRODUCT)

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ABSTRACT

In recent years, social media has evolved from a simple means of amusement and networking to a powerful marketing arena dominated by influential users. People that have a large following on social media are considered influencers because of the material, opinions, ideas, and originality they provide. These figures have a disproportionate effect on the youth of today. As a new kind of marketing, influencer marketing goes beyond just selling a product to focus on establishing credibility and familiarity between a company and its target demographic. More and more businesses are using influencer marketing because the amount of internet users, and thus influencers, continues to rise. The goal of this research was to find out how influential social media users were in the purchasing decisions of their followers when the epidemic hit. The fast-moving consumer goods (FMCG) industry is the country's fourth largest economic driver. "FMCG" stands for "fast moving consumer goods." industry has found success in marketing to people of modest means all over the world, and India is no exception. These days, middle class homes account for over 70% of sales, while rural India accounts for over 50%. The industry is optimistic because of the rising salaries of the rural people, which means more money to spend on products that enhance quality of life. Many fast-moving consumer goods (FMCG) producers are preparing to outline robust new strategies for concentrating on the country shopper after seeing firsthand the severe competition and close proximity of urban India. The fast-Moving Consumer Goods (FMCG) sector in India is undergoing a transition, or a shift in its growth pattern; this is to be expected, given the country's dynamic economy. The demand from rural areas for consumer goods will grow as more people move there. Even while urban markets are growing, the percentage of new customers and families is higher in the rural sector. Therefore, a comparative analysis of the growth of the FMCG industry is conducted. This paper will examine the potential and threats facing the fast-moving consumer goods (FMCG) business in India as a whole in light of rising levels of brand recognition and familiarity among consumers of all income brackets.

Introduction

India has become one of the world's largest economies because to its large population and rising consumer expenditure. The International Monetary Fund, also known as the IMF, projects 7.4% GDP growth for India in 2017–18, Consequently, it is the world's fastest-growing major economy. The FMCG industry is crucial to the growth of India's gross domestic product. Products from the food and dairy industries, as well as those from the home and beverage industries, are included in this section.

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Approximately 5% of all manufacturing jobs in India are found in fast-moving consumer goods (FMCG) are the fourth biggest industry in India. The industry is characterised by the pervasive presence of dominant multinational corporations, competition between organised and disorganised firms, an established transportation infrastructure, and cheap operating costs. Improvements on both the demand and supply sides have contributed to the sector's rapid expansion in the country. Growth in disposable income and desire to spend among Indian consumers, a larger young population, an increase growth in demand stems from variables such as increasing per capita consumption and brand awareness. However, improvements in the effectiveness of the store network, easier access to imported resources and technology, the creation of innovative items, the swift enhancement of land bases, and the launch of new products are the main demand end drivers for the industry. Rapid expansion of the FMCG market, which encompasses the food and beverage sectors, personal care, and household goods, has been spurred by both rural and urban areas. The growth rate in monthly per capita usage in provincial markets has surpassed its metropolitan counterparts in recent years, suggesting that rural consumption is increasing at a faster rate than urban consumption. Numerous pending government measures, including the Goods and Services Tax Bill, are expected to have a significant positive impact on the fast-moving consumer goods (FMCG) business in the nation, the Food Security Bill, and the Foreign Direct Investment in Retail Proposal.

The phrase "influencer marketing" describes the method of advertising a product by collaborating with influential people in the target market well-known figures (celebrities, bloggers, etc.) who have a sizable online fan base. In Influencer marketing, a product or service is featured in an Influencer's feed or stories. Instagram has been the finest influencer marketing channel especially for the fashion sector, but there is a plethora of social media sites from which to choose, including Facebook, Youtube, TikTok, Twitter, etc.

Many individuals across the globe reacted to the Covid-19 by posting their own unique material on sites like Facebook, Instagram, YouTube, TikTok, and many more. After finding success with consumers, they ramped up their usage of digital platforms, forming fruitful partnerships with established brands and opening up a new avenue for advertising. Because of this unpredictability, online branding and influencer marketing are more important than ever. The fashion business is suffering its own set of difficulties as a result of the worldwide epidemic. Companies' bottom lines took a hit, consumer demand plummeted, and many retail establishments went out of business as a result. As a result, internet advertising and purchasing became even more popular.

Literature Review

Influencer Marketing

Influencer marketing refers to the process in which promotional content is developed and disseminated not by the company itself, but rather by prominent individuals, referred to as opinion leaders. Instead than merely telling people what to do, influencers show them how to do it.(Use of Rock Learn, 2020 as a Source)

There are elements of both new and traditional marketing strategies in influencer outreach. This marketing strategy has its origins in endorsements from famous people. A company may work with a prominent member of the social media community in order to spread the word about one of the company's products. Influencer Marketing Central in 2019.

Marketers were scrambling to find new means to engage customers when brick-and-mortar establishments closed during the epidemic and physical advertising were scrapped. Brands increased revenue and improved the credibility of their marketing by working with influential people.

Rise of Influencer Marketing

Influencer marketing is expected to get significant funding from businesses in the future years. In the realm of digital marketing and advertising, the meteoric influencer marketing's meteoric ascent, as seen by the success of sites like Instagram and YouTube—is more than just a passing fad; it represents a fundamental paradigm change. Finding the correct influencer, evaluating and quantifying outcomes, and other difficulties are new to the field of influencer marketing. (Levin, 2020)

In accordance with Influencer Marketing Hub, the influencer marketing industry will grow to $15 billion by 2022, compared to $1.7 billion in 2016.This exponential expansion shows that influencer marketing will continue to gain traction as a key marketing strategy when the epidemic subsides. The last year has established influencers as a significant part of the marketing industry's mainstream. Companies are starting to realise that influencer marketing may produce lasting effects.

The Role of Influencer Marketing in Consumer Determination Making During a Pandemic

When discussing influencer marketing, credibility has always been a focal topic. Unlike celebrities, who are sometimes paid to promote items they have no interest in, influencers only recommend goods and services they use themselves and believe in after doing extensive research. This is why people like and trust them so much. "(Cobain, 2020)

Consumers' increasing propensity to ad-block across a variety of webpages and social networking platforms in favour of material by influencers on social media is fueling the growth of influencer marketing. Trends and data show that influencer marketing is having an effect on the way consumers make decisions. Stars may have a large audience, but microinfluencers have significant sway. "(Cobain, 2020) at the help of influencers, customers in the fashion sector may obtain tips on how to wear and accessorise things at the tap of a smartphone screen. A conversation with an influencer is reminiscent to chatting with a sales clerk at a traditional business. This helps them connect with their audience on a more personal level.

There was a need for online communication during the epidemic to reassure customers. As a result, engaging with customers face-to-face has become more important. Those who have built up large, engaged, and loyal followings on various online platforms are ideal candidates for this role as social media influencers. The value of SMIs in attracting customers to online advertising has not been lost on marketers.

Influencer marketing is more effective because consumers trust the judgements of their friends above those of experts claims of companies directly advertised to them. The biggest speakers inside any group have enormous impact on the first relationship, since the acceptance of a product inside their circle strengthens its reputation and linked connection. (2020, Barker)

Since influencers may build trusting relationships with their followers and are often considered experts in their fields, customers tend to place a high value on their advice. Olapic found that 39% of customers put stock in influencers' knowledge when it comes to their endorsements. Consumers' purchasing habits have been profoundly influenced by the knowledge of social media influencers. (Wiley, 2019)

FMCG Market Drivers & Trends in India

India's fast-moving consumer goods (FMCG) sector is booming would depend heavily on a number of different market factors. Maintaining growth in the economy has increased per capita income, feeding a rising demand for luxury goods, particularly in India's metropolitan centres.

- FMCG firms are making investments in innovation by releasing new goods in order to take advantage of the fast changing retail environment and the altering purchase behaviours of customers.
- Increasing demand for branded products in rural India is a result of rising provincial consumption, making rural India a massive untapped market. Godrej pushed the One Rural initiative to increase revenue in outlying areas. Half of the global FMCG market in 2016 is predicted to come from rural India.

Government initiatives like FDI, the Food Security Bill, and the Goods and Services Tax are used to back up FMCG showcase evaluations. In addition, Many fast-moving consumer goods companies have increased their nationwide connections and product penetration in response to the government's focus on rural regions across the country.

- Increased product accessibility thanks to expanding networks of supermarkets and online marketplaces is a key factor propelling the quick-turning market for consumer products. The accessibility of mass-market items. in India has been greatly facilitated by e-commerce sites like Grofers, Flipkart, and Amazon.

Developments of FMCG Industry in India

The government has allowed 100% foreign direct investment in the food processing and single-brand retail sectors, and 51% in the multi-brand retail sector. Logistics and supply chains would benefit from this, since FMCG brands' high visibility in organised retail displays would encourage consumer spending and pave the way for additional product releases. A total of US$13.07 billion in FDI came into the region from From April of 2000 until December of 2017, approximately. Here are a few instances of current trends in the fast-moving consumer goods (FMCG) sector:

- The Hershey Company plans to invest US$50 million in India over the next five years since it is their fastest-growing core market outside the US.

- ITC will invest Rs 10,000 crore ($1.55 billion) as part of its Rs 25,000 crore ($3.88 billion) venture package to grow its food processing division.

- By 2020, Hindustan Coca-Cola Beverages (HCCB), Coca-Cola India's packaging division, aims to increase the number of stores carrying its products by one million and achieve revenue of US$2.5 billion.

- Future Retail will acquire Shoppers Stop's HyperCity for Rs 911 crore (US$ 139.7 million) to further integrate its operations and improve its hypermarket segment's overall balance.

Patanjali plans to spend $743.72 million in Maharashtra, Madhya Pradesh, Assam, Andhra Pradesh, and Uttar Pradesh on various food stops.

Initiative Taken by Indian Government

The following are some of the most important steps the Indian government has done to promote the fast-moving consumer goods (FMCG) industry:

- The authorities of India has proposed increasing spending on the country's agreement with the aim of doubling the agriculturist's salary in five years in the Union Budget 2017-18; and the reduction in the payroll tax rate aimed primarily at the little citizens, along with a focus on affordable housing and infrastructure improvement, will provide numerous growth drivers to the consumer market sector.

- The decision by the Indian government to allow full Foreign Direct Investment (FDI) in the automated sale of goods and services has shed light on the structure of existing Indian e-commerce companies.

- The Indian government has set a goal of educating five hundred million individuals by 2022 in response to an increasing need for qualified workers from the country's enterprises. Investments in educational institutions and training are being made by governments, corporations, and schools in order to create a skilled work force.

- The Indian government has enacted a new Consumer Protection Bill with the goal of establishing uniform protections for consumers throughout the country instrument to ensure purchasers' access to simple, rapid, open, affordable, and easy equity transactions.

- The Goods and Services Tax (GST) is helpful for the fast-moving consumer goods (FMCG) industry since many FMCG products, such soap, toothpaste, and hair oil, now fall under the 18 percent levy sector, down from the previous 23 to 24 percent rate.

Objective of the Study

Previous studies on the impact It has been obvious through a study of the literature on the effects of internet influencer on buyer behaviour and the fashion business that not many research have been conducted on the effect of followers on the fashion industry, especially during epidemics. Because of this discrepancy, the study's overarching goal is to investigate the effect of social media influencers' credibility and attitude on consumers' decision-making while making purchases.

Research Hypotheses

Social media influencers are able to increase their audience's interest in a company because of their credibility, dependability, and attitude.

The credibility and disposition of social media influencers serve as the independent variable, while consumer purchasing behaviour serves as the dependent variable. Here are some hypotheses for further study:

H_0:   The credibility of online marketers does not play a major role in the final choice.

Consumer's Purchase

H_0:   Consumers' buying decisions are not much influenced by the opinions of social media influencers.

This study's instrument is based on a modified version of the popular 5-point Likert scale ("strongly disagree" to "strongly agree").

Google forms were used to construct and disseminate the questionnaire to Delhi NCR residents. All social media users were invited to take part in the study. The online poll was active during the dates of 2/2/2021 and 3//3/2021. Respondents are screened for participation in the research by asking if they followed any social media influencers. If they say yes, the survey continues to the following phase, where participants will be asked to rate their agreement with statements about the variables in this research. Quota sampling was employed to collect data, with only social media users who also followed SMIs being considered for inclusion in the research. Out of a total of 400 replies, 210 were from those who actively use the internet and follow SMIs. Thus, only 210 of the replies were included in the subsequent study.

Data Analysis

- Research Strategies for Collecting and Analysing Demographic and Descriptive Statistics.

- According to the data, the vast majority of responders (59.8%) were female.

- Sixty-five percent of respondents are between the ages of 20 and 30, 22.1% are between the ages of 30 and 40, and 12.3% are between the ages of 40 and 50. Instagram is the most popular app, utilised by 61.1% of respondents, followed by YouTube (19.7%), Facebook (12.1%), and other social media networks (7.1%). Some additional aspects of influencers that might have an effect on customers' propensity to make a purchase include trust and experience.

Table 1: Agreement of respondents regarding attitude of social media influencers

Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
You will buy the product from influencers if the influencers give the good response to you?	60	89	47	12	2
Before you buy the product, you need to ask the influencers about the product information	48	75	54	24	9
Do you think the influencers who communicate with their followers are more trustworthy	56	85	49	17	3

in the real world, methods of community administration, content-based participation, etc.

From table 1, we can conclude that individuals who have communicated with their followers are seen as credible sources of information and have an effect on respondents' propensity to make purchases.

The questions asked of respondents about the veracity of internet influencers are shown in Table 2. One hundred and seventeen people either agreed or strongly agreed that they are more inclined to try a company if a particular blogger or online celebrity, i.e. influencer, recommends it.

Table 2: Agreement of Respondents Regarding Credibility of Social Media Influencers

Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Would you likely recommend any influencer to your family/friends?	59	79	46	18	8
Does Social media influencer persuade you to dress/buy like the picture they post?	51	83	47	20	9
Do you find the information provided by the influencers credible enough	45	98	46	12	9
Your favourite influencers are important to you before buying any new product	41	68	52	32	17
Do you think Influencers will not purposely endorse a brand that will harm you?	47	63	56	30	14
If your favourite blogger/online personality recommends a brand, you are more likely to try it?	42	75	52	28	13

Note: Extracted from Questionnaire

- **Regression Modelling**

Regression analysis is a method used in statistical modelling to estimate the connections among an associated (or "outcome") variable and a number of distinct (or "predictor", "covariate", "explanatory", or "feature") variables.

In this analysis, the credibility of an online influencer is an independent variable, while consumer purchasing behaviour is the dependent variable.

Table 3: Regression Analysis of Creditability of Social Media Influencers and Buying Behavior of Consumers.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658[a]	.432	.430	.79646
a. Predictors: (Constant), creditability				

- **Hypotheses Testing**

To determine whether the credibility of social media influencers has a substantial effect on consumers' purchasing decisions, an analysis of variance (ANOVA) was conducted. The following hypotheses have been put forward:

H0:   Consumers' trust in social media influencers has no appreciable impact on their final purchasing decisions.

A favourable correlation between social media influencers' credibility and consumer behaviour during the COVID-19 epidemic is shown by a regression coefficient of 0.658. According to the coefficient of determination (R^2), the credibility of online gurus may account for 43.2% of the variation in consumer purchasing behaviour.

Table 4: ANOVA of Regression Analysis of Creditability of Social Media Influencers and buying Behavior of Consumers

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	100.538	1	100.538	158.491	.000[b]
	Residual	131.943	208	.634		
	Total	232.481	209			

a. Dependent Variable: buying behaviour   b. Predictors: (Constant), creditability

Since P (.000) .05, the different hypothesis (H1) that social media impacts have a substantial effect on consumers' trust in recommendations is chosen in place of the null hypothesis (H0).

H0:   There is no significant impact of attitude of social media influencers on how consumers make buying decisions

Table 5: Regression Analysis of Attitude of Social Media Influencers and Buying Behavior of Consumers

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.612[a]	.374	.371	.83644
a. Predictors: (Constant), attitude				

According to the results of the regression study, there is a positive association between the credibility of online personalities and the number of followers they have consumer spending habits during the COVID-19 epidemic. The coefficient of determination ($R2$) indicates that 36.4% of those of the variation in consumers' purchasing decisions may be accounted for by the credibility of online influencers.

Table 6: ANOVA of Regression Analysis of Attitude of Social Media Influencers and Buying Behavior of Consumers

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.958	1	86.958	124.291	.000[b]
	Residual	145.523	208	.700		
	Total	232.481	209			
a. Dependent Variable: buying behaviour						
b. Predictors: (Constant), attitude						

Due to the significance level of P (.000) being smaller than.05, the alternative hypothesis (H1) is chosen, indicating that the perspective of social media influencers has a substantial impact on Consumers' purchasing behaviour during the COVID-19 epidemic in the fashion sector.

The findings show that an influencer's credibility is an important factor in consumers' final purchasing decisions. The research also demonstrates that influencers' responsiveness to questions from their followers and general sensitivity to their needs have a role in consumers' final purchasing decisions.

Implications for Theory and Management

This study uses a theoretical lens to examine the state of influencer marketing in India and, more specifically, the Delhi-National Capital Region (NCR) in the era of Covid-19. The effect of social media influencers on consumer decision-making during a fashion industry epidemic has received little study. The research found that consumers' purchasing decisions in the fashion sector were affected by the credibility and attitude of social media influencers. Influencers on social media should exercise extreme caution when endorsing items or services on their platforms, and they should always be transparent about whether or not their endorsements are sponsored. If social media platforms want their audience to trust their posts and beliefs, they need to interact with them more.

There are a number of management implications from this research. On the one hand, it gives Social Media Influencers useful information about the qualities they need to have in order to be more successful in the marketplace, and on the other, it gives businesses useful information about how to maximise the return on their investment in influencers. Effective and trustworthy influencer content should be given more priority by marketers and influencers alike. Gaining traction in the fashion business via strategic collaboration with influential figures.

Conclusion

The Indian fast-moving consumer goods industry is forecast to expand in the future years. The upsurge in the market may largely be attributed to the favourable economic climate, low inflation rates, and development plans spearheaded by the new administration. Recent years have been quite successful for the fast moving consumer goods (FMCG) business in India, particularly in the customer meals, soft drinks, cleaning, and personal care areas. Due to tougher government laws and rising consumer health consciousness, the alcoholic beverage and cigarette industries have seen slow development. New FSSAI standards with clearly stated criteria, a resurgence of the most popular brand of noodle in the nation, and Patanjali launching its own ready-to-eat food range all point to a period of explosive development in the ready-to-eat food market, which includes foods like instant noodles and spaghetti. Big changes in the personal care product industry are on the horizon.

Limitation and Suggestion for Future Study

It is important to keep in mind that this research has certain restrictions. To begin with, The sample size of this research is insufficient to make any definitive conclusions on the whole Delhi-National Capital Region. The general public's opinion of influencer marketing may be improved by larger-scale, national-level investigations in the future. Another restriction is that the participants in the research are from the middle class in the city. Research on how social media influencers affect customers' ability to digest information and make purchases in rural areas is an area worthy of further investigation.

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