

A PARADIGM SHIFT IN CONSUMER BEHAVIOR AMIDST COVID-19 PANDEMIC OUTBREAK: A STUDY OF CUSTOMERS' PERSPECTIVE

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ABSTRACT

*The most catastrophic pandemic Covid-19 is affecting our life in every aspect be it social, economical, political and behavioral. It has drastically changed the way we shop, the way we communicate and the way we work as **Social distancing, Stay at Home, Work from Home** are the new norms we have been probably following for the first time in our lives. These norms have refrained people from stepping out to shop and restricted them to buy only the most essential items. Shopping malls are shut; supermarkets are closed to avoid the crowd and mitigating the risk of spreading the virus infection. This has created a fear and anxiety in the minds of the consumer that will create a paradigm shift in consumer buying behavior. It has been witnessed that consumers are moving more towards online shopping of the products that they used to buy from retail outlets earlier and this movement is likely to continue even after the lockdown is called off. So the present study attempts to understand the present state of consumers' minds the change in their buying behavior. The paper will also highlight the consumers' perception of online buying, and their expectations thereof from the marketers especially in the post the Covid-19 era. The underlying study will give some suitable recommendation to the marketers to meet the consumers' expectations in the changing market scenario.*

KEYWORDS: Covid-19, Online Shopping, Consumer Behavior, Consumers' Perceptions, Digitization.

Introduction

The most catastrophic pandemic Covid-19 drastically changed the way we shop, the way we communicate and the way we work as **Social distancing, Stay at Home, Work from Home** are the new norms we have been probably following for the first time in our lives. These norms have refrained people from stepping out to shop and restricted them to buy only the most essential items. Shopping malls are shut; supermarkets are closed to avoid the crowd and mitigating the risk of spreading the virus infection. This has created a fear and anxiety in the minds of the consumer that will create a paradigm shift in consumer buying behavior. It has been witnessed that consumers are moving more towards online shopping of the products that they used to buy from retail outlets earlier. The shift towards online shopping is likely to continue even after the lockdown is called off but with it will come along with its own terms and conditions like the assurance of timely delivery, compensation for order cancellation, maintaining hygiene or contactless transactions and digital payment. So, the physical retail outlets are likely to face the losses if they fail to adapt to this changing consumer buying behavior. (Gill, 2020). People will still refrain from going to crowded markets to avoid catching the virus infection. Though they may revert back to retail outlets after some time but, it is never going to be the same. The trend will definitely change to become the '**New normal**'.

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Review of Literature

In the following text a number of previous studies directly or indirectly related to the consumer buying behavior towards online purchases have been analyzed. It was found that the consumers perception and behavior for online purchasing not only depends upon their easiness, usefulness and convenience but it is situational also (**Ajzen, 1994**). The unforeseen situations like the pandemic Covid-19 is one such intervention that may lead to phenomenal changes in consumer behavior. Situational factors are one of the most important determinants of consumers' perception and willingness to move towards online channels of buying along with other factors such as consumer traits and product characteristics (**Benbaset 2006**). Moreover, if the consumer has good experience of previously enjoyed online shopping, they would have more willingness and positive attitude towards it in the changed circumstances too (**Menon 2010**) because it will provide consumers a stimulus to continue the pleasant experience and the perceived consequences will affect the intention to go online for buying more categories of consumer products. (**Khalifa and Limayem, 2003**).

Consumers' innovativeness, perceived benefits found to have more positive influence on online shopping behavior whereas perceived risk has a negative impact on consumer's attitude while shopping online (**Hsu, & Bayarsaikhan, 2012**).

The perceptions of online buyers are significantly different from the non-online buyers. Moreover, various other factors such as age, gender, occupation, education also has a great influence on the internet usage by the consumers (**Mehta & Kumar, 2012**)

The type of product to be purchased makes a big difference in online and offline purchasing attitude. Some products can be purchased just by relying on the information available on the shopping sites but there are some product categories where consumer wants to physically examine the product before making purchase decision (**Nagra and Gopal, 2014**). That makes the online marketers to give some reassurance to the buyers making online purchases.

Limayem and Khalifa (2000) developed a model to explain the impact of various factors on online shopping behavior and attitude. The findings suggested that the subjective norms, attitude and belief with regard to the consequences of online shopping have significant impact on the purchase intention of the consumer to purchase online. Consumer innovativeness has been found to have profound effect on their attitude and intention to buy online.

Thus, the literature suggests that there are many factors that influence the buyers' decision to go for online purchases or to prefer in-store purchases. These factors include their demographic features as well as their attitude and perceptions with regard to online shopping.

Rationale of the Study

Though, sufficient literature is available in consumer behavior the sudden change in the consumer behavior due to the uncertainties and stress caused by COVID-19 has been the underlying need of the study. Very little research work could be found so far in this regard, especially, in the Northern India. To fill the research gap, the study attempts to provide an in-depth insight into the changing buying patterns and priorities of the consumers amidst the distressed lockdown conditions and even, thereafter.

Objectives of the Paper

The study, in general aims to understand the present state of mind of the consumer with regards to their buying behavior amidst the situation of uncertainty and stress caused by Covid-19 pandemic. In particular, the purpose of the study is:

- To analyze the nature and extent of change in consumer behavior post Pandemic.
- To delve into the respondents' preference for the online and offline purchasing options before and during COVID-19 pandemic.
- To gauge the consumers' expectations from the marketers post COVID-19 era.
- To give some suitable recommendations to the marketers to adapt to the changing consumer behavior post Covid-19.

Data Sources and Research Methodology

Both primary and secondary data has been used to bring forth the analysis. For primary data a random sample of 100 respondents spreading across three states (Punjab, Haryana and Himachal Pradesh) and one Union Territory (Chandigarh) was taken. The responses were collected through a set of structured questionnaire and of course, through online mode that was perfect for maintaining social distancing whereas secondary data has been taken through various online survey reports, media reports, newspapers etc. For analysis various statistical tools and techniques have been used such as frequency distribution, percentages and ranking.

Data Analysis and Interpretation

A structures questionnaire was administered to a random sample of 100 respondents through emails and other online platforms. The respondents belonged to different age groups having distinct level of education and income. Table No.1 shows the demographic profile of the respondents under study:

Table 1: Demographic Profile of the Respondents

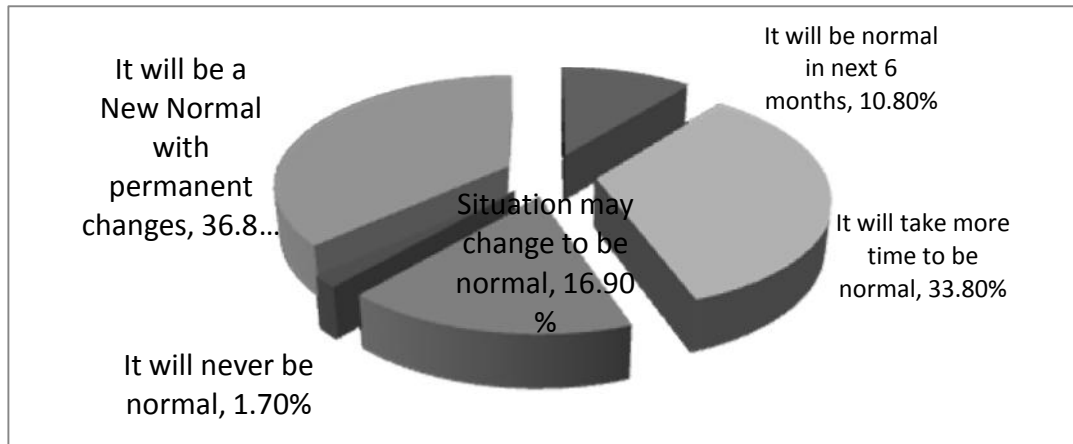
Age	Frequency
Less than 20	36
20-30	44
30-40	16
Above 40	04
Marital status	Frequency
Married	38
Unmarried	56
Other	6
Education	Frequency
Under Graduation	35
Post graduation	47
Other	18
Family Income (Monthly)	Frequency
Less than Rs. 30000	14
Rs. 30000-50000	43
50000- 70000	34
Above 70000	09

The majority respondents (44) belonged to the age group of 20-30 who are more active shoppers. Their change in buying preferences is most likely to change the market scenario. The sample by default contains 38 married and 56 unmarried respondents. The strata belonged to the educated people belonging to some handsome income groups because the underlying idea of online shopping is more prevalent in the educated class and moreover, the online questionnaire could be administered to those having sufficient knowledge of the using online apps for shopping and filling the Google forms.

Consumers' Present State of Mind and its Effect on Buying Behavior

In the light of changing scenario respondents were asked to respond with their most likely feelings in the period of lockdown. Though the majority (52%) of the respondents said that they are happy spending time with their families during lockdown which would otherwise not have been possible due to personal and professional limitations but on the other hand 49% of the respondents also expressed their fear about future after the outbreak of the virus (Chart 1). They perceive that due to likely recession in the economy, they will face a tough time as it will lead to increase in the cost of every essential items.

Though 10.80% respondents are still optimistic about the life after Covid-19 and believe that everything will be normal after 6 months, 36.80% respondents believe that it is going to be 'New Normal' with some permanent changes in the society at large whereas, 33.8% respondents believe that it will take more time to get back to normal. 16.90% of the respondents are unsure about the future post pandemic.

Chart 1: Perception about Future after COVID-19

The state of mind of the consumer has a direct relation with their buying behavior. The respondents with positive outlook and optimism are the ones who will adapt to new normal much sooner than otherwise. Following are the key changes analyzed from the responses given by the respondents.

- Demand for Need Only:** During lockdown, consumers' buying pattern has changed to a great extent as consumer has now been evaluating between wants and needs. Consumer is now taking informed decisions and putting health and hygiene above all luxuries and comfort buying. Their budget now comprise more spending on essential items like groceries, household supplies and entertainment at home.
- Stocking up Essentials:** Limited product availability during lockdown also led to consumers panic buying and hoarding products in anticipation of future contingencies where the product might go out of stock. The respondents under study were also asked if they have started stocking up the essential items for some upcoming months. A significant percentage of the respondents (49.5%) stated that they are stocking up essential items to meet out any emergency situation like the ongoing Covid-19 in future too. This is likely to be continued for some time in future too, even after the markets are unlocked. Consequently the demand for essential items will continue to surge.
- Priorities for Health and Hygiene:** Consumer expenditure is down across all the industries due to lockdown measures that have restricted the buying options. All shopping malls, departmental store and even the online shopping stand suspended with a few exceptions like the most essential items only. A survey by the Confederation of Indian Industry conducted on 200 chief executive officers (CEOs) of companies had expressed the fear of sharp fall in the sales revenue and profit over the next few months. There is uncertainty as to the continuity of lockdown effect because of which people cannot step out freely to shop, eat or watch movies as they used to do before lockdown. They are focusing only on purchasing essential items like food and groceries as well as health and hygiene product. Market research firm Nielsen slashed the growth rate of FMCG industry to almost half of what it projected before this pandemic from 9-10% to 5-6% for the year 2020. Due to virus outbreak, health and hygiene has taken top priority so the sale of Hand sanitizers Floor cleaners and toilet cleaners has been growing sharply.
- Abandoning Brand Preferences:** During lockdown, the production of goods came to a sudden halt because of the preventive measures such as social distancing. Moreover, lack of availability of raw material and labour, restrictions on transportation of goods further exaggerated the adversities for the consumers and the sellers as well. Due to shortage of the brands of choice, consumers started taking whatever was available at the stores. The unprecedented rise in the sale of Parle-G biscuits is the perfect example of the changing consumers' brand preferences. They have started using locally available products to satisfy their needs. Ranging from basic essentials like flour, pulses, hygiene products such as soaps, sanitizers, and shampoos saw a change in brand preferences.

- Digital Movement:** The electronics sector also witnessed a huge demand for items like laptops, mobile phones and other related accessories, as work from home and online classes came into being. The use of online entertainment sources like games, movies, and web series are also experiencing an increasing trend. The sales of Netflix, Hot star, and Amazon Prime etc. grew more than expected. Recreational activities, extracurricular activities, online courses and tutorials have seen the same upward trend. The demand for video-conferencing applications has increased tremendously as office meetings and educational classes are being conducted online during the lockdown period.
- Online v/s In-store Buying: Changing Preference:** The respondents were asked about whether they were an online shopper before the pandemic outbreak. Almost 60% respondents were buying online at least one item or the other whereas, 40% of the respondents were habitual to in-store buying due to the trust they have maintained with local sellers. The respondents who are already the online shopper were given the list of 13 items that almost cover every item required by an individual and they were first asked to respond with their buying mode of these items before the outbreak of covid-19. After that they were asked to tell their preference to buy these items through online or in-store channels after the lockdown is lifted and both the options are available to them. The following table shows their preferences for online and in-store channels of buying in the pre and post Covid-19 outbreak era.

Table 2: Perceived % Increase in the Online Buying Over the In-store Buying Post COVID-19 Outbreak

Serial No.	Items	Pre- Covid-19 outbreak (% respondents)		Post Covid-19 outbreak (% respondents)		Perceived change as %increase in Online buying over in-store buying
		In-store	Online	In-store	Online	
1	Groceries	76	24	64	36	50%
2	Health care products	67	33	62	38	13%
3	Home appliances	58	42	52	48	14.2%
4	Digital devices	56	44	42	58	31.8%
6	Books	43	57	37	63	10.5%
7	Toys	54	46	45	54	14.8%
8	Sports equipments	56	44	47	53	20.4%
9	Apparels	58	42	43	57	35.7%
10	Beauty /personal care products	62	38	58	42	10.5%
11	Jewelry	77	23	73	27	17.3%
12	Home furnishing	72	28	64	36	28.5%
13	Furniture	83	17	76	24	29.16%

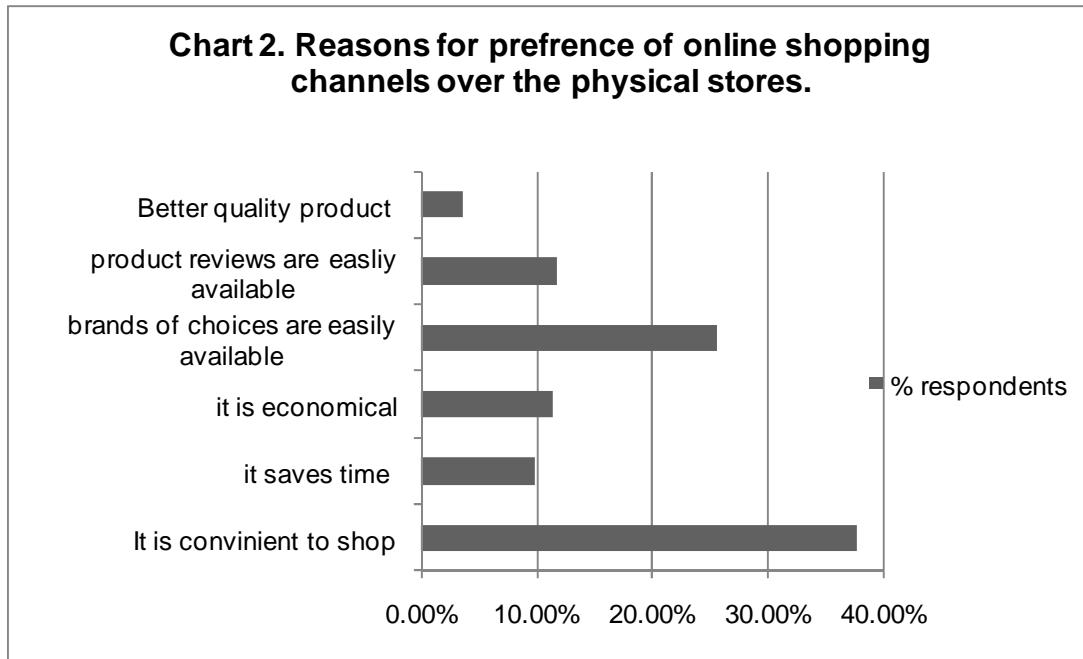
Apparently the online buying is showing an increasing trend in the times to come. The most significant increase (50%) is noted in the most essential item i.e. groceries. The reason for this is people refraining from going to the crowded stores with less space to maintain social distancing. So people would prefer to go online to buy and even stock up the items which may run out of stock at stores. Another major change is visible in the apparels section with 35.7% increase in online buying post the pandemic outbreak as shopping malls are shut due to lockdown and the same may not see many footfalls in nearest future. The least changes are in the categories where individual buyer wants to have personal check like beauty products, personal care products and health care items.

- Reasons for Preferring Online Channels:** The respondents, who prefer online shopping even before the outbreak of the Pandemic Covi-19 outbreak, were asked to rank the factors responsible for preferring online buying over the in-store purchases (Table 3). Convenience is among the top most stimuli for preferring online buying as 37.70% respondents gave it first rank

followed by the fact that brands of their choice are easily available online that might be out of stock at stores sometimes as responded by 25.6% respondents (Chart 2). The other reasons were having access to the product review before making purchase decisions and it is economical to buy online as huge discount offers are available in different categories of the products.

Table 3: Ranking of the Factors Responsible for Online Buying

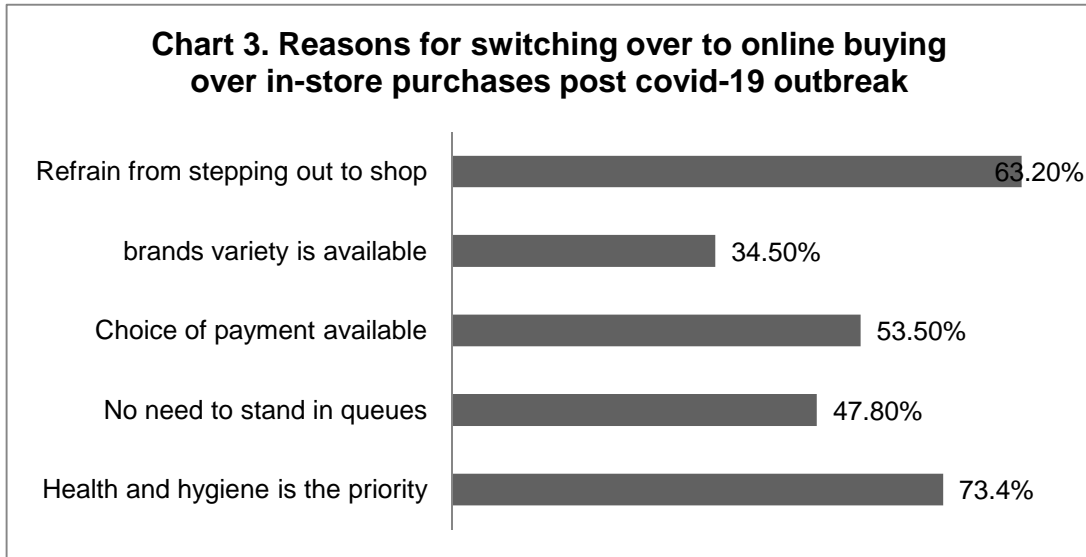
Sr. No.	Factors	Ranks
1	Convenience	1
2	Time saving	5
3	Economical	4
4	Availability of brands	2
5	Product Reviews	3
6	Better quality products	6



- Preference for Payment Mode:** The respondents were asked to state which mode of payment they prefer the most while shopping through online channels. It was found that the most preferred choice of payment mode is through Credit/debit cards (40.2%) followed by Cash on delivery (24.4%), internet banking (18.3%) and mobile banking (15.9%) preferably.

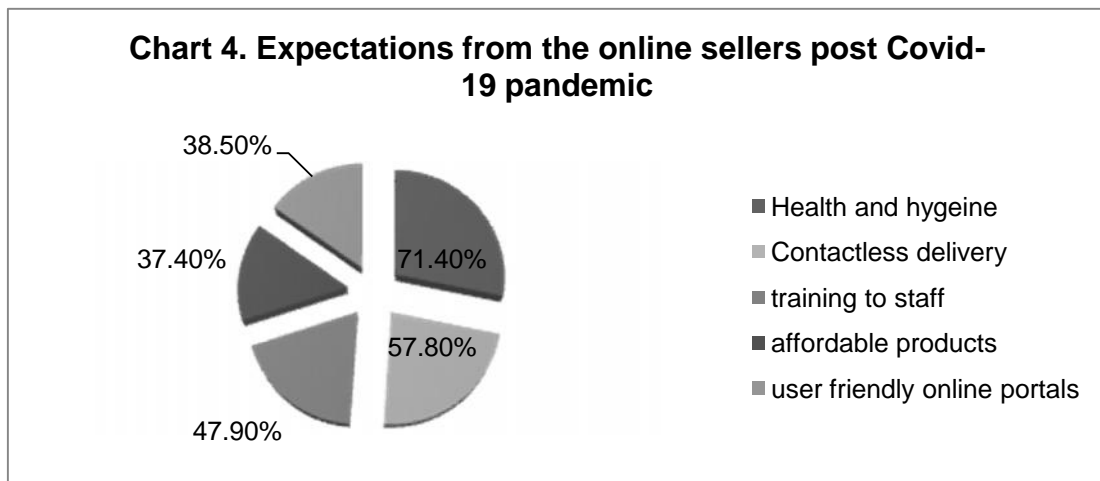
Meeting New Customers' Expectations: A Challenge for the Business Minds

The respondents, who were not the online shopper before, were asked if they would like to switch to online shopping over the in-store shopping. 40% of those responded with 'Yes' and 12% with 'No' whereas 48% are still unsure about the use of online mode of purchases. Those, who responded 'yes', were further asked the reasons for switching over to online buying over the in-store buying. Here comes the impact of the outbreak of Covid-19 Pandemic on the buying behavior of the individuals. Due to the spread of the virus people have become more aware as well conscious of their health and hygiene. They are ensuring every way of avoiding being infected and protecting their family too. That's what the respondents have expressed their foremost priority is to maintain health and hygiene (74.3%) so they would avoid going to supermarkets, malls and other crowded stores (63.2%) and would rather shop online.



The changing priorities of the consumer have paved the way for consumer business in India to reshape and remodel the business to meet the changing expectations of the new persona of individual consumers. Along with the shift in buying pattern of the consumers post Covid-19, the expectations of the consumers from the sellers selling online has also moved to new lines. The respondents who showed their preference to either continue with the online buying or who preferred to switch over from in-store to online stores were asked to tell what they expect from their sellers in the new and changed scenario all around the globe.

The majority respondents (71.4%) stated that their online sellers should behave more responsibly towards the health and hygiene of the customers, employees and the society at large (Chart 4). As it is the basic requirement to combat the spread of Covid-19 or any such virus infection in future. 57.8% of the respondents expressed their wish to enjoy contactless delivery of the products. The respondents (47.9%) were also of the view that the companies should provide specific training to its staff, especially, the delivery squad to provide ensure safety of both the customers as well as the staff members. Keeping in mind the financial and economical crisis the world over 37.4% respondents also expect from the corporate to come up with more affordable categories of the products through online medium.

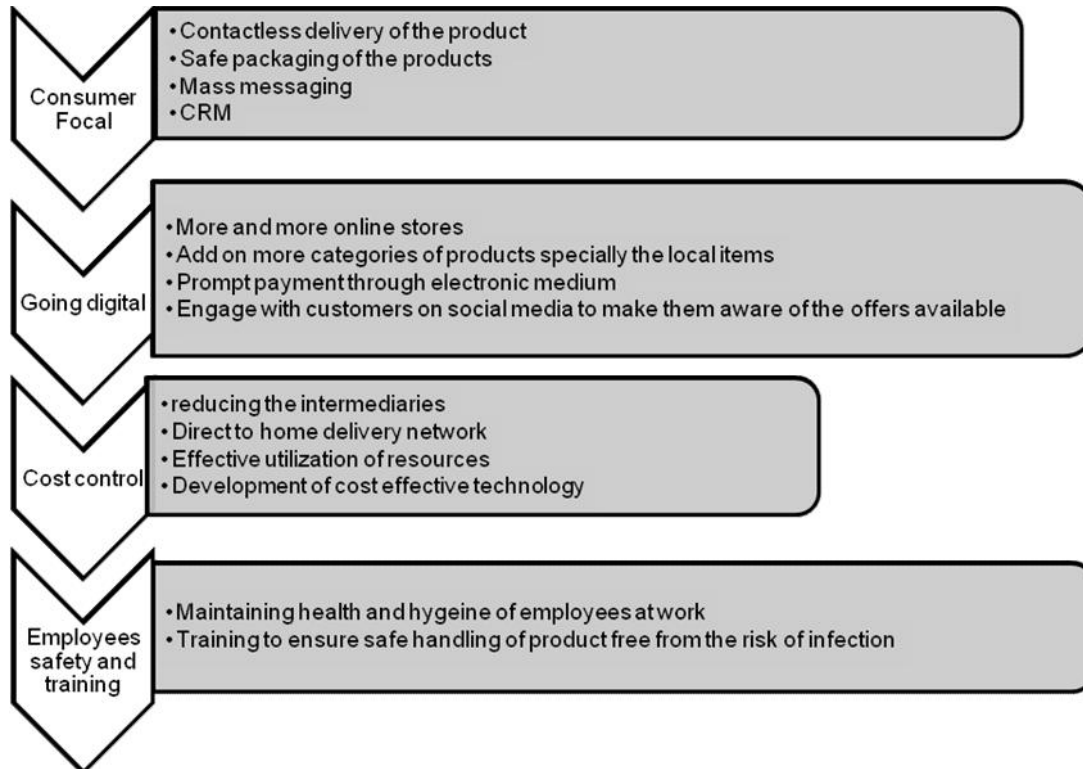


Suggestions

So the above analysis shows the paradigm shift in the consumer buying behavior that is going to have a catastrophic effect on the consumer business for quite a long time from now. If the businesses have to revive and survive in the new normal situations post covid-19, they would have to adapt to the new consumer expectations quickly. Following are some of the suggestions (Chart 5) based on the recent studies and the responses given by the respondents under study:

- Consumer Focal:** Though, market today is already consumer centric, but now it has become more imperative to take care of consumer safety after the pandemic outbreak. In the times of stress and uncertainties, the marketers have to show empathy to its worthy customers. It is the time to rethink about the business models to deliver safely and hygienically. Contactless delivery has already been initiated by some leading online sites such as Amazon and Firstcry. So the companies have to take extra measures to ensure healthy way of delivery. Consumer wants more convenience than ever before for choosing the time and place of delivery as well as choice of payment mode. In the times where companies has lost connection with the customers, it is important to reconnect through virtual platforms such as social media to keep the loyal customers intact and increase the prospective customer base in near future. Mass messaging spreading positivity amongst the customers could be done. Efforts should be to enhance the customer relationship marketing through online media.

Chart 5: Suggestions for the Online Sellers



- Digitalization:** Digitalization is must to pave the way for marketers to adapt to the changing consumer buying behavior. Consumers shift towards online buying has made it obvious to go digital to the extent possible in the times to come. Email-marketing, telemarketing is the ways to extend the quality support to online shopping for the new customers. The companies have to expand their virtual shopping stores with all the consumer friendly services like prompt digital payments, user friendly websites, and easy return and refund policies etc. More categories of the products can be added at affordable prices so that the lower income segment of the customers can also be covered.

- **Cost Control:** Shutting down of the businesses for quite a long period of time due to lockdown restrictions post the pandemic Covid-19 is already making huge losses to the companies. Further revival of the business post lockdown is going to have incurred more cost in terms of raw material procurement, transportation and bringing the migrant labor back, moreover, ensuring social distancing at work place, safety and hygiene of employees will further add up to the cost. The companies can save on discretionary expenditures and labor cost to stop the bleeding caused by the pandemic but the magnitude of the pandemic is such that the companies will have to work extra smart to control the cost by adopting some sustainable cost reduction strategies. In-house and indigenously produced material can save a lot.
- **Employees Safety:** A company being socially responsible needs to protect its employees who are the ones to execute the actual targets. Workers working in factories are more vulnerable to virus infection where it is difficult to maintain social distancing and hygiene all the time. It is the duty of the top management to ensure the health and hygiene of the employees at lower levels. Specific counseling and training sessions should be arranged to make the employees comfortable with the new work cultures. Specific protocols should be designed for delivery staff to deliver the product safely to the end consumer.

Concluding Remarks

There is no second thought about the magnitude of the impact the Covid-19 has created on the individuals as well as society as a whole. There have been various social, economical and cultural changes due to the pandemic situation the world over. The paper has highlighted the present state of mind of the consumers. 36.8% the respondents are optimistic about the new future with some changes in the society. Majority respondents showed their priority has shifted from movies, restaurants to health and hygiene. They still prefer to avoid going to the crowded markets to mitigate the risk of catching infection. There have been many lifestyle changes as well. With increasing health awareness, subscriptions of online fitness and wellness apps has increased multi-fold. Workout from home rather than gyms has become a new trend. The consumers have now become more conscious towards a healthy lifestyle and have adopted for different means. These behavioral changes have led to more innovative developments in the field of health sector.

Consequently, there has been an increasing trend for online buying for almost every category of the products such as grocery, health care, apparels and so on. Even the respondents who are not prone to online buying earlier showed their preference to go online post Covid-19 pandemic. Just as they have become more health conscious they also expect the same from the companies selling online. So with the changing consumer behavior, the companies have to move along the trend. Very interestingly, the digital transformation has come up in support of marketers to much extent. This provides an opportunity to expand supply chain networks through digital platforms. Some companies are already doing so such as Domino's, Zomato and Swiggy for delivering essential goods at consumers' doorsteps.

Consumers' convenience in terms of selecting where, when and how to get the product delivered to them along with the assurance of safety and hygiene, is the only key to adapt to the changing consumer behavior post pandemic era.

But the companies don't have to jump to the conclusions right away but to rethink and reshape the business models to achieve more sustainable growth after seeing a period of loss and uncertainty due to the outbreak of Covid-19.

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