



# Consumer behavior and the Shopping Malls: Building the Post-pandemic World

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## Abstract

*Shopping today is much more than buying, it is a whole experience in itself. But with the outbreak of Covid-19, everything has come to a halt. Even the GDP of the country has been affected by this virulent disease. The pandemic has almost locked up everything. But with time and recovery, the economy has started to revive and so do the shopping malls. People has started moving out. The present paper focuses on the effect of pandemic on the shopping malls. It seeks to answer the following questions like, How the consumer's behavior has been affected by the pandemic. What are the measures taken by the government post pandemic? What are the way forwards to attract more footfalls in the malls? Some reports have also been mentioned in the paper to comprehend the situation and find solutions to it.*

**Keywords:** Consumer behavior, Covid-19, Shopping, Malls, Pandemic.

## Introduction

Shopping today is much more than buying. People make purchases not just for consumption but even for entertainment, for dealing with their emotions, for spending time with their family and friends. It is an experience in itself. But with the outbreak of Covid-19 everything has come to a halt.<sup>1</sup> World Health Organization has declared Covid-19 as a pandemic on March 11, 2020.<sup>2</sup> On March 24, 2020 Government of India ordered a nationwide lockdown. Across the world, the deadly virus has locked up everyone into their homes. The pandemic has most affected the cities, transportation, labor, services, etc. The business is down, the GDP is down, and the economy is hard hit. The people has lost their jobs, laborers could be seen leaving their work place and moving towards their homes fearing their lives. However, after the time period of six months and recovery in the cases across the countries, everything is coming back to a new normal, with new restrictions and standard operating procedures (SOPs). The new normal has adopted by many, but some are still in a dilemma to take risk of their lives and staying back home. A recent study by First Insight<sup>3</sup> found that a lot of consumers feel unsafe while doing shopping in the malls. There is no doubt that the pandemic has impacted the consumer whereas the relaxed conditions of the lockdown have brought many changes in the consumption pattern of the people on the basis of new personal circumstances which is based on their income, time, priority and future investments. The new reality, in which some people have lost their jobs, and some people have witnessed a high loss in their business, we could observe changes in the consumer's attitude, behavior and habit of consumption. With the opening of the economy, slow and steady, people could be seen moving out and starting to adopt the new normal life. The shopping malls have been opened up, but with some restrictions (i.e. certain standard operating procedures for the shopping malls) as these are the most crowded places visited by the people. After the relaxation, people could be seen in the shopping mall, but not in the same way as it was before the lockdown. The most crowded malls could be seen a near empty. McKinsey predicted in a report, 'a reduced footfall in the malls because of the pandemic in order to stay away from the crowd and moving to online platforms for shopping'. From the Economic Times, it has been estimated that in March-June 2020, retailers faced losses in addition to this, the store rental costs are also fearing them. But the improvement could be seen from Q2FY21. A report by ICICI Securities maintains that 'shopping malls are worst hit with a loss of up to 20 to 25 percent of their annual revenue assuming that a rent-free period be given to the retailers'. However, measures have been taken to deal with such losses. The companies are trying their best to attract the consumers in order to provide them the best deals.

<sup>1</sup> "WHO declared Covid-19 as a pandemic". Available at: <https://www.euro.who.int/en/health-topics/health-emergencies/coronavirus-covid-19/news/news/2020/3/who-announces-covid-19-outbreak-a-pandemic>.

<sup>2</sup> "On March 24,2020 Government of India ordered nationwide lockdown". Available at: [https://en.wikipedia.org/wiki/COVID-19\\_pandemic\\_lockdown\\_in\\_India](https://en.wikipedia.org/wiki/COVID-19_pandemic_lockdown_in_India).

<sup>3</sup>A recent study by "First Insight". Available at: <https://facilityexecutive.com/2020/07/the-covid-19-impact-are-consumers-still-afraid-to-shop-in-stores/>.

## Understanding Consumer Behavior

Consumer behavior is a study that explains how an individual, group, or an organization makes purchases of goods and services. Why do consumers make purchases, do they have a trend for making purchases? Is there any pattern of purchasers making purchases i.e. income, age, gender, price and quality of the product and so on?

According to Loudon and Della Bitta, consumer behavior is 'the decision process and physical activity that individuals engage in when evaluating, acquiring, using or disposing of goods and services' (Gupta, S.L., Pal Sumitra, 2006).

According to the dictionary of Marketing and Advertising, consumer behavior refers to 'observable activities chosen to maximize satisfaction through the attainment of economic goods and services' (Gupta, S.L., Pal Sumitra).

Consumer behavior is defined by certain internal and external factors. Internal factors include the attitude, personality, thinking of the individual. While the external factor includes the cultural influences, the community behavior, the values and beliefs of the community. All these internal and external factors influence the individuals in making the consumption.

## Significant Changes after the Lockdown

The shopping malls have again opened their locked doors for the consumers with some restrictions. These restrictions are strictly followed by the people visiting the malls. The opening was divided into two phases. In the first phase, only the essential services were allowed, including the supermarkets, personal care products, takeaways, home deliveries. In the later phase, multiplexes were opened up with some precautionary measures and maintaining 50 percent opening, ensuring social distancing in F&B outlets that were opened up, and restricting parking with 50 percent opening. Even the shops are having flexible hours to maintain social distancing among people. Precautionary measures like temperature checks, registrations, compulsory face masks, hand sanitizing etc. are compulsory for all the visitors. There is no entry without the Aarogya setu app. There are longer queues so as to maintain the procedure of social distancing. People before entering the malls have to wait in longer queues for the checking. Contactless payments are on the rise, as people tend to use cash less methods to prevent any reach of the deadly virus.

Covid-19 has taught us many lessons. Among these lessons, the most important is that we have to start our living again as it was before the pandemic but with the application of new rules. These new rules demand high attention and alertness while shopping in the malls. It is generally observed that people are more alert in trying clothes in dressing rooms, testing beauty products, trying shoes, and even coming in contact with a sales associate.

## The Way Forward

Post pandemic world needs precautions and certain measures to revive the economy, and find ways to keep malls at a go in the new normal.

- Safety and Convenience: Safety should be the priority with easy convenient shopping and maintaining a contactless interaction with the consumers. The retailers need to provide the products to the consumers ensuring safety and more convenience, so that they do not fear any infection while visiting malls.
- Innovative ideas: Some innovative ideas are required where the consumers could be attracted to the malls and their showrooms for making purchases. To attract the consumes, retailers need to provide convenient services, hassle free returns, some discounts, etc.
- Upgradation of Technology: Technology needs to be upgraded in the malls. To attract the consumers, the retailers need to upgrade their showrooms with the technology which could identify the old customers so as to provide them certain offers to make an increase in their visit. Virtual fitting rooms, AR and VR technologies etc. to ease their shopping.
- Lower space: A showroom need not to be a large one, a small showroom with products and interactive technology could attract the customers, which will even reduce the social contact with the sales associate. And it could help more showrooms to be opened in the malls as much space is not required.
- Food courts: Food and Beverages can enhance the profitability of the malls as they are the biggest visiting destination of the consumers. Food choices have to be increased with certain offers like providing combos in order to attract groups, while maintaining social distancing.
- Redesigning: While the lockdown has been eased up, some people are craving for social interaction. Retailers need to drive the footfall to the malls. As the people would be craving to move out at this time, the retailers, if possible, may redesign their outlet by providing green spaces, trees if feasible, more food options, leisure, spas, providing community living rooms, health and wellness centers, etc.
- The associations of the shopping malls have requested a moratorium period in repayment of bank loans, EMI's, rental payments, without penalties. Granting them GST rebates in order to tackle with the loss that the malls and retailers have faced because of the pandemic and lockdown.

## Conclusion

The foot traffic has fallen in all the shopping malls of the country. The situation before us is to take care of the health and safety. Covid-19 has served to accelerate changes that are already in progress. Government has been making different rules and regulations for the safety of people. In this scenario, the key to get the people back into the big shopping malls lies on the owners and retailers. They must work hard together in order to invest in customer safety, which is the need of the hour and they must come up with such applications that promise to provide a more convenient experience of shopping for the people.

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