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Perception of Indian Consumers towards Chinese Products During Pandemic: An Empirical Study

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Abstract

Year 2020 has been a difficult time for every country. COVID-19 has impacted every country in many ways such as increasing Covid-19 cases, downfall in the economy and increasing unemployment. To avoid such situations, the government of India has started a campaign known as #vocalforlocal, which means people should now start buying and manufacturing products in the domestic market. Since the outbreak of coronavirus disease, consumers have started shifting more towards local products or quality products. People in India started to avoid Chinese products, leading to a fall in the demand for Chinese products in the market.

The perception of Indian consumer has shown a significant change towards paying more money for buying the quality product. There has been a lot of things going on between India and China since the Pandemic. They are either related to COVID-19 or National Security. Seeing the shift in the graph, we took a survey of around 100 plus consumers to know the factors that are impacting these markets. Digging into the situation and experiencing these things ourselves, we researched the Perceptions of Indian Consumers towards Chinese products during Covid-19 and the factors which are affecting these behavioural changes.

Keywords

Consumer Behaviour, Pandemic, Global Crisis, Economy, Trade between Countries, International Markets, National Security, Industrial goods, Non-industrial goods, Income, Expenditure, Coronavirus, Purchasing Power, Covid19

Introduction

The global pandemic has disrupted almost every economy in the world, China being the victim of these crisis. Countries started to shift their manufacturing plants and businesses from China to other countries mainly Southeast Asian Nations including India. The crisis outbreak not only disturbed the Chinese manufacturing industry but also led to decrease in the demand for Chinese made products globally. Coronavirus cases in the country are rising every day with 80000 cases all around the country. People are more aware of where to spend and which products are worth spending. This has led change in consumer mindset on buying products that are made in China.

India is purely dependent on Chinese products like raw materials, mobile phone (70% of the mobile handsets are being imported from china including apple), electronic items, and goods required to build infrastructure in the country and is one of the major importers of Chinese products worth around 77 billion dollars. It is difficult to remove Chinese products entirely from the market. But the situation has changed during the pandemic as consumers themselves started to boycott Chinese products.

The buying habits of Indian consumers have changed since the lockdown. The buying pattern manifests how profoundly concerned people are towards protecting their health. Consumers are ready to spend more on quality products to save themselves from COVID-19. Various other factors came out in our study. Besides coronavirus, the conditions on National security of India were also not favourable and that added more hatred among Indian consumers leading to boycotting of Chinese products.

The pandemic has made consumers more aware of the product like packaging and manufacturing. These kinds of things were not happening before the outbreak. People are now more concerned about their health and their family's health and hence the purchasing and buying habits have changed. Not only are they buying quality products but they have started to become brand switchers.

Consumers are coming out of their boundaries and are ready to explore more and more quality products out there.

Need for the study

The global pandemic has impacted everyone's life in one or the other manner. The international trade supply chain and distribution of the products have been affected badly. All around the globe there has been an anticipation that the virus has been created by China. Also, there always has been a tension going between Indo-china trade.

The Pandemic has changed consumers' perception towards buying of products and checking the product's origin thoroughly. Consumers started to avoid buying Chinese products from market as the perception in the mind of Indian consumers is such that they think the products from china might be infected with COVID-19 virus. This shift in the graph brought us to research and study the changing behaviour of the consumers towards Chinese products.

Research Methodology

Research Problems - To Analyse the Perception of Indian Consumers towards Chinese Product During Pandemic

Research Objectives:

- To study the factors that affect the perception of consumers
- To analyse the buying behaviour of consumers
- To know about the purchasing power of consumers
- To measure the Buyer Persona of the consumer during Pandemic

Research Design

- Primary and Secondary data collection method has been used.
- The data has been collected through Questionnaires and Surveys
- The analysis of the data has been done through the SPSS Software.
- The data includes all the details surveyed in the year 2020.
- The research took place across India.
- The target group for this research are consumers, retailers, and wholesalers.
- The analysis is purely based on behaviour of consumers belonging to different groups containing both male and female

Literature Review

(Srivastava, 2014)The Impact of Country of Origin on Indian Consumers-study of Chinese Brands.

The research states the factors that affect the consumer's preferences towards Chinese, Taiwan, Hongkong products purchased in an emerging market like India. The study covers factors like types of products purchased, reasons for their purchase behaviour, purchase behaviour towards Chinese origin products affected by variables like price, functionality, quality, image, purchase intention in future for Chinese origin products, and the relationship of the country of origin on consumer satisfaction level. The research was carried out in Mumbai-also called mini India as its population is a blend of all regions of India. The study is about

consumers' perception and their purchase behaviour towards selected products from China, Taiwan, and Hongkong. It was a survey using questionnaire as a research tool. The majority of Indians purchase Chinese products mainly because these products are affordable in prices.

The price, quality, and functions of a product influence the behavior of the consumers. The research also showed that Taiwan had a greater image and good country of origin perceptions compared to China. Mobile (39%), toys (40%), and food items (31%) are the most preferred category for purchase and have a good image due to country of origin. Country of origin, product functionality at an affordable price may be a good country penetration strategy for an emerging market. The Textile industry of China has not gained much acceptance in the Indian market when compared to other countries. This is the strategy of Penetration used by The managers in the growing market, Like China.

The study also includes the perception of Indian Consumers and their purchase behavior towards selected products from China, Taiwan, and Hongkong. It is survey techniques using questionnaire as a research tool. A total of 200 participants in the study with 180 are taken up for analysis. They are selected on a simple random intercept basis. The majority of Indians have purchased Chinese products. It is possible due to Chinese products available at an affordable price. Consumers from the growing economies are looking for value for money kinds of products compared to developed countries. Various research papers compare the country of origin in the Chinese region-China, Taiwan, and Hongkong in an emerging market like India. India is an important trade partner for China.

(Dr. Naveen Singh, 2012)The emergence of Chinese Products in India: Impact on Indian Industries and Reforms.

Indians are ever ready to buy Chinese goods. For them, Chinese goods are favorably cheaper than Indian products and the fact that they come in wide varieties. In Economics, there is a term called dumping and these dumping of products or imports can come out to be a disaster for the economy. As the memory of an Indian consumer weak, the stream of Chinese products started in the late 90s and gained momentum. Any product, from an expensive Barbie

doll to a painting you want to put in your house with has a Chinese item to it. This study reveals some of the facts that whys Chinese products are cheaper. The cost of production being less in China is an obvious answer but when we go deeper into the world of Chinese manufacturing, the reasons abound. Chinese goods are known for their moderate quality, prompt delivery, and affordable prices in comparison to Indian goods. The Chinese entrepreneurs have infiltrated the market in a very systematic manner with their well-planned marketing strategies and continuous innovations. They study the demand patterns and the market trends and work out the lowest price that they can offer to attract a huge section of the consumers while still maintaining a profitable margin. As the Indian market is price-oriented, the domestic players are slowly losing their share to the strategic Chinese entrepreneurs. The only way the above problem can be solved up to an extent is by introducing SME favorable policies. The Indian Government should understand the basic fact that SMEs are the backbone of the Indian economy and their growth will in turn add to the development of India. Indian SMEs should also continuously study the market needs and come up with innovative and cost-effective products to tackle the burning issue. Because of cheaper prices products made in China are becoming more popular among the Indian masses.

This has had a very negative effect on our manufacturing units and as a result, many of them have had to shut shop. It is vital to specify the converse Chinese model of assembling. China produces in mass and sells in mass. As opposed to sitting tight for the requests and afterward delivering, the Chinese have aced the craft of creating first and selling it later. This is conceivable because of low loan costs and low assessments of Chinese government forces. This model enables the purchasers as they don't need to hang tight for the produce. They can examine, pay, and boat the conveyance in a solitary day! The Government as of late forced a multi-month restriction on the import of Chinese toys to India and pulled back it inside two months after Beijing cautioned of going to WTO.

The Domestic business is currently charging China of turning into a value predator (Cost Predation alludes to selling at lower costs to gain a piece of the pie and expanding costs in the future) this time. Is it an instance of counterfeit estimating or high force of rivalry among Chinese items that make comparable items cost upto 70% less is to be seen. Another Important reality to be referenced here is that enemy

of dumping (solid restriction to sell your nation's items in different nations at unjustifiable lower rates than the local rates winning in the nation of Export prompting misfortunes to household providers) Investigations set aside long effort for conclusive settlement which can without much of a stretch harm the residential Industries. This needs to turn out to be quicker paced particularly in legitimate cases wherein the household makers are influenced

(Om Jee Gupta*, 2018) **Consumer Animosity Towards Chinese Products: A Case of India.**

India and China are the two huge significant economies on the planet. Them two are developing at a fast pace. Chinese items are available all the world including India (OEC, 2017). China and India are neighbors along the Himalayan district as well as offer an extraordinary history of multifaceted and financial relations. Individuals use to head out widely to one another's nation. The doubt between the two nations began after the war between China and India in 1962. Not long before the war, both the nations were having a welcoming connection with one another. Be that as it may, because of certain unavoidable circumstances war occurred, and the seed of enmity taken the root between the two nations.

In the most recent thirty years, China's GDP has reliably developed at an excess of 10 percent. The Chinese economy is being considered as the second-biggest economy on the planet. While India fired getting when the Indian economy opened up in the year 1991. A large portion of the global establishments like IMF, World Bank, and famous financial analysts around the globe, have been stating that the 21st century will be driven by Asia, noticeably by China and India. A portion of the ongoing occasions which enhanced the doubt between the two nations are as per the following:

- China's protection from India's entrance into (NSG) atomic provider gathering
- China protecting Azar Masood to be declared UN-tagged terrorist
- Resistance to support India's bid for UNSC permanent seat.

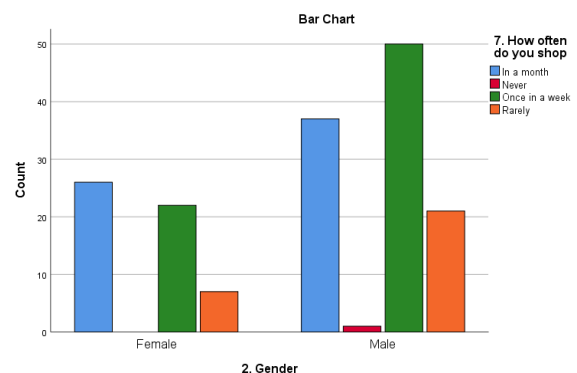
Nations have experienced this sort of circumstance in the past. Researchers have investigated the ill will among customers for items made in the threatening nation. This article goes toward a path where the

quest for research has experienced accessible writing on the subject followed by the characterizing reason for the investigation. At that point, useful goals were confined and conditional outcomes were expected based on the course got from writing. At that point, the auxiliary condition displaying (SEM) was applied to cognize the connection between hostility and shopper buy goal. It was additionally attempted to set up the piece of enmity for example financial and political as a different development in the proposed model itself utilizing (CFA) corroborative factor investigation. The consequence of this work has uncovered some glaring observational proof that extends the heading and the quality of the connection between financial ill will and buys goal; political enmity also, buys expectation.

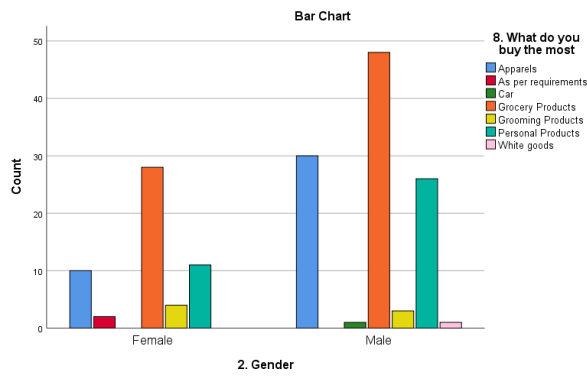
The current article assesses the course and the quality of Indian purchaser's financial also, political animosity toward their buy expectation for Chinese items. This investigation was attempted because of developing questions between the two countries and a feeling of boycotting Chinese items has begun in some piece of India. Ill will show has been tried regarding numerous nations around the globe. About China-India, there is a shortage of writing accessible regarding this matter. While it was likely to discover that the political hostility connection with buy expectation is more fortifying than monetary ill will. Both the develops joined together clarifying the huge part variety of procurement aim.

Analysis

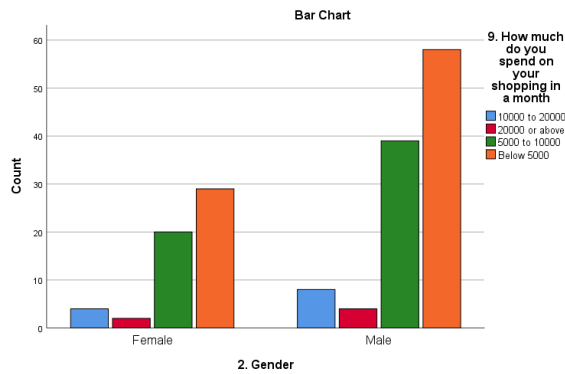
Gender * How often Do you Shop?



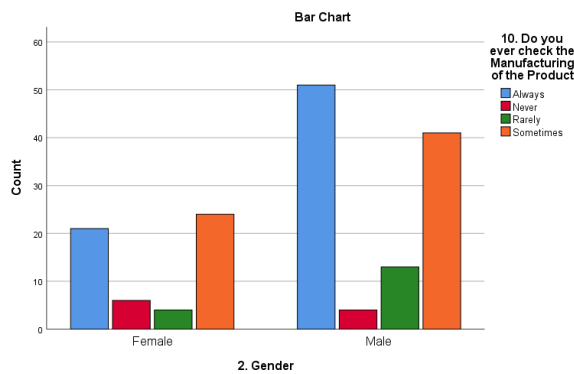
Gender * What do you buy the most?



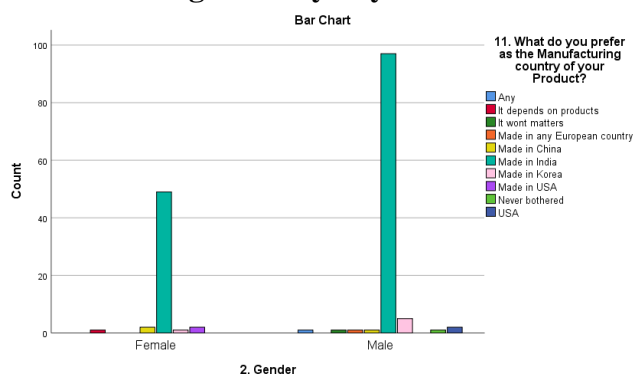
Gender * How much do you spend on your shopping in a month



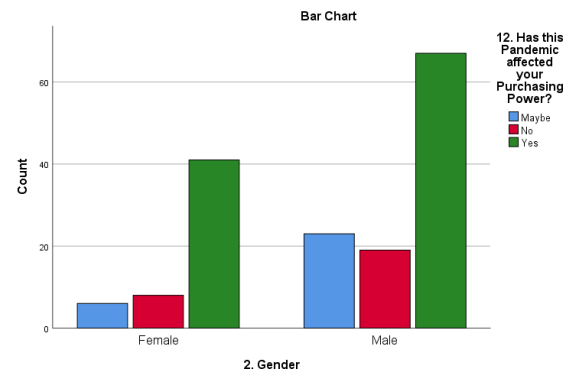
Gender * Do you ever check the Manufacturing of the product?



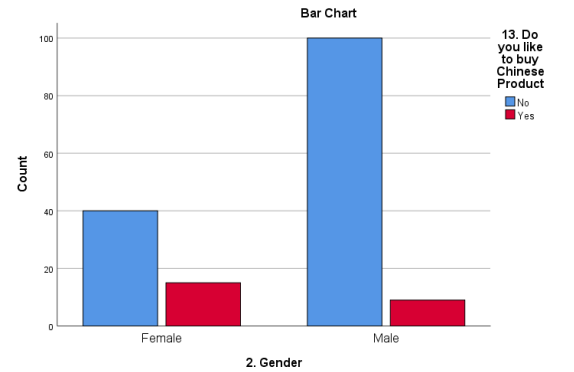
Gender * What do you prefer as the Manufacturing Country of your Product



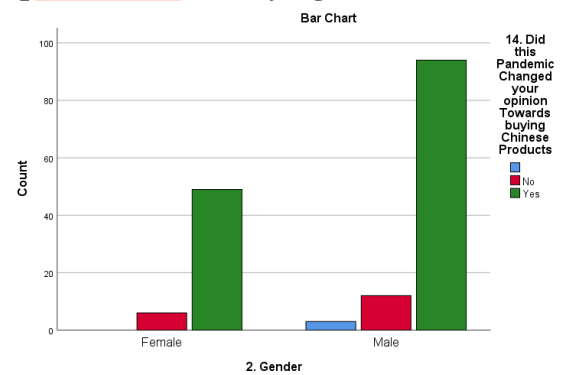
Gender * Has this Pandemic affected your Purchasing Power?



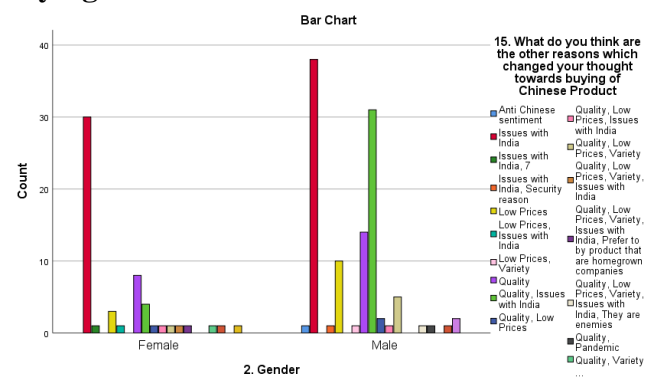
Gender * Do you like to buy Chinese Products?



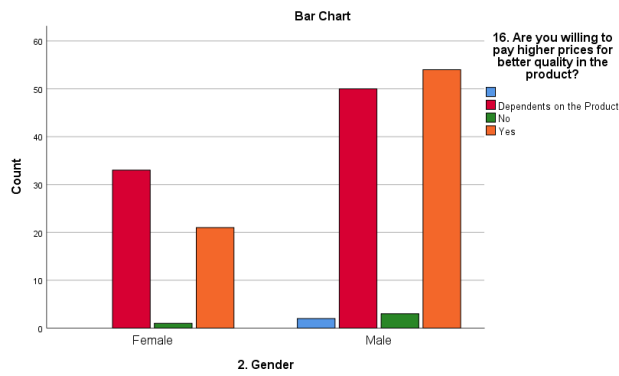
Gender * Did this Pandemic changed your opinion towards buying Chinese Products?



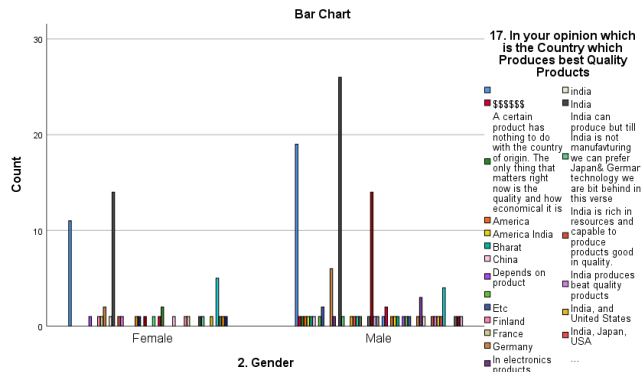
Gender * What do you think are the other reasons which changed your thought towards buying of Chinese Product?



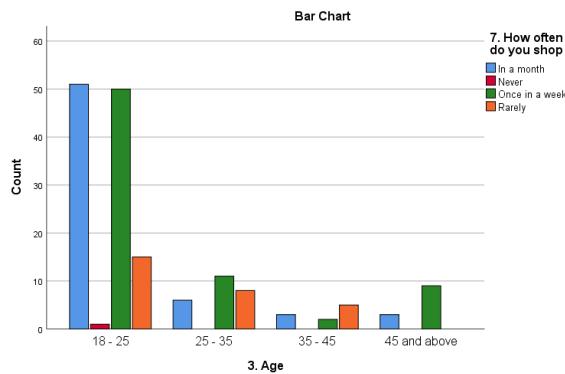
Gender * Are you willing to pay higher prices for a better quality of the Product?



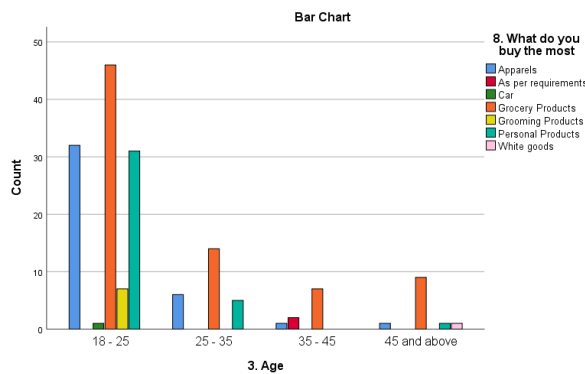
Gender * In your opinion which is the country which produces the best quality Products?



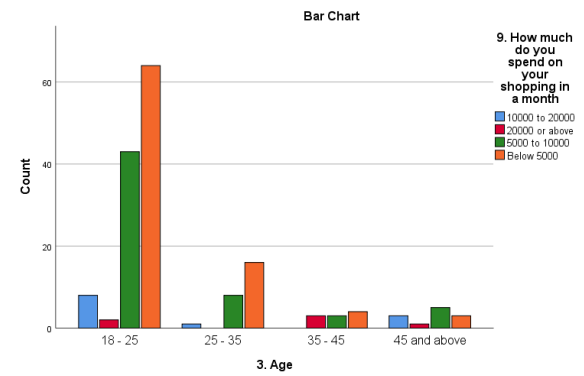
Age * How often do you shop?



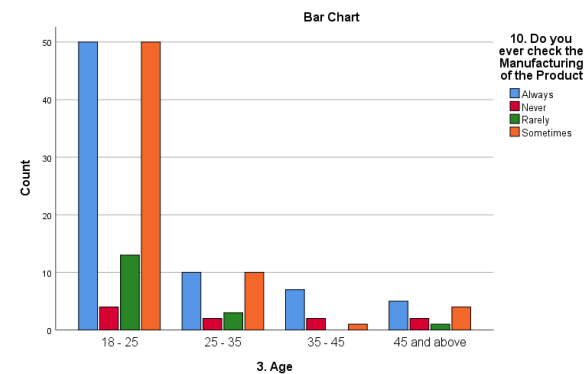
Age * What do you buy the most?



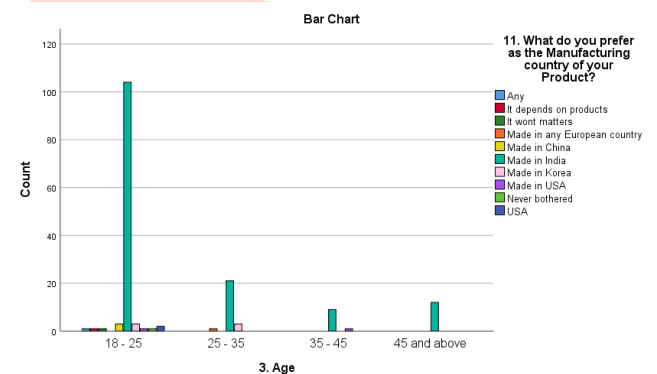
Age * How much do you spend on your shopping in a month?



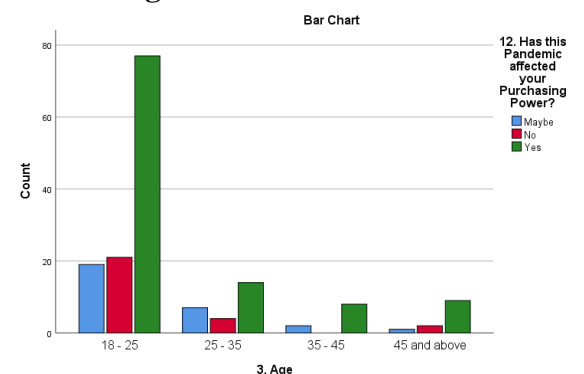
Age * Do you ever check the Manufacturing of the Product



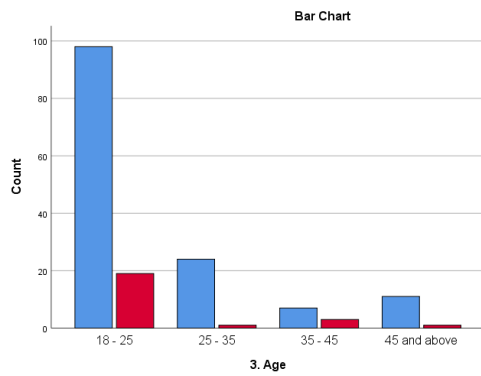
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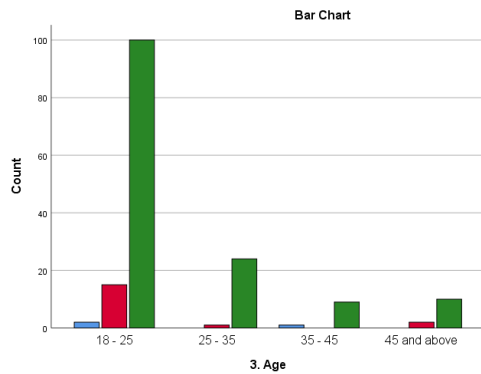
Age * Has this Pandemic affected your Purchasing Power?



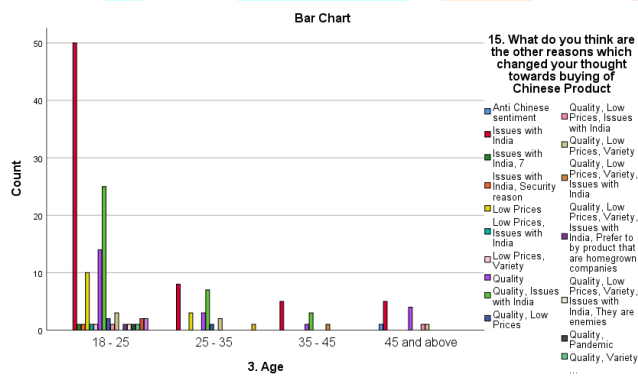
Age * Do you like to buy Chinese Products?



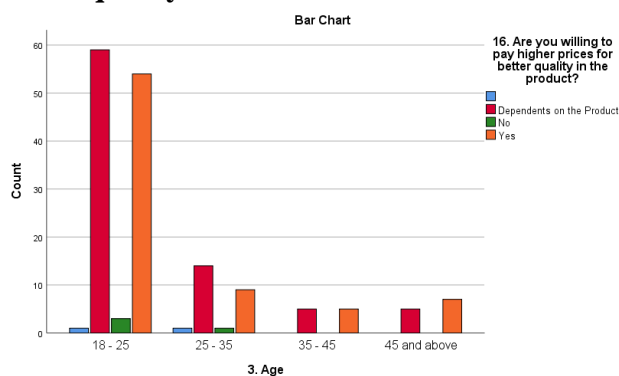
Age * Did this Pandemic changed your opinion towards buying Chinese Products?



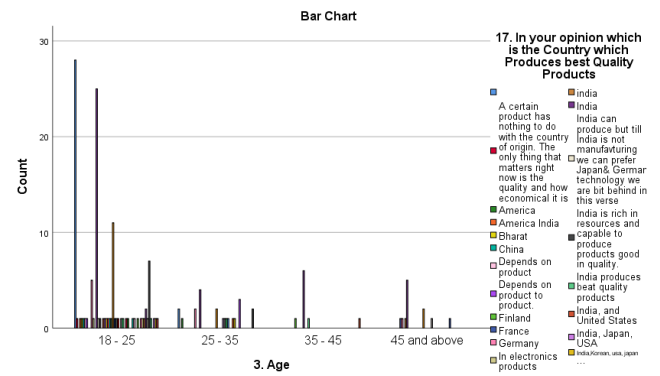
Age * What do you think are the other reasons which changed your thought towards buying of Chinese Product?



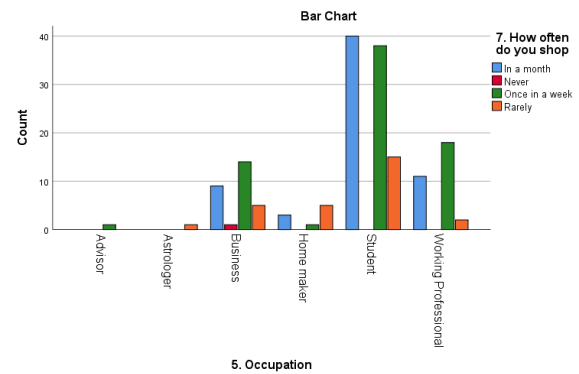
Age * Are you willing to pay higher prices for better quality in the Products?



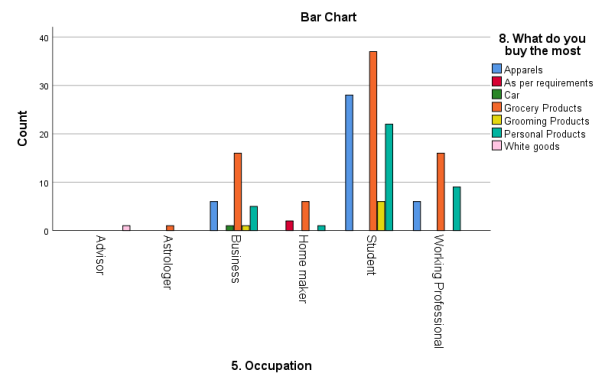
Age * In your opinion which is the country which produces the best quality Products?



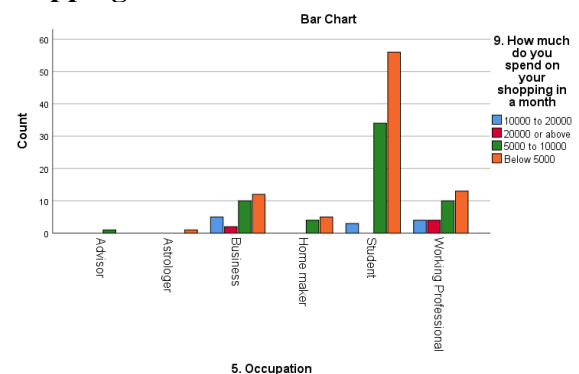
Profession * How often do you shop?



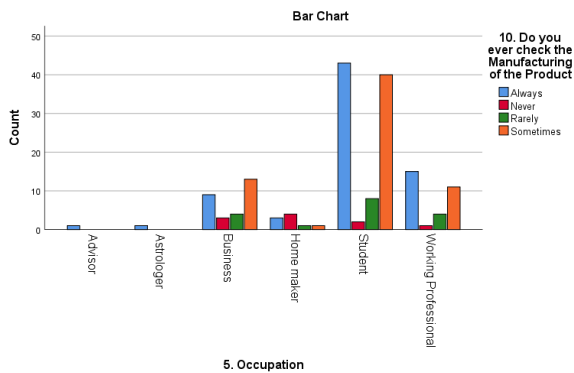
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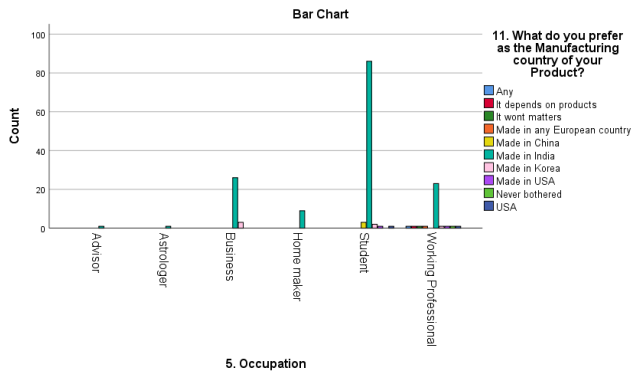
Profession * How much do you spend on your shopping in a month?



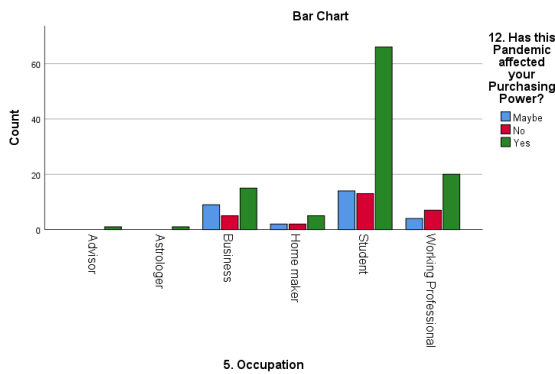
Profession * Do you ever check the Manufacturing of the Product



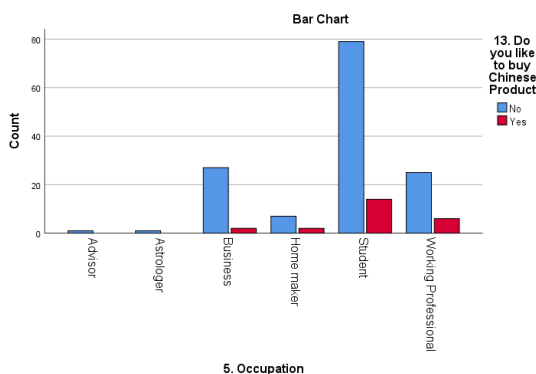
Profession * What do you prefer as the Manufacturing country of your Product?



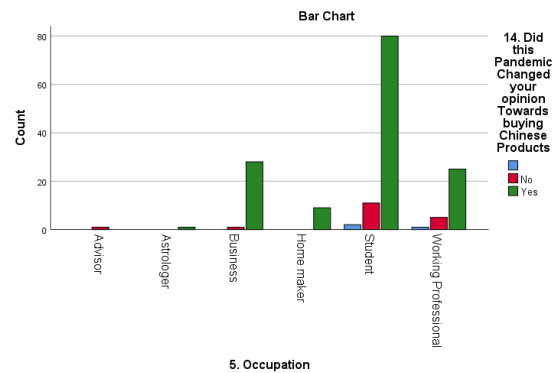
Profession * Has this Pandemic affected your Purchasing Power?



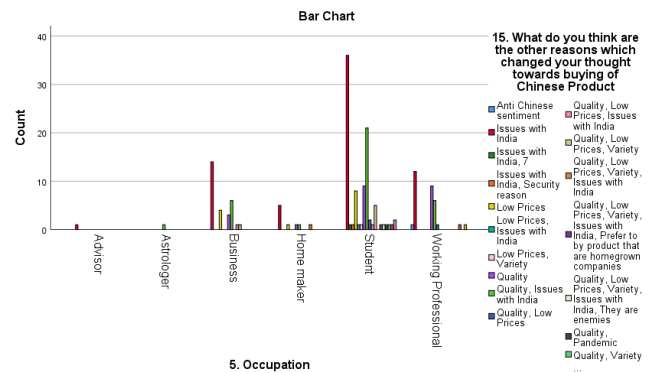
Profession * Do you like to buy Chinese Products?



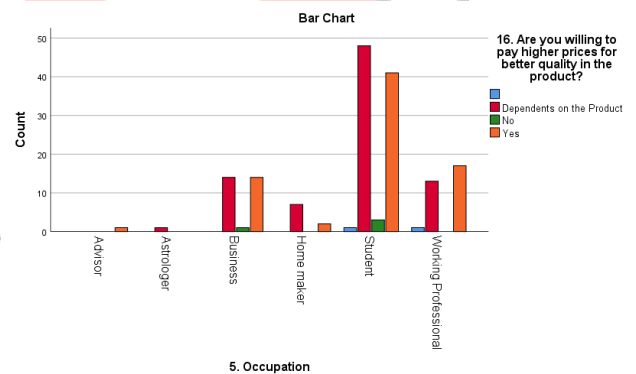
Profession * Did this Pandemic Changed your Opinion towards buying Chinese Products?



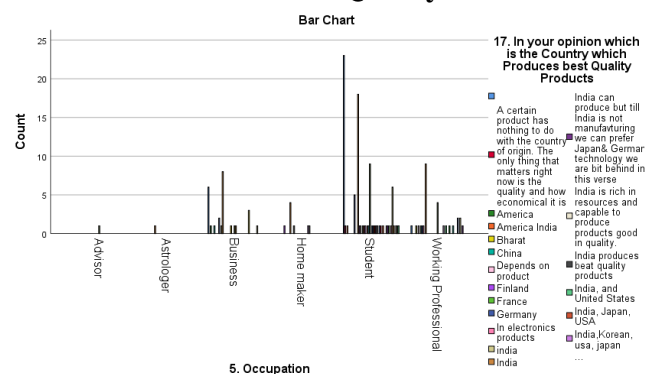
Profession * What do you think are the other reasons which changed your thought towards buying of Chinese Products?



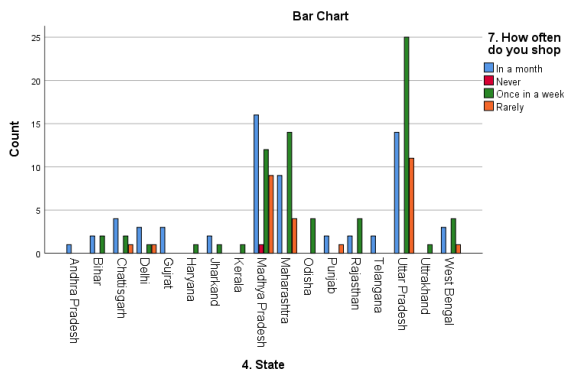
Profession * Are you willing to pay higher prices for better quality in the products?



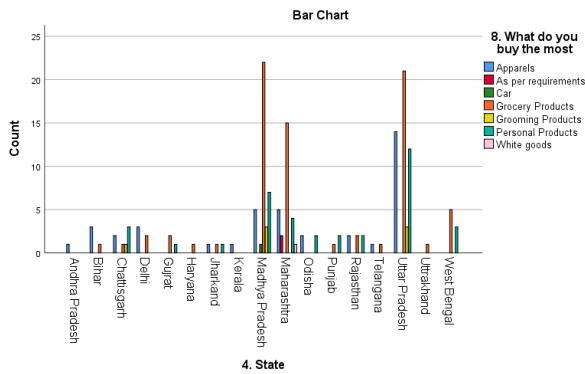
Profession * In your opinion which is the country which Produces the best Quality Products



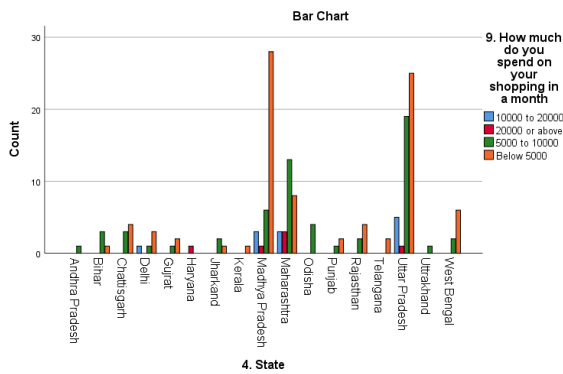
State * How often do you shop?



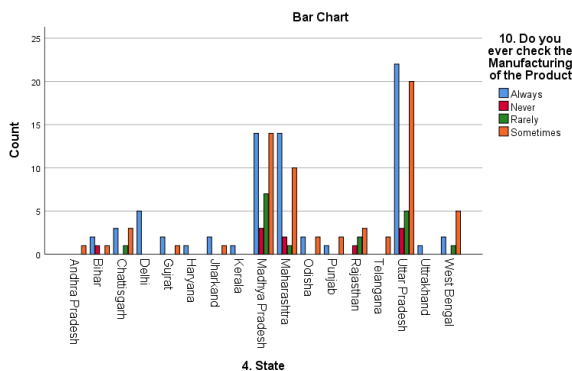
State * what do you buy the most?



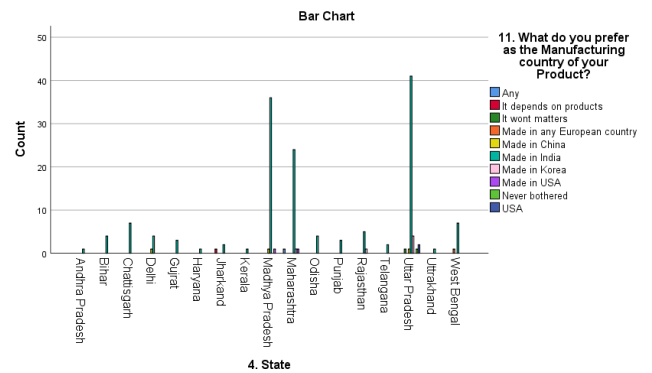
State * How much do you spend on your shopping in a month?



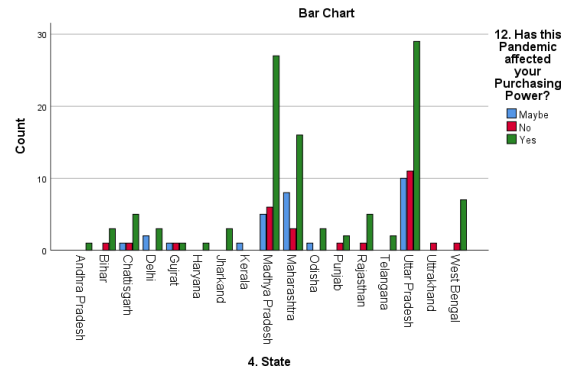
State * Do you ever check the Manufacturing of the Product?



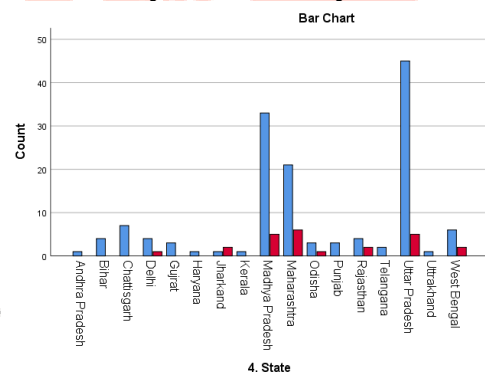
State * What do you Prefer as the Manufacturing country of your Product?



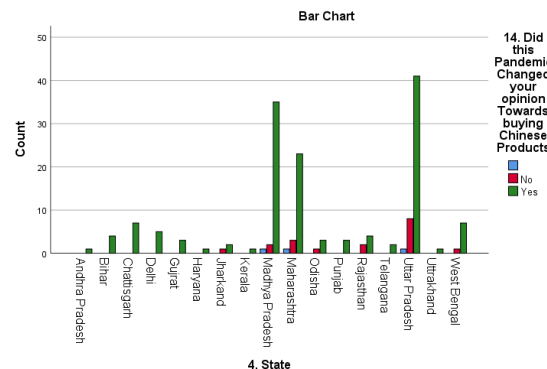
State * Has this Pandemic Affected your Purchasing Power?



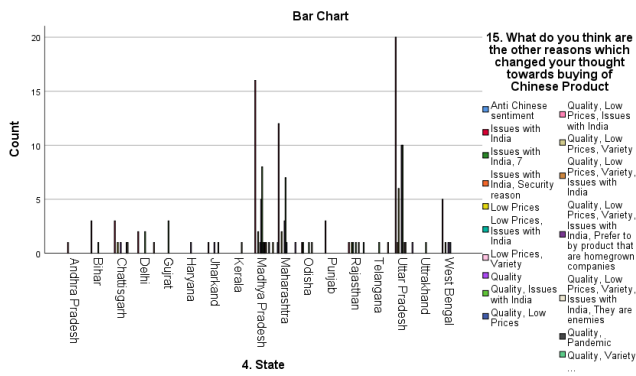
State * Do you like to buy Chinese Products?



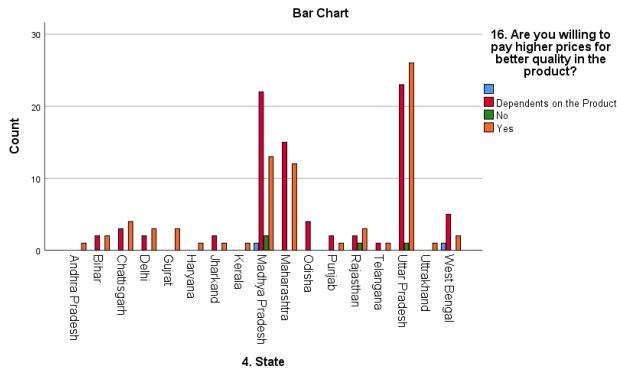
State * Did this pandemic changed your opinion towards buying Chinese Products?



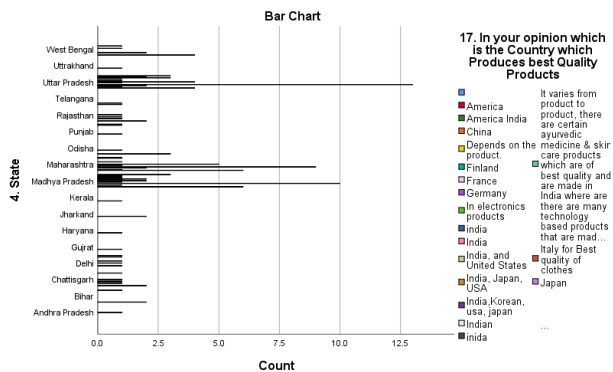
State * What do you think are the other reasons which changed your thoughts towards buying of Chinese Products?



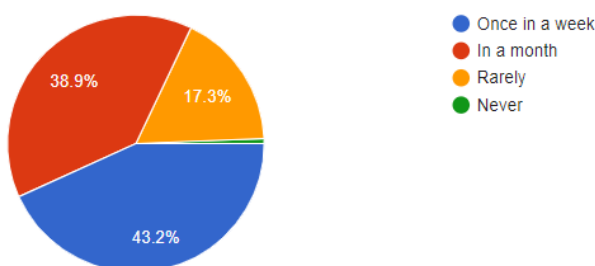
State * Are you willing To pay Higher Prices for better Quality of the Products?



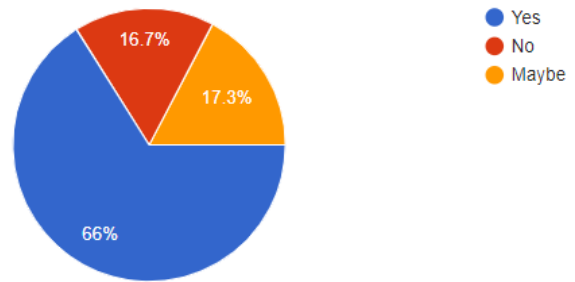
State * In your opinion which is the country which Produces the best Quality Products?



Frequency of Buying Products



Frequency of buying Products During Pandemic



Findings and Observations

- The frequency of purchasing the products once in a week is higher among males as compared to females. The frequency of Purchasing once in a month is higher among Females.
- Our findings show that both male and female prefer 'Made in India' products.
- The Purchasing Power of the consumers has been affected during this Pandemic.
- Youngsters from the Age Group of 18 to 25 generally shop apparel and personal goods.
- People all around India (especially states like Uttar Pradesh) avoid buying Chinese Products because it has issues with China.
- Our findings also show that Females in comparison to men generally prefer to buy Chinese Products.
- 43.2 % of the people buy products once in a week and after the Pandemic, 66% of the people think that their purchasing power has been badly impacted.
- The study reveals that people generally prefer goods which are made in India but in terms of technology they will select Japan as it produces the best quality technologies and engines in the world.
- This pandemic has changed consumer behaviours entirely in terms of buying quality products, paying high prices for the same, and refusing to buy Chinese products because of anti- Chinese sentiments.

- Consumers are now aware and willing to check the manufacturing of the products because of quality issues.

Recommendations

- Consumers are now more aware about the quality of product. Therefore, it is an opportunity for the domestic manufacturers to start manufacturing in India and replace Chinese products.
- #vocalforlocal is a strong initiative taken by the government to promote the local producers in the local market. The Initiative was launched at the right time to promote local businesses.
- Producers, Retailors, and every business should take this opportunity and make their superior position in the market.
- The young generation can be the target market for many products, as the study shows that they are willing to pay higher prices for the quality and they often shop once in a month.

Conclusion

All countries around the world are facing problems due to Pandemic. India is fighting hard with coronavirus, economic recession, and national security. Common people are the worst affected because of the above mentioned reasons. Consumer behaviour and purchasing power have changed significantly. People are willing to buy quality goods at higher prices and are not willing to compromise with their health. This is one of the lessons learned during this pandemic that quality does matter. The people of India are willing to buy 'Made in India Products'. This global crisis has opened gates for many local businesses to flourish in the market.

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