THE IMPACT OF COVID-19 PANDEMIC ON CONSUMER BEHAVIOR: PERMANENT OR TRANSIENT?

ABSTRACT

Human behavior has been pushed in the direction of critical situation with few behavior characteristics being unalterable. THE pandemic COVID-19 IS not just another catastrophe (crisis), partial lockdown and various other measures have been taken to control the spread of the disease. AS with measures related to public health and lockdown and also the elements of the economy are interrelated intricately, this led to instabilities in the economy of the countries indicating changes in the dynamics of the market. Growth, economic integration and market competitiveness are all consumer driven in every market. The main question is with instability in the economy, customers are also undergoing behavior transition, so for how long will they experience this much transformation amidst the crisis. It is exciting to discover the correlations of this customer behavior that is forced with respect to other aspects like changes in the needs, culture, learning from crisis, personality, latest segments in the market, and the period to establish new consumer behavior models.

Keywords: Consumption, consumer behavior, economic crisis, utility.

I. INTRODUCTION

All of the consumption is time bound and location based. As mentioned by (Sheth, 2020a, Sheth, 2020) with time habits are developed by consumers regarding what to consume, where and when. Obviously, this is restricted to only consumption. This is also accurate for looking for information, shopping and post-consumption disposal of waste. IT IS easy to predict consumer behavior, and there are many predictive models to do so and on basis of past repetitive buying behavior at the individual level we can see through the consumer insights.

However, consumption is also contextual along with being habitual. Consumer habits are governed and disrupted by four major contexts and context matters. Changes in the social context life events such as wedding, having children and shifting from one to another city are the first. Friends, neighbors, workplace and community is included under the social context. Technology is the second context. Old habits are eventually broken with the emergence of break-through technologies. In the recent year’s invention and innovation of cell phones, internet, and e-commerce are the latest break-through In technology. The way we shop, search and order online is drastically affected.

Rules and regulations related to public and their consumption habits are affected it is the third context also mutually shared spaces and de-consumption of products that are unhealthy. For instance, consumption by location regulated by consumption of alcohol, smoking and so. Public policy can of-course inspire consumption of products that are societally good and services like electric cars, solar energy also vaccines for children and also mandatory auto and home insurance services.

Natural disasters such as hurricanes, earthquakes and global pandemic including Covid-19 comes under the fourth and less predictable context. In the same way there are civil wars, regional conflicts also global wars that happened in the past such as the cold war, the Great Depression, World War II and the Great Recession of 2008–2009. THE above mentioned interrupted consumption also supplies chain and production.
Immediate impact on Consumer Behavior

As stated earlier, every consumer behavior and consumption is affixed to location and time. Ever since World War II, there has been a reduction in discretionary time as more and more women started working. Today 75% of women with children are working full time at home, as per the latest calculations. Therefore this led to shortage of time and shifting of time in both personal and family consumption. From Monday to Friday between the times 8am to 5 pm no one is found at home for the service technicians to install and maintain appliances also to repair damaged cooling and heating systems. Therefore appointments are made by the supplier with the family prior to make sure that someone will be at home to open the gate.

Since the homemaker is now not that much free because of her job, therefore there is shortage of discretionary time. As a consequence this has led to an increase in the rates of shopping online and products being directly delivered at their homes. Also, nowadays vacations are planned according to festivals or national holidays like Easter, Diwali, Holi, Thanksgiving, Memorial and weekends as there is shortage of time, there are no longer vacations planned for two to three weeks at a time altogether.

Customer’s choice of place to shop has been restricted because of lockdown and social distancing. As a consequence this led to shortage of location and location constraint. Mobility shortage and mobility shift is also there. These days at home all the activities related to shopping, schooling and working are happening and people are accustomed to it now. There is more flexibility of time as customers do not follow planned schedules like going to school or work or to consume or to shop.

Unavailability of space at homes leads to conflicts and dilemmas regarding who at home do what in what location. As we human beings are in general more territorial and everyone is in need of his or her private space, therefore in consumption we all are dealing with our lack of privacy and convenience.

Eight immediate effects of Covid-19 pandemic on consumption and consumer behavior have been summarized in the figure below.

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![Figure 1: Immediate Impact of Covid-19 on Consumption Behavior](image-url)

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1. Hoarding

Essential products for daily consumption are being stocked by customers leading to shortage and stock outs temporarily. Basic products include - water, meat, bread, products for disinfection and cleaning.

The common reaction to manage the uncertainty of the future supply of products for basic needs is hoarding. When a nation goes through hyper – inflation like that is happening in Venezuela at that hoarding is a common practice. Gray market also emerges in addition to hoarding where prices are increased and products are hoard by unauthorized middlemen. Recently this happened with regards to PRODUCTS OF PPE (personal protection equipment) AND N95 masks for healthcare professionals and workers. Also marketing of counterfeit products is encouraged by hoarding. IN Consumer behavior not much empirical research has been done on the psychology and economy of hoarding.

2. Improvisation

Whenever there are constraints, consumers also learn to improvise. New ways of consumption are invented and habits already existing are discarded in the process. Because of corona there has been restrictions implemented weddings and other functions are no more grand , just a small gathering this leading to no pomp and show even in funerals only a small number is permitted . THE traditional activities have been substituted with Sidewalk weddings and Zoom funeral services. Church services especially on Easter Sunday this has been implemented.

Another area for future research is “Improvisation to manage shortage of products or services”. As a result alternative options and innovative practices that are location centric consumption are invented and established like online education and telehealth. Hence on improvisation once again there is no systematic scientific or empirical research. “Jugaad in India is the closest research arena on improvisation. Jugaad means advancing solutions that perform by over-coming restrictions that are enforced by government policies or by social norms. Rajjou, Prabhu and Ahujo, in 2012 stated that Jugaad also means to do more with less, to seek opportunity even in adversity and thinking and acting in a flexible way and following the heart.

3. Pent-up Demand

At the times of uncertainty and crisis the common tendency is to delay purchase and consumption of discretionary services and products. Quite often, this is linked with large ticket goods that are durable like homes, appliances and automobiles. Discretionary services LIKE restaurants, bars, sports, concerts are also included. AS A consequence there is shifting of demand to future from the present. When access to market is denied for services like movies, and entertainment, parks and recreation a short INTERVAL of time pent up demand Is established. Impact of pent up demand on the GDP growth HAS been studied by economists, on consumer behavior and on the nature and scope of pent up demand little research has been done.

4. Store Comes Home

Consumers were not able to visit grocery stores and to shopping stores when there was complete lockdown in nations like Italy , South Korea , China , India and other countries . As an alternative to it stores came at home. Flow of education, health, purchasing and consumption is all reversed. Streaming services like Netflix, Amazon Prime, and Disney are also included along with the home delivery services and apps thus these are breaking the traditional norms of physically visiting to brick and mortar places. Convenience and personalization in consumer behavior is also enhanced. “In-home everything” how affects customer’s impulse buying and planned vs. unplanned consumption needs empirical research.

5. Embracing Digital Technology

Out of sheer need, customers have adapted a few new advancements in technology and their applications. For instance services of Zoom video. Just to stay aware of loved ones, most of the families who have the web services have figured out how to join in Zoom gatherings. Obviously, it has been reached out to far off classes at home for schools and universities and to telehealth for virtual encounters with the physician and other medical care suppliers.

Most buyers prefer online media like the Whatsapp, Facebook, , We Chat, YouTube ,LinkedIn, and others. The web is both a rich- medium and has worldwide reach. China and India are no longer the biggest countries in populace. They are Whatsapp Facebook, and YouTube. Everyone has in excess of a billion users and subscribers. This has drastically transformed the nature and extent of verbal advices and proposals just as sharing data. One of the quickest developing territories is influencer advertisers. A considerable lot of them have a large number of followers in millions. Effect of advanced innovation as a rule and web-based media specifically on consumer behavior is huge in scale and inescapable in shopper's day by day life. It will be fascinating to check whether innovation reception will bring an end to the old propensities. While we have read dispersion of advancement for phones, TV, and the web, we have not encountered a worldwide adoption of social media in profoundly compacted cycle.
6. Reunions with Friends and Family

One significant effect of the Covid-19 is to connect with far off loved ones, mostly to guarantee that they are alright however halfway to share stories and experiences. This takes after secondary school or school or college reunions or weddings of family members. What is impromptu occasion to stay in contact is presently ordinary and booked social affairs to share data and encounters. Embodymently, we are on the whole sitting on our couch and conversing with our neighbors around the world. The worldwide reach of the social get-together through web-based media, for example, Whatsapp and Zoom is awesome. We have to consider social assimilations and sociological of practices on consumption. Like the exemplary examinations by for example, Reisman et al., 1950, Linder, 1970, Putnam, 2000, we ought to expect sensational changes in consumer behavior as a result of speedier and all inclusive implementation of new innovations fastened by the pandemic Coronavirus.

7 Blurring of Work-Life Boundaries

Buyers are detainees at home with restricted space and an excessive number of discrete exercises, for example, working, getting the hang of, shopping, and socialization. This is practically equivalent to such a large number of necessities and needs with restricted assets. Thus, there is obscuring of limits among work and home and among errands and talks. Some kind of timetable and compartmentalization are important to make home more productive and compelling.

8. Discovery of Talent

With more adaptable time at home, customers have explored different and experimented with many recipes, rehearsed their ability and performed creative and better approaches to share learning, play music, and to shop online all the more inventively. With some of them turning into a web sensation, buyers are turning out to be producers with business prospects. YouTube and its counter parts are brimming with video recordings which have the ability for development and business triumphs.

- Consumer Behavior Approaches in Times of Crisis

A buyer is an individual who distinguishes a need or want, makes a buy and afterward discards the item in the process of consumption. Grundey, 2009 stated that An average buyer's utility is reliant on the utilization of agricultural and industrial goods, services, lodging and money. No two of them are the equivalent, as everybody is affected by various inward and outer aspects which structure the consumer behavior. Consumer behavior is a significant and steady dynamic cycle of looking for, buying, utilizing, assessing, and discarding items and services - Valaskova et al., 2015. Social issues create the macro consumer behavior, yet to arrive at the components of micro consumer behavior, individual elements -Solomon, 2016 are explored. Willmott and Flatters, 2009 guarantee shoppers attempt to boost their utility, fulfillment, or happiness by buying buyer products.

The methodologies clarifying customer conduct are separated into the three sets -Valaskova et al., 2015: psychical-dependent on the connection between the mind and conduct of the shopper; sociological methodology—which is given to the responses of purchasers in various circumstances or how the conduct is affected by different social events, social pioneers; and economic methodology—grounded on essential information on miniature economy in which buyers characterize their necessities. Thusly, the purchaser interests are faced and in the market traded. After advancement in India, shopper’s personal conduct standard has been clarified by such methodologies in the borderless world which is globalization, while overcoming individual character and offering ascend to aggregate personality through brand culture. The intermittent influxes of ‘Swadeshi’ and back to basics by social pioneers like Baba Ramdev or Gandhian moderate way of life-style likewise arose as a approach of behavior. The sociological methodology of conduct is also harvested which is embraced by the prosperous class as a characteristic completeness to self-actualization. Amalia et. al., 2012 in their examination clarified that individuals are not the equivalent and not all individuals have similar insight about a circumstance with negative impacts like financial or some other emergency. In emergency times, new patterns in consumer behavior arise. The main elements which model the customer’s conduct in emergency are risk-attitude and recognition of risk. consumer’s interpretation is reflected by risk attitude that concerns around to the content of risk and how much the content of risk is liked or disliked by the consumer Interpretation of the shopper is reflected by the risk perception of the possibility of being exposed to the content of risk. In the work of Hoon Ang et. al., 2001 spoke about that these adjustments in behavior of consumption emerging from a financial emergency might be directed by character attributes as well. These attributes of character incorporate measurements like how much customers are averse to risk, consciousness about value and materialistic. Prior investigations were demonstrative of changes in behavior among consumer in the midst of emergencies with huge change in the patterns of utility. An examination directed by Flatters and Willmott, 2009 recognized not many new patterns during emergency which incorporate simplification of demand as a result of restricted proposals during emergency continues post crisis where consumers prefer buying simpler things that offer bigger value. The investigation likewise revealed that even the rich individuals, post-emergency communicated disappointment with overabundance utilization and zeroed in on reuse and show their kids basic and
customary qualities. Flatters and Willmott (2009) in their investigation demonstrated that the effect of the recession on customer perspectives and patterns is serious. A few patterns are progressed by the recession, while others are eased back or totally halted. The most focal patterns in emergency incorporate the interest for effortlessness, which shows that customers look for straightforward, products that are value-oriented and services that streamline their lives and spotlight is focused on the enactment of an organization where buyers are annoyed by the unlawful conduct and dishonest behavior of organization. The transition in consumer behavior during emergency times drove creators’ advantage to investigate customer conduct during Coronavirus pandemic.

II. IMPACT OF COVID-19 PANDEMIC ON CONSUMER BEHAVIOR: PERMANENT OR TRANSIENT

Once everything will go back to normal most of the habits is expected to resume back. Still, it is expected that few of the habits will eventually perish because the customer beneath the conditions of lockdown has explored alternatives that are accessible, convenient and affordable. For example watching movies on online streaming services like Disney and Netflix instead of going to movie theaters. Which is likewise similar to book shared car services like that of Ola and Uber these are affordable and convenient as compared to calling a taxi physically? Consumers find it easy to work from home, shop at home and learn at home. THEREFORE, to the already persisting habits these have become peripheral alternatives to the core.

For consumer behavior there is a universal law. As A recreation or a hobby THE old habit or necessity given up comes back. For Instance, baking bread, and cooking, hunting, fishing, and gardening. So, it will be interesting to observe if the old existing habits which have been replaced by the new habits will they ever come back as hobbies or recreation. In other terms, will shopping become a hobby or recreation or another outdoor activity?

- Modified Habits: New guideline and regulations have altered the existing habits of shopping grocery and delivery with such as wearing masks and maintaining social distancing. Customers are now wearing masks before stepping out of the house for using public transport or to go shopping. Beauty parlors, physical therapies, and fitness places in these services industries these regulations have been made mandatory. Concerts and social events, just to name a few, And, parks and recreation centers here also wearing masks has been made mandatory.

- New Habits: New habits can be generated by three factors, Public policy is the first one, for instance as we have security check points at airports, there are more strict boarding and screening processes that includes calculating the temperature as well in order to check if the person is suffering from the virus before travelling. New measures have been put by all major airlines before and after boarding the flight also for meal services for the passengers. IN Order to shape future consumptions the government policies need to encourage or discourage consumption.

A good understanding of lives of consumer is important to make sure that the proper services and products are being sold in the most efficient way to the right people in the best possible way as stated by Kotler and Keller. 2012. During the phases of lockdown with only digital media to connect and no mobility, writers did deep discussions with professionals from marketing domain led to comprehension and the unexpectedness and lockdown globally transformed the dynamics of behaviour of customers and individual orientation and social spheres has been redefined. New order of demand and supply coupled with uncertainty forcing consumption rolled back to Maslow’s primary level wants such as ‘shelter’, safe indoors, social love and belongingness, ‘food’, ‘clothes’, ‘shelter’ has been opinioned with marketing professionals and expressed their views. Everyone is learning to survive with just the essential requirements since the socio-economic pyramid has crumpled and flattened. At individual as well as at national level, a very significant role WAS played by ‘health as wealth’ even during the Vedic era. As Vedas as rightly mentioned about Behavioural driver ‘health and healthy choices’. During those times, food, well-being and health were the primary requirements for the happiness and satisfaction of family and society. As stated by Dwivedi, 2016 that In Accordance to social conditions, ethical values, health and spiritual views these economic policies were framed and adjusted. During this pandemic there has been a shift towards spiritual consumption. With respect to shortage of regular income, loss of work, the age-old principle of spending within limits was reminded again. Sayings and proverbs like jitni chaadar ho ofen pasaro (live within your means or capacity) has been revived again during this pandemic and is expected that this will be sustain and will be next practice. As heroes of consumption, palatial infrastructure of corporate offices, universities, schools shrunk to 8-inch screens and the importance of farming, supply chain and effective governance has BEEN re-structured. New models on marketing have started emerging as mentioned by marketing professionals, for instance companies have now switched to deliver essentials such as fruits, vegetables and groceries directly at home, along with online ready-to-eat food-delivery. In order to develop innovation companies are collaborating together in multiple ways. IN a COVID-
19 R&D forum more than 15 pharmaceuticals companies are collaborating together to advance both at the individual and collective level, for developing COVID-19 vaccine decades-long competitors Sanofi and GSK are partnering together. In order to recover economically in the most efficient way while keeping in consideration the health of public, making decisions regarding which measures need to be implemented when and where, and also there has been transitions from localized models to globalization models with a boost to local retailers and new means of communication like messaging apps on mobile to local stores.

The “Market for Transformation” in this literature of marketing by Sheth et. al. (2011). Philip Kotler (2019), have mentioned about concept of spiritual consumption and its relationship with consumer behaviour at the time of crisis. They have also mentioned that consumers are increasingly looking for hope, remedies and anchors that can alter a consumer’s personality with respect to mind / body and what are the valuation added using these. ‘A Buddhist Approach to Consumption’, a commentary by Thich (2019), described about this spiritual dimension of behaviour in which the habitual ways are broken by the consumers the way they consume and commence to look for that they do not require more than one thing. Therefore this new consumer behaviour depends on understanding and impressions via our senses and consciousness. At last we can state that during the lockdown Indian consumers have explicated adjustment in behaviour that is irreversible and can be taken into consideration as the best consumption practice.

III. CONCLUSION

Social distancing and lockdown to fight against the Coronavirus infection has created huge disturbances on behavior of consumer. All utilization is time and area bound. With time adaptability however area inflexibility, buyers have figured out how to extemporize in creative and inventive manners. The work-life limitations are presently obscured as individuals work at home, learn at home, and unwind at home. Since the customer can't go to the store, the store needs to go to the buyer.

Coronavirus has pulled the handbrake of the race of mankind to decimation and diverted regard for daily routine and experiencing. The common man , presently is a term shared by all almost similarly, has begun to think once again what sort of future they need, on the off chance that they endure this pandemic. This combined idea will be the trigger string for the world of marketing to rethink, organize and restructure their contributions as well as methods of connecting with clients. For example, this circumstance is a ground zero to begin from the very beginning again and overhaul and realign the present cognizant generation of youth to new life standards established in the conventional Indian practices where human beings were a part of environment and not at a superior level than Mother Nature. It represents an incredible door of opportunities for marketer to promote consciousness among critical - mass for circle shifting increasing speed pointing towards natural living with the assistance of their services and items.

REFERENCES

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