



Changing Consumer Behavior on consumption After Covid19

Dr.S.Sivakamasundari*

Abstract

The global impact of the COVID-19 pandemic had changed selling and buying of goods. It has changed the consumption pattern of people and they have started to think, and act differently. From the seller's point of view, a large number of stores have shut down. The supply chain has been put to the test, and the old traditional approach of purchasing a product/service has been altered, with the majority of it now being done online. During the pandemic, there were several unannounced lockdowns and a dread of physically going to the store to buy or shop anything, which may or may not have had an impact on consumer behaviour. Due to the late announcement of the lockdown, many customers in nations such as the United States began panic purchasing. Citizens flocked to the mall to buy toilet paper and other necessities and this resulted in a lot of damage to the business as well as conflicts within it. During the pandemic, many bought more because they were afraid that the lockdown would be extended and they wouldn't be able to get what they wanted. Despite the fact that they had no clear cause for purchasing the merchandise, they believed they would ultimately require it. This paper tries to analyse how the behaviour of consumer changes on consumption.

Introduction

Due to COVID-19 and its restrictions, many people were hesitant to visit a physical

* Assistant professor, Amity global business school chennai

store. As a result, small shopkeepers are finding it difficult to achieve their target. People who had never considered online buying before Covid began to do so. This resulted in a rise in the use of digital wallets/UPI apps, as many apps did not accept COD (cash on delivery), forcing users to look for other ways to pay, such as online.

International Scenario

Countries such as China was prohibited from other countries, for doing import and export business. Many countries were indirectly dependent on Chinese products. Part of the raw materials used in production were imported from China. The COVID-19 virus also altered the consumer products businesses. Within a few weeks, this transformation started projecting long-term trends. Consumers had been affected both physically and mentally by the outbreak. This made changes not only on consumers, but also on the economy.

Objective

To know the changing behavior of consumer on consumption after Covid 19 and the growth of digital marketing

Review of Literature

As a result of COVID-19 few months in 2020 especially after lockdown and social distancing, consumers have been forced to shop differently—reprioritizing what is essential and swapping the checkout line for online shopping more than ever before., J.P. Morgan Research found that how COVID-19 has changed consumption trends globally, in many cases for the long-term.COVID-19 case numbers have soared exponentially since the first cases of the virus were reported in China in December2019. By early April 2020, the world had recorded one million cases, with the tally hitting 10 million cases less than three months after that. caseload has since surpassed 30 million.

Celine Pannuti, Head of the European Food, Home and Personal Care Research pointed out that . “In the data earlier this year 2020, you could see flat growth followed by a huge spike—double digit growth. That is very rare for this industry and was totally prompted by the lockdown and the fact that people couldn’t get out,”

Theoretically Consumer behavior changes due to the following Factors

There are five key elements that influence consumer behavior.. These are the five most important factors that impact customer behavior.

- 1.Psychological factor
- 2.Social factor
- 3.Cultural factor
- 4.Personal factor
- 5.Economic factor

1. Psychological factor

One of the key determinants of customer behaviour is human psychology. It's tough to quantify, but it's also powerful enough to persuade them to buy a product.

Some important psychological factors are

a) Motivation

b) Perception

c) Learnings

d) Attitudes and Beliefs

a) Motivation

Motivation is a crucial aspect because when a person is sufficiently motivated, he or she is encouraged to purchase a product. A person's fundamental requirements, social needs, esteem needs, self actualization needs, and security needs are all important. In comparison to all other needs, the basic and security needs are prioritised. As a result, the power of security and basic requirements can encourage a consumer to acquire a product or service.

b) Perception

One of the most important things that determines consumer behaviour is perception. Customer perception is the process through which a customer gathers information about a product and interprets it to develop a meaningful image of the product or service. The items that the client sees connected to the product, such as commercials, promotions, social media feed posts, customer reviews, and so on, form the customer's perception of the product. As a result, customer perception appears to be one of the most powerful influences on consumer purchasing behaviour.

c) Learnings

This occurs only after the buyer purchases the product; it develops over time and via actual experience. The consumer learns more about the product, which encourages him or her to buy it in the near future. This is dependent on the consumer's knowledge and abilities. While competence can be developed via adequate practice, knowledge can only be attained through firsthand experience. Learning can take the form of conditional or cognitive learning. Unconditional learning occurs when a client is repeatedly exposed to a given event, influencing his behavior and causing him to develop a response to it.

d)Attitudes and beliefs

Every customer has their own attitude and belief system, which influences their purchasing decisions. Based on this mentality, the consumer acts in a certain way. This mindset is extremely important in determining a product's brand image.

2.Social factors

We humans are rely on a large number of individuals to influence our purchasing decisions. We humans attempt to copy others, and there are times when I wish to be welcomed into a society, group, or buddy circle. As a result, our purchasing decisions are influenced by those around us. Some social factors are; a)Family b)Reference Groups

c)Roles and status

a)Family

A person's purchasing behaviour is heavily influenced by his or her family. He or she begins to build their preferences as a child by observing the things used by their family. They will continue to purchase the same item in the future.

b)Reference Groups

A person's reference group is a group with which he or she identifies. The majority of the members in the group have similar purchasing habits and influence one another.

c)Roles and status

The function a person plays in society might also influence their purchasing habits. If a person is in a high position, his or her purchasing habits will be heavily influenced by that status. For example, the CEO, or chief executive officer, of a firm will buy according to his or her standing, whereas the workforce of the same organization will buy differently.

3.Cultural factors

A collection of ideals and values that belong to a community are associated with a group of people. When a person comes from that group, their behaviour is most likely to be influenced by that community's culture.

Some cultural factors are

a)Culture

b)Subculture

c)Social Class

a)Culture

Customers' buying behaviour is thought to be heavily influenced by cultural variables. This aspect encompasses basic needs, wants, values, perceptions, preferences, and behaviour, all of which are witnessed and learned by the person from their family and other members of their society.

b)Subculture

There are numerous subcultures within a cultural group. The philosophies, attitudes, and values of these subcultural groupings are similar. People from different castes, geographies, religions, and nationalities can form subcultural communities.

c)Social class

Every society on the planet has established a social class. This socioeconomic class is determined not just by a person's money, but also by other characteristics such as his or her family background, education, occupation, and living location. This is a critical aspect in safeguarding customer behavior.

4.Personal Factors

These are personal aspects that influence a consumer's purchasing habit. These characteristics differ from one person to the next, resulting in differing views and customer behaviour. Some of the personal factors are a)Age b)Income c)Occupation d)Lifestyle

5.Economic Factors

Consumer purchasing patterns are heavily influenced by the country's economic position or, in some cases, the market. When action is prosperous, the economy is strong, and this leads to a higher money supply in the market, increasing consumer spending power. When a consumer perceives a favourable economic climate, they are more likely to spend and purchase more goods.

A poor economy, on the other hand, depicts a struggling market, which is impacted by unemployment and citizens' diminished purchasing power. Economic factors have a significant impact on a consumer's purchasing behaviour and decision.

Some of the important economic factors are a)Personal income b)Family income c)Consumer credit d)Liquid assets e)Savings. When the family's discretionary income is bigger, people are more likely to buy more

expensive products that they might not have considered purchasing with their individual income. Consumers with liquid assets are more likely to spend more on comfort and fancy items. The assets that can be easily turned into cash are known as liquid assets. Liquid assets include cash, short-term securities, and bank savings. When a person's liquid assets are higher, he or she has more confidence in purchasing high-end things. The amount of money saved by a customer has a big influence on them. Savings refers to a modest amount of money placed aside from a person's earnings for the future. If a person resolves to save more, his or her spending will decrease. If a consumer is more concerned about saving, he will devote the majority of his money to doing so.

Research Analysis

Consumer consumption Behaviour During and After Pandemic

The pandemic has altered the entire retail and customer landscape. When compared to the year 2019 and 2020, there has been an increase in average spending and a drop in the frequency of purchases. Consumer confidence has sunk; many individuals believe it is still unsafe to shop in a physical store, and many people are concerned about the future. Retailers and other physical store owners have lost billions due to the lockdown, while e-commerce is setting records and hitting goals that were expected to be accomplished in the next three to four years.

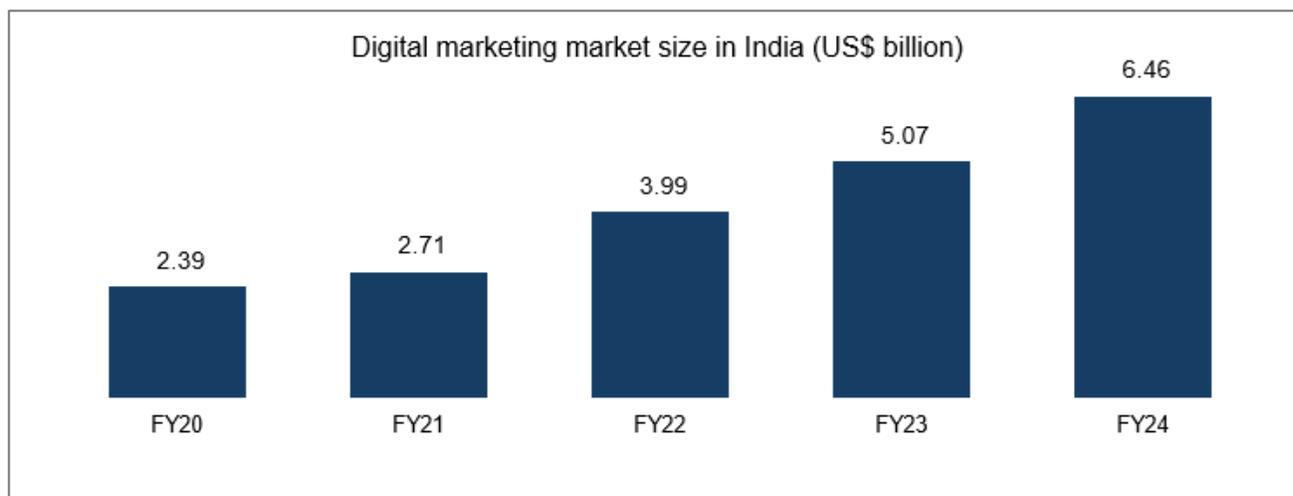
The covid-19 pandemic has drastically altered consumer shopping habits. There were various other influences based on politics, legislation, and economic issues in addition to the pandemic. Everything has changed, and shopping carts are now merely a feature on a website. The daily routine of running a home has changed, as has the availability of goods and services and their supply.

Consumer priorities have shifted to the most fundamental needs, such as hygiene, cleaning goods, and so on, while non-essential sectors have suffered. As the recent trend of "buy local" or "purchase from small business" has advanced, the variables that encourage people to buy brand products have also altered. The usage of online applications for everything, including grocery shopping, has experienced a significant increase as most consumers, particularly new consumers who prefer to buy offline, have begun to utilise online applications for everything. Humans don't worry about luxury and brand at times like these. They consider the most basic needs of life while making purchasing selections. In the year 2020, personal health is one of the main objectives. The top priorities were medical security, nourishment, personal safety, and financial stability.

Major impact which will continue in a long term

The pandemic has forced consumers to change their habits. Consumers have developed new routines and behaviours, which many researchers believe will last for a long time.. Growth of new digital market is the evidence of changing consumer behavior.

Digital Marketing Size in India



Source: The meteoric rise of digital marketing in india, <https://www.ibef.org/blogs/the-meteoric-rise-of-digital-marketing-in-india> IBEF,December23rd,2024

Covid-19 has accelerated three long term trends, they are

- a)The ever-increasing focus on health
- b)A rise in conscious consumption
- c)Growing love for local

Consumer packaged goods (CPG) companies should take note of this shift and prioritise promoting a healthy lifestyle for their customers. For the foreseeable future, having a healthy strategy will be a strategic differentiation. A rise in conscious consumption Consumers are more aware than ever before of what they are purchasing. They are attempting to identify ways to reduce food waste, choose more appropriate alternatives, and shop with cost in mind. Consumers' desire to shop locally is represented in the things they purchase (e.g., locally sourced, artisanal) as well as how they shop (e.g. supporting community stores). CPG firms will need to find new methods to connect with their customers on a local level, whether it's through emphasizing local origin, tailoring for local needs, or engaging in locally relevant ways.

Covid 19 Outbreak has slowed the pace and altered the daily lives of people all around the world. This has a significant impact on how we humans see personal cleanliness, health, and how we interact with our friends, family members, and other community members. People are adopting technology at a higher rate than usual, as it serves as a coping mechanism during this difficult period. Schools and universities are now just a click

away, work can be done from home, and technology may help you stay connected even if you are isolated. Because of the pandemic and the social distancing measures, how people used to spend their free time has changed. These are the habits that are most likely to stick. Many people have begun purchasing OTT platform subscriptions, shopping online and making online payments for the first time, and installing a variety of apps, largely for pleasure but also for investing and education. Consumers of Hens simply want to interact, be entertained, and informed while learning something new in their spare time. Technology is expanding in such a way that it is not only assisting consumers in meeting their demands, but it is also evolving and providing more enjoyment to consumers.

Conclusion

In 2023, the number of annual online shoppers was estimated to be about 250 million across India. This was a significant increase as compared to the previous year. The annual number of shoppers are likely to increase to 425 million in 2027. The landscape of business, in India has been transformed by digital marketing. It permits companies to connect with a larger audience and nurture relationships with their clientele. With over 800 million internet users in the country, having a presence on social media and utilizing SEO techniques are crucial for enhancing brand visibility. Research indicates that a significant 78% of consumers turn to the internet to gather information, about products they intend to buy underscoring the importance of maintaining an online presence. Leveraging these platforms empowers businesses to boost brand recognition and actively engage with their desired customer base. Divergent attitude is evident in buying intentions across categories as well. Consumers in most nations have adjusted their purchasing behaviour to focus solely on essential things while cutting back on most discretionary items. Consumers in countries such as India and China, on the other hand, are not just interested in buying necessities such as groceries and household supplies, but also other things. Consumers in China intend to increase their spending on discretionary items

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