

# Post COVID-19: it's Impact on Changing Behaviour & Perception of Indian Consumers

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## Abstract

As countries move along the COVID-19 curve, traditional shopping behaviour is significantly disrupted and transformed: – Uncertainty is high, many businesses are shut, and people are concerned about recession. With these recession concerns, they are keeping a closer eye on spending: customers are focusing on essential goods rather than lifestyle and leisure products, for example. – At the same time, with lockdown measures in place around the world, there has been a surge in the use of online channels. As countries move along the COVID-19 curve, traditional shopping behaviour is significantly disrupted and transformed:

– Uncertainty is high, many businesses are shut, and people are concerned about recession. With these recession concerns, they are keeping a closer eye on spending: customers are focusing on essential goods rather than lifestyle and leisure products, for example.

– At the same time, with lockdown measures in place around the world, there has been a surge in the use of online channels.

Imposing home isolation conditions, due to the emergency state, has significantly reduced the social activities of the consumer, the actions being oriented mainly towards covering the basic necessities. The health of the consumers (purchase of medicines or visit to the physician), procuring food or financial activities at the banking units are the main motivations for leaving the residence. By comparison, the sports activities or the visits for supporting family members have the lowest weight. A segment of consumers, advocate of traditional commerce, has been forced to appeal to modern trade methods based on online shopping, and the specialists' estimations provide the maintenance of the trade behaviour. Companies will have to focus on understanding the consumer's needs and to adapt their product offer and distribution system so that to reduce the new consumption limits and to facilitate the sales act. The main orientation during the crisis towards the local products can represent an opportunity for the companies, but Government support measures are necessary for the manufacturers/ producers.

**Keywords:** Segment, lockdown, traditional shopping, online shopping.

## Introduction

Over 100 years ago, Science magazine published a paper on lessons from the Spanish Flu pandemic. The paper argued that three main factors stand in the way of prevention:

- People do not appreciate the risks they run,
- It goes against human nature for people to shut themselves up in rigid isolation as a means of protecting others, and
- People often unconsciously act as a continuing danger to themselves and others. Our paper provides some insights from the past century of work on related issues in the social and behavioural sciences that may help public health officials mitigate the impact of the current pandemic.

Specifically, we discussed in paper on threat perception, social context, science communication, aligning individual and collective interests, leadership, and stress and coping. These are a selection of relevant topics, but readers may also be interested in other relevant work, including on psychological reactance, collective emotions and social media, and the impact of economic deprivation and unemployment.

Urgent action is needed to mitigate the potentially devastating effects of COVID-19, action that can be supported by the behavioural and social sciences. However, many of the implications outlined here may also be relevant to future pandemics and public health crises. A recent report from the World Health Organization declared that “health communication is seen to have relevance for virtually every aspect of health and well-being, including disease prevention, health promotion and quality of life.”

There is a common belief in popular culture that, when in peril, people panic, especially when in crowds. That is, they act blindly and excessively out of self-preservation, potentially endangering the survival of all. This idea has been used to explain responses to the current COVID-19 outbreak, most commonly in relation to the notion of ‘panic buying’. However, close inspection of what happens in disasters reveals a different picture. Certainly, some people do act selfishly and some, especially those who are particularly vulnerable, may experience more distress. But cooperation and orderly, norm-governed behaviour are common across a range of emergencies and disasters; and there are many instances when people display remarkable altruism. There is already evidence that mutual aid groups among the public have become

widespread in response to Covid-19. Indeed, in fires and other natural hazards, people are less likely to die from over-reaction than from under-reaction that is, not responding to signs of danger until it is too late.

In fact, the concept of ‘panic’ has largely been abandoned by researchers because it neither scribes nor explains what people usually do in disaster. Instead, the focus has shifted to the factors that explain why people cooperate rather than compete in response to a crisis. One of these factors is an emerging sense of shared identity and concern for others, which arises from the shared experience of being in a disaster. This feeling can be harnessed by addressing the public in collective terms and by urging ‘us’ to act for the common good.

In December 2019, a new corona virus emerged, sparking an epidemic of acute respiratory syndrome (COVID-19) in humans, centred in Wuhan, China [1]. Within three months, the virus had spread to more than 118,000 cases and caused 4,291 deaths in 114 countries, leading the World Health Organization to declare a global pandemic. The pandemic has led to a massive global public health campaign to slow the spread of the virus by increasing hand washing, reducing face touching, wearing masks in public and physical distancing.

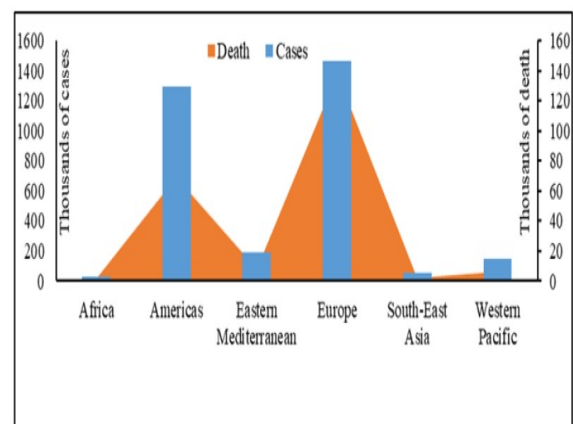
While efforts to develop pharmaceutical interventions for COVID-19 are under way, the social and behavioural sciences can provide valuable insights for managing the pandemic and its impacts. We discuss topics that are broadly relevant to numerous stages of the current pandemic to help policy-makers, leaders and the public better understand how to manage threats, navigate different social and cultural contexts, improve science communication, align individual and collective interests, employ effective leadership and provide social and emotional support or each area, we highlight relevant insights.

**COVID-19**

COVID-19 pandemic is a global health crisis having already devastating impact on the world economy. The first official information on the infections with the new corona virus SARS-CoV [2] (the epidemic being usually called COVID-19 in media) has emerged in China, being spread subsequently to Europe, Euro Asia and America. The corona viruses circulate mainly among animals, but they can evolve and infect humans like in the cases of Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS) together with four corona viruses which cause light respiratory symptoms similar to common cold. The researches performed by Van Dorn and Yu (2019) have proven that all corona viruses infected in humans spread from human to human, so theoretically there is no danger of transmission from human to domestic animals. The average incubation period is 5 – 6 days, varying between 1 and 14 days, the light symptoms including fever, cough and breathing difficulties. According to WHO (2020a), in the case of inter human

transmission, there is an interval of 4.4 – 7.5 days between the onset of the symptomatology at the first person and the onset at the infected person. The history of occurrence and dissemination of Covid-19 among population is already a controversial subject at international level, the US President, Trump, mentioning as potential sources including a scientific accident from a virology laboratory from Wuhan, or even an international action of China of spreading the virus as a new form of economic war.

At present, the infection with the new corona virus affects over 100 million persons at world level, but this number is continuously increasing and the information on the discovery of a medical treatment with certain results or the development of a vaccine is being late. Senior persons, individuals with a deficient immunity system and who suffer from morbid disorders are mainly affected, among which most death cases occur. The seriousness of COVID-19 symptoms can vary from light to severe. Certain medical evidence on the occurrence of self-immunization at the cured patients is still unsure.



Source: Authors, by using WHO (2020b)

**Figure: 1 Status of COVID-19 infection at world level**

**Literature review**

When accounting for the main pandemics which have had affected the humanity, Jarus shows that generalized epidemics have occurred since 5,000 years ago in China (epidemic wiped), followed by the Bubonic Plague in Ancient Greece (430 BC) and the Roman Empire (A.D. 165-180, 250-271, 541-542), Black Death (1346-1353) in Asia and Europe, cocoliztli epidemic in Central America (1545-1548), Great Plague of London (1665-1666), Marseille: (1720-1723), Russia (1770-1772), Philadelphia yellow fever (1793), Flu pandemic (1889-1890), American polio epidemic (1916), Spanish Flu (1918-1920), Asian Flu (1957-1958), AIDS pandemic and epidemic (1981-present day), H1N1 Swine Flu pandemic (2009-2010), West African Ebola epidemic (2014-2016), Zika Virus epidemic (2015-present day) and Swine fever (2010-present).

### Research Method

This research plays a quantitative approach to consumers in early adulthood, which is the age range of 15 to 25 years. The qualitative approach is the most appropriate choice based on Objectives to be achieved, namely testing the relationship of latent variable attitudes towards

### COVID-19 and Behaviour in Meeting the Basic Needs Commodity.

Consumers expect healthier and safer in-store and last-mile delivery practices from consumer products and retail organizations.

### Behaviour Changing in Pandemic

This analysis focuses on three key Consumer trends for consumer products and retail organizations in the short- and mid-term:

1. **Convenience:** Appetite for online shopping and convenience will continue to accelerate post-lockdown
2. **Health and safety:** With consumers becoming more concerned about health and wellness, they will expect safer in-store and last-mile practices from consumer products and retail organizations in a post-pandemic scenario
3. **Focus on purpose:** consumer products and retail organizations that embody a sense of purpose and strong sustainability credentials will see greater consumer engagement.

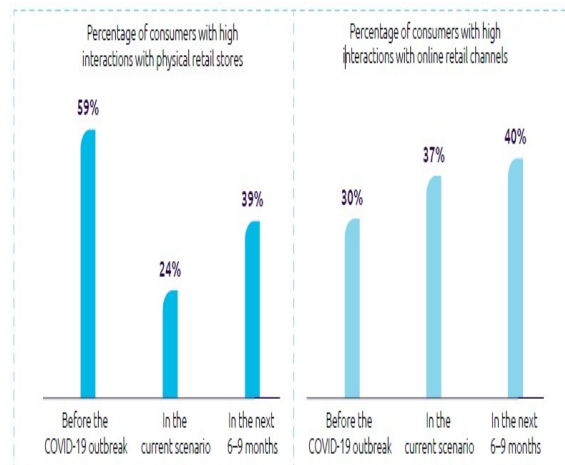
### Consumer appetite for online shopping is growing

With more and more cities and urban areas under lockdown, non-essential businesses closing, and customers avoiding public places in general, interaction with physical stores has taken a heavy toll and online interaction is accelerating

- **Physical stores:** Around 59% of consumers worldwide had high levels of interaction with physical stores before COVID-19, but today less than quarters (24%) see themselves in that high-interaction category. In next 6–9 months, 39% of consumers expect a high level of interaction with physical stores – clearly below the pre-COVID levels.
- **Online channels:** Around 30% they had high levels of interaction with online channels before the crisis, but 37% would characterize themselves in that light today. In the next 6–9 months, this interaction is expected to accelerate further.

Although traditional organizations have been improving their online capabilities in recent years, today’s

unprecedented situation has placed significant stress on online channels. For example, food retailers in some countries have struggled to meet order demand. Core operational agility and resilience is now a priority and we highlight several action points for the industry: Although traditional organizations have been improving their online capabilities in recent years, today’s unprecedented situation has placed significant stress on online channels. For example, food retailers in some countries have struggled to meet order demand. Core operational agility and resilience is now a priority and we highlight several action points for the industry

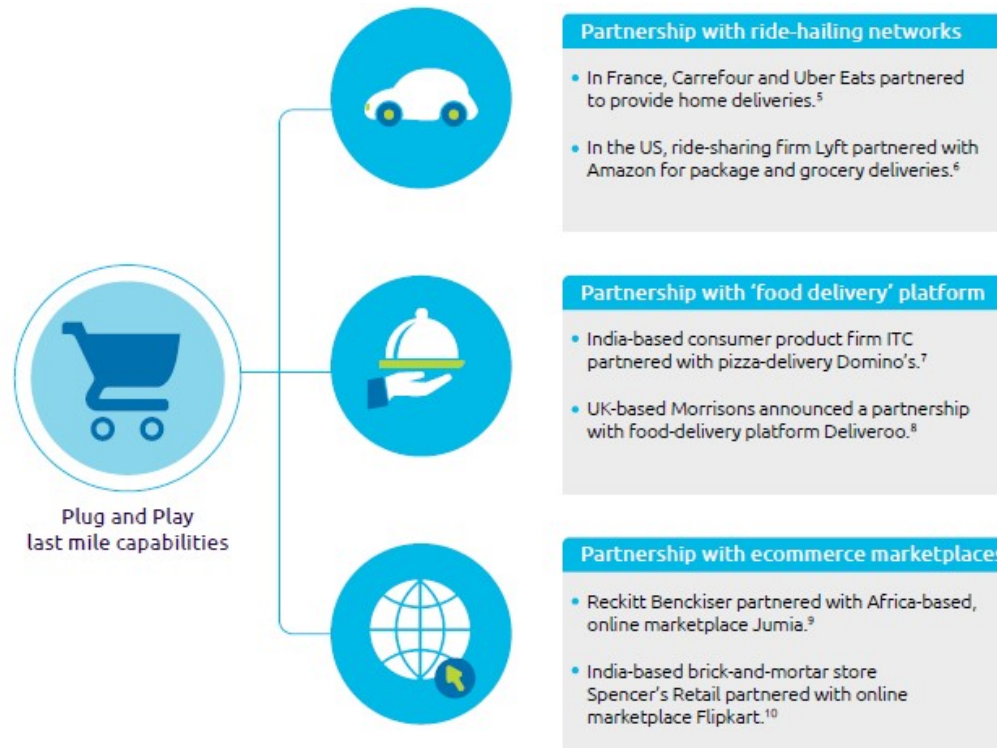


Source: Capgemini Research Institute, Consumer Behaviour Survey, April 4–8, 2020.

**Figure: 2 Consumer Behaviour from physical stores to online**

### The last mile clearly needs to be both robust and agile. Some action points emerge for consumer products and retail organizations:

- **Partner with the delivery platforms:** Leveraging the established delivery ecosystems for their fleet network helps organizations to “plug and play” last mile capabilities and avoid delayed deliveries. Following figure highlights a few emerging models used by consumer products and retail companies today.



Source: Capgemini Research Institute, Consumer Behaviour Survey, April 4–8, 2020.

**Figure: 3 emerging delivery partnerships**

- **Look at a Fluid Workforce to Deal with Fluctuating Demand and Supply:** Walmart is hiring 150,000 temporary workers to manage demand.[11] In the UK, Tesco launched a major recruitment drive to hire 20,000 temporary workers.[12] Amazon is targeting 100,000 new full-time and part-time positions to deal with increased demand.[13]
- **Flexible Delivery Slots:** US-based grocery delivery service by many stores, for instance, has designed a “Fast & Flexible” delivery option to increase speed and delivery availability. It enables customers to have their order delivered by the first-available delivery executive, rather than schedule it for a specific delivery window. Thus, the customer provides stores with more flexibility on when the order is delivered, ultimately increasing speed. According to product tests, Fast & Flexible has increased available delivery windows by 50%. It has increased the speed as well, with 85% of orders arriving within the earlier portion of the estimated delivery range.

### Behaviour in a Time of Crisis

In countries heavily impacted by COVID-19, consumers are stockpiling food and other essential items, while isolating themselves from crowds. To find out how and when consumers started showing these behavioural changes, Nielsen<sup>1</sup> conducted shopper

behaviour research that started during the beginning of the pandemic in China and extended to other countries that have also been affected. They monitored consumer trends, as COVID-19 news reached the general public and found out that consumers go through six behavioural stages based on their awareness of the COVID-19 spread in their communities:

- **Proactive health-minded buying:** Increased interest in the acquisition of products that maintain well-being or health
  - **Reactive health management:** Prioritization of products for infection containment (e.g. face masks)
  - **Pantry preparation:** Higher purchases of shelf-safe products and increased store visits
  - **Quarantined living preparation:** Increased online shopping, decreased store visits and first signs of strain on the supply chain
  - **Restricted living:** Possible price gouging due to limited supplies and deterred online fulfillment
  - **Living a new normal:** Increased health awareness even as people return to their typical daily activities
- Now People typically moved from one stage to another in a period of two weeks in areas close to the initial outbreak.

Currently, the only country where consumers are starting to transition to the sixth stage is China, while the US has begun to move towards restricted living. So, what kind of possible long-lasting consumer behaviour shifts can we expect as a result? It's still too

early to tell, but clear trends can be seen, which, if sustained, could lead to significant shifts in how consumers shop in the future.

### Relying on Manufacturers

As the population of most countries starts to move from quarantine preparations to restricted living, online fulfillment will be challenging due to strains in the supply chain. This has prompted many consumers to turn to Direct to Consumer (D2C) manufacturers to order and receive goods within a normal timeframe.

These D2C manufacturers are a growing segment that caters directly to consumers by bypassing standard distribution channels, effectively gaining direct access to consumers. Several of these manufacturers have seen a significant boost in sales due to the pandemic. For example, Peach, a brand that manufactures high-end bath tissue saw new customers increase by 279% over the last two weeks compared to the two weeks prior.

Awareness of D2C manufacturers has increased in the last few years, with almost 48% of manufacturers racing to build D2C channels, and 87% seeing these channels being relevant to their products and consumers.[9] Initially boosted by younger audiences, D2C manufacturers have found success by focusing on specific target audiences and catering to their needs and identities. This D2C trend is expected to continue, and perhaps accelerate, as manufacturers that are still on the fence might finally see the benefits of D2C and make themselves directly available to consumers

However, even D2C manufacturers that have found themselves positively impacted by the COVID-19 pandemic will be affected by supply chain issues as consumers start living in quarantine. This means they can't afford to stand idly by and must find a way to maintain their e-commerce growth once the pandemic is over as well.

### Trust and Loyalty

The task of continuing to entice consumers to shop online, for both retailers and D2C manufacturers, is grounded on trust in order to foster lasting loyalty. However, building trust, especially in these extreme situations, means more than meeting expectations, but exceeding them. To do so, here are some important approaches to keep in mind:

- **Ease the Transition.** Make it as seamless as possible for consumers to switch to online shopping. For example, by providing flexibility with payment options and making it easy for them to easily find what they need. This is especially true for consumers who are moving to emerging e-commerce categories, such as groceries, for the first time.
- **Manage Expectations.** Display accurate stock level information especially for sought-after goods. This includes communicating realistic estimates for delivery and even re-evaluating display ads so that

consumers don't feel misled by services you can't provide.

- **Foster Comfort.** Ensure that customers feel confident that their goods will be delivered on time. Encourage them to sign up for subscription services, whether through preferential pricing or other promos to help them feel safe that they will receive their products without delays.
- **Leverage Promos and Loyalty Programs.** In times of crisis, consumers are not very price sensitive. However, making price discounts and promotions available, like free shipping, helps nurture goodwill. Increasing loyalty points and rewards programs encourages customers to stay long term.
- **Prioritize Customer Care.** Increase communication to foster a relationship with your customers, as they may feel isolated at this time. Set up a hotline to address any questions or concerns, as well as make sure their comments or reviews online are heard, to maintain a lasting positive image with consumers. Remember that consumers are spending more time online and rely on reviews to make purchasing decisions.

### Social Scientific Insights for COVID-19 Pandemic Response

We highlight some insights for public health experts, policy makers, and community leaders.

- A shared sense of identity or purpose can be encouraged by addressing the public in collective terms and by urging 'us' to act for the common good.
- Identifying sources (for example, religious or community leaders) that are credible to different audiences to share public health messages can be effective.
- Leaders and the media might try to promote cooperative behaviour by emphasizing that cooperating is the right thing to do and that other people are already cooperating.
- Norms of prosocial behaviour are more effective when coupled with the expectation of social approval and modelled by in-group members who are central in social networks.
- Leaders and members of the media should highlight bipartisan support for COVID-related measures, when they exist, as such endorsements in other contexts have reduced polarization and led to less-biased reasoning.
- There is a need for more targeted public health information within marginalized communities and for partnerships between public health authorities and trusted organizations that are internal to these communities.
- Messages that (i) emphasize benefits to the recipient, (ii) focus on protecting others, (iii) align with the recipient's moral values, (iv) appeal to social consensus or scientific norms and/or (v)



highlight the prospect of social group approval tend to be persuasive.

- Given the importance of slowing infections, it may be helpful to make people aware that they benefit from others' access to preventative measures.
- Preparing people for misinformation and ensuring they have accurate information and counterarguments against false information before they encounter conspiracy theories, fake news, or other forms of misinformation, can help inoculate them against false information.

Use of the term 'social distancing' might imply that one needs to cut off meaningful interactions. A preferable term is 'physical distancing', because it allows for the fact that social connection is possible even when people are physically separated

### Changes in the Behaviour of Food Consumer during COVID-19

For consumers, the effects of an economic crisis are noticeable mainly by the depreciation of the national currency against the Euro, which affects bank loan rates, higher utility bills, reduction of the purchasing power for real estate (apartments, rents etc.) or cars. The study of Frames consulting company, quoted by România Liberă, highlighted supply problems, potential price increases and the accentuation of the financial blockage on the domestic markets. Tourism and transport are two other areas significantly affected, both from the perspective of investors and consumers. The advance purchase of holiday tickets by consumers of tourist services has led to the impossibility of reimbursing the transferred amounts, in full or as advance payment, by tourism companies, requiring measures from the State.

In the first stage - proactive behaviour aimed at increasing immunity and general health, this being followed by the stage of reactive health management, when purchases of protection products exploded. The third and fourth stages are the accumulation of supplies and the preparation for living in quarantine, followed by the real experience of a life full of restrictions. The last stage will be to return to normal, to the "new normal".

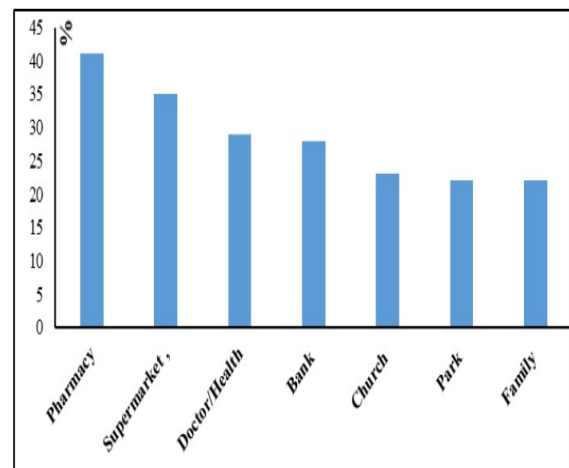
These behaviour changes are catalyzed by few vectors: the need of efficiency and quality, the orientation of the preference towards local products and finally, by technological catalysts.

In some European countries where the pandemic has propagated later on, like, the news related to the propagation of COVID-19 led to a massive increase in purchases, in "preparation of provisions" stage. The local information transmission reports on the infection and death cases determine and influence the interest of consumers towards the products which they might need in their homes during the crisis. The speed of passing from one stage to another varies according to the case's increase rate in each country. Along with the interdiction of travels starting with 24th March, has gone quickly from the preparation stage to the

quarantine stage. China is at present the only country where the consumers have reached already stage 6, starting to return to a normal life.

The main problems the consumer has been facing in the COVID-19 crisis period are:

- Financial problems, 46% of the respondents have put the material status on first place, before health (40% of those interviewed) in the reasons of concern ranking.
- The mental health (28%), spending free time (21%) and maintaining social relations (18%) are also included among the preoccupations of those forced to change their way of living from one day to another due to safety measures.
- Regarding the method of activity development during crisis period, only 30% of the respondents work from home. 89% claim that the way of working has changed and supplementary protection measures are implemented at the office.
- The social interactions have been limited to the maximum, 81% of the respondents have left their home not quite often. The frequent reasons invoked for going out are presented in Figure



Source: the Authors, by using Progressive (2020),

**Figure: 4 leaving the home for covering some needs**

### Concluding Remarks

Attitude is a consistent predictor of behaviour. The Planned Behaviour Theory that was initiated by IcekAzjen is still a relevant theory to explain the latest phenomena, especially the association of attitudes towards the Disease 19 Corona Virus Novel on eating behaviour. The belief, which is a component of attitudes about viruses originating from China, is dangerous, difficult to treat and influences consumer behaviour in meeting food needs. The impact of beliefs about the virus is that consumers care or pay attention to the food products they choose, concerning the country of origin of the food producers they eat, and also food ingredients. Besides, because the virus is dangerous and

difficult to treat, consumers avoid direct contact with sellers or food providers, so they use the means of payment that might avoid spreading the virus by using electronic money or avoid using paper money. Understanding the direction, the shopping habits are going to can help managing the distribution chain in the regions affected by COVID-19.

Although many mainly economic problems will appear, any crisis has the advantage of a real and thorough analysis of an activity sector. Accordingly, for Government, COVID-19 pandemic has highlighted the necessity of investments in health area; the national medical system requires urgent investments in buildings, equipment and staff; the need to make the educational system more flexible and its preparation for completing face-to-face activities with the online version; the capacity of some companies from SME's group to adapt to the critical incidents and to identify market segments; the reappraisal of the national agro-food system (primary production – agricultural, industrial processing and trade), national investments and governmental support measures. The agro-food market is dependent on imports, and the manifestation of some critical situations can destabilize the food supply of the population. The agricultural production is dependent from climatic conditions and the governmental investments in a national irrigation system are insignificant.

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