

COVID-19'S IMPACT ON CONSUMER BEHAVIOR IN ESSENTIAL GOODS SHOPPING ACROSS ORGANIZED, UNORGANIZED, AND E-RETAIL PLATFORMS IN METROPOLIS

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ABSTRACT

In the month of March 2020, the coronavirus epidemic engulfed the entire globe. Despite the fact that the lockdown caused panic buying for people to stock up on necessities such as rice, wheat, packaged foods, home care products, etc., reports indicate that people did not reportedly stock up significantly on sweets and beverages, but rather simply hurried to stock up on necessities. Therefore, the researcher has examined how consumer behaviour has changed as people shop for necessities in the metropolis through organised, unorganised, and online retail platforms during COVID 19. From 195 samples from the Pune metropolitan municipality, the researcher has gathered opinions. The researcher utilised the paired sample t test to examine his hypotheses. Following the study, researchers discovered a change in consumer behaviour while shopping for groceries and FMCG products during COVID 19.

Keywords: Consumer Behaviour, Shopping Behaviour, Essential Goods, COVID 19

Introduction

India was not exempt from the widespread disruptions brought on by the COVID-19 pandemic. To stop the virus spread, the Indian government declared a national lockdown in March 2020. Consumer behaviour significantly changed as a result of the lockdown's rapid implementation, especially when it came to the purchase of necessities. People rushed to grocery stores and supermarkets in a frenzy to stock up on necessities as a result of the shutdown. Stores became overcrowded as a result, making it challenging for business owners to control the crowds.

Additionally, there were numerous rumours going around on social media, which confused customers. The lack of products on the market also increased the ambiguity and confusion. When entering stores to make necessary purchases, consumers were instructed by the government to adhere to the laws and regulations. Commerce firms like Flipkart and Amazon temporarily paused their services during the statewide lockdown in order to preserve social distance. This shift in behaviour brought attention to the importance of researching shifts in consumer behaviour during the pandemic, particularly with regard to the purchase of necessities in urban areas.

We undertook a study to look at changes in consumer behaviour during the COVID-19 pandemic in the metropolitan municipality area in order to fill this demand. We set out to find out if consumer behaviour had changed when it came to buying necessities. We investigated the possibility that consumer behaviour did not alter as a result of the epidemic. Our research concentrated on the purchasing of groceries, FMCG goods, vegetables, milk and products related to milk, bread goods, egg, meal, and fish sectors, animal feed, household goods and utilitarian things, and clothing.

Significant alterations in consumer behaviour during the epidemic were discovered by investigation. For instance, we discovered that consumers preferred unorganised and online vendors for their grocery needs instead of organised retailers. Additionally, we discovered that customers' preferences for choosing a shopping platform slightly changed while they were purchasing FMCG items. When buying veggies, milk, and products related to milk, some customers have also started using online platforms.

Contrarily, we discovered that customers moved their choice from unorganised merchants to organised retailers in the egg, meal, and fish areas, as well as the animal feed category. Customers' preferences, however, in the category of products associated to bakeries varied, with some people choosing not to purchase any bakery goods

at all. Additionally, we discovered that most customers who preferred organised retailers and online shopping delayed making decisions about purchasing clothing until after the lockdown.

Our analysis emphasises how crucial it is for companies to modify their distribution and marketing plans in response to the shifting customer landscape. Our study's conclusions have significant commercial and policy ramifications, and we anticipate that they will help shape the creation of more sensible crisis management plans in the future.

The topic of this essay is customer behaviour. Consumer behaviour is the term used to describe the behaviours, choices, and habits people have when making purchases of goods and services. It is essential to comprehend consumer behaviour.

Understanding consumer behaviour is essential for businesses to create marketing plans that work and to produce goods and services that satisfy customer demands and preferences. The COVID-19 epidemic has had a considerable impact on consumer behaviour, causing companies to modify their business plans to accommodate shifting customer demands.

The pandemic has brought attention to the value of internet platforms and e-commerce as a way to buy necessities while keeping social distance. As a result, companies must make sure their internet and e-commerce platforms are reliable in order to adapt to changing consumer demands. Businesses have invested in new technology and procedures to safeguard the safety of their consumers as a result of the pandemic, which has also increased the focus on hygiene and safety precautions.

The pandemic has also brought to light the need of supply chain resilience and the requirement for companies to have agile supply chain strategies to deal with unanticipated disruptions. Due to the pandemic, there have been severe supply chain disruptions, shortages of necessities, and rising demand for particular products. To satisfy the shifting needs of consumers, businesses must be able to quickly alter their supply chain strategy.

Review of Literature

For the study, researchers took reviews from sources like research papers, newspaper articles etc. After the review researcher has taken a few opinions and findings from literature.

Pantano (2020), Kim (2021), Fares (2022) lockdown impact on merchants Although purchasing necessities remains a top priority, consumer behaviour was well observed in retail establishments, CICI (2021) which stocked up on these items before the lockdown was announced. 70 percent of respondents said they preferred to buy their groceries in-person, while 47 percent also selected home delivery and 17 percent depended on curbside pickup.

Roundhal (2021) younger generations and urban dwellers favoured home delivery while the elderly group preferred in-person shopping, with the latter preference being prevalent across all product categories.

Singh (2020) 67% of shoppers expressed little to no excitement for shopping after the shutdown, citing safety and hygiene concerns. This is in line with the retail sector's continued slow development.

Sharma (2020), Jain (2020) within the first three months following the lockdown, 62% of respondents said they planned to visit stores. In cities in Tier II and Tier III, this percentage rises to 75%. However, 78% of respondents said they would cut back on their shopping spending, while only 6% said they would up their spending.

Latha,(2022) the retail industry requires the help of all stakeholders to boost sentiment, as the majority of consumers have expressed reluctance to start buying again in the upcoming months. To convince customers that they will have a safe shopping experience, retailers must prioritise safety and sanitary precautions. Despite a challenging quarter, the industry will need to invest in putting the required safeguards in place to regain the trust of customers.

The regular sanitization is required by 75% of respondents as their preferred measure and expectation to feel safe and comfortable when shopping, reflecting the new-normal. 57% of respondents stated they would like little employee engagement, and 30% said they would prefer virtual trial rooms. Uthaman, (2022), deccan Chronicle published article (2020) a poll conducted by the Retailers Association of India to assess the effects of lockdown, 67 percent of consumers are not motivated to shop after lockdown. throughout 4000 respondents

from all throughout the nation participated in the survey titled "Unlocking Indian Consumer Sentiment Post Lockdown."

Patil (2020) due to the unexpected change in consumer purchasing patterns caused by the national lockdown. The dealers, wholesalers, traders found it challenging to control the large crowd that has gathered to buy necessities. Through social media, rumours are rapidly spreading. Due to a shortage of products on the market, consumers were puzzled. The population was very vulnerable. Consumers' attention was redirected towards the usage of preventative measures.

Objectives of the Study

Researcher has set following objectives for the study

- To compare the changes in retailer preferences for essential goods before and after the COVID-19 lockdown.
- To investigate the impact of the COVID-19 pandemic on consumer behavior while shopping for essential goods, across organized and unorganized retail platforms as well as e-commerce.

Hypothesis of the Study

Researcher has considered following hypothesis for the study

H₀- There is no change in Consumer Behavior during COVID 19 while shopping essential goods.

Research Methodology

The present research is descriptive in nature. The researcher has collected primary and secondary data through various sources. Secondary data for the study were collected through newspapers, research papers, articles, etc. The primary data collection research used a structural questionnaire containing three sections i.e. demographic profile, Retailer preference before lockdown, and Retailer preference after lockdown. The researcher has used an online Google form for data collection. The data were collected in the month of July when the Government of Maharashtra, India announced 1st phase of unlocking. The population is infinite for the study, so the researcher has used a convenience sampling method to select samples. The researcher has collected a total of 195 samples from the Metropolitan Municipality area. The researcher received samples from western Maharashtra in which the majority of the samples are from the Pune area. After the data analysis researcher validated data through MS Excel and used simple statistical tools like frequency, percentage, Measure of central tendency, and measure of dispersion. The researcher has also calculated reliability using Guttman split Half Coefficient the value is 0.895 and shows data is reliable.

The researcher has utilized a paired sample test for inferential analysis.

Data Analysis

Preference of Retailer for essential good before and after the lockdown

Following table and Graph shows the way or platform preferred by samples for shopping of essential goods before and after the lockdown

Sr.	Particular	Unorganized Retailer				Organized Retailer			
		Before Lockdown		After Lockdown		Before Lockdown		After Lockdown	
		Freq	%	Freq	%	Freq	%	Freq	%
1.	Grocery	78	40.00	120	61.54	117	60.00	66	33.85
2.	FMCG products	72	36.92	114	58.46	123	63.08	75	38.46
3.	Vegetables	177	90.77	165	84.62	15	7.69	18	9.23
4.	Fruits	168	86.15	168	86.15	21	10.77	18	9.23
5.	Milk and Milk Related Products	165	84.62	165	84.62	18	9.23	15	7.69
6.	Bakery Items	153	78.46	144	73.85	12	6.15	6	3.08
7.	Egg Meat Fish	117	60.00	105	53.85	3	1.54	6	3.08
8.	Packaged food/ Beverages	78	40.00	90	46.15	60	30.77	30	15.38
9.	Animal Feed	84	43.08	75	38.46	0	0.00	6	3.08
10.	Home utensils and useful items	87	44.62	84	43.08	57	29.23	36	18.46
11.	Clothes	60	30.77	63	32.31	72	36.92	33	16.92

Table 1. Preference of Retailer for essential good before and after lockdown from unorganized and unorganized retailers

Sr.	Particular	Online				Not Purchased			
		Before Lockdown		After Lockdown		Before Lockdown		After Lockdown	
		Freq	%	Freq	%	Freq	%	Freq	%
1.	Grocery	0	0.00	9	4.62	0	0.00	0	0.00
2.	FMCG products	0	0.00	6	3.08	0	0.00	0	0.00
3.	Vegetables	0	0.00	9	4.62	3	1.54	3	1.54
4.	Fruits	0	0.00	6	3.08	6	3.08	3	1.54
5.	Milk and Milk Related Products	6	3.08	9	4.62	6	3.08	6	3.08
6.	Bakery Items	0	0.00	3	1.54	30	15.38	42	21.54
7.	Egg Meat Fish	0	0.00	6	3.08	75	38.46	78	40.00
8.	Packaged food/ Beverages	9	4.62	15	7.69	48	24.62	60	30.77
9.	Animal Feed	3	1.54	9	4.62	108	55.38	105	53.85
10.	Home utensils and useful items	15	7.69	12	6.15	36	18.46	63	32.31
11.	Clothes	30	15.38	24	12.31	33	16.92	75	38.46

Table 2. Preference of Retailer for essential good before and after lockdown from online and data regarding not purchased items

A comparison of the shifts in consumer behaviour and preferences during the COVID-19 pandemic is shown in the table above. Prior to the lockdown, 60.00% of respondents preferred organised retailers over unorganised ones for grocery purchases, while 0.00% preferred online platforms. After the lockout, however, respondents favoured online platforms, 61.54% chose unorganised stores, 33.85% liked organised retailers, and 4.62% preferred unorganised merchants. This shows a major movement in consumer preferences for grocery products away from organised outlets and towards unorganised and internet merchants.

Before the lockdown, 0.00% of respondents favoured online shopping, 36.92% preferred unorganised merchants, and 63.08% preferred organised retailers for FMCG products. Following the lockdown, 3.08% of respondents preferred online shopping, 38.46% of respondents preferred organised retailers, and 63.08% of respondents preferred unorganised retailers. This can indicate a modest shift in consumer preferences for FMCG goods.

In the case of vegetables, prior to the pandemic, respondents favoured unorganised merchants 90.77% of the time, organised retailers 7.69% of the time, and internet shopping 0.00% of the time. Following the lockdown, 84.62 percent of respondents preferred independent retailers, 9.23 percent preferred chain stores, and 4.6 percent preferred online shopping. This suggests that while the majority of customers did not alter their preferences, some did go to online platforms.

Before the lockdown, 84.62% of respondents chose unorganised merchants for milk and milk-related products, 9.23% preferred organised retailers, and 3.08% preferred online purchasing. Following the lockdown, online shopping was preferred by just 4.62% of respondents, while organised retailers were preferred by 7.69% of respondents. This implies that while the majority of consumers did not alter their choices, some did go towards online platforms.

Prior to the lockdown, 78.46% of respondents said they preferred unorganised retailers for items related to bakeries, 6.15% said they preferred organised retailers, and 0.00% said they preferred online shopping. Following the lockdown, 21.54 percent of respondents preferred products from unorganised retailers, 3.08 percent preferred those from organised retailers, 1.54 percent preferred online shopping, and 7.85 percent did not prefer such products. This suggests that consumers' tastes have evolved and some no longer favour bakery goods.

Before the lockdown, 60.00% of respondents favoured unorganised merchants for the egg, meal, and fish categories, whereas 1.54% preferred organised retailers and 0.00% preferred online purchasing. Following the lockdown, 40.0% of respondents did not prefer such products, while 3.08% preferred organised retailers, 3.08% preferred online shopping, and 53.85% preferred unorganised retailers. This suggests that consumers'

preferences have changed, and some have switched from unorganised to organised stores, as the researcher also noticed in the animal feed sector.

Prior to the lockdown, respondents favoured online shopping (7.69%), organised merchants (29.23%), and unorganised outlets (44.62%) for household goods and practical products. Following the lockdown, 32.31% of respondents did not prefer organised retailers, while 18.46% preferred them, 6.15% preferred online shopping, and 43.08% preferred unorganised retailers.

Before the lockout, the majority of respondents (36.92%) favoured organised merchants for clothing, followed by unorganised retailers (30.77%), and online shopping (16.92%). Following the lockdown, the preference for independent retailers rose to 32.31%, the preference for chain stores fell to 16.92%, and online shopping rose to 12.31%. Additionally, 38.46% of respondents said they never preferred to buy clothes. These results imply that a significant portion of customers who had previously favoured organised merchants and online shopping did not do so following the lockout and instead turned to unorganised retailers.

Overall investigation reveals that customers' preferences have changed while choosing a purchasing platform. The paired t test was performed by the researcher to examine behaviour change.

Hypothesis Testing

Following table shows the paired sample test between opinion of respondents regarding preference of platform for shopping before the lockdown and after the lockdown for essential goods.

Paired Samples Test		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Grocery before Lockdown - Grocery After Lockdown	.1692	.6478	.0464	.0777	.2607	3.648	194	.000
Pair 2	FMCG products before Lockdown - FMCG products After Lockdown	.1846	.5531	.0396	.1065	.2627	4.661	194	.000
Pair 3	Vegetable before Lockdown - Vegetable After Lockdown	-.1077	.4352	.0312	-.1692	-.0462	-3.456	194	.001
Pair 4	Fruits before Lockdown - Fruits After Lockdown	.0000	.5276	.0378	-.0745	.0745	.000	194	1.000
Pair 5	Milk and milk related products before Lockdown - Milk and milk related products After Lockdown	-.0154	.5697	.0408	-.0958	.0651	-.377	194	.706
Pair 6	Bakery items before Lockdown - Bakery items After Lockdown	-.1846	.9120	.0653	-.3134	-.0558	-2.827	194	.005
Pair 7	Egg meat fish before Lockdown - Egg meat fish After Lockdown	-.1231	.5423	.0388	-.1997	-.0465	-3.169	194	.002
Pair 8	Packaged Beverages Before Lockdown - Packaged food beverages After Lockdown	-.0923	.6273	.0449	-.1809	-.0037	-2.055	194	.041

Pair 9	Animal feed before Lockdown – Animal feed After Lockdown	-.0462	.7550	.0541	-.1528	.0605	-.854	194	.394
Pair 10	Home utensils and useful items before Lockdown – Home utensils and useful items After Lockdown	-.2769	1.1993	.0859	-.4463	-.1075	-3.224	194	.001
Pair 11	Clothes before Lockdown - Clothes After Lockdown	-.3846	1.1491	.0823	-.5469	-.2223	-4.674	194	.000

Table 3. Paired Samples Test

Between respondents' opinions on various platforms, researchers used 11 pair tests. The researcher has taken into account all 11 kinds of necessities. After the test, it was found that there had been no change in consumer behaviour during COVID-19 when purchasing fruits, milk, and products related to milk, as well as animal feed, as indicated by the p values of 1.000, 0.706, and .394 at the 95% level of significance. As all tests are significant at the 95% level of significance, the researcher observed changes in consumer behaviour during COVID-19 while shopping for groceries, FMCG products, vegetables, bakery items, eggs, meat, fish, packaged food beverages, home utensils, and clothing.

Findings

Based on data analysis, the researcher came to the following findings:

Our study's findings show that during the COVID-19 epidemic, there were a number of noteworthy shifts in consumer behaviour. First, our analysis reveals that respondents' choices for grocery items have changed from organised merchants to unorganised and internet retailers. Second, clients' preferences for choosing a shopping platform have slightly changed when they are buying FMCG products. Thirdly, although some customers have switched to online platforms, the majority of customers still prefer veggies. Fourthly, although some customers have shifted to online platforms, most consumers still choose milk and the products associated with it. Fifth, consumers' preferences have changed for products related to bakeries, with some choosing not to purchase any bakery goods at all. Sixthly, buyers have started choosing organized merchants over unorganized ones for the egg, meat, and fish sections. The same pattern was seen in the animal feed category. Seventhly, shoppers have not altered their preferred buying platform for household goods and practical things. The bulk of clients who favored organized businesses and internet shopping has delayed making their decision to purchase clothing until after the lockdown, which brings us to our final point. These results show that companies must modify their distribution and marketing plans to reflect the shifting customer landscape.

Conclusion

In conclusion, present study has shown that the COVID-19 pandemic has greatly impacted consumer behavior in the purchasing of essential goods, particularly in the metropolitan municipality area. Customers have faced numerous challenges during the lockdown, resulting in changes in their preferences for grocery items, FMCG products, and bakery items. Notably, some customers who previously preferred organized retailers have shifted towards unorganized and online retailers. These findings highlight the need for businesses to adapt to the changing consumer landscape by reevaluating their marketing and distribution strategies.

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