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IMPACT OF COVID – 19 ON HOUSEHOLD BUYING DECISIONS OF SALARIED PERSONS IN MADURAI CITY

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Abstract

The outbreak of the corona virus not only impacted the physical health of those it infected, but its impact has been felt in every aspect of life, financially, socially, economically, psychologically and environmentally. The world needs to develop a coping mechanism for the various aspects of life. With this backdrop, a clear paradigm shift can be seen taking place in the way consumers behave in response to this unique scenario. Panic – buying, stock piling, herd behavior, have become trademark behavior traits commonly seen across households not only in India but across the globe. This study has been undertaken in order to understand the extent to which the Covid-19 pandemic has impacted and influenced lives not only on a health level. Through the usage of convenience sampling, 30 samples have been collected from salaried persons of varying professions across Madurai City. This paper attempts to study the basic conceptual framework that influences buying decisions, to identify the factors that influenced buying decisions before and after Covid – 19 and to give suitable suggestions to face future challenges. Using various tools such as likert scale, simple average, and weighted average the data has been analyzed, inferences made, and findings and suggestions given for salaried consumers to make better buying decisions in the face of crisis..

Keywords: Covid – 19, Buying Decisions, Salaried persons

I INTRODUCTION

The outbreak of the corona virus not only impacted the physical health of those it infected, but its impact has been felt in every aspect of life, financially, socially, economically, psychologically

and environmentally. On July 18th, 2020 Reuters recorded for the first time the global number of active cases surging to 1 million in under 100 hours. Therefore, it is clear that the need of the hour is for the world to develop a coping mechanism for

various aspects of life. We are in a situation where we are forced to put the principle of prudence into practice in real life, where although we expect profits, or in this case another corona free day, we must prepare for losses.

Since the first 21 - day nationwide lockdown was implemented on 24th March, 2020 till date, every state is still going through some form of lockdown with varying degrees of restrictions depending on the number of active cases. With this backdrop a clear paradigm shift can be seen taking place in the way consumers behave in response to this unique scenario. Panic – buying, stock piling, herd behavior, have become trademark behavior traits commonly seen across households not only in India but across the globe. This study has been undertaken in order to understand the extent to which the Covid-19 pandemic has impacted and influenced lives not only on a health level.

II. CONSUMER BUYING BEHAVIOR

Consumers display certain behavior in the process of searching, purchasing, using, reviewing and ultimately disposing of products and services that are required to satisfy their needs. Dynamic changes can be seen in this process as a result of the crisis.

Decision Making:

Consumers make decisions at every level of purchase whether the goods are essential goods of low value or luxury goods. When presented with two or more alternatives, the consumer chooses the product which best suits their needs at a given point in time. There are various factors that influence these decisions, they can be broadly categorized as economic, functional, personal, psychological, social, and marketing mix factors. The reason that these factors are said to ‘influence’ the behavior of a consumer is because they have the capacity to change the intended buying behavior of the consumer.

It is therefore important to be aware of the process that goes into decision - making. (1) Identify the Problem (2) Gather Relevant Information about the Problem (3) Identify and Evaluate Alternatives (4) Act based on the chosen alternative and (5) Review the decision and its consequences.

Decision Making During Crisis:

While the above - mentioned process may be true for decision – making under normal circumstances, a dynamic change takes place when consumers are faced with crisis such as the one currently being faced. As on the date of writing this paper, at the national level Tamil Nadu has the second largest number of confirmed cases of the corona virus and Madurai the fourth largest number of confirmed cases. Therefore, it can be clearly said that a major factor that influences any and all buying decisions of consumers is fear and anxiety. The word decision – making itself implied that there is an alternative available for a consumer to choose from but in times of crisis, the alternatives are significantly reduced, and the consumer has no other go but to make a forced choice. The crisis determines the goal and direction of the choice being made rather than the normal deciding factors.

III. REVIEW OF LITERATURE:

The review of literature contains work that has already been done in the area of factors that influence household buying decisions. It is needed in order for the researcher to develop a better understanding of the topic for study and to be able to draw relevant parallels. The literature review is as follows:

Dr. Parimala, G (2020) in the research article titled, ‘A Study on Impact of Covid – 19 on the Consumers’ Buying Behavior in Indian Retail Industry – With Special Reference to Coimbatore City’ studied the specific fears and emotions of consumers during Covid – 19 and how it impacted their perception towards luxury items. The study shows that even after the

end of the pandemic, there will be relatively a smaller number of consumers who will prefer to spend on travel and tourism, fashion, and cars. Although preference for essential commodities and homes would grow.

In the research article, 'Analysis of Impulsive Buying Behavior in Fashion Industry', **Saamarth, Gandhi (2020)** revealed how online shopping has increased the propensity of impulsive buying behavior. Furthermore, the paper also showed how men are more likely to engage in impulsive buying behavior in comparison to women and e-commerce has played a pivotal role in this aspect.

Dr. P. Mohanasundarum (2019) in his paper titled 'Factors influencing customers over buying FMCG: With Reference to Dharmapuri Town' states that it is only when a study is made of the factors considered before buying, can it be determined whether a brand is successful or not. It was concluded that the efforts of retailers, and well-established brands have more sway over the decisions of consumers and marketing strategies need to be developed accordingly.

In the paper titled 'Crisis Management: HR's Strategic Leadership Role', the authors **Abishek, Sharma; Hotam, Singh and O.P. Upadhyaya (2019)** the steps in planning to manage a crisis are outlined viz., establishment of a planning team, analysis of capabilities and hazards, development of a plan, and its implementation. The main objective of crisis management is to secure, defend and guarantee.

Anant, Agarwal (2017), in the thesis titled 'Dynamics of Spousal Joint Purchase Decision Making Towards Household Consumer Durables', discuss the main factors affecting the purchase decisions of spouses. Gender bias, and marital duration played key roles in the decision - making process. It was also observed that in recent years the family

plays a significant role in purchase decision - making.

Pandya, Gitesh S. (2005) in the paper titled 'A comparative analysis of various attributes of few selected durable vis a vis non- durable consumer products and their impact on buying decisions' mentions that high competition and changes in the market at the global level such as socio-cultural changes, increase in per capita income, strength and weaknesses of domestic players against multinationals, increasing literacy levels, etc. are changing the behavior and buying decisions of customers.

IV. OBJECTIVES OF THE STUDY:

- (i) To study the basic conceptual framework influencing buying decisions
- (ii) To identify the changes in buying decisions before and after Covid – 19
- (iii) To study the impact of Covid – 19 on salaried persons
- (iv) To give suggestions to salaried persons on how better to face the upcoming challenges as a result of Covid – 19

V. SCOPE OF THE STUDY:

Madurai is one of the districts of Tamil Nadu and is among the top districts worst affected by the outbreak of the Corona virus. This city that goes by many nicknames such as the city that never sleeps, the city of Jasmines, Temple City amongst others, has seen everything that is iconic about itself come to an abrupt halt. This study aims at determining the impact and influence that the Covid – 19 pandemic has influenced the household buying decisions of salaried persons within the study area.

VI. RESEARCH METHODOLOGY

Research Design

A descriptive design is followed to identify the various factors that influence the buying decisions of consumers before and after the pandemic.

Data Collection and Analysis Technique:

The study was conducted based on primary data collected through

convenience sampling using a structured questionnaire sent electronically to the respondents. The respondents (30) for this study are salaried persons across Madurai city. Secondary data was also collected

through the usage of various internet portals, magazines, journals, and the like. Analysis has been done using simple percentage, weighted average and garette ranking.

VII. FINDINGS AND DISCUSSIONS

Table 1
Demographic Profile of the Respondents

Factors	Variables	Frequency	Percentage
Gender	Male	13	43.33
	Female	17	56.67
Age	Less than 35 yrs.	17	56.67
	35 yrs. to 45 yrs.	9	30
	45 yrs. to 50 yrs.	3	10
	More than 50 yrs.	1	3.33
Marital Status	Single	12	40
	Married	18	60
Type of Family	Joint	10	33.33
	Nuclear	20	66.67
Number of Family Members	Less than 3	9	30
	3 to 5	13	43.33
	More than 5	8	26.67
Monthly Income	Below Rs. 25,000	9	30
	Rs. 25,001 to Rs. 35,000	5	16.67
	Rs. 35,001 to Rs. 45,000	1	3.33
	More than Rs. 45,000	15	50

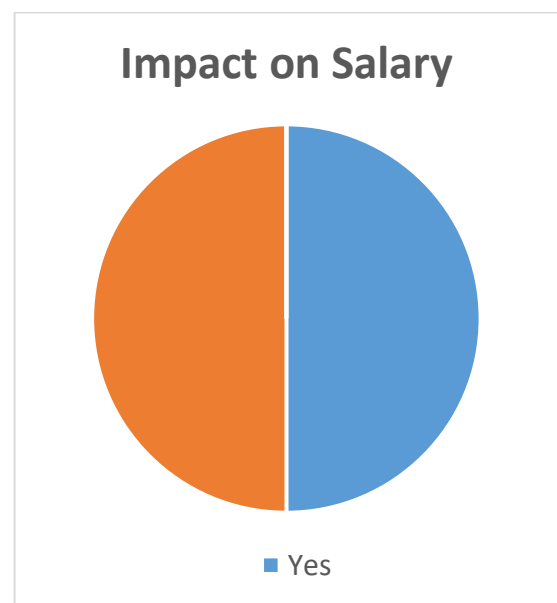
Source: Primary Data

From the above table, it is found that majority of the respondents were female (56.67%) who fall under the age group less than 35 years (56.67%). Majority of them are married (60%) and belong to a Nuclear family (66.67%) comprised of 3 to 5 members (43.33%) and earning a monthly income below Rs. 25,000 (30%).

Table 2
Classification based on impact on Salary as a result of Covid – 19

	Frequency	Percentage
Yes	15	50
No	15	50

Source: Primary Data



The above table shows that the salary of 50% of the respondents was affected by the Covid – 19 pandemic and

the salary of 50% of the respondents' salaries was not affected.

Table 3

Showing Response of Consumers to Reduction in Salary:

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Weighted Scores	RANK
Reduction of Impulse Buying	4	3	1	6	1	42	2
Purchase of Essential Products alone	2	0	4	5	4	54	1
Change over to brands with lower pricing	4	1	5	4	1	42	2

Source: Primary Data

The above table shows that the main response of the respondents as a result of reduction in salary was to give preference to purchase of essential products alone

(54) followed by the reduction in impulse buying (42) and changing over to brands with lower prices (42).

Table 4

Factors that influenced Household Buying Decisions BEFORE Covid – 19

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Weighted Scores	RANK
Affordability of the Product	8	3	7	9	3	86	2
Impulse buying	10	8	6	3	3	71	6
Panic - Induced Buying	13	5	4	4	4	71	6
Stock - Piling/ Hoarding	14	5	5	3	3	66	8
Pre-Planned Purchases	8	8	3	5	6	83	4
Brand Loyalty	10	4	7	5	4	79	5
Advertisements	13	7	3	7	0	64	9
Convenient Location of Store	8	6	1	6	9	92	1
Peer Pressure	15	6	3	4	2	62	10
Needs/ Suggestions of Family Members	9	6	3	5	7	85	3

Source: Primary Data

The above table shows that prior to the Covid – 19 pandemic, the convenient location of a store (92) was the main factor that influenced the household buying decisions, followed by

the affordability of the product (86) and the needs/ suggestions of family members (85).

Table 5
Factors that influenced Household Buying Decisions AFTER Covid – 19

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Weighted Scores	RANK
Affordability of the Product	7	6	8	5	4	83	4
Impulse buying	8	9	6	4	3	75	8
Panic - Induced Buying	9	3	9	4	5	83	4
Stock - Piling/ Hoarding	7	9	5	3	6	82	6
Pre-Planned Purchases	6	6	3	7	8	95	1
Brand Loyalty	8	8	7	4	3	76	7
Advertisements	19	4	2	3	2	55	10
Convenient Location of Store	7	4	4	7	8	95	1
Peer Pressure	13	8	1	4	4	68	9
Needs/ Suggestions of Family Members	6	7	2	8	7	93	3

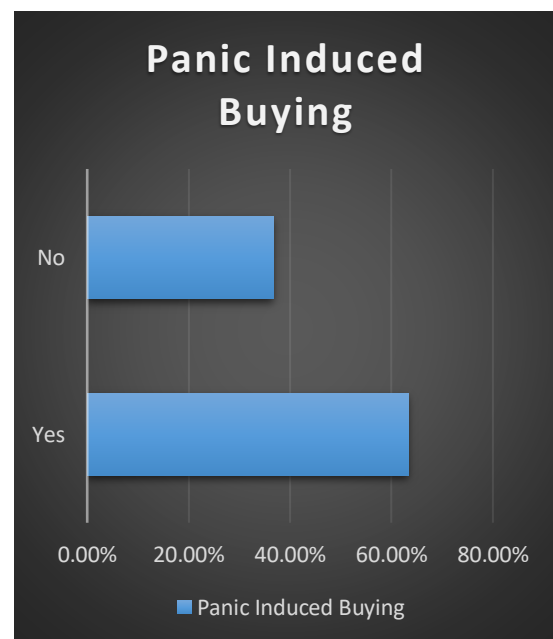
Source: Primary Data

From the above table it can be seen that after the Covid – 19 pandemic although the preference for convenient location of the store (95) remains the top priority, purchases are planned in advance (95) and impulse buying has dropped significantly (75). The needs and suggestions of family members are taken into consideration and there is an increase in panic – induced buying (83).

Table 6
Classification based on Panic Induced Buying as a Result of Lockdown

	Frequency	Percentage
Yes	19	63.33
No	11	36.67

Source: Primary Data



The above table shows that majority of the respondents (63.33%)

engaged in some form of panic induced buying as a result of the lockdown.

Table 7
Reasons for Engaging in Panic Buying

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Weighted Scores	RANK
Stock out situation	2	2	3	5	7	70	2
Lack of Essential Commodities	1	2	2	7	7	74	1
Rumors of Lock Down Extension	3	1	6	2	7	66	3
Fear & Anxiety	3	4	2	2	8	65	4
Peer Pressure	7	4	1	3	4	50	5

Source: Primary Data

It can be inferred from the above table that the main factor that influences consumers to engage in panic – buying is the fear of lack of essential commodities (74). They fear that a stock out situation may arise (70) because of the rumors of extension of the lockdown (66) that causes them more fear and anxiety (65). This is further compounded by pressure from peers (50).

FINDINGS FROM THE STUDY:

- Majority of the respondents were female (56.67%) who fall under the age group less than 35 years (56.67%). Majority of them are married (60%) and belong to a Nuclear family (66.67%) comprised of 3 to 5 members (43.33%) and earning a monthly income below Rs. 25,000 (30%).
- The salary of 50% of the respondents was affected by the Covid – 19 pandemic and the salary of 50% of the respondents' salaries was not affected.
- Majority of the respondents as a result of reduction in salary have given preference to purchase of essential products alone (54) followed by the reduction in

impulse buying (42) and changing over to brands with lower prices (42).

- Prior to the Covid – 19 pandemic, the convenient location of a store (92) was the main factor that influenced the household buying decisions, followed by the affordability of the product (86) and the needs/ suggestions of family members (85).
- After the Covid – 19 pandemic although the preference for convenient location of the store (95) remains the top priority, purchases are planned in advance (95) and impulse buying has dropped significantly (75). The needs and suggestions of family members are taken into consideration and there is an increase in panic – induced buying (83).
- Majority of the respondents (63.33%) engaged in some form of panic induced buying as a result of the lockdown.
- The main factor that influences consumers to engage in panic –

buying is the fear of lack of essential commodities (74). They fear that a stock out situation may arise (70) because of the rumors of extension of the lockdown (66) that causes them more fear and anxiety (65). This is further compounded by pressure from peers (50).

SUGGESTIONS:

We have seen a forced change in the lifestyle of consumers as a result of the pandemic, based on this study we have the following suggestions:

- Everyone has been forced into survival mode, because of the crisis. Rather than being influenced by peer pressure resulting in herd behavior, it will be better if consumers think twice before rushing to make purchases.
- Rather than looking for the convenient location of a store to make purchases and altering the needs depending on the location, the consumer can look towards contactless and door delivery services.
- Panicking benefits no one. The consumer needs to process their needs and wants and make rational buying decisions based on them.

CONCLUSION:

Although a paradigm shift can be seen in consumer behavior because of the Covid – 19 pandemic, a proper and in – depth study of the economic consumer, the passive consumer, the cognitive consumer, and the emotional consumer will help marketers to better determine the needs of the consumer and alter their products accordingly. In future, studies can be conducted taking a deeper look of the response of consumers to a crisis. This understanding will help the consumers to channelize their fears rationally, and it will also help marketers to meet the needs of consumers more accurately.

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