

Impact on consumer psychology towards Shopping Behavior during COVID-19 pandemic

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Abstract

Much has been talked about around the alternative of buying items among the distinctive segments of the supply chain during the global pandemic. However, consumers are learning to contrive and learn modern propensities due to lockdown and social separating mandates. I focus on explaining the adjustment of modern structure of consumer behavior during post pandemic. I collect and analyze the interviews from twelve respondents from the different segments (consumer and retailer) in northern part of Dhaka. We find that consumer behavior on online shopping is being changed in an emergency and steps of typical supply chain may be changed for a while during global pandemic. At exceptionally stating of emergency, consumers expend a huge sum of ingredients instead of a wrapped-up food and also lean toward purchasing the items from the branded retail shop through online. Consumer's new habits emerge with the advance technology, demographical change and innovative ways of learning to cope with blurring the shopping behavior in the ongoing pandemic situation. This change towards more technology-based communication will coordinate understudies to proceed with their learning and engage virtual mentoring to empower consumers.

Keywords: Consumer Shopping Behavior, Consumption, Non-durable goods, Supply chain, FOMO, COVID-19

Objectives:

To know the consumers' purchasing behavior during the emergency and non-emergency period
To what extent consumers are being benefited by changing shopping behavior
To find the factors that consumers afraid of COVID 19

Introduction: Covid-19 has revolutionized not only the consumers choice but also the Marketing Strategies of many retailers as consumers have grown accustomed to different products, online purchasing, and the door-step delivery of products from anywhere in the world (Bucko, Lukáš and Martina 2018; Mohammad et al. 2018). Consumer Shopping Behavior depends on many different situations like Demography, Emergency situation and so on. Consumers have been experiencing new ways of staying safe, protecting their health, and following shelter-at-home protocols by adopting new brands and channels in order to purchase anything. Mr. Sheth said in his article on 2020 that all consumption is location and time bound. Consumers develop habits over time about what to consume, when and where (Sheth, 2020).

He also said that rules and social-distancing practices by restrictive lockdown have severely disrupted consumer behavior worldwide (Sheth 2020a). As a result, various types of businesses have been forced to find new ways to reach homebound consumers and to re-penetrate their markets. As consumers embrace new digital technologies in their confiscated lifestyles, their daily routines and habits are transforming the space of online shopping (Bucko, Lukáš and Martina 2018).

Objectively, the pandemic and the realistic threat of contracting COVID-19 means that it is now quite reasonable for people to be on alert and highly sensitive to threat and take precautions such as social distancing. Fear, anxiety, and worry are now quite normal and to be expected (abhors et al., 2020; Pakpour & Griffiths, 2020); normalization makes fear less unique to particular individuals. There are also clear implications that realistic threat has in terms of how personality constructs should now be regarded. For instance, being a perfectionist seems less dysfunctional during those times in life when making a mistake can cost someone her or his health and perhaps

life. the ongoing pandemic has clear impacts in terms of the relevance of psychological needs.

The classic hierarchy model of needs espoused by Maslow (1962, 1971) as part of his humanistic theory is based on the premise that psychological needs such as self-esteem, love, and self-

actualization only become relevant once basic physiological needs and safety and survivor needs have been satisfied. The emphasis has clearly shifted from growth motives to deficiency motives and basic issues of survival for many people.

Conceptual Frame

Consumption

Usually Consumption means satisfying needs. Well, the concept of needs compulsory for existence because consumers get pleasure when they are satisfied with fulfilling need otherwise feel pain (Dolu,1993:21). As world resources may be inadequate, human being should consume

those efficiently. Thus, we may not face scarcity of resources only but also probability to share in a fair way. However, the consumption concept will be formed by consumer attitude and behavior, because of the consumer's social, cultural, economic, and psychological differences. According to Solomon and his friends (1999) who study the consumer behaviors, consumers usually buy goods because of the meanings they have rather than their main features. Consumption fact forms with the meanings that consumer loads before the purchasing behavior occurs, with the purchasing and after it.

Consumer

Individuals who buy "marketing components" to provide their personal requirements, desires, and needs or have the ability to buy are called consumer (Tek & Özgül, 2013). The concept of buying, in modern understanding, is expressed as buying or renting but consumer concept was examined and said that the individual who demands to buy them product, which buys and benefits by using it can be

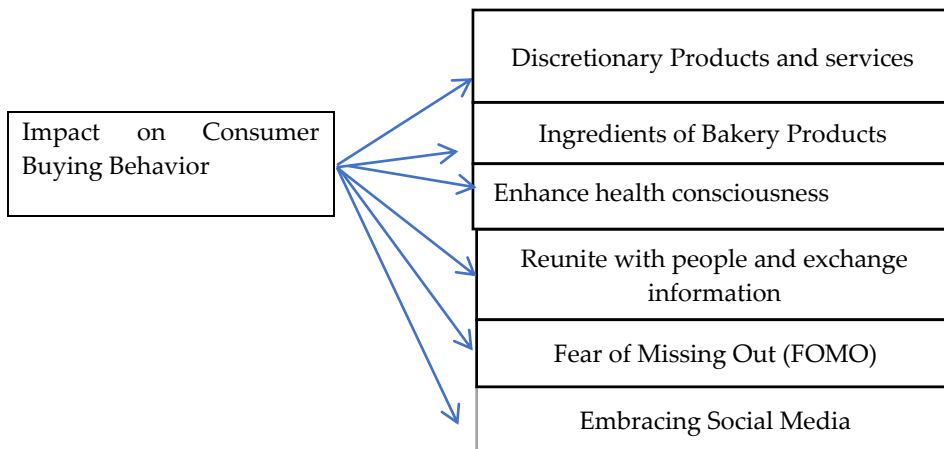
different. In this regard, consumer is the one who consumes; user is the one who benefits from it; purchaser, on the other side, is the person who is willing to pay for it. Many attempts have been made to understand consumers and the complex decisions they make in product acquisition (Goodman, Lockshin, & Cohen, 2008; Grunert, 2002; Gutman, 1982; Kaynak & Kara, 2002; Lockshin, Mueller, Louviere, Francis, & Osidacz, 2009). Schiffman and Kanuk (2006), stated in their article that consumer could be individual or corporate body that buy and consumes the goods and services that provided by producers. In the

similar fashion, it does not matter whether consumers are households, individuals whoever in need of are seeking, have consumed, and/or bring important perspectives to the planning and decision-making process (Schiffman & Kanuk, 2006). Lancaster and Massingham (2011) noted that a consumer is anyone involved with buying and using products or services for personal, household and organizational benefits. However, the Western Australia Consumer Affairs Act (Government of Western Australia, 1971) defined a consumer as a person who either purchase or takes on hire or lease even potential buyers or lessees or hirers of, or borrower of money for the sole aim of buying goods without recourse to re-selling or leasing.

Consumer Behaviors

Consumer behavior is the study of how individuals, groups and organization's select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kotler and Keller, 2006). Consumer behavior deals with basic topics such as why individuals choose a product, which brands they emphasize, what kind of stores they do shopping. Also socio-cultural features like culture, social classes, belief, and attitudes affect the consumer behavior (Karafakioğlu, 2012a). Some Major impact on Consumer Behaviors cause of COVID 19 is bellows.

Impact on Consumer Behavior



Literature Reviews:

Consumer behavior is the very fundamental study of purchasing, utilizing products and disposing services, choosing the company, desire to acquire and adapt innovativeness based on individuals or in a group to satisfy their basic needs and requirements. Mr. Nelson stated in his article on 1970 that shopping behaviors consider to the influences of consumers in the market and latent motives for those actions. Kotler and Keller stated on 2011 that “consumer buying behavior is the study skills of purchasing and disposing of services, goods, experiences or ideas by the single person, groups and organizations in order to fulfill their requirements”. Product purchasing relates to its purchase, consumption and disposal; hence, consumer behavior exposes the processes, activities and inactivity’s involved with a product (Payne & Frow, 2005). Uncertainties and Challenges are very usual things which face by every organization which might be not only any company but also family, society or any individual (Eisenhardt Melissa and Scott 2016; Ferraro et al. 2015). Consumers behave on making their purchases based on crisis situation. The general recommended measures are avoiding contact with persons susceptible of infection, isolation, wearing protection masks in public spaces, quarantine and strict personal hygiene (WHO, 2020a).

We have found in the literature about FOMO is related to broader sense of depression, anxiety, and physical symptoms (Baker, Krieger, & LeRoy, 2016; Elhai, Levine, Dvorak, & Hall, 2016), and to more problematic social media and mobile phone use (Beyens, Frison, & Eggermont,

2016; Oberst et al., 2017). People are afraid of their own analysis and based on that focus on using products and services thus lead their daily life.

According to the Accenture report on April 2020 on consumers, 88% said they are feared about the impact on the economy, 64% said worried about impact on their personal Job security, 82% of consumers are fearful of others health and only 64% are feared about their own health. Luo, Wang and Zhang (2019) stated in their Article that China has the largest e-commerce market in the world and its household consumption growth was shaped by developing e-commerce.

According to United Nations Conference on Trade and Development (UNCTAD) report, the COVID-19 pandemic has changed online shopping behaviors than ever, they surveyed about

3,700 consumers in nine emerging and developed economies and survey found that half of the survey’s respondents now shop online more frequently and rely on the internet more for news, health-related information and digital entertainment, women , people with tertiary education and aged 25 to 44 increased their online purchases more than others.

Huseynov and Yildirim (2014) stated in his Article that Online shopping have unique characteristics and it is emphasized that the lack of physical interaction tends to be the safe from each other. Consumer behavior research identifies of buying behavior that depicts the processes used by consumers in making a purchase decision (Vrender, 2016).

Retail stores supposed to implement popup solutions as early as can go for action. While executing your strategy, they can learn and adapt quickly towards changing consumer’s behavior regularly (Deloitte). Deloitte also surveyed on about 2,000 consumers and found 30–40% of consumers who used online channels more during the lockdown said they will continue to utilize those channels more in the future.

Methodology: The study began with a literature review; used credible journal articles, books, websites, and other content relevant to the research problem. Secondary data

was collected from retailers and consumers’ by interviewing from 20 to 25 minutes in Bangladesh. Participants engaged in a close ended questions initially then synchronous conversation and response in their own ways. Data were analyzed and interpreted to understand the disparity between physical and online shopping venues. We have tried to find out the scenarios of retail stores from 2 different stakeholders Retailers and Consumers.

Some previous articles recommended that qualitative studies require a minimum sample size of at least 12 to reach data saturation (Clarke & Braun, 2013; Fugard & Potts, 2014; Guest, Bunce, & Johnson, 2006). However, we have interviewed total 14 people from Northern part of Dhaka, Bangladesh in which 5 are employees of Retail stores and rest of the 7 are consumers. It is noted that Employees of Retail stores are denoted as upstream members and Consumers are downstream members.

Interview Number	Retail code	Informant		Info exp
<i>Upstream Members (Retail Stores managers)</i>				
1	R1	Inf1	Manager	>15
2	R2	Inf2	Senior Asst. Manager	10-
3	R3	Inf3	Asst. Manager	1-5
4	R4	Inf4	Senior Asst. Manager	10-
5	R5	Info5	Employee	
Interview Number	Cons. code	Informant	position	Interview length (min)
<i>Downstream Members (Consumers)</i>				
6	C1	Inf6	Professor	20
7	C2	Inf7	House wife	23
8	C3	Inf8	House wife	30
9	C4	Inf9	Business	20
10	C5	Inf10	SchoolTeacher	21
11	C6	Info11	House wife	25
12	C7	Info12	Owner of Pharmacy	30

Proposition 1:

Consumer’s attitude in the retail stores before and during COVID 19 period even while they were entering.

Retail code R#1 who is a manager for more than 15 years. After interviewing him about 20 minutes, I got to know a lot of things related to our Research. As he stated- Consumers used to come to the stores and touch anything and everything without having a minimum hesitation. Despite Consumers of Bangladesh like to touch even smell products before buying anything,

whereas during COVID-19, as a manager he observed they were very reluctant to touch their necessary products. As retail managers, they were have conducted Consumer’s Pulse check

and found that their Behaviors are being changed toward more dynamic means reacting instantly to changing the situation (R#3,4&5).

As we have taken 5 (Five) interviews from retail employees and asked them almost the same questions and they have answered the kind of similar answer in different ways and tones. Retail code # 2 said- consumers tried to watch the

crowded before entering the store which we haven't seen before. Retail code # 3 said consumers checked the shoes and hands sanitizers at the entrance, employees of stores wear masks or not then got into the store. Consumers didn't even touch the shopping cart unless it is sanitized in front of them (R#1). Retail code # R4 said that the consumers who are more than 50 years old didn't see in the store from March 2020 to end of the month of May.

Importantly, we got the similar type of information with interviewing consumers. Customer code C#1 said "I was very reluctant to go to the normal stores where no shoe and hand sanitizers at the entrance. But only concentrated departmental stores like Trust Family, Agora, shawpno, super shop have these facilities". Code # C 2 stated in her interview that she has ordered over phone and pick it up from in front of stores instead of going into the retail stores. I found exactly similar message from C#7 to R#4. C# 7 is 57 years old who is an owner of a Pharmacy said he hasn't gone to his neither own pharmacy nor to any Retail stores during COVID 19 cause it is health hazard to go to the place where many people gather and even touch anything in the stores.

Proposition 2:

Retail Managers use the pull system in supply chain which is demand-driven rather than based on predictions during the COVID 19 period.

The quotation here is R# 5 said that consumers demand for products have changed during the COVID 19. There are 3 different types of suppliers such as International, National and local. Due to have Transportation problems throughout the world, it was very hard for retailers to import some foreign Grocery products like Rice, Butter, Cheese, Bakery ingredients to prepare Pizza, Cookies, Bread, Cake including Birthday Cake and so on. Code R# 4 stated in his interview that some consumers demand for imported products and Retail store adopted Pull Strategy with international suppliers to satisfy them but it didn't even work out as expected. R# 3 said national suppliers are very much supportive during the COVID 19 to have the products available in the retail stores and keep the country's economy running. R#1, 2, 3, &5 said separately in their interview that they tried to keep the products based on customers demand rather prediction as used to do before Pandemic time. C# 2,3,4,5, & 6 stated in their interviews that they have changed their buying habits from ready-made Fast foods items to raw ingredients and prepare final food in their home cause of not only saving money for rainy day but also much more hygienic especially during Covid 19 period.

Proposition 3:

Consumers' change behaves in shopping in the stores, paying money, online shopping, picking up products asked to deliver products at their doors.

The Internet itself not just a rich medium to use but also has global reach. Many consumers even in Bangladesh like to use social media such as Facebook, WhatsApp, YouTube, LinkedIn etc. Surprisingly, Facebook and YouTube have more than billions subscriber and daily users. Many buyers do change their buying pattern cause of being informed from Digital Technology. C#4 of my interviewers said- they have started on depending online shopping pushed by especially COVID 19. C#2 stated that he became one of the fans of chaldal.com (online Retailer in Bangladesh). C#1, 2, & 6 said in their own way that Digital media work as an electronic word of Mouth which made consumers life easier to gather information including preparing fast food in home. R# 1, 2, 4, 3 are already taking order through Digital technology and delivering at customer's door. C# 7 said "Nowadays, Retailers are at the consumer's door not the consumers are at Retail stores". Social Media plays vital roles that pervasive in their daily life. It is the first time to have online shopping during the pandemic period (Downstream member (C#2, 3, 5, 6&7)).

Proposition 4:

Fear of Missing out (FOMO) effect on consumers buying behavior.

As I have taken 7 interviews from different districts of customers, there was a questions for all of them that is "what is the factor that make them afraid most then least which effect on their purchase behavior"? The Downstream members C#1 said in his interviews that he is afraid of future economic situation which change his buying behavior. He stopped purchasing clothes, readymade fast foods, and the better quality of dairy milk products etc.

C#2 said that she was mostly feared of own and family member's health and that is why tried to purchase fruits which contain vitamin C and D, in addition, all the consumers that I have asked said that they have purchased all the hygienic stuff like hand sanitizers, Masks, and other home cleaning things. As I have found from 7 customers, 5 of them change their shopping behavior due to afraid of health issues. 1of them change purchasing behavior cause of future economic uncertainty and 1 of them feared of their personal job security.

Proposition 5:

Retailers and consumers have learned something from COVID 19 anyway.

Retail stores ought to be arranged in such a way where respected consumers can shop around easily, comfortably, keep distance from each other especially when they are on the queue. (Upstream member R#1&2). Indeed, there are benefits in aspects of hygienic purpose to make the

consumers' shoes and hands germs free before entering into the stores and vigorously believe to continue even after covid-19 over (R#4&5). Downstream member C#1, 2, 3 stated in their interviews, they have learned to keep distance from each other in the public place, purchasing raw ingredients to prepare different foods, cleaning stuff, use plastic money instead of cash and being habituated. Hence, they will continue these healthy habits. In addition, Consumers also provides the advices to retailers for maintaining their stores hygiene, improving quality, technological advice and so on (C#3, 4, 5, 6, &7)

Limitation: Though it's a qualitative research, more interviews could be taken to have more information. It's not easy to manage people especially Retail managers not because of they are busy but not willing to contribute to the Researchers. Consumers also very reluctant to give me time with patience.

Findings: The main finding that Retailers understood consumers purchasing behaviors change as the situation being very unstable in terms of health safety, priority for products, payment methods, offline and online shopping, prefer In versus out of home, Local vs. global products etc. Hence, they are preparing themselves as such kind of products and services provider to handle consumer's volatile demands.

On the other hand, Consumers are being much more conscious than ever in spending money, choosing stores, purchasing products based on priority, preferring to make payments and so on. More importantly, consumers are very much reluctant to go to the stores where distance, wearing masks and hygiene are not maintained.

Discussion and Recommendation: The outcomes of above inspections are too many from different aspects towards impact on shopping behaviors. Though I have

taken interview from only 7 consumers but our discussion was long enough to hear about their relatives and friends buying behaviors also. Consumers use and depend much more time on technology like whats app, messenger than ever to reunite with relatives and friends sitting in the porch and talking about the current global issues, exchanging ideas and information. According to the interviewees, the conversations are very fruitful, helpful to make decisions about maintaining healthy life, purchasing discretionary products and services, ideas of cooking varieties of food in home during the Covid-19 period. We do see and may expect more dramatic changes in consumer behavior cause of speedier and universal adoption of new technologies accelerated by the Covid-19.

As we know, Globalization is one of the major drivers of our economy over more than decades – this is the first time ever travel, global exchange, supply chains even taste and preferences have been severely affected. As I have found from interviewing some Retailers and Consumers that many people are already fostering ongoing localization trends – especially in the foods and retail sectors cause of becoming familiar with unavailability of imported products also locals are cheap as well. Consumers are likely to adopt technology cause of adapting prolong to the house arrest and consuming in more convenient ways.

In these circumstances, what I have found from research that retailers may go for omnichannel strategy where consumers will be empowered to make decisions about the interior environment of retail, maintaining hygiene, purchasing their desired products. Nevertheless, retailers would be just service providers. COVID-19 has a long-lasting impact on the importance of online channels for goods & services.

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