Consumer's Perception towards Buying Groceries Pre and during Covid-19 Pandemic

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Abstract

The COVID-19 pandemic has fundamentally impacted our lives and changed the world as we know it. People are living differently, buying differently and in many ways thinking differently. The paper studies the consumer perception towards buying groceries pre lockdown and during lockdown. The Indian economy is undergoing significant growth in the FMCG sector including food, beverages, grains, cosmetics, etc. the paper found that the consumer attitudes, behaviour and purchasing habits are changing. Many of these new ways will remain post pandemic. While purchases are currently centred on the most basic needs, people are shopping more consciously, buying local, believing in old traditional buying patterns and embracing digital commerce.

Keywords: COVID-19 Pandemic, Consumer Perception, Buying Groceries, Pre-lockdown, Lockdown, Indian Economy

01 Introduction

1.1 Introduction to the company:

The Fast-moving consumer goods (FMCG) sector is the 4th largest sector of the Indian economy. It is characterized by high turnover consumer packaged goods, i.e. goods that are produced, distributed, marketed and consumed within a short span of time. The FMCG industry in India has been dynamic and was undergoing significant change in the years leading up to the pandemic. The sector had been seeing a slow-down since mid-2018, with growth rates steadily declining for the past 15-18 months from the mid-teens to around half of that by Jan- Feb 2020. In this scenario, FMCG players had been trying to compete by way of price cuts and greater offers to consumers in the hope of gaining market share. This is especially true for urban India. As Covid-19 ravages health systems and economies around the world, the lockdown and its accompanying preventive measures in India have deeply impacted the FMCG industry. Indian retailers suffered a significant 71 per cent drop in demand, with no orders received by 95 per cent outlets in the first week of lockdown according to a report by Retail Intelligence platform.

1.2 Need for the study:

The FMCG sector has been largely driven by "single serve on the go consumption" so this is something which is likely to undergo change. The covid-19 pandemic has triggered the entire FMCG sector which has to reset the button instead of restart. There is massive change in consumer behaviour which is largely driven by the adoption of technology and is likely to be the key drivers in the change.

1.3 Scope of the study:

1. This research was conducted through Google forms by sending questionnaires to different parts of Mumbai whether it changed people's buying behaviour on purchase of goods before and after this pandemic.
2. The sample size was 200 because it will help to know the point of view of people whether it actually changed or not.
3. A similar study may be conducted on the same topic.
4. However the study was confined to the buying behaviour of the people in India whether it was affected or was it the same it really did not affect them.

5. This research is conducted to find out whether it affected people or did it remain the same because in many areas of India the pandemic did not affect much so they buying behaviour remained the same.
6. This study will also help the FMCG sector and know more about their industry whether there was a rise in the industry or fall in the FMCG sector or if it didn't affect the sector it remained the same.

1.4 Statement of the problem:

1. Consumers are getting friendlier towards online grocery shopping.
2. There is more focus on personal hygiene whereas the beauty sector has taken a backseat.
3. There has been a shift in shopping behaviour.
4. Companies are also facing logistic issues due to which there is less stock available in local grocery stores.
5. Health and hygiene segment is suddenly catching the attention of industry.
6. Packaged food may snap up some market share from unorganized sector eateries.
7. Affordability would become even more a compelling criterion for the personal care and lifestyle products segment.
8. Use of technology is likely to go up in business planning.
9. Consumers are looking for product differentiation and convenience offered.

1.5 Limitation of the study:

In spite of best efforts to minimise all limitations that might creep in during the course of the research, there were certain constraints within which the research was completed. Since we were not able to take this survey personally due to pandemic, our research has less use of qualitative data which provides deeper insight into consumer attitudes and perceptions towards buying groceries. While this research proves that there is an effect on consumer attitude, it doesn’t further define what these effects are. These effects, which could be positive or negative, can be explored in detail using focus groups or interviews. The research was based on secondary as well as primary data. Since the research is made on the impact of covid-19, there was less data available on the internet, newspapers etc.

There were hardly any research papers on the following topic. It’s not possible to go out and ask people to give their views, so we mailed questionnaires to our contacts and took help from them for this research. We did ask them to share it to their contacts for a better idea. There is inefficient use of qualitative data and use of more qualitative data will provide a deeper insight into consumer attitudes and perceptions towards buying groceries. While this research proves that there is an effect on consumer attitude, it doesn’t further define what these effects are. These effects, which could be positive or negative, can be explored in detail using focus groups or interviews. The following research is done on micro level, the questionnaires were sent to the people living in Mumbai.

02 Literature Review

The final judgment is about the outcome of the forecast. In general, causal models are beneficial as external factors are considered, however a much higher level of data is generally required. Furthermore, qualitative methods consider the business environment, when generating a forecast, as an important aspect for recognizing information related to specific events (e.g. promotions, customer feedback on new products) and changes in demand pattern, which are not perceived by statistical models. The obvious and popular forecasting techniques for causal models are multiple regression models, econometric models and multivariate auto regressive integrated moving average (MARIMA) models (Kilger & Wagner, 2015, p. 135) list eight products that integrate this service, either directly to the consumer or via Terracycle, a company who facilitate recycling on behalf of partner FMCG companies.

However, in the unique case of Fujifilm, the photo development process counts as a take-back service both for recycling and reuse (Zeeuw van der Laan & Aurisicchio 2019; Grant & Banomyong, 2010). Nonetheless, the reality is that end users of FMCG companies, as large as Unilever, face frequent stockouts in the downstream supply chain. A study on demand forecasting system revealed that forecast accuracy varies with a skill level of individuals, and modifications by functional managers (Alvarado-Valencia, Barrero, Önkal and Dennerlein, 2017). The research gap found in this study is that regarding the generation of awareness regarding the selected FMCG products in the rural areas by the retail marketers. There is a contradiction in the various studies done till now regarding the demographics, preference, major influencers, availability of the brand and the role of media in the preference for a brand in the villages.

There were very few studies on the rural consumers of Gujarat with respect to FMCG products. Thus it is in this study, the analysis on the awareness of the selected FMCG products in the rural areas with specific reference to the villages in the state of Gujarat. (Ali, Thumiki & Khan, 2010) Evaluates the impact of advertising on the market of consumer durables, it was found out that the friends are the major influence that was followed by the relatives and therefore they have to be provided while planning of the promotional strategies. (Bhanumathi and Hemameena 2006) The rural markets in India with the demand base and colossal size provide superior opportunities to the marketers. Two thirds of the consumers survive in the rural areas wherein almost one third of the overall income of the nation is produced. It is viewed as a profusion of chances, whether for the marketing textiles, durables and garments, financial services or personal care products. The advertisements and promotions have emerged as the key influencing component in the promotion factor. Therefore it is suggested that the greatest preference has to be provided to the promotional actions. (Mehta and Lalwani, 2000).

The fake FMCGs could be categorized into two types, they are, second – pass – off products and the counterfeit products. The counterfeit product is a type of duplication in which even the unique producer would not be capable of discriminating among a fake and a genuine product. The customers are frequently uninformed that they purchase goods that look like what they desire. This creates worries to the companies since the fake products frequently ride to the victory of the original manufactured goods, eating into sales. Also it might in some cases, create harm to the health and safety of the consumers. This is only because they are of the lower price (Srivastava, 2006) Counterfeiting continues to increase globally because of the high margins achieved through counterfeiting by manufacturers and the demand for trade name goods at value prices by consumers (Amine and Magnusson, 2007). It is at the current rate of development, and growth, the rural market will soon outperform the urban market. He also said that the rural market will not be sleeping any longer. This clearly shows that the significance of the rural market at the current competition is to capture the consumer loyalty and the market share.

India consists mainly of villages and it is considered as the land of villages. It is even today; about 70 % of its overall population survives in villages. The private sector used to ignore this huge population because of the low literacy rate, low level of income and the greater cost due to the inappropriate infrastructure facilities. The unavailability of the appropriate distribution media and the channels and the low awareness makes the rural market to never view upon as the market of profit making. Though, as the development in the urban market began stagnating, the requirement for discovering the new market became apparent. Thus, the organizations began searching for forays into the rural market for development. Though, the consumers in the rural areas are divergent from that of the consumers in the urban market in terms of the attitudes, priorities, interests etc., they possess to be dealt in various ways (Dhumal, Tayade & Khandkar, 2008).

03 Research Methodology

3.1 Methodology and Procedure:

1. The research is used to find out the buying behaviour of the consumer during the lockdown.
2. Both primary and secondary data are used.
3. The secondary data has been collected from research papers, newspaper articles, internet etc.
4. The primary data are related to behaviour and response of customers.

3.2 Sampling Size and Technique

1. Sample size was 200
2. Questionnaire was sent through WhatsApp and using convenient sampling techniques.

3.3 Source of data collection:

For the study, both primary and secondary sources are explored.

a) Primary Data: The primary source includes a well-developed questionnaire to collect the information from a sample of 200 people selected randomly. The questionnaires were distributed from the age of 20 and above through social media (WhatsApp) and mails. The people under study explained the purpose of our study to get their consent.

b) Secondary Data: Apart from questionnaires, to serve the qualitative purposes, articles published in the newspapers about the FMCG companies stating how well they were at handling pandemic issues were used. Secondary sources also include research papers, case studies, articles and journals.

3.4 Data Collection and method used for the study:

The questionnaire circulated included basic demographics, change in buying groceries pre-lockdown and during lockdown, on which segment did they spend the most, buying patterns, shop visits in a single trip, family's overall consumption, did brands really mattered during the pandemic. The pattern used in the questionnaire was direct multiple choice questions. The language used was simple English so as to make it easy for all the respondents to give their consent.

3.5 Data Processing and Analysis:

MS EXCEL and Google Forms Spread sheet are the tools used to gather all the data; and therefore, to analyse it through graphs and give interpretations. In addition, the data processing and Analysis included statistical techniques. All the questions were framed keeping in mind the objectives behind this research.

04 Data Analysis

AGE	20-25 (63%)	26-30 (16%)	31-35 (6.5%)	36-40 (8.5%)	40-45 (6%)
GENDER	Male (65.5%)	Female (33%)	Others (1.5%)		
INCOME	No Income (31%)	Below 100000(24%)	100000-500000(33.5%)	Above 500000(11.5%)	

1. Being the most and with the least falls between the age group of 40-45 years with 6%.
2. Though it is assumed that most of the grocery items are decided by the housewives, the decision on the brand is taken by the male members of the family. Efforts were made to know gender wise proportions of respondents. From the above table it is observed that the majority of respondents are male with 65.5% (131), 34.5% (69) are female.
3. It is clear from the above table that people with no income are 31% (62) because they were students and they don't really earn. Respondents having income between 1,00,000 to 5,00,000 is 33.5% with the most.

	YES	NO	MAYBE
1. Has the pandemic impacted your overall family consumption?	50%	28%	22%
2. Do you face insufficient grocery stock in the market?	48.5%	33.5%	18%
3. Does the brand really matter while shopping during the pandemic?	46.5%	35%	18.5%
4. Does the advertisement influence your buying pattern?	43.5%	38.5%	18%
5. Are your groceries delivered at your doorstep with precautionary measures?	55%	28%	17%
6. Do you think the new normal will change post lockdown?	45.5%	21.5%	33%

1. Grocery store shelves have been empty over time. Half the respondents responded saying yes that it has impacted their overall family consumption because of the lockdown across the country and people tend to binge-eat a lot.
2. While the pandemic has drastically altered our daily routines and there has been panic buying and limited grocery stock in stores. Whereas 48.5% (97) say that they have faced insufficient
3. 46.5% (93) respondents say brands really matter because when it comes to consumer choices, brands matter. Brand products are of high quality in taste and perform well in the market. 35% (70) respondents don't really care about the brands and 18.5% (37) aren't sure.
4. For many years now advertisements have been used to influence the buying behaviours of the consumer. In our research 43.5% (87) respondents have been influenced because advertisements are helpful in creating the awareness and perception among the buyers.
5. Whether you're stepping out or ordering online for the grocery, both put you at risk of contracting the infection. So, staying informed and taking precautionary measures is vital. 55 % (110) respondents were delivered to the grocery with precautionary measures.
6. 45.5% (91) respondents think it will change and 21.5% (43) respondents say no because new thinking will be required to adapt to the new normal post lockdown and pandemic has changed and will continue to change the world.

7. How often did you used to shop for groceries pre-lockdown?	Every alternate day (23.5%)	Once a week (36.5%)	Once in 12-15 days (24%)	Once a month (16%)
8. How often do you purchase groceries during a pandemic?	Every day (6%)	Every alternate day (16%)	Once a week (44%)	Once in 12-15 days (34%)
9. On which segments do you spend more money frequently?	Hygiene (15%)	Food (76.5%)	Beauty (2.5%)	Fashion (6%)
10. How do you purchase your groceries?	Online (14.5%)	Offline (73%)	Through helpers (7.5%)	Others (5%)

7. Running to the grocery store to get chocolates or chips or your favourite cool drink because you crave for it, were all good old days, these are the respondents who used to shop groceries every alternate day are with 23.5% (47).
8. Despite the lockdown orders, shopping for groceries (essential items) remains a necessity during this COVID-19 pandemic. We all need to go out from time to time to get essential items if we are not subscribing to home delivery services. A response for purchase of grocery during a pandemic was the least for every day shopping and every alternate day with 6% (12), 16% (32) respectively.
9. It clearly shows that the majority of the respondents spend more money frequently on food with 76.5% (153) because food being essential and basic necessity of humankind.

10. The above table clearly shows that respondents think that traditional kirana stores and the super markets are still hanging on to their traditional way of doing business. Offline with 74.5% (149), online with 16% (32), 7.5% through helpers and remaining as others are the responses recorded.
11. How many shops do you visit in a single trip?
12. Limit the amount of trips to the grocery store, whether you like shopping or not. It is advised to prepare a shopping list in advance and buy all the essentials/groceries at a time during a pandemic. It is observed in the above table that the majority of the respondents visit 2 shops in a single trip with 36% (72) and followed by single shop 29% (58), 3 shops 21% (42).
13. How much do you spend on groceries in a week?
14. Spending more time at home means spending less money in certain categories and it is found that people spend little extra than usual during the pandemic. Majority of the respondents who spent between 500-1500 is 44.5% (89) and least 6.5% (13) that spent less than 500 in a week.
15. What kind of advertisements influence your buying pattern?
16. Discounts are the most influential of any advertisement formats with 32.5% (65) responses followed by offers, pamphlets, TV ads, word of mouth and others with offers 29% (58), pamphlets 1% (3), TV ads 10% (20), word of mouth 24% (48) and others 3% (6). Simply, discounts and offers attract the consumers and influence their buying pattern.

05 Findings, Suggestions and Conclusion

5.1 Findings

COVID-19 has impacted our lives from all the fronts. Businesses and global commerce will never be the same once the world restarts post COVID-19. Based on the analysis of our framed questionnaire, our findings have several implications. First, the consumer perception across India has changed rapidly. The lockdown has resulted in panic buying and people hoarding essential items such rice, wheat, packaged food, home care products, etc., it seen that people did not stock up much on confectionery or beverages but instead rushed to stock up on essentials. People had a thought process of buying groceries only when in need but the pandemic has fundamentally changed the buying pattern and also in thinking differently.

Second, COVID-19 has changed the way people think and has resulted in more consumers shopping online as personal hygiene and social distancing have emerged as top priorities. As a result, online shopping has become not only a necessity but more of a lifestyle change as we adjust to the new normal.

5.2 Suggestions:

It is seen that the impacts of COVID-19 will take a considerable time to erode from the markets and consumer's minds. The FMCG companies need to take it as a challenge and turn it into opportunities for better business models, the introduction of automation, digital innovation and supply-chain reinvention to rise as the leaders of a new India post COVID-19. Panic buying is crunching the FMCG companies to restock the stores and mitigate consumer demands. New hiring and product baskets can steer FMCG companies towards gains post lockdown. Many companies have experienced a shortage of skilled labour with migration.

New hiring's can help pace-up the manufacturing speeds for companies offering food items like packaged snacks with an attractive valuation. On the consumer's side, companies need to enhance their trust in their brand, keep their panic in check by offering critical information regarding products, stores, and stocks, and stimulate their purchase intentions by employing digital innovation. They should create a safer and more supportive customer experience by stating the safety measures and upgrading what they have done. Though the current FMCG sector has seen volume gains, the future has a lot of uncertainty.

5.3 Conclusion:

FMCG companies will make a comeback after lock down ends if they strengthen their use of digital technology around customers, employees and business operations. FMCG companies can use Social Media for digital marketing, online services and e-commerce, as well as acquiring new customers and opening new businesses as in the coming days we will have more people present on online sites.

Spend percentage of FMCG companies for online promotions and advertising on social media sites is going to increase during and after lockdown. FMCG companies must and will adopt new technology and processes to bounce back. Use of digital applications for remote work, online recruitment, online sales, e-procurement and workflow management can enhance the ability of FMCG companies to cope with the pandemic. FMCG companies, especially the ones with strong brands and distribution, are expected to bounce back as the goods reach across India.

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