

The Future Consumption Habits: Impact of COVID-19

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Abstract: COVID-19 epidemic has transformed the world we live in. The lockdowns, social distancing, isolation, and work from home have had a far-reaching impact on people and their buying behavior. This qualitative research study intends to investigate the multipronged impact of the Covid-19 pandemic on consumer behavior. It intends to study theoretically the main trends that have emerged during Covid-19 which would impact people's consumption behavior and patterns. The study would be carried out by theoretically analyzing the main trends that have evolved during the Covid-19 that can have a long-term impact on Consumption patterns. Many countries are experiencing waves of Covid and depending upon the severity; the new trends are emerging and evolving as the countries are struggling to face this global crisis. The results of the study would be helpful for understanding the future of consumer consumption habits and patterns so that the corporate and companies' too can evolve at the same pace in a similar direction.

1 INTRODUCTION

The first few cases of Corona virus disease 2019 (COVID-19) were first detected in China in late 2019. From there on, it spread rapidly across the world. In March 2020, the WHO declared it to be a global pandemic. The modern century was witnessing such a pandemic for the first time where they had no knowledge about how to deal with such epidemic. Some of the recommended suggestions by medical fraternity were the social distancing, isolation and quarantining. This brought the normal life to standstill, for many countries across the world went into complete lockdowns. It brought a new way of life for many as people were stuck at home working from this safe space.

The Corona virus or Covid-19 has also impacted the consumption patterns all over the world (Eftimov, 2020). All consumption including shopping; searching for information and post consumption waste disposal is location and time bound. Consumers develop habits over time about what to consume, when and where (Sheath, 2020). These consumption habits are repetitive and hence highly predictable. So far, the companies like those selling FMCG products have been forecasting their production numbers based

on many good predictive models and consumer insights which look at the data of the past repetitive buying behavior at the individual level. But with Covid-19, things have changed drastically. The sudden onslaught of Covid leading to emergent lockdowns and curfews leaves the companies in tizzy with no idea about how to predict for the uncertain consumption behavior in these uncertain times. Hence it is extremely important to the trends that have emerged so far and how do they impact the consumption patterns.

2 LITERATURE REVIEW

Covid-19 has not only changed the economies of the nations but also changed the market dynamics. The research of the current times reveals that consumption patterns are changing. People tend to spend less of their income on non-essential items such as clothing, shoes, make-up, jewellery, games and electronics (iRi POS data, 2020). Rather a panic kind of behavior is seen amongst people. Abe (2020) discovered the Covid behavior such as closure of non-essential businesses, people raiding grocery stores for

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stockpiling to cancellation of the most significant world events.

The spread of Covid -19 has especially impacted the Consumer food shopping behavior and consumption and brought in tremendous change. The threat of COVID led to panicked shopping behaviors where people hoarded in great amount which resulted in stock-outs and purchasing limits on many food items (Schneeweiss & Murtaugh, 2020). Such behaviors not only exposed the human nature but also shed light on a complete distrust in the global supply chains. Recent literature has shown that a perceived scarcity of products can significantly affect consumer choices (Hamilton et al., 2019; Pantano et al., 2020).

Another far reaching consequence of the lockdown and no accessibility of retail stores was immediate increase in demand for alternative distribution channels. Unexpected regulations imposing social distancing are further having a vast impact on consumers' favored channel for shopping (Eger et al., 2020). For example, the online grocery shopping witnessed significantly increased growth and demand during the COVID-19 pandemic crisis (Pantano et al., 2020). This was also a introduction of new way of shopping for the older and less digitally-savvy consumers who discovered the online no contact delivery for the first time and have started enjoying this online shopping channels like Amazon and others (Kirk and Rifkin, 2020). The report by CZSO reports that the share of Czechs shopping online this year has increased from 39% to 54% year-on-year (CZSO, 2020).

Another aspect has been the growth in creativity. Merceir et al. (2020) in their study of French argued that in spite of the negative outcomes of Covid, the lockdown have fostered creativity in the people. People are able to reduce their boredom of strict lockdown measures by pursuing creative activities (Faranda and Alberti, 2020) in general. The pandemic lead to shutdown of schools and companies wherein the students and the professionals have been forced to work from home (Alon et al., 2020). This has deeply impacted the work-life balance, as the official hrs tend to overlap the personal hours in such situations especially for women (Carlson, Petts, & Pepin, 2020). Covid 19 led to people having more time free at hand. This increased the social connectivity with increase in phoning or video-calling friends or family. Even there was an increase in messaging friends or family through email, text, or messaging services (Fancourt, 2020). Other than the negative consequences, Covid-19 also had positive aspect with people finding more time to pursue other activities such as exercising, going for walks,

gardening, pursuing hobbies, and taking care of children were the activities associated with the greatest affective benefits (Lades et al., 2020).

Thus Covid -19 brought in changes in Consumer behavior in general life some positive and some negative. Some researchers speculate that once we emerge from the aftermath of COVID-19, behaviors will return to normal, while others suggest that behaviors will stick and set a new trajectory. Therefore it is important to understand all these aspects in detail and identify the main emerging themes that can impact the consumption patterns of Future. The in depth analysis of the extensive literature available on Covid 19 patterns brought forward few main themes that are explained in Section IV of the paper.

3 RESEARCH METHODOLOGY

The research journey began with finding an array of papers which were focused on consumer buying behavior and patterns during Covid 19 as well as an analysis of relevant published surveys during COVID-19. The key words such as Consumer Behavior, Covid 19, Buying patterns, consumption etc. were used to search the databases such as Clarivate analytics, Scopus, web of Science, Thomson Reuters, EBSCO, Google scholar etc. Initially papers were shortlisted on their relevance of abstract and those found relevant were then further analyzed. In end 45 papers were found to be most relevant to the theme of the study which was then examined in depth. This article overall examined the main changes in consumer behaviour caused by the COVID-19 environment and subsequent lockdown period. Further literature was also explored to find out the reasons of these behavioural changes in consumer decision-making process in times of crisis.

4 ANALYSIS

On the basis of literature available and after detailed analysis of the selected theme changing customer pattern, following factors has emerged as strong ones which will have a huge and long term impact on changing customer habits and needs.

Stockpiling Behavior. The anxiety induced by the pandemic perpetuated stockpiling behaviors (Hobbs, 2020). Analysis by DecaData shows that the panic-buying behaviors of consumers began on March 10,

as purchases of hand sanitizer, household cleaners, facial tissue, and toilet paper increased to nearly 30 times the rate from earlier weeks. Purchases of these items levelled off by the end of March. However, this may have been attributed to inventory stock-outs rather than settled behaviors (DecaData, 2020). Furthermore, stock-outs could effectively perpetuate negative consumer attitudes and contribute to greater levels of uncertainty, as shoppers arrived at the store only to find aisles of empty shelves, and were left without information about when essential items would become available again. These observations are not unlike those established in the literature that evaluates consumer-purchasing behavior surrounding natural disasters like hurricanes, earthquakes, and floods (Dovarganes, 2005).

Creativity. Complete lockdown, self isolation and physical disconnect with social life has resulted into boredom and also impacted the mental health of the people. New generation who has a habit of social gatherings are now complaining stress, unrest sleeping patterns and other psychological and mental problems (Kapoor et al., 2020). Researchers believed that with these constraints consumers has to move to new ways of enjoying life by discarding the old habits of social gatherings etc (Merceir et al., 2020). Pandemic has made people to learn new things where Zoom funeral services and Side walk weddings are examples of such creativity and breakdown of old set habits (Salje et al., 2020).

Change in Purchase Pattern. As pandemic has stopped the ways of earnings for many people that has resulted in the change in demand of some luxury items like automobiles, home appliances etc. Due to uncertainty in getting income or profits has developed a pattern in society of postponement of purchasing luxury items and deferring the payment and consumption of discretionary products and services (Eger et al., 2020). It is also concluded that this uncertainty has now shifted the demand pattern from now to future which has put challenges in front of big companies to come up with some new set of strategies. A new concept of pent up demand has also been studied during this crisis which is still into discussion on different platforms as few economists believe that this new concept is somewhere linked with the terms GDP, National income and growth of the country which are commonly used, discussed and part of macro environment (Kirk and Rifkin, 2020)..

Exploring New Online Platforms. Due to Pandemic, Use of excessive online platforms and

exploration of digital tools has put a huge impact on Consumer daily lives. Stringent regulations and new rule structure and an every time message of social distancing have impacted sales of big shopping malls that were earlier in high demand among customers. Pantano et al. (2020) touches on that consumers are unearthing the convenience and benefits of online sales services after reevaluation of their shopping habits. This has caused a change in tide of the behaviour of consumers toward online purchases due to the safety and comfort aligned with the home delivery and in-store pickups. Exploring new technological tools, new patterns of shopping, new shopping sites are some results of pandemic on society and environment (Vlassis, 2021; Carrillo, 2020).

Products at Door Step. Due to Pandemic and stringent rules and regulations of government in various countries like India, Italy etc to shut down market and departmental stores it's become difficult for consumers to fulfill their basic needs. In such a situation, Companies has made the things easy for them by delivering necessary items at door step. Not only grocery items and other necessary things but education and health services are equally at door step and just a call away (Pantano et al., 2020). In such a scenario we can easily conclude that digitization has made a reverse flow of work, healthcare services, shopping and most important education from physical stores to online platforms at home. Home delivery of almost every basic need has broken the old habits of the customers of visiting physical stores and big shopping malls (Kirk and Rifkin, 2020). In respect to the above changes in consumer pattern which has resulted in convenience and personalization has also put forward a question for the researchers- whether this changing pattern and facility of In home everything would impact consumer buying pattern of unplanned and planned consumption or put new challenges in future (Hamilton et al., 2020).

Work Life Imbalance. Work from home, limited space, off to social gatherings, multitasking, all these have made the people sit at one place like prisoners in the jail. Pandemic has no doubt resulted in taking away the social life and space from people. People of almost all the age whether kids, teenagers, adults or senior citizens all are more or less affected by the pandemic wave. Be at home has not only increased the work but has also resulted in increase in needs and demands with limited resources available (Alon et al., 2020). This increase burden of work has removed the partition between work life and personal life of the people which needs to be cemented again to make

effective balance between home and work (Carlson, Petts, & Pepin, 2020).

Connecting Globally. Pandemic though has resulted into destruction and shutting of various sources of earning for people but the only thing which seems to be positive is because of work from home, people has now understood the value of their family members, friends and close ones. They now looked towards their better half's, friends and close buddies with a hope to share their stories and experiences which in turn make them remember the days of their college and family occasions (Fancourt, 2020). Scheduled get together and be in touch with the old ones to share experiences and special moments has now become so common and regular among people that they are now enjoying and considering it the best moments of their life. It is a stage when we all are packed in four walls and connecting with each other globally through various social online platforms like Zoom, Whatsapp. As more and more people has moved to digital platforms and now exploring new technologies and adapting it at faster speed, it's high time that we could see a change in consumer behavior towards the adoption of these new technologies and its usage to them which has make their life easier or complex.

New Skill Set. Due to Pandemic which has forced the people to work from home has also given a wide scope of exploring new things. Availability of time has engaged them in new creative hobbies like experimenting new recopies, playing music and sharing their knowledge and skills with others through varied online platforms (Valdez, 2020). This has not only given them chance to show their talent or to add value to their skill set but also given them ample amount of time to explore the online shopping sites in more creative manner (Lades et al., 2020). With this added advantage to the consumer skill set of exploring new things, they are now turning to be producers coming up with new possibilities of commercializing products on different platforms like YouTube etc.

5 CONCLUSIONS

Covid – 19 has brought in new era, a new way of living. The consumer behavior and consumption patterns have changed maybe forever. Producers, Wholesalers and Retailers are well aware of this fact that pandemic has changed the game and it would affect the level of selling and marketing of their products. These businesses therefore need to adapt

with the changing pattern and huge demands as they have little time to respond and take action and shift to online distribution. On the other side, it is also seen that customers who were previously purchasing the brands and the non essential items in large quantity have stopped doing that for the current time. But majority of researchers have predicted that they will be surely return to their normal habits of purchase though medium might be different this time. Pandemic has impacted all the sectors where the Offline stores bore the brunt while the online had a tremendous growth. Thus in end we can conclude that Covid -19 has changed some consumer habits forever while in case of some habits they shall return to the pre Covid times. The Corporate and the retailers should therefore be ready to adapt to both the circumstances.

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