



Post Covid-19 Impact of Consumer's Buying Behaviour on FMCG Sector.

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ABSTRACT

There is no doubt that the crisis caused by the global coronavirus pandemic has created a very challenging market climate. Many businesses have experienced partial or even extended stoppages, leaving employees with financial uncertainties and concerns for months. Consumer behaviour has been compelled involuntarily to change their consumption habits on a large scale. Concerns about the delivery of commodities have prompted many people to make rash purchases of essential materials in large quantities. The perception of a long-term recession and financial insecurity will have a significant impact on customer expectations, outlook, and actions. During the coronavirus crisis, the current study attempts to analyse and quantify customer preferences, emotions, and consumer behaviour.

1. INTRODUCTION

1.1 Background

Consumers have always been the key aspect when it comes to any sector of the industry, with time we have seen a huge change and huge adaptation in the buying behaviour of the Consumers. Post-Covid 19 buyers have become more careful about their health and hygiene so they have adapted and shifted towards more natural products which can help and boost the immunity system which also provides an opportunity for better health development for the future. Knowing and having this knowledge helps everyone in different sectors. This is the reason for choosing the topic.

1.2 Objectives of the Study

- Finding out the factors that help and understand the consumer's shopping decision making of consumers
- Gather a general Understanding of the key aspect of the consumer buying behaviour in the FMCG sector
- Consumer Behaviour on the changes in the buying behaviour post-Covid 19

1.3 Research Subjects:

Pan India

2. Literature Review

1. Covid-19 pandemic have surprisingly impacted several economies. In India, the parameter of 'GDP' growth rate was next to china. Before Covid-19, India being the democratic nation still has the issue of hunger, illiteracy, casteism etc. But, with the advent of Corona, this all hypes up in India. It has badly affected the poor strata of the society. At times they were deprived of the food. Not only food but the demand for hand sanitizers, hand wash and other health hygienic products has increased at a rapid pace. Also with advent of online marketing during covid-19 times, near about 600000 Kirana outlets might have shut down during lockouts, they have experienced a liquidity shock or have the owners returned to villages and were scared that most of them might not reopen. (Dr Yogesh D Mahajan, 2020)
2. During pandemic there were major two shocks that country was going through i.e. a health shock and a economic shock. FMCG sector has to face huge crises on the basis of financial conditions as the consumers have become more conscious about their health and choosing of any kind of product. Some of the financial terms of FMCG sector are as follows: - In post-covid the RSI average is 53.73881014. Therefore, it indicates that the share is neither over brought nor oversold of FMCG. The results of ADF indicates that the index price of FMCG sector has been obtained stationary at all levels. T- statistics value (-16.16702) is lesser than critical value in all the levels. The P value confirms that there is rejection of null hypothesis. (S. Rajamohan J. Jenefer A. Sathish, 2021)
3. With the reference of Van Hien University of Vietnam, it has been seen that general behaviour of Vietnamese has drastically change with the impact of covid-19. 47% of Vietnamese have changed their eating habits. After this pandemic the consumers are choosing or shifting to more

safer products. On the other hand, Covid-19 has positive impact on Vietnamese people. Increased awareness in Vietnamese consumers about health care has been improved. There has been increase in the market share of E-commerce, Online shopping and fast delivery services. This research paper talks both about positive and negative impact of Covid-19 on the consumer behaviour towards FMCG sector.

4. Covid-19 has impacted FMCG severely, because of restrictions of movements, social distancing, concerned more about health, and the restriction on consumption of Food & Beverages and panic. The revenue of FMCG sector has been decreased from 9-10%. Many strong initiatives are undertaken by different governments to contain the outbreak. However, Supply Chain & Logistic issues, lack of adequate labour force, operations limiting to production of only essential items etc. are some of the few examples most FMCG companies are facing across the globe. (Abhijit Sen Gupta, 2020)
5. Post Covid-19, the FMCG companies are creating more exclusive strategies towards rural areas. The rural market with its vast size offers great opportunities to Companies. The rural economy contributes nearly half of the country's GDP. More than 50 percent of the sales of FMCG companies come from the rural areas. In recent years, rural markets have acquired significance in India. In this context, a special marketing strategy, namely, rural marketing has taken form. The article studies effectiveness of the advertisements in creating responsiveness for the FMCG products. (Gunasheela C, 2020)
6. Despite the lockout, the State allowed food distributors, who account for around 60% of retail transactions in supermarkets, to continue working while selling crucial and public safety goods. Despite an initial surge in demand owing to panic purchases or panic buying, supermarket stores have had difficulty replacing stocks due to supply chain interruptions that resulted in shortages of goods of a certain commodity, which included hygiene and food products. Regardless, the storey of rural India is one that should not be overlooked. Rural India's FMCG sector has recently grown at a faster rate than its urban counterpart, with FMCG items accounting for nearly a third of total country spending. With over 40% of India's FMCG division's overall income coming from semi-urban and rural areas, and about 12% of the country's population residing in cities, the Indian provincial FMCG market is poised to be a strong catalyst for the industry on the loose. (PUNEET KUMAR1*, NIDHI AGARWAL2 AND HIMANI SARASWAT1)
7. People bought more fast-moving consumer products on Amazon and other e-tailers than they did on kirana stores, malls, and other stores, compared to offline sales via kirana stores, malls, and other businesses. According to a recent analysis by Kantar World panel, worldwide FMCG online sales rose seven times faster than total FMCG sales in the year ended 30 June 2019. According to the estimate, by 2025, online grocery sales will have doubled, accounting for 10% of global FMCG sales. Fast-moving consumer products, such as cosmetics, food and beverages, skincare, and other categories, account for one out of every two items purchased in India via online shopping platforms such as Amazon and Flipkart. (PUNEET KUMAR1*, NIDHI AGARWAL2 AND HIMANI SARASWAT1)
8. The FMCG industry is experiencing severe turbulence around the world as a result of the global epidemic, Covid-19. The industry is dealing with a surge in demand for critical items around the world. Hand care goods such as hand washes and hand sanitizers, as well as household cleaning products, are in high demand at an unprecedented rate. These products are intended to help the FMCG business recover some of its losses. However, since the global epidemic, Covid-19, rigorous lockdowns, transportation issues, stockpiling, and a labour scarcity have been some of the major hurdles experienced by most FMCG companies. (Vesheshta Thakur* and Prabha Kiran†, 2021)
9. Due to the countrywide shutdown, consumer purchasing behaviour shifted dramatically. The shopkeeper was finding it difficult to deal with the large crowds who had gathered to buy necessities. Because of the scarcity of goods on the market, customers were perplexed. When looking at the impact of the lockout on shops, it was discovered that critical items remain a top priority, and that customer behaviour was well recorded in retail outlets that stocked up on these things before the lockdown was declared. Nearly three-quarters of consumers (70%) prefer to buy groceries in person, while nearly half (47%) prefer home delivery and 17% prefer curb side pickup. (Dr.Ganesh Pandit Pathak)
10. The COVID issue is drastically altering people's lives and activities, as well as causing significant changes in consumer behaviour. Customer behaviour is currently being studied through the lens of the pandemic, and before making a decision, a consumer must consider various caveats, increasing the number of factors that influence their buying pattern. Exploring decision-making at the microeconomic level demonstrates that various social, psychological, and economic aspects influence choices during the epidemic. This paper examines the effects of COVID-19 on consumer behaviour in India by examining a consumer's individual decision-making process and aggregating the results to reveal macroeconomic trends. While the macroeconomic study is a time series analysis based on three time periods, namely "pre-outbreak," "during outbreak," and "post-outbreak," India's vast inequality necessitates a separate analysis based on "rural" and "urban" consumption trends. (Arunima Srivastava)
11. Consumers are acting and modifying their behaviour in real time in the COVID-19 epidemic era, which marketing managers should be aware of. As a result, there is a true risk of taking a "wait-and-see" approach and waiting for things to return to normal before acting. Years of (empirical) marketing research have demonstrated that recessions offer marketers the chance to expand their brand's market share, particularly if they are willing to look long term. Vafainia presented a few practical recommendations for marketing managers to successfully re-organize their marketing efforts during an Economic Recession, based on the marketing literature: General Marketing Spending, Advertising, Price and New Product Launch.
12. The COVID-19 epidemic has wreaked havoc on many aspects of life, making it difficult for individuals and businesses to cope. This scientific method focuses on emerging consumer trends and behaviours. The primary trends observed include cost cutting, giving basic requirements a higher priority, changing the structure of the consumer basket, expanding digitization, boosting home delivery, reorienting toward local shopping, omnichannel services, and a growing emphasis on green content. Another goal of the study is to alter, enhance, and improve marketing, particularly marketing policy, in response to consumer change. These goals will be met through digital marketing approaches, as well as product, communication, distribution, and pricing plans and tactics that are tailored to the new reality. (Victor Danciu, 2021)

13. Following the first shock of the COVID-19 epidemic, supermarket operators battled to keep up with closures, unexpected demand, and federal and state laws being voted upon and enforced on a daily and weekly basis, the industry conversation swiftly shifted to "what will stick." The industry's attention shifted from consumer-packaged goods (CPG) to reseller (supermarket) to try to identify early customer responses that would evaporate post-pandemic vs those that would persist longterm. The impact of the COVID-19 pandemic in 2020 is used in this article to assist merchants and consumer packaged goods corporations in predicting future food sector consumer attributes, purchasing habits, and other activities. The consequences of this research are to propose to food marketers the long-term behavioural adjustments we are experiencing in the food sector as a result of the COVID-19 pandemic in 2020. The data was acquired mostly through panel discussions with eighteen food industry professionals who collectively represent over \$300 billion in sales and work in a variety of sectors, including retailers, consumer packaged products, brokers, wholesalers, and sales. According to research, the primary changes to the food business that might result from a pandemic in 2020 can be divided into five categories: cookery and health, supply chain analytics, selection, fulfilment, and suppliers. From the n=120 panel responses, these five areas accounted for 86.7 percent of the total. After that, the study moves on to specific solutions for practitioners. (Dr. Russell J. Zwanka, 2022)
14. The research looks at global trends that have evolved in the previous two decades, such as digitalization as represented in e-commerce, sustainable production and consumption, and the most recent global crisis - the coronavirus pandemic - to see how these affect customer behaviour. The study utilises qualitative research methods such as content analysis, secondary statistical data analysis, and primary research among the younger generation in Prague, Czech Republic, in April 2020. Several of the study's assumptions were proven, including e-commerce-based sales strategies and sustainable production and consumption, both of which have a significant impact on people's buying habits. The coronavirus pandemic will represent a turning point in the way we live, create, and consume in the future. The authors concluded that new attitudes and behavioural patterns among customers that emerged during a short period of coronavirus quarantine (general rapid adoption of online shopping, prudent financial spending, a positive trend in purchases of domestic food produced by sustainable agriculture and qualitative labels, successful adaptation to distance e- learning) would most likely change consumer behaviour in the long run. (Lenka Švecová, 2020)
15. The pandemic altered consumer choices and the makeup of the consumer basket. Each generation views the virus's influence on various aspects of our life in a unique way, which is primarily determined by the values that define each generation. The link between the generation-specific value system and the virus-induced changes in consumer behaviour is the subject of our research. We focused our primary data analysis on the pandemic's impact on consumer habits, the makeup of the consumer basket, and customer behaviours that varied by age and are linked to the individual value system. We were able to assess how the consumer basket evolved as a result of the crisis based on the findings, analysing which product and service purchases came to the fore as a result of the crisis, generation by generation. (Ágnes Csiszárík- Kocsir*, Mónika Garai-Fodor and János Varga)

Research Design

The research design can be thought of as a road map that leads you through the research process and illustrates your decisions at each stage. Mixed-method research, on the other hand, necessitates greater consideration and review when choosing a study design, as four distinct types of research have been identified.

The triangulation design, for example, is one of the designs that can be used in a mixed methods study. The embedded design, the explanatory design, and the exploratory design are three types of designs.

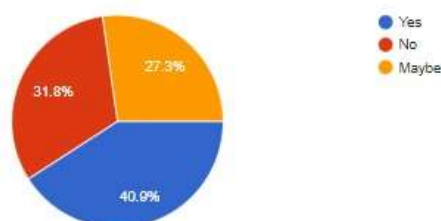
As a result, the research design of this study defines the research issue and provides a holistic assessment of the research's progress. In order to facilitate the progress of fulfilling the research purpose, this determining the research purpose and the interface with empirical data are addressed in the research design.

Furthermore, to increase the comprehension of the studied phenomena and develop the structure of both the qualitative and quantitative data collection methods, a literature review has been developed. The first phase of the research design will be constructed based on the developed literature review, semi-structured interviews. On the contrary, post conducting the qualitative part of the research, the literature review will structure a guideline for developing the quantitative data collection method, closed-ended survey questions.

DATA ANALYSIS

Did your buying behaviour change post covid-19

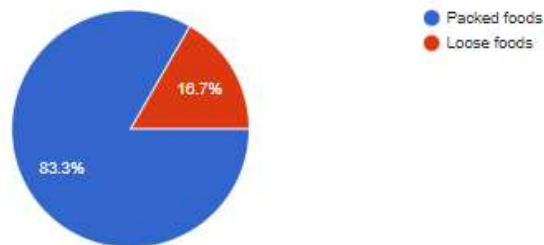
66 responses



According to the Responses from the target there was about 40.9%, Experienced changes in the buying behaviour of the customers.

Now do you prefer packed food or loose food?

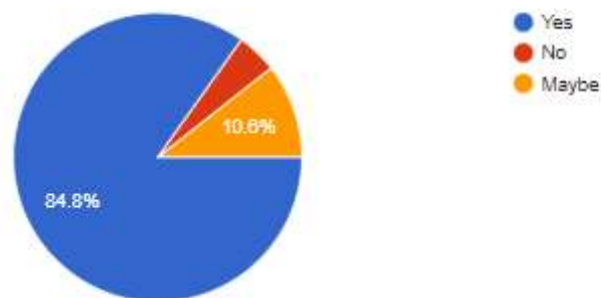
66 responses



We can say after looking at the people preferences has shifted to the packed foods more which is more safe and hygienic according to the target audience.

Post Covid 19 has your buying changed for hygiene Products (Hand Sanitizers , face mask)

66 responses



There was a huge impact and still for the hand sanitizers as well as face masks people haven't shifted there needs of these product's 84.8% people are consuming and have changed there buying behaviour for these products and which has resulted in FMCG companies focusing more towards these products from post covid19.

Method

In this paper, an abductive approach was used. The purpose of this exploratory research was met by using a combination of qualitative and quantitative methods. We collected the data from google forms.

Purpose

This research is exploratory and constructive in nature. Its goal is to gain a better understanding of the changes in customer purchasing behaviour brought about by Covid-19 in the FMCG sector. The aim of the study was to identify the buying impact of the consumers in the Indian market. This paper is exploratory and constructive in nature. The purpose of this paper is to provide a more in-depth understanding of the change in customer purchasing behaviour during the Covid-19 pandemic.

CONCLUSION

The COVID issue is drastically altering people's lives and activities, as well as causing significant changes in consumer behaviour. Customer behaviour is currently being studied through the lens of the pandemic, and before making a decision, a consumer must consider various caveats, increasing the number of factors that influence their buying pattern.

Exploring decision-making at the microeconomic level demonstrates that various social, psychological, and economic aspects influence choices during the epidemic. Individual consumers are increasingly turning to the internet to make purchases, and e-commerce has benefited greatly from the crisis. This customer behaviour is likely to endure post-crisis; enterprises' profitability, both during and after the crisis, is dependent on their ability to adjust quickly to shifting consumer behaviour. Technology is progressively being integrated into the purchasing and selling process; it is a tool that must be used well to optimize an economic agent's cost benefits.

The epidemic has highlighted the stark inequity that exists in society; although IT workers have transitioned to a Work from Home paradigm, people in the manufacturing and agricultural sectors of the economy have been laid off. Due to the imposition of a sudden lockdown, migrant labourers in metropolitan areas were strangled and forced to flee their homes. It's an oversimplification to think of this crisis as just a life-or-death issue, because there are costs linked with the lockdown's socioeconomic aspects. Furthermore, these expenditures are not dispersed evenly among individuals. The costs of behavioural interventions such as lockdowns are higher for the most underprivileged members of society.

Furthermore, it is critical to recognise that consumer behaviour was inevitably changing, but that this rate of change has been hastened as a result of the pandemic. As a result, the supply and distribution mechanisms must be revamped to keep up with the rate of behavioural changes. Adopting online methods of distributing goods and services, growing digitisation in production methods, and building a strong trust of safety and guarantee between consumers and suppliers are all part of the solution.

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