

Impact Of Psychological Variables on Consumer Behaviour During the Covid-19 Pandemic

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Abstract

The COVID-19 outbreak is further advance to just a well-being crisis; it has thrown our entire way of life into chaos. A study of economic statistics on sales shows that this dramatic scenario has had a substantial impact on individual spending levels. In order to better understand these transitions, the current study focuses on consumer behaviour and its emotional antecedents. Previous study has found that crises have a variety of effects on people's motivation to acquire essential (i.e., utilitarian) and non-essential (i.e., non-essential shopping) items (i.e., hedonic shopping). As a result, we used a fine-grained method to disentangle needs and non-essential when assessing whether variations in spending levels were connected with deviations in consumer behaviour. During the phase of the epidemic in Mumbai, we conducted an online survey with 4000 individuals(ages18-64). Consumer behaviour difference wrt to gender in context to Self-Justifications, Spending-Habits, Choice-Strategies, Fear for COVID19, Perceived Economic Stability. The current study enriched our knowledge of how consumer behaviour altered during the COVID-19 pandemic with special emphasis on impact of gender and also regarding the changes in essential product and non-essential goods. The findings could aid in the improvement of marketing tactics that ponder psychological factors in order to cater to the requirements and moods of real customers.

Introduction

Coronavirus disease 2019 (COVID-19) is a lower respiratory tract infection (SARS-CoV-2) that was first diagnosed in Wuhan (China) in late December 2019. Since then, the number of COVID-19 contagions has been steadily increasing over the world. The World Health Organization (WHO) designated the COVID-19 outbreak as a global pandemic in March 2020 . To combat the virus's spread, numerous national governments enacted long-term complete or measures of partial lockdown. Although these rigorous precautions have shown to be effective in preventing the virus from spreading further, they have had a significant impact on the global economic system, causing an unprecedented shock to economies and labour markets. In fact, the COVID-19 pandemic is far more than merely a health catastrophe, since it has had a significant impact on society and economy. More than any

other interruption in this decade, the COVID-19 pandemic has had an unpredictable impact on how we work, communicate, and shop . This severe circumstance has profoundly changed consumer attitudes and habits, as evidenced by a review of economic statistics on sales. The propagation of the COVID-19 pandemic, according to a Nielsen Company study, resulted in a worldwide observable change in spending levels related to consumer behaviour. In particular, there has been an increasing trend in the sale of essential: customer priorities have shifted to the most fundamental needs, such as food, hygiene, and cleaning items. In particular, there has been an increasing trend in the sale of essential: customer priorities have shifted to the most fundamental needs, such as food, hygiene, and cleaning items. Throughout the epidemic, consumer shopping choices and behaviour in India have shifted. When COVID-19 first swept over Europe, Italy was the foremost country to experience it (amid March and April 2020).

Consumer behaviour tended to obsessively emphasis on purchasing important commodities, such as protective equipment and sanitising gel, which are strongly linked to preventing the infection. The pandemic altered consumer behaviour, resulting in lower sales for few product groups (e.g., clothing) and higher sales for others (e.g., entertainment products). Furthermore, research has shown that job insecurity and unpredictability in by Indian workers during the epidemic had a negative impact on their consumption behaviour. It should come as no surprise that in such a dire scenario, the necessity to purchase essentials takes precedence. However, slight attention has been paid to the research of impact of Demographic (Gender & Age) on elements such Self Justifications, Spending Habits, Choice Strategies, Fear for COVID19, Perceived Economic Stability during the COVID-19 epidemic. Further to understand if there is a Change in the consumer behaviour toward non-essential products.

Literature Review

To better comprehend consumer behaviour in stressful conditions, a recent study advocated distinguishing between essential and non-essential products. As per the authors, the disparate outcomes on the association among anxiety and consumer behaviour could be attributable to the element that pressure has a detrimental impact on some purchasing habits while having a beneficial impact on others, dependent on the type of product being studied. On the one hand, it has been suggested that by making everyday survival supplies readily available, customers will be additionally be ready to spend cash on essentials (rather than non-essential). As a result, recent study has found that purchasing essentials increases during and after a traumatic occurrence. Supplementary findings revealed that thoughtless non-necessities purchases (i.e., hedonic shopping) may rise as a means of escaping or minimising the suffering associated with the scenario. That is, purchasing non-essentials is utilised as an emotional managing mechanism to deal with stress and unpleasant emotions. Durante and Laran hypothesised that consumers undertake strategic consumer behaviour to regain control in stressful times in order to reconcile these findings. As a result, consumers with high stress levels are more

likely to conserve money and spend strategically on things they perceive to be necessities. Importantly, when it comes to the influence of perceived stress from the COVID-19 pandemic on consumer behaviour, a recent study found that higher levels of perceived stress increased the prospect of purchasing bigger amounts of food. Self-justification methods are another psychological element implicated in consumer behaviour that warrants specific consideration. The cognitive reassessment process by which people attempt to alleviate cognitive dissonance caused by a incongruity between beliefs, values, and behaviours is known as self-justification. To escape the feeling of being wrong and keep a positive sense of self, people frequently strive to rationalise their decisions. It is well accepted in consumer behaviour studies that customers emphasise positive reasons that backing their choices while downplaying counterarguments that call their conduct into question. According to earlier study, self-justifications for purchasing non-essential products in the context of the COVID-19 epidemic could include pursuing independence and avoiding boredom.

The pandemic's unusual environment may suffice to justify the procurement of those critical commodities, and other arguments may not be required.

However, most research to date on consumptive reactions to crisis is focused on man-made disaster such as war (e.g., Finsterwalder, 2017; Jebarajakirthi & Lobo, 2014), terrorist attacks (e.g., Floyd, Gibson, Pennington-Gray, & Thapa, 2004), and pollution (e.g., Frank & Schvaneveldt, 2016). Marketing scholars have noted that there have been very little research on how consumers react to natural disasters such as hurricanes (Baker, 2009; Guion, Scammon, & Borders, 2007; Kennett-Hensel, Sneath, & Lacey, 2012; Sneath, Lacey, & Kennett-Hensel, 2009). With this in mind, the current study investigates the experiences and shopping behavior of those impacted by Hurricane Matthew, considering how variations in fear experienced during the hurricane influence shopping atti-

tudes, regarding perception of access convenience and transaction convenience in times of natural disaster. However, most research to date on consumptive reactions to crisis is focused on man-made disaster such as war (e.g., Finsterwalder, 2017; Jebarajakirthy & Lobo, 2014), terrorist attacks (e.g., Floyd, Gibson, Pennington-Gray, & Thapa, 2004), and pollution (e.g., Frank & Schvaneveldt, 2016). Marketing scholars have noted that there have been very little research on how consumers react to natural disasters such as hurricanes (Baker, 2009; Guion, Scammon, & Borders, 2007; Kennett-Hensel, Sneath, & Lacey, 2012; Sneath, Lacey, & Kennett-Hensel, 2009). With this in mind, the current study investigates the experiences and shopping behavior of those impacted by Hurricane Matthew, considering how variations in fear experienced during the hurricane influence shopping attitudes, regarding perception of access convenience and transaction convenience in times of natural disaster.

The majority of research on consumer reactions to crises has concentrated on man-made disasters including war (e.g., Finsterwalder, 2017; Jebarajakirthy), terrorist attacks (e.g., Floyd, Gibson, Pennington-Gray), and pollution (e.g., Floyd, Gibson, Pennington-Gray).

In addition, various research has found that household revenue has a considerable impact on people's costs. The study found a positive association between income and spending levels, which is unsurprising. Money earned on a regular basis from labour or investments is referred to as income. Surprisingly, another research has found that self-perceived fiscal stability is a better predictor of consumer behaviour than real income. People frequently express subjective experiences of income inadequacy, even though their real financial condition contradicts this belief. The social comparison process is an intriguing explanation for this prejudice. Indeed, a study by Karlsson et al. found that, compared to families who consider themselves to be in good economic standing, families who considered themselves

to be in worse financial standing did less consumptions of goods, a greater perception of the impact of their most recent purchase on their finances, and more careful planning of purchases. Furthermore, a recent study conducted during the COVID-19 disaster found that persons who thought they had inadequate financial means were the ones who were most concerned about their prospect.

Understanding the aforementioned influences on consumer behaviour is important for two reasons. To begin with, such research can aid us in better understanding the underlying causes of changes in customer behaviour in the unique COVID-19 setting. Second, the insights might be used to develop new marketing strategies. On the one hand, during the COVID-19 outbreak, businesses may be able to leverage this information to enhance sales. Furthermore, considering these needs and moods which could act as crucial in strengthening the marketplace's ability in responding to forthcoming pandemics and disasters. Consumers, conversely, may benefit from the ability of this new marketplace to respond to their sincere requirements and feelings. Personal, economic, mental, situational, and social factors can all influence consumer behaviour. In complex scenarios like a worldwide epidemic or a national disaster, however, some elements have a stronger impact on consumer behaviour than others. Situations that threaten people's social life or put their health in jeopardy have been demonstrated to elicit major behavioural changes.

Gap Analysis All of these criteria have been linked to consumer behaviour in prior studies, but to our knowledge, no study has taken them all into account at the same time. As a result, we used an method to get one of the first impressions of the role of the various factors affecting consumer behaviour, in view of both the absence of studies that have engrossed on these aspects at the same time also the distinctive chance towards examining them in the view of an extraordinary worldwide pandemic. Furthermore, there are two major components of the current study that are innovative. First, we used a fine-grained technique to detangle essential from non-essential, based on past research showing that crises impact people's propensity to acquire essential and non-essential products differentially. Second, in light of the

unprecedented circumstances surrounding the COVID-19 pandemic, we used an approach which look into the impact of factors like Self Justifications, Spending Habits, Choice Strategies, Fear for COVID19, Perceived Economic Stability fear, Agreeableness influencing consumer behaviour.

Objective of the study

- To study the Changes between General Spending, Non-Necessities Spending and Necessities Spending
- To examine the change in the spending patten of essential and non-essentials products.
- To explore the impact of gender on Spending Habits, Choice Strategies, Fear for COVID19, Information, Perceived Economic Stability, Self-Justifications.

Hypothesis

H₀₁: There is no Changes between General Spending, Non-Necessities Spending and Necessities Spending

H₁₁: There is no Changes between General Spending, Non-Necessities Spending and Necessities Spending

H₀₂: There is no significant impact of gender on Spending Habits, Choice Strategies, Fear for COVID19, Information, Perceived Economic Stability, Self-Justifications during Covid times.

H₁₂: There is no significant impact of gender on Spending Habits, Choice Strategies, Fear for COVID19, Information, Perceived Economic Stability, Self-Justifications during Covid times

Materials and Methods Research Methodology

Primary and Secondary data were extensively used for Research Study. Primary Data collected through 400 consumers from Mumbai region. A systematically structured questionnaire was used for the same purpose. Secondary data was collected through different web sources. Appropriate statistical techniques were used to test the Hypothesis of study, and inferences were drawn from the same, and the conclusion was drawn

Data Analysis-Response Analysis

Results

Discussion

	Mean	N	Std. Deviation	Std. Error Mean
Changes_in_Non_Necessities_Spending	36.15	393	256.41675	4.08817
Changes_in_Necessities_Spending	89.9	393	198.14355	3.1591

Interpretation of data analysis values-

Firstly, we examined the changes in the average spending level in general. Then, we performed dependent (paired) sample *t*-tests between “Changes in essential product spending” and “Changes in non-essential spending” to examine differences between products framed

as necessities and non-necessities in which the mean value of Non-essential is 36 whereas for essential products is 90, which clearly indicates that there has been a significant change in the essential product purchase in comparison to general as well as non-essential products.

	N	Correlation	Sig.
Pair 1 Changes_in_Non_Necessities_Spending &	393	0.203	0

Interpretation of data analysis values-

Further, Pearson's correlation was applied to examine whether Changes in necessities spending were associated with changes in consumer behaviour Non-necessities spending.

The positive correlation value with a p-value is .000 indicates a significant positive relationship.

Group Statistics

Gender	N	Mean	Std. Deviation	Std. Error Mean
Self_Justification				
Male	128	41.45	21.751	0.608
Female	284	37.13	23.167	0.435
Spending_Habits				
Male	128	137.63	136.424	3.812
Female	284	128.35	123.015	2.308
Choice_Strategies				
Male	128	66.82	17.199	0.481
Female	284	67.91	16.823	0.316
Information				
Male	128	32.67	21.008	0.587
Female	284	30.54	20.273	0.38
Fear_for_COVID_19				
Male	128	39.46	18.727	0.523
Female	284	44.76	19.546	0.367
Perceived_Economic_Stability				
Male	128	64.39	23.745	0.663
Female	284	59.08	24.962	0.468

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Std. Error Difference	95% Confidence Interval Upper
Self_Justifications	Equal variances assumed	11.157	0.001	5.642	4119	0	0.77	5.818
	Equal variances not assumed			5.778	2616.22	0	0.75	5.783
Spending_Habits	Equal variances assumed	8.794	0.003	2.167	4119	0.03	4.29	17.687
	Equal variances not assumed			2.084	2254.32	0.037	4.46	18.024
Choice_Strategies	Equal variances assumed	0.185	0.667	-1.913	4119	0.056	0.57	0.027
	Equal variances not assumed			-1.898	2419.95	0.058	0.58	0.036
Information	Equal variances assumed	2.103	0.147	3.074	4119	0.002	0.69	3.474
	Equal variances not assumed			3.033	2390.96	0.002	0.7	3.493
Fear_for_COVID19	Equal variances assumed	3.793	0.052	-8.153	4119	0	0.65	-4.021
	Equal variances not assumed			-8.286	2567.5	0	0.64	-4.041
Perceived_Economic_Stability	Equal variances assumed	3.806	0.051	6.419	4119	0	0.83	6.935
	Equal variances not assumed			6.541	2584.6	0	0.81	6.904

- An independent sample t test reported a significant difference in **Self Justifications** by male and Female consumers, $t(2616.218) = 5.778$, $p < .001$, 95% C.I. [2.852- 5.783]. The male ($M = 41.45$, $SD = 21.751$) on an average have higher Self Justifications

- in Buying as compared to female ($M = 37.13$, $SD = 23.167$)
- An independent sample t test reported a significant difference in **fear for Covid** by male and female consumers, $t(2567.503) = -8.153$, $P < .001$, 95% C.I. (-6.566- -4.021). The male ($M = 39.46$, $SD = 18.72$) on an average have less fear

for covid as compared to female (M=44.76,SD=19.546).

- An independent sample t test reported a significant difference in **Perceived Economic Stability** by male and female consumers, $t(2584.595)=6.541$, $P<.001$, 95% C.I.(.828-3.689). The male (M=64.39,S.D=23.745) on an average has more perceived Economic Stability as compared to female (M=59.08,S.D=24.962).
- For the other variable such as Spending Habits, Choice Strategies, Information has not reported a significant difference between the males & females.

Conclusion and Findings

- It clearly indicates that there has been a significant change in the essential product purchase in comparison to general as well as non-essential products.
- The positive correlation value with a p-value is .000 indicates a significant positive relationship between essential & non-essential spending .
- There is significant difference in **Self Justifications , fear for Covid , Perceived Economic Stability** by male and Female consumers
- For the other variable such as Spending Habits, Choice Strategies, Information has not reported a significant difference between the males & females **Self Justifications**

So it can be concluded that there has been a change in the spending pattern of the consumer due to the pandemic further gender also has an impact on spending on essential and non-essential products .

Limitation of Study

The research study is limited to only Mumbai. The results may vary for different demographic areas.

The other types of product users are not being studied in this research

Scope of the study:

Future research can be done to enhance the finding and enrich knowledge-base by conducting the extension in the following areas:

- Other areas and localities with a variation in socio-economic profile.
- Special category products

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