

Opinions about Consumer Behavior during the Covid-19 Pandemic

Rafadi Khan Khayru

Airlangga University, Indonesia

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ABSTRACT

Consumer behavior is not just buying to meet needs and wants, but also includes the study of how involved decision-making processes and exchange processes and various things that affect individual and social life. The coronavirus pandemic is highly contagious and has spread rapidly and is happening globally. The spread of this disease outbreak has affected consumer behavior. The situation during the pandemic caused buying activities to change online. Consumers avoid physical contact to avoid transmission. In addition, panic buying occurred in several situations due to excessive anxiety from the public. This article reviews opinions on changes in consumer behavior during the Covid-19 pandemic. How consumers behave during the pandemic and the impact that occurs on shopping behavior in the post-pandemic.

INTRODUCTION

Corona Virus Diseases-19 (COVID-19) has been declared a pandemic by the World Health Organization (WHO) and is a common problem for all countries in the world. A pandemic is synonymous with a disease that can spread to many people in several countries at the same time. According to Morens *et al.* (2009) there are several criteria that must be met to determine a disease into a new pandemic, namely wide geographic distribution, high disease transmission, high attack rates and explosiveness, the majority of the population does not have strong immunity, novelty, infectiousness, contagiousness, severity. The spread of COVID-19 has been significant and ongoing globally. With cases of the novel coronavirus constantly increasing around the world, several governments have locked down their borders and most have imposed restrictions on everyday civilian life, in hopes of containing the outbreak. According to the World Health Organization (WHO), Corona Virus Disease is a group of viruses that can cause disease in animals and humans. On March 2, 2020, the first Corona Virus Disease (COVID-19) pandemic occurred in Indonesia. Currently, in Indonesia COVID-19 has spread to 34 provinces.

The rapid spread in Indonesia is due to the lack of public awareness about COVID-19 and they are exposed to misinformation. Some think about conspiracy theories and some don't even know the

origin of the coronavirus. Until now, there are still a small number of people in Indonesia who from the start did not understand and were consumed by hoaxes. In the midst of a pandemic, it is very important to follow social distancing to contain the further spread of the virus, but there are still many people who underestimate these conditions and continue to carry out social activities like without a pandemic. Even though it has been going on for a long time, people who still don't understand the condition of this pandemic still need understanding from all parties, including community leaders and government officials to provide literacy and education to the community.

WHO (2020) states that the COVID-19 pandemic is not only a health problem, but the pandemic can become a multi-sector problem, such as in the economic, social, political, to psychological fields. The pandemic that gave rise to the crisis has caused some sections of society to face difficulties in obtaining daily necessities and managing work. There are certain restrictions in some forms of activities in the community, such as closing schools and observing health protocols. The economic crisis had an impact on several industrial sectors to bankruptcy and rising unemployment. However, there are also industrial sectors that are experiencing an increase in numbers such as expeditions, health, medicine and e-commerce. This is because the global spread

* Corresponding author, email address: rafadi.khankhayru@gmail.com

of COVID-19 is forcing consumers around the world to change their behavior and adapt to new ways of eating, shopping, and interacting with others. In addition, the threat of infection reinforces the importance of having a healthy immune system, opening up new opportunities for brands to develop innovative new products and messaging campaigns around immune system support.

Covid-19 has intensified the online movement and served as a catalyst for important change. Online purchases, digital consumption and the average online cart size have all increased substantially and will continue to grow at record rates, providing opportunities for traditional businesses, large markets and disruptive business models to thrive. This results in changes in consumer behavior to carry out buying and selling activities. The condition of the COVID-19 pandemic has made many people buy and sell online and become their online customer base during the pandemic. The interesting fact is that it allows many consumers to plan to continue shopping online even when their physical stores have reopened. They have been educated and experienced with online shopping behavior. In Indonesia, there has been a strong shift in consumer behavior that previously shopped directly at stores and markets, now switches to online channels. They have adapted to the digital shopping transaction method. Thus, what is discussed in this study is how consumer behavior has changed due to the Covid-19 pandemic, especially in Indonesia?

Consumers Behave during a Pandemic

Every consumer will get the impact of COVID-19 in terms of health and economy. Everyone will respond in different ways and have different attitudes, behaviors, and buying habits. They are trying to adapt to the new normal despite individual fears about the impact the crisis will have on them, their families and friends, and society in general.

Consumers respond to crises in various ways. Some are anxious and worried, triggering panic buying staples and cleaning products. There are also consumers who don't really care about the pandemic and continue their business as usual, despite recommendations from the government about the dangers of a pandemic. Retailers and manufacturers must understand how their own consumers react, and develop customized and personalized marketing strategies for each. They must understand why, what and how behavior patterns have changed due to the Covid-19 outbreak. Consumer priorities became centered on

the most basic needs, sending demand for health, hygiene and basic necessities products soaring, while non-essential categories fell. Digital commerce is also on the rise as new consumers migrate online to shop for groceries – an increase that is likely to continue after the outbreak. At times like this, the basic necessities of life take precedence. Personal health is a top priority for consumers. Food and medical security, financial security and personal security are other top priorities.

The purchasing decision process becomes more careful by considering risk factors. When consumption risk is high for consumers, they have lower purchase intentions and may no longer take the risk of making a purchase. Consumers who have experience and are accustomed to shopping may only experience a little adjustment but they will still be aware of consumption patterns and the physical exchange process. This may be related to the mental health of individuals during the Covid-19 crisis. There is excessive anxiety as a major risk associated with epidemic situations such as the fear that they or a loved one will contract a disease or living condition. In lockdown such as social isolation, loss of income, frustration, etc.

COVID-19 and the National Panic Buying

Panic buying is defined as consumer behavior in the form of purchasing products in large quantities so as not to experience shortages in the future (Shou *et al.*, 2011). Singh and Rakshit (2020) state that there is panic buying when consumers buy goods in large quantities to anticipate a shortage of goods or price increases during a disaster. Under normal conditions, retailers buy products in large quantities or aim to seek price discounts, but panic buying during the pandemic occurs as an effort to prevent supply shortages that may occur in the future. Information that is so quickly presented in the community and news in the mass media about the lack of needs causes the intensity of panic buying to increase rapidly (Roy *et al.*, 2020). This panic buying behavior was also triggered because of the uneven information received by the community as a result there were concerns that it would lead to unfavorable shopping actions for yourself as an effort to save yourself. This incomplete information is what makes people's anxiety appear and causes people's psychology to be disturbed.

Based on the most common psychological theory, panic buying is a human response to survival. Hoarding is a human way of responding to uncertain situations. Lockdown and corona are two things that are uncertain. In terms of terms, panic buying comes from the psychological terminus.

The terminus was introduced in behavioristic theory. Especially about the theory of consumer behavior. This term is then often used in general in society. Panic Buying is included in the theory of Herd behavior. The panic buying behavior to follow others is a form of herd instinct when a person's behavior moves collectively and without command. In making decisions, individuals are often influenced by stimuli from others (Bikhchandani and Sharma 2001). When everyone needs the same items at the same time such as vitamins, masks, hand sanitizer, it will cause a shortage of supplies at retailers. This is perceived as a rarity by the public because it is difficult to find these items. As a result, people panicked and caused a simultaneous search for these items. This theory sees humans as animals moving together in unfavorable situations and that panic buying is closely related to loss of self-control (Chen *et al.*, 2017). According to Keynes, this behavior positions humans as social animals, namely humans who have basic instincts from animals. The basic instinct in question is the instinct to follow the same direction as his friend, so the term herd appears which means a group.

In Indonesia, Large-Scale Social Restrictions created panic in the community. The perception that arises in some people is that there will be a shortage of daily necessities products in the future. That is what drives the desire to buy or panic buying. The public knows that there is no cure for Covid-19. The effective way to prevent it is to maintain personal and environmental hygiene and avoid direct contact with people who are infected with Covid-19. The public responded to this information by doing panic buying in a number of shopping centers. They bought up basic necessities such as instant noodles, rice, and oil. Queues of visitors occurred and panic buying occurred in a number of areas in Indonesia such as the cities of Jakarta, Surabaya, Aceh, and Jayapura (business.tempo.co, March 4, 2020). The panic buying action carried out by the community directly had an impact on price spikes in the retail market.

The existence of panic buying has resulted in hoarding of goods or food ingredients, hoarding of goods carried out by the community when there are certain situations that are considered urgent or emergency. Most people do panic buying in the form of food needs, masks, hand sanitizers, and vitamins. The occurrence of panic buying has an impact on all sectors, especially the economy and social, because with this panic buying, all middle- and upper-class people are flocking to prepare food and clothing materials

for supplies in case a lockdown will occur one day. It happened and without them knowing it they had suppressed the economy for the lower middle class with the emergence of scarce and expensive food. The result of the act of hoarding goods in excess will cause other people to not have access to these goods. This can lead to scarcity which in turn becomes the starting point for triggering inflation and rising prices which can harm everyone. For example, the panic buying phenomenon occurred during the hyper-inflation event in Germany. The incident occurred around 1922-1923. At that time Germany had just lost in World War I and had to pay a hefty fine. At that time the German government borrowed money to pay the fines and caused the German economy to collapse. The value of the German currency is meaningless. Prices continue to skyrocket. This is what causes panic everywhere. Residents buy basic needs in the markets. Austria was also affected because it used the same currency so that panic buying also occurred there (Storer, 2017).

History shows that panic buying first appeared during the Spanish flu epidemic in 1918 (Honigsbaum, 2013). Researchers and historians believe the Spanish flu epidemic killed 20 to 100 million people in two years, between 1918 and 1920 and some even argue that the Spanish flu killed more people than World War I. When the Spanish flu arrived in post-World War I England, people panicked and rushed to buy quinine and other drugs which caused a shortage threat in 1918. After 100 years later, global conditions were also attacked by the SARS-CoV-2 virus pandemic. During the severe acute respiratory syndrome (SARS) outbreak in 2003, the phenomenon of panic buying also occurred (Fast *et al.*, 2015). Cases of panic buying occurred during the 2003 SARS pandemic in China and Hong Kong and led to a brief shortage of salt, rice, vinegar, vegetable oil, masks and medicines.

Covid 19 and the Development of Online Shopping Behavior in the Community

The Covid-19 pandemic has affected the shopping behavior of Indonesians. People who previously shopped offline at physical outlets are now starting to switch to online shopping. Shopping activities for daily household consumption needs during the Covid-19 pandemic were less carried out during the Covid-19 pandemic, where previously many activities were carried out by going to traditional markets and directly visiting the nearest minimarket. This shows that behavioral changes also occur in the activity of purchasing goods and services.

Previously, Indonesia had a very high growth rate regarding shopping behavior using e-commerce platforms. The pandemic has caused people's interest in using e-commerce to spike sharply. The corona pandemic has changed the way consumers shop, especially for non-food products such as clothes, shoes, beauty, furniture and others. The driving factor that makes online shopping activities increase rapidly is of course due to the Covid-19 pandemic which forces consumers to carry out activities with minimal physical contact and carry out health protocols. Besides being easier, this method turns out to be more practical than having to go to the store directly.

Shopping places with e-commerce platforms carry out promo programs that make consumers more interested in shopping online. During the current pandemic various online shopping promotions are offered, through social media or through other digital advertisements. Online shopping features in various e-commerce sites are also easier to access, making it easier for consumers to use them. The number of new players involved in the online shopping business is increasing in number accompanied by the emergence of a movement to support local businesses which is carried out on social media as support for business people who are opening businesses in the midst of a pandemic. This causes more consumers to choose to buy home-made products as a form of support for local businesses.

According to Manss *et al.* (2020), consumer behavior in the digital era is divided into four groups, namely pure offline shopping, pure online shopping, showrooming and webrooming. Pure offline shopping and pure online shopping are shopping behaviors that use only one channel in carrying out the entire shopping process. Pure offline shopping or traditional shopping behavior is shopping behavior that seeks information in physical stores and also makes purchases at physical stores and only uses offline channels in carrying out a series of shopping processes. Pure online shopping is shopping behavior that uses digital media in the entire shopping process, from using digital media to find product information to be purchased then making purchases also on digital media. According to Kang (2018), webrooming and showrooming are shopping behaviors that combine online and offline channels in the shopping process. Showrooming is shopping behavior that uses physical stores to find product information and then make purchases at online stores. Webrooming is a shopping behavior that uses digital media to find product information and then make purchases at physical

stores. Both aim to save money and/or ensure the actual condition of the goods (Sayyida *et al.*, 2021).

Previously, online consumers were dominated by millennial generations. Industries whose consumers are indeed for the millennial generation have long relied on e-commerce as a means of buying and selling transactions. Online consumers during and post-pandemic will expand to the target market with an older age range even to the baby boomer generation. In the post-pandemic or even during the pandemic, companies must be more sensitive to this oldest generation and be able to target all groups, both in terms of product differentiation and campaigns.

Consumers of course are now getting used to shopping or doing activities with minimal physical contact and carrying out health protocols anytime and anywhere because they still don't feel safe since the presence of the Covid-19 pandemic. Therefore, this change is predicted to permanently shape new behaviors and habits even after the Covid-19 pandemic ends. Currently, the average transaction value has consistently increased in almost all product categories due to a shift in consumer habits to shop online. This also demonstrates consumer confidence in digital transactions and their better understanding.

Effective and Selective

Everyone reacts in different ways to a crisis situation like a pandemic. Some community groups adapt more quickly to meet their needs and try to stay productive. For some consumers who have switched to online shopping, they have gone through a shopping experience that has not been felt directly before. Currently, consumers in the digital era and the pandemic era seem less sensitive to price and more concerned with value. Rare availability of certain products and understanding of the consequences of higher prices. Consumers as much as possible hold their money and will buy goods that they consider to have a very important value.

Consumers will focus more on products that have value for their lives. Consumers will tend to put aside their ego or hedonism. Sanitary products, such as tissue, soap, or laundry items will be the items that consumers begin to target during or after the crisis. In addition, health products such as healthy foods, supplements, or nutrient-rich drinks such as jelly or milk will also be the most sought after by consumers. Values embraced by consumers are also not only physical values, but intangible values such as knowledge. Moreover, people are aware of post-crisis skill advancement where job competition will be fiercer such as books, online courses, or online short classes.

After all, COVID-19 has changed everyone's life. The right choice for those who can afford it is to stay at home instead of traveling. Social distancing is forcing people to spend time at home and in digital spaces for work, communication, shopping or simply seeking entertainment. As a result, the majority of people tend to choose cashless transactions in order to maintain their health. In addition, they prefer to sort out more important expenses such as food needs. Buying food too often will certainly make expenses bigger. Currently, the trend of cooking at home is starting to emerge. Sales of basic commodities increased, as did cooking utensils. People started looking for simple and creative recipes to try. This behavior can be a new opportunity for culinary businesses as one of the most affected business categories, for example by selling raw materials, frozen food or ready-to-eat food.

The intensity of time being at home requires everyone to be careful in managing finances to avoid more consumptive spending patterns, for example buying goods that are not primary needs. Financial management is very important, especially at the household level. This pandemic has largely had an impact on the family's economy. For that, everyone has started to think about what will happen to the post-pandemic family finances and reorganize the needs in the future. Basic needs will continue to be prioritized as long as the disease outbreak is not over and the cost of entertainment and consumer goods spending must be reduced.

CONCLUSION

It is not easy to live life with various limitations due to the Covid-19 pandemic. Worry to boredom allows for neglect of health protocols that should be strictly enforced in social life. For some community groups, adherence to the application of health protocols appears to be strengthening and becomes a daily routine. In addition, there is community saturation in the pandemic situation that has been going on for quite a while. The government's role in determining the stability of economic conditions is accompanied by public awareness to cooperate and play an active role in social life and prevent the spread of this epidemic so that Herd immunity is immediately formed in the community.

The government and related institutions must ask the public to act on the basis of correct information. The government should provide transparent information about things that the public should know, the government should also give an appeal to the public to limit excessive purchases, the government should also give an appeal to

sellers to equalize sales prices and distributions should not increase prices beyond a certain limit. Consumer attitudes, behaviors, and buying habits are changing – and many of these new ways will remain post-pandemic. While today's buying centers on the most basic needs, people are shopping more consciously, buying local and embracing digital commerce. Going forward, we will see an increase in the virtual workforce as more and more people work from home and enjoy doing so. Manufacturers and retailers must understand the various elements of consumer behavior in the face of the COVID-19 crisis, and think about marketing strategies and tactics that must be adopted according to current and post-pandemic conditions.

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