

# Understanding the impact of pandemic on consumer buying behaviour with respect to Health and Hygiene category

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## Abstract:

The worldwide market sentiment and purchasing behaviour are shifting as a result of the coronavirus (COVID-19) pandemic. Consumers were able to develop themselves and synchronise their purchase and spending habits of items and services, as with any epidemic. Customers quickly altered their product and service purchasing and spending patterns, bringing their purchasing, and spending habits into line. When the public face worse scenarios such as an outburst of a pandemic, their purchasing habits change quickly in order to aid mitigate the threat. To find out, we looked at the kind of variables that are affecting this shift in consumer behaviour. Environmental elements such as ambience and design, brand choice, brand loyalty, pricing, shop location, and so on were all evaluated. According to the findings of the study, some of these elements have significant influence on consumers' behavioural intentions during a pandemic.

**Keywords:** Consumer behaviour, Brand preference, Price, Impulse buying, Stockpiling, Brand Loyalty.

## 1.1 Introduction:

Different markets have been affected by the pandemic's geographic spread, the intensity of the lockdown, and the market's dependence on conventional vs. organised retail channels. The pandemic's intensity was primarily limited to a single province in China, where it was effectively contained, resulting in an early recovery for FMCG sector categories. Furthermore, China outnumbered India in terms of organised retail channels (modern trade and e-commerce). Due to a lengthy lockdown impacting production and supply

chains in India, and a substantial number of days in April and May when even regular trade channels like pharmacies and grocery stores were shut down, the FMCG sector has been slow to recover. India's FMCG industry rebounded significantly in June after taking a blow during the shutdown, with Traditional Trade channels leading the comeback. During a Pandemic, FMCG sector still sees a steady growth for its essential products and a new addition in almost every FMCG company's portfolio is the category of Hygiene products. Several FMCGs and a slew of newcomers are capitalising on the urgent demand for hygiene at home and at work.

During the lockdown period, consumers showed a clear preference for FMCG categories, and after the first lockdown in June, they showed a substantial recovery. Various categories have shown varied degrees of recovery during the previous few months. During the lockdown, soap and floor cleaners, for example, remained in priority baskets. During the unlock phase, these categories retain a larger proportion of wallet and have been embedded in the 'new normal' shopping basket. Cosmetics and beauty categories were de-prioritized during the lockdown period, with most of the individuals confined to their houses - categories including deodorants, hair colour, and skin care experienced substantial drops. In June, these categories saw a substantial recovery. Toothpaste, shampoos, and hair oils recovered in June after being rationalized during the lockdown. Similar patterns were found in the home care categories of Washing Powder and Detergent Cakes

Consumers have been forced to adapt, modify their views, and behaviours during the previous several months, and some of these changes may be permanent. In the majority of households, rising unemployment, pay cutbacks, and firm closures were key worries that led to income contraction. This, along with the stress of being confined to one's house, is creating health issues.

## 1.2 Introduction to the FMCG Industry

Fast Moving Consumer goods is the fastest growing sector in Indian economy. It is India's fourth biggest industry, with household and personal care accounting for half of all FMCG sales.

Personal care goods (shampoos, soaps, toothpaste, etc.), detergents, foods (soft drinks, chocolates, snacks, and other packaged meals), and hygiene products are a few examples of FMCG products.

The FMCG business is renowned for its high turnover of consumer-packaged products, i.e., items that are manufactured, distributed, promoted, and consumed in a short period of time due to increased consumer demands

Demand for FMCG items is increasing, and the reasons for this may be attributed to increased knowledge and changing lifestyles.

The urban segment contributes the most to the industry's overall revenue, accounting for about 55% of total sales. However, in recent years, rural India's FMCG sector has expanded at a quicker rate than urban India's. Semi-urban and rural areas are rapidly expanding, with FMCG items accounting for half of all rural expenditure.

### Literature Review

S.no	Author & Year	Theory	Context	Independent variable	Dependent variable	Data collection method, sample size and country	Results	Future research
1	Tarek Fahmy & Armin Sohani 2020	The impact of pandemic on brand preference in purchasing decisions of food and hygiene products:	How public perception and behaviour are changed over the course of an influenza pandemic and the psychological effects connected to it.	Price, Quality, Risk, Loyalty	Brand preference in customers with respect to health and hygiene products	Qualitative research, primary and secondary data collection, focus groups, interview, Sweden	The aspects of price, quality, risk, and loyalty became tied to the pandemic in the context of the health aspect of the COVID-19 virus.	To study the impact of covid-19 on country with strict restriction with a country having lenient restriction
2	Sajal Kohli, Björn Timelin e Victor Fabius, Sofia Moulva d Verane n 2020	How COVID-19 is changing consumer behaviour –now and forever	Economic uncertainty will change the way consumers behave, in some cases, for years to come.	Period of contagion, self-isolation and economic uncertainty	Surge in e commerce, changing of brand preferences, higher unemployment, remote learning, preference for digital	NA	1-Decline in consumption 2-Shake up of preferences 3-Digital	Recommended to study about growing demand of e-pharmacy and e-doctor in covid-19 crisis.

					entertainment.		acceleration	
3	Seema Mehta, Tanjul Saxena and Neetu Purohit 2020	The New Consumer Behaviour Paradigm amid COVID-19: Permanent or Transient?	Consumer Behaviour Approaches in Times of Crisis	people are spending less of their income on items perceived as nice-to-have or non-essential	Market Dynamics During COVID-19	Through an analysis of relevant published surveys during COVID-19	COVID-19 has pulled the handbrake for the humankind race to destruction and redirected attention to life and living.	The community of marketing scholars needs to urgently comprehend and research the role of spirituality in modern consumption.
4	Russell J. Zwanka & Cheryl Buff 2020	COVID-19 Generation: A Conceptual Framework of the Consumer Behavioural Shifts to Be Caused by the COVID-19 Pandemic	The potential impact of the COVID-19 pandemic of 2020 on all over the world.	Nationalism moving production inside borders as supply chain security	1-Stock up mentality and online ordering 2-Virtual reality replacing travel	Journal published on 29May2020	As the COVID-19 pandemic results in permanent behavioral changes by consumers, the conceptual framework	Future research on consumer behaviour shift
5	Mathew Donald 2020	How leaders can manage disruption caused by the pandemic	This article talks about how disruption caused by pandemic is changing leadership and management practices.	Change in decision models, Design aspects, dealing with stakeholders	Change in leadership and management practices	Questionnaire survey, 1250, Australia	Management centric models of power and control will become redundant. Risk identification will be more dependent on employees, customers, suppliers	Recommended to study about how work culture is established in a company?

							to identify risks. a new model is proposed to produce faster adaptation to risks and opportunities.	
6	McKinsey & Company: Tamara Charm, Anne Grimmett, Hyunjin Kim	Consumer sentiment and behaviour continue to reflect the uncertainty of the covid-19 crisis	As consumers around the globe adjust to the next normal, there is significant variance in consumer sentiment and behaviors across countries.	1-Shift to value and essentials 2-Shock to Loyalty 3-Fight to digital	1- Homebody economy 2-Holiday outlook	Surveys fielded in 45 countries are conducted online in local languages on a weekly, bi-weekly, or monthly basis, depending on the region.	Consumer sentiment varies greatly across countries impacted by COVID-19. Consumers	Continue tracking consumer sentiment to gauge how people's expectations, perceptions, and behaviours change throughout the pandemic
7	Accenture	How COVID-19 will permanently change consumer behaviour: Fast-changing consumer behaviours influence the future of the CPG industry	How fast-changing consumer behaviours influence the future of the CPG industry	Fear for personal health, impact on personal job security.	Change is in the consumption of personal hygiene products	The survey was conducted during April 2–6 2020 and included 3,074 Accenture Covid-19 consumers in 15 markets around the globe.	Covid-19 is a health and economic crisis that has a sustainable impact on consumer attitudes, behaviours and purchasing habits. CPG companies can adapt to these changes by taking action to respond, reset and	Recommended to study how an FMCG company can build brand loyalty in covid-19 crisis.

							renew to be positioned even stronger for the future.	
8	Ernst & Young	COVID-19 and emergence of new consumer products landscape in India	How covid-19 affects some product categories like confectionary, carbonated drinks and appliances	Increased focus on health and wellbeing, higher demand for value brands, trade down	Erosion of brand loyalty, traded down from premium to masstige products, promotional tactics were introduced	Survey questionnaire, 1046, India	Consumers are re-allocating their budgets from non-essentials to stockpile essentials such as food, personal care and disinfectants. Companies that will evolve their portfolio of products built around health, immunity, and protection – stand to gain in the future.	Recommended to study the impact of covid-19 on the travel industry.
9	NCBI: Jagdish Sheth	Impact of Covid-19 on consumer behaviour: Will the old habits return or die?	Covid-19 have disrupted the consumer habits of buying as well as shopping.	Lockdown and social distancing	Change in consumption habits	June 2020 Journal of Business Research 117	All consumption is time bound and location bound. With time flexibility but location rigidity, consumers have learned to improvise	Several new research opportunities anchored to anchored to the real world. These areas of empirical research

							in creative and innovative ways.	with some theoretical propositions on hoarding, blurring the work-life boundaries, use of social media
10	World Economic Forum: Katie Jones	Impact of Covid-19 consumer spending around the world	COVID-19 has changed nearly every aspect of our daily lives, and consumer spending is no exception	Fall in household income, Suspension of air travel, Shutting down of shops	Change in spending habits	02 May 2020 Katie Jones Writer, Visual Capitalist	For some, rebuilding their customer experience by appealing to changing values could result in a profitable, and perhaps much-needed revival. For other companies, there is no other choice but to play the waiting game.	Research on how Globally, consumers continue to spend—and in some cases, spend more compared to pre-pandemic levels—on some necessities such as groceries and household supplies
11	Mahesh H Puttaiah, Aakash Kiran Raverkar, Evangelos	All change: How COVID-19 is transforming consumer behaviour	The COVID-19 pandemic is changing how we work, travel, communicate, shop and more, but which new habits are	Social distancing, Stopping public transport, Restrictions on travel	Digitalization of shopping, Banking.	By Mahesh H Puttaiah, Senior Economist, Swiss Re 10 Dec 2020	The pandemic has increased people's use of digital tools in life and business to stay	Research on How long the changes made in Covid-19 is permanent.

	Avramakis		likely to stick permanently ?				connected in a world that is physically disconnected. We expect this to continue in the post-COVID-19 world.	
12	Deloitte	Impact of the COVID-19 crisis on short- and medium-term consumer behaviour	The study gives insights into the significant shifts in consumer behaviour because of the covid-19 pandemic	Restrictions posed by Covid-19	Led to in-home consumption, increase in usage of meal delivery platforms, rising demand for digital services	Survey and expert interview ,2000, Germany	Covid-19 crisis affects different groups of people to varying degrees in the short and long term	Recommended to study whether Covid-19 crisis will have a lasting effect on consumption
13	Nielsen	COVID-19 evolving consumer dynamics	How in pandemic, consumers have been quick to train their behaviour and align their buying and spending patterns for products and services.	Heightened hygiene, contactless home delivery, Shrinking household income, stay at home economy	Behavioural shifts are shown, prioritization of FMCG category products	Online survey, 1725, India	Months of restricted living has led to semi-permanent behaviour shifts in consumer behaviour. While India is in the transitioning phase, consumers are monitoring the situation and will continue to be cautious in all aspects of life.	Recommended to study how Covid-19 has impacted Asian markets

**Statement of the problem:**

Consumer purchase patterns have been altered substantially as a result of ongoing pandemic, particularly for health and hygiene items. There was a significant shift in buying behaviour and preferences for such items as a result of anxiety and fear caused by pandemic

**Research objective:**

The goal of this study is to determine the influence of Covid 19 on consumer purchasing behaviour of Health & Hygiene products.

**Research question:**

Is there any effect of Covid 19 on brand preference, risk, brand loyalty, and brand price on consumer purchasing behaviour for health and hygiene products?

**Hypothesis formulation****Consumer buying behaviour**

Consumer behaviour research aids marketers in gaining a better understanding of how customers make purchasing decisions. By gaining a better knowledge of how customers choose items, companies can fill in the gaps in the market and discover products that are required as well as those that are no longer needed. Consumer behaviour research also aids marketers in determining how to promote their products in the most effective way possible. Understanding consumer purchasing behaviour is crucial to reaching and engaging your customers and convincing them to make a purchase.

**H1-** There is a significant relation between consumer buying behaviour and customer preference

**Brand Preference**

The inclination to buy a product is influenced by brand preference. This demand determinant is based on the fulfilment of a buyer's desires and requirements from a product. Buyers are more likely to purchase more if a product gives more satisfaction. Understanding the elements that drive consumer motivation can help you figure out how to appeal to them.

**H2** - Brand preference is affected by consumer self-perception and expression.

### **Risk taking in crisis**

The COVID-19 pandemic has an impact on brand choice in food and personal-hygiene product purchases. During a crisis, consumers are more likely to turn to store brands and promotions that provide cheaper pricing on items.

**H3** - During a crisis there is an increased shift towards store brands and promotions offering lower prices on products

### **Brand Loyalty**

When a customer is familiar with a brand and has strong brand connections in mind, he or she tends to be loyal to it. Customers' brand loyalty is influenced by the availability of brands, their health consciousness, their habits, and their daily routines.

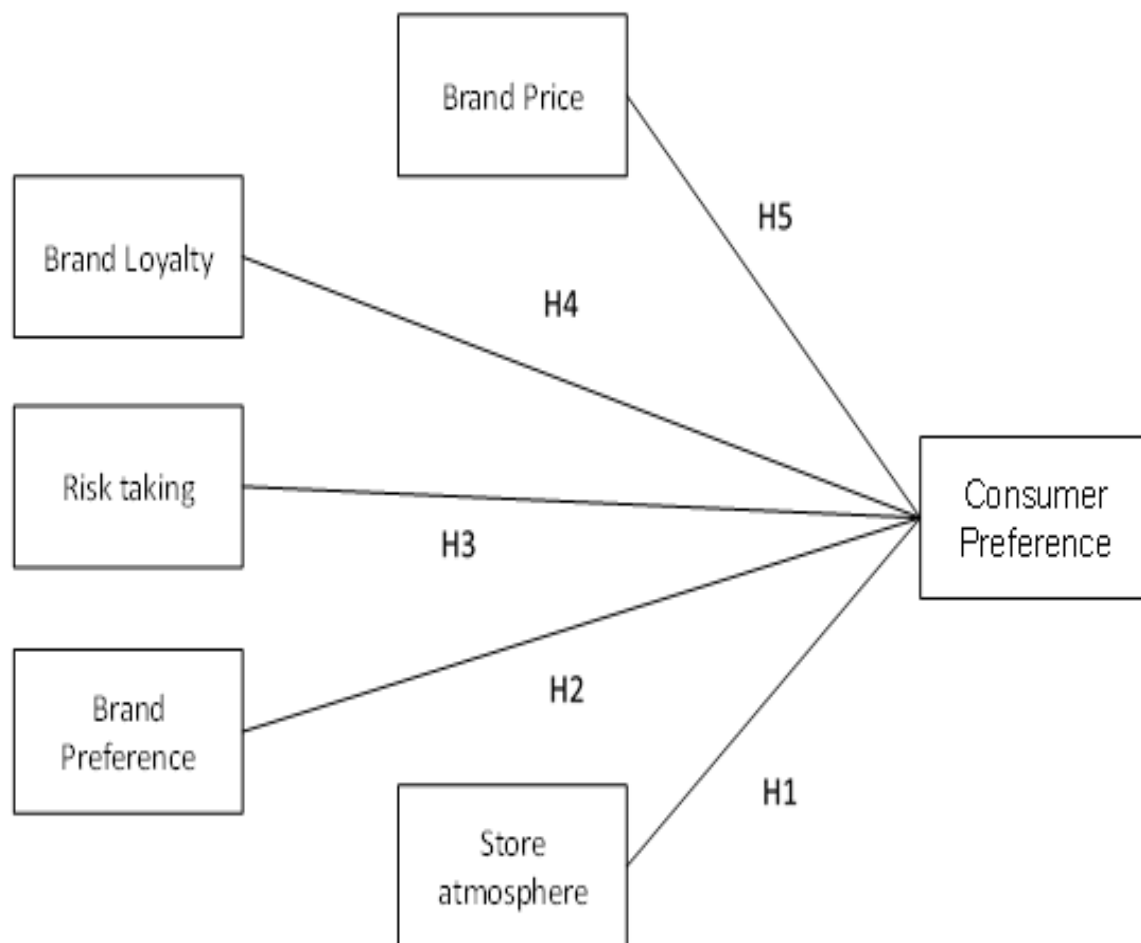
**H4** - There is a significant relation between consumer preference and brand equity & associations

### **Brand price**

Brand price is related to the amount of money the consumer is willing to pay considering the quality of the product. Price can portray a brand as affordable or exclusive.

**H5** - There is a significant relationship between brand price and consumer preference

## Conceptual Mode



## Methodology

A questionnaire was used to obtain data from 101 individuals. The population represents more than 20 years of age. A convenient sample of people above the age of 20 was invited. About 92 percent of the participants in this sample are between the ages of 20 and 30, while just 8% are between the ages of 31 and 45. Males make up half of the sample population, while females make up the other half.

## Data Analysis and Interpretation

The linear regression analysis technique was used to analyse the impact of various independent variable impact on dependent variable of the proposed model.

The regression equation can be derived as

$$Y \text{ (Consumer Buying Behaviour)} = a + bX_1 + bX_2 + bX_3 + bX_4$$

Where: Y= Dependent Variable

a= Constant

b= Slope (i.e., Change in X causing change in Y)

X<sub>1</sub>= Brand Preference

X<sub>2</sub>= Risk taking in crisis

X<sub>3</sub>= Brand Loyalty

X<sub>4</sub>= Brand Price

*Table1: Model summary*

Regression Statistics	
Multiple R	0.64267
R Square	0.413025
Adjusted R Square	0.388567
Standard Error	0.435404
Observations	101

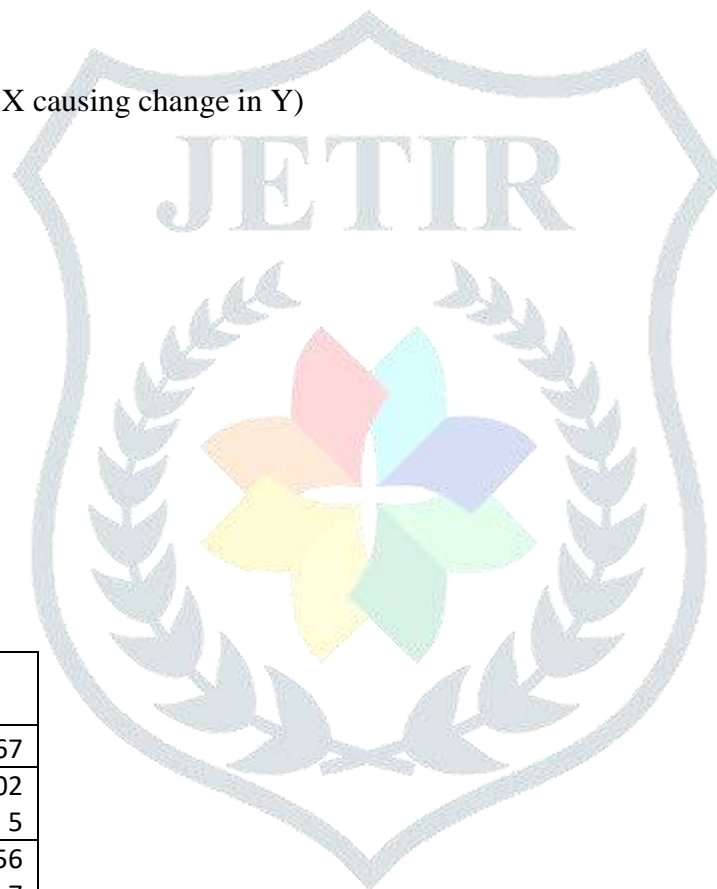


Table2: Coefficients table

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Hypothesis</i>	<i>Significance</i>	<i>Accept/Reject</i>
<b>Intercept</b>	1.043487	0.325612	3.204693	0.001836			
<b>BRAND PREFERENCE</b>	0.287611	0.080493	3.573125	0.000554	H1	<0.05	Accept
<b>RISK TAKING IN CRISIS</b>	0.215393	0.062266	3.459232	0.00081	H2	<0.05	Accept
<b>BRAND LOYALTY</b>	0.102011	0.053053	1.922817	0.057467	H3	>0.05	Reject
<b>BRAND PRICE</b>	0.08876	0.056046	1.583696	0.116552	H4	>0.05	Reject

From the above table the regression equation for predicting the effect of independent variables on dependent variable can be derived as

$$Y (\text{FUTURE PURCHASE INTENTION}) = a (1.043487) + (0.287611) * \text{Brand Preference} + (0.215393) * \text{Risk taking in crisis} + (0.102011) * \text{Brand Loyalty} + (0.08876) * \text{Brand Price}$$

## RESULTS

After analysing survey data in excel which consisted of descriptive statistics, regression analysis. We note the value of regression coefficient beta and standard error for significant association as beta (SE). Data analytics tools in excel are used to find the relationship between variables.

Regression is the analysis is shown in table 1 & 2. It can be seen as adjusted r square value is 0.4, which indicates that 40% of the variation in Consumer Buying Behaviour is explained by variables Brand Preference, Risk, Brand Loyalty and Brand Price. The model summary shows that adjusted R- square value= 0.4 which indicates that the input variables are not adding value to the model.

## Findings

1. Brand loyalty ( $P=0.06$ ) is rejected as its p value is greater than 0.05 which shows insignificant relationship Brand loyalty and Consumer buying behaviour
2. Brand Preference has significant relationship with Consumer buying behaviour as  $P= 0.0006$  is less than 0.05.
3. Brand Price ( $P=0.12$ ) is rejected as its p value is greater than 0.05 which shows insignificant relationship between Brand price and Consumer buying behaviour
4. Risk taking in crisis has significant relationship with Consumer buying behaviour as  $P= 0.0008$  is less than 0.05

The research aimed to create a systematic model for calculating the effect of Brand Preference, Risk, Brand loyalty and Brand price to assess buying behaviour of consumers to use health and hygiene products. It has been found that Brand Preference and Risk have a significant impact on Consumer Buying behaviour in purchase of Health & Hygiene products.

## Conclusion

This study aimed to see how Buying Behaviour of consumers have been affected by Pandemic with respect to Health & Hygiene products. To determine this, we have considered various factors such as Brand preference, Risk taking in crisis, Brand loyalty and Brand price which influence consumers buying behaviour of health & hygiene products. With our study, we conclude that Brand preference and Risk were found to have an impactful relationship with Consumer Buying Behaviour. So, we can infer that in the wake of Covid 19 consumers were more conscious of the brands they chose in health and hygiene category

## Limitations and Scope for future research:

As the intensity of the pandemic subsided there was a major shift in the consumer buying behaviour of health and hygiene products. In the wake of the pandemic consumers chose to be quality conscious rather than price. While the current study shed light on the Consumer Buying Behaviour of Health & Hygiene products in the wake of the pandemic, a detailed study must be done to understand the transition of Consumer Buying Behaviour through the pandemic period. There were some limitations to the study owing to the current

situation. The first limitation is that the data was collected through a questionnaire via google survey due to COVID constraints and with a sample size of 101. So, future research can be done on larger demography across the country and can also use exploratory methods such as focus group interviews, prescriptive techniques, etc for collection and evaluation of data. Another limitation is that the sample size is small and is limited to only a few cities. So, future research can be done on larger demography across the country

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**Questionnaire**

<b>LIKERT SCALE</b>				
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

S. no	Questions	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
	<b>Consumer buying behaviour</b>					
1.	Is your approach to buying food and hygiene products during the covid-19 pandemic different from before the pandemic					
2.	Pandemic have affected how you buy food and hygiene products online or physically					
3.	Does factors like low cost, promotional schemes, willingness to try unusual etc influenced impulse buying					
4.	After I make an impulse buy i feel dissatisfied					
5.	Store environment such as ambience and design influence your purchase decision					
6.	You feel less inclined to buy at a supermarket having small assortment of products					
7.	Proximity of purchase is a major determinant of purchase decision					

8.	Did you switch personal care product during the course of pandemic?					
9.	Promotional schemes like discounts, money back offer, buy1get1 free etc will change buyer decision					
	<b>Brand preference</b>					
10.	Are you a loyal customer for the products you buy					
11.	Quality and good value-added services is considered the determinants of a good brand					
12.	Association of product with a particular group of company lead to preference for such products					
13.	Are you willing to purchase products from local companies with better price and slightly less quality					
	<b>Risk taking in crisis</b>					
14.	Frequency of online purchase have increased after pandemic					
15.	Did you resort to hoarding in fear of supply shortages					
	<b>Brand Loyalty</b>					

16.	Brand loyalty is related to habits, routines and suitability					
17.	Have you tried more or less new brands than you would before the pandemic					
	<b>Brand price</b>					
18.	Has price dictated what brand of food and hygiene products you buy during the pandemic					
19.	Is price of a product a major determinant in buying behavior during the pandemic					

