

# Consumer Buying Behaviour in Choosing Retail Outlets during Covid-19 Pandemic

Madishetti Vishal

Department of Business Management, Osmania University, India

## Abstract

There is not a single state in India that has been unaffected by the Covid-19 pandemic. In some states, the virus has spread to the remote villages as well. The fear is there. The pain is there. The anxiety is present. Amidst, retail industry was allowed to function right from Lockdown 1.0 for the most significant reason it being considered as an essential service. But Covid-19 pandemic has changed the consumer behavior by including health-related factors into purchase decision making. Customer's priorities in choosing retail outlets have changed. From price being the top priority once, the safety measures and personal protection have become of paramount importance while choosing the retail outlets for shopping. This study on "Consumer Buying Behaviour for Choosing Retail Outlets and Products during Covid-19 Pandemic" mainly focuses on the study of factors that are significantly influencing and are shaping the consumers choice of retail outlets in the pandemic days. The factors chosen include Social distancing measures, convenient store location, availability of maximum products at one single retail location, cashless payments availability. This study also finds out the amount of influence that specific factors on the consumer's choice of product during covid-19 pandemic play. The study has pulled out some great insights on the consumers changed priorities of retail outlets due to change in the importance levels of influencing factors. Clear understanding of the study will help businesses to reshape their way of business to yield better profits and create safe environment for everyone in the Covid-19 pandemic times.

**Keywords:** Retail, Consumer Buying Behaviour, Covid-19 pandemic.

Date of Submission: 05-12-2021

Date of Acceptance: 20-12-2021

## I. Introduction

### A. Brief Description of Covid-19

Corona viruses are a large family of viruses which may cause illness in animals or humans. In humans, several coronaviruses are known to cause respiratory infections ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). The most recently discovered coronavirus causes coronavirus disease COVID-19. COVID-19 is the infectious disease caused by the most recently discovered corona virus. The most common symptoms of COVID-19 are fever, tiredness, and dry cough. Some patients may have aches and pains, nasal congestion, runny nose, sore throat or diarrhea. These symptoms are usually mild and begin gradually. Some people become infected but don't develop any symptoms and don't feel unwell. Most people recover from the disease without requiring special and hospitalized treatment. Older people, and those with underlying medical problems like high blood pressure, heart problems or diabetes, are more likely to develop serious illness. People with fever, cough and difficulty breathing should seek medical attention. People can get infected by COVID-19 from others who are having virus present in their body. Many countries around the world have seen cases of COVID-19 and several have seen outbreaks.

### B. Introduction to Retail Industry in India

Indian retail industry has emerged as one of the most dynamic and fast paced industries due to the entry of several new players. Total consumption expenditure is expected to reach nearly US\$ 3,600 billion by 2020 from US\$ 1,824 billion in 2017. It accounts for over 10 per cent of the country's gross domestic product (GDP) and around eight per cent of the employment. India is the world's fifth-largest global destination in the retail space. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth largest global destination in the retail space and ranked 63 in World Bank's Doing Business 2019. India is the world's fifth largest global destination in the retail space.

The Government of India has taken various initiatives to improve the retail industry in India. Some of them are listed below: a) Government may change Foreign Direct Investment (FDI) rules in food processing in a bid to permit E-commerce companies and foreign retailers to sell Made in India consumer products. b)

Government of India has allowed 100 per cent FDI in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of E-commerce companies operating in India.

### **C. Challenges in the Indian Retail Sector**

Indian retailing sector has been facing various challenges such as rental space, changing preferences of consumer, lack of infrastructure; problems with suppliers and online retail competition. High cost in rentals make retail in India a tough business to operate and especially Hyderabad is one of the retail clusters with high lease rentals in India after Mumbai and Delhi i.e., around 1,360 USD per sq. ft. per annum. The changing preferences of consumers are the major challenge for the retailers, from customers increasing shopping experience expects more personalized services. According to 19th Annual Global CEO Survey the top threats for retailing in India is inadequate basic infrastructure (90%), availability of key skills (79%), of exchange rate volatility (80%), speed of technology change (79%). Based on the CII - BCG report, various challenges confronted by Indian organized retailers in terms of value conscious and digitally connected consumers, lower bargaining power against suppliers, strong competition from traditional retailers & ecommerce as well as regulatory barriers. Due to reduction in profit growth and other unavoidable reasons, there is exit of unprofitable stores/formats in India like Subhiksha and Vishal, Aditya Birla and Spencer's have closed more than 100 stores each in the small neighborhood grocery store format. Covid-19 pandemic has added many more challenges (like logistics, credit, unavailability of goods, rising importance of hygiene in and around store.)

## **II. Material and Methods**

In this cross-sectional study, common people from India belonging to Telangana state were requested to participate in the study. Respondents were contacted and were requested to fill the questionnaire about choice of retail outlets during covid-19 pandemic. Male and female respondents were included in the study. The random sampling technique was implied for collecting the data. Respondents were included in this study only if they were willing to respond. The response rate for the study was calculated to be 92 %, which was sufficient to conduct further analysis.

**Study Duration:** July 2020 – Aug 2020

**Sample size:** 198 respondents

**Study Design:** Non-probability sampling design based on convenient sampling method

**Study Location:** Telangana, India

**Data Collection Methods:** This research is based on multi-methods, using both quantitative and qualitative techniques

**Data Sources:** For this research, to analyze the consumer behavior toward selection of retail outlets and the products during covid-19 pandemic in Indian market primary data is collected through surveys. A Microsoft Form was created and distributed via email, social media (like Facebook) and messaging tools (like WhatsApp.) Using internet and online forms as a way to collect data was very valuable as it allowed to quickly sharing the questionnaires by posting on Social Networks websites. The secondary data included newspapers, magazines, journals and various articles.

**Research Instrument:** A structured non-disguised questionnaire has been prepared to get the relevant information from the respondents. The questionnaire consists of variety of questions presented to the respondents for their responses.

### **Statistical Analysis**

The data collected through questionnaires was analyzed. Simple percentage has been selected as the method to represent the data that was collected and consequently analyzed.

## **III. Result**

**Table 1: DISTRIBUTION OF RESPONDENTS BASED ON TYPE OF RETAIL STORE SELECTED**

<b>TYPE OF RETAIL STORE</b>	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Organized	113	57%
Unorganized	85	43%
<b>TOTAL</b>	<b>198</b>	<b>100%</b>

Out of 198 respondents, majority have responded that they preferred an organized retail outlet to buy goods during Covid-19 pandemic.

**Table 2: DISTRIBUTION OF RESPONDENTS BASED ON MOST IMPORTANT FACTOR FOR RETAIL SELECTION**

FACTOR	NO. OF RESPONDENTS	PERCENTAGE
safety measures followed at the store	103	52%
availability of maximum products at the store	44	22%
convenient locality	47	24%
relative prices of the products are lower compared to other stores in locality	4	2%
<b>TOTAL</b>	<b>198</b>	<b>100%</b>

Out of 198 respondents, majority have responded that they preferred a retail outlet where safety measures are followed to buy goods during Covid-19 pandemic.

**Table 3: DISTRIBUTION OF RESPONDENTS BASED ON FREQUENCY OF STORE VISIT IN A MONTH.**

FREQUENCY	NO. OF RESPONDENTS	PERCENTAGE
Once	42	21%
Twice	57	29%
Thrice	28	14%
Four times	22	11%
More than four times	49	25%
<b>TOTAL</b>	<b>198</b>	<b>100%</b>

Out of 198 respondents, 50 have responded that they visited a retail outlet more than four times in a month to buy goods during Covid-19 pandemic, which is 25% of the targeted population.

**Table 4: DISTRIBUTION OF RESPONDENTS BASED ON AVERAGE TIME SPENT AT A RETAIL STORE ON EACH VISIT**

AVERAGE TIME SPENT	NO. OF RESPONDENTS	PERCENTAGE
less than 5 minutes	12	6%
less than 10 minutes	30	15%
less than 20 minutes	99	50%
more than 20 minutes	57	29%
<b>TOTAL</b>	<b>198</b>	<b>100%</b>

Out of 198 respondents, majority have responded that they spend less than 20 minutes at retail outlet on each visit, to buy goods during Covid-19 pandemic.

**Table 5: DISTRIBUTION OF RESPONDENTS BASED ON DISTANCE TO THE RETAIL STORE**

DISTANCE	NO. OF RESPONDENTS	PERCENTAGE
Less than 1 Km	91	46%
1Km to 5Km	77	39%
5Km to 10Km	24	12%
Above 10Km	6	3%
<b>TOTAL</b>	<b>198</b>	<b>100%</b>

Out of 198 respondents, majority have responded that their choice of retail outlet is within 1 kilometer distance from the home, to buy goods during Covid-19 pandemic.

**Table 6: DISTRIBUTION OF RESPONDENTS BASED ON IMPORTANCE OF CONVENIENT STORE LOCATION AND IMPORTANCE OF REPUTATION OF THE STORE**

Scale Factor	Convenient Store Location		Reputation of the Store	
	NO. OF RESPONDENTS	PERCENTAGE (%)	NO. OF RESPONDENTS	PERCENTAGE (%)
Extremely Important	108	55%	60	30%
Somewhat Important	54	27%	50	26%
Neutral	26	13%	60	30%
A Little Important	6	3%	18	9%
Not At All Important	4	2%	10	5%
<b>TOTAL</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

Out of 198 respondents, majority have responded that convenient store location is extremely important. Out of 198 respondents, majority have responded that reputation of store is extremely important.

**Table 7: DISTRIBUTION OF RESPONDENTS BASED ON IMPORTANCE OF RELATIVE PRICES OF PRODUCTS AT STORE AND IMPORTANCE OF AVAILABILITY OF LARGE ASSORTMENT OF PRODUCTS AT SINGLE STORE**

Scale Factor	Relative Prices of Products at Store		Availability of Large Assortment of Products at Single Store	
	NO. OF RESPONDENTS	PERCENTAGE (%)	NO. OF RESPONDENTS	PERCENTAGE (%)
Extremely Important	64	32%	78	39%
Somewhat Important	70	35%	74	38%
Neutral	36	18%	38	19%
A Little Important	16	8%	6	3%
Not At All Important	12	6%	2	1%
<b>TOTAL</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

Out of 198 respondents, majority have responded that relative prices of products at store were extremely important. Out of 198 respondents, majority have responded that availability of large assortment of products at single store was extremely important.

**Table 8: DISTRIBUTION OF RESPONDENTS BASED ON IMPORTANCE OF SOCIAL DISTANCING MEASURES AND IMPORTANCE OF FACEMASK FOR BOTH RETAILER AND OTHER CUSTOMERS**

Scale Factor	Social Distancing Measures		Facemask for both Retailer and other Customers	
	NO. OF RESPONDENTS	PERCENTAGE (%)	NO. OF RESPONDENTS	PERCENTAGE (%)
Extremely Important	180	91%	188	95%
Somewhat Important	11	5.50%	6	3%
Neutral	4	2%	2	1
A Little Important	2	1%	1	0.50%
Not At All Important	1	0.50%	1	0.50%
<b>TOTAL</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

Out of 198 respondents, majority have responded that importance of social distancing measures is extremely important. Out of 198 respondents, majority have responded that importance of facemask for both retailer and other customers is extremely important.

**Table 9: DISTRIBUTION OF RESPONDENTS BASED ON IMPORTANCE OF SANITIZER AND THERMAL SCREENING AVAILABILITY AT ENTRANCE AND IMPORTANCE OF COVID-19 POSITIVE CASES AROUND STORE LOCATION**

Scale	Factor	Sanitizer and Thermal Screening Availability at entrance		Covid-19 Positive Cases Around Store Location	
		NO. OF RESPONDENTS	PERCENTAGE (%)	NO. OF RESPONDENTS	PERCENTAGE (%)
	Extremely Important	182	92%	164	83%
	Somewhat Important	12	6%	18	9%
	Neutral	2	1%	8	4%
	A Little Important	1	0.50%	6	3%
	Not At All Important	1	0.50%	2	1%
	<b>TOTAL</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

Out of 198 respondents, majority have responded that importance of sanitizer availability, thermal screening at retail is extremely important. Out of 198 respondents, majority have responded that importance of covid-19 positive cases around retail store is extremely important.

**Table 10: DISTRIBUTION OF RESPONDENTS BASED ON IMPORTANCE OF FAST CHECKOUT AND IMPORTANCE OF CASHLESS PAYMENTS AVAILABILITY**

Scale	Factor	Fast Checkout		Cashless Payments	
		NO. OF RESPONDENTS	PERCENTAGE (%)	NO. OF RESPONDENTS	PERCENTAGE (%)
	Extremely Important	128	65%	118	60%
	Somewhat Important	36	18%	50	25%
	Neutral	24	12%	22	11%
	A Little Important	6	3%	6	3%
	Not At All Important	4	2%	2	1%
	<b>TOTAL</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

Out of 198 respondents, majority have responded that importance of fast checkout at retail outlets is extremely important. Out of 198 respondents, majority have responded that importance of cashless payments availability at retail outlets is extremely important.

**Table 11: DISTRIBUTION OF RESPONDENTS BASED ON IMPORTANCE OF PROMOTION OF PRODUCT AND IMPORTANCE OF FUTURE AVAILABILITY OF PRODUCT**

Scale	Factor	Promotion of Product		Future availability of product	
		NO. OF RESPONDENTS	PERCENTAGE (%)	NO. OF RESPONDENTS	PERCENTAGE (%)
	Extremely Important	32	16.16%	92	46.46%
	Somewhat Important	54	27.27%	72	36.36%
	Neutral	72	36.36%	26	13.13%
	A Little Important	22	11.11%	4	2.02%
	Not At All Important	18	9.09%	4	2.02%
	<b>TOTAL</b>	<b>198</b>	<b>100</b>	<b>198</b>	<b>100</b>

Out of 198 respondents, majority have responded that promotion of product is of neutral importance. Out of 198 respondents, majority have responded that future availability of product is extremely important.

#### IV. Findings

1. Out of 198 respondents, majority of the respondents are male with 57% and Female with 43%.
2. Out of all the respondents, respondents within the age group 22 and 25 are in majority with 79%.
3. Among the 198 respondents, most of the respondents are from City (65%) followed by Village (19%) and Town (16%).

4. Majority of the respondents are in the income bracket 20,000 to 40,000 rupees (30%) followed by below 10,000 rupees (29%), above 40,000 rupees (22%) and 10,000 to 20,000 rupees (19%)
6. During the Covid-19 pandemic, 57% of the families shopped at Organized retail outlets. Only 43% of the families shopped at Unorganized retail outlets.
7. In City, 58.59% customers shop at organized retail outlets. It is 75% in Town. In village, 73.6% customers shop at Unorganized retail outlets.
8. 52% of the customers perceive Social distancing measures as the most influencing factor while selecting a retail outlet during Covid-19 pandemic. It is followed by convenient locality of the store (24%), availability of maximum products at the store (22%) and relative prices at the store (2%).
9. 29% of the customers shopped twice in a month at retail outlet during Covid-19 pandemic. 25% of the customers shopped more than four times in a month, 21% of the customers shopped once in a month, 14% of the customers shopped thrice in a month, and 11% of the customers shopped four times in a month.
10. Families shopping at Organized retail are visiting retail outlets majorly once or twice per month (58.92%). Families shopping at Unorganized retail are visiting retail outlets majorly more than four times per month (39.54%).
11. Only 6% of the customers spend less than 5 minutes at the retail outlets during Covid-19 pandemic. It is 15% for less than 10 minutes, 50% of the customers spend less than 20 minutes at the retail outlet, and 29% of the customers spend more than 20 minutes at the retail outlet while making purchase.
12. 46% of the customers have their preferred retail outlet within 1-kilometer distance from their home. 39% have their preferred retail store within 5-kilometer distance, 12% have it in less than 10-kilometer distance. Only 3% customers travel more than 10-kilometer to their preferred retail store.
14. During Covid-19 pandemic, convenient store location as a factor in choosing a retail store is extremely important for 55% of the customers. It is somewhat important for 27% customers,
15. During Covid-19 pandemic, Reputation of the store as a factor in choosing a retail store is extremely important for 30% customers, somewhat important for 26% customers and for 30% customers it is neutral.
16. During Covid-19 pandemic, social distancing measures as a factor in choosing a retail store is extremely important for 91 % customers.
17. During Covid-19 pandemic, Facemask for both retailer and other customers as a factor in choosing a retail store is extremely important for 95% customers.
18. During Covid-19 pandemic, availability of sanitizer and thermal screening as a factor in choosing a retail store is extremely important for 92% customers, somewhat important for 6% customers.
18. During Covid-19 pandemic, Covid-19 positive cases around a retail store as a factor in choosing a retail store is extremely important for 83% customers, somewhat important for 9% customers and for 4% customers it is neutral.
19. During Covid-19 pandemic, Fast Checkout as a factor in choosing a retail store is extremely important for 65% customers, somewhat important for 18% customers and for 12% customers it is neutral.
20. During Covid-19 pandemic, Cashless payment as a factor in choosing a retail store is extremely important for 60% customers, somewhat important for 25% customers and for 11% customers it is neutral.

## **V. Conclusion**

Retails are allowed to function right from Lockdown 1.0 for the most significant reason it being considered as an essential service. But Covid-19 pandemic has changed the way businesses are done. Customer's priorities in choosing retail outlets have changed. From price once being the top priority, the safety measures and personal protection have become of paramount importance while choosing the retail outlets for shopping. Extremely important factors for majority of the customers while choosing retail outlets during Covid-19 pandemic are (in order) Facemask for both retailer and other customers, social distancing measures, Covid-19 positive cases around the store, availability of sanitizer and thermal screening, fast checkouts, cashless payments availability, convenient store location, convenient store operating hours.

## **References**

- [1]. Allport, Gordon W. (1935), "Attitudes" Handbook of social psychology Murchinson, C. Worcester, MA: Clark University Press
- [2]. BAKER, M.J. and FOY, A., 2008. Business and Management Research: How to complete your research project successfully. 2nd Edn. Argyll: Westburn Publishers Limited.
- [3]. Belch, G. and Belch, A. 2009. Advertising and Promotion: An Integrated Marketing Communications Perspective. New York. McGraw-Hill
- [4]. Bryman, A. & Bell, E., 2011. Business Research Methods. 3 Edn. s.l: Oxford University Press. Howard, J. A., & Sheth, J. N. (1969). The theory of buyer behavior. New York: Wiley
- [5]. Kotler and Armstrong, 2015. Principle of marketing. 17th Edn., Pearson Education. Swapna Pradhan (2007), Retailing Management, New Delhi: Tata McGraw-Hill