

A CRITICAL ANALYSIS TO RECOGNISE PANIC BUYING DECISION PERFORM IN THE COVID-19 OF THANE DISTRICT

TEJAL JANARDHAN MAHAJAN

(Research Scholar) (MBA, SET, M.com, B.Ed.)

(Assistant professor, Department of commerce, Swayam siddhi degree college, Bhiwandi)

Email Id- tejalmahajan9@gmail.com Contact No. 9930977376

ABSTRACT-

The outbreak of the Coronavirus (COVID-19) that started in December 2019 drastically affected the world. It also reached India in late January 2020 and has greatly affected India, and continues to spread throughout the world. The COVID-19 pandemic fundamentally changed the world of consumerism. The impact of COVID-19 is of great concern to consumers. Consumer class has started to live differently, has changed the buying behaviour of the years and thinks differently. Due to an effect on the supply chain and retail supplies, consumers look to products and various services through a new lens. The consumer class answers the crisis in a variety of ways. Some go for the panic purchase of necessary goods such as staples and hygiene products while others remain indifferent to the pandemic and continue the purchase as usual. Financial uncertainty affects consumer outlook, perceptions and buying behaviour.

The following study circulates on Thane District masses where there is extreme segregation in living standards around the impacts of such situation. The study is a review of secondary data leading to the dark side of panic buying being a curtain raiser followed by misconceptions in the markets by imbibing black ocean strategy and explorative in nature. It draws suggestive measurements based on personal observations and experiential learning.

Key Words: *Covid-19, Consumer buying decision, panic buying, Impact*

INTRODUCTION

A respiratory disease outbreak occurred in Wuhan (province of Hubei), China, during the month of December 2019. The novel coronavirus (SARS-CoV-2) has led to the outbreak of this respiratory disease known as COVID-19. The outbreak of the disease is rapidly spreading all over the world. At present, it has spread through 213 countries around the world at the end of May 2020. Coronavirus is a type of common virus that causes nose, sinus or upper throat, windpipe and lung infections. It is a communicable virus, as it spreads from person-to-person contact, causing mild to deadly

infections. the disease was originally linked to the Wuhan seafood market. The disease has symptoms such as cough fever, tiredness, pneumonia, headache, diarrhoea, haemoptysis, and dyspnoea. Preventive measures such as masks, hand hygiene practices, avoidance of public contact, case detection, contact tracking, and quarantines have been suggested as effective measures to reduce transmission since no antiviral treatment has yet been proven to be effective. consumers at the local and global level feel the economic effect of Covid 19. Except for the unsheltered essential grocery stores, all retail outlets, including restaurants and malls, are badly affected by medical shops rest. Health care demand and Ayurvedic products have increased as consumers are more concerned about the body's immunity these days and consumers are following preventive measures such as social distancing, hand sanitizing, choosing a mixed mode of purchasing grocery items (both in-store and offline). India recorded their first case in Kerela during the last week of January 2020. Since then the cases have increased and in the first week of June crossed two lakh cases. The Union Government of India announced a three-phase nationwide lockdown of 3 weeks from 25 March 2020 to 17 May 2020 and a fourth nationwide lockdown of 18 May 2020 with more decision-making powers in the hands of state governments to formulate lockdown policies and resume economic activity in this 4th lockdown to bring the economy back on track. In a recent study conducted by 'Accenture' in April 2020 on the impact of Covid-19 on consumer behaviour, it was found that consumer attitudes, buying behaviour and buying habits are changing due to the pandemic and this change will also remain post-pandemic. Currently the consumer is more focused on buying basic needs; they are shopping more consciously, becoming more inclined to digital shopping modes to manage isolation.

CUSTOMER PANIC BUYING

Panic buying happens when consumers buy oddly bulky volumes of a product in anticipation of, or after, a disaster or perceived disaster, or in anticipation of a major price increase or shortages. Buying panic is one kind of herd behaviour. Panic-buying can lead to real scarcity irrespective of whether the risk of a shortage is real or perceived; the latter situation is an instance of prophecy fulfilling itself. Psychologists view control as a basic human necessity. With a disease highly communicable and capable of turning deadly, this epidemic fundamentally disrupts a sense of control.

Crude vegetable and fruit shops were also shut down in various neighbourhoods in Thane District due either to lack of lucidity on the lockdown over coronavirus pandemic, or they could not get

items from the wholesale bazaars. Panic buying is called the deed of buying large quantities of a particular product or commodity due to sudden fears of a coming shortage or price rise. Buyers have to wait for my turn to enter the store for some minutes to buy essential items. It's because only two to three people were allowed to go inside the store at one time. The rest would have to wait in a queue outside of the shop, maintaining a distance of around three feet. Many items such as milk tetra packs, confectionery products, tissue papers, butter, flour, vegetables did not exist at the local grocery outlets (kiranas), shop floors, D-marts, supermarket Big Bazaar etc. At other grocery stores a similar state of affairs prevailed. Shop owners and the administration took various measures, from asking visitors to wear mandatory masks, to marking outdoor shops for customers to stand up, to protecting social distance to prevent the coronavirus from blowing out. Shopkeepers supposed this was due to panic buying on 24 March 2020, Tuesday evening itself, just after Prime Minister Narendra Modi 's announcement of a comprehensive lockdown.

In some outlets, people grumbled about the lack of supply, because essential items such as milk, wheat, pulses, oil, biscuits, milk products and potable water jars were either out of stock or were fast waning. Some foodstuffs such as vegetables and fruits, however, continued to be supplied but may not reach shops due to lock-down impact. A chance of black marketing or a similarity of purposeful inflation also exists. Some storekeepers grumbled that their traders were unable to turn up due to transportation restrictions either. This supplement added fuel to the disappointment of information that due to lack of supply things run out of stock from market. Despite the announcements made from the end of the government, Minister of Food and Civil Supplies of the State Shri Chhagan Bhujbal, concerning the incessant supply of each product, despite restrictions on the movement of vehicles, the supply of essential goods would be unpretentious, and there is still a deficiency in the supply of the daily products needed.

The preliminary panic purchase was lone for hygiene products, soaps, exclusively hand sanitizers, but retailers say it's dribbled down to food after most offices allowed WFH (homework) employees to add fuel as consumption rates increased."Sales of categories such as Maggie, canned food, hand washers, tissues, wet tissues, sugar, ghee, butter, noodles, biscuits, rice, wheat oils, sanitizers, floor & glass cleaners & hygiene products have gushed up. Vendors and consumer goods firms advertise their average daily sales more than twice on Thursday as consumers hurried to purchase essential items ahead of Prime Minister Narendra Modi's address to the nation on the state of affairs resulting from coronavirus outbreak and efforts to fight it.

Amul, the country's major dairy brand, said sales of groupings such as Tetra Packs milk, cheese, ghee, ice creams, and butter have seen gigantic spurt over the earlier one week, and demand is rising anywhere across general trade and modern commerce. That's also why consumers want harmless packaged food and cook at home. Because of the inappropriate information numerous customers over-acquire as panicked. Thus, this leads to some sort of black ocean creation where the market moves around misleading facts for product availability and appears to be under the influence of furnished black magic. In fact, these are tools undertaken by different companies to fight the competition on the market, but in the current scenario they cause panic buying leading to shortages of stuffs or over purchasing.

LITERATURE REVIEW

We considered the approach of supply disruption models because during the outbreak of COVID19, which resulted in the complete lockdown Thane District, there was a shortage of products needed and panic buying followed.

Snyder et al. (2010) provides a comprehensive analysis of the current investigation into supply disruptions. The literature contains very limited papers explicitly considering the effect of supply uncertainty on customer demand. Rong et al. (2008) considers an interaction between an unreliable supplier and multiple retailers as one-shot game. In order to get their desired allocation from the supplier, a behaviour known as the rationing game, the retailers can block their order quantities creating inflation.

Thus, there is a competition among the retail stores today as they sometimes compete with near rivals or sell the products at higher rates to customers with close proximity or most of the time. The sellers create hypes which lead to panic buying.

OBJECTIVES

1. To understand the impact of a complete lockdown resulting in situations of uprising panic buying in Thane District.
2. To explore the psychological impact on buyers in Thane District during COVID19 pandemic outbreak leading to the exhaustion of daily stocks of need.

Thane District market a prey of panic buying during COVID 19 pandemic

- ❖ Lalans, who runs a well-stocked Kirana store in Kalyan, says Thane has doubled their footfalls in his store over the past week. "Consumers buy products like soaps, sanitary facilities and handwash in bulk. I've actually run out of stock. People buy atta, oil and biscuits in bulk, as they're afraid shops will be shut down due to corona virus scare."
- ❖ At pharmacies in Megha chemist, Thane, a bottle of hand sanitiser, usually priced at Rs 40, was being sold for Rs 100.
- ❖ "Fake sanitising agents are more dangerous because they have side effects on human skin. Sanitisers are required to clean their hands when they cannot use soap and water. Sanitisers are used to sanitize public spaces, but if the sanitisers are fake or lack the sanitary facilities efficiency, it's going to be harmful, you never know what chemicals are being used in them," Dr. Pulmonologist Bobby Balotra at Sir Ganga Ram Hospital.
- ❖ Mayank Shah, head of the category of Parle Products said, "Panic buying is taking place and is likely to continue for at least one-two weeks longer. We have received frenzied calls from the trade to supply stock since the pipeline has become almost dry. There is an increase of 15-20 per cent over usual sales."
- ❖ Albinder Dindsha, CEO of Grofers, said he expects the frontline sanitiser brands to be back on stock soon. Together, he said Delhi-NCR and Hyderabad witnessed a five-fold increase in demand over the last three days, which is the highest increase in sales in over six months in any category.
- ❖ Some chemist shops that have stocks of masks available with them have jacked up prices, selling items that were available earlier for Rs 150 at Rs 300, a report stated. The demand for surgical and N95 masks increased manifold in Thane District with some people claiming they were being sold at rates much higher than the actual cost. People claimed surgical masks were sold for Rs 40 or higher which are usually sold for Rs 10; And N95 masks sold for around 150 Rs were sold for up to 500 Rs. "If a pharmacy goes selling on average, 10-15 masks a day, today the demand rose to 100.

Impacts of COVID 19 and lock down on Thane District

Pandemic has wedged not only manufacturing and consumer industries, but luxury goods, airlines, tourism, leisure, and hospitality too. Holding away workers from work and consumers from consumption both reduces economic activity. Combating the problem would entail dramatically higher levels of debt everywhere; India has made efforts to address the COVID-19 challenge by social distancing and collective efforts. Economic impact on businesses, foreign trade, financial turmoil, export imports, inflation, taxation, consumption, stock markets. The fiscal policies,

monetary policies, financial regulations, social insurance policies, industrial policies and trade policies will change. The economic damage could be lingering. The economic damage could be lingering. The most affected are vulnerable or poorest sectors of society that are dependent on their daily living wages, and this government measure could bring some relief to them. At a time of pandemic, proactive government in financial commitments will assist our society's most vulnerable customers.

Consumer priorities have focused on the most basic needs, sending hygiene demand, cleaning and staples products soaring, while non-essential categories are slumping. The factors influencing brand decisions are also changing as the trend to "buy local" accelerates. Digital commerce has also seen a boost as new consumers migrate online for grocery shopping, an increase that is likely to be sustained after the outbreak. In times like this, our need for life's basic necessities prevails. It comes as no surprise that the top priority for the consumers we surveyed is personal health followed by the health of friends and family. Other leading priorities were food and medical security, financial security and personal safety. CPG brands should heed this change and make it a priority for consumers, shoppers and employees to support healthy lifestyles. A strategic differentiator for the foreseeable future will be to have a "health strategy." Consumers are more conscious about what they buy. They strive to limit food waste, consciously shop more costs and buy more sustainable options. Brands will need to make this a key part of their offering (exploring new business models, for example). The desire to shop locally is reflected in both the purchase of the consumer products (e.g. locally sourced, artisanal) and the way they shop (e.g. community stores support). CPG brands will need to explore ways of connecting locally – whether by highlighting local provenance, tailoring to local needs or engaging in local ways.

CONCLUSION

Covid-19 has become a global pandemic and the government of the various countries are working to contain it and taking various steps to minimize the economic and social loss. In India, the union government imposed nationwide lockdown on March 24, which has been extended till 31st May and from June the government has started unlocking the lockdown; but still there is a situation of uncertainty and fear. Due to the lockdown the industries had the hardest hit as malls, restaurants, hotels, cinema halls etc. were shut except the essential grocery and medicine shops. Indian consumer has learnt to shop by using various precautions of sanitisation, social distancing, online mode of shopping etc. Majority of the consumers are now spending on essential goods through both online and in-store modes of buying. Due to uncertainty of the outbreak consumer is also opting for stocking of necessary goods and also buying goods which they never bought earlier. If the

consumer is not getting the regular brand, they are buying the alternative brands also and due to lockdown consumer is sometimes buying from the stores or shop from where they wouldn't buy otherwise. As various restaurants are open for home delivery majority of the consumer due to fear does not prefer the online food. The Covid-19 has had made a slight shift in the buying behaviour of the consumer. There is an increase in the demand of the healthcare (Ayurvedic products) and sanitisation products and slight decrease in the FMCG products. The decreased purchasing power of the majority of the consumer class is also one of the main factors in the shift of the buying behaviour of the consumer. In the months to come, the Covid-19 pandemic is likely to make a permanent shift in the attitude and buying behaviour of the consumer. Consumer class will shift more towards hygiene, personal immunity booster and necessary products and there will be permanent decrease in the shopping of unhygienic street food, fashion products, luxury items etc. Finally, we conclude that we should deal with the situation with an optimistic mind set and should learn to live with Covid-19.

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