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IMPULSE BUYING DURING THE PANDEMIC TIMES, WITH SPECIAL REFERENCE TO KERALA

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ABSTRACT

The Novel Corona Virus (COVID19) have impacted all the nations across the globe. The Nation-wide Lockdowns imposed by several countries have made the public to do the Impulsive Buying as a result of Panic Buying. When the whole world is fighting against the COVID 19 people are panic enough in stocking up their shelves with the essential groceries. Impulse buying results in a sudden urge felt by a person to purchase a product or service. Whereas, Panic Buying is the result of the anxiety that a person experiences due to the external conditions. This paper has examined the impulse buying during the pandemic times in Kerala and the study was conducted among 450 respondents in 3 different cities of Kerala with the help of a structured questionnaire. The responses collected from the respondents were analyzed using the tools in the SPSS software. The results claim that the impulse buying is happening more in the face masks and in the hand sanitizer's along with the essentials like Rice, Cereals, Groceries etc.... after the outbreak of the pandemic. Whereas, the impulse purchases on non- essentials like Home Improvements and Clothing has reduced drastically. The impulse spending made by the respondents have witnessed a fall due to the un-employability, lack in foreign remittances and zero sales in non – essential items. The impulse spending has resulted in stock piling of the essential items especially after the outbreak of the pandemic.

INTRODUCTION

Individuals may behave differently when a natural disaster or a disease outbreaks which affects the social lives or even the health of the individuals. Such change could be the anxiety arising out of stocking up the products during a pandemic situation. Since the whole world is affected with COVID – 19 impacting on the individuals. Everyone is scare about the future. This scare in order to survive in the world tomorrow resulted in panic buying by the individuals. Even though people started to do panic buying across the world, the shelves of the supermarkets were left empty and some of the supermarkets even

charged higher prices for the products in order to discourage the panic buying done by the individuals or to make huge profits.

While we discuss about the Indian Scenario, the panic buying was not that much evident because of the existing Public Distribution Systems (PDS) across the country. The PDS helps the people to get the essentials like Rice, Flours, Cereals etc. at a discounted rate or at no price for the Below Poverty Line (BPL) category people. But, even then the stock piling by the haves was much more evident when compared to the have nots. When the country went to a longer lockdown periods from March 25th onwards, the people were vigilant and they did an impulse buying for the essential items which resulted in stock piling and the shelves of the supermarkets were empty. Impulse buying can be considered as a spontaneous response felt by the individual to purchase a product and it could be out of a reminder impulse or it could be a pure or unplanned impulse. The impulse buying could be influenced by the internal or the external factors. Since, COVID 19 is considered as a pandemic situation which affects the individual internally as well as externally. The psychological factor of the individual measures whether he or she will be able to purchase the products today itself, what if the essentials runs out by tomorrow are the anxieties created by the purchaser internally which triggers him to do the purchase impulsively. The external conditions like a pandemic obviously makes an individual to go for an impulse buying.

The impulse buying was witnessed across different sectors before the outbreak of the pandemic. But when the lockdown was announced and expecting a scarcity in the essentials people switched on to the impulse purchases of the essentials. And, moreover the unemployment situations and the fall in the foreign remittances have made the people to make their impulse spending very carefully. Being a cautious consumer state the individuals in Kerala also were very careful in making the impulse purchases during the pandemic times. The impulse purchase for the non – essential items has been reduced by more than 3/ 4th times during the lockdown in the country.

The Pandemic outbreak across the world have forced the people to switch on to the online stores resulting in a safe shopping. But even then, the people across the globe opines that if the situations are back to the normal, they wish to go out with their families to enjoy the shopping. Most of the purchases during the pandemic situation across the globe was done through the credit purchases which made the people to have a secured financial spending at the current time. (SlickDeals, 2020)

This paper analyses the impulse buying happened before and during the pandemic, the products purchased before & during the pandemic, the impulse spending pattern of the individuals etc... in the cities of Kerala.

REVIEW OF LITERATURE

A person makes an impulse or sudden purchase which is not at all planned in advance states (Stern, 1962). The impulse purchaser or a

spontaneous purchaser buys the products as a result of an urge felt at that moment. The urge is also felt spontaneously. According to (Pradhan, 2016) A person who is purchasing impulsively is known as an Impulse Purchaser. A person might purchase a product impulsively due to some factors like Need stimulation, the intend to purchase impulsively etc.... opines (Iram & Chacharkar, 2017). Visualizing and Grabbing a product from a shelf and putting it on to the shopping carts without even having a second thought could be considered as an impulse purchase. According to (Amos , Holmes, & Keneson, 2013) The impulse purchases can happen in both the brick and mortar retails as well as on the online stores. (Hadjali, Salimi, Nazari, & Ardestani, 2012) opines that the consumption growth of the people is increasing day by day when it is backed by the credit cards the possibility of purchasing the products on impulse is increasing on an alarming rate. Economic and Time influences the purchaser to go for an impulse buying (Stern, 1962). The impulse purchase of a consumer is influenced by either internal factors or the external factors (Octavia, 2015). (Bayley & Nancarrow, 1998) The authors opine that the impulse buying is a mood changer. A consumer who is making a sudden purchase is making an advantage of purchasing the product now rather than foregoing it as stated by (Bell, Corsten, & Knox).

The fear of shortage of food have made the consumers to go for a Panic buy, resulting in an empty shelf in the supermarkets and the stockpiles at homes. (Southey, 2020) The wave of panic buying have resulted in increase of prices for the essentials and the stock piling by the shopkeepers to sell at a higher rates have literally affected the poor claims (Sehgal, 2020). Times of crisis have always resulted in the disparities between the haves and have nots. People who are physically able and a bit higher on the income side are able to afford the stock pile before the products at their house runs out (Besson, 2020). This disparity opens up the pave for impulse buying as a result of panic shopping. These literature reviews open up the path for doing a research on the impulsive purchases and the impulse spending during the COVID 19 as a result of Panic Buying.

OBJECTIVES OF THE STUDY

- i. To study about the impulse purchases before & after the outbreak of the pandemic.
- ii. To evaluate the changes occurred in the impulse spending pattern before & after the outbreak of the pandemic.
- iii. To check whether pandemic have impacted stock piling and the monthly expenditure on impulses.

LIMITATIONS OF THE STUDY

- i. The study is concentrated only on the 3 major cities of Kerala viz; Calicut, Cochin and Trivandrum and amounting to 450 respondents.
- ii. The study focuses more on the impulse spending.

METHODS

In this study based upon the objectives a survey questionnaire was prepared and it was distributed among 500 respondents. We got 450

filled up responses from the respondents which adds up the primary source of data collection. Whereas the secondary source of data was collected from Journals, Articles and online materials. The collected responses were analyzed using the SPSS software. ANOVA, Multiple Responses, Simple Percentages etc.... have been used to interpret the results.

ANALYSIS & INTERPRETATION

The following tables & charts have been analyzed from the distributed survey questionnaire. The data collected do have some interesting findings. The impulsive purchases made before the pandemic and after the pandemic have a greater difference.

The below table depicts the Demographic Profile of the Respondents.

Demographic Features	No: of Responses	Percentage (%)
GENDER		
Male	247	54.9
Female	202	44.9
Prefer Not to Say	1	0.2
AGE GROUP		
18 – 30 years	203	45.1
31 – 40 years	190	42.2
41 – 50 years	50	11.1
51 – 60 years	7	1.6
MARITAL STATUS		
Un- Married	176	39.1
Married	247	54.9
Widowed	8	1.8
Divorced	19	4.2
EDUCATIONAL QUALIFICATION		
School Level	26	5.8
College Level	189	42
Professional Level	153	34
Others	82	18.2
INCOME PER MONTH		
Below Rs.15,000	119	26.4
Rs.15,001 – 30,000	164	36.4
Rs.30,001 – 45,000	101	22.4
Rs.45,001 – 60,000	48	10.7
Above Rs.60,001	18	4

Table No.1 Demographic Profile of Respondents

From the above table it is evident that the respondents vary according to different demographic profiles. Male respondents outnumber female respondents. Most of the respondents falls under the age group of 18 -30 years. Married respondents are more when compared to the un- married respondents; which could be considered as a crucial factor for impulse purchases. More than 40% of the respondents falls under the Collegiate level of education. On an average respondent have a monthly income of Rs.15,001 – Rs.30,000.

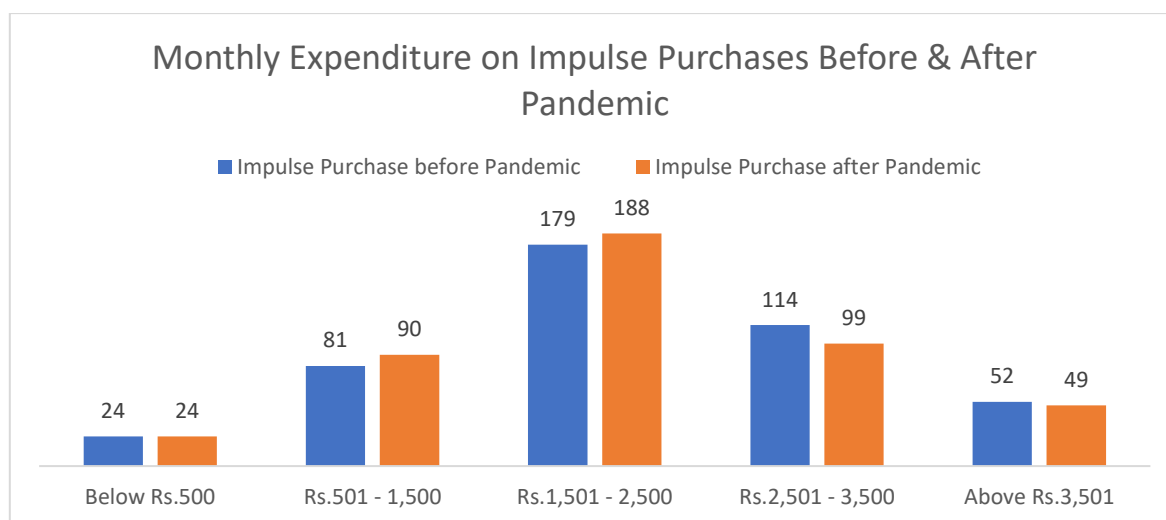


Fig.1. Monthly Expenditure on Impulse Purchases before and after the Pandemic Outbreak.

From the above figure it is evident that the monthly expenditure on impulsive purchases have seen a dip. There is a slight change in the monthly impulsive expenditure in the category spend of Rs.501 – 1,500 and in the category of Rs.1,501 – 2,500. At the same time the contribution to the category of Above Rs.2,501 has fallen and most of them moved to the lesser spending categories. From this we could conclude that the monthly expenditure on impulsive purchases after the pandemic have slightly increased for some expenditure categories, but at the same time there are some decreases in other expenditure categories too.

Products bought impulsively before the outbreak of Pandemic

	Responses		Percent of Cases
	N	Percent	
Food/ Groceries	428	36.8%	95.1%
Clothing	130	11.2%	28.9%
Household Items	286	24.6%	63.6%
Shoes	55	4.7%	12.2%
Books	71	6.1%	15.8%
Technology	68	5.8%	15.1%
Hot or Cold Beverages	66	5.7%	14.7%
Video/Online Games	28	2.4%	6.2%
Investments	31	2.7%	6.9%
Total	1163	100.0%	258.4%

a. Dichotomy group tabulated at value 1.

Table No.2 Products purchased impulsively before the Pandemic

The table products bought impulsively before the outbreak of pandemic illustrates that 95.1% of the respondents used to purchase Food / Groceries (including: Cereals, Bakery & Dairy products, Meat, Packed foods) impulsively or spontaneously. Where as 63.6% of the respondents opined that they purchase Household items impulsively. Books, Technology, Hot or Cold Beverages were purchased impulsively by respondents on an average of 15%. Clothing was purchased impulsively by 28.9% of the respondents. The least product which was purchased impulsively by responses was the Video/ Online Games which comes to 6.2%.

Products bought impulsively after the outbreak of Pandemic

		Responses		Percent of Cases
		N	Percent	
PBIAP	Hand Sanitizer	333	17.6%	74.0%
	Hand Soap	249	13.1%	55.3%
	Face Mask	349	18.4%	77.6%
	Rice, Cereals, Vegetables and Cooking Oils	357	18.8%	79.3%
	Branded Flours	201	10.6%	44.7%
	Bakery Products	217	11.5%	48.2%
	Clothes	31	1.6%	6.9%
	Online Games	30	1.6%	6.7%
	Home Improvement	33	1.7%	7.3%
	TV	32	1.7%	7.1%
	Electronic Accessories	47	2.5%	10.4%
	Investments	15	0.8%	3.3%
Total		1894	100.0%	420.9%

a. Dichotomy group tabulated at value 1.

Table No.3 Products purchased impulsively after the outbreak of Pandemic

After the outbreak of the pandemic most of the respondents were afraid with regarding to the availability of the food items. So, most of the respondents purchased Rice, Cereals, Cooking oil & vegetables impulsively as a measure of stock piling. From the above table it is evident that 79.3% of the respondents purchased these items impulsively after the outbreak of the pandemic. Face Mask & Hand Sanitizer are the two products which we common man were not so aware before the month of March, 2020. But after the outbreak of pandemic in India common man is forced to use these products as a preventive measure. So, the face mask and hand sanitizer were purchased impulsively by around 75% of the respondents. The impulsive purchases on Clothing and Home Improvements was reduced drastically from 28.9% and 63.6% subsequently to 6.9% and 7.3% after the outbreak of Pandemic and the lockdown restrictions imposed by the government. The percent of investments purchased impulsively was reduced by 50% during the pandemic times.

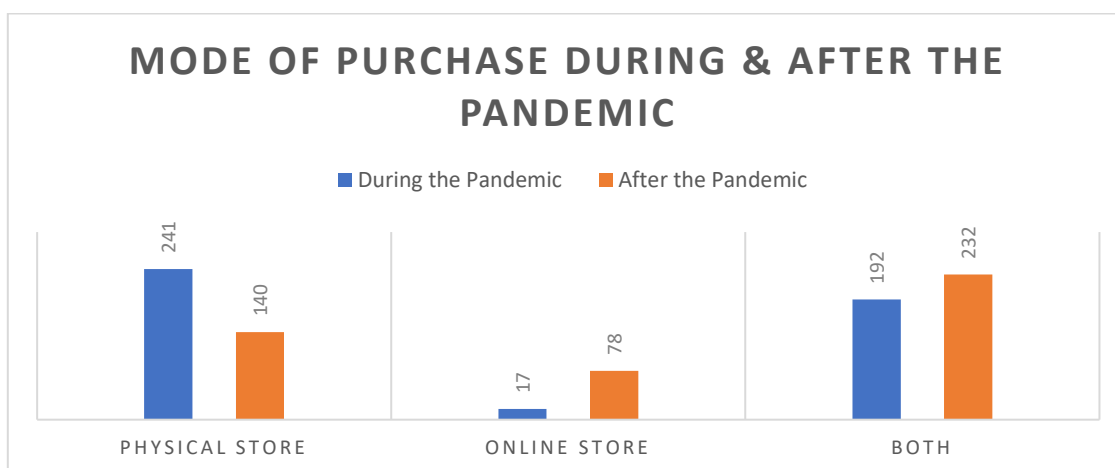


Fig.2. Mode of Purchase during & after the Pandemic.

The above figure illustrates that the mode of purchase done by the respondents during & after the Pandemic varies a lot. When most of the respondents approached physical store for the purchases during the pandemic but it won't be the same situation after the pandemic. Because, most of the respondents opined that they will go for an online store after the pandemic. At the same time some of the respondents opined that they will use both the physical as well as online store for their purchases after the pandemic.

ANOVA TEST

H0 – There is no significant difference among Monthly Expenditure on impulse purchases after the pandemic outbreak and increase in purchases as a result of stockpiling.

H1 – There is a significant difference among Monthly Expenditure on impulse purchases after the pandemic outbreak and increase in purchases as a result of stockpiling.

ANOVA

Increase in purchases as a result of stockpiling.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39.725	4	9.931	5.003	.001
Within Groups	883.386	445	1.985		
Total	923.111	449			

The above table depicts that since the p value is < 0.05 , the null hypothesis is been rejected and the alternate hypothesis is accepted. That is there is a significant difference among Monthly Expenditure on impulse purchases after the outbreak of pandemic as a result of stock piling.

RESULTS & DISCUSSIONS

The impulse purchases during the pandemic times reveals a lot of interesting facts. Let's peek into what it actually discusses about.

- Almost all the people irrespective of their demographical conditions have done an impulse purchase at least once in their lifetime either before or after the outbreak of the pandemic.
- Before the pandemic outbreak Packed foods, Bakery & Dairy products, Cereals & Groceries and Home improvements was considered to be purchased impulsively more due to their attracting factors. Even after the outbreak of the pandemic the Groceries stood at the top for impulsive

purchases not because of the attractive features but as a result of stock piling and to overcome the anxiety of “What to eat tomorrow?”.

- At the same time the impulse purchases witnessed 2 new products into its list and they are Face Masks and Hand Sanitizer. The current pandemic situation has forced all the people across the world to use the Face Masks and Hand Sanitizer, which resulted in the higher impulse purchases of these products.
- Most of the respondents opined that their monthly impulse expenditure after the pandemic have changed. Earlier 11.6% of the respondents used to spend Above Rs.3,501, but as a result of the pandemic it was reduced to 10.9%. Respondents who used to purchase impulsively for more than Rs.2,501 have reduced their impulse purchases and they have come to the category of Rs.501 – 2,500.
- During the time of pandemic respondents concentrated more on the essential items like food, cereals, groceries, face mask, hand sanitizer etc.... and they reduced the purchases of the non-essential items like home improvements, clothes investments etc.... which resulted in a dip in the impulse spending done by the respondents.
- The anxiety of the outbreak and the possible second wave have made the respondents to depend upon the online stores more when compared to the physical stores.
- The monthly expenditure on impulse purchase after the pandemic situation have a significant impact on the increase in stock piling due to the outbreak of the pandemic.

CONCLUSION

This paper discusses about the impulse purchases before & during the pandemic times. The purchases during the pandemic time witnessed that people used to concentrate more on the essential items and they were least bothered upon the non – essential item. As far as the culture of Kerala is considered the people are more cautious in making decisions and spending money. This pandemic situation has impacted almost all the sectors leading to a un – employment, short on foreign remittances and zero sales of non – essential items. The impulse spending found a dip due to the above-mentioned factors. The anxiety of stock piling among the people have increased the impulse purchase of Essentials like Rice, Cereals, Groceries etc... and the pandemic time have demanded the people to purchase the hand sanitizers and face masks as a prevention to defeat the pandemic. The excessive spending on impulse was curbed and was concentrated more on the essentials at a lower rate. This pandemic has made the people to spend the money carefully.

FURTHER RESEARCH

This paper analyses on the impulsive spending before & during the pandemic. The change in the items purchased impulsively due to the outbreak of the pandemic. Further researchers can concentrate on the psychological quotients of the respondents on the impulsive behavior and the buying patterns during the pandemic situation.

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