



Changing scenario of consumers during pandemic: A study of fast-moving consumer goods between India and China

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Abstract

This paper examines the changes in consumer behaviour during covid-19 by making a comparative study of FMCG Goods in India and China. The coronavirus pandemic changed the lives of people especially when it came. there was strict lockdown in all over the world. so it became necessary to examine the changes in the behaviour of consumers during the pandemic. The reason behind taking India and China for the analysis of the study is that the virus has emerged in China and it affects India a lot. Existing literature on Covid-19 and its impact on consumer behaviour in India and China were retrieved through secondary research. The retrieved literature was analysed to make a comparative study of both countries. It founds that per capita consumption of India is less than China, Further, during Covid-19 there is a great shift in the consumption pattern of Indian consumers as compared to Chinese consumers.

Keywords: COVID-19, consumer behaviour, FMCG, India, China

Introduction

Once the former President of India, Late Dr A.P.J Abdul Kalam, Missile Man of India gave the vision of India in his book INDIA 2020 that aimed at "Transforming the nation into a developed country." In his Vision, he talked about five areas for the development of the country these areas include: Agriculture and food processing, Infrastructure with reliable electric power, education and healthcare, information and communication technology, critical technologies and strategic industries. India was hoping to achieve this goal in 2020.

But 2020 will be remembered in history, as Coronavirus disease 2019 (COVID-19) has come up as an event that will remain imprinted in us for a long time. COVID-19 is an infectious disease caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2), a novel virus. It was first identified in December 2019, in Wuhan, the capital of China's Hubei province and has since then spread globally across 213+ countries. The virus has taken the whole world in its grip and the coronavirus outbreak has been coined as a pandemic by WHO. With 20 lakhs deaths and over 9 crore people affected (as of Dec 2020), this disease put the entire world under lockdown. In India, around 1.5 lakhs deaths and over 1 crore people are affected by this. Panic appeared on the market during COVID-19. There is no market that is unaffected by a pandemic. The pandemic has influenced on various industries, including FMCG, FMCD, insurance, and finance. As a result of the global pandemic's onset, COVID-19 has brought to a worldwide slump in the FMCG business. As a result, a consumer behaviour study is required. This should also be looked into in terms of fast-moving consumer goods.

Consumers make decisions about how individuals, groups, and organisations choose, purchase, utilise, and deal with ideas, commodities, and services to meet their needs and desires. It refers to the consumer's actions in the market and the motivations behind those actions.

Marketers expect that by understanding consumer behaviour they will be able to determine what type of products and

services are needed in the marketplace. Understanding consumer behaviour helps marketers in placing their products in markets efficiently. The study of consumer behaviour is needed in every field whether it be social sciences, humanities and physical sciences. Consumer behaviour is not static, it keeps on changing.

The study of consumer behaviour of Fast-Moving Consumer Goods (FMCG) helps the marketers of these products in gaining customer support and achieving their goals. Fast-moving consumer goods (FMCG) are products that sell quickly for a low price. Consumer packaged goods are another name for these items.

Because of strong consumer demand (e.g., soft drinks and confections) or because they are perishable, FMCGs have a limited shelf life (e.g., meat, dairy products, and baked goods). These commodities are frequently acquired, quickly eaten, inexpensively priced, and marketed in big quantities. When they're on the store shelf, they also have a high turnover.

The following are examples of FMCG

- Prepared meals: ready-to-eat meals
- Processed foods: cheese products, cereals, and boxed pasta
- Bottled water, energy drinks, and juices are among the beverages available.
- Cookies, croissants, and bagels are examples of baked products.
- Cleaning products: baking soda, oven cleaner, and window and glass cleaner
- Cosmetics and toiletries: Haircare products, concealers, toothpaste, and soap

The reason behind choosing INDIA and CHINA for the analysis of the study is that India and China has the World's Largest Customer base of FMCG goods. Secondly, the virus has emerged in China and India is the most affected country by COVID.

Review of literature

Deloitte (2020) examines the impact of Covid-19 on the finance and operations of China's retailing and the industry outlook. Deloitte finds the corona outbreak has caused short-term upheaval in China's retail industry, but upheaval is taken as an opportunity for businesses to take advantage of new possibilities for the industry's long-term transformation. An opportunity was to connect social media to social commerce.

Sood (2020) ^[5] examines the impact of Covid-19 on consumer behaviour in India. Sood looked into the articles from every peer-reviewed journal. Sood finds Insurance, FMCG, Digital is growing. Sood suggested companies be true to their brand and their customers and also to their intent, to communicate with customers.

Mahajan (2020) ^[6] investigates the influence of coronavirus on India's FMCG industry and Kirana Stores. Consumer behaviour in India after the coronavirus outbreak. The study is descriptive in style, and it analyses the data using both primary and secondary sources. It discovers that client preferences, companies, and economic structures are changing, with some organisations speeding up and others slowing down. The key finding of the study's analysis is that everyone is fighting for survival.

Shetty *et al.* (2020) ^[7] examines the effect of Covid-19 on the FMCG goods and retail industries of India and examines emerging trends in these markets. The authors use secondary data for the analysis of the study and find that the middlemen between the producer and the end consumer are being eliminated.

Seth. (2020) ^[8] examines studies on the impact of Covid-19 on consumer behaviour. Seth further examines whether the old habits of consumers will return or die. Seth uses conceptual analysis for his study and finds consumers have learned to improvise in creative and innovative ways. Consumers are likely to adopt newer technologies that facilitate work, study and consumption in a more convenient manner.

Research Gaps

Thus, an overview of the above literature shows that there are a number of studies related to consumer behaviour. An overview also shows that there are quite a few studies in the field of covid -19 in FMCG Goods. The studies look at the analysis of consumer behaviour in India. However, there are no studies that look at the comparative study of consumer behaviour between the countries. Moreover, the major focus of this paper is not only on the comparative study but also to examine the changes in consumer behaviour by making a comparative study. Hence, the article is not only relevant but also addresses emerging issues like personal hygiene products marketing. The research adds new knowledge to the FMCG goods industry and helps many marketers to adopt different practices to get rid of the struggle for survival.

Research design

The research investigates changes in consumer behaviour toward FMCG goods in India and China throughout the course of the twentieth century. The research is purely descriptive. The analysis of the study is based on secondary data. Secondary data is gathered in India via websites, blogs, magazines, and newspapers. The report examines the state of the FMCG industry in India and China, as well as its impact on consumer behaviour in Covid-19. The study's geographical focus is India and China. The study examines changes nation by country before doing a comparison of the two countries.

Objectives of study

The objectives of the study are given as under:

- To study the changes in consumer behaviour of FMCG products during covid-19 in India.
- To study the changes in consumer behaviour of FMCG products during covid-19 in China.
- To make a comparative study of changes in consumer behaviour of FMCG goods during covid-19 in India and China.

Findings

The findings of the study are given as under:

India During COVID-19

Covid-19 has severely affected the world. India is one of the major countries that face the severe impact of covid-19. Around 1 cr. Cases have been reported as of Dec 2020 and 1.5 lakh people loses their lives due to covid-19. Due to Covid -19, India faces (i) Recession: There is a sudden fall in G.D.P of the country by 23.8 per cent in the second quarter. (ii) Shortage of jobs leads to rising unemployment. (iii) Manufacturing activities get limited. (iv) Distribution of only necessary products.

During covid-19 each and every sector is affected by this pandemic whether it be FMCG, FMCD etc. This paper lays importance on FMCG goods. As per the financial year, 2019-20 FMCG sector is the 4th largest contributing sector and contributes about 10% of the GDP.

Indian consumer starts spending on FMCG goods. At that time the demand for various FMCG Goods starts increasing. But suddenly coronavirus disease came into existence that change the life, income, and behavioural pattern of people and ultimately changes consumer behaviour.

Following changes have been inferred in the behaviour of Indian consumers as per the data available in various research papers, articles, newspapers, magazines etc.

1. Decrease in the demand for cosmetic good

During covid-19 the demand for cosmetic goods have been decreased as people lost their jobs due to the pandemic so they shift their preference only to necessary goods. Secondly, people start working from home and students start studying at home.

2. Decrease in the demand for meat products

As per some reports it is observed that the covid -19 has emerged from the meat market of Wuhan, China. So, it is believed in the market that eating meat can cause covid. So, there is a sudden decrease in the demand for meat products.

3. Decrease in the demand for beverages

As per the advice of the government to consume hot things the demand for beverages automatically decreases.

4. Increase in the demand for fresh fruits and vegetables

Due to strict lockdown in the country, panic came in the market and people start purchasing the fruits and vegetables consequently due to this the prices of fruits and vegetables start increasing.

5. Increased in the demand for organic and natural products

As there was no medicine for the covid-19, consumers start purchasing organic and natural products to boost their immunity. A large number of companies come into existence that sells organic and natural products thus employment and entrepreneurship both increased.

6. Increase in the demand for personal hygiene products

Before covid-19 India do not have manufacturing companies related to masks, sanitizers and PPE kits. During covid19 it becomes mandatory to wear masks, to sanitize hands. The consumption of masks and sanitizers starts increasing. Many companies Starts making masks and sanitizers.

China during COVID-19

China is one of the major economies in the world. It is the largest populated country in the world. The coronavirus pandemic firstly emerged in the Wuhan City of China from where it spreads all over the world. When covid-19 comes to China it affects the country a lot but only for short time. This pandemic also affects the FMCG sector of China. In this study, analysis is done to find out changes in Chinese consumer behaviour toward FMCG goods. Following changes have been observed in Chinese consumer behaviour during covid-19:

1. Increase in the demand for FMCG Products

China is one of the countries that makes fast recovery from the covid-19. As a result, people start looking toward new normal and ultimately the demand for FMCG goods starts increasing.

2. Decrease in the demand for meat products

As per some reports it is observed that the covid -19 has emerged from the meat market of Wuhan, China. So, it is believed that eating meat can cause covid. So, there is a sudden decrease in the demand for meat products.

Study of India and China during COVID -19

Both India and China are the major economies of the world. There is a need for making a comparative study of FMCG goods in India and China during covid-19. Following changes have been observed in the study:

1. Per capita consumption of Indian consumers is less than Chinese consumers.
2. Shift in the consumption pattern of Indian consumers is more than the Chinese consumers.
3. During covid-19 Indian consumers focus on necessity as a result demand for various FMCG goods declined, on the other hand, there is no such decline in the consumption behaviour of Chinese consumers.
4. One of the major Change that is observed is that during covid-19 both Chinese and Indian consumers Starts buying the majority of FMCG goods from their local markets.

Conclusions

COVID-19 has disrupted our lives. The world will never be the same. In this paper, we studied the changes in consumer behaviour during covid-19 by making a comparative study of FMCG goods in India and China. We have taken FMCG Goods because this sector plays an important role in the GDP of both the country. In the study, we examined that Indian consumers are far beyond the Chinese consumers whether it be per capita consumption or their consumption pattern. But all days are not the same, during covid-19 India is headed towards self-sufficiency or we can say that aatmnirbhar Bharat. The Indian consumer shifted their behaviour towards the products that are manufactured in India like organic products. We can expect that in future we will pass China in per capita consumption.

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