

Study on Panic Buying Behavior towards Grocery during Covid-19 and to Identify the factors responsible for Panic Buying.

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Abstract

This research work describes the effect of the COVID-19 outbreak on consumer buying behavior in Hubli City, Karnataka State, India, the effect of the COVID-19 outbreak has resulted in panic buying of grocery and other necessary articles. This research work further discusses the factors that lead to panic buying behavior. The study was conducted using sample survey on people who behaved panic buying in areas affected by COVID-19. The research work is done through a survey using a questionnaire. Data analysis is done through SPSS The results showed that the factors that caused panic buying behavior were fear factor, uncertainty about the future and a majority of the consumers strongly agree that it is necessary to stock grocery and other articles at the time of crisis. The correlation between Income and Increase in the quantity of purchase of grocery (Panic Buying of grocery) is positive and The correlation between Fear Factor and Increase in the quantity of purchase of grocery (Panic Buying of grocery) is also positive.

Keywords: Panic buying, behaviour, Covid-19, grocery

Introduction

On 31 December 2019, the World Health Organization (WHO) detected reports of a cluster of viral pneumonia cases of unknown cause in Wuhan, China and an investigation was launched at the start of January 2020. On 30 January 2020, WHO declared the outbreak a Public Health Emergency of International Concern (PHEIC)—7,818 cases confirmed globally, affecting 19 countries in five WHO regions. On 2nd August 2020 17,859,763 cases and 685,179 deaths in 188 countries. The coronavirus pandemic spread has left businesses around the world counting costs and wondering what recovery could look like. with increasing no of business shutdown, unemployment, recession, fall in income etc.

Panic buying is one of the top headlines of the COVID-19 (coronavirus) pandemic, In survival psychology, it is widely acknowledged that individuals may undergo behavioural changes following major events such as natural disasters and disease outbreaks that potentially disturbs social lives or even threaten individual's health, one of such behavioural changes is panic buying, which occurs when consumers buy unusually large amounts of products.

Statement of the Problem and Scope of the study.

Panic buying represents a relatively unexplored, niche area in consumer behaviour research where purchase decisions are impaired by emotions (e.g., fear of the unknown and anxiety) and social influences, it is socially undesirable, herd behaviour where large quantities of daily necessities and medical supplies are purchased from markets, which often results in stockout situations. The situations limit or prevent individuals or more vulnerable groups (e.g., elderly or poor), who are in greater need of the products, from accessing them. This generates negative externalities in societies. In addition, from the retail perspective, panic buying causes further disruptions to supply chains. The increase in demand for consumer products, coupled with closures of routes poses challenges in areas like ordering, replenishment, and distribution. Consequently, this creates stockout situations and often leads to price increase of consumer products On the other hand, panic-buying seems quite logical. If there's an item you need regularly, such as petrol etc , and you are worried there will be a shortage or you will have to isolate yourself, it makes sense from an individual's point of view to stock up. Hence this research work attempts to study **“Panic Buying Behavior towards Grocery during Covid-19, and to Identify the factors that are responsible for Panic Buying”**

Objectives:

1. Study on Panic Buying Behavior towards Grocery during Covid-19.
2. To Identify the factor responsible for panic buying
3. To identify the products consumer's prefer to store at home during covid-19 lockdown
4. To examine Correlation Between Income of the respondents and Increase in the quantity of purchase of grocery(Panic Buying of grocery)
5. To examine Correlation Between factor "Fear drives me to buy things to stock at home" and Increase in the quantity of purchase of grocery(Panic Buying of grocery)

Literature review

It has been noticed that during the crisis of calamities, people sometimes believe that the Government will not be able to control black marketing and provide support to the countrymen. Lack of trust and anticipation of the exhaustion of resources might be responsible for panic buying. They unthinkingly overestimate the risk of danger along with underestimating the possibilities of help (Bonneux and Van Damme, 2006)

Sometimes people get threatening perception from the media reports that people are buying excessively than before; there is a possibility of a global crisis. Sometimes, the media reports the crisis in a sensational way which raises more panic. Another important factor is the way the viruses or any pandemic has been portrayed in the movies. People tend to learn from them and try to imitate whenever they are faced with pandemics (Schell, 1997).

An apparent feeling of losing authority over the earth can liable for that. During an emergency period, individuals for the most part prefer to control things and this presents to them some part of assurance (Wilkins, 2000). Individuals would prefer not to get occupied with any sort of discussion, and the ethical frailty pushes them to make a move to reduce tension and bring back the sentiment of control (Yap, 2020)

Research Methodology:

The research work is an empirical study and Convenience method of sampling was adopted.

Primary data : A structured questionnaire was prepared and then it was converted into Google Form. The link of this Google Form was shared with the people known to the researchers, around 120 targeted respondents from Hubli City . However, 100 people responded to the questionnaire. The questionnaire consisted of questions related to Demographic details, factors which influence panic buying, grocery and other items which the consumers prefer to store at home during covid-19 outbreak were asked.

The primary data collected was analysed through IBM SPSS Statistics - Trial Subscription Package. Descriptive statistics, average mean, and standard deviation were calculated. Correlation analysis for bivariate data was used to examine the correlations

Secondary Data: The Secondary Data was collected through Consumer behaviour books and google links.

Limitations of the study

- The respondents who have responded for the study are only 100 and they do not represent the whole population of Hubli city.
- Time and cost are one of the limiting factors.
- The responses of the respondents may be biased

Data Analysis

Corelation between income of the respondents and Increase in the quantity of purchase of grocery (Panic Buying of grocery)

To test this relationship, a Spearman correlation test is implemented.

			Income	Increase
Spearman's rho	Income	Correlation Coefficient	1.000	.697**
		Sig. (2-tailed)	.	.000
		N	100	100
	Increase	Correlation Coefficient	.697**	1.000
		Sig. (2-tailed)	.000	.
		N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation is non parametric correlation.

As the p value (0.000) is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted. So, there is a relationship between income of the respondents and Increase in the quantity of purchase of grocery which would mean that a panic buying behaviour is visible in a situation where the income is high.

The correlation coefficient is 0.697, the direction is positive it means that the two variables are positively correlated, when income of respondents increases the quantity of grocery purchased (panic buying) also increases.

Correlation Between factor “Fear drives me to buy things to stock at home” and Increase in the quantity of purchase of grocery(Panic Buying of grocery)

To test this relationship, a Spearman correlation test is implemented.

Correlations

			Increase	Fear
Spearman's rho	Increase	Correlation Coefficient	1.000	.905**
		Sig. (2-tailed)	.	.000
		N	100	100
	Fear	Correlation Coefficient	.905**	1.000
		Sig. (2-tailed)	.000	.
		N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation is non parametric correlation. As the p value (0.000) is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted. So, there is a relationship between Fear and Increase in the quantity of purchase of grocery which would mean that a panic buying behaviour is visible in a situation where the fear is high.

The correlation coefficient is 0.905, the direction is positive it means that the two variables are positive and strongly correlated, when Fear of respondents increases the quantity of grocery purchased also increases. This clearly shows that the panic buying behaviour is visible in a situation where the consumer under goes through a fear.

In a situation where the whole world is going through a pandemic, a panic buying behaviour is visible among the respondents.

Findings:

1. the panic buying behaviour is visible in a situation where the consumer under goes through a fear.
2. there is a relationship between income of the respondents and Increase in the quantity of purchase of grocery which would mean that a panic buying behaviour is visible in a situation where the income is high.
3. Among the total respondents (100) surveyed, 56% of the respondents were male and 44% were female.
4. The mean age of the respondents is 33.64 years and the standard deviation is 8.24685years.

5. The income of the respondents, 8% respondent's Income is less than 1 lakh, 72% is in between 1 to 3 lakhs, 17% is between 3 to 5 lakhs and 3% have income more than 5 lakhs.
6. 16% of the respondents are housewives, 28% are academicians, 23% are professionals, 7% are businessmen and 26% are others.
7. 15% of the respondents belong to 2 member family, 9% of them belong to 3 member family, 43% to 4 member family and 3% to 5 and more than 5 member family
8. 31% of the respondents prefer shopping from local stores, 19% from departmental stores, 16% from supermarket or hypermarket and 34% prefer online shopping.
9. 52% of the respondents purchased wheat during lockdown, 36% purchased rice, 5% purchased jowar, 1% purchased toor dal and 6% purchased others.
10. 63% of the respondents said that during the current outbreak of the COVID-19 pandemic, their purchase quantity of grocery has increased, 8% said no and 29% said may be yes.
11. 36% of the respondents were influenced by self in deciding the quantity of grocery items to be purchased, 25% by spouse/parents 13% by friends and 26% by relatives.
12. 72% of the respondents strongly agree that the factor "Fear drives me to buy things to stock at home" is the reason for their increase in Purchase of grocery, 24% Agree and 1% neither agree nor disagree and 3% disagree
13. 48% of the respondents strongly agree that the factor "There may be a shortage of the goods that I need", is the reason for their increase in Purchase of grocery 50% agree, 2% neither agree nor disagree and 3% disagree.
14. 48% of the respondents strongly agree that that the factor "Lack of clear information on food security", is the reason for their increase in Purchase of grocery 50% agree, 2% neither agree nor disagree 3% disagree.
15. 48% of the respondents strongly agree that the factor "They follow other people's buying behavior", is the reason for their increase in Purchase of grocery 50% agree, 2% neither agree nor disagree 3% disagree.
16. 46% of the respondents strongly agree that it is necessary to stock up grocery", 53% agree and 1% neither agree nor disagree.
17. 14% of the respondents strongly agree that it is necessary to stock up vegetables 65% agree and 17% neither agree nor disagree, 1% disagree and 2% strongly disagree.
18. 9% of the respondents strongly agree that it is necessary to stock up painkillers, 28% agree and 26% neither agree nor disagree and 1% disagree.

19. 27% of the respondents strongly agree that it is necessary to stock up packed foods, 64% agree and 4% neither agree nor disagree and 5% disagree.
20. 4% of the respondents strongly agree that it is necessary to stock up Ayurvedic medicines, 72% agree, 17% neither agree nor disagree, 5 disagree and 1% strongly disagree,
21. 10% of the respondents strongly agree that it is necessary to stock up Soap and other accessories, 77% agree and 11% neither agree nor disagree and 2% disagree.
22. 6% of the respondents strongly agree that it is necessary to stock up Cosmetics and other accessories, 49 agree and 37 neither agree nor disagree, 6 disagree.

Conclusion

As COVID-19 is now a global pandemic, Consumers are highly concerned about the coronavirus outbreak, and have undoubtedly displayed their concern about future are feeling its economic effects Amid this lockdown and social distancing measures in place, more consumers are now spending their time at home

Industries have been among the hardest hit as restaurants and malls are shut and retail, except essentials like grocery, medical stores etc.

Fear factor is the major cause of panic buying, There is a rising demand for healthcare supplements as well, as more people look to boost their immunity supplements, including Ayurvedic medicines and products, consumers , mainly prefer to stock up grocery items, and wheat is the highest stocked up item.

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