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Research Article

Impact Of Covid-19 On Purchase Behaviour Of Gen X Consumers In India

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Abstract

The spread of COVID-19 in 2020 has brought changes worldwide in every aspect of our life. Consumer purchase behavior is no exception from it. With the ongoing lockdowns and restricted business hours, online platforms for purchasing have become a boon to the consumers. Millennials and Gen Z are already a stakeholder of online platforms, as they have grown up with technology. But the situation has forced Gen X consumers to involve in online purchase though were considered as laggards as far as adoption to technology is concerned. This is an empirical study which tries to throw some light on changing consumer behavior of Gen X towards online purchase in India as it is a real challenge where the literacy rate and penetration of technology is less. This study also tries to identify some factors which could make online retailing more successful.

***Key words**:* COVID -19, Impact, purchase behaviour, Gen X, India

INTRODUCTION

The pandemic, COVID -19, which broke out in 2019 has brought sea change in many spheres of our life. The prevailing lockdowns, stringent Government rule and norms which restrict the functional business hours in order to curb the movement of public has impacted the retailers who operate on traditional brick and mortar model to a great extent. On the other hand, the online shopping platforms have started to grow rapidly mainly due to changes in the purchase behaviour of the consumers. The survey conducted by Treasure data too confirms that consumers do not prefer to buy from small business than before and more likely to turn to large online retailers like Amazon and Walmart. Bulk buying has also spiked. Millennials was the one most likely to say COVID- 19 has altered their shopping habits much. The Consumer Behaviour Report (2008) stated Generation Y is more immersed in online and mobile activities including social networks (86%), podcasts (57%), blogs (50%) and text messaging (96%) than any other generation. Many studies have proved Gen. Y and millennials are the ace supporters of online retailers and they effect most of their purchases through online mode, but the present situation has forced baby boomers and Gen. X also to involve in online purchase but ironically they are considered as technology laggards since adoption to new technology is delayed. However, the National Australia Bank's Online Retails Sales Index shows that online spending is dominated by Generation X (cited in Bainbridge, 2013). A few studies have also been conducted on the relationship between segmentation of generational cohorts with purchasing behaviour, more specifically in the domains of fashion

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(Littrell et al., 2005, Pentecost and Lynda, 2010), travel and tourism (Beldona, 2005), wine consumption (Fountain and Lamb, 2011) and fair-trade consumption (Ma et. al., 2012). Many authors agree that the Millennial generation has different values, characteristics and behaviour compared with the Generation X, born between 1961 and 1980 (Călin Gurău, 2012). Studies have indicated differences in their researches with regard to online purchasing and generation. Korgaonkar and Wolin, (1999), Sorce, Perotti and Widrick (2005) have concluded that demographic factors versus shopping motivations and attitudes in predicting online shopping remains an open question. As every challenge has a latent opportunity, this pandemic has provided online retail platforms an opportunity to convert potential Gen X consumers into their customers and increase their market share. At the same time a big challenge is waiting for conventional stores to get back their customers and retain them. This study was carried out to find if there is change in purchase behaviour among Gen X consumers in India due to this pandemic and to find if they will continue to involve in online purchase in future also.

LITERATURE REVIEW

Consumers are the life line for any business. A business can continue its success only with the continued support of their customers. well-designed marketing mix with proper focus on the targeted customer group will help an organization to achieve this. Segmentation and targeting plays a vital role in Business**.** Market segmentation and targeting refer to the process of identifying a company's potential customers, choosing the customers to pursue, and creating value for the targeted customers. It is achieved through the Segmentation, Targeting, and Positioning (STP) process. The four bases of market segmentation are Demographic, Psychographic, Behavioural and Geographic. Segmenting consumers based on their age plays an important role in demographic segmentation. According to generational experts, Hove and Strauss (1991) generations are shaped by a particular span of time and they claim that it is a group of people who share a time and space in history that lends them a collective persona. They went on to add that the 'span of a generation is roughly the length of a phase of life'. Generation theorists postulate that changes in the macro environment influence the profile of people born in a specific time period, imprinting a specific and common purchasing and consumption behaviour (Howe and Strauss, 2000). A generation can be seen as a group of people born in the same era, shaped by the same times and influenced by the same social markers – in other words, a cohort united by age and life stage, conditions and technology, events and experiences (Mckindle and Wolfinger, 2010). Gibson et al (2009) categorized the generations, into 4 categories where Baby Boomers are said to be born between 1946 to 1964, Generation X, between 1965 to 1980 and Generation Y, between 1981-2000 and Gen Z after 2000. It has also been found that the different experiences and preferences of various generational cohorts can result in differences in purchasing behaviour and the level of buyer involvement for distinct types of products (Parment,2013). Study by Sorce, Perotti and Widrick (2005) identified that age was negatively correlated with online pre-purchase search but was positively correlated with online purchasing when pre-purchase search behaviour was taken into consideration.

CHANGE IN PURCHASE BEHAVIOUR OF CONSUMERS

A study by Monsuwe, Dellaert & de Ruyter (2004) which looked to explore what drove consumers to shop online concluded that the attitudes towards online shopping and the purchase intention to shop online are not only related to the ease of use and fun but also to many exogenous factors like consumer traits, product characteristics, situational factors, previous online shopping experience and trust. Fishbein & Ajzen (1975) have stated that intentions are determined by the person's attitude and subjective norm of behaviour and. intentions predict behaviour. In a survey conducted by Treasure data regarding their shopping plan after the pandemic, nearly two-thirds of respondents (61.3 %) said they wish to buy more frequently from Amazon or other online retailers. U.S. ecommerce sales, nearly doubled in May 2020, showing a 92.7%spike, the vast majority of respondents changing their shopping behaviour due to the current health crisis. And 7.3% of surveyed respondents said, the pandemic hadn't changed their shopping habits at all. In spite of many advantages there are still some factors which prevents the consumers to involve in online purchases. Fraud and internet crime are recognised as important issues for governments and private businesses worldwide. An area of growing concern is the impact of criminal activity on householders who use the internet (Johnson and Krone, 2007). Hernandez, Julio and Martin (2011), found that information technology (IT) adoption, testing a series of factors such as usefulness, ease of use and/or security considered to be essential for improved diffusion.

REASONS FOR CHANGE IN PURCHASE BEHAVIOUR DUE TO COVID-19

According to 2020 forecast made by e-Marketer there will be 5.8% growth in the number of digital buyers in the age 45 and older, up from 3.2% previously, because older adults are more likely to develop serious complications from the coronavirus, hence they are taking extra precautions and utilizing more online and contactless shopping options. The survey conducted by Treasure data on January 2021 reveals that the top reason to buy online include convenience (54.1%), social distancing was second most popular reason to buy online (38.3%). without having to go to a physical store, shoppers can limit their exposure to coronavirus by staying at home, avoiding other shoppers and store employees, and limiting interactions with product and store surfaces. And other factors such as wider selection (36.6%) and spending less time than traditional shopping requires (30.3%) also contributes to change in consumer behaviour. The FMI survey showed that only 10% of baby boomers would buy more groceries online once the pandemic is over. That compares to 35% of Generation X, 40% for Generation Y (Millennials) and 34% for Generation Z. According to Changchitt (2006), an increasing number of people are gravitating towards more intensive use of the internet as the accessibility of technology, the availability of information, and the ability to interact through the internet increase and evolve. According to the latest census data, 41–50-year-olds, who fall in Gen X category, is the fastest growing population in India. Despite many researchers have started studying the impact of covid-19 on purchase behaviour in western countries there may be a possibility for differences that can exist in India because of the lower literacy rate and poor penetration of technology. Hence this study was carried out, focussing on Gen X to fill that gap.

RESEARCH OBJECTIVES OF THE STUDY

1. To know the demographic profiles of the Online purchasing respondents of Gen X.
2. To find out the association between the pre and post Online shopping due to COVID19.
3. To identify the frequency of different products purchased through online shopping.
4. To examine the difference among demographic profiles in continuation of online purchase even after COVID-19.

5. To study the influence of determinants in determining the continuation of online purchase even after COVID-19.

RESEARCH METHODOLOGY

The researchers collected the primary data by administering a well-designed structured Questionnaire using google forms through purposive sampling since Gen X was the target audience who are in the age group between 40 and 55 years. Ten different statements were provided to identify the opinion about online shopping and the variables were measured using 5-point Likert scale of Strongly Agree to Strongly Disagree. To check the reliability of scale, **Cronbach's Alpha reliability coefficient** was used. The value being **0.800**, scale is more consistent and highly reliable.

Questionnaire Design: The Questionnaire consists of 3 sections.

Section I: Deals with Personal Profile of the Gen. X respondents comprising of age, gender, educational qualification, occupation, marital status, monthly family income, place of residence, incidence of online shopping prior and post COVID-19.

Section II: Deals with the frequency of purchasing different products online.

Section III: Deals with the ten statements of online purchasing of products.

Statistical Techniques Used

The data collected were analysed using SPSS Version 24 which were subjected to various statistical techniques such as

1. Percentage analysis and Descriptive analysis for Personal Profiles of the respondents**,**

2. Mean Based Ranking for frequency of Purchasing products online,

3. Chi Square test for testing the association between incidence of pre and post online purchase,

4. F test for testing the difference among demographic profiles in continuation of online purchase even after COVID-19

5. Multiple Regression Analysis to study the influence of determinants in determining the continuation of online purchase even after COVID-19.

RESEARCH RESULTS AND INTERPRETATION

Table 1 - Descriptive Statistics of Demographic Profiles

Demographic Profiles	**Profile Groups**	**TOTAL N = 100**
Gender	Male	21
	Female	**79**
Educational Qualification	**High School**	**39**
	UG	21

	PG	27
	Professional	13
Occupation	Govt. Employment	7
	Private Employment	**46**
	Self-Employed	18
	Home-Makers	29
Family Monthly Income	**Less than Rs.20,000**	**35**
	Rs.20,000 – Rs.40,000	30
	Rs.40,000 – Rs.60,000	14
	More than Rs.60,000	21
Marital status	**Yes**	**82**
	No	18
Place of Residence	**Urban**	**68**
	Semi-Urban	12
	Rural	20
Age (In Years)	Mean Standard Deviation Median Mode Skewness	44.850 3.397 44 42 0.349

Table 1 shows that the age is normally distributed since mean (44.85), median (44) and mode (42) are almost equal and the value of skewness lies below 1. Majority of the respondents are female (79%), married (82%) and residing in urban area (68%). Sizeable group of respondents are educated up to High school (39%), employed in private organisations (46%) earning less than Rs.20,000 (35%).

Table 2 - Frequency of Purchasing Products through online

Product Categories	**Mean**	**Rank**
Provisions and Groceries	2.87	3
Consumer Electronics (Gadgets)	2.80	5
Clothes & Apparels	2.99	2
Medicines	2.23	9
Mobile & Computer Accessories	2.86	4
Books and Stationeries	2.66	7
Fashion Accessories (Bags, Purses and Wallets etc.)	3.01	1
Baby Care Products	2.22	10
Kitchenware (Utensils)	2.79	6
Toys and Games	2.28	8

Table 2 indicates that Fashion accessories are the most sought and frequently purchased product followed by clothes and apparels, provisions and groceries, mobile and computer accessories, consumer electronics, kitchenware, books and stationeries, toys and games, medicines and baby care products. The products were ranked based on the mean values.

Table 3 - Association between Incidence of Pre and Post COVID19 Online Shopping

Incidence of Pre-Online Shopping	**Incidence of Post-Online Shopping**		**Total**	**Inference**
	Yes	**No**		
Yes	13	**63**	**76**	**Pearson chi Square = 6.213 p value = 0.013**
No	**20**	4	**24**	
Total	**33**	**67**	**100**	

Table 3 clearly indicates that 63 respondents have started purchasing online even before COVID-19. 20 out of 24 respondents who have not started purchasing online before COVID-19 have started after COVID-19 period indicating that they are compelled by the prevailing COVID-19 situation. The p value (<0.05) indicates that there is an association between incidence of pre and post shopping behaviour due to COVID-19.

Table 4.1 - F test based on Educational Qualification in Continuation to do Online Purchase even after COVID19

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	17.465	3	5.822	5.237	0.002*
Within Groups	106.725	96	1.112		
Total	124.190	99			

*Significant at 5% LOS

Table 4.2 - Post Hoc Test for Educational Qualification

Post Hoc Tests	**Educational Qualification**	N	Subset for alpha = 0.05	
			1	2
Duncan[a,b]	UG	21	3.190	
	School	39	3.282	
	Professional	13		4.077
	PG	27		4.111
	Sig.		0.777	0.916

Table 4.1 indicates that there is a significant difference among respondents with respect to perception in continuation to do online purchase even after COVID-19 situation based on educational qualification since the p value is less than 0.05. This leads to the next obvious question of how they are different among themselves. Post hoc test of Duncan has been applied to answer the question which is reflected in Table 4.2. The table clearly specifies that UG and School educational qualification belong to Subset 1 which is evidently different from Subset 2 consisting of Professional and PG respondents. The Professional and PG educated respondents have higher

mean than their counterpart (School and UG) who would continue to purchase online even after COVID19 is over.

Table 5.1 - F test based on Place of Residence in Continuation to do Online Purchase even after COVID-19

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	9.456	2	4.728	3.997	0.021*
Within Groups	114.734	97	1.183		
Total	124.190	99			

*Significant at 5%LOS

Table 5.2 - Post Hoc Test for Place of Residence

Post Hoc Test	**Place of Residence**	N	Subset for alpha = 0.05	
			1	2
Duncan[a,b]	Rural	20	3.050	
	Semi-urban	12	3.333	
	Urban	68		3.794
	Sig.		0.409	0.181

Table 5.1 indicates that there is a significant difference among respondents with respect to perception in continuation to do online purchase even after COVID19 situation based on the place of residence since the p value is less than 0.05. This again leads to the obvious question that how they are different from one another. Duncan Post-hoc test has been carried out to find the difference among the respondents in Table 5.2. The table clearly postulates that Rural and Semi-urban as Subset 1 with mean values of 3.050 and 3.333 which is distinctively different from Urban at Subset 2. The rural and semi-urban respondents have lesser mean than their counterpart (Urban) who may not continue to purchase online after COVID19 is over.

Table 6.1 – Model Summary and ANOVA Results of Multiple Regression Analysis

Model 6	Sum of Squares	Df	Mean Square	F	Sig.
Regression	81.502	6	13.584	29.594	<0.001**
Residual	42.688	93	0.459		
Total	124.190	99			
Model	R	**R^2**	Adjusted R^2	Std. Error of Estimate	
6	0.810	**0.656**	0.634	0.678	

**** Significant at 1% LOS**

Table 6.2 – Determinants significantly influencing Continuation of Online Purchase even after COVID-19 pandemic period

Determinants Significantly Influencing to continue online purchase even after COVID-19 pandemic period	**Unstandardised Coefficients**		**Standardised Coefficients**	**t value**	**P value**
	B	**Std. Error**	**Beta**		
Constant	1.295	0.384		3.373	0.001
I am comfortable in doing online purchase	0.742	0.077	0.725	9.635	<0.001**
Place of Residence	-0.195	0.089	-0.141	-2.184	0.031*
I feel the delivery charges are more in online shopping.	0.316	0.082	0.314	3.841	<0.001**
I doubt in quality of product delivered in online shopping.	-0.227	0.088	-0.217	-2.580	0.011*
The frequency of purchase through online has increased during this COVID19.	-0.202	0.072	-0.208	-2.810	0.006*
I am spending more in online than I intended to do.	0.162	0.074	0.169	2.186	0.031*

** Significant at 1% LOS * Significant at 5% LOS

The Ordinary Least Squares model (OLS) of Multiple Regression Analysis has been applied to understand the influence of determinants on continuation of online purchase even after COVID-19 pandemic period. All the seven demographic profiles and nine statements regarding the online purchase have been considered as Determinants (16 variables) and the continuation of online purchase even after COVID-19 pandemic period being Dependent variable. Stepwise regression method was adopted for the reason that it eliminates the determinants which were insignificant and Model 6 (last model) was considered since it has the highest R^2.

The regression model fit has been achieved since the p value is less than 0.05. The R^2 (Coefficient of Determination) is at 0.656 which indicates that the model with six determinants explains 65.6% of variance in Table 6.1. The remaining 10 determinants are insignificant and are removed from the model. The table 6.2 elucidates determinants like comfortable in doing online purchase, feeling delivery charges are more in online shopping and spending more in online than intended have positive impact on continuation of online shopping even after COVID-19 pandemic period. The determinants like place of residence, doubt in quality of product delivered in online and frequency of increased purchase during COVID-19 have negative impact on continuation of online shopping even after COVID19.
To put it in a Regression Equation,

Continue to purchase even after COVID19 = 1.295 + **0.742** (Comfortable with online purchase) – **0.195** (Place of Residence) + **0.316** (Higher Delivery charges) – **0.227** (Doubt in Quality of product) – **0.202** (Increased frequency because of COVID19) + **0.162** (More online Purchase than intended)

MANAGERIAL IMPLICATIONS FROM THE STUDY

1. The results indicate that highly educated respondents would continue to make online purchase even after COVID-19 pandemic is over. The marketers have to focus on this and should improve the service features to cater their needs.

2. The place of residence influences the respondents to continue the online purchase even after pandemic. Urban buyers are more likely to continue online purchase than semi-urban and rural buyers. The e-marketers should penetrate into Tier II cities and villages in order to increase the online purchase.

3. The determinant of “Doubt in quality of product” will significantly decrease the frequency of online purchase. Hence, the online marketers have to consider this and make necessary steps to ensure the quality of the product to the customer’s expectation.

4. Customisation should be done based on the different segmentation of the respondents. This would maintain the current demand and would increase the frequency of purchase.

5. Even if the delivery charges are higher, at this pandemic situation online buyers are ready to bear since they need not step out of house for purchase. But once the pandemic is over, if the delivery charges are reduced it will help to improve the frequency of online purchase.

CONCLUSION

The spread of COVID-19 in 2019 proved the proverb that one man’s gain is another man’s loss. It created chain of changes in many aspects of business and opened up new avenues for digital business while complimenting loss for many businesses which still operates on brick and mortar model. The changes which happened in the macro environment started reverberating to the micro environment of the business affecting its stability. The restrictions of the government and self-imposed restrictions by the consumers, have changed their buying habits irrespective of the generation they belonged to. Several authors outline that Millennials represent an extremely attractive market segment, with a larger disposable income and spend more than older generations (Bakewell and Vincent-Wayne, 2003; Lafayette, 2011; Littman, 2008). Contradicting this many consumers belonging to Gen X and baby boomers have forced themselves to become tech savvy and started buying things in online retail platforms in spite of several doubts and difficulties. But, their loyalty is still doubtful. The online sellers should make the shopping experience more pleasant and easy in future in order to retain these customers.

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