

A Survey to Assess the Change in Consumption Pattern of Young India during Lockdown

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ABSTRACT

The entire humanity went into a shutdown to prevent rapid spread of the virus COVID-19. India, being no exception, also declared complete lockdown of the nation on March 25. Closure of economy meant that a remarkable part of population working in the informal sector lost their means of livelihood or their resource inflow was seriously constrained. Reduced income on one hand and non-availability of many goods and services on the other cumulatively had a sizeable impact on the consumption and expenditure behavior of people. People were forced to curtail consumption of many commodities and services and they also accepted many brands or products which were unknown to them otherwise. The present paper makes an empirical survey among select sample of the youth population residing in Kolkata to assess the change in their consumption pattern due to lockdown of the nation.

1. Introduction

The World Health Organization (WHO) declared a pandemic situation due to unchecked spread of Corona virus, universally known as COVID-19. The entire humanity went into a shutdown to prevent rapid spread of the virus. India, being no exception, also declared complete lockdown of the nation on March 25. The announcement made by the Honorable Prime Minister of India led to closure of the entire economy barring the essential services. The Indian population followed the directions given by the leader of their nation and did their best in the unfortunate period of crisis.

Closure of economy meant that a remarkable part of population working in the informal sector lost their means of livelihood or their resource inflow was seriously constrained. Without adequate social security measures in place, financial trouble was experienced by the lower and lower middle-class segment of the nation. Supplies of bare essentials were promised by the government but non availability of many commodities was reported both in print and digital media. Reduced income on one hand and non-availability of many goods and services on the other cumulatively had a sizeable impact on the consumption and expenditure behavior of people. People were forced to curtail consumption of many commodities and services and they also accepted many brands or products which were unknown to them otherwise.

India is a young nation with a sizeable portion of youth population. Proportion of expenses on consumption is usually high for the youth as they distribute their limited income among equally attractive feasible alternatives. They, being tech savvy, have the latest information of multiple avenues from which they might get their desired commodity or service. Life of the youth in a metro like Kolkata is filled with socialization, mall culture, amusement, entertainment, regular consumption of cooked fast food and many more. Lockdown has thus totally paralyzed the

usual life of the youth. They have reduced sources of income on the one hand and on the other, they have to adopt a pattern of consumption which is unknown to their generation. Under this backdrop, the present paper makes an empirical survey among select sample of the youth population residing in Kolkata to assess the change in their consumption pattern due to lockdown of the nation.

2. Review of Literature

Sharma and Sharma (2020) in their paper found that though lockdown was necessary in order to fight against corona virus but the cost to the weaker section of society and the ones who do not have a habit of savings was much higher, especially, in terms of food security. The migrant labor faced lots of hazards far away from their native place and also after returning back home. The study proposed that the government must take responsibility for basic needs of survival.

Lee et al (2020) found that there has been a decrease in employment of people affecting their income. After few days into lockdown the labor class and weaker sections of the society residing in Delhi were forced to depend completely on the food distributed by the government for their survival.

Narayanan and Saha (2020) found that the prices of the essential goods have increased and are not in a position to come down due to the restricted transport in the country. Prices of grocery items and vegetables had the most adverse impact. They found severe impact on the food security of the poor people, loss of jobs, massive unemployment and a situation of uncertainty in the country.

Kamble (2020) in his research paper showed the lifestyle changes of Indians during implementation of lockdown along with the changes in routine of the people of India. He also shows how Indians are trying to fight back with such crisis.

Chauhan and Shah (2020) explained that the changed situation has forced use of digital process and is likely to become permanent in near future. Consumers are spending only on the essential items rather than spending on restaurant, luxury brand, movies, fashionable items, personal product and home decor. And this form of spending will continue even after the completion of lockdown. People became more aware of health and hygiene products, healthy organic food, medical needs, fitness, medical insurance, education etc.

Tamilarasi and Cheriyan (2020) found that GDP of the country has shown a decreasing trend. They said multiple factors such as spending patterns, travel habits, supply chains, dependence of other nations, lifestyles etc. have come to a standstill which in turn gives no rise to revenue generation of the dependent sectors.

Bansal, Sharma and Gautam (2020) determined the impact of pandemic situation on the Indian economy as well as on the GST. The study revealed that there has been a huge loss of revenue for the railways and the tourism sectors

causing loss to other sectors connected to them. On the other hand, a positive growth was seen in the Pharma Sector along with ecommerce Industry. Collection of income tax due to pandemic will also decrease.

3. Data and Methodology

For the purpose of study, a close-ended questionnaire was designed by the researchers. It contained questions related to the income, investments, spending pattern and expenditure behaviors of the respondents. 100 young people residing in the city of Kolkata were chosen as the sample for study. The sample consisted of people from the age group of 21 to 40 years. Equal representation of gender was targeted through purposive sampling technique. The survey was conducted by the researchers over phone during the lockdown period of April 2020. Confidentiality of personal information was promised to the respondents which allowed them to give free and frank opinion. The data so obtained were plotted in excel, analyzed and meaningful inferences were drawn.

4. Results and Interpretation

Demographic Profile of the Sample	Observation
Gender	Male: 50 Female: 50
Age	21-30 years: 63 31-40 years: 37
Occupation	Unemployed: 05 Service: 48 Profession: 10 Self Employed: 14 Business: 13 Others: 10

The sample consisted of equal number of males and females with 63% respondents below 30years of age and 37% between 30 to 40 years. Almost half (48%) of the sample were in Service and there were 5% who are unemployed. Equal

numbers of people (10%) were involved in profession and others categories,13% were in business and 14% were under the category of self-employed.

Income and Savings Pattern	Observation
Your average monthly income before lockdown:	Below 10,000: 28 10,000- 30,000: 41 30,000-60,000: 23 Above 60,000: 8
Is there any change in your income during this lockdown period as compared to before?	Yes: 55 No: 45
If the lockdown goes on for an indefinite period of time, how long will you be able to handle the situation without any hurdle?	For a month: 26 1- 3 months: 42 3- 6 months: 20 More than 6 months: 12
Approximately how much money do you save for future contingencies every month?	No savings: 25 Below 5,000: 32 5,000-15,000: 35 15,000-30,000: 6 Above 30,000: 2
While making payment for the monthly expenses during lockdown, which mode of payment are you opting for?	100% cash payment: 37 100% digital payment: 13 Pay more digital than cash: 21 Pay more cash than digital: 29

The sample comprised of the lower middle class and marginalized segment as only 8% were earning above Rs 60,000 per month. 28% of the respondent earned below Rs 10,000, 41% earned between Rs 10000 to 30,000 and 23% earned between Rs 30,000 to 60,000 per month.

55% of the sample responded that their income has gone down due to lockdown. This is because the self-employed, professionals and businessmen could not run their vocations and many private sectors were unable to pay full salary to their employees.

The lockdown has created tough financial situations for the urban lower middle class as only 12% feel that they can sustain

for more than 6 months if the lockdown continues and another 20% feel that they can sustain between 3 to 6 months. This may be due to the fact that only 8% of the sample could save more than Rs 15,000 per month in normal circumstances.

Analyzing the mode of payment during lockdown period, it is found that a good number of people (63%) are making some sort of digital payment with 13% opting for digital platform only. 37% of the sample however rely on cash transactions only.

Capital Expenditure Decision	Observation
During the month of January-February did you purchase any kind of durable asset for yourself or your family?	Yes: 28 No: 72
Do you intend to purchase any asset for personal use in the coming week?	Yes: 21 No: 79
For home loan EMI, the government has allowed payment to be deferred for 3 months. Have you opted for the scheme?	I am paying regularly: 37 I opted for the scheme: 9

Before the lockdown i.e. during the month of January to February 28% of the sample purchased some of personal use asset for oneself. The survey showed that due to the basic problem people faced during the lockdown 21% of the sample have taken decision of purchasing the non-essential items also, if the government allows them to. The items which are awaiting purchase are washing machine, two-wheeler, air conditioner, electronic gadgets like mobile phone, furniture, refrigerator,

CCTV camera, computer etc. It is found that lockdown and lack of external support have made people demand home durables.

In order to help the citizen the RBI took a decision of giving 3 months moratorium on loans which is further extended for 3 months to help people and industry affected by the ongoing pandemic situation. Surprisingly, it is found that out of 46 individuals having home loan, only 9 opted for the loan waiver scheme.

Grocery and Food Items	Observation
Before lockdown, approximately for how many times did you purchase cooked food from outside every month?	Not at all: 14 1-2 times every month: 28 3-5 times every month: 18 More than 5 times every month: 40
After the lockdown has started have you ordered any cooked food through home delivery service?	Yes: 20 No: 80
How is the availability of essential goods in your locality that you are buying?	Excellent: 5 Good: 39 There is crisis: 53 Very Poor: 3
What was the frequency of your purchase of grocery items before lockdown?	Daily: 15 Twice or thrice a week: 12 Weekly: 27 Fortnightly: 17 Monthly: 29
How often are you purchasing grocery items during the lockdown period?	Daily: 2 Twice or thrice a week: 12 Weekly: 42 Fortnightly: 20 Monthly: 24
Which among the following is most convenient for you for purchase of necessary goods?	Small grocery shop: 44 Recognized shop: 7 Departmental store: 10 Online: 5 From anywhere: 34
What are the important characteristics are you focusing on while buying products in crisis period?	Quality: 27 Quantity: 20 Service: 4 As per availability: 49

What is your preference of brand in this situation while you look for any product?	Stick to the preferred brand: 15 Brand change: 11 Not concerned about the brand but of availability of the product: 74
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Before the lockdown took place, the sample had the habit of purchasing cooked food from outside as only 14% avoided outside food. 40% of the sample was consuming cooked food more than five times every month. The pandemic has changed food habits as 80% respondents have avoided cooked food even when Swiggy, Zomato, Alibaba, Domino's etc. were offering home delivery services.

Only 5% had the option that there was excellent availability of necessary goods in their locality but a whopping majority of 53% felt crisis situation with 3% saying that there was extreme crisis. While examining the frequency of purchase of grocery items made by the respondents, it was found that daily

purchases reduced from 15% to 2% whereas weekly purchase increased from 27% to 42%. During the lockdown 44% opted for small grocery shops to make a purchase of essential items, 7% went for recognized shop, 10% went for large departmental store, 5% opted for online and 34% opted for from anywhere in such a crisis period. It is also found that quality has taken a backseat and the sample is opting for products as per availability. Brands similarly have lost relevance for 74% of the sample and getting a product that serves the requisite purpose is the prime concern.

Other Financial Considerations	Observation
How has the lockdown affected your travelling?	Same as before: 7 Moderately: 16 Completely: 68 I don't travel: 9
Are you taking the help of a maid for your household work during the lockdown days?	Yes always: 12 Sometimes: 4 No: 84
How frequently were you purchasing the accessories which are needed for personal care like garments, cosmetic and jewelry before the lockdown?	Based on the likings and the availability: 25 Many times in a month: 19 Only during occasions: 24 Sometimes: 32
Have you purchased any personal care accessories during the lockdown days?	Yes: 16 No: 84

Travelling is one of the basic function that human being need to perform in order to make a livelihood possible, which due to lockdown has affected to a great extent. Many in the sample (68%) said that their travelling was affected completely and many were stuck far from own home. During lockdown most in the sample became concerned about family's health and so many (84%) stopped taking the help of maid for household work due to fear of spread of corona virus. Purchase of accessories which are needed for personal care like garments, cosmetic and jewelry are in high demand among young adults but from the survey it is observed that this sector has also taken a beating. 84% of the respondents replied that they have not purchased any personal care accessories during the lockdown days. The ones who responded positively to this query, replied on further questioning that they had purchased essentials like saving kit, face wash, hand sanitizer etc.

5. Conclusion

Lockdown has severely affected income of the sample surveyed. Reduced income and low rate of savings have definite impact on consumption pattern. Tension is clearly visible as only a negligible proportion of the sample can sustain with their current resources for a period of six months or more. The mode of payment is encouraging as young people are shifting gradually to digital mode. The lockdown has shown the young population that they have to become self-sufficient and

the things mostly demanded by them are washing machine, two-wheeler, laptop etc. Home loan EMI is a big burden for small income group but interestingly, most people surveyed have opted to continue with their regular installments despite being offered waiver.

The pandemic has huge impact on restaurants and fast food sector as their regulars have started avoiding cooked food from outside. The young population prefers large malls and big departmental stores for purchases but the lockdown has shifted their focus back on the local Kirana shops. Their purchases have become less frequent, more in quantity and are being done as per availability of required items. Brands have taken a backseat and the focus is just on any product that serves the purpose. Personal care accessories have also lost relevance.

From the study it can thus be concluded that the unorganized sector has suffered the most as people have stopped travelling, purchasing cooked food from fast food stalls, taking help of maid for household work, spending for personal care accessories etc. The economic growth is already in a pathetic state. The government and decision makers may take into account the findings from this study to plan revival measures accordingly.

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