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What will consumer behaviour post lockdown look like?

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As shoppers belonging to different categories, age groups and incomes set their shopping preferences, marketers will have to work towards regaining appeal

It is June, and the end of the long lockdown is in sight with the opening of the stores planned in stages. An earlier article, had identified the emergence of three types of shoppers. This categorisation was based on intuitive understanding of consumer behaviour and observation of other markets that had 'opened up'.

We received a lot of feedback and comments on the article and considered it important to test it empirically. Hence, we conducted a field survey to find out how consumers will behave when lockdown is relaxed. We do realise that given the uncertainty and general atmosphere of gloom and doom, consumer sentiment is a moving target. And it keeps changing. A rather disturbed consumer may actually become more positive and show a glimmer of hope as he approaches the opening of different shopping opportunities. As multiple online surveys have shown, there has been significant change in consumer sentiment, and even consumer depression and disturbance.

Does this mean that consumers are going to emerge in a completely cleansed fashion after the lockdown is lifted? Not really. The previous article had indicated three types of consumers will emerge — Revenge Shoppers, Revelation Shoppers and Restricted Shoppers.

Shopper demographic

Our research showed that overall, the dominance of the younger group (15-30) in purchasing stood over all other age groups. While income, social class and region did play specific roles, age continued to be the key determinant.

The biggest bet we took was to predict the emergence of a segment that will be happy to rush out to buy things that they had not been able to buy for the last two months. Some of them may buy luxury goods, some may buy fashion accessories. These were called ‘Revenge Shoppers’, a hat tip to the revenge shoppers that originally emerged in China when the economy opened up in early 1980s. Research clearly confirms the existence of this segment. The Revenge Shopper segment is expected to be dominated by females between the ages of 15 and 30, who are waiting to buy a fashion accessory, eat out and visit the salon. Surprisingly, there are also some older folks (over 60) in this segment who were keen on eating out, maybe for a very different, ‘bucket list’-like reason. This segment mainly consists of affluent consumers, and more from the North and West of India.

The Revelation Shopper is the one who has realised that he needs some products urgently. This could be a vacuum cleaner or a dishwasher. This segment consists of largely males, maybe prompted by their house chores or by their spouses. For example, there is a huge pent-up demand for laptops and home appliances (brands, take note). This segment is also dominated by the younger lot. Interestingly, these consumers are income-wise more spread out, with many in the South, though we believe that there is a Revelation Shopper waiting in all parts of India.

The Restricted Shopper has been singed by the coronavirus crisis. These consumers will be very cautious about what they buy and when they buy it. Marketers probably have the biggest challenge in getting them to come and shop, even online. The research shows that these are largely female and middle-aged. They are also in the middle class, earning less than ₹1 lakh per month, and are spread all over India.

Our research identified a fourth typology of shoppers, the Research Shopper; or, the bargain shopper. This shopper will hunt for bargains. Interestingly, these are largely male, middle-aged, and in the middle income group. These shoppers are to be found largely in South India.

Mapping behaviours

So, we started with three types of shoppers and ended with four. Obviously, these segments emerged from our preliminary research. We believe that these segments will keep changing, expanding and contracting as we move from Lockdown 4 to Unlock 1, 2 and 3.

In our research, we also asked several behaviour statements like “I would love to have dinner at a restaurant” on a ‘Strongly Disagreed [1] to Strongly Agreed [7]’ scale. We had more than 39 statements, which could be categorised into four buckets: purchase of services; purchase of products, health concerns and financial concerns.

Some behavioural statements brought out a strong affirmation; for example, visiting a saloon/hairdresser, servicing the vehicle. Interestingly, the Covid crisis has pushed consumers to think more about health and savings — saving more, investing in safe financial instruments, being careful with money, maintaining fitness scored very high.

First priorities

We also asked consumers which activities they would undertake as soon as lockdown opened up.

Some items scored equally well across all segments. For instance, 55 per cent wanted to get their vehicles serviced, 50 per cent wanted to go to a hairdresser (the others will probably buy electric shavers), 30 per cent will travel within India, 34 per cent will not visit any public space, 32 per cent will buy books and stationery items, an amazing 28 per cent will buy durables/home appliances, 28 per cent will be buy electronic gadgets.

When it comes to buying fashion accessories and apparel, or going to a restaurant or to a movie, or a bar, we found significant difference across the sample surveyed. What came through was that the younger cohorts (15-30-year-olds) are more prone to buy, eat and watch movies.

Finally — no surprises what scored the lowest — only 7.5 per cent said they would 'travel abroad'.

What can marketers do with this information? We believe there is no single device that will bring shoppers into stores or onto e-commerce portals. Our three top suggestions would be: target the younger consumer, he/she is ready to shop; create triggers for consumers to come out and shop (offers, schemes); and finally, create occasions for shopping. Don't expect all consumers to be 'Revenge Shoppers' — if you don't send them a strong signal through new innovations and services, they will not come and shop.

Methodology

We enlisted an MBA student to create a comprehensive online survey after rigorous in-depth interviews and pre-tests. The survey ran from May 17-20, 2020, with 1,090 usable responses. The sample was a bit skewed towards the male [75:25], younger, middle-to-upper income and South/West dominated demographic.

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