



Response to Covid-19 Pandemic in Indonesia Regarding Consumer Purchasing Patterns

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ABSTRACTS

COVID-19 has had a significant impact not just on the health sector, but also on the economy, particularly on economic activity involving the purchase of products and services. The COVID-19 pandemic, combined with the adoption of social distancing, resulted in new consumer behavior in determining purchasing patterns or decisions. This study looked into whether or not customers' purchasing decisions are altering as a result of the pandemic. The literature review was done in conjunction with secondary data in this investigation. Consumers are transitioning to online and digital purchase decisions through online media to reduced-contact channels, according to research. The study's findings are likely to serve as a guide for interested parties, particularly in terms of suggesting policymakers and government officials make decisions.

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1. INTRODUCTION

COVID-19 is causing widespread alarm around the world. The globe was taken aback by the reality of this new pandemic. Millions of individuals have been infected as a result of this pandemic (Dirgantari, 2020). In Indonesia, the coronavirus is spreading at an alarming rate. **Figure 1** shows that the number of COVID-19 positive cases in Indonesia has now surpassed 5,000 instances as of April 18, 2020, with a fatality rate of 9.13 percent due to positive COVID-19. As much as 8.68 percent of those who tested positive for COVID-19 have recovered.

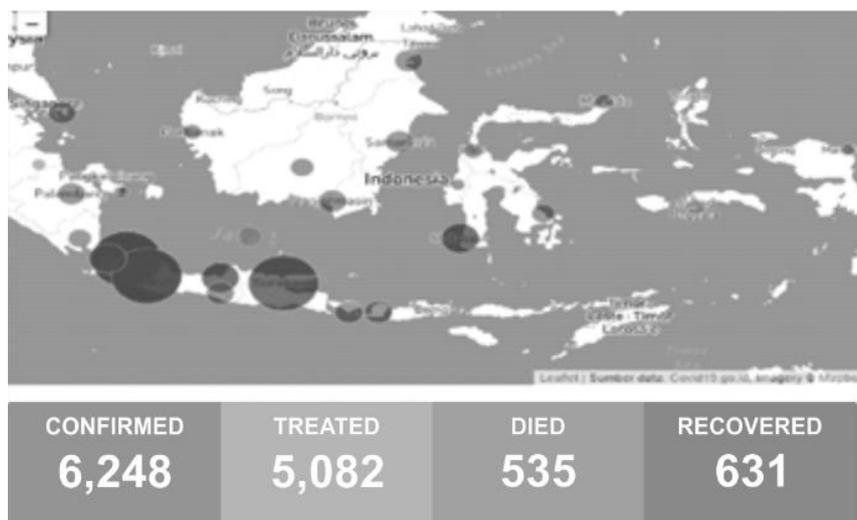


Figure 1. COVID-19 data in Indonesia as per 18 April, 2020
(<https://www.kompas.com/covid-19>, retrieved on 18 April 2020).

Tourism, aviation, health, mass media, government, e-commerce, social media, and entertainment media have all been impacted by the rising number of favorable COVID-19 results. The government has also made it a policy to do all activities, including learning, working, and praying, at home. To date, ten regions have adopted Large-Scale Social Restrictions (also known as PSBB) in an effort to stop COVID-19 from spreading. This is reducing communal activities outside of the home, where we used to be able to shop directly at markets or supermarkets, and now individuals must shop online. It is true that this is easier and faster, and it does not necessitate the gathering of individuals.

Business rivalry was severe during the COVID-19 pandemic, as seen by the number of enterprises that used a range of methods and improvements in their products or services to gain market share and new markets (Velavan et al., 2020). Companies must be able to determine the best marketing plan in order for the firm to thrive and achieve its major objectives.

Several elements contribute to a corporation gaining its own place in the community's affections. For example, a company must evaluate how it sets competitive prices, conducts effective promotions, shapes its image and establishes a positive corporate reputation in the eyes of customers, as well as good and satisfactory product quality. They also need to figure out how to re-engage their previous consumers with a fresh perspective that shifts them from a traditional to an online mindset.

Customers in most nations have learned to make transactions, acquire products, and use services that are digitally based and require minimum contact (El Zowalaty & Jarhut., 2020). When consumers' buying options are limited, they turn to technology to discover and embrace new methods to shop. Consumers in COVID-19-affected countries tend to hoard

food and other essential commodities, isolating themselves from the crowd. As a result, shopping habits evolve, and people turn to e-commerce to find new methods to shop (Buana, 2020).

People who were previously hesitant to shop online are now creating online accounts on a variety of e-commerce platforms, embarking on an entirely new customer experience. They may never return to their old habits once they have gained confidence in shopping online. For a long time, e-commerce has been undermining offline retailing, but this pandemic has exacerbated the trend (Bakhtiar, 2020). The government has also begun to consider the e-commerce sector as a means of reducing the tax deficit caused by the slowing economy. Before the COVID-19 outbreak, e-commerce was able to attract a large number of consumers in Indonesia. E-commerce is also one of the key drivers of Indonesia being the Southeast Asian country with the highest digital economic value, which reached \$40 billion in 2019 and is expected to reach \$ 130 billion by 2025. E-growth commerce's can be accelerated and even accelerated if more retail stores and consumers are forced to resort to it.

E-commerce, often known as an online store, offers a wide range of products to the public, including home items, technology, apparel, and other necessities. They also give consumers with a variety of conveniences as well as promotions such as discounts, cashback, and other perks (Foster, 2016). This online store's numerous offers are certain to entice customers to shop. Brands are progressively shifting to a direct-to-consumer (D2C) business strategy as physical stores close. D2C firms have a straightforward business model that eliminates retailers by selling directly to customers via mobile and internet channels. They can conveniently and rapidly address household demands. They still follow the regulations without leaving the house, but with an online shop, the goods will come safely and securely. The convenience of shopping is intended to aid government initiatives in their efforts to "remain at home" (Dirgantari *et al.*, 2020).

According to study conducted by similar web, e-commerce increased by 2.05 percent in Indonesia within 28 days and will continue to expand as customers spend more time at home, as shown in Figure 2.

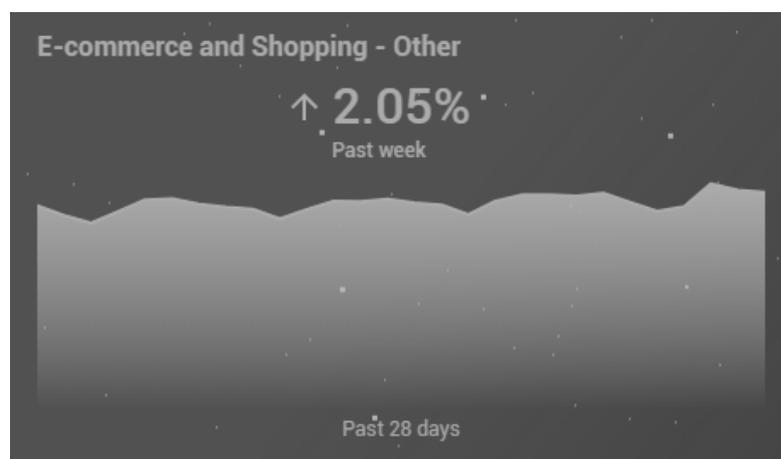


Figure 2. Increasing e-commerce in Indonesia.

2. METHODS

This study was a descriptive study using a literature study approach, which included discovering references and theories as a research path for the study of literature, which served as the basic foundation and key tool for research practice in the field. The findings of

this study were utilized to identify consumer buying patterns based on changes in consumer behavior when making purchase decisions and tactics, allowing businesses to thrive in an increasingly competitive market during the COVID-19 pandemic outbreak.

3. RESULTS AND DISCUSSION

A purchasing decision is a problem-solving process that includes an analysis of needs and desires, information gathering, evaluation of the source of purchasing options, purchasing decisions, and post-purchase behavior. Making a decision, in general, is the process of selecting one or more actions from a set of two or more options. Consumers frequently consider quality, price, and already identified products among the different aspects that impact their decision to acquire a product or service (Said et al., 2020). There are five steps to the purchasing decision. These steps are (i) recognizing needs; (ii) gathering information; (iii) analyzing product alternatives; (iv) making a buying decision; and (v) following up after the purchase. As a result, it is evident that the purchasing process begins well before the actual transaction. Instead of focusing solely on the purchase decision, marketers must consider the complete buying process.

The realization of a consumer's demands and unquenchable desires is the first step in the decision-making process. The consumer will then recognize the disparity between his current status (in this scenario) and the ideal demands they wish to satisfy through a variety of social and psychological factors. They are motivated and stimulated to make decisions by these demands (Mullins et al., 2011; Mullins et al., 2008). The significance of purchase decisions emerges, particularly when it comes to shopping commodities. The following risks arise as a result of this choice (Lahindah & Siahaan, 2018): (i) functional risk: the product does not perform as expected; (ii) financial risk: the product does not match (or is the same) the price paid; (iii) social risk: the product may endanger others; (iv) psychological risk: products can affect (or influence) consumers; and (v) time risk: product failure can result in a loss of opportunity to be satisfied by consuming other alternative products; and (v) time risk: product failure can result in a loss of opportunity.

Researchers conducted a study of shopper behavior that began at the start of the pandemic in China and expanded to other nations affected to learn how and when customers begin to demonstrate behavioural changes in making purchasing decisions. Consumers passed through six phases of knowledge as news of COVID-19 spread in their communities, according to recent findings (Velavan et al., 2020): (i) proactive health-conscious purchasing: a growing desire for a product that contributes to the maintenance of welfare or health; (ii) Reactive health management: putting products first in order to avoid illness; (iii) Panty preparation: increasing long-term shelf-life product purchases and increasing shop visits; (iv) Preparing for quarantined living: increased online buying, fewer retail visits, and evidence of supply chain abnormalities; (v) Limited living: rising prices owing to scarcity, which makes it difficult to meet online necessities; (vi) A new normal: raising health awareness even as individuals return to their regular routines.

Many factors influence purchasing decisions, according to the literature on purchasing decisions. Price, products, and services are some of the elements that impact purchase decisions. Consumers are willing to forego money to purchase particular things if they can match their expectations. The appraisal of a product or service is solely influenced by its exterior appearance, such as brand, price, or packaging, which will influence the decision-making process directly or indirectly (Parasuraman et al., 1988).

The customer's purchase decision is heavily influenced by the company's price, promotion, and reputation. It was mentioned that the more competitive the seller's price, the more likely

the client is to make a purchase. Similarly, the more extensive and appealing promotions that are held, the more likely consumers will decide to buy them, and a favorable opinion of the company is another element that can impact the formulation of purchasing decisions. This is because customers will always seek for businesses that supply specifications that are in line with what they expect.

Potential purchasers' purchasing decisions are not always direct purchases, but they can also be pending purchases. One of the causes is that there aren't enough finances to make a buy (Kim *et al.*, 2008; Anggraeni *et al.*, 2020). When potential buyers are interested in a specific product and have already established trust in the seller's account, they will 'mark' the seller's account or goods.

4. CONCLUSION

The pandemic condition provides an opportunity to assess consumer lifestyle choices. Because of the closing of shopping malls and the boundaries of social activities, purchasing decisions contributed to contribute to the food, electronics, apparel, and other industries, which were slow. Consumers must also deal with negative risks such as functional risk, financial risk, social risk, psychological risk, and time risk during this epidemic. Security issues, the loss of payment checks, the buildup of bills, and the uncertainty of the store all contribute to them. As a result, organizations should pay more attention to prices and set a competitive price in addition to the quality of services in accordance with consumer wants, update their customer personas and communication strategy, and provide the best product quality and performance.

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6. AUTHORS' NOTE

The authors declare that there is no conflict of interest regarding the publication of this article. The authors confirmed that the paper was free of plagiarism.

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