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A Study on Expected Spending of Consumers with Reference to Groceries Apparel and Household Items

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Abstract:

Due to either containment zones or restricted availability of groceries or other items the purchases were limited during the early stages of Covid 19. In few countries the spending reduced while in few countries like China and India the consumer spending was found to be bouncing back on non-grocery items. This present paper is an attempt to study the expected spending post lockdown and also to examine the expected spending across categories like Food and Grocery, Apparel and Household items. For food and grocery, apparel and household items expected spending was measured a five-point scale measuring maximum spending to no spending on this category. It was found in the study that on food and groceries and household items respondent were willing to spend slightly higher, while on apparels they were willing to spend slightly less.

Keywords **—Consumer Expected Spending, Grocery, Apparel, Household items.**

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I. INTRODUCTION

The situation of lockdown of April and May 2020 with the ongoing COVID-19 Pandemic turned out to bring a significant variance in consumer spending across different countries. Authors like Jonas (2013) and Fan et al (2016) studied that any epidemics and pandemics resulted into economic losses. Similarly Dixon et al. (2002) analyzed the impact of HIV AIDs on the economics development of Africa. Mc Kibbin and Sidorenko (2006), Garret (2007) and Karlsson et al. (2013) have found the impact of pandemics on the economic changes and shopping patterns. Due to either containment zones or restricted availability of groceries or other items the purchases were limited during the early stages of Covid 19. The consumer understood that few purchases were not required immediately and felt the need to postpone the purchase of these items. This was in a big way changing their present and future spending habits. As per Mckinsey Report (2020) consumer spending is primarily focused on essentials. It was also found that there was a drop in the spending of discretionary categories in many countries except China and India. In these countries

like China and India the consumer spending was found to be bouncing back on non-grocery items as well..

II. Review of Literature

Kotler and Keller (2012) opined that awareness of customers' day to day life is important for the effective way of marketing various goods and services. During lockdown and after the lifting of lockdown there is a visible change in the buying patterns with a new normal buying behavior (Mehta et al. 2020). Mishra and Dhanerwal (2000) examined the consumption demand of non-essential commodities which included real estate, automobiles, electronics, domestic travel, restaurants, movies and salons. The study was conducted across India with a sample size of 900 respondents. The paper highlights that due to corona the consumption of few items' salon, spas have been deferred and respondents wanted to wait before using these services. While, spending on restaurants and movies were found to be positive and respondents were willing to spend. Mehta et al (2020) discussed that COVID 19 shock has made consumers understand that or revived the basic needs which revolved around food, clothes shelter, love and belonginess towards loved ones. In the similar way the spending habits have also changed to smaller economic order quantity of only most essential household items with co-creation and cooperation as the new behavioural change. Frugality was found to be influencing in consumer's behaviour (Andreson and Wadkins, 1991). During Covid 19 frugality helped a lot to understand the non-consumption and consumption behaviour of the consumer Mehta et al (2020).

III Research Questions

Is there a difference between the expected spending across categories like food and grocery, apparel and household items?

What would be most important category that the household would be expected to spend more or defer their spending post lockdown

a. Objectives

1.To study the expected spending post lockdown across categories like food and grocery, apparel and household items.

2.To examine the expected spending across categories like food and grocery, apparel and household items.

b.Hypothesis

$H_0$1: There is no difference between different age groups about the expected spending across categories like food and grocery, apparel and household items.

c. Scope of the Study

In order to examine the expected spending, the interview schedule was administered to 130 individuals in the twin cities of Hyderabad and

Secunderabad and surrounding rural areas of twin cities. In which only 102 questions were filled and only 92 were in a useable form for the study purpose. Few general questions and few specific questions related to expected spending across categories like Food and Grocery, Apparel and Household were part of the structured interview schedule. The data was collected during the months of Oct 2020 and Dec 2020. 44 were found to be the male respondents and 48 out of 92 were found to be female respondents. 32 respondents were from the age group less than 20 years, 45 were from the age group of 21 – 30 years of age group, while 10 were from the age group of 31 to 40 years, 4 belonged to the age group of 41 – 50 years and 1 was above 50 years. Out of 92 respondents 70 were from urban area like Hyderabad and Secunderabad and rest 22 were from outside the city of Hyderabad and Secunderabad which was taken as rural area.

For the study purpose the categories selected were food and grocery, apparel and household items. Food and grocery had five items (Groceries, snacks, take-ways/delivery, quick-service restaurants and dine in restaurants) that could measure the expected spending on a five-point scale measuring maximum spending to no spending on this category. Apparel also had five items (Footwear, apparel, accessories, shoes/sandals and Jewelry) that could measure the expected spending on a five-point scale measuring maximum spending to no spending on this category. Household items also had five items (Non-food supplies, household supplies, personal-care products, furnishing and appliances and skin-care) that could measure the expected spending on a five-point scale measuring maximum spending to no spending on this category.

IV Data Analysis

From the collected data the research questions are analysed by using cross tabulations and ANOVA. The details of the same are presented in the following tables.

a. Food and Grocery

The below table of cross tabulation explains row variable (Gender) male and female, and the column variable food and grocery (No spending, slightly less spending, same as before spending, slightly high spending than before and maximum spending) and then the total.

Table 1: Cross Tabulation of Gender and Food and Grocery

		FoodandGrocery				
		Slightly Less	Same as before	Slightly High	Maximum	Total
Gender	Female	6	20	17	4	47
	Male	5	20	13	7	45
Total		11	40	30	11	92

Source: Primary Data

From table 1 it is evident that the proportion of female who would spend slightly higher is 17/47 row wise and 17/92 in total. The proportion of male who would spend slightly higher is 13/45 row wise and 13/92 in total. The proportion of female who

would spend same as before is 20/47 row wise and 20/92 in total. The proportion of male who would spend slightly higher is 20/45 row wise and 20/92 in total. However, the table also reveals that no respondents opted for no spending for food and grocery.

b. Apparel

Table2 Cross tabulation explains row variable (Gender) Male and Female, and the column variable apparel (No spending, slightly less spending, same as before spending, slightly high spending than before and maximum spending) and then the total with respect to apparel expected spending.

Table 2: Cross Tabulation of Gender and Apparel

		Apparel					
		No Spending	Slightly Less	Same as before	Slightly high	Maximum	Total
Gender	Female	2	14	12	14	5	47
	Male	4	16	9	12	4	45
Total		6	30	21	26	9	92

Source: Primary Data

From the above table it is found that the proportion of female who would spend slightly higher is 14/47 row wise and 14/92 in total. The proportion of male who would spend slightly higher is 12/45 row wise and 12/92 in total. The proportion of female who would spend slightly less is found to be 14/47 row wise and 14/92 in total. The proportion of male who would spend slightly less is found to be 16/45 row wise and 16/92 in total. However, the table also reveals that 2 of the female and 4 of the male respondents opted not to spend on apparel.

c. Gender and Household Items

The below table of cross tabulation reveals row variable (Gender) Male and Female, and the column variable house hold (No spending, slightly less spending, same as before spending, slightly high spending than before and maximum spending) and then the total on the household items.

Table 3: Cross Tabulation of Gender and Household Items

		Household Items				
		Slightly Less	Same as before	Slightly High	Maximum	Total
Gender	Female	7	21	14	5	47
	Male	11	17	11	5	44
Total		18	38	25	10	91

Source: Primary Data

From table 3 it is analysed that the proportion of female who would spend slightly higher is 14/47 row wise and 14/92 in total. The proportion of male who would spend slightly higher is 11/45 row wise and 11/92 in total. The proportion of female who would spend same as before is 21/47 row wise and 21/92 in total. The proportion of male who would spend the same as before is 17/45 row wise and

17/92 in total. However, from the analysis it is evident that all were going to spend on household items and no respondent opted for no spending.

d. Age and Food & Grocery

The below table of cross tabulation explains row variable age (below 20 years, 21 -30 years, 31 to 40 years, 41- 50 years and >50 years) and the column variable food and grocery (No spending, slightly less spending, same as before spending, slightly high spending than before and maximum spending) and then the total.

Table 4.1: Cross Tabulation of Age and Food and Grocery

		FoodandGrocery				
		Slightly Less	Same as before	Slightly High	Maximum	Total
Age	below 20 years	4	16	10	2	32
	21 years -30 years	3	18	15	9	45
	31years - 40 years	3	3	4	0	10
	41years -50 years	0	3	1	0	4
	above 50 years	1	0	0	0	1
Total		11	40	30	11	92

Source: Primary Data

The proportion of respondents below years group of 20 years were found to spend slightly higher is 10/32 row wise and 10/92 in total. The proportion of respondents of age group of 21 – 30 years are those who were willing to spend slightly higher is 15/45 row wise and 15/92 in total. The proportion of respondents below years group of 20 years were found to spend same as before is 16/32 row wise and 16/92 in total. The proportion of respondents of age group of 21 – 30 years are those who were willing to spend same as before is 18/45 row wise and 18/92 in total. However, the table also reveals that no respondents opted for no spending for food and grocery.

The below ANOVA table highlights the results to test the hypothesis: There is no difference between different age group about the expected spending across categories like food and grocery.

Table 4.2: ANOVA of Age and Food and Grocery

ANOVA

Age	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.167	3	1.056	1.469	.229
Within Groups	62.504	87	.718		
Total	65.670	90			

Source: Primary Data

The above table indicates the results obtained from one way ANOVA. From the table it is evident that significance value is 0.229 (i.e., p= .229) which is below 0.05 and this shows that there is no significant difference between the selected age

group expected spending in the category of food and grocery.

e. Age and Apparel

The below table of cross tabulation explains row variable age (below 20 years, 21 -30 years, 31 to 40 years, 41- 50 years and >50 years) and the column variable apparel (No spending, slightly less spending, same as before spending, slightly high spending than before and maximum spending) and then the total.

Table 5.1: Cross Tabulation of Age and Apparel

		Apparel					
		No Spending	Slightly Less	Same as before	Slightly high	Maximum	Total
Age	below 20 years	0	12	8	10	2	32
	21 years - 30 years	3	11	8	16	7	45
	31years - 40 years	3	4	3	0	0	10
	41years -50 years	0	2	2	0	0	4
	above 50 years	0	1	0	0	0	1
Total		6	30	21	26	9	92

Source: Primary Data

The proportion of respondents < 20 years were found to spend slightly higher (10/32 row wise and 10/92 in total). The proportion of respondents of age group of 21 – 30 years are those who were willing to spend slightly higher (16/45 row wise and 16/92 in total. The proportion of respondents < 20 years were found to spend slightly less (12/32 row wise and 12/92 in total). The proportion of respondents of age group of 21 – 30 years are those who were willing to spend slightly less (11/45 row wise and 11/92 in total).

The below ANOVA shows the results of hypothesis: There is no difference between different age group about the expected spending in the category of apparel.

Table 5.2: ANOVA of Gender and Apparel

ANOVA					
Age	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.170	3	.390	.532	.661
Within Groups	64.514	88	.733		
Total	65.685	91			

Source: Primary Data

The above table indicates the results obtained from one way ANOVA. From the table it is evident that

significance value is 0.661 (i.e., *p*= .661) which is below 0.05 and this shows that there is no significanc different between the selected age group expected spending in the category of apparel.

f. Age and Household Items

The below table of cross tabulation explains row variable age (below 20 years, 21 -30 years, 31 to 40 years, 41- 50 years and >50 years) and the column variable household (No spending, slightly less spending, same as before spending, slightly high spending than before and maximum spending) and then the total.

Table 6.1: Cross Tabulation of Age and Household Items

		Household				
		Slightly Less	Same as before	Slightly High	Maximum	Total
Age	below 20 years	4	17	9	2	32
	21 years -30 years	9	13	15	7	44
	31years - 40 years	3	5	1	1	10
	41years -50 years	1	3	0	0	4
	above 50 years	1	0	0	0	1
Total		18	38	25	10	91

Source: Primary Data

The proportion of respondents < 20 years were found to spend slightly higher with 9/32 row wise and 9/92 in total. The proportion of respondents of age group of 21 – 30 years are those who were willing to spend slightly higher with 15/45 row wise and 15/92 in total. The proportion of respondents < 20 years were found to spend same as before with 17/32 row wise and 17/92 in total. The proportion of respondents of age group of 21 – 30 years are those who were willing to spend same as before is 13/45 row wise and 13/92 in total. However, from the analysis it is evident that no respondents opted for no spending for household items.

The below ANOVA analysis highlights the results to test the hypothesis: There is no difference between different age group about the expected spending category of Household.

Table 6.2: ANOVA of Age and Household Items

ANOVA					
Age	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.556	4	1.139	1.621	.176
Within Groups	61.128	87	.703		
Total	65.685	91			

Source: Primary Data

The above table indicates the results obtained from one way ANOVA. From the table it is evident that significance value is 0.176 (i.e., *p*= .176) which is below 0.05 and this shows that there is no significant difference between the selected age group expected spending in the category of house.

V Findings

On the basis of the analysis of the responses it was found that 17/92 female and 13/92 male were willing to spend slightly higher after the lockdown on food and grocery items. When it comes to age it was found that 16/92 belonging to age < 20 years, 18/92 proportion of respondents of age group of 21 – 30 years were willing to spend same as before. However, p= .229 value revealed that there is no significant difference between the selected age group expected spending in the category of food and grocery.

It was found that 14 of female and 16 of male for the total 92 preferred to spend slightly less on apparels post lockdown. It was also found 16 respondents in the age group of 21 – 30 years preferred to spend slightly higher, however, 12 of the age group below 20 years were found to have preferred to spend slightly less on apparel. P value = .661shows that there is no significant difference between the selected age group expected spending in the category of apparel.

21 female and 17 male respondents were willing to spending the same as before for the household items. 15 respondents of age group of 21 – 30 years are those who were willing to spend slightly higher than before while 17 belonging to the age group of 20 years were found to spend same as before the lockdown. It was found that P value was below 0.05 and hence there is no significant difference between the selected age group expected spending in the category of household items expected spending.

VI Conclusion

One of the worst times experienced by the world population is the COVID 19 diseases among all other disease when compared to the previous epidemics or pandemics. The impact of Covid-19 has been the same World Wide be it underdeveloped or emerging or industrial countries. This has created a very big challenge by shutting down many manufacturing units, migrant workers losing jobs and many losing their lives due to the pandemics itself. Like how work from home has become a new normal changing spending habits is also going to become and this was evident in the study results. The results showed that even though respondents are ready to spend it varied with the type of the product spending. May be due to work from home or online classes it was found that respondents preferred to spend less on apparel when compared to groceries and house hold items which were felt more essential.

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