

UNDERSTANDING CONSUMER BEHAVIOR IN THE ERA OF COVID-19: A PHENOMENOLOGICAL APPROACH

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Abstract: This paper aims to understand the consumer behavior in the covid-19 era. The COVID-19 pandemic has a very significant impact on the domestic economy of the nation-state and the existence of MSMEs. This study uses a phenomenology approach to see the tendency of individuals or groups to behave in the Covid-19 era. The results of this study are a change in consumer behavior patterns, namely more focus on health care, sharing motivation, economic ability, family togetherness, and reference groups. Business actors need to realize this community behavior pattern in seizing business opportunities.

Keywords: Covid-19, MSME's, consumers behavior, and phenomenology

1. Introduction

The COVID-19 pandemic currently occurring inevitably affects various sectors (Chaudhry, et al, 2020; Hanoatubun, 2020). At the global economic level, the COVID-19 pandemic has a very significant impact on the domestic economy of the nation-state and the existence of MSMEs (Baker, et al, 2020; Kanitkar, 2020). The Organization for Economic Co-operation and Development (OECD) report states that this pandemic has implications for the threat of a major economic crisis marked by the cessation of production activities in many countries, falling levels of public consumption, loss of consumer confidence, falling stock exchanges which ultimately leads to uncertainty (Baker et al., 2020; Thaha, 2020). If this continues, the OECD predicts a decline in output levels of between a fifth and a quarter in many countries, with consumer spending potentially falling by about a third.

Indonesia, which is dominated by the existence of Micro, Small and Medium Enterprises (MSMEs) as the backbone of the national economy, has also been seriously affected not only in terms of total production and trade value but also on the number of workers who have lost their jobs due to this pandemic (Thaha, 2020). Data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) shows that in 2018 there were 64,194,057 MSMEs in Indonesia (or around 99 percent of the total business units) and employed 116,978,631 workers (or around 97 percent of the total workforce). work in the economic sector) Since the Covid-19 pandemic entered Indonesia in February, the micro, small and medium enterprises (MSMEs) sector is one of the sectors that have experienced the impact. Quoted from CNBC Indonesia, as of April 2020 the sales of MSMEs during the Covid-19 period fell by 70%. On the other hand, based on data from the e-commerce enabler company Sirclo, the increase in demand for food and beverage products reached 143% from February

to March 2020. In the Covid-19 era, is it true that traders can increase their sales or are they slumping?

Consumer behavior is influenced by internal and external factors. Internal factors include attitudes, motivation and economy, while from external aspects there are reference and family factors (Fadil, 2015; Pappas, et al, 2017). These two factors become an opportunity for MSMEs in running their business. By examining consumer behavior, consumer needs will be obtained so that they can be adjusted to the MSME business (Kazakov, 2016).

2. Method

This study uses a phenomenological approach. Phenomenology is a type of qualitative research method that is applied to reveal the similarity of meaning which is the essence of a concept or phenomenon that is consciously and individually experienced by a group of individuals in their life.

As a method of uncovering the essence of the meaning of a group of individuals, phenomenology has become a research method close to philosophy and psychology, and its application is a prerequisite for philosophical and psychological endeavors. Phenomenologists often practice abstraction and reflection in order to grasp the meaning of the informants before extracting them into a profound narrative.

3. Result and Discussion

The Covid-19 pandemic that is currently spreading has brought significant changes in various aspects, including the lifestyle of the people. Since Covid-19 was declared a pandemic, the dogma to always maintain cleanliness is actively socialized in various media. Evidenced by the busy hashtags #cucitangan, #stayathome, #dirumahaja on various social media. Even cleaning supplies such as hand sanitizers, masks and disinfectants were scarce in the market due to the increasing consumption patterns of the people when the Covid-19 pandemic began to enter Indonesia.

This proves that Covid-19 has brought changes to the behavior patterns of people who are increasingly aware of the importance of healthy and clean living. Therefore, business actors need to be aware of changes in community behavior patterns in seizing business opportunities. The following are points of consumer behavior that need to be paid attention to by business people to boost sales amid the Covid-19 pandemic.

First, looking at consumer attitudes. Since the Covid-19 pandemic, it has had an influence on consumer attitudes where concern for cleanliness and health has increased. Consumers are increasingly careful in buying processed food products and tend to choose to cook for themselves. By examining these consumer attitudes, business actors need to make adjustments. The sales strategy that displays all of its products is maintained and clean, food is closed and given a clean place, sellers use gloves and masks, will make their products more marketable.

A health care attitude can also be realized, for example by making new products that use more nutritious ingredients, given the increasing demands for maintaining body immunity in the pandemic era. Silence at home also raises the demand for product delivery services by consumers, which can be an opportunity for business actors.

Second, it can be seen by paying attention to consumer motivation. The survey conducted by Etnomark resulted in donation behavior, as much as 83%, respondents chose themselves as a group of angels. This is comparable to business / personal impact behavior, as 88% of the respondents chose to be the group who expressed sincerity to sacrifice in these difficult

conditions. Based on the survey results, it can be identified that one of the motivations for consumers in the Covid-19 era to shop is the spirit of sharing with others.

Therefore, business actors can take advantage of this as an opportunity for product marketing innovation. So business actors can change people's motivation to shop from for themselves to sharing with others. Products can be advertised as a means of sending kindness to others, replacing hospitality with friendly products. Business actors can offer product orders to consumers to be delivered to friends or relatives, or even to people who cannot afford to share with others. Of course for this purpose business actors can also innovate in packaging to be more attractive because it is for delivery to other people.

Third, examining consumer behavior from economic conditions. The more difficult it is to find a job is illustrated by the sub-index in the IKK, namely the availability of jobs. In March, this sub-index was worth 86. It is down from the previous month which was 90.1. This has an effect on decreasing people's purchasing power, because people's income has also decreased. In this situation, the pricing strategy can be used as a business opportunity. Sellers can start with a cheaper selling strategy, but in packages. For example, a unit price of 13,000 can be sold with 50,000 getting five products. So consumers feel helped by the cheap price per unit, but the seller's profits still increase because the turnover is more.

Fourth, from external factors, is family. Appeals for social distancing resulted in more family togetherness at home. Food vendors can make promos related to family activities at home. Food for family togetherness at home, for study friends at home, and other family activities at home. Promos like this will make consumers interested in buying, because they are associated with family activities at home

Fifth, external factors in the form of reference groups. Based on research conducted by Etnomark consulting, as many as 70% of the 609 respondents are categorized as people with a socialist behavior style and are oriented towards others. This can be used by MSME entrepreneurs as a golden opportunity to increase income in the Covid-19 era. Promos that are made by MSMEs as long as they are beneficial to the community will immediately be responded positively by sharing these promos with others.

MSMEs can make promotions in the form of digital posters, with of course delivery facilities, and contact numbers that can be contacted through various media such as WhatsApp. People have a tendency to want to share, so without being asked, they will share information on the network (Alhaddad, 2015; Hery, et al, 2016; Li & Du, 2017; Mochalova & Nanopoulos, 2014). An opportunity is assisted in disseminating information by consumers without being asked.

The Covid-19 pandemic may be viewed by some business actors as a disaster. However, smart business actors will see the current situation as a challenge and business opportunity. By understanding changes in consumer behavior, it is not impossible that it will boost sales even in the midst of a pandemic.

4. Conclusions

The Covid-19 pandemic has a very significant impact not only in the health sector but also in the economic sector. However, understanding the shift in consumer behavior can be beneficial for MSMEs to adapt and continue to exist in this pandemic era. Some of the shifts in people's behavior patterns in the Covid-19 era are focusing more on health care, sharing motivation, economic ability, family togetherness, and reference groups. Business actors need to realize this community behavior pattern in seizing business opportunities.

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