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## RESEARCH ARTICLE

### MAINTAINING CONFIDENCE OF INDIAN CONSUMERS IN TIME OF COVID PANDEMIC

\*Dr. Malini Majumdar

Professor, Marketing Area, Army Institute of Management, Alipore, Kolkata, India

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#### ABSTRACT

**Background:** The coronavirus pandemic has thrown the corporate world into a tizzy due to the inevitable lockdown and associated challenges. All over the world, businesses and brands are suffering a downturn. In this uncertain time, consumers suffer from anxiety that eventually leads to decreased consumer confidence. Maintaining the confidence through overt and covert communication should be the call of the day. In India, companies are trying their best to maintain their brand image and reputation to boost up the level of confidence among the consumers. So far, advertisements that showcase the brands to be a useful tool in fighting the disease or something that can improve the well being of consumers have been highlighted. Companies have also committed their resources towards the societal marketing which can go a long way to maintain their reputation and image in the market. **Objective:** This study throws light on the endeavour of Indian brands in this regard and predicts a better future ahead. **Methods:** Secondary data have been analyzed, collected from different websites cited along the course of discussion. **Results and Conclusion:** It will not be an exaggeration to expect that consumers will remember the brands and companies that stood by them in time of crisis and fulfilled their social commitments. The confidence is expected to upsurge once the present situation is improved.

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## INTRODUCTION

The problem started with pneumonia cases of unknown etiological origin at Wuhan, China in December 2019. By January 30 2020, more than 8,235 confirmed cases of 2019 novel coronavirus (2019-nCoV SARS II) had been reported, including 170 deaths, with cases reported in Wuhan and other provinces in China, as well as in 18 international locations. Till the current moment, April 8, 2020, the toll rises to 1,450,123 with 83,474 deaths worldwide. The rise in active cases since March has been quite steep. ([worldometers.info](http://worldometers.info)). 184 countries across the globe have come under its fatal clutch and it has been declared a global pandemic by WHO on 11 March 2020. The severity of the situation can easily be assessed from the fact that it took less than a week for confirmed cases to double from 500,000 to a million while it took more than three months to reach the first 100,000 worldwide. The crisis is bound to have a long term effect not only on the healthcare management of the affected countries but also on all aspects of business and commerce. It is need of the hour then, to identify the areas of strength and weaknesses and undertake prudent strategies to uphold the consumer confidence. The present study reviews such strategies taken up by global companies so far in Indian context.

## MATERIAL AND METHODS

**A.Consumer confidence:** The term can be defined as an economic indicator that measures the degree of optimism felt by consumers in face of the economic environment and their personal financial conditions ([Wikipedia.org](https://en.wikipedia.org/wiki/Consumer_confidence)). The level of consumer confidence indicates the willingness to spend, borrow and save, thus leading to marginal propensity of consumption. A fall in levels of consumer confidence would lead to economic downturn. Factors that affect this level include economic news, uncertainty, stagnant or falling real wages, economic growth and current economic situation ([economicshelp.org](http://economicshelp.org)). In the current scenario of crisis, all factors lead towards a downfall in consumer confidence. In Indian perspective, the consumer confidence has decreased to 83.70 points in the first quarter of 2020 (the lowest since March 2015) from 85.70 points in the fourth quarter of 2019, while GDP growth rate stands at 1.1% (ref Dec/19), and unemployment rate at 7.8% (ref Feb/20). ([tradingeconomics.com](http://tradingeconomics.com)) As consumer spending plunges downward, the capacity utilization at companies dropped to 69.1% (March 20), the lowest since 2009. The statistics reveal a bleak future, may be in the long run if remedial measures are not started from now.

\*Corresponding author: Dr. Malini Majumdar,

Professor, Marketing Area, Army Institute of Management, Alipore, Kolkata, India.

**The Corporate Crisis:** The COVID-19 crisis will likely last for several months, impacting the companies differently at different points of time. In this early stage, the problems are centered at continuing with production and supply chain management in drastically altered operating conditions or on entirely new platforms. The aftermath of COVID-19 will be potentially plundered revenues, distracted and demoralized workforces and fundamentally altered delivery of products and services. (Burke 2020). The safety and well-being of workers being the top priority, companies have started looking at a number of other tough issues to manage. Companies are finalizing their contingency plans either by adapting existing plans or by starting afresh. The spread of the disease and its resulting lockdown has put a tremendous pressure on the essential goods supply chain. Inherently, the systems were built up to maximize efficiency, not flexibility or resilience. Now, with interrupted supply of raw materials, massive spike in demand, lowered capacity utilization and worker absenteeism, the challenge has grown manifold. This is made more critical with quick shifting channel mix, unpredictable consumer behaviour and changing preferences. On retailer's ends also, keeping low inventory to reduce cost and increase efficiency, is bearing brunt of the situation. The shelves are running dry.

As per PWC survey 2020 ([pwc.com/us/COVID-19](https://www.pwc.com/us/COVID-19)), companies with direct exposure to the COVID-19 outbreak are taking a number of actions, including:

- Transporting available inventory to areas away from quarantine zones and near ports for easier shipping
- Buying large inventory well ahead in time, that may face short supply
- Booking air transportation in advance, shortening lead times
- Approving substitute parts or raw-material in places where the primary supplier is impacted but a secondary supplier is not
- Activating product redesign if forced to, in absence of reliable secondary supplier
- Updating customers about delays and adjusting customer allocations
- Effective demand management on available inventory
- Communicating with key supply chain stakeholders on changes to demand and supply volume for the next few quarters
- Many companies are stressing on global mobility, empowering employees to work remotely by reinforcing their IT infrastructure support.
- Investing in digital tools to help predicting potential risks in the supply chain and take corrective measures including demand forecasting solutions.
- Developing a more robust, resilient and flexible system that can absorb shocks in a better way, can adapt to changing product assortment and delivery networks.

**Salvaging the Brand during the crisis – communication is the key:** Managing reputation and brand image during a crisis like this with dwindling consumer sentiment is no easy game. Companies must identify the unique role their brands play in consumers' lives, how things have changed, and how the brands can improve lives during the crisis. Even during communicating with the consumers, brands should evolve their tone relevant and apt to the context.

Only empathy and understanding may go a long way. Increased shift to e-commerce will pose another challenge to marketers. Some brands are immediately more impacted by COVID-19, due to the nature of their business, like Travel (Transport/Hospitality/Tourism), entertainment and infrastructure, but others are not exempted as well. As exchange of reliable information becomes critical in time of any crisis, the media usage becomes a key issue, while communicating with consumers as their behaviour become unpredictable. As digital media usage soars, marketers need to focus more on that. Not only the digital entertainment or education platforms, marketers may consider the digital news platforms as well, provided the message is relevant and appropriately tuned. This is the time for the marketers to consider increasing the social presence of their brands as people will remember brands that focused on acts of good in time of crisis and stood by the society. Of course, the authenticity and true purpose need to be honestly reflected through the activities. A review of examples from different brand marketers is detailed in a following section.

Adapting to 'a new normal' need to be commonplace. Digital avenues for reaching both employees and consumers need to be explored, strengthened and practiced. Kantar IMRB survey 2020 shows that Brands are expected to be a trusted source of accurate information by 28% of its respondents and 79% believe that brands must show how they can be helpful in the new everyday life. ([https:// brandequity.economicstimes.indiatimes.com/ tag/kantar+ covid-19+barometer](https://brandequity.economicstimes.indiatimes.com/tag/kantar+covid-19+barometer). Brands like Vivo, Asian Paints, Dettol, Tata Sky and ITC have launched pandemic themed films on television and digital channels using stock footage/images and user generated content. Social-distancing themed public service ads began with a Coca-Cola billboard in Times Square. McDonalds followed suit by distancing the two arms of its iconic M logo. Adidas is encouraging people to stay fit in their homes. A London-based creative team has created COVID-19 screensavers to remind users to wash their hands and disinfect their screens every time they unlock their phone, which is very often. Twitter has changed its advertising policy. It permits explicit or implicit reference to COVID-19 only if the campaign is related to adjustments to business practices, and/or support for their customers and employees in the wake of COVID-19. (<https://brandequity.economicstimes.indiatimes.com/tag/audience+research>)

**Objective:** The present paper reviews the present situation under the crisis generated due to COVID pandemic. It also tries to throw light on how Indian companies are reacting towards the challenges posed by the situation to maintain brand image and connectivity with consumers. Lastly, it tries to foresee the consumer reaction towards these strategies.

**Methods:** Secondary data sources using websites have been analyzed. Viewpoints presented are based on the data available so far.

## RESULTS AND DISCUSSION

### Response from Indian corporate:

- Wipro, together with Ajim Premji Foundation have committed Rs1125 cr to fight off the pandemic

- Coca cola has redeployed its production and supply facilities to help relief organizations to mobilize quickly, apart from financial support in form of donation.
- Cisco has donated 225 million dollars to support healthcare, education, government responses and technology support.
- Infosys has dedicated Rs 100 crore to fund for treatment, ventilators, testing kits and protective gears for frontline health workers.
- Pepsico has arranged for 45 million dollars to spend on local humanitarian support including 50 million meals for the downtrodden.
- The Tata Group donates Rs 500 cr for affected communities, free education software and development of patient tracker app
- Lego Foundation donates 50 million dollar to ensure uninterrupted learning to affected children through play.
- Johnson & Johnson has arranged for 50 million dollar to support frontline healthcare workers. They have also promised to scale up their resources to supply one billion vaccines worldwide, starting early 2021.
- P&G has installed new production lines to produce 45000litres of hand sanitizers weekly, to meet the growing demand. They are donating products from 30 brands across 20 countries for ensuring better access to health and hygiene, particularly for the poor.
- Google has pledged for 800 million dollars to support MSMEs, health workers, governments and WHO. They have also created a dedicated website for help and resources related to COVID 19
- Nestle provides help by donating food and nutrition products, bottled water etc.
- Unilever commits to provide free soap, sanitizer, bleach and food to the value of 100 million euro.
- Even fashion and beauty brands are gearing up to manufacture masks, protective suits, gloves and sanitizers. Luxury brand LVMH has transformed its perfume production capacity into producing sanitizers.
- Mahindra group had been the pioneer in converting its auto manufacturing facility to make ventilators for COVID patients.
- Vedanta group has dedicated Rs100 cr to combat the pandemic.
- Godrej has launched an initiative ‘Protekt India Movement’, distributing 1 million free packs of Protekt, its hand sanitizer, apart from reducing price of the brand by 66%.
- Reliance has set up a quarantine facility in Lodhivali, a dedicated hospital in Mumbai, and has arranged for free meals in partnership with NGOs. They have geared up the production facility to supply 100000 face masks daily and a large number of PPEs for doctors. They have also committed to supply free fuel to all emergency vehicles.
- Amazon has launched 20 million dollar AWS Diagnostic Initiative to accelerate COVID research and is hiring 100000 employees in this period of slowdown.

**The road ahead:** It is proved many times that necessity is the mother of invention and this crisis are no exception to that. Under constrained situation, brands innovate and adapt by expanding the portfolio and fulfilling unaddressed needs of consumers (Aggarwal 2020). It is not worthy to leverage on the crisis and utilize it for benefit on the short run. The only way to win over consumers’ hearts is by the way of empathy,

by ensuring the usefulness of the brand in their overall well-being. Caring for community would give brands a much needed competitive edge. At the same time, communication must be sensitive as the stress level is already very high among the consumers. Campaign may be forgotten, but will remembers brand. Brands should see the future with a long term vision to find out new opportunities emerging out of changed habits, perspectives, lifestyles and preferences of consumers as a result of the prolonged lockdown.

## Conclusion

Indian companies, while fulfilling their social commitments, are doing their best in building up the reputation and earning respect from the consumers. Indian consumer psyche is generally optimistic and hence mitigating the crisis would be easier while the brands maintain their image and relevance of being helpful to the consumer persona as well as the society at large. Consumers will definitely remember the brands that stood by them in times of crisis.

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## Key points

- The aftermath of COVID-19 will be potentially plundered revenues, distracted and demoralized workforces and fundamentally altered delivery of products and services.
- Under constrained situation, brands innovate and adapt by expanding the portfolio and fulfilling unaddressed needs of consumers.
- Campaign may be forgotten, but will remembers brand.
- Consumers will definitely remember the brands that stood by them in times of crisis.

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