

## THE ADAPTIVE RESPONSE DURING COVID-19 PANDEMIC: INDONESIAN CONSUMER CASE

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### **Abstract:-**

*A critical circumstance we have around the world include Indonesia since March 2020 named the COVID-19 pandemic, with the lockdown, semi-lockdown situation, and social distancing impacted economic instabilities of the nations and change in market dynamics. As we know, market competitiveness, economic integration, and growth are driven by consumers. This crisis makes consumers worldwide, including Indonesia, experience behavior transformation, improvise and learn new habits. Despite the situation, this research would like to examine more deeper how consumers in Indonesia respond to threats such as the COVID-19 pandemic that disrupt consumers' routine and lives and the immediate effects of the COVID-19 pandemic on consumption and consumers' behavior in Indonesia. This research conducts a structured interview with twenty-three informants with open-ended questions to get qualitative data as primary data and secondary data from magazines, national newspapers, and the internet. This research aims to formulate consumers' adaptive response in Indonesia in more detail by having a unique country specific framework. The empirical findings of this research identified that the COVID-19 pandemic is external threat that bring disruption and utter unique responses to Indonesia's consumers with storehouse, pent-up demand and accepting digital technology. In addition, this research could also help company to develop specific business strategies to support consumers and country in this pandemic situation.*

**Keywords:** - Consumers, Consumption, Behavior, the COVID-19 Pandemic, Response

## INTRODUCTION

In early 2020, the world was shocked by the Corona Virus outbreak, which infected many countries in the world. We believe it's time the world was shocked, and WHO has declared the world a global emergency due to this virus. WHO has reported more than 3.9 million confirmed cases of the COVID-19 pandemic in 2019 among 215 countries and has announced the COVID-19 pandemic secondly for a global health emergency on January 30, 2020.<sup>1</sup>

In January 2021, Indonesia's government continued to dismiss schools and university students from face-to-face study or attending school and required 75% of non-essential business employees from non-essential business to work from home, including restaurants and café across Java and Bali after Christmas and New Year holidays.<sup>2</sup> The COVID-19 pandemic has dramatically changed consumers' behavior. Consumers are extremely concerned about the effects of the Covid-19 pandemic, both in terms of health and economics. People are purchasing differently, living differently, and thinking differently in many ways. Simple activities like going to the shop or dining out with friends have become complex and prohibited. As people have been forced to stay at home to curb the spread of the virus, their buying habits have also changed. The closing of traditional stores makes consumers turn to online shopping. Consumer behavior research has always been an area of interest for many researchers. Understanding and anticipating how crisis-driven economic and social changes can realistically be helpful for professionals in finding answers that still meet consumer expectations (Nistorescu & Puiu, 2009). This research aims to examine how Indonesia's consumers respond to threats based on framework on Figure 1 and how eight immediate effects of the COVID-19 pandemic on Indonesia's consumer behavior shown on Figure 2 and also which of the framework dominant in Indonesia or could be there a specific for Indonesia's consumers?

## LITERATURE REVIEW

Consumer behavior changes dramatically during a crisis, according to empirical studies (Ang, 2001). According to some research, customers' purchasing behaviors shift during difficult and stressful periods such as economic downturns and virus outbreaks (Baker et al., 2020). It is generally known that the COVID-19 pandemic has an impact on people's psychological responses such as worry and dread, which will influence consumer behavior (Pakpour et al., 2020)

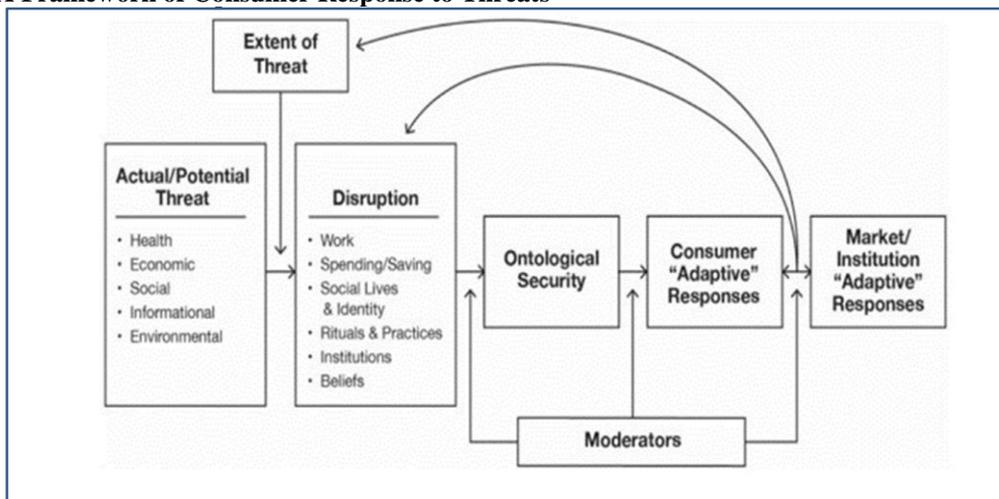
The pandemic condition has implications for changes in shopping patterns because consumers shop at home more often. Purchasing products online behavior will lead the consumers to consume more in a more specific and personal market. However, the COVID-19 pandemic shows us one thing: it is a dynamic market (Jaworski, Kohli, & Sahay, 2000).

People all across the world are terrified as they try to adjust to a new normal. Individuals are filled with dread as they consider what this catastrophe means for them, but more importantly, what it means for their families and friends, as well as society as a whole. Fears about the economy are the most prevalent, with 88 percent of consumers concerned, while 82 percent are concerned about the health of others, far outnumbering fears about personal health or job security (Accenture, 2020)

Consumers' emotional, cognitive, and behavioral responses depend not only on the severity of their ontological insecurities but also on many other factors, including individual differences in beliefs, personality, and background and differences in material, social, and economic circumstances (Campbell et al. 2020).

We tried to analyze this phenomenon using the structure of consumer responses to threats, as shown in Figure 1. We assume that an actual or potential threat could disrupt Indonesia's consumer behavior based on the design. People fear their health, economic, social, and environmental impacts on this disruption, and these threats can change the adaptive response of consumers. Economic threats can harm a consumer's financial condition. Health threats, such as the threat of contagious diseases, negatively influence a consumer's or a close relative's physical health. Social threats may jeopardize our position and function in society. Consumers' capacity to learn, know, and comprehend is harmed by informational threats. Environmental threats, whether potential or actual, come from elements of the environment that affect consumer welfare. The extent of threat is influenced by the size of the threats that potential harm to well-being, the size of threat can impact people and how close a threat seems to the person perceiving the threat and affects felt involvement. Trouble will also bring about consumer ontological safety, namely the disruption of consumer norms, beliefs, routines, and practices. The outcome of ontological security can lead to a wide range of consumer responses, from short-term affective and psychological (e.g., fear) to long-term psychological (e.g., anxiety or depression) and behaviors (e.g., increased alcohol purchase and consumption). The market then responds in the same way to consumer disruptions and responses, and most importantly, consumer and market responses can be cyclical, influencing levels of threats and disruptions (Campbell et al. 2020).

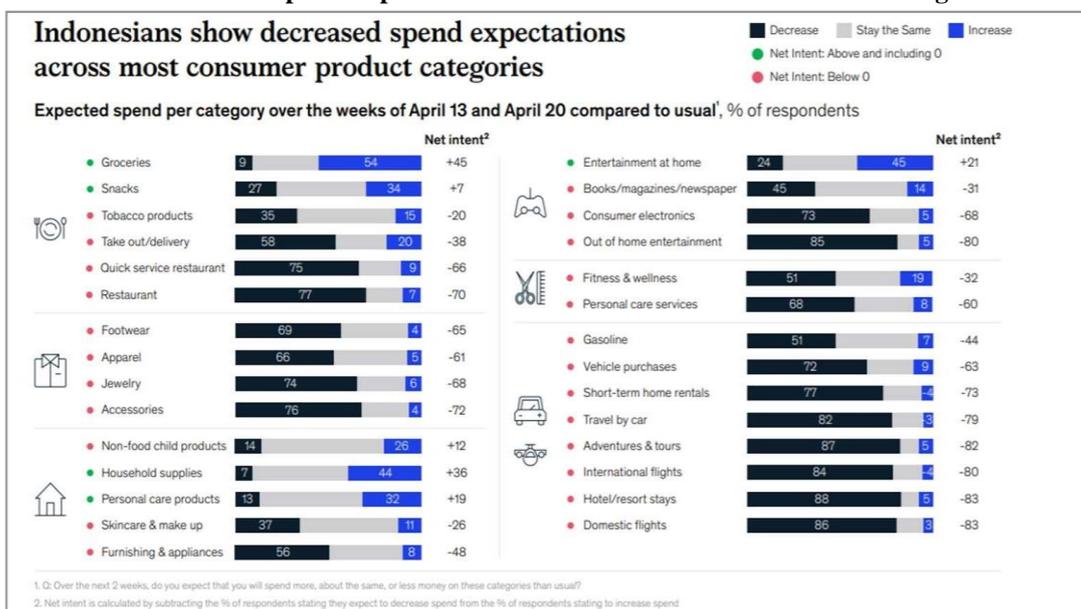
**Figure 1. A Framework of Consumer Response to Threats**



We also found that consumers no longer rely on trust in producers or sellers to buy goods, as in the normal era. Consumers change their more impulsive buying behavior. It is a behavioural consumer buying goods with little or no consideration after a sudden and severe crisis impulse. Our analysis supported by the PwC Indonesia data in 2020 that during the COVID-19 pandemic, the top five spending increases of Indonesian consumers are health products (77%), grocery (67%), entertainment and media (54%), food pick up/delivery (47%), and DIY/home improvement/gardening (32%).

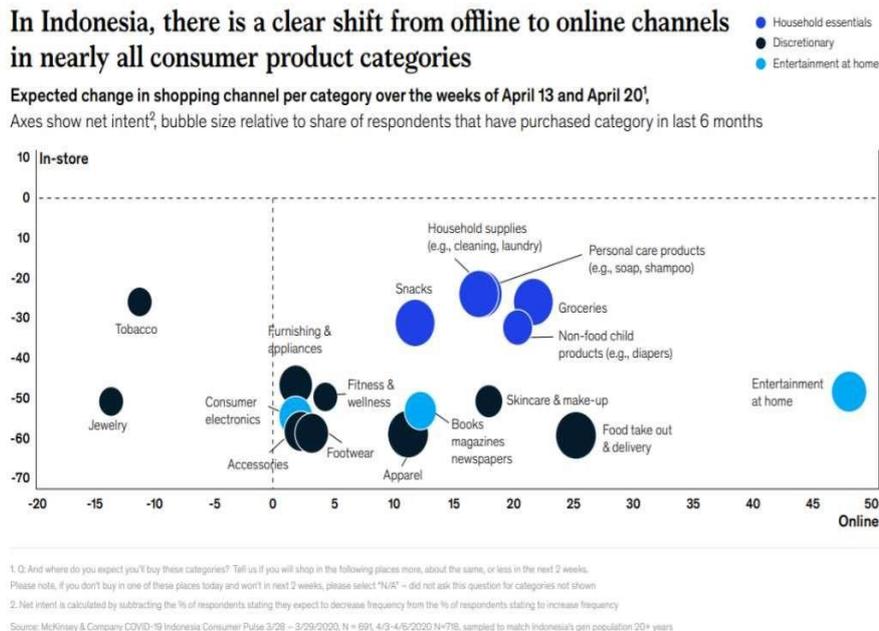
Interestingly, as Figure 2 shows, with limited physical space for consumers in the era of the COVID-19 pandemic, consumers consume more groceries, snacks, household items, personal care products, and home entertainment online. In general, there are new behaviors but have been modified following the habits of the COVID-19 pandemic era in Indonesia. We assume that the presence of the COVID-19 pandemic is a significant factor affecting the senses and habits of consumers.

**Figure 2. Indonesian Decreased Spend Expectations across Most Consumer Products Categories**



During a pandemic, there are many shifts and changes in consumer behavior, from small practices in everyday life to lifestyle habits. Today’s society prefers to carry out any activity without contact. As can be seen in Figure 3, one of the apparent shifts is the shift from offline services to online consumer services as the main reason people can still get the services they need from the comfort of their homes. Several health protocols need to be done to avoid the spread of the virus, which causes decreased consumer interest in buying concert tickets, airplane tickets, and other activities in other open spaces.

**Figure 3. Indonesia Clear Shift from Offline to Online: Online Consumer Behavior during COVID-19**



A Nielsen study shows that the COVID-19 outbreak has forced consumers to seek risk-free and high-quality products, especially when it comes to food and cleaning products. As a result, consumers are willing to pay a higher price (Nielsen, 2020b). Although price is one of the most influencing factors in buying behavior (Hoyer et al., 2008), it is currently a secondary factor.

Figure 4 shows The Journal of Business Research's article on June 2020, Jagdish Sheth, Impact of Covid-19 on consumer behavior: Will the old habits return or die? Summarize about eight immediate effects of the COVID19 pandemic on consumption and consumer behavior.

**Figure 4 Immediate impact of COVID-19 on Consumption Behavior**



The eight immediate effects of the Covid-19 pandemic on consumption and consumer behavior are:

- 1. Hoarding.** Consumers collect essential goods for daily consumption, which causes temporary stockouts and shortages. Examples of purchasing vitamins, masks, toilet paper, first aid kit, mineral water, and hand sanitizers in response to the COVID-19 pandemic. During the COVID-19 pandemics, as the number of cases rises, consumers' purchasing patterns shift dramatically (Baker et al., 2020). Demand-side shock impacts the food supply chain, including panic buying by consumers (Hobbs, 2020). As long as the COVID-19 pandemic lasts, panic purchasing leads to people stocking up on essential goods. Panic attacks can cause consumers egoism (Nicomedes & Avila, 2020). Frankenberg et al. (1999) discovered that consumers devoted a substantial portion of their spending to dietary essentials such as rice when they studied the Indonesian crisis.
- 2. Improvisation.** Consumers learn to improvise when constrained. At the same time, existing habits were discarded, and new ways of consumption were discovered. This means developing solutions that work by overcoming constraints imposed by social norms or government policies.
- 3. Pent-up Demand.** In times of crisis and uncertainty, the general trend is to delay buying and consuming products or services. It is often associated with big tickets for durable items such as cars, houses, and appliances. It also includes discretionary services such as concerts, sports, bars, and restaurants. This causes a shift in demand from present to

future. Limited demand is a common consequence of a short-term refusal of market access for services such as parks and recreation, movies, and entertainment. Consumers shift away from expensive goods (Hobbs, 2020)

4. **Embracing Digital Technology.** As we mentioned earlier, consumers have adopted several new technologies and their applications. A clear example is the video service application called Zoom. To stay connected with family and friends, most households with internet access have learned to participate in Zoom meetings. Additionally, it has expanded to small home classes for schools and colleges and telemedicine for virtual visits to doctors and other health care providers. Most consumers love social media, including Facebook, WhatsApp, YouTube, WeChat, LinkedIn, etc. The internet is a rich environment and has a global reach. This has fundamentally changed the nature and scope of word of mouth for advice, guidance, and information exchange. One of the fastest-growing areas is influencer marketing. Many of them have millions of followers. The impact of digital technology in general and social media in particular on consumer behavior is enormous and permeates consumers' daily lives.
5. **Store Comes Home.** Due to total isolation in countries such as India, South Korea, China, Italy, and Indonesia, consumers cannot go to grocery stores or shopping centers. Instead, the store comes to home. It's the same with work and education. This changes the direction of flows to employment, education, health, spending, and consumption. Home delivery of everything, including streaming services like Disney, Netflix, and Amazon Prime, breaks the strange habit of going to the usual physical places. McKinsey, 2020 discovered Indonesians are already among the world's most active social media users. More people are turning to e-commerce as a result of tighter mobility restrictions and more public health concerns. In their study, they saw growth in online food take-out & delivery, groceries, household supplies, and snacks. 37% of their informants indicated they had downloaded one or more new e-commerce applications.
6. **The blurring of Work-Life Boundaries.** Consumers are prisoners in homes with limited space and too many different activities such as working, studying, shopping and socializing. This is analogous to having too many needs and wants with limited resources. As a result, the boundaries between work and home and between chores and chats are blurred.
7. **Reunions with Friends and Family.** One of the main consequences of the coronavirus is the feeling to connect with friends and family who are far away, partly to make sure they are doing well, and partly to share stories and experiences.
8. **Discovery of Talent.** With more flexible time at home, consumers are experimenting with recipes, exercising their talents, and finding new and creative ways to play music, share knowledge and shop online more creatively. When some of these go viral, consumers become producers with commercial opportunities.

## RESEARCH METHOD

The current study takes a qualitative method to examine how consumers in Indonesia respond to threats such as the COVID-19 pandemic that disrupt consumers' routine and lives and the immediate effects of the COVID-19 pandemic on consumption and consumers' behavior in Indonesia. By using the existing framework, this research seeks to outline consumers' adaptive responses in Indonesia in greater depth by developed structured individual interviews through virtual meetings with open-ended questions to get qualitative data and gain in-depth insights. The informants represent Indonesia's consumers who live in Jakarta, Bogor, Tangerang, Serpong, Medan, Makassar, Surabaya, Bandung and Semarang that attain the age of seventeen to fifty-five years that work as government employees, private employees, business people, housewives, college students, army and unemployment, affected by the COVID-19 pandemic situation that shown on Table 1.

**Table 1 Informants' Profile**

| DEMOGRAPHIC VARIABLES |                     | NUMBER OF PEOPLE |
|-----------------------|---------------------|------------------|
| Gender                | Male                | 14               |
|                       | Female              | 9                |
| Age                   | 17-25               | 4                |
|                       | 26-45               | 15               |
|                       | 46-55               | 4                |
| Marital Status        | Single              | 7                |
|                       | Married             | 16               |
| Occupation            | College student     | 3                |
|                       | Housewife           | 3                |
|                       | Private employee    | 4                |
|                       | Government employee | 1                |
|                       | Businessman         | 9                |
|                       | Unemployment        | 1                |
|                       | Army                | 2                |
| City                  | Jakarta             | 8                |
|                       | Bogor               | 1                |
|                       | Tangerang & Serpong | 5                |
|                       | Bandung             | 2                |
|                       | Semarang            | 1                |
|                       | Surabaya            | 1                |
|                       | Makassar            | 3                |
|                       | Medan               | 2                |

The informants that underage of seventeen years old, live outside Indonesia, not interested in doing an interview, giving less or skip more than five questions during the interview, have a medical condition that would limit the ability of the

informants to participate in the interview, and not affected by the COVID-19 pandemic situation will be excluded from the interviews.

The interviews were conducted individually (one-to-one interviews) to twenty-three informants using the Zoom meeting application with questions that divided into three categories as shown on Table :

**Table 2 Category Questions that been Asked to the Informants**

|                  | CATEGORY                        | INFORMANTS THAT CONCERN |
|------------------|---------------------------------|-------------------------|
| Threats          | Health                          | 23 19                   |
|                  | Economic                        | 23                      |
|                  | Social                          | 14                      |
|                  | Informational                   | 10                      |
|                  | Environment                     |                         |
| Disruption       | Work                            | 14                      |
|                  | Spending & Saving               | 20 12                   |
|                  | Social Live                     | 8                       |
|                  | Ritual & Practise               | 5                       |
|                  | Institution                     | 2                       |
|                  | Beliefs                         |                         |
| Immediate impact | Hoarding                        | 23 2                    |
|                  | Improvisation                   | 17                      |
|                  | Pent-up demand                  | 23                      |
|                  | Embracing technology            | 2 4                     |
|                  | Blurring of work-life           |                         |
|                  | Reunion with friends and family |                         |

Note: record sample of interview accessible by demand

After doing individual interviews (the one-to-one interview) with informants, we were using deductive analysis, with triangulation theory in this research as a validation technique, using the framework of Consumer Response to Threats (Campbell et al., 2020) and Immediate impact of COVID-19 on Consumption Behavior (Sheth, 2020).

## RESULT

The collected data had shown that overall, at the first time when informants knew about the COVID-19 pandemic and when the Government announced the Large-Scale Social Restriction (PSBB) all informants were surprised and fear. For college students, since parents cover their expenses, they are worryless regarding their life, about the economy, spending, and only need time to adapt, but for businessmen, and private employees, they expressed their fear to their health, worry about the economic, spending, social lives, and environmental impacts.

### Hoarding & Store comes Home

Starting with the role of panic situation during COVID-19 and how it affects consumer behavior during the crisis the main theme which related emerged was income during the interview. Specifically, the condition during COVID-19 affected income and financial uncertainty among the informants. Looking at disposable income one common theme was the social impact of the pandemic lead into hoarding behavior. Informants found themselves with increased disposable income due to the pandemic affecting their social behavior. The informants stated:

"I'm not spending my money on the cinema, on cafes or restaurant like usually before pandemic COVID-19 happening. It is saved more money now in quarantine than before, but I bought something else because of panic during the PPKM. I have more vitamin D now than I had before. I am lucky to buy it when the price is still Rp. 100.000 per bottle for 1000 IU, but now look at the market. Mandatory supplement for you to spend every month as a disposable income! – Respondent 14."

This specific sentiment was similar by an additional three interviewees. Furthermore, financial uncertainty was a new finding theme brought up regarding the role of price during the pandemic. Aspects such as work, job security and savings were frequently mentioned and their impact on the hoarding behavior of the informants. While Mr. Ady, 43 years old businessman from Jakarta and Ms. Lisa, 39 years old business woman from Medan mentioned the pandemic having a negative effect on their business, conversely the rest of the informants discussed the lack of financial uncertainty and Mr. Yona 45 years old, private employee, live in Bandung mentioned about job instability

There is a different response coming from Mr. Nicolaus, 24 years old, a college student living in Makassar and Ms. Lidwyna, 25 years old, a college student live in Jakarta and the other 2 of the 23 informants about the situation during COVID-19. They did not feel any different between before and during the COVID-19 pandemic.

Like respondent 13, the respondent 20 also stated that:

"I don't feel any different with previous situation before pandemic. Price still same, maybe some correction in inflation but that is fine for me. I still can buy. Only I bought so many hands sanitizer, room disinfectant products, and expensive hygiene products which to protect myself from this pandemic || – Respondent 20." As a result, outside of the person which felt uncertain about their future financial situation, the common sentiment was the pandemic did not directly affect their sensitivity in the context of price, brand preferences for food and hygiene products. While the pandemic had affected the price of particular food and hygiene products they bought, they were not directly affected the aspect of hoarding. The behavior of hoarding is still happening even the price is higher. However, they were a result of changes in demand and preferences regarding the quality of food and hygiene products. Consequently, they found themselves with increased disposable income due to a decrease in social activities they would do in a non-crisis environment. However, while the increased disposable income affected the hoarding behavior of the informants, it did not affect their brand preferences and also end up with store comes home because all activities happened at home.

This aligns on the opposite behavior shows price not really affecting hoarding behavior in brand preferences during financial crises. Looking at the informants only some brought up the pandemic as having negative effect on their personal finance as compared to the rest. However, the respondents with massive hoarding behavior as the others were either employed, civil servant or a mix with unemployed and layoffs. Specifically, the respondent mentioned changes in quantity of food bought due to the financial impact of the pandemic. "Because we have to aware with our economy and situation, so we have to buy as much as stuffs and food to survive during this situation. It's shows in TV in many countries lockdown and getting crazy. I bought so many frozen foods, toilet paper, and noodles. In case of crisis, but I believe we will go to crisis|| – Respondent 22." However, while some respondents had become increasingly aware of hoarding and store comes home due to the pandemic, it had not affected their brand preferences and the brands they bought before the pandemic. They still buy products on similar brands as before the pandemic, which similar from Campbell et al. (2020) which brings up the role of emotional, cognitive and behavioural responses of consumers depend not only on the severity of their ontological insecurities, but also on many other factors, including individual differences in beliefs, personality and background, as well as differences in material, social and economic circumstances, which are unique in Indonesia.

As a result, the findings of hoarding behavior and store comes home to the potential threat during the COVID19 pandemic or shifts in consumer behavior are part of the outcome of ontological safety can lead to a wide range of consumer responses findings. Nonetheless, respondent 16 illustrated the difference in financial security amongst the informants. While he was worried about his financial security and had become price conscience, other informants mentioned hoarding behavior and store comes home related to financial security directly or indirectly when and how it has affected their life during the pandemic, which of the respondent framed as: "I think it basically hasn't changed some of people during the fundamentals, our income level is still the same, pandemic didn't affect us that much or stop us to buy much more unnecessary needs. Marketing for many products can be help to reduce the risk get infected by the COVID-19 is always the good product to buy|| – Respondent 16."

This aligns with the aspect of a catalyst such as a financial crisis, forcing consumers to become adaptive response price conscience regarding brands and brand preference (Campbell et al. 2020). Additionally, the informants emphasized this lack of change regarding their financial situation as the main aspect for not feeling product price affecting their choice of brands to do hoarding behavior. Thus, the new findings align with the general research on hoarding behavior. Specifically, price as a factor related to personal income and financial stability (Anselmsson, Johansson, & Persson, 2007). Thus, price was not deemed a factor affecting hoarding behavior during the pandemic as it was directly tied to income, and as a result of the lack of financial impact of the pandemic, price was viewed as a moderator factor similarly to before the pandemic.

### **Pent-up Demand**

Next stop is Pent-Up Demand, the third theme which emerged from the current data show shift in demand and loyalty consumption during pandemic. The pent-up demand has three main categories found during the interviews so far with the availability of the brands, health consciousness and habits, routines, and suitability. Starting with the availability of brands, the informants indicated consumers only changed their preferred brands with other brands, when it was unavailable and shifting the adaptive response. As a result, in the case of stock out, the interviewees either substituted their preferred brands with another one or bought them online. It should be noted the lack of stock and brands were caused by other consumers who panic bought products like we found in hoarding behavior and store comes home. Many consumers started panic buying which is an outcome of disasters, which led to supply shortages during pandemic. Thus, the informants either bought their preferred brands online or substitute it with different brands.

However, supply shortages were only reported by four of the informants and it was only hygiene products which were not available. Moreover, looking at the increased health consciousness in the context of the pandemic, the informants' health consciousness increased as result of the pandemic and the nature of the virus, as the interviewees understood the importance of the immune system and hygiene in fighting the virus. There were five consequences of the increased health consciousness of the informants. Firstly, was the main aspect of avoiding new emerging brands, the informants stated they would not try new products during the COVID-19 pandemic, as they argued this was not the time to try new emerged products, and it's safer to stick with wellknown established brands instead of the new emerged products which might have not gone through all the testing and regulations.

"I would never ever try during this time and better to delayed to buy, I would never try another brand that I've never seen before because you don't know. That's different between now and then. So, I don't want to buy something that just emerged out of a pandemic, and maybe don't make its way through all the inspections!– Respondent 13".

Secondly was the lower frequency of store visits, the informants started going less often and less frequently to stores, in order to decrease the amount of time spent in the stores aiming to minimize the risk of getting infected. "We don't go to the supermarket as often as we did before, because of the worry that going out in public and meeting other people that you might get infected. It's better to delay or cancel. I think everyone will understand during this situation!– Respondent 22".

Although one respondent discussed that spending less time in the store might lead him to not buy his preferred brands as he wants to spend as less time as possible in the store, which subsequently affects his choice of his preferred brands as he would buy the brands that is available in front of him and won't spend much time searching for his preferred brands.

"During this pandemic, I buy whatever is in front of me but if I find the brands that I'm used to I would buy them no change. I will not delaying anything to buy, because we will never know when chaos situation will happen! – Respondent 19".

The researchers decided to find out more between panic hoarding and bulking in contrary on pent-up demand finding. As the informants who adopted the bulking strategy, did so to go to the stores less frequently and since bulking is not considered as panic hoarding. Some of the informants started to buy in bulk solely to decrease the frequency of visits to the stores.

"I prefer to buy more than to go to supermarket frequently in this COVID-19 situation// - Ms. Ari, 30 years old, housewife, live in Semarang".

"I don't go to the supermarket as often as we did before, but we tried to buy more in bulk... because of the worry that going out in public and meeting other people that you might get infected! – Respondent 22". The informants who are living with their families decided to buy package for vacation when the skies are open. Since of the family is prefer to buy vacation ticket with long duration expired during the promotion, the family members want or prefers, as the main goal is to spending time there.

"In general, I don't know when this pandemic will finish. But, there's promotion for ticket or vaccine vacation promotion. I rather not to delayed buying that ticket, especially with my family members. And we decided for vacation when this pandemic done or at least with new normal protocoll– Respondent 13".

When asked whether is asking for a specific item to buying during this pandemic, one of our informants replied: "Yes, I like to buy car. Because there's discount on tax (PPnBM). I would have chosen the brands that I really one like BMW car. Trust me I'm on that process – Respondent 21".

The pent-up demand consequence also increased health conscious of the informants was the adoption of regulations regarding the COVID-19 pandemic. As it would minimize the risk of getting infected in stores but has affected the approach of buying products not to delayed. The informants started to avoid standing in crowded places, some started using scanners instead of waiting in line to pay at the cashier, some started wearing gloves and masks and minimize the amount of time spent in the stores.

"...and as I said I wash my hands a lot now before and after. Keeping distance from other customers. Mainly do scanners instead of cashiers try to avoid being close to people as much as I can. So, no reason to delayed any consumption needed or no need!– Respondent 16".

One can argue that these measures might affect the choice of brands during the pandemic, as less time in the stores might lead to choosing the available brands without searching for them further as explained by respondent eight, and also avoiding crowded places in the store can make the informants choose another brand, if their preferred brand is in this place, since it would cost them more time in the store to go back after everybody has left, plus if an individual had the virus this place could still be contaminated. However, it was only one respondent indicated changes his preferred brand due to this factor and, all the other informants stated that they have not changed their brand preferences due to this factor. To sum it up on this pent-up demand finding, first it should be noted that most of the informants did not change their buying behavior during the pandemic and bought the same preferred brands as before is contrary on pentup demand theory. Secondly those who changed their buying behavior, changed it due to the fact that they live with family members and wanted to minimize the risk of getting infected, and due to the adoption of the Government's regulations regarding the COVID-19 pandemic. Thirdly those who buy big items such as car their buying behavior changed due to the Government policy.

Although these arguments are valid and on contrary with the pent-up demand theory, however most of the informants response based on their old habits of buying, which aligns with Campbell (2020) argument that when crisis intensity is

high, consumers tend to adjust their buying strategies based on personal characteristics. The informants explained that their buying habits is the main factor that made them stick with their brand choices and not change it.

"I think I'm just the creature of person who always buy the same things like before, in regards to my consumption nothing can delayed or stop it even pandemic" – Respondent 5".

And due to suitability, most of the participants argued they found the products which fits and suits them the most in terms of functionality, price, and quality.

"I got used to the products I buy, and as I told you I found the best products for me so why change them or not to buy" – Respondent 2".

To sum it up, the informants only changed their product preferences when their preferred brands was out of stock, which only occurred to some of the informants and only in hygiene products. The fit between their preferred brands and their personal characteristics are not affected by pent-up demand theory.

### **Embracing Digital Technology**

The impact of COVID-19 pandemic on life also affected increasing on using of digital technology. This research found during interview that the COVID-19 pandemic bring out three main positive impacts which are: increased access to health digital information and improved health awareness knowledge, improving on online shopping, and improving on innovation of business at home. Most of the informants explained that due to the pandemic, their activities were ongoing mostly using various social media platforms and digital technology. The respondent 2 says they using more mass media information on digital platform instead of radio and television:

"Usually I got information from my community but since this pandemic I using major platforms in digital news to get update situation on the pandemic." – Respondent 2".

Larson and Shin (2018) investigated the experience of natural disaster affected perceptions of shopping behavior. For instance, respondent 8 said:

"Yeah, due to this COVID-19 we got many education activities from tv and internet. This information really helps to choose what best product and what is necessary to increasing the immunity. It is really helpful with getting information like this you know." – Respondent 8".

The result from Larson and Shin (2018) survey found that fear bring individuals behavior engage into several of practical such as utilitarian (practical necessity on food, water, medicine, etc.) and hedonic behavior such as excessive, gratuitous, and hoarding shopping behaviours. The digital technology is really provided the tools to afford those behaviors. Weybrecht (2020) says that the challenge here is that when the context and pattern in which people live shift and how they can adapt and add value in the light on new reality. Digital technology is really play great role in new reality or what we called is "New Normal".

Respondent 13 told us that how digital technology really increased their dependency to order food: "As everyone faced right now, most of them must have apps such as Gojek and Grab to order food. Trust me without this apps, we will never know how to face this situation. The drivers put their life is in danger faced this risk of COVID-19. This apps really made me dependent to order food. I never go again to restaurant even the government allowed to dine-in. This is one of the best practices how to protect my family and myself." – Respondent 13".

Janmaimool (2017) explained shift during the COVID-19 pandemic is appraisal described as an individual's ability to carry out protective behaviors when treat is present. The condition is similar today, when embracing digital technology become the core element to continue their habit but in a new way. The respondent showed that some of the behavior did switch and change their shopping online preferable instead of offline shop. But, for some of the informants who did not do a lot of using digital technology will not interested in online purchasing.

An example from one of the informants is shown the irrationals decision affected the behavior during COVID19:

"I'm thinking not totally changed to using a digital in our life. I am not a online shopping monster. You know with all this situation is stressful. We really miss to go with offline shop option. Today is stressful situation for everyone. I was not used to shopping online because I cannot feel the items or see how it is looks like. I like to go into supermarket or traditional market to buy fruits and all healthy foods to get more immune. But now the digitalization aspect almost in everywhere. Not only been present regarding the purchase of goods, services, and luxury items but also transportation. We have no choice to refuse it. – Respondent 22".

The results from some respondents are similar with situation explained by Daniel Kahneman (1994) many decisions making is irrational, under the stressful situation or during economic crisis and recession the spending behavior will be

changed. Stress caused the consumers changed their habit. Maybe it could say that there will be more possibilities the consumers will buy less non primary needs and increase on their spending due to the situation affected the behavior. For some participants who must work at home, the digital technology affected the dependency using of internet in different ways.

Another example is from respondent 21: "It has been an experience to work at home, but I miss so much office. I feel stress sometimes by working at home. It is mostly bad to work at home. It is just so hard to paying the internet bills every month. Using zoom it's really cost quota of the internet." |– Respondent 21".

As seen in the results of interview with respondent 18, there are both positive and negative aspects of digital technology during pandemic COVID-19:

"Digital technology brings positive during the PPKM because it is more entertaining at home, at least for watching at home. Can be useful for working while using a apps for video conference. But, in same time can also negative because the employees tend to become less productive especially when the internet is going down.

I miss the social aspect of gathering at the workplace." |– Respondent 18".

Concerning about embracing of digital technology, Bonneux and Van Damme (2006) explained that epidemics and pandemics are the impending public health challenges whereby fear and panic are integral human response historically. The disruption created by the COVID-19 pandemic it can be negatively or positively, depending on the person how they adapt. Like what respondent 12 says"

"Due to COVID-19 pandemic now I got many businesses and opportunities. Everyone using an internet in order to get survive with these conditions. I am using digital technology today to help improve my business and I created more job for people who passion with IT." |– Respondent 12".

We explored the impact of the COVID-19 pandemic and digital media is really change behavior of customers related in lifestyles among the informants. They had initiated or increased their consumption of fruits, vitamins and vegetables as well as physical exercises. Consumers behaviour is really changing into a digital life as understanding their importance has dominated ongoing healthy life awareness. As for now embracing digital life, every consumer today does everything in virtual such as virtual gym, jogging and sometimes online class for keep healthy and stronger.

## **DISCUSSION**

The COVID-19 pandemic has resulted in a number events that never happened before in modern history, including the stringent enforcement of social distancing regulations to avoid infection, the massive disruption of many enterprises, and the widespread panic purchasing phenomenon. There are several viable ideas that might explain irrational hoarding behaviors and store comes home. Panic purchasing may function as a coping technique to reduce fear and anxiety in the aftermath of prior global crises. While the perception of actual and perceived threat influences fear, emotions may drive the reaction to fear in order to keep control over the ambivalence. The uncertainty regarding the pandemic's duration and how it will influence our lives has a significant psychological impact on individuals.

On the other hand, the inconvenience life during the COVID-19 pandemic in Indonesia bring hard time with social life and communication may be one of the reasons for the end of people stressed and shift their old habit. On the other hand, hoarding and store comes home habit may increase especially every time news told public about how worse the situation during this pandemic because people noticed that they need everything even unnecessary things during this COVID-19 to survive. Disruption may be a combination of the fear and panic to shift the consumer behavior.

One can strongly argue about pent-up demand, is for example, when consumer usually buying habit is to buy more big stuff such as car or houses? Then if you do this during a crisis, will you be getting benefit from the situation? This is an aspect that has contrary with the theory that has been discussed in this paper. The Campbell (2020) theory in crisis situations does not have a positive reserve effect in health crises such as the COVID-19 pandemic, such as preventing or delaying buy some big needs such as car and houses or vacation tickets. The consumer shift aspect is very relevant to the hoarding & store comes home and digital embracing situation in Indonesia but not with pent-up demand. How many rules and restrictions the government should impose and how much individual consumers should decide is controversial and irrational. There are good and bad sides on both sides from the government social restriction regulation, because mandatory restrictions can work well, but then public going stressed because not everyone wants the restrictions policy to apply to them. If the COVID-19 pandemic happen longer in Indonesia, the behaviours of consumers without coercion may be very vague. On the other hand, it can have a positive impact on consumers because they feel responsible, more aware of healthy life and like to do something improvisation. Finally, it can be said that Campbell (2020) theory of consumer behavior is still a relevant and adaptable theory in Indonesia modern society during this COVID-19. Some people think the COVID-19 pandemic situation might not affected to their life is too static and these steps should be continued to observe for future research instead of one-by-one analysis. In addition, research shows that consumers did try to meet basic needs during the crisis, but this shows the fact that higher demand was important and not to delay until the end of the crisis. This is controversial because financial situation is not affected to financial ability during the crisis.

The result from what we got, came up with Country Specific framework on how Indonesia's consumers respond to threats what are immediate effects of the COVID-19 pandemic on consumer behavior as seen on Figure 5.

**Figure 5 Indonesia's consumers respond to threats Framework**



## CONCLUSION

This research has conducted structure interview with open ended questions to get qualitative data, has exposed new country specific framework that represent Indonesia's consumers response to threats with three immediate effects on consumer behavior. Research has shown that consumers' immediate adaptive response to COVID-19 is more panic and stressed. The panic buying of necessities bring hoarding and store comes home habit arise. Consumers spend unnecessary and any medical products just because they are fear with the situation. They immediately buy it after get any information and direction around of them because they think this is the best way to survive. The analysis shows that the main reason for panic buying is affected by disruption factors. Because all consumers affect by the situation and will influence each other. Speeding on online behavior become new habit that to change old habit according to the theory. This may be because some of the informants find online shopping more convenient during this crisis.

Digital embracing technology theory can also be observed in other areas, such as online working from home behavior. Use online for work and for social engagement and use of social media become new habit for people in Indonesia and they are being forced to do it. The informants considered this new method of work would be used in the future. This crisis has a long-term impact to Indonesia's consumers. Some of informants prefer to upgrade and do some big stuff such as buying car or houses or vacation. In short, Indonesia's economic situation during the COVID-19 pandemic is different from that of many other countries in the world while digital economic and middle-class people raise to support the national economic. A very important lesson from this paper is that the research and the results obtained are different with the Campbell (2020) theory. As the research continues, might be the results may change in future. Financial ability will be unexpected factor to change consumer behavior during the COVID-19 pandemic. The government still can keep economic in stable because of the middle-class income still have power to purchase. This research has limits that can be explored more in the future.

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