The influence of the Covid-19 pandemic and the Movement Control Order (MCO) on Consumer Purchase Decisions

Hafizah Omar Zaki,[1] Nurul Atasha Jamaludin,[2] Dahlia Fernandez,[3] Nadzirah Rosli,[4] Elaina Rose Johar[5]

Faculty of Economics and Management
Universiti Kebangsaan Malaysia[1,2,3,4,5]
hafizah.omar@ukm.edu.my (Corresponding Author)[1]
nurulatasha@ukm.edu.my[2]
dahlia@ukm.edu.my[3]
nadzirah.rosli@ukm.edu.my[4]
elainarose@ukm.edu.my[5]

ABSTRACT

The purpose of this study is to investigate the impact of the Covid-19 pandemic and the Movement Control Order (MCO) on consumer behaviour and purchasing decisions in Malaysia. This research was completed in October of 2020. As study participants, 96 male and female users were chosen. In this study, quantitative methods are used to collect data by distributing questionnaires online using the Google Form application. The data collected from the study participants were analysed using Jamovi software version 1.6.8. Based on the study's findings, it is possible to conclude that respondents responded differently to both variables, namely consumer behaviour and purchase decision-making during the Covid-19 pandemic situation and the MCO. The researcher discovered that the independent variable, consumer behaviour, has a large and positive effect on the dependent variable, purchasing decisions during the Covid-19 pandemic situation. This study provides a clear picture of how changes in consumer behaviour affect consumer purchasing decisions during the Covid-19 pandemic situation and the MCO in Malaysia.

Keywords: COVID-19, MCO, consumer behaviour, purchasing decision, Malaysia

1.0   INTRODUCTION

Pandemics are not a new phenomenon that exists in today's society. However, history also records several instances of disease spread that eventually resulted in a pandemic situation. This pandemic will become more common as human civilization advances. Because of the increased movement of humans, the disease can spread more easily and quickly from one location to another. Every pandemic that occurs in society causes significant changes in the economy, global policies, and even human social behaviour. The World Health Organization (WHO) classified the Covid-19 outbreak as a pandemic on March 11, 2020, referring to an epidemic that affected a larger population. This epidemic has threatened a larger area, such as a state, country, continent, or even the entire world, as well as instilling fear in communities all over the world.

After two deaths on March 17, 2020, the Covid-19 outbreak became the most serious issue in Malaysia, until Prime Minister Tan Sri Muhyiddin Yassin issued the Movement Control Order (MCO). The Malaysian government's declaration of the first phase of the MCO for 14 days from 18 March 2020 to 31 March 2020 is intended to prevent the Covid-19 epidemic from spreading and becoming more severe. Citizens are instructed to limit their movements and stay at home if the MCO is in effect. All businesses and shops were also ordered to close their doors except for essential services. The introduction of new norms into Malaysian society is one step toward controlling the spread of the Covid-19 epidemic.

The community is having difficulty making purchasing decisions during the first phase of the MCO. This can be seen when a small number of people make panic purchases, causing face masks and disinfectant liquids to run out of stock in all medical stores. This study is needed to see how buyer behaviour changes in purchasing decision-making during the Covid-19 pandemic and the Malaysian MCO.

1.1   Problem Statement

The pandemic has not just forced the community of a country to adhere to new norms, but instilling difficulty in making purchasing decisions during the first phase of the MCO. This can be seen when a small number of people make panic purchases, causing face masks and disinfectant liquids to run out of stock in all medical stores. The unprecedented event (i.e., covid-19) has created an unstable state of decision making in purchasing products. Therefore, this study is needed to see how buyer behaviour influence consumers' purchasing decision-making during the Covid-19 pandemic amidst the MCO in Malaysia.

2.0   LITERATURE REVIEW
2.1   Consumer Behaviour

Generally explained, consumers are those who buy goods and services from the market for their own and their families benefit. Consumer behaviour, according to (Pinki Rani, 2014), refers to the selection, purchasing, and usage of goods and services to meet their needs. Understanding consumer behaviour necessitates knowledge of how consumers make decisions as well as the factors that influence their purchasing of goods and services. (2019, Amit Kumar)

The process of analysing an item's price and quality, as well as determining one's level of happiness after purchasing it, will impact future purchases (Harold and John, 1978). For example, a study conducted on university students by Syuhaily, Benjamin, and Yeoh (2011) found that factors such as selling goods at a low price, gift offers, giving free samples, and a buy one get one free offer included with every purchase influence them as consumers to make purchasing decisions on the goods. Furthermore, demographic, internal (psychological), environmental, social (psychographics), and marketing mix aspects all impact customer behaviour in making purchase decisions. According to the findings of a study conducted by Syuhaily et al. (2011), the higher a family's monthly income, the more prominent the buying behaviour.

2.2   Decision Making

The term "decision making" refers to the mental process that a consumer goes through to select an option before purchasing an item that is being offered (Durvasula and Lysonski, 1993). Internal

sources by Sprole and Kendall indicate that the components of perfection, brand awareness, latest fashion, price, recreation, and intuition are among the eight dimensions that consumers need to take into consideration when making decisions regarding the acquisition of goods. Happiness, sadness, and fear can also be a determinant of the creation of fear (Zaki and Ab Hamid, 2021).

Fear is an emotional response that will typically emerge in a community in response to an outbreak of a disease such as Ebola, HIV or AIDS, and Covid-19 when the community is experiencing a pandemic situation (Fan and Xiao, 1997). This motivates users to engage in behaviour that is either considered to be a preventative measure (coping behaviour) or behaviour that is a precaution against adverse effects. In response to the Covid-19 situation, when these preventive and fearful behaviours become excessive, consumers tend to engage in maladaptive behaviours that are prohibited and inappropriate behaviours such as compulsive purchasing (Hall, 2020).

3.0   RESEARCH METHODOLOGY

According to Hornby (1985), a methodology is a set of methods or means used to conduct a study on a particular study subject. (Nor Hidayah, 2004). Research methodology or research method is an important aspect in ensuring the objectives and goals of the study that is to study consumer behaviour during the Covid-19 pandemic situation and MCO influence consumer purchasing decision making in Malaysia can be achieved as planned. This study was conducted using two main methods namely primary data collection and secondary data reference. Primary data were collected or obtained from relevant journals and theses through Internet sources by utilizing the latest information technology while secondary data were obtained through questionnaires distributed using social media platforms to working respondents. The data obtained were then collected for analysis purposes.

The study was conducted in the form of a quantitative study by using a questionnaire formed through the Google Form application as a method of data collection because it is easy to obtain a lot of information in a short time. The study sample used was a total of 96 respondents. The questionnaire used in this study consists of three parts, namely Part A, Part B and Part C. Part A was used to collect information about the demographics of the respondents which included age, gender, status, and occupation. Part B covers the items of factors influencing consumer behaviour during a Covid-19 pandemic situation and the MCO. Part B contains 8 questions from reference sources Baker, Michael J and Gibert (1997), Pounders, Kathrynn, Barry and Angelina (2015), Emricha, Oliver, Michael and Thomas (2015), Seiders, Kathleen, Gleen, Andrea and Dhruv (2007) which measures purchasing behaviour among consumers according to a five-point Likert scale namely; (1) "Strongly Disagree", (2) "Disagree", (3) "Not Sure", (4) "Agree" and (5) "Strongly Agree". Among the examples of buying behaviour questions is "I only buy brands that I know and trust". While Part C consists of the items of factors that influence the purchase decision during the Covid-19 pandemic situation and the MCO. In this Section C, there are 7 questions from reference sources Haas, Alexander, and Peter (2014), Jain, Kapil and Narasimhan (1990) using a Likert scale of 1 to 5 as follows; (1) "Strongly Disagree", (2) "Disagree", (3) "Not Sure", (4) "Agree" and (5) "Strongly Agree". Among the examples of purchasing decision questions are "I do not feel loss or regret in choosing a product or product".

The questionnaire in the form of Google Form is distributed to respondents within two months through online applications such as WhatsApp, Facebook, and Telegram. In the questionnaire, the researcher first introduced himself and explained the purpose of the study. The researcher also reminded the respondents to answer the questionnaire sincerely and according to

their perceptions. The data obtained from respondents through the questionnaire of this study was analyzed using Jamovi software version 1.6.8. In analyzing the data, descriptive analysis is used to describe the demographic information of the study respondents in the form of frequencies and percentages that are easy to understand. Reliability analysis was also used for each variable. In addition, Linear Regression analysis was also used to test the effect of the independent variable, which is consumer behaviour, on the dependent variable, which is decision-making in purchasing during the Covid-19 pandemic situation and the MCO.

4.0   FINDINGS AND ANALYSIS

The study collected a total of 100 online surveys. A total of 4 respondents who were not involved in purchasing activities during the Covid-19 pandemic situation and the MCO were eliminated through screening questions and leaving a total of 96 study respondents. No data were missing in the study questionnaire on the pandemic impact of Covid-19 and MCO on consumer behaviour in purchasing decision-making. In the findings section of this study, the researcher will evaluate the demographics of the respondents, the reliability of the data and finally the regression to see the cause and effect between the relationship of the dependent variable and the independent variable.

Table 1. Descriptive Analysis

	Age	Gender	Status	Employment
N	96	96	96	96
Missing	0	0	0	0

A study of the pandemic impact of Covid-19 and the MCO on consumer behaviour in purchasing decision-making in Malaysia shows that the overall respondent data obtained were normally based on Malhotra et al. (2017) and DeCarlo (1997). This is evidenced when no data is left based on Table 1 above where all 96 respondents cooperated while answering the questionnaire of this study.

Table 2. Frequency and Percentage

Levels	Counts	% of Total	Cumulative %
Gender			
Male	25	26%	26%
Female	71	74%	100%
Age			
20-30	54	56.3%	56.3%
31-40	26	27.1%	83.3%
41-50	13	13.5%	96.9%
51 and above	3	3.1%	100%
Status			
Married	41	42.7%	42.7%
Not married	55	57.3%	100%
Employment			
Government	50	52.1%	52.1%
Private	20	20.8%	20.8%
Others	26	27.1%	100%

Table 2 shows the frequency and percentage of the demographic profile of the study respondents. Almost 74 per cent or a total of 71 respondents in this study are female and the rest are male respondents who are 25 or 26 per cent. In terms of age distribution, the largest percentage of respondents is represented by respondents in the age range of 20 to 30 years (56.3 %) followed by 27.1 per cent of respondents in the age range of 31 to 40 years. Next, in terms of marital status, most respondents i.e., 55 people (57.3 %) are single while 41 respondents (42.7 %) are married. Finally, many of the respondents of this study chose other types of jobs such as housewives or self-employment which is 52.1 per cent equal to 50 people. A total of 20 respondents (20.8%) work in the government sector and 26 respondents (27.1%) work in the private sector.

Table 3. Reliability Analysis

Independent variable	Cronbach's α
Consumer behaviour	
Scale	0.619
Dependent variable	
Purchase decision making	
Scale	0.568

Table 3 shows the reliability analysis from the study that has been conducted and found that the questionnaire related to the independent variable that is user behaviour has a Cronbach's alpha value of 0.619 where the value is lower than 0.7 but it is still reliable (Nunally, 1994). As for the dependent variable, namely decision-making in purchasing during the Covid-19 pandemic situation and the MCO, Cronbach's alpha value is low at 0.568 and is below the value of 0.7. This is due to external factors that cannot be controlled, namely the possibility of study participants or respondents giving biased answers or not answering the questions from the questionnaire correctly which ultimately affects the results of data collection.

Table 4. Linear regression analysis

Model Fit Measures	R	R^2
Model	R	R^2
1	0.288	0.0832

Model Coefficients – MEAN_CB	Estimate	SE	T	p
Intercept	2.752	0.3990	6.90	$< .001$
MEAN_TLP	0.288	0.0957	2.92	0.004

Omnibus ANOVA Test	Sumof Squares	Df	Mean Square	F	p
MEAN_TLP	1.45	1	1.448	8.53	0.004
Residuals	15.95	94	0.170		

Table 4 shows that the independent variable, which is consumer behaviour, has a significant or positive effect on the dependent variable, which is decision-making in purchasing during the Covid-19 pandemic situation and the MCO because the significant value is less than 0.001 (p = < 0.001). This is because according to Malhotra et al. (2017), the value of the independent variable that is consumer behaviour will affect the value of the dependent variable which is decision-making in purchasing during the Covid-19 pandemic situation and the MCO if the significant value is less than 0.005 (p= <0.005) or 0.05 (p = <0.05).

Based on the Anova table above, according to Field (2019), it can be concluded that the respondents in this study gave different responses to the independent variable that consumer behaviour will affect the value of the dependent variable which is decision-making in purchasing during the Covid-19 pandemic situation and the MCO because the significant value is 0.004 (p = 0.004) which is below the value of 0.005 (p = <0.005). Although the responses for the two variables are different, they still have a relationship with each other where the independent variable i.e., consumer behaviour has a positive effect on the dependent variable i.e., decision making in purchasing during the Covid-19 pandemic situation and the MCO. because the significant value is less than 0.001 (p = <0.001) as described above.

5.0   DISCUSSION

This section will summarize and discuss all the findings obtained from this study. The main objective of this study is to identify the extent to which consumer behaviour during the Covid-19 pandemic situation and the MCO influence purchasing decisions among consumers in Malaysia. Therefore, this study has received responses from the respondents and the data obtained was tested using several analytical methods. The entire respondent data obtained is normal and reliable where the researcher has obtained 96 responses without loss or dropout of data.

The results of the study found that consumer behaviour has a significant or positive impact on decision-making in purchasing during the Covid-19 pandemic situation and the MCO. For example, the behaviour of consumers who feel anxious, worried, and afraid of the spread of the Covid-19 epidemic and feel worried that the supermarket will run out of stock of daily necessities affects the making of purchase decisions, which is the outbreak of panic buying among consumers.

This is supported by research conducted by Yuen et al. (2020) who stated that perceptions, feelings of fear, behaviour to overcome problems (coping behaviour) and social psychology experienced in response to the Covid-19 outbreak are the cause of panic buying among consumers. Consumers who see a high possibility that they will be infected with the Covid-19 epidemic will encourage to make panic purchases, especially on personal protective equipment because they expect that the stock of the goods will run out and they will regret if they do not continue the behaviour (Yoon et al. 2017).

The behaviour of consumers who buy face masks and disinfectant fluids as a measure to prevent the Covid-19 outbreak affects the manufacture of consumer purchasing decision i.e., they are willing to pay a high price to get it due to limited stock in the market and excessive demand during the initial phase of the MCO. According to a BH Online newspaper source (2020), there is a situation of running out of supply of face masks in the state of Kota Bharu due to high demand during the Covid-19 outbreak. Sales quantities are also limited possibly to prevent consumers from making excessive purchases or panic purchases.

In the initial phase of the MCO which began in March 2020, changes in consumer behaviour have affected the demand for face masks or face masks is very high. This has led to an increase in the price of the face mask to reach RM 75 to RM 100 per box (MyMetro, 2020). The impact of this consumer behaviour has influenced purchasing decision making where the majority of consumers consisting of the respondents of this study chose to keep buying face masks at high prices due to no choice and very limited stock in the market. However, on 15 August 2020, the government, which is concerned with the situation of Malaysians, set a ceiling price reduction for face masks (Sinar Harian, 2020). Consumer behaviour has a large and positive impact on purchasing decision-making during the Covid-19 pandemic situation and MCO although each

study respondent gave different answers or responses according to their respective perceptions based on the above description.

6.0   CONCLUSION

The findings of this study can provide a situational picture of consumer behaviour as well as its influence on making the purchase decision of an item in the current situation. According to Engel et al. (1978), gender factors can also influence consumer behaviour in the purchase process.
Based on the findings of this study, traders who have a direct relationship in offering goods to the public can use the information from this study to explore consumer decision-making factors based on the products required according to the current situation experienced for the benefit of their business. For example, during the Covid-19 pandemic situation and the MCO, some items will be purchased by consumers online following the stay-at-home order implemented by the Malaysian government. Therefore, Small and Medium Enterprise (SME) traders especially need to take the opportunity to learn how to bring their business to the online market.

Finally, this study was carried out according to the respondents' perception of their purchasing behaviour during the Covid-19 pandemic situation and the MCO. However, it is subject only to the items or questions found in the questionnaire. Therefore, future studies need to be carried out to understand more about purchasing behaviour and how it affects purchasing decision-making among consumers according to the perceptions and experiences they have had while facing the situation of the Covid-19 pandemic and the MCO. The researcher suggested that future studies should be carried out using both quantitative and qualitative methods, especially direct interviews with respondents to obtain more accurate and detailed answers.

While conducting this study, there were some limitations faced by the researchers. First, the study was conducted while the rest of the world was facing an outbreak or pandemic of Covid-19. In the Covid-19 turmoil and economic gloom, many of the households comprising the target respondents of this study did not have the time to answer the questionnaire carefully. Second, the location of the study took place online given that during the study, there were restrictions and limitations on movement out of the house, across counties and states. Therefore, there are some problems faced by researchers while distributing questionnaires. Among them is getting responses from respondents who are not eligible to participate in this study such as students or individuals who did not have the income to make purchases for households during the Covid-19 pandemic. The researcher also did not have the opportunity to meet the respondents directly or face to face. This is because the target respondents for this study consist of adults who are more likely to be more open to using direct communication methods than reading or writing online questionnaire answers that affect the results of questionnaires that are less accurate. After all, they are answered casually.

In conclusion, the findings in this study can indirectly give an idea to all the community about how the impact of the Covid-19 pandemic and the MCO has an impact and changes consumer behaviour and subsequently influence the decision-making of purchasing goods among consumers. Findings or research findings in the current situation such as this pandemic can provide information to traders or entrepreneurs as well as the government is examining the factors that influence purchasing decisions among consumers because it is closely related to the changes and development of the Malaysian economy. Finally, the government and the people of Malaysia need to join hands and energy in fighting the spread of the Covid-19 epidemic and strive to restore the Malaysian economy.

Acknowledgement

References

Baker, Michael J. and Gilbert A. Churchill, Jr. (1997). The Impact of Physically Attractive Models on Advertising Evaluations. Journal of Marketing Research, 14 (November), 538-555.

DeCarlo, L. T. (1997). On The Meaning and Use of Kurtosis. Psychological Methods, 2(3), 292–307.

Dr Muzaffar Syah Mallow. 2020. Pembelian panik cetus keadaan lebih buruk. BH Online, 18 Mac.

Durvasula, S., dan S. Lysonski. 1993. Cross-Cultural Generalizability of A Scale For Profiling Consumers Decision Making Styles. Journal Of Consumer Affairs. 27(1): 55.

Emricha, Oliver, Michael Paul and Thomas Rudolph. (2015). Shopping Benefits of Multichannel Assortment Integration and the Moderating Role of Retailer Type. Journal of Retailing, 91 (2), 326-342.

Engel.J.F., Blackwell,R.D., dan Kollat,D.T. (1978). Consumer Behavior. Illinois: The Dryden Press.

Fan, J. X., dan X. J. Jing. 1997. Decision-Making Styles Of Young-Adult Chinese Consumers: An International Comparison. Consumer Interests Annual. 43: 76. Haas, Alexander and Peter Kenning. (2014). Utilitarian and Hedonic Motivators of Shoppers'

Decision to Consult with Salespeople. Journal of Retailing, 90 (3), 428-441. Hall R. 2020. Coronavirus: Why people are panic buying toilet paper, according to a pandemic expert.

The Independent. https://www.independent.co.uk/news/world/americas/coronavirus-toilet-paper-panic-buying-covid-19-uk-australia-a940335.

Harold, H. K., & John, W.T. 1978. Interpersonal relations: A theory of interdependence.

Jain, Kapil and Narasimhan Srinivasan. (1990). An Empirical Assessment of Multiple Operationalizations of Involvement. Advance in Consumer Research, 17 (1), 594-602.

Jaspal R., Lopes B., Lopes P. In Press; 2020. Fear, Social isolation in response to COVID-19 in a religiously diverse United Kingdom sample. Malaysiakini. 2020. 16 Mac. https://www.malaysiakini.com/news/51498. Mohd Hafiz Ismail. 2020. Harga siling pelitup muka turun 30 sen bermula 15 Ogos. Sinar Harian, 23 Julai.

Nguyen TM, Zhang Y, Pandolfi PP. 2020. Virus against the virus: a potential treatment for 2019-nCov (SARS-CoV-2) and other RNA viruses. Nat Publ Group ;30(3):189–190.

Nor Fazlina Abdul Rahim. 2020. Bekalan topeng muka habis di Kelantan. BH Online, 15 Mac.

Nor Hidayah Binti Mohamed. (2004). Pembinaan E-Modul Mata Pelajaran Hidrologi: Kajian Di Politeknik Shah Alam. Tesis, Kolej Universiti Teknologi Tun HusseinOnn.

Nunnally, J. C. and Bernstein, I. H. (1994). Psychometric Theory ed.3. New York: McGraw Hill.

Pounders, Kathrynn R., Barry J. Babin, and Angeline G. Close. (2015). All the Same to Me: Outcomes of Aesthetic Labor Performed by Frontline Service Providers. Journal of the Academy of Marketing Science, 43 (6), 670-693.

Psychiatry Res, 2020. Paranoia, hallucinations and compulsive buying during the early phase of the COVID-19 outbreak in the United Kingdom: A preliminary experimental study. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7497559/.

Raja Noraina Raja Rahim. 2020. Penutup mulut dan hidung tak boleh dieksport. MyMetro, 21 Mac.

Seiders, Kathleen, Gleen B. Voss, Andrea L. Godfrey and Dhruv Grewal. (2007). SERVCON: Development and Validation of a Multidimensional Service Convenience Scale. Journal of the Academy of Marketing Science, 35 (1), 144-156.

Sproles, G. B., dan L. K. Elizabeth. 1986. A Methodology for Profiling Consumers' Decision Making Styles. The Journal of Consumer Affairs. 24 (summer): 134-147.

Syuhaily. O., Benjamin.Y, B. C., & Yeoh. F., Y. 2011. Simulation of sales promotions towards buying behavior among university students. International Journal of Marketing Studies, 3(3), 78.

Yoon, Jiho, Ram Narasimhan, and Myung K. Kim. 2017. Retailer's sourcing strategy under consumer stockpiling in anticipation of supply disruptions. International Journal of Production Research, 56: 3615–35.

Yuen, Kum F., Xueqin Wang, Fei Ma, and Kevin X. Li. 2020. The psychological causes of panic buying following a health crisis. International Journal of Environmental Research and Public Health, 17: 3513.

Zaki, H. O., & Ab Hamid, S. N. (2021). The Influence of Time Availability, Happiness, and Weariness on Consumers' Impulse Buying Tendency amidst Covid-19 Partial Lockdown in Malaysia. *Jurnal Pengurusan*, *62*.