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RAMENDRA SINGH, GOPAL DAS, TANISHA JAIN  
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# CONSUMER BEHAVIOR DURING A PANDEMIC: A RURAL VERSUS URBAN COMPARISON

## BACKGROUND

Sanjeev Desai started Kirana King in 2012 as a chain of 'Kirana Stores' across urban India. With emerging technologies and the increasing popularity of online retail platforms, like Grofers and BigBasket, Sanjeev decided to take his business to the next level by expanding into the online market. In 2019, he launched the Kirana King app, where people could order their daily essentials through the app, and get the items delivered at their homes. In the initial days, this option was limited only to urban buyers; however, with the onset of the global Covid-19 pandemic, Sanjeev contemplated on extending his online presence even in rural India. To do so, he needed to have greater insight about rural consumer behavior, especially in terms of the effects that the pandemic has had on their buying patterns. Additionally, he also needed to understand the difference between his two sets of consumers (urban vs. rural). Therefore, Sanjeev decided to conduct a survey of both rural and urban consumers to understand their purchasing decisions, how the pandemic affected the said decisions and the prevalence of ecommerce purchasing in both consumers.

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*Prof. Ramendra Singh of the Indian Institute of Management Calcutta, Gopal Das and Tanisha Jain of Indian Institute of Management Bangalore developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.*

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Since early 2020, the world has been grappling with the Covid-19 pandemic. On March 2020, the Indian government announced the first nationwide lockdown, as a primary strategy to contain the spread of the virus; this continued till 31<sup>st</sup> May 2020. **Error! Reference source not found.** depicts the new daily cases in India, right from the very beginning of the pandemic, specifically showing the waves for 2020 and 2021. **Error! Reference source not found.** on the other hand, depicts the total number of cases worldwide, alongside the top affected countries (As of July 5, 2021). Notably, during the lockdowns, only local vendors selling essential items were allowed to operate with social distancing norms that needed to be strictly followed by the citizens. According to the guidelines issued by the Indian government<sup>1</sup>, the following items were deemed as essential during the first lockdown that began on March 25, 2020. The supply of these items was permitted: fresh fruits and vegetables, groceries, milk and dairy products, petrol, diesel, LPG, newspapers, medicines, and other pharmaceutical products. Gradually, when situations began improving, the government began the unlocking phase, whereby economic activities resumed in a phased manner.

Generally, pandemics have been known to disrupt lives and livelihoods globally. Strict preventive measures (e.g. lockdowns and social distancing), when adopted for a longer duration can have lasting effects on people's decision-making process. This case study aims to understand the specific impact of the Covid-19 pandemic on Indian consumers' (i.e. rural & urban) behavior. Specifically, this case attempts to understand the changes that the pandemic has induced in the consumers' decision-making processes. Further, we also compare rural vis a vis urban consumers' behavior, and assess the difference, based upon which, we explore how companies could benefit from this changing pattern of consumption, post the pandemic.

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<sup>1</sup> <https://www.businessinsider.in/india/news/coronavirus-lockdown-in-india-list-of-essential-services-during-a-lockdown/articleshow/74761160.cms>