

# Consumer's behavioral pattern shifting due to Covid-19 situation: Case on Tourism & Hospitality Industry of Bangladesh

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## Abstract

This article presents the impacts of Covid-19 pandemic on the living style, economic conditions, consumption & overall changes in the purchasing behavior pattern of the people of Bangladesh. Especially article tries to present the consumption pattern shifts for tourism & hospitality products & services of that country. Based on convenience & judgmental sampling 200 respondents are selected for collecting data & getting their opinions. Questionnaire survey method is used for collecting data & then analysis is done for getting the final result of the study. Secondary data sources are also reviewed for some cases. After collecting data from different sources those are analyzed (explanatory method was used) and present graphically here. General excel, percentage & theoretical analysis was done for presenting final result of the study. Then based on the analysis it has been found that dramatically changes are occurring in the consumer's purchasing behavior due to Covid-19 crisis. This crisis directly & indirectly hampered the earnings of the maximum people & increases the unemployment rate. Thus they have to fight to survive rather than purchasing leisure, travel & tourism related products consumption. Government rules & regulations are also strict to shutdown tourism spots during lockdown so that the infection rate can be kept under control. This study found that people are more preferring work from home, virtual reality, virtual travel, online education, online purchase & other internet-based facilities than before (pre-Covid-19) situations. It also recommends that it will take time to get people's awareness & retain them to purchase tourism & hospitality related product & service like pre-Covid-19 crisis.



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**Introduction:**

Bangladesh has high potentials for tourism & hospitality industry. Domestic visitors were interested to visit whenever they get opportunity. The revenue from tourism was increasing ever year before covid-19 pandemic. Country's tourism revenue reached 391USD in December 2012 compared with 357 USD in the previous year (CEIC). Although Covid-19 was first identified in December 2019 in Wuhan, China (Mayo Clinic 2020), 1<sup>st</sup> Covid-19 case was confirmed in Bangladesh on the 8<sup>th</sup> March 2020 (World Health Organization, 2020). Due to the spread of Corona virus, Bangladesh has started losing its' most valuable human resources, economic growth, revenue earnings from almost every sectors and tourism is not in exception. Tour Operators Association of Bangladesh (TOAB), a local organization for the tour operators, claimed that tourism sector in Bangladesh will loss of USD 672 million (The Business Standard 2020). PATA Bangladesh Chapter (2020) argued that more than 0.3 million people directly or indirectly connected with tourism & hospitality industries have risk of losing job. While people faced several losses in the year 2020, they predict that they can minimize their losses in year 2021 but all of their hopes destroyed while Covid-19 second wave starts at year 2021. Numbers of infected people were poor in January to middle of February 2021 then Government made decision to re-open tourist destinations. People hearing this news started to move towards different tourists spots although they maintained government health policies for avoiding covid-19 infections. People get a three-day holiday due to the addition of 21<sup>st</sup> February (Sunday). Around one million tourists (approximate) were decided to visit cox-bazar that time. More than 400 hotels all rooms were sold out, air ticket of all airlines & all bus tickets was also sold out for that three days. The daily test-positivity rate remained below 3% for nine consecutive days till 14<sup>th</sup> February 2021. So, people get relaxed & started to visit. GM of Hotel Sea World (Pradeep Chowdhury) said "There are 245 rooms in our hotel; however, not a single one is free. All have been booked in advance. We are expecting at least one million tourists in Cox's Bazar over the upcoming holidays. (Aziz, 2021). But From the second Half of February to April the infections rate rises again. Ever da infections rate & death rate broke the previous records. On 8<sup>th</sup> April, 2021 Country registered 7462 cases of the infected while 63 patient death (Correspondent, 2021). Considering these worse situations of March, Government again imposed lockdown for 1 week (5<sup>th</sup> April to 11<sup>th</sup> April, 2021). All tourist attractions are shut down due to lockdown. Thus, again people started to lose their jobs especially who were engaged with tourism & hospitality industries. Their income decreases as well as consumption pattern changes. While people are losing their jobs, they are unable to survive then how they will consume tourism product? So, their entire consumptions behavior shifts from previous times. This study also tries to find out the exact shifts of people's behavior not only for general goods but also for tourism & hospitality products (Specially Consumption of 4 A- Attractions, Accommodations, and Accessibilities & Amenities).

**Literature Review:**

During Covid-19 everybody have to maintain social distance for preventing the spreading of virus. But people were getting bored to make them separated from others. Then people are preferring & trying to adopt with new technological advancements (smart phone, computers, laptops & other devices to maintain virtual communication) (Iqbal, 2022). Especially the behavioral pattern of young generation has changed dramatically (Mehta, 2020). They prefer rapid technological advancements adaptation & change their spending pattern in this regard (Redda, 2020). Pandemic situation influenced & changed their traditional purchasing behavior process (Nicola, 2020) to technology based purchasing process. For maintaining hygiene & health protection, e-facilities are one of the best options which reduce the infection risk (Bucsky, 2020).

During the crisis consumer's income decreased & they only try to buy their necessities rather than luxuries as well as switched to cheaper & local brands instead of foreign brands (Alexandra, 2020). People's focus has now diverted to day to day spending more. We all know that due to Covid-19 all private, public, social organizations have to face great loss. But those companies who are related to recreation (travel, tourism & hospitality related companies) severed worst situation. (Asmelash, 2020). The living style, consumption pattern, and working style everything is changing due to the impact of covid-19. Before pandemic people are habituated to do shopping physically but now they are moving towards online shopping rather than physical visit (Abiad, 2020). This created new entrepreneur in Bangladesh who developed & promoted their e-commerce & e-marketing based business. We know that world was faced several pandemic (Ebola, SARS, MERS, pig influenza, and dengue fever etc.) (Balinska, 2009). In past, although this time it affects more in consumer's buying pattern. During pandemic essential products (mask, sanitizers & others) consumption are increasing (Goodwin, 2009) whereas other recreational products (travel, tourism, recreation packages) consumptions are decreasing. Reviewing several study it has been found that nine in every ten customer has changed their consumption & buying habit during pandemic (Reddy, 2020). People are also moving online purchase for avoiding infection. Consumers are trying to practice work from home, trying to practice online (using digital platform) payment (Reddy 2020). Different online, offline seminars were held to find out the consumer behavioral changes during pandemic. In those seminars speakers said that people are moving less purchasing & consumption during pandemic. They predict that companies who are unable to cope up with new technologies will fail to survive in future business (news, 2020).

### **Methodology:**

This study is conducted based on qualitative and quantitative method. Descriptive analysis is done for analyzing the real scenario. Necessary data were collected from both primary and secondary data collection methods. Different articles, newspapers, journals, books were reviewed as secondary data sources and questionnaire survey was conducted as primary data collection source here. A questionnaire was made where different structured & semi-structured questions were incorporated; five-point Likert scale was also used while preparing the questionnaire. Nominal & ordinal scales were used for measuring respondent's demographic profile. Questionnaire Survey was conducted with people staying different parts of Bangladesh. Data were collected from 200 respondents. Convenient and judgmental techniques (Non-probability sampling techniques) were applied for sampling & sample size selection among all population. People staying urban, semi-urban & rural area were considered as sample. People from different professions (direct & indirect consumers of tourism products)- employed & unemployed students, businessman, tourist, working at different hotel, motel, resort, people working with different tourism products (Attractions, Accommodations, Accessibilities [Transportation]& Amenities), private & government jobholders, social workers were considered as sample for this study to find out the actual consumption behavioral shifts.

### **Objectives:**

The basic objectives of this study are to identify the changes in visitor's behavior during pandemic in Bangladesh. Thus, accessing the positive & negative shifts of visitor's behavior due to covid-19 is also done. Comparing visitor's interest in travel & tourism product before & during pandemic for predicting the post COVID-19 behavior of tourist in Bangladesh was another objective of the study.

## Discussion:

The tourism and travel industry is one of the world's biggest industries, offering rich experiences to travelers and contributing to community development. Moreover, Jamal and Budke (2020) stated that "in the present globalized world, threats and challenges have amplified alongside the easiness of travel and swift movement of goods, knowledge, finance, and diseases". However, health emergencies and climate change are the two most challenging factors for the tourism industry. COVID-19 is one of the most significant new challenges to the tourism industry. Tourism has direct or indirect effects on economic, social, culture and educational sectors of any country. Tourism & hospitality products & sub-sectors like hotel, motel, airlines, bus companies, travel agencies, tour operator, tourist as well as people from all sectors are directly or indirectly affected by covid-19.

**Table-1:** Overall COVID- 19 cases in Bangladesh and around the world by 19/05/2021

Total Cases Reported	Bangladesh	World
Total Infections	1,518,549	312,116,740
Total Deaths	12,211	3,418,430
Total Recovers	724,209	143,811,542
Active Cases	782,129	164,886,768

Source: Worldometers (2021)

Around 12-15 international chain five-star hotels, more than six hundred 3- & 2-star hotels, motels, more than 1 thousand resorts are providing their services in Bangladesh. But due to Covid-19, many of them lost their job gradually from January 2020 to still now which is quit alarming for tourism sector of Bangladesh. Travel & tourism growth rate & contribution on GDP (% of GDP) were 4.4% in year 2019 (Knoema). A comparison of travel & tourism contribution in GDP is shown in Figure-1.

Figure 1: Contribution of Travel & Tourism on GDP

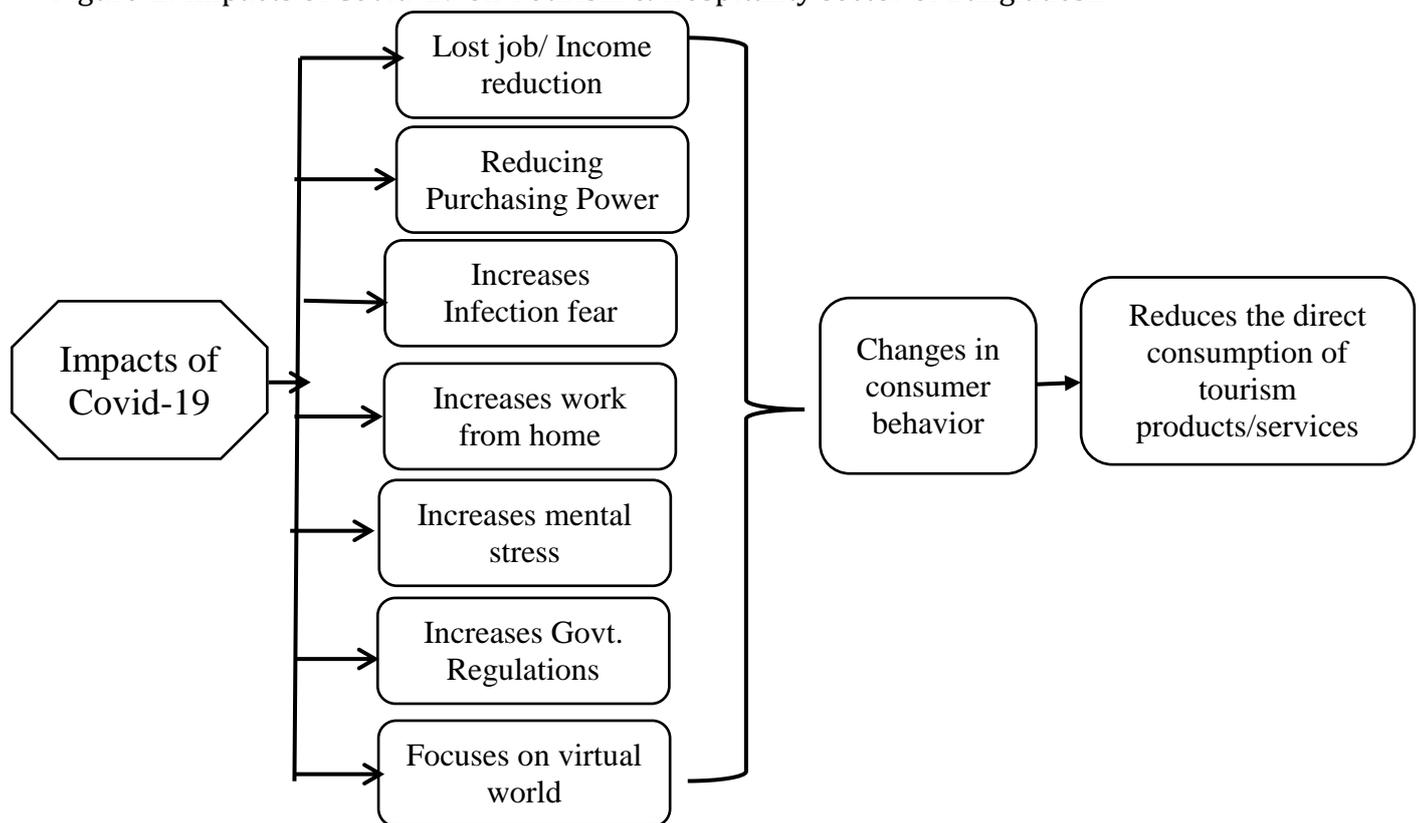


Source-WTTC report, 2020

According to the report of WTTC (figure-1) Travel & Tourism sector suffered a loss of almost US \$4.5 trillion to reach \$4.7 trillion in 2020. In 2020, 62 million jobs were lost globally in travel & tourism sector due to covid-19 restrictions (WTTC). The scenario also happened for Bangladesh. Tourism major destinations like Cox's Bazar, Saint Martin's

Island, Kuakata, Sitakunda, Patenga, Sylhet, Rangamati, and other recreation centers are experiencing zero tourist arrival nowadays (Sarkar, March 2020). Thus, people working that area are becoming jobless. Most handicraft shops operated by local community in tourist zone which remained shut. Their purchasing power also decreases. Restaurants, shopping malls had to shut entirely however online food & products supply was available. New entrepreneurs have started to operate online business using this pandemic situation. Observing the real scenario of Bangladesh, a figure is developed which is attached below. It tries to show the overall situation during pandemic time.

Figure-2: Impacts of Covid-19 on Tourism & Hospitality sector of Bangladesh



Source: Author, 2021

According to the figure-2 it has seen that covid-19 situation carries lots of changes in the consumption process. Maximum people of lower income & middle income lost their jobs or faced income reduction problem. Thus they can't properly bear their regular expense & think about purchasing entertainment facilities. And the people who have enough money in hand to travel are less interested to travel because of the fear of infection of Covid-19 & thinking about their family member's safety. Government also focusing on strictly maintenance of rules & regulations-part of which various private & public organizations started to practice work from home. Thus mental stress increases & people are getting bored & mentally depressed. People want to consume tourism products & services but can't enjoy those services due to excessive crisis moments they are facing.

### Analysis & Findings:

#### Respondent's demographic profile analysis:

For conducting this study, data were collected from 200 respondents. The table-2 shows the descriptive information of those respondents in details.

**Table-2: Respondent's Demographic profile**

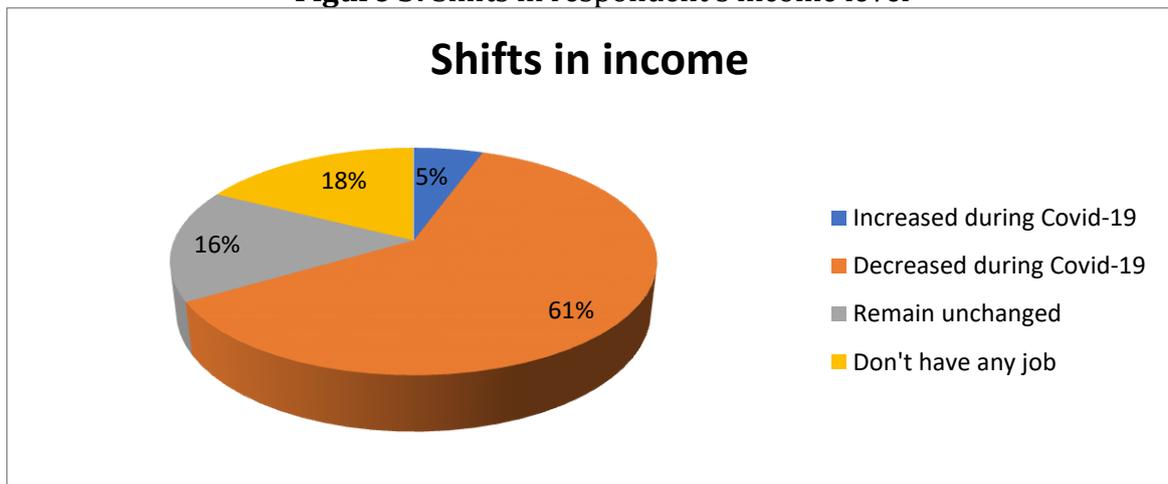
<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	162	81.0
Female	38	19.0
Total	200	100.0
<b>Marital Status</b>	<b>Frequency</b>	<b>Percentage</b>
Married	51	25.5
Unmarried	149	74.5
<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
Below 15	03	1.5
16-25	69	34.5
26-35	61	30.5
36-45	37	18.5
46-55	21	10.5
Above 56	09	4.5
<b>Educational Qualifications</b>	<b>Frequency</b>	<b>Percentage</b>
Below SSC (Secondary School Certificate)	03	1.5
HSC (Higher Secondary Certificate)	81	40.5
Graduation	76	38.0
Post-Graduation	40	20.0
<b>Occupation</b>	<b>Frequency</b>	<b>Percentage</b>
Student (Unemployed)	51	25.5
Student (Part-time employed)	29	14.5
Private Job holder	49	24.5
Government Job holder	37	18.5
Social Worker	09	4.5
Agriculture	06	3.0
Businessman	19	9.5
<b>Income Level</b>	<b>Frequency</b>	<b>Percentage</b>
Below 10,000 TK	52	26.5
11,000-20,000 TK	31	15.5
21,000-30,000 TK	51	25.5
31,000-40,000 TK	48	24.0
Above 40,000 TK	17	8.5
<b>Area of residence</b>	<b>Frequency</b>	<b>Percentage</b>
Urban	81	40.5
Rural	52	26.0
Semi-urban	67	33.5

Source: Software output of primary data

Among 200 respondents, 81.0% respondents (162) are male and 19% respondents (38) are female, 25.5% (51) respondents are married and rests of them are unmarried. Among 200 respondents, 1.5% completed SSC (Secondary School Certificate), 40.5% completed HSC (Higher Secondary Certificate) level, 38.0% completed graduation & 20.0% completed post-graduation level. According to collected data, 25.5% respondents are unemployed students, 14.5% (29) are part-time employed students, 24.5% (49) are private job holder, 18.5% (37) are government job holder, 4.5% (9) are social worker, 3.0% (06) are involved in agriculture related works, 9.5% (19) are busy with their own business work. Among all respondents, 40.5% (81) are the residence of urban area, 26.0% (52) are living in rural areas & rests of the respondents (33.5%) are living in semi-urban areas.

**Comparison of consumer's consumption pattern between pre- Covid-19 & Covid-19 situations:** Comparison of consumer's real time scenario & activities from different angles (pre-Covid-19 & covid-19 situations) are tried to identify through the online survey. Survey results are analyzed here for better understanding.

**Figure 3: Shifts in respondent's income level**



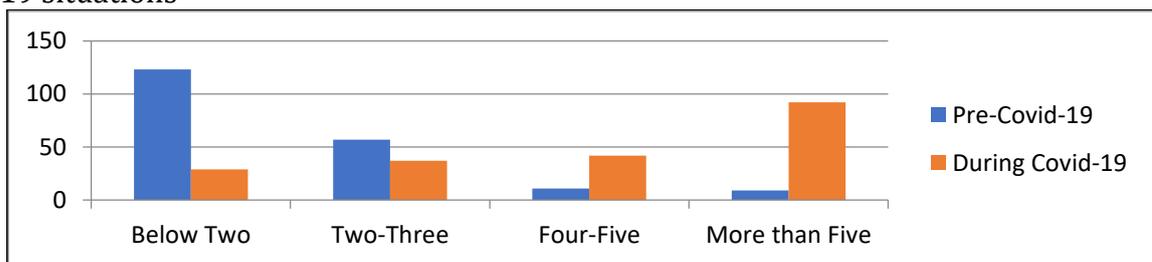
Source: Output of primary data

From graph (figure-3), it has shown that more than 60% people have to face devastating situation as their income decreased during covid-19 than before. 16%'s income remain unchanged, 18% were unemployed & very few (only 5%) people's income have increased than before. So, the purchasing powers of only 5% people have directly increased which is visualized.

**Consumer's preference in visiting restaurant physically or purchasing from online:**

During this crisis moment, people's habits & perceptions have changed dramatically. People who never purchase food from online are also become interested to purchase from online for keeping them save from infection.

**Figure 4: Consumer's online purchasing ratios from different restaurants in pre-Covid-19 & Covid-19 situations**

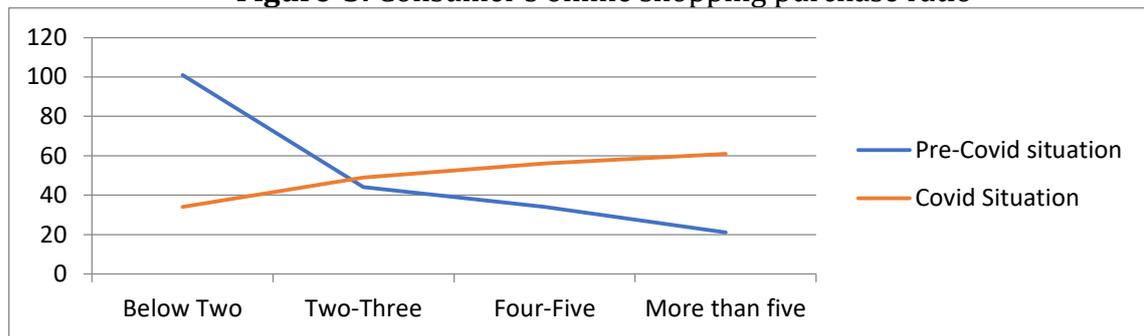


Source: Output of primary data

During Covid-19 situation restaurants are unable to provide on premise catering service. So they try to promote take-out facilities & online delivery systems. People also wants to enjoy different flavored food from restaurant safely & choose online purchase using Foodpanda, Shohoz, Uber Eats & other personalized apps. Few people are used to purchase using online delivery system 5<sup>th</sup> times in a month who were less used to this mode before Covid-19 crisis which is shown in figure-4.

**Consumer's preference shifting towards online shopping/ordering rather than physically visit:** Due to Covis-19, shopping Malls remain closed most of the time to maintain lockdown even before Eid-ul-fitar lockdown sustained.

**Figure-5: Consumer’s online shopping purchase ratio**



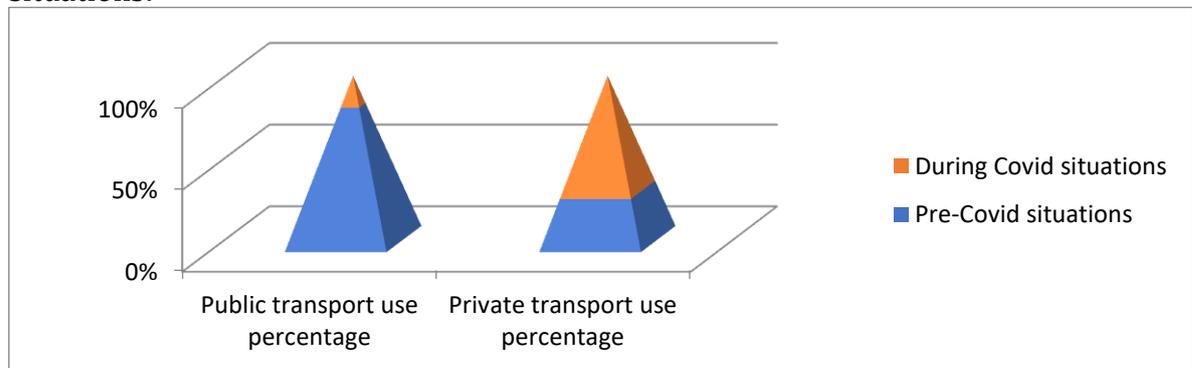
Source: Output of primary data

Then consumers have no option in their hand without online shopping. Businessman also took different policy to sell their products. They use Facebook live, YouTube, Imo group as well as develop different selling apps (like shangyj.com apps, clothing apps etc.) to make online purchase easy for consumer. Most of the respondents agreed that they also purchase cloths & other needed accessories (their necessary shopping) from online than before the crisis which has shown in the Figure -5.

**Consumer’s preference in Transportation facilities:**

For excessive infection rate people become puzzled. They tried to move less but if needed then try to use less public gatherings. So the use of private transport increases during Covid-19 crisis than before.

**Figure-6: Consumer’s private & public transport use rate during & pre-Covid -19 situations:**



Source: Output from primary data

From survey we can say that before covid-19, more than 70% people were interested use public transportation but during crisis only 40% among them are interested to use public transportation mode. Where as many of the people bound to move & use private transport (rate dramatically increased during lockdown). Public bus, train didn’t operate their regular activities during lockdown, so people use private transport for keeping distance.

**Preferring attractions nearby home:**

Before Covid-19 people were less interested to visit nearby places , they generally prefer long distanced places like Cox-Bazar, Bnadarban, Rangamati, Khagrachari, Sylhet, Kuakata, Khulna to travel but during covid-19 or post covid-19 they can’t able to travel those places.

**Table-3: People’s preference on nearby places for travel/visit**

People prefer their nearby tourist places/attractions for entertainment?	SD	D	N	A	SA
Pre-Covid	36.7%	27.2%	13.8%	12.8%	9.5%
Covid situations	6.5%	13.5%	15.00%	38.8%	26.2%

Source: Output of primary data

So, people used to travel/visit nearby places. Among all respondents near about 40% agreed with this statement during crisis. And only 6.5% strongly disagreed.

**Monthly Expense’s for leisure & recreation shift due to Covid -19:**

Monthly expense for tourism products & services has decreased during Covid-19. More than 40% respondents are agreed with this statement.

**Table-4: Monthly expense shifting scenario for visiting resort/restaurants/hotel**

Monthly consumption/ expenses for tourism products (food/restaurant/hotel) has been decreased during covid-19	SD	D	N	A	SA
	7.7%	11.5%	17.3%	42.3%	21.2%

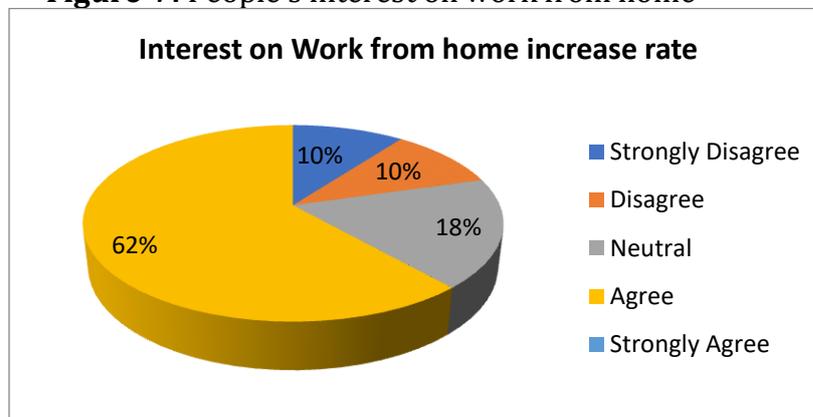
Source: Output of primary data

And less than 10% were strongly disagreed. As monthly income decreased, monthly expense for leisure products has also decreased.

**Working from home:**

For continuous lockdown different private & public organizations have to suffer a lot then they try to promote work from home concepts in Bangladesh. It helps to make time productive staying safe at home. Thus work from home practice has increased.

**Figure-7: People’s interest on work from home**



Source: Output of Primary Data

More than 60% respondents among 200 respondents are now interested in work from home system. It will help to ensure the proper utilization of human resources.

**Other changes in consumer’s behavioral pattern:**

Virtual entertainment facilities replacing travel: People now prefer to experience virtual reality rather than physical travel. Virtual reality makes people closer to each other. Now friends and relatives can easily celebrate or arrange online get-together. During Covid-19 pandemic, it is also noticed that children & students are celebrating their birthday program using virtual video conferencing in Bangladesh which is very new & recent practice for this country. WTTC in one of their report mentioned that it will take longer time (more than one year) to regain previous travel participants (Buff). Practicing cooking rather than going

restaurant: During Covid-19 crisis people are bound to stay at home. So they found huge time in their hand & try to invest their time in different creative works. Sometimes they want to take various flavored food from restaurants. But everyone suggest to control them & not to go to restaurant for food (Zwanka, 2020). Thus, people were trying different recipes watching Cooking reality shows in TV channels, YouTube & other modes. This forces people to cook new items rather than being dependent on restaurant in Bangladesh.

### Conclusion:

Covid-19 crisis has changed the mental & physical strength, thought of every people. According to several studies it has been found that this crisis inspires people to be entrepreneur rather than moving towards job. Many employees from private organizations lost their jobs during pandemic. Even more than 10 lac employees from travel & tourism related organizations lost their jobs during the crisis. Public transportation facilities are shut down for reducing infection rate & controlling public gatherings. People are becoming more dependent over internet, purchasing (product & services) more from online platforms. Entire consumption pattern of tourists has changed due to Covid-19 crisis. Although Bangladesh is naturally blessed with tourism products for longer period of time, she was just going to develop its tourism industry, developing new policies with the help of the Government, BTB (Bangladesh Tourism Board), BPC (Bangladesh Parjatan Corporation), TOAB (Tour Operator Association of Bangladesh), tourism scholars, experts & all other tourism & hospitality related stakeholders. But Covid pandemic destroyed & delayed all planning & execution related activities. Moreover, changes the living standards of tourists & changing their consumption behavior. It will take huge time to repair the loss of the crisis & return tourists' interest on normal travel package consumption. Bangladesh Government already declared different subsidiary packages for hospitality related businessman. They need to take more action plan to flourish tourism industry of Bangladesh.

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