

Chapter 12

Local Brand Impact During COVID-19

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ABSTRACT

This chapter explores the role of local brands during the COVID-19 pandemic, the expansion of SMEs all throughout the pandemic, and the needs for all start-ups during the pandemic. The authors have also done research and written about how startups and small businesses have adapted to and used digitalization. This chapter will discuss the effects of regional brands during a pandemic.

INTRODUCTION

Pandemic! We've all been through too many challenging times and the quarantine. Industries are being severely impacted by this pandemic. During an outbreak, many people favor locally produced goods over imported ones. Everyone has encountered supply shortages, and during that period, many local businesses entered the market, overtaking the established brands and earning profit. In terms of market growth, economic conditions, and market competitiveness, consumers are the primary market drivers. Everyone saw how consumer purchasing behaviors and decision-making changed as a result of the pandemic (Mehta et al., 2020).

The primary cause of the rise in local brands is the lack of a sufficient supply of brand products globally. Production was halted due to pandemics and lockdowns; as

DOI: 10.4018/978-1-6684-4246-3.ch012

a result, there was a shortage of goods; as a result, customers turned to local brands, which led to an increase in local brand sales (Christa et al., 2021).

Covid-19 had a significant impact on business sales, the worldwide market experienced various issues, and several nations' economies experienced significant declines. Due to their losses, the business owners began to close their doorways. Online sales eventually increased, but because of lockdown in several countries, the supply chain was impacted, and both buyers and sellers experienced issues with the delivery of the products (Fairlie et al., 2022). For the local firms, being able to ship their goods within the price range they were producing has been a great benefit.

When compared to the pharmaceutical and medical industries, sectors like tourism, manufacturing,

vehicles, construction, restaurants, retail, IT, and airlines had been more negatively impacted. Except for healthcare, practically all types of enterprises had closed due to COVID-19.

Changes in Consumer Decision Making and Expectations and Purchase Behaviour During Covid-19

Consumer perceptions, behavior intentions, and purchasing decisions are not constant; they change in response to the circumstances of the moment. Consumers are also impacted by the trends and events that are taking place in the actual world. Consumer motivation has shifted as a result of the pandemic, increasing the sensation of deliberate consumption. The fear of the economy failing must have been one of the elements influencing decision-making because it inspired customers to purchase the goods they needed and to use them responsibly (Vázquez-Martínez et al., 2021), (Kim et al., 2022).

The pandemic had many people in fragile mental states, thus consumers sought human touch from any medium. Online buyers likely assumed that the chatbot-generated messages would have a human touch because they were missing out on actual emotions while away from their families. Consumers have always viewed online buying as self-service, and they were drawn in by the personalized texts that were automatically generated (Westerman, 2022). Since income level significantly influences consumers' motivation to buy, Covid 19 has had an influence on customers' purchasing decisions. During the crisis, many individuals lost their jobs, and the economy was shaken by lower per capita income, which affected consumer choices. Markets had difficulty collecting sales value, which eventually resulted in the major breakdown. The fundamental driving force behind consumers' motivation and purchasing choices has always been their way of life and economic level (Usunier et al., 2007).

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