

Antecedents of Panic and Rational Buying Behavior During Crisis Times: A Structural Equation Modelling Approach

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Marketers during the 2020-21 pandemic realized customer responses to the crisis was unpredictable in many ways. From anxiety fueled hoarding to indifferent and discretionary reactions, resulting purchase behaviors were unprecedented. This study leverages underpinnings of Stimulus-Organism-Response (S-O-R) framework, in order to propose a structural model linking knowledge of the pandemic to risk perception and behavioral responses of panic buying and rational buying. To decipher the relationship between various relevant factors this, study attempts to establish the impact of Covid-19 related knowledge on perceived infectability and perceived severity of the pandemic. In this context, the study identifies various pertinent risks like physical/health, economic and mental and their implications on rational and panic purchases. The study further examines the relationship between the perceived infectability and severity with the studied risks. Valid responses from 240 salaried participants from urban conurbation of Delhi (NCR) India were used to validate the measurement model and to test the causal relationship. The Structural Equation Model thus derived can benefit marketers to have a better understanding of the determinants that may affect purchasing decisions during crisis times. The study found a strong relationship between economic risk and rational purchasing, bringing out an inference that when the perception of economic risk is on the higher side, then customers involve themselves in making rational purchases. The study further reveals that greater knowledge of pandemic nuances led to increased perceived severity. Perceived severity had significant impact on buyer's intention towards panic buying. The study relates these factors being affected by Covid induced implications in understanding the behavioral changes of individuals on consumption and hoarding intentions. Future research may focus on other variables like ethnic & social characteristics, conformity behavior and may validate the model in context of countries at various stages of economic development.

Keywords: *Crisis, Infectability, Panic Buying, Perceived risks, Rational Buying, Severity*