

FACTORS AFFECTING PANIC BUYING DURING COVID 19: A CASE STUDY OF KOLKATA, INDIA*

BY

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Abstract

Panic buying happens when the feelings of fear and uncertainty regarding the expected shortage of some products in the market or an anticipated price hike prompt people to buy more of those products than usual. During the pandemic, 'lockdown' was enforced several times by both the central and state governments to contain the spread of infection. These lockdowns generated supply logistics disruptions and limited the supply of various essential commodities in the market. Moreover, the fear about the coronavirus spreads more rapidly than the virus itself in the age of social media. It caused people to worry about stockpiling various items, such as masks and sanitizers, groceries, vegetables, medications, household essentials, medical equipment, etc. In this backdrop, this paper aims to explore how different demographic, and socio-psychological factors affect panic buying, which can help government and retail businesses to design and fine-tune their strategies to curb panic buying in the society. An online survey was conducted in Kolkata during the month of August 2020. The data regarding the panic buying behaviour of people and its potential determinants were collected randomly from 674 respondents by a structured questionnaire designed for the purpose. A binary logistic regression model is used to estimate how the maximum likelihood of panic buying by the people is affected by different demographic and socio-psychological factors considered for the study. The study shows that the incidence of panic buying increases with people's age, income, and psychological distress. Panic buying is also more likely for women and individuals who track the news more frequently on social media platforms.

Keywords: COVID 19, Kolkata, Logistic Regression, Pandemic, Panic Buying, Stockpiling

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