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THE CHANGING SPECTACLE OF DIWALI

RESEARCH OBJECTIVE, METHODOLOGY AND SAMPLE FRAME



Key objective of the study is to understand and map the consumer sentiment and shopping behaviour through the lens of the seller and buyer this Diwali- 2020

RESEARCH
Methodology



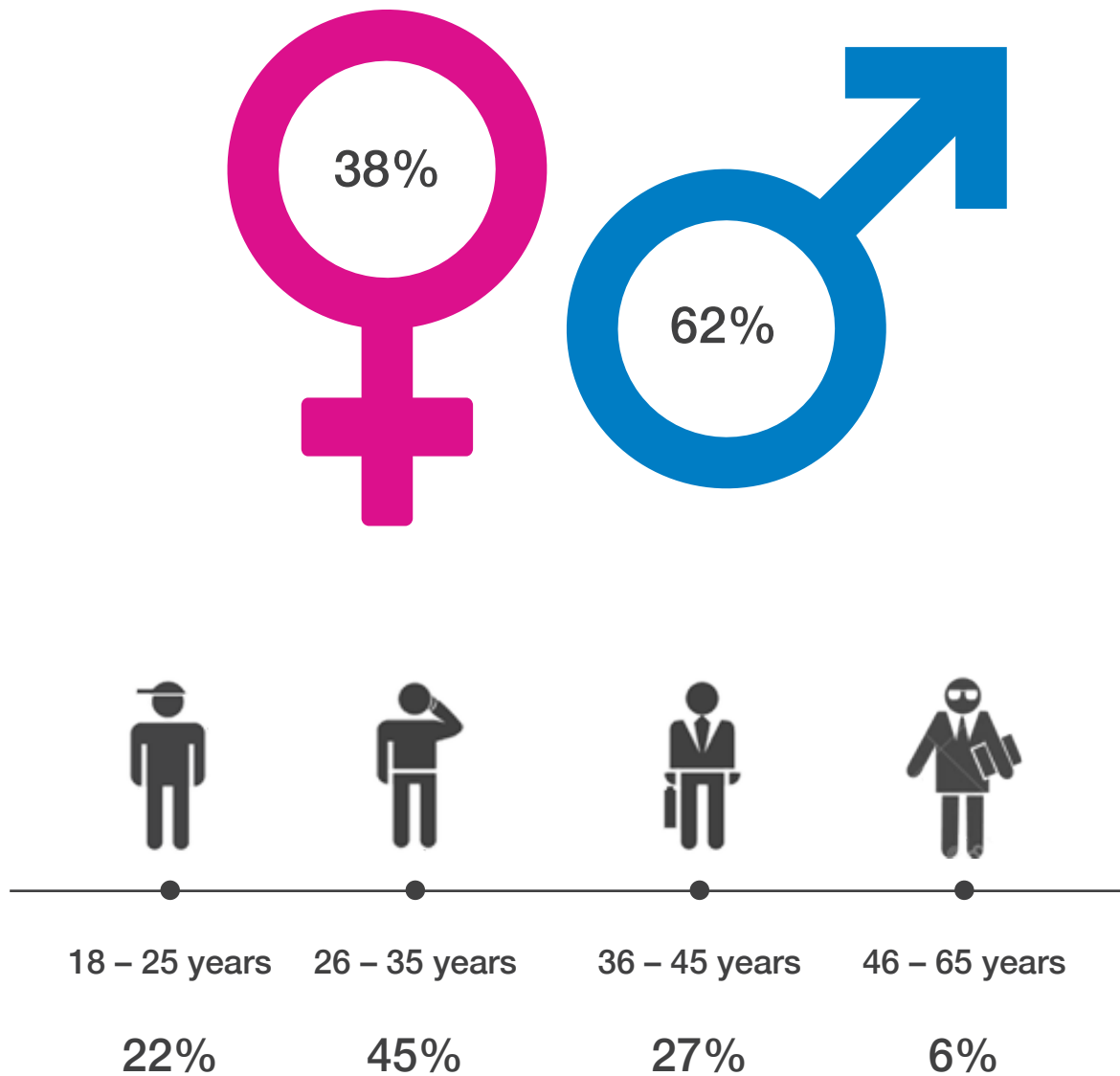
Face to face intervention with customers over 4 days (13th – 15th, Nov) of festive season. In total, 1000 customers and 300 retailers were covered across 12 cities in 4 zones of the country to map the overall sentiment of the people during the festival time and to gauge the changes in festive shopping.

THE FINDINGS

CONSUMERS



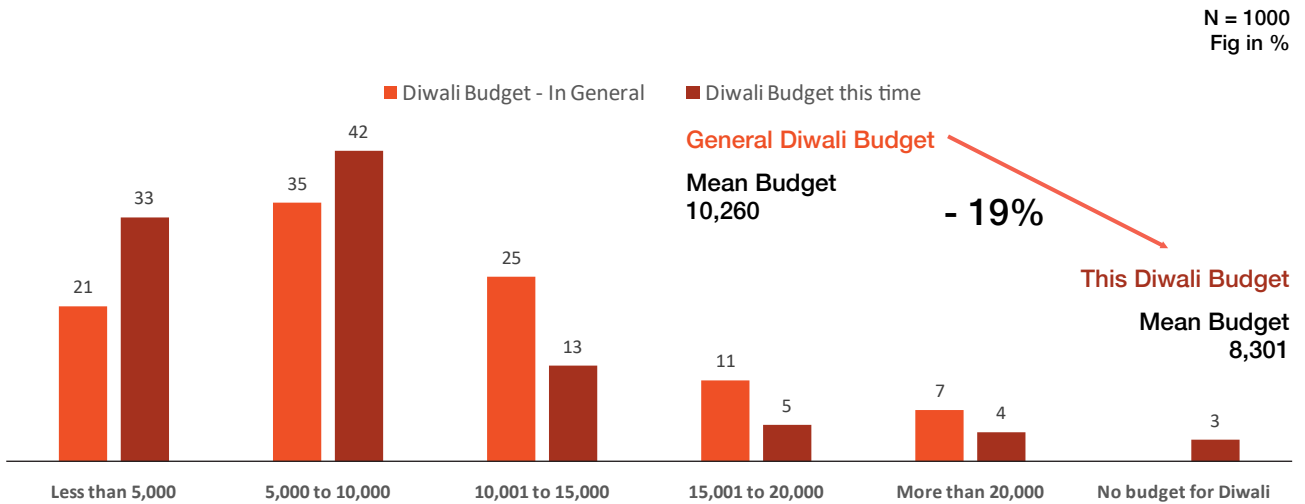
DEMOGRAPHICS



The respondents represent 62% male and 38% female. The age group majorly corresponds with youngsters and millennials in the age band of 26 – 35 years.

DIWALI BUDGET DYNAMICS

Q5. Please tell me the Approximate budget that you usually keep for Diwali.
 Q6. What is your Approximate Budget for Diwali this year?



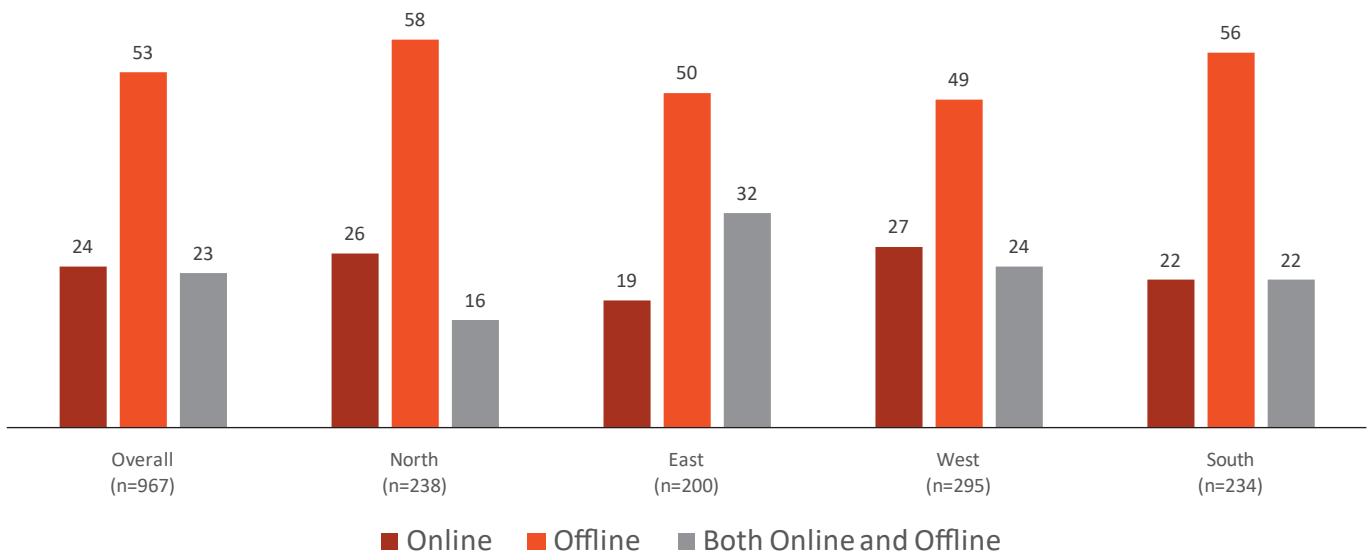
	North	East	West	South
General Diwali Budget (Mean)	10805	7750	11141	10500
	↓ 20%	↓ 11%	↓ 14%	↓ 32%
This Diwali Budget (Mean)	8695	6904	9626	7118

Markets are alive – but the buzz is missing. Lay-offs, salary cuts and no bonuses have cut the Diwali budget by nearly 20% for the households. South India witnessed a drop of 32% in Diwali budget from previous year(s).

POINT OF PURCHASE

Q8. Please tell me the percentage that you purchased from these mediums?

Those who have allocated budget for Diwali shopping
Fig in %



As the sample is largely represented hence the offline sale is seen to be featuring in prominence. But the shopping dynamics clearly indicate how online is starting to dominate festive sales as well (considering the internet penetration and online population)

ONLINE vs OFFLINE

Q9. Please tell me which products you have purchased Online and which products you have purchased Offline on this Diwali?

Top 3 Categories – Online Purchase

77%



Small Electrical/ kitchen appliances

77%



Apparels

50%



Home Decor

Top 3 Categories – Offline Purchase

80%



Sweets/ Confectionary items

62%



Apparels

52%



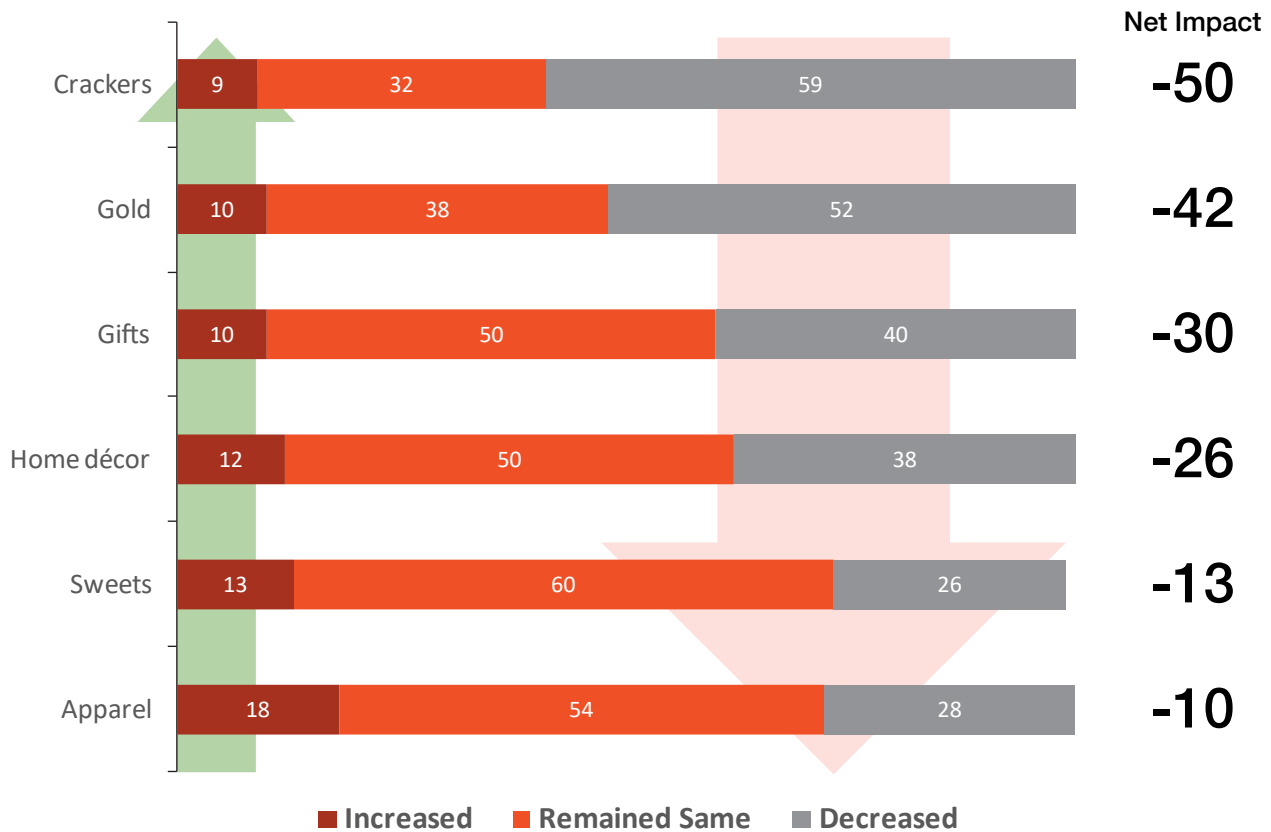
Gifts

Electrical/kitchen appliances, Accessories and Home Décor are the top 3 items purchased online – majorly because of pandemic situation. Offline purchase majorly constitutes purchasing sweets followed by apparels and gifts. Apparel category overlaps both in online and offline mode.

THE IMPACT

Q10. Please tell me is there any change in the purchasing trends/activity of these product categories this Diwali.

N = 1000
Fig in %



The shadow of the pandemic loomed large over the festive season. Major impact can be noticed in:

- **Crackers** – Many states have banned the sale of crackers in view of pollution.
- **Gifts** – Restricted socializing has cut down the shopping for gift items.
- **Gold** – The shooting price of gold and budgetary limitations have also made gold lose its spark this Diwali season.

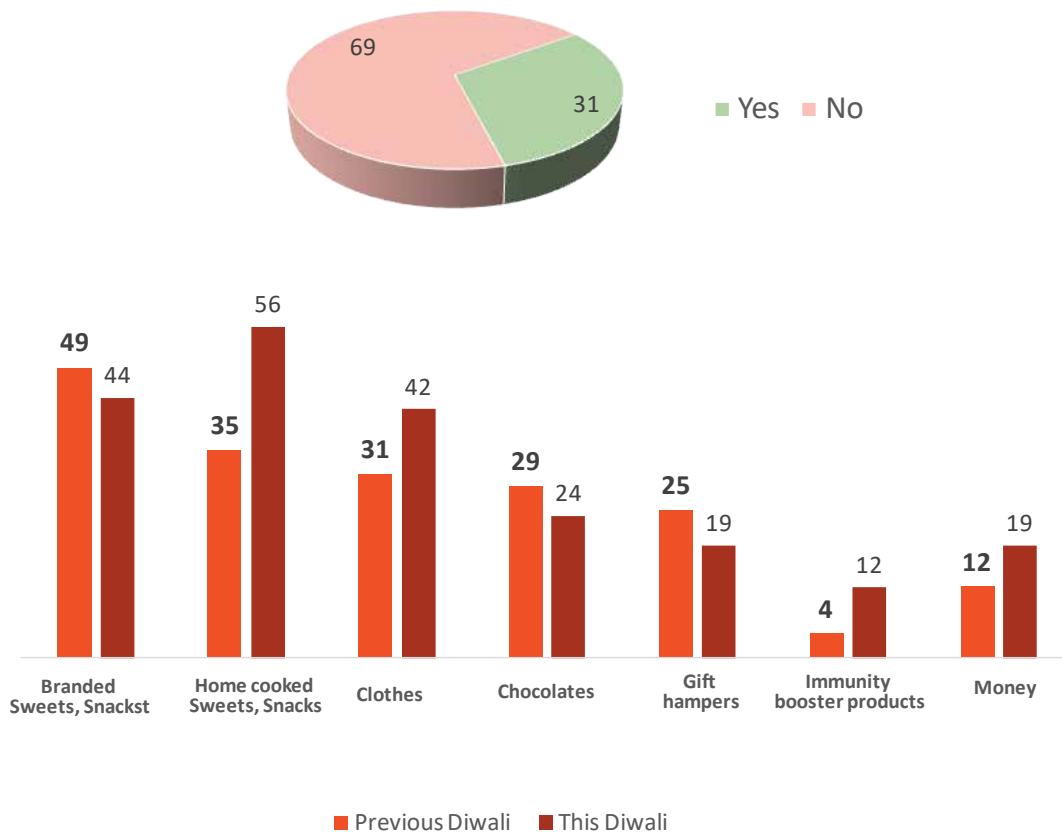
THE FLICKERING LIGHTS

Q11. Please tell me have you exchanged any gifts on this Diwali.

Q13. Please tell me which gifts you have exchanged on last Diwali.

Q14. Please tell me which gifts you have exchanged on this Diwali.

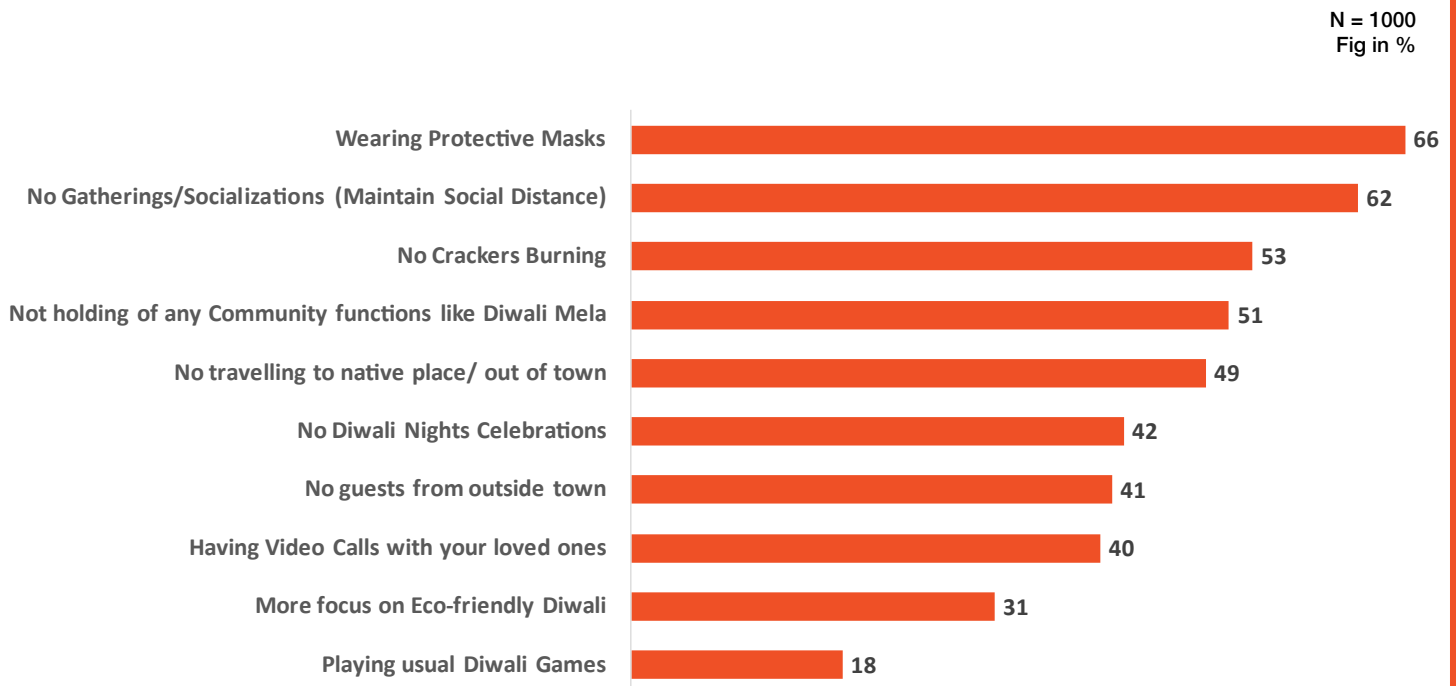
Exchanged Gifts – This Diwali



The categories that saw a positive shift are clothing, home cooked sweets and snacks, health supplements, gifting in money form, while gift hampers and branded snacks saw negative growth. Only 31% of the respondents have exchanged gifts with their closed ones – which primarily includes sweets and snacks – that too home made. 69% of the respondents did not exchange gifts which bears a direct impact on shopping dynamics. The sentiment is similar across states.

THE CHANGE - OVERALL

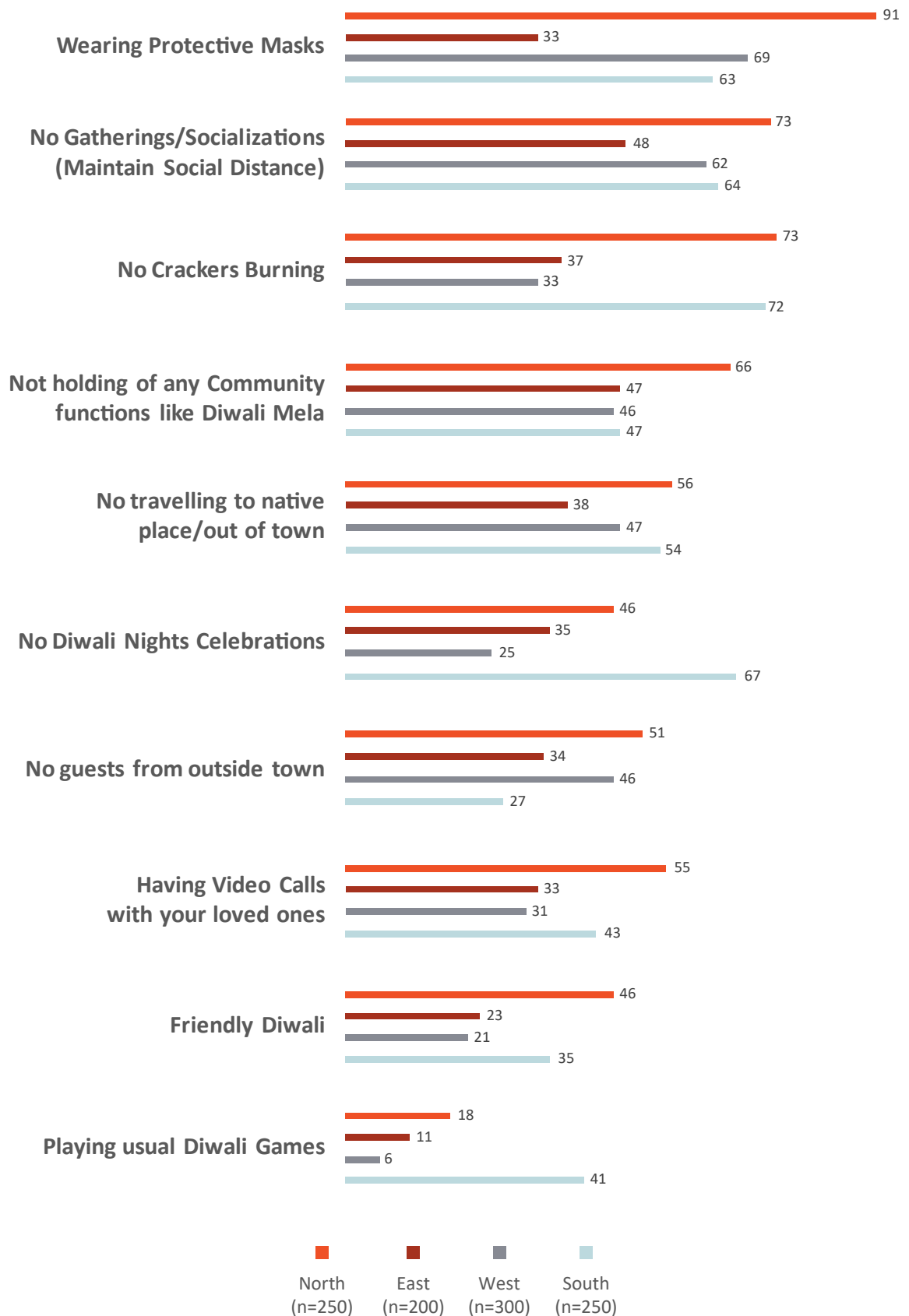
Q17. Please tell me how was this Diwali different from previous ones regarding the below mentioned aspects?



From personal check to social interactions, a significant number abstained from indulgence of any form.

A significant 53% said to have not burnt crackers as well.

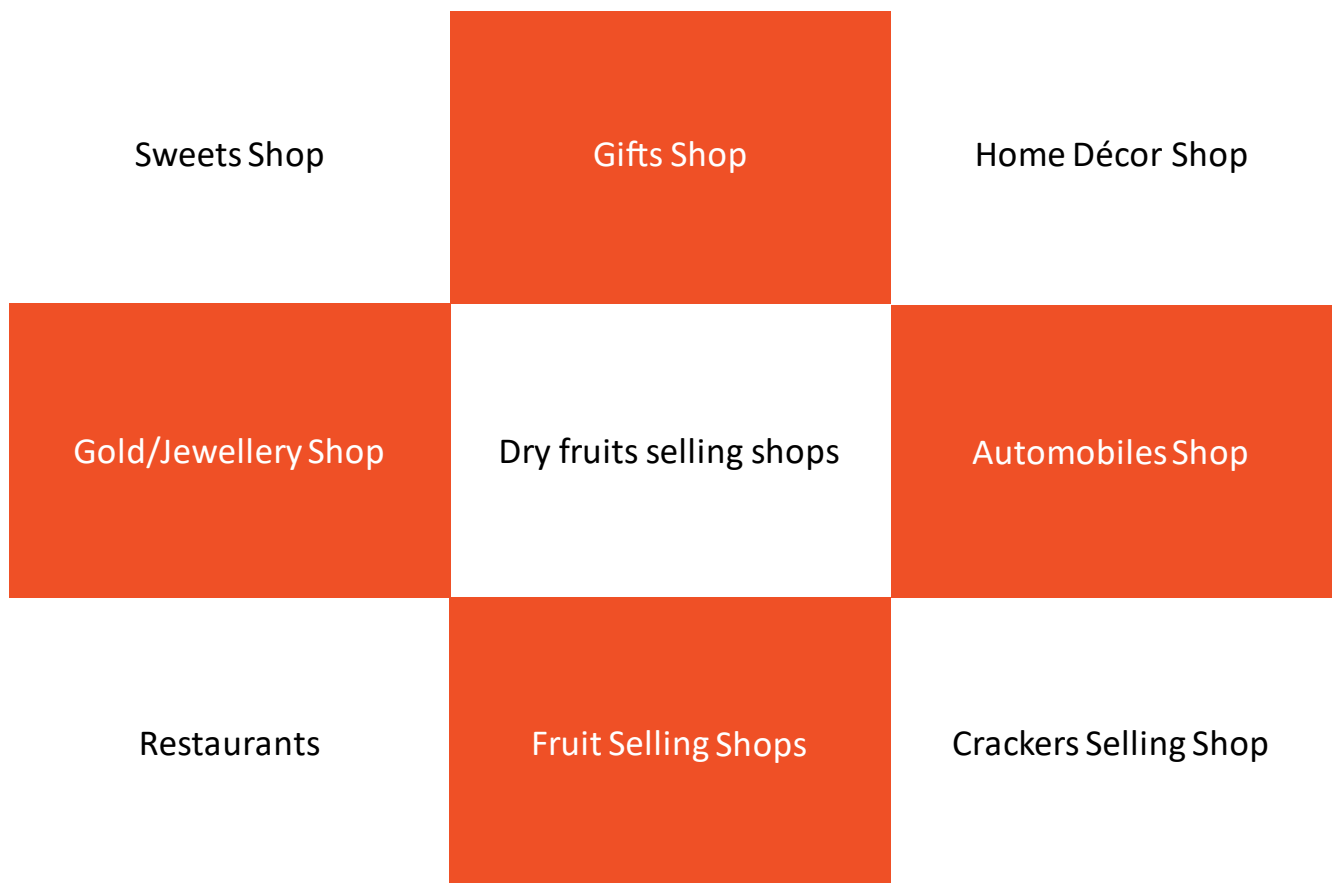
THE CHANGE – ZONE WISE



RETAILERS



TYPE OF SHOPS INTERVENED

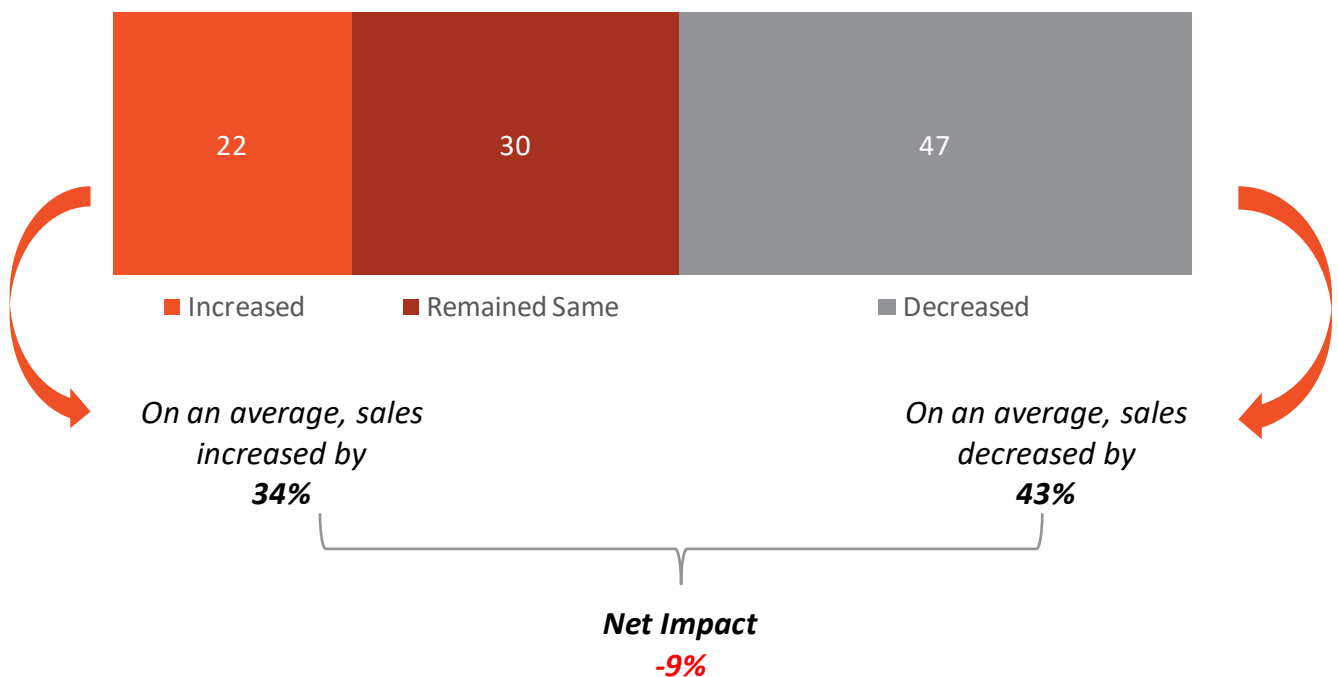


The sample represents almost all categories to get an overview of the overall dynamics that the pandemic had in the festive season from the lens of retailers dealing in various categories

TOTAL IMPACT ON SALES

- Q4. Please tell me about the sales of the products in which you deal on this Diwali.
Q5. As you said that the sale of the products has increased on this Diwali, so could you please tell me by how much percentage it has increased?
Q6. As you said that the sale of the products has decreased on this Diwali, so could you please tell me by how much percentage it has decreased?

N = 300
Fig in %



The pandemic has also cast a deep impact on the overall sales as per the retailers. The sales across categories saw a dip in some cases by almost one-third. Multiple factors resonate for such decline, majorly the pandemic scenario followed by ban on crackers by some states and the shooting price of gold had put customers at bay from shopping. Social distancing also cut the distribution of the gifts which is clearly evident.

IN A NUTSHELL

- As per consumers, almost all categories saw some squeeze in spends.
- Poor customer sentiment made this Diwali little flickering. The festive sales in smaller stores dipped more than that of the bigger outlets. People spent more on low ticket items. Large durable items certainly did not feature in the shopping list. – **Situation is flickering but not grim!**
- The reasons resonate around the loss of income avenues, the social distancing norm prohibiting movements and socializing.
- The shopkeepers across categories evinced mixed reactions, but overall, the categories saw a dip in sales. Some categories, essentially the high-ticket items had few buyers as compared to the norm.
- Online sales with pre festive offers did gain some momentum this year following the pandemic situation. People preferred to shop electronic/ kitchen appliances along with appliances and home décor through online mode.
- Social distancing norms also restricted personal and corporate exchange of gifts which slowed down the Diwali sales further. Gifts were exchanged in close circles. Distribution of gifts reduced by almost 70%.

IN A NUTSHELL

- At an aggregate level shopkeepers indicated footfalls marginally lower than the previous year festive season.
- The low-ticket items like sweets, small social giftings also saw a downward trend as the same was confined to close circles.
- Sale of apparels, electronics, consumer products and sweets/confectionaries managed to get some growth whereas the cracker industry and yellow metal got the most pinch – majorly attributed to ban on cracker sale and the shooting price of gold.



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