## ANALYSIS OF CONSUMPTION PATTERNS OF GOODS AND SERVICES IN HOUSEHOLDS DURING THE COVID-19 PANDEMIC: CASE STUDY IN BANDUNG REGENCY 2022

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**ABSTRACT.** COVID-19 is a virus that was first discovered in the city of Wuhan, China which spreads through small droplets from the sufferer's nose or mouth. World Health Organization (WHO) has classified this disease as a global pandemic. The Indonesian government has established several policies to prevent the spread of the COVID-19 virus. This policy harmed the local community activities, such as loss of income, mass layoffs, and significant changes in people's lifestyles. Consumption is one aspect of life that is influenced by various factors such as income, needs, and the price of goods itself. During epidemics and changes in government policies, the amount of public consumption will also change, including the pattern of public consumption which can change according to many existing factors. A consumption pattern is a picture of the amount, type, and frequency of goods and services consumed by a person or group of people to meet their needs. From consumption patterns, we can see the level of welfare or economic condition of a group from the types of goods and services consumed or the income spent to meet these needs. The results of several studies state that there has been a shift or change in consumption activities for goods and services in Indonesia during and after the COVID-19 pandemic.

**Keywords:** Income; Consumption Patterns; Lifestyle

### Analisis Pola Konsumsi Barang dan Jasa dalam Rumah Tangga di Masa Pandemi Covid-19 : Studi Kasus di Kabupaten Bandung Tahun 2022

ABSTRAK. COVID-19 merupakan virus yang ditemukan pertama kali di Kota Wuhan, China dengan penyebaran melalui tetesan kecil dari hidung atau mulut penderita. WHO sebagai organisasi kesehatan dunia memutuskan untuk menetapkan penyakit ini sebagai pandemi global. Pemerintah Indonesia menetapkan beberapa kebijakan sebagai sarana untuk pencegahan penyebaran virus COVID-19. Kebijakan tersebut membawa dampak negatif bagi kegiatan bermasyarakat, seperti kehilangan pendapatan, pemutusan kontrak kerja, hingga berubahnya gaya hidup masyarakat. Konsumsi merupakan salah satu hal dalam aspek kehidupan yang dipengaruhi oleh berbagai faktor seperti pendapatan, kebutuhan, dan harga barang itu sendiri. Di tengah wabah dan kebijakan pemerintah, besarnya konsumsi masyarakat pun akan mengalami perberubahan tidak terkecuali pola konsumsi masyarakat yang dapat berubah menyesuaikan dengan faktor-faktor yang ada. Pola konsumsi adalah sebuah gambaran dari jumlah, jenis, dan frekuensi barang dan jasa yang dikonsumsi oleh seseorang atau sekelompok orang dalam rangka memenuhi kebutuhannya. Dari pola konsumsi kita dapat melihat tingkat kesejahteraan atau kondisi ekonomi suatu kelompok dari jenis barang dan jasa yang dikonsumsi atau uang yang dikeluarkan untuk memenuhi kebutuhan tersebut. Hasil beberapa penelitian menyatakan bahwa terjadi pergeseran atau perubahan dalam kegiatan konsumsi atas barang dan jasa di Indonesia selama, hingga setelah pandemi COVID-19 ini.

Kata kunci: Pendapatan; Pola Konsumsi; Gaya Hidup; Sosiohumaniora; Unpad

#### INTRODUCTION

The COVID-19 Pandemic, which was founded in Indonesia in March 2020, has brought a very significant impact on changes in activities in many countries. The world seemed to be forced to start adapting to new habits, including adaptive policies implemented by the Indonesian government to break and reduce the spreading chain of the coronavirus.

The Indonesian government has restrictions on public activities, ranging from studying from home, and working from home, to praying at home. Several policies were formed as a solution to limit the spread of the virus, such as social distancing, lockdown, or area restriction, implementing the Large-Scale Social Restrictions Policy (PSBB), to implementing Social Activity Restrictions Policy (PPKM).

The enactment of this policy has had a major impact on people's daily activities such as educational, and social activities, including economic activities. Economic activities that require a lot of physical contacts are obliged to be minimized as little as possible, resulting in many jobs and sources of income loss, Small and

Medium Enterprises (SMEs) that are out of business, and investors withdrawing from the capital market because stock prices are dropping. There are real effects and impacts generated from these policies; thus, people need to make an extra effort in managing their finance.

Based on data from the Central Burau of Statistics (BPS), the percentage of low-income people in March 2022 was 9.54 percent, there is a 0.17 percent decrease compared to September 2021 and a 0.60 percent decrease from March 2021. The number of impoverished people was 26.16 million, as there is a decrease of 0.34 million people compared to September 2021 and a decrease of 1.38 million people from March 2021. The percentage of the urban impoverished population in September 2021 was 7.60 percent, then dropping to 7.50 percent in March 2022. In comparison, the percentage of the rural impoverished population in September 2021 was 12.53 percent and then dropped to 12.29 percent in March 2022.

The decline in the poverty rate can be directly linked to the vaccination program that the government has continuously encouraged, also the increase of awareness of Indonesian people in implementing health protocols that improve the economic activity to recover, which also affects people's income to slowly recover (Central Burau of Statistics, 2022).



Figure 1 Infographic of the Percentage of Poverty

According to Hanum (2017), income is a form of remuneration for someone who has donated energy and thoughts into something as a means to get a reciprocal. Income is the result of individuals or groups who have achieved economic activity over a certain period. "A person's income can also be interpreted as acceptance and a result obtained by someone in a certain period valued by units of currency."

Kindlerberger (1989) in Chaterina (2018) mentions Engel's Law which states that the

smaller the income, the greater the share of income used for food consumption. And vice versa, the greater the income, the smaller the share of income used for food consumption. Engel stated four conclusions from the theory put forward:

- 1. If the income increases, the percentage of spending on food consumption decreases.
- 2. The percentage of clothing expenditure is relatively fixed and does not depend on income level.
- 3. The percentage of household expenditure is relatively fixed and does not depend on income level.
- 4. If the income increases, the percentage of spending on education, healthcare, recreation, luxury goods, and savings also increases.

Changes in public consumption patterns can occur at any time, especially with special conditions that require a very fast transition, such as the COVID-19 Pandemic. One example is the consumption of goods and services during the pandemic. In general, goods are objects that are tangible and can be sued by people to meet their needs or produce other physical objects. This corresponds with the definition stated by Fandy Tjiptono. According to him, goods are "products that are physically tangible, so that they can be seen, touched, felt, held, stored, and other physical treatment" (1999:98).

Whereas services according to Zethamal and Bitner in Lipiyoadi (2014) explained that "services are all economic activities whose results are not in the form of physical products or construction which are generally produced or consumed simultaneously and provide added value (for example comfort, vacation, pleasure, and/or consumer health)"

#### **METHODOLOGY**

This study is using a qualitative approach with a case study method. The data used is secondary data which are available in many open sources such as the Indonesian Family Life Survey (IFLS), the Central Bureau of Statistics (BPS), the National Socio-Economic Survey (Susenas), and the National Labor Force Survey (Sakernas).

According to Sugiyono (2019:18) a qualitative research method is a research method that is based on the philosophy of post-positivism, used to examine the natural conditions of objects, (as the opposite is through experimentation) where the researcher is the key instrument, data collection

techniques are carried out by triangulation (combined), data analysis is inductive/qualitative in nature, and the result of qualitative research emphasize the meaning of generalization.

The population in this study is the people of Bandung Regency and consumer goods and services during the COVID-19 pandemic. The data sample that was used is taken using secondary data so that the validity of the data can be accounted for.

#### RESULTS AND DISCUSSION

The results are divided based on the type of product used, which are the results for the pattern of consumed goods and the pattern of consumption services.

Based on BPS data published in 2021, the economy of Bandung Regency in 2017, 2018, and 2019 period has been moving statically on the growth rate of 6.15 percent, 6.26 percent, and 6.36 percent respectively. However, during the COVID-19 pandemic, there was a slowdown in economic activity in Bandung Regency, with a growth rate of 1.80 percent in 2020 and showing a positive overall performance of 3.56 percent.

On the other hand, in the last 5 years, the Regional Gross Domestic Product (RGDP) has increased quite significantly, from the RGDP of Bandung Regency based on prices applied at that time, recorded at 102.87 trillion rupiah, increasing to 130.47 trillion rupiah in 2021.

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Expenditure Component	2017	2018	2019	2020	2021
Household     Consumption	82.73	90.62	98.38	99.72	102.48
2. LNPRT Consumption	0.47	0.56	0.60	0.59	0.61
3. Government Consumption	4.94	5.28	5.50	5.56	5.82
4. Gross Fixed Domestic Capital	21.37	23.63	25.12	23.52	25.16
5. Inventory Changes	2.99	3.15	3.20	1.27	-0.70
6. Net Export of Goods and Services (Export-Import)	-9.63	-10.26	-8.82	-7.05	-2.90
REGIONAL GROSS DOMESTIC PRODUCT	102.87	112.98	123.99	123.60	130.47

Table 1 RGDP at a based price by expenditure, Bandung Regency 2017-2021 (Trillion IDR)

Apart from being assessed on the based price, RGDP expenditure can also be assessed based on constant 2010 prices. Through this approach, the value of RGDP each year provides an overview of changes in RGDP in volume or quantity without being affected by changes in prices. This illustrates the occurrence of economic changes realistically, associated with an increase in the volume of demand or final consumption. Similar to the RGDP value at the base prices, the RGDP value at constant 2010 prices decreased in 2020 to IDR 80.83 trillion, before increasing again to IDR 83.95 trillion in 2021.

Component Expenditure	2017	2018	2019	2020	2021
1.Household Cnsumption	52.73	61.09	64.20	63.89	65.02
2.LNPRT Consumption	0.33	0.37	0.38	0.37	0.38
3.Government Consumption	3.16	3.28	3.39	3.38	3.48
4. Gross Fixed Domestic Capital	15.37	16.32	16.89	15.80	16.22
5.Inventory Changes	1.96	1.98	1.99	0.78	-0.40
6.Net Export of Goods and Services (Export- Import)	-5.51	-5.43	-4.31	-3.13	-0.74
REGIONAL GROSS DOMESTIC PRODUCT	73.04	77.61	82.55	81.06	83.95

Table 2 RGDP at constant 2010 prices according to expenditures

The consumption of the citizen of West Java is inseparable from the price of goods and services in both traditional and modern markets. Changes in the average price of goods and services consumed by the public using the Consumer Price Index (IHK) are carried out by BPS periodically every month. IHK calculation begins by collecting the prices of goods and services from modern and conventional markets into a single index that measures all finished price levels.

IHK can be interpreted as a price index of the cost of a set of consumer goods based on a certain weight in the commodities purchased by households. IHK is used to observe changes in the cost of living from time to time. West Java combined Consumer Price Index, increased from 107.12 in February 2021 to 107.13 in 2022, as

there is inflation of 0.01 percent. The calendar year inflation rate (YTD) of January – March 2021 was 0.36 percent and the year-on-year (YoY) inflation rate of March 2021 against March 2022, was recorded at 1.43 percent.

According to the Central Bureau of Statistics (2010), to understand the classification of urban-rural villages, it is necessary to explain some statistical meanings, as follows:

- An urban area is an administrative area at the village (kelurahan) level that meets certain requirements in terms of population density, percentage of agricultural households, several urban facilities, public health facilities, and so on.
- 2 A rural area is an administrative area at the village (kelurahan) level that does not meet certain requirements in terms of population density, percentage of agricultural households, some urban facilities, formal education facilities, public health facilities, and so on. (BPS, 2010)

Data published by the Central Bureau of Statistics, based on Susenas, in March 2020 and 2021 shows the average monthly expenditure per capita of West Java residents as follows.

Type of Area	Average Month per C	Level Incre ase	
	2020	2021	(%)
Urban	1.430.785	1.474.427	3.05
Rural	977.655	1.009.422	3.25
TOTAL	1.324.960	1.372.659	3.60

Source: Susenas, March 2020 and 2021

The table above records the changes od expenditure per capita nominally in West Java which was increasing compared to 2020. In 2020, the average monthly expenditure per capita is IDR 1,324,960, while in 2021 it was increasing 3.60 percent to 1,372,659. The average expenditure per capita in both urban and rural areas is increasing.

In an urban area, the average expenditure per capita in 2021 had increased by around 3.05 percent from IDR 1,430,785 in 2020 to IDR 1,474,427 in 2021, while in rural areas, the average expenditure per capita in 2021 would

increase by around 3.25 percent, from IDR 977,655 in 2020 to IDR 1,099,422 in 2021.

The following is a comparative table of consumption data between food and non-food in 2020 and 2021:

Type of Area	Food Con	sumption	Non-Food Consumption		
	2020	2021	2020	2021	
Urban	47.70	47.36	52.30	52.64	
Rural	58.15	59.70	41.85	40.30	
TOTAL	46.50	49.35	50.50	50.65	

Source: Susenas, March 2020 and 2021

The table above shows the average expenditure per capita regarding the increase of each food and non-food group in 2020 and 2021. There is a change in the percentage of spending on food consumption from 49.50 percent in 2020, slightly decreasing to 49.35 percent in 2021. While the percentage of spending on non-food consumption had increased slightly from 50.50 percent in 2020 to 50.65 percent in 2021.

From the March 2021 Susenas analysis result, this change in the increase of less than 1 percent means that there has not been a shift in consumption from food to non-food, and in this way, it is likely to be similar in 2020 and 2021. The data from Susenas in March 2021 can roughly reflect changes in consumption patterns of the society during the pandemic. This data also provides information on the types and quantities of commodities, both food and non-food, which formed the "new normal" consumption patterns of society, especially in the West Java region.

Sumartono (2002:117) states that a consumptive lifestyle is a behavior of buying and using goods that are not based on rational considerations. The tendency to consume something without a limit, which made individuals more concerned with desire rather than needs, is marked by the advent of luxury life and extravagance that gives physical satisfaction and comfort. Sumartono's view answers the question of why the consumption pattern today is changing to food and non-food consumption which visually reflects household conditions.

In rural areas, food consumption still dominates household main consumption. The percentage of food expenditure for households in rural areas in 2020 increased from 58.15 percent to 59.70 percent in 2021. The large percentage of non-food consumption in urban areas, when compared to rural areas, indicates that the level of

welfare of the population in urban areas is higher than in rural areas. Whereas in a rural area, people prefer to use a larger part of their income to buy food.

#### **CONCLUSION**

Based on the result, it can be concluded that since the COVID-19 pandemic, many people have experienced losses economically and from other factors as well. From the existing data sources at the Central Bureau of Statistics (BPS), there has been a drastic increase in poverty. This, of course, is the trigger for changes in consumption patterns of society, especially after the COVID-19 pandemic. In 2021, the average monthly expenditure per capita is IDR 1,324,950 and had increased by 3.60 percent in 2021 to IDR 1,372,659. The percentage of food expenditure for households in rural areas in 2020 and 2021 also increased from 58.15 percent to 59.70 percent.

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