NAME: Fagboyo Favour Fiyinfoluwa

LEVEL: 200

MATRIC NO: 19/LAW01/269 (DIRECT ENTRY)

COURSE TITLE: Consumer Behavior II (BUS 208)

HOW THE PANDEMIC (COVID 19) HAS AFFECTED CONSUMER BUYING BEHAVIOUR

The global outbreak of the COVID-19 virus has had a significant impact on the daily life and consumer behavior/attitudes worldwide. According to News Reports , more than **tierce** of the world’s population have felt the effects of the corona virus to an extent , which has forced the masses under a style of lockdown . One of the most distinguishable impacts of the outbreak is its ascendancy on the method of purchase and the things people purchase. In spite of the detrimental social and economic impact, the emergence and spread of the outbreak quickly led to an adjustment in people's behavior from fear to action, to handle the unexpected situation and a shift in daily activities from offline to online. The speed and global spread of coronavirus has brought about a huge shift in people’s behaviour, such as bulk-buying or self-isolating.

The items consumers purchase will be discussed first, **Grocery Sales** are skyrocketing, Edibles as expected is first on the list, as food is very essential and important to man, this food items include Rice, Flour, Vegetables, Non-perishable Milk, Fruits, Canned and Dry Milk, Water e.t.c, Groceries have a long shelf life and are multifaceted, they are provided in great quantities, making it simple to supply ingredients that are long-lasting. **Sales of facemasks and household cleaning supplies,** which can be used to reduce the chance of contracting or spreading the virus also shot up.

**Sales of Medical Supplies** are alsosoaring people prepared to take good care of themselves at home after a partial lockdown. As establishments, workplace and office shut down , employees are expected to work from home, this resulting in many people furnishing their homes with office equipments and furniture’s such as Supplies, Computer Networks, Multifunction Printer e.t.c that aids them to work efficiently and easily, which led to the increase of **Home Furnishing Sales .**

Majority Consumers have entirely abandoned and neglected travel plans, Many have even delayed purchases for flights tickets, tickets to concerts and also sporting events as these breaks social distancing and risks individual to danger as they could be prone to contracting the virus.

Fear has undoubtedly taken over consumer’s usual shopping behaviors. Pasta, toilet rolls, hand sanitizer, household supplies such as toilet rolls, tissues, and cleaning supplies and other long-life foods as mentioned earlier are just some of the products that consumers have been loading up on in recent weeks. Many retailers say they have enough food supplies, but they’re struggling to get items into stores as fast as consumers are purchasing them. This has left many supermarkets worldwide, with no option but to limit the amount of items a consumer can purchase . The government has urged consumers to be considerate of others. Many retailers have also implemented dedicated shopping hours for elderly, vulnerable groups, and medical staff to allow them to get the items they need.

Face masks and hand sanitizer gel are the top items globally that consumers are struggling to purchase as it is very key and essential to safeguarding one ‘self from contracting the Global Pandemic, Corona Virus. Google searches for hand sanitizer have skyrocketed, while many pharmacies and stores have sold out. With the increased demand, E-commerce sellers have also been criticized for pricegouging.

Online Transactions and E-commerce usage has increased as consumers want to protect themselves from the possibilities of contracting the global pandemic, Corona Virus while making physical human contact. When it comes to avoiding the Coronavirus, people are steering clear of certain places more than others. Public transport is the biggest offender here, with **27%** reporting that they’re actively avoiding using public transport or going to train stations and airports. Public attractions are avoided by**26%** of respondents, and the same goes for the cinema, theatre, and concerts (**19.4%**) – all places with a lot of people crammed into one room. According to an Online survey conducted to know the honest opinion of the masses, It was discovered and recorded that

* More Consumers are focused more on needs than wants.
* More Consumers have become more practical and realistic in what they purchase.
* Consumers are focused more on “experiences” than buying stuff.

The ongoing corona virus pandemic is impacting every part of our lives, from the places we all can go , to the way we all spend our time, to the main priorities we all have and the way we all spend our money.

In the UK it was discovered and recorded that , supermarkets saw a 20.6% rise in sales during the month of March, a new record for the sector, as consumers stock up for an extended time at home and cease eating out at restaurants. In the four weeks leading to March 31st, the public spent £10.8 billion on groceries, a higher amount even than what is typically spent during the Christmas period. It is thought that, as further restrictions are likely to be imposed on movement in the coming weeks and months, that high numbers of journeys to larger supermarkets will begin to decline but smaller, more frequent trips will continue to be taken to local convenience stores. Insight from BounceX, a popular global marketing technology that identifies the digital behaviors that individuals exhibit, identifies those individuals when they are most likely to relinquish identifiable information, and ties their intent-based activity to behavioral profiles that follow them throughout their interaction with a brand, reveals that email open rates have risen by up to 25% week-on-week in retail as shoppers remain static at home, meaning a larger amount of time is spent digesting email content. The data also revealed that daily email open rates are generally increasing by 5-10% every week.

Email opens and interactions have increased on desktop since consumers began to work from home on desktop computers and have therefore spent less time checking emails on Smart phone devices – an activity typically carried out while commuting or on the move. As a result, those reading email communications on desktop experience a less distracted browsing experience and are taking more time to read longer content. This could pose an opportunity for brands to focus their energy on more meaningful, content-driven messages than snappy CTAs.

New data from YouTube sees a rapid increase in watch time among users in the worst-affected countries throughout February 2020.

The biggest change came from Italy, where there was 20x growth in the amount of content watched from the first to the last day of February. Germany ranked second, experiencing 11x growth during the same period.

Great Britain had a smaller growth in February watch time (6.5x), likely due to having enforced lockdown later than its counterparts in mainland Europe, which experienced the brunt of the pandemic earlier.

Meanwhile, average global daily uploads with titles containing the phrase ‘at home’ rose by more than 50% between March 10th and March 15th when compared to average uploads before 2020. In addition, YouTube recorded a 52% global year-on-year increase in views of ‘study with me’ videos as millions of school-aged users adapt to online learning after mass school closures.

To prevent the spread of misinformation, the platform has increased its policing of content, particularly around the spread of misinformation about the virus, as tens of millions of COVID-19 related search queries are performed on YouTube every day. This includes the adoption of new information panels which are displayed alongside COVID-19 content or search results.

In a blog post published on 24th March, Face book outlined how the corona virus pandemic has resulted in a surge in usage of its messaging apps.

According to Face book data, total messaging has increased more than 50% over the last month in many of the countries hit hardest by the virus. Similarly, in places hit hardest, voice and video calling has more than doubled on Messenger and WhatsApp. In Italy, specifically, Face book has seen 70% more time spent across its apps since the crisis started, while Instagram and Face book live views doubled in a week. Messaging in Italy also increased over 50%, and time in group calling (with three or more participants) increased by over 1,000% during the last month.

In spite of this, Face book stated that its business is being adversely affected by corona virus, in particular its ad platform. This has been echoed by Cowen & Co, which forecasts Face book ad revenue for 2020 to be $67.8 billion, which marks a drop of $15.7 billion from Cowen’s previous forecast.

45% of global consumers spending more time on social media

A new report by GlobalWebIndex highlights changes in consumer behavior during the corona virus pandemic. In a global survey of over 13,000 consumers, conducted between 16th-20th March, GWI found that 95% of consumers are spending more time on in-home media consumption. Unsurprisingly, there’s been a marked increase in watching news coverage, with two in three global consumers spending more time doing this activity.

Across the 13 countries involved in the survey, over 50% are watching more streaming services, 45% are spending more time on messaging services, and almost 45% are devoting more time to social media. Interestingly, over 10% also say they are creating and uploading videos.

Elsewhere, the report notes that views on advertising are polarized. When asked if brands should carry on advertising as normal, just over a third agrees, just over a quarter disagree and just over a third are not sure. (38%), men (39%) and the higher income group (39%) were the most likely to agree that advertising should continue as normal.

Despite an unprecedented number of people cancelling pre-booked holidays and choosing not to travel, it doesn’t mean they haven’t stopped looking at holidays altogether, according to a report from Izea published on 18th March.

In fact, 55% of US consumers who usually travel five or more times per year say they ‘may’ or will ‘likely’ purchase a future holiday while confined to their homes during the corona virus outbreak. This likelihood rises to 61% for those who travel frequently for business purposes.

The data also reveals how future booking intentions differ depending on how far in the future they are. Thirty-eight percent of US consumers say that they ‘would never buy’ a non-refundable hotel or plane reservation if the required travel date fell within the next 1-4 weeks. The number declines steadily as the number of weeks pass. Once the travel date falls over nine months from now (around Christmastime), just over one-fifth still refuse to make non-refundable bookings but more require increasingly higher discounts of up to 50% in order to be persuaded.

This suggests and reveals that consumers will take a while to come back around to the idea of travelling abroad on a non-refundable basis once the corona virus has died down; certainly longer than a timeframe of nine months. As a result, holiday companies must look to the future and focus on targeting loyal, frequent customers (whether travelling for business or pleasure) who more will likely take the risk sooner than more casual vacationers.

Social distancing measures are having a significant impact on people’s lives beyond confining many to their homes and causing job losses.

Reports this week include that alcohol consumption is up 42% in the San Francisco Bay Area, applications for divorces are up significantly in China, an estimated 40% of tenants in New York could struggle to make April’s rent payments, and daily users of video chat platform Zoom have reportedly increased 20x since December.

More Mobile gaming, Many consumers stuck at home have turned to online entertainment, such as video games. Apple has seen an increase in downloads, with 222 million game downloads in the week of 2nd February, including the online game Honor of Kings, which has reached a new high in terms of average users.

From this resourceful write-up it can be gathered that There are six threshold levels, based on early indicators across markets (though at different times as the virus outbreak evolves at different rates in different geographies), which are:

**No. 1: Proactive Health-Minded Buying**

* **Consumer behavior shifts:** Interest rises in products that support overall maintenance of health and wellness
* **COVID-19 event markers:** Minimal localized cases of COVID-19 generally linked to an arrival of another infected country

**No. 2: Reactive Health Management**

* **Consumer behavior shifts:** Prioritize products essential to virus containment, health and public safety (e.g., face masks)
* **COVID-19 event markers:**First local transmission with no link to other location and first COVID-19-related death(s)

**No. 3: Pantry Preparation**

* **Consumer behavior shifts:** Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes
* **COVID-19 event markers:** Multiple cases of local transmission and multiple deaths linked to COVID-19

**No. 4: Quarantined Living Preparation**

* **Consumer behavior shifts:** Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain
* **COVID-19 event markers:** Localized COVID-19 emergency actions; percentage of people diagnosed continues to increase

**No. 5: Restricted Living**

* **Consumer behavior shifts:** Severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases
* **COVID-19 event markers:** Communities ordered into lockdown

**No. 6: Living a New Normal**

* **Consumer behavior shifts:** People return to daily routines (work, school, etc.) but operate with a renewed cautiousness about health; permanent shifts in supply chain, the use of e-commerce and hygiene practices
* **COVID-19 event markers:** COVID-19 quarantines lift beyond region/country’s most-affected hotspots and life starts to return to normal

**REFERENCES**

* 1. <https://www.criteo.com/insights/coronavirus-consumer-behavior/>
  2. <https://blog.globalwebindex.com/trends/coronavirus-impact-buying-behaviors/>
  3. <https://csnews.com/six-key-consumer-behavior-thresholds-emerge-around-coronavirus>
  4. <https://econsultancy.com/stats-roundup-coronavirus-impact-on-marketing-ecommerce-advertising/>