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**MATRIC NO: 18/LAW01/104**

**COURSE CODE: BUS 208**

**COURSE TITLE:** **CONSUMER BEHAVIOUR II**

**ASSIGNMENT:** **IN NOT LESS THAT 2000 WORDS, EXPLAIN EXPLICITLY HOW THE PANDEMIC (COVID 19) HAS AFFECTED CONSUMER BUYING BEHAVOUR.**

The pandemic COVID-19 is caused by corona virus. The coronavirus are a group of related [viruses](https://en.wikipedia.org/wiki/Virus) that cause diseases in [mammals](https://en.wikipedia.org/wiki/Mammals) and [birds](https://en.wikipedia.org/wiki/Birds). In humans, coronaviruses cause [respiratory tract infections](https://en.wikipedia.org/wiki/Respiratory_tract_infection) that can range from mild to lethal. Mild illnesses include some cases of the [common cold](https://en.wikipedia.org/wiki/Common_cold) (which has other possible causes, predominantly [rhinoviruses](https://en.wikipedia.org/wiki/Rhinovirus)), while more lethal varieties can cause [SARS](https://en.wikipedia.org/wiki/Severe_acute_respiratory_syndrome), [MERS](https://en.wikipedia.org/wiki/Middle_East_respiratory_syndrome), and [COVID-19](https://en.wikipedia.org/wiki/Coronavirus_disease_2019). Symptoms in other species vary: in chickens, they cause an [upper respiratory tract disease](https://en.wikipedia.org/wiki/Upper_respiratory_tract_infection), while in cows and pigs they cause [diarrhea](https://en.wikipedia.org/wiki/Diarrhea). There are yet to be [vaccines](https://en.wikipedia.org/wiki/Vaccine) or [antiviral drugs](https://en.wikipedia.org/wiki/Antiviral_drug) to prevent or treat human coronavirus infections.

This virus makes it unsafe to move around and conduct normal daily activities, hence, the eminent lockdown in various countries of the world. The World Health Organization advices people to stay in their homes as they wouldn’t know who has contacted the virus at its early stages. The world is in panic and so are the trade industries. COVID-19 has impacted consumer behavior in the industry. Merchants are scrambling to cut costs, reduce the impact of fraud, scale efficiently, and deliver a consistent customer experience to meet rising consumer online buying behavior, said Michael Reitblat, CEO and co-Founder of Forter. The aftermath of the pandemic will accelerate digital transformation among merchants as consumer shopping habits adapt.

Covering industries including travel, fashion and beauty, food and beverage, marketplaces, and more, The [Forter Special Report](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fexplore.forter.com%2Ffai%2Fp%2F1%3Futm_campaign%3D20Q2%25208th%2520FAI%252FCOVID-19%2520Report%26utm_source%3Dbusinesswire%26utm_medium%3Dpress_release_text_link2&esheet=52200735&newsitemid=20200408005181&lan=en-US&anchor=Forter+Special+Report&index=3&md5=2fb18e3636ab8f7155ea41279830f2b1) uncovers consumer buying trends such as:

* The travel industry has been extremely hard hit. Regional variations are appearing, in particular an increase in purchases of inbound international travel to China in the weeks before the country closed down inbound travel on 26 March. Data in the last month points to optimistic travel in which the travel date is 120 or more days following booking. Such bookings now account for 65% of travel purchases.
* The food and beverage industry has seen a dramatic increase in online purchases. New accounts now represent 15-25% of all customer volume, compared to 5-7% prior to the pandemic. As merchants struggle to manage the increased volume and meet expectations of new customers we are seeing an increase in service chargebacks.

Fraudsters are exploiting confusion and uncertainty caused by government and corporate policies:

* As people adjust to working from home, Forter sees a marked increase in social engineering fraud, associated with fake emails purporting to be from HR and corporate addresses. Here fraudsters invite people to click for more information, instead taking victims to malicious sites.
* With a shift to online shopping in Apparel and Accessories, we see an increase in gift card purchases. While a higher number of legitimate buyers usually mean that fraud rates drop, gift card fraud rates have not. Fraudsters have noticed an increased demand of the completely virtual merchandise that is easy to monetize.

In its recent report, [Mitigate Coronavirus (COVID-19) Business Impacts With Digital Commerce](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fwww.gartner.com%2Fen%2Fdocuments%2F3982592%2Fmitigate-coronavirus-covid-19-business-impacts-with-digi&esheet=52200735&newsitemid=20200408005181&lan=en-US&anchor=Mitigate+Coronavirus+%28COVID-19%29+Business+Impacts+With+Digital+Commerce&index=4&md5=bfa7e8b22b7d8e03d4e47bc58a8f0ff7) (March 2020), Gartner asserts that the COVID-19 outbreak will negatively impact business performance in the short term as offline activities are canceled and online orders overwhelm delivery capacities. Application leaders can mitigate the impact and ensure continuity of operations by accelerating digital commerce initiatives.

With more consumers experiencing buying online, we expect merchants who hadn’t considered e-Commerce as a viable platform to now try it, continued Reitblat. Merchants that had already adopted e-Commerce struggle to meet this increase in demand. Working collaboratively from home and hiring to meet the volume create obstacles for those who manually review transactions for fraud.

It has been over eight weeks since China confirmed its first case of COVID-19 and the outbreak began to spread globally. In that time, Nielsen has recorded record-breaking sales of health-safety products, such as medical masks and sanitizers, but we’ve also seen a ripple effect triggering broader consumer purchase behaviors as the number of reported COVID-19 cases increase around the world.

The six threshold levels, based on early indicators across markets (though at different times as the virus outbreak evolves at different rates in different geographies), are detailed below. Each one correlates with different levels of consumption, but there are some common timing elements, which are primarily driven by news cycles. Threshold levels 1-4 are beginning to show predictable signs of spending from consumers. In other words, depending on what stage any particular country is in, there are signs that spending behaves in a common way that may make it possible to understand what might happen next, country to country.

The world is largely past the first stage of proactive health-minded buying that drove only minor changes to sales patterns. However, at threshold level 2 (reactive health management), consumers in affected markets began stocking up on essential health-safety products, such as hand sanitizers and masks.

But as news reports detailed the continued and quick spread of the virus around the world, consumers in many countries jumped to threshold level 3: pantry preparations. By this stage, they begin developing stockpiles of food and emergency supplies. These spending spikes lessened in the weeks after the panicked moments but spiked on subsequent news events or developments. Learning from purchase habits in countries where consumers have progressed through the six threshold levels may help supply chain management in the regions that have been most hit with COVID-19, particularly as governments appear to be enacting more aggressive protocols as they learn more about the virus and its spread. These public efforts also appear to shorten the time it takes for some countries to move through each threshold. As it stands, China is the only country with large levels of its population impacted to reach level 6 and begin returning to normal ways of living. After extended periods of isolation, many workers have returned to offices and factories, with the exception of areas hardest hit, such as Hubei province.