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**ASSIGNMENT TITLE: CONSUMER BEHAVIOUR**

**WHAT IS CONSUMER BEHAVIOUR?**

Consumer behavior focuses on consumer’s related activities of the individual as he goes along in his buying interactions and exchange. It investigates the reasons he chooses to buy a product or service instead of the other similar product and the factors that influences the selection, purchase use and disposal of product, goods and services so as to satisfy personal or industrial needs.

Consumer behavior can therefore be defined as the study of how consumers select, purchase, use and dispose of goods and services to satisfy personal needs, household needs and industrial needs.

Consumer behavior could also be said to be referred to the buying behavior of the ultimate consumer. The term consumer behavior can also be seen as those acts of individuals and organisations directly involved in obtaining and using economic goods and services including the decision making processes that follows and determines those acts. This motion encompasses those act of before purchase and after sales of both intermediate and final users.

Another definition of consumer behavior can be seen as a body of knowledge or discipline and the study of the decision making processes and all the acts of both the immediate and final users in the purchase and consumption of goods and services.

The American Marketing Association (AMA) also defines consumer behavior as the dynamic inter-function of effects and cognition, behavior and the environment by which beings conduct the exchange aspect of their lives. Be it to mean that consumer behavior is also the thoughts and feelings of people’s experience and the action tey exhibit, perform during the process of consumption.

There are certain factors that influence consumer choices and buying decision:

1. Consumer own thinking, feelings and desire for the product
2. Environmental factors such as social influences: personal group, culture, family, opinion leader, psychological and perception.

**WHO IS A CONSUMER?**

A consumer is a private person or a corporate body of any organization, nation who has an end user buys a product from a seller or uses goods and services bought through an agent. The consumer is one who sees a product, has the cash and willingness to buy and consume the product.

A consumer may even be seen by marketers as a consumer if he buys a product for consumption or use without selling it. It is very difficult for the marketer to automatically discover who a consumer is until a deal is closed or the cash beel rings or the buyer discloses his personality at the point of buying.

**EFFECTS OF COVID-19 ON CONSUMER BUYING BEHAVIOUR**

Before the covid-19 pandemic we were living our normal lives without fear in our minds. We could freely move around, visit friends and family etc. Now, because of the pandemic which isn’t just a national problem or affecting just a section of the world or affecting a particular race of people but it is a global problem affecting every race, nationality and all classes of people. The world is on a lockdown, some economic activities and recreational activities have ceased. This pandemic has changed consumer buying behavior and patterns.

As the covid-19 pandemic continues to spread, consumer buying behavior and spending patterns are dramatically changing. Today, customer’s worldwide are stacking up food and utility supplies such as face masks, hand sanitizers, soap and so on. Consumer buying behavior and spending trends for health related goods and emergency pantry items have experienced a boost in sales.

**BEHAVIOR DURING THIS PANDEMIC**

The reality of this pandemic took the world by surprise. People worldwide are still trying to adapt to the idea of prolonged indoor stays. In countries heavily impacted by covid-19, consumers are stockpiling food and other essential items while isolating themselves from crowds. A research was conducted at the beginning of the pandemic in China and extended to other countries that have also been affected. Consumer trends were monitored and it was found out that consumers go through six behavioral stages based on their awareness of covid-19 spread. They include:

1. Proactive health minded buying: increased interest in the acquisition of products that maintain well being or health.
2. Reactive health management: Prioritizations of products for infection containment e.g. face masks.
3. Pantry preparation: Higher purchases of shelf-safe products and increased store visits.
4. Quarantined living preparation: Increased online shopping, decreased store visits and first signs of strain in the supply chain.
5. Restricted living: Possible price gouging due to limited supplies and deterred online fulfillment.
6. Living a new normal: Increased health awareness even as people return to their typical daily activities.

The study also found out that consumers typically moved from one stage to another in a period of two weeks in areas close to the initial outbreak. However, this happened much faster in other countries where the outbreak started later such as Italy and the US.

Currently, the only country where consumers are starting to transition to the sixth stage is China while the US has begun to move towards restricted living.

**INCREASE IN ONLINE SHOPPING**

When consumers are faced with shopping restrictions, they find and adopt newer ways to shop through technology. In 2019, the online grocery shopping market generated about $28.68 billion or a 20% increase from 2018. Despite this growth food and beverages were still one of the smallest e-commerce categories. Last year, it was mostly the younger population segment that tried online grocery shopping with 55% of 25 to 34 year olds considering themselves likely to purchase groceries online in contrast to only 35% of 45 to 54 year olds expressing the same sentiment.

However, due to the pandemic, older generations are starting to see online shopping as a valid and safe option to obtain groceries. For example, Alibaba reported that China online grocery orders placed by people born in the 1960s were four times higher than normal during the Spring Festival or the period China was still discovering new cases of covid-19 each day. As the government implemented precautionary measures such as store closure, social distancing and everyone to stay indoors to prevent the corona virus spread e-commerce is witnessing a dramatic spike in sales.

With so many consumers entering restricted living situations, there has been a spike in other categories especially in entertainment and media. That is not surprising given that staying at home increases the amount of content people watch by 60%. Video games and video game internet traffic have seen a 75% increase since restrictions were imposed in the US.

**BULK BUYING**

Due to the corona virus outbreak, government in countries affected by the virus ordered its people to stay indoors till the virus is taken care of and as a result people purchase in bulk essentials like food, utilities like face masks, hand sanitizers, toilet paper, soap, etc to sustain during this pandemic.

There has also been a shift from purchasing fresh foods to packaged goods. Packaged foods are more durable and last longer than fresh foods which given just a few weeks go bad.

**DROP IN SALES OF NON-ESSENTIALS**

Non-essentials during this pandemic include jewelries, bags, clothes, electronics and many more. People now are more concerned with how they can survive, sustain and make themselves comfortable. Anything other than food, safety kit( face masks, hand sanitizers, etc ), electricity, internet and entertainment are non-essential.

Retail stores selling these non-essentials are at a great loss, including the internet stores. There has been a drastic drop in sales for these group of products. A tailor whose source of livelihood is sewing clothes for other people for their different occasions such as weddings, parties, social gathering and so on is put out of business during these trying times. Social gatherings are not allowed during the pandemic and we must adhere social distancing there is a low demand for new clothes. A shift from demand for non-essential goods which the people of high class usually demand on daily to essential goods.

In Nigeria, the government has ordered all individuals to stay indoors in specific locations such as Abuja, Lagos state, Ogun state and a few other states in the south. Everyone is suppose to stay at home and all offices and places of work are to close down for the time being except for essentials like retailers selling food stuff and manufacturers of food, health care centres like hospitals and clinics. But even these stores are also losing since everyone is indoors and no one is going outdoors because of fear of contacting the virus.

**QUALITY AND TRUST A TOP PRIORITY FOR CONSUMERS**

As the covid-19pandemic continues to spread worldwide, consumer buying behavior is moving away from a cost-saving nature. Today, consumers are more concerned about the quality and safety of the products. This trend in consumer buying behavior is compelling businesses to communicate their safety measures clearly to customers. This majorly applies for baby care and food companies where consumers demand the highest safety. These strategic initiatives can help businesses to build trust and enhance sales.

Businesses can respond to changing customer buying behavior by embarking on the following:

1. Emphasize on quality and efficacy: A consumer demands products that are free of risks and of the highest quality. Businesses must focus on communicating how their products are risk free. For instance, food companies can specify safety measures undertaken by them while manufacturing and packing products to build the trust of consumers.
2. Be transparent about local origins: Today, shoppers demand complete transparency from farm to factory to distribution and details of procedures undertaken to assure product safety. In this context, promoting product’s local origins can help businesses to drive sales.
3. Leverage technology: With digital connectivity taking a greater hold on everyday habits post corona virus outbreak, business that leverage the latest technologies and enable seamless interaction through direct-to-consumer offerings are expected to gain a competitive advantage.

**CONCLUSION**

It is possible that consumer buying behavior will go back to normal after this corona virus outbreak is over. Businesses will reopen and everyone will go back to living their normal lives although there might be a change in both the economy and our social living.

References: Consumer Behavior textbook by Achugo Eusebius PhD and Folayan Opeoluwa Florence MSc.

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