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QUESTION

Explain explicitly how the pandemic (COVID- 19) has affected consumer buying behaviour.

In the Christmas of 2019, a certain community in Wuhan China ate a Bat, an unusual delicacy that seems to have cost the health sector as well as the global economy a lot more than expected. The Coronavirus pandemic which began in that small town spread over the world, reaping havoc wherever it touched on all spheres of life. However, this essay aims to explore in-depthly how this pandemic has affected the consumer behaviour across the globe. Therefore making use of case studies and relevant up to date information, this writer aims to reach a judicious conclusion as to the extent of effect this pandemic has had on consumer behaviour as a whole.

WHAT IS CONSUMER BEHAVIOUR

Consumer behaviour as defined by Solomon et al (1995) describes consumer buying behaviour as a process of choosing, purchasing, using and disposing of products or services by the individuals and groups in order to satisfy their needs and wants. Similar definition of consumer buying behaviour is offered by Schiffman and Kanuk (2000) in which they describe it as behaviour that consumers express when they select and purchase the products or services using their available resources in order to satisfy their needs and desires.

According to Blackwell et al (2006) consumer buying behaviour is itself a complex, dynamic issue which cannot be defined easily and commonly. Therefore, the concept of consumer buying behaviour has been defined in different ways by different researchers.

This theory of consumer behaviour is used by economists worldwide to explain scenarios such as why two individuals of the same upbringing would walk into a restaurant and order separate meals. Simply, this writer explains that the study of consumer behaviour answers the question on “why people buy what they do”.

WHAT AFFECTS CONSUMER BEHAVIOUR

Over the years, theorists have discovered that people are motivated by several things, their religion, advertising as well as trends in fashion, and as much as they are influenced by those, people are also motivated most especially motivated by who they are, their socio-economic background, culture and in a time such as the current pandemic of 2020, people are motivated by fear. A fear which is exploited by producers to their advantage or to the collapse of the market. Meanwhile, there are various other factors influencing the purchases of consumers, all of which are affected by the pandemic such as social, cultural, personal and psychological. The explanation of these factors is given below. But it raises the question of what this Pandemic is and why does it seem to have so great an impact on consumers.

WHAT IS THE CORONAVIRUS

The Pandemic of 2020 is as a result of the Coronavirus disease (COVID-19), an infectious disease caused by a new virus. The disease causes respiratory illness (like the flu) with symptoms such as a cough, fever, and in more severe cases, difficulty breathing. People have therefore been urged to protect yourself by washing your hands frequently, avoiding touching your face, and avoiding close contact (1 meter or 3 feet) with people who are unwell. Though this may seem a simple and effective measure to combat the illness, it has a negative effect on consumer behaviour.

IMPACT OF CORONAVIRUS ON CONSUMER BEHAVIOUR

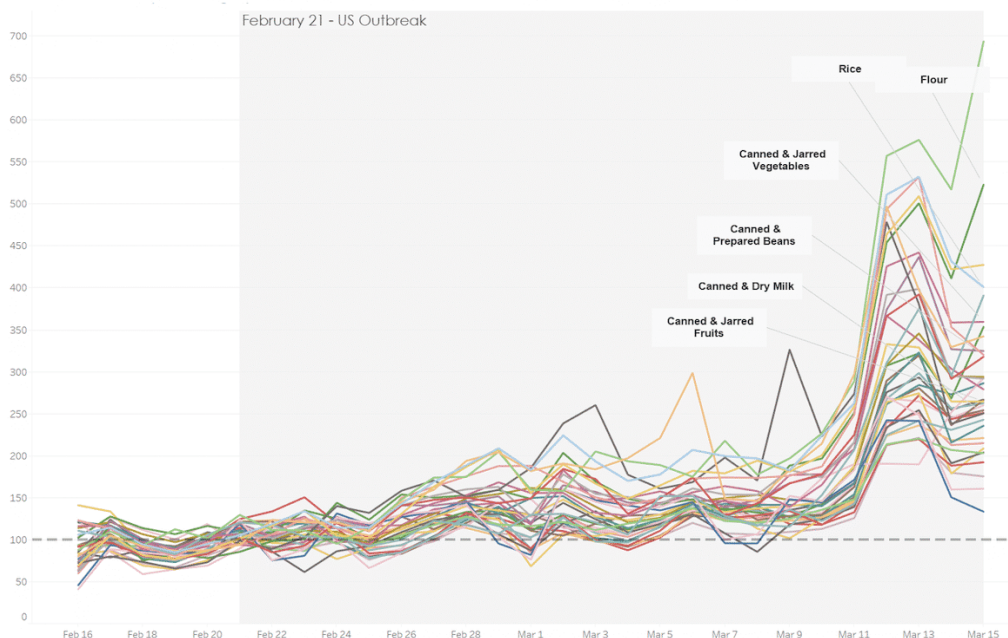
As previously stated above, consumer behaviour is greatly influenced by several factors one of which is the economic situation of the country or nation wide. Consumer economic situation has great influence on his buying behaviour. If the income and savings of a customer is high then he will purchase more expensive products. On the other hand, a person with low income and savings will purchase inexpensive products. This seems relatively easy to comprehend. Therefore, when a pandemic such as the COVID-19 arises and individuals are forced not to work but rather stay indoors, the effect could be quite catastrophic.

A case study could be seen among Nigeria where a large percentage of the population feed from Hand to Mouth, those working low income jobs such as market women and brick layers are highly disadvantaged due to this pandemic. Using the Example of a one “Iya Bose” who was interviewed on the late news the day of the pandemic. She is an ‘Ugwu’ seller at the Utako Market Abuja, Nigeria. and was lamenting to the government to take away the lock down as she has 3 children at home and was unable to make any sales that day. Due to the lock down, people were not coming out to purchase any food stuff, especially those sold in the open such as Ugwu and other foodstuffs like those. Iya Bose who had been there since 5:30am made no money therefore could not buy food to eat nor anything to take home to her children. The pandemic influenced the economic situation in the county so she was unable to make any profit to in turn use it to make purchases.

INCREASE IN GROCERY BUYING

On the other end of the scale, businessess dealing with supply of hand sanitisers, gloves and masks have increased their prices stupendously due to the necessity at this time. Investors fear the spread of the coronavirus will destroy economic growth and that government action may not be enough to stop the decline. In response, central banks in many countries, including the United Kingdom, have slashed interest rates. That should, in theory, make borrowing cheaper and encourage spending to boost the economy.

Shelf-Stable Groceries Spike in the Wake of Coronavirus

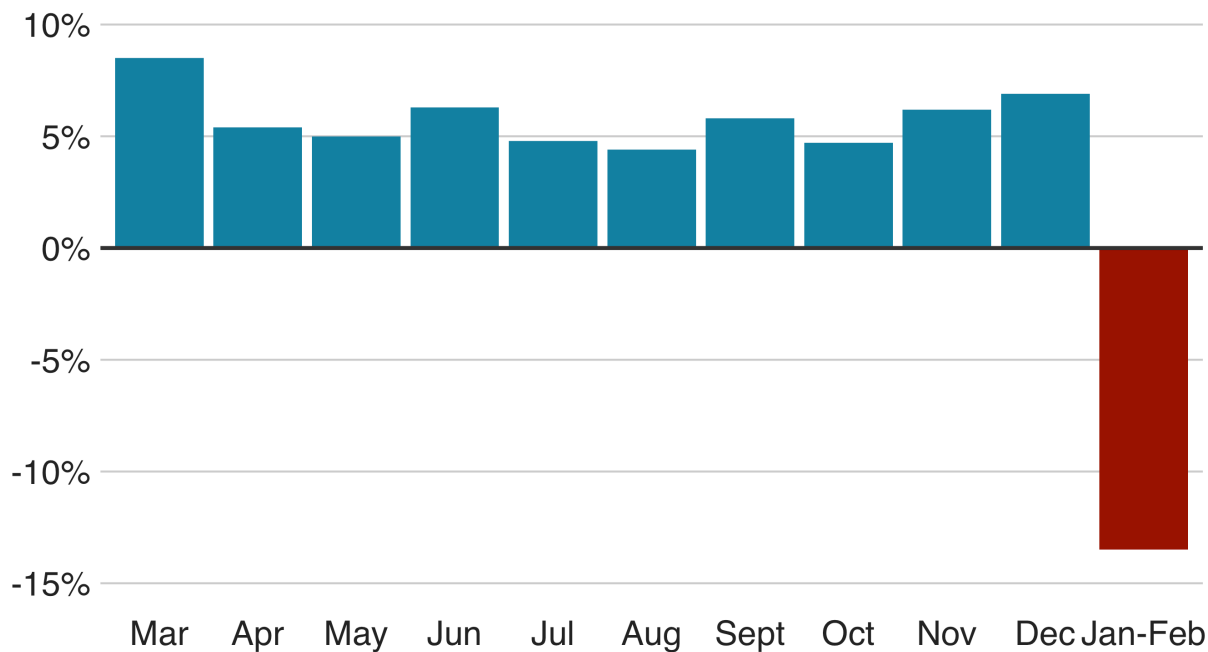


Indexed Revenue for Select Food Categories, US - Compared to average in January (1-28)
At least 5 retailers per category.

As seen in the illustration above, there has been an immaculate increase in consumption of food stuff. Supermarkets and online delivery services have reported a huge growth in demand as customers stockpile goods such as toilet paper, rice and orange juice as the pandemic escalates.

In China, where the coronavirus first appeared, industrial production, sales and investment all fell in the first two months of the year, compared with the same period in 2019. China makes up a third of manufacturing globally, and is the world's largest exporter of goods. S shown in the illustration below.

Chinese industrial production fell by 13.5% in the first two months of the year



Source: China National Bureau of Statistics

BBC

Psychological Factors are seen to affect consumer behaviour. There are four important psychological factors affecting the consumer buying behavior. These are: perception, motivation, learning, beliefs and attitudes all of which have been influenced by reason of the pandemic

The level of motivation affects the buying behavior of customers. Every person has different needs such as physiological needs, biological needs, social needs etc. The nature of the needs is that, some of them are most pressing while others are least pressing. Therefore a need becomes a motive when it is more pressing to direct the person to seek satisfaction. When a pandemic such as COVID-19 arises, individuals are either too afraid to purchase anything due to fear of contracting the virus or have been seen to excessively buy due to that same fear, which is referred to as "PANIC BUYING" this is most rampant in America and Europe where necessities such as; tissues, sanitary pads, bread e.t.c are scarce as they have been emptied off the shelves by individuals scared of how long this would last.

INTERNET AND MEDIA

Selecting, organizing and interpreting information in a way to produce a meaningful experience of the world is called perception. This is shaped a lot by the media and internet. There are three different perceptual processes which are selective attention, selective distortion and selective retention. In case of selective attention, marketers try to attract the customer attention. Whereas, in case of selective distortion, customers try to interpret the information in a way that will support what the customers already believe. Similarly, in case of selective retention, marketers try to retain information that supports their beliefs. Customers possess specific belief and attitude towards various products. Since such beliefs and attitudes make up brand image and affect consumer buying behavior therefore marketers are interested in them. Marketers can change the beliefs and attitudes of customers by launching special campaigns in this regard.

GOVERNMENT POLICY

The travel industry has been badly damaged, with airlines cutting flights and tourists cancelling business trips and holidays. Governments around the world have introduced travel restrictions to try to contain the virus. The EU banned travellers from outside the bloc for 30 days in an unprecedented move to seal its borders because of the coronavirus crisis. In the US, the Trump administration has banned travellers from European airports from entering the US. Data from the flight tracking service Flight Radar 24 shows that the number of flights globally has taken a huge hit.

INCREASED PURCHASE OF MEDICAL SUPPLIES

As of April 8th, Nigeria has recorded 276 cases across several states with 6 deaths and discharged 44 cases. In addition to providing their expertise, the donation provides medical supplies to augment the efforts of the government towards containing the COVID-19 outbreak in Nigeria. The donors, a group of Chinese companies working in Nigeria, made this gesture in a show of solidarity and cooperation with the Nigerian government as the world works together to contain this disease which has disrupted the lives of many. The donation also includes medical equipment and consumables, personal protective equipment (PPE) with over 1 million medical masks for health workers, and ventilators, amongst other items valued at over \$1,300,000. These resources will support the ongoing efforts of our hard-working and resourceful health workers across the country, including doctors and nurses, who have been at the forefront of fighting the coronavirus disease.

LUXURIES REMAIN UNCHANGED

However, some areas remain unchanged. Consumer behavior is deeply influenced by cultural factors such as: buyer culture, subculture, and social class. Every society possesses some form of social class which is important to the marketers because the buying behavior of people in a given social class is similar. In this way marketing activities could be tailored according to different social classes. Here we should note that social class is not only determined by income but there are various other factors as well such as: wealth, education, occupation etc. so a lot of luxury goods have seen a little to no change in sales.

Since the top of the year, online transactions in the Fashion & Luxury category—which includes items like designer clothes, watches, jewelry, and handbags—have largely stayed above their 2019 numbers. The growth trend that we saw in January 2020 continues unabated, even in the face of a worsening COVID-19 outbreak in the US. As offices close and employees are encouraged to work from home, many may be outfitting their spaces with items that let them work comfortably and efficiently. In the US, sales of home improvement, gardening, and interior design products—which includes things like office furniture, lamps, and area rugs—were up +13% in early March and still up by +8% last week, compared to January 2019.

CONCLUSION

Consumer behaviour is affected by several factors such as culture, social class and group, reference groups, opinions of leaders, family, and even the media. And all these areas are affected by the pandemic. Due to the Pandemic, it is clear that there has been a clear effect of this on the behaviour of consumers. Where consumers are buying their products has also changed. Over the last two weeks, consumers are beginning to fear crowding and lack of inventory, and said they are shopping less at wholesale and big box retailers (at a decrease rate of 33 percent and 35 percent, respectively). Fifty-four percent of consumers are no longer considering the purchase of big-ticket items (homes, cars, trips, luxury goods) over the next three months. Instead, consumers are focusing on two tiers of consumable products, which Britton has deemed the “Survival” tier and the “Sanity” tier.

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