

NAME: EBOH CHIDUBEM OVERCOMER

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COURSE TITLE: CONSUMER BEHAVIOUR II

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LEVEL: 200

QUESTION:

In not less than 2000 words explain explicitly how Covid-19 has affected consumer behaviour.

COVID-19- has induced changes in consumer behaviour of not just Nigeria alone but the world at large. The need for millions to retreat into self-quarantine, caused by the outbreak, has forced changes in the way many people have behaved for over a month now. Being cooped up at home for such an extended period has left an indelible (if subtle) shift in how consumers in Nigeria and all over the world behaves - and through its influence, Africa - behave in the future.

What will result from consumers being home-bound for a month (or more)?

In just the two weeks lockdown placed by the government of Niheria a considerable amount of change has been seen. The pace of life slows. The need for new routines emerge. Working from home becomes a necessity.

In countries heavily impacted by COVID-19, consumers are stockpiling food and other essential items, while isolating themselves from crowds. To find out how and when consumers started showing these behavioral changes, Nielsen<sup>1</sup> conducted shopper behavior research that started during the beginning of the pandemic in China and extended to other countries that have also been affected. They monitored consumer trends, as COVID-19 news reached the general public and found out that consumers go through behavioral stages based on their awareness of the COVID-19 spread in their communities:

1. Proactive health-minded buying: Increased interest in the acquisition of products that maintain well-being or health, Planning rationed shopping expeditions alters shopping lists.
2. Reactive health management: Prioritization 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 on the supply chain, Elders, previously reticent to shop online, find that new, easier-to-use apps and social media make shopping a breeze.

#### 5. Restricted living: Possible price gouging due to limited supplies and deterred online fulfillment

During the week of March 2, 2020, COVID-19 got up close and personal in America . That week the disease begin to rout U.S. financial markets and rock nearly every aspect of daily life.

For this first week, any behavioral changes were self-imposed – it was largely business as usual across most of the U.S., despite reports that the contagion was escalating. Businesses were still open, people were still going to work and having meetings, planes were still flying, gyms and movie theatres were still open, sport teams were still playing in arenas (at least that week), and stores were still operating at normal business hours, as were bars and restaurants.

All that said, consumers had begun to do things differently. On the first week

I learned that:

- Men and women are equally concerned about their risks of contracting the virus, but women were more likely to change their day-to-day routines in an effort to manage them.
- The 30- to 40-year-old bridge millennials were the most concerned of all demographic groups
- Higher-income individuals shopped more online, while those earning less than \$50,000 a year just didn't do much shopping at all.
- All consumers reported eating out less, particularly at restaurants with table service, and said they used delivery aggregators, bought prepared foods at grocery stores and used mobile order-ahead less than they did before that week.
- Even before March Madness was canceled and sports teams pushed pause (or stop) on live events, consumers had put social distance between themselves and sports arenas, as well as movie theatres.
- Consumers just said no to getting on planes – especially if those trips were to New York or any international destination for work or pleasure. The same held true for booking vacation rentals and B&Bs and using public transportation, at a lesser degree.

Consumers also reported eating at home more than they did before reports of the outbreak in the U.S., and were using meal delivery services, aggregators and mobile order-ahead services less often.

Consumers voluntarily put themselves under partial quarantine by working from home and by commuting via car rather than using public transit if they were going to work. They also made decisions to cancel work-related gatherings and leisurely plans of all sorts, from attending

sports events and concerts to watching films in theaters – even before the sports franchisees decided to take unprecedented measures and do that for them.