NAME: ADINDU ADAOBI

COURSE: CONSUMER BEHAVIOR

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“In not less than 2000 words, explain how the COVID-19 pandemic will affect consumer buying behavior.”

To begin this essay, I will start with a concise but enlightening note on the corona virus disease. The corona virus disease is an infectious disease caused by the newly discovered corona virus, originating in the city of Wuhan, Peoples Republic of China. A lot of rumors surround its existence and origin so far and there are many myths so it is best not to believe what we see on gossip mills and social media because they are often not very accurate. An example of these myths is that the virus cannot survive during very hot seasons. The World Health Organization has debunked this claim because the disease has not been around all year long and it is therefore impossible to tell right now whether it can survive in hot temperate or not. The infection primarily affects the respiratory system and is spread primarily by droplets of saliva and discharge from the nose when a person sneezes or coughs, therefore making it an airborne disease and highly contagious. Those who are infected with the disease experience mild to moderate respiratory illness and will recover without requiring special treatment provided that their immune systems are strong while elderly people or people who suffer from terminal illnesses such as cancer, diabetes, hypertension, cardiovascular disease and chronic respiratory disease are likely to develop serious illnesses. In order to keep ourselves safe from the disease, the World Health Organization has advised us to take the following preventive measures;

* Staying at home. This is one of the surest ways to keep ourselves away from the virus as we only come in contact with a small number of persons and are a lot less likely to contract the disease
* Washing our hands very often or using alcohol based hand sanitizers and avoiding touching our eyes, noses and mouths with unwashed hands.
* Covering our noses and mouths with surgical masks and wearing disposable gloves when we do have to go out in public
* Practicing social distancing that is staying at least a meter apart (3 feet) from the next person
* Practicing respiratory hygiene such as covering our noses and mouths when we sneeze or cough.

We have examined the corona virus briefly so in order to examine how it affects consumer buying behavior, we need to explain what consumer behavior is in the first place;

Consumer behavior may simply be defined as the study of individuals, groups or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer’s emotional, mental and behavioral responses that precede or follow these activities. Consumer behavior emerged in the 1940s and 1950s as a distinct sub discipline of the marketing area. Consumer behavior is an inter-disciplinary social science that blends in elements from Psychology, Sociology, Social Anthropology, Anthropology, Ethnography, Marketing and Economic; especially Behavioral Economics. It examines how emotions, attitudes and preferences affect buying behavior. Characteristics of individual consumers such as demographics, personality, life style and behavioral variables such as usage rates, usage occasion, loyalty, brand advocacy, willingness to provide referrals, in an attempt to understand people’s wants and consumption are all investigated in formal studies of consumer behavior. The study of consumer behavior also investigates the influences on the consumer from groups such as family and friends, sports, reference groups and the society in general. The study of consumer behavior is concerned with all aspects of purchasing behavior from pre-purchase activities through to post-purchase consumption, evaluation and disposal activities. It is also concerned with all persons involved whether directly or indirectly in purchasing decisions and consumption activities including brand influencers and opinion leaders. Research has shown that consumer behavior is difficult to predict, even for experts in the field. However, new research methods such as ethnography and consumer neuroscience are shedding new light on how consumers make decisions. Consumer relationship analysis databases have become as asset for the analysis of consumer behavior. The voluminous data produced by these databases enable detailed examination of behavioral factors that contribute to customer re-purchase intentions, consumer retention, loyalty and other behavioral intentions such as the willingness to provide positive referrals, become brand advocates or engage in customer citizenship activities. Databases also assist in market segmentation such as developing loyalty segments, which can be used to develop tightly targeted, customized marketing strategies on a one-on-one basis.

In its early years, consumer behavior was heavily influenced by motivation research, which had increased the understanding of customers and had been used extensively by consultants in the advertising industry and also within the discipline of psychology in the 1920s, 30s and 40s. By the 1950s, marketing began to adopt techniques used by motivation researchers including depth interviews, projective techniques, thematic apperception tests and a range of qualitative and quantitative research methods. More recently, scholars have added a new set of tools including ethnography, photo-elicitation techniques and phenomenological interviewing. Today, consumer behavior is regarded as an important sub-discipline within marketing and is included as a unit of study in almost all undergraduate marketing programs.

Consumer behavior entails all activities associated with the purchase, use and disposal of goods and services including the consumer’s emotional, mental and behavioral responses that precede these activities. The term can refer to individual consumers as well as organizational consumers and more specifically, an end user and not necessarily a purchaser, in the distribution chain of a good or service. Consumer behavior is concerned with:

1. Purchase activities: this simply refers to how consumers acquire goods and services and products and all the activities leading up to that purchase decision, including information search, evaluation of goods and services and payment methods as well as the purchase experience.
2. Consumption activities: concerns the Who, when and how of consumption and the usage experience including the symbolic associations and the way goods are distributed among families or consuming units.
3. Disposal activities: has to do with the way consumers dispose of products and packaging and may also include reselling activities on platforms such as eBay and second hand markets.

Now that consumer behavior has been briefly examined, we then proceed to the inverse relationship between the Corona Virus Disease 2019 pandemic and consumer buying behavior.

The Corona Virus Disease 2019 pandemic that is currently ravaging over a hundred countries of the world will definitely have a great effect on consumer buying behavior. Contrary to the view of many, the pandemic will not have only negative effects on consumer buying behavior. Yes, some businesses will suffer greater loss than others but some are still making profit; even more than usual in these perilous times. Restaurants and bars are some of the business ventures that will experience a shortage of patronage during this period as well as event spaces and retail stores due to constant calls for social distancing but at the same time consumers are shifting their habits and some companies and product categories are actually growing. An excellent example of these are the soap and hand sanitizer companies. Due to the constant calls for people to maintain social distance of at least a meter and people’s fear of contracting this disease due to its high contagiousness of the disease, the following changes have been noted in consumer buying behavior since the outbreak of the disease:

* Grocery sales are going up: the online purchase of shelf stable grocery items have grown substantially in countries like the United States of America in the last few days. Canned and prepared foods such as beans, vegetables and even soups and milk are people’s preferences during this period because they have a long shelf life, are versatile and are frequently offered in large quantities making it easy to stock up and reduce the number of times people have to frequent stores and markets.
* Sales of medical supplies are soaring: this trend was first noticed in the Southern European countries such as Italy, France and Spain which have been one of the worst hits of the pandemic so far when their sales of medical supplies went up by 286% in early March. In France, where a country wide quarantine had even been imposed saw a rise in the sales of medical supplies to about 600%, out pacing even food sales. Nigeria and other countries are not too far behind on this trend as awareness has been created on basically every social media platform at this point about how the disease can be spread easily. The sale of medical supplies such as disposable hand gloves, surgical masks and thermometers and even goods such as alcohol based hand sanitizers and hand soaps have experienced a massive boost during this period. Every time you step out, you hardly see people who are not wearing surgical masks or at least something to cover their mouths and noses and gloves of some sort with hand sanitizers within reach. The public places which cannot be closed down during these periods such as hospitals install hand sanitizer dispensers everywhere possible and advise people to make use of them as often as possible.
* The United Kingdom favors non-perishable fruit and milk: citizens of the United Kingdom who were used a case study have been seen to favor non-perishable milk and fruits over the regular organic kind like some of their European brethren. According to studies conducted by Criteo, the sales of canned and dried milk increased by more than 350% last week, while canned and jarred fruits went up by 297% and flour sales sky rocketed to 623%. These goods have reasonably long life spans and limit peoples’ need to frequent grocery stores, convenience stores, markets and super markets as they make it easier for people to stock up on essential ingredients and materials.
* Increased rate of online transactions: due to the news reports we have seen about the corona virus disease, people are extremely afraid of it because of the fact that doctors and other professionals in the medical field are yet to create a vaccine or cure for it. And the ever rising death toll is also not happy news to people. Some, unlike the ones who still have the occasional contact with the outside world going to buy essential commodities such as food and water, have cut off all forms of contact with the world outside the safety and comfort of their homes completely. You may be wondering how this is possible and I will tell you how. The technology of today’s world is so advanced that people can sit back in the comfort of their homes and order whatever they wish to online with just a few clicks of buttons on their phones. Some people are even willing to go the extra mile to do away with whatever aspects of their diets are not readily available on online markets so as to completely cut off contact with people outside of their homes and ensure that they are safe at all times. So the increased patronage of online stores and markets is another trend that has developed from the outbreak of the corona virus disease 2019.
* Home furnishings sale is high and still on the rise: as most offices have shut down and employees are at home, many have been forced to look for alternative means of making end meet and providing their basic needs and those of the members of their families that does not necessarily involve them physically transporting themselves from one location to another. This is the reason a lot of people have turned to the internet for a source of livelihood and income. The sale of home furnishings has been on the rise since February as studies have shown, as many are outfitting their living spaces with items that will enable them to work comfortably and efficiently from home. Sales of items such as home improvement, gardening and interior design products; which includes things like office furniture, lamps and area rugs had risen to about +13% in March and are still up by 8% last week as compared to January 2019 in the United States of America.