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CONSUMER BEHAVIOR

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Consumer behavior as a scope 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 forces, factors that influences the selection, purchase, use and disposal of products, goods and services so as to satisfy personal or industrial needs. Consumer behavior is affected by;

* Consumer’s own decision, desire to buy or not to buy a product.
* Environmental factors such as social influences- personal group, culture, family, opinion leader, psychological and perception.

Coronavirus disease (COVID-19) is 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. Coronavirus disease spreads primarily through contact with an infected person when they cough or sneeze. It also spreads when a person touches a surface or object that has the virus on it, then touches their eyes, nose, or mouth.

This novel coronavirus outbreak began in Wuhan, China, in December 2019. It expanded to touch nearly every corner of the globe. Hundreds of thousands of people around the world have been sickened and thousands of others have died.

The reality of this new pandemic outbreak shocked the whole world. People everywhere are still trying to get used to the idea of staying indoors. So, now that we are all trying to avoid leaving our houses and staying away from physical stores, how has this altered our approach to buying things?  Also, will these changes bring about new buying behavior?

In countries heavily affected by COVID-19, consumers are buying food and other essential items in bulk, while staying away from large crowds of people. To find out how and when consumers started showing these behavioral changes, Nielsen[**1**](https://www.nielsen.com/us/en/insights/article/2020/key-consumer-behavior-thresholds-identified-as-the-coronavirus-outbreak-evolves/) 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 six 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

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

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.

These changes in individuals, although fast, was not surprising because when new situations occur, behavior and focus is shifted to adapt to the change in the best possible way. The new focus was on things they thought would improve their physical health and help prevent them from contracting the new disease and not on things they would normally go for. Items like sanitizers, face masks and tissue paper which were not so important to individuals, which they rarely paid attention to became the most sought after items.

The need for items like clothes, shoes, hairs and other trivial items drastically reduced, no one is after trends anymore, moreover, these companies that produce these items were shut down. Therefore, no new products and nothing to catch the eyes of individuals.

Shops everywhere quickly ran out of stock of items due to the vast need for them. Visits to stores and shops became very frequent, as during the lockdowns lots of people would be home and these items would finish in a much shorter time than usual.

Also, places like restaurants and fast food stores lost a lot of their customers as a result of this pandemic. People started focusing on every little health detail and began to wonder whether leaving their food to be prepared by other people who would not necessarily prioritize hygiene was such a good idea. After all they weren’t there to supervise the preparation of such foods so the chefs might as well do what they pleased. Individuals started opting for canned and tinned foods and drinks which they could prepare themselves in an environment they thought would be safe enough.

Also, there isn’t much keeping people busy so everyone turns to their gadgets to keep them occupied and help them pass time. Companies like Netflix, Hulu and others are sure of making tons of money during these times as individuals are sure to make use and subscribe to all these and get different forms of entertainment.

Another major change to the buying behavior of individuals was the lack of protests over the vast increase of prices of goods and products. Individuals would not normally buy items that they felt was outrageously priced, they would rather opt for cheaper products. But due to these new circumstances, prices of many essentials skyrocketed and the consumers are forced against their wishes to get these products because they know that these goods are very important to them.

There’s no doubt that the crisis caused by the global Coronavirus (COVID-19) pandemic has created an incredibly difficult business climate. Businesses are being presented with many new challenges as international borders close, bricks-and-mortar businesses shut their doors, and people are told to isolate at home. Many companies face temporary or even permanent closures, with staff facing months of financial uncertainty and worry. Most of the staff are parents with lots of kids who didn’t usually make enough to take care of the upkeep of the whole family and now with works closed and no source of income to fall back on, it forces these families to cut down their spending. Only essentials and major items will be considered and no other form of unnecessary luxuries. This will be a major change to the buying habits of these families, which of course may be an uncomfortable change but irrespective of the fact that it may not be comfortable for them it is something they must endure. There is so much uncertainty as to the time the lockdowns might be lifted and even at that, all nations will not have the same schedule. Working places may stay closed for a longer period of time and so it is advisable that individuals curb their spending habits.

Consumer behavior has been forced to immediately change, and change on a massive scale. Those in isolation or under lockdown can’t perform their usual routines, especially since many local shops have been forced to close their doors for safety reasons. Concerns about the availability of goods have encouraged panic buying of items in bulk. Financial uncertainty and the prospect of a severe and long-term recession make for a stark backdrop which has led to an impact on consumer outlook, perceptions and behaviors.

For the businesses that remain active at this time, questions are inevitably being asked about how best to cope with the prevailing trading conditions, and how best their strategies should adapt. This is a difficult question to answer since the Coronavirus pandemic is so new that the circumstances are changing fluidly and on a daily basis. Defining a strategy now is difficult as there is limited evidence or precedent to base assumptions on.

Initial indications about what might happen to businesses and the economy could be gauged by looking at the data from the countries which first suffered from the effects of COVID-19. While there’s no guarantee that others will follow the same trajectory, analysis of these countries can reveal useful patterns and insights.

Online, the world is changing just as fast as offline. In early March 2020 The Drum reported on research that shows that, while annual advertising growth rates in China are predicted to fall from 7% growth in 2020 to 3.9%, ecommerce advertising spend is predicted to grow by 17.7% and social media spending to rise by 22.2%.

This seems to reflect the changes in consumer behavior as they switch from buying offline to buying online. They also show that as people are spending more time at home, brands have responded by shifting spend from offline media to online, with 14% reporting this course of action.

In the same piece of research, they go on to state that “e-commerce as a platform has already seen exponential growth, especially in FMCG which saw spending through e-commerce channels in China grow almost seven times as fast as the sector overall in 2019; a trend that the coronavirus outbreak is likely to accelerate.”

The same picture is painted in [research published by Business Insider Intelligence and eMarketer analysts](https://www.emarketer.com/content/the-biggest-business-impacts-of-the-coronavirus-pandemic-according-to-business-insider-intelligence) in March 2020, which suggests that ecommerce is likely to grow as consumers avoid physical stores. Their data suggests that 74.6% of US internet users said they’d be likely to avoid shopping centers and malls if the coronavirus outbreak in the country worsens, and over half would avoid shops in general.

A [new study from Ipsos MORI](https://www.ipsos.com/sites/default/files/ct/news/documents/2020-03/tracking-the-coronavirus-wave4-ipsos.pdf) from mid-March 2020 reveals that 50% of Chinese and 31% of Italian consumers say they’re now using ecommerce ‘more frequently’. In contrast, only 18% of UK respondents said that they were using online stores more frequently, with close to half reporting there was ‘no change’ in their ecommerce habits. However, now that the UK is in lockdown these statistics are likely to change dramatically, probably trending towards the figures seen in other countries with more advanced COVID-19 issues.

While the types of goods people need might change due to their circumstances, the need to purchase these somewhere will remain, and we will likely see a general switch to online shopping.

In theory, online stores of all sizes stand to benefit from the switch of consumer behavior to online shopping since they are already well-positioned to serve the increasing demand for goods and services.

Although, this change from physical to online shopping might pose as a well-fitting change at the moment, how effective will it be in the long run? How efficient will the delivery services be, how fast will it take for customers to get the items they ordered, what happens when orders get mixed up, will there be a way of rectifying such mistakes, there would obviously be a long list of orders to finish and there might be no time to change such things. What will be the case of developing or under-developed countries who are not able to operate this online stores, and what is acting as an incentive to these delivery companies, will they be so keen to do their job, what will keep them from closing down if the cases get worse? These are questions that will need to be asked. Also, the supply chain will not be equally balanced with the demand for these items as everyone will need to get something, some more urgently than others, and if the demand becomes too much then a problem might soon arise.

When this pandemic finally clears, there might be an issue for physical stores. By that time consumers might have already gotten too used to buying their things online and might not necessarily want to go back to getting things from these physical stores. The stress of driving out to these stores, sometimes really far from our houses might just discourage people altogether.

As good as it will be for everyone to be free to finally go out, and be as free as they want to, shopping might not necessarily be the first thing on everyone’s mind and it will take a while for people to get back to their normal shopping schedules.

It is so clear that this pandemic has brought about a swift change in the buying behavior of individuals; some good and others, not so much. It has brought about the move from shopping in stores and markets to shopping online and put the focus on mostly essential items.