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MATRIC NUMBER: 18/LAW01/202

QUESTION: In not less than 2000 words, Explain how the Pandemic (COVID 19) has affected consumer buying behavior.

**Introduction.**

What is Consumer Behavior?

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 instead of the other similar products, and the forces, factors that influence the selection, purchase, use and disposal of product, goods and services so as to satisfy personal or industrial needs.

Consumer behavior could also be said to be referred to the buying behavior of the ultimate consumer. The term consumer behavior can be seen as those acts of individuals and organizations directly involved in obtaining and using economic goods and services including the decision processes that follows and determines the 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 acts of both the immediate and final users in the purchase and consumption of goods and services.

Finally, the American Marketing Association (AMA) 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 they exhibit, perform during the process of consumption.

WHAT ARE SOME OF THE FACTORS THAT NATURALLY INFLUENCE CONSUMERS BEHAVIOR?

1. Consumer’s own thinking, feelings and desire for the product.
2. Environmental factors such as social influences- personal group, culture, family, opinion leader, perception, and psychological influences such as motivation, attitude, learning, personality and mage can greatly influence a consumers behavior in one way or another.

WHAT IS CORONA VIRUS (COVID 19)?

Corona virus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.

Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment.  Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness.

The best way to prevent and slow down transmission is be well informed about the COVID-19 virus, the disease it causes and how it spreads. Protect yourself and others from infection by washing your hands or using an alcohol based rub frequently and not touching your face.

The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so it’s important that you also practice respiratory etiquette (for example, by coughing into a flexed elbow).

At this time, there are no specific vaccines or treatments for COVID-19. However, there are many ongoing clinical trials evaluating potential treatments.

**Behavior in a time of crisis**

Personally, this writer is of the opinion that the pandemic has made people to consume goods out of fear and perceived necessity rather than for pleasure or casually as it normally is. Consumers now purchase goods from manufacturers they would not have patronized before**.** Incountries 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, a research was conducted on shopper behavior 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

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. So, what kind of possible long-lasting consumer behavior shifts can we expect as a result? It’s still too early to tell, but clear trends can be seen, which, if sustained, could lead to significant shifts in how consumers shop in the future.

Due to this pandemic, consumers have no choice but to use other methods to shop for items they need therefore, they find and adopt newer ways to shop through technology. This is especially true when it comes to health and essential items. In 2019, the online grocery shopping market generated about $28.68 billion or a 20% increase from 2018. Despite this growth, food and beverage 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.

But what about other product categories? With so many consumers entering restricted living situations, there has been a spike in other categories, especially in entertainment and media. That’s not surprising given that staying 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. Of course, not everyone is seeing increases in traffic or purchases, in fact travel sites are experiencing the opposite.

So, do these changes signal a shift into how consumers will behave in the long term? If the holidays are any indicator, even short-term adjustments in behavior can have long term effects. For example, during holidays, there’s an increase in the number of consumers purchasing online or on their mobile devices. We then see this behavior being sustained as new holiday seasons roll in, which means new habits have been established.

Despite the rise in e-commerce activities due to the pandemic, most retailers have a bleak outlook for the rest of the year. This is because e-commerce typically represents only about 16% of their sales revenue. With many stores shutting their doors, it is in the best interest of businesses to maintain and grow their e-commerce strategy.

According to another research, it states that amidst all the uncertainty and calls for [social distancing](https://www.criteo.com/insights/coronavirus-retail-trends/), some industries will be affected more than others. Restaurants and bars are particularly vulnerable, as well as event spaces and retail stores. At the same time, consumers are [shifting their spending habits](https://www.criteo.com/insights/coronavirus-consumer-trends/) and some companies and [product categories](https://www.criteo.com/insights/coronavirus-shopping-trends/) are actually growing.

While circumstances continue to evolve each day, according to Criteo research, more than half (52%) of Americans say they will shop online more in the next two weeks as a result of COVID-19, and 51% say they’ll buy more groceries online.

Here’s what their data is showing right now:

### ****1. Grocery sales are going up.****

In the US online purchases of shelf-stable grocery items have grown substantially in the last few days, including Rice, Flour, Canned & Jarred Vegetables, Canned & Prepared Beans, and Canned & Dry Milk compared to the first four weeks of January.

And it makes sense: These items are made for tough times when people may need to hunker down. They have a long shelf life, are versatile, and are frequently offered in large formats, making it easy to stock up on ingredients that last.

No surprise: Sales of facemasks and household cleaning supplies, which can be used to reduce the chance of contracting or spreading the virus, also shot up in early March compared to the first week in January—before running out of stock.

### ****2. In Southern Europe, sales of medical supplies are soaring.****

In Italy, people prepared to take good care of themselves at home after a partial lockdown on February 25th. Sales of Medical Supplies spiked by +286% in early March. France, which has enacted a country-wide quarantine, saw sales of medical supplies outpace even food products in early March, rising by nearly +600%.

### ****3. The United Kingdom favors non-perishable milk and fruit.****

In the UK, sales of Canned & Dry Milk spiked by more than +350% last week, while Canned & Jarred Fruits were up. Flour sales skyrocketed.

### ****4. Online transactions in Fashion & Luxury remain above 2019.****

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.

### ****5. Home furnishing sales stay high.****

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.

**Relying on manufacturers**

As the population of most countries starts to move from quarantine preparations to restricted living, online fulfillment will be challenging due to strains in the supply chain. This has prompted many consumers to turn to Direct to Consumer (D2C) manufacturers to order and receive goods within a normal timeframe.

These D2C manufactures are a growing segment that caters directly to consumers by bypassing standard distribution channels, effectively gaining direct access to consumers. Several of these manufacturers have seen a significant boost in sales due to the pandemic. For example, Peach, a brand that manufactures high-end bath tissue saw new customers increase by 279% over the last two weeks compared to the two weeks prior.[**8**](https://www.modernretail.co/startups/high-end-home-dtc-brands-are-seeing-a-coronavirus-lift/)

Awareness of D2C manufacturers has increased in the last few years, with almost 48% of manufacturers racing to build D2C channels, and 87% seeing these channels being relevant to their products and consumers.[**9**](https://www.bringg.com/blog/industry-trends/cutting-the-middleman-the-growth-of-direct-to-consumer/) Initially boosted by younger audiences, D2C manufacturers have found success by focusing on specific target audiences and catering to their needs and identities. This D2C trend is expected to continue, and perhaps accelerate, as manufacturers that are still on the fence might finally see the benefits of D2C and make themselves directly available to consumers

However, even D2C manufactures that have found themselves positively impacted by the COVID-19 pandemic will be affected by supply chain issues as consumers start living in quarantine. This means they can’t afford to stand idly by and must find a way to maintain their e-commerce growth once the pandemic is over as well.

### Trust and loyalty

The task of continuing to entice consumers to shop online, for both retailers and D2C manufacturers, is grounded on trust in order to foster lasting loyalty. However, building trust, especially in these extreme situations, means more than meeting expectations, but exceeding them. To do so, here are some important approaches to keep in mind:

**/ Ease the transition.** Make it as seamless as possible for consumers to switch to online shopping. For example, by providing flexibility with payment options and making it easy for them to easily find what they need. This is especially true for consumers who are moving to emerging e-commerce categories, such as groceries, for the first time.

**/ Manage expectations.** Display accurate stock level information especially for sought-after goods. This includes communicating realistic estimates for delivery and even re-evaluating display ads so that consumers don’t feel misled by services you can’t provide.

**/ Foster comfort.** Ensure that customers feel confident that their goods will be delivered on time. Encourage them to sign up for subscription services, whether through preferential pricing or other promos to help them feel safe that they will receive their products without delays.

**/ Leverage promos and loyalty programs.** In times of crisis, consumers are not very price sensitive. However, making price discounts and promotions available, like free shipping, helps nurture goodwill. Increasing loyalty points and rewards programs encourages customers to stay long term.

**/ Prioritize customer care.** Increase communication to foster a relationship with your customers, as they may feel isolated at this time. Set up a hotline to address any questions or concerns, as well as make sure their comments or reviews online are heard, to maintain a lasting positive image with consumers. Remember that consumers are spending more time online and rely on reviews to make purchasing decisions.

In conclusion, it will take some time to tell how much consumer behavior will change due to the COVID-19 pandemic. We’ll learn more and more about the immediate impact on stores and e-commerce as soon as additional countries move through the different stages and into restrictive living.

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