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**COURSE TITLE: CONSUMER BEHAVIOUR II**

**ASSIGMENT**

**In not less than 2000 words, explain explicitly how the pandemic (COVID19) has affected consumer buying behavior.**

**INTRODUCTION**

I will like to begin this assignment with a brief introduction of consumer behaviour and coronavirus. However, we should know that for some few months now, we have been going through a serious pandemic, which has claim the lives of many. This pandemic is referred to an infectious disease which has no respect for age, class or status. It respect neither the rich nor the poor. This dreadful disease is called Coronavirus also known as COVID-19. Also, some of us wonder why our behaviors have changed towards services and products. The main aim of this paper is to see how this coronavirus has affected consumer buying behaviour.

 **Coronavirus** disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. Coronaviruses are a large family of viruses that are known to cause illness ranging from the common cold to severe diseases such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS). This coronavirus is said to affect older people, and those with underlying medical problems like; cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness. Most people infected with COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring treatment. It spreads primarily through droplets of saliva or discharge from nose, when an infected person coughs or sneezes. The most common symptoms are fever, cough, and shortness of breath and breathing difficulties. In more severe cases infection can cause pneumonia, severe acute respiratory syndrome, and even death. The period within which the symptoms would appear is in 2-14 days. So it’s important that you practice respiratory etiquette (for example, by coughing into a flexed elbow). At this time, there are no specific vaccines or treatment for COVID-19.

 The best way to prevent as slow transmission is be well informed about the 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, not touching your face, avoid unprotected close contact with anyone developing a cold or flu-like symptoms. However, there are many ongoing clinical trials evaluating potential treatments. Lastly, there have been confirmed cases in the following countries: China, United States, Italy, Spain, Germany, France, Iran, United Kingdom and Nigeria. It is to note that the cases of this virus keeps increasing.

 Having spoken about the Coronavirus, I would like to speak briefly on consumer behavior, so we could really see how this coronavirus has a serious impact and effect on the consumer’s behavior.

 Consumer behaviour 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 fores, factors that influences the selection, purchase and disposal of product, goods and services so as to satisfy personal or industrial needs.

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Consumer behaviour could also be said to be referred to the buying of the ultimate consumer. The term consumer behavior can be seen as those acts of individuals and organisations “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.

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 lives. There are certain factors that influences consumer choices and buying decision. Some of these factors are;

1. Consumer own thinking, feeling and desire for the product.
2. Environmental factors such as social influences –personal group, culture, family, opinion leader, psychological and perception.

Other definitions of consumer behavior are:

 According to Engel, Blackwell, and Mansard, ‘consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption’.

 According to Louden and Bitta, ‘consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services’.

Factors that affect consumer behavior are as follow:

a. Marketing factors such as product design, price, promotion, packaging, positioning and dis­tribution.

b. Personal factors such as age, gender, education and income level.

c. Psychological factors such as buying motives, perception of the product and attitudes towards the product.

d. Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.

e. Social factors such as social status, reference groups and family.

f. Cultural factors, such as religion, social class—caste and sub-castes.

The study of consumer behaviour assumes that the consumers are actors in the marketplace. The per­spective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

**EXPLAIN HOW THE PANDEMIC (COVID19) HAS AFFECTED CONSUMER BUYING BEHAVIOR.**

 We have looked at both coronavirus and consumer behavior from the brief introduction above. Now, we will see how this pandemic has affected consumer buying behavior, the first thing to note is that, consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colorful and fancy footwear, but as they grow up as teenagers and young adults, they prefer trendy footwear, and as middle-aged and senior citizens they prefer more sober footwear. The change in buying behavior may take place due to several other factors such as increase in income level, education level and marketing factors.

 Since consumer behavior is dynamic, this pandemic is giving a clear picture of how the situational factor affects consumer behavior. As we know, this is a situational issue affecting the whole world. Amid all the uncertainty and calls for social distancing, some industries will be affected more than others, also the demand and supply becomes unstable.

 Coronavirus can be easily transferred from one person to another. However, social distancing and lockdown has been advised in order for the virus not to keep spreading. This Social distancing measures are having a significant impact on people’s lives — beyond confining many to their homes and causing job losses, restaurants and bars are particularly vulnerable, as well as event spaces and retail stores. A number of restaurants, bars, parks, resorts, churches, mosques, markets and places where a lot of people are found (social gatherings) are affected. Consumer behavior has to do with the emotions as well as the attitude of the consumer. At this time, consumers are shifting their spending habits, some companies and product categories are actually growing. A lot of people, due to the fear of this virus, are afraid to go to restaurants, bars, parks, markets etc. this reduced the amount of demand for some of the services rendered by those places. due to this pandemic, the services of parks, bars, clubs are not really needed because people have been told to stay at home, although some restaurants who deliver food and snacks which people still patronize but the services of this places are not as high as it used to be before the pandemic. **However, our main focus is not how services to consumer are affected but how the buying of consumers are 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:

* Proactive health-minded buying.
* Reactive health management.
* Pantry preparation.
* Quarantined living preparation.
* Restricted living.
* Living a new normal.

 I will be explaining each and how they affect consumer buying behavior.

1. Proactive health-minded buying: Increased interest in the acquisition of products that maintain well-being or health. When we usually talk about buying people usually tend to think of just food stuff, clothings, furniture’s etc. we tend to forget that people also buy drugs or medicines for their health. At this time, a lot of people stocked their houses with drugs that maintain well-being. Such drugs like paracetamol, vitamins, malaria drugs, typhoid drugs, cough drugs etc. those that are on constant medication, have also stocked their houses with their drugs. For example, a diabetic patient or a hepatis patient will at this period buy a lot of their drugs to sustain them, just to prevent them from having to go out to buy their drugs.

2. Reactive health management: Prioritization of products for infection containment (e.g. face masks). Now, we all know that one of the most used things during this pandemic is the use of the face masks as well as hand gloves. A very good number of people at this time would prioritize such products in order not to contact the virus. People use the face mask so that when another person sneezes, it won’t enter their mouth or nose. These face masks and clinical hand gloves are of high demand and low supply. People’s buying behavior to these keeps increasing although there is a low supply.

3. Pantry preparation: Higher purchases of shelf-safe products and increased store visits. When the virus started to become more rapid (especially when the government imposed a lockdown for the citizens), there became a high purchase of shelf-safe products and there was an increased store visits. A lot increased their store visits to purchase some household needs.

4. Quarantined living preparation: Increased online shopping, decreased store visits and first signs of strain on the supply chain. Now, when the quarantined, lockdown and self-isolation took effect people began to reduce their visits to stores and increased online shopping.

5. Restricted living: Possible price gouging due to limited supplies and deterred online fulfillment. Because of the limited supply of goods, there is a high possibility of gouging

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. We will look at the following: panic buying, online shopping. Now because of this corona, we all know that different people have their different choices when it comes to purchasing of food items. While circumstances continue to evolve each day, according to criteo research, more than half of Americans say they will shop online more in the next weeks as a result of COVID-19 and say they’ll buy more groceries online. The widespread outbreak of coronavirus, which causes the disease COVID-19, is now a global pandemic. Here at Criteo, we’ve been analyzing our data from the past several weeks to understand how retail is affected as the virus spreads. the data includes insights drawn from across 80+ countries and two billion active monthly shoppers spending around $900 billion annually across approximately 20,000 ecommerce sites.1From that massive data set, we’re able to see trends happening globally as well as across regions—Asia-Pacific, Europe. 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. 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%.

 Social distancing measures are having a significant impact on people’s lives — beyond confining many to their homes and causing job losses.

 In the US online purchases of shelf stable grocery items have grown substantially in the last few weeks. Rice, flour, canned and jarred vegetables, canned and prepared beans and canned and dry milk compared to the first four weeks of January. And it makes sense: these are made for tough times when people 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. 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 first week in January. In Italy, people prepared to take good care of themselves at home after a partial lockdown on February 25th. In france which has enacted a country wide quarantine, saw sales of medical supplies outpace even food products in early March.

 Coronavirus have added the urgency of the situation and influenced the shopping behavior of majority of consumers. Usually, we notice that different consumers, have their different choice, whether it has to do with fashion, food products, brands etc. someone might prefer coke and the other pepsi, or someone might prefer hypo to jik. Different consumers behave differently. The differences in consumer behavior are due to individual factors such as the nature of the consumers, lifestyle and culture. However, at this time, especially before the imposition of the lockdown, a large number of consumers went to buy different products not caring if those products were what they liked or not. At that point the behavior of consumers have changed. They are not more looking at their preference but what is available. There was what we call panic buying before the imposition of the lockdown took effect. Consumers, were going to supermarkets, shops, markets, etc to buy food items and house cleaning items in order to stock their houses. Now, this people were not looking out for the brands they like, but just decided to purchase what they felt was going to serve the purpose required.

 Young shoppers are bringing their “try anything” attitudes to preparing for COVID-19. Younger consumers whose shopping has been impacted, indicted that they have been more likely to buy products they might not otherwise buy and shop in stores they might not otherwise shop. As these valuable shoppers try new products and stores, it will be crucial for brands and retailers to quickly understand younger shoppers’ experience with their products if they want to try to create loyalty over the long-term. That wasn’t all, the supply of goods decreased drastically while the demand for such goods increased rapidly. There is what we call high demand and low supply, however, the consumers have to buy whatever is available. Consumers stocking up of key items, leading to product shortages in food staples as well as household and cleaning supplies.

 Consumers are no longer considering the purchase of big-tickets items (homes, cars, trips, luxury goods) over the next two months. Instead, consumers are focusing on two tiers of consumable products, which Britton has deemed the “survival” tier and the “sanity” tier. The survival tier include buying more: food and beverages, personal care items, household cleaning items and OTC medicine. The sanity tier include buying more: Alcohol beverages for those who take it, entertainment, beauty products and electronics. Meanwhile, despite concerns about deliverability of packages, online shopping has increased also. The shoppers have indicated they were replacing in-store trips with online purchases. The percentage has grown with empty store shelves and social distancing necessitating a move toward seeking out alterative retail options.

 In conclusion, we can see that indeed this pandemic has affected the buying behavior of consumers. Cities across the country continue to implement greater restrictions in order to flatten the curve and control the spread of the virus. These new protocols now include shelter in place orders, restaurant and non-essential store closures, and retailers adjusting their hours to allow for restocking as well as trying to accommodate more at risk members of the community. In light of developments, we expect to see ongoing changes in consumer behavior both online and in stores.

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