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CONSUMER BEHAVIOUR

BUS 208

Consumer behaviour

Question: in not less than 2000 words explain explicitly how the pandemic (covid-19 has affected consumer buying behaviour.

Consumer buying behavior is the sum total of a consumer's attitudes, preferences, intentions, and decisions regarding the consumer's behavior in the marketplace when purchasing a product or service. The study of consumer behavior draws upon social science disciplines of anthropology, psychology, sociology, and economics.

Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:

* why consumers make the purchases that they make?
* what factors influence consumer purchases?
* the changing factors in our society.

Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for:

* Buyers reactions to a firms marketing strategy has a great impact on the firms success.
* The marketing concept stresses that a firm should create a *[Marketing Mix](https://www1.udel.edu/alex/chapt1.html" \l "mix)* (MM) that satisfies (gives utility to) customers, therefore need to analyze the what, where, when and how consumers buy.
* Marketers can better predict how consumers will respond to marketing strategies.

The World Health Organisation defined Coronavirus disease (COVID-19) as an infectious disease caused by a newly discovered coronavirus. The World Health Organisation has also termed the outbreak of the disease as a global pandemic. The COVID-19 disease has widely spread across all the continents of the world, reaching almost all the nations of the world including our very own country, Nigeria. COVID-19 pandemic has affected almost every sector of the world trampling on almost all the economies of the world. It has also caused the governments of the world to impose worldwide lock down across affected countries, in Nigeria today states like Lagos, Ogun and also the Federal Capital Territory. This has widely affected the economy of the country as Lagos and the Federal Capital Territory are the Economic in hubs of the Nation.

COVID-19 has without a doubt changed business as usual. It’s spread has forced every industry to rethink its business models, product offerings, and even how to transact with its customers. Before the pandemic, supermarket chains offered same day curbside pick-up and delivery for orders placed online. Today, as a result of crushing consumer demand, those same online orders won’t be ready for pick-up until seven days from now.

Now, how has the COVID-19 Pandemic affected the consumer buying behaviour among customers in Nigeria and also across the world and what sort of change will it bring after the pandemic is over.

The first impact noted at the beginning of the epidemic was a high surge in panic buying. It was seen across the world that as soon as people became aware of the increase in the number of cases of the Covid-19 across the world people saw it as a reason to quickly stock up there homes with essentials such as food toiletries and other things a family might need to function daily. It was seen that stores in The United states such as walmart experienced serious shortages in a lotof materials, people went as far as hoarding as many tissues as possible for their household. For some reason tissue was the no 1 priority for many Americans during that period which was kind of strange. In Nigeria where I live and where I and my family are direct consumers of certain products, about 2 weeks before the nation wide lockdown was imposed we started restocking the house with certain provisions we may need during this period. We visited markets, supermarkets and shopping malls to get the things we will need during the period. Usually as a household we do not usually practice bulk buying of food materials but due to the effects of the nation wide lock down we had to engage in bulk buying. I am sure other families also engaged themselves in the same sort of shopping, because no one is aware of when the pandemic will be over and activities will be open again.

During the [coronavirus pandemic](http://theladders.com/career-advice/topic/health/), it’s become one of the signature moves of many panicked Americans. Shelves of toilet paper and paper towels have been wiped-clean from supermarkets, disinfecting wipes disappearing for the first time ever, as is hand sanitizer.

Supermarkets and convenience stores have become barren lands of empty aisles of essentials as Americans hoard and hoard in a way they think are best to stay ahead during the COVID-19 outbreak.

As a result, supply and demand have created price surges in some industries. Amazon had an issue with sellers overpricing essential goods to make a quick buck off of consumers’ needs, to the point where [one seller was chastised on the internet](https://www.nytimes.com/2020/03/14/technology/coronavirus-purell-wipes-amazon-sellers.html) for stockpiling goods in his online store before [The New York Times reported he eventually donated them](https://www.nytimes.com/2020/03/15/technology/matt-colvin-hand-sanitizer-donation.html) (and started being investigated for price gouging). [NASDAQ reported](https://www.nasdaq.com/articles/egg-prices-soar-as-coronavirus-panic-buying-clears-shelves-2020-03-27) Friday egg prices have skyrocketed three times to what they were selling for at the beginning of March, and 400% higher than what they were selling for at the end of January.The hoarding phenomenon is often seen when people lack control in situations beyond their grasp — like the coronavirus, where daily life has been paused. With workers working remotely and parents juggling homeschooling with their children, COVID-19 has “inverted the human dominance of nature,” according to Alan E. Stewart, a weather and climate psychology professor at the University of Georgia.

“The coronavirus has challenged and, in some ways, inverted the human dominance of nature,” [Stewart told UGA Today](http://alan e. stewart, a weather and climate psychology professor at the university of georgia./). “This dynamic, along with the fact that virus is microscopic, that we do not yet fully know how to control it (or are just learning about predicting and controlling it) results in people fearing what they do not know.

Without knowledge of the virus, psychologically it is easy for people to ruminate and magnify their fears by imagining different possible scenarios.” [Additional research by Psychology Today](https://www.psychologytoday.com/us/blog/evidence-based-living/202003/the-science-panic-buying-and-how-stop-it) echoed Stewart’s thoughts. One study published in the journal Manufacturing and Service Operations Management took a deep dive into why consumers panic buy and how stores can act about it. As seen in many instances, especially toilet paper, stores have limited customers from buying out shelves completely by setting quotes on items in high demand.

From Psychology Today: “Not surprisingly, researchers find that people will stockpile a product for future consumption if the price is artificially low or if they feel uncertain about being able to get the product in the future. In our current situation, consumers are clearly worried that economic disruptions caused by the COVID-19 virus will make it difficult to buy essential staples in the near future.”

Also when it comes to the to the choices of the sorts of goods that consumers prefer to purchase there has been a shift in that, for example during this period consumers are buying a lot of hand sanitizers, soap and even canned food. Due to the pandemic there has been a serious surge in the purchase and consumption of those certain items and probably after the pandemic is over people will no longer consume those products as much as they do right now.

Demand for hand sanitizer is surging around the globe as the new coronavirus spreads, prompting retailers to ration supplies and online vendors to hike prices.

Sales of hand sanitizers and similar products have swelled across several international markets since the COVID-19 outbreak began in January. The virus, which originated in China, has now spread to [more than 60 countries](https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200302-sitrep-42-covid-19.pdf?sfvrsn=63a4f9f2_2" \t "https://www.cnbc.com/2020/03/03/_blank).

According to data published Tuesday by market research firm Kantar, U.K. hand sanitizer sales saw a year-on-year increase of 255% in February. Meanwhile, British shoppers were buying 7% more liquid hand soaps and spent 10% more on household cleaners compared to February 2019.

British drug store chain Boots — a subsidiary of Walgreens — told CNBC via email on Tuesday it had implemented a limit of two hand sanitizers per purchase across its 2,465 stores.

Asian consumers have also been stockpiling personal hygiene goods in the wake of the outbreak, according to a report published Monday by Nielsen. Analysts found that sales in Malaysia of hand sanitizers hit almost 1 million Malaysian ringgit ($237,176) during the week ending January 26 — that’s 800% higher than the country spends on the product in an average week.

In Italy, where 2,041 cases of the coronavirus and 52 deaths have been [confirmed so far](https://www.cnbc.com/2020/03/03/italy-to-spend-3point6-billion-euros-to-help-virus-hit-economy.html), sales of hand soap were up 29%, Nielsen said. Hand sanitizer sales soared by 1,807% in the week ending February 15, compared to the same week a year earlier, data showed.

Earlier this week, data from Adobe Analytics [reportedly](https://www.cbsnews.com/news/coronavirus-demand-for-household-cleaners-disinfectants-lysol-clorox-purell-sanitizers-2020-03-02/" \t "https://www.cnbc.com/2020/03/03/_blank) showed that demand for hand sanitizers in the U.S. spiked by 1,400% between December and January. According to Nielsen, hand sanitizer purchases in the United States were up 73% during the four weeks until February 22, with analysts predicting sales “won’t peak for some time.”

Texas-based grocery chain H-E-B [reportedly](https://cbsaustin.com/news/local/h-e-b-limits-sanitizing-product-purchases-as-coronavirus-fears-intensify" \t "https://www.cnbc.com/2020/03/03/_blank) said on Sunday it would limit customers to four hand sanitizers, wipes or similar items per purchase.

The third impact of the COVID-19 Pandemic on the consumer buying behaviour of the world is that during the pandemic there has been a huge shift of consumers to the online market that is to say that consumers now during this period prefer to shop online from the comfort of their homes where they do not have to make direct contact with vendors and where they can get their items delivered at the comforts of their home. Companies like Amazon, Jumia and Aalmart who have home delivery options are having shortage of personnel during this period as they have experienced a surge in the number of orders, Amazon and Walmart have had to hire thousands of workers during this period.

More Americans than ever before are choosing to shop for groceries from the comfort of their couch as the coronavirus pandemic sweeps the US and forces most of the county into lockdown.

This is driving a significant spike in demand for online grocery delivery and pickup services and has seen the major players in the market, such as Walmart, Amazon, Instacart, and Target, scramble to service their new audiences in the past few weeks.

Analysts say that the effects of this unusual period are likely to be long-lasting as more shoppers who have never used online services become increasingly used to these.

Before the coronavirus outbreak started, online grocery sales in the US accounted for a small portion of the sector overall, with [3% of grocery spend](https://www.businessinsider.com/us-online-grocery-adoption-lagging-2019-2?utm_source=intl&utm_medium=ingest)happening online and around [10% of US consumers](https://www.npd.com/wps/portal/npd/us/news/press-releases/2018/us-consumers-take-an-omnichannel-approach-when-it-comes-to-grocery-shopping/)using these services frequently.

The market was, however, in growth mode its value [doubled between 2016 and 2018](https://www.businessinsider.com/online-grocery-report?utm_source=intl&utm_medium=ingest)and more convenient ways of shopping online, such as buy online and pick up in-store services, were becoming more prevalent.

Fast forward to March 2020 and demand in this channel has surged almost overnight.

According to data from [Namogoo](https://www.namogoo.com/), online supermarket visits were up 162% in March 2020 versus March 2019 and up 146% from February 2020 to March 2020.

And order volume for online grocery retailers was up 210% between March 12 and 15, compared with the same period in 2019, according to [Rakuten Intelligence](http://www.rakutenintelligence.com/)

Among primarily store-based retailers,  the number of online orders in the U.S. and Canada were up 56% year over year for the 2 weeks of March 22 through April 4, according to the Emarsys/GoodData tracker. Online sales for that group during that period grew 43% compared with the same period a year earlier.

At a time when shoppers have been stocking up on essentials, online grocery revenue soared much higher than overall ecommerce sales. According to food marketing and sales consulting firm Brick Meets Click, [U.S. online grocery sales for all of March were up 233%](https://www.brickmeetsclick.com/online-grocery-delivery---pickup-scorecard--march-2020--how-do-you-compare-" \t "https://www.digitalcommerce360.com/article/coronavirus-impact-online-retail/_blank) compared with August 2019. Meanwhile, research from Symphony RetailAI finds online traffic is up more than 300% for some grocery retailers, while in-store traffic is down 45%.

Earlier this month, [Adobe Analytics reported](https://www.digitalcommerce360.com/2020/04/01/us-ecommerce-sales-rise-25-since-beginning-of-march/" \t "https://www.digitalcommerce360.com/article/coronavirus-impact-online-retail/_blank) a 25% boost in average U.S. daily online sales March 13-15 compared with March 1-11. The growth is primarily due to a boost in online grocery sales, which have increased 100% in daily U.S. online sales March 13-15 compared with average daily sales March 1-11.

In conclusion, the COVID-19 pandemic which has spread like a wild fire across the globe it has had so much effects on the the consumer buying patterns of consumers from the increase in the panic buying patterns of consumers to the shift to online buying and also the increase in consumption of medical supplies and personal hygine materials from gloves to face masks to hand sanitizers, all this patterns and trends are due to the global pandemic. It is important to note that these changes and shift in the consumer buying behaviour may not be permanent, because as the world returns back to its normal day to day activities some of these changes may return while some may not. For example online shopping is here to a stay and the pandemic as opened eyes t the benefits of the E-commerce.

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