**NAME: MAYOWA KUTI ODUTOLA**

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**CONSUMERS BEHAVIOUR DURING THE PANDEMIC COVID-19**

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.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine—which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

According to ***“Consumer Behaviour - A Business Science Approach”*** by Achugo Eusebius Ph.D. FNIMN FHRMN and Folayan Opeoluwa Flowerence MSc, “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 of the forces, factors that influences the selection, purchase use and the disposal of product, goods and services so as to satisfy personal or industrial needs”.

According to Wikipedia, we see that Consumer Behaviour deals with “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 behavioural responses that precede or follow these activities**”**. It’s a social science that blends sociology , marketing , anthropology , economics (behavioural economics) , psychology , social anthropology and ethnography and examines how consumers emotions , preferences and attitudes affect their buying behaviour. In formal studies of consumer behaviour characteristics of consumers like behavioural variables (such as loyalty, usage occasion, willingness to provide referrals, usage rates, brand advocacy), demographics and personality lifestyles to understand consumer’s consumption and wants are stipulated upon. We need to understand that the study of consumer behaviour is involved with all aspects of purchasing behaviour stemming from pre-purchase activities to post-purchase consumption, evaluation and disposal activities. It is also involved with all persons involved, either directly or indirectly, in purchasing resolution and utilization activities not excluding opinion leaders and brand-influencers

**Nature of Consumer Behaviour:**

**1. Influenced by various factors:**

**The various factors that influence the consumer behaviour are as follows:**

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.

**2. Undergoes a constant change:**

Consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colourful 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 behaviour may take place due to several other factors such as increase in income level, education level and marketing factors.

**3. Varies from consumer to consumer:**

All consumers do not behave in the same manner. Differ­ent consumers behave differently. The differences in consumer behaviour are due to individual factors such as the nature of the consumers, lifestyle and culture. For example, some consumers are technoholics. They go on a shopping and spend beyond their means.

They borrow money from friends, relatives, banks, and at times even adopt unethical means to spend on shopping of advance technologies. But there are other consumers who, despite having surplus money, do not go even for the regular purchases and avoid use and purchase of advance technologies.

**4. Varies from region to region and country to county:**

The consumer behaviour varies across states, regions and countries. For example, the behaviour of the urban consumers is different from that of the rural consumers. A good number of rural consumers are conservative in their buying behaviours.

The rich rural consumers may think twice to spend on luxuries despite hav­ing sufficient funds, whereas the urban consumers may even take bank loans to buy luxury items such as cars and household appliances. The consumer behaviour may also varies across the states, regions and countries. It may differ depending on the upbringing, lifestyles and level of development.

**5. Information on consumer behaviour is important to the marketers:**

Marketers need to have a good knowledge of the consumer behaviour. They need to study the various factors that influence the consumer behaviour of their target customers.

**The knowledge of consumer behaviour enables them to take appropriate marketing decisions in respect of the following factors:**

a. Product design/model

b. Pricing of the product

c. Promotion of the product

d. Packaging

e. Positioning

f. Place of distribution

**Behaviour in a time of crisis**

The reality of this new pandemic took the world by surprise. People worldwide are still trying to adapt to the idea of prolonged indoor stays. So, now that we are all trying to avoid going out to shop in brick and mortar stores, how has this changed our approach in purchasing goods?  Furthermore, will these adjustments establish new and lasting habits?

In countries 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 behavioural changes, Nielsen[1](https://www.nielsen.com/us/en/insights/article/2020/key-consumer-behavior-thresholds-identified-as-the-coronavirus-outbreak-evolves/) conducted shopper behaviour 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 behavioural 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 fulfilment

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 behaviour 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.

**New ways to shop**

When consumers are faced with shopping restrictions, 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.

However, due to the pandemic, older generations are starting to see online shopping as a valid and safe option to obtain groceries. For example, Alibaba reported that in China, online grocery orders placed by people born in the 1960s were four times higher than normal during the Spring Festival or the period were China was still discovering new cases of COVID-19 each day.

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 behaviour 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 behaviour 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.

**Relying on manufacturers**

As the population of most countries starts to move from quarantine preparations to restricted living, online fulfilment 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.

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. 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.

**Looking ahead**

It’s still too early to tell how much consumer behaviour 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. However, it will be a while until we know if these changes in consumer behaviour will be long term. In the meantime, retailers and D2C manufacturers should strive to maintain higher levels of e-commerce sales to mitigate the impact of store closures. Manufacturers that haven’t yet adopted a D2C approach must carefully follow how all this is unfolding. They must decide now whether to jump in and create D2C channels to lessen the impact of the pandemic on their sales before its too late. Levels of e-commerce sales to mitigate the impact of store closures. Manufacturers that haven’t yet adopted a D2C approach must carefully follow how all this is unfolding

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