**AYANLERE OLUWAPELUMI DEBORAH**

**18/LAW01/050**

**CONSUMER BEHAVIOUR**

**BUS208**

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

The 2019 Coronavirus Disease (COVID-19) is a world-wide pandemic which has affected multiple countries around the world with the inclusion of Nigeria. It began in Wuhan, China and has rapidly spread several parts of the world. The enhanced community quarantine implemented due to the threat of the Coronavirus disease (COVID-19) had people panic buying, rushing to supermarkets to ensure their pantries would not run out of stock during the lockdown. Such behavior is an example of how consumer behavior shifts upon reaching certain threshold levels related to specific events surrounding COVID-19, says a recent study by US information, data and measurement firm Nielsen.

In an article published on their website, Nielsen identified six threshold levels, which “offer early signals of spen­ding patterns, particularly for emergency pantry items and health supplies”: proactive health-minded buying, reactive health management, pantry preparation, quarantined living preparation, restricted living, and living a new normal. Each threshold portrays, specifically, a change in consumer behavior as a result of the Novel Coronavirus Disease.

**The six stages of consumer shopping during COVID-19:**

1. **Proactive health-minded buying:-**

Proactive health-minded buying starts when a country or community has minimal loca­lized COVID-19 cases “gene­rally linked to an arrival from another country”—a threshold that the most of the world has already passed. At this stage, consumers are merely interes­ted in products that support overall maintenance of their health and wellness.
Minimal localized cases of COVID-19 generally linked to an arrival from another infected country. Consumer behavior has a shift as interest rises in products that support overall maintenance of health and wellness.

1. **Reactive health management:-**

Reactive health management, is reached when the first local COVID-19 transmission—which has no link to other cases in other locations, or the first COVID-19-related death/s—happens. At this stage, people begin prioritizing products necessary to virus containment, health and public safety, such as face masks. At this point, the realization of the magnitude of the pandemic dawns on the consumers and products essential to virus containment, health and public safety, e.g. face masks are prioritized and bought.

Analyzing the US market, Nielsen identifies a Feb. 26 press conference by US President Donald Trump, which included a statements on stocking up on essential items, as a “clear dri­ver that shifted public concern” from reactive health management to the next level: pantry preparation.

1. **Pantry preparation:-**

At this threshold, there are multiple cases of local transmission, as well as multiple deaths related to the pandemic. By this time, consumers would be stockpiling both shelf-stable foods and a wider variety of health-safety products, therefore packing stores and growing their basket sizes. Taking into consideration, the United States (US), “Pantry preparations among US consumers have fueled record sales of more than just masks and hand sanitizers. Sales have also peaked for antiseptics, cleaners, over-the-counter cold remedies and other health-related essentials. Consumers also rushed to stock their pantries with shelf-stable food during the last week of February, as seen in the huge sales leaps of dried beans (+37 percent), canned meat (+32 percent) and rice (+25 percent),” the report states. Due to the multiple cases of local transmission and multiple deaths linked to COVID-19, pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes.

1. **Quarantined living preparation:-**

By the time threshold le­vel four, or quarantined living preparation, is reached, consumers will have turned to online shopping (social distancing is key). Inventory and supply chain problems begin to arise. This level is marked by loca­lized COVID-19 emergency actions, as the number of cases begins to increase. Localized COVID-19 emergency action and percentage of people diagnosed continues to increase, therefore to promote social distancing, there is an increase in online shopping; a decline in store visits, rising out-of-stock, strains on the supply chain.

1. **Restricted Living:-**

The restricted living thres­hold would see “severely” limited shopping trips, as well as fulfillment of online orders. Pricing may also be affected because of stock issues. By this time, communities would also be in lockdown (the Philippines’ current reality), and there would be mass cases of COVID-19. There is a situation of mass cases of COVID-19 ad communities will be ordered into lock down. Consumer behavior is severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases. Supply chain challenges will drive consumers to be less price sensitive on high demand packaged goods or those that guarantee hygiene standards.

1. **Living a new normal:-**

The final threshold level, living a new normal, is what the world eagerly anticipates: Daily routines are reinstated, but with people operating more cautiously with regard to their health. There would also be “permanent shifts” in supply chain, the use of e-commerce, and hygiene practices, too, the report states. By this time, quarantines would have been lifted**.** COVID-19 quarantines lift beyond the region/country's most-affected hot spots and life starts to return to normal and this leads people to their daily routines (work, school, etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices. It is likely that crisis-buying patterns during the outbreak will spread adoption of new, permanent behavior changes and older generations are turning to online shopping to meet more of their household needs.

.

Studying these threshold levels and how they affect consumer behavior—which can still change, depending on the developments that surround COVID-19—can help busine­sses figure out how to maintain their supplies, especially of in-demand products. As patterns begin to emerge in response to news events from already affected countries, it will be imperative for companies to learn from these scenarios so they can sustain growth even in times where COVID-19 has uprooted people’s lives. The outbreak has already caused an array of changes in shopping behavior.

Online shopping will be hugely impacted by this and will likely grow in popularity. The spending patterns identified across the various thresholds will be critical to understand as stores work to maintain supply levels of in-demand items.

 In Nigeria, we appear to between stages three and four. States like Lagos, Ogun and even the federal capital territory of Nigeria are currently on lockdown. In other states, the situation at hand is considered very serious and pantry buying has begun. Consumers at this point have changed the products they aim for and are now more involved in the products recognized to give protection from the Novel Coronavirus.