**https://friendsyo.net/play?quizeid=srmqoeCONSUMER BEHAVIOUR (BUS 208)**

**EFFECT OF THE CORONAVIRUS PANDEMIC ON CONUMER BEHAVIOUR**

 The widespread outbreak of coronavirus, which causes the disease COVID-19, is now a global pandemic. It is now in 100 countries. It is no shocking news it is in Nigeria. Currently Nigeria has recorded over 400 cases with over 100 deaths. Its first case was confirmed in Lagos which has spread to different states of the country overtime. I have been analyzing our data from the past several weeks to understand how retail is affected as the virus spreads. I was able to join data gotten from different researches. This 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. It has recorded as of recent more than 17 billion Americans are unemployed due to the pandemic. It has affected businesses only in a few months. Due to the uncertainty and calls for [social distancing](https://www.criteo.com/insights/coronavirus-retail-trends/), some industries have and 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.

 **Coronavirus is shaking up business and consumer behavior on a massive scale.** Both the public and private sectors are scrambling to slow the spread of the illness and contain COVID-19 infections. While the full economic consequences of this black swan event are still unclear, we know that the effects that the virus—and the drastic measures being taken to contain it—are already precipitating change across industries.

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. Online shopping have become a means people purchase goods and some services even in Nigeria.

**How the current pandemic has affected consumer behaviour:**

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

In the US online purchases of shelf-stable grocery items have grown substantially in the last few days. Items like sanitizer, tissue paper, necessary food and house equipment are being bought at high rate. Everyone is panic buying 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. 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 Nigeria specifically PortHarcourt, the prices of goods went unnecessarily high after lockdown was announced. Goods which were normally cheap are being sold at high price and the consumer not minding the prices because they are panic buying.

 **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—were up in early March than in 2019.

**2. Spending**

 **Companies with supply chains dependent on China might begin to reduce their ad spend as a way to mitigate economic losses.**Already, there is evidence to suggest a slowdown in Amazon ad spending, particularly among smaller third-party sellers that already have tighter cash flow. It's possible that this trend could extend to the other digital platforms if problems continue.

 **The pandemic's impact on ad spending remains less clear—here's a rundown of other potential consequences that could further dampen worldwide ad spending**

 **Out-of-home (OOH) ad spending could see a negative impact due to social distancing and isolation measures.**Consumers in countries with significant numbers of coronavirus cases are already avoiding large public places and gatherings, and that may eventually impact advertisers' willingness to advertise in public spaces as well.

 **Additional event cancellations could cause advertisers to miss out on typically reliable, high-profile opportunities, which may not have appealing substitutes within the year.**A significant number of cultural and industry events have been canceled or postponed over the past few weeks, ranging from Facebook's F8 developer conference to the NBA season. It has caused a meaningful reduction in worldwide ad spending

### ****3. Telecoms and Technology****

 **The clearest and most immediate business impact of the coronavirus pandemic has been a major disruption to supply chains.** Having originated in China, the region was hit hard as a large number of citizens contracted the disease and many were forced into quarantine. This led to partial and full shutdowns of plants and factories, some of which were being used by prominent technology companies to manufacture their goods and products. For example, Apple experienced shortages on its iPhone supply as a result of the company's primary manufacturer, Foxconn, shutting down much of its production in China. Ultimately for Apple, this will lead to a significantly reduced forecast in iPhone shipments through Q1—by as much as 10%, according to estimates by Apple analyst Ming-Chi Kuo cited by MacRumors. And while companies often have contingency plans, which revolve around ramping up production in a region that isn't impacted, the rapid spread of the coronavirus across the globe makes it very difficult to pinpoint which regions would be least affected. Even then, the momentum and resources of the Chinese economy will not be easily replicated—"Made in China" initiatives have seen the government invest billions in advanced manufacturing sectors, including telecommunications equipment and semiconductors.

 **The spread of the coronavirus has caused several of the most important tech conferences to be canceled, likely resulting in numerous missed partnership opportunities.**

 **Online alternatives have helped limit the fallout from canceled conferences, but tech industries will likely still suffer a period of stifled innovation due to forgone in-person business opportunities.** Conference attendees do not have the same opportunities to network via live streaming as they do attending in-person events. It would be harder for marketers to casually share best practices over the live streamed Facebook Global Marketing Summit, for instance, than it would be if the event actually took place. Though it is difficult to quantify the value of these chance encounters or informal network sessions, the effects will undoubtedly be felt throughout the impacted industries.

 **The spread of coronavirus is likely to boost digital media consumption across the board as people spend more time at home and communicate in person less.**In the US, where the effects of the virus are still relatively new, we expect digital media consumption to increase across social media, over-the-top video and online gaming—similar to what we've already seen in China.  Beyond encouraging more virtual conversation between family and friends, the fast-changing nature of the coronavirus could translate to more users tracking real-time news updates via social media

 **Streaming video services are also likely to benefit as people seek out more entertainment or news content.**The biggest bumps in usage and time spent are likely to go to dominant SVODs, like Netflix, Hulu and Amazon Prime Video, and could even drive some subscriber additions. Ad-supported VOD services like Roku Channel and Pluto TV could also see sizable lifts in usage and streaming hours, as these services can lend themselves to more lean-back viewing and feature some live national and local news programming options that aren't available on most SVOD services. Netflix is likely to make more money this period than before because consumers are free and would like to keep themselves busy and entertained.

 **Media platforms popular among young people could see a boost as kids and teens spend more time indoors, and in particular if school closures spread further.** A few examples: family-friendly SVOD like Disney+; social platforms favored among young people like TikTok and YouTube especially TikTok; community-based live streaming platforms like Twitch; and interactive platforms like Fortnite, where young people go to hang out and explore virtual worlds.

* **Coronavirus-driven event cancellations will spur marketers to explore digital alternatives and more event-like content promotion.** The loss of notable industry events like Mobile World Congress, Facebook's F8 and the Adobe Summit can have significant costs for both conference hosts and the attendees

**Marketers will have to get creative to find opportunities to deliver personal experiences to clients and customers from a distance—here are two ways they're approaching it:**

* **Marketers are exploring the potential of virtual events.**
* **Marketers are distributing content in a format that is more event-like.**

### ****4. Payments****

 **Cashless payment adoption and usage could tick up worldwide.** In response to the outbreak, the World Health Organization (WHO) is recommending that consumers pay contactless rather than with cash, if possible, as a means of limiting the virus' spread through microorganisms on cash. Some countries are taking this a step further: South Korea, for example, is quarantining all cash received at the central bank for two weeks before disinfecting it and putting it back into circulation and China is undertaking similar efforts.

 **Ecommerce is likely to grow as consumers eschew physical stores and crowded gathering places—but this could create logistical challenges.** This avoidance is trickling down into shopping: Three-quarters (74.6%) of US internet users said they'd be likely to avoid shopping centers and malls if the coronavirus outbreak in the country worsens, and over half would avoid shops in general. A decline in brick-and-mortar retail, which comprises over 85% of US retail sales, could shift day-to-day shopping to digital channels, like Amazon or other e-tailers, and boost saleseffects already seen by providers like RedMart in Singapore, per CNBC. Further, it could bolster use of omnichannel commerce, like buy online, pick up in-store (BOPUS), for customers who want to shop in-store but avoid crowds. Such a surge in demand for e-tail could overwhelm logistics providers and workers, which might require ecommerce companies to revisit their strategies for order fulfillment and delivery, including potentially slowing down fast-shipping strategies, in order to keep up with surging demand and keep workers safe. It's worth noting that changes in online shopping habits may be particularly prevalent among older customers—the group most susceptible to the coronavirus and most likely to avoid stores because of it, but least likely to shop online. A shift toward online shopping among this population could provide a short-term boost for sellers, but in the longer term, it may also increase sales if these customers continue shopping online after the outbreak subsides.

 **Delivery services across the board might see an onslaught of new customers, but they'll have to work to maintain consumer trust.** If consumers continue avoiding public places, they're likely to look for digital services that fulfill everyday needs beyond retail, including delivery of food and on-demand goods, per Marketwatch—which in turn could lead to an increase in business for delivery organizations, including Grubhub, Postmates and DoorDash, as well as for online grocers like Instacart and FreshDirect. China is already seeing an uptick in demand for these offerings: Popular delivery platform Meituan has seen an increase in large orders and surging demand for online grocery, per Business Insider. Depending on how long the pandemic and social distancing measures last, grocery and other delivery providers might need to provide discounts, offer loans, or provide installment tools that can help consumers afford services. And in order to maintain consumer trust, couriers also have to be prepared to demonstrate good health and offer "contactless" delivery options to minimize risk—something a number of firms, including Instacart and Postmates, are already beginning to implement.

### ****5. Banking****

  **A potential drop in branch visits could shine a spotlight on banks' digital capabilities and customer experiences.** The pandemic could reduce total branch visits by forcing banks to temporarily close branches or reduce their hours or by discouraging customers from visiting to reduce the chance of spreading the virus. As customers, will still need access to their money, however, this could lead to a spike in activity in digital channels and call centers, making digital the primary channel for a greater portion of customers across the world. Beyond whether or not customers can carry out banking functions through alternative channels, greater usage will test how easy to use those channels are, especially for first-time users whose usage is a direct result of coronavirus concerns. For that reason, banks should strive to simplify their online and call center interfaces or roll out information and educational materials that instruct customers on how to make the most of nonbranch channels to manage their funds.

 In conclusion, the current pandemic has affected many things in the world including consumer behaviour mostly negative than positively. The world is fighting the pandemic while trying to adjust to our current condition Nigeria being no exception. The most important thing is staying safe and staying alive.

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