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ASSIGNMENT TITLE: CONSUMER BEHAVIOUR

QUESTION: In not less than 2000 words, explain explicitly how the pandemic (COVID-19) has affected consumer buying behaviour.

 There is no doubt that widespread outbreak of corona virus has affected the global community in a lot of ways. The reality of this new pandemic took the world by surprise.evry part of the world, both the rich, poor, old, young, educated and uneducated people. The virus has affected As a result of the pandemic, countries have declared a state of lockdown on their citizens. The citizens of the countries that are not on lockdown have, themselves, taken precautionary cautions against the virus. People have been advised to wash their hands daily, stay neat, avoid contact with people and maintain social distancing. Shops, schools, work and market places have closed down. Financial uncertainty and the prospect of a severe and long term recession make for a start backdrop which has led to an impact on consumer outlook, perceptions and behaviours. Social needs are shifting.

From the above, this writer is going to go on and analyse how the pandemic has affected the behaviour of consumers. Consumer behaviour has been forced to change and change on a massive scale In countries heavily impacted by the virus, consumers have stocked up on food and other essential items, while isolating themselves from crowds. Concerns about the availability of goods have encouraged panic buying of items in bulk. According to Helen Dickinson, Head of the British Retail Consortium, there is 1 billion pounds more food in people’s houses than there was a while back.

 The corona virus is putting a lot of strain on supermarket retailers. Food storage fears are prompting consumers to ‘panic buy’ goods, resulting in depleted supermarket shelves and growing stockpiles at home. According to Black Tower Financial Management Group, UK households are spending an extra 13 pounds per week in supermarkets during the outbreak.

 According to trendemon, e-commerce is expected to represent 12 percent of total retail sales, however, a change in consumer behaviour in the first quarter of this year due to the corona virus can impact on holiday sales. As the consumer’s comfort with online shopping improves and technology is becoming more intuitive and ubiquitous, the digital side of the retail business may grow faster than previous projections.

Not surprisingly, an uplift has been seen in the subscriptions to online TV services. Michael Olson, analyst of Piper Sandler released results of its quarterly Netflix Navigator, a tool which uses Google search trends to find connections between consumer interest and estimated subscriber growth. Olson’s research found an increasing trend during the first two months of the quarter, which shows that the number of consumers signing up for Netflix may be seriously underestimated. The data suggests that Netflix subscribers in the US and Canada will grow 3.8 percent year over year, more than double analyst’s consensus estimates, which project growth of 1.6 percent. The big question remains is whether when the masks of the pandemic will eventually come off, people will revert to their old habits.

 As a result of the corona virus, there have been increased interest in the purchasing of products that maintain well-being and good health. It is no news that one of the most used items during this pandemic is the hand sanitizer. Most of the people who still go out are always putting on their face masks. Face masks and hand sanitizer gels are the top items globally that consumers are struggling to purchase. By country, Japan sees the highest struggle to buy face masks at 78 percent, while the Phillipines struggle the most to purchase hand sanitizer gel at 70 percent. Google searches for hand sanitizer have skyrocketed, while many pharmacies and stores have sold out.

 People have been advised to avoid physical contact with others and as a result, there has been an increase in online shopping. Visits to stores have decreased. Normally, the elderly prefer going to the stores to purchase whatever it is they want but as a result of the pandemic, they have started to see online shopping as a valid and safe option to obtain groceries.

A research published by Business Insider Intelligence and eMarketer analysts in March 2020 shows that 74.6 percent of US internet users said they would be likely to avoid shopping centres and malls if the corona virus outbreak in the country worsens, and over half would avoid shops in general. A study from Ipsos MORI from mid-March 2020 reveals that 50 percent of Chinese and 31 percent Italian consumers say they are now using ecommerce more frequently. In contrast, only 18 percent of UK respondents said that they were using online stores more frequently, with close to half reporting that there was no change in their ecommerce habits.

 The shift in consumer behaviour in the face of the new corona virus has already led to a drop in store visits. It is no doubt fuelling dramatic increase in ecommerce sales. Online spending has increased drastically.

 A lot of people can no longer get certain products that they used to make use of or consume as much as they used to consume. This is because, during this period of global unrest, people are trying to manage and utilise whatever they have wisely, seeing as most countries are on lockdown and people are no longer allowed out of their houses. Most people in isolation cannot perform their usual routines, especially since many shops have been forced to close their doors for safety reasons.

 As a result of the pandemic, the sales of medical supplies have increased. Research reveals that in Italy, the people prepared to take care of themselves at home after a partial lockdown on February 25th. Sales of medical supplies spiked by 286 percent in early March. France which has enacted a country wide quarantine, saw sale of medical supplies outpace even food products in early March, rising by nearly 600 percent.

People have also resorted to buying processed and canned products rather than perishable products, as a result of the lockdown. In the UK, there has been an increase in the purchase of canned and dry milk and canned and jarred fruits. People no longer purchase luxury items. Rather they purchase essential items for survival. Consumers are now struggling to buy essential products like toilet rolls, hand sanitizers and other essential products.

 With so many consumers entering restricted living situations, there has been a spike in other categories, especially in entertainment and media. That is not surprising given that staying at home increases the amount of content people watch by 60 percent. Video games and video game internet traffic have seen a 75 percent increase since restrictions were imposed in the US.

A lot of people no longer go out to have fun. People are indoors. A person who would normally go to the spa would no longer feel the need or want to go to the spa during this period of global unrest. Recently, there have been times where the government of different states in Nigeria freed the lockdown a little and declared special days for market places to open up for people to restock on food products and other essential products. There outpour of people on those declared days was incredible. There was basically no space in the market places as people from all parts of the State scrambled around to get all the essential items that they need.

 It has also been established that 52 percent of American travellers are likely to change their travel plans this year, which rises to 72 percent when considering international travel plans. 35% have already changed their travel plans for 2020 and 75 have changed their daily behaviour to fight the spread of the disease by becoming more sanitary, travelling less and avoiding crowded areas.

Consumers are no longer considering the purchase of big ticket items like homes, cars, trips and luxury goods. Instead, consumers are focusing on goods that are essential for survival. Most consumers who usually eat out no longer have the luxury of eating out. They can no longer go out to restaurants to eat and so, they eat at home.

 A lot of people, having knowledge that the corona virus originated in China, no longer purchase goods that were made in China. This is because they feel that the virus might have been imported in alongside the product.

 While looking at the effects of the corona virus on consumer behaviour now, we should also take a look at its effects after the pandemic. Now, a lot of people have gone into online shopping where the products they purchase are delivered to their doorsteps. When the pandemic is over, a lot of people might have gotten used to, and found favour with this system of shopping and might just decide to continue with it. Kohan says of consumers who are staying at home. ‘‘They are going to say, ‘wow that was pretty easy to get online groceries delivered to my front door. Why am I not doing this all the time?’’’.

It has been established that more online grocery orders, more buying in bulk and more virtual store experiences are some of the likely changes. Retailers will be feeling the impact of the corona virus long after the period of lockdown, store closings and social distancing rules have ended. It is likely to create permanent shifts in consumer behaviour that retailers need to start preparing.

 e-commerce sales in general are expected to surge, as shoppers stay at home during the crisis, but grocery sales are where the biggest long term impact could occur. Grocery delivery platforms are seeing dramatic spikes in sales, much of which is likely driven by new customers who are trying online grocery shopping for the first time. Those first time online grocery buyers have a high probability of converting to that way of shopping permanently.

This change is not only directed towards to purchase of groceries or other things from shops. It is also directed to the way we consumers satisfy our needs and wants. The way we spend and utilise our purchasing power, money. A lot of people will no longer purchase products that they used to purchase before the pandemic. A lot of people will no longer see the need to travel to a certain place or purchase a certain product.

 Consumers who love buying imported products, but who cannot at the moment because of the declaration of the lockdown, may no longer see the need to purchase those products anymore, seeing as they have already survived without it during the period of the lockdown.

Some 47 percent of businesses said their sales had already been significantly or severely impacted by the outbreak of the corona virus but at this stage, only 7 percent said they had stopped spending on advertising completely. The geographic focus of activity has been an early shift for businesses, with 22 percent saying they had already changed creative and regional focus due to the corona virus. Likewise, with people spending more time at home, brands have responded by shifting spending from offline media to online, with 14 percent saying they were moving budget from offline media.

 In conclusion, the outbreak of the corona virus pandemic has affected the global community in general, including the behaviour of consumers in the world. Consumers no longer purchase a particular set of products, while they get involved in ‘panic buying’ in order to stock up on essential products that are required for survival. As has already been stated above, people are now stocking up on essential items like hand sanitizers, face masks, soaps, vitamin c, food stuff and many more. The virus also has effects on producers and marketers. This will also affect consumer behaviour because, the behaviour of a consumer is likely determined by the producer and marketer; how they produce, what they produce and the way and manner in which they sell their products.

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