**Name: HAMZAT ROQEEBAT OLUWASEYI**

**MATRIC NUMBER: 18/LAW01/110**

**COURSE TITLE: CONSUMER BEHAVIOR 2**

**COURSE CODE: BUS 208**

**LEVEL: 200L**

**Question**

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

**Answer**

**Introduction**

 The Coronavirus disease (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-Cov2) (Mayo Clinics, 2020). It causes respiratory illness, like the flu, with symptoms such as a cough, fever, and in more severe cases, difficulty breathing (WHO, 2020). This virus which originated from China has caused major outbreak across the globe and has infected more than 2,200,000 people across the world (Wikipedia, 2020). This outbreak has posed unexpected and extreme challenges for organizations of all sizes and sectors around the world. In one way or the other the various parts of an economy have felt the impact of COVID-19. The government has incurred more expenses, such as, medical expenses, security expenses etc., to its citizens, making critical decisions on how to curtail the spread of the disease. To curtail the spread of the COVID-19, the government have engaged his citizenry to precautions such as; total lockdown, self-isolation and has also caused lesser revenue from international trade, taxes etc. Firms have closed down and this has stopped production of goods and services which translate to no sales and no revenue. Businesses are being presented with many new challenges as international borders close, bricks and mortar businesses shut their doors and people are to isolate at home. But, firms who produce packaged essential goods are faced with supply issue as they race to meet higher levels of demand and changing purchasing habits. Everyone’s daily expenses keep increasing during this period as individuals have stopped going to their workplaces. Only few persons work from home while others that do not work home and have with no salaries or wages to pay for these daily expenses. They tend to spend out of their savings in order to survive and pay for their daily needs.

 One very noticeable impact of this coronavirus pandemic is its influence on how consumers are thinking and behaving to what they want to purchase now, how they are purchasing it, what they are not buying and how long they think the crisis will last. Consumers have different motives for buying and to satisfy varieties of needs; needs differ according to markets, societies, cultures, perceptions and economic situations like COVID-19. The modern marketing concept is that marketing revolves around the consumer, and marketers must search and understand the totality of the consumer in his interaction with products and services. Consumer behaviour can be defined as the study of how consumers select, purchase, use and dispose of goods and services to satisfy personal needs, household need and industrial needs. According to the **American Marketing Association (AMA)**, consumer behaviour is the dynamic inter-function of effect and cognition, behaviour and environment by which beings conduct the exchange aspect of their lives. This pandemic has completely changed patterns of consumer behavior all over the world. It has quickly led to adjustment in people’s behavior from fear to action; to cope with the unexpected situation and a shift in daily activities from offline to online.

**How the Pandemic (COVID 19) Has Affected Consumer Buying Behavior**

 Consumers are no longer interested or considering the purchase of big items, that is, luxury goods like homes, cars, etc. Neither are they interested in purchasing travel tickets or incurring vacation expenses, most of them have canceled planned trips both within and outside their countries. Instead they are interested in buying more consumable goods that can last them for a long period of time and have low involvement decision or most times purchase goods and services on impulse because they are embedded with fear. These consumable goods are been classified into Survival and Sanity products (Matt, 2020). Survival products are products that can aid them to continue living in this pandemic like food and beverages, personal care items, household cleaning items and medicine. While Sanity products are products that helps consumers to have ability to think and behave in a normal and rational manner that is products that will help them maintain sound mental health like alcoholic beverages, entertainment, beauty products and electronics.

 The specific fears consumers are expressing during this COVID-19 period are the fear of having bad family health and personal health, fear of not having their jobs being secured, and fear of spreading the virus to others. Due to these fears, consumers had to take some actions which made the consumers to behave in certain ways during different stages of the pandemic. Nielsen conducted shopper behavior research that started during the beginning of the pandemic in China and extended to other countries that have also been affected. He monitored consumer trends as COVID-19 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.

 First is the **Proactive Health-minded Buying**. This occurs when the virus case just comes in newly to a country, as a result of an arrival of an infected person from another country. This stage made the consumers engage in proactive health minded buying, that is, the interest of consumers rose to buying goods that can take care and support their overall wellness and health like food, beverages, medicines etc. But this change in consumer behavior was a minor change to sales pattern when compared to the subsequent changes in other stages.

 The second is the **Reactive Health Management**. This has to do with increasing virus cases and it was able to transmit from one person to another. Here, countries have their first COVID-19 related deaths among its local communities. Also, the consumers made use of reactive health management buying method, that is, consumers shifted their behavior to buying products that can help in containment of the virus, health and public safety. So, products which medical professionals advised to help reduce the spread of the virus like hand sanitizers and face masks hiked up in prices of more than half of the original price. This really caused a major change in the sales pattern of face masks and sanitizers as consumers reacted towards buying more of them to avoid getting or spreading the virus, which made producers of these products earn fortunes.

 In the third threshold there is **Pantry Preparation**. The cases of corona virus kept on accelerating which made the government and its citizens more worried and this made the government to make critical decision of closing borders and starting small quarantines. Consumers at this stage focused their purchasing behavior basically on stocking up of more shelf-stable goods, that is, more durable grocery items like canned foods and beverages etc and a broader assortment of health-safety products like more hand sanitizers, hand wash etc. This increased how many consumers visit stores to get these goods.

 The fourth one is **Quarantined Living Preparation**. People started preparing for their quarantined living life. That is, they prepared to stop large gatherings in schools, religious centers and public places. At this stage there was an increase in online shopping, because consumers had to restrict their visit to the stores as more cases keep increasing. Also at this stage many products are out of stock and there are reductions or strains on the supply chain.

 The fifth is **Restricted Living**. Mass cases of COVID-19 communities started ordering for lockdown. The government imposed restriction of anyone going out of their homes. The consumers struggled to buy essential products as most stores have limited stocks which are very high in prices and some stores have sold out their essential products. Consumers severely restrict their shopping trips and online sellers’ fulfillment to deliver goods ordered became limited, the prices of goods rise as limited stock available had impact on pricing

 The last one is **Living** **a new Normal**. In this threshold, people return to their daily activities but they operate with a renewed cautiousness about heath that is, increased health awareness. There are permanent shifts in supply chains, the use of e-commerce and hygiene practices.

 Looking at these thresholds, using the country Nigeria as an example; At the beginning, as the news about COVID-19 kept on flying around in the world as the Republic of China discovered its first case as early as 2019. Nigeria’s first case confirmed of COVID-19 happened 27th of February, 2020 from an Italian citizen who works in Nigeria and just returned from Milan. The man was tested positive for the virus and this made consumers to shift their behavior up with a little change in sales pattern. Consumers kept on buying goods that are good for the overall health like food, beverages, hand washes etc. These goods as at that period had not increased in prices like that because some goods were still coming in from some other countries apart from China. Immediately the country recorded its first death case and the number of people that have contracted the virus kept on increasing, people started believing in the disease. And so consumers were interested in buying products that can curb the spread of the virus at any cost and that’s why a litre of sanitizer that would have been bought for about 1,000 naira could be bought for about 2,500 even more than double of the original price. So also the face masks and gloves. More stores even in the local markets started selling these products as the demand for them were on the increase. Then, the government started closing down the border, schools, religious centres that is large gatherings; consumers had the information of lockdowns that may occur in the country and some consumers that had this information started stocking up their houses with mostly packaged foods and beverages, personal care items and of course health items like the sanitizers, face masks, etc. Then immediately the government announced total lockdown in the economy plenty consumers had to buy many of these shelf goods in order to sustain the lockdown, but at this time these essential goods had hiked up in prices and had become limited in the market. Now people have reduced their market visit in order to curb the spread of the disease and consumer have now shifted their store visits to shopping online.

 Currently, the only country where consumers are starting to transition to the sixth stage is China because people are now back to their daily routines but with increased hygiene practices. While country like Nigeria or the United States has begun to move towards the restricted living. Now the task of continuing to entice consumers to shop online is needed by retailers and Direct to Consumers manufatureres. There should be flexibility with payment options in order to make it easy for them to easily find what they need and also they need to ensure that consumers feel confident that their goods will be delivered on time.

**Summary**

 Corona virus has a great impact on consumer behavior. Right now most countries are in the restricted living stage. People have moved from visiting stores (offline) to shopping online especially for health and essential items because when consumers are faced with shopping restrictions, they find and adopt newer ways to shop with technology. With so many consumers entering restricted living situations, there has been a spike in other product categories, like entertainment and media. That’s not surprising given that staying home increases the amount of video games traffic and amount of people making use of internet. Consumers have delayed their purchase of luxury items and canceled their travel or vacation plans till when the pandemic reduces. It is too early to tell how much consumer behavior will change during this pandemic but more will be learnt about the impact of the virus on consumer behavior as soon as additional countries move through the different stages and into restrictive learning. However it will be a while until we know if these changes in consumer behavior will be for a long term. In the meantime retailers and Direct to Consumers (D2C) manufacturers should strive to maintain higher levels of e-commerce to mitigate the impact of store closures. Consumers are super eager to go back to their normal life of making good decisions and planning before purchasing as the supply chain will tend to increase when the pandemic is over.

# Bibliography

*Mayo Clinics*. (2020). Retrieved April 17, 2020, from Mayo Clinics: https://www.mayoclinic.org/diseases-conditions/coronavirus/symptoms-causes/syc-20479963

*Wikipedia*. (2020). Retrieved from https://en.wikipedia.org/wiki/Coronavirus\_disease\_2019#cite\_note-JHU\_ticker-6

Ahuguo, E., & Folayan, O. (2019). *Consumer Behaviour: A Business Science Approach.* Oyo: Connel Publishers.

Matt, B. (2020, March). Retrieved from suzy: http://www.itbusinessnet.com/2020/03/new-report-from-leading-consumer-intelligence-platform-suzy-investigates-covid-19s-impact-on-consumers/

WHO. (2020). *World Health Organization*. Retrieved from https://www.who.int/health-topics/coronavirus#tab=tab\_1

https://www.contentserv.com/en/blog/how-covid-19-pandemic-is-influencing-consumers-behavior/

https://www.ayima.com/blog/the-impact-of-covid19-on-user-behavour-and-ecommerce.html