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## **QUESTION**

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

## **ANSWER**

CoronaVirusDisease is a terrible and life-threatening respiratory disease caused by a viral micro-organism gotten from bats. The 2019–20 coronavirus pandemic is an ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by Severe Acute Respiratory Syndrome CoronaVirus 2 (SARS-CoV-2).InlateDecember2019,newsofarapidly-spreadingpneumonia-likevirusinChinastartedspreadingacrosstheworld.

The outbreak was first identified in Wuhan, China, in December 2019, declared to be a Public Health Emergency of International Concern on 30 January 2020, and recognized as a pandemic by the World Health Organization on 11 March 2020. As of 13 April 2020, more than 1.9 million cases of COVID-19 have been reported in 210 countries and territories , resulting in more than 118,000 deaths .The virus is mainly spread between people during close contact, often through small droplets produced during coughing, sneezing, or talking. While these droplets are produced when breathing out, they usually fall to the ground or onto surfaces rather thanbeing infectious over large distances. People may also become infected by touching a contaminated surface and then their face. The virus can survive on surfaces for up to 72 hours.It is most contagious during the first three days after onset of symptoms, although spread may be possible

before symptoms appear and in later stages of the disease. Most people infected with the COVID-19 virus experience mild to moderate respiratory illness.

Symptoms of COVID-19 can be relatively non-specific and infected people may be asymptomatic. The two most common symptoms are fever (88 per cent) and dry cough (68 per cent). Less common symptoms include fatigue, respiratory sputum production ( phlegm ), loss of the sense of smell, fever, shortness of breath, muscle and joint pain, sore throat, headache, chills, vomiting, hemoptysis, diarrhea, or cyanosis. Complications may include pneumonia and acute respiratory distress syndrome. The time from exposure to onset of symptoms is typically around five days, but may range from two to fourteen days. There is no known vaccine or specific antiviral treatment. Primary treatment is symptomatic and supportive therapy.

Recommended preventive measures include regular washing of hands, the use of alcohol-based hand sanitizers, covering of one's mouth into an immediately disposable handkerchief or into a flexed elbow when coughing, maintaining distance from other people, and monitoring and self-isolation for people who suspect they are infected. Taking of Vitamin C, taking of Vitamin E, drinking of 1.5 litre of water on average daily, consumption of alkaline foods above the PH level of the Virus have also proven effective in fighting against the virus.

The challenges facing the world right now are shaking up global economies, pushing health care systems to their limits, and upheaving people's daily lives. Authorities worldwide have responded by implementing travel restrictions, quarantines, curfews and stay-at-home orders, workplace hazard controls, and facility closures. The pandemic has led to severe global socio-economic disruption, the postponement or cancellation of sporting, religious, political and cultural events, and widespread shortages of supplies exacerbated by panic buying. Schools, universities and colleges have closed down with the resumption date or period not certain.

The adverse effects of this worldwide plague as a burden rests on the economic sector to the extent of being broadcasted on News channels, a potential global economic recession due to the shutdown of all economic activities around the world. The shopping behavior of consumers worldwide have been impacted by CoronaVirus. As concern regarding Coronavirus grows, impact on consumer behavior begins to slow or stabilize in many regards. With the majority of the country now under stay-at-home orders— set to continue through the month of April— consumers are settling into a “temporary normal” that includes regular trips / online orders to

replenish necessities and little else. The top concerns are the impact on the economy, inability to see friends and family, and becoming infected—self/member of household first, followed by someone outside of the household. Although, what has been specifically cited by individuals as their “primary” concern on live News broadcast are becoming infected, economic impact, and impact on job security;— the issue of change in the buying pattern of consumers remains a topmost concern. These are the top and prevalent concerns of individuals in this quarantine period.

The reality of this new pandemic took the world by surprise and there’s no doubt that the crisis caused by the global Coronavirus (COVID-19) pandemic has created an incredibly difficult business climate. Businesses are being presented with many new challenges as international borders close, bricks-and-mortar businesses shut their doors, and people are told to isolate at home. Many companies face temporary or even permanent closures, with staff facing months of financial uncertainty and worry. Financial uncertainty and the prospect of a severe and long-term recession make for a stark backdrop which has led to an impact on consumer outlook, perceptions and behaviours. One very noticeable impact of the outbreak is its influence on how and what people purchase. This is having a knock-one effect on various industries and key groups. Below are the major impacts of the global pandemic on consumer and buying behavior.

#### CONSUMERS ARE FORCED TO SETTLE INTO THE NEW ISOLATION LOCK-DOWN LIFE.

The most frequently cited impact on shopping behavior is product shortages, and decline in stock-up behaviors; over half of consumers delay their purchase of non-essential goods or services and to worsen the situation stores they would otherwise go to are closed. These behaviors are indicative of the new — albeit temporary— normal in which we see consumers stepping back from non-essential activities and purchases. Consumer behaviour has been forced to immediately change, and change on a massive scale. Those in isolation or under lockdown can’t perform their usual routines, especially since many local shops have been forced to close their doors for safety reasons. Concerns about the availability of goods have encouraged panic buying of items in bulk where consumers are stockpiling food and other essential items, while isolating themselves from crowds. A somewhat difficult life to adapt to.

## A LOT OF CONSUMERS ARE FORCED TO ORDER DELIVERY / TAKEAWAY FOOD.

A lot of consumers are forced to order delivery/takeaway food from restaurants and online stores as a result of the imposed stay-at-home order occasioned by the Corona virus pandemic. Online delivery (click-and-collect) services now attract more consumers as so many individual consumers now do online shopping of goods and services with so many of them doing it for the first time in the past six months and some for the first time ever. 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.

Online, the world is changing just as fast as offline. In early March 2020, an official research-team's report shows that, while annual advertising growth rates in China are predicted to fall from 7% growth in 2020 to 3.9%, ecommerce advertising spend is predicted to grow by 17.7% and social media spending to rise by 22.2%. This seems to reflect the changes in consumer behaviour as they switch from buying offline to buying online. In the same piece of research, they go on to state that "e-commerce as a platform has already seen exponential growth.

While the types of goods consumers need might change due to the present circumstance affecting the world, the need to purchase (these) goods somewhere will remain, and there will undoubtedly be a general switch to online shopping.

On the emphasis of Consumer behaviour in a time of worry and isolation-lockdown orders, there have been a new trend which tends to develop among consumers; which is characterized by six behavioral stages consumers go through based on their awareness of the COVID-19 spread in their communities and countries. The Six behavioral stages are :

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. QUARANTINEDLIVINGPREPARATION: Increased online shopping, decreased store visits and first signs of strain on the supply chain

5. RESTRICTEDLIVING: Possible price gouging due to limited supplies and deterred online fulfillment

6. LIVINGANEW"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.

With so many consumers entering restricted living situations, there has been a spike in other consumer-based categories, especially in entertainment and media which is not surprising given that staying home increases the amount of content people watch. Video games and video-game internet traffic have seen an increase since restrictions were imposed. In line with the reactions of consumers under the current status-quo, short-term adjustments in behavior can (unarguably) have long term effects.

#### CONSUMERS'RELIANCEONMANUFACTURERS.

As the population of most countries starts to move from quarantine preparations to restricted living, online fulfillment 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. Awareness of D2C manufacturers has increased in the last few years, with a somewhat large percentage of manufacturers racing to build D2C channels, and a rather larger percentage 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. In conclusion, while the world is reeling from the effects of the Coronavirus pandemic, consumer behaviour is being forced to change and shoppers are increasingly moving online. Ecommerce sites are in a position to be able to capitalise on this, but only if they are able to be found by customers in the first place. It is too early to tell how much consumer behavior will change due to the COVID-19 pandemic as the period where countries will be CoronaVirus-free is uncertain thus subtly advocating and causing more unpredictable changes. Furthermore, it will be a while until it can be said if these changes in consumer behavior will be long term or permanent (the least likely).

#### TRAVEL PURCHASES ARE TAKING THE BRUNT.

More expensive purchases, and those that involve travel, are the most likely to be delayed while the outbreak is still ongoing. For example, 41% of global consumers have delayed purchasing vacations and holidays. This rises to 53% in China, a country that has been in lockdown for over 6 weeks and is only starting to emerge on the other side. 1 in 4 consumers have also delayed purchasing a flight, jumping to over 2 in 5 consumers in Singapore. Heightened delays in Singapore are likely because of very early restrictions that were implemented there, such as strict border controls, aggressive testing measures, intensive tracing of carriers, and surveillance actions. The country has managed to contain the virus so far but, understandably, consumers are still cautious about booking new travel.

Among travel enthusiasts (those who express an interest in travel), around half say they are delaying purchasing a vacation and close to 1 in 3 are delaying purchasing a flight. On the other hand, only 9% of Japanese internet users say they're delaying purchasing flights and just 14% say they're delaying booking a vacation or holiday – the lowest of all countries we've tracked. Additionally, 61% of consumers in Japan selected “none of these” as an option, suggesting that they're not delaying purchases on the same scale as other countries.

Interestingly, even though they're not as prohibitive with their own plans, Japanese consumers are the least optimistic of all markets surveyed that their country and the world will overcome the coronavirus outbreak. Japan has certainly been the exception so far, having seemingly managed to dodge the explosive rates of the virus that other countries have experienced. Despite concerns that they're being too optimistic and

lenient, daily life seems to continue as normal for many, with people flooding national parks and gathering in large groups at various events, which may partly explain why consumers there are less inclined to delay purchases.

In conclusion, more than one-third of the world's population is under some form of lockdown. To put it simply: there isn't a business, government, or person that hasn't felt the effects of coronavirus, even to some degree and the best way we all as human beings can come together to defeat the global pandemic -Coronavirus is by collectively strictly obeying and going by all the preventive measures and W.H.O-given regulations.