*NAME: OLAWUYI MARY TOLUWALASE*

*COLLEGE: LAW*

*LEVEL: 200 LEVEL*

*MATRIC NO.: 18/LAW01/183*

*COURSE TITLE: CONSUMER BEHAVIOUR (BUS 208)*

*DATE: APRIL, 2020.*

**QUESTION:** Explain explicitly how the pandemic has affected consumer buying behavior.

*ANSWERS*

**ABSRACT**

The reality of this new pandemic took the world by surprise. People worldwide are still trying to adapt to the idea of prolonged indoor stays. So, now that we are all trying to avoid going out to shop in brick and mortar stores, how has this changed our approach in purchasing goods? Furthermore, will these adjustments establish new and lasting habits?

In this paper, the writer therefore investigates the effect of a pandemic outbreak known as COVID-19 on consumer behavior

**INRTODUCTION**

**A pandemic** is an epidemic of disease that has spread across a large region, multiple Continent or Worldwide.

***The 2019-20 Coronavirus Disease 2019 (COVID-19***) is a Public Health Emergency of International Concern.[[1]](#footnote-1)

As of April 20, 2020, there were approximately 2,489,956 global cases of COVID-19. Over 653,188 people had recovered from the disease, while there had been 170,552 deaths. The United States, Italy, and Spain have been the three countries [hardest hit](https://www.statista.com/statistics/1043366/novel-coronavirus-2019ncov-cases-worldwide-by-country/) by the pandemic. it has become the first disease outbreak since the H1N1 ‘swine flu’ to be officially classified by the **World Health Organization (WHO)** as a pandemic, and has resulted in numerous countries taking lockdown measures to limit the spread of the virus. Currently, almost all the world’s population is under some form of ***lockdown***. Even in our Country Nigeria, as of April 20, 2020, there are about 627 confirmed cases of the pandemic, 170 recovered and 21 deaths. To put it simple, there is not a business, government or persons that has not felt the effects of this pandemic even to some degree.

Accordingly, understanding the indirect, but strong effects of pandemics on consumer’s willingness to buy would provide important implications and guidance for policymakers, as well as practitioners aiming to counteract disruption in the economy. However, little research has investigated how a pandemic outbreak affects individual shopping behavior and consumption. Instead, studies have generally focused on the total burden of pandemics population based on aggregates data.

**WHAT ARE THE EFFECTS OF THIS PANDEMIC ON CONSUMER BEHAVIOUR?**

Consumer behavior has been forced to immediately change, and change on a massive scale.

1. **Financial/Economic uncertainty:** 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 behaviors. There is a lot business, families, governments and economists who don’t know about the economic fallout from the spreading virus. The depth, length and regional dispersion of the economic decline are largely unknown. Nor is it clear whether measures taken now to contain the spread of the virus will be effective.

For the businesses that remain active at this time, questions are inevitably being asked about how best to cope with the prevailing trading conditions, and how best their strategies should adapt. This is a difficult question to answer since the Coronavirus pandemic is so new that the circumstances are changing fluidly and on a daily basis. Defining a strategy now is difficult as there is limited evidence or precedent to base assumptions on.

This [**uncertainty exacerbates the economic fallout**](https://www.americanprogress.org/issues/economy/news/2020/03/06/481394/economic-impact-coronavirus-united-states-possible-economic-policy-responses/)**.** Businesses are pulling back, not just because they have no customers, but also because they don’t know how much worse it will get. Families are cutting spending in part because they are worried about drastic drops in their incomes. These reactions to the unknowable risks exacerbate the economic downturn.

The federal government can address this massive, widespread and growing uncertainty. It has the ability to quickly spend large sums of money wherever problems rapidly rise. At this point, Congress and the President need to clearly signal their willingness to undertake any steps necessary to stop an economic freefall, no matter where the problems occur and how long they will last.

 The fallout from the pandemic highlights the problems of massive economic inequality.

1. **PRODUCTION AND INVESTMENT**

The pandemic effects on this aspects. Inevitably, on top of the direct medical costs of treating patients and implementing different controls of the disease, pandemics have devastating effects on the economy. Restrictions on the transportation of people and goods, commonly imposed in areas where the risk of infection is high, significantly disrupts outputs and exports, and the seeds of future growth are often hindered by undercuts in investors lose their confidence in the market.

Apart from the impact of a pandemic outbreak on production and investment, a considerable negative influence to be noted is that an extreme event often imposes negative shocks on consumer behaviors at the other end. In particular, consumers are to avoid travel and shun public places in an attempt to reduce the risk of getting infected, and this disruption in consumption influences the economy considerably. Consistently, conventional wisdom about the effect of a macroeconomic factor such as gasoline prices and business cycles, in that key mechanism by which a macroeconomic factor impacts the economy is through disruption of goods and services

1. **The Lockdown:** One of the effects of the pandemic on consumer behavior will be a result of the general lockdown practiced by majority to prevent the rapid spread on the Virus. 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.
2. **Concerns about the availability or production of goods**: This have encouraged panic buying of items in bulk. In countries heavily impacted by COVID-19, consumers are stockpiling food and other essential items, while isolating themselves from crowds
3. **Increased Online Shopping:** Consumers are shifting their spending behavior and some companies and product categories are actually growing. While the circumstances continue to evolve each day, some Nigerians will say they shop online more as a result of the pandemic, and will buy more groceries online. Increased online shopping, decreased store visits and first signs of strain on the supply chain. Possible price gouging due to limited supplies and deterred online fulfilment

**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. **Social networks could be a major beneficiary, as people turn to these platforms to connect with friends and family who may be at a distance or to access news content.**However, due to the pandemic, older generations are starting to see online shopping as a valid and safe option to obtain groceries. For example, Alibaba reported that in China, online grocery orders placed by people born in the 1960s were four times higher than normal during the Spring Festival or the period were China was still discovering new cases of COVID-19 each day.4

1. **Changes in the patterns of Consumer Psychology:** Experts says that the pandemic has completely change patterns of consumer psychology across the world. Complexity of the crisis, the number of variables and its magnitude make a consumer recovery unprecedented and difficult to predict.
2. **The Influence on how and what people purchase:** One very noticeable impact of the outbreak is its **influence on how and what people purchase.** This is having a knock-on effect on various industries and key groups. Latest researches shows how purchase behaviors are changing amid the crisis and what this means for brands.
3. **Effects on local businesses, education systems, and major public events around the world:** The impacts of the pandemic are now being felt on local businesses, education systems, and major public events around the world.

Amid all the uncertainty and calls for social distancing, some industries will be affected more than others, Restaurants and bars are particularly vulnerable, as well as Event spaces, and Retail stores. At the same time,

**OTHER NEGATIVE EFFECTS OF THE PANDEMIC THAT MAY AFFECT CONSUMER BUYING BEHAVIOUR ARE**

1. **Less demand for resources**: The demand rate for resources and services are minimum due to the lack of funds to get such essential resources and commodities.
2. **Instant and unplanned Unemployment**: Unplanned and spontaneous unemployment in the society during the epidemic affects the consumers and also their buying behavior.
3. **Increase in hunger rate:** Due to the recent pandemic development across countries in the world, people gave been forced to stay at home, which also limits some essential resources and increase the hunger rate, people who usually make an income on daily basis are the most hit, they are left with scarce resources to feed.
4. **Increase in crime rate:** Most citizens are hungry at this time, especially those who feed from hand to mouth or have limited resources, lack of essential resources lead to excessive crime rate despite the lockdown.
5. **Poverty and death rate:** Increase in poverty and death rate, due to the epidemic breakout the low income earners and less privilege have little or minimum resources to depend.

Some other sectors in which the pandemic has affected across countries include;

###  **Financial** **markets:**

 Economic turmoil associated with the coronavirus pandemic has wide-ranging and severe impacts upon financial markets including stock, bond and commodity (including crude oil and gold) markets. Major events included the [Russia–Saudi Arabia oil price war](https://en.m.wikipedia.org/wiki/2020_Russia%E2%80%93Saudi_Arabia_oil_price_war) that resulted in a collapse of crude oil prices and a stock market crash in March 2020. The [United Nations Development Programme](https://en.m.wikipedia.org/wiki/United_Nations_Development_Programme) expects a US$220 billion reduction in revenue in developing countries, and expects COVID-19's economic impact to last for months or even years. Some expect natural gas prices to fall. For instance, the price of Oil in Nigeria has reduced to $11 per barrel

### **Manufacturing sectors and industries**

### New vehicle sales in the United states  have declined by 40%.[[64]](https://en.m.wikipedia.org/wiki/Socio-economic_impact_of_the_2019%E2%80%9320_coronavirus_pandemic#cite_note-64) The American Big three have all shut down their US factories. The German Automotive Industry is coming into the crisis after having already suffered from the [Diesel gate2.](https://en.m.wikipedia.org/wiki/Volkswagen_emissions_scandal)-scandal.

**Entertainment sector**

But what about other product categories? With so many consumers entering restricted living situations, there has been a spike in other categories, especially in entertainment and media. That’s not surprising given that staying home increases the amount of content people watch by 60%.5 Video games and video-game internet traffic have seen a 75% increase since restrictions were imposed in the US.6 Of course, not everyone is seeing increases in traffic or purchases, in fact travel sites are experiencing the opposite.

Areas like;

#### **Cinema**

The pandemic has impacted the film industry. Across the world and to varying degrees, cinemas have been closed, festivals have been cancelled or postponed, and film releases have been moved to future dates. As cinemas closed, the global [box office](https://en.m.wikipedia.org/wiki/Box_office) dropped by billions of dollars, while streaming became more popular and the [stock](https://en.m.wikipedia.org/wiki/Stock) of [Netflix](https://en.m.wikipedia.org/wiki/Netflix) rose; the stock of [film exhibitors](https://en.m.wikipedia.org/wiki/Film_exhibitor) dropped dramatically. Almost all [blockbusters](https://en.m.wikipedia.org/wiki/Blockbuster_%28entertainment%29) to be released after the March opening weekend were postponed or cancelled around the world, with film productions also halted. Massive losses in the industry have been predicted

#### **2. Sports**

 Most major sporting events were cancelled or postponed including the [2020 Summer Olympics](https://en.m.wikipedia.org/wiki/2020_Summer_Olympics) in [Tokyo](https://en.m.wikipedia.org/wiki/Tokyo), which were postponed until 2021 on 24 March 2020.

#### **Production of television programs which are beneficial to citizens.**

 The 2019–20 coronavirus pandemic has shut down or delayed production of television programs in several countries.

#### **Production of electric devices such as videogames** etc.

The pandemic also affected the video game sector to a smaller degree. As the outbreak appeared in China first, supply chains affected the manufacturing and production of some video game consoles, delaying their releases and making current supplies scarcer. As the outbreak and pandemic spread, several keystone trade events, including [E3 2020](https://en.m.wikipedia.org/wiki/E3_2020), were cancelled over concerns of further spread. The economic impact on the video game sector is not expected to be as large as in film or other entertainment sectors as much of the work in video game production can be decentralised and performed remotely, and products distributed digitally to consumers regardless of various national and regional lockdowns on businesses and services.

### **Publishing**

The pandemic is predicted to have a dire effect on [local newspapers](https://en.m.wikipedia.org/wiki/Local_news) in the United States, where many were already severely struggling beforehand.

The pandemic breaks out has also affected the publishing sector, people are unable to access news especially through newspaper publication, this greatly affects those who have no means of accessing news or can’t afford internet services.

**CONCLUSION**

One of the significant lessons that can be learned from the recent outbreak is that companies with a strong digital footprint are extremely well placed to respond to changing consumer behavior with some companies managing to very quickly secure a place among their former major competitors.

**REFERENCES**

* <http://blog,globalwebindex.com/trends/coronavirus-impact-buying-behaviours/>
* <https://en.m.wikipedia.org/wiki/Pandemic>
* https://www. contentserv.com
* [www.quora.com](http://www.quora.com)
* <https://en.wikipedia>
1. The World Health Organization (30 January, 2020) [↑](#footnote-ref-1)