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**Introduction**

I don’t think it’s too soon to say that the COVID-19 global pandemic will likely be one of the defining events of 2020, and that it will have implications that last well into the decade. The situation is rapidly changing. The amount of people deemed safe to gather in a single place has dwindled from thousands, to hundreds, to ten. Restaurants, bars, movie theaters, and gyms in many major cities are shutting down. Meanwhile many office workers are facing new challenges of working remotely full time. Essentially, people are coming to terms with the realities of our interconnected world and how difficult it is to temporarily separate those connections to others. To say that we are living in unprecedented times feels like an understatement. One of the responses we’ve seen to how people are approaching this period of isolation and uncertainty is in huge overnight changes to their shopping behaviors. From [bulk-buying](https://www.businessinsider.com/coronavirus-panic-buying-toilet-paper-stockpiling-photos-2020-3%22%20%5Ct%20%22_blank) to [online shopping](https://marketingland.com/coronavirus-and-e-commerce-its-complicated-277480%22%20%5Ct%20%22_blank), people are changing what they’re buying, when, and how. As more [cities are going under lockdowns](https://www.forbes.com/sites/jeffmcmahon/2020/03/26/app-data-captures-plunge-in-urban-movement-as-the-worlds-cities-enter-lockdown-for-covid-19/%22%20%5Cl%20%22320139342155%22%20%5Ct%20%22_blank), nonessential businesses are being ordered to close, and customers are generally avoiding public places. Limiting shopping for all but necessary essentials is becoming a new normal.

**What is consumer behavior?**

Consumer behaviour is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities. It refers to the actions taken (both on and offline) by consumers before buying a product or service. It is also the decision processes and acts of people/prospective customers involved in buying and using products.

Consumer buying behavior is the sum total of a consumer's attitudes, preferences, intentions, and decisions regarding the consumer's behavior in the marketplace when purchasing a product or service.

## What are the major factors that influence consumer buyer behavior?

A variety of factors go into the consumer buyer behavior process, but here I offer just a few. Taken separately, they may not result in a purchase. When put together in any number of combinations, the likelihood increases that someone will connect with a brand and make a purchase. Four factors influencing consumer buying behavior are:

* Cultural Factors - Culture is not always defined by a person's nationality. It can also be defined by their associations, their religious beliefs or even their location.
* Social Factors - Elements in a person's environment that impact the way they see products.
* Personal Factors - These may include someone's age, marital status, budget, personal beliefs, values, and morals.

Psychological Factors - A person's state of mind when they are approached with a product will often determine how they feel not only about the item itself but the brand as a whole. “Panic buying can be understood as playing to our three fundamental psychology needs.” These needs are autonomy (or the need to feel in control of your actions), relatedness (the need to feel that we are doing something to benefit our families), and competence (the need to feel like smart shoppers making the correct choice).

These psychological factors are the same reasons “retail therapy” is a response to many different types of personal crises; however, during a pandemic there are added layers.

One is that the global spread of COVID-19 has been accompanied by a lot of uncertainty and at times contradictory information. When people are hearing differing advice from multiple sources, they have a greater instinct to over-, rather than under-, prepare. Secondly, there is the crowd mentality. Seeing other people buying up the shelves and then seeing a scarcity of necessary products validates the decision to stock up. No one wants to be left behind without any resources

Despite toilet paper hoarding and panic buying, overall consumer spending has sharply declined since the onset of the COVID-19 pandemic, with retail sales dropping an unprecedented 8.7% in March. Stay-at-home orders also have caused many people to change the way they shop for the things they do need.

**Most significant changes**

Overall, consumers are dramatically reducing most discretionary spending, which has grave consequences for some industries, such as restaurants, apparel, footwear, accessories, travel and entertainment out of home. As many consumers are under stay-at-home or shelter-in-place orders around the nation, they are likely to continue reduced spending patterns in these and other product categories. We can see from other countries that are ahead of the United States, in terms of progress along the contagion curve, that shopping habits before, during and after the COVID-19 peak indicate that spending in a number of categories remains low for months or possibly even longer. In terms of behavior changes, the rise in online buying, specifically for groceries, is noteworthy. Among all age groups, there is a large segment of consumers who tried online grocery buying for the first time in March, and many will likely continue to buy groceries online, at least as long as the pandemic continues. Of course, it is impossible to foresee whether a large share of consumers will remain loyal to online shopping or go back to the brick-and-mortar store experience once we feel safe to do so. Most of us have missed the social experience of shopping for many weeks now, and the convenience of the online channel may not make up for this.

Another way in which consumer behavior has changed is in terms of stockpiling. Many American households did not store food and household items in an amount necessary to overcome even short supply shortages. Most American consumers grew up with well-stocked, if not overstocked, shelves and a wide variety of brands to choose from at all price levels. Some older consumers or those living in areas struck by natural catastrophes may remember a time when they could not simply go to the store and get whatever they wanted. Until very recently, it was not conceivable that staple products such as diapers, soap or the infamous toilet paper would not be readily available in any quantity one wanted to purchase. This experience of scarcity and under preparedness for disasters likely will impact our consumer behavior going forward, and it may also make many consumers consider keeping safety stock inventory at home on an ongoing basis.

We also see increases in home entertainment. As noted, online buying has significantly increased with regard to grocery and household items, but that growth in online sales has not come close to offsetting the overall reduction in consumer spending. In terms of service, delivery obviously has seen increased demand, and some parts of the takeout food sector are cautiously optimistic.

## Generational Purchasing Responses to COVID-19

### 1. Health and safety products.

Anyone who has faced empty shelves or seen price gouging online knows that health and safety products are being purchased far faster than they can be produced and restocked.According to data from [Nielsen](https://www.nielsen.com/us/en/insights/article/2020/nielsen-investigation-pandemic-pantries-pressure-supply-chain-amidst-covid-19-fears/%22%20%5Ct%20%22_blank), items like hygienic and medical mask sales are up by more than 300%.

### 2. Shelf-stable goods.

Another category of consumer packaged goods that is booming is shelf-stable items. These fit into the category of people planning for long-term quarantine. [According to Nielsen](https://www.nielsen.com/us/en/insights/article/2020/nielsen-investigation-pandemic-pantries-pressure-supply-chain-amidst-covid-19-fears/%22%20%5Ct%20%22_blank), products like shelf-stable milk and milk substitutes (particularly oat milk) are up by more than 300% in dollar growth. Other items seeing increases are things like dried beans and fruit snacks that have a long shelf life.

### 3. Food and beverage.

In addition to long-term quarantine type items, for groceries in general, [sales are up](https://www.forbes.com/sites/pamdanziger/2020/03/24/grocery-retail-is-going-to-be-permanently-disrupted-by-coronavirus/%22%20%5Cl%20%2238448c5e4633%22%20%5Ct%20%22_blank). However, there are some behavioral changes around the way people are buying groceries.

For example, in an effort to avoid crowds at supermarkets, many people are choosing BOPIS (buy-online-pick-up-in-store) or delivery options. Downloads of apps like Instacart and Shipt that allow people to hire personal shoppers to prepare and in some cases deliver their grocery orders have increased by between [124% (for Shipt) and 218% (for Instacart)](https://www.cnn.com/2020/03/19/business/grocery-shopping-online-coronavirus/index.html%22%20%5Ct%20%22_blank). People are also choosing to buy these items from online stores more than they did prior.

### 4. Digital streaming.

While less about the immediacy of protecting and feeding themselves, it comes as no surprise that as people are homebound and no longer pursuing external entertainment options that there is an increase in digital streaming services. In addition to streaming services like [Netflix](https://www.nasdaq.com/articles/is-coronavirus-boosting-netflixs-subscriber-growth-2020-03-08%22%20%5Ct%20%22_blank), [Amazon](https://www.latimes.com/entertainment-arts/business/story/2020-03-05/why-streaming-services-may-cash-in-from-coronavirus%22%20%5Ct%20%22_blank), Hulu, and Disney+ seeing atypical gains in subscribers in the first quarter of 2020, non-traditional streaming services like movie studios are releasing media streaming, on-demand, sometimes earlier than projected release.

### 5. Luxury goods.

While the above products and services are increasing in sales due to the current situation, other industries are not doing as well. In addition to obvious ones like entertainment, restaurants, and travel, one area projected to have significant losses is the luxury goods industry.

[Vogue Business](https://www.voguebusiness.com/companies/coronavirus-luxury-brands-impact-sales-altagamma%22%20%5Ct%20%22_blank) projects a potential loss as great as $10 billion for this industry in 2020 due to COVID-19. This is in part because luxury goods rely heavily on the Asian market’s purchasing power, where the pandemic has been affecting consumers since January.

### 6. Fashion and apparel.

As mentioned above, omnichannel sellers are seeing big losses, in part because they’re closing the retail arms of their businesses all together. People are understandably not interested in shopping for clothes in person. Department stores like Macy’s and JCPenney, large chains like Abercrombie & Fitch and Nike, and DTC brands with some storefronts like Rothys and Everlane are all [closing their physical stores](https://www.cnbc.com/2020/03/15/these-retailers-are-closing-stores-to-slow-coronavirus-outbreak.html%22%20%5Ct%20%22_blank) and experiencing losses. Some stores like [Patagonia](https://www.patagonia.com/home/%22%20%5Ct%20%22_blank)are halting even their online stores to protect all workers in their supply chain.Even online apparel sales are down as people are putting more of their budgets into daily essentials. The chart below is again from Shipbob’s data of their 3,000+ merchants. This shows an [overall 20%](https://trends.shipbob.com/%22%20%5Cl%20%22lp-pom-block-1404%22%20%5Ct%20%22_blank)decrease in sales month-over-month.

## Conclusion

While the world is reeling from the effects of the Coronavirus pandemic, user 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.While tactics may need to be adapted to the new environment we find ourselves in, businesses should consider retaining investment in their analytics, online marketing and online content so that they can remain competitive and meet the needs of shoppers.In these uncertain times, there are still opportunities; it just takes a slightly different mindset and approach, and a positive attitude.

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. 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.

While the types of goods people need might change due to their circumstances, the need to purchase these somewhere will remain, and we will likely see a general switch to online shopping.