

The Impact of COVID 19 Pandemic on Consumer Behavior

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Abstract:

Consumer behavior is often unpredictable. It includes the actions that consumers take or do not take due to some internal or external influences. The fast pace of life, daily changes in desires and needs, as well as the appearance of new technologies and opportunities on the market, significantly affect consumer behavior. Natural disasters, wars, and pandemics also have a big impact, which significantly change the awareness and behavior of consumers. Consumers become irrational and behave impulsively, while their habits change completely. This paper will research consumer behavior due to the COVID-19 pandemic and the ways in which it has changed over time. A sample of consumer behavior due to the COVID-19 pandemic and other global crises will also be presented.

Keywords: Consumer, behavior, pandemic COVID-19, Internet.

1. INTRODUCTION

Consumer behavior affects individual behavior in the process of procuring, using and disposing of products. Every day, consumers make a series of decisions regarding the aforementioned processes, often unconsciously, so that the process is interactive and most often routine. The main goal of business entities is to satisfy the wishes and needs of individuals, marketing efforts are undertaken to satisfy the wishes. Consumer behavior is subject to change and is influenced by a number of external and internal factors. Consumers are very sensitive to any changes in the market, so global crises have a strong impact on them. Since we have a final market and a market for business consumption, the fact is that these influences are not the same as the marketing activities undertaken by business entities towards certain consumer segments. The COVID-19 pandemic has significantly affected consumer habits and the world as we know it. People live differently, work differently, buy differently, spend differently and think differently. The Internet is changing the world, and so are consumer habits. Consumers respond to the crisis in different ways. Some feel worried about the possibility of obtaining certain products in the future, so they impulsively, irrationally stockpile products. The COVID-19 pandemic has certainly had a significant impact on every individual, and here is a clearly visible pattern of behavior in every global crisis.

Consumer Behavior

Many authors have given their opinion on what this consumer behavior encompasses. We can define consumer behavior as the process of acquiring and consuming products, services and ideas from a consumer entity and includes post-sale processes that include evaluation and behavior after purchase. [1] Consumer behavior consists of a series of mental and physical activities undertaken by an individual or household in the process of selecting, purchasing and consuming products and/or services. [2] Regarding consumer

behavior, we can consider that consumer behavior represents the process of acquiring and consuming products and services, namely the purchase phase, the consumption phase and the disposal phase. [3] Also, it is behavior that consumers show when they research, buy, use, evaluate and provide products and services that they expect to satisfy their needs, and the study of consumer behavior examines how individuals make decisions to spend their money, time and energy to purchase certain products. [4] Until now, in marketing theory, consumer attitudes have been associated with consumer behavior, and advertising activity and consumer attitudes confirm the point of view that every element of advertising can influence consumer attitudes and thus consumer behavior to a certain extent. Consumer purchasing behavior refers to the purchasing behavior of end users of individuals and households who purchase goods and services for personal consumption. [5] Since purchasing behavior includes not only personal but also social motives, consumers today increasingly expect companies to be committed to some social values as a contribution to society. [6]

In the 21st century, there has been a shift in bargaining power towards end users/consumers, whose habits and needs determine the success/failure of economic entities and their products and services. The battle between brick-and-mortar and online retailers is about who can better and more efficiently meet the needs of customers. [7]

The Internet offers consumers various advantages such as lower business costs, constant availability of information, products and purchases, simplicity and practicality of shopping, and other people's experiences. [8] Interactivity as a basic feature of the Internet as a technology has enabled a new dimension of contacts of all market participants, with a special emphasis on the interconnection of consumers. The digital nature of the Internet has made it possible to monitor interactions in an electronic environment, which gives a new dimension to key areas of marketing such as market research, analyzing consumer behavior, managing the marketing mix, and measuring marketing effectiveness. [9].

PANDEMIC OF COVID-19

The COVID-19 pandemic is a global outbreak of coronavirus, an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus. The first cases of novel coronavirus (nCoV) were first detected in China in December 2019, with the virus spreading rapidly to other countries across the world. This led WHO to declare a Public Health Emergency of International Concern on 30 January 2020, and to characterize the outbreak as a pandemic on 11 March 2020. Since the COVID-19 pandemic started, over 252 million people were infected and 2 million people died in the European Region have from the disease. [10]

Consumer spending, a major source of economic activity, collapsed as the first wave of the pandemic swept across countries in early 2020. All of a sudden, consumers were forced to change behavior, companies to transform business models, and governments to adjust regulations. And just as the coronavirus has affected regions and individuals in vastly different ways, the economic impact has also been very uneven. Employees able to work from home

have maintained jobs and income, accumulating more savings while forced to cut back on spending from lock downs, travel restrictions, and health fears; others lost jobs and income or closed down businesses and have struggled to pay the bills. [11].

Table 1. Immediate effects of COVID-19 pandemic on consumer behavior [12]

HOARDING
IMPROVISATION
PENT-UP DEMAND
EMBRACING DIGITAL TECHNOLOGY
STORE COMES
BLURRING OF WORK-LIFE BOUNDARIES
REUNIONS WITH FRIENDS AND FAMILY
DISCOVERY OF TALENT

Consumers are stockpiling essential products for daily consumption resulting in temporary stockouts and shortages. This includes toilet paper, bread, water, meat, disinfecting and cleaning products. In addition to hoarding, there is also emergence of the grey market where unauthorized middlemen hoard the product and increase the prices. Consumers learn to improvise when there are constraints. In the process, existing habits are discarded and new ways to consume are invented. The coronavirus unleashed the creativity and resilience of consumers for such tradition bound activities as weddings and funeral services. Sidewalk weddings and Zoom funeral services substitute for the traditional location centric events. During times of crisis and uncertainty the general tendency is to postpone purchase and consumption of discretionary products or services. Often, this is associated with large ticket durable goods such as automobiles, homes, and appliances. It also includes such discretionary services as concerts, sports, bars, and restaurants. This results in shift of demand from now into the future. Out of sheer necessity, consumers have adopted several new technologies and their applications. The obvious example is Zoom video services. Just to keep up with family and friends, most households with the internet have learned to participate in Zoom meetings. Most consumers like social media including Facebook, WhatsApp, YouTube, WeChat, LinkedIn, and others. Due to complete lockdown in countries like India, China, Italy, and other nations, consumers are unable to go to the grocery store or the shopping centers. Instead, the store comes home. It was also the situation with work and education. This reverses the flow for work, education, health and purchasing and consumption. Consumers are prisoners at home with limited space and too many discrete activities such as working, learning, shopping, and socialization. This is analogous to too many needs and wants with limited resources. Consequently, there is blurring of boundaries between work and home and between tasks and chats. One major impact of the coronavirus is to get in touch with distant friends and family, partly to assure that they are okay but partly to share stories and experience. With more flexible time at home, consumers have experimented with recipes, practiced their talent and performed creative and new ways to play music, share learning, and shop online more creatively. With some of them going viral, consumers are becoming producers with commercial possibilities. YouTube and its counterparts are full of videos which have the potential for innovation and commercial successes. [12]

2. RESEARCH AND RESULTS

In order to carry out research on changes in purchasing habits and consumer behavior due to the COVID-19 pandemic, a sample of 384 respondents was examined and a survey questionnaire was conducted. Respondents were offered statements and expressed the impact of the pandemic on changes in their behavior on a scale of 1-5. The number 1 indicates a very small impact (completely don't agree) while 5 indicates a significant impact (completely agree).

Table 2. The COVID-19 pandemic has changed my shopping habits

Level of confirmation	Responders
1 Completely disagree	6
2 Disagree	14
3 Neither disagree or agree	71
4 Agree	98
5 Completely agree	195

It is visible how the buying habits of consumers have completely changed due to the COVID-19 pandemic. The majority of respondents confirm the change in shopping habits, and 293 respondents agree with this statement.

Table 3. The COVID-19 pandemic has affected my stocking of products

Level of confirmation	Responders
1 Completely disagree	40
2 Disagree	48
3 Neither disagree or agree	70
4 Agree	85
5 Completely agree	141

It can be seen that part of the consumers increased their home stocks of products of daily use, although a good part of the respondents did not take such drastic measures. As many as 226 respondents increased the stock of some of the products in their household due to the COVID-19 pandemic.

Table 4. The COVID-19 pandemic has affected my increase in online shopping

Level of confirmation	Responders
1 Completely disagree	7
2 Disagree	10
3 Neither disagree or agree	37
4 Agree	109
5 Completely agree	221

A complete change in approach and way of shopping by consumers is visible. As many as 330 respondents increased their online shopping due to the COVID-19 pandemic. Due to changes in shopping habits, a large part of them will continue to shop online even after the end of the COVID-19 pandemic.

Table 5. The COVID-19 pandemic has influenced the increase in the prices of products of daily use

Level of confirmation	Responders
1 Completely disagree	2
2 Disagree	8
3 Neither disagree or agree	21
4 Agree	88
5 Completely agree	265

Most of the respondents confirmed that the prices of some products of daily consumption have increased due to the COVID-19 pandemic. This especially applies to products that are related to the disease caused by the coronavirus itself, but also to accompanying products, especially food and toiletry. as many as 353 respondents confirmed the stated statement.

Table 6. The COVID-19 pandemic has affected the shortage of certain products on the market

Level of confirmation	Responders
1 Completely disagree	22
2 Disagree	24
3 Neither disagree or agree	77
4 Agree	91
5 Completely agree	170

Most respondents confirmed that there was a temporary shortage of certain products on the market. The aforementioned was caused by irrational, impulsive purchases by customers due to fear of a shortage of certain products. As many as 261 respondents experienced some kind of product shortage at some point during the COVID-19 pandemic.

3. CONCLUSION

The COVID 19 pandemic has changed the way consumers think. The approach, way of communication and sales by companies has also changed. In a short period of time, companies had to quickly adapt to the new situation. It can be seen that a large number of consumers, due to panic, rushed to the shops and bought products impulsively. This created an artificial effect of a lack of products on the market, as well as a significant increase in the prices of products for daily consumption. The rule is that every crisis can be a great chance for those with ideas and the ability to adapt. During the COVID-19 pandemic, we saw a significant increase in the production of products for which there was an exceptional demand. The most visible increase in the use of the Internet as a medium for communication, marketing and shopping is here, which, due to various measures to defend against the pandemic, has taken root as the only and best way of communication. Online shopping has become a part of everyday life and has gained a strong following even after the COVID-19 pandemic. The fact is that consumers have become accustomed to this way of shopping, even the most conservative ones, so the online shopping trend will largely Internet and continue. Most other consumer habits will return to normal. This research shows us how any type of fluctuation in the market has a strong impact on supply and demand, i.e. on the sale and price of the products themselves. The trend and pattern of consumer behavior in most global crises is similar, be it a pandemic, wars, financial crisis, natural disasters.

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