

CONSUMER BEHAVIOR IN THE CONTEXT OF CORONAVIRUS

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The COVID-19 pandemic has altered consumer behavior and induced a serious structural changes in the retail, including an increase in online shopping due to fear of contracting coronavirus. Consumers have transformed their shopping priorities and attitudes. Preferences is given to fresh food products, personal hygiene items (antiseptics and respiratory masks). Consumption of light industry goods, cosmetics, durable goods has dropped sharply. Many of the alters in consumer behavior caused by the pandemic will continue for a long time. Its important to mention about trend - the crisis is forcing people to treats their health and the environmental impact of shopping responsibly.

According to research by Accenture company [1] 64% of people are worried for their health, 82% are afraid for the health of others. 64% of people are worried about the impact on my personal job security, 88% of people are worried about the impact on the economy [1]. Amid widespread uncertainty and calls for social distancing, some industries are more affected than others. Catering, hospitality, and retail stores with apparels were particularly vulnerable. At the same time, consumers are altering their spending approaches, and some companies and product categories are even growing, for instance, alcohol consumption.

While circumstances continue to change every day, according to a Criteo study [2], more than half (52%) of respondents say they will shop more online as a result of COVID-19, and 51% say they will shop more online exactly the products.

Marketers are interested in the applied nature of the classification of consumer types in the context of the coronavirus pandemic, developed by the company “Accenture” [1]:

1. The indifferent (40–55 year-old) - the nonchalant person who is carrying out business as usual. The consumer is the least informed of all consumer types and is unlikely to be aware of, or comply with, the government’s advice. Perhaps, as a result, they are less likely to feel stressed or anxious vs. other consumer types. Their consumer behavior, habits and preferences were least changed during the coronavirus pandemic.

2. The activist (25–31 year-old)- is looking out for and supporting others in the community. This person is helping ensure there’s enough to go around by buying what they need, as needed, and is more likely to be shopping more for people beyond their immediate household. Activists are highly active in new forms and formats of

social engagement. To a large extent, such consumers are prone to panic and often make bulk purchases in the case of sharp negative news.

3. The rationalist (25–31 year-old) - This person has a “keep calm and carry on” mentality. The consumer has a high awareness of news, are keeping more informed—sorting information into what is useful vs. what is not. The consumer has increased the purchase of only advised products, such as personal hygiene, cleaning, and staple products.

4. The individualist (18–24 year-old) - looks out for himself or herself, stockpiling essentials (because everyone else is) and trying to ensure he or she can maintain his or her status quo. This type of consumer is more likely to keep to himself or herself—only 35% feel more connected to their neighbors because of the crisis. Compared to other consumer types, Individualists are 9% less likely to approve of their government’s response.

5. The worrier (56–69 year-old) - this individual is fearful of the future, anxious and reactionary— particularly with his or her purchases. The consumer (77%) is worried about health and is 25% more likely to be stressed or anxious as a result of the virus. This person is highly aware of news. These consumer types help us understand the changes that consumers are making to their purchases. The biggest alter is in the consumption of personal hygiene products. Worriers increased these purchases by 50% vs. just 10.4% by the indifferent. Cleaning products and tinned food follow closely with a 25.2% and 20.6% overall net increase, respectively.

The research by Bain & Company [3] was prepared jointly with the sociological company Dynata and is based on a survey of about 9.5 thousand consumers in the USA, Great Britain, Germany, France, Italy and Sweden. Based on the analysis of the data, the authors identified eight important changes in consumer behavior. The researchers note that these changes will occur or are already taking place against the backdrop of diametrically opposed opinions about when the situation can return to normal, among representatives of all generations and with different income levels. While among the younger generation Z (67%) and high-income workers (59%), optimistic expectations prevail, while among the older generation of baby boomers (39%) and low-income workers (38%), pessimistic forecasts are noted [3]. Consumers will be much more careful about whether to visit a fitness center or movie theater if they have already learned to replace their visit with self-directed online workouts and streaming video services or online movie theaters. Consumers during the coronavirus pandemic make their choice in favor of large brands, as they adapt quickly and have more financial capacity not to raise the price of their goods. The third possible change could be a revision of consumer attitudes - from sustainability to safety. This is reflected, for example, in the fact that when choosing detergents, people began to focus more on products that "better protect against bacteria" than on "environmentally friendly" products [3]. The fourth possible change could be partial deurbanization. During the quarantine, many people chose to leave the city and settle in the countryside, so as not to be locked in apartments [3].

The coronavirus pandemic is dramatically changing the daily lives of consumers around the world. For effective marketing management, the company must mindfully analyze all changes in the external and internal environment.

References:

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