

# Impact of Global pandemic on the consumer buying behavior: live or Die

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## ABSTRACT

*The global pandemic, lockdown, and social distancing mandates have disrupted both the consumer's buying and shopping tastes. Consumers are learning to improvise and to learn new tastes. Consumers cannot go to the supermarket, so the store comes home. Although consumers are moving back to old tastes, it is possible that new rules and practices in the way consumers shop and buy goods and services will be changed by the government. As all elements of the economy are intricately interlinked with public health initiatives and lock-ups, this has resulted in the nation's economic turmoil hinting at a shift in market dynamics. Consumers are drivers of market competition, development, and economic integration in any market. With economic turmoil, customers are also undergoing behavioral change, but the question is how much transformation they have undergone since the crisis will endure. This article explores consumer buying behavior during the Global Pandemic Crisis and during the ensuing lockdown period when the world remained standing for more than a quarter of a year.*

*The proposition offers further testable hypotheses for future research to understand consumer sentiments or the need to buy 'what is enough' within the marketing context and how to strengthen the post-pandemic crisis to ensure the sustainability of business models. It would also be interesting to explore the correlations of this forced consumer buying behavior with other variables such as crisis learning, changing needs, personality, nationality, culture, new market segment, and age in developing new models of consumer buying behavior.*

*Keywords: Consumer buying behavior, Live or die, Global Pandemic, Management consequences, market dynamic*

## 1. Introductions

The goal of this research paper is to investigate the impact of global pandemic on consumer buying behavior. Let consumers permanently change their consumption patterns as a result of lockdown and social distancing, or come back to their old taste once the global crisis is over? Will there be a new taste for consumers as a result of new restrictions on air travel, shopping malls, and attending concerts, clubs, and sporting events? Do customers feel that going to a store or attending an event in person is a big challenge and therefore it is safer to let the store or event come home? To some extent, this has been going on for quite some time in sports competitions and entertainment, broadcast on television and radio while consumption taste Addicted and it is also contextual. Context matters and four major contexts govern or disrupt consumer taste. The first is a change in the social context by such life events as marriage, having children, and moving from one city to another. The social context includes the workplace, community, neighbors, and friends. The second context is technology. And as breakthrough technologies emerge, they break the old taste. All consumption is time-bound and position bound. Consumers build behaviors overtime on what to eat, when, and where to consume (Sheth, 2020). This is not, of course, confined to consumption. It is also true of shopping, knowledge quest, and post-consumption waste disposal. And consumer buying behavior is highly predictable, and we have several strong statistical models and consumer insights based on past repeated individual-level buying behavior. Smartphones, the internet, and e-commerce have been the most dramatic technological

breakthroughs in recent years. Online search and online buying have had a dramatic impact on the way we shop and on consumer goods and services.

The third context that influences consumption practices is the laws and regulations relating in particular to public and open spaces, as well as the consumption of dangerous goods. For example, smoking, alcohol, and firearms use is controlled by the venue. Of course, public policy should also promote the consumption of socially sound goods and services such as solar energy, electric vehicles, universal auto, and home insurance services and vaccinations for children.

The fourth and less predictable background is that of ad hoc natural disasters such as earthquakes, hurricanes, and global pandemics, like the global pandemic we are facing today. Similarly, there are ethnic conflicts, civil wars as well as genuinely global wars such as the Second World War, the Cold War and the Great Depression of the late twenties, and the Great Recession of 2008–2009. They all greatly disrupted consumption as well as the output and supply chain. The goal of this paper is to explore both the immediate and long-term effects of the global pandemic on consumption and consumer buying behavior

## **2. Consumer buying Behavior Approaches in Times of Crisis**

A customer is a person who recognizes a need or a desire makes a buying and then disposes of the commodity in the process of consumption. Typical consumer benefits

depend on the consumption of agricultural and industrial goods, utilities, housing, and wealth (Grundey, 2009). No two of them are the same, as they are all affected by various internal and external factors that form consumer buying behavior. Consumer buying behavior is an important and continuing decision-making mechanism for the search, buying, use, review, and disposal of goods and services (Valaskova et al., 2015). Macro-consumer buying behavior is generated by social issues, but individual factors (Solomon, 2016) are being studied to reach the factors of micro-consumer buying behavior. Flatters and Willmott (2009) say that consumers are seeking to increase their usefulness, happiness, or enjoyment by purchasing consumer products. Approaches to describe customer purchasing behavior are classified into three categories (Valaskova et al., 2015): psychical-based on the relation between the psyche and behavior of the consumer; sociological approach—which is devoted to the reactions of consumers in different situations or how the behavior is influenced by various social occasions, social leaders; and economic approach—grounded on basic knowledge of micro-economy in which consumers define their requirements. Subsequently, consumer interests are confronted and traded on the market. After liberalization in India, Consumer behavioral trends have been clarified by such approaches in the borderless globalized world, thus defeating individual identity and giving rise to collective identity through brand culture. The intermittent waves of 'Swadeshi' and 'back to basics' propagated by social leaders such as Baba Ramdev or Gandhi's minimalist lifestyle have also emerged as a

behavioral solution. The sociological approach to action that the affluent class adopts as a natural wholeness to self-actualization is also being harvested. Many lower socio-economic classes of consumers have succumbed to the elitist appeals of material symbols to show themselves to Mehta et al. 293 in higher ranks under the economic approach to consumer buying behavior. Amalia et al. (2011) in their study explained that people are not the same and not all people have the same perception about a situation with negative effects like economic or any other crisis. In crisis times, new trends in consumer buying behavior emerge. The most important factors which model the consumer's behavior in crisis are risk attitude and risk perception. Risk attitude reflects the consumer's interpretation concerning the risk content and how much he or she dislikes the content of that risk. Risk perception reflects the interpretation of the consumer of the chance of being exposed to the risk content. Hoon Ang et al. (2001) in their work discussed that these changes in consumption behavior arising from an economic crisis may be moderated by personality characteristics too. These characteristics of personality include dimensions like the degree to which consumers are risk-averse, value-conscious, and materialistic. Earlier studies were indicative of behavioral changes among consumers in times of crisis with a significant change in utility pattern. A study by Flatters and Willmott (2009) established few new patterns during the crisis, including the simplification of demand due to restricted supply, which appears to continue after the crisis, where people purchase simpler, high-value deals. The study also

stated that even rich people, post-crisis, expressed frustration with unnecessary consumption and concentrated on recycling, and taught their children basic and conventional values. Flatters and Willmott (2009) have shown in their analysis that the effect of the recession on consumer perceptions and trends is critical. Some trends are advanced as a result of the crisis, while others are slowed down or completely arrested. The most central developments in the crisis include the desire for simplicity, which means that customers are seeking uncomplicated, value-driven goods and services that make their lives simpler and focus on the execution of a business where consumers are outraged by unlawful behavior and immoral company behavior. The change in consumer buying behavior during times of crisis has led the authors to discuss consumer buying behavior during the Global Pandemic.

### **2.1 Immediate impact on the consumer buying behavior**

As mentioned before, all consumption and consumer buying behavior are anchored to time and location. Since World War II, more and more women have been working resulting in a reduction of discretionary time. It is estimated that today more than 75 percent of all women with children at home are working full-time. This has resulted in time shortage and time shift in the family as well as personal consumption. Monday through Fridays, no one is at home between 8 am to 5 pm for service technicians to do installations and maintenance of appliances as well as repairs of broken heating and

cooling systems. The supplier has to make appointments with the household to ensure there will be someone at home to open the door. There is also time shortage as the discretionary time of the homemaker is now nondiscretionary due to her employment. This time shortage has resulted in consumers ordering online and have products delivered at home. Similarly, vacations are no longer two or three weeks at a time but are more mini-vacations organized around major holidays such as Easter, Christmas, Thanksgiving, Memorial Day, and Labor Day extended weekends.

With lockdown and social distancing, consumers' choice of the place to shop is restricted. This has resulted in location constraints and location shortage. We have mobility shift and mobility shortage. Working, schooling, and shopping all have shifted and localized at home. At the same time, there is more time flexibility as consumers do not have to follow schedules planned for going to work or to school or to shop or to consume. Shortage of space at home is creating new dilemmas and conflicts about who does what in which location space at home. As Homo sapiens, we are generally more territorial and each one needs her or his space, we are all struggling with our privacy and convenience in consumption.

### **3. Eight immediate Impact of the pandemic on the consumption and consumer buying behavior**

**Hoarding:** Consumers store essential products for daily consumption, resulting in temporary storage and shortages. This includes toilet paper, bread, water, meat,

disinfection, and cleaning products. Hoarding is a traditional answer to managing the uncertainty of the potential availability of basic needs goods. Hoarding is a common practice when a country is going through hyperinflation, as is happening in Venezuela. In addition to hoarding, there is also the emergence of the gray market where unauthorized middlemen hoard the product and increase the prices. This has happened concerning PPE (personal protection equipment) products for healthcare workers including the # 300 surgical noise masks. Finally, the temporary extra demand created by hoarding also encourages the marketing of counterfeit products. We have not done enough empirical research on the economic and the psychology of hoarding in consumer Buying behavior.

**3.1 Improvisation.** This was also true for church services, especially on Easter Sunday. Improvisation to handle the lack of goods or services is another area of future research. It leads to innovative practices and often leads to an alternative option to location-centric consumption such as telehealth and online education. Once again, there is no systemic empirical or scientific research on improvisation, The closest research is on improvisation is Jugaad in India. It means developing solutions that work by overcoming constraints imposed by social norms or government policy. Jugaad also means doing more with less, seeking opportunity in adversity and thinking and acting flexibly, and following the heart (Radjou, Prabhu and Ahujo, 2012).

**3.1.1 Pent-up Demand:** During times of crisis and uncertainty the general tendency is to postpone the buying 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 a shift of demand from now into the future. Pent-up demand is a familiar consequence when access to the market is denied for a short period for services such as parks and recreation, movies, and entertainment. While economists have studied the impact of pent up demand on GDP growth, there is very little research in consumer buying behavior about the nature and scope of pent up demand?

**3.1.1.1 Embracing Digital Technology:** Out of sheer necessity, consumers have adopted several new technologies and their applications. The obvious example is the Zoom video services. Just to keep up with family and friends, most households with the internet have learned to participate in Zoom meetings. Of course, it has been extended to remote classes at home for schools and colleges and telehealth for virtual visits with the physician and other health care providers. Most consumers like social media including Facebook, WhatsApp, YouTube, WeChat, Linked In, and others. The internet is both a rich medium and has a global reach. The largest nations in the population are no longer China and India. They are Facebook, YouTube, and WhatsApp. Each one has more than a billion subscribers and users. This has dramatically changed the nature

and scope of the word of mouth advice and recommendations as well as sharing information. One of the fastest-growing areas is influencer marketers. Many of them have millions of followers. The impact of digital technology in general and social media in particular on consumer buying behavior is massive in scale and pervasive in the consumer's daily life. It will be interesting to see if technology adoption will break old taste. While we have studied the diffusion of innovation for telephones, television, and the internet, we have not experienced a global adoption of social media in a highly compressed cycle.

**3.1.1.1.1 Store Comes Home:** Due to complete lockdown in countries like India, South Korea, China, Italy, and other nations, consumers are unable to go to the grocery store or the shopping centers. Instead, the store comes home. So does work and education. This reverses the flow for work, education, health, buying, and consumption. In-home delivery of everything including streaming services such as Disney, Netflix, and Amazon Prime is breaking the odd Taste of physically going to brick and mortar places. It is also enhancing convenience and personalization in consumer buying behavior. What we need is to empirically study how “IN-home everything” impacts consumer’s impulse buying and planned vs unplanned consumption.

**3.1.1.1.1.1 Blurring of Work-Life Boundaries:** 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 a blurring of boundaries between work and home and between tasks and chats. Some sort of schedule and compartmentalization is necessary to make the home more efficient and effective.

**3.1.1.1.1.1 Reunions with Friends and Family:** One major impact of the Global Pandemic is to get in touch with distant friends and family, partly to assure that they are okay but partly to share stories and experiences. This resembles high school or college reunions or family weddings. What is an ad hoc event to keep in touch is now regular and scheduled get-togethers to share information and experiences? Symbolically, we are all sitting on our porch and talking to our neighbors globally. The global reach of the social get-togethers through social media such as WhatsApp is mind-boggling. We need to study sociological and cultural assimilations of consumption practices. Similar to the classic studies such as *The Lonely Crowd* (1950), *Harried Leisure Class* (1970), and *Bowling Alone* (2000), we should expect dramatic changes in consumer buying behavior as a consequence of speedier and universal adoption of new technologies accelerated by the Global pandemic.

**3.1.1.1.1.1.1 Discovery of Talent:** 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

#### 4. Live or die

Most patterns are expected to return to normal. However certain behaviors will eventually die because under the lock-down situation, the user has found an alternative that is more convenient, affordable, and available. Examples include streaming sites like Netflix and Disney. Consumers are likely to move from going to movie theaters. This is close to the facilities of ride-sharing Like Uber, which is more user-friendly than calling a taxi service Because of Pandemic, consumers may find it easier to work at home, study at home, and shop at home. In short, what was a peripheral alternative to the current taste has now become the center and the existing taste has become peripheral. There is a universal consumer buying behavior rule, and when a current taste or need is given up, it often comes back as a recreation or a hobby. Examples include hunting, fishing, and gardening, baking, and cooking. It will be fascinating to see if the old patterns, which are abandoned by embracing new forms, will come back as hobbies. In other words, shopping becomes more of an outdoor sport or a hobby or a recreation, Changed Behaviors. In certain cases, current patterns of grocery shopping and delivery will be changed by the latest guidelines and regulations such as wearing masks and maintaining a social distance. This is evident in Asia where consumers wear masks before they go shopping or use public transit systems. Modified taste is

more likely in the service industries, especially in personal services such as beauty parlors, physical therapy, and fitness facilities. It will also become a reality for visiting museums, parks and recreation centers, and concerts and social activities, only to mention a few new tastes, three factors are likely to build new tastes. The first is public policy. Just as we are used to security checks at the Northeast region in Nigeria and other suspected terrorism boundaries, there will be more screening and boarding procedures including taking the temperature, testing for the presence of the virus and boarding the flight. All major airlines are now putting new procedures for embarking and disembarking passengers as well as meal services. As mentioned before, government policy to discourage or encourage consumption is very important to shape future consumption. As mentioned earlier a second major driver of consumer buying behavior is technology. It has transformed consumer buying behavior significantly since the Industrial Revolution with the invention of automobiles, appliances, and airplanes. This was followed by telephone, television, the internet, and now social media and user-generated content. Digital technology is making wants into needs. For example, we did not miss the cell phone but today you cannot live without it. Today the internet is as important as electricity and more important than television. How technology transforms wants into needs has a significant impact on developing new tastes such as online shopping, online dating or online anything. More importantly, it has an equally significant impact on the family budget between the old necessities (food, shelter,

and clothing) in the new necessities (phone, internet, and apps). The third context which generates new taste is the changing demographics (Sheth and Sisodia, 1999). There are a few examples that will explain this. As advanced economies age, new demands for the protection of health (well-being and wealth (retirement) are emerging. The aging population is also worried about personal safety and the safety of their belongings. At the end of the day, their participation in leisure (both active and passive) shifts relative to the younger population; similarly, as more women join the workforce, the family acts more like a roommate family. Eating meals together at home every night is no longer possible. And the dinner together is more of a task to be done as soon as possible. Right after dinner each family member goes to their private room or space and engages in text messages, YouTube, or watching television. Shared consumption is giving way to individual consumption at the convenience of each family member. There is also a growing trend of living alone by choice. More than one-third of the U.S. households today are single-adult households. This is due to delay in first-time marriage from age eighteen to age twenty-nine. And with the aging of the population, many senior citizens (especially women) are living alone by choice. As a single-person household, new tastes are formed about what to buy, and how much to buy, and from where to buy. In conclusion, changing demographics, public policy, and technology are major contextual forces in developing new taste as well as giving up old taste

## **5. Management consequences**

There are three management consequences of the impact of the Global Pandemic on customer buying behavior. Second, just as customers have learned to improvise, the company must also learn to improvise and become more resident during the pandemic crisis. Unfortunately, corporations are regulated by structured procedures and are therefore unable to alter them quickly. This was apparent in the government's failure to process PPP (payroll security program) loans in the U.S. and to qualify for unemployment benefits. Fortunately, as more big corporations have switched to cloud computing, it has become easier to improvise. This was the case for supermarkets and major retailers such as Wal-Mart, The latter, in any case, were converging, their brick and mortar stores with their online shopping and even capable of Omni channel delivery In short, businesses can learn how to make their infrastructure, structures and processes more robust and in the process, handle global disasters called pandemics. The second result of management is the balancing of demand and supply. Every retailer, ranging from supermarkets to hyper stores to drug stores, has encountered persistent shortages due to the hoarding and "run on the bank" mindset of customers in a crisis. Supply chain, distribution, and warehousing activities are essential tasks that need to be combined with volatile demand fluctuations. In other words, unlike the existing method of keeping items on the shelf with a backup inventory in the back of the shop, it would be increasingly important to facilitate online orders and to reverse the process from the goods waiting on the shelf for the consumer to order first and from the supermarket to

the warehouse to assemble and deliver the order to the customer. As mentioned above the customers coming to the store are not the same as the customers going to the store. The third consequence for management is that customers will revert to their old taste unless the technologies they learn to use such as Zoom video services and online shopping, bring major changes to their lives. Strategic investments will provide consumer experience in the virtual environment as well as post-purchase services (customer support)

## **6. Market Dynamics during Global Pandemics**

This global pandemic has a serious impact on the economies of the nation that hints at shifting market dynamics. In the study on 'Demand Dynamics and D2C Prospects in the Pandemic, Abe (2020) observed trends such as from people raiding grocery stores to the cancelation of the world's most significant events and requirements for 'non-essential' companies to be temporarily closed to avoid infection from spreading. During the pandemic, people spend less of their income on things considered to be nice-to-have or non-essential (such as clothes, shoes, make-up, jewelry, games, and electronics). Globally, during the Global Pandemic, developing nations are transitioning to steady-state Purchasing post-stock piles as per POS data (2020) The report also stated edible products are expected to have increased demand and non-edible products shall have a moderate need globally, thereby decreased demand which includes homecare, cosmetics, and personal care products.

## **7. Results of analysis**

The lockdown and social distancing disrupted the whole range of consumer buying behavior (ranging from problem recognition to search from information to shopping to delivery to consumption and waste disposal), it has generated several new research opportunities anchored to the real world. These areas of empirical research with J. Sheth Journal of Business Research 117 (2020) 280–283 282 theoretical propositions on hoarding, blurring the work-life boundaries, use of social media in a crisis are Good opportunities to enrich the discipline of consumer buying behavior. A social major area for academic research has to do with Psychological resilience and improvisation. It is a new field of research and the Global Pandemic crisis has surfaced as a great research opportunity. For example, are there cultural differences in improvisation across the globe? What are the different techniques used by consumers globally to isolate themselves from the infection? Finally, Global Pandemic has increased the use of social media on Facebook, Instagram, WhatsApp, Twitter, and Zoom. They are generating an enormous amount of data on word of mouth. Current analytic techniques are not as useful with video conversations. Just as we developed Natural Language Processing (NLP) to analyze the text data, we will have to develop other techniques to analyze the video content probably anchored to machine learning and artificial intelligence (Sheth, 2020). The virtual world is becoming more interesting to consumers compared to the physical world as we have seen in video games and virtual sports. Artificial become

real? For example, is a relationship with a chatbot girlfriend more comfortable and enjoyable as compared to a real girlfriend or boyfriend? In a recent article in the Wall Street Journal, Parmy Olson describes several anecdotes of how individuals are interacting with chatbots. According to the author, Microsoft XiaIce social chatbot has more than 660 million users in China alone. In short, the artificial has become real.

## 8. Conclusion

The lockdown and social distancing to fight the Global Pandemic has caused major disturbances in consumer buying conduct. All consumption is time-bound and position

bound. With time versatility and position rigidity, customers have learned to improvise in imaginative and inventive ways. The boundaries of work-life are now blurred as people work at home, study at home, and relax at home. As the customer can't go to the supermarket, the store must come to the consumer. As customers adopt for a longer period to house arrest, they are likely to follow newer technologies that promote work, research, and consumption more comfortably. The use of new technologies is likely to change current behaviors. Finally, public policy would also introduce new consumption tastes, particularly in public places such as airports, concerts, and public parks.

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