

CHAPTER SEVEN

CONSUMER BEHAVIOR DURING THE PANDEMIC COVID 19

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7.1 INTRODUCTION

An outbreak of Covid-19 is not simply a global pandemic and public health crisis only. The pandemic has affected the global economy and financial markets. According to Sheth (2020), the Covid-19 pandemic and lockdown and the social distancing mandates have disrupted consumer buying behavior, especially at shopping. Many industries have undoubtedly been impacted, particularly service and industrial activities, which have been stopped to the point of insolvency. This is because much of the globe has imposed quarantine restrictions to contain the pandemic's spread, advising residents to stay at home and only go to acquire the necessities. Many customers' options for shopping are limited as a result of the lockdown and social distancing. This scenario has undoubtedly had an impact on consumer purchasing patterns. As a result, the shutdown significantly influences consumer behaviour, personal views, individual and household experiences, and traits.

The Covid-19 epidemic has radically altered the globe in general. While the pandemic's uncertainty lingers across the world, the impact is perceived differently in various parts of the planet. As a result, there is a wide range in how consumers react to the crisis and adjust to their new everyday lives. Without a doubt, the epidemic has thrown consumers off their habits. As we all know, people are living, thinking, and buying differently in a variety of ways. As a result, people will react in various ways and have a range of attitudes, behaviors, and purchase patterns. Some of them will be apprehensive when purchasing hygiene items, causing them to panic. Kohli et al. (2020) also concurred that the time of contagion, self-isolation, and economic instability would alter consumer behavior.

The epidemic will continue to have an unpredicted detrimental impact on companies and families' current and future livelihoods. In a purchasing choice process, consumer behavior is essentially a mental process that is experienced before and after purchase, according to Borsellino, Kaliji, and Schimmenti (2020). It's difficult to understand since it encompasses a broad spectrum of actions, from consumption to disposal. Consumers have to improvise and develop new behaviors in tandem with the epidemic. Because they had no other option, consumers were forced to utilize the internet and make it a habit in their daily routine due to the epidemic. As a result of the Covid-19 epidemic, citizens are being forced to embrace technology.

Consumer behavior may be influenced by trends in the number of new Covid-19 pandemic cases, as there is a danger of contamination if individuals are in close contact (Grashuis, Skevas, and Segovia, 2020). As a result of this circumstance, customers will rely on data on the number of new Covid-19 pandemic cases to assist them in making judgments. Furthermore, Laato et al. (2020) said that during the Covid-19 epidemic, strange consumer behavior such as stockpiling toilet paper and food was recorded worldwide. The assumed cause was not just the pandemic's imminent health danger and the possibility of being quarantined, but also the dread of the sickness forcing industries to cease work and causing a worldwide supply chain disruption. In reality, grocery shops, cafeterias, and restaurants are influenced by customer behavior and suppliers. As a result, this paper will further understand how the Covid-19 epidemic affects consumer behavior.

7.2 LITERATURE REVIEW

7.2.1 Overview of Covid-19

According to the World Health Organization (WHO) (2020), Coronavirus disease (Covid-19) is an infectious disease caused by a newly discovered coronavirus. The pandemic spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes. Also, the pandemic will be spread by direct contact, and it is unknown how often it spreads via contaminated surfaces. In simple words, the pandemic infection mainly occurs when people are near each other for long enough, known as "close contact." The infected person with the Covid-19 will experience mild to moderate respiratory illness and recover without requiring special treatment. Additionally, older citizens and those with underlying medical problems such as cardiovascular disease, chronic respiratory

disease, cancer, and diabetes are more likely to develop severe illness.

Globally, as of 10:45am CET, 29 November 2020, there have been 61,654,661 confirmed cases of COVID-19, including 1,444,596 deaths, reported to WHO.

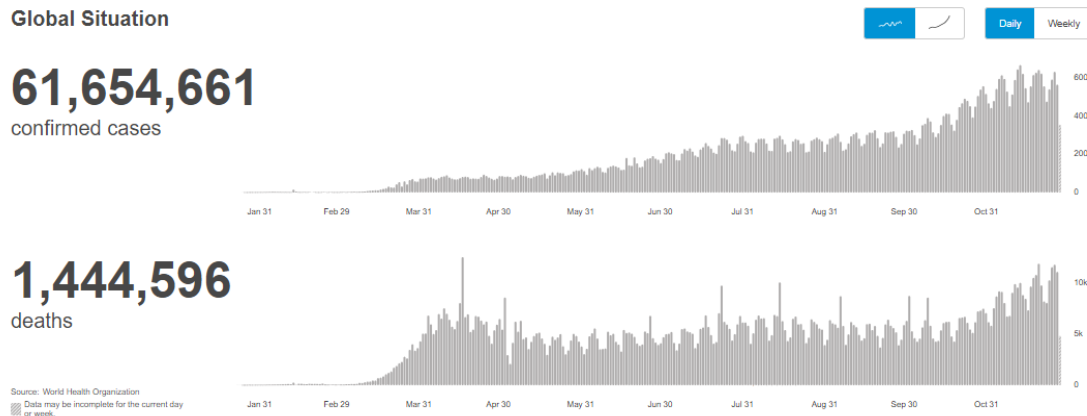


Figure 7.1 Confirmed cases and deaths of Covid-19 in world

Source : World Health Organization (WHO) (2020)

As of November 29 2020, WHO has declared a total of 61 million cases globally. In addition, there were more than 1.4 million deaths caused by Covid-19 (Figure 7.1)

7.2.1.1 Symptoms of Covid-19

In general, the symptoms of the Covid-19 pandemic can range from mild to severe illness, and anyone can have mild to severe symptoms. According to the World Health Organization (WHO), most people with the Covid-19 have the most common symptoms of fever, dry cough, and tiredness. However, the less common symptoms that will appear are aches and pains, sore throat, diarrhea, conjunctivitis, headache, loss of taste or smell, and a rash on skin or discoloration of fingers or toes. Besides, a person who has the symptoms like difficulty breathing or shortness of breath, chest pain or pressure, and loss of speech or movement must seek emergency medical care immediately because those symptoms are severe, which will endanger their life. Figure 7.2 has clearly illustrated the symptoms of the Covid-19 based on the info from WHO. Also, people infected but do not have the symptoms mentioned can also spread the virus to others. Usually, the incubation period is typical; on average it takes around 5 – 6 days from when someone is infected with the Covid-19 for the symptoms to show. However, it can take

up to 14 days.

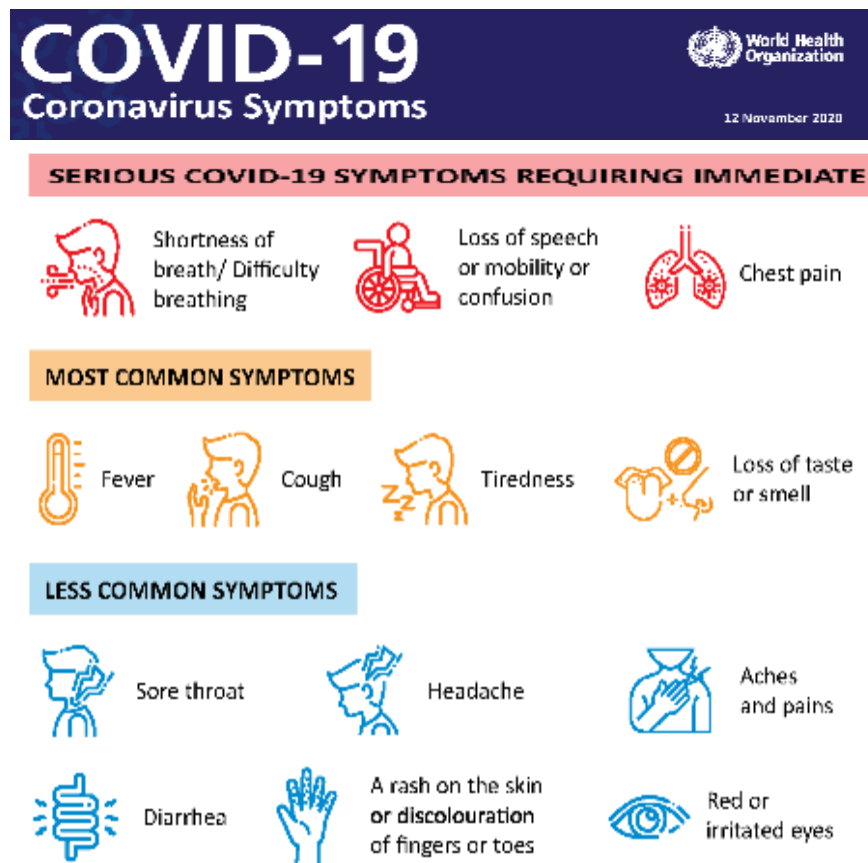


Figure 7.2 Symptoms of Covid-19

Source: World Health Organization (WHO) (2020)

7.2.1.2 Prevention

As a citizen, the best way for us to prevent and lower the chances of getting or spreading the virus are the following as instructed by World Health Organization (WHO) as shown in Figure 7.3 below:-

- Wash hands regularly with soap and water, or clean them with alcohol-based hand rub;
- Maintain at least 1-meter distance among each other;
- Avoid touching our face;
- Cover our mouth and nose when coughing or sneezing;
- Stay at home if feeling unwell;
- Refrain from smoking and other activities that weaken the lungs; and
- Practice physical distancing by avoiding unnecessary travel and staying away from large groups of people.



Figure 7.3 Covid-19 prevention

Source: World Health Organization (WHO) (2020)

7.2.1.3 The Covid-19 Pandemic and The Citizen Response

The World Health Organization (WHO) declared Covid-19 as a global pandemic because of its ability to spread rapidly worldwide. Laato *et al.* (2020) has pointed out that in their findings, almost all the countries in the world were hit by the pandemic issued restrictions on movement, placing people in quarantine, closing public services, and banning large public gatherings. Numerous governments have created quarantine conditions to limit the spread of the Covid-19 pandemic and urge citizens to stay at home and leave their homes only to meet their basic needs and work (Borsellino, Kaliji, and Schimmenti, 2020).

According to Cheng (2020), the Malaysian government issued a 2-week (14-day) Movement Control Order (MCO) on March 18, 2020, due to the case numbers of the Covid-19 pandemic having ballooned 20-fold to 428 cases by mid-March, as illustrated clearly in Figure 7.4 below. Most of the businesses and services deemed to be non-essential were shut down. At the same time, interstate travel was curtailed during MCO in Malaysia. Also, the public sporting, religious events and gatherings are canceled no matter whether small or big.

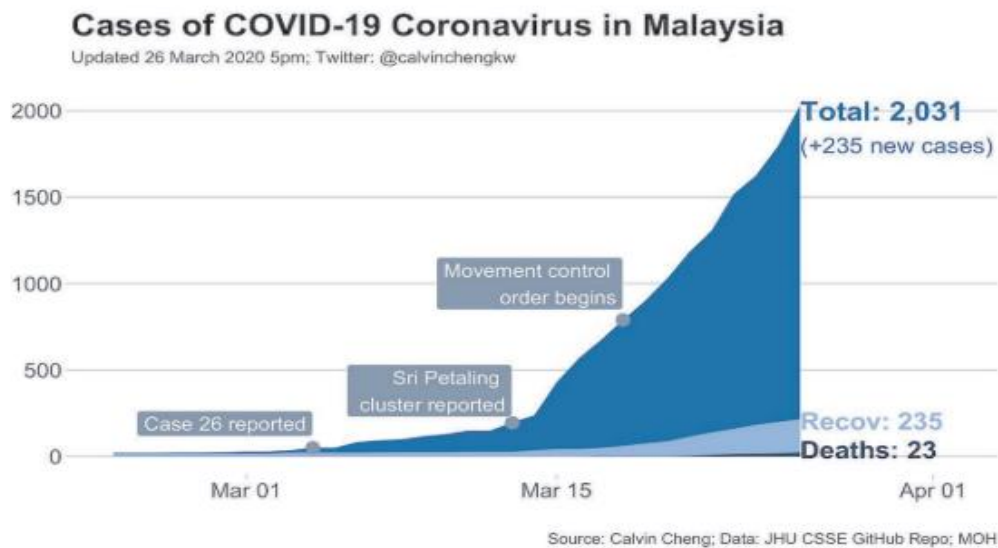


Figure 7.4 Cases of Covid-19 in Malaysia in March, 2020 (Cheng, 2020)

7.2.2 Overview of Consumer Behavior

Consumer behavior refers specifically to models of ultimate consumers' decisions about and consuming products (Todd *et al.*, 2014). In simple words, consumers are the ultimate users of a product. According to Smith (2016), consumer behavior studies individuals and organizations and how they select and use products and services. It is the series of behaviors that consumers must follow before they make a final decision to purchase. Usually, consumer behavior starts when the consumer becomes aware of a product and concludes with the purchase transaction.

7.2.2.1 Consumer Decision-making Process

Consumer decision-making can be viewed as a process of moving from recognizing a need through gathering information, evaluating the alternatives on to the purchase, and then post-purchase process, as illustrated in Figure 7.5 below. It is a method used by marketers to identify and track the decision-making process of a customer journey from start to finish.



Figure 7.5 Consumer decision making process (Todd *et al.*, 2014)

a) Problem recognition

The consumer decision-making process is initiated by the recognition of a need or want. Needs are fundamental human requirements and are universal because all people have needs. According to Todd *et al.* (2014), the American psychologist Abraham Maslow believes that needs were arranged in a hierarchy, as shown in Figure 7.6 below.

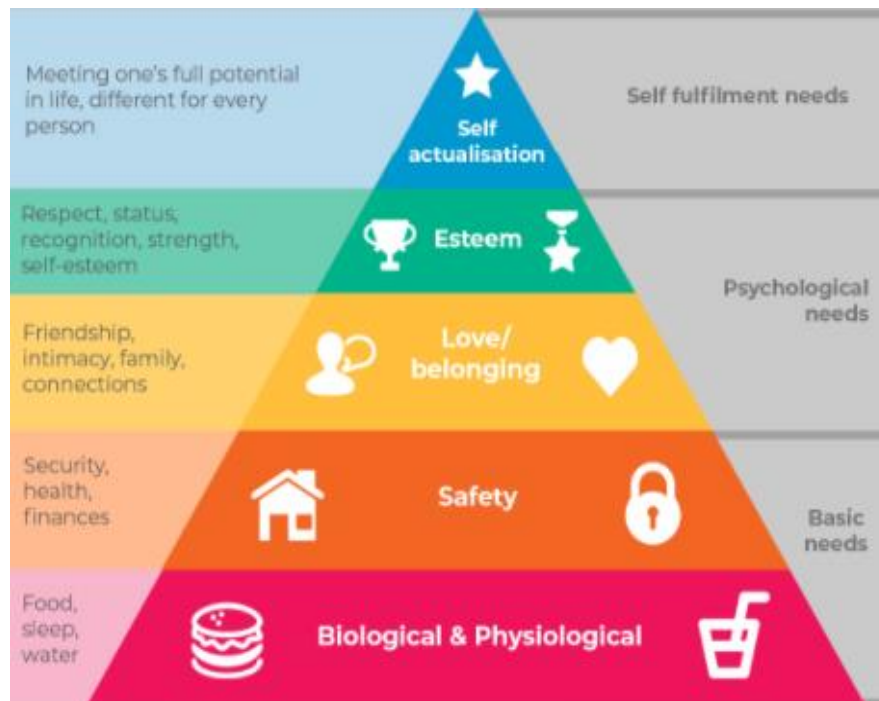


Figure 7.6 Maslow's hierarchy of needs (Todd et al., 2014)

According to Figure 7.6, Maslow's hierarchy of needs is a theory of motivation that claims that an individual's behavior is dictated by the primary five (5) categories of human wants. Physiological requirements, which are at the bottom of the hierarchy, are the most basic human wants. Physiological requirements are biological necessities for human survival. For example, air, food, drink, water, and other basic requirements are unavoidable since humans cannot survive without them. When a person's physiological demands are met, the need for safety becomes more critical. In a nutshell, safety concerns encompass protection from assault and theft, as well as health and financial security. Usually, the family and society can provide the safety demands, such as the police, medical care, and business. Once physiological and safety requirements have been met, the third level of human wants is social, which includes feelings of love and belonging. Maslow's social needs, in general, are concerned with human connection, such as friendship, closeness, trust, and acceptance, among other things. The fourth level of Maslow's hierarchy is esteem needs, divided into two (2) categories: regard for oneself, such as dignity, achievement, and mastery, and esteem for others, such as respect. The desire for reputation or respect from others, such as status and prominence, falls into the second group. Finally, Maslow's hierarchy includes self-actualization needs, including learning, spiritual and personal growth, and self-expression. To put it another way, self-actualization needs relate to a person's realization of potential, self-fulfillment, personal progress, and peak experiences.

In summary, problem recognition happens when a customer can identify the problem or need and, as a result, what product or kind of product would satisfy that need. Problem recognition is usually the most critical step in the consumer decision-making process. If customers do not see a problem or need, it is challenging to contemplate purchasing a product. As a result, when consumers perceive a need or a problem, they will continue to acquire information to understand how they may meet the need, leading to step 2 in the consumer decision-making process.

b) Information search

According to Shaw (2018), the information search stage in the buyer choice process changes with time as customers want more valuable information about a product that meets their demands. Typically, the alternatives available to customers have been recognized or better defined at this point. Furthermore, information is acquired about the items and from individuals through suggestions and prior experiences with the products.

At this stage, the consumers will look for internal and external information too. From Todd *et al.'s* (2014) perspective, the internal source refers to a consumer's memory. This is because their personal experience towards a product frequently triggers the consumers' memory. However, external information refers to interpersonal sources such as friends, neighbors, and colleagues. Thus, when people have no prior knowledge about a product, they will seek information from personal sources such as word of mouth from friends or family and through public sources like online forums and consumer reports. Therefore, the author can conclude that the information search is vital because most people do not want to regret their buying decision.

c) Evaluation of alternatives

This stage entailed assessing various market options as well as the product life cycle. Consumers will begin searching for the most satisfactory choice accessible once they have identified what can meet their demands. The evaluation might be based on various variables, including quality, price, or any other criterion that is relevant to the customers.

The brands and customer value are the two additional ideas to understand how the consumers evaluate the alternatives (Todd *et al.*, 2014). Brands simplify purchase decisions in an extraordinarily hectic, cluttered, and demanding environment from a buyer behavior perspective. Although brands have been criticized as unnecessary and exploitive, they are helpful to customers and provide real value to the consumers. This is because brands offer reassurance and communicate more complex information in simplified ways.

Besides, the word "value" of customer value is the benefits consumers get from a product compared with all the costs of acquiring and consuming the products. In a simple word, it is the balance of the "get" and "give" from the consumers' perspective. However, the term "value" is more subjective because something worth paying for to one consumer will be disregarded as unimportant by another. Hence, along with attitudes, those appraisals of value are essential too, especially in understanding the consumer's decision-making process.

d) Purchase

After passing all of the phases of problem detection, information search, and option evaluation, the customer has finally chosen to make a purchase choice. At this point, the customer has weighed all of the options and determined the value they will receive. However, the consumer must still choose "when to purchase" and "where to buy" the merchandise. According to Todd *et al.* (2014), the purchasing choice is based on time and place instead of product comparisons. As a result, the buyer will decide and purchase the product that they prefer in the end.

e) Post-purchase processes

The post-purchase process refers to the reflection from consumers. Usually, the post-purchase will bring two effects. For example, if the product has matched the consumer's expectations, the consumer will undoubtedly serve the product as a brand ambassador and repeat order in the future. At the same time, they will influence other potential consumers, increasing the consumer base of that particular brand. However, if the product is dissatisfied, it can halt the journey of potential consumers towards the product.

7.3 The Impacts of Covid-19 on Consumer Behavior

Epidemic outbreaks such as SARS, Ebola, MERS, dengue fever, and swine flu have occurred in recent world history. According to Laato et al. (2020), the outbreaks have influenced two types of human behavior: consumer behavior and health risk mitigation behavior. Sheth (2020) corroborated these findings in his research, as shown in Table 7.1 below, which summarised eight (8) immediate impacts of the Covid-19 epidemic on consumption and consumer behavior.

Table 7.1 The summary of 8 immediate effects of Covid-19 pandemic on consumption and consumer behavior (Sheth, 2020)

No.	Impacts	Explanations
1.	Hoarding	<ul style="list-style-type: none"> ➤ Hoarding is a common reaction to managing the uncertainty of the future supply of products for basic needs. This has happened concerning personal protection equipment (PPE) products for healthcare workers. ➤ Consumers are stockpiling the essential products for daily consumption, resulting in temporary shortages.
2.	Improvisation	<ul style="list-style-type: none"> ➤ Consumers learn to improvise when there are constraints. This means that the existing habits are discarded, and new ways to consume are invented. ➤ The Covid-19 pandemic unleashed the creativity and resilience of consumers for such tradition-bound activities as weddings and funeral services. For example, the sidewalk weddings and Zoom funeral services substitute for the traditional location-centric events.
3.	Pent-up Demand	<ul style="list-style-type: none"> ➤ Pent-up demand consequence when market access is denied for a short period for services such as entertainment like cinema. ➤ Many economists have studied the impact of pent-up demand on GDP growth.
4.	Embracing Digital Technology	<ul style="list-style-type: none"> ➤ The obvious example in this Covid-19 pandemic is Zoom video services. ➤ The impacts of digital technology and social media on consumer behavior are massive in scale and pervasive in consumer's daily life during the Covid-19 pandemic.
5.	Store Comes Home	<ul style="list-style-type: none"> ➤ Consumers are unable to go to the grocery store or shopping due to complete lockdown. ➤ "IN-home everything" has brought an enormous impact on consumers' impulse buying and planned.
6.	Blurring of Work-Life Boundaries	<ul style="list-style-type: none"> ➤ The consumers are prisoners at home with limited space, and there are too many discrete activities like learning and working from home. ➤ Consequently, there is a blurring of boundaries between work and home and between study and rest.
7.	Reunions with Friends and Family	<ul style="list-style-type: none"> ➤ The significant impact of the Covid-19 pandemic is to get in touch with distant friends and family.
8.	Discovery of Talent	<ul style="list-style-type: none"> ➤ The consumers have practiced their talent in preparing meals, performing creative and new ways to play music, and sharing learning when they have more flexible time at home.

Furthermore, the current Covid-19 pandemic growth will continue to have an extraordinary detrimental impact on people and companies' current and future livelihoods. According to Borsellino, Kaliji, and Schimmenti (2020), consumer behavior is highly complicated, involving various activities from consumption to disposal. Many variables influence food consumption and consumer behavior, including socio-demographic, economic, geographical variety, and consumer preferences and views. Furthermore, they have explicitly indicated in their conclusions that neglecting socio-demographic variables makes it impossible to comprehend how the Covid-19 epidemic affects and will affect consumer demand for commodities.

Furthermore, according to the findings of Chronopoulos et al. (2020), spending reactions vary depending on the classification of different items and places and demographic factors such as age, income level, and gender. Consumer spending was relatively constant throughout the early phases of the Covid-19 epidemic, from January 18 to February 21, 2020. However, when the lockdown got close, discretionary expenditure was drastically cut, and this trend was maintained throughout the lockdown period.

Finally, according to Naja and Hamadeh (2020), consumer behavior adjustments in response to the Covid-19 epidemic have centered on favorable activities to customers' health and preferences. During the Covid-19 in Vietnam, they discovered that customers' desire to hoard food, regardless of price or quality, was positively influenced by risk perception. In the long run, these conditions will also lead to changes in lifestyle, purchasing behavior, and dietary habits. As a result, Figure 7.7 has summarised the findings on the impacts of the Covid-19 epidemic on consumer behavior based on prior studies straightforwardly and concisely.

Food Consumption Habits and Preferences

- People share different reactions and behaviour regarding their food choices in this pandemic.
- New behaviour types will continue once the restrictions have been eased, albeit to a lesser extent.
- During the early stages of 2020 pandemic many consumers prefer to cook at home and not eat in restaurants.
- Consumers are looking for long-lasting foodstuffs and to engage in comfort eating.
- Consumers buy less perishable fruit and vegetables in favour of long-life products.

Health Concerns

- The need to consume healthier food has emerged during the period of the pandemic.
- Many consumers are paying more attention to safeguarding their health during the pandemic.
- Many consumers are looking for foodstuffs to boost their immune system.
- Some preferences for less healthy foods have been reduced as a result of the imposition of the lockdown.
- There is a tendency to consume foodstuffs with a reduced salt, calorie, and sugar content.
- The desire to maintain newly acquired, healthier dietary habits after the easing of the lockdown restrictions is encouraging consumers to increase their intake of fruit and vegetables.

Purchasing Behaviour

- The transmission of COVID-19 has prompted many changes in household behaviour in terms of costs and purchasing.
- Many consumers are uncertain about the future. Consequently, their purchasing behaviours have changed, and these changes may be long-lasting.
- Some purchasing behaviours will probably return to their previous state; some may not, as newly acquired behaviours are easier, cheaper, and more readily maintained than was the case previously.
- Customers' attitudes towards access to food have also changed, depending on the food availability from by channels of sale.

Direct Sales

- The behaviour relating to direct purchases has changed as a result of the COVID-19 outbreak.
- Some markets lost their customers during the pandemic, unlike independent and small local stores.
- In-store spending was greatly reduced during the confinement period
- Online shopping.
- Product sales predominantly shifted to home delivery during the lockdown period.
- A burgeoning demand for food products in the lockdown period correlated with an increase in online food deliveries.
- Online shopping has somewhat reduced pandemic shock.
- The tendency to shop online has increased, concurrent with the favouring of hitherto unused brands and retailers, thereby inducing a jolt to brand loyalty.

Consumer Habits Regarding Food Waste

- Many countries have been called upon to promote sustainable development and reduce food waste during the transmission of COVID-19.
- More consumers have focused on limiting food waste during the pandemic period.
- The rationale for food waste during this period was overcooked food, exceedingly long-term storage in the freezer, overbuying, etc.

Figure 7.7 The summary of the impacts of Covid-19 towards consumer behavior
(Borsellino, Kaliji and Schimmenti, 2020)

7.4 CONCLUSION

Without a doubt, the lockdown and social isolation have completely altered all aspects of consumer behavior. This is because customers must learn to improvise in new and inventive ways since they cannot go to the grocery store and shop; instead, the grocery store must come to them. Consumers are typically less likely to purchase inside the grocery store while the Covid-19 epidemic is spreading worldwide (Grashuis, Skevas, and Segovia, 2020). As a result, the author concludes that adopting digital technology is likely to change existing behaviors. Indeed, new consumer behaviors affect all aspects of our lives, from how we work to how we buy to how we enjoy ourselves. These fast developments will significantly impact retailers and consumer packaged goods companies. And, according to the author, many of the longer-term shifts in consumer behavior are still in the making.

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