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# A REVIEW ON CHANGED CONSUMER BEHAVIOR DURING COVID-19 CRISIS

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## ABSTRACT

Human behavior is pushed in many directions by a critical situation, with certain aspects of behavior being irreversible. Because the COVID-19 pandemic is not a typical crisis, several methods were implemented to restrict the disease's spread, including complete and then partial lockdown. Because all aspects of the economy are inextricably intertwined with public health measures and lockdown, the nations' economies have become unstable, indicating a shift in market dynamics. Customers are the drivers of competition in the market, growth, and economic integration in any market. Consumer behavior is changing as a result of economic uncertainty, albeit how much of the change witnessed during the crisis will last remains to be seen. This essay examines consumer behavior during the COVID-19 crisis and the accompanying global standstill that lasted over a quarter of a year. Furthermore, the article tries to weave through the maze of available literature about consumer behavior in regular and downturn times, strengthens it with rapid review culled out by various consulting organizations during the lockdown stage, and substantiates the same with first-hand telling and retelling of experiences by consumers and professionals with marketing backgrounds to bring up a hypothesis of the pandemic causing a paradigm shift where consumer spiritualism has evolved from consumer materialism. The thesis proposes more testable hypotheses for future study to better understand consumer attitudes or requirements in purchasing "what is enough" in a marketing setting, and how this may be reinforced post-COVID crisis to ensure business model sustainability. To build new consumer behavior theories, researchers should investigate the correlations of this forced consumer behavior with other variables such as learning from crises, changing demands, personality, nationality, culture, emerging market segment, and age.

**Keywords:** Consumer behaviour, spirituality, economic crisis, utility, *consumption*

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## I. INTRODUCTION

Gates Notes (Gates, 2020) published an article at the start of the previous decade arguing that, outside the immediate risk posed by the 2009 H1N1 pandemic, which killed 18,036 individuals, there were bigger ramifications in emphasizing the fact that health systems were unprepared for future epidemics. The article called for a 'wake-up call' for improvements in health care, surveillance, and outbreak management systems, infrastructure, and human resources. Just after the Ebola outbreak in 2018, the World Health Organization and the World Bank established the Global Preparedness Monitoring Board, which is made up of prominent global health officials. During their first annual report, the Global Preparedness Monitoring Board looked at airborne diseases like influenza and suggested that a disease like the Spanish flu could spread around the world in less than 36 hours, killing more than 50 million people. The report emphasized how existing gaps in worldwide preparedness would exacerbate the consequences of a potential pandemic, which would go beyond high mortality and morbidity to destabilize national security and have a negative impact on the

global economy and trade adapt to different consumption habits. The World Economic Forum (WEF), in cooperation with the Johns Hopkins Center for Health Security and the Bill & Melinda Gates Foundation, sponsored a slightly elevated simulation exercise in October 2019 to handle a possible worldwide epidemic situation. The simulation revealed glaring gaps in pandemic planning and response across the system, and as stakeholders began to apply what they had learned from the simulation, COVID-19 struck, resulting in an exponential spike in the number of fatalities across countries (ReliefWeb, 2020).

#### Consumer behavior Approaches in Times of Crisis

A consumer is someone who recognises a need or want, purchases it, and subsequently discards it during the consumption process. The utility of a typical consumer is determined by their consumption of agricultural and industrial items, as well as services, housing, and money (Grundey, 2009). No two are alike, as each is influenced by a variety of internal and environmental factors that shape buyer behavior. Consumer behavior refers to the process of finding, acquiring, utilizing, reviewing, and discarding items and services (Valaskova et al., 2015). Individual factors (Solomon, 2016) are investigated to achieve the factors of micro consumer behavior, which are influenced by social issues. Consumers, according to Flatters and Willmott (2009), purchase consumer items to enhance their usefulness, satisfaction, or delight.

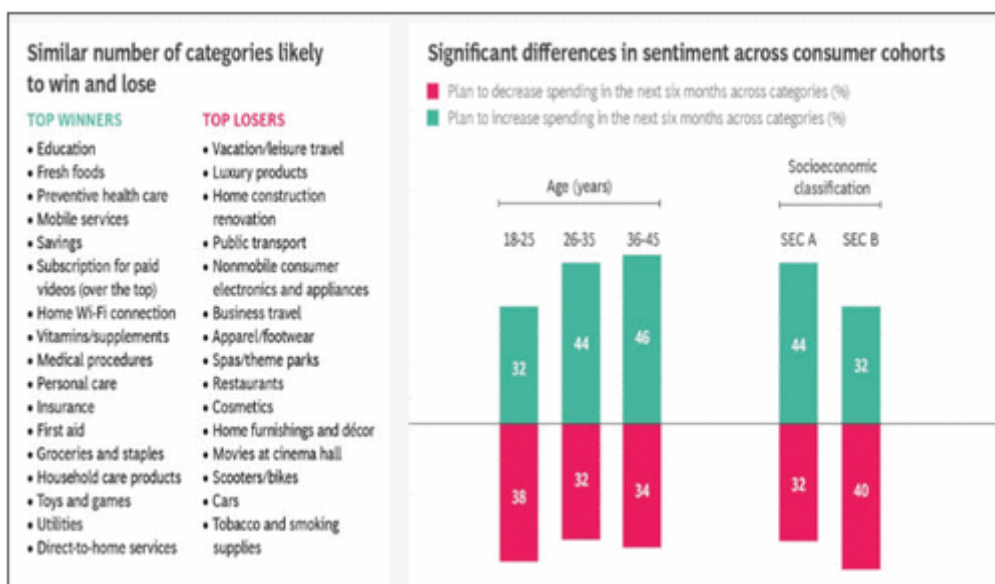
Consumer behavior is explained using three approaches (Valaskova et al., 2015): psychical, which is premised on the relationship between the consumer's psyche and attitudes; sociological, which is dedicated to the responses of consumers in diverse circumstances or how their behavior is affected by multiple social occasions, social leaders; and economic, which is centered on basic understanding of microeconomics in which consumers describe their needs. Consumer interests are then faced and traded on the market as a result. Following India's liberalization, such ideas in the borderless globalized world have been used to explain consumer behavior patterns, undermining individual identity and gives way to shared identity via brand culture. The sporadic waves of 'Swadeshi' and 'back to basics' promoted by social figures such as Baba Ramdev or Gandhi's simple lifestyle also became a behavioral strategy. The affluent class adopts a sociological view to behavior as a natural completeness to self-actualization, which is also harvested. Under the economic approach to consumer behavior, many lower socioeconomic rung consumers succumbed to elitist appeals of material symbols to exhibit themselves in higher rungs. In their research, Amalia et al. (2012) suggested that people are not all the same, and that not everyone has the same impression of a situation with negative consequences, such as an economic or other crises. New consumption patterns emerge during times of crises. Risk attitude and risk perception are the most critical characteristics that model consumer behavior in a calamity. The consumer's risk attitude shows his or her judgment of the risk content and how much he or she dislikes it. The consumer's impression of the risk of being exposed to the risk material is reflected in risk perception. In his paper, Hoon Ang et al. (2001) addressed how changes in consumer behavior resulting from an economic downturn can be controlled by a variety of factors like personality characteristics. Consumers' risk aversion, value consciousness, and materialistic tendencies are among these personality traits. Earlier research suggested that during times of crisis, consumers' behavior shifts, resulting in a considerable shift in utility patterns. Flatters and Willmott (2009) observed a few new tendencies during the crisis, including demand simplification due to limited offers during the crisis, which tends to continue post-crisis when individuals buy simpler offerings with high value. Even the wealthy, according to the study, voiced discontent with excessive consumption after the crisis and concentrated on recycling and educating their kids basic and traditional values. Flatters and Willmott (2009) shown in their research that the recession has had a major impact on consumer attitudes and tendencies. The recession has accelerated some developments, while it has slowed or stopped others. The demand for ease, which suggests that customers require uncomplicated, value-oriented goods and services that streamlines their daily life, and

the focus on the implementation of a corporation where buyers are enraged by unlawful conduct and unethical company behavior, are two of the most important trends in the crisis. The authors were intrigued by the shift in consumer behavior during times of crisis, thus they decided to investigate consumer behavior throughout COVID-19.

## II. MARKET DYNAMICS DURING COVID-19

This epidemic has had a massive effect on the nation's economies, indicating a shift in market dynamics. Abe (2020) observed trends such as people raiding grocery store passageways, the cancellation of the world's most important events, and stipulates for 'non-essential' companies to be temporarily shut down to minimize the risk of infection in her report titled 'Market Trends and D2C Opportunities in the COVID-19.' People are spending less money on products that are considered nice-to-have or non-essential during the pandemic (such as clothing, shoes, make-up, jewelry, games and electronics). According to iRi POS data, developed countries are also migrating to steady state purchasing post-stock piling during COVID-19 (2020). According to the survey, food products will see a rise in demand while non-edible products would have a mild upsurge, resulting in lower demand for homecare, cosmetics, and personal care products. Mckinsey conducted a poll of Indian consumer opinions during the coronavirus epidemic from May 1 to 4, 2020. According to the findings, 76% of consumers in the sample firmly chose to pay wisely and scale back on their spendings.

According to the Boston Consulting Group research (2020) on market dynamics, in addition to changes in spending patterns, significant drops in sales of many industries in India were observed during COVID-19. Figure 2 shows that there are significant disparities in spending. Lower-income and younger consumers are more likely to plan to cut back on their spending, whereas older and elevated consumers are more resilient and expect to keep or grow their expenses.



**Figure 1: Sentiment Across Different Segments and Product Categories (India)**

(Source: Koslow and Lee, 2020).

As per marketing experts, the outlines of new marketing models began to emerge, such as online ready-to-eat food delivery companies converting overnight to providing necessities like fruits, vegetables, and groceries. To foster innovation, companies are forming multilateral cooperation, some formal and some informal. For instance, more than 15 pharmaceutical companies are engaging in a COVID-19 R&D forum to

enhance the most promising medications and vaccines individually and collectively, while long-time rivals Sanofi and GSK are partnering on COVID-19 vaccine research. Choices about which attempts to measure to implement, when and where, are carefully made at the district level to maximize economic recovery while protecting public health, implying a transition from globalization to localized designs with an uplift to small stores and innovative channels of interacting such as mobile messaging to local shops.

These aspects of crisis behavior have also been documented in the literature. Consumer spirituality, as described by Kelemen and Peltonen (2005), is the set of interconnected activities and processes that individuals indulge in when they consume market offers (products, services, and places) that provide spiritual utility' (Kale, 2004, 2006, p. 109). Sheth et al. established the notion of spiritual consumption and its association with consumer behavior in critical situations to the marketing literature (2011). Customers are looking for hope, solutions, and anchors that can modify a consumer's persona (body/mind) and they see worth in being transformed, according to Philip Kotler (2019) in his commentary titled 'The Market for Transformation.' Thich (2019) elaborated on this spiritual dimension of behavior in his commentary on 'A Buddhist Approach to Consumption,' in which customers overcome their habitual consumption patterns and realise they don't need anything else. This emerging customer behavior, according to his reasoning, is based on experiences and perceptions gained through our senses and awareness. According to literature and in-depth discussion, what Indian consumers did during the lockdown may be an irreversible change in behavior that will be deemed best practise in consumption.

### III. CONCLUSION

The significance of spirituality in contemporary consumption is critically needed to be understood and researched by marketing scholars. This article serves as a beginning point for understanding customer feelings or requirements in purchasing "what is enough" in a marketing setting, as well as how they might be reinforced post-COVID crisis to ensure business paradigm sustainability. Scholars are urged to discuss the advantages and disadvantages of this type of consumer behavior. Other characteristics such as learning from crises, simplicity, changing requirements, personality, nationality, culture, thrifty behavior, and age could all be explored as potential correlations of this compelled consumer behavior. Other intriguing questions, such as "will this spiritual dimension of consumer behavior continue or decline post-COVID-19 scenario," will aid in the exploration of new sections displaying new behavior. To completely appreciate this phenomena and describe its fluctuations in the market post-COVID crisis, it will be crucial to avoid the spirituality/religion dispute when it relates to definitions of spirituality in materialism in both qualitative and quantitative studies. This can provide a spiritual consumption paradigm for the post-COVID cosmos, bringing back a rich cultural history of consuming habits based on philosophies of coexistence with mother nature rather than textbook notions.

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