

**CONSUMER BEHAVIOUR IN AN POST COVID ERA – A MARKETING
PERSPECTIVE**

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Abstract

Every Generation in a society goes through some Defining moments in their time that completely alter critical aspects of their Social and Economic setup and Individual lifestyle.

In the last century the Two world wars and the subsequent Industrial and social resurgence in the first part of the century and technical advancements in the later part of the 20th Century and early 21st Century were prominent amongst such moments.

As far as 2020 and the upcoming years are considered, the dramatic impact at a Global level, cutting across all Societies, Industries and Economies, that the Covid-19 Pandemic has necessitated can be considered as the single most significant defining moment for the current and the immediate next generation as well.

Just into the first few months of the pandemic we are already witnessing significant lifestyle and habitual changes. From a marketing perspective it is pretty evident that all the three pillars of a business, which are the Manufacturer, the Consumer and the Product – have been significantly impacted by this pandemic and would undergo significant changes in the way they are going to be handled in the coming years.

In this paper, we shall study in detail the expected changes in the consumer behaviour in a post covid era and how marketing has an increased and critical role to make businesses adapt to the post Covid era realities. Some of the impacts that are foreseen are - **Changes in consumer spending pattern, moving towards Local / Community based business, adapting to the new or the next normal, Importance to Product detailing** that a consumer shall look for, **Social changes impacting consumer behaviour** and **an increasingly health conscious consumer base** and how marketing managers and techniques must address these concerns and work towards achieving both Social and Business Goals

Introduction

Every society undergoes periodic changes in the way it conducts itself in various walks of life, like Education, Healthcare, global awareness, Purchase pattern and lifestyle habits to name a few. These changes have a direct impact on the business that depend on them. Simultaneously,

advancements in technology, enhancements to product quality and necessity to improve business goals also impact the way businesses are conducted.

This two-way scenario, where the product and services are impacted both due to consumer behaviour changes and also the industry evolution, makes it even more important for Marketing managers to carefully study these aspects and ensure both the product itself and the branding of the product are in line with the consumer expectations.

The Covid19 pandemic is a unique phenomenon mainly because it was not anticipated and not expected to expand in the large scale with which it is currently spreading and impacting the livelihood of lakhs of people across the globe.

We are now well through with the initial impact at the level of personal safe guard mechanisms and are in to a stage where public safeguard would become an essential aspect of daily life.

Th pandemic has forced people across all social and economic backgrounds to carefully reassign or reallocate their financial plans, with a more focus on health and safety aspects of products and services. Expenses, hitherto, not considered as a daily expense have become an essential aspect of daily life and are here to stay for a significant period. Small, Medium and large-scale Business, Industrial and Educational institutes and Organisations are no exception to this phenomenon.

There is a fundamental shift in the consumer behaviour pattern and since Marketing revolves around the consumer and the product that the consumer uses it becomes evident that marketing managers play a key role for businesses to tackle this changed consumer behaviour pattern.

Changes foreseen in Consumer Behaviour and the Intrinsic Role of Marketing

As mentioned in the introduction part of the paper, the Major changes foreseen in the consumer behaviour are captured below.

1. Health – Self, Family and Social health patterns
2. Security – Self, Family and Social security.
3. Job – fear of loss of job or reduction in pay
4. Travel – looking more local and apprehensive about travel
5. Changed Priorities – Importance to health rather than lifestyle or new products.
6. Online- Moving away from public gathering to online source of socialising and entertainment

The concerns listed above have a direct impact on the spending pattern of consumers and hence poses a direct challenge for the Marketing managers to quickly adapt their techniques to meet the new normal in consumer spending.

Data from some of the early studies on changes in Consumer behaviour have ben captured in the coming sections. These studies clearly show that the consumers are very early in adapting to demands of the covid19 impact and are proactive in changing their habits and lifestyle and reforming their finances and expense patterns.

The first five figures in the subsequent pages throws light on the mindset of the consumers and the impact the pandemic has had on the way they intend to spend their resources. The change in priorities in terms of health and security overtaking entertainment and lifestyle product can also be understood from the data points provided below.

This creates immediate necessity for the marketing managers to reposition their existing products and opt for new types of products and services that focusses on the changed priorities. With an even more increased inclination towards online mode of purchase, advertising expenses are also expected to shift even more towards online platforms to promote their products and services and reduce expenses in physical advertisement campaigns with large gathering of population, which is expected to remain low profile for a significant period of time.

As we write this paper, we are in June of 2020 and still focusing on health and medical aspects of tacking the pandemic, and the data available on consumer behaviour would not be as vast as in a normal study. The available data from well known Business leaders like PriceWatercoopers (PWC) and Accenture have been considered here to get initial insights on consumer behaviour.

These data provide valuable insights for marketing managers to understand the pulse of the consumers and plan on how to handle marketing campaigns and also understand what kind of product or service that their organisations have to produce so that they are in line with consumer expectations and continue to provide growth and profit for their respective businesses.

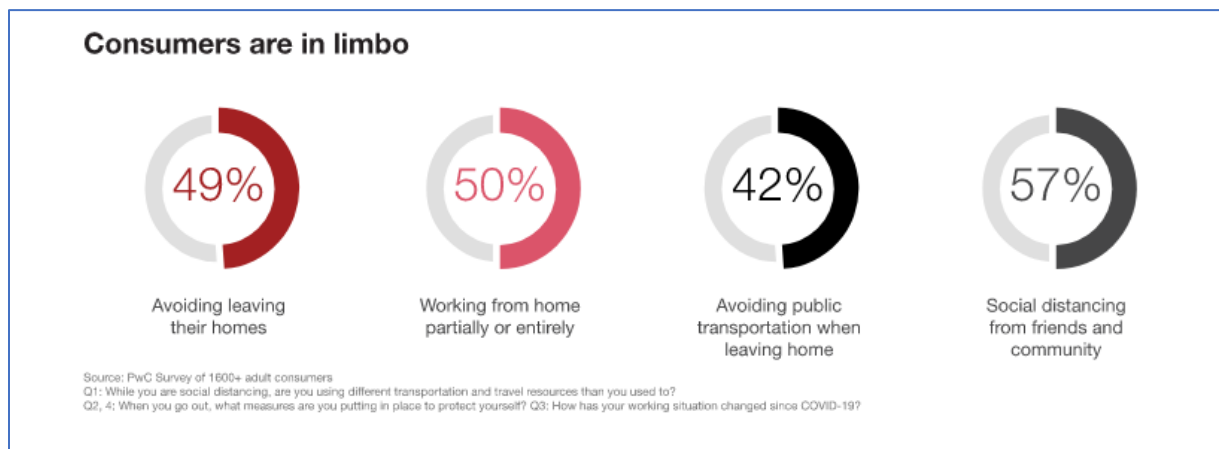


Fig1: Consumer responses to Covid 19 related questions

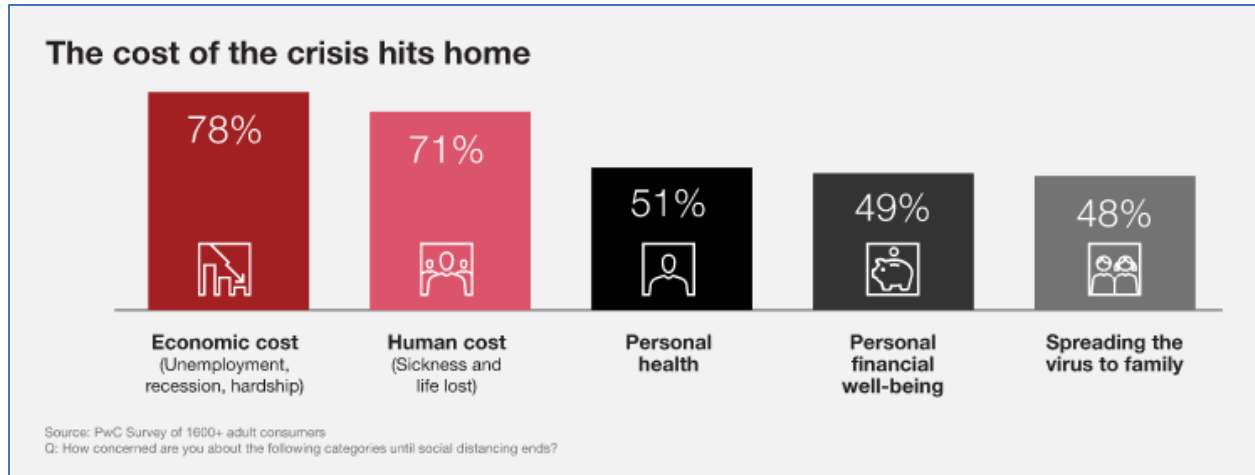


Fig2: Impact on Health and savings

As we can see, Priorities are changing for consumers with more focus on Health and well being taking front place in terms of spending priorities for people across the spectrum in the society.

The pandemic has reinforced the importance of having a sustained health regime that meets the needs of the changing atmosphere due to the Pandemic and consumers are already re planning and re allocating their finances with more focus on health and safety aspects for themselves and their families and also to protection from getting negatively impacted due to any social engagements or gatherings. This is a significant shift in mindset of the general consumers and would mean that there will be a corresponding impact on other types of products or purchases that they do.

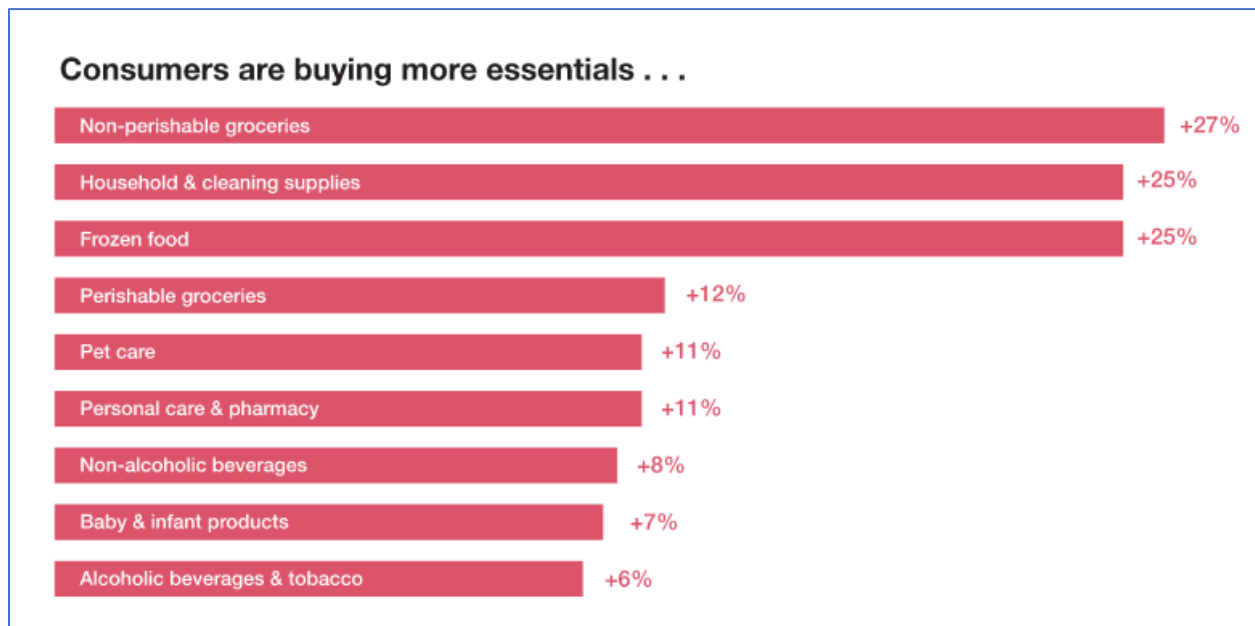


Fig3: Purchase Pattern



Fig4: Online purchase pattern

This means that, while the consumer would still purchase other products for their livelihood and life style, there would be a significant change in the quantity or volume of such purchases since the consumers have to compensate for the additional expenditure towards health and safety by diligently reducing the spending power in other areas. Given that there are significant impacts on jobs and salaries of employees across multiple industries and sectors, we can expect a more prudent spending pattern for a reasonable amount of time going forward.

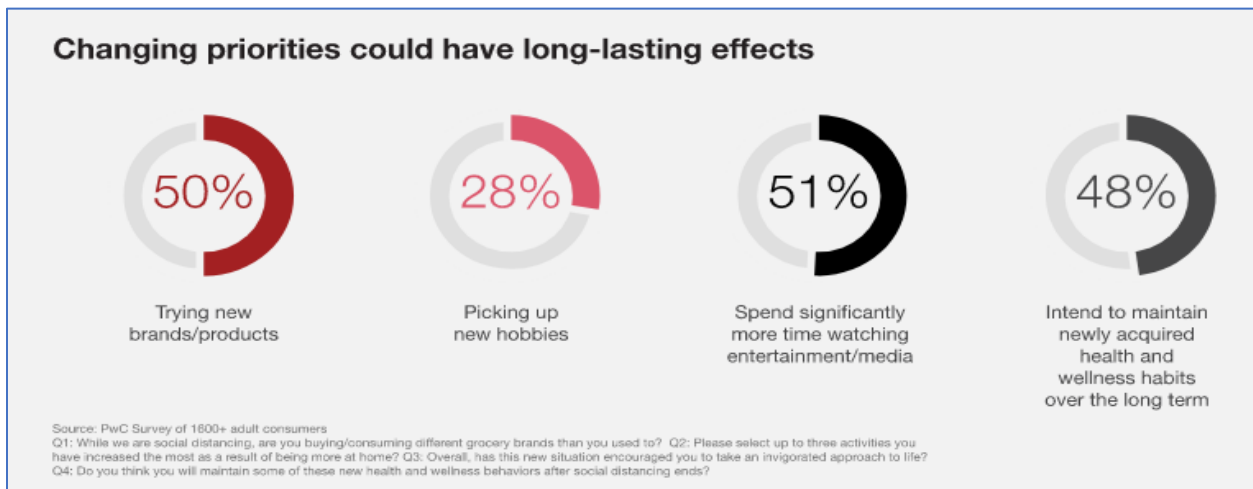


Fig5: Changing Priorities

The above data shows that consumers are showing inclination towards being more reluctant to splurge their finances towards new products or hobbies. There are also signs that people intent to changing the way the spend on entertainment and moving even mor significantly towards online entertainment avenues. People are also looking forward to maintain long term positions in new health and wellness habits.

Another study from Accenture shows that while the consumer shopping patterns are changing there is also a social responsibility aspect that is increasingly witnessed amongst the consumers. People looking at not wasting food products shows this aspect of a consumer mindset and is a good sign for the times to come.

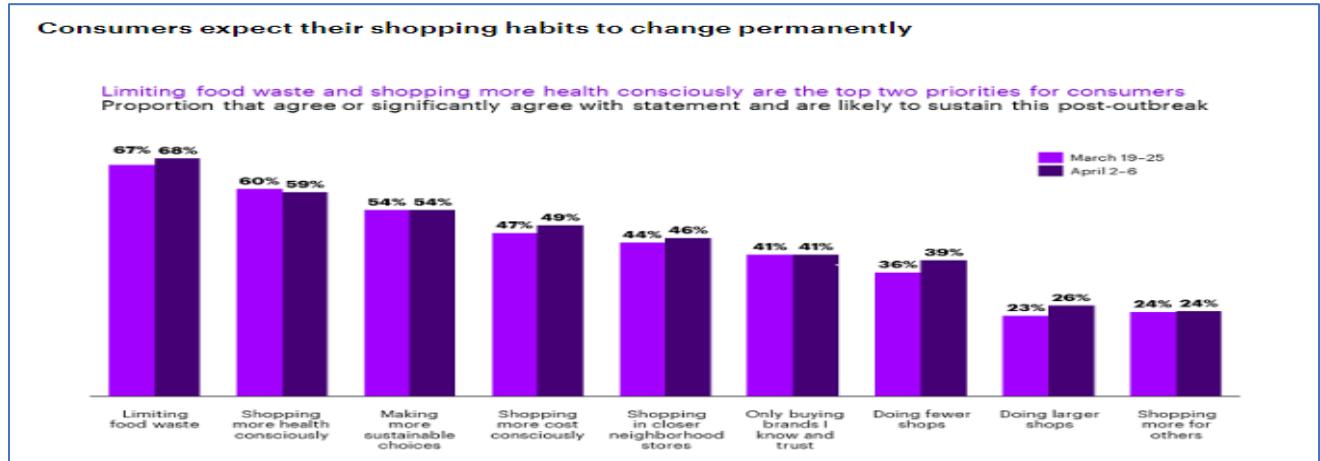


Fig 6: Consumer Shopping habits

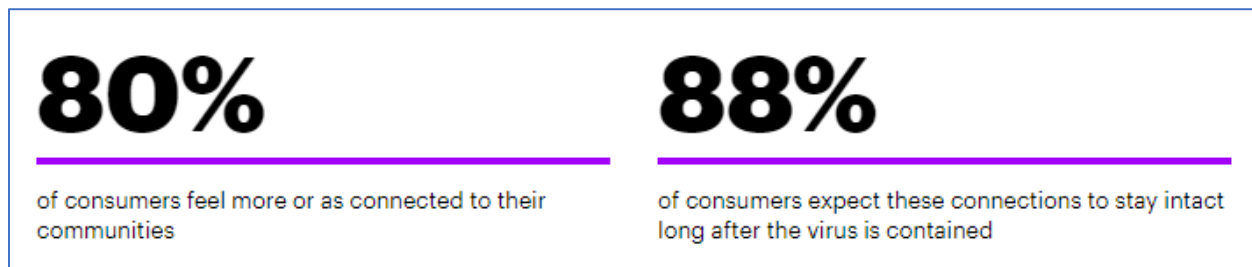


Fig 7: Consumer Thoughts about community

There is a marked shift of public mood towards going for local products and community based services, considering that the Covid19 spreads more from people to people and when in physical contact, resulting in people preferring to go for products that are made more closer to them than those that travel long distances across the globe.

This phenomenon as it evolves in the coming weeks and months would provide a significant challenge to businesses in general and marketing in particular, to stay relevant at a more localized and customized level and taking in to account the critical concerns of the public in general.

A Marketing Perspective on the Next Normal

Having gone through a few studies on the impact of Covid19 on consumer behaviour and from our own experiences, from our social circles and the general media reports from which we learn about happenings across multiple countries, we can say with a good degree of confidence that

1. Consumers have started to adapt new habits with focus on health and safety
2. Spending patterns are changing with changing priorities
3. Less focus on New products and/or habits.

4. Looking for more local community-based purchase options.

These are significant challenges for business houses and the expectations would be largely on marketing to device techniques to take products and services to consumer.

In this challenging scenario it becomes increasing mandatory for the marketers to take a lead in their respective business groups and work towards adapting to some of the below mentioned tactics to ensure business growth and profit, considering the changed consumer behaviour.

Two broad aspects have been provided below that would be critical inputs from a marketing perspective to businesses houses and that would make manufacturers take more informed decisions towards achieving their business goals.

1. Developing Innovative and Intelligent ways towards prudent marketing expenses
 - a. Moving even more aggressively towards online mode of marketing / Advertisements
 - b. Focus more on safety contents of products and not just on packaging and branding
 - c. Focus on educating consumers of product specifications to retain their confidence.
 - d. Focus on localised requirements to gather and retain consumer confidence
2. Focus on Research to enhance product Quality and Acceptance
 - a. Accurate feedback to make manufacturers adapt existing products to meet health and safety concerns of consumers
 - b. More in-depth due-diligence towards recommending new products, considering that consumers are looking hesitant to go for new products.
 - c. Look at ways to make products more economically feasible for consumers
 - d. Focus on localization aspects in products to gain confidence of consumers.

Conclusion

The contents of this paper, the reference materials along with the happenings around the world clearly imply that in the post covid19 era, we are moving towards New ways of conducting Businesses and this is here to stay for a significant period.

While we still need to wait for a little more time to get more pronounced data patterns on consumer behaviour, currently we can confidently conclude that Products and their Purchases are in for a sea change in the way they are going to be handled and that Marketing would have to play a lead role in bridging the changed demands of the consumers and help business retain a path of growth and profit.

Marketing managers will play a crucial role in closely studying granular aspects of various segments of consumers and provide more accurate and relevant feedback to their business groups with that aim of aligning their products more closely to consumer needs and doing all this by staying at least a step ahead of the competition.

As captured above in our earlier sections, In these entirely unexpected and unforeseen challenging times of Post Covid19 Business atmosphere, there is a huge responsibility on Marketing managers to go in for prudent expenditure techniques combined with intelligent product development feedback and help business houses stay ahead of the challenges posed by changes in consumer behaviour and meet those demands and continue to move in the direction of doing a profitable Business.

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