

## **Title**

Marketing strategies to combat consumer behavioural  
change post COVID

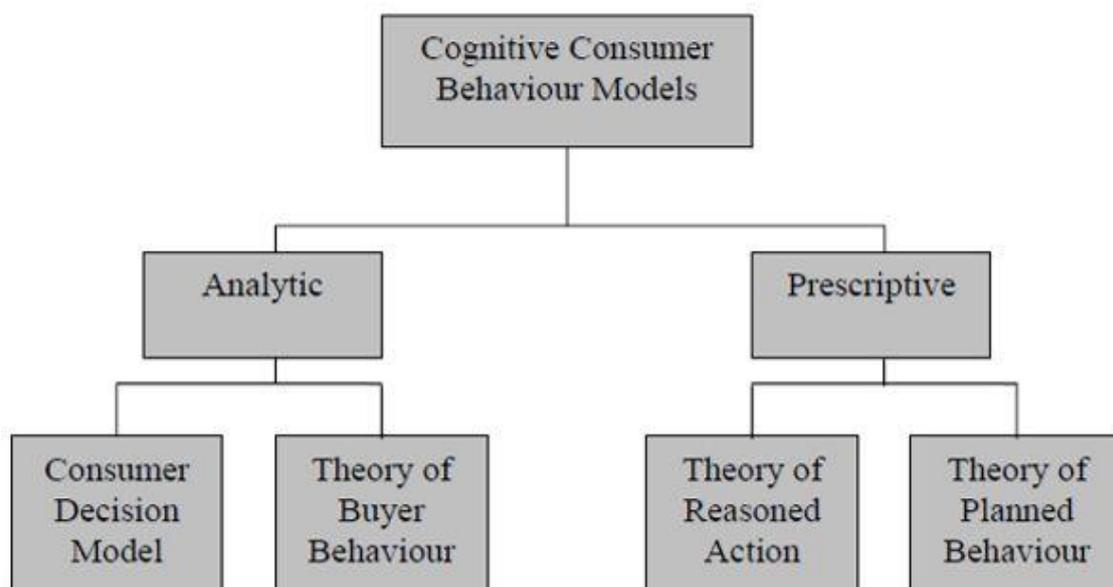
**Table of Contents:**

<b>1. INTRODUCTION .....</b>	<b>1</b>
<b>2. CONSUMER BEHAVIOUR AND BRAND LOYALTY.....</b>	<b>1</b>
2.1 THEORY OF PLANNED BEHAVIOUR .....	2
2.2 BUYER DECISION MAKING PROCESS.....	2
2.3 CONSUMER LOYALTY .....	4
<b>3. HOW CONSUMER BEHAVIOUR AND LOYALTY HAS CHANGED DUE TO COVID-19.....</b>	<b>4</b>
<b>4. MARKETING STRATEGIES TO COMBAT COVID INDUCED BEHAVIOURAL CHANGE .....</b>	<b>7</b>
<b>5. CONCLUSION .....</b>	<b>9</b>
<b>6. REFERENCES: .....</b>	<b>9</b>
<b>7. APPENDIX A.....</b>	<b>11</b>

## 1. Introduction

COVID-19 Pandemic changed the world in 2020, every aspect of human life underwent a paradigm shift. The businesses and schools closed, travel stopped, the roads, rails all closed as did gyms, cinemas and shops (except non-essential) all were forced to close as governments all over the world enforced strict lockdowns. This resulted in massive shifts in the way people carried on their day to day life, people were forced to work from home and students to study from home, shopping moved online, and entertainment went digital (Lang and Nakamura, 2020). Millions lost their jobs or were furloughed, there was and still is the constant fear of being infected. As a result of this unprecedented situation the behaviour of people as consumers went through a big shift. The aim of this report is twofold: first is to understand the changes consumer are going through in terms of shopping habits, prioritisation and brand loyalty. The second is to create effective marketing strategies to combat these changes and to re-empower the brands.

## 2. Consumer behaviour and brand loyalty



In spite of research spanning six decades, buyer behaviour remains one of the most complex and challenging field of study for academics from social, psychological to

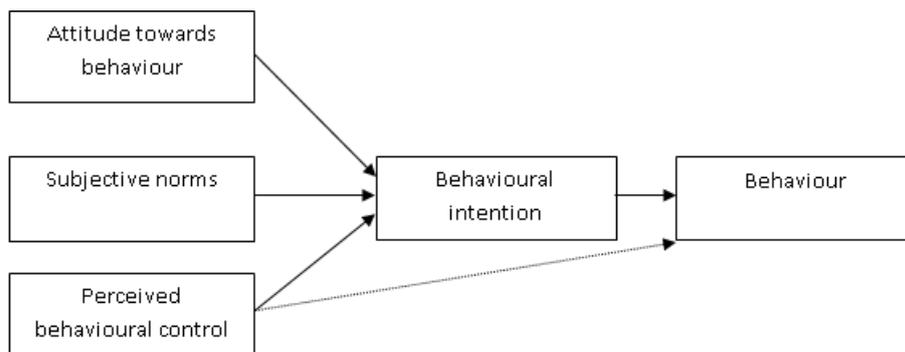
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## Marketing strategies to combat consumer behavioural change post COVID

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marketing fields according to Venkatesh, Thong and Xu (2012). The figure above shows the buyer behaviour models developed over decades. There are different models ranging from economic, Maslow's Theory, Howard and Sheth to Cognitive (Han and Kim, 2010). The cognitive models are the most important as they are based on the assumption of a rational buyer weighing pros and cons before buying. The cognitive ones can be divided in two parts analytic and perspective, each of which are further divided in two models. The most important models used today are explained below

### 2.1 Theory of Planned Behaviour



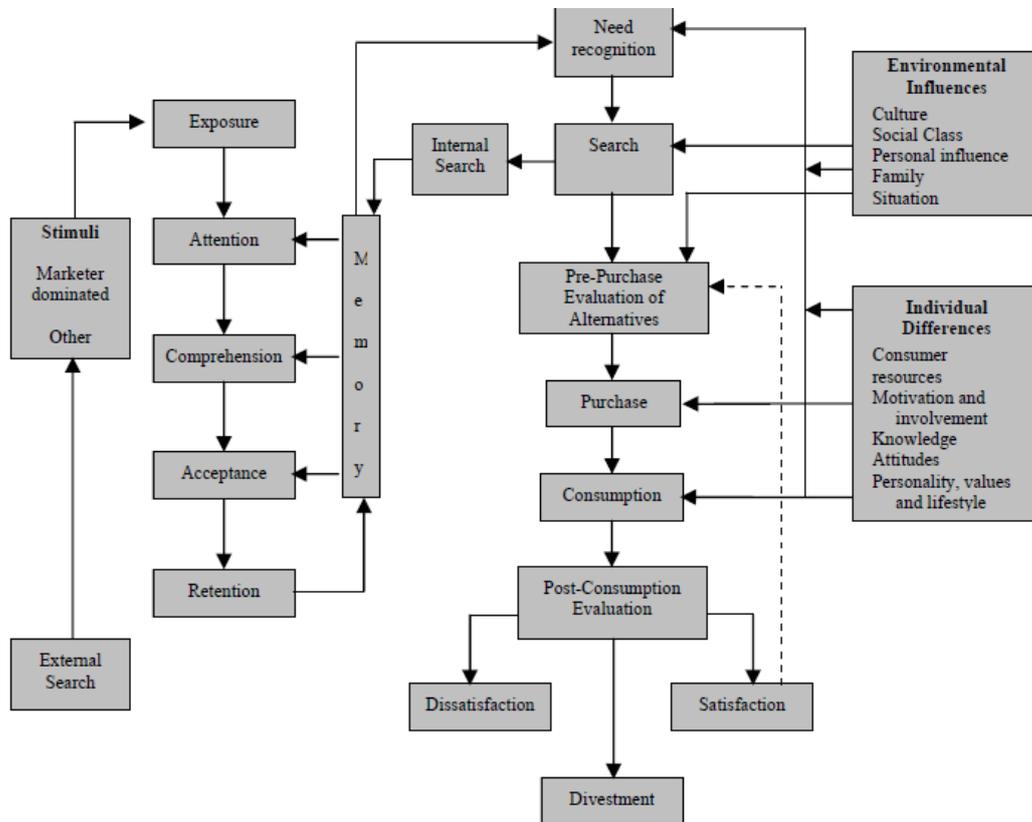
The figure above shows the theory of planned behaviour based on the original theory of reasoned action. It has three constructs to it, attitude and subjective norms as well as an addition of perceived behavioural control which was added so as to reduce the unpredictability of the consumer's buying behaviour and can explain the behaviour better. The perceived behavioural control attempts to explain the reason why consumers sometimes avoid purchasing a product or service even though the attitude and subjective norms are both positive. The model correctly predicts that if a buyer feels less or no control over the buying process then in spite of having the behaviour and need they will refrain from making the buying decision, therefore this construct directly impacts behavioural intention as well as actual behaviour according to according to Dixit, Badgaiyan and Khare (2019).

### 2.2 Buyer Decision Making Process

The Consumer Decision Making Model was created by Blackwell, Miniard et al. (2001) and is the most important model to understand rational behaviour in consumers according to Solomon (2013). This model depicts five distinct steps a consumer will go

## Marketing strategies to combat consumer behavioural change post COVID

through before making a rational purchasing decision. The cognitive models assume that the buyer is a logical and rational being and will make the purchasing decisions by going through a rational process and avoid impulse buy. The five steps of this model are as shown in the figure

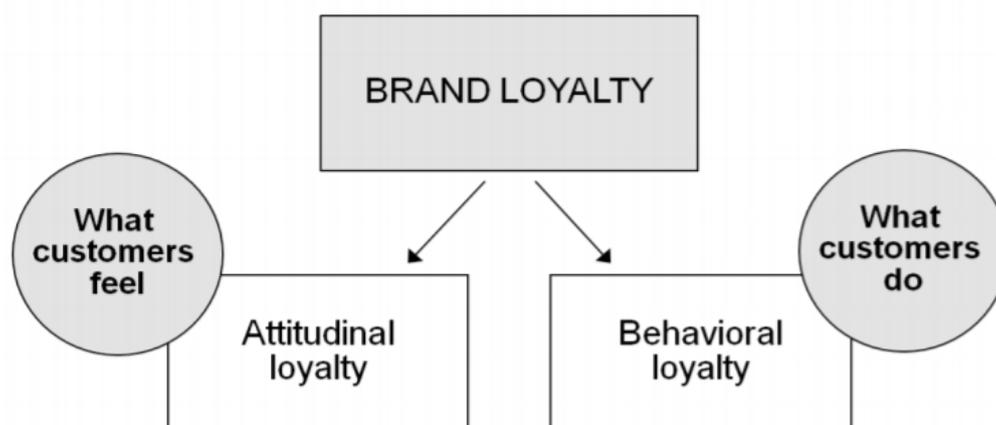


Source: (Blackwell,Miniard *et al.* 2001)

The first step in this process is need recognition, where a consumer acknowledges his or her unfulfilled need. The second step is searching for the product or service that will fulfill that need, this search can be through own past experiences, asking friends and family or online through recommendations. This is an important step as marketing stimulus can make an impact on the consumer. Next is the selection of alternatives, where amongst the massive options a consumer chooses a few in their consideration set. Next is the actual purchase followed by evaluation of the purchase in terms of satisfaction which is again an important step as the consumer will air their evaluation online on social media which will shape the views of others and their own repurchase. This decision making process is considered to be a standard process a buyer will go through each time they want to fulfill their unmet need.

### 2.3 Consumer Loyalty

An equally challenging field in marketing to consumer behaviour has been consumer loyalty. Traditionally it was defined as buyer's propensity towards repeat purchases of the same brand (Dick and Basu, 1994) to the recent definition as a complex and multi-dimensional concept dependent on customer satisfaction, brand image and trust (Lee and Wong, 2021). There are many advantages in having loyal customers, they are less sensitive to price, they can be upsold and cross-sold other products of the brand, they spread positive word of mouth through recommendations and reviews and so on (Chegini, 2010).



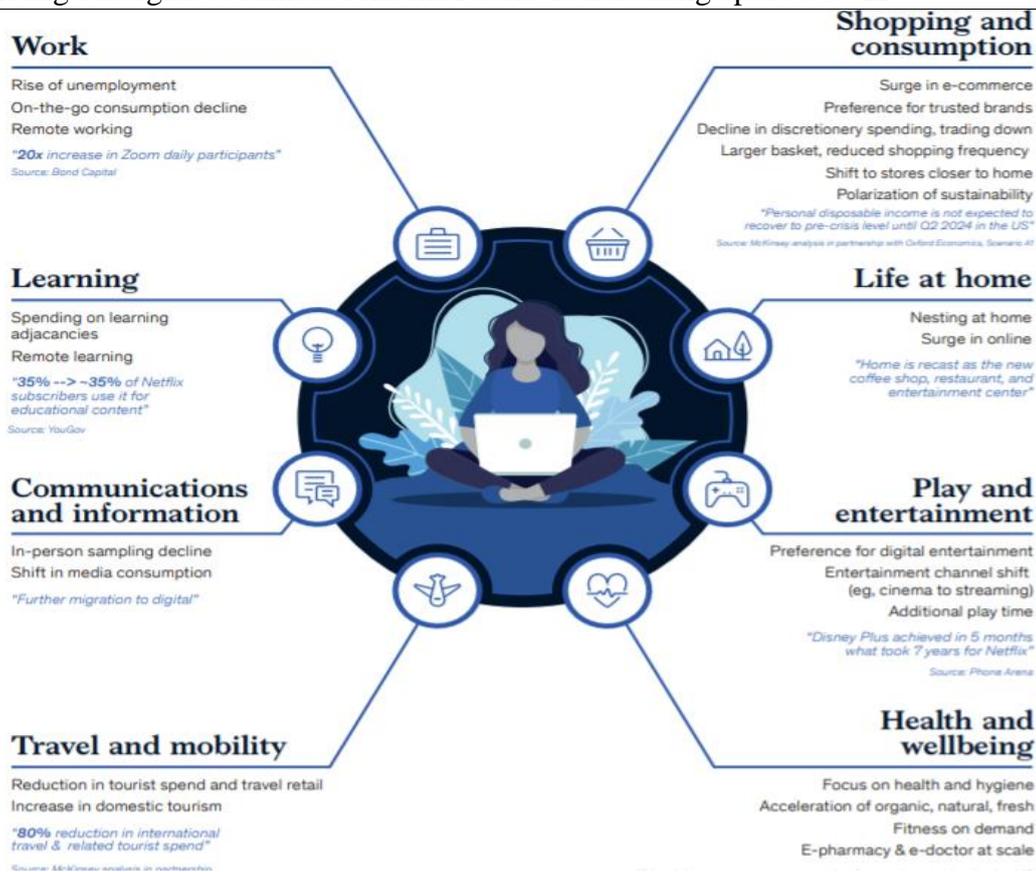
(Source: Khan, 2009)

Customer loyalty is divided in two parts, attitudinal and behavioural loyalty.

Behavioural loyalty is what customers do for example how many times customers repeat purchase the brand and can be measured using purchasing frequency and share of purchase. On the other hand the attitudinal loyalty is when a consumer is attached to the brand on an emotional level and forms a long term relationship with the brand according to Khan (2009). This type of loyalty is highly desirable by the brands but hard to achieve and sustain.

### 3. How consumer behaviour and loyalty has changed due to COVID-19

## Marketing strategies to combat consumer behavioural change post COVID

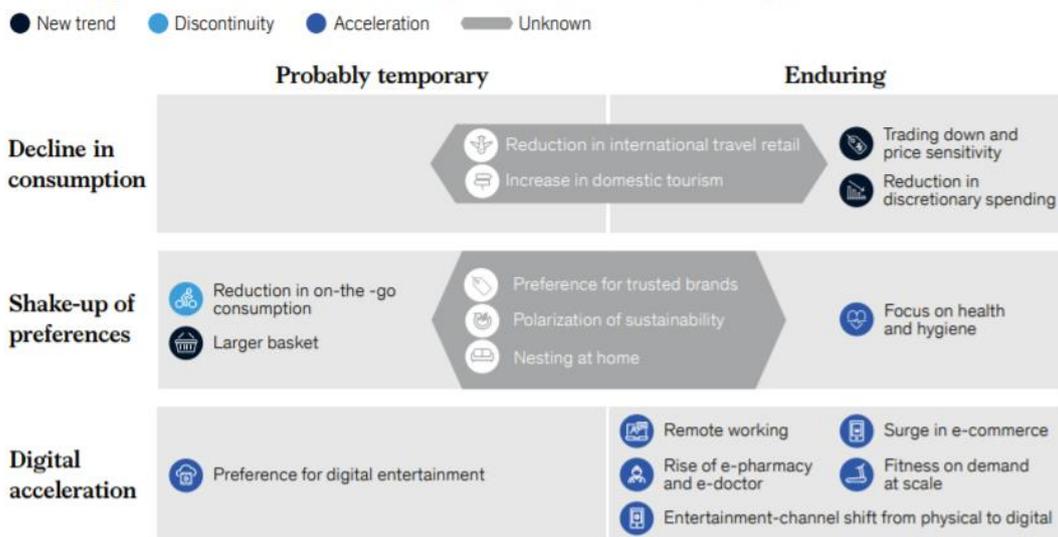


(Source: McKinsey, 2021)

Consumer behaviour has undergone a massive shift owing to COVID and the restrictions it has brought. As shown in the figure above, every aspect of the lifestyle has been impacted. The shopping, work, study and entertainment has all moved online as has communication and information. Travel, indoor leisure activities, gyms and cinemas had all stopped functioning and there is a massive focus on health and wellbeing according to report by McKinsey (2021). The report further suggests that of these trends.

Although these trends have occurred in a very unusual environment some of them are expected to be enduring changes while others will be temporary, and some are unknown whether they will last long or not.

### Our hypotheses on which changes could stick or dissipate



(Source: McKinsey, 2021)

#### The key trends that are temporary are as follows:

- Reduction in travel and increase in domestic tourism
- Reduction in on the go or impulsive consumption
- Larger basket in a single go
- Preference for only digital entertainment

#### The key trends that are enduring are as follows:

- Rise of e-commerce

The increase in e-commerce was accelerated by up to 8 times as a result of COVID. Almost all the people were forced to buy online as physical shops were shut indefinitely. This caused increase in e-pharmacies, grocery shopping, clothes shopping all going online and massively benefitted the likes of Amazon. All the retailers such as Tesco and Asda were forced to reconfigure their supply chains to home deliveries.

- Remote working

The Pandemic forced people indoors and the jobs went online, this cemented the possibility of remote working and is expected to be a trend that will continue in the future as well

- Rise in digital marketing with social media as central focus

Even pre-Pandemic digital marketing was on the rise but it was accelerated tremendously during the Pandemic as people on average doubled the time they spent online especially on social media to anywhere between 3 to 8 hours according to Haleem, Javaid and Vaishya (2020)

- Power of the social media to influence and shape consumer opinion

Due to everyone going online and exponential rise in accessing social media the number of influencers that is people who have millions of followers and can shape their opinion increased. Thus the power of the social media which was becoming the dominant medium for marketing is now many times more and on a path of continuous rise

- Fall in consumer loyalty

The Pandemic forced people to become price sensitive as many millions lost their jobs or were furloughed. As a result of this and due to the convenience of shopping online the consumer loyalty suffered as consumer became fickle and started buying products based on price than brand. This trend is expected continue at least in the near future as people work from home and go out socializing less so brand image is now secondary for them

- Personalization and integrity are top drivers of loyalty

The ability of brands to provide personalized products and more importantly personalized service is driving the loyalty. In other words those brands that can fulfill individual need are being preferred.

- Mobile based shopping and social media access

People are using their mobiles to access social media, shopping sites, emails, meeting that is for almost everything online. This is an important new trend which the brands and service providers need to adapt their marketing to this trend

- Increase in consumer budgeting

The impulse buying has reduced as a direct result of Pandemic and the economic uncertainty it has created

#### **4. Marketing Strategies to combat COVID induced behavioural change**

According to VanHoose, Hoekstra and Bontje (2020) marketers need to take COVID as an opportunity rather than a challenge. The Pandemic has accelerated consumer behaviour rather than completely change it according to Albors-Garrigos (2020), for

## Marketing strategies to combat consumer behavioural change post COVID

example the pivot away from traditional marketing such as print and towards digital was already evident even before the onset of the Pandemic but was quickly accelerated as a result of it. Keeping this in mind and the behavioural changes of consumers set out in the previous section the marketing strategies on the firms must now focus on digital media with social media as the key element of it according to Petersen and Schmid (2021).



The figure above shows the elements of the digital marketing strategy. There are six main components to it, the strategy starts with own website of the brand or the firm, today this website has to be not just engaging but highly interactive and ecommerce enabled to maximize the chances of online sale. The search engine optimization involves being at the top of the organic searches on Google which is the most dominant search engine. The most important strategy has to be content marketing wherein innovative and creative new content is generated for the brand and communicated to the customers, this along with the social media which is used as the primary mode of interaction and communication will create the maximum impact and generate online buzz of the brand. Other strategies such as email marketing and pay per click are still used but due to the heavy use of social media by the consumers the entire focus has shifted to social media marketing according to Petersen and Schmid (2021). Apart from leveraging the digital-social media realm another key aspect of marketing in the new normal (post COVID) according to the American Marketing Organization is building relationships with the customers on a retail and business level. As the consumer trust and loyalty decline and people become more price sensitive, the

relationships formed by the brand with the consumer will dictate their long term spending choices. The truth is according to Hirschman and Holbrook (2018) the relationship building too has moved online and social media focus means the brands can no longer use push strategies for advertising or communications, but it has to be interactive. Therefore creating interactive blogs, vlogs, forums and social media handle that is actively updated with content that consumers demand is the way forward to building an interactive relationship with the consumers in the digital era according to McKinsey (2021).

## **5. Conclusion**

The aim of this report was to understand the changes the consumers went through with regards to their buying behaviour as a direct result of the COVID related restrictions and then to develop marketing strategies to combat these changes. It was found the Pandemic had a profound impact on the consumer behaviour but instead of completely changing the behaviour the Pandemic merely accelerated it, the push towards digital was already evident but the Pandemic multiplied the pace several times and as a result there is now a massive focus on digital and social media based marketing. In conclusion it has to be stated that the marketers must adopt to the digital way of marketing from relationship building to interactive communication to adapt to the new normal COVID has brought along.

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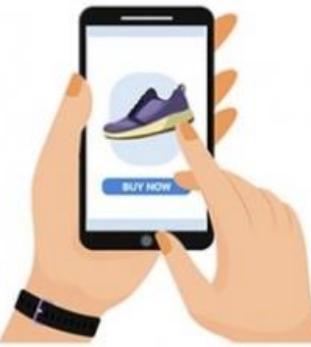
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7. Appendix A

**1**  
**Almost half of consumers are budgeting and choosing more carefully**  
McKinsey's 45-country consumer study shows how those in countries hardest hit by the pandemic have been affected the most.



**2**  
**Mobile sees a spike in shopping as almost half of consumers increase usage**  
A PwC study found 45% of consumers using their mobiles more as a shopping channel since the outbreak began.



**3**  
**Three in five consumers have switched who they buy from**  
New priorities in service, value and availability have empowered consumers to exercise greater choice, according to McKinsey.

**4**  
**88% percent will stick with their newly discovered brands**  
Research from Bazaarvoice claims 88% of global consumers are planning to stay loyal to the new brands they

**5**  
**Personalization and integrity number 1 drivers for loyalty and NPS**  
Consumers asked by KPMG rated personalization as the no. 1 driver for customer loyalty and 'integrity' as the top

