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EFFECTS OF THE SARS-COV-2 PANDEMIC ON THE MARKETING AND THE CONSUMPTION ACTIVITY

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ABSTRACT

The business world has changed, the consumers and their consumer behaviour has changed, our society has changed and of course our day to day lives have changed with the spread of the SARS-COV-2 pandemic. The current paper represents a brief assessment of how the consumer/consumption behaviour of the individuals and how the marketing activity have changed in the face of this global pandemic. We are underlining several aspects related to the shifts that have occurred in the lives of the consumers, we are pointing out the results of certain research developed in order to identify how the consumers are buying, what are they giving up, and what are they buying more. Further research is being presented related to home media consumption during and after the pandemic and the effects of the SARS-COV-2 pandemic on the marketing activity. We are also presenting several key activities and marketing strategies and direction that the companies should use if they want to survive in this dynamic but troublesome time.

KEYWORDS: COVID-19, consumer behaviour, marketing, consumption, strategy

1. Introduction

Uncertainty, this is the proper word that governs the lives of the individuals and of the companies in today's world. It is absolutely certain that the world we live in today is greatly changed compared to the world that we lived in less than 12 months ago.

The SARS-COV-2 pandemic or better yet, the COVID-19 pandemic as it is better known to the general public has, perhaps, irrevocably changed our individual and business lives. Old habits and behaviours of the individuals have greatly changed the way people consume and act, have shifted and in response, so did the lives of the companies that are still active in the current business environment.

Several important questions have risen and were expressed in recent publications about the current shifts that have affected the marketing and business world: *"Will the consumers permanently change their consumption habits due to lockdown and social distancing or will they go back to their old habits once the global crisis is over? Will there be new habits consumers will acquire due to new regulations related to air travel, shopping at the shopping centres and attending concerts and sports events? Will consumers find that going to a store or attending an event in person is much of a hassle, and therefore, it is better to let the store or the event come to home?"* (Sheth, 2020).

These are the questions that the business and marketing world must answer in the next months and years. The first steps have been taken in this regard, by the attempts to understand these changes, by authors like He and Harris (2020), Sheth, (2020), Chesbrough (2020), Hartman and Lussier (2020) and many others.

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Among the most visible and the most rapid changes and adjustments have happened in the online and marketing activities in order to survive and to adapt to the challenges brought forth by the Covid-19 pandemic. The current paper aims to underline some of the changes and effects that this pandemic has had on the marketing activity as well as on the consumer lives by pointing out several important statistics related to the online world prior and during this dreadful pandemic and by underlining some marketing strategies that can be useful in the fight for survival in an everchanging business environment, governed at this time by this pandemic.

2. Changes to the Consumer Behavior and the Individual Consumption

Today's new trends in marketing and advertising have revolutionized the whole business world and the development and expansion of social media platforms has enabled marketers to access a huge potential audience and to reach them in a personalized and direct manner, without further intermediaries (Habes et al., 2020).

The main changes that occurred in the last six to nine months have taken place, mostly due to the impact generated by the development and spreading of the COVID-19 virus. Since it has become a world-wide phenomenon, the COVID-19 pandemic has led to a variety of changes and mostly difficulties for the business and marketing world.

Due to the SARS-COV-2 pandemic, the individual and organizational consumers have changed the way in which they do business and approach their acquisitions and consumption habits. The COVID-19 pandemic and the subsequent lockdown and social distancing mandates that have been issued by the governments, have disrupted the consumer habits of buying as well as shopping. Consumers are learning to improvise and learn new habits. (Sheth, 2020).

The act of consumption and of that consumer behavior is usually a contextual one, related to the needs and desires of the individuals and there are several changes on the manner in which the consumer makes their buying decisions:

a) changes in the social environment – such as important life events like marriage, becoming a parent or moving to a different city or country. The changes in the social environment are influenced by friends, family, the community, the workplace etc.

b) evolution in the technological sector – the emergence of new communication and information technologies, the development of social media platforms is changing the old consumer habits. Buying using the Internet, the smartphones, or different apps has offered the consumers new methods of interacting with the companies and consequently they can have their needs fulfilled faster.

c) changes in the consumption habits – the SARS-COV-2 pandemic has brought upon changes in the rules and regulations in the context of public and shared spaces.

d) unpredictable events that change the world we live in today – situations like virus outbreaks, earthquakes can lead to turning upside down the lives of the individuals and the business environment. Although these situations are less predictable and their impact is usually unforeseen, they can disrupt the supply chain, can bankrupt companies and individuals, and can lead to a great loss of lives.

One of the most important effect of the SARS-COV-2 pandemic that has started at the beginning of the year 2020 has been the social lockdown and the social distancing imposed and recommended by the local and national authorities in the context of the multiple unknowns related to the transmission of the disease and the proper medical treatment.

Starting from these challenges, the marketing activity in general, but the consumer behavior especially has greatly changed in the last months. Recent research developed by research centers and statistical institutions show that a great majority of the individuals that have been caught up in different levels of restrictive or lockdown measures. A shift towards the online shopping can be observed.

Therefore, to better underline these changes and the modifications that took place within the consumption of the consumers, we have undertaken a brief secondary data analysis based on statistical data and research developed by different research institutes/organizations. The purpose of the secondary data research was to see in which manner and how strong was the impact of SARS-COV-2 on the individuals, the media consumption and on their buying expenses and behavior. The secondary data analysis *"affords researchers the opportunity to investigate research questions using large-scale data sets that are often inclusive of under-represented groups, while saving time and resources"* (Donnellan & Lucas, 2013).

A survey based research developed in June 2020, by the United Nations trough UNCTAD in collaboration with NetComm Suisse Ecommerce Association, in 9 countries (Italy, Germany, Turkey, Russia, South Korea, Switzerland, South Africa and China) and having more than 1800 respondents, divided in 50 % Male and 50 % Female, with ages between 16 and 64 years old, shows changes in the consumer behavior of the individual online and consumption as seen in the following figures.

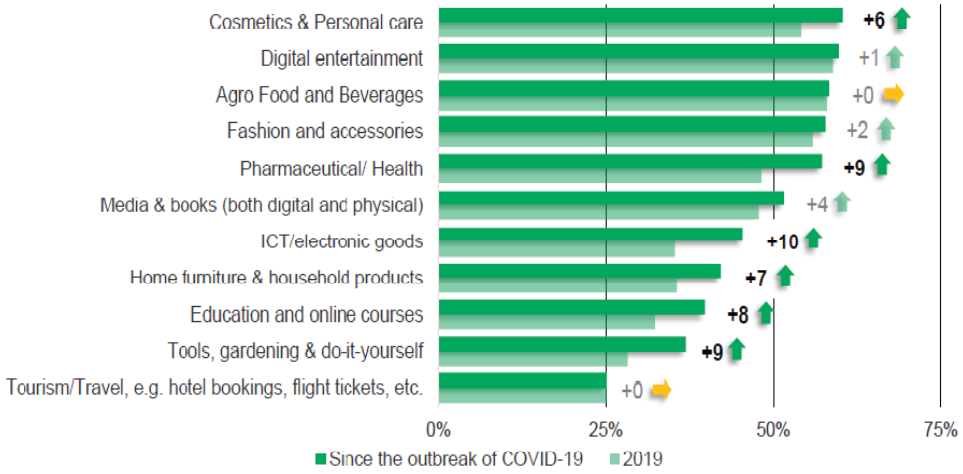


Figure no. 1: *Online shopping undertaken by the individuals during the COVID-19 pandemic*
(Source: UNCTAD and NetComm Suisse eCommerce Association, 2020)

As we can see from Figure no. 1, during the COVID-19 pandemic there are several increases in comparison to the year 2019, in several types of online shopping developed by the respondents, notably, a 10 % in ITC/electronic goods, 9 % increase in both Tools, Gardening and DIY equipment & in Pharmaceutical and Health related products, followed by a 8 % increase in Education and Online Courses. At the same time, we se a stagnation in the online acquisition of Tourism and travel activities and Argo-food and beverages. Consequently, in Figure no. 2, we can observe the evolution of the online average monthly spending during the COVID-19 pandemic.

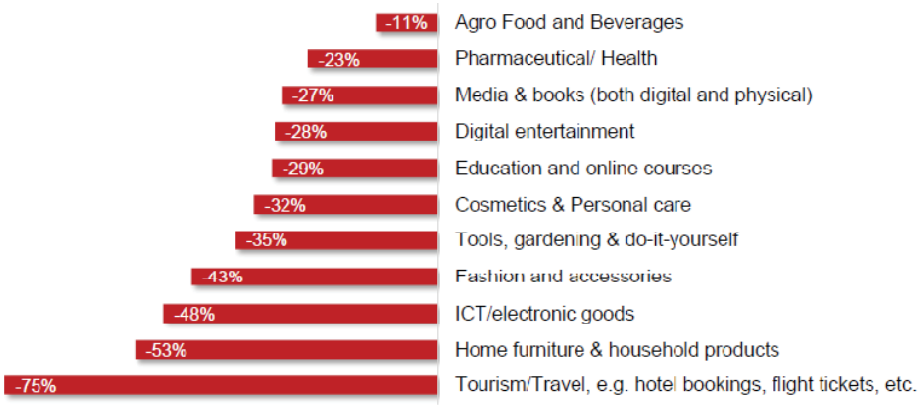


Figure no. 2: *Online average monthly spending during the COVID-19 pandemic*
(Source: UNCTAD and NetComm Suisse eCommerce Association, 2020)

From what we can observe, in the above presented Figure no. 2, it can be seen that the greatest decrease is registered by the Travel and tourism spending (75 %), a fact sustained by the multiple flight interdiction, quarantine and lockdowns imposed to tourists traveling from and to different countries. The second most important decrease in spending, of 53 % is that of furniture and household product acquisition. At the same time when we look at Figures no. 1 and no. 2, we can observe that the percentages complement each other, where, the least reduced spending is in the Food, Pharmaceutical and in the Educational field.

The 2020 and 2019 differences regarding the spending can also be explained by an increase in household savings by the individuals. According to Dossche and Zlatanos (2020), *"the propensity of households to save has reached unprecedented levels in response to COVID-19"*.

A research developed, for the European Central Bank, by the two authors shows that the increase of house hold savings can be explained by two factors: *"(a) the lockdown measures imposed to contain the virus prohibited households from consuming a large share of their normal expenditure basket, leading to forced, or in other words involuntary, savings; (b) the sudden outbreak of the pandemic caused uncertainty regarding future income, and in particular the risk of future unemployment, to shoot up, leading to precautionary savings"* (European Central Bank, 2020).

Combined with the online shopping of individuals, we can find the changes in the media consumption of the individuals during the SARS-COV-2 pandemic. Recent studies have shown important changes in the consumer behavior of online media platforms during the pandemic. A study conducted in July 2020, shows how the home media consumption changes post coronavirus worldwide 2020 (Watson, 2020).

The survey has targeted 18 countries with responses that vary from 502 to 1,357 answers per country. According to the survey description, the sample sizes for each country were as follows: 1,001 (Australia), 521 (Belgium), 1,008 (Brazil), 1,006 (China), 1,036 (France), 1,039 (Germany), 1,029 (India), 1,029 (Italy), 900 (Japan), 518 (New Zealand), 754 (Philippines), 531 (Poland), 502 (Romania), 506 (Singapore), 509 (South Africa), 1,013 (Spain), 1,012 (UK) and 1,357 (U.S.)

The study was developed online between June and July 2020 and targeted individuals between 16 and 64 years old.

In this paper we are focusing on the European Countries, where the respondents were asked to answer the following question: Once the coronavirus outbreak is over, do you think you will carry on doing the following? The results shown in Table no. 1, underline interesting changes in the home media consumption and behavior following the pandemic. At the same time, the data can be an interesting point for developing new marketing strategies, to adjust to the online realities of today's society.

Table no. 1

Changes in the home media consumption and behaviour following the pandemic

Question Items	Avg.	BE	FR	DE	IT	PO	RO	ES	UK
Creating/uploading videos (e.g. on YouTube, TikTok, etc.)	**6 %**	2 %	2 %	2 %	4 %	5 %	3 %	4 %	2 %
Listening to more podcasts	**6 %**	4 %	4 %	4 %	3 %	8 %	6 %	5 %	7 %
Listening to more radio	**10 %**	8 %	7 %	12 %	8 %	19 %	9 %	12 %	10 %
Listening to more streaming services (e.g. Spotify, Apple Music, etc.)	**13 %**	5 %	8 %	7 %	6 %	10 %	8 %	10%	9%
Reading more books/ listening to more audiobooks	**17 %**	11 %	10 %	13 %	15 %	24 %	17 %	19 %	19 %
Reading more magazines	**5 %**	4 %	4 %	5 %	4 %	10 %	3 %	3 %	3 %
Reading more newspapers	**8 %**	6 %	6 %	7 %	6 %	8 %	5 %	6 %	5 %
Spending longer on messenger services (e.g. WhatsApp, Facebook Messenger, etc.)	**16 %**	10 %	11 %	7 %	12 %	15 %	21 %	15 %	9 %
Spending longer on social media (e.g. Facebook, Instagram, Twitter etc)	**15 %**	7 %	10 %	5 %	8 %	17 %	14 %	13 %	5 %
Spending more time on apps	**9 %**	3 %	5 %	3 %	5 %	9 %	10 %	6 %	4 %
Spending more time on computer/video games	**11 %**	4 %	9 %	8 %	8 %	11 %	11 %	10 %	6 %
Spending more time on esports	**3 %**	0 %	1 %	2 %	3 %	3 %	3 %	4 %	2 %
Watching more news coverage	**20 %**	13 %	10 %	17 %	12 %	20 %	14 %	21 %	19 %
Watching more shows/films on streaming services (e.g. Netflix)	**22 %**	12 %	19 %	14 %	17 %	20 %	19 %	21 %	19 %
Watching more TV on broadcast channels	**12 %**	11 %	13 %	9 %	8 %	12 %	11 %	8 %	10 %
Watching more videos (e.g. on YouTube)	**20 %**	7 %	9 %	9 %	11 %	18 %	19 %	14 %	13 %

(Source: Watson, 2020)

From the evaluation of the data from the table, were also Romania is included, we can see an intention of the respondents towards spending more time online after the pandemic ends, and probably also during the pandemic.

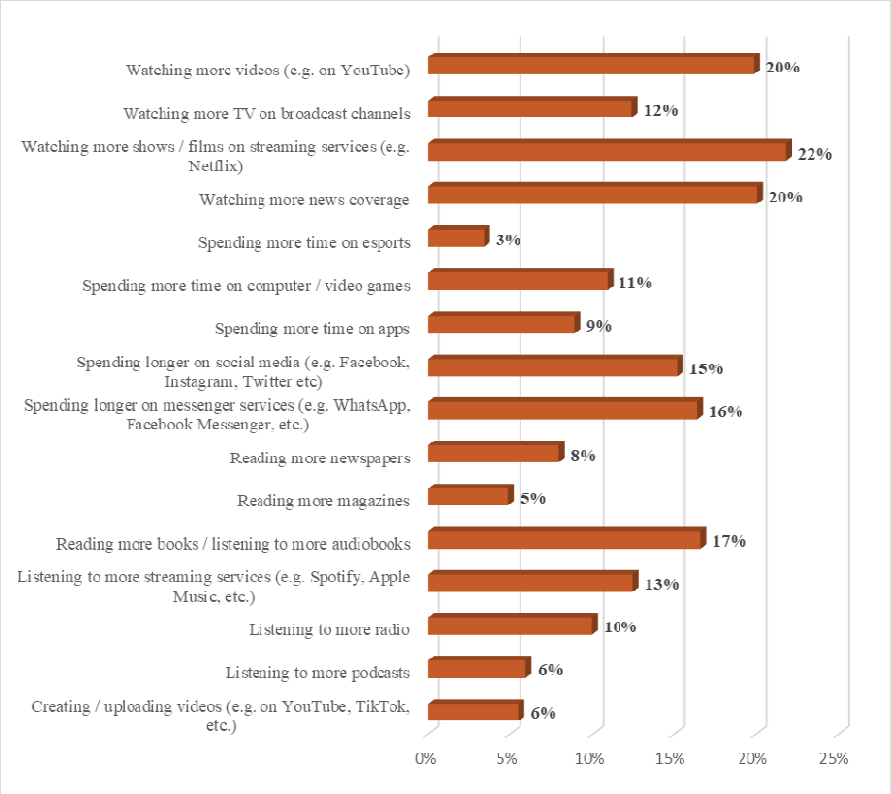


Figure no. 3. *Average results of home media consumption and behavior following the pandemic*
(Source: Author's computation, adapted from Watson, 2020)

We can observe, from Figure no. 3, that the highest percentages are those of Watching more shows/films on streaming services (e.g. Netflix), with an average score of 22 %, followed at 20 % by Watching news coverage and Watching more videos, 17 % is for Reading more books/listening to more audiobooks, 16 % is for Spending longer on messenger services. The lowest averages were registered by: Spending more time on esports – 3 %, Reading more magazines – 5 %; Creating/uploading more videos and Listening to more podcasts at 6 %.

From the Table, we can also see the case of Romania and the Romanian consumers, which follow the average levels of the study, registering the highest levels at: Spending longer on messenger services – 21 %; Watching more shows/films on streaming services – 19 %, Watching more videos – 19 %. The lowest levels were identified at Spending more time on esports; Reading more magazines and Creating/uploading more videos, all at 3 %.

So, we can see important changes that occur in the lives of the consumers and their buying behavior, their household consumption and spending or saving, but at the same time we can observe the impact of the SARS-COV-2 pandemic on their online media consumption. But, at the same time, the question remains, how does this impact the marketing activity of the company, in relation to the consumers.

3. Marketing Approaches in the Context of SARS-COV-2

One of the most dynamic field of activity is the one of marketing and the order of business since the start of the SARS-COV-2 pandemic, was that of adapt, adjust, reach the clients and survive the incoming economic crisis that might follow such a difficult time.

Among the most important areas of marketing is that of consumer behavior, were the viral pandemic had the impact seen above. Of course, those were not the only effects of said outbreak, the marketing activity, the marketing professionals, and the business environment having to adapt and change their approaches in relation to the consumers, to retail and needing to bring forth new marketing strategies to tackle these challenges.

There are several important lessons that the COVID-19 pandemic has taught us, in relation to the new marketing practices (Roach, 2020; Reid, 2020):

- *Clearly identify your target audience* – in the context of COVID-19, the consumers have been seen to buy based on their emotions, fears, so it is important to think how you could best frame your product/brand/company story in the clients' minds.
- *Focus on value* – the pandemic context has changed the meaning of value for the consumers. The marketing strategy should offer a clear image of the value that the product/brand offers the customer.
- *Surpass the customers expectation* – of course this is the biggest desire of marketers, but at the same time, in exceptional times, the company should include in their strategy things like social responsibility, community involvement, using their resources towards helping others. This strategy will gain positive response form the clients and especially from those that are directly impacted by the virus.
- *Using new marketing/ communication channels* – the pandemic has forced the consumers indoors, the individuals are spending more time at home, the children are doing online schooling and a great majority of employees are working remote, from home, therefor a blurring of the work – school – life concept is happening. As a result, the individuals are watching more TV, are using the internet more, are buying online more, etc. The main result for marketers – use these online channels when communicating with the consumers.
- *Offer incentives (give for free)* – community involvement has never been more present in our lives. Many of the companies, media corporations are offering free trails for their services, access to their internal data basis free of charge to help the education system cope with the shift to the online. If the companies use the tools that the usual sales promotion offers, it will not be enough, the consumers will "jump ship" to the competition and one might lose them forever.

Of course these marketing activities are not the only ones, a company must develop an entire range of activities that maintain contact with your consumers and reassure them that what you are doing is in line with the fight against SARS-COV-2. Some of the best practices (Pradhan, 2020) in this area are: (1) reassure your customers about how your company is responding to the pandemic; (2) move your brand online to stay connected to your customers; (3) refresh customer experience; (4) focus on strengthening your relationship with your customers; (5) implement an agile strategic pricing model to improve margins; (6) use marketing technology to stay connected to customers when working remotely, and many more.

4. Conclusions

Uncertainty and the unknown have come with the SARS-COV-2 world pandemic. This uncertainty applies not only to the consumers and their families, but also

to the companies and to the governments. The COVID-19 pandemic has created difficulties for the companies and the consumers, has led to social distancing, lockdown and of course to the way the firms interact with their current and potential clients.

Probably the most pertinent changes can be seen in the way the consumers interact and how the consumption and consumer behavior has changed. We have seen changes in the social and technological environment, we have seen a higher community engagement from the companies in order to tackle this pandemic, but more important we have seen a more careful consumer that does not spend so much money, he saves money.

A shift towards the acquisition of pharmaceutical/health related products and educational products can be observed with a huge decrease for the tourism and travel fields of work. Communication has become more technological based, rather than in person, people are more inclined to use phones, messaging apps to communicate with one another. By spending more time at home, they use the Internet and the streaming services to watch more movies, shows and news coverage has increased. Researches show that reading or listening audiobooks is high in the lives of these pandemic consumers.

Positive and negative conclusions can be drown-up from these researches and from the happenings in the business world. On one side, the positive aspects are: a higher empathy towards the needs and wants of the consumers; a more important community involvement of the companies and of course, the desire to stay in contact with the consumer and to bring more value to them.

On the other hand, the negative effects of the pandemic can be seen in several sectors of activity, especially in the leisure and tourism activity, the lack of direct, face-to-face interaction between consumers and companies, a shift towards technology, that sometimes can be more harmful for the individuals form a social and environmental point of view etc. But to see clearly if these trends and behaviors remain the same or if they go back to the way it was before the SARS-COV-2 pandemic, further research must be undertaken. Research aimed at an individual and business level.

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