


Chapter 11

Changes in Consumer Behaviors During the Pandemic and Virtual Strategies for Acquiring and Keeping Customers

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ABSTRACT

This chapter addresses how the pandemic has transformed the world at a surprising speed in terms of consumer behaviors and applicable virtual strategies to capture new opportunities. Although there have been some short-term sharp declines in consumer spending, confident changes have been realized through consumers' evolution into "digitalization" or the use of contactless, functional, and appropriate business models. Accordingly, the pandemic has also brought digitalization forward for companies, making it almost obligatory. This chapter will also discuss exemplary, inspirational practices of companies that have developed business models, products, and services by managing changes accelerated by the pandemic.

INTRODUCTION

Prior to 2020, the world's most crucial agenda topic was digitalization. In 2020, the pandemic became an important topic at a historic pace, particularly in the business world. This tested our estrangement and accelerated the process between our physical and digital worlds. Inaccurate and worrying data spread across the globe faster than the virus. Remote instruments, such as working from home, distance learning, and digital meetings, changed the business world. Some label this era as the digital pandemic or e-pandemic.

A crucial variable affected by the e-pandemic is customer behavior. In an epidemic with infodemic, consumer (customer) behaviors changed. This study explores these changes, their impacts, strategies to manage these changes, and new opportunities.

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Changes in Consumer Behaviors During the Pandemic and Virtual Strategies for Acquiring

This section will address consumer/customer behavior (these two terms will be used interchangeably in the research). Customer behavior is influenced by factors like consumer personality traits, attitudes, and necessities, which determine the products and services that will be bought and sold in the markets, as well as when they will be sold, how much will be sold, and at what price. Vital behaviors like consumer brand loyalty and brand recommendation are also effective for companies. In addition to consumers' satisfaction levels, other influential factors emerge, including a company's liquid or fixed assets and company output like profitability.

Accordingly, if today's companies fail to develop strategies aligned with both fundamental trends (digitalization) and current conditions (pandemic) to improve consumer behavior in their favor, they will face the danger of extinction. These strategies can be handled in three ways: (1) strategies directly related to customers (i.e., enriching digital channels, increasing interaction, etc.); (2) employee-related strategies (i.e., remote work, remote training, etc.); and (3) environmental strategies (i.e., digital platform social responsibility projects, etc.). These strategies aim at influencing customer behavior because the "real" bosses of companies and brands are customers. In fact, customers are the only income source for the company (Peppers & Rogers, 2004).

Consequently, this chapter will focus on customer behavior strategies. While evaluating these strategies, however, digital applications will also be considered as they can be implemented during the pandemic in accordance with the department's primary purpose. In a pandemic, it is irresponsible to ignore digitalization strategies for businesses when physical distance between people has increased. It should also be stated that COVID-19 accelerated the already developing digital revolution (Gouveia, Perun, & Daradkeh, 2020).

There are inner (psychological and characteristic features, circumstantial effects) and outer (socio-cultural, cyclical, appealing marketing activities, etc.) factors that play a role in the root of customer behaviors that are affected by the digital strategies. There have been many theories made regarding what types of effects these are. The CAB model which states that the information we gather trigger our emotion and they cause behavior is one of them. Another theory is the Theory of Planned Behaviour (TPB) which states that humans act according to their intentions. It is inevitable for the pandemic to not affect people's behavior within the framework of these theories. The human whose most basic goal is to survive will surely act differently after gaining awareness of the pandemic's dangers (consciousness) which contrasts with their need to survive and society's social impact.

The main indicators that are used worldwide to survey and keep track the consumer behaviors are the Personal Consumption Expenditures (PCE) and Consumer Confidence Index which are created by Gros National Product. The changes that occur within both show how consumer behavior has changed in the current time, thus they make foresight about the future. Also, predictions from certain institutions like IMF, World Bank, etc. regarding the future of the global economy will give a good idea.

There have been important changes within the indicators that state consumer behavior during the pandemic. This change in consumer behavior is not only different in quantity but also in content. While there had been a leaning especially towards security and vital products in the beginning, the products that decreased in demand also have kept up later on. There has not been a decrease in consumption of luxury products but rather diversification. The consuming tools also have been changed meaning contactless or online channels and payment methods have increased in use. On the other hand, an increase in consumers' liquid assets has been observed. Another expected result is the decrease in accommodation and restaurant expenses which requires the use of a social environment. These changes are handled in a more detailed way down below.

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