Chapter 64
Is the COVID-19 Pandemic Shifting the Social-Business Paradigm?

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ABSTRACT

Crises show all the aspects that surround a society, demonstrating whether society is equal to the demands or not. The current COVID-19 pandemic is creating a challenge for all market agents, be they politicians, entrepreneurs, or individuals, where the difficulties are presented every day from different perspectives: social, economic, educational. Therefore, both companies and individuals are implementing numerous solidarity strategies to help society and combat the effects of the health crisis. The question contemplated in this research is if this is the beginning of a new social-business paradigm, in which the results do not take precedence over the social aspects around the business market. And it is in this framework where this research focuses on studying this paradigm shift, analysing the future impact that these solidarity measures of companies will have on society, and therefore on consumer behaviour.

INTRODUCTION

Historically, economic crises force societies to evolve to cope with the adverse conditions faced by enterprises. Therefore, companies must change their business paradigms to adjust to the challenging conditions causing the health crisis and affecting the global landscape. For this reason, companies are

DOI: 10.4018/978-1-6684-4503-7.ch064

implementing new strategies not to improve their financial results, but to help society, proposing solidarity measures to try to minimize the negative impact on it. However, there is a great deal of distrust on the part of consumers who are wary of these solidarity strategies because they feel that they are doing them solely to clean up their image.

It is important to note that the returns from a market do not depend entirely on its management. It also depends on the variables that relate to each other within it (Ferson and Harvey, 1991). Therefore, the analysis of the variables of a market may allow predicting the results of it (Leung et al. 2000), which becomes a fundamental tool for investment decision-making, especially in situations of financial instability (Dickie et al. 1994; Cardell et al., 1995; Pommerehne, 1997; Montero, 2001; Prado, 2009).

Besides, companies operate in societies with certain levels of resilience. It is essential considering society's resilience because it allows us to measure its ability to adapt to possible changes in work systems, work roles, uncertain work situations, different people, different cultures, and different physical environments. It can be considered a fundamental element to ensure a particular society's behavior in a market of as much uncertainty and dynamism as the current one.

Thus, the company's fundamental objective must be to ensure consumer trust in its performance and determine whether its resilience will be decisive for this. This objective is challenging since trust is an unstable variable in uncertainty case. When more changes occur in the market, consumer behavior will record more alterations (Nieto, 2015). Previous lead us to propose that consumers' resilience positively influences their trust (first hypothesis, H1).

The perception of consumers is also affected by various psychological factors (Gómez, 2013), which generates a conflict since such perception is aggravated by the effects of weather (Hirshleifer y Shumway, 2003; Jacobsen y Marquering, 2008; Marshall, 2010; Zhang, 2014) or the relevance of social networks in consumers (Owyand & Toll, 2007; O'Connor et al., 2008; De Moya & Jain, 2013; Pérez et al., 2017). Based on that, the second hypothesis (H2) aims to test if consumers' resilience positively influences their level of satisfaction.

Within consumer behavior, a key variable is the consumer's mood; under the alterations, it can bring changes in his decision-making process (Berument et al., 2006; Lemmon & Portniaguina, 2006; Kaplanski y Levy, 2010; Gómez, 2013; Gómez y Prado, 2014)These mood changes may occur by the impact of news relevant to them (Fisher & Statman, 2000). The financial index behavior may also cause fluctuations in consumer sentiment (Poterba y Summers, 1988; Solt & Statman, 1988; Chopra et al. 1992; Luera y Minim, 2001; Parisi et al, 2003; Fernández, 2008), affecting their intention to purchase (Baker & Wurgler, 2006; Harding & He, 2011). It also has a strong influence on other products' behavior within the investment market (Nofsinguer, 2005; Cohen y Kudryavtsev, 2012; Corredor et al., 2013). In this sense, the third hypothesis (H3) is that consumers' resilience directly and positively influences their intention to behave.

It is in this context that the relevance of this research stands out. This study seeks to determine whether consumers' ability to cope with difficulties will affect their market behavior. In this way, it is possible to determine whether this capacity will be decisive in ensuring the future of the companies operating in the market, through the effect of capacity on the level of consumers' trust and satisfaction, and on their loyalty.

To achieve this objective, the work structure consists of a thorough bibliographical review of the existing literature, thus establishing the hypotheses to be demonstrated and the methodology to achieve it. Below, it appears in detail the results derived from the model, to finally make a discussion of these, determining the main conclusions that derive from it.