



Department of Economics and Finance: Marketing

Analyzing the effects produced by COVID-19, through the lens of the consumer and firm perspective, in order to obtain successful marketing strategies

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Abstract:

With the outbreak of COVID-19 in December 2019, the virus has immediately spread

worldwide, causing economic and social disruption. Consumer behavior drastically changed,

and many businesses had to adapt to a new type of environment. With the safety measures

implemented to limit the spread of the virus, consumers and firms will have to think, feel, and

behave differently. Therefore, through the consumer and firm lens, new marketing strategies

are being put into action for the economy to flow. Nevertheless, COVID-19 is compared to a

catalyst, which speeds up the process of introducing digital environment in the marketplace.

Keywords: COVID-19, consumer behavior, marketing strategies, digital environment

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1. Introduction:

This chapter will begin with a brief background of the event that has recently impacted everyone's lives. After identifying the problem, the chapter will conclude with the purpose and the research question of the thesis.

1.1 Background:

Back in December 2019, a disease emerged in Wuhan, China, that caused immediate panic and disaster in the world, "in the past two weeks, the number of cases of COVID-19 outside China has increased 13-fold, and the number of affected countries has tripled" (World Health Organization). This disease is known as coronavirus, or COVID-19, which is an infectious disease that causes a respiratory infection in human beings. This virus is transmitted primarily via nose and mouth through droplets of cough and sneeze from an infected person. This spread of COVID-19 caused numerous cases daily, to the extent that on March 11, 2020, the World Health Organization decided to declare the virus as a global pandemic, "we have never before seen a pandemic sparked by a coronavirus. This is the first pandemic caused by a coronavirus" (World Health Organization). When the statement above was stated, there were only 126,214 cases worldwide. As of today, September 25, there are 32.3 million cases of COVID-19 worldwide. Since there's no cure nor enough tampons to identify the infected ones, this disease is considered to be uncontrollable, and therefore coronavirus cases keep increasing daily. Nevertheless, the ongoing disease has caused a global social and economic disruption, affecting numerous lives worldwide.

1.2 Problem:

The unceasing spread of the virus generated numerous outbreaks worldwide, "with the vast number of people being affected in just a short period of time, it overwhelms countries that result in being unable to provide health care, maintain the society of their community, or keeping the function of the economy." (Nicomedes). The virus is lethal because it affects everyone, ranging from the youth to the elderly. In order to reduce further contamination, safety measures are being imposed by the government, "Almost all countries hit by the virus issued restrictions on movement, placing people in quarantine, closing public services such as schools, canceling and banning large public gatherings, etc. (Laato)." Traveling is being limited, as many countries have banned entry to foreign countries. Furthermore, sports and other events have been either postponed or canceled. Also, schools and universities have been shut down. Many countries have requested people to stay in quarantine because such action allowed to reduce the spread of the disease, "quarantine helps prevent the spread of disease that can occur before a person knows they are sick or infected with the virus without feeling symptoms. People in quarantine should stay home, separate themselves from others, monitor their health, and follow directions from their state or local health department" (When to Quarantine). However, when safety measures are too long-lasting, this can harm society because it experiences unemployment, leading to economic disruption. This global pandemic has caused the largest global recession since the Great Depression, and there is no doubt that COVID-19 brought many repercussions, causing struggle worldwide.

1.3. Purpose:

The main purpose of this thesis is to understand how COVID-19 has drastically changed the way people live and think. Therefore, it is pivotal to understand the effects produced by such overwhelming disease because the consumer and firm need to respond to it in order to thrive quickly.

1.4 Research Question:

Thorough research has been done in order to compose the thesis, and it has come to the conclusion that the research question is: Analyzing the effects produced by COVID-19, through the lens of consumer and firm perspective, in order to obtain successful marketing strategies.

2. Literature Review

2.1 Consumer perspective:

COVID-19 caused people to change their ordinary life routine and, nevertheless, the way they think, feel, and behave. Consumers are concerned about the outbreak of the virus, both from the economic and health perspective, "the global COVID-19 crisis has drastically changed the way people are relating to each other, isolating us in our homes and pulling us away from our social milieu" (Avery). This section will emphasize how the outbreak of the virus will have a significant impact on people's lives and the way they will see personal hygiene, economy, and social interaction.

2.1.1. Fear of Health: Panic Buying

The outbreak of COVID-19 has caused unusual individual behavior. Nonetheless, it is with certainty that coronavirus rose fear worldwide, "fear is an adaptive response in the presence of danger. However, when threat is uncertain and continuous, as in the current coronavirus disease (COVID-19) pandemic, fear can become chronic and burdensome" (Mertens). As the environment change, human beings need to adapt and adjust their daily routine in order to face a new environment. When exposed to such change during the global pandemic, a rise of a feeling of anxiety leads to unusual consumer behavior. Nevertheless, when the disease keeps on spreading and the outcomes seem to be unclear, "close-minded attitudes and rumors often flourish" (Ren). Furthermore, "panic buying also has been linked with perceived feeling of insecurity and instability of certain situations" (Hendrix). This type of scenario had already occurred back in 2003 when SARS emerged. For example, in Hong Kong, approximately 70% of people felt anxious about catching SARS. By looking at this percentage, it is possible to deduct that when a cure is not ready, people feel panic and fear. Nevertheless, during this period of the global pandemic, many people have experienced such feelings as well, "ABC News reported a poll claiming that in the age of social media, anxiety about the coronavirus spreads faster than the virus itself, resulting in public panic worldwide" (Muwahed). During the pandemic, the state has issued to practice social distancing because it allowed lowering the chances to transmit the virus. "Social distancing avoids the direct contacts among people and also reduces the potential cross-transmission of virus-carrying droplets from human respiration respiratory behaviors including talking, eating, coughing, and sneezing" (Sun). With the addition of lockdown and social distance policies, many people experienced the need to panic buying, "fear of scarcity and losing control over the environment, insecurity (which could because of fear), social learning, exacerbation of anxiety, the basic primitive response of humans are the core factor responsible for the panic buying phenomenon"

(Arafat). Nevertheless, it has been reported that supermarket spending was up to "40% from the same week ending March 16 the previous year" (Prentice). This sudden increase demonstrates how this percentage is related in terms of government issuing policies. Figure 1 shows how panic buying intensifies when COVID-19 is referred as a global pandemic.

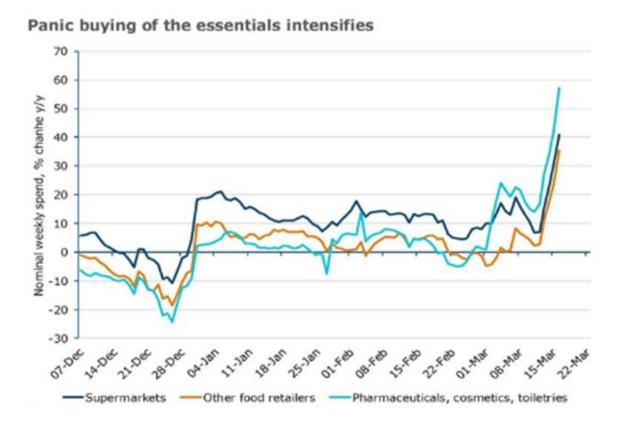


Figure 1. Source: ANZ Research

Jolly, William. "New Data Shows Massive Increases - and Decreases - in Consumer Spending Due to COVID-19." *Savings.com.au*, 24 Mar. 2020, www.savings.com.au/credit-cards/new-data-shows-massive-increases-and-decreases-in-consumer-spending-due-to-covid-19.

Panic buying has also impacted consumer's price sensitivity, "in an emergency or crisis moment, the primitive part of our brain usually becomes more prominent and indulges us in the behaviors that are necessary for survival" (Dodgson). Nevertheless, during times like pandemic, consumers are willing to buy products at a higher price, "many consumers accepted price increases up to 300% for certain product categories during the emergency

period" (Pantano). During this particular period of time, the items that are most requested are toilet paper, canned and frozen food, hygiene items and electronic products, "there was a 35% increase in retail food spending, a 60% jump in the pharmacy and toiletry spend, and a 22% rise in electronic purchases" (Prentice). According to figure 2, it shows the drastic change in consumption after the government's decision to impose safety measures.

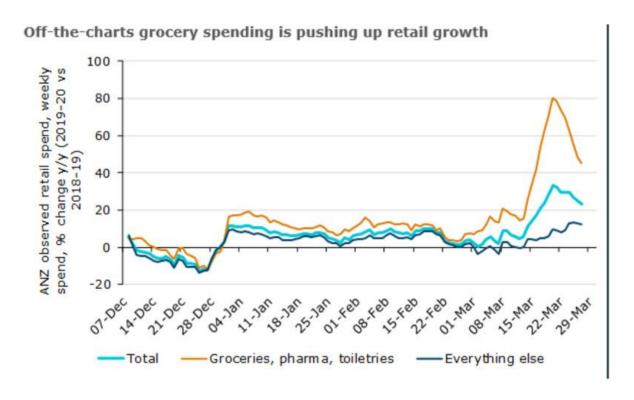


Figure 2. Source: ANZ Research

Jolly, William. "New Data Shows Massive Increases - and Decreases - in Consumer Spending Due to COVID-19." *Savings.com.au*, 24 Mar. 2020, www.savings.com.au/credit-cards/new-data-shows-massive-increases-and-decreases-in-consumer-spending-due-to-covid-19.

Also, during emergency context, long lines are not expected to create a negative impact on the consumer, "customer satisfaction with waiting times stems from comparing the duration of the queue with one's shopping experience" (Pantano).

In addition, fear and panic are also a result of the effects produced by quarantine. In cases of quarantine, feeling of isolation and the inability to take action increases the feeling of panic

buying. For example, it has been reported excessive buying of toilet paper in Hong Kong and Australia, a rise in demand in guns in the U.S. and excessive demand for grocery items in the world. Shelves at the stores were being emptied quickly, and in fact, some consumers have taken extreme actions like "robbing hundreds of toilet papers from a delivery man at a knifepoint in Hong Kong and breaking out brawls supermarkets in Australia over grocery items" (Kuruppu). For example, "retailers such as Ocado (in the U.K.) and Carrefour (in France) had to create online queues or to take the online websites down to cope with excessive demand" (Pantano). In addition, it was also reported that many people went to gas stations to panic-fill their vehicles, thus creating unnecessary demand for oil. Such actions can be also seen during events that happened in the past, like natural disaster phenomena or SARS.

2.1.2. Fear of Disease (disgust): Xenophobia.

When human beings are in a stage of anxiety or panic, people tend to blame someone else for calming one's fear. This action can be seen throughout history. For example, the 2014 Ebola outbreak was considered to be an African problem, causing discrimination against the Africans. Furthermore, the 2009 H1N1 flu outbreak in the United States blamed the Mexican and migrant workers as the cause of the outbreak. Although many measurements are put into action to stop the spread of COVID-19, prejudice still prevails during times of crisis, "hearing news including the spread of misinformation all over the places, people experience catastrophic misinterpretation of bodily sensations, a distinctive characteristic of panic disorder" (Ohst). Nevertheless, in this situation, COVID-19 resulted in accusation towards the Asian people, since the virus originated from Wuhan, China, "many people have sought to blame Asian communities for the huge economic ramifications of the coronavirus pandemic; this has been illustrated by the 900% rise in cyber abuse to both Chinese and non-Chinese Asian people" (Cheng). With the outbreak of COVID-19, the Chinese people have been targeted and since then, some individuals have started to call the "China virus". Various terms have been used to label the new coronavirus like the "Wuhan virus" or "New Yellow Peril".

2.1.3. Fear of Contamination: Hygiene Products

Due to COVID-19, non-pharmaceutical measures like wearing masks and frequently washing hands are essential requirements practiced in order to prevent further contaminations.

Because of the fact, the disease is spread through the nose and mouth, the necessity to buy masks and hygiene products has increased. Nevertheless, it is demonstrated that frequent hand washing would reduce the risk of transmitting the virus by 55%. Mask can purify the air entering the lungs, filtering bad air. Even when SARS happened, the use of masks and the frequent hand washing was shown to be effective in blocking virus spread. Even now, during COVID-19, such uses are emphasized to be efficient and recommended to be practiced.

Sales of health-related CPG items are on the rise amid COVID-19 concerns

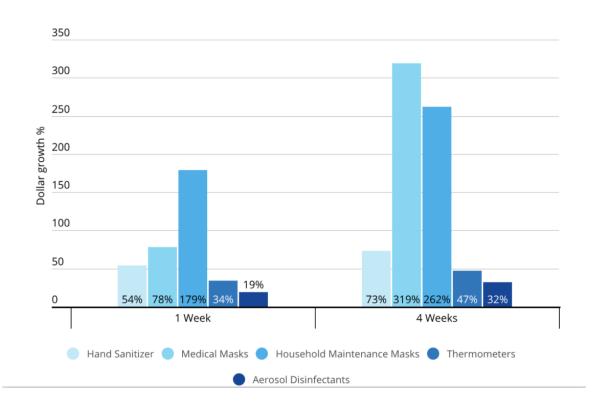


Figure 3. Source: Nielsen Retail Measurement Services

Meyer, Susan. "Understanding the COVID-19 Effect on Ecommerce." *The BigCommerce Blog*, 28 July 2020, www.bigcommerce.com/blog/covid-19-ecommerce/.

According to figure 3, the use of medical masks and household maintenance masks have seen a huge jump during COVID-19. Nevertheless, medical masks have experienced a 241% dollar-growth. Additionally, in order to highlight the importance of face masks and hand hygiene during the period like the pandemic, a research has been conducted in Wuhan. This study has demonstrated that "N95 mask, medical mask and even homemade masks could block at least 90% of the virus in aerosols" (Zhou). This demonstrates that masks are important safety measures that prevent the spread of coronavirus. Other than putting into practice frequent hand washing and wearing masks, it has been analyzed that the effective method to end the disease is full isolation. Research has been conducted in China, where there is a large population density. This study shows that in countries where the population is concentrated, wearing masks in daily life is a common use, especially during winter when cold is easily caught. Dr. Gao, director-general of the Chinese center for disease control and prevention, believes that wearing a mask is an effective method to prevent the reproduction of coronavirus. However, in cases of European countries and the United States, there's no tradition of wearing a mask even if someone is ill. Nevertheless, in European countries or the United States mainly adopt social distancing measures between people to prevent further contamination, but in this particular scenario, it is not that effective. In fact, a recent MIT study punished in JAMA discovered that social distance requires a least 27 feet go be guaranteed safe from catching the virus. However, this number seems hard to follow, "the most effective way to stem the spread of a pandemic such as coronavirus disease 2019 (COVID-19) is social distancing, but the introduction of such measures is hampered by the fact that a sizeable part of the population fails to see their need" (Lammers). Therefore, it is best to use stricter measurements in order to stop the virus, like lockdown. In addition to this, during the outbreak of the virus, it has been acknowledged that there are numerous

asymptomatic, which don't show any sign of infection. They look like ordinary people, but they are infectious as symptomatic patients. Nevertheless, as they show no signs of infection, they tend to lose their awareness and easily infect other people. As the COVID-19 keeps on spreading worldwide, the use of hygiene products is expected to be still practiced, "the demand for the hand sanitisers amid the CoViD-19 pandemic is likely to remain high for long, until more efficient infection preventive measures become available, such as a SARS-CoV-2 vaccine" (Berardi).

2.1.4. Consumer Behavior

The global pandemic has impacted the economy on a large scale to the extent that it will be remarkable since the Great Depression in the 1930s. This demonstrates that the global pandemic is going to be one of the most pivotal environmental changes in "modern marketing history, which could potentially have a profound impact on corporate social responsivity, consumer ethics, and basic marketing philosophy" (He). The outbreak of coronavirus led to a change in consumer behavior. Some people are frightened and tend to have a different perspective on how they see the world. While, some consumers remain indifferent as they think that the disease is considered to be just a flu. Nevertheless, it can be represented by consumer decision making, as shown when some panic to stock food, hygiene items, and other daily products. This action can result in a "perfectly rational consumer behavior during crises like this with a significantly high level of uncertainty" (He). This demonstrates that the consumer's way of thinking is affected by one's fear and anxiety. This global pandemic has changed the way human being live and such changes can become permanent even after the end of coronavirus, "the Covid-19 pandemic, as an unprecedented situational and contextual factor, has significant implications for the understanding on consumer ethical decision making during the pandemic as well as potentially post-pandemic in the long run" (He) According to a survey, "46% of respondents plan to reduce spending during the pandemic" (Junusi). Even if there's a rise in demand for products like groceries or essential daily items, "discretionary spending is expected to decrease as approximately 60% of respondents plan to cut spending on consumer electronics or vehicles" (Junusi). The reason why many will cut their spending is that sources of income are reduced as many will lose their jobs. Furthermore, consumers will reduce the need for products that are not necessary, like "professional clothing, festive outfits, and salon services" (How COVID-19). Additionally, many businesses will lose customers due to stay-at-home policies. Although many firms have

moved online, a part of consumers that are not used to the digital environment will not be able to satisfy their needs. Overall, with uncertainty about how long the COVID-19 will last, some will save their money on more essential needs.

On the other hand, COVID-19 has pushed consumers to adopt new habits and implement new behavior to fit in the new environment. Some of the aspects that are drawn out are:

- Increase focus on health: consumers are more mindful about their health.
- Awareness of consumption: consumers are more conscious about their buying behavior. They tend to limit food waste, shop more consciously and buy what it's necessary.
- Support for local: The acting of buying local is demonstrated by the demand for products and the support for community stores.

With quarantine and social distancing, consumer's desire to shop physically is being limited. There's also a sign of restricted mobility. Various activities, like shopping and working, have shifted online, allowing consumers to have a more flexible time schedule. Having a more flexible schedule, consumers have tried to practice and learn new hobbies like, "experimented with recipes, practiced their talent and performed creative and new ways to play music, share learning, and shop online more creatively" (Sheth). The discovery of new habits will become permanent as they result in being more convenient and affordable. For example, "streaming services such as Netflix and Disney. They are likely to switch consumers from going to movie theatres" (Sheth).



Figure 4. Source: GlobalWebIndex's Coronavirus Multi-Market Study

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

According to the figure 4, many consumers will plan to continue with new behaviours and this is pivotal because it will increase the use of technology over-time. Due to the increase in people being indoor, consumers have transitioned online. Brands have categorized consumers that buy online as "sofa-surfers". The increase in these types of consumers allows businesses to see a growth in sales. Nevertheless, brands that used traditional methods of selling started to innovate and shift online. COVID-19 gave consumers the possibility to reflect on how consumption should not be taken for granted. They are not aware of how basic needs are accessible to vast products. This allowed the consumer to appreciate the value of consumption because it showed that the global pandemic would, in fact, impact the consumer by not satisfying one's needs. This reflection leads to a more "responsible and prosocial consumption, where consumers are more aware of consumption and make more wise

choices" (He). Consumers will be more conscious than ever about what they buy. Nevertheless, discount and value sectors will see a growth in the market. Nevertheless, "grocery, apparel, and general merchandise, and may benefit private-label retailers such as Trader Joe's, Aldi, Walmart, Target, and dollar stores" (How COVID-19). Also, "off-price retailers such as T.J. Maxx, Marshall's, and Nordstrom Rack" (How COVID-19) will experience an increase in sales as they tend to sell items at a lower cost than brands. On the other hand, some firms are considering holding their current merchandise and sell it next season without having a discount to clear the merchandise. Also, shoppers will tend to embrace outfits that can be worn at home and at work. This will reduce costs and save money for the consumer. Another important aspect of COVID-19 that changed consumer thinking is the increase in consumption is health and wellness. There has been an increase in the purchase and consumption in nutrition and medical products due to coronavirus, like vitamin supplements, pain relievers and etc.. Given the fact that consumers will have a tendency to be healthier, we see there's a strong shift towards health and wellness consumption as well as in the fitness sector. This will allow marketers to study this opportunity in order to thrive in this sector. To a great extent, COVID-19 has stroked consumer ethical decision marking. Consumers have created new habits, which some of these will remain even after the disease ends. This makes consumers be more responsible and more aware of consumption. Due to quarantine, consumers will have to improvise in order to spend their time. People will leave their old habits and create new ones. Improvisation "leads to innovative practices and often leads to alternative option to location centric consumption such as telehealth and online education" (Sheth). One important aspect of consumer behavior during times of coronavirus is technology. It impacted consumer behavior significantly. For example, zoom video conferences have been used frequently during the pandemic because it allowed to have video calls with family and friends and also to participate in meeting at school or work. "Social

media such as Twitter, Facebook and Instagram, have become primary sources of information" (De Valck), nevertheless, the use of applications like Facebook, WhatsApp, Instagram, Snapchat, WeChat, TikTok and etc.... has impacted consumer behavior and "dramatically changed the nature and scope of word of mouth advices and recommendations as well as sharing information" (Sheth). During a crisis like the pandemic, online delivery services have seen a growth in the market. Before COVID 19, the online market has been relatively small because the majority of the people have tendencies to physically buy their necessities. However, the pandemic has introduced more shoppers to online shopping with home delivery. While shopping online, the pandemic will increase the "click and collect" trend, which is the action of ordering online and picking it up at the store. This action also helps to prevent spreading the disease as it minimizes interaction with people. Due to COVID-19, many consumers will find it easier to work, learn, and shop at home, "a deeper dive into existing customers' shopping pattern reveals that those who rarely purchased in the online channel increased their online purchases significantly – providing evidence of a "channel shift" (Hwang). This will transition the consumer into a digital world, where many will experience significant behaviors as COVID-19 will have profound changes in media habits, as demonstrated in figure 5.

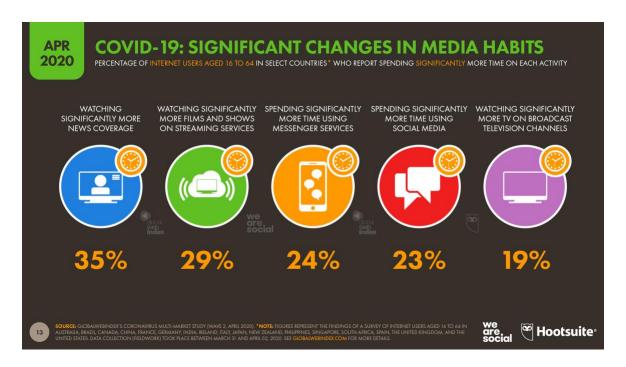


Figure 5. Source: GlobalWebIndex's Coronavirus Multi-Market Study

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

2.2 Firm's perspective:

The COVID-19 pandemic has caused to change the perspective on how individuals see the world. The outbreak of COVID-19 not only has affected the consumers but also businesses; therefore, "finding the right implementation approach requires the ability to quickly learn from both successes and failures and the willingness to change actions accordingly" (Pisano). There will be a large number of firms that will face financial distress. Some firms are concerned about the disease because some will have to make a pivotal change, like transitioning from the old traditional system to the new digital method. This section will emphasize how the virus's outbreak will have a profound impact worldwide, demonstrating the ones that will shut down and the ones that will thrive, "the COVID-19 outbreak poses a unique opportunity to study how markets are created and how they disappear within a very limited time span" (Donthu).

2.2.1. Firm Decline

COVID-19 has caused disruption economically. Countries have placed their economies under lockdown in hoping to reduce coronavirus cases to prevent negative consequences. With the stay-at-home policies, many firms have to temporarily close, "With lockdown and social distancing, consumers' choice of the place to shop is restricted. This has resulted in location constraint and location shortage. We have mobility shift and mobility shortage" (Sheth). Businesses have been stroked by the virus and some companies are closing one after another. Marketing departments are seeing the effects as well. Because of the fact that everything has changed, many marketers are in difficult times as they don't know what to expect in the future. According to a research, many businesses were frightened about revenue, while the other part, chose to take a wait-and-see approach in order to see if the situation improves. They expect that the sales will simply return back to normal after the end of the pandemic. However, this is not the case because it will have some profound impacts that will change the way people work and think. The market has reduced and the demand for products has drastically decreased. Many companies were forced to shut down and many employers are not able to go to work. During a crisis like this, Microsoft decided to close all its physical stores. This is a pivotal step because it will transition its workplace online. This change made by Microsoft is considered to be a marketing strategy because it will cut all the physical costs. Furthermore, many companies, as shown in the figure 6, demonstrates that some were forced to close. Some suffered due to pandemic and will probably affect the economy.

Bankrupt retailers amid COVID-19 Retailer Current Rank* Date of Bankruptcy 482 January 23 Schurman Fine Paper Corp. 99 February 17 Pier 1 Imports Art Van Furniture 473 March 8 **Bluestern Brands** 57 March 10 March 11 Modell's Sporting Goods 1312 lockdowns begin True Religion 898 April 13 J.Crew 47 May 4 J. Hilburn Inc. 316 May 4 Neiman Marcus 41 May 7 Stage Stores Inc. 737 May 10 J.C.Penney May 15 32 Roots Corp.** 579 June 10 June 24 **GNC Holdings** 287 July 3 Lucky Brand 625 **Brooks Brothers** 162 July 8 Sur La Table 238 July 8 New York & Co. July 13 184 Ascena Retail Group 38 July 22 **Tailored Brands** 150 August 2 Le Tote 835 August 2 Stein Mart 478 August 12 *Digital Commerce 360 Top 1000 and Next 1000 rank **Roots Corp. (Roots Canada) filed Chapter 7 bankruptcy for it's U.S. subsidiary only. Source: Digital Commerce 360 analysis of company reports. Data as of August 12, 2020.

Figure 6. Source: Digital Commerce 360 Analysis of company reports

Ali, Fareeha. "Ecommerce Trends amid Coronavirus Pandemic in Charts." *Digital Commerce* 360, Digital Commerce 360, 25 Aug. 2020,

www.digitalcommerce360.com/2020/08/25/ecommerce-during-coronavirus-pandemic-in-charts/.

The disease has shown no mercy and it impacted many countries significantly, "estimates of the negative economic effects of the crisis are at an early stage for many countries but are known to be substantial, even devastating for some emerging economies" (Pantano). For

example, China's economy is estimated to have taken a "3.2 percent hit in 2020" (Pantano). On the other hand, U.S.'s GDP will experience a 2.9% decline by the end of 2020 under just one and a half month. In this study, it has estimated that most countries' GDP growth will experience a decline of three to five percent in 2020 due to lockdown. Every additional month of closure will cause a further two to two and a half percent decline in global GDP. Service sectors that include retail, hospitals and tourism will be hit the most by the virus. "More service-oriented economies will be particularly negatively affected, and have more jobs at risk" (Pantano). The profound changes that are being experienced at a global level are challenging consumers' perceptions and behaviors in retailing to the extent that they might leave a mark even when the emergency is over, "all retailers strive to provide an excellent service to maintain existing and attract new consumers. However, being able to do so in a time of uncertainty and now imminent recession is harder and more complex than usual" (Pantano). On the other hand, countries like Greece, Spain and Portugal, who rely on tourism, will most likely be affected by coronavirus to the extent that they will lose approximately 10% of GDP growth. In China, approximately 5 million people have lost their jobs in just two months, and with the spread of coronavirus, there's a high chance that unemployment will increase, "job losses are mounting and economies are contracting around the world. With the loss of jobs, consumer spending decreases, which in turn causes other businesses to suffer and more people to lose their jobs" (Roggeveen). It is estimated that more than 9 million people will lose their job by the end of 2020. During this crisis, "retail sales fell by 20 percent over the same period" (Pantano). With the decrease in demand for certain products and the decline of the Chinese economy, the function of the global supply chain saw disruption on a large scale. Fast fashion brands like Primark, Zara and others have canceled orders made by customers, which made a significant impact on garment words worldwide. The Center for Global Worker Rights (CGWR) made a survey of Bangladeshi garment manufacturers and it

is expected that customers have canceled approximately 1.44 billion dollars worth of garments, causing factory owners unable to pay their workers. "Home garment workers, who typically lack formal employment contracts, are excluded from any financial support offered by brands, manufacturers, and governments. Moreover, migrant garment workers are uniquely impacted by precarious labor under government lockdowns" (Hanlon). A global recession seems to be inevitable at this point.

2.2.2. Firm Growth:

For many firms, the encounter of coronavirus is seen as one of the most difficult problems to face because "customers under lockdown, shops shuttered, cashflow drying up and their staff on furlough" (Plummer). Although threats seem to prevail, some companies are able to escape from this situation and are able to take advantage of new opportunities. Nevertheless, "COVID-19 is pushing companies to rapidly operate in new ways and IT is being tested as never before" (Accenture). For example, Amazon have experienced growth during the pandemic and it has made Jeff Bezos, the founder of Amazon, the first ever man worth two hundred billion dollars. Nevertheless, as shown in the figure 7, Amazon has seen a huge rise in traffic on their website.

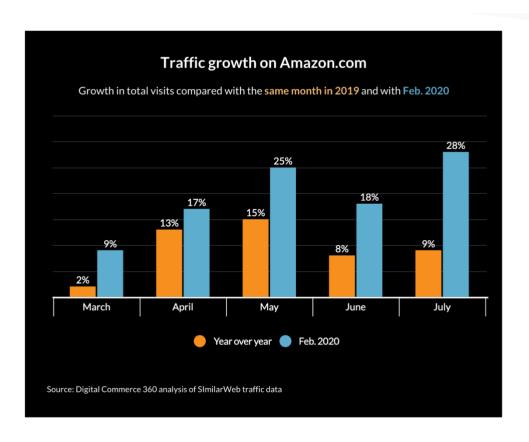


Figure 7. Source: Digital Commerce 360 Analysis of SimilarWeb traffic data

Ali, Fareeha. "Ecommerce Trends amid Coronavirus Pandemic in Charts." *Digital Commerce 360*, Digital Commerce 360, 25 Aug. 2020,

www.digitalcommerce360.com/2020/08/25/ecommerce-during-coronavirus-pandemic-in-charts/.

Food supply increased due to panic buying and pharmacy sales increased due to fear of health. "Undoubtedly, the current pandemic offers a wide range of significant opportunities to those with a more mindful and acumen approach to CSR" (He). Nevertheless, U.K. manufacturing companies transformed their working ethics to produce ventilators, personal protective items, hand sanitizers and so on. Vodafone introduced, "free access to unlimited mobile data for many of its pay monthly customers and upgraded its vulnerable pay monthly customers to unlimited data offer for free (BBC)." Furthermore, supermarkets in the U.K. have place opening hours, specifically to the elderly and NHS workers. In addition, being stuck at home, consumers have the possibility to satisfy their needs by purchasing online. Not only there will be no necessity to go to physical stores to purchase, but it would also reduce the interaction with others, reducing the possibility to get infected by coronavirus, "they can find the same product at a lower price by comparing different websites at the same time they sometimes want to avoid pressure when having a face-to-face interaction with salespeople; they can avoid in-store traffic jam, etc" (Katawetawaraks). There are four important factors when it comes to online shopping:

- 1. Convenience.
- 2. Information
- 3. Available products and services
- 4. Cost and time efficiency

Firstly, research demonstrates that the internet is convenient for the consumer to buy online. Online shopping is available for customers every day as it is open 24 hours a day, seven days a week. Research demonstrates that also 58% of people chose to shop online because they

could buy even after the closure of the shop. In addition, 61% of consumers shop online because they want to avoid the crowd and avoid waiting in lines. Also, the implementation of customer service on basically every shopping site helps to answer customers' doubts, "therefore, even after business hours, customers can ask questions, get necessary support or assistance, which has provided convenience to consumers" (Katawetawaraks). Some customers use online services just to avoid face to face interaction with salespeople. One of the reasons is that "customers who may have had negative experience with the salesperson, or they just want to be free and make decision by themselves without salespersons' presence" (Katawetawaraks). Secondly, the internet allowed consumers to access data easily. Given the fact that customers are not able to touch or feel the product, online services have made detailed information about products, so consumers are more willing to buy. With information being displayed for everyone, consumer reviews also influence consumer decision of purchase. Nevertheless, consumers can read reviews before making a purchase.

Thirdly, with the implementation of e-commerce, online transactions have seen an increase in sales as many sites offer various products and services. Nevertheless, consumers can find all sorts of products online, which sometimes can be available only online. The majority of brands own a website to offer products or services. In addition, many retailers sell products only online in order to reduce cost and offer with more choices, "many traditional retailers sells certain products only available online to reduce their retailing costs or to offer customers with more choices of sizes, colors, or features" (Katawetawaraks). For example, "Yves Rocher, a French company, does not have the front store in the U.S. It offers the website so that U.S. customers can just add products they want into the online shopping cart and the product will be shipped to their house" (Katawetawaraks).

Fourthly, buying online has positive sides, such that consumers can have better deals, such that they get the same product but at a lower price. Since many sites offer the same product,

consumers can compare prices offered by different sites and purchase the one that has the lower price. For example, "Ebay for example, offer customers auction or best offer option so that they can make a good deal for their product" (Katawetawaraks). Furthermore, the access to internet, allows consumers to buy online and create time efficiency, "consumers' life easier because they do not have to stuck in the traffic, look for parking spot, wait in checkout lines or be in crowd in store As such, customers often find shop from the website that is offering convenience can reduce their psychological costs" (Katawetawaraks). Businesses shift to virtual workplaces and many employees were forced to adapt to the digital transformation. Nevertheless, there is an increase in online video conferences, where in fact, Zoom has reported a "78% growth in profits, and Google Meet reports an approximately 60% increase in user traffics, where people spend 2 billion minutes in online meetings every day" (Rae). With the implementation of technology, some employees prefer to stick with the virtual workplace as it is more feasible and convenient. Therefore, "businesses are experimenting with decentralized decision making and new software to make the new digital work culture effective and as productive as working in physical offices" (Rae). COVID-19 has challenged many firms and their sales. Nevertheless, this creates an opportunity for businesses to build a stronger relationship with customers and therefore succeed during the pandemic. This is important for brands because humans are cognitive misers, which demonstrate that human beings use mental shortcuts to come up with judgment and decisions. Consumers' insights during pandemic demonstrates that the market will transition online, "with these emerging new behaviors, organizations have an opportunity to accelerate the pivot to digital commerce, by expanding existing offerings and creating new lines of service, like the retailers rallying to provide 'contactless' delivery and curb-side pick-up services for consumers. This acceleration will force organizations to reimagine their digital strategies to capture new

marketplace opportunities and digital customer segments" (Accenture). Therefore, the rise of online consumers provides opportunities for business to thrive.

2.2.3 Smart working

Human beings are acknowledging technology and including it in everyday life. There is evidence that demonstrates that technology allows building communities during crisis, allowing them to get closer during times like COVID-19. Nevertheless, 80% of the consumers feel more connected to the community and 88% of consumers think that they will be connected to each other even when the virus ends. The way people are embracing technology is important to understand because everything will transition online, "the ways in which people spend their leisure time are changing because of the outbreak and related social distancing measures, and again, these habits are likely to be sustained" (Accenture). 61% of consumers will continue to watch more news after the outbreak and 55% will value more time with family. There is a rise in entertainment, learning and "DIY" projects. "This trend is reflected in the types of apps that consumers are downloading, related to entertainment, news, healthcare and education" (Accenture). People are working from home as businesses are closing doors due to safety measures, "as the sudden lockdown to contain the spread of the COVID-19 pandemic has been launched, the homes of millions of people have been riorganized in several ways: bedrooms transformed into workstations, kitchens into webmeeting rooms, living rooms into web-classrooms, and balconies (if any) into the only break spaces" (Signorelli). Many people that have not yet explored the remote work will plan to use smart work more frequently, "those who worked from home previously are more likely than newcomers to feel they are more productive at home and feel they are more professionally satisfied than they are in the office" (Accenture). Nevertheless, employees feel safer from working from home because it will avoid social contact, "46% of people who never worked from home previously now plan to work from home more often in the future" (Accenture). Companies that implement virtual working from home will strengthen their value proposition and build a stronger relationship with the employees. The transition of tasks to digital

channels to the home environment is showing a positive effect as additional "sales force and other relevant stakeholder demands on technical support and training so that tasks can be performed efficiently and effectively" (Hartmann).

COVID-19 is an opportunity to increase the process of promoting a healthier and safer lifestyle, which will also prevent the spread of the virus and have access to remote work.

2.3 Marketing methods:

2.3.1 Sensory marketing:

Many consumers are planning to shop online and avoid in-store consumption due to COVID-19. In order to satisfy all the consumers' need online, businesses have to ensure they deliver engaging connections with customers.

Sensory marketing is an important strategy during times like pandemic and it focuses on the five senses to deliver a meaningful message, "consumer's five senses: touch, sight, hearing, smell, and taste work to assemble and send information to the brain about what the consumers perceive around them" (Hakansson). The five senses have different scopes when engaging with the customers. Nevertheless, "touch is a sense that communicates with the brain through several sensations that the skin responds to, including temperature, pressure, and vibration. Sight is perceived with the eyes and uses a complex process that includes several phases inside the eye to register information. The hearing sense collects vibrations to the middle ear, which can then be interpreted by the brain. The fourth sense is smell, which can detect over 1 trillion scents. The last sense, taste, is divided into four dimensions, salty, sweet, sour, and bitter" (Hakansson). Retailers have shown how successful it is to use shoppers' sense in store. For example, the use of smell at Starbucks emits a memorable experience as the coffee's aroma is evident. Moreover, COSTCO gives the opportunity to give the customers sampling food before they buy. This is an important strategy because it uses taste to appeal to the customer to buy the product. Since pandemic forced brands to transition online, brands have to successfully mimic in-store sensory experiences in order to catch the attention of the consumer fully. By doing such, consumers will be more engaged and will tend to purchase the product or service. Since touch is restricted temporarily due to COVID-19, many other ways are available to appeal to the consumer to shop online.

Nevertheless, visual is extremely important for online retailers. In fact, "consumers largely rely on what they can see on screen to make their purchasing decisions, trusting that what arrives at the door is the same as what they saw online" (Sarathy). In order to give an accurate representation of the products, brands use "high quality dynamic images that show the right color and texture of fabric. Detailed zooming and 360-degree functionalities are a huge benefit to shoppers who want to get a deeper feel for the item before they buy" (Sarathy). Furthermore, the addition of videos helps to give the experience of what the product might look like at the hands of the buyer, "product reviews that allow users to upload their own images and videos are also extremely helpful, letting shoppers get a sense of how the product looks outside of the showroom — not just replicating the store experience, but advancing it" (Sarathy). This is a pivotal step because it allows the consumers to see what the product looks like. According to Bazaarvoice, "56% of shoppers said reviews were the e-commerce feature they relied on most to make informed purchase decisions faster" (Sarathy).

Furthermore, sound and music play an important part in sensory marketing because it conveys the experience of a brand's image. In fact, sound should be strategically used as a source of engaging the consumers rather than distracting them. An example that demonstrates this method is Visa, "which uses a suite of digital elements — including a combination of animation, sound and haptic vibration when customers complete a transaction — to create a sense of security and consistency" (Sarathy). This research demonstrates that approximately 81% of consumers tend to have a more positives effect when sound is used to indicate that online actions have been successful. Since smell cannot be reproduced through online websites, brands must use detailed descriptions in order to simulate the smell and taste of the product. For example, Nest fragrances, which is a famous brand that produces home fragrances and body care collection, "describes each scent with the fragrance family, scent type, key notes and mood" (Sarathy). With the vivid description of these fragrances allows

the consumer to imagine what the smell could be. Technology allows brands to step out of their comfort zone and transition their methods of selling online, making the most out of it. Some methods that should be used during the pandemic are:

- 1. Video is a powerful tool that allows to show clips along with pictures of the product. By clicking videos, it shows the product in 360 degree perspective.
- 2. Artificial intelligence is also a must-have technology that can be used during e-commerce because not only can provide "customer chatbot services and providing personalized services to online shoppers" (Sarathy), but also "automate a website's media assets, such as image and video tagging and transcription, so brands can automate the optimization of visual content to appeal best to a shopper's sense of sight" (Sarathy). By leaving the old methods and use artificial intelligence, marketers are able to deliver visual experiences more accurately.
- 3. Augmented reality allows users to experience brands in real-time. For example, Amazon gave shoppers the opportunity to see furniture in their own space of the home. Additionally, Warby Parker allows consumers to try on glasses virtually.
- 4. Additionally, virtual reality gives customers the possibility to immerse themselves in experiencing the moment. Virtually reality allows to create a more appealing experience. Nevertheless, many brands use V.R. to create virtual tours like Disney, which "offers shoppers 3-D inspired experiences with its HypeRoom, where shoppers can view, rotate, and interact with products online with 360-degree displays" (Sarathy).

With the help of sensory marketing, consumers are able to engage with the firms, "by appealing to the senses with these capabilities, e-commerce retailers have an opportunity to use digital sensory marketing to drive strong, engaging online experiences" (Sarathy). It is also expected that, "looking even further into the future, the digitisation of human experiences is not only about using technology, but also integrating it in us, our bodies, in

order to augment our human experiences" (Velasco). This is significant because COVID-19 strengthen sensory marketing, allowing to transition to the digital environment where technology will be more integrated with the consumers and firms.

2.3.2 Digital Media

Digital media consists of "digital channels such as websites, social media platforms and apps facilitate effective and flexible communication, interaction and transactions between firms and their suppliers, distributors and customers whilst enabling marketers to closely monitor new consumer behaviour through data gathering, providing key insights into new consumer behaviour trends" (Maritz). The use of digital media has been extremely high due to lockdowns and social distancing. Nevertheless, avoiding interaction was pivotal during times of pandemic. Therefore, "individuals are compensating for reduced access to their usual support networks by using a range of electronically mediated communication technologies to connect and engage with others" (Harris). The two main elements of digital media being analyzed are: social media and e-commerce.

Social media is a tool that allows users to share and communicate with others. During the global pandemic, social media plays a fundamental role as it contributes "to bi-directional communication and the possibility to share feelings (e.g., emoticons, likes) and supportive messages during the current complicated situation" (Cortez). This is important because many people will not be able to have to face-to-face interaction; therefore, the use of social media enables connections among each other. Furthermore, social media allows to spread messages during difficult times, "disseminate information, mobile health (mHealth) to coordinate medical resources, and social media to promote public health campaigns" (Bao). Visual data is used to demonstrate the transmission of COVID-19, allowing individuals to check real-time data and visualize graphs and trends related to coronavirus. This helps people to study the virus and its transmission pattern. An example that shows such graphics is the interactive dashboards developed by Johns Hopkins University. This dashboard gives the possibility to visualize the situation of pandemics around the world. In addition, WeChat in China offers a service that allows to track all the confirmed cases nearby the user and the places where cases

have been diagnosed. This permits users to avoid high-risk areas in order to prevent contamination. In addition, mHealth "is surging in demand to reduce the overloading of health care systems" (Bao) in order to avoid areas with infected ones. Also, virtual teleconsultation platforms like EmergencyEye in Germany, WeDoctors in China were used to provide health care. In addition, with the implementation of artificial intelligence, lung computed tomography scans are being used in order to determine the riskiness of coronavirus. Furthermore, Singapore was able to successfully prevent further spread of the virus through the use of social media. A national WhatsApp channel was created to inform people about all the governments' updates and policies to follow and approximately 635000 people were subscribed. Furthermore, group chats on social media allowed doctors to share and spread information on how to treat the disease. With doctors uniting through social media, it enabled an easier process on collaborating with one another. Also, in China, the government has teamed up with mobile phone operators in order to send automatic texts that inform people to maintain social distance. Furthermore, a Vietnamese artist wrote a song on how to wash hands and created a dance to encourage people to wash frequently. This dance has gone viral and allowed millions of people to understand how important hygiene is during times like the pandemic. With safety measures being implemented in everyday life as imposed by COVID 19, social media plays a pivotal role during the pandemic because it allows to educate people to take safety measures and create a more united community. Nevertheless, "social media platforms have seen a 61 % increase in usage as people use the platforms to stay connected with family, friends, and colleagues" (Nabity). According to the figure 8, in average, there has been a 47% increase in social media.

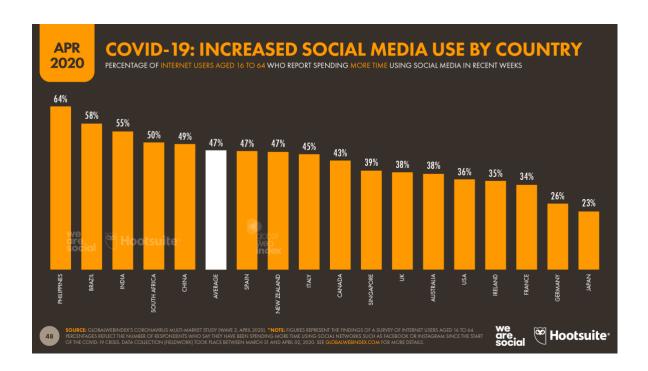


Figure 8. Source: GlobalWebIndex's Coronavirus Multi-Market Study

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

With safety measurements being imposed on people, an increase in online activities have seen a growth, as demonstrated in figure 9. This is significant because it allows to show the transition to the digital environment and "therefore, based on deep insight into the changes in consumers' psychology and behaviors during home isolation, many retailers and even some leading manufacturers choose to use e-commerce livestreaming as a new channel that can be adapted to the policy of home quarantine and makes it more convenient for consumers to obtain access to the products or services they need" (Wang).

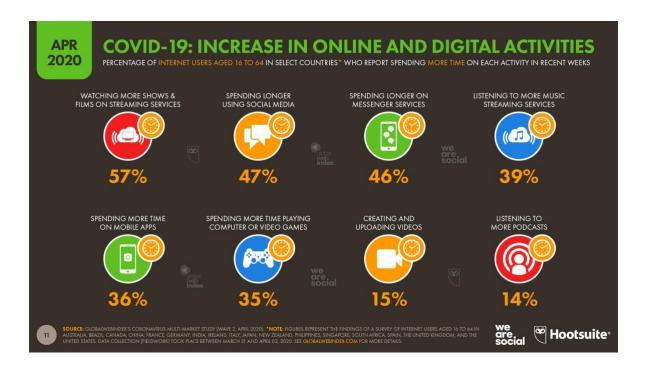


Figure 9. Source: GlobalWebIndex's Coronavirus Multi-Market Study

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

E-commerce is the activity of selling and buying online. During the period of pandemic, e-commerce has seen an increase in sales five times faster than the ones in-store. With patterns like this, it is expected that online sales will increase and it will lead businesses to make a pivotal change, "shopping in a store and paying in cash was a common method of commerce that today, shopping through the Internet and relying on electronic payment cards has become a distinctive feature of this era in a way that is - and radically - the behavior of consumers around the world" (Hashem). According the figure 10, it demonstrates that e-commerce sales will experience a 30% increase in sales and a total of 4% increase in retail sales.

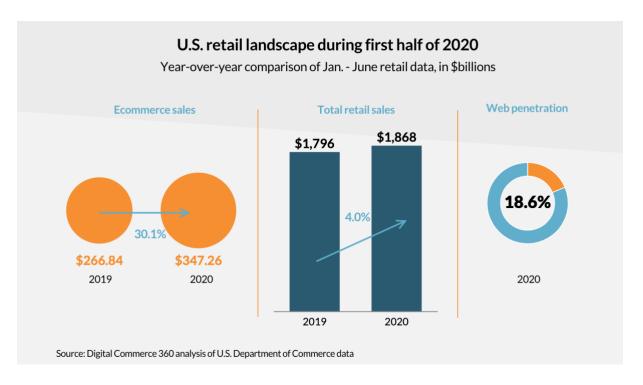


Figure 10. Source: Digital Commerce 360 Analysis of U.S Department of Commerce Data

Ali, Fareeha. "Ecommerce Trends amid Coronavirus Pandemic in Charts." *Digital Commerce 360*, Digital Commerce 360, 25 Aug. 2020, www.digitalcommerce360.com/2020/08/25/ecommerce-during-coronavirus-pandemic-in-charts/.

Nevertheless, they have to invest their money in digital selling as it is considered to be more effective. The importance of digital selling has been already acknowledged before the pandemic as millennials and generation Z are more comfortable with online shopping. This is an important factor to take into consideration because technology keeps on evolving and human beings are more willing to implement it in everyday life. However, one challenge that digital media face is skepticism about online purchases. Nevertheless, it is important to create trust in consumers because this will allow the consumer to purchase. It is significant for brands to interact with customers to create a relationship and an emotional connection.

According to the figure 11, it has been demonstrated that there will be a global digital growth with an increase of 300 million people surfing online

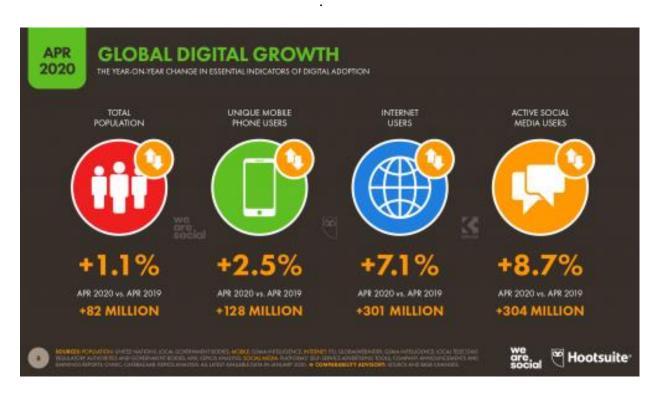


Figure 11. Source: Population: United Nations; Local Government Bodies. Mobile: GSMA

Intelligence. Internet: ITU; GlobalWebIndez. Social Media: Platforms' Self-Service

Advertising Tools.

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

In times like COVID-19, it is recommended that digital media should be used more because a new environment has been introduced and the old methods of buying and selling is slowly losing its effect, "we strongly recommend that it should be further used to improve trust, build social solidarity, reduce chaos, educate the public for prevention measures, and reduce the medical burden in facility-based sites. Only by using multiple resources and working together globally, can we mitigate the effects of COVID-19, even if this comes at a cost" (Bao).

3. Research Methodology:

Before conducting the research, it is significant to comprehend the difference between qualitative and quantitative data. Quantitative data is "used when a researcher is trying to quantify a problem, or address the 'what' or 'how many' aspects of a research question" (Data module). While, qualitative data "describes qualities or characteristics. It is collected using questionnaires, interviews, or observation, and frequently appears in narrative form" (Data module). Acknowledging the distinction between these two terms allows to provide reliable information. Nevertheless, to assess the research question that analyzes successful marketing strategies during the pandemic, the thesis follows the quantitative approach as the most reliable choice to better understand the facts about the phenomenon. In addition, graphs and surveys are used as the source of data that allows to gain a better view of how pandemic will enable the transition to an online environment. Furthermore, it is significant to understand if the study focuses on a particular time or a specific period of time. This difference is demonstrated by the time horizon, which categorizes into longitudinal and crosssectional research. Cross-sectional focuses on comparing "multiple segments of the population at the same time" (IPSY 101). While longitudinal analysis is "a research design in which data-gathering is administered repeatedly over an extended period of time" (IPSY 101). This research relies on a cross-sectional study because it will examine the particular phenomenon under time constraints. Additionally, a major aspect of research is research design because it allows to strengthen and give validity to the information provided. There are two main aspects of research design: explanatory and exploratory research. Explanatory research "or causal research is conducted to understand the impact of certain changes in existing standard procedures. Conducting experiments is the most popular form of casual research" (Kakkar). On the other hand, "exploratory research is defined as the initial research into a hypothetical or theoretical idea. Exploratory research, as the name implies, intends

merely to explore the research questions and does not intend to offer final and conclusive solutions to existing problems. This type of research is usually conducted to study a problem that has not been clearly defined yet" (Kakkar). By understanding the difference between explanatory and exploratory research, an exploratory research design will be used for the thesis because it gives a better perspective on how coronavirus will affect the consumer and firm.

Understanding that the pandemic will accelerate the transition to the digital environment, it is significant to look at the trends that e-commerce is experiencing, particularly online grocery shopping. Before the impact of COVID-19, online grocery shopping experienced limited growth because it wasn't a popular category when purchasing online, "when the first online food retailers were founded in the 1990s in an initial experimental phase there were difficulties because of slow modems, customers' lack of internet, problematic online payment methods and inadequate logistics" (Dannenberg). However, consumers' behavior has drastically changed as the disease is spreading worldwide. According to a recent survey made by Brick Meets Click that includes a range of 1601 and 1781 adults, it demonstrates that the online grocery will increase over time. Nevertheless, the increase in orders every month predicts further growth in sales as many customers will find this online activity to be more efficient and convenient. Looking at the figure 12, the difference of orders between March and April is 15.6 million orders, which is critical to consider because it demonstrates a big jump in online activity as stay-at-home policies are issued.



^{*}Customers who made online grocery purchases over the previous 30 days

Source:: Brick Meets Click (BMC) monthly surveys. BMC fielded its most recent survey June 24-25, 2020 with 1,781 adults, 18 years and older, who participated in the household's grocery shopping. BMC used a similar methodology in previous months. May 20-22 (n=1,724), April 22-24 (n=1,651), and March 23-25 (n=1,601)

Figure 12. Source Brick Meets Click

Melton, James. "Online Grocery Sales Keep Growing as the Coronavirus Pandemic Continues." *Digital Commerce 360*, Digital Commerce 360, 8 July 2020, www.digitalcommerce360.com/2020/07/08/online-grocery-sales-keep-growing-as-the-coronavirus-pandemic-continues/.

In order to demonstrate that online grocery shopping have experienced a huge rise in consumption, in the figure 13, ContentSquare highlights that there has been a 251% increase in visit in supermarket websites.

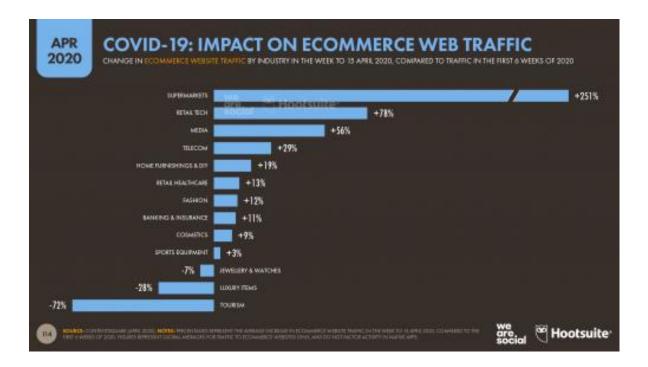


Figure 13. Source: ContentSquare

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

Also, as demonstrated in the figure 14, Forrester Research predicts that the expected increase in sales in online grocery will allow 6% growth, growing from 33.5 billion dollar to 35.5 billion dollars. This highlights how e-commerce will prevail over the traditional methods of selling.



Online grocery to drive e-commerce growth

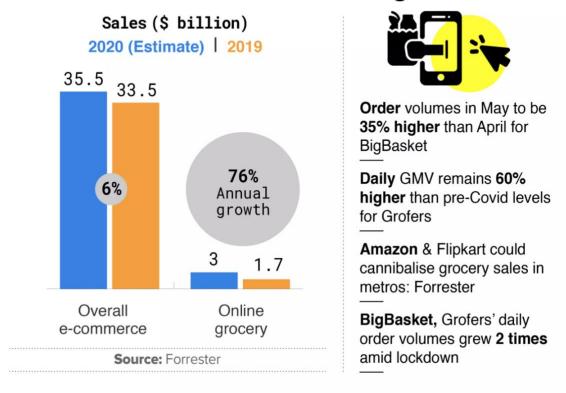


Figure 14. Source: Forrester

Peermohamed, Alnoor. "India's Online Grocery Market May Clock \$3 Billion Sales in 2020 - ETtech." *ETtech.com*, ETtech, 21 May 2020, tech.economictimes.indiatimes.com/news/internet/indias-online-grocery-market-may-clock-3-billion-sales-in-2020/75875861?redirect=1.

According to a survey of internet users aged between 16 and 64, GlobalWebIndex has proven that consumers have shown interest in food and grocery. A 33% increase in food and grocery in e-commerce, as shown in the figure 15, demonstrates the imminent change in consumer behavior. Nevertheless, one of the ordinary activities is adopting a more technological aspect.

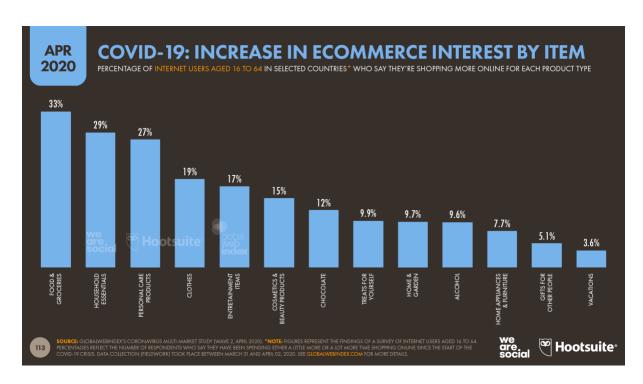


Figure 15. Source: GlobalWebIndex's Coronavirus Multi-Market Study

Dubras, Ryan, et al. "Digital around the World in April 2020." *We Are Social*, 23 Apr. 2020, wearesocial.com/blog/2020/04/digital-around-the-world-in-april-2020.

3.1 Data collection:

In order to conduct the research, data is essential because it provides evidence to support facts. There are two types of data sources, which are primary and secondary data. Primary data is "data that has been generated by the researcher himself/herself, surveys, interviews, experiments, specially designed for understanding and solving the research problem at hand" (Public Health). While, secondary data uses "existing data generated by large government Institutions, healthcare facilities etc. as part of organizational record keeping. The data is then extracted from more varied datafiles" (Public Health). Since the thesis will use a quantitative research strategy, secondary data is being used to give a perspective on how the pandemic has affected the consumer and firm.

According to the figure 16, BrickMeetsClick demonstrates that U.S online grocery have experienced a growth in sales, given the chance to increase in sales every month during COVID-19.



Figure 16. Source Brick Meets Click

Melton, James. "Online Grocery Sales Keep Growing as the Coronavirus Pandemic Continues." *Digital Commerce 360*, Digital Commerce 360, 8 July 2020, www.digitalcommerce360.com/2020/07/08/online-grocery-sales-keep-growing-as-the-coronavirus-pandemic-continues/

The reason why online grocery shopping has been chosen to conduct the research is because online grocery shopping wasn't seen a popular category before the pandemic. However, with the increase of people being indoor due to lockdown, consumers have adopted a new behavior, "people are showing great concern about health and safety, which has resulted in fundamental changes in their preferences and purchasing patterns" (Wang). This sudden increase in demand for online grocery shopping has led to a drastic growth in e-commerce. Nevertheless, when experiencing such growth and increase in sales, it emphasizes how digital technology will transition everyday life activities towards an online environment.

4. Conclusion:

The outbreak of COVID-19 caused social and economic disruptions. Drastic changes in behavior led to the introduction of new lifestyles. Furthermore, not only will people think, feel, and behave differently, but also firms will have to change their ways of selling. With lockdowns and social distancing measures being practiced in order to stop the spread of the disease, a digital environment is being introduced. The rise in online consumption, through ecommerce websites, has demonstrated that the initial adaption to online environment will give the possibility to increase sales further. Researches demonstrates that consumers are more open to digital offerings and experiences as purchasing online is more convenient. Therefore, it is significant for marketers to focus on digital media because the transition to digital seems inevitable. Nevertheless, by analyzing the effects produced by COVID-19, through the consumer and firm perspective, it shows that two marketing strategies have been proven to be effective. The two strategies that are emphasized are sensory marketing and digital media. Firstly, the effective use of sensory marketing allows to create a strong relationship with consumers. This is essential because face-to-face interaction is restricted due to government policies related to COVID-19. Nevertheless, sensory marketing uses the five senses to appeal to the customers. By doing such, consumers feel trusted and engaged with the brands. Additionally, the use of digital media during pandemic has demonstrated to be efficient as methods of communication and channels of purchasing have adopted a more technological aspect. The two main aspects of digital media are social media and ecommerce. Social media, which is a digital tool that conveys content to the public, plays a fundamental role during COVID-19. This tool not only connects firms with consumers, but also spreads useful information about the disease. Social media helped people worldwide by communicating the necessary actions to take in order to reduce the spread of the virus. Moreover, another important aspect of digital media is e-commerce. With more consumers

shopping online, the transition to the online environment seems to be inevitable. Majority of the large companies have understood how the pandemic will have profound effect on the economy. Therefore, in order to remain competitive and successful, firms started investing large sums of capital in development of selling online. This is significant because it demonstrates how businesses should adapt to the evolution of e-commerce in order to remain in competition on the global market.

Furthermore, in order to emphasize the importance of digital media, analysis on grocery shopping online has been made. Because of COVID-19, consumers were restricted from buying in-store in order to avoid contamination. Therefore, consumers have shifted online, making a huge transition. This is fundamental because online grocery shopping wasn't a popular category while purchasing online. Therefore, with customers more willing to buy online, it has demonstrated that COVID-19 will create a more digital environment.

In my opinion, even though COVID-19 has created disruption worldwide, it has also created opportunities for firms to succeed. This is significant because it will mark the transition to digital environment, with consumers more willing to implement technology into everyday life.

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