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# How COVID-19 changes human behaviour and marketing decision- making

Connecting authentic brands  
with people in times of crisis

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**Customer Insights Center**





# Contents

|                                       |         |
|---------------------------------------|---------|
| ✓ Management summary                  | Page 2  |
| ✓ How Corona virus changes marketing  |         |
| ✓ Impact on society and human beings  | Page 8  |
| ✓ Impact on economy                   | Page 30 |
| ✓ Impact on consumer behaviour        | Page 41 |
| ✓ Impact on marketing decision-making | Page 62 |
| ✓ Conclusions                         | Page 79 |
| ✓ Resumes of the authors              | Page 82 |
| ✓ References                          | Page 86 |
| ✓ Customer Insights Center            | Page 93 |



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# Management Summary





# The COVID-19 crisis affects every aspect of our lives



- > The world as we know it is currently experiencing one of the greatest challenges since the Second World War.
- > Society and the economy have largely been brought to a standstill, and almost every country is in the grip of a recession.
- > It is likely that the COVID-19 crisis will have substantial consequences for our way of living, working and shopping, and more specifically for consumer behaviour.



# Why is COVID-19 important for managers?

- › In order to be able to continue meeting consumers' basic needs, and to maintain employment levels, companies must limit the damage as a result of the COVID-19 crisis as much as possible. One of the tools available to achieve this is marketing.
- › We consider consequences of COVID-19 on consumer behaviour and how organisations may deal with it in their marketing decisions. Marketing managers need to investigate:
  - Economic consequences of COVID-19 and changes in consumer spending
  - Changes in consumer and shopper behaviour
  - Organizational goals and aims
  - Strategic decision-making in marketing
  - Investments in R&D, brands and communication
  - Channel choices
  - Pricing
  - Communication



## Recommendations for marketing managers (1/3)

- › Observe the expected permanent changes in consumer behaviour and shopping behaviour: particularly from offline to online and the post-COVID-19 reallocation of budgets over product categories.
- › Redefine your organisational goals and more particularly the social responsibility of your organisation.
- › Be closer to your customers and provide “targeted” and more specific solutions.
- › Create relationships and try to learn from experiences and solutions from other companies.
- › Direct your marketing efforts at satisfying existing customers. It is more effective in this period of contraction than attracting new customers.
- › Investigate the possibilities to create omnichannels.
- › Try to cooperate with other companies to create new platforms. As an example: The Next Organization (TNXTO) and Consultive created such a platform where companies share their experiences during COVID-19.



## Recommendations for marketing managers (2/3)

- › The time seems ripe for companies to start implementing the customer concept (Hoekstra et al., 1999).
- › The customer concept is a management orientation which maintains that:
  - firms establish relationships with selected individual target customers,
  - with whom superior customer values are designed, offered, redefined and realized,
  - in close cooperation with other partners in the marketing system such as suppliers and intermediaries,
  - in order to realize long-term profits through customer satisfaction, partner- and employee satisfaction.



# Recommendations for marketing managers (3/3)

## **Product**

- › Investigate existing product portfolios to account for changing market conditions during and after COVID-19. In periods of contraction, customers are more sensitive to new products/ innovations than in upcycles, hence keep investing in R&D to develop new solutions for customers. Private label share increases during down cycles. Hence invest in new authentic products and communication.

## **Pricing & Promotion**

- › Do not actively use price and price promotions.

## **Communication**

- › Keep your advertising expenditures at least at the pre-COVID-19 period level and increase your share of voice in this way.
- › Keep in mind that advertising is usually more effective in down cycles.
- › Reconsider your choice of media (more online) and messages (more directed at individuals).