

Consumer Behaviour in Times of Crisis

A research poster by Deborah Decorte



Introduction

During economic recessions, customers are forced to adopt an anti-consumption attitude for non-voluntary reasons such as poverty. Retailers must keep a good relationship with their customers (Anderson et al., 2021) by tailoring to individual needs (Winters and Ha, 2012) and focusing on convenience or service satisfaction (Ramanathan et al., 2017). As customers have a need for security and reliability, marketing strategies can address those fears by creating brands they can trust (O'Malley, Story and O'Sullivan, 2011; Doucette and Daco, 2022). Selecting specific brands with the idea of products lasting longer does persuade people to spend more whilst buying less (Butler and Britten, 2022).

Aims and Objectives

The purpose of this project is to investigate consumer behaviour patterns during economic crisis and develop a guideline that will help marketers and retailers better prepare for future economic disruptions.

The objectives are as followed:

- I. Study how retailers can stimulate repurchase intentions, keep customers engaged and create brand loyalty for businesses to prosper
- II. Understand consumer behaviour when anti-consumption becomes a necessity
- III. Measure loyalty during recessions
- IV. Investigate marketing strategies during economic downturns
- V. Explore how retailers can prepare for future economic disruptions
- VI. Research customer loyalty and consumer spending in the UK after several economic adversities
- VII. Study retailers' strategies to affront customer behaviour changes

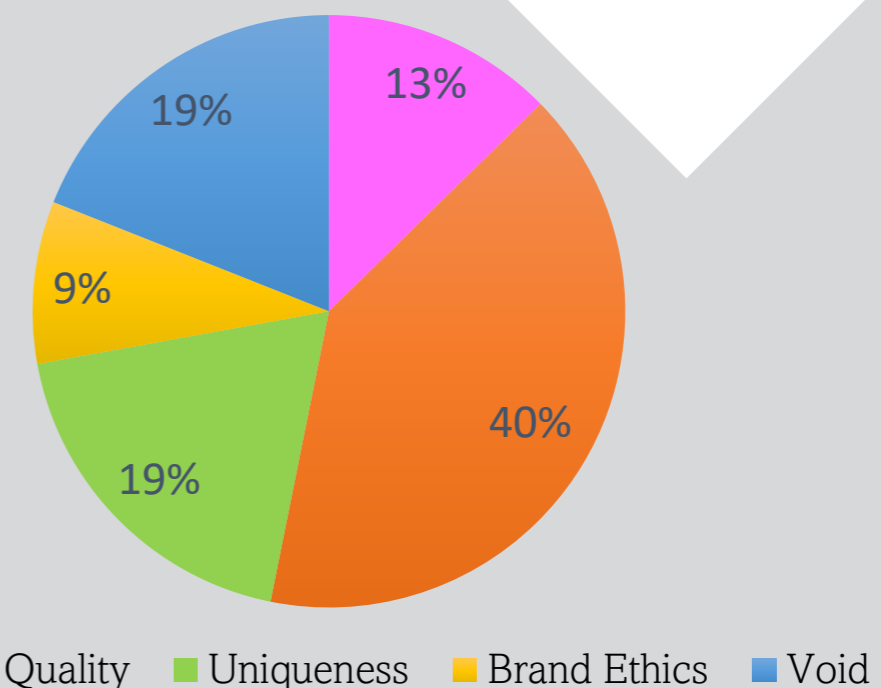
Research Methods

To identify how there are certain behaviours that are a natural consequence of involuntary scarceness, the dissertation investigated how loyal customers are to brands during a period of financial uncertainty, as well as how retailers adapted to consumer behaviour changes.

To investigate how consumer habits change during economic downturns, a survey was distributed to analyse shopping habits and brand loyalty amongst consumers, where participants reflected on their brand loyalty after the COVID-19 pandemic, Brexit, and the 2022 economic crisis.

A second survey was shared with **Decathlon UK** managers to understand how the company had re-shaped its business model according to the economic situation and the changes in consumer behaviour.

Summary of Results



When participants were asked to specify why they were loyal to a brand as well as what affects their loyalty to certain products, on both occasions quality surpassed everything else considered by respondents.

When Decathlon managers were asked how their customers had been affected over the most recent years, they all agreed that consumers' disposable income had decreased, becoming thus more resistant to spending and using digital tools to compare prices before committing to a purchase. To gain and retain footfall, Decathlon invested in technology, value creation, and digital solutions.

Conclusions

This study proposes the following guidelines for retailers to take into consideration for the next crisis:

- Demand: customers expect more for less
- Market Research: comparing prices becomes the norm during economic crisis
- Decisions: must be centred around consumers
- Create a need: to guarantee future purchases
- Value Creation: adapting to what is important to customers and connecting through the right channel (physical or digital)
- Focus on Quality: marketing strategies need to highpoint the value perception of products
- Speed and Convenience: are big drivers of customers' attention
- Ensure Loyalty: by creating individually tailored solutions
- Protect Margin: ensure profitable futures
- Invest: to prosper after a crisis

Recommendations

Further research is suggested to properly analyse why customers are loyal to specific brands and products, as the dissertation has not produced enough results to draw conclusions. Additional studies of loyalty programs and why consumers don't make use of them could provide potential insight as to why customers don't take advantage of them and give retailers a better understanding on whether this strategy is a good investment or not.