



## Consumer Behavior and the Effect of Covid-19 on Markets: An Empirical Study

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**Abstract:** The Covid-19 virus that has emerged today; The absence of the necessary vaccine or drug for its contagion and treatment, pandemic feature and lethal effects, many activities of people all over the world have been restricted. In this study, it was aimed to reveal the change in Covid- 19's behavior in countries and people The rulers of countries where this epidemic has spread widely and have fatal effects have affected various markets economically, with measures such as the closure of workplaces outside certain production areas for an indefinite period of time, and the banning of people leaving their homes and traveling outside unless it is mandatory. Due to the epidemic that caused economic contraction in countries and people, their consumers had to change their shopping behaviour. People tended to postpone their non-urgent needs other than products that would meet their mandatory needs. Therefore, sectors other than compulsory food producers and outlets remained in a difficult situation. The wheels of the economy did not spin as desired, and all markets had to move towards contraction. It is inevitable that pandemic, whose spreading rate and spreading form, the origin point cannot be clearly revealed, will affect the markets and people's income more negatively for a long time. Inability to operate at full capacity in the manufacturing sector, unemployment, stagnation in the market, as in all countries, in Turkey as well be on the verge of economic contraction in the country, ahead of the perception that persists troubled days will be forced to make changes in people's shopping habits.

**Keywords:** Covid-19, Market, Consumer, Purchasing Behaviour, Production Economy.

### INTRODUCTION

The Covid-19 (Corona virus) outbreak is at a time when the world economy is very fragile appeared. So when countries face a disease they don't know what it is and States started to take strict precautions against the epidemic when it spread very rapidly. This situation it caused countries to alarm the world economy. States against the epidemic measures that he started to take, the problems of the world economy, "global depression" easily aggravated to a level that could be defined as. The capacity utilization rate in the manufacturing industry in Turkey in 2020 from the previous month in April According to the figure, it decreased by 13.7 points to 61.6%. In some index of 2007, this is so far is the lowest capacity utilization we have seen. Lowest value before 2008-2009 crisis It was 62% in April 2009 (Sözcü, 2020).

Especially developing countries, whose economy has been weakened, are a blow. took. From 2,9% to 2,4% of global economic growth, 1,5% to 1,5% in case of an outbreak expected to fall. Contraction between 13% and 32% in international trade during the epidemic is estimated to be. Throughout this process, people also reflected this panic on their spending. From credit card in March and April while the decrease in basic consumption and food products was 6%, this decline was 75% in clothing-accessories, 48% in furniture decoration, 45% in fuel and 81% from outside (Yavuz, 2020). Even people who were distant from shopping on the internet before, he even started to get his needs online. This situation also greatly affects retail shopping. seems to affect. Virtual markets are now available for business owners to run their business traditional trade practices that will begin to settle and become weaker with this virus it will lose even more power (Yavuz, 2020). Many economic problems that emerged in this period affected the markets negatively.

The negative effects of the disease have been on the markets for a long time and people's consumption habits. seems to change. People cut their spending outside their mandatory consumption needs they will continue their lives. The recession in the economy of the countries affects all production sectors, families' incomes due to the closure of their places, the unemployment rate to rise causes a decrease. When to conclude the studies for the prevention of outbreak It is not known to give. As this situation complicates the economic development of countries causes shrinkage in production.

This weakens the sustainability of the situation in the economy and shrinks all sectors or causes it to turn to other business areas. Covid-19 outbreak to a global health crisis transformation and precautions taken by countries against this epidemic began to bring along economic problems. Almost 90% of the world is social applying isolation, preventing people from going to the streets, workplaces closed, flights it was banned, and people were dismissed, and the economy began to shrink (Karakaya, 2020).

If this situation lasts long, it will affect the socioeconomic situation negatively It seems. Countries struggling with the Covid-19 outbreak are also very difficult after the effects of the virus are over and they seem to have to struggle with a process. The main reason for this is health the countries that closed themselves due to their precautions, their economy and recovery It remains uncertain how, in how much time and how it will takeplace. To some researchers According to the most optimistic estimate in the post-Covid-19 period, the countries' exit from the crisis is "V" It will be. Even if GDP fell in the first two quarters due to a pandemic, the rate of decline in the last two quarters stress that it will rise by making a leap and that the economic contraction will be short-lived They did. Researchers who put forward this view are not due to a structural problem of economies, they base it on the reason of narrowing with sudden closure. Some researchers, however, they emphasize that they will follow a process like "U", "L" or "W" (Baker, Bloom, Davis, & Terry, 2020; Karakaya, 2020). This contraction rather than the expected economic contraction is short or long term. The size of the size will be important. Due to a pandemic in all countries It is seen that there are workplaces that have closed the pandemic and this process will become more and more. The closed workplaces are small and medium sized workplaces. This situation makes countries' economies shows that it will be affected more or less according to the level of development. So what happened According to the size of the economic bottleneck, economic problems and unemployment rates of people will vary. This situation causes people to consume during and

after the pandemic. it will change their spending, consumption habits and consumption behavior.

#### **What Have Been Realized Now: Current Situation**

The IMF predicted that the global economy will grow by 3.3% in January 2020, while April In the 2020 "World Economic Outlook" report, the global economy will contract by 3.0% in 2020. He predicted (IMF, April 2020; Karakaya, 2020). The crisis of Covid-19, 2008 it seems to be bigger than the global crisis. The IMF, in the same report, 2020 to Bangladesh revised the growth expectation that was 3.0% for the previous year, as it would be expected to shrink by 5.0%. It was meat. The highest economic contraction since the Second World War was 4% in 2008 For the USA, Bank of America predicts that the USA will shrink by 10% after this pandemic crisis. (Karakaya, 2020; Bank Of America, 2020).

IMF expects a 8.5% contraction for the Asia area, while Goldman Sachs Global Investment Research estimates that the GDP contraction for the asian area is 9%, according to a new estimate in early April. Forecasts (Goldman Sachs, 2020; Karakaya, 2020). This situation shows that regardless of the development of the Covid-19 crisis, all countries' economic expectations will drag into a bottleneck. Well developed economies out of this crisis a little easier and shorter recovery for countries but lagging behind and the effect of this crisis will take much longer in developing countries. When an unknown disease becomes an epidemic when it is entered in 2020, and as Covid-19 because of the radical measures taken by all countries because of the virus called As a result of the closure, we will see a sudden economic contraction in the world. Caused global closure. First of all, the borders are closed and after the transportation sector, any economic activity that would cause contact with people was stopped. Global supply chain only sectors that produce health, food and partial industries continued their activities. Therefore, as Karakaya states, the world, supply and demand shock is experienced at the same time, faced a kind of crisis that has never been experienced (Karakaya, 2020).

The closure was not only in the manufacturing sectors. In this process, countries brought rules. For example, short working hours, closure of some workplaces, online work and to cut the contact between people for a certain period of time with practices such as curfew, These practices, which are made to prevent the spread of the epidemic, it has reduced its mobility. So when closure to home increases in all countries, economic contraction was inevitable. This closure affected the economy of the countries in a very short time. Countries had to explain some economic packages according to their own budgets. Manufacturing

Recession (recession) is inevitable in the world economy, the majority of which has stopped. It seems. The countries that want to overcome this situation with less damage, Covid-19 it is imperative to take a series of measures.

### **Status of Countries in the Pandemic Process**

China was the country where Covid-19 started as a pandemic taken to prevent the outbreak. As a result of the measures, the first economic destruction occurred in the Chinese economy. First in the last 30 years China, which has experienced a contraction in the industry for the first time, shrank around 10% in the first quarter. (Carbon Brief, 2020; Karakaya, 2020). Covid-19 virus outbreak later to Italy and from there the measures taken due to the spread to Europe and to the whole world are also serious in these countries. Caused an economic contraction / contraction. Markets that were already fragile before the outbreak economic uncertainty and instability due to reduced mobility due to the outbreak. As a result of the experience, the recession in economies has become inevitable. Karakaya stated during the pandemic period, when the economies of the country are examined, two. It is possible to make a classification. This classification; Firstly, those who continue their working life and Secondly, they are the ones who lost their jobs and businesses (Karakaya, 2020).

The first group includes all public employees and employees in compulsory sectors. This is as the income of the people in the group continues regularly, Expenses other than compulsory expenses due to closure to home as a result of isolation they will enter after a pandemic with a certain level of savings conceivable. The second group includes thousands of business owners who have closed their businesses and in these sectors. Millions of people are unemployed and their previous savings they had to use it and they had exhausted their savings after the pandemic will enter.

On the other hand, restaurants, cafes, hairdressers, tourism operators who are small and medium-class businesses are many of them will come to the brink of bankruptcy if it gets longer. In this process, employers and employees who lost their jobs it will be millions of unemployed people and it will be a long time to find a job after the pandemic there will be a shortage. At this point, at the end of this pandemic process, income distribution and there will be imbalance. So people's consumption habits, spending. The income distribution of the country's total demand with a change in its items and behavior. We can say that it will be low in the period until it reaches a certain level (Karakaya, 2020).

### **Consumer Behavior in COVID-19 Process**

Consumer behavior changes quickly during the Covid-19 outbreak. It showed. Researches have

increased the demand for food products as well as other products. Groups were also positively affected by the corona virus process. With the closing of the schools, he was the only one in his home. While those who have television buy the second television for the education of their children, personal care equipment sales also increased. Curfews taken by the government during this period and as a result of the closure of some workplaces; hair clipper, hair dye, personal hygiene products. It seems that there is great demand for. Demand in personal care products 10%, Dry yeast 8-15% leftover and demand for bread has decreased by 35% (Yavuz, 2020). The reason of this people make their own bread and some foods by themselves. It explained, this shows us that; people feel safe and secure can behave quickly to change behavior. All this behavior psychological and economic factors are effective.

Consumer behavior that precedes or follows individuals, groups, or organizations including the emotional, mental and behavioral responses of the consumer reviewing all activities related to the purchase, use and disposal of the services (Wikipedia, 2020). Consumer behavior, how the individual's emotions, attitudes and preferences purchase behavior examines that it affects. Consumer behavior is influenced by many factors. These factors are the following. It can be sorted (Wikipedia, 2020).

Factors Affecting Consumer Behavior is stating: Marketing factors; product design, price, promotion, package, positioning and distribution and consumer characteristics; age, gender, income level, education level, location. Psychological factors: purchasing motive, perception towards the product and attitude towards the product. Situation factors: physical conditions at the moment of purchase, social environment, timing. Social factors; social status, reference groups. Cultural factors: religion, social class, local pleasures. In addition, crisis periods and economic factors.

All these factors have important roles on consumer behavior. Especially psychological factors have a strong influence on consumer behavior. One the motivation of the consumer affects his decisions and what the consumer is exposed to, what it affects attention and how it perceives. These factors also help a consumer how they categorize, interpret, create attitudes, change, memories it also affects how it shapes and interprets. Restrictive taken during the epidemic measures and the disease negatively affected the psychology of people. So Their We will feel the effect more after the pandemic. The obligation to stay at home and social isolation within the scope of the measures taken. It gave the opportunity to apply the principles of the circular economy. Self-sufficiency and self he taught him to do his job, to repair the things in his house, to be frugal. People behavioral. We can say that it

will continue its changes in the post-pandemic period. In this period people had the opportunity to discover their knowledge skills and unexplained abilities. Therefore, after the post-corona of individuals who are contentious, economical and self-sufficient It can be said that he will avoid unnecessary expenses and act more economically (Karakaya,2020). Some Assuming that behaviors will turn into habits after a certain period of time, they will avoid unnecessary expenses with the understanding that they need to have accumulation of quantity. While consumers before Covid-19 can make more rational decisions, starting with Covid-19 and Panic, fear, and the future is unknown as it will continue for a long time. it affects people more psychologically. WHO (World Health Organization), (2020)'s According to the latest updated data, Covid-19 outbreak has spread in 214 countries. Very high rates of deaths and cases in all countries fighting pandemic, death The higher rates forced the countries to take serious measures in terms of economy and health. Case and death rates in the world from beginning to today during the pandemic period are as follows:

It has been realized. According to BBC, (2020) May 14 data, corona-virus (Covid-19) cases in the world and number of deaths table cases and deaths frequently change and increase in the number of cases. He is experiencing and according to the latest information, the number of cases in corona virus is 4 million .800.396 thousand and the number of deaths was 319 thousand 651. The number of Corona virus cases in Italy and America is serious reached a size. The number of cases in the U.S. exceeded 1 million 508 thousand due to Covid-19, while Austria, In countries such as Spain and Singapore, measures have been lifted. Case in the countries of the world rapid increases in the number of observed, as of May 19, 2020 date of health in Bangladesh health ministry data on the number of cases in Turkey, the Ministry 151b of the 615 deaths of 4 thousand 199, while the number of recovered cases was 112 thousand 895, normalization signals in the country started to come. Since countries underwent various restrictions during the Covid-19 period the economies and consequently the markets shrank.

There are uncertainties about when the pandemic crisis will end and this The solution is to find the Covid-19 virus vaccine as the only solution to eliminate uncertainties. Seen. However, all news can be found by the end of 2020 and the year 2021. shows that it can be used in (Karakaya, 2020). Countries epidemic taking the preventive measures to manage the health crisis and Even if the virus can be controlled by increasing the virus, a second wave or third there is no guarantee that it will not be in its wave and will not turn into an epidemic. Some countries take some precautions against pandemics, while some countries take the herd immunity system. The probability that the virus will spread back to the world is a very high probability. In a

study done at Harvard, the short term of getting rid of the Covid-19 virus outbreak is hardly it seems impossible and people continue social isolation until 2022 it should be stated (Kissler, et al. 2020; Karakaya, 2020). So, as the closure time gets longer, the damage will be harder to repair in the economic system, problems will become structural and the economies of some countries will be fragile and crisis it should be remembered that countries that fail to successfully manage their government can be bankrupt. Covid-19 developed as a result of economic and health crises caused by virus outbreak countries have very high expectations of contraction in their economies (Karakaya, 2020). Baker et al. (2020), the US economy will shrink by 11.5% for 2020 and (IMF, April according to the report of 2020), the loss may be higher due to these uncertainties.

## CONCLUSION AND EXPECTATION

In the unexpected periods of crisis, the reflexes of countries and individuals it is very normal to have the motive to receive. This is what the Covid-19 outbreak shows us it supports thought. With the epidemic, countries closed in, economies shrank, citizen of the capitalist system he did not think, he had to worry, how serious the win-win logic had had was proof. In capitalist systems, services that everyone should benefit equally as everything was privatized, it was seen that the understanding of social state was disabled. All this the negativeness have struck the poor regardless of their level of development. With the epidemic, the economic crisis broke out in all countries and small-medium enterprises most of them are closed. Accordingly, unemployment figures peaked in our country and in the world. There will be large enterprises profitable from here, small businesses will be it seems that it will disappear completely if it lasts. Economies, supporting policies and budgets of underdeveloped and developing countries it doesn't seem to overcome this heavy table easily. Therefore, as unemployment will increase and National Income per capital will decrease, people will to be economical will have to abandon some consumption habits.Demand for goods other than mandatory consumer goods will decrease. People review their spending and address their priority needs. Products with increased demand in the pandemic process, except for mandatory consumer goods, hygiene products, technological products such as computers, game consoles and similar home spend time and there have been products to make it fun. In this period, the distance sales over the internet demand has increased. So in the future, sales and marketing seems to evolve to distant sales.

As a result, People use consumption as a tool to express themselves, fantasy and while shopping for their desires. Corona virus threatens even their personal rights and caused them to revise their consumption

habits with panic. In the time when the pandemic was first seen, disruptions in production were only in Asian countries. Although it has been happening recently, it has also been on supply chains worldwide and effects began to be seen. Get better from the countries that are on the verge of bankruptcy and the markets that are upside down to be found and as soon as possible to start vaccination. The most important of this The reason is that the disease is transmitted very easily and there is no cure yet. In the manufacturing industry, the enterprises that fall into the economic downturn although they adopt the method of working short or working remotely, it has no sustainability. Continued shrinkage in imports and exports employers, employers or it will take you until closing the workplaces. Countries to speed up vaccination studies as soon as possible, give priority to scientific studies and it should support R&D studies in health. Otherwise, fight this epidemic to keep their economies afloat through constant closure in the long term Will not. Problems created by pandemic on people's psychology and economic income it will be both costly and time consuming to solve.

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