BOOK CHAPTER │ COVID-19 & Consumer Decisions

Covid-19's Effect on Consumer Decision Making among Millennials

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Abstract

The previous SARS epidemic or the Ebola outbreak and the COVID-19 pandemic has forced drastic lifestyle changes for a large portion of the world's population in the form of lockdowns, stay at home orders and social distancing directives (Mehta et al., 2020). These efforts to contain the spread of COVID19 have affected the lives of the greater population of the world in ways that likely never been seen in modern times. At presents an opportunity for marketers in the fashion industry operating in Nigeria to uncover how the current pandemic has influenced the behaviour and decision-making process of millennial consumers in order to adjust their existing strategies to meet these changes. In a survey conducted by Kantar (2020), it is reported that the participants spent less on both physical and online retail, as well as having shown that there has been a growing interest in investing and saving, as well as learning to live with less. These observed changes to consumers on an individual level poses the need for further research on how the pandemic has changed the current understanding of consumer behavior, decision making among millennials and and presents challenges for businesses to rethink their strategies to maintain competitiveness in the future. This is the focus of this chapter.

Keywords: COVID-19, Consumers, Decisison, Millennials, Vaccination, Hesitancy, Infodemic

Introduction

The authors explored how the consumption of fashion goods affected according to McKinsey & Company's (2020) report *State of Fashion 2020*, the fashion industry saw a global contraction of nearly 30% in 2020. Their ability to spend on fashion items is greater than other generations before them. As Vyuong and Nguyen (2018) highlight, this generation is also known to not make purchase decisions based solely on the price but also a high emphasis on gaining hedonic value from their purchases. According to McKinsey & Company (2020), fashion brands spend substantial resources to build loyalty with millennials to drive growth. This combined with the generation's spending power as well as the demographic share that they possess within the fashion industry make them an increasingly important consumer demographic (Moreno et al., 2017).

Thus, any potential changes brought on by the ongoing pandemic on this consumer demographics' decision-making process could have significant implications for the fashion industry (Mehta et al., 2020).

Statement of the Problem

Since the beginning of the COVID-19 pandemic 2020, there has been a handful of research on the effect that the pandemic has had on consumers such as, the studies conducted by Mehta et al. (2020) and Loxton et al. (2020). Recent academic research on consumer behaviour in India showed signs of people having intentions of reducing their consumption after the pandemic in light of the drastic lifestyle changes that they have had to experience (Mehta et al., 2020). In addition, a preliminary study of how the reduced consumption patterns towards clothing goods that were observed during and after the Turkish economic crisis could be repeated in light of and following the COVID19 pandemic (Ertekin et al., 2020).

Although there has been preliminary research on the impact that the COVID-19 pandemic has had so far, there exists a gap in the literature regarding the impact that the pandemic has had on the individual's decision-making process regarding specific industries. Furthermore, Ertekin et al. (2020) recognized the benefit of observing the impact that the COVID-19 pandemic has had on consumers in developed nations. Ertekin et al. (2020) emphasized the need for further observation on the adjustments and changes that have been made on consumption behaviour to allow for marketers to facilitate appropriate strategies to meet these changes. The authors of this research aim to address and contribute to filling these gaps that were cited by the authors stated above.

Purpose

The purpose of this thesis is to explore the effects that the COVID-19 pandemic has had on millennials' consumer decision making in regarding their fashion consumption. This exploratory study may aid marketing practitioners in assessing the behavioural changes that the pandemic has triggered in context of the theory provided, and to apply the findings towards evolving their marketing mix or other related strategies to adapt to the decision-making behaviours that have been taken on during the pandemic. This exploratory research aims to investigate the effects the COVID-19 pandemic has had on consumers' decision making, and to contribute to the growing field of knowledge surrounding consumer behaviour in times of the COVID-19 pandemic.

Delimitations

Delimitations were set for this study in order to limit the research scope. This thesis is delimited to the impact that the COVID-19 pandemic has had so far, as the event is the causative factor in the analysis. Furthermore, the research is limited to consumers living in Nigeria who are a part of the millennial generation. Lastly, the researchers observed the decision-making process in regards to products and services in the fashion industry.

LITERATURE REVIEW

The literature review will contain an overview of the existing body of relevant research and theories concerning consumer behaviour that fall within the scope of the study. Furthermore, the following section will provide an overview of the existing understanding of how external shocks affect consumer behaviour. In addition, there is an overview of the existing body of literature concerning COVID-19's impact on consumers. Through this literature review, the authors will introduce key concepts and theories that will serve as the medium in which the results from the research will be analysed through, as well as to present the gap in the research in which we aim to explore.

Method for Literature Review

Despite the fact that the research surrounding COVID-19 and its effect on consumer behaviour is novel and largely unexplored, there were a few key articles that were used to establish a baseline on the extent of research that has been done on the subject, namely by Mehta et al. (2020) and

Loxton et al. (2020). Thus, the authors have decided to incorporate theories and concepts surrounding consumer behaviour in order to establish a strong theoretical foundation in which the research can be conducted. The authors utilized data bases such as Google Scholar and Primo to collect secondary data. In order to establish a high degree of quality in this literature review, the authors delimited the secondary sources to peer reviewed articles from academic journals as well as academic books.

Some of the most important keywords that were used on these data bases were "COVID-19", "Consumer Behaviour", "External Shocks","Consumer Decision Making"and "Fashion Industry". These keywords and others were used in combination with each other in some cases as well as having been searched on an individual basis. One of the considerations that must be taken into account is that the findings in the research surrounding COVID-19 and its impact on consumer behaviour is still incomplete due to the novelty of its nature and by the fact that the pandemic has yet to be ended as of the writing of this thesis.

Consumer Behaviour

Consumer Decision Making Process / Model

Blackwell et al. (2016) provides a roadmap into the minds of consumers that encapsulate the set of activities that occur when a decision is made, in a sequenced and structured format (see figure 1.). The current model is an expanded version that was introduced by Engel, Kollat and Blackwell (1978) at the Ohio State University known as the EKB model. As the model evolved it reached its current form and is referred to as the EBM-model by the authors Blackwell et al. (2016).

The model depicts seven different stages that consumers go through in their decision making;
i.   Need Recognition,
ii.   Search for Information,
iii.   Pre-purchase evaluation of alternatives,
iv.   Purchase,
v.   Consumption,
vi.   Post-consumption Evaluation and Divestment.

This model is supported in structure and content by Kotler and Keller (2016) as well as Stankevich et al., (2017), who proposes a five-stage model of the consumer buying process with the same sequential decision-making structure, that despite being named slightly different has the same overall meaning behind it. Certain steps or segments of this model might deviate in naming compared to the EBM model by Blackwell et al, (2016) but the overall content is significantly similar and stands to support the EBM mode (Blackwell et al., 2016) propositions. It is noteworthy that this model does not cover the consumption stage, and hints on a disposal stage in Kotler and Keller's work (2016). For the sake of continuity and understanding, the EBM model will be referred to as the CDP model throughout this thesis. The Consumer Decision-Making Process is boiled down into these stages, and the various factors that influence each stage. Blackwell et al. (2016) continues with explaining each stage in detail:

Figure 1. Consumer Decision Process Model (EBM) (Blackwell et al., 2016)

Methodology & Method

Research Paradigm

The research paradigm is defined as a commonly accepted approach or model to which the research related to the research work will adhere to. There are 2 commonly used research paradigms; positivism and interpretivism (Collis & Hussey, 2014). Due to the qualitative approach taken and the interpretive nature of which the findings were to be examined, the author decided to employ the interpretivist approach. The interpretivist approach argues that human behaviour is more complex than mathematical variables, and depends on several factors that are highly subjective. It also understands that human behaviour is influenced by its surroundings, and does not strive for research in a controlled environment.

The responses the interviews are expected to provide will most likely depend on each individual participant's subjective perception, along with being both dissimilar and complex in nature, and is as such in line with the interpretivist research philosophy. The meaning derived from these interviews will not share any similarities with the positivist research paradigm and its traditionalist approach, and as such effort will be taken to distance the research approach from this line of thinking (Collis & Hussey, 2014). Interpretivism also focuses on narrative, perception and interpretation which goes well with the theoretical framework provided as well as the information gathered (Saunders et al., 2019).

Primary Data

The primary data for this research work was collected through extensive interviews with 14 participants, which were designed to be around 45 minutes each. The questions themselves were designed to allow for relevant data to be extracted, and to build on existing theories using that data in accordance with the inductive approach chosen. The interviews followed a guided format, with extra questions ready to be added in the case that the result of the questions asked did not provide sufficient data. A pilot interview was conducted in order to ascertain the level of quality of the questions as well as the general structure of the interview. The pilot interview concluded with the decision that the structure and content of the interview guide showed unsatisfactory results. Thus, the author concluded that the interview guide should be changed, and a new interview guide based on the consumer decision-making process by Blackwell et al., (2016) was constructed for the rest of the interviews. The breakdown of the interview data can be seen below in Table 1.

Table 1. Data Breakdown

Participant	Interview type	Date of Interview	Duration
Pilot Interview			
1	In-person	03/12/2021	34 min
Interview			
1	Zoom	04/12/2021	43
2	Zoom	05/12/2021	56
3	Zoom	06/12/2021	50
4	Zoom	06/12/2021	58
5	In-person	07/12/2021	42
6	In-person	08/12/2021	57
7	Zoom	08/12/2021	47
8	Zoom	08/12/2021	45
9	In-person	09/12/2021	55
10	Zoom	09/12/2021	40
11	Zoom	10/12/2021	48
12	In-person	11/12/2021	59
13	In-person	12/12/2021	41
14	Zoom	14/12/2021	51

Sampling Approach

The sampling methods used in this research paper is in line with the sampling approach used in a study conducted by Cosgrave and O'Dwyer (2020) to investigate the millennial generation's perception of cause related marketing (CRM) through the perspective of ethics. The study by Cosgrave and O'Dwyer (2020) acted as a source of inspiration for this paper due to it also a qualitative research approach and the same generation being studied. The basic criterion for participants to be chosen for this study was based on them belonging to the millennial generation and their interest in fashion.

These characteristics were deemed most important for our target demographic to possess and therefore a random sampling approach could not be used. A non-probability purposive sampling technique was hence utilized for this study. A purposive sampling approach helped the author select individuals that fulfil the criteria in order to be considered representative of the target population (Cosgrave and O'Dwyer, 2020).

Due to the ongoing pandemic, the author also decided to employ a convenience sampling approach due to the current circumstances. The possibility of approaching individuals outside of the researcher's own network seemed limited and therefore all participants for the semi-structured interviews were obtained through their own personal network. However, a drawback from employing a convenience sampling approach is the restriction it places in terms of the generalizability of the study. This limitation will be further explored and explained in the appropriate section within the research paper.

Research Findings

The following section presents the empirical findings that were gathered through the semi-structured interviews.

Table 2. Extract from Thematic Analysis

Global Theme	Categories	Quotes
Change in Social Settings	Change in Needs	"...because I don't have any obligations such as school and no social gatherings such as parties, I don't feel the need for more clothes."
	New Social Settings	"...I also buy way more gym clothes instead, because that is one of the social settings that still exist where people socialize."
	Change in Satisfaction	"I've bought things that I wouldn't have prior to the pandemic because I wanted to venture out a bit out of my comfort zone, and since I am home more no one can judge me, so I wear whatever I want."
Change in Requirement	Change in Needs	"I think it has changed how I reflect on what type of clothes I am buying. I now focus more on work clothes, which has a more business casual style."
	Brand Adoption	"I manage the risks associated with online shopping by going for big brands more often. With those brands, I know what to expect"
Behavioural Shift	Justifications	"I think about the cost per use or am I going to use this very often. But now my cost per use has significantly decreased, so I can't justify those purchases. "
	Seeking Information	"I would say that I spend more time now than before….I want to make sure that all my purchases are essential and fit my needs and criteria"
	Change in Purchase Frequency and Quantity	"For me personally I think it has gone even lower. I do not buy nearly as often as I used to and the quantity has also gone down per purchase."

Through the process of conducting a thematic analysis of the interview data, the author discovered three **global themes;** *Change in Social Settings, Change in Requirements and Behavioural Shifts*. Following these global themes, the author identified 7 categories. It is worth noting that there is one interdependency in the *Change in Needs* category, which the author found that it had a significant relationship with both **Change in Social Settings** and **Change in Requirements** (see Table 2.).

These themes and their underlying categories will be explained further in the findings section. Furthermore, an extract of how the coding was done in order to develop the categories and the themes can be found under Table 2. To facilitate ease of reading and understanding, these findings will be divided into each global theme as well as subheadings for each category.

Change in Social Settings

The first global theme that was identified through the thematic analysis was the **Change in Social Settings.** The author have explored and established that the drastic change in social settings brought upon by the COVID-19 pandemic has had a significant effect on the way in which the participants altered their consumption of fashion products. This will be further elaborated by the categories that were identified through the coding process of the thematic analysis.

Change in Needs

The first category identified is the change in needs that most participants expressed. Whether this was due to a shift in work environment, social obligations or other reasons, the majority of interviewees stated that there had been a noticeable change in their need and perception of what constitutes a need. Participant 1 expressed this by saying:

"At the start of the pandemic (March, April), I only shopped once because you're not going to the office and you're not going out with your friends, so most of the time I made use of old clothes if I had online meetings." This participant explains that during the initial phase of the pandemic, the need to purchase clothes decreased significantly due to them not going into work or to other activities. Although, it was noted that the prior purchase behaviour resumed in some sense, this was not due to the need returning but more because of habitual buying and rationalizing:

"I think the old shopping behaviour kicked in, because you're at home and you work five days from home and you barely meet friends. So, I think it was not really the need but more a habit of buying clothes and spending money that pushed me to buy clothes. I just thought that the pandemic is going to be over soon so I use that as a justification."

New Social Settings

The shift in social settings is another big change that the interview participants highlighted after the COVID-19 pandemic started. These shifts could be diverging social interactions, different work settings as well as other disruptions to the participants' social environments. In these situations, the participants explained they either, looked for new social settings to maintain some modicum of their social interactions and thus changed the attributes they required in their clothing purchases as a result. Others simply decreased their social interactions and limited their purchasing to fit their new requirements.

Change in Satisfaction

When asked if the interviewees had noticed a change in their level of satisfaction associated with their average clothing purchase during the Covid-19 pandemic, the vast majority of respondents answered positively and almost all of the answers had a similar underlying meaning. Participant 12 stated:

> *"I am more satisfied, maybe because I put more thought into my purchases now.
> I believe it's also because I am trying different things right now."*

Behavioural Shift

The behaviour observed in the participant's consumption patterns can be described as significantly different from their pre-covid state, as they have found themselves justifying their purchases in different ways, for different reasons. The majority also saw a shift in their purchasing frequency and quantity, due to the factors mentioned prior, as well as employing a higher degree of information search.

Conclusion and Contribution

Conclusion
The finding of this research paper begins to fulfil the gap in the research that Mehta et al. (2020) and Ertekin et al. (2020) had identified, in which they wished for future research to identify the degree of impact that the COVID-19 pandemic has had on consumers of other economic and cultural backgrounds, as well as a deeper analysis of the causational factors to these behavioural transfrmations respectively. The findings from this paper contribute to enriching the study of the COVID-19 pandemic and its impact on consumers. The results of this research found that in the case of millennials in Nigeria, the three identified global themes which were **Change in Social Settings, Change in Requirements and Behavioural Shifts** were the factors that lead to altered fashion consumption. Unlike in the case of Mehta et al. (2020) and Ertekin et al. (2020) who found that their respondents; consumers in India and Turkey, pointed towards economic factors and in some cases spiritual and altruistic reasons for their altered consumer behaviour.

The aim of this research paper was to answer how the COVID-19 pandemic has affected the consumer decision making process in millennials in regards to their fashion consumption. This was done through careful examination of interview data through the CDP-model developed by Blackwell et al. (2016), in order to determine if and how the participants' fashion consumption has changed in a tangible way. The researchers have identified three global themes with underlying categories that contribute to different shifts in consumer decision making, that were partially or wholly induced because of the COVID-19 pandemic and its effects. These shifts that the author identified are in line by previous existing theories regarding consumer decision making, millennials as well as consumer behaviour.

Specifically, the Need Recognitionstage has been affected due to the lack of social gatherings and change in social settings and a subsequent shift in desired attributes. There is a greater focus on utilitarian aspects of clothes, with more practicality in mind instead of purely aesthetics. The duration of the Information Search stage has become substantially longer due to lack of urgency as well as becoming a mode of entertainment for consumers. Pre-Purchase Evaluation of Alternatives shows a greater dependence on brands, both in the attributed product qualities as well as the inherently higher level of trust the participants show towards them, in line with the aforementioned change in needs. This is in line with previous research on millennials that share similarities with the findings in this study in terms of their interaction with brands, consumption behaviour regarding impulse shopping as well as their general attitude towards fashion (Khan et al., 2016, Moreno et al., 2017, & Sung, 2021).

It can also be identified that the actual quantity and frequency has significantly decreased, which can be attributed to the factors mentioned above and affects the Purchase stage in the consumer decision making process. Since it became harder for individuals to try on clothes, greater effort was put in Pre-Purchase Evaluation of Alternatives instead of Post-Consumption Evaluation as there was a greater need for making informed decisions. This has led to a decrease in the extent of Post-Consumption Evaluation carried out by the consumers. The satisfaction derived from each purchase has gone up, due to the shift in desired attributes and more extensive information search, which decreased the overall cognitive dissonance in the participants' purchases, as well as due to the lack of social interactions and thus having less reliance on external validation.

Contributions

The findings of this study could prove valuable to marketers as they try to navigate through the area of post COVID-19 marketing towards millennials. This study provides how this has shaped and changed their Consumer Decision-Making Process, considering that this process holds significant weight in determining appropriate marketing strategies. Thus, marketers that take into consideration the results of this study may see some beneficial results in that endeavour.

For other researchers, this study contributes to and in some cases supports existing theories and may be used for future research in the field of consumer research, regarding the Consumer Decision-Making Process or other appropriate theories or research regarding the COVID-19 pandemic

Practical Implications

Through the use of the findings and the analysis made by this research, marketing practitioners in the fashion industry in Nigeria may be able to improve their marketing mix in order to account for changes that the millennial demographic might have taken on in regards to their Consumer Decision-Making Process. In an era of increasing digitalization, and the expedited demand and adoption for e-commerce due to the COVID-19 pandemic, the findings from this research work may aid in the process of optimizing the touch points in which companies will interact with their consumers.

Although the extent of which the COVID-19 pandemic will impact the decision making of millennials after the end of the pandemic is yet to be known, nor is it definitive that there will be long term effects on the demographic. There may be some findings that may prove to be of value, in terms of brands adjusting their value proposition in line with the new needs and evaluation methods that the participants have shown in the study. Furthermore, the findings of this study aim to contribute towards fashion brands adapting their strategies in the case of other crisis events that may result in restricted social interactions or a sudden shift towards e-commerce due to external factors. Lastly, the fashion industry is infamous for its reputation of overconsumption, overproduction and waste. The findings of the study regarding reduced purchase frequency with an increasing focus on product quality, invites a discussion about the state of the fashion industry now, and whether the COVID-19 pandemic can create a shift in the status quo that plagues the industry.

Limitations

During the months spent writing this research work, the biggest limitation for the author was the fact that the subject in question; the COVID-19 pandemic is still ongoing. Due to the research being the very first of its nature studying COVID-19's effect on fashion consumption among millennials, the amount of previous academic research on the subject was limited. As a way to circumvent this issue, the author utilized and drew upon academic literature accumulated on the effects of previous global crises on consumer behaviour, as well as research on fashion consumption, and the Consumer Decision Making Process.

Additionally, this study only considers Swedish citizens belonging to the millennial generation who were in close contact and proximity to the researchers. Although these participants represent their generation through age, the convenience sampling method applied in the study due to how the Covid-19 pandemic limited the researchers' ability to expand the study to individuals beyond their personal friend group. This also implies that the study may not be applicable to countries other than Nigeria. The social distancing guidelines and recommendations in Nigeria are somewhat lenient compared to other countries, so conducting research in a similar fashion might garner different results. Additionally, the dependency on digital interviews prevented the author from noticing non-verbal cues such as body language and even facial expressions in some cases. Lastly, the author also identify that since the nature of this study is qualitative and exploratory, the interpretation of the data collected might have been unintentionally biased. The size of the sample, 14 participants, may also mean that the results of this particular study might not be enough to make generalisations for the larger population. Furthermore, the participants on many occasions identified that they had not reflected on their fashion consumption during COVID-19 or before, therefore this may have caused their answers to be inconclusive and subject to change upon further contemplation.

Future Research

Since this research is one of the first regarding the impact of the COVID-19 pandemic on consumer behaviour, specifically on the Consumer Decision-Making Process, the possibility for future research is endless. Based on the findings of this paper, the author have proposed the following research avenues for the future:
1. Building on the limitations of the research, the study should be carried out in another country outside of Nigeria, preferably in another nation that had perhaps experienced heightened COVID-19 restrictions.
2. Furthermore, the study could be applied towards other product categories and industries, to see how consumers have reacted towards them during the COVID19 pandemic.
3. The author believe that it would be beneficial for future research on the study of consumer behaviour regarding fashion consumption to be done in a quantitative manner in order to understand the correlation between external factors brought upon the COVID-19 pandemic and the resulting change in consumer behaviour.

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