

The impact of COVID-19 on consumer behavior

Finnish students

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Abstract

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Abstract <p>COVID-19 caused a lot of changes in the world. The aim of this thesis is to find out how the pandemic affected the consumer behavior of Finnish students. The findings will identify how students re-evaluated their values and priorities. These results can be helpful for companies' interaction with their target audience.</p> <p>Theoretical part of this study helps to understand the concept of consumer behavior and the factors that affect it. This is supported by an explanation of the consumer decision-making process. Maslow's hierarchy of needs and herd mentality are presented to investigate crisis-related human behavior. Recent studies are introduced for a better understanding of the topic and as sources of secondary data.</p> <p>Secondary data is gathered through electronic articles and published statistics about the economic situation in Finland and emerging consumer behavioral patterns connected to the COVID-19 pandemic.</p> <p>Primary data is collected through an online self-administered survey that was distributed among Finnish Bachelor's Degree students at LAB University. The survey collected 350 responses. The analysis of data gathered showed that students' consumer behavior did change. The most noticeable change happened in the food industry. Clothing, cosmetics, and electronics are other areas that experienced change. The outcome of the study may be helpful to companies whose target audience is students. The findings can be utilized in companies' strategies to positively influence consumers and gain consumer attraction.</p>		
Keywords Consumer behavior, COVID-19, consumer motivations, crisis		

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1 Introduction

1.1 Research Background

In late Autumn 2019, the world had first heard about a new, mutated form of coronavirus. This virus was later named COVID-19 or SARS-CoV-2. The disease is easily transmitted through human contact. Infected people usually experience mild flu-like symptoms and often respiratory problems. But people in the “risk category” – those with previous underlying health issues – often struggle with serious consequences, such as lung failure that may lead to lethal outcome. (World Health Organization 2020.)

Though first appearing in the city of Wuhan, China, the virus quickly spread all over the world, leaving no area unaffected. Italy was the first country in Europe to suffer a major outbreak, which led to many countries restricting people from traveling to and from there. Countries were forced to close their borders and restrict traveling to slow the spread. European Union had closed its’ external and internal borders in the early spring of 2020. Due to the unprecedented nature of the events, the countries’ governments were not able to react quickly enough. At first, there was no reliable method to diagnose the virus, and later the number of tests available was scarce and because of that only elders, medical personnel, and infected in critical condition were tested. This resulted in inaccurate information about the number of people infected, thus about the speed of the spread. (World Health Organization 2020.)

World Health Organization declared the spread of COVID-19 as a pandemic on the 11th of March 2020 (Boseley 2020). Only after this announcement, many countries started to put restrictions on everyday activities. The measures were very different from country to country. Some countries had forbidden citizens to leave their homes for any reason except essentials: walking their dogs, food and pharmacy shopping, or medical emergencies. Others put restrictions on social gatherings over a certain amount of people, not using extreme measures. Some chose to not interfere with people’s lives, in hopes that the nation will form collective immunity.

Finland’s government declared a state of emergency on the 16th of March. The same day The Emergency Powers Act was implemented. The government announced that schools will fully be transferred to online classes, shutting down the access to schools’ buildings. Libraries, museums, swimming pools, and other places of social gatherings were also closing their doors. Social meetings were now limited to 10 or less people at a time. Senior citizens were advised to fully isolate themselves. (Yle News 2020a.)

On March 21st the first death was reported. A senior woman died in the Helsinki capital region the previous day. By the 9th of April, the number of people dead due to the virus rose to 42. On March 27th Finland's government announced their decision to temporarily close Uusimaa region for any non-essential travel to and from the area in an attempt to slow the spread. At the time the capital area had the highest number of infected than any other in Finland. This restriction stayed in place for two and a half weeks. (Yle News 2020b.)

Though Finland is one of the countries that handled the pandemic comparatively well, everyone's life still had changed drastically. People moved to distance learning and work, reduced their shopping trips, stopped seeing people from outside of their households. All these factors played a major role in the way people live their lives, thus affecting their consumer behavior. The consumer motivations and values were reconsidered. This thesis aims to gain a deeper understanding of this phenomenon: why and how the changes had happened.

This thesis studies the population of Finnish students, and the findings will be beneficial to companies whose target audience is students. The results of this study will provide an understanding of how COVID-19 affected consumer behavior. Besides, the findings can help companies to evaluate whether their business can satisfy their customers' needs and whether they are in line with their values.

1.2 Thesis Objectives, Research Questions, and Limitations

The goal of this thesis research is to gain an understanding of changes in Finnish students' consumer behavior that occurred during the first months of the pandemic. The focus of the study is put on Finnish students to narrow the scope of research. The basic hypothesis is that due to the pandemic people increased their online spending and decreased their real-life shopping expenses. Their focus shifted towards basic necessities and it became prevalent to ensure own safety, both physically and mentally.

The research question guides the process of the study and keeps it on track. The research question should be well-defined and possible to answer clearly. Methodology and methods used in research can be chosen based on the research question and its goal. (Bhattacharya 2008, 80.)

The main research question of this study is:

How did the pandemic affect consumer behavior of Finnish students?

To answer the main question in detail, next sub-questions will be introduced and answered:

- How did Finnish students re-evaluate their consumer values due to the pandemic?
- In what market areas did Finnish students change their consumer behavior?

Answers to the main research question and sub-questions shed more light on crisis-related consumer behavior changes of Finnish students.

To reach a satisfactory conclusion, it is important to acknowledge its' limitations. Limitations are certain aspects that affect the research process and are not under the author's control. Their existence may lead to disruptions in reaching a valid conclusion. It is important to discover and state as many limitations as possible. The author and readers are to be aware of possible obstacles. (Price & Murnan 2004, 66-67.)

The first limitation of this study is the fact that it only covers Finland. The researcher is located in Finland and questionnaires' respondents are located in Finland as well. Moreover, all of the respondents are students at LAB University and are most likely located in Southern Finland. This implies that the research is further limited to Southern Finland and may not be relevant for the Northern part of the country. The target group is a limitation for this study as well. Research focuses on students, a group of people who are often not employed full-time, or not employed at all. Besides, some of them might be financially stable due to family support, and some might not have any financial support. Students have a distinctive lifestyle that cannot be applied to those who are employed full-time rather than attending a school. They are often more mobile and share their accommodation. Another possible limitation of the study is the fact that the author is not a Finn, thus leaving a possibility of cultural misinterpretation that often occurs in intercultural communication.

1.3 Theoretical Framework

Theoretical framework is a part of a thesis to state any theories used in research. It is important to identify and analyze each theory, as well as to explain how it applies to research. Theoretical framework exists to reinforce the study and provide additional information that serves as a backbone of the report. (Torraco 1997, 114-137.) For this study, it is essential to deepen the understanding of how and why people act as consumers, what motivates them, and what factors play a role in changing consumer behavior.

This thesis provides readers with an explanation of various terms and theories that support the research. Different interpretations of consumer behavior are explored, as well as the consumer decision-making process. Consumer motivation is explained, and so are many characteristics that influence it. Maslow's hierarchy of needs is a theory that is explored to support the theory that people switch their focus to covering basic needs when in crisis. In this study, the early stages of quarantine are considered a crisis. Another theory presented

is herd mentality concerning initial changes in consumer behavior. Theoretical framework is described in chapter two.

1.4 Research Methodology and Data Collection

Scientists acknowledge two research methods: inductive and deductive. The inductive research method starts with observing a certain occurrence, then exploring a pattern based on the occurrence, and finally arrive to forming a theory based on previous steps. This approach is often used in studies with a lack of reliable sources to explore. However, the inductive approach does not disregard the implementation of any existing research. Qualitative research is usually used in the inductive method. The deductive research method is built the other way around – it starts with a theory, from which a hypothesis is formed. The hypothesis is then tested, usually with the use of quantitative research methods. The theory is then confirmed or rejected. If a theory is rejected, it may be modified for further study. (Saunders 2007, 489-499.) The structure of both research methods is presented in the figure below.

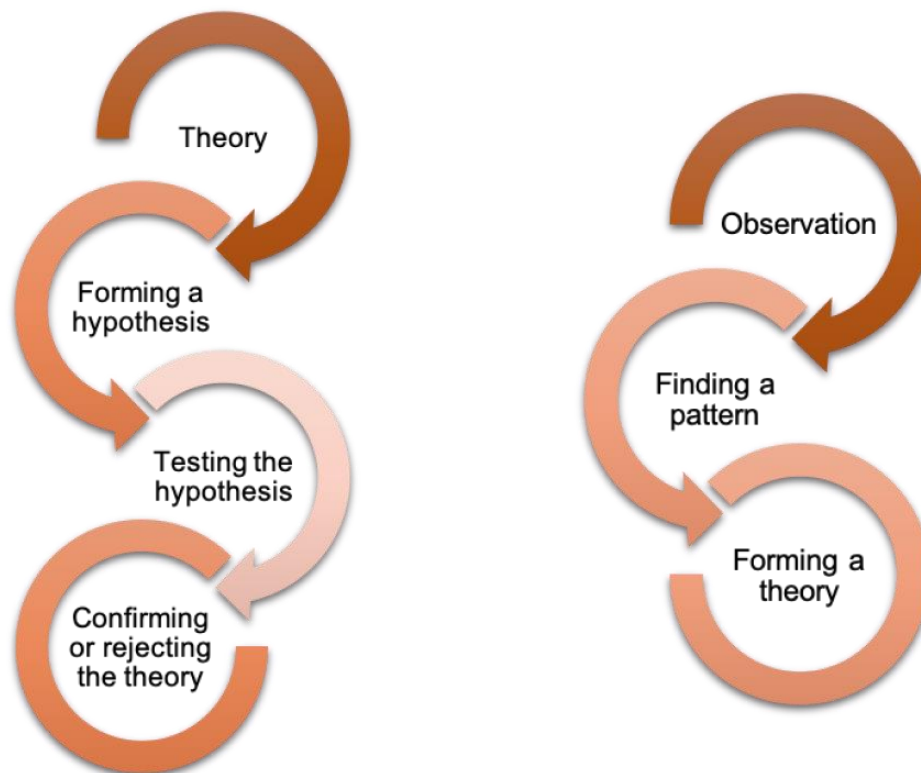


Figure 1. Deductive and inductive research approaches (Saunders 2007, 489-499)

The deductive research method is built the other way around – it starts with a theory, from which a hypothesis is formed. The hypothesis is then tested, usually with the use of quantitative research methods. The theory is then confirmed or rejected. If a theory is rejected, it may be modified for further study. (Saunders 2007, 489-499.)

In this thesis, a deductive research approach is applied. The period of this study is limited; therefore, it is not possible to devote much time to observe the phenomena, especially with its swiftly changing nature. Yet also the number of reliable sources to be used is scarce. The study contains an empirical part, as its research mainly relies on real-life experience. It is believed that real-life observations strengthen this research.

It is important to state what qualitative and quantitative data collection methods are. The quantitative method of research is a type of research that is focused on numerical or statistical data. A questionnaire is a quantitative method of data collection. Any numbers, statistics, graphs, tables, etc. are considered quantitative data as well. Qualitative data collection methods are connected to non-numeric data and non-numeric way of data analysis. An interview with only open-ended questions is a qualitative way of acquiring data. Data analysis that doesn't involve numbers is a qualitative one. (Saunders et al. 2007 ,145.) The figure below presents the research methodology and data collection of this study.

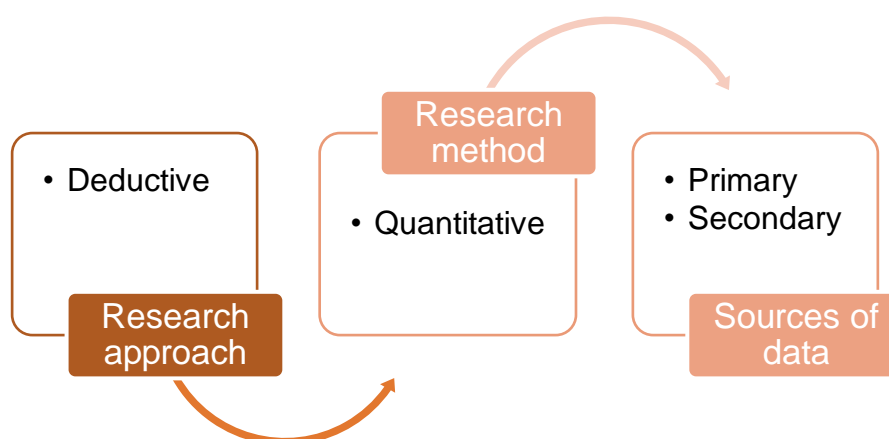


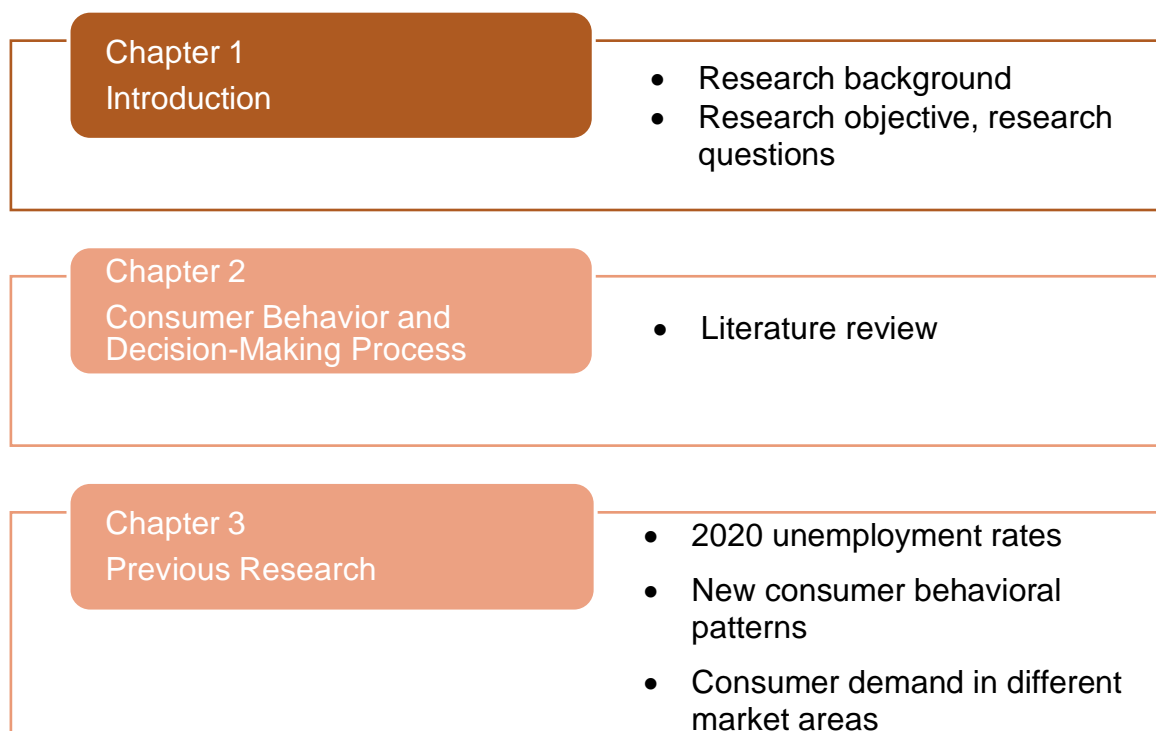
Figure 2. Research methodology and data collection

In this research, a quantitative research method is applied. Primary data for this study is collected through empirical research. Questionnaire is the research tool for data collection for this study, and questionnaires are considered a quantitative way of data collection. Although

this is a quantitative research tool, one of the questions will collect qualitative data, as it is an open question requesting verbal information about own experiences. The rest of the questions are multiple-choice questions where a respondent must mark one or multiple answers. Secondary data used in this study consists of qualitative and quantitative data collected from previous research about the topic.

1.5 Thesis Structure

The contents of this thesis are divided into six chapters.



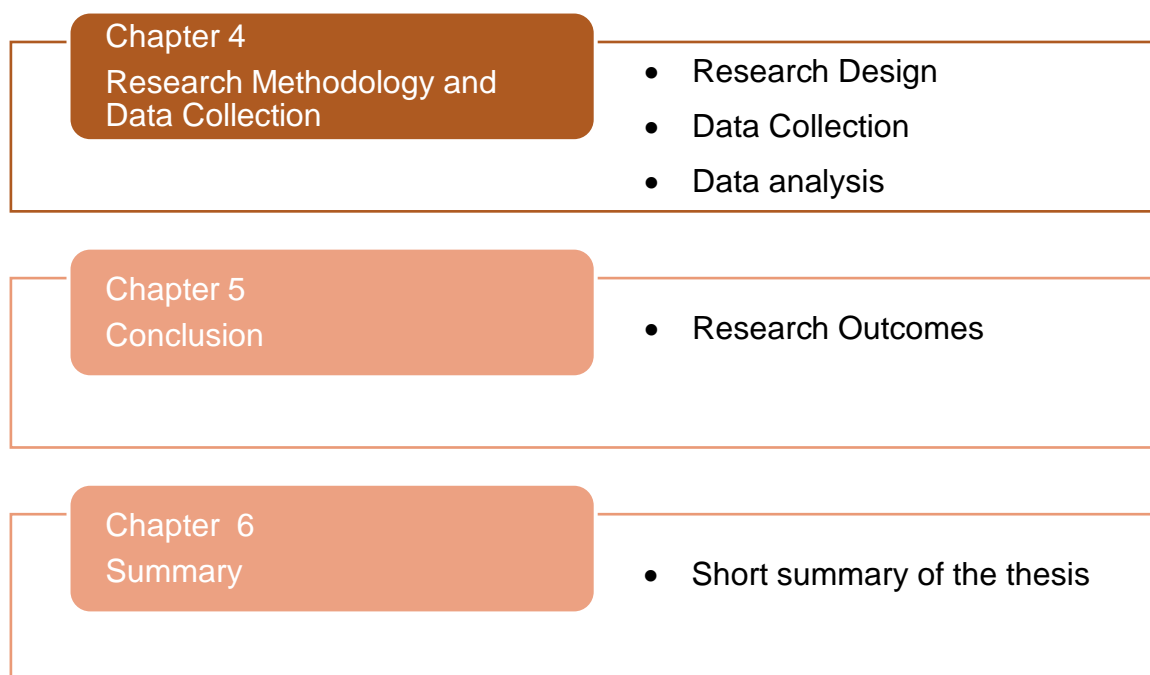


Figure 3. Thesis structure

Chapter one familiarizes readers with the research background, its objectives, questions, and limitations. Research methodology and data collection are introduced as well.

Chapter two dives into the theoretical research of the thesis. It is tied to consumer behavior and decision-making process and includes information about Maslow's hierarchy of needs and herd mentality.

Chapter three explores previous research about the topic of consumer behavior changes due to the pandemic in Finland. The chapter provides secondary data used in thesis research.

Chapter four describes the empirical part of the research. The first sub-chapter covers the design of the survey. The way it was done, detailed description of information received from people interviewed and brief portrayal of their backgrounds. The second sub-chapter unfolds how data analysis is used for answering research questions, data analysis itself, and a statement about outcomes of thesis research.

Chapter five concludes the paper by answering research questions and discussing the validity and reliability of the research. Suggestions for further research are presented.

Chapter six is a short thesis summary.

2 Consumer Behavior and Decision-Making Process

2.1 Consumer Behavior

Consumer is a figure who procures goods or services for their own use. Consumers are a very broad group, ranging from kids with no income, to middle-class population, to startups and corporations. They all have different needs and wants, life experiences, and expectations. They all come from different backgrounds, therefore have different approaches to purchasing. (Solomon 2009, 6.) This can be defined as consumer interest – consumer's motivation to buy a product according to their taste, needs, and financial situation. Consumer behavior defines what means outline the way one chooses, buys, consumes, and disposes of a product or service, in order to meet their needs and satisfaction. (Solomon 2009, 6.) Consumers generate demand that needs to be supplied, thus stimulating the economy. The study is essential to businesses, as understanding their customers' drive and motivation, companies can provide a more tailored approach to advertising and selling, therefore increase their profits.

2.2 Characteristics affecting consumer behavior

There is no particular way to identify the exact factors that affect consumer behavior, as they vary for each consumer. Kotler and Armstrong (2010, 256-275) differentiate four main characteristics that have a strong influence on consumers: personal, psychological, social, and cultural.

2.2.1 Personal

Personal factors play a big role in defining one's consumer behavior. Among these factors are one's occupation nature, age, financial situation, and lifestyle. (Juneja 2015.)

Occupation

Occupation and its' nature play a big role in the way one chooses products and their brands (Kotler et al. 2010, 265). A person who is a CEO of a big corporation is likely to purchase formal clothing, premium brands, and over all things that are rather expensive. A professional athlete is likely to wear sport-brand clothing even in their spare time. Students tend to lean towards casual style and mass-market brands. Meanwhile, a carpenter wouldn't purchase premium brand suits as it simply doesn't fit the nature of their occupation.

Age

The age of a person makes a big difference in consumer behavior. Children are often drawn to bright colors and prints. Teenagers follow the trends of their age group, whether it's something bright or pastel. Older people prefer comfort and quality. Young adults who are moving into their own space for the first time express interest in cheaper furniture, as most of them understand that they won't stay there for a long time. A middle-aged person is more likely to invest more money into their home because they are committed to the place.

Financial situation

The financial situation plays a big role in one's purchasing decisions. A person may desire something, yet not be able to afford it, often settling for a cheaper alternative. Someone who earns a minimum wage may have to spend money only on necessities, skipping purchasing anything outside this group. They would not spend their limited finances on design items. On the other hand, a high-income person does not need to worry about covering the necessary items, exploring things in the premium category, such as luxury vacations, fancy restaurant dinners, etc.

Lifestyle

Lifestyle is the way a person puts themselves in society. Some may suggest it to be one's personal brand. It refers to the preferences of a person; some may be environmentally cautious, choosing exclusively eco-friendly brands, sustainable fashion, and a plant-based diet. Others may try to sustain their status by only purchasing premium items – from the food they eat to the way they travel. It's worth mentioning that there are cases when a person sacrifices their financial stability or close relationships to maintain their lifestyle. This shows that some personal factors have more influence on consumer behavior than others, and this hierarchy is different for every person. (Rani 2014, 57-58.)

2.2.2 Psychological

Psychological factors are another attribute to the way consumers make purchases. The group includes motivation, perception, learning, and beliefs and attitude.

Motivation

Motivation explains the drive behind a purchase. Some needs come from physical causes, such as hunger, thirst, pain, etc. Other needs arise from psychological aspects. People seek recognition, esteem, and the feeling of belonging. The need itself doesn't motivate the

action. It is only when the need is not met to the point of reaching major dissatisfaction, it turns into motivation for a person to act on it. (Kotler et al. 2010, 268-269.)

A child who has no smartphone in a class where every other kid has one feels excluded and almost ashamed. When the negative feeling grows, they crave to resolve the situation by acquiring the phone. The tension fades when they fulfill their wish, now feeling “normal”, and therefore sensing themselves as a part of the group.

Perception

Perception is the way a person sees a certain product. For many, iPhone is the best phone on the market, maybe even the only option they would go for. Others may perceive it as just another option to choose from. Two people with the same needs may still make different purchasing decisions simply because of different perceptions.

Researchers identify three causes of different perceptions.

- Selective attention – people exclusively noticing information that is relevant to them or their immediate circle at the moment.
- Selective distortion – interpreting information according to their belief system.
- Selective retention – remembering the information that is of use to them, while forgetting other information over some time. (Kotler et al. 2010, 273-274.)

Learning

Learning explains that a person who has used a product before is more likely to purchase it again in case their first experience was positive (Rani 2014, 59). Someone satisfied with a pair of jeans from a certain store most likely will purchase the next pair from the same place.

Beliefs and attitude

Beliefs and attitudes are a big influence on people’s purchases. If a customer has a bad image of a brand, they are more likely to choose their competitor. (Juneja 2015.)

Some people choose not to support big corporations and only purchase from small businesses, as they believe that corporations prioritize capitalization over people and ethics.

2.2.3 Social

People heavily rely on the society that is around them. Social factors are an important aspect in the way one's consumer behavior is shaped. Groups, family, and roles and status are the few aspects that belong to that group. (Kotler et al. 2010, 259.)

Groups

A person belongs to various social groups throughout their life. Some of them have more influence, some less. The groups in question may be roughly divided into primary and secondary. Primary groups are the ones where interaction is consistent. Family, friends, and coworkers are usually a part of an individual's primary groups. Interactions with these people influence one's consumer behavior, as people tend to choose products and services based on their friends' advice and recommendations. A married person would choose a product that is also valuable for their spouse. Families with small children often go through the phase of "nesting" – making their home safe and comfortable for the whole family, not only one member. Parents tend to prioritize spending on their children rather than many other things. (Juneja 2015.)

Secondary groups don't offer consistent interaction. It is often indirect. A religious group is a secondary social group. People share the same belief system, indirectly influencing others' consumer behavior. (Juneja 2015.)

Societal roles

Every person has two or more societal roles, and they act according to the role they are currently in. The role is defined by the social group a person is a part of at the moment. For instance, a father is also a husband, a colleague, a neighbor. Each of their roles will influence a part of their consumer behavior. Every role has a different status. Society perceives a neighbor differently than a manager, meaning the person will present themselves according to the role they play at the moment. (Kotler et al. 2010, 262.)

2.2.4 Cultural

Culture

Culture has a deep influence on the way a person acts, sees the world, and forms their needs and wants. People adopt the values they learned in childhood and almost always carry them through their whole life. One's culture influences every part of their life. (Juneja 2015.)

Subculture

Subcultures are more easily defined parts of a culture. They include religion, status, gender roles, geography, and many others. (Kotler et al. 2010, 257-258.) A woman from an Arabic country is most likely to express interest in building a family rather than a career. Yet a woman in North Europe is likely to be interested in a career before building a family. Finnish people are often individualistic, while Russian are collectivistic. Of course, it is important to note that there is no one-fits-all for any culture. Though culture is an important factor, it doesn't define everything.

2.3 Consumer Decision-Making Process

Consumer decision-making process is a complex chain of events. It starts far before the actual purchase happens. Moreover, it doesn't end when the purchase is complete. The journey that a customer takes while making the decision is divided into five consecutive steps. Each step contains customer's options analysis and choice consideration. The steps a customer takes are *need recognition*, *information research*, *evaluation of alternatives*, *purchase decision*, and *post-purchase behavior*. Complex and unfamiliar purchases are made following every step, but in an everyday situation, a person may skip steps. When a consumer buys a product that they are closely familiar with, they don't need to evaluate the alternatives nor search any information, heading straight to the purchasing decision. (Kotler et al. 2010, 276-279.)



Figure 4. Consumer decision-making process (Kotler et al. 2010, 276-279)

Consumer decision making process is initiated when a person identifies a problem or a need. A need may arise from an internal aspect, then grow into a motive to be satisfied. These internal needs are very familiar to a consumer, and they are aware of the ways to satisfy those. A need may also arise from an external aspect. Marketers often use such stimuli as a smell or an appealing visual, as they proved to be effective in drawing human attention and creating various needs that motivate consumers to enter the process of purchasing decision. (Schiffman & Wisenblit 2015, 341-346.)

After recognizing a need, a person starts to gather information from various sources. The extent of their information search is often dependent on how difficult the purchase is. (Juneja 2015.) A thirsty person wouldn't research water brands and the details. They most likely will grab whatever is available. On the other hand, this kind of behavior doesn't happen when the person buys a car. There is extensive research about brands, quality, warranty, and a ton of other details that are important for making a decision.

Consumers gather information through personal, commercial, public, and practical sources. Personal sources are often considered to be the most influential. People trust the opinions of their family and friends. Practical sources also have a lot of weight to them, since using and testing a product before purchase brings a lot more information about it than an extensive information search. (Kotler et al. 2010, 282.) Through attaining more information consumers can narrow their choices.

After the research comes the evaluation of alternatives. The initial reason for the whole decision process is initiated to satisfy a need. But often products offer to not only satisfy the need but also provide additional benefits. (Kotler et al. 2010, 282.) When a person wants to purchase a car, their initial need is to be able to move from point A to point B. Every car can do that, so additional factors that are beneficial to the consumer come into play. How much gas does this car consume in comparison to the other one? How expensive is it to maintain? For some people heated steering wheel and seats are the deciding factor. Consumers evaluate the degree of importance for each factor. Consumers have expectations about how satisfied they will be with different quality of different factors. This is called a utility function. By putting together factors' qualities that are most valuable to a consumer, it is possible to imagine the product they perceive to be the best. (Schiffman & Wisenblit 2015, 346-348.) But it's important to consider that a brand image also plays a role in the evaluation of alternatives. If a brand is seen as undesirable, a consumer may steer away from a purchase, even if they are very interested in the product. Of course, the process of alternative evaluation varies for each consumer. Some prefer to evaluate every bit, yet others may not care to do that and simply go for the first option they thought about.

Having evaluated the alternatives, a person decides to purchase the product they preferred the most. Though this might still not lead to a purchase. Consumers may be influenced by strong opposing opinions of the people in their life. At this point, they may change their mind, especially if they don't feel strongly about the purchase intention. Besides, an unexpected situational factor may happen. An intent to buy a computer will at least be postponed in case an unexpected expense arises. Therefore, an intent to purchase a product doesn't mean the customer will go through with it. (Kotler et al. 2010, 285.)

Post-purchase behavior is the last stage of a consumer decision-making process. This stage describes whether the consumer is satisfied with the purchase. To understand that, the correlation between customer expectations and the actual level of satisfaction received is analyzed. Hard-to-make purchases often lead to cognitive dissonance, a post-purchase conflict, as a person is still impressed by the pros of the product they didn't choose and has to face the cons of that they purchased. For that reason, companies try to exceed their customers' expectations. A customer that is happy with their purchase is more likely to purchase again and attract new clients. (Schiffman & Wisenblit 2015, 346-348.)

2.3.1 Change in Consumer Decision Making Process

The original decision-making process model was introduced in the 20th century and served a great purpose for businesses and their ability to understand their customers. Yet since then, the world has changed significantly. One of the most noticeable changes is the digitalization of the world. The world's relationship with the Internet went from zero access to some limited access, to free availability. Nowadays almost everyone can find any information with very little effort. The fast development of digital technologies allowed consumers to find the exact product or service they have a need for, have it delivered and pay the price they are comfortable with. This change in consumer behavior wasn't clear to many companies, creating confusion. The situation called for a change, and a quick one. (Edelman & Banfi 2014.)

Companies were able to adopt a proactive stand, now initiating the process by engaging a customer into it from the beginning. After a consumer expresses at least some interest, they are led through the decision-making process by the company. The process itself turns into a beneficial experience, thus keeping customers interested. (Edelman & Singer 2015.) The new decision-making process requires a company to take four core means into consideration. These means are digitalization, personalization, contextual interaction, and journey innovation. (Edelman & Singer 2015.)

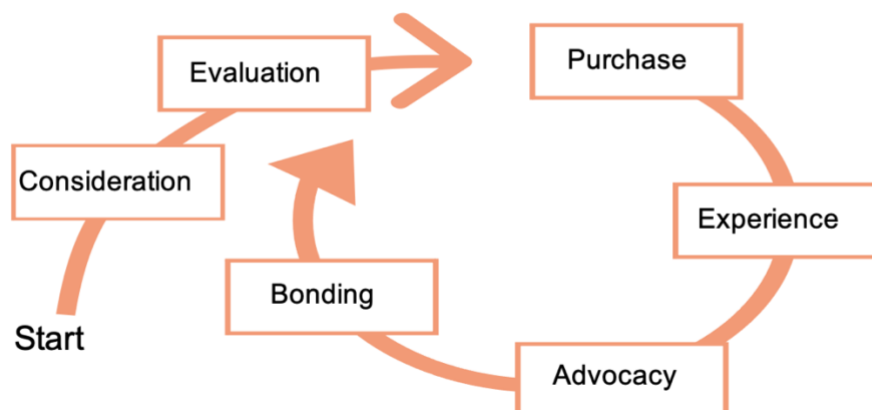


Figure 5. Changed consumer decision-making process (Edelman & Singer 2015)

Automation takes many inconveniences out of the process. A good example of this is the banking industry. Years ago, it took a trip to the bank to pay the bills. Nowadays you can do it from anywhere in the world. It only takes a smartphone. Furthermore, you can set the date for the transaction, not worrying about remembering a deadline. This creates a level of comfort that attracts customers and makes them stay.

Personalization is the process of altering the experience for each customer. This may be familiar to users of Instagram. The algorithm of the process creates your feed based on previous interactions with other users' accounts. A close friend, who a user has frequent conversations with, will appear on the top of the feed, and their stories will be among the first in the queue. On the other hand, no interaction with another account leads to Instagram hiding their content. This is done to keep people online for as long as possible. Personalization is also used to influence the decision-making process through targeted marketing. Almost every website you visit places cookies in your browser that are later used to individualize the ads you see.

Contextual interaction is the way for a company to seamlessly push a customer towards the next step (Edelman & Singer 2015). Airbnb offers to look through local experiences and attractions as soon as you book accommodation through the site. This is a way to pull the customer further, keeping him on the website by providing useful information and offering to provide relevant experiences in a way that is convenient for the customer. Marketplaces will send you a message reminding you about products in your basket, often with a discount, inviting to proceed with the purchase.

Journey innovation involves constant evolvement of the company through analysis and search of the ways to grow satisfaction for both customer and the business (Edelman & Singer 2015). This led to the birth of a whole industry of UI and UX design, which is now considered one of the most valuable for businesses. Wolt – a food delivery company in Finland, has recently launched Wolt Market, which serves as a grocery store. Before that, they only delivered takeout. Wolt Market was first launched as a pilot to be tested. The demand for their new service exceeded their expectations, leading to the company receiving new investment from abroad to develop the project further.

2.3.2 Herd mentality in a time of crisis

Herd mentality is a type of behavior when people act and think in the way that most people around them do, even if it opposes their own mentality. The name comes as a straight connection with a herd of sheep – animals always follow the flock. (University of Leeds 2008.) The same phenomenon is seen in humans. In 2008, Professor Jens Krause and Dr. John Dyer led an experiment where several people were asked to walk freely and randomly within a large space. A few subjects out of the group were given directions on where to go, but no one from the whole group could communicate with others. In every repetition of the experiment, subjects ended up following those, who had the directions. The outcome showed that the whole group was moving together despite not being able to communicate. The experiment was repeated numerous times with the different amount of people and percent of those who had directions. The outcome never changed. People shaped their behavior to follow others, and it happened subconsciously. It was found that even in large groups, it only takes five percent of the crowd to influence the whole mass.

Herd mentality is something people see almost every day. It affects people not only on a societal level but on an economic as well. A well-known example of herd mentality in commerce is Black Friday. There are thousands of videos circulating of people storming the stores in large crowds, rushing to claim products, and sometimes even fighting for them. A study from Auburn University shows that a shopping experience as a part of a crowd creates a sense of competition and makes it rather exciting (Buyn & Mann 2011).

During a time of crisis, which COVID-19 happened to be, people experience major stress and anxiety, sometimes the worst in their life. People rely on the outside world to be stable. They know that even if a drastic event happens in their own lives, they can still have a familiar routine in the outside world – have brunch with friends, go to the gym, go to the hospital when they need to. It is a sense of control that availability mentally “grounds” many. When the pandemic happened, all of it crashed. No one knew what was going to happen the next day, next month. The fear of the unknown dawned, causing even more stress. In

that atmosphere processing big amounts of new information are challenging, therefore many struggled to make informed decisions. At this point people often give up the ability to think independently, adopting the views of society. Herd mentality gains power, overshadowing self-awareness. (Psychological Care Institute 2021.)

As most of the population enters the herd mentality, their consumer behavior changes. At the beginning of the first European wave of COVID, everyone could observe the panic-buying behavior. Not knowing what to expect, people were preparing for the worst. Canned goods, dry foods like pasta and grains, toilet paper, and many other products were quickly disappearing off the shelves. Scarcity was created by a heuristic approach people took. (Cheung et al. 2015.) This triggered the sense of urgency even more. Those who were skeptical before decided to act on it now, influenced by the fear of product unavailability. The fear of being underprepared for the worst outcome won over a logical, detailed thinking approach. The fear was created by the actions of others, and the reluctance of making the wrong choice.

2.3.3 Maslow's hierarchy of needs

During a time of crisis, people tend to prioritize their needs differently than they do normally. This is defined by the changes around them. In a pandemic, the importance of safety gains more weight to it, as do biological needs, and people concentrate specifically on these basic needs. Therefore, their consumer behavior changes accordingly to the change of priorities. A well-known theory of human needs was made by Abraham Maslow in 1943. According to that theory, human needs are divided into 5 levels: physiological needs, safety needs, social needs, and self-actualization needs.

These needs are hierarchical, and a person will not move on to the next need group until the needs of a more important group are satisfied. (Loxton et al. 2020, 5.) A starving person wouldn't care about posh events or a film premiere. They will concentrate their attention on finding food before anything else. Food belongs to the first group of needs – physiological needs. It also includes water and sleep, the things that are essential for a human to live. But once all of the physiological needs are satisfied, a person shifts their attention to the next group – safety needs. Among them are shelter, security, protection, and some say that clean air belongs to that category. Social needs, the third level of importance, include family, friends, communication, intimacy, etc. The fourth level needs are Esteem needs. Respect, self-esteem, recognition, and freedom belong there. And lastly, self-actualization needs. They are different for everyone but can be described as whatever it is that can make the person the best version of themselves. (Solomon 2009, 98-100.)

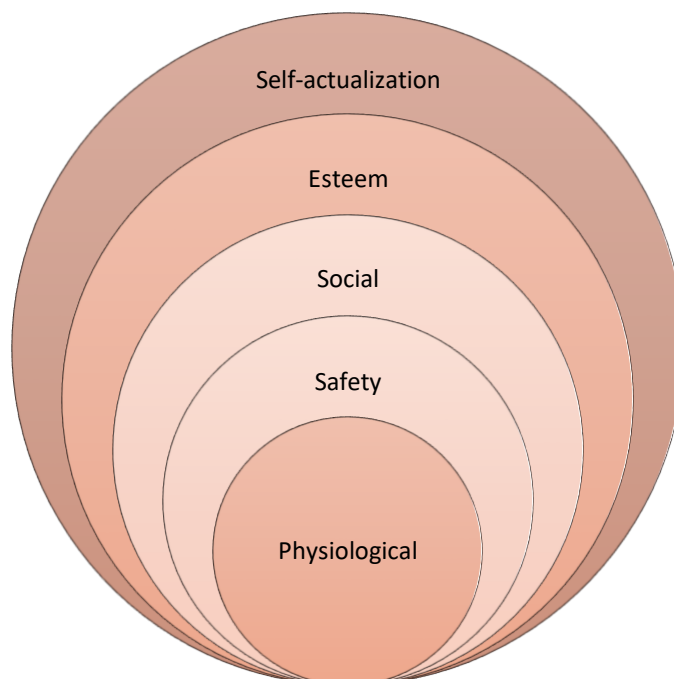


Figure 6. Maslow's hierarchy of needs (Solomon 2009, 98-100)

According to this hierarchy, it is possible to separate human desires into needs and wants. And relying on that, when in crisis, consumers turn their focus on the satisfaction of those needs, that are essential for survival. Only after ensuring that these needs are met, they move on up the hierarchy. (Loxton et al. 2020, 5.)

COVID-19 pandemic strongly affected the economy. Many people lost their jobs, some were forced to change from full-time employment to part-time one. As wages were falling, people had to re-evaluate their spending, adapting to the economic environment. In this scenario, much fewer people spent money on luxury, and some were struggling to even afford rent. Non-durable purchases were postponed or simply lost customers' interest. As things calmed down, and people were informed about the extent to which they are safe, they could once again re-evaluate their consumer behavior. With more knowledge and a general understanding of the situation, the stress is reduced, and consumer behavior may once again take the form of a non-impulsive, throughout thought process.

3 Previous research about the topic

The coronavirus crisis was an unprecedented and unexpected event. As the population had to change their ways of living in a matter of a couple of weeks, consumer behavior had evolved just as quickly. The vast majority of customers prioritized their safety, thus self-isolating at home. As a result, they moved their shopping online. Companies all over the world felt the change and the need to adjust to the situation. As a result, many studies about the change in consumer behavior were done. These studies are sources of secondary information for this thesis.

The unemployment rate in Finland did start to rise in the early months of 2020. It reached its' highest point in May, being 10.9%. Later in the year, the unemployment rate decreased with the minimum reaching 7% in November 2020. Although the percentage is higher than that in the second half of 2019, it hadn't risen significantly taking the worldwide crisis into account. (Statistics Finland 2021.)

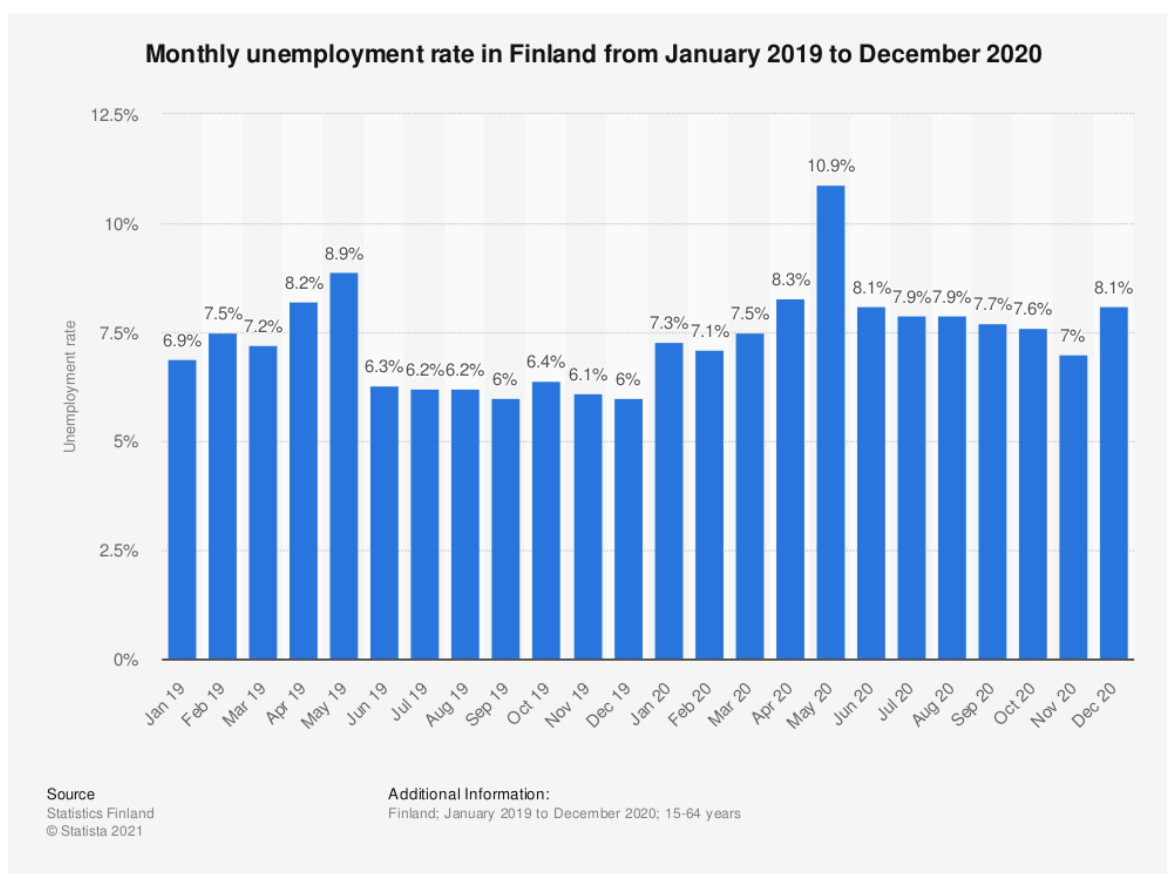


Figure 7. Monthly unemployment rate in Finland from January 2019 to December 2020 (Statistics Finland 2021)

In the early months of the pandemic, the majority of Finns were not significantly worried about losing their jobs. However, the younger population of the country, including students, were at the most risk of losing their income. All due to the low number of seasonal jobs. Many seasonal work opportunities were not presented due to the pandemic restrictions causing many businesses to close their doors. (Statista Research Department 2021.)

According to Finnish Commerce Federation, after Finland's government had put the first group of restrictions in place, the Finnish population reduced the number of purchases of clothing and cosmetics significantly. In March and April, only 51% of the Finnish population had expressed interest in purchasing clothing, yet in earlier months this number equaled to 68%. The cosmetics industry experienced a drop in sales as well. People stopped spending money on skin and hair care, oral hygiene products, and most of all – makeup. These changes were most likely caused by the fact that there was no need to meet other people. Remote work and studies were often held with microphones only, with no visual picture. (Finnish Commerce Federation 2020.)

On the other hand, the Finnish population expressed more interest in purchasing electronics than before the pandemic. Motonet (a Finnish chain store selling automotive parts, tools, and other products (Broman Group 2021).) had experienced a high increase in the number of customers using their online store. (Finnish Commerce Federation 2020.)

According to EY Future Consumer Index, consumer behavior is changing, and new behavioral patterns appear. The firm had separated four groups of consumers.

EY Future Consumer Index: Now, four consumer segments have emerged during the COVID-19 crisis

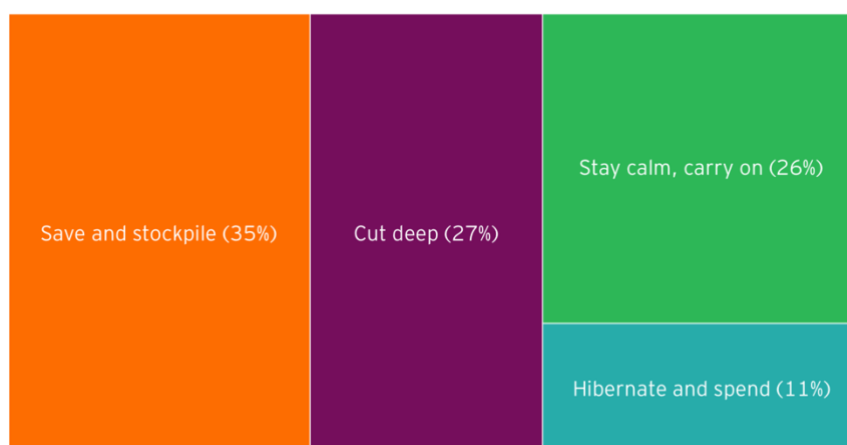


Figure 8. EY Future Consumer Index: Four consumer segments that have emerged during the COVID-19 crisis (Rogers & Cosgrove 2020)

“Save and stockpile” the biggest group out of four represents people who are concerned for their families, but not too anxious about the pandemic. This group of people is concerned about the long-term consequences of the crisis. During the first months of the pandemic, they slightly increased their budgets for groceries but decreased their spending on clothing and leisure activities significantly. (Rogers & Cosgrove 2020.)

“Cut deep” is the group that is the most negatively affected by the pandemic. They decreased their spending in most areas and have a very low-spirited approach towards the future. Their spending on groceries did not change, yet they spent about 90% less on clothing and leisure activities. The researchers indicate that most of this group are people over 45 years old who were hit the worst. (Rogers & Cosgrove 2020.)

“Stay calm, carry on” represents those who are not worried about the crisis and don’t change their spending. Yet they are somewhat concerned about the tendency of stockpiling. These people slightly increased their spending on groceries and decreased their spending on other things. (Rogers & Cosgrove 2020.)

And lastly, “hibernate and spend”. A group that is most prepared for the situation. They believe in a bright future and are rising their spending during the crisis. These people increased their spending on groceries and slightly decreased budgets for other things. Almost half of the group had stated that they are more focused on brands now. (Rogers & Cosgrove 2020.) It is hard to predict whether everything will go back to normal after the pandemic.

During the spring months, 21% of the Finnish population stated that they have been using services online more than before. Besides, the same number of people said they were buying more fancy foods than before. Two large Finnish retail groups, as well as Alko, had reported growth in sales during the first months of the pandemic. (De La Calle 2020, 22.) According to a report by Columbia Road, 55% of interviewed had purchased online something, that they never did through the internet. The 3 most popular categories these purchases belonged to were clothing and accessories, groceries, and meals from a restaurant. Furthermore, 73% of interviewed stated that they intend to continue these purchases even post-pandemic. The most popular categories people plan to continue purchase online are clothes and accessories, games and entertainment, and recreational goods. The survey in question was conducted by Kantar International. They interviewed 1051 people aged from 16 to 64 through the internet. (Columbia Road 2020.)

4 Empirical Research and Data Analysis

Empirical research is a type of research that is based on practical experiences rather than theoretical knowledge. It is mostly used to study behavioral phenomena or another factor that is based on real-life experience. (Bhattacharya 2008, 254-255.) Empirical research can be verified if repeated. The data necessary for empirical research can be acquired through both quantitative and qualitative research methods. Quantitative data often presents numerical or statistical values. Qualitative data consists of non-numerical values such as opinions, behaviors, and beliefs. In this research quantitative method is applied.

The goal of this research is to identify how the COVID-19 pandemic has affected consumer behavior of Finnish students. The phenomenon that has not been studied closely enough requires the implementation of empirical research and the collection of reliable primary data. The main source of data gathering is a survey. Surveys are a quantitative tool for data collection. Although it is not possible to ensure a large number of answers due to lack of resources, which may affect the reliability of collected data.

4.1 Design and Formulation of Empirical Research

The empirical study of this research is implemented through a survey that will be distributed to Finnish Bachelor students at LAB University. This way of data gathering is chosen due to a lack of resources. An online survey distributed by email does not require financial support and is easily accessible to respondents, considering they are all students with free access to the internet.

To receive reliable data, it is important to phrase questions in a way that is clear to respondents. This is done to avoid misinterpretation and ensure that the answers apply to the questions asked. In case the survey contains abbreviations or less-known words, they should be explained. Besides, a neutral tone of the survey helps to avoid any form of bias in the answers received. (Fowler 2009, 88.)

A survey may include open-ended questions as well as closed questions. Closed questions are those where a respondent is to choose an answer out of the list available to them or to rate a statement on a scale. Open-ended questions don't provide a list to choose from but rather ask a respondent to answer using their own words. Closed questions deliver quantitative data that is easier to analyze and may be more useful to the research. Open-ended questions deliver qualitative data that is sometimes hard to analyze systematically due to the high differentiation of the answers. But the data gathered may provide information that was not considered by the researcher before.

The purpose of the survey conducted is to provide information that will be of use to answer research questions. To answer how did the pandemic affect the consumer behavior of Finnish students. The survey consists of ten questions. Nine of them are closed questions, and one is an open-ended question. The survey is anonymous to ensure the reliability of the answers received (Saunders et.al. 2007, 390).

The survey begins with a short cover letter explaining its' goal. There are ten questions to be answered in this survey. The first three questions gather information about respondents' background: their age, gender, and size of their household. It is known beforehand that the target group is students, therefore there is no question about their occupation. The background information will help to build a better understanding of the researched population.

Questions four to seven gather information that will help to compare respondents' behavior regarding changes in their life during self-isolation. It will be possible to compare how often they left their house and for what reasons before and during the pandemic. Answers collected will help answer the main research question: How did the pandemic affect the consumer behavior of Finnish students? Besides, the data received will be able to show how students re-evaluated their values due to the pandemic.

Questions eight and nine gather data about changes in consumer behavior; they help to understand in which market areas students started to spend more, and in which less. Answers to these questions will help to answer the research sub-questions: «How did students re-evaluate their consumer values due to the pandemic?», and «In what market areas did students change their purchasing decisions?».

Questions ten and eleven collect information about whether the target group shifted their spending to online, and whether they plan on keeping things that way. These questions ask the respondents to rate statements on a scale from “strongly agree” to “strongly disagree”.

Question number twelve was meant to provide information about when students intend to return to normal, before-COVID activities. Their answers will help to understand their attitude towards the pandemic restrictions.

To answer the main research question and sub-questions of this research, the data gathered will be presented in a visual form and analyzed piece by piece.

4.2 Data Collection

The main purpose of this thesis is to find out how the pandemic affected consumer behavior of Finnish students. Primary information was collected through an online self-administered

survey. The survey was distributed to the target population of this research – Finnish students. The exact population researched consisted of Finnish Bachelor students at LAB University. The survey was distributed through the university’s email platform. The source of distribution ensures that it will be answered by students only. The survey contained ten closed questions and one open-ended question. Before the link was distributed, the survey was tested by three respondents to ensure its’ clarity and neutral tone. The responses received during the testing period are not included in the research, the data received through testing was disposed of.

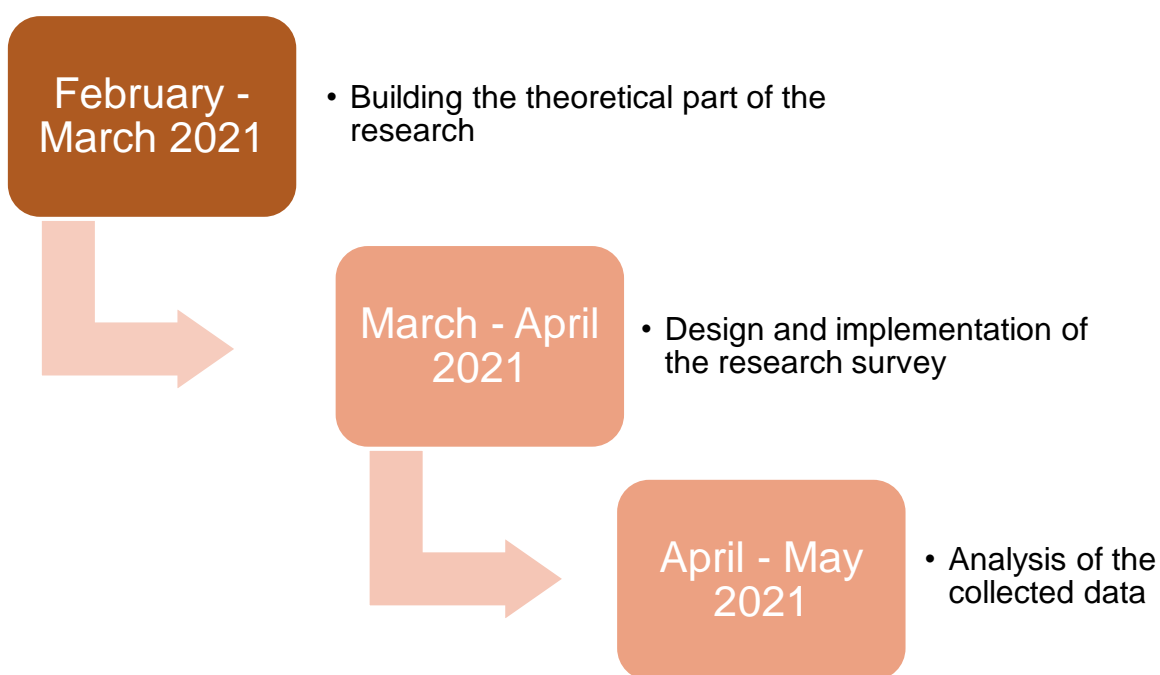


Figure 9. The data collecting process

The survey was conducted in English as it is a language that both the author and the surveyed population speak. Unfortunately, the author does not speak Finnish, therefore it is not possible to hold the survey in this language. If the survey were to be conducted in Finnish, it may have negatively affected its validity due to translation.

The data from the empirical part of the research was collected in eight days, from April 13th to April 20th. The initial expectation of the results was that they would show the fact that the target demographic had re-evaluated their consumer values and shifted their spendings on to online stores and services. It was expected that the answer would show a shift in

respondents' focus, making basic needs their priority. This assumption was made based on observations and research that were done previously.

4.3 Data Analysis

The survey was open for eight days total: from Tuesday, April 13th to Tuesday, April 20th. It was distributed among Finnish Bachelor's Degree students at LAB University. The total amount of receivers was 4971. In a time that the survey had been open, 350 answers were collected. In addition, one respondent reached out to the author through email to introduce their own experience that they felt was important to the study.

It is decided that 350 responses are a good scope to reach a valid conclusion for this research. The first three questions were meant to gather data about respondents' backgrounds. Question number one was about their age. The results of this question are visually presented in the figure below.

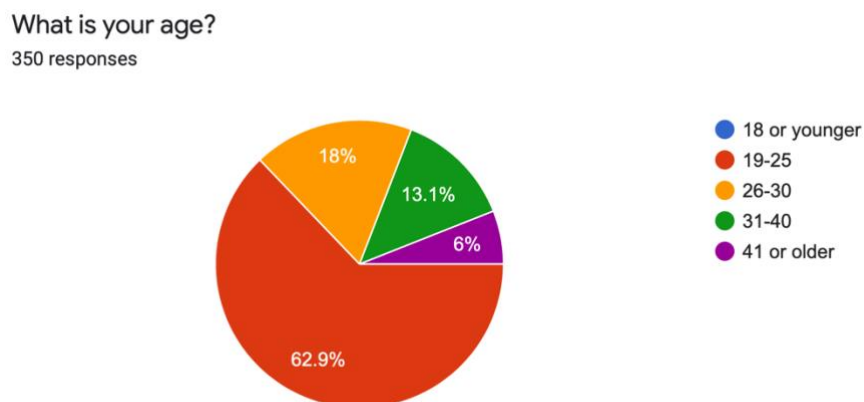


Figure 10. Question 1 results

As can be seen from the figure above, 62.9% of respondents are 19-25 years old. This represents most respondents. The second biggest age group of the respondents are students 26-30 years old, followed by 13.1% of people 31-40 years old. The smallest age category of the respondents is people who are 41 years old and older. Because of the difference in the number of respondents by their age group, it is necessary to state that this research may be likely to reflect changes in consumer behavior of students of the age 19-30. Two of the younger age groups together make over 80% of the respondents while two

of the older age categories presented lower response rates. There were no respondents who are 18 years or younger.

Question number two was about the gender of the researched population. The author decided to provide four possible answers to uphold the inclusivity of this research. The results of this question are presented in the figure below.

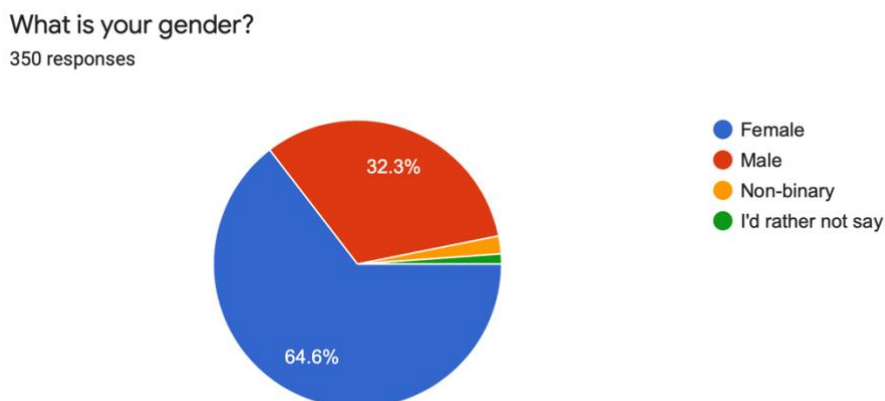


Figure 11. Question 2 results

As shown in the figure, the majority of respondents were female. The number of female respondents equaled 64.6%. 32.3% of respondents identified as male, 2% of people identified as non-binary, and 1.1% preferred not to disclose their gender.

The third question was about the size of the household of those responding. This question may shed some light on the lifestyle of respondents. Bigger households likely include children, and this factor has a significant effect on one's consumer behavior. The results received from this question are presented in the figure below.

How big is your household?

350 responses

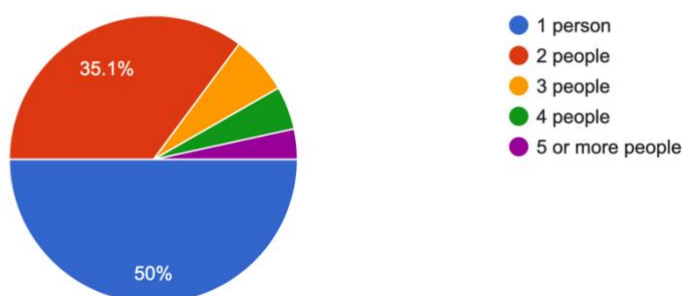


Figure 12. Question 3 results

As shown in the visual, half of the respondents live alone. 35.1% live with another person. It is important to know that presence of another person will influence a person's consumer behavior. Often the level of effect will increase as the size of a household grows. Even something as simple as grocery shopping will happen more often in a household of more than one. 6.6% of the population live in a three-person household, 4.9% live in a household of four people, and 3.4% live in a household that includes five or more people. The findings are in line with the official statistics that show that households of one and two people are the most prevalent in Finland (Findikaattori 2020.). The answers to question 3 may result in the findings of the survey being more valid for the population of one- and two-person households.

The next group of questions aimed to collect data that would help to compare the change in behavior of the researched population that had occurred due to COVID. The data collected can show how and whether Finnish students re-evaluated their values due to the pandemic. Besides, it can help to answer the main research question of the study.

The fourth question asks how many times respondents left their house before COVID. The findings are presented in the figure below.

How many days a week did you leave your house before COVID?
350 responses

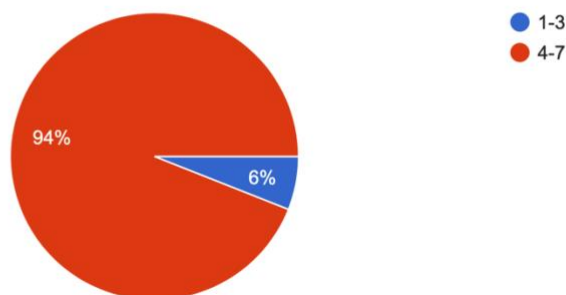


Figure 13. Question 4 results

Most respondents left their homes from four to seven times a week. In the next question, the respondents were asked what they left their house for. The answers are presented below.

What did you leave your house for?
350 responses

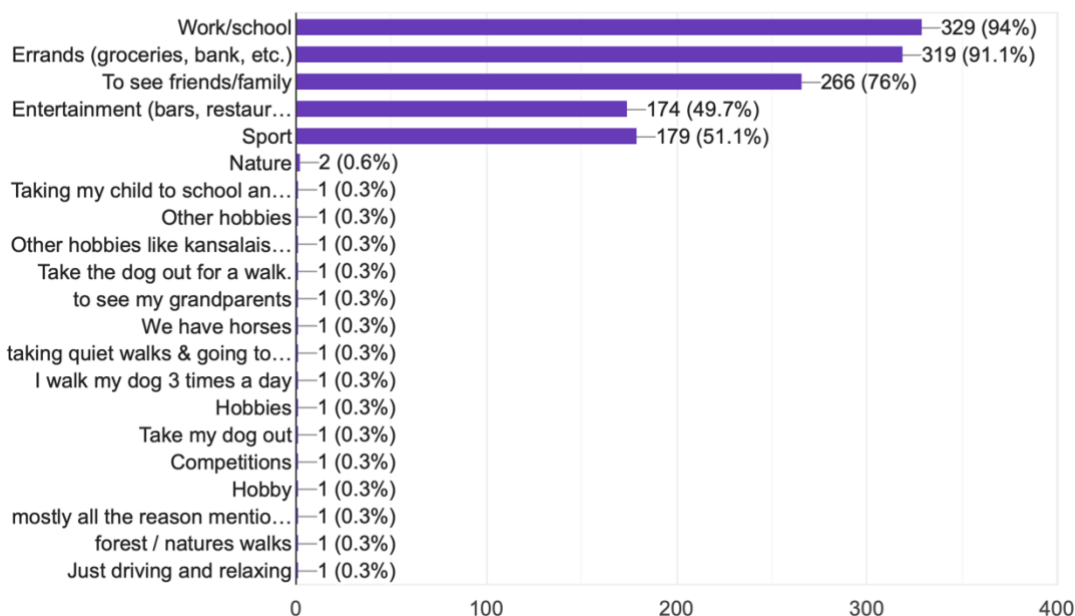


Figure 14. Question 5 results

Respondents were able to choose multiple answers to this question, as well as to provide their opinion. The top five answers were options that students could choose from. The rest

are the answers that respondents typed in themselves. As shown in the graph, work and/or school are the places that were chosen by the majority. Errands were the second most chosen option. These two options are considered essential for people. 76% of respondents chose the option of visiting friends and family. And almost half of the researched crowd chose entertainment and sport. Other options that were introduced by those responding can be divided into 3 categories: pet care, hobbies, and nature. There is one answer that would fall into the category of childcare.

The next two questions were asking the same question, but now after the pandemic. Question number six asked about how many times people leave their house during COVID.

How many days a week did you leave your house during the first wave of COVID?
350 responses

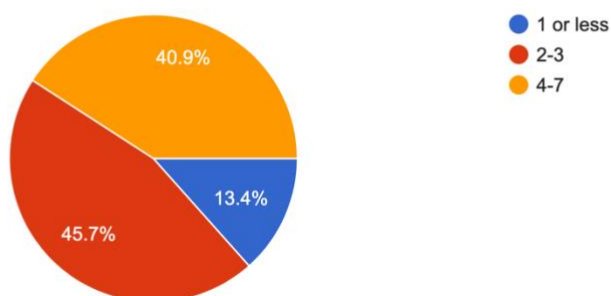


Figure 15. Question 6 results

As can be seen from the figure, a significant change had happened. The number of people leaving their house 4-7 times a week went from being 94% to 40.9%. In fact, 59.1% of students answered that they went out not more than three times a week. 13.4% answered that they went outside once a week or did not go anywhere at all. The next question provides information about the reasons people left their houses.

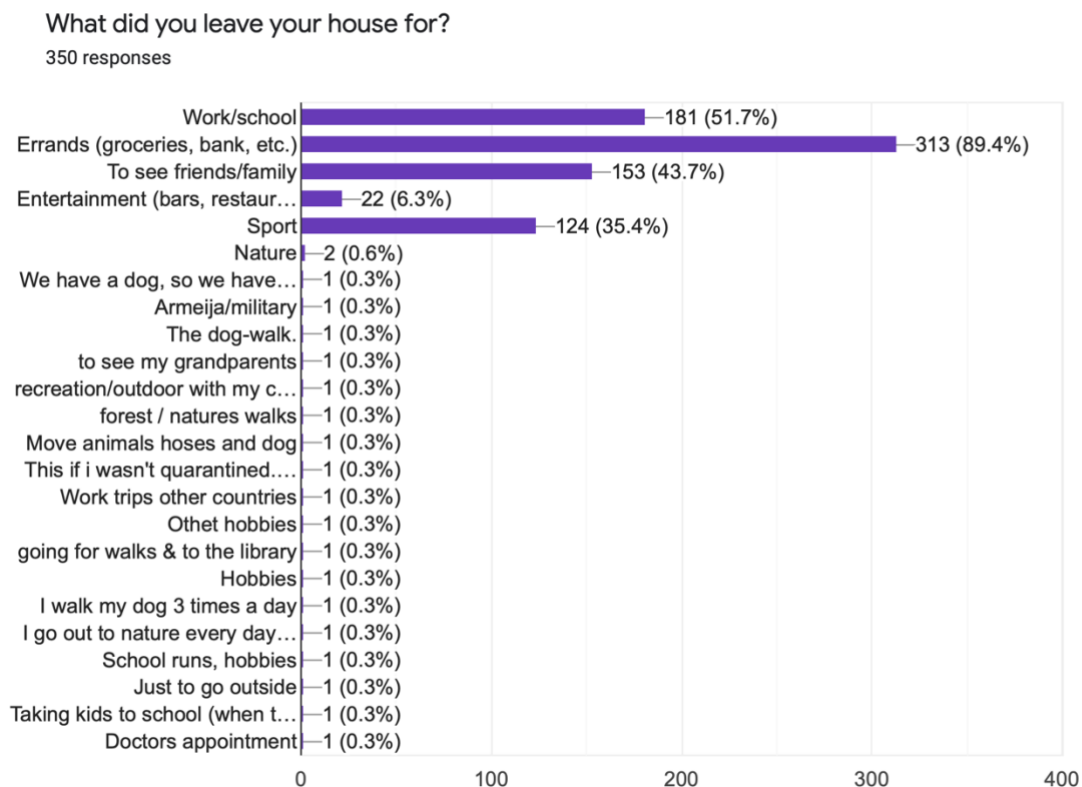


Figure 16. Question 7 results

A notable change is seen in answers to this question. The number of people going to school and/or work decreased almost in half. Most likely this change appeared due to schools all over the country transferring from in-class to distant learning. The most popular answer of why people went outside was now errands, which is a group of reasons that was still essential. The percentage of people choosing every other option had decreased as well. The options that were provided by respondents themselves were similar to previously mentioned ones, yet some answers never appeared before. The three main groups of reasons people had to leave their house were still pet care, nature, and hobbies. One person mentioned the army, and one person was put in quarantine with no option to go outside.

Question 8 had asked the respondents to check the statements they agreed with and to write their statement if they desired to do so. More people answered this question in their own words than in the previous question where they could do it. The results of this question are presented in the figure below.

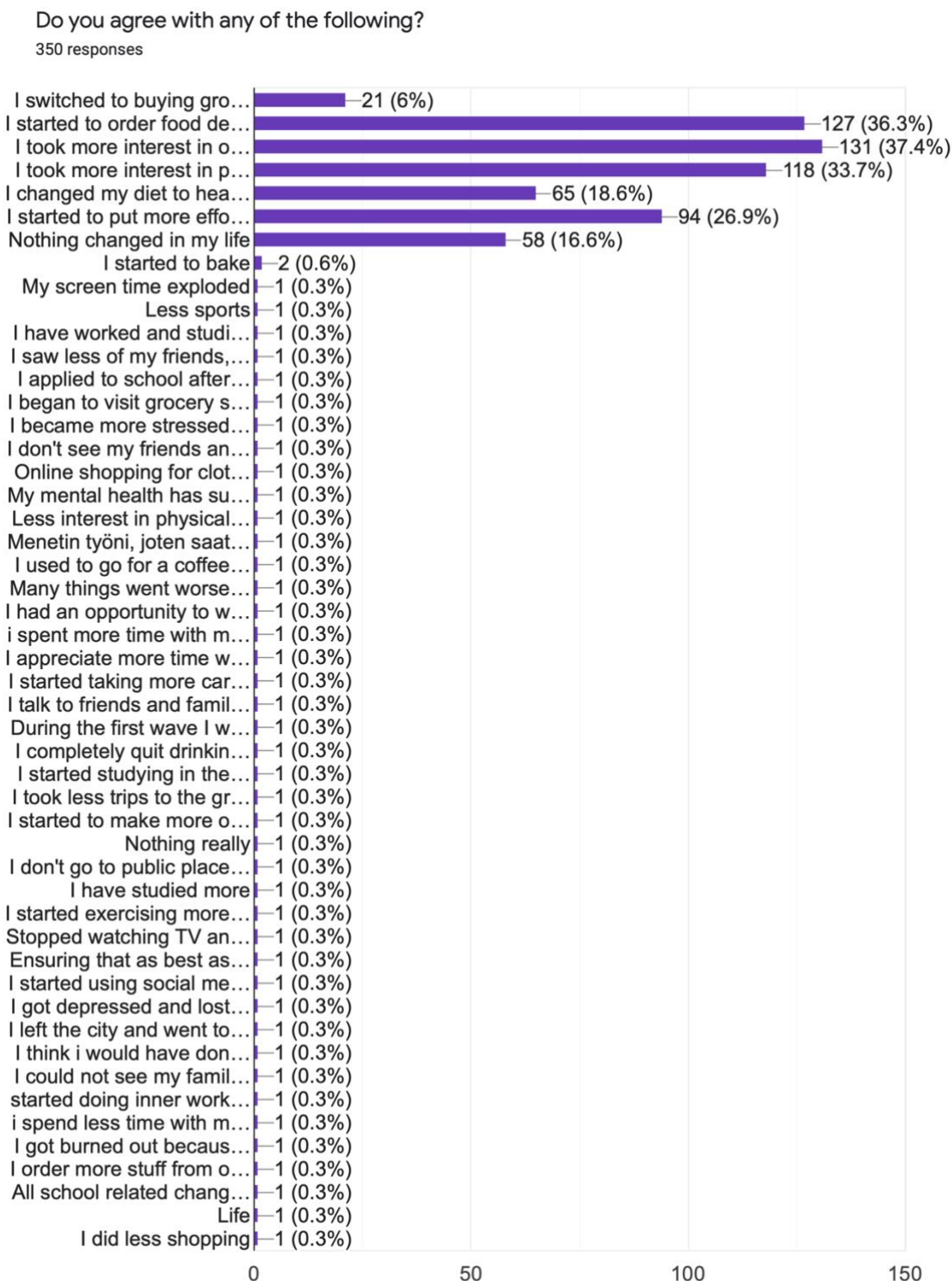


Figure 17. Question 8 results

The most popular answer was picked by 37.4% of respondents. It states that they took more interest in online courses. This answer was most likely picked due to schools transferring

to online learning, yet it also includes learning outside the university. A group of respondents began to spend more time studying and working. Two people stated that they had started their education during the pandemic. The second top answer mentioned more frequent ordering of food online. 36.3% have agreed with the statement, which is only four people short of the previous statement's result. This may correlate with the fact that a few people mentioned that they reduced their grocery shopping, and another statement by one respondent, mentioning they consumed more fast food during the pandemic than before. Two people mentioned low interest in sports, yet 33.7% of respondents agreed with the statement of taking more interest in physical activity, and 18.5% agreed that they changed their diet to healthier choices. Two people started to cook more, and one person mentioned that they started to mentally better themselves. On the other hand, five respondents had specifically mentioned that they had a decrease in mental health during the first months of the pandemic.

Two polar statements were made: some people said that they spent more time on their phone, especially on social media apps, yet one person chose to quit watching media and news. A group of respondents talked about having less socialization, but some of them said that the socialization they did have was now happening at home rather than restaurants or cafés, where it would happen before COVID. Two people mentioned they shopped online more than before, and lastly, two people said that nothing changed for them. Although the answers to this question are very broad, the results of the next question will help to specify what areas of spending students experienced a change in.

Question number nine is an open question, therefore every answer is individual. To analyze the results, answers were gathered and examined for any similarities so that they could be divided into groups later. Similarities were found through searching for keywords that were repeated by many respondents. These keywords helped create groups to categorize the data. Next, all answers were presented in alphabetical order and manually scanned through to be assigned to a group. Some answers only belonged to one group, but other answers could be assigned to a few. Sixteen groups were created in the process.

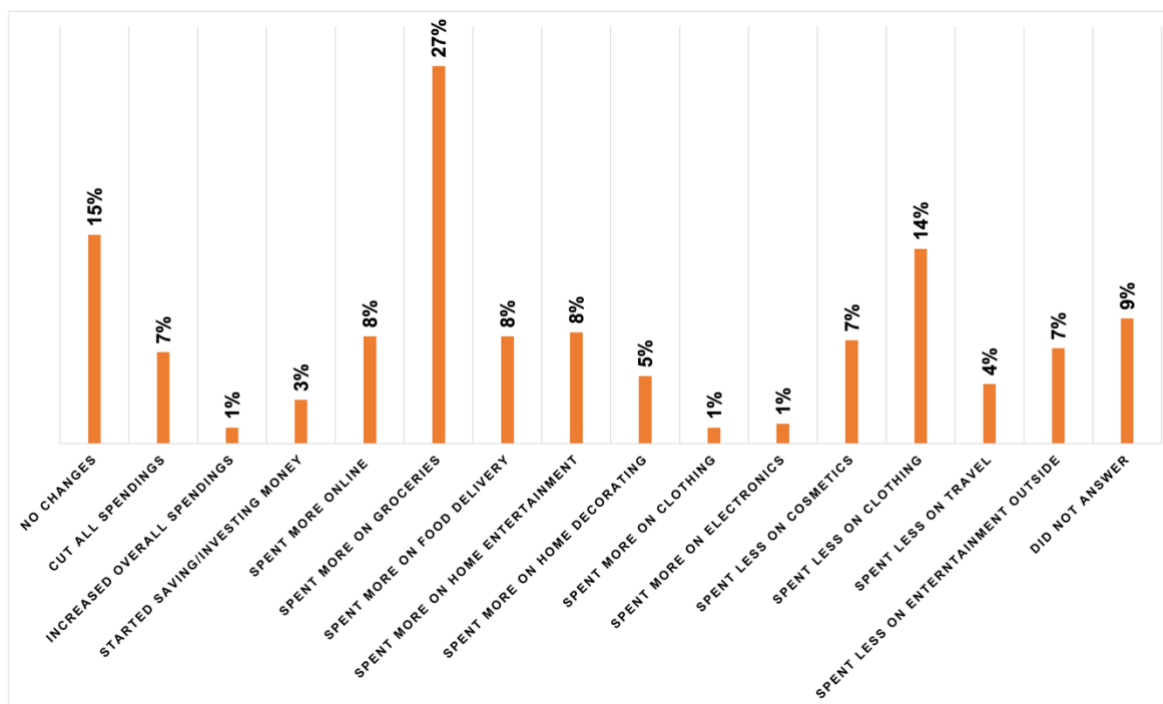


Figure 18. Question 9 results

The data will be analyzed group by group. The most popular statement made by surveyed is that they spent more money on groceries than before the pandemic. 27% of respondents answered that. The majority explained that this is due to restaurants and bars being closed at the time. People were cooking more, and many were purchasing more expensive things to have an experience that reminded them of going out to eat. Some talked about indulging in food due to mental struggles they had, and some found a new hobby of baking. It is important to state, that individual answers that said “spent more on food” were added to this category, though could also belong to the group of answers about raising spending on food delivery.

The second most popular answer is “no changes”. 15% of respondents did not see any change in their spendings in the first months of the pandemic. The data is presented exactly as it was gathered, yet it is possible that some respondents answered this way to skip the question. Many explained that they didn’t experience any changes because they didn’t spend money on going out, clothing, makeup, and other categories before.

14% of the surveyed population noticeably decreased their spending on clothing. Some explained that they didn’t like to shop for clothing with no possibility to try everything on before purchase. Others felt no need to buy new clothing items because they didn’t leave their house. Though 1% spent more on clothing. This is due to their increased need for

comfortable lounge clothes that they didn't have before. 7% spent less on cosmetics, some mentioned that this happened due to no need for makeup. Though many mentioned that they still spent money on skin and hair care products. 7% spent less money on entertainment outside their house, this is due to many public places being partially or fully shut down. And possibly for the same reason 8% of respondents mentioned spending more money on inside entertainment, such as various games, streaming services, and books. The same percentage of respondents said they were spending more money on food delivery. Only answers that specifically mentioned food delivery were counted in this category.

4% of surveyed mentioned spending less on travel. This includes international trips, travels within Finland, and trips to and from school or work. 5% spent more money on home décor, as they felt the need to make their homes more comfortable. Many said that they rarely stayed at home for a long time before the pandemic and felt the need to make the place more comfortable while self-isolating. 1% stated to have increased their spending on electronics. These people felt the need to buy new tech supplies to be able to work and study from home. 8% of students stated they purchased more from online stores. For many, this was a switch to buying groceries online, and some said they spent more in various online stores to cope with self-isolation.

Only 1% said their spending increased in every area. 7% cut all spending, as they lost their jobs and had little to no savings. Some did this fearing losing their job due to the pandemic. 3% of students started to save or invest money. For some, it was a way to not spend money they usually spent on bars, restaurants, movie theaters, and other places of entertainment. Others mentioned that they felt unprepared for the situation and felt the need to take control and sort out their finances.

And lastly, 9% of respondents did not provide an answer to question 9. Some did not understand the question, but the majority left their answers blank.

Question number 10 asked to rate a statement on a scale from "strongly disagree" (1) to "strongly agree" (5). The scale is used to identify the preference of respondents and weigh its strength. In this question, an option of "neither agree nor disagree" is provided. This is done not to pressure any person with no preference in any direction. Although the neutral response may be chosen due to little motivation to complete the survey. (Sturgis et al. 2012, 2.) Question 10 is requesting an opinion about a factual statement. This creates a possibility to equal the neutral "neither agree nor disagree" to "I don't know". For this analysis, answer number three that was chosen by 28.6% of respondents, will not be taken into account.

I shifted my spendings from in-store to online shopping since COVID

350 responses

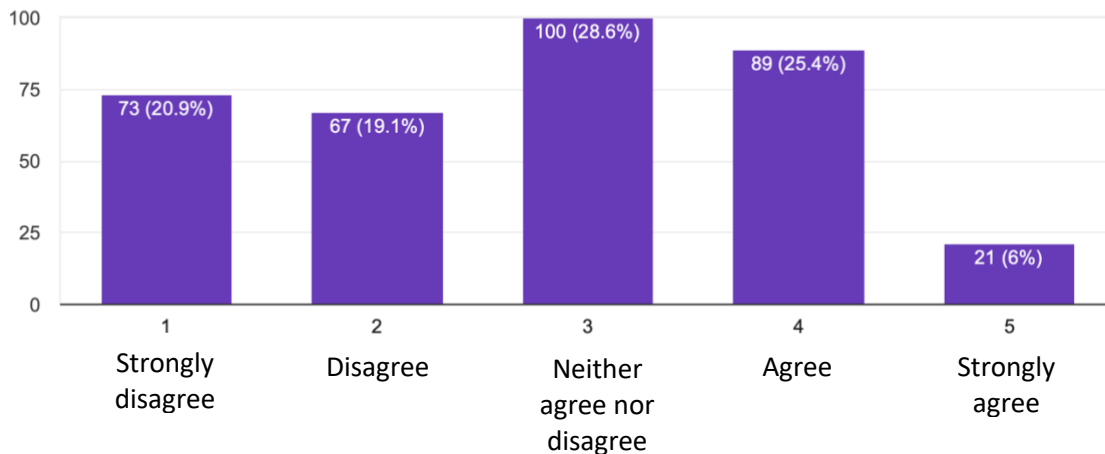


Figure 19. Question 10 results

As can be seen from the figure above, 20.9% of respondents strongly disagreed with the statement. 19.1% disagreed with it as well, but their position was not as strong. 25.4% agreed with the statement, and 6% expressed strong agreement. Altogether 40% of surveyed did not shop online more than offline since COVID. 31.4% stated they did change their way of shopping in favor of online. As the population that took a neutral standpoint is not taken into account, it is possible to conclude that majority of Finnish Bachelor's Degree students at LAB University did not shop online more than offline at the beginning of the pandemic.

Question 11 is built the same way as the previous one, but it is meant to collect data about respondents' future intentions. The question revolves around whether respondents are planning to keep shopping online rather than in physical stores. The same scale system is used. As can be seen from the figure below, there is a massive shift in results in comparison with those of question 10. A neutral standpoint that is presented by the option "neither agree nor disagree" is the most popular answer. The difference between it and the second-top answer is over 10%. To compare, the difference between top and second-top choices in the previous question was a little over 2%. This may be due to the previous question requesting an opinion about a statement that is factual, and question 11 collecting data about future intentions. Considering option 3 as an "I don't know" option, the respondents who provided this answer might truly not know whether they intend to keep shopping online rather than in physical stores. Yet some respondents still might have chosen this option due to low motivation to complete the survey.

I intend to continue shopping online rather than in-store post-COVID

350 responses

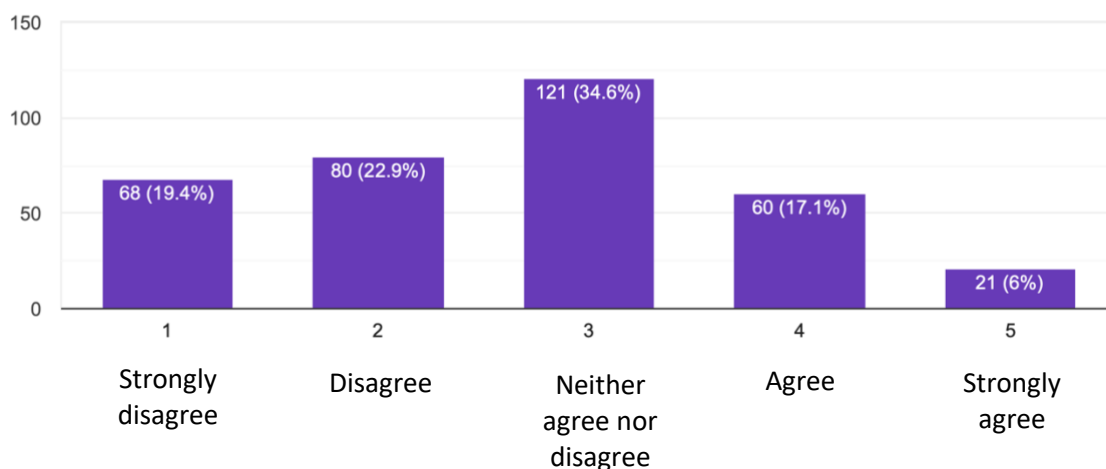


Figure 20. Answer 11 results

22.9% of students disagreed with the statement, and 19.4% of students strongly disagreed with it. 17.1% agreed with the statement, and 6% strongly agreed with it. Overall, 42.3% of surveyed do not intend on shopping online rather than in-store, and 23.1% intend on doing so. The fact that the data collected holds information about future intentions, the 34.6% who answered “neither agree nor disagree” are important to be considered. As previously stated in chapter 4, it is hard to predict future consumer behavior patterns, as they are heavily influenced by many concurrent events.

Question 12 is the last question of the survey. It is a closed question with an option to provide own answer. The question asks about when the respondents are planning to return to the before-COVID way of living. The options provided are “after restrictions lifted”, “only after vaccination”, and “I already did”. Most respondents answered in a way that fell into one of the three categories. Some of them provided their explanation. 9% of answers differed from the three provided choices. 58% of students said that they are planning to return to their before-COVID activities outside their homes once the restrictions are lifted. Most of them said that their “normal” way of living depends on certain public places, which are shut down due to the pandemic. 1% of surveyed answered similarly, but they formulated it as “When considered okay by the general public”. These respondents are ready to return to the “old” way of living but do not do that out of respect for people around, or because of public pressure. 18% stated that they will only change their lifestyle after they receive both doses of the vaccine. 15% that they already live their life in a “normal” way. This category

consists of two groups: a group of students that claim to never have changed their lives, and students who did try to be as cautious as possible but don't anymore.

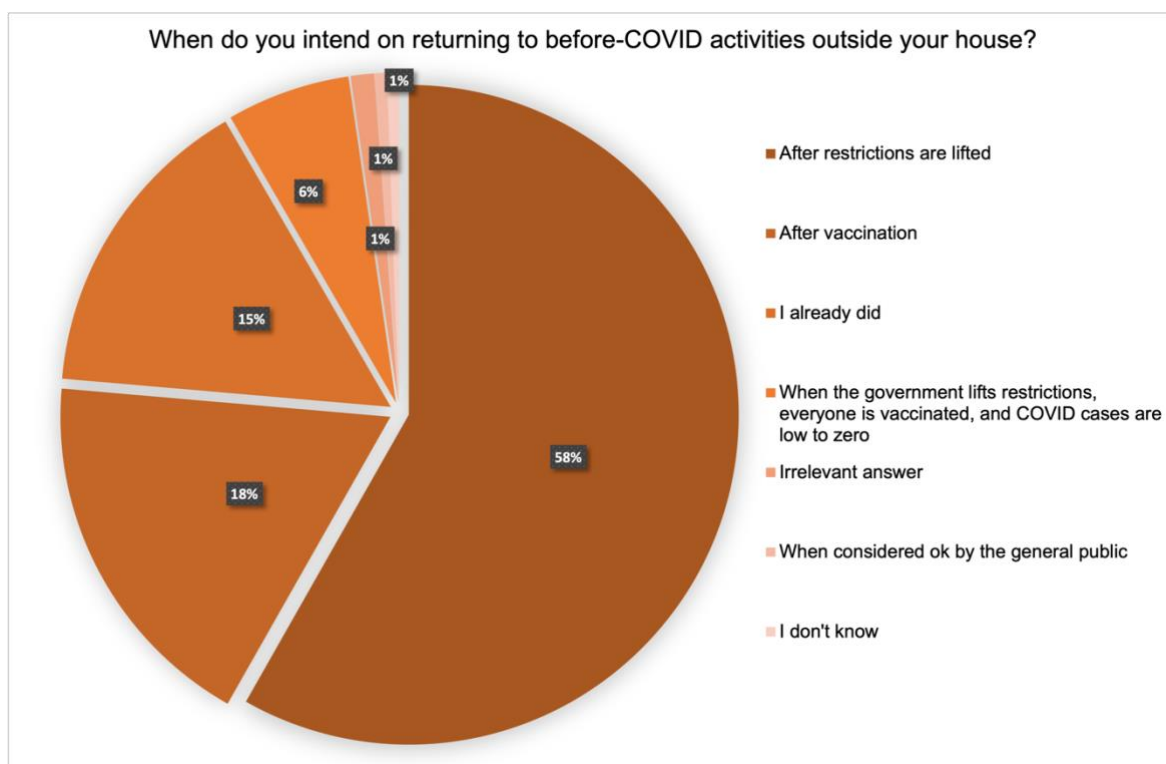


Figure 21. Question 12 results

Many answered in their own words but provided similar answers. They all stated that they are only willing to come back to the before-COVID way of living when restrictions are no longer in place, risk groups are vaccinated and safe, and COVID-19 is fully under control. In other words, "when it is safe to do so". 1% of answers were irrelevant to the question, and 1% of respondents answered they did not know when they would return to their pre-pandemic lifestyle.

The overall results of the survey demonstrate that consumer behavior of Finnish Bachelor's Degree students at LAB University did change due to the pandemic. However, the changes that happened were not as drastic as it was theorized. The results of the survey did indicate that majority of respondents significantly increased time spent at home, limiting their trips outside to no more than 3 times a week, and some almost eliminated them. Besides, the reasons people left their homes have changed as well. A large percentage of surveyed stopped visiting public places of entertainment, and running errands became the most popular reason to go outside. And for many, the only one. Some students still had to go out

rather often due to their work not being transferred to work from home. But many indicated that they did try to limit their visits to other places they had no need for.

When asked about changes in their consumer behavior, the vast majority stated they had increased the amount of money they spent on food: for both groceries and food delivery. Besides, the surveyed group had experienced rapid growth of their screen time, thus increased consumption of information online. By this, they were more exposed to targeted marketing tools of many companies, which is an important factor affecting their consumer behavior. To make their self-isolation experience more pleasant, students did start to decorate their homes and purchase various entertainment tools. And with no need to present themselves to the world as often as they did before, many did not purchase items related to their appearance. Though some had experienced mental struggles due to the situation and used online shopping as a coping mechanism.

All things considered, the results indicate that although the changes in consumer behavior of Finnish Bachelor's Degree students at LAB University did appear and was quite noticeable, a part of the surveyed population have stated that they did not experience changes whatsoever. This might be connected to the fact that the surveyed group did consist of different age groups and household sizes. Some respondents mentioned the fact that they have a child or kids. 3.4% live in a household of 5 or more people. These aspects are personal and social factors that highly affect people's lives and consumer behavior. This is reflected in the contrast of answers received.

5 Conclusion

The last chapter will conclude this thesis by using the data collected through empirical research and literature review. The data will be used to answer the main research question and sub-questions that were introduced at the beginning of this report. Besides the chapter presents the validity and reliability of the thesis research.

5.1 Answers to Research Questions

The research questions were introduced to the study to help find out if any changes in consumer behavior of Finnish Bachelor's Degree students at LAB University occurred due to the pandemic crisis and identify them. The answers to research questions determine whether the changes did happen and what they were. The main findings are presented in the table below. Research questions are answered in full after the table.

Research questions	Key discoveries
How did Finnish students re-evaluate their consumer values due to the pandemic?	Students' priorities changed from socialization and entertainment through social experience to self-isolation and cautiousness.
In what market areas did Finnish students change their consumer behavior?	<ul style="list-style-type: none"> • A big shift in the food industry. • Increase in purchasing of home entertainment goods. • Decreased interest in purchasing clothing and cosmetics products
How did the pandemic affect consumer behavior of Finnish students?	<ul style="list-style-type: none"> • Students focused on safety and food. • Home entertainment became more important. • Clothing and cosmetics lost their prominence. • Online shopping within the group slightly increased.

Table 1. Answers to research questions in short

Sub-questions are answered first to help answer the main research question.

The first sub-question is:

How did Finnish students re-evaluate their consumer values due to the pandemic?

Based on the information found through the thesis research, students prioritized safety. The majority of them stayed at home as much as possible, and drastically decreased trips to public places of entertainment and other places of gatherings. Many minimized their meetings with friends and family to not to put anyone at risk. Students still did go outside, but mostly only for necessary reasons. Among these reasons were doctor's appointments, grocery runs, pet care, and walks in the forest. Based on these findings, it is possible to say that Finnish students at LAB University re-evaluated their consumer values, shifting their priorities from socialization and entertainment through social experience to self-isolation and cautiousness.

The second sub-question is:

In what market areas did Finnish students change their consumer behavior?

One of the biggest changes in consumer behavior could be observed in the food industry. This contains grocery stores and food delivery services. Secondary data gathered provided information about growth in sales of largest grocery chain stores, as well as growth in sales of alcoholic products. Primary data showed that Finnish students did increase their spending on food. Besides, data gathered showed an increased interest in food delivery due to restaurants being closed for indoor dining. The data shows increased interest in purchasing more expensive products as well.

Finnish students decreased their spendings on clothing and cosmetics, lacking the need for these products. The data shows an increase in purchasing of home entertainment goods. This includes electronic devices as well as streaming services and tangible products.

The main research question of the study is:

How did the pandemic affect consumer behavior of Finnish students?

Based on everything learned through this thesis research, the pandemic did affect consumer behavior of Finnish Bachelor's Degree students at LAB University. The changes that appeared happened both due to students' precautions and Government's order to shut down public places. The shift of focus that made safety the main priority was the reason for changes in consumer behavior. Students did focus more on their basic needs like food and shelter, but they didn't lose interest in other things like entertainment. Home entertainment became more prevalent, being a tool for emotional support during self-isolation. Some

needs were almost eliminated, making people less interested in purchasing related products. An example of this is the clothing and cosmetics industries.

The research showed growth in the frequency of students' online shopping, but the growth was not as high as it was expected. This may be due to most of the researched group frequently using online stores before the COVID-19 pandemic. And during the pandemic, their online shopping frequency only slightly increased.

Overall, the study revealed that consumer behavior of Finnish students did experience changes due to the pandemic. Besides, the data gathered through empirical research shows the main areas of these changes. Although it is important to state that the changes in question were not drastic. A part of the surveyed group claimed they didn't notice any changes in their consumer behavior at all. This brings this research to the conclusion that the pandemic did affect the consumer behavior of Finnish Bachelor's Degree students at LAB University, but the intensity of changes that happened fluctuates among the group.

5.2 Validity and Reliability

This thesis contains theoretical and empirical parts. The theoretical part is built by careful review and consideration of many academic sources such as books, peer-reviewed articles, and other electronic and printed sources. Secondary data that is used in this study is all gathered from these reliable sources. Primary data was gathered through empirical research. A survey was chosen to be the research tool for this study. The survey was created online and distributed through the University's email platform. The link with a cover letter was sent to 4971 Finnish Bachelor's Degree students, resulting in 350 responses collected. The number of respondents was considered high enough to reach a conclusion for this research.

Before the survey was distributed, it was tested by three respondents to confirm the survey's clarity and neutral tone. Three responses received through testing were not included in the final analysis and disposed of before the survey was opened to the target population.

The survey was held in English to avoid translation, as it could affect the reliability of the findings. The author does not speak fluent Finnish, and the surveyed group can speak English well enough to understand the questions correctly and answer appropriately. Some answers were written in Finnish, but the author was able to understand them well. The survey was kept anonymous to ensure its reliability.

Reliability describes the possibility to reach the same conclusion if the research was repeated. Reliable research will produce the same outcome every time it's repeated.

Reliability measures consistency and accuracy of research methods and tools, as well as data analysis. (Solomon 2007, 149.)

The reliability of this research may be compromised due to it being linked to an unprecedented, constantly evolving experience of living in a pandemic. The pandemic is still active at the time of research, and because of that changes in all life areas happen quite often. Lack of previously conducted research may affect the reliability of this thesis. There is not enough empirical research that has been done previously about the topic. Many existing articles are solely theoretical. Another risk of compromising reliability comes from the fact that the surveyed group consists of Finnish students, but the author is not a Finn. This may lead to cultural misinterpretation.

The validity of research is reached if the research methods used accurately measure the data. In other words, to be considered valid, a survey conducted should gather and measure information it was intended to. (Heale & Twycross 2015, 66.) The research of this study was designed and formulated in detail to ensure its validity.

5.3 Suggestions for further research

This thesis is written about a topic that is very current. The world has been living in a pandemic for over a year at the time of this research. It is impossible to predict whether the changes found are temporary or permanent. It is likely that some of the changes in consumer behavior only appeared due to the restrictions and no will no longer be relevant when the restrictions are lifted. Yet some of them might stay in place even after the world is “normal” again. Maybe new changes will emerge.

Repeating the research when the pandemic is over could introduce a different result from what is found in this study. Based on current and repeated research results it will be possible to discover the structure of consumer behavior patterns before, during, and after the COVID-19 pandemic and the crisis it caused. It would be interesting to observe the transformations’ cycle and analyze the reasons behind it.

6 Summary

This thesis aimed to find out whether Finnish students change their consumer behavior due to the COVID-19 pandemic and gain an understanding of these changes. The first chapter provides the reader with a detailed introduction to the thesis. The introduction consists of the background, objectives, research questions, and limitations of the study. Overview of theoretical framework, research methodology, and data collection process are presented as well. And lastly, the thesis structure is shown.

The second chapter consists of theoretical framework. Consumer behavior and four groups of factors affecting it are explained, and both old and new models of consumer decision-making process are presented. Herd mentality is introduced, as well as Maslow's hierarchy of needs. The theories included helped to better understand people as consumers, their values, and behavioral patterns.

To gather secondary data, previous research about the topic of the thesis was collected in chapter three. The chapter introduced statistical data, published articles, and information from Finnish companies' reports. The data collected helped to answer the research questions of this thesis.

Chapter four presented the empirical research of the study and data analysis. First, it shows the design and formulation of the research. Empirical research was done through an online self-administered survey. The survey received 350 responses. Primary data was collected through these responses, and its analysis is presented in a sub-chapter.

Chapter five concludes the thesis. It includes answers to the research questions of the study. Validity and reliability are introduced and discussed as well. Risks of compromising the reliability of the study were presented. The validity of the thesis was stated. Lastly, the thesis offers suggestions for further research.

Every research question of the study was answered, meaning that this thesis' goal was met. The findings of the thesis show that students' consumer behavior did change. The changes that happened are introduced in the conclusion of this report.

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Appendix 1. The survey

The following survey is conducted for thesis research purposes. The research topic is changes in consumer behavior of students in Finland due to Covid. The survey is anonymous. It will take approximately 4 minutes to answer.

1. What is your age?

- <18
- 18-22
- 22-25
- 25-30
- 30-40
- >40

2. What is your gender?

- Female
- Male
- Non-binary
- I'd rather not answer

3. How big is your household?

- 1 person
- 2 people
- 3 people
- 4 people
- >4 people

4. How many days a week did you leave your house before COVID?

- 1-3
- 4-7

5. What did you leave your house for?

- Work/school
- Errands (groceries, bank, etc.)

- To see friends/family
- Entertainment (restaurants, bars, movies, etc.)
- Sport
- Other

6. How many days a week did you leave your house during the first wave of COVID?

- 1 or less
- 1-3
- 4-7

7. What did you leave your house for?

- Work/school
- Errands (groceries, bank, etc.)
- To see friends/family
- Entertainment (restaurants, bars, movies, etc.)
- Sport
- Other

8. Do you agree with any of the following?

Since COVID...

- I switched to buying groceries online
- I started to order food delivery more often
- I took more interest in online courses
- I took more interest in physical activity
- I changed my diet to healthier choices
- I started to put more effort into decorating my home
- Nothing changed in my life
- Other (what) _____

9. What changes did you notice in your areas of spending since COVID? (e.g. spent more on groceries, less on clothing)

10. I shifted my spendings from in-store to online shopping since COVID (strongly agree to strongly disagree)

11. I intend to continue shopping online rather than in-store post-COVID (strongly agree to strongly disagree)

12. When do you intend on returning to before-COVID activities outside your house?

- Only after vaccination

- After the restrictions are lifted

- I already did

- Other (what) _____