Indicators

Coronavirus
COVID-19

Early clues on the post-crisis consumer & market realities
April 14th

#6 Stocking-In.

How grocery shopping evolves from panic to preparedness.



Image by Alexas_Fotos from Pixabay

BORD BIA
Thinking House

#6 Stocking-In

Stockpiling has become a global phenomenon since the emergence of Covid 19. Stories began to emerge in February from around the world of people stockpiling products with Australian's stockpiling of toilet paper materialising as one of the big headlines in the early phases of the outbreak.

In the UK the massive stockpiling resulted in more than 79 million extra shopping trips, where consumers spent a massive £1.9 billion on groceries than a year ago, pressuring manufacturers, retailers and the entire supply chain.

Such has been the panic that many stores have had to introduce rationing systems putting a limit on the purchasing of certain goods. Many media stories have been published to instil a sense of calm with reassuring messaging.

Globally shoppers have been Stocking-Up on food and beverages to create what has been dubbed "Pandemic Pantries". One could be forgiven for assuming shopping has moved into panic-buying with shopper missions driven by a need to stay 'stocked-up' at home. But the truth behind changing consumer behaviour is a little more complex - moving from panic to preparedness. We call this evolved grocery shopper behaviour STOCKING-IN.

Image by Steve Buissinne from Pixabay

BORD BIA Thinking House

#6 Stocking-In

Nothing new in panic buying…

Covid-19 has born witness to just the latest episode of stockpiling to emerge in recent years – albeit the most extreme episode. During the recent 'Beast From The East' storm and more recently Brexit all encouraging this behaviour, UK shoppers have demonstrated a tendency to stock-pile. 21% of UK consumers, according to Mintel said they stockpiled products ahead of the 31st of October Brexit deadline.

Panic Buying is characterised as a response to peoples 'fears of the unknown'; it is often just the first phase of stockpiling behaviour where consumers are very much focused on taking control of the unknown. The Journal of Consumer Research describes this phenomenon as **Control Deprivation**.

According to Nielsen early purchases tend to be of shelf stable produce with UK sales of shelf-stable foods up 6% compared to the same time last year, as well as compared to January 2020. This includes pasta, rice and sauces (up by 5%), jams and spreads (5%) and canned vegetables, which are up 7% on last year, rising to 11% compared with January 2020. Packaged bread sales are also up (7%) in comparison to last year (Nielsen UK).

Stocking up in this phase is often manifest as **bulk buying** – larger pack sizes, dual packs. This all speaks to a conversation that allow consumers feel like they are more in control. But this behaviour often evolves into more subtle manifestations of stockpiling….

Image by ElasticComputeFarm from Pixabay

BORD BIA Thinking House

#6 Stocking-In

Phase 1 - Hoarding

The headline grabbers around this whole topic of stockpiling are pretty universally about one topic; Hoarding.

This behaviour can be explained using commodity theory and prospect theory. Commodity theory proposes that the value of a product is positively related to its scarcity, so perceived shortages may stimulate stockpiling behaviour.

Prospect theory describes how people are risk averse when choosing between uncertain alternatives. To avoid potential losses in the face of uncertainty from the coronavirus outbreak, consumers may stockpile or hoard essential items.

Source: https://theconversation.com/when-the-coronavirus-gets-tough-the-tough-get-stockpiling-133419.

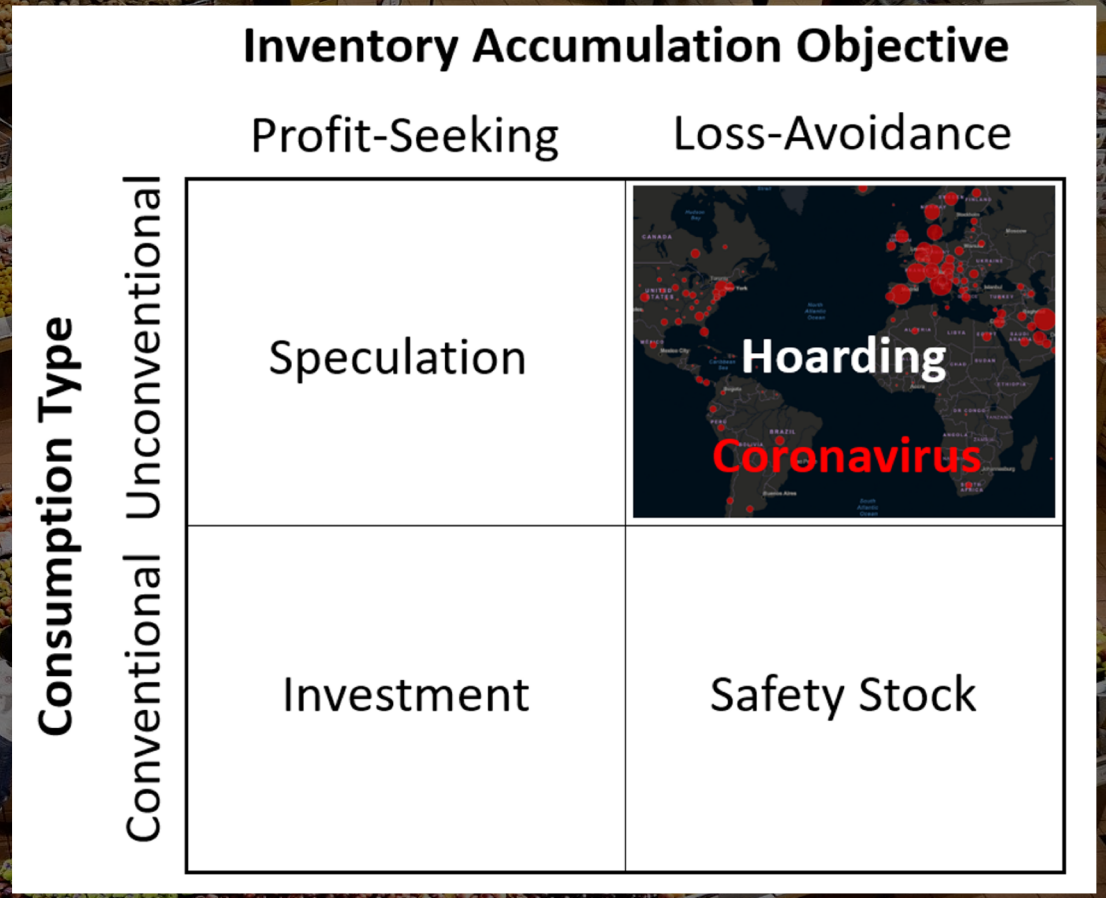


Image by ElasticComputeFarm from Pixabay

BORD BIA Thinking House

#6 Stocking-In

Phase 2 - Transitional Stockpiling

Once panic subsides and as cupboards fill up with shelf stable produce, peoples purchasing habits appeared to move on to the purchasing of frozen products, again according to Nielsen as shoppers began to prepare for the 'lockdown' by filling their freezers – pre-lockdown saw sales of frozen food increase by 84%. Likewise with the closing of bars and food service restaurants the sales of alcohol rose with sales up 67% over this time last year (Nielsen). Panic buying pretty quickly moves into a preparedness phase…

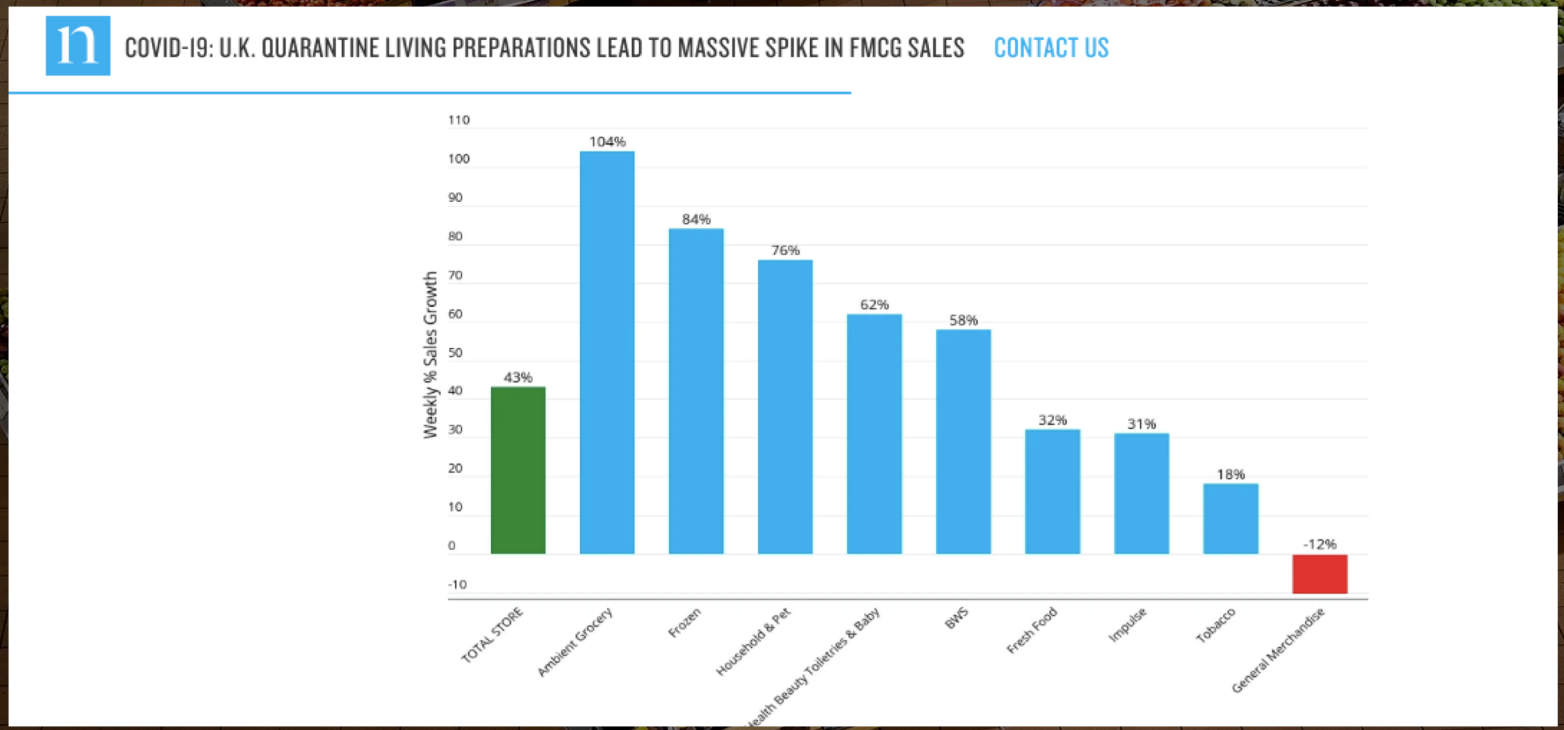


Image by ElasticComputeFarm from Pixabay

BORD BIA Thinking House

#6 Stocking In

So is “Panic Buying” a misnomer?

David Savage, associate professor of behavioural and microeconomics at the University of Newcastle in Australia, argues that stockpiling is actually a pretty RATIONAL consumer behaviour. “If we understand panic as a state of uncontrollable fear that drives irrational behaviour, then how people usually respond in the face of disaster is something else entirely”, Savage argues. “It’s a common belief that social law breaks down in a disaster. In the Hollywood version, chaos ensues and people act in illogical or unreasonable ways. The reality is very different.”

Most research rejects the notion of a “disaster syndrome” described as a state of stunned shock or the occurrence of mass panic. In real disasters, people usually hold on to tenets of acceptable behaviour such as morality, loyalty, and respect for law and customs.

The reality of the current pandemic is that people and shoppers understand that Covid-19 has a 14 day incubation period. So doesn’t isn’t it entirely reasonable to be ***prepared*** for period of self-isolation at home?

Image by ElasticComputeFarm from Pixabay

BORD BIA Thinking House

#6 Stocking-In

Phase 3 – Creative Compromises.

Far from becoming a burden or compromise for consumers, there is some evidence that people are looking on the positives of living from the Pandemic Pantry.

We are seeing a lot across various social media platforms of cooking with tinned and shelf stabled foods. For example, well known Brooklyn Chef Chitra Agrawi talks about always having a pantry that's filled with dried beans and lentils for making dal. These are her new "go to" foods and are gaining a following online.

Beautiful tinned food pictures are appearing across various social media channels and, in a sense, consumers are beginning to celebrate their new found adoption of what was a relatively old-fashioned format. One could argue that public displays of one's 'clever use' of tinned foods feeds into a behavioural phenomenon known as 'the illusion of control'. For now, at least, **Pandemic Pantries are now at the heart of the Cultural Zeitgeist.**



Image by Jan Vašek from Pixabay

BORD BIA Thinking House

#6 Stocking-In

Phase 3 – Creative Compromises.

In Australia the Chef Jane De Graff was set the challenge of cooking 4 meals with no fresh ingredients whatsoever on Australia's Today Show.

Similarly in the UK, Jamie Oliver has launched a new show – Keep Cooking And Carry On. The idea behind this show is to encourage us to embrace a new-world of cooking where cupboard stables can be turned into interesting and exciting new recipes.

The appeal of these initiatives could be explained by "Decision Fatigue". Pre-pandemic shoppers enjoyed a world of 'Over Choice' and there is a significant body of evidence to suggest that Over Choice is associated with unhappiness. Today we are seeing shoppers actually enjoy cooking with scare resources…



Jane de Graaff shows Today Show hot to cook with tinned food (Nine)

https://kitchen.nine.com.au/

Jamie Oliver GET INSPIRED

KEEP COOKING AND CARRY ON

You've told me what you need, and I've listened. In my new show, I'm sharing my easy-to-follow, super-flexible recipes with lots of useful swaps and tips to help you feed yourself and your loved ones in these unique times. Let's celebrate freezer faves, big up the store cupboard and get creative with whatever we have to hand. Let's keep cooking and carry on!

Image by Jan Vašek from Pixabay

BORD BIA Thinking House

#6 Stocking In

Will Stocking-In Stick?

One could be forgiven for thinking stockpiling, hoarding and the other behaviours associated with this phenomenon are transient and merely shaped by the constraints the pandemic has placed on us. For clues as to whether this behaviour will stick we could look to China – where consumers are now coming out of lockdown. According to Nielsen 86% of Chinese are saying they would eat at home more often than before the outbreak.

However, to surmise that 'cooking at home more often' is evidence of a 'sticky' behaviour around stockpiling is to over simply matters. The reality is stockpiling behaviour is a complex phenomenon based around shopper reactions to scarcity, choice, control deprivation and decision fatigue. These behaviours could unlock 'nudges' around changing shopper missions that retailers and producers can tap-into.

We will be watching how shopper behaviour evolves in the coming months to truly understand if some of these Stocking-In behaviours actually are here for good…

Image by TeeFarm from Pixabay

BORD BIA Thinking House

Indicators

Coronavirus COVID-19

Early clues on the post-crisis consumer & market realities
April 14th

#6 Stocking In.

How grocery shopping evolves from panic to preparedness.

Early Implications for Irish Food and Beverage:

- A marketing opportunity for long-life foods
- Innovation opportunities in packaging -new formats/storage
- Promotional opportunities around to manage scarcity
- Pricing opportunities to 'nudge' shopper behaviour

Image by Steve Buissinne from Pixabay

BORD BIA Thinking House

Sources

- https://www.marketwatch.com/story/forget-baked-beans-how-to-prepare-a-healthy-pandemic-pantry-in-an-age-of-coronavirus-2020-03-17
- https://kitchen.nine.com.au/how-to/how-to-cook-with-stockpiled-pantry-items/1f38e7e5-8b4d-4f14-89b5-1fd638f99e66
- https://www.nielsen.com/ie/en/insights/article/2020/covid-19-uk-quarantine-living-preparations-lead-massive-spike-fmcg-sales/
- https://www.nielsen.com/ie/en/insights/article/2020/covid-19-uk-quarantine-living-preparations-lead-massive-spike-fmcg-sales/
- https://www.marketwatch.com/story/traffic-at-walmart-costco-and-target-falls-for-the-first-time-in-weeks-as-coronavirus-stockpiling-behavior-shifts-2020-03-31
- https://www.irishtimes.com/news/ireland/irish-news/coronavirus-irish-shops-see-surge-in-sale-of-canned-food-pasta-and-cleaning-products-1.4197897
- https://www.winsightgrocerybusiness.com/fresh-food/pandemic-pantry-building-boosts-bakery-sales-44
- https://theconversation.com/when-the-coronavirus-gets-tough-the-tough-get-stockpiling-133419

Image by Steve Buissinne from Pixabay

BORD BIA
Thinking House