

# COVID-19's Impact on Danish Consumer Behaviour and its Potential Future Repercussions

Master's thesis

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Number of characters: 181.997 - Number of pages: 119 - Submission date: 17.05.2021

# Abstract

Despite technological innovations within the healthcare system the number of infectious disease outbreaks will continue to increase in the future (WHO 2018). Given this sobering fact it is crucial to explore how the concurrent COVID-19 pandemic is affecting consumer behaviour, highlight key trends, and consider what lasting impact it may have on consumers, in order for businesses to better prepare for both future crises and tomorrow's consumer.

Through an exploratory case study, based on a quantitative survey with Danish consumers ( $n = 103$ ) and a series of qualitative interviews with various experts within consumer behaviour and economics, this thesis concludes that Danish consumers, indeed was affected by COVID-19, however some more than others.

The utilization of *online shopping* matured a decade in a year's time, pushing both new consumer segments and product categories online; the purchasing of *electronics*, *paint* and different *DIY-products* befitting the new lifestyle increased tremendously; in turn *restaurants*, *bars*, *hotels*, *travel agencies*, *airlines*, *cinemas* and other *cultural institutions* were devastated by the lockdowns and the related consumption patterns. Many Danish consumers lost their jobs and experienced great uncertainty; many also began to save up, however possibly involuntary, and some also began to focus more on their *health and wellbeing* in regard to consumption – likely to mitigate perceived risk connected to COVID-19.

With that said, it is evident that COVID-19, compared to former crises typically affecting everyone, did not affect all to the same degree – instead targeting only a handful of industries and consumers. Similarly, Danish consumers, in general, managed COVID-19 better than many countries, given that they were financially well-prepared, consumption levels didn't decrease as much as other countries, and given their willingness to abruptly return to their old consumption patterns once the situation allowed it. It is, however, clear that some of the newly formed habits, such as an increased utilization of online shopping and working from home, will endure post-COVID-19.

Keywords: *consumer behaviour*, *behavioral economics*, *COVID-19*.

# Preface

This thesis began as a partnership with my initial thesis partner Emily Morell, whom I worked with during the infancy of it prior to parting our ways. Nothing in this thesis, however, stems from that initial collaboration, whereby everything presented here is produced exclusively by the researcher.

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## Chapter 1: Introduction

**B**lack Death, Spanish Flu, Russian Flu, SARS, H1N1 and the Bird Flu. The list of life-threatening pandemics that has accompanied mankind since its primordial steps is endless and the associated death tolls immeasurable (History 2020). In times like these, the collective level of fear and anxiety increases, and the linked behavioral change is evident (McKinsey 2009; History 2020). All according to the specific context and severity of the situation, feelings of fear or anxiety can trigger an array of different responses and behavioral changes – ranging from active coping strategies, such as the primal fight-or-flight response, to passive coping strategies, such as immobilization or ‘freezing’ – often utilized when the apparent threat is inescapable (Steimer 2002).

In more recent times, COVID-19 has wreaked havoc on all continents (except from Antarctica) since emerging in late 2019 in Wuhan, China. In a myriad of ways, the current pandemic has dramatically pushed the societal boundaries and instigated a new reality and way of life that most people – just one and a half years ago – would have deemed not only utterly foolish, but deeply unrealistic. According to the World Health Organization (WHO) the number of infectious disease outbreaks will continue to increase in the future (Candeias & Morhard, 2018). Thus, as societal crises become more and more common and can have as massive an impact in our societies as COVID-19, it is crucial that we become able to react timely and appropriately when, or if, similar situations arise in the future.

Here lies the motivation behind this thesis: to investigate how a crisis, such as COVID-19, has affected consumer behavior, in a country such as Denmark. This will be done through an explorative approach and the inclusion of both Danish consumers and experts within the field of consumer behaviour and economics. The ultimate goal of this research is thus, firstly, to get a contemporary perspective on how the modern citizen’s buying behaviour changes as a result of increased fear, risk and uncertainty. Secondly, through a discussion in which qualified predictions on the future of consumer behaviour in Denmark will be reviewed, this thesis aims to contribute to a forward-looking perspective and additional nuances on Danish consumer behaviour that businesses, ultimately, can take into consideration in order to adapt their efforts in accordance with the consumer of tomorrow.

## 1.1 Research questions

How has COVID-19 affected the Danish consumer behaviour and are the newly formed habits bound to stay?

Sub-questions:

1. *How has consumer behaviour changed over time, and how do people typically respond during crises?*
2. *How has COVID-19 affected the Danish consumer behaviour?*
3. *How can Danish businesses prepare for the Danish consumer of tomorrow in the wake of COVID-19?*

## Chapter 2: Literature review

This chapter will attempt to review the relevant literature surrounding the field of consumer behaviour. The opening section will review the famed *Maslow's Hierarchy of Needs*, the second section will touch upon *Fear*, *Perception of Risk*, and *Decision Making under Uncertainty*, the third section will take a *Retrospective look at Consumer Behaviour*, the fourth and fifth section will examine the *Danish Consumer pre-COVID-19* whereas the last will summarize and build a bridge towards chapter three (methodology).

### 2.1 Maslow's Hierarchy of Needs

In his book *Motivation and Personality* (1954), and prior '*A Theory of Human Motivation*' (1943), Abraham H. Maslow proposed five basic hierarchies of needs that have since laid central in motivational theory. Maslow's famed model (see appendix 3, figure 1) is built upon the notion that, as our most basic needs are met, other (and higher) needs emerge and dominate the organism, and similarly, when these are satisfied, new (and still higher) needs emerge and so on (Maslow, 1954). It is best explained in the following quote:

"Man is a wanting animal and rarely reaches a state of complete satisfaction except for a short time. As one desire is satisfied, another pops up to take its place. It is a characteristic of the human being...he is practically always searching something" (Maslow 1954 p: 24).

Starting at the bottom, the *physiological needs* are undoubtedly the most potent and most absolute of the human needs (Maslow 1954). In other words, if you consider a man who has absolutely nothing, in the most extreme sense of the word, it is most likely that he would seek to engage in activities that would help to satisfy his hunger (Maslow 1954). It is, however, worth noting, that a person who experiences hunger may actually be yearning more for *comfort*, than for vitamins and proteins (Maslow 1954). In other words, many of the desires we have in our daily lives are usually 'means to an end', rather than ends in themselves. Maslow (1954) brings up an example of a car purchase:

"We want money so that we may have an automobile...because the neighbors have one, and we do not wish to feel inferior to them, so that we can retain our own self-respect and be loved and respected by others"

Once the physiological needs are sufficiently satisfied, the *safety needs* are next on our primitive agenda. The need for things such as security, stability, protection, freedom from fear, anxiety and chaos, need for structure, order, law and limits dominates the organism, making everything else look of lesser importance (Maslow 1954). This need, however, is often satisfied in our western culture, as:

“The peaceful, smoothly running, stable, good society ordinarily makes its members feel safe enough from wild animals, extremes of temperature, criminal assault, murder, chaos, tyranny, and so on.”

In other words, we no longer have safety needs as active motivators (as we would have during a war or natural catastrophe) just as a satiated man’s stomach no longer growls at him, a safe man no longer feels in danger (Maslow 1954). Thus, even when people do perceive that their safety is being threatened, you may not even be able to see it on the surface, instead taking the form of things such as job security, a savings account and insurance for medical, dental, unemployment, disability and old age (Maslow 1954).

Moving up the ladder we find the *social needs*, or the *belongingness and love needs*, that initiates a hunger for affectionate relations with people, and for a place in his immediate group, community or family (Maslow 1954).

Next up is the *esteem needs*, which is centered around our inherent need or desire for self-respect, or self-esteem, and for the esteem of others (Maslow 1954). This particular set of needs is split into two classifications. The first being the desire for strength, achievement, adequacy, mastery and competence, confidence, independence and freedom, and second being the desire for reputation or prestige, status, fame and glory, dominance, recognition, attention, importance, dignity or appreciation (Maslow 1954).

And finally, we have the *self-actualization needs*, which points to the individual's need or desire to actualize their potential, to seek self-fulfillment. Thus, the specificities of how these needs may look like will vary immensely from person to person. As Maslow (1954) explained it:

“A musician must make music, an artist must paint, a poet must write, if he is to be ultimately at peace with himself. What a man *can* be, he *must* be. He must be true to his own nature.”

In sum, Maslow’s model provides a useful point of reference and practical framework for the understanding of basic human motivation - something that lies central in the discipline of consumer behaviour. This thesis will seek to contribute to the body of knowledge by employing

Maslow's model in a contemporary phenomenon and explore how, and if, our basic needs may transform during a societal crisis.

## 2.2 Fear, Perception of Risk, and Decision Making under Uncertainty

The following sections will examine the concepts of *fear*, *risk perception* and *decision making under uncertainty* in order to gain a fundamental theoretical understanding of how these may come into play in a societal crisis.

### 2.2.1 Fear

Fear is a reactive emotional state to a real or perceived threat that is followed by a series of autonomous responses, thoughts of immediate danger and escape behaviour (Lee & Crunk 2020). It is one of the primary human emotions, it has multiple subgroups (e.g. social fear, fear of physical harm, anxiety and phobias) (Hutjens 2014) and despite the fact that the sensation of fear is well known to all of us, there seems to be no scientific consensus on the term (Adolphs 2013).

In his book, Darwin proposed the evolutionary utility of *fear* as it helps us react quickly and appropriately in dangerous situations (Mackintosh 2016). He presented a series of interesting observations regarding humans and our, often involuntary, reactions in different scenarios. To name a few in regard to *fear*, he observed that people, when suddenly becoming scared, often tend to open their mouths (arguing that this reaction was to help us breathe more freely to prepare for a 'fight or flight' situation) and proposed the notion that the *erection of bodily hair* when being frightened is a leftover defense mechanism from our fur-clad ancestors that, when exposed to a threat, helped them appear bigger and more terrible to their opponent (Mackintosh 2016).

Even though scenarios such as these might seem lightyears away from our reality today, it is the very same emotions that pushes us to remove ourselves from dangerous situations, or to change the environment in such a way that it reduces our feeling of being at risk (Weber 2006). Instinctual reactions such as fear or anxiety acts as a warning sign, recommending risk management and motivating us to take the appropriate actions to improve the situation (Weber, 2006).

Adolphs (2013) and Loewenstein et. al. (2001), among others, distinguishes between *fear*, *anxiety* and *panic*. Fear is characterized as an adaptive and transient state caused by a

threatening stimulus, whereas anxiety is characterized as a state of alert - more closely related to prediction and preparedness (Adolphs 2013). Panic reactions, such as slamming the brakes when skidding on ice, not only happens on an individual level - indeed, they also exist on a societal level (Loewenstein et. al. 2001). Public panics are characterized by an eruption of public concern about a given issue, usually initiated by highly vivid cases that are being propelled by concentrated media attention (Loewenstein et al. 2001). Multiple field studies, among others David & Wessely (1995), has shown that almost all cases of public panic have the same patterns:

“Someone observes a fear-inducing event or is exposed to a vivid frightening rumor, begins to experience anxiety.....and others begin to get anxious themselves. Before you know it everyone in the room is hyperventilating and collapsing” (Loewenstein et. al. 2001).

In other words, when it comes to public panics, it is seldom the *actual even* that carries the most weight, it is the recognition of *the reaction of your peers*. This herd-mentality might seem irrational in today's world, but from an evolutionary perspective, it proves valid. Instead of spending the little time you have assessing the situation with your own eyes, you instinctively trust your peers' assessment of the threat and respond accordingly. This also leads back to our inherent *negativity bias*, a primal propensity to attach more value to negative events than to positive ones (Cherry 2020). Why might you ask? Well, when you find yourself in a life-and-death situation “safe” is simply better than “sorry”.

However, when viewing fear with more contemporary glasses we see that this seemingly irrational behaviour is not exactly in the rearview mirror for our species. In fact, *herd mentality* and *panic buying* has, indeed, been present during the current COVID-19 pandemic (Yuen et. al. 2020; Loxton et. al. 2020). Panic buying refers to the irregular buying behaviour of consumers in anticipation of, during or after a crisis, in which they purchase unusually large amounts or an unusually varied range of products - leading to stockouts and supply chain disruptions for retailers (Yuen et. al. 2020; Loxton et. al. 2020). Yuen et. al. (2020) found that the act of panic buying is influenced by four factors: (1) the individuals' perception of the threat and scarcity of products; (2) fear of the unknown, which is caused by negative emotions and uncertainty; (3) coping behaviour, which views panic buying as a way to relieve anxiety and regain control over the crisis; and (4) social psychological factors, which account for the influence of the social network of an individual (Yuen et. al. 2020).

In sum, fear is a powerful emotion that can greatly thwart rationality and distort decision-making (Reuben 2004). When consumers experience fear and risk, they become motivated to engage in self-protective activities that provide comfort and security, such as panic buying, in order to minimize perceived risk (Loxton et. al. 2020; Yuen et. al. 2020).

### 2.2.2 Perception of Risk

Consumers react differently in times of a crisis situation all according to their individual *risk attitude* and *risk perception* (Amalia & Ionut 2009; Sharma & Sonwalkar 2018). Risk attitude reflects the consumer's interpretation of the severity of the risk, whereas *risk perception* reflects the consumer's assessment of the likelihood of the consumer being exposed to, and affected by, the risk (Amalia & Ionut 2009; Sharma & Sonwalkar 2018).

Amalia & Ionut (2009) groups the consumers, in times of crisis, into four primary groups (see appendix 3 figure 2). The "Panicked consumers", who are characterized as having both a high-risk attitude and a high-risk perception. They are extremely risk averse, tend to overreact in times of crisis, and will try their best to avoid the risk altogether. Similarly, they are expected to reduce their spending and consumption (Amalia & Ionut 2009).

The "Prudent consumers", has high risk attitudes but low risk perceptions, meaning that while they acknowledge the severity of the crisis, they don't believe they themselves are in any real danger. These consumers are prudent in their buying behaviour, they plan out their spending and postpone major purchases (Amalia & Ionut 2009).

The "Concerned consumers" has low-risk attitude and high-risk perception. These consumers don't find the situation to be severe, yet still acknowledge the chance of them being affected by it. This category will continue to make major purchases, but only if they can "get a good deal" (Amalia & Ionut 2009).

The "Rational consumer" is characterized by having a low-risk attitude and a low-risk perception. They are not risk averse and don't consider the potential risk as a real threat - in other words: they continue business as usual and usually don't reduce their spending or consumption (Amalia & Ionut 2009).

Based on this, we should acknowledge the fact that consumers respond differently in times of crisis, all according to their individual *risk perception* and *risk attitudes*. In continuation of this, Loewenstein et. al. (2001) argues that people tend to respond to risk at two separate levels. First, they evaluate the risk *cognitively*, after which they react to it *emotionally*

(Loewenstein et. al. 2001). Despite both reactions being related (as cognitive evaluations of the risk give rise to certain emotions, and these emotions in turn influence the evaluation) they both have their own distinct determinants (Loewenstein et. al. 2001). Cognitive evaluations of risk are affected by *probabilities* and *outcomes*, whereas emotional reactions are affected by, among others, the *vividness of associated imagery* and the *proximity in time* of the risk (Loewenstein et. al. 2001).

Despite the fact that *emotional reactions* are also sensitive towards *probability* and *outcomes*, the connection between them are radically different than from those of *cognitive evaluations* - resulting in people experiencing a strong divergence between the *level of fear* they connect to a certain risk and their *cognitive evaluation* of the severity of the threat posed by that risk (Loewenstein et. al. 2001). In other words, this explains why people can have incredibly potent fears of seemingly irrational things, such as small spaces (claustrophobia), birds (ornithophobia) and spiders (arachnophobia) that they, objectively, know won't hurt them.

It is also worth noting, that when worry increases about a particular type of risk, concerns about other risks tends to go down, putting forth the notion that humans have a certain capacity for risk perceptions (Weber 2006). When it comes to the perception of risk, *temporal conditions* (i.e. the proximity of the risk) play a vital role, as a risk in the near future will be perceived more dangerous than a risk in a more distant future (Weber 2006; Hutjens 2014). Following this proposition, it is, perhaps, no wonder why it may be easier for us to neglect the global climate crisis in comparison to the hooded figure approaching us in a dark alley at night. Similarly, as the prospect of an uncertain event gets closer *fear* tends to increase - even if the assessment of the *probability* or the *level of severity* of the event remains constant (Loewenstein et. al. 2001).

Relatedly, there are two pathways to establish the feeling of being at risk, each with different levels of effectiveness. The first and most effective path is through a personal exposure to negative consequences whereas the other, less effective path, lies in the consideration and mental simulations of the negative consequences that could follow the potential risk. The latter is usually based on statistical information provided by domain experts (Weber 2006). Most people can probably relate to this phenomenon as it is, arguably, harder to deny the feeling of being at risk when the threat is staring you right in the face, compared to when it's something unknown 'out in the periphery' in a far-away country explained to you by a state-official through a TV-screen. However, as we also came to see in Denmark, cases of

COVID-19 quickly began to emerge throughout the country, after which the risk suddenly became real.

In his book “Consumer behaviour - a European Perspective” Solomon et. al. (2006) distinguishes between five primary type of risk connected to consumer’s risk perception: (1) “Monetary risk” refers to capital and property; (2) “Functional risk” refers to the alternate means of performing the function or meeting the needs of the consumer; (3) “Physical risk” refers to physical vigor, health and vitality; (4) “Social risk” refers to self-esteem and self-confidence; (5) “Psychological risk” refers to affiliations and status (Solomon et. al. 2006).

He points out that consumers with greater ‘risk capital’, in other words their capacity to withstand potential risk, will be less affected by the above-mentioned perceived risks associated with a given purchase. As he logically points out:

“...a highly self- confident person would be less worried about the social risk... whereas a more vulnerable, insecure consumer might be reluctant to take a chance with a product that might not be accepted by peers” (Solomon et. al. 2006 p: 272).

In sum, it is clear that consumers react instinctively different in times of a crisis (Amalia & Ionut 2009; Sharma & Sonwalkar 2018), and that perceptions of risk during a crisis can lead to major changes in consumer behaviour - in particular in terms of shopping and consumption habits (Oana 2020). Similarly, it is clear that there are a multitude of different types of potential risk associated with being a consumer in today’s world, and that a consumer’s reaction to these is determined, at least to some degree, by their *risk perception* and *risk attitude* (Amalia & Ionut 2009) as well as *risk capital* (Solomon et. al. 2006).

### 2.2.3 Decision Making under Uncertainty

Consumers are faced with decision making about purchases all the time, some of these are of great importance to their lives and entails great effort from the consumer, others are made more or less automatically (Solomon et. al. 2006). At the very core of consumer behaviour studies, in addition to analyzing and understanding the current consumers’ behaviour *today*, lies the ability to predict *future* consumer behaviour. Because of this, it is crucial to gain an understanding of how consumers make decisions.

It is no secret that decision maker’s emotional states can affect our cognitive evaluations of a potential risk, however, these evaluations can also affect our emotional states (Loewenstein

et. al. 2001; Johnson & Tversky 1983). Thus, fear can increase arousal and arousal, in turn, can increase the intensity of new fear responses (Loewenstein et. al. 2001; Lang 1995). Feedback systems such as this creates volatile situations and can rapidly turn mild fears into full blown panic reactions (Loewenstein et. al. 2001).

When it comes to decision making theory, the Expected Utility (EU) model has long reigned supreme within academia (Loewenstein & Lerner 2003). At its core, the expected utility model suggests that people will choose the course of action based on the different options' *utility* (i.e. desirability, value) and their likelihood of becoming a reality (Loewenstein & Lerner 2003).

Daniel Kahneman and Amos Tversky, among others, critiqued this basic model, instead proposing their alternative in 1979, the famed Prospect Theory, which was later awarded the Nobel Prize in economics in 2002 (Kahneman & Tversky 1979; Harley 2016). Their model aimed to accommodate the inherent flaws and inconsistencies of its more fundamental precursor by addressing several biases and effects that play a key role in decision making, namely: *the certainty effect*, *the isolation effect* and *loss aversion* (Kahneman & Tversky 1979).

The *certainty effect* speaks to the fact that we, when presented with different prospects (i.e. options), typically choose the one that is *certain* over ones that are merely *probable*. This both leads to risk aversion in decision making with *sure gains*, and risk seeking in decision making with *sure losses* (Kahneman & Tversky 1979).

The *isolation effect* explains how we, when presented to prospects with the *same outcome* but presented in *different forms*, will seek to simplify the choice between the available options by disregarding the components the alternatives share (Kahneman & Tversky 1979).

The concept of *Loss Aversion* is described as a cognitive bias that makes the pain of *losing* inherently more frightening to us, than the pleasure of *winning* (The Decision Lab 2021). People typically reject gambles that offer a 50-pct. chance of winning money and a 50-pct. chance of losing money, unless the potential gain is at least one or two times greater than the potential loss (Schulreich et. al. 2016). Relatedly, Schulreich et. al. (2016) found, when presenting a *fearful* face to their participants in a gambling situation (in comparison to a *neutral* face), that their risk aversion increases - an effect that could be attributed to increased loss aversion (Schulreich et. al. 2016). Following this logic, an increased feeling of fear could make consumers *more* risk averse during a societal crisis such as COVID-19.

Another interesting effect, also proposed by Kahneman and Tversky (1981), is the *framing effects* – a concept that is also supported by Solomon et. al. (2006). As you might know, it is possible to frame a decision problem in multiple ways, and this effect highlights

how individuals often tend to be affected by the framing of the *acts*, *contingencies* and *outcomes* of the given situation (Tversky & Kahneman 1981).

Kahnemans & Tversky's prospect theory differs from the former EU by not only assuming that consumers will choose the option that gives them maximum utility based on the *probability of outcomes*, instead recognizing that consumers may choose an option based on considerations other than simply maximizing utility (Pettinger 2018; Kahneman & Tversky 1979). In other words, they argue that consumers, when making decisions in situations with risk and uncertainty, assign more value to potential *gains* and *losses* in reference to their current state, instead of solely focusing on the *final outcome* (Kahneman & Tversky 1979). The theory claims that consumers, when there is something to be gained, will choose certainty over uncertainty, whereas consumers, when faced with a potential loss, will be more willing to roll the dice (Chen 2020; Walsh 2017).

Pfeffer & Hardisty (2017) found, however, that by including temporal considerations into the equation (i.e. the present vs. the future) people, even when facing *losses*, favors certainty over uncertainty (Walsh 2017). Their papers' conclusive title says it all: "When the Future Is Uncertain, People Prefer the Present, and When the Present Is Uncertain, People Prefer the Future" (Pfeffer & Hardisty 2017). They argued that:

"Individuals aim to avoid uncertainty in situations where *time* is considered. While keeping the potential value of payouts constant, participants preferred immediate gains and losses if the future was uncertain, and preferred future gains and losses if the present was uncertain."

These findings, at least to some degree, go against Kahneman and Tversky's theory which claims that risk seeking is more favorable when presented with *potential losses*. However, Pfeffer & Hardisty acknowledged that their findings did not exactly discredit or disprove the pioneering work of Kahneman & Tversky (Walsh 2017; Pfeffer & Hardisty 2017). Their findings did, however, provide additional nuances to the on-going study on how consumers make decisions in times of uncertainty.

In more general terms of the consumers' decision making, Solomon et. al. (2006) highlights the four primary phases in a purchase as well as a series of key evaluative criteria that influences the consumers' decision among alternatives in a purchasing decision.

A purchasing decision involves a series of steps: (1) the consumer *recognizes the problem* and the need of a decision to be made (which may be prompted by, among others, an issue with a current purchase or a need or desire for new things based on exposure to

different circumstances or advertising); (2) the consumer *initiates information search* (ranging from scanning memory or shopping isles to extensive research in which the consumer consults a variety of sources). In many cases, however, consumers engage in surprisingly little research - instead relying solely on mental shortcuts; (3) the consumer *evaluates alternatives* based on their individual product categorizations and preferences (the way in which products are mentally grouped influences which alternatives will be considered, and some brands are more strongly associated with these categories than are others); and (4) based on the evaluation (whether based on extensive information search, brand loyalty or simply heuristics) the consumer *purchases the given product or service* (Solomon et. al. 2006).

Despite what some consumers may say about *their own* decision-making process, most humans do not perform complex mental calculations every time they make a purchase. Instead, to simplify the decision-making process, we utilize *heuristics* - a form of mental shortcut or rule-of-thumb that leads to a speedier decision (Solomon et. al. 2006). Such rules could be that 'Higher-priced products are higher-quality products' or 'Buy the same brand I bought last time', and so on (Solomon et. al. 2006).

Similarly, *inertia* refers to the phenomena of consumers buying the same brand out of habit every time they go shopping, simply because less effort is required (Solomon et. al. 2006). They are, however, much prone to switch this product or brand out if another is introduced that, for some reason, makes it easier to buy (e.g. cheaper, or that their original product/brand is out of stock).

*Brand loyalty* is another form of repeat purchasing behaviour reflecting a more conscious decision (Solomon et. al. 2006). However, for this to become a reality, repeat purchases done by a consumer *must* be accompanied by an underlying positive attitude towards the brand (Solomon et. al. 2006). Purchase decisions built on brand-loyalty also becomes habitual over time, but the commitment to the product weighs much more here. Also, in sharp contrast to inertia, in which consumers passively accept a brand, a brand-loyal consumer is actively, and even passionately, involved with the brand (Solomon et. al. 2006).

In conclusion, and even though many consumers may think otherwise, consumer behaviour research clearly illustrates that decision-making is not always strictly rational (Solomon et. al. 2006). In fact, it is clear that a great part of our purchasing decision making processes are highly automated and made largely by habit and inherently human biases, rather than complex, rational calculations (Solomon et al. 2006; Loewenstein et al. 2001; Kahneman & Tversky 1979).

The previous sections have paved the way by creating a theoretical foundation to which the case study of COVID-19 can be built upon. It is evident that when it comes to consumer behavior, there are a myriad of theories, concepts and models regarding consumers' decisions making, resulting in this literature review barely scratching the surface. The reviewed theoretical foundation can be used as beneficial tools in the aim to understand the mechanics behind how consumers make decisions in times of risk and uncertainty.

## 2.3 A Retrospective Look at Consumer Behaviour

In order to examine *today's* consumer behaviour during COVID-19 that, in many ways, are now shaping the future before our eyes, we must first turn our eyes to yesterday's consumers and the origin of *consumer behaviour*, in order to be able to understand how consumer behavior has changed in line with past historical events and crises. In general, the field covers a lot of ground, and the study of consumer behaviour has been of vital importance for marketers ever since the inception of marketing (Solomon et. al. 2006; Waguespack & Hyman 1993). Similarly, consumers come in many shapes and sizes - ranging from the kid browsing for a new toy, to the CEO in a multinational weighing his options in acquiring a new IT-system (Solomon et. al. 2006).

But why should businesses, advertisers and even governmental agencies even care about consumer behaviour in the first place? And what even *is* consumer behaviour? The first question is a relatively easy one to answer, as a rudimentary marketing concept states that businesses need to satisfy consumer's needs. In other words: "understanding consumer behaviour is good business" (Solomon et. al. 2006 p. 8). The answer to the second question is, as you will come to see, unfortunately not as straightforward.

Despite a consensus on the *general* understanding of the concept of consumer behaviour, there have been an assortment of different paradigms and definitions over the years. Professor of Marketing, Dr. Judith Lynne Zaichowsky, presents the majority of these definitions in her paper "Consumer Behaviour: Yesterday, Today and Tomorrow" (1991), in which she examines the different ways scholars and marketers have defined consumer behaviour across the decades. Similarly, Waguespack & Hyman's paper: "Consumer Behaviour: Still Normative After All These Years" (1993) builds upon the pioneering work of Zaichowsky (1991) but also supplements it by adding additional sources that provide further nuances to Zaichowsky's work. This section will explore both of these. It should, however, be

mentioned that both works focus on consumer behaviour in the western and developed countries (primarily the US) which, of course, should be taken into consideration when reading.

Through the 1930s and 1940s scholars of both marketing and economy were mostly focused on economic theory and the process of consumption (i.e., how consumers spent their incomes) (Waguespack & Hyman 1993; Zaichowsky 1991). In this paradigm the consumer was often referred to as the 'Economic Man', characterizing the consumer as being highly logical and calculative. Thus, the consumer's purchasing decisions were primarily based on *rational* and *conscious* economic calculations (Zaichowsky 1991). The consumer sought to purchase the goods that would bring him the highest *value* and *satisfaction*, for the lowest possible *price* (Zaichowsky 1991). Following this school of thought a number of interesting hypotheses emerges, among others: a) the lower the price (or the higher the quantity) the higher the sales; b) the lower the price of substitute products, the lower their sales and c) the lower the price of complementary products, the higher their sales (Zaichkowsky 1991).

The problem with such a simplified view is, as Zaichkowsky (1991) and Waguespack & Hyman (1993) argued, that it assumes that the consumer is not only *aware* of the entirety of available options within a given marketplace, but also that they are *capable* of rationally ranking the available alternatives. As Zaichkowsky (1991) calls this optimistic assumption: "This is the case of perfect information in the marketplace and unlimited ability of the consumer". Most people probably won't need to reflect much to realize that this paradigm is far from reality - at least from the one we face today. Similarly, *preferences* interfere with this viewpoint as different people prefer different styles and have different tastes all together. This results in consumers making purchases based on subjective, personal preferences instead of objective information such as prize or quantity (Zaichkowsky 1991).

Despite the weight of the Economic Man's in the marketing sphere, few pioneering scholars looked to non-rational explanations behind consumer behaviour. Waguespack & Hyman (1993) highlight here, for example, Pitkin (1932) who argued that:

"Man, in all of his attitudes, interests, and capacities, is an integral personality. Whatever he does is a joint product of his intelligence, his energy, his age, his training, and his emotions"

During the 1950s the 'Economic Man' was forfeited as scholars acknowledged that goods, in fact, did carry "hidden meanings" beyond just price, quantity and utility (Zaichkowsky 1991). Scholars and marketing professionals thus started attributing importance to the consumer's attitudes, interests, capacities, age and emotions (Waguespack & Hyman 1993). With this

change of scenery, the ‘Irrational Consumer’ was born. In this paradigm the consumer is portrayed as an irrational and impulsive decision maker that is open and vulnerable to external influences (Zaichkowsky 1991).

This wave came in conjunction with an increased focus on *psychology* in business schools where insights on both *personalities* and *motivation theory* from, among others, Freud and Maslow, proved most valuable agents when studying the behaviour of the consumer (Zaichkowsky 1991). This new era was in stark contrast to the previous paradigm where *economy* was the singular focus in business schools and within the marketing sphere (Zaichkowsky 1991).

With the emergence of the marketing management discipline in the 1960s consumer behaviour began to be acknowledged as a distinct field, and textbooks began including designated chapters on consumer behaviour (Waguespack & Hyman, 1993). The marketplace was becoming more diversified, informative labels with ingredient lists were being put on products and advertising was regulated and measured to avoid any misleading advertising to the consumer (Zaichkowsky 1991).

In the late 1960s and 1970s researchers now portrayed the consumer as the ‘Cognitive Man’ - leaving the former ‘Irrational Consumer’ behind (Zaichkowsky 1991). The consumer was now seen as a ‘Problem Solver’ - receptive only to the products and services that consciously would meet their needs. Instead of merely purchasing what was available in front of them, consumers started *actively* searching for information about potential products or services (Zaichkowsky, 1991). However, despite the consumers increased appetite for information, multiple studies (e.g. Jacoby, Speller & Kohn 1974; Scammon 1975) showed the consumer’s apparent inability to *actually* make information based decisions - instead primarily being driven by their existing skills, habits, reflexes, values and goals (Zaichkowsky 1991).

Instead of formulating an actual definition on consumer behaviour, most textbooks during this era primarily delineated its boundaries (Waguespack & Hyman 1993). An example of this is the textbook by Myers & Reynolds’ (1967) “Consumer Behaviour and Marketing Management” in which consumer behaviour is used to “*Review what we know about human behavior as it relates to the buying situation*” (Waguespack & Hyman 1993).

In the 1980s the consumer transformed from the ‘Cognitive Man’ to the ‘Cognitive Miser’, arguing that the consumer was either *unable* or *unwilling* to engage in decision-making activities in the purchasing process (Zaichkowsky 1991). In this paradigm, the consumer is overwhelmed by the radically changed shopping-scene. There are simply too many substituting products to choose from, too much information to digest, and too little time for the consumer

to choose in. To put this into perspective, the average number of products in US supermarkets grew from 13.000 in 1981 to 21.000 in 1987, and the American beer-drinker was able to browse around the beer-isle with approximately 400 different brands of beer to choose from (Zaichkowsky 1991). The result? The consumer developed ‘rule of thumbs’ (e.g. “buy the cheapest”, “buy brand names” or “buy what my friend bought”) to simplify their purchasing process and avoid extensive and time-consuming decision processes (Zaichkowsky 1991). However, it was not only the marketplace that changed drastically during the 1980s. The consumer’s leisure time also diminished rapidly as the number of “free hours” an average consumer had decreased from four to one - the reasoning for this being that the average time spent at work increased seven to eight hours per week since the 1970s (Zaichkowsky 1991). Similarly, during this era more than 50 pct. of women had now become stable members of the job market, resulting in household duties being carried out after dinner - allowing for virtually zero downtime. Correspondingly, an increase in single parent households and a rising number of people working during weekends continued to cut into the consumer’s spare time (Kar, 2010). This resulted in an array of convenient shopping solutions for the hardworking consumer, such as home catalogs, home TV shopping and home computer shopping (Zaichkowsky 1991).

When it came to defining consumer behaviour during the 1980s, a movement sparked within academia and marketing that urged the field to expand and broaden the scope of the discipline by looking beyond the previously narrow focus on the buying process resulting in an implicit acceptance within the field of the notion that consumer behaviour expanded further than simply the purchasing of goods (Zaichkowsky 1991; Waguespack & Hyman 1993).

As the works of Zaichkowsky and Waguespack & Hyman concluded in the beginning of the 1990’s, the following paragraphs will seek to conclude our trip down memory lane by filling in the gap with, among others, Kar’s (2010) paper “Consumer behaviour over the last 25 years” who has described the change in consumer behaviour between 1990 up until 2010. The 1990s was, in many ways, an eventful decade. The post-World War II ‘Baby Boomers’ were now at the top of their careers with professional qualifications and stable corporate jobs (Kar 2010). With increasing job stability and job opportunities the corporate culture thrived, meaning that the consumers felt safe in meeting their basic needs. This resulted in consumers shifting over to an increased focus on *quality of life* rather than *material goods* (Kar 2010). Thus, experiences *outside* of the boundaries of their job were suddenly sought after by the consumers – they were looking for something *more*. Correspondingly, consumers became more focused on their family lives, stay-at-home-dads became more common, and the working mom

began to be recognized by their counterparts (Kar 2010). Similarly, the household duties, the purchasing of everyday goods and services became a joint operation.

Correspondingly, as businesses realized it was no longer *them* that was in charge, many businesses began to declare themselves as being “customer-centric” in order to attract the consumers' divided attention in a mass-market with endless opportunities. Convenience became the primary goal of businesses and retailers, and *economies of scale*, *bulk purchasing* and *category purchasing* soon became a common phenomenon, giving birth to both hypermarkets, discount stores and supermarkets (Kar 2010). Given the increased competition and options available, businesses started to focus on *retention* of customers and increasing the lifetime value of these, instead of merely attracting new customers, resulting in *Customer Relationship Management* emerging as a major theme in business literature (Kar 2010).

Differentiation and personalization became the new norm within business and marketing, and the consumer became aware of their now-dominant role in the transaction process - resulting in them demanding high standards of service and quality of products (Kar, 2010). Businesses and retailers knew they had to engage in other activities, other than merely offering a product or a service, resulting in a focus on satisfying customers with a holistic shopping experience (e.g. in-store ambience, atmospherics, décor, ease and comfort of shopping) (Kar, 2010). Thus, the intangible elements in the purchasing process between the consumer and the business became a vital component in business strategies – putting both *marketing* and *customer services* to the frontline of business processes (Kar 2010).

Along with the new millennium, the Internet brought upon a new reality and consumer behaviour as online shopping gained leeway into the mind and hearts of the consumers (Kar 2010). However, the majority of consumers still, primarily, used the Internet to investigate product prices and details, only to conclude the purchase in the well-known ‘bricks and mortar’ stores (Kar 2010). This resulted in the consumers being more well-equipped with both information about the products and available deals – paving the way for an “empowered, informed, sophisticated and increasingly fickle consumer” (Kar 2010).

Similarly, the “customer-first” strategy took on an entirely new dimension during this era, as the consumer was given a central advisory role by the businesses when it came to the designing of products and services, that would meet their specific needs (Kar 2010). By keeping the consumer front-and-center in the design and innovation processes, what von Hippel (2005) coined ‘democratizing innovation’, businesses and manufacturers were able to keep the consumers actively engaged and to take “ownership” in their business – another initiative by the businesses in their objective of gaining life-long-customers (Kar 2010).

In the mid 2000s, an increasing awareness of environmental issues now began to alter consumer behaviour (Kar 2010). Some consumers now welcomed, and even sought after, greener and more environmentally friendly products and services, such as fairly traded products, locally sourced produce and eggs laid by cage-free hens and were prepared to pay the price for it (Kar 2010). Similarly, between 2005-2009 a growing number of consumers started to reject status-driven values (e.g. snobbishness and exclusivity) and instead embrace attributes related to bringing people closer and/or making the world a better place (Gerzema & D'Antonio 2011).

As touched upon briefly in this paper's introduction, the Great Recession, arguably one of history's worst economic recessions, came in the late 2000s – ending an unprecedented long-term period of prosperity with stable economic growth (Flatters & Willmott 2009). From 1995-2005 real disposable incomes increased across nations (e.g. by a third in the US and the UK and by a quarter in Sweden and Denmark) (Flatters & Willmott 2009). However, as Flatters & Willmott (2009) argues in their article from Harvard Business Review “Understanding the Post-Recession Consumer” - the recession did not, in fact, “put an end to the party” but instead “sobered it up” - *propelling* some consumer trends forward while *slowing, halting*, or even *reversing* others (Flatters & Willmott 2009).

Usually, consumption trends recover rather fast after a recession, though at different rates in different sectors (Flatters & Willmott 2009). Recessions generally fall into two broad groups, one being relatively short-lived and superficial, inciting only short-term changes in consumer behaviour, the other being the catastrophically deep and enduring recessions, such as the Great Depression in the 1930s, that shapes the mindset of consumers and have long-term impact on their buying behaviour (Flatters & Willmott 2009).

In the article the authors identify a number of key trends and predictions based on two decades of experience working on consumer trend forecasting and analysis, as well as consulting global firms on the recession's expected impact on long-term consumer behaviour. The identified trends by Flatters and Willmott (2009) can be seen here:

### **Advancing Trends**

- “A demand for simplicity”. Consumers, even prior to the recession, felt overwhelmed by the abundance of options and the 24/7 connectivity. Add to the mix an economic crisis, and the trend of *simplifying* will only become more dominant – perhaps even after the economy bounces back.

- “Discretionary thrift”. In the years leading up to the recession in 2008, many consumers began to engage in economizing and “thrifty activities” (e.g. recycling more and buying used goods) as a result of a dissatisfaction with excessive consumption (Flatters & Willmott 2009). Prior to the recession most thrifty consumers were hesitant to open up about their frugal ways, but after the recession it became acceptable in society – “even fashionable”.
- Relatedly, the authors highlight the advancing trend of “Mercurial consumption”, which highlights the consumers’ lacking loyalty and their ability (and desire) to constantly search for the best possible deals and bargains. Social media platforms and the increasing use of technology will continue to push this trend forward. As the authors state: “Exactly what consumers buy may change, but their facility in navigating the options will prove durable—as will their readiness to shift allegiances.”

### **Declining Trends**

- “Green consumerism”. Environmentally friendly products and services may struggle during the recession as consumers might choose to go for cheaper alternatives and forgo their moral high ground – if only for a moment. While consumers may spend less on “green products” in a time of economic crisis they, on the other hand, increase their focus on other ways to “be green” and reduce waste, such as switching off lights, recycling more and buying less (Flatters & Willmott 2009). Thus, instead of coming to a halt in a recession, green consumerism simply slows down and takes a different appearance, after which it will return to the increasing trajectory from which it came.
- Similarly, the trend of “Ethical consumerism” is expected to come to a more drastic standstill than “Green consumerism”, as fair-trade products and locally sourced produce is more expensive than their less ethical substitutes. As the authors say: “When people are focused on feeding their own kids and keeping a roof over their heads, concern about children in other parts of the world, or about animal welfare, drops on the list of priorities.” (Flatters & Willmott 2009; Weber 2006). They also foresaw that this trend, compared to “Green consumerism”, will rebound slower, as consumers, after gaining back their confidence in the economy, will first buy the things they have been missing during the crisis, and only after *this* will they return to thinking and acting in altruistic ways.

In order to investigate whether or not these predictions came true, the researcher conducted a brief semi-structured interview with Paul Flatters (the above-mentioned author of “Understanding the Post-Recession Consumer” from 2009), in order to learn more about their monitoring of consumer behaviour after the crisis in 2008. When asked about their predictions about the post-recession consumer in 2009, Flatters responded that they, indeed, did come true - at least to some degree. They continued to monitor in the years that followed, however, the crisis lasted much longer than anyone had anticipated. This made it difficult to know exactly *when* and to *what degree* they came true (Flatters 2021).

In the years following the crisis the consumers were incredibly polarized, and there was a lot of hate, fear and blame (Flatters 2021). Everyone was looking for someone to blame for the financial situation and people were pointing fingers at either the banks, the wealthy, the government or the poor, and the consumption levels of the individual in the years that followed obviously depended on where you fit into that spectrum (Flatters 2021).

He argues, however, that people are affected quite differently in times of a crisis. For instance, some consumers in the years that followed the crisis began to save up money and basically hoard all they could while living on a dime, whereas others thrived and started to invest in both stocks and properties - gaining leverage once the economy bounced back (Flatters 2021). Again, this obviously had something to do with the individual consumers’ starting point, but consumers are, after all, consumers - whether or not they were well-off prior to the crisis (Flatters 2021). Most consumers in the wake of the crisis, however, showed *less loyalty to brands*, they *shopped differently*, they *visited restaurants less* and generally *had fewer money to spare* (Flatters 2021).

When the economy started to bounce back in the UK, the economic recovery was very slow, given the fact that the wage-growth was lower than inflation (Flatters 2021). It was first in 2017 that the UK economy returned to the levels prior to the recession and, obviously, it wasn’t long after that, that another tragedy struck (Flatters 2021). As we will come to see in the analysis, it was arguably the same picture in Denmark prior to COVID-19. The interview with Flatters provided a lot of interesting, and reaffirming, thoughts on consumer behaviour during societal crises. One of the primaries being that consumers obviously react very differently in times of turmoil - all according to their individual risk attitude and risk perception, but *also* to their “place” in society *prior* to the crisis occurring.

Before concluding this literature review it seems fitting to briefly touch upon the *Danish* consumer’s overall situation in the years leading up to COVID-19, in order to be able to analyze and understand their *current* behaviour.

It should also briefly be mentioned here that the researcher, rather late in the project, discovered the Danish authors Jantzen & Østergaard (2001) and their book "Shifting Perspectives in Consumer Research", that would have been advantageous to also include in the section above, as it most likely could have contributed with several relevant insights regarding the field of consumer behaviour. This could be interesting to include in further research.

## 2.4 The Economic situation in Denmark pre-COVID-19

In 2017, Dansk Erhverv concluded that Danish consumers never in the country's history have had so much money for themselves, in fact, the Danish consumption has more than doubled from 1966-2015 (Rasmussen 2017). The Danish consumers had also never spent so *little* of their earnings on food - instead allocating the majority on housing, leisure and pleasures - thus "moving from survival to experience" (Rasmussen 2017). Denmark is among the world's richest countries, which is why the level of expenditure on basic necessities (e.g. food & clothing) now takes up significantly less space in the budgets than they used to. However, as illustrated in appendix 3 figure 3, the Danish consumers, compared to the Danish consumer in both 1909 and 1955, spent significantly more of their earnings in 2015 on housing (center graph), *other goods and services, such as house help* (first graph on the right) and *transport & communication* (second from the right) (Rasmussen 2017).

In general, the Danish consumers have had a significantly higher consumption level compared to other European countries - a whole 15 pct. above the European average in 2015, as can be seen in appendix 3 (figure 4).

However, as can be seen in appendix 3 (figure 5), the consumption in Denmark obviously also took a hit during the recession in 2008, and it still has not reached the same levels as before (Rasmussen, 2017). However, Danish consumers learned their lesson and have since 2009 started to hold back and put aside more money in the bank (Rasmussen 2017; Rasmussen et al. 2018).

With that said, and as you can see in the small upwardly curve in 2014, the Danish economy was starting to bounce-back during 2015 and 2016 where the growth in disposable income was significantly higher than the consumption growth (Rasmussen et. al. 2018). Thus, as the households managed to increase their consumption *less* than their increase in income, they began to save more (Rasmussen et. al. 2018). In fact, for every 100DKK that the Danish consumer had in 2017, they spent 95DKK of them. This may seem like a lot but compared to

before the recession where they spent 105DKK, and thus took up loans to keep up with their consumption, it is actually quite reasonable (Rasmussen, et. al. 2018).

Prior to the emergence of COVID-19, Dansk Industri published their prognosis with the headline “Highest growth in Danes' consumption in 12 years” (February 2018) with an extremely positive outlook on Danish economy - foreseeing a continuous increase in consumption levels and a staggering 60.000 new jobs up until 2020 (Rasmussen et. al. 2018). This, obviously, did not become a reality. In fact, the Danish GNP fell 3,7 pct in 2020 compared to 2019 and 87.000 jobs were lost in the first half of 2020 alone (Bitsch 2021; Ritzau 2020). As we clearly see, there are multiple apparent resemblances from the aforementioned economic trends in the UK, leading up to COVID-19 in the UK (Flatters 2021).

## 2.5 Consumer Behaviour in Denmark pre-COVID-19

Turning now to some of the more consumer behaviour related trends and tendencies, numbers from FDIH (The Association for Danish Internet Trade) shows that Denmark, like many other countries in the years leading up to COVID-19, experienced a continuous increase in online shopping - growing 14 pct. in 2017 compared to 2016 (Theil & Kaltoft 2017). The six major product categories being: *clothes, shoes and jewelry* (19 pct), *electronics and white goods* (16 pct), *movies, music, books and games* (13 pct), *house and garden* (9 pct.), *travel* (9 pct.) and *groceries, food and drink* (7 pct.) (Theil & Kaltoft 2017). Travel, however, accounted for approximately 25% of the *total revenue* generated from online sales. The number of mobile transactions also increased a staggering 36% in the same period (Theil & Kaltoft 2017).

Similarly, the Danish consumers' consumption of *all* news media has declined steadily leading up until COVID-19, especially TV news, online newspaper news and TV channel online news took a hit from 2016-2019 (Schrøder et. al. 2019). Relatedly, news via digital platforms and social media continues to gain grounds among the Danish consumers, except the elder generations which still make up the majority of consumers who continue to prefer TV news and physical newspapers (Schrøder et. al. 2019).

Also, an analysis from ‘Slots- og Kulturstyrelsen’ in 2016 showed that the total annual consumption of the *read media* (i.e. newspapers, magazines and books) has been nearly cut in half in the period between 2006-2016, but also that the Danish consumers continued to allocate resources towards media that can be watched or listened to, such as TV and streaming services (Kjeldsen 2018).

When zooming in on the Danish households, we see that the number of Danes who cook homemade food from scratch, even though homemade food has always had a special place in the heart in Danish culture, has fallen from 55% in 2015 to 48% in 2018 (Madkulturen 2018). As a result of this, the number of Danes who spend less than 15 minutes preparing dinner has increased from 26 pct. to 32 pct. in just three years. Similarly, our utilization and/or consumption of “ready-made” foods, “ready meals” and take-away is increasing steadily (Madkulturen 2018).

Generally, the consumers’ aim for *convenience* and *time optimization* has been in steady growth in the ongoing effort for an increasingly better work-life-balance (Landbrug & Fødevarer 2020). However, when it comes to food, convenience has become much more than the formerly and clearly unhealthy “TV-dinners”, which previously has dominated the product-category (Landbrug & Fødevarer 2020). As a consequence, the call for convenient and healthy food options has also affected our eating habits. Where breakfast, lunch and dinner tended to be fixed points in the consumers’ everyday life, many consumers now tend to eat at several different times of the day and even skip entire “regular” meals - perhaps substituting for on-the-go solutions (Landbrug & Fødevarer 2020). Thus, an interesting paradox arises in regard to the Danes’ increased focus on *convenience* and *time optimization*, given that Danish consumers, on average, spend *less* time at work (34 hours weekly) compared to our European neighbors (37 hours weekly) (Dansk Statistik 2016).

As Flatters and Wilmott (2009) predicted, *green* and *ethical consumerism* began to increase again after the recession, at least to some degree. The purchasing of *organic foods*, for example, increased in Denmark from 3 pct. (2004) to 7,7 pct. (2014) of the total consumption of food and beverages (Danmarks Statistik 2016). Despite the increased focus, over half of the population (especially the youngest and oldest age-groups) *rarely* or *never* purchases organic products. Instead, the consumer segment that is carrying this increase is primarily *educated* and *high-income households* located in or around the *cities* (especially the capital) (Danmarks Statistik 2016). In addition to *organic foods*, *climate* and *sustainability* have become stable subjects on the consumers’ agenda:

“Climate and sustainability have, indeed, become part of the agenda. Denmark is among the leading countries when it comes to being climate conscious. We are generally more concerned with sustainability than our European neighbors, such as Germany and England” (Dorte Wimmer, Consumer & Retail Expert) (CSR.dk 2019).

This trend holds especially true within Generation Z who, in general, is more concerned about social responsibility, sustainability, and that goods are produced under proper conditions (CSR.dk 2019). However, the older generations are actually more willing to *pay more* if an item is produced ethically correct, which might indicate that Generation Z aren't willing to pay *more* for sustainability, they simply *expect it* (CSR.dk 2019).

Either way:

“Climate will continue to be a big part of consumers in the future. We can already see that they are changing habits and consumption in relation to food waste, transportation and travel. There are many things that come into play, and climate fills the agenda to that extent. So, it is clear that consumers are changing their behavior accordingly” (Ann Lehmann Erichsen, Consumer Economist).

Similarly, the Danish consumers are recycling like never before, and we don't *just* sell our stuff to save money. In fact, 1/3 of Danes in 2019 chose to either buy or sell recycled goods for the sake of the environment, “and many more believe that recycling is the way forward to a sustainable society” (DBA 2019). In 2019 a staggering 80 pct. of Danes had either bought or sold things online within the last twelve months, in other words an increase of 10 pct. from 2018 (DBA 2019). As the source of this statement is obviously predisposed, being who they are, one should take it with a grain of salt, but the overall trend of increased recycling holds true.

## Summing up

In sum, in the years leading up to COVID-19 we saw a stable increase in the total revenue generated from online shopping *and* an expansion of categories in which this revenue took place within. Similarly, there was a massive increase in mobile transactions, telling the narrative of a more *mobile*, *agile* and perhaps even a more *spontaneous* Danish consumer. There was a massive decrease in the traditional news media in the years leading up to COVID-19. Instead, social media and various digital platforms had, in many ways, taken over the role of the traditional media outlets which were primarily utilized by the elder generations. If we take this trend further in the future and view it from a Schumpeterian, and somewhat gloomy perspective, it could indicate that the newspapers and traditional media's downfall stands and falls by the expiration date of the older generation. Correspondingly, services that could either be watched or listened to (i.e. streaming services, audiobooks and podcasts) experienced a noticeable increase in popularity.

The Danes spent less time in their kitchens, they cooked fewer homemade meals, putting convenient “ready-made” foods or “ready meals” in high currency. Organic foods were on a steady increase, at least among some consumer segments, and climate and sustainability were a fixture on the public agenda. Thus, social responsibility, ethical production and ethical consumerism was also on the rise.

Correspondingly, numerous Danish businesses and service providers began to invest heavily in green initiatives and focus on communicating *their* individual efforts in the global climate crisis. In fact, Dansk Industri found that nine out of ten companies prior to COVID-19 had planned to invest in green initiatives in the following three years, and that more than half had intended to *increase* their investment compared to previous years (CSR.dk 2021). Whether this was for the collective good or for their own gain, given the increased awareness of consumers, is up to interpretation, but the overall tendency holds true.

## 2.6 Summary

This concluding section of the literature review has attempted to clarify the development in consumer behavior since the dawn of consumer behaviour research in the 1930s up until pre-COVID-19, concluding with a deep-dive on the Danish consumer. Throughout this research it has become evident that there are a myriad of different angles, attitudes and understandings of consumer behavior, on a conceptual basis, and even though the general understanding of the different camps has multiple overlaps, finding a common ground that suits all is unlikely to happen.

Similarly, it is made apparent that *consumer behaviour*, despite some core behavioral traits that potentially transcends both the passing of time and geographical local, carries dynamic and fluid characteristics. Thus, consumer behaviour will, naturally, change radically depending on a multitude of aspects, such as geographical location, culture, financial capacity as well as the trends and tendencies of the given time period. Following this proposition, and despite the increasing globalization and the ever-advancing online opportunities we experience today, a true ‘universal’ or ‘global’ consumer may be hard to come by.

Based on the conducted literature review, and in conjunction with the proposed research question, it is found especially interesting to go further with *Maslow’s Hierarchy of Needs*, Solomon’s fundamental theory on the purchasing process, the theories on *fear* (Yuen et. al., 2020; Loxton et. al. 2020), *risk perception* (Amalia & Ionut 2009) and *decision making under uncertainty* (Kahneman & Tversky 1979) in the analysis, due to their high relevance and utility

in this particular case study. Now that we have reviewed the literature, we must now turn our eyes towards the more practical sections within the methodological realm.

## Chapter 3: Methodology

This thesis attempts to explain how the consumer behaviour in Denmark has changed as a result of COVID-19, to which this chapter will present the underlying methodological framework that has been applied in order to answer the proposed research questions. The chapter is arranged in six separate sections. The opening section sets the tone by describing the overall *research design* and *philosophy*, the second section clarifies the thesis' principal *methodological approach*, the third section explains, in more practical terms, how the *data has been collected* whereas the fourth explains how the *data has been analyzed*, the fifth presents central thoughts on the papers' *reliability and validity*, and lastly the sixth section will conclude by reflecting on the *limitations of the study*.

### 3.1 Research Design

The research takes the form of a *case study*, one of the preferred research strategies when answering “how” or “why” questions and when exploring a contemporary phenomenon in a real-life context (Yin 1993). Thus, the explored phenomenon in this case study is, as illustrated in the proposed research question, *Danish consumer behaviour during-COVID-19*.

Despite the case study methods' many good qualities and attributes, academia has not readily accepted it as an all-encompassing research strategy, instead highlighting it only as a minor pawn in a bigger research scheme (e.g., for generating hypotheses) (Yin 1993; Flyvbjerg 2006). Some of the main critiques of the case study is regarding its alleged inability to *generalize* given its low number of cases and typically narrow focus, thus contesting its potential contribution to the general scientific development. The counter to this argument is that case studies, in fact, *are* generalizable – but not to *populations* or *universes*. Instead, they are generalizable to *theoretical propositions* through which the researcher can seek to expand the current theoretical base surrounding the field of study – which has also been the main objective of this thesis (Yin 1993).

Similarly, as the results and conclusion of a case study is ultimately derived with the researcher in the driver's seat, there's undoubtedly *some degree* of bias that potentially affects the direction and conclusion of the research (Yin 1993). Relatedly, researchers carrying out case studies are criticized to have a 'bias towards verification' in which they, often unknowingly, seek to be confirmed in their preconceived notions (Flyvbjerg 2006). In order to

accommodate these critiques, the researcher have attempted to remain as fair and as objective as possible throughout the entirety, and in all aspects, of the research. When it comes to case studies, there are multiple variations to choose from, to which this particular case study primarily carries *exploratory* traits, as it attempts to explore a concurrent phenomenon, making it a relatively untapped field of research, and given the fact that the phenomenon doesn't necessarily have a *single* set of outcomes (Yin 1994).

### 3.1.2 Research philosophy

Research philosophy is characterized as a “system of beliefs and assumptions about the development of knowledge” (Saunders et. al. 2009). To put it another way: it is the way in which the researcher views the world (i.e. field) that we've set out to investigate, and how we believe knowledge is best extracted from the particular field. A consistent set of assumptions will result in a credible research philosophy, which in turn will help determine the methodological approach, research strategy, data collection techniques and analysis procedures, in other words: the research philosophy shapes the very foundation of the research (Saunders et. al. 2009).

This papers' overarching research philosophy lies in *pragmatism*, a practical philosophy that attaches great value to the *practical aspect* of research (Saunders et. al. 2009). This philosophical directions' ontological perspective entails that the reality is *complex, rich* and situated in the *processes, experiences* and *practices* within a field (Saunders et. al. 2009). Pragmatism implies an epistemological emphasis on *problem solving* and acknowledges theories only if they can enable successful action. Put another way, concepts are only viewed as relevant or valid if they can be applied to support action within the given context. This means that research, at its most basic level, begins with a *problem* and subsequently seeks to contribute with *practical solutions* to accommodate the problem at hand (Saunders et. al. 2009).

## 3.2 Methodological approach

While many research philosophies swear to certain sets of methodological choices, such as positivism that primarily works deductively with an emphasis on quantitative data, pragmatism takes a more *practical* stance, instead keeping the research problem as true north which in turns dictates the most *appropriate* methodological approach (Saunders et. al. 2009). Thus, pragmatists also recognize that there are a multitude of different ways to interpret and research

the world, thereby also recognizing that “no single point of view can ever give the entire picture and that there may be multiple realities” (Saunders et. al. 2009 p. 151).

Thus, when it comes to the overarching methodological approach to this thesis, the primary data collected is both based on *qualitative* and *quantitative* research, thereby taking a mix methods approach. This approach results in a more holistic research, providing additional nuances in the aim to answer the proposed research question (Saunders et. al. 2009). Despite the fact that the two research disciplines are often separated this paper considers both types equally valuable and, as Yin (1994), argues for their interconnectivity and essential common ground. This pragmatic approach allows the researcher to both obtain an in-depth understanding of the different perceptions of the phenomenon within the field of research through the *qualitative* data, while still being able to benefit from the nuances of the more structured and wide-ranging *quantitative* data.

Similarly, the paper also draws extensively on quantitative data conducted from third parties - such as the reports from both Dansk Erhverv, Dansk Industri & Danmarks Statistik - that has allowed the researcher to supplement the primary empirical data with data from much bigger samples that obviously, given the researcher’s inherent time- and resource-limitations, would have been unrealistic to conduct exclusively for this paper.

In sum, the thesis takes a predominantly *deductive* approach, as the analysis is based on the theoretical propositions, proposed in the literature review, and from there either confirms or rejects the theories based on the collected data - thus “generalizing from the general to the specific” (Saunders et. al. 2009 p: 153). However, this thesis also carries traits of an *inductive* approach, as the research is also centered around the exploration of a phenomenon and based on *qualitative* data, which subsequently is analyzed to find patterns and extract insights from, in order to ultimately develop further theoretical propositions (Blackstone 2012).

### 3.3 Data collection

#### 3.3.1 Primary empirical data

This paper’s primary *qualitative data* have been obtained through four semi-structured interviews with various experts within the research field, namely Paul Flatters (CEO at [Trajectory](#)), Louise A. Hansen (Chief Analyst at [Danske Bank](#)), Ole S. Jørgensen (Lecturer in Consumer Behaviour at [Erhvervsakademi Dania](#)) and Jakob Rachmanski (Behavioral Advisor

at [Ubevidst](#). Throughout the analysis they will be referred to as (Flatters 2021), (Hansen 2021), (Jørgensen 2021) and (Rachmanski 2021), respectively.

The non-standardized semi-structured interviews are characterized by a list of overarching themes - which is adjusted to the individual interview's context - in which certain open-ended questions are covered, making it especially suitable for an in-depth *exploratory* investigation of a given phenomenon and the discovery of “nuggets of essential meaning” (Kvale 1996 p. 3; Saunders et. al. 2009).

The aim with the conducted expert interviews was to obtain primary empirical data from objective authorities with deep specific and theoretical knowledge on both human behaviour, economics as well as time-relevant knowledge on the case of COVID-19, that, in combination with the quantitative data, could help answer the proposed research question.

All interviewees were given the option to carry out the interview in person or online, in order to both be respectful of their schedules as well as their potential propensity to meet with people in these ambiguous times. All semi-structured interviews lasted between 30-45 minutes and were conducted online.

The primary interview (Hansen 2021), being more comprehensive and complex, was recorded in order to access the interview at the later stages of the research process. Thus, the interviews with Ole S. Jørgensen, Paul Flatters and Jakob Rachmanski were not recorded - the latter being conducted via. phone. In retrospect, it may have been more advantageous to record them all but given the fact that all interviewees have approved the utilized citations, the researcher argues for their valuable contribution. A full bio on each interviewee as well as interview guides can be found in appendix 1.

The primary *quantitative data* in this paper have been obtained through a survey aimed at Danish consumers. The survey was constructed in the survey-tool ‘Qualtrics’ and contained 18 questions that were divided into three key sections, namely *about you* (four questions), *COVID-19 in general* (six questions) and *activities and spending during COVID-19* (eight questions). The entire survey can be viewed in appendix 2. Further information of the conducted survey will be reviewed in the following section.

### 3.3.2 Selection of participants

When it came to selecting the participants for the expert interviews, the researcher initially aimed to include experts within three primary areas; (1) consumer behaviour; (2) economics and (3) futures research. The researcher discovered Ole S. Jørgensen (consumer behaviour) in

a multitude of relevant articles and news media surrounding the subject and reached out to him via LinkedIn, after which he agreed to participate. Similarly, Louise A. Hansen (economics) was cited in a myriad of articles, blog posts and news media concerning behavioral economics both pre- and post-COVID-19. This interview was also established via LinkedIn. The researcher also stumbled upon Jakob Rachmanski (consumer behaviour and behavioral design) and reached out to him via LinkedIn and arranged a telephone call in order to extract insights regarding the Danish consumers' decision making during COVID-19. This is touched upon in the analysis (chapter 4).

In addition to these primary interviews, Paul Flatters (CEO at Trajectory, a UK-based strategic forecasting company) was also interviewed in connection with the literature review, to which he proved exceptionally useful. Relatedly, the researcher attended a live Webinar called "Denmark after Corona" hosted by IDA (Danish engineering association) and Eva Steensig<sup>1</sup>. After the Webinar, the researcher reached out to Steensig who gave consent to employ her material and statements as primary empirical data in this thesis, which is included throughout the analysis and discussion.

When it came to selecting participants for the survey, the researcher acknowledged the impracticality of collecting a representative sample size within a population as broad as "Danish consumers", given the inherent limitations in both *time* and *resources*. Thus, it was decided to utilize *sampling*; a valid alternative often employed when it is impracticable to survey the entire population (Saunders et. al. 2009). There are two primary sampling techniques: *representative sampling* (probability) and *judgmental sampling* (non-probability), to which this paper has employed the latter.

Similarly, it took the characteristics of a *self-selection sample*, as the sampling was based primarily on the immediate network (e.g. friends, fellow students, family and colleagues) (Saunders et. al. 2009). This, obviously, results in a more homogenous sample size and, naturally, increases the likelihood of the respondents' answers being biased compared to completely anonymous respondents. With that said, the researcher has attempted to accommodate this potential flaw by aiming for a sample as *large* as possible, amassing a total of 103 respondents. Similarly, as this specific type of research is *exploratory*, this method still allows the researcher to explore the phenomenon - further arguing for the validity behind the chosen methodological strategy (Saunders. et. al. 2009).

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<sup>1</sup> Danish sociologist & consumer expert

The researcher acknowledges that this does not prove a representative sample size in regard to the *total* population of Danish consumers, but also argues that the conducted survey, indeed, has contributed greatly to the exploratory research, as it helped the researcher gain a better overall understanding of the major trends and tendencies. Similarly, the survey strategy can, ultimately, be used to produce new models of the analyzed variables' interrelations and allow for generalization towards theoretical propositions that can be further explored on larger scales in future research (Saunders et. al. 2009).

### 3.3.3 Data processing

In regard to the *qualitative data*, it was chosen not to transcribe the interviews in their totality, as the exact wordings was not considered a crucial part of this thesis as it would have had in, for example, a discourse or a narrative analysis (Saunders et. al. 2009), instead a partial transcript has been made in the interview guides. Another contributing factor to this, is that all the interviews (except from UK-based Paul Flatters) were conducted in Danish to allow the interviewees to express themselves freely in the most accurate way possible - ultimately helping the researcher to better extract their opinions and arguments.

Thus, the data that have been applied in the analysis from the interviews have been translated and put into the context of this paper. All quotes and citations have been cleared and approved with the interviewees prior to applying them in the analysis in order to make sure that no points or arguments were 'lost in translation', or in any way misunderstood by the researcher.

As opposed to the qualitative data, *quantitative data* does not, in its purest form, convey much meaning to most people (Saunders et. al. 2009). Thus, it first needs to be processed and turned into, for example, graphs, charts and statistics, before it can become useful and help us to "explore, present, describe and examine relationships and trends within our data" (Saunders et. al. 2009 p: 406). The researcher gathered and exported the datasets - via the aforementioned tool (Qualtrics) - which provided a simple and clear graphic overview of the entire quantitative data which was subsequently applied directly in the analysis (chapter 4).

## 3.4 Data analysis

When it came to analyzing the *qualitative data*, the researcher initially re-visited the recorded audio from the primary interviews in order to make sure that the *notes* and *quotes* taken during the interview were consistent and correct. Subsequently, the researcher formed an overview

over the entirety of the qualitative data and organized them into overarching *analytical categories* (as seen in chapter 4), which allowed him to “systematically and rigorously analyze the data” (Saunders et. al. 2009 p. 479). By following this approach, the qualitative data is transformed in a way that allows the researcher to *comprehend and manage it, integrate it with related data and notes, identify key themes and patterns, develop and/or test theories and draw and verify conclusions* (Saunders et. al. 2009).

As with *qualitative* analysis, it is also wise in the *quantitative* analysis to first gain an overview of the individual variables and components of each category prior to combining and cross-analyzing them (Saunders et. al. 2009). Thus, the researcher initially looked at, among others, the individual *specific values, highest and lowest values, proportions and distributions* (Saunders et. al. 2009). After exploring these, the researcher continued to compare and explore the relationships between the different variables and components.

In sum, the researcher also chose to cross-analyze the *qualitative* and the *quantitative* empirical data in the same overarching analytical categories in order to create a synergy and provide additional nuances in the answering of the proposed research questions.

### 3.5 Reliability & Validity

Another key aspect that is worth examining is the research’s levels of *reliability* and *validity*. Reliability refers to the extent to which the applied methodological framework would yield consistent findings if carried out again or if other researchers attempted to recreate the study (Saunders et. al. 2009). In this particular research, it is argued that the reliability is high. The literature review is made in a chronological order and takes the reader through the researchers ongoing flow of thought as it progresses. Similarly, the underlying methodological approach is arguably explained to such an extent that others should be able to follow the same procedure. Also, given the prepared interview guides and the audio-files of the conducted interviews, one could argue that others should be able to end up at similar findings.

Validity, on the other hand, focuses on whether the findings, in fact, are what they appear to be (Saunders et. al. 2009). The *internal validity* refers to the extent to which the findings represent the reality of what you are trying to measure, thereby focusing on the research designs’ stringency and its ability to withstand scrutiny (Saunders et. al. 2009). In this regard, it is argued that the internal validity is *moderate*.

With a subject as complex and deep as consumer behaviour, it is not possible to entirely rule out any alternative explanations for the proposed findings (Saunders et. al. 2009). This is especially the case with the conducted survey, that does not take into consideration *all* possible variables and components available (e.g. culture, geographical location and economic status) that most likely would have painted a more complete picture. With that said, the survey has, indeed, contributed with what it was intended.

The *external validity* is focused on whether or not the findings are generalizable, in other words whether or not they may be equally applicable in other research settings and populations (Saunders et. al. 2009). The external validity of this research is arguably *low*. However, as the aim of this research has been to explore *this* particular research setting and phenomena the goal was not to be able to generalize to all *populations*, but instead to *theoretical propositions*.

### 3.6 Limitations

As with the majority of research, this study is not without its inherent limitations. Firstly, as with most qualitative research, a central part of this paper's primary data is predominantly based on interviews in order to extract the interviewees' *own* perceptions and attitudes towards the case subject. Because of this, and despite all interviewees was deemed highly objective, reliable and honest, there's a fundamental chance that their answers are influenced by their own personal biases, potentially resulting in them trying to frame their answers so that they and/or their organization will be shown in a favorable light, which ultimately could result in the data being skewed (Saunders et. al. 2009). This is touched upon in section [3.3.2](#).

Similarly, the conducted survey, as touched upon earlier in this chapter, is not without limitations. As the sampling technique entailed the inclusion of the researcher's immediate network, the sample is all naturally somewhat homogenous, as reflected in the base data of a predominantly young (68 pct. 26-35 y/o), male-based sample (74 pct.) with similar educational backgrounds (41 pct. master's degree and 29 pct. bachelor's degree). Similarly, as all the respondents personally *know* the researcher they might, even though the survey itself is anonymous, be biased and inclined to answer in a way that casts a favorable light on them in the eyes of the researcher and their peers. This is also touched upon in section [3.3.2](#).

The theory, survey and expert interviews all form an excellent base for understanding the change in Danish consumer behavior, but it is, of course, only a small excerpt of an otherwise large consumer base. Therefore, it could have been advantageous, provided more

time and resources, to also utilize a series of focus group interviews in order to dive deeper and uncover additional nuances on the Danish consumer, as well as target a broader and more representative sample of the Danish population for the survey.

Despite the aforementioned limitations, the researcher argues for the validity behind the methodological approach, given the research's exploratory nature and its inherent time and resource limitations. Now that we have reviewed the literature and the methodological framework, we can now turn our eyes to the *crème de la crème* of this thesis, namely the analysis.

## Chapter 4: Analysis

This chapter will seek to analyze the gathered empirical data from both the conducted survey and interviews in order to answer the proposed research question. It is divided into three primary sections, each with their own distinct theme and goal, namely, (1) *The Three Cognitive Phases of COVID-19*; (2) *Decision making during COVID-19* and (3) *Danish Consumption during COVID-19*.

The first section will provide an overview of the different phases of COVID-19 in order to illustrate how the Danish consumer's state of mind and behaviour fluctuated during these. The second section will zoom in on the different consumer types and their decision-making during COVID-19. Lastly, the third section will take us deeper into the Danish consumption during COVID-19 and touch upon, among other things, the overall consumption, the different consumer trends and the most affected industries.

### 4.1 The Three Cognitive Phases of COVID-19

There are a multitude of ways in which you could outline the different phases of the COVID-19 pandemic, such as *economic* or *pandemic-related* terms, but as this thesis is centered around consumer behaviour the following outlining will be based more on the *psychological state* and *emotions* of the Danish consumers in order to understand the rationale behind their purchasing behaviour, which will be explored subsequently. Danish sociologist and consumer expert Eva Steensig provided the researcher with a great delineation in this regard, with her three proposed phases of COVID-19: *Shock*, *Everyday Life* and *Fatigue & Doubt*:



Figure 6: The three cognitive phases of the Danish consumer (modified from Steensig 2021)

#### 4.1.1 First phase: Shock

It is hard to determine exactly *when* this initial phase took place, as it is highly subjective, but a reasonable guess could be the 11th of March 2020 when the first lockdown was announced on national television. This notion is also illustrated in the conducted survey when the respondents responded to: “*When did you first realize that COVID-19 was a serious issue?*” (Q7), in which 42 pct. answered: “*When Mette Frederiksen shut down the country*”, out of seven different available options.

During this first phase there was an expected increase in *uncertainty, confusion, anxiety, fear* and an initial *panic reaction* (Steensig 2021; Hansen 2021; Jørgensen 2021; Oana 2020; Loxton et. al. 2020). Overnight a radical shift occurred as 1.8 million Danes watched their prime minister make history, as many aspects of our way of life was abruptly turned upside down. Correspondingly, many consumers experienced an increased sense of fear for their health, fear for tomorrow and fear for what life will look like after the pandemic (Oana, 2020). Thus, many Danish households had to quickly establish new daily routines and habits in order to adapt to the new situation (Steensig 2021). News of the lockdown was everywhere in both traditional and digital media, and in the hours and days that followed the public announcement an initial *panic reaction* ensued. The announcement was the second most watched feature in March 2020, surpassed only by the Queen's extraordinary addressing to the nation, also regarding the pandemic (DR 2020).

In this initial phase, one could argue that our *hierarchy of needs* (Maslow, 1954) also shifted drastically. Prior to COVID-19, most Danish consumers were, given the general high standard of living and governmental safety net, arguably chasing their self-realization at the top of the pyramid until, almost overnight, tumbling down towards the bottom.

Maslow's foundational *physiological needs* was, at least to some degree, briefly impacted by COVID-19, as the supermarkets in certain areas couldn't keep up with demand and given that most restaurants were closed. Relatedly, many consumers' sleep was also influenced poorly as their daily routines changed radically (Connel 2020). With that said, the average Danish consumer was, obviously, not in any real danger of starving, but it is evident to see that some of our core motivations switched, if only for a brief moment.

Similarly, the *need for safety* was, indeed, affected by COVID-19 as many Danish consumers' health, job security and financial security suddenly was at risk, making them scared, uncertain and anxious, and to accommodate this many sought to engage in activities that creates security and stability. At the same time, it became evident that even the government

and the healthcare system, in other words: two formerly unshakable pillars of our society, does not always have the right answers or the best solutions at hand. This realization has likely also added to the decreased sense of safety among some consumers (Maslow 1954).

#### 4.1.2 Second phase: Everyday Life

This phase is characterized by an *adaptation* and *acceptance* of this new way of life. Many of the Danish consumers had now established new routines from the safety of their home, both in terms of *working* and *homeschooling* (Steensig 2021). Both were aided greatly by digital innovations, such as Google Teams or Zoom, that resulted in our everyday life becoming jam packed with virtual meetings, events and even leisure time that was spent on ‘virtual Friday bars and gin tastings’ (Steensig 2021). Relatedly, the conducted survey also shows that the respondents began to spend *more time* on both *social media* (63 pct.), *online learning* (55 pct.) and *online shopping* (51 pct.), greatly emphasizing the ‘turn to digital’.

Many of the affected consumers became frustrated and wary by *working*, *dining* and *playing* in the same room day after day, only leaving the house for the daily walk or trip to the store, which, of course, happened less frequently. However, many consumers also experienced a surge in energy due to the increased productivity from less time spent on transportation and other activities that was no longer needed or could no longer be done (Steensig 2021). One could imagine that this surge in energy is also fueled by the fact that people no longer, to the same degree, had to be out among people and thus be aware of how they appear, speak or are perceived by their peers - something that arguably takes its toll on many in this modern era.

In this phase, many that were working from home suddenly found themselves spending all their wake hours with their partners, children and pets day in and day out - something that for many was completely unthinkable prior to COVID-19. This fact alone might have provided a surge of *negative* emotions, such as anxiety, restlessness and resentment towards others, but, on the other hand, also *positive* emotions such as happiness, tranquility and feeling of belonging (Lades et al. 2020). As the majority of our daily activities are stripped away, one could also argue that we become more able to ‘zoom out’ and gain perspective - see the bigger picture. Thus, during this phase many Danes arguably came closer to realizing what *actually* is important to them, furthering a sense of meaning in the individual (Steensig 2021).

Despite most people still having *some* people around them, many experienced an increased sense of loneliness (Steensig 2021). Turning our eyes again towards Maslow’s hierarchy of needs, one could thus argue that the third level (i.e. *social*, *love* and *belongingness need*) has been greatly challenged during this phase, as many Danes during this period were

cut off from family, friends and colleagues. In a way, we are even cut off and anonymized from strangers in the street by having to hide ourselves away behind a mask. Of course, one could argue that this *social need*, at least to some degree, was satisfied through the utilization of technological advances in online video-calls and social media. However, creating and maintaining *affectionate relations* with people and satisfying this essential human need for belongingness may, indeed, have proved a worthy challenge through a computer screen (Luchetti et al. 2020). Despite this, Deloitte found in their report on “Digital Consumer Trends 2020” that

“More than one third of the consumers believe their smartphones have helped them feel less isolated during the pandemic, while just as many feel they use their phones too much.” (Malmund et. al. 2020)

During the pandemic the smartphone has thus taken on additional responsibilities than simply being a phone, instead becoming more of a friend to help fight isolation and loneliness. This tendency, however, was especially the case in the younger consumer segments (Malmund et. al. 2020). Another interesting fact in regard to loneliness, is that there haven't been purchased so many dogs in Denmark since the financial crisis in 2008, as there have been during COVID-19 - increasing a staggering 10 pct. in 2020 compared to 2019 (Hilstrøm 2020; Ritzau 2020; Nielsen 2021). As Steensig (2021) rightfully stated: “Loneliness makes people seek attention elsewhere”

One could argue that it is only natural that consumers, when suddenly having more time on their hands and experiencing an increased feeling of freedom, would want to pursue the things they formerly have put on hold, such as the purchasing of a dog. On the surface this notion appears *positive*, as the individual gets the opportunity to pursue their desires and dreams that have been unable to pursue prior to COVID-19. However, we do not know how the very same people will respond when, or if, these newly found freedoms and activities are no longer possible to maintain as they possibly ‘return to normal’. Nor do we know how the dogs, who only know of a life *with* their owners, will react when they suddenly go back to work, and they are left to their own devices.

Another aspect of everyday life that changed radically for many Danish consumers was *eating*. A third of Danish consumers (36 pct.) acknowledge that their eating habits have been affected by COVID-19 (Madkulturen 2021). Approximately 40 pct. of these deemed the change *positive*, due to (1) more time in the kitchen; (2) fewer shopping trips and (3) more healthy eating, whereas 29 pct. of these deemed the overall change in eating habits as *negative*,

due to (1) more unhealthy food; (2) no dining out and (3) more take-away (Madkulturen 2021). It is, however, worth noting that the majority of the consumers who found the shift *positive* either *did not live alone* or *were already interested in cooking* prior to COVID-19.

In their survey on the Dane's unhealthy habits during COVID-19, Kantar Gallup found that; (1) 24 pct. began to consume more candy, chips and soda; (2) 18 pct. began to order more take away and (3) 27 pct. exercised less during COVID-19 (Frederiksen 2020). This thesis' survey supports the latter, as 55 pct. of the respondents began to workout *less* during COVID-19. The fact that fewer people are exercising during this period is, naturally, also greatly affected by the closing down of fitness centers, as well as various indoor and outdoor sports, and the fact that people now spend less time on active transportation, such as bicycling and walking.

This development, however, may also be a supporting evidence to the theoretical proposition of Weber (2006), stating that when worry of a particular type of risk arises, such as health- and financial concerns resulting from COVID-19, other worries, such as gaining weight, takes the backseat in our conscience - affecting our decision making (Weber, 2006).

Similarly, humans are leisurely beings that quickly adapt to new realities, so if we first get used to staying at home - laying on the couch - it may prove rather difficult for us to break away from the newly formed habit. Similarly, as we're quite literally *forced* to stay home, we may have had a valid, and for some perhaps even *desired*, excuse to lay off with making the right decisions and instead take a well-deserved #staycation.

#### 4.1.3 Third Phase: Fatigue and Doubt

During this last stride, as we arguably find ourselves in now, there is an increasing level of restlessness, wariness and general contempt towards COVID-19 and the unprecedented existence it has brought with it (Steensig 2021). In other words, we want everything to go back to normal. We also experience an increase in civil disobedience, doubt and skepticism towards political dispositions and initiatives - which is in sharp contrast to earlier where most Danes trusted the government blindly (Steensig 2021). Now, many instead begin to question the government and have an attitude towards *what* should be opened first, *who* should be vaccinated first and so on. The formerly robust collective 'societal mind' (Danish: samfundssind) has begun to crumble as the individual begins to focus on the "I" (Steensig 2021).

Even though COVID-19 arguably, in many ways, has united us and strengthened communities by creating a better understanding of our fellow human beings (as we are now in the same boat) there are still some inherently human moments between us that lingers on. For example, Jørgensen (2021) mentioned:

"If you are in a supermarket and see the person next to you with a shopping cart filled to the brim with '*bad and cheap meat*', then you cannot help but think 'What are they up to? Are they stupid?' We are simply prejudiced individuals. We condemn our fellow human beings on behalf of the choices *they* make, and that, in turn, also greatly affects our *own* behaviour" (Jørgensen 2021)

In regard to the work life, there appears to be a mental 'Corona-fatigue' from working at the home-office, living room or kitchen where many have spent countless hours (with poor ergonomics) the past year (Steensig 2021). Thus, many experiences an intrinsic joy when returning to the office with better working conditions and the ability to be social with their colleagues without the necessary use of a screen and headset (Steensig 2021).

On the home front, during this phase, the business of *couples therapy* experienced a sudden surge in demand from Danish couples (Steensig 2021) potentially indicating that the many months of isolation with our loved ones has begun to take its toll.

## Summing up

In the mere blink of an eye, our societal rug has been pulled away from under us, and suddenly what might have been considered foolish and unrealistic, such as greeting each other with elbows or wearing masks everywhere, has indeed become a reality. If one demonstrated these behaviors just a few years ago, you would not only risk alienation from society, but also a potential one-way ticket to a mental institution. Today, it is not only completely *acceptable* but also entirely *expected*.

Even though the aforementioned phases can be viewed as fluid and with plenty of overlap, the researcher still argues for their validity and contribution in the subsequent analysis of the Danish consumer behaviour, as it provides a framework and point of reference for understanding the consumer's behaviour during the different stages of COVID-19.

As mentioned before, Maslow's *hierarchy of needs* have been thoroughly tested during COVID-19, and as the base layers of *physiological*, *safety* and *social needs* are under stress, the two subsequent *esteem* and *self-realization needs* become close to impossible to satisfy. Our *esteem needs* were tested by the increased social and collective judgement about doing 'wrong' (e.g. being with others during lockdown or neglecting social distancing or mask-

wearing) and the individuals' subsequent feeling of guilt and anxiety that came with it (Connell 2020). Similarly, as many lost their jobs, livelihoods, sports and hobbies and overall ability to be *them*, people's perceived levels of adequacy, reputation, status, recognition and attention - being crucial components of our *esteem needs* - fell (Maslow, 1954).

Correspondingly, and even though some attempted to make the best of a bad situation by doing what they priorly had put on hold, *self-realization* became a big hurdle for most of us (Connell 2020). As Maslow (1954) rightfully stated:

“We should never have the desire to compose music or create mathematical systems... or to be well dressed if our stomachs were empty most of the time, or if we were continually dying of thirst...”

In other words, it is evident that consumers in times of turmoil such as COVID-19, at least to some degree, are quick to reject their innermost dreams and wishes, instead returning to the bottom of Maslow's Hierarchy of Needs in order to 'cover their bases' and reduce their perceived feeling of risk and uncertainty prior to attempting to ascend the pyramid again.

## 4.2 Decision Making During COVID-19

### 4.2.1 Consumer types in Denmark

Even though we are all bound together by the same genetic strings that dates back millions of years, we are all still a bunch of individuals. There were several similarities between the conducted interviews, but one element that was emphasized by all interviewees is the fact that when COVID-19 occurred, people reacted in vastly different ways depending on, among others, their own individual risk attitude, risk perception, economic capacity and overall situation and role in the society (Flatters 2021; Hansen 2021; Jørgensen 2021).

Take, for example, a waiter making minimum-wage in a Copenhagen-based restaurant, primarily thriving given tourism, versus an investor making seven figures from the safety of his home-office. The two divergent consumers will, naturally, *perceive* an event such as COVID-19 in vastly different terms and thus, expectedly, *react* differently. One sees their livelihood being taken away whereas the other may barely break a sweat, and perhaps even view the situation as favorable.

Shi & Li (2021) touches upon this very tendency in their research paper on *Crisis Mindsets*, in which they describe the crisis mindset as the “very basic and initial state of mind

in a crisis, which is activated as soon as people *perceive* and *interpret* the crisis” (Shi & Li, 2021: 593). Their empirical findings suggest that “the perception or interpretation of the event may be the most integral cognitive function of the decision process” (Shi & Li, 2021: 593). In other words: the way people *perceive* and *interpret* a crisis greatly impacts their following reaction and decision process.

Following the aforementioned example of the waiter and the investor, the waiter will most likely perceive and interpret the event as a threat and seek to engage in *defensive responses*, such as cutting expenses, eliminating major purchases and panic buying, whereas the investor may perceive and interpret the event as an opportunity and seek to engage in *offensive responses*, such as investing heavily in newly discovered opportunities (Shi & Li, 2021; Flatters 2021; Hansen 2021; Jørgensen 2021). This notion might appear trivial at first glance, but it is a crucial distinction to make in order to understand consumer behaviour at an individual level.

In section [2.2.2](#) of the literature review, the four primary consumer types (i.e. *the panicked consumer*, *the prudent consumer*, *the concerned consumer* and *the rational consumer*), proposed by Amalia & Ionut (2009), were examined. In order to investigate how the distribution of these four types has been under COVID-19 in Denmark, the researcher included a question in the conducted survey (Q6), in which the participants were encouraged to place themselves in either of the four types (see appendix 2). The findings illustrated a rather clear picture of the distribution, in which *the panicked consumer* (30 pct.) and *the prudent consumer* (51 pct.) were the dominant consumer types, whereas *the concerned consumer* (14 pct.) and *the rational consumer* (4 pct.) made up the minority of the sample. This distribution, however, may also be influenced by the majority of the sample being between the age of 18-45. Thus, given that younger generations, in general, are less risk-averse and that they, during COVID-19, have been described as being less at risk than the older generations, one could arguably *expect* the picture to look like this.

The findings, therefore, obviously does not indicate that the entirety of Danish consumers, necessarily, will follow the same distribution patterns. Nonetheless, given this research’s exploratory nature, the survey has contributed by providing key insights into some overarching tendencies which can be expanded upon in future research. Following these tendencies, the findings indicate that a majority of the Danish consumers may fall into either the *panicked consumer* or the *prudent consumer* during COVID-19.

The majority of respondents (51 pct.) identified as the *prudent consumer* – known for having *high risk attitudes* but *low risk perceptions*. In other words, they acknowledged the

severity of COVID-19 but have not considered themselves exposed or in any real danger (Amalia & Ionut, 2009). This notion is further supported by the conducted survey (Q15) as the majority of the respondents (75 pct.) continued business-as-usual when it came to essential shopping. In other words, they continued to visit supermarkets, hypermarkets and stores, as *they* themselves did not feel at risk. They are characterized as prudent - meaning that they carefully *plan their spending, postpone major purchases* and may in some cases also choose to *switch brands*. In general, they are thoughtful and very well informed in the purchasing process (Amalia & Ionut, 2009).

The second most dominant consumer type among the respondents (30 pct.) is the *panicked consumer* – known for having both *high-risk attitudes* and *high-risk perception*, meaning that they both perceived and interpreted COVID-19 as severe and felt there was a high chance of, *they* themselves being exposed and affected by the risk (Amalia & Ionut, 2009). These consumers immediately find themselves in a perceived stressful situation and are usually the consumers that tend to *overreact during times of crisis*. They are highly risk averse and will seek to *avoid taking any unnecessary risk* (Amalia & Ionut, 2009). These consumers are expected to *drastically cut their spending, to reduce overall consumption and switch brands and even product categories* in order to reduce their own sense of risk (Amalia & Ionut, 2009). Similarly, they will *eliminate* major purchases and instead *look for the best prices available*. In other words: “The panicked consumer is not loyal to any brand, they are loyal only to the best price” (Amalia & Ionut, 2009 p: 770).

As shown in the literature review, instinctive reactions like fear and anxiety acts as warning signs - recommending risk management and motivating us to take the appropriate actions to improve the situation (Weber, 2006). With that in mind, one could argue that the *panicked consumers*, in our primordial years, have helped to ensure the survival of our species by actually *giving in* to the emotion of fear.

#### 4.2.2 Panic Buying

We know from literature, that when consumers experience increased levels of fear and risk, as they did with the first lockdown in 2020, they become motivated to engage in self-protective activities that can provide them with comfort and security, such as panic buying, in order to minimize perceived risk (Loxton et. al., 2020; Yuen et. al., 2020).

Thus, in times of uncertainty where we feel under threat it is not uncommon to feel a sudden need to stock up on supplies - especially on food, household items and medicine when we

have to prepare for self-isolation (Yuen et al. 2020; Tsivrikos 2020). In the hours after the announcement, panic buying of toilet paper, yeast and pasta quickly became a reality among many Danish consumers (Steensig 2021; Hansen 2021). In fact, in the day after the prime minister's speech we spent nearly 100 pct. more on groceries compared to the same time in 2019 (Hansen 2020).

This, however, was not exclusive to Danish consumers. In fact, it happened almost simultaneously across the globe during March of 2020 (Laato et. al. 2020, Loxton et. al. 2020). Interestingly enough, one of the first things that disappeared from the shelves was toilet paper (increasing a staggering 54 pct. during March 2020) - not exactly the most rational behaviour considering COVID-19 "has no significant or widespread impact on toilet visits" (Schlaikier 2021; Tsivrikos 2020).

Relatedly, *herd mentality* and the media may have propelled panic buying during COVID-19 as empty shelves, and pictures in the media of empty shelves, can instantly induce fear and drastically thwart our rationality, distort our decision making and push us to conclude the worst, after which we go to raid supermarkets ourselves - creating a vicious cycle (Reuben 2004; Tsivrikos 2020; Loxton et. al. 2020). However, as the *panicked consumers* quickly discovered, once the dust from the lockdown and initial panic reaction had settled, the world was still standing. People still walked their dogs, talked to their neighbors, washed their clothes and the world had not, in fact, run out of toilet paper.

It is also worth noting that it was, obviously, not everyone who experienced fear in the same fashion and engaged in panic buying - also illustrated in the conducted survey, in which only 36 pct. of the respondents agreed with '*COVID-19 has increased my level of fear and uncertainty*' (Q10).

Another interesting fact in regard to panic buying and the initial impact of COVID-19 is the *time-aspect*. As we know from literature, the proximity of the impending event greatly influences the perceived risk associated with it (Loewenstein et. al. 2001). As Jørgensen (2021) stated during our interview:

"We knew quite objectively that COVID-19 was coming, we heard about it every day in the news leading up to the first lockdown. Despite this there was still an initial panic reaction, which was perhaps to be expected given our human nature....."

In essence, despite us hearing about nothing *but* COVID-19 in the media in the months leading up to the first lockdown many of us were still caught off guard once it did happen. This

is also apparent in the survey, in which 43 pct. of the respondents first realized the severity of COVID-19 when Denmark was first shut down by the government, whereas only 8 pct. of them realized it when it appeared initially in China (Q7).

#### 4.2.3 A Change in Values

As mentioned, both the *panicked consumer* and the *prudent consumer* have propensities towards *switching brands* during a crisis. Thus, it seems fitting to draw a parallel to how brand loyalty and high-low price perceptions were affected during the last economic crisis.

The unexpected bankruptcy of American Lehman Brothers in 2008 set in motion a series of events that led to one of history's worst economic crises that, in addition to making countless people homeless and financially ruined, drastically changed the consumer's buying behaviour. In the years that followed the crisis, McKinsey found, among others, that many American consumers were quick to switch out their otherwise favorite brands for less premium and more budget-friendly alternatives (McKinsey 2009). This was also the case in Denmark in 2008, where discount stores such as Rema 1000, Fakta, Netto, Aldi & Lidl thrived greatly on the consumers' sudden focus on cost (Sørensen 2008).

This might seem like an obvious choice amidst a financial crisis, but, perhaps surprisingly to some, 46% of the American consumers who switched said the cheaper option performed *better* than expected, and the majority of these expressed the performance was *significantly better* than expected (McKinsey 2009). A third (34 pct.) explicitly said they no longer preferred premium products whereas 41 pct. said they *still* preferred the premium brand, but that it was simply "not worth the money" (McKinsey 2009).

Thus, the most interesting part is not the expected, precautionary switch to cheaper alternatives, like we also have experienced to some degree in Denmark during COVID-19, but the fact that changes in the consumer's perception of the value of lower- and higher-priced products could *permanently* change their buying behaviour, even after the economy and their own willingness to pay has 'bounced back' (McKinsey 2009).

With that said, a key difference between the Great Recession and COVID-19, is that COVID-19 has also made the consumer more focused on their *health* and *safety*, whereas the former made them focus almost exclusively on their *finances*. Correspondingly, as YouGov found in their annual Food & Health report from 2020, the Danish consumers began to *attach greater value* to: *foods produced in Denmark* (32 pct.) a tendency known as *ethnocentrism* in which consumers prefer products from their own country (Solomon et al. 2006), *locally produced foods* (23 pct.), *healthy alternatives* (22 pct.), *climate-smart/fossil-free foods* (14

pct.), *organic foods* (14 pct.) and in the bottom we find *lowest price* (13 pct.) and *well-known brands* (11 pct.) (YouGov 2020).

These results indicate that some Danish consumers, during COVID-19, have begun to focus more on their health than on their bank account, even though many Danes have lost their jobs and found themselves in generally uncertain situations. This argument is, at least to some degree, supported by the conducted survey (Q10) in which 40 pct. of the sample agrees that '*COVID-19 has made me concern about my health*' (see appendix 2).

It is, however, worth noting that 77 pct. of the Danish consumers' attitude towards *lowest price products* remains the same. In other words, price is still crucial for most Danish consumers, but during COVID-19 it has, at least for some, become less significant. One could argue that this trend, at least to some degree, could be explained by the potentially high number of *panicked consumers* in Denmark that seeks to decrease their own risk by whatever means necessary. Thus, a paradox arises.

These consumers might, on one hand, choose to accommodate their sense of risk by *cutting expenses* in order to feel more financially safe. However, they might also choose to do this by purchasing products that seem healthier and safer (usually more expensive), such as organic products produced nearby, rather than purchasing cheaper imported products that appear more uncertain to us, as we do not know exactly where it comes from, nor with what it has been in contact with on its way here.

Relatedly, Flatters (2021) argues, in regard to local vs. global consumption, that there are many resemblances between the Great Recession and COVID-19, but also major differences. For instance, during the current pandemic there have been zero finger-pointing, very little at best and primarily aimed at China, since the crisis is more characteristic of a *natural disaster*, than of a *man-made disaster* (Flatters, 2021). He said:

"The pandemic itself has been galvanizing in bringing people and communities together, and that's really relevant to the consumption story – local brands and local businesses has become front and center, at least to some degree before it becomes too inconvenient, after which the consumer usually tends to utilize global online retailers, such as Amazon"

As mentioned, we all react differently, but during COVID-19 it is evident that some Danish consumers have started to invest more in food and products that has given them a sense of *health-related* security. Hutjens (2014) experienced similar findings in her analysis of consumer's purchasing behaviors in the midst of the Bird flu, in which consumers actively

purchased the products they perceived to be the ‘safest’, given the circumstances. When viewing this with the eyes of Maslow (1954), this behaviour seems highly logical, as consumers always will seek to first satisfy the most important human need (i.e. physiological need/health) before making their way up the pyramid towards the more superficial, non the less important, human needs.

This argument is arguably also coherent with the pioneering work of Kahneman and Tversky (1979), who’s proposition on *Loss Aversion* may explain why some consumers, in uncertain times like COVID-19, may want to *pay more* for seemingly safer products, in order to not gamble with their health. In other words, the potential loss of becoming ill may be inherently more frightening to us than the potential ‘gain’ of saving a few bucks. This, of course, is also greatly reliant on the individual consumers’ financial starting point. After all, a homeless person starving in the streets would probably not think twice about purchasing the absolute cheapest food that brings *him* the most immediate benefit (i.e. satiation), no matter its origins.

However, and despite that this, in many ways, is more of a *health crisis* than a *financial crisis*, this thesis would also argue for the exact opposite. As the prospect theory’s *Certainty effect* (Kahneman & Tversky 1979) speaks to the fact that people may prefer a *sure gain/loss* rather than a bigger *possible gain/loss*, consumers may prefer to take the certain win (i.e. cutting their expenses by purchasing cheaper products and postponing purchases) to increase their financial safety and instead gamble with a possible loss in *potentially* becoming sick.

This argument is coherent with the findings from the conducted survey which illustrates the high number of prudent consumers that (a) acknowledges the risk of COVID-19, while (b) not adapting their behaviour to safeguard themselves, as they do not believe that *they* themselves are in any real danger. Rachmanski (2021) agrees with this argument, stating that:

“Usually, what affect or hurts us the most is something *in the present*. Thus, the potential risk of getting COVID-19 or becoming more unhealthy weighs less than spending more on “seemingly safer” foods and products. The human bias simply makes us more influenced by what is here-and-now”

When we are *psychologically* affected by something major in our lives, such as COVID-19, changes that lead to a *loss* usually affect us greater than changes that lead to a *gain* (Rachmanski 2021). In other words, Danish consumers will often seek the “safe choice”, whatever that might look like to them in the given situation. If you, for example, are afraid of losing your job, you would likely reduce your consumption in order to decrease spending, and you would probably

also spend your money on items and services that seem “safer”. However, if you, for example, are old and frail and scared of losing your life, you would most likely comply with all the government's proposed guidelines and invest in products and/or services that could minimize your risk - your focus would therefore be on your health and not your wallet (Rachmanski 2021).

Relatedly, as touched upon in the literature review, Pfeffer and Hardisty (2017) found that consumers, when presented with decision making under uncertainty, will choose immediate gains and losses if *the future* was uncertain and choose future gains and losses if *the present* was uncertain (Pfeffer & Hardisty 2017). In other words, when the future is uncertain, as it arguably has been for many Danish consumers, immediate gains in liquidity (i.e. cutting expenses, postponing major purchases and saving up) may be preferred here-and-now - as we do not know what will come tomorrow, if what we buy will *actually* have an impact on whether or not we stay healthy during a pandemic, nor if we will become sick if we *do* extract the virus, or if it will simply pass on like a storm in the night. In sum, a lot of ‘maybes’ in regard to the consumers behaviors’ impact on their health, and in turn a bit more certainty in regard to the impact on their finances.

Another effect proposed by Kahneman and Tversky (1979) that has arguably affected the Danish consumers decision making during COVID-19, is the *Framing effect*. The framing effect proposes the notion that you can affect people's perception of a product, a request or an opportunity, simply in the way it is framed and portrayed (Kahneman & Tversky, 1979). Consider, for instance, how people from all over the globe - possibly for the first time in history - suddenly are willing to give up their most basic human rights, as seen in the article: “Dead man’s right” (Weekendavisen, 2020)<sup>2</sup>, such as the ability to walk around town or to see their friends and families on their own accord. This behaviour, however, does not necessarily come for free - it needs to be framed the *right way* in order for people to accommodate it. The media and government were, at least to some degree, quick to paint a negative picture of the situation with equally negative connotations, arguably to induce fright and anxiety in order to get the Danish population to adhere to their restrictions and guidelines.

Looking back at the multitude of press conferences we have had during the crisis, we have heard the same thing over and over again: “Stay inside and don’t go out if you don’t have to, wear your mask, take your precautions, be generous with the hand sanitizer and don’t see other people unless absolutely necessary” and so on. To the uninitiated this may seem logical,

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<sup>2</sup> <https://www.weekendavisen.dk/2020-50/ideer/doed-mands-ret>

as the scare of becoming infected, infecting others or ultimately losing your life should, on paper, be the proper motivation. However, according to the prospect theory and our inherent human biases, this approach may actually have been the reason, or at least a contributing factor, as to why the spreading started to accelerate.

The rationale behind this argument resides in the proposed notion of the prospect theory, that consumers may prefer to be risk-averse (i.e. be more careful) when confronted with the potential of *gains*, versus confronted with the potential of *loss*, in which consumers will be more likely to roll the dice (Kahneman & Tversky, 1979). In other words, Danish consumers would potentially have reacted ‘better’ to the governments’ guidelines, if they had been framed like a potential *gain* for the individual. This argument is coherent with the conclusion of Hamelers (2020), who’s findings from the Netherlands and the US ( $n = 1,122$ ) demonstrate:

“...that *gain frames* of the coronavirus promote support for risk-averse interventions, whereas *loss frames* result in relatively more support for risk-seeking alternatives.... These findings indicate that framing the pandemic in terms of gains may be most effective in promoting support for risk-averse treatments of the pandemic”

Rachmanski (2021) responds to this argument:

“I get your point. If you lose your job or are diagnosed with cancer, then you suffer a tremendous loss, and if there are no other options the jobseeker or cancer-patient will tend to become *risk-willing* and try “weird” solutions or treatments in order to get a job or become well again.”

He continues:

“...If I were to advise the government, I would advise them to not focus too much on what the minority is doing badly (i.e. point out the negative), and instead focus more on what the majority is doing well (point out the positive). One tends to follow the norm. It’s just like on the cigarette packs and the associated scare campaign. Instead of discouraging people with images of damaged lungs, it may actually be better to show the positive result or behavior of a person who doesn’t smoke.”

During the interview, Rachmanski underscored the importance of segmenting the messages to the specific audience, in order for the message to get the most amount of impact as possible.

However, as Rachmanski also agreed with, the government obviously had to choose a main communication strategy in order to target as many Danish consumers as possible. With

that said, he still argues that businesses, governmental agencies and other institutions that wish to affect the Danish consumers, whether to buy or adhere to health-related restrictions, need to focus on more than one form of communication to everyone. Instead, they should target different messages, techniques and communication tactics to different segments, as different consumers have different risk-profiles, needs and dreams. According to Rachmanski, the easiest way to do this is by segmenting by age first, as we, generally, become more risk averse as we become older (Rachmanski 2021).

In sum, it is clear that Danish consumer behavior and decision-making have undergone a shift in both values, desires and forms of purchasing during COVID-19. Similarly, it is evident that whether you react *defensively* or *aggressively*, in terms of spending and saving, depends greatly on your financial starting point and your individual level of perceived risk and uncertainty.

Also, aspects of the pioneering *prospect theory* by Kahneman and Tversky's (1979) appear to hold true during COVID-19, even in more ways than one. This argument is also coherent with Ruggeri et. al. (2020), who attempted to replicate the prospect theory in the context of COVID-19 in a large-scale quantitative study spread across 19 countries ( $n = 4,098$ ), in which they concluded that their empirical data, indeed, illustrated the prospect theory's replicability to COVID-19 "beyond any reasonable threshold" (Ruggeri et. al. 2020).

## 4.3 Danish Consumption during COVID-19

### 4.3.1 (In)voluntary Savings

Data from the conducted survey shows that 52 pct. of the respondents acknowledge that their overall spending has decreased during COVID-19 (Q13) and 61 pct. acknowledged that they began to save more. However, only 18 pct. of the respondents state that they began to actively think more about and/or be more careful with new purchases during COVID-19 (Q14). This may indicate that the increased savings may, in fact, not have been entirely on purpose.

This notion is coherent with the Economic Memo from Denmark's National Bank from april 2021, which concludes that the increased savings in the Danish households primarily was influenced by the restrictions, resulting in *involuntary savings* (Nationalbanken 2021). The general savings doubled from 10 pct. in the 4th quarter of 2019 to 20 pct. in the 2nd quarter of 2020 where large parts of the society were closed due to the pandemic. During COVID-19, savings among Danish households rose to the highest level in more than 20 years

(Nationalbanken 2021). Regarding the Danish consumers' savings, Hansen (2021) concurred and stated:

“The average Danish consumption quota (the part of income that is spent on consumption) has fallen, some is due to people being more cautious, and some is due to the fact that they have not been *able* to spend the money on what they usually do. I suspect most of it leads back to the fact that they have not been able to buy as usual and I reckon it will simply ‘flow over’ and be used later” (Hansen 2021).

In sum, the majority of Danish consumers have managed to save up during COVID-19. However, a majority of this is arguably the result of *restrictions*, rather than *precaution*, despite there, naturally, have been cases of both (Hansen 2021; Nationalbanken 2021).

#### 4.3.2 A Turn Towards Digital

Up until now, this thesis has painted a clear picture of an increased utilization of digital and online platforms and solutions in all areas of our lives. As touched upon in the literature review, Solomon et. al. (2006) highlights a series of steps in a typical purchasing process, which undoubtedly also has been affected.

##### Step 1. Recognizing a need

The first step deals with the recognition of the need for a given product or service to accommodate an issue or fulfill a need (Solomon et. al. 2006). This step has undoubtedly been affected by COVID-19 as we, primarily during lockdown but also subsequently as many people were sent home on furlough, worked from home or in other ways were secluded from the world around them, were much less ‘out and about’. In other words, we saw and did fewer things and activities outside of our own homes, which in turn affected the products or services we might otherwise have needed, had COVID-19 not arrived.

This, in turn, also meant that we were suddenly less exposed to things, and if not to a lesser degree, then at least in a *different way*. We were no longer exposed in the same degree to radio-commercials in the car during the commute, the physical posters, billboards and other forms of outdoor advertisement, nor were we exposed to, and affected by, sales consultants in physical stores. Similarly, the Danish consumers were no longer, to the same degree, affected by the physical *surroundings* that were otherwise meant to affect their decision making. Let's take an example:

When you shop *physically* in a supermarket, you often find yourself waiting in line at the checkout, and when you get close enough to where the assembly line (i.e. conveyor belt)

starts, then sweets, chewing gum, chocolate bars, protein bars and other tempting products begin to appear on both sides of the aisle. At this place and time, you may, perhaps, even feel pity for yourself standing in line, as you've likely had a long and hard day, and possibly that COVID-19 is starting to get you. So, naturally, you would want to reward yourself in order to feel better, if only for a moment. Suddenly a need or desire for something sweet arises. As you might have guessed, the location of these products is no accident, not by a long shot. However, it is not just impulsive products at the register. It has long been known that the *physical division* and specific locations of products in a supermarket also has a major impact on consumer behavior while shopping (Hansen 2017).

With that said, and even though we, as argued above, have been less exposed and affected by a myriad of elements, we are, naturally, affected in a multitude of other ways, as we turn to digital. Online customer service, chatbots and online marketing techniques such as discount codes, flashing lights, scarcity and exclamation marks (e.g. only one left!) are all elements that help to influence our *online* decision-making - and, according to Rachmanski (2021), with great success. He also underlines that many of the utilized influence techniques and tactics were also used largely offline prior to COVID-19 and has also worked phenomenally there (Rachmanski 2021). According to Rachmanski (2021), if a consumer would want to avoid being influenced by these things, they would have to:

“.....put cotton wool in their ears and be blindfolded - only then can you avoid being affected or influenced. Otherwise, it is close to impossible to avoid, despite many consumers thinking that marketing and behavioral design does not affect *them* specifically”

One might go so far as to argue that the average Danish consumer is actually exposed to *more* daily impressions now, despite the fact that they are not outside as much as before. The reasoning for this argument being that they now spend more time on various digital platforms and social media and given that impressions *there* come much faster as you simply digest content and visuals every single time you swipe your thumb. In other words, at a significantly faster rate than ever possible 'outside'. Similarly, as more and more people are online, it is only natural that more and more advertisers flock to the digital platforms to buy advertising spots, in the hope of getting the consumer's attention. This, in turn, also means that the consumer is exposed to a much wider range of expressions and many more types of companies and products, than they ever would be able to offline.

Rachmanski (2021) supports this argument while he highlights the insurmountable number of messages and ads the average consumer is exposed to on a daily basis, which “...is closing in on 10.000 per day, I believe” (Rachmanski 2021). COVID-19 has, at least to some degree, been an incredibly advantageous time for businesses to advertise towards the Danish consumers, as many consumers have spent more time in front of the computer and TV-screen, and, arguably, looked for new ways to rethink themselves, new hobbies, daily habits and ways of self-realization. This argument is also coherent with the conducted survey, in which a majority of the respondents began to spend more time on online learning (55 pct.), which may derive from the purchasing of online courses, reading/watching the news (54 pct.) and working out (25 pct.).

## Step 2. Information search

Although this was also an apparent trend before COVID-19, the second phase is undeniably made easier, as an even larger part of our consumption now takes place online. Here we can, in peace and quiet and from the safety of our couch, quickly and accurately find information on products and brands and compare prices, contents and even watch detailed product reviews from both professionals and other consumers. In fact, the Danish consumer loves to compare prices and prepare themselves online (Duus 2016; Sabroe 2019; Andreasen 2019). Following this proposition, one could argue that products with greater complexity or the need to be presented with information and USPs (i.e. unique selling propositions) can and should also be *sold online*, if nothing else at least be possible to *find online* to study them prior to purchasing them physically in brick-and-mortar, whereas products, such as the aforementioned example of candy near the register in the supermarket, is more based on impulses and may arguably be better suited for offline purchasing venues, such as the supermarket or convenience store.

According to Oana et. al. (2020), the consumer will, in times of crisis, engage in a broader process of the information search, as the risk of making an incorrect decision may be much greater in times of uncertainty, and given that fact that a misstep may have more extensive consequences on the consumer. According to the authors, this is also the case when it comes to scheduled, repetitive decisions, where consumer involvement will be much greater than usual, and the decisions to identify alternatives being more rational than emotional (Oana et. al. 2020).

Since we now, to a greater extent, no longer have to look around the products and read labels in small print, it may arguably be easier for us to digest the information and include it in our decision-making process. Despite this, literature (Solomon et. al. 2006) tells us that

consumers, in most cases, engage in surprisingly little research - instead utilizing mental shortcuts, brand loyalty and rule-of-thumb to guide their decisions. It is, however, not entirely clear to the researcher whether this is also the case in a situation such as COVID-19, a period where s we generally have more time on our hands, making it an interesting point to include in future research.

### Step 3. Evaluating alternatives

As with the previous step, the increased tendency towards online shopping has arguably made it easier for the Danish consumers to *evaluate alternatives* based on their initial information search, as substitute products, in a way, are assessed *for you* directly on the website, given the many options to search in categories, colors, price-points and shapes and sizes. At the same time, there are a wealth of comparison sites (e.g. pricerunner.dk) and online forums that can help you get other people's perspectives on exactly the buying scenario you are facing.

If you, for example, were looking to purchase a new book, it would be much easier to go to an online bookstore and choose the category of choice (e.g. science fiction) and read the reviews and short excerpt from each of the best-sellers from your couch, compared to you walking down to a physical bookstore and wander around the isles aimlessly, without being able to know what your peers think of the book prior to you purchasing it.

Despite the many positive things there can be said on the abundance of options and information available online, it may also, in turn, *hinder* the evaluation process by leaving the consumer feeling *overwhelmed and confused*. This may be even more true in the older generations that have now started to utilize online shopping. This proposition would be interesting to touch upon in future studies.

According to Oana et. al. (2020), the evaluation of alternatives during COVID-19 will orient the decision towards the products or services that brings the consumer a perceived maximization of utility - thus paying homage to the fundamental *expected utility* model. In times of crisis, this evaluation criteria seems rational since consumers, in times of crisis, perhaps unknowingly/unconsciously, will try to address or mitigate the possible negative implications of the crisis. However, and as touched upon earlier, the individual consumers' time, physical, mental and financial efforts is very much taken into considerations, making the actual perceived level of *utility* subjective to the individual (Oana et. al. 2020).

#### Step 4. Purchasing

Even though our societal framework of consumption, at least to some degree and during some periods, has been altered during COVID-19, this thesis argues that *heuristics* and *rules-of-thumb* still holds true, even when shopping online. In fact, these cognitive aids may *especially* be utilized when shopping online, as the consumer suddenly has a much broader set of available options to choose from at their fingertips, and thus more information to take in.

When reviewing the statistics on online shopping during COVID-19 it is clear to see that it has experienced an increase. This, however, was arguably to be expected as (1) it was already on the rise prior to COVID-19 (see appendix 3, figure 7); (2) during certain phases of lockdown during COVID-19 it has been the only way to purchase almost anything and (3) it has been the safest way to shop during COVID-19 as you can get contactless delivery straight to your door without having to leave your home. Also, as many online businesses have adopted the ‘Amazon-mindset’, in which the consumer is put in the forefront, you can now easily find online stores that provide free shipping and even hassle-free returns, also for free in many cases. This may arguably mitigate one of the major barriers in online shopping, as you risk the given product may not fit you, for example when purchasing clothes.

The growth is divided amongst all age-groups, but it is clear to see that the 70–74-year-old Danish consumers have carried most of the growth during COVID-19 (Danmarks Statistik 2020). Among this age-group there was a 16-pct. increase in consumers who utilized online shopping, whereas the 55–59-year-olds had a 13-pct. increase, and 12 pct. of the 20–24-year-olds (Danmarks Statistik 2020).

As can be seen in the figure above, 79 pct. of all Danish consumers between the ages of 16 and 74 state that they have shopped online within the past three months (from September 2020), corresponding to approximately 3.4 million online shoppers and a 7-pct. increase from 2019 where 3.2 million (74 pct.) shopped online (Danmarks Statistik 2020). According to Danmarks Statistik, this spike is the biggest surge in new internet shoppers since 2007 (Danmarks Statistik 2020).

It is also worth noting that the capital region has purchased the most in nearly all product categories (Danmarks Statistik 2021). Despite this, Copenhagen’s overall consumption has fallen twice as much (4 pct.) between 2019-2020 compared to the rest of the country (2 pct.) as consumers residing there are the ones who, in general, spends the most on restaurants, cafes and bars and traveling, while spending the least on groceries (Dengsøe & Juel 2021).

During COVID-19 there has also been a noticeable increase (7 pct. during the second quarter of 2020) of consumers purchasing between six and ten products per month. This can partly be explained by a larger amount available due to cancelled travels and the expected paid holiday pay later that year, as well as more time between the hands of the consumer (SCM 2020).

#### 4.3.3 Fluctuating Consumption Levels

As can be seen in appendix 3 (figure 8 & 9) there has been a rather drastic shift in the distribution in product categories of the Danish online purchases. The primary ones, perhaps not surprisingly, being *tickets for events*; *other travel arrangements* and *holiday accommodations* which have all decreased rapidly from 2019. Despite many Danish consumers having purchased household goods during COVID-19, such as furniture, it has still decreased compared to 2019. One could argue that this is likely due, at least to some degree, to Danish consumers preferring to visit brick-and-mortar stores in order to *see* and physically *try* out these types of products, prior to purchasing them online at the cheapest provider. In other words, as consumers no longer can do this, to the same degree, they may choose to postpone major purchases such as furniture.

There has also been a noticeable decrease in the purchasing of music, movies, DVDs as well as in books, magazines and newspapers (Danmarks Statistik 2021). A contributing factor to this may be the increasing popularity in Denmark for streaming services and the increased time spent online, as seen in appendix 3 (figure 10) highlighting the percentage of 16–89-year-olds that have purchased digital products within the last three months. In fact, Denmark ranks no. 1 as being the ‘most digital country’ in all of the EU (Danmarks Statistik 2016).

As can be seen in appendix 3 (figure 11) the most online purchased product categories during 2020 have been: (1) *clothes, shoes, sportswear, bags and jewelry* (56 pct.); (2) *ready-made food from restaurants* (43 pct.); and (3) *household goods*, such as furniture, curtains, carpets or gardening tools, (33 pct.); and *electronics* (26 pct.). Similarly, *meal boxes or delivery of groceries* has been purchased by approximately a fifth of the Danish consumers (19 pct.) (Danmarks Statistik 2020). These results are also, to some degree, illustrated in the conducted survey (Q17), in which 42 pct. increased their spending on *training equipment*, 32 pct. increased their spending on *remodeling, interior* and/or furniture and 26 pct. increased their spending on *electronics*, whereas only 11 pct. increased their spending on *fashion*.

As consumers flock to the online stores to buy their goods, many retailers have found themselves forced to reinvent their otherwise physical presence and tried to follow suit, both with an overall online presence but also initiatives that creates synergy between the online and offline efforts, such as the Click & Collect solution, in which consumers can buy them online and subsequently retrieve the product in a physical store or warehouse. Many retailers were, naturally, already present both online and offline - creating an ‘omnichannel’ presence (FDIH 2020). However, it is clear to see that fewer ‘purely online stores’ have been negatively affected by COVID-19 (38 pct.) compared to the ‘omnichannel stores’ with brick-and-mortars (68 pct.).

This tendency is likely due to the omnichannel stores’ extra operating costs and the sudden need to reorganize their business (i.e. establishing online purchasing solutions and/or building a new website altogether and the potential need to employ or retrain employees to manage the website and do online marketing), compared to the purely online stores that were already up-and-running and more geared towards the situation COVID-19 brought with it - in many cases actually thriving in this new environment. Relatedly, as seen in the following figure regarding physical stores’ performance throughout COVID-19, it is clear to see which industries that have been affected the most:

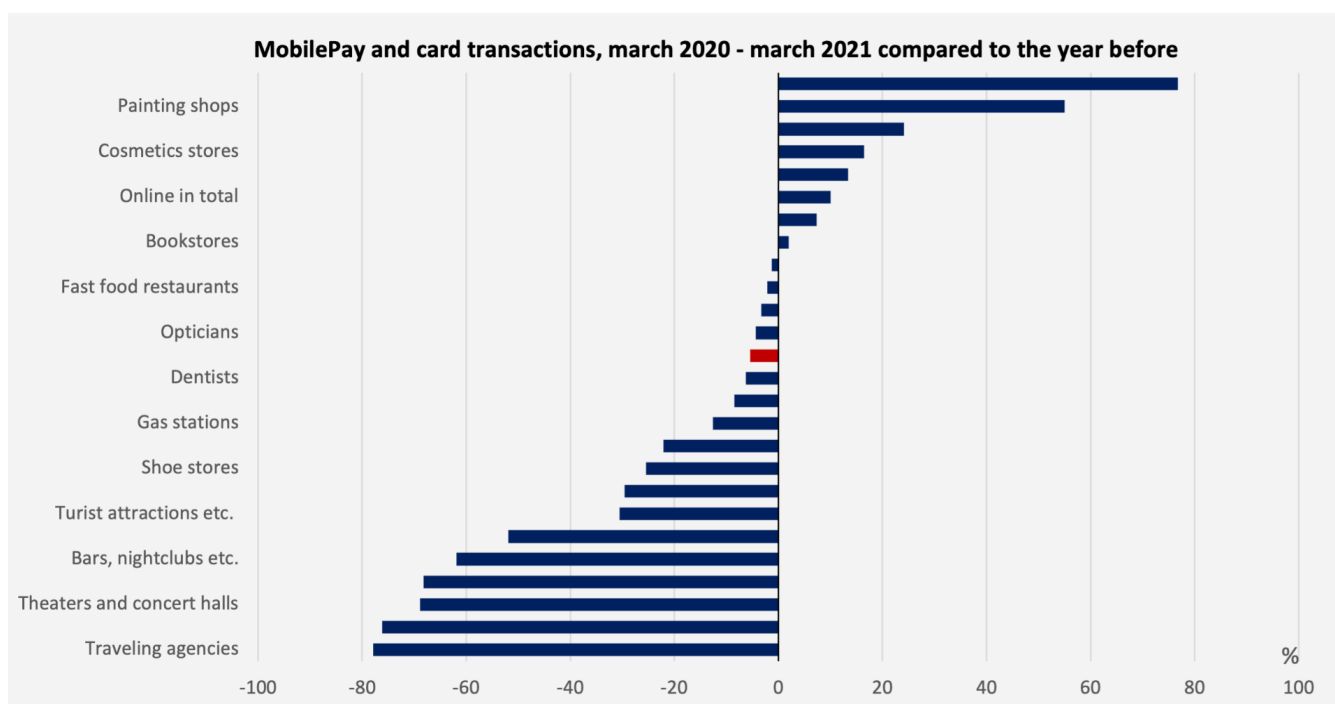


Figure 12: MobilePay and card transactions (Hansen 2021)

According to Hansen (2021), consumption declines for three reasons: (1) establishments being closed, (2) consumers being worried about contracting COVID-19 or (3) consumers being

worried about losing their job. In other words, it is, obviously, not everyone that is affected equally:

”Overall, crises tend to influence *everyone* and usually does not happen overnight. With COVID-19, however, it is the complete opposite. Here only a few are *really* affected (and this alone has never been seen before) also – it basically happened overnight” (Hansen 2021).

During the first lockdown, Hansen and her colleagues could clearly see (via visa withdrawals and transactions) that many stayed indoors, which was especially the case with the elderly, as seen in appendix 3 (figure 12). Here, the restaurant and hotel industry, cinemas and other cultural events, hairdressers and masseuses, travel agencies and airlines, as well as the construction industry took the worst beating, and in turn experienced great insecurity (Hansen 2021). As seen in appendix 3 (figure 14) cinemas almost disintegrated, as they experienced an 80 pct. lower revenue from march-august 2020 compared to the same period in 2019, despite them opening up during May (Hansen 2020).

Next up is the travel agencies and airlines, who also experienced great loss in the same period with a 72 pct. and 77 pct. lower revenue, respectively (Hansen 2020). Similarly, bars, nightclubs, hotels and restaurants experienced were greatly impacted, as their revenue dropped between 30 pct. (restaurants) and more than 60 pct. (bars and nightclubs) compared to 2019 (Hansen 2020).

Turning our eyes now to the other end of the spectrum, see appendix 3 (figure 15) we see that the consumption of painting articles, electronics, DIY-stores, pharmacies and grocery stores all experienced an explosive growth in revenue, compared to the year before. This is most likely due to the fact that many were sent home and suddenly had more time for all practical projects that have previously been neglected, as well as the setting up of home offices.

During the first reopening, Hansen (2021) and her colleagues were happily surprised to see the Danish consumers returning so quickly to their normal purchasing behaviour. As part of the restaurant/hospitality industry, the construction industry and the other affected industries were allowed to partially open during May 2020, uncertainty was reduced. Despite this, Hansen and her colleagues could see that people were still reluctant to visit restaurants and hotels given the circumstances (Hansen 2021). Similarly:

“Over the summer, restaurants and hotels struggled due to the lack of tourism. Restaurants in the capital especially, relying greatly on the revenue generated from tourism, compared to, for example, Esbjerg, that actually thrived on Danish and German tourists” (Hansen 2021)

During the second lockdown:

“...the elderly started to seclude themselves more (from restaurants etc.). Then came the ‘10 o'clock rule’, making all establishments closed at 22:00. Subsequently, the malls, restaurants, and hotels shut completely down.”

Hansen (2021) continues:

“However, the consumption was not as bad here as it was in the first one. Even though the physical stores were open, it was not *them* that did the heavy lifting. Instead, we saw that *online* really took hold. Similarly, the construction and manufacturing industry was not completely shut down as it were initially, meaning that our export were not as affected, instead it was malls, shops and the hospitality industry that drew the short end of the stick”

And even though societal crises are rarely welcomed, COVID-19 could not, according to Hansen (2021), have come at a better time:

"To be honest, the crisis couldn't have come at a better time. During the financial crisis in 2008, the Danish economy was SUPER unstable, so it hit us much harder than it would have done today, as Danes have increased their savings since the crisis (we were simply much more resilient this time) there are, for example, no more foreclosures today than pre-COVID-19, in sharp contrast to 2008”

When it came to COVID-19's impact on the different industries, Hansen (2021) stated:

"The housing market, furniture and interior, electronics, home appliances and even cars have actually done quite well. Shops/stores/malls, restaurants, hotels, travel industry, cultural institutions, cinemas, fitness centers have obviously taken the worst beatings”

However, she also stated:

“In general, we do not see many industries that HAVE been allowed to be open that have not delivered approximately what they did before”

In other words, in addition to the obvious behavioral changes and new needs that have arisen in the wake of COVID-19, the actual ‘closing’ has been a key determinant when it came to the pandemics’ impact on Danish businesses (Hansen 2021).

Prior to closing this analysis, it seems appropriate to briefly address the Danish consumers' own expectations and interpretation of the financial situation COVID-19 has

brought with it. As seen in appendix 3 (figure 16) the ‘Consumer Confidence Indicator’, a survey conducted on a monthly basis by Danmarks Statistik, clearly shows that the Danish consumers’ expectations towards the financial situation dropped drastically in the first lockdown. Since then, it has fluctuated every month, likely with the rise and fall in the *infection pressure, lockdowns* and *new governmental restrictions*, and has only just now started to return to an equilibrium in april of 2021.

A crucial factor regarding this indicator is that it both targets the *national* and the *private* economy. In other words, it both asks the Danish consumer about their thoughts and feelings regarding the *nations* and their *household’s* financial situation, both “today” and “one year from now” (Hansen 2021; Danmarks Statistik). This creates an interesting dynamic as the Danish consumers, during COVID-19, in general have had a much more positive outlook on their own economy, than of the nation’s. This may, in turn, underline the Danish consumers general willingness to resume their consumption as soon as the restrictions are lifted. According to Hansen (2021) this tendency is to be expected, stating that she will only begin to worry if the consumers start to feel as negative about their own finances, which should be viewed as a clear danger signal (Hansen 2021).

### Summing up

It is clear that the Danish consumer’s purchasing process and overall consumption has undergone a transformation during COVID-19. They have adapted their buying habits and patterns as the governmental *guidelines and restrictions, seasons* and their *cognitive state* have changed during the pandemic. This, in turn, resulted in a range of industries and Danish businesses being affected by the restrictions and the change in values and needs of the consumer, some left in financial ruin and others thrived.

Oana et. al. (2020) argues that most consumers, during a crisis such as COVID-19, will choose to purchase products that are perceived to be advantageous in terms of price and instead eliminate or postpone major purchases that require bigger investments. They also argue that consumers are more willing to switch out both brands and even entire product categories (Oana et. al. 2020). According to this analysis, this not only seems highly logical, but has arguably also been the case for *some* Danish consumers during COVID-19.

With that said, it is also evident that the Danish consumers have been quick to return to their old buying patterns, as soon as the situation allowed. However, Denmark was not a solitary example of this. In fact, Germany, Great Britain, Italy, Spain and France were all fast to get back to their usual consumption levels and behaviors (Oana et. al. 2020).

Despite that we have been fast to return to our normal selves, there are clear indications that some of our new habits has come to stay (Hansen 2021; Steensig 2021 & Jørgensen 2021). This will be explored in the upcoming discussion.

## Chapter 5: Discussion

On the basis of the analysis, this chapter will discuss and reflect the future Danish consumer behaviour in the wake of COVID-19. The chapter is split into three distinct sections, namely (1): Will the New Habits last? (2) The Danish Consumer of Tomorrow; and (3) Recommendations. The first section will shed some light on some of the new habits and discuss whether or not they will endure. The second section will, based on Steensigs' (2021) Pattern-Based Forecasting Model, provide a range of qualified predictions on the Danish consumers post-COVID-19. Finally, the third section will, based on the analysis and predictions, provide recommendations that Danish businesses can take into consideration in order to prepare for tomorrow's consumer.

### 5.1 Will the New Habits last?

The 'new normal' has, indeed, affected many areas of our everyday lives - from how we work to how we shop to how we entertain ourselves (Kohli et. al. 2020). Some developments have been sudden and involuntary, such as social distancing, wearing masks and restrictions on travel, whereas others are merely accelerations of past behaviors (Puttaiah et. al. 2020; Flatters 2021; Kohli et. al. 2020). This section will reflect on the new habits regarding *online shopping*, *working life*, *traveling* and *social interactions*.

#### Online Shopping

A great example of this, is the increased rate of adoption and integration of digital solutions, in which we have covered a "decade in days" (Kohli et. al. 2020). McKinsey argues, for example, that *online delivery* aged ten years in just eight weeks' time and online entertainment aged seven years in just five months. Correspondingly, remote working & learning also experienced similar growth curves (Kohli et. al. 2020). During our interview, Flatters (2021) touched upon this very notion:

"COVID-19 has greatly accelerated the trend of online shopping, and I don't believe it will slow down – but it will settle a bit once the brick-and-mortar stores open. The saying of "A decade of development in a year" seems fitting"

A nation-wide study conducted by Wilke in the third quarter of 2020 showed that, in 18/19 categories, more than 50 pct. of Danish consumers expect *not* to change their consumption in the near future. In fact, only traveling and vacations abroad was heavily impacted, with 37 pct.

expecting to decrease their spending here (Jacobi 2021). In general, it cannot be disputed that the more time at home has set in motion new activities, values and buying patterns. Painting stores, supply stores, furniture, decorating and DIY have thrived during COVID-19, as remodeling, renovation and the establishing of playrooms, home-offices and remodeling projects became a top-priority. One could imagine that this would begin to decline again when everything normalizes.

However, one could also imagine that some consumers, perhaps especially knowledge workers, being a large part of the Danish workforce, never having experienced this degree of freedom or been engaged in those sorts of activities could, in a way, have *developed* a form of creative urge or satisfaction from ‘practical labor’. As we know from literature, it takes between 18 and 254 days to form a new habit - averaging about 66 days (Puttaiah et. al. 2020). Thus, as consumers have *lived* with these new patterns of behaviour for considerable lengths of time, COVID-19 proves a “fertile ground for new habit formation” (Puttaiah et. al. 2020). This, obviously, does not mean that everyone will suddenly want to become toymakers and tinkers.

However, it *could* potentially indicate that Danish companies operating within this sphere, can appeal to a wider audience in the future. If this is true, even just to some extent, COVID-19 has, in a way, breathed new life into an industry and arguably even created a new consumer segment.

The aforementioned study showed that all generations are planning to continue to shop more online than before COVID-19. However, it also shows a noticeable drop in online shopping *after* COVID-19 compared to *during* COVID-19. This is, at least partially, due to the fact that only half of the older generations (+60 yrs.) that started to shop online during COVID-19 are planning on continuing this afterwards. PwC's Nordic Consumer Trends report from 2020 concurs with this trend, stating that 31 pct. of the Danish consumers that have *begun* to utilize online shopping during COVID-19 will continue to do this post COVID-19, compared to Sweden (27 pct.) and Norway (29 pct.) (Szczepanski 2020).

While most of the consumers above 30 yrs. plan to return to the stores, half of the consumers under 30, that shopped less in physical stores *during* COVID-19, express that they will continue to do so after COVID-19. In other words, the majority of young consumers will continue to utilize online shopping to a larger extent than the majority of older consumers that wants to return to the physical stores. This, in turn, emphasizes the importance for Danish businesses to accommodate the new consumer - whether or not it is an online or offline based commodity, product or service.

As Industry Director in Dansk Industri Sidsel Dyrholm Holst said in conjunction with this:

“The study shows how important digital channels are, even after corona. Although online shopping is not expected to keep the current level, it is still expected to be higher than pre-corona. Thus, it is important that trading companies see the customer journey as an interplay between on- and offline..... both channels create value in their own way” (Jacobi 2021)

When asked about his predictions for future consumer behaviour, Jørgensen (2021) reflected:

"We are in a different place. We will probably return to many things, such as events, culture and sports, but if we look at purchasing and consumption, then I think we have moved *too far* to go back - COVID-19 has pushed some mechanisms that have changed us fundamentally. There was already a megatrend in online shopping, and it has simply been accelerated by COVID-19” (Jørgensen 2021).

He continued:

”I also believe that the higher level of reflection will last. We saw this after the crisis in 2008, where we became more and more aware of our buying habits and actions”.

## Working life

As most Danish consumers’ working life, to different degrees, have been affected by COVID-19, and given the major role it plays in our everyday life and identity, it only seems fitting to touch upon this as well. Throughout this research, and even from personal experiences, it has become clear that remote working has become a stable part of the everyday life. Here’s what some of the interviewees had to say about the future working life:

“Working remotely will continue to be a part of our lives, I'm sure. Businesses will continue to invest more in online/digital” (Hansen 2021).

&

“Our current method of working will continue to last. This will also keep us more involved in our communities, which in turn will continue to help local brands and local businesses...” (Flatters 2021).

These statements are coherent with the analysis of Dansk Industri, expecting that approximately 160.000 employees (100 pct. increase prior to COVID-19) in the private sector will continue to work from home either one or several days per week when the pandemic is over (Ritzau 2020).

Similarly, a large-scale survey conducted by Eurofound found that 67 pct. of Danes, in general, have been happy with working from home - the 4th highest in all of Europe, only surpassed by Austria, Finland and Czech Republic (Haslund 2020). This does not, however, mean that Danish consumers want to work from home *every day*. Instead, the majority would prefer to have a maximum of one or two days at home, or at least the flexibility and option to do so, also underlining the importance of collegial gatherings and need to get out of the house (Haslund 2020).

In sum, it is clear that both the businesses and, perhaps most especially, the consumer has realized the many benefits there are with working from home, such as *increased flexibility*, *reduction of transportation* and *better conditions for the family-life*, and in turn a happier employee (Ritzau 2020).

## Traveling

When a crisis occurs, such as COVID-19 or the attack on the World Trade Center in 2001, it is not unusual to see a decrease in traveling - at least in the short term (Lamb et. al. 2020). As YouGov found in 2020, approximately a fifth (21 pct.) of the Danish population expresses that they, in the future, will travel *a little less abroad* whereas a tenth (11 pct.) will travel *much less abroad* (Keldsen 2020). Correspondingly, a third (35 pct.) of the Danes expect to spend *more* on vacations in Denmark, a fourth (26 pct.) expect to spend *a bit more* and about a tenth (8 pct.) expect to spend *much more* (Ritzau 2020).

It is evident that many Danish consumers have become increasingly reluctant to travel, also given the restrictions, instead turning their focus on their own country as a destination. However, as the survey in question was conducted in May 2020, one could argue that the picture might look radically different today. In fact, as Hansen (2021) argued, it is not all Danes who fear international traveling:

“When we conduct surveys about travel, *some* consumers say that they are going to *decrease* traveling whereas others say they don’t really care and that they are willing to travel anywhere. In other words, it can change incredibly fast... the vast majority of Danes still goes to work as usual without giving it too much thought at all”

She continues:

“Some say that the world has changed completely. However, it's just not quite what we see - as soon as we get the opportunity to return to normal, we take it”

Thus, in the short term we may continue to experience a decrease in international travels from the Danish consumer, but as things start to open up and become *safer*, we will most likely see them begin to utilize travel to the same degree as before COVID-19.

## Social interactions

COVID-19 has in many ways made us more cautious and aware of physical touches and social interactions, as facemasks, social distancing and an almost permanent layer of hand sanitizer has become a daily fixture of life. Given the long period of time that this has been a part of our lives, one could argue that many will continue this habit, even after putting COVID-19 in the rear-view mirror. Thus, newly developed habits, such as handwashing, hand-sanitizing and a reluctance to share drinks or foods with friends, colleagues or even family, may persist even after COVID-19.

## 5.2 The Danish Consumer of Tomorrow

Danish Consumer Expert and Sociologist Eva Steensig has developed her own prescriptive model: "pattern-based forecasting" which involves collecting behavioral changes that breaks with the dominant paradigm. Steensig calls these changes "signs". If there are many behavioral changes (signs) they begin to form "patterns" as illustrated below:

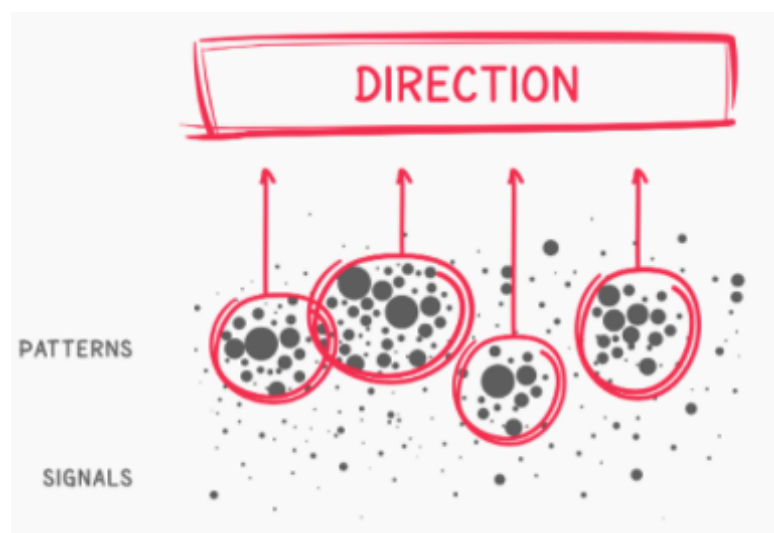


Figure 17: Pattern Based Forecasting (Steensig 2021)

Through her pattern-based forecasting model she and her team has identified a range of distinct themes or trends on the Danish consumer behaviour post-COVID-19, which will now be presented and reflected upon.

## Higher degree of perceived vulnerability

Before Corona we considered ourselves as "superhuman" and extremely safe, besides the global climate crisis and terrorism, and had with all our technology in many ways won over nature, and now we have been reminded that we are vulnerable and deadly (Steensig 2021). The "threat" has suddenly come incredibly close. Now it is your neighbor, colleague, significant other and even your own family that can pose a threat to your safety. This development is arguably unprecedented, at least in newer times in a country such as Denmark.

As mentioned in the former section in regard to future social interactions, the higher degree of perceived vulnerability will create a future need for safe surroundings for the Danish consumer. In other words, businesses, restaurants and stores will need to invest more into and be more vigilant about their hygiene. As Steensig (2021) said:

"It will create a great need for safe workplaces and surroundings. Cleaning routines, *visible* cleaning staff and even the cleaning of keyboards with UV light are some of the things that can create security"

## Control and Spontaneity

The feeling of loss of control and the governmental restrictions' impact on spontaneity will increase the future need for both (Steensig 2021). Prior to COVID-19 the Danish consumer attempted to control everything, except things like the climate and the economy that still, at least in the broader picture, was out of our own individual reach. We began to monitor our sleep quality, our daily steps, our calories and engaged in meticulous daily planning. And now, with COVID-19 we have experienced a whole year without much control at all (Steensig 2021).

Therefore, the Danish consumer will want to regain control of their lives. This, in turn, also means that they will seek to plan ahead and aim to always have a plan B to avoid uncertainty. Paradoxically, the need for spontaneity will also increase at the same time, since we have not been able to be spontaneous in the last year - allowing companies to better tailor their communication and products to accommodate this need (Steensig 2021).

## Carpe Diem

In the future the Danish consumer will seek to utilize the things that they've been cut off from. In the short run, it will create a pull towards a need for togetherness and community without *restrictions* and *limitations* (Steensig 2021). In the long run, and in business, it will mean that

workers will look for employment in workplaces that stimulates them as employees and present development opportunities to allow them to pursue their potentials:

“...if we only have one life, we won’t bother wasting it in a place that does not offer us this. Thus, this trend can help strengthen our awareness of where we spend our time well, and where we are simply wasting our life” (Steensig 2021).

## Value Debate

During COVID-19, the Danish consumer has been forced to deal with some rather large value debates across various dimensions. What businesses or industries are *really* important during uncertain times such as a crisis? Should the vulnerable and old be helped first or is it the small private companies we should focus on? Is it important that the students are allowed to graduate properly (i.e. drive in ‘studentervogne’<sup>3</sup>)? and so on. In a way we’ve gotten a “New role as citizens”, assuming the role of the *Citoyen*, a French term describing a citizen that has both *duties* and *rights* (Steensig 2021). During COVID-19 we have been forced to relate to our own role as citizens; Do we agree? Do we disagree? Do we want to assert ourselves or sit back?

When it came to *values* Steensig (2021) stated:

“In my 25 years monitoring the Danes' behavior, I have never seen such a massive focus on *values* as we have experienced during Corona. This also means that there, in the future, will be more debates in both the workplace over lunch and at home at the dining table - more and more black/white or for/against scenarios. In turn, employees will be even less tolerant of companies that do not stand for the *right* values but also of companies not REALLY standing for the values they appear to stand behind. It’s a goodbye to corporate bullshit”

Similarly, regarding her concluding statement on ‘corporate bullshit’, she also touched upon the need for *sensemaking* in the future - especially in the workplace. She recommends to Danish businesses, that there must be coherence between what they, as a business, *say* and *do*, and also that it must be meaningful, as this is crucial to the Danish worker (Steensig 2021).

## Survival of the Fittest

In the future we will begin to see a consumer that will want to "secure themselves" and "move up in the world" (Steensig 2021). As COVID-19 has taken away a lot of jobs and created a lot of insecurity, consumers and workers will be more focused on showcasing their success and

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<sup>3</sup> Danish tradition when graduating High School

skillset in order to prove their worth. This will create a more competitive work environment and popularize companies that are good at communicating and showcasing their employee's progression and success. We will see a move towards wanting to be "on the winning team" (Steensig 2021).

## Herd Mentality

Even though that Denmark scores high on the dimension of *individualism*, the degree of interdependence a society maintains among its members (Hofstede 2021), Steensig (2021) predicts that Danish consumers will begin to pick up *identity* and *shelter* through their communities instead of the individualized self-development trend that occurred prior to COVID-19.

“Herd mentality creates a need to cultivate social relationships and to define one's flock— during COVID-19 we have figured out that we are mutually dependent on each other” (Steensig 2021).

This is arguably also illustrated in the fact that 54% of the respondents from the conducted survey missed "meeting friends and family" *the most* during COVID-19, potentially implying that we will seek to become part of groups and communities again once possible.

Despite the rationale behind this prediction, one could also argue for the opposite. As many Danish consumers, despite humans clearly being flock animals, have actually become used to being secluded, at least to a much greater degree than prior to COVID-19, they may actually have become even *more individualistic* and, in turn, will be more internally driven in the future.

## 5.3 Recommendations

Despite this thesis' analysis containing a multitude of trends and tendencies that can be implemented by businesses, this concluding section will briefly present three primary recommendations for Danish businesses to take into consideration in potential future crises.

### 1. Understand the Consumer's Changing Cognitive State

As shown in the literature review and analysis, the consumer is not always entirely rational in their decision making, perhaps especially during COVID-19. Thus, Danish businesses need to be aware of the consumers' cognitive states during the different phases of a potential future crisis, in order to be able to communicate and market themselves correctly and plan any campaigns or launches in accordance with this.

As touched upon in the last section, it is vital that Danish businesses are aware of the Danish consumer's increases *sense of vulnerability* and their wish to *gain control* but also *be spontaneous* to enjoy all the things they have longed for during COVID-19. One could argue that these innate wishes, unconsciously as they might be, may pose as effective communicational tools for businesses in the near future.

Similarly, as Maslow's Hierarchy of Needs has been challenged during COVID-19, Danish businesses should understand how these dynamics interact, in order to be able to act appropriately during future crises. In other words, it may be unwise to launch a new product campaign targeting the very top of the pyramid, such as a self-development course, all the while the consumer is busy surviving and meeting the pyramids' most fundamental needs.

## 2. Understand the Consumer's Changing Needs and Values

This is absolutely crucial, but may still, at first glance, seem trivial. Besides the major tendencies, such as increased digital adaptation and focus on health, it is important to understand how the Danish consumer's needs and values have changed during COVID-19, as this very well may be the way they react in a similar future crisis.

For example, as we saw during COVID-19, Danish consumers began to open their eyes *more* towards new types of products and product categories, such as "digital entertainment", "fast food delivery", "electronics" and a multitude of items for their homes. It may not seem drastic as many of these products were, obviously, also purchased prior to COVID-19. With that said, it does indeed illustrate that the consumers are quick to switch their focus during a crisis, and *that* should be taken into consideration by businesses.

Similarly, Danish businesses need to be aware of the apparent change in values of the consumer, such as *health, family, nationally produced* and *organic foods*. As we know from the analysis, *price* is still crucial to the consumers, but during a crisis the other values, utilized to make a purchase decision, becomes increasingly more important. Also, since "local becomes in", at least in the beginning of the pandemic, Danish businesses that produce their products in Denmark should, arguably, focus even more on this aspect in the future in order to put the right associations in the head of the consumer. Relatedly, Hansen (2020 & 2021) predicts that traveling won't be 'normalized' within the first immediate years.

### 3. Understand the Consumer's Changing Consumption Patterns

The closing of physical stores and the subsequent increased utilization of online shopping has, at least to some degree, transformed the buying process. As presented in the former chapter, it is evident that the increase in online shopping has come to stay. Thus, Danish businesses should seek to accommodate this development in all four of the purchasing phases. The first phase is concerned with the consumer *realizing a need or desire*, and this can, as most advertisers know, be accomplished through a variety of ways. However, the most important is, as mentioned before, to match the consumer's current needs, values and desires to products that can actually alleviate something for them, be it on a physiological or self-realizationally level.

The second phase is based on *information search*, and businesses can, relatively easily, satisfy the consumer's hunger for information by (1) being present in the most appropriate digital spaces for their business type; (2) by making it easy to navigate their website; and (3) by communicating in clear and unambiguous fashion and avoiding unnecessary noise and detours. As we found out during COVID-19: 'convenience is essential'.

To accommodate the third phase of purchasing, namely the *evaluation of alternatives*, businesses should seek to clearly communicate *their* unique selling propositions in every possible digital product listing and, of course, their own websites. This can even be done by also comparing the given product or service directly to competitors in order for the consumer to get a clear view on how their product or service matches up, and through this better evaluate the possible alternatives.

In regard to the fourth purchasing phase, the actual purchase itself, Danish businesses may consider eliminating potential barriers for online purchases such as free shipping and free returns as well implement potential omnichannel initiatives that can help bridge the gap between the online and the offline, such as Click & Collect.

Also, as we know - consumption declined during COVID-19 for three reasons: (1) *establishments being closed*; (2) *consumers being worried about contracting COVID-19*; or (3) *consumers being worried about losing their jobs* (Hansen 2021). The first and last may be hard for businesses to accommodate, but if you have a physical space that is allowed to be open during a similar crisis in the future, you better make sure to accommodate the second one, being consumers' fear about contracting the disease.

Also, it seems appropriate to recommend *patience* as rash decisions in times of uncertainty may prove detrimental - especially to small businesses. This is, naturally, easier

said than done, but as we saw we were incredibly lucky that the Danish consumers quickly resumed their purchasing, highlighting their resilience and agility.

## Chapter 6: Conclusion

This thesis has aimed to investigate how COVID-19 has affected the Danish consumer behaviour and, through a forward-looking perspective, provide Danish businesses with valuable insights on tomorrow's consumer.

Throughout this research it has become clear that the Danish consumer behaviour, indeed, has changed as a result of COVID-19. The primary conclusions being that (1) the Danish consumer's utilization of online shopping has accelerated greatly (21 pct. increase from 2019-2020), we also see entirely new consumer segments and new product categories 'moving online'; (2) the Danish consumer has purchased more electronics and various DIY-products befitting their new everyday-life, resulting in a whopping increase of 60 pct. and 26 pct. in 2020 compared to 2019, respectively; (3) the Danish consumer is more focused on their health and well-being and has to a greater extent purchased Danish-produced foods and other products that appears *safer* in order to decrease their perceived risk. However, price is still a crucial determinant; (4) the Danish consumer has travelled 80-90 pct. less during COVID-19, instead engaging in #staycation and the purchasing of vacation homes. It will most likely take a couple of years before returning to normal - even after the vaccinations; (5) compared to former crises that usually affect *all* consumers the average Danish consumer has not been as financially affected during COVID-19, as it only affected certain industries and certain consumers, which in turn have had it extremely hard; (6) the Danish consumer quickly resumed their consumption patterns as soon as the situation allowed it. In fact, Denmark has, in general, been less affected by the crisis compared to many other countries (Sørensen 2020 & Danmarks Nationalbanken 2020) (Hansen 2021; Jørgensen 2021; Flatters 2021; Rachmanski 2021; Steensig 2021).

This thesis has contributed to the existing body of knowledge by exploring how the current phenomenon of COVID-19 has affected the consumer behaviour in a country such as Denmark. This knowledge can be used as a starting point in future research concerning other countries and cultures, in order to achieve a broader understanding of how the modern consumer's behaviour changes in times of turmoil.

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# Appendices

## Appendix I: Interview guides

Paul Flatters - referred to as (Flatters 2021)

**Bio:**

- Position: Co-Founder & CEO at [Trajectory](#)
- “Paul has over 20 years’ experience advising clients on the strategic implications of social and economic change. His career has also included roles as Head of Research for BBC News and Director of Research for Consumers Association”



Research questions	Interview questions	Proping questions	Answers
Did your predictions from “Understanding the Post-recession Consumer” from HBR in 2009 come true?	1. In your paper from 2009 in HBR (“Understanding the Post-recession Consumer”) you proposed a series of predictions in regard to the (then-dominant) trends – do you have any idea whether or not those trends/predictions came true?	1. “We did, yes. But the crisis lasted longer than they expected so it was hard to say. We monitored them afterwards and they proved to true, at least to some degree.”	
What happened between 2008-2018 in terms of consumer behaviour?	2. Similarly, what were some of the major consumer behaviour trends that took place between the Great Recession in 2008-2018 (pre-COVID)?	3. “The consumers were upset at the banks and the system, they wanted someone to blame in years following the crisis (lead to a focus on boardroom ethics, scandals and CSR), and the love of politicians (e.g. Boris Johnson) fluctuated a lot.”  “The economic recovery was very slow in England, there was very little wage-growth (lower than inflation) – so even though the economy was taking an upward turn it was incredibly slow, it was only at about 2017 that the UK economy returned to the economy they had prior to the recession”  “When the economy started growing again it was very polarized and it contributed greatly to the Brexit (some recovered really well, and others didn’t). Bits of the economy saw no growth at all and others boomed.”  “The dependance of Foodbanks helped a lot whose families were starving in the rural areas, but in London you saw Ferraris and superstars.....”  “By 2017 the economy had returned to normal, and there were signs of a more even economic pattern of economic growth, and	

		the consumption levels of the individual up until then obviously depended on where you fit into that spectrum.”
What conclusions have you made at Trajectory in regard to consumer behaviour during COVID-19?	3. Through your monitoring at Trajectory, what conclusions have you and your team made on the consumer behaviour or mega-trends (e.g. “digital first”) during COVID-19? (What happened initially? Subsequently? Now?)	3. “Read our newest report on COVID-19. It has the same structure as our paper from 2009 – I’ll send it to you afterwards”
Do you have any predictions for consumer behaviour post-COVID-19?	4. What are your predictions for consumer behaviour post-COVID-19? (where are we headed in terms of consumer buying behaviour? what trends are going to last and which will subside?)	<p>4. “Our current method of working will continue to last after COVID-19. This will also keep us more involved in our communities, which in turn will continue to help local brands and local businesses. However, the online/digital world is also pressuring smaller local brands and retailers - convenience is key today”</p> <p>“Behaviour when the economy takes a hit it will be a little bit like the recession. Less loyalty to brands, they shop differently, and have fewer money to spare”</p> <p>“A big takeaway is that different people have been affected in different ways. Consumer trends can be quite contradictory. Example: Some saves up a lot to spend later and others spend it all online during COVID-19 ”</p> <p>“COVID-19 has greatly accelerated the trend of online shopping, and I don’t believe it will slow down – but it will settle a bit once the brick-and-mortar stores open.”</p> <p>“The saying of “A decade of development in a year” seems fitting to the COVID-19 pandemic”</p> <p>“The pandemic itself has been galvanizing in bringing people and communities together, and that’s really relevant to the consumption story – local brands and local businesses has become front and center, at least to some degree before it becomes too inconvenient, after which global retailers such as Amazon again take the lead”</p>

## Louise A. Hansen - referred to as (Hansen 2021)

### Bio:

- Position: Chief Analyst at [Danske Bank](#) (DB)  
 - Louise has extensive experience as an economist and have been cited a multitude of times in various media on her specialty on private economy. She has been the forerunner in DB on the changing consumer during COVID-19) with a series of relevant articles on the subject.



Interview questions	Proping questions	Answers/replies
1. Brief introduction to yourself and your current position.	2. How much has COVID-19 filled in your job and organization since its emergence?	<p>1. "I am the bank's private economist and analyst: I look at the Danish macroeconomics and consumption tendencies and is the person who makes statements on behalf of the bank in connection with Danish consumers, new legislation, etc. I also advise larger Danish companies in connection with larger macro trends"</p> <p>2. "A LOT - for DB there were a lot of corporate customers who had to be advised. It has basically been my working life for the past year - both in relation to corporate customers, private customers, the press, and also internally in the bank (making forecasts of trends in relation to industries and future)</p>
3. What has happened to the Danes' consumption in general?	4. How has the consumption changed during the crisis? (start, first lockdown, first reopening, second lockdown etc.)	<p>3. "Overall, crises tend to influence everyone and usually does not happen overnight. With COVID-19, however, it is the complete opposite. Here only a few are really affected (and this alone has never been seen before) also – it basically happened overnight.</p> <p>4. "First lockdown: Many did not go out here at all, we could see that on visa withdrawals and transactions. Many, especially the elderly, did not go out the door at all. The restaurant and hotel industry and the construction industry experienced great insecurity here.</p> <p>"First reopening: It was super positive that people returned extremely quickly to their normal purchasing behaviour, just like we see now (in april 2021) that the hairdressers have reopened – everyone is flocking to get their hair cut again"</p> <p>"Consumption declines for three reasons: (1) establishments being closed, (2) you are worried about contracting COVID-19 or (3) you are worried about losing your job"</p> <p>"During May, part of the restaurant/hospitality industry, the construction industry and the other affected industries were allowed to open, at least to some degree, and uncertainty was reduced. However, people were still reluctant/careful with regard to restaurants and hotels etc. "</p> <p>"Over the summer, restaurants and hotels struggled due to the sudden lack of tourism. Restaurants in the capital especially (since they rely greatly on the revenue generated from tourism) compared to, for example, Esbjerg, that has actually thrived on Danish and German tourists"</p> <p>"Second lockdown: the elderly started to seclude themselves more (from restaurants etc.). Then came the '10 o'clock rule' that meant all establishments had to be closed at 22:00. Subsequently, the malls, restaurants, and hotels shut completely down.</p>

		<p>"However, the consumption was not as bad here as it was in the first one. Even though the physical stores were open, it was not them that did the heavy lifting. Instead, we saw that online really took hold. Similarly, the construction and manufacturing industry was not completely shut down as it were initially, meaning that our export were not as affected, instead it was malls, shops and the hospitality industry that drew the short end of the stick.</p> <p>"To be honest, the crisis couldn't have come at a better time. During the financial crisis in 2008, the Danish economy was SUPER unstable, so it hit us much harder than it would have done today, as Danes have increased their savings since the crisis (we were simply much more resilient this time) there are, for example, no more foreclosures today than pre-COVID-19, in sharp contrast to 2008"</p>
5. Which industries are most affected and why?		<p>5. "The housing market, furniture and interior, electronics, home appliances and even cars have actually done quite well"</p> <p>"Shops/stores/malls, restaurants, hotels, travel industry, cultural institutions, cinemas, fitness centers have obviously taken the worst beatings"</p> <p>"In general, we do not see many industries that HAVE been allowed to be open that has not delivered approximately what they did before" (note: i.e., the actual 'closing' has been key here).</p>
6. Why do people have extra money in their hands and what do they do with it? do people save more? If so, why?	7. What has happened to consumer confidence (forbrugertilliden) during COVID-19?	<p>6 "Finanstilsynet made a lot of preventive initiatives after the crisis in 2008 in order to make sure that it did not repeat itself. These initiatives resulted in people HAVING to save up. It is actually only now this year that the deductible (friværdien) has returned to the level it was in before the crisis in 2008.</p> <p>During COVID-19, most consumers have managed to save up (the average savings has grown rapidly). The average Danish consumption quota (the part of income that is spent on consumption) has fallen, some is due to people being more cautious, and some is due to the fact that they have not been <i>able</i> to spend the money on what they usually do. I suspect most of it leads back to the fact that they have not been able to buy as usual and I reckon it will simply 'flow over' and be used later").</p> <p>7. Every month, Danmarks Statistik surveys the Danes about economics, asking:</p> <ul style="list-style-type: none"> <li>- How do you feel about you own finances today?</li> <li>- What do you expect it to look like in a year?</li> <li>- How do you feel about the Danish economy today?</li> <li>- What do you expect it to look like in a year?"</li> </ul> <p>The answer has primarily been, that the Danish consumers, in regard to their own finances feel "It's going just fine", whereas they, in regard to the national economy, they feel "It's going like shi*"</p> <p>"This tendency is to be expected. I would only get <i>really</i> worried when consumers start to feel the same about their OWN finances, then it should be perceived as a clear danger signal"</p> <p>"The overall confidence has dropped dramatically in line with COVID-19" (see Danmarks Statistik).</p>
8. What has surprised you the most about the Danish consumer behaviour in regard to COVID-19?		<p>8. "What surprises me the most is how quickly consumers return to normal buying patterns, as we saw in the spring of 2020."</p> <p>"We have also seen some trends, such as online/digital, which has accelerated quite wildly. People have started buying things online that were not previously <i>available online</i> (such as building materials), and at the same time, people who do not usually <i>buy online</i> have started to do it more: e.g. In January 2021, during lockdown, people over 65 bought twice as much clothes as they usually do"</p>

<p>9. What are your predictions for consumer behaviour post-COVID-19? (where are we headed? what trends are going to last, and which will subside?)</p>	<p>10. Are there other trends otherwise?</p>	<p>10. "In general, for the retail industry, I expect in the short run that they get 10-15% increase above normal. However, this increase will not be carried by the physical stores, as they will continue to sell as they normally do. Instead, I expects the increase will to be carried from the increase in online sales"</p> <p>"Up until the financial crisis in 2008, we spent money on things at home (we bought cars, houses, interior design and appliances etc.). After the financial crisis, we switched to spending more money on "smaller items" and experiences (we spend increasing money on restaurants, travel etc).</p> <p>Then along came COVID-19, and now the consumers has started to think more about things in the home again (consumers spend money on the "base" again - refurbishing, moving, renovating - all the things that has been neglected in the last couple of years. If you, for example, save DKK 20,000 on a missing summer holiday trip, and due to the interest rates being as low as they are today, consumers can suddenly get a lot more money in their hands from the banks with additional extension loans (tillægslån) for bathroom renovations, kitchen renovations etc.</p> <p>"With that said, things are going incredibly fast right now, so it's hard to predict too far into the future. It will be interesting to see Israel and New Zealand. I am skeptical in general about 'futures research', as I primarily trust data and economics"</p> <p>"Working remotely will continue to be a part of our lives, I'm sure. Businesses will continue to invest more in online/digital"</p> <p>"When we conduct surveys about travel, some consumers say that they are going to decrease traveling whereas others say they don't really care and that they are willing to travel anywhere. In other words, it can change incredibly fast, and many are actually not that affected by it - the vast majority of Danes still goes to work as usual without giving it too much thought at all"</p> <p>"Some say that the world has changed completely. However, it's just not quite what we see - as soon as we get the opportunity to return to normal, we take it"</p>
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## Ole Storm Jørgensen - referred to as (Jørgensen 2021)

### Bio:

- Position: Senior Lecturer in Consumer Behaviour at [Erhvervsakademi Dania](#)
- Ole is an experienced lecturer and expert within consumer behaviour that have been cited a multitude of times in various media across the subjects of consumer behaviour, retail and consumptions trends.



Interview questions	Answers
1. Brief introduction to yourself and your current position.	1. I'm hired as a lector at Erhvervsakademi Dania, focusing on X, Y, Z. My primary focus at the moment is lectures and also practical projects within consumer behaviour for various organizations and institutions – at the moment we're carrying out a project on omnichannel presence.
2. How has the consumer behaviour changed during the crisis? (start, first lockdown, first reopening, second lockdown etc.)	<p>2. "We knew quite objectively that COVID-19 was coming, we heard about it every day in the news leading up to the first lockdown. Despite this there was still an initial panic reaction, which was perhaps to be expected given our human nature. However, this only lasted a couple of days after which we were actually really good at adjusting to going online, in general we are incredibly adaptable as humans."</p> <p>COVID-19 quickly showed us that it made life <i>more</i> convenient (we had increased home time, less transportation, more options online from the safety of our home)."</p> <p>Since the start and up until the second lockdown we have more or less gotten entirely used to the situation, and we have been able to obtain most (if not all) of the things we enjoyed prior to COVID-19.</p> <p>COVID-19 has in many ways been a catalyst to show what the future came to look like (at least in regard to online/digital)</p> <p>Deloitte found (in April): <i>that significantly more people today check prices online prior to purchasing</i> ("look it up yourself to be sure")</p> <p>Increased awareness and convenience: We have become even better at price checking now that we 'have the time anyway'. We have become <i>more</i> reflexive consumers (what we eat, what we buy, etc.) The time we no longer spend on various activities is (perhaps) instead spent on becoming wiser about ourselves and the world around us?</p>
3. What happens to our emotional apparatus during a crisis, and how does it affect our decision making? Why do we react the way we do?	<p>3. "We think we are incredibly rational in our decision-making process, but that is obviously not how it is in reality. Our first/immediate reactions are often driven by emotions, and only after can we put things in perspective"</p> <p>"It's hard to say really, but at least there seem to have been a trend of a tremendous growth towards an <i>awareness</i> to consumption (particularly food and clothing) connection with production, so there is something to suggest that COVID-19 has pushed a little to our consciousness in relation to our own mortality – you suddenly become more conscious about health. Suddenly you could see further out into the horizon than you've ever been able to, as we've decreased much of the pollution overnight"</p> <p>I think a lot of this new awareness is going to last on the other side of COVID-19 (we are left with a different consciousness, as it builds on top of our former understanding, after</p>

	the crisis). With that said: it's very difficult to say something certain about <i>everyone</i> , as we are a motley crew (very diverse)"
4. What has surprised you the most about the Danish consumer behaviour in regard to COVID-19?	<p>4. "Our creative ability to adapt to an entirely new way of life. Take, for example, the two of us sitting here talking together via Google Teams - a year ago it would be very strange to sit here and talk with a stranger in the other side of the country"</p> <p>That may be the reason as to why we are so dominant as a species. It does not really matter <i>what</i> happens - we will probably be able to find a solution and work it out in the grand scheme, and I think <i>that</i> is enormously fascinating"</p> <p>"At the same time, we have managed to remain enormously optimistic throughout this crisis, the GDP has fallen slightly but the house and interest rates have managed to be maintained - and that seems highly illogical – financially speaking"</p>
5. What are your predictions for consumer behaviour post-COVID-19?	<p>5. "We are in a different place. We will probably return to many things, such as events, culture and sports, but if we look at purchasing and consumption, then I think we have moved too far to go back - COVID-19 has pushed some mechanisms that have changed us fundamentally. There was already a megatrend in online shopping, and it has simply been accelerated by COVID-19"</p> <p>"I also believe that the higher level of reflection will last. We also saw this a little after the crisis in 2008. We are becoming more and more aware of our buying habits and actions. We will continue to see more identity-creating initiatives so you will be able to "connect to the good story" - ways in which the consumer can show that they (1) are aware; and (2) that they have made the right decision given that awareness. Take, for example, when the plastic bags were suddenly taxed in supermarkets - then everyone had to carry sling bags (i.e., indkøbsnet) from one day to the next"</p>

#### Other notes:

- "If you are in a supermarket and see the person next to you with a shopping cart filled to the brim with '*bad and cheap meat*', then you cannot help but think 'What are they up to? Are they stupid?' We are simply prejudiced individuals. We condemn our fellow human beings on behalf of the choices *they* make, and that, in turn, also greatly affects our *own* behaviour"

## Jakob Rachmanski - referred to as (Rachmanski 2021)

### Bio:

- Position: Behavioral Advisor & Consultant  
 - [Jakob](#) has a Masters' (Cand. Mag.) in Philosophy and Physics from the University of Copenhagen and has since the mid 2000's worked in Marketing, Communication, and Behavioral design, as both a researcher, lecturer, consultant and author. He has written multiple articles, blogposts and

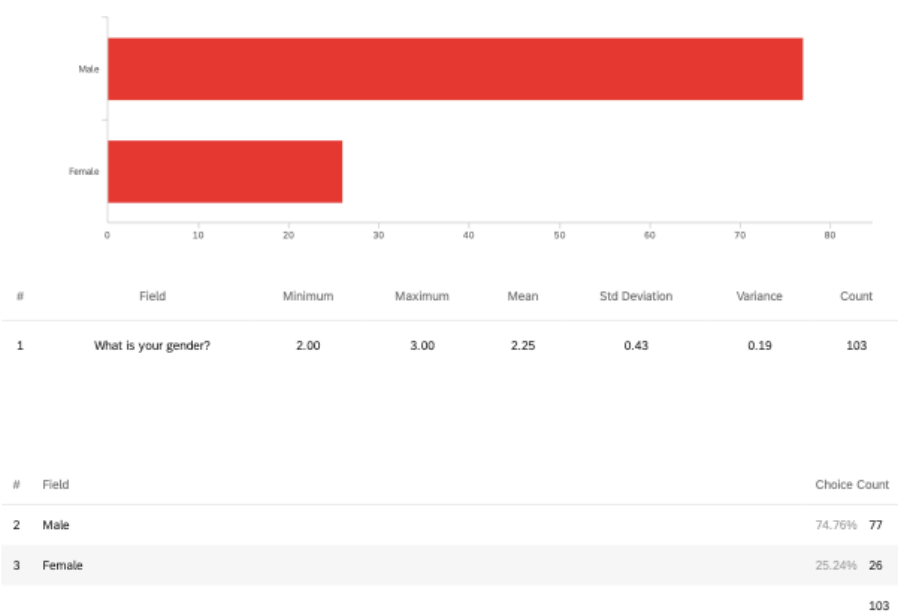


Interview questions	Answers
1. What is your opinion on the effect on the Danish consumers' risk-willingness during a crisis such as COVID-19 in regard to health/financial incentives? (Note: read section on <i>Loss aversion</i> & <i>Certainty effect</i> out loud)	1. "I agree with you. Usually what affects us the most (or what hurts us the most) is something in the present. Thus, the potential risk of getting COVID-19 or becoming more unhealthy weighs less than pulling more money out of your pocket to buy "seemingly safer" foods and products. The human bias simply makes us more influenced by what is here-and-now in the present."
2. What happens with the consumer behaviour during a crisis such as COVID-19?	<p>2. "Well, when we are psychologically affected by very big changes in our lives, such as COVID-19, changes that lead to <i>losses</i> usually affect us more than changes that lead to <i>gains</i>.</p> <p>This means that we often seek the safe choice. If you are afraid of losing your job, then you will most likely stop spending a lot of money (and reduce consumption) and you will probably also spend it in places where it feels "safer".</p> <p>An interesting fact: As it turns out, we can best avoid infection by not being with other people, and researchers have found out that if people is reminded of infectious behavior by using words/pictures or other COVID-19 related concepts that gives us "bad"/negative associations, such as the word "Face mask" (which usually referred to a radically different thing just a few years ago than it does today), then we are <i>indirectly</i> (subtly) affected and will tend to distance ourselves from people and instead make more unique / conformist choices as it feels like we are "closer to other people" if we make the same decisions.</p> <p>And then you could ask, "What will it look like in 5 years?" Well, people as a species are successful because we are highly adaptable – so we will most likely adapt and thrive again in a new setting, even though I think it will go back to "normal" relatively quickly"</p>
3. What do you think about Kahneman and Tversky's (1979) Prospect theory in regard to the media and governments communication strategy? (read section on <i>Framing effect</i> out loud)	<p>3. "I get your point. If you lose your job or are diagnosed with cancer, then you suffer a tremendous loss, and if there are no other options the jobseeker/cancer-patient will tend to be risk-averse and try "weird" solutions, techniques and treatments in order to get a job/become well"</p> <p>Thus, if I were to advise the government, I would advise them not to focus too much on the minority doing badly (point out the negative), and instead focus more on what the majority is doing well (point out the positive). One tends to follow the norm. It's just like on the cigarette packs and accompanying scare campaigns. Instead of discouraging people with images of damaged lungs, it may actually better to show the positive behavior of a person who doesn't smoke.</p>

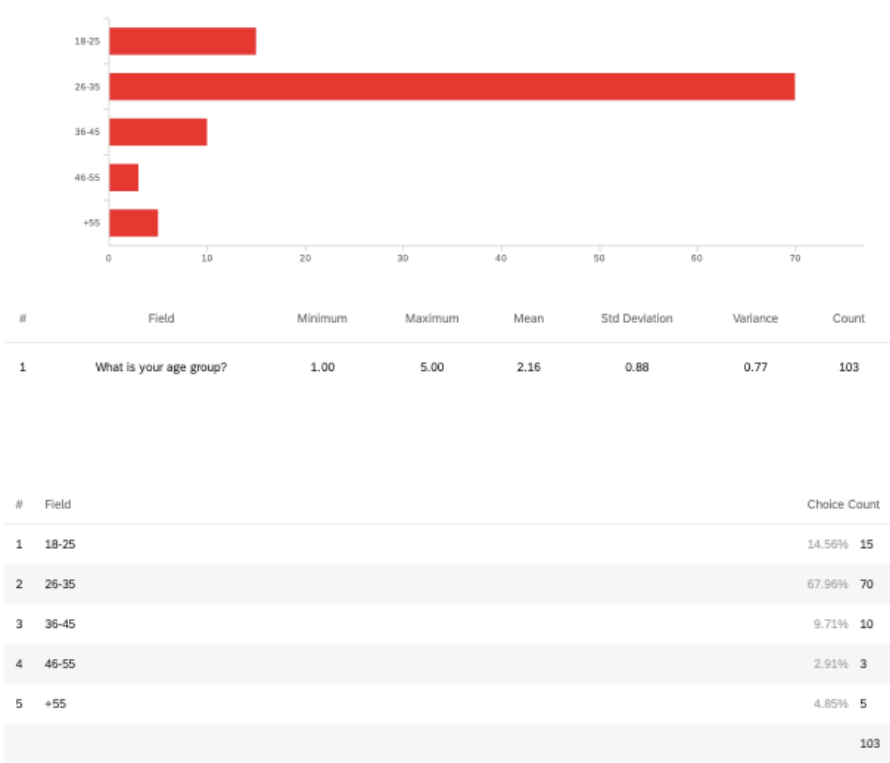
	<p>Despite this, on mass media like TV, however, they will probably have to choose one path (either positive or negative), kind of like what the government has actually done today.</p> <p>However, they should focus on not just doing <i>one</i> thing and communicate the same way to everyone. Messages MUST be segmented / differently framed to the two different segments with different risk profiles. I would recommend dividing it by age, as it is the easiest way to do it (you become less risky over the years, but your psychological profile will follow you, and therefore you will be "the same" person). Today, with online / digital you can target incredibly accurate segments on social media, for example, and in turn frame very specific messages to this exact target group. This would be much more effective than simply targeting everyone with the same message."</p>
<p>4. What do you think about the "turn to digital" in regard to consumer purchasing behaviour? (read section on how the consumer is affected out loud).</p>	<p>4. "That is true. However, as consumers are exposed to an incredible number of messages every day, I believe it is around 10,000 every day, and many of these influence techniques/tactics were also used largely offline prior to COVID-19 and has worked phenomenally there as well.</p> <p>In fact, if you, as a consumer, would want to avoid these, you would have to ".....put cotton wool in their ears and be blindfolded - only then can you avoid being affected or influenced. Otherwise, it is close to impossible to avoid, despite many consumers thinking that marketing and behavioral design does not affect them specifically.</p> <p>One last thing: Have you ever given something to a facer in the streets? (amnesty international, WWF etc.) They actually gain <i>less</i> by exposing the consumer A LOT with their messages, it is simply not the way they should communicate to you. In other words, if we are not motivated for a product (such as. what the facets offer) then it makes less sense to expose the target audience with the message.</p> <p>AIDA and all these other models are about us having the attention of the target group, but there is actually research that shows that certain target groups are simply not interested in being exposed to certain types of products (more negative)"</p>

# Appendix II: Survey

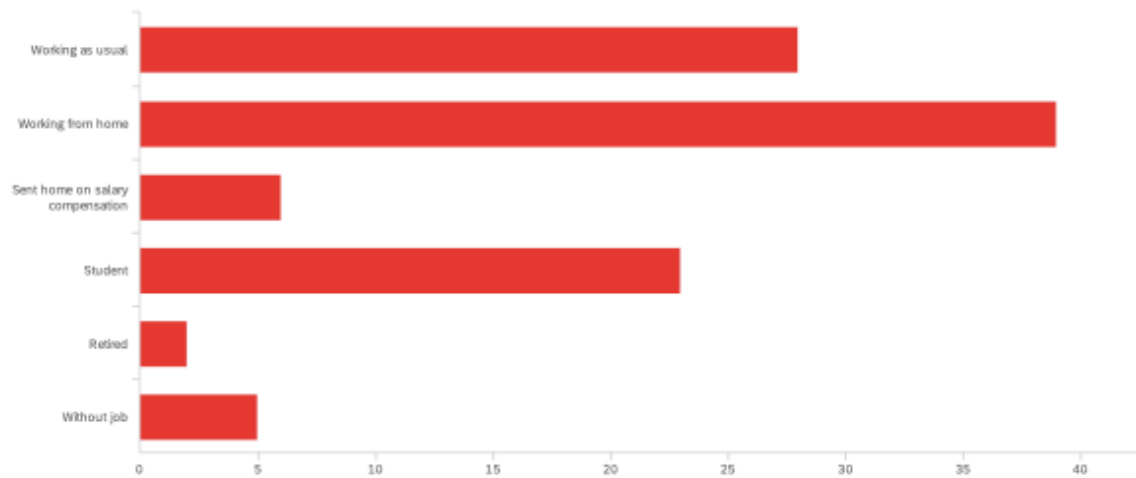
Q1 - What is your gender?



Q2 - What is your age group?



### Q3 - What has your situation (mostly) looked like during COVID-19?

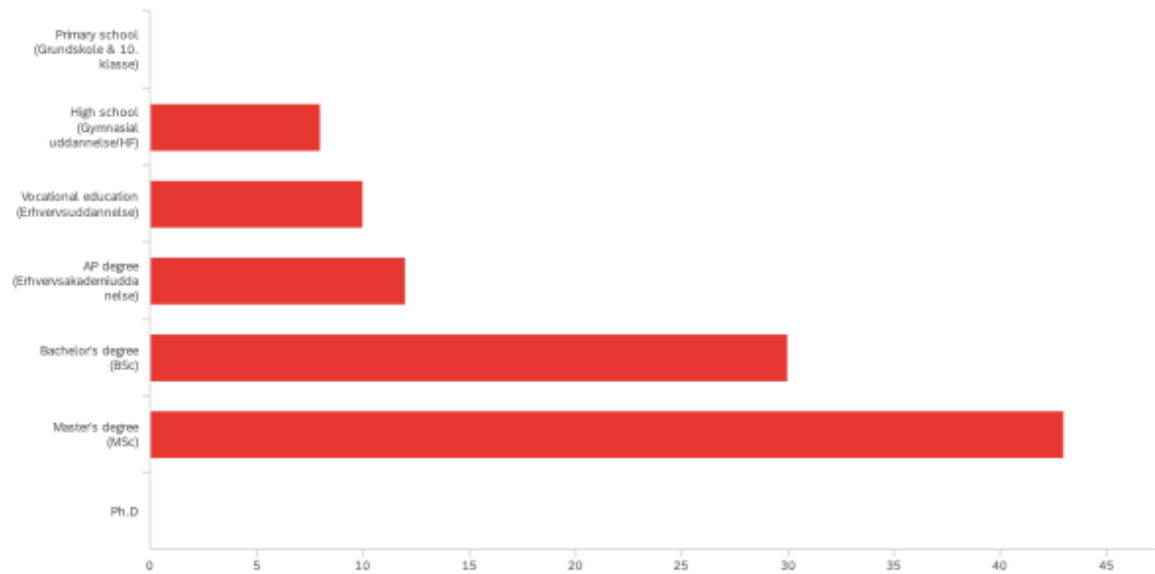


#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	What has your situation (mostly) looked like during COVID-19?	1.00	6.00	2.49	1.39	1.94	103

#	Field	Choice Count
1	Working as usual	27.18% 28
2	Working from home	37.86% 39
3	Sent home on salary compensation	5.83% 6
4	Student	22.33% 23
5	Retired	1.94% 2
6	Without job	4.85% 5

103

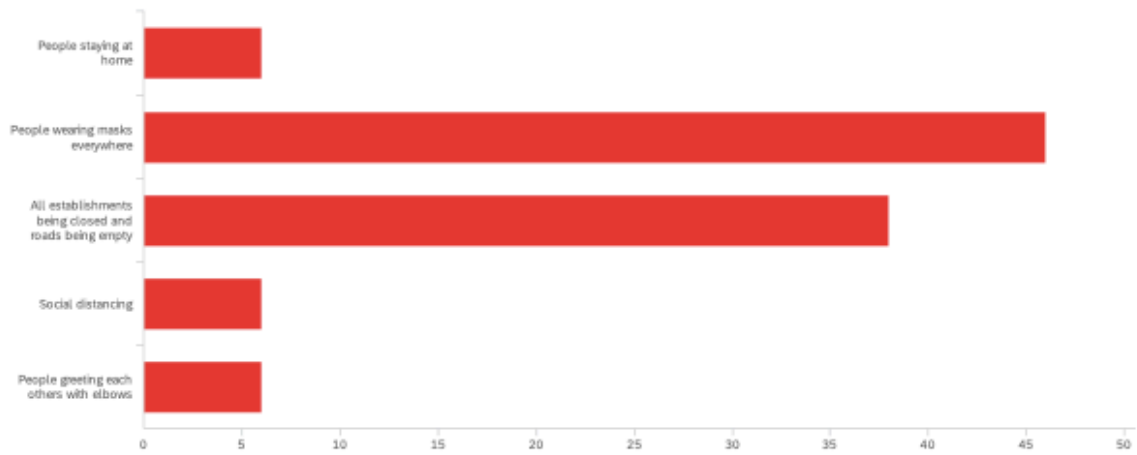
## Q4 - What is your level of education?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	What is your level of education?	2.00	7.00	5.58	1.68	2.83	103

#	Field	Choice Count
1	Primary school (Grundskole & 10. klasse)	0.00% 0
2	High school (Gymnasial uddannelse/HF)	7.77% 8
3	Vocational education (Erhvervsuddannelse)	9.71% 10
4	AP degree (Erhvervsakademiuddannelse)	11.65% 12
6	Bachelor's degree (BSc)	29.13% 30
7	Master's degree (MSc)	41.75% 43
8	Ph.D	0.00% 0
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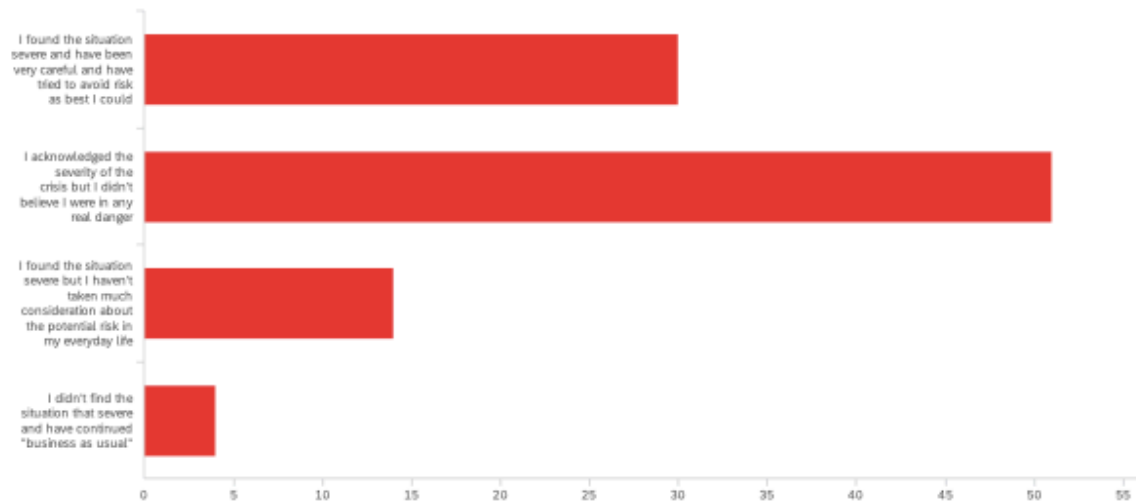
Q5 - Imagine you woke up today from a coma since 2018 – what would surprise you the most?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Imagine you woke up today from a coma since 2018 – what would surprise you the most?	1.00	5.00	2.61	0.91	0.83	102

#	Field	Choice Count
1	People staying at home	5.88% 6
2	People wearing masks everywhere	45.10% 46
3	All establishments being closed and roads being empty	37.25% 38
4	Social distancing	5.88% 6
5	People greeting each others with elbows	5.88% 6
		102

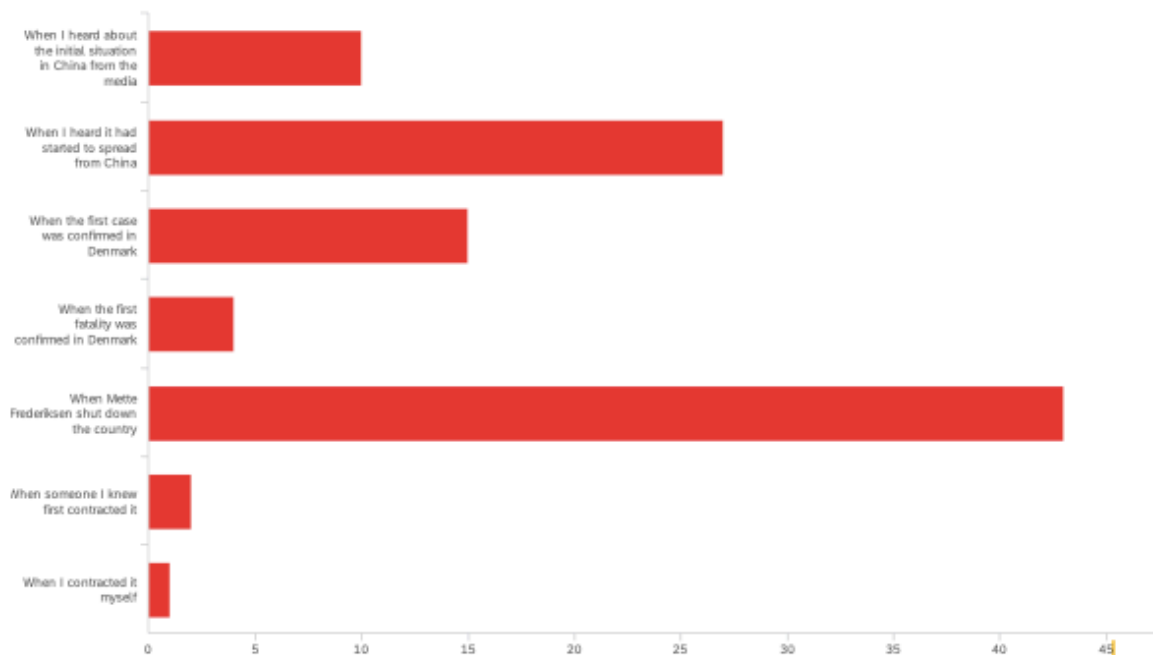
## Q6 - Choose the statement that fits your reaction/behaviour during COVID-19 the MOST



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Choose the statement that fits your reaction/behaviour during COVID-19 the MOST	1.00	4.00	1.92	0.77	0.60	99

#	Field	Choice Count
1	I found the situation severe and have been very careful and have tried to avoid risk as best I could	30,30% 30
2	I acknowledged the severity of the crisis but I didn't believe I were in any real danger	51,52% 51
3	I found the situation severe but I haven't taken much consideration about the potential risk in my everyday life	14,14% 14
4	I didn't find the situation that severe and have continued "business as usual"	4,04% 4
		99

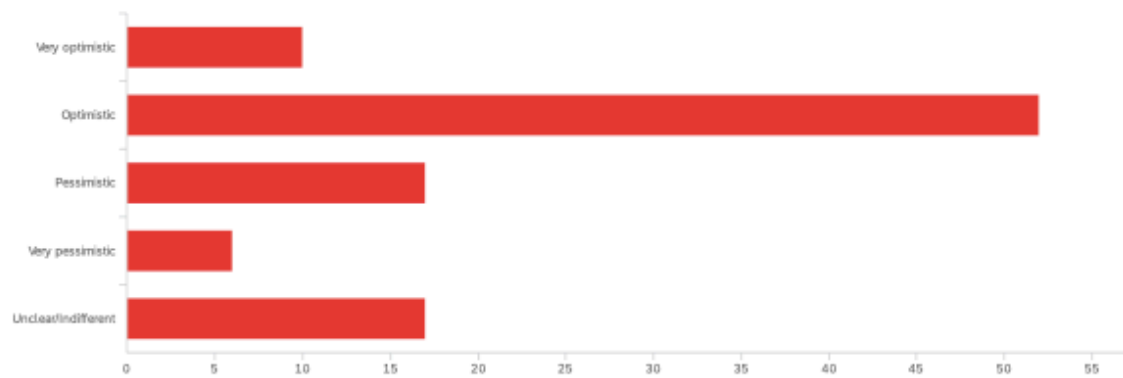
## Q7 - When did you first realize that COVID-19 was a serious issue?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	When did you first realize that COVID-19 was a serious issue?	1.00	7.00	3.52	1.56	2.45	102

#	Field	Choice Count
1	When I heard about the initial situation in China from the media	9.80% 10
2	When I heard it had started to spread from China	26.47% 27
3	When the first case was confirmed in Denmark	14.71% 15
4	When the first fatality was confirmed in Denmark	3.92% 4
5	When Mette Frederiksen shut down the country	42.16% 43
6	When someone I knew first contracted it	1.96% 2
7	When I contracted it myself	0.98% 1
		102

## Q8 - How optimistic did you feel about a year ago? (when the first lockdown occurred)

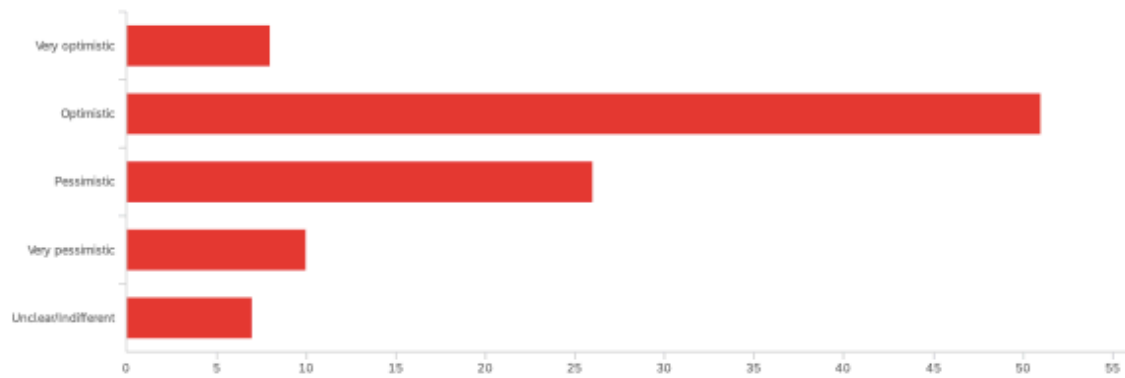


#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	How optimistic did you feel about a year ago? (when the first lockdown occurred)	1.00	5.00	2.69	1.24	1.53	102

#	Field	Choice	Count
1	Very optimistic	9.80%	10
2	Optimistic	50.98%	52
3	Pessimistic	16.67%	17
4	Very pessimistic	5.88%	6
5	Unclear/Indifferent	16.67%	17
			102

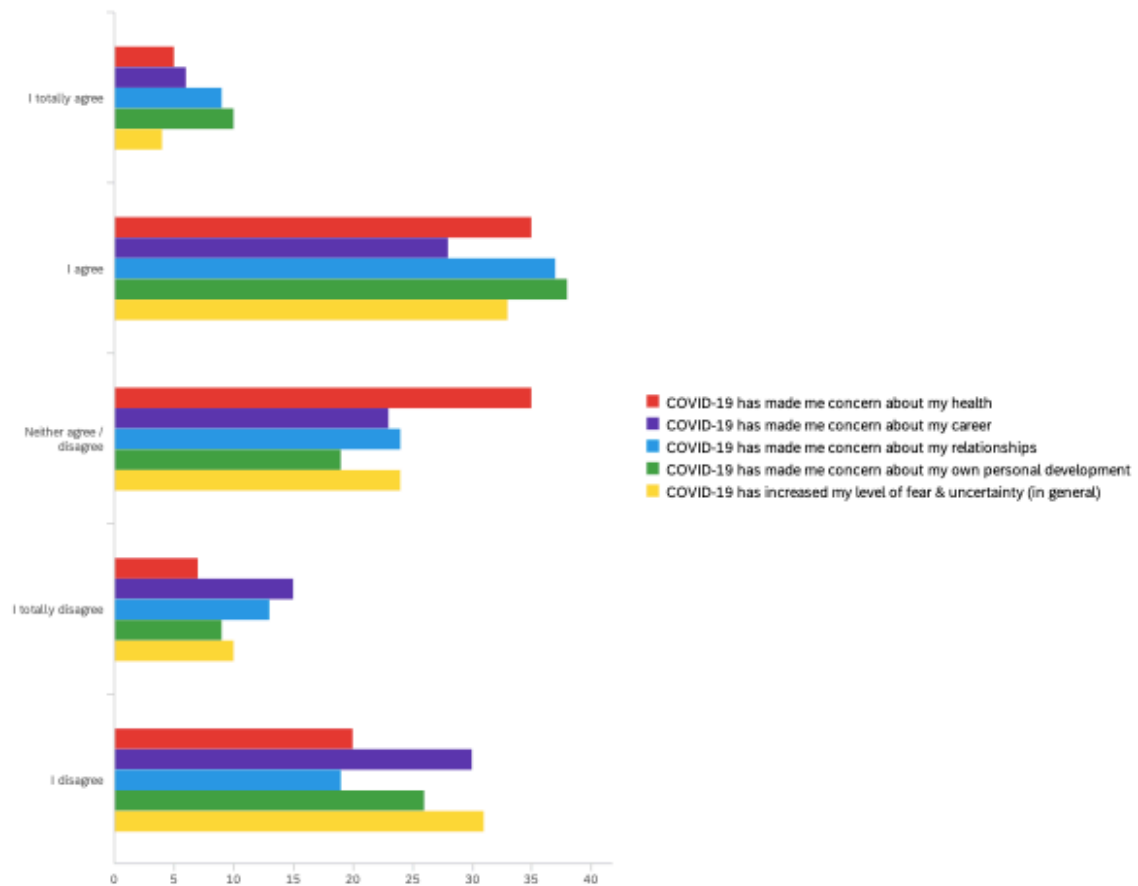
### Q9 - Based on the current situation, how optimistic do you feel?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Based on the current situation, how optimistic do you feel?	1.00	5.00	2.58	1.00	1.01	102

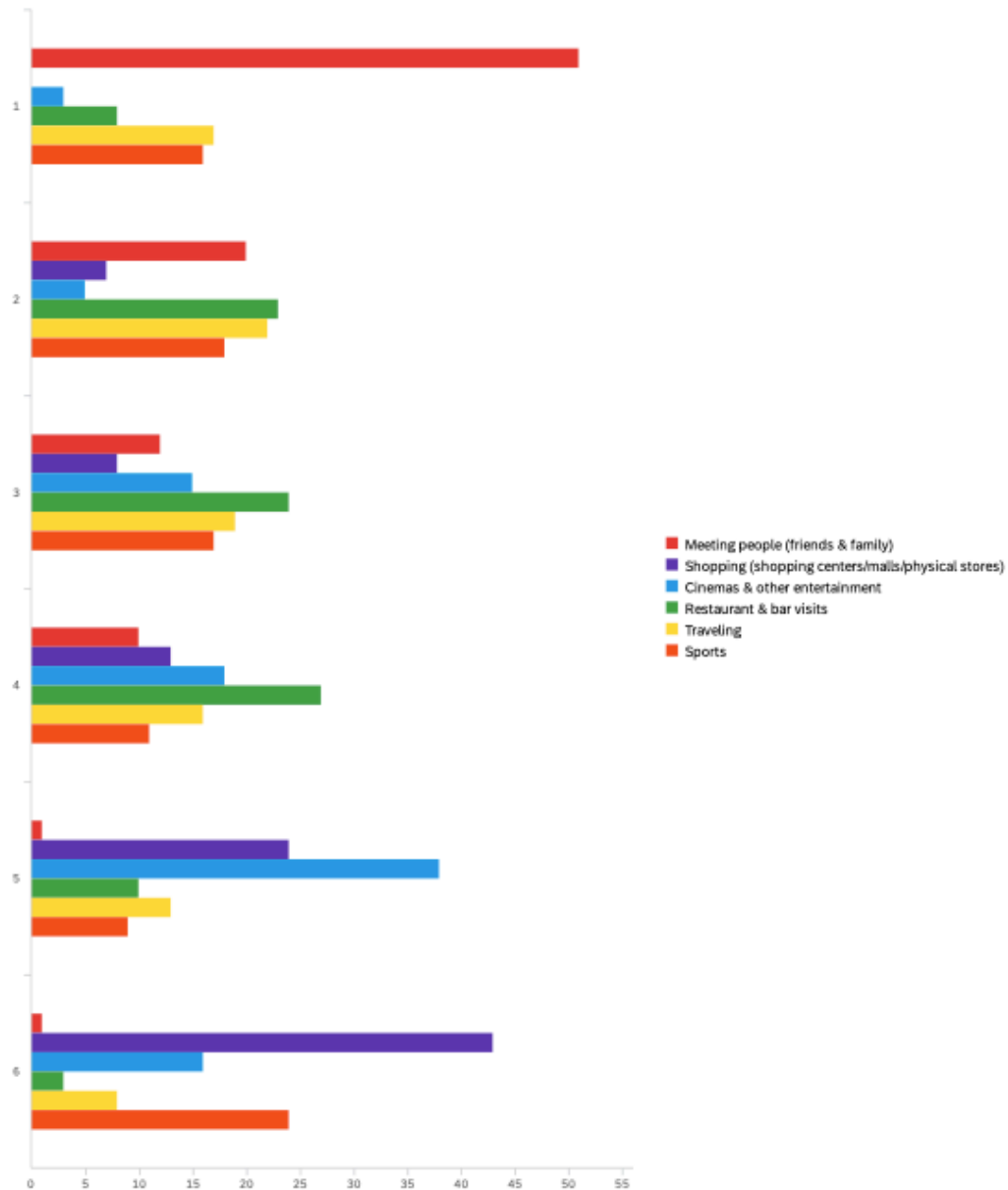
#	Field	Choice Count
1	Very optimistic	7.84% 8
2	Optimistic	50.00% 51
3	Pessimistic	25.49% 26
4	Very pessimistic	9.80% 10
5	Unclear/Indifferent	6.86% 7
		102

## Q10 - Please state your agreement with the following statements



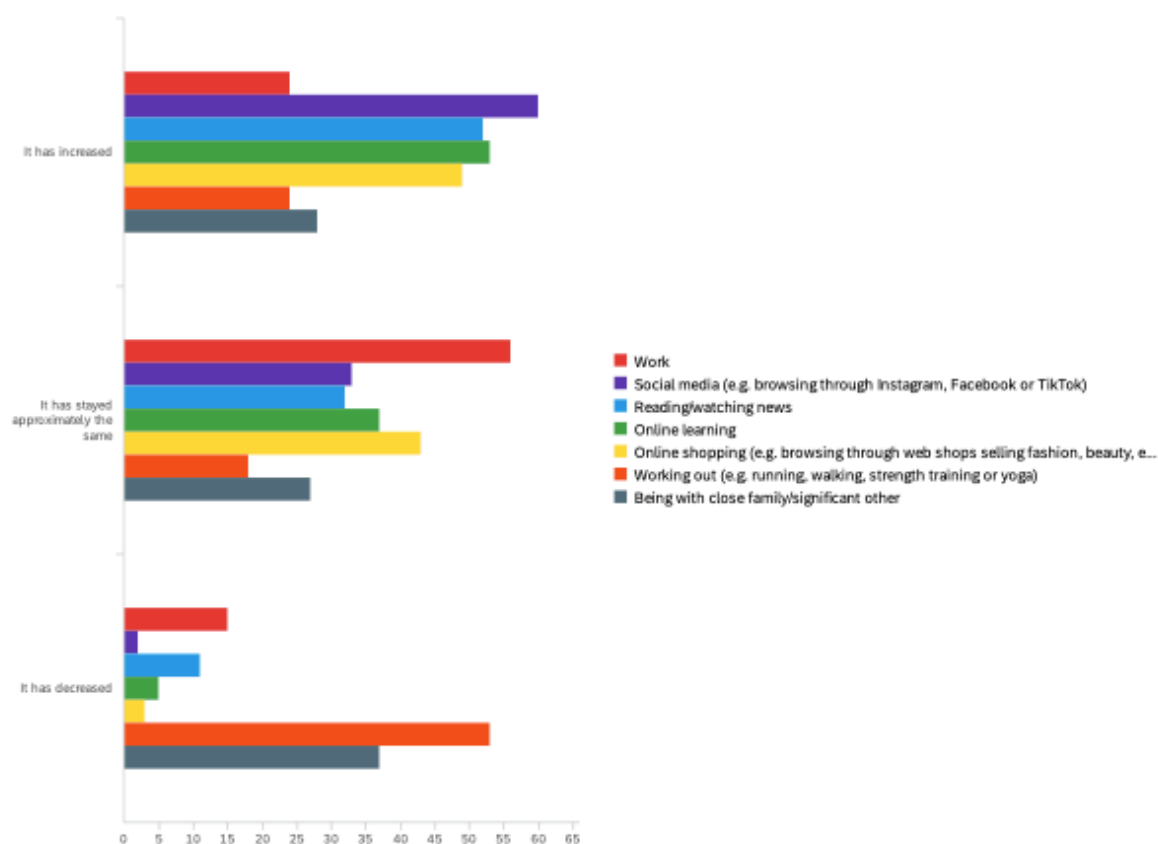
#	Field	I totally agree		I agree		Neither agree / disagree		I totally disagree		I disagree		Total
1	COVID-19 has made me concern about my health	4.90%	5	34.31%	35	34.31%	35	6.86%	7	19.61%	20	102
2	COVID-19 has made me concern about my career	5.88%	6	27.45%	28	22.55%	23	14.71%	15	29.41%	30	102
3	COVID-19 has made me concern about my relationships	8.82%	9	36.27%	37	23.53%	24	12.75%	13	18.63%	19	102
4	COVID-19 has made me concern about my own personal development	9.80%	10	37.25%	38	18.63%	19	8.82%	9	25.49%	26	102
5	COVID-19 has increased my level of fear & uncertainty (in general)	3.92%	4	32.35%	33	23.53%	24	9.80%	10	30.39%	31	102

Q11 - What have you missed the most since COVID-19 emerged? (rank from top-bottom, where the top is the thing you missed the most)



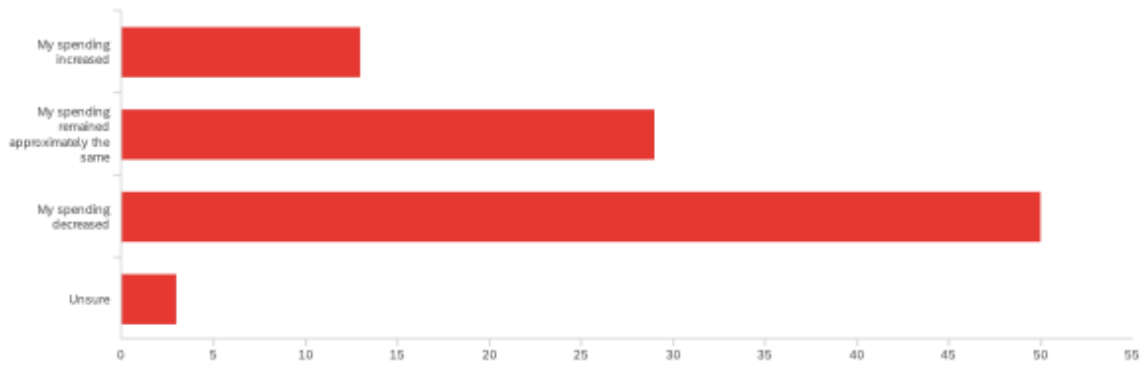
#	Field	1	2	3	4	5	6	Total
1	Meeting people (friends & family)	53.68% 51	21.05% 20	12.63% 12	10.53% 10	1.05% 1	1.05% 1	95
2	Shopping (shopping centers/malls/physical stores)	0.00% 0	7.37% 7	8.42% 8	13.68% 13	25.26% 24	45.26% 43	95
3	Cinemas & other entertainment	3.16% 3	5.26% 5	15.79% 15	18.95% 18	40.00% 38	16.84% 16	95
4	Restaurant & bar visits	8.42% 8	24.21% 23	25.26% 24	28.42% 27	10.53% 10	3.16% 3	95
5	Traveling	17.89% 17	23.16% 22	20.00% 19	16.84% 16	13.68% 13	8.42% 8	95
6	Sports	16.84% 16	18.95% 18	17.89% 17	11.58% 11	9.47% 9	25.26% 24	95

## Q12 - How has your time spent on the following activities changed?



#	Field	It has increased	It has stayed approximately the same	It has decreased	Total
1	Work	25.26% 24	58.95% 56	15.79% 15	95
2	Social media (e.g. browsing through Instagram, Facebook or TikTok)	63.16% 60	34.74% 33	2.11% 2	95
3	Reading/watching news	54.74% 52	33.68% 32	11.58% 11	95
4	Online learning	55.79% 53	38.95% 37	5.26% 5	95
5	Online shopping (e.g. browsing through web shops selling fashion, beauty, electronics & gadgets)	51.58% 49	45.26% 43	3.16% 3	95
6	Working out (e.g. running, walking, strength training or yoga)	25.26% 24	18.95% 18	55.79% 53	95
7	Being with close family/significant other	30.43% 28	29.35% 27	40.22% 37	92

### Q13 - What has happened with your overall spending during COVID-19?

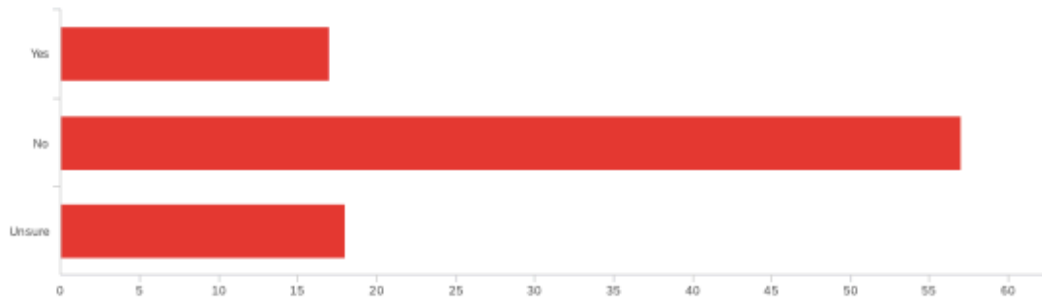


#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	What has happened with your overall spending during COVID-19?	1.00	10.00	2.64	1.51	2.27	95

#	Field	Choice Count
1	My spending increased	13.68% 13
2	My spending remained approximately the same	30.53% 29
3	My spending decreased	52.63% 50
10	Unsure	3.16% 3
		95

Q14 - Did you start to think more about/be more careful with new purchases than you did

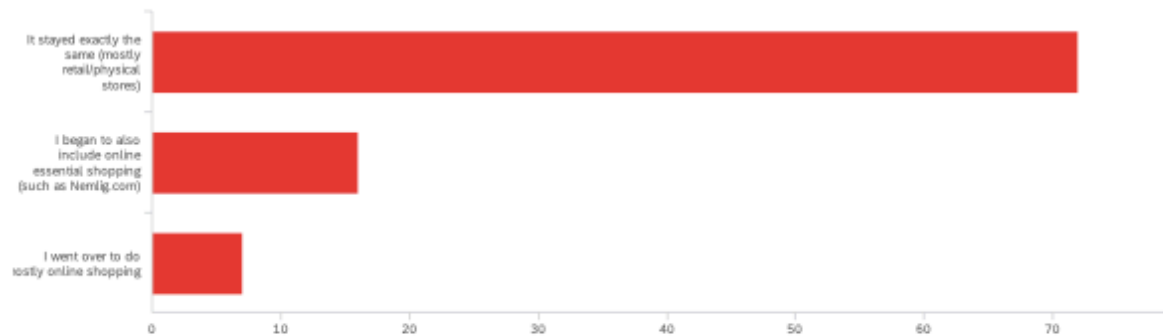
before COVID-19?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Did you start to think more about/be more careful with new purchases than you did before COVID-19?	1.00	3.00	2.01	0.62	0.38	92

#	Field	Choice Count
1	Yes	18.48% 17
2	No	61.96% 57
3	Unsure	19.57% 18

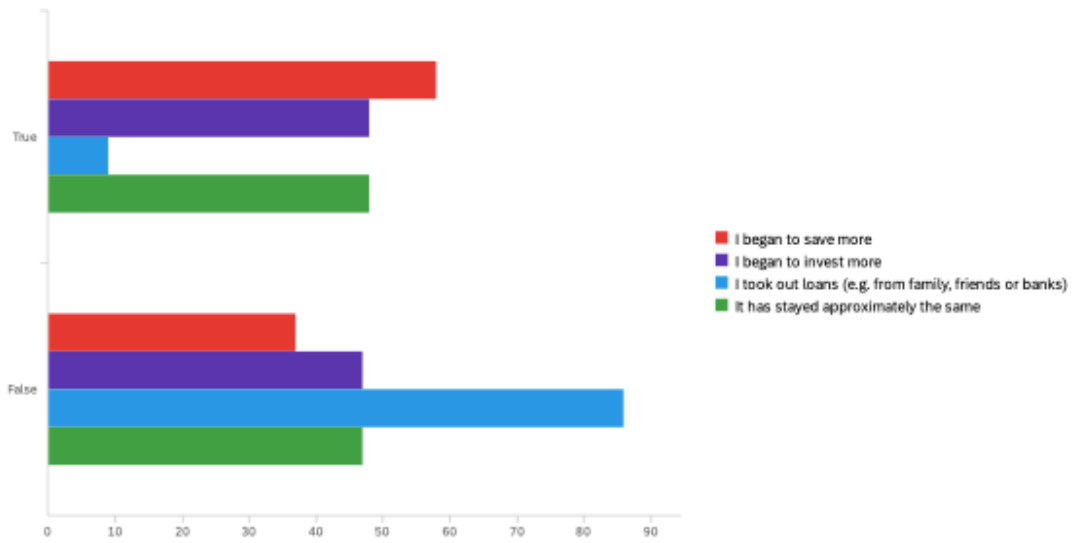
## Q15 - What happened to your way of essential shopping (doing groceries)?



#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	What happened to your way of essential shopping (doing groceries)?	1.00	3.00	1.32	0.60	0.36	95

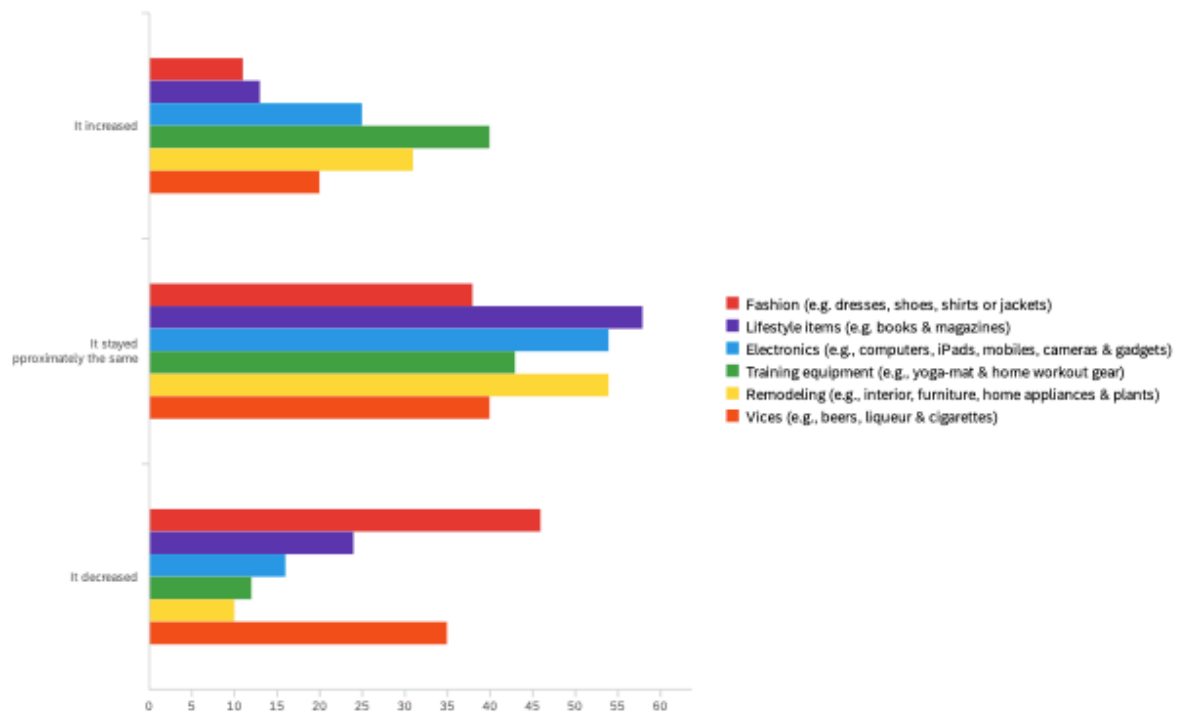
#	Field	Choice Count
1	It stayed exactly the same (mostly retail/physical stores)	75.79% 72
2	I began to also include online essential shopping (such as Nemlig.com)	16.84% 16
3	I went over to do mostly online shopping	7.37% 7
		95

## Q16 - How have you managed your finances during COVID-19?



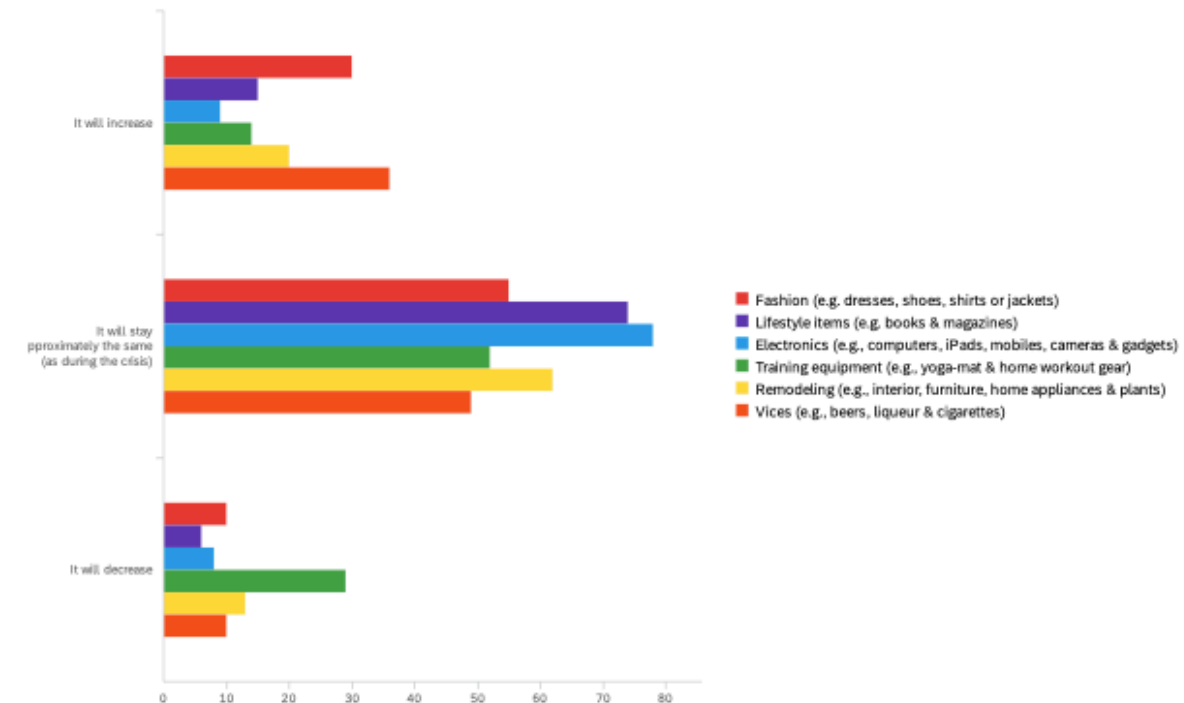
#	Field	True		False		Total
1	I began to save more	61.05%	58	38.95%	37	95
2	I began to invest more	50.53%	48	49.47%	47	95
3	I took out loans (e.g. from family, friends or banks)	9.47%	9	90.53%	86	95
4	It has stayed approximately the same	50.53%	48	49.47%	47	95

## Q17 - What happened to your spending on the following items?



#	Field	It increased	It stayed approximately the same	It decreased	Total
1	Fashion (e.g. dresses, shoes, shirts or jackets)	11.58% 11	40.00% 38	48.42% 46	95
2	Lifestyle items (e.g. books & magazines)	13.68% 13	61.05% 58	25.26% 24	95
3	Electronics (e.g., computers, iPads, mobiles, cameras & gadgets)	26.32% 25	56.84% 54	16.84% 16	95
4	Training equipment (e.g., yoga-mat & home workout gear)	42.11% 40	45.26% 43	12.63% 12	95
5	Remodeling (e.g., interior, furniture, home appliances & plants)	32.63% 31	56.84% 54	10.53% 10	95
6	Vices (e.g., beers, liqueur & cigarettes)	21.05% 20	42.11% 40	36.84% 35	95

Q18 - What do you expect will happen with your spending on the following items (after the crisis)?



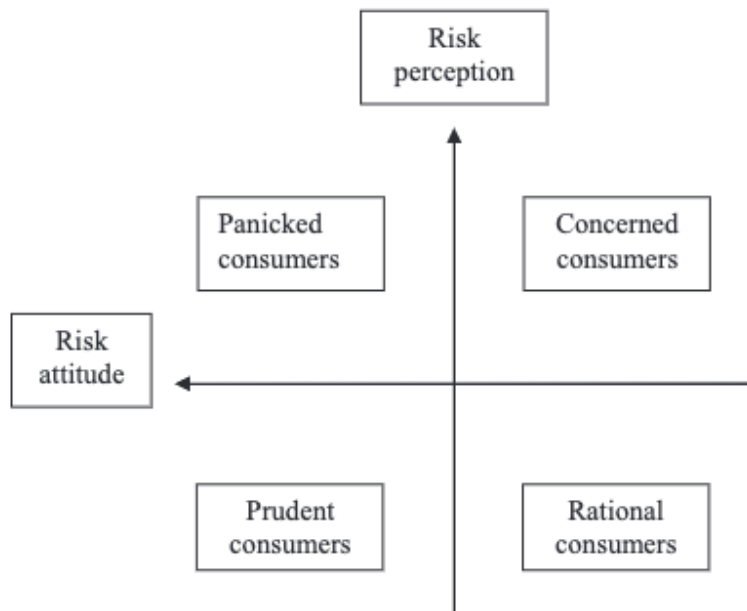
#	Field	It will increase	It will stay approximately the same (as during the crisis)	It will decrease	Total
1	Fashion (e.g. dresses, shoes, shirts or jackets)	31.58% 30	57.89% 55	10.53% 10	95
2	Lifestyle items (e.g. books & magazines)	15.79% 15	77.89% 74	6.32% 6	95
3	Electronics (e.g., computers, iPads, mobiles, cameras & gadgets)	9.47% 9	82.11% 78	8.42% 8	95
4	Training equipment (e.g., yoga-mat & home workout gear)	14.74% 14	54.74% 52	30.53% 29	95
5	Remodeling (e.g., interior, furniture, home appliances & plants)	21.05% 20	65.26% 62	13.68% 13	95
6	Vices (e.g., beers, liqueur & cigarettes)	37.89% 36	51.58% 49	10.53% 10	95

## Appendix III: Figures

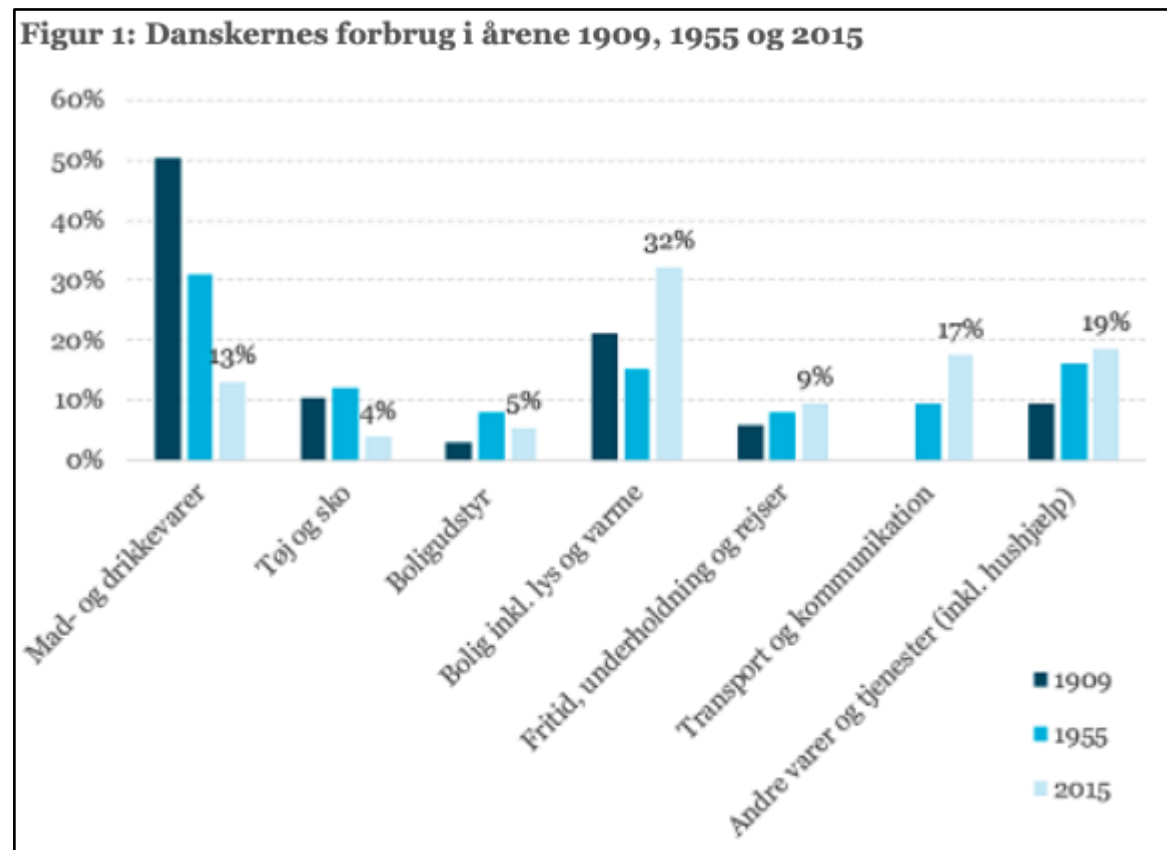
**Figure 1:** Maslow's Hierarchy of Needs (Maslow 1954)



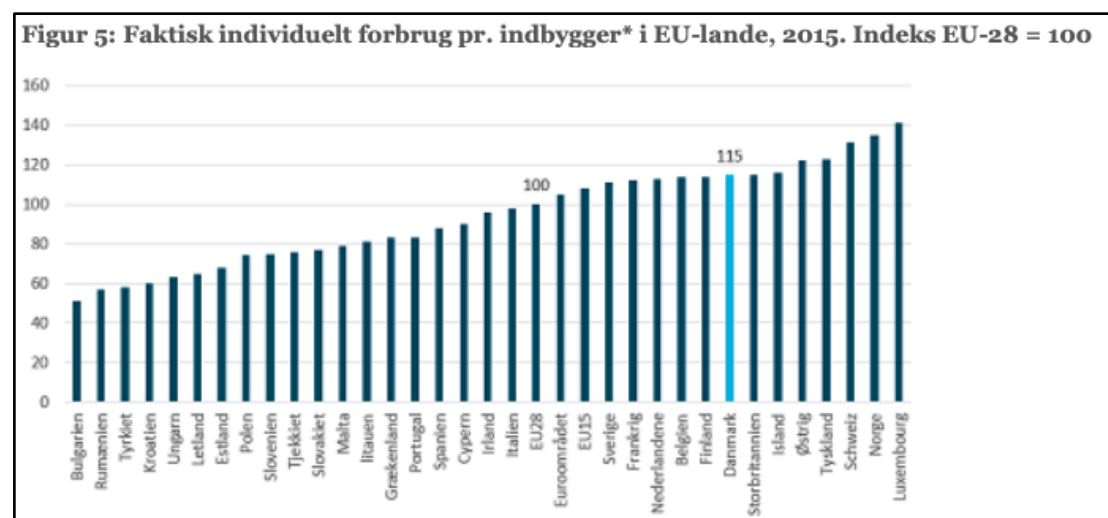
**Figure 2:** Different consumer types during crises (Amalia & Ionut 2009)



**Figure 3:** “Danish consumption in the years 1909, 1955 and 2015” (Dansk Erhverv & Danmarks Statistik 2017)

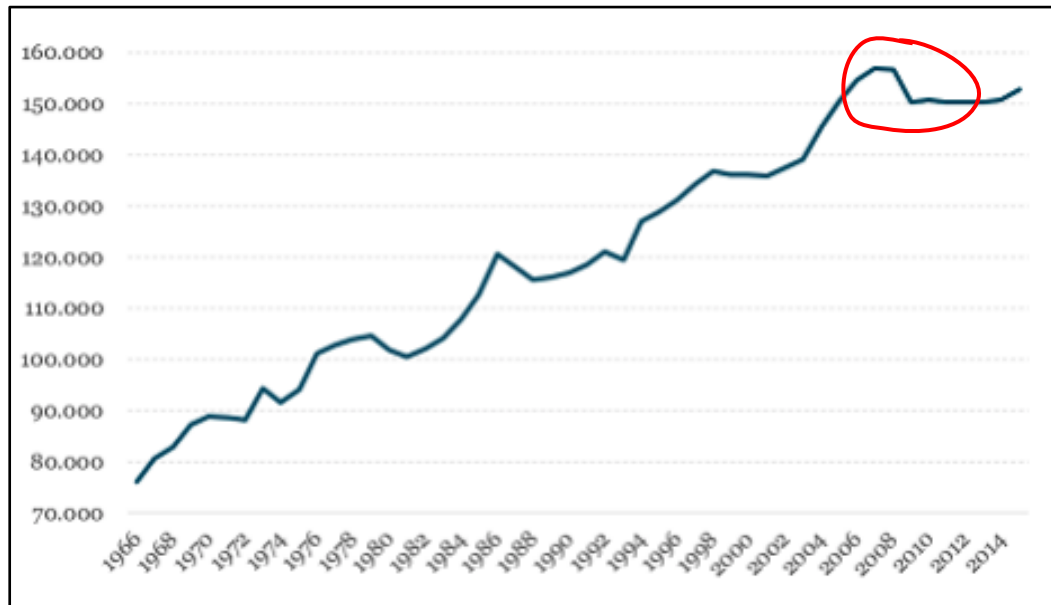


**Figure 4:** “Actual individual consumption per inhabitant in EU-countries 2015” (Dansk Erhverv & Danmarks Statistik 2017)

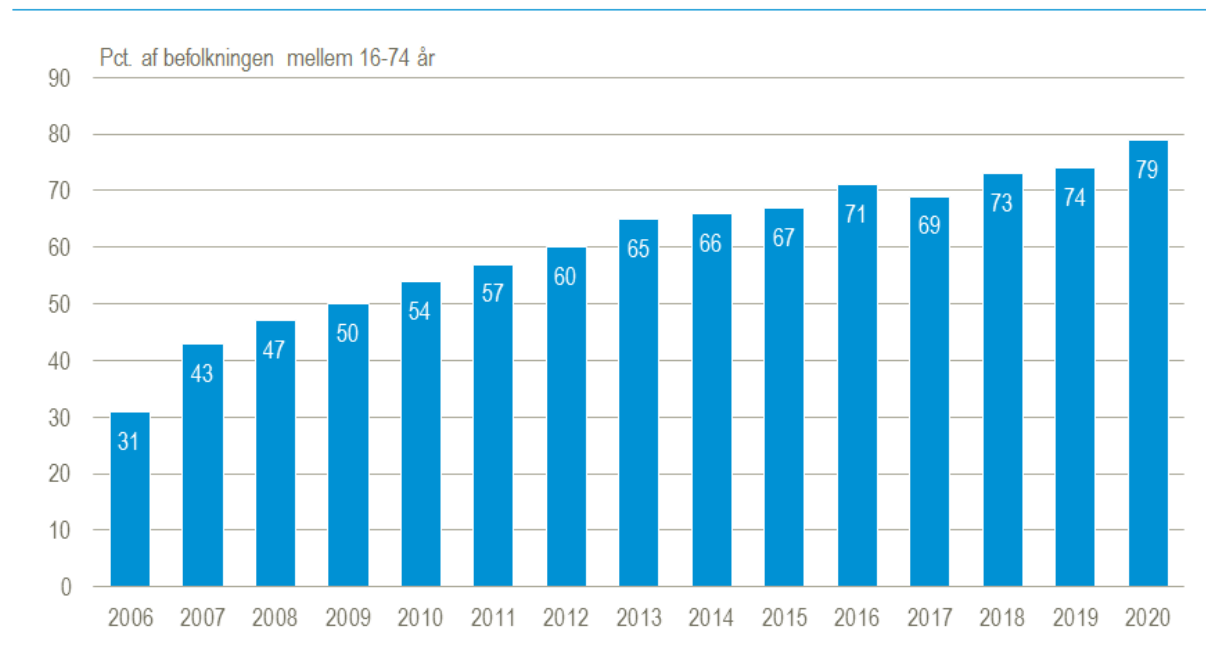


**Figure 5:** Development in Danish consumption from 1966-2015 (Dansk Erhverv & Danmarks Statistik 2017)

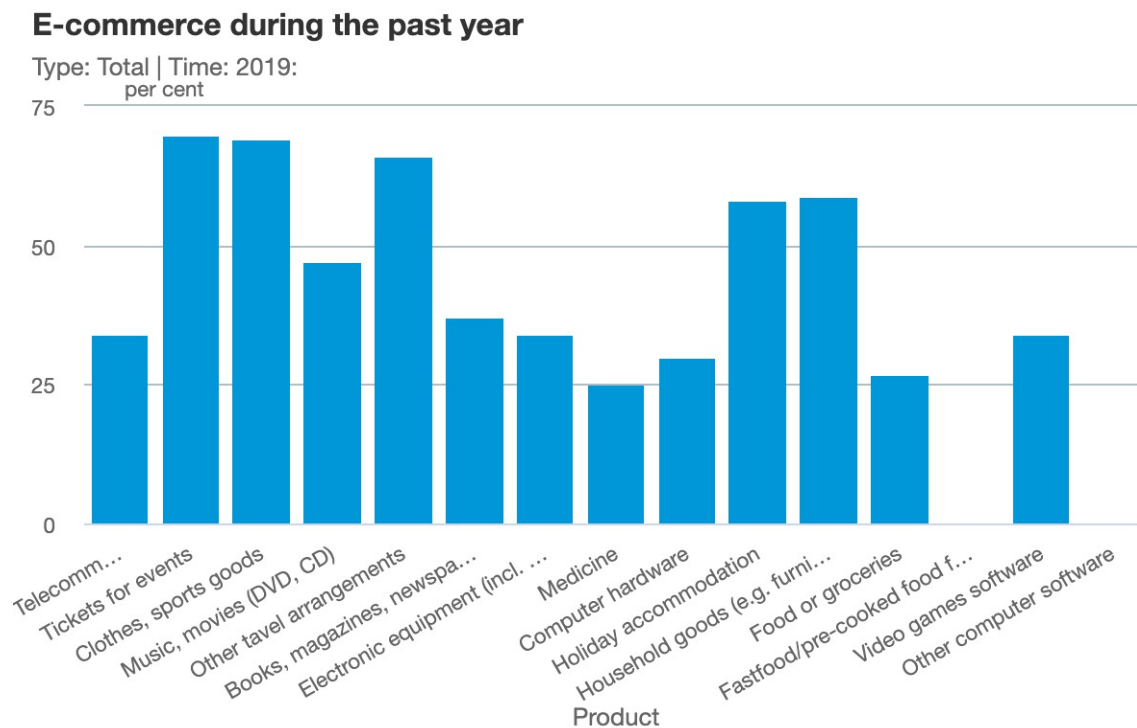
**Figur 2:** Udviklingen i privatforbrug pr. person fra 1966-2015 i faste priser (faste 2010-kr.)



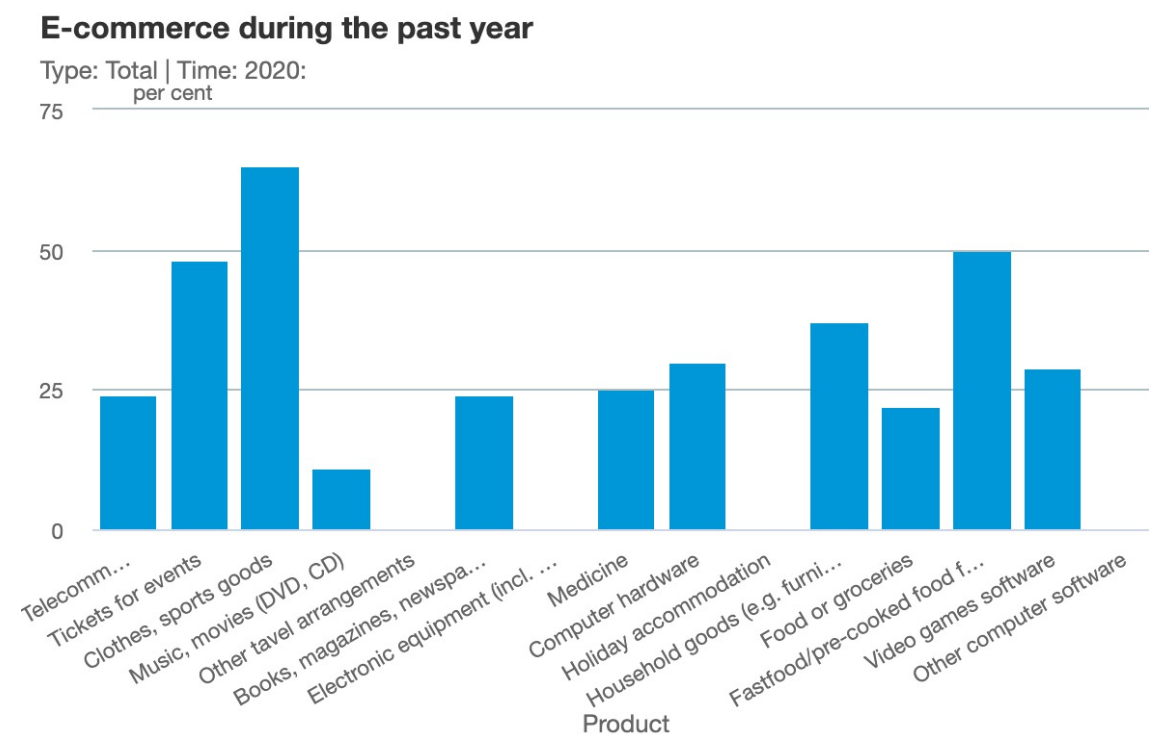
**Figure 7:** Development in number of Danish internet shoppers between 16-74 yr. (Danmarks Statistik 2020)



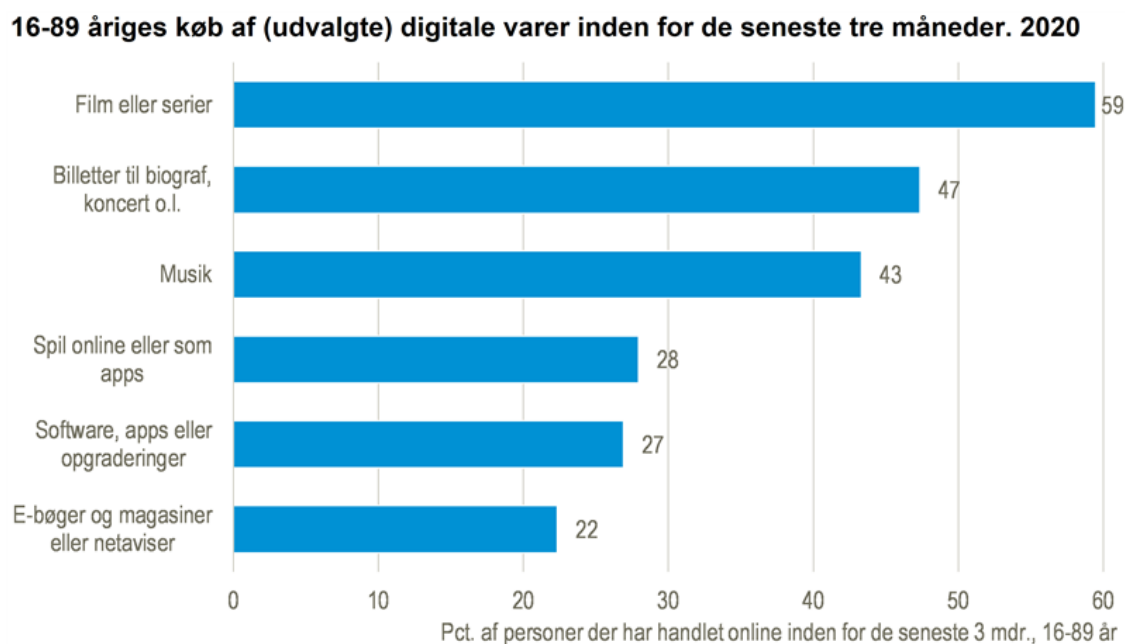
**Figure 8:** E-commerce in 2019 (Danmarks Statistik 2021)



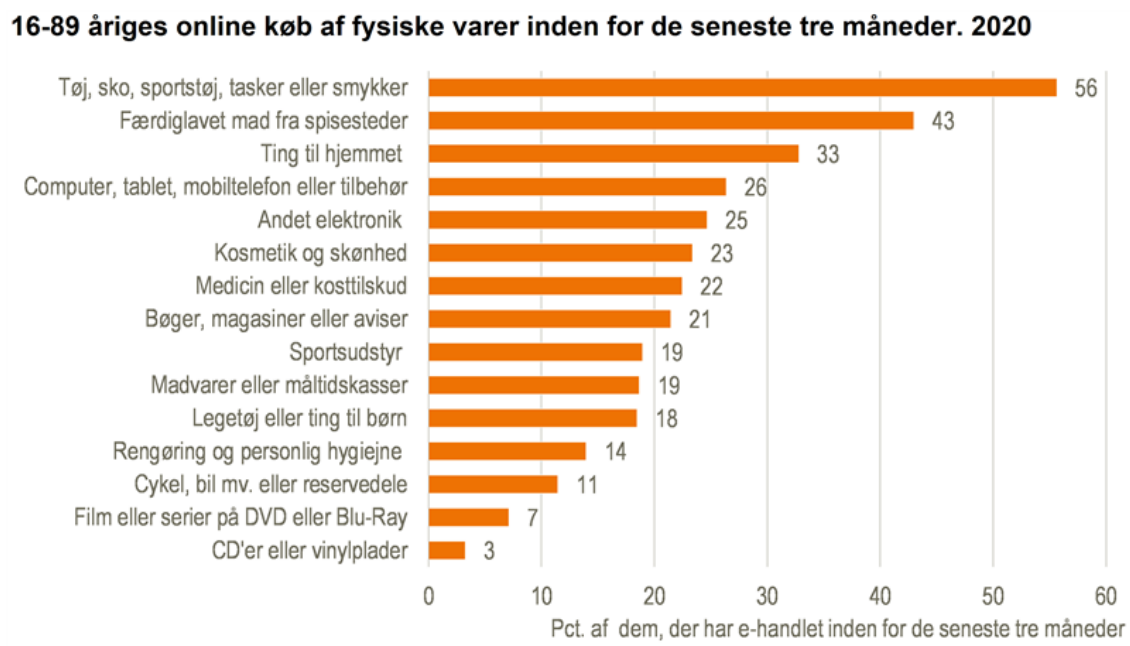
**Figure 9:** E-commerce in 2020 (Danmarks Statistik 2021)



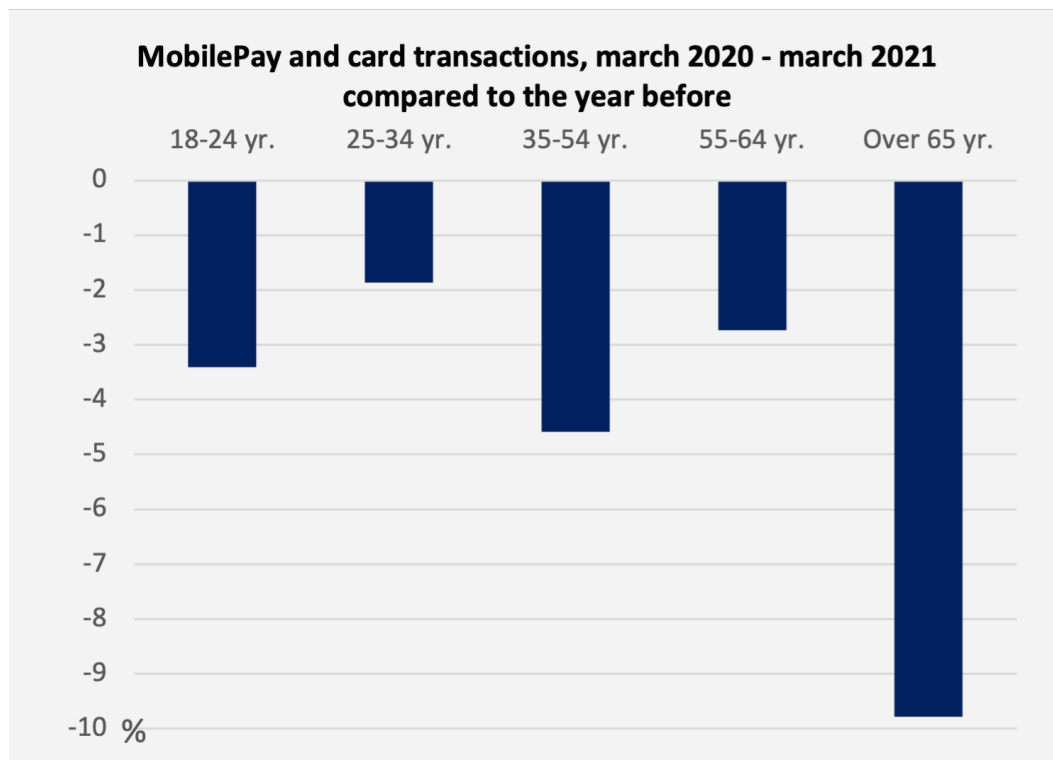
**Figure 10:** “Purchases of digital products in 2020” (from T/B: (1) Movies or series; (2) tickets for cinemas/concerts; (3) music; (4) online games; (5) software and apps; and (6) e-books and online magazines and newspapers (Danmarks Statistik 2020)



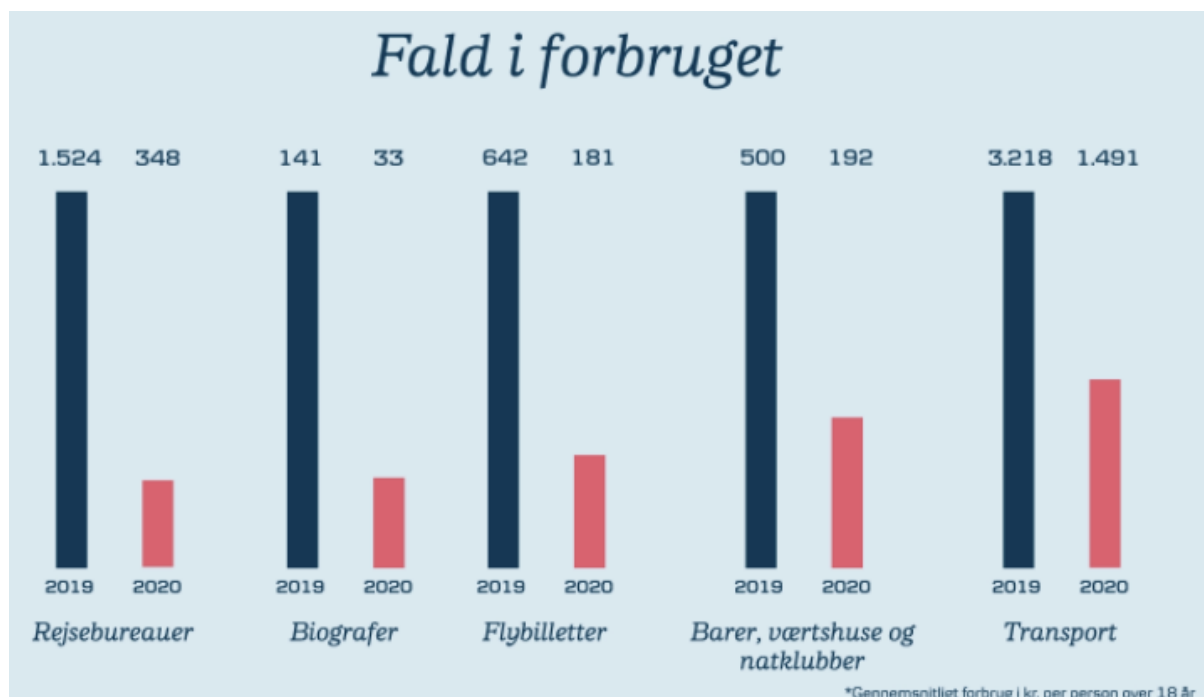
**Figure 11:** “16-89-year-olds online purchases the last three months” (Danmarks Statistik, June 2020)



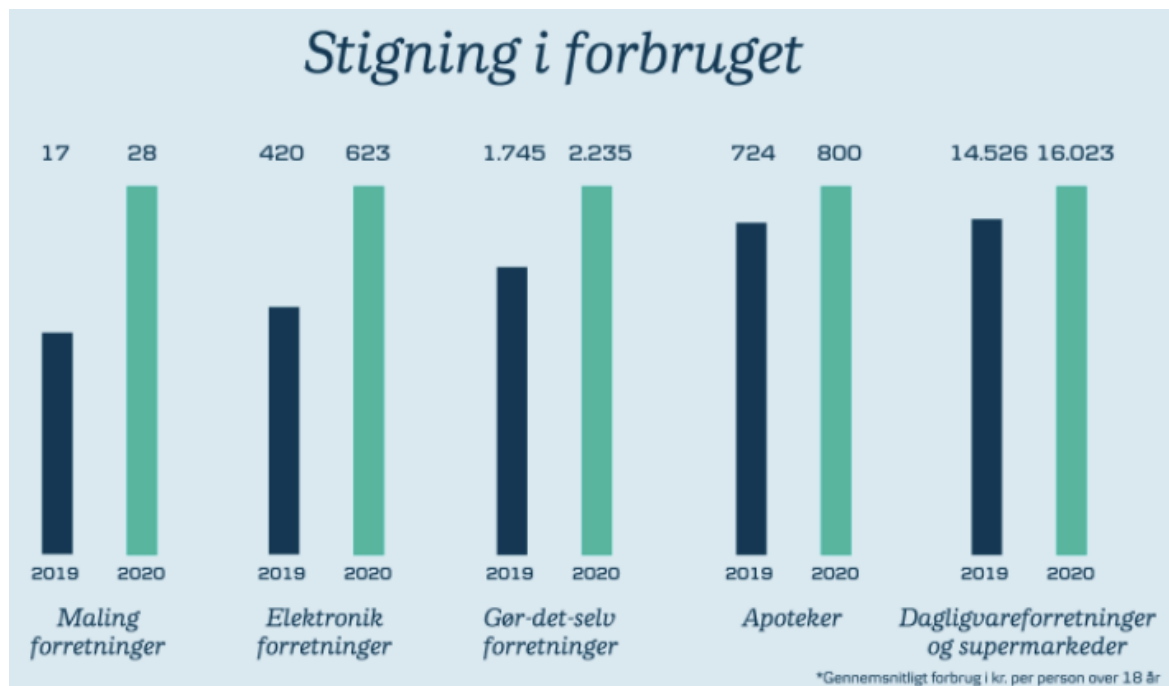
**Figure 13:** MobilePay and card transactions March 2020 - March 2021 (Hansen 2021)



**Figure 14:** “Decrease in consumption” (LTR: Travel agencies, cinemas, airlines, restauration and transport) (Hansen 2020/Danske Bank)



**Figure 15:** “Increase in consumption” (LTR: Painting shops, electronic stores, DIY stores, pharmacies and grocery stores) (Hansen 2020/Danske Bank)



**Figure 16:** Consumer confidence indicator (Danmarks Statistik)

### Consumer confidence indicator

Indicator: Consumer confidence indicator:

