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Consumer behaviour changes during Covid-19

A producer perspective from IKEA in Sweden

Master's thesis in Management and Economics of Innovation

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Cover: The IKEA logo (IKEA, 2021)

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Abstract

The Covid-19 pandemic has brought changes upon the world that some deem irreversible. What these changes are and what implications they bring for retailers is important to understand as it can help direct efforts and organise operations to meet consumers in the most effective way.

This report investigates the changes in consumer behaviour induced by the Covid-19 pandemic and how consumer behaviour might continue after the pandemic. This is done by both conducting a literature study and a case study, and making a comparison of these two. The literature study investigates global changes in consumer behaviour during Covid-19, while the case study investigates IKEA's perception of the changes in consumer behaviour by conducting interviews. The case study takes the producer perspective, and the lack of the consumer perspective is mitigated by the literature study on consumer behaviour changes during Covid-19.

The analysis shows that one main change in consumer behaviour is the change in consumers' channel interaction. Online retailing has skyrocketed, and the channels are used in new ways and combinations, which allows for higher convenience. A second main change is how the home has become more important as people spend more time there, and that it has to be both homely and functional. A third main change is how people have started to put higher value into companies taking social responsibility during the Covid-19 pandemic.

The first trend of changed channel interaction will likely endure post-Covid-19 as an increased accessibility and convenience makes returning to pre-Covid-19 ways of consumption obsolete. The second trend of the home's importance will likely be enduring, but decrease in importance to some extent. The last trend of companies working with sustainability is likely vital in the future.

The report also discusses less prominent changes, such as hoarding behaviour, importance of health and safety, and a decrease and recovery of consumption.

Keywords: Covid-19, consumer behaviour, IKEA, societal change, omnichannel interaction, home improvement, sustainability.

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Nils Netz

Amanda Pernald

Gothenburg, Sweden
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Word list

Consumer versus customer - Consumer meaning the same as customer. The word consumer will be used as much as possible during this report, since it is the term used by IKEA.

CBM - Consumer Behaviour Model. The model used in this report that describes the relation between the consumer, the decision-making process, the consumer behaviour, as well as factors influencing all of these.

Omnichannel - Retailing that delivers a seamless consumer experience through multiple channels, regardless of if the consumer is shopping through online, telephone or physical sales channels (Cambridge Dictionary, n.d.).

Click & Collect - A retail channel IKEA offers where consumers shop and pay online but pick up their goods in an IKEA store.

Click & Deliver - A retail channel IKEA offers where consumers shop and pay online, and then IKEA delivers the goods to the consumers.

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1. Introduction

Everyone in the world is a consumer (Solomon et al., 2012). This report is written by two consumers, you who are reading this are a consumer and all our friends, family and co-workers are consumers. Nearly all behaviours we engage in in our everyday lives are connected to consumption (Vainikka, 2015), making this report not merely about consumer behaviour in general, but about me and you. The Covid-19 pandemic has changed the world, and the impacts are likely to affect everyone's life, both economically and socially, for years ahead (He & Harris, 2020). Reading about how Covid-19 has changed consumer behaviour can teach us a lot about ourselves and how we may have changed during this extraordinary event.

This first chapter introduces the reader to the concept of consumer behaviour and the Covid-19 pandemic. Its effects on consumer behaviour will be briefly introduced, as well as the focal company of the study, IKEA. A short description of how Covid-19 has affected IKEA will also be presented. Further, this chapter will present the purpose, objective, limitations, and research questions for this project.

1.1. Background

The Cambridge Dictionary (n.d., customer behaviour) defines consumer behaviour as "the decisions that people make to buy or not to buy a product, and the things that influence their decisions". As almost every aspect of a person's life revolves around consumption of services and goods, Vainikka (2015) argues that almost anything can be considered consumer behaviour. Watching television, shopping, or travelling are just some examples where people directly or indirectly engage in consumer behaviour (Vainikka, 2015). Thus, Vainikka (2015) states that consumer behaviour also can be defined as the process when someone selects, purchases, and uses a service or a product to fulfil their own needs and desires. The term consumer behaviour focuses on the whole consumption process, all factors influencing a purchase before, during and after the purchase (Vainikka, 2015).

Many researchers have investigated what factors influence consumer behaviour, and have made different divisions into internal and external categories of factors influencing consumers behaviour (e.g. Solomon, 2012; Jisana, 2014; Ramya & Ali, 2016). The internal factors are for example psychological, personal, and social factors, while the external are for example situational and cultural factors. Hervé and Mullet (2009) also argue that age affects the consumer behaviour, and that what young, middle-aged versus old people consider important factors in the decision-making process differs. Additionally, Stávková et al. (2008) mean that the factors of most value in the decision-making process are the characteristics of the service or product, the perceived quality, the price, and the necessity of the need.

During the year of 2020, the Covid-19 pandemic spread throughout the world. The impacts of such a contagious and dangerous disease on society are many, and the world economy was expected to, and did, slow down as a result (Sarkis et al., 2020). To protect people, governments took initiatives to contain the spread of the virus by closing parts of the economy (Andersen et al., 2020). Any global disaster would create market uncertainty, but the Covid-19 pandemic even more so, as the inexistence of a vaccine made forecasting the end of the crisis even harder (Loxton et al., 2020). Many researchers argue that the Covid-19 pandemic has had, and still has, a big impact on consumer behaviour (e.g. Loxton et al., 2020; Mehta et al., 2020).

The impact Covid-19 has had on physical retail companies have been investigated by several researchers (e.g. Kim, 2020; Roggeveen & Sethuraman, 2020; Pantano et al., 2020), but is still a topic to be investigated further. IKEA is one of the world's most famous names within the furnishing industry and has, just like many other retailers, been affected by the pandemic (1)[*]. IKEA is originally built upon traditional retailing (1, 6, 8), i.e., physical stores that consumers visit to purchase products that they directly bring home. The company has a global presence, with 422 department stores in 50 different countries (IKEA, n.d.a). With the vision to create a better everyday life for the many people, IKEA offers a broad range of functional and appealing home furnishing products to as low prices as possible (IKEA, n.d.b).

Expansion at IKEA has previously been performed in a relatively stable market climate, where IKEA heavily focused on building stores in new locations (1). The stores were located outside city centres, and consumers were prepared to take longer trips to visit the stores and generally bought a greater amount of goods than they initially came for (1). However, the consumer behaviour has changed in recent years (1). Nowadays consumers are more digitally connected, and their journey is spread across more channels than only the physical store (1). Consumers can buy products online or in-store and after-sales can happen via phone, in-store or online (1). The implications of the changes in IKEA’s market environment in combination with the changes the Covid-19 pandemic induces, are uncertain and in need of further investigation.

Consumer behaviour is ever-changing, but the Covid-19 pandemic has accelerated the changes IKEA are experiencing (1). Changes in consumer behaviour that were not expected for several years ahead are currently taking place. This leads to changed opportunities and challenges about how and where IKEA should operate. Understanding the changes in consumer behaviour arising from the Covid-19 pandemic is crucial to operate successfully during this global crisis. Knowledge about what changes will continue in the future after the Covid-19 pandemic is also of significant value, to plan future actions and direct efforts in a successful manner. For IKEA, strategies to meet consumer behaviour are to a large extent based on knowledge about the consumer behaviour prior to Covid-19 (1). Thus, research is needed on how to successfully meet consumers when their behaviour is drastically changing due to these extraordinary conditions.

[*] Numbers within parenthesis will throughout the report indicate which interviewee provided this information. For a complete reference list of the interviewees, see Table 2 and Table 3.

1.2. Purpose

The purpose of this report is to further the research on how consumer behaviour has changed during the Covid-19 pandemic, and how it might continue after the pandemic. Consumer behaviour at IKEA will be examined from IKEA's perspective to gain insight on how IKEA's consumers' behaviour has changed during the Covid-19 pandemic. The report also aims to gain insights on how the changes in consumer behaviour creates implications for IKEA.

The thesis' objectives are to conduct a thorough consumer behaviour research and analysis, to deliver well-structured and clear insights about the changes and trends in consumer behaviour, and to present insights about the implications of the results. Consequently, this will create value for IKEA as they can gain understanding of the new consumer behaviour and direct efforts accordingly.

1.3. Research questions

In 2020 the contagious and dangerous disease Covid-19 spread across the world and affected society and every-day life of most people on the planet. Because of the virus, the world economy slowed down, and governments announced restrictions and closed parts of the economy. This resulted in less mobility for people and forced people to change their every-day life and behaviour. Several researchers state that the pandemic has had, and still has, a big impact on consumer behaviour.

The changed consumer behaviour affects how consumers interact with other people, companies, actors, and of interest to this report: to retailers. Thus, the pandemic has affected sales of retailers and how retailers meet their consumers. It has become increasingly important for retailers to understand the changes in consumer behaviour that the pandemic has induced, to understand how they should adapt and direct their efforts. With this in mind, three research questions have been formulated and will be investigated in this report.

The Covid-19 pandemic undoubtedly brings changes upon the world. For retailers to successfully operate their businesses in the midst of the pandemic, there is a need for investigation of what changes the pandemic brings. It is always important for retailers to understand their consumers in order for them to meet their consumers in the most effective way. As the pandemic may induce changes that significantly affect consumer behaviour, an urgent need to explore these changes exists. This has formed the first research question, stated below.

1. *How has the Covid-19 pandemic induced changes in consumer behaviour?*

The first research question will be answered through comparing the literature study on consumer behaviour changes during Covid-19 in chapter 2. with the empirical findings from the case study presented in chapter 4..

While this research project is being conducted, the pandemic is still ongoing. The investigation of how the Covid-19 pandemic induces changes in consumer behaviour carries commercial value for retailers. However, investigating how these changes in consumer behaviour will continue in the future might carry even greater commercial value for retailers. As the first research question focuses on changes induced by the pandemic, the second research question focuses on how these changes will continue or not in the future.

2. *What changes in consumer behaviour are likely to endure after the Covid-19 pandemic?*

The second research question is answered by connecting the literature study and the empirical findings from the case study with the consumer behaviour model presented in Figure 1 in chapter 2.1..

Understanding changes in consumer behaviour is one thing but understanding how this affects businesses is another. The focal company of this study, IKEA, has already been affected by the changes in consumer behaviour. There is reason to believe that the enduring changes will have long-term implications for IKEA's operations. The third research question focuses on how the consumer behaviour changes identified in the study can create implications for IKEA.

3. *How can the changes in consumer behaviour create implications for IKEA in Sweden?*

The answers to the first two research questions provide the information necessary to answer the third research question. The answers to all research questions will be presented in chapter 5..

1.4. Limitations

The changes in consumer behaviour are only investigated from the producer's perspective, and thus not from the consumer's perspective. The limited resources for the research project constrained the researchers to only investigate the consumer behaviour from the producer perspective. The producer perspective is investigated through interviews with key employees at IKEA. The lack of direct consumer data is mitigated by the compilation of global consumer studies presented in the literature study.

The data collection partly focuses on general trends in consumer behaviour that have been accelerated during the Covid-19 pandemic, and partly on the behaviour of Swedish IKEA consumers. Thus, the empirical findings only represent consumer behaviour changes during Covid-19 in Sweden, seen from the perspective of IKEA. The focal point of this study is the changes induced by the pandemic. Changes that are not accelerated by or resulting from the pandemic may be mentioned, but not studied further.

An important limitation is during what time period the literature study was conducted. Literature was gathered from the 22nd of January 2021 until the 1st of April 2021. Therefore, any literature that is published after the 1st of April will not be accounted for.

1.5. Structure of the report

This report consists of six main chapters: introduction, literature study, methodology, empirical findings, analysis, and conclusions. The first chapter, the introduction, accounts for the background of the project, the purpose, the research questions as well as the limitations. Thereafter comes the literature study, which both presents consumer behaviour in general and consumer behaviour changes during Covid-19. The first research question is partly answered by the literature study.

The methodology describes the research process, the basis for the literature study, the case study, how the data collection was conducted, as well as a reflection on the chosen method. Thereafter the empirical findings of the case study are presented, structured according to main insights in the interviews.

The analysis has the same structure as the literature study, and aims to answer all three research questions. The first research question is answered by comparing the literature study with the empirical findings from the case study to analyse discrepancies and similarities. The second research question is answered by using the consumer behaviour model in Figure 1 in chapter 2.1., showing factors that affect consumer decision-making and behaviour, to analyse if certain trends in consumer behaviour will continue after the pandemic. The third research question is answered by analysing the insights from the previous two research questions. Lastly, the conclusion presents the main insights and concludes the report.

2. Literature study

This chapter starts with an overview of general consumer behaviour, the consumer decision-making process, as well as factors influencing the decision-making process. Thereafter, an overview of how Covid-19 is affecting and changing consumer behaviour is presented. This sub-chapter aims to answer the first research question posed in chapter 1.3.. Flatters and Willmott (2009) explain how trends in consumer behaviour are affected by global crises. While some trends are slowed down or completely stopped, other trends are advanced due to the crises (Flatters & Willmott, 2009). The relevant literature in this chapter includes descriptions of trends that Covid-19 has accelerated, and thereby does not include literature that only describes ongoing trends that Covid-19 has not made any significant impact on.

2.1. Consumer behaviour

The way consumers act while acquiring or using goods and services is labelled consumer behaviour (e.g. Jisana, 2014). It is a broad field within market research, founded in different research fields such as economics, psychology, and sociology (Solomon et al., 2012). It is also complex, going beyond the act of purchasing a good or service, to the personal characteristics of every consumer and environmental factors influencing society as a whole (Jisana, 2014; Solomon et al., 2012). Consumer behaviour is affected by the decision-making process, and several internal and external factors influencing the consumer (Jisana, 2014).

There are several researchers who have presented models describing the consumer decision-making process (Erasmus et al., 2001; Nicosia, 1966; Engel et al., 1968; Howard & Sheth, 1969). The models often present the decision-making process in five stages including problem recognition, information search, evaluation of alternatives, choice and evaluation of outcome (e.g. Solomon et al., 2012; Schiffman & Kanuk, 1994). Erasmus et al. (2001) highlights some critique against these models, where the main issues are the assumption that every consumer is always rational and that the models can be generalizable to every purchase situation. The point is that all consumers do not follow all stages of the decision-making process every time, and the models cannot be applied to all contexts, but they still provide a simplified picture of the consumer decision-making process (Erasmus et al., 2001).

The internal and external factors influencing consumer behaviour have also been investigated by several researchers (e.g. Henry, 1976; Hervé & Mullet, 2009; Jisana, 2014; Kotler, 2001; Luna & Gupta, 2001; Lutz & Kakkar, 1975; Ramya & Ali, 2016; Stávková et al., 2008; Vainikka, 2015). Different researchers have made different divisions of these factors into internal categories such as psychological, personal, and social factors, and external categories such as situational and cultural factors.

Psychological factors include perception, meaning the way consumers view reality (Vainikka, 2015). This is affected by individual experiences and in turn affects how stimuli are received and used in the decision-making-process (Ramya & Ali, 2016; Vainikka, 2015). Thus, later experiences are perceived in the light of former experiences (Ramya & Ali, 2016). Other psychological factors are for example needs, skills, knowledge, beliefs, motives and motivation, the drive that engages and provides purpose to other behaviours (De Mooij, 2019). Risk perception is also an important part that affects the decision-making process (Williams & Noyes, 2007). Aarts et al. (1998) also describe that habits affect consumers' decision-making process. Habitual behaviours are directed by automated cognitive processes, which unintentionally affects the consumer decision-making process (Aarts et al., 1998).

Personal factors affecting consumer behaviour and decision-making are factors that are unique to each consumer (Horská & Sparke, 2007). These are for example sex, age, economic situation, income, occupation, place of domicile, lifestyle, personality, and self-consciousness (Hervé & Mullet, 2009; Horská & Sparke, 2007; Ramya & Ali, 2016).

Social factors are derived from the social context in which a consumer exists. Jisana (2014) and Ramya and Ali (2016) divide the social factors into reference groups, family, roles, and status. Reference groups are social circles which influence people's attitudes or behaviour, either directly or indirectly (Jisana, 2014). Depending on the frequency of interaction, different groups are more or less influential (Jisana, 2014). Family is often the closest reference group, which can have implications for marketers, as the person making the buying decision may not be the same as the one who uses the product or service (Jisana, 2014). The roles or status a consumer has in society also affects the consumer behaviour (Jisana, 2014).

Situational factors represent the social and physical environment, time influences, as well as previous states (Stávková et al., 2008). This can both represent the environment such as a broader construct showing general and more basic behaviour, or the environment in a situation which is rather a momentary concept (Belk, 1974). Thus, consumers' decisions are both affected by the basic constructed social and physical environment, but also by situations bound by a specific time and place which does not follow from the consumer's knowledge (Lutz & Kakkar, 1975).

Some researchers (e.g. Henry, 1976; Luna & Gupta, 2001) argue for how an individual's culture affects their behaviour in different contexts. Culture affects a consumer's value system, which in turn influences how they process information and make decisions (Luna & Gupta, 2001). Often, these cultural aspects coincide within different social groups, but they can also be unique to the individual consumer (Luna & Gupta, 2001).

This chapter can be summarised into the consumer behaviour model (CBM) in Figure 1 Jisana (2014) presents a good conceptual compilation of several consumer behaviour models, and it has therefore been used in this report. The CBM shows how the internal and external factors described above, the consumer, the consumer behaviour, and the decision-making process affects each other. However, Jisana's (2014) extensive description of the consumer decision-making process was not of interest to this report and was therefore summarised into one step. The CBM shows how every consumer has a set of factors influencing them at all times. When the consumer engages in a decision-making process, the consumer behaviour is affected by the outcome. This in turn affects the set of factors, influencing the consumer. The whole process after a consumer goes into a decision-making situation is iterative, where the consumer's set of factors influence, and are influenced by, the consumer behaviour and the outcome of the decision-making process. Thus, previous behaviours and decisions influence future ones.

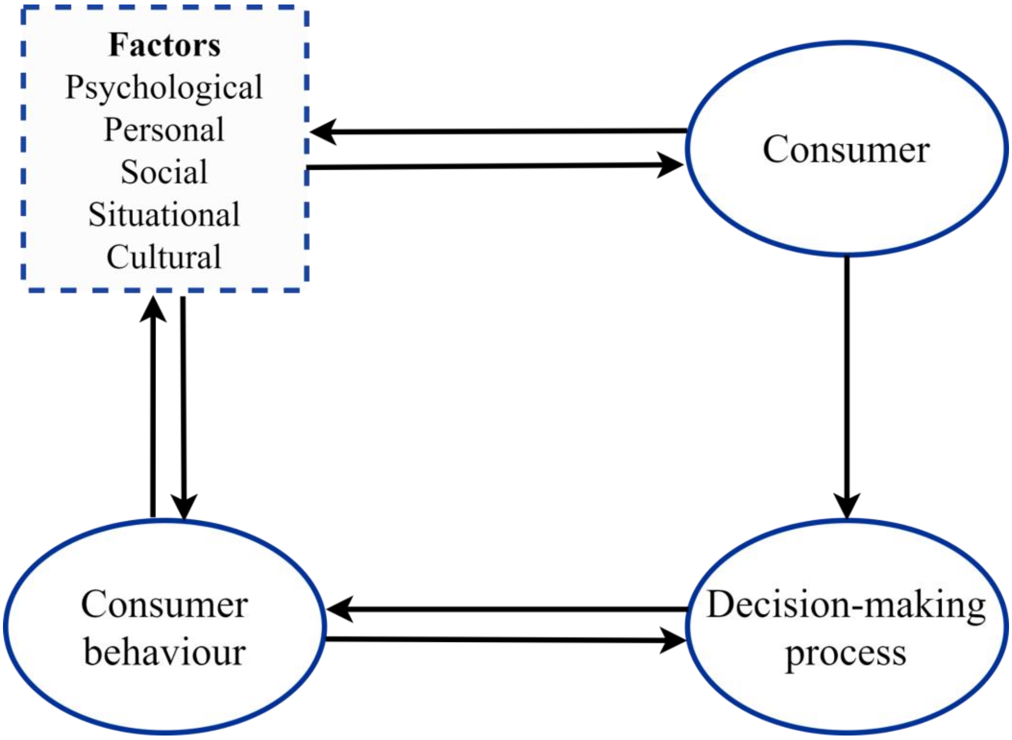

Figure 1. *The consumer behaviour model (CBM) created by Jisana (2014), describing how the consumer, the consumer behaviour, the decision-making process, and several internal and external factors affects each other.*

2.2. Consumer behaviour during Covid-19

By collecting, reading, and compiling literature on the subject of consumer behaviour changes during Covid-19, the first research question posed in chapter 1.3. is addressed. In this chapter, the changes in consumer behaviour induced by Covid-19 are investigated through the lens of previous literature on the subject.

The chapter is divided into four sub-chapters, where the first three follow the chronological order of consumers faced with economical constraints, as proposed by Hamilton et al. (2019). This framework is used by Kirk & Rifkin (2020), who describe the Covid-19 pandemic as an environmental economic constraint, posing new financial conditions for consumers. First, consumers *react* to the constraint, as they can no longer uphold the same behaviours as they would before the constraint started affecting them. Second, the consumer is starting to *cope* with the constraint, trying to remove it or in other ways manage it. In the third stage, *adapting*, the consumer develops new habits and behaviours that are attuned to the constraint. Throughout these three stages, literature suggests that consumers are using digital solutions and channels in new ways to manage the consequences of the pandemic. Instead of including this behaviour in every sub-chapter, a fourth sub-chapter is dedicated to this behaviour.

2.2.1. Reacting

As the pandemic set in and consumers became more aware of the potential threats of a pandemic, they started to react (Kirk & Rifkin, 2020). These reactions took the form of consumers trying to defend themselves against these potential threats, and trying to regain control (Kirk & Rifkin, 2020). Some of the behaviours consumers engaged in could seem irrational but are actually rational responses to the effects of a pandemic (Frost & Gross, 1993; Sheth, 2020).

Research shows three main trends of the reactive consumer behaviour of Covid-19. First consumers engaged in hoarding behaviour to stack up goods and foods (e.g. Pulighe & Lupia, 2020). In connection to this, consumers started to value essentials and postpone purchase of discretionary items (e.g. Arora et al., 2020). Lastly consumers started to spend their money more carefully and reduce their consumption (e.g. Andersen et al., 2020). These three trends are the focus of this chapter and will be thoroughly described below.

Hoarding behaviour

One of the early consequences of the Covid-19 pandemic was how panic led people to race to supermarkets to hoard goods (Pulighe & Lupia, 2020). Baker et al. (2020) reports that in the first half of March, Americans increased their spending with more than 40 percent in attempts to stockpile goods. This hoarding behaviour has been reported by several research studies made internationally, in North America, Europe, China, among others (e.g. Ammar et al., 2020; Baum & Robertson, 2020; Boston Consulting Group, 2020; Chronopoulos et al., 2020; Cranfield, 2020; Donthu & Gustafsson, 2020; Goddard, 2020; Güney & Sangün, 2021; He & Harris, 2020; Kirk & Rifkin, 2020; Loxton et al., 2020; NCSolutions, 2020; Pulighe & Lupia, 2020; Scarmozzino & Visioli, 2020; Sheth, 2020; Wang et al., 2020).

According to Chu (2018), the definition of hoarding behaviour is to collect and safeguard a large quantity of goods for future usage. Hoarding is a natural behavioural consequence of feeling threatened and is a way to counteract the fear of getting caught unprepared (Frost & Gross, 1993). Sheth (2020) further explains that it is a common behaviour when the future supply of products for basic needs is uncertain. By gaining the products in possession, a sense of security, comfort and control is created (Frost & Hartl, 1996; Yuen et al., 2020). Wang et al. (2020) agrees and describes that the hoarding behaviour during Covid-19 was partly fuelled by the risk perception of the consumer.

When Covid-19 hit, countries announced regulations, social distancing measures, and mobility restrictions, resulting in shutdowns and regulations of restaurants, cafés, public canteens, and other food related businesses (Pulighe & Lupia, 2020). The restricted access to food, in combination with the fear of being infected by Covid-19, caused many people around the world to react strongly and, in panic, start hoarding goods (Pulighe & Lupia, 2020). The demand for food and other goods saw a quick and significant increase, and suppliers struggled to adjust food inventory and respond to the demand shock (Güney & Sangün, 2021). This resulted in empty shelves, shortages and temporary stockouts (Kirk & Rifkin, 2020; Sheth, 2020). The empty shelves likely exacerbated the concern even more, and thereby increased the hoarding behaviour, leading to even more shortage, stockouts and empty shelves (Goddard, 2020; Kirk & Rifkin, 2020). Kirk & Rifkin (2020) further states that retailers started to limit purchases of items in high demand to counteract the hoarding behaviour and to give consumers hope that the goods would be in stock when they went to the store. Goddard (2020) also reports that many suppliers implemented various strategies to handle the hoarding behaviour.

It was especially long-lasting food and goods that saw a high increase in demand (Chronopoulos et al., 2020; Cranfield, 2020; Pulighe & Lupia, 2020; Wang et al., 2020), in particular toilet paper (Goddard, 2020; NCSolutions, 2020; Kirk & Rifkin, 2020; Sheth, 2020), disinfecting and cleaning products, bottled water, packaged food, frozen food, bread, dairy products, and meat (Boston Consulting Group, 2020; NCSolutions, 2020; Sheth, 2020). A study made by NCSolutions (2020) shows that toilet paper increased with 845 percent from February 2020 to March 2020 in Europe and the US. Other goods that increased significantly were for example multi-purpose cleaners with 766 percent, bottled water with 302 percent, and boxed prepared dinners with 394 percent (NCSolutions, 2020).

In connection with the hoarding of goods, consumers responded to the pandemic by experiencing panic and excessive food intake, exposing eating disorders (Ammar et al., 2020; Scarmozzino & Visoli, 2020), and being interested in food safety and security concerns (Galanakis, 2020). There are studies describing contradictory behaviour regarding the healthiness of consumers' lifestyles during these early stages of the pandemic (e.g. Ammar et al., 2020; Donthu & Gustafsson, 2020; Galanakis, 2020; Kohli et al., 2020; Scarmozzino & Visoli, 2020), which could explain the increased anxiety levels among consumers that Scarmonizzo and Visioli (2020) describes. Donthu & Gustafsson (2020) describes that these various responses show that the pandemic is inducing complex reactions and behaviour in consumers, and that the hoarding was part of this complex behaviour.

Focus on essentials and demand for simplicity

In connection to the early trends of hoarding goods during the Covid-19 pandemic was the shift of valuing essential items and postponing consumption of discretionary items (e.g. Arora et al., 2020; Baum & Robertson, 2020; Chronopoulos et al., 2020; Cranfield, 2020; Kohli et al., 2020; Loxton et al., 2020; Sheth, 2020; Wright & Blackburn, 2020). Research done by Wright and Blackburn (2020) in early April showed that Covid-19 led to a priority change for consumers, and that the highest consumer priority now was revolving around basic needs, and thereby to purchase essentials. Cranfield (2020) states that the economic uncertainty led consumers to focus on essential items and eliminate items deemed discretionary. Consumers also substituted expensive items to cheaper alternatives (Cranfield, 2020). Cranfield (2020) further explains this behaviour as a way to safeguard the ability to purchase necessities. The items that were seen as essentials were groceries and household supplies (Arora et al., 2020) and other basic products (Baum & Robertson, 2020), as described in the previous chapter. The items deemed discretionary included niche goods and food, but also bigger ticket purchases not related to food, such as appliances, homes and housing expenses, debt payment, automobiles, sports, concerts, travel, entertainment, furniture, and medical expenses (Coibion et al., 2020; Cranfield, 2020). Additionally, Abe (2020) states that consumers spent less on nice-to-have items such as shoes, jewellery, clothes, make up, games and electronics.

The trend of demanding essential items goes in line with what Flatters and Willmott (2009) explain regarding how the need for simplicity often accelerates greatly in times of crisis. The need for simplicity refers to that consumers want products or services that are uncomplicated, value-oriented, and simplifies the life of the consumer (Flatters & Willmott, 2009). This behaviour can be seen across all social classes according to Flatters and Willmott (2009). Even people with a high income are subject to this change, as this group of people in their study showed dissatisfaction regarding excess consumption and instead focused on recycling and teaching their children about traditional and simple values. In Mehta et al.'s (2020) report, where they describe a report made by KPMG in 2020, they state that previous epidemics, such as SARS, MERS, and other natural disasters, have displayed a similar elastic behaviour in spending as the behaviour Flatters and Willmott describe in their study. Consumers have increased their attention to the origin of products, the price, and to utility-based consumption (Mehta et al., 2020), which can be connected to the demand for simplicity Flatters and Willmott (2009) describe.

Flatters and Willmott (2009) further argue that the need for simplification emerges due to the increased limitation in offerings during a crisis. This need for simplicity tends to continue after the crisis, which can be seen in people, post-crisis, buying more simple offerings with greater value (Flatters & Willmott, 2009). A report released in October by Charm et al. (2020) argues in line with this saying that there is a renewed sense of caution due to Covid-19. Their study indicates that consumers from many countries, except from China and India, anticipate shifting their spending to essential items and to cut back their spending on discretionary items. Mehta et. al (2020) argues in line with this saying that some behaviors of consumers stay permanent, and even lead to structural changes in the world. However, Sheth (2020) disagrees stating that the focus on essentials creates a pent-up demand for discretionary items. Postponing purchase of discretionary items just shifts the demand for these discretionary items from now to the future (Sheth, 2020). Further, the phenomenon of pent-up demand is a common consequence when access to items is limited or denied during a period (Sheth, 2020). Thus, Sheth (2020) argues against the future need for simplicity, meaning that Covid-19 instead will lead to a pent-up demand for discretionary items.

Reduced consumption

Following the hoarding behaviour and increased spending, came the decrease in aggregate consumer spending, which has been reported about from several researchers (e.g. Andersen et. al, 2020; Arora et al., 2020; Baker et al., 2020; Chen et al., 2020, Chetty et al., 2020; Chronopoulos et al., 2020; Coibion et al., 2020; Donthu & Gustafsson, 2020; Hacioglu et al., 2020; Jo et al., 2021; Kohli et al., 2020; Loxton et al., 2020; Mason et al., 2020; Mehta et al., 2020; Watanabe & Omori, 2020). In connection to how consumers started to value essential items and postpone consumption of discretionary items was how consumers were more likely to spend their money more carefully and reduce their consumption (Arora et al., 2020; Loxton et al., 2020; Mehta et al., 2020). A study made by Coibion et al. (2020) shows that the lockdowns in the US were associated with a decrease in the aggregate spending equal to 31 percent, which is close to what Baker et al. (2020) reports, a decrease of 25-30 percent in the second half of March. According to Chen et al. (2020) the daily offline consumption in China decreased with 32 percent, where both goods and services declined. Another study, made by Andersen et al. (2020) shows that the aggregate spending decreased with 25 percent in Sweden and 29 percent in Denmark. In the UK, the spending dropped with 40 to 50 percent, according to Hacioglu et al. (2020), while the US durable product spending declined with 29 percent (Mason et al., 2020).

The sectors that decreased most in consumption were in particular sectors that required in-person interaction (Chetty et al., 2020; Watanabe & Omori, 2020). As mentioned in the earlier chapters, activities such as eating out, travel, and entertainment, which require in-person interaction, decreased in consumption (Watanabe & Omori, 2020). Watanabe and Omori (2020) states that also in-person consumption of goods was affected. Consumers tended to avoid face to face interactions in convenience stores and supermarkets (Watanabe & Omori, 2020). This can for example be seen in that the amount of money spent in supermarkets per person increased but that the number of shoppers and shopping frequency decreased (Kohli et al., 2020; Watanabe & Omori, 2020).

The reason for the decrease in consumption has been attributed to different causes from different studies. According to Coibion et al. (2020), it can be seen as consistent with the lockdowns, restrictions in supply chains, shutdowns of businesses, and the restricted mobility of individuals. A study made in South Korea by Jo et al. (2021) continues in the same logic describing how the mass infection itself did not manage to keep the population staying at home to the same extent as the enforcement of social distancing. However, they do also conclude that fear and anxiety around the uncertainties of the pandemic plays an important role in the decline in consumption (Jo et al., 2021). Andersen et al. (2020) argues on the same side saying that the majority of the decreased spending in Sweden and Denmark could be attributed to consumers choosing to spend less, and not to the actual restrictions from the government. Arguments by Arora et al. (2020) go in line with this, saying that consumers started being more mindful of their spending due to that consumers globally experienced drops in their income and had a low optimism for an economic recovery in a nearby time horizon. Also, Chen et al. (2020) describes in their study how consumption decreased more when the public health situation got worse, and that consumption started recovering when Covid-19 started to stabilize, thus that the change in consumption was due to choices of the consumers.

2.2.2. Coping

After consumers had gone through the reacting phase of the Covid-19 pandemic, the next stage, coping, took place (Kirk & Rifkin, 2020). The coping stage revolved around consumers trying to exert control in other domains than the ones they could not control, as well as adopting new hobbies and behaviours (Kirk & Rifkin, 2020).

According to the research, the main trends in the coping stage of the Covid-19 pandemic can be divided into three parts. The first part is how consumers started to focus more on health and safety (e.g. He & Harris, 2020). The second part presents the increased focus on sustainability and CSR (e.g. He & Harris, 2020). The third part is how consumers adopted new activities and the importance of the home increased (e.g. Donthu & Gustafsson, 2020). These three trends are accounted for in this chapter.

Importance of safety and health

As Covid-19 progressed, several researchers reported how health and safety became more important heuristics for consumers (e.g. Arora et al., 2020; Bacq & Lumpkin, 2020; Cohen, 2020; Donthu & Gustafsson, 2020; He & Harris, 2020; Knowles et al., 2020; Kohli et al., 2020; Mason et al., 2020; Mehta et al., 2020; Wright & Blackburn, 2020). Wright and Blackburn (2020) states that there was a shift in priority, which was both connected to how consumers started to focus on essentials and postpone discretionary items, but also how health and hygiene became bigger order qualifiers. As mentioned earlier, the demand for disinfection, cleaning, and sanitation products increased (Boston Consulting Group, 2020; Mason et al., 2020; NCSolutions, 2020). Furthermore, both Arora et al. (2020) and Wright and Blackburn (2020) explain how consumers across different countries stated that they spent more money on companies that offered hygienic and healthy packaging and cared for their employees and their safety.

Knowles et al. (2020) describes that the Covid-19 pandemic has induced a fear towards direct social engagement among consumers. Fear of physical contact with other consumers or sales personnel is especially prominent (Knowles et al, 2020). According to Knowles et al. (2020) this fear has altered consumer shopping behaviour and increased many consumers' focus on safety. Mason et al. (2020) states that safety issues for products might further increase in importance. A product's perceived safety might become a greater salient heuristic when consumers shop (Mason et al., 2020). Thus, consumers might be more inclined to choose products that are perceived the safest, even if their performance across other aspects is worse (Mason et al., 2020). On the other hand, safety might become a disqualifier, and thus if a product is not perceived to reach a desired safety level, that product might get eliminated from the list of alternatives (Mason et al., 2020). Kohli et al. (2020) argues on the same side stating that they believe the focus on health and hygiene in consumption will be an enduring trend. Mason et al. (2020) states that retail facilities should in the future be designed with the focus that consumers should feel safe in the facility.

Increased focus on sustainability and CSR

Researchers have discussed how the trend of sustainable consumption and engaging in CSR activities accelerated during Covid-19 (Arora et al., 2020; Bacq & Lumpkin, 2020; Cohen, 2020; Donthu & Gustafsson, 2020; He & Harris, 2020; Mehta et al., 2020; Wright & Blackburn, 2020). Mehta et al. (2020) argues that the decreased spending on discretionary items can be connected to a new or a revived understanding of buying behaviour. They further argue that this indicates a shift towards spiritual consumption, meaning that people will to a higher extent live within their own means. He and Harris (2020) are of the same opinion stating that consumers have had time and opportunity during Covid-19 to reflect on the meaning of consumption and what impact they leave with their own consumption. The pandemic has taught consumers that their basic needs might not be satisfied, or in the developed world where basic needs likely are met, consumers have started to value those needs being met (He & Harris, 2020). Regarding higher social and self-actualization needs, He and Harris (2020) argue that the pandemic has changed consumers' perspective on how to pursue these needs. They believe that it will likely be a significant shift towards prosocial and responsible consumption, and that consumers will reflect on how and what to consume, and what brands to choose, in order to be more responsible to the environment, to the society, to others and to themselves (He & Harris, 2020).

He and Harris (2020) continue the discussion by describing that consumers will be more likely to judge others and themselves based on how prosocial and responsible their consumption is, to create a consumer identity for that person. Thereby, a consumer's self-actualization and higher level of social needs will likely be met by their own prosocial and responsible consumption, making these issues increasingly important (He & Harris, 2020). In line with this comes Cohen's (2020) arguments about how Covid-19 might mark an onset of a sustainable consumption transition. He describes that disasters, such as Covid-19, have long been recognized by social scientists to trigger processes of social change.

Thus, the Covid-19 pandemic leaves many opportunities for companies to actively engage in CSR strategies (Donthu & Gustafsson, 2020). It has been reported that some companies have acted in unethical ways to profit from the pandemic, but also that several companies and individuals have proactively engaged in creating solutions to benefit the public good (Bacq & Lumpkin, 2020; He & Harris, 2020). He and Harris (2020) describe that there are two contrasting viewpoints on how companies will invest in CSR in the future. Either companies will be discouraged to invest in CSR due to being forced to focus on short term survival, or, as history has previously shown in environmental shifts such as this pandemic, companies will focus more on CSR (He & Harris, 2020). He and Harris (2020) choses to envision the more optimistic view, that the CSR development will increase, and that the companies that will thrive are the ones with stronger CSR commitments. Both Arora et al. (2020) and Donthu and Gustafsson (2020) continue in the same direction, believing that the market post-Covid-19 will be irrecoverably different, and that the actions undertaken by companies will likely be remembered for the long term. Thereby companies will need to reconsider their objectives, visions and missions for their long-term development and survival (Donthu & Gustafsson, 2020; He & Harris, 2020).

Increased importance of home and new activities adopted

With the lockdown policies issued around the world, people are spending more time in their home than ever before (Donthu & Gustafsson, 2020; Sheth, 2020). This shines a new light on the importance of everyone's home, both as a living space and as an elemental piece of being human (Byrne, 2020). It also creates new behaviour and habits that in turn have implications for consumer behaviour, for example a blurring between work and private life (Sheth, 2020), an increased interest for interior design (Gillet, 2020), and an increase in interest for stay-at-home activities such as baking, cooking, jigsaw puzzles and family game nights (Kirk & Rifkin, 2020).

When our home is no longer merely a place to be between work, interior design magazines are reporting a change in the view of people's homes to more of a sanctuary (Brammer, 2020). Our home should bring us a sense of safety and security, when the outside world is more uncertain (Brammer, 2020). Byrne (2020) debates how there can be no social distancing without a home, and that this further increases the attention paid to living conditions.

In order to make life at home more effective in a time when a large amount of people are working from home, people need to make an effort to preserve their work-life boundaries (Sheth, 2020; Donthu & Gustafsson, 2020). In addition to how the line between work and life is blurred is how consumption has been transferred from stores to the home through innovation in distribution channels (Sheth, 2020). While this enhances convenience for consumers, it could have implications for the proportion of planned versus unplanned consumption (Donthu & Gustafsson, 2020; Sheth, 2020).

Simultaneously, the interest in home decor has spiked and people are taking more care of their homes (Gillet, 2020; Donthu & Gustafsson, 2020). Mentions in social media for home renovation doubled in early March 2020 and sales of home renovation equipment increased (Swan, 2020). Leveraging this are a number of digital start-ups in the home furnishing industry that cherish the opportunity to steal market share in a traditional industry (Gillet, 2020). Closed stores, an increase in interest for home decor, and shopping from home opens up for a digital home improvement market. A cofounder of one of these start-ups describes how the pandemic has made people spend ten years' worth of indoor time in the last year, potentially making these new home improvement trends a habit (Gillet, 2020).

Other trends besides home improvement are the new activities people have started engaging in during the pandemic. Several researchers (e.g. Donthu & Gustafsson, 2020; Kirk & Rifkin, 2020) describe increases in stay-at-home activities like cooking, baking and reading, and engagement in creative practices. Kirk and Rifkin (2020) do not find this development surprising, as research has proved that decreased availability of products is a motivator for engaging in do-it-yourself projects. Self-made goods are also valued higher than similar items that are bought or created by someone else, and the creation itself induces feelings of competence and pride (Kirk & Rifkin, 2020). The authors further argue how this can be especially important as other parts of people's everyday lives have been drastically changed due to the pandemic.

2.2.3. Adapting

As the pandemic proceeded, consumers instead started to adapt (Kirk & Rifkin, 2020). Adapting meaning that consumers started to become more resilient (Kirk & Rifkin, 2020). Several researchers state that the pandemic might lead to major societal shifts which may become evident as the stage of adapting proceeds (e.g. Mehta et al., 2020; Reeves et al., 2020).

Two main trends can be seen in the adapting stage of Covid-19 according to the research. First, how the declined consumption due to the pandemic shows signs of recovery (e.g. Wang & Zhang, 2021). Second, how consumers have started to move out from cities (Liu & Su, 2020). This chapter outlines these two trends.

Recovery of consumption post-Covid-19

While Covid-19 is still affecting the world, and the pandemic is by no means over, consumers have started to adapt to the new circumstances that follow. Regarding recovery of the declined consumption due to Covid-19, Carroll et al. (2020) states that long lockdowns and recurrent waves of the pandemic probably leads to that unemployment benefits will be needed for consumption to quickly recover. However, both Chen et al. (2020) and Wang and Zhang (2021) describe how consumption has started recovering in China. Chen et al. (2020) describes how consumption showed signs of recovery in the second month after the outbreak, when the spread of Covid-19 started to stabilize. Later on, in February 2021, Wang and Zhang (2021) stated that China was the first major economy to show an economic recovery after the Covid-19 pandemic.

Further, a study by Jo et al. (2021) shows that the sectors that accounted for the overall decrease in spending in South Korea have demonstrated tendencies of recovery, as the number of confirmed Covid-19 cases dropped in the country. They also state that when the recovery had reached a certain spending level, the consumer behaviour was no longer affected by the number of confirmed cases, as it had previously been (Jo et al., 2021). However, they state that the consumption in the travel sector has not recovered.

Regarding a recovery for the rest of the countries in the world, Wang et al. (2020) states that China's economic recovery leads to spill over effects, and that the recovery of China's economy will lead to other countries' economic growth and recovery. Donthu and Gustafsson (2020) also argue for why economies will start to recover. They state that after a pandemic, individuals tend to become keener on saving money, which leads to reduced economic growth. However, Donthu and Gustafsson (2020) also state that in the current economic situation, where saving capital means negative returns, it is not certain that people will act as history has shown before. Thus, maybe people will not be as focused on saving money (Donthu & Gustafsson, 2020).

Baig et al. (2020) also discusses the recovery of economies and states that when the economy starts lurching back, the demand will be unpredictable, it will be uneven across geographical areas, sectors, consumer segments and product categories, and it will probably in many cases be slow to return to the levels before the pandemic. Additionally, they describe how the digitalisation has grown during the pandemic and that the recovery of economies will be through digital means. Thereby, actors who want to succeed in the recovery needs to reset and adapt their digital agendas (Baig et al., 2020).

Moving out from cities

As the coronavirus disease is highly infective, studies have shown how the spread of the virus is higher in areas with higher population and population density (e.g. Cardoso & Gonçalves, 2020; Coşkun et al., 2020; Kadi & Khelfaoui, 2020; Pequeno et al., 2020; Rocklöv & Sjödin, 2020). This has led to cities being more affected by the pandemic, with more cases per capita than rural areas (Cardoso & Gonçalves, 2020). In turn, this entails a decline in demand of living in larger cities during the pandemic (Liu & Su, 2020).

Swedbank, one of the largest Swedish banks, published a PM stating that an effect of increased demand and opportunities for remote work, a new trend of de-urbanisation cannot be ruled out (Swedbank, 2020). Given these new opportunities, there is a possibility for households to save money and simultaneously reduce the risk of infection by moving out of cities to more rural areas within commuting distance of larger cities (Swedbank, 2020). Liu and Su (2020) backs up this view by showing that a driving factor of the decreased demand for living in larger cities is the increased opportunities for working remotely. Also, 40% of the respondents in Swedbank's (2020) survey thinks they will work from home to a larger extent in the future. This is agreed upon by Kohli et al. (2020) who believe that remote working will be an enduring trend after the pandemic. Another aspect is that consumers avoiding crowded areas could be a trend continuing after the pandemic, leading to the persistence of the decreased demand for housing in crowded cities (Liu & Su, 2020).

A contrary viewpoint is published in an article by Hörnqvist (2020). The agglomeration effects that form the reason why people and companies move to cities rather than rural areas are certainly weakened by the pandemic. The supply of varying activities the city provides is reduced, which indeed affects the attractiveness of the city centres. But Hörnqvist (2020) also state how this is not the end of urbanisation. The same principles that make the cities more dangerous during the pandemic, will make them more attractive during the recovery from the pandemic (Hörnqvist, 2020).

These two contradictory viewpoints are summarised by Tillväxtverket (2020) in their report from December. They conclude that while it is impossible to know exactly what effects the pandemic will create for the housing market, there is reason to believe that the trend of moving out from cities will be accelerated post-Covid-19 (Tillväxtverket, 2020).

2.2.4. Changed channel interaction

Perhaps the most obvious change in people's everyday lives is the social distancing and restrictions issued by various governments around the world (Andersen et al., 2020). When people are expected to stay at home to not contribute to spreading the virus but still are expected to work it has led to a spike in usage of digital platforms (Sheth, 2020; He & Harris, 2020;

Donthu & Gustafsson, 2020). Not only work-related platforms are of importance to this change. Social media platforms like Facebook and YouTube have contributed to increased information sharing, and influencer marketing is a fast-growing area in digital communications (Sheth, 2020). These platforms are an increasingly large part of consumers' everyday lives (Sheth, 2020). He and Harris (2020) describe how the move to online communications was sudden and could be felt across all sectors of society.

As part of the change towards online platforms, a report from Sneader and Singhal (2021) shows how e-commerce has grown significantly during the Covid-19 pandemic. Forecasts made for 2024 have already been surpassed and the CEO of Microsoft has noted that "we've seen two years' worth of digital transformation in two months" (Spataro, 2020).

It is possible that the increased demand for convenience and time spent in the home have acted as catalysts for the increased usage of digital platforms. Kirk and Rifkin (2020) describe how the adoption to many of these remote solutions have been compressed and thereby accelerated at an unprecedented speed, as many consumers have been forced to stay more at home. Güney and Sangün (2020) also argue for how adoption of online grocery shopping and delivery was accelerated by restrictions.

Lower loyalty due to digitalisation

However obvious and convincing this shift to online consumption might be, there are some concerning aspects regarding this change. Among online consumers, there is generally a lack for consumer loyalty (Sneader & Singhal, 2021). Trust is a factor that in e-commerce often determines if a consumer is likely to make a purchase, or return to purchase again (Kim, 2020). Consumers have also reacted to how brands respond to the pandemic (Rogers, 2020), affecting the trust they have for brands. One third of consumers in a worldwide survey, conducted in March 2020, said they had already abandoned a brand on the grounds of inappropriate behaviour regarding Covid-19 (Rogers, 2020). In the same study, two thirds also say that brands' response to the pandemic will strongly influence their purchasing decisions (Rogers, 2020). Both Sneader and Sternfels (2020) and Kirk and Rifkin (2020) agree on how brands that seem to act in a way that does not benefit society or are hesitant to make sacrifices, will be vulnerable. Firms are expected to see to the greater good and help people manage the pandemic (Kirk & Rifkin, 2020). How well businesses adapt to the new circumstances the pandemic gives rise to will determine whether consumers return post-Covid-19 (Kim, 2020).

One of these new circumstances is discussed by Arora et al. (2020) who describe how Covid-19 disrupted supply chains and logistics networks worldwide. Consumers who shop online face the risk of late deliveries and missing items from their order (Voyer, 2020). As negative experiences put off consumers, this has led to an increased risk of consumers changing their consumption behaviour and trying new brands and stores (Arora et al., 2020). For consumers trying to differentiate themselves to new brands, increased value is often the driving factor (Arora et al., 2020), why companies tend to cherish consumers' first impressions to increase consumer loyalty and avoid negative word of mouth (Voyer, 2020).

A way for businesses to adapt to the new circumstances is presented by Sneader and Sternfels (2020). They suggest evaluating the changing consumer behaviour and to refocus the digital offer to match. Companies need to rethink the consumer journeys and create a more seamless e-commerce experience. According to Sneader and Singhal (2021), the likelihood for companies to conduct at least 80% of their consumer interactions digitally has tripled during the pandemic. While some companies manage this transition well, others need to focus on evolving their omnichannel businesses in the short term to stay relevant (Sneader & Singhal, 2021).

Increased focus on the omnichannel

Hwang et al. (2020) did research on omnichannel retailers during the outbreak of Covid-19 and found that there are several opportunities for omnichannel retailers to adapt in the face of a pandemic. While offline sales are reduced, online sales increase from new and existing consumers who previously shopped offline. Even markets where e-commerce is already established have seen a continued increase in online shopping (Arora et al., 2020). A tactic for acquiring new and previously offline-only shoppers is to introduce an essential product to a retailer's online portfolio (Hwang et al., 2020). This attracts consumers to spend more money and induces a channel shift of the offline consumers.

There are several reasons for companies to focus on their omnichannel businesses. A study by Harvard Business Review showed that 20% of consumers shop only offline, 73% of consumers shop both online and offline, and 7% use only online channels when shopping (Kozlova et al., 2017). As stated above, the number of consumers moving their shopping journey online has increased as a result of the pandemic (Sneader & Singhal, 2021; Kim, 2020; Barnes, 2020), indicating a decrease of the 20% of consumers who are only shopping offline. Additionally, an omnichannel buyer spends more money (Dennis et al., 2009), shows greater loyalty and is more prone to share their experience with family and friends, compared to consumers who only buy offline or online (Kozlova et al., 2017).

Furthermore, firms engaged in both offline and online retailing can reap several operational benefits by using their network of physical stores to enable online sales, a method called cross-channel fulfilment (Harsha et al., 2019). Benefits include reduced delivery times and more optimised utilisation of capacity. Anecdotal evidence suggests how this can both cut costs and increase revenue (Harsha et al., 2019).

Future usage of digital channels

When it comes to what consumer behaviour will continue after the pandemic has ended, many researchers are of the opinion that e-commerce will continue to grow (e.g. Arora et al., 2020; Barnes, 2020; Jo et al., 2021; Kirk & Rifkin, 2020; Kohli et al., 2020; Kim, 2020; Stewart, 2020). Barnes (2020) states that it is likely that the role technology has in our consumption will further increase also after the pandemic. Reeves et al. (2020) points to evidence from the 2003 SARS disease in China, where online retail experienced a spike that continued after the outbreak, indicating that even smaller crises on a societal level affect long-term consumption habits. Arora et al. (2020) also describe how many consumers intend to keep shopping online after the pandemic. Early reports suggest that the pandemic has increased some e-commerce trends in China post-lockdown and argues that this trend will spread and continue in the future (Stewart, 2020). Kim (2020) further describes how 37% of U.S. respondents to a survey have considered shifting to online shopping after the pandemic, and that online consumption has the benefits of being more economical and convenient. Innovation in contactless distribution has also been accelerated by the pandemic, facilitating online consumption (Kirk & Rifkin, 2020).

However, Kim (2020) describes that online shopping does not give the consumers immediate possessions and social interaction, which could be a drawback for this channel. Another challenge for e-commerce is the limited information available about products, which puts pressure on producers to utilise new technologies such as virtual showrooms or other virtual reality solutions to help consumers make an informed decision (Kim, 2020; Barnes 2020). Just as this creates a challenge for producers, it can also be an opportunity to enhance consumer experience and further create a better online experience (Barnes, 2020).

Other researchers have presented an opposing view where consumers are not as likely to continue the same high level of online shopping after the pandemic. Voyer (2020) writes how new behaviours created during, and because of, the pandemic could be associated with negative memories from this time. A related concern is raised by Donthu and Gustafsson (2020) who state that we as humans rely heavily on our senses. During the pandemic, we have been somewhat deprived of our senses by not touching things or coming near other humans, in order to stay safe. An opening of the civilisation could either lead to people holding on to these fears of using our senses, or to an over-compensation of touching, feeling and in other ways experiencing our world (Donthu & Gustafsson, 2020), facilitating traditional retailing.

There is also the possibility that different groups in society will adapt differently to a post-Covid-19 world. Watanabe and Omori (2020) provide two reasons why consumers would continue to increase their usage of online shopping channels even after the pandemic ends. Firstly, the initial investments in the form of money to buy a computer or smartphone and time to learn how to shop online will already be paid, and there would be no reason to go back to traditional shopping. Secondly, provided their experiences are positive, the initial concerns about personal integrity and information asymmetry related to e-commerce would have been dissipated. This change in attitude towards online consumption could also lead to increased usage of online channels. However, these conditions only apply to consumers who have not previously shopped online. Consumers who used online channels before the pandemic have necessarily not benefited as much from these two factors and might therefore return to their previous shopping habits. The authors further argue that the spike in online sales during the pandemic is primarily on account of previously online consumers who have increased their usage of these channels, leading to a forecasted decrease in online sales, down to pre-pandemic levels (Watanabe and Omori, 2020).

Concluding this chapter, it is obvious that people's consumption behaviour has changed as a result of Covid-19. As for if this new behaviour will continue after the pandemic, Voyer (2020) presents two tests that a new habit needs to pass in order to remain. Firstly, there needs to be benefits reaped from adopting the habit, secondly it needs to be easy to maintain (Voyer, 2020). As Covid-19 forces people into new habits, the question becomes if they are beneficial and easy to uphold after the pandemic too.

2.2.5. Summary of consumer behaviour during Covid-19

This chapter has compiled literature on the subject of consumer behaviour changes during Covid-19. The literature was divided into the three stages proposed by Hamilton et al (2019); reacting, coping, and adapting. A fourth sub-chapter describing consumers' increased usage of digital solutions and new ways of interacting with channels was also included. The findings are briefly summarised in Table 1 below.

Table 1. *Summary of findings from the literature study.*

Reacting	● Consumers started to hoard goods to safeguard against potential shortages in stock ● The economic uncertainty led consumers to focus on essentials and demand simplicity ● The total amount of consumption declined due to the restrictions, lower mobility and fear
Coping	● Health and safety became more important heuristics for consumers ● The trend of sustainable consumption and engaging in CSR activities accelerated ● The importance of the home increased and consumer started to do everything from home, as well as adopted new activities
Adapting	● Consumption in some countries started to recover, which will lead to spill over effects to other countries' recovery ● A new trend of moving out from cities emerged due to the higher spread of the virus in cities, and the possibilities to work remotely
Changed channel interaction	● The accelerated digitalisation and increased consumer expectations led to lower consumer loyalty ● The focus on the omnichannel increased, and companies offering an omnichannel will have several opportunities to adapt after the pandemic ● Both digital and physical channels will be important in the future

3. Methodology

This chapter will describe in detail the method used in this master's thesis. Consequences of the choice of method will also be discussed as well as questions of research quality and ethics.

3.1. Research process

The research process of this study consists of two parts, as Figure 2 shows. The first is an iterative process and the second a linear process. When the project started, the scope was quite broad and thereby an iterative process was needed to narrow down the scope. First, a pilot study consisting of five interviews was conducted with the aim to identify possible issues IKEA stood before. This collection of data was used to specify a more focused problem identification. Second, another round of nine interviews, the main study, was conducted. These interviews focused on the issues identified in the pilot study and the literature study, and supported further narrowing of the scope. The literature study was conducted in parallel to both interview rounds and should be seen as a part of the data collection. As it both influenced and was influenced by other parts of the study, it was performed continuously throughout the iterative process. When a suitable scope was set, and the data was collected, the linear process of analysis and conclusion could commence.

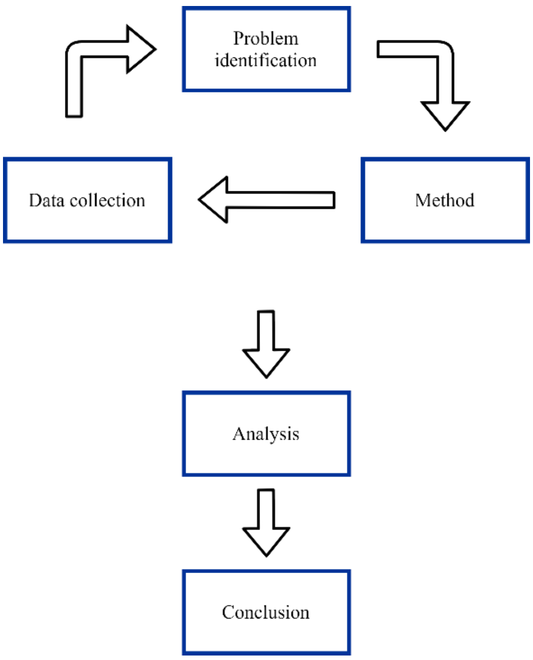

Figure 2. *A visualisation of the research process.*

3.2. Case studies

Case studies are a popular research design in business research and is centred around the elaborate and thorough investigation of a single case (Bryman & Bell, 2011). The case can be an organisation, an event or even a person (Bryman & Bell, 2011). This report uses the focal company IKEA for conducting a case study. Thus, the empirical findings are the outcome of the case study, and the analysis and conclusions are based on these findings and the literature study.

The idea of the case study is that research can be done by thoroughly looking at one specific case in high detail, rather than giving an overview of several cases in less detail (Thomas, 2021). Case studies can be used to generate theory, which was one of the aims with the case study in this report. This study investigated changes in consumer behaviour at the focal company IKEA and connected this to the literature, to generate theory about what changes that will be enduring in the future. Therefore, the case study supported the generation of new theory.

Case studies can also be used to test theory in the real world (Bryman & Bell, 2011), which was the second aim with the case study in this report. Comparing theory from literature to the specific case of consumer behaviour changes at IKEA, allowed the researchers to investigate how well the changes described in the literature apply to the real world. Hence, the case study supported testing of theory in the real world.

3.3. Data collection

The data collection consisted of a pilot study, a main study and a literature study. The literature study was conducted in parallel to the pilot and the main study, and investigated global changes in consumer behaviour during Covid-19.

van Teijlingen and Hundley (2002) describes that a pilot study precedes a main study and is a smaller version of the main study. Researchers may use findings from a pilot study to improve the interview process or to define the study's focal point (van Teijlingen & Hundley, 2002). In this project, a pilot study was conducted with the intent to find the focal point of the scope and to narrow it down. Thereafter, the specific scope of the study was investigated in the main study.

The data collection of both the pilot and the main study was qualitative, consisting of interviews. Bryman and Bell (2011) describe that qualitative research is concerned with understanding the world through investigation of its inhabitants. It is founded in the belief that social settings are created by the participants in that same social setting (Bryman & Bell, 2011). To understand the world through its inhabitants' eyes, interviews are commonly used to gain the insight from individuals existing in that social setting (Bryman & Bell, 2011).

Since the point of doing interviews is to gain insight into the personal worldview of the participant, the interviews are usually un- or semi-structured (Bryman & Bell, 2011). The interviewees are often encouraged to elaborate their answers beyond the scope of the questions, as it gives more insight into what the interviewee finds important (Bryman & Bell, 2011). Both these interview types were used in this study.

When referring to the interviewees in the report, numbers in parentheses are used to indicate which interviewee provided that piece of information. Tables 2 and 3 should be seen as reference lists for the personal communication conducted with the interviewees.

3.3.1. Pilot study

The first step in this thesis project was to find out more about the problems IKEA faced. As this project was initiated and constructed by the researchers together with IKEA, the scope was not set from the start, and the researchers needed to create a more thorough understanding of IKEA's problems first-hand. To do this, a pilot study was conducted.

Five interviews were conducted in the pilot study, all of them of the exploratory, unstructured kind. The unstructured interview is appropriate when the researchers have a general idea about a field to do research in, but do not have a specific topic or research questions (Bryman & Bell, 2011). The first interview was conducted before the start of the project, in November 2020, to gain a general understanding of the main challenges IKEA faced. Interviewee 1, with the role as Transformation Office Manager, possessing a great amount of knowledge about the transformation process at IKEA, could increase the interviewers' understanding of IKEA's challenges. The interview template used for this first interview can be found in Appendix A. The insights gathered from this interview allowed the researchers to specify what area to continue focusing on and built the path to the other four interviews.

The next four interviews, where Interviewee 1 was interviewed again, intended to create a better understanding of the change in consumer behaviour, why it is changing and how. The results of these interviews formed the basis for the main study and were crucial in defining the research scope and research questions. The interview template used for these four interviews can be found in Appendix B. Table 2 presents all interviews that have been conducted in the pilot study and should be seen as a reference list when the interviews are referred to in the report.

Table 2. *Interviews with employees at IKEA conducted in the pilot study.*

Interviewee	Role within organization	Date	Duration
Interviewee 1	Transformation Office Manager	10 November 2020 2 February 2021	45 minutes 35 minutes
Interviewee 2	Global Insights Manager	27 January 2021	35 minutes
Interviewee 3	Market Manager	29 January 2021	45 minutes
Interviewee 4	Country Business Development & Transformation Manager	2 February 2021	30 minutes

3.3.2. Main study

As the pilot study was finalised, the main study started. The main study consisted of additional interviews with employees at IKEA. The interview questions in the main study were focused on the specific topics of interest found in the pilot study and the literature study. Since the main study was focused on a certain topic and the researchers had a clear goal of what they wanted to investigate, semi-structured interviews were most suitable. Bryman and Bell (2011) describe that when you want to gain an understanding of a certain topic, but at the same time not only receive answers to a set of predefined questions, semi-structured interviews are most appropriate. A semi-structured interview is based on a set of predefined questions that can be addressed in a flexible way, thus making room for follow up questions and an open mindset (Bryman & Bell, 2011), letting the interviewers best create an understanding of the topic. Further, the interviews were recorded and listened to in retrospect to make sure that what the interviewees said was accurately documented.

Nine interviews were conducted with key employees at IKEA. The employees were from different relevant positions within IKEA and from different geographical areas in Sweden. Table 3 shows all interviewees from the main study and should be seen as a reference list when the interviewees are referred to in the report.

Table 3. *Interviews with employees at IKEA conducted in the main study*.

Interviewee	**Role within organization**	**Date**	**Duration**
Interviewee 5	Customer Experience Manager	30 March 2021	32 minutes
Interviewee 6	Insights Leader	6 April 2021	37 minutes
Interviewee 7	Fulfilment Sourcing Manager	8 April 2021	31 minutes
Interviewee 8	Market Manager	13 April 2021	32 minutes
Interviewee 9	Home Furnishing Direction Manager	14 April 2021	31 minutes
Interviewee 10	Retail Solutions Manager	14 April 2021	28 minutes
Interviewee 11	Market Manager	19 April 2021	28 minutes
Interviewee 12	Business Navigation & Operations Manager	19 April 2021	25 minutes
Interviewee 13	Country Co-Worker Experience Manager	20 April 2021	25 minutes

To formulate the questions for these interviews, the researchers used an iterative approach. After concluding the interviews from the pilot study and enough progress had been made in the literature study, themes where consumer behaviour seemed to have changed due to the Covid-19 pandemic were identified. Questions were then formulated to address these themes. This approach allowed the researchers to construct clear questions focusing on the most interesting areas found during the pilot study and literature study. The interview template used for the main interviews can be found in Appendix C.

Before each interview in the main study, the interviewees received a document describing the study, each theme, as well as outlining all questions. This helped the interviewees to prepare for the interview in advance, and to make sure they fully understood the purpose of the interview and the questions.

3.3.3. Literature study

The literature study was conducted in parallel to the pilot study and the main study. It was performed in order to answer research question 1. Bryman and Bell (2011) explain that a literature study provides a foundation for which the research questions can be justified, and the research design can be built upon. They further state that it informs on how to perform the data collection and analyse the data in an informed way (Bryman & Bell, 2011). Thus, the literature study assisted in setting the scope and the research questions for this project. However, as the literature study also aims to answer the first research question, its purpose goes beyond what Bryman and Bell (2011) describe. The findings from the literature study in chapter 2. should therefore not only be seen as a foundation for the research questions but as a result in itself. With this in mind, the literature study was a vital part of the study.

The literature study began with briefly going through a broad range of literature. This was in order to gain understanding of the topic. Thereafter the review became more selective and the literature that was of relevance of this study was read more carefully. Thus, a great amount of the literature that was read did not get included in this study, since it was not of relevance. All literature that was of relevance was compiled and analysed individually to understand how it could contribute to the review as a whole.

What was included in the literature study was general trends in consumer behaviour that was accelerated during the Covid-19 pandemic. The review started the 22nd of January 2021 and ended on April 1st 2021. Therefore, literature published after this date was not included in the study. The included literature was scientific articles and reports on the subject of consumer behaviour that were found on Google Scholar and in Chalmers' library database. The search terms that were used are listed below, but also included variations and combinations of these. Snowballing was also used when relevant literature was found. By checking what literature was used in relevant articles, the literature search was extended beyond only searching in the mentioned databases.

- Covid-19
- Consumer behaviour
- Change
- Consumer demand
- Consumer changes
- Consumption
- Digitalisation
- Omnichannel
- E-commerce
- Focus on home
- Factors influencing consumer behaviour
- Consumer behaviour model
- Decision-making process
- Recovery
- Consumer loyalty
- Retail
- Housing trends
- Moving trends

The framework of the literature study was inspired by Kirk and Rifkin's (2020) usage of the categorisation by Hamilton et al. (2019) on the different stages consumers go through when exposed to financial constraints. First consumers react, then they start to cope and lastly, they adapt (Hamilton et al., 2019). Kirk and Rifkin (2020) applied this framework to the Covid-19 pandemic. Not only was this chronological categorisation suitable for the literature study, Kirk and Rifkin's (2020) article provided a great deal of information on consumer behaviour during crises that fell in line with much of the other literature on the topic.

3.4. Reflection on chosen method

Validity, reliability, and research ethics are important aspects to consider when conducting research to ensure quality of the research and an ethical approach (Bryman & Bell, 2011). These aspects are described and discussed below and have been considered during the course of this research.

3.4.1. Validity

The validity of a piece of research is concerned with the question of whether or not the researchers are investigating what they think they are (Bryman & Bell, 2011). This relates to the quality of research, as the results and conclusions can only be considered valid if they can be said to represent at least one perspective of the truth. Scholars are divided in the question of whether these concepts are applicable to qualitative research, with some arguing that they are and some that they need to be modified to fit the qualitative approach. This report uses internal and external validity as measurements of quality and how these are adhered to is explained below. Something that is always important in qualitative research is that the study is relevant and important to the receiver (Bryman & Bell, 2011).

Validity is often divided into internal and external validity (Bryman & Bell, 2011). Internal validity refers to if the findings and conclusions are relevant regarding the data gathered (Bryman & Bell, 2011). The interview questions in this study were reviewed by several employees at IKEA and the supervisor at Chalmers. This helped make sure that the questions were formulated in a way that gained relevant answers, and thereby enhanced the internal validity of the study. Additionally, the interviewees were selected to represent a broad sample, with different roles and from different geographical locations around Sweden. All interviewees were well established in IKEA's organisation and had good knowledge about different parts of their operations. Further, all insights gathered during the research were shared with both supervisors at Chalmers and IKEA to make sure the findings were perceived the same way and were relevant in regard to the gathered data. After finalising the empirical findings, this chapter was shared with the interviewees to make sure the researchers had interpreted the information as the interviewees intended the information to be interpreted.

Another issue regarding the internal validity is whether interviews with IKEA employees can account for how consumers behave and how they might behave in the future. However, the risk of collecting skewed data is mitigated by the extensive literature study, where global studies on consumer behaviour during Covid-19 are compiled.

External validity instead refers to if the results can be generalised beyond the scope of research (Bryman & Bell, 2011). Furthermore, the study is limited to interviewing Swedish IKEA employees to get their view of how Swedish IKEA consumers have changed their behaviour during Covid-19. The interviewees have different professional roles, and work in different locations throughout Sweden. Thus, the results should be generalisable to Swedish IKEA consumers. Consequently, the generalisability to non-Swedish IKEA consumers or to consumers in general is lower.

3.4.2. Reliability

Reliability can also be divided into external and internal reliability. External reliability refers to the notion of whether or not the results from the research is repeatable (Bryman & Bell, 2011), meaning that if the same study were to be conducted another time the results would be largely the same. Internal reliability instead refers to if the researchers agree on what their observations and the data they collect are showing.

Concerning the semi-structured interviews, an important factor that has been considered is that the elaborate answers gained from such interviews can be interpreted in different ways. During all interviews, both researchers were present to minimise risks of misinterpretation or missing important questions. Further, the interviews were recorded and listened to in retrospect, which helped making sure that what the interviewees said was accurately documented. The semi-structured interview is also more reliable than other interview structures in situations when more than one researcher is involved (Bryman & Bell, 2011). Moreover, as the questions were provided to the interviewees in advance of the interviews, as suggested by Bryman and Bell (2011), reliability was increased further. However, Bryman and Bell (2011) highlight the difficulty to replicate the social setting and environment of any qualitative study, leading to a decrease in reliability.

At the time of conducting the literature study, the Covid-19 pandemic was still influencing the world in many ways. This had two implications for the reliability of this study. First, the interviews conducted had to be done through the online video conferencing tool Microsoft Teams, which according to Nehls et al. (2015) is a viable option for face-to-face interviews. The second implication was that more literature about consumer behaviour changes due to Covid-19 was likely to be published between concluding the literature study and the finalisation of this project. This may have decreased the reliability of the literature study. However, if the reader wishes to replicate the research in this paper, only accessing material published before April 1st would increase the probability of replicating the results.

3.4.3. Ethics

Research ethics is an important concept to take into consideration when conducting a research project, regarding the impact on the people participating in the research and the results of the research (Bell et al., 2019). Thereby, ethics was considered in all actions undertaken in the project. Bell et al. (2019) describes three areas of ethical principles in business research: privacy, harm to participants, and deception. Privacy meaning that the privacy of the research participants needs to be protected, and deception refers to when the researchers represent their research as something else than what it actually is.

The principal of privacy was handled by providing anonymity to all interviewees. Thus, names and private information have not been included in the report. However, the interviewees' roles contribute to the validity of the study and have therefore been included. Further, all the interview questions have been carefully constructed and reviewed in order not to harm the interviewees in any manner. To prevent deception, the purpose of the research and how the answers have been used have been truthfully explained in advance of the interviews to the interviewees. The interviewees have also been given the opportunity to read the finalised chapter 4. Empirical findings to confirm their statements.

4. Empirical findings

This chapter describes the results of the case study, which consists of fourteen interviews with employees at IKEA. The chapter is divided into four main parts. The first part describes how consumption has changed during the pandemic, in the form of a timeline. The second part accounts for the increase in online shopping IKEA has experienced during Covid-19. The third part discusses how consumers' expectations have changed during the pandemic. The fourth and last part investigates the importance of consumers' homes and how it has increased during Covid-19. Each part, other than the consumption timeline, includes a future perspective, describing the effects going forward.

4.1. Consumption timeline during Covid-19

The Covid-19 pandemic reached Sweden at the end of January 2020 and shortly after that, people reacted by restraining themselves and holding onto their money (10). Both IKEA and their consumers were uncertain what would happen and therefore people stayed away from IKEA stores (5, 8, 12). Resulting from this, IKEA experienced a short dip in consumer demand (5). IKEA also saw periods of decline in demand just after new restrictions were announced by the government (5).

Although, consumers returned to IKEA quite quickly in the spring and early summer (12) with new behaviours regarding the interaction with IKEA's channels (7, 12). IKEA noticed an increase in online shopping, and how consumers began to use IKEA's Click & Collect service to an increasing extent, which quickly became an established behaviour (12, 13). IKEA predicted that consumers would not visit the physical stores, but that was not the case (5). Even though the online channels increased in usage, consumers still went inside the stores to some extent (5).

During the spring, IKEA also saw a rise in sales of storage shelves (9). As consumers prepared to hoard necessities during the early spring, they needed more room to store these goods and therefore started buying storage shelves (9). As summer approached and people were not able to go on vacation as usual, many people realised they would spend a great amount of time in their home (6). Not travelling, going to restaurants, or spending money on other activities as usual, made money more available to spend on other things (10, 11, 12). Consumers spending more time at home in combination with more money to spend on new things, led to IKEA seeing a rise in consumers spending money on renovating and taking care of their home (10, 12). In the autumn, people spent a great deal of time at home, and as people returned to work after summer, they also needed to have a workplace at home (10). Thus, IKEA could see how sales in home office articles like desks, office chairs, and lights increased (9).

As the third wave hit Sweden during the early spring of 2021, some of the fear and uncertainty consumers felt during the first wave returned and made people a little more restrictive (12). IKEA could see short declines in consumer demand in connection with the first and second wave of Covid-19 infections, and when new restrictions were announced (5). Also, physical stores located in smaller cities might have been affected more than the stores in bigger cities (5). Otherwise, the demand stayed strong, and the demand during peak weekends and holidays kept the same patterns as before (5).

In spring 2021, the pandemic had been influencing society for more than a year and a new phase was reached (8). As many people stayed at home, they needed conditions to be able to stay at home all the time and do everything from home (10). The home became a combined living, sleeping, and working area (10). Thus, IKEA could see an increase in demand for multifunctional solutions (6, 11) and smart homes (10). The amount of money each consumer spent on furniture and home decor increased in comparison to previous years (5). The average ticket value also increased as consumers started looking for more complex solutions for their homes (8). Thus, the total amount of spending was quite similar to the amount of spending before Covid-19 (5, 7, 8). As summer approached, consumers also started to purchase more outdoor furniture and focus more on their home, just as consumers did the previous summer (12).

4.2. Changed channel interaction

Common among the answers for most interviews are statements about how the usage of IKEA's online channels has increased (1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13). The usage of IKEA's online channels was fairly high even before the pandemic, but during Covid-19, the shift to online accelerated greatly (6, 9). Before the pandemic, IKEA anticipated that 10% of all turn-over would come from the online channel in five years, but only one week into Covid-19, that target was surpassed (11). At IKEA, the two most common ways of using the online channel are to either order online and pick up the items themselves at a store, called Click & Collect, or to have the goods delivered to your home, called Click & Deliver. Click & Collect is the channel that has increased most dramatically (6, 7, 8, 11, 12, 13). Simultaneously, the usage of the physical channel has dropped (6, 8, 9, 10, 13), but not as drastically as expected (8). One interviewee explains that when consumers use the Click & Collect option and come to pick up their items, they still visit the store to buy some extra things (5). While a shift in what channels consumers use has occurred, total sales over all channels has not decreased (7, 13).

When it comes to what is being sold in the online versus the physical channel, one interviewee states that larger furniture, like sofas and mattresses, are sold online to a larger extent, while the store offers more opportunities for impulse purchases of accessories (11). The reason for larger items being bought online is that consumers have already decided not to bring these products home themselves (11). These consumers visit the store in order to touch and feel the products before purchase, and then buy them online with delivery when getting home (11). However, the interviewee continues by saying that the range of products being sold in the online channel is continuously getting more similar to the broad range of products sold in the store (11). This goes in line with what another interviewee states, that smaller items like candles, napkins and other point-of-sale items have become more frequently sold online during the pandemic than before (7).

The most obvious reason for the increase in the online channel is the inability or unwillingness to visit the store (3, 7), even if the stores in Sweden have not been closed (9). When people cannot or do not want to visit the stores, they turn to the online channel (6, 13). This proved an opportunity for IKEA, who needed to improve their capabilities in the online channel and has done so during the course of the pandemic (13).

4.2.1. Demand for services and omnichannel interaction

One of the main accelerated trends in consumer behaviour due to Covid-19 is how consumers interact with the omnichannel (1). Due to the increasing accessibility of technology and e-commerce (3), the consumer journeys are more spread across different channels, where consumers can for example get inspiration, purchase, or get after sales service online, in store, via phone or in the app (1).

The purpose of offering an omnichannel experience to consumers is to make IKEA as accessible as possible to as many consumers as possible (6, 7, 9, 11, 12). All channels IKEA offers; the store, Click & Collect, Click & Deliver, consumer support through phone etc., all support each other in the omnichannel perspective (6, 12). The IKEA business model has traditionally been focused on the physical stores, but today the offering has evolved to include other channels in order to reach more consumers (1, 6, 8).

The respective channels IKEA offers all have the purpose of inspiring consumers on how to furnish their homes and providing a means to communicate with IKEA (9, 12). The physical stores have traditionally had the purpose of giving the consumers an experience, the opportunity to see, touch and feel the products before purchase, as well as to talk to experts (8, 9). This purpose has not changed during Covid-19 (11), but it has evolved to be more focused on the inspiration and experience areas (8, 11). While shopping in the physical channel, consumers have exhibited a more focused approach (5, 7, 8). They are quicker and more targeted in their shopping process, rather than visiting the stores for a day out (7, 8). The online channel has also evolved (8, 13). Sales through remote meetings were almost non-existing before Covid-19, but now IKEA can sell kitchens and entire rooms remotely through video calls (3, 8, 9, 11, 13). The possibility to discuss smaller topics, like matching colours at home, has also become available during Covid-19 to compensate for the missed interactions in the store (9). The online channel has also become more convenient in offering both pick-up and delivery services (8, 11). Overall, Covid-19 has led IKEA to start looking at business opportunities in new ways (11), and IKEA is aiming towards offering an omnichannel experience to its consumers (6).

With the increase in online retailing, IKEA is experiencing an increased demand for services connected to shopping, for example Click & Collect, Click & Delivery and assembly of products (3, 7, 8, 11). As the Click & Collect service has increased with such significance, it has been extremely profitable for IKEA to develop this service (8). Consumers also want fast deliveries, and the Click & Delivery service has experienced increased demand, as consumers do not go to the stores to the same extent as before (3, 11). A challenge for IKEA has been to meet this demand in a satisfying way (5). Some third parties handling deliveries for IKEA have, due to Covid-19, not been able to enter consumers' homes directly, and instead left packages at their door (5). The longer this pandemic goes on, the less patience consumers have with this lack of service (5). Another challenge has been pricing the Click & Collect service so that consumers want it but will not overuse it (5). April through July 2020, this service was free, which led to consumers buying small and cheap items with Click & Collect (5). As this was not good for neither IKEA nor the environment, the price was increased to 39 SEK, which made consumers consolidate their purchases (5).

As consumers are no longer as willing to visit physical stores due to the pandemic, companies are now expected to handle a larger share of the consumer journey, or at least to offer additional services such as home delivery to an affordable price (1). This has consequences for IKEA's business model, which is based on a shared effort, where money is saved for both parties by dividing the work of production and assembly between them and their consumers (1, 7). The challenge has been to expand the business model from a reliance on consumers to visit stores and take on a share of the work, to letting the consumer choose the amount of service they want (7). This transformation has been going on for some time, but its importance has become even more significant during Covid-19 (7).

4.2.2. How consumer loyalty is affected

With the increase in online shopping, new behaviours among consumers arise. An example is the decrease in loyalty to brands (1, 4, 6, 10). Physical shopping requires time to travel to the stores and back, while shopping online offers the opportunity to save time and easier comparisons between different products and brands within the same industry (1, 6, 10). Important factors here are for example time and price of delivery (1, 10). While this behaviour may have existed before Covid-19 (10), the pandemic accelerated it for several reasons; a consolidating furnishing market and increased competition due to the increased interest in home decor (6, 10), as well as higher consumer expectations on companies because of Covid-19 (1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13)

However, this decrease in loyalty does not seem to affect IKEA significantly. Many interviewees mention how they have not seen less consumer loyalty during Covid-19 (5, 6, 8, 11, 13). Different reasons are mentioned in regards to this, such as IKEA doing a lot of good for local communities and for society (8), and IKEA being a mainstay and loved in society (5, 6). Consumers may see that IKEA has supported society in this difficult situation, and not only worked to save themselves (8). This has also led to IKEA listening more to their consumers and consequently, consumers may feel a closer connection to IKEA than before the pandemic (8). IKEA has conducted consumer surveys showing that consumers have an increased liking for IKEA during the pandemic (5). Another interviewee argues in line with this, saying that people like shopping at IKEA, but that they really need to offer great service in order to keep consumers' loyalty (11).

4.2.3. Future usage of IKEA's channels

Most interviewees agree that the online channel will continue to be an important element for IKEA's future business (1, 5, 6, 8, 9, 10, 11, 12). The effect of Covid-19 has been that the demand and adoption curve of the online channel has been pushed forward a few years (3, 11), and consumers who have started to shop online will probably not go back to the physical channel (5, 6, 9, 10). The interviewees further explain how consumers will have realised the benefits of the online channel, for example that it saves time (7, 8, 10), provides higher convenience (8, 10, 11), that it works well and gives them an experience (5), and that it suits them better (7). Another argument is that people did not realise that the online channel was an option before Covid-19 (7, 8).

Some interviewees also argue that consumers will return to the stores when Covid-19 is over (8, 9, 10, 11, 12). The most frequent answer to what the physical store can offer consumers is the expertise and competence of the co-workers in the stores (3, 4, 5, 6, 7, 8, 10, 11, 12). The interviewees also think the pent-up demand to interact with people and experience things will bring people back to the stores (8, 9, 10). Visiting the restaurant (4, 8, 9, 12, 13), getting inspired (9, 10, 11, 12), seeing and touching items (4, 6, 10, 13), and playing in the store (8) are other arguments that were brought up. The online channel will never give the consumers the feeling of an expert recommending something to them, and that no matter how perfect the product description is, an IKEA employee's recommendation will always be better (10). An important reason why consumers visit IKEA stores is that they want to speak to an expert before purchasing larger, more expensive items (4). However, to ensure consumers will still visit stores in the future, the stores need to offer something to the consumer that no other channel can (3, 10).

As people are shifting more towards the online channel, a future purpose of the physical stores is to use them as experience centres to a larger extent than before (1, 6, 9). Another future purpose is as distribution centres to facilitate the increased number of online orders (11, 12). This has become increasingly important during Covid, especially as Sweden is such a large country (11). The 20 stores throughout Sweden facilitates fast deliveries to consumers, which will also be increasingly important in the future (11, 12).

4.3. Increased consumer expectations

In the last five to ten years, customer expectations in retail have changed a lot, and during the Covid-19 pandemic, these changes have accelerated and become more prominent than before (1, 4). Consumers expect companies and brands to take a leading role in creating a safe and sound environment, to offer flexibility, high accessibility, and quick solutions, as well as taking responsibility for the social and environmental sustainability (1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13).

4.3.1. Higher demand for convenience

An important topic the interviewees discuss is how consumers' demand for convenience has increased greatly (1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12). Convenience meaning seamless consumer interactions with IKEA, and IKEA offering high flexibility, accessibility, and quick solutions.

As consumers are no longer able to visit stores like before, the expectation on IKEA's accessibility has greatly increased (8, 11, 12). IKEA is expected to be accessible every hour of the day, and to be able to deliver goods to consumer's homes (8). Consumers want IKEA to be closer to them without forcing them to come to a store (11). This forces IKEA to develop solutions and opportunities much faster for consumers to shop without visiting the store (12). As described earlier, the demand for IKEA's Click & Collect service has boomed as it enables the consumers to conveniently shop from home and then collect it from the store (11).

Also, in connection to how consumers have been forced to find new ways of interacting with IKEA's channels due to the decreased access to the stores, consumers' demand for a frictionless and seamless shopping journey has increased (1, 3, 4). To manage this, IKEA needs to work with their omnichannel offering (1), to enable consumers to interact with IKEA seamlessly regardless of which channel they use (4). Thus, consumers demand a high flexibility in the solutions and channels IKEA offers (7, 8). This means that IKEA needs to listen even more carefully than before to what their consumers want, especially since the consumers wants and needs might fluctuate somewhat due to changes in restrictions and number of Covid-19 infected people (8).

Furthermore, consumers want quick solutions and have a lower tolerance for waiting (1, 5, 6, 7, 9, 10, 11, 12). Consumers expect retailing to be as normal, and that IKEA's ability to deliver should be unaffected by Covid-19 (5, 9). As the online shopping and number of consumers buying services in connection to products increases, the number of people having expectations on this happening in the contracted time and place increases (1, 3, 4, 5, 6, 7, 9, 12). The tolerance for late deliveries, delays and shortages of articles is low, and the expectations of quick deliveries is high (1, 4, 5, 9, 12). This goes in line with the wish to save time, which is a behaviour that existed before (1, 3, 4, 12), but increased with the shift from offline to online consumption (6). The trend of valuing time higher has especially been seen in the Stockholm region, where people usually have less time (10). Consumers do not want to spend time waiting in line or having to pick up orders far away (6), instead they buy services to free time for themselves (7). Thus, short lead times are more important now than before Covid-19, meaning that IKEA needs to deliver orders and solutions quickly to their consumers (11).

4.3.2. Impact on social and environmental sustainability

Another important topic in society is environmental and social sustainability, which has increased in importance in recent years (2, 3, 9, 11). People's awareness of social and environmental issues increases quicker than their tendency to act, leaving a gap that is continuously growing (2). Consumers expect companies and the government to help them bridge this gap, so they can act in line with their awareness (2). The demand to bridge this gap puts increasing pressure on better solutions from companies and governments (2). Companies are expected to be "good" by engaging in society through, for example, taking political standpoints (1, 2), or working with climate issues (3). Consumers want, for example, to be able to repair goods by themselves, or to resell their goods (2). Sustainability issues, such as safety, circularity, and CSR are acting as order qualifiers to a greater extent than a couple of years ago (3, 4). Along with the increased awareness among consumers for sustainability and other climate issues, an increased expectation on companies to work with these matters exists (2, 3, 4). Some consumers choose who to shop from depending on their sustainability agenda, and within the coming years companies will probably need a solid sustainability agenda to survive (7, 12). Furthermore, a pandemic, like Covid-19, makes people more aware of the larger global perspective, which puts higher pressure on companies to act (9).

The interviewees indicate that the consumer demand for companies acting in a socially sustainable way may have increased due to the Covid-19 pandemic (1, 3, 6, 9, 10, 11, 12, 13). That companies offer a safe and sanitary consumer journey has become more important than ever (6, 9, 12, 13). There are high expectations that companies follow restrictions from the government and offer consumers a hygienic experience where they can avoid crowded areas (13). Consumers might also have an easier time to relate to companies and brands that are meaningful, show that they care and take social responsibility during the Covid-19 pandemic (6, 10). Thus, it is for example important that companies are mindful of the circumstances for their employees and take extra care of them (1, 10, 13).

Regarding environmental sustainability, the interviewees indicate that Covid-19 might not necessarily have increased the demand, but it has not decreased it either. Some interviewees mention that it is as important as before (5, 10), and others mention that the Covid-19 pandemic has increased the importance, as the pandemic emphasizes the value of living healthy and having a sustainable lifestyle (3, 6, 8, 9, 12). As a healthier and more sustainable lifestyle is demanded by consumers, companies need to have an even more sustainable agenda in regard to production, delivery, pick-ups, among others, to help consumers live more sustainably (2, 12). However, it is also discussed that although environmental sustainability is as, or more, important during Covid-19, the question of whether consumers are willing to pay for it during the pandemic is unclear (6). Consumers say that environmental sustainability is an important factor while shopping, but maybe not the most important (6).

4.3.3. Future consumer expectations

Most of the interviewees believe that consumers will continue to demand high convenience in the future as well (1, 3, 4, 6, 7, 12). Consumers value their time highly, and this is not something that will go away after Covid-19 (6). Thus, IKEA will need to offer solutions, delivery options and services that eases everyday life for consumers (6). However, it is a bit unclear how many consumers who use services and shop online because they want to or simply because they have no other option due to Covid-19 (7). Nonetheless, convenience and a seamless experience regardless of which channel consumers interact with will continue to be important for the future shopping journey (1, 3, 4, 12).

If Covid-19 will positively affect the future demand for sustainable solutions is not as clear, but what is clearer is that sustainability has been a trend with increasing importance for some years, and companies will need a solid sustainability agenda to succeed in the future (7, 12). Furthermore, disconnected from how the pandemic might affect sustainability in the future, the new generation have another viewpoint regarding home and how they shop for the home (10). The new generation is not as inclined to look for a fixed solution for the long term (10). Instead, they are more prone to exchange goods with their community and be mindful about whether they really need to make a purchase, which means a more sustainable consumption pattern (10).

4.4. Increased importance of the home

The restrictions that Covid-19 has brought upon the world makes people stay in their homes more than before (1, 2, 6, 7, 9, 10, 11, 13). This has in turn brought an increase in consumers' valuation of and interest in their homes (2, 4, 6, 7, 9, 10, 11, 12, 13), and with this, the interest in home furnishing has sparked (5, 6, 7, 8). The home has taken a larger role as a space where people can be safe from the uncertain environment Covid-19 has brought (9, 10, 12). As we spend more time in our homes, the amount of needs the home must fill increases, leading to an increased need for a functional home. Activities like exercising, eating, working, etc. need to be done at home (2, 7, 8, 9, 10, 11, 13). The home also needs to be more homely, cosy, and beautiful, as people need to enjoy spending time there (5, 9, 10, 13).

Overall, the trends described below have had a positive effect on IKEA's sales, and the home improvement industry in general (5, 9, 10, 13). The more people being conscious about their life at home, the larger are IKEA's opportunities to highlight the benefits of their products to consumers (10). Another opportunity is that even though larger homes are preferable during the pandemic, as people spend more time at home, everyone cannot just move to a larger home (6). This further increases the demand for multifunctional solutions (6).

4.4.1. Functionality and homeliness

The interviewees indicate that the two most important features for the home was functionality and homeliness (4, 5, 6, 8, 9, 10, 11, 13). IKEA can see how consumers have an increased need for a functional home (4, 6, 8, 9, 11), which is a big opportunity for IKEA, as they can offer solutions to everything (11). The most obvious new use of the home is as a workplace (5, 6, 7, 8, 9, 11). Before the pandemic, the home was more of a place to just eat and sleep, but as people are spending more time at home, they use their homes in new ways (6, 8, 11), and IKEA can see an increased demand for multifunctional furniture (6). The home might also have been a place where consumers came to relax after work or school, making it more important with opportunities to relax at home as school and work is now done from home (6). Another interesting aspect is how demand for open floor plans might change as the home needs to be increasingly functional (7). Thus, having more rooms with specific purposes might be more favourable (7).

Aside from functionality, consumers have an increased focus on making their homes homely and comfortable (5, 6, 10, 13). This was present in consumers' demand before the pandemic, but as they spend more time at home and perform more activities there, there is an increased importance of enjoying being there (5, 6).

As a consequence of the increased demand for functionality and homeliness, consumers have started renovating to a larger extent than before the pandemic (5, 7, 12). The interviewees mention two reasons for this trend. First, people are more at home, and it might be convenient to take the opportunity to have workers in your home when you are there anyway (7). Second, as people have not been able to travel during Covid-19, the money that normally is spend on vacation and travel can be spent on the home instead (12, 13).

Aside from an increase in renovating, some departments of IKEA's product range have performed better than normal (4, 7, 8, 9, 11, 12, 13). IKEA can see that since the start of the pandemic, sales of furniture related to working from home, for example desks and lighting, has increased significantly (4, 7, 8, 9, 11). The demand for the outdoor range, that always fluctuates with the seasons, has this year spiked in demand earlier than normal, as consumers are eager to get out of their homes (8, 9, 12, 13). A third area mentioned by the interviewees is the kitchen, that has accelerated as consumers are eating less in restaurants and more at home (8, 11). One interviewee also mentions that during the early months of the pandemic, the demand for storage shelves increased (9). This might both be attributed to people preparing to hoard goods, and to people having more time to arrange and put their homes in order (9).

4.4.2. Future importance of the home

When discussing the importance of consumers' homes in the future after Covid-19, the interviewees are of different opinions. Some believe that the increased importance of the home will remain in the post-Covid world as people have realised its potential connected to remote working and the importance of feeling safe at home (5, 7, 8, 9). Other interviewees think that while the home will still be important, IKEA will see a small decline in focus on home as it has been renovated fully and consumers are eager to get out of their homes (6, 10). Another aspect is that when travel restrictions lift, people will spend more money in that area and have less to spend on their homes (6, 10). One interviewee says that the interest of the home during the pandemic has been surprisingly high and it is not likely that the same amount of interest will persist when restrictions are lifted, and consumers have new things to do (8).

A third opinion is that the interest in the home will depend on more factors than only restrictions and the spread of the Covid-19 virus. One of these factors would be the economic development going forward (11). If there is positive economic development, consumers will continue with bigger purchases as they have done during the pandemic (11). If not, accessories and smaller items will be more in demand (11). The interviewee argues that consumers will always want to improve their homes, but economic development regulates how much money people have available, and in turn how much they spend on home improvement (11). Another interviewee also argues for how other factors will come into play but focuses on the travelling industry (12). People may have saved money for travelling during the pandemic and will therefore likely be eager to use them for travelling (12). If the increased demand for travelling leads to higher prices, people will not have money left for home improvement (12). Also, consumers that have spent money on home improvement during the pandemic might want to spend their money on something else after Covid-19 (12).

As mentioned earlier, working from home has been a substantial part of consumers' daily lives (4, 5, 6, 7, 8, 9, 11). One interviewee talks about trends in workplaces and how the workplaces will evolve in the future (9). It will mainly be used for socialising, workshops, and larger meetings, but there is less reason to go there for daily work (9). Consequently, companies might evaluate what the purpose of the workplace and office really is (9). Depending on the purpose of the workplace, this can have different effects on the homes of employees who may or may not need to have their own workplace at home (9). Other interviewees agree that there will exist a possibility to work more from home in the future, which will affect the importance of multifunctional homes (4, 7).

With the possibility to work from home comes the opportunity to move out from larger cities to more rural areas (6). During the pandemic, there has been a rise in demand for houses and villas (6). When moving from the city centre, consumers will get more space for the same money, which will affect the amount of furniture consumers need (9, 11). IKEA stores are usually located outside of city centres, so consumers may also be closer to the stores in the future (9).

4.5. Summary of the empirical findings

Chapter 4. has accounted for the interviews conducted with thirteen IKEA employees. Four topics have been central in the interviews; consumption, channel interaction, consumer expectations, and importance of the home. The answers to the questions in the interviews have been thoroughly described above. A summary of key insights derived from the interviews is provided in Table 4.

Table 4. *Summary of the empirical findings.*

Consumption timeline during Covid-19	● IKEA experienced a short dip in demand ● Demand was affected when the number of infections increased and restrictions were announced ● Increased usage of services and online shopping ● Consumers spent more money on their home ● The total amount of spending at IKEA was similar to before the pandemic
Changed channel interaction	● Digital sales increased ● The range of products sold online is getting closer to the broad range sold in the physical store ● Visits to the physical store decreased due to inability or unwillingness to visit, but not as much as expected ● Increased demand for an omnichannel, as consumer journeys are more spread across different channels ● Loyalty to brands has decreased in general, but this has not been seen at IKEA ● Both the online and the physical channel is expected to be important in the future, but for different purposes
Increased consumer expectation	● Higher expectations to get a convenient experience; seamless interactions, flexibility, accessibility, and quick solutions ● Consumers expect IKEA to be unaffected by the pandemic, and thereby deliver flawless service ● Higher demand for companies acting socially sustainable ● Unclear how much Covid-19 has affected demand for environmental sustainability ● Both convenience and sustainability will continue to be important after Covid-19
Increased importance of the home	● Consumers have started to do everything from home ● Renovations and focus on the home has increased ● The home needs to be functional and homely ● Increased demand for multifunctional furniture ● Products for home office, outdoor range and kitchens have increased in demand

5. Analysis

This chapter provides answers to the three research questions posed in chapter 1.3.. The first research question handles what changes in consumer behaviour Covid-19 has induced, the second to investigate what changes will endure after the Covid-19 pandemic, and the third what implications this has for IKEA in Sweden. The first research question is answered by analysing similarities and discrepancies between the literature and the empirical findings. The second research question uses the CBM in Figure 1, showing factors that affect consumer decision-making and behaviour, to analyse if certain trends in consumer behaviour will continue after the pandemic. The answers to the first two research questions provide the foundation for the analysis of the third research question.

This chapter will be divided into the three stages of the framework proposed by Hamilton et al. (2019) that was used in the literature study. The framework consists of the chronological stages reacting, coping, and adapting. A fourth sub-chapter is added, just like in the literature study, dedicated to consumers' change in interaction with channels. All three research questions are analysed in each stage. The division into these stages provides a clear and structured narrative, and the content is easily compared to the literature study as it has the same structure. The analysis also provides a foundation on which the conclusions are grounded.

5.1. Reacting

The literature study explains that when Covid-19 set in, consumers started to react to defend themselves against potential threats and to regain control. This can be seen as rational responses when looking at what factors affect consumers' decision-making process, as the CBM shows. As the outcome of the pandemic is unknown and the perceived economic, social and health risk has increased, the consumer decision-making process has most likely been strongly influenced by this. The behaviours in the reacting stage; hoarding goods, focusing on essentials and simplicity, and decreasing consumption, can all be explained by how the increase in perceived risk affected consumers' decision-making process, and in turn consumer behaviour.

The literature shows that one of the early consequences of the Covid-19 pandemic was how panic led people to race to supermarkets to hoard goods to defend themselves against the increased risk of not being able to access these goods. At IKEA, this behaviour could be seen as the sales of storage shelves to store goods increased greatly during a short period in the spring of 2020, before it returned to normal levels. The reason for the sales returning to normal levels and the hoarding behaviour to fade might be attributed to that the early feelings of panic, uncertainty and risk decreased, and did not further influence consumers to consume excessively to the same extent anymore. As such, it is reasonable that these early behaviours did not stick.

Associated with the hoarding behaviour was, according to research, a shift to valuing essential items and postponing consumption of discretionary items, which also goes in line with the risk perception, shown in Figure 1, of not being able to satisfy needs. This is compatible with the short decline in consumption that IKEA experienced, but the quick recovery and increased focus on the home that IKEA experienced is less consistent with this. On the other hand, as people spent more time at home, appliances for the home might have become essentials during the pandemic, which means that the focus still lied on essentials, just that more items were included in this category. Some researchers further argue that consumers in the future will continue to demand simplicity and be more cautious in their consumption, including consumption related to their homes and furniture. This in turn could affect consumers' demand for sustainable solutions. However, the increased focus on the home and demand for complex, multifunctional solutions for the home contradicts these beliefs. Also, several of the interviewees believe that consumers are longing to come out of their homes to explore, do things, and go on vacation, and that consumers will do so when restrictions are lifted. They describe that a pent-up demand exists among people and that they believe people will consume more after Covid-19. This follows what Sheth (2020) states, that there is a pent-up demand for discretionary items among consumers, and that this demand will be pursued after Covid-19. The behaviour of valuing essentials and simplicity seems to be connected with the increased risk and uncertainty that originated from the pandemic, and as the pandemic gradually forfeits, this behaviour might also vanish.

Just as described in the literature study, the overall consumption among IKEA consumers declined just after the breakout of the pandemic and the hoarding behaviour. The interviewees explain that this was a way to safeguard against the uncertain future, and also a consequence of the fear and anxiety that arose due to the pandemic. This goes well in line with what the CBM in Figure 1 shows; that the psychological risk factor strongly influences consumer decision-making and behaviour. However, the decline in consumption was short and not as severe as described in the literature. Literature explains that the sectors that decreased most in consumption were in particular sectors that required in-person interaction, which also can be seen at IKEA, as the physical store in average decreased in sales, while the online channels increased. Research also shows that consumption decreased more when the public health situation got worse, and that consumption started recovering when the Covid-19 situation got better. This also goes in line with what interviewees at IKEA states. They said that consumption declined after the big waves of an increased amount of Covid-19 infected people but recovered when the situation got better. This speaks in favour of that people’s consumption will increase in the future as the pandemic wears away.

5.2. Coping

During the pandemic, the importance of safety and health has according to the research and interviews increased greatly. The interviews state that many consumers do not come to the physical IKEA stores anymore as it is not perceived as safe enough due to the pandemic. Several of the researchers believe that safety and health will be important factors also in the future. Consumers might be more inclined to choose products that are perceived the safest even if their performance across other aspects is worse, or safety might become a disqualifier and thereby the product might be eliminated if it is not perceived to reach a desired safety level (Mason et al., 2020). This is not something the interviewees mention to the same extent. Instead, they believe that the most important factors in the consumer journey in the future will be to give a convenient and seamless shopping experience. Looking at what the CBM in Figure 1 shows, safety and health might get less attention as the perceived risk goes down. On the other hand, how companies have acted and continues to act while the pandemic is still spreading, in regard to offering a safe and healthy experience, might be remembered in the long term and affect future consumer decisions and behaviour.

Some researchers believe that consumers have had time and opportunity during Covid-19 to reflect on the meaning of consumption and what impact they leave with their own consumption. They further think that Covid-19 will mark an onset of a sustainable consumption transition, where consumers will reflect on how and what to consume, and from whom. Some of the interviewees similarly explain that Covid-19 has made people more aware of the larger global perspective on how consumption and the way people act affects the world. They believe that social sustainability has increased in importance due to this, and that consumers might have an easier time to relate to companies and brands that are meaningful, show that they care, and take social responsibility during the pandemic. The increased importance of social sustainability might be explained by the cultural and social factors that affect consumers' decision-making and behaviour, as explained in the CBM. Cultures have become more influenced by global perspectives due to the pandemic, and in turn also consumers, as the culture influences consumer's value system. Further, people put more pressure on each other and on companies, which influences people's attitudes and behaviours. When it comes to how Covid-19 has affected consumers' view on environmental sustainability, the interviewees are of different opinions. Some say that it has increased, but some also say that the willingness to pay for it is unclear, and that other factors like price and convenience might be more important. However, both the literature and the interviews conclude that sustainability will continue to increase in importance in the future, as it has been doing the recent years. If this will depend on the pandemic or rather on that the new generation has a more sustainable consumption pattern, is less clear. Linking back to the CBM, as the pandemic has affected the society both culturally and socially regarding how people view sustainability, these factors will probably remain after the pandemic has passed by, and thus affect the future view of consumption.

Both the literature and interviews say that people have spent much more time in their home, and that the home has taken on a larger role in people's lives. This has also led to that the number of activities people do in their homes have increased and includes every part of a person's life; exercising, eating, working, etc., which both literature and the interviewees agree on. This leads to that the amount of needs the home must fill increases, leading to an increased need for a functional home. Another consequence that both agree on is that the home also needs to be more homely, cosy and beautiful, as people need to enjoy spending time there, and that peoples' interest for home decor and taking care of their homes have increased. As this is a behaviour that has been consistent for a long time during the pandemic, it has likely affected several of the factors influencing consumer decision-making and behaviour. Spending more time at home, and using the home for everything, has become a habit, and has therefore affected psychological factors. The more important role of the home has been rooted in the culture and the social context. As the role of the home has affected several of the factors in the CBM, it is reasonable to think that after the pandemic the role of the home will continue to be more important than before the pandemic. Additionally, one interviewee states that consumers will always want to improve their homes, but that the economic development going forward will affect what consumers will focus on in the home. If there is positive economic development, consumers will continue with bigger purchases, if not, accessories and smaller items will be more in demand. However, some of the research and interviewees explain that there is a pent-up demand for discretionary items, to experience the world and to interact with people, and that consumers are longing for going on vacations and that it is possible that the prices in the travelling industry might increase. This would leave consumers, who want to travel, or just experience new things, with less money to spend on furniture and their home, and thereby the interest in the home might decrease slightly.

5.3. Adapting

Quite quickly after the outbreak of Covid-19 and the decline in consumption, consumption at IKEA recovered and reached a level altogether fairly similar to previous years. Thus, the recovery the interviewees describe goes in line with what the literature says regarding that consumption started, or will start to, recover. However, IKEA's recovery has been quicker still. This might be attributed to the increased demand for home furnishings as consumers focus more on their homes. The literature states that the recovery of demand will be unpredictable, and uneven across for example product categories. This can be seen at IKEA as different product categories increased in sales during different time periods. Another interesting point of discussion raised by the interviews and the literature is the notion that the recovery will come through digital means. While this has been true thus far, as IKEA has experienced a shift from offline to online sales, IKEA also believes that consumers will want to return to their stores as they are an experience in themselves. This is further discussed in chapter 5.4.. To summarise the recovery of consumption, both the literature and interviews agree that consumption will increase, and the interviewees explain that this recovery has already started at IKEA.

The literature also indicates there has been an increased demand for living in less rural areas during the pandemic. Several factors are driving this development; Covid-19 spreading faster in more densely populated areas, new and increased opportunities for working remotely, and a possibility that consumers to some extent will avoid crowded areas even after the pandemic. The interviews suggest that new criteria may be introduced when consumers evaluate their alternatives. Aside from criteria such as location, bearing and commuting distance, consumers might start to evaluate potential new homes on the criteria of how densely populated the area is in order to avoid the risk of being infected by future pandemics. This has induced a trend to move out from cities, and the interviews suggest that the demand for villas and houses within commuting distance of cities has increased dramatically. Living outside city centres reduces the price paid per square meter, allowing consumers to afford bigger homes, which in turn could affect their consumption of furniture and home decor. As the CBM suggests that habits affect consumer decision-making and behaviours, the habit of spending more time at home and doing several things in the home, naturally affects consumer decision-making and behaviour. Hence, demand for more space and wanting to move out from cities, where more space can be acquired for less money, is a natural consequence of this habit. Demand for more space and living outside of city centres might continue as a trend along with the opportunities to work remotely, which in turn likely will be a persistent trend in the future.

5.4. Changed channel interaction

Both the literature and the interviews agree on how the transition towards online sales has accelerated to an incredible speed during the pandemic. Usage of social media platforms have also taken a larger part in consumers' everyday lives during the pandemic. This can partly be attributed to the increased amount of time spent at home which facilitated online consumption, and in turn forced companies to develop innovative solutions in their online offering. Because of innovation in distribution channels and solutions, it has been easier for consumers to purchase online, which further has enhanced the online shopping. For IKEA, this can be seen in a heavy increase in online sales already in the first weeks of restrictions, and that the range of products being sold online is getting closer and closer to the broad range of products sold in the physical store. A consequence of the increased online shopping that the research discusses is how impulse buying might get affected. This is supported by the interviewees saying that the amount of impulse shopping at IKEA has decreased, as online consumers have a more targeted shopping mindset. Both research and the interviews agree that online consumption will continue to increase after the pandemic, due to its convenience and economic benefits. Voyer (2020) describes that for a habit to stick, consumers must reap benefits from adopting the habit and it must be easy to maintain. This further emphasises that this behaviour will stick, as the online consumption is convenient and has economic benefits. The CBM in Figure 1 also describes how habits is one of the factors influencing consumer decision-making and behaviour, and since it has become a habit for more people to make online purchases, it is likely that this habit will influence consumers to continue making online purchases. An interesting aspect IKEA should investigate is how large part of the increased online consumption that is attributed to first-time online consumers. This is an important measurement according to Watanabe and Omori (2020), as it will probably affect the future amount of online sales. Lastly, to facilitate consumers' transition towards online consumption, IKEA should continue to cherish their digital presence and focus on delivering a convenient experience, and also further use their social media channels for marketing purposes.

A consequence of the increased online sales, discussed in both the interviews and the literature, was how consumer loyalty decreased in general during Covid-19. The reason for this was partly due to consumers putting higher expectations on companies to take action in society during the pandemic, but mainly because of the increased number of options due to the increased online sales. However, the interviews suggest that the consumer loyalty has not decreased for IKEA. This might be because IKEA in general is a loved brand and has, according to the interviews, done a lot of good for local communities in the wake of Covid-19. Looking at the CBM, habits and cultural factors affect consumer decision-making and behaviour. Since IKEA is a rooted institution in Swedish culture, as well as that it is a habit for many consumers to purchase furniture at IKEA, this might have helped to keep the same levels of consumer loyalty. This goes in line with the literature on the subject saying that trusted companies that have undertaken altruistic actions during the pandemic have a lower risk of experiencing declining consumer loyalty. Hence, it would not be surprising if consumers continue to conclude that IKEA is a strong alternative and that they thereby remain loyal to IKEA. Regarding consumer loyalty in the future, it is reasonable to expect that it in general will decrease, as online sales is expected to increase and thereby continue to offer consumers many different options. Thus, to continue having a strong consumer loyalty, IKEA needs to offer a strong online presence, show how they contribute to society, and keep their beloved reputation.

Another consequence of the increased online sales according to the interviewees is how consumers have started to interact with several channels simultaneously in their shopping journey. Consumers might for example browse the physical store but still order online, book remote meetings with interior decorators at IKEA but go to the store to purchase their products, or use Click & Collect but still go inside the store to buy some extra things. There is almost an unlimited number of combinations of how consumers can use physical, online, remote or telephone channels to choose the combination of channels that suit them the best. Furthermore, the continued shift to online sales increases the expectations consumers put on companies to make themselves accessible, convenient and to deliver a seamless experience. These increased consumer expectations may make returning to pre-Covid-19 ways of consumption impossible. The online channel provides a faster, easier, and more convenient shopping experience, and the possibility to interact with several channels all at once makes it increasingly possible for consumers to choose their preferred way of shopping. This suggests that consumers in the future will use IKEA's channels in new ways and combine them in different ways. Furthermore, Hwang et al. (2020) discusses the benefits of using an omnichannel and found that there are several opportunities for omnichannel retailers to adapt after a pandemic, which further speaks in favour of having an omnichannel offering.

A consequence of the increased interaction with several channels and the increased demand for services is that IKEA's business model of dividing the work between themselves and the consumer might be affected. As services like delivery and assembly are increasingly used, the amount of work IKEA does in relation to the consumer increases. The interviews indicate that consumers use services to save time and to increase convenience for themselves. As convenience is one of the factors driving the shift towards online consumption, it is expected to continue in the future. This indicates that services are something that will be increasingly in demand in the future too. Therefore, it might be important for IKEA to revisit their business model to see how much of the shared effort consumers want IKEA to take on.

The interviews explain that while visits to the physical stores have decreased during the pandemic, and the expectations is that online sales will continue to increase, consumers still like spending time in IKEA stores and will probably want to come back when restrictions lift. Physical stores provide some advantages over online channels, such as seeing and feeling products before purchase, and giving consumers immediate possession of products instead of waiting for them to be delivered. Relating this view with the CBM, traditional shopping through physical channels is still a habit for a large share of the population, and it is somewhat embedded into the Swedish culture to visit IKEA to gain inspiration or for a day out, suggesting that consumers will return to the stores to some extent in the future. Speculations from the interviews suggest that consumers will then want something more from the stores than just traditional shopping. Expertise from co-workers is cited by the interviewees as the largest benefit of the physical store, but the online channel is evolving to include this aspect too. A reasonable assumption is therefore for the stores to focus more on the experience it provides to the consumers. Interviewees suggest that the store will be more of an experience centre where focus should lie in delivering expertise and inspiration to the consumers from engaged and experienced IKEA employees. Aside from providing consumers with an experience they cannot get online; another future purpose of the physical stores would be as distribution centres to facilitate online sales. Having a network of physical stores can support the online channel as they can be used to deliver online orders to consumers. Using the stores instead of a centralised warehouse can reduce delivery times and optimise capacity utilisation, as suggested by Harsha et al. (2019). The interviews show how IKEA would like to use the stores for this purpose in the future, which might prove effective for future deliveries and capacity utilisation.

To conclude, as consumers in the future most likely will want to interact with different channels at the same time, where each channel fulfils a purpose, it is important for IKEA to continue developing their omnichannel experience. The interviews highlight that the omnichannel makes IKEA more accessible to more consumers, as it offers consumers to interact seamlessly with them, no matter what channels they use. Hence, regardless of what part of the shopping journey the consumer is in, it is important that IKEA offers them the ability to choose what channel to use. Consequently, the channels will simultaneously need to fill separate purposes for the consumers, while also working together to form a whole. The channels could facilitate each other by for example providing QR codes on products in the stores to easily find the products online or show online maps of where to find certain products in the store. Lastly, consumers using the omnichannel spend more money, are more loyal to brands and engage more in positive word of mouth than offline consumers, and research shows that companies offering an omnichannel have several opportunities to adapt in the face of a pandemic, making the omnichannel even more important.

6. Conclusions

The purpose of this report has been to further the research on how consumer behaviour has changed during the Covid-19 pandemic and how it might continue afterwards. The research questions have been answered, both through the literature study and the analysis. IKEA has played an important part of the study, as it has been used as a focal company, and investigation into how the changes in consumer behaviour create implications for IKEA in Sweden has been made. Thus, the purpose has been fulfilled in a satisfactory manner.

The literature study in this report showed that when consumers are faced with economical constraints, their behaviour can be chronologically classified into three stages: reacting, coping, and adapting. In each stage, consumers adopt different behaviours related to how long the economic constraint has affected them. The empirical findings from this report were focused on the specific behaviours of IKEA consumers, but went well in line with the literature. In chapter 5., the research questions were answered by comparing the literature study to the empirical findings. By answering the three research questions of the report, two main contributions are presented.

The first contribution is the importance of offering an omnichannel experience to consumers. The importance of the omnichannel has increased quickly during the pandemic, as consumers interact with the channels in new ways. This is also projected to continue being important in the future. The channels need to fill separate purposes for consumers, while also working together and facilitating each other. The research suggests that the role of the physical store should focus on the experience for consumers and the expertise IKEA co-workers can provide for them. The online store should instead focus on the convenience it offers consumers. Convenience is according to the research an important factor for consumers, and it will continue to be important in the future. As the usage of online channels increased greatly and the digital transformation towards online shopping happened faster than both literature and interviewees had expected, it is increasingly important for actors, including IKEA, to improve their online offering. IKEA should also increase their presence on social media platforms, as these channels have increased in usage. It is suggested that IKEA investigate how large share of their increased online sales that is attributed to first-time online consumers, as this may have significance for future online sales.

The increased usage of the omnichannel and digital channels has also created implications for consumer loyalty, but IKEA has so far been largely unaffected by this. To remain unaffected, IKEA needs to continue working on their online presence and experience, together with delivering a good brand image and doing good for the society.

The second main contribution from the research is how the role of the home has increased in importance, and that it is increasingly important that it is both homely and functional. The home in the future will likely be more important than it was before the pandemic due to several reasons; it has become a safe place for many people, working a few days of the week from home seems to be an enduring trend, and the trend of moving to houses outside of cities meaning that consumers will have more space for furniture and home decor in their home. However, the home will likely not be as important as it has been during the pandemic. The pent-up demand to experience the world, and that consumers might spend their saved money on travelling instead of the home, will probably take away some of the focus on the home.

Another aspect that the pandemic has had implications for is consumers’ demand for social sustainability, but the effect on demand for environmental sustainability is less clear. As focus on essentials and simplicity has become more important to many consumers, the demand for environmental sustainability should reasonably have become higher. The valuing of essentials and simplicity is not likely to continue after the pandemic and will therefore probably not affect the demand for environmental sustainability in the future. How much the pandemic actually has affected environmental sustainability is unclear, but other factors, like the younger generations’ higher focus on sustainability, are likely to influence its increased importance in the future. Social sustainability has on the other hand been more affected due to the pandemic, as more pressure is put on companies to act for the benefit of society and the safety of their employees. How companies have acted and will act during the pandemic will likely be remembered in the future.

The research also accounts for some trends that could be seen during the pandemic but has already vanished or are projected to be less important in the future. An early and quite short-lived consequence of the pandemic was how consumers started to hoard goods seen as necessities, to safeguard themselves from future possible shortages. Further, in the first months of the pandemic, overall consumption decreased, but recovered quicker than expected at IKEA, probably due to consumers' increased focus on home. Another trend is how safety and health have become increasingly important, but this does not seem to be factors consumers will value the most highly in the post-Covid-19 era. Instead, consumers seem to want a convenient and seamless shopping experience.

Lastly, this report can be used and contribute to further research on the subject of how the Covid-19 pandemic has created implications for consumer behaviour. A great deal of research needs to be conducted to understand how the pandemic has changed society and the world, and this report is one out of many that contributes to building this knowledge.

Reflections and further research

The case study in this research project has investigated consumer behaviour from the perspective of IKEA. Not talking to consumers directly about their behaviour might be considered a weakness of the research approach. However, the lack of direct consumer data is mitigated by the literature study on the changes in consumer behaviour during Covid-19.

Furthermore, only interviewing employees in Sweden narrows the scope and might decrease the generalisability of the study. IKEA’s operations in different countries are highly adapted to that market environment, meaning that focusing on Sweden would limit the results’ applicability to general IKEA operations. However, conducting research outside of Sweden would be problematic for several reasons. Firstly, the limited time and resources available for this research project makes an increasingly extensive data collection complicated. Due to the large size of IKEA, it would be too time consuming to interview several people from different countries. Secondly, as market demand and consumer behaviour can differ substantially between countries, the validity of this study increases with a more focused approach. Thus, only focusing on Sweden will increase the applicability of the results to Swedish IKEA operations.

The literature study has aimed to collect all relevant information regarding consumer behaviour changes induced by Covid-19. Some information may have been overlooked due to the limited time available for the literature study, whether all relevant information was found using the two databases Chalmers' library and Google Scholar, and the massive amount of research available on this topic.

This report has purely investigated changes in consumer behaviour from the producer's perspective. Future research that aims to investigate consumer behaviour changes during the Covid-19 pandemic from the consumer's perspective is encouraged. For example, this could take the form of a quantitative consumer survey, where consumers are asked directly about their behaviour. As the pandemic is ongoing and continuously affects consumer behaviour, research of this kind should be conducted in the near future. Another future research suggested could be to investigate the effects on consumer behaviour when the aftermath of Covid-19 have been established.

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Appendix

A: First interview template

- What are the differences in the market environment IKEA is operating in now vs five/ten years ago?
- What worked well in the previous market environment?
- What problems did IKEA have then?
- What works well now?
- What problems do you have now?
- What is the largest challenge IKEA faces?
    - What would IKEA need to solve these challenges?

B: Pilot interview template

- How long have you been at IKEA and in this role?
- Has the consumer behaviour changed recently? (If asked about 'recently' → relevant changes for consumer behaviour today, so they are free to define the time horizon themselves)
    - How has it changed?
    - Why has it changed?
- What are the main drivers for this change in consumer behaviour?
    - Why?
- When did the change start?
    - Why?
- Has Covid-19 changed consumer behaviour?
    - If so, how and why?
- What was most important for consumers before the change?
- What is most important now?
- What will be most important in the future?
- In terms of the consumer behaviour, what is the biggest challenge IKEA faces?
    - Why?
    - What would you need to solve this/these challenge/s?
- Is there anything you would like to add that we have missed with our questions?

C: Main interview template

Consumption theme

- Describe how Covid-19 has changed consumption among IKEA consumers, from the beginning of Covid-19 until now (e.g. increased/decreased, panic buying, product groups, essentials).

- How will the consumption change in the future, post-Covid-19? (e.g. increase/decrease, panic buying, product groups, essentials)

Omnichannel theme

- How has the usage of IKEA's channels changed due to Covid-19?
- How do you think the channels will be used post-Covid-19?
- How big part of the increased online shopping is from new online consumers? (not from previously existing online consumers)

- What is the purpose of the different channels? Has Covid-19 changed that?
- Will the same purpose remain post-Covid-19?
    - What can the physical store offer that no other channel can?

- Has Covid-19 changed what type of products that are purchased in the different channels?
- How will this change post-Covid-19?

- What are the main challenges and opportunities regarding the omnichannel?
- How can IKEA leverage the increased availability of options for the consumers?

Changed consumer expectations theme

- How has Covid-19 changed the expectations consumers have on IKEA?
    - How does IKEA work to meet these expectations?

- How has Covid-19 affected consumers' demand for sustainable solutions and CSR?
    - What will it look like in the future?

- How has Covid-19 affected consumers' demand for convenience?

- Are consumers more, less or equally loyal to IKEA now compared to before Covid-19? Why?
    - How about in the future?

Focus on home theme

- What changes can IKEA see regarding how consumers view and use their homes?
    - How does this affect retailing and sales for IKEA?
- How will consumers view their homes post-Covid-19?

- Is there anything you would like to add that we have missed with our questions?

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