

Less Choices Are Here To Stay - Consumer Behavior

In response to the COVID-19 pandemic, American consumer choices have changed in the realm of diet, food preparation, and lifestyle habits. The transition into at-home cooking as a means of financial saving and risk reduction has expanded through American society and is projected to leave both short-term and long-term effects on consumer choices.

In addition to consumer impact, retailers are also experiencing drastic changes in food choices as a result of the pandemic; grocery stores have begun to reduce food options while large corporate retailers have also transitioned into limited offerings. Consumer choice reductions by American retailers have resulted from stressed supply chains and market preferences leaning towards familiar brands.

The short-term effects of the pandemic on consumer choices across industries are projected to shift long-term as some companies plan to commit to fewer choices post pandemic. The desire for retailers to limit product variety stems from efforts to manage demand increase by simplifying. In-house dining is another realm of industry that has adjusted on the basis of the pandemic as more employees face job security threats. Restaurants have begun reducing menu options in order to mitigate extensive labor or supply costs that would often be needed in a growing and expanding food industry. The automotive industry is also feeling the effects of the pandemic and many automakers have begun the transition to limited supply and variety in hopes to salvage extraneous costs within the supply chain and decreased sales.

Uncertainty regarding the long-term effects of consumer choices remains, though some retailers have approached the transition with permanence and voiced limited desires to return to broadened product choices. The immediacy and simplicity created by fewer choices for both the retailers and consumers lends the debate towards the permanence or temporary incentives behind retailers' consumer choice reductions long term.

Sources: U.S. Department of Agriculture; Economic Research Service

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