

3 QUICK QUESTIONS

## First Insight's Greg Petro on whether the coronavirus will alter consumer behavior

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*Greg Petro is CEO of First Insight*

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The one segment the pandemic has affected the most is millennials, according to newly concluded research from First Insight, a digital product testing and decision-making platform.

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But what about the rest of the market, including the other generations will the coronavirus affect their behavior in the long term?

We posed three quick questions to Greg Petro, CEO of **First Insight**, Warrendale, PA, whose firm released new findings on consumer behavior evolution with the coronavirus outbreak ([see story](#)):

How will the coronavirus alter consumer behavior in the short term?

We're in new territory with the coronavirus.

As uncertainty leads to fear, consumers are reacting and so are the markets.

While the majority of consumers are worried about the virus' overall impact, millennials' behavior is changing more dramatically than any other generation cutting their total spending, stocking up on groceries, using public transportation less and staying indoors.

Will the virus permanently alter consumer behavior long term and how?

Consumers may not intentionally alter their spending behavior in the long term, but some lasting change may be forced on them due to constrained supply of the goods they want to buy.

Retail supply chains have experienced significant disruption.

Production may be unable to catch up to demand, which would affect summer, fall and potentially holiday sales.

While China drives the world's retail supply chain with about 40 percent of U.S. clothing imports and 73 percent of footwear imports being made in China, it's not just affecting those sectors.

It's also impacting consumer electronics, technology, and the auto and travel industries, among others.

Ninety-three percent of respondents believe that the coronavirus will somewhat or significantly impact the U.S. economy.

Eventually consumer behavior will go back to a normal equilibrium, but it will likely take some time.

What should marketers do to cope or tackle this altered consumer behavior?

With limited production available, brands need to place their product bets quickly and accurately. They need to make product selection decisions quickly to lock in their share of the constrained production capacity.

With constrained supply, it's more important than ever to select the products that consumers love and will want to buy, particularly in the luxury sector.

Technology solutions including 3D design and digital product testing are mission-critical for increasing the speed and accuracy of product selection decisions.

With reduced store traffic, marketers need to maximize conversion rates of the fewer customers who come into their shops by selecting and featuring the products that resonate best with their target customers.

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