Compensatory Consumption Behavior as a Coping Strategy for COVID-Stress

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Introduction and Literature Review

There has been an increase in stress among the consumers amid the global pandemic, COVID-19. Taylor et al. (2020) described COVID-stress as the stress and anxiety experienced by an individual as a response to the COVID-19 pandemic. Several researchers have noted changes in consumption behavior as a response to the pandemic (Addo el al., 2020; Ahmed et al., 2020; Hao et al., 2020). For example, an increase in panic buying (e.g., stockpiling, hoarding) has been observed among the consumers in the anticipation of the products (e.g., toilet paper, food, medicine) getting out of stock or an increase in price of the products (Addo el al., 2020; Ahmed et al., 2020; Hao et al., 2020; Kirk & Rifkin, 2020). Some researchers indicated that the impulsive and hedonic buying (e.g., alcohol consumption, hedonic shopping of books) have increased amid the pandemic (Nguyen et al., 2020; Rahman et al., 2020). According to the cognitive dissonance theory, when there is a psychological distress, individuals behave in such a way that decreases their distress (Festinger, 1957). As such, it could be implied that consumers engage in panic buying or hedonic/impulsive shopping during the pandemic to cope with their COVID-stress. For example, panic buying could give consumers a temporary feeling of security in terms of having access to the products required for survival. The impulsive/hedonic shopping could help consumers escape from the reality and forget about the pandemic temporarily, decreasing their stress. According to the compensatory consumer behavior model (Mandel *et al.*, 2017), individuals consume products that symbolically represent the identity they desire to decrease the aversive psychological responses stemmed from their self-discrepancy in that identity. American consumers are known for their indulgent consumption habits (Podoshen & Andrzejewski, 2012). As such, a situation (e.g., the pandemic) forcing them to restrain their indulgent consumption may evoke a self-discrepancy in the fear of losing their identity of being indulgent shoppers, increasing their intentions to engage in hedonic/impulsive shopping. Shopping helps consumers escape reality, daydream, and reduce negative emotions (Kang & Johnson, 2011). Thus, we conceptualize the impulsive and hedonic buying amid the pandemic as therapeutic shopping behavior due to its potential of helping the consumers temporarily escape the reality of the pandemic, daydreaming about a pandemic-free time, and reduce negative emotions. Thus, integrating the theoretical frameworks of cognitive dissonance theory and compensatory consumer behavior model we proposed that COVID-stress will evoke intentions for (H1) panic buying and (H2) therapeutic shopping. However, given the increased layoffs and unemployment amid the pandemic, financial insecurity has increased among the consumers (Wilson *et al.*, 2020). It could be implied that the (H3) COVID-stress will positively influence need-based buying (i.e., buying only the essential products when needed). Since need-based buying relates to utilitarian buying of the products that are essential and not buying in excess, we propose that the intentions to need-based buying will negatively influence intentions for (H4)

panic buying and (H5) therapeutic shopping. Since the financial insecurity may further aggravate the COVID-stress, we hypothesized that the perceived financial insecurity would strengthen the positive influence of COVID-stress on the intentions for (H6a) panic buying, (H6b) therapeutic shopping behavior, and (H6c) need-based buying.

Method

We conducted an online survey by using the platform of Qualtrics. The sample frame included the national population of the U.S., representing individuals who were 19 years or older. The respondents were recruited from Amazon Mechanical Turk. COVID-stress (Taylor et al., 2020) and intentions for therapeutic shopping (Kang & Johnson, 2011), need-based buying (Jones et al., 2006), and panic buying (Lins & Aquino, 2020), and perceived financial insecurity (Lawrence et al., 2013; Odle-Dusseau et al., 2018; Wilson et al., 2020) were measured by adapting or adopting extant measurement scales. All the research variables were measured in 5-point Likert scales (1 = strongly disagree, 5 = strongly agree). After the successful completion of the survey, the respondents were given 50 cents as participation compensation.

Data Analysis and Results

The useable sample size was 490. The Cronbach's alpha and composite reliability of the scales were between .84 to .97. Thus, the measurement scales were reliable. The confirmatory factor analysis was performed in MPlus. The measurement model fitted the data well (χ^2 = 6267.11, df = 3057, $p < .001$; χ^2/df = 2.05; RMSEA = .05; CFI = .91, TLI = .91; SRMR = .06). The average variance extracted were in the range .53 to .77 for all the scales and their sub-factors indicating adequate convergent validity. Therefore, all the scales were reliable and valid. The hypotheses were tested through structural equation modeling (SEM). The SEM model (χ^2 = 4672.82, df = 2261, $p < .001$; χ^2/df = 2.07; RMSEA = .05; CFI = .92, TLI = .92; SRMR = .06) fitted the data well. H1 (β = .66, $p < .001$), H2 (β = .52, $p < .001$), H4 (β = -.12, $p < .01$), and H5 (β = -.29, $p < .001$) were supported. H3 (β = -.03, p = .55) was rejected. The variance explained in intentions for therapeutic shopping and panic buying were 36% ($p < .001$) and 45.2% ($p < .001$) respectively. H6 was tested through MANCOVA in SPSS with intentions for therapeutic shopping, panic buying, and need-based buying as the dependent variables and COVID-stress and perceived financial insecurity as fixed factors. COVID-stress and perceived financial insecurity were converted into categorical variables through median split method. H6b was supported (F = 3.97, df = 1, $p < .05$; partial η^2 = .01, observed power = .51) and H6a was marginally supported (F = 3.33, df = 1, p = .07; partial η^2 = .01, observed power = .45). H6c was rejected (F = .80, df = 1, p = .37; partial η^2 = .00, observed power = .15).

Discussion and Conclusion

Consistent with our hypotheses, we found that COVID-stress positively influenced the intentions for panic buying and therapeutic shopping. The intentions for need-based buying negatively influenced the intentions for therapeutic shopping and panic buying. The intentions for therapeutic shopping and panic buying were highest (lowest) when both COVID-stress and financial insecurity were high (low). These findings corroborate the significance of shopping as a

coping mechanism for COVID-stress. Based on our findings and the theoretical frameworks of cognitive dissonance theory and compensatory consumer behavior model, we imply that panic buying and therapeutic shopping may alleviate COVID-stress among the consumers of the U.S. Researchers may further explore if panic buying and therapeutic shopping could be effective coping mechanisms for COVID-stress in other countries that score high in indulgence (e.g., Australia). Since therapeutic shopping could be applicable for many different product categories (e.g., food, apparel, cosmetics, home décor), marketers and brands can focus on communicating how their products can help consumers daydream about a pandemic-free time. Surprisingly, we did not find any significant influence of COVID-stress on the intentions for need-based buying, even amid the times when instances of layoffs and unemployment are rife. It could be implied that the U.S. consumers find it important to maintain their identity as indulgent, even during the uncertain financial times. This alludes to the U.S. culture being high in indulgence and short-term orientation and low in uncertainty avoidance. Researchers may conduct cross-cultural studies to explore how the different cultural dimensions influence the coping mechanisms for COVID-stress.

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