

SALES

Conscious Customers and COVID-19

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What can you do to help the economy?

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America today faces a crisis of unimaginable proportions. As of writing this note, 116,400 people have died in the United States, and 2.3 million are currently infected with Coronavirus. The financial cost of the pandemic is predicted to be close to \$5 Trillion to the US and \$20 Trillion globally. Unemployment claims have soared to 36 million. Approximately 212 countries and territories are under some form of lockdown. While the

US government is introducing massive economic stimuli, it can support the economy only for a short period. In this article, we propose what customers, which means all of us, can do to make a difference.

The importance of customers in the economy is underlined by the fact that the American consumers' share of the GDP reached a towering 68% in last year's fourth quarter. Thus, it is important to understand the role that 'enlightened' customers can play in the current crisis. Like John Mackey of Whole Foods, we can call them **conscious customers**: customers who, whenever possible, use their buying power responsibly and with a higher purpose in mind, that of helping the economy. Let's see how conscious customers can help in keeping the economy moving.

First, even in these uncertain times, **customers should stay engaged with the businesses they value and have patronized in the past and should continue to give them business.** This is especially important for small businesses, as they employ 53% of workers and contribute 44% to the US GDP. All consumers should remember that over 99% of employing organizations are small businesses out of whom more than 95% have fewer than 10 employees. For instance, do you have a favorite small restaurant? Without your support, the restaurant will close down for good. If you want to see it survive, place takeout or home delivery orders on them. You can also buy gift cards and thus provide much needed cash flow to the business. In addition, try spending money on labor intensive services such as local agriculture, hospitality, nursing, teaching, etc. Gift a yoga class, a massage, or a tarot reading session! Most of these businesses also happen to be small businesses.

Second, **outsource your everyday tasks whenever possible.** Hire a landscaping company, snow-removal company, gutter cleaning service, etc. Don't paint your deck yourself—hire a painter. Don't clean your own car—hire a car cleaning service. Hire someone to winterize the irrigation system, hire a personal math tutor for your kid, and even hire a part-time cook if you can afford it! Someone we know follows the 'one-third rule': any job that can be outsourced at one third the rate that he himself makes (about \$70/hr.), he never does it himself.

Third, **support the gig economy as much as possible** by using websites such as Upwork, Fiver, Etsy, TaskRabbit, etc. According to the Bureau of Labor Statistics, around 55 million Americans (about 35% of the workforce) participated in the gig economy, and 90% said they would consider freelancing or contract work, if available. In particular, we urge consumers to embrace the novel remote services as they emerge in the gig economy. Remote guitar lessons, language lessons, graphic designing, digital marketing, dog training sessions, and museum tours are some examples of virtual services that are available and can add value to your life.

In summary, if your wealth, skill-sets, and job make you feel secure enough or more fortunate than others in this environment, then why not save less, enjoy more, and improve the quality of your own life and that of others around you? Spend what you can and trust the market forces to handle the rest. Many jobs, such as health care professionals, educators, accountants, law enforcement, utility workers, etc. are considered relatively recession-proof and stable. 75% of workers still had jobs even during The Great Depression, even though the fear and uncertainty were pervasive. There are about 37 million households in the US that make more than \$100,000 a year, and many of them might be able to loosen up their purse strings to benefit others. Someone we know regularly saved about \$2000 every month, but he is putting that on hold for a few months. All that money is now being spent in the above-mentioned ways. The basic message is this: It's time for customers to realize their role as a key stakeholder. They should take charge of getting the economy on its feet and, in the process, help themselves and their communities. In other words, we all should try to become 'conscious' customers.



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