Us Consumers and Disaster: Observing “Panic Buying” During the Winter Storm and Hurricane Seasons

Owen Kulemeka, University of Illinois at Urbana-Champaign, USA

This study is examining how consumers behave when preparing for a seasonal disaster. Consumers’ pre-disaster behavior has not been extensively studied because it is often dismissed as irrational “panic buying.” Pre-disaster consumer behavior merits study because many people, faced with decreasing government aid, are preparing for disasters by purchasing. To gain insight on pre-disaster consumption, data is being collected by observing stores in areas slated for a seasonal disaster. Findings reveal that panic, hoarding, and other anti-social behaviors do not characterize pre-disaster shopping. Instead, most pre-disaster shoppers are organized and willing to assist others.

[to cite]:
Owen Kulemeka (2010), "Us Consumers and Disaster: Observing “Panic Buying” During the Winter Storm and Hurricane Seasons", in NA - Advances in Consumer Research Volume 37, eds. Margaret C. Campbell, Jeff Inman, and Rik Pieters, Duluth, MN: Association for Consumer Research, Pages: 837-838.

[url]:
http://www.acrwebsite.org/volumes/14976/volumes/v37/NA-37

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
US Consumers and Disaster: Observing “Panic Buying” During the Winter Storm and Hurricane Seasons

Owen Kulemeka, University of Illinois at Urbana-Champaign, USA

In the US, consuming is an integral part of preparing for disasters. In Hurricane Katrina’s aftermath, government officials have stressed that US residents should not plan on solely relying on charity or government aid after a disaster. Residents are encouraged to purchase emergency supplies prior to a disaster because past disasters have shown that it can take weeks before outside aid arrives (FEMA, 2009).

Despite the emphasis on pre-disaster buying, little academic research has been done on how people purchase emergency supplies. Much of what has been written about purchasing emergency supplies is primarily in the popular press and focuses on what is called “panic buying.” Each year before seasonal disasters, government officials and journalists admonish consumers to avoid panic buying. Consumers are criticized for buying supplies too early thus driving prices up or for waiting until the last minute which is seen as neglecting emergency planning (Mitchell, 2008; Perry, 2008).

These criticisms provide little insight into how consumers purchase emergency supplies. Dismissing pre-disaster behavior as “panic buying” provides no answers regarding why some consumers purchase in advance and others wait. To gain insight into consumers’ pre-disaster behavior, I am studying how US consumers in areas prone to seasonal disasters make decisions about purchasing emergency supplies.

The study is divided into two parts. In the first part, I have developed a model that describes how consumers make purchasing decisions regarding emergency supplies. To develop this model, I have drawn from research findings regarding the issue of panic in disasters and how people seek information or help on critical needs.

Past research on disasters has shown that contrary to popular views, people rarely panic prior to a disaster or when a disaster is occurring (Drabek, 1986). Helsloot and Ruitenberg’s (2004) review of research on panic points out that in a disaster situation (e.g. during an earthquake), the initial fear that occurs due to uncertainty quickly diminishes and people start to look for ways to provide security for themselves and others. Instead of panicking, most people turn to help others and leave an insecure area in an orderly fashion.

When panic does occur, it impacts only a small number of people and lasts a short time (Perry & Lindell, 2003; Quarantelli, 1999; Dynes, 1994). The panic myth has emerged primarily because disaster victims inaccurately describe their response to disasters as panic. Journalists also describe unsuccessful attempts to deal with a disaster (e.g. failing to leave a burning building) as instances of panic. Helsloot and Ruitenberg noted that in many cases, failure to escape a fire is due to disorientation or smoke inhalation rather than panic.

Panic does occur in very limited situations when the following factors are present. First, people perceive an immediate, serious danger. Second, only a few escape routes are present. Third, they feel that escape routes are closing making immediate escape necessary. Fourth, there is a lack of communication about a situation (Helsloot and Ruitenberg, 2004).

In my model, I argue that since panic is rare except in extreme situations when the threat of death is imminent, consumer purchasing before a disaster is rational. In most pre-disaster shopping contexts, people are not facing a life or death situation. Hence, people shop in a manner that is not panicky but instead is aimed at meeting their needs rationally.

The second part of my model focuses on how people seek information and help on critical needs. Research on information seeking has revealed three key findings regarding help and information seeking. First, people (depending on their social status) exist in different levels of information poverty. Individuals who are marginalized (e.g. the poor) often lack information on how to obtain critical help because they cannot easily access information networks (Chatman, 1996).

Second, how people seek information and help is often shaped by the group in which they belong. In a marginalized group (e.g. a minority community), an intense information environment can develop. In these information rounds, individuals share a world view which dictates what outside information and help is accepted (Chatman, 1999). Members of a marginalized round can purposely block out information or help from the outside if it emerges from contexts they cannot control and knowledge could cause distress. Marginalized individuals will seek external information or help when their group agrees that help is needed and life in the round is no longer functioning (Chatman, 1999).

A third finding is that how people act to address critical needs is shaped by the constraints they feel (e.g. How much money do I have?), whether they recognize the situation as a problem (e.g. Is this storm going to be as big as they predict?), and whether they feel personally involved (e.g. Is the storm going to strike my neighborhood?) (Grunig, 1997).

In my model, I argue that consumers’ purchasing decisions prior to a disaster are shaped by their level of information poverty (how well connected they are to information networks) and whether their community values preparedness. In addition, how constrained they feel, their level of involvement, and problem recognition influence their decisions.

In the second part of my study, I am observing behavior in supermarkets to see whether it supports my model. In Winter 2009, I travelled to areas under storm watches and observed purchasing behavior. In Fall 2009, I will observe pre-hurricane buying. Preliminary findings from observations reveal that panic, hoarding, and other anti-social behaviors do not characterize pre-disaster shopping. Instead, most pre-disaster shoppers are organized and willing to assist others. Those who delay purchasing cite conflicting information from forecasters and a lack of resources (they fear buying supplies that will be wasted if a storm does not occur) as reasons for waiting until the last minute.

References
Effects of Color on Consumers’ Perceptions of Package Volumes

Joseph Lajos, HEC Paris, France
Amitava Chattopadhyay, INSEAD, Singapore

A body of research in marketing has examined the effects of visual biases on consumers’ judgments of product volumes (see Krishna 2007 and Raghubir 2007 for reviews). Although the potential influences of a package’s proportions and shape on consumers’ judgments of product volumes have been studied extensively, marketing research has not examined the potential of package color to bias consumers’ product volume judgments.

Folkes and Matta (2004) observed that attention and size often covary, and provided evidence that attentional differences contaminate people’s judgments of relative size such that objects that attract more attention are judged as larger. Their logic is essentially based on reversing the argument that large sizes attract more attention.

Fashion consultants often suggest that if you want to attract attention, you should wear red (Manji 2009). Research in psychology confirms the common notion that reds (and other high wavelength colors) attract more attention than blues and purples (and other low wavelength colors). Using a variety of methods this research finds that high wavelength colors stand out, “advance,” and are more noticeable, whereas low wavelength colors fade away, “recede,” or go unnoticed (e.g., Johns and Sumner 1948; Luckiesh 1918; Pillsbury and Schaef er 1937; Taylor and Sumner 1945).

Combining research suggesting that high wavelength colors attract more attention than low wavelength colors with research suggesting that objects that attract more attention appear larger leads us to hypothesize that consumers judge products to have greater volumes when their packages are colored with a high wavelength hue (e.g., red) versus a low wavelength hue (e.g., purple).

Consistent with our hypothesis, research in psychology that has examined the effect of color on people’s size judgments has often found that red objects appear larger than equally-sized purple or blue objects (e.g., Bevan and Dukes 1953; Claessen, Overbeek, and Smets 1995; Gundlach and Macoumbrey 1931; Wallis 1935; Warden and Flynn 1926). It is also notable that differences in the perceived size of the red and blue areas of the French flag (which are actually equally sized) resulted in an official recommendation to reduce the size of the red area compared to that of the blue (Helson 1951).

A weakness of past research on the effect of color on size judgments is that most of this research did not utilize a standardized color system that differentiates between the various shades of colors. Another weakness of past research in this domain is that it is solely empirical, and does not advance a theory to explain the demonstrated results. We report results from three studies that support our hypothesis.

In study 1, we asked 118 participants to view 30 slides, each of which displayed a pair of shapes arranged vertically that differed in color, and to report which of the two shapes appeared larger. On two of the slides, the shapes were actually of an identical size and differed only in color (red vs. purple and green vs. yellow). Consistent with our hypothesis, significantly more participants judged the red shape to be larger than the purple shape (N=55 vs. N=25), ($\chi^2$ (1)=11.25, p<.01). We also obtained this effect with colors that were closer in wavelength, as significantly more participants judged the yellow shape to be larger than the green shape than vice versa (N=58 vs. N=22), ($\chi^2$ (1)=16.20, p<.01).

In study 2, we asked 11 participants to view pictures of 12 product packages, to estimate the volume of each package in fluid ounces, and to answer a series of distractor questions about each product. We photographed the products next to a can of soda that served as a volume reference and used professional software to re-color the products’ packages. One package, a bucket of fish food, appeared twice in the series, once colored red and once colored purple. Consistent with our hypothesis, a within-subjects ANOVA revealed that participants’ estimates of the volume of the fish food bucket were significantly higher in the red condition (M=199.09 fl. oz.) than in the purple condition (M=109.27 fl. oz.), (F(1, 10)=5.21, p<.05).

In study 3, we asked 16 participants to complete the same procedure as in study 2, but with different product packages, and the addition questions about willingness to pay and liking of the package colors. We implemented the red vs. purple color manipulation using a box of detergent. Consistent with our hypothesis a within-subjects ANOVA revealed that participants’ estimates of the volume of the detergent box were significantly higher in the red condition (M=3083.33 mL) than in the purple condition (M=2262.67 mL), (F(1, 14)=4.64, p<.05).

The color manipulation also affected participants’ willingness to pay for the detergent, which was significantly higher in the red condition...