

Changes in Consumer Behavior and Adjustment of Customer Management Strategies under the Background of Economic Fluctuations

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Abstract: This article focuses on the changes in consumer behavior during economic fluctuations and the matching path of corporate customer management strategies. Taking the 2022-2024 global economic recovery differentiation period as the research background, combined with the International Monetary Fund's (IMF) World Economic Outlook and publicly available data such as consumer confidence index and household consumption expenditure released by national statistical agencies, empirical analysis is conducted. Research has found that economic fluctuations reshape consumer decisions through a dual path of income expectations and risk perception, exhibiting characteristics such as rational consumption dominance, increased price sensitivity, diversified channel selection, and weakened brand loyalty. Different income groups also exhibit significant behavioral differentiation due to differences in risk resistance abilities. Based on this, this article proposes strategic adjustment directions such as dynamic customer segmentation, omnichannel value transmission, and cost value balance. The study reveals the linkage mechanism between economic fluctuations and consumer behavior, providing public data support and practical reference for enterprises to optimize customer management systems and enhance market risk resistance capabilities.

Keywords: Economic fluctuations; Consumer behavior; Customer management; Rational consumption; and omnichannel operation.

1. Introduction

Since 2020, the global economy has experienced multiple disturbances such as the impact of the pandemic, high inflation, and geopolitical conflicts, presenting a fluctuating pattern of "recession and recovery intertwined". The International Monetary Fund's 2024 World Economic Outlook shows that global economic growth has sharply declined from 6.1% in 2021 to 3.4% in 2022. Although it has rebounded to 3.2% in 2024, there is significant differentiation in the recovery momentum. As the core driving force of economic growth, the consumer market has undergone profound changes amidst fluctuations. Data from the US Bureau of Labor Statistics shows that from 2022 to 2023, consumer spending of all income groups in the United States has increased, but the growth rate has slowed down significantly compared to the previous year. The decline in expenditure growth rate of the lowest income group is particularly significant; The Chinese market is also showing structural changes. In 2023, the total retail sales of consumer goods reached 47.14 trillion yuan, a year-on-year increase of 7.2%, but the consumer confidence index has been fluctuating at a low level for a long time.

The changes in consumer behavior directly impact the customer management system of enterprises. The traditional customer segmentation, marketing outreach, and loyalty cultivation model based on stable market expectations is generally ineffective in the environment of "shrinking demand and weakened expectations". The Kantar consumer index shows that brand loyalty in China's fast-moving consumer goods market has significantly decreased compared to ten years ago, and the risk of top brand elimination continues to rise. This change forces companies to re-examine their customer management logic.

Existing research often focuses on the consumption

characteristics of a single economic cycle and pays insufficient attention to the dynamic evolution of behavior during periods of volatility. This article integrates multiple countries' statistical data and industry reporting systems based on Keynesian consumption theory and prospect theory to analyze the dimensions and driving factors of changes in consumer behavior under economic fluctuations, and proposes targeted customer management strategy adjustment plans to provide theoretical and practical basis for enterprises to cope with market uncertainty [1].

2. The Transmission Mechanism of Economic Fluctuations and The Evolution of Consumer Market Characteristics

Economic fluctuations are transmitted to the consumer market through macroeconomic variables, forming a chain reaction of "expected deterioration behavior adjustment market differentiation", and the transmission path has significant stage and structural characteristics [2]. From the perspective of transmission carriers, income expectations, price fluctuations, and employment stability constitute the core transmission triangle. Data from the National Bureau of Statistics shows that the "future income expectations sub item" in the third quarter of 2024 China Consumer Confidence Index is at a low level, which directly reflects consumers' cautious judgment of the future economic prospects and significantly reduces their willingness to purchase durable consumer goods.

The consumer market exhibits three significant characteristics in fluctuations. One is the shift in growth momentum from scale expansion to structural optimization: In the first three quarters of 2024, the overall growth rate of China's fast-moving consumer goods market slowed down,

but the home care category grew against the trend and became a positive category for multiple consecutive quarters. The sales growth of segmented products related to health protection, such as laundry detergent and disinfectant wipes, was more prominent, further confirming the priority of health needs in consumer decision-making. The second issue is the price sensitivity differentiation and the cooling of the middle price band: the average selling price of the personal care category has further decreased compared to 2023, while the sales of high-end beauty products continue to maintain stable growth. The phenomenon of mid-range products having no price advantage and lacking high-end attributes and market acceptance continues to decline is particularly evident among consumer groups in first and second tier cities. The third is the reconstruction of channel value. Offline channels have rebounded against the trend: driven by the expansion of discount stores and warehouse membership stores, offline channel sales achieved positive growth in the first three quarters of 2024. E-commerce channel growth slowed down, while warehouse membership stores maintained high-speed growth. With the characteristics of large packaging and high cost-effectiveness, warehouse membership stores attracted a large number of family consumers to purchase on weekends, accounting for more than 60% of the consumption scene.

There are differences in the transmission of volatility among different economies. Developed economies are significantly affected by high interest rates, and the University of Michigan Consumer Confidence Index remains at a low level in October 2024, far below the pre pandemic average; Emerging markets, on the other hand, have shown strong support from domestic demand. In some Southeast Asian countries, the expansion of the domestic consumer market and the high proportion of young people have led to particularly prominent consumption growth rates. This regional difference provides a clear direction for multinational enterprises to adjust their market layout. This difference provides important reference for enterprises to develop differentiated customer strategies.

3. Dimensions and Empirical Manifestations of Consumer Behavior Changes Under Economic Fluctuations

Economic fluctuations reshape behavioral patterns from four dimensions: consumer decision-making, category selection, channel preferences, and brand attitudes. Different income groups exhibit significant heterogeneity. The rationalization of consumer decision-making highlights the high scale of global sustainable investment funds in 2023. Consumers' attention to "ingredient transparency" and "cost-effectiveness" has significantly increased, and the frequency of ingredient searches on mainstream e-commerce platforms has significantly increased year-on-year, reflecting a shift in decision-making from "emotional impulse" to "rational judgment".

The category selection presents the characteristics of "necessary upgrade, optional contraction". The trend of healthy upgrading in essential consumption is obvious. In 2024, the sales of beneficial bacteria health products in China will maintain a high growth rate, and the repurchase rate of glucosamine will remain high, indicating an increase in demand for preventive health; The optional consumption shows structural differentiation, and the proportion of people

aged 60 and above in cruise tourism has significantly increased. The repurchase rate of specialized products for middle-aged and elderly people on tourism platforms has shown outstanding performance. The growth rate of high-end luxury consumption has slowed down significantly from the previous high. The data from the US Bureau of Labor Statistics further confirms this trend. From 2022 to 2023, the growth rate of spending on essential categories such as food and healthcare by US households will be significantly higher than that of optional categories such as entertainment and clothing [3].

Channel selection has entered a new stage of "omnichannel integration", where consumers are no longer limited to a single channel and dynamically switch online channels based on the scene. The focus is on price comparison and information acquisition. In 2024, the proportion of mobile shopping in global e-commerce sales will continue to increase; The market share of small-scale formats such as supermarkets/small supermarkets, where offline channels provide experience and instant demand functions, continues to expand. Interest based e-commerce has become a new growth point. The GMV of interest based e-commerce platforms continues to grow rapidly, and their share in the e-commerce market continues to expand, reflecting the formation of a new path of "content seeding instant conversion".

In terms of brand attitude, loyalty continues to weaken, showing a "de premium" feature. Most consumers aged 25-35 believe that high-end skincare brands are priced too high and are shifting towards transparent domestic substitute products; The rapid rise of private brands of companies such as Aoleqi with the strategy of "international quality, community price" confirms consumers' rejection of "brand premium". Kantar research shows that over the past decade, consumer loyalty to brands has steadily declined. The proportion of sales contributed by low-frequency consumers has continued to increase, and the effectiveness of traditional loyalty management methods such as "membership points" has weakened.

4. The Driving Factors of Changes in Consumer Behavior: A Dual Perspective of Macro and Micro

The changes in consumer behavior under economic fluctuations are the result of the combined effects of macro environment and micro individual factors, which form a linkage effect through the mechanism of "expectation transmission behavior response". At the macro level, the inverse changes in income and prices constitute the core driving force: in 2023, the pre tax income growth rate of US residents is higher than the consumption expenditure growth rate, and the scissors gap between income and expenditure growth rates reflects an increase in savings propensity, which is highly consistent with Keynes' theory of diminishing marginal consumption propensity. There is also a similar phenomenon in the Chinese market, that is, the inverse correlation between rising prices and weakened consumer willingness. In the third quarter of 2024, China's CPI maintained a moderate increase, and the "price expectation sub item" in the consumer confidence index was in the negative range. Price pressure significantly suppressed consumer willingness.

The impact of employment stability and policy

expectations on behavior is immediate. During the real estate policy adjustment period in China's first tier cities in September 2024, the "employment expectations sub item" in the consumer confidence index showed a significant decline, hitting a new low in nearly a year, directly leading to a delay in bulk consumption. The "loss aversion" feature in the "prospect theory" of behavioral economics can explain this phenomenon: consumers are much more sensitive to losses than to gains, and the increase in employment risks in economic fluctuations can trigger excessive defensive consumption behavior [4]. At the policy level, after the release of the State Council's "Opinions on Developing the Silver Hair Economy and Enhancing the Welfare of the Elderly" in 2024, there has been a significant increase in sales of silver hair tourism products, indicating the expected boost in consumer confidence from policy expectations.

At the micro level, the shift in risk appetite and information acquisition methods has exacerbated behavioral differentiation. There is a significant difference in risk tolerance among different income groups: the consumption growth rate of high-income groups in the United States from 2022 to 2023 is significantly higher than that of middle and low-income groups, reflecting their stronger ability to resist economic fluctuations. The accelerated convergence of information dissemination behavior in the era of social media has led to a significant increase in the reading and discussion volume of the topic of "youth employment difficulties" on social media platforms in 2024, resulting in a lower confidence index for the 18-34 age group compared to the group over 35 years old. This confirms the dominant role of the core logic of "short-term high-frequency information influencing decision-making" in "availability inspiration" in consumer judgment.

Technological progress provides the conditions for implementing behavioral changes. The Internet of Things and big data technology enable consumers to compare product prices and quality in real time, and the global AR/VR market will maintain a stable growth trend in 2024, with virtual fitting and intelligence.

5. The Impact and Challenges of Economic Fluctuations on Traditional Customer Management Strategies

Economic fluctuations break the traditional customer management "stable expectation assumption". The management system based on static markets faces four core challenges. The failure of the customer segmentation system is the primary challenge. The traditional "platinum gold silver" model, which is divided by consumption amount, cannot adapt to sudden changes in demand during periods of volatility. Data from some chain supermarkets shows that the original gold customers have shifted from income decline to price sensitive. However, some silver customers have shown high-end consumption ability in the health product category due to static segmentation, resulting in a mismatch of marketing resources. High value customers have not been accurately served, and price sensitive customers have been excessively marketed. The lack of synergy in channel management exacerbates customer loss, and many companies still suffer from the problem of "online and offline separation". Online promotion focuses on low prices, while offline maintenance maintains the original price. In 2024, some

beauty brands have significantly shifted their offline members to online purchases due to channel price differences, and the repurchase rate online is much lower than offline due to a lack of experience support. According to the Kantar report, the retention rate of customers for omnichannel well-established brands is 27% higher than that of single channels. Insufficient channel synergy is the main weakness in customer management. The mismatch between value transmission and customer needs is becoming increasingly prominent. Traditional marketing focuses on "brand stories" and "high-end positioning", and consumers are more concerned about actual value. Some luxury brands will still invest heavily in brand launch events in 2023, but their sales have significantly declined; On the contrary, some domestic brands rely on "ingredient traceability" and "cost transparency" marketing to achieve sales growth against the trend. This contrast indicates that customers' recognition of "premium value" has decreased, and the traditional value transmission system urgently needs to be restructured. Customer loyalty management is trapped in the dilemma of "ineffective incentives". Traditional point redemption and level privileges have weakened their appeal to defensive consumer groups. In 2024, some e-commerce data showed that the member point redemption rate has significantly decreased compared to 2021. Short term incentive response rates such as "instant discounts" and "limited time flash sales" have significantly improved. Brand owners are facing the "bucket effect" (where weaknesses determine overall customer management efficiency), which exacerbates the problem of customer churn. The customer churn rate has significantly increased compared to 2019, and the cost of acquiring new customers has synchronously increased, forming a "fast churn, difficult customer acquisition" cycle [5]. The above management challenges have been resolved due to the constraints of organizational responsiveness, rigid organizational structure, and strategy adjustment efficiency. Unilever disclosed in 2024 that the traditional "headquarters region store" three-tier structure (with multiple levels and slow decision-making) has resulted in a long customer demand response cycle and difficulty in matching within 7 days of market changes. Therefore, the implementation of a global business optimization plan and the sinking of strategic functions reflect the insufficient adaptation of the traditional hierarchical structure to the "fast response" demands of volatile markets.

6. Adjustment Path of Enterprise Customer Management Strategy during Economic Fluctuations

During periods of economic fluctuations, enterprises need to reconstruct their management system from five dimensions: customer segmentation, channel collaboration, value transmission, loyalty cultivation, and organizational support to achieve a transition from "static management" to "dynamic response". Dynamic customer segmentation is the core foundation, which should adopt a three-dimensional model of "consumption ability x demand elasticity x risk preference" combined with real-time data to adjust customer labels. A certain retail enterprise in the United States integrates POS data and divides member questionnaires into "stable high-end", "price sensitive", and "scenario driven" customer targeted promotion of affordable activities and emergency product matching; Chinese enterprises can learn from the weight logic of the Consumer Confidence Index of the

National Bureau of Statistics and incorporate it into the "New Consumption Intention" and "Price Sensitivity" indicators to optimize the accuracy of stratification. To build an omni channel value network, it is necessary to break through the "channel fragmentation" and build an online platform with the architecture of "online information hub+offline experience hub+real-time distribution network" to undertake the functions of display, price comparison and interaction. For example, Tiktok e-commerce meets rational decisions through live tasting and composition interpretation; The offline store transformation experience center has upgraded a health scene experience hall for a certain home appliance brand to store transformation [6]; Relying on community group buying to achieve "1-hour delivery" omni channel layout, the brand penetration rate is significantly higher than that of single channel brands, and this advantage is more prominent during the fluctuation period. Value transmission needs to shift towards "cost transparency+function focus" product optimization, SKU retention, high cost performance core products such as Procter & Gamble divesting premium brands and focusing on public demand; On the communication end, "data-driven expression" is used instead of "conceptual promotion". A certain probiotic brand enhances repeat purchases through "daily low cost=health protection" communication; The pricing side implements tiered pricing and limited time benefits, such as Ctrip's early bird discounts and companion discounts for the silver haired group. The cultivation of customer loyalty requires the establishment of a dual track mechanism of "short-term incentives+long-term value". Short term purchases can be activated through instant discounts and instant redemption of points, such as Pinduoduo's use of instant subsidies to respond to price sensitive needs; Long term cultivation of loyalty to a certain domestic brand through value recognition and community operation. Research on building components of the community and inviting users to participate in research and development; Drawing inspiration from the Japanese JCCS index's "life experience" dimension, a supermarket has launched a community charity day to increase member activity. Organizational support needs to promote agile transformation, build a "front-end agile team+back-end data middle ground" architecture, and quickly adjust the strategy of cross department team authorization of the front-end group, such as ByteDance cross department collaboration to shorten the demand response cycle; Integrating multi-channel data through backend data platforms, such as Unilever relying on real-time updates of customer tags through its data center; Optimizing performance indicators: A certain tourism company incorporates customer retention rate and demand response speed into its assessment to improve off-season satisfaction.

7. Conclusion

Economic fluctuations drive consumer behavior towards rationalization, differentiation, and omnichannel evolution through income expectations, risk perception, and technological progress. The traditional stable market assumption of customer management system is difficult to adapt to. This article combines economic data and industry practices from 2022 to 2024 to reveal the core characteristics of "structural differentiation, price sensitivity, and weakened loyalty" in the consumer market, clarifying the prominent contradictions of traditional customer management in terms of stratification, channels, and value transmission. Research

has found that adjusting customer management strategies requires dynamic adaptation, precise positioning of customers through a three-dimensional layered model, meeting diverse needs through an omni channel architecture, transparent value transmission, and rational decision-making. Cultivating customer loyalty through a dual track mechanism relies on agile organizations to ensure the implementation of strategies. These paths form a closed-loop system of "data-driven strategy execution effectiveness feedback". The data platform is the core support that makes hierarchical dynamics, channel collaboration, and value precision possible. From a practical value perspective, this path has been validated by the industry. The brand penetration rate of implementing an omnichannel strategy is significantly higher than that of a single channel brand building agile organization. The efficiency of enterprise demand response is significantly improved, providing practical solutions for enterprises to cope with economic fluctuations. From a theoretical perspective, integrating Keynesian consumption theory, prospect theory, and empirical data enriches the dimensions of consumer behavior research during economic fluctuations, filling the gap between traditional research that emphasizes macro over micro and static over dynamic. The limitation of the research lies in the insufficient differentiation analysis. In the future, special studies can be conducted on fast-moving consumer goods, services, and durable goods. In the future, with the development of digital technology and economic recovery, consumer behavior will present new characteristics. Customer management needs to be upgraded to "intelligent prediction+personalized response" as the focus of future research. When the driving force of economic recovery is differentiated, enterprises can only shift their customer management from "passive adaptation" to "active leadership" to respond to fluctuations with dynamic strategies and meet demand with precise value in order to build core competitiveness in uncertainty and achieve sustainable development. This is not only an inevitable requirement of market competition, but also a core manifestation of enterprises practicing the "customer-centric" concept.

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