

# Households under Economic Change: How Micro- and Macroeconomic Conditions Shape FMCG Shopping Behavior

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## **Abstract**

Economic conditions may have significant effects on households' shopping behavior and, by extension, on retailers' and manufacturers' firm performance. This research provides an extensive analysis of how households adjust their FMCG shopping behavior by explicitly distinguishing between two basic types of economic conditions: micro conditions in terms of households' personal income situation and macro conditions in terms of the overall economic situation. The authors show that both micro and macro conditions substantially impact shopping outcomes in terms of what, where, and how much is shopped, but in very different ways. Microeconomic changes lead households to adapt their spending behavior - for example, after losing income, households buy fewer products but still buy the same products in the same store formats. In contrast, macroeconomic changes influence both the allocation of purchases and the spending behavior.

**Keywords:** *business cycle; income shocks; FMCG market*

**Track:** Retailing & Omni-Channel Management