



How Covid-19 has changed consumer spending



In a recent article by the World Economic Forum, they discuss how spending has decreased across all industries, as lockdown measures have restricted what we can spend money on. Equally, the economic consequences of the pandemic have meant consumers are less inclined to spend, with many expecting their household income to continue to fall in the coming months. Increased time spent at home has however caused us to spend more on groceries and home entertainment.

Consumer spending is one of the most important driving forces for global economic growth - but as consumers grapple with uncertainty, their buying behavior becomes more erratic. What is clear however, is that consumers have reduced spending on all non-essential products and services.

But Covid-19 has not impacted every industry equally. For some companies, rebuilding their customer experience by appealing to changing values could result in a profitable, and perhaps much-needed revival.

Regardless, every industry faces one universal truth: life after the pandemic will look significantly different.

The PW Harvey & Co team are here for you. If you need to chat, have a question or would like some advice, we would love to hear from you info@pwharvey.co.za

Zoom is now worth more than the World's top 7 airlines combined



Source: YCharts, as of May 15, 2020. Top airlines are selected based on their 2019 revenue.

Concept inspired by Lennart Dobravsky at Lufthansa Innovation Hub

DO YOU KNOW WHAT YOU HAVE?

Learn about how our app
can assist in planning your
financial portfolio. Click
[HERE](#) to view our new
video

The following businesses will still 
not be allowed to trade during Level 3:

- Hairdressers and beauty salons
- Restaurants – apart from providing takeaways (these now also include collections and drive-through services)
- Bars, taverns and shebeens, as well as night clubs and casinos
- Hotels, lodges and other accommodation facilities (but certain guests will be allowed)
- Gyms and sport facilities
- Exhibit and conference centres
- Cinemas
- Theatres
- Museums
- Flea markets and bazaars

At PW Harvey & Co
free Wills come
standard

Speak to our legal
advisors for
assistance

 pwharvey&co
complete financial package est 1896



This and That



- **Online alcohol sales** are booming, with online alcohol sellers reporting a strong increase in demand. This is even though buyers will only get their deliveries at Level 3 of the lockdown. Before the lockdown, **Dry Dock Liquor**, a boutique liquor store in Parkhurst, Johannesburg, only did very limited trading on its online platform. "In the last week we've had over 100, 000 orders," says co-founder Martin Pienaar.
- **Wine.co.za** has seen the highest increase in orders in Gauteng, which now represents almost double the Western Cape's orders. Transactions spike around 15:00 each day.
- **SA's property prices** will take a big hit from the coronavirus crisis and high-end homes will be worst affected. This market was already taking strain before the pandemic, and one forecast estimates that luxury homes could lose almost 20% of their value this year.
- **John R. Hollenbeck**, a professor at **Michigan State University**, conducted extensive research on leadership and teamwork. He found that large meetings over **Zoom** are ineffective, and for more than just technical reasons. Hollenbeck suggests limiting meetings to groups of five for it to be more useful and engaging.
- A new report by the international consulting firm, **Singular**, estimates that the South African economy could shrink by 14% this year – if the country stayed at Level 4 for another week, followed by Level 3 for three weeks, then remained in Level 2 and 1 for the rest of the year.
- The current crisis could result in year-on-year contraction in the **mining** sector, which represents 8% of the country's GDP.
- The **hospitality and recreation** industries will shrink by almost 40% this year.
- **Facebook** adds 'shops' to its social network and **Instagram** in its biggest move into e-commerce yet. In an interview with **Business Insider**, **Facebook VP of Ads and Business Platform, Dan Levy**, said the company had sped up its work on its shopping tool to help support businesses that might make use of it and are currently under immense strain because of the pandemic and associated economic crisis.
- A rare '**pygmy seahorse**', which is smaller than a R1 coin and first discovered in **South Africa**, has now been officially recognized after being included in an international scientific journal in May 2020. The tiny Sodwana Pygmy Seahorse, named *Hippocampus nalu*, is the first pygmy seahorse to be found in Africa and the **Indian Ocean**, according to its researchers.
- **South Africa's** second-largest medical aid administrator, **Medscheme**, which represents 3.8 million people, has now processed 97 claims relating to Covid-19, the **Board of Healthcare Funders (BHF)** said in a recent statement. At a total cost of R14.5 million, that averages to just about R150, 000 per patient.
- An environmental silver lining is emerging amid the coronavirus pandemic: Many people have stopped flying and aren't driving to work, leading to a drastic **drop in carbon emissions**. A study published in the journal, **Nature Climate Change**, reveals that global carbon emissions per day in April were 17% lower than the average daily emissions in 2019. The results showed that average daily emissions decreased by 18.7 million metric tons of carbon relative to last year. That's an emissions level comparable to the year 2006.

FIND US ON



Articles from: Business Insider, YouTube, Visual Capitalist, BBC News Business section of the website, World Economic Forum Consumer Spending article May 2020, Business Tech.

View the PW Harvey &
Co YouTube Channel
To view, [click here](#)

#StayHome We are here for you
#StaySafe Contact us
for assistance

Telephone: 041 373 2710
Email: reception@pwharvey.co.za
171 Cape Road, Mill Park
Port Elizabeth 6001
www.pwharvey.co.za

 pwharvey&co
complete financial package est 1896

AUTHORISED FINANCIAL
SERVICES PROVIDER No. 6024
Information contained in this article
is distributed under PW Harvey & Co's
standard terms and conditions. E&OE.