

The pandemic that stole Christmas

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A review of 2020 and what it holds for our festive season and 2021



As the year finally draws to a close, we can reflect on what can only be called unparalleled to anything we've ever experienced before in our generation. But let us not indulge in wishful thinking and expect that when the clock strikes 12 on New Year's Eve, that this will all be over; we are still in the thick of it, with a possible second wave on the horizon. That said, we can look back and understand how this year of strive and strain has affected us, and what our subsequent behaviours have been. This is according to Amanda Reekie, Founding Director of [ovatoyou](#), an online survey tool. ovatoyou ran two surveys during lockdown, *How are You Feeling South Africa?* in May 2020 and the second, *What's Next, South Africa?*, in November 2020 to gain a clear read on how we've fared during the pandemic and where to from here. Both attracted samples from across South Africa, of 2,000 people.

"Covid-19 and the subsequent impact on the economy through the lockdown has affected us in so many ways. Many of us have been forced into new realities, have changed our lifestyles and circumstances. Yet despite the struggle, there have been a few who have not only survived, but thrived through this experience, one that has often been referred to as the worst world event since World War 2," comments Reekie.

Here Reekie unpacks the key findings:

More confident but still nervous

By and large, while consumers' perceptions of the dangers posed by Covid-19 on themselves may have reduced since May 2020 (down from 54% to 43%) many were still extremely worried. This is especially true among those who are 18–34 years old and who were Black, Asian or Coloured. "This can be attributed to a number of factors. Firstly, we have a relatively better hold on the virus now and have been through it and learnt a lot of lessons. Further the recovery rate is now over 90%, which reduces the risk of mortality. Secondly, those who are most concerned by the dangers posed by the virus are young and largely live in Limpopo and the Eastern Cape; this may be attributed to the fact that they don't have adequate access to high-quality medical care."

Along the same lines, 52% were extremely worried about family and friends contracting the virus (down from 61% in the

previous study), while a small, but still notable 6% were not worried at all.

In denial about Covid-19's impact

Consumers are also concerned about the impact the coronavirus is having on South Africa, although there have been some changes since May, when 71% were concerned compared to November's 56%. "As the various Levels were reduced, more economic activity ensued and now, in Level 1, many businesses are in operation. This would automatically have an impact on consumers' perceptions of the economy, and some may now be in denial about its very existence – but of course, a second wave could undo this and change our sentiments back to where we were in May."

Opportunities among the economic decline

On consideration of the economy, a significant 48% reported to be worried. But this was more heightened among older, 50+, white males living in the Western Cape. And while 20% of the overall sample took salary cuts, 17% were retrenched and 11% closed their businesses entirely since lockdown, a fortunate 34% reported no change to their circumstances.

Incredibly there were also some silver linings, albeit small: 13% reported to be extremely busy while 8% even started a new business during lockdown. "There were pockets of positivity during lockdown; many small businesses turned on a dime and changed their business models overnight. Just consider restaurants who became takeaway and delivery services, or fashion designers who made thousands of masks. We've even heard of those who sell musical equipment report increases of 15% to 20% thanks to consumers' sudden interest in wanting to play the guitar, and also in a move to online to buy home equipment to stream music from home. While it may not have been the experience for all, many SMEs took the problem head on, found solutions and even thrived during lockdown," comments Reekie.

Of dodgy PPE deals and corruption

When it came to understanding consumers' views related to unemployment, crime, poverty, corruption, the economy, Covid-19, drug and alcohol usage, climate change, TB and HIV, Covid-19 was only ranked 6th out of 10. However, we can infer that the first five issues were escalated by the pandemic - for instance 2.2-million people lost their jobs in the past 8 months which automatically affected unemployment, and which is why it ranked first.

"If we break these insights down into the various demographics, we found that among white South Africans, crime, unemployment and corruption ranked higher, while for 18 – 34 year olds coronavirus ranked in 5th place. For Asians and Indians, crime, unemployment and poverty were the most pressing issues."

If we unpack corruption a bit further (ranked 4th overall among all demographics), 54% believe the issue of corruption is too big to be solved in South Africa. We just have to consider the issues with respect to dodgy PPE tenders. That said, 29% were undecided and were waiting to see what would happen after the recent arrests and an optimistic 9% felt that corruption in South Africa is slowly starting to sort itself out.

Remote working - but only for those who can

Another interesting stat that the survey revealed was that only 21% reported to be working remotely from home. "This of course defies the many corporate and government employers who moved their staff home virtually overnight, setting themselves up with computers and Wi-Fi so that work could continue as easily as possible. But the reason for this being so low is likely because of the many others who could not work at home, such as shop tellers, or waiters, or even those who had regretfully lost their jobs or who were unemployed."

Socialising and shopping trends

Of course all of these contributing factors have played a role in consumers' shopping and social behaviours, as they are concerned about infection rates and have lower disposable incomes. Among key stats, the survey found that 43% go to a restaurant far less than before Covid-19, while 35% do not go at all. "The restaurant industry was among one of the hardest

hit, along with travel and tourism. Having to endure months of closures, followed by strict operating times and initially with alcohol off the table, those in the restaurant game were extremely hard hit. While it is understandable that consumers want to stay safe, the knock-on impact of this is significant. Fortunately, 16% of our sample reported that they order and collect from restaurants, which affords an alternative revenue stream,” Reekie explains.

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All of this has affected the festive season, which will be soon be in full swing. With risks of ‘super spreader’ events and South Africans just wanting to let their hair down, Government is in a precarious position on how to manage travel between provinces, celebrations and events and a general increase in shopping. Consumers do however appear to be conscious of this, with 56% saying they will still celebrate, but in a less lavish way, while 21% are cancelling celebrations altogether.

This plays into their festive season purchasing too: 47% report that they will spend 50% less this year, while for 7% they will spend nothing, potentially due to retrenchments, job losses and salary cuts.

“Of course this will have a major impact on retailers who bank on the festive trading period. After Black Friday weekend, it is the peak period of the year, yet we can anticipate already that it will be less muted. Just consider Black Friday sales which, on consideration of in-store card purchases, reported sales of less than 30% compared to last year.”

Even with the spirit of the end of the year mere days away, consumers remain informed and a healthy 73% stay up to date on coronavirus using social media, although that does open them up to dubious and even downright fake information. Others consulted reputable sources, with the WHO at 54% and the NCID at 24%.

Despite it all, we had good intentions

On consideration of the lockdown period, it was not all doom and gloom. Many of us started something new (46%), wanted to get fit (26%) and lose weight (25%) while 28% had intentions to start a new business or side-hustle. But despite this optimism, the majority (58%) just wanted to survive.

“It remains to be seen where we are headed, with the grim reality of an aggressive second wave in Europe, and the ongoing woes in the United States. If we experience the same thing, which many pundits are predicting and that has now been confirmed, we will find it extremely hard, far harder than the first time. This as we don’t have the financial coffers to tap into, whether that is individuals, businesses or Government.

“As we head towards the end of the year ‘celebrations’ we need to be extremely vigilant and we must be responsible and keep ourselves and others safe, wear our masks, sanitise and social distance. If we don’t we will find ourselves in an even more precarious situation than we are now as 64% of our sample believed that South Africa can’t afford another lockdown,” ends Reekie.

To view the full report, visit: www.ovatoyou.africa.

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