

2020 Report

COVID-19

Impact on South Africa

The impact of COVID-19 on the lives of South Africans

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Introduction

We are living in unprecedented times. Over the past four months COVID-19 has swept across the world and governments worldwide have taken drastic measures to stop the spread in an attempt to save lives. Despite the swift response, imposed lockdowns came with many challenges that heavily affected a continent particularly reliant on the informal sector, a continent in which simply jumping on a Zoom call is not as easy. Fairly early on it became apparent that no one and nowhere was immune from the impact of this pandemic. Many found their livelihoods suddenly threatened as a consequence, with high numbers of job losses and weakening economies many are still asking when, if ever will we ever return to 'normal.'

Whilst the virus reached Africa later than other continents, timely measures were put in place by governments in an attempt to suppress viral transmission. An early onset of explosive growth has not yet materialised in Africa however as of late May the Africa Centre for Disease Control and Prevention warned of growing cases of community transmission.

As many communities enter new phases of the lockdown, it is imperative to understand the impact that COVID-19 has had on those in Africa, not only from a health care standpoint but also economically, the latter of which is the focal point of this report. With governments having to make decisions to shut down businesses, many want to know what this has meant for individuals and how this 'new normal' may be impacting consumer behaviour. This report seeks to provide some insight into this.

By using our mobile enabled AI technology and experience in accessing audiences in emerging and frontier markets we explored a range of topics including;

- How Covid19 has affected the livelihoods of the general public across specific African countries
- Changes in consumption patterns and behaviour
- Financial concerns and stability
- Perception of government support.

Research Methodology

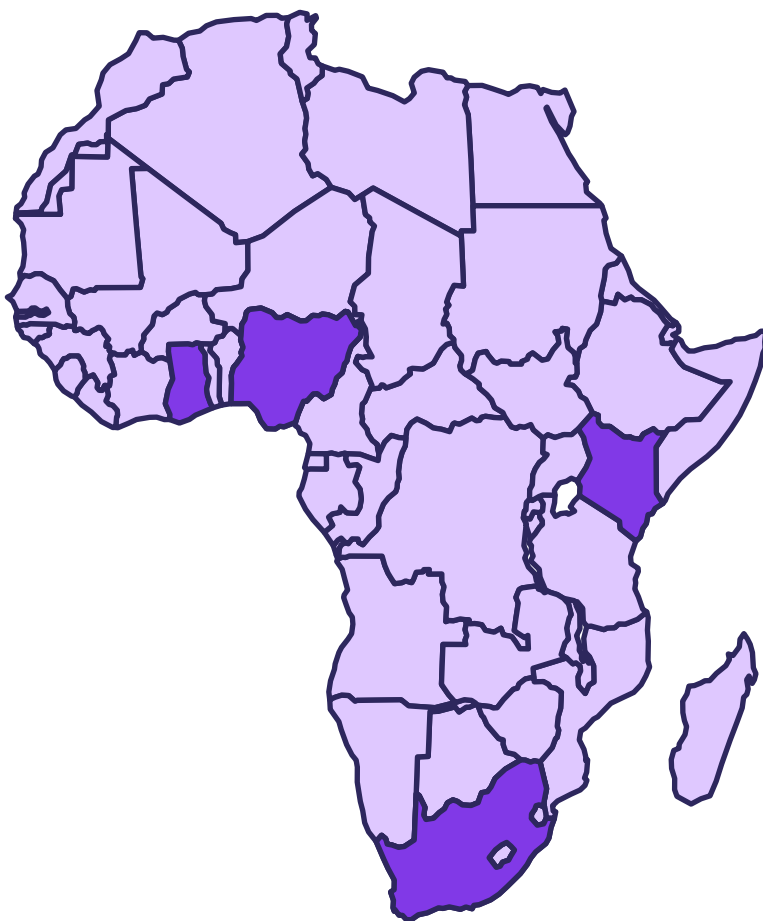
Research Methodology

With the restrictions on movement and closing of borders, our mobile survey platform proved to be an efficient and effective way to reach respondents. All of the questions asked were designed by the Survey54 research team and administered in English. Deployment of surveys took place between April 10th and May 10th, respondents were located in sub-Saharan Africa namely South Africa, Kenya, Ghana and Nigeria all key economic countries within their respective regions.

To ensure diversity of perspective surveys were deployed via our App (85%) for those with access to the internet and 15% conducted via USSD. Giving us the opportunity to reach audiences without access to smartphones or internet connections who tend to fall in the lower income threshold.

A total sample of **4000** surveys was collected across all countries in Africa

Countries that were included in the survey:



- Kenya
- South Africa
- Ghana
- Nigeria

Audience

Our respondent database consisted of mobile subscribers in each country that had been onboarded and pre-certified.

The sample was nationally representative of age, race, gender and socio-economic background. The demographic of those surveyed was truly representative with students, business owners, unemployed and full/part-time employees all part of study.



Questions asked to respondents in the survey included:

- Do you feel your government has supported you during Covid 19?
- Have you been financially affected by Covid 19?
- Have you changed or do you plan to change your spending patterns?
- Have you changed or do you plan to change your spending on meal delivery & takeout?
- What would make your life easier during the lockdown?

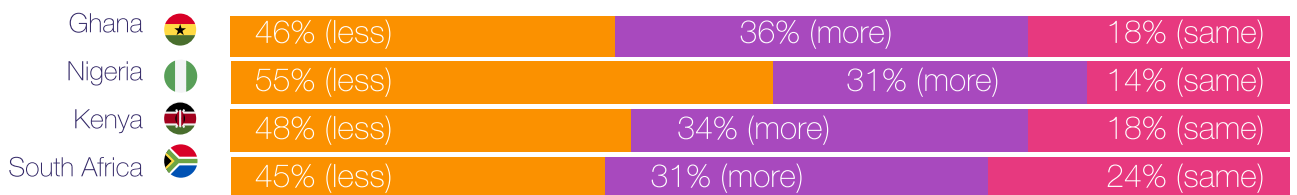
A snapshot from the continent



Government support



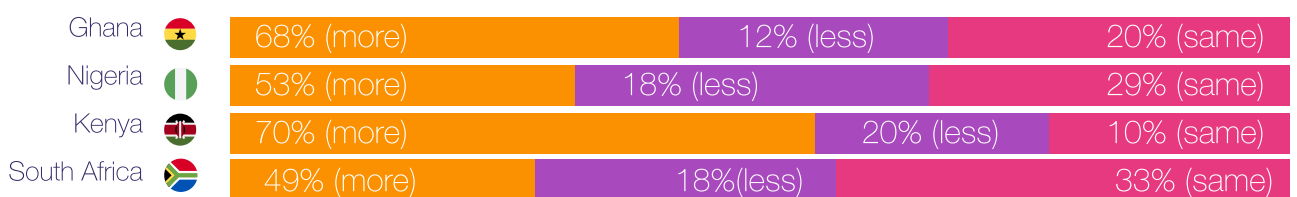
Spending on groceries



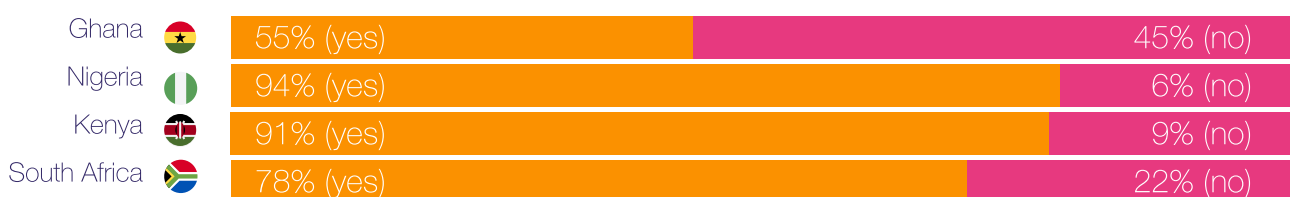
Spending on meal delivery



Spending on data



Financial concerns



South Africa Results



South Africa Results

According to the Coronavirus government response tracker the South African government's response to the pandemic was one of the strictest on the continent with the sale of alcohol, cigarettes and even outdoor exercise facing restrictions.

The impact of these measures on locals is what the report aims to reveal. Whilst this report aims to offer a representative sample, results have been heavily influenced by the employment status of respondents. Of those questioned only 14% were permanently employed, 15% classed themselves as part-time employees and 31% unemployed as a result of the pandemic, a further 40% chose not to disclose their employment status.



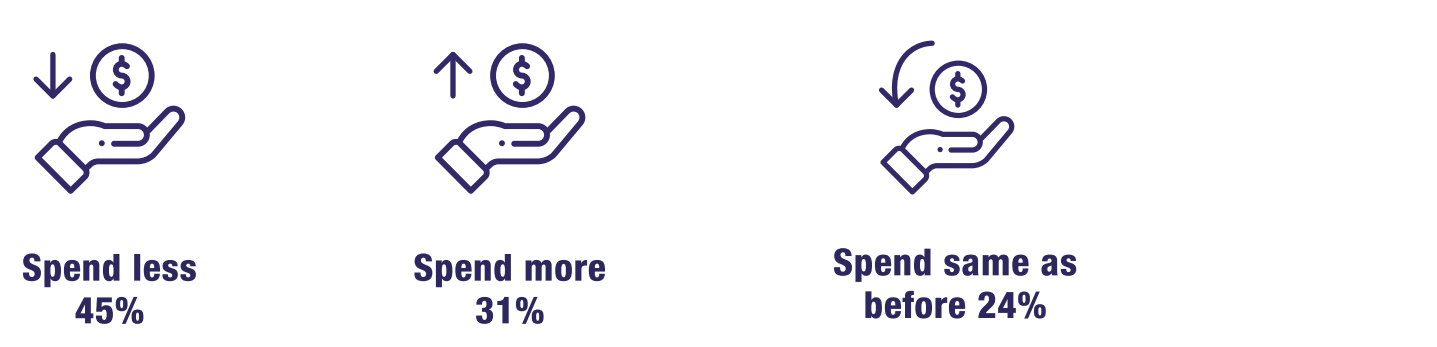
1. (<https://www.bsg.ox.ac.uk/research/research-projects/coronavirus-government-response-tracker>)

Consumer purchasing behaviour

As has been seen across the globe, consumer behaviour and consumption patterns have shifted drastically.

Whilst 'stockpiling' culture seems to have become prevalent in the UK and US, results from this survey indicate that during the lockdown period 45% of South Africans surveyed spent less on their groceries and as such were only buying what they could afford or what they needed within the current climate.

Have you changed or do you plan to change your spending habits Groceries?



Less than 25% indicated that they'd continue to stick to the same consumption patterns. Income losses as a result of the pandemic has meant many have started to become more price sensitive thereby exerting downward pressure on average basket sizes.

It came as no surprise to see respondents prioritised necessities when it came to shopping, 75% of those asked indicated that they were spending far less on meal delivery and takeout. Instead opting to purchase staple products including; canned goods and maize.



***Essentials come first,
everything else can wait.***

Have you changed or do you plan to change your spending habits on Alcohol?



**Spend less
78%**



**Spend more
2%**



**Spend same as
before 20%**

78% of those questioned mentioned that they'd been spending less on alcohol, this figure is in contrast to the trends witnessed in Europe where in some cases alcohol sales rose by almost a third.

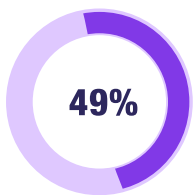
Whilst it is a stark drop it is worth noting that this may have been due in part to the ban on the sale and transportation of alcohol imposed by the South African government during lockdown.

Our follow up report on 'life post COVID' should provide further insight into public sentiment towards alcohol and how possibly this sobering period may have an impact on sales of alcohol moving forward.

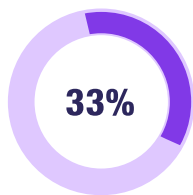
Spending behaviour

With physical social activities coming to a halt in March, many found themselves with seemingly more free time. Findings from our survey indicate that consumers turned to new forms of entertainment during the pandemic with the likes of video game usage around the world surging it came as no surprise that 49% of those asked expressed that they were spending more on gaming and media. Indicating that consumers are willing to spend on sources that keep them entertained at home.

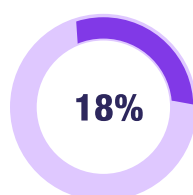
Have you changed or do you plan to change your spending habits on Gaming and media?



Spend more



**Spend same
as before**



Spend less

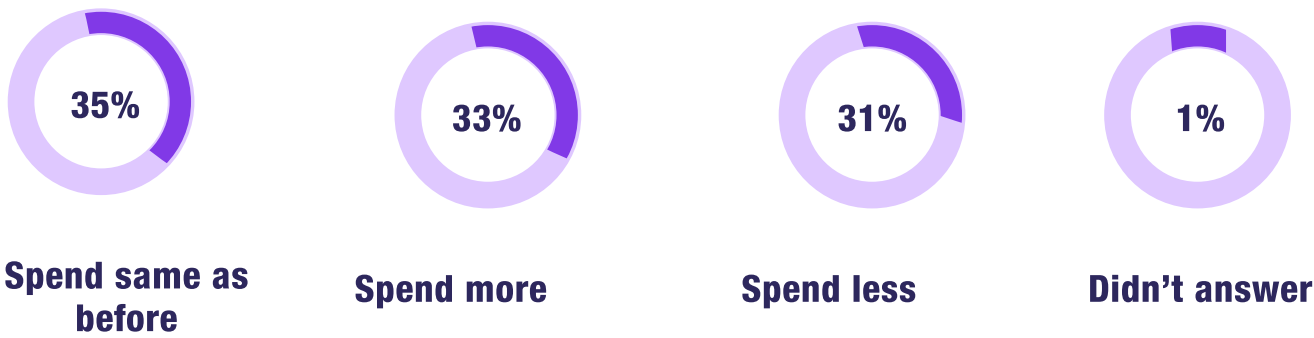
Whilst we find that respondents have cut their spending on non-essential expenditures, this has been offset by an increase of spending in other remits, particularly mobile data.

Interestingly, when it came to spending on online learning resources and courses respondents were almost evenly split between spending less (31%) and keeping their habits the same as before (35%). Suggesting that in times of uncertainty our audience sought to engage in activities that would act as an escape or distraction from all things that may prove to be stress inducing. High levels of anxiety and depression have been a consequence of this pandemic, it is therefore only natural that levels of motivation and productivity have seen a decline.



***I have spent more on data since I do not have WIFI access.
It's been really costly.***

Have you changed or do you plan to change your spending habits on online courses?



2. (<https://www.bbc.co.uk/news/world-africa-52358268>)
3. (<https://www.bbc.co.uk/news/world-africa-52358268>)
4. (<https://wexnermedical.osu.edu/blog/covid-free-time-less-productive>)

For those fortunate enough to be in employment and to work or study from home a major concern was that of access to data and the internet. Further indicating access to the internet and ability to work from home really has proven to be a privilege at this moment in time. So much so that over 60% of respondents flagged having access to cheaper data plans would make this period of time easier for them.



‘Working from home does not work without data or internet’

Finances

Whilst the changing consumption patterns identified at the onset of this report could be linked to limited mobility our survey revealed some glaring insights with regards to the impact of coronavirus on personal finances. 78% of respondents said that they have suffered financially during the pandemic, with 56% indicating that this has been due to a total loss of income. Could this be further indication that South Africa is indeed on course to reach an unemployment rate of 50%.

Income losses have been found to translate directly to decreases in spending and wellbeing, whilst at its core this pandemic is a health lead emergency our results further confirm that it has morphed into a financial emergency with a direct impact on personal finance. When asked how their current financial situation has impacted their shopping patterns 31% indicated that they are currently seeking cheaper alternatives. Whilst a further 30% flagged that receiving some sort of financial assistance or income would make life somewhat easier.



‘I need to look for cheaper stuff’

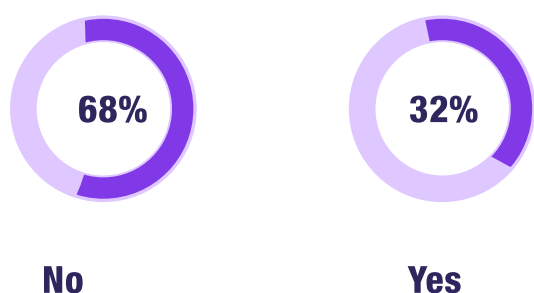
Like many countries around the world South Africa has and is experiencing serious economic decline leading to pressure to ease lock down restrictions, however with vulnerable households losing out on sources of income and one of the countries main sector, tourism being directly impacted, easing lockdown may not be enough to increase consumer confidence surrounding finances.

Government assistance

It is fair to say that globally Governments have been consumed by how to respond to the coronavirus pandemic by trying to balance the health, economic and social hardships being felt. When delving into public opinion across the continent, early analysis indicates there were more positive as opposed to negative perspectives of how governments have managed the epidemic.

However our report indicates management is one thing, whilst support is entirely different. When asked whether they felt supported by the government 68% of South Africans revealed that they felt neglected, the highest number in comparison to other countries in which this survey was conducted. Whilst it seems views surrounding the initial decisions made by governments were favourable opinions have somewhat changed following the recent announcement that schools would be reopening, 73% of respondents believed this was indeed a 'bad' idea mainly due to the likelihood of overcrowding.

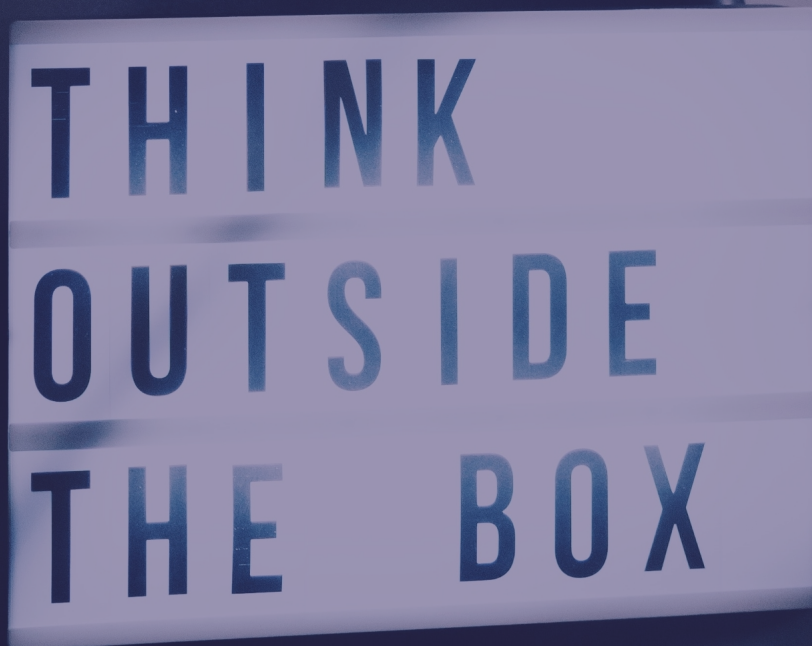
Do you feel the government has supported you?



Conclusion

Whilst it will take several months if not years to understand the full impact of COVID-19, results from the study indicate that consumer spending, financial confidence and overall optimism has taken a significant hit. The struggle to defeat this virus will be a marathon and not a sprint and any form of normality will take some time to materialise particularly in South Africa due to its vast population, large international and expat community and number of cases registered.

The use of remote data collection methods and results from this study were intended to help paint a picture of the current times and guide organisations, NGOS, governments and decision makers to make informed decisions. Whilst it is anticipated that the macroeconomic conditions in the second half of the year will begin to see improvements, entities must be ready to support the most vulnerable in order to retain custom.



Recommendations

With many organisations and governments now looking to understand how they can begin the process of recovery, we outline some key points that should be considered in realising opportunities within the current climate.

1) Gather data

With the right insights, businesses have the opportunity to understand the pain points of customers in an efficient and informed manner. Services such as Survey54 provide the first step in gathering this data.

2) Outreach

Based on the initial findings, organisations should seek to reach out to consumers to understand their current priorities and outlook on what is deemed as essential.

3) Innovate business models

With citizens feeling the pinch it could take a while for business as usual to return. Understanding what will and won't matter to consumers in the coming months will help highlight potential opportunities.

About Survey 54

Survey 54 allows organisations to survey millions within Africa, the Middle East, and amongst the African American community with thousands of respondents ready to take surveys. This is all done remotely through the power of mobile.

As an automated data platform we bring you closer to your consumers using mobile-led data collection methods and smart insights. Our technology enables businesses to get the answers they need to make decisions. We provide stats based on the audience and reach requirements by the business, enabling you to:

- Test brand awareness
- Run product-market fit assessments
- Real-time opinion polls

We pride ourselves on helping you make quick data-driven decisions with on-demand and transparent insights from Africa & emerging markets.

For further information on the impact of COVID-19 in emerging markets report and to find out more about Survey54, get in touch with us at info@survey54.com or Visit <https://survey54.com/>