



March 2021

How COVID-19 is affecting consumers in South Africa:

Challenges, behaviour shifts and policy responses



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

Executive Summary

1. Introduction

The national lockdown which began at the end of March 2020 to minimise loss of lives due to COVID-19 and flatten the curve, has had varying experiences for consumers in South Africa. Restrictions on movement, closure of workplaces that were deemed as non-essential, imposition of screening checks at grocery stores and social distancing became the norm. While serving a noble cause, these changes have also imposed new challenges for consumers. Understanding the impact of lockdown restrictions on consumers is the focus of this research, with a view to inform policy and practice on better ways to protect vulnerable consumers.

This National Consumer Commission (NCC) embarked on a study to explore the experiences and challenges faced by consumers in South Africa during the COVID-19 pandemic. It also examines policies and practical responses implemented by key institutions such as the NCC and other regulators, in safeguarding consumer rights during the same period. It offers recommendations on the way forward.

The following research questions guide the research;

- (i) In what ways did COVID-19 preventative measures affect consumer shopping behaviour and experiences during the period of hard lockdown?
- (ii) What have been the immediate changes to household consumption as a result of staying at home during lockdown?
- (iii) How have some categories of consumers fared in resorting to alternative forms of shopping for essential goods and services?
- (iv) What have been the policy responses to COVID-19 and what strides have been made in protecting vulnerable consumers from unfair practices?

2. South Africa's policy responses to COVID-19

South Africa recorded its first confirmed case of COVID-19 on the 5th of March 2020 and within a week into the outbreak, seventeen new cases had been confirmed. a man who was part of a group of ten people who returned from a trip to northern Italy a few days earlier. Since the seventeenth confirmed case had not travelled outside of South Africa, it signalled that community transmission had already started (Wiysonge 2020). The Minister of Health began

regularly updating the nation on the statistics of confirmed cases and media campaigns on preventative measures to the spread of COVID-19.

The national state of disaster (under Section 27(1) and Section 27(2) of the Disaster Management Act, No. 57 of 2002) was declared on the 15th of March. At the same time, the National COVID-19 Command Council (NCCC) headed by President Cyril Ramaphosa was formed to facilitate a 'coordinated all-of-government approach to flattening the COVID-19 curve in South Africa'. A few days later, the national lockdown was declared by the president on Monday 23rd of March 2020.

Through what became colloquially referred to as 'family meetings', the president kept the nation abreast of government policies on managing the pandemic. Government adopted a five-level COVID-19 alert system to manage the gradual easing of the lockdown. The alert system is based on a risk-adjusted approach which uses several criteria such as levels of infections and rate of transmission, the capacity of health facilities at a given time, the extent of the implementation of public health interventions and the economic and social impact of continued restrictions.

In anticipation of potential spikes in prices of goods and services, the Minister of Trade, Industry and Competition issued regulations that prohibited excessive pricing of essential goods and services. The Consumer and Customer Protection and National Disaster Management Regulations and Directions, issued in terms of Regulation 350 of Government Notice 43116 was promulgated by the Minister. It contains a list of 22 essential products, which a supplier must not charge unfairly or at an unreasonable price. Consumers were subjected to several other regulations, promulgated throughout the lockdown, e.g. prohibition of the sale of non-essential items including alcohol and cigarettes, especially under alert Level 5.

3. Methodology

To answer the study research questions, a mixed methods research design was employed. This design was appropriate for research on an emerging subject such as COVID-19 where there was relatively limited understanding of its impact on consumers' rights. Considering its advantages in exploratory research, the NCC researchers decided to conduct research that employed mixed methods.

- *Desk review:* The qualitative component of the research was based on review of themes related to COVID-19 in the published literature of the time and then from the findings, some questions were developed for a survey to be carried out.

- *Online survey:* In the quantitative component of the study, a questionnaire was designed by the research team and adapted for online rollout using Googledocs. Marketing of the survey was largely through a snowballing technique in which researchers sent the link via email and WhatsApp messaging app on cellular phones.

4. Findings

4.1. Profile of participants

- 83 participants completed the survey. The sample size cannot be generalised to the broader South African consumer population. However, the findings of the study remain useful in gaining an understanding of consumer experiences.
- The majority of participants in this survey fall within the 31-40 years' age group, while the least (6.1%) participants were over 60 years of age.
- Females constitute majority of participant 60.2%, while males constitute 39%. One participant declined to state their gender.
- Gauteng constituted 54%, followed by, North West province which had 16%, then Eastern Cape with 11% and 10% of participants from Limpopo. No participants from KwaZulu-Natal and the Free State participated.
- The majority of participants, 80.2% reported that they are employed.

4.2. Effects of COVID-19 preventative measures on consumer shopping behaviour and experiences

As more cases of COVID-19 were confirmed in March 2020, consumers experienced changes in many aspects of their lives.

4.2.1. Implementation of preventative measures to promote safe shopping

- Consumers had to endure *social distancing* which required them to stand at least one metre apart in long queues. This was a big change for consumers because it meant spending longer hours to get into shops and to complete their shopping.
- Consumers had to *sanitise* their hands with alcohol-based hand sanitisers before entering shops. This included *screening of body temperature* to ensure individuals with high body temperature are not permitted entry into public spaces.
- The *regulation of shopping hours* normally between 9am and 6pm was also a new normal for consumers who had been used to shopping much later hours.

- An extensive list of goods and services was published during Levels 5 and 4 on *restricted or banned consumer goods*. The tobacco ban was the most heated as smokers and lobby groups took legal action to have the restrictions lifted.

4.2.2. Participants' shopping preferences

- Most participants 55% indicated that since the pandemic they now prefer a blend of both in-store and online shopping.
- That 42% of the participants reported a preference for shopping in-store confirms findings of pre-pandemic surveys of shopping culture in South Africa, which found consumers prefer in-store shopping to online.
- The majority of participants 39% indicated that their shopping experience changed extremely, while 36% reported moderate change.
- The majority of participants (87%) have had to change certain ways in which they shop in order to keep safe from being infected by COVID-19.

4.2.3. Increase in online shopping

- Online shopping has become the norm and no longer an option to most of consumers
- Demand for e-commerce looks to become permanent, customer loyalty has been upended and spending patterns have also changed.
- Data on user payments shows evidence of resounding growth in card transactions online during the lockdown in South Africa

4.2.4. Price hikes of essential goods

- Retailers began to increase prices on goods especially groceries. The NCC was inundated by calls from consumers on its COVID-19 consumer toll-free number who complained about excessive price increases especially within the first few weeks of lockdown. Studies have also shown that during that period the cost of household food baskets escalated and households had to fork out more or go without.
- 48% of participants strongly agreed, while 40% agreed that prices of goods shot unjustifiably during the lockdown.
- Upon noticing unjustified price increases, 24% of participants posted that they had seen increases in prices of essential goods on social media, while a further 13% strongly agreed that they did so.

- That the majority of participants 33% remained neutral, while 28% disagreed and 20% strongly disagreed that they noticed an increase in essential goods' prices is indicative that few consumers actually took action to report price hikes to the NCC.

4.3. Changes to household consumption

4.3.1. Impact at a household level

- As a result of staying indoors for longer periods under the national lockdown, consumption of food and other groceries increased.
- A significant proportion of participants 82% experienced changes in their household consumption. Although they were not asked to state what these were, it is highly likely they witnessed significant increases in consumption of food as a result of staying indoors.
- 58% of participants reported loss of savings due to the pandemic.
- The majority of participants (29%) agreed, together with 27% strongly agreed that they participated in panic buying of essential goods. A considerable proportion remained neutral, while 17% did not at all engage in panic buying.

4.3.2. Increased usage of mobile data

- Due to the crucial need of data during the COVID-19 pandemic, the Civil Society organization and black empowerment lobby group Transformation (TRSA) called for consumer relief for data prices
- The majority of respondents 67% strongly agree that their usage of mobile data has increased since the lockdown.

4.4. Ways in which consumers fared in resorting to alternative forms of shopping for essential goods and services

4.4.1. Psychosocial impact on Consumers

- A typical psychosocial response to the pandemic is that consumers often purchase goods which they consider to be crucial for preventing or coping with infection.
- This was initially clear right from the onset of the pandemic when panic buying of food and hygienic products. Whenever consumers heard that a product could suppress the virus, even if it is not confirmed, the product would be sold out.

4.4.2. Lockdown activities and plans for post-pandemic life

- Most participants, 45% worked from home, while 12% spent a lot more of their time on social media, 10% focused on self-care and another 10% learned new skills.
- Participants indicated activities they would like to do after lockdown. The majority, 22% indicated a desire to learn new skills, followed by 16% who were planning domestic travel, and 15% would attend large events such as weddings or religious events, concerts, or plays.
- When it comes to meeting people in person for social reasons, 13% of participants indicated so, while another 13% planned international travel. It is intriguing that only 6% of participants would like to still work from home after the pandemic.

4.5. Policy responses to COVID-19 and what strides in protecting vulnerable consumers

4.5.1. Perceptions on lockdown restrictions and policies

- The banning of sales of alcohol was deemed important in reducing the spread of the virus by 57% of participants (strongly agree) and 22% of participants agreed. Only 8% disagreed with the statement.
- The majority of participants, 34% strongly agreed, while 17% agreed that banning sales of cigarettes was important in reducing the spread of COVID-19.
- 44% of participants agreed while 23,2% strongly agreed that restrictions on shopping hours were reasonable.
- The majority, 42% agreed that they endured long queues whenever they were buying from the shops.
- Participants of this survey responded with a resounding 98% that sanitising hands before entering every shop is important.

4.5.2. NCC's approach to handling complaints

In terms of policy and practical responses of key institutions such as the National Consumer Commission and the government in safeguarding consumer rights, government promulgated Regulation 350 to mitigate the impact on consumers.

In response to the Regulation 350, the NCC responded by:

- Implementing several measures to respond to consumer queries related to unjust price increases on essential goods and services. Among these were the operation of

a toll-free number, a twitter account to engage consumers through social media, radio awareness adverts and interviews.

- Filing of complaints with the National Consumer Tribunal (NCT) in cases where suppliers were found to be in contravention of Regulation 350 and the Consumer Protection Act of 2008 (CPA).

Conclusion

The study has shown that the lockdown has impacted consumers in several ways as it required them to avoid contracting the disease while acquiring essential goods and services essential to them. Areas which require careful attention for consumer protection enforcement agencies and alternative dispute resolution agencies, include protection in online shopping which has grown exponentially in the wake of the pandemic, refunds for services or goods that could not be delivered because of lockdown restrictions and also unfair and unjust price hikes on essential goods and personal, protective equipment.

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1 Introduction

COVID-19 has immensely disrupted consumers globally, regionally and locally in several ways. This pandemic has had an exceptional impact on societies around the world leading to responses from governments around the world which have made it mandatory to practice social distancing, self-quarantining, wearing of masks and instruct non-essential businesses to close, as there is no vaccine to curb the pandemic. These measures brought sudden changes to consumers around the world. No doubt consumers across the globe are looking at products and brands through a new lens. The COVID-19 pandemic has not only caused panics but has also changed consumer behaviour and created major economic and financial distress for consumers. It has also led to sweeping changes in how households operate, spend their time and shop which eventually result in different shopping patterns and rapid price changes in some goods (Blundell et al 2020).

This research report, investigates experiences and challenges faced by consumers in South Africa during the COVID-19 pandemic. It also describes how consumers' rights to access goods and services since the lockdown have been subject to regulation in order to curb the spread of the virus. The paper also examines policy and practical responses of key institutions in particular the National Consumer Commission in safeguarding consumer rights during the same period. It offers recommendations on the way forward. The following research questions guide the research;

- i. In what ways did COVID-19 preventative measures affect consumer shopping behaviour and experiences during the period of hard lockdown?
- ii. What have been the immediate changes to household consumption as a result of staying at home during lockdown?
- iii. How have some categories of consumers fared in resorting to alternative forms of shopping for essential goods and services?
- iv. What have been the policy responses to COVID-19 and what strides have been made in protecting vulnerable consumers from unfair practices?

At the time of writing this report, it has been a year since the first case was recorded and the threat of a third wave looming. Strides have been made to ensure that the country vaccinates

as many citizens as possible, although there remain challenges in expediting the rollout of vaccines to ensure at least 67% of the population is vaccinated to reach herd immunity.

This report is structured as follows. This section introduces the report, while a discussion of South Africa's policy responses to the pandemic is discussed in Section 2. The third section discusses the methodology used in this study, its research design, methods and study limitations. The fourth section presents and discusses the findings of the study, whilst the last section concludes the report.

2 South Africa's policy responses to COVID-19

2.1 State of disaster and related policy initiatives to flatten the curve

South Africa recorded its first confirmed case of COVID-19 on the 5th of March 2020, a man who was part of a group of ten people who returned from a trip to northern Italy a few days earlier. All ten people were traced, isolated to avoid further spread, and tested for the novel coronavirus. Just a week into the outbreak, South Africa had seventeen confirmed cases of COVID-19 of which sixteen of the infected people had travelled back to South Africa from a high-risk country. Since the seventeenth confirmed case had not travelled outside of South Africa, it signalled that community transmission had already started (Wiysonge 2020).¹ The Minister of Health had begun regularly updating the nation on the statistics of confirmed cases and media campaigns on preventative measures to the spread of COVID-19. It was at this juncture that a national state of disaster was declared on the 15th of March and a national COVID-19 command council (NCCC) headed by President Cyril Ramaphosa formed. The rationale for this council was to facilitate a 'coordinated all-of-government approach to flattening the COVID-19 curve in South Africa' (Wiysonge 2020).

When the national lockdown was declared by President Cyril Ramaphosa on Monday 23 March 2020, retailers and markets experienced an increased rush of consumers. By March 26th the cumulative number of COVID-19 cases was 927 (Wiysonge 2020). Through what

¹ Wiysonge, C. (2020) South Africa's War on COVID-19: Key dates, interventions, and impacts of responses are helping to create a community of practice among African countries; URL <https://www.thinkglobalhealth.org/article/south-africas-war-covid-19> Accessed 10 September 2020

became colloquially referred to as ‘family meetings’, the president kept the nation abreast of government policies on managing the pandemic time and again. Government adopted a five-level COVID-19 alert system to manage the gradual easing of the lockdown. In essence this alert system is based on a risk-adjusted approach which uses several criteria which includes, among other issues, levels of infections and rate of transmission, the capacity of health facilities at the given time, the extent of the implementation of public health interventions and the economic and social impact of continued restrictions.² The five levels can be summed up as follows;

- Level 5: drastic measures to contain the spread of the virus to save lives.
- Level 4: some activities allowed to resume subject to extreme precautions required to limit community transmission and outbreaks - *effective 1 May 2020*
- Level 3: easing of some restrictions, including on work and social activities, to address a high risk of transmission - *effective 1 June 2020*
- Level 2: further easing of restrictions, but the maintenance of physical distancing and restrictions on some leisure and social activities to prevent a resurgence of the virus - *effective 18 August 2020*
- Level 1: removes many of the remaining restrictions on economic activity, although it may be some time before it is safe for all sectors to return to full operation - *effective 21 September 2020*³

As has been the case, these alert levels were adjusted to contain further risks of spikes in infections over time. For example, while the country had been on Level 1 from September to the 28th of December 2020, the emergence of a new strain of the virus and spikes in infections and deaths led the government to adjust to Level 3 from 29 December 2020 to 28 February 2021. Alert Level 1 which came into effect from the 1st of March 2021 came with temporary restrictions to curb super-spreader events and activities which could result in a strain on the public health system during the Easter holidays beginning on the 26th of March.

² See, <https://www.gov.za/covid-19/about/about-alert-system>

³ TRALAC. 2020. South Africa’s policy response to the COVID-19 pandemic. 3 July 2020. Available on; <https://www.tralac.org/news/article/14617-south-africa-s-policy-response-to-the-covid-19-pandemic.html> [Accessed 5 April 2021]

Box 1: Timeline of Events in South Africa's Coronavirus Response (5 March 2020 to 5 March 2021)

March 5	South Africa reports its first confirmed COVID-19 case—a traveller Multilingual campaign launched to educate public on coronavirus Handwashing physical distancing and covering sneezes emphasized
March 15	President Cyril Ramaphosa declares a national state of disaster National COVID-19 Command Council established Closure of schools and prohibitions on groups of more than 100
March 26	Cumulative number of COVID-19 cases in South Africa now 927
March 27	Command Council imposes first twenty-one-day national lockdown People can go out only for essentials like food medicine and fuel Sale of non-essentials—including liquor and cigarettes—halted Borders closed and quarantines enforced on inbound travellers
April 1	67 mobile test units and ten thousand community workers deployed
April 9	President Ramaphosa warns ending lockdown too soon would risk a massive and uncontrollable resurgence of the disease
April 16	South Africa extends its nationwide lockdown by two weeks Government recommends facemasks for the general population
April 19	115 thousand tests conducted (3158 positive) Fifty-four people have died of COVID-19 (1.7 percent fatality) Most infections are associated with travel to high-risk countries
April 23	President Ramaphosa announces phased reopening of the economy
May 1	South Africa eases into Level 4 of lockdown
June 1	South Africa enters Level 3 of lockdown; alcohol sales resuming within limited hours, schools and universities re-open in a phased-in approach, while domestic air travel is permitted for business
June 11	More than 1 million Covid-19 tests conducted
June 23	First Covid-19 vaccine trial begins in South Africa
July 9	South Africa confirms highest number of infections in one day, at 13 674
July 12	Alcohol sales banned to alleviate pressure on hospitals, curfew introduced
July 23	South African schools closed temporarily amid rising numbers
August 18	South Africa moves to Level 2 of lockdown
December 9	Health Minister, Dr Zweli Mkhize announces the country has entered its second wave, largely as a result of end-of-year matric rage parties, considered 'super spreader' events

December 14	Lockdown measures tightened, including the closure of certain beaches and decreasing number of people at gatherings
December 18	Announcement that new 'South African variant' (501Y.V2) discovered and is driving the second wave of infections
December 27	Number of confirmed Covid-19 cases reaches 1 million
December 28	Adjusted Level 3 of lockdown for two weeks; ban on alcohol, closure of beaches and public parks, extension of curfew hours
January 3	Government announces the three-phase Covid-19 vaccine roll-out strategy aimed at vaccinating 67% of the population
February 1	South Africa re-enters adjusted Level 3. One million Oxford-AstraZeneca vaccine doses arrive in South Africa. Use of the AstraZeneca vaccine is temporarily suspended until its effectiveness against the new variant has been determined
February 15	South African schools re-open after a two-week delay
February 16	South Africa receives 80 000 doses of Johnson & Johnson vaccine
February 21	10 000 healthcare workers had been vaccinated
March 1	South Africa enters Level 1 of lockdown as second wave of the virus ends
March 2	70 537 vaccines administered. More than 9 million tests conducted. More than 1.5 million confirmed cases and 49 993 deaths

Source: Adapted from (Woysinga 2020) and Anthony, L (2021)

While these policy directives were aimed at citizens as a whole, there were other shifts in policy targeted at specific sector. One of these was related to the welfare of consumers, spearheaded by the Department of Trade, Industry and Competition (dtic) and its entities such as the National Consumer Commission (NCC) and the Competition Commission.

2.2 The promulgation of regulation 350

In anticipation of potential spikes in prices of goods and services, the Minister of Trade, Industry and Competition issued regulations that prohibited excessive pricing of essential goods and services, ranging from foodstuffs, medical supplies to face masks and surgical gloves. The regulations address the following:

- Excessive pricing by dominant firms;
- Unconscionable, unfair, unreasonable and unjust prices in the context of consumer transactions;

- Equitable distribution and maintenance of adequate stock associated with contravention of the regulations and Penalties.

In terms of the regulations, a “price increase” means: “the direct increase or an increase as a result of unfair conduct such as, amongst others, false or misleading pricing practices, covert manipulation of prices, manipulation through raising or reducing grade levels of goods and services.”

The regulations apply to the following categories of goods and services: (i) basic food and consumer items; (ii) emergency products and services; (iii) medical and hygiene supplies; and (iv) emergency clean-up products and services. The regulations set out a list of goods that it applies to including but not limited to:

<ul style="list-style-type: none"> • Toilet paper • Hand Sanitiser • Facial Masks • Disinfectants and cleaners • Surgical gloves and masks • Disinfectant wipes; • Antiseptic liquids • All-purpose cleaners • Baby formula 	<ul style="list-style-type: none"> • Disposable nappies • bottled water • cooking oils; • wheat flour; • rice; • maize meal • pasta; • sugar; • long-life milk; • canned and frozen vegetables; • canned, frozen and fresh meat, chicken or fish
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Price gouging and excessive increases

Price gouging and *excessive increases* are addressed separately, by Competition Commission in terms of the Competition Act 89 of 1998 (“the Competition Act”) and National Consumer Commission as against consumers in terms of the Consumer Protection Act 68 of 2000 (“the CPA”).

3 Methodology

The following research questions guide the research; (i) In what ways did COVID-19 preventative measures affect consumer shopping behaviour and experiences during the period of hard lockdown? (ii) What have been the immediate changes to household consumption as a result of staying at home during lockdown? (iii) How have some categories of consumers fared in resorting to alternative forms of shopping for essential goods and

services? (iv) What have been the policy responses to COVID-19 and what strides have been made in protecting vulnerable consumers from unfair practices? In order to answer these research questions, the study employed a mixed methods research design.

3.1 Research design

A mixed methods design involves the combination of at least one qualitative and one quantitative research component (Schoonenboom and Johnson 2017).⁴ An apt definition is provided by Johnson et al (2007, cited by Schoonenboom and Johnson 2017);

Mixed methods research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e. g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purposes of breadth and depth of understanding and corroboration.

This design was appropriate for research on an emerging subject, namely, COVID-19 in which less understanding of its impact on consumers' rights was known. Considering its advantages in exploratory research, the NCC researchers decided to conduct research that employed mixed data collection methods. The qualitative component of the research was based on review of themes related to COVID-19 in the published literature of the time and then from the findings, some questions were developed for a survey to be carried out.

3.2 Desk review

The first phase of the research between August and October 2020, began with a desktop review of literature on challenges faced by consumers during the COVID-19 pandemic. Several reports published from the onset of the pandemic, research findings from think tanks and market research surveys were also incorporated in the review. In some cases, academic peer-reviewed journal articles were reviewed to answer the research's questions. This culminated in a first draft report which was circulated for comments. It emerged from that first phase of the research, that there was need to test out some of the issues that came out of the literature review by rolling out an online survey.

⁴ Schoonenboom, J., & Johnson, R. B. (2017). How to construct a mixed methods research design. *Kolner Zeitschrift für Soziologie und Sozialpsychologie*, 69 (Suppl 2), 107–131. <https://doi.org/10.1007/s11577-017-0454-1>

3.3 Survey

In the second phase of the research, a questionnaire or instrument was designed by the research team and adapted for online rollout using GoogleDocs. The quantitative questions, focused on understanding consumer's challenges and behaviour shift as a result of the pandemic. Survey questions also gauged participants' sentiments on the measures taken by government to curb the spread of disease and maintain the COVID- 19 pandemic. Marketing of the survey was largely through a snowballing technique in which researchers sent the link via email and WhatsApp messaging app on cellular phones. This could have contributed to a lower response rate than expected. A total of **83 participants** responded to the survey. A description of their demographic information is provided in the findings section. However, the findings of the study remain useful in gaining an understanding of consumer experiences.

3.4 Study limitations

As an emerging area of knowledge, studying COVID-19's effect on consumers' rights is akin to aiming at a moving target. There have been rapid changes in the way the pandemic has affected consumers. An example is that of issues which affected consumers at the onset of lockdown, mostly those related to shortages of protective equipment and sanitisers as well as exorbitant prices for the same. Later during the lockdown, as supply exceeded demand, and regulators continued to play an oversight role in ensuring that suppliers do not increase prices unjustifiably, consumers stopped complaining about price hikes. Capturing all these changes through this research has been a daunting process. Thus some of the delicate shifts in consumer sentiment over time were missed. The sample size likewise, is too small to generalise findings to the broader South African consumer population. Such a small sample size limited the researchers' an opportunity to run regression analyses of the data.

4 Findings

This section presents findings of the study. In order to address the three research questions of the study which are stated in the introduction, the sub-headings of this section are arranged according to three broad themes;

- Theme 1: Effects of COVID-19 preventative measures on consumer shopping behaviour and experiences
- Theme 2: Changes to household consumption brought about by lockdown
- Theme 3: Ways in which consumers fared in resorting to alternative forms of shopping for essential goods and services

Under each of these themes, subthemes are explored in order to adequately address the research questions. Data from desk review and the survey are presented in a manner which allows complementarity. Before delving into the findings, the following subheading presents a description of demographic information of the participants who were involved in the study.

4.1 Profile of participants

A total of 83 participants completed the survey. The majority of participants in this survey fall within the 31-40 years age group as shown in Figure 1 below.

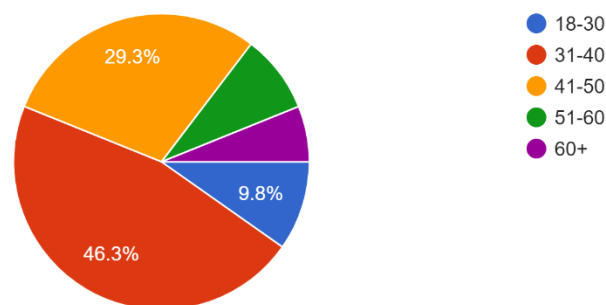


Figure 1: Age group of participants

Since the response rate was relatively low, there is still a fair representation of participants across all age-groups in the survey. In actual figures, 5 out of 83 (6.1%) participants were over 60 years of age.

The distribution of participants by their gender is shown in the figure below.

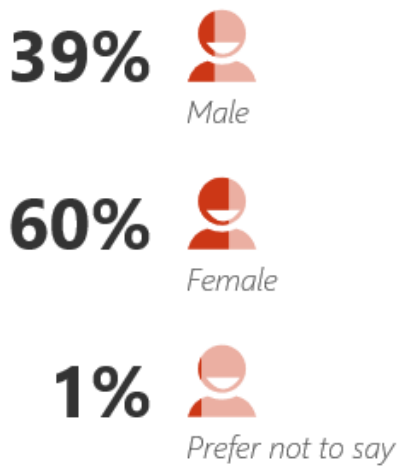


Figure 2: Gender of participants

The majority of participants in this survey are female constituting 60.2% while males constitute 39%. One participant declined to state their gender.

In this survey, seven of the nine provinces were represented as shown in the figure below. Unfortunately, none of the participants were from KwaZulu-Natal and the Free State participated.

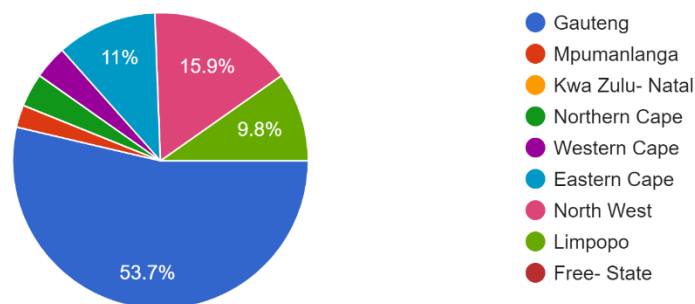


Figure 3: Distribution of participants by province

Gauteng constituted 54% which could be attributed to the fact that snowballing for this survey was done by the researchers who are based in the province and most of the recipients of the survey link are in the same province. North West province had 16%, followed by the Eastern Cape with 11%, while about 10% of the participants were from Limpopo. It should be noted that the survey's limitation is that it is not representative and so it cannot be generalised to the broad South African population.

Considering that the survey's main interest is to understand the impacts of COVID-19 on consumers, it was critical to also gauge if the participants of the study were employed, in business, retired or unemployed. The figure below presents the data.

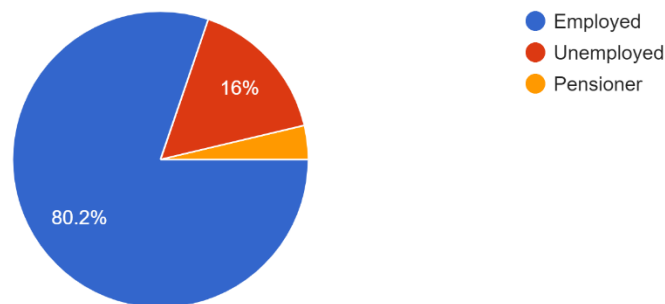


Figure 4: Employment status of participants

As can be seen above, the majority of participants, 80.2% reported that they are employed.

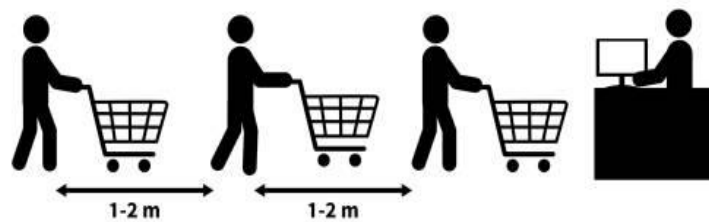
4.2 Effects of COVID-19 preventative measures on consumer shopping behaviour and experiences

4.2.1 Implementation of preventative measures to promote safe shopping

As COVID-19 began to spread across South Africa in March 2020, households across the country faced drastic changes in many aspects of their lives. South Africans had to stay at home for about three weeks unless their work involved provisioning of essential goods and services, including the provision of food. This discussion will first unpack the initial changes experienced when consumers went shopping as they were expected to ensure that they curb the spread of COVID-19.

One of the first changes that consumers faced whenever they went shopping was the practice of social distancing which required them to stand at least one metre apart in queues. This was a big change for consumers

SOCIAL DISTANCING



because it meant spending longer hours to get into shops and to complete their shopping. During Level 5 of lockdown, numbers of consumers who could enter a shopping mall were also restricted in order to reduce numbers of people in the malls at a given time. Retailers also regulated the number of shoppers who could buy at a time to limit physical contact among consumers. For the most part, shoppers willingly adhered to these precautionary measures because they were very much aware of the safety and health measures retailers have to take around COVID-19. These measures were influencing factors that determine where people did their shopping. With lockdown and social distancing, consumers' choice of the place to shop is restricted. In highly densely populated areas of large cities, it was not always easy to enforce social distancing and so public order policing was sometimes utilised by retailers.

Besides practising social distancing, another new norm was that of sanitising their hands when entering shops and being screened for body temperature. This was to reduce the spread of the virus when consumers came into contact with various surfaces during shopping. Science shows that washing hands with a minimum 60% alcohol-based sanitiser if soap and water is not available also reduce the risk of being infected with the virus. Public sanitiser dispensers for communal use in shopping malls and centres across the country have been plentiful and useful. Initially these were operated manually by shop assistants, but with time they have become foot pedal operated by customers before entering shops.

The regulation of shopping hours normally between 9am and 6pm was also a new normal for consumers who had been used to shopping much later hours. Shopping malls adhered to this restriction as well. During level 4 when alcohol sales were permitted, it could only be sold between Monday and Thursday during the week, for home consumption. During the first week of lockdown, the City of Cape Town officials mooted plans to 'limiting grocery shopping hours

to make implementation easier for the police and military' (Phakati 2020). The recommended reduction would have seen shopping time reduced to 9am to 1pm instead of 6pm.

As shown in Table 1 (Appendix 1), when the country moved to Level 4, restrictions on hot cooked food were lifted. The premise of lifting these restrictions was that hot cooked food was only for home delivery. While this was a welcome development it also benefitted only those who had the means to order food from restaurants via telephone or various mobile phone apps. Similarly, by allowing restaurants to operate for food delivery services only between 9am and 8pm, this meant drive-through services were operating—a situation which only widened the gap between poor and better off consumers.

4.2.2 Participants' shopping preferences

As stated earlier in this report, the pandemic was most felt in altering shopping patterns of consumers especially as they tried to observe protocols to reduce the risk of spreading disease. In terms of shopping preferences, it is clear that consumers have had to embrace online store shopping in addition to the in-store which they have always been used to.

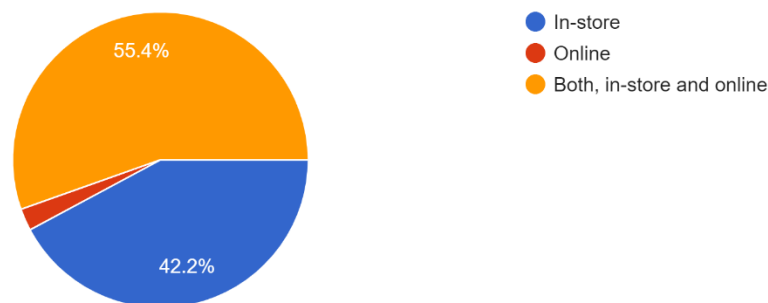


Figure 5: Shopping preferences

As shown in Figure 5, most participants 55% indicated as their preferences, a blend of both in-store and online shopping. This is expected, as most participants would likely want to still bargain hunt in-store and shop for goods which they need to consume with urgency and not have to wait for delivery. The fact that 42% of the participants reported that they have preference for shopping in-store is similar to pre-pandemic surveys of shopping culture in South Africa, which have always indicated that shopping malls and in-store shopping are still the most popular. Only two participants indicated online as their preferred shopping method.

The pandemic has provided an opportunity for gig work for home delivery of online purchases, not just for fast foods but for a wide range of consumer goods.

Although not clearly defined in the survey, participants were asked to levels of change in their shopping experience changed since the outbreak of COVID-19.

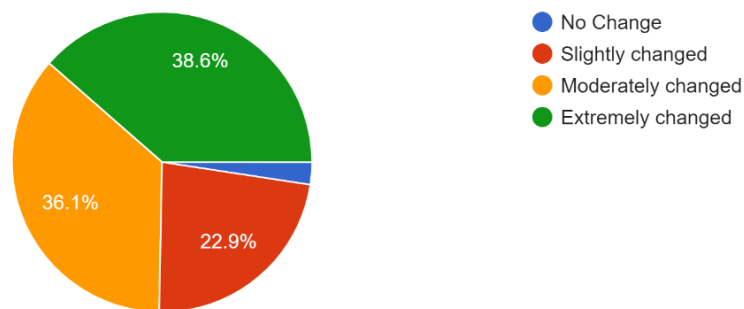


Figure 6: Changes to shopping experiences since outbreak of COVID-19

The majority of participants 39% indicated that their shopping experience changed extremely, followed by another significant proportion 36% who reported moderate change. In the age of long queues resulting from social distancing and restricted numbers of shoppers inside a building, it is hardly surprising that participants reported their experiences to have undergone slight to extreme change. It would have been interesting to explore the 2% who did not experience any change in their shopping experiences.

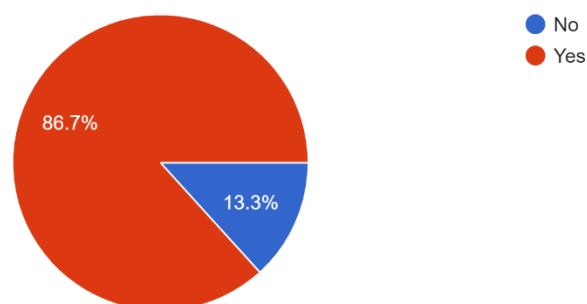


Figure 7: Changes to shopping in order to keep safe from being infected by COVID-19

Changes related to shopping demonstrate that the majority of the participants (87%) have had to change certain ways in which they shop in order to keep safe from being infected by COVID-19. Although these changes were not defined in framing the question, the participants went further to state in the open-ended section what these changes involved as summarised in the figure below.



Figure 8: Summary of changes to shopping during the pandemic

Source: Authors' illustration

Most participants took time to write comments on the changes they experienced as a result of the pandemic. As consumers who were concerned about their health, some participants became conscious of the need to plan their shopping trips carefully as mentioned below;

Had to limit shopping in store and had to avoid busiest days like month-end ...because that's when most people go to shops. In other words, had to postpone shopping. (Survey participant)

Another echoed a similar strategy to shopping;

Quicker exit from stores, less lingering to view alternatives on display, less touching of products on display... purchasing only what is needed. Also engaged in online shopping for the first time.

In order to avoid contracting the virus, a participant suspended bargain hunting when shopping for household groceries;

I have to wait more than 30 minutes on the queue before I could enter in the store, again long queue for payment. These days am doing my monthly grocery at one store, usually I was comparing the price in different stores before I could buy. Survey Participant

Other participants mentioned that they became more careful of not touching surfaces when shopping and keeping distance from “everyone and everything”.

The most common change was in shopping times themselves to avoid overcrowding. For example, the following were mentioned;

“I now shop in the early evenings to avoid overcrowding in the stores,” Survey Participant

“Prefer to go when it's quiet at the shopping malls later, maybe after hours,” Survey Participant

“Only go shopping when I it's emergency and preferably once or twice a month, and I check first if the store I go to is full or not, so I can go to an alternative store.” Survey Participant

“I don't go as often as I used to.... to the shops and I prefer not go to shops that I know are normally full or crowded” Survey Participant.

Participants indicate that, while they have embraced the changes to shopping, they experience some challenges. Some of these include;

We are now required to stay in queues (social distancing) to go inside the shop. But once people are in the shop it is very difficult to monitor social distancing in the aisles. Survey Participant

I stopped shopping for clothes in stores, tried the online shopping for grocery but in most cases the delivery date is longer than anticipated. Survey Participant

These participants show that social distancing once inside the shops can be a challenge and that online shoppers have to sometimes contend with delays in delivery of goods ordered online.

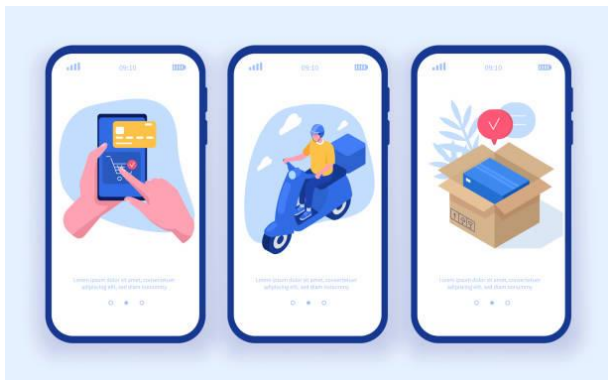
Another crucial change was in consuming only healthy food which is vital for boosting the immune system

The change, was on ensuring that healthy foodstuff is consumed, with more nutritional value to boost the immune system. We stock more medicines for prevention against flue and fiver. *Survey Participant*

No more hanging around shops...only going into the 1 I need to buy something or collecting something and out. *Survey Participant*

Due to space limitations, not all responses to the open-ended question could be captured.

4.2.3 Increase in online shopping



Source: iStock Images⁵

Under lockdown, electronic commerce (e-commerce) has become the norm to a considerable proportion of consumers. The pandemic has changed the consumer retail experience tremendously as demand for e-commerce looks to become long-term, customer loyalty has been upended and spending patterns have also changed. A survey by MasterCard (2020) of online South African shoppers indicated that 75% of the consumers now use contactless payments, citing safety and cleanliness and convenience as key driver.⁶ The same study revealed that 'since the beginning of COVID-19 in South Africa, 89 percent of South African respondents have been using contactless to pay for groceries, 60 percent for pharmaceutical

⁵ <https://www.istockphoto.com/search/2/image?mediatype=illustration&phrase=online+shopping>

⁶ <https://newsroom.mastercard.com/mea/press-releases/mastercard-study-shows-south-african-consumers-make-the-move-to-contactless-payments-for-everyday-purchases-seeking-touch-free-payment-experiences/>

items, 39 percent for other retail items, 15 percent for fast food, and eight percent for transport.’ The findings of the Mastercard survey are also in line with those of PayFast (2020) which identified grocery stores, supermarkets and bakeries among the retailers who benefited the most during the first two weeks of lockdown, recording a 357% increase in sales, while more niche product categories like pet-care and essential goods for babies experienced notable sales growth.⁷ It was also noted that 13% of the people who normally buy medicine offline have bought it online instead (Stats SA 2020).

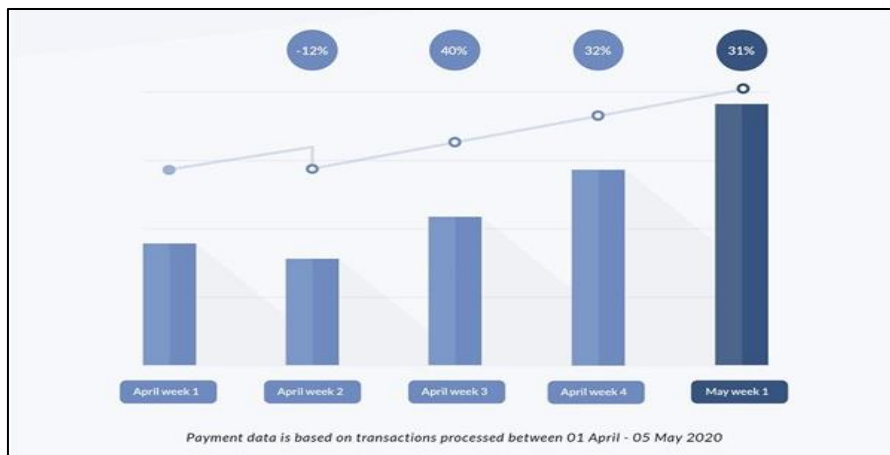


Figure 9: Weekly total payment volumes processed by PayFast

Source: Hartzenberg (2020)

As shown in the figure above payment weekly payment volumes processed in the few weeks of the lockdown soared on a weekly basis. PayFast recorded an 83% year-on-year increase in new business account registrations since the lockdown began. In an interview held during this period, the Managing Director of PayFast, Jonathan Smit explained what the data meant by saying “These figures provide insight into how local businesses are evolving and leveraging the ecommerce space, to ensure they aren’t put out of business by the economic impact of COVID-19” (PayFast 2020)⁸. There is indeed evidence that South African consumers, especially those from the middle-class have increasingly embraced online shopping as a result of restrictions. The increase in numbers of consumers flocking to digital services has spurred both suppliers of these services and telecommunications operators to enhance their network capacity and to offer advantageously priced or free data and service packages.

⁷ <https://www.payfast.co.za/blog/payfast-sees-spike-in-new-business-registrations-spurred-by-covid-19-lockdown/>

⁸ PayFast (2020), PayFast sees spike in new business registrations spurred by COVID-19 lockdown. Available at <https://www.payfast.co.za/blog/payfast-sees-spike-in-new-business-registrations-spurred-by-covid-19-lockdown/>

Online shopping has been diversifying in terms of categories of shoppers making use of it. Elderly consumers are switching to online purchases, which is something they never considered before but because of the pandemic, overcrowding of retail stores and long queues, they find this method very safe with benefits of home deliveries, store pick-up and cashless payment (Pantano et al 2020). Online shopping and home deliveries were classified as “essential services” by the South African Government (Gazette 43321, 14 May 2020) since it reduces the risk of contracting the virus. The other benefits of online shopping are that consumers can shop anywhere, anything, anytime with easy and safe payment options (Rastogi 2010). In addition, e-commerce platforms may provide consumers with convenient options and generate positive externalities in the form of lower infection rates and reduced health care costs. Online shopping has a number of advantages to consumers in a sense that online shoppers can do comparison-shopping between products through online stores at the comfort of their homes. It also makes it easier for consumers to switch between brands, and it is more convenient than over-the-counter purchases in a number of respects. The first is a reduction in transportation costs since consumers do not have to physically go to the store. They also save on transportation as they do not have to carry what one bought. Secondly, it has also led to a decrease in in-store traffic and an increase in online purchasing which one of the Coronavirus precautionary measures. Online shopping means consumers do not have to restrict their shopping to business hours since online shops are open 24 hours a day.

4.2.4 Price hikes of essential goods

Price is a well-known, influential factor in individuals’ willingness to purchase. Since the outbreak of the pandemic, consumers have reported unfair price hikes as most retailers across the country effected nominal and sometimes exorbitant price increases to basic food stuffs and other grocery items. According to a survey that was conducted by Ipsos (2020), more than 60% of consumers were concerned about the increased costs of food, groceries and household suppliers since the outbreak of COVID-19. Since the start of the lockdown on 27 March, Stats SA has been measuring price changes on essential products. The agency found that prices rose on average by 0.3% in the first three weeks of lockdown (until the end of 16 April). There were significant price increases in some food products – particularly eggs, which became 19% more expensive in three weeks. Eggs have been in demand during lockdown, as South Africans turned to baking and preparing their own food. Tea saw a massive 7% price increase in the first three weeks of lockdown, while instant coffee cost 2.8% more but rooibos

tea prices fell by almost 5%. The average price of beef mince rose by more than 7%, chicken prices fell. On average, meat prices rose by 0.7%. White and brown bread prices increased by 1.9% and 1,8% respectively. Fruit and vegetable prices – which are typically highly volatile, Stats SA says – decreased by 9,6% and 2,9% respectively. Prices of personal care products fell during lockdown, with prices of shampoo (-7%), bath soap (-5%) and tissues (-2.5%) all lower. However, there was a 4.4% increase in the price of dishwashing liquid, (Stats SA reports 2020).

An immediate shock for consumers during the early days of the pandemic was the rise in prices of goods, usually by steep margins. Below, participants indicated whether they had seen unjustified hikes in prices of goods.

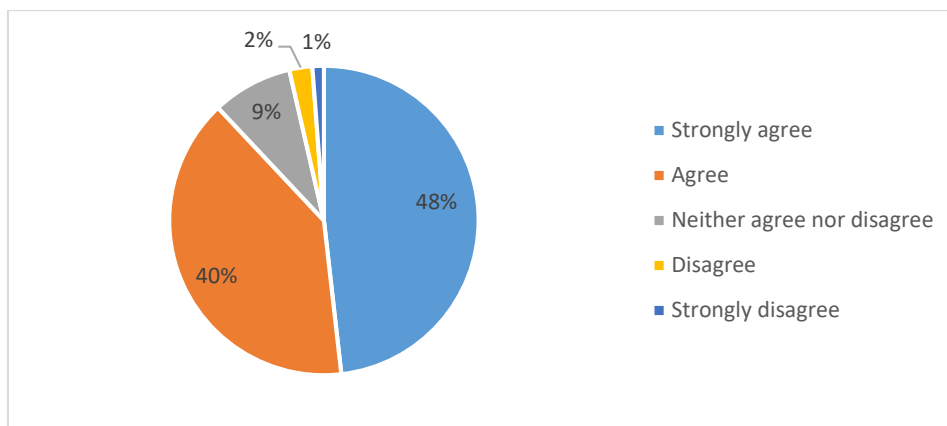


Figure 10: Prices of goods shot unjustifiably

An overwhelming 48% strongly agreed and 40% agreed that prices of goods shot unjustifiably during the lockdown. This was a subjective question but it showed that as consumers, most participants felt that the price hikes were unjustifiable in their own view.

The NCC ran a toll-free contact centre and also a Twitter handle where consumers could report unjustified price hikes. As expected, consumers inundated the Commission with calls to report such cases so that the suppliers could be brought to book for price gouging.

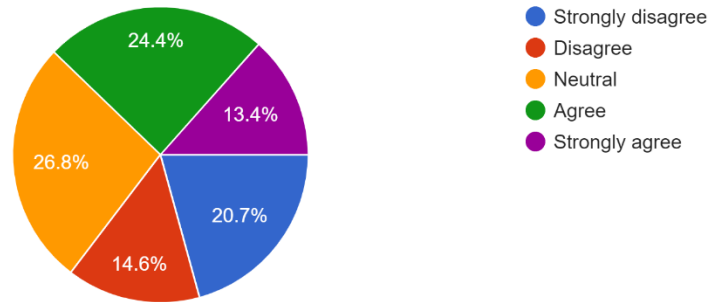


Figure 11: I noticed an increase in prices of essential goods and posted on social media

Figure 11 shows that the majority of participants (27%) remained neutral about posting price increases on social media. Although they may have indicated that the increases of prices were unjustified in the previous figure, about 21% participants strongly disagree and another 15% disagree that they went on to post such matters on social media. Only 24% agree to posting that they had seen increases in prices of essential goods on social media, while a further 13% strongly agreed that they did so. Another aspect which shows that while most consumers noticed sharp rises in prices, they did not take action such as reporting shops or other suppliers to the NCC as indicated in the figure below.

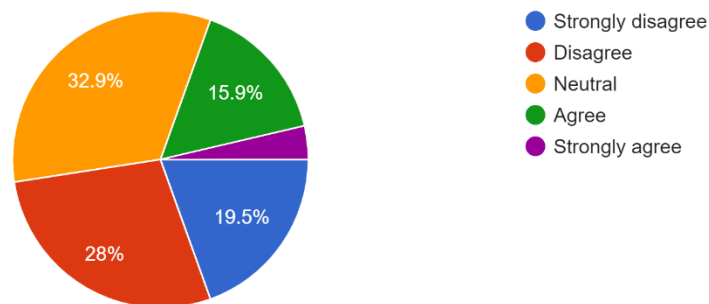


Figure 12: I noticed increases in prices of essential goods and reported to the NCC

That the majority of participants 33% remained neutral, while 28% disagreed and 20% strongly disagreed that they noticed an increase in essential goods' prices is indicative that few consumers actually took action to report price hikes.

4.3 Changes to household consumption brought about by lockdown

4.3.1 *Impact at household level*

As a result of staying indoors for longer periods under the national lockdown, consumption of food and other groceries increased. A study conducted by Bureau for Food and Agricultural Policy (2020), indicates that poor consumers spend a large part of their food budget on bread and cereals (32%), meat (21%), and vegetables (13%), followed by dairy (8%) and beverages (7%) unlike wealthy consumers. This precarious amount of spending available to lower income groups is a serious concern, especially due to the link between people's nutrition and their health. During the pandemic, it is important for consumers and households to have access to adequate healthy food at an affordable price. Findings from a Kantar (2020) study on consumer behaviour and attitude during COVID-19 indicated that there is a shift in shopping behaviour as consumers change in snacking behaviour because of the lockdown. According to this study, there has been a rise in the snacking category, with biscuits and groceries like baking powder in particular becoming more popular as we see more activity in the home. Eating habits changed as people try to build a sense of normalcy and snacking became a key part of this. Furthermore, Kantar research study (2020), found that 64% of people are snacking more throughout the day, and that 72% are trying new recipes, this is largely because with more time at home, fewer opportunities to shop and scarcity of some ingredients, people are trying new recipes and likely making more from store cupboard ingredients.

Several consumer studies have identified that the pandemic has led to dramatic increase in food consumption at household level. As a result of staying indoors for longer periods under the national lockdown, consumption of food and other groceries increased. Participants of this study were asked to simply indicate whether they had experienced any such shifts in consumption and prices.

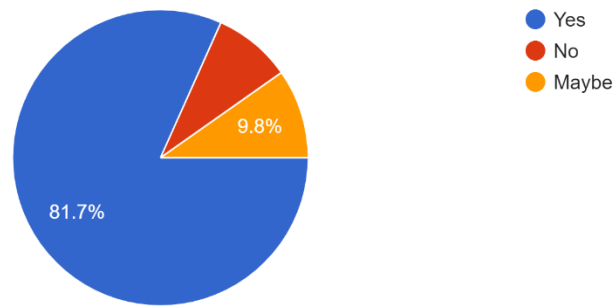


Figure 13: Changes experienced in household consumption in the past 6 months

The Figure 8 above shows that a significant proportion of participants 82% experiences changes in their household consumption. Although they were not asked to state what these were, it is highly likely they witnessed significant increases in consumption of food as a result of staying indoors. Particularly, those who have young children of school going age, consumption could easily spike as their children were not going to school and spent the most time indoors.

Possibly as a result of increased consumption at household level, and reduced incomes for those whose jobs involved cuts in earnings or total job loss, their savings were eroded. As shown in the figure below, close to 58% of participants confirmed that they had loss of savings due to the pandemic.

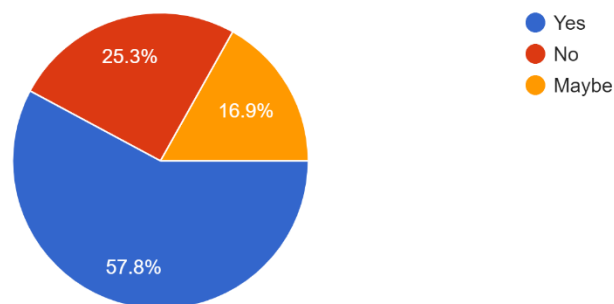


Figure 14: Loss of savings due to the pandemic

On the eve of lockdown, media reported that some consumers began to stockpile for essential goods in fear that they would run out should the country go on a lockdown. Social and mainstream media were abuzz with images of long queues and empty shelves in

supermarkets as consumers stockpiled essentials. Understandably so, details about government and business' measures to ensure that supplies of goods would not be interrupted were still to be announced and so panic buying was akin to a 'knee-jerk' reaction on the part of consumers. The figure below shows what participants of this study did with regards to panic buying.

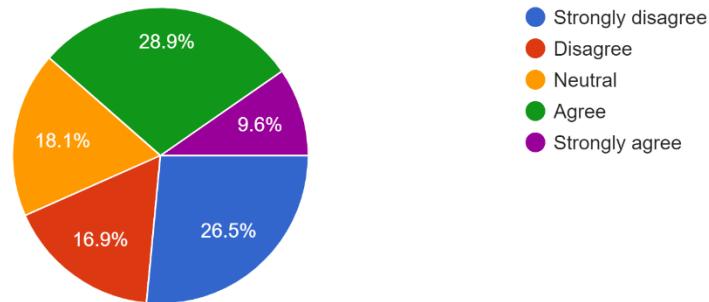


Figure 15: I did panic buying of essential goods in fear they might be running out in stores

The figure above shows that the majority of participants (29%) agreed, together with 27% who strongly agreed that they participated in panic buying of essential goods. A considerable proportion remained neutral, while 17% did not at all engage in panic buying.

4.3.2 Increased usage of mobile data

With increased demands for communicating under lockdown, mobile data has been elevated from being essential to critical. Due to the crucial need of data during the COVID-19 pandemic, the Civil Society organization and black empowerment lobby group Transformation (TRSA) called for consumer relief for data price. Several telecommunications providers have made available data services for minimal or no costs to enable consumers to shop-online and do necessary transactions. In the financial sector, some mobile phone companies have moved independently to reduce their fees on mobile data payments, and governments in an effect to discourage the use of cash have complemented these moves. According to a statement given by the TRSA (2020), third of South Africans with smart phones cannot afford data to use the internet. Data usage now is important since most South Africans work from home and relies on the internet for online shopping and entertainment. Oliver et al (2020), argue that mobile phone data, when used properly and carefully, represents a critical arsenal of tools for supporting public health actions across early-, middle-, and late-stage phases of the COVID-19 pandemic.

Participants were asked to indicate if they had seen an increase in usage of mobile data since the pandemic.

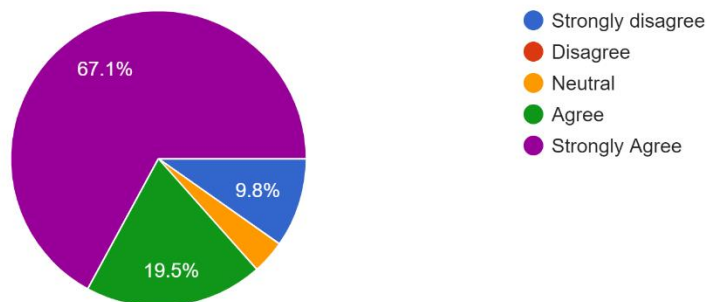


Figure 16: My usage of mobile data has increased since the lockdown

As shown in the figure above, the majority of respondents 67% strongly agree that their usage of mobile data has increased since the lockdown. This is followed by 20% who agreed and only 10% strongly disagreed with the statement.

4.4 Ways in which consumers fared in resorting to alternative forms of shopping for essential goods and services

4.4.1 Psychosocial impact on Consumers

In this economic, social and political instability context, which the country is facing, consumers are subjected to systematic stress, which Botti and McGill (2011) refers to as “loss of control over their environment”. COVID-19 regulations such as restriction of consumer’s freedom of shopping, lockdown of offline shops and restrictions on person to person contact made consumers to feel loss control over their environment and significantly influenced their purchase liberty (Addo et al 2020). As social distancing becomes the new normal due to the pandemic, consumer habits are adapting in real-time to the new environment and circumstances. Since the beginning of the COVID-19 outbreak, South African consumers demonstrated stockpiling behaviours; wearing of masks when shopping, sanitising of hands when entering retail stores and long queues to enter stores which significantly deviate from their usual shopping behaviour. Pantano et al. (2020) indicates that, the profound changes

which are experienced globally are challenging consumers' perceptions and behaviours to the extent that they might leave a mark even when the emergency is over.

A typical psychosocial response to the pandemic is that consumers often purchase goods which they consider to be crucial for preventing or coping with infection. This was initially clear right from the onset of the pandemic when panic buying of food and hygienic products. Whenever consumers heard that a product could suppress the virus, even if it is not confirmed, the product would be sold out almost. This kind of phenomenon, according to Song et al. (2020), is regarded as an informational conformity consumer behaviour. Findings by studies conducted by Lewis et al. (2008), Grilo et al. (2001), Dong et al. (2017), indicates that informational conformity consumer behaviour in severe epidemics will bring much harm, such as anxiety sensitivity, dramatic price changes in a short time, impulsive consumer behaviour, misallocation of resources and harm to the economy. Lantos (2015) confirms that consumer behaviour is greatly affected by the environmental conditions surrounding it, both inside the home and within the entire country, as the consumer usually tends during exceptional circumstances to change the consumption pattern towards necessities more than luxuries as a way to regulate and not reach the stage of inability to securing basic requirements (Campbell and Frei, 2010).

The consumer's behaviour thus requires adapting company strategies and identifying new ways to reach to the customer (OECD, 2020a). As a result of COVID-19, Consumers now tighten their belts by comparing prices, seeking out sales, delaying purchases, taking advantage of private label brands, eating at home and shopping at several stores to find better deals that are affordable.

4.4.2 Lockdown activities and plans for post-pandemic life

The lockdown, especially Level 5 meant that many consumers stayed home especially those who did not work in essential services. As such, it is noteworthy establishing the dominant activities which they carried out. The figure below shows which activities they resorted to pass the time during lockdown.

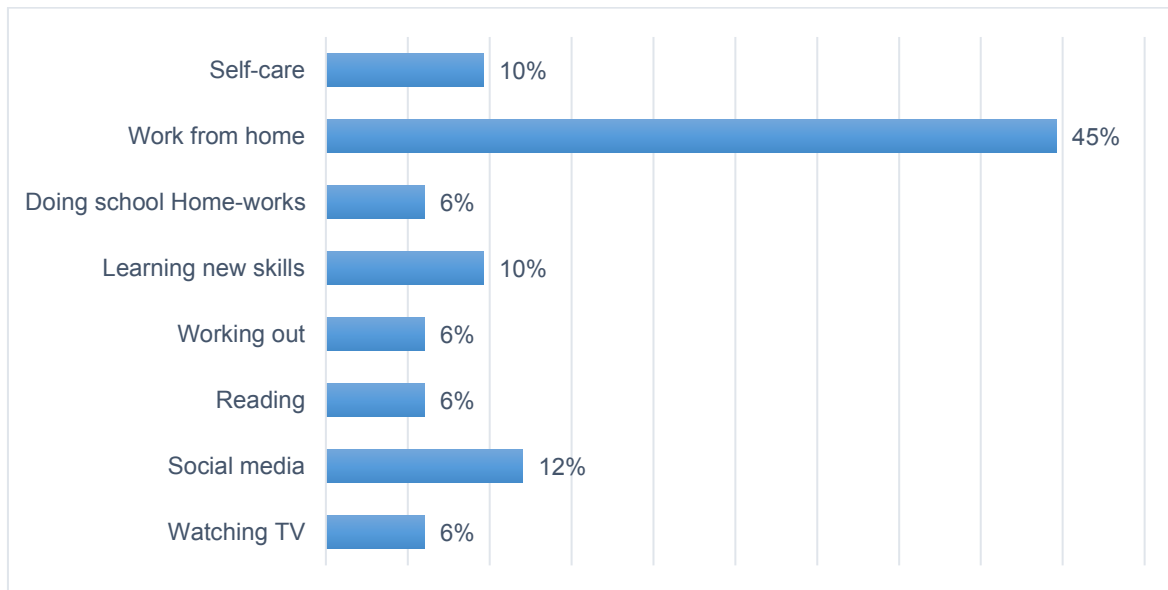


Figure 17: Activities I resorted to during lockdown

It is evident in the figure above that most participants 45% worked from home, while 12% spent a lot more of their time on social media. It is equally interesting that 10% focused on self-care and another 10% learned new skills. Some of the less recorded activities include reading, helping children with homework, watching TV and working out at home.

Participants indicated activities they would like to do after lockdown. The majority 22% indicated a desire to learn new skills, followed by 16% who were planning domestic travel, and 15% would attend large events such as weddings or religious events, concerts, or plays. When it comes to meeting people in person for social reasons, 13% of participants indicated so, while another 13% planned international travel. It is intriguing that only 6% of participants would like to still work from home after the pandemic.

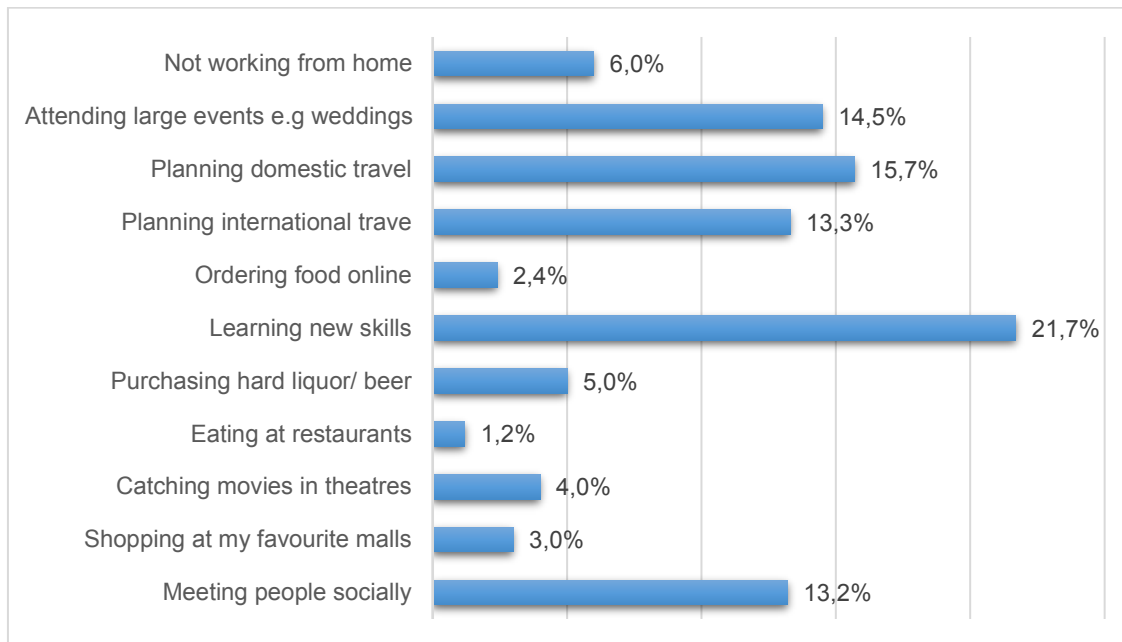


Figure 18: Activities to do after lockdown

There are a few points to note with regards to these two questions in the survey. One of the challenges with this question was it did not allow participants an opportunity for multiple responses. Multiple responses would have allowed participants to rank some of the key things they did during lockdown as well as those which they planned to do. Unfortunately, that aspect was missed during roll out of the survey. However, this limitation does not take away the fact that the responses from participants indicate what could be the first things they did and what they hoped to do first after lockdown. Another aspect which affected the responses to these questions was the timing of the survey. Some of the options such as going to the movies, shopping in favourite malls, ordering food online and eating at restaurants would have had more prominence if they were asked during the Level 5 of lockdown when such activities were prohibited. The researchers took note of these limitations as lessons for future surveys which require time sensitivity and multiple responses.

4.5 Policy responses to COVID-19 and what strides in protecting vulnerable consumers

4.5.1 Perceptions on lockdown restrictions and policies

As mentioned in the introduction of this report, governments all over the world took significant measures to curb the spread of COVID-19. South Africa took a very proactive and tough approach by declaring a national state of disaster. In a state of disaster, it became easier for

the government to impose restrictions on various facets of social life such as travel across provinces, and international travel, closure of educational facilities and non-essential businesses in Level 5. Consumers had to also forego certain goods which were deemed to reverse efforts at curbing or managing the pandemic. Thus it was important for this study to gauge participants' sentiments on the measures taken by government.

The banning of sales of alcohol was deemed important in reducing the spread of the virus by 57% of participants (strongly agree) and 22% of participants agreed. Only 8% disagreed with the statement.

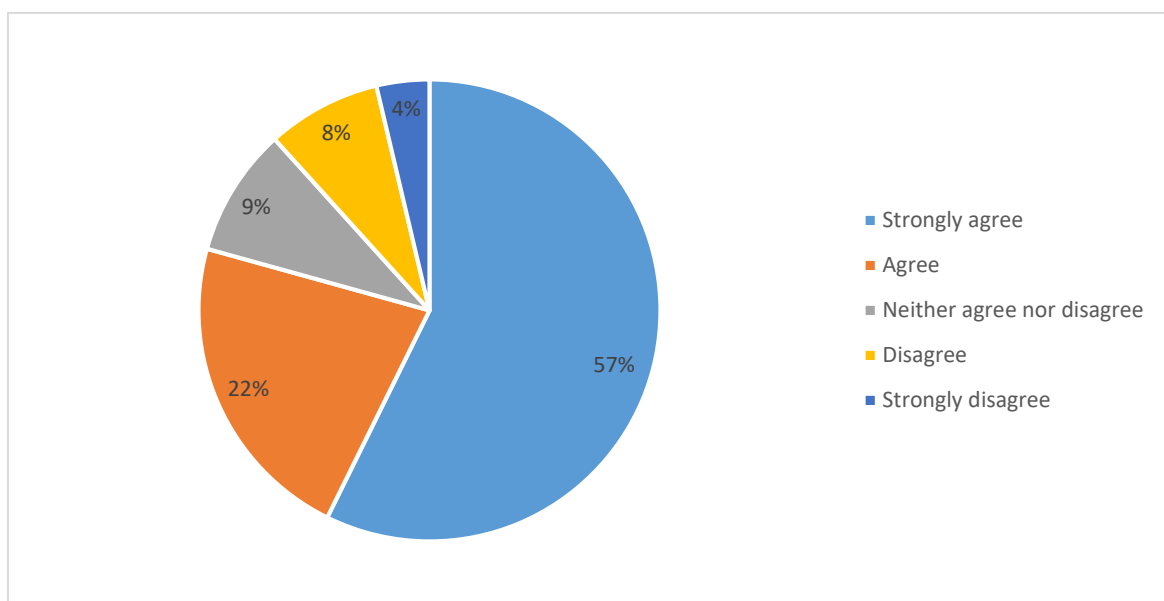


Figure 19: Banning sale of alcohol was important in reducing the spread of the disease

The banning of cigarette sales during levels 5 and 4 of the lockdown led to criticisms especially by smokers on social media. It also led to litigation in a matter between British American Tobacco, and others, in their case against co-operative governance minister Nkosazana Dlamini-Zuma, President Cyril Ramaphosa and the national coronavirus command council. In December 2020, the Western Cape High Court that regulation 45 of the Disaster Management Act — under which the cigarette prohibition was put in place — “cannot and does not withstand constitutional scrutiny”⁹. The court also ruled that the regulation was not necessary, and did not further the objectives of the legislation. Indeed, the cigarette ban was one of the thorny restrictions among most others, thus the study sought to gain participants' perceptions on it.

⁹ <https://www.businesslive.co.za/bd/national/2020-12-11-lockdown-cigarette-ban-was-not-necessary-and-unconstitutional-says-wc-high-court/>

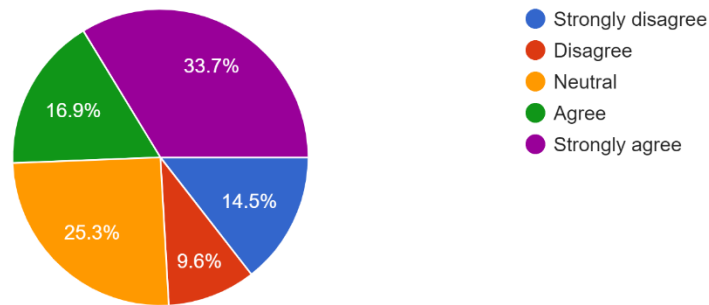


Figure 20: Banning sale of cigarettes was important in reducing the spread of the disease

The majority of participants, 34% strongly agreed, while 17% agreed that banning sales of cigarettes was important in reducing the spread of COVID-19. A significant 25% remained neutral in responding to the question while 15% strongly disagreed and only 10% strongly disagreed.

Prior to the pandemic, shopping hours were largely controlled by business licences, by-laws and their internal operating hour policies. However, the state of disaster imposed restrictions operating hours including days for alcohol when restrictions were eventually eased. The figure below shows the participants' sentiments regarding restrictions of shopping hours.

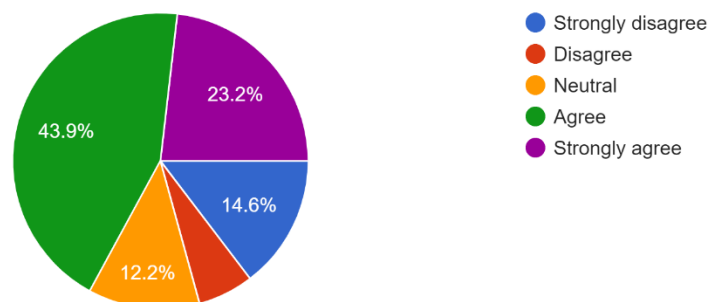


Figure 21: Restrictions on shopping hours were reasonable

It can be seen that in the affirmative, 44% of participants agreed while 23,2% strongly agreed that restrictions on shopping hours were reasonable. It was only 15% of participants who strongly disagreed, while 6,1% disagreed with the statement.

The long queues resulting from social distancing became a common feature of shopping especially during the early phase of the lockdown when fewer shops were opened. Participants indicated their sentiments with regards to the long queues. As shown in the figure below, the majority 42% agreed while 6% strongly agreed that they endured long queues whenever they were buying from the shops. Particularly since most participants are from Gauteng province where population density is high and long queues were a common feature, most participants were able to respond in the affirmative to this statement.

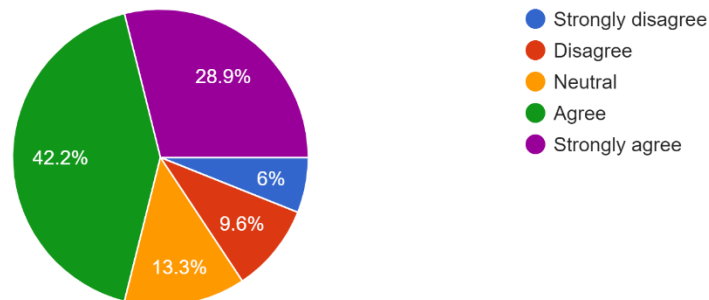


Figure 22: I endured the long queues for social distancing when buying from the shops

Sanitising of hands before entering any shopping malls, supermarkets or smaller shops has become a norm. In most cases, businesses dedicated a staff member who would sanitise customers entering their premises but automatic or self-operated sanitisers have become a common feature. Responses to this question are indicated in the figure below.

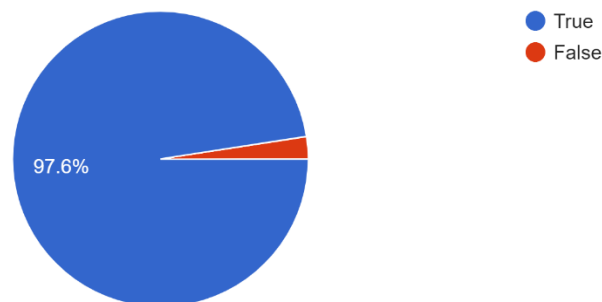


Figure 23: Sanitising hands before entering every shop is important

Participants of this survey responded with a resounding 98% that sanitising hands before entering every shop is important.

4.5.2 NCC's approach to handling consumer complaints under lockdown

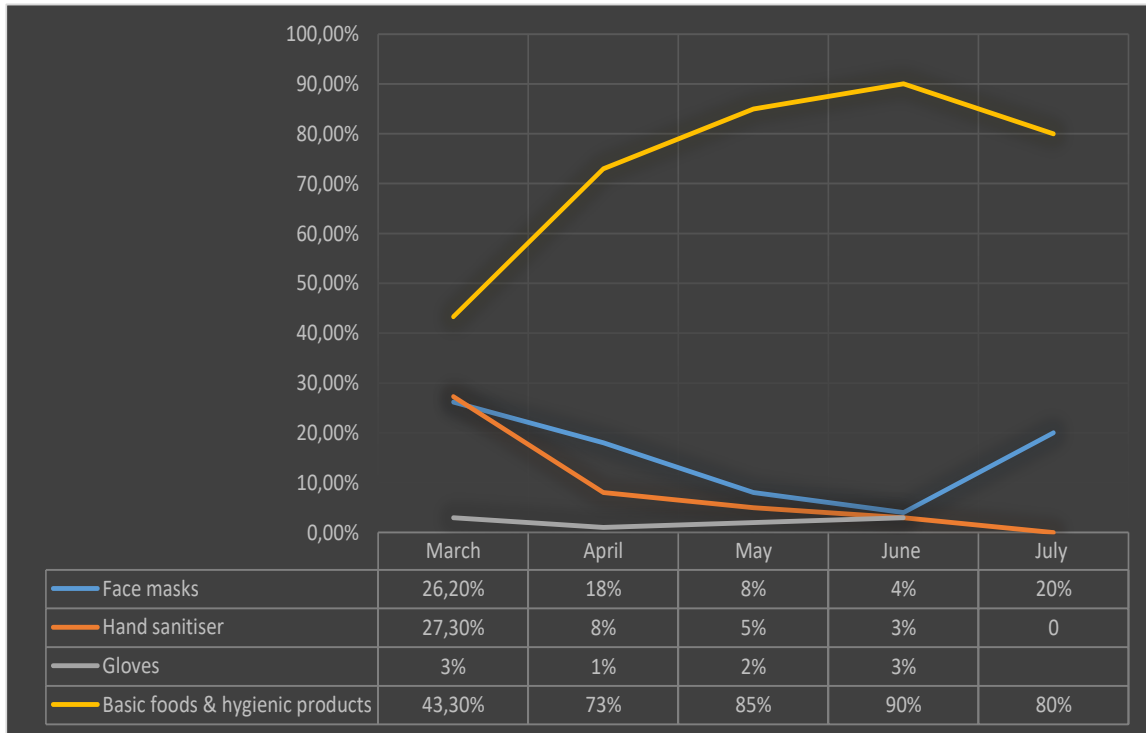
On the eve of lockdown, the NCC anticipated that price gouging (abrupt spike in pricing) was highly likely to occur as suppliers seek to profiteer from the desperate consumers. Earlier rumours of lockdown had sparked panic buying of essential goods, including soaps, sanitising products, foodstuffs and the like. Indeed, as anticipated, suppliers spiked prices of food and other essential products during the first weeks of the lockdown. This prompted the NCC and the Competition Commission to work jointly in investigating and prosecuting suppliers which had been reported cases for price gouging.

The Commission's first step to handling consumer complaints during the lockdown involved introducing additional communication channels. These included;

- The COVID-19 toll free line (0800 014 880) was launched on 19 March 2020 to handle calls from consumers via telephone;
- Twitter account @NCC_COVID19 was set up to capture complaints and inform consumers on social media;
- Radio awareness campaigns were flighted on SABC's 11 national radio stations to alert consumers about the toll free line and Reg. 350 between the 28th of March and 3rd of April 2020.

The three communication platforms utilised above led to a spike in complaints related especially to price gouging during the period of lockdown. The subsection below will discuss in more detail.

For the period 23 March to 31 August 2020, the NCC received a total of 4097 calls through its COVID-19 toll-free hotline. A total of **3632 (89%)** calls were answered and **465 (11%)** were lost/ abandoned. Of the **3632** total number of calls received to-date, **1901** calls were on alleged price gouging which relates to essential products as per Reg. 350. The remaining **1731** calls were not related to the Regulation 350, so the complainants were referred to the relevant platforms. It should be noted that during the month no price gouging complaints were registered and the **481** calls were redirected to the relevant entities.



NB: For the month of July, the majority of products complained about are on basic food and Facial Masks. Complaints about sanitisers and gloves were not received during the month.

Based on the complaints lodged by consumers, the NCC investigated suppliers who contravened legislation through exorbitant charging of goods. Some of the cases were then forwarded to the National Consumer Tribunal. A brief summary is in Table 2 below;

Table 2: Summary of progress on Referrals to the Tribunal/ Settlement Agreement

Supplier	Progress on referral or outcome
Lynx Chemicals (Bramley)	Filed at the Tribunal- judgment was in favour of supplier.
Mopani Pharmacy (Mbombela)	Settlement agreement reached in the following terms: a) To pay an admin fine of R52 796; b) donation of 2500 reusable masks to non-profit organization serving vulnerable groups and c) not to sell masks with a mark-up of more than 50%
Kit Kat Cash & Carry (Pretoria)	Filed at the Tribunal on the 11 May 2020. Settlement agreement has been reached where Kit Kat agreed to: a) pay an administrative fine of R50 000,00 and b) refund of R3750, 00 to the complainant
Belegi Workwear (Pretoria)	Judgement in favour of the NCC was granted in the following terms a) Pay an administrative fine in the sum of R100 000, fine

	b) Conduct of the Respondent declared to be a prohibited conduct:
Dischem	Founding papers being settled, papers not yet filed. Attorneys for Dischem has asked for a meeting before filling of papers
Peoples Pharmacy	Settlement agreement reached in the following terms; a) To pay R20 000,00 administrative fine b) R10,000,00 worth of PPEs to be donated to Gift of the Givers c) R10 000,00 worth of PPEs to be donated to Khethiwe Rehabilitation Centre for Children with disabilities- Mariannahill
Health and Home Protea Pharmacy	Settlement agreement reached in the following terms; a) To pay an administrative fine of R10 000,00 b) Donate 40 masks to Kempton Park Child wallware

Below is a discussion of two of the cases stated above, namely Belegi Workwear and Mopani pharmacy.

Belegi Workwear

The National Consumer Tribunal (NCT) found Belegi Workwear guilty of contravening Regulation 350 of the Consumer Protection inflating prices of face masks. The Tribunal ordered the supplier to pay an administrative fine of R100 000 within 30 days. The Commission referred Belegi Workwear to the Tribunal for prosecution after it was found guilty of selling facial masks with a massive mark-up of between 889% and 1229%. Investigations revealed that this increase was effected on stock that had been purchased in January of this year. The tribunal ruled that from February 2020 to the dates of the two transactions in question (19 and 24 March 2020), Belegi Workwear increased the price of its masks, despite it not experiencing any increase in its costs. This was a clear contravention of Regulation 5.2.1”.

The Tribunal also found that although the sale on 24 March 2020 was not completed, the offer was made by Belegi workwear. An offer to sell is prohibited under Regulation 5. According the judgment, Belegi Workwear saw an opportunity to derive significantly inflated profits and used the opportunity to its fullest. It did not simply increase its prices once, as the demand soared, it continually increased its prices. The Tribunal concluded that “it is mindful of the fact that the current pandemic in the country has created a climate of uncertainty and fear. Consumers can easily be taken advantage of under these circumstances. A strong message must be sent to suppliers that increasing prices of essential goods will be viewed in a serious light. Suppliers

must be made fully aware that their prohibited actions will have very a serious impact on their finances and that contravening the Disaster Regulations is not worth the risk”.

The NCC’s agreement with two pharmacies

NCC reached a settlement agreement with Mopani pharmacy operating in Mpumalanga and People’s pharmacy operating in Kwa-Zulu Natal. This follows the NCC’s investigations into allegations of excessive price increase (price gouging) of hand sanitizers as well as facial masks by both suppliers. These items are essential in curbing the spread of Covid-19. In terms of the agreement, Mopani pharmacy is required to pay an administrative penalty of R52 700 while People’s pharmacy administrative fine of R10 000. The Commission found the both pharmacies guilty of contravening Sections 40 and 48 of the CPA read with Regulations 350 by unfairly increasing the price of facial masks and hand sanitizers. NCC’s investigation revealed that Mopani pharmacy made a profit of 179% on facial masks while People’s pharmacy made a profit of 74.72%. As part of the agreement, Mopani pharmacy will donate 2500 units of reusable facial masks to a non-profit organisation in Mpumalanga and People’s pharmacy will donate personal protective equipment (PPE) to the value of R20 000 to two non-profit organisations in Kwa-Zulu Natal. Both suppliers agreed to desist from engaging in a conduct that violates any provision of the CPA.

5 Conclusion

The study has shown that the lockdown has impacted consumers in several ways as it required them to avoid contracting the disease and acquiring essential goods and services to sustain them. In particular, the lockdown brought varying experiences for consumers of different socio-economic backgrounds. Lower economic groups of consumers had to bear the brunt of shopping under local circumstances in which practicing social distancing was almost impossible. Since most of them work low skilled jobs, they constituted a large chunk of the labour force that was not working throughout the hard lockdown phase and so they really struggled to put food on the table. Other better off categories of consumers were able to adapt and buy goods online and reduce movements to brick and mortar shopping malls. Areas which require careful attention for consumer protection enforcement agencies and alternative dispute resolution agencies, include protection in online shopping which has grown exponentially in the wake of the pandemic, refunds for services or goods that could not be delivered because of lockdown restrictions and also unfair and unjust price hikes on essential goods and personal, protective equipment.

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Appendix

Table 1 : Permitted Retail and Service Operations for Wholesale and retail trade, covering stores, spaza shops, e-Commerce and informal traders Level 5 & 4

Level 5	Level 4
1. Any food product, including non-alcoholic beverages and animal food, excluding the sale of cooked hot food;	1. Any food product, including non-alcoholic beverages and animal food;
Toilet Paper, sanitary pads, sanitary tampons, condoms;	2. The sale of hot cooked food, only for home delivery;
3. Hand sanitiser, disinfectants, soap, alcohol for industrial use, household cleaning products, and personal protective	3. Toilet Paper, sanitary pads, sanitary tampons, condoms;
4. Products for the care of babies and toddlers;	4. Hand sanitiser, disinfectants, soap, alcohol for industrial use, household cleaning products, and personal protective equipment;
5. Personal toiletries, including haircare, body and face care products, roll-ons, deodorants, and dental care products;	5. Products for the care of babies and toddlers;
6. Medical and Hospital Supplies, medicine, equipment and personal protective equipment;	6. Personal toiletries, including haircare, body and face care products, roll-ons, deodorants, dental care products;
7. Fuel, including coal, wood, paraffin and gas;	7. Medical and Hospital Supplies, medicine, equipment and personal protective equipment;
8. Airtime and electricity	8. Fuel and lighting, including coal, wood, paraffin and gas;
9. Hardware, components and supplies required by any qualified tradespersons solely for the purpose of emergency repairs at residential homes;	9. Airtime and electricity
10. Hardware, components and supplies required by any entity engaged in the provision of essential services for any project related to the provision of water, electricity or other essential services;	10. Hardware, components and supplies required by any qualified tradespersons solely for the purpose of emergency repairs at residential homes;
11. Components for vehicles undergoing emergency repairs where such vehicle is used by a person engaged in essential services work;	11. Hardware, components and supplies required by any entity engaged in the provision of essential services for any project related to the provision of water, electricity or other essential services;

12. Chemicals, packaging and ancillary products used in the production of any these products;	12. Components for vehicles undergoing emergency repairs where such vehicle is used by a person engaged in essential services work;
13. Textiles required to produce face masks, and other personal protective equipment;	13. Chemicals, packaging and ancillary products used in the production of any these products;
14. Children's clothing;	14. Textiles required to produce face masks, and other personal protective equipment;
15. Winter clothing bedding and heaters;	15. Winter clothing, bedding and heaters;
16. On-line delivery of ICT equipment to facilitate work-from-home arrangements including computers, mobile telephones and other home office equipment	16. Children's clothing;
17. No sale of liquor permitted	17. Stationery and educational books;
	18. Personal ICT equipment including computers, mobile telephones and other home office equipment;
	19. No sale of liquor permitted