



Coronavirus shifts consumer behaviour and helps some businesses boom

By business reporter [Nassim Khadem](#)

Posted Mon 6 Apr 2020 at 3:00am, updated Mon 6 Apr 2020 at 11:10am



Deliveroo has seen an additional 1,700 restaurants come onto its platform. (*Reuters: Phil Noble*)

Social distancing measures and shutdowns introduced in response to the coronavirus pandemic have forced everyone to rethink their everyday interactions.

It may permanently change the way we live and work, according to Australian business leaders.

Teleconferencing services like Zoom and Skype, food delivery services like Uber Eats and Deliveroo, and bricks and mortar businesses like Bunnings now see the future differently.

They are a few of the fortunate businesses that have not just survived the biggest health and economic catastrophe of the century, but are booming.

However, the crisis has also raised new questions about privacy and security.

If more of us are online and using apps to do everything from birthday parties, weddings and

Key points:

- Demand for apps like Zoom, Uber Eats and Deliveroo as well as online retail has been booming
- Large and small businesses are adapting to the new normal, finding ways to deliver their services online
- Business leaders say they believe consumer behaviour may have changed forever

funerals to high-level business board meetings and cabinet discussions, what responsibilities do companies have to protect our information?

Stay up-to-date on the coronavirus outbreak

- [Download the ABC News app and subscribe to our range of news alerts for the latest on how the pandemic is impacting the world](#)

Demand for videoconferencing will be 'exponential'

This is a question that Zoom, which reports a big uptick in usage of its free video conferencing app, has had to answer in recent weeks.

After some cases of so-called "[Zoom bombing](#)" — [where hackers or trolls hijack a public video call](#) — the company's security and privacy protections have come under heavy scrutiny, including in its home country where the New York Attorney-General is running an investigation.

Zoom's head of APAC, Michael Chetner, says the company takes its security and privacy obligations seriously, and "we comply with all the local laws of the jurisdictions we operate in".

But he agrees that as use of the app — and thereby scrutiny — increases, how the company treats and communicates these issues takes on a new meaning.

"Scrutiny will increase, and we have to make sure everyone's comfortable with our rigorous security and privacy policies in place," he told ABC News.

"If that means better communicating it then we have to continue communicating it for sure."

Mr Chetner says videoconferencing never been accessed as it is now.

Technology is now a requirement, not a wish list.

"This is the biggest remote working experiment that the world has ever seen," he said.

He noted recent cases of Italians using Zoom to conduct a wedding, New Zealand's Prime Minister Jacinda Ardern using the platform to pull together a cabinet meeting, and even senators in Brazil using it to vote on legislation.

"We're forcing elements of digital transformation to happen," he said.



Zoom's head of APAC, Michael Chetner, said the company takes its security and privacy obligations seriously. (*Supplied*.)

[Read our full coverage of the coronavirus pandemic](#)

In Australia there has been more demand for services in rural and regional areas and around education and health.

Mr Chetner says once there is more widespread use — with educators teaching their students and health professionals using the medium to deliver e-health services — "the increase will be exponential".

"It's still very early to tell whether that free user growth is going to turn into paying customers," he said, but noted in time that could happen.

"As of the end of December last year, the maximum number of daily meeting participants, both free and paid, conducted on Zoom was about 10 million.

"In March this year, we reached more than 200 million daily meeting participants, both free and paid."

Online food delivery soars and car sharing holds up

The introduction of social distancing measures and related closures of businesses has hit the cafe and restaurant sector especially hard.

But companies like UberEats and Deliveroo — which for some time have faced heavy opposition from bricks and mortar businesses for not paying the industry enough of a cut — are now seeing droves of temporarily shut-down restaurants move onto their platform.

Deliveroo chief executive Ed McManus said in the week after bans were introduced, the company saw an additional 1,700 restaurants come onto their platform.

This includes higher-end restaurants, and those which in the non-coronavirus-period typically had long lines of customers waiting outside their doors, such as Melbourne's Chin Chin.

Mr McManus says there has also been growth in the number of new consumers ordering through the app, as well as in the volume of deliveries.

"The restaurant and café business is open for delivery," he said.

"We have seen steady growth over past few weeks particularly in lunchtime demand."

He says coronavirus does raise interesting questions about whether consumer behaviour is now forever changed across industries, especially in retailing.

"It depends how long this lasts," he said, but added Australians loved dining out with friends and family, and that would likely always be the case.

Your questions on coronavirus answered:

- [Will Australia have a second wave of coronavirus?](#)
- [How many people have died from coronavirus?](#)
- [Can children pass on the coronavirus disease?](#)

Uber Eats regional general manager Jodie Auster says the platform already has more than 20,000 restaurant partners to choose from.

"Since the start of the coronavirus pandemic we have witnessed an influx of new restaurants ... looking for ways to increase their digital business," she said.

Uber Eats has deployed staff from other parts of its business, including New Zealand, to meet this increased demand.

'Leave at door' contactless delivery is now available in all Australian cities.

But while this is an "unprecedented time for businesses across the world", according to Ms Auster, once the crisis ends she expects Australians will return to dining out.

"Dining out has always been an important part of our lives, and will continue to be," she said.

Chapel Street Precinct Association general manager Chrissie Maus said businesses have been forced to pivot to home delivery to survive this pandemic period, but were reluctantly using the online delivery platforms which charged "sky-high commissions".

Mr McManus said, "we do hear that message, but we're not in a position to reduce commissioners because if we did, we'd have to pay delivery riders less".

Will Davies, chief executive and co-founder of car sharing platform Car Next Door, said at one point last month their service was up 70 per cent compared to the same time last year.

While demand has since dropped off, he says Australians are still using car sharing, especially people in the healthcare industry who are still travelling to and from work but don't have a car and don't want to use public transport.



Will Davies says at one point last month Car Next Door's service was up 70 per cent compared to the same time last year. (*Supplied*)

Retail sector in a state of flux, but it will adapt

The retail sector, however, may have permanently changed.

Bunnings managing director Mike Schneider says the retailer has seen unprecedented demand for goods as more Australians work and spend time at home.

"We're adapting to new ways of living and working at the moment," he said.

Mr Schneider says there has been a huge wave of people purchasing supplies to build home offices and home classrooms.

But there has also been steady strong demand for cleaning products, seedlings and general garden supplies including seedlings.

The company's online marketplace has also been booming, with people purchasing gym equipment and various home fittings and furnishings.

Mr Schneider said in March there were about 30 million visits to the Bunnings website.

"That's started to flow through to increased products purchased through the website," he said.

The percentage of customers opting for online delivery also increased.

"It's often said it takes three months to build a new habit, and this seems to have legs," he said.

"Our patterns of living are going to change, and if that changes then what you buy and how you buy it changes.

"That presents a challenge for business to adapt.

"There's no doubt that the online retailing space will."



Bunnings has seen unprecedented demand for goods as Australians spend more time at home. (AAP: Dan Himbrechts)

Demand for online goods from beauty to books

Businesses that have already been operating online have been unexpected winners in this crisis.

Kate Morris, founder of adorebeauty.com.au, says her Melbourne-based business has never seen such a leap in demand for online beauty and skincare products.

She expects they will hit over the budget target of \$100 million turnover this year, thanks to a huge spike in demand for products including handwash, hand sanitiser and soap and skincare.

"Premium handwash sales are up 342 per cent," she said.

Since beauty salons closed and people stopped going to hairdressers because of stricter social distancing measures, Ms Morris says sales of shampoo and conditioners as well as "feel-good" items like face masks have also soared.

"We don't know how long this [sales boom] will go on for, but it's fair to say the jump



Kate Morris, founder of [Adorebeauty.com.au](http://adorebeauty.com.au), says her team has never seen such a leap in demand. (Supplied)

has been somewhat dramatic," she said.

"There's a big uplift in new customers shopping with us for the first time. It's possible that they were shopping online somewhere else before or they are first-time online shoppers."

It's not just the beauty industry benefitting.

Australian online bookstore Booktopia's deputy CEO and CTO Wayne Baskin says they are hitting their budget targets because demand for some books has gone up.

"We're seeing more than 100 per cent growth in fiction titles," he said, noting that sales of education textbooks had declined steeply.

"A lot of the universities have delayed their courses as international students aren't coming in anymore."

Online auctions make an entrance

Since mid-March, following a ban on open home inspections and on-site auctions, there's been some growth in online auctions and livestreaming of auctions.

Peter Gibbons runs Open Negotiation, which operates pre-contracted auctions where bidders participate on an online platform.

"We have been absolutely inundated by [enquiries from] agents since coronavirus," he said.

"We currently have over 200 live auctions in process ... with 231 new trained agents in the past couple of weeks."

David Scholes, the founder of another online bidding platform called SoldOnline, also reports more real estate agents are enquiring about using the platform.

He describes SoldOnline as "the eBay for property sales", where the vendor typically pays a \$399 fee to join up and buyers make real-time virtual bids for properties through a registered portal.

Agents are watching what bidders are doing and can talk to them by phone or through a chat bot.

In the online world, it is still entirely up to the agent to ensure people are not engaging in fake bidding.

"Since the Prime Minister's announcement, SoldOnline is also working closely with 35 individual agencies to switch to online auctions, with one agency already listing 16 properties with the online platform," he said.

"The first coronavirus-impacted auction went ahead last week, and it achieved \$13,000 over reserve.

"We have seen enquires go through the roof — in the past week I estimate I have fielded about 150 phone calls from real estate agents."

He says not all of these phone calls translated to agents moving onto the platform. Some agents still prefer to use livestreaming options over an online bidding site.

Australians find new ways to survive, interact

Brendan Condon, chief executive of Melbourne-based urban farming company Biofilta, has already seen people's living habits change.

His business offers a "Foodcube" that allows communities to produce large volumes of fresh food in small city spaces including backyards, carparks and rooftops.



Biofilta says more Australians are looking to grow their own fresh food. (*Supplied*)

Mr Condon said since coronavirus, Biofilta had more than doubled the number of Foodcubes it sells each month from 150 to 300.

He says each module grows around 25 kilograms of fresh produce annually and the average order is between five to 10 food cubes with soil.

"That's enough for 125 kilograms to 250 kilograms of fresh produce," he said.

"We will see lasting change [in how people behave] as we move through this period."

But it is not just consumer habits changing. Small businesses are also adapting.

Suzi Jamil is the owner and director of Think Inc, an events touring company that has in the past brought international speakers including Jane Goodall and Richard Dawkins to Australia.

She said the company used to charge about \$70 to \$80 a ticket for people to see live events at places like the Sydney Opera House.

Now, she's moved the events online and charges about \$10 to \$20 a ticket.

Online audiences can still engage with the star of the show in real-time, with a live Q&A, and chance to do online networking after the event.

"This is a major shift [in how people behave]," she said.

"It is teaching people to link up online. And as a small business owner based in Sydney, I can reach a global demographic."

What the experts are saying about coronavirus:

- [Economic recovery committee looks set to push for a gas-fired future](#)
- [Immunity passports might create a perverse incentive for individuals to seek out infection](#)



The Virus