

# Private, online and hi-tech: the coronavirus economy

March 22 2020, by India Bourke

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Online retailers are experiencing a surge in orders from self-isolating consumers

The coronavirus pandemic has sent stock markets into freefall and industries to the wall, however many firms enabling more private, online and tech-based living are emerging as potential winners.

As hundreds of millions of people worldwide are forced to stay in their homes and not travel abroad, the businesses that are helping them to adapt could lead to long-term changes in the economy.

"I think certain aspects of work and organising will change for good through the current situation," said Sally Maitlis, a professor of organisational behaviour at Oxford University's Said Business School.

"People will discover that they can work and communicate in ways they previously didn't think possible, and will be forced to become more nimble with tech through having no choice to do otherwise."

Here are comparisons of several sectors that are thriving and failing in the pandemic:

## **E-commerce giants vs independent stores**

Large online retailers have seen a surge in orders as self-isolating or home-working consumers turn to their massive distribution and delivery networks to provide daily essentials.

Shares in US retail giants Walmart and Amazon both tumbled as markets crashed around the world on March 16.

During the week Walmart rose as much as 25 percent from its nine-month low on Monday. Amazon also recovered.



Online retailers are experiencing a surge in orders as consumers turn to them during the coronavirus outbreak

"We are seeing increased [online shopping](#) and as a result some products such as household staples and [medical supplies](#) are out of stock," Amazon said.

Yet small, independent stores are suffering, said UK Federation of Small Businesses chair Mike Cherry.

"These are already very difficult times for all [small businesses](#) right across the country. There are huge concerns over supply chains while on

top of this footfall continues to drop. The prospect for these businesses over the coming weeks is increasingly bleak."

## Streaming vs cinemas

Demand for movies to watch at home has soared so much that Netflix and YouTube are reducing the quality of their streaming in Europe—which has become the epicentre of the virus—to ease pressure on the internet.

Worldwide streaming activity jumped by 20 percent last weekend, according to Bloomberg News.

Traditional cinema chains, however, are facing an unprecedented drop in demand.



India on March 12 reported its first coronavirus death as authorities ordered schools, theatres and cinemas closed in New Delhi for the rest of the month

Some have temporarily closed their doors to help contain the virus's spread.

US-listed shares in Cinemark and AMC Entertainment were both down around 60 percent on Friday from their respective highs in January and February.

## **Private jets vs commercial planes**

The airline sector has been hit hard by quarantine rules and border closures, with UK airline Flybe crashing into bankruptcy and experts predicting others will follow.

The International Air Transport Association said Thursday that up to \$200 billion is needed to rescue the global industry.

US airlines have sought more than \$50 billion in government assistance in recent days, with one top US official saying the outbreak poses a bigger threat to the commercial industry than the September 11 attacks.

In contrast, private jet charter companies are seeing demand soar.





The global travel industry is one of the sectors hit hardest by the efforts to limit the novel coronavirus's spread

Wealthy customers are seeking to distance themselves from the "unknown" travel histories of fellow passengers, said Daniel Tang, from Hong Kong-based charter company MayJets.

US-based Paramount Business Jets has seen inquiries go "through the roof", its chief executive Richard Zaher said.

Queries have risen 400 percent and bookings are up 20-25 per cent.

## **Home workouts vs gyms**

As many gyms close their doors, fitness-lovers are turning to online classes and home workouts.

Shares in US home gym equipment company Peloton surged as investors bet on increasing demand for its stationary exercise bikes and memberships to streaming online workout sessions.

At one stage Peloton's share price was up more than 50 percent from Monday's intra-day low.

## **Teleconferences vs real world meetings**

With more and more people working from home to limit the virus's spread, demand for technology that enables online group meetings, chats and collaborations has spiked.

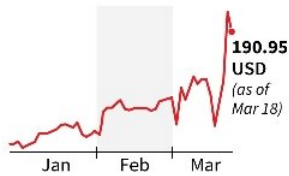
## Potential winners in the virus economy

Despite the stock market's wild swings, some companies could benefit in the COVID-19 outbreak. Here's how they are performing:

### Sector: Healthcare

#### Clorox

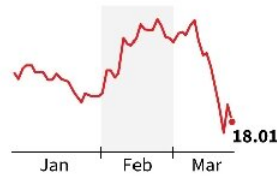
Cleaning products



### 'Work-from-home' solutions

#### Slack

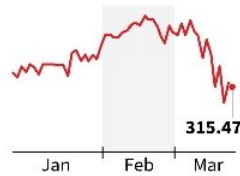
A chat room for companies, for communication and sharing



### Self-quarantine support

#### Netflix

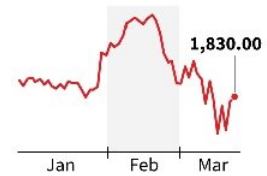
Entertainment streaming service



### Consumer goods

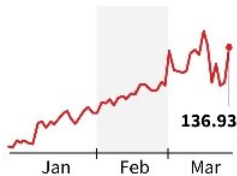
#### Amazon

E-commerce



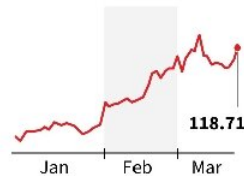
#### Teladoc

Virtual healthcare facilitating digital doctors visits



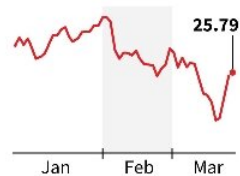
#### Zoom Video

Remote conferencing including video, chat and mobile



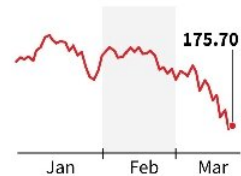
#### Peloton

Indoor exercise bike maker



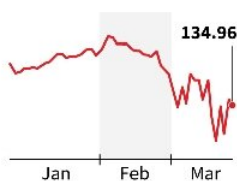
#### Alibaba

E-commerce



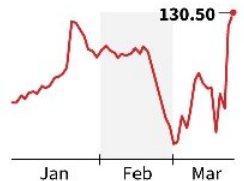
#### Johnson & Johnson

Pharmaceutical and consumer goods



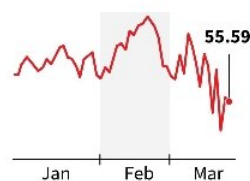
#### Citrix

Cloud computing software for collaborative remote working



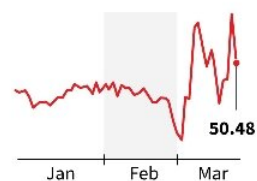
#### Activision Blizzard

Interactive entertainment and video gaming platform



#### Campbell Soup

Canned food



Source: Google Finance/AFP/Forbes

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Graphic naming selected companies that could benefit from the "coronavirus economy," according to a Forbes data from March 7

"There is such excitement around remote work that brands like Zoom have seen their stock value climb up," Creative Strategies analyst Carolina Milanesi said, referring to the teleconferencing app.

At the same time, real world gatherings from sporting events to business



conferences, have been postponed or cancelled, with a large question mark still lingering over the fate of this summer's Olympic Games in Japan.

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