

# How Business Sectors affected by Covid-19 pandemic



Covid-19 has set millions of businesses vulnerable to the financial impacts of the pandemic, with the majority being unable to recover and the rest counting losses, employment cuts, change the way of operating and years forward for recovery.

The pandemic has changed the way businesses operate, with various sectors being benefited and increased their operating cycle and revenue and other sectors being negative impacted and their operating cycle and revenue been reduced.

The following sectors have been affected by the pandemic, positively and negatively:

## **Positively affected:**

- Internet/Web based services and products
- Online shops
- Couriers/Transportation services
- Distance/E-learning organizations
- Online payment institutions and online banking

## **Negatively affected:**

- Retail industry (shops, shopping malls, etc.)
- Retail trading distributors
- Hospitality industry (restaurants, cafes, bars, etc.)
- Entertainment industry (theatres, cinemas, play grounds, etc.)
- Tourism industry

The business sectors below are analysed on the grounds of what has triggered their growth and decline, during the pandemic crisis.

## **Internet/Web based services and products**

Internet services and products, for example online ordering, web chat, internet calls and videos, web meetings, etc., have increased significantly their operating cycle and market share, since the majority of personal meetings, shopping, conferences, etc., were unable to be performed/held, due to the pandemic crisis. Finding alternative solutions for continuing these activities has increased the usage of internet based services and web based products (software).

## **Online shops**

Many businesses have temporarily ceased their operations due to the pandemic and because of that, they turned their businesses offering their products through online shops and e-commerce. Selling their products through the internet has facilitated the process for continuing their operations during the lockdown period. In addition, many businesses have created a new era for online shopping, while retaining or increasing their business cycle.



## **Couriers/Transportation services**

Buying products through the internet and the online shops being the only way for customers' shopping, this has resulted into a tremendous increase and usage of courier/transportation services.

Many online shops and brand chains have established business co-operations with courier companies for transporting/delivering their products around the world to the end consumers. Courier and transportation service providers have grown significantly, not strategically and intentionally but indirectly and unintentionally, through the supply chain of online shopping customers/end consumers.

## **Distance learning/E-learning**

Schools and private teaching institutes adapted to the new reality of non physical presence in a classroom and the provision of their services in distance, through virtual classrooms and meeting platforms.

Learning providers were able to adapt in due course to the new norm of distance learning and this has helped them to continue operating without distraction and loss of revenue.

## **Online payment institutions and online banking**

Banking institutions and online payment service providers have been benefited the most from the pandemic crisis, since they reacted rapidly to the new situation of online payments, electronic payments and online shopping. New ways of payment have been established, by utilizing the technological advancements, for servicing their clients and the general public.

During the pandemic period, the online shopping has been the only option for customers, and this resulted for banking institutions and online payment service providers, to be benefited the most and unintentional.

In addition, contact less visa cards usage has been increased and they will continue to be used in replacement of cash and finding also additional ways of payment like digital wallet, mobile wallet, e-wallet, etc..

## **Retail industry (shops, shopping malls, etc.)**

All retail industry businesses have been adversely affected, because they remained closed or they operated with limitations and restrictions during the pandemic period, and this resulted in a significant reduction in their operating cycle and profitability.

However, for the businesses that they acted proactively and turned their businesses into operating through online shopping in parallel with the limited physical presence shopping, they were able to minimize the risk of revenue reduction and they continued operating with minor negative effects in their operating cycle and profitability.

## **Retail trading distributors**

The operations of trading distributors have adversely been affected, since they are directly connected with the retail shopping, which has temporarily ceased its operations apart from online shopping and in some cases it ceased its operations permanently.

International trading distributors have negatively been affected also due to the pandemic global effect and the reduction of goods' production.

## **Hospitality industry (restaurants, cafes, bars, etc.)**

One of the most negatively affected industries is the one of hospitality. Restaurants, cafes, lounges, bars, etc. have been hit by the consequences of covid-19 and most of these businesses have suspended their operations, a small number continues operating with limited space for service and the remaining of them closed down because of their inability to cover their running costs.



As a temporary solution, some businesses continue operating by offering their products only for take away and delivery. This has allowed them to survive in the short term until they get back in business.

### **Entertainment industry (theatres, cinemas, playgrounds, etc.)**

Limited space and sitting arrangement and limit of number of people available in a place has been forced to the businesses operating in the entertainment industry, resulting in a limitation of revenue generation and in some cases suspension of operations because the running costs were in excess of the prospective income.

### **Tourism industry**

The tourism industry has been hitten the most due to the pandemic. The 80% of the hotels around the world have been affected badly, with the majority of them suspending their operations for 2021 and the remaining to continue operating in break even.

The international aviation market has been affected adversely. Airline companies suspended their flight operating programs to various destinations due to inadequate reservations, bookings and demand in general, they reduced their flight and operational staff, and they offered free booking changes and many other incentives to customers and in worst scenarios, airline companies went bankrupt.

Cruise companies ceased their operations temporarily for the year 2020, hopefully to operate again mid 2021.

The pandemic of Covid-19 affected the world dramatically in all aspects and some of the consequences will continue in the short-term and mid-term.

Countries' governments have issued various schemes for financially supporting different business sectors to survive during the pandemic period and be able to recover in the short-term and mid-term. The people that have lost their jobs, they have been supported by the authorities and new financial supporting schemes are promoted continuously.

Humanity has been hitten in the past with crises and it will continue to be hitten in the future. People must develop their capabilities and be ready to adapt to changes in a faster way and act proactively, for survive and prosper.