



ALEEVAR CONSULTING

Elevating business, enabling capacity building

COVID-19 Pandemic: Consumer & Business Shifts and Climate Change 28 Apr 2020 – Webinar #1



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The shift

Pre- and post-COVID-19 pandemic

State of COVID-19 cases as of 20 Apr 2020

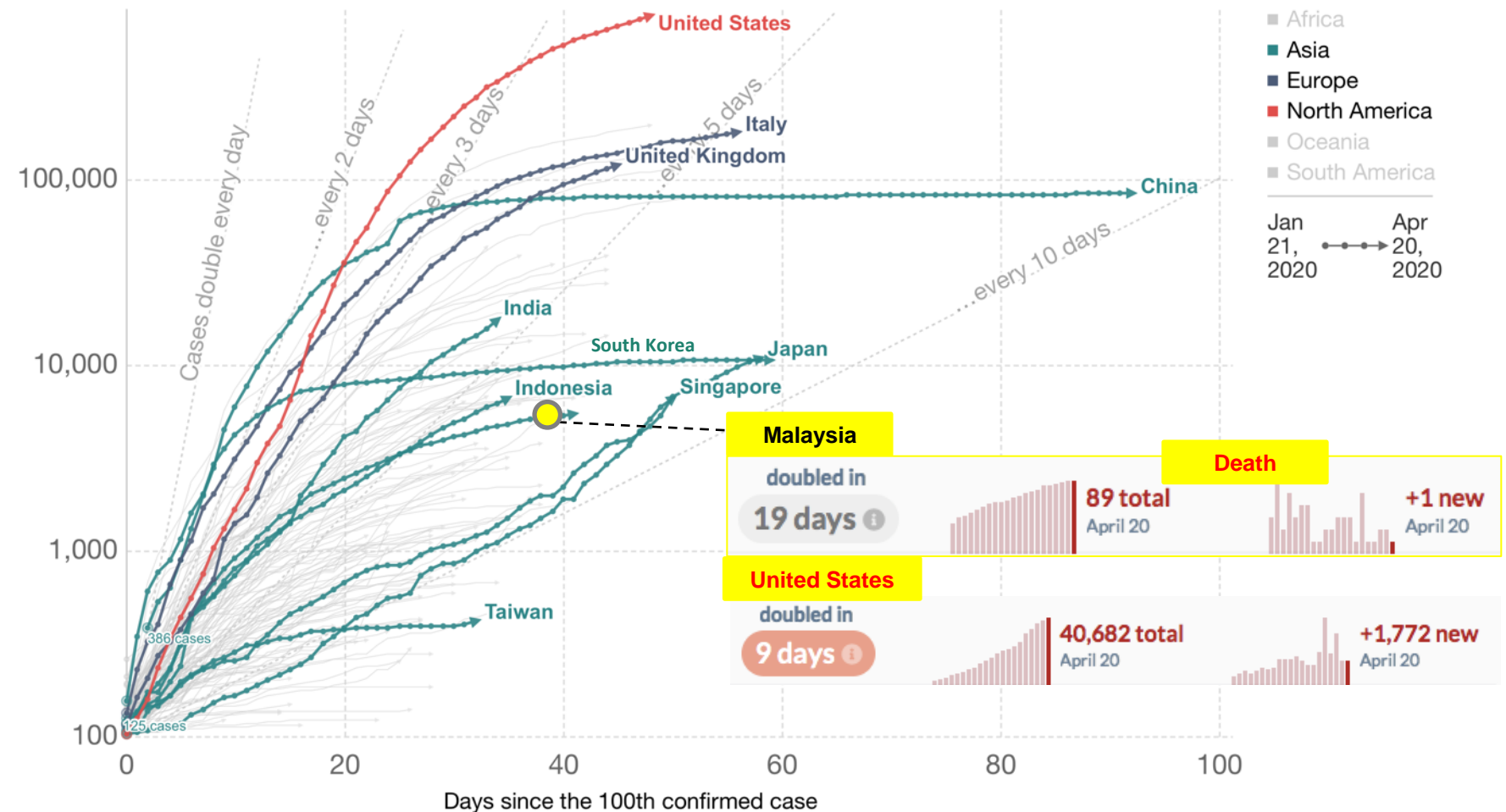
China's first 100th confirmed case dated 21 Jan 2020 and peaked on 12 Feb 2020 and plateau after 3 weeks (i.e. the flattened curve) and South Korea started on 21 Feb 2020 and peaked at 13 Mar 2020 shows similar sign of plateau. This is followed by Italy and Taiwan (not shown in the chart).

- Japan and Singapore have not plateau and are doubling every 10 days and 16 days respectively shows sign of increase in cases.
- Malaysia and Indonesia cases are reported to be doubled between every 5 days and 10 19 days.
- US and UK attempting to control the cases doubling in every 3 days and 5 days 9 days and 10 days respectively.

Total confirmed cases: how rapidly are they increasing?

The number of confirmed COVID-19 cases is lower than the number of total cases. The main reason for this is limited testing.

Our World
in Data



Source: European CDC – Situation Update Worldwide – Last updated 20th April, 11:30 (London time) OurWorldInData.org/coronavirus • CC BY

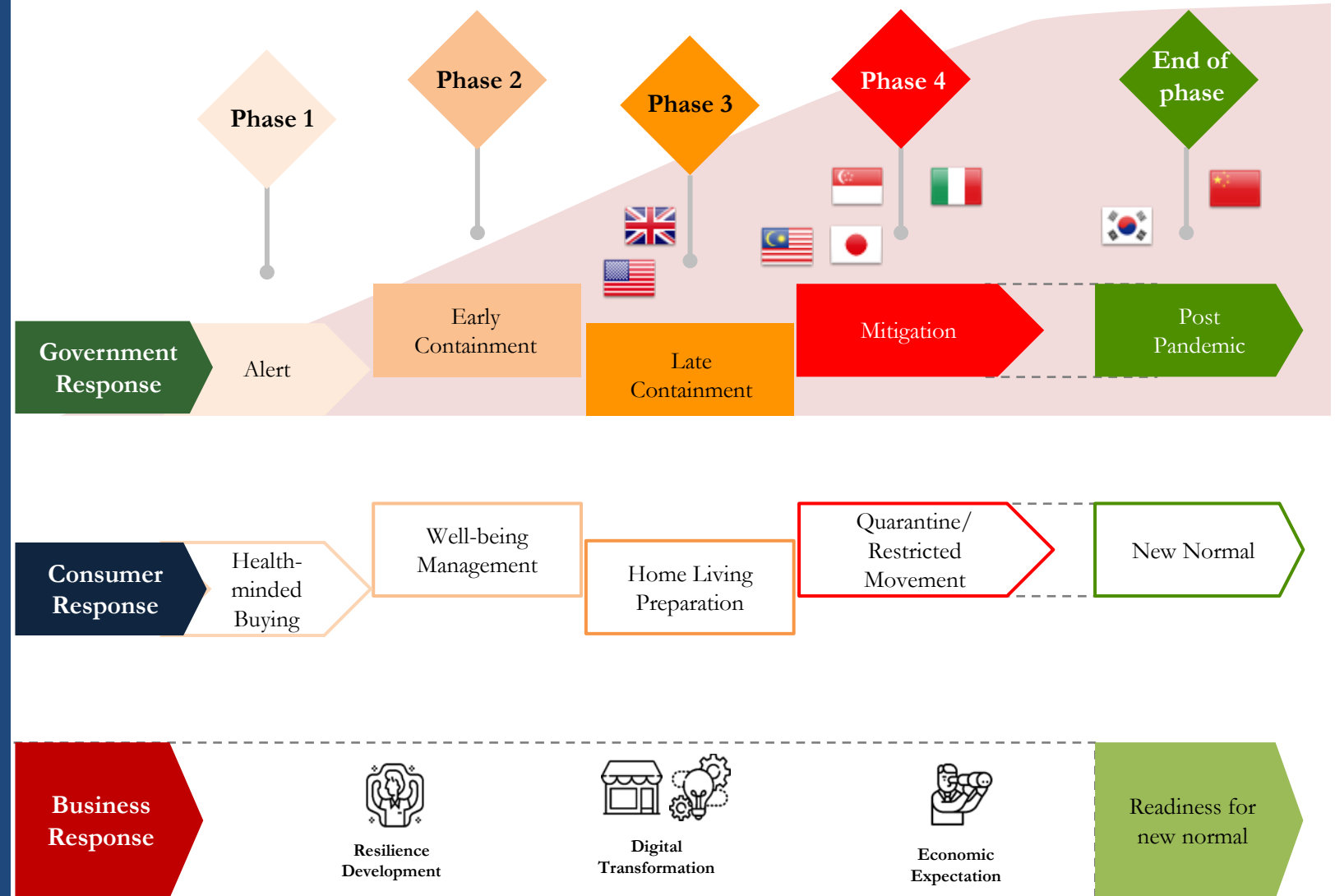
COVID-19 pandemic response from Government, Consumer and Business

COVID-19 pandemic has led a series of government responses, which resulted in consumers and businesses having to respond accordingly.

Typically, governments globally responded to the outbreak described in 4 phases¹ but varied across countries. In Malaysia, first phase is Alert where diseases are reported overseas and minimise imports spread, second phase as Early Containment where disease arrived in Malaysia and primary care responses needed. Third phase is Late Containment where local transmission and to stop the spread aggressively and finally on phase 4 termed a Mitigate, the spread is wide and strict control measure.

Consumers respond in tandem in 4-phase from Health minded buying, Well being management, Home living preparation and Quarantine or highly restricted movement.

Throughout 1Q2020 to 2Q2020 until post pandemic, businesses have and will continue to respond in 3 manners; Resilience development, Digital transformation and Economic expectation.

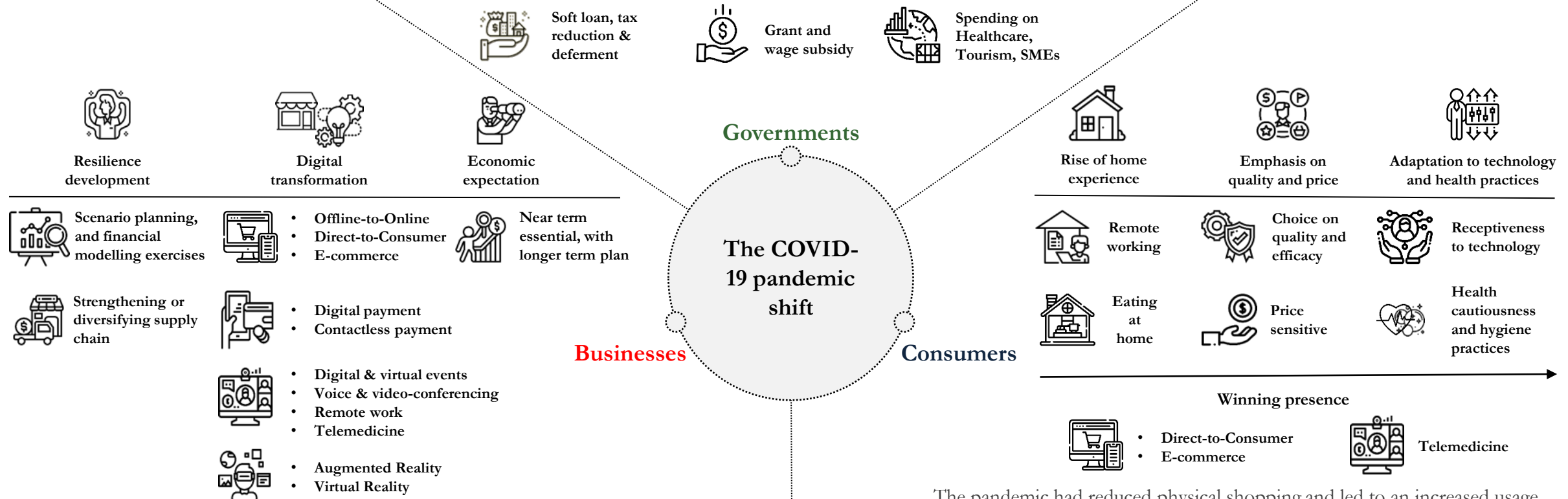


Note 1 – UK's 4-phase varies Containment, Delay, Research and Mitigation
Malaysia Ministry of Health, BBC, Nielsen, McKinsey

The imminent shift involves the Governments, Consumers and Businesses

01

The global economy is heading towards a recession as the hit to economic activity from COVID-19 pandemic has gotten more severe. Thus, governments across the globe will continue to stimulate the economy by providing financial aid packages to both businesses especially vulnerable sectors (e.g. healthcare, tourism and SMEs) and consumers.



03

As COVID-19 pandemic has led to a national lockdown, businesses especially retail and F&B industries are expected to respond in three unique manners – digital transformation, resilience development and economic expectation.

02

The pandemic had reduced physical shopping and led to an increased usage of technology to fulfill their buying behaviour. These crisis-buying patterns will speed up adoption of new and permanent behaviour change. Ultimately, the customer decision journey will change. This will benefit businesses that have presence and ready business models in direct-to-consumer, e-commerce and telemedicine.



Unprecedented changes and new normal

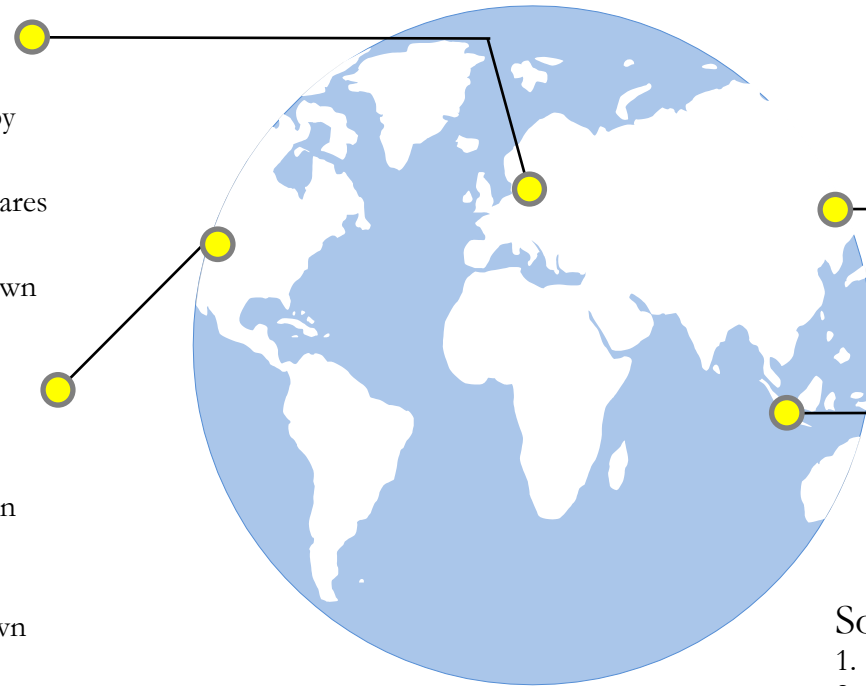
Global responses among governments toward public safety vary in terms of action plans

Europe

1. Italy places all 60 million residents on lockdown on 8 Mar 2020 and followed by Spain on 14 Mar 2020
2. World Health Organization (WHO) declares outbreak as Pandemic on 11 Mar 2020
3. 250 million people in Europe are lockdown on 18 Mar 2020

USA

1. US first case reported on 20 Jan 2020
2. First death in 29 Feb 2020 in Washington where state of emergency declared and followed by other states
3. 80% of all Americans are under lockdown on 31 Mar 2020



North East Asia

1. China detects mysterious cases on 31 Dec 2019, release the genetic sequence of the nCoV on 11 Jan, lockdown Wuhan on 23 Jan 2020 and to lift lockdown on 8 Apr
2. South Korea has no lockdown but had largely organised mass screening, conducted quarantine and shared information (including doctors and hospitals). South Korea has more than 5200 tests per million inhabitants, while the United States has offered 74 tests per million inhabitants
3. Taiwan inspects plane passengers from Wuhan as early as 31 Dec 2019, stop mask export and manufacture mask locally

South East Asia

1. Malaysia started nationwide lockdown on 18 Mar 2020
2. Singapore closes schools and workplace on 7 Apr 2020

31 Dec 2019

China informs WHO mysterious pneumonia and shut Huanan Wholesale Seafood Market next day in Wuhan

7 Jan 2020

Chinese authorities identify a new type of corona virus (called novel coronavirus or nCoV). China records first death and release the genetic sequence of nCoV on 11 Jan

23 Jan

China's Wuhan is placed under quarantine and WHO announces that the new coronavirus disease will be called "COVID-19." on 11 Feb

24 Jan 2020

Taiwan stops export of mask, manufacture locally, setup central control centre to map the cases of infections

18 Feb 2020

South Korea test 31st patient as Super Spreader. There is no lockdown but mass test, conduct quarantine and share information, doctors and hospitals

8 Mar 2020

Italy places all 60 million residents on lockdown and WHO declares outbreak as Pandemic on 11 Mar 2020

18 Mar 2020

Malaysia starts nationwide lockdown called Movement Control Order (MCO). It is now under Stage 2

25 Mar 2020

China's Wuhan resumes bus operation after 9 weeks of lockdown. China to lift lockdown on 8 Apr

31 Mar 2020

USA - 80% of all Americans are under lockdown (35 states)

7 Apr 2020

Singapore closes schools, workplace as circuit breaker

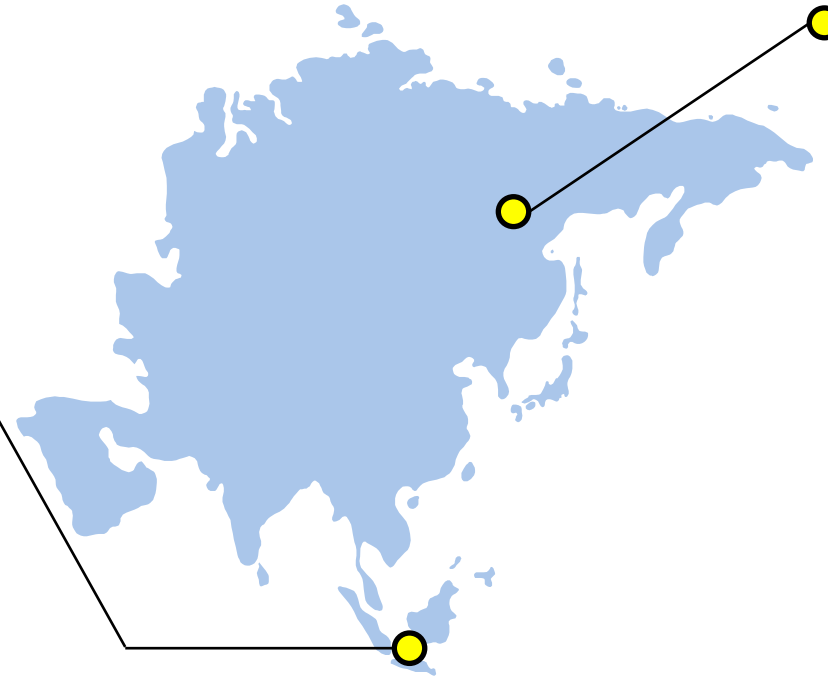
Across Asia, governments are collectively providing financial aid and relief billions worth to businesses

Highlights

1. World losses around US\$1 trillion and economic growth is under 2%, as a result of novel coronavirus
2. Besides financial aid to related sectors such as Healthcare and Tourism, most governments provide soft loans to business, subsidies wages, reduces tax, delays tax payment, lowers electricity and water bills, and/or lowers social security contribution

South East Asia

1. Malaysia's RM250 billion (USD57 billion) aid includes microcredit scheme for SMEs and wage subsidies
2. Singapore's S\$48 billion to help businesses keep their workers, deferment in income tax payments for companies and self-employed persons for three months, as well as cash payouts
3. Indonesia's US\$24.2 billion includes income tax exemptions to workers in the industrial sectors (with an income ceiling) and supports businesses through delayed payments for income tax and acceleration in VAT refund



North East Asia

1. China central bank provides credit line of 1 trillion yuan (US\$140 billion) to small lenders. China policy included guiding businesses to resume production, facilitate foreign trade, provision of tax and fee reductions and exemptions, financial support, social security benefits and energy cost reduction
2. South Korea's 11.7 trillion won (\$9.8 billion) to help SMEs pay wages, child-care subsidies and retrain people
3. Hong Kong provides SME Financing Guarantee Scheme (SFGS) of HKD 20 billion and banks continue to delay repayments or extend loan tenors, and to reduce fees
4. Taiwan's US\$35 billion aid includes provision of credit loans to businesses to help them through current difficulties and ensure subsidies are available to their workers

24 Jan – 28 Mar 2020

China

- Areas of support are work resumption, SMEs, Financial Assistance, Tax & Fee deduction and Industry.
- Example for work resumption are subsidized loans to agricultural firms and SMEs, exempting social insurance payments and housing provident funds for employers, deferring loan repayment

24 Mar

Japan

- Subsidies firms who maintain employment, d
- Deadline for tax return filing delayed

25 Mar

Thailand

- Soft loans
- Lower withholding tax and higher tax expense deduction,
- Lower water and electricity bills,
- lower employees' and employers' social security contributions

26 Mar 2020

Singapore

- Wage subsidies 25% and 75% for workers
- Self-employed persons (SEPs) will be given cash payouts of S\$3,000 each
- Property tax rebate
- SMEs Go Digital Programme and the Productivity Solutions Grant

27 Mar 2020

Malaysia

- Wage subsidies for employers of RM600 per employee
- Subsidised electricity bill
- Automatic six-month moratorium (deferment) of all loan/financing repayments

1 Apr

South Korea

- Employment retention
- Tax deferment for SMEs and self employed in medical

Consumer long-term behavioural shift is fast-tracked

Change in parts of the customer decision journey where it may speed up a re-think on:

- How shoppers behave? As remote work and eating at home become more popular, these trigger change (e.g. problems they face in relation to their current setting). For instance, a person that works from home may likely to cook at home or order food delivery and be less likely to make a trip to the restaurant for a meal.
- What initial brands are subconsciously considered by shoppers as their go-to-shopping platform? E.g. when shoppers are more technologically literate, they would subconsciously opt for direct-to-consumer, e-commerce sites and not physical retail stores.
- How shoppers evaluate purchases and the benefits (quality, price, convenience)? Shoppers may have a preference for higher quality over convenience or lower price over higher quality.

The new normal for businesses are winning presence in customer touchpoint such as direct-to-consumer, e-commerce and telemedicine businesses.



Rise of home experience



Remote work

Most employees affected by the lockdown have been forced to working remotely. Thus, as businesses began to experience the benefits of it, the likelihood of offering of an employee remote work policy during post COVID-19 may increase.



Eating at home

Malaysians' re-prioritisation of eating at home will increase from 30% to 62% during post COVID-19 which may lead to a higher frequency in purchasing daily necessities / fresh products.



Emphasis on quality and price



Choice on quality and efficacy

Consumers will be seeking greater assurance that the products they buy are risk-free and of the highest quality especially for cleaning products, antiseptics and food items.



Price sensitive

Consumers will have more conservative spending patterns to recuperate equities losses



Adaptation to technology and health practices



Receptiveness to technology

New retail environment especially technological adoption among consumers will create greater motivations and fewer perceived barriers. Consumers will actively seek more technology-enabled solutions to assist in daily tasks. E.g. shopping online using e-commerce.

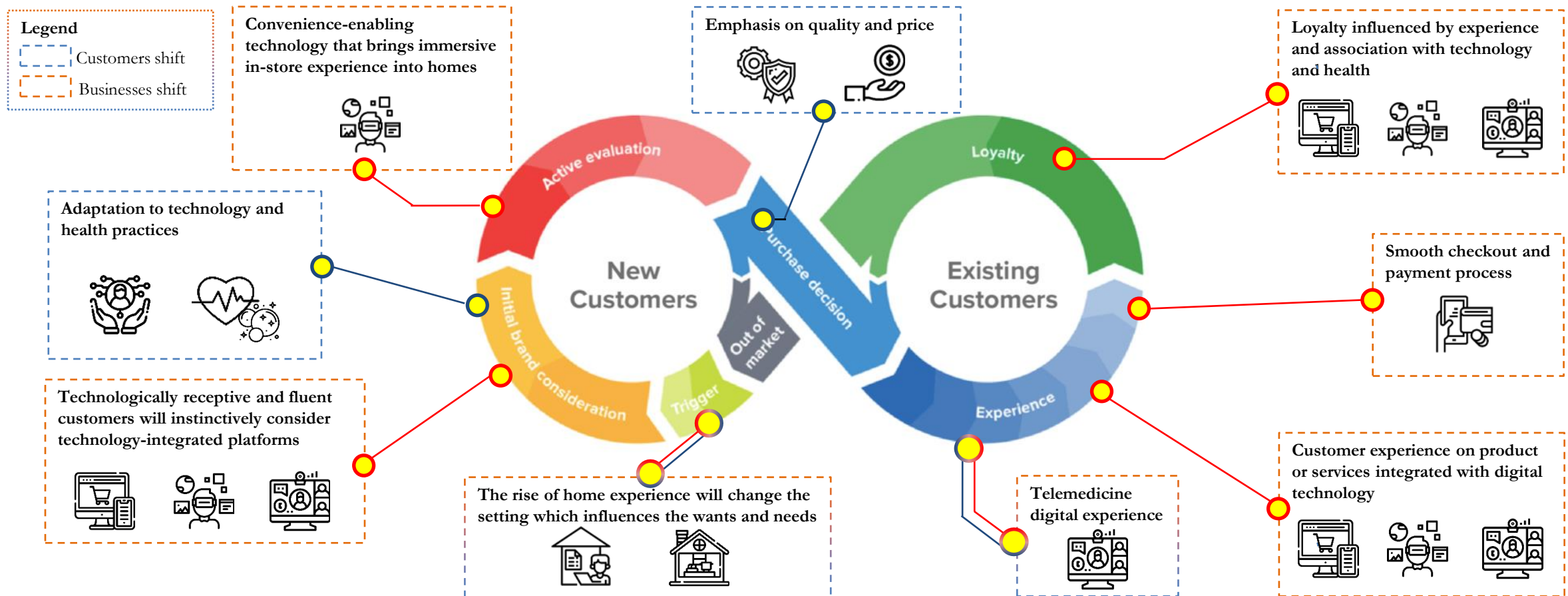


Health cautiousness and hygiene practices

New health and safety labelling particularly for home delivery products, older generations are turning to online shopping

Customer decision journey is experiencing change

Customer decision journey has changed as the result of the COVID-19 pandemic with natural adaptation to technology and health practices due to social distancing or lockdown experience. During Active Evaluation, customers hunt for convenience-enabling technology that brings immersive in-store experience into homes and their purchase decision criteria will still be Emphasis on quality and price. As consumers stay home more often, there will be a rise of home experience. Customers increasingly relied on product or services integrated with digital technology. Smooth check out and payment process must be seamless and easy. Brand loyalty are influenced not only past experience but also associated with technology and health.



Business shift is inevitable to remain relevant and sustainable in the new normal

Economic pressure is rising with the expectation that a recession will happen. Businesses should prepare for new normal;

- Enhance their resilience by mainly engaging in scenario planning, incident planning and financial modelling exercises. Relevant businesses need to also strengthen or diversify their supply chain by sourcing from local vendors to ensure a stable flow of supply.
- Undergo digital transformation to stay relevant in the technology-centric business ecosystem. As customers are getting more fluent in technology, businesses must find ways to identify relevant digital touchpoints and attractions to constantly keep their customers engaged.
- Although internal business development is crucial, it is also vital for businesses to not only ensure their liquidity risk but also strategise based on the possibility of recession, credit market seizing up and industry structures shifting.



Resilience development



Scenario planning, incident planning and financial modelling exercises

By making assumptions on what the future is going to be (e.g. recession, blooming economy, overheating economy) and how the business environment will change accordingly, businesses can devise strategies unique to each scenario; which enables them to quickly react and adapt to better position themselves in the market.



Strengthening or diversifying supply chain

Supply-chain related shocks can be prevented while bottlenecks in the supply chain can be reduced or eliminated.



Digital transformation



- Offline-to-Online (O2O)
- Direct-to-Consumer (DTC)
- E-commerce

Establishing multi-channel and/or omnichannel presence for better customer experience. **E.g. of online platform:** website, email, Facebook, Instagram. **E.g. of e-commerce site:** Shopee, Lazada, Lelong, Zalora, GoShop.



- Digital & virtual events
- Voice & video conferencing
- Remote work
- Telemedicine

The future of events, conferencing and work will shift from a centralised to a distributed model; potentially reducing real estate costs and the costs passed on to customers. **E.g. of digital tools for events, conferencing & remote work:** Skype, Zoom (Meetings), Google Hangouts (Meet). **E.g. of telemedicine platform:** Doctor2U, DoctorOnCall, Teleme.



- Digital payment
- Contactless payment technology

E.g. of digital payment / contactless payment technology service providers: Grab Pay, Boost, TNG eWallet, Alipay, WeChat Pay, Maybank QR Pay.



- Augmented Reality (AR)
- Virtual Reality (VR)

Replicating tangible touchpoints to bring in-store experience into homes. **E.g. of AR/VR service providers:** TrueXR, JustSimple, Wonderland Technologies.



Economic expectation



The near term is essential, but don't lose focus on the longer term (which might be worse)

Although currently, it is important that vulnerable businesses especially SMEs or start-ups ensure that liquidity is sufficient to weather the potential storm, businesses also need to consider long-term strategies that take not only recession into account but also the possibility of credit market seizing up and industry structures shifting.

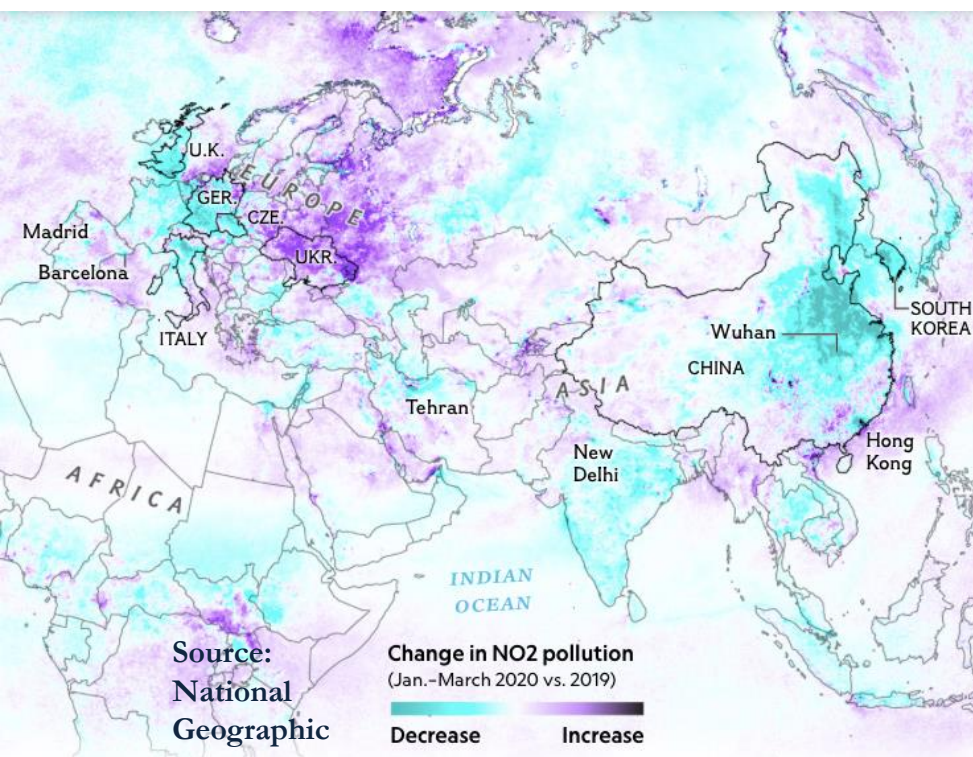


Climate Change Decelerated

COVID-19 pandemic resulted in favourable but temporary environmental effect

COVID-19 pandemic effect is causing a global reduction in human activities resulted an outcome of better air quality. Air pollution exceeds malaria, violence, HIV/AIDS, smoking, alcohol and drug abuse as a global cause of premature death. The short term impact change of human habits usage of energy at global scale and improve overall health. The Long-term impact can be achieved only if proper measures are taken. The pandemic may hinder progress on the transition to renewable energy as countries might focus on boosting economic growth instead.

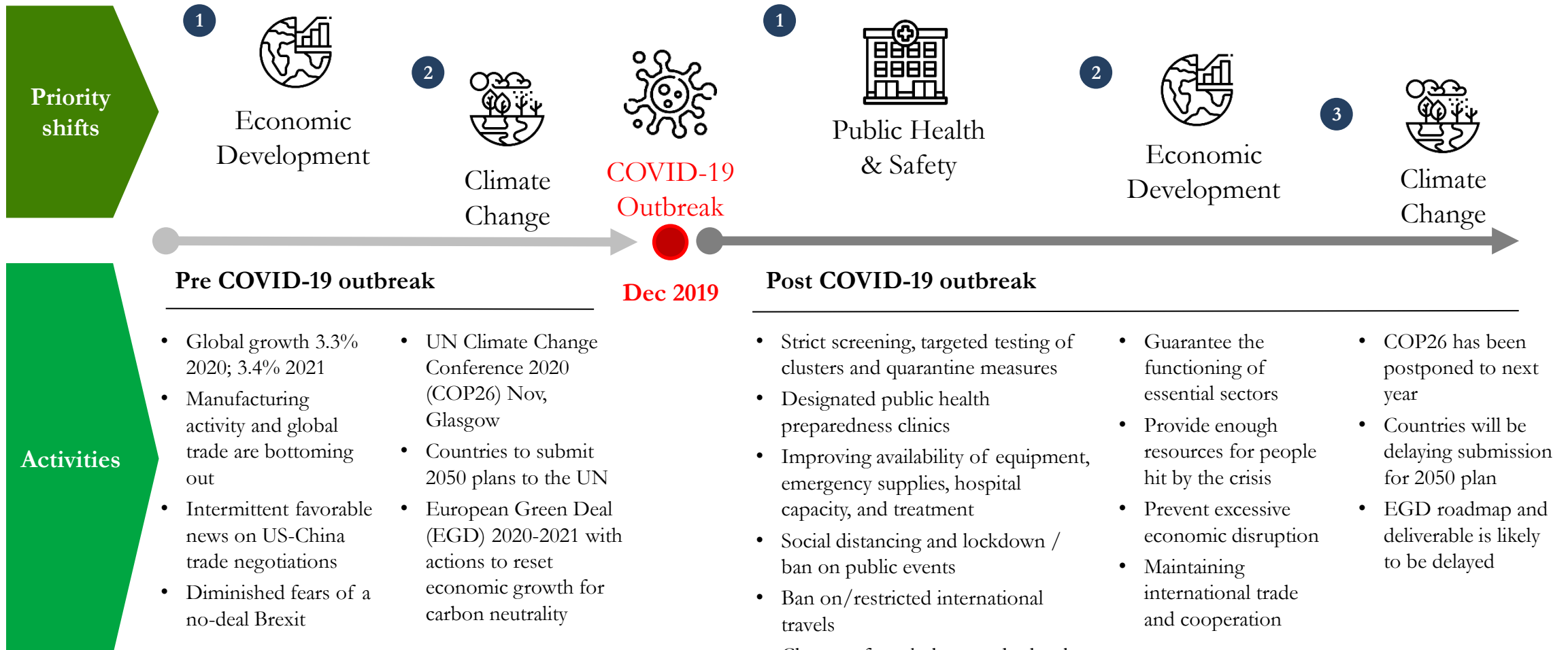
Fine particles known as PM2.5, nitrogen dioxide (NO2) is emitted by burning fossil fuels in three months of 2020 detected sharp declines



| Effect “Reduced human activities” | Outcome “Better air quality” | Impact “Short-term & long-term” | What’s Next? “Re-organise activities to benefit the climate” |
|---|--|--|--|
| Lower pollution from: <ul style="list-style-type: none">• Ground transportation• Aviation• Industrial activities; e.g.: Power stations and Manufacturing | Lower levels of: <ul style="list-style-type: none">• Air pollutants and warming gases – E.g. Emissions of carbon monoxide, greenhouse gases (incl. carbon dioxide/CO₂) and nitrogen dioxide (NO₂)• Pulmonary irritant—fine soot particles <u>(by 20 – 30%)</u> | Short-term <ul style="list-style-type: none">• Possibly a change to the human habits usage of energy at global scale• Overall health gain and improved health systems Long-term (if air quality remains at a healthy level) <ul style="list-style-type: none">• Lower rate of premature mortality• Lower occurrence of climate-related disasters• Reduced risk of chronic, respiratory or cardiovascular diseases or lung cancer. | <ul style="list-style-type: none">• Integrate clean and efficient global supply chain management system.• Promote teleworking or remote working to reduce ground traffic and emissions..• Digitalise domestic and international conferences and seminars to reduce traffic (ground & air) and emissions.• Encourage cooperation between experts, politicians and the public to develop strong climate policies and push industry players to adopt renewable energy and other alternatives.• Educate future generation on the importance of mitigating climate change |

Unfortunately, policy toward Climate Change governance is likely to take a back-seat post COVID-19

Prior to the COVID-19 pandemic, economic development continues to be the main agenda of world economies amid weakening trade and investment. The focus now has shifted to ensuring public health and safety through lockdowns and social distancing at global scale to flatten the infection curve. At the same time, governments are pushing through with fiscal and monetary measures to address the decline in economic activities. As a result, the global initiatives to implement the climate plan, is likely to be sidelined, unfortunately.

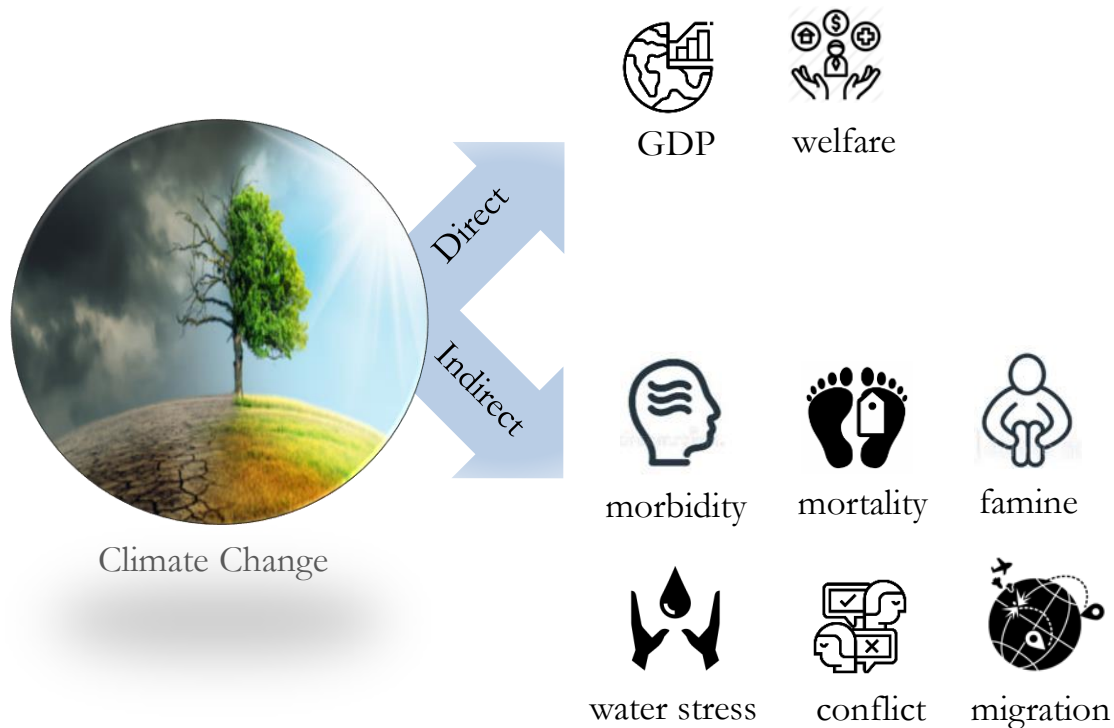


Source: UN Climate Change Conference (unclimatesummit.org); European Commission; International Monetary Fund; World Health Organisation (WHO); The Brookings Institution; news portals




We can still implement public health and safety, and fix economy with the climate change plan in mind

Climate change global impact brings both Direct and Indirect ‘catastrophic outcomes’ to human life in the long run. Currently, economic development programme such as recovery plan for COVID-19 can incorporate essential climate change considerations such as making buildings and homes more energy efficient, modernising transmission infrastructure, investing in zero-emission public transportation and, increasing reforestation and tree restoration efforts.

Climate change global impact



Essential climate change considerations

-  Make buildings and homes more energy efficient
 -  Modernise our transmission infrastructure
 -  Invest in zero-emission public transportation
 -  Increase reforestation and tree restoration efforts
- “Current situation gives great opportunity to emphasise low-carbon industry and infrastructure” – *UN climate expert*

What we can do for you. Consider these three service offerings



Marketing / customer research

- Understand the likely changes in customer behaviours and attitudes in consuming products and services in the context of the coronavirus pandemic
- Such changes will also affect sectors such as travel, hospitality, healthcare and consumer product. The key outcome is to maximise people's trust



Capacity building

- Reviewing critical components of businesses such as workforce, customers, suppliers, stakeholders, cash flow and business continuity in order to build resilience that gives the competitive edge
- Capacity building is imperative following this health and economic crisis as it is causing dramatic restructuring and shock to customer behaviours and business models



Strategy roadmap

- Consider running workshop with key team members to provide macro outlook and align business operation to mitigate the disruption ahead
- Share global best practices and run ideation sessions to develop a strategy to prepare for shifts in customer behaviour and business models

The background image shows a blurred office scene with three business professionals in suits standing near a large window, engaged in a discussion. In the foreground, there are several business documents on a desk. One document features a bar chart with the following data series: 520, 440, 610, 600, 470, 360, 410, and 320. Another document to the left shows a line chart. A pen and a clipboard are also visible on the desk.

About Us

Founded in 2018, Aleevan Consulting is a Malaysian independent company providing business advisory and capacity building for businesses and organisations to enable sustainable growth

Aleevar Consulting is geared toward building sustainable relationships with clients across industry sectors

- Aleevar Consulting is a Malaysian independent company providing business advisory and capacity building for businesses and organisations to enable sustainable growth
- Founded in 2018, Aleevar is led and managed by experienced industry professionals and guided by senior advisors with diverse industry backgrounds
 - Yap Far Loon, Managing Director. Far Loon has 20+ years of practice lead in sales, project delivery and branding of management consulting services in Public Sector, ICT/Telecommunications and Financial Services
 - Kushairi Lotfi, Director. Kushairi has 30 years experience in research, strategy and advisory based environment backed by knowledge and experience acquired in the financial services, consulting, equity research and newspaper publishing
- Aleevar is creating itself as a partner for growth and building long-term relationships with the micro, small & medium-sized enterprises, large corporations and the public sector
- We aspire to excel and deepen our expertise in these sectors



Public Sector



Healthcare



Financial Services



Info-communication



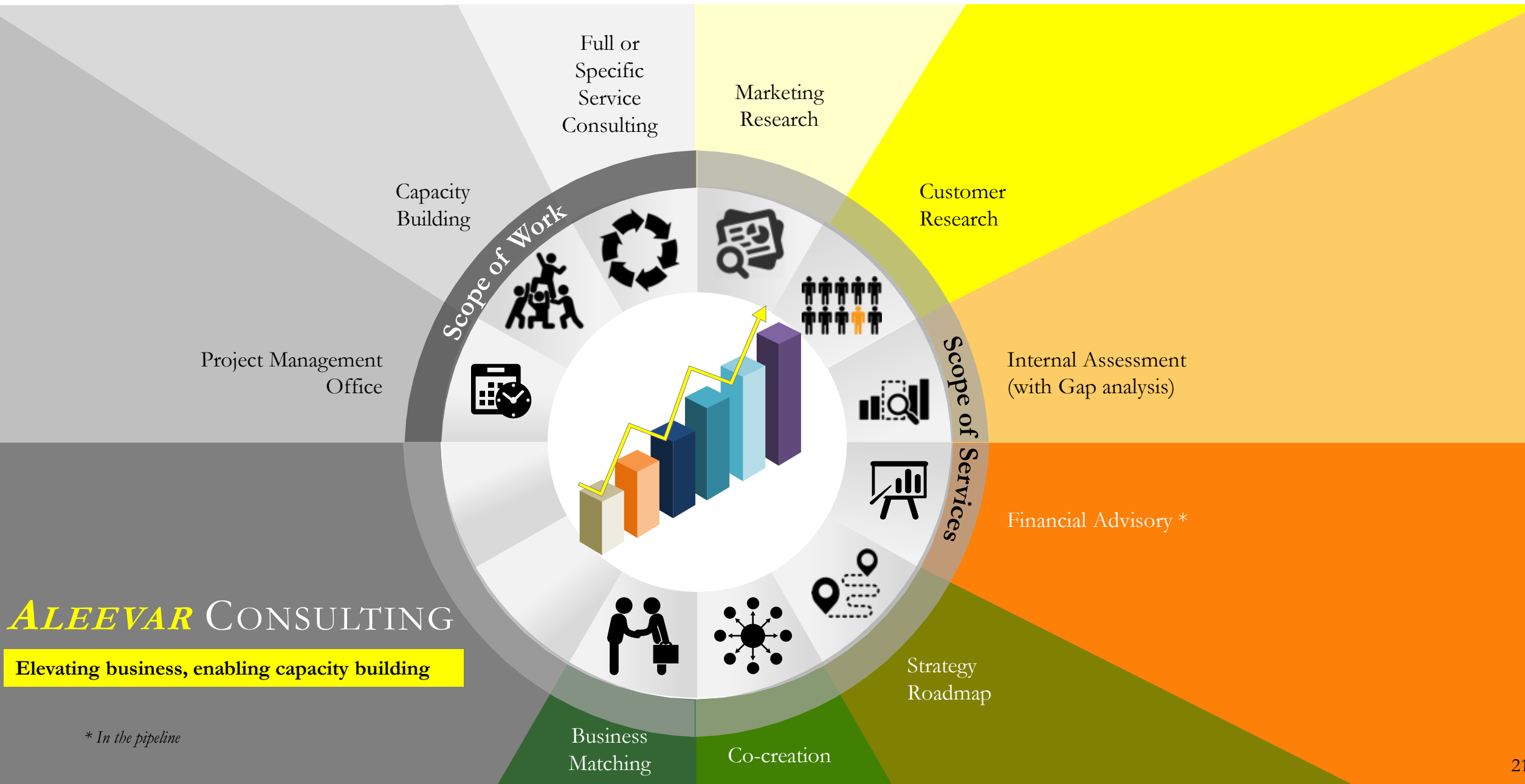
3rd sector



What We Do

Aleevar Consulting is creating itself as a partner for growth and building long-term relationships with the micro, small & medium-sized enterprises, large corporations and the public sector

Our scope of work and services can be customised to suit clients' business needs



ALEEVAR CONSULTING

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** In the pipeline*

Our services and activities are focused toward delivering values to clients



MARKETING RESEARCH

Brand Health Tracking (BHT) from external market intelligence (from secondary research, interviews, surveys, workshops, social media mentions, geofencing)



CUSTOMER RESEARCH

Usage, behaviour and attitude research (from literature review, interviews, focus group discussion and/or surveys from client's customers and/or suppliers)



INTERNAL ASSESSMENT

Organisations intelligence and assessment (from company information, interviews with both internal and external organisation's stakeholders)



FINANCIAL ADVISORY

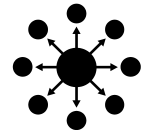
Internal
organisation financial services (i.e. business plan, projections, etc.)

Coming soon in the pipeline



STRATEGY ROADMAP

S.M.A.R.T Action plan and activities



CO-CREATION

Collective intelligence for business alignment, strategy planning and product and/or service development (from workshops or focus group discussions)



BUSINESS MATCHING

Matching company between seller and buyer, business broker or Mergers and Acquisitions (M&A) advisory



OTHERS

Tailoring services to your business needs (i.e. company profile, information memorandum, marketing research design advisory, etc.)

ALEEVAR CONSULTING

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