

# Covid-19 global impact - an essential guide for marketers in Africa

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Since late December 2019, when the first case of coronavirus was reported to the World Health Organisation (WHO), the virus has been spreading across the world at an unprecedented speed. **Dawn Rowlands, CEO of DAN SSA**, discusses its impact and action.

In one way or another, all of us have been impacted by the spread of coronavirus (or Covid-19, as officially named by the WHO). While the vigilance to stop the spread of the disease has been commendable, in 2020 we will almost certainly face the socio-economic impact that could be far greater than what was witnessed with the severe acute respiratory syndrome (SARS) global outbreak of 2003. The speed of recovery will be determined by the severity and duration of the outbreak, but for now, things remain uncertain.

It is, therefore, imperative that marketers equip themselves with agile strategies that can help navigate the potential obstacles and barriers to revenue and success; and it is key that they address how best to deliver for their customers in this challenging climate. The following is an essential guide, developed by Dentsu, to provide insight, counsel and guidance for every marketer; and it will hopefully give them ideas for how they can stay vigilant, relevant and successful.

## The economic impact

China represents 18% of the global economy and  $\frac{1}{3}$  of the economic growth. This is expected to contribute to \$160bn in losses. Other key markets contributing to these losses are Japan, Singapore, South Korea and Hong Kong. Chinese tourism and export to the US will reduce US economic growth by 0.4% this quarter – the impact on Australia will be double that.

Key industries are being negatively affected, but there will also be industries that will benefit. While the effect on tourism is obvious, the shutdown of factories is limiting the supply of brands like Apple (10% decline in shipment in Q1).

## Industry impact

The launch of seven movies has been delayed due to the declining attendance at movie houses in the first quarter of the year, but since so many people are self-isolating, gaming revenue is up substantially in that quarter, and online video has skyrocketed globally. Communication and collaboration platform [DingTalk](#) has been in high demand, since [virtual meetings](#) have become more popular.

We have already experienced a major decline in tourism and retail (about 20% in highly affected markets). China Airlines has just implemented a 10% pay cut for all airline executives to assist the ailing airlines during this period. Retail sales in-store have fallen by 20% as well. Biotech and smart technology businesses have seen a major increase in usage and sales. The biggest swing is in unmanned tech services like clinic supply tracking and fulfillment, unmanned retail and self-service restaurants. It is safe to say it is not 'business as usual'.



*Dawn Rowlands, CEO of DAN SSA*

FOREMOST IMPACT	BENEFICIARY	CURBED CONSUMPTION
Tourism Transportation Wholesale Real Estate	Telecom, gaming and home entertainment Online shopping and delivery Home appliances Medical supplies, pharmaceuticals, health supplements and cleaning supplies	Motor Luxury goods

## How brands are reacting

In many countries there is already a major economic effect due to Covid-19. We are seeing four main trends:

1. Building consumer confidence
2. More sales promotions
3. Launch of new services
4. CSR

Here are some examples:



## The role of the media

Based on reactions to media by the Asia-Pacific market, where the majority of cases have been established to date, we can see the following:

- The key access points for media are YouTube, local news broadcasts and social media platforms.
- Geolocation of certain services in an emergency situation will add value to customers.
- Pharmacy, hospital locations and operating hours will be widely searched.
- All movies, games and TV content which relate to contagious diseases will see an increase in viewership and/or usage.
- Prevention and information alerts by brands will be seen in a positive light. Emotional reaction and overreaction will be seen in a very negative light.

## Recommendations for media and marketing leaders

Below are some simple and credible ways in which to promote your brand and help customers during this period of uncertainty.

1. Subsidies, promotions and joint ventures for pandemic-related industries – this has the potential to grow new customers.

2. Continuing transformation and enhancing digital maturity to avoid risks.
3. Accelerate omnichannel strategies to reduce reliance on brick and mortar. Encourage in-home consumption.
4. Best timing to divert your approach to a data-informed CRM programme. Understand more about the customer's journey.
5. Social commerce tactics – inspiring creative experiences, driven by data in media versus the real world.
6. Brand communication – associated with safety and security.
7. Implement the realisation of the future media e.g. gaming.
8. Accumulate energy for acceleration, as opposed to declining marketing expenditure, by identifying opportunities for growth.

## Something to think about

In conclusion, virus or not, our customers need brands and services that reassure them and innovate during difficult times. There is definitely a space for brands that tread carefully during this period of anxiety and provide innovative solutions and entertainment for customers. Think long term and make plans for a quick return to the new normal in six months. Get ready to celebrate life and togetherness again.

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