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# Insights in times of COVID-19

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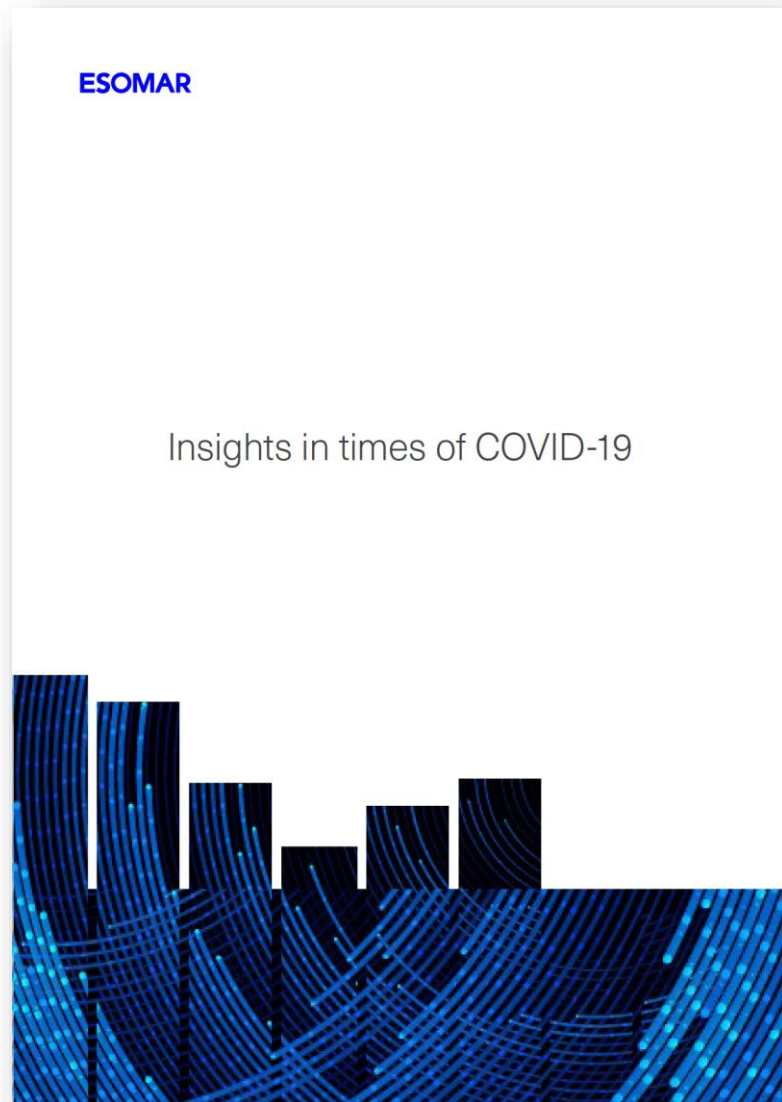
A look at the impact of the pandemic  
in the industry

Xabier Palacio

## Insights in times of COVID-19

Available at [esomar.org](https://esomar.org) and [ana.esomar.org](https://ana.esomar.org)

- How has the pandemic transformed the research, data and insights community?
- What is the expected revised turnover for agencies, support services, research clients?
- What is the expected impact per region of the world and per country?
- What are the main concerns and how have research professionals and the industry as a whole reacted to the expected economic downturn?



# Points of the presentation

- The broader impact on the industry's workflow
- Evolution of the pandemic
- The economic impact
- The impact per type of service



The  
broader  
impact on  
the  
industry's  
workflow

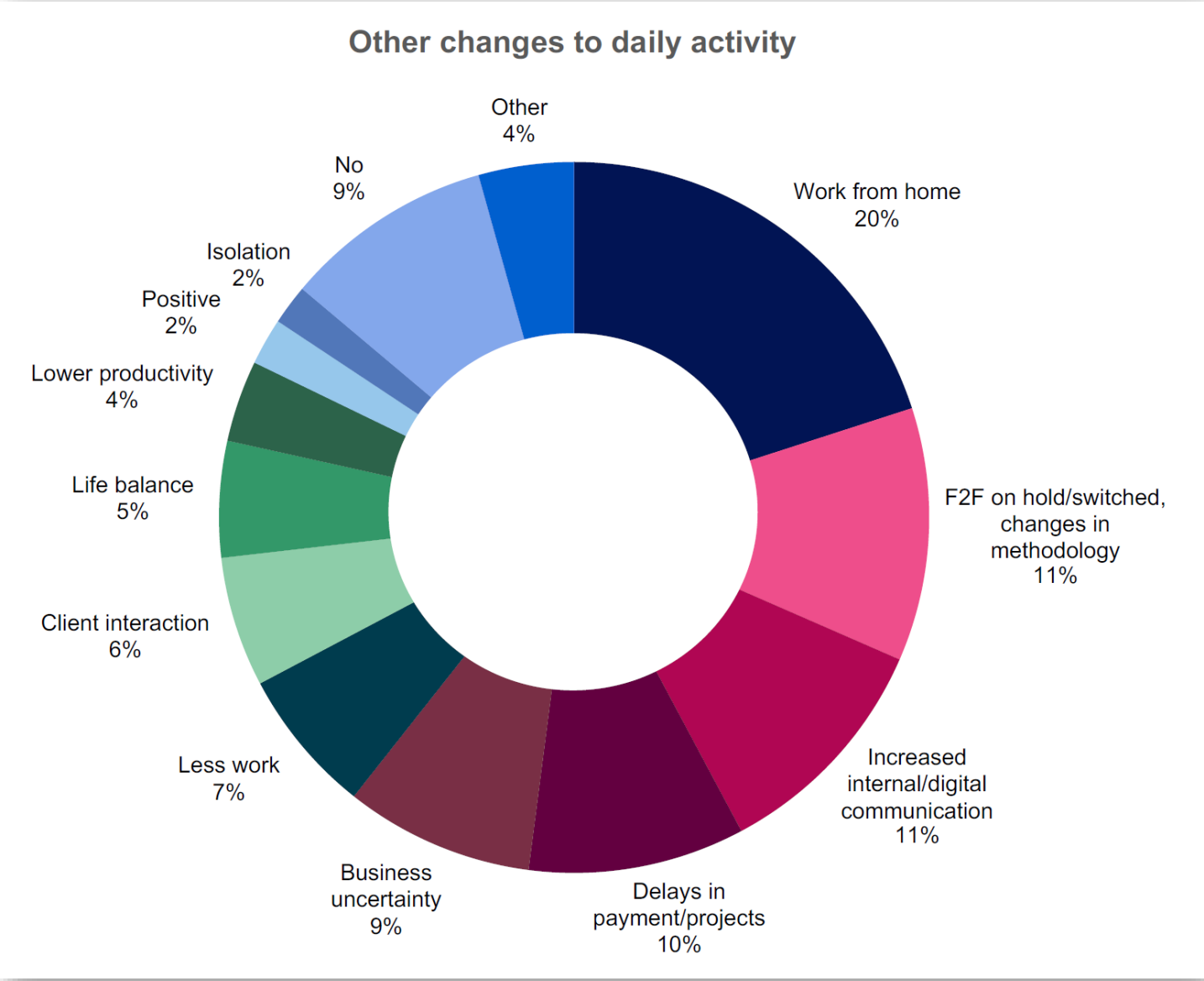


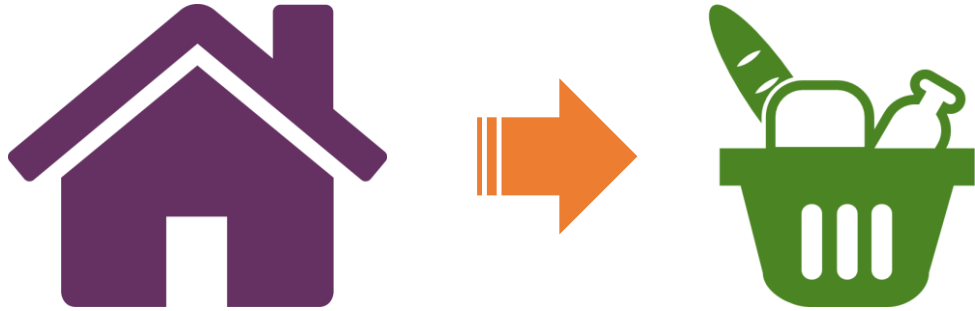


- Countries in isolation
- Feelings of insecurity
- Drop in consumption
- General tendency for cautious decisions



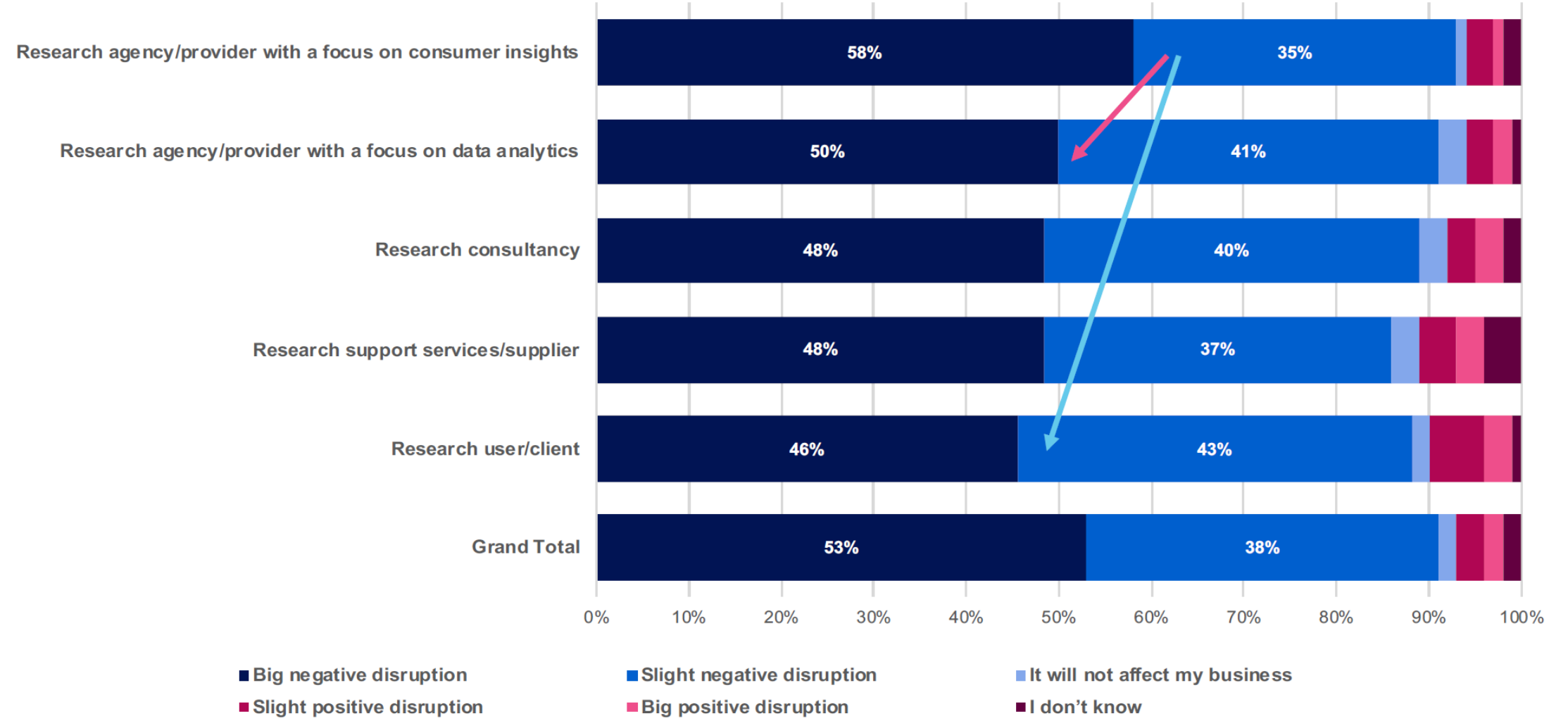
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- Countries in isolation
- Feelings of insecurity
- Drop in consumption
- General tendency for cautious decisions
- A drop in sales translate into a reduction in revenue
- Uneven impact on the industry
  - Companies on FMCG or healthcare may have increased sales, but other ones like tourism or aviation suffered a drop.

### Expected impact per type of business





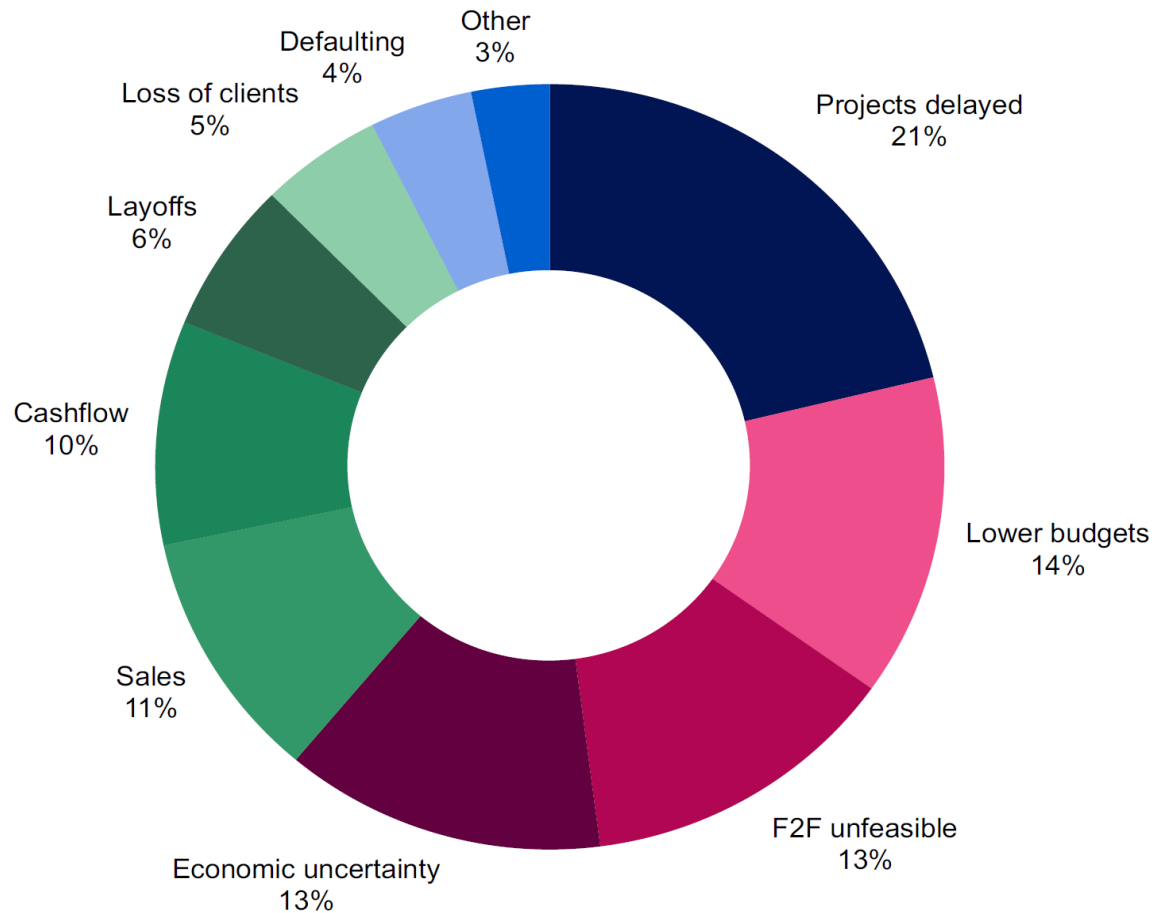


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- Some companies have frozen projects on customer opinion as well as some other market measurement projects
- Projects become more ad-hoc, rather than continuous
- Research has moved from descriptive to predictive

### Categorisation of opinions - main concern



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- Projects become more ad-hoc, rather than continuous
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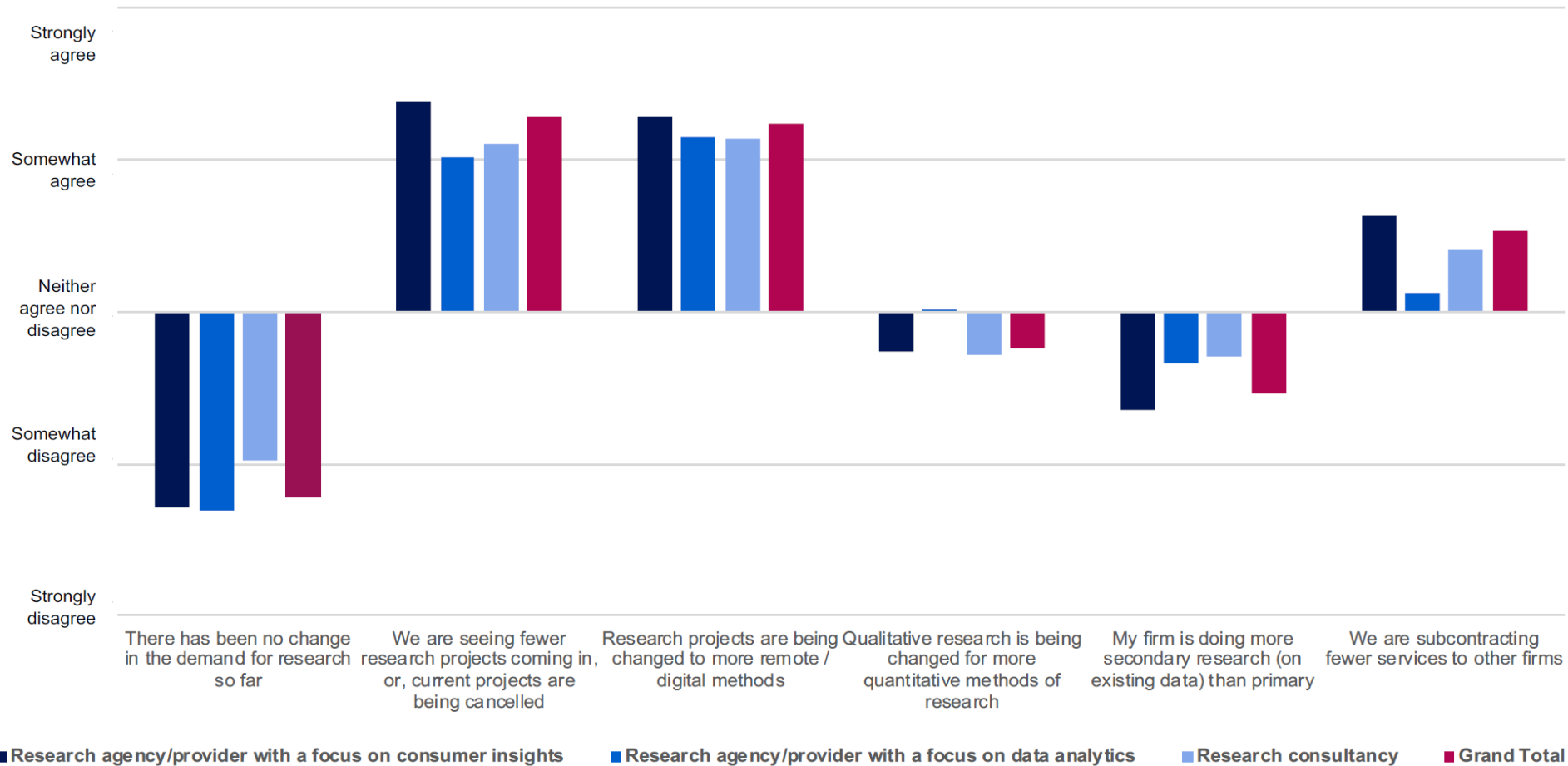
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- Many agencies suffer from project delays and cancellations
- Respond with fewer subcontracting services to other companies and/or consultants
- Fear of losing clients

# The broader impact on the industry's workflow

Opinion from research agency/providers about a set of statements per type of agency



Many agencies suffer from project delays and cancellations  
 Respond with fewer subcontracting services to other companies and/or consultants  
 Fear of losing clients



- Social distancing measures imposed by countries Makes F2F impossible
- Focus groups facilities become a sunk cost
- Digital alternatives not always easy:
  - training on digital methods
  - digital development
  - Low regard of clients, used to F2F methods

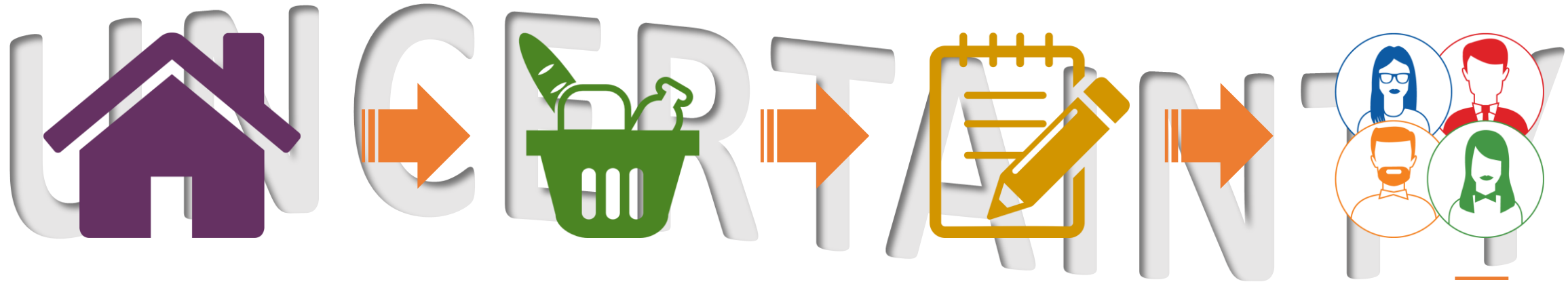




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- Agencies focused on data analytics and digital methods still suffer the drop of demand for research.
- Uncertainty permeates this entire chain





Evolution of  
the  
pandemic



- Countries in isolation
- Feelings of insecurity
- Drop in consumption
- General tendency for cautious decisions

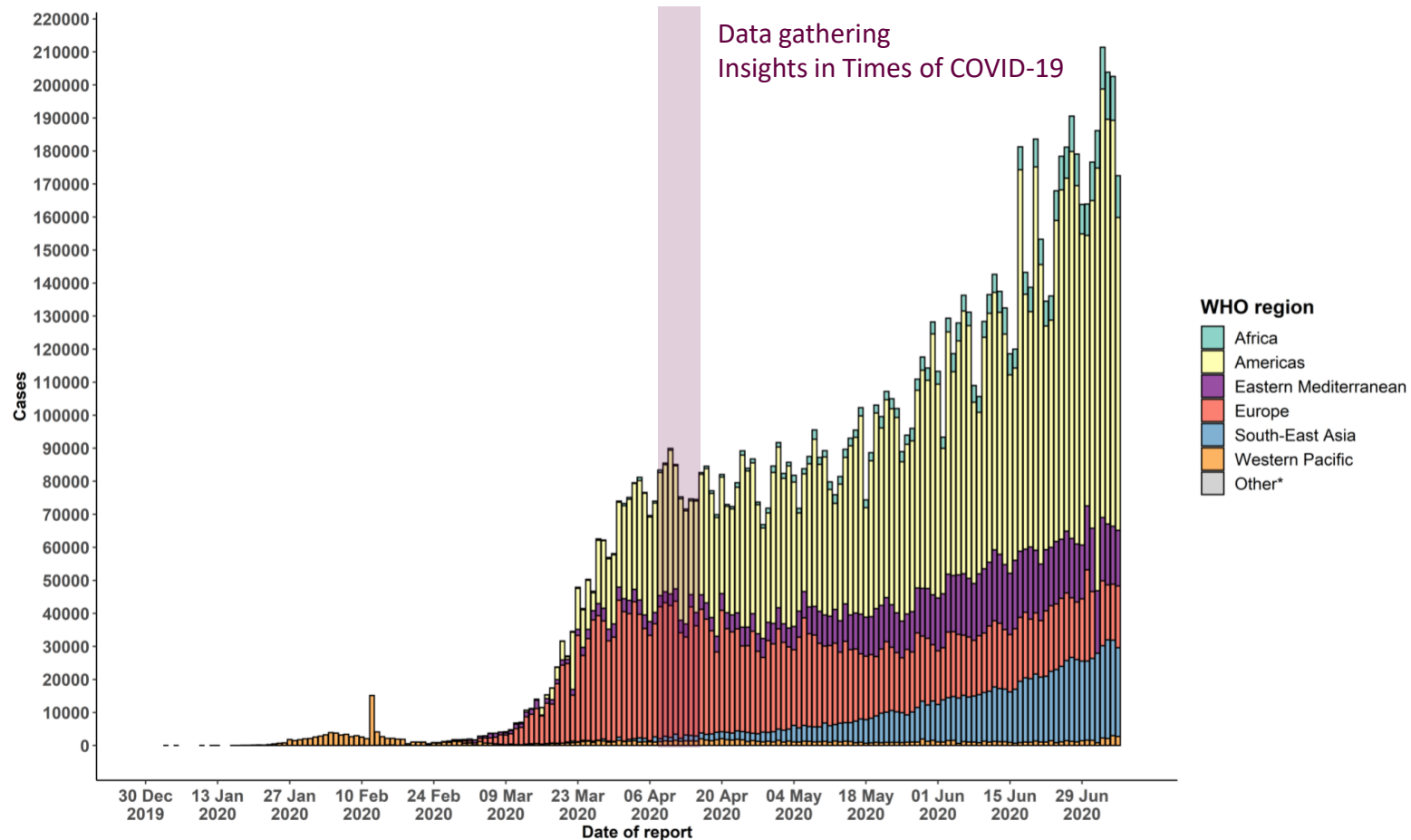
## Coronavirus disease (COVID-19)

### Situation Report – 169

Data as received by WHO from national authorities by 10:00 CEST, 7 July 2020



Figure 2. Number of confirmed COVID-19 cases, by date of report and WHO region, 30 December through 7 July\*\*







- Countries in isolation
- Feelings of insecurity
- Drop in consumption
- General tendency for cautious decisions

**The Economist**

Leaders  
Jul 4th 2020 edition >

The way we live now

## Covid-19 is here to stay. People will have to adapt

The world is not experiencing a second wave: it never got over the first

Eyevine





- Countries in isolation
- Feelings of insecurity
- Drop in consumption
- General tendency for cautious decisions

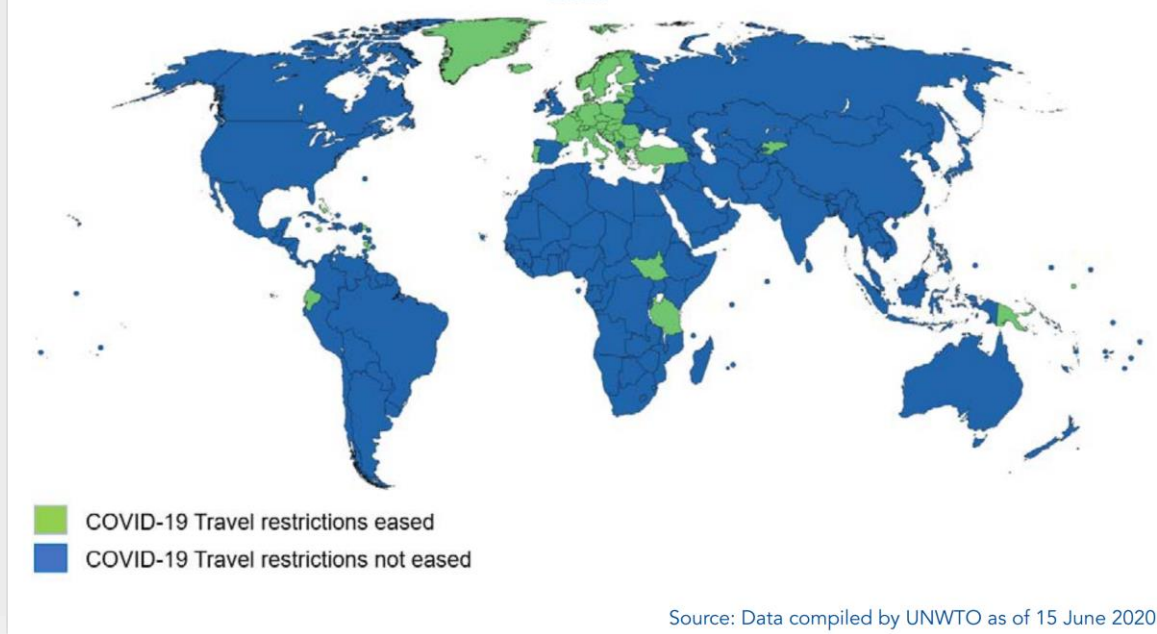
## COVID – 19 RELATED TRAVEL RESTRICTIONS

### A GLOBAL REVIEW FOR TOURISM

Fifth report as of 23 June 2020

Restrictions on travel, introduced in response to the COVID-19 pandemic, are slowly being eased, allowing tourism to restart in a growing number of destinations. The latest research by the World Tourism Organization (UNWTO) shows that 22% of all destinations worldwide (48 destinations) have started to ease restrictions, with Europe leading the way. At the same time, however, 65% of all destinations worldwide (141 destinations) continue to have their borders completely closed to international tourism.

Figure A – Destinations that have eased COVID-19 related travel restrictions as of 15 June 2020



## COVID – 19 RELATED TRAVEL RESTRICTIONS

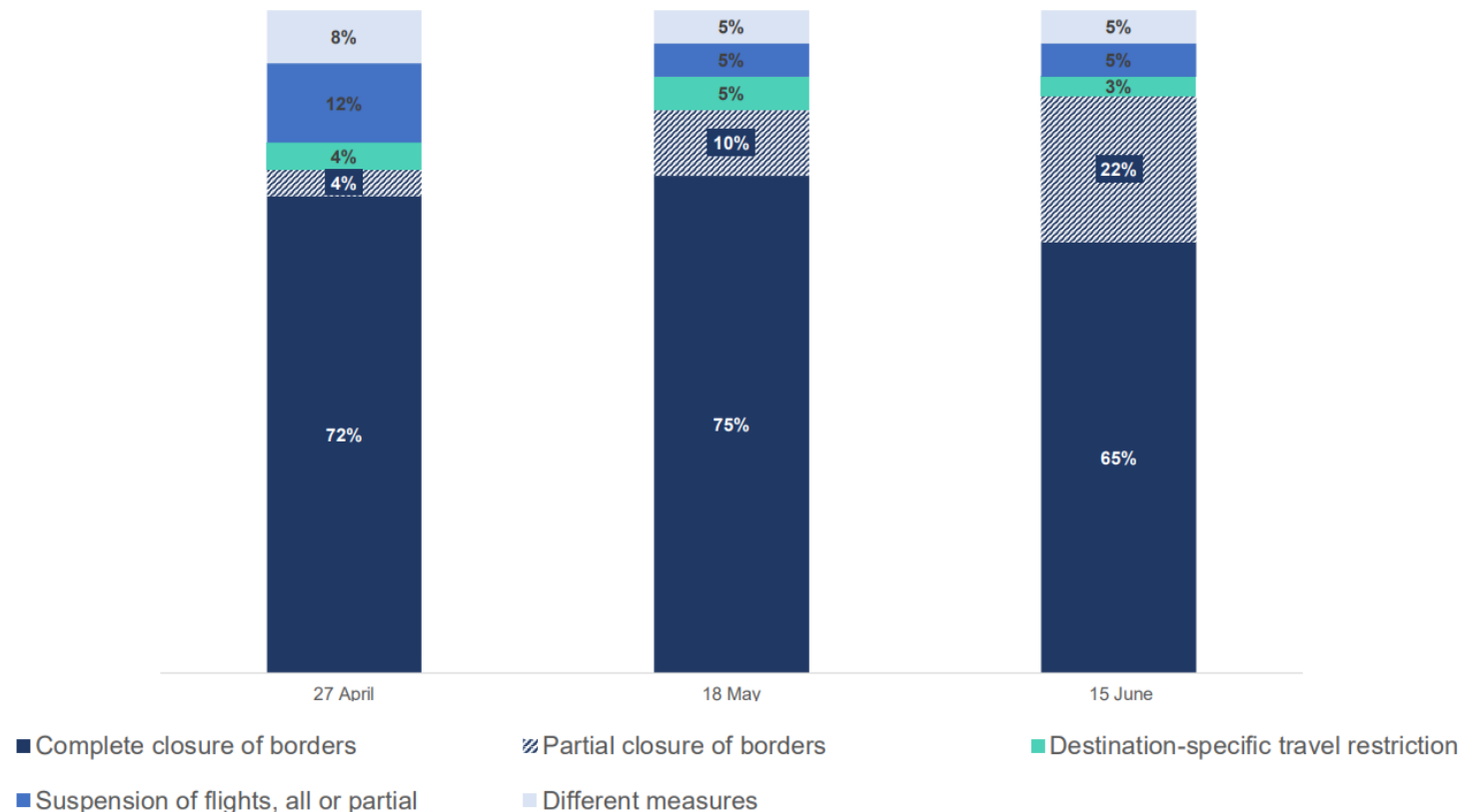
### A GLOBAL REVIEW FOR TOURISM

Fifth report as of 23 June 2020



- Countries in isolation
- Feelings of insecurity
- Drop in consumption
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Figure 4 - Changes in type of travel restriction over time



Source: Data compiled by UNWTO as of 15 June 2020.

## COVID – 19 RELATED TRAVEL RESTRICTIONS

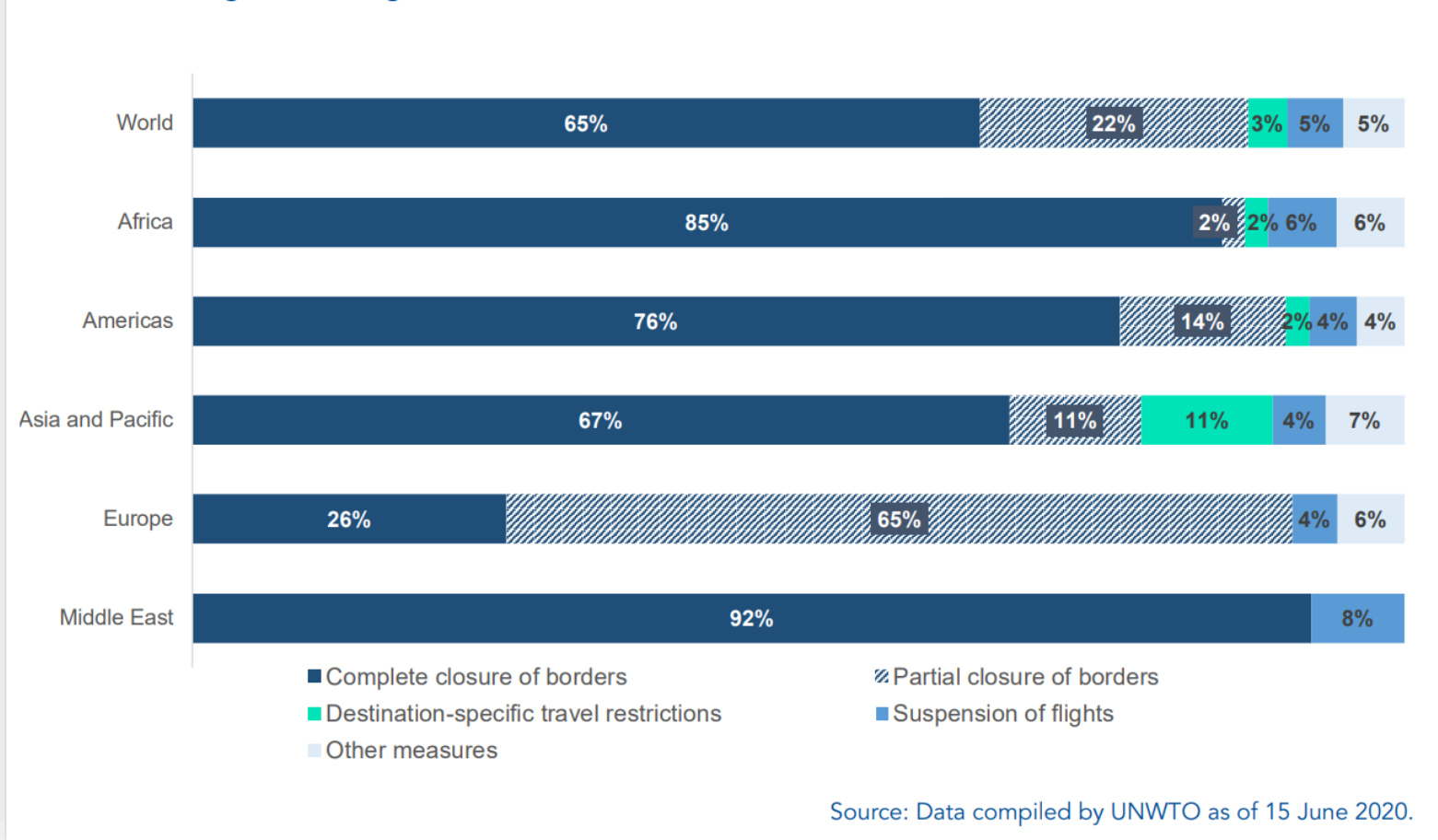
### A GLOBAL REVIEW FOR TOURISM

Fifth report as of 23 June 2020



- Countries in isolation
- Feelings of insecurity
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Figure 5 - Regional breakdown of travel restrictions as of 15 June 2020





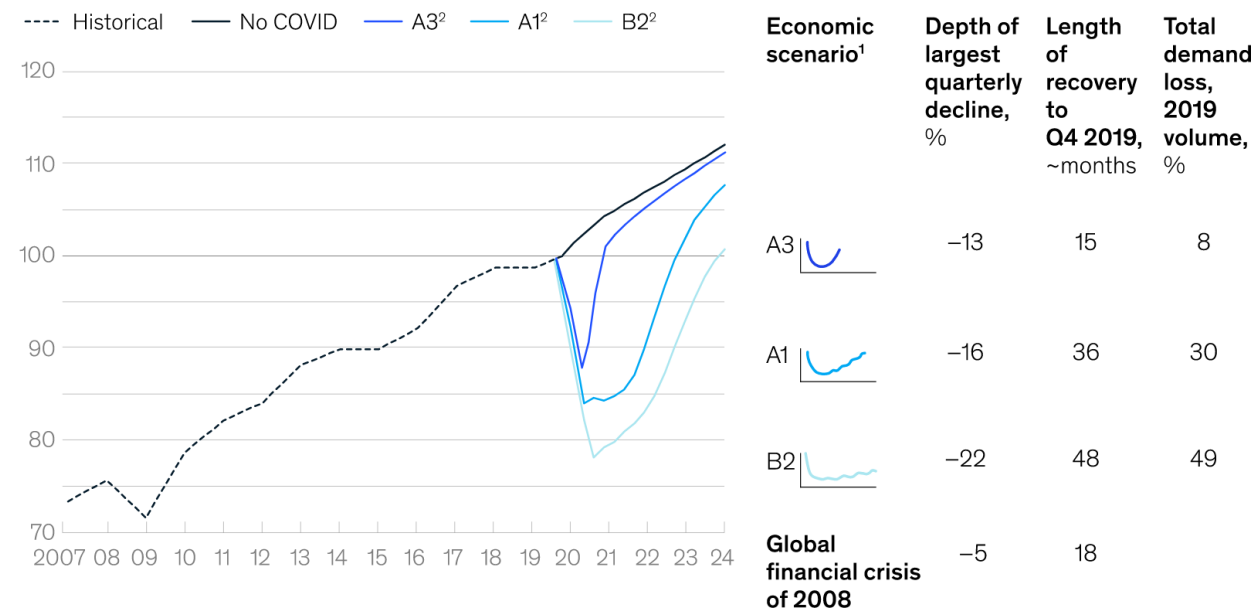
- A drop in sales translate into a reduction in revenue
- Uneven impact on the industry
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## Global freight flows after COVID-19: What's next?

July 2, 2020 | Article

**Global unconstrained trade demand could decline by 13 to 22 percent in Q2 or Q3 2020, depending on macroeconomic scenario.**

Global unconstrained trade demand by macroeconomic scenario, tons, index (100 = Q4 2019)



Note: Preliminary results, as of June 1, 2020.

<sup>1</sup>Include trade between countries, excluding intra-European (Central Asia, Eastern Europe, European Union, United Kingdom) trade.

<sup>2</sup>A3: public health responses with rapid and effective control of the virus and partially effective economic interventions; A1: partially effective public health interventions and partially effective economic interventions; B2: partially effective public health interventions and ineffective economic interventions.

Source: IHS World Trade Service data; McKinsey COVID-19 Trade Flow Recovery Model; McKinsey analysis, in partnership with Oxford Economics

## US food supply chain: Disruptions and implications from COVID-19

July 2, 2020 | Article

McKinsey  
& Company



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US consumer food spending, Mar 2019 vs Mar 2020, \$ billion



Source: Administrative records; McKinsey Annual Retail Trade Survey; McKinsey Monthly Retail Trade Survey; McKinsey Service Annual Survey

McKinsey  
& Company



## Consumer Markets Under Pressure in 2020

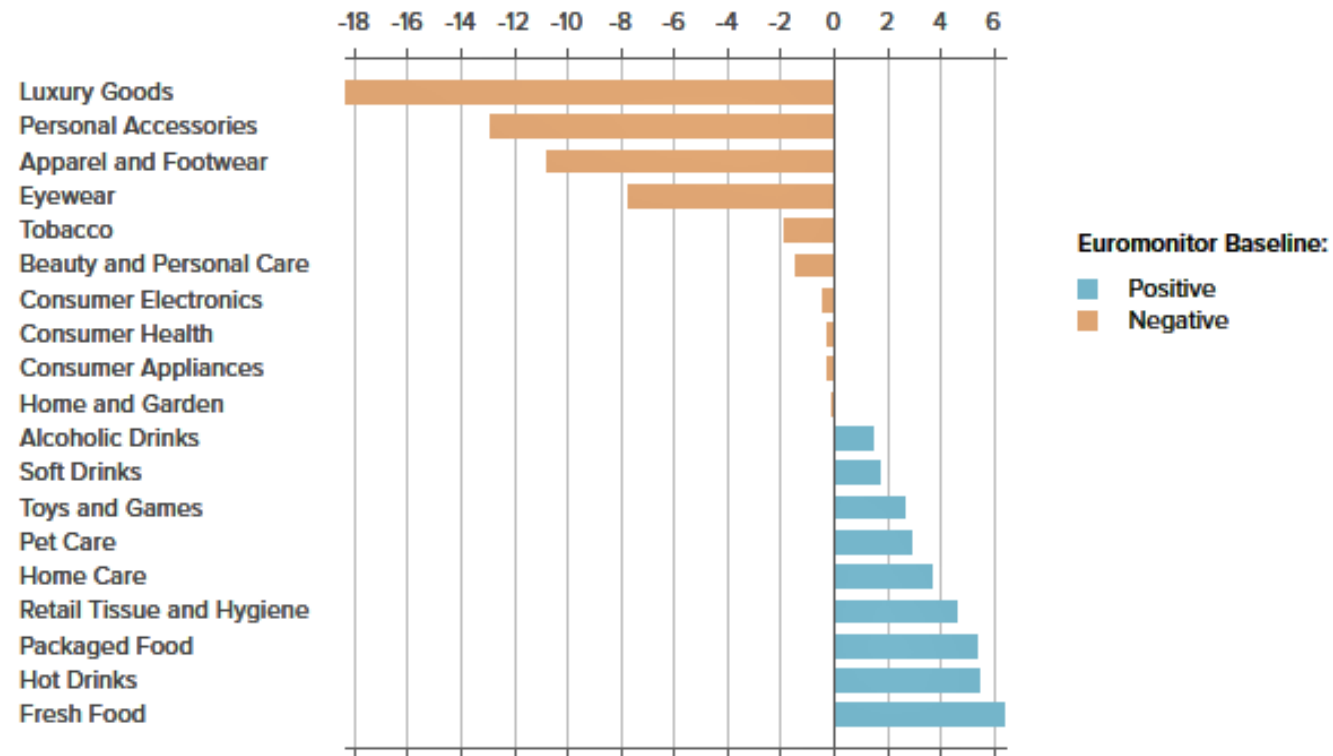
May 22, 2020 | Article



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### WORLD BASELINE SCENARIO FORECAST | Estimated probability: 38-48%

Industry Level Retail Sales 2019-2020, % growth, 2019 constant prices, fixed year exchange rate ⓘ



Source: Industry estimates

Last updated on May 11, 2020 at 6:46PM GMT



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## **FOUR IN 10 MULTINATIONAL ADVERTISERS DELAY SPEND**

RESEARCHLIVE

23 JUNE 2020

Global – Over 40% of multinational advertisers surveyed by the World Federation of Advertisers (WFA) said they are deferring campaign spend by six months.

## **UK ADVERTISING REVENUE COULD FALL 13% IN 2020, REPORT FINDS**

RESEARCHLIVE

23 JUNE 2020

UK – The advertising market in the UK is forecast to fall 13% this year, but will recover by 13% in 2021, according to research from media investment company GroupM.



- Many agencies suffer from project delays and cancellations
- Respond with fewer subcontracting services to other companies and/or consultants
- Fear of losing clients

## Corona crisis brings economic downturn in the market and social research industry

Berlin, May 18, 2020

# ADM.

For the period from April to June, companies expect a 42% loss in sales. Orders were postponed (97%) or canceled (87%).

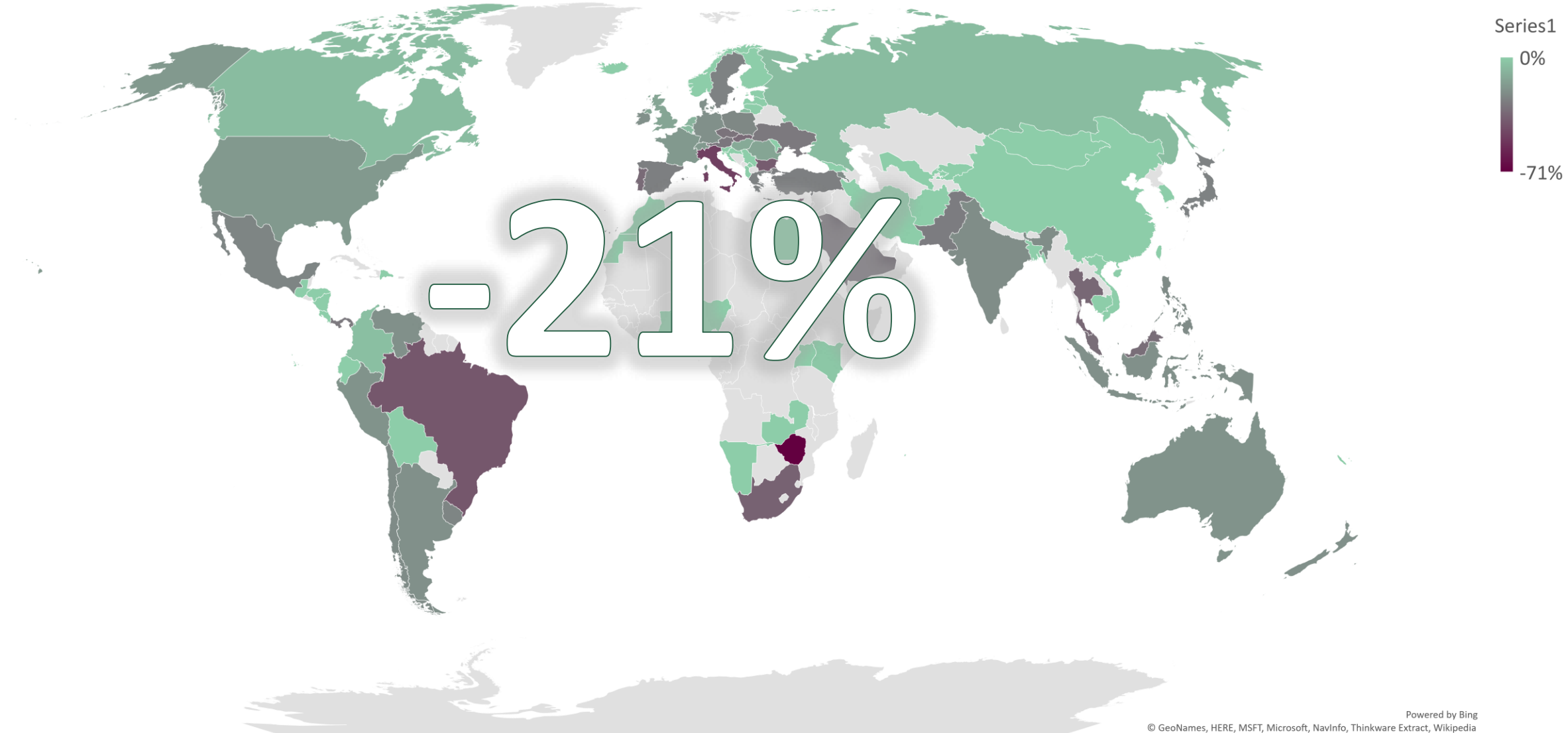
77% of the institutes complained of fewer study requests than usual in the spring.

In addition, the market for face-to-face methods was severely affected. Almost half of the institutes complained of a slump in face-to-face surveys and a good third stated that the reason for the drop in sales was the discontinuation of group discussions.

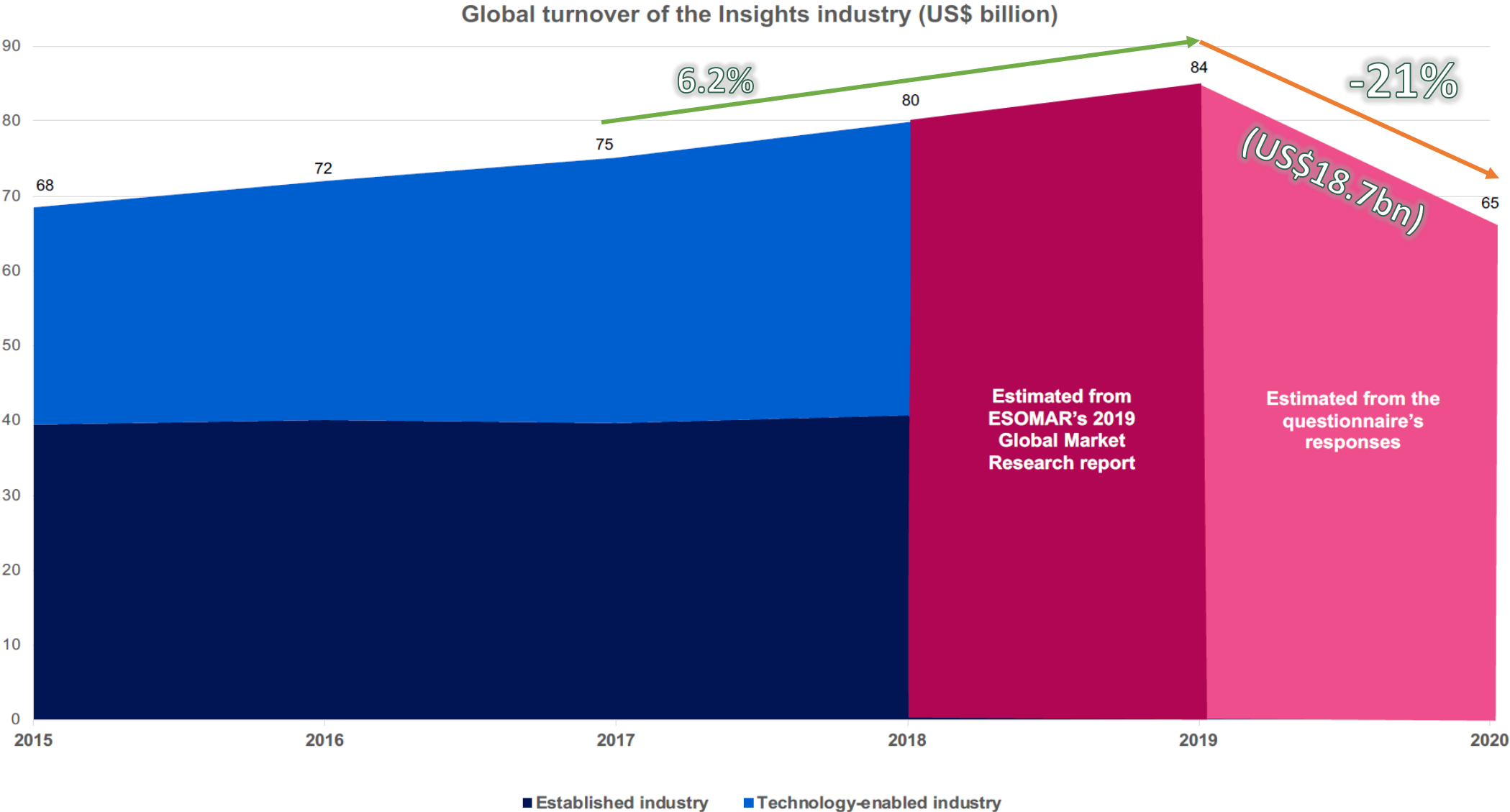


The  
economic  
impact

Expected impact of the pandemic according to respondents

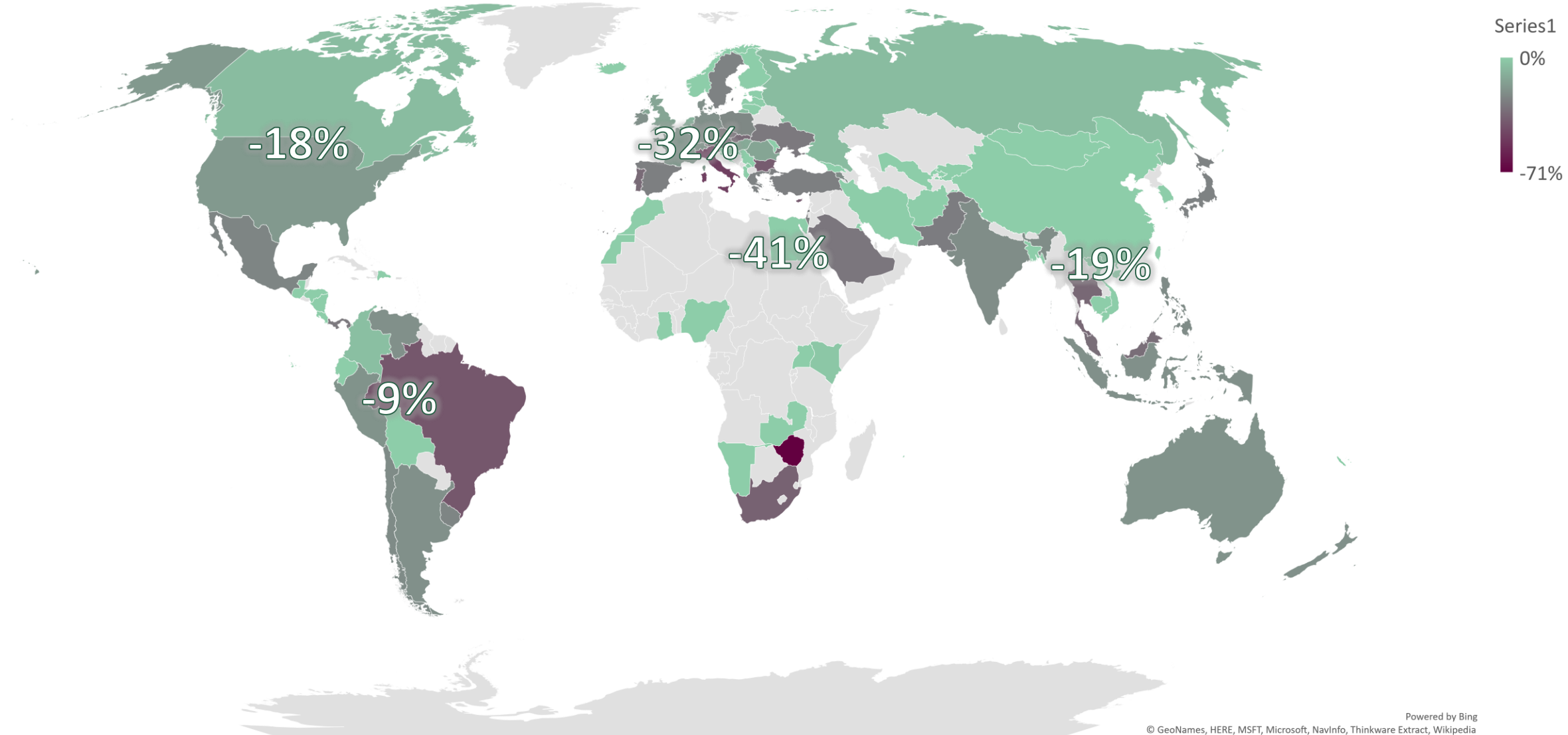




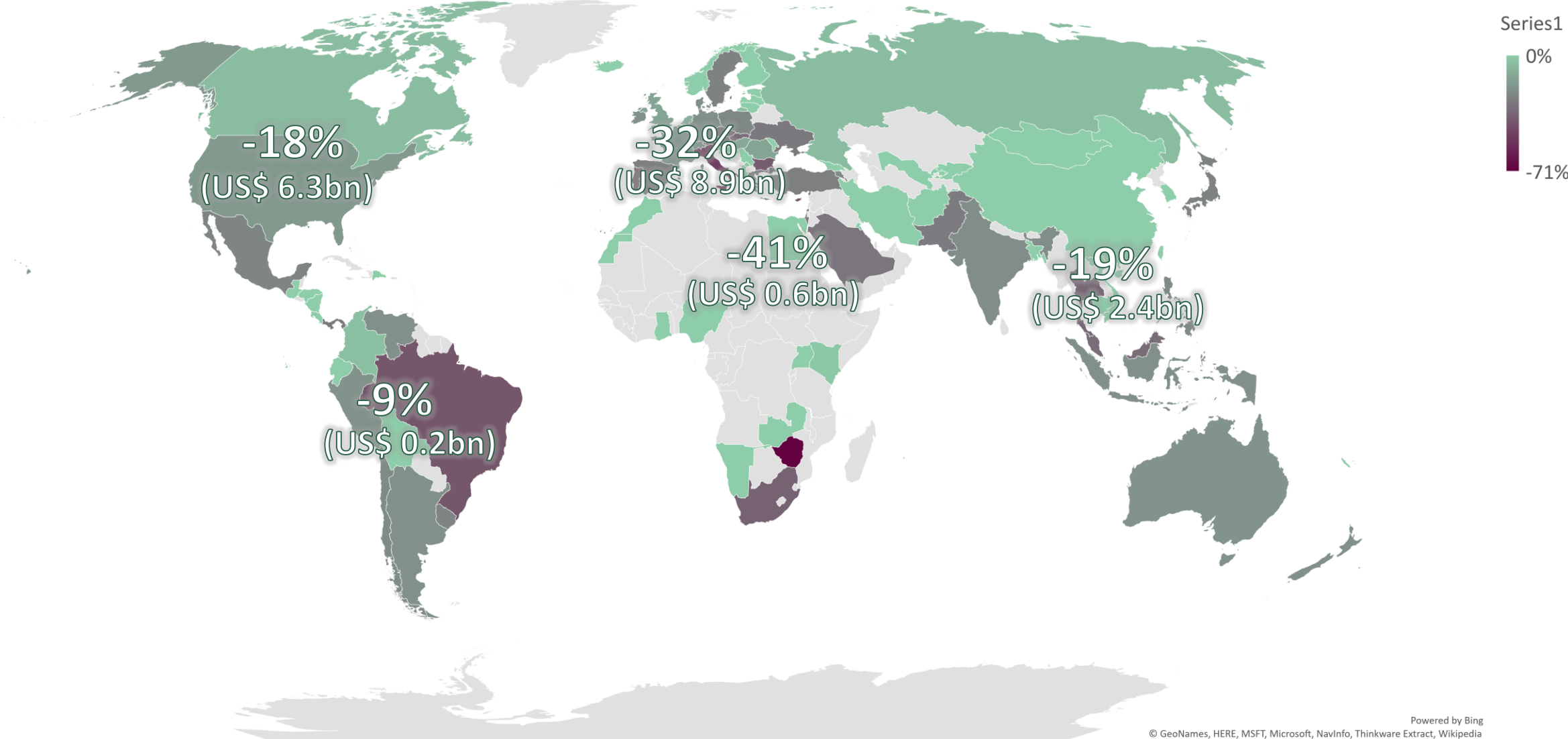


Source: ESOMAR – 2019 Global Market Research report

## Expected impact of the pandemic on respondents

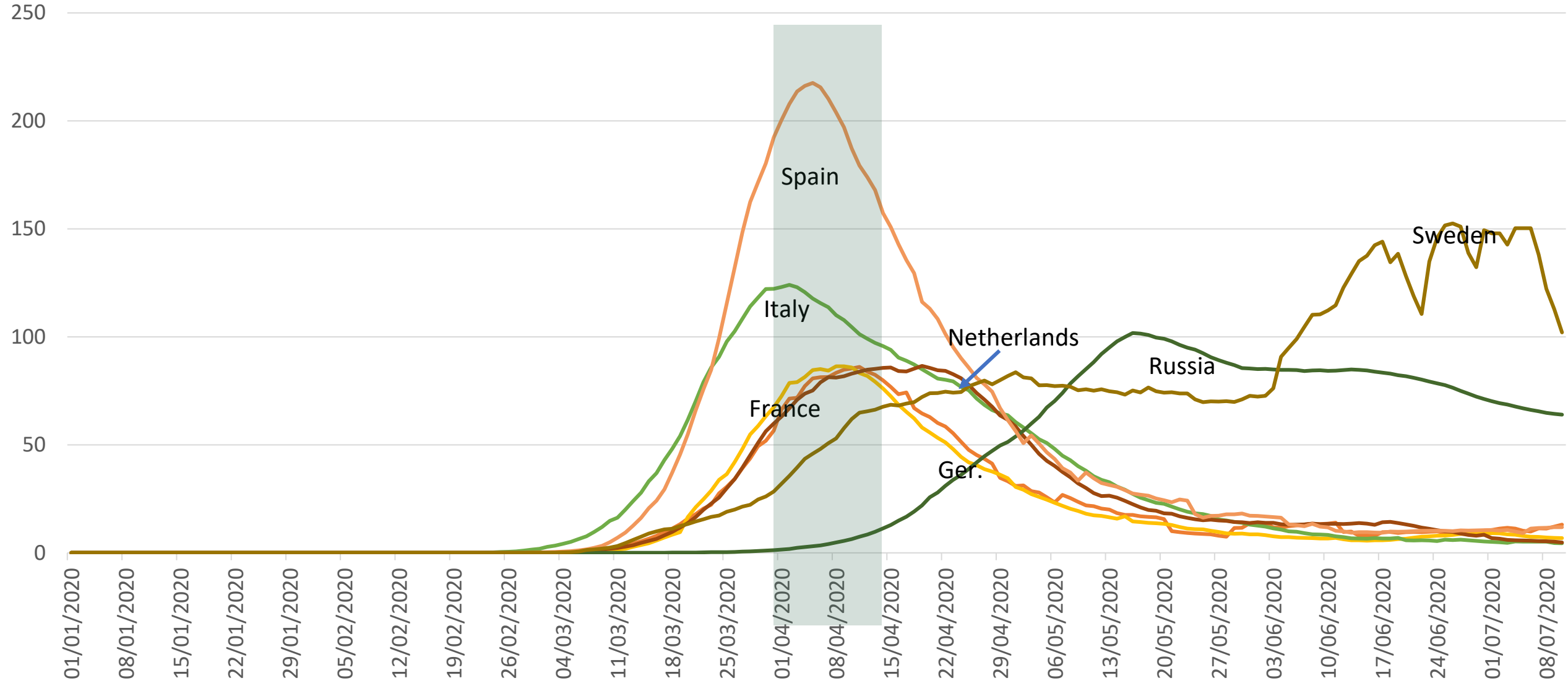


Expected impact of the pandemic on respondents

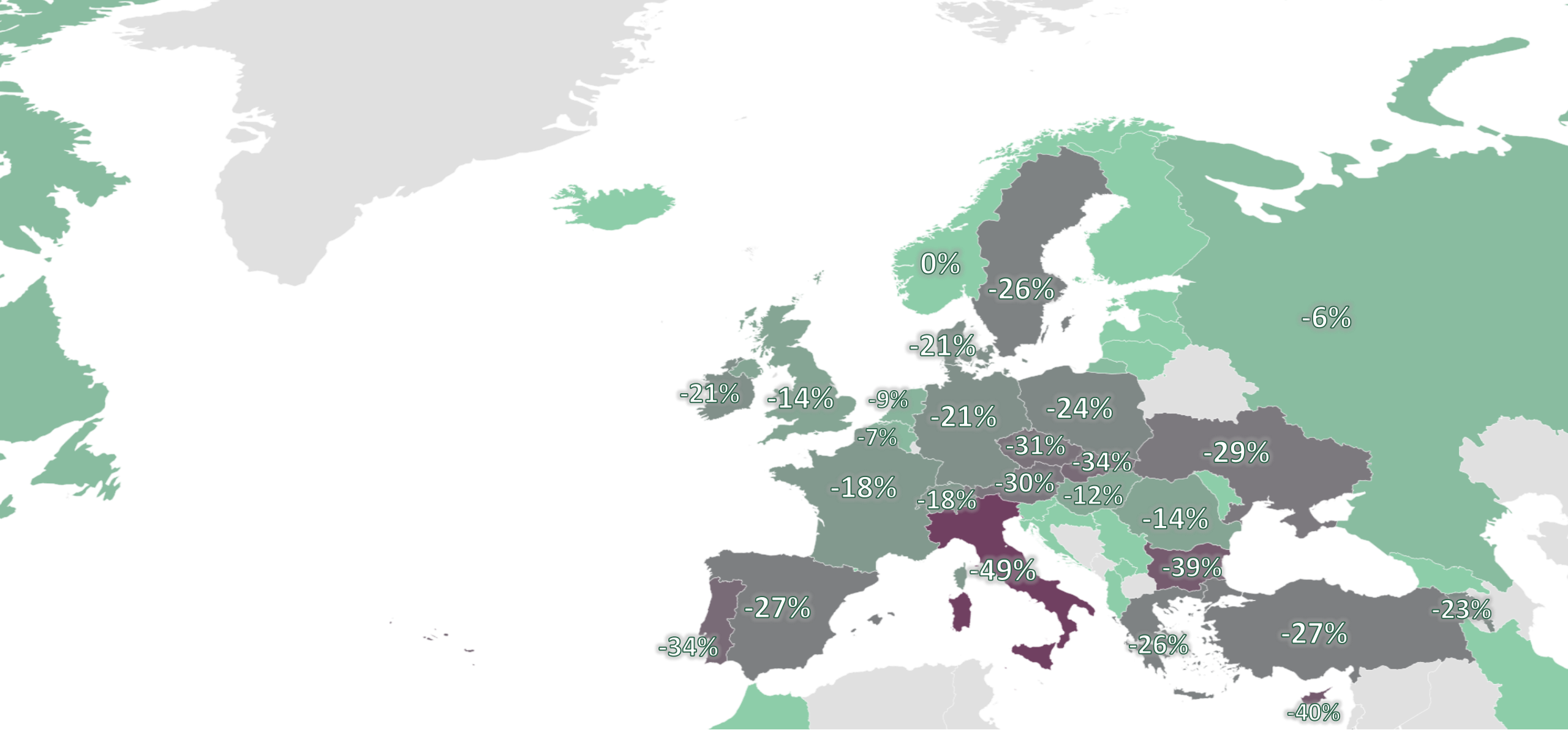


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Europe – Cumulative number for 14 days of COVID-19 cases per 100,000

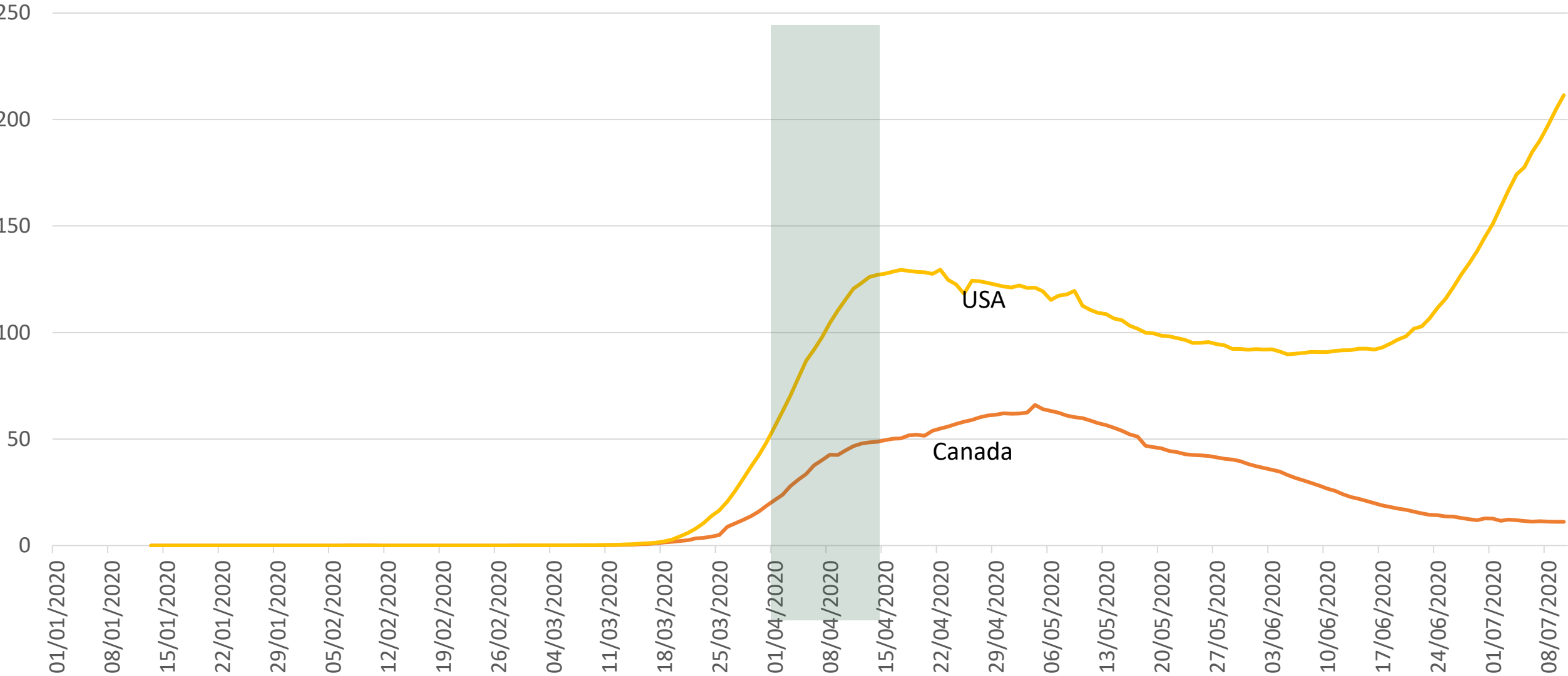


Source: European Centre for Disease Prevention and Control



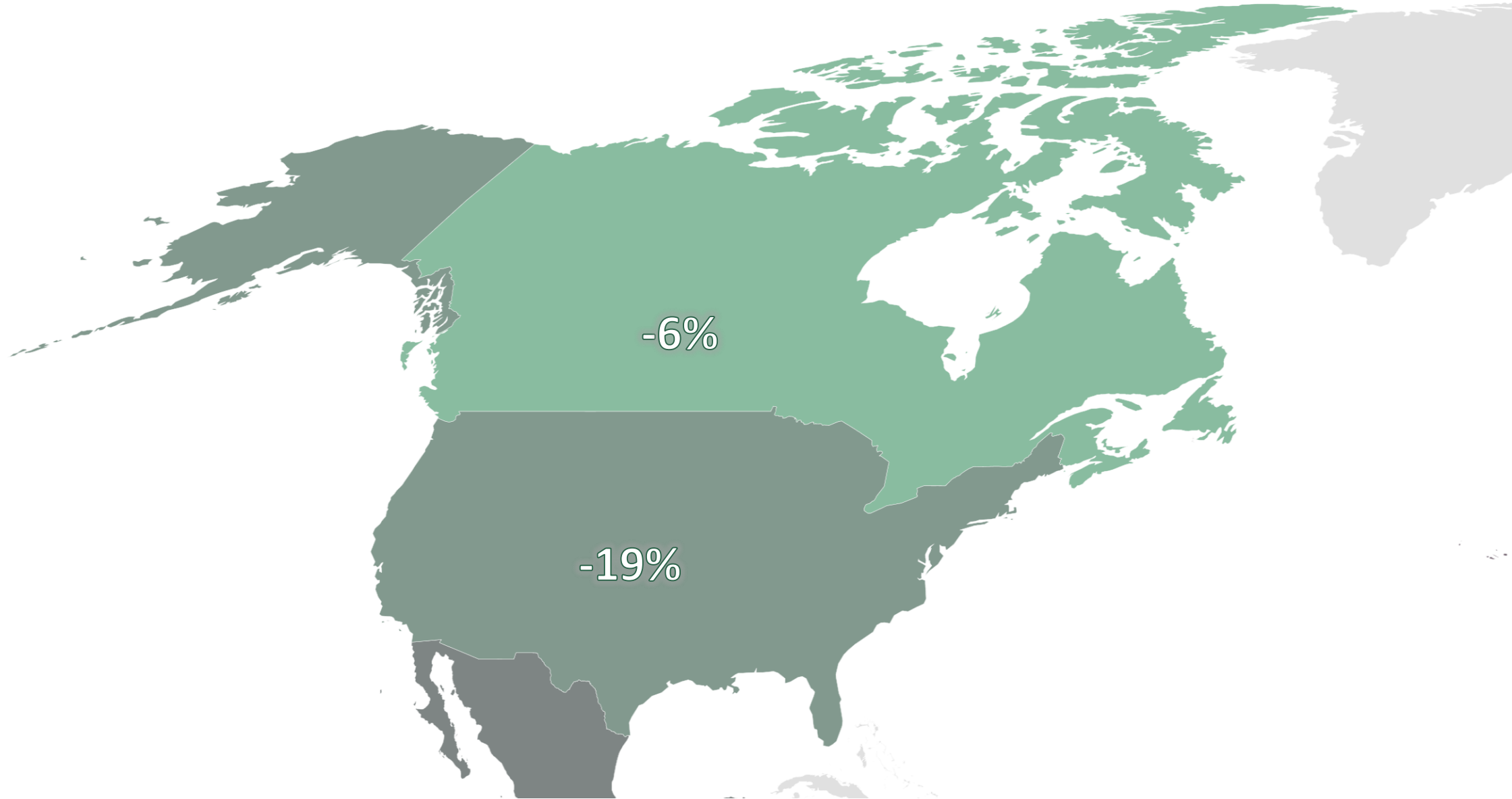
Source: ESOMAR - Insights in Times of COVID-19

North America – Cumulative number for 14 days of COVID-19 cases per 100,000



Source: European Centre for Disease Prevention and Control

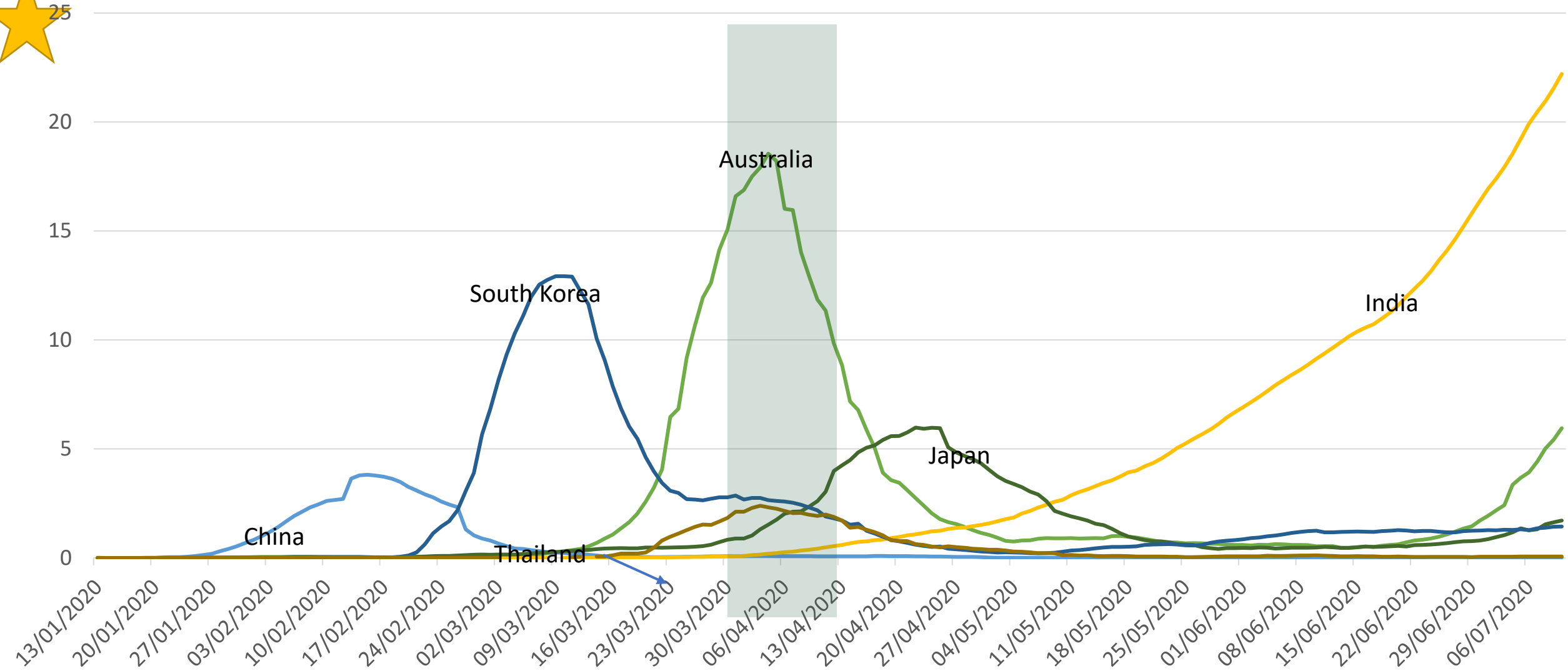
# The economic impact





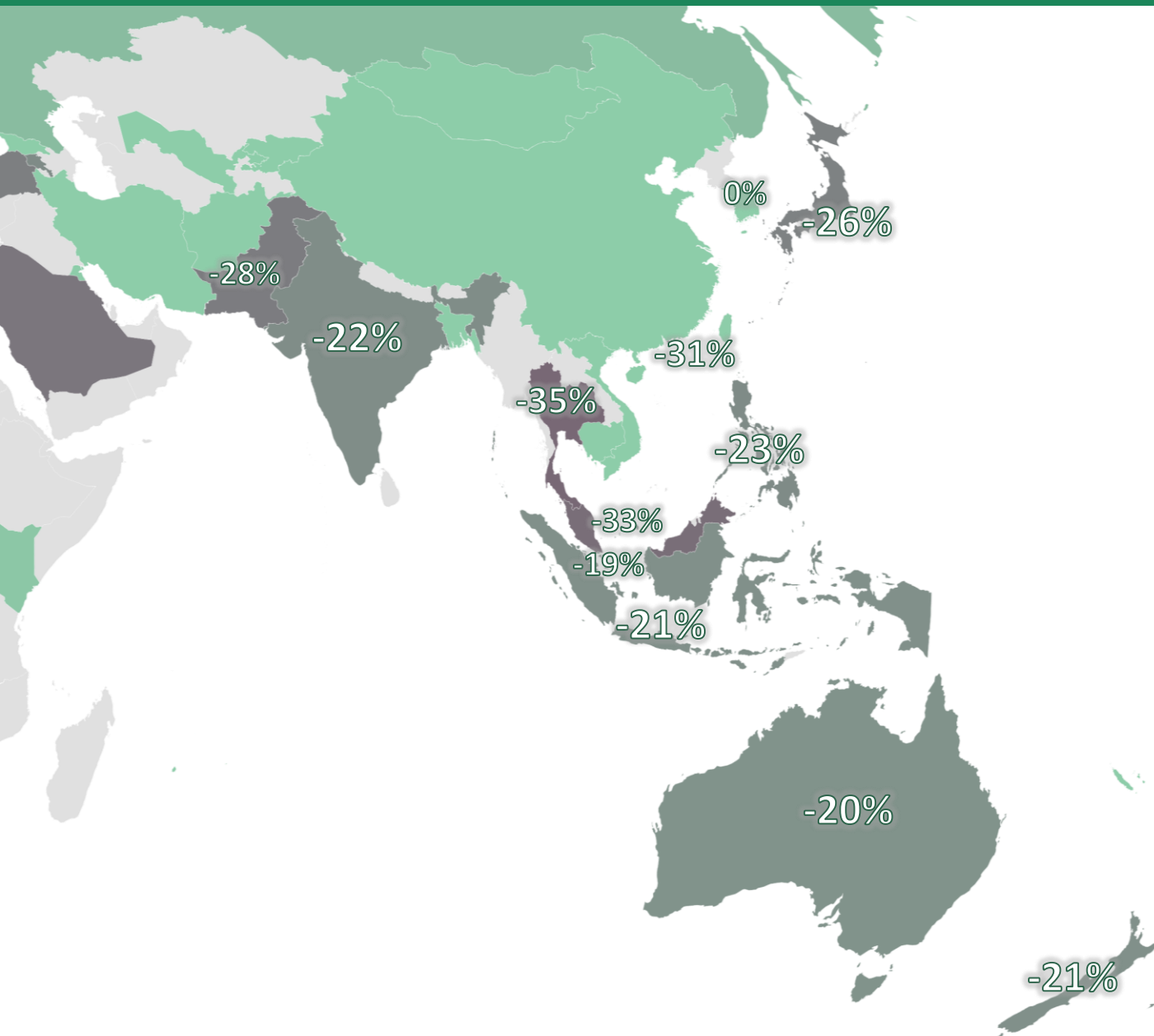


APAC – Cumulative number for 14 days of COVID-19 cases per 100,000

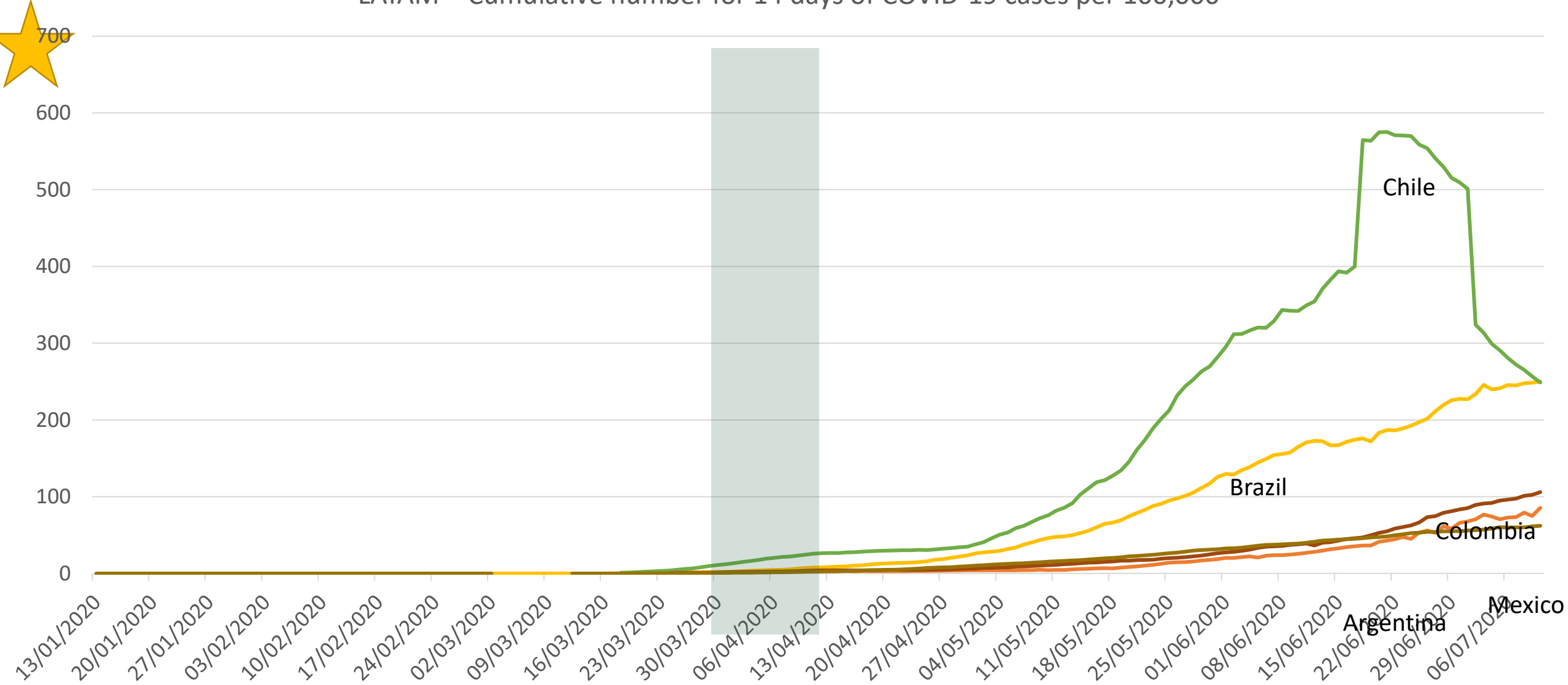


Source: European Centre for Disease Prevention and Control

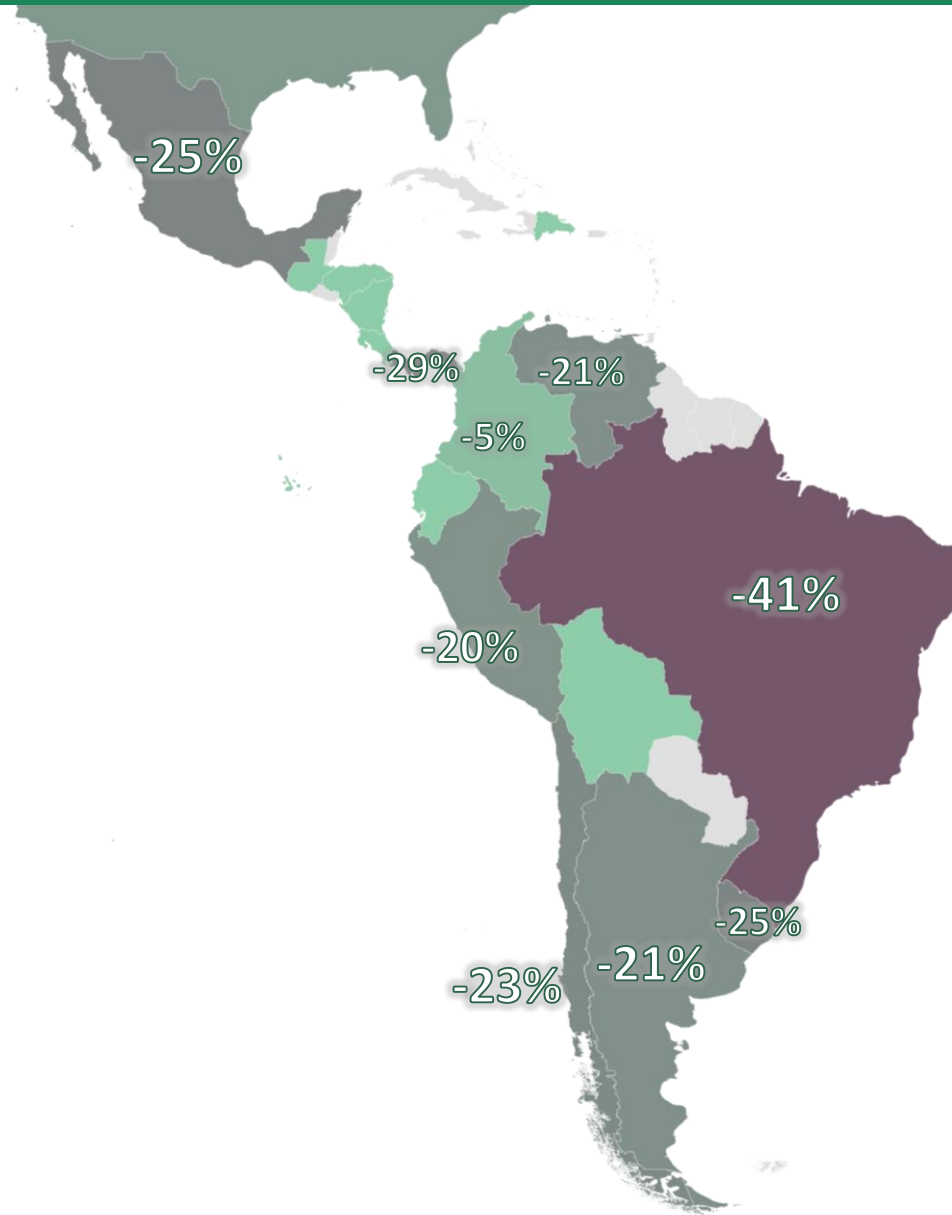
# The economic impact



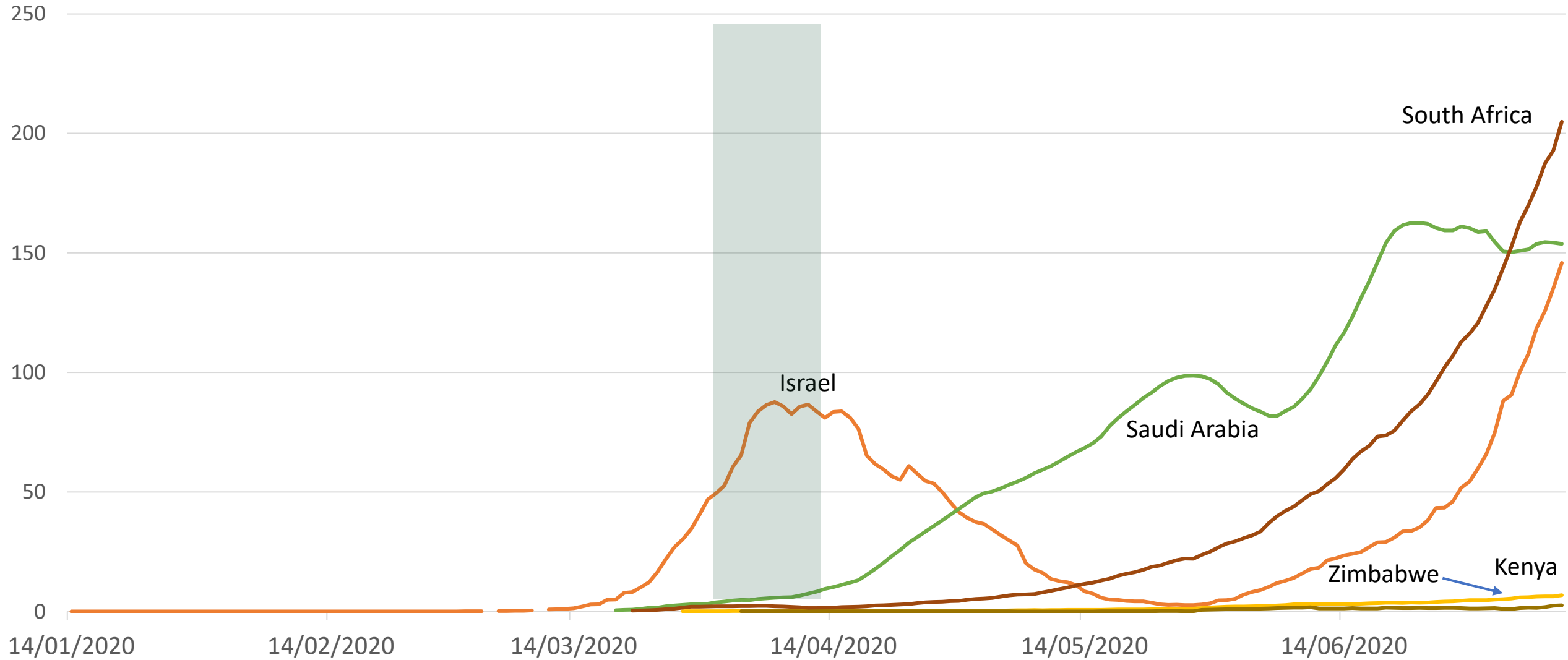
LATAM – Cumulative number for 14 days of COVID-19 cases per 100,000



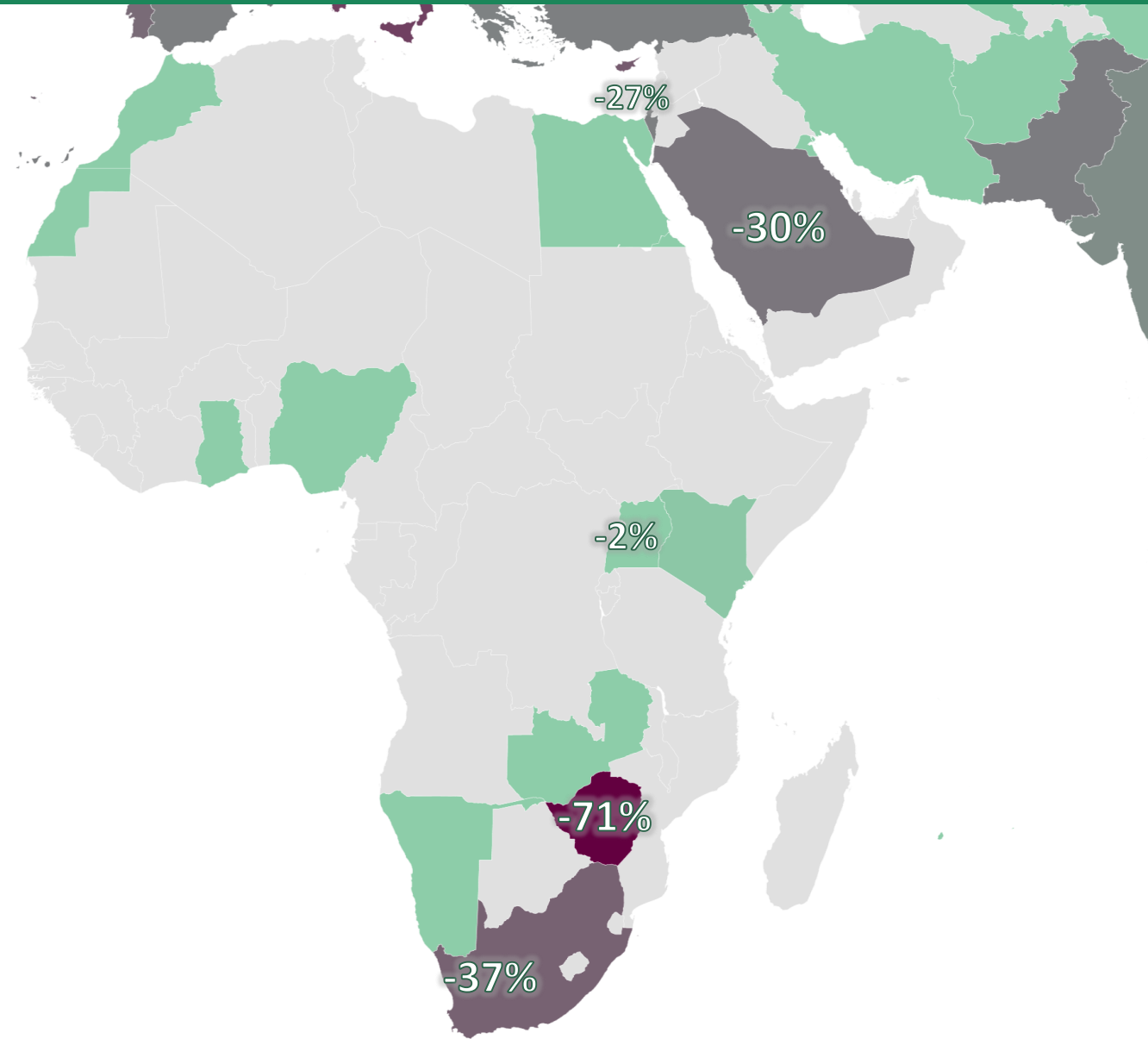
Source: European Centre for Disease Prevention and Control



Africa and Middle East – Cumulative number for 14 days of COVID-19 cases per 100,000



Source: European Centre for Disease Prevention and Control





# 4

The impact  
per type of  
service





## Types of company

- ❑ Research agency/provider with a focus on established methods of research
- ❑ Research agency/provider with a focus on technology-enabled methods of research
- ❑ Research consultancy
- ❑ Research support services/supplier
- ❑ Clients/users of market research, data analysis and insights

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## Types of employment

- ❑ Owner / Partner / C-suite
- ❑ Employee
- ❑ Freelance / Self-employed
- ❑ Other (please specify)

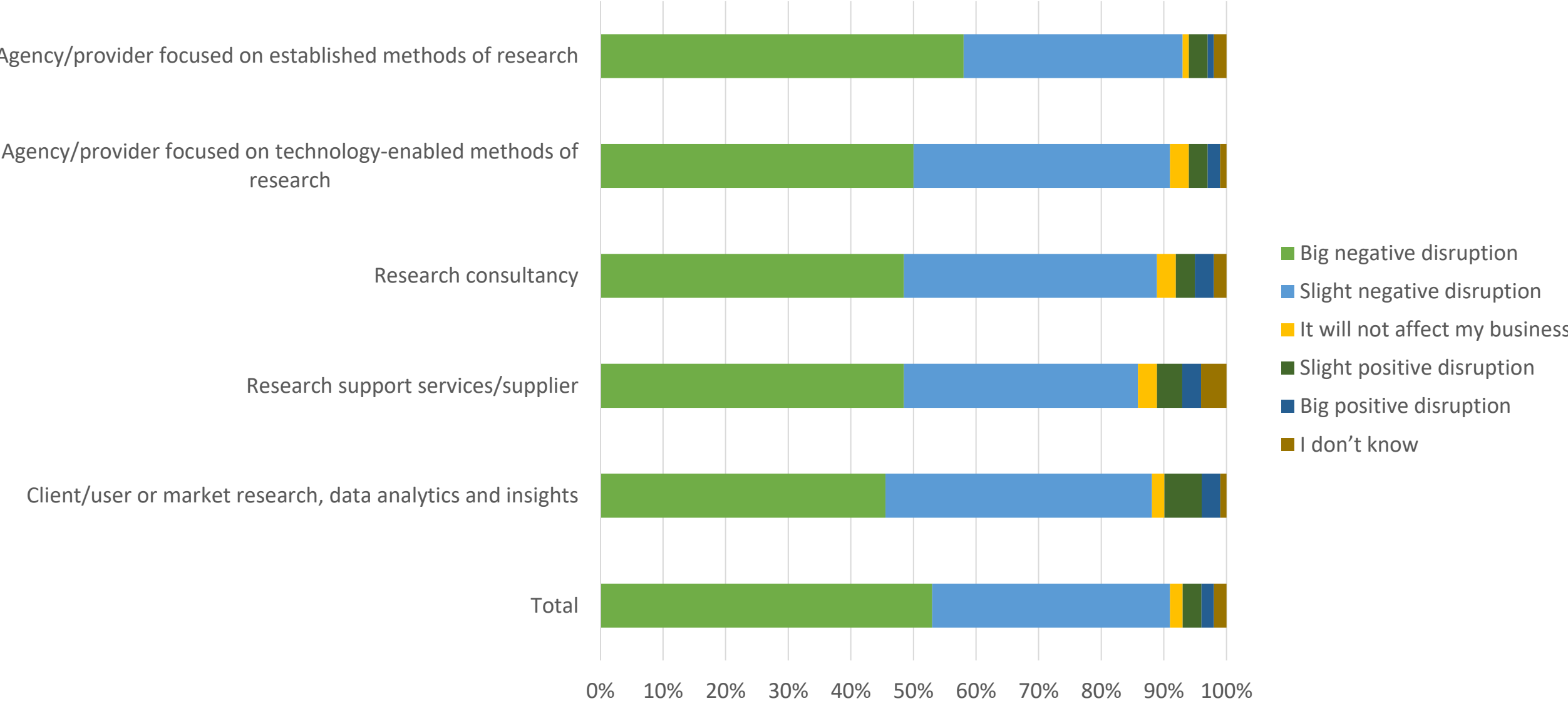
## FTE

- ❑ 0-10
- ❑ 11-50
- ❑ 51-150
- ❑ 151-500
- ❑ >500

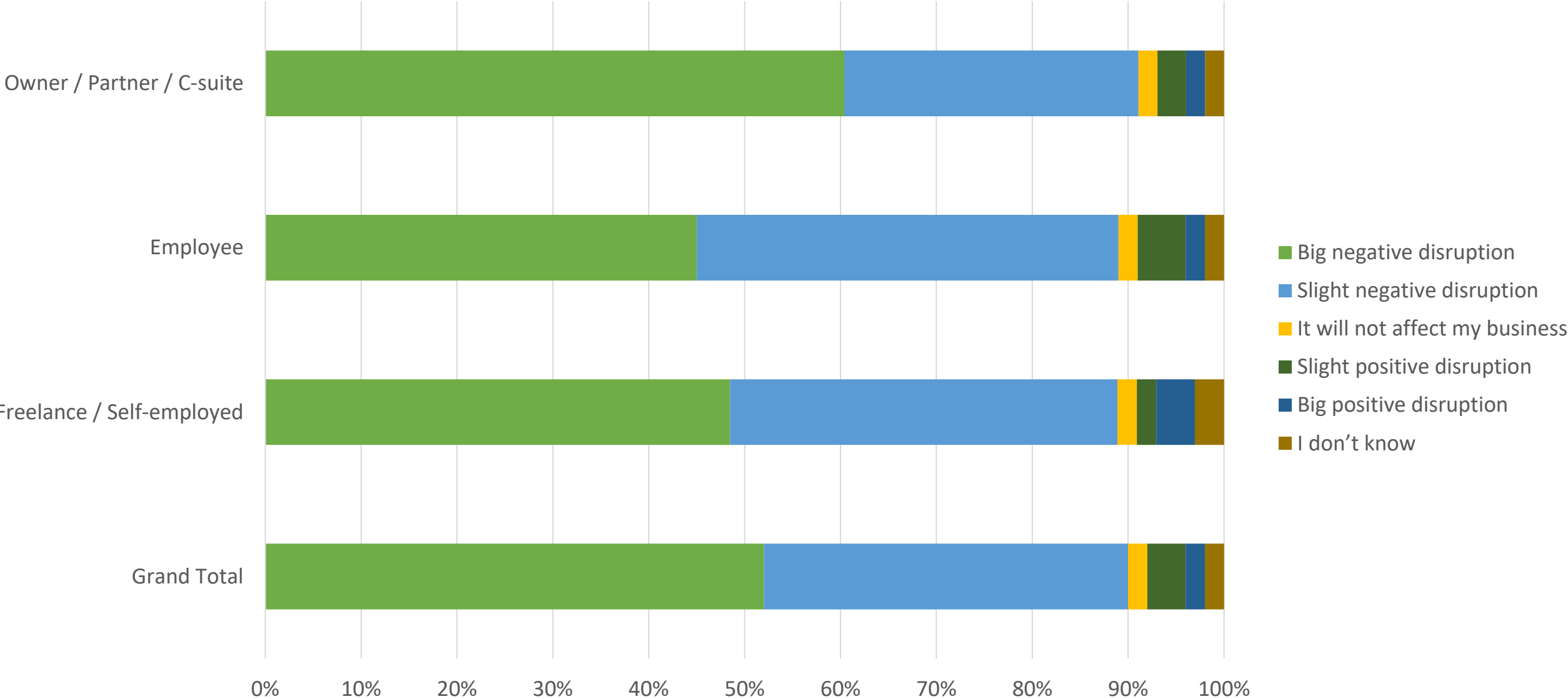
## Turnover

- ❑ US\$ 0-1M (very small)
- ❑ US\$ 1-10M (small)
- ❑ US\$ 10-100M (large)
- ❑ > US\$ 100M (very large)

### Expected impact per type of company

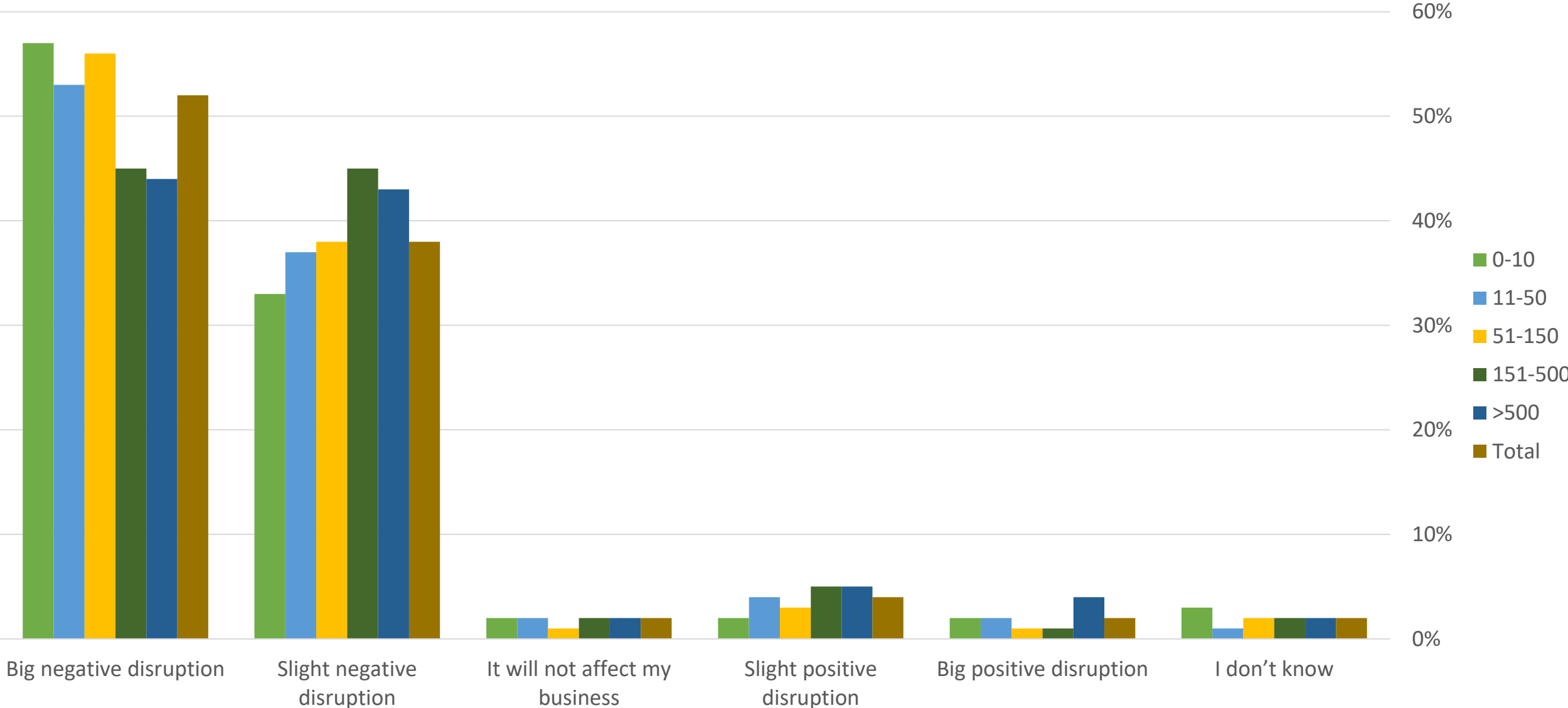


Expected impact per employment type

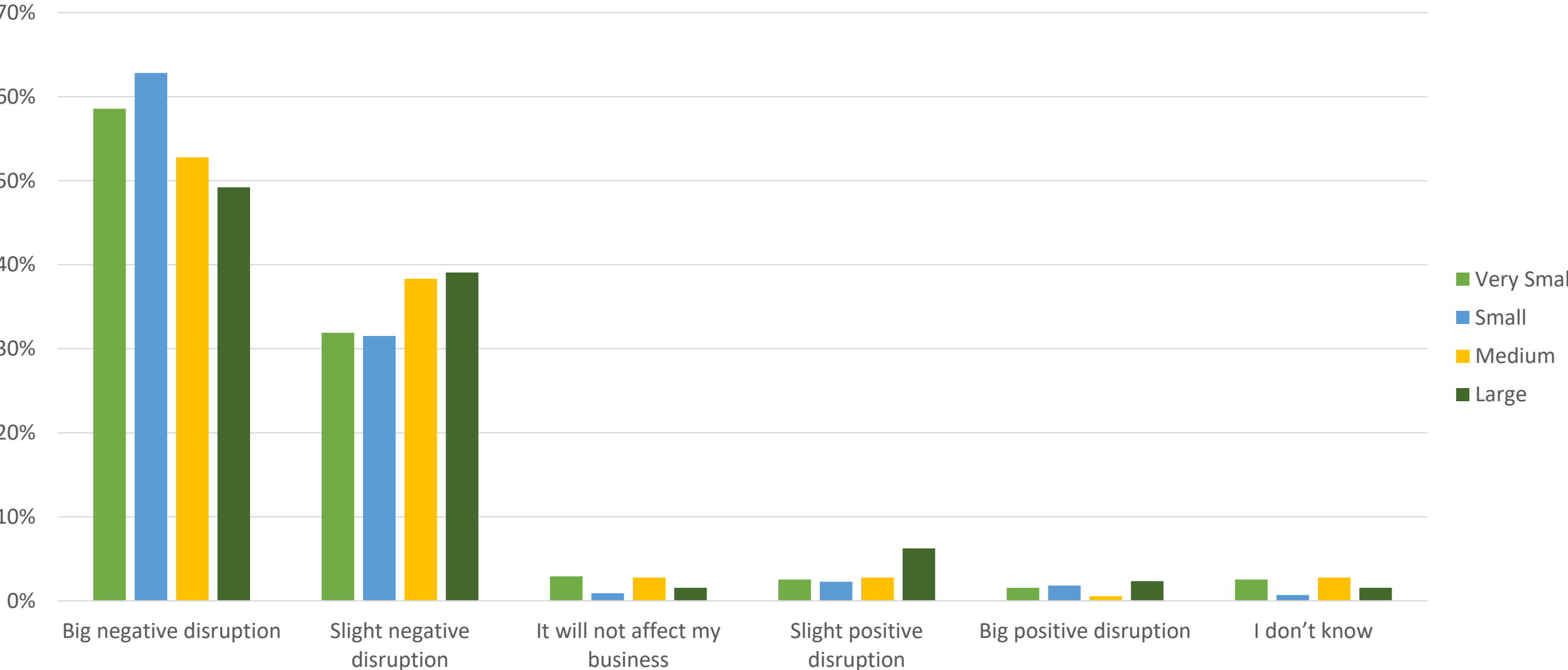


# The impact per type of service

Expected impact per number of FTE



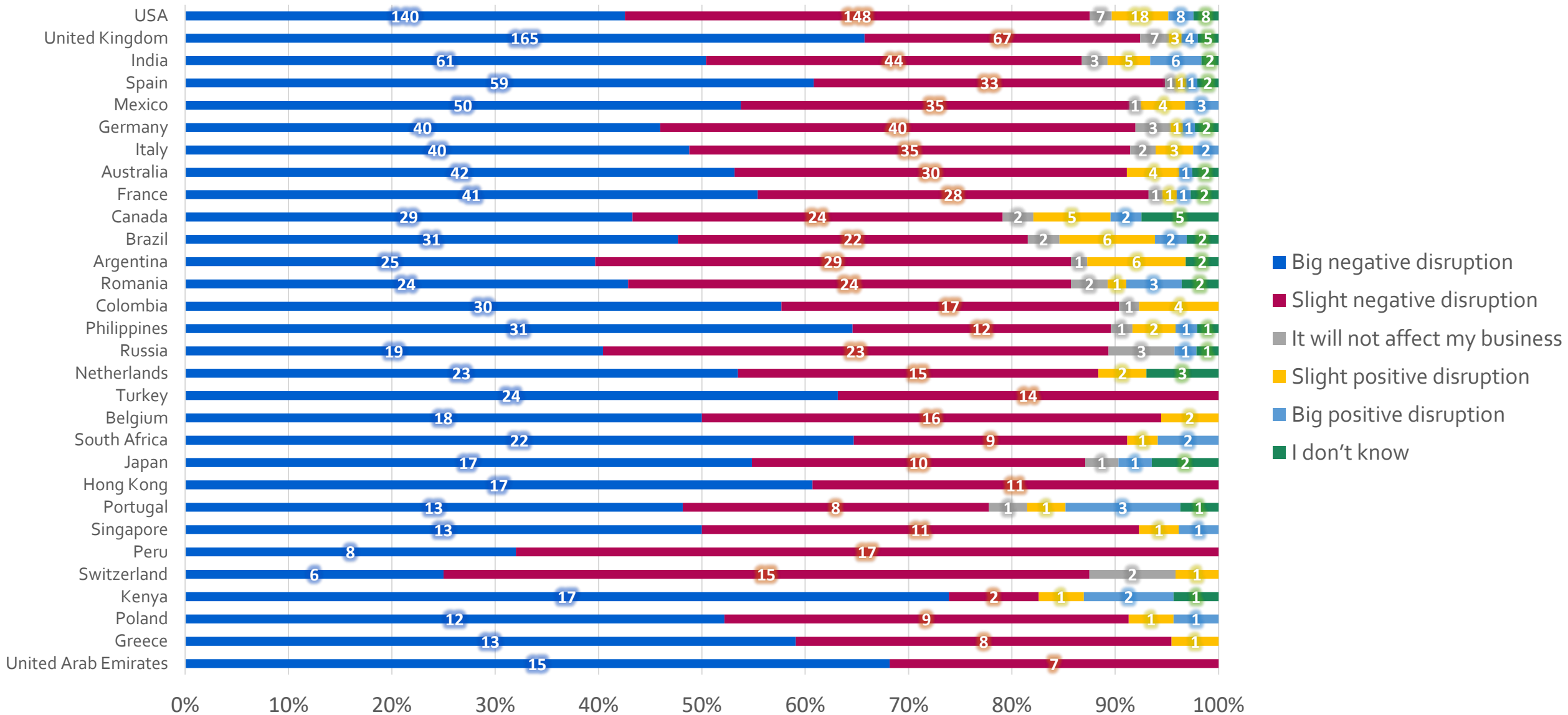
Expected impact per company turnover



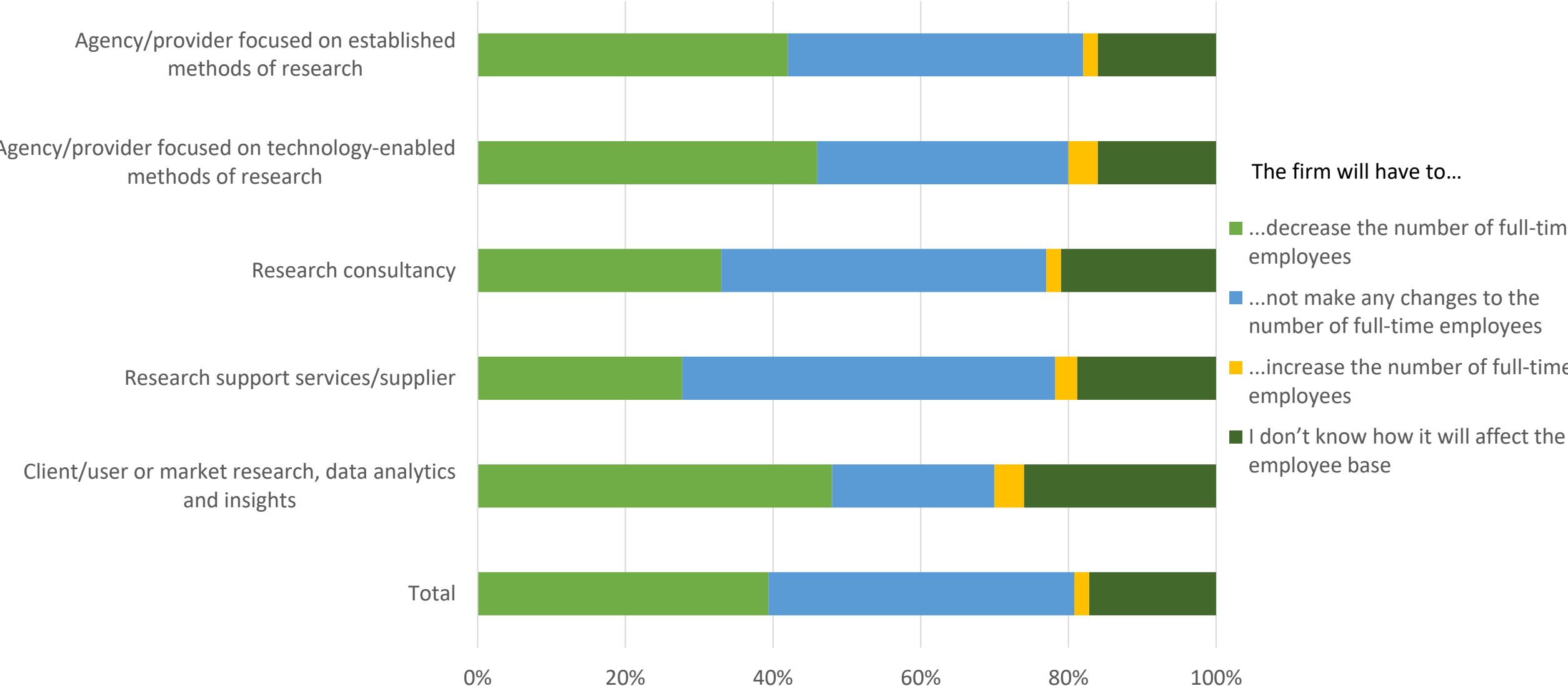


# The impact per type of service

Expected impact per country (>30 responses)

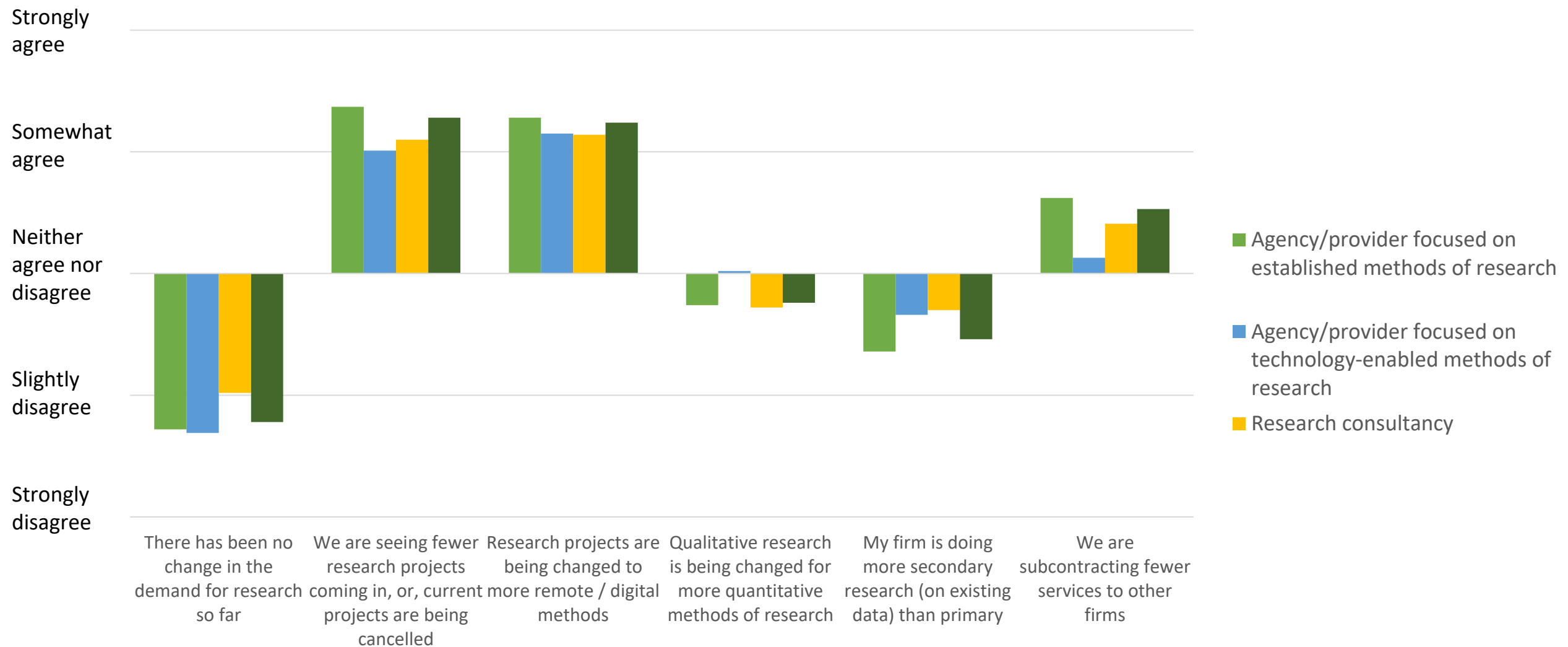


### Expected impact on employee base

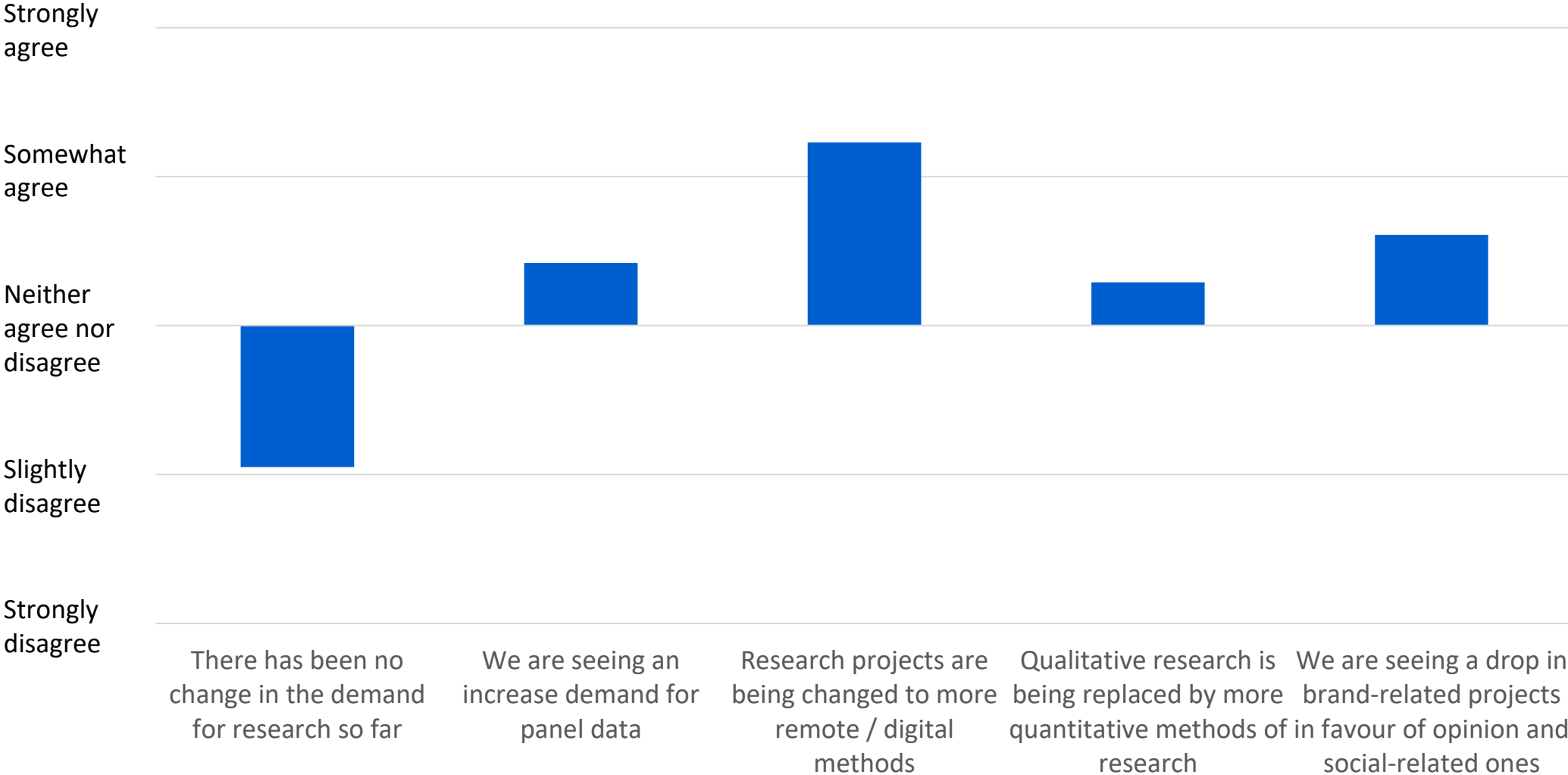


# The impact per type of service

Agency/providers; consultancies – Expected impact on selected items



### Research Support Services – Expected impact on selected items



# The impact per type of service

Clients/users – Expected impact on selected items





# Closing sentence



Report – Insights in Times of COVID-19

- ❑ [pages.esomar.org/insights-in-times-of-covid-19](https://pages.esomar.org/insights-in-times-of-covid-19)

Dedicated page from ESOMAR

- ❑ [esomar.org/covid-19](https://esomar.org/covid-19)

Articles on Research World:

- ❑ [researchworld.com/tag/corona/](https://researchworld.com/tag/corona/)
- ❑ When life gives you lemons...
- ❑ COVID-19 in DR Congo – path to a new era of MR
- ❑ The importance of personal branding for market researchers during & post COVID-19
- ❑ If, when and how? Tips for making smart pricing decisions in the midst of market disruption
- ❑ Retooling the insights profession to guide businesses to a New Normal – the essential role of agility



The pandemic created global  
disruption. How are countries  
responding?

## The case of Italy

Alberto Stracuzzi

Market Research Director – Blogmeter

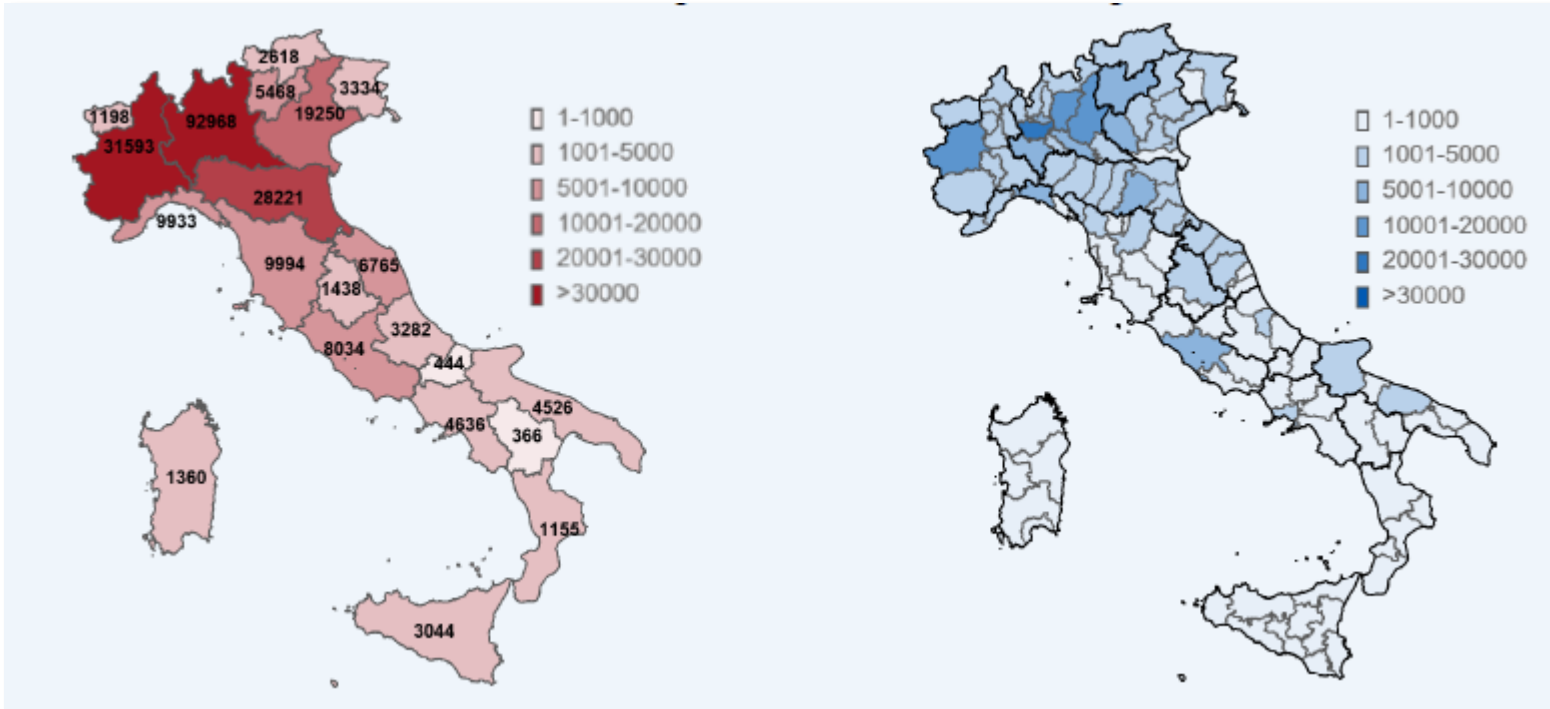
Councilor – Assirm

ESOMAR representative for Italy



Number of positive people per Region

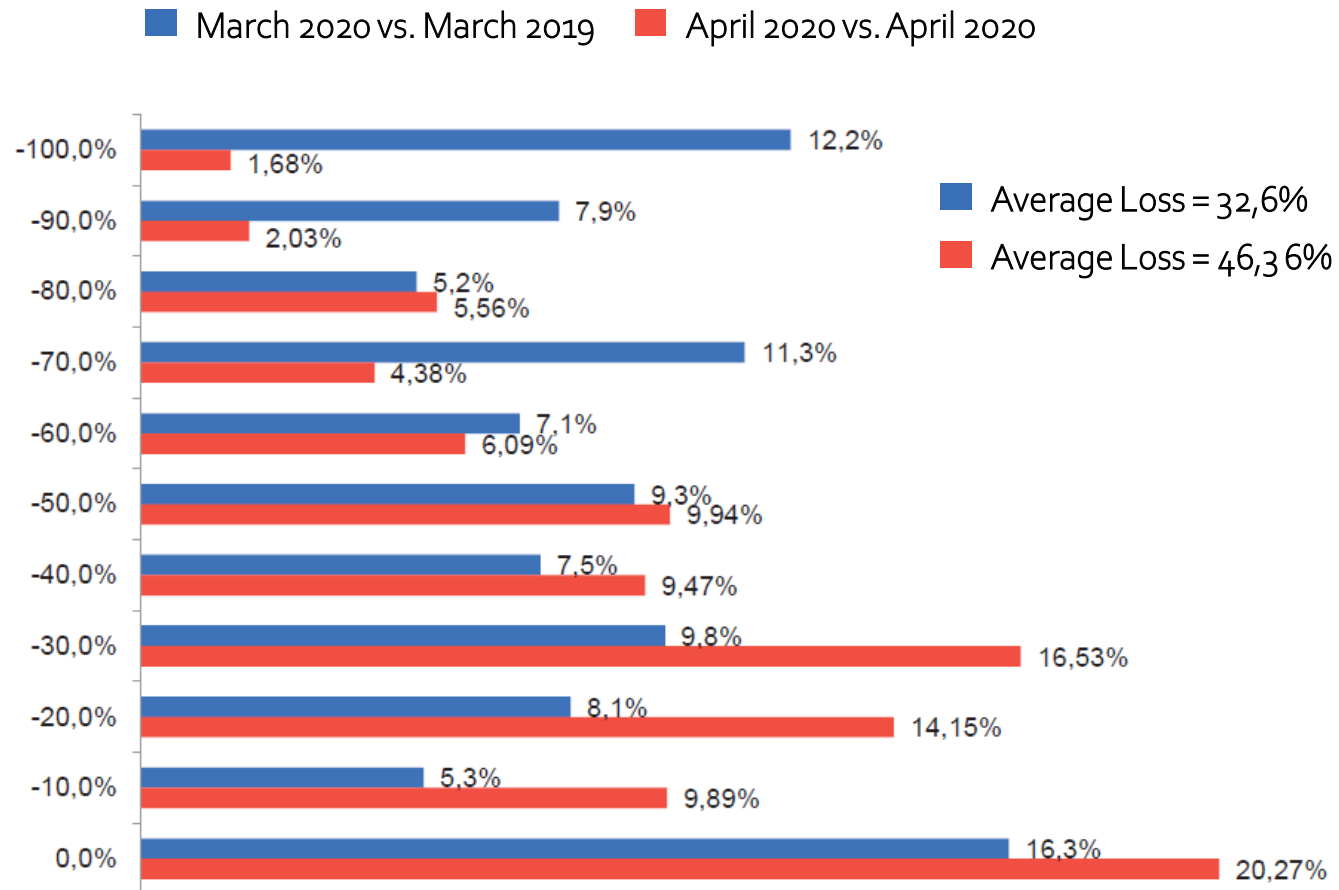
Number of positive people per Province



Covid 19 pandemic is affecting the North of the Country

4 Region were highly affected by pandemic: Lombardia, Piemonte, Veneto, Emilia Romagna.

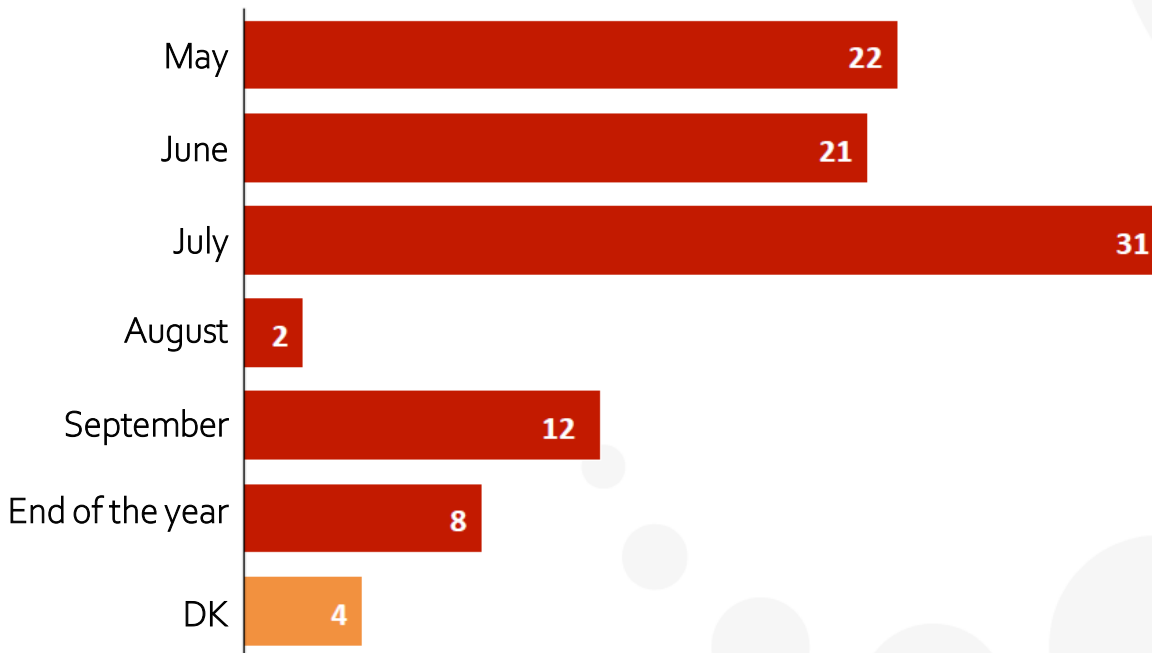
They represent the **46%** of the country GDP and the **39%** of the country population.



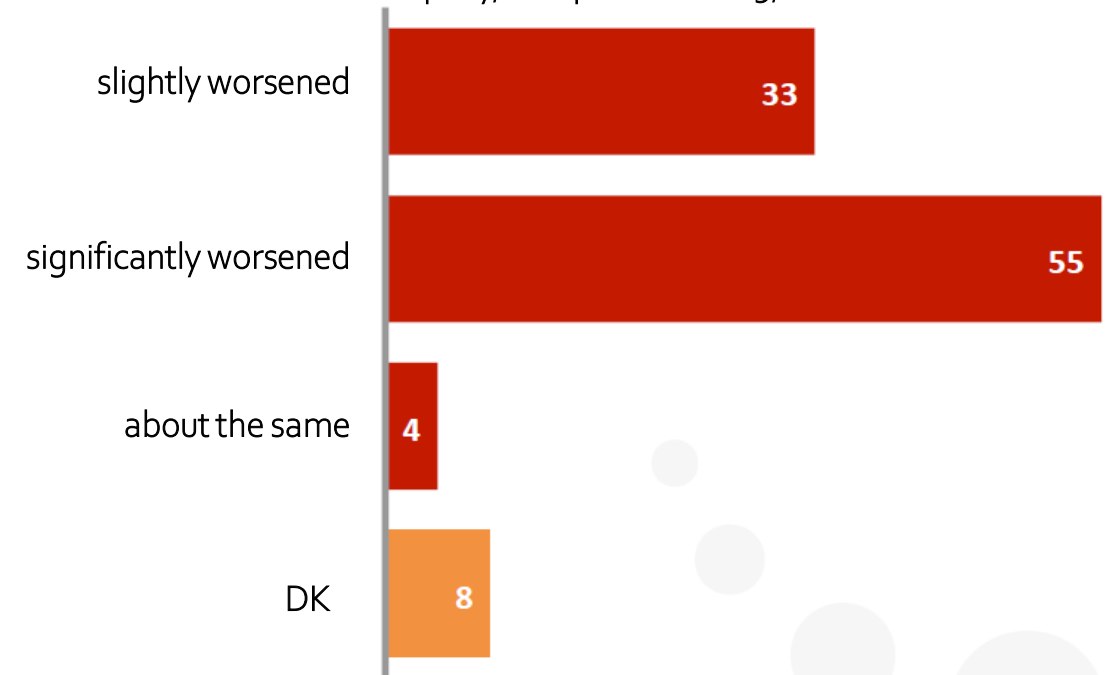
## Covid 19 pandemic is affecting the North of the Country

- ❖ In terms of **turnover** the average loss in April (compared to the same month in 2019) was 48.3% (down from 32.6%)
- ❖ In terms of **lost hours worked**, 46.3% (from 32.5%).-
- ❖ The start of Phase 2 and the reopening of production activities as of 4 May have made so that in the current month the number of open companies has increased significantly: 73.8%.of the companies interviewed reopened completely (in April: 29.7%)

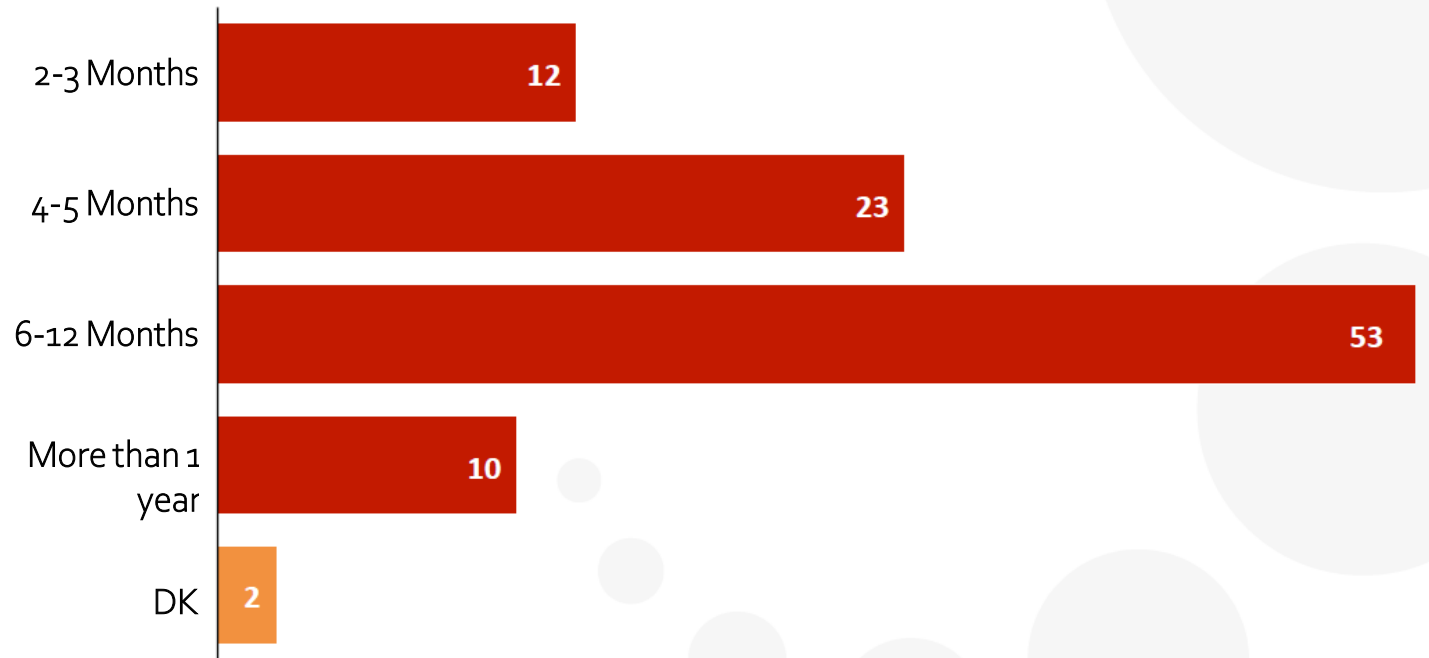
When the State of emergency will end, in your opinion?



As far as he has seen so far, at the end of 2020, the situation of his company, compared to 2019, will be



In your company, how long will the impact of the Coronavirus emergency last?



## What they ask to their Association

- ❖ **Knowledge** - work more on sharing experiences, information, culture research and training
- ❖ **Aid** - to support the sector from an economic point of view, of the credit and bureaucratic facilitations, customer relations, tenders, European projects
- ❖ **Quality** - check the quality of the members' work
- ❖ **Participation** - involve all members, organize listening
- ❖ **Prestige** - enhance the sector and its significance, strengthen its bargaining power in economic and institutional headquarters

## Towards Associated Companies

- ❖ Offices activities never stop (we have several action and working group)
- ❖ Continuous contact with **Associated Companies** to solve problems, receive requests, collect the sentiment
- ❖ A survey to understand future perspectives
- ❖ A **virtual front-office** (“Sportello amico”) for the Associated Companies to provide consultancy and assistance in requesting money assets, funding, loans

## Towards the Industry and stakeholder

- ❖ Continuous sharing of **information with Confindustria Intellect** (the KIBS federation)
- ❖ Preparation of a **radio campaign** to state the importance to “make research”
- ❖ Support of every initiative (like now) with communication
- ❖ A set of videos where MR spenders explain why to make research and why to make “good research” for their Business

## Towards the Government

- ❖ Request for tax credit in case of use of holydays enjoyed, smart working and professional training
- ❖ Request for webinar vouchers
- ❖ Tax credit for companies that spend in Market Research
- ❖ Tax credit for severe turnover reduction due to the contingency
- ❖ Request to insert MR sector in the panel of relevant industries