

The impact of Covid-19 on the Marketing & Advertising Industry of the Maldives



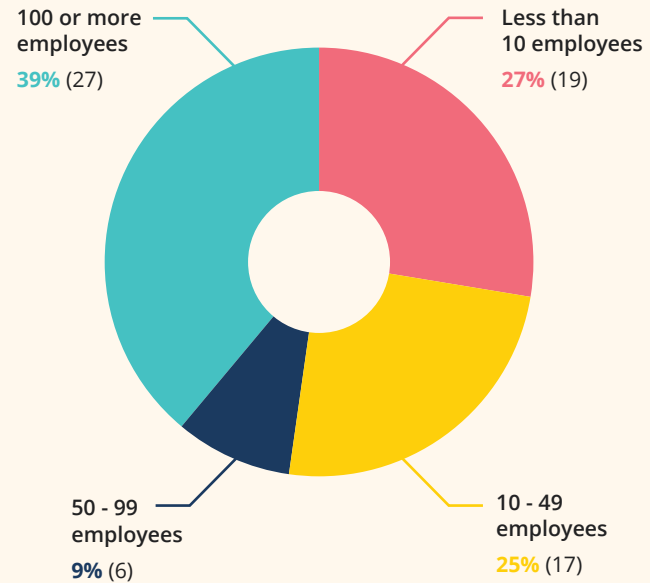
 think



The Covid-19 has led to unprecedented economic and health concerns, which will likely transform how businesses operate going forward.

The community outbreak in the Maldives on 15 April 2020 has shocked the Maldives Economy. Many businesses are fighting to survive, and marketing and advertising will play a key role in their recovery. While businesses currently seek to strike the right tone during this crisis, the question is how significant an effect will the crisis have on Marketing and Advertising industry in the Maldives.

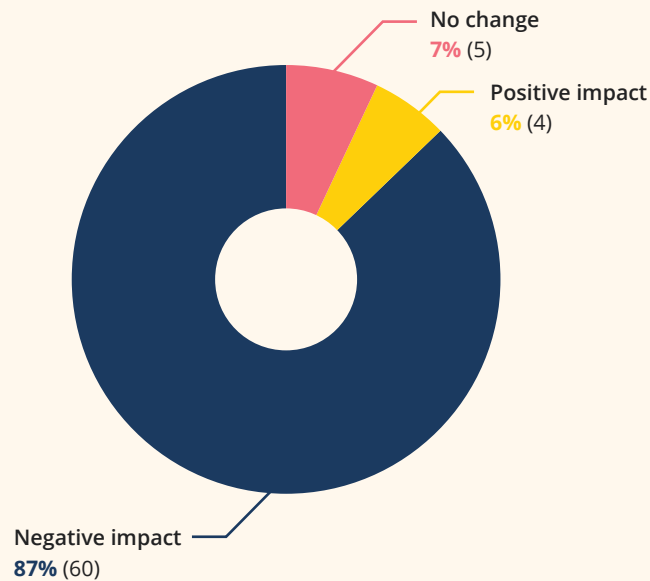
We conducted a research to identify the impact of Covid-19 on the marketing and advertising industry of the Maldives. The sample of this study includes 69 businesses actively engaged in marketing, advertising and event activities. 39% of the businesses have 100 or more employees.



Following are the results of our survey, along with the statistics. We carried out our survey from early to mid May 2020, and the statistics quoted also relate to that time.



87% have noticed an immediate negative impact of Covid-19 Lockdown on their businesses.

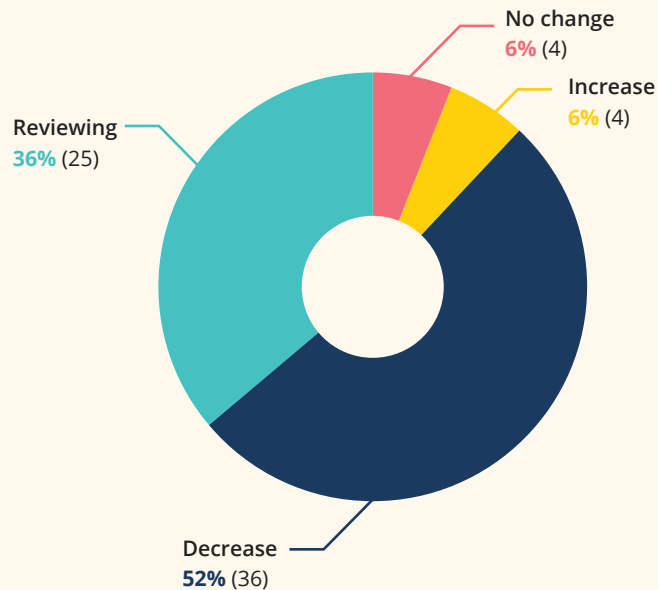


While our survey was conducted from early to mid May, 87% of the respondents indicated an immediate negative impact on their businesses. 6% has indicated a positive impact and 7% indicated that they have not noticed any changes in their business.

51% indicated that the negative impact on their businesses is more than **50%**

The effect seems to be equal concern to small and larger companies. Businesses surveyed show similar concern despite their size, fewer than 50 employees or large with over 100 employees. The estimated impact percentage is more than 50% for 51% of the businesses.

52% to decrease their marketing and advertising budgets in 2020.



52% of Respondents expect to have a significant impact on their marketing and advertising spending in 2020. Since the community outbreak of Covid-19, 52% of the businesses have reduced

their marketing and advertising budgets for 2020, while 36% of the businesses are currently reviewing their marketing and advertising budgets for the year. However, the results indicated that 6% of the businesses will increase their marketing and advertising budgets and 6% of the businesses will not bring any changes.

39% expect Covid-19 to result in more than 50% reduction in their marketing and advertising budgets for the year 2020.

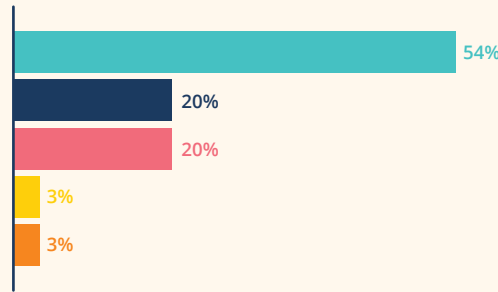
Since the community outbreak in the Maldives on 15 April 2020, many of businesses are shut or limiting their operations for a prolonged period. This has led to 50% reduction of their marketing and advertising budgets for the majority of the businesses.



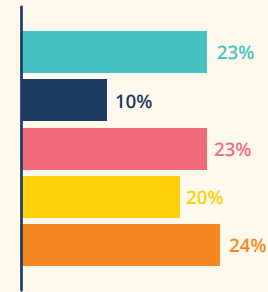


34% claim they will strongly increase their Digital (Social Media) for the rest of the 2020.

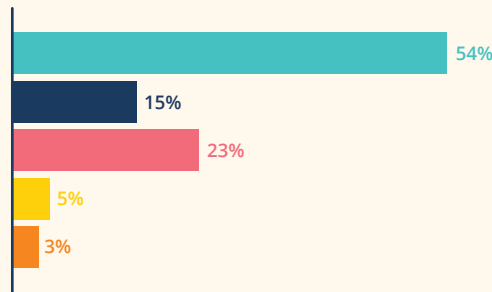
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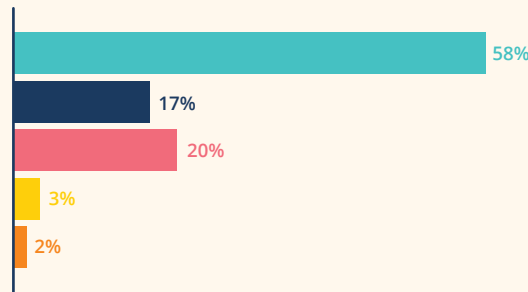
Digital (other)



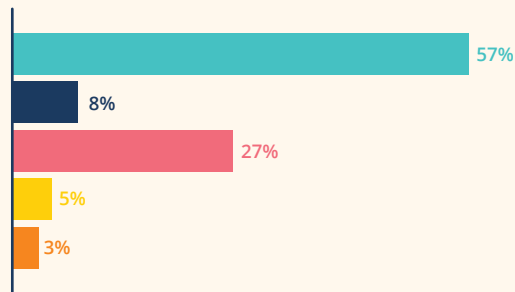
TV



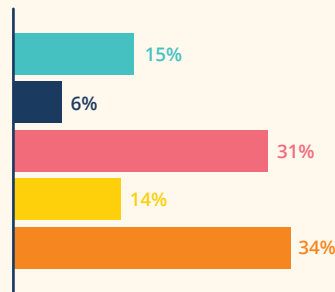
Outdoor (billboard/LED screens)



Radio



Digital (social media)



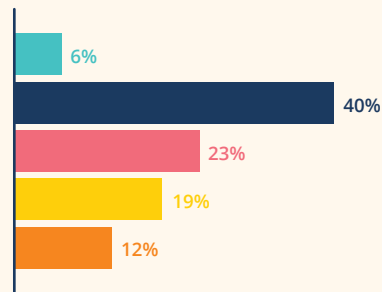
The changes in advertising spend defer significantly by media type. One of the most interesting results of our survey is that there has been a shift in preferred medium of advertising over the past few weeks. 34% of the businesses claim to strongly increase their spending on digital media. Over 50% of the businesses are considering to reduce on traditional media spending like outdoor - billboards/led screen, Radio, Print and TV.

● Strong decrease ● Moderate decrease ● No change ● Moderate increase ● Strong increase

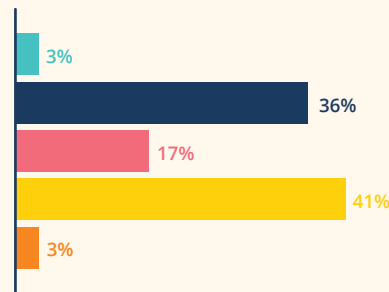


Only **6%** continue their Marketing Campaigns as planned and **41%** cancelled their Events.

Marketing Campaigns



Events



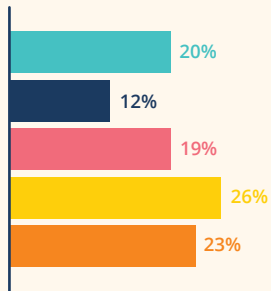
- Continuing as initially planned
- Reviewing
- Rescheduled
- Have cancelled altogether
- Have stopped or pulled mid-flight

As a result of the Covid-19 community outbreak, businesses realized the need to change their previously planned marketing campaigns and events. The survey results indicate that only 6% of the businesses are continuing their marketing campaigns and 3% businesses continuing their Events as initially planned. Majority of the businesses (40%) are reviewing their Marketing Campaigns. The results also indicate that Events are more adversely affected due to Covid-19 outbreak. 41% of the respondents have cancelled their confirmed Events.

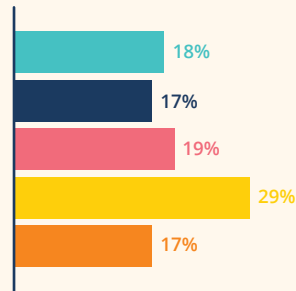


49% increased their Facebook activity.

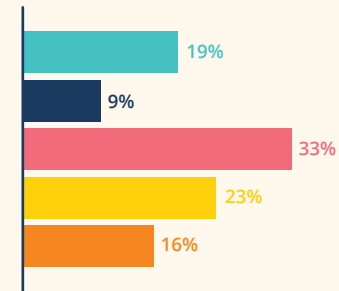
Facebook



Instagram



Twitter



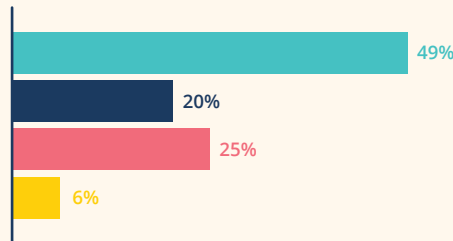
● Strong decrease ● Moderate decrease ● No change ● Moderate increase ● Strong increase

The lockdown has forced people to stay home which has led to a significant increase in Social Media usage. 46% of the businesses increased their activities on Instagram, while 49% businesses increased their use of Facebook. However, 39% of the businesses increased their activities on Twitter.

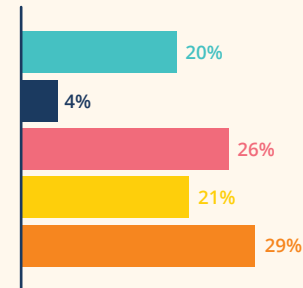


39% strongly believe more Digital (Social Media) will be the new strategy.

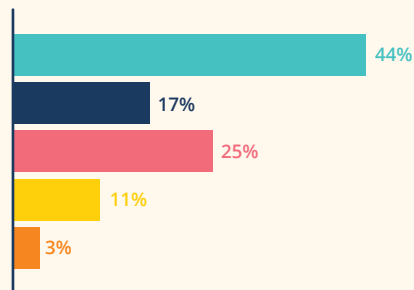
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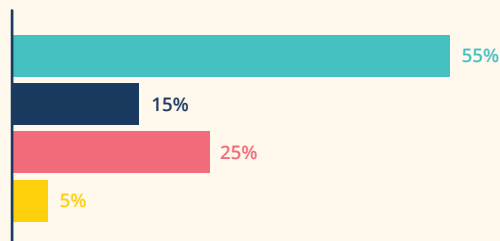
Digital (other)



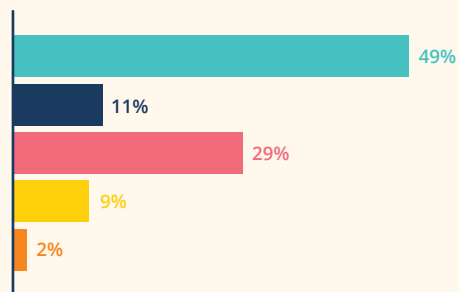
TV



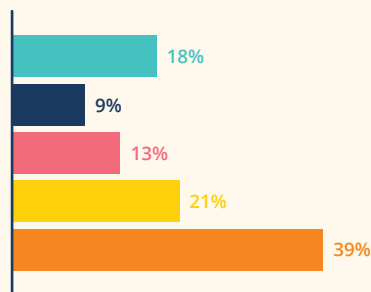
Outdoor (billboard/LED screens)



Radio



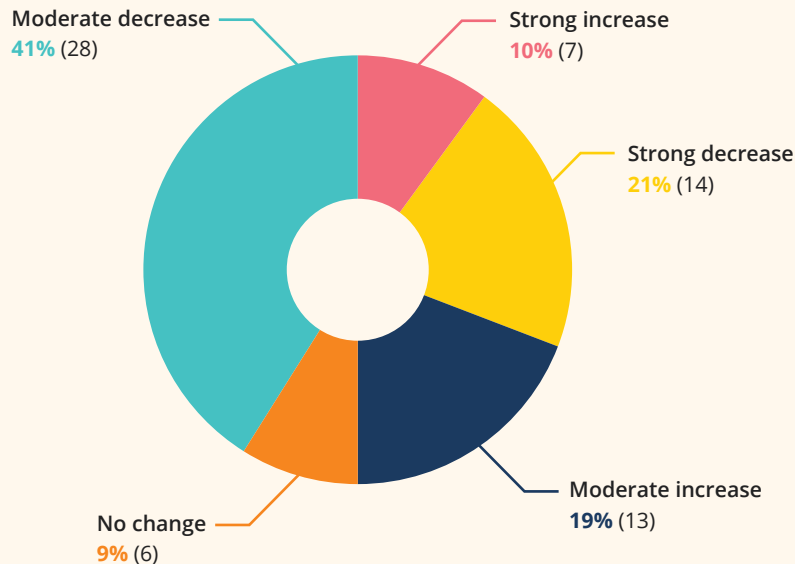
Digital (social media)



The new strategy for most businesses will be more Digital (Social Media) and Digital (Others). 39% of businesses will resort to Digital (Social Media), while 29% will increase their Digital (Others). A significant number of companies are also expecting to reduce Traditional mediums.

● Strong decrease ● Moderate decrease ● No change ● Moderate increase ● Strong increase

21% to strongly decrease their marketing and advertising spending in 2021.



While most businesses have suffered catastrophic decline in revenue in 2020 and expecting its effects to continue into the next

year, 41% of the businesses consider a moderate decrease in marketing and advertising spending in 2021. The results also show that 21% of businesses will consider a strong decrease in their Marketing and advertising spend in 2021.

57% businesses plan to implement mobile applications in the near future.

The Covid-19 situation has resulted in a paradigm shift in consumer behaviour, the way we work and communicate with people. While some of the changes are temporary, the digital adoption is likely to carry forward. The Covid-19 outbreak is likely a tipping point for the adoption of ecommerce and mobile commerce platforms. Over 50% of the businesses are planning to implement Mobile Applications and E-commerce Websites to keep us with the changes and the new consumer behaviour.



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