



COVID-19 PULSE

Its impact on Africans and your business

December 2015



COVID-19 WILL IMPACT CONSUMERS, DISRUPT YOUR BUSINESS. BUT IT'S NOT ALL GLOOMY



It is reported that \$6Tn was lost from global stock markets in less than a week by the end of February 2020. Industries across the globe from air travel, hospitality, supply chain, and consumer goods are seeing a material slowdown in activities. China, the manufacturing hyper center of the world is almost idle. The economic impact of the disease is likely to be much worse in Africa than elsewhere, given the continent's deep commercial ties with China.

Despite the low prevalence of cases in Africa to date (400 cases compared to 200 thousand globally), we decided to launch a COVID-19 survey in the 7 markets we cover monthly and found that 85% of the people surveyed are concerned about coronavirus with 60% of the respondents citing that they are very concerned about the coronavirus. The monthly pulse report will uncover how the COVID-19 is impacting consumers in Africa and what changes they are making to their lives and how it will impact your business. There will be an end to outbreak and its not all gloomy for local brands in Africa.

1 Protect your staff and customers

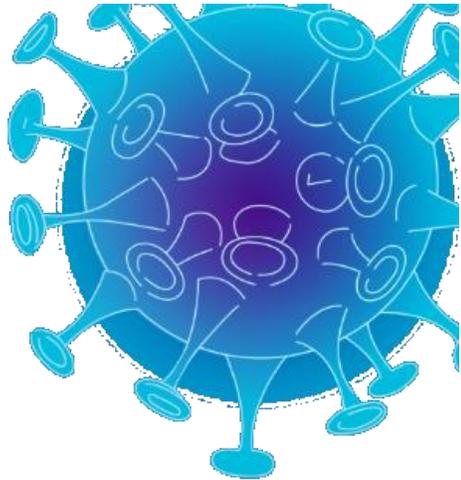
- The COVID-19 crisis is a health crisis first and foremost: As the number of cases rise in Africa, the crisis will likely become emotionally draining for everyone.
- Reinforce health and hygiene best practices
- Stay informed and follow advice given by your healthcare provider and public officials

2 Get a pulse on the changing habits of people in Africa

- 60% of Africans we surveyed are very concerned with COVID-19
- 15% of respondents know someone or expect to be affected by COVID-19
- 1 in 2 respondents are less likely to travel to China, go to Chinese restaurants, retail shops or outlets as a result of the COVID-19 outbreak

3 Hope for the best but plan for the worst

- Consumer confidence is down on COVID-19 fears
- Expect at least 2 quarters (5 months) of pain
- An opportunity for local brands to fill in the void left by Chinese and foreign products/services



WHAT IS COVID-19?

Coronaviruses (CoV) are a large family of viruses that cause illness ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV).

Coronavirus disease (COVID-19) is a new strain that was discovered in 2019 and has not been previously identified in humans.

Coronaviruses are zoonotic, meaning they are transmitted between animals and people. Detailed investigations found that SARS-CoV was transmitted from civet cats to humans and MERS-CoV from dromedary camels to humans. Several known coronaviruses are circulating in animals that have not yet infected humans.

COMMON SIGNS OF INFECTION

Common signs of infection include respiratory symptoms, fever, cough, shortness of breath and breathing difficulties. In more severe cases, infection can cause pneumonia, severe acute respiratory syndrome, kidney failure and even death.

HOW DO YOU PREVENT THE INFECTION

Standard recommendations to prevent infection spread include regular hand washing, covering mouth and nose when coughing and sneezing, thoroughly cooking meat and eggs. Avoid close contact with anyone showing symptoms of respiratory illness such as coughing and sneezing.

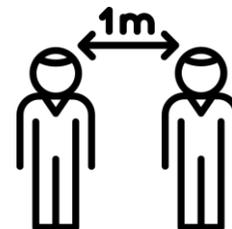
Learn more about the COVID-19 outbreak on the WHO website

HOW DO YOU PROTECT YOURSELF

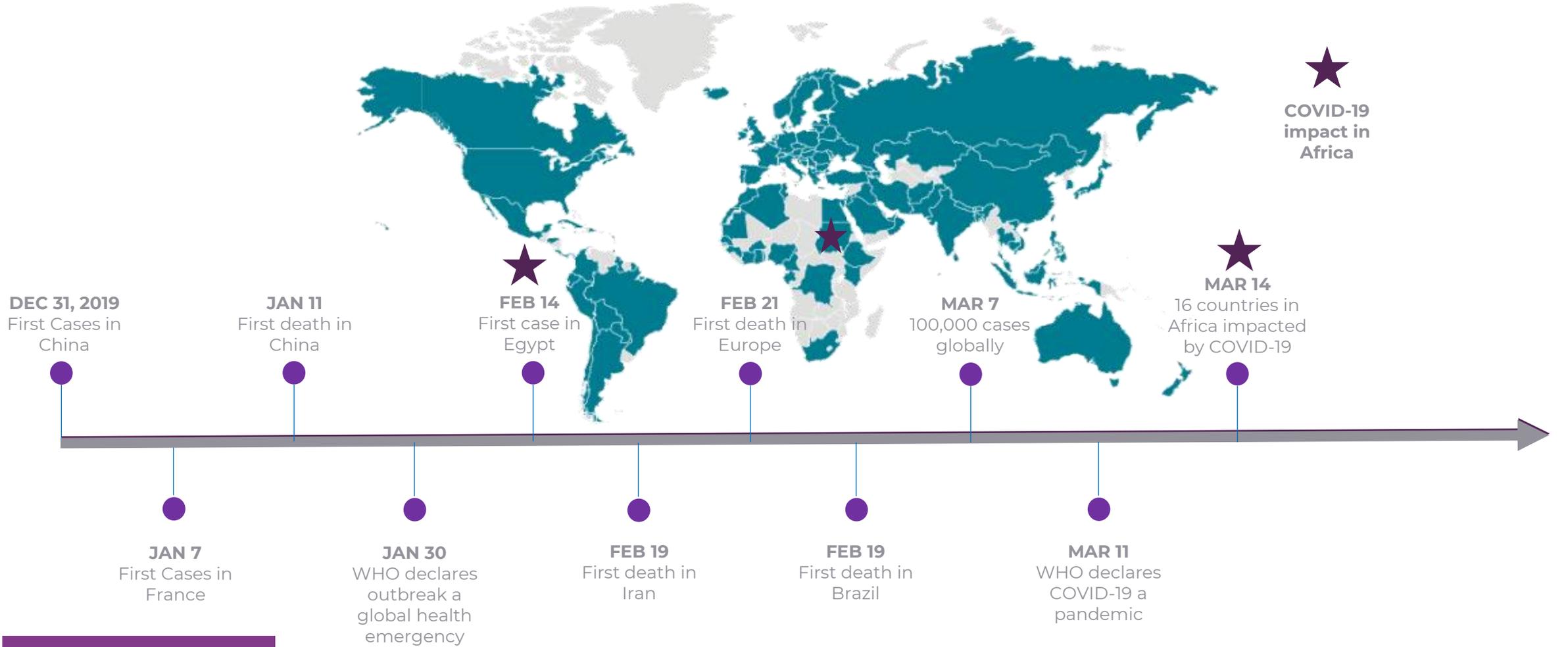
- **Wash your hands frequently:** Regularly and thoroughly clean your hands with an alcohol-based hand rub or wash them with soap and water.
- **Maintain social distancing:** Maintain at least 1 meter (3 feet) distance between yourself and anyone who is coughing or sneezing.
- **Avoid touching eyes, nose and mouth**
- **Practice respiratory hygiene:** Make sure you, and the people around you, follow good respiratory hygiene. This means covering your mouth and nose with your bent elbow or tissue when you cough or sneeze. Then dispose of the used tissue immediately.
- **If you have a fever, cough and difficulty breathing, seek medical care early:** Stay home if you feel unwell. If you have a fever, cough and difficulty breathing, seek medical attention and call-in advance. Follow the directions of your local health authority.
- **Stay informed and follow advice given by your healthcare provider:** Stay informed on the latest developments about COVID-19. Follow advice given by your healthcare provider, your national and local public health authority or your employer on how to protect yourself and others from COVID-19.



Learn more about the COVID-19 outbreak on the WHO website (Africa Region)



COVID-19 TIMELINE

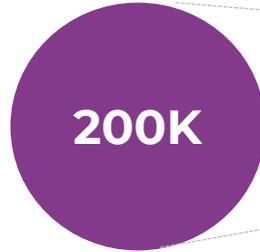


Learn more about the COVID-19 outbreak on the WHO website (Africa Region)

- **COVID-19 virus can be transmitted in areas with hot and humid climates:** From the evidence so far, the COVID-19 virus can be transmitted in ALL AREAS, including areas with hot and humid weather. Regardless of climate, adopt protective measures if you live in, or travel to an area reporting COVID-19.
- **Cold weather and snow CANNOT kill the new coronavirus:** There is no reason to believe that cold weather can kill the new coronavirus or other diseases. The normal human body temperature remains around 36.5°C to 37°C, regardless of the external temperature or weather.
- **The new coronavirus CANNOT be transmitted through mosquito bites.**
- **Does the new coronavirus affect older people, or are younger people also susceptible?** People of all ages can be infected by the new coronavirus (2019-nCoV). Older people, and people with pre-existing medical conditions (such as asthma, diabetes, heart disease) appear to be more vulnerable to becoming severely ill with the virus.
- **Are hand dryers effective in killing the new coronavirus?** UV lamps should not be used to sterilize hands or other areas of skin as UV radiation can cause skin irritation.
- **Can spraying alcohol or chlorine all over your body kill the new coronavirus?** No. Spraying alcohol or chlorine all over your body will not kill viruses that have already entered your body.
- **Do vaccines against pneumonia protect you against the new coronavirus?** No. Vaccines against pneumonia, such as pneumococcal vaccine and Haemophilus influenza type B (Hib) vaccine, do not provide protection against the new coronavirus.
- **Can eating garlic help prevent infection with the new coronavirus?** Garlic is a healthy food that may have some antimicrobial properties. However, there is no evidence from the current outbreak that eating garlic has protected people from the new coronavirus.

Learn more about the COVID-19 outbreak on the WHO website (Africa Region)

COVID-19 Cases
(Worldwide)



COVID-19 Cases
(Africa)



List of countries affected (As of March 17)

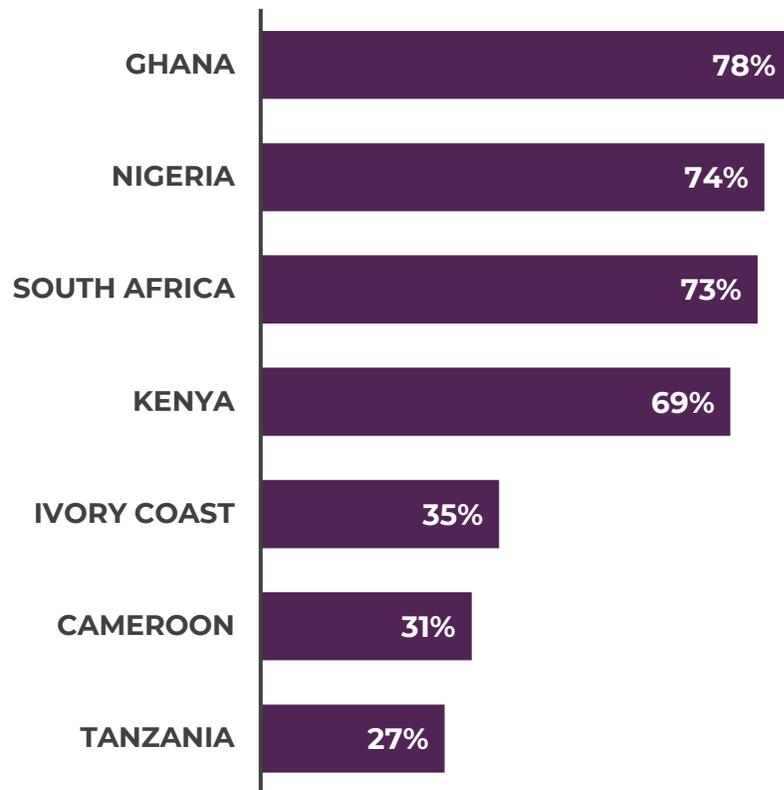
- Algeria, Burkina Faso, Cameroon, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Guinea Ivory Coast (Côte d'Ivoire), Kenya, Mauritania, Nigeria, Senegal, South Africa, Sudan, Togo
- The World Health Organization (WHO) officially designated COVID-19 a pandemic on 17 March 2020. There are now **400 confirmed cases in Africa in 25+ countries**, and there have been four **(4) COVID-19-related deaths**.
- Several countries have taken **lockdown and shutdown measures** to curb the outbreak including:
 - ✓ Travel restrictions
 - ✓ Schools and public places closures
 - ✓ Gathering restrictions and cancellations



How is COVID-19 (Coronavirus) changing consumer's habits in Africa?



60 %
Of respondents in Africa are very concerned with coronavirus (COVID-19)



“ **Stop going to church**
Stop using trotros (public buses)
I won't be going to the market anymore, will order online, no school.
~ Male, 25, Ghana

Despite the low prevalence of cases in Africa, we decided to launch a COVID-19 survey in the 7 markets we cover monthly and found that 85% of the people surveyed are concerned about coronavirus with 60% of the respondents citing that they are very concerned about the coronavirus. Incidentally, respondents in countries where individuals have been tested positive for the coronavirus are also the most concerned.

In Kenya, 69% of the respondents stated they were very concerned about coronavirus which is not surprising given the recent events in the country where passengers from China were released in the country without going through quarantine.

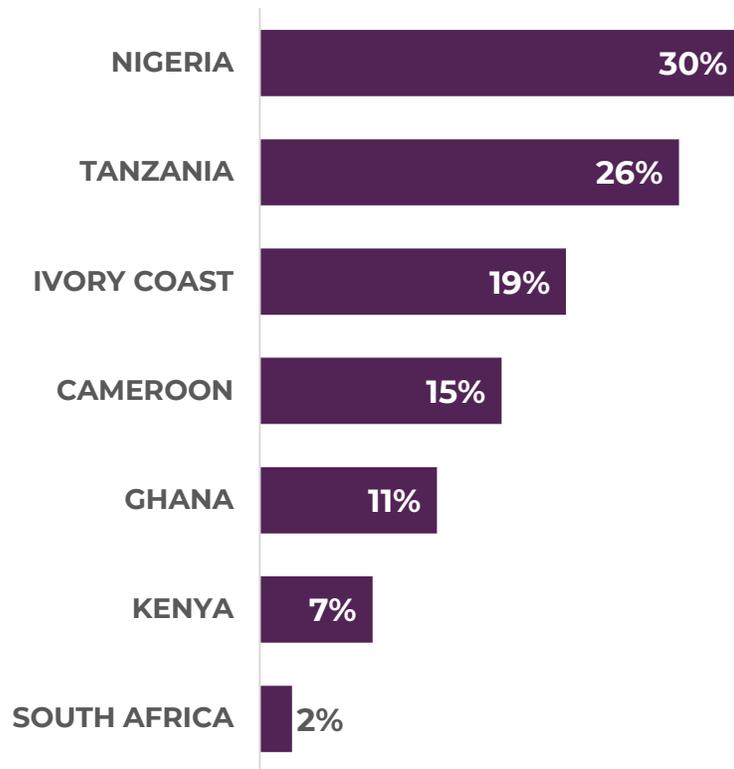
In Nigeria, 74% of respondents are very concerned with coronavirus. This is after the second coronavirus case was confirmed early march. According to Nigeria's health ministry, the person became ill after coming into contact with their index case, an Italian citizen who had traveled to Nigeria in February.

Source: Source: KASI, "Consumer Confidence Index & COVID-19 survey", Kenya, Ghana, Nigeria, South Africa, Tanzania, Cameroon & Ivory Coast, CAPI survey, 18+, n= 3421, Feb 21 – March 9, 2020

AFRICANS DON'T EXPECT TO BE AFFECTED BY COVID-19

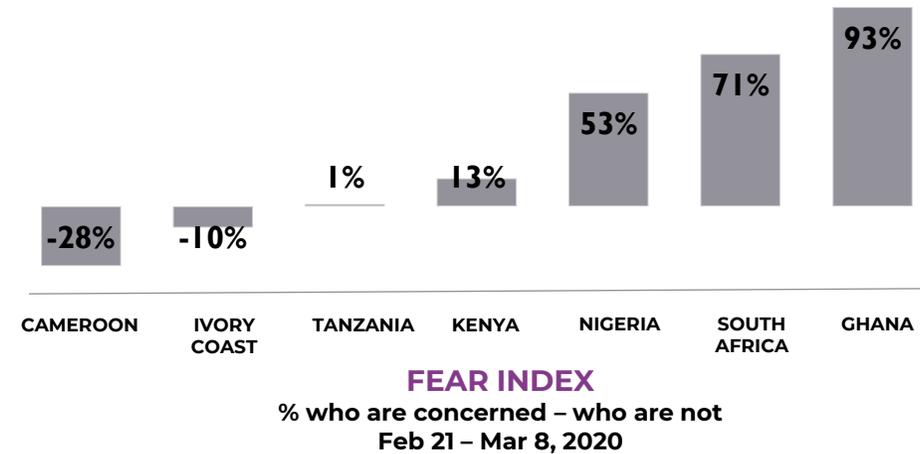


15% Of respondents in Africa expected to be affected by the coronavirus (COVID-19)



Despite their concerns, Africans don't expect to be affected by the coronavirus. When asked if they or someone they know expect to be affected by the coronavirus, 57% of respondents don't expect to be affected compared to 15% who say they could be affected. 28% of respondents say they don't know or are not sure if they or someone they know is going to be affected.

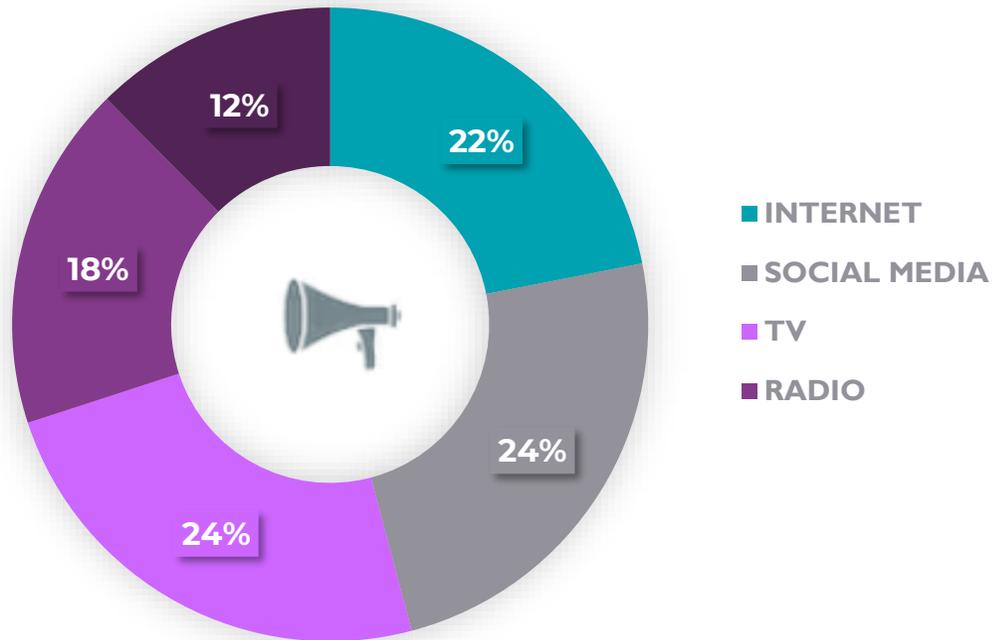
Respondents in Ghana, South Africa and Nigeria are the most fearful about the COVID-19 pandemic while people in Cameroon and Ivory Coast are less fearful.



As the number of cases grows in Africa, it is important that people get the right information and facts about the outbreak so they can take the appropriate steps. In the case of the current outbreak, information and mostly misinformation has driven fear and concerns. Similar to what happened in China and Europe, we expect the lifestyle of Africans to change because of the coronavirus. To what extent consumers will make drastic changes will depend on how fearful they are with the outbreak and the risks it poses to their loved one's health and wellbeing. How do consumers in African learning about the outbreak and what does it mean for your business?

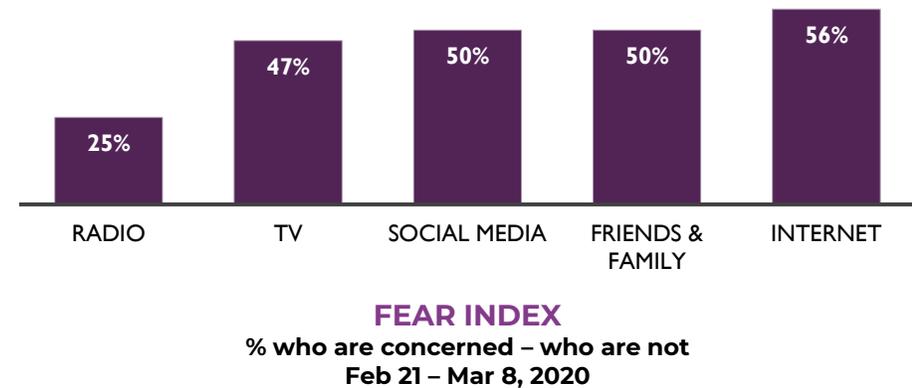
Source: Source: KASI, "Consumer Confidence Index & COVID-19 survey", Kenya, Ghana, Nigeria, South Africa, Tanzania, Cameroon & Ivory Coast, CAPI survey, 18+, n= 3421, Feb 21 – March 9, 2020

84% Of respondents in Africa are using between 2 and 4 channels to stay informed about COVID-19



“ L’information en Cote d’Ivoire est nulle jusque la aucune mesures concretes n’a été donné.
~ Female, 30, Ivory Coast (March 16, 2020)

Given the mortality rate of the COVID-19 compared to other types of flu viruses, experts are wondering whether the media and response are proportional to the danger. A lot of the panic has been driven by the misinformation about the virus, its origin and its impact spread over social media and the internet. In fact, over 84% of the people surveyed said that they found out of the coronavirus through more than 2 channels (Internet, Social media, TV and Radio).



Interestingly, people who found out about the coronavirus through Friends and Family are the most concerned (40%) following by those who found out about the outbreak on the Internet and social media (35%). Only 25% of people getting their info via radio are very concerned about the coronavirus.

During time of crisis, it is critical to keep your customers informed about the steps your business is taking to keep them safe and secure. The good news is consumers are relying on all channels to stay informed so your business can do it cheaply and efficiently

TRADE & MADE IN CHINA PRODUCTS TAKE A HIT

It is reported that \$6Tn was lost from global stock markets in less than a week by the end of February 2020. Industries across the globe from air travel, hospitality, supply chain, and consumer goods are seeing a material slowdown in activities. China, the manufacturing hyper center of the world is almost idle. The economic impact of the disease is likely to be much worse in Africa than elsewhere, given the continent's deep commercial ties with China.

The disease's negative impact on the global economy has led to a decline in demand for some of Africa's primary exports, including oil from Angola and Nigeria, rare minerals from the DRC, and fish from South Africa.

In addition to the global uncertainty and low import/export forecast, South Africa has now entered into a technical recession, has seen its currency and is already showing signs of the viruses' negative impact on its tourism sector due to travel bans and reduced interest in travel. Expect a drop in demand for Chinese products and services.

It's not surprising that 47% of the people we surveyed said they are less likely to go to a Chinese restaurant, retail shops or outlets. In Ghana, 92% of respondents are less likely to shop for Chinese products or services so you would expect a significant drop in demand for Chinese products and services in Africa.

When it comes to traveling to or from China, 50% of the people we surveyed said they are less likely to travel to China because of the coronavirus. In Kenya, 62% of the people we surveyed said they are less likely to travel to China.

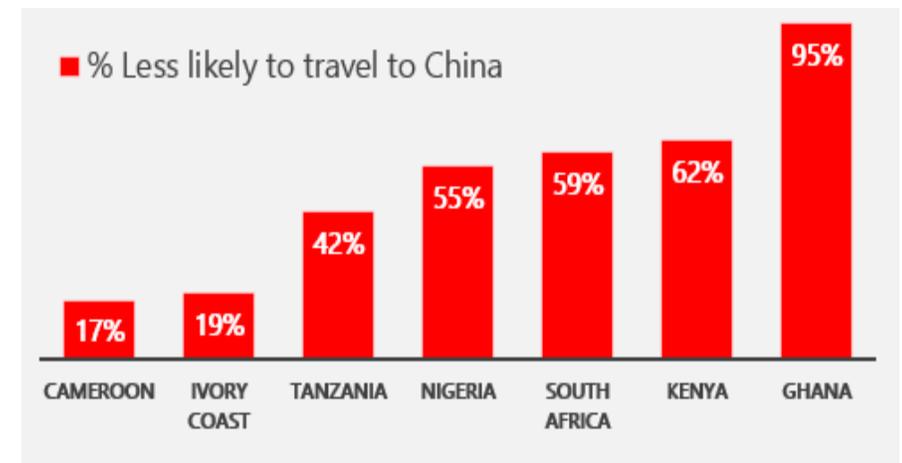


Empty Chinese Restaurant in Nigeria (March 16, 2020)



1 in 2

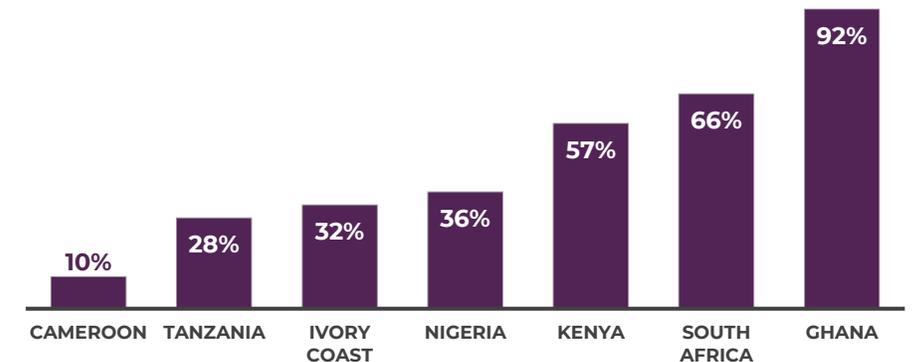
respondents in Africa is less likely to travel to China as a result of COVID-19



1 in 2

respondents in Africa is less likely to go to a Chinese restaurant, retail shops or outlets as a result of COVID-19

% Less likely to buy chinese products &...



MORE HANDWASHING AND MASKS REQUIRED



1 in 2

Of respondents in Africa are more likely to buy hand sanitizer and wash their hands frequently

It is clear that the level of awareness of the crisis varies from country to country. While the majority of people in Ghana, Nigeria, South Africa are now more likely to buy and wear face masks, in Kenya, Tanzania, Cameroon and Ivory Coast a smaller number of people are planning to buy and wear facemasks.

The COVID-19 pandemic has spread globally, and Africa is very much impacted. While governments, researchers and public health officials are taking strong measures to protect and safeguard public health, people are taking measures to self quarantine, stay home and take drastic hygiene measures.

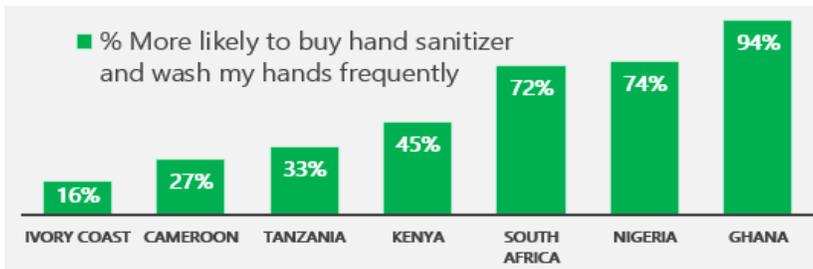
People are now buying more hand sanitizers and washing their hands frequently, but it is not the case of every country. In fact, 94% of respondents from Ghana are more likely to buy hand sanitizer and wash hands frequently while only 16% of respondents in Ivory Coast are taking these measures.



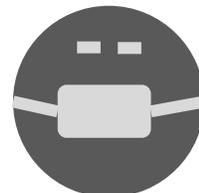
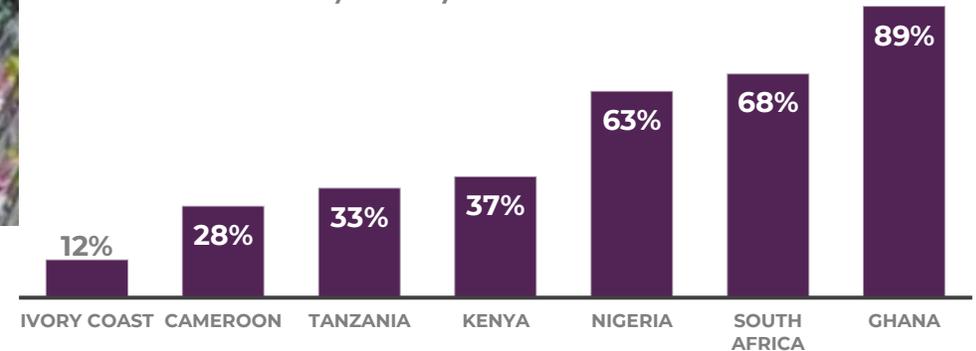
Empty shelves in South Africa (March 16, 2020)



Supermarket in South Africa (March 16, 2020)



■ % More likely to buy and wear facemask



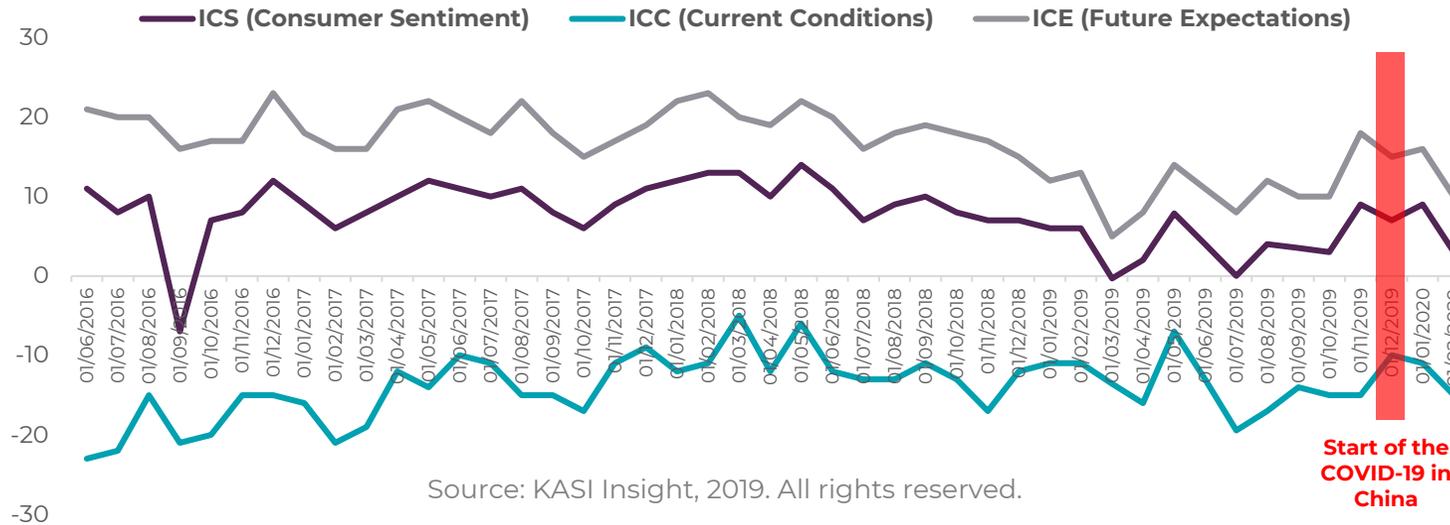
1 in 2

Of respondents in Africa are more likely to buy and wear facemasks

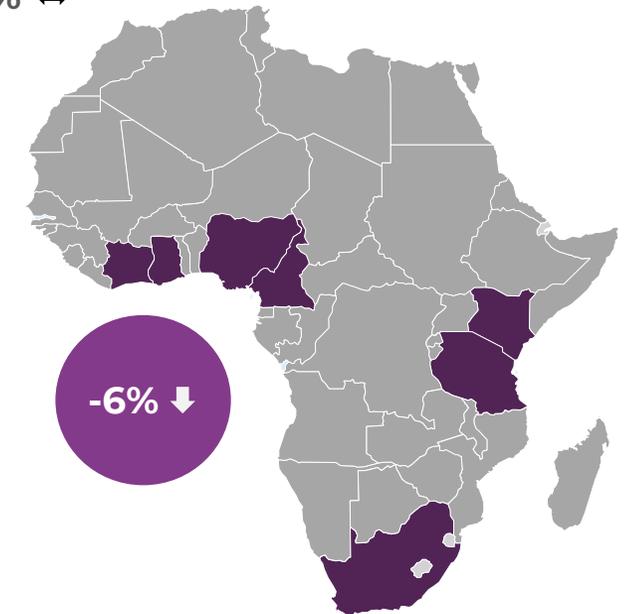
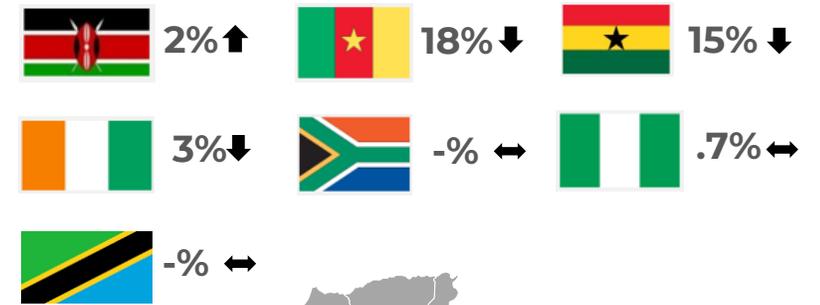
How do businesses navigate the COVID-19 crisis in Africa?



THE COVID-19 PANDEMIC IS DAMPENING CONSUMER CONFIDENCE



Percent change between January and February 2020



- As expected, the coronavirus outbreak and its economic implication dragged consumer confidence down in February; the index dropped 6 points to +3. Both the sub-index of current economic conditions and of future expectations dropped 4 and 6 points respectively. Cameroon’s consumer sentiment experienced the most significant movement falling 18 points from 16 to -2 as the socio-economic situation worsened while the risk of coronavirus in the country increases. The country reported its first case of coronavirus infection when a French citizen recently tested positive. As of March 17, five individuals have been tested positive in the country, amid fears that the virus could spread rapidly.
- We are expecting consumer confidence to continue to drop as more measures are taken by public health officials in Africa including schools, businesses closures in an attempt to slow the spread of the virus.
- The disruption in supply chain especially from China will also results in shortages and price hikes in Africa



Example of sanitizing station at Ntcare Hospital in South Africa



Example of hand sanitizer that can be purchased in Africa (Here from Nigeria)



Example of hand sanitizer that can be purchased in Africa (Here from Nigeria)



The COVID-19 crisis is a health crisis first and foremost: As the number of cases rise in Africa, the crisis will likely become emotionally draining for everyone.

- **Communicate clearly and update regularly:** People are leveraging multiple channels to get informed about the outbreak, but it is important to initiate and maintain constant communication with your employees, clients and partners. As the crisis reaches its peak in Africa, increase the frequency of communication from weekly to daily.
- **Reinforce health and hygiene best practices:** Make sure your staff, especially those coming to your office or your shop, follow good personal hygiene. Ensure that hand sanitizers, masks and house cleaning products are available at your premise.
- **Stay informed and follow advice given by your healthcare provider and public officials:** Stay informed on the latest developments about COVID-19. Follow advice given by your healthcare provider, your national and local public health authority or your employer on how to protect yourself and others from COVID-19.
- **Be creative with what you do and how you work:** With governments implementing shutdowns and recommending social distancing, be creative in the way you work or deliver services to your users or clients. For example, can you set up webinar or videos to stay engaged and provide value. Can you set up delivery and takeout for your restaurants? Should you sell me canned and processed foods?
- **Remote working where possible:** Whether we like it or not, we are now a global distributed workforce so implementing remote working with your teams. Find the right technology like Zoom, slack, etc. to stay productive and connected.



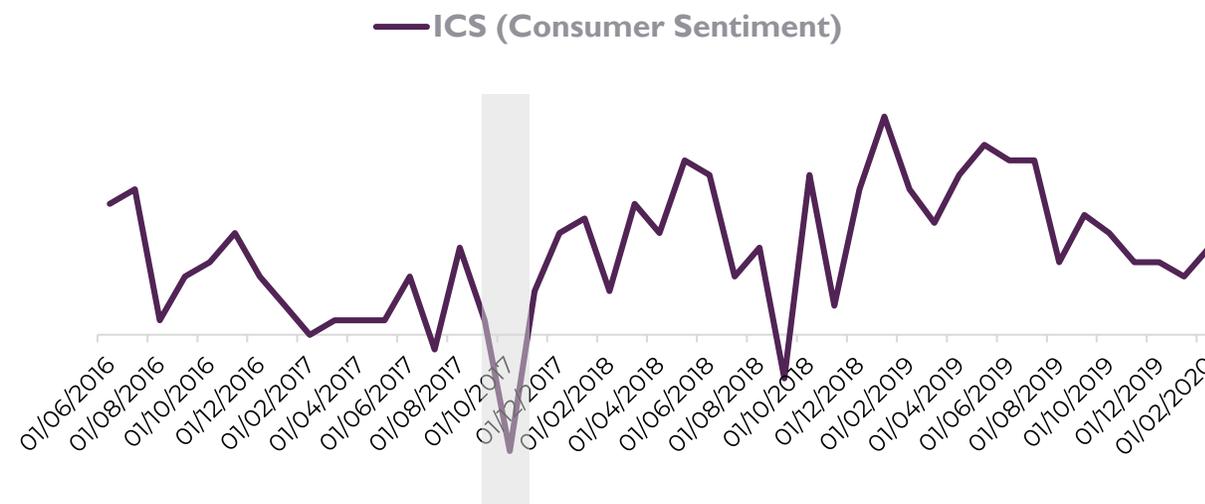
In God we trust, for everything else bring data

~ Michael Bloomberg, 2020

Q1 (Jan-Mar 2020)	Q2 (Apr-Jun 2020)	Q3 (Jul-Sept 2020)	Q4 (Oct-Dec 2020)
COVID-19 Crisis in China (start, peak and recovery)	China recovers slowly (manufacturing, supply chain restart)	China recovers slowly (manufacturing, supply chain restart)	China recovers slowly (manufacturing, supply chain restart)
Europe (start & peak)	Europe Crisis	Europe recovers slowly (recovery)	Europe recovers slowly (recovery)
Early outbreak in Africa	Africa peak	Africa Crisis peak & recovery	Africa recovers slowly
<ol style="list-style-type: none"> Consumer confidence start to drop Panic buying for personal hygiene/cleaning Shortage of products (Asia) Price hike due to shortage and supply chain disruption Demand for Chinese made products drops (discretionary items and services) 	<ol style="list-style-type: none"> Consumer confidence reaches new low in Africa Business shutdowns and closures Shortage of products (Asia) Price hike due to shortage and supply chain disruption 	<ol style="list-style-type: none"> Consumer confidence remains low Business shutdowns and closures Shortage of products (Asia) Price return to normal 	<ol style="list-style-type: none"> Consumer confidence reaches new low Business shutdowns and closures Shortage of products (Asia) Price return to normal



Tracking consumer confidence in Kenya during the presidential election of 2017



Source: KASI Insight, 2019. All rights reserved.
KASI Consumer Confidence Index (2016-2020)

- **Stay in touch with consumer habits:** We have launched this pulse report to keep you abreast of changes in consumer habits during the COVID-19 crisis in Africa. Subscribe at www.kasiinsight.com/covid19
- **Reduce expenses to a minimum:** We are expecting a global slowdown as a result of the crisis so expect revenue for your business to go down. Prepare for 3 to 6 months of cash flow challenges as consumer purchasing power decreases.
- **Prepare for the rebound:** Like pandemics before COVID-19, this crisis will come and go. Unlike any pandemic in the past, this crisis will bring significant changes in people habits, new opportunities will arise, and you need to be prepared for the recovery.

Learning from the past

Back in 2017, we track consumer confidence in Kenya during the contested presidential election of August and October 2017. The election cycle that last almost a year was mired with violence, political and economical instabilities that sent the country into turmoil. Like any crisis, people and jobs were affected. Consumer confidence dropped to its all-time low (-8) ahead of the second election.

Our historical data shows that it took **two quarters (5 months)** for consumer confidence to return to its peak after the contested 2017 presidential election in Kenya. GDP growth was 1% (5% vs 6%) shy of previous year estimates as a result.



1 in 2

respondents in Africa is less likely to go to a Chinese restaurant, retail shops or outlets as a result of COVID-19

Every 1 in 2 consumers in the 7 countries we surveyed is avoiding Chinese restaurants, retail shops and outlets as a result of the COVID-19. The outbreak originated in China and consumers are making an association between COVID-19 and anything produced or related to China. China restaurants in Africa are experiencing a drop in clientele.

While the situation will likely get worse before it gets better, companies in Africa can take this opportunity to go on the offense and fill some of the gaps left by the Chinese related products and services.

Over the next few days, we will track how consumers are filling the gap left by the shortage of products. How are the shutdown changing their eating, shopping habits.

We know by now that personal and household hygiene products are booming while made in China, Travel are shrinking. We will look at other categories such as ecommerce, nonperishable items, perishable items, home-made, retail.

We will also pay a particular attention to the changing job market and how it will impact the consumer purchasing power.

The current COVID-19 is unprecedented, and several analysts have already forecasted a global recession in 2020. The outbreak is bound to reshape global supply chain, travel, health care and pandemic prevention but most importantly consumer habits and lifestyles. Africa was the last continent to be affected by the spread and while this give the opportunity to take drastic health precaution earlier, it also put the continent at risk of being the last one to recover. Our data shows the level of awareness and preparedness will vary from country to country. The good news for local businesses in Africa is that the disruption resulting from this outbreak will create new opportunities for businesses that are well prepared to withstand the storm and ride the recovery. It's not all gloomy.



Panic buying - Empty shelves in South Africa supermarket.



Our Clients

Many companies & organizations have adopted Kasi's research approach to understand the markets in Africa



Pernod Ricard



Associations & Accolades

Building Trust Through Prominent Research Affiliations and Alliances



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