



COVID-19 PULSE

Staying Ahead of the Curve - How Brands Can Leverage Insights to Win in Times of Crisis

Ethiopia
April 2020



Kasi COVID-19 PULSE - Tracking the impact of COVID-19 on Africans - attitudes and behaviours



To assist in understanding impact on African consumers and brands Kasi launched COVID-19 Pulse in Feb 2020

We have been tracking consumer behaviour and sentiment as Africans navigate the worst disruption of the 21st century

Kasi COVID-19 Survey conducts **3,700+ monthly interviews across eight countries**, namely; South Africa, Nigeria, Ghana, Tanzania, Kenya, Ivory Coast, Ethiopia, and Cameroon.

Findings from the survey are published in a free monthly report and the **related data** will be available on Kasi consumer portal.

Visit www.kasiinsight.com/covid19 to download the report

AUTHORS

Listening to Africans – Powering Market Creating Opportunities

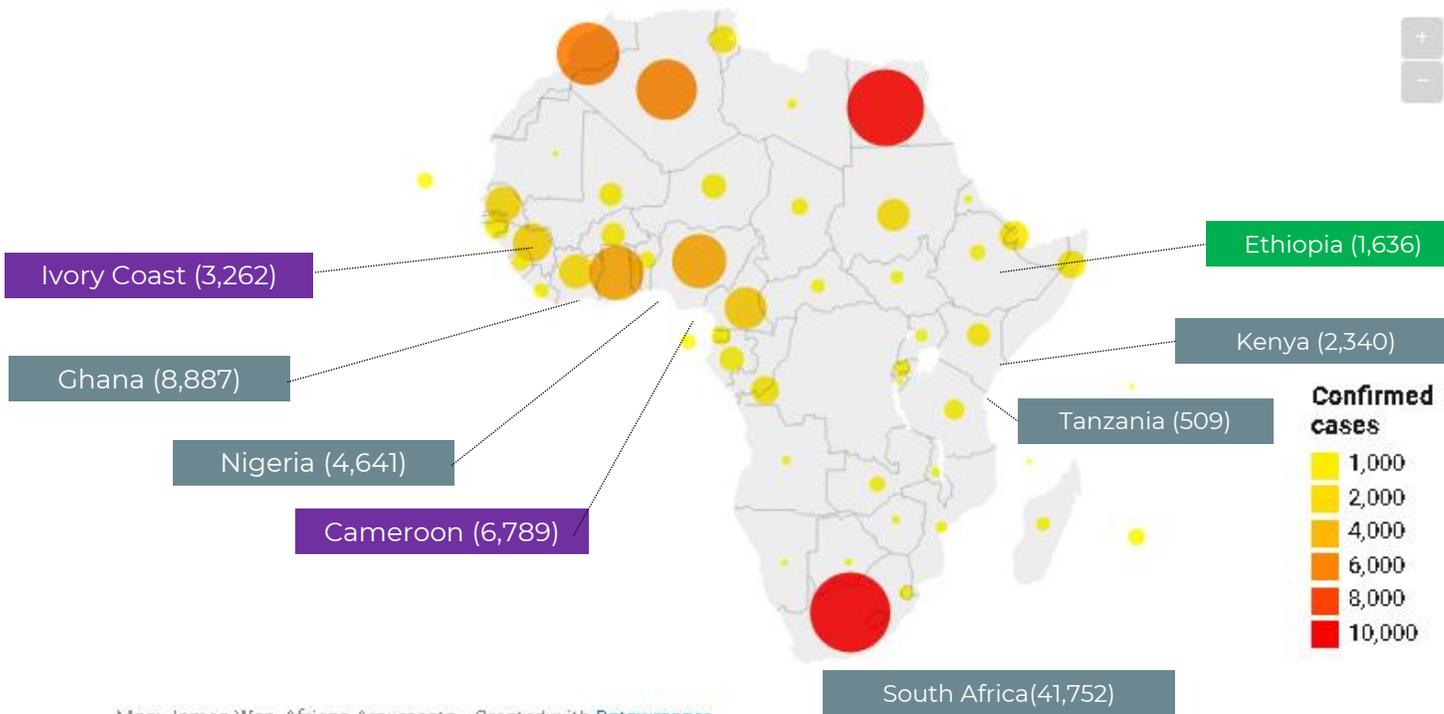


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Despite early containment efforts the virus has spread across the entire continent. Almost all countries have increasing volume of cases of local transmission. South Africa, Egypt & Algeria lead in number of cases



Map: James Wan, African Arguments - Created with [Datawrapper](#)

COVID-19 Africa numbers

- 54 countries in Africa affected
- 168,464 cumulative cases in Africa
- 4,700 reported deaths
- 73,317 reported recoveries
- South Africa most affected with 40,792 cases

118,842 cumulative cases in WHO Africa Region

Last updated 05/06/20 at 06:00AM (GMT +1)

Diverse testing capabilities across countries – impact on volume of confirmed cases

1 Consumer & Business confidence at an all time low

- Tight budget and cash strapped
- Weak job prospect
- Covid-19 pandemic limiting future growth

2 COVID Shock and Impact

- Ethiopians are fearful and concerned
- They are primarily concerned about the health risks
- Changes resulting from COVID is significant and the situation is very fluid

3 Despite the limited number of infection, the majority of Ethiopians have been affected by it

- Most Ethiopians have had to change their lifestyles
- They no longer engage in social activities
- They follow prescribed CDC health guidelines

4 In person shopping altered, not disrupted

- Consumers are still shopping offline
- Consumers are focusing on essentials
- Online shopping is up but remains a niche opportunity

5 Traditional media is the go-to source of COVID-19 information

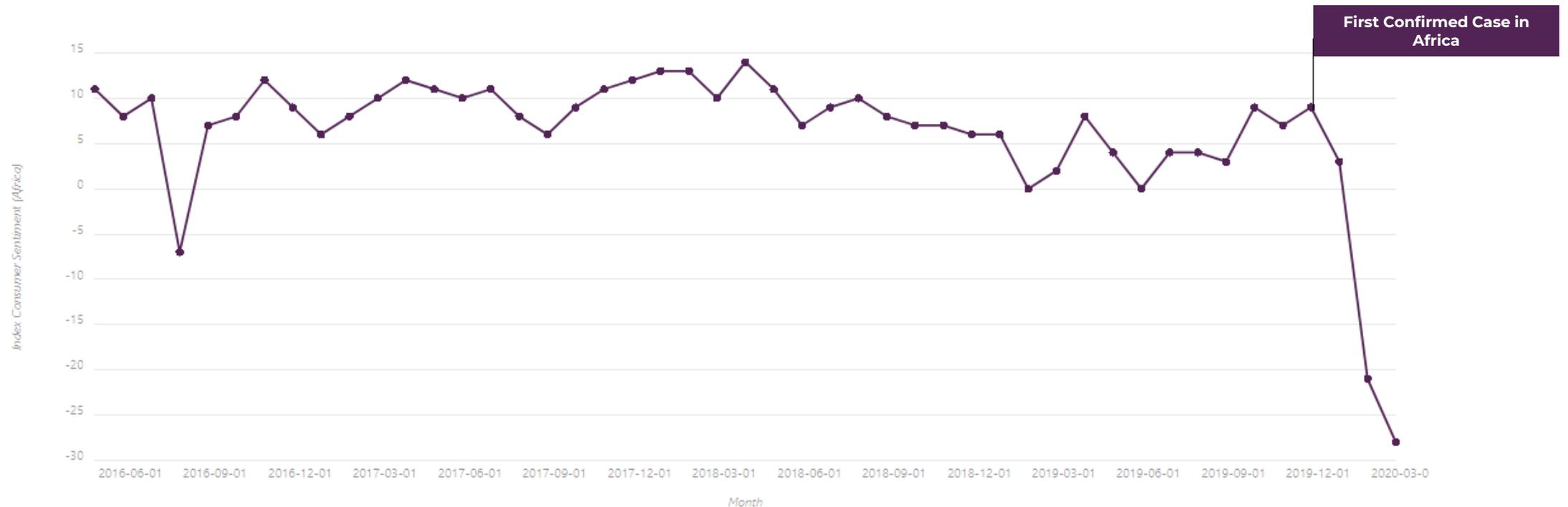
- TV, radio amongst the top sources and most trusted
- Consumers prefer TV and social media to hear from brands
- Brands should communicate about innovation and not promotion or sales

6 Consumers expect a crisis to be short to medium term

- Trust in government and public health response is low
- People expect the return to normal within 6 months period

AFRICAN CONSUMER CONFIDENCE AT AN ALL TIME LOW

In line with the global indices, consumer confidence in Africa is now falling fast, the larger size of the informal economy, weak health infrastructure in Africa means the COVID-19 impact can be catastrophic for Africans



IN ETHIOPIA, THE NEGATIVE OUTLOOK IS DRIVEN BY POOR ECONOMIC CONDITIONS



Commensurate with the African index, Ethiopia's May consumer sentiment was very negative, the vast majority of respondents expecting economic conditions to deteriorate significantly.

Overall Economy

92%

I expect the economic conditions in my city to worsen over the next 6 months

Personal Finance

63%

It is not a good time to make large purchase (appliances, furniture, etc.)

92%

I expect the economic conditions in my country to worsen over the next 6 months

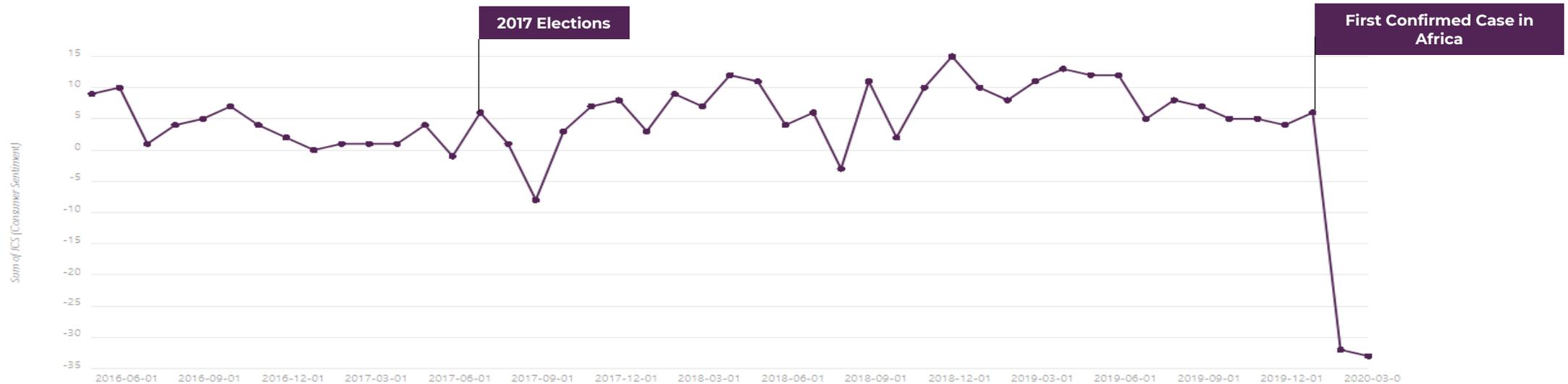
89%

It is difficult to find a job in my city

Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

CONSUMER CONFIDENCE AS A LEADING INDICATOR

Consumer confidence is an effective predictor of economic activity especially during and after a crisis. Kenya's Consumer Confidence took an unprecedented downturn during the 2017 election crisis, it took the economy two quarters to recover, and a further two years to reach a high. What does the highly negative consumer confidence mean for Ethiopia's future growth potential?



Source: Kasi Data & Analytics, "Consumer Confidence Index - Kenya ", ICS data from 2016 to 2020

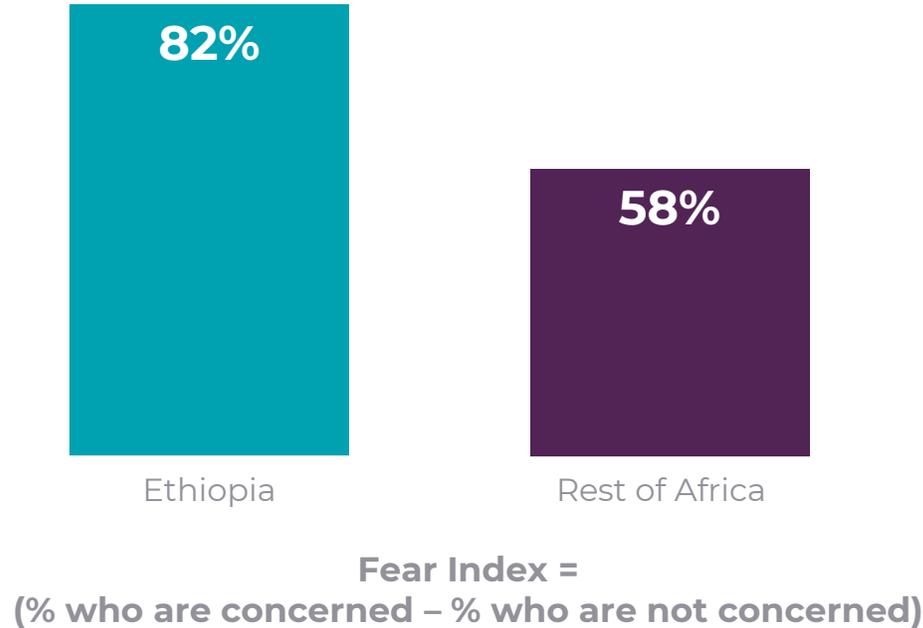
The coronavirus pandemic is the most complex, disruptive and multifaceted threat that consumers and businesses have faced in the 21st century. Our data shows that Ethiopians are generally very concerned about the pandemic and its impact on their health and their livelihoods - particularly their job security and financial stability.

With so much fear and uncertainty surrounding the timeline and impact of this pandemic, brands have the unique opportunity to be there for customers, shifting their priorities from short-term gains to long-term brand equity growth.



COVID-19 HAS FLIPPED ETHIOPIANS LIVES UPSIDE DOWN

Despite the relatively low prevalence of COVID-19 cases, Ethiopia was one of the first African countries to declare a state of emergency, postponing national elections and imposing widespread public restrictions to curb the spread of the virus. These drastic changes likely contributed to the Ethiopians' heightened concern about the pandemic. The fear index for Ethiopia is amongst the highest in Africa.



Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

CONSUMERS ARE WORRIED ABOUT THE HEALTH RISK

Unlike their counterparts in West and Southern Africa, Ethiopians are more concerned about risk of contracting the coronavirus, rather than the impact on their personal finances. Ethiopians display altruistic qualities, there are more concerned about the wellbeing of their family and their country, ahead of their own welfare.

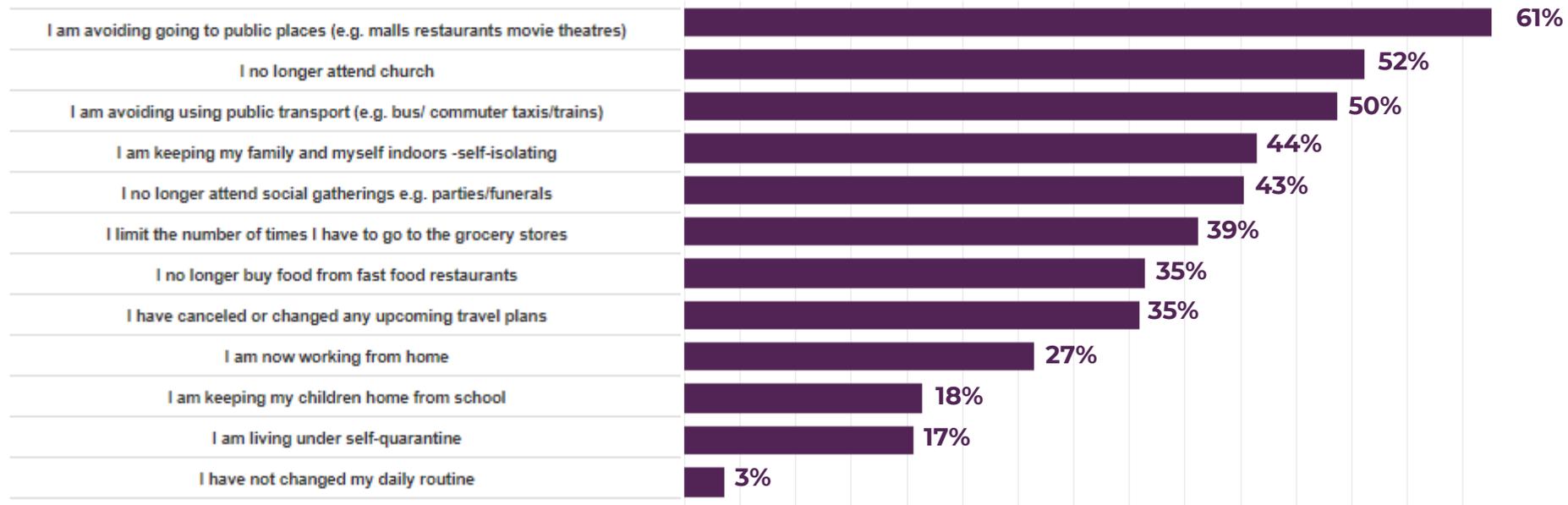


What are you most worried about or concerned about the coronavirus?

Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

COVID-19 IS CHANGING CONSUMER BEHAVIOR

Lifestyle and daily routines are changing for 95% of consumers we surveyed. Interestingly, staying at home, shopping online or self-quarantine are not the big changes in people’s lives in Ethiopia instead social activities like attending church, social gatherings or taking public transport are now restricted.



Which of the following applies to you when it comes to how your life/daily routine changed because of the coronavirus?

Source: Kasi, “Consumer Confidence Index & COVID-19 survey”, Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

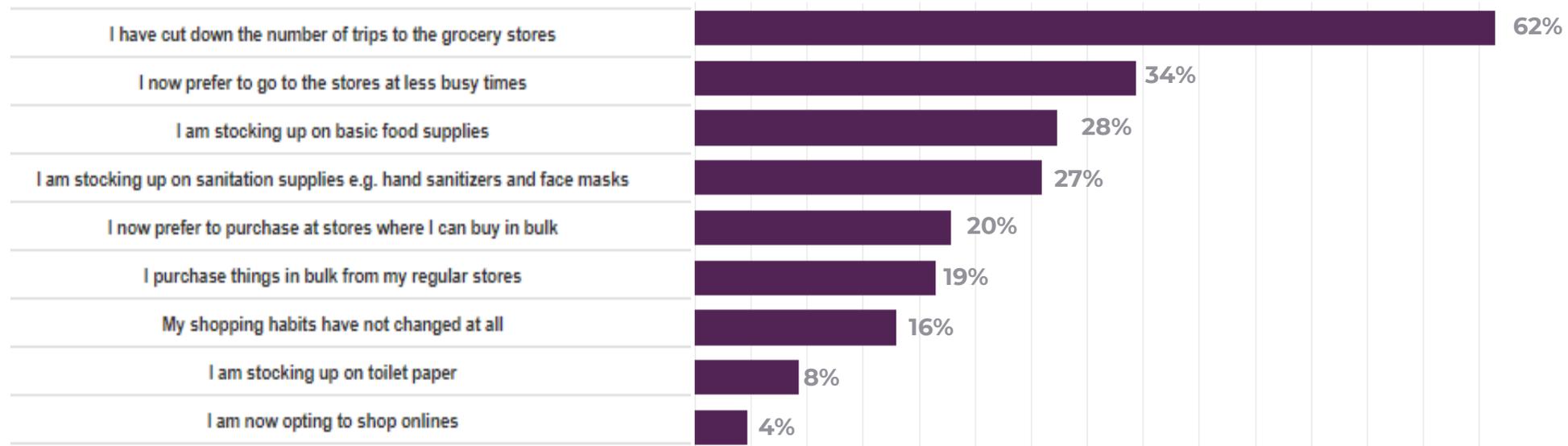
The fear instilled by the coronavirus pandemic has resulted in a significant change in Ethiopian lifestyles and daily routines, within a relatively short space of time.

These changes may be challenging for Ethiopians. Brands that recognize this and are supportive and empathetic will win the hearts (and wallets) of consumers.

Understanding their reality, and making it easier for them to conduct their daily routines could go a long way, e.g. the way they shop, the way they commute, and even the way they access services such as banking and restaurants

IN PERSON SHOPPING ALTERED, NOT DISRUPTED

In-person shopping is still the main form of shopping. However, the pattern and psyche for shopping in traditional retail has changed. In fact, 62% of Ethiopian shoppers are still shopping in-store. During this COVID-19 pandemic, they are choosing to shop more during off-peak hours, and stocking up on basics, hence making less trips to the stores.

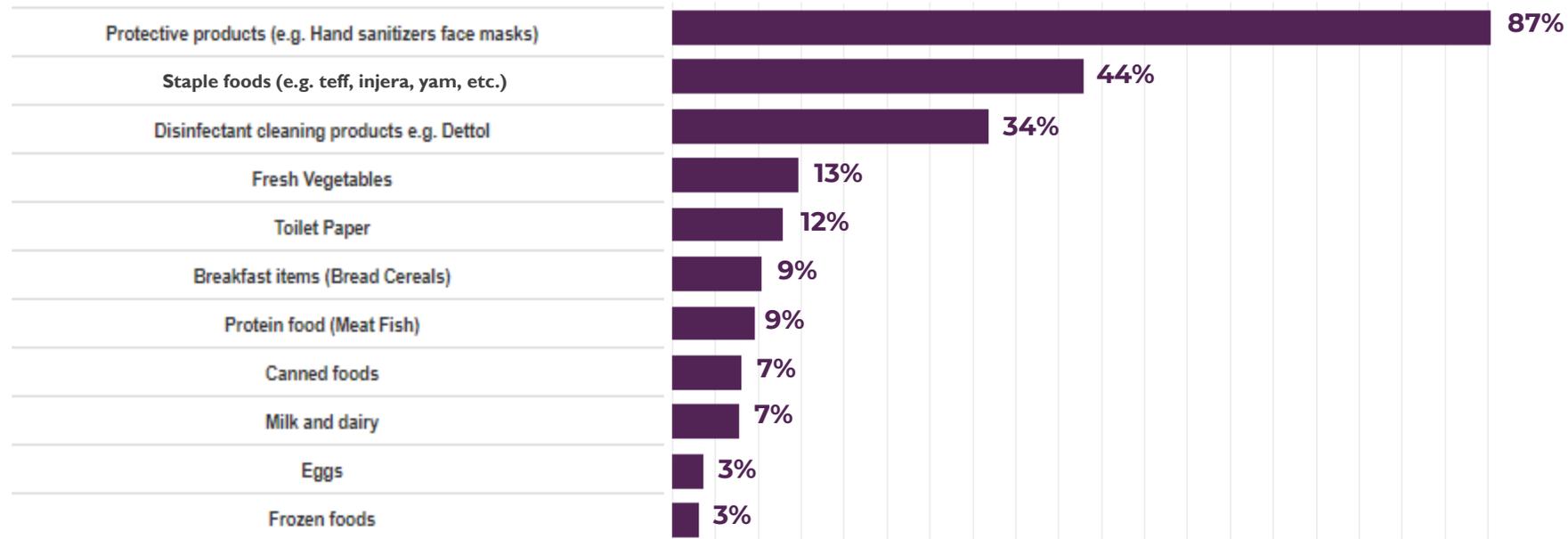


Which of the following applies to you when it comes to how your shopping habits have changed because of the coronavirus?

Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

INCREASED DEMAND FOR HEALTHY CONSCIOUS, PROTECTIVE PRODUCTS

Consumers are flocking to purchase protective products, such as facemasks, gloves, disinfectants, and cleaning products. It is not surprising that 87% of consumers interviewed reported that these products are hard to find. Interestingly, 44% of these consumers are complained that their staple consumables (e.g. teff, injera) are not available in the stores. Again, another opportunity for local brands to step up to fill a void in the market and increase their profits.



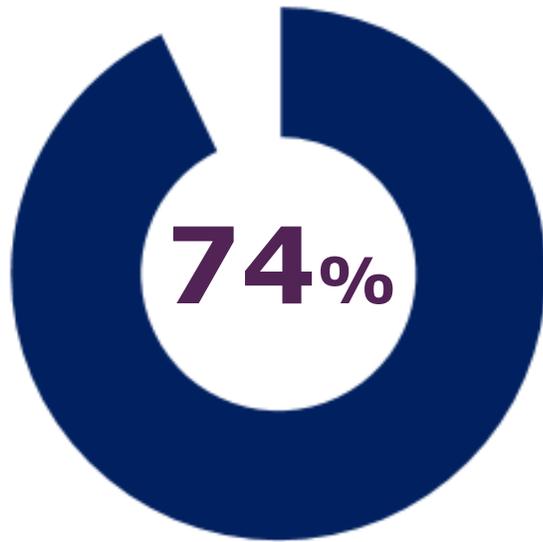
Compared to a month ago, which of the following items in your local stores are less available (mostly out of stock)?

Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

Ethiopians are reliant on traditional media, particularly, TV and radio, as credible information sources to keep them updated about the pandemic. Social media platforms such as Facebook are also being utilized to a lesser extent. As the coronavirus battle is far from over, with a timeline of at least another year, brands can align their messaging with the prevalent media channels.

TV AND RADIO AMONGST THE MOST POPULAR AND TRUSTED MEDIA

Ethiopian's consumers reported increasing reliance on TV, Internet and Social Media to stay informed during this COVID-19 pandemic. Eighty three percent (83%) of consumers interviewed said that they were using TV, followed by the Internet (66%), and Facebook (44%). But when it comes to media consumers trust, Radio trumps Facebook in the top 3.



% respondents knowledgeable about the coronavirus disease, COVID-19

Information Sources	Most Trusted Sources
83% 	 81%
66% 	 44%
53% 	 36%

How are you staying informed with the most current information about the coronavirus?

Which channels do you consider to be the most reliable when it comes to informing you about coronavirus?

COVID-19 is a global health crisis that requires a well-coordinated response and intervention from government to contain the pandemic. The Ethiopian govt has been praised for its rapid response including house-to-house screenings and testing were critical in successfully curbing the outbreak and mitigating an economic downturn. However, the Ethiopian people do not seem to share the same sentiment.

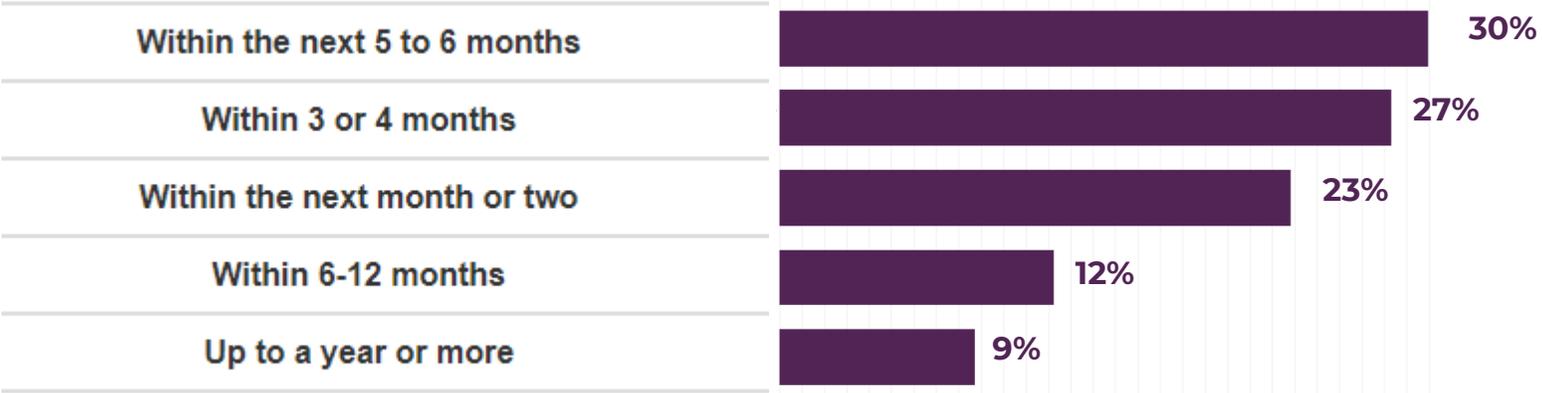
<i>To what extent do you agree or disagree with the below statements</i>	<i>% Agree</i>
The government is taking the outbreak seriously	15%
There are enough measures to curb the spread of COVID-19	12%
I am adequately updated by public health officials	20%
I trust that our government will get us through the crisis	15%

Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

ETHIOPIANS BELIEVE LIFE WILL RETURN TO NORMAL AFTER A 3-6 MONTH DISRUPTION



As we have seen in other markets, without a vaccine, life won't return to normal the way it was before COVID-19. In Africa, the choice between staying at home and avoid the virus or die of hunger is obvious. Our research found that Africans will have to leave and work with COVID-19. It is anyone guess as to when the vaccine is discovered and how soon it will get the people in Africa. We are in the COVID-19 normal, and brands should brace for change.



How long do you think it will be until life in your country returns to normal after coronavirus?

Source: Kasi, "Consumer Confidence Index & COVID-19 survey", Ethiopia, CAPI survey, 18+, n= 425, April 20 – May 2, 2020

CASE STUDY

HOW ETHIOPIAN AIRLINES PIVOTED ITS BUSINESS & AVERTED THE CRISIS



BRAND PROMISE

Best African Airline since 2017

TANGIBLE CUSTOMER BENEFITS

Operational efficiency and diversification

- The airline doubled its cargo capacity, by converting 11 passenger planes into transport goods
- This opened opportunities as part of a strategy of diversifying activities into cargo maintenance and hotels as an alternative revenue source
- Ethiopian is one of many airlines that have turned to cargo to stay in business through the crisis.
- Ethiopian has already mooted lending its support to airlines in the African continent.

Corporate responsibilities

- No layoffs or salary cuts
- Company has helped with the delivery of medical supplies to African countries
- Assisted with the delivery of medical supplies to African countries
- Ethiopian Airlines has already mooted lending its support to airlines in the African continent

Consumers in Ethiopia expect the pandemic to last up to 6 months. Their trust in the government and public health officials to get the country out of the crisis is low. For brands, the new normal may look more like the old normal unless they take the opportunities of COVID-19 to redefine their relationships with their customers and build a long-term relationship beyond the crisis. It is critical for Ethiopian brands to get this right as the country is expecting to open its market over the next couple of years.

ETHIOPIAN BRANDS MUST ADAPT STRATEGIES TO ENTRECH CONSUMERS DURING THE CRISIS IN ORDER TO WIN POST-CRISIS



With so much fear and uncertainty surrounding this pandemic, Ethiopian brands have the unique opportunity to show up for consumers, by shifting their priorities utilizing Creative, Practical, Sustainable and Relevant solutions to protect their business post-crisis

TWO KEY SEGMENTS	1. SHOW CARE & CONCERN	2. MEETING RELEVANT NEEDS	3. ADAPT TO NEW NORMAL
<p>Assist consumers to protect their livelihoods & their lifestyles</p>	<p>RISK/SAFETY STANDARDS/TRUST</p> <ul style="list-style-type: none"> ✓ Protect, support and reach out to customers and employees ✓ Develop emotional connection to deepen relationship and build trust ✓ Community focus – be seen as a responsible corporate citizen ✓ Remain true to brand purpose 	<p>QUALITY/VALUE/ INNOVATION</p> <ul style="list-style-type: none"> ✓ Provide practical solutions to help consumers weather the storm ✓ Fluid business model, repurpose brand to meet immediate needs ✓ Focus on digital and home delivery options ✓ Where possible offer contactless options ✓ Promotion of product's local origins ✓ Transparency of supply chain 	<p>LEVERAGE TECH/BUILD LOYALTY</p> <ul style="list-style-type: none"> ✓ Build agile employee solutions for post-COVID-19 era (WFH/Gig-Workers) ✓ Safe environment for customers (PPE) ✓ Migrate customers to digital channels with enhanced experience ✓ Explore direct-to-consumer offering ✓ Cost-cutting measures to protect bottom line

Govt Role in meeting Basic Needs, determines Time Taken to Return to Normal (Public, Social & Economic Health of country): Food Security, Social Support, Education, Public Health System capability to handle virus transmission, Protocol for mass transportation, Government's role to safeguard most vulnerable societies e.g. unemployed, homeless, immuno-compromised, Govt's strategy for protecting economy (stimulus packages, capital injections) and reopening the economy

About Kasi Insight



Kasi is an unconventional firm that specializes in challenging global trends to find their relevance in Africa. We favor local trends rooted in data to find opportunities where many believe that none exists.

Our advisory model is based on our desire and ability to tackle Africa's most challenging problems by bringing context (data), insights (expertise) and foresight (innovation).

Our data-driven approach to advisory empowers entrepreneurs, bankers, asset managers and investors with first-hand feedback from their most valuable asset - their future customers.

Please contact Kasi Insight if you want to garner the most pertinent insights to help your business shape the future of banking and trading in Africa.

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About HBG



Hemisphere Bridge Group is a market and social research firm founded by three Economists in November 2014 in Addis Ababa, Ethiopia. The group constitutes highly specialized team of professionals and is engaged in delivering market and social research inputs and outputs to government, non-governmental organizations, research agencies, public and private businesses, institutions, national and international firms and individuals. Having tangible and intangible resources of various kinds at different parts of the world, the only means of extracting and benefiting out of it is found to be using contextual approaches.

Taking this into consideration, the group focuses mainly on working as a bridge in bringing best and ethical methods of resource utilization and distribution giving high values to society. Having its principal values of integrity and quality, the firm strives to deliver the best services with a purpose of creating a better world.

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Our Clients

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



Associations & Accolades

Building Trust Through Prominent Research Affiliations and Alliances



**Business for Africa
and the World**
SHARM EL-SHEIKH, EGYPT, 8 - 9 December 2018

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