

# The Covid 19 Impact on Advertising

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## Abstract

The COVID-19 pandemic has affected the business worldwide. Series of lockdowns in many countries have led to negative impact on economies. Many businesses are fighting for existence and in this fight advertising and marketing are going to be their major tool. The 2019 novel corona virus known as COVID-19 has led to a shift in consumer behavior across the globe. This shift in consumer behavior has forced the business firms to relook their advertising strategy. There has been a great impact of COVID-19 pandemic on the advertising, marketing and the promotional policies of the business firms. It has become important for the business firms to adapt to the changing consumer behavior and come up with some advertising strategies to cope up with this challenge. In this article we will deal with the challenges posed by COVID-19 and the strategies used by business firms to overcome these challenges.

**Keywords:** COVID-19 challenges, pandemic, advertising strategies, marketing strategies, Post covid advertising

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## Introduction

COVID-19 has sent the world into a state of shock and has led to disruption and turmoil in the economies. This virus first appeared in the Chinese city of Wuhan around late 2019, but its effects were felt across the globe. With many countries under lockdown and travel restrictions in place, the economies around the globe have fallen down. There has been a negative impact on the business firms. Many small businesses did not survive and many fought for survival. It is not only the smaller businesses that have been affected by the turmoil, even the bigger players have also been affected negatively. The revenue of the business firms has declined sharply. They were not even in a position to give salaries to their employees. This has resulted in pay cuts as well as job losses. Post pandemic, the business firms are forced to reevaluate their marketing and advertising expenditure too. However, marketing and advertising are one of the important tools that businesses can use to combat this adverse situation. Businesses cannot overlook and avoid advertising completely. They are coming up with strategies to invest in those cost effective advertising avenues from where they can maximize the return.

## Effect of Covid-19 on advertising

COVID-19 pandemic significantly affected businesses across industries. COVID-19 has largely impacted the

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functioning of brands, agencies and various other businesses, which in turn has affected the ever evolving advertising and marketing industry. Advertising, like many other sectors faced tough challenges as several lockdowns have brought the businesses to a standstill. All advertising media has been hit badly by the Pandemic.

Travel restrictions due to lockdown presented a challenge for out-of-home advertising. [1]The Association of Advertising Producers (ASAP), that represents approximately 90% of advertising work in India temporarily paused its functioning in March, 2020.

A report by KPMG stated that although TV viewing increased due to increased consumption of news channels, absence of fresh content had negative impact on finances.[1] Fresh content was unavailable on Television platform as The association of Advertising Producers (ASAP) along with other bodies i.e. Federation of western Indian Cine Employees (FWICE), Western India Film Producers' Association (WIPFA),

Indian Motion Pictures Producers' Association (IMPPA), Indian Film and Television Producers Council (IFTPC) and Indian Film & Television Directors' Association (IFTDA), unanimously decided to cancel all shoots.

As the corporate shifted to work from home, the radio segment lost audience who listened to them during transit. The Radio segment has also seen an overall decline in advertising revenues. During pandemic, the print media has also seen a considerable drop in advertising revenue. This is because fear of Corona virus forced many to discontinue their newspapers. The offices closed due to lockdown which meant that the newspapers lost their business clients.

The financial crisis has forced the companies to restrict their advertising budget. The best example of this financial crisis in India is the automobile sector. As per data of Ministry of Commerce and Industry, by the end of FY 2020, India was the fourth biggest automotive market in the world. This automobile sector contributed as much as 7.1 percent to the country's GDP and provided employment to over 35 million people. On the other hand the combined domestic vehicle sales reported by top automakers in India for the month of April, 2020 were ZERO (0). This is not only the case with the automobile sector. Other sectors as well were badly hit by the COVID-19 crisis. Retail sector has also witnessed huge dent in earnings and there has also been large number of layoffs in this sector. With the prices of materials going up and shortage of labor, the Real Estate sector was also in crisis. These sectors are just an example of how the Economy has been reeling down. People were not spending, companies were not producing, labor returned to safety of their native places and Corona virus cases increased day by day giving a dent to the economy. These entire thing has an effect on the advertising spends of the companies. The companies they are not at all willing to have a large advertising budget. However, post pandemic, the companies have understood that the only way to counter these challenges posed by Covid 19 is to reach out towards their target customers and hence they cannot overlook advertising completely. Companies have to reevaluate and revamp their advertising campaign strategies.

Tips for effective marketing and advertising post

COVID 19 Pandemic:

### **Make s shift in media strategy:**

Most companies prefer to make a shift in their media strategy. Companies, for a short term, are choosing to shift from outdoors to online platforms. Companies are making a short term shift to digital display ads, online videos etc.

### **Stay connected to your customers:**

During the pandemic and post pandemic, people were using their social media platforms a lot more than ever. Internet usage has increased drastically during and post pandemic. It is the right place to be in touch with the customers. Businesses cannot afford to ignore this opportunity to keep their customers engaged. Businesses should make their social media platforms more interactive and engaging so that the customers remain attached to them for longer period of time.

### **Focus on advertising at online medium:**

Online advertising mediums like Over the Top (OTT) advertising should be looked upon during this period. Today people spend more time on internet as compared to television. Several web shows are in place to entertain people. Advertising in those shows can catch a lot more attention as compared to traditional medium. Other online marketing tools like Pay Per Click advertising, SEO etc can be utilized effectively. Advertising through these mediums can prove to be more targeted and efficient as there are different online platforms for different set of customers.

### **Adjust to customer's need:**

Adjusting to customer's need has become the most important thing for businesses post pandemic. Customer's needs have changed during the Covid 19 era. They want safety on priority. Since, the income level has come down during pandemic, they may even want lucrative deals and credit policies. It is the duty of the business now to take care of the needs of their customers. Some of the measures like safer home delivery, easy credit policies etc can be introduced. An example of this is 'Buy now pay later' scheme introduced by Flipkart.

### **Use of Gift Cards :**

With the consumer not willing to spend, it is essential for the companies to offer lucrative deals to their customers. Companies can opt for Gift cards wherein they can offer privileges to customers in their present and future purchases. Gift cards can be a symbol to express your gratitude to your customers. It will make customers feel good about the brand and it will help in customer retention. It may also help in increasing a company's word of mouth publicity. Apart from all these one major benefit of sending gift cards is that people will remember the brand for a longer period of time.

### **Help people:**

Helping people in their time of need creates a long lasting positive image in their minds. Companies should take up this opportunity to help people in whatever way they can. This will improve their brand image and people will remember the brand when they are in need of a product that the company is offering.

### **Use the Gaming platforms:**

Use of gaming platforms have increased during pandemic. People prefer to remain indoors and play online games to stay safe. These online gaming platforms are emerging as a new avenue for advertising. These gaming platforms have wide range of customers ranging from kids to elderly. Thus advertisement on these platforms can be targeted towards the right set of prospective customers.

### **Reconsider your offerings:**

Covid-19 pandemic and lockdowns have forced the companies to reconsider their product offerings. Customer's needs and preferences have changed and thus, altering the product line has become important for companies. For example, increased use of sanitizers has forced companies like Dabur, who never manufactured sanitizer to come up with one. Companies like Nike, along with their usual product line, are now selling products like masks, PPE kits etc

### **Use of Live events:**

Companies can conduct virtual trade shows and exhibitions as well as talk shows, webinars etc to convey their message to the prospective customers. Many educational institutes and universities in India are conducting webinars and virtual conferences as a tool to remain in touch with their target customers with an aim of getting more and more admissions.

### **Conclusion:**

With the change in environment, it is important for the businesses to change. Marketers have understood this point clearly and are coming up with unique strategies to cope up with the challenge that this Pandemic has thrown. They are trying new ways of advertising so that they can be in touch with their prospective customers and also maximize the ROI on advertising. The shift in marketing strategies has to be in line with the shift in the environment. Marketers are trying to find more and more avenues where they can find more and more prospective customers during this pandemic. Marketers have realized that marketing, in particular, Advertising can save the business world from the negative effect of the COVID-19 pandemic.

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