

SURVIVAL SKILLS IN COVID TIMES

by

NESSIE

research lab

Introduction

When at the beginning of March we were making plans for the company growth, we never in our wildest dreams imagined what was about to come. The business environment has shift from a stable, predictable and measurable setting we knew to the savage habitat of incertitude and expectation. But lives still go on and after the first shock, while we are awaiting some governmental decisions and guidance for these unprecedented times, we need to keep on increasing our clients' portfolio, concentrate on winning the best deals and keep our loyal customers with us no matter what.

Without a big dose of empathy and professional lead generation it is going to be difficult to come by. In this article we want to share with you our vision on how the market has changed and how a professional lead generation campaign can help obtain more leads and what really matters: sell our products.





Crisis?

It is hard to deny that we might be facing the biggest economic crisis in recent decades but in Nessie Research Lab we know, that **each crisis generates opportunities**, and that business abhors a vacuum.

There are markets that are easier adaptable to the new realities thanks to their agile management skills or product characteristics. They will survive it with no loss. But will they generate any extra profit?

For some markets, the COVID-19 crisis can result in higher demand and bigger profit. But if we are not in this group then **we need to work harder creating new products**, adapting our supply chain or, once again, invest in a professional lead generation campaign.

We know we have the best product in the world, but if we don't reach out to our target group, then we will no succeed. This is where Nessie Research Lab comes to the rescue.

Global Projections

- At the beginning of April **the International Monetary Fund** presented their Growth Projections for the world economy and **the results are not optimistic**. The predicted world **GDP annual percent change in 2020 will be negative**, which means that the **global economy will most probably shrink by 3%**. European Union and the United States of America are supposed to feel the impact more than the Asian markets and will more probably recover slower than China and India.
- **2021 will hopefully bring us some stabilization** and continuous growth. Of course, it depends on how the governments and companies embrace the change and how much the rescue plan can leverage the damage.
- Two markets that in Nessie Research Lab's opinion might recover faster than the others and where investors will be keen on spending more is the **USA and Germany**. In April according to our lead generation reports these two markets were the ones with a higher response rate. Some more income about it you will find later in this report.

Latest World Economic Outlook Growth Projections

The COVID-19 pandemic will severely impact growth across all regions.

(real GDP, annual percent change)	PROJECTIONS		
	2019	2020	2021
World Output	2.9	-3.0	5.8
Advanced Economies	1.7	-6.1	4.5
United States	2.3	-5.9	4.7
Euro Area	1.2	-7.5	4.7
Germany	0.6	-7.0	5.2
France	1.3	-7.2	4.5
Italy	0.3	-9.1	4.8
Spain	2.0	-8.0	4.3
Japan	0.7	-5.2	3.0
United Kingdom	1.4	-6.5	4.0
Canada	1.6	-6.2	4.2
Other Advanced Economies	1.7	-4.6	4.5
Emerging Markets and Developing Economies	3.7	-1.0	6.6
Emerging and Developing Asia	5.5	1.0	8.5
China	6.1	1.2	9.2
India	4.2	1.9	7.4
ASEAN-5	4.8	-0.6	7.8
Emerging and Developing Europe	2.1	-5.2	4.2
Russia	1.3	-5.5	3.5
Latin America and the Caribbean	0.1	-5.2	3.4
Brazil	1.1	-5.3	2.9
Mexico	-0.1	-6.6	3.0
Middle East and Central Asia	1.2	-2.8	4.0
Saudi Arabia	0.3	-2.3	2.9
Sub-Saharan Africa	3.1	-1.6	4.1
Nigeria	2.2	-3.4	2.4
South Africa	0.2	-5.8	4.0
Low-Income Developing Countries	5.1	0.4	5.6

Source: IMF, World Economic Outlook, April 2020

Markets that will be hit hard

Many of us have already experienced, first-hand, the increase in demand for hand sanitizers, gloves, face masks, and, in some countries, toilet paper.

Therefore, the former industries should do well during the pandemic and the demand for their products will surely not disappear overnight.

Businesses that are exposed to travel, entertainment, hospitality, and discretionary retail are more likely to suffer and they already are.

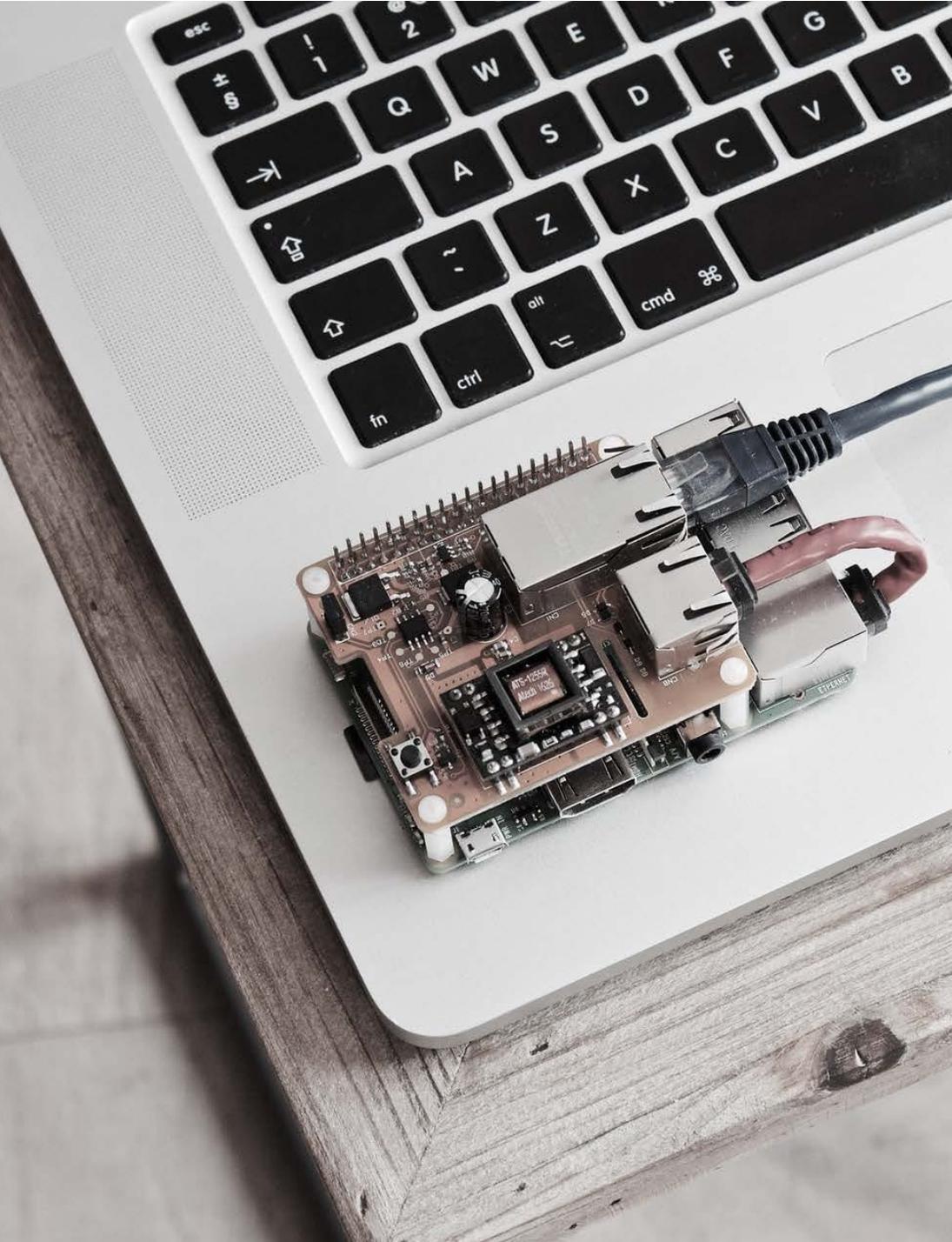
There is a way to categorize businesses during the pandemic into three outcomes and their potential can be measured accordingly to two key factors: **synchronization and location dependency.**

	Location independent	Location dependent
Asynchronous Service	Streaming Services, Online banking, E-learning, Gaming, Online entertainment, E-commerce	Self-service Stations/retail
Synchronous Service	Live streaming, Online counselling, Delivery restaurants	Concerts, Sports events, Dine-in restaurants, Organized Tourism

Continued.

Businesses that depend on the specific location and rely on the simultaneous timing between customers and providers will struggle to survive these times unless they find a **smart solution to deliver their products**. For example, traditional tour operators, cruise ships, dine-in restaurants, concerts, and sporting events. Some of them already **offer their services online** but the monetization of them is not easy. In all these cases, customers and providers need to be in the *same place* (location dependent) at the *same time* (synchronous service) which in many countries is not possible and will not be possible soon.





But this case is not lost one...

A few years back TV broadcasting was a location-dependent synchronous activity. To watch our favorite show we had to sit down in front of the TV at a specific time and if not record it for the domestic use in a convenient future.

Even without a global pandemic this model was rapidly replaced by video-on-demand services that don't depend on time and space any longer. God bless Netflix, HBOGo or Player.pl!

The businesses that will **most probably survive** are those that are **location-based but able to operate asynchronously** or businesses that may **rely on synchronous service but independent of location**.

There is a **great opportunity for the IT world** to work with those who are **location-based but want to make their services more accessible no matter the time**. This is where **IoT (Internet of Things) enters** and where developers could really show their great abilities and creativity.

A good example of that is a polish company **InPost**. They managed to make their parcel lockers completely touch-free within few weeks since the lockdown started and now **their lockers can be controlled by the users remotely**.

So which market will recover first?

It might sound obvious but sectors that fell the least will recover earlier & faster. There is a range of essential services like **healthcare, e-commerce, gaming, telecom networks, online learning, logistics, cloud services**, etc., that are thriving right now.

On the other hand, cleaning products and services will get more demand. **DIY, home cooking** - we need to keep ourselves busy. Is there anything more rewarding than eat your own home-cooked bread ... shops have run out of yeast (!) in the past weeks in Poland.



Nessie perspective

Since the beginning of March not only we didn't stop our operations but what is more **we doubled our portfolio** and developed **new tailored made hot lead generation processes** for our clients. We specialize in the lead generation for software houses and this is what we achieved in the past month:

Our clients are mostly software houses located in Poland with more than 50 employees specialized in web & mobile apps, Advanced IT Systems, Product Design & Tech Consulting

What can be seen on the market based on our insights (internal Nessie Lab reports) **there is a slight fall in the Technology Industry (-4%), another small decrease in Financial Services (-13%) and a huge fall in Marketing & Advertising (-50%).**

On the other hand

There is a **big boom in the Medical/Pharmaceutical sector - striking 80%!** And the industry is doing well - a noticeable increase of 30% in the past month.

Lead generation in the time of COVID-19

How we managed to generate more leads and much faster*

	BEFORE THW 29TH OF FEBRUARY	SINCE THE FIRST OF MARCH
NUMBER OF GENERATED LEADS ON AVERAGE PER MONTH	18	24,5
TIME FROM THE START OF COOPERATION TO THE FIRST LEAD OBTAINED	28 DAYS	10 DAYS
BEST RETURNING MARKET	GERMANY (41%)	USA (28%)

What about the leads?

As you might see on the previous chart in Nessie Research Lab we observe a higher response to our communication.

A higher response translates to a higher number of leads gained for our clients.

Before the end of February time that passed from the first day of the campaign to the first generated lead was 28 days and the number of leads obtained on average per month was 18.

Since March our conversion increased significantly and we got the first lead after only 10 days of the campaign. The average number of leads obtained raised to 24,5.



Continued.

Even though the USA has the biggest number of people infected in the world it is still a promised land for all the software houses. COVID-19 didn't kill the entrepreneurship vibe and strike for innovation. This is a very big market where new products and ideas are coming each and every day where the CTOs are open for talk.

Our data shows that market responsiveness in Germany and the UK decreased but in the USA it **reached the never seen before - 28% of all responses.**

On the next page you will find data that show the percentage of responses we get for our communication campaigns represented by markets and how they changed in the past months.



Market responsiveness

Before 1.03.2020

US	5%
GERMANY	41%
UK	28%
REST OF EU	23%
REST OF THE WORLD	3%

US	28%
GERMANY	15%
UK	15%
REST OF EU	25%
REST OF THE WORLD	17%

**Market
responsiveness**

After 1.03.2020

Conclusion

During the crisis and especially in IT it is important to come up with an idea about how to enter the market and which of our products/services can be a success. The price is of secondary importance.

It is a very difficult and not an easy decision to be made.

We observe some companies that stubbornly strive for sales of “this great product” they have but it falls on deaf ears. This is why even having a great product we still need to continuously assess our capacities and think outside the box. There is so much creativity related to the IT and so many different services that a software house can come up with.

It's important to evaluate our own competences and see **what is hot and what is not** in the times of COVID-19.

Solution driven approach that creates value for the clients is the Holy Grail of the IT.



Thank you!

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Table on page 4: <https://www.imf.org/external/index.htm>

Table on page 5 based on : <https://www.newsroom.co.nz/ideasroom/2020/03/21/1092476/how-business-will-survive-covid-19>