

Will emotion power the global economy out of recession?

COVID-19. Bespoke research from Gravity Global



COVID-19

Gravity bespoke research

At Gravity, we have delved into sentiment amongst senior business decision makers. We have looked at two waves of research; wave 1 (March 16th -20th) and wave 2 (March 31st -April 2nd) to deliver these insights.

This report will begin one of many, but in the first instance we are focussing on the Senior BDMs (C-suite, senior decision makers) perceptions of the impact this pandemic has on business practises, focusing on local, global, regional and sector insights.

There is a clear divide in optimism between local and global economic impact

Most BDM's are fully immersed in the 'Respond' and 'Reimagine' phase of business sentiment. Therefore, they are pivoting to home market realities before trying to Reimagine what their global business may look like. Sentiment is still fairly buoyant with **51%** thinking they are optimistic for their own country vs. **21%** for the global economy. There are several factors at play here;

1. Reorganising funds to support the most profitable markets for the company, and de-prioritising global growth plans.
2. Most BDMs are 'prosumers'; as we all work from home our personal and business lives collide and therefore personal opinions become the barometer for our business perspective. Whilst sentiment is fairly buoyant, our views on how COVID-19 will impact the economy is more obscure. Globally BDMs realise there will be a dramatic impact on the economy – Local **23%** and the Global economy **43%**.

There is more so a feeling of act local and think global – only if you can.

Regional perspectives

As can be expected the APAC region who have lived with this pandemic earlier than most, have more positive sentiment than the Americas or Europe. APAC BDMS have a **59%** positivity in their own market but are still concerned with global economy (**22%** sentiment).

In Europe there is lower positivity with **14%** local /**10%** global sentiment but with the highest level of uncertainty (**36%** think there will be a dramatic impact on the economy locally vs. **40%** in the global economy).

Americas region has been the last hit, so sentiment may not yet reflect this with higher positive sentiment of **20%** local / **23%** global. Expect this to change soon to reflect Europe.

Sector insights

Some sectors seem to be recovering optimism more rapidly than others. Industries like Financial services/banking and IT/telecoms which have often been seen as 'emotionless' may see opportunity to reposition as being as more 'emotional' customer solutions. They are typified as having well established global infrastructures to begin with, and as such can now act as an 'emotional enabler' of the global economy.

Healthcare, Manufacturing and Transport/logistics sectors are also seeing some recovery in optimism. This recovery may be due to the increased focus on such industries to deliver much needed services to both local and global markets.

Accounting also is seeing some recovery in optimism. Who can debate that services like accounting software will not be hugely necessary to small and medium sized businesses as they seek to remain profitable?

We hope you enjoy this report with all the unique BDM insights. We will continue to update the sentiment, economic perceptions of our senior business decision makers with new research, across a variety of topics.

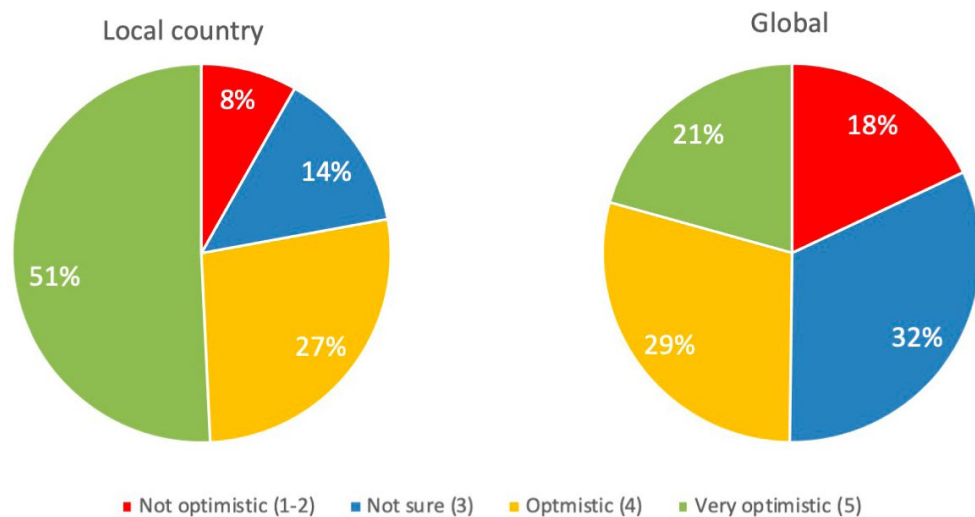
Please feel free to use any of our charts or insights with your own senior stakeholders and customers to support your business initiatives.

Senior Business Decision Makers (BDMs) research insights

Sentiment (Optimism) amongst Senior business decision maker globally

Optimism is more buoyant in-market as at the start of April. Whilst BDMs appear optimistic their country is handling the crisis, less believe that the global economy is as buoyant. Or perhaps with many still unsure, it's a case of 'wait and see' as news reports how global markets are reacting.

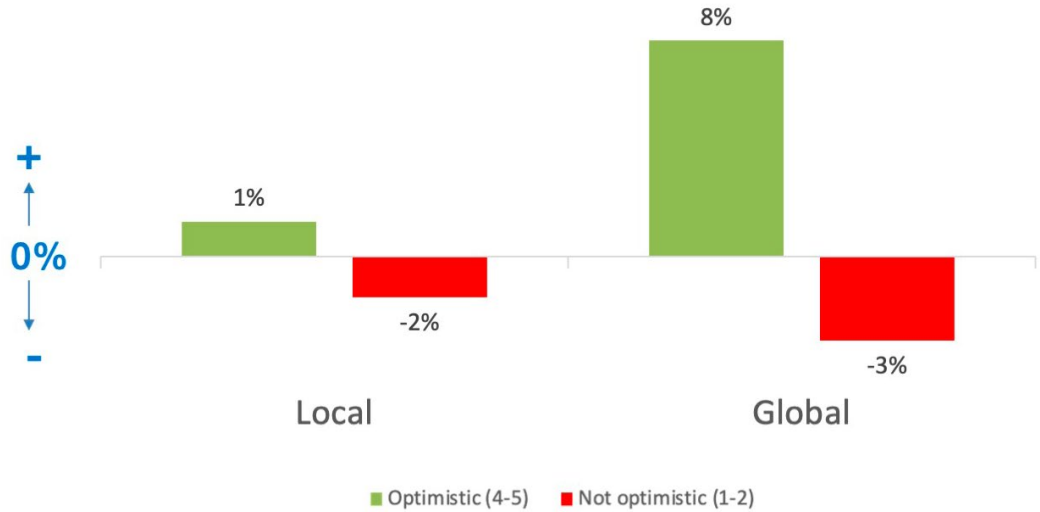
Optimism based on own country vs. the global economy



Source: Gravity research.
Question: How optimistic are you that your country / the world will overcome the coronavirus / COVID-19 outbreak?
Wave 2 data (March 26th to April 2nd). Audience of Senior BDMs are C-suite and senior decision makers.

Changes in optimism

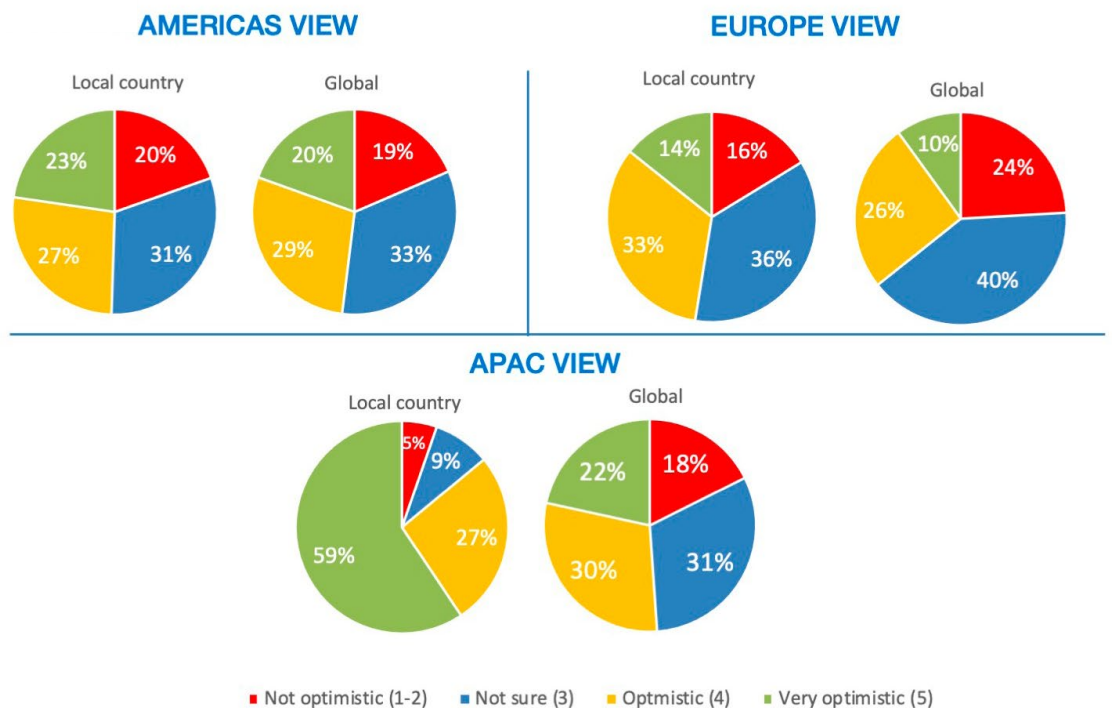
Optimism levels are at least increasing as daily news uncovers ways that economies and businesses are reacting. Global economies are the biggest concern, however, as people react to the 'new normal' Global optimism is at least starting to increase.



Source: Gravity research.
Changes in optimism from wave 1 (March 16th -20th) and wave 2 (March 26th – April 2nd).

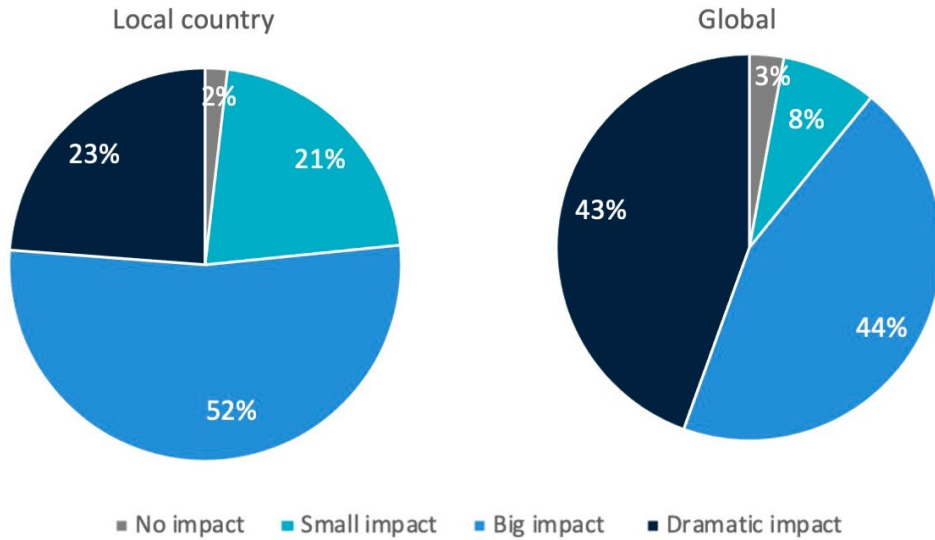
Regional view

As can be expected based on the trajectory of the pandemic, APAC optimism in-market is starting to bounce back. However, there is still concern about the impact on global business. At the time of research, Europe was feeling the impact more strongly, followed by the Americas (USA, Brazil). It's clear that the 'new normal' is a process that respondents are thinking about in their own country first, before pondering global interests.



Economic outlook amongst senior business decision makers globally

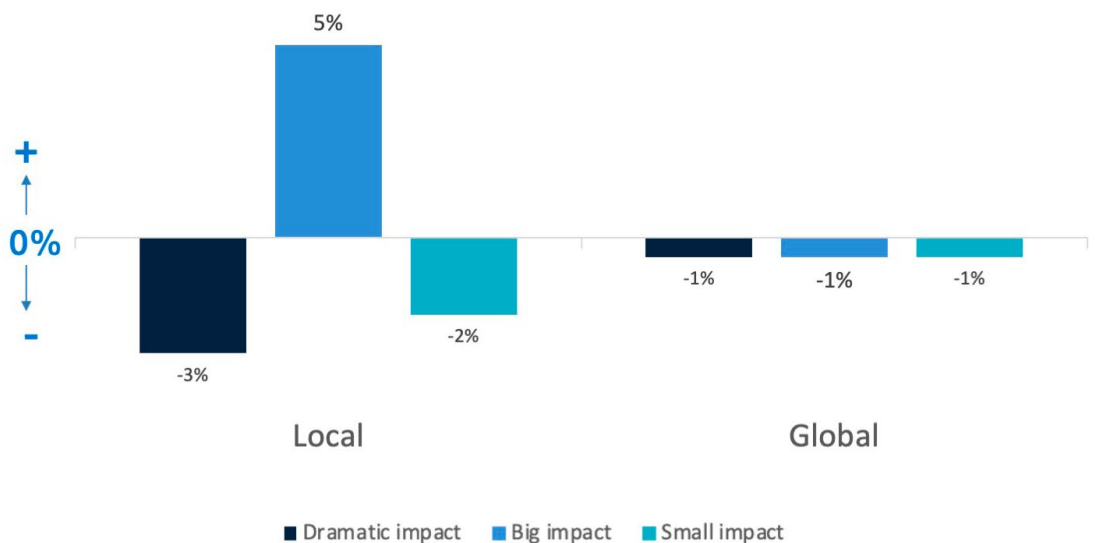
Impact on the economy has a far more marked view with most expressing the perception that there will be a dramatic impact on global economies, vs. local.



Source: Gravity research.
 Question: How do you expect the coronavirus / COVID-19 outbreak to impact the following?
 - Your country's economy/ The global economy
 Wave 2 data (March 26th to April 2nd). Audience of Senior BDMs are C-suite and senior decision makers.
 Note: Data may not add up to 100% as there are some 'not sure' answers. These are mostly > 1% so are unlikely to show up well on charts.

Changes in perception

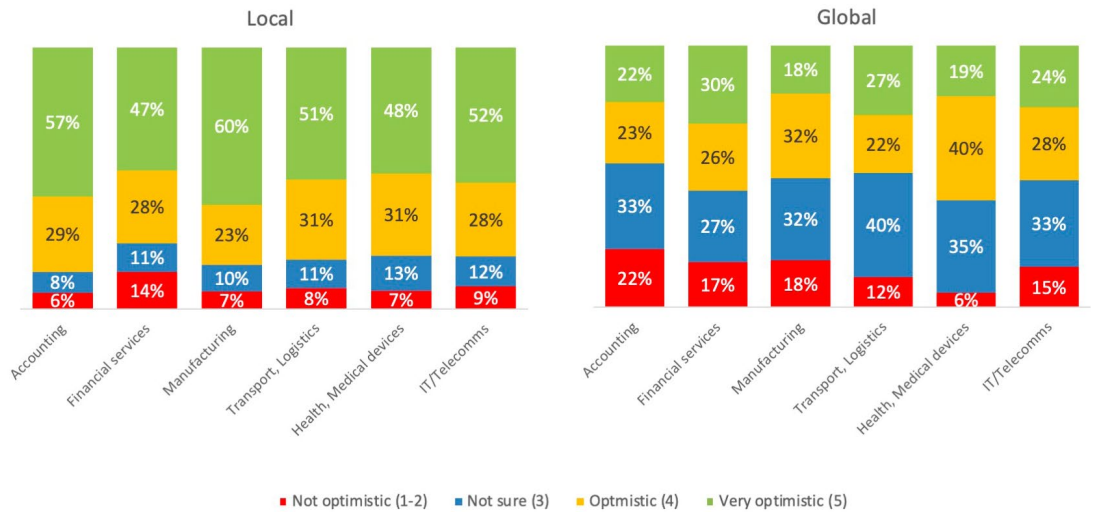
Local economies, however, are changing rapidly, hence the increased opinion that local economies will continue to be impacted in a substantial way.



Source: Gravity research.
 Changes in economic perception from wave 1 (March 16th -20th) and wave 2 (March 26th – April 2nd).

Sector insights: Sentiment amongst senior business decision makers globally

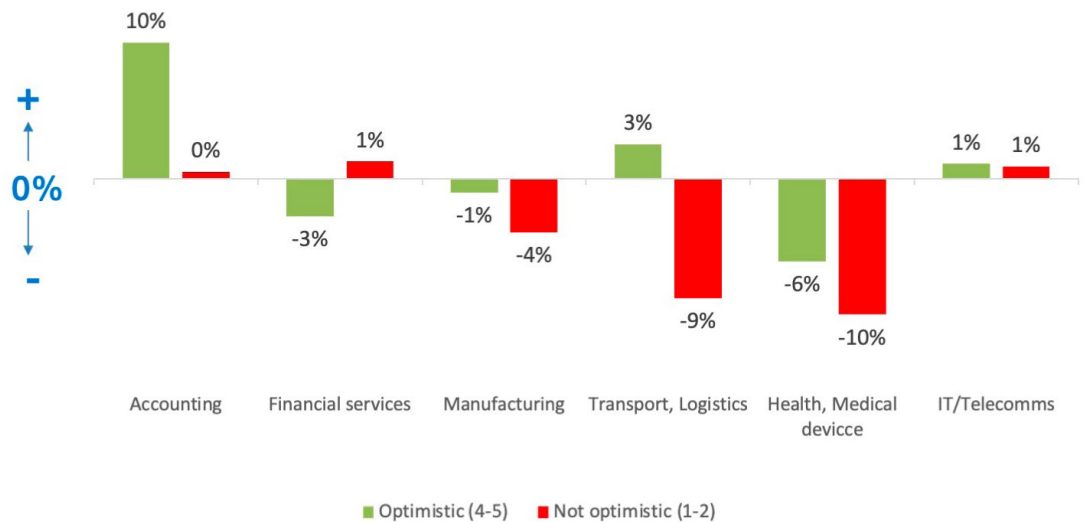
Some marked differences in sector optimism exist. Financial services, for example, appear to have stronger resilience globally than other sectors who may not have such globally focused infrastructure, such as Manufacturing and Healthcare.



Source: Gravity research.
Question: How optimistic are you that your country / the world will overcome the coronavirus / COVID-19 outbreak?
Wave 2 data (March 26th to April 2nd). Audience of Senior BDMs are C-suite and senior decision maker / By Sector.

Changes in sentiment

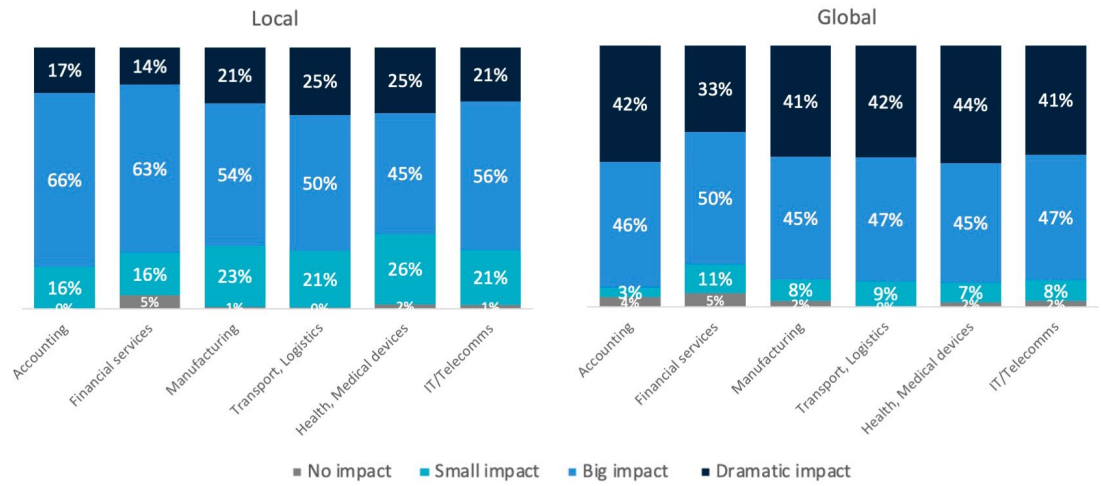
There is little change in sector optimism between the research waves, apart from Accounting whose opinions have become more positive, and transport/logistics who may be discovering new ways of deploying their fleet.



Source: Gravity research.
Changes in optimism from wave 1 (March 16th -20th) and wave 2 (March 26th – April 2nd).

Sector insights: Economic outlook amongst senior business decision makers globally

Sectors generally follow the global pattern of determining that global economies will be greatly impacted.



Source: Gravity research.

Question: How do you expect the coronavirus / COVID-19 outbreak to impact the following?

- Your country's economy / The global economy.

Wave 2 data (March 26th to April 2nd). Audience of Senior BDMs are C-suite and senior decision makers / By Sector.

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