

REGIONAL MARKET OPPORTUNITIES & TRENDS IN THE NEW "NORMAL"

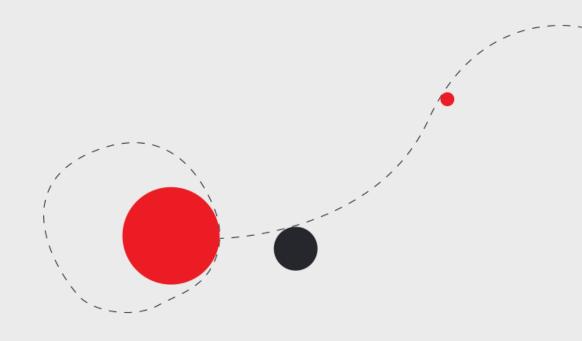
USEFUL FACTS & TIPS FOR BUSINESS DOING BUSINESS / OR LOOKING INTO THE SEE REGION





ALBANIA





NAME OF COUNTRY



ALBANIA

WHERE DO WE START?

COUNTRY POPULATION

40% are younger than 29 years

GDP (2019)

GDP per capita

Unemployment rate

2.9 mln people

USD 15.8 bn

USD 5.44

11.2

COVID-19 was the second big shock to the country in a

matter of months: a big earthquake 26th November 2019:

6.4 degrees Richter; 51 dead, 5,200 homeless

€1.07 billion estimated reconstruction cost

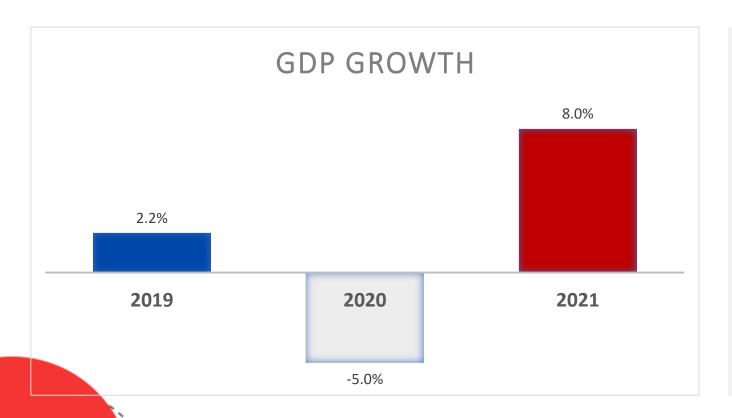
GENERAL ECONOMIC INDICATORS

C-19	stats

Emergency declared:	24 March
Emergency expected to end:	23 June
No. of infected people:	868
No. of healed patients:	650
Death cases:	31
% fatalities:	3.6%

https://coronavirus.al/statistika/

GENERAL ECONOMIC INDICATORS



- GDP growth 2021/2019: 2,6%
- Inflation 2020: 2,4%

GENERAL ECONOMIC INDICATORS

- UNEMPLOYMENT: app. 61.000 workers lost their jobs in 2 months*
- FORECAST by the end of 2020: N/A
- Huge portion of economy based on hospitality industry
- 34,7% of employees are self-employed (2nd in Europe)
- 50% of the companies have turnover decrease of more than 50%
- 57% of people have lower incomes

*518 bars / 100k inhabitants

among biggest in the world

CONSUMER BEHAVIOR:



MOST AFFECTED CATEGORIES:

- Restaurants and cafes
- Shopping malls
- Transportation
- Construction
- Tourism
- Textile and Clothing

CONSUMER BEHAVIOR:



INCREASE IN:

- Online shopping (especially at e-stores of the supermarkets)
- Online payments for utility bills
- E-banking

BUSINESS "BEHAVIOR":



- More than 80% of companies mark negative impact from the crisis. Sales revenues drop by an average of 50%.
- 34.9 % of the companies report cut in raw materials supply
- 41 % report liquidity issues
- 61.6 % have delays in their international transportation
- 16.3% stopped the activity completely and 76.7% reduced their production capacities.
- 76% of the companies do not plan to shut their businesses

^{*}Based on a survey prepared by Union of Producers (Part of Trade Chamber)

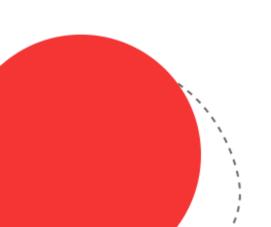
COVID-19 IMPACT:

GENERAL ECONOMIC INDICATORS

STATE & INSTITUTIONS MEASURES FOR THE PRIVATE COMPANIES

Total Government support of EUR 360 mil equals 2,4% of GDP, third after Serbia and Kosovo

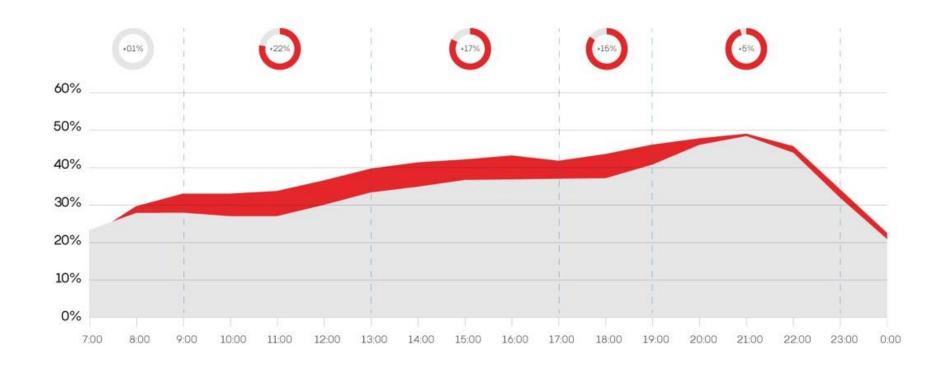
- 1. 52 mil Eur for the support of small businesses/self-employed that are forced to close activities, by paying them **minimum** salaries, doubling of the unemployment benefits and social assistance layouts.
- 2. 88 mil Eur sovereign guarantee fund for companies to access **overdrafts** in the banking system to pay wages for their employees for up to 3 months with an interest rate capped at 2.85 percent for a maturity of up to 2 years.
- 3. 56 mil Eur fund to pay for a **one-off transfer of 320 Eur to employees** of small businesses affected by the pandemic not covered in the first package, employees of large businesses laid off due to the pandemic, and employees in the tourism sector;
- 4. A sovereign guarantee of 120 mil Euro (0.9 percent of GDP) to provide loans **for working capital for the tourism** sector as well as active processing exporting companies.

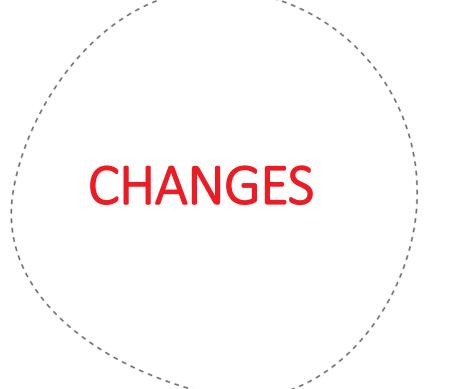


CHANGES IN THE MEDIA SCENE

Average TV Rating

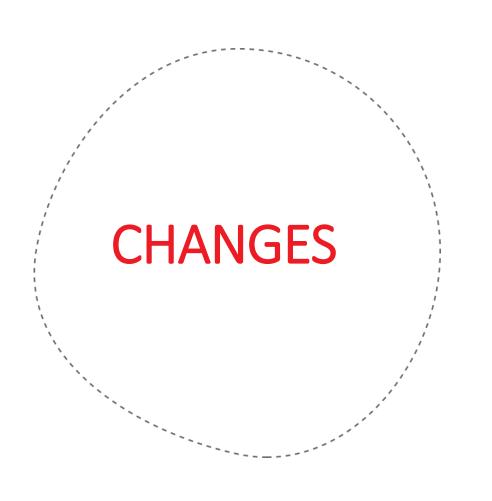






 Overall decrease in the investment in all media channels.

- TV
 - 35% decrease of TV Budgets in April
 - 45% decrease of Nr. of advertisers on air in April
 - Industries that retained same budgets: FMCG,
 Banks, Telcos, Pharmaceutical



- Digital budgets increased no data for Google and Facebook expenditures
- Content creation, livestreams, apps development, e-shops

OPPORTUNITIES AND TIPS

E-BUSINESS

- Digitalization of lifestyle overnight
- Opportunity for new market entry with lower costs
- Communication overall cheaper and onlinebased

SECTORS OF NEW/INCREASED SIGNIFICANCE

- IT services
- FMCG
- Pharmaceutical
- Online banking

- Home/Gardening
- Food Delivery
- Content providers
- Fitness for home

OPPORTUNITIES & MARKET INSIGHTS

- Brand empathy
- Reference to core human values like sharing, support, family values, togetherness
- Avoiding reference to common advertising values like Vanity, Lust, Excessive hedonism
- User-generated content, smarter production solutions





Your local contact:

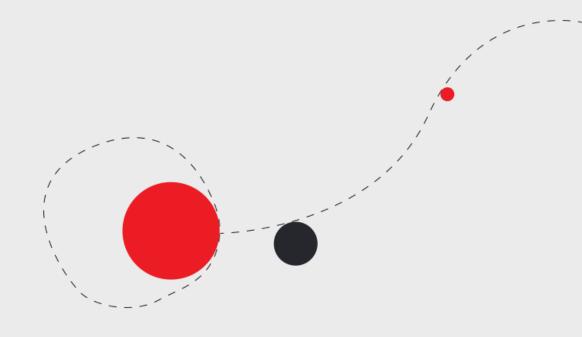
Oliver Petrovski

petrovski@newmoment.com.al



BULGARIA





NAME OF COUNTRY



BULGARIA

WHERE DO WE START?

COUNTRY POPULATION GDP (2019) GDP per capita 7 mln people EUR 60.7 bn EUR 8.6 K

*till end of **02/2020** the country's GDP was growing with an average of **3.5%** annually

** Unemployment rate 4%

COVID-19 IMPACT:

GENERAL ECONOMIC INDICATORS

MARKET-AT-A-GLANCE

MEASURES:

Emergency declared: 13 March

Emergency expected to end: 13 May

No. of infected persons: app 1 900

% fatalities less than **5%**

ECONIMIC INDICATORS dropdown in Covid19

UNEMPLOYMENT app. 100 000 unemployed /

for 2 months

FORECAST by the end of 2020 330 000

*research

45% of personal incomes unchanged

25% of personal incomes unsignificant dropdown

(does not affect family life)

25% of personal incomes significant drop down

Expected drop down in GDP 3.8% Expected GDP growth 20201 5%

COVID-19 IMPACT:

GENERAL ECONOMIC INDICATORS

MARKET-AT-A-GLANCE

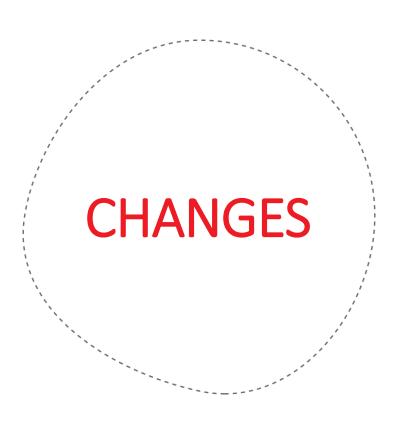
STATE & INSTITUTIONS SUPPORT MEASURES

- 60/40% measure RE salaries / meant to support employment
- Loans through a state-owned bank for individuals (up to EUR 2 250)
- Moratorium on existing bank loans
- EU grants for businesses with decrease in billings: up to EUR 5 000

*a min of **20%** drop down in revenue should be proved by businesses to benefit the measure

- Increased share of Bulgarian food products in retail chains + selling Bulgarian products in specially marked areas inside stores
- Travel vouchers for families who pre-booked vacations in Bulgaria in order to stimulate restart of the local tourism

CONSUMER BEHAVIOR:



ONLINE SHOPPING

35 % increase in ONLINE SHOPPING

MOST AFFECTED SECTORS

- Travel
- HoReCa
- Events
- Automotive
- Real Estate (esp OFFICE RENTS!)
- Shopping malls
- Gyms & beauty parlours

OFFLINE SHOPPING

- Decreased frequency of shop visit VS larger quantities of purchase
- Decreased visits of modern trade (-44%) VS visits of convenience small shops (+33,1%)

MOST FAVOURED SECTORS

- Telecommunications
- Pharmaceuticals & food supplements
- Hygiene products & detersives
- Staple foods
- Electronic appliances (small household appliances, IT peripherals)
- Home fitness products (accessories, hardware, apparel and footwear)
- Home entertainment (subscription platforms, games)
- Online banking

ATTITUDES TOWARDS FOOD PRODUCT CATEGORIES IN **GENERAL:**

CONSUMERS INCREASE FOOD CONSUMPTION BUT 25% SHIFT TO LOWER COST BRANDS



Major decrease in consumption of





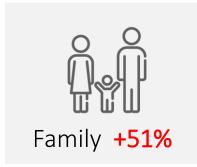
Less significant decrease in consumption of

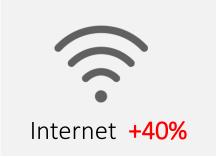






















BUSINESS "BEHAVIOR":



*national representative research among businesses, April 2020

COVID-19 impacts negatively **91%** of companies Sales revenues drop by an average of **53%**

- 74% of companies have either stopped or significantly cut costs for marketing activities
- 38% of companies have already drawn up crisis marketing plans
- 45% are already planning for AFTER the crisis

BUSINESS "BEHAVIOR":



PRICING. Most of companies in operation do not plan to change their prices.

53% plan use of promotional mechanics to boost sales.

PRODUCT PORTFOLIO. 70% of companies do not plan major changes to product portfolio.

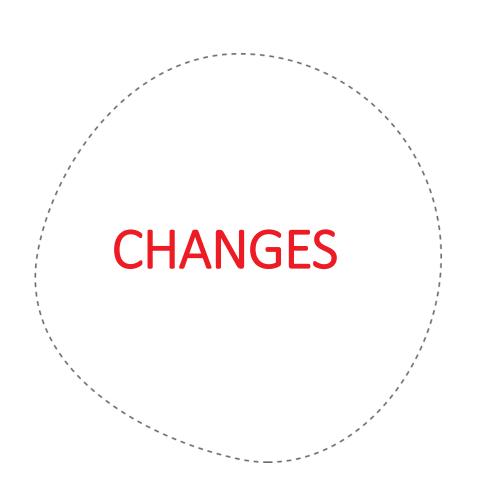
DISTRIBUTION. No abrupt change in the channels of distribution is seen, but many intend to study options for diversification of distribution channels and using mostly an online environment for distribution.

HOPES. Companies expect that the coronavirus crisis will be curbed at end-May or in early June. At this stage they say they will need **10 months on** average to bring their businesses to recovery.

COMMUNICATION (both internal & external)

Adapting communication to new realities has become top priority for businesses.

Efforts focus on communicating positivism and calm, empathy and solidarity at a higher level of universal human values.



Tangible shift from traditional channels of communication to creative messages distributed online.

Traditional TV advertising loses ground at the expense of communication on SoMe and PR.

TV

Although daily TV consumption increases + 28%

TV ad investments drop by - 30% as a result of cost cuttings

ONLINE

Significant online boost: + 250 % increase of page views of leading online news media

OUTDOOR& AMBIENT

>70% decrease in usage / budgets

OPPORTUNITIES & MARKET INSIGHTS

New niches by sectors emerge.
Sectors of new / increased significance:

- o IT and automation
- OHealth services
- Pharma & supplements
- Education
- Food organic, local

- o E-commerce gets a fresh boost
- Market expansion is now cheaper
- Launch of new brands is easier
- Repositioning becomes common >>> communication becomes essential
- Worthwhile content is highly regarded

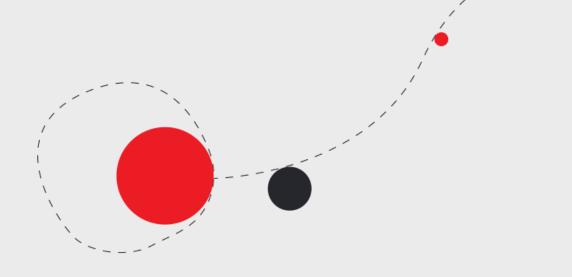
A FEW TIPS BY SECTORS:

EXPECTED CATEGORY BOOST AFTER COVID-19:

- Household / DYI
- Tech equipment
- Online banking
- Real estate purchase
- Refurbishments (both related products & professional services)

EXPECTED CATEGORY DROPDOWNS:

- Residential & Office space RENTS
- International travel
- Automotive







Your local contact:

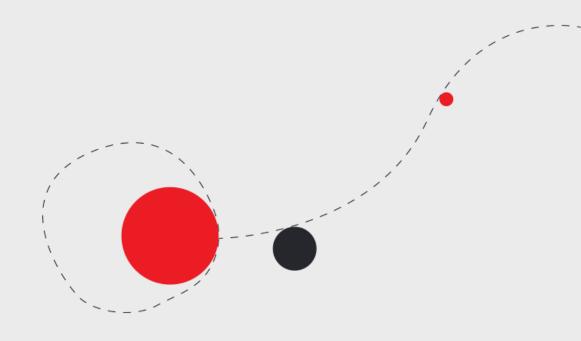
Katya Dimitrova

katya@dimitrova@interpartners.bg



CROATIA





NAME OF COUNTRY



CROATIA

WHERE DO WE START?

COUNTRY POPULATION

GDP (2019)

GDP per capita

4 mln people

EUR 56,7 BN

EUR 13,2 K

Average GDP growth of 2.92% annually

Unemployment rate 6,6%

Developing service based economy: 60% of GDP in tertiary

sector

GENERAL ECONOMIC INDICATORS

MARKET-AT-A-GLANCE

MEASURES:

Emergency declared: 5 March

Emergency expected to end: 11 May

No. of infected persons: **2187**

% fatalities less than **4%**

ECONOMIC INDICATORS dropdown in Covid19

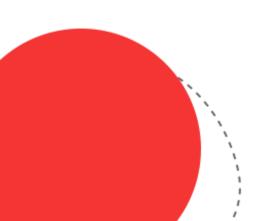
UNEMPLOYMENT app. 160 000 unemployed

FORECAST by the end of 2020 400.000

More then 50% of cash inflow generated from **five countries**: UK, Germany, Austria, Italy and Slovenia.

The largest impact on **tourism**, which makes up 20% of GDP. Decrease in tourism could amount up to \$3.2 billion.

Expected drop down in GDP 9.1-9.4%



GENERAL ECONOMIC INDICATORS

MARKET-AT-A-GLANCE

STATE & INSTITUTIONS SUPPORT MEASURES

- → 400.000 workers (100.000 companies) filed for minimum net wage of 3,250 HRK (EUR 540) given by the Government of Croatia.
- → Deferral of tax contributions on wages and part of other taxes for a period of 3 months.
- → Banks enabled moratorium on loans for six months, but with interest.
- → 5.2 billion HRK of liquidity loans with the insurance of the Croatian Bank for Reconstruction and Development (HBOR).
- → Ministry of Agriculture: online platform to help agriculture workers and fishermen. Platform enables sales of domestic products from all over Croatia and gathers 550 manufacturers.

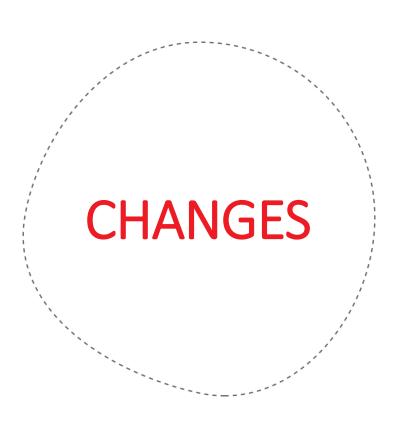
GENERAL ECONOMIC INDICATORS

MARKET-AT-A-GLANCE

NOTABLE CHANGES IN SOCIETY

- → Strong and vocal initiative of (small) entrepreneurs Glas poduzetnika new voice; made Government introduce good set of measures. HURA (advertising agency association) supported Glas poduzetnika, with Komunikacijski laboratorij providing PR support
- → Sexual harrasment scandal in Employers' Association, rendering it paralyzed
- → Public sector union refussing any financial renegotiation and strongly opposing (constructive) small entrepreneurs initiative
- → Government pushing for election and using the last phase of pandemic to appeal to right-wing and gather clerical (Catholic) support

CONSUMER BEHAVIOR:



- 75% of people in Croatia shop online (+30% in comparison to Y2019)
- Sales increase in food, cleaning and hygiene products, pet food
- Initiatives to sell domestic agriculture products via Facebook groups

BUSINESS "BEHAVIOR":



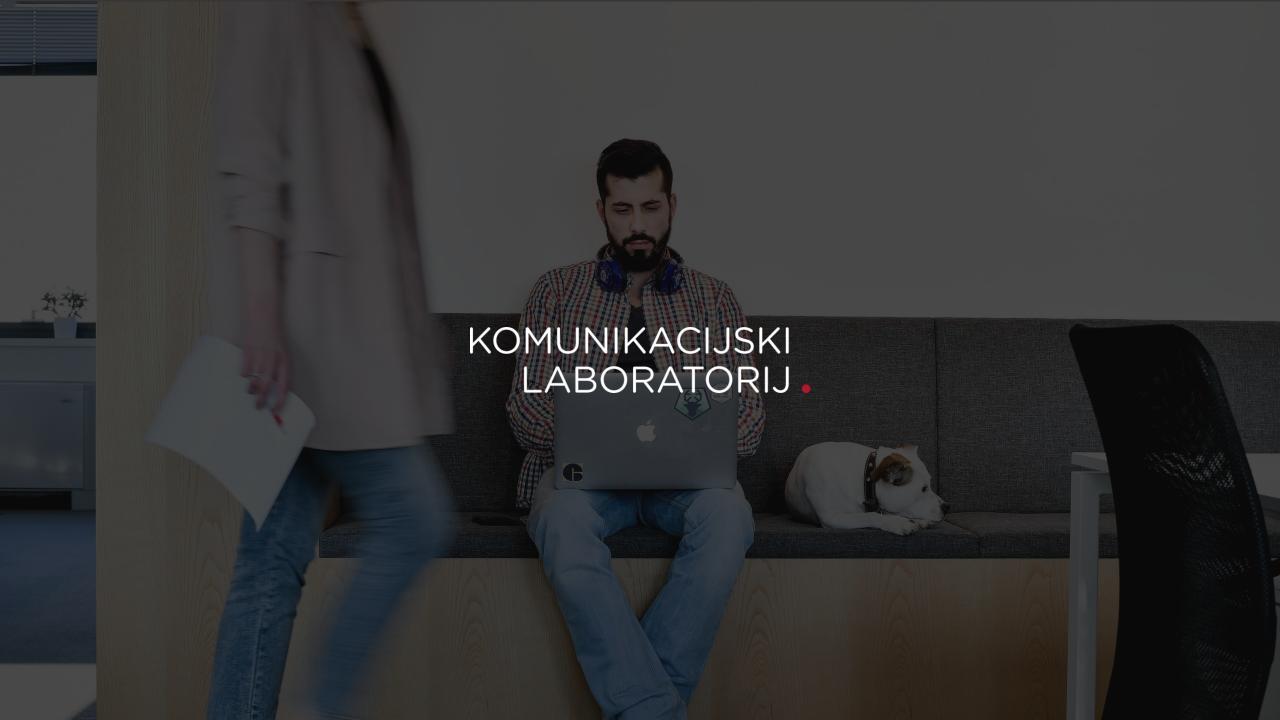
- Online sales will take 20% of traditional sale channels.
- Increase in TV viewership by 23.1%
- 70% decrease in broadcast media investment and 15-30% decrease in print media
- Tourism, the key industry (20%GDP), heavily affected
- Retail sector comms highlighting domestic, local, organic produce

OPPORTUNITIES AND TIPS

E-commerce showed a significant growth and communication took an important role in society.

Expected growth in IT, health services and pharmaceutical sector, education, food (family farms), transport and beverages.

Brands are carefuly starting to advertise, by repurposing content.







Your local contact:

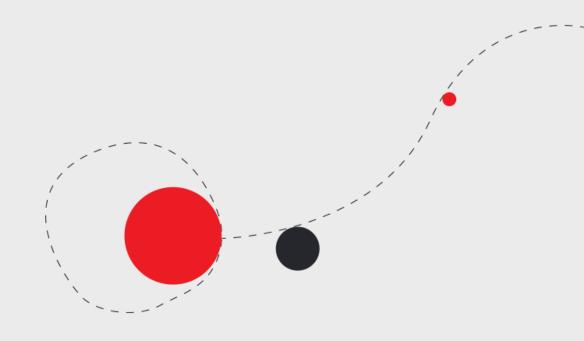
Krešimir Dominić

kresimir.dominic@komunikacijskilaboratorij.com

VVIIITTI

GREECE





NAME OF COUNTRY



GREECE

WHERE DO WE START?

COUNTRY POPULATION: 10,724,599 **GDP (2019)**: EUR 187,5 BILLION

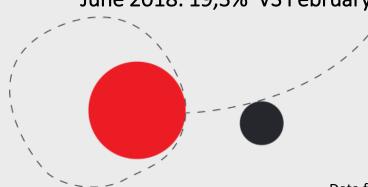
GDP per capita: 17478,5 €

The economy was growing before the pandemic...

Greece's economy entered 2020 on a relatively strong footing. **GDP growth in 2019 reached 1.5%,** only slightly below expectations.

The labour market was improving and employment grew by 2%, leading to a further decrease in the unemployment rate:

June 2018: 19,3% VS February 2020: 16,1%



COVID-19 IMPACT:

GENERAL ECONOMIC INDICATORS

MARKET-AT-A-GLANCE

COVID-19 in Greece

Total Cases: 2.726 Total Deaths: 151

Total Recovered: 1,374
Deaths/ 1m pop: 14
Total Tests: 99.363

Data until Monday 11/5

MEASURES:

1 March: Prohibition of street festivals

10 March: Close all the education institutions

14 March: Close most of the shops (except supermarkets,

pharmacies, take away)
23 March: Traffic ban

<u>4 May:</u> Gradual reopening (some shops, hair salon, etc) <u>18 May:</u> Travel with security measures will be allowed <u>1 June:</u> Restaurants & Hotels will start work again with restrictions

A sudden "stop" came with the spread of the virus:

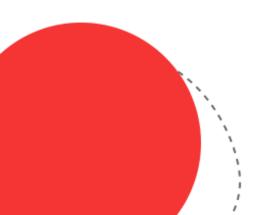
160 000 jobs could still be lost due to the crisis and the unemployment rate could rise to 20% in 2020.

Expected drop down in GDP:

2020: up to -9,7% *

2021: +7,9%

*Take under consideration that 25% of our GDP is from the tourism industry



COVID-19 IMPACT:

GENERAL ECONOMIC INDICATORS

Financial Support Measures

The size of the fiscal measures amounts to 6.9% of GDP.

The government also adopted 1.9% of GDP of measures that aim to improve the liquidity of the private corporate sector.

- Special unemployment benefits
- A waiver of social security contributions & taxes
- Refundable advance scheme for enterprises etc.
- Subsidized Loans

CONSUMER BEHAVIOR:



The main trends that will be maintained by most consumers are:

- Online Shopping
- Focus on quality
- Store food at home in case of emergency
- Avoid spending in order to have money in case of emergency.

1 in 3 consumers will maintain their behavior even after avoiding the risk of pandemic

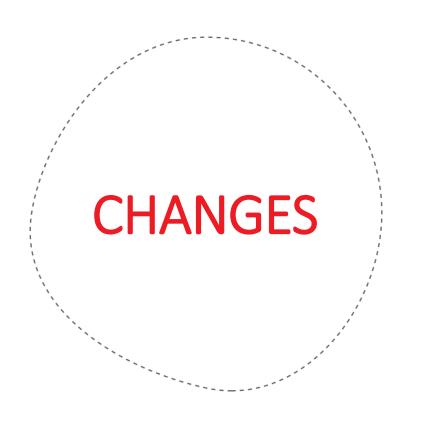
MOST AFFECTED BUSINESSES

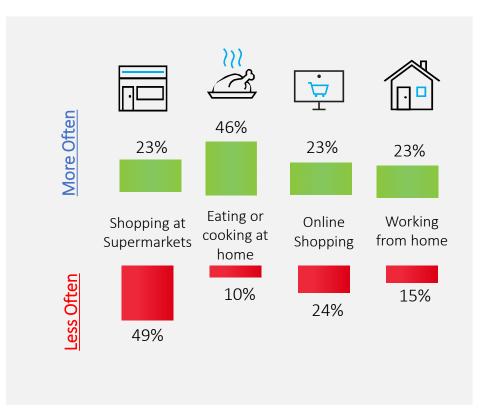
- Tourism
- Travel
- HoReCa
- Shopping malls
- Events
- Gyms & Beauty salons

MOST FAVORED BUSINESSES

- Telecommunications
- e-Commerce
- Supermarkets
- FMCG & Hygiene products
- Pharmaceuticals supplements
- Home Entertainment

CONSUMER BEHAVIOR:





Almost 1 out of 2 consumers are going to eat/cook at home more often!

1 out of 2 consumers are going to shop at Supermarkets less often!

SHIFT IN CONSUMER PSYCHOLOGY



8 of 10 Greeks are really concerned about their families.



But also, Greeks appear to be more optimistic about the over of COVID-19 pandemic.



47% believes the pandemic will be over in the next 3 months

47% believe the pandemic will be over in the next 4-12 months

6% believe that it will be needed more than a year for the pandemic to end



Pantry & Stocking



38% buy more Staples

Health & Beauty



88% wash their hands more

Alcoholic Drinks



Slowed down

Cooking & Pastry



46% cooking / eating at home more often

Household products



67% clean their house more often

Snacks



Increased the desire for snacks

BUSINESS "BEHAVIOR":

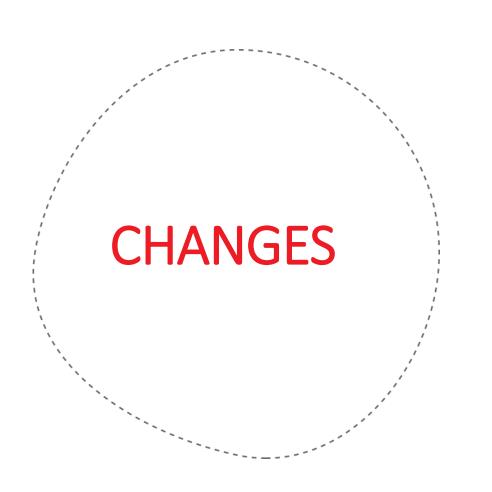


- ☐ In January 2020, the majority of businessman (74%) considered that the economic situation had improved → Three months later the 65% considered that it had worsened.
- While sales boosts have traditionally been the number one business priority, they are now in lower place.

New priorities:

- > Health and Safety is the number one priority
- > Digital transformation
- ➤ Work from home / distance
- > e-commerce and distance sales (or take away) are now top priorities.
- > Availability of the products, especially for e-commerce

THE MEDIA SCENE:



TV and SoMe were the key media during Covid outbreak.

Many brands have adapted their communication by developing in very short time new campaigns deployed mainly on TV and SoMe, some of them with charity activation.

<u>TV</u>

TV viewing surged during lockdown (+32%)

Higher Ad demand during March (+7%)

A small decline in April (-3%) despite the cost downward trend

<u>ONLINE</u>

Significant increase in dwell time:

SoMe Online Video Mobile Gaming

OUTDOOR

~90% decrease

OPPORTUNITIES & MARKET INSIGHTS

Opportunities for:

- ✓ e-Commerce & Digital Services
- ✓ Supermarkets
- ✓ Pharmacies
- ✓ FMCG Products
- ✓ Take away retailers
- ✓ Courier services

Moreover, is a big opportunity for construction companies in order to make investments in tourism, that will start working after 1-2 years (hopefully without covid-19). A boost for the real estates!

An opportunity to:

- Re-evaluate the communication that your company use and renew it (if needed)
- Re-evaluate and improve (if needed) your health & safety policy. Engage your employees to it
- Improve and/or focus more on your digital services and community management

A FEW TIPS BY SECTORS:

- **Do <u>not</u> stay silent!** Most of the consumers in almost all markets want brands to continue advertising
- > Be careful what you tell. Be in line with security measures, show that you care!
- > Adjust your **messages & your communication** material in a holistic approach
- ➤ Be ready for the "New Normal". New daily routines & new habits have occurred be ready to adjust your services and you'll win!





Your local contact:

Daniel Fokas

danielf@whitead.gr



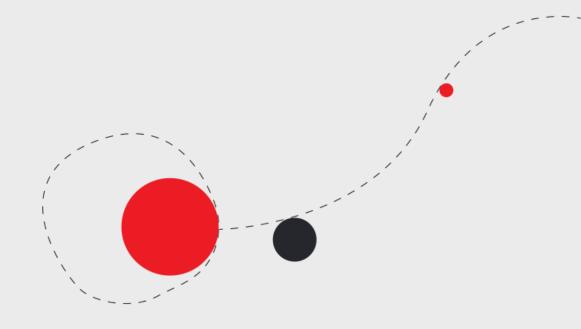
REPUBLIC OF NORTH :::MACEDONIA

NORTH MACEDONIA



COUNTRY POPULATION GDP (2019) GDP per capita 2.1 mln people EUR 11.34 bn EUR EUR 5.5K

GDP growth in 2019 3.6%



MARKET IN COVID-19

GENERAL ECONOMIC INDICATORS

MEASURES:

Emergency declared: 18 March

Emergency expected to end: 16 May

No. of infected persons: 1.622

% fatalities less than **4.4%**

ECONOMIC INDICATORS dropdown in Covid19

UNEMPLOYMENT app. 9.000 unemployed / for 2 months

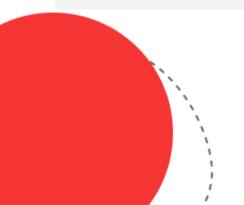
FORECAST by the end of 2020 18.1% (currently 17.3%)

Forecasts for GDP for 2020 -3.9%

Gross investments dropdown -10%

Export dropdown -17%

Personal consumption -4%

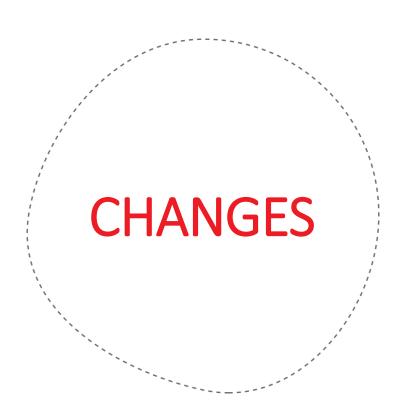


MARKET IN COVID-19

GENERAL ECONOMIC INDICATORS

- 85% of the companies have reduced incomes, but only 10% of them plan layoffs
- Government is supporting the affected sectors with cca EUR 235 EUR per employee for April and May 2020 with an obligation to retain same number of employees until September 2020
- Government postponed loan payments for a period of 6 months, plus reprogramming, grace period and more favorable interest rates for the companies with revenue decrease.
- Interest-free loans for companies from the Development Bank of North Macedonia: total
 8 million EUR
- Cheap loans from the Development Bank of North Macedonia: total 50 million EUR

CONSUMER BEHAVIOR:



SHOPPING

26.4% increase in payments via PC and 45.5% mobile payments

INCREASE IN:

Telecom/IT: +2.6%

Food: +9.1%

Food delivery

Pharma

Household cleaning

DIY/ Gardening

DECREASE IN:

Non-food retail: -12.7%

Cars: -27.5%

Fuel: -28.3%

HoReCa

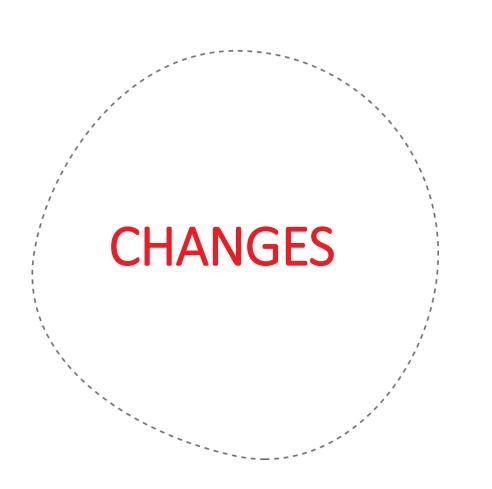
Travel

BUSINESS "BEHAVIOR":



- More than 85% of companies mark negative impact from the crisis. Sales revenues drop by an average of 43%.
- 71% of the companies do not plan to shut their businesses
- 80% of the companies have stopped/paused their marketing activities, and some have focused on internal communication.
- Businesses adapted their online presence and delivery options (restaurants, clothing, toys, home decor)

THE MEDIA SCENE:



Overall decrease in the investment in all media channels.

Shift to online, although with way lower investments than before the crisis.

TV

Viewership and Ratings increase + 20% TV ad investments drop by - 55%

*Special deals for socially responsible ads

ONLINE

Estimated 40% decrease in investment, despite the record-breaking visits of the local web sites.

SoMe

OUTDOOR & PRINT & RADIO

80% decrease in budgets

OPPORTUNITIES AND TIPS

Use this opportunity for enhanced digital transformation. Use the digital tools and technology

Emphasize on online promotions and all contactless activities

The safety of your employees and clients comes first. Be empathic to your clients and the community, show your human side

Long term relevance of the brand becomes more important than the short-term sales.

Strengthen your online presence and build your community

Adapt to the new media context.

OPPORTUNITIES AND TIPS

SECTORS OF NEW/INCREASED SIGNIFICANCE

- IT and innovations
- Healthy food
- Health services
- Pharmacies
- Online education & trainings
- Delivery services
- E-commerce. Lots of businesses started their own web-shops. Others who had web shops as additional options, now focused all of their sales online since the offline shops were closed.





Your local contact:

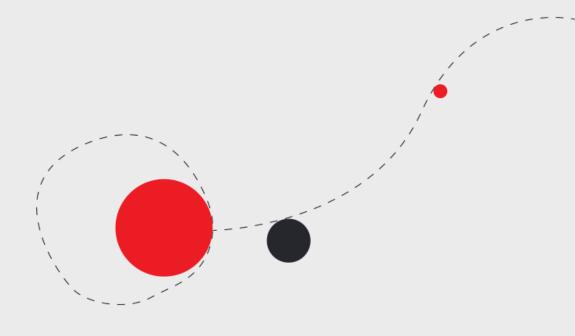
Jelena Ivanovic

<u>ivanovic@newmoment.mk</u>



ROMANIA







ROMANIA

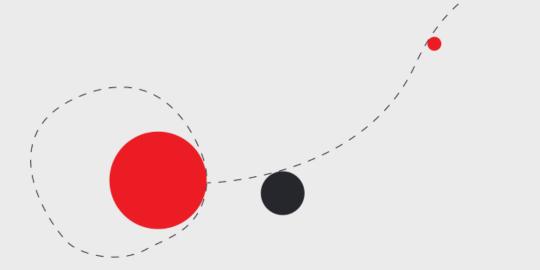
COUNTRY POPULATION: 19,4 million

GDP (2019):

GDP/ capita:

223 bln. EURO

11.5K EURO



MARKET IN COVID-19

GENERAL ECONOMIC INDICATORS

- GDP annually growth 3.8% until Feb 2020
- Unemployment rate 3.9% until Feb 2020
- State of emergency 15th Mar 15th May

Public deficit in Romania:

- -1.67% of GDP in Q1 2020
- - 8% of GDP for 2020 (Fitch rating)

Economy evolution (IMF forecasts)

- -5% of GDP in 2020
- + 3.9% of GDP in 2021

MARKET IN COVID-19

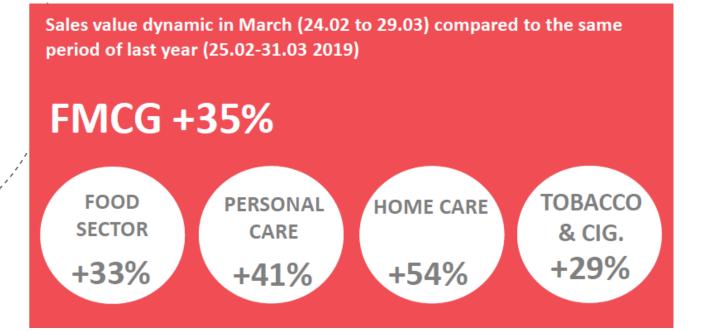
GENERAL ECONOMIC INDICATORS

- > 1 million people in technical unemployment paid by the Government
- 30% of all Romanian employees affected by the crisis; except for public sector
- ~ 300,000 people unemployed in the past 2 months
- Unemployment rate ~10% until end of 2020 and ~6% in 2021 (IMF forecast)
- IMMInvest Program for SME financial loans with 90% guarantees from the State
- Postponed credit rates for 9 months for both companies and individuals
- Extended deadline for local taxes & fees until 30 June for both companies and individuals
- Special financial support measures for branches like hospitality and sport clubs

CONSUMER BEHAVIOR:

- 74% percentage are concerned about the pandemic situation
- 59% feel uncertainty and fear for their own job
- Only basic need expenditure increased:

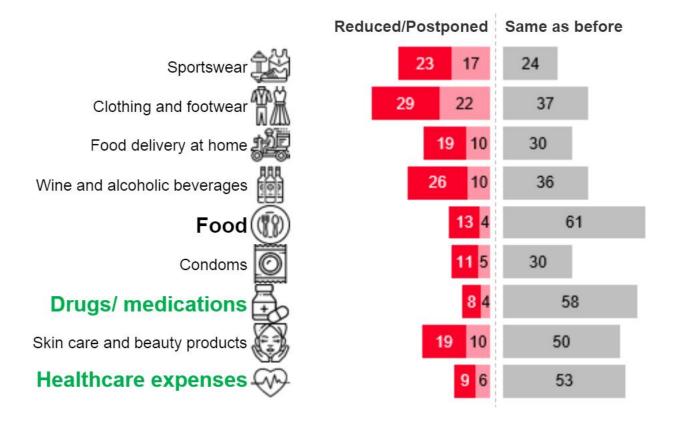
CHANGES



Impact of The Epidemic on Expenditure:

Romania

increasing only basic needs costs



Increased	Don't know/ Doesn't apply	Net change (increase – decrease)
1	36	-38
2	11	-49
8	34	-21
2	27	-34
17	4	-1
4	50	-13
21	9	+9
5	15	-24
20	12	+4
7.0	1000	



Impact of The Epidemic on Expenditure:



Net change

(increase - decrease)

-39

-44

-36

-38

+12

-30

-24

-23

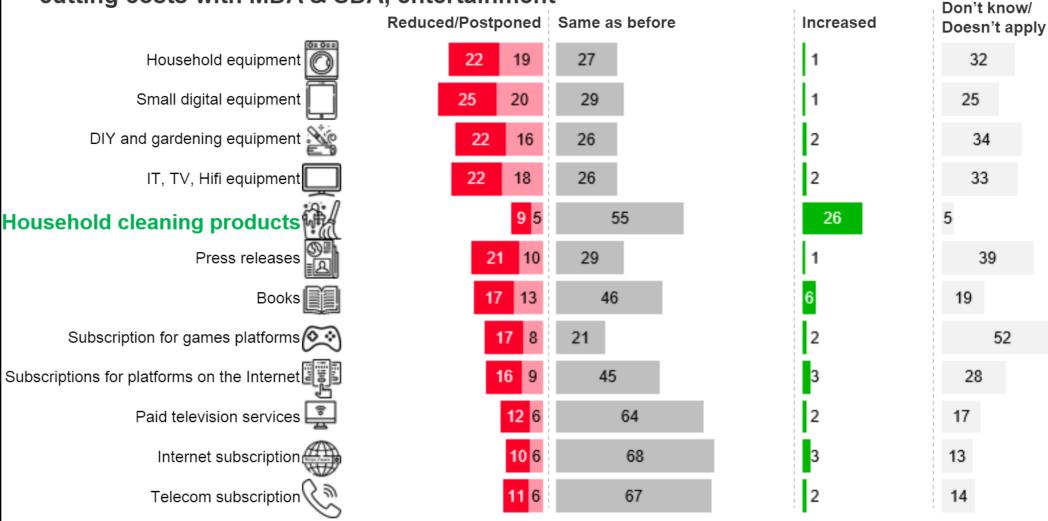
-22

-17

-13

-16

cleaning products sales boosted cutting costs with MDA & SDA, entertainment





CONSUMER BEHAVIOF

- E-commerce +30%
- Looking for safety and long term prevention
- Remote work, education & entertainment
- Discover cooking /Chef-ing
- Lack nature & outdoor activities

sport & fitness at home health & well-being habits healthy diet

CHANGES

MEDIA CONSUMPTION

Increased:

- TV (400k additional TV viewers)
- online SVOD, social media, video, gaming, podcast

Maintained:

Radio

Decreased:

- OOH
- Print
- cinema (most dramatic)

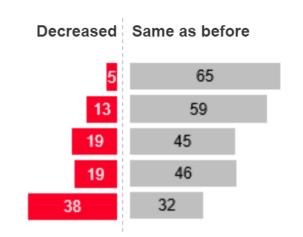
immunity boost

Changes in Media Consumption



(versus last month)

TV (traditional/offline)		
Radio (offline)		
Newspaper (offline) 🎇		
Magazines (offline) 🕎		
Cinema 🛞		



Increased	Net increase (increase – decrease)
27	+22
13	+1
6	-13
6	-13
5	-34

Social Media Usage

Romania

before information & business continuity, people seek connection continuity





Crisis effects on economic areas:

LATEST TRENDS

Decrease:

- non-food retail
- events
- hospitality (-70%) & travel
- transport/ ridesharing
- constructions
- automotive
- luxury
- small businesses

Increase:

- food
- food delivery
- pharma
- home care (cleaning, sanitizers)
- online banking
- e-commerce (+30%)

General threats: supply chain problems, potential price increases and increased financial blockage

LATEST TRENDS After the state emergency debuted (mid Mar 2020):

- 37% of the companies reduced their activities
- 23% were closed
- 40% of the companies continued their activity in usual terms
- 69% less new registered companies vs. same period 2019

LATEST TRENDS Businesses adapted to the new conditions:

- More businesses switched to online presence
- Restaurants/ pubs/ cafe oriented to take away/ delivery/ vouchers
- Event organizers with catering capabilities turned into food on-line delivery shops
- Airlines offered refund/ re-schedule program
- Online clothing shops offering free delivery & extended free returns
- Car sharing services transformed into delivery resource for online retailers
- Hospitality supporting health care workers & other government workers

Advertising budgets dropped down by 30% in lockdown period:

CHANGES

• TV	-30%
• Radio	-32%
• Online	-14%

In terms of media buying:

- TV stations reduce seasonal coefficients on prices
- Radio stations reduce Rate Cards
- Special discounts on OOH

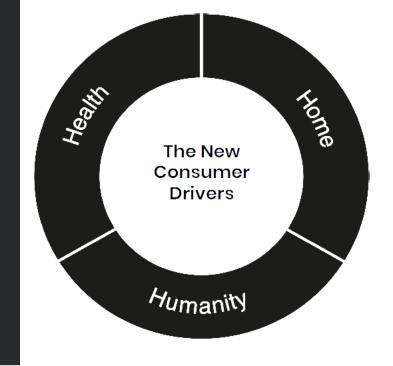
BUSINESS WISE:

- Digitization of services and innovation the difference between profit and loss
- Expenses monitoring, optimizing debt collection and payment terms.
- Outsource non-core processes, including part of the staff
- Avoid expenses not related to the essence of the business
- Reinvestment of profits
- Release of money from non-core business assets

COMMUNICATION WISE:

- Don't go in the dark and adapt to challenge
- Optimize online experience to create desire
- Embrace human centric approach people ahead profit

Every brand to embrace the new consumers drivers
health, home and humanity to help both people and
businesses thrive in a tough time and beyond

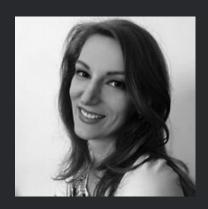


Source: Rethinking 2020, Wearepi

COMMUNICATION WISE:

- Focus on most on-demand products to support short terms sales
- Adjust the media mix to the changes in this period
- Communicate the safety measures taken during the crisis to enhance trust
- Adapt your creative message to show empathy and support
- Show the brand is present and updated
- Inspire positivity
- Focus on building online community





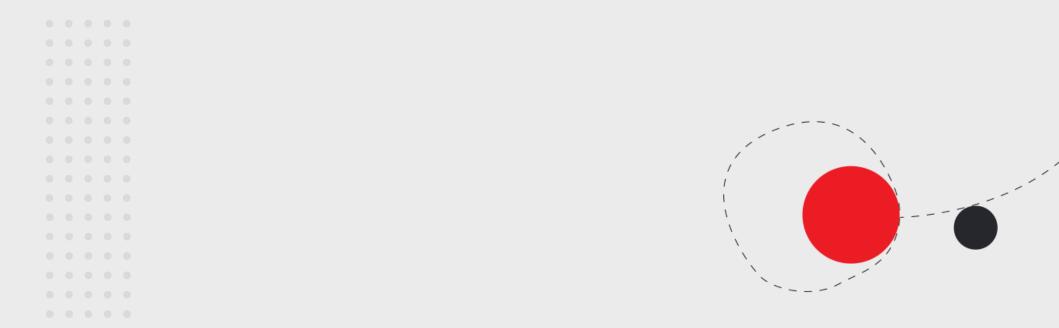
Your local contact:

Mihaela Paduraru

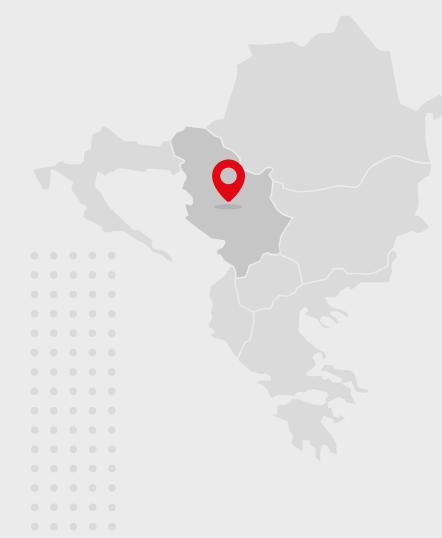
mihaela.paduraru@mediaconceptstore.ro

DOMINOCOMMUNICATIONS®

SERBIA



NAME OF COUNTRY



SERBIA

IN NUMBERS

COUNTRY POPULATION GDP (2019) GDP per capita

7 mln people EUR 45.9 bn USD 7.2 K

*till end of 02/2020 the country's GDP was growing with an average of 4.2% annually Unemployment rate 9.7%

MARKET IN COVID-19

GENERAL ECONOMIC INDICATORS

COVID-19 RADAR

- State of emergency declared on March 15th
- Ended on May the 6th
- Total number of infected people: almost 10.000
- Fatalities: around 2%
- By middle of May many aspects of everyday life are starting to return to "normal".

ECONOMIC INDICATORS

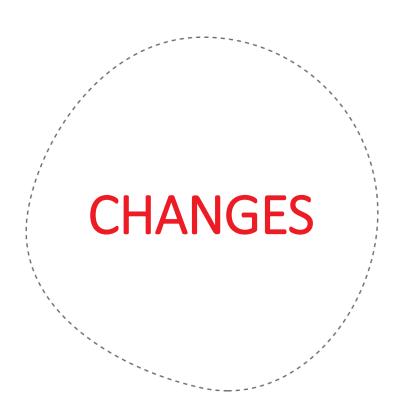
- Unemployment: Officially, around **6.000** people lost their jobs. Syndicates claim that the number is closer to **50.000**.
- IMF predicts GDP fall of 3%, followed by growth of 7.5% in 2021.
- Serbia will be the country least affected by COVID crisis in Central and Eastern Europe, as its economy is expected to contract by just about **2.1%** in 2020.

MARKET IN COVID-19

GENERAL ECONOMIC INDICATORS

STATE MEASURES

- Around 5bn EUR to aid economy.
- Four groups of measures:
- I. Tax policy measures deferral of tax payment with obligation of repayment of deferred taxes in instalments, not earlier than beginning of fiscal year 2021;
- II. Measures of direct financial aid to private sector direct payments and aid to the business entities and entrepreneurs with a goal of continuity of salary payments;
- III. Liquidity measures in private sector financing loans and guarantee scheme which will be provided with a goal of liquidity improvement during and after the state of emergency;
- IV. Other measures stimulation of domestic demand and perseverance of liquidity of business entities including direct aid to citizens 18+ and moratorium on dividend payments except for state owned companies.



- Purchases, media and other habits shifted in just a few weeks.
- Safe to say these changes are here to stay. Get to know your new-old consumer.
- Anxiety and uncertainty shifting rational decision making when purchasing to emotional.
- It is time to cherish those emotional components of our brands!
- Creativity, empathy and virtuous storytelling as an imperative.





Increase in online shopping



65% of all purchases are being done in hyper and supermarkets



Dropdown of purchases on **green markets** and **small neighborhood stores**



Less time in stores to browse and decide



Spenditure per household increased for 20%

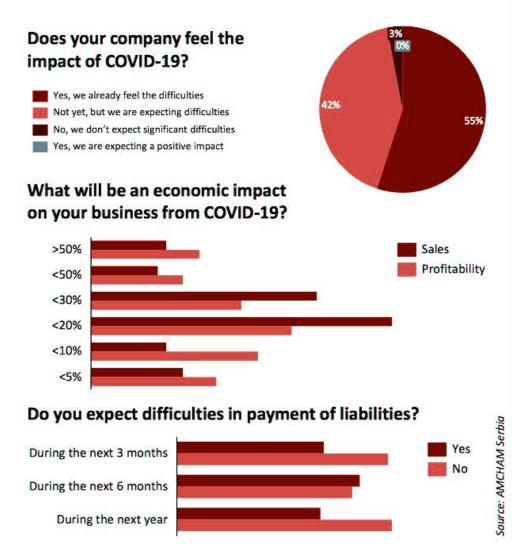


Older households (55+) and those with lower income were **stocking up** more



- While some categories were reaching increase of 700% in sales compared to 2019, sales of others has dropped two times
- Growth in purchase of **PL products**
- Decrease of purchase of products on promotion





MORE THAN 90% OF THE COMPANIES ARE EATHER ALREADY EXPERIENCING DIFFICULTIES OR EXPECTING THEM.

- Recovery is not expected sooner than Q4.
- Biggest challenge is uncertainty of what awaits in second half of 2020.

MOST AFFECTED INDUSTRIES/SECTORS:

HoReCa



Travel and tourism



Fitness



Luxury



RE – Office rental /Shopping malls



Art

LEAST AFFECTED INDUSTRIES/SECTORS:



FMCG



Pharmaceutical - disinfectants



Telecommunications



Delivery



Small household appliances



Small business (beauty salons, hairdressers...)

CHANGES

HALF OF HUMANITY WAS AT HOME - OUTSTANDING AUDIENCE FOR SOME MEDIA CHANNELS!

OPPORTUNITY PASSED OR GRABED?!

- Good reaction to adequate advertisements.

 Hearing/seeing them gives the feeling of normality.
- 78% of consumers expect from a company to take good care of their employees. 77% of them expect that the company will adapt their communication in accordance with the current situation. 70% expect positive and encouraging tone in commercials. Just 8% expect companies to drop down advertising.

CHANGES

40% DROPDOWN IN TV ADVERTISING

COMPARED TO THE SAME TIME IN 2019.

TV, Print, OOH



During acute crises people were spending extra 2 hours in front of their TV players, resulting in an increase of 20% compared to same time last year.



Lockdown contributed to **significant drop** in **OOH and print** as well, especially daily papers, since their buyers are mainly 65+.



Radio also had a dropdown due to home-office policy, since its major consumption is in transportation to and from office.



Most followed content were **news** and **entertaining and humorous stories/videos/shows**. After first few weeks, interest was more and more shifting from informative to more entertaining content.



LIVE STREAMING —
BIGGEST GLOBAL AND
LOCAL DIGITAL TREND
WITH BEST
ENGAGEMENT!

Digital

- Compared to same time in 2019, consumption of web increased for 30%.
- Again informative and entertaining content were mostly browsed.
- In times of social distancing, the significance of social media became even stronger. For advertisers it was the place to be!
- Live streaming and tik tok challenge as biggest global trends, were highly present in Serbia as well.
- 76% state that they will **continue increased online activity, after the crisis as well** (news, entertainment, even e-books).

- To expect life to go back to how it was in 2019 would be wrong.
- Each company will face its own battlefield for survival.
 Just like with COVID-19 some casualties are expected in those industries hit hard by the crisis.
- Survival of the fittest and those that are fast to adapt to new normal.
- We cannot stop advertising is vital for state economy!
 It is the engine that drives sales, demand, production and supply.
- If we sit in a dark waiting too long, we risk to stay forgotten in minds of our consumers.

0

2020 BUSINESS MUSTS:

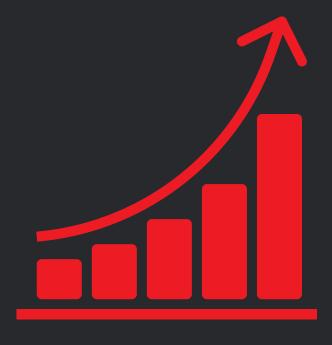
Flexibility – both in business strategies and budgets.

Digitalization – if not done by now, it is high time.

Optimization – in all aspects affected by crisis.

Focus – to the needs of their consumers, that have changed.

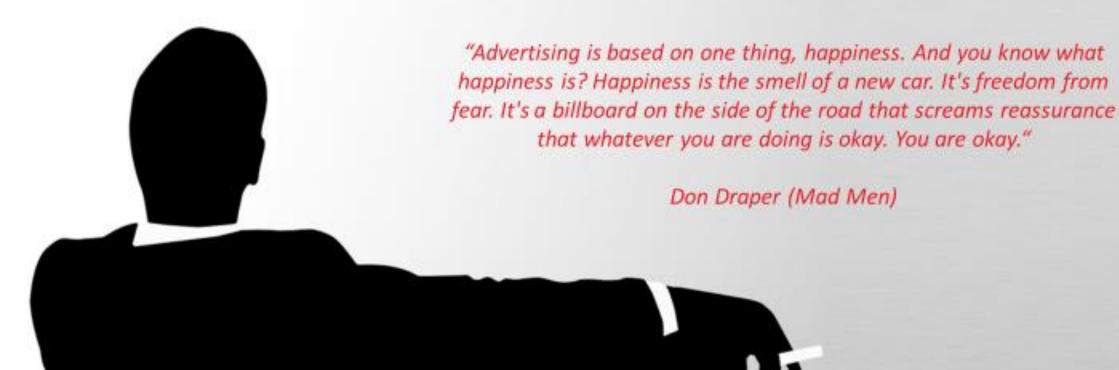
- If we learnt something from crises (1973, 1991, 2002/3 and 2008) it is that those that stop marketing activities are left behind those who believe in advertising and use it wisely.
- "When times are good one should advertise and when they are bad, one has to."
- In an atmosphere of uncertainty people gravitate towards something that is familiar and gives the comfort and sense of familiarity. Brands who understand their consumers know how to address this.



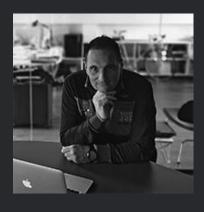
POTENTIAL FOR LOCAL PRODUCTION TO GRAB A BIGGER PIECE IN MARKET AND MARKETING SHARE!

UNITIES AND TIPS

In times like these in advertising it is our job to get to know what is new normal to our consumers and stay focused on their needs. To show them that we are in this together, to show empathy and do our best to try to offer some much needed happiness.







Your local contact:

Dragan Fras

dragan.f@domino.rs



SEEnthesis is a strategic alliance of 7 leading MarCom agencies across the Balkans.

We provide in-depth local expertise, combined with multimarket campaigns on markets with similar behavior, yet with many specifics

COUNT ON US FOR:

- ➤ Regular update on market DATA, OPPORTUNITIES FOR PENETRATION, TRENDS
- ➤ Providing a SINGLE POINT OF CONTACT (lead agency) for business consultancy & campaigns in entire region
- ➤ INTEGRITY / STRATEGY & IDEAS: SEEnthesis partners using tools for the same client within the network, free of additional charge, with only adaptation costs
- ➤ Market insights DIRECT FROM SOURCE: Clients choose to book brainstorming time from selected experts from various countries



