Coronavirus is shaking up business and consumer behavior on a massive scale. Both the public and private sectors are scrambling to slow the spread of the illness and contain
COVID-19 infections. While the full economic consequences of this black swan event are still unclear, we know that the effects that the virus—and the drastic measures being taken to contain it—are already precipitating change across industries. Here are the top three ways Business Insider Intelligence and eMarketer analysts think the pandemic is set to impact telecoms and technology, digital media, payments and commerce, fintech, banking, and healthcare.

eMarketer and Business Insider Intelligence have joined forces to become the leading research company focused on digital transformation. As we come together, we will feature relevant BII content on eMarketer.com. This feature can also be found on BII's site.

Telecoms and Technology
1. The clearest and most immediate business impact of the coronavirus pandemic has been a major disruption to supply chains. Having originated in China, the region was hit hard as a large number of citizens contracted the disease and many were forced into quarantine. This led to partial and full shutdowns of plants and factories, some of which were being used by prominent technology companies to manufacture their goods and products. For example, Apple experienced shortages on its iPhone supply as a result of the company's primary manufacturer, Foxconn, shutting down much of its production in China. Ultimately for Apple, this will lead to a significantly reduced forecast in iPhone shipments through Q1—by as much as 10%, according to estimates by Apple analyst Ming-Chi Kuo cited by MacRumors. And while companies often have contingency plans, which revolve around ramping up production in a region that isn't impacted, the rapid spread of the coronavirus across the globe makes it very difficult to pinpoint which regions would be least affected. Even then, the momentum and resources of the Chinese economy will not be easily replicated—"Made in China" initiatives have seen the government invest billions in advanced manufacturing sectors, including telecommunications equipment and semiconductors.

2. The spread of the coronavirus has caused several of the most important tech conferences to be canceled, likely resulting in numerous missed partnership opportunities. Most notably, Mobile World Congress (MWC), which was set to take place February 24-27 in Barcelona, was canceled due to concerns over the virus. MWC is a cornerstone event in the connectivity industry, as it brings together the most important companies in the space to network, share innovations and forge new business partnerships. Several companies rescheduled
the events they had planned for MWC, but the continued presence of
the coronavirus led others to cancel them entirely. Beyond MWC,
Facebook canceled its F8 developer conference and Global Marketing
Summit; Google shifted its Google Cloud Next event to online only; and
IBM likewise had to livestream its developer's conference, which last
year hosted over 30,000 attendees. Altogether, the cancellation of
major tech events has incurred over $1 billion in direct economic
losses, according to estimates from PredictHQ cited by Recode.

Online alternatives have helped limit the fallout from canceled
conferences, but tech industries will likely still suffer a period of
stifled innovation due to forgone in-person business
opportunities. Conference attendees do not have the same
opportunities to network via live streaming as they do attending in-
person events. It would be harder for marketers to casually share best
practices over the live streamed Facebook Global Marketing Summit,
for instance, than it would be if the event actually took place. Though it
is difficult to quantify the value of these chance encounters or informal
network sessions, the effects will undoubtedly be felt throughout the
impacted industries.

3. The growing need for remote interactions amid the coronavirus
pandemic has highlighted a need for 5G technology, potentially
accelerating adoption in the long term. 5G’s lightning-fast speeds,
near-instantaneous communications and increased connection density
make it primed for remote interactions, which has become top of mind
for many organizations and enterprises as caution mounts over the
spread of the virus. Two key areas—telehealth and teleconferencing—
are becoming critical for enterprise operations amid the pandemic,
we think that increased dependence on these areas will help strengthen the appeal of 5G:

**Telehealth:** The technical superiority of the new standard empowers physicians to diagnose, treat and operate on patients without the need to be physically near them. We've already seen such use cases for 5G to combat coronavirus in China: In January, telecoms ZTE and China Telecom designed a 5G-powered system that enables remote consultations and diagnoses of the virus by connecting physicians at West China Hospital to 27 hospitals treating infected patients. Given the ability of 5G to expand the reach of expertise and services offered by hospitals in this time of increased need, we expect more hospitals will look to tap into 5G to take advantage of the benefits offered by the new standard.

**Teleconferencing:** Many employers have increased their reliance on enterprise teleconferencing tools—such as Microsoft Teams, Google Hangouts and Zoom—as their employees switch to remote work due to public health concerns. We expect that employers' dependence on such tools during the coronavirus pandemic will strengthen the case for 5G connectivity in the home—and in the office as enterprises recognize the value that teleconferencing tools offer. That's because a 5G connection will be able to provide real-time and uninterrupted communication that's not possible with most wired connections today.
1. Global media ad spending is likely to take a hit due to the coronavirus, according to newly revised eMarketer estimates, but for now nearly all of the related slowdown is attributable to China alone. In 2020, eMarketer expects total media ad spending worldwide will reach $691.70 billion, up by 7% from 2019, per its updated forecast. That's a decrease from eMarketer's previous forecast, which estimated worldwide ad spending would rise by 7.4% to $712.02 billion this year. eMarketer's new forecasts were completed on March 6, 2020, and represent a full-year outlook.

Here's a closer look at how eMarketer expects coronavirus to affect ad spending in China, the world's second-largest ad market:
Beyond China, the pandemic's impact on ad spending remains less clear—here's a rundown of other potential consequences that could further dampen worldwide ad spending:

**Total ad spending.** eMarketer now expects total media ad spending in China to reach $113.70 billion in 2020, down from the previous estimate of $121.13 billion.

**Growth in total ad spending.** eMarketer has downgraded China's 2020 ad spending growth rate to 8.4% from 10.5%, due to a reduction in spend across all media formats, including digital.

**Growth in digital ad spending.** eMarketer now expects digital ad spending in China to grow by 13% in 2020, compared with a previous estimate of 15.2%. While digital media consumption in China is increasing as consumers spend more time at home, some advertisers are pulling back spend over concerns that supply chain shocks might keep them from getting products to market.

**Beyond China, the pandemic's impact on ad spending remains less clear**—here's a rundown of other potential consequences that could further dampen worldwide ad spending:

**Companies with supply chains dependent on China might begin to reduce their ad spend as a way to mitigate economic losses.** Already, there is evidence to suggest a slowdown in Amazon ad spending, particularly among smaller third-party sellers that already have tighter cash flow. It's possible that this trend could extend to the other digital platforms if problems continue.

**Out-of-home (OOH) ad spending could see a negative impact due to social distancing and isolation measures.** Consumers in countries with significant numbers of coronavirus cases are already avoiding large public places and gatherings, and that may eventually impact advertisers' willingness to advertise in public spaces as well.
Additional event cancellations could cause advertisers to miss out on typically reliable, high-profile opportunities, which may not have appealing substitutes within the year. A significant number of cultural and industry events have been canceled or postponed over the past few weeks, ranging from Facebook's F8 developer conference to the NBA season. And just yesterday, the NCAA canceled its annual March Madness tournament, which was estimated to have generated $655.1 million in ad revenues last year, per Standard Media Index estimates cited by Ad Age. Still, the possibility of an even higher-profile cancellation looms: If the Summer Olympic Games in Tokyo are postponed or canceled, that would cause a meaningful reduction in worldwide ad spending. To be clear, eMarketer's revised forecast assumes that the Olympics will still take place in June 2020 and do not account for the March Madness cancellation.

2. The spread of coronavirus is likely to boost digital media consumption across the board as people spend more time at home and communicate in person less. In the US, where the effects of the virus are still relatively new, we expect digital media consumption to increase across social media, over-the-top video and online gaming—similar to what we've already seen in China.

   Social networks could be a major beneficiary, as people turn to these platforms to connect with friends and family who may be at a distance or to access news content. Beyond encouraging more virtual conversation between family and friends, the fast-changing nature of the coronavirus could translate to more users tracking real-time news updates via social media. Despite the concerns they may have about tech companies' ability to act as a reliable information source, more than half (55%) of US adults got news from social media often or sometimes in 2019, up from 47% in 2018, per Pew Research Center. For context, in
November 2019, eMarketer estimated that US adults ages 18 and older would spend 54.56 minutes per day on social networks in 2020.

**Streaming video services are also likely to benefit as people seek out more entertainment or news content.** The biggest bumps in usage and time spent are likely to go to dominant SVODs, like Netflix, Hulu and Amazon Prime Video, and could even drive some subscriber additions. Ad-supported VOD services like Roku Channel and Pluto TV could also see sizable lifts in usage and streaming hours, as these services can lend themselves to more lean-back viewing and feature some live national and local news programming options that aren't available on most SVOD services.

**Media platforms popular among young people could see a boost as kids and teens spend more time indoors, and in particular if school closures spread further.** A few examples: family-friendly SVOD like Disney+; social platforms favored among young people like TikTok and YouTube; community-based live streaming platforms like Twitch; and interactive platforms like Fortnite, where young people go to hang out and explore virtual worlds.
3. Coronavirus-driven event cancellations will spur marketers to explore digital alternatives and more event-like content promotion. The loss of notable industry events like Mobile World Congress, Facebook's F8 and the Adobe Summit can have significant costs to both conference hosts and the attendees—53% of US B2B marketers consider in-person events an effective channel for driving conversion, according to a January 2020 survey from Demand Gen Report. Whether its client and customer meetings, dinners or informal gatherings, the lack of personal touchpoints this year will likely have a significant impact on sales rates and lead generation, something eMarketer principal analyst Jillian Ryan pointed out here.

Marketers will have to get creative to find opportunities to deliver personal experiences to clients and customers from a distance—here are two ways they're approaching it:

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**Average US Time Spent Per Day With Social Networks**

<table>
<thead>
<tr>
<th>Year</th>
<th>Time spent (in minutes)</th>
<th>% change YoY</th>
</tr>
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</tr>
<tr>
<td>2015</td>
<td>48.14</td>
<td>12.3%</td>
</tr>
<tr>
<td>2016</td>
<td>57.88</td>
<td>12.4%</td>
</tr>
<tr>
<td>2017</td>
<td>52.95</td>
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<td>53.6</td>
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<tr>
<td>2019</td>
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</tr>
<tr>
<td>2020</td>
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<td>1.8%</td>
</tr>
</tbody>
</table>

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**eMarketer Podcast Series: Behind the Numbers**

Discussions about the ways that digital is transforming media, marketing, business and even life. Each episode features conversations with eMarketer forecasters and analysts about the stories “behind the numbers” of digital.

Listen in!
Marketers are exploring the potential of virtual events. Even outside of the current context, digital conferences have some advantages over in-person events—they're easily scalable, and the hosts can have greater control over the proceedings. And early evidence suggests consumers and clients are willing to attend less high-profile virtual events: Virtual exhibition platform V-Ex reported that over 50,000 people have recently visited its online digital trade shows and sales environments. Over the next few months, Adobe, Facebook, Google and YouTube will all host virtual versions of their popular conferences, which should give us a better sense of the format's potential as a replacement.

Marketers are distributing content in a format that is more event-like. The core component of events for most marketers is the distribution of some form of content, whether it's information about new products, a new business strategy or a chance to build thought leadership. The wave of event cancellations is leading some marketers to reevaluate how they currently distribute digital content and consider emulating the personalized experiences provided by live events. To that end, Randy Frisch, CMO of content marketing platform Uberflip, told Business Insider Intelligence that a key aspect of such strategies is "maintaining personalization over the entire course of the buyer journey as a potential client moves through a company's content." The trend could also place more emphasis on account-based marketing strategies, where marketers tailor content campaigns to smaller sets of target accounts, as opposed to the more organic approach typically relied upon for in-person settings.

Payments

1. Cashless payment adoption and usage could tick up worldwide. In response to the outbreak, the World Health Organization (WHO) is
recommending that consumers pay contactlessly rather than with cash, if possible, as a means of limiting the virus' spread through microorganisms on cash. Some countries are taking this a step further: South Korea, for example, is quarantining all cash received at the central bank for two weeks before disinfecting it and putting it back into circulation, and China is undertaking similar efforts. Measures to restrict cash, combined with mounting concern that might push consumers to heed the WHO's advice, could boost noncash payments, which we already expect to grow at a 10.5% CAGR from 2019 to 2024—particularly if similar measures are implemented in markets with heavier cash usage than in China and South Korea. This type of increased usage could speed up the adoption curve for these payments by attracting customers who would have otherwise continued using cash.
2. Ecommerce is likely to grow as consumers eschew physical stores and crowded gathering places—but this could create logistical challenges. Over a quarter (28%) of US internet users are already avoiding public areas or travel, and 58% plan to if the situation worsens—and it already has since this survey was conducted—per Coresight Research data. This avoidance is trickling down into shopping: Three-quarters (74.6%) of US internet users said they'd be likely to avoid shopping centers and malls if the coronavirus outbreak in the country worsens, and over half would avoid shops in general. A decline in brick-and-mortar retail, which comprises over 85% of US retail sales, could shift day-to-day shopping to digital channels, like Amazon or other e-tailers, and boost sales—effects already seen by providers like RedMart in Singapore, per CNBC. Further, it could bolster use of omnichannel commerce, like buy online, pick up in-store (BOPUS), for customers who want to shop in-store but avoid crowds. Such a surge in demand for e-tail could overwhelm logistics providers and workers, which might require ecommerce companies to revisit their strategies for order fulfillment and delivery, including potentially slowing down fast-shipping strategies, in order to keep up with surging demand and keep workers safe. It's worth noting that changes in online shopping habits may be particularly prevalent among older customers—the group most susceptible to the coronavirus and most likely to avoid stores because of it, but least likely to shop online. A shift toward online shopping among this population could provide a short-term
boost for sellers, but in the longer term, it may also increase sales if these customers continue shopping online after the outbreak subsides.

3. Delivery services across the board might see an onslaught of new customers, but they'll have to work to maintain consumer trust. If consumers continue avoiding public places, they're likely to look for digital services that fulfill everyday needs beyond retail, including delivery of food and on-demand goods, per Marketwatch—which in turn could lead to an increase in business for delivery
organizations, including Grubhub, Postmates and DoorDash, as well as for online grocers like Instacart and FreshDirect. China is already seeing an uptick in demand for these offerings: Popular delivery platform Meituan has seen an increase in large orders and surging demand for online grocery, per Business Insider. Depending on how long the pandemic and social distancing measures last, grocery and other delivery providers might need to provide discounts, offer loans, or provide installment tools that can help consumers afford services. And in order to maintain consumer trust, couriers also have to be prepared to demonstrate good health and offer "contactless" delivery options to minimize risk—something a number of firms, including Instacart and Postmates, are already beginning to implement.

While individual sectors are likely to grow, however, payments companies are anticipating an overall downturn in business as consumer spending falls. Last week, the National Retail Federation (NRF) noted that the coronavirus could impact business confidence and hit retail sales overall in the US—a trend that's likely to be seen worldwide. Such a decline would come predominantly from a downturn in consumer confidence (especially after a string of poor days for the stock market), but could also result from supply and inventory challenges. As a result, any transaction or volume increase that payments and commerce companies see in segments like digital volume or ecommerce would likely be countered by an overall decline in spending—the likely reason driving firms like PayPal, Mastercard and Visa to revise revenue estimates downward.
Fintech

1. Fintech funding totals will be down for Q1 2020—a dry spell that could potentially persist through a large chunk of the year. Global fintech funding was up 30% in 2019 (when excluding Ant Financial's unusually large $14 billion round in 2018), but as the virus slows down economies globally, 2020 levels may come in far lower. Fintechs should prepare for a less funding-friendly environment in 2020, especially with the magnitude of the coronavirus still being unclear, as investors will likely fly toward safety amid the economic uncertainty—and away from the relatively riskier venture of investing in startups. They can brace themselves by shifting focus to a more sustainable business model that isn't reliant on the constant influx of external investor money.
2. As the stock market continues to fluctuate, consumers will be wary of investing and flock to savings options. Stock markets have been highly volatile in the past few weeks, largely due to the coronavirus, while many fear a global recession. And the Federal Reserve has already implemented an emergency rate cut—marking the biggest one-time cut in the US since the financial crisis—indicating that the virus is already impacting the economy. Amid such volatility, consumers may be less keen to invest their savings in the stock market, impacting digital wealth managers that conventionally make money by charging customers fees that are a percentage of assets under management. On the flip side, more consumers might seek out savings options for their money, as a less risky way to build their wealth, so platforms like Goldman Sachs' Marcus may see an uptick in demand as a result.

3. If consumers reduce their spending, more small and medium-sized businesses (SMBs) might have to turn to loans to bridge the demand gap—giving alt lenders an opportunity to boost their businesses. Consumers remaining at home will likely lead to reduced spending at brick-and-mortar shops, which would be especially harmful for SMBs, as 44% of small businesses have not taken any measures to prepare for a potential recession. Additionally, 69% of small businesses in the UK are already experiencing cash flow issues related to the coronavirus, according to data from MarketFinance seen by Business Insider Intelligence. Hence, many businesses might have to seek out external funding sources, like loans, to weather the storm and remain
operational. This could boost uptake of services from alt lenders like iwoca and OakNorth that offer quick funding options, such as short-term loans.

Banking

1. A potential drop in branch visits could shine a spotlight on banks' digital capabilities and customer experiences. The pandemic could reduce total branch visits by forcing banks to temporarily close branches or reduce their hours—as in Hong Kong—or by discouraging customers from visiting to reduce the chance of spreading the virus. As customers will still need access to their money, however, this could lead to a spike in activity in digital channels and call centers, making digital the primary channel for a greater portion of customers across the world. This migration to nonbranch channels will benefit banks that enable customers to handle a wide range of banking functions through online or phone channels while hurting those with more limited offerings, and it will test their ability to handle the increased strain of higher volume. Beyond whether or not customers can carry out banking functions through alternative channels, greater usage will test how easy to use those channels are, especially for first-time users whose usage is a direct result of coronavirus concerns. For that reason, banks should strive to simplify their online and call center interfaces or roll out information and educational materials that instruct customers on how to make the most of nonbranch channels to manage their funds.
2. Falling central bank interest rates are likely to hurt savings account interest rates that some banks rely on to acquire customers and drive deposits. Central banks across the globe have been making emergency rate cuts to cushion their economies as the coronavirus threatens growth, The New York Times reported. This will encourage more loan activity from banks and discourage them from offering high interest rates on savings accounts for the sake of profit margins. Therefore, these rate cuts are likely to put pressure on banks that wield high-yield savings accounts in order to pull in new business. Goldman Sachs' Marcus digital bank is an example: Its interest rate on savings accounts stood at 2.15% in July, but it has eroded to 1.7% since then. On the other hand, Australian neobank Xinja has taken a drastically contrasting approach, choosing to hold its 2.25% interest rate steady, despite a central bank rate cut, but suspending new account opening to limit costs.
3. Consumers who can't go to work could drive short-term loan and credit activity. Only half of the US workforce holds a job that is compatible with at least partial telework, per data from the American Community Survey analyzed by Global Workplace Analytics. This could pose a problem for the other 50% of workers who must be physically present in the workplace to earn a paycheck, as forced or voluntary shutdowns of businesses due to the coronavirus could effectively prevent them from earning an income. The consumers in this group who live paycheck to paycheck will need temporary solutions to tide them over in this event, which could yield a spike in business for banks and credit unions that offer small to medium-sized loans. Marcus is a good example here as well, offering loans between $3,500 and $40,000, with terms ranging from 36 to 72 months. And UK banks like RBS and Lloyds are offering heightened credit card limits among other resources to clients to help them weather the storm, per The Guardian.

**Healthcare**

1. Digital health firms have an opportunity to fill in gaps in care and assist healthcare incumbents prepare for, contain and diagnose the coronavirus—which could lead to increases even after coronavirus outbreaks.

   Telemedicine providers are extending the reach of healthcare professionals as patients are being advised to seek care from the
comfort of their homes. One of the top pieces of advice to inhibit the spread of the coronavirus being passed along to the US public by health organizations is to limit time spent in public settings. And so, the US government is encouraging consumers to turn to virtual consultations with docs in nonurgent situations in lieu of making trips to the hospital. With more people being steered toward virtual care, telemedicine providers are seeing substantial upticks in use. One such firm, PlushCare, has witnessed a 40% bump in appointment volume since December—a month before the first case was reported in the US. For context, the company reports seeing a 10% increase in volume during flu season generally. And we think that as US consumers—the large majority of whom had never tried telemedicine in 2019—get more comfortable with telemedicine now, they will continue to rely on the tech once coronavirus outbreaks subside, providing telemedicine providers with long-term growth opportunities.

Companies touting AI-powered remote monitoring tools are granting clinicians the ability to keep track of patients' health from afar in real time. The increased need for medical pros to implement remote patient monitoring (RPM) systems is also attributed to the importance of social distancing during outbreaks, which is likely making developers of RPM solutions alluring partners. For example, Boston-based Biofourmis has teamed up with clinical researchers in Hong Kong to clear the way for speedy connection with quarantined patients. Biofourmis deploys a biosensor to accumulate biological data and AI-based analytics to catch any changes to health, allowing medical pros to remotely monitor patients and step in when necessary. Similar to telemedicine, the necessity to start implementing these solutions now could pave the way for increased adoption among healthcare pros and their patients moving forward.

Health tech firms are implementing alert systems that grant busy doctors access to the latest updates on the coronavirus without needing to leave their normal workflows. Because agencies like the
Centers for Disease Control and Prevention (CDC) are providing frequent updates about the coronavirus, it's necessary for healthcare firms to stay on top of the latest developments. However, this could prove difficult for inundated organizations that need to step outside of their workflows to get this information. That's why it's beneficial to have timely outbreak updates inputted directly into EHR systems. And digital health firm OptimizeRx is doing just that: The company is embedding CDC alerts about the coronavirus into its cloud-based platform deployed by leading EHR firms to ensure clinicians are granted access to the latest coronavirus-related info. Its ability to link providers with the most recent news should boost OptimizeRx's value in the eyes of partners, and we should see EHR vendors racing to include tools that give providers access to real-time updates.

2. Cloud developers have a chance to tie up with researchers and drugmakers scrambling to develop a coronavirus vaccine. The
computing capabilities of cloud developers can be utilized to speed up drug development, and we've seen innovative digital health firms leverage the tech in their efforts to develop a coronavirus vaccine. For example, Massachusetts-based biotech Moderna—which uses Amazon Web Services' (AWS') cloud capabilities—is collaborating with several US government health agencies to create a vaccine for the coronavirus. By leveraging AWS' cloud computing expertise, Moderna was able to develop a cancer vaccine in just 40 days, underscoring the promise of cloud computing technology to potentially develop a viable coronavirus vaccine—which government officials have said could take over a year. And with representatives from big tech firms including Google, Amazon and Microsoft recently meeting with the White House to discuss a response to the coronavirus, we expect to see a growing number of collaborations between cloud developers, researchers and pharmaceutical companies as they concentrate their efforts on tackling the novel coronavirus.
3. The spread of the illness is forcing the government's hand to slacken some restrictions on access to virtual care—but we're unsure their actions are going far enough. Last week, President Trump signed an $8.3 billion spending plan to address the coronavirus and quell its spread—and the bill includes a plan to allot $500 million to stamp down some of the blockades that bar Medicare members from accessing telehealth. For example, it lifted the rule that only seniors in certain geographic locations could use telehealth. Boosting access for seniors is crucial considering older people are at higher risk for developing fatal coronavirus cases, but we're unsure the bill is combating limitations aggressively enough. For example, in order for a physician to virtually consult with a patient, the physician has to have engaged in telemedicine consultations with that same patient within the last three years. Thus, if a patient has never partaken in remote consultations—which is likely true for the large majority of seniors—they could be disqualified from using telemedicine.

And while healthcare stakeholders are increasingly turning to digital tools now, certain segments of healthcare, like home healthcare, require in-person interactions—underscoring some of health tech's limitations in times of crisis. Home healthcare encompasses many forms of care, ranging from assistance with activities like bathing and dressing to skilled nursing. And although the use of digital solutions such as telemedicine could help seniors access virtual consultations, their reach can extend only so far. For example, administering
medications to immobile patients requires in-person interactions, which virtual technologies are currently unable to replace.