

BACKDROP

“It doesn’t feel real.” We estimate that’s the most commonly heard statement heard in corporate circles in recent days. No different from what we at TRA feel too.

Is it fear? Uncertainty? Is it a feeling of paranoia, or a sense of hopelessness? Will we overcome it? When? How will we surge ahead? Will we be able to adapt to the changed scenario? Well, these are mixed questions and emotions most corporates are going through in these testing times.

COVID-19 has brazenly brought about a dark period in the economy. It is week six of the national lockdown, and this outbreak only seems to gain pace. Its spread has left the businesses in India and around the world counting business costs as closely as they are counting those inflicted by the disease.



TRA Research, a consumer insights and brand analytics company, brings you TRA’s Coronavirus Corporate Insights 2020, a whitepaper from a research conducted across 16 cities with 101 corporate respondents from **8th April to 4th May 2020**. This whitepaper delves deeper and provide business perspective on the evolving situations and implications of Coronavirus.

TRA's Corporate Worry Index

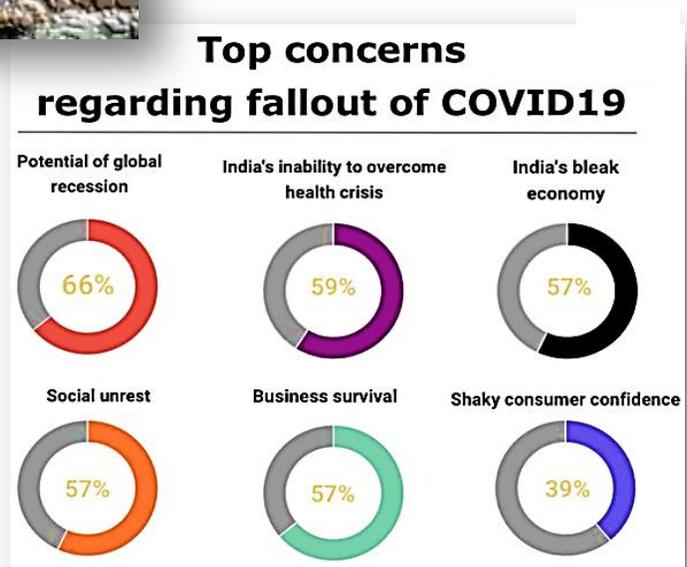
The ripple effect of COVID-19 is being felt by all industries and regions across India. Concern is now on rise with each briefing and news headline. The numbers in this chart are to be read on a Worry Index between 0% to 100%, with 0% implying 'Not Worried at All', to 100% implying 'Extremely Worried'.

Analysis of the data shows that the biggest concern of corporates are over fears that the pandemic will push the global economy into a recession, 66% on the Worry Index, or 'Highly Worried' about this issue.

On the other hand, on India's ability to overcome the health crisis due to possible healthcare system overload shows that Corporate India is 'Moderately Worried' at 59% on the Worry Index. Organizations also have concerns the double challenges of Business Survival and fears of Social Unrest, both at 57% on the Worry Index, very close behind.

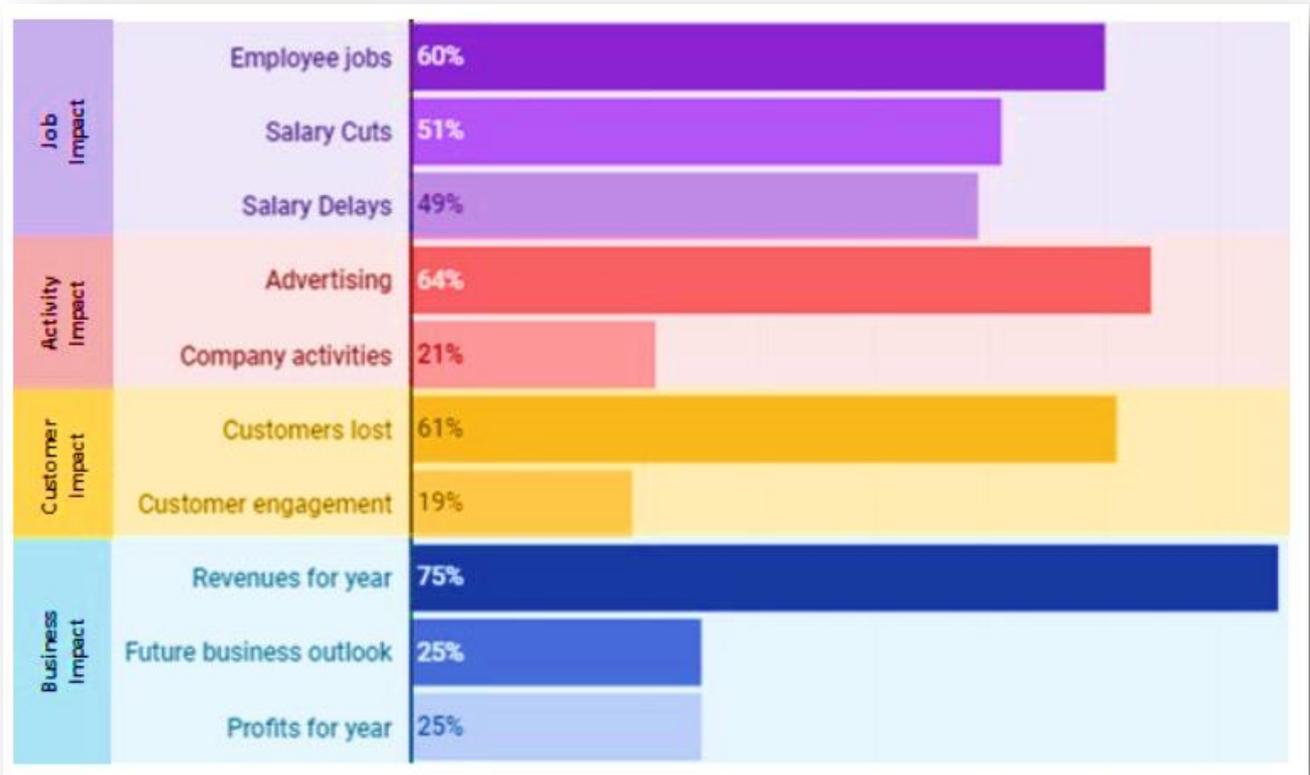


Shaky Consumer Confidence remains lowest on the Worry Index at 39% showing 'Little Worried', possibly implying that management is currently concerned about the larger picture leading to disruptions and their businesses.



TRA's Corporate Impact Index

Businesses are taking major hits in the first quarter of 2020 due to the lockdown. TRA's COVID Impact Index covers four sections clubbed into 'Job



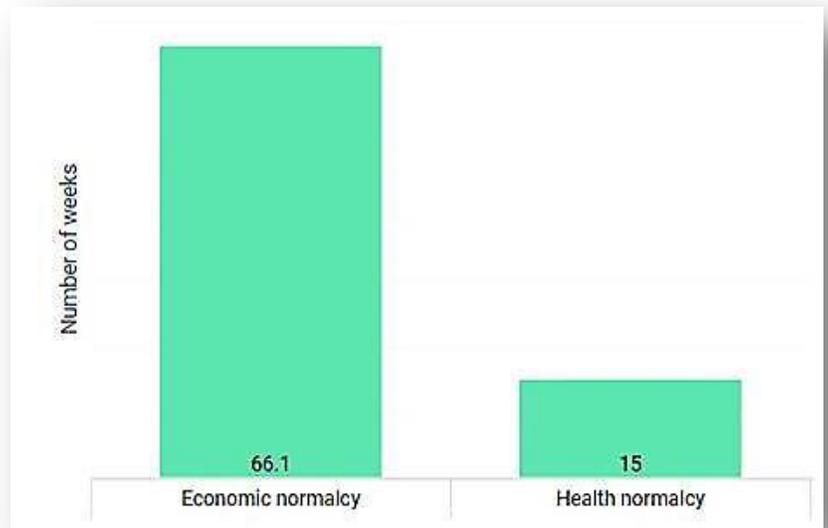
Impact', 'Activity Impact', 'Customer Impact' and 'Business Impact'. This index is calculated on a 5-point scale from *Not impacted at all*, to *Severely impacted* and an Impact Index of 100% indicates '*Severely Impacted*' while 0% means '*Not impacted at all*'.

'Revenues for the year' has had the highest impact with 75% Impact Score. This is followed by 'Advertising' at 64% Impact Score, which is reflected in a significant decrease in advertising revenues for media. 'Customers Lost' is the third highest at 61% Impact Score, closely followed by 'Employee Jobs' with an Impact Score of 60%.

‘Impact on jobs (60%), Salary Cuts (51%) and Salary Delays (49%) together making ‘Jobs’ the highest impacted segment with employees feeling anxious and worried about their future.

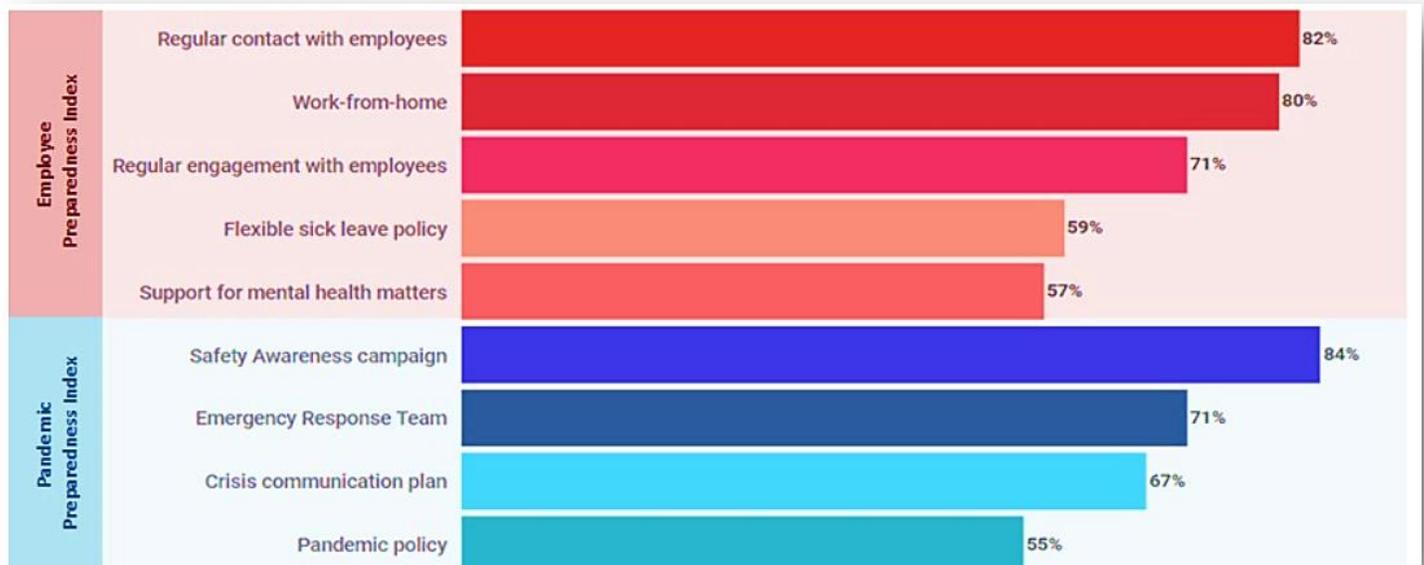
The least effect was on ‘Customer Engagement’ with an Impact Score of 19%, followed by ‘Company Activities’ at 21%, and ‘Future Outlook’ and ‘Profits for Year’, both of which stood at 25% Impact Score implying that businesses expect to bounce back in the medium to long term.

The TRA survey also indicated that on average corporates perceive it will take 66.1 weeks (16.5 months) to achieve economic normalcy, while for full health normalcy, they feel it will take 15 weeks (3.8 months) more.



TRA’s Organizational Preparedness Index

The Organizational Preparedness Index of the companies was based on three responses – 'Implemented Fully', 'Implemented Partially' and 'Not Implemented at all' for a list of nine initiatives that the organisation undertook during the current lockdown. The initiatives were further clubbed into two major categories – Employee Preparedness & Pandemic Preparedness.

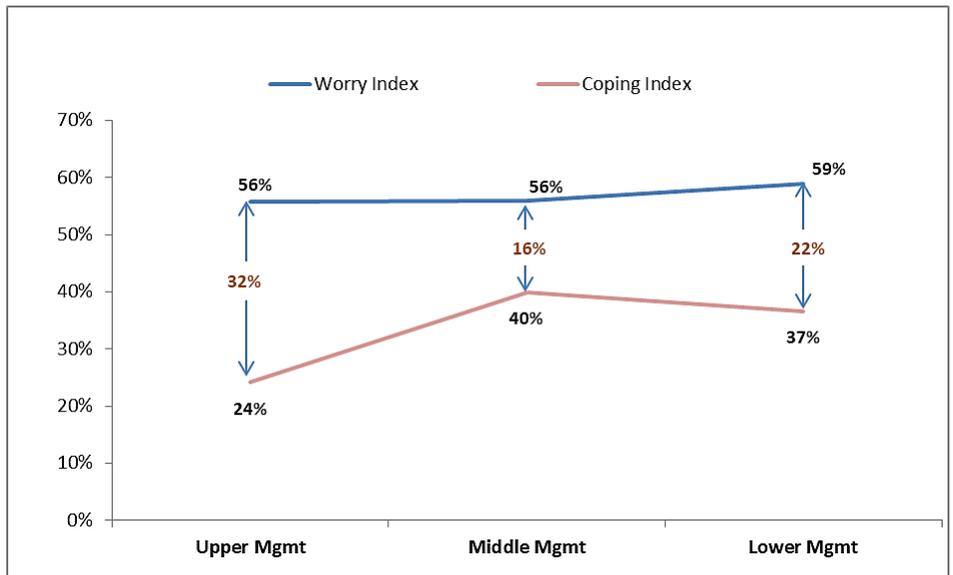


The overall corporate preparedness was at 70%, with Employee Preparedness at 69.8% and Pandemic Preparedness at 69.25%. ‘Safety Awareness Campaigns’ was highest at 84%, ‘Regular Contact with Employees’ was at 82%, Work-From-Home at 80%. It was heartening to note that the ‘Support on mental health’ at workplace scored 57%, with organizations promoting employee mental wellbeing to help normalize feelings of anxiety, loneliness and isolation. However, the preparedness of organizations in terms

of policy and planning seemed lacking with lower scores for ‘Pandemic Policy’ and a ‘Crisis Communication Plan’.

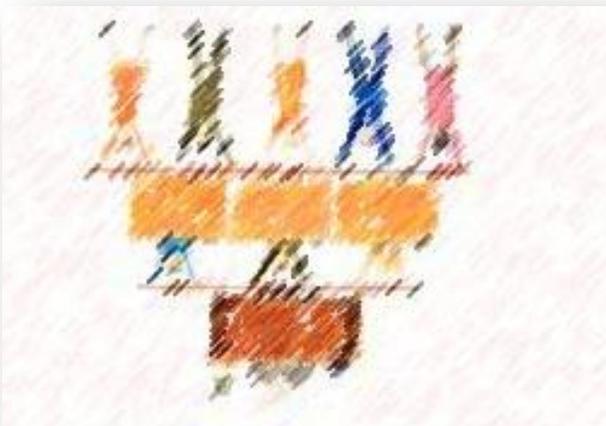
TRA’s Organizational Resilience Index

This must be one of the most difficult times for leaders and businesses across the globe. TRA’s Coping Index and the Worry Index are both measured such that the closer they are to each other, the better the resilience of the organization. The average gap between the two indices (across the three management segments), worry exceeded coping by 23.3% on the Index



showing the enormous stress felt by different levels of management.

Resilience is the way forward. The management resilience in the context of this research is seen as its ability to sustain their energy levels, positivity, and adaptability under pressure and worries. It’s the ability to meet adversity, setbacks and trauma, and help recover in the medium-term from these in order to be more in control of their own organizational future.



The Coping-Worry gap in the Upper Management was the highest at 32%,

and perhaps there is just too much on the plate of the top management to cope with everything together. The other challenge of the Upper Management is perhaps the external show of strength they have to present, despite their personal fears and anxieties. They say it is lonely at the top and that statement is perhaps more true now than ever.

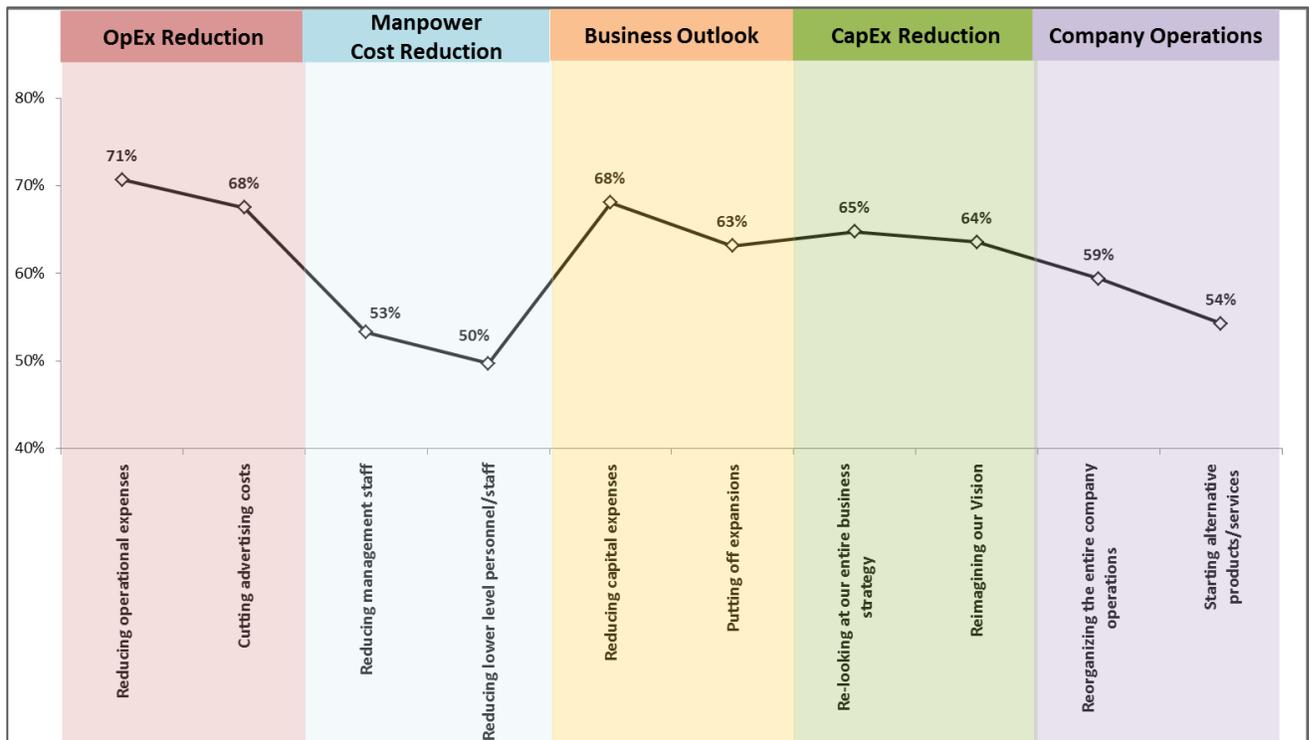
The Middle Management group is the unsung hero of the current crisis. While the top management is busy in emergency meetings and reassuring panic-stricken clients, investors and employees, the middle management stands as the intermediate between the top and the lower management, getting the work done. With focus of middle management in creating effective working environments, administering day-to-day routines and managing external relationships, arguably just getting the job done, which keeps their Coping-Worry gap lowest at 16%.

For the lower management, this is a calamitous time both personally and professionally. Grappled with stress, burnout, job insecurity, salary cuts, emotional and psychological trauma, lower management is still able to cope up considerably well with a 22% Coping-Worry gap.

TRA's Future Preparedness Index

The world continues to remain in chaos right now sparking a major economic and social transition playing out right before our eyes. Clearly, we may not ever revert back to our old ways of doing business. Tomorrow is certain to be very different and companies have therefore started reframing their future today. Below is a priority graph of corporates today.

OPEX reduction has a 69.5% priority, CapEx reduction is the second highest priority at 65.5%, Business Strategy is taking 64.5% priority, Company Operations are at 56.5% priority and, contrary to what many would believe, Manpower cost reduction is the very last what that corporates look at, and stands at 51.5% priority.



About TRA Research

TRA Research, a Comniscient Group company, is a consumer insights and brand intelligence Company dedicated to understanding and analyzing stakeholder behavior through two globally acclaimed proprietary matrices of Brand Trust™ and Brand Desire™. TRA Research conducts primary research with consumers and stakeholders to assist brands with their business decisions based on Consumer Behavior insights.

TRA Research is consulting brands on transitioning during and after the Covid-19 crisis, to help them be more aligned to consumer and client expectations.

TRA Research is the also the publisher of TRA's Brand Trust Report™ and of TRA's Most Desired Brands™.

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Quest for Truth

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