COVID-19
Impact on Nigeria

The impact of COVID-19 on the lives of Nigerians
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Introduction

Around the world governments, businesses and households are coming to terms with the fall out from the global COVID-19 pandemic. Although the crisis’ core issue is one of health there have been severe impacts on economies globally as efforts to quell the storm have inevitably restricted both how people spend their money but also their ability to do so.

These “lockdowns” have varied from region to region and with the ongoing situation it is unlikely that the effects of each approach will be felt fully for some time yet. Europe has arguably been seen to have the most drastic lockdowns and this has had a high correlation with reduced economic activity across that region. Other areas have dealt with the problem in different ways, always trying to balance the health of their citizens against the health of the nation’s economy.

To date Africa has not experienced the large wave of cases that have impacted other areas of the world. Latest figures show that Nigeria has experienced 11,166 cases with 315 deaths as a direct result of the virus. This is in contrast to the worst affected country, the USA, which has experienced 1.9m cases and over 100,000 deaths. Whilst the USA has a larger population than Nigeria, the deaths per case ratio of 2.8% in Nigeria is significantly lower than the 5.7% reported in the USA. However, according to the Corona Virus Government Response Tracker Nigeria implemented very stringent lockdown measures as they look to minimise the spread of the virus across the population.

As each government, business and household reacts to both the virus and the new restrictions imposed upon them it is crucial that we gather information on how this affects life and markets.

The aim of this report is to highlight Nigeria’s handling of the crisis and how the respondents to our survey have changed, or altered, their habits and to provide insights which are both tangible and actionable for our readers.

By using our mobile enabled AI technology and experience in accessing audiences in emerging and frontier markets we explored a range of topics including:

- How Covid19 has affected the livelihoods of the general public across specific African countries
- Changes in consumption patterns and behaviour
- Financial concerns and stability
- Perception of government support.

2.https://covidtracker.bsg.ox.ac.uk/stringency-scatter
Research Methodology
Research Methodology

With the restrictions on movement and closing of borders, our mobile survey platform proved to be an efficient and effective way to reach respondents. All of the questions asked were designed by the Survey54 research team and administered in English. Deployment of surveys took place between April 10th and May 10th, respondents were located in sub-Saharan Africa namely South Africa, Kenya, Ghana and Nigeria all key economic countries within their respective regions.

To ensure diversity of perspective surveys were deployed via our App (85%) for those with access to the internet and 15% conducted via USSD. Giving us the opportunity to reach audiences without access to smartphones or internet connections who tend to fall in the lower income threshold. A total sample of 4000 surveys was collected across all countries in Africa.

Countries that were included in the survey:

- Kenya
- South Africa
- Ghana
- Nigeria
Questions asked to respondents in the survey included:

- Do you feel your government has supported you during Covid 19?
- Have you been financially affected by Covid 19?
- Have you changed or do you plan to change your spending patterns?
- Have you changed or do you plan to change your spending on meal delivery & takeout?
- What would make your life easier during the lockdown?
A snapshot from the continent

Government support

- Ghana: 70% (yes) 30% (no)
- Nigeria: 18% (yes) 52% (no)
- Kenya: 47% (yes) 53% (no)
- South Africa: 32% (yes) 68% (no)

Spending on groceries

- Ghana: 46% (less) 36% (more) 18% (same)
- Nigeria: 55% (less) 31% (more) 14% (same)
- Kenya: 48% (less) 34% (more) 18% (same)
- South Africa: 45% (less) 31% (more) 24% (same)

Spending on meal delivery

- Ghana: 56% (less) 20% (more) 24% (same)
- Nigeria: 75% (less) 15% (more) 10% (same)
- Kenya: 71% (less) 16% (more) 13% (same)
- South Africa: 75% (less) 12% (more) 13% (same)

Spending on data

- Ghana: 68% (more) 12% (less) 20% (same)
- Nigeria: 53% (more) 18% (less) 29% (same)
- Kenya: 70% (more) 20% (less) 10% (same)
- South Africa: 49% (more) 18% (less) 33% (same)

Financial concerns

- Ghana: 55% (yes) 45% (no)
- Nigeria: 94% (yes) 6% (no)
- Kenya: 91% (yes) 9% (no)
- South Africa: 78% (yes) 22% (no)
Nigeria Results
The employment status of those who responded to the survey showed a large proportion, 25%, were currently without a job but were looking. 35% were employed full time in a position which required 40+ hours of time. This unemployment rate is higher than that reported by the World Bank who suggest that in 2019 the unemployment rate was at circa 8%. The rise to 25% is likely to reflect the economic turmoil that has befallen many countries as a result of the lockdown that each state has imposed in order to reduce the impact brought on by COVID-19.

One of the interesting phenomena’s that has been witnessed in many countries during the pandemic, and the response by businesses and governments, is that where spending in some areas has fallen, in others it has actually risen substantially, namely in the groceries sector.

In order to ascertain how respondents in Nigeria are reacting to the changes in their movement, but also their disposable income and employment status, we asked a number of questions which allowed us to understand their perceptions.
In comparison to other countries such as the UK where large increases in grocery spending went hand in hand with panic buying or hoarding of various goods 69% of respondents said they would either spend less or the same as before the restrictions were imposed. Of this 69%, 55% said they planned to spend less than they previously had. This information tallies up with a predicted fall in gross domestic product (GDP) of 3.6% in 2020. Despite this fall in GDP private consumption as a percentage of overall GDP is expected to rise from 72.8% in 2019 to 83% in 2020 suggesting that there could be a significant reduction in government spending as the country looks to recover from the fall out of the pandemic.

Adding further weight to the view that there is a downward shift in consumer spending in Nigeria is the response to the question of how much respondents were looking to spend on takeaway meals and delivery meals. Our survey results indicate that 75% of people will look to spend much less on this area whilst a further 10% will spend the same as previously. Allied to the fact that spending on groceries is also falling and it is clear that the government restrictions in place in Nigeria, and the effect on jobs and income, is having a negative effect on individuals and their outlook on the economy.

Another sector of the groceries industry which could potentially see contraction according to our results is alcohol sales. Despite the fact that the conditions of Nigeria’s lockdown do not necessitate that food and beverage outlets close it is clear that individuals see supply chains not being able to function as normal. 86% of respondents planned to spend “much less” than they previously did on alcohol with only 4% expecting to spend “much more”. This is in stark contrast to countries in Europe where alcohol consumption has rocketed as people change their habits in response to the restrictions imposed on them. There is some concern within Nigeria that the effect of an interruption to the supply of alcohol could lead to a rise in homebrewing which has caused unfortunate repercussions in several countries with several deaths reported as a result.

Leisure

Gaming & streaming
One area where our respondents are looking to spend more time and money is in the leisure sector. One of the questions asked related to their habits surrounding gaming and media with 51% saying they intended to spend much more on this area. In contrast to this only 18% said that they would spend much less. This appears to be a trend that has been seen worldwide with the streaming company Netflix gaining more than 16 million new subscribers in the first quarter of 2020. This stands to reason with less opportunity to socialise people have reverted to attempting to make their home environment as entertaining as possible. This can be streaming films or using gaming to try and escape the monotony of imposed lockdowns.

Online education
Another trend which has been spotted in other regions has been the increased use of online education classes as people look to spend the extra time they have learning new skills. The online course provider Coursera described an eightfold increase in uptake for some courses. It is possible that this is a way to pass the time but there could also be an element of trying to stand out in what promises to be a competitive jobs market when the lockdowns are eased. 52% of the respondents in our survey said that they were planning to spend more on online classes and courses during the lockdown whilst only 10% said they would be spending less. 36% said that they would spend the same, which could of course equate to zero. However, it appears that this could signify a trend in self improvement which could be a key asset as the economy begins to return to normal.

Fitness
An area of interest which has been studied during the pandemic is the amount of time and money spent on online fitness and wellness. Many gyms and personal trainers have diversified to offer classes online in an attempt to retain lost revenue from the closure of gyms. In some areas this has been a success with the Les Mills fitness company experiencing 900% increases in uptake of its online content. The situation in Nigeria is slightly different with 26% of respondents saying that they planned to spend much more on online wellness and fitness. 44% aimed to spend the same amount as they were before the lockdown was
Whereas the previous questions asked in the survey related to how people had spent their money, the next question related to how people were spending their time. The three most popular answers for respondents in terms of where they were spending more time were watching cable or streaming, reading the news and learning new skills. This ties in with the increased money spent on streaming and gaming. Across the world it is likely that news consumption has increased as people look to gain as much information as they can in order to process the unimaginable scenario they are currently in. The same can be said for learning new skills as a way to pass the time. It is interesting that in this area of the world learning is possibly being managed through books or from observing others. This is in contrast to other countries where spending on online learning courses has increased.

7. https://www.theguardian.com/education/2020/apr/19/online-learning-how-to-acquire-new-skills-during-lockdown
One of the foundations of any economy is consumer spending. Consumers generally spend when they have a steady income and are confident that their income will be maintained or grow. When there is a fear that income may fall, or even disappear, then spending quickly diminishes. A striking part of our survey asked our respondents if they feared for their finances during the lockdown. A massive 94% said yes with 6% saying no. This could be a large reason for the relatively consistent message that people would not be spending during the lockdown, allied to the fact that there is a large number of unemployed people in Nigeria at present.

The all encompassing nature of the crisis on people’s finances was further highlighted when it emerged that 88% of respondents had been financially affected by the lockdown. 10% were unaffected and 2% did not answer. This really brings home the scale of the issue and the mountain that the country has to climb before it can begin to return to some kind of normality. Information behind the value by which each person has been affected is also provided. 72% said that they had seen their pay drop by 30%, 17% had seen falls of 20% and 9% had dropped by 10%. Large drops such as these are clearly going to have an effect on spending patterns but also crucially the confidence with which people have in their future. The evidence provided by the survey suggests that both confidence and spending patterns have taken a big hit as a result of this crisis and it could take some time before both are restored.

The lack of certainty around finances is also reflected in the potential disruption to activities that respondents to the survey used to enjoy. The most common answers when people were asked what activities they didn’t think they’d be able to do for a while were going out with friends, social gatherings and going to school. Whilst these were all common occurrences before the emergence of COVID-19 now they are almost unimaginable for many. Whilst it is clear that finances are at the forefront of many people’s minds during the crisis it is society as a whole that has really altered, hopefully for the short term only.

Not attending any social gathering
Conclusion

Although we are seeing the end of lockdowns around the world it is still difficult to assess the long term impacts of both the disease itself but also the way in which the Nigerian government has dealt with it. It is clear from analysing the results from our survey that there is a decline in consumer spending and that personal finances have also taken a hit with unemployment rising sharply since the pandemic took hold. With this in mind it would appear that support and guidance, both financial and otherwise, from the government will be needed in order to bring the country back up from its knees. The contrast in how the results of the survey differ from the situations being seen in other regions is obvious but also possibly linked to the current help being offered by each state, region and country.

It remains to be seen how quickly this will happen although one forecast suggests that after a fall in GDP for 2020 positive growth will return in 2021 and 2022. Whilst this optimism is welcome it is crucial that those affected by the crisis most keenly are offered sufficient support to be able to assist themselves, but also the wider community.

Recommendations

With many organisations and governments now looking to understand how they can begin the process of recovery, we outline some key points that should be considered in realising opportunities within the current climate.

1) **Develop specific data on trends that affect your business**
   
   Data is key to decision making and will influence how successful the initiatives that businesses take up become.

2) **Use the trends you are seeing to innovate how you offer your product**
   
   People are changing the way in which they behave and spend their money as a result of the lockdown. Innovation is key to retain and gain customers.

3) **Speak to your customers**
   
   Make sure that your customer base is heard and taken care of.
About Survey 54

Survey 54 allows organisations to survey millions within Africa, the Middle East, and amongst the African American community with thousands of respondents ready to take surveys. This is all done remotely through the power of mobile.

As an automated data platform we bring you closer to your consumers using mobile-led data collection methods and smart insights. Our technology enables businesses to get the answers they need to make decisions. We provide stats based on the audience and reach requirements by the business, enabling you to:

- Test brand awareness
- Run product-market fit assessments
- Real-time opinion polls

We pride ourselves on helping you make quick data-driven decisions with on-demand and transparent insights from Africa & emerging markets.

For further information on the impact of COVID-19 in emerging markets report and to find out more about Survey54, get in touch with us at https://survey54.com/contact-us