



THE PLATFORM CONNECTION

Navigating the human and business
impact of **COVID-19**



Covid-19: What to do Now, What to do Next

NOW  **NEXT**

COVID-19 has affected every person and every industry across the globe and continues to evolve at an unprecedented speed and reach. Lives literally depend upon the ability of governments and businesses to respond quickly and implement recommended changes.



Software & Platforms: Where we are **now**.

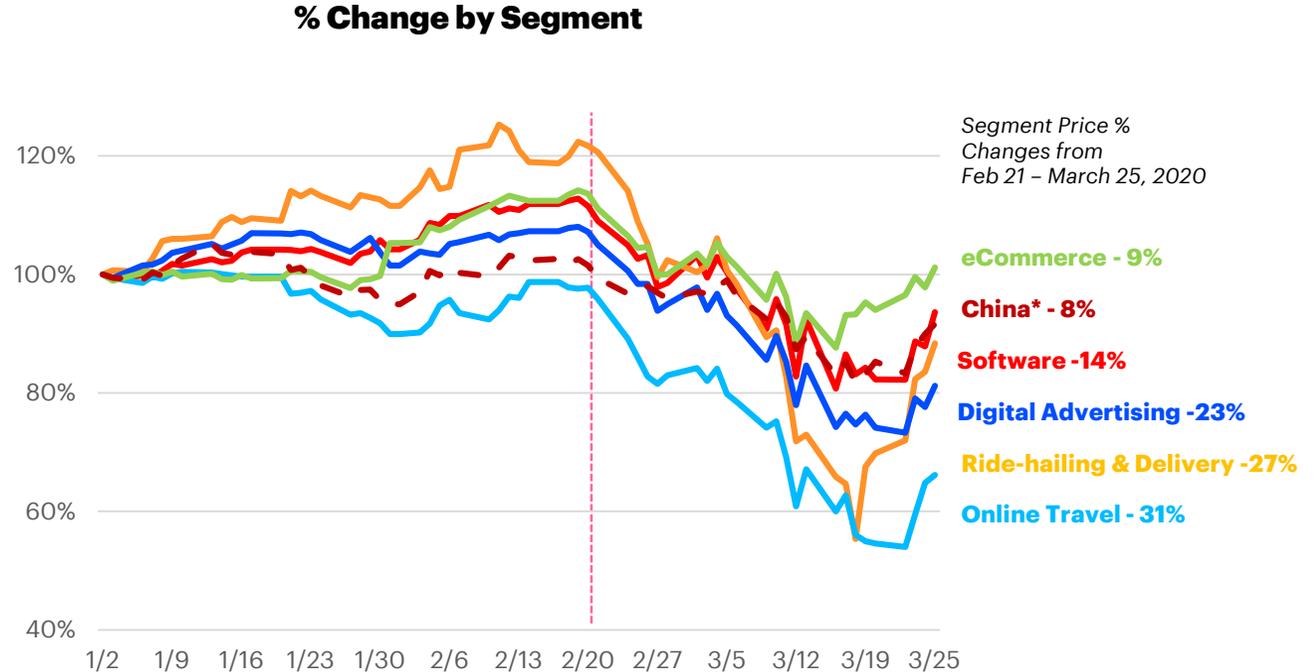
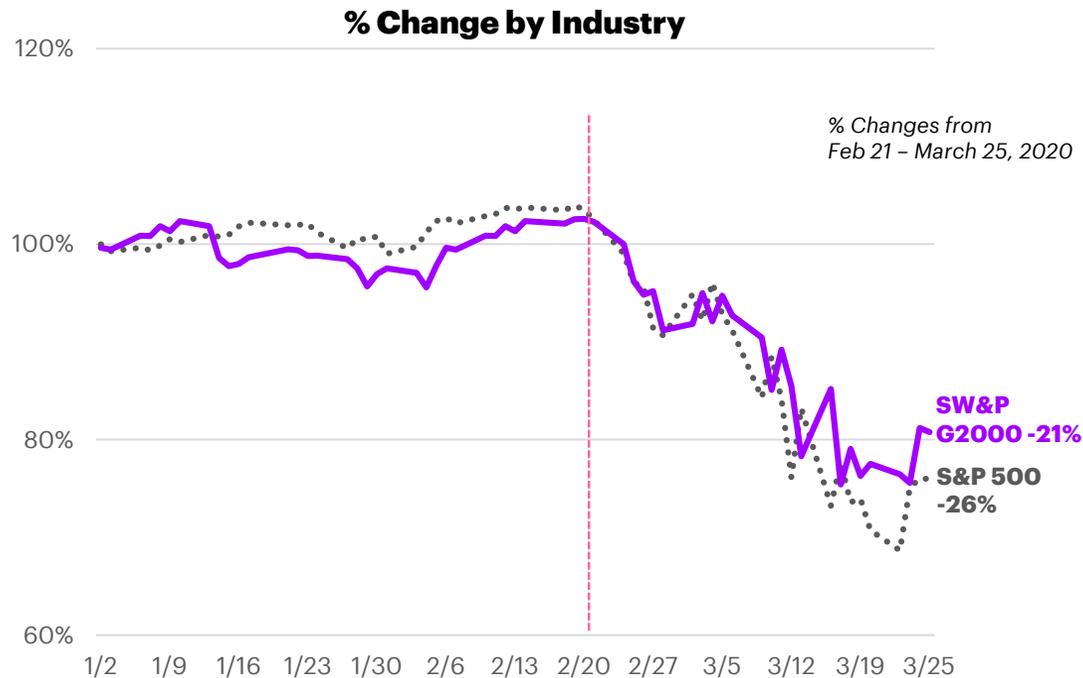
With structures that enable many to work from home, Software & Platforms companies are, for the most part, able to shift to new working conditions rapidly. Collaboration platforms provided by Google and Microsoft are also enabling other workforces to stay connected and keep moving. Social platforms bridge the isolation between people and communities, while gaming and entertainment networks offer a respite from the onslaught of daily news.

But no industry is immune from the impact. With significant economic loss and the global surge of online traffic and demand, platform companies will experience increased pressure in the near future and longer term.



The platform dichotomy

Platform companies are negatively impacted by COVID-19, but still outperforming the S&P 500 and most other industries. Within Software & Platforms, the severity varies widely by segment, with ride-hailing and online travel companies hit the hardest.



SW&P G2000 shown on left, SW&P segment data includes 100+ public companies tracked in the S&P Market Model

Note: * Data as of 25 March 2020

Sources: S&P Capital IQ, Accenture Analysis

Financial impact on S&P companies

S&P industries have experienced equity declines ranging from **-9% (eCommerce)** to **-31% (Online Travel)** **since February 21** including:

- **Digital Ad Platforms** (including social media and search) are down an **average of 23%**, and companies are balancing their ability to support a remote workforce, provide accurate information to the public, and prevent the spread of disinformation. While online traffic and engagement are up, ad budgets are being slashed as consumers prioritize essential purchases
- **eCommerce platforms** are actually **up 1%** in 2020, but down **9%**. Amazon is looking to hire 100,000 workers in the US to keep up with online demand. These platforms are also focused on price gouging from sellers looking to capitalize on demand for products such as hand sanitizer and related items.
- **Software companies** are down **14%** as clients defer large enterprise implementations. Sales cycles for solutions that do not directly facilitate remote work or collaboration are being extended.
- **Online travel platforms** are down **31%**, similar to the travel industry as a whole, as all third-party travel platforms are providing support for cancellations resulting from global travel restrictions.
- **Ride-hailing and delivery platforms** are down **27%**. Brands with more diversified offerings that include food delivery are faring slightly better, but the industry is impacted by travel restrictions coupled with concerns on both sides of the platform – drivers and riders – about spreading the virus in vehicles.
- **China mega platforms** are down **18% YTD** with most of the equity impact being felt since February 21. As the virus spread and people were confined to their homes, Chinese citizens spent 20% more time on their smartphones than the same period last year to connect with friends, alleviate boredom, and find crucial information on the outbreak. Yet, while people spent more time online, they spent less money. Online shopping platforms saw a decline in time spent on their apps, faced supply chain challenges, and saw severe declines in demand for luxury purchases.

Revenue effects of COVID-19 are expected to hit hardest in CY20 Q2.

But there are some silver linings.

Collaboration video platforms have seen dramatic spikes in users. Zoom, for example, experienced a 12x increase in US downloads from 2/1/20 – 3/20/20.* Many consumers report increased time spent watching/streaming TV (51%), social media (35%), video chat (24%) and shopping online (15%).†

SOURCES: Accenture COVID-19 Industry Research Insights, March 2020; *App Annie; †Accenture survey of 502 US consumers during the week of March 23, 2020

Prepare for challenges now.



Ensure uninterrupted platform access

Software & Platform companies are dealing with unparalleled demand for capacity and speed.



Expand developer ecosystems

Virtual mandates provide untapped potential for attracting developers who are using platforms in new ways.



Enable touchless adoption

The cancellation of key events and restrictions on travel and face-to-face contact requires a creative sales approach to encourage adoption.



Maintain productivity

While platform company staff members may be familiar working from home or off site, collaborating productively across virtual teams may be difficult for some groups.



Provide trusted information

Social Media and Search platforms are taking a lead role amplifying CDC and WHO guidance, but are also expected to monitor and remove misinformation amidst a dramatic spike in new users.



Amplify ad value and effectiveness

Economic downturn is expected to impact platform advertising spend globally. Identifying new global prospects quickly will be essential.



Monitor financial health

Inability to seek further investment in times of crisis and survive the drop in consumer / corporate spending may cause many startups to fail, downsize, or give up control to investors.

SOURCE: Accenture COVID-19 Industry Research Insights, March 2020.

Next Steps

Here are a few immediate actions you can put into place:

1. Emphasize health and well-being

[Responsible leadership](#) has never been more important as consumers, workforces, suppliers, and partners navigate uncertain times and rapid change.

2. Focus on SMBs

Businesses of every size have been hard-hit by COVID-19, but small- and medium-sized businesses (SMBs) are particularly vulnerable. Implementing services for platform-dependent companies will help boost local economies and foster loyalty.

3. Work smart

Boost the productivity of a fully-remote, partner, supplier, and contractor workforce with flexible collaboration tools via [Elastic Digital Workforce](#). Implement pulse capacity staff augmentation to fill short- or long-term delivery gaps.

4. Demonstrate customer empathy

Platform companies must make swift, insight-informed decisions to care for their people while delivering quality [Responsive Customer Service](#).

5. Going forward

Excelling through, and past, complex global issues requires a partner with deep expertise across industries and markets. Ensure you match your specific company needs with a provider who has the right experience, depth, and comprehensive capabilities.

How Can Accenture Help?

The economic impact of COVID-19 will not be short-lived, but there are defenses.

Discover Opportunity in the “New Normal”

Many software and platform companies will play an important role in enabling other industries to get back up and running. We can help identify and connect potential opportunities for foundational success.

Apply Global Learnings Managing COVID-19

What worked well in Asia? We can help you apply specific insights and global Software & Platforms best-practices as early-hit nations, such as China, begin to emerge from the crisis.

Reenergize Global Small- to Medium-Sized Businesses

We can help enable the right AI tools, services and capabilities that can support struggling SMBs critical to the success of most platforms...and local communities.

Reimagine Infrastructure and Operations

Smart technologies like Accenture’s Applied Intelligence Platform (AIP) can help manage capacity, speed up lead generation and ad sales, and improve the effectiveness of a distributed workforce including contractors and partners.

Attract and Monetize a New Community of Developers

We can help accelerate your third-party developer ecosystem by creating a plan to attract and incent users who may have new, innovative ideas for work, education, and broader society.

Action Responsibility as the World’s Communication “Backstop”

COVID-19 will likely change the relationship between platforms and society going forward. We can help translate this shift into specific infrastructure and brand actions that enable ongoing user reliance.

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