

**COVID -19; ITS IMPACT** - The COVID-19 pandemic has had a colossal impact on various sectors of the world economy and the advertising and marketing industry is not an exception. Apparently, no sector has been spared from the devastating impact of the pandemic.

This season of COVID-19 has seen certain areas of advertising experiencing great results while some corners of the industry has been hammered. Agencies with high technological space, have moved their mandates to clients online, while the others struggle within the space of virtual advancement.

In view of this, several prominent events and conferences are being cancelled or postponed in an effort to protect the health of their employees and as a precaution on suggested travel restrictions, also existing contracts with businesses for the management of their advertising budgets for the 2020 fiscal year may be terminated or renegotiated for the simple reason that, production has gone down thereby impacting negatively on revenue as consumption and/patronage have gone down. This obviously demands that advertising agencies re-look at the sources of cash inflows and revenue for their 2020 budgets because as health and safety concerns loom around large gathering, many businesses are abandoning live and in person upfront presentation in exchange for visual presentation.

Be that as it may, if the pandemic persists significantly that could impact the advertising agencies revenue and profit. Huge drops in the revenue of advertising agencies because the big and multinational companies which engage the services of these agencies are mostly affected by the Covid-19. As a result, those companies will cut down on mainstream and traditional advertising, and rather resort to having an in-house advertising team, mainly as part of the marketing communication department. Hence the advertising agencies will not get those contracts again, at least not until the world economy bounces back after the pandemic is brought under control.

Further, staff retrenchment will hit these advertising agencies is inevitable as they lose accounts and contracts, and the work load is minimized. They will be forced to maintain a lean staff. The social distancing directive which has necessitated the practice where companies are now running shifts at the office, will itself lead to job losses, not to talk of so-called non-essential staffs like drivers, office assistants, office managers and managers of clients' accounts which have been put on hold.

Also, increase in expenditure (mostly unplanned) as there is the need to be retrain staff in digital media, as well as the acquisition of digital media tools and subscription fees for digital platforms, as well as cost of data. The advertising agencies will have to tailor their clients demand to fit tighter budgets.

And inability to retrieve moneys paid to events centers and service providers in anticipation of events earmarked for the future. These therefore could become bad debts never to be repaid

COVID-19 will likely continue to impact on the advertising agencies but the only difference is that the large advertising agencies may cover those losses within a shorter period of time (depending on the impact of the pandemic).