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# The Need for Real-Time, Reliable Information in Designing Stimulus Packages

Leveraging on innovative market  
research solutions

**Policy Makers  
Should Leverage  
on Market  
Research  
Solutions to Fill  
Information Gaps  
for an Effective  
Stimulus Plan**



The coronavirus outbreak is likely to become the defining crisis of our generation. As the scale of the pandemic continues to grow at a level unprecedented in recent times, national governments have reacted in similarly unprecedented fashion by closing borders, shuttering businesses, and locking down entire regions – as well as introducing large-scale fiscal stimulus packages.

One of the challenges for policy makers in rolling out effective stimulus packages is having good reliable data to guide them on where and how they should administer the stimulus. What policy makers urgently require now are real-time and reliable market information on the extent of challenges faced by businesses and citizens. This is especially so since the Covid-19 crisis is evolving very fast, and economic data that were captured by many government agencies only a few weeks ago are in most cases obsolete in the current environment. In addition, many data gathering methods adopted by government agencies are still heavily reliant on physical means, which are difficult to be implemented in an environment of social distancing.

This is where the market research industry can support policy makers in obtaining real-time data on businesses and citizens to ensure effective stimulus measures.

Over the years, rapidly evolving business models and shorter product life-cycles have led to increasing demand for reliable market information at a much faster pace. The days of having to wait 1-2 months or even more for market data are over. This has consequently pushed the market research industry to step up the game and introduce innovative solutions to obtain real-time, reliable data to allow businesses to respond promptly to the changing market landscape. These solutions leverage on the latest technologies to gather and integrate data points from various offline and online channels, through active and passive means.

## The difficult act of balancing public health and public finances

Governments around the world are now being forced to make excruciatingly difficult decisions – between public health or public finances, between flattening the epidemic curve or deepening the economic recession curve, and ultimately, between saving lives or saving livelihoods. The current health crisis is quickly evolving into a socioeconomic crisis.

These concerns are also echoed by the public – an international Ipsos poll over 10 countries found growing public anxiety over the economic impacts of the outbreak, where people see Covid-19 as an economic crisis first, health risk second.

To curb the expected flow of mass layoffs and business destruction arising from the shutdown, governments have announced and committed to extensive government-led stimulus measures to support the economy. However, a fiscal response at the scale of developed countries is mostly out of reach for developing countries.

For example, the fiscal constraints are apparent in the initial rescue packages announced in Southeast Asia, where with the exception of developed Singapore, the fiscal measures unveiled are currently not as wide ranging compared to many developed countries. Case in point will be the wage support measures.

While policy makers in emerging markets are certainly at a fiscal disadvantage, crafting targeted relief packages based on real-time and reliable market data can help policy makers make the best use of limited resources.



## The need for real-time, reliable data in crafting targeted economic stimulus

One of the primary concerns for emerging market policy makers, especially when designing targeted stimulus, is the lack of adequately reliable information. For example, the Malaysian government has indicated that while they have good data on the lower income group, they are lacking reliable information on the middle-income group. This is not surprising as social safety nets are typically designed for the lower income population, while the Covid-19 crisis demands a rethink of target groups (On the other hand, it is interesting to note that the middle-income earners are the most researched segment of the population by the market research industry).

Even in advanced economies, where there exists extensive integration of agency data and high frequency reporting, the concern is still that these are lagging datapoints, which are obsolete as soon as they are reported. For example, monthly employment statistics based on standardized definitions such as “having worked at least one hour during the reference period” is not a good indicator when things are changing on a daily basis.

These issues are amplified for emerging market policy makers, where many still rely on physical sampling over substantial time periods to derive the statistical data they need. If the intention of emerging market policy makers is to provide targeted stimulus, they will need to have access to more dependable and up-to-date data during their decision-making process, and perhaps through less conventional means.

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The trend in recent years within the commercial space has been towards gathering data and delivering an accompanying analysis in diminishing timeframes. Rapidly changing consumer behaviour, shorter product life-cycles and evolving business models have led to new research innovations where data about a particular segment of the population or economy can be gathered and analysed almost in real-time. These have also led to the entire research chains being moved online – research fields as diverse as concept testing to consumer spending can now be conducted through virtual means.

**These new market research solutions are well positioned to provide essential support to policy makers to bridge the information gaps, especially in the context of this crisis where the need is to act quickly, test out new ideas and understand what is happening on the ground – in real-time.**

Similarly, innovative market research techniques could also be used to gauge sentiment and expected response towards new economic measures, before they are launched. This will provide a form of feedback mechanism to policy makers, to ensure that the initiatives have a higher probability of delivering the desired outcomes. This approach is similar to banks employing market research to test out new insurance policies, where the goals are to understand demand for the policies as well as any possibility of potential exploitation by the consumers. Targeted economic measures could have the same considerations.

Naturally, in some cases there will be trade-offs in accuracy when delivering results quickly, over a smaller sampling frame, and cannot be compared to large-scale national surveys and direct agency data. However, the case could be made that there is little room for waiting in this crisis, where time is of the essence.





## Optimizing diminishing resources for immediate relief and future recovery

Given the unprecedented scale of the outbreak, containing its economic impacts will likely require more government-led stimulus measures beyond what has already been announced. A deliberate throttling of economic activities at this scale has not been done before, and there are still many unknowns as to how exactly the economy will respond.

The first round of stimulus measures was about sending a message of reassurance to the public and to mitigate the immediate impact of the lockdown. The subsequent round of stimulus measures will be about carefully managing the shutdown of the economy, and more importantly ensuring the transition back to normal when the situation improves. Subsequent rounds could also be necessitated in a resurgence of the virus, especially if a vaccine or cure is not developed on time. In most cases, any new round of measures will have to work with a diminished pool of resources.

Taken together, these issues imply that for policy makers, the second and subsequent rounds of economic support measures will likely have to be engineered towards specific outcomes and targeted towards specific groups. With Governments needing to **act fast** and **be sure** in where and how they support, leveraging on innovative market research solutions to provide real-time and reliable on-the-ground data to strengthen the decision-making process will be vital

## Get In Touch!

23<sup>rd</sup> Floor, Centrepoint North  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur  
Wilayah Persekutuan

STRATEGY3.COM

**Kiranjit SINGH**

Ipsos Strategy3, Malaysia and the Philippines

Kiranjit.singh@ipsos.com

+603 2289 3149

+6012 494 0135