

## Effects of Coronavirus in Global Market

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### Abstract

The study investigated effects of coronavirus in global market. The problem situation is economic recession. The specific objective is to identify effects of corona virus lockdown on business activities in Onitsha among others. Research question is to what extent does coronavirus effect business activities in Onitsha among others. Research hypothesis is there is no significant relationship between effects of corona virus and business activities in Onitsha among others. Review of related literature had insight at the global marketing environments. The theory of comparative advantage propounded by Ricardo (1817) was discussed and empirical review. Survey research design was adopted. Area of study was Head Bridge Market in Onitsha metropolis. Population of the study was international marketers of building materials in Head Bridge Market, Onitsha Metropolis. The sample size was 75, but 62 copies of questionnaire were used and duly filled. Two point Likert Scale of questioning was applied. The study found out that coronavirus is actually in existence and that it is a menace to Nigerian International marketers. The study concluded that Coronavirus is really a menace to business activities. The study recommends that people should regularly and thoroughly wash their hands with soap and running water, use alcohol based hand sanitizer among others.

**Keywords:** *Effects, Coronavirus, Global Market, Economic Meltdown and the Global Marketing Environments*

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### **Background to the Study**

Coronavirus was firstly observed in Hubei province China, in December, 2019. As time goes on, coronavirus extended to Wuhan province China, in January, 2020. Coronavirus became a menace to global market. Coronavirus affected the global market negatively, to the extent that the world market perceives economic meltdown. The rapidly changing global environment provides both opportunities and threats. It is difficult to find a marketer today that is not affected in some way by global developments (Armstrong and Kotler, 2013).

China, as a nation is world's most produced market. This makes it crystal clear that marketers all over the world visit China to order one product or the other. Since the outbreak of the virus, marketers are afraid to visit China. It is big and beautiful but threatening world out there for marketers; most large American firms have made the world their market. For example, American McDonald's now captures 65 percent of its sales from outside the United States (Kotler and Armstrong, 2013).

Coronavirus eventually became viral. The virus has been recorded in some other countries like Italy, Sweden, France, Germany, Algeria, Argentina, Portugal, Saudi Arabia, Tunisia, South Africa, Nigeria, South Korea, Cameroun, Togo, Kenya, Israel, Ghana, Gabon, United States of America, Spain etc. A firm that, by operating in more than one county, gains research and development, production, marketing and financial advantages in its costs and reputation that are not available to purely domestic competitors (Kotler and Armstrong, 2013). Market is an arena where exchange takes place. Something of value is exchanged in a market, which is perceived as an arena. This instigates that the world is an arena where exchange takes place. A global company sees the world as one market. Coronavirus is a daunting challenge. Developments in communication, transportation and other technologies have made the world a much smaller place. Evolvement of technology compelled the world to be a village. People travel from one country to another within few hours especially by air. Infected persons also travel until the Coronavirus is diagnosed, that was why Coronavirus became viral. The study is to examine effects of Coronavirus in global market.

### **Statement of the Problem**

The Coronavirus which is novel is a menace to business activities. Business activities are now being distressed by coronavirus pandemic. As a matter of fact, the international marketers do not travel to China to order for products. This situation resulted that, some products needed by customers were out of inventory. The present situation now prompted the few available products to be exorbitant. Based on this premise, coronavirus pandemic introduced economic recession in world's market. The problem situation of the study is economic recession.

### **Objectives of the Study**

The general objective of this study is to examine effects of Coronavirus in global market. The specific objectives are to:

1. Identify the effects of coronavirus on business activities in Onitsha.
2. Identify effects of coronavirus lock down on business activities in Onitsha.

3. Ensure that effects of coronavirus lock down on business activities in Onitsha prevents corona virus from spreading.

### **Research Questions**

These research questions are vital to be attempted, the following research questions were observed:

1. To what extent does coronavirus affect business activities in Onitsha?
2. To what extent does coronavirus lock down effect business activities in Onitsha?
3. To what extent does Coronavirus lockdown on business activities prevent the virus from spreading in Onitsha?

### **Research Hypotheses**

These research hypotheses have to be tested. The research hypotheses are

- HO<sub>i</sub>:** There is no significant relationship between effects of corona virus and business activities in Onitsha.
- HO<sub>ii</sub>:** There is no significant relationship between effects of coronavirus lockdown and business activities in Onitsha.
- HO<sub>iii</sub>:** There is no significant relationship between coronavirus lockdown on business activities and prevention of corona virus from spreading in Onitsha.

### **Review of Related Literature**

#### **Conceptual Review**

The global marketing environments are:

**The Political Environment:** It describes the type of government in terms of the philosophy, source and basis for political power and activities. In ideological terms, these can be democracy, dictatorship, monarch, or socialism. The ideological state as well as the learning is of relevant consideration here. The political factor is important because it dictates the marketing system in which global marketing must operate. Democracies tend towards market economics where the issues of demand and supply of goods and services are left to market forces to resolve with minimal interference from the government. As a result, the major concern for any economic activity including goods and services production is profit in the process of consumer satisfaction. Profit is thus, a legitimate pursuit in the production of goods and services.

The communist ideology which is an extreme case of socialism, until late 1989 was an important political ideology emphasized centrally determined and administered supply and demand conditions. Profit motive in the production and distribution of goods and services was emphasized to the point of being a punishable offence especially if individual initiative was involved. It favours economic adventurism and it is currently a prominent feature of developing countries like Nigeria (Cateora and Hess, 2006).

**The Legal Environment:** This covers both the laws of the foreign country and the global conventions: As issues here are

- i. The degree of restrictiveness of the laws

- ii. The manner and degree of enforcement
- iii. The degree of pervasiveness
- iv. The direction of the legal philosophy
- v. The frequency of change in the laws

Most laws in nature free market economies are directed towards encouraging competition from a long term perspective and towards consumer protection and high levels of business conduct and ethics. In some third world countries, the laws are subject to frequent changes and this tends to breed instability in the decision making environment. This discourages long term business commitments and doing business assumes an unhealthy speculative stance to the detriment of the economy. Enforcement and punishment are haphazardly carried out in third world countries often because of inadequate enforcement personnel and investment infrastructural facilities in communication and wide spread official corruption which appear institutionalized. The problem is such that every law made becomes a veritable avenue for self enrichment. This can be a real handicap for an organization that does not realize the nature of the game let alone know how to play it especially because of possible sanctions from the domestic government (Nehemiks and Eells, 1984). The legal aspects of the environment with regard to intentional conventions concern the recognition and protection of industrial property rights as provided by the Paris convention, the inter-American convention and the Madrid convention. The recognition and protection of property rights in a given foreign market operate to achieve not only a fair return on such rights but also fair competition. Again, in ensuring a situation of fair competition they make for controlled competition, Act, 1969 (Gosh, 1995).

**The Economic Environment:** This fact relates not only to the income, productivity and cost levels as they concern the factors of consumption and production in the foreign economy but also to the global economic relations of the foreign country. The latter affects its ability to attract and retain foreign investment. The level of internal economic activity and the levels and nature of global economy relations for any given nation are closely related. The connecting link is the state of its balance of payments. The overall balance of the international payment accounts measures the net position of the nation in its global financial transactions include importing and exporting of goods and services, non trade activities such as overseas investment inflows and outflows, gifts or aids, both military and otherwise etc. The trade or current account balance is the most important single measure of a country's well being as far as global economic standing goes. A positive net balance shows a country is selling more than it is buying, in other words, it is earning more foreign exchange or other nations' currencies than it is paying out. A negative net balance exists where the reverse is the case.

**Competitive Environment:** This aspect of fact has several dimensions. There is foreign competition in the form of local manufacture and imports. There is the dimension of global agreements and conventions and finally is the dimension of multinational economic organizations. Dealing with local and foreign competition in a strike business sense is more straight forward than dealing with competitive disadvantage caused by the existence of special concessions arising from agreements, conventions and membership of competing business

organizations or some economic organizations. Such agreements as the general agreement on trade and tariff are directed towards the reduction of tariffs for member nations and reduction of incidence to tariff discrimination and tariff barriers among member nations. Non members are handicapped competitively where these agreements hold. The United Nations Conference on Trade and Development (UNCTAD), convened first in 1962, seeks to persuade developed countries to grant more tariff concessions to third world countries on a non reciprocal basis on manufactured goods to enhance the exportation of manufactured goods from these countries since, this means more value added export products. This has become necessary because of the falling commodity prices and the dividing export earnings of the under developed countries. This again stands to improve the competitive position of countries that are members of this conference in global markets (Sandhusen, 2008).

**The Moral and Ethical Environments:** Both moral behavioral and ethical factors of a nation affect the conduct of a business organization in the global market. The moral factor sets the standard for distinguishing between right and wrong actions by members of our society regardless of self interest or immediate consequences to those who are acting (Hart, 1970). The behavioral factor on the other hand according to Etuk (2009), examines the psychosocial forces that cause human being to behave the way they do, it attempts to explain how interpersonal and intergroup relationship influence the actions of individual members of a particular business organization. According to the Webster's dictionary, ethics is the discipline dealing with what is good and bad with moral duty and obligation. Often ethical standards are enacted into laws. It means adhering to moral principle, being guided by particular values and behaving in a way people ought to act. Ethics is the study of right and wrong in human conduct. When going global, a global marketer has to study thoroughly the business ethics of the consumers in the market place. Business ethics, according to Sturdivant (1977), is concerned with the “right” and “wrong” or “good” and “evil” dimension of business decision making.

**The Physical Environment:** The physical environment of business comprises all those geographical factors within which business functions and other man made infrastructure that determine the success or failure of business in a particular society. Among the natural factors are the elements of geography, land forms, climate, animal species, vegetation, land area, topography, rivers and lakes and mineral deposits. The man modified factors are such existing infrastructure that could facilitate the conduct of business. Among them are roads and railways, airways market centres, telecommunications, telephones, telex and tax, postal services, electric power and transportation network.

**The Cultural Environment:** Culture is the human made part of human environment the sum total of knowledge, beliefs, arts, morals, laws, customs and other capabilities and habits acquired by humans as members of society. Culture is the distinctive way of life (Wertseh, 1985). It is the integrated sum total of learned behavior traits that are manifested and shared members of a society, the man made part of the distinctive way of life of people that is not biologically transmitted but changes from generation to generation. The differences in opinion of what culture actually stands for not withstanding what is important is that culture

has both a persuasive and changing influence on each national market environment. The elements of culture of the people should be expressed. Among these cultural elements of the foreign market is

1. Material Culture
  - a) Technology
  - b) Economics
2. Language
3. Aesthetics
  - a) Graphic and Plastic arts
  - b) Folklore
  - c) Music, Drama and Dance
4. Education
5. Religion, Beliefs and Attitudes
6. Social Organization and
7. Political Life

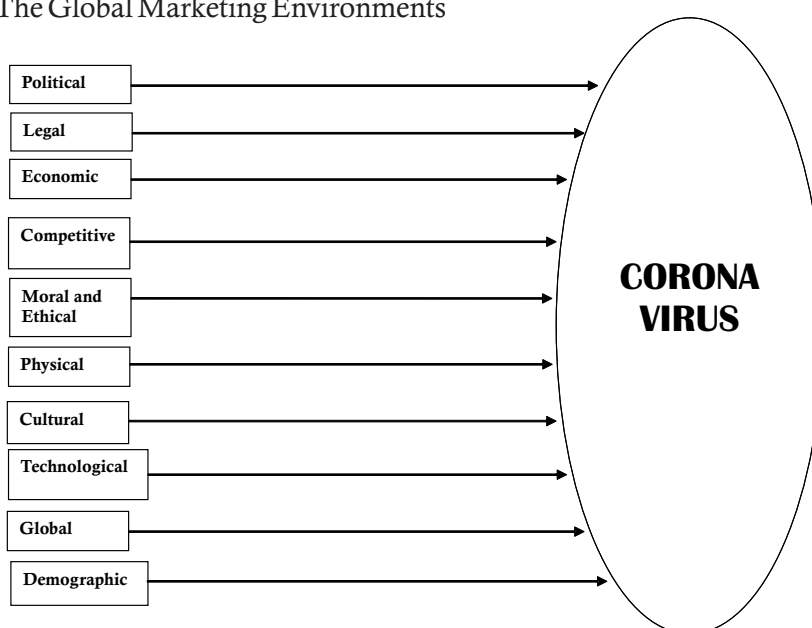
**The Technological Environment:** The application of scientific principles to industrial problems is known as technology; the improvement in machines, methods, materials managements etc that results from this called technological progress (Keith and Gubelini, 1978). For most people, the prime benefit of technological progress is the vast increase in goods and services it makes available to society. Technology multiplies the output of a single worker. It leads to vastly increased efficiency of production. It acts to reduce real prices and results in a higher standard of living. It reduces the amount of prolonged and dangerous manual labour involved in business activity, increase in workers' wages and much more leisure time for workers. It simply means the way we do things; the way the marketer produces, prices, distributes and promotes goods and services are dependent on the technology available within the country at that period. Technology is crucial for the development of new products and improvement of existing products that raise our standard of living.

**The Global Environment:** The world is today regarded as a global village. That means that any problem in one part of the world affects other nations of the world. Global factor consists of all factors that operate at transnational, cross cultural and across the border. Example, the bombing of the World Trade Centre in New York on the 11<sup>th</sup> September, 2001 affected business operations around the world. The bombing brought about dwindling passengers in the airline industry as a result of fear, the reductions in the number of airline passengers brought low revenue for the industry which resulted to staff reduction. This reduction in volume of business also affected other industries that do business with the airline industry. Such sectors faced problems. Indeed its multiplier effect cannot be over emphasized. It is as well important to note, that the bombing compelled to economic sanction on Iraq and Iraq's oil quote led to shortage in crude oil supply in the world. Prices of oil were increased as a result of this reduced supply. Nigeria and other oil producing nations have a boom in revenue accruing from the sale of crude oil. Its effect around the world was great. The growth of international competition was at increase of free trade among nations. Today, Japanese manufactures of the automobile industry have won much of the market in automobile,

television sets by offering the global market with better quality products than those of other nations industries that many jobs have been lost. Nowadays, China remains the greatest feared country around the world in this global market. Due to abundant labour who are eager to work at reduced wages. Chinese can produce high quality products at reduced prices.

**The Demographic Environment:** This is the study of human population in terms of size, density, location, age, gender, race occupation and other statistics (Kotler, 1999). Population study is very important in marketing because it is people that constitute markets literally therefore, India, which in 2001 joined China in hitting the one billion population mark, could be said to be the world's second greatest market. Nigeria remains the Africa's most populous.

**Figure 1:** The Global Marketing Environments



**Source:** Researcher's Model, 2020.

From every indication, it is obvious that, this plague known as Coronavirus or Covid 19; has affected negatively the endeavours of production, marketing and services to a standstill. The global economy is dwindling.

**Theoretical Framework**

**The Theory of Comparative Advantage**

The theory of comparative advantage was propounded by Ricardo (1817). The theory explains why countries engage in international trade even when one country's workers are more efficient at producing every single good or product than workers in other countries.

**Significant of the Theory to the Study**

Since, the global market is seen as a village, any challenge that affects the globe is concerned by all. This goes to state that every player must endeavour to tackle the challenge in order to acquire an enabling and conducive environment in the global market.

## **Empirical Review**

Awok, Oben and Ighoteguonor (2014) investigated on empirical study on global marketing flows and Nigerian economic growth perspective. The study examined global expert flows from 2009 to 2013, with fourteen segments compressed into nine key sectors as indentified to WTO international trade statics. The study further spread its ambience to cover local population to garner from the field the degree of knowledge and their likely contributions to global market. It split Nigeria into six geopolitical zones with eleven (11) towns and cities judgmentally and purposively sampled from a population of 4,400 made up of 400 subjects from each, since these towns mean population exceeded 250, 000 with intent to cover 1,650 respondents. Questionnaires retrieved from 1,650 totaled 1,481 about 89% correlated positively. The psychometric properties were tested using exploratory, confirmatory factor analysis. Internal consistency, Cronbach Alpha ( $\alpha$ ) and reliability tests were used. Eight qualitative business models were built and supported by empirical data from WTO, DECD, BRACS and others which showcased strategies to adopt when Nigeria is transforming and globally positioning.

Fuerst (2010), carried out a study on global marketing strategy: the case of a born global software firm in Colombia. The study serves global business to business markets by using an internet based sales channel strategy. GMS (Global Marketing Strategy) model is used as the guiding framework for analysis. Its micro firm characteristic (five employees) and virtual character (all marketing activities are solely carried out through the World Wide Web). Data collection was carried out in three phases. It was found that standardization of different elements of the marketing program is highly important. The study concluded by stating that the GMS model seemed to be applicable in its current form only to a certain extent to the analysis of small born global software firm's marketing strategies. The study recommended that the elements that appeared to be, highly are relevant though, standardization aspects of the marketing program are external globalizing conditions and global orientation.

Pablo and Vargas (2014), conducted a study on determinants of the success of global and local brands in Latin America. The purpose of this study is to address the issue of the implementation of global and local brands in Latin America by drawing on contingency theory to develop and test hypotheses are tested using data obtained from top brands rankings reported in five Latin American markets (Argentina, Brazil, the Caribbean and Central America, Chile and Mexico). The study design considers estimating a logistic regression on a binomial dependent variable measuring whether 475 top brands are global or local brands, with product category characteristics as independent variables. Results reveal that product categories related to subscriptions, local tastes, high-tech and global citizenship do have an impact on the success of global and local brands in Latin America.

## **Methodology**

### **Research Design**

The study adopted survey research design. Survey research design divulges how coronavirus affects the global market. The recent development in technology has transformed the world for business people to meet easily.



### **Area of Study**

This study was scrutinized in building materials market at Head Bridge, Onitsha Metropolis in Anambra State, Nigeria.

### **Population of the Study**

Population of the study was international marketers in building materials market at Head Bridge, Onitsha Metropolis. These international marketers import building materials products from China. The international marketers reached, were seventy five (75) in Head Bridge Market, Onitsha in Anambra State, Nigeria. Source: Field Survey, 2020.

### **Sampling Plan**

Sample plan, consists of sample designs, which refer to the different ways, a researcher draw samples from any given population according to Nnamdi (1991). Sampling plan comprises of sample unit, sample size, sample method and sample procedure. The sample unit concerns the international marketers in Head Bridge market, Onitsha Metropolis. The sample size of the study was seventy five (75). Out of 75, sixty two (62) respondents duly filled their copies of questionnaire and the copies were used for the study. Method utilized was the distribution of questionnaire. The procedure adopted was non-probability sampling and the type applied was the convenience or accidental sampling procedure.

### **Data Presentation and Analysis**

On the collection of the copies of questionnaire, it was recorded that sixty two (62) copies were to be in a useful form.

**Table 1:** Gender of Respondents

<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Female	0	0
Male	62	100
Total	62	100

**Source:** Field Survey, April, 2020.

From the data collected, there was no female respondent as an international marketer. The percentage was (0%) while sixty two (62) male respondents were international marketers and the percentage was (100%).

**Table 2:** Analysis of Attitude Questions; corona virus and business activities

S/N	Question	Agree	Disagree
1.	Does pandemic of Corona virus affect your business transactions negatively?	58 (94%)	04 (06%)
2.	Does pandemic of Corona virus restrict the business trips of Nigeria importers?	55 (89%)	07 (11%)
3.	Does pandemic of Corona virus lead to shortage of inventory?	60 (97%)	02 (03%)
4.	Does outbreak of Corona virus negatively affect production of products from China?	61 (98%)	01 (02%)
5.	Does Corona virus outbreak affect the world's economy negatively?	62 (100%)	0 (0%)

### Analysis of Likert Questions

1. The researcher demanded to know the respondent's opinion in head bridge market, Onitsha. Out of sixty-two (62), fifty-eight (58) agree that Coronavirus pandemic affect business transactions negatively; which resulted to (94%). While four (04) respondents disagree that Coronavirus pandemic does not affect business transactions negatively the percentage was (06%).
2. The researcher required to know the respondent's opinion in head bridge market, Onitsha. Out of sixty-two (62), fifty-five (55) agree that Coronavirus pandemic restrict the business trips of Nigeria importers. This resulted to (89%). While seven (07) respondents disagree and the percentage was (11%).
3. The researcher wanted to know the respondent's opinion in head bridge market, Onitsha. Out of Sixty-two (62). Sixty (60) agree that Coronavirus pandemic led to shortage of inventory. This resulted to (97%). While two (02) respondents disagree and the percentage was (03%).
4. The researcher obliged to know if Coronavirus outbreak affects negatively production of products from China. Out of sixty-two (62) respondents, sixty-one (61) respondents agree, which was (98%). While one (01) respondent disagree and the percentage was (02%).
5. The researcher was eager to know if Coronavirus outbreak affects the world's economy negatively. Out of sixty-two (62) respondents, sixty-two (62) respondents agree that Coronavirus outbreak affects the world's economy negatively which was (100%). While no respondent disagree.

### Findings

This study found out that Coronavirus is actually in existence and that it is a menace to Nigerian international marketers. Since the manifestation of this lethal or deadly virus; nowadays, Nigerian international marketers do not travel as usual to China to import products. This Coronavirus has placed fear in the minds of Nigerian international marketers and every individual. This fear is at the increase because, the virus is going viral as it gradually, affects people in countries like Italy, Germany, Spain, France, Argentina, America, Chile, Brazil, Morocco, Egypt, Nigeria etc. Corona virus takes fourteen (14) days to develop, if not properly taken care of, it eventually ends to death.

## **Conclusion**

The study concluded that Corona virus is really a menace to business activities. International marketers seldom travel out of countries. This recent and sudden development has introduced economic meltdown. Economic meltdown is being experienced because the world is a global village now. Every business is at stand still. Products in China are still intact. International marketers from different nations do not travel to purchase products. Not only do those, manufacturers not go for production, because Corona virus spreads like whirlwind. One of the strategies that can stop the spread is to avoid contact; especially at factories where there are numerous number of workers.

## **Recommendations**

This study recommended these facts. The recommendations are

1. Regularly and thoroughly wash your hands with soap and running water, use alcohol based hand sanitizer.
2. Maintain at least one and half metres (5 feet) distance between you and anyone who is coughing or sneezing.
3. People coughing persistently or sneezing should stay indoors or keep a social distance, but not mix with a crowd.
4. Ensure that you and people around you follow good respiratory hygiene by covering mouths and noses with a handkerchief or tissue while sneezing or coughing. You can also sneeze or cough into your sleeve at the bent elbow. Then dispose of the used tissue immediately.
5. Stay indoors if you feel unwell with symptoms, such as fever, cough and difficulty in breathing.
6. Stay informed on the latest developments about Covid-19 through official channels on television, radio and social media.

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