

As earnings loom, Big Tech to highlight pandemic efforts

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Big tech firms Facebook, Apple, Google and Amazon will be reporting quarterly results in the coming week, along with Microsoft

Big Tech firms set to report quarterly results in the coming days are

facing the challenge of spotlighting their roles battling the coronavirus pandemic without seeming as though they are cashing in on upheaval from the health crisis.

The normal talk on profits and revenue projections are likely to be replaced by discussions on how the world's most powerful companies are helping research for a COVID-19 treatment, protecting workers and easing the pains of locked-down consumers.

Quarterly updates are due this week from Google parent Alphabet, Facebook, Microsoft, Amazon and Apple, all of which will see an impact from the pandemic.

"We'll see is a big portion of their earnings presentations about what they've done to fight COVID-19," said Patrick Moorhead, analyst with Moor Insights & Strategy.

"It's important not to talk about new share buybacks. If they haven't made huge investments in trying to help COVID victims or find a cure, they may be announcing more about that."

The novel coronavirus crisis has disrupted operations at tech powerhouses known for disrupting traditional businesses.

Fewer people are buying new smartphones; more people are online and using social platforms but [online advertising](#) is slumping; cloud computing needs are growing; and more consumers are relying on delivery of essential goods from Amazon.

Shareholders vs consumers

The [tech companies](#) will be highlighting their social responsibilities but also sending a message to shareholders and investors, said analyst Jack

Gold of J. Gold Associates.



Amazon has faced worker protests such as this one at a New York warehouse as it seeks to show its role in helping deal with the COVID-19 pandemic

"They will tell people how many jobs they are creating, how many [local businesses](#) they are powering, they will talk about their charitable contributions," he said.

They need to reassure consumers that they are not exploiting the

situation, highlighting their free and discounted services, Gold noted.

Amazon will get special scrutiny because of its importance for essential goods, and because of employee safety concerns for its warehouse, store and delivery personnel.

While Amazon has faced protests over safety in its logistics network, it has also unveiled plans to test its employees for the virus, and has announced it is hiring some 175,000 new workers as millions of other jobs disappear.

Gold said the pandemic is a doubled-edged sword for Amazon: it is likely to boost sales, but also heighten concern about its dominance in electronic commerce.

"Do people trust Amazon to be the sole provider of everything I need?" he said.

"Amazon will have to do something to show they are helping the community."

Building goodwill

Some tech firms are building goodwill with their efforts, such as the Google-Apple collaboration to help virus "contact tracing" by enabling their smartphones to communicate across platforms.



Alphabet and Google CEO Sundar Pichai has highlighted cooperation with Apple in efforts to tackle the coronavirus pandemic

But it also shows the companies "are penetrating more profoundly into our lives," said David Bchiri of the consultancy Fabernovel.

"This is increasing our personal and professional dependency on them."

Google has also offered free access to its Stadia gaming service and online meeting services, while Apple has given consumers free access to some of its streaming television content.

Microsoft, likely to see gains in cloud computing services, has been spearheading artificial intelligence use in virus research and has offered

free services to nonprofit organizations.

Advertising turmoil

The online advertising market dominated by Google and Facebook is in disarray due to economic conditions and the reluctance of marketers to place messages alongside the grim content about the pandemic.

"You can see three weeks in, how advertising has changed," said David Sidebottom of Futuresource Consulting.

The costs for online ads has dropped, which will likely mean lower revenues for firms like Facebook and Google.

Sidebottom said these firms have "big cash reserves (and) will be able to withstand this."



Apple, expected to see sharp declines in iPhone sales, unveiled its entry-level smartphone last week which could help limit the damage

But the full impact of the pandemic may not be seen in the latest [quarterly results](#), noted Bob O'Donnell of Technalysis Research.

Companies "didn't start feeling and impact until the very end of the first quarter," he said. "That doesn't tell us a whole lot about the second quarter."

Burnishing image?

The handling of crisis could change what happens afterward to firms which have faced consumer backlash and investigations for how they have wielded power.

The crisis "does change the public perception of these companies if they are helping" in containing the outbreak, Gold said.

"At the same time it makes them stronger. More people are spending more time online to talk with their friends."

This may not prevent a wave of antitrust activity after the health crisis subsides.

"People have short memories," said Carolina Milanesi of Creative Strategies.

"Once we're out of this, for Facebook in particular... it's a necessary evil

at the moment, but it doesn't mean you forget how you feel about it."

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