BOSTON CONSULTING GROUP

COVID-19 Consumer Sentiment Research

India Survey Snapshot: Wave-2 — April 17-20

CENTER FOR
Customer Insight

APRIL 2020

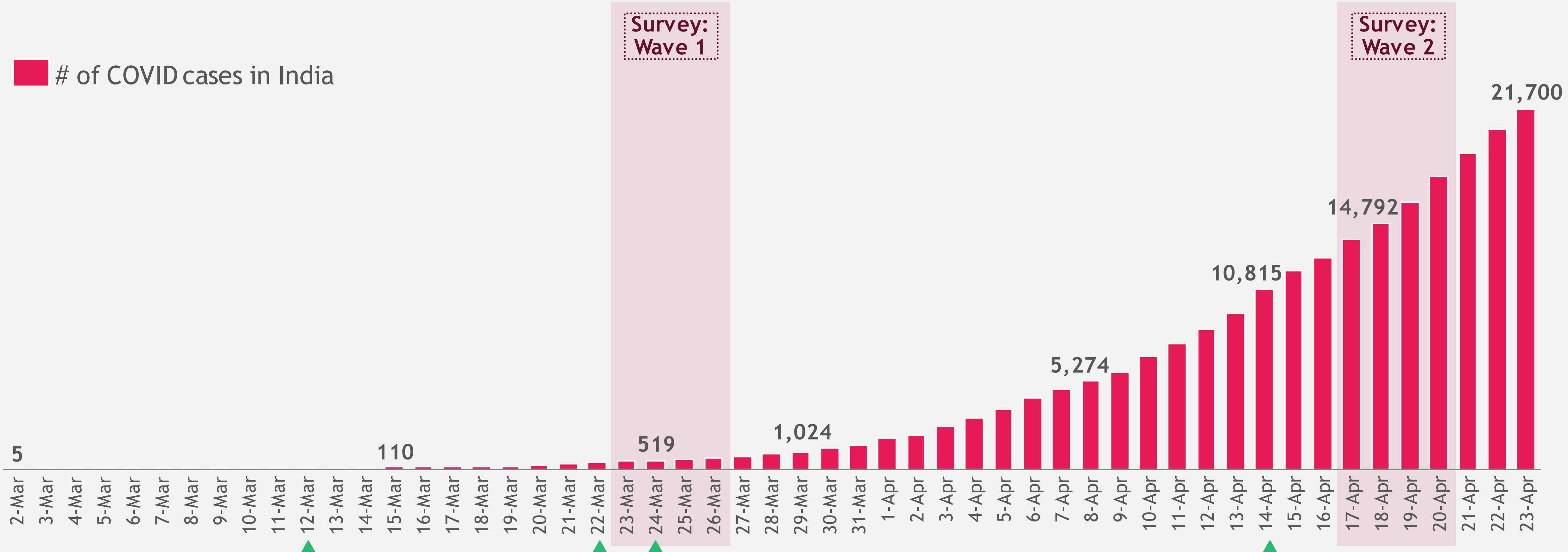
Context for this document

This COVID-19 consumer sentiment research is based on a global survey which currently covers both developed and emerging markets. It will be fielded in waves to provide a longitudinal view of consumer sentiments about the coronavirus pandemic, and about consumer consumption outlook

This document is focused on Wave 2 in India, which was fielded from April 17th-20th, 2020; covering ~2,300 SEC A and B respondents in Metros, Tier 1 & Tier 2 cities. The following is not an exhaustive analysis of that study, but rather a first-read of its results

This study assesses the overall shift in spending across a large set of categories (~50). It also tracks overall consumer sentiment towards the COVID-19 virus

Wave 2 survey conducted after the announcement of lockdown extension



12/3: WHO declares COVID-19 a global pandemic

22/3: Janata curfew/India lockdown observed for a day

24/3: Nationwide lockdown for 21 days

14/4: Lockdown extended till 3rd May

Note: Online survey conducted among SEC AB respondents in Metro- Tier 2 towns, Wave 1: Mar 23-26 (N=2,106), Wave 2: Apr 17-20 (N=2,324)
Source: Ministry of Health & Family welfare (Data updated as on 24 April)

While Coronavirus continues to trigger health & macro-economic concerns, fears on personal financial situation are beginning to emerge

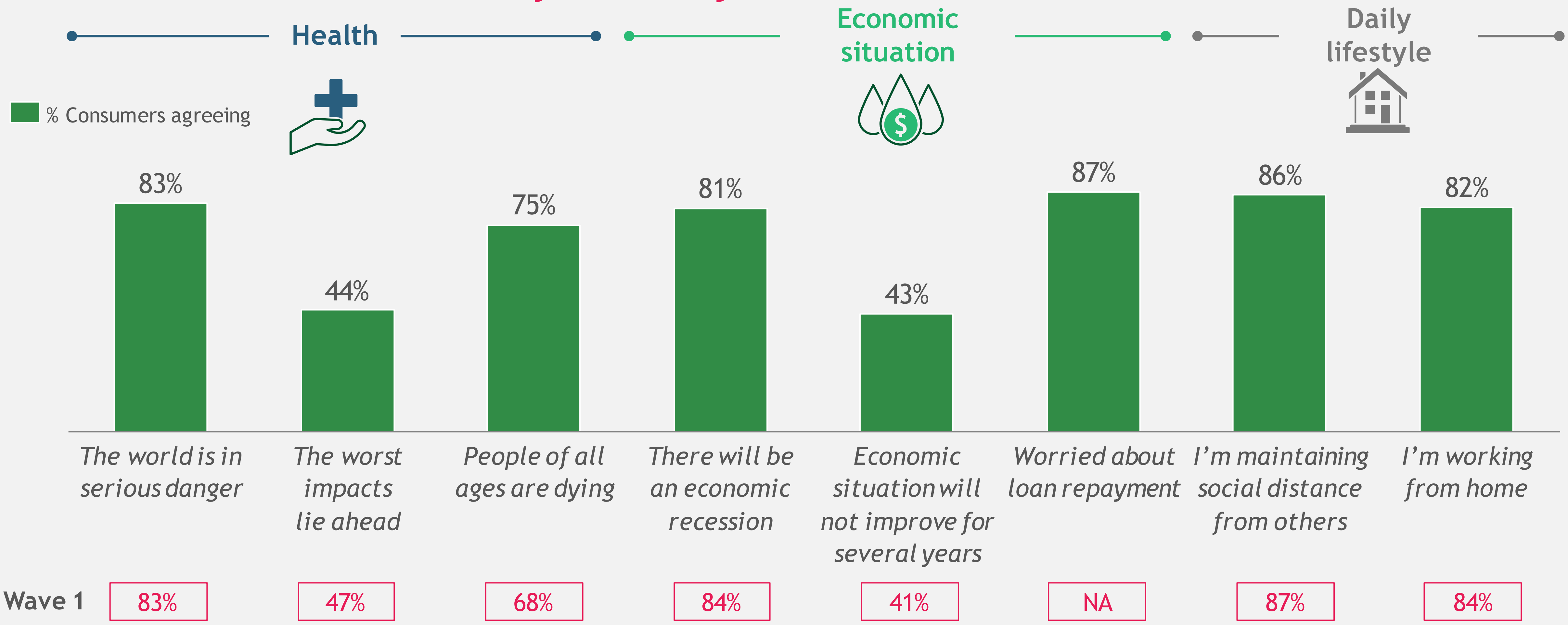
New associations

Mar 23rd - Mar 26th

Apr 17th - Apr 20th

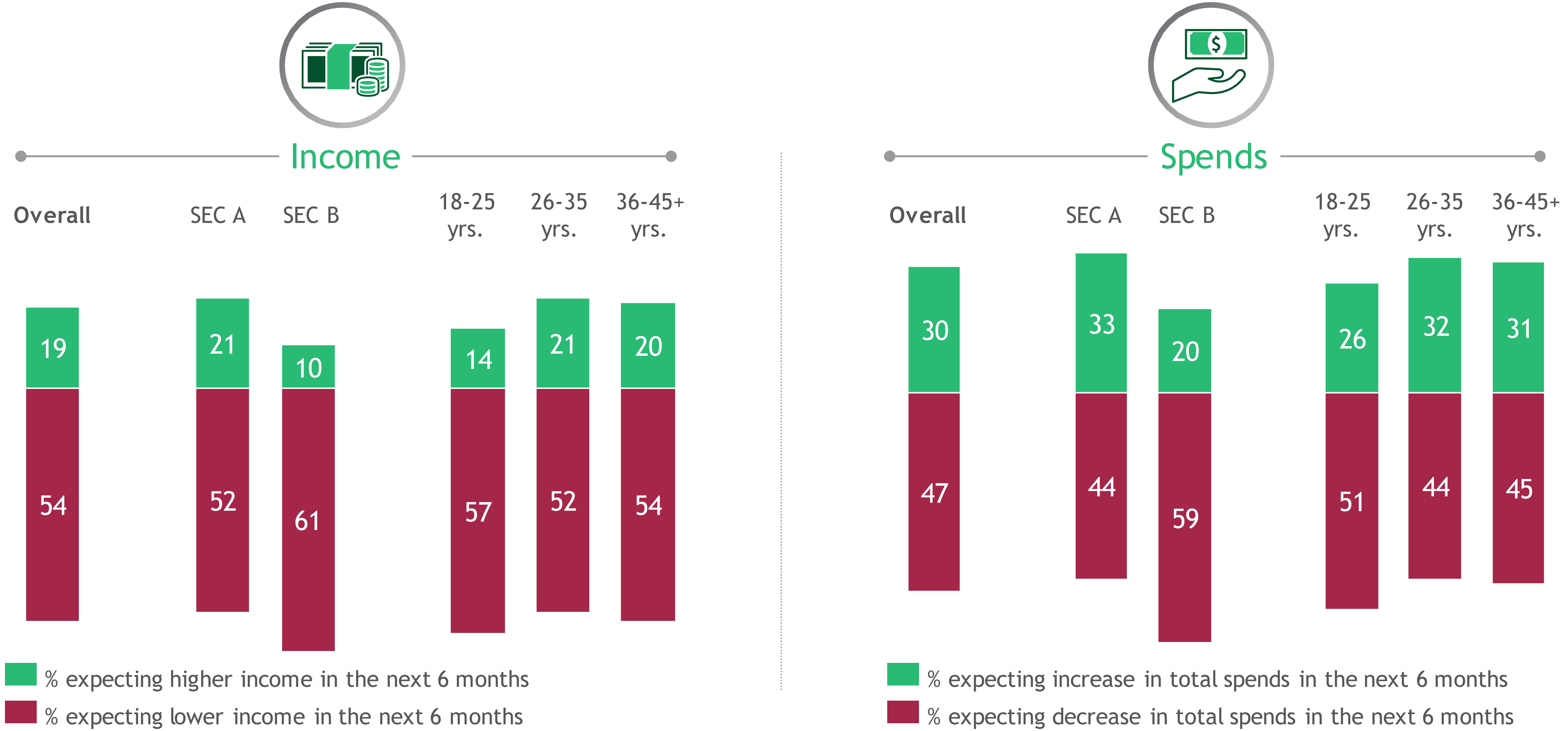
Question text: "You mentioned that you are aware of a global virus outbreak. What comes to mind when you think about the virus? Please list 3-5 words or phrases." Similar responses categorized together for visual simplicity.
Source: BCG COVID-19 Consumer Sentiment Survey March 23-26, April 17-20 2020 (N = 2,106 and N = 2,324 respectively)

Strong concerns continue across health, economic situation and daily lifestyle



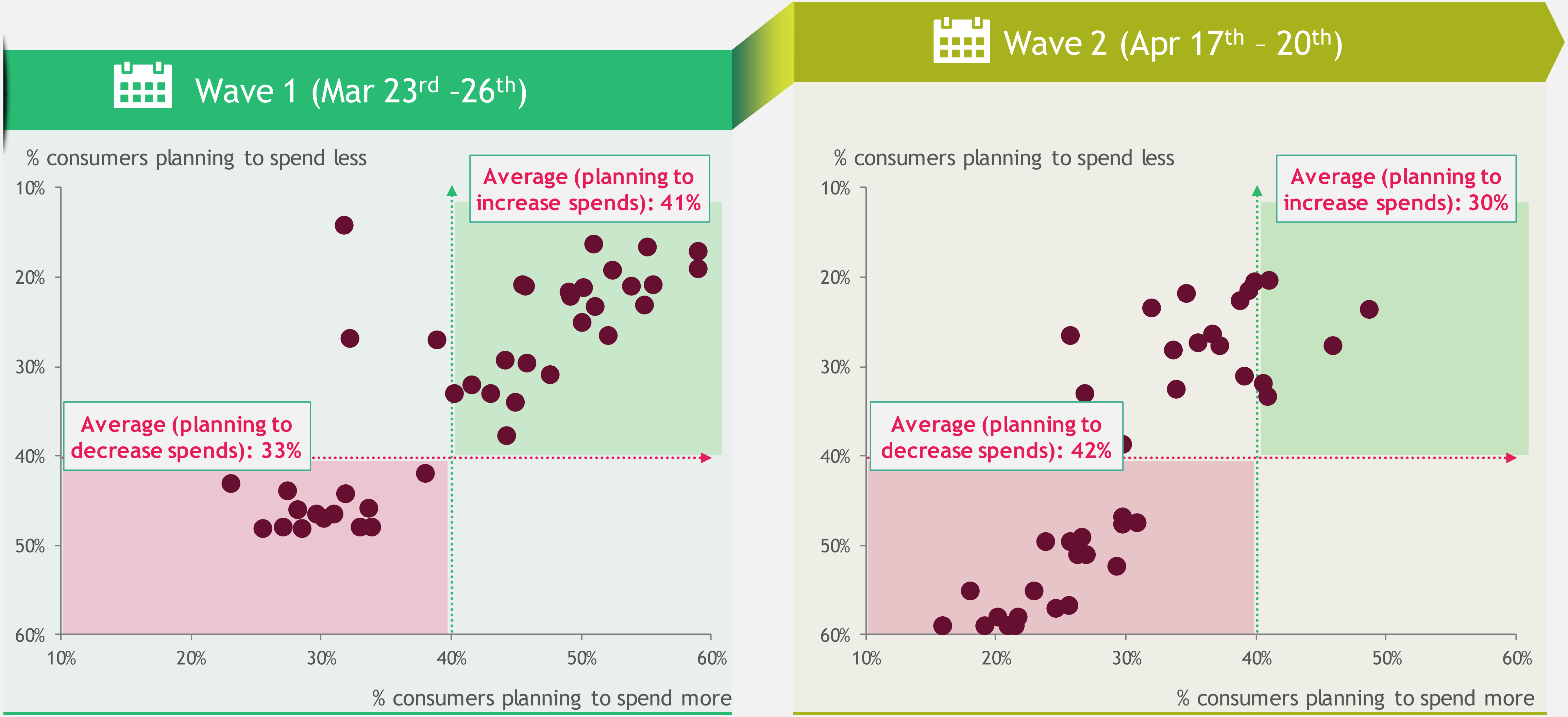
Note: Question text: How much do you agree with each of the following statements about the coronavirus? Combined Strongly agree and Somewhat agree
Source: BCG COVID-19 Consumer Sentiment Survey March 23-26, April 17-20 2020 (N = 2,106 and N = 2,324 respectively)

Negative outlook on future income and spends; more among younger consumers and lower SECs



Question text: "How do you expect your overall available household income to change in the Next 6 months as compared to before lockdown?", "How do you expect your overall spends to change in the Next 6 months as compared to before lockdown?
Source: BCG COVID-19 Consumer Sentiment Survey, April 17-20, 2020 (N = 2,324)

Spending sentiment has worsened across categories



Each dot represents a category

Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?"
Source: BCG COVID-19 Consumer Sentiment Survey March 23-26, April 17-20 2020 (N = 2,106 and N = 2,324 respectively)

Similar winners and losers across both waves; with some exceptions

Wave 1 - (Mar 23rd -26th) \ Wave 2 - (Apr 17th -20th)	Losers	Neutral	Winner
Winner		**Essentials for daily life** • Utilities (electricity/ water bill) • Personal care • Baby/children's food **At-home entertainment** • Direct to Home services **Education**	Essentials for daily life • Household care products • Fresh foods • Staples Health & wellness • Vitamins, herbs, supplements • Preventive diagnostics / test • Medical procedures • First-aid At-home entertainment/ media • Mobile services • Home Wifi connection • Paid OTT subscription Insurance
Neutral	Discretionary spending • Packaged food & beverages • Alcohol • Food delivery Mobile electronics	Health & wellness Prescription/ non prescription medicines Home rent	
Losers	Travel & transport • Vacation/leisure travel • Business travel • Public transport Out of home entertainment • Restaurants • Movies at cinema hall • Spas, theme parks, concerts Home improvement • Home construction/ renovations • Home furnishings & décor Non-mobile consumer electronics Automobiles • Cars • Scooters/bikes Discretionary spends • Cosmetics, makeup, perfume • Tobacco & smoking supplies • Luxury brands/products • Apparel/ fashion		

Note: Categories with Top 2 Box > xx (5% more than average) classified as winning categories. Categories with Bottom 2 Box > xx% (5% more than average) classified as losing categories; Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?"
Source: BCG COVID-19 Consumer Sentiment Survey March 23-26, April 17-20 2020 (N = 2,106 and N = 2,324 respectively)

Essentials, at-home entertainment, savings and health & wellness continue to witness increased likely spends

Change in spends in next six months

Distribution of survey responses (%)

Top winners

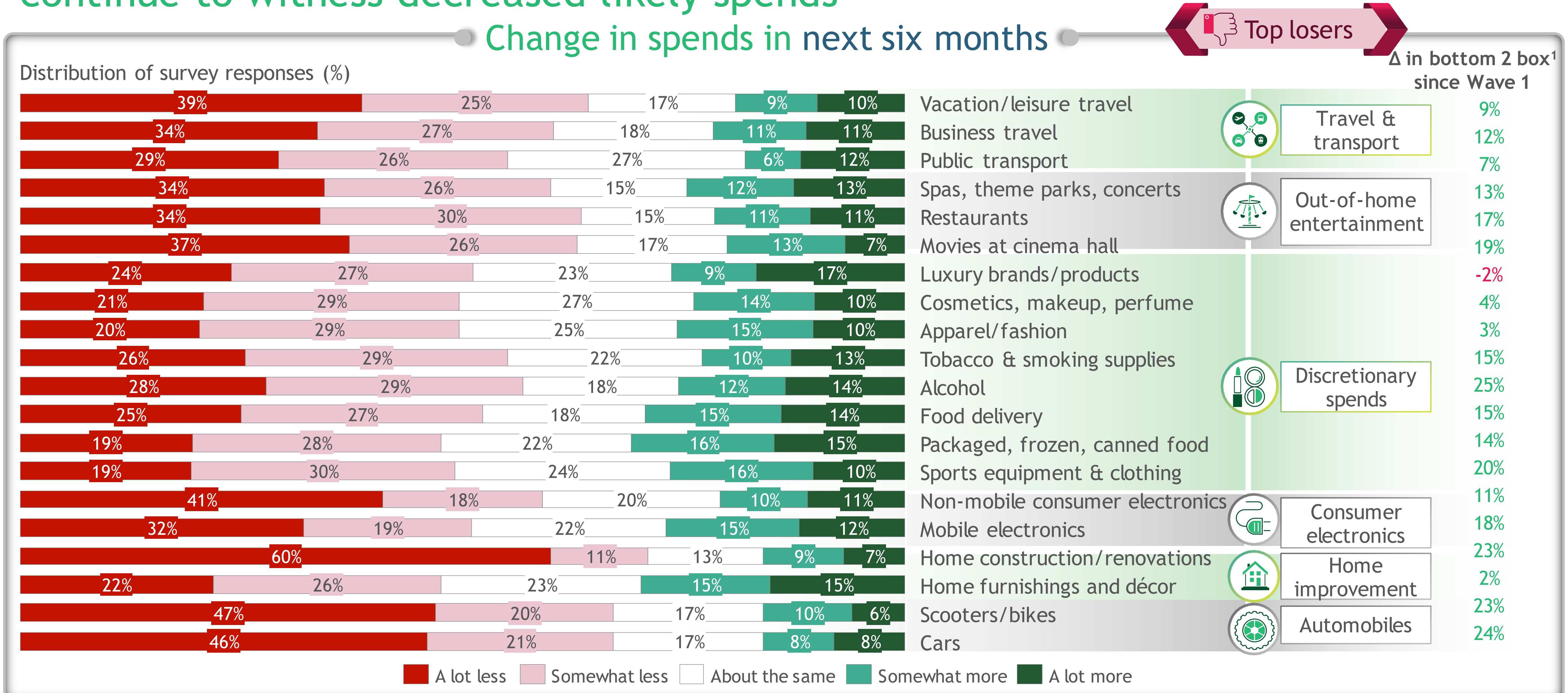
Category	A lot less	Somewhat less	About the same	Somewhat more	A lot more	Top winners	Δ in top 2 box[1] since Wave 1
Fresh foods	14%	17%	30%	22%	18%	Essentials for daily life	-21%
Staples	9%	13%	39%	23%	16%	Essentials for daily life	-10%
Household care products	13%	14%	35%	25%	13%	Essentials for daily life	-12%
Mobile services	13%	15%	37%	16%	19%	At-home entertainment/ Media	-19%
Home wifi connection	10%	12%	39%	24%	15%	At-home entertainment/ Media	-13%
Paid OTT subscription	10%	18%	26%	26%	19%	At-home entertainment/ Media	-8%
Savings	15%	18%	26%	19%	22%	Saving/ Investments	-14%
Insurance	12%	14%	37%	21%	16%	Saving/ Investments	-13%
Preventive diagnostics/test	9%	15%	28%	29%	20%	Health & Wellness	-7%
Vitamins, herbs, supplements	10%	22%	28%	27%	14%	Health & Wellness	-11%
First-aid	9%	11%	40%	27%	13%	Health & Wellness	-10%
Medical procedures	9%	12%	39%	25%	16%	Health & Wellness	-10%

A lot less | Somewhat less | About the same | Somewhat more | A lot more

1. Likely to spend somewhat more and likely to spend a lot more
Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?" Categories with Top 2 Box > 35% (5% more than average) classified as winning categories
Source: BCG COVID-19 Consumer Sentiment Survey, April 17-20 2020 (N = 2,324)

Travel, outdoor leisure activities, discretionary spending and big ticket items continue to witness decreased likely spends

Change in spends in next six months



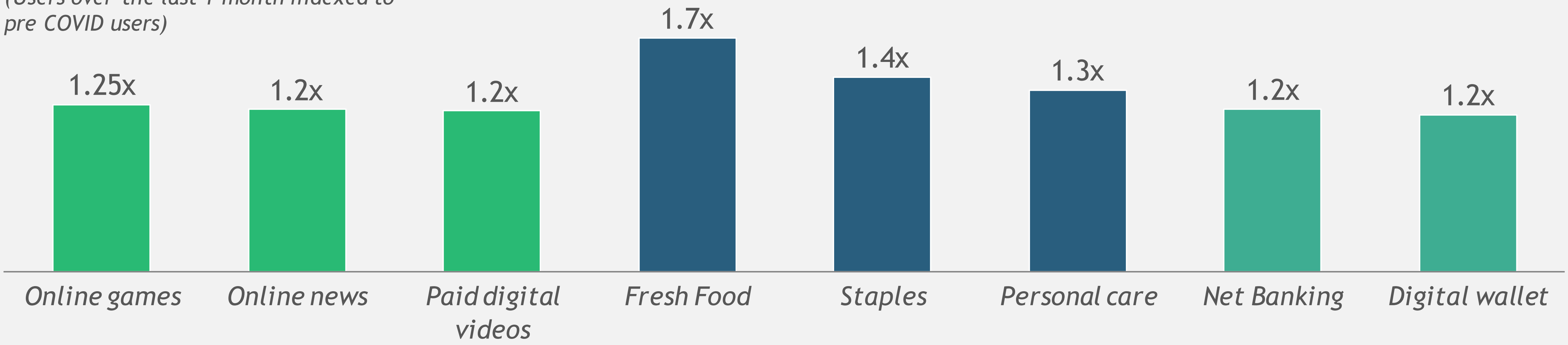
1. Likely to spend somewhat less and likely to spend a lot less

Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?" For consumer electronics categories, cars, scooter/bike, home construction, Bottom 2 box is a sum of those who have already cancelled their plans to purchase and those who plan to spend less among those who still plan to buy in next 6 months. Categories with Bottom 2 Box > 47% (5% more than average) classified as losing categories. Source: BCG COVID-19 Consumer Sentiment Survey (India), April 17-20 2020 (N = 2,324)

Significant adoption across digital activities with high willingness to continue in future

Digital media — Digital purchase — Digital Payments

Increase in the # of users
(Users over the last 1 month indexed to pre COVID users)



% new users likely to continue in future *(scores for Very high willingness)*

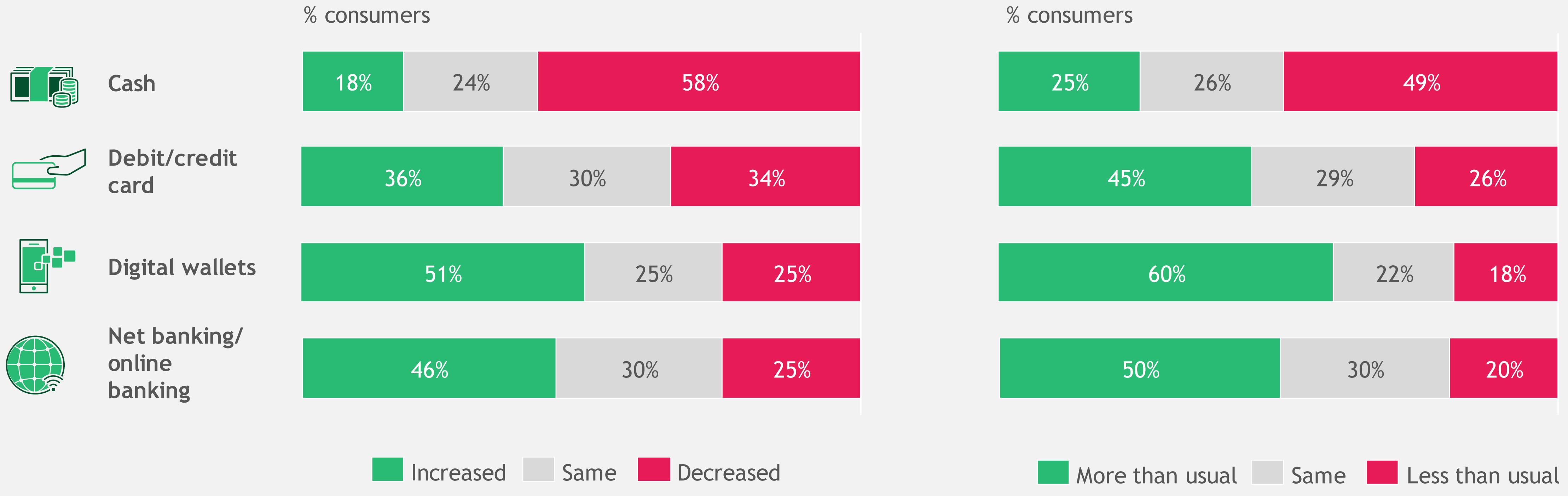
Online games	Online news	Paid digital videos	Fresh Food	Staples	Personal care	Net Banking	Digital wallet
57%	63%	56%	54%	45%	55%	49%	48%

Note: Question text: "How would describe your usage behavior in past 1 month (just before or post lockdown)?"; "Willingness to continue in next 6 months"
Source: BCG COVID-19 Consumer Sentiment Survey April 17-20 2020 (N = 2,324)

Preference emerging for non-cash payments; likely to continue in future as well

Rise across non-cash payments in the last 1 month...

...strong likelihood to continue in the next 6 months

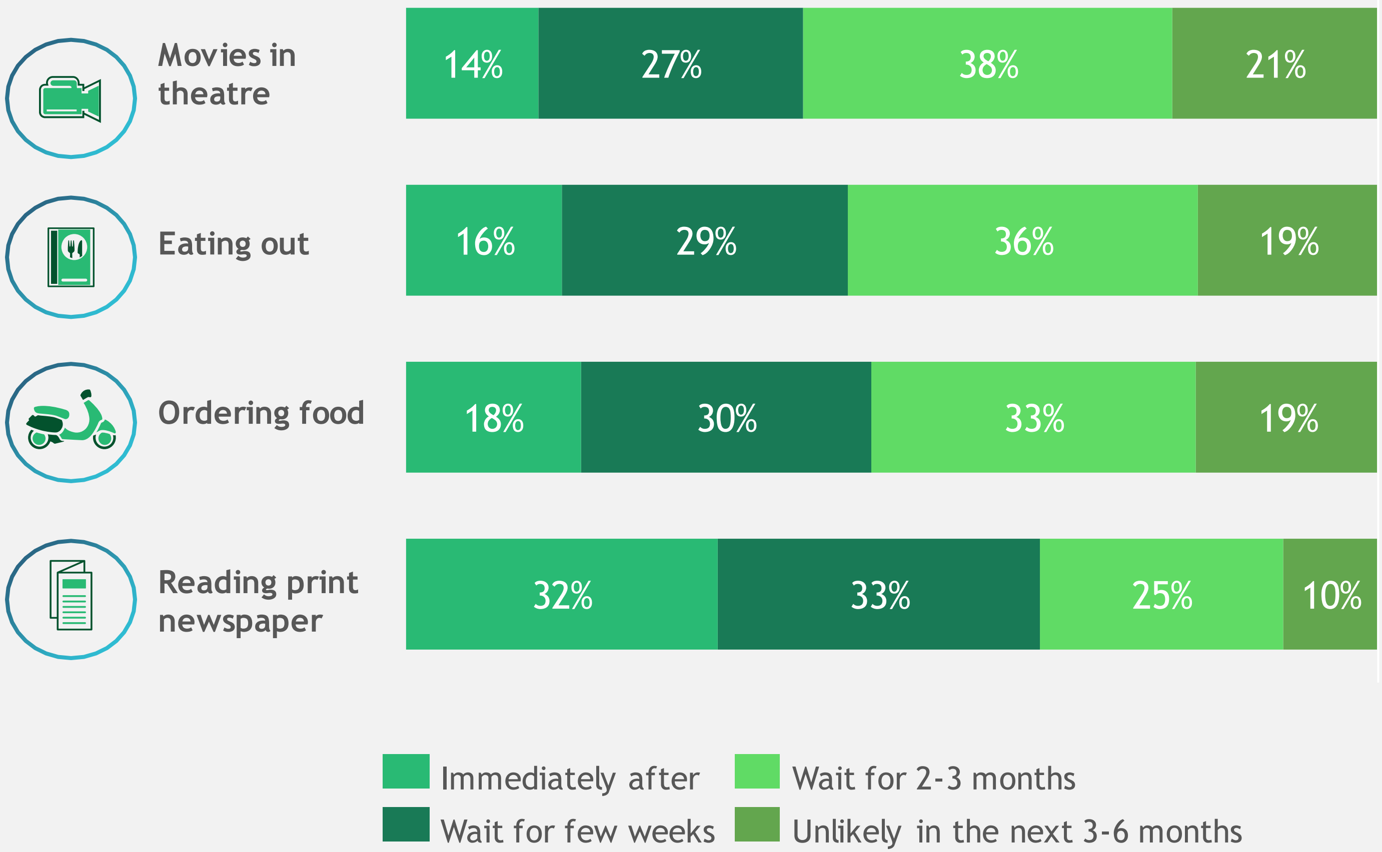


Question text: "How would you describe your usage behavior in past 1 month?" , "How do you expect your usage behavior to change in the next six months"
Source: BCG COVID-19 Consumer Sentiment Survey April 17-20 2020 (N = 2,324)

Skepticism about restarting activities post lockdown

Timeframe to start activities after the lockdown is lifted

% consumers (on the base of those who stopped the activity in the last 1 month)



Note: Question text: "What is your likely behavior for following activities once the Lockdown is lifted"
Source: BCG COVID-19 Consumer Sentiment Survey April 17-20 2020 (N = 2,324)

Please reach out to the team for latest data and insights

Expert Consultants

Kanika Sanghi
Associate Director & Partner

Ankur Jain
Associate Director

Nivedita Balaji
Associate Director

Shriram Ramesh
Consultant

Isha Chawla
Consultant

Sidharth Kapil
Senior Associate

Knowledge Team

Ranjan Arora
Knowledge Expert,
Team Manager

Aditi Bathia
Lead Knowledge Analyst

Prashant Srivash
Sr. Knowledge Analyst

Abhaykaran Khurana
Sr. Knowledge Analyst

Mitesh Goradia
Sr. Knowledge Analyst

Email us at: CCIIndiaTeam@BCG.com

COVID-19 Disclaimer

The situation surrounding COVID-19 is dynamic and rapidly evolving, on a daily basis. Although we have taken great care prior to producing this *COVID-19 Consumer Sentiment Research*, it represents BCG's view at a particular point in time. *COVID-19 Consumer Sentiment Research* is not intended to: (i) constitute medical or safety advice, nor be a substitute for the same; nor (ii) be seen as a formal endorsement or recommendation of a particular response. As such you are advised to make your own assessment as to the appropriate course of action to take, using *COVID-19 Consumer Sentiment Research* as guidance. Please carefully consider local laws and guidance in your area, particularly the most recent advice issued by your local (and national) health authorities, before making any decision.

Disclaimer

The services and materials provided by Boston Consulting Group (BCG) are subject to BCG's Standard Terms (a copy of which is available upon request) or such other agreement as may have been previously executed by BCG. BCG does not provide legal, accounting, or tax advice. The Client is responsible for obtaining independent advice concerning these matters. This advice may affect the guidance given by BCG. Further, BCG has made no undertaking to update these materials after the date hereof, notwithstanding that such information may become outdated or inaccurate.

The materials contained in this presentation are designed for the sole use by the board of directors or senior management of the Client and solely for the limited purposes described in the presentation. The materials shall not be copied or given to any person or entity other than the Client ("Third Party") without the prior written consent of BCG. These materials serve only as the focus for discussion; they are incomplete without the accompanying oral commentary and may not be relied on as a stand-alone document. Further, Third Parties may not, and it is unreasonable for any Third Party to, rely on these materials for any purpose whatsoever. To the fullest extent permitted by law (and except to the extent otherwise agreed in a signed writing by BCG), BCG shall have no liability whatsoever to any Third Party, and any Third Party hereby waives any rights and claims it may have at any time against BCG with regard to the services, this presentation, or other materials, including the accuracy or completeness thereof. Receipt and review of this document shall be deemed agreement with and consideration for the foregoing.

BCG does not provide fairness opinions or valuations of market transactions, and these materials should not be relied on or construed as such. Further, the financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard valuation methodologies, are not definitive forecasts, and are not guaranteed by BCG. BCG has used public and/or confidential data and assumptions provided to BCG by the Client. BCG has not independently verified the data and assumptions used in these analyses. Changes in the underlying data or operating assumptions will clearly impact the analyses and conclusions.

BOSTON
CONSULTING
GROUP

bcg.com