



COVID-19 Consumer Sentiment Research

India Survey Snapshot: Wave-5 — July 20-Aug 02



CENTER FOR
Customer Insight

AUGUST 2020



Context for this document



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

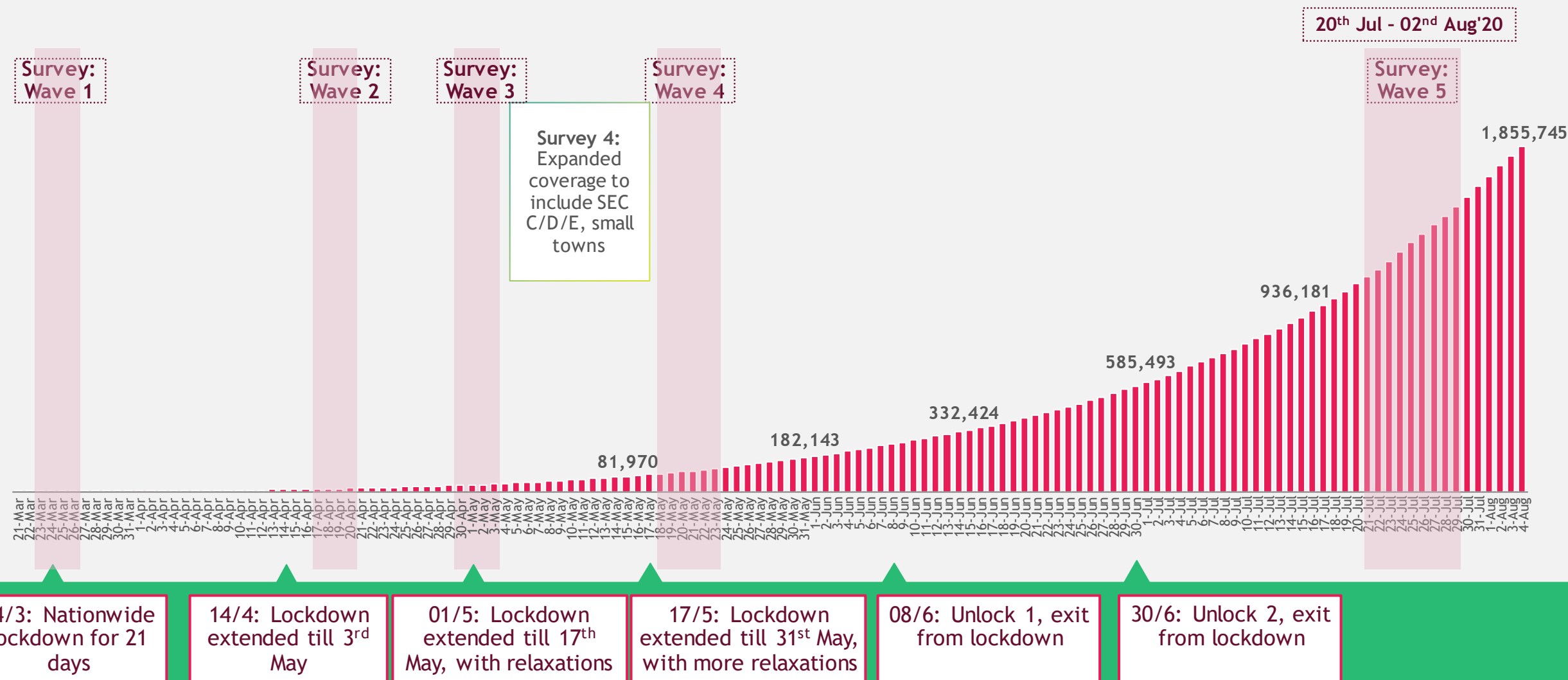


This document is focused on **Wave 5** in India, which was fielded from **July 20th- Aug 02nd, 2020**; covering **~3,000 respondents** across **Metros and Tier 1/2/3/4 cities**. The following is not an exhaustive analysis of that study, but rather a **first-read of its results**



This study assesses the overall changes in behavior across a **large set of categories (~50) and daily lifestyle**. It also tracks overall consumer sentiment towards the COVID-19 virus

Surveys conducted to track the impact of COVID on consumer sentiment & behavior



Wave 5: Offline face to face survey conducted across urban India. Wave 4 : Online survey SEC AB respondents in Metro-Tier 4 towns & Telephonic survey conducted among SECABCDE in Tier 2-4
Wave 1 to 3: Online survey conducted among SEC AB respondents in Metro-Tier 4 towns.

Note: Wave 1: Mar 23-26 (N=2,106), Wave 2: Apr 17-20 (N=2,324), Wave 3: Apr 30-May 03 (N=1,327), Wave 4: May 18-23 (N=3,276), Wave 5: 20th Jul - 02nd Aug'20 (N=3,000)

Source: Ministry of Health & Family welfare (Data updated as on 05 Aug)

Understanding the impact of pandemic on...



Consumer sentiments

How are consumers feeling?



Consumer behavior

How has their behavior actually changed during COVID?

Understanding the impact of pandemic on...

Consumer sentiments



Consumer sentiments

How are consumers feeling?

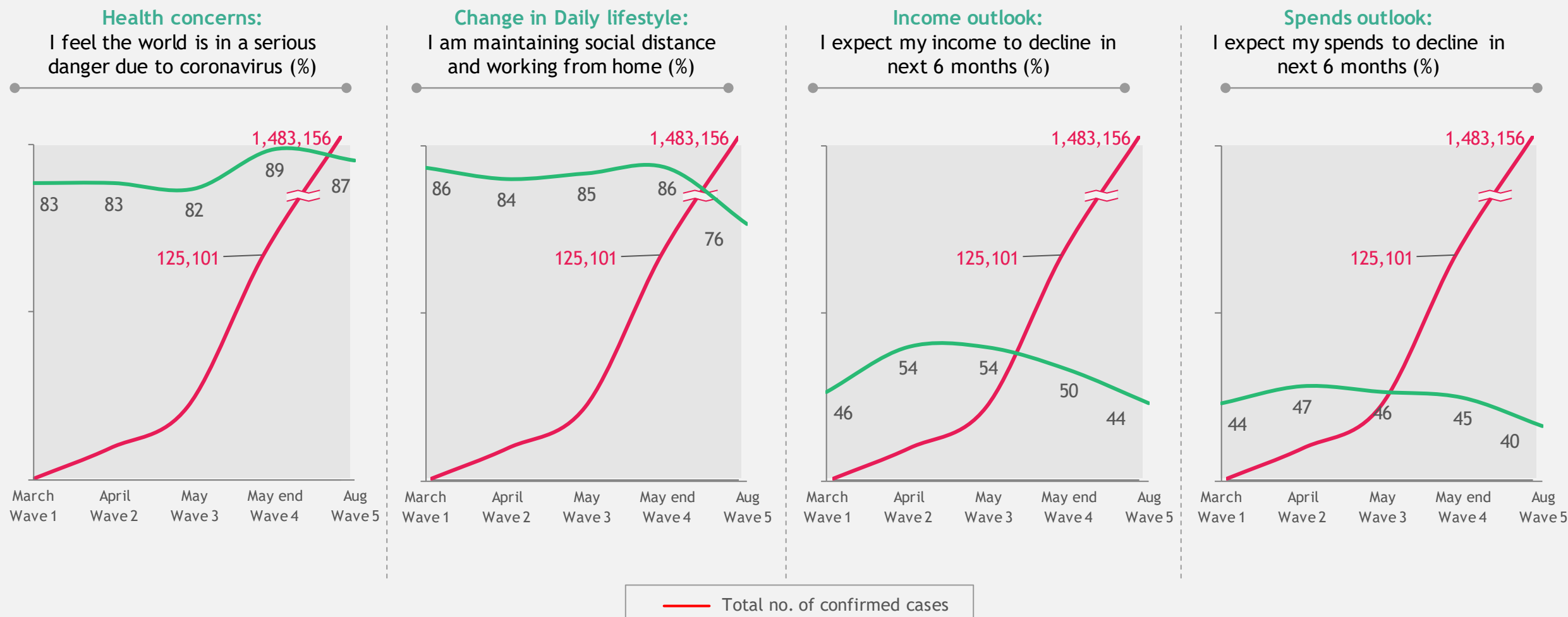


Consumer behavior

How has their behavior actually changed during COVID?



Consumer sentiment beginning to get better even though the pandemic has continued to worsen



Note: Question text: “How much do you agree with each of the following statements about the coronavirus?” Note: Representative of Metro tier 2 (towns with 5L+ population), SEC AB population
Sources: BCG COVID-19 Consumer Sentiment Survey, Wave 1: Mar 23-26 (N=2,106), Wave 2: Apr 17-20 (N=2,324), Wave 3: Apr 30-May 03 (N=1,327), Wave 4: May 18-23 (N=3,276), Wave 5: 20th Jul - 02nd Aug'20 (N=3,000)



'Cautious living' emerging as the new theme



Health & Economic concerns
central to sentiment in March..



... which shifted to anxieties about
personal finances in April...



... with resilience and caution emerging
themes in August

New Associations

Wave 1: March 23-26th

Contagious Wash hands Elderly
Economic Crisis
Concern Avoid Travel Global
Dangerous Pandemic
Spread Cautious Death Cure
Self-quarantine China Stay Home
Recession
Sick Fear Stock markets Outbreak

Wave 3: Apr 30th -03rd May

Lockdown Savings Pandemic
Reduce expenses Sanitizer
Follow rules Stay home
China Income loss Isolation
Financial crisis
Stay Home Wash hands No vaccine
Away from crowds Job insecurity
Quarantine Cleanliness
Wear masks Improve Immunity
Death No hospital beds
Avoid travel Fear Recession

Wave 5: Jul 20th - 02nd Aug

Income loss Wear Masks Avoid travel
Savings Living with virus
Be strong Opening up Recession
No vaccine Cleanliness
Cautious Unlock Sanitizer
Share market Cases increasing
Follow rules Recovery Back to work
Build Immunity Job insecurity
Vigilant Hope Reduce expenses
Self-reliance Economic crisis

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."

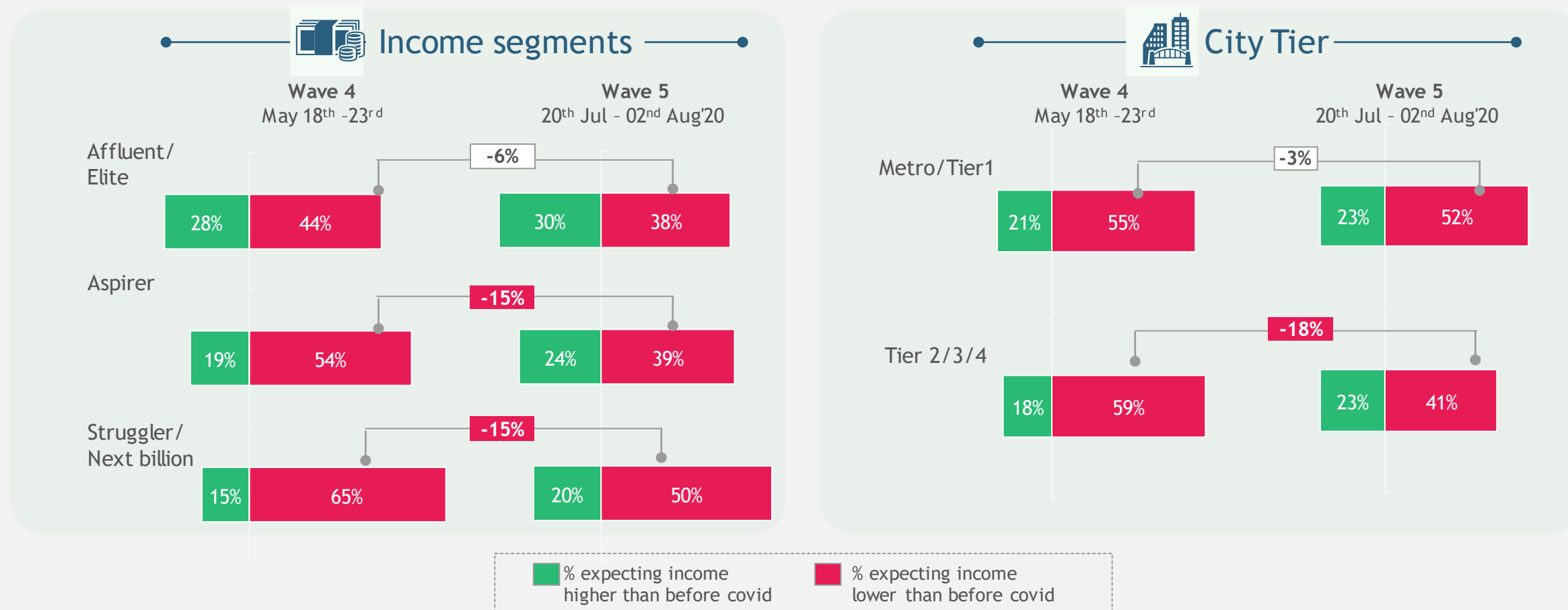
Similar responses categorized together for visual simplicity. Note: Representative of urban India

Source: BCG COVID-19 Consumer Sentiment Survey March 23-26rd, May 18-23 2020, Wave 5: 20th Jul - 02nd Aug'20 (N=2,106, 3,276 & N = 3,000 respectively)



Revival stronger among lower income segments and lower tier cities

Expected change in income in next 6 months

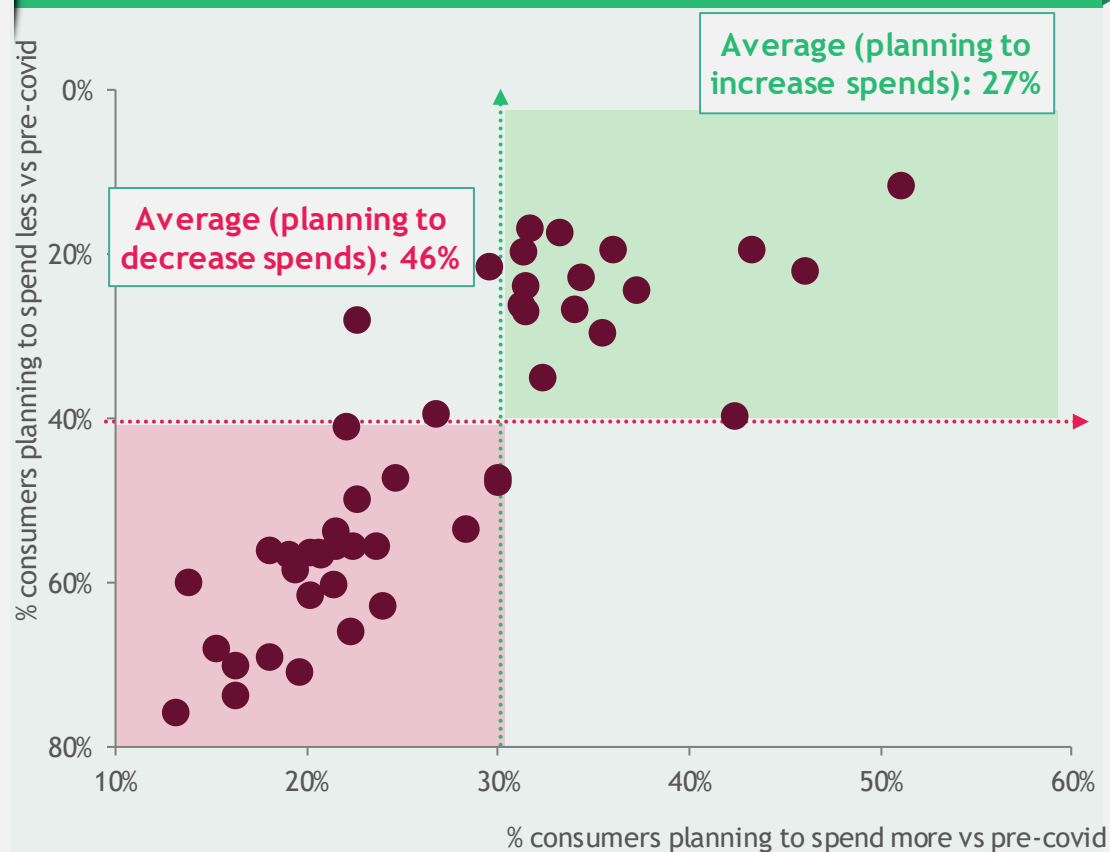


Question text: "How do you expect your overall available household spends to change in the Next 6 months as compared to before covid?" Note: Income classification based on HH income: Next billion +Struggler: < upto 5L; Aspirers: 5L-10L; Affluent+: 10L+. Representative of all Urban India. Note: Town classification based on population: Large towns: 10L+ population, Small towns: 50k-10L population. Source: BCG COVID-19 Consumer Sentiment Survey May 18-23 2020, 20th Jul - 02nd Aug'20 (N=3,276 & N = 3,000 respectively)

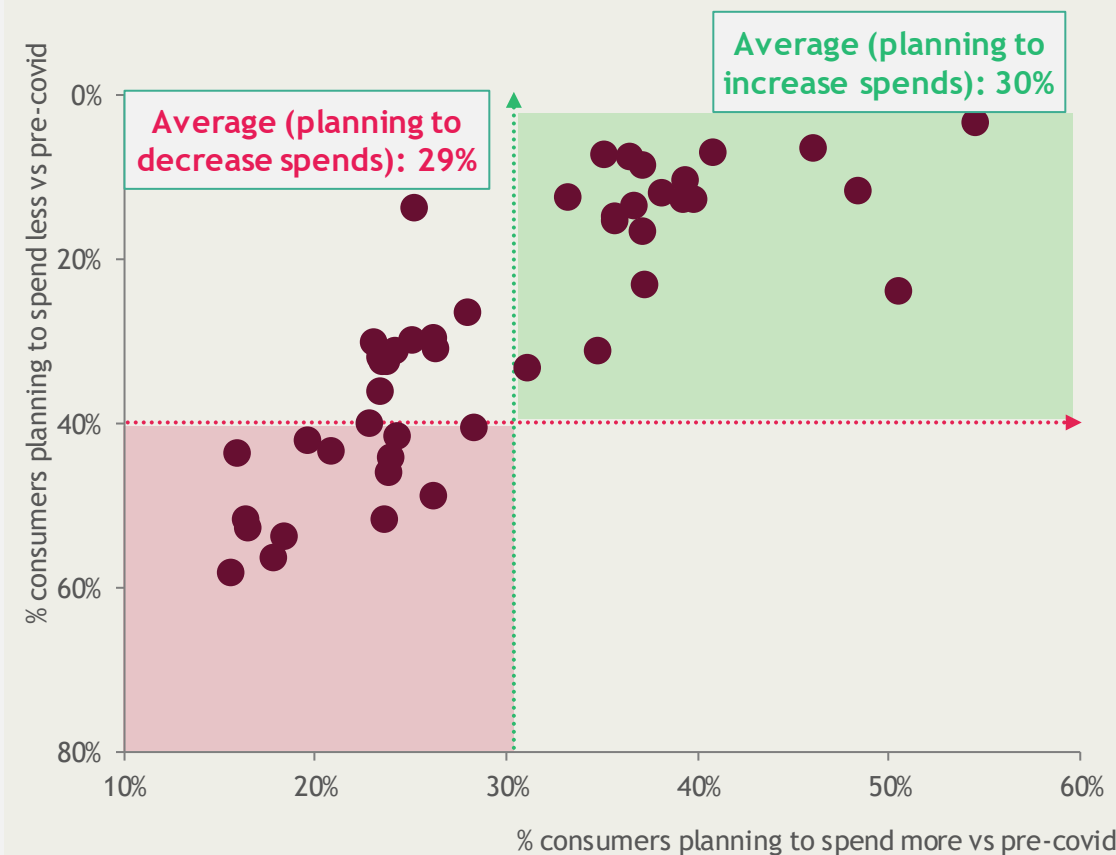
Spending sentiment has improved across categories



Wave 4 (May 18th - 23rd)



Wave 5 (Jul 20th -02nd Aug)



Each dot represents a category

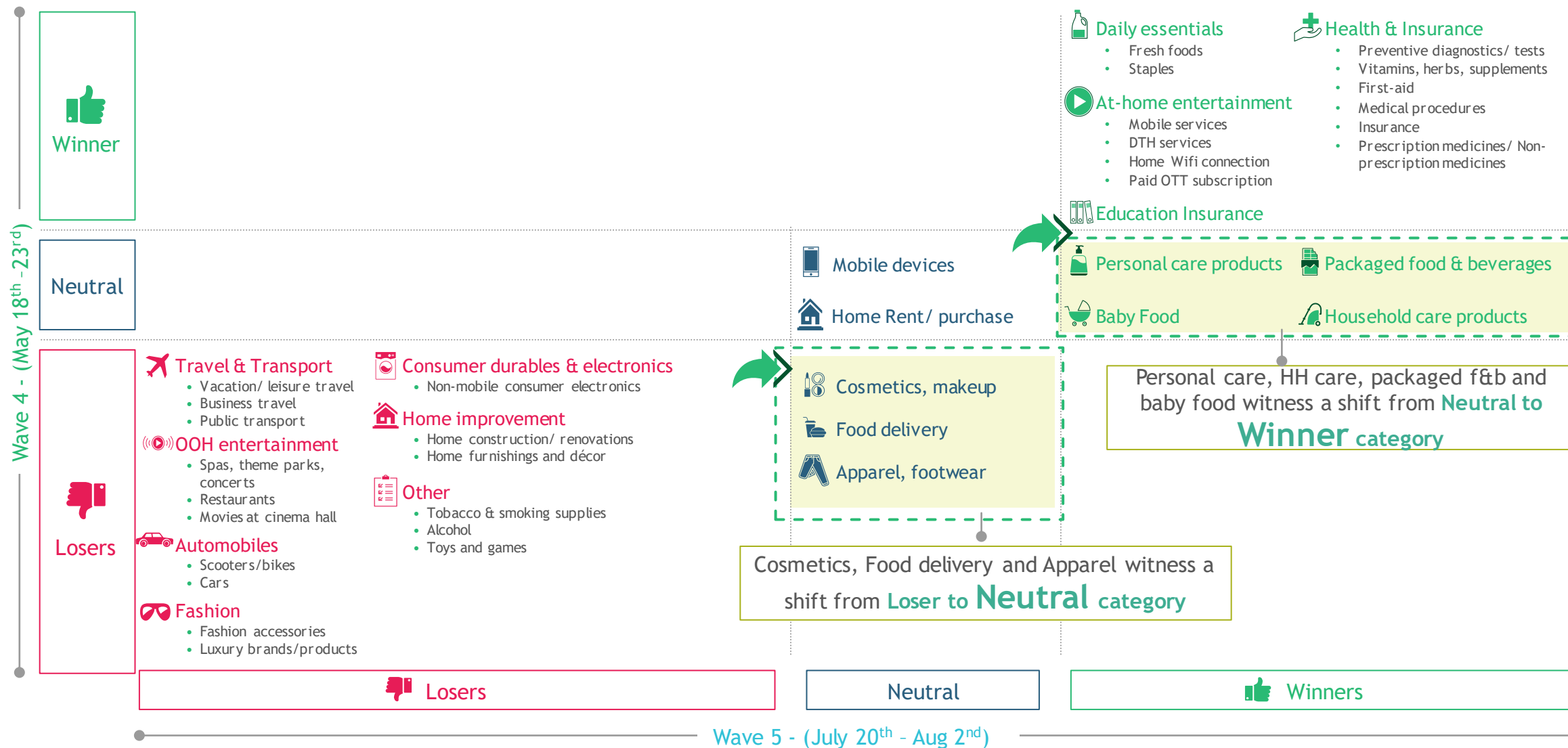
Note: Question text: “How do you expect your spend to change in the next 6 months across the following areas?”

Note: Representative of all Urban India

Source: BCG COVID-19 Consumer Sentiment Survey May 18-23 2020, Jul 20-02 Aug, 2020 (N=3,276 & N = 3,000 respectively)



Strong positive movement in packaged foods, personal care, food delivery, apparels



Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?". Note: Representative of all Urban India
Categories with Top 2 Box > 35% (5% more than average) classified as winning categories, Bottom 2 Box > 34% (5% more than average) classified as losing categories
Source: BCG COVID-19 Consumer Sentiment Survey May 18-23 2020, Jul 20-02 Aug, 2020 (N=3,276 & N = 3,000 respectively)



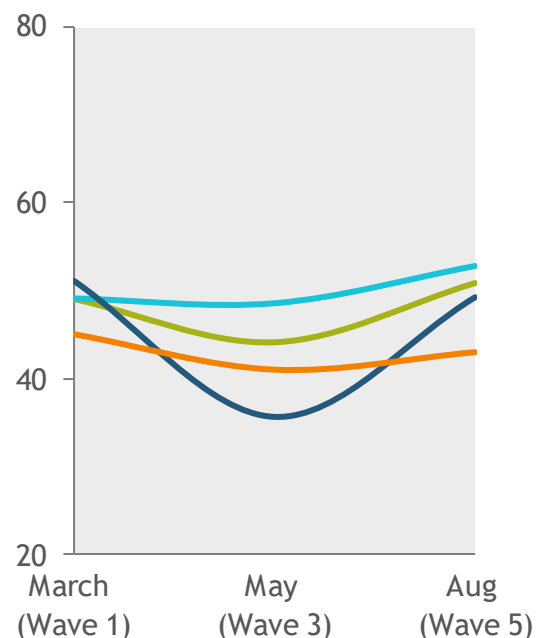
Winner categories | Essentials, health and insurance witness a growth in positive sentiment

Change in spends in next six months



Daily essentials

% consumers likely to increase spends

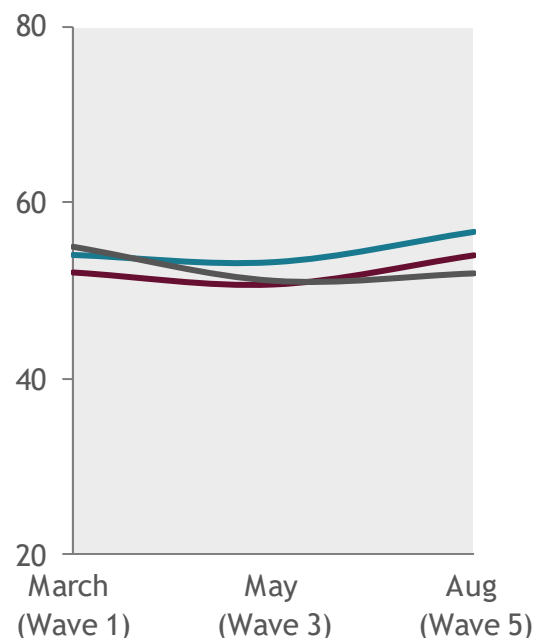


Staples Personal care
HH care Packaged food & bev's



At-home entertainment

% consumers likely to increase spends

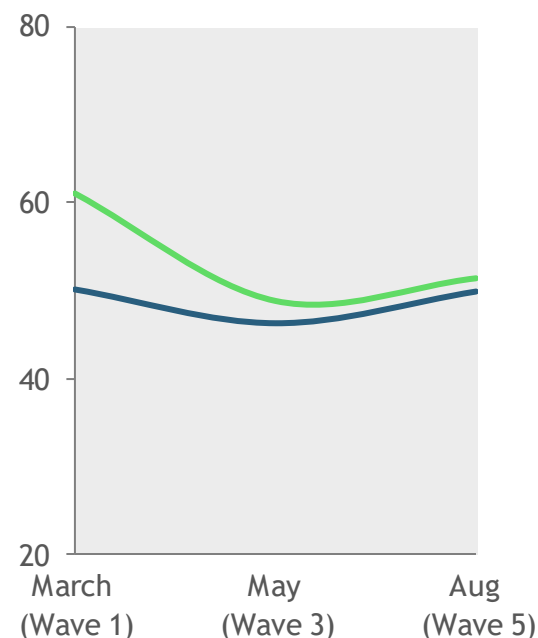


Wifi connection Mobile services
Paid OTT



Insurance & Education

% consumers likely to increase spends

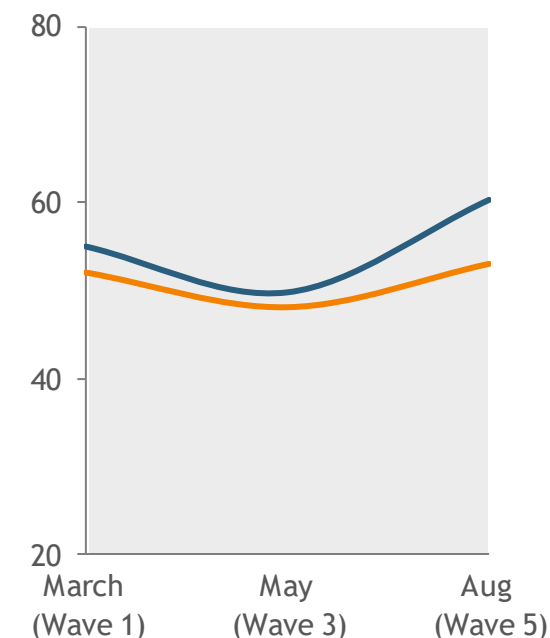


Insurance Education



Health & wellness

% consumers likely to increase spends

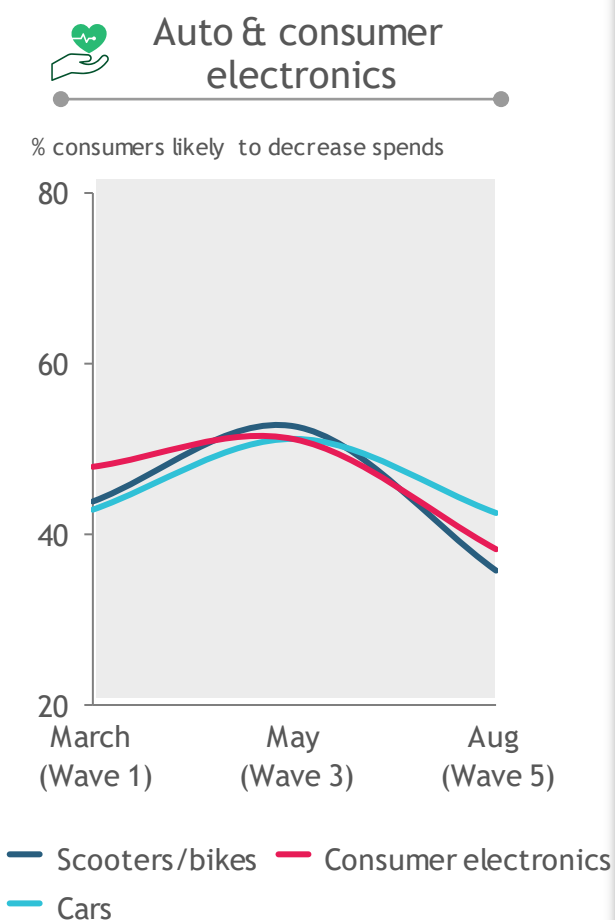
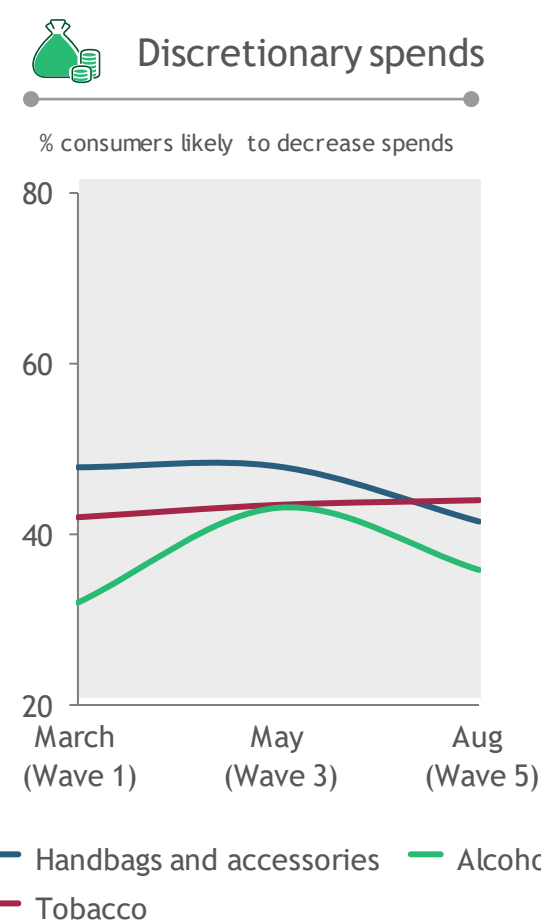
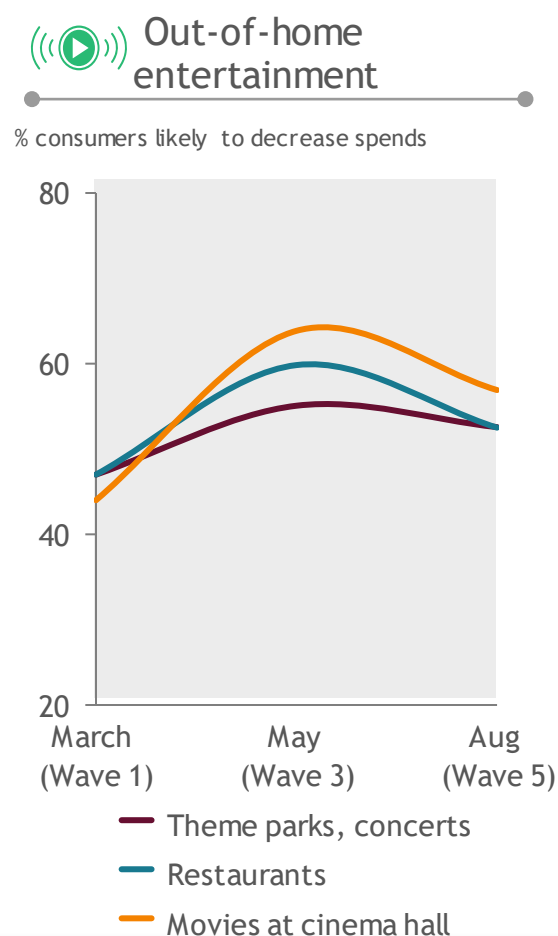
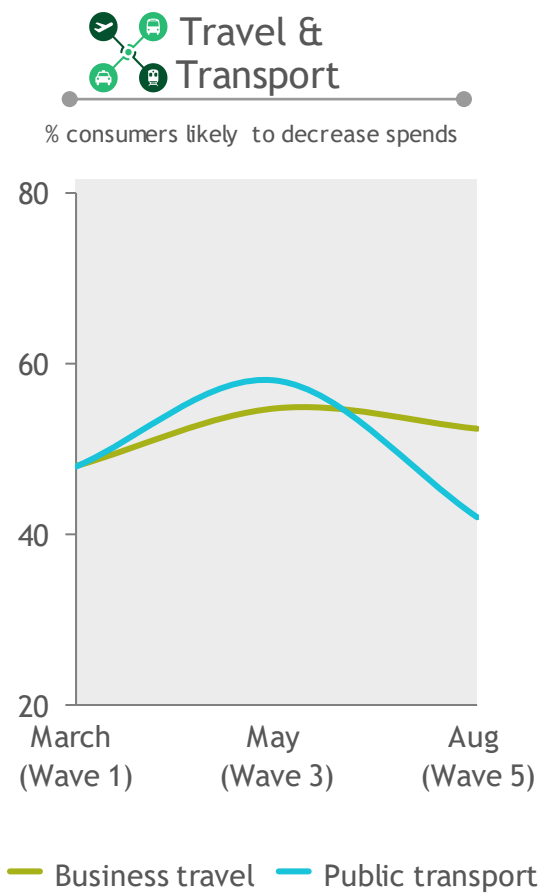


Preventive health test
Health supplements

Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?" Note: Representative of Metro tier 2 (towns with 5L+ population), SEC AB population
Categories with Top 2 Box > (5% more than average) classified as winning categories, Bottom 2 Box > (5% more than average) classified as losing categories
Source: BCG COVID-19 Consumer Sentiment Survey March 23-26 2020, April 30-May 03 2020, Jul 20-02 Aug, 2020 (N = 2,106, 1,327 & 3,000 respectively)

Loser categories | Decline in negative sentiment for Auto, electronics while Travel & OOH entertainment continue to remain negative

Change in spends in next six months



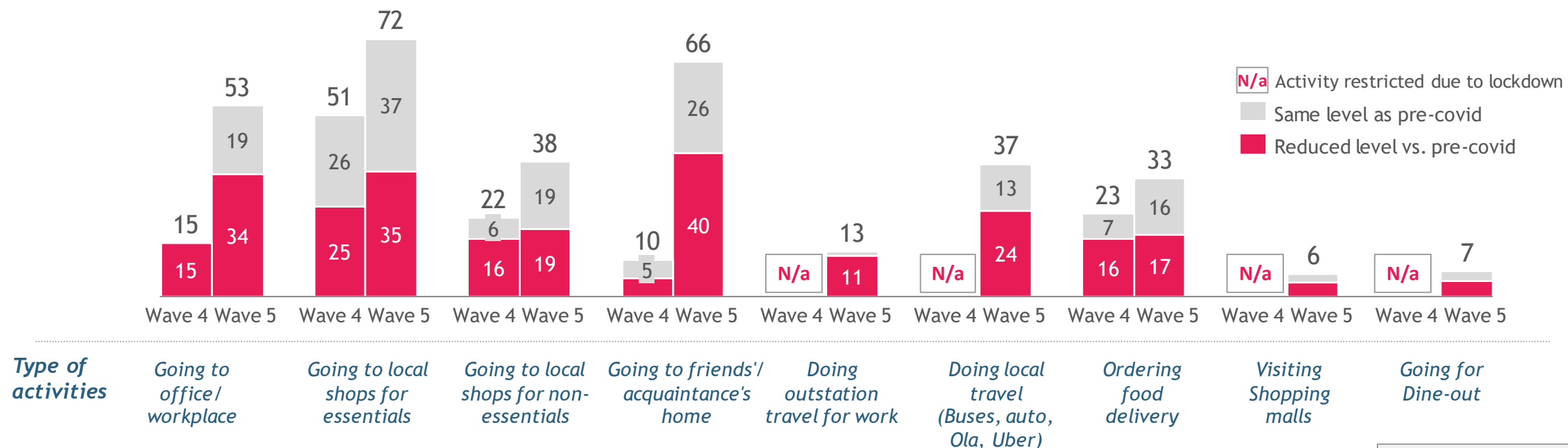
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Recovery observed across different activities; higher for regular activities



% consumers who have done the activity in last 1 month¹



Wave 4: May 18-23rd
Wave 5: Jul 20-02nd Aug

Question text: "Which of the following activities have you done in last 1 month", How frequently have you engaged in following activities in last 1 month"

1. Among those who did activities before lockdown Note: Representative of all Urban India

Source: BCG COVID-19 Consumer Sentiment Survey May 18-23 2020, Jul 20-02 Aug, 2020 (N=3,276 & N = 3,000 respectively)



Impact on lifestyle much lesser in smaller towns

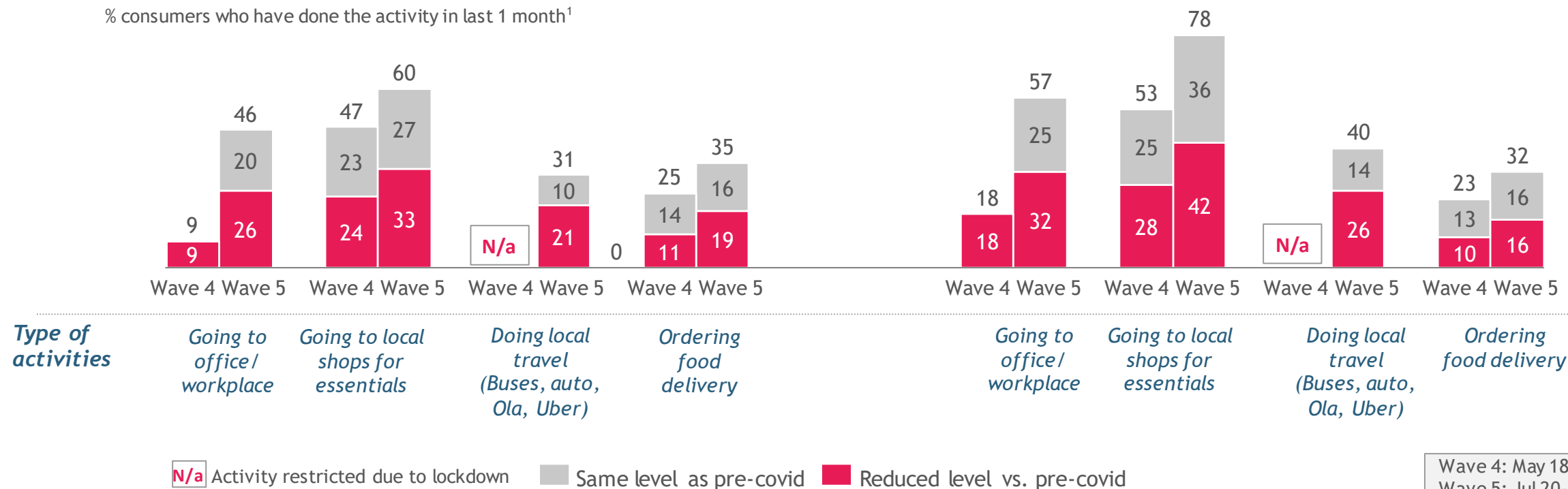


Large towns
(Metro, Tier 1)



Small towns
(Tier 2/3/4)

% consumers who have done the activity in last 1 month¹



Question text: "Which of the following activities have you done in last 1 month", How frequently have you engaged in following activities in last 1 month"

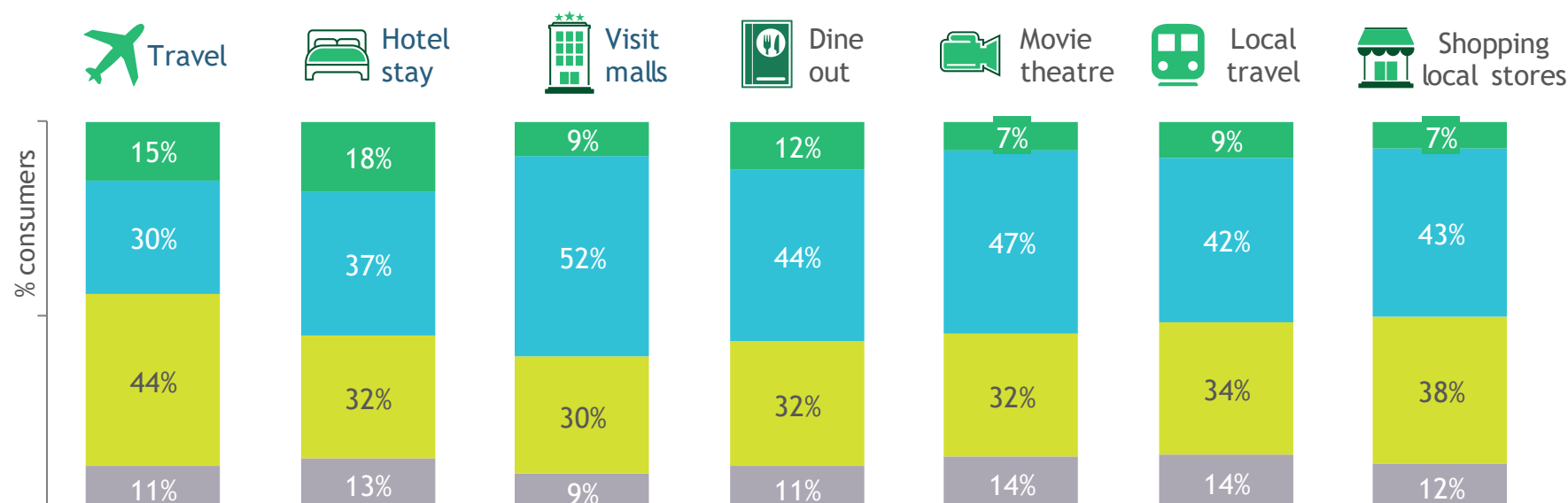
1. Among those who did activities before lockdown Note: Representative of all Urban India. Note: Town classification based on population: Large towns: 10L+ population, Small towns: 50k-10L population. Source: BCG COVID-19 Consumer Sentiment Survey May 18-23 2020, Jul 20-02 Aug, 2020 (N=3,276 & N = 3,000 respectively)

Safety measures essential to instill confidence among consumers

Factors which will instill confidence among consumers to restart activities



Consumer speak



- Only Govt restrictions eased
- Govt restrictions eased + Adequate safety measures
- Govt restrictions eased + Vaccine invention/ No. of cases going down
- Others

Local trains are crowded and I don't think sanitization is being done. Will wait for vaccine before I start travelling again

I use Swiggy, but order only from places certified as hygienic & which give temperature updates of staff

We are missing shopping, but will go to Malls only when ensure staff is taking necessary precautions and maintain social distancing

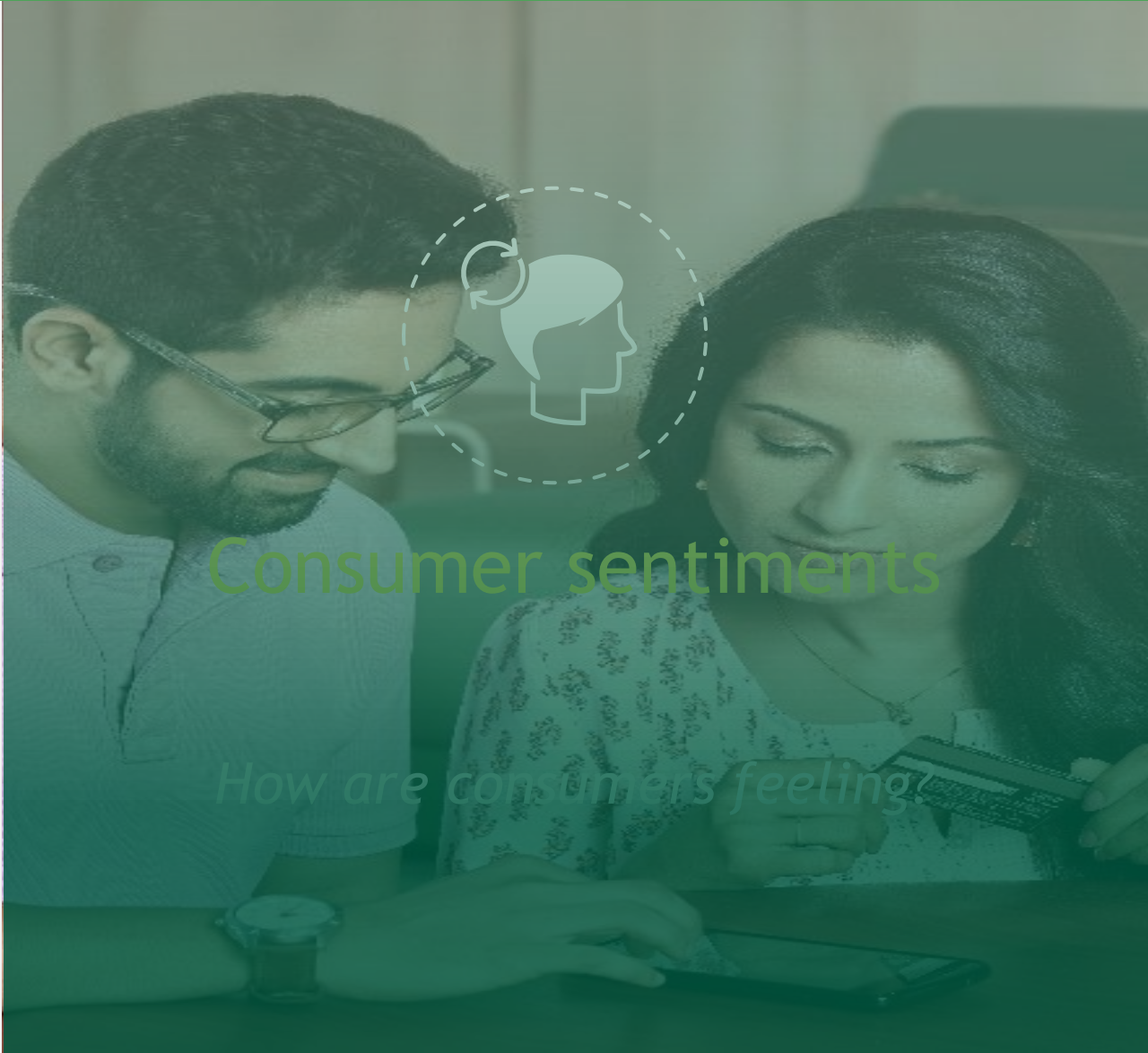
Question text: "Which of the following measures will make you comfortable to return regularly to following",

Note: Representative of all Urban India

Source: BCG COVID-19 Consumer Sentiment Survey Jul 20-02 Aug,2020 (N = 3,000)

Understanding the impact of pandemic on...

Consumer behavior



Consumer sentiments

How are consumers feeling?



Consumer behavior

How has their behavior actually changed during COVID?

E-comm acceleration: Significant increase in new user adoption, # of categories bought as well as share of spends

Rise in first time online shoppers

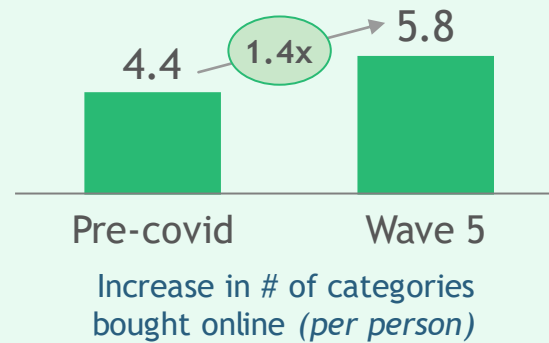


Increase in # of ecommerce buyers
(current users indexed to pre-covid users)

“ Most items were **not available** in store near my house. **Social distancing was also not maintained**, so **decided to buy from Amazon**

“ All online companies were **assuring safety measures** taken in their warehouse & staff, they seemed **most reliable** to me

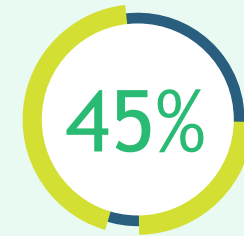
Increase in # of categories purchased online



“ I was going to buy groceries. During checkout I **noticed good offers** on Shampoos & Soaps, **so added them too**

“ I purchased 2-3 items first and it was **delivered in 2 days without any hassle**. Started ordering all grocery items online now

Increase in share of online spends



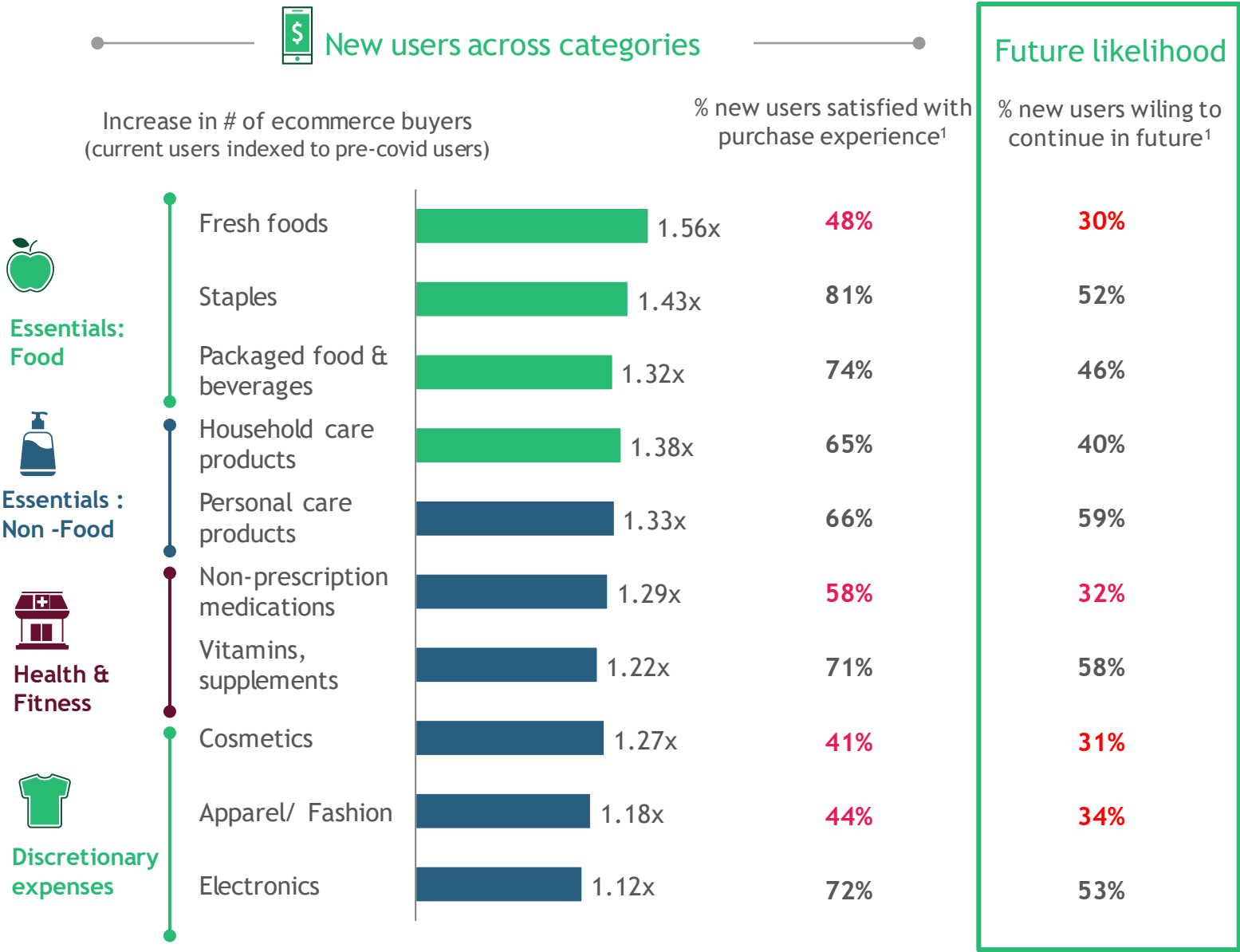
% of pre COVID online buyers who increased online purchases

“ Earlier we went to malls once & buy everything for the month. But **carrying it back was a challenge**. I have started using **Big Basket** for monthly purchases

“ **8/10 times** used to buy vegetables from **street vendors**. I heard that these stalls can spread infection, so **mostly buying online now**

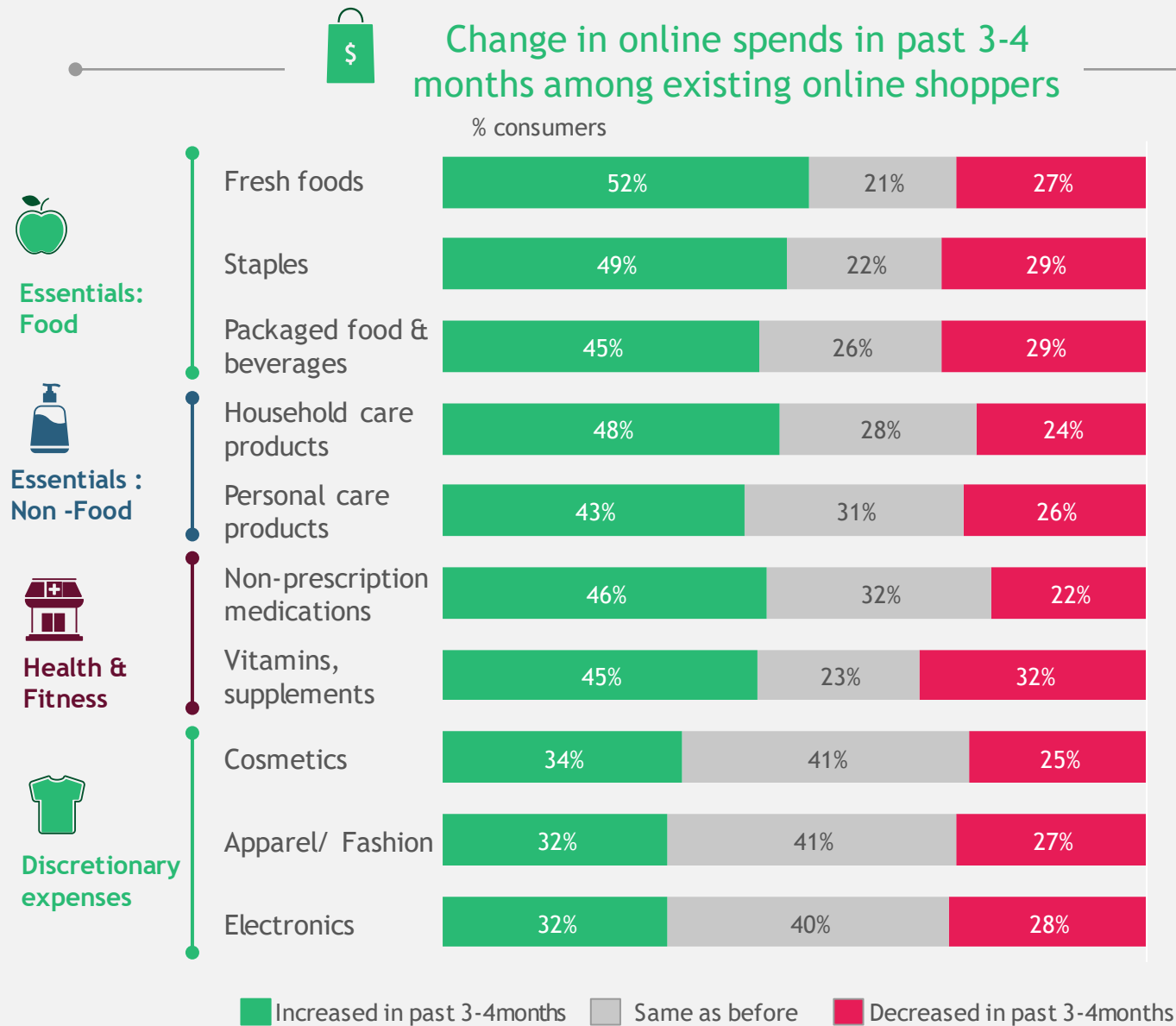
Significant new user adoption of digital purchase across categories...

...willingness to continue varies



Question text: "What is the online purchase behavior for following categories that you have purchased in last 3-4 months", "In the next 6 months, how likely are you to continue buying", "experience of buying the following categories online for the first time"
1. Among new users, scores for Very high willingness/ satisfaction. Note: Representative of all Urban India
Source: BCG COVID-19 Consumer Sentiment Survey Jul 20-02 Aug,2020 (N = 3,000)

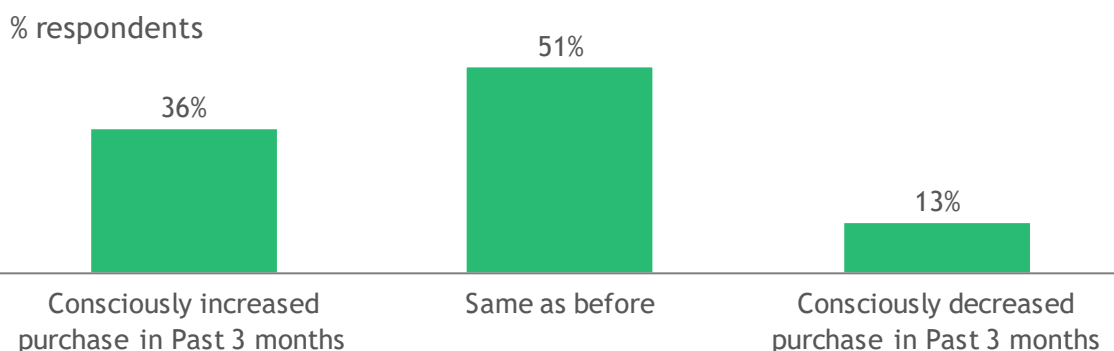
Shift towards online spending across all categories among existing online shoppers



Question text: "Since lockdown, how the share of online spends changed on each of the following categories"
Note: Representative of all Urban India.
Source: BCG COVID-19 Consumer Sentiment Survey Jul 20-02 Aug,2020 (N = 3,000)

Made in India: Rise in conscious purchase of made in India products; prominent in food and personal care categories

36% consumers consciously bought 'Made in India' products in past 3 months...



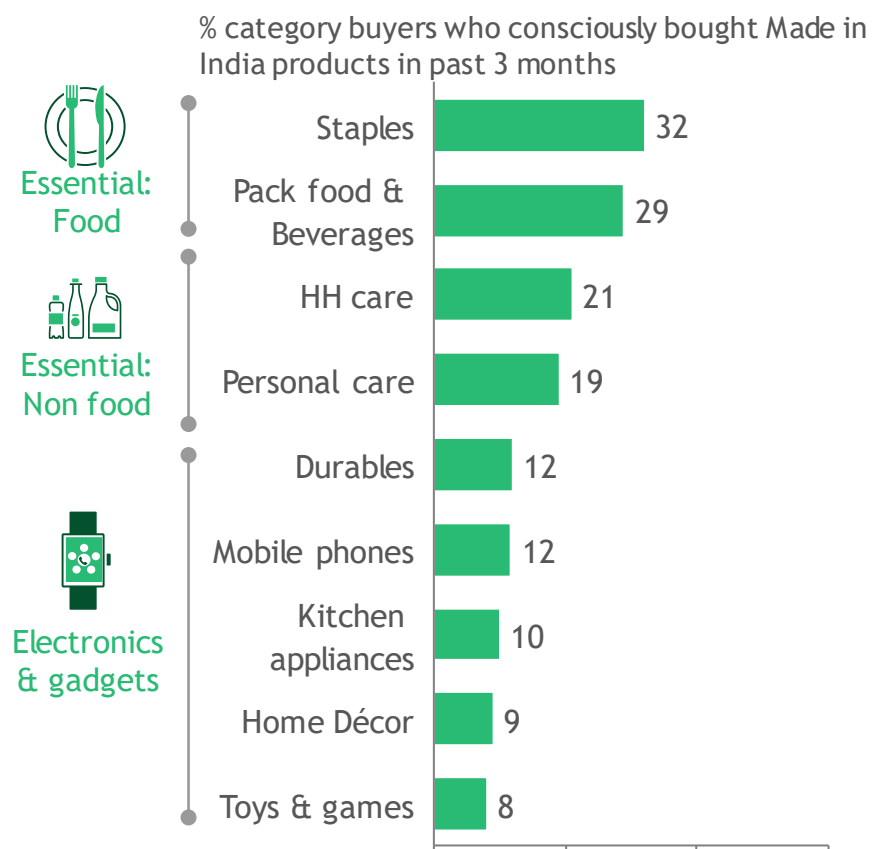
“ Indian food items are regarded as healthy...

These days there are lot of organic and ayurvedic options coming from India. These products are **healthy & safe for me**

...and great value for money

Main thing is that **Indian products** are **priced properly**. Started using Aashirvaad recently - it's **good quality & I have faith** in that company

...mostly in food & personal care categories



Health & wellness: Adoption of healthy food stronger than fitness activities

Increase in no. of new users

1.3x

Any healthy food

1.2x

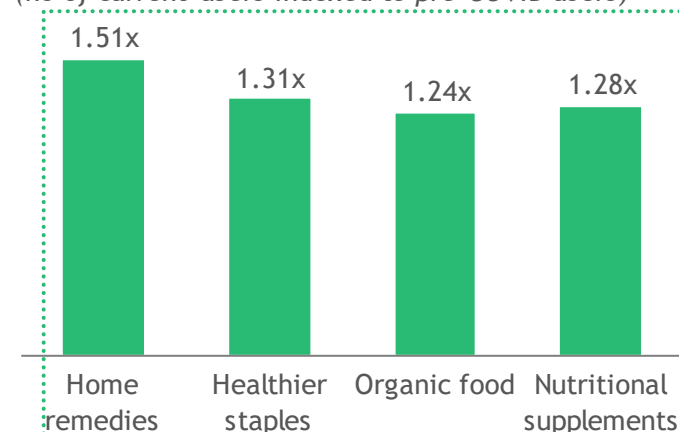
Any health related
activity

Adoption of health food & activities in past 3-4 months

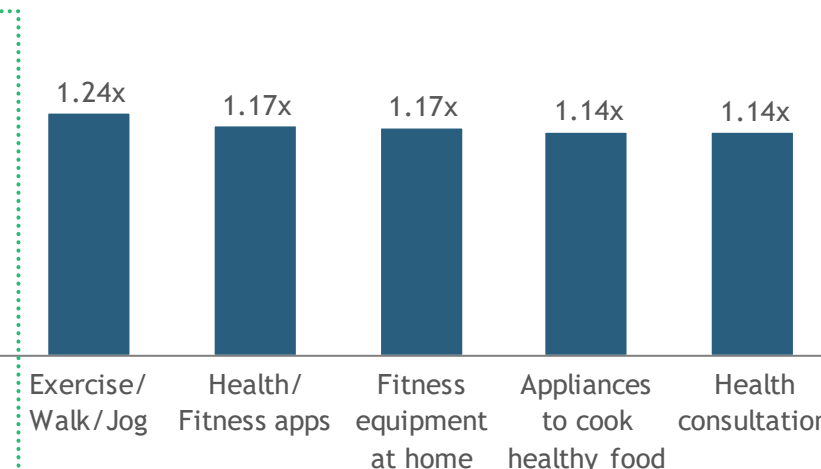


Healthy foods

Increase in the # of users
(no of current users indexed to pre COVID users)



Health related activities



I have a made a routine of having **Hot water, Lemon & Honey** in morning & **Haldi Doodh** before sleep. They are **critical for improving immunity** & keep us safe from this infection

Used to think Organic food is only for people on diet. Now realize **organic food is for everybody** - It is pure & healthy

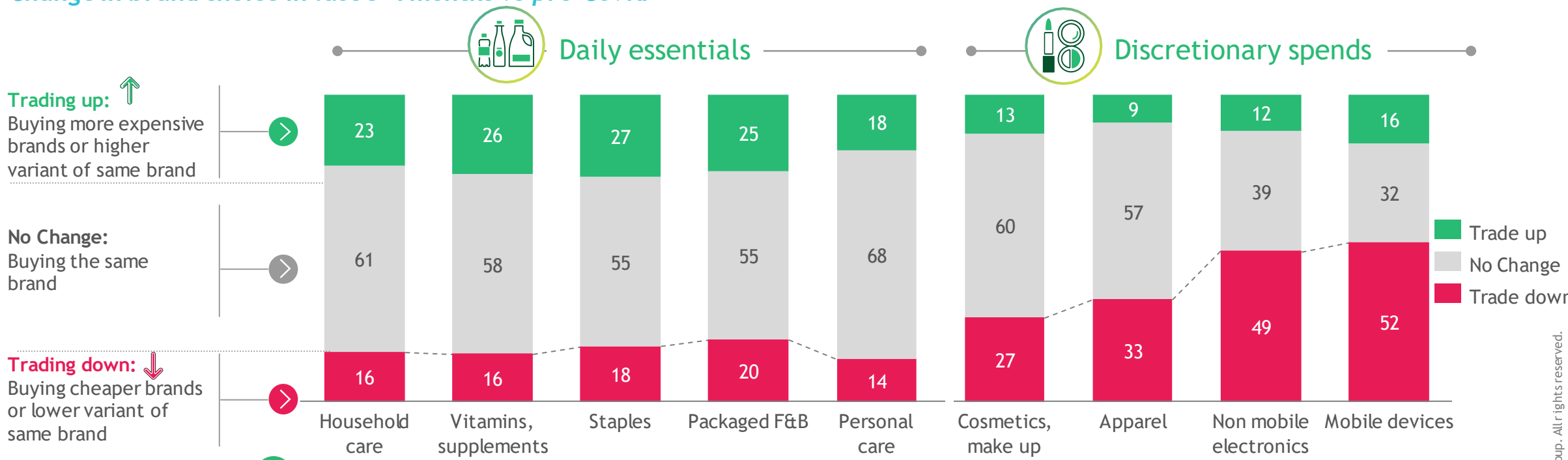
Our family has started having **Vitamin C tablets** everyday. It **improves immunity**; we will keep having it until Covid has not gone away

I make Kadah with Giloi, Haldi, Adrak, Ajwain, Kali Mirchi, Laung to help **improve immunity** - It gives us **mental peace** also since they are good items & proven over generations



Trade up/ down: Trade up in essentials; while strong trade down across multiple discretionary categories

Change in brand choice in last 3-4 months vs pre-Covid



Consumer speak

“ Used Chakki Atta before but was not sure of **safety precautions**, shifted to branded even though **it is expensive**

We used Phenyl before, but started **using Lysol to ensure full disinfection**

Started using Saffola which is **good for heart & health so don't mind paying extra**

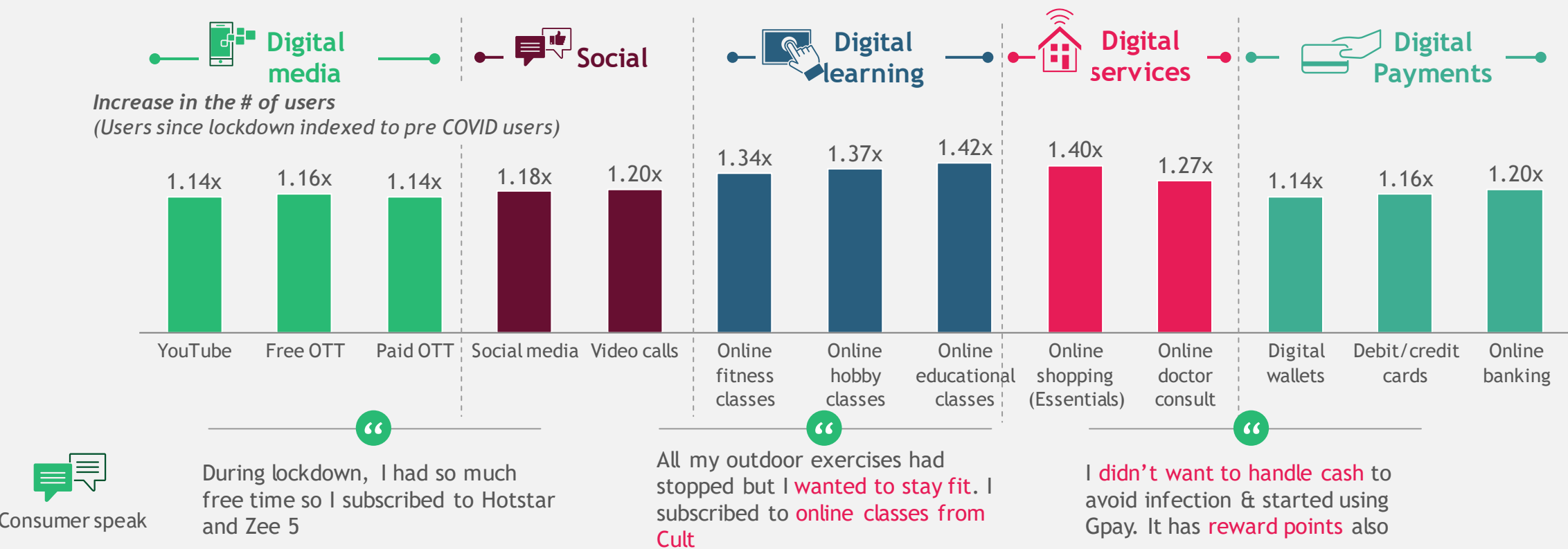
Don't need very expensive Shirts as meetings are all online now. **Started buying cheaper options**

There was a price difference of 4K in Samsung & MI with same features. **Why spend extra for brand name?**

I only used premium cosmetic brands, but **since I am at home only, using regular ones**

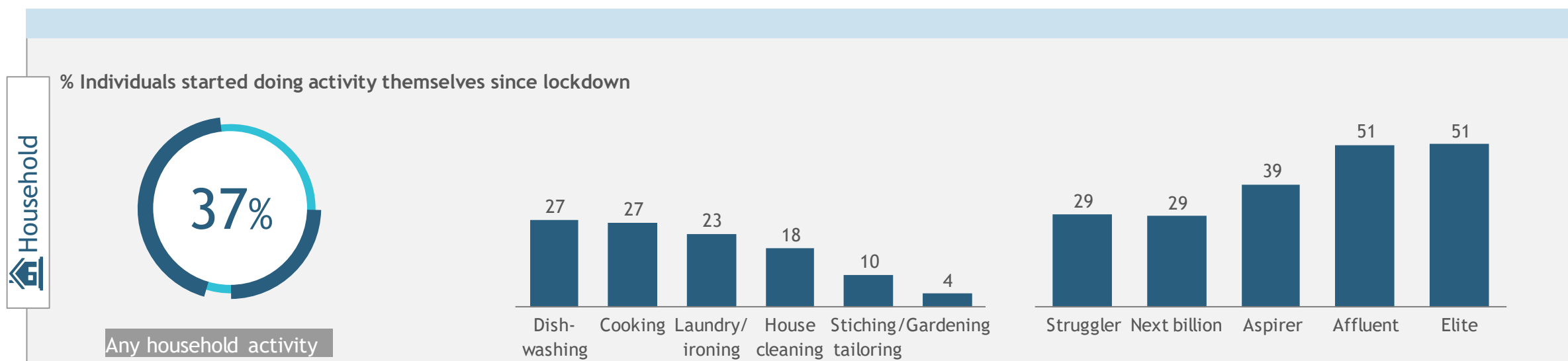
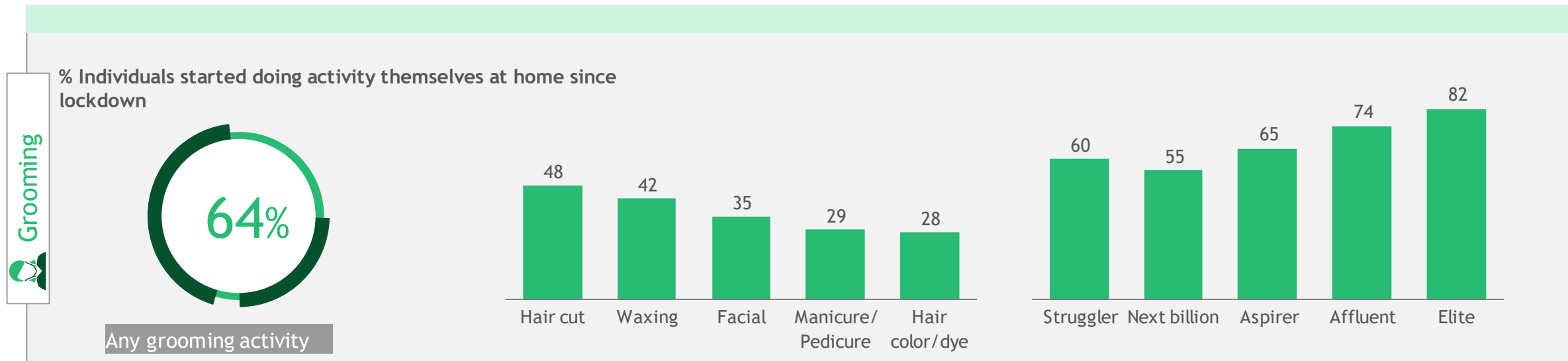
Digital adoption: Significant adoption across digital activities, even traditionally offline activities like education

Adoption of digital activities since past 3-4 months



Question text: "Which statement best describes your usage behavior since the Lockdown?"
Note: Representative of Urban India population
Source: BCG COVID-19 Consumer Sentiment Survey Jul 20-02 Aug,2020 (N = 3,000)

'Do-it-yourself': Significant adoption of 'DIY' for grooming & household activities



Question text: "Which of the following best describes your behavior for activities one typically hires professional services in last 3-4 months since imposition of lockdown?"

Source: BCG COVID-19 Consumer Sentiment Survey Jul 20-02 Aug,2020 (N = 3,000)

Please reach out to the team for latest data and insights

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