BOSTON CONSULTING GROUP

COVID-19 Consumer Sentiment Research

India Survey Snapshot: Wave-6 — May 23-28

CENTER FOR
Customer Insight

JUNE 2021

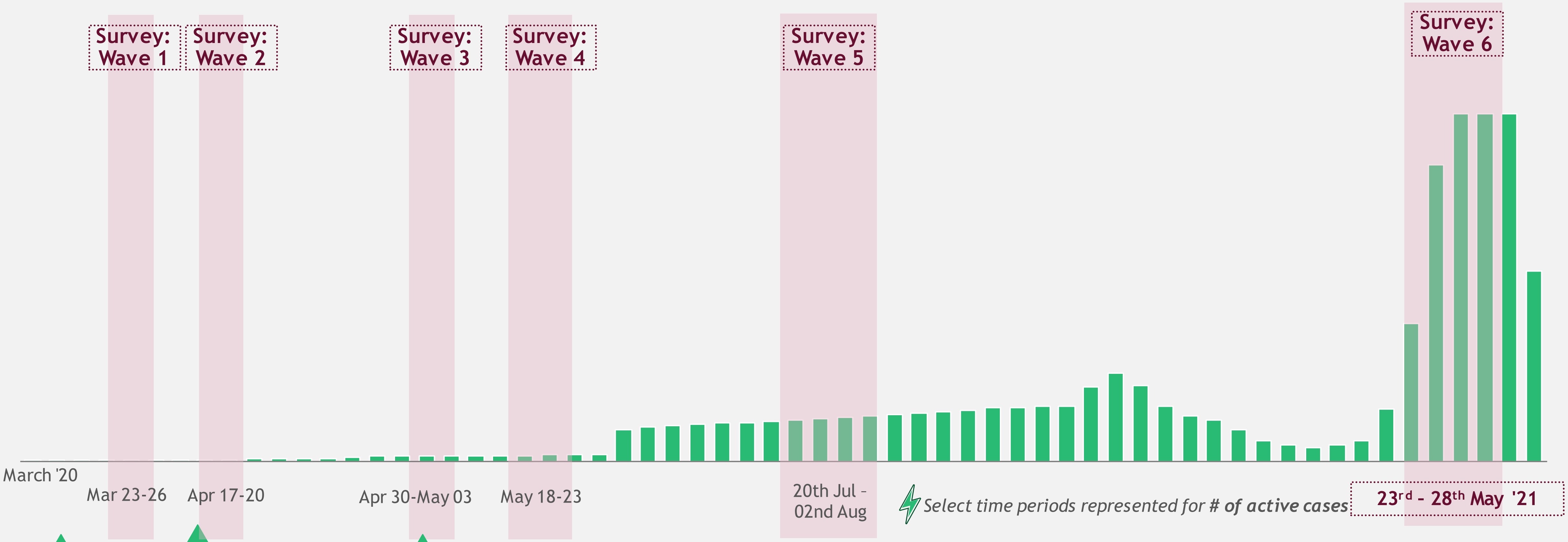
Context for this document

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 6 in India, which was fielded from 23rd to 28th May 2021; covering ~4,000 respondents across Metros, Tier 1/2/3/4 & Rural India. 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-19 on consumer sentiment & behavior



24/3: Nationwide lockdown for 21 days

14/4: Lockdown extended till 3rd May

01/5: Lockdown extended till 17th May, with relaxations

08/6: Unlock 1, exit from lockdown. 30/6: Unlock 2 followed by Oct '20 – March '21 with declining cases and return to normalcy

April 1st week: 2nd wave of Covid breaks out

Wave 6: Online survey among SEC AB respondents in Urban India and Offline survey among lower income classes across city tiersincluding Rural. 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 SEC ABCDE in Tier 2-4. Wave 1 to 3: Online survey conducted among SEC AB respondents in Metro-Tier 4 towns. 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); Wave 6: 23rd – 28th May 21 (N=4,000) Source: Ministry of Health & Family welfare (Data updated as on 31st May)

Understanding the impact of pandemic on…

General consumer sentiment

Category behavior and outlook

Adoption of new practices

Vaccination attitude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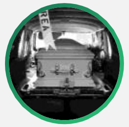
Sharp reversal in consumer sentiment



Health & Economic concerns central to sentiment in March'20..

… which shifted to anxieties about personal finances in April'20…

… with resilience and caution emerging themes in August'20

…replaced with anxiety in May'21

Wave 1: March 23-26th

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

Wave 3: Apr 30th-03rd May

Lockdown, Savings, Pandemic, Reduce expenses, Follow rules, Sanitizer, China, Stay home, Income loss, Financial crisis, Isolation, 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, Recession, Opening up, Cleanliness, No vaccine, Unlock, Cautious, Sanitizer, Follow rules, Share market, Recovery, Cases increasing, Build Immunity, Back to work, Vigilant, Job insecurity, Hope, Reduce expenses, Self-reliance, Economic crisis

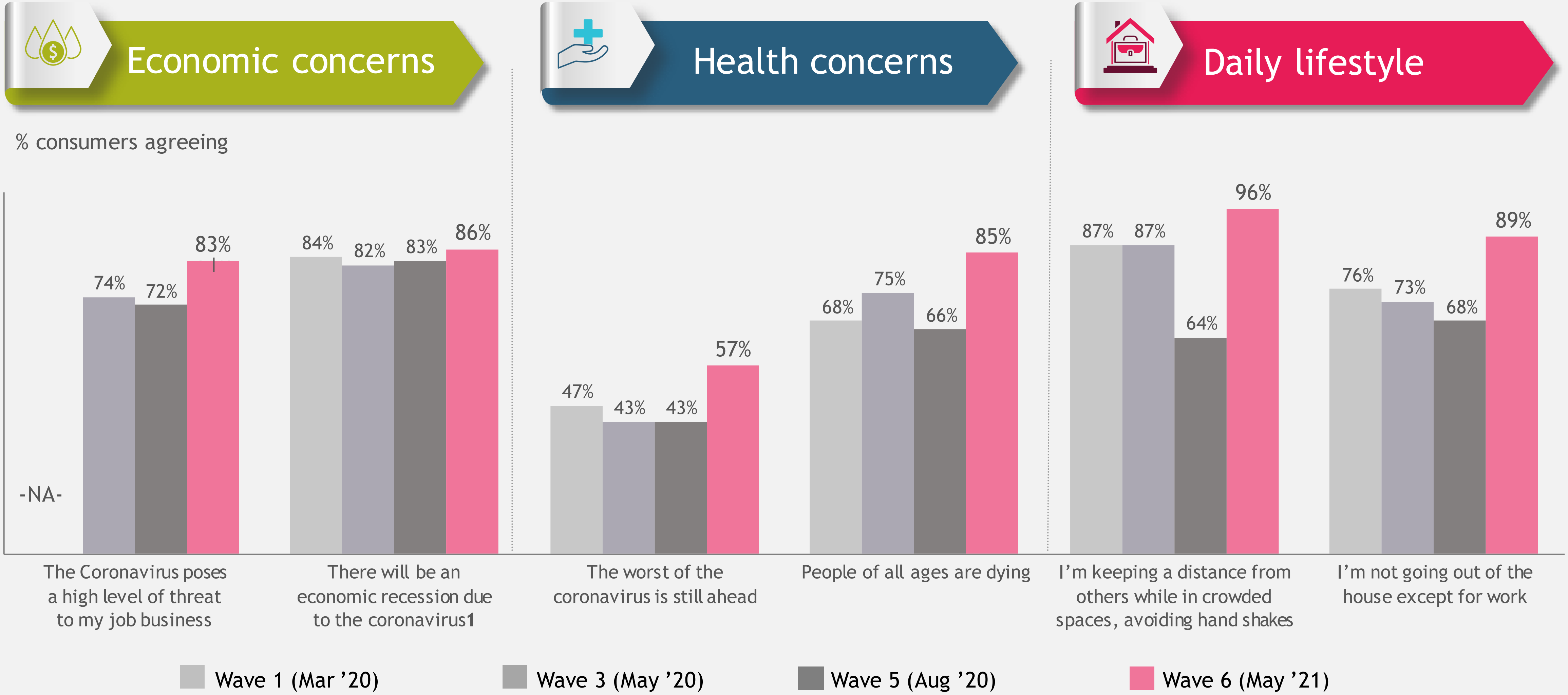
Wave 6: May 23rd – 28th

Death, Fear, Family, Safety, Dangerous, Vaccination, Cowin, Stress, Lockdown, Reduce spends, Job insecurity, Everyone, No treatment, Beds, No savings, Loss, New Normal, Helpless, Traumatic, No income, Crisis, Oxygen, No savings, Recession, Masks, Work from home, Nightmare, Everywhere

New Associations

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; Wave 1: March 23-26rd, Wave 3: April 30th – 3rd May, Wave 5: 20th Jul – 02nd Aug'20; Wave 6: 23rd – 28th May '21 (N=2,106, 1,327, 3,000, 4000 respectively)

Consumer anxiety at highest levels since the outbreak of pandemic



Question text: "How much do you agree with each of the following statements about the coronavirus?" Combined Strongly agree and Somewhat agree
Note: Data representative of Metro - tier 2 (towns with 5L+ population), SEC AB population
Source: BCG COVID-19 Consumer Sentiment Survey; Wave 1: March 23-26rd, Wave 3: April 30th - 3rd May, Wave 5: 20th Jul - 02nd Aug'20; Wave 6: 23rd - 28th May '21 (N=2,106, 1,327, 3,000, 4000 respectively)

Less affluent most skeptical about economic outlook, health concerns prevalent across, daily lifestyles impact more in Urban/ affluent India

Wave 6 (May '21)

% consumers agreeing

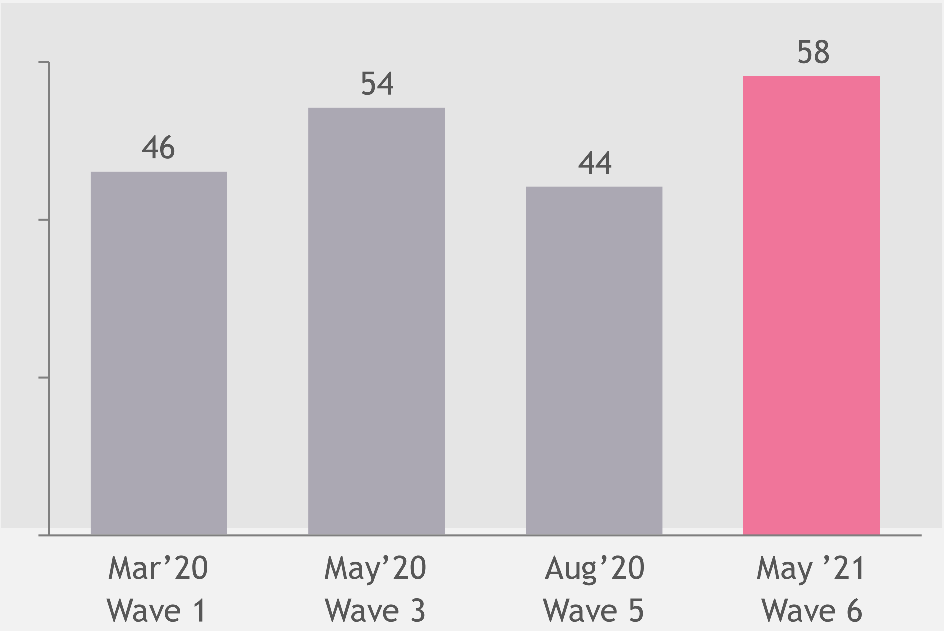
		City tier			Income		
		Large towns	Small towns	Rural	Affluent +	Aspirer	Struggler/NB
Economy	1 The Coronavirus poses a high level of threat to my job business	76	80	82	71	83	85
Economy	2 There will be an economic recession due to the coronavirus	79	81	82	72	89	87
Health	3 The worst of the coronavirus is still ahead	51	57	61	54	59	58
Health	4 People of all ages are dying	87	81	76	91	89	79
Lifestyle	5 I'm keeping a distance from others while in crowded spaces, avoiding hand-shakes	91	81	72	94	85	76
Lifestyle	6 I'm not going out of the house except for work	94	84	58	89	77	53

Note: Income classification based on HH income: Next billion +Struggler: < up to 5L; Aspirers: 5L-10L; Affluent+: 10L+. Town classification based on population: Large towns: 10L+ population, Small towns: 50k-10L population. Circle size reflects the percentage of respondents who agree with the given statement (Combined Strongly agree and Somewhat agree). Income data representative of all Urban India.
Question text: "How much do you agree with each of the following statements about the coronavirus?"
Source: BCG COVID-19 Consumer Sentiment Survey; Wave 6: 23rd – 28th May '21 (N=4000)

Personal finances: Income and spend sentiment low, reversing improvements noted in H2 2020

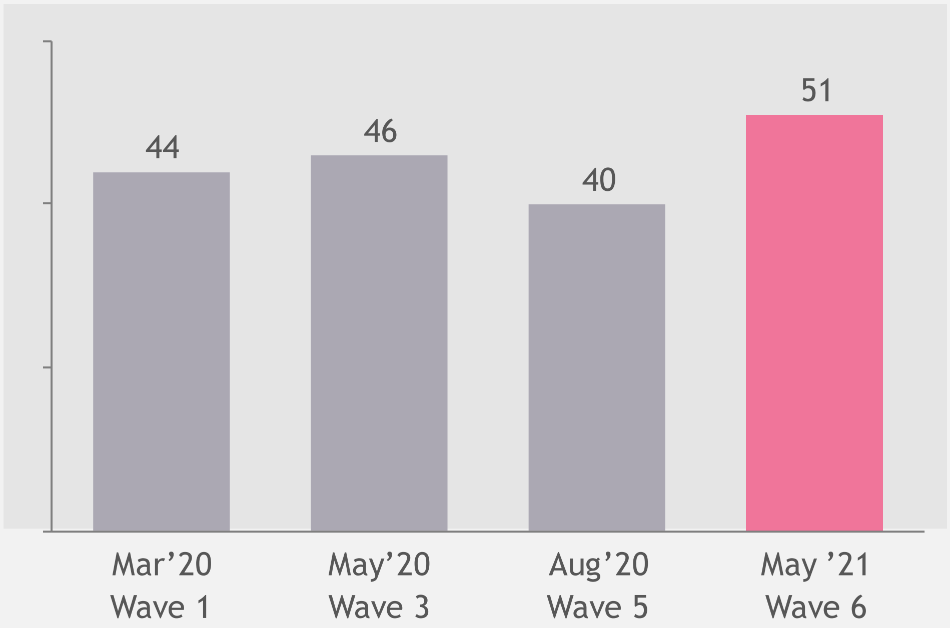
Income outlook

I expect my income to decline in next 6 months (%)



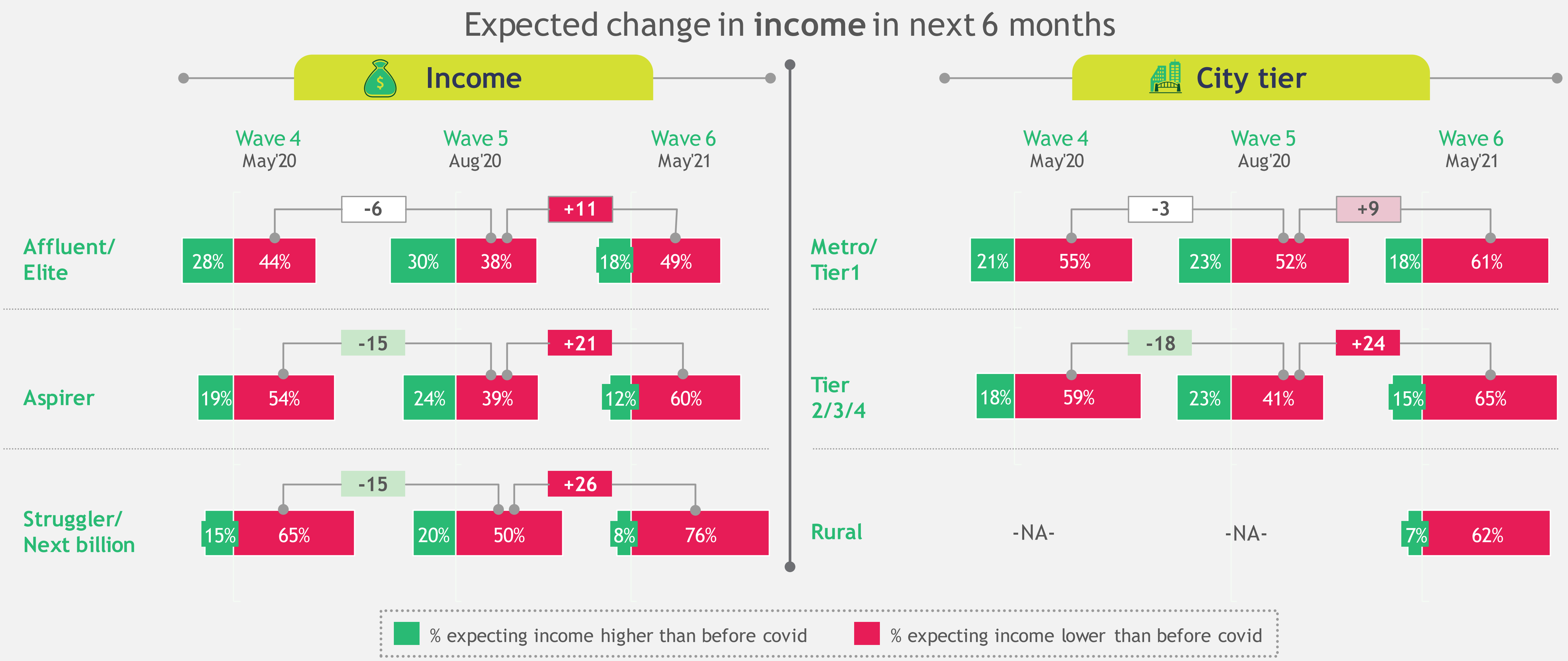
Spends outlook

I expect my spends to decline in next 6 months (%)



Question text: "How do you expect your overall available household income / spends to change in the Next 6 months as compared to before covid?" Data represented for 'A lot less' and 'somewhat less'
Note: Data representative of Metro - tier 2 (towns with 5L+ population), SEC AB population
Source: BCG COVID-19 Consumer Sentiment Survey; Wave 1: March 23-26rd, Wave 2: Apr 17-20, Wave 3: April 30th – 3rd May, Wave 4: May 18-23, Wave 5: 20th Jul – 02nd Aug'20; Wave 6: 23rd – 28th May '21 (N=2,106, 2,324, 1,327, 3,276, 3,000, 4000 respectively)

Decline in income sentiment is steepest among less affluent/ small towns



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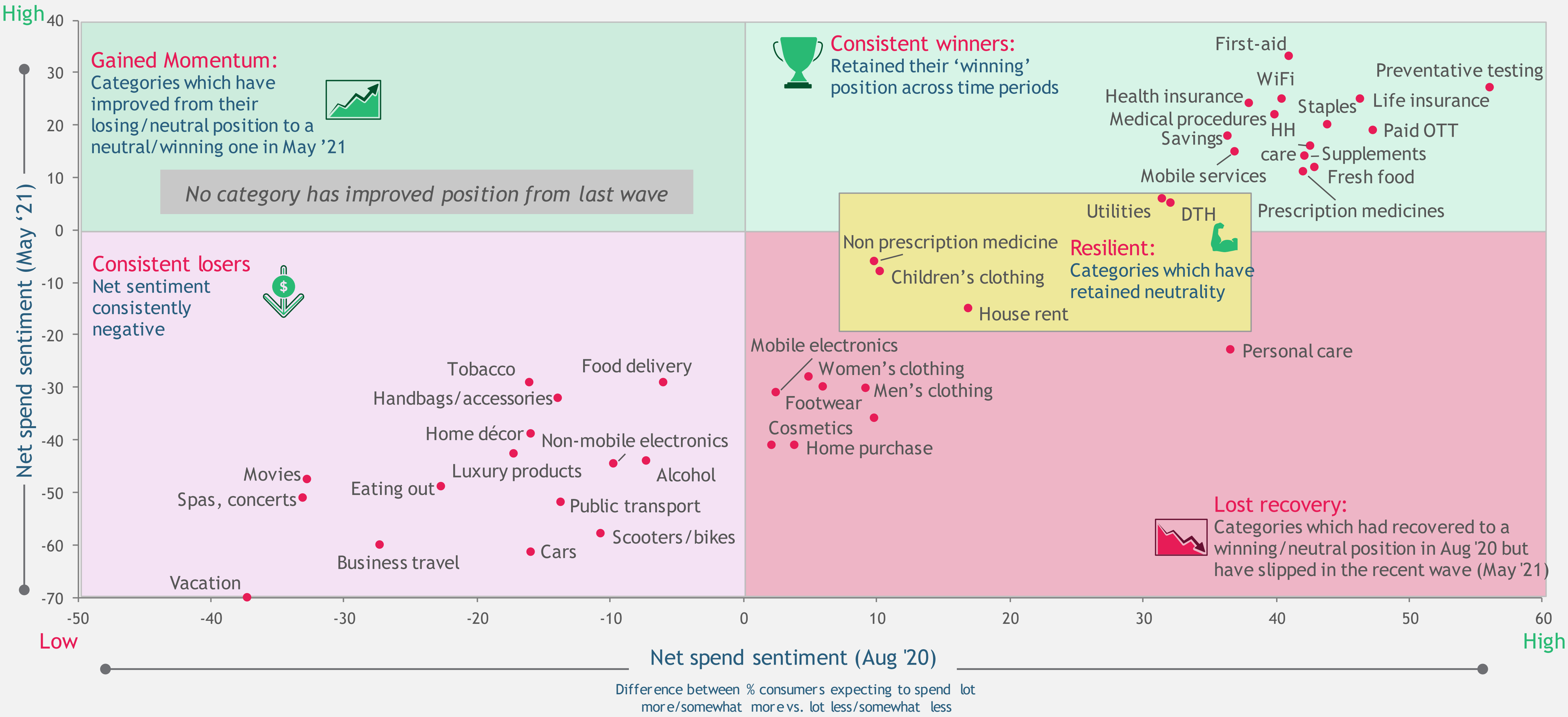
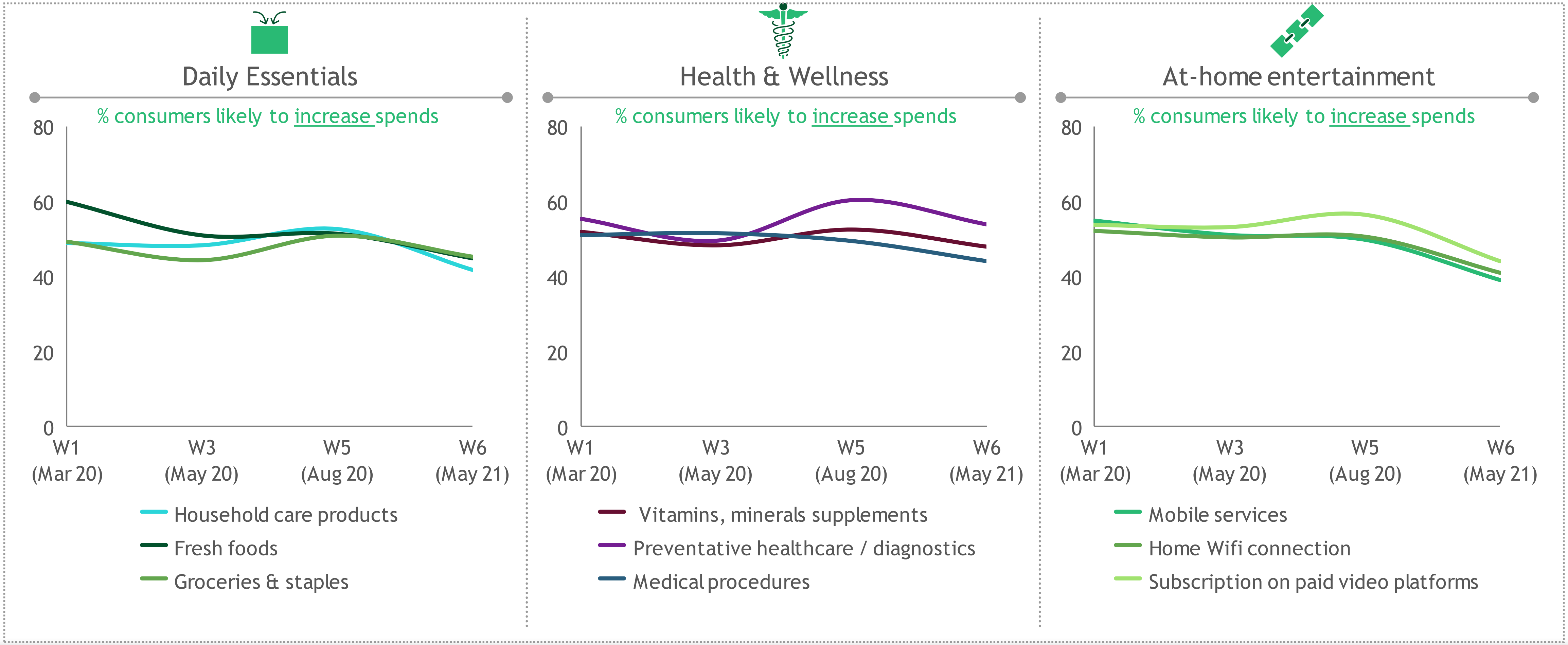
Significant difference in sentiment across categories – with clear 'Winners' and 'Losers' emerging



Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?" Representative of Metro tier 2 (towns with 5L+ population), SEC AB population
Source: BCG COVID-19 Consumer Sentiment Survey; Wave 1: March 23-26rd, Wave 3: April 30th-3rd May, Wave 5: 20th Jul-02nd Aug'20; Wave 6: 23rd-28th May '21 (N=2,106, 1,327, 3,000, 4000)

Consistent winners | Spend sentiment for essentials, health, at home entertainment has remained stable or showed minor decline

Change in spends in next six months



Note: Question text: “How do you expect your spend to change in the next 6 months across the following areas?”; Data represented for 'A lot more' and 'somewhat more'. Representative of Metro tier 2 (towns with 5L+ population), SEC AB population
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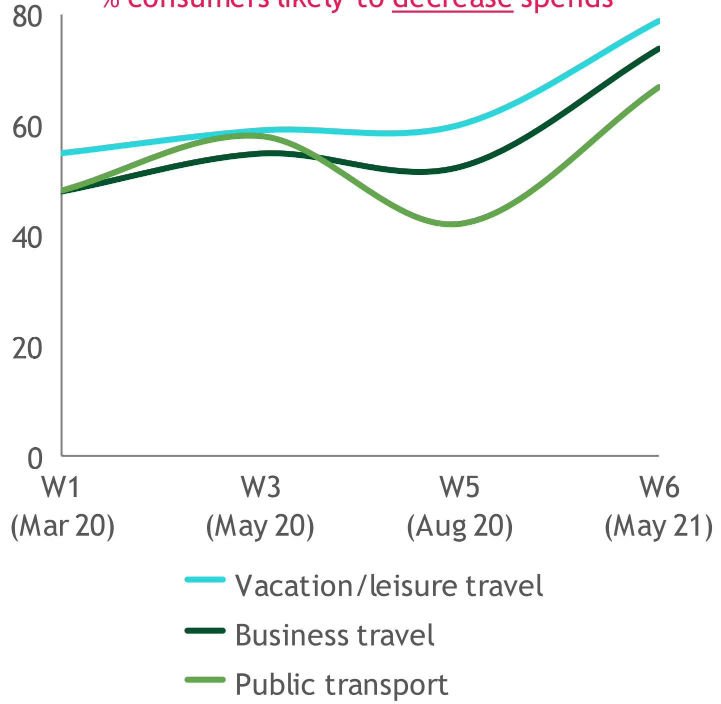
Consistent losers | Expected cutbacks on travel, OOH entertainment and vehicle purchases are high

Change in spends in next six months

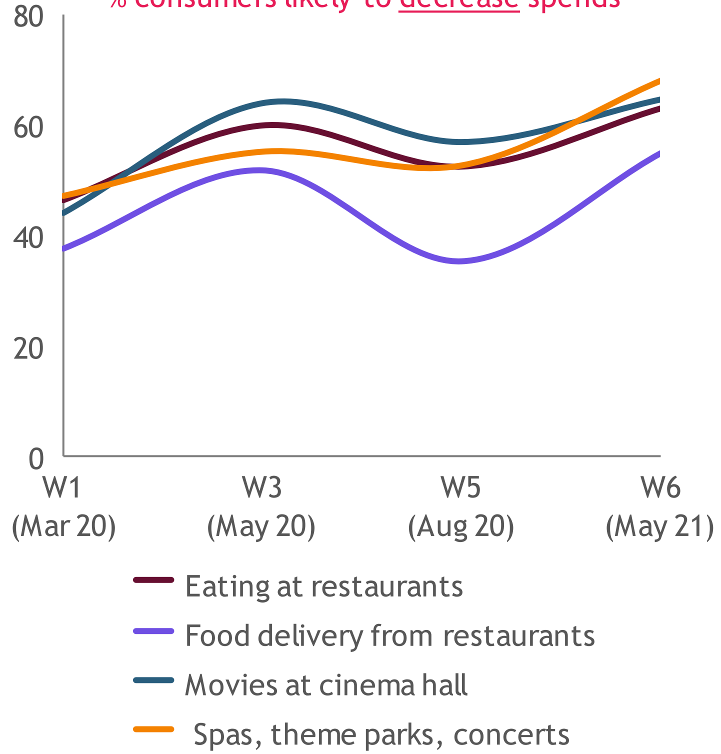
Travel & Transport

% consumers likely to decrease spends



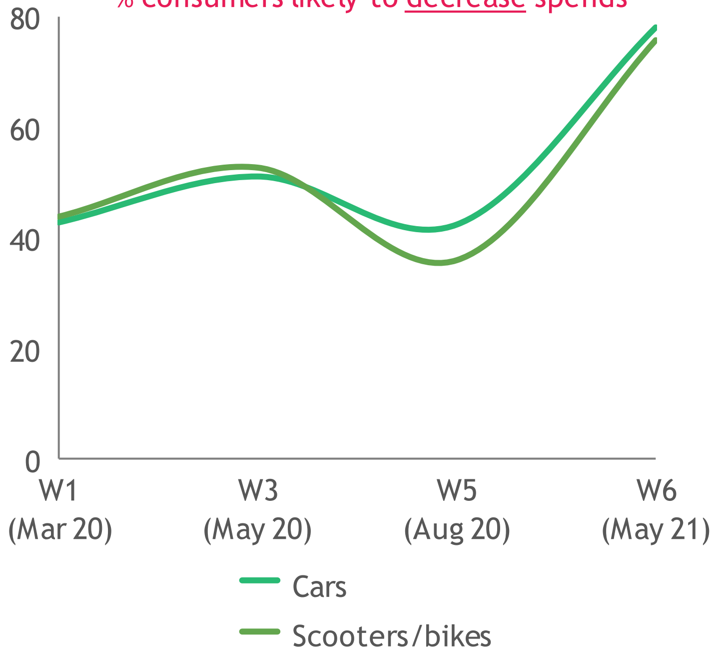
OOH entertainment

% consumers likely to decrease spends



Auto

% consumers likely to decrease spends



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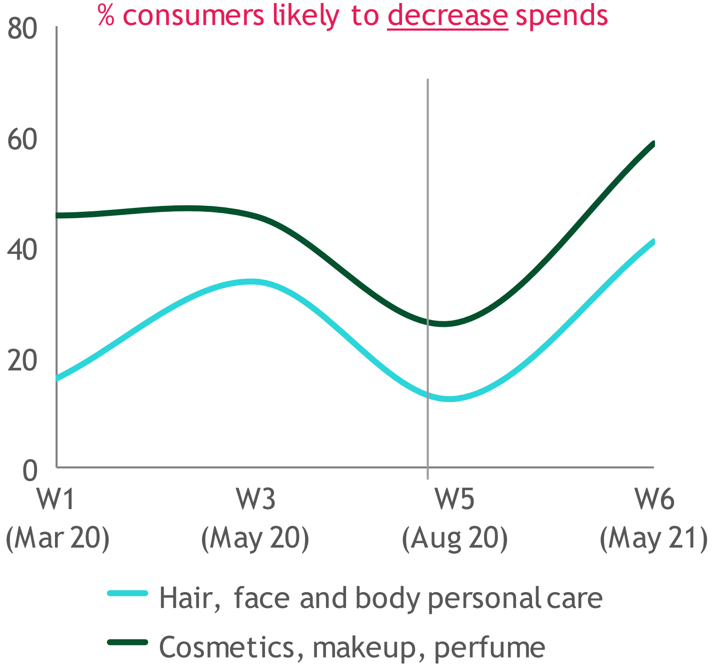
Spending sentiment on personal care and apparels remain low in recent wave; outlook on necessary outlays like utilities insulated

Lost recovery

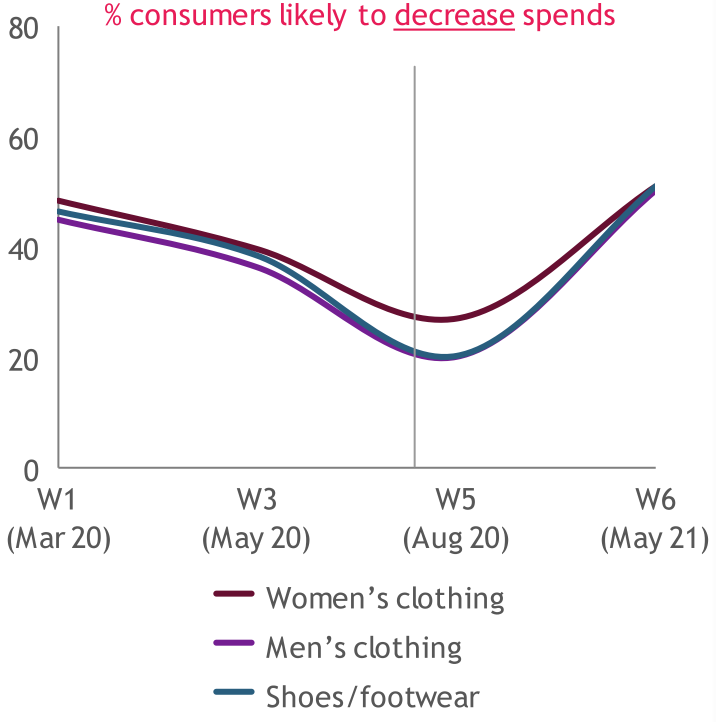
Beauty & Personal care

% consumers likely to decrease spends



Clothing and footwear

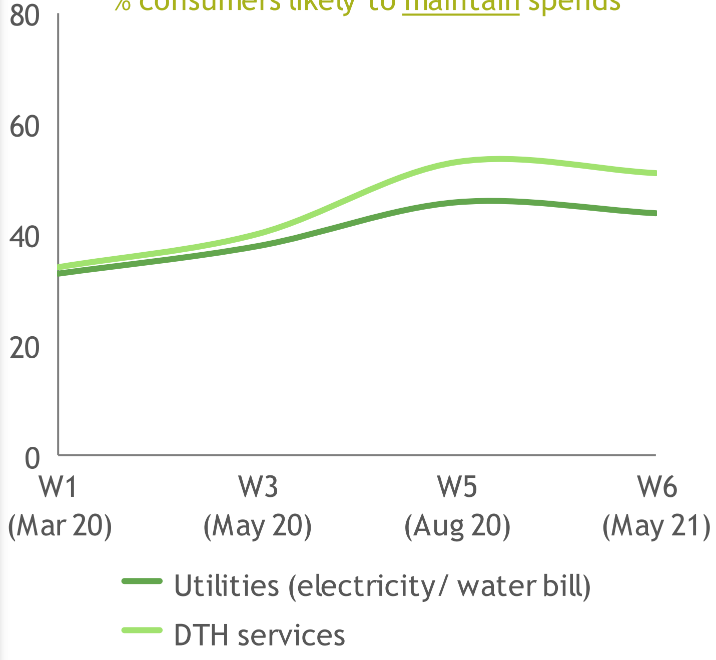
% consumers likely to decrease spends



Resilient

Rent and utilities

% consumers likely to maintain spends



Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?"; Data represented for 'A lot more' and 'somewhat more for categories under 'Lost recovery' and for 'Spend about the same' for 'Resilient' categories. Representative of Metro tier 2 (towns with 5L+ population), SEC AB population
Source: BCG COVID-19 Consumer Sentiment Survey; Wave 1: March 23-26rd, Wave 3: April 30th - 3rd May, Wave 5: 20th Jul - 02nd Aug'20; Wave 6: 23rd - 28th May '21 (N=2,106, 1,327, 3,000, 4000)

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5 themes of consumer behaviour emerging based on their adoption and engagement through the COVID period

Accelerated

Behaviors which accelerated rapidly since outbreak and still continue to grow

Sustained momentum

Behaviors which seem to have settled at a new higher level; looking like the New Normal

Sensitive

Behaviors which rise and fall in line with the intensity of the pandemic/ lockdowns

Transient

Behaviors which gained significant traction in the 1st wave of Covid, but have been unable to sustain

Resilient

Behaviors which showed no/ little change due to COVID

Source: BCG COVID-19 Consumer Sentiment Survey: Wave 6: 23rd-28th May '21 (N=4000)

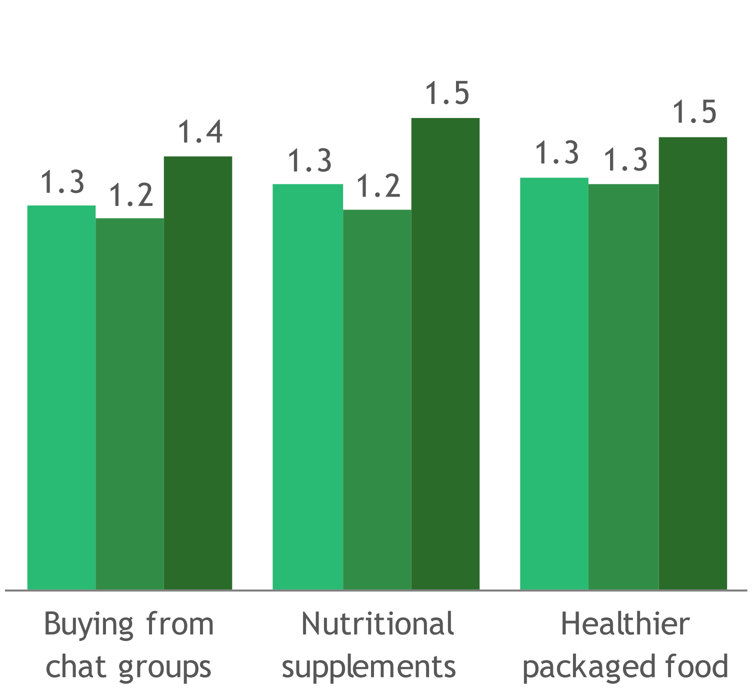
Unabated growth in adoption and engagement of social commerce and healthier food choices

Accelerated behaviors

1st Covid Wave (Mar '20 - Aug '20)
Cooling off (Oct '20 - Mar '21)
2nd Covid Wave (Apr '21 onwards)

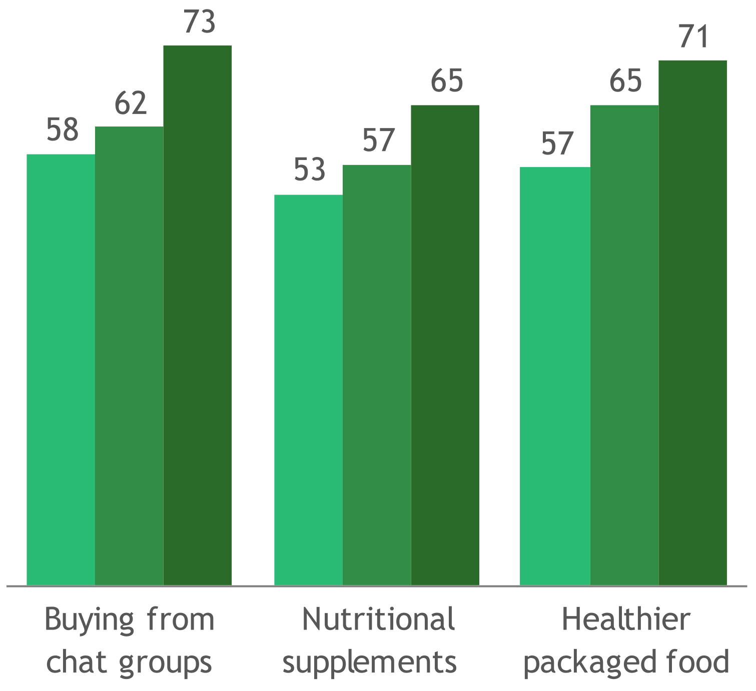
Growth in new users

of users in each time period indexed to Pre-Covid levels



Higher frequency in pre-COVID users

Net (pre-COVID users who increased frequency minus those who decreased frequency)



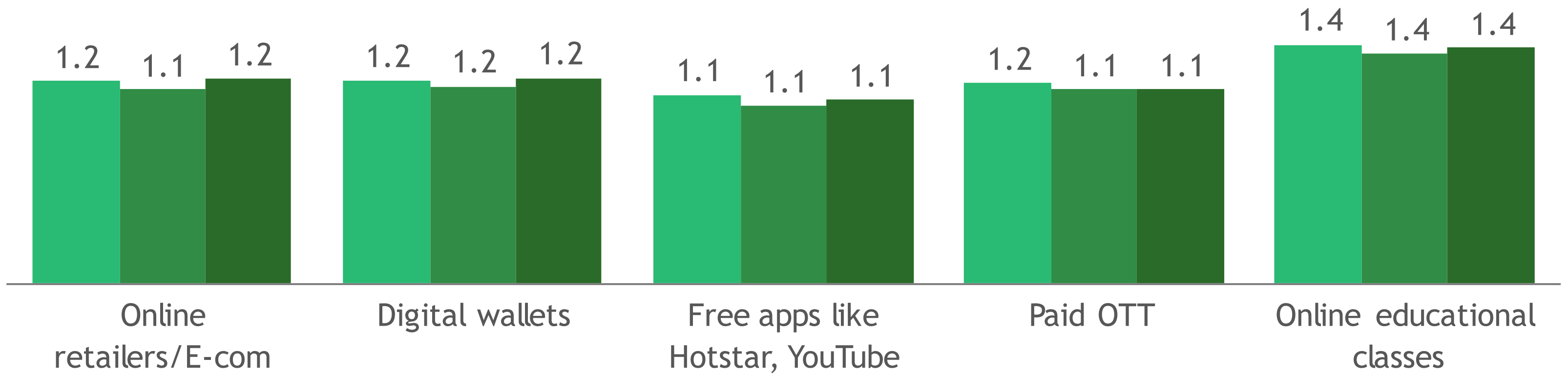
Note: Question text: Please look at this list and tell me when all have you done this activity? Scores indexed to Pre-Covid levels
Representative of Metro tier 2 (towns with 5L+ population), SEC AB population. Source: BCG COVID-19 Consumer Sentiment Survey: Wave 6: 23rd-28th May '21 (N=4000)

Adoption and engagement of digital commerce, entertainment and education sustaining at new highs

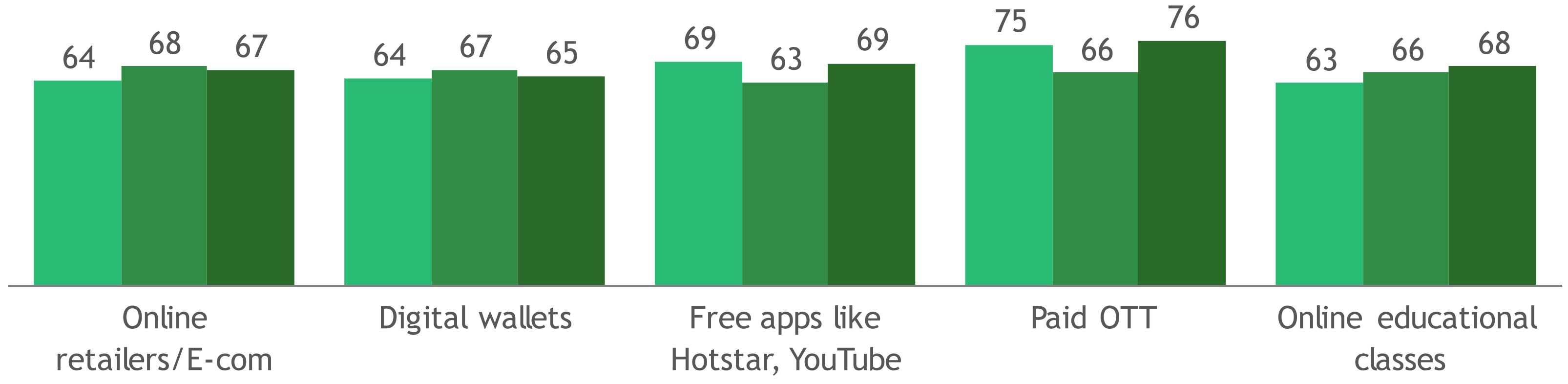
Sustained Momentum

- 1st Covid Wave (Mar '20 - Aug '20)
- Cooling off (Oct '20 - Mar '21)
- 2nd Covid Wave (Apr '21 onwards)

Growth in new users
of users in each time period indexed to Pre-Covid levels



Higher frequency in pre-COVID users
Net (pre-COVID users who increased frequency minus those who decreased frequency)



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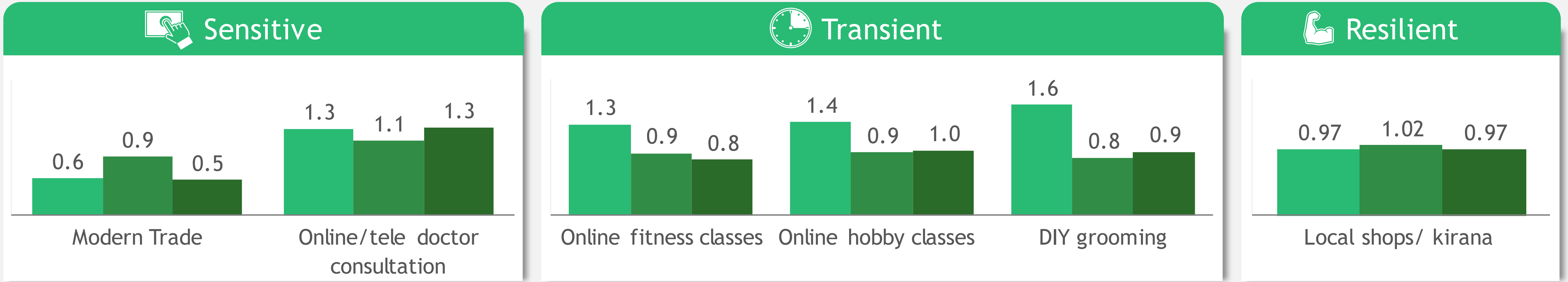
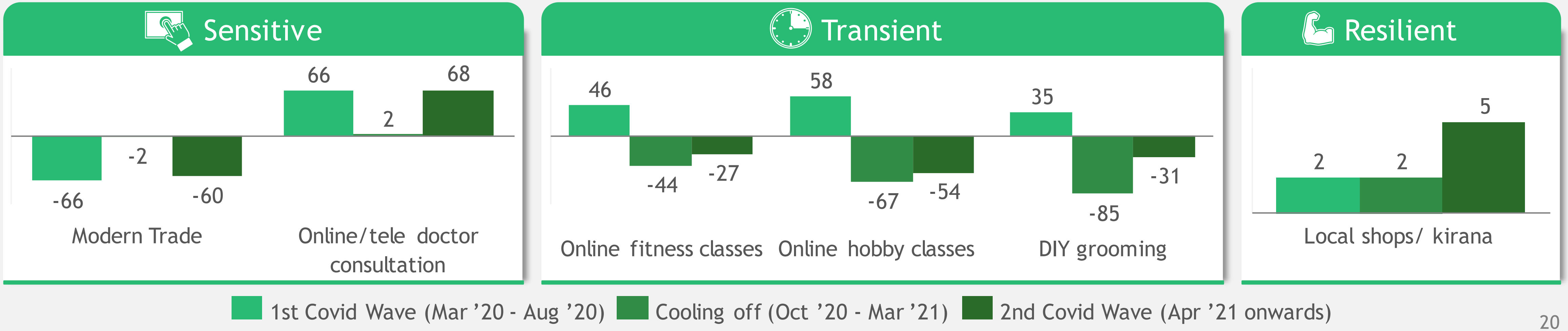
Modern trade visits, online health consultations sensitive to lockdowns; novelty of online hobby classes/ DIY has waned over time; Traditional trade remains insulated

Growth in new users
of users in each time period indexed to Pre-Covid levels



Higher frequency in pre-COVID users
Net (pre-COVID users who increased frequency minus those who decreased frequency)



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Willingness to take vaccination increased significantly post the recent wave of COVID-19




% population

	Willing Adopters: Extremely willing to take the vaccine		Fence Sitters: Hesitant to take vaccine due to vaccine concerns		Indifferent: Indifferent towards vaccine due to lack of fear of COVID		Rejectors: Unwilling to take vaccine due to vaccine concerns	
	Mar '21	May '21	Mar '21	May '21	Mar '21	May '21	Mar '21	May '21
Large towns	62%	78%	23%	13%	9%	3%	6%	6%
Small towns	39%	74%	31%	14%	22%	5%	8%	7%
Rural	41%	63%	9%	11%	40%	18%	10%	8%

Note: Question text: "Can you tell us as of today would you be willing to take the COVID-19 vaccine if it was made available to you?"
Source: BCG COVID-19 Consumer Sentiment Survey: Wave 6: 23rd - 28th May '21 (N=4000); Vaccine Hesitancy survey between 7th - 17th March '20 (N=5500)

Inability to get slots and technological challenges biggest barriers in urban and rural India respectively

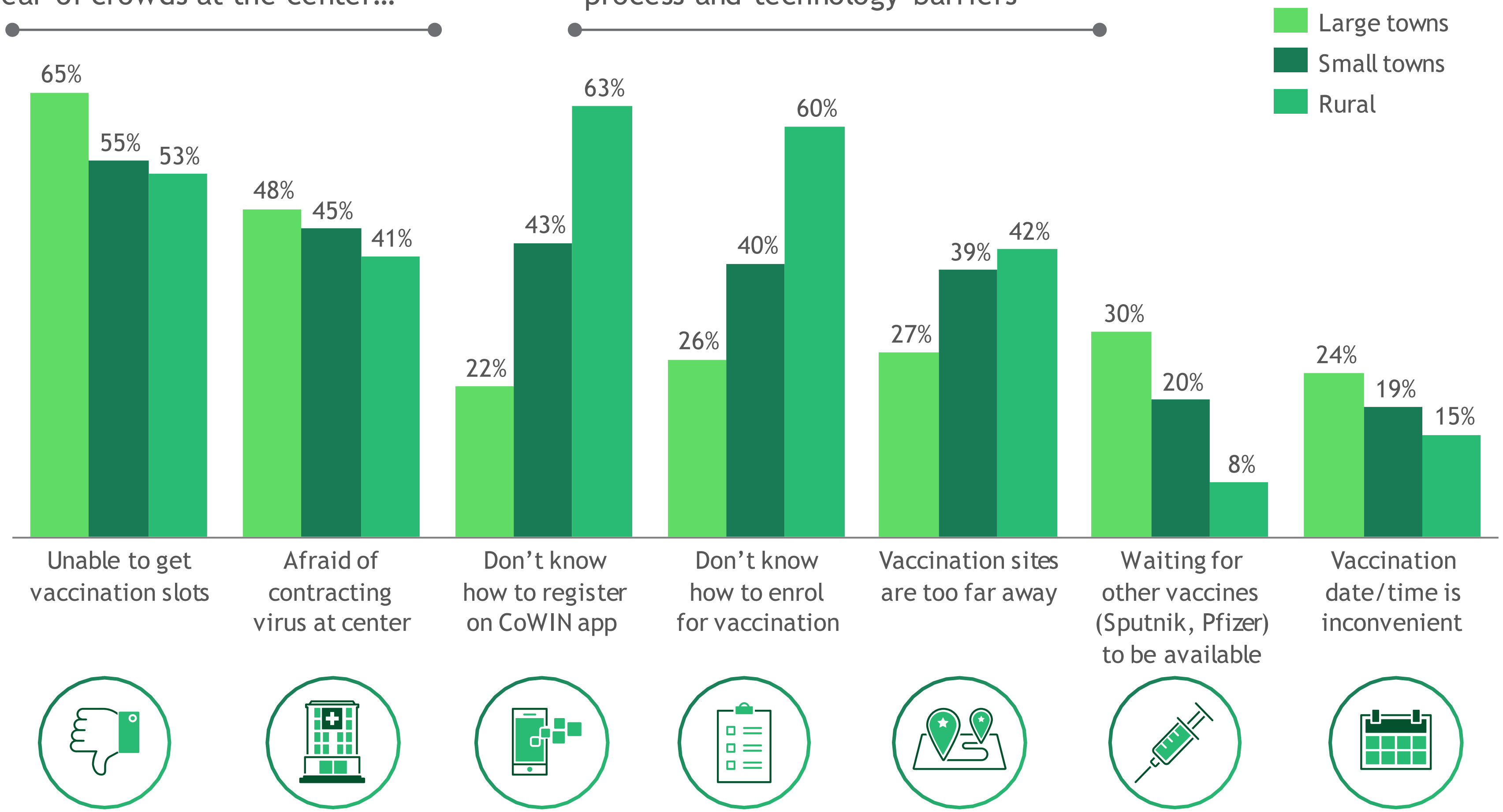
However, sizeable proportion of 'willing' population waiting to get vaccinated

Note: Question text: “Please tell us the 3 most important reasons for not taking the vaccine despite being willing?"
Source: BCG COVID-19 Consumer Sentiment Survey: Wave 6: 23rd - 28th May '21 (N=4000)

Reasons for not taking a vaccine despite being willing

Larger towns adoption inhibited by unavailability of vaccination slots and fear of crowds at the center…

…while Rural populace struggles with lack of knowhow about registration process and technology barriers



Please reach out to the team for latest data and insights

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