



# COVID-19 Consumer Sentiment Research

India Survey Snapshot: Wave-1 — March 23-26



CENTER FOR  
**Customer Insight**

MARCH 2020



# Context for this document



This **COVID-19 consumer sentiment research** is based on a global survey which currently covers India, US, China, UK, France, and Italy. It will be fielded in bi-weekly waves to provide a longitudinal view of consumer sentiments about the coronavirus pandemic, and about consumer consumption outlook



This document is focused on **Wave 1** in India, which was fielded from **March 23<sup>rd</sup>-26<sup>th</sup>, 2020**. The following is not an exhaustive analysis of that study, but rather a simple **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

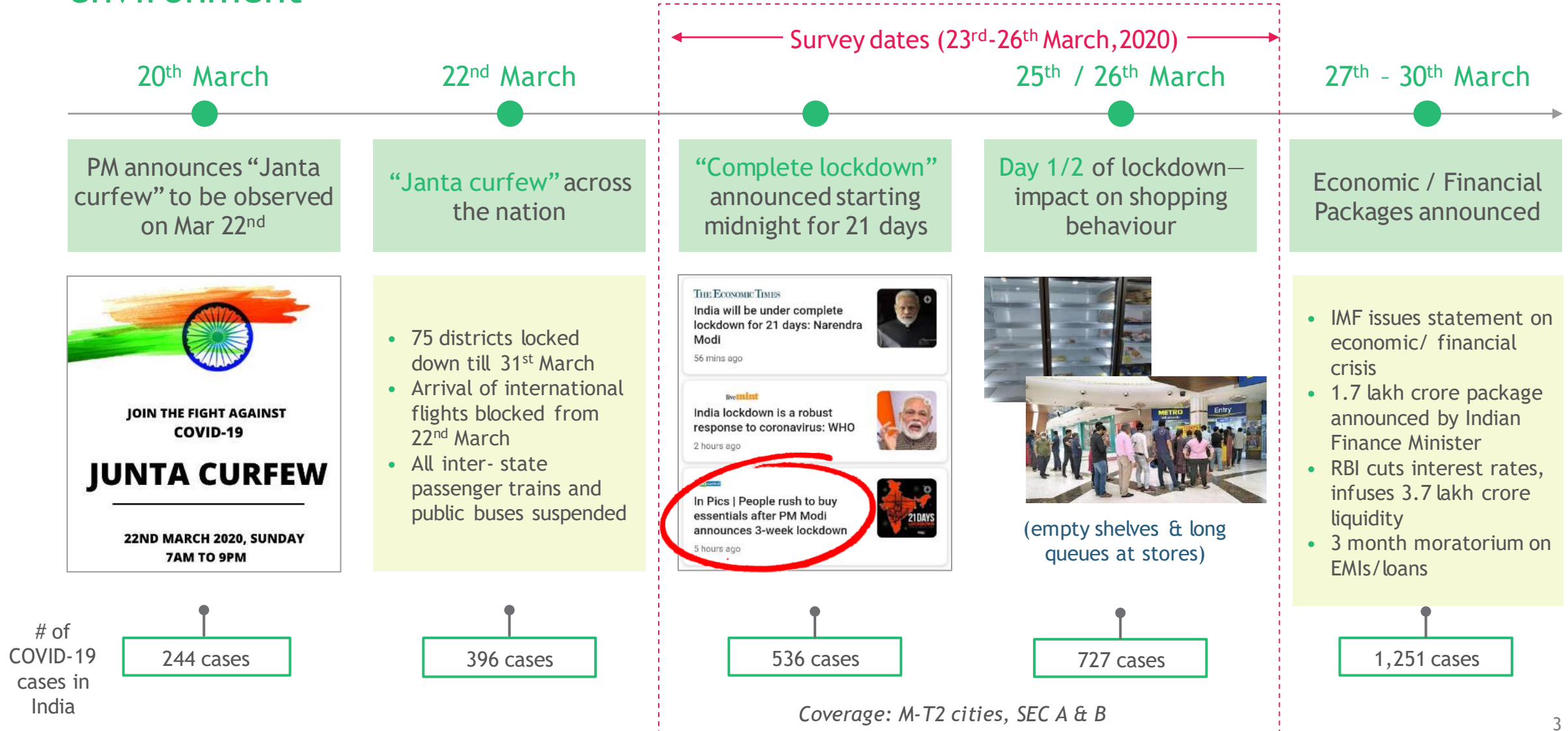


## Executive Summary

- 1 Despite late onset, consumers **extremely concerned** about COVID-19
- 2 **Savings, health & wellness, at-home entertainment, and essential categories** most likely to witness a spurt over the next 6 months
- 3 Significant cutbacks anticipated in **travel, out-of-home entertainment, discretionary items like fashion & luxury goods, durables & appliances, and automobiles**
- 4 Some '**dual behavior**' categories with people looking to increase as well as reduce spends e.g. alcohol, food delivery
- 5 Inflationary expectations/ stocking up/ lifestyle changes key driver for spends increase; social distancing/ 'savings-first' mindset key driver for spends reduction
- 6 **Lower SEC, youth show higher propensity to cut back** on spends; no significant difference across metros and non-metros
- 7 Clear shift to **online spending** across categories

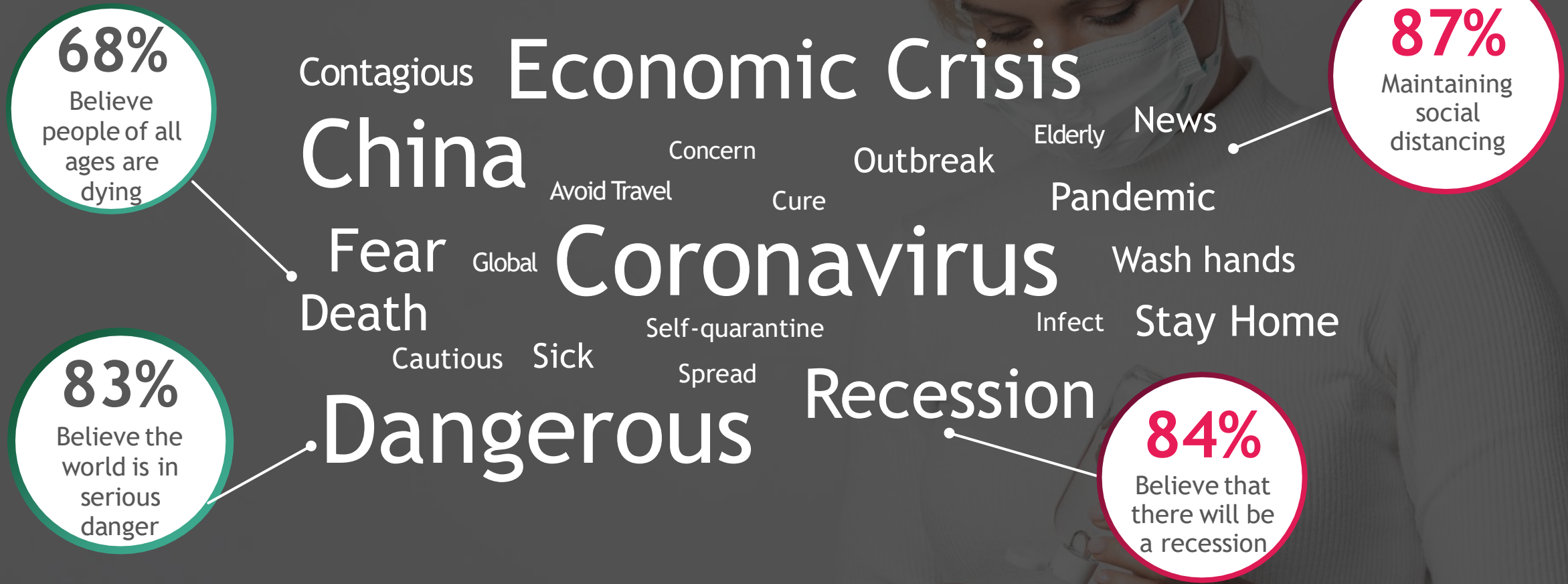


# Context: Survey conducted parallel to events leading to an "uncertain environment"





# Coronavirus generates significant fears and concerns among consumers



Note: 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.” and “How much do you agree with each of the following statements about the coronavirus?”. Similar responses categorized together for visual simplicity  
Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26, 2020 (N = 2,106)

# Significant impact on consumers' daily life



% agree

*Trying to avoid public places*

87%

*Keeping a distance in crowds*

87%

*Changed my daily lifestyle*

85%

*Working from home*

84%

*Not going out of house, except work*

76%





*Avoiding going to hospitals*

68%

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 (India), March 23-26, 2020 (N = 2,106)



## Consumers up to date with virus situation in India, but underestimate the degree of its worldwide spread

	Actuals <sup>1</sup> as of March 24 2020	Consumer Estimate	Accuracy
 Mortality rate once infected	~4.4% <sup>1</sup>	~5%	Accurate
 Total cases in India	~536 <sup>1</sup>	~500	Accurate
 Countries with confirmed cases	~171+ <sup>1</sup>	~115	Underestimate
 Total reported cases worldwide	~417k <sup>1</sup>	~200k	Underestimate

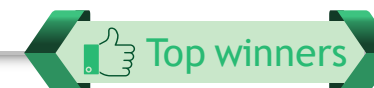
1. Johns Hopkins CSSE, the midpoint of survey fielding 2. Respondents required to choose whole numbers, median reported

Note: Question text: "To the best of your knowledge, please tell us..."

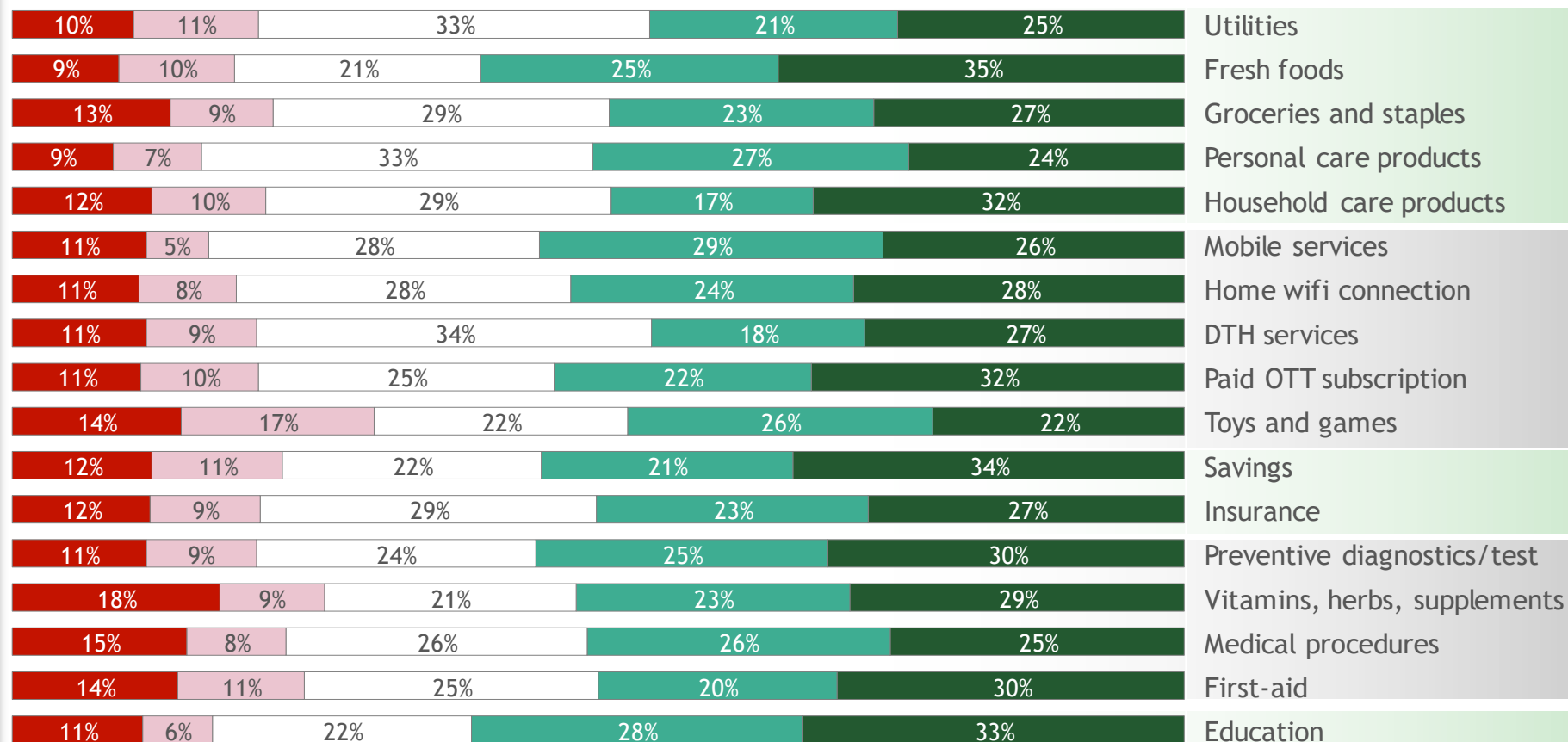
Source: Johns Hopkins CSSE. BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)

# Essentials, savings, health & wellness, at-home entertainment, and education most likely to witness an increase

## Change in spends in next six months



Distribution of survey responses (%)



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



Essentials for daily life



At-home entertainment/ Media



Saving/ Investments



Health & Wellness



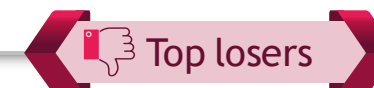
Education

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 > 45% (5% more than average) classified as winning categories

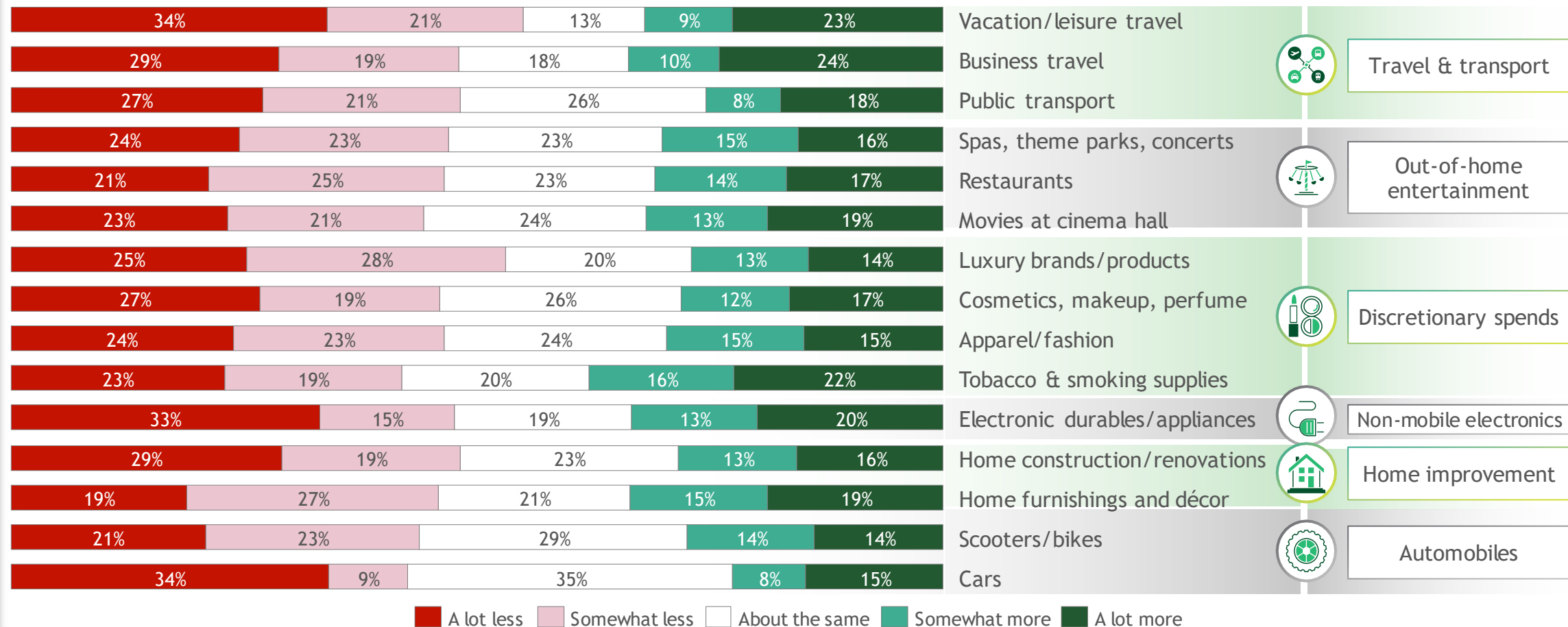
Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)

# Travel, outdoor leisure activities and discretionary spending likely to be hardest hit by a planned reduction in spends

## Change in spends in next six months

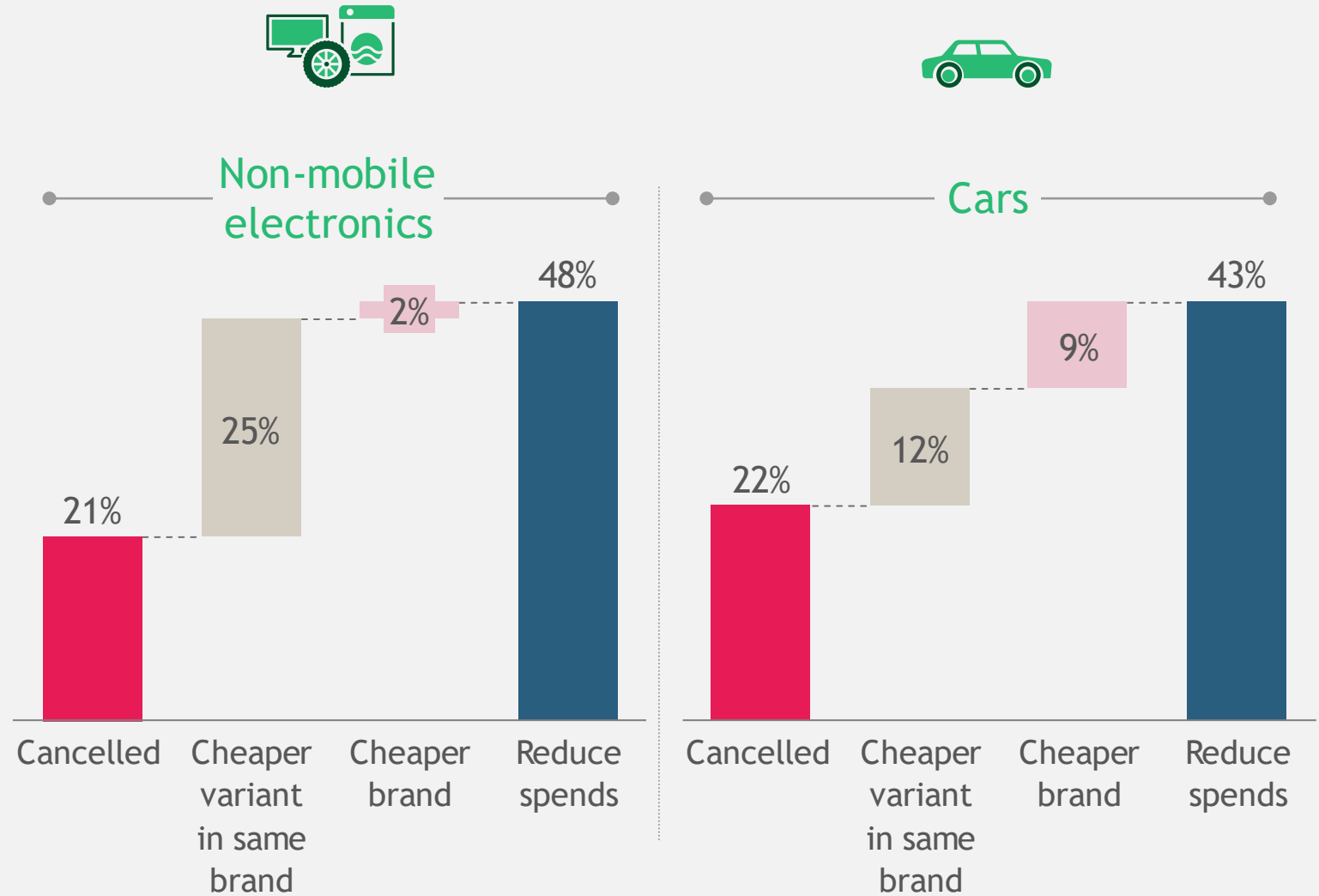


Distribution of survey responses (%)



Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?" For non-mobile consumer electronics categories and cars, 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 > 38% (5% less than average) classified as losing categories Excludes categories with N < 100. Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)

Almost half of those who will reduce spends plan to cancel/postpone purchase beyond 6 months



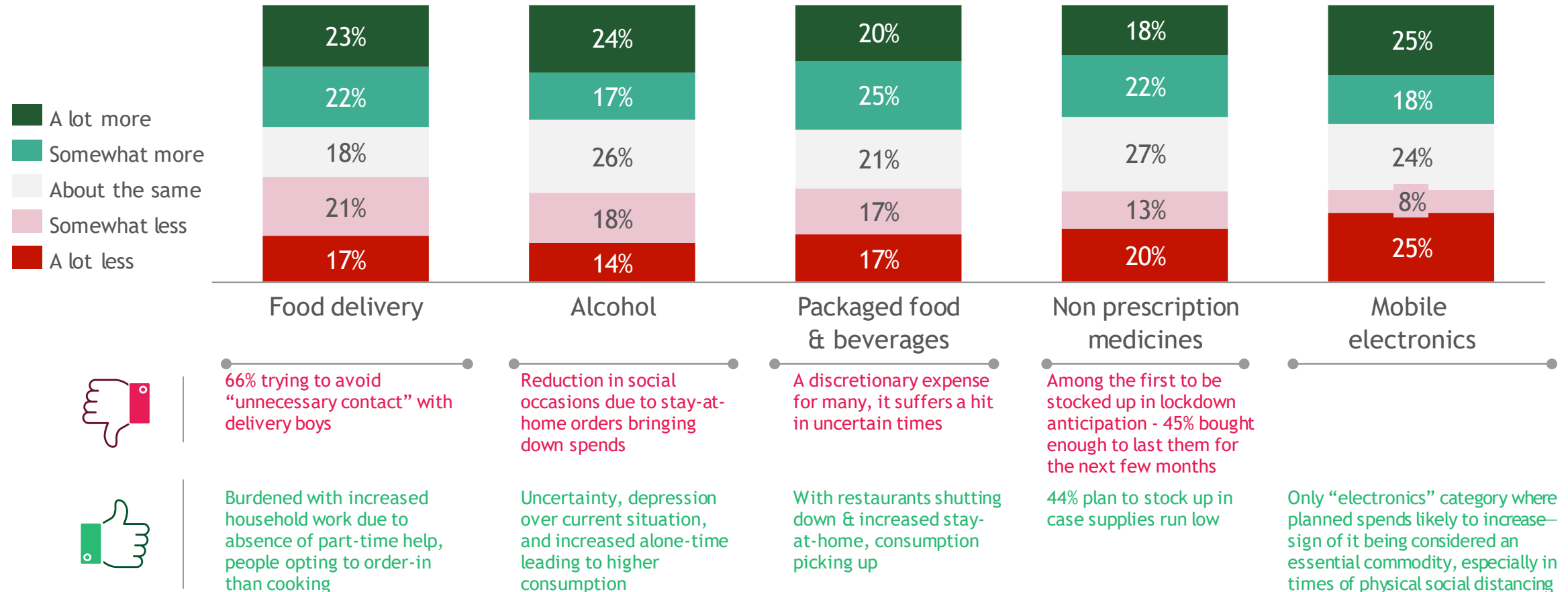
Note: Question text: “How do you expect your spend to change in the next 6 months across the following areas?”  
 “How do you expect the choice of your brands for the following types of products to change?”  
 Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)



# Select categories likely to witness both planned reduction and increase in spends

## ↔ Dual behavior categories

Distribution of survey responses (%)



Note: Question text: "How do you expect your spend to change in the next 6 months across the following areas?" Excludes categories with N < 100  
 Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)

## Increased spends driven by distress buying amidst fears of accelerating prices & supply chain disruption...

Expect prices to go up

Want to stock up

About to have free time

### Essentials

Household care products

48%

39%

NA

### Health & Wellness

Vitamins, supplements

37%

51%

NA

### At-home entertainment/ media

Paid OTT subscription

31%

NA

59%

Note: Question text: "You mentioned you expect to spend more on [selection] in the next month/six months. Please select up to 3 reasons why" Average for Personal care, Household care, Packaged food & beverages, Fresh foods, Vitamins & supplements, First Aid, Paid OTT, and mobile categories

Source: BCG COVID-19 Consumer Sentiment Survey, March 23-26 2020 (N = 2,106)



## ...Social distancing, stronger 'savings mindset' leading to spends cut back

Avoid public areas

Increase savings

Skeptical about income

### Travel

Flights

76%

41%

23%

### Discretionary spends

Apparel/ fashion

NA

55%

13%

### Out of home entertainment

Restaurants

66%

41%

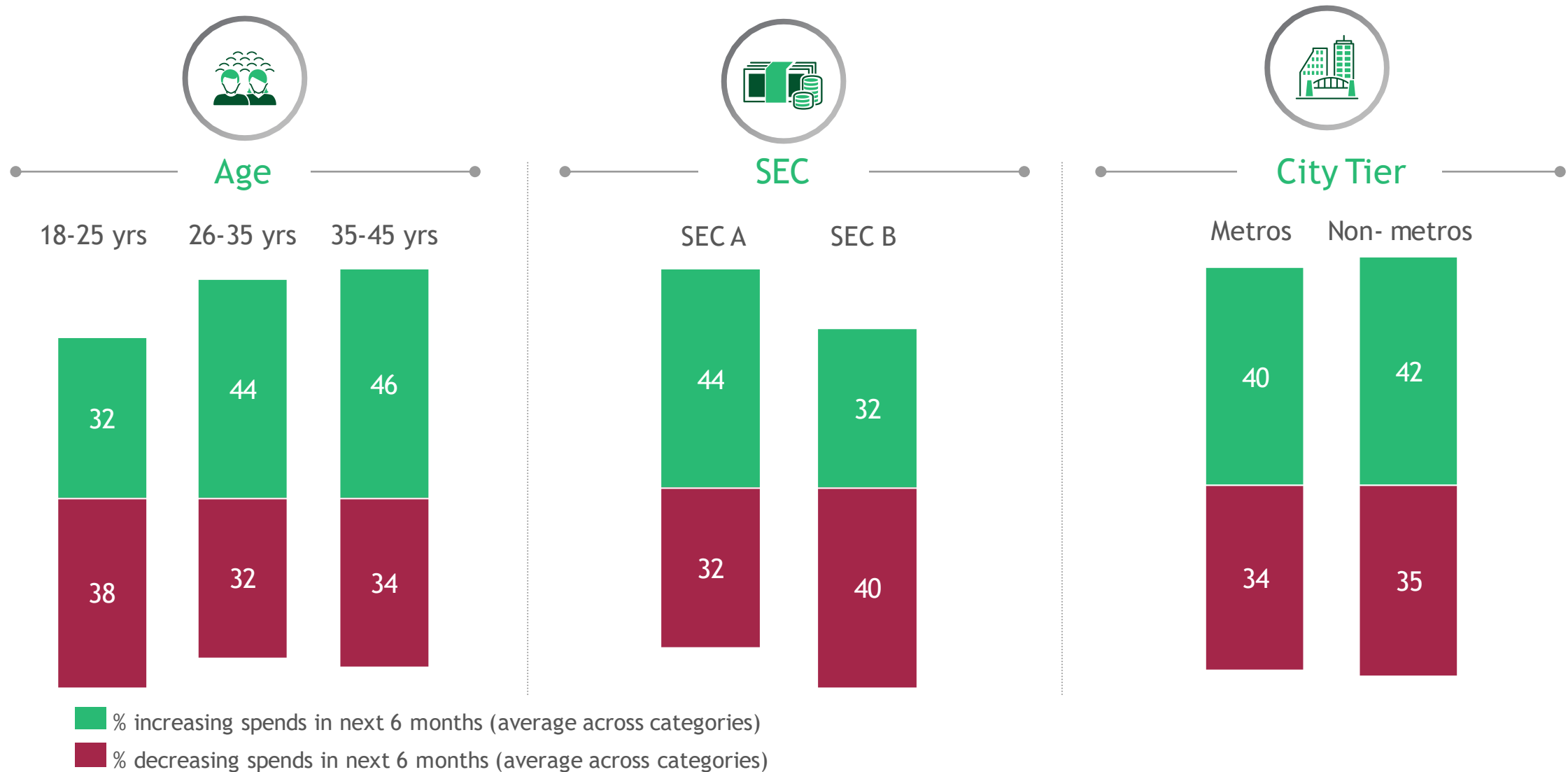
27%

Note: Question text: "You mentioned you expect to spend less on [selection] in the next month/six months. Please select up to 3 reasons why" Average for Flights, Public transport, Hotels, Railway, Ola/Uber, Beauty products, Apparel/fashion, Restaurants & Movies

Source: BCG COVID-19 Consumer Sentiment Survey, March 23-26 2020 (N = 2,106)



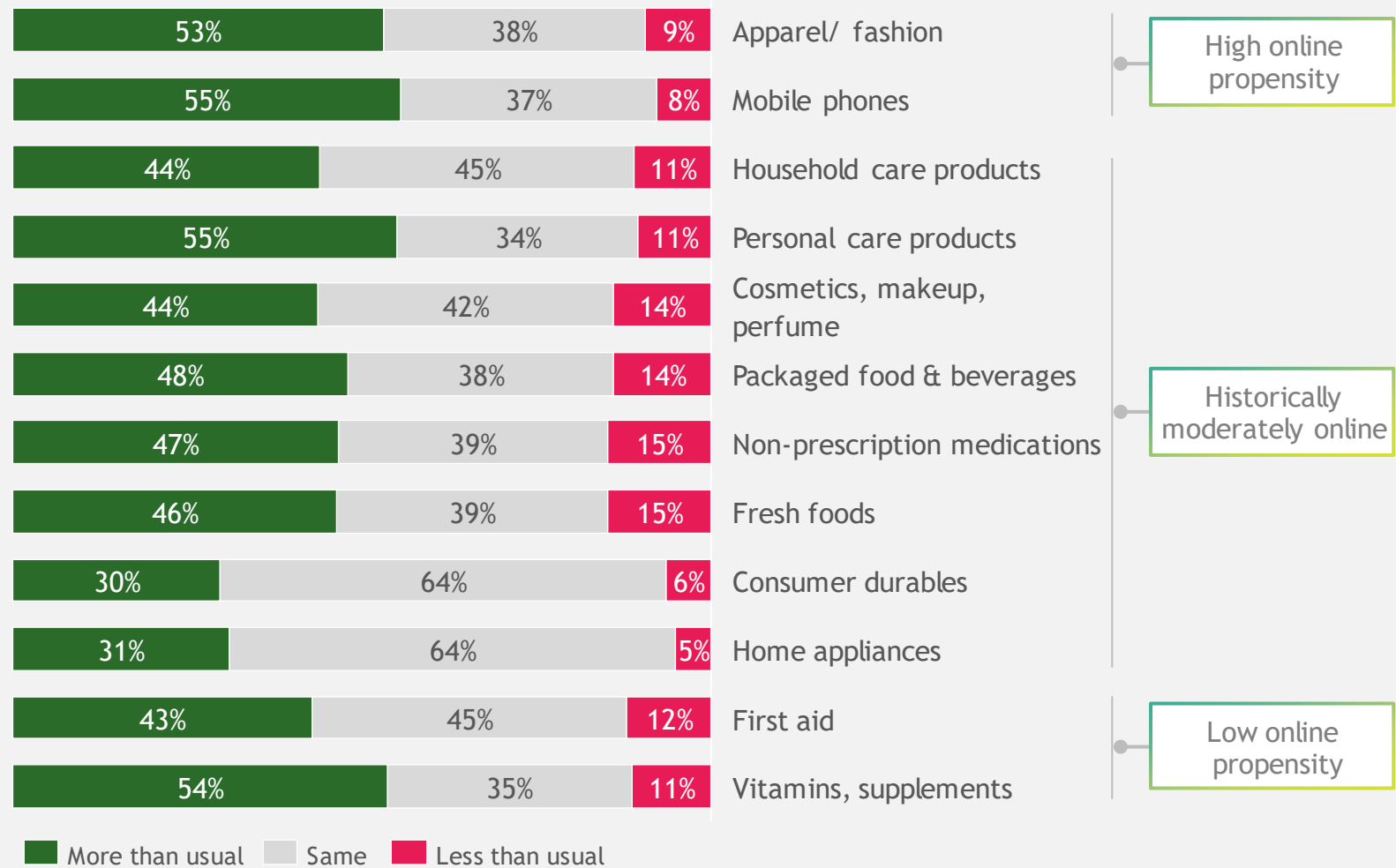
## Lower SEC, youth show higher propensity to cut back on spends



Note: Question text: “How do you expect your spend to change in the next 6 months across the following areas?” Average increase and decrease in spends calculated across all consumer sentiment categories covered

Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)

# Clear shift towards online spending, even for traditionally offline categories



Note: Question text: “In the next one month, how do you expect your online spend for the following types of products to change?”

Source: BCG COVID-19 Consumer Sentiment Survey (India), March 23-26 2020 (N = 2,106)

# 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](mailto: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.



[bcg.com](https://www.bcg.com)