

Did You Know: China Is on the Road to Recovery

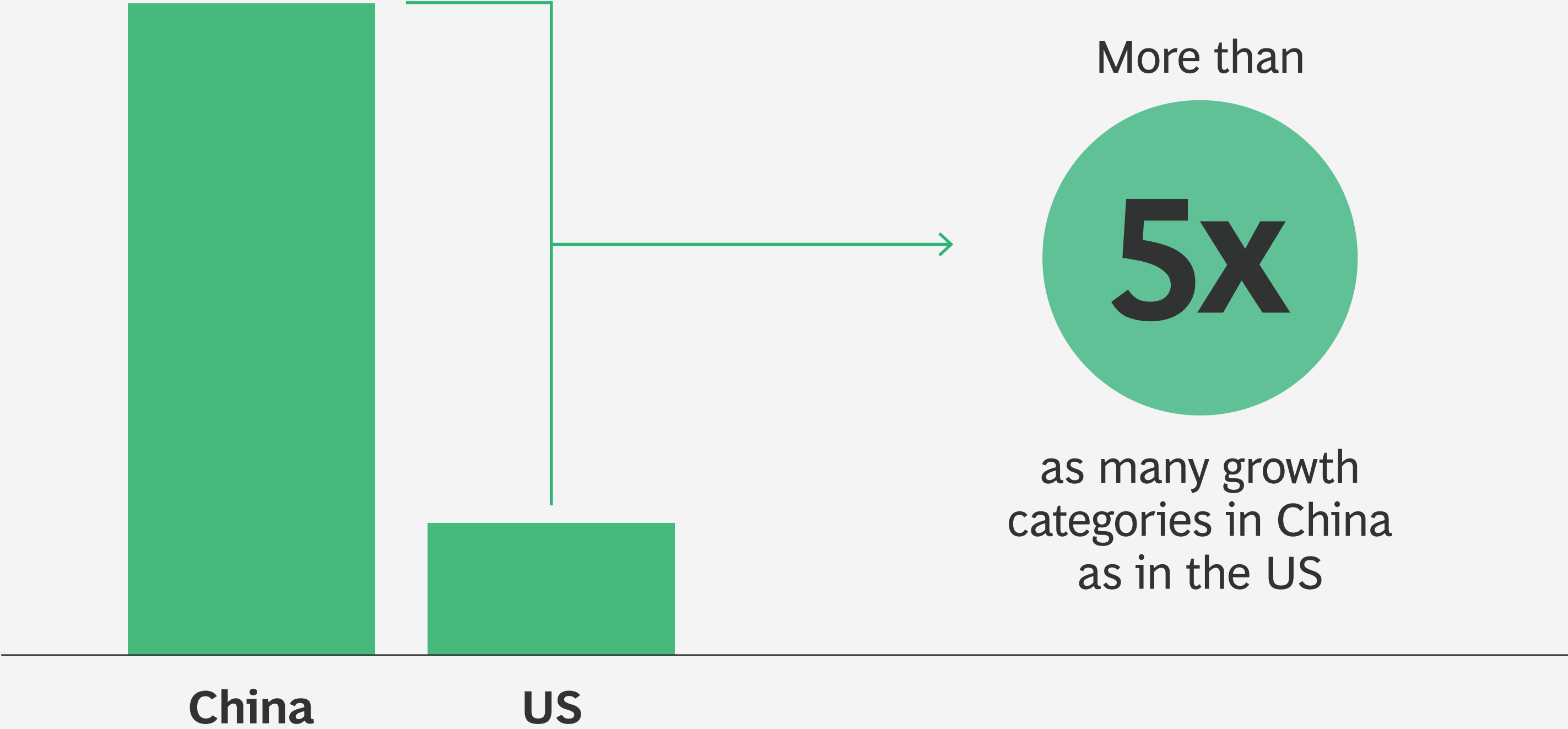
Hot products (more than 20% of respondents plan to spend more)

China

- | | |
|---------------------------------|---------------------------------|
| Fresh and organic foods | Home electronics and appliances |
| Preventive health care | Insurance |
| Childcare | Women’s clothing |
| In-home entertainment | Pet supplies and services |
| Vitamins and supplements | Personal care |
| Education | Alcohol |
| Restaurant pickup | Out-of-home entertainment |
| Packaged food and beverage | Outerwear |
| Savings | Nonprescription medications |
| Baby and children’s food | Public transportation |
| Mobile electronics | Cosmetics |
| Athletic equipment and clothing | Shoes and footwear |
| Children’s clothing | Automobiles |
| Medical procedures | Home decor |
| Restaurant | Travel |
| Household care products | Mortgage, rent, or renovation |
| Utilities | Tobacco |
| Toys and games | Luxury and fashion |
| | Men’s clothing |

US

- Restaurant pickup
- Savings
- In-home entertainment
- Packaged food and beverage
- Household care products
- Preventive health care
- Fresh and organic foods



Source: BCG COVID-19 Consumer Sentiment Survey, March 27, 2020, to March 30, 2020 (N = 2,916 China; 2,944 US).
Note: Question: “How do you expect your spend to change in the next 6 months across the following areas?” Excludes categories with N < approximately 100 in any country.

Did You Know: Consumers in China Are Settling In at Home and Prepared to Return to Work



Cooking

- Sales of cooking ingredients and kitchenware boomed by 50–200%¹ after the virus outbreak
- Over half of consumers are willing to spend more on fresh food in the next month, especially the young (ages 25 to 34)



At-home leisure

- At-home leisure (e.g., TV, streaming) is the No. 1 alternative way to spend money that consumers saved from retail products
- Mobile electronics is one of the top categories, especially among older consumers (ages 55 or older)



E-commerce

- 1M+² shops on the leading platforms launched live-streaming in February to sell products, including home furniture, which had had low e-commerce penetration
- Sales grew by 300%+³ in the first week after the virus outbreak (versus the same period last year)



Pet care

- Sales of pet shampoo on the leading e-commerce platform were 60x⁴ higher than same period last year during the March 8 Women's Day promotion
- One-third of consumers are willing to spend more on pet supplies and service in the next six months, especially older women (ages 55 to 64) and young men (ages 18 to 24)



Personal care

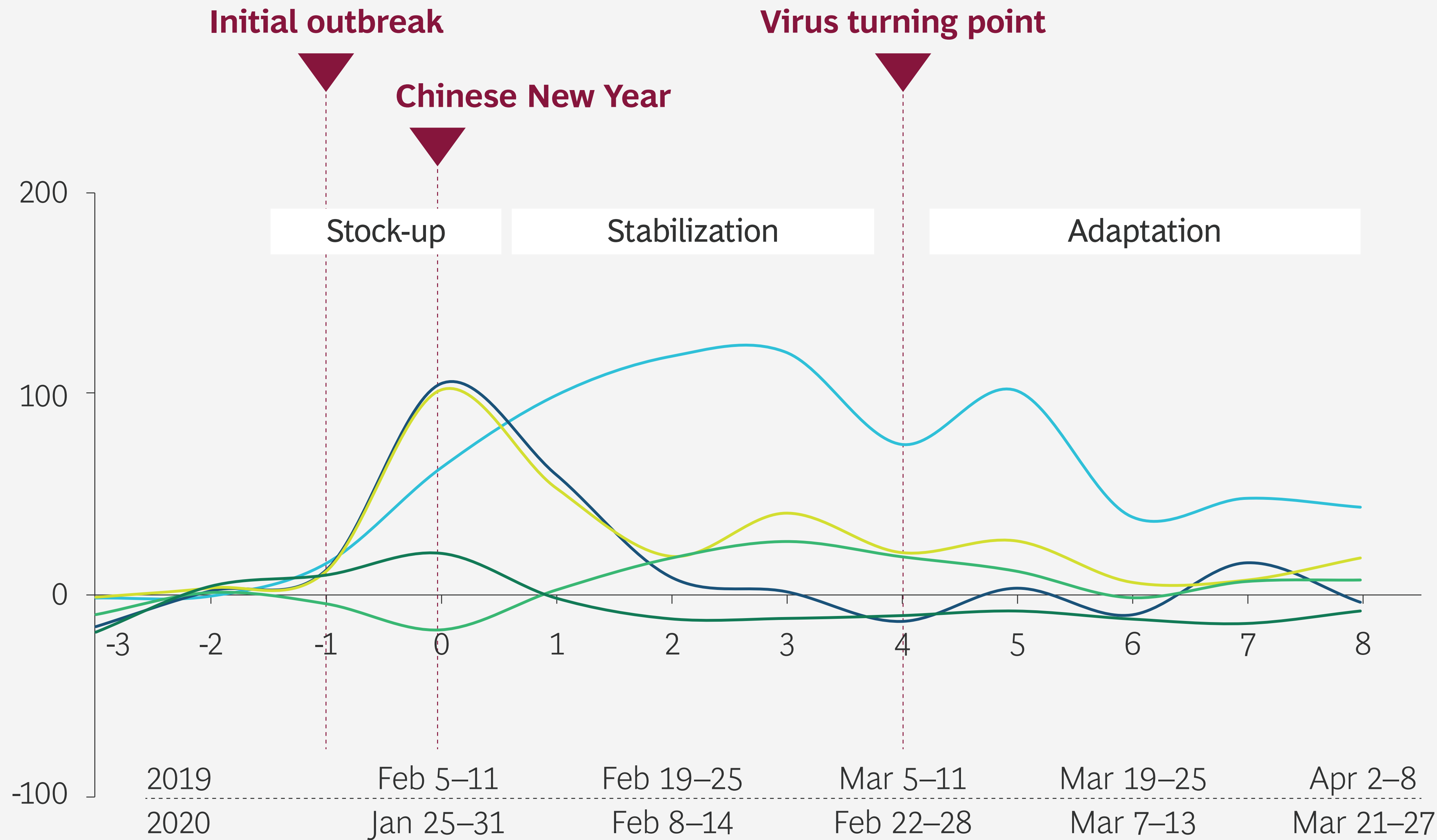
- Pent-up demand for fitness and sports surged. After work resumed, the searches on Taobao for sports equipment increased by 250%+⁵ (versus the same period in 2019)
- One-third of consumers and more men than women are willing to increase spending on cosmetics in the next six months

Sources: Literature search; BCG COVID-19 Consumer Sentiment Survey, March 12, 2020, to March 16, 2020 (N = 1,831 unweighted, representative within ±3% of Chinese census).

¹Weekly sales relative to Chinese New Year based on a leading regional grocery retailer. ²Based on Alibaba news release. ³Number of transactions, based on WeChat data. ⁴Based on Tmall International data. ⁵Based on Taobao data.

Did You Know: Sales of Essential Items Spiked Up and Down First, While Fresh Foods Have Stayed Strong

Weekly year-over-year change (%)



Average weekly year-over-year growth in the period following Chinese New Year

- Fresh foods—up ~80%**
(e.g., meat, eggs, vegetables, fruits, baked goods)
- Storable edible essentials—up ~25%**
(e.g., grain, oil, instant noodles)
- Storable non-edible essentials—up ~10%**
(e.g., cleaning supplies, personal care)
- Discretionary edibles—up ~10%**
(e.g., alcohol, snacks)
- Discretionary non-edibles—down ~10%**
(e.g., home appliances, clothing)

Sources: Retail sales index; BCG analysis.

Note: Analysis is based on 2020 offline and online-to-offline sales data of leading national retailers in China.