COVID-19 India Perspective 5.0

Objectives of this document

**COVID-19 is a global societal crisis**

We at BCG believe that the COVID-19 outbreak is first and foremost a societal crisis, threatening lives and the wellbeing of our global community. Society now, more than ever, needs to collaborate to protect people's lives and health, manage mid-term implications and search for lasting solutions.

**Important to ensure topline security and customer trust in light of COVID-19 crisis**

As businesses restart operations, topline security becomes important for a faster and sustainable recovery along with healthy margins. A complex interplay of pandemic progression, medical response, government action, socio-economic impact and customer confidence is playing out. This document intends to provide a thinking framework and examples on how to drive topline security and manage customer trust in the light of COVID-19 crisis.

Source: BCG
The COVID-19 crisis has significantly affected the global as well as the Indian economy, however it may also pose some opportunities to differentiate

- India witnessed one of its worst downturns in the 2008-09 recession – however, 18% companies improved both revenue & EBIT margin even in that crisis
- It is important to act fast to not only ensure business continuity, but also to navigate through the crisis and emerge strong in the new reality

For the many businesses hit hard by the crisis, it is critical to act fast to drive topline security and build customer trust in light of the COVID-19 crisis

- Three key pillars helping companies in planning the topline strategy in the near and medium term

  **Re-strategize across sectors and geographies**
  - Different sectors expected to experience differential impact on output growth this year
    - Important to **re-focus exposure** to most affected sectors
  - Global trade flow expected to alter in the post COVID-19 world
    - Important to plan in advance and **re-assess international strategy**
  - Demand in India expected to vary across regions based on impact & propensity to buy
    - Important to **re-prioritize efforts at a micro-market level**

  **Re-imagine operating models for new reality**
  - Customer safety concerns have started to reflect in the preference on choice of channel/ products
  - Companies have started to take measures to rebuild customer confidence
    - **Building trust**: Re-engineering operating model to include safety protocols
    - **Being agile**: Innovating workflows to cater to changing fulfillment needs
    - **Being collaborative**: Forging new partnerships to enable last mile deliveries
    - **Leveraging digital**: Exploring E2E digital offerings

  **Re-define customer value proposition**
  - Economic impact has started to reflect in the customer spend sentiment
  - Companies have started to take measures to stimulate demand
    - Experimenting with **new product offerings**
    - **Re-assessing pricing** strategy to manage price perception
    - **Protecting existing customer** base through re-allocating investments
    - Enhancing **digital presence** through digital marketing

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We believe during this crisis, leaders need to think along two dimensions:

1. **Taking an integrated perspective on health/medical progression, governmental responses, societal reactions, and economic implications to understand business/sector impacts**
2. **Thinking multi-timescale in a Flatten-Fight-Future logic**
COVID-19: ~40% reported recoveries globally so far; case-doubling rate improves to 35 days

As of 24 May 2020

188 Countries with cases
5.4M [Δ2.0%] Confirmed cases globally
345k [Δ1.3%] Fatalities globally

Note: Continued cases and fatalities are subject to different testing, propensity, reporting standards and hence are imperfect measures
1. Refers to total reported recoveries as a percentage of total reported infections (cases), 2. No. of doubling days based on 7-day CAGR 3. Basis Johns Hopkins CSSE; 4. Daily growth rate basis 7-day CAGR; 5. Community transmission defined basis WHO - Countries experiencing larger outbreaks of local transmission on basis of decided factors
Sources: Johns Hopkins CSSE, Our world in data, WHO situation reports, BCG analysis
Countries witnessing a decrease in doubling rate are moving into the restart mode through easing of lockdown measures

As of 24 May 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th># of days for case doubling¹</th>
<th>Current status of measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td></td>
<td></td>
<td>48</td>
<td>All 50 states begun to reopen in some way, but there remain vast discrepancies in how states are deciding to open up</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
<td>219</td>
<td>16 states have taken different paths out of lockdown Borders to reopen to Switz., France &amp; Austria, from 15 June</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td></td>
<td>223</td>
<td>Several regions and provinces moved to Phase One of de-escalation of restrictions</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td>250</td>
<td>On May 16, Italian PM signed a decree that stated foreign tourism will be allowed to resume from June 3</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>13</td>
<td></td>
<td>Apart from some blanket prohibitions, states have been asked to demarcate high risk zones within the districts</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
<td>331</td>
<td>Intends to ease its entry restrictions with EU countries from mid-June.</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td></td>
<td>75</td>
<td>Gov’t released 'Our Plan to Rebuild', setting out three-phase strategy for gradually lifting the current restrictions</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td>300</td>
<td>On 14 May announced the lifting of a coronavirus state of emergency ahead of schedule; lifted in 39/47 prefectures</td>
<td></td>
</tr>
</tbody>
</table>

Restrictions without lockdown | Lockdown | Re-entry started | Planned re-entry | Indicates improving trend

1. No. of doubling days based on 7 day CAGR; 2. For China, S Korea, Hong Kong, number of average daily new cases is fewer than 10 resulting in ~0% growth rate; and very high doubling days; Notes: * (Began…*) refers to the start date of a country's lockdown, lockdown definition varies among countries but generally refers to date non-essential businesses were ordered to shut down. Easing of lockdown comes with certain restrictions in all the countries; Source: Oxford COVID-19 Government Response Tracker, World Economic Forum, Our World in Data, Press search, John Hopkins CSSE, BCG Analysis
Key Indicators: COVID-19 India (I/II)

**Epidemiological Indicators**

- **132 K** # of cases
- **54 K** # of recoveries
- **3.9k** # of fatalities

<table>
<thead>
<tr>
<th>Date</th>
<th># of cases</th>
<th># of recoveries</th>
<th># of fatalities</th>
<th># of days of cases doubling</th>
<th># of tests/ million</th>
<th># of states with 1000+ cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 Apr</td>
<td>132</td>
<td>54</td>
<td>3.9</td>
<td>8.6</td>
<td>371</td>
<td>7</td>
</tr>
<tr>
<td>5 May</td>
<td>21</td>
<td>11</td>
<td>13</td>
<td>11</td>
<td>1,004</td>
<td>11</td>
</tr>
<tr>
<td>24 May</td>
<td>13</td>
<td>11</td>
<td>13</td>
<td>13</td>
<td>2,394</td>
<td>16</td>
</tr>
</tbody>
</table>

**Public Policy Measures**

- **Lockdowns**
  - 25 Mar: Lockdown 1.0
  - 4 May: Lockdown 3.0
  - 22 Mar: Junta curfew
  - 20 Apr: Lockdown 2.0
  - 18 May: Lockdown 4.0

- **Economic stimulus**
  - INR 20 Tn
  - 17 Apr: PMGKY INR 8 Tn
  - 14 May: Tranche 2 INR 3.1 Tn
  - 16 May: Tranche 4 INR 0.1 Tn
  - 26 Mar: PMGKY INR 1.9 Tn
  - 13 May: Tranche 1 INR 5.9 Tn
  - 15 May: Tranche 3 INR 1.5 Tn
  - 17 May: Tranche 5 INR 0.4 Tn

**Social Indicators** (% change vs. Pre-COVID baseline)

- **AQI Trend**
  - Pre-COVID (1 Jan)
  - Delhi 432
  - Bangalore 103
  - Mumbai 66
  - Chennai 66
  - 1 May
  - -61% -67% -62%
  - 8 May
  - -26% -26% -26%
  - 24 May
  - -1% -1% -1%

- **Mobility Trends**
  - Pre-COVID (Jan)
  - Retail & Recreation -85% -79% -77%
  - Workplaces -64% -52% -41%
  - Transit Stations -65% -56% -52%
  - 1 May
  - 8 May
  - 16 May

- **Media Indicators**
  - Pre-COVID (Jan)
  - Avg. daily smart phone consumption (mins)
  - 202
  - Avg. daily TV (mins)
  - 226
  - # of app downloads (Mn)
  - 3.8
  - 1 May
  - 60% 61%
  - 8 May
  - 14%

**Economic Indicators** (YoY, %)

- **Power consumption**
  - Jan: 3%
  - Mar: -9%
  - Apr: -24%
  - May: -16%

- **PMI - Mfg.**
  - Jan: 3%
  - Mar: -2%
  - Apr: -47%
  - N/A

- **PMI - Services**
  - Jan: 6%
  - Mar: -5%
  - Apr: -89%
  - N/A

**Trade/Logistics Indicators**

- **Imports**
  - Jan: -1%
  - Mar: -29%
  - Apr: -59%

- **Exports**
  - Jan: -2%
  - Mar: -35%
  - Apr: -60%

- **Railway Freight Traffic**
  - Jan: 3%
  - Mar: -5%
  - Apr: -89%

- **FASTag (volume)**
  - Jan: 279%
  - Mar: 216%
  - Apr: -61%

**Financial Activity Indicators**

- **Bank Deposits**
  - Jan: 11%
  - Mar: 8%
  - Apr: 10%

- **Bank Credit**
  - Jan: 8%
  - Mar: 6%
  - Apr: 7%

- **Retail Transactions (volume)**
  - Jan: 59%
  - Mar: 24%
  - Apr: 7%

- **Digital**
  - Jan: 75%
  - Mar: 36%
  - Apr: 25%

**Inflation/Price Indicators**

- **Consumer Price Index**
  - Jan: 7.6%
  - Mar: 5.9%

**Foreign Investment Indicator**

- **Foreign equity inflows**
  - Jan: 1372
  - May: 835

1. Power consumption compared for the period 1 May to 24 May 2020 vs. 2019; 2. Total foreign inflows from 1 May to 21 May 3. AQI for Bangalore is average of 7th & 9th May

Source: MoHFW, MHA; covid19india.org, State govt. COVID releases, RBI, Press information bureau, CPCB, Google mobility reports, Nielsen, POSOCO, Ministry of Railways, NPCI, CMIE, Bloomberg; Press reports; BCG analysis
### Market Sentiment Indicators (% change vs. 1 Feb 2020)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Pre-COVID¹</th>
<th>Lowest²</th>
<th>22 May</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma</td>
<td>-2.3%</td>
<td>-19.7%</td>
<td>19.8%</td>
</tr>
<tr>
<td>FMCG</td>
<td>-3.9%</td>
<td>-23.2%</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Energy</td>
<td>-5.3%</td>
<td>-31.7%</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Infra</td>
<td>-4.8%</td>
<td>-33.2%</td>
<td>-13.8%</td>
</tr>
<tr>
<td>IT</td>
<td>-5.7%</td>
<td>-31.3%</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Commodities</td>
<td>-4.6%</td>
<td>-34.4%</td>
<td>-19.9%</td>
</tr>
<tr>
<td>Nifty</td>
<td>-4.6%</td>
<td>-34.7%</td>
<td>-22.5%</td>
</tr>
<tr>
<td>Auto</td>
<td>-9.8%</td>
<td>-42.7%</td>
<td>-26.8%</td>
</tr>
<tr>
<td>Services</td>
<td>-4.1%</td>
<td>-36.8%</td>
<td>-29.5%</td>
</tr>
<tr>
<td>Metal</td>
<td>-7.0%</td>
<td>-39.7%</td>
<td>-31.0%</td>
</tr>
<tr>
<td>Media</td>
<td>-7.6%</td>
<td>-43.8%</td>
<td>-35.1%</td>
</tr>
<tr>
<td>Financial services</td>
<td>-3.3%</td>
<td>-39.7%</td>
<td>-37.1%</td>
</tr>
<tr>
<td>Bank Nifty</td>
<td>-5.0%</td>
<td>-43.3%</td>
<td>-42.1%</td>
</tr>
<tr>
<td>Realty</td>
<td>-8.1%</td>
<td>-44.5%</td>
<td>-46.4%</td>
</tr>
</tbody>
</table>

1. Pre-COVID refers to the average of index value from 2-Feb to 22 Mar.
2. Lowest refers to lowest index value between 23-Mar to 17-May.
3. Pre-COVID: Forecast before 25 March; Interim: period is from 25-Mar to 14-Apr; Source: SIAM, AIOCD, PPAC, CMA, Joint Plant Committee, American Chemistry Council (ACC), IRDA, Analyst reports; Bloomberg; Press reports; BCG analysis

### Sector Impact Indicators (YoY, %)

#### Sectors

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Jan</th>
<th>Mar</th>
<th>Apr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma sales (India)</td>
<td>7.9%</td>
<td>8.9%</td>
<td>-16%</td>
</tr>
<tr>
<td>Automotive sales (Domestic)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Passenger</td>
<td>-6.2%</td>
<td>-51.0%</td>
<td>-100%</td>
</tr>
<tr>
<td>- Commercial</td>
<td>-14.0%</td>
<td>-88.1%</td>
<td>-100%</td>
</tr>
<tr>
<td>- 2 Wheeler</td>
<td>-16.1%</td>
<td>-39.8%</td>
<td>-100%</td>
</tr>
<tr>
<td>- 3 Wheeler</td>
<td>12.7%</td>
<td>-58.3%</td>
<td>-100%</td>
</tr>
<tr>
<td>Oil &amp; Gas consumption</td>
<td>0.1%</td>
<td>-17.8%</td>
<td>-70.0%</td>
</tr>
<tr>
<td>Cement production</td>
<td>5.1%</td>
<td>-24.7%</td>
<td>N/A</td>
</tr>
<tr>
<td>Steel consumption</td>
<td>4.7%</td>
<td>-23.2%</td>
<td>-90.9%</td>
</tr>
<tr>
<td>Chemical production</td>
<td>6.3%</td>
<td>4.3%</td>
<td>N/A</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Life (No. of lives covered)</td>
<td>39.1%</td>
<td>-17.8%</td>
<td>-51.5%</td>
</tr>
<tr>
<td>- Non Life (Gross direct premium underwritten)</td>
<td>7.2%</td>
<td>-8.6%</td>
<td>-10.6%</td>
</tr>
</tbody>
</table>

#### Analyst Ratings

<table>
<thead>
<tr>
<th>Analyst</th>
<th>Latest release</th>
<th>Pre-COVID¹</th>
<th>Interim²</th>
<th>Latest</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICRA Rating - FY21</td>
<td>20 May</td>
<td>4.7%</td>
<td>-1.0%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Goldman Sachs-FY21</td>
<td>18 May</td>
<td>3.3%</td>
<td>-0.4%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Moody’s - FY21</td>
<td>8 May</td>
<td>5.5%</td>
<td>N/A</td>
<td>0.0%</td>
</tr>
<tr>
<td>DBS Bank - FY21</td>
<td>4 May</td>
<td>5.8%</td>
<td>1.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Moody’s - CY20</td>
<td>28 Apr</td>
<td>5.3%</td>
<td>2.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>India Ratings - FY21</td>
<td>27 Apr</td>
<td>5.5%</td>
<td>3.6%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Fitch Ratings - FY21</td>
<td>23 Apr</td>
<td>5.1%</td>
<td>2.0%</td>
<td>0.8%</td>
</tr>
<tr>
<td>S&amp;P Global - FY21</td>
<td>17 Apr</td>
<td>5.2%</td>
<td>3.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Deutsche bank - FY21</td>
<td>16 Apr</td>
<td>4.5%</td>
<td>N/A</td>
<td>1.2%</td>
</tr>
<tr>
<td>Barclays - FY21</td>
<td>14 Apr</td>
<td>5.2%</td>
<td>3.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Barclays - CY20</td>
<td>14 Apr</td>
<td>4.5%</td>
<td>2.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>IMF - FY21</td>
<td>14 Apr</td>
<td>5.8%</td>
<td>N/A</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

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2. Lowest refers to lowest index value between 23-Mar to 17-May.
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18% of top 1000 public companies in India improved both sales growth and margin during the 2008-09 Global Financial Crisis.

18% of companies improved growth and margin, while 37% declined in both...

...and the performance gap between them is substantial.

Revenue growth (CAGR)

- 11pp
- 23pp
- 90pp

Change in EBIT margin

- 33pp
- 57pp

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1. Indian public companies with Market Cap > $10M, excluding Banks, Insurance, Asset Management companies

Note: Based on revenue growth & EBIT Margin growth (from FY09 to FY12) compared to three-year pre-downturn baseline (from FY06 to FY09)

Source: S&P Capital IQ Financial Statements, BCG Analysis
Top performers prevalent across all of the sectors of the economy

1. Indian public companies with Market Cap > $10M, excluding Banks, Insurance, Asset Management companies

Note: Based on revenue growth & EBIT Margin growth (from FY'09 to FY'12) compared to three-year pre-downturn baseline (from FY'06 to FY'09)

Source: S&P Capital IQ Financial Statements, BCG Analysis

LEARNINGS FROM PAST CRISIS – INDIA
Take advantage of the adversity...

Act now!
COVID-19 will be a journey with three distinct phases, requiring an integrated perspective.

**Flatten**

Typically the initial phase after a pandemic outbreak—goal is to urgently **limit number of new cases**, especially critical care.

Social distancing (lockdown) and partial business closures, lead to **economic recession** with large employment impact.

**Fight**

Finding **paths to collectively fight the virus**, **restart the economy**, and **support society in balancing lives and livelihood**.

Increasing economic activity with recovering GDP, some business re-openings, and social distancing on sustainable level.

**Future**

Disease controlled through vaccine/cure/herd immunity, and treatment within sustainable medical capacities possible.

**Reactivated economy** with strong business rebound and job growth, social restrictions limited or completely suspended.

1. Disease progression, health care system capacity, and response
2. Government policies and economic stimulus
3. Economic scenarios
4. Business engagement and response
5. Public engagement and response

All of the above five factors result in specific economic and social outcomes in each phase.
LEADING IN THE NEW REALITY

9 action areas for business leaders

**Flatten**

1. Develop Scenario-Based Planning Approach to manage uncertainty

2. Create a Rapid Response and Transformation (RR&T) team

3. Revamp Organization for the New Reality

**Fight**

4. Drive Topline Security and Customer Trust

5. Stabilize and restart Supply Chain, Manufacturing

6. Restructure Cost, manage Cash, & Liquidity

7. Emerge Stronger; drive advantage in adversity

**Future**

8. Accelerate Digital and Technology transformation


Note: RR&T = Rapid Response and Transformation Team
Source: BCG
3 key pillars to
Drive Topline Security and Customer Trust in light of COVID-19 crisis

- Re-strategize across sectors & geographies
- Re-imagine operating models for new reality
- Re-define customer value proposition
Re-strategize across sectors & geographies
COVID-19 cases in India crossing ~132k cases with a doubling rate of 13 days; states differ in infection versus testing rates\(^2\)

### Disease spread in India

**Total no. of cases\(^1\)**

- **132k**

**Days doubling rate (similar to last week)**

- **13**

**Cases recovered till date**

- **54k**

**Fatality rate**

- **3%**

Source: Ministry of Health & Family Welfare (MoHFW) website; covid19india.org, State govt. COVID releases; BCG analysis; 1. Of 132k cases, data for state mapping not available for 2.3k cases; 2. Testing data is as of 24 May for all states except: Chhattisgarh, Tripura (23 May), Meghalaya (22 May), Telangana (16 May), Manipur (13 May)

States would further classify the districts/areas based on their assessment into:

1. Red, orange, green zones
2. Containment, non-containment zones

Stricter restrictions could be imposed by the states based on the classification
Restrictions relaxed across most sectors as per revised lockdown guidelines; economic activity to gradually resume in permitted areas

Based on guidelines released on 17 May

<table>
<thead>
<tr>
<th>Industry</th>
<th>Lockdown stages</th>
<th>Industries unrestricted (across all lockowns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education offline</td>
<td>1.0 25 Mar</td>
<td>Media</td>
</tr>
<tr>
<td>Travel &amp; tourism¹</td>
<td>2.0 20 Apr</td>
<td>Energy &amp; utilities</td>
</tr>
<tr>
<td>Public transportation²</td>
<td>3.0 4 May</td>
<td>Oil &amp; gas</td>
</tr>
<tr>
<td>Fashion, luxury &amp; other retail</td>
<td>4.0 18 May</td>
<td>Financials</td>
</tr>
<tr>
<td>Other services</td>
<td></td>
<td>Insurance</td>
</tr>
<tr>
<td>Auto and components</td>
<td></td>
<td>Education (online)</td>
</tr>
<tr>
<td>Building materials</td>
<td></td>
<td>Consumer staples</td>
</tr>
<tr>
<td>Construction/infra</td>
<td></td>
<td>Food/drug retail</td>
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<tr>
<td>Consumer durables &amp; discretionary</td>
<td></td>
<td>Pharmaceuticals</td>
</tr>
<tr>
<td>Forest products</td>
<td></td>
<td>Health services</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td>Telecom</td>
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<tr>
<td>Machinery</td>
<td></td>
<td>Agriculture</td>
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<tr>
<td>IT services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods transportation &amp; logistics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT hardware</td>
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<tr>
<td>Metals &amp; mining</td>
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<tr>
<td>Packaging</td>
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</tbody>
</table>

1. Modes of travel like private cabs, inter/intra state passenger vehicles are permitted to ply subject to state restrictions; flights and trains expected to resume services in the last week of May; 2. Inter state and intra state movement of buses, local trains permitted subject to state restrictions in non containment areas

Source: Ministry of Home Affairs (MHA), Govt. of India, BCG analysis

As per MoHFW guidelines, consolidated revised relaxation guidelines do not apply to containment zones

States & UTs may prohibit certain activities in select zones based on their assessment of the situation
COVID-19 has significantly impacted sales / production across most sectors in March & April

Data as of 24 May

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Pre COVID-19 YoY growth</th>
<th>Post COVID-19 YoY growth</th>
<th>Key Insights/Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical (IPM) sales¹</td>
<td></td>
<td></td>
<td>Limited impact in Mar-20; demand shock observed in Apr-20</td>
</tr>
<tr>
<td></td>
<td>7.9%</td>
<td>12.4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.9%</td>
<td>-16.1%</td>
<td></td>
</tr>
<tr>
<td>Chemical production²</td>
<td>6.3%</td>
<td>4.3%</td>
<td>Moderate growth in Mar-20 due to supply to unrestricted sectors like Pharma, Agri &amp; FMCG</td>
</tr>
<tr>
<td></td>
<td>4.3%</td>
<td>N. A.</td>
<td></td>
</tr>
<tr>
<td>Automobile (domestic) sales³</td>
<td>-13.8%</td>
<td>-19.1%</td>
<td>Steep decline in Mar-20 &amp; zero sales in Apr-20</td>
</tr>
<tr>
<td></td>
<td>-44.9%</td>
<td>-100%</td>
<td></td>
</tr>
<tr>
<td>Oil &amp; gas (fuel consumption)⁴</td>
<td>0.1%</td>
<td>4.5%</td>
<td>Massive demand erosion due to lockdown of economic activity and movement</td>
</tr>
<tr>
<td></td>
<td>-17.8%</td>
<td>-45.8%</td>
<td></td>
</tr>
<tr>
<td>Cement production⁵</td>
<td>5.1%</td>
<td>7.8%</td>
<td>Decline due to reliance on sectors like construction, real estate and automotive</td>
</tr>
<tr>
<td></td>
<td>-24.7%</td>
<td>N. A.</td>
<td></td>
</tr>
<tr>
<td>Finished steel consumption⁶</td>
<td>4.7%</td>
<td>4.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-23.2%</td>
<td>-90.9%</td>
<td></td>
</tr>
<tr>
<td>Insurance Life (No. of lives covered)⁷</td>
<td>39.1%</td>
<td>19.2%</td>
<td>Limited business during lockdown leading to reduced new sales across insurance sectors</td>
</tr>
<tr>
<td></td>
<td>-17.8%</td>
<td>-51.5%</td>
<td></td>
</tr>
<tr>
<td>Insurance Non Life (Gross direct premium underwritten)⁷</td>
<td>7.2%</td>
<td>7.7%</td>
<td>-8.6%</td>
</tr>
</tbody>
</table>

Monthly output compared to corresponding month in 2019


Source: BCG analysis
Economic stimulus measures amounting to ~₹20 lakh crore announced by Govt. and RBI till date

**Select highlights**

**CREDIT & LIQUIDITY**
- ₹3 lakh cr. collateral free automatic loan for businesses/MSMEs;
  - upto 20% of outstanding credit can be availed from banks & NBFCs (borrowers with <= ₹25 cr. outstanding & ₹100 cr. turnover eligible)
- ₹20k cr. subordinate debt facilities for NPA & stressed MSMEs
- ₹30k cr. special liquidity scheme for NBFCs/HFC/MFI & ₹45k cr. partial credit guarantee scheme for NBFCs
- CRR reduction to 3% leading to 1.37k crore liquidity enhancement
- Special liquidity refinance facilities of ₹50k cr. to NABARD, SIDBI, NHB at repo rate
- ₹70k cr. boost to housing sector & middle income group through CLSS extension for a year till Mar’21
- ₹2 lakh crore concessional credit boost to 2.5 crore farmers through Kisan Credit Cards (PM-KISAN beneficiaries)

**PRIVATIZATION & FDI**
- FDI limit in the defense manufacturing under automatic route will be raised from 49% to 74%
- Privatization of power distribution in UTs
- PSEs except the strategic sectors will be privatized; in strategic sectors at least one enterprise will remain in public sector but private sector will also be allowed
- Enhancing private participation in coal and mineral sector
- More world class airports through PPP mode; ₹13k cr. addl. investment by private players in 12 airports in 1st & 2nd rounds of bidding expected

**EASE OF COMPLIANCE**
- Suspension of fresh initiation of insolvency proceedings up to 1 year
- Limit to initiate insolvency proceedings raised to ₹1 cr. from ₹1 lakh
- Decriminalization of Companies Act violations involving minor technical and procedural defaults
- Reduction in TDS/TCS rate by 25% for non salaried payments made to residents - to provide more fund at the disposal of tax-payers
- Extension of filing of GST returns till June 2020

**EMPLOYMENT & DISPOSABLE INCOME**
- EPF statutory deductions reduced to 10% for next 3 mo for companies under EPFO; Central & state PSUs employers to continue contributing 12% while employees to contribute 10%
- Contribution into EPF accounts by Govt extended for next 3 mo.; applicable for establishments with <= 100 employees of which 90% draw < ₹15k salary
- Allocation of addl. ₹40k cr. under MNREGS; boosting employment
- 10% increase in MNREGA wage ₹202/day from ₹182/day

---

1. Definition of MSMEs revised: Micro (Investment< ₹1 cr. & Turnover< ₹5 cr.), Small (Investment< ₹10 cr. & Turnover< ₹50 cr.), Medium (Investment< ₹20 cr. & Turnover< ₹100 cr.).
2. As on 29 Feb 2020- scheme can be availed till 31st Oct 2020.
3. Annual Income: Rs 6–18 lakhs
4. CLSS- Central Linked Subsidy Scheme
5. PSE- Public Sector Enterprise
6. For both employer and employee each 7. for the period from 14th May, 2020 to 31st March, 2021 Source: Government of India Economic Stimulus releases; BCG analysis
Factors affecting demand across sectors…

- Change in consumer spending behavior – higher spend on essential categories incl. health & wellness; lower spend on discretionary categories
- Change in businesses' spending behavior – lower spend on discretionary sectors and related activities
- Share of export demand from high COVID-19 impact countries
- Share of domestic demand from high COVID-19 impact regions in India
- Availability of credit to B2B and B2C customers
- Risk of contagion in product and/or service consumption
- …

Factors affecting supply across sectors…

- Impact on domestic supply chain partners and ecosystem
- Import dependency on high COVID-19 impact countries
- Labor availability constraints, given limited reverse migration
- Workforce productivity amidst social distancing protocols
- …

Different sectors expected to be impacted differently along the demand & supply factors

Source: BCG analysis

NON-EXHAUSTIVE
Potential growth scenarios – differential impact across sectors

Data as of 21 May

FY21 Expected Output YoY Growth %

-40 -30 -20 -10 0 10 20

Health Insurance (Retail)  Agriculture  FMCG  Life Insurance  Motor Insurance  Natural Gas  Fashion & Lifestyle  Cement  Steel  Comm. Vehicles

Pharmaceuticals (IPM)  Chemicals  IT Services  Residential Real Estate (Tier 2, 3 + Rural)  Petroleum products  Banking  Consumer Durables & Bazaar  Two-wheelers  Passenger Vehicles  Residential Real Estate (Tier 1)

Optimistic  Conservative  Pessimistic  FY21 expected YoY output growth range  Pre COVID-19 YoY output growth

Disclaimer: The situation surrounding COVID-19 is dynamic and rapidly evolving. As with any attempts to model dynamic systems, modelling presented in these materials should not and cannot be relied upon as the sole driver for decision-making. The output from this should be considered in light of other available information. This output is a single piece in what must be a complex and multi-faceted process for reaching a final decision on these critical topics. These materials do not: (i) constitute medical, legal or safety advice, and is not a substitute for the same; nor (ii) should be seen as formal endorsement or recommendation of a particular decision. The provider of this modelling and output, together with contributors into the model, assume no liability with regard to the use of, or decisions arising from the use of the model and its output.

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~$320 Bn exports in 2019; Witnessing steep decline in Mar-Apr

Data as of 21 May

~$320 Bn worth of exports of major commodities from India in 2019 across multiple industry sectors

Annual¹ country-wise exports of major commodities (in $ Bn)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total exports</th>
<th>USA</th>
<th>Middle East</th>
<th>Europe</th>
<th>China + Hong Kong</th>
<th>UK</th>
<th>Rest of South Asia²</th>
<th>Rest of the world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mineral oils &amp; fuels</td>
<td>44.2</td>
<td>6%</td>
<td>15%</td>
<td>14%</td>
<td>5%</td>
<td>12%</td>
<td>37%</td>
<td>2%</td>
</tr>
<tr>
<td>Gems, precious metals</td>
<td>35.9</td>
<td>26%</td>
<td>8%</td>
<td>27%</td>
<td>1%</td>
<td>1%</td>
<td>37%</td>
<td>2%</td>
</tr>
<tr>
<td>Textiles &amp; apparel</td>
<td>21.9</td>
<td>12%</td>
<td>32%</td>
<td>32%</td>
<td>9%</td>
<td>23%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Food products</td>
<td>21.2</td>
<td>14%</td>
<td>9%</td>
<td>22%</td>
<td>10%</td>
<td>1%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Nuclear reactors &amp; parts</td>
<td>21.2</td>
<td>11%</td>
<td>21%</td>
<td>14%</td>
<td>4%</td>
<td>5%</td>
<td>14%</td>
<td>4%</td>
</tr>
<tr>
<td>Organic chemicals</td>
<td>18.4</td>
<td>14%</td>
<td>19%</td>
<td>14%</td>
<td>5%</td>
<td>4%</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Pharma. products</td>
<td>16.1</td>
<td>13%</td>
<td>39%</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>144.6</td>
<td>17%</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
<td>9%</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>Total</td>
<td>323.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exports experienced steep decline in Mar-Apr as COVID-19 hit the world

Monthly growth of exports, % change YoY


Source: UN Comtrade exports data, MOSPI, BCG analysis
Potential shifts in the trade scenario in the post COVID-19 world – Requires re-assessment of international trade strategy for companies

Scenario based estimations done, subject to change as situation evolves

Global trade expanded in the years 2015-19

Change in trade of goods (major corridors\(^1\), 2019 vs 2015, $Bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Change 2019 vs 2015, $Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>40</td>
</tr>
<tr>
<td>EU</td>
<td>94</td>
</tr>
<tr>
<td>China</td>
<td>74</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>74</td>
</tr>
<tr>
<td>ASEAN</td>
<td>40</td>
</tr>
<tr>
<td>RoW</td>
<td>124</td>
</tr>
<tr>
<td>Others</td>
<td>27</td>
</tr>
</tbody>
</table>

Total global trade ($Tn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15.7</td>
<td>18.2</td>
<td>+2.5</td>
</tr>
</tbody>
</table>

Trading routes expected to suffer significant volume loss in 2020

Expected change in trade of goods (major corridors\(^1\), 2020 vs 2019, $Bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Change 2020 vs 2019, $Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>-140</td>
</tr>
<tr>
<td>EU</td>
<td>-91</td>
</tr>
<tr>
<td>China</td>
<td>-58</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>-58</td>
</tr>
<tr>
<td>ASEAN</td>
<td>-30</td>
</tr>
<tr>
<td>RoW</td>
<td>-12</td>
</tr>
<tr>
<td>Others</td>
<td>-7</td>
</tr>
</tbody>
</table>

Trade recovery expected by 2023, but trade bloc mix expected to shift

Expected change in trade of goods (major corridors\(^1\), 2023 vs 2019, $Bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>Change 2023 vs 2019, $Bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>45</td>
</tr>
<tr>
<td>EU</td>
<td>48</td>
</tr>
<tr>
<td>China</td>
<td>38</td>
</tr>
<tr>
<td>Japan/Korea</td>
<td>38</td>
</tr>
<tr>
<td>ASEAN</td>
<td>30</td>
</tr>
<tr>
<td>RoW</td>
<td>15</td>
</tr>
<tr>
<td>Others</td>
<td>16</td>
</tr>
</tbody>
</table>

Legend

- Width of arrow represents change in trade flows vs Base year - $Bn
- Color of arrow represents change vs base year

1. Corridors in the map above represent: (2019) ~30% of global trade. Intra EU = -20%; NAFTA = -8%; China/Hong Kong = 4%; ASEAN = -3%; RoW = -32%; (2023) ~32% of global trade. Intra EU = -20%; NAFTA = -8%; Main land China/Hong Kong/Taiwan = 4%; ASEAN = -3%; RoW = -32% 2. Mainland China Source: BCG Trade Finance Model 2020, UN Comtrade, OECD, WEF, IHS, TradeAlert, BCG analysis

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Domestic market: Focus on demand at a micro-market level

Micro-market level "Demand Sentinel" dashboard to drive sales action planning

Disease recovery factors
- Doubling rate of cases
- Change in zone type
- # of containment zones
- % population tested
- ...

Socio-economic factors
- Economic stimulus by central & state govt.
- Household income & discretionary spend
- Consumer sentiment
- ...

On-ground information
- Retailer & distributor operational & liquidity status
- Local restrictions & permissions
- Competitor actions
- ...

Source: Ministry of Health & Family Welfare (MoHFW), Nielsen-Indicus database 2017-18, Home Department-Government of Rajasthan, BCG analysis
Companies building tiered sales approaches, focusing on unrestricted demand centers to drive topline security

Leading FMCG player following a tiered sales approach basis the disease spread risk

1. Created 4 tiered risk profiling basis the disease spread risk at the locations; Customized safety & compliance protocols based on the tier

2. Mapped pin codes and GPS codes of stores to create exposed area maps

3. Unlocked direct dispatchment with distributor sending vehicles directly to retailer (where possible based on tiered approach)

Leading building materials supplier focusing on rural sales to ramp-up demand faster

Salesforce / Channel re-alignment
- Re-aligned tracking for salesforce to ensure visits to rural areas (above a min. threshold)
- Re-aligned incentives & targets of salesforce to focus more on cash collection and rural sales

Channel promotions
- Potential tie ups to introduce channel financing (through banks, NBFCs)
- Dynamic implementation of dealer discounts for short term recoveries

Influencer Engagement Schemes
- Engaging Sarpanch/ masons to drive visibility & credibility
- Increasing mason meets, distributing PPEs if possible

Source: Expert interviews, BCG analysis
Re-imagine operating models for new reality
Customers skeptical of recovery, expected to observe caution in modes of consumption...

As per BCG Consumer Sentiment Survey (3 May)

79%  
World is in serious danger

82%  
I believe there will be an economic recession

85%  
I'm trying to avoid public spaces

Companies actively taking measures to rebuild customer confidence

Building trust: Re-engineering operating model to include all safety protocols

Being agile: Innovating workflows to cater to changing fulfillment needs

Being collaborative: Forging new partnerships to enable last mile deliveries

Leveraging digital: Exploring E2E digital offerings

Note: Question text: 1. “How much do you agree with each of the following statements about the coronavirus?” Combined Strongly agree and Somewhat agree 2. “In the next one month, how much do you expect your total spend on the following types of stores/sites to change”; “What are the key reasons to increase/ decrease spends (Top 3 reasons)”; Source: BCG COVID-19 Consumer Sentiment Survey April 30-May 03 2020 (N=1,327)
Building trust: Re-engineering operating model to include safety protocols

Illustrative: New car purchase process at a dealership limiting touchpoints in E2E customer journey

1. Customers can digitally choose accessories, book an appointment, even buy a car.

2. Thermal screening of customers and employees entering the facility.

3. Document drop box and sanitization kit at the reception.

4. Leveraging e-brochures instead of physical copies.

5. Experience zone with virtual demo on tablets & VR headsets that are diligently sanitized after each use.

6. Mobile app to monitor employee health regularly.

7. Fewer employees: social distancing ensured.

8. Workers regularly sanitizing cars on display & after test drives.

9. A customer taking a test ride with only sales rep in the rear seat.


RE-IMAGINE OPERATING MODELS FOR NEW REALITY

Updated May 2020 Version 5.0
Case Study: Swiggy innovating the service workflows to ensure COVID-19 free delivery of food

Hygiene and sanitization
- Restaurants adhering to all safety guidelines promoted as 'Best Safety Standards' on the app
- Delivery partners are sensitized about social distancing through communication in form of gifs and videos
- Deep-learning-based algorithm was built to ensure that the delivery partners wear masks. It detects if a delivery partner is/not wearing mask

Just in Time delivery partner arrival
- Delivery partner is assigned when the food is about to get ready; reducing the wait time & long queue
- Two machine learning algorithms— to predict the time taken to prepare food & to predict arrival time
- Just in Time (JIT) assignment leads to about 25% reduction in average wait time for delivery partners

Food ready – Delivery partner assignment
- Food-Ready delivery partner assignment tweaks the above assignment algorithm; Delivery partners are assigned to restaurants instead of specific orders
- As soon as the food is ready for a particular order, it is assigned to a delivery partner who is already present at the restaurant. Assignment thus happens in a FIFO manner

Designated packers at stores
- Some Swiggy agents are stationed in grocery stores as packers
- Agents start putting the contents of the order together and send a notification when the order is packed
- A delivery partner is assigned to the order only after this signal comes through; this reduces the wait time

Contactless deliveries
- Delivery partner delivers food outside the customer’s doorstep and then leaves
- Customer gets a notification on the app saying that their food has been delivered
- Delivery partner submits a picture of the delivery every time he delivers a contactless order

Source: Bytes.swiggy.com
Being collaborative: Companies forging new partnerships to enable last mile delivery for both B2B & B2C customers

Building alternative route to market, enhancing direct delivery capabilities

- Mid-size FMCG player listed its distributors on food delivery partner apps to facilitate direct orders

Creating back-up for primary logistics options

- Marico partnered with 3PL players to streamline supply distribution to distributors & retailers

Ecommerce ↔ general trade partnership to deliver food & groceries

- Flipkart has partnered with around 37k Kirana stores, of which 12k are authorized BuyZones, & close to 25k are last-mile delivery points

---

Manufacturers – Delivery partners

1. Googly
2. Nestlé
3. Marico
4. Britannia

Retailers – Delivery partners

1. Bigbazaar.com
2. Spencers
3. ShopKirana
4. Dunzo

Note: Not exhaustive, select examples
Source: Expert Interviews, Press search, BCG Analysis
Leveraging digital: Companies exploring E2E digital offerings

**Leading FMCG Player: Order collection through tele-calling**
- Deployed **tele-sales channel** for own sales team
- Created channel to **service the tail outlets & fill-in** for absenteeism
- Delivering to outlet in case permission from authority available; else outlet **picking from distributor point**

**Leading Digital Insurance Player: Digital self-inspection model**
- Pre-inspection of cars for automatic renewals was shelved amidst lockdown
- Moved to digital self-inspection model
- Built App for customer assistance in pre-inspection process

**Leading Auto OEMs: Digital car purchase journeys**
- **Online video walk-arounds and vehicle demonstrations** replace dealership show experience
- **Building loan journey into online journey**; from enquiry to model/insurance selection to receiving sanction letter digitally
- **Building subscription models** to allow subscription to a car digitally with home delivery

**Global engine manufacturer: Remote troubleshooting for trucks on roads**
- **Continuous monitoring and diagnosis of system fault** alerts in both on-highway and off-highway **through IoT**
- Help to identify the nearest certified repair location

**Digitized journeys**

**Contactless processes:**
- Contactless retail experience
- Contactless payment & delivery
- E-on-boarding, E-ordering - pick up and go

**E-approval workflows:**
- Automated approval processes

**Digital as primary channel:**
- Virtual tours, demos of product
- Omni channel acceleration
- Virtual customer service support

*Note: Not exhaustive, select examples*

*Source: Expert Interviews, Press search, BCG Analysis*
Re-define customer value proposition
Income levels impacted differently across strata impacting willingness to spend

- 45%\(^1\) Of households deriving income from self employment, salaried employment and casual labor work live in top 5 states by number of COVID-19 cases.
- 50%+\(^2\) Of young consumers, lower SECs & small businesses more pessimistic about future income and spends.
- 33%\(^2\) Likely to trade down for discretionary categories like apparels & fashion, consumer durables, cosmetics, etc.
- 30-80%\(^3\) Increase in consumption of mobile apps across categories like news, social media, entertainment & education.

Companies actively taking steps to stimulate demand

- Experimenting with new product offerings.
- Re-assessing pricing strategy to manage price perception.
- Protecting existing customer base by re-allocating promotions/spend.
- Enhancing digital presence through digital marketing.

Source: 1. PLFS 2017-18, 2. BCG Consumer sentiment survey (Wave 3- Apr 30 to May 03, 2020)
3. Nielsen, App Annie, BCG analysis
New offerings: Companies are actively experimenting with new offerings to cater to the changing needs

Developing COVID-19 specific solutions
- Star Health launched “Star Novel Coronavirus” insurance policy
- Indian Bank has announced 5 emergency COVID loans targeting Corporates, MSMEs, SHGs & retail

Re-designing existing product offerings
- CavinKare launching one rupee sanitizers in sachets to make it affordable
- HUL focusing on large package sizes to enable bulk purchases
- Automakers to modify features like easy to clean vehicle surfaces, particulate matter filters, etc.

Launching new products offerings
- Leading retailers like Metro Cash & Carry adds new private labels in categories of packed foods & beverages
- Marico enters the vegetable & fruit hygiene category
- Large tyre offering door step delivery to end customer

Service offering on online platform
- Cult Fit shifted to online gym classes
- Companies offering telemedicine, teleconsultation with doctors
- Google Arts & culture offering virtual museum tours
- Digital live music on platforms like Stageit

Note: Not exhaustive, select examples
Source: Press search, BCG Analysis
Companies focusing on protecting existing customer base

Key Levers

1. Re-allocate promotions to emerging channels/segments/markets with high potential

2. Protect key customers
   Invest in expanded customer churn mitigation

Illustrations

Leading FMCG player
- Spotted trend of **surge in eB2B platform** during lockdown while direct outlet reach challenged in traditional channel
- Provided **larger assortment of products on eB2B**, prioritized channel for promotion spends
- **Demand from eB2B increased 5-7X for top 2 brands within 2 weeks**

Large consumer durables player
- Classified products in red, yellow, green categories based on age of inventory
- Accordingly gave discounts to the end customer to liquidate

PVR Cinemas
- Nationwide lockdown with no cinema theatre operational during pandemic.
  Faced **cash crunch due to looming fixed costs**
- Introduced **PVR e-card with special offers for privilege club customers** with 30% discount on purchase of gift cards; 5% additional discount for privilege customers (valid till 31st March 2021)

Zomato
- **Extended all paid Zomato Gold memberships** by two months at zero cost
- Additional year of Gold free for individuals supporting **Zomato gold support fund** by purchasing or renewing an annual Gold membership

Source: Expert interviews, Press reports, BCG analysis
Digital Marketing: Companies enhancing their digital presence & recall

Emerging themes

Delivering service innovations & exploring new digital models

Leading Telco player:
- Programmed COVID chat-bot for govt., online doctor consultation with Microsoft, & home learning solutions
- Creating digital evangelists in rural areas to drive digital adoption

Leading Building materials player:
- ATL (50% to 10%), Digital (15% to 50%), BTL (35% to 0)
- Most campaigns postponed/canceled, except digital
- High focus on D2C performance campaigns (75%) & social (25%)

Leading Steel player:
- 3x increase in spends on aggregator eCom platforms
- Affiliates emerge as business drivers
- Rich media formats (parallax, 3D, interactive scrolling) generating higher recall than banners

Leading Food-tech player:
- Focus on reactivating dormant customers by sharing "Comfort Content" (precautions being taken while making/delivering food)
- Primary channels (In-app notifications, SMS)
- More granular personalization using dynamic creative optimization

Shifting budget from traditional to digital media

Leading CG player:
- Budgets shifted to essentials from non-performing categories
- Increase in digital budget share: 20% (pre-COVID), 60-70% (current)

Leading Auto player:
- Co-creating branded content with Over the Top (OTT) media players
- Influencer journalists key focus area post-COVID-19

Adopting new & emerging channels

Leading Telco player:
- ICICI launched voice banking on Alexa and Google Assistant
- Launched WhatsApp banking

Leading Building materials player:
- Most campaigns postponed/canceled, except digital
- High focus on D2C performance campaigns (75%) & social (25%)

Leading Steel player:
- 3x increase in spends on aggregator eCom platforms
- Affiliates emerge as business drivers
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Creatively engaging with consumers digitally

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Source: Expert Interviews, Press Search, BCG Analysis
11 point action plan to drive topline security & customer trust

**Re-strategize across sectors & geographies**

1. De-risk exposure to high impacted sectors monitoring impact of economic stimuli
2. Re-assess international strategy; monitor global economy and expected trade bloc shifts
3. Focus on micro-markets to differentiate demand pockets; monitor COVID-19 impact & recovery as well as socio-economic resilience

**Re-imagine operating models for new reality**

4. Re-engineer operating model to include all safety protocols and rebuild customer trust
5. Drive agility and innovate workflows to cater to changing fulfillment needs
6. Forge innovative collaborations & partnerships to enable last mile deliveries
7. Leverage tech. to provide end-to-end digital offerings to enhance customer convenience

**Re-define customer value proposition**

8. Experiment with new products and services offerings to cater to the changing needs
9. Protect existing customer base; re-allocate spends to emerging/high potential segments
10. Re-assess pricing strategy to drive value perception and thereby induce consumption
11. Leverage digital marketing based on emerging trends to enhance digital presence & recall
BCG can support you on the 11 point action agenda to 'drive topline security and customer trust'.
How can BCG help you?

Engage as a partner
We will partner with you in getting the rapid response team kicked-started with an agile working model

Plan for the unknown
We will drive a scenario wise assessment of company's exposure & outline mitigation roadmap

Support on immediate priorities
We will work with you to deep-dive on critical priorities to layout a detailed action plan

Capitalize on emerging opportunities
We will work with you to scan for emerging new opportunities (M&A, diversification) to enable acting early

Bringing best-practices to you
We will bring in the latest learnings and best-practices from around the world
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