

COVID-19 and the Indian consumer

Responding in a time of crisis



EY

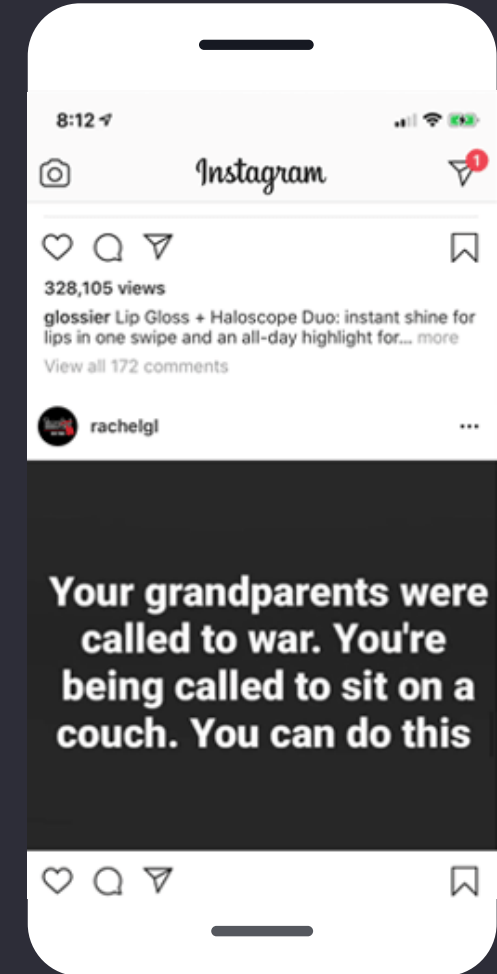
Building a better
working world

Across the globe COVID - 19 has impacted us at a primal level

Protect myself and my family

Protect my livelihood

Protect my way of life



India is grappling with immediate ramifications of this outbreak



Social distancing

Innovative ways of maintaining social distancing

Forced to not leave home unless absolutely critical

Lockdown living

Panic buying

Fears and confusion led to panic buying

Only essentials available as India entered total lockdown

Restricted services

Digital consumption

Rise in fake news and misinformation across social media platforms

Rise in digital consumption due to isolation

Fake news



This black swan event has accelerated change on key customer dimensions



1

Digital customer journey

- ▶ Digital adoption to increase across all customer journeys - from pre-purchase to post-sales. The impending recession and consumer reluctance to engage physically will accelerate the evolution of 'post - Covid digital-only' models
- ▶ Acceleration of new products and services to exploit this increased comfort with digital journeys

2

Hyperlocal and online communities

- ▶ Hyperlocal community interaction to increase
- ▶ Digital person2person interaction
- ▶ Work from home
- ▶ Growth in the power of digital influencers

3

Healthy living

- ▶ Greater focus on healthy living and proactive health maintenance
- ▶ Increase in consumption of health, fitness, and supplements
- ▶ Increase in organic/healthy eating habits
- ▶ Move to online medical care and assistance

4

Digital content consumption

- ▶ News and entertainment
- ▶ Digital learning
- ▶ Gaming, events and experiences

5

Consumers and the State

- ▶ Greater awareness of security and privacy
- ▶ Set up of state surveillance infrastructure
- ▶ Discipline, accountability and traceability

Consumer behaviour seems to have changed for good across these dimensions...



Digital customer journeys

Grofers - New orders up by 14-15%, Number of orders from the existing users 2X the past week.

<https://www.businesstoday.in/current/corporate/covid-19-online-grocery-platforms-to-benefit-as-consumers-flock-to-shop-online/story/398600.html>

Big Basket - There has been a 2x growth in traffic and revenue and there has been a 15-20 per cent increase in basket value

<https://www.businesstoday.in/current/corporate/covid-19-online-grocery-platforms-to-benefit-as-consumers-flock-to-shop-online/story/398600.html>

BAIC BJEV, Jetour - In China, online car sales went up in the first weeks of the crisis. Baic Bjev and Jetour, the two brands with digital retail experience have managed to secure a place among the Top 5 players in terms of search volume

<https://www.reply.com/en/covid-19-report>



Hyperlocal and online communities

Post imposition of lockdown, many organisations in India started using virtual collaboration tools such as Zoom, Slack, Microsoft Teams etc. to be virtually connected

<https://www.zdnet.com/article/effective-strategies-and-tools-for-remote-work-during-coronavirus/>

DingTalk moved from 40th to 3rd position in usage in China as many companies have asked their employees to work from home

<https://qz.com/work/1802044/what-its-like-to-work-from-home-in-coronavirus-hit-china/>

WeChat Work also saw a 10-fold increase in usage

<https://www.businessofapps.com/data/wechat-statistics/>



Healthy living

Cure.fit - "The number of people using Cult-live will hit 200,000 in the next one week," said Ankit Nagori, cofounder, Cure.fit.

<https://economictimes.indiatimes.com/news/politics-and-nation/covid-asana-indians-go-big-on-yoga-from-home/articleshow/74741684.cms?from=mdr>

Sarva - Rolled out classes on Instagram earlier this week, saw 1,000-1,500 people have been attending sessions every day.

https://economictimes.indiatimes.com/news/politics-and-nation/covid-asana-indians-go-big-on-yoga-from-home/articleshow/74741684.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Portea - Live video consulting facility for physiotherapy a full-fledged service a couple of weeks back.

<https://www.thehindubusinessline.com/info-tech/how-online-healthcare-is-stepping-in-to-serve-non-covid-19-patients-in-india/article31179651.ece>

Push Doctor - The pandemic has pushed digital health into the mainstream: Push Doctor saw a 30% increase in consultations. Last week, consultations were up by 70%.

<https://sifted.eu/articles/digital-doctor-demand-coronavirus/>



Digital content consumption

Voot - "What we would have expected to do in terms of number of subscribers in 60 days, we have already done in the first 10 days." Ferzad Palia, head of Voot Select, youth, music and english entertainment of Viacom18

https://www.business-standard.com/article/companies/spike-in-viewership-across-otts-as-indians-binge-watch-staying-indoors-120031801866_1.html

Amazon - Change in content formats provided - various providers such as Amazon Prime are providing special free catalogue for family and children to boost consumption

<https://www.livemint.com/news/india/covid-19-streaming-services-experiment-with-free-offers-as-people-stay-home-11585036708397.html>

Unacademy founder and CEO Gaurav Munjal said, "In the last three weeks, learners who are watching free live classes have increased by 3x. We are clocking 30 million minutes of watchtime on Unacademy every single day."

<https://www.livemint.com/companies/news/covid-19-impact-online-learning-companies-see-spike-in-number-of-students-11584724448197.html>

Yahoo! News unique audience increased by 24% (Daily Average - 21,727) in Japan amid COVID-19 concerns

<https://www.nielsen.com/wp-content/uploads/sites/3/2020/03/The-impact-of-COVID-19-on-Media-Consumption-Across-North-Asia.pdf>



Consumers and the state

Andhra Pradesh has made a list of 25,000 people who are on COVID19 risk due to their travel history. They are tracking them through their mobile numbers and alerting teams if somebody is breaking quarantine.

<https://www.businesstoday.in/latest/trends/coronavirus-crisis-andhra-pradesh-govt-tracking-mobile-phones-of-home-quarantined-people/story/399692.html>

Karnataka government directive the home quarantined coronavirus suspects & patients will have to send their selfies every one hour on the Quarantine Watch, a mobile application developed by government's revenue department to keep a track of the isolated persons. The government warned the home quarantined people that they will be sent to mass quarantine centres if they violate the rule.

<https://economictimes.indiatimes.com/news/politics-and-nation/those-in-home-quarantine-in-karnataka-directed-to-send-selfies-every-hour-to-govt/articleshow/74907051.cms?from=mdr>

China has reportedly relied on mass surveillance of phones to classify individuals by their health status and restrict their movements.

<https://www.sciencemag.org/news/2020/03/cellphone-tracking-could-help-stem-spread-coronavirus-privacy-price>

Lockdown situation - India specific

Learnings From International Market

...posing unforeseen challenges for businesses across the nation



Closure of front offices - sales outlet/showrooms etc.



Complete lack of demand apart from essentials items



Major supply chain and logistics issues due to lockdowns



Working capital and cashflow issues



Issues regarding employee safety and losses



No contact with customers who are not active on digital channels

Response examples

Creating awareness among customers with new company logos promoting social distancing

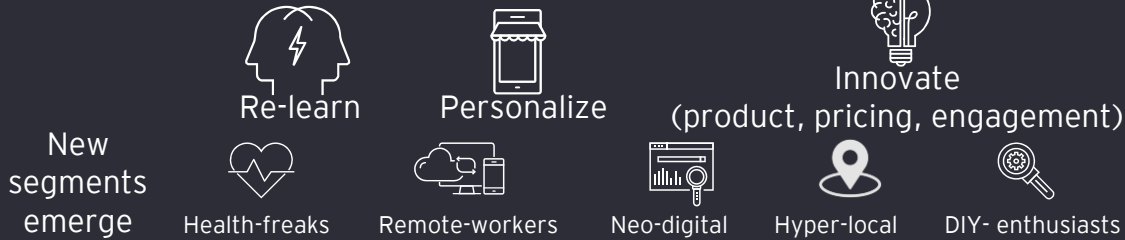
Providing customers with additional and emergency services to help them amid COVID-19 scenario

Enabling employees with required facilities to work from home

Pushing/encouraging customers to adopt digital modes of purchasing or enquiring about a product

Five key action areas emerge as the new epicentres of customer focus

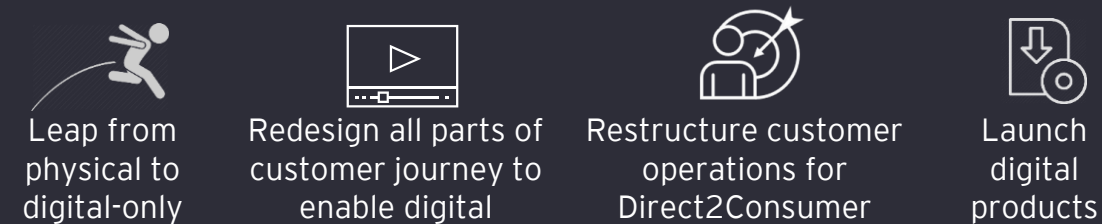
1. Re-baseline consumer insights



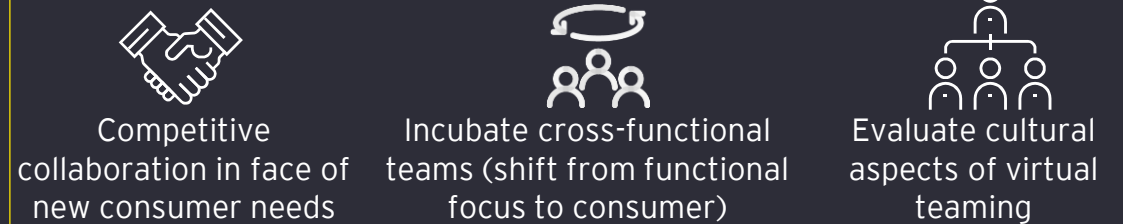
2. Empathetic branding



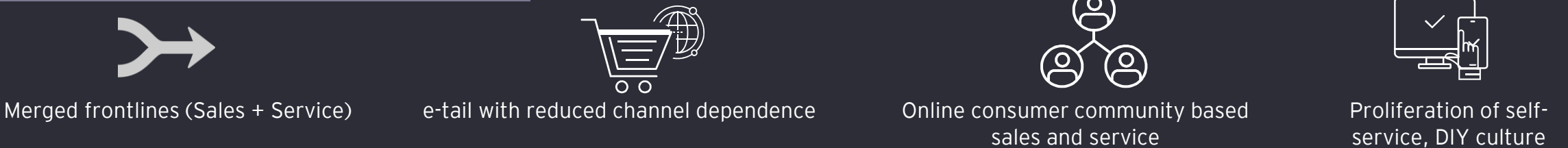
3. Digital-only



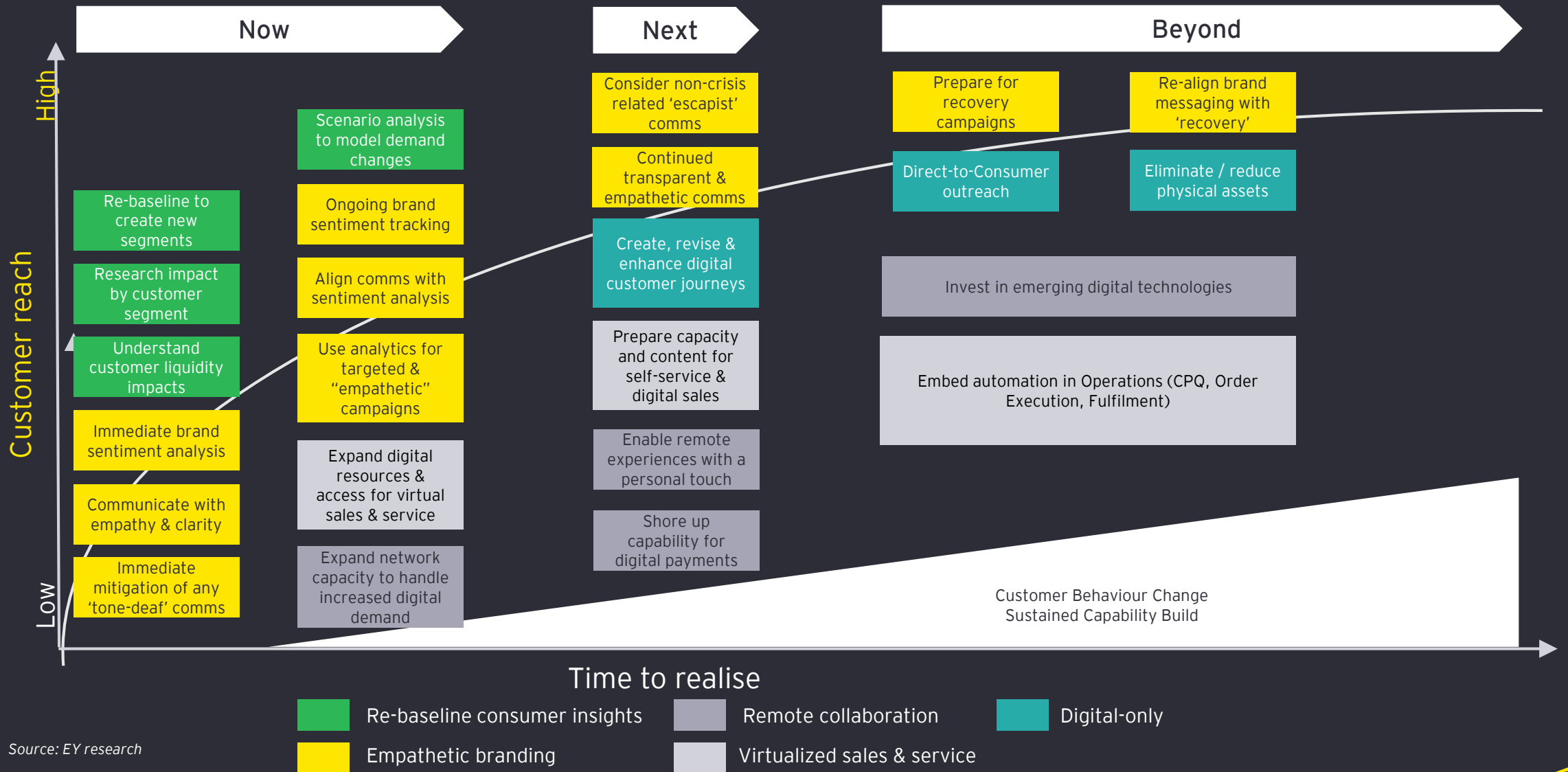
4. Remote collaboration



5. Virtualized sales and service

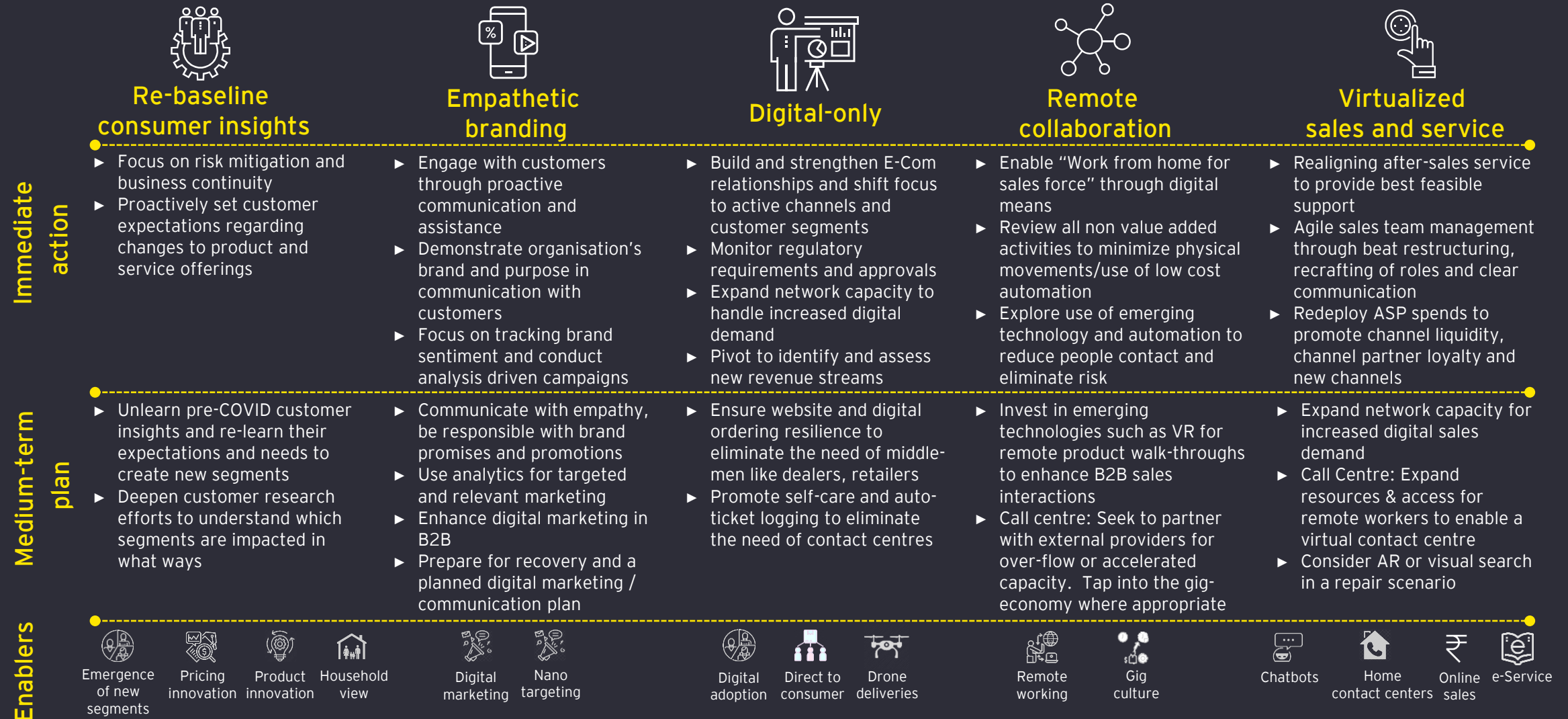


Planning the now, next and beyond scenarios is critical to survival



Source: EY research

Call to action: immediate measures to ensure customer excellence in the face of imminent challenges



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