COVID-19 and the Indian consumer

Responding in a time of crisis
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
- Restricted services: Only essentials available as India entered total lockdown
- Digital consumption: Rise in digital consumption due to isolation
- Fake news: Rise in fake news and misinformation across social media platforms
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 person-to-person 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

Source: EY research
Consumer behaviour seems to have changed for good across these dimensions...

### Digital customer journeys

- **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 in the past week. [source](https://www.business-standard.com/current/ecommerce/big-basket-see-spike-in-traffic-and-revenue-and-of-course-a-parade-of-facts-for-shop-as-you-shoot-12108050956370.html)

### Hyperlocal and online communities


### Healthy living


### Digital content consumption

- **Amazon** - Change in content formats provided - various providers such as Amazon Prime are providing special free catalogue for family, school and children to boost consumption. [source](https://www.be圳.com/news/3/1009-amazon-shipping-services-expect-offers-as-people-stay-home-121580318708097.html)

### 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. [source](https://www.business-standard.com/current/ecommerce/covid-19-mobile-tracking-of-home-quarantined-people/story/12108051020832.html)
- **Karnataka government** direct 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. [source](https://www.be圳.com/news/3/1009-amazon-shipping-services-expect-offers-as-people-stay-home-121580318708097.html)

### Lockdown situation - India specific

- **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. [source](https://www.nielsen.com сентября/2019/covid-19-impact-on-online-search-engagement-worldwide/)
- **DingTalk** moved from 40th to 3rd position in usage in China as many companies have asked their employees to work from home. [source](https://app.gq/work/38202404/what-it’s-like-for-work-from-home-in-a-coronavirus-hit-city/)
- **WeChat Work** also saw a 10-fold increase in usage. [source](https://www.business-standard.com/data/wechat-statistics/)

### Learnings From International Market

- **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." [source](https://www.be圳.com/news/3/1009-amazon-shipping-services-expect-offers-as-people-stay-home-121580318708097.html)
- **China** has reportedly relied on mass surveillance of phones to classify individuals by their health status and restrict their movements. [source](https://www.screengrab.com/news/2020/03/03/chinas-black-app-help-dates-spread-coronavirus-pandemic/)
...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

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<tr>
<th>1. Re-baseline consumer insights</th>
<th>2. Empathetic branding</th>
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<td><strong>New segments emerge</strong></td>
<td><strong>Re-imagining brand in the digital only world</strong></td>
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<td>Health-freaks</td>
<td>Integrated real time marketing communication</td>
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<th>3. Digital-only</th>
<th>4. Remote collaboration</th>
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<td><strong>Leap from physical to digital-only</strong></td>
<td><strong>Competitive collaboration in face of new consumer needs</strong></td>
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<td>Redesign all parts of customer journey to enable digital</td>
<td>Incubate cross-functional teams (shift from functional focus to consumer)</td>
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<td>Restructure customer operations for Direct2Consumer</td>
<td>Evaluate cultural aspects of virtual teaming</td>
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<td>Launch digital products</td>
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| 5. Virtualized sales and service | |
|---------------------------------||
| **Merged frontlines (Sales + Service)** | **Online consumer community based sales and service** |
| e-tail with reduced channel dependence | Proliferation of self-service, DIY culture |
Planning the now, next and beyond scenarios is critical to survival

**Now**
- Scenario analysis to model demand changes
- Ongoing brand sentiment tracking
- Align comms with sentiment analysis
- Use analytics for targeted & “empathetic” campaigns
- Expand digital resources & access for virtual sales & service

**Next**
- Consider non-crisis related ‘escapist’ comms
- Continued transparent & empathetic comms
- Create, revise & enhance digital customer journeys
- Prepare capacity and content for self-service & digital sales
- Enable remote experiences with a personal touch

**Beyond**
- Prepare for recovery campaigns
- Re-align brand messaging with ‘recovery’
- Direct-to-Consumer outreach
- Eliminate / reduce physical assets
- Invest in emerging digital technologies
- Embed automation in Operations (CPQ, Order Execution, Fulfilment)

- Re-baseline consumer insights
- Remote collaboration
- Digital-only
- Empathetic branding
- Virtualized sales & service

Source: EY research
**Call to action: immediate measures to ensure customer excellence in the face of imminent challenges**

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<td>- Focus on risk mitigation and business continuity</td>
<td>- Build and strengthen E-Com relationships and shift focus to active channels and customer segments</td>
<td>- Enable “Work from home for sales force” through digital means</td>
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<td>- Proactively set customer expectations regarding changes to product and service offerings</td>
<td>- Engage with customers through proactive communication and assistance</td>
<td>- Review all non value added activities to minimize physical movements/use of low cost automation</td>
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<td>- Demonstrate organisation’s brand and purpose in communication with customers</td>
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<td>- Expand network capacity to handle increased digital demand</td>
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<td>- Focus on tracking brand sentiment and conduct analysis driven campaigns</td>
<td>- Communicate with empathy, be responsible with brand promises and promotions</td>
<td>- Pivot to identify and assess new revenue streams</td>
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<td><strong>Emergence of new segments</strong></td>
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<td>- Unlearn pre-COVID customer insights and re-learn their expectations and needs to create new segments</td>
<td>- Communicate with empathy, be responsible with brand promises and promotions</td>
<td>- Price innovation</td>
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<td>- Deepen customer research efforts to understand which segments are impacted in what ways</td>
<td>- Use analytics for targeted and relevant marketing</td>
<td>- Product innovation</td>
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<td>- Prepare for recovery and a planned digital marketing / communication plan</td>
<td>- Enhance digital marketing in B2B</td>
<td>- Household view</td>
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<td>- Ensure website and digital ordering resilience to eliminate the need of middlemen like dealers, retailers</td>
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<td>- Call Centre: Seek to partner with external providers for overflow or accelerated capacity, Tap into the gig-economy where appropriate</td>
<td>- Promote self-care and auto-ticket logging to eliminate the need of contact centres</td>
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Source: EY research
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