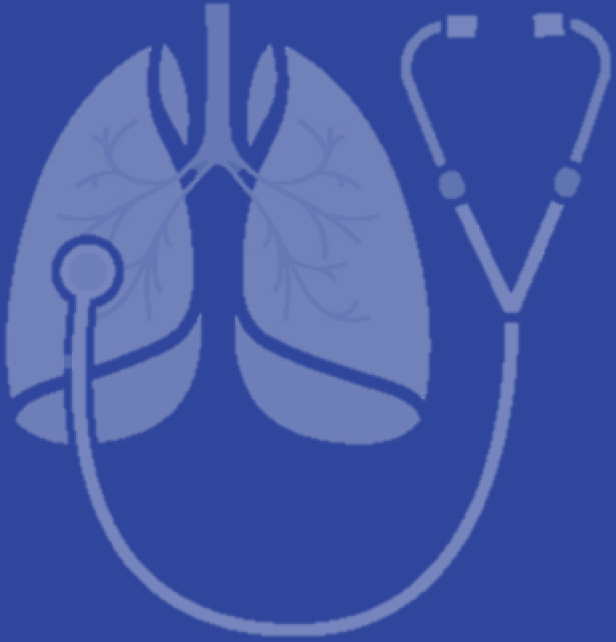
Optimism and Anxieties during COVID-19 Outbreak

—— Chinese Consumers in Difficult Time

(Phase one)



GAME CHANGERS

Ipsos

Foreword

The outbreak of COVID-19 during the Spring Festival of 2020 has raged all over China, and severely affected industries covering retail, food and beverage, tourism, hospitality, catering etc. The impact of this epidemic is even wider than SARS in 2003. Given changes in consumer behaviors and perceptions, how will the market structure be affected? As a result, how do brands act to respond?

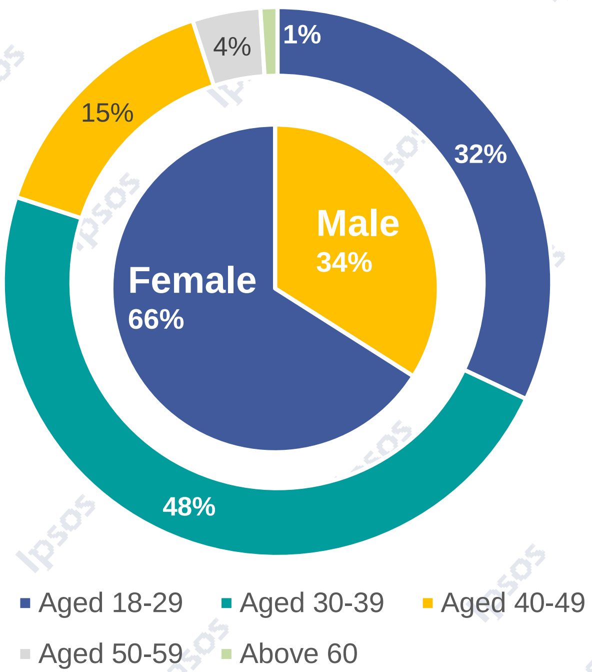
In context of this, Ipsos has launched series of “Research on Consumers in the Outbreak," analyzing the conceptual changes of the public from a macro perspective, and probes into the impact of the epidemic on various industries.

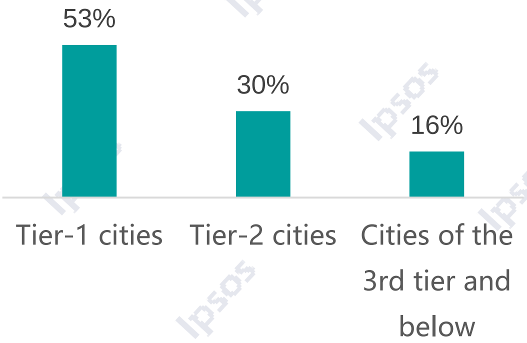
Contents

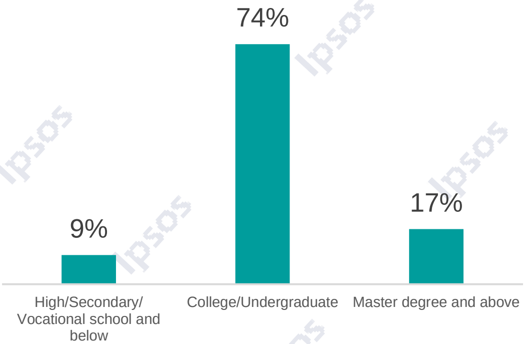
Research Method

Part 1: Public Opinion on COVID-19

- **Duration** 2020.2.14~2020.2.16
- **Method** Online survey
- **Sample size** 1512

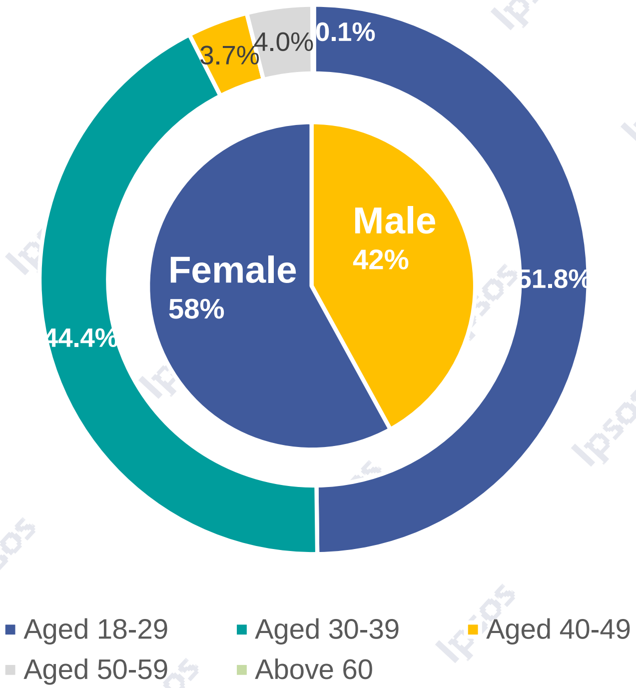


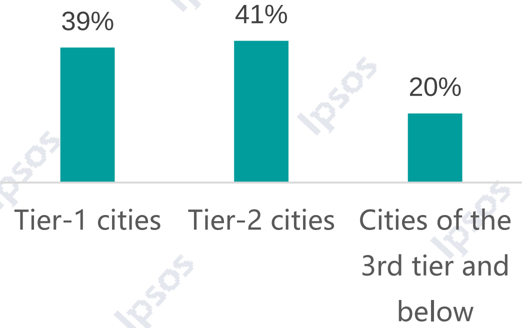


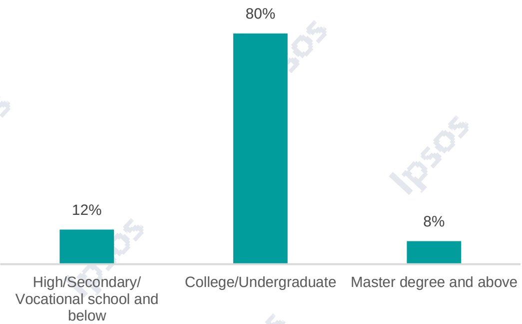


Part 2: Impact of COVID-19 on Consumers

- **Duration** 2020.2.14~2020.2.16
- **Method** Online survey
- **Sample size** 1104







Under the outbreak: Public Reaction

The whole nation is concerned about the epidemic. Besides watching TV, people actively involve themselves in public welfare.

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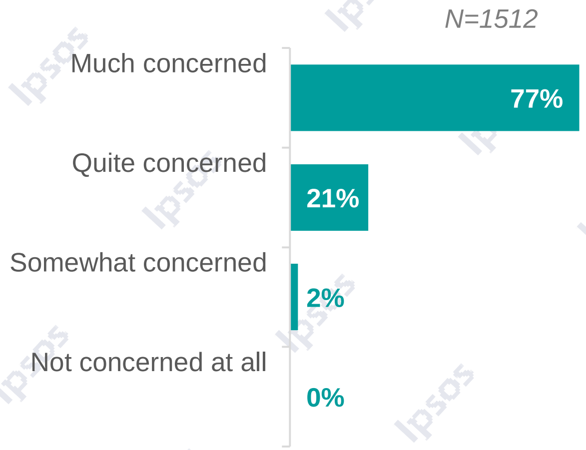
- **WeChat** is the first choice for people to follow the epidemic information, followed by **TV** and **news apps**.
- **94%** respondents believe that the epidemic is a threat to the health. Top 3 what they worrying is **the time** required to control the epidemic, the possibility for them to be infected, and the shortage of medical supplies (masks, protective clothing, disinfectants, etc.) among medical staffs. They also try all they can to protect themselves.
- Despite the serious epidemic, most people say they are **basically satisfied with life**, except for the restrictions on travelling and entertainments. When at home, they are mainly engaged in leisure and entertainments, more online activities than usual.
- All the respondents are doing something for the prevention and control of the epidemic, and **49%** have participated in at least one epidemic-related donation or volunteer activity.

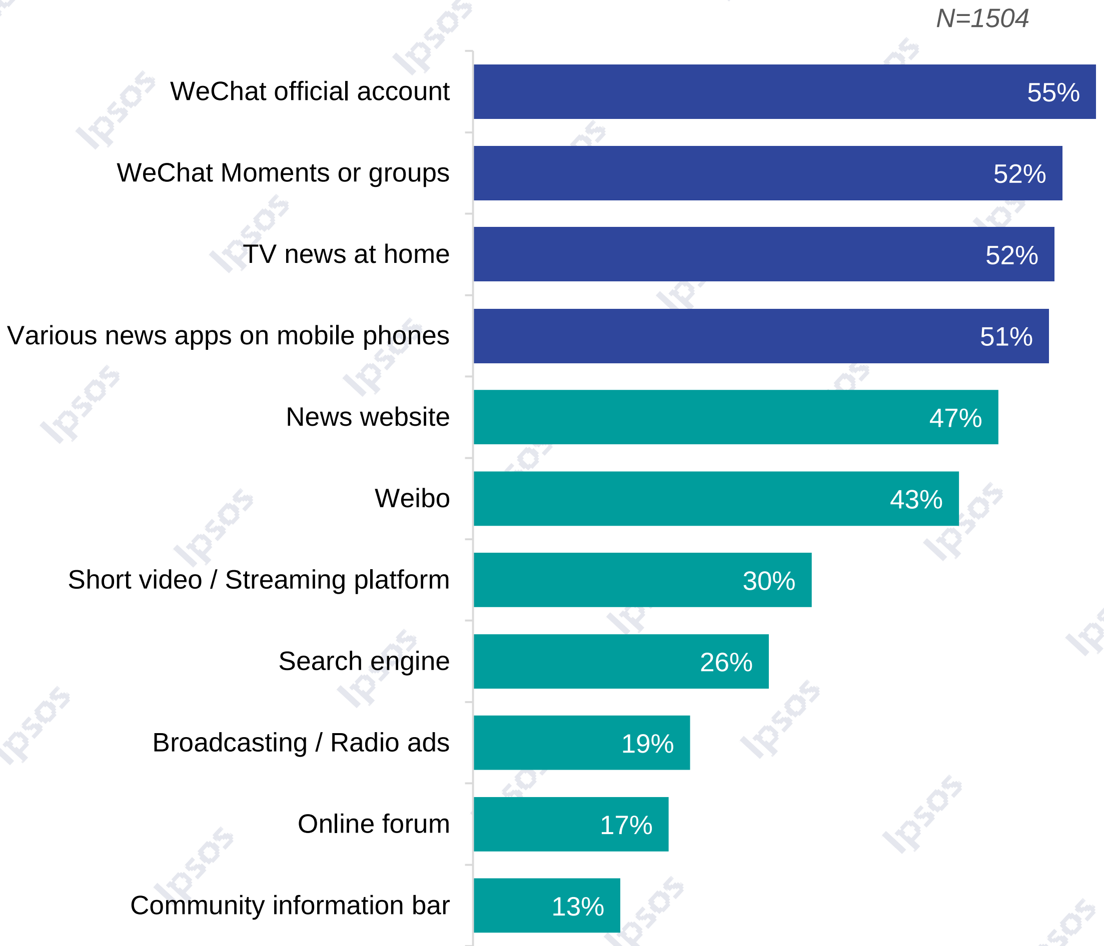
Each Chinese people concern the development of epidemic. WeChat is the most used channel for the information, followed by TV and news apps.

98% Much or quite concern the epidemic

Attention to the epidemic



Information channels to the epidemic



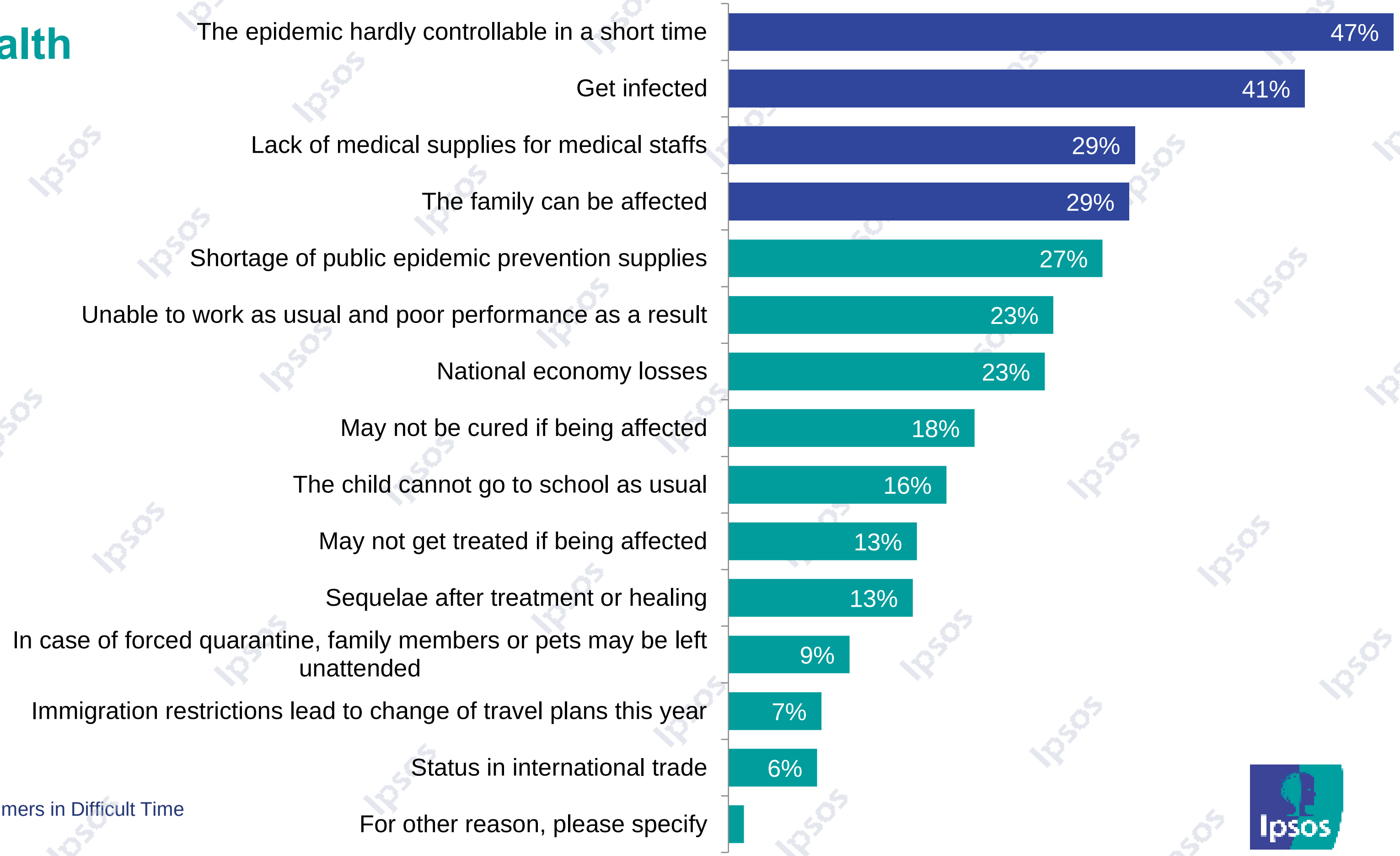
94% respondents say the epidemic is a threat to health.
Most worry that it can hardly be controlled over a short period of time.

94% Believe COVID-19 threatens people’s health

N=1512

Biggest concern about the outbreak of COVID-19

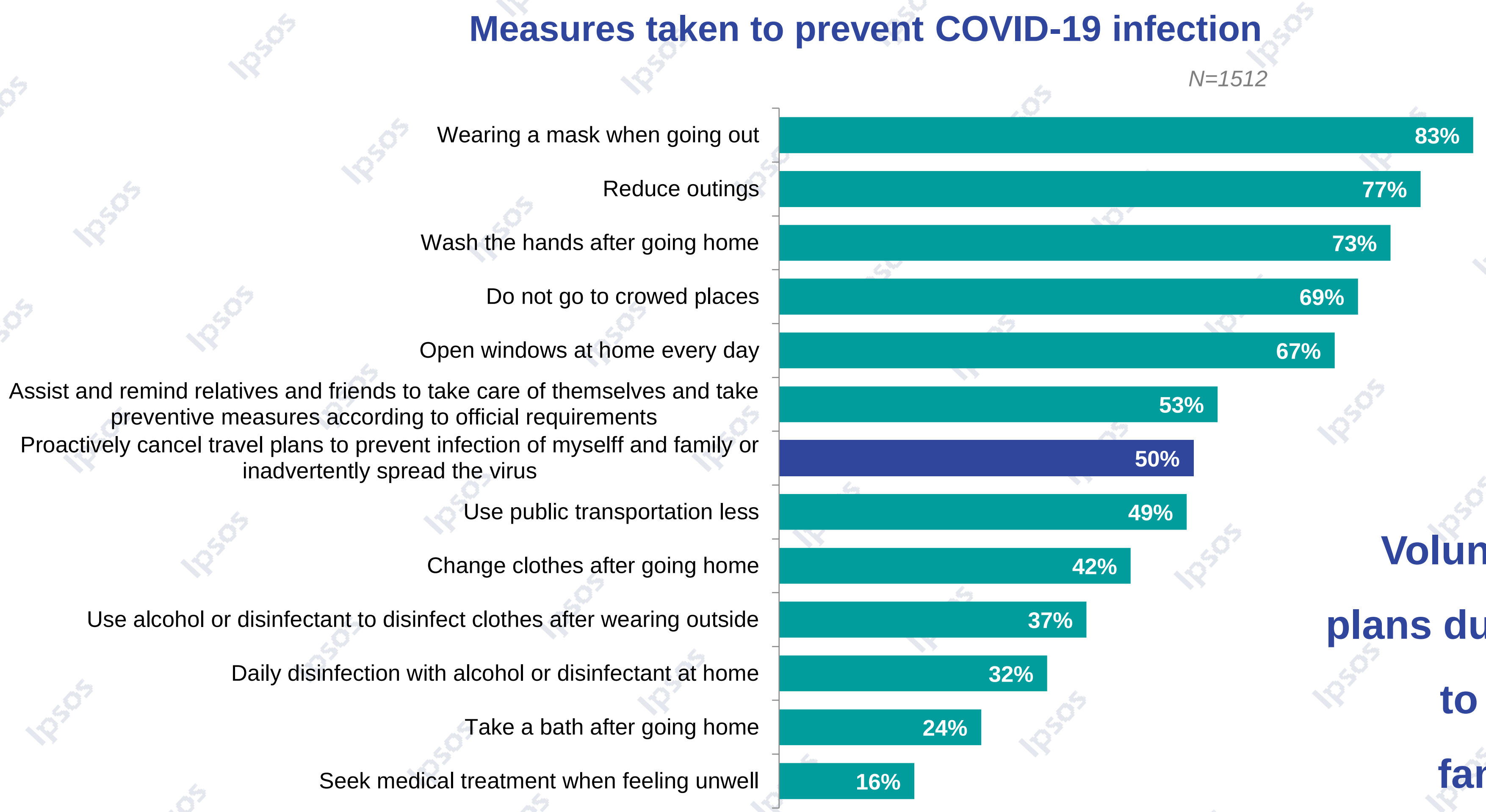
N=1504



Top 5 sector practitioners most worried about being infected

Sector	Proportion	N
Wholesale and retail	50%	99
Real estate	49%	49
Business services	48%	285
Water conservancy, environment and public facilities management	46%	11
Finance	45%	69

High protection awareness of COVID-19
50% respondents have canceled their travel plans during the CNY.



50%

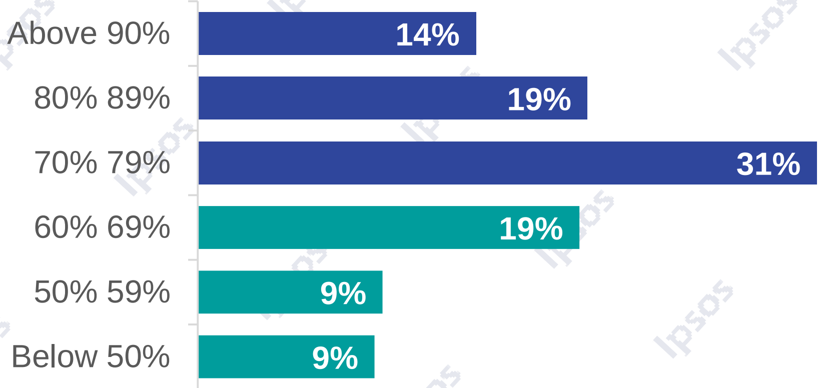
Voluntarily cancel their travel plans during the Spring Festival to protect themselves and family from being infected

Although epidemic is serious, most people still say their life can be basically satisfied. However, restrictions exist in their travel and entertainment

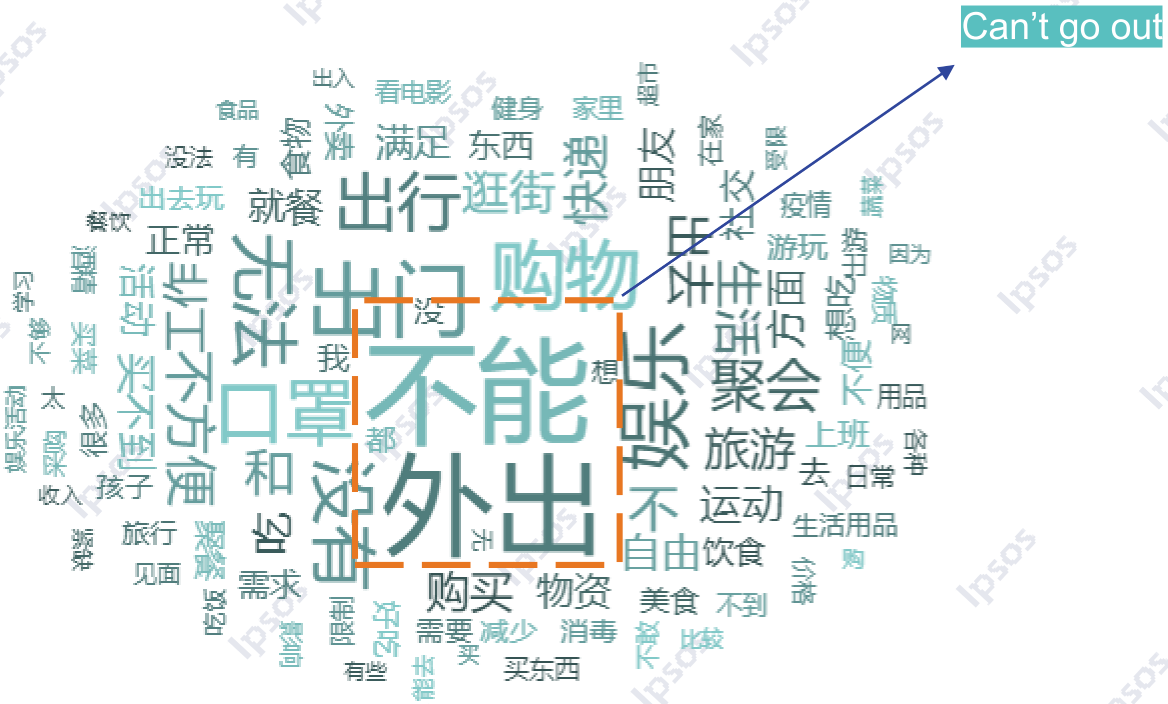
64% Say that during the epidemic, above 70% of their needs of life can be met

N=1512

Proportion of current living needs being fulfilled



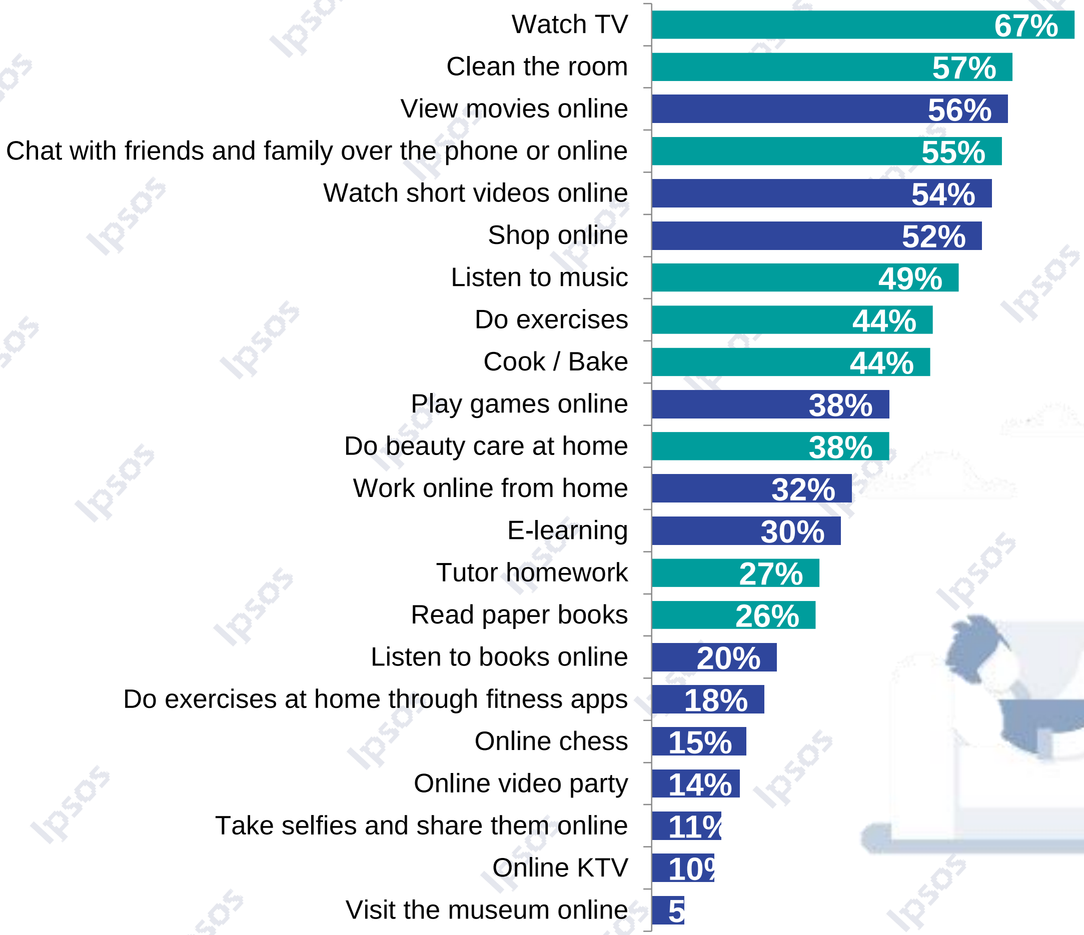
Reasons for unmet needs of life



  | Optimism and Anxieties during COVID-19 Outbreak——Chinese Consumers in Difficult Time

Over 60% respondents say their main activity at home is watching TV. Many turn to online activities, eg. watching movies, chatting, viewing short videos, and shopping

Activities at home from the first to the twentieth day of the New Year



Things to cheer you up at home during the Spring Festival? (Excerpted from the network)

“It’s a fine day today, so why not go to the living room for a walk?”

"**TV and TV again**, and I gain enormous weight eating all these snacks."

Extroverts can **shoot the breeze** with their friends and introverts can **watch TV**, **play games**, or **read books** at home. Those with hobbies can enjoy themselves right now, and those without can pick up some. Foodies can **cook**, and those fond of drinks can buy a juicer and make some novel drinks. "

People show high enthusiasm for public welfare
A large proportion tends to choose a direct contribution

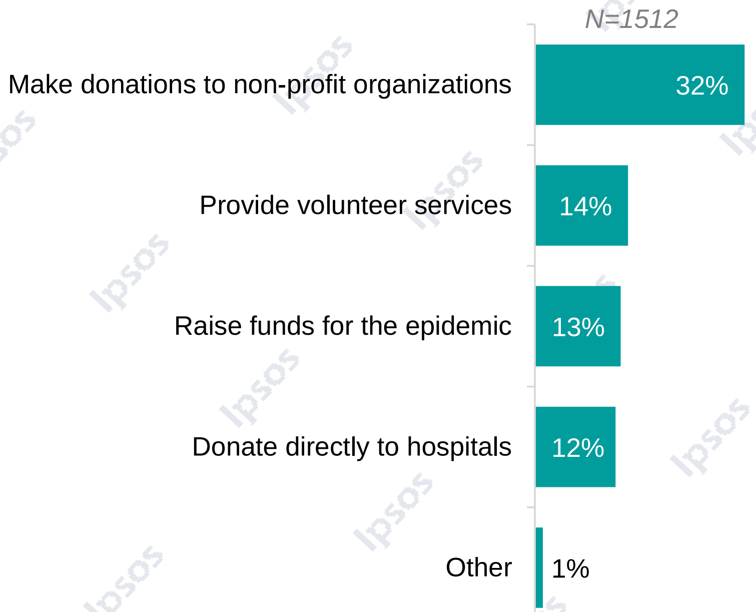
49% **Have taken part in at least one donation or volunteer activity during the event**

N=1512

Besides following the official requirements for protection, **nearly 30%** of the respondents have donated money to non-profit organizations, provided direct volunteer services, or initiated fundraising for the epidemic.

Even more than **10%** of the respondents have made direct donations to hospitals, indicating that the public are **likely to contribute directly**.

Volunteer activities during the outbreak



After the Outbreak

People are optimistic about their life of the second half of the year, but hold conservative attitude towards consumption

3

89% respondents believe that the epidemic will only affect the economic development of the first half of the year. But they are optimistic about the overall situation in the second half of 2020, when the economy may maintain its growth or be the same as that in 2019.

Nearly half of the respondents worry about their salary cut and personal development, and their consumption level will be stable, if not drop, overall in the near future.

The epidemic has also promoted changes in social values, as people now pay more attention to health and a peaceful life. Given the inconvenience combating the epidemic by remaining within doors,

- they are now more willing **to plan for future** and recognize the threat of pollution, disease and other issues to human beings;
- they **manage their health in a more scientific way**, and moderately rely on health products and services to enhance their physical fitness;
- they realize the importance of **private cars**, try to choose low-density communities, but still prefer to work in large cities.

Influenced by the epidemic, and besides previous health measures such as sports, diet and nutrition, consumers will adjust their daily habits for better health.

Nearly 90% respondents think the epidemic will affect the economic development However, they are optimistic about the second half of the year, believing that the economy will maintain its growth or be the same as that in 2019.

N=1498

89%

Hold it a threat to the economic development

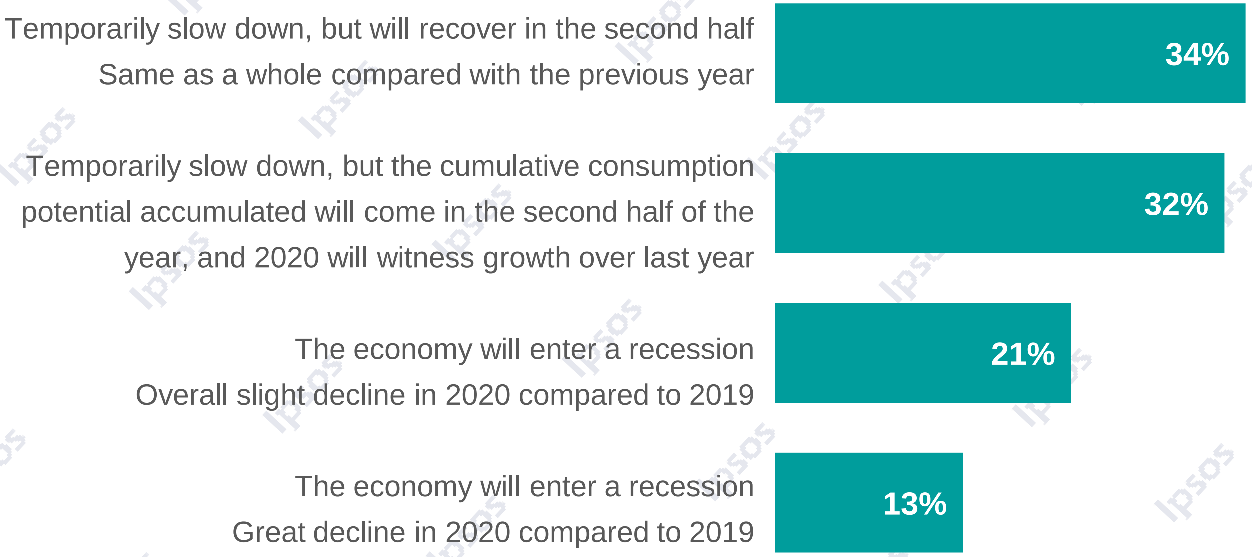
N=1512

Optimistic about the second half of the year, believing that the economy will maintain its growth or be the same as that in 2019

66%

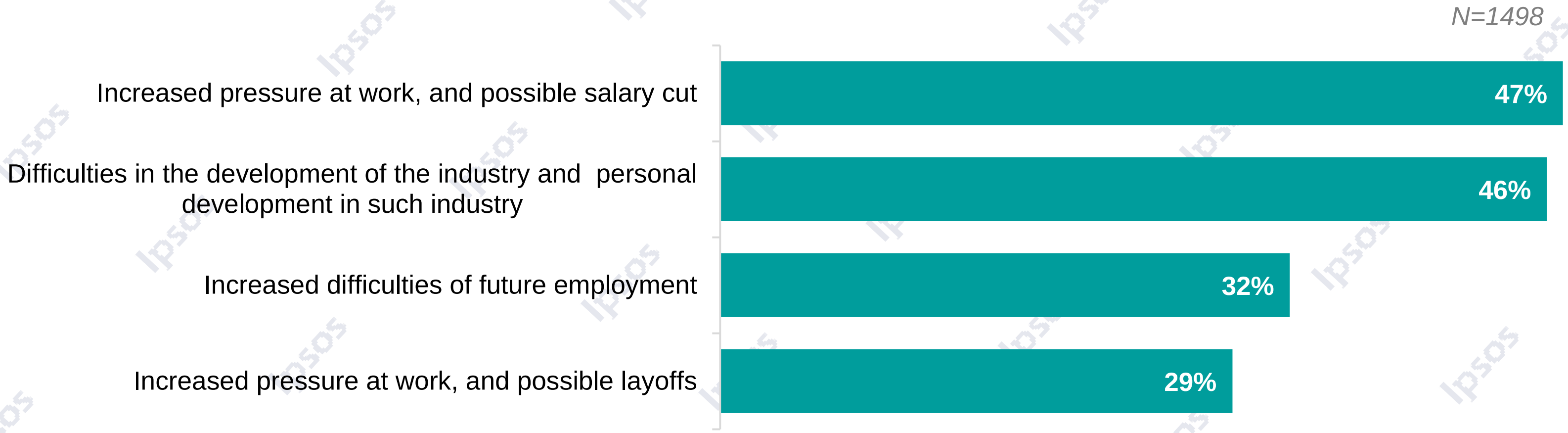
Impact of the epidemic on China's economy

N=1498

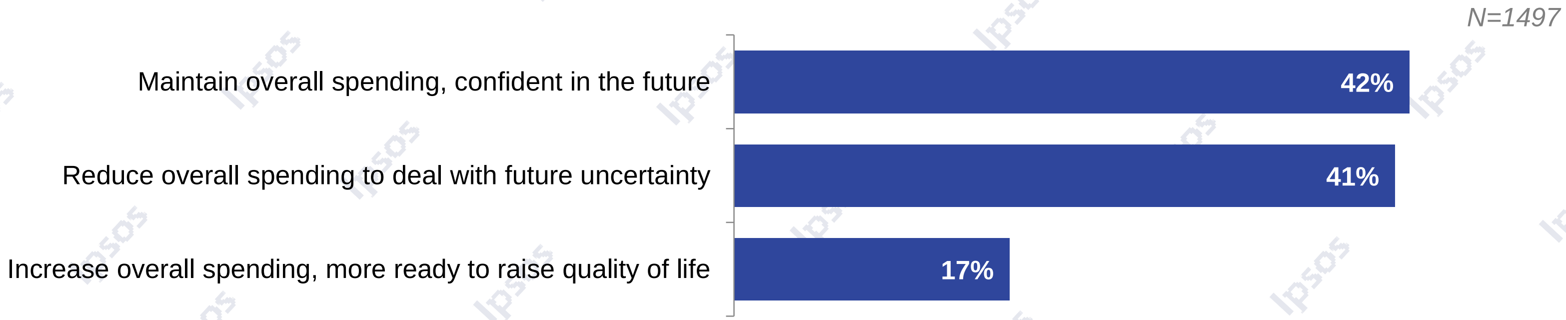


Nearly half of respondents worry about salaries and personal development Conservative attitudes to consumption in the near future

Worry about career development



Attitude to future life expenditure

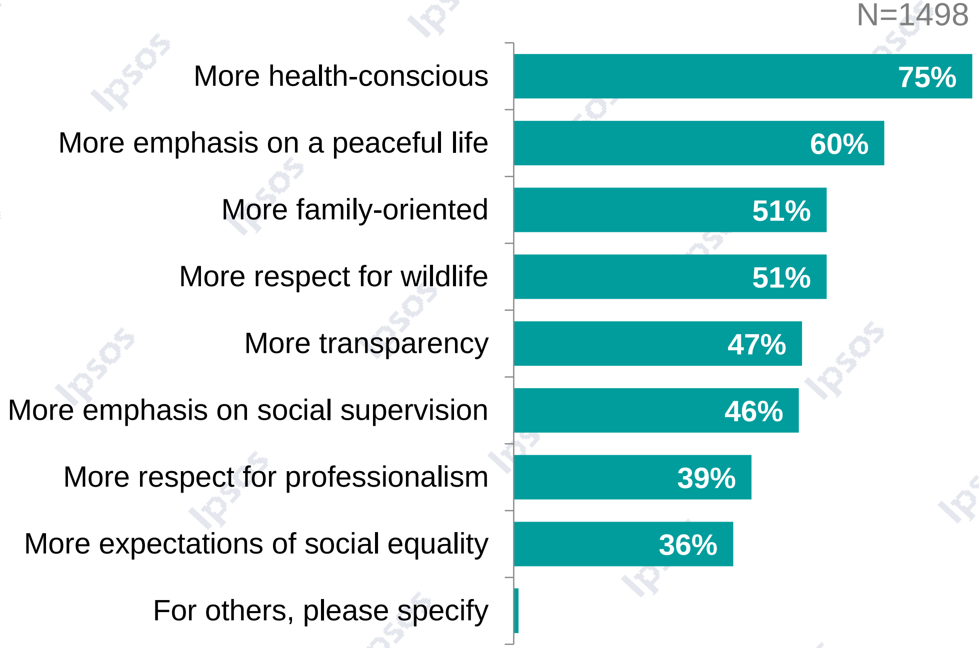


The epidemic has also promoted changes in social values
People now pay more attention to health and a peaceful life

64% Say COVID-19 has affected their social values

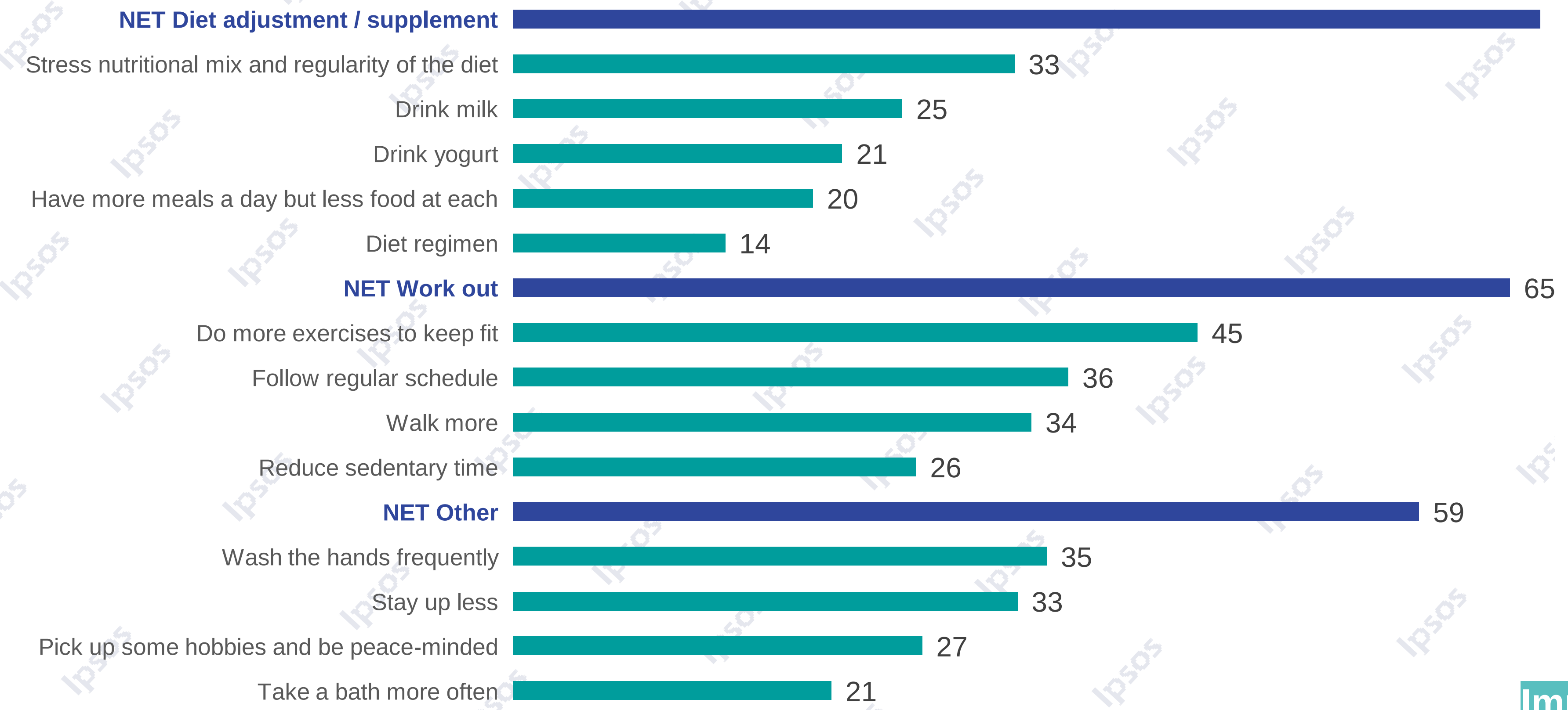
N=1512

Impact of the epidemic on Chinese social values

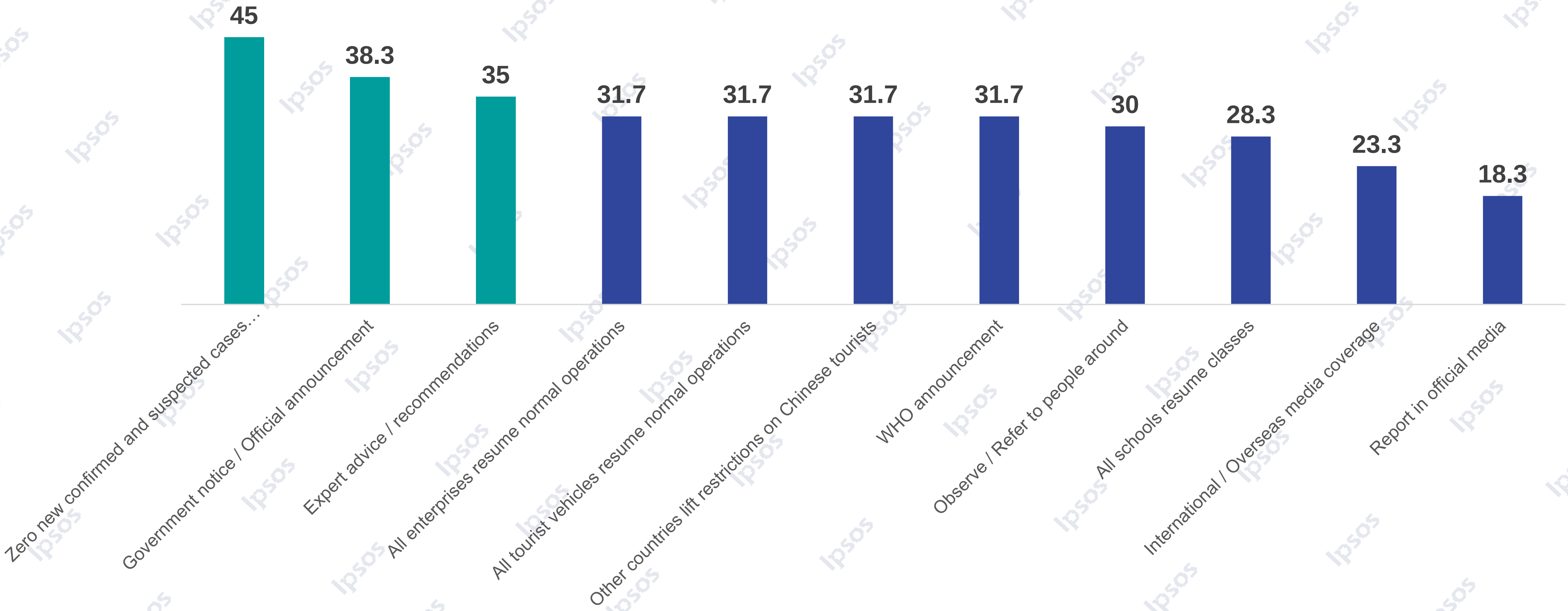


Influenced by the epidemic, besides previous healthy lifestyle such as taking exercise, diet and nutrition, consumers will also adjust their daily habits for better health

What measures will you take in the future to improve your daily health?



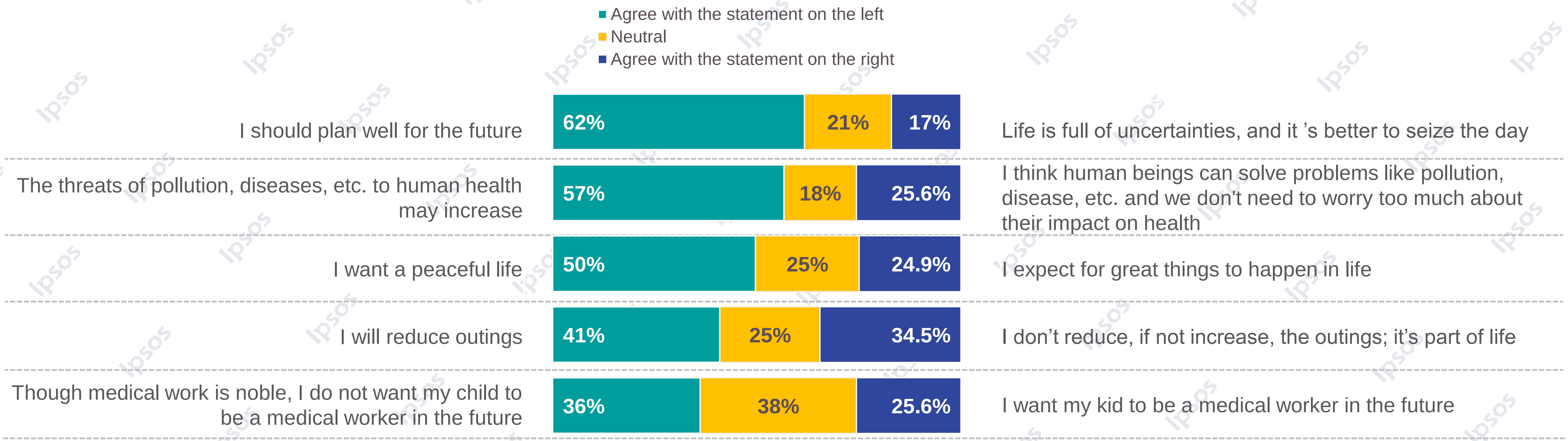
45% consumers will consider resuming their travel plans when there is no new confirmed and suspected case worldwide



Given the inconvenience combating the epidemic by remaining within doors, people are now more willing to plan for future and begin to recognize the threat of pollution, diseases and other issues

People's attitude to life

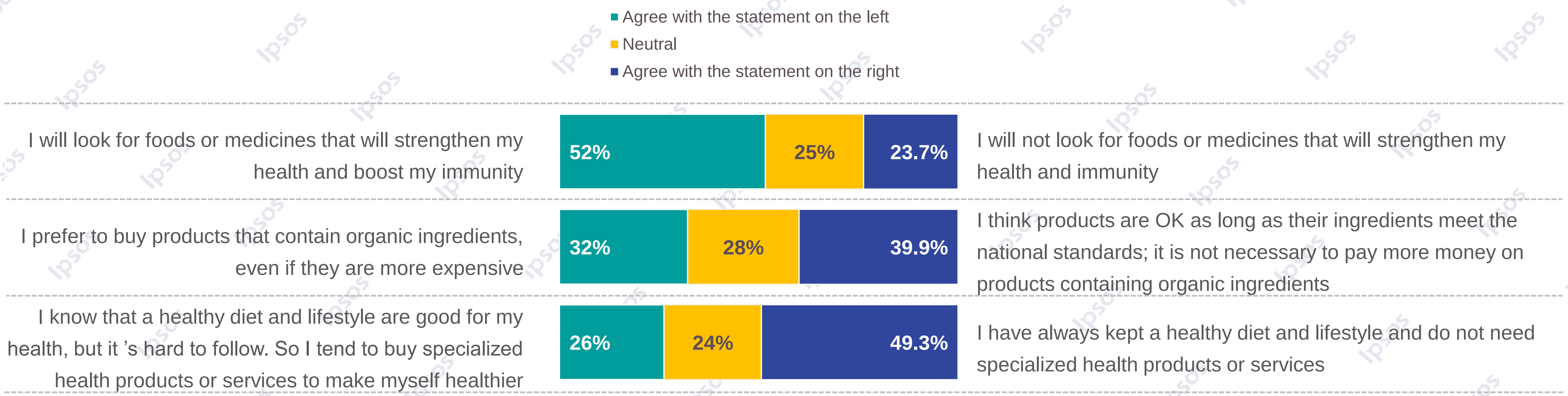
N=1512



Manage their health in a more scientific way, and moderately rely on health products and services to enhance their physical fitness

People's attitude to life

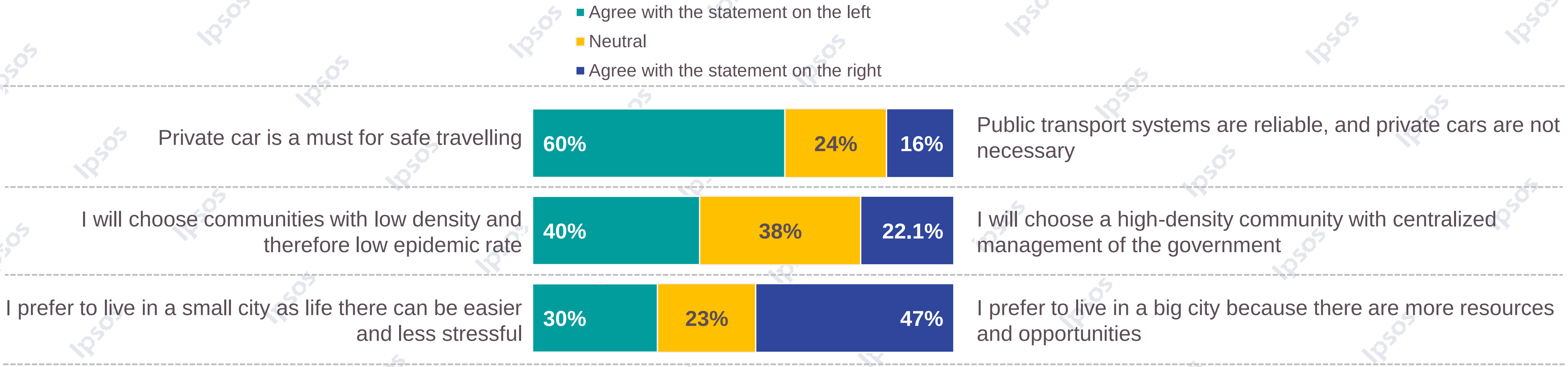
N=1512



Realize the importance of private cars
Try to choose low-density communities, but still prefer to work in large cities

People's attitude to life

N=1512



UNDER THE OUTBREAK: SHOPPING

4

- **Shopping channels:**
  - Despite the sudden epidemic, consumers' demand for shopping in shopping malls remains. **Nearly half** of the respondents expect shopping malls to provide more convenient online shopping, and cities of various tiers **are the same in this case**.
  - Stores are **obviously affected** in the epidemic, as people try to avoid " making trouble for the country," staying indoors during outbreak. They are less visited, while online e-commerce platforms and lifestyle apps are more used. The impact on stores varies with cities of different tiers.
- **Shopping:** Increased consumption of medicine and health care, food, online services and milk / beverages, and significant decrease in consumption of sports / apparel, offline activities, beauty products and services
  - With the rise of health concepts, **dairy products usher in new opportunities for development**
  - Packaged drinks: Purchases of bottled water increase significantly, of fruit juices and vitamin drinks, increase slightly, and of other types, decline
  - Alcoholic beverages are impacted greatly, facing a more severe market situation after the epidemic
  - Because of the epidemic, most consumers have postponed their plans to purchase consumer electronics. A wave of purchases may appear after the epidemic.

During the outbreak, online shopping is the most popular platform
There is great potential for lifestyle apps, and large offline chain stores are preferred in tier-4 and tier-5 cities

Where to buy

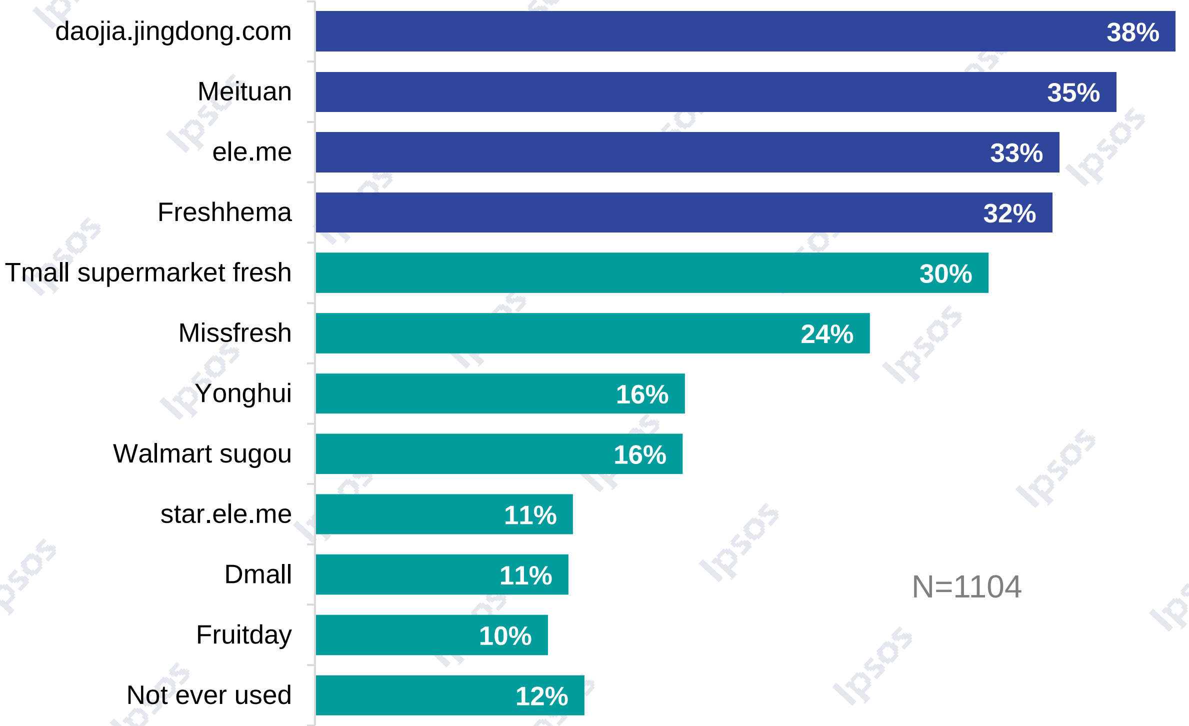
Unit: % Channel for purchasing products and services during the epidemic	Nationwide	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
N=	1104	431	448	94	61	68
Ordinary e-commerce platforms (Tmall, JD.com, Suning.com, Gome, etc.)	46.3	49.7	46.4	36.2	45.9	39.7
Lifestyle apps (Meituan, Ding Dong, Freshhema, etc.)	38.6	42.0	40.6	31.9	26.2	23.5
Online platforms for shopping malls / department stores (WeChat group of mall…	34.0	31.1	37.1	31.9	34.4	35.3
Hypermarkets (Carrefour, Wal-Mart, etc.)	33.1	39.0	33.7	21.3	18.0	22.1
Convenience stores / Grocery stores	28.5	28.1	31.9	23.4	24.6	20.6
General supermarkets	27.5	26.5	30.1	21.3	31.1	23.5
Shopping malls / Department stores	24.5	23.7	25	28.7	24.6	22.1
Large offline chain stores (Gome / Suning / Dixintong / Funtalk etc.)	24.5	21.6	26.3	19.1	31.1	33.8
Ordinary retail stores (mobile phone retail, fruit retail, etc.)	23.1	23.2	22.1	25.5	23	26.5
Social e-commerce platforms (Mocu Street, Meishuo, Xiaohongshu, etc.)	21.4	20.2	21.9	25.5	24.6	17.6
Personal goods stores (Watsons, Mannings, etc.)	17.0	19.5	15.4	12.8	18.0	16.2
Brand stores	12.7	13.7	11.2	12.8	16.4	13.2
Operator outlets	9.7	8.8	9.8	7.4	11.5	16.2
Cross-border e-commerce	8.9	10.7	7.4	6.4	6.6	13.2
Wechat shops	8.7	9.0	8.9	6.4	6.6	10.3

Note: Top3 channels in each area are marked with green font

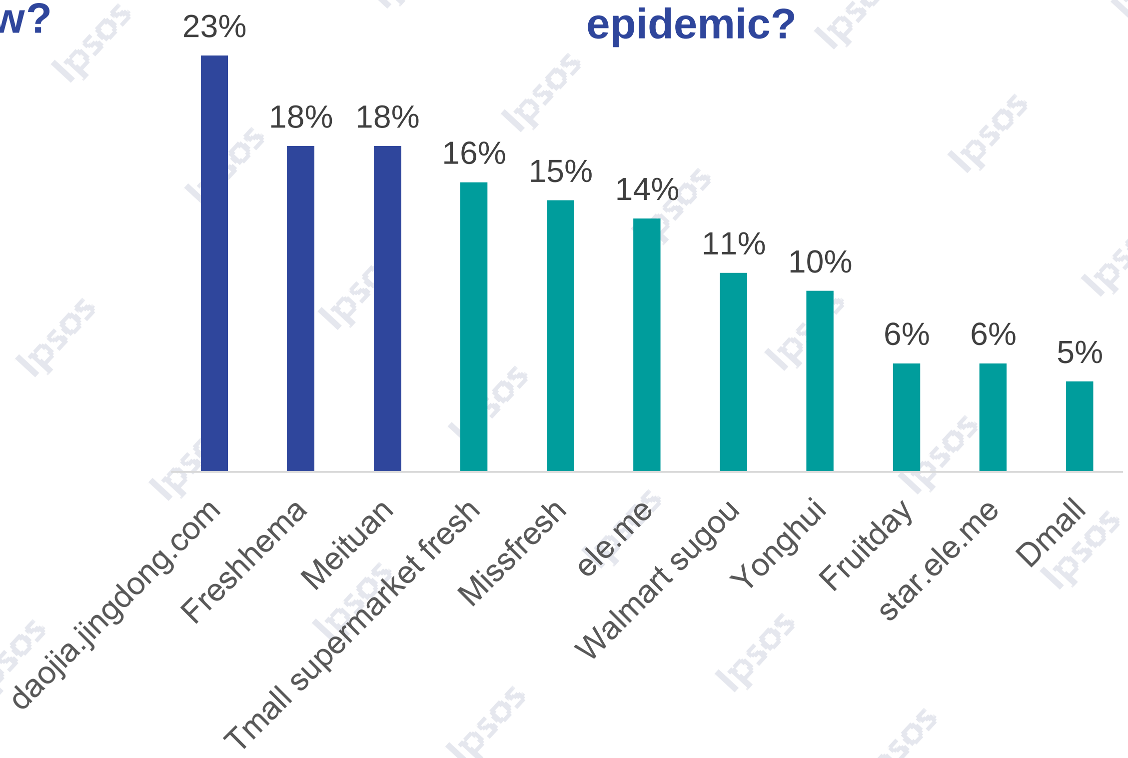
Under the outbreak, consumers use an average of 3 takeaway or home delivery platforms. Each consumer has used at least one new home delivery platform on average, and their choices get more sophisticated

- Consumers use an average of 3 takeaways or home delivery platforms, among which those with extensive logistics coverage and brand equity early accumulated maintain their advantages in the fierce competition. Given consumer pursuit of quality of life and happiness, small and medium-sized brands still show great potential, and further market segmentation is well in sight.

What takeaways or home delivery platforms have you used to buy food from the first day of the Chinese New Year to now?



Which are first used because of this epidemic?



The epidemic has a significant impact on shopping malls / department stores, with over 30% saying that they go to stores much less. Online life apps and general e-commerce platforms are adopted

- **Channels of increased users Top3:** Life apps (Meituan, Dingdong, Hema, etc.), ordinary e-commerce (Tmall, JD.com, etc.), convenience / grocery stores
- **Channels of decreased users Top3:** Shopping malls / department stores, brand stores, hypermarkets (Carrefour, Walmart, etc.)

Q: Are these purchasing channels used more, less than, or the same as, before?

% N=1104	Physical stores									Online platforms					
Changes in using frequency of product and service purchase channels	Hypermarket (Carrefour, Walmart, etc.)	Ordinary supermarket	Shopping centers / Department stores	Personal goods stores (Watsons, Mannings, etc.)	Convenience / Grocery stores	Brand stores	General retail stores (mobile phones, fruits, etc.)	Large offline chain stores (Gome / Suning / Dixintong / Funtalk etc.)	Operator outlets	Online platforms of shopping malls / department stores (WeChat group of mall members, WeChat group of mall stores, etc.)	Life apps (Meituan, Dingdong, Hema, etc.)	Cross-border e-commerce	Common e-commerce platforms (Tmall, JD.com, etc.)	Social e-commerce platforms (Mogu Street, Meilishuo, Xiaohongshu, etc.)	WeChat merchants
Greatly increase	9.9	10.4	5.3	4.6	10.9	4.3	8.8	5.9	4.3	9.1	21.2	4.8	19.7	9	5.6
Slightly increase	14.7	18.8	11.3	12.4	17.8	9.1	14.5	11.1	9.7	19.7	24.6	10.9	26.4	19.4	14.1
Same as before	14.7	17.7	18.1	17.8	19.7	18.9	19	18	19.2	18.8	17.1	18.1	17.6	17.1	17.9
Slightly decrease	20.7	21.6	20	19.2	19.1	20	21.4	20.1	18.6	17	11.1	14.4	14.1	15.7	13.5
Greatly decrease	29.1	23.7	32.5	27.5	24	29.7	23.8	28.4	28.4	22	15.5	21.6	15.3	17.4	15.3
Not use	11	7.8	12.8	18.4	8.4	17.9	12.5	16.6	19.8	13.5	10.4	30.3	6.9	21.5	33.5

Note: Top3 changes are marked with green shading

The epidemic has greatly impact on physical stores, and the visit rates drop significantly in cities of all tiers
Stores of increased visits vary with tier of the city

- Hypermarkets (Carrefour, etc.) in tier-1 cities and convenience / grocery stores in tier-2 and tier-3 cities are more frequently visited
- Retail stores (like fruit retail) in tier-4 cities and ordinary supermarkets in tier-5 cities are more frequently visited

Q: Are these purchasing channels used more, less than, or the same as, before?

% N=1104		Physical stores									Online platforms					
Changes in using frequency of product and service purchase channels	N	Hypermarket (Carrefour, Walmart, etc.)	Ordinary supermarket	Shopping centers / Department stores	Personal goods stores (Watsons, Mannings, etc.)	Convenience / Grocery stores	Brand stores	General retail stores (mobile phones, fruits, etc.)	Large offline chain stores (Gome / Suning / Dixintong / Funtalk etc.)	Operator outlets	Online platforms of shopping malls / department stores (WeChat group of mall members, WeChat group of mall stores, etc.)	Life apps (Meituan, Dingdong, Hema, etc.)	Cross-border e-commerce	Common e-commerce platforms (Tmall, JD.com, etc.)	Social e-commerce platforms (Mogu Street, Meilishuo, Xiaohongshu, etc.)	WeChat merchant
Greatly increase																
Tier 1	431	10.7	9.5	5.8	3.2	10	5.3	7.4	6.5	3.2	8.1	27.4	7	23.4	9.3	5.8
Tier 2	448	10.5	10.9	4.7	5.1	11.6	3.6	8.7	4.7	5.1	9.2	21.2	2.7	18.5	8.9	5.4
Tier 3	94	3.2	9.6	6.4	6.4	14.9	4.3	8.5	5.3	4.3	8.5	9.6	4.3	13.8	9.6	5.3
Tier 4	61	16.4	16.4	8.2	6.6	9.8	4.9	21.3	9.8	6.6	11.5	11.5	8.2	18	8.2	6.6
Tier 5	68	4.4	8.8	1.5	5.9	7.4	1.5	7.4	7.4	2.9	13.2	7.4	2.9	14.7	7.4	5.9
Greatly decrease																
Tier 1	431	25.5	21.6	32.3	28.1	23.7	30.6	22.5	26	26.9	20.2	11.1	23.9	14.4	15.3	14.2
Tier 2	448	33.9	23.9	34.4	31.5	24.8	32.4	26.8	35.7	33.5	25	17	22.1	15.4	19	17
Tier 3	94	29.8	27.7	27.7	17	25.5	23.4	16	17	19.1	21.3	25.5	17	18.1	23.4	14.9
Tier 4	61	24.6	27.9	29.5	16.4	23	26.2	21.3	19.7	26.2	16.4	19.7	13.1	19.7	11.5	9.8
Tier 5	68	22.1	26.5	32.4	22.1	19.1	17.6	25	19.1	20.6	20.6	14.7	17.6	11.8	16.2	17.6

Note: Top3 changes are marked with green shading

Despite the epidemic, consumer demand for shopping, eating, etc. remain high

Nearly 50% expect shopping malls to provide more convenient online shopping ways

- **Expected shopping methods Top3:** Shopping malls can provide more convenient **than** online shopping, shopping places be well disinfected, and online supermarkets clearly show the time of delivery
- Respondents from cities of all tiers call for convenient online shopping of shopping malls. Different from tier-1 and tier-2 cities, those from cities of third and further tiers prefer to buy things directly and expect for government or community measures for more secure travel. Respondents from tier-5 cities are longing for richer products from life apps and QR codes placed in the building for direct order

% Shopping expectations during the epidemic	Nationwide	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
N=	1104	431	448	94	61	68
Shopping malls offer more convenient online shopping methods (WeChat group of mall member or brands, etc.)	48.8	48.0	51.3	38.3	54.1	48.5
Shopping places well disinfected	42.4	43.4	45.1	31.9	45.9	30.9
Online supermarket clearly shows that one can book delivery time	38.7	41.3	40.6	28.7	29.5	30.9
More products in life apps	38.6	42.5	37.5	31.9	31.1	38.2
Government or community adopts more secure travel measures	35.6	37.1	34.8	35.1	29.5	38.2
Brands expand their channels so that one can buy products directly from them	35	34.1	36.4	37.2	32.8	30.9
Products can be purchased within the community	34.5	38.5	34.4	29.8	27.9	22.1
More brand information and product promotions obtained within the community	31.9	30.4	33.5	34	24.6	35.3
Scan QR code in the poster or TV in the waiting area of the elevator in the residential building to place an order directly	31.6	30.6	33	25.5	31.1	38.2
Online supermarket clearly indicates goods unavailable	22.7	23.4	23.2	17	31.1	14.7

Note: Top3 channels in each area are marked with green font

A Summary about trends of consuming channels

Consumer expectations on ways of purchase

- Despite the sudden epidemic, consumer demand for shopping in shopping malls remains. Nearly half of the respondents expect shopping malls to provide more convenient online shopping.
  - ✓ Top 3 expectations: Shopping malls offer more convenient online shopping methods, shopping places are well disinfected, and online supermarket clearly shows that one can book delivery time
- Respondents, regardless of the tier of cities they are from, generally wish shopping centers to offer convenient online shopping channels.
  - ✓ Different from tier-1 and tier-2 cities, those from cities of third and further tiers prefer to buy things directly and expect for government or community measures for more secure travel. Respondents from tier-5 cities are longing for richer products from life apps and QR codes placed in the building for direct order

Changes in use frequency of channels

- Stores are obviously affected in the epidemic, as people try to avoid "trouble for the country," staying indoors during the event. They are less visited, while online e-commerce platforms and lifestyle apps are more used.
  - ✓ Top3 significant increases: Life apps (Meituan, Dingdong, Hema, etc.), ordinary e-commerce (Tmall, JD.com, etc.) and convenience / grocery stores
  - ✓ Top3 significant increases: Life apps (Meituan, Dingdong, Hema, etc.), ordinary e-commerce (Tmall, JD.com, etc.) and convenience / grocery stores
- Changes in visits to physical stores:
  - ✓ Slightly increase in hypermarkets (like Carrefour) in tier-1 cities
  - ✓ Convenience / grocery stores are more visited in tier-2 and tier-3 cities
  - ✓ Retail stores (like that sell fruits) are more visited in tier-4 cities
  - ✓ Consumption frequency in ordinary supermarkets increases in tier-5 cities

The consumption of healthcare, household food, online services and dairy products / beverages increase. The consumption of sports / apparel, offline activities, beauty products and services decrease dramatically.

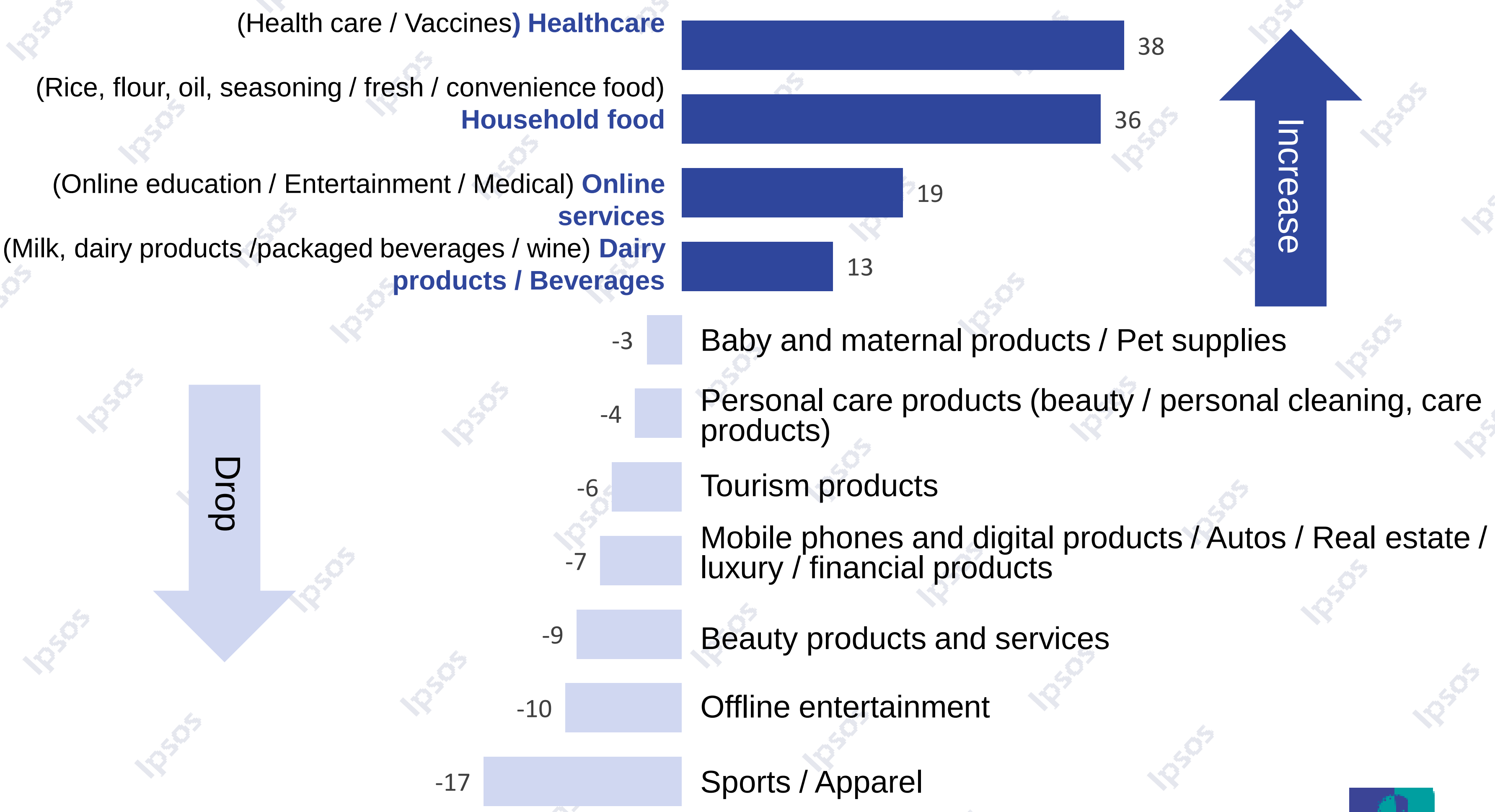
Home life becomes the main theme ...

76%

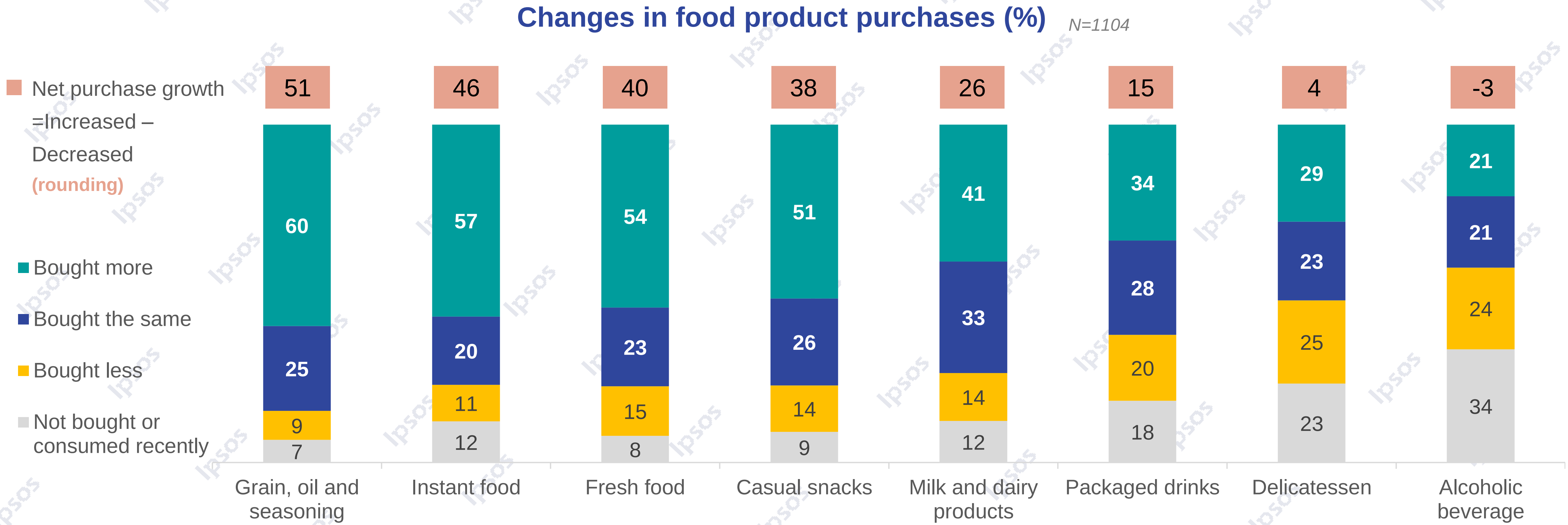
have reduced outings

Consumption change by category%

(Buy more%-Buy less%)



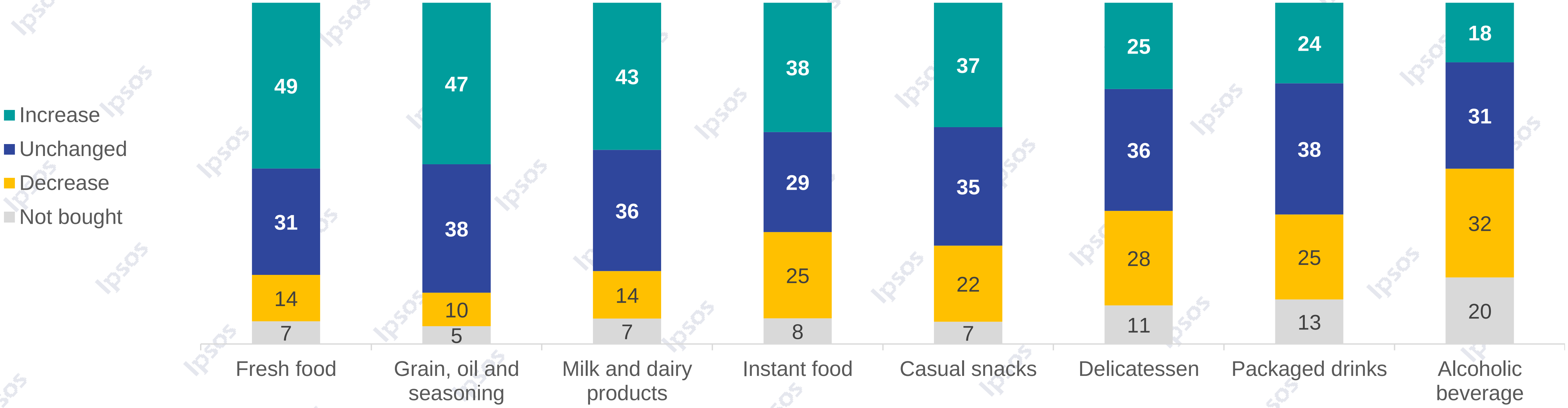
During the epidemic, rice, flour, oil, convenience foods, fresh foods, snacks and dairy products purchases have increased, purchases of packaged beverages rise slightly, and alcohol purchase declines



Consumers say they will spend more on fresh food, rice, flour, oil, milk and dairy products in the coming year. Alcoholic beverages may face more severe sales situation after epidemic

Changes in food product expenditures (%)

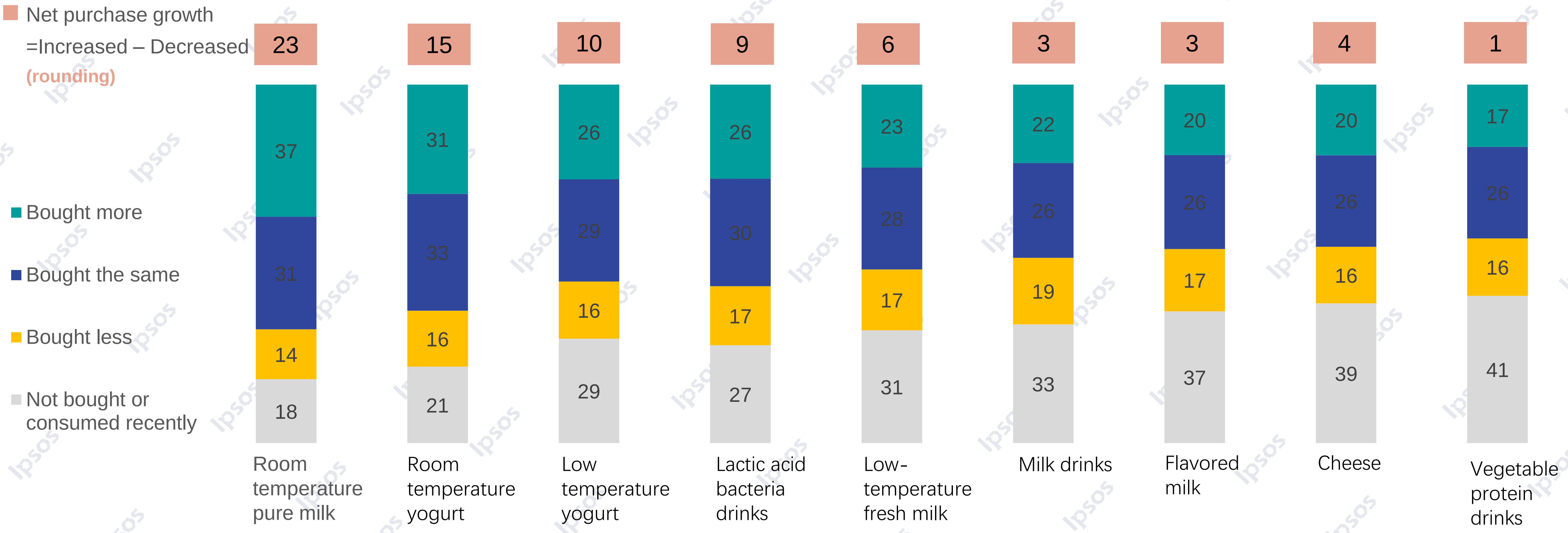
N=1104



Dairy products

Purchases of normal temperature products have increased or remained unchanged. Low temperature products have more potential to increase consumption.

Changes in milk and dairy product purchases (%) *N=1104*



Dairy products

Consumers in this period attach more importance to the nutrition, taste and shelf life of dairy products

Reasons for purchasing dairy products during the epidemic

More concerned

- Nutritional value (51%)
- Shelf life (49%)
- Product efficacy (34%)
- Product quality (29%)

Continued attention

- Flavor and taste (49%)
- Price (36%)

Less concerned

- Advertising (5%)
- Celebrity endorsements (5%)

A Summary about trends of consuming dairy products

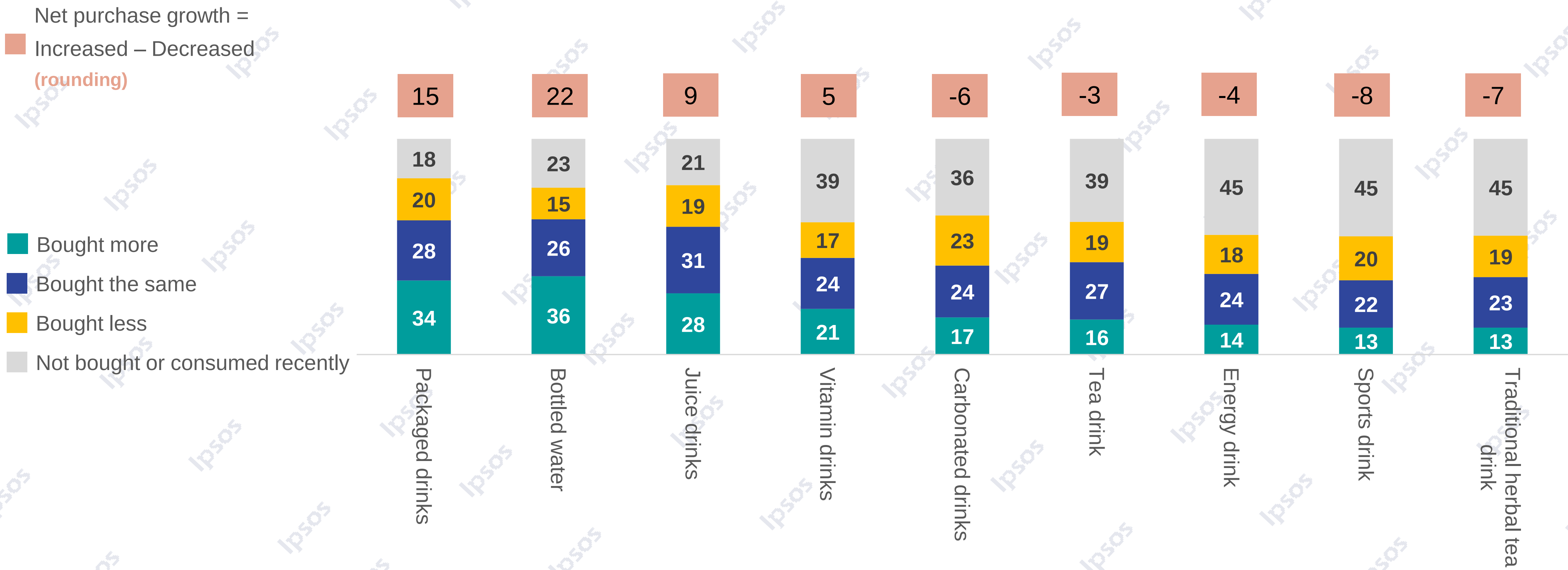
- The epidemic has little impact on milk and dairy products, and some consumers have increased their consumption. 43% plan to **increase their spending on dairy products**
- Enhanced health awareness will boost the accelerated growth of dairy products. 67% say they will improve their health through "healthy eating, balanced nutrition". Dairy is one of the core ways to do so. Drinking **milk** (25%) and **yogurt** (21%) are deemed a significant way to improve their health in the future.
- The demand for **room temperature milk** and **room temperature yoghurt** is still strong. **Low temperature products** (low temperature yoghurt / lactic acid bacteria beverages) have ushered in consumption opportunities
- More attention given to product connotation when one chooses a product: nutritional value / effect, taste and flavor

Packaged drinks

The purchase of bottled water increased the most, fruit juices and vitamin beverages saw slightly increase, and others declined

Purchase of different types of beverages (%)

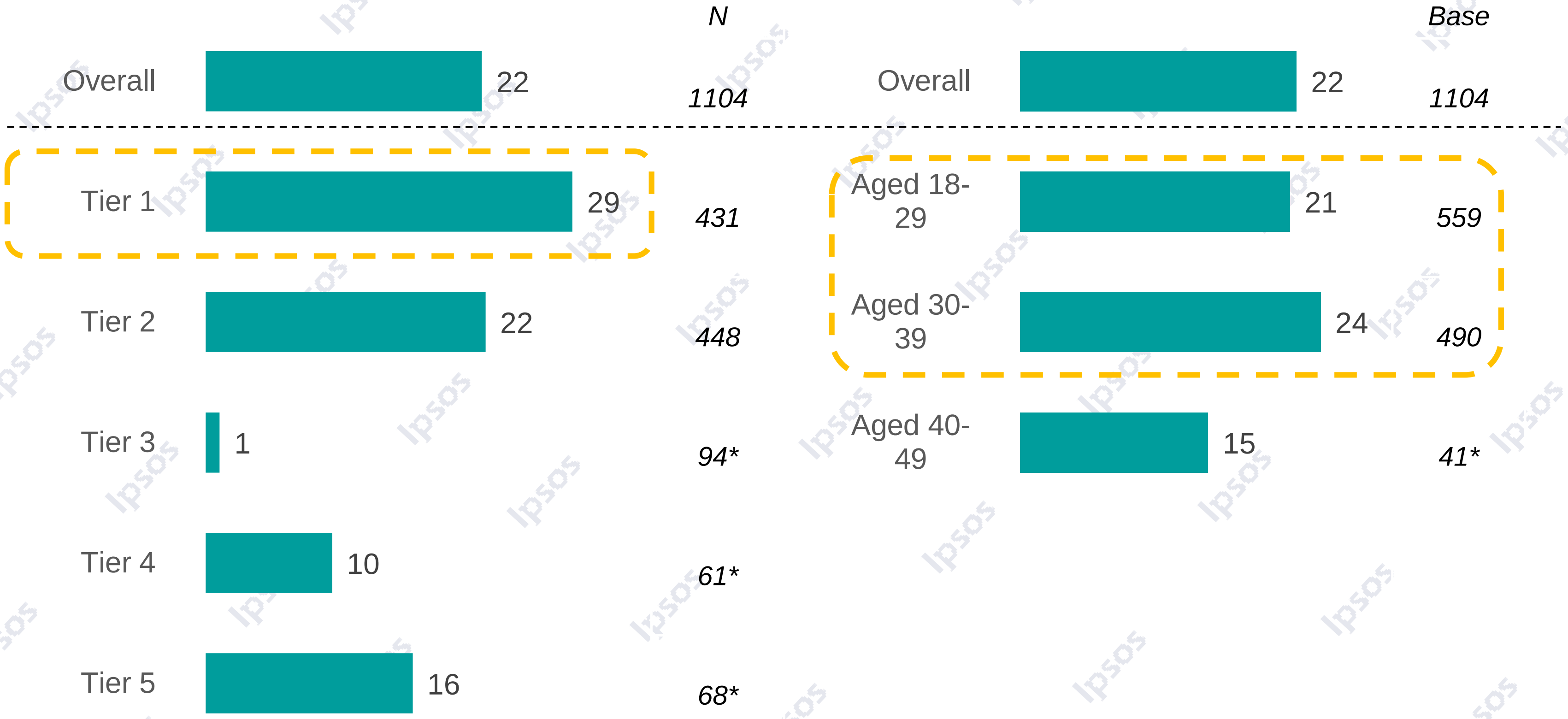
N=1104



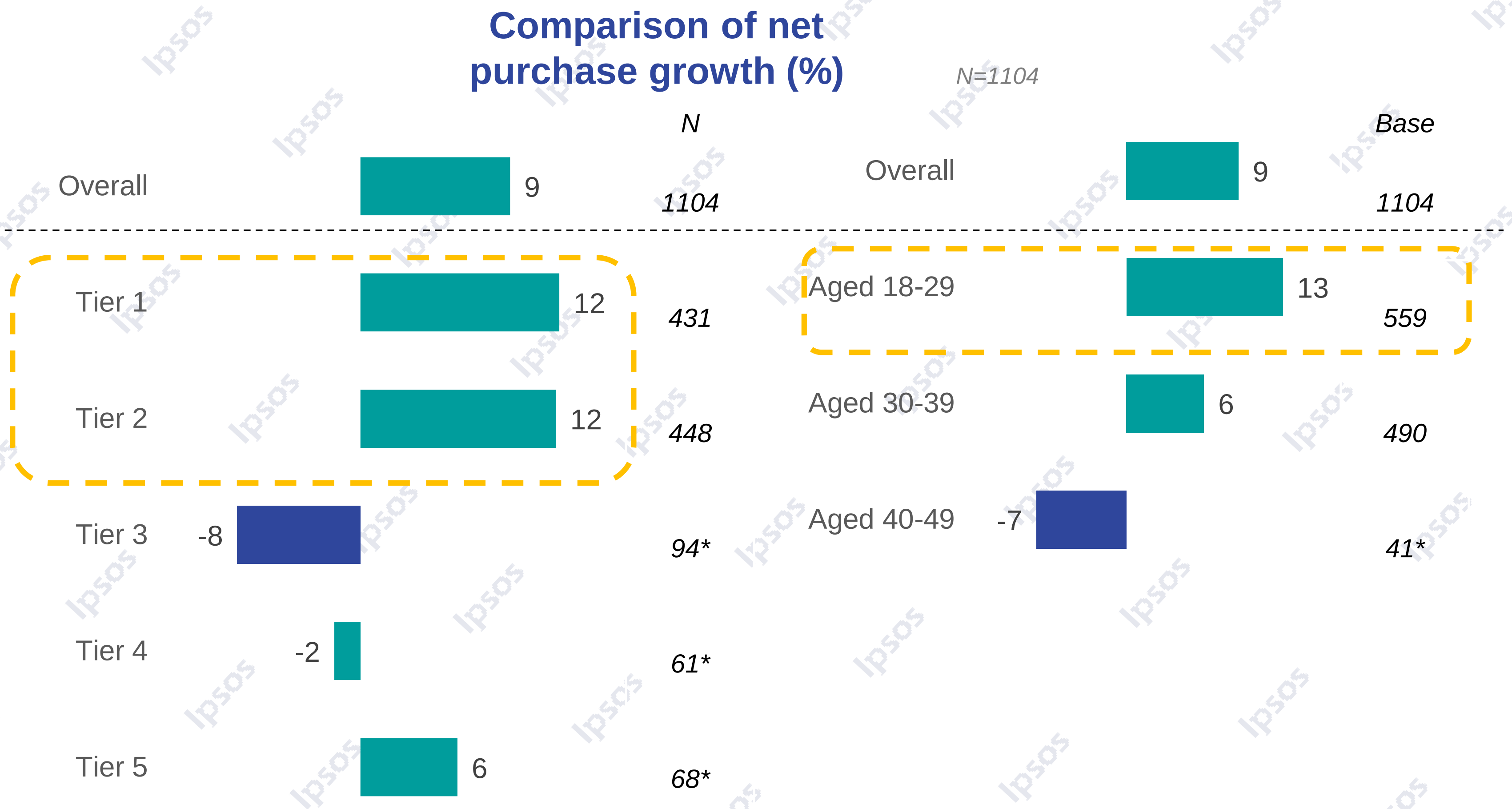
The increased purchases of bottled water mainly come from consumers aged 18-39 and consumers in Tier-1 cities

Comparison of net purchase growth (%)

N=1104



The increased purchases of juice beverages mainly come from consumers aged 18-29 consumers in tier-1 and tier-2 cities

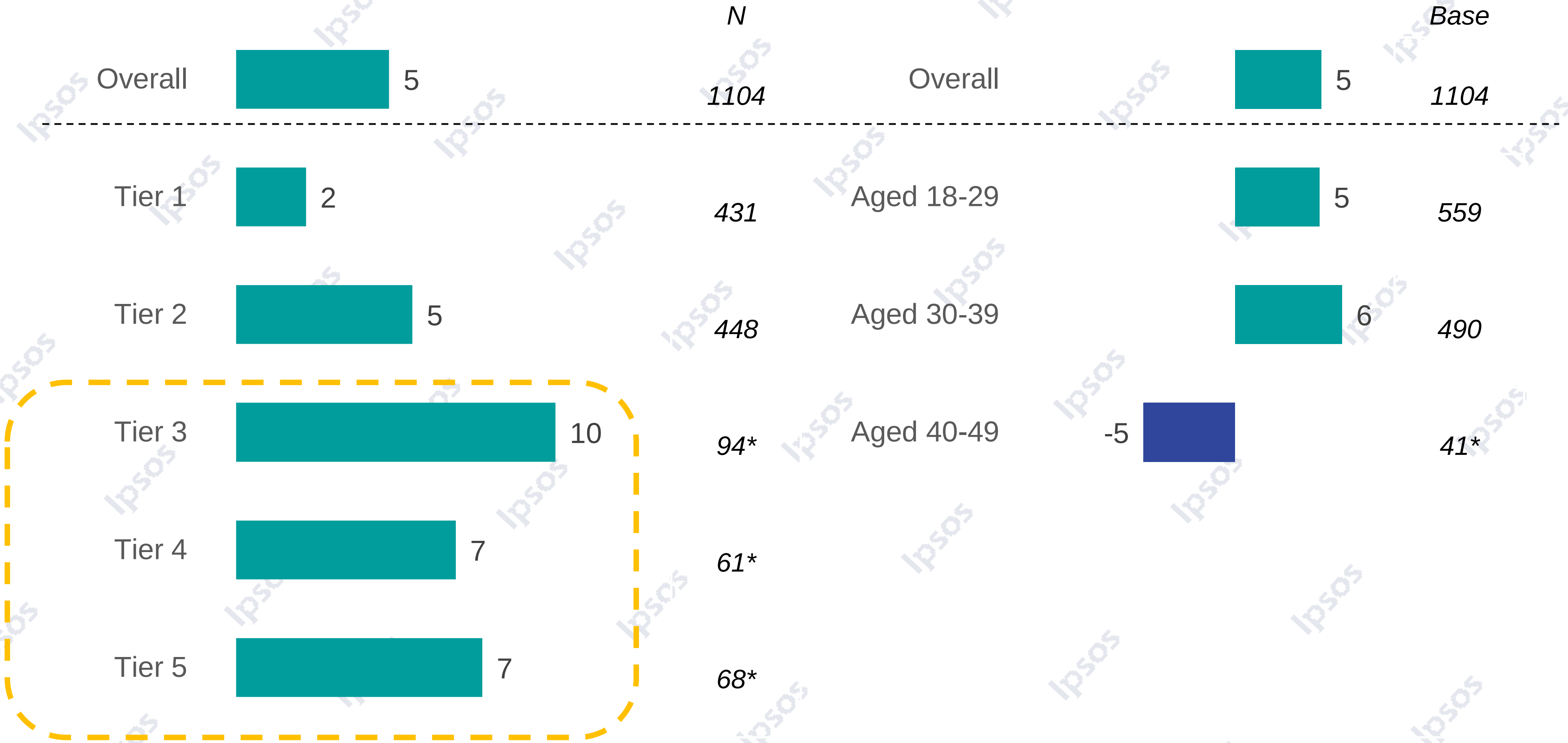


What to buy
Food

The increased purchases of vitamin beverages mainly come from consumers in cities of tier 3 or below

Comparison of net purchase growth (%)

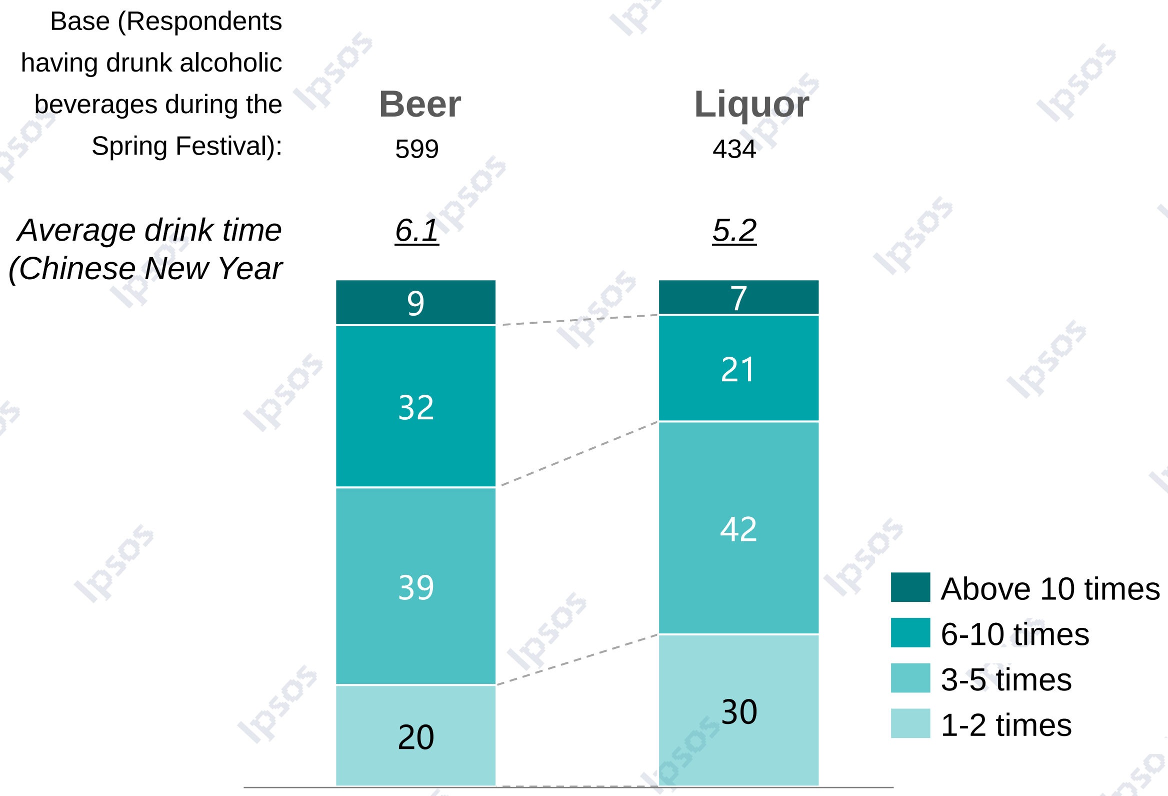
N=1104



The consumption of various alcoholic beverages during this Spring Festival is lower than usual. Main reasons (especially liquor): decrease of "social occasions" and lack of "sending gifts"

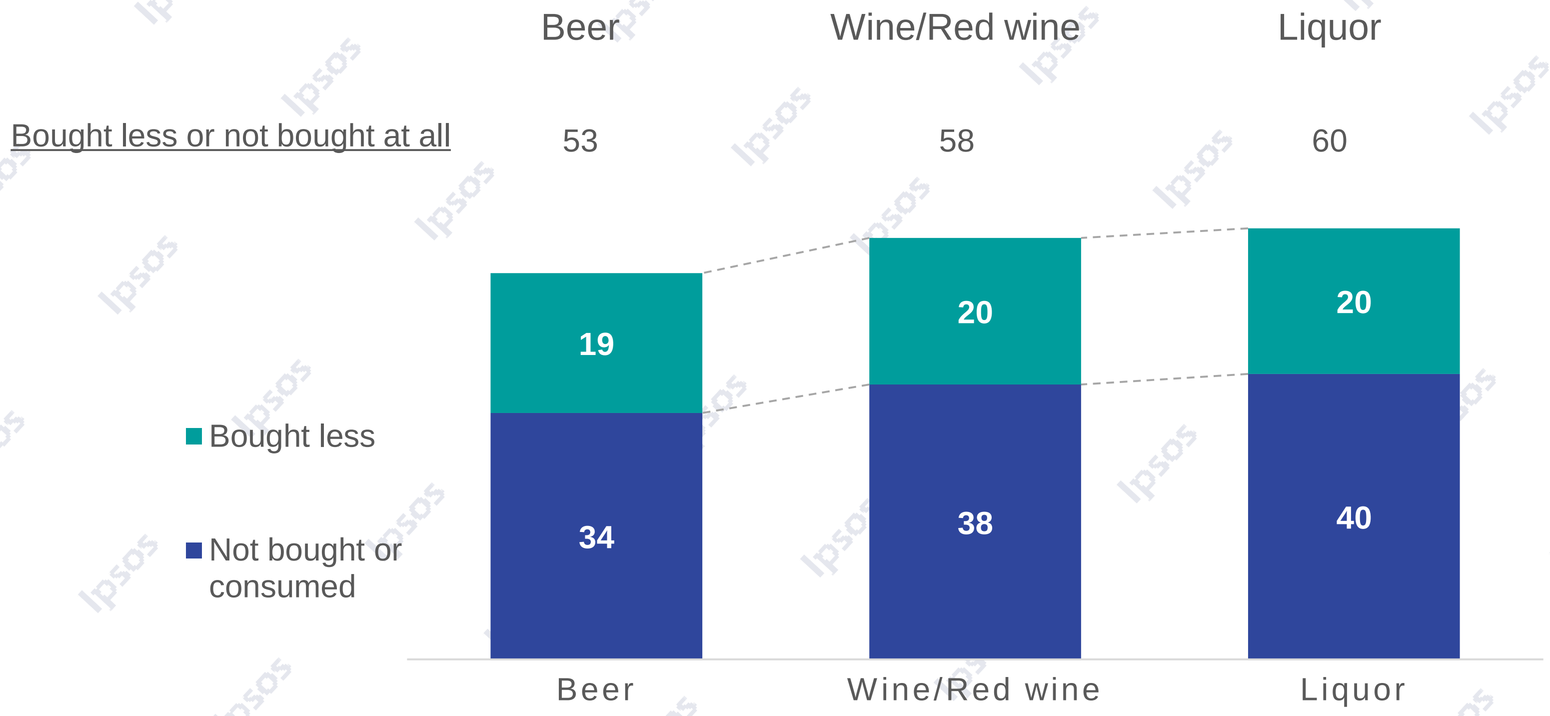
Alcoholic beverages (%)

Drink times



The epidemic has generated a negative impact on the consumption of alcoholic beverages. Due to diverse consumption scenarios, the consumption of beer is slightly higher than red wine and liquor

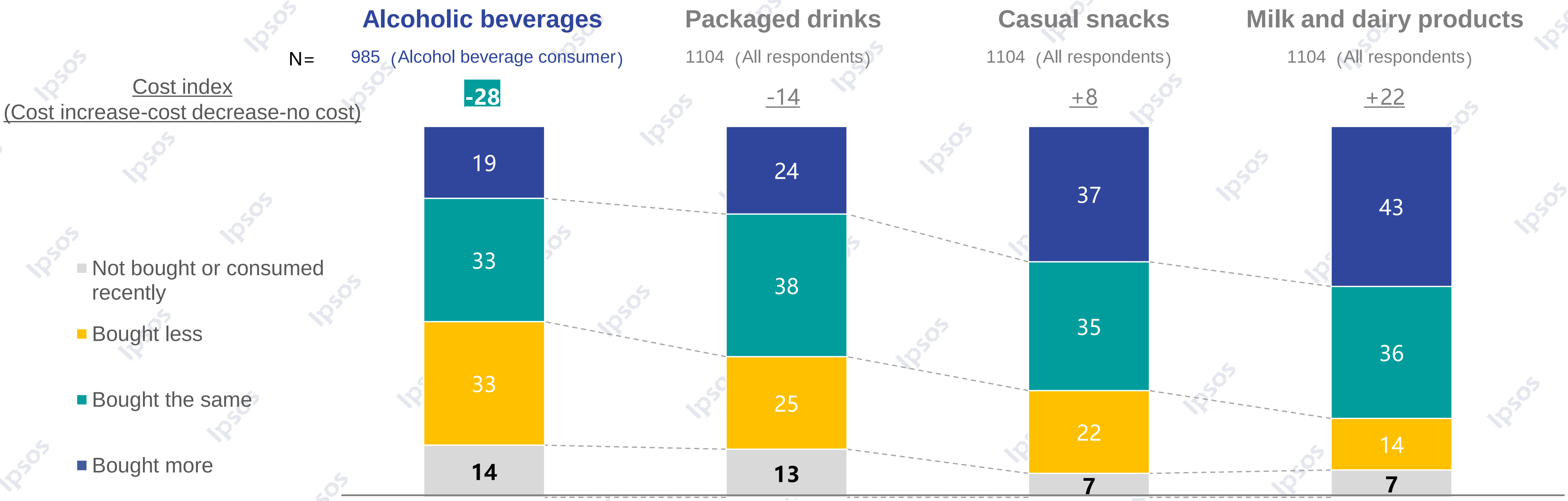
Consumption of alcoholic beverages during Chinese New Year (New Year's eve to Lantern Festival) (%) *N=1104*



Alcoholic beverages may face even more severe sales decline after the epidemic

- While carrying on the "quality", the key also lies in how they are associated with the concept of “health”.

Changes in alcohol consumption in the coming year (%)



A Summary about trends of packaged and alcoholic beverages

- Purchases of **bottled water**, as a necessity for living, fighting the epidemic, and returning to work during the epidemic, have grown against the trend and prove a great **opportunity** for its manufacturer.
- Purchases of **juice and vitamin beverages** remain **high** due to their **health attributes**. Beverage companies should seize the opportunity and adapt to the current trend, that is, gradually concert to online channels to expand the overall share of the category.
- **Carbonated, sports and energy drinks** that focus on catering, sports, and work scenarios are greatly affected by the epidemic. The consumption may **continue to tighten** in the short term.
- **Young people** are still the main consumers of packaged beverages, therefore, beverage companies should still **make them their main target** in future market communication and product design.
- Alcoholic beverages may face even more severe market situation after the epidemic. While carrying on the "quality", the key also lies in how they are associated with the concept of “health”.

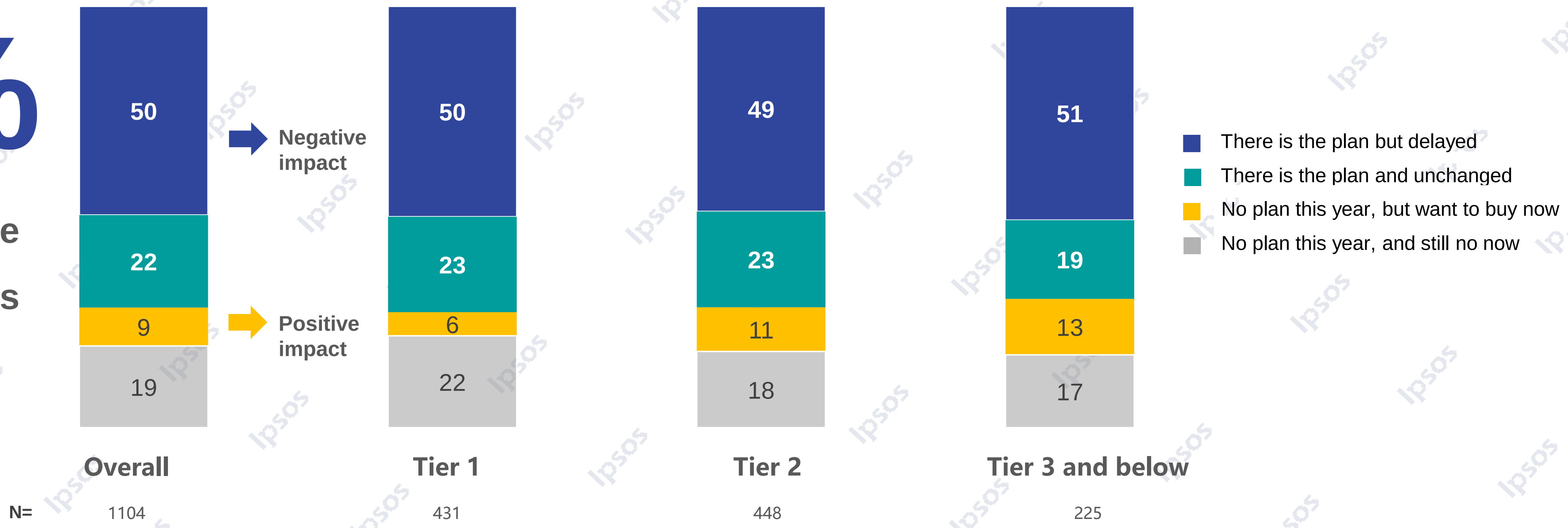
Overall, the epidemic has affected most consumers' mobile phone purchase plans. 50% will delay the purchasing

- It is worth noting that the epidemic has stimulated mobile phone consumption to some extent, making some without purchase plan this year also want one.
- The proportion of mobile phone purchases stimulated by the epidemic (want to buy one though no such plan before) is lower in **tier-3 cities and below** than in cities of other tiers.

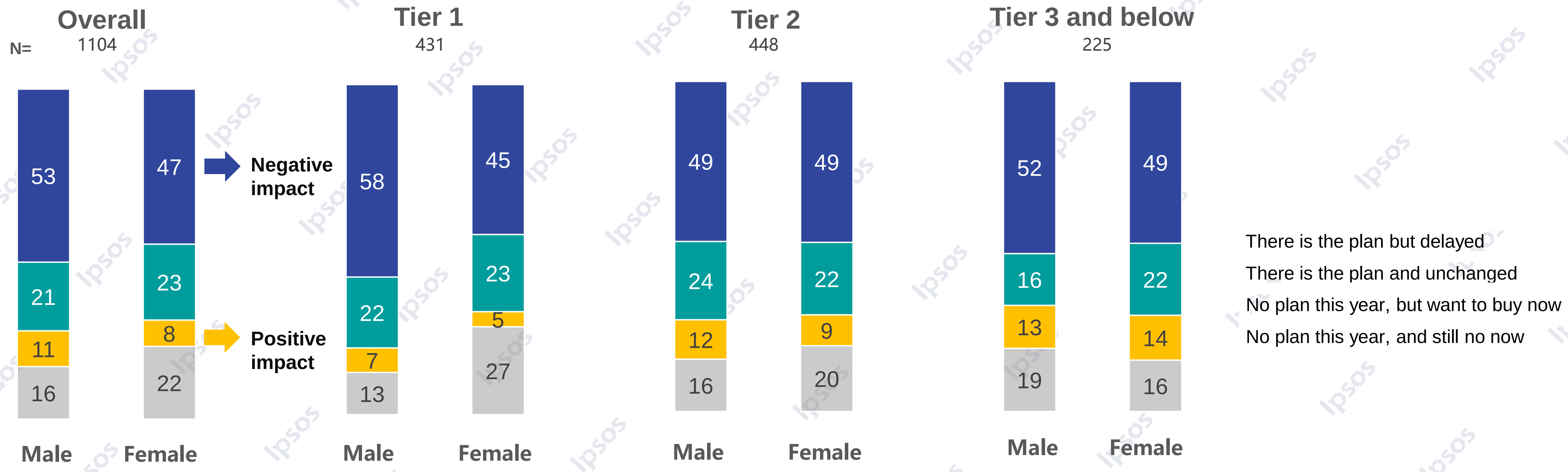
50%

Delay in phone purchase plans

Impact on mobile phone purchase plans – overall and by tier of cities(%)



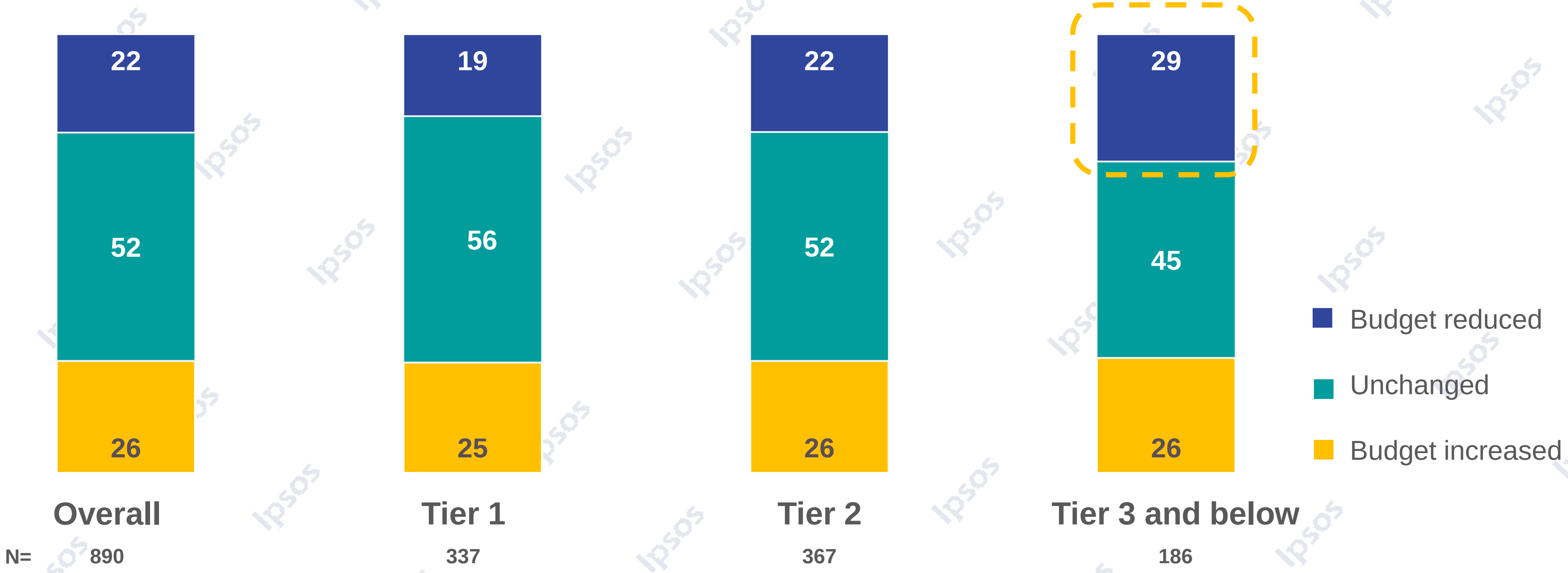
Females are less affected than males by the epidemic in terms of purchase delays. Females in tier-1 cities are less affected than males of the same tier and other females in other tiers



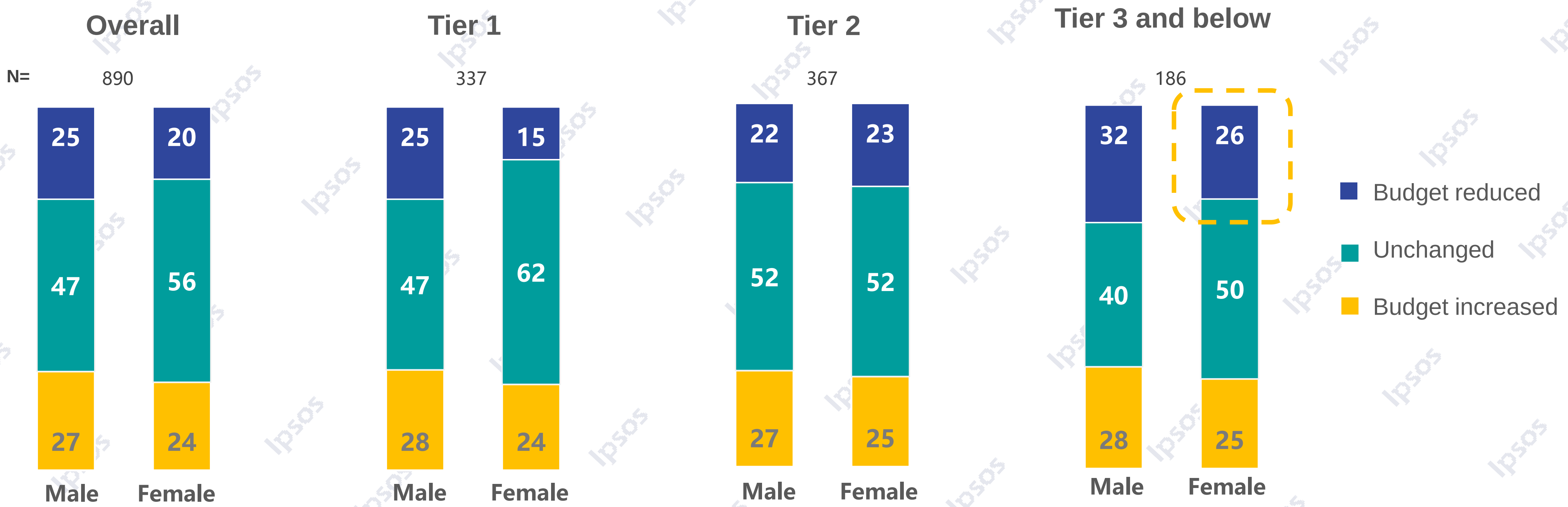
Over half of consumers' budgets for buying mobile phones have not been affected

- Notably, the proportion of consumers' mobile phone budget increase is the same as that of decrease due to the epidemic
- The epidemic has caused a higher proportion of budget reductions in tier-3 cities than cities of other tiers

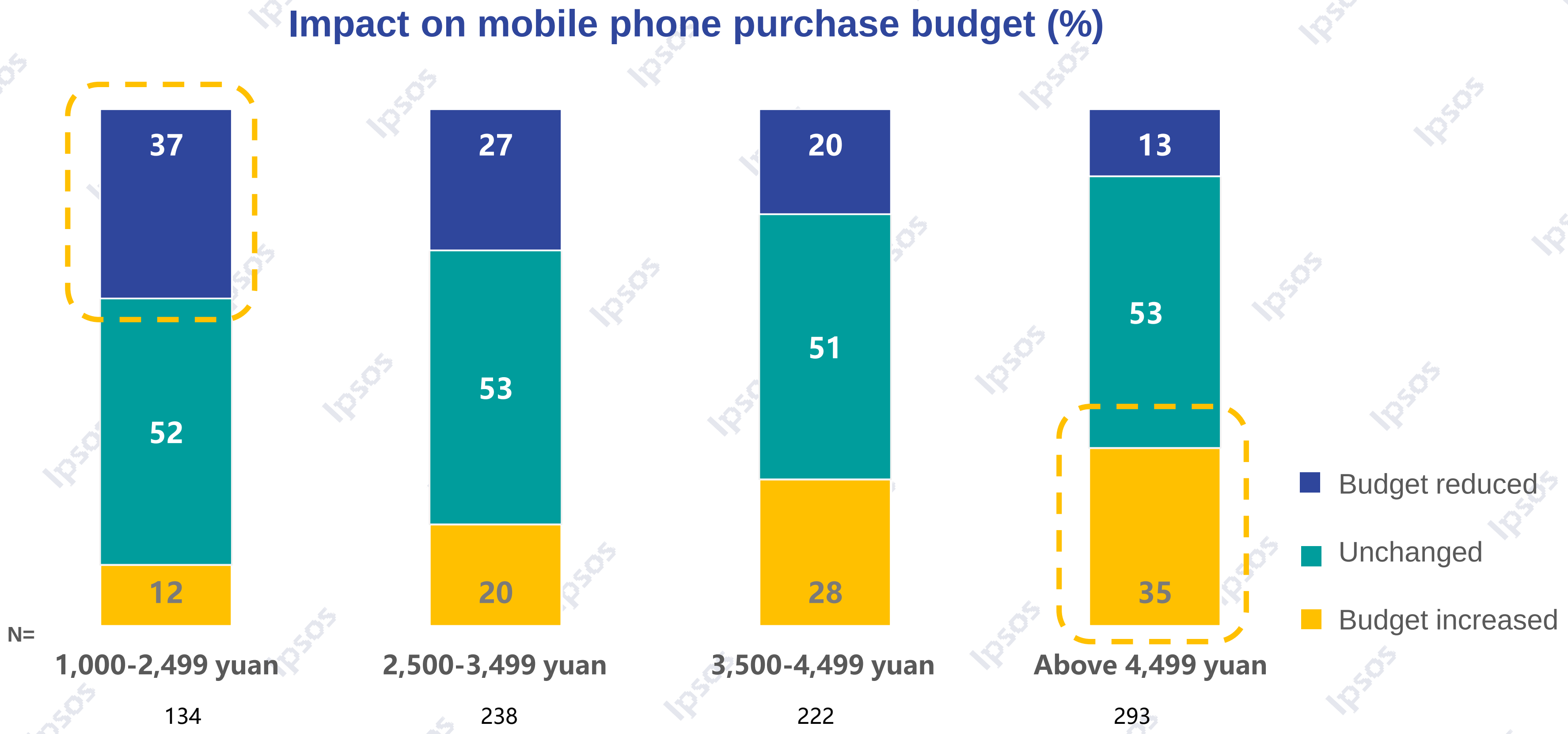
Impact on mobile phone purchase budgets – overall and by tier of cities (%)



Reduced budgets caused by the epidemic are mainly found with male consumers in cities of tier 3 and below. The proportion of women in tier-1 cities whose purchase budgets remain unchanged is higher than males from cities of the same tier and females from cities of other tiers



The epidemic mainly leads to a reduction in the purchase budgets (current budget lower than ¥2,499) of low-end mobile phones. Consumers with high-end mobile phone purchase plans (current budget higher than ¥ 4,500) increase their purchase budgets



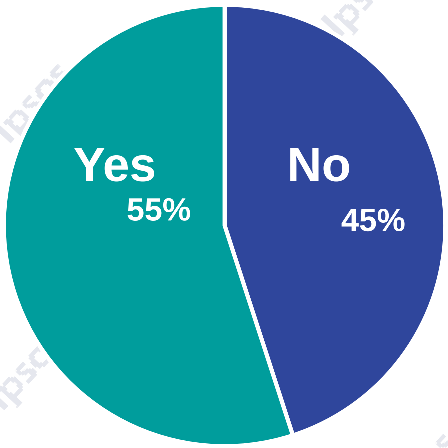
Under the outbreak: Transportation

- Nearly 50% of the respondents stay indoors for half a month during the epidemic. **Shopping** is the main reason for them going out. 22% still work during the epidemic
- During the epidemic, people travel mainly **on foot or by private cars**. Online hailed cars and taxis are greatly impacted, and public transportation is seldom chosen
- In the future, people will still reduce the use of public transportation. Rather, more will use **private cars**, which may bring a stop to the 2-year constant decline of automotive production and sales

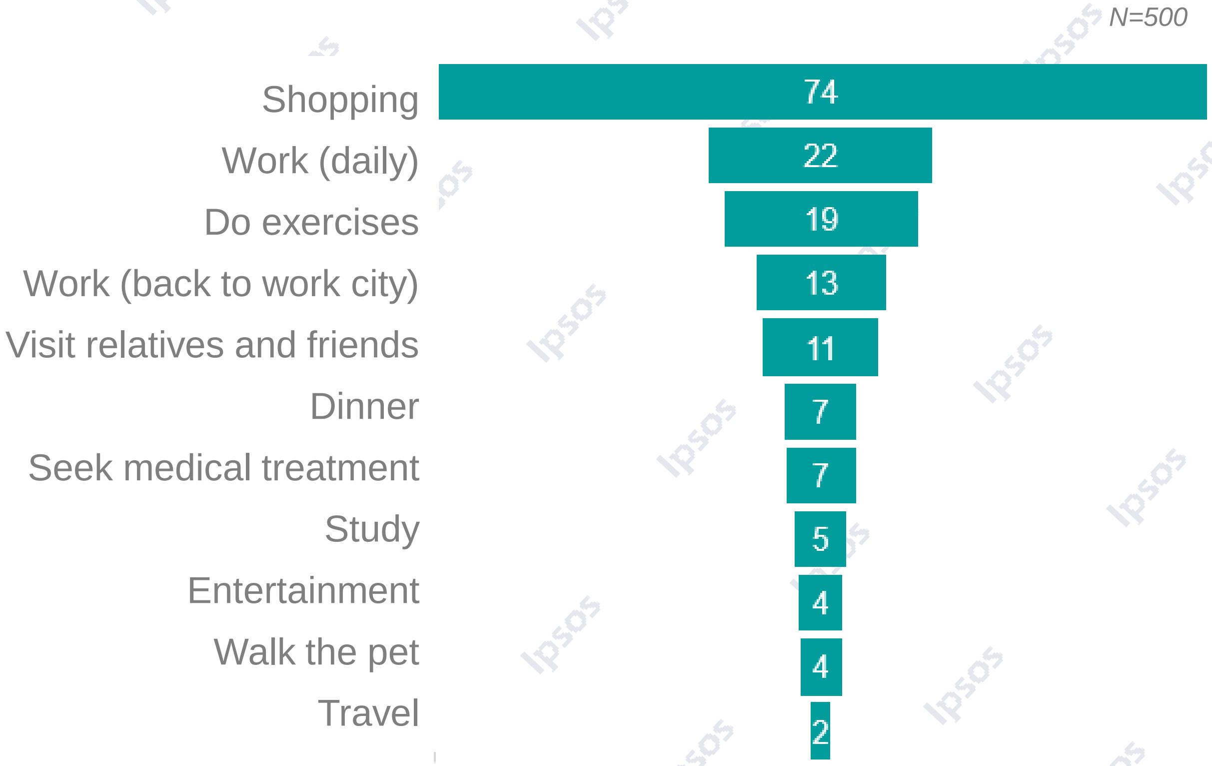
5

Nearly 50% of the respondents stay indoors for half a month during the epidemic. Shopping is the main reason for them going out. 22% still work during the outbreak

Have you ever been out from New Year's Day to the 14th day of lunar January?



Why did you go out? (%)



During the epidemic, people travel mainly by walk or by private cars. Online car-hailing service and taxis are greatly impacted. The proportion of people using public transportation sees dramatic decline, with only 7% choosing subways and 12% choosing buses

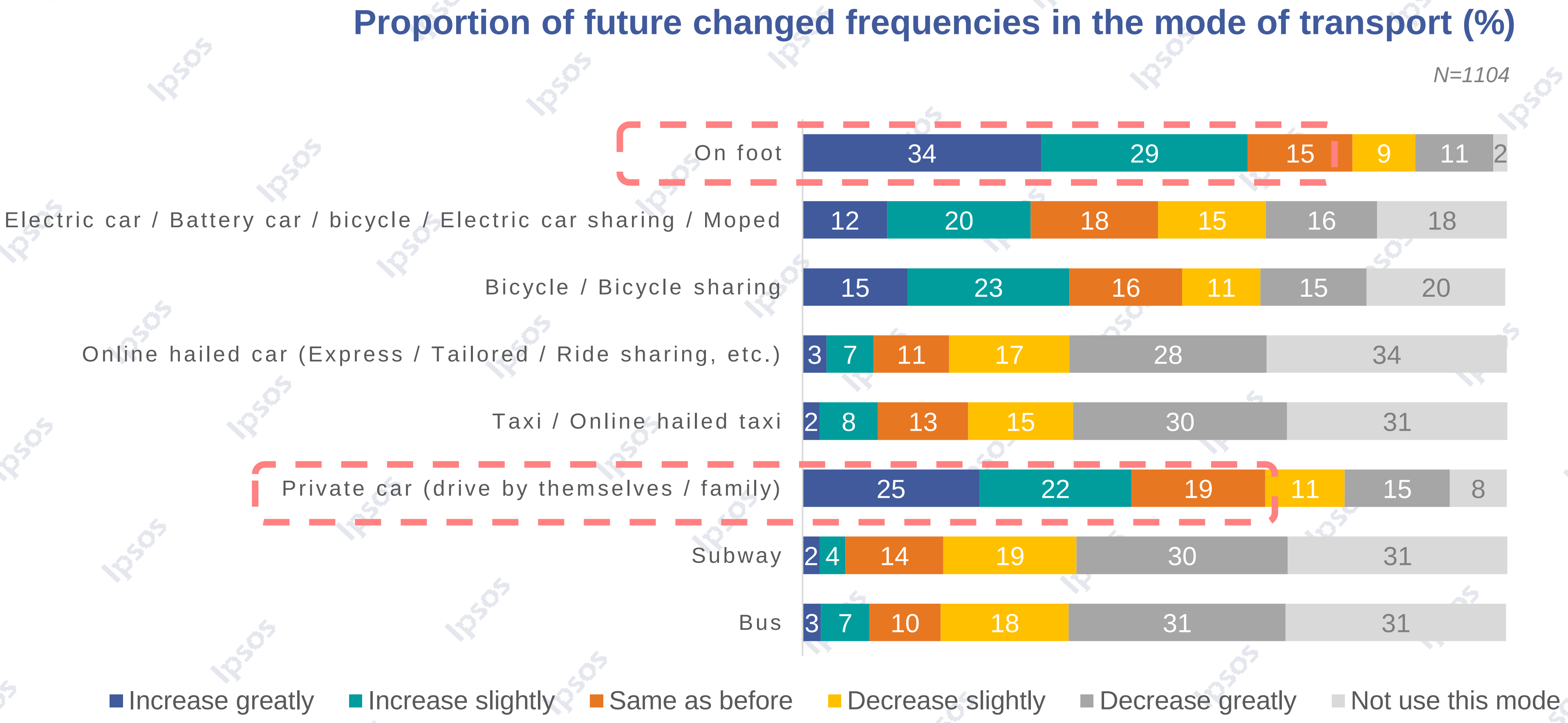
Main travel methods during the epidemic

N=500

60%	**41%**	**12%**
On foot	Private car	Bus
7%	**4%**	**4%**
Subway	Online car-hailing	Taxi

N=1512

In the future, people will still reduce the use of public transportation. More will use private cars, which may bring a stop to the 2-year decline of auto sales



UNDER THE OUTBREAK: HEALTHCARE

6

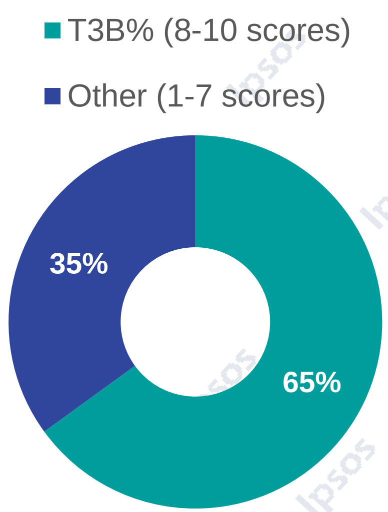
- After the epidemic, people's awareness of protection has increased; 85% will recommend their parents to be vaccinated in hospitals
- Nearly half of the respondents are ready to recommend respiratory syncytial virus vaccination for elderly people above 60, especially in low-tier cities

People are more willing to recommend influenza vaccine to their parents after the epidemic

N=1104

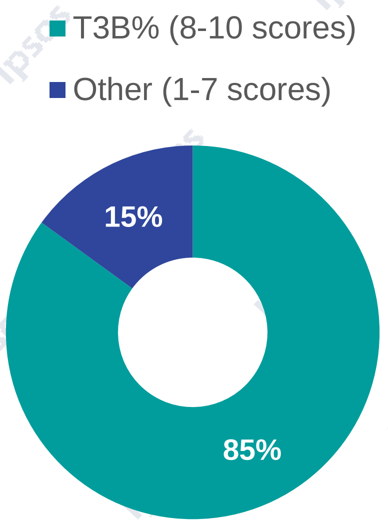
Before the epidemic 65%

Recommendation willingness, 8-10 points



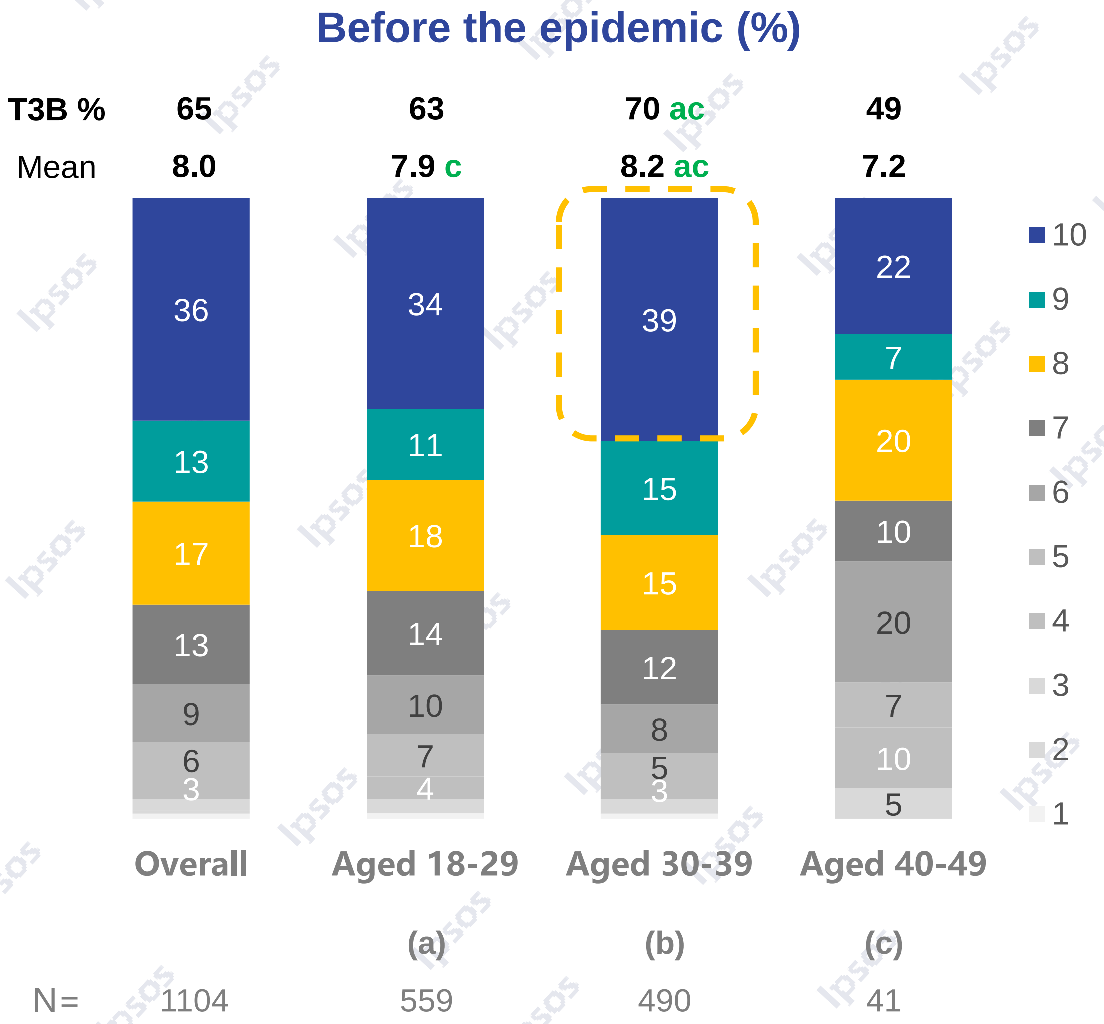
After the epidemic 85%

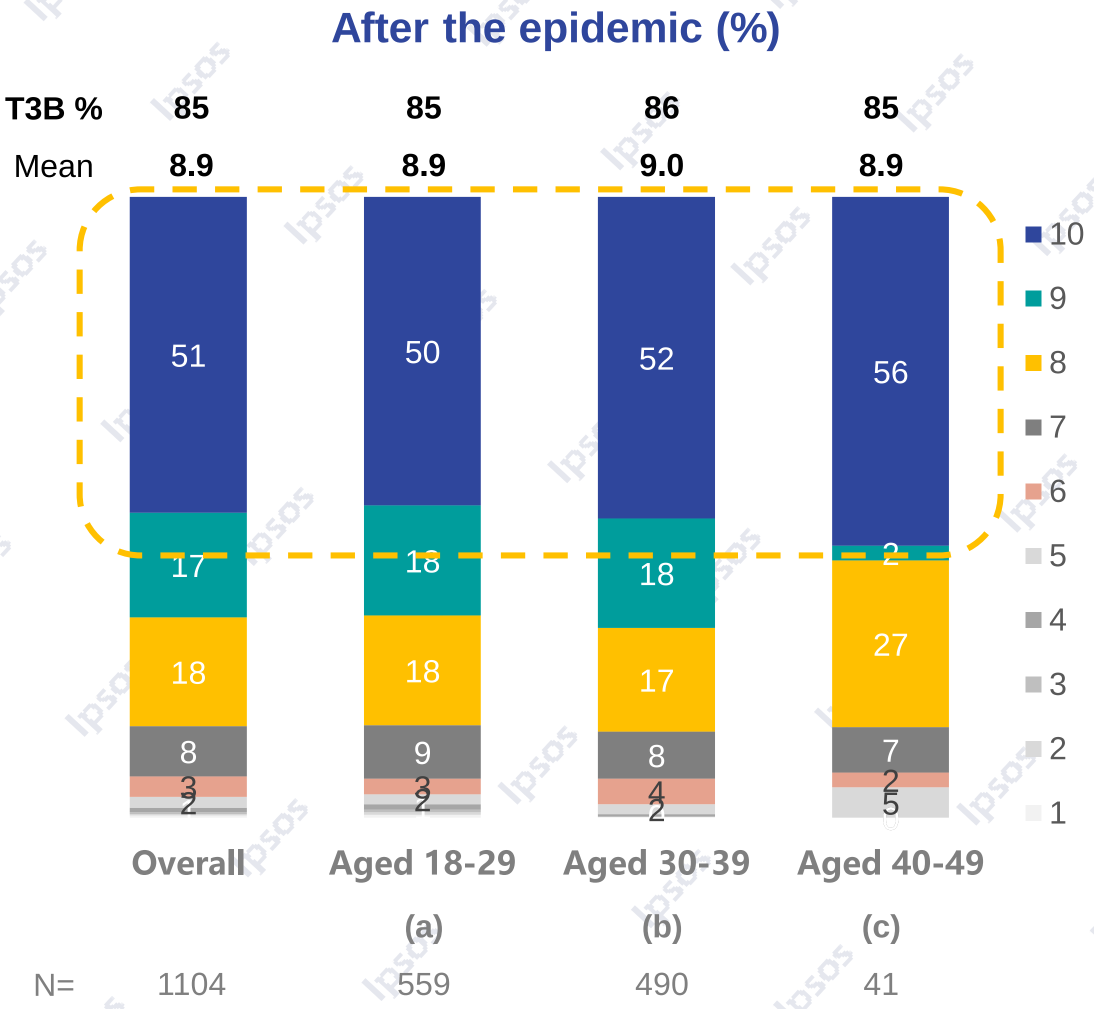
Recommendation willingness, 8-10 points



Willingness to recommend your parents to get flu vaccination -10 points

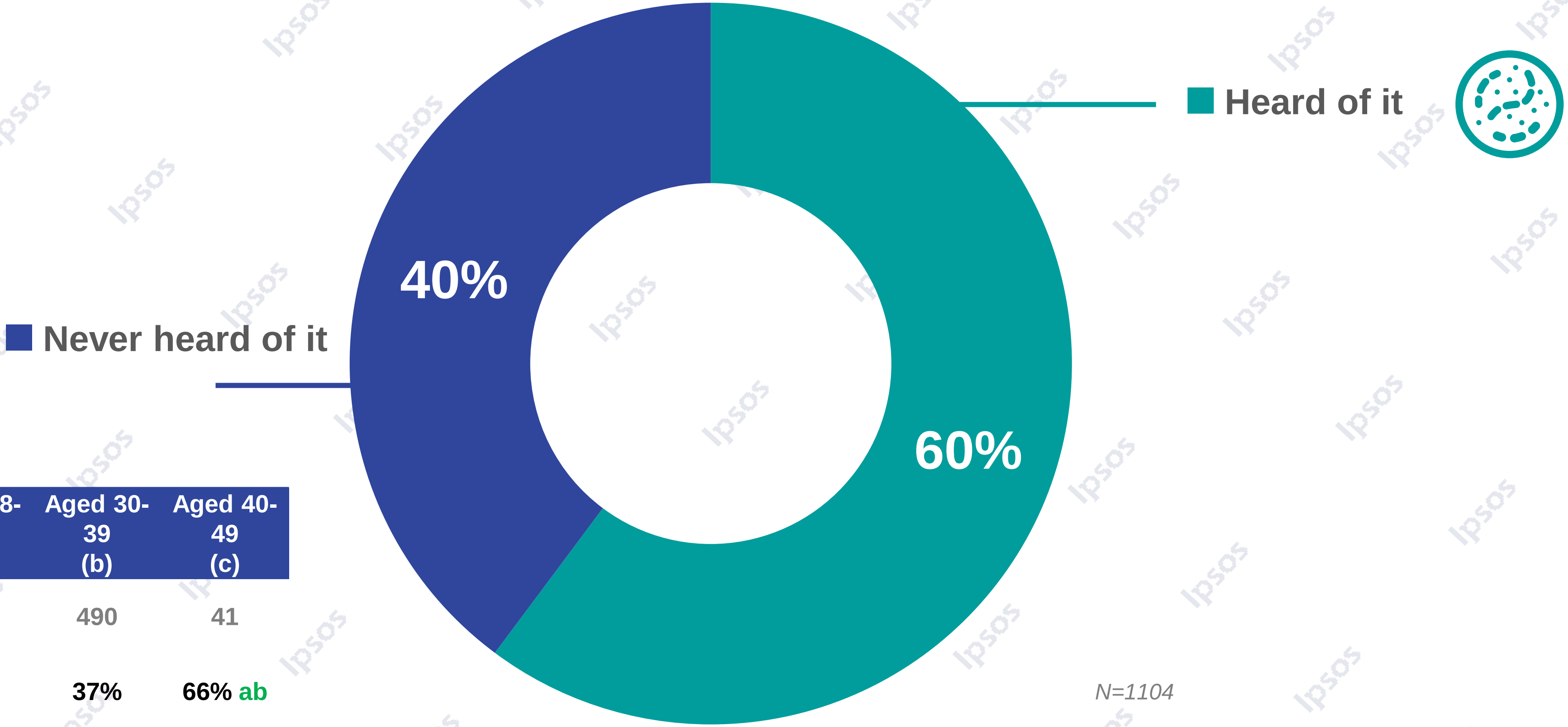
It is especially true with people aged 30-39 before the epidemic
All age groups show high willingness to recommend after the epidemic





Note: The green digits indicate higher than others in the 95% confidence interval

More than half of the respondents say they have heard of respiratory syncytial virus. Of those not heard of it, people above 40 take a larger proportion

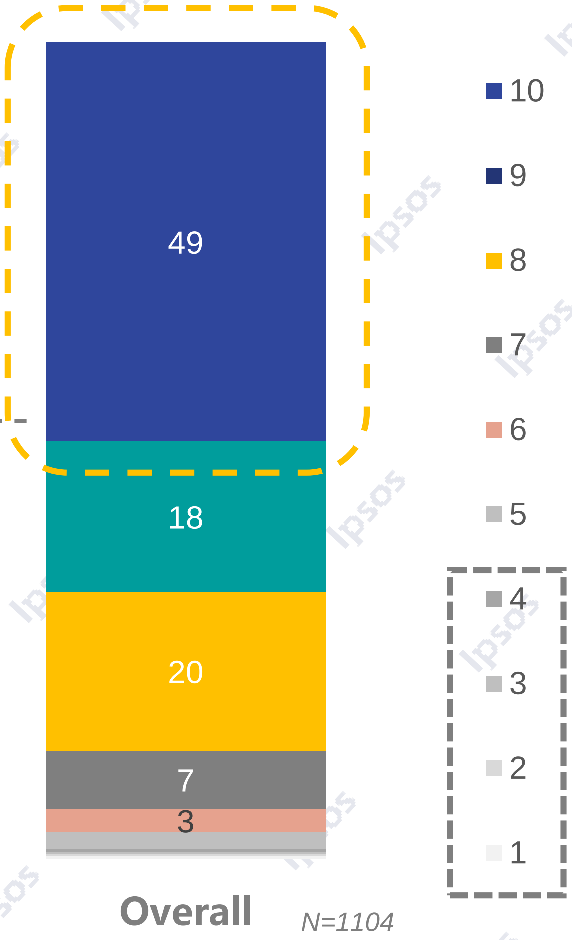


	Aged 18-29 (a)	Aged 30-39 (b)	Aged 40-49 (c)
Base	559	490	41
	40%	37%	66% ab

Note: The green digits indicate higher than others in the 95% confidence interval

Nearly half of the respondents are ready to recommend vaccination for elderly people above 60, especially in low-tier cities

T3B %	**87**
Mean	**8.9**



T1B%	Tier 1-3 (a)	Tier 4-6 (b)
Base	973	113
	48%	**57% b**

Reasons	
Worry about side effects or sequelae	**77%**
Parents may not be suitable for this vaccine	**69%**
High prices	20%

Note: The green digits indicate higher than others in the 95% confidence interval

BE SURE. ACT SMARTER.

More reports will be released in Ipsos' official WeChat account.

Contact address: ipsos_china@ipsos.com

GAME CHANGERS

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