

# THE IMPACT OF COVID-19 ON THE HEALTHCARE CATEGORY IN CHINA

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GAME CHANGERS





When I didn't get the facial mask, I bought some vitamins because I thought my immune system would be strengthened, just like wearing a mask, so it at least gave me some psychological comfort



—— Epidemic 'stay at home' feeling

# RESEARCH METHOD

- **Research period:** Feb-Mar, 2020
- **Research method:**
  - Online text chat interview: samples from Ipsos consumer panel, about 240 people attended
  - Random questionnaire survey, 276 received
  - Desk research: from social platforms and e-coms
- **Research coverage:** First and second tier cities in China, consumers aged between 18-45

# CONTENTS

1. **Cherish life:** A key phrase for during the epidemic
2. Healthcare product purchases during COVID-19: **Four findings**
3. **Consumer choices** in the healthcare category
4. Post-epidemic: **Where to next for the healthcare industry?**



# A KEY PHRASE OF THE EPIDEMIC: **CHERISH LIFE**

# 1

# DURING THE EPIDEMIC, 'CHERISH LIFE' IS A KEY SENTIMENT

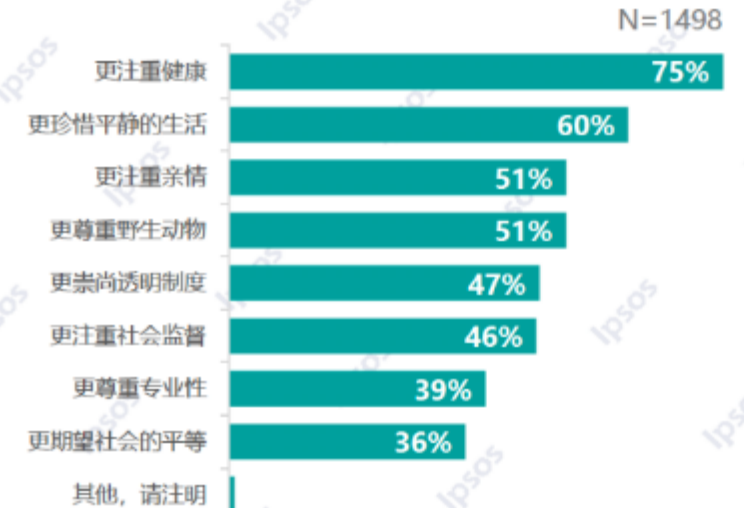
## Healthcare products are turned to as consumers look to strengthen their body

- Since the epidemic, **75%** of consumers are giving greater importance to their wellbeing
- 'enhance immunity' and 'cherish life' are two key phrases among the public
- The public is taking different measures to protect themselves. Buying healthcare products is one of them

## Healthcare products are one of the top Valentine's Day gifts in 2020

- According to Suning sales data, the sales of health care products has increased **1584%** on last year

疫情对中国社会价值观的影响评估



\*Sources: Ipsos Research: Love and worry during the epidemic -- Chinese consumers overcoming the difficulties; Insight of daily necessities consuming behaviors during epidemic; Valentine's day sale data in Suning

# HEALTHCARE PRODUCT PURCHASES DURING COVID-19: FOUR FINDINGS

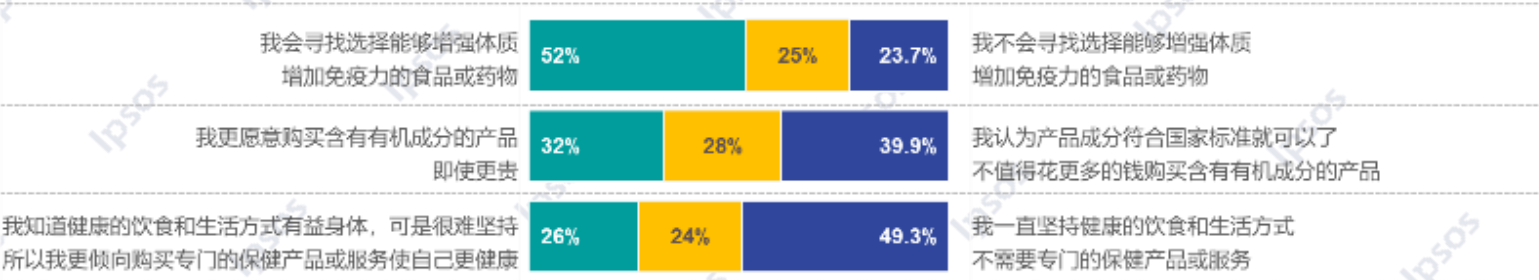
# 2

# CATEGORY PURCHASES ARE GENERALLY RATIONAL, BUT THE EPIDEMIC GENERATES A POSITIVE EFFECT

- ◆ Enhancing physique and immunity relies more on food or medicine
- ◆ Reliance on healthcare products or services tend to be rational in purchase

人们的生活态度 N=1512

■ 认同左侧陈述 ■ 中立 ■ 认同右侧陈述



## Actively catalyze

1. Original category users: carry on
2. Non category user: supply

\*Sources: Ipsos research : 新冠疫情中的爱与愁——共克时艰的中国消费者们

© Ipsos | Covid-19 epidemic's impact on consumer Insights-healthcare category





# FINDING 1: From left unused to newly opened CATEGORY USERS CARRY ON

BEFORE  
EPIDEMIC

## Products are left unused

- ◆ Health information from the market means that consumers have an understanding and awareness of healthcare products, and often seek to purchase them
- ◆ There is a separation of action and knowledge: it is normal to purchase but not use

## Products kept in the bathroom cabinet are newly opened

- ◆ The healthcare products that were put aside have now become new consumer favourites

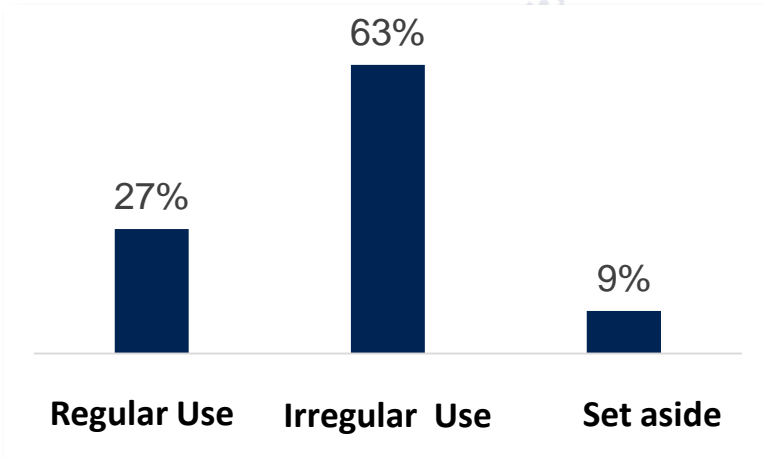
*“This epidemic has made me take calcium tablets again, which I used to take but forgot about for a long time”*

AFTER  
EPIDEMIC



# FINDING 2: From 'take when I remember' to regularly taking CATEGORY USERS CARRY ON

Healthcare product use before the epidemic N=276



**BEFORE  
EPIDEMIC**

## Take when I remember

- ◆ Lack of **motivation** and **will** to take healthcare products

## Regularly keep taking

- ◆ The importance of enhancing immunity is amplified
- ◆ Motivation to build defence, even if people do not like to swallow medical pills, they take them more frequently

**AFTER  
EPIDEMIC**

*The VB, grapeseed, liver protection pill, fish oil, and other forgotten storage products – I am now taking them every night*

# FINDING 3: From individual use to whole family

## CATEGORY USERS CARRY ON

I used to take different healthcare products depending on **personal health** before the epidemic

**BEFORE  
EPIDEMIC**

### Individual or children's health

- ◆ More **focus on personal health**, where people would mainly take healthcare products by oneself

### The whole family take them

- ◆ Products are taken on a **family** basis
  - ✓ During the epidemic, parents worry more as they carry responsibility for the children in the family
  - ✓ Healthcare products can give a certain degree of protection to their family

**AFTER  
EPIDEMIC**

*Since the epidemic, I have purchased a lot of healthcare products for my whole family. As we do not have a housekeeper due to the epidemic, I have to take care of elders as well as myself, so after dinner everyday, I sort out the products and the whole family takes medicine.*

# FINDING 4: From doubt to giving it a go (younger people)

## NON CATEGORY USER: SUPPLY

### Doubt and cynicism

- ◆ Mainly maintain **doubtful attitudes** towards health care products, e.g.:

- No obvious effects
- Worry about side effects
- Not as natural and safe as traditional food
- Just tricks for taking older people's money

BEFORE  
EPIDEMIC

AFTER  
EPIDEMIC



*"Apart from having healthy tea made by my mom, I also bought some VC dissolving pill, which I think will help to enhance my immunity" - Mr. Lu*

### Trying it out

- ◆ Taking healthcare products as **psychological comfort**
  - ✓ When protective products like masks, disinfectant fluid and alcohol are sold out, consumers usually get nervous, anxious and even panic
  - ✓ Healthcare products become an alternative to enhance immunity, aside from food



*"I strongly feel that I would be one of the older people who are tricked into buy healthcare products and want to stay young forever by taking them"- internet user Liu Renhei*

# FINDING 5: From refusal to requirement (older people)

## NON CATEGORY USER: SUPPLY

'Conservative people' believe more in food to treat health

- ◆ Although older people are the major consumers of healthcare products, there are some conservative people who believe more in food treatment

BEFORE  
EPIDEMIC

AFTER  
EPIDEMIC



*Older people in my family used to refuse healthcare products, but after this epidemic, they ask me to buy some for them, from a good brand" - Mrs Ding*



### Actively ask to buy

- ◆ **Actively ask** to buy health care products from brands with a **good reputation**
  - ✓ Staying at home narrows the generation gap and enhances communication
  - ✓ Younger generations keep educating and introducing new things to the older generations, giving them new understandings

# CONSUMER CHOICES IN THE HEALTHCARE CATEGORY

# 3

# FUNDAMENTAL NUTRITION SUPPLEMENTS ARE WELCOME

## Champion

### Vitamin C/Vitamin complex

- ◆ **Vitamin supplements enhance immunity** - this thought has rooted in consumers' minds
- ◆ **Effervescent tablets of Vitamin C are the hero product:** Putting it into water satisfies both function and enjoyment



*"Seeing the bubble explode and the sound, I feel it is very powerful" -Mr. Huang*

## Mother's choice

### Probiotics

- ◆ One of the symptoms of Covid-19 is diarrhea, so mothers generally think children have more vulnerable stomach and intestines
- ◆ In recent years, the market education of probiotics shows a great success. Probiotics have been used in various foods with consumers highly accepting.



*"I bought many probiotics for my children during the epidemic, hoping to enhance immunity"*

# INCREASED DEMAND FOR SLEEP AID AND EMOTION COMFORT SUB-CATEGORY



*"Due to the epidemic, I suffer from bad sleep and always wake up at 2 or 3 in the morning, so I bought melatonin to help adjust and maintain my biological clock"*



*"During this special period I have no regular routine, so I bought melatonin to help sleep and get back to regular schedule as soon as possible"*

## New market favourites

### Melatonin, sleeping pills

- ◆ During the epidemic, many consumers have reported that themselves and their families have suffered from insomnia because of the continuous and updating epidemic situation
- ◆ Because of staying at home, young consumers often stay up late watching series and playing games, damaging regular sleeping patterns, so they need help from melatonin and sleeping pills



# DEMAND FOR EYE PROTECTION ROCKETS, BUT HEALTHCARE PRODUCTS ARE NOT SOUGHT AS A SOLUTION



*“Every day I stay at home following epidemic updates, watching TV, watching Tiktok, playing games, or reading novels online”*



*“My child has online courses all day and watches TV and iPad to relax. I really worry that his eyes are getting tired during the epidemic, but there’s no way around it apart from buying him blueberries”*

## Potential need

- ◆ Staying at home means a lot of screen time: more than 60% people spend most of their time watching TV, as well as online activities such as watching movies, chatting, watching short videos and shopping
- ◆ Students’ courses cease, but they continue to study. Online education becomes normal and parents begin to worry a lot about their children’s eye health

## Existing solution

- ◆ Mainly solved physically (e.g. wearing computer goggles) or through food supplements (e.g. blueberry)

*\*Sources: Ipsos Research: Love and worry during the epidemic -- Chinese consumers overcoming the difficulties*

# POST-EPIDEMIC: WHERE TO NEXT FOR THE HEALTHCARE INDUSTRY?

# 4

# INTEREST AND CONSUMPTION WILL RESTORE TO PRE-EPIDEMIC LEVELS. CATEGORY BARRIERS STILL EXIST

## 1. Not necessary, lack of urgency

- No difference between regular use and not, no obvious effect

*"Can't see the effect – it's only for psychological comfort"  
"No special feeling when I took them before, hope to see the effect"*

— e-commerce healthcare product comment

## 3. Dislike

- Feel like I was 'taking drugs', no good taste, cannot become an enjoyable thing to do

*"(Vitamin C) is pretty good but does not taste good, it feels like taking pills, I hope I can make myself take them!"*

-- e-commerce Vitamin C comment

## 2. Not natural, worry about side effects

- Compared to traditional food treatment, ingredients are not natural

*"Taking too many healthcare products seems to hurt the liver, I watched a program and my doctor advised against taking too much"*

## 4. Inconvenient

- Most of products need water to take along so cannot be taken anywhere anyhow.
- There are various types, thus you need to take a lot if seek for different benefits



# INNOVATION IS EXTREMELY IMPORTANT TO THE HEALTHCARE PRODUCT CATEGORY

## 1. Product form innovation

- Become **snack-like**, move into **interesting, enjoyable and pleasant** direction, such as combined sensory experience including vision, hearing, taste...

## 2. Product taste innovation

- The majority of healthcare products on the market are tasteless or not tasty. Need to improve the variety and enjoyment of the taste

## 3. Product package innovation

- Consider options more suitable for use, enhance convenience

## 4. Product effect innovation

- Relying on technology innovation and support

## 5. Product ingredients innovation

- Natural and traditional food supplement combinations would suit Chinese consumers

## 6. Product category innovation

- Probiotics, stress comfort/adjustment – these kind of healthcare products are worth focusing on
- **Eye protection** needs see **explosive growth** during the epidemic, especially for students



# PRODUCT INNOVATION: NEW PRODUCT PACKAGING



## Heywell, functional sparkling water

**Price:** 24.99 USD/6-pack

### Specific product and function:

- **helps calm and recover**---blackberry and ginger sparkling water
- **provides energy and concentration**---strawberry and lemon sparkling water
- **enhances immunity and energy**---grapefruit sparkling water

### Online comments :

*"Beautiful look, appears to taste good"*

*"Sparkling water can taste good without gaining weight, it is perfect!"*

*"Now the functional beverage have health functions, so I drink without guilt, it is better than milktea"*



## Liugehetao-Kamuning, anxiety-relief beverage

**Price:** 120 RMB/12 tank

**Specific product and function:** Kamuning walnut flavour function beverage, adding GABA, L-Theanine, etc. ingredients to **relieve stress and calm down**

### Online comments:

*"Obvious effect is that I sleep deeply after drinking, it relaxes my nerves and more importantly, tastes really nice"*

*"No fans no haters, the taste is really good with strong walnut flavor"*

*"Tastes good, but the price is a bit high, but since it is high-end product, I guess everyone can accept that"*

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