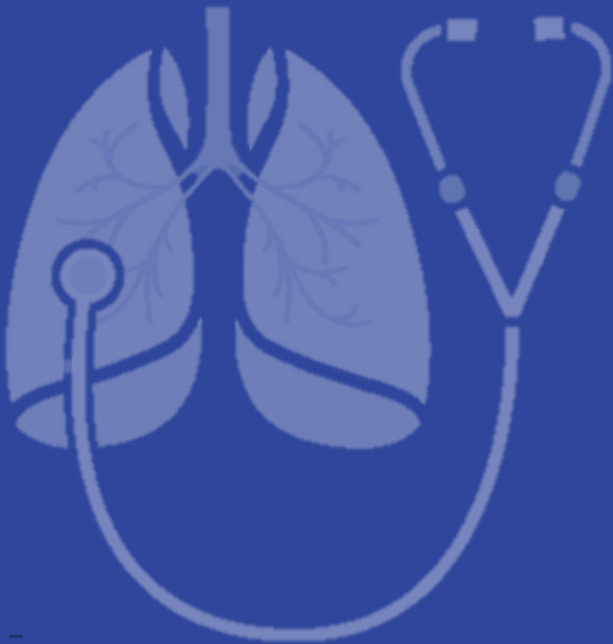


Optimism and Anxieties during the COVID-19 Outbreak

**— CHINESE CONSUMERS IN DIFFICULT TIMES
WAVE2 (PART ONE)**



GAME CHANGERS



FOREWORD

During the Spring Festival in 2020, COVID-19 broke out and quickly spread throughout China. Affected by the epidemic, industries such as retail, food and beverage, tourism, hotels, and catering have been greatly suffering a downturn. Compared with SARS in 2003, the COVID-19 epidemic influenced wider regions and more industries. Consumer behaviour and perceptions have also changed. How will it affect the future market? How should brands respond to the changes in the future?

In February, Ipsos launched the first wave study of "Research on Consumers in the Outbreak", which analysed changes in public perceptions from a macro level, and specifically analysed the impact of the epidemic on various industries. As the domestic epidemic is gradually coming under control, Ipsos launched the second wave of the survey to share the latest trends of consumers.

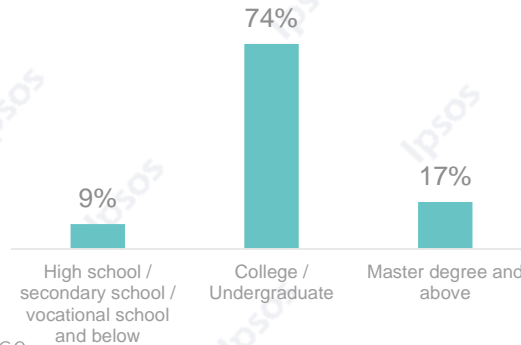
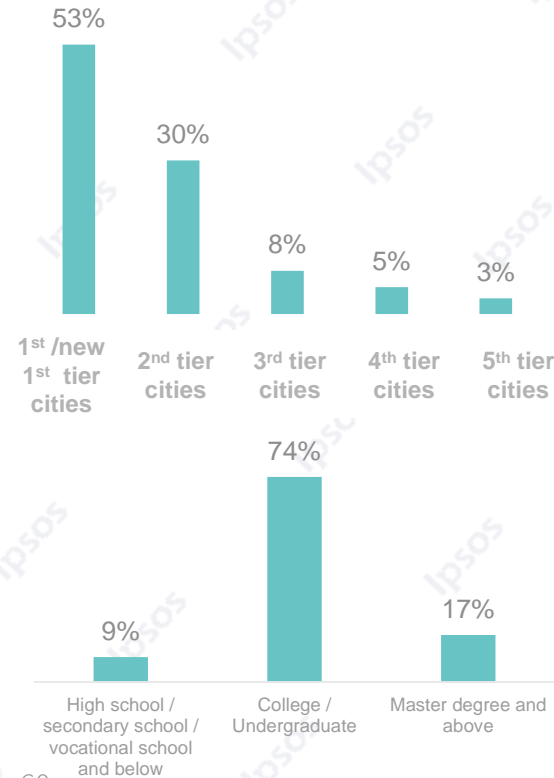
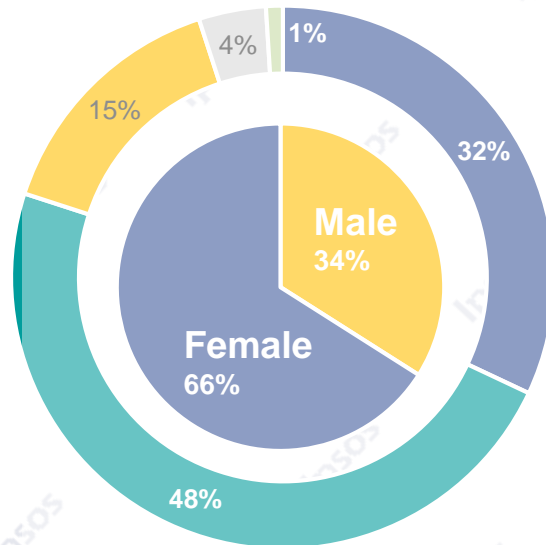
RESEARCH METHODOLOGY

Wave1

■ **Research period** 2020.2.14~2020.2.16

■ **Methodology** Online research

■ **N** 1512



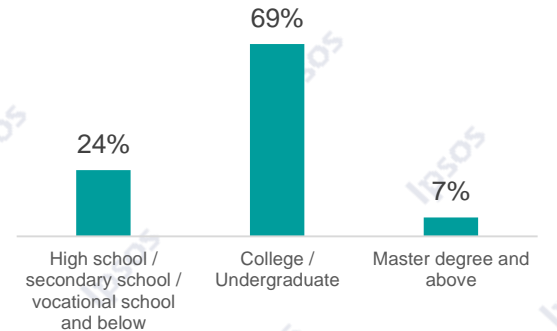
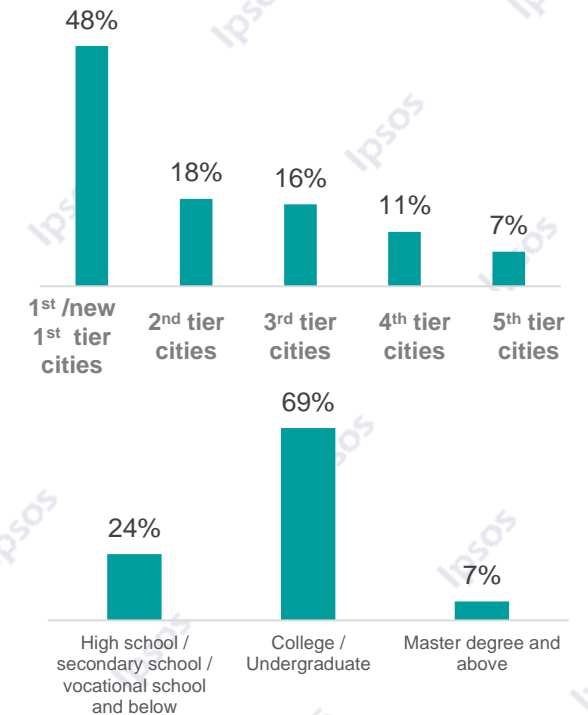
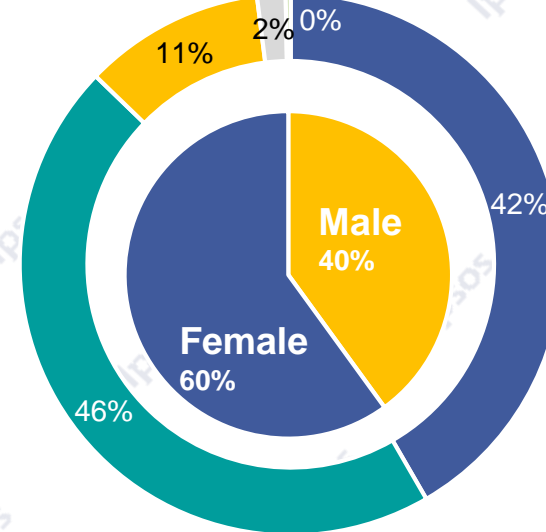
■ 18-29 ■ 30-39 ■ 40-49 ■ 50-59 ■ >60

Wave2

■ **Research period** 2020.4.21~2020.4.24

■ **Methodology** Online research

■ **N** 3014



■ 18-29 ■ 30-39 ■ 40-49 ■ 50-59 ■ >60

CONTENT

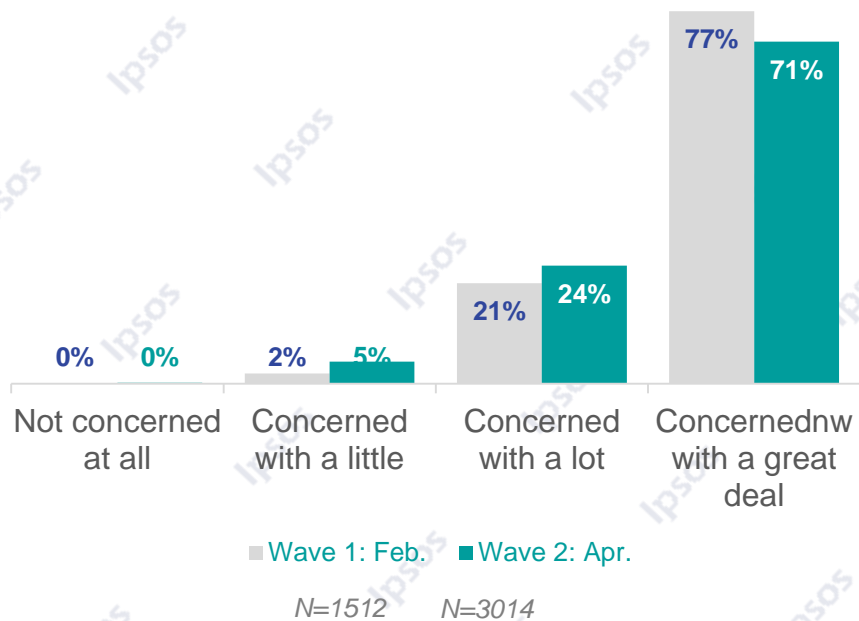
- Compared with February, public attention in China to the epidemic has declined, and living needs have been better satisfied. People in China have mixed feelings about unlocking Hubei from quarantine, and they also are concerned about the imported cases. Over 70% of people think that the domestic epidemic will end by June. People are impressed by companies donating medical supplies during the epidemic, as well as those who are taking good care of employees and doing a good job in resuming production.
- At the moment, people in China are most worried about the economy. Public attitudes towards the impact of the epidemic are more polarized, seeing an increase in both optimism and pessimism; 80% of the public say their income has been affected in some way, further raising concerns about personal career development, and also changing the share of wallets. People say they will increase consumption related to health, diet, education but the consumption of non-essential necessities such as travel, luxury goods, entertainment and consumer electronics will decrease.
- 60% of the public believe epidemic prevention and work resumption are equally important. Over 60% say they have completely resumed on-site work, and nearly 90% are confident about resuming work. After experiencing the epidemic together with the company, 80% of the public think their recognition about the companies they are working for has increased significantly. Telecommunication tools have taken an indispensable role in people's work. Enterprise WeChat and Ding Talk are the most popular, while Huawei Cloud WeLink received the highest satisfaction rating.
- In addition to the epidemic domestically, people in China also pay great attention to the international situation; US, Italy, and Japan attract the most attention, while the public endorse Chinese companies to provide assistance to other countries, especially for African regions, in which advanced medical and health offerings are in shortage.

DOMESTIC EPIDEMIC

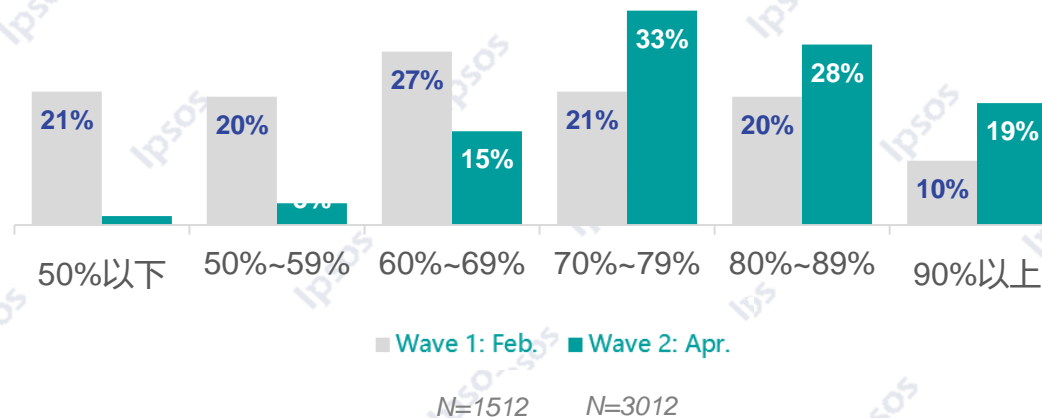


Compared with February, public attention to the epidemic has declined a little, and people's living needs have been better satisfied, due to the situation gradually coming under control and people's adaption to the new norm.

Attention to the epidemic



The extent to which life needs are met during the epidemic



The public have mixed feelings towards the unlock of Wuhan from quarantine, worrying that the flow of asymptomatic carriers may bring potential risks to other regions.



Attitudes towards the unlock of Hubei



There is delighted: Wuhan finally open up and back

"Let's see, there is a traffic jam, every traffic jam will live up to expectations, so excited, Wuhan is back!"

"After unblocking Wuhan, even the air is sweet ."

"Today is really the holiday, all the hot noodles with sesame paste restaurants are lined up, tens of meters."

"The first bowl of hot noodles with sesame paste and tofu skin, I want to cry when I smell this scent."

There are concerns: whether the flow of asymptomatic infections will affect other regions

"Guangzhou is in danger" 🥲

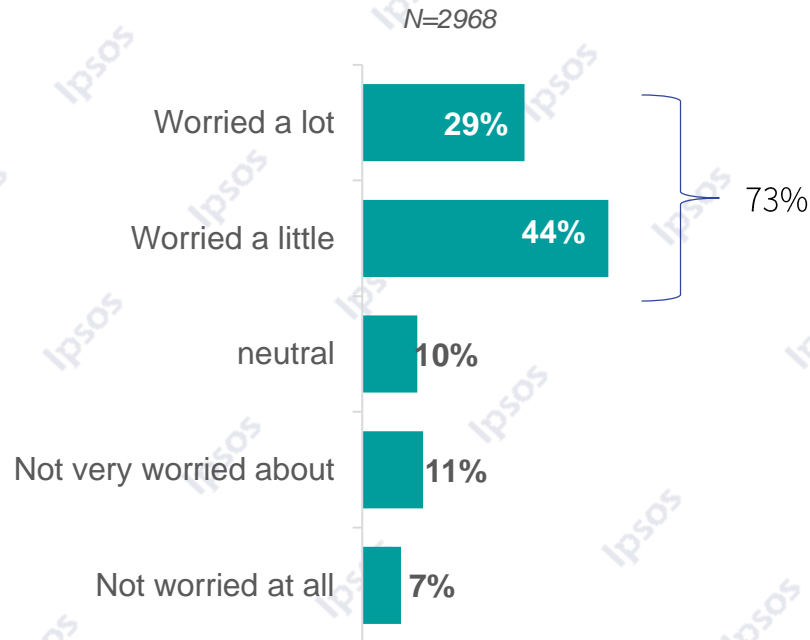
"Other region is trembling."

"No, they still have to stay at home to be safe, otherwise other people is in danger."

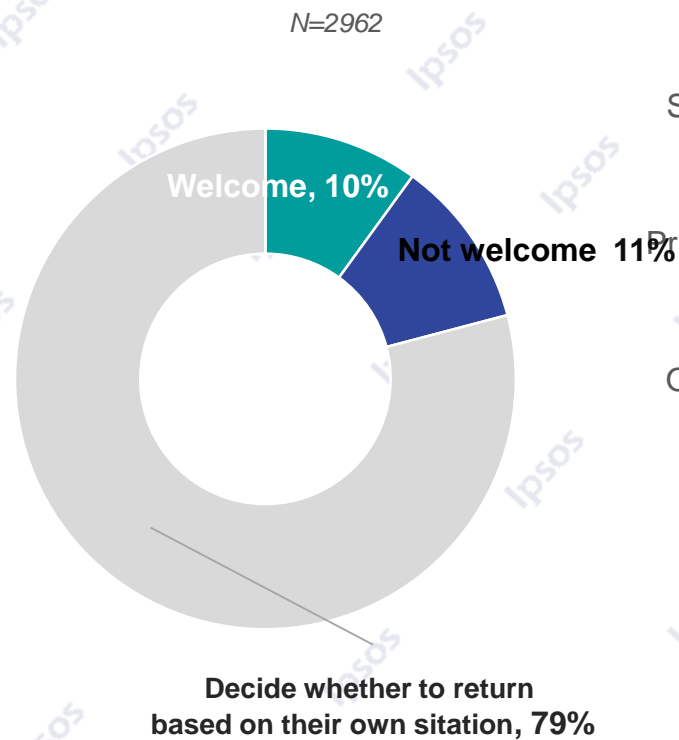
"Now Wuhan is also reporting the asymptomatic infections, the risk of these tens of thousands of people, who will be responsible for the consequences ?"

Nearly **three-quarters** of people are concerned about the spread of imported cases. Nearly **half** believe the Chinese government should encourage overseas citizens to stay abroad for safety reasons.

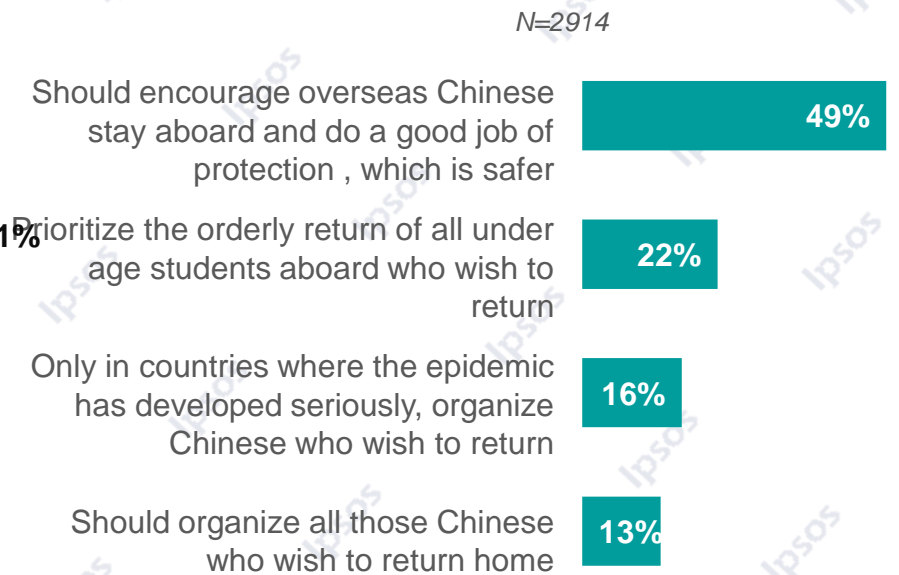
Attitude towards imported epidemic cases



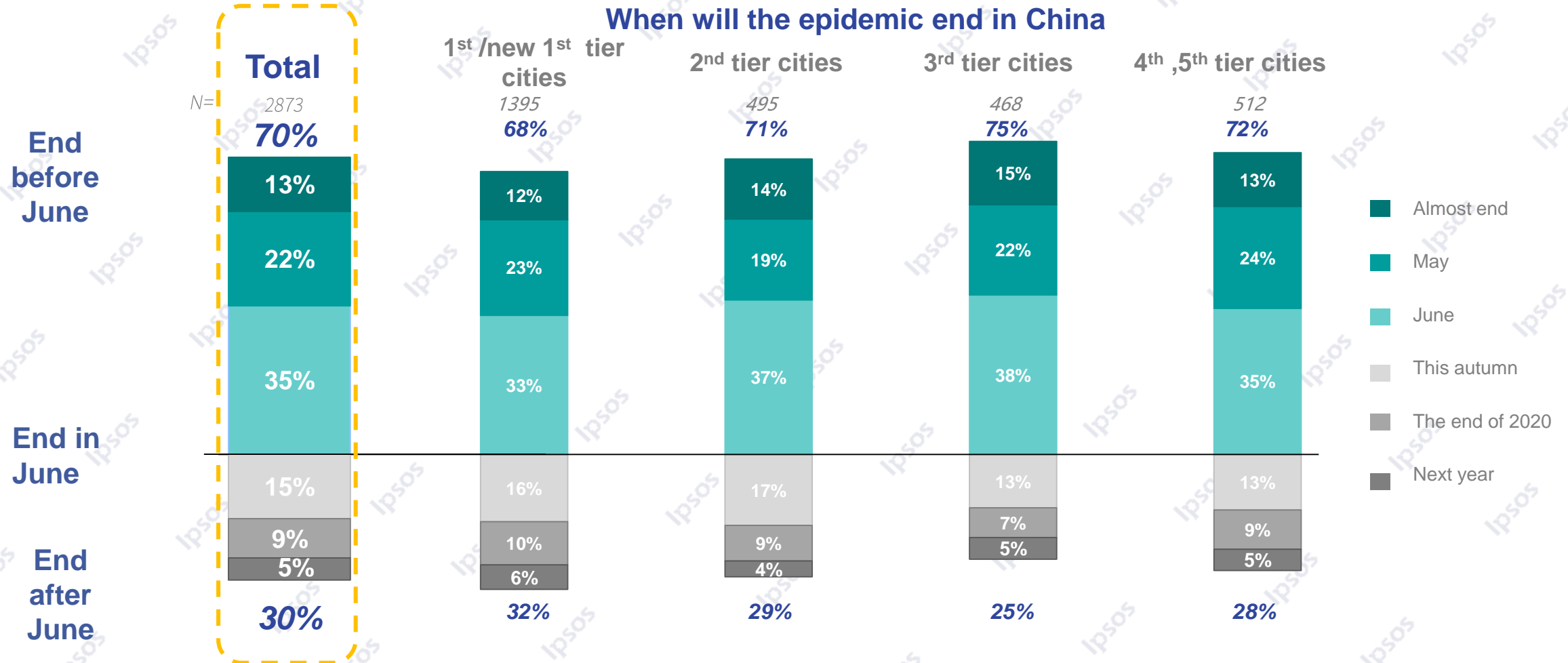
Attitude towards the return of overseas Chinese



How could the Chinese government help overseas Chinese return



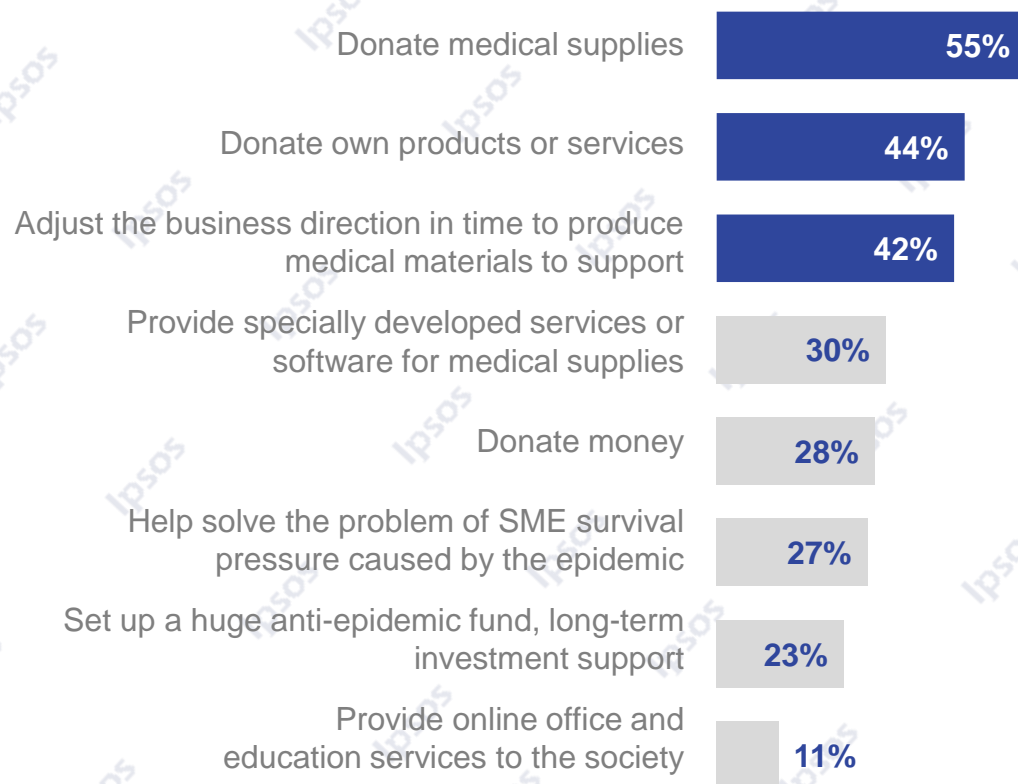
Despite all kinds of concerns, **70%** of the public think the domestic epidemic will **end by June**. People in the **3rd ,4th ,5th tier cities** have greater confidence in the early ending of the epidemic.



During the epidemic, donating medical supplies and products received the most widespread attention. In terms of actions that companies can do to mitigate the impact of the epidemic, **taking good care of employees and doing a good job in resuming production and restoring the economy** has the greatest support.

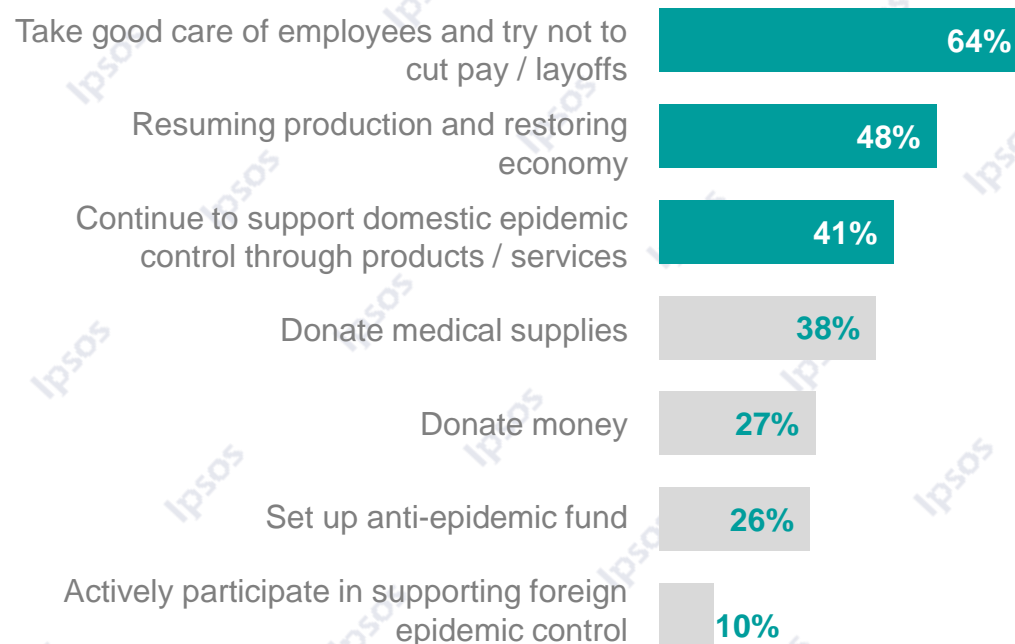
Company's behaviours that draw attention

N=2984



Actions that can further contribute the society under the epidemic

N=3012



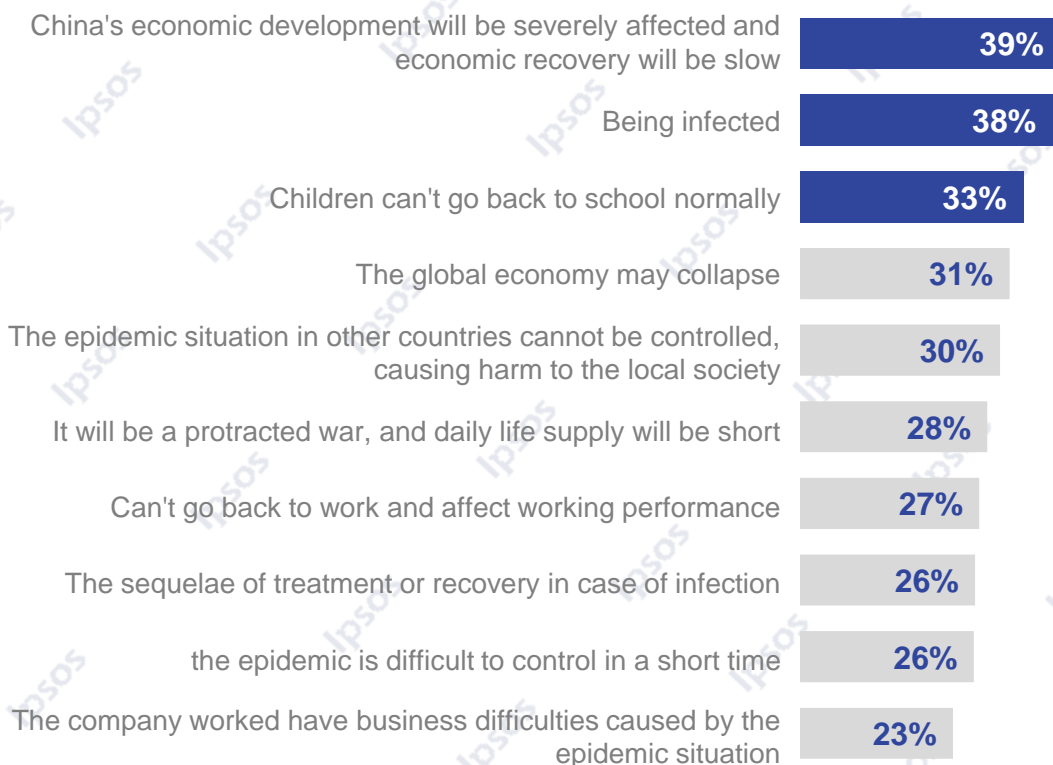
THE INFLUENCE



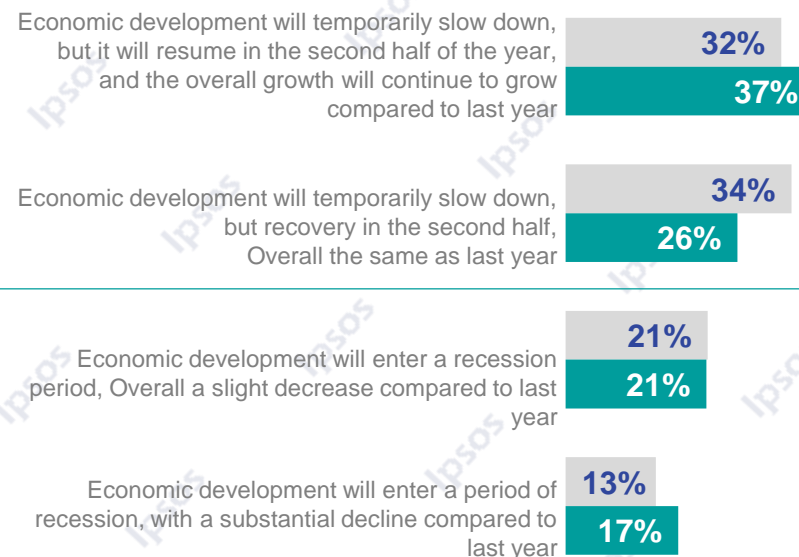
At the moment, in addition to the impact on individuals, the public are most **worried about the economy**. Compared with February, the public's perception is **polarized** about the impact of the epidemic on the Chinese economy.

The most worrying aspect of the epidemic

N=2989



Evaluation of the impact of the epidemic on the Chinese economy

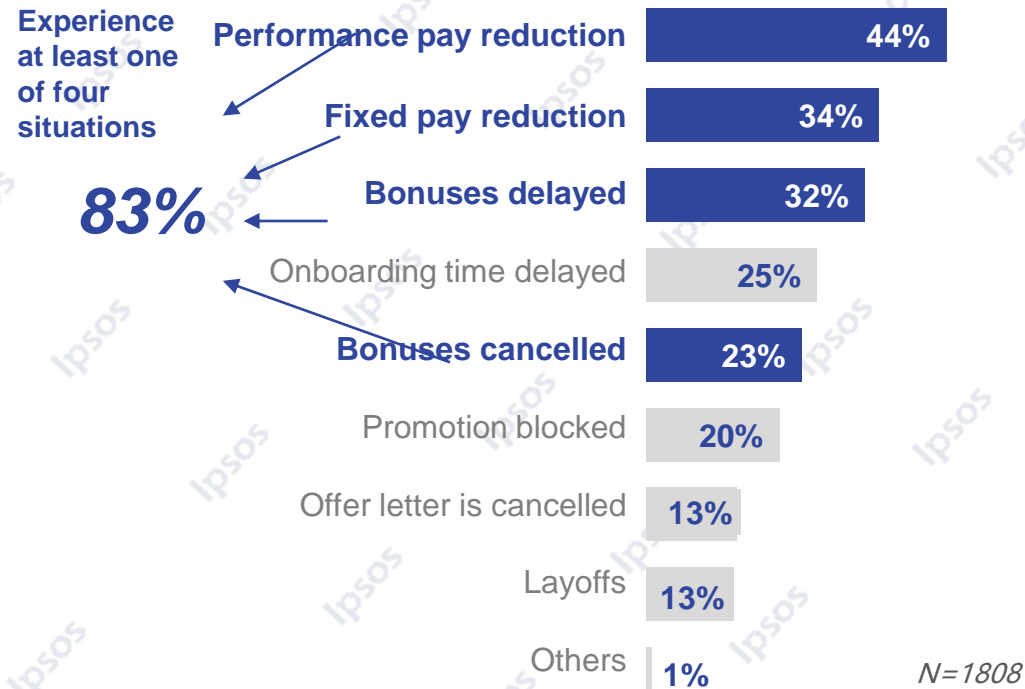


■ Wave 1: Feb. N=1498

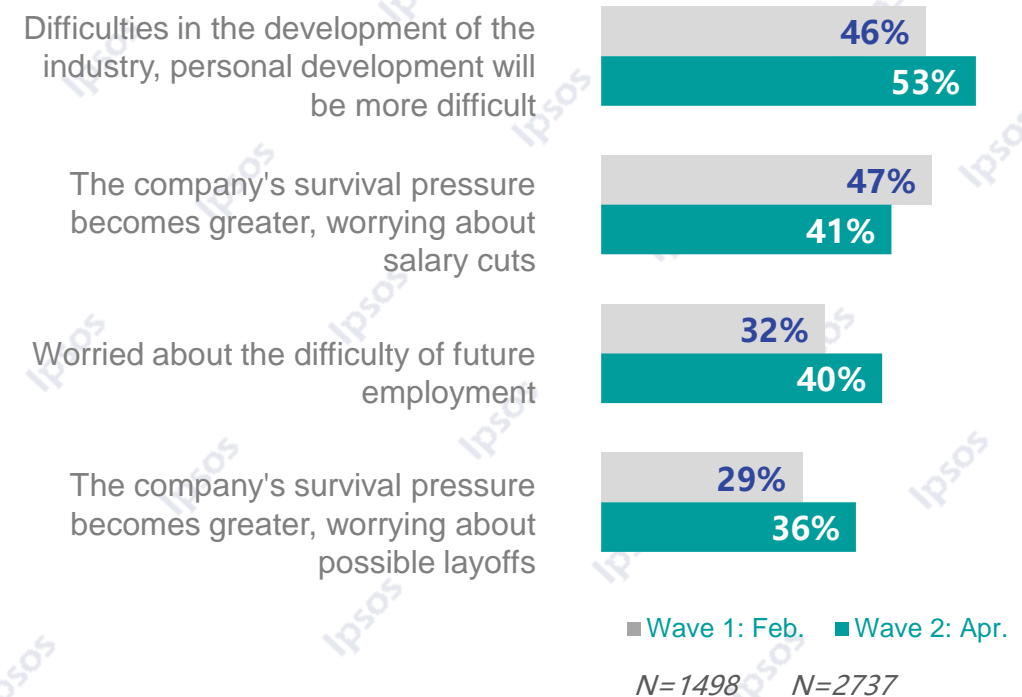
■ Wave 2: Apr. N=2939

During the epidemic period, 80% of the public say their income has been affected in some way, further raising concerns about personal career development.

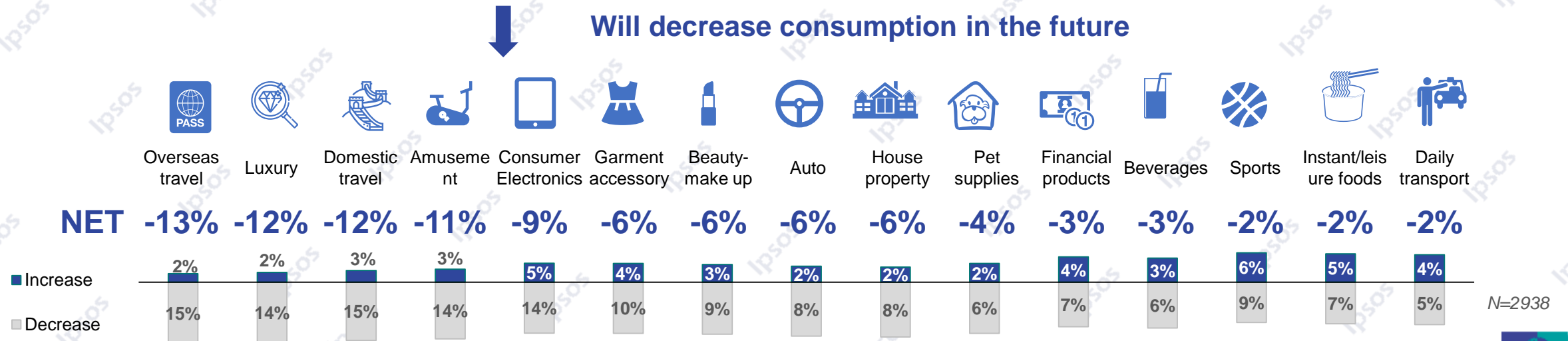
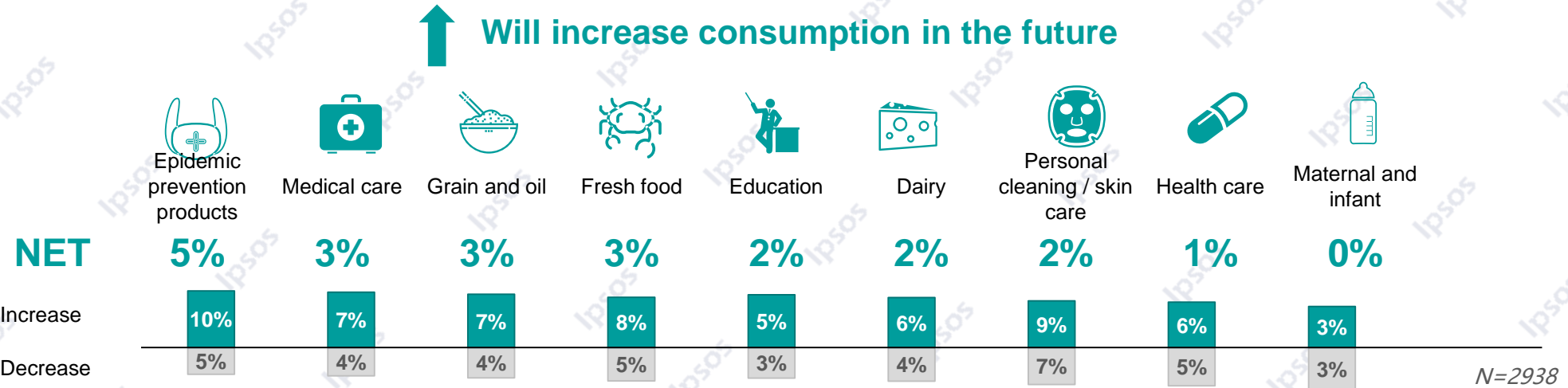
Experiences during the epidemic period



Concerns about personal career development



People in China say they will increase consumption related to health, diet, education but travel, luxury goods, entertainment, consumer electronics consumption will decrease.

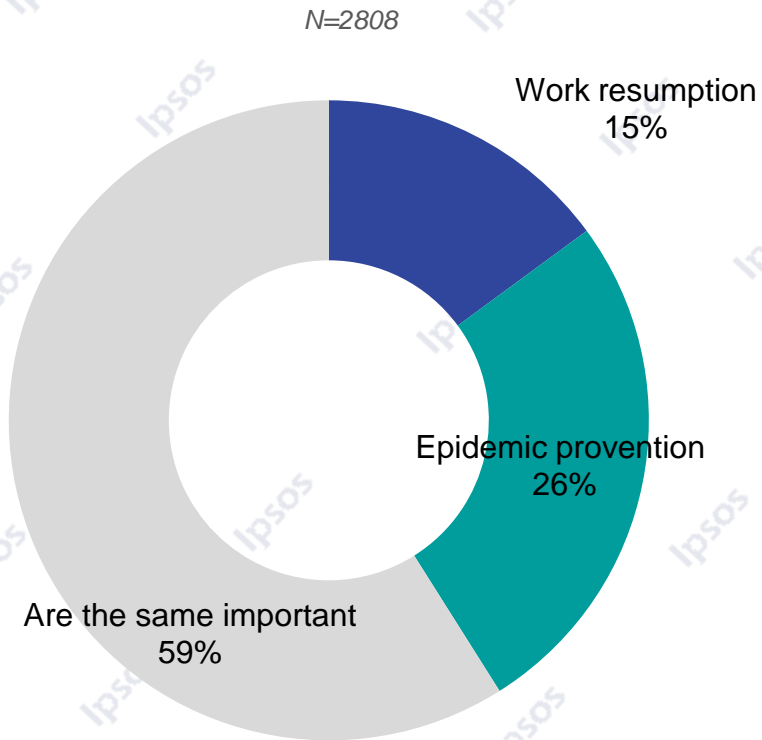


WORK RESUMPTION

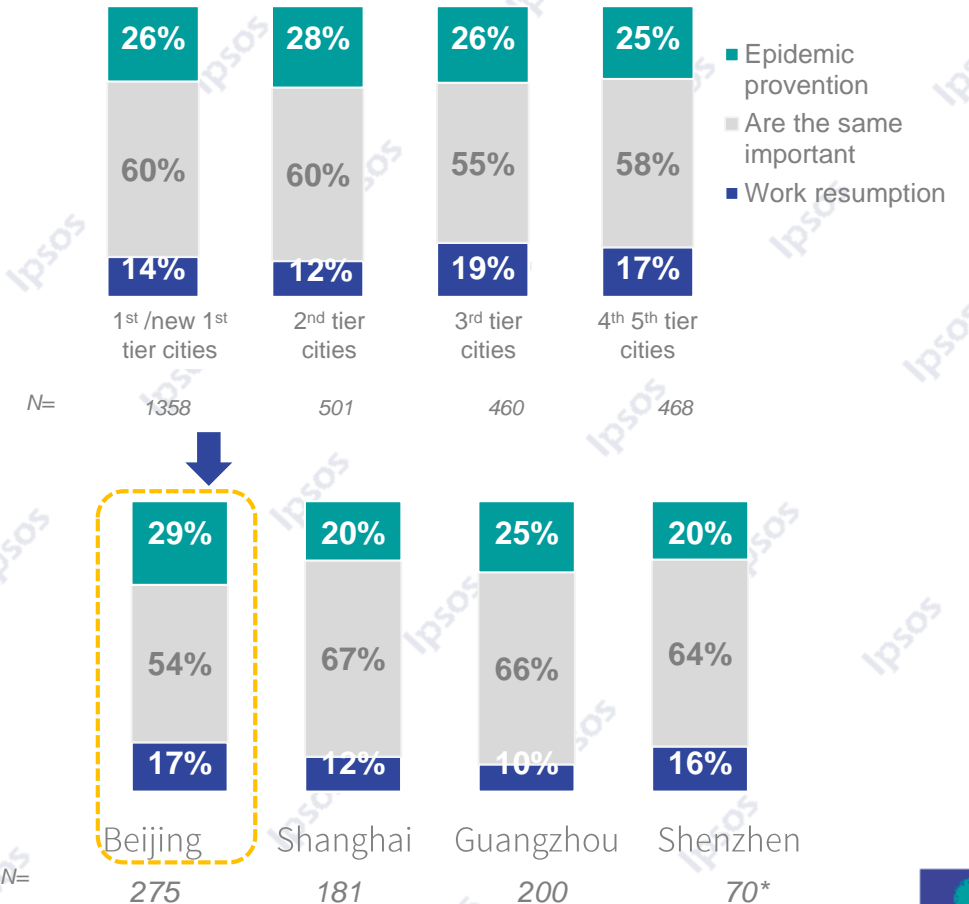


60% of the public believe that both epidemic prevention and work resumption are important. The 1st and 2nd tier cities value more on work resumption, but Beijing cares more about epidemic prevention at this moment.

The importance of epidemic prevention and work resumption - **Total**



The importance of epidemic prevention and work resumption - **City**

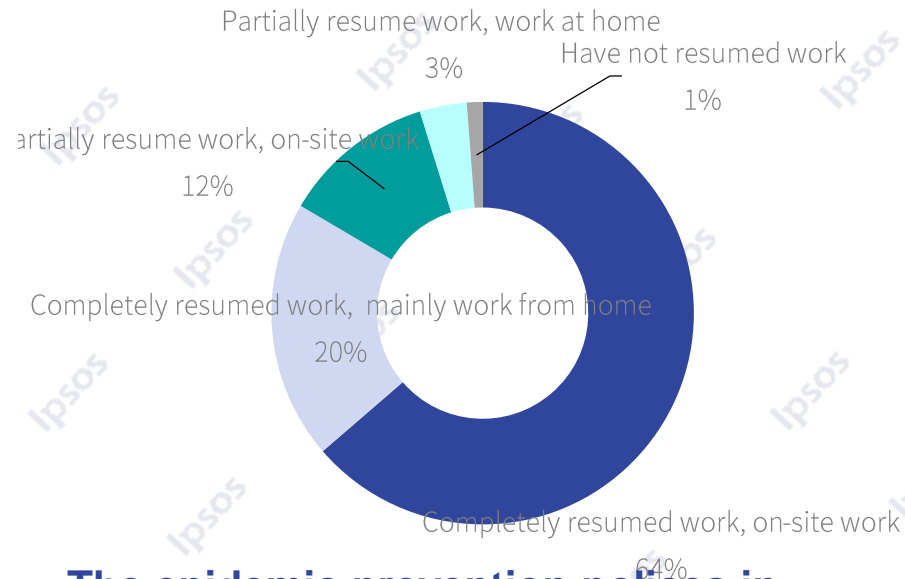


Over 60% of people in China have completely resumed on-site work, and the 4/5th tier cities have the lowest percentage of work resuming status.

Among the 1st tier-cities, Beijing, which has the strictest epidemic prevention measures, has the lowest on-site work rate while Shanghai has the highest.

Current working status -Total

N=1720



The epidemic prevention policies in 1st tier-cities before April 26th

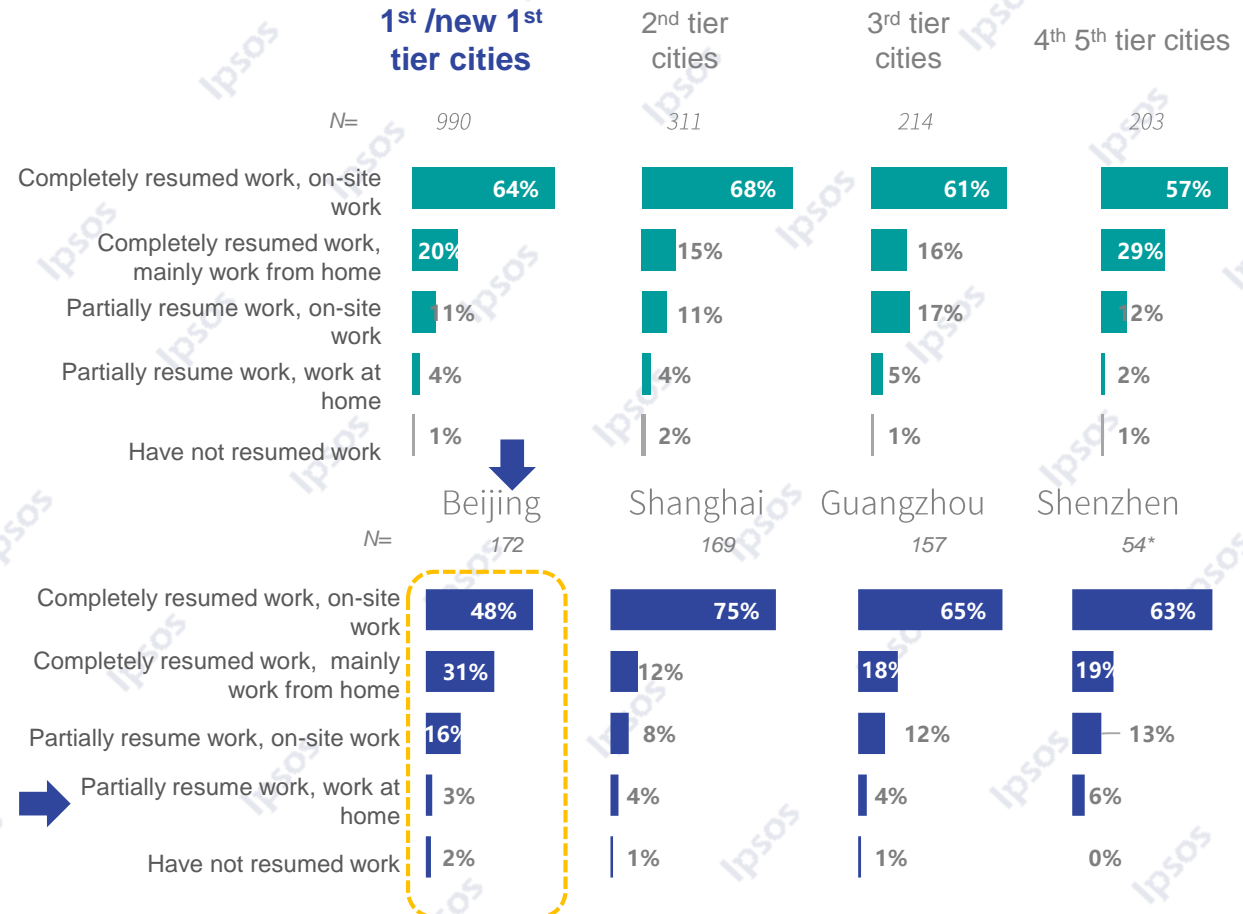
Beijing: Beijing, Tianjin and Hebei practice mutual recognition of health status, and all other people need to be quarantined for 14 days after entering Beijing

Shanghai: Need to hold the "health code" of the national integrated government service platform

Guangzhou: Need to log in the Sui Kang applet to fill in the information and apply for Sui Kang code

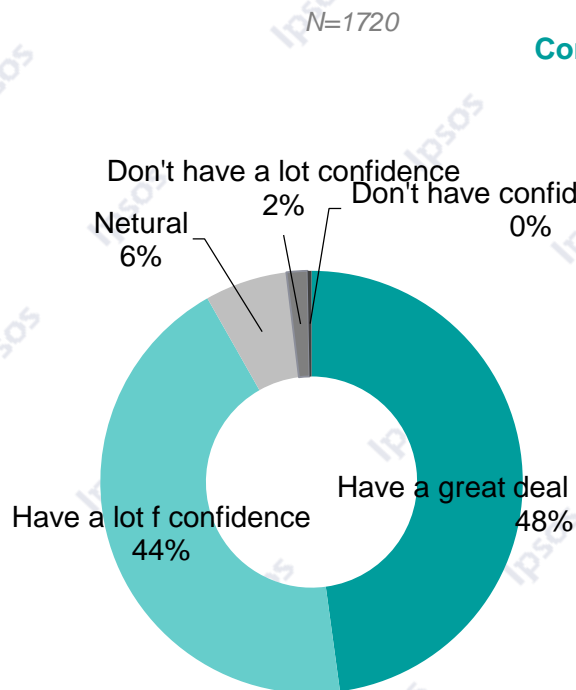
Shenzhen: Record the Shen-i program to confirm whether isolation is required based on the declaration results

Current working status -City

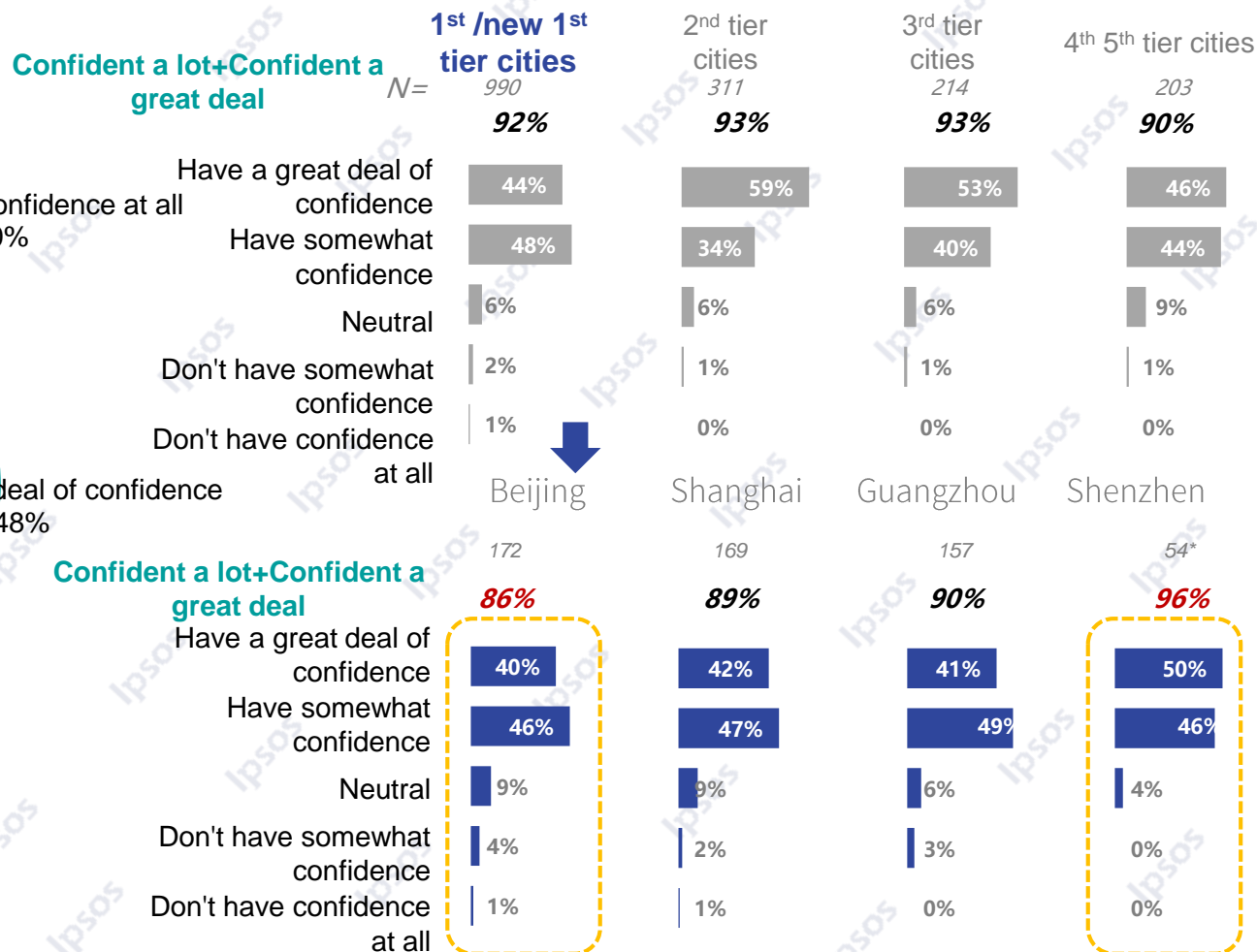


Despite some worries, **92%** are confident about resuming work:
 The public in **Shenzhen** have the most confidence while those in **Beijing** are the most cautious.

Confidence of work resumption -Total



Confidence of work resumption - City



Some concerns :

Asymptomatic and latent infection

"There are some asymptomatic "
 "Cross infection is inevitable during the incubation period."
 "There are still signs of local outbreaks in the epidemic in the city."

The office is gathered and no masks

"There are gatherings, such as queuing downstairs to enter the office building."
 "Not wear masks in the office."
 "The flow of people is relatively large, it is difficult to prevent and control, and there are too many unknown factors."

Be infected during commuting

"There are many people on the commuter and office . There is no ventilation in office, and the current limit of the elevator returns cost the extra time."

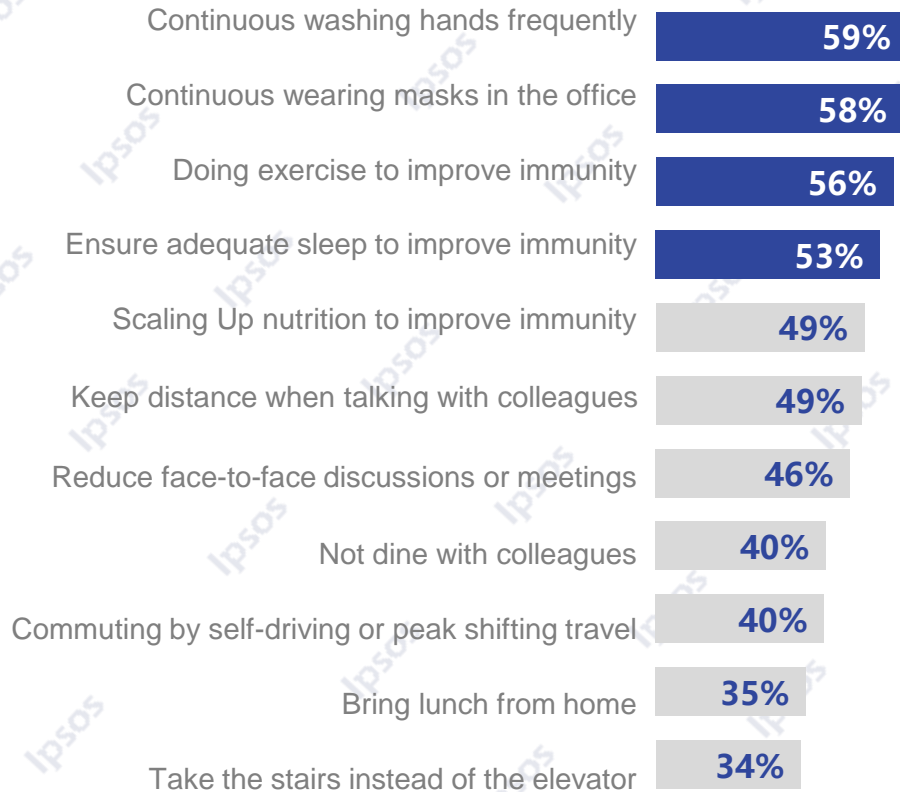
Insufficient information about epidemic

"There is no reliable source of information. The media has blocked the information too seriously, just like a blind person crossing a single-plank bridge."

Responding to the prevention and control of epidemic after resuming work:
Washing hands, wearing masks, sleeping, and doing exercise are considered as the top infection reduction measures.

Personal infection reduction measures

N=1717



Employees also hope companies will reduce the risk of reinfection by providing masks, ventilating, providing disinfection supplies.

Expected measures to be taken by companies

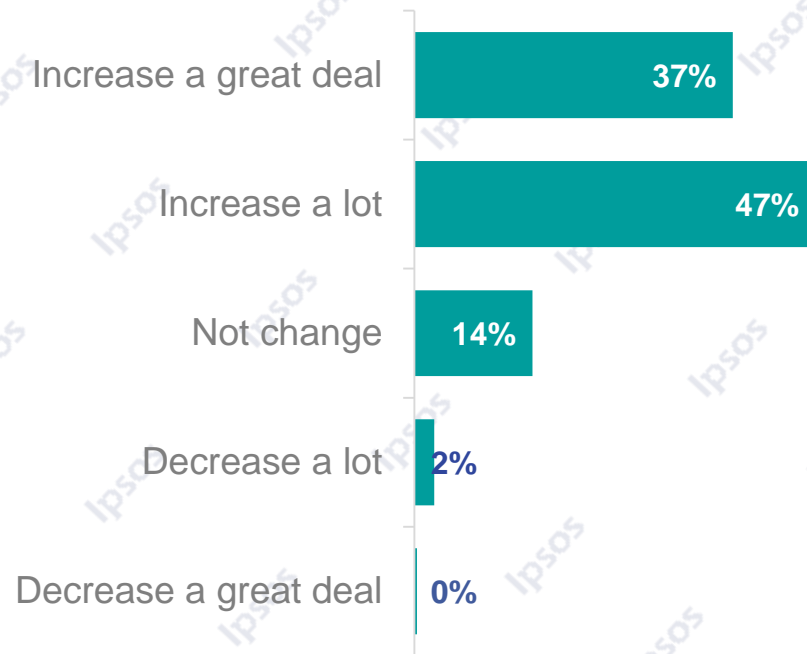
N=1717



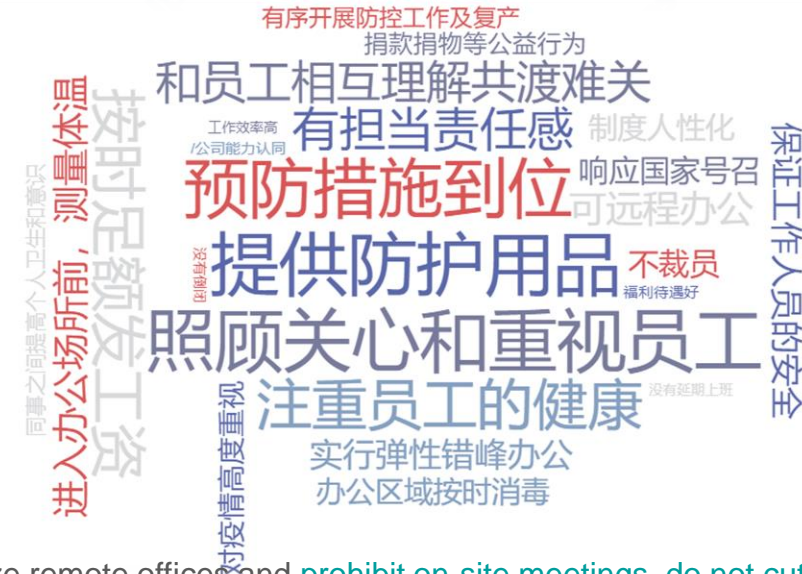
After experiencing the epidemic along with their workplace, staff tend to have more favourable impression about their companies, mainly because...

Recognition on their own company

N=1504



The reason of favourable impression increases



"Strictly organize remote offices and prohibit on-site meetings, do not cut wages."

"It shows the company's people-oriented value, providing employees with masks, implementing a series of measures such as real-time reporting and flexible office work for isolated employees."

"The company responded in a timely manner, followed up on various news in time, provide mask and disinfectant, organized donations, and cared for infected employees."

"During the epidemic, donate medical materials, and during the resumption of work, strictly implement the requirements and standards of the relevant state departments"

"The company actively and strictly implements the epidemic prevention and control regulations issued by relevant government departments"

During the epidemic period, telecommuting tools have taken on an indispensable role in people's work. **Enterprise WeChat** is the mostly commonly used tool in the entertainment sector while **Ding Talk** is more popular in education.

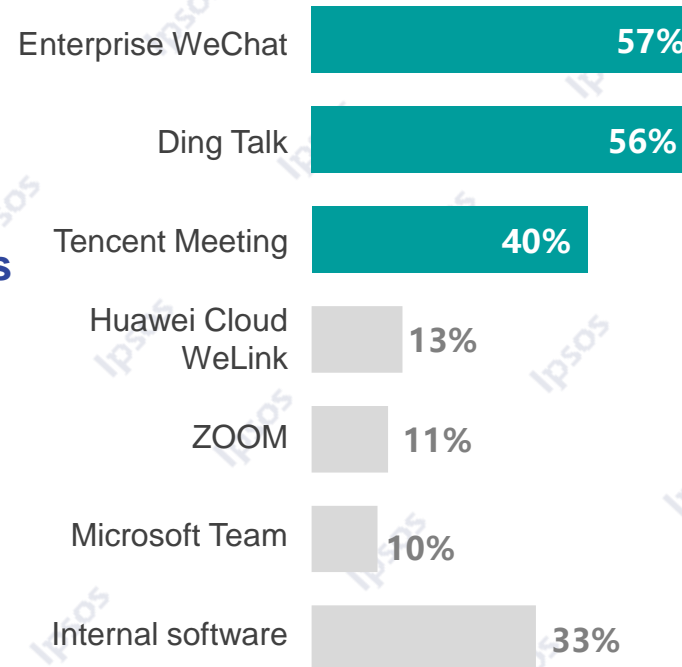
97%

used telecommuting tools

N=1664

Remote office tools usage

N=1664

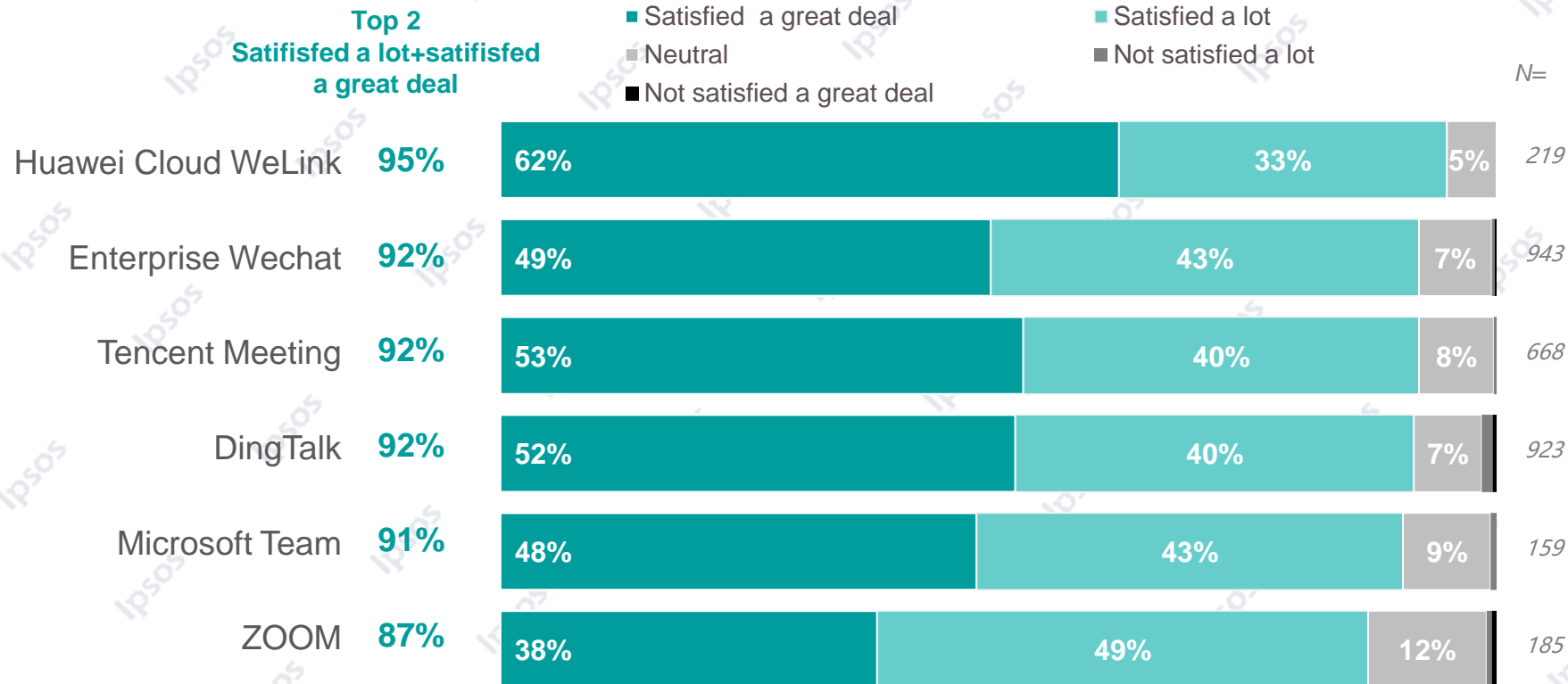


Industry distribution TOP5

Enterprise WeChat	Entertainment	72%
	Real Estate	59%
	Finance	57%
	IT	56%
	Service	55%
Ding Talk	Education	71%
	Entertainment	62%
	IT	58%
	Transport	56%
	Manufacturing	54%
Tencent Meeting	Education	52%
	Real Estate	49%
	Finance	44%
	IT	43%
	Public service	41%

In terms of usage satisfaction, Huawei Cloud WeLink came top and the other platforms also have a similar approval level.

Satisfaction of cloud-based office tools



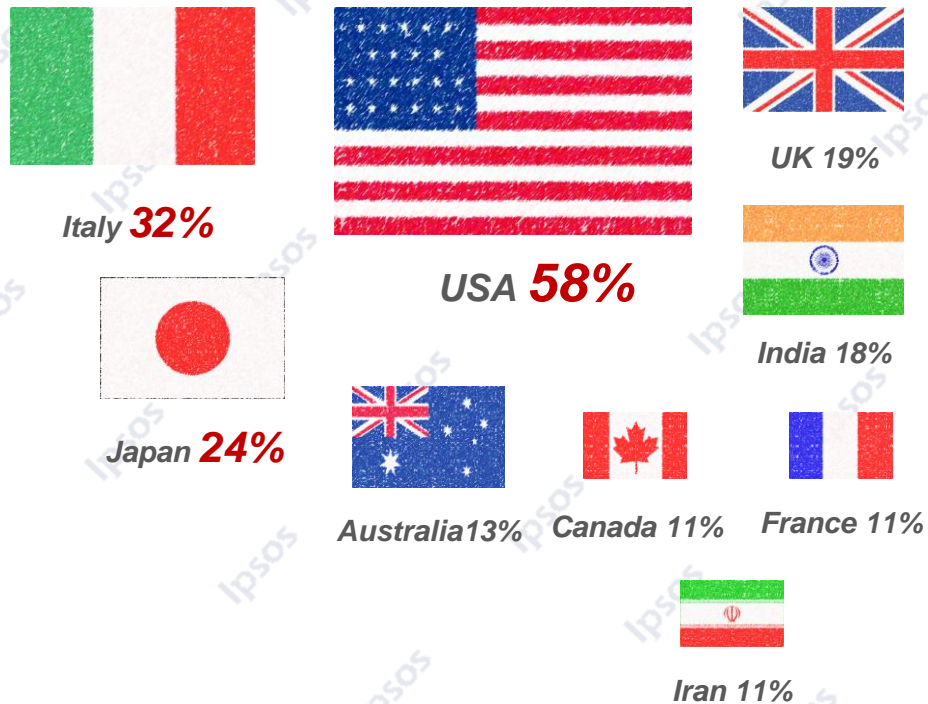
INTERNATIONAL EPIDEMICS



The Chinese public are most concerned with the epidemics in the US, Italy, and Japan. They recommend that citizens overseas wear masks, cancel travel plans, wash hands frequently, and go out less to protect themselves.

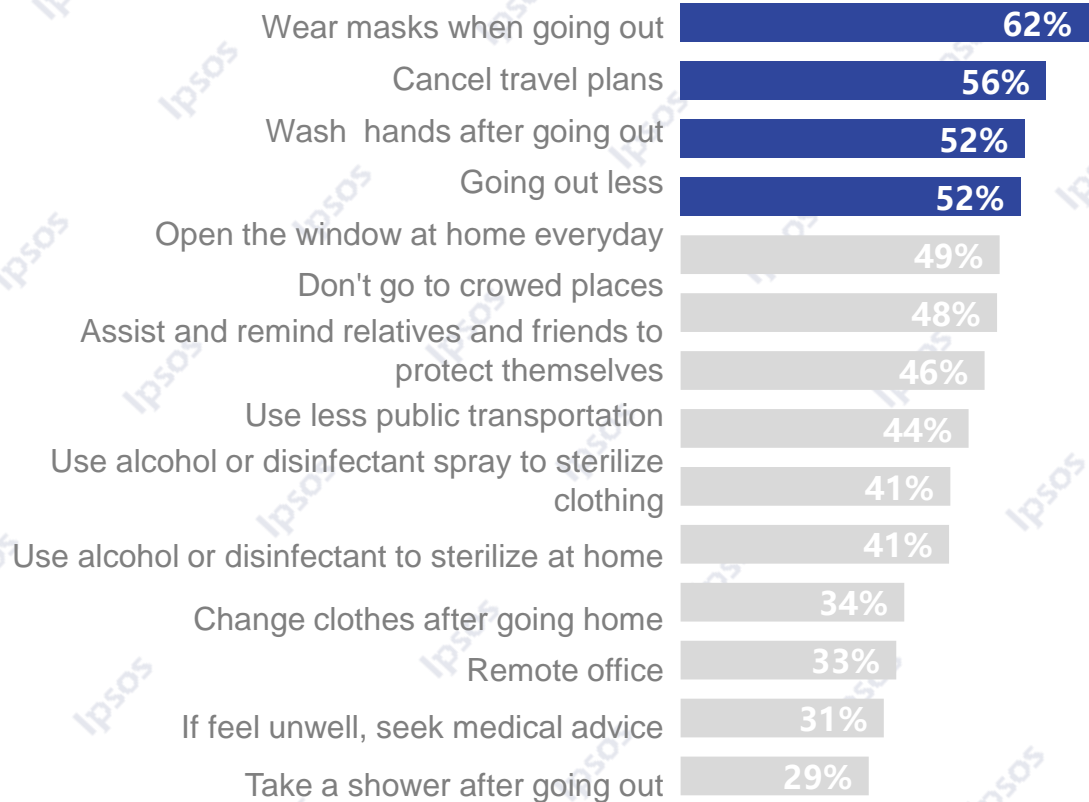
Most concerned about the countries

N=2923



Recommended measures for overseas citizens

N=2987

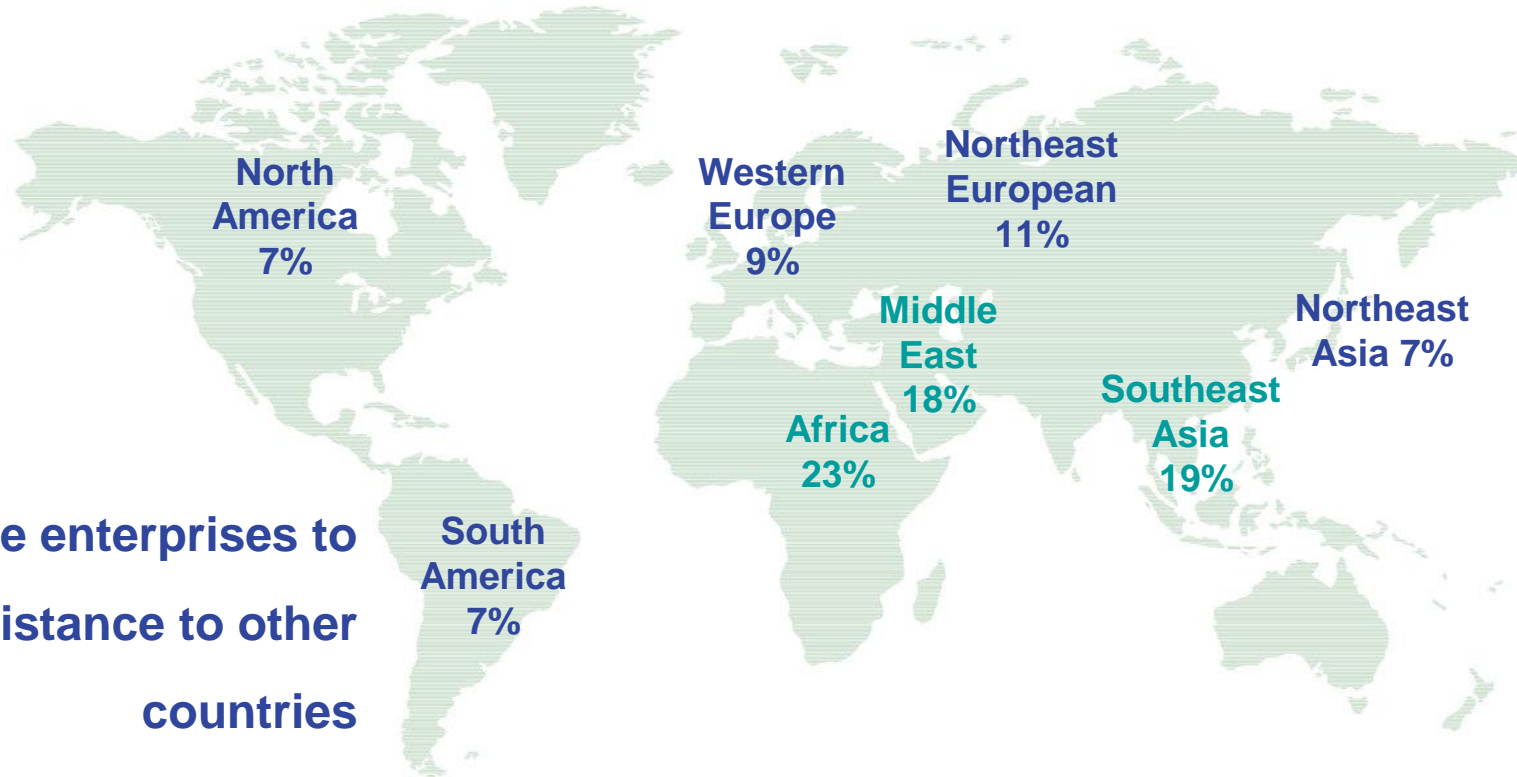


75% of the public endorse Chinese companies providing assistance to other countries, especially for African regions, where advanced medical and health offerings are in shortage.

The regions where the public want Chinese companies to support

N=2165

75%
endorse Chinese enterprises to
provide assistance to other
countries



**BE
SURE.
ACT
SMARTER.**

GAME CHANGERS

