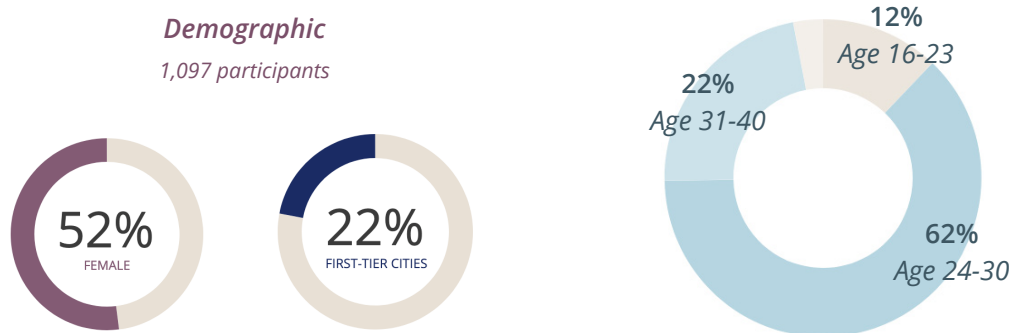


## Chinese Consumer Sentiment in the Age of Coronavirus

China Luxury Advisors Inc. (CLA) recently conducted an online survey of Chinese consumer sentiment to measure response to the coronavirus outbreak in China. CLA surveyed 1,097 consumers in China, across more than 30 cities, during the week of March 2, 2020. All respondents had taken **at least one overseas trip in the past 12 months**.



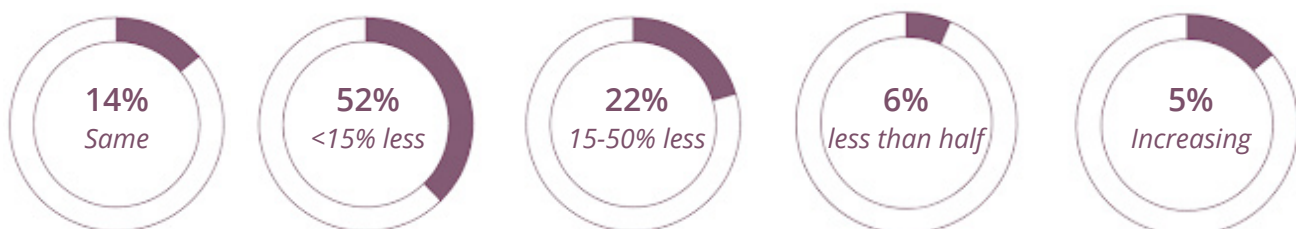
As Chinese consumers reflect on their coronavirus-swayed attitudes and behaviors during the remaining months of 2020, several impactful themes emerge:

### 86% of Chinese consumers are planning to adjust their spending in 2020.

- 52% of respondents plan to take a slightly more conservative approach to spending in 2020 as a result of the coronavirus, planning to spend up to 15% less than last year.
- 22% of respondents are expecting to make a drastic reduction in spending of between 15% to 50% less than last year.
- 14% of respondents had no change to their outlook for 2020 and only **5% are planning to spend more** in 2020 than in 2019. Clearly spending will be affected but our research points to a shift and not a cessation.

### CHANGE OF OUTLOOK OF 2020 SPENDING

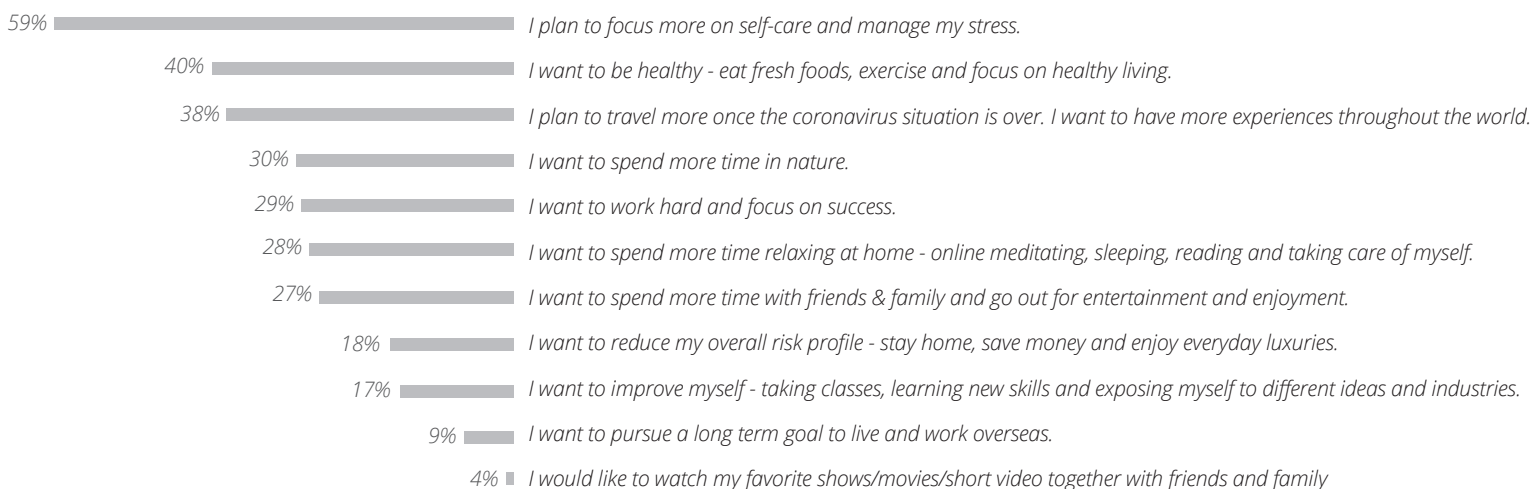
1,097 participants



## Self-care, stress management & healthy living will be prevailing themes in 2020.

- 59% of respondents plan to focus on self-care and managing daily pressure. 40% plan to focus on their health, including eating fresh foods, exercising more regularly and an overall commitment to healthier living.
- 38% plan to travel more in 2020 than they did in 2019. Fresh food delivery, safe stress management and even relaxation-centered travel could all see boosts as we look ahead.

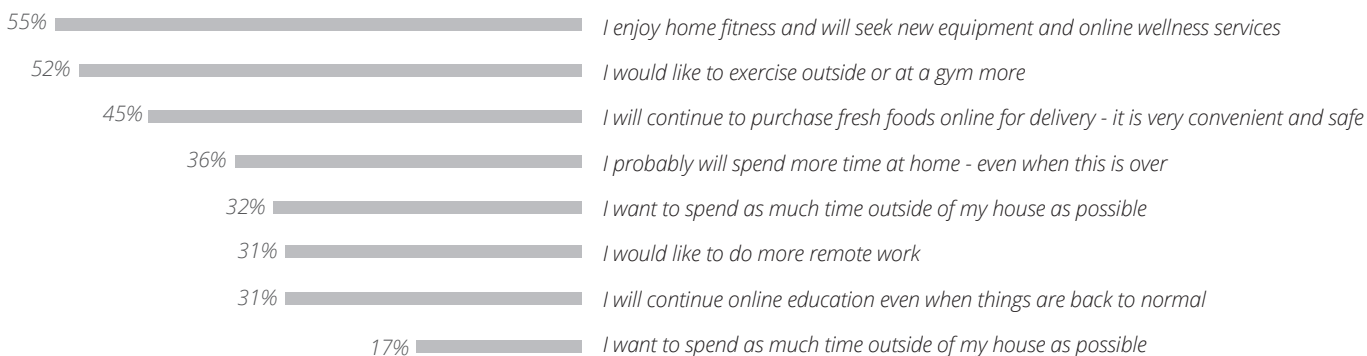
### How will you change your lifestyle in 2020 compared to 2019 given the coronavirus situation?



## Fitness and exercise will increase: both within and outside of home.

- Survey data indicates a substantial increase in the health and fitness sector following the coronavirus. When asked how the coronavirus would impact their daily behavior, **55% of respondents plan to increase home exercise and wellness and 52% plan to exercise more outside of the home or outside.** Home gyms and outdoor exercise classes may be about to have a moment!
- The Nintendo Ring saw a massive increase in demand from China during this period—enough to make it nearly impossible to find the product globally (<https://www.wired.com/story/ring-fit-shortage-coronavirus-covid-19/>). For those that couldn't get the ring, Just Dance is another favorite home workout.

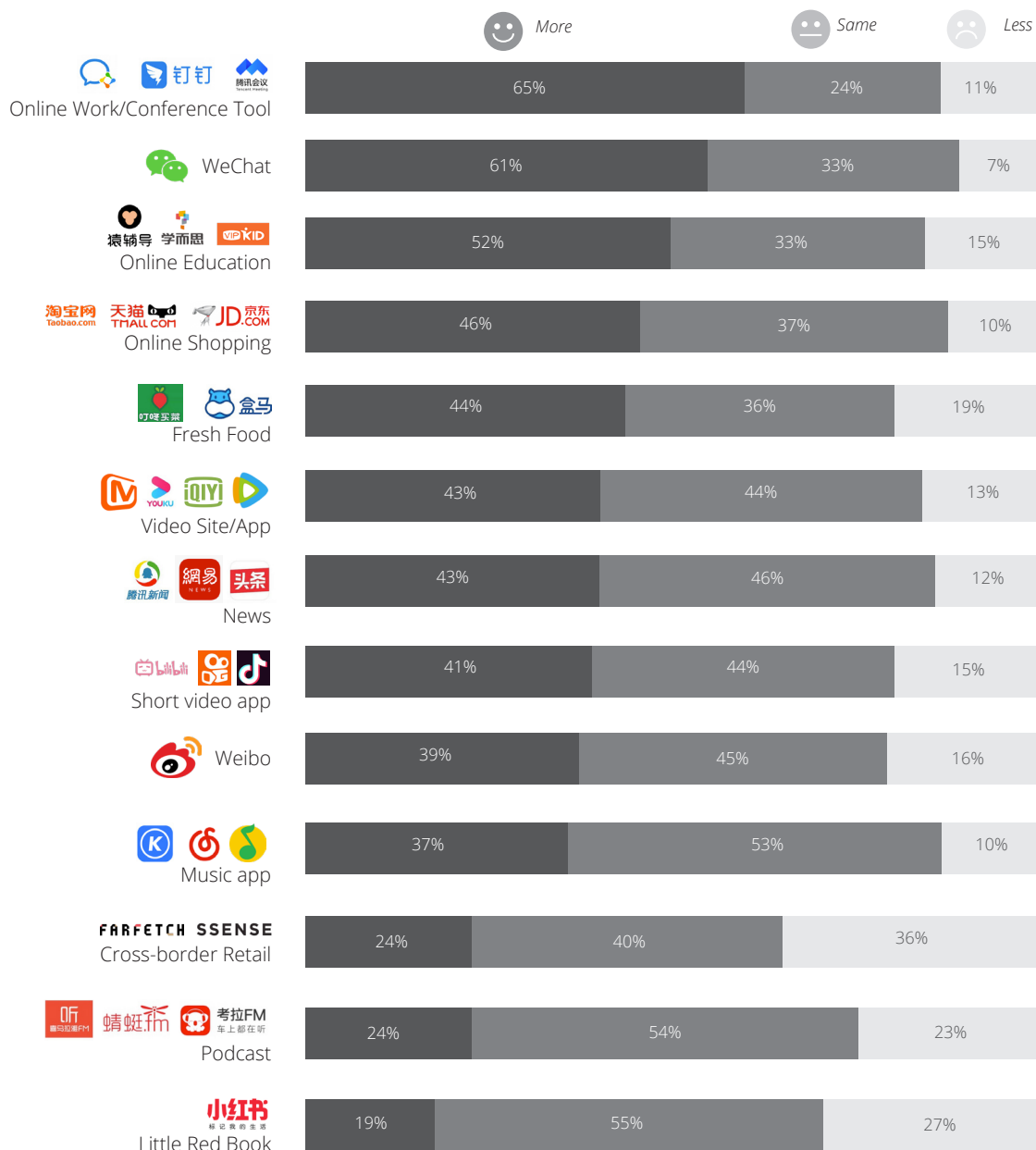
### How do you expect that your daily behavior will change in the future as a result of your experience during the coronavirus?



## WeChat remains the dominant social platform, and online work and education platforms are expected to outperform.

- Consumers are doubling down on WeChat, which is almost unbelievable given the preexisting strength of the platform. One wonders how it's possible for folks to use WeChat even more than they already did, but that's apparently what we should expect to see. "Mini-programs! Mini-programs! Get yer Mini-programs, here!"
- The top platforms that respondents expect to spend more time on in 2020 compared to 2019 as a result of the coronavirus include:
  - Online Work/Conference Tool (Tencent meeting, Dingding, WeChat Work): 65% of respondents
  - WeChat: 61% of respondents
  - Online Education (得到, 猿辅导, VIPKid): 52%

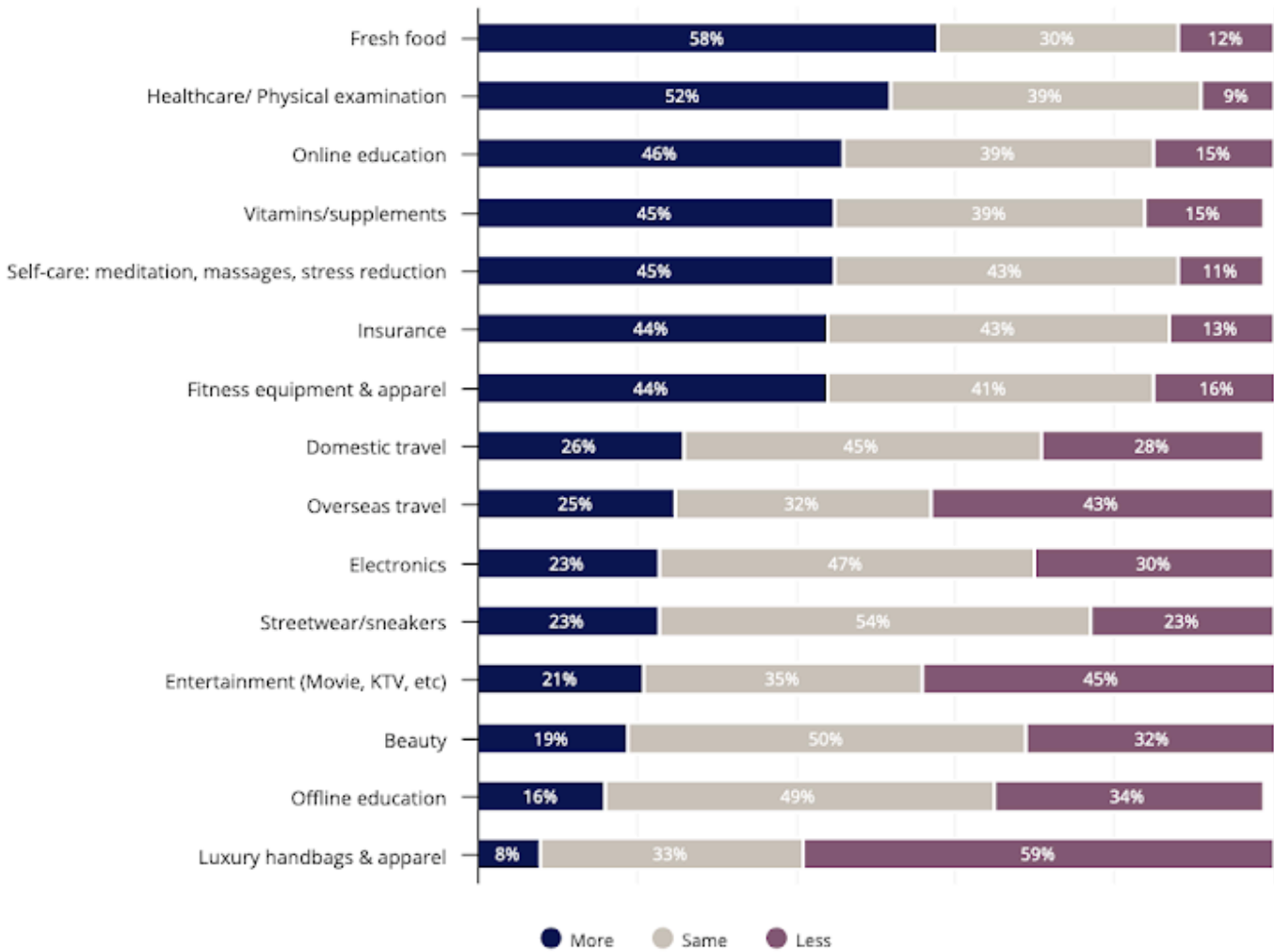
Platforms users expect changing in the future as a result of the coronavirus



# Healthy living, wellness and distance learning industries are expected to continue to increase, while luxury handbags, apparel and entertainment industries are likely to decrease moving forward.

- Industries expected to grow as a result of the coronavirus include:
  - Fresh food
  - Healthcare
  - Self-care
  - Online education
  - Vitamins/s
- Industries pegged for an overall decrease as a result of the coronavirus include:
  - Luxury handbags & apparel
  - Entertainment
  - Overseas travel

Spending Change by Category



Fresh food, healthcare/physical examination, online education, vitamins/supplements, self-care, insurance



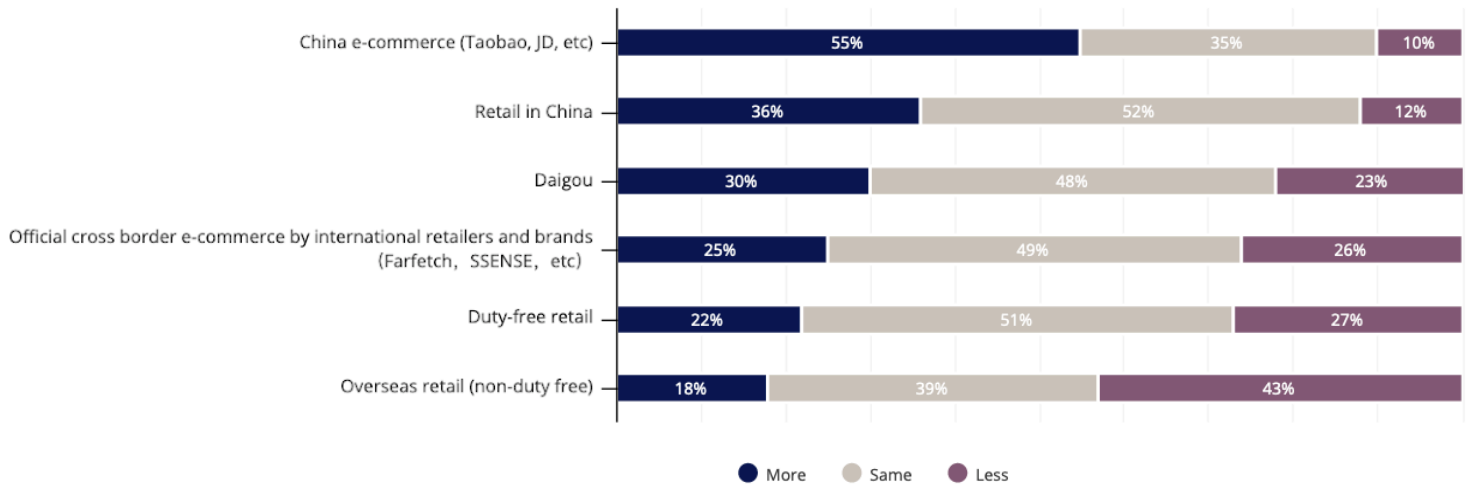
Offline education, streetwear/sneakers, domestic travel, electronics, beauty



Luxury handbags/apparel, overseas travel, entertainment

## E-Commerce will continue to expand as a result of the coronavirus - both within China and via cross-border e-commerce.

*Spending Change by Shopping Channel*



## Travel themes of relaxation and discovering new destinations will most resonate with Chinese consumers after the coronavirus.

- 38% of respondents want to travel more after the coronavirus is over. When it comes to travel plans in 2020, **43% of respondents want to go somewhere and relax**. The two next most popular travel themes were to visit somewhere new and to experience cultural themes and destinations.

**>40%**

*I want to go somewhere and relax*

**30-40%**

*I want to visit places I have never been before*

*I want to experience other cultures - see museums, art, and learn about different histories and cultures*

*I want to visit nature - see national parks, go stargazing, see the Northern Lights, experience wildlife*

**20-30%**

*I want to go somewhere for self-care - meditation, yoga, hiking, relaxation*

*I want to go on adventure trips - ski, snorkel, scuba dive, air balloon - I want to try it all*

**10-20%**

*I want to go to a beach or family resort*

*I want to enhance my image as a smart and savvy traveler*

*I want to find business and education opportunities overseas for my family and friends*

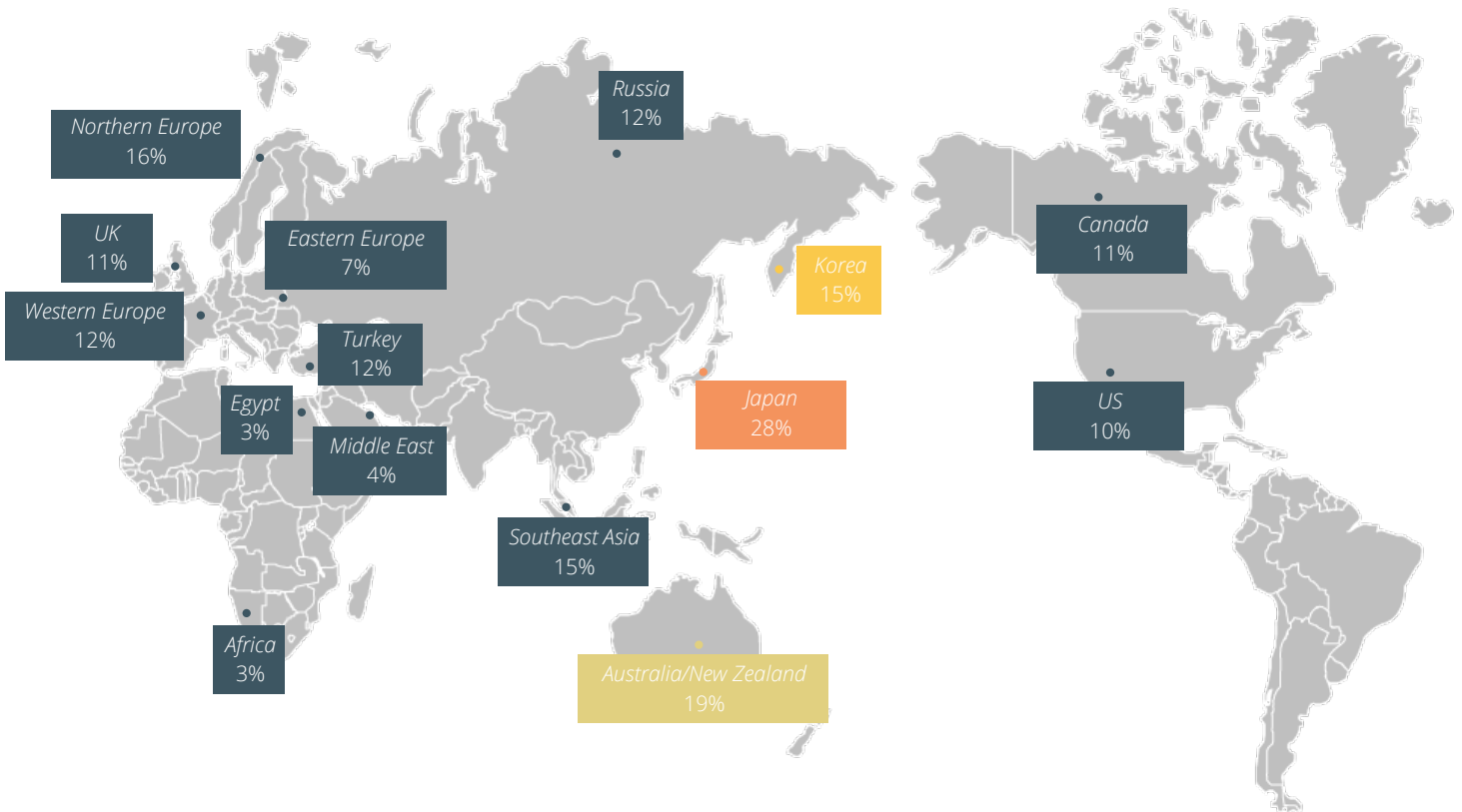
**<10%**

*I want to go shopping overseas*

*I want to go on a cruise overseas*

## Japan tops list of desirable destinations. Northern Europe is the most popular non-Asian destination.

- 28% of respondents most want to visit Japan in 2020, 19% want to visit Australia/New Zealand and Korea. 16% want to visit Northern Europe.



There is obviously a tremendous amount of information to unpack in the survey and our subsequent statistics but the story is clearly not all bad and, as with most major global events, there is an upside even when the news is unsettling.

In fact, the areas our research we are spotlighting can only lead to an improved quality of life in the long run... better diet and nutrition, prioritizing exercise, embracing all manners of healthier living, even relaxing, self-care focused vacations as travel concerns wane.

The anticipated growth of online platforms and e-commerce sites alone is enough of a silver lining to help us all ride this wave to a peaceful conclusion.