

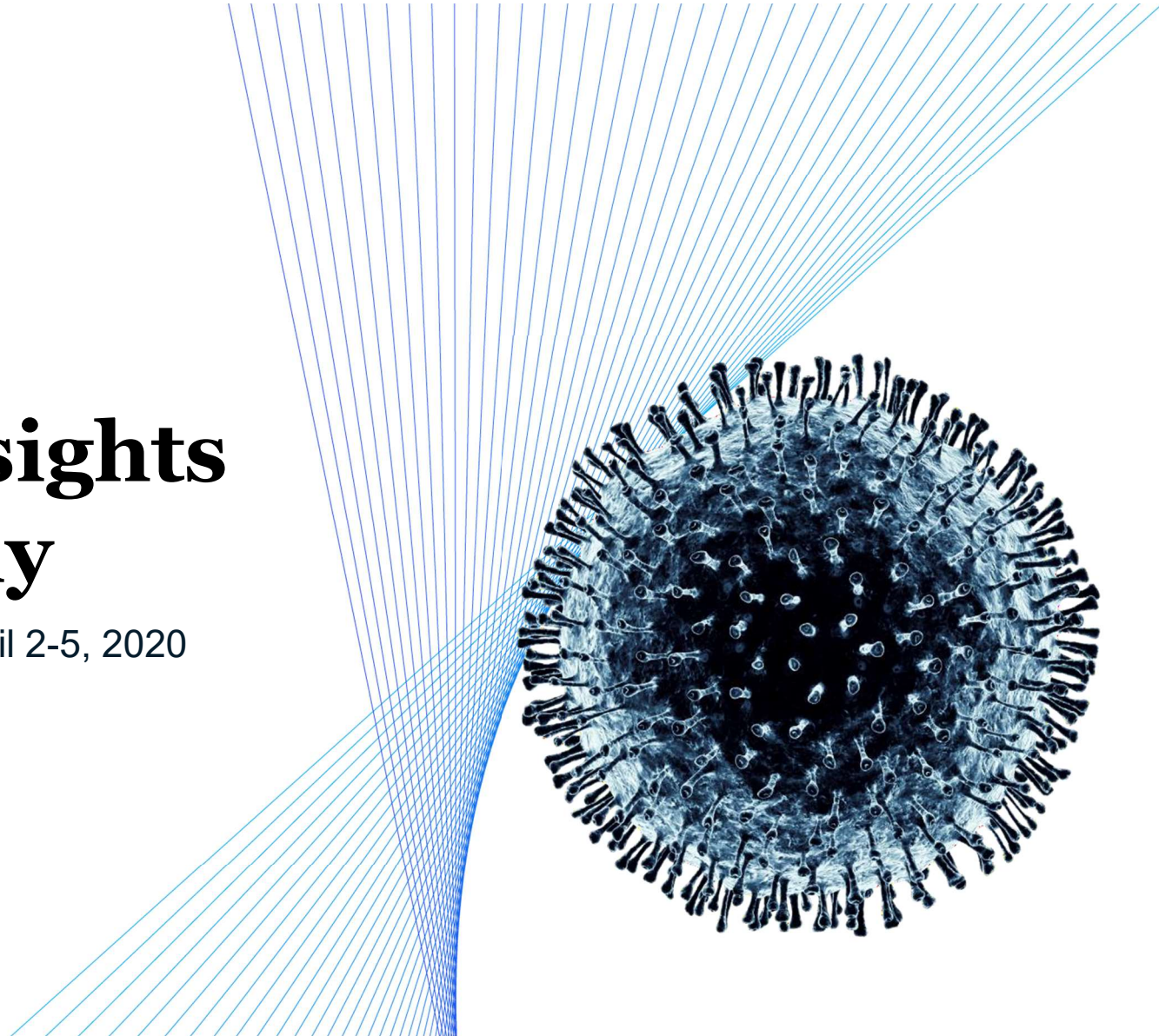
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Coronavirus COVID-19 Consumer insights from Germany

Results from consumer survey April 2-5, 2020

Updated: April 8, 2020

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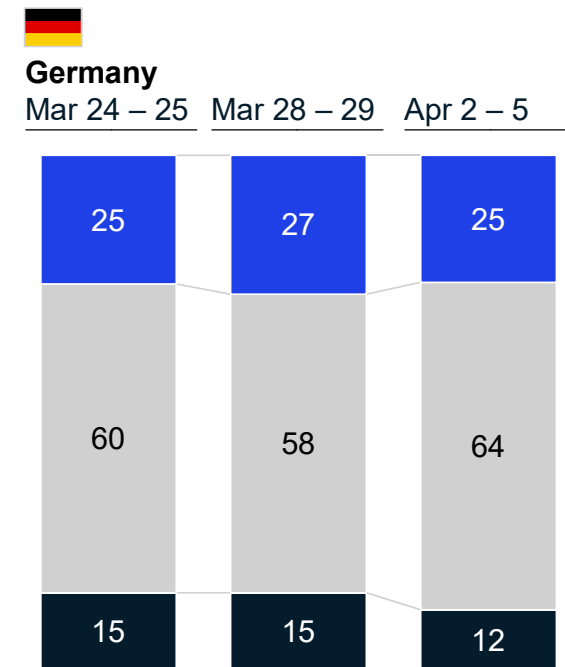
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- **COVID-19 is, first and foremost, a major humanitarian challenge.** Thousands of health professionals are battling the virus, putting their own lives at risk. Overstretched health systems will need time and help to return to a semblance of normalcy.
 - **Solving the humanitarian challenge is, of course, priority #1.** Much remains to be done globally to respond and recover, from counting the humanitarian costs of the virus, to supporting the victims and families, to finding a vaccine.
 - **This document is meant to help with a narrower goal: Provide consumer insights during the current COVID-19 situation.** In addition to the humanitarian challenge, there are implications for the wide economy, businesses and employment. This document includes consumer insights from a survey conducted between April 2 and April 5 in the Germany



Uncertainty is the prevailing and increasing sentiment in Germany while pessimism decreased by 3ppts compared to last week

Confidence in own country's economic recovery after-COVID-19¹ Percentage of respondents

- Optimistic:** The economy will rebound within 2 – 3 months and grow just as strong as or stronger than before COVID-19
- Unsure:** The economy will be impacted for 6 – 12 months or longer and will stagnate or show slow growth thereafter
- Pessimistic:** COVID-19 will have a long lasting impact on the economy and show regression / fall into lengthy recession



1. Q: How is your overall confidence level on economic conditions after the COVID-19 situation?

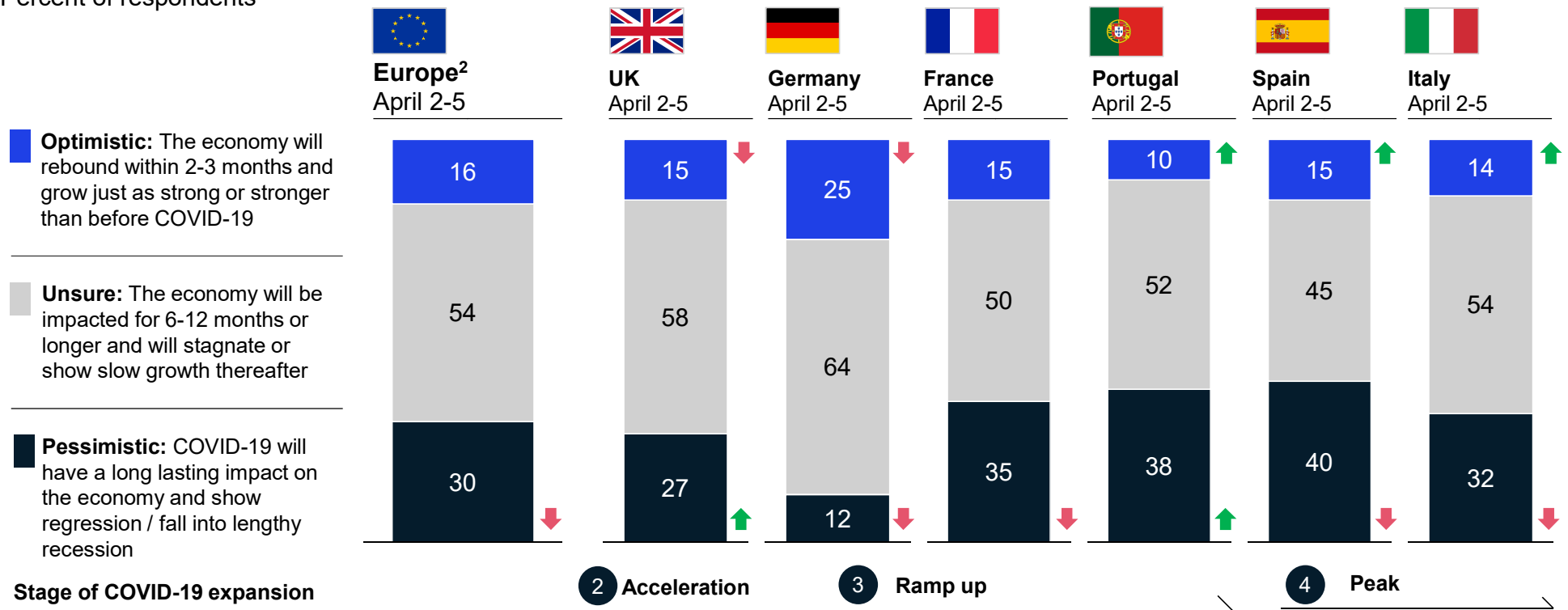
Source: McKinsey & Company COVID-19 German Consumer Pulse Survey 3/24-3/25 N = 1,014, 3/28-3/29/2020 N = 1,002, 4/2-4/5/2020 N = 1,010, sampled and weighted to match Germany's gen population 18+ years



Europeans remain pessimistic about the economy, although sentiment is beginning to turn for those further into peak

Confidence in own country's economic recovery after-COVID-19¹
 Percent of respondents

↑ ↓ Compared to last week's survey results



Optimistic: The economy will rebound within 2-3 months and grow just as strong or stronger than before COVID-19

Unsure: The economy will be impacted for 6-12 months or longer and will stagnate or show slow growth thereafter

Pessimistic: COVID-19 will have a long lasting impact on the economy and show regression / fall into lengthy recession

1. Q: How is your overall confidence level on economic conditions after the COVID-19 situation?
 Rated from 1 Very optimistic to 6 very pessimistic; Optimistic = 1 + 2; Unsure = 3+4; Pessimistic = 5+6

2. European data consolidates: UK, Germany, France, Portugal, Spain, Italy



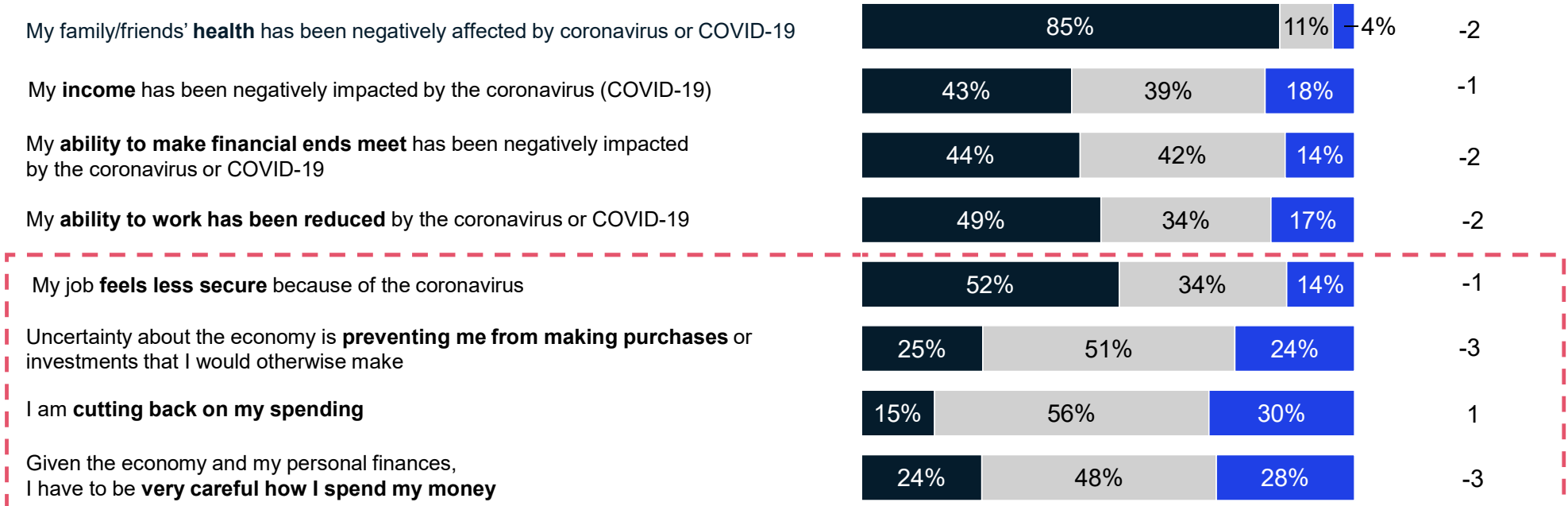
Consumers do not feel immediate financial impact but increasingly cut back on spending

Overall sentiment in the general population in Germany¹

Percentage of respondents

Strongly disagree / disagree
 Somewhat disagree / agree
 Strongly agree / agree

Difference since last survey²



1. Q: Please indicate how strongly you agree or disagree with each of the following statements. Please select only one response for each statement.

2. Measures difference in "strongly agree/agree" between current and last pulse

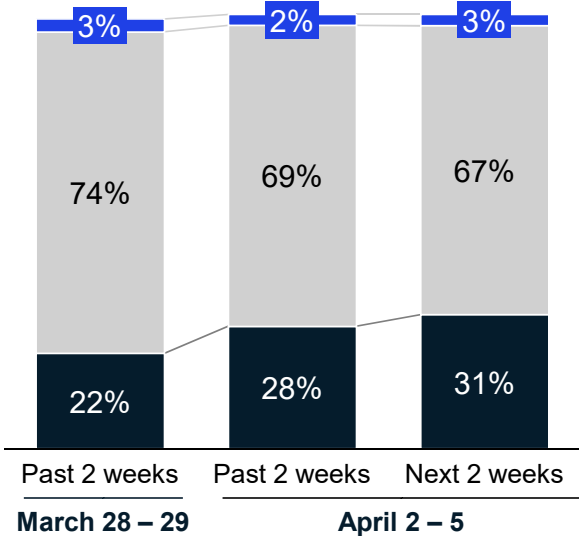


Majority expect similar income/spending – but with an increasing portion noticing a decrease in income

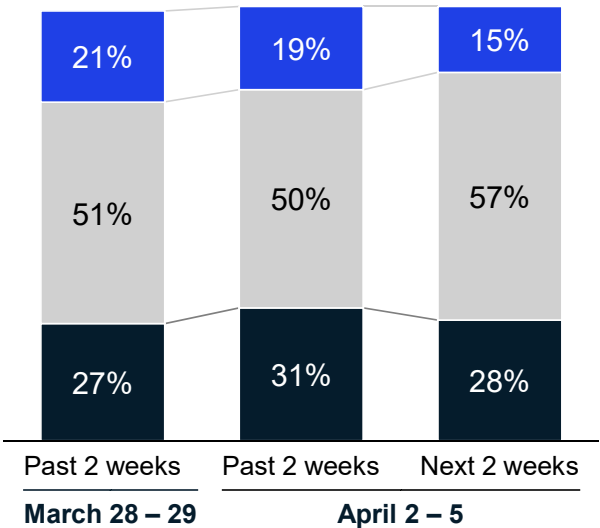
■ Reduce slightly / reduce a lot ■ About the same ■ Increase slightly / increase a lot



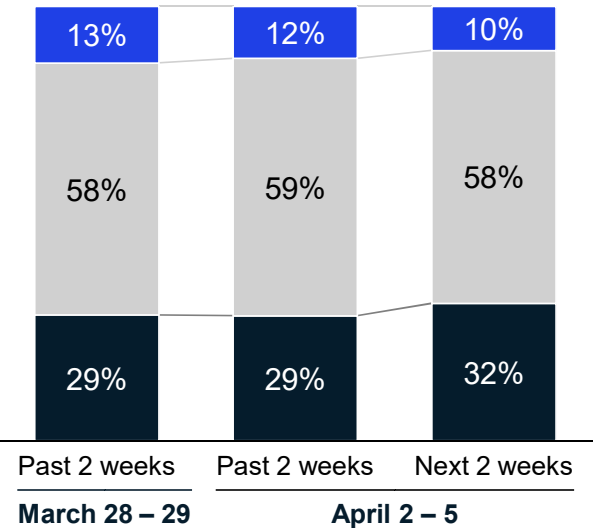
Household income^{1,2}
% of respondents



Household spending^{1,2}
% of respondents



Household savings^{1,2}
% of respondents



Source: McKinsey & Company COVID-19 German Consumer Pulse Survey 3/28-3/29/2020 N = 1,002, 4/2-4/5/2020 N = 1,010, sampled and weighted to match Germany's gen population 18+ years

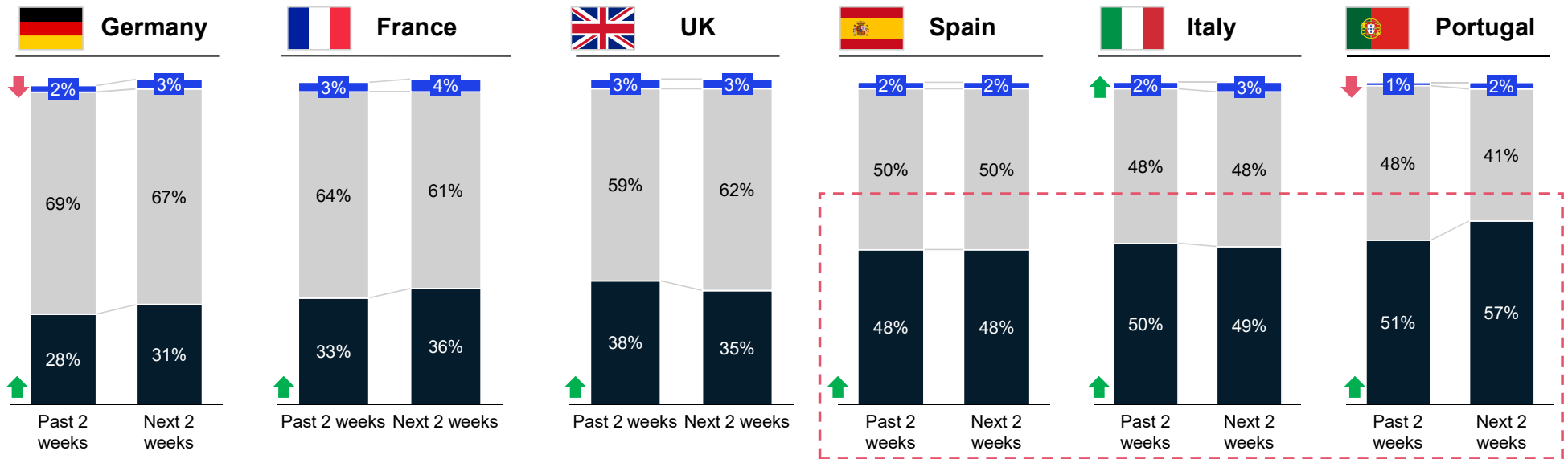


Expectations on household income are gloomier in Spain, Italy, and Portugal



Household income^{1,2} % of respondents

↑ ↓ Compared to last week's survey results
■ Increase slightly / increase a lot
■ About the same
■ Reduce slightly / reduce a lot



1.Q: How has the coronavirus (COVID-19) situation affected your (family) overall available income IN THE PAST TWO WEEKS?
 2.Q: How do you think your overall available income may change in the NEXT TWO WEEKS?



Detailed consumer expectations by country (1/2)

Expected spend per category over the next 2 weeks compared to usual¹

↓ Net change by -5pt or more since last survey

Percent of respondents

		Net intent ²					
		UK	Germany	France	Portugal	Spain	Italy
	Groceries	+9	+11	-1	+29	+14	+13
	Tobacco products	-17	-11	-19	-18	-11	-17
	Snacks	-10	-17	-55	-24	-21	-29
	Take out/delivery	-45	-10	-50	-21	-32	-26
	Alcohol	-24	-26	-37	-51	-40	-40
	Quick service restaurant	-84	-64	-76	-70	-74	-78
	Restaurant	-87	-79	-78	-91	-84	-84
	Apparel	-72	-50	-69	-85	-76	-74
	Footwear	-71	-52	-70	-86	-73	-73
	Jewelry	-73	-62	-77	-87	-78	-74
	Accessories	-74	-64	-75	-86	-80	-73
	Household supplies	-6	-2	-45	+9	+8	-2
	Personal care products	-16	-3	-24	-9	-11	-26
	Non-food child products	-16	-15	-22	-32	-25	-22
	Skincare & make up	-50	-24	-51	-83	-66	-48
	Furnishing & appliances	-67	-54	-74	-84	-76	-68

1. Q: Over the next 2 weeks, do you expect that you will spend more, about the same, or less money on these categories than usual?

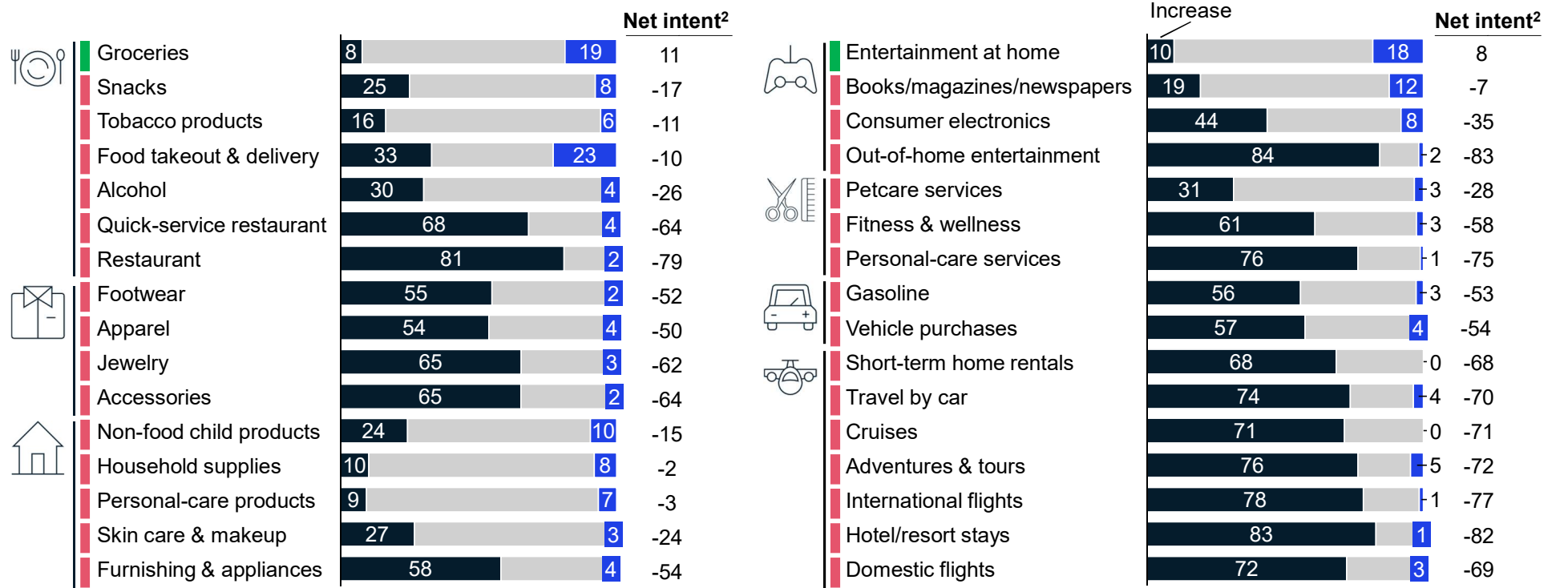
2. Net intent is calculated by subtracting the percent of respondents stating they expect to buy less from the percent of respondents stating that will buy more for each category



... leading to decreased spend expectations across categories

Expected spend per category over the next 2 weeks compared to usual¹

Percent of respondents



1. Q: Over the next 2 weeks, do you expect that you will spend more, about the same, or less money on these categories than usual?

2. Net intent is calculated by subtracting the % of respondents stating they expect to decrease time spent from the % of respondents stating to increase time spent



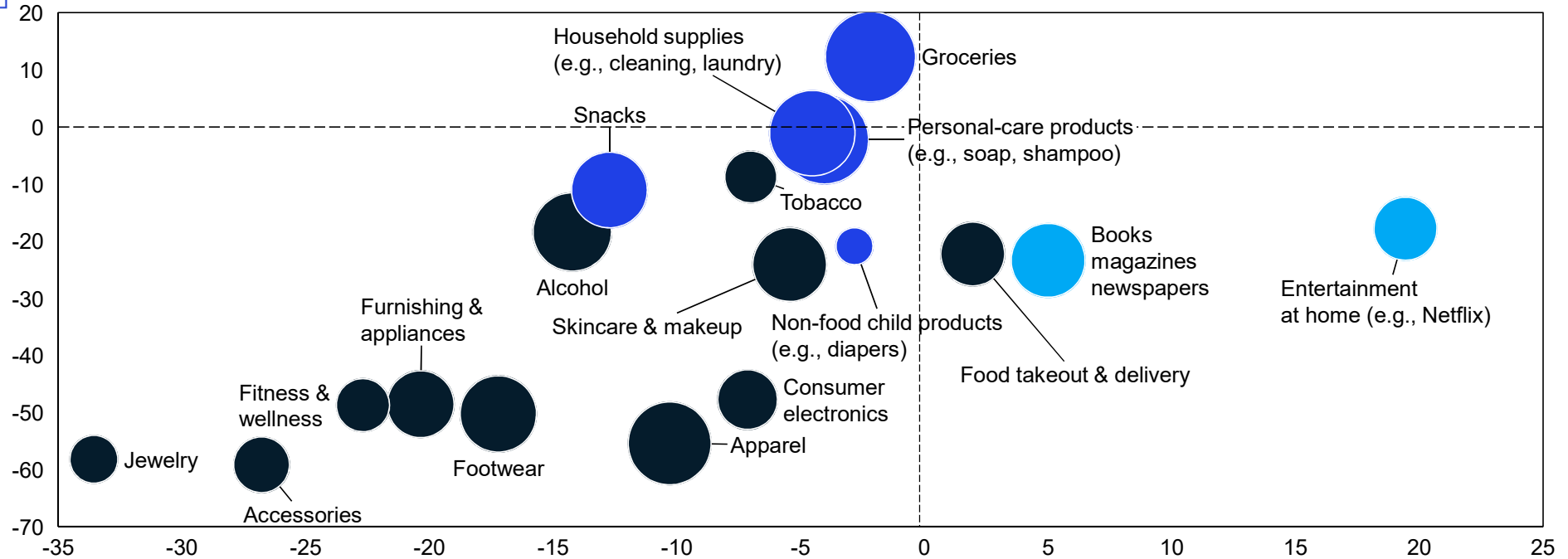
Positive online spend intent is seen for select categories only, e.g. home entertainment and books/magazines/newspaper

Expected change in shopping channel per category over the next 2 weeks¹

Axes show net intent², bubble size relative to share of respondents that have purchased category in last 6 months

- Household essentials
- Discretionary
- Entertainment at home

In-store



1. Q: And where do you expect you'll buy these categories? Tell us if you will shop in the following places more, about the same, or less in the next 2 weeks.

Please note, if you don't buy in one of these places today and won't in next 2 weeks, please select "N/A" – did not ask this question for categories not shown

2. Net intent is calculated by subtracting the % of respondents stating they expect to decrease time spent from the % of respondents stating to increase time spent

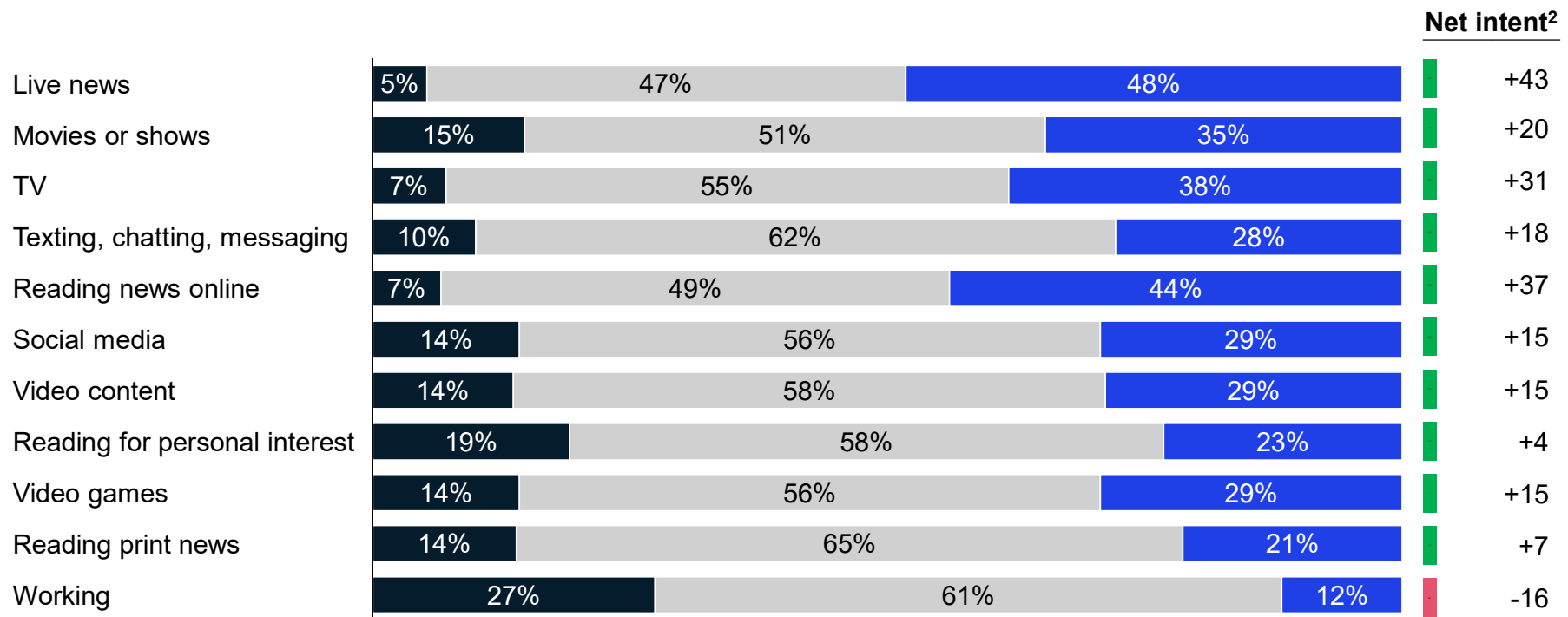
Online



Expected behavioral shifts to consumer news & media are still prominent – along with an increase in entertainment

Expected change to time allocation over the next two weeks¹
Percent of respondents

■ Decrease ■ Stay the same ■ Increase
 ■ Net Intent: Above and including 0 ■ Net Intent: Below 0

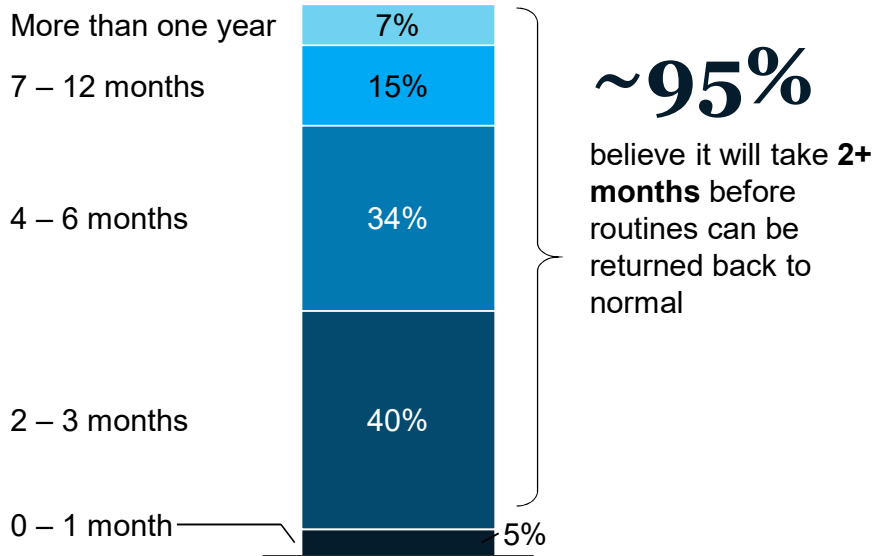


1. Q: Over the next 2 weeks, how much time do you expect to spend on these activities compared to how much time you normally spend on them?
 2. Net intent is calculated by subtracting the % of respondents stating they expect to decrease time spent from the % of respondents stating to increase time spent

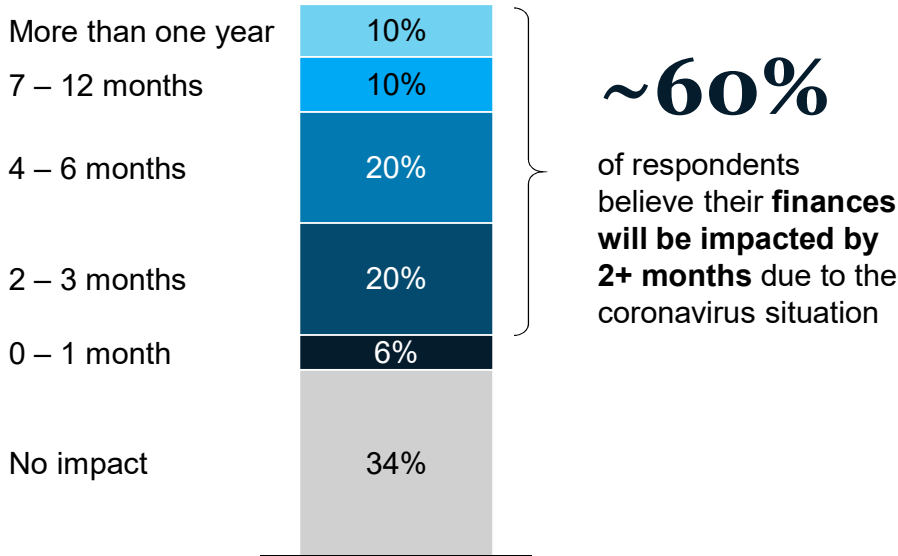


The majority of German consumers believe the personal & financial impacts from COVID-19 will last well beyond 2 months

Adjustments to routines¹ % of respondents



Impact to personal/household finances² % of respondents



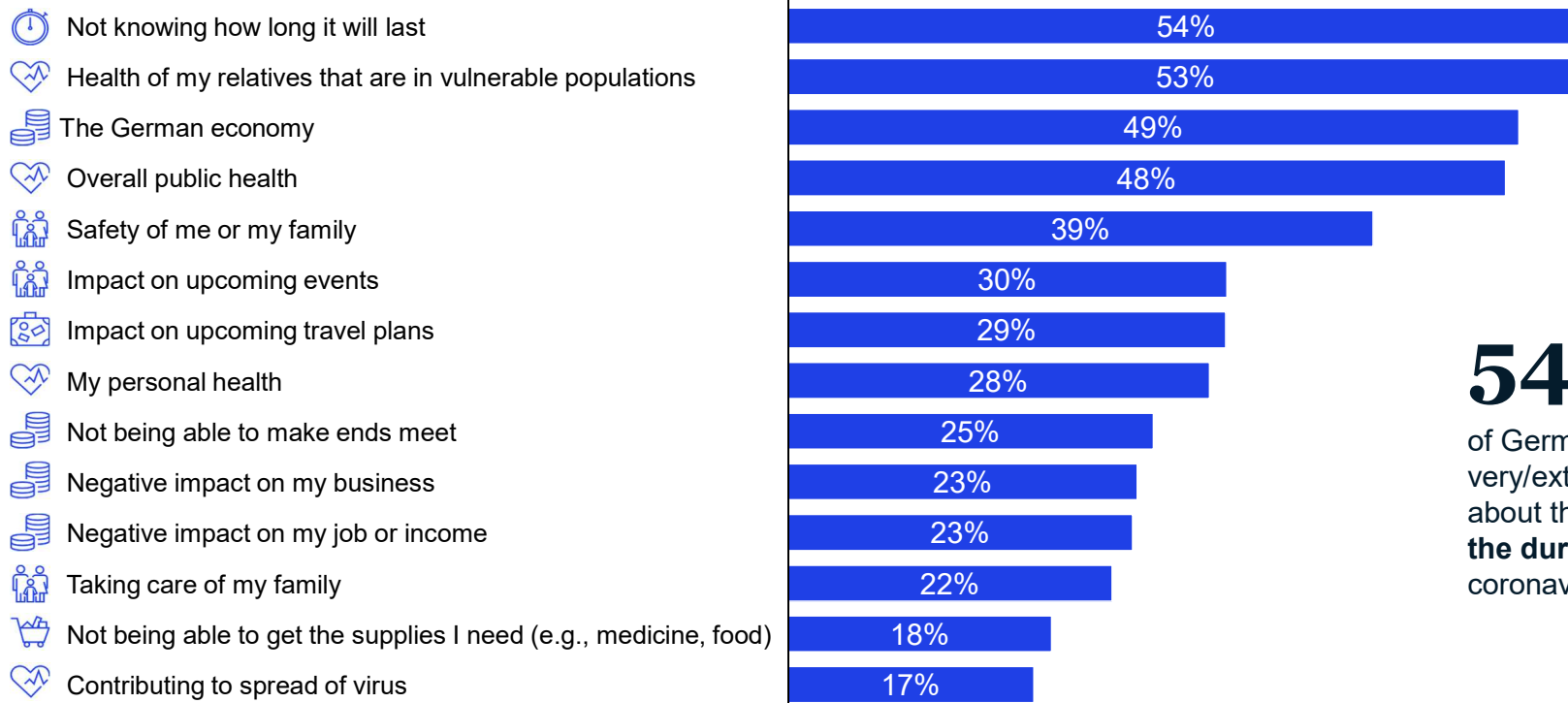
1. Q: How long do you believe you need to adjust your routines, given the current coronavirus or COVID-19 situation, before things return back to normal in the US (e.g., government lifts restrictions on events / travel)?
2. Q: How long do you believe your personal / household finances will be impacted by the coronavirus or COVID-19 situation?



Uncertainty about the duration of the situation, health of relatives & the economy are top concerns for German consumers

Largest concerns of the German population related to coronavirus or COVID-19¹
 Percentage of respondents who are very concerned or extremely concerned

■ Very concerned / extremely concerned



54%
 of Germans are very/extremely concerned about the **uncertainty of the duration** of the coronavirus situation

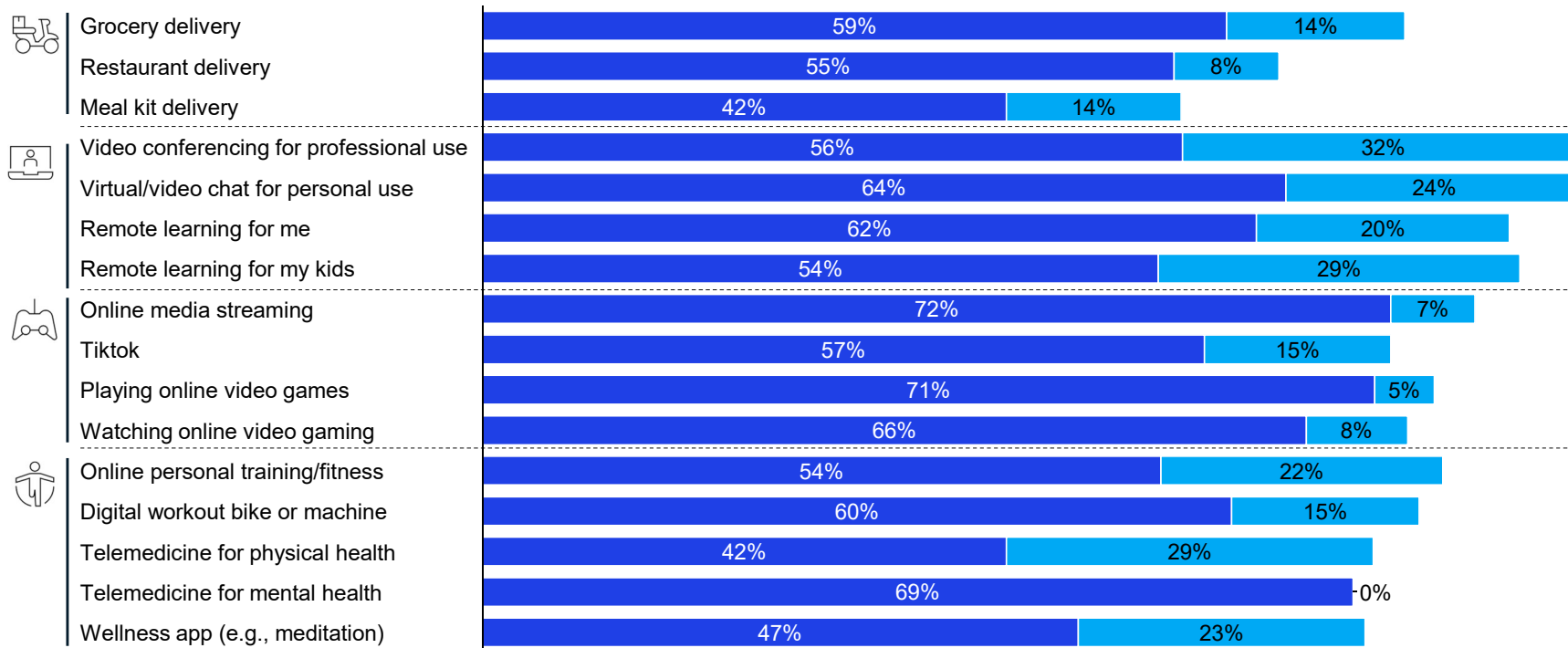
1. Q: What concerns you most about the coronavirus or COVID-19 situation? (not a concern; minimally concerned; somewhat concerned; very concerned; extremely concerned)



Germans have picked up new digital activities since the start of COVID-19

Have you used or done any of the following since COVID-19 started^{1,2}
Percent of respondents

■ Using more ■ Just started using



1. Q: Have you used or done any of the following since the coronavirus or COVID-19 situation started? If yes, Q: Which best describes when you have done or used each of these items? (just started using since Coronavirus started, using more since Coronavirus started, using about the same since Coronavirus started, using less since Coronavirus started)

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