From having to being: how China’s consumers are shifting their lifestyle priorities

Webinar

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mazars

Webinar: new priorities of Chinese consumers
Speakers

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Webinar: new priorities of Chinese consumers
Our latest report

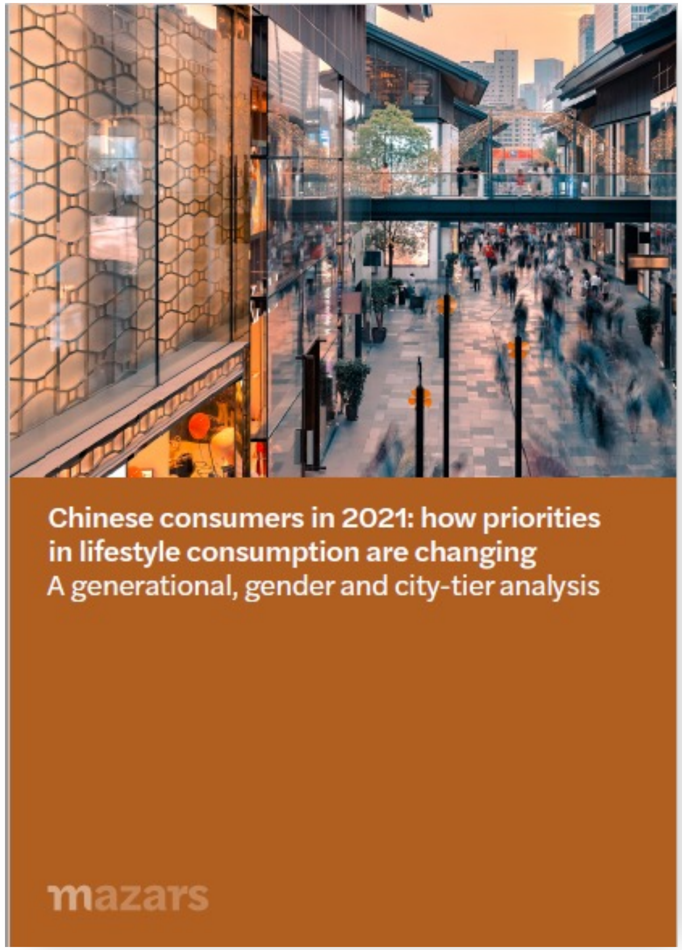
Chinese consumers in 2021: how priorities in lifestyle consumption are changing

China's consumer market, second only to the US, is key to both domestic and international brands. While the buying behaviours of consumers in China have been well-documented, more recent shifts in consumer preferences in the wake of Covid-19 are less well-known.

Our new study 'Chinese consumers in 2021: how priorities in lifestyle consumption are changing' seeks to investigate trends in buying behaviour that show a shift away from material goods towards more experiential spending.

Published in partnership with Accor, Bulgari, Maserati, Remy Cointreau, and Noblesse, we examine consumer lifestyle preferences among men and women across generations and cities and reveal some new trends that will define the Chinese consumer market in the coming years.

> <u>**Download the report**</u>



01

Section 01:

Background

Background

The particularities of the Chinese market

Unique and fast-changing market

- Although still faced with the challenges of the pandemic, China's economy has maintained sound recovery and grew by 8.1 percent year on year, the largest jump since 2011.
- The level of urbanization is steadily increasing, particularly in Tier-1 and New Tier-1 cities.
- Product life cycles are shortening. Up to 70% of new products can survive no more than 18 months.

Complex and Multiple markets

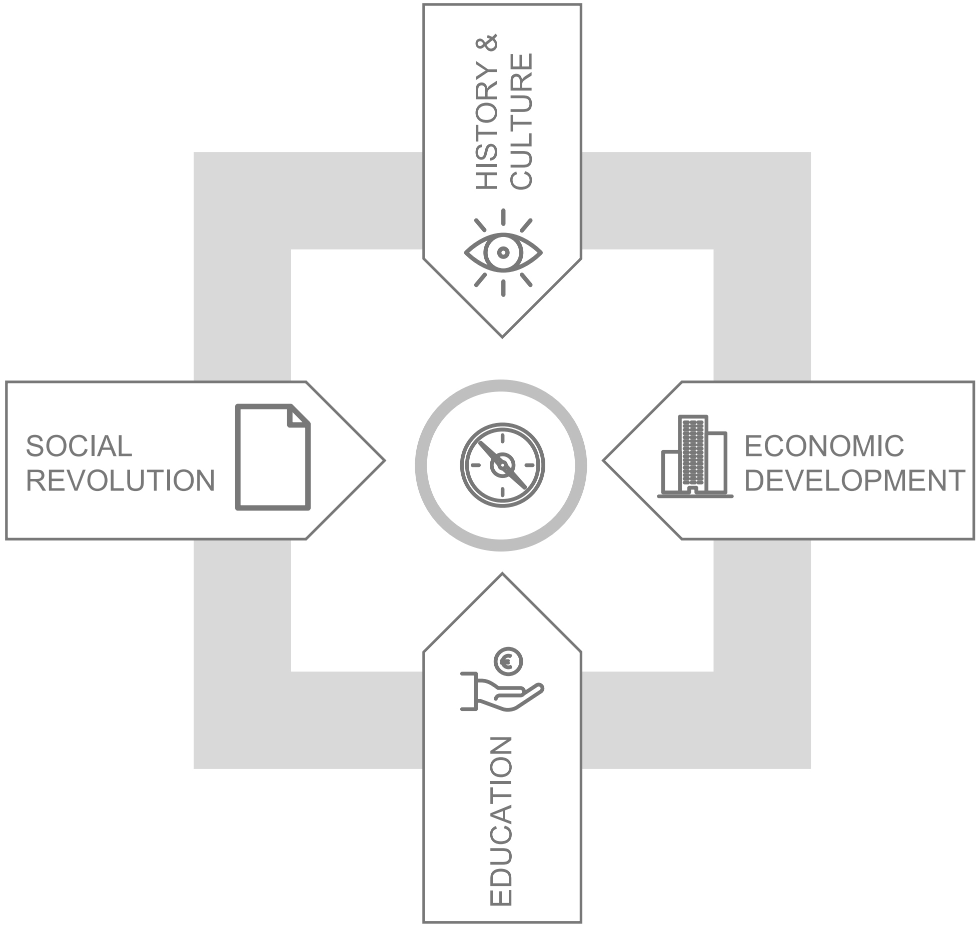
- Complex market due to the different generations, genders and city-tiers.
- There are various profiles of consumers as they have grown up in a different stage of China's economic and social development.
- Chinese consumers are becoming mature and sophisticated.

The pandemic impact on consumer behavior and concept of value

- The pandemic has changed our way of life and force us towards more digitalization.
- How deep the pandemic has impacted the values and behaviors of the consumers of all generations?
- Will the pandemic impact be temporary or permanent? What will be the market trends in the short and medium term?

Background

We believe that the consumption behaviour is closely linked to



01 **Baby boomers**

- Aged 55-73
- Sharp growth of population
- Planned economy and cultural revolution

02 **Generation X**

- Aged 39-54
- Reform and opening up
- Foreign companies entered China

03 **Millennials**

- Aged 25-38
- An only child growing up in the Internet era
- China entered WTO and started globalization

04 **Generation Z**

- Aged under 24
- Digital native with stronger social responsibilities
- International and optimist about the future

Background

How our survey was conducted

Q2, 2021

Data collected in

4,078

Valid responses

Chinese consumer lifestyle consumption of the past year

Changes in lifestyle consumption since the pandemic

Expected lifestyle consumption in the next two years

The ideal lifestyle in the future

Background

How our survey was conducted

Strategic luxury brand partners

ACCOR

Maserati

BVLGARI

RÉMY COINTREAU

Terroir, people and time

Strategic media partner

Noblesse

LEADER OF A PREMIER LIFESTYLE

02

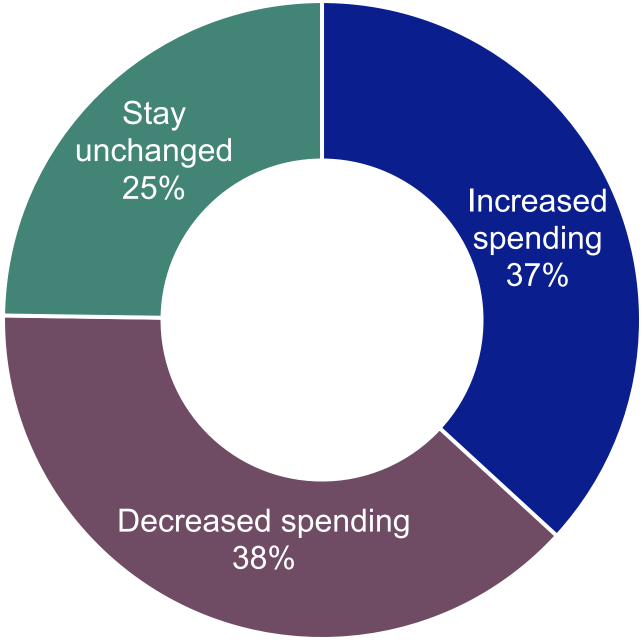
Section 02:

Key findings

Key findings

Lifestyle consumption changes after outbreak of the pandemic

75% The pandemic influenced lifestyle consumption



Increased spending:

No.1 ↑ Experience

No.2 ↑ Wellness

No.3 ↑ Luxury goods

Decreased spending:

No.1 ↓ Overseas travel

No.2 ↓ Perfume & cosmetics

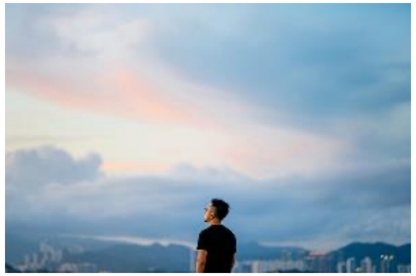
No.3 ↓ Live performances

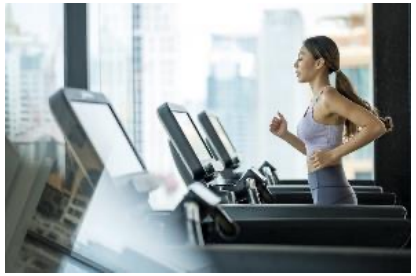
Key findings

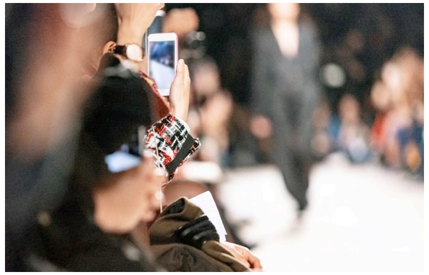
The lifestyle consumption over the past year

Over the past year, the top 5 spending areas for Chinese consumers have been:

Experiences	Wellness	Luxury goods	Education	Entertainment and cultural life
01	02	03	04	05
Recreational activities such as travel, food and nightlife.	Activities to maintain physical fitness and psychological wellbeing such as health maintenance, fitness, sports and beauty.	Luxury goods or expensive products such as clothing, shoes and hats, jewelry and watches and electronic products.	Further education including educational programs or trainings: foreign languages, vocational skills and hobbies.	Cultural activities and entertainment such as reading, visiting museums, going to concerts and attending fashion events.







Key findings

Pandemic impact on the Chinese consumers' consumption behavior and value concept

The past year		In the near future	
Experiences	»	Experiences	»
Wellness		Wellness	
Luxury goods		**Education**	
Education		**Entertainment and cultural life**	
Entertainment and cultural life		**Luxury goods**	

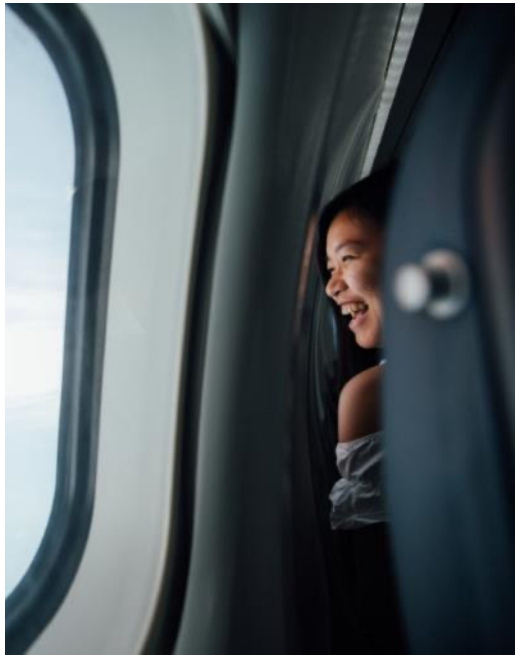
Our survey reveals the Chinese consumers are moving from material to spiritual consumption

Key findings

Experiential consumption by generation, gender and city-tier

No.1

The past year	The next 2 years	>2 years
69% spent considerably on travel, food and nightlife.	**58%** hope to increase experiential consumption	**73%** include experiential consumption as lifestyle preferences



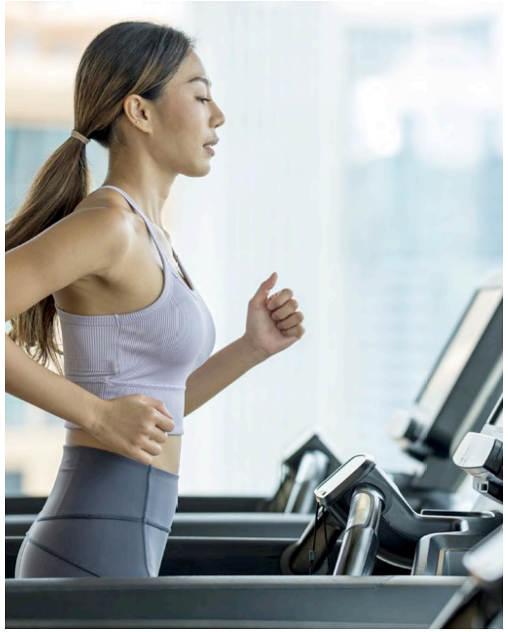
Travel	Major spenders X	Spend the most on a single trip M
Fine dining	M	
Nightlife	Z	N1st 2nd 3rd

Key findings

Wellness consumption by generation, gender and city-tier

No.2

The past year	The next 2 years	>2 years
47% spent considerably on wellness	58% hope to increase wellness consumption	61% include wellness as a lifestyle preferences



Sports Club	TCM treatment	Beauty services	Slimming
M Z	B X 2nd	M 1st	Z 2nd

Key findings

Luxury goods consumption by generation, gender and city-tier

The past year

No.3 **42%** spent considerably on purchasing luxury goods

The next 2 years

No.5 **31%** hope to increase luxury goods consumption

>2 years

No.5 **36%** include luxury goods as a lifestyle preferences

Before the pandemic (Top 5)

Clothing, Hats & Shoes
Perfume & Cosmetics
Bags & Leather Goods
Jewelry & Watches
Electronic Products

Since the Covid-19 outbreak (Top 5)

Clothing, Hats & Shoes
Electronic Products
Bags & Leather Goods
Jewelry & Watches
Perfume & Cosmetics

In the future (Top 5)

Jewelry & Watches
Clothing, Hats & Shoes
Electronic Products
Bags & Leather Goods
Perfume & Cosmetics

Key findings

Education consumption by generation, gender and city-tier

The past year

No.4 **39%** spent considerably on education

The next 2 years

↑ No.3 **42%** hope to increase education consumption

>2 years

↑ No.3 **44%** include education as lifestyle preferences

Since the pandemic, the consumers shown stronger desire for education, especially

Z M

2nd 3rd

taste-development	B
personal hobbies	X
vocational skills	M
further education	M
foreign languages	Z

Key findings

Entertainment and cultural life consumption by generation, gender and city-tier

The past year

No.5 **31%** spent considerably on entertainment and cultural life

The next 2 years

No.4 **35%** hope to increase entertainment and cultural consumption

>2 years

No.4 **41%** include entertainment and cultural life as a lifestyle preferences

B M **Film and live performances**

Z **Internet-famous landmarks**

B X **Cultural exhibitions**

Z M **Fashion events**

Key findings
The ideal lifestyle

Chinese consumers are optimistic about the future:

Time to achieve their ideal lifestyle

58% will be able to lead an ideal lifestyle within 3 years

B X 1st N1st

38% 4-10 years to realize ideal lifestyle

Z M

4% >10 years to realize ideal lifestyle

Spend in their ideal lifestyle (per year)

49% spend RMB10,000 – 50,000 in their ideal lifestyle

Z

33% spend > RMB50,000 in their ideal lifestyle

M 1st

16% spend < RMB10,000 in their ideal lifestyle

03

Section 03:

Key takeaways

Key takeaways
Insights

Multiple consumers, diverse lifestyles

- China's economy changed rapidly. Consumer preferences are shaped by generation, gender and city location
- Brands should understand the different drivers for each group and diversify their offering.

The rise of the experiential over the material

- Chinese consumers are spending more on experiential than material
- Consumer perceptions are maturing - a pivot toward more spiritual wellbeing

The wellness market is flourishing

- Wellness is the second largest lifestyle expenditure
- This trend will continue and become permanent

High demand of immersive experience

- Consumers are more demanding of immersive shopping experience both online and offline
- Every touch point between the consumer and the brand is worth considering to customize the targeted population

The future is Gen Z

- Very different approach to consumption compared to other age groups
- Companies will need to build an appealing brand image with this generation

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