CHINA’S MAJOR CONSUMPTION FORCE

GEN Z
HELLO!

Gen Zs are one of the most important consumer groups in China. Due to their natural digital savviness and rising purchasing power, they are the generation that is reshaping industry trends. They are the country's major internet user group: in order to capture their attention, brands need to keep up with their thriving online lives and understand their unique needs, preferences, and consumption behaviours. My team at ChoZan and I have compiled this report to present the latest insights on Gen Z consumers so our fellow China watchers and marketers can enter this exciting market in 2021 equipped. Let’s go get them!

Ashley Galina Dudarenok  
Founder, Alarice and ChoZan, LinkedIn Top Voice

Follow my LinkedIn for daily China insights  
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Born between 1995 and 2010, Gen Z consumers grew up under favourable economic conditions, having their lives **shaped by the technology of the 21st century** since childhood.

Often called Post-95s, Post-00s or Dotcom kids, they go by many names and are a **truly global generation**.

Young, **highly educated**, and full of ambition, Chinese Gen Z focus on experiences and have their own **distinctive personalities**.

They make up around **19% of the country’s total population** and are **expected to account for 20% of the total spending growth in China from 2017 to 2030**.

**Sources:**
1) iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
OVERVIEW
According to data from the 7th National Popular Census published by the National Bureau of Statistics, there are about 264 million Gen Z in China, accounting for around 19% of the country’s total population.

Their expenditure has reached 4 trillion yuan, approximately 13% of China’s total household expenditure, and their consumption growth rate is much higher than that of other age groups.

Gen Z is the most educated generation in China and a high proportion lives in first-tier cities.

Sources:
1) 7th National Popular Census of the PRC, May 11, 2021
2) QuestMobile 2020 Gen Z Insight Report
## OVERVIEW

### GEN Z, GEN Y, GEN X - GENERATION GAP

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>25% OF POPULATION</td>
<td>22% OF POPULATION</td>
<td>19% OF POPULATION</td>
</tr>
</tbody>
</table>

- More abundant material life and education level
- Experienced the great social changes brought about by the continuous development of science and technology
- Easy-going, and wealthy
- Pay more attention to brand experience and word of mouth

- Lived during the rapid development of personal computers and the Internet
- Significant demand for consumption upgrades
- Prefer niche consumption
- Confident, optimistic, persistent, straightforward, independent, and knowledgeable

- Born with digital technology
- Mobile Internet and digital products are part of their daily lives
- Experienced the results of China’s economic boom
- They have a material life, focus on experience, are characterised by distinctive personalities, and have self-esteem
- They are strong and willing to try all sorts of new things

Source: Guotai Junan Securities, March 2021
OVERVIEW

GEN Z - FIRST GENERATION OF TRUE DIGITAL NATIVES

1995
Post-95s were born, personal computers entered homes

1999
QQ was introduced

2000
Post-00s were born, Baidu was established

2008
Beijing Olympics, Post-95s experienced a world-class event for the first time

2009
Taobao launches Double Eleven, Weibo was born

2010
3D TV technology appeared

2011
WeChat was introduced

2016
First year of livestreaming

2017
E-sports joined the Asian Games

2018
The first batch of Post-00s started University

2019
Rising of e-commerce livestreaming platforms, Li Jiaqi and other anchors became popular

2020
The epidemic promoted digitalisation, online classes. Online shopping was further upgraded

Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
OVERVIEW

GEN Z SPENDING POWER

Due to their rising spending power, Gen Z represents the next engine of domestic consumption growth.

19% OF POPULATION IN CHINA ARE GEN Z

51.3 THOUSAND RMB SPENT YEARLY PER GEN Z

3501 AVERAGE MONTHLY DISPOSABLE INCOME THAN OTHER CHINESE CONSUMERS

Sources:
1) Tencent "In-depth Analysis of Gen Z and Future Marketing Trends", March 31, 2021
3) L Catterton Consumer Insights Report, Feb. 2021
4) Guotai Junan Securities, March 2021
OVERVIEW

GEN Z SPENDING POWER

Gen Z are more carefree in terms of spending compared to other generations. With a higher disposable income, they live comfortable lives and are self-reliant.

According to a survey conducted by iResearch, over 70% of Gen Z interviewed have a monthly disposable income of more than 3,000 yuan, and their main source of revenue comes from themselves rather than from the assistance of their family.

Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
OVERVIEW
GEN Z SPENDING POWER

In the future, as Gen Z gradually enter society and the workplace, they will further increase their income and impact the consumer market.

Sources:
1) iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
2) Guotai Junan Securities, March 2021
OVERVIEW
GEN Z EDUCATION AND INCOME

Post-95 women have a higher education background and monthly income compared to other Chinese netizens.

EDUCATION BACKGROUND OF CHINESE NETIZENS

MONTHLY INCOME OF CHINESE NETIZENS (IN RMB)

Source: MobTech, Post-95 Women report, 2021
OVERVIEW
GEN Z INTERNET USAGE

Gen Z is one of the fastest growing internet user groups.

THE NUMBER AND PROPORTION OF GEN Z ACTIVE INTERNET DEVICES (2016-2020)

Source: QuestMobile 2020 Gen Z Insight Report
OVERVIEW
GEN Z INTERNET USAGE

While a lot of Gen Z e-commerce and social media users are in Tier 1 cities, the rapid change in science and technology has resulted in an increase of users in lower tier cities.

Source: QuestMobile 2020 Gen Z Insight Report
OVERVIEW
GEN Z INTERNET USAGE

Gen Z are some of the most active internet users:

- **320 million monthly active devices** as of November 2020, accounting for 28.1% of all mobile internet users
- An average of **163.9 hours per month** spent on mobile internet
- A typical Gen Z uses mobile internet for **5.46 hours a day**.

AVERAGE MONTHLY INTERNET USAGE OF GEN Z (JUNE 2021)

Sources:
1) QuestMobile China Mobile Internet 2021 Semi-Annual Report
2) Tencent “In-depth Analysis of Gen Z and Future Marketing Trends”, March 31, 2021
3) eMarketer “The kids are online: Mobile Internet use in China across Generations”, Feb, 2021
They have a wide range of hobbies, especially related to social media, entertainment and shopping. That's the reason why it is possible to find them everywhere online.
OVERVIEW
GEN Z INTERNET USAGE

Gen Z online spending power and willingness to buy is also much higher compared to other netizens.

Source: QuestMobile 2020 Gen Z Insight Report
OVERVIEW
GEN Z WOMEN INTERNET USAGE

53.78 million is the number of Post-95 female monthly active users. Gen Z women are gradually stepping out of higher education and entering society and the workforce.

POST-95 FEMALE MONTHLY ACTIVE USERS (IN MILLIONS) (2018-2020)

Source: MobTech, Post-95 Women report, 2021
OVERVIEW
GEN Z WOMEN INTERNET USAGE

Post-95 women have a **higher internet usage** among other netizens with an **average of 6.7 hours per day**.

Source: MobTech, Post-95 Women report, 2021
OVERVIEW

GEN Z MEN INTERNET USAGE

The number of Post-95 male mobile internet active users exceeded 70 million. They are important participants and a rising force in the online landscape.

POST-95 MALE NETIZENS USER SCALE (IN MILLIONS)

Source: MobTech, "He Economy" report, 2021
Q: WHAT CONSUMPTION GROUPS DO YOU ADVISE MARKETERS TO MONITOR IN 2021?

Generation Z, i.e. young Chinese born after 1995, are the most influential consumers in the luxury sector. Growing up with the internet and social media, young people are the ones who are pushing brand digitization the most. **Gen Z seek limited, customizable collections and carefully choose the brands they trust.** They prefer sustainable brands and second-hand products. They expect brands to have specific goals and to take a political stance. However, young Chinese people are very patriotic and tend to support local brands.

**By 2030, this consumer segment is expected to occupy the highest level of luxury shopping, not only in China but globally.** A successful strategy for attracting Gen Z consumers must include social media and livestreaming.
Q: WHAT CONSUMER GROUPS, IN YOUR VIEW, HAVE THE MOST SPENDING POWER RIGHT NOW? ARE THEY SAVING OR SPENDING?

The post-90s and post-00s. As post-90s become the backbone of the labor force with stable incomes and the post-00s enter the workplace, the new generations show substantial purchasing power.

According to a report by the Research Institute of the Ministry of Commerce, post-90s accounted for nearly 50% of tourism consumers. Among Chinese catering consumers, those born after 1990 and 1995 account for 51.4%.

The young generations are more individualistic and open-minded in their consumption, but they also know how to manage their income reasonably.

For example, they save money with Yue Bao, Ant Financial’s online spare money management platform. Also, more Chinese young people have engaged in purchasing funds for financial management and investment.
Q: WHAT CONSUMER GROUPS, IN YOUR VIEW, HAVE THE MOST SPENDING POWER RIGHT NOW?

Gen Z. At first I thought it might be Millennials, but then it occurred to me that as a Millennial, I'm not a generous spender because at our age, we have to start being really independent and not ask for money from our parents. For Gen Z, most of them are still students, which means that it's okay to have parental financial support. Gen Z is also a generation that actively obtains information online and formed a habit of online shopping at an early age. They know what they like, and they're very willing to pay for it. If there's something that can help them stand out among their peers, they'd love to get it.
Q: WHAT CONSUMER GROUPS, IN YOUR VIEW, HAVE THE MOST SPENDING POWER RIGHT NOW? ARE THEY SAVING OR SPENDING?

With sales of luxury goods in China doubling in 2020, 2021 is expected to see 30% growth. Millennials dominate the luxury fashion and lifestyle market (currently 70%), with Gen Z consumers becoming the fastest growing group when it comes to seeking designer editions and cross-brand collabs. It’s no longer about Covid-19 revenge-spending, and these key segments will continue to spend rather than save as consumer optimism continues to grow in China.

MICHELLE CASTILLO
Director of Content and Insights at Nuguru Wellness
Q: WHAT CONSUMER GROUPS IN YOUR VIEW HAVE THE MOST SPENDING POWER RIGHT NOW?

China’s Gen Z. They are the engine of China’s booming luxury economy with 13% of household income discretionary, versus just 4% in the US and Britain. They carry high personal debt with confidence and see the fruits of consumption as part of their unique identity and source of recognition.

JOSH GARDNER
CEO of Kung Fu Data
CONSUMER INSIGHTS
UNDERSTANDING GEN Z
Gen Z has the rooted idea that **everyone is unique and their uniqueness should be accepted**. This idea is reflected in their consumer behaviours with a strong demand in personalised, unique, and cool products that can highlight their distinctive personalities.

Sources:
1) iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
2) Guotai Junan Securities, March 2021
CONSUMER INSIGHTS

GEN Z HOBBIES

This attitude to see everyone as unique and different is reflected in their *willingness to pay for hobbies that bring them joy and satisfaction*, and that directly express the value of the "self".

On average, each Gen Z individual has 1.7 *circles of interest which they feel strongly attached to* and are willing to participate in related relevant activities.

Sources:
1) Tencent “Eight Major Trends, Insiders into New Consumer Brands’ Strategy”, April 26, 2021
2) Kantar “How can creativity win Gen Z and low-tier city consumers”, April 16, 2021
CONSUMER INSIGHTS

GEN Z SHOPPING ATTITUDES

For many Gen Z, shopping is a part of their daily life as they grew up in a society where shopping is seen both as a hobby and entertainment.

As a result, they are the **most spontaneous consumer group** in China: according to McKinsey China Consumer Report 2021, 47% of people interviewed said they are likely to buy products “on the go”. They are also optimistic, impulsive, and tend to outspend their budget.

PERCENTAGE OF PEOPLE WHO ARE LIKELY TO BUY PRODUCTS ON THE GO

<table>
<thead>
<tr>
<th>Country</th>
<th>Gen Z</th>
<th>Millennial</th>
<th>Gen x</th>
<th>Australia</th>
<th>Japan</th>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>47%</td>
<td>42%</td>
<td>36%</td>
<td>29%</td>
<td>27%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Sources:
1) Emerging Communications Complete Guide to Chinese Gen Z Part 1
CONSUMER INSIGHTS

GEN Z SHOPPING ATTITUDES

Word of mouth, especially online, is the most influential factor for purchasing decisions: online reviews on Taobao, Tmall, RED, or apps like Dianping, Meituan, with reviews, discussion forums and group buying options, are very popular among Gen Z.

Other powerful sources for product recommendations include brands' official accounts, bloggers, online influencers and KOLs. Compared to Millennials and Gen X, Gen Z value those information sources much more.

CONSUMER INSIGHTS
GEN Z SHOPPING ATTITUDES

In terms of shopping behaviours, many Gen Z are willing to spend on their interests and entertainment. People who have the same hobby, like ACGN (Animation, Comics, Games and Short Novels) and fandom groups get together in large and small circles.

Consumption for IDOLS is a major feature of Gen Z: it is considered in the same way as shopping for a hobby. Young consumers, and their purchase decisions are mostly influenced by their idols and KOLs. For instance, they want to have the same T-shirt that their idol wears.

Apart from their favourite idols, to follow their hobbies Gen Z will also pay for niche clothing and internet celebrities.

40 BILLION RMB
OF IDOL CONSUMPTION BY GEN Z IN 2018

+70%
OF GEN Z WILL SPEND FOR THEIR IDOLS

+30%
OF GEN Z WILL SPEND UNDER THE INFLUENCE OF KOLS/ IDOLS

Source: Tencent “In-depth Analysis of Gen Z and Future Marketing Trends”, March 31, 2021 & Groups, Gen Z Report
CONSUMER INSIGHTS
GEN Z SHOPPING ATTITUDES

Gen Z place a lot of importance on the appearance, quality and design of products. This is one of the reasons why cake shops made famous by Internet celebrities, restaurants, and the so-called “instagram style” gained popularity in recent years. Attractive product design was also listed as one of the top 5 buying factors of small electronics appliances.

This shouldn’t be mistaken for superficiality: access to unlimited information, made possible by modern information technology, naturally resulted in an improved sense of aesthetics.

Sources:
1) Tencent “In-depth Analysis of Gen Z and Future Marketing Trends”, March 31, 2021
2) Guotai Junan Securities, March 2021
CONSUMER INSIGHTS
GEN Z SHOPPING ATTITUDES

But Gen Zs do not only look for product quality. In fact, they also give importance to consumer experience: compared to other consumer groups, they are more willing to pay for the pleasure of experiences.

Blind boxes, for example, have gained the love of many Gen Z users, as they make the buying process an interesting and exciting experience.

Source: Tencent “In-depth Analysis of Gen Z and Future Marketing Trends”, March 31, 2021
CONSUMER INSIGHTS

GEN Z SHOPPING ATTITUDES

Gen Z desire unique tailored products and services: according to McKinsey Chiba Consumer Report 2021, more than half of Chinese Gen Z interviewed said they prefer brands that offer customised products, while 53% would opt for brands that provide tailored services.
CONSUMER INSIGHTS
GEN Z SHOPPING ATTITUDES

Gen Z are more globally minded and at the same time have a **stronger cultural confidence sense of national identity**: they are **enthusiastic about Made in China**, which has lead to increased demand for domestic brands and products.

They are also willing to pay more for products with strong Chinese culture or heritage elements.

In recent years, the strong consumer demand of Gen Z has constituted an important factor for the rapid development of new brands, as they are **among the users that pay more attention to emerging domestic brands.**

Source: QuestMobile China Mobile Internet 2021 Semi-Annual Report
CONSUMER INSIGHTS
GEN Z SHOPPING ATTITUDES

Compared to their peers in other countries, China’s Gen Z are relatively more loyal to brands: 47% of them said they would stick to brands they like and are satisfied with, while 43% would choose to buy a product from a brand they know well over a new one.

Gen Z's **Food & Beverage consumption** is showing an increasing trend. The proportion of heavy F&B consumers amounts to 90%, and nearly half of Gen Z plans to increase their spending in this area.

- **93%** of Gen Z are moderate to heavy beverage consumers.
- **90%** of Gen Z are moderate to heavy consumers of snacks.

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
In addition to satisfying basic functional needs, Gen Zs also have **emotional needs when it comes to drinks and snacks.**

### GEN Z’S BEVERAGE CONSUMPTION NEEDS (MAY 2021)

<table>
<thead>
<tr>
<th>Need</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quench thirst</td>
<td>24%</td>
</tr>
<tr>
<td>Supplement energy/nutrition/vitamins</td>
<td>22%</td>
</tr>
<tr>
<td>Reward oneself</td>
<td>20%</td>
</tr>
<tr>
<td>Relieve heat</td>
<td>19%</td>
</tr>
<tr>
<td>Increase social interactions</td>
<td>19%</td>
</tr>
<tr>
<td>Get rid of greasy feeling</td>
<td>18%</td>
</tr>
<tr>
<td>Express one’s personality and taste</td>
<td>18%</td>
</tr>
<tr>
<td>Aid digestion</td>
<td>18%</td>
</tr>
<tr>
<td>Refresh</td>
<td>18%</td>
</tr>
<tr>
<td>Vent emotions/relieve stress</td>
<td>18%</td>
</tr>
<tr>
<td>Feel nostalgic</td>
<td>17%</td>
</tr>
<tr>
<td>Taste a new delicacy</td>
<td>17%</td>
</tr>
<tr>
<td>Cheer up</td>
<td>17%</td>
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</tbody>
</table>

### GEN Z’S SNACK CONSUMPTION NEEDS (MAY 2021)

<table>
<thead>
<tr>
<th>Need</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfy food cravings</td>
<td>30%</td>
</tr>
<tr>
<td>Replace a meal/reach satiety</td>
<td>27%</td>
</tr>
<tr>
<td>Reward oneself</td>
<td>26%</td>
</tr>
<tr>
<td>Kill time</td>
<td>23%</td>
</tr>
<tr>
<td>Feel nostalgic</td>
<td>23%</td>
</tr>
<tr>
<td>Taste a new delicacy</td>
<td>21%</td>
</tr>
<tr>
<td>Express one’s personality and taste</td>
<td>19%</td>
</tr>
<tr>
<td>Increase social interactions</td>
<td>19%</td>
</tr>
<tr>
<td>Vent emotions/relieve stress</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
Eating healthy is the dominant value proposition among Gen Zs. Over the past year, generation Z's food and beverage consumption has shifted to more low-fat/low-calorie/low-sugar, organic, healthy and nutritious products.

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
CONSUMER INSIGHTS
GEN Z F&B CONSUMPTION TRENDS

They are also more likely to have a favorable opinion of F&B brands that convey "healthy", "safe", "natural" and "environmentally friendly" images.

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report

<table>
<thead>
<tr>
<th>Brand Image</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy</td>
<td>35%</td>
</tr>
<tr>
<td>Safe</td>
<td>33%</td>
</tr>
<tr>
<td>High-quality</td>
<td>29%</td>
</tr>
<tr>
<td>Natural, environmentally friendly</td>
<td>27%</td>
</tr>
<tr>
<td>Young/energetic</td>
<td>26%</td>
</tr>
</tbody>
</table>
CONSUMER INSIGHTS
GEN Z F&B CONSUMPTION TRENDS

Compared to other consumer groups, Gen Z are more likely to pay attention to the appearance of F&B packaging: in the past year there has been an increase in the consumption of products with good-looking appearance and strong design features.

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
CONSUMER INSIGHTS
GEN Z F&B CONSUMPTION TRENDS

Gen Z is more receptive to domestic emerging brands and is willing to try new types of products. Their consumption of emerging beverage sub-categories is significantly higher than other consumer groups.

LAST THREE TYPES OF BEVERAGES CONSUMED BY GEN Z (MAY 2021)

Proportion of people that purchased domestic emerging/internet celebrities brands in the past 3 months (May 2021)

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
CONSUMER INSIGHTS
GEN Z HEALTH & BEAUTY CONSUMPTION TRENDS

Gen Z pay more attention to preserving their health. This generation of young consumers have an advanced consumption awareness of healthcare, which has shifted from a simple healthy diet to a higher level of exploration. From paying attention to their diet to health preservation and healthcare products, the fields of interest are becoming more and more diversified.

Source: Tencent “Eight Major Trends, Insiders into New Consumer Brands’ Strategy”, April 26, 2021
CONSUMER INSIGHTS
GEN Z HEALTH & BEAUTY CONSUMPTION TRENDS

Gen Zs are the consumer group that cares more about **fitness and weight loss**.

**PROPORTION OF PEOPLE THAT PAYS ATTENTION TO FITNESS AND WEIGHT LOSS (2021)**

Source: QuestMobile 2021 Sport and Health Consumption Report
CONSUMER INSIGHTS
GEN Z HEALTH & BEAUTY CONSUMPTION TRENDS

MEDICAL BEAUTY INDUSTRY IN CHINA

As previously mentioned, Gen Z has a **strong focus on appearance**. More than 50% of Post-90s will spend on **medical beauty** to enhance their appearance.

**50%**
OF CONSUMERS ARE GEN Z

**200 BILLION**
RMB MARKET SIZE

Source: Guotai Junan Securities, March 2021
CONSUMER INSIGHTS
GEN Z LUXURY CONSUMPTION TRENDS

Gen Z’s reasons for buying luxury goods are similar to other generations, but more focused on following fashion.

Source: Bain&Company 2020 China Luxury Market Report
CONSUMER INSIGHTS
GEN Z LUXURY CONSUMPTION TRENDS

In comparison with other generations, Gen Zs prefer niche and co-branded designs.

Source: Bain&Company 2020 China Luxury Market Report
CONSUMER INSIGHTS
GEN Z LUXURY CONSUMPTION TRENDS

Unlike Millennials and Middle-aged consumers, who consider offline stores the 3rd main way to get information about luxury goods, Gen Z’s most common information collection channels are entirely online.

Source: Bain & Company 2020 China Luxury Market Report
CONSUMER INSIGHTS
GEN Z PET ECONOMY CONSUMPTION TRENDS

Pets have become more and more important to Gen Z, as they give their owners an irreplaceable sense of companionship.

AGE DISTRIBUTION OF PET ECONOMY CONSUMERS ONLINE (2019)

HOW PETS ARE CONSIDERED IN PET-OWNING HOUSEHOLDS (2017)

Source: CBNData 2020 Gen Z Consumer Attitudes Insight Report
CONSUMER INSIGHTS
GEN Z PET ECONOMY CONSUMPTION TRENDS

They also pay special attention to the healthy growth of their pets. Healthcare products are the second biggest expenditure for individual pet owners when it comes to food.

Source: CBNData 2020 Gen Z Consumer Attitudes Insight Report
Gen Z are fans of the lazy economy. The year-over-year sales of ‘lazy products’ (such as dishwashers, floor cleaning robots and electric toothbrushes) purchased by post-95s on Taobao is significantly greater than all users.

Source: CBNData 2020 Gen Z Consumer Attitudes Insight Report
CONSUMER INSIGHTS
GEN Z LAZY ECONOMY CONSUMPTION TRENDS

The lazy economy can also be seen in the convenience food sector. Instant noodles are not enough to meet the need of Gen Z students. Ready-to-eat hot pot have become their preferred convenience food.

TOP 5 CATEGORIES OF CONVENIENT AND EASY-TO-MAKE FOOD PURCHASES PREFERRED BY GEN Z STUDENTS (2019)

1. INSTANT HOT POT
2. INSTANT NOODLE
3. INSTANT PORRIDGE
4. PACKAGED INSTANT SOUP
5. COLD NOODLES

Source: CBNData 2020 Gen Z Consumer Attitudes Insight Report
CONSUMER INSIGHTS
GEN Z LAZY ECONOMY CONSUMPTION TRENDS

The proportion of Gen Z eating convenience/self-heating food is higher than that of non-Gen Z respondents. Gen Zs are spending more on ready-made staples, instant oatmeal, and self-heating foods than they did in the past year.

Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

Gen Zs are not the main online travel service users, but their tourism spending power is quickly increasing.

ONLINE TRAVEL SERVICE USERS PORTRAIT BY AGE GROUP (AS OF DECEMBER 2020)

Source: Finance Sina 2020 China Online Travel Industry Report
CONSUMER INSIGHTS

GEN Z TRAVEL CONSUMPTION TRENDS

Gen Zs love **traveling with friends**, but they are also family oriented, with 54.66% choosing to travel with family members.

**Source:** Mafengwo Post-Pandemic Changes in Gen Z Tourism Consumption Report, Oct. 2020
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

In terms of **travel motivations**, 84.75% want to reset and relax through travel, followed by the decision to travel in response to sudden holidays, accounting for 62.71%. While 38.64% of people who had watched a movie/TV series or anime said they were inspired by the destination.

**Source:** Mafengwo Post-Pandemic Changes in Gen Z Tourism Consumption Report, Oct. 2020
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

As for the **impact of Covid-19**, data shows that 47.2% of the interviewees said that the pandemic will have a small impact on their tourism consumption level. On the contrary, 16.77% believe that the slowing down of the pandemic will increase consumption in terms of food, accommodation and local travel.

**INDUSTRIES THAT SAW AN INCREASE IN CONSUMPTION DUE TO PANDEMIC TRAVEL RESTRICTIONS (2020)**

- Dining: 19.88%
- Accommodation: 22.36%
- Local travel: 29.63%
- Flights/high-speed railway/train tickets: 25.93%
- Admission tickets: 18.52%

Source: Mafengwo Post-Pandemic Changes in Gen Z Tourism Consumption Report, Oct. 2020
In the post-pandemic era, Gen Z is still looking forward to travel, preferring safer traveling surroundings. **Gen Z travels frequently** and is keen to appreciate the scenery and experience different customs during the journey.

**CONSUMER INSIGHTS**

**GEN Z TRAVEL CONSUMPTION TRENDS**

Source: Mafengwo Post-Pandemic Changes in Gen Z Tourism Consumption Report, Oct. 2020
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

In terms of **dining options**, before the epidemic, people preferred to experience local specialities and snacks and there were no distinct requirements for the dining environment.

After the epidemic, people’s **requirement for the dining environment has increased**.
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

Gen Z do not pay attention to only having fun, but to having fun with a peace of mind. **Safety and hygiene are the top priority factors for Gen Z when choosing accommodation.** Followed by convenient transportation, price and lastly landscape.

**Source:** Mafengwo Post-Pandemic Changes in Gen Z Tourism Consumption Report, Oct. 2020
Social media and online services are becoming increasingly important for travel bookings and travel growth. Ctrip, Qunar and Fliggy provide majority of online platform growth with Gen Z utilising them heavily.

Source: Finance Sina 2020 China Online Travel Industry Report
Qunar has an obvious trend of younger users: 80% are between the age of 21 to 35. These users are in the growing stage of their career, with a strong demand for improving the quality of life and a higher consumption potential.
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

85.09% of Gen Z are keen to share their travel content on the internet. Amongst them, 60% like to share their experience while traveling, and nearly half would organise and share their travel tips and notes after the trip.

64.6% of Gen Z interviewed said they would consider destinations recommended by their friends.
54.72% would take inspiration when choosing a destination from Mafengwo or similar platforms.

Source: Mafengwo Post-Pandemic Changes in Gen Z Tourism Consumption Report, Oct. 2020
CONSUMER INSIGHTS
GEN Z TRAVEL CONSUMPTION TRENDS

Gen Z has become the core consumer group for "Red Tourism", showing a positive attitude towards the trend of visiting locations with historical significance linked to the Chinese Communist Party.

**Top 5 Most Popular Red Tourism Destinations for Gen Z (2021)**

<table>
<thead>
<tr>
<th>CITY</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yan'an</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jinggangshan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changsha</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nanchang</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Age Distribution of Consumers Interested in Red Tourism (2021)**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-31</td>
<td>11.69%</td>
</tr>
<tr>
<td>42-51</td>
<td>10.86%</td>
</tr>
<tr>
<td>Under 21</td>
<td>10%</td>
</tr>
<tr>
<td>Over 62</td>
<td>10%</td>
</tr>
<tr>
<td>32-41</td>
<td>8.16%</td>
</tr>
<tr>
<td>52-61</td>
<td>7.14%</td>
</tr>
</tbody>
</table>

Source: Carnoc Gen Z Red Tourism Report, June 2021
CONSUMER INSIGHTS

GEN Z GUOCHAO CONSUMPTION TRENDS

Gen Z has a strong interest in the inheritance and preservation of traditional culture. The pop culture of the younger generation is called Guochao and it combines elements of traditional culture with modern fashion trends to form a unique new style.

But Guochao isn’t just a fashion trend, it is a reflection of young people’s recognition and pride in the Chinese culture.

Guochao can be found across different industries, such as luxury, apparel, sneakers, F&B and cosmetics. The main Guochao cosmetics consumers are Gen Z who live in lower-tier cities.

80% of Gen Z Consume Guochao Products

Proportion of people from different age groups that often buy products with Guochao elements:

- Post-95s: 45.1%
- Post-00s: 40.8%
- Post-90s: 38.4%
- Post-80s: 31.2%
- Post-70s: 27.3%

Sources:
1) Tencent “Eight Major Trends, Insiders into New Consumer Brands’ Strategy”, April 26, 2021
2) Daxueconsulting Guochao Marketing Report, May 31, 2021
CONSUMER INSIGHTS
GEN Z GUOCHAO CONSUMPTION TRENDS

Perfect Diary and Florasis are the most appreciated domestic beauty and cosmetics brands by Gen, as they have strong Chinese Style (国风Guofeng) elements.

Some products that perfectly represent these elements are Perfect Diary’s eyeshadow palettes in collaboration with China’s National Geographic and Florasis’ West Lake gift boxes.

Source: QuestMobile 2021 Gen Z Guochao Insights Report
Gen Z loves to wear **Hanfu** (Traditional Clothing of Han Ethnicity) to visit cities such as Hangzhou, Xi’an and Suzhou and to take advantage of the traditional Chinese style scenery to take pictures.

### Gen Z’s Preferred Scenarios for Wearing Hanfu (2021)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take pictures/professional portraits</td>
<td>72.6%</td>
</tr>
<tr>
<td>Interact with people with the same hobby offline</td>
<td>53.4%</td>
</tr>
<tr>
<td>Travel</td>
<td>45.2%</td>
</tr>
<tr>
<td>Work requirement (performance, etc.)</td>
<td>32.9%</td>
</tr>
<tr>
<td>Everyday wear</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

Source: QuestMobile 2021 Gen Z Guochao Insights Report
CONSUMER INSIGHTS
GEN Z FAN ECONOMY CONSUMPTION TRENDS

Younger Gen Zs are the ones participating the most in the fan economy. Post-90s make up less than 30% of star-chasers, while Post-95s and Post-00s respectively account for 50.82% and 70%.

Different age groups chase different stars: the younger generations prefers idol groups, in particular more than 60% of Post-00s are fans of idol groups.

Source: ChinaBaoGao China Fan Economy in 2021
For many Gen Zs, idol consumption is considered in a hobby. In order to support their favourite idol, fans will spend a significant amount buying themed merchandise and would even purchase multiples of the same product and gift them to family and friends.

14.89% of Post-00s spend more than 5,000 yuan per month for star chasing.

Source: ChinaBaoGao China Fan Economy in 2021
CONSUMER INSIGHTS
GEN Z FAN ECONOMY CONSUMPTION TRENDS

Gen Zs are also “metauniverse” enthusiasts. It is their rising spending power that has lead to an increase in the commercial value of virtual idols. Through their online presence, virtual celebrities can convey values and life attitudes in line with Post-90s and Post-00s, while providing new entertainment experiences at the same time.

REASONS WHY POST-95S LIKE VIRTUAL IDOLS (2021)

- Perceived perfection: 62.6%
- Interest in ACGN Culture: 49.6%
- To relieve negative emotions: 36%
- Others (e.g. good-looking appearance): 8.6%

CHANNELS THROUGH WHICH POST-95S DISCOVER VIRTUAL IDOLS (2021)

- ACGN platforms (Bilibili): 52.5%
- Short-video platforms (Kuaishou, Douyin): 37.4%
- Long-video platforms (iQiyi, Youku, Tencent): 33.8%
- Social platforms (WeChat, Weibo): 32.4%
- Friend recommendation: 30.9%
- Product packaging, in-store advertising: 25.2%
- Other (event): 1.4%

Source: LeadLeo “Metauniverse is coming, can virtual idols seize the opportunity?”, 2021
CONSUMER INSIGHTS
GEN Z FAN ECONOMY CONSUMPTION TRENDS

When it comes to virtual idols, although the willingness to pay is lower, as the market continues to grow in China, consumers will spend more for virtual internet celebrities.

Source: LeadLeo “Metauniverse is coming, can virtual idols seize the opportunity?”, 2021
EXPERT BITES

Q: WHAT IMPORTANT CHANGES DO YOU SEE IN GEN Z'S CONSUMPTION BEHAVIOUR?

With trends around health and green consumption deepening, Gen Z’s demand for health products and services has greatly increased. For example, they prefer more than other age groups to buy products that market themselves as low in sugar, fat and calories. Domestic drink brand Genki Forest was successful despite fierce competition because it accurately identified Gen Z’s demand for healthy and tasty products in fresh and attractive packaging.

Meal replacement foods are expected to become the next focus of consumption. Making purchases for enjoyment and increasing spending to pursue higher quality and new experiences are also trends for Gen Z.

SYCA JIANG
Head of Strategy at Alarice and Chozan

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE
Q: WHAT'S TRENDING WITH GEN Z RIGHT NOW?

Generation Z is more willing to pay for a sense of fun during the consumption experience. For example, purchasing blind boxes has suspense, fun, excitement and social sharing built right into the experience. Buying merch from their favorite idols and supporting their endorsements is enjoyable for fans and social media hosts online communities for fan clubs. They’ll also spend for niche hobbies they love, mostly related to anime, comics, gaming (ACG) and Hanfu.

Aesthetic promotion. They pay attention to design. Brands featuring attractive packaging and good design are perfect for photo-sharing on social media and popular with Gen Z.
Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR GEN Z RIGHT NOW?

Consumer trend 1: Focus on experience (blind box)
In addition to pursuing product quality, Gen Z is paying attention to consumer experience, willing to pay for pleasure. For example, blind boxes have allowed them to experience the “excitement” aspect in consumption.

Consumer trend 2: Consumption for beauty (beauty products, internet celebrity restaurants, Instagram-style products)
Generation Z values the look, quality and design of products. They purchase a richer variety of skin care products and focus on the products’ efficacy, safety, design concepts, brand values and cultural sentiments.

Consumer trend 3: Consumption for idols (internet celebrities, star idols)
Generation Z is willing to pay for their hobbies, which is why the idol economy is gaining in popularity.
SOCIAL MEDIA INSIGHTS
SOCIAL MEDIA

GEN Z PREFERRED CONTENT TYPE

Gen Z mainly spend their time on short video platforms, social media and mobile games.

SOURCEs:
1) QuestMobile 2020 Gen Z Insight Report
2) Tencent “In-depth Analysis of Gen Z and Future Marketing Trends”, March 31, 2021
SOCIAL MEDIA
GEN Z PREFERRED CONTENT TYPE

Video is the most appreciated form of entertainment by Gen Z:
- the average person spends nearly 50 hours on video entertainment every month
- short videos, online dramas, variety shows, gaming and entertainment livestreaming have become the centre of Gen Z's attention in the video entertainment field

AVERAGE MONTHLY HOURS SPENT ON ONLINE VIDEOS (NOVEMBER 2020)

<table>
<thead>
<tr>
<th>Category</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Internet users</td>
<td>42.4</td>
</tr>
<tr>
<td>Gen Z</td>
<td>48.9</td>
</tr>
</tbody>
</table>

TOP 5 VIDEO CATEGORIES ACCORDING TO AVERAGE MONTHLY USAGE HOURS (NOVEMBER 2020)

- Short videos: 35.1
- Online videos: 17.4
- Game Livestreaming: 10.1
- Entertainment Livestreaming: 2.8
- Combined videos: 2

Source: QuestMobile 2020 Gen Z Insight Report
SOCIAL MEDIA
GEN Z PREFERRED CONTENT TYPE

When it comes to livestream gamers, male users seem to reward anchors with technical skills, while girls want to be captured by their beauty.

Source: MobTech, "He Economy" report, 2021
Among the most loved social media apps by Post-95 women there is WeChat with 50 million users, QQ with 30 million, Weibo with over 20 million and Zhihu with 10 million.

Source: MobTech, Post-95 Women report, 2021
Bilibili is the go-to platform for Gen Z.

The platform’s userbase is generally younger compared to other video streaming platforms, extremely loyal and engaged. Users are known for their off-beat humour, slight nerdiness and love for creativity. They seem to be more tolerant of sponsored videos uploaded by their favourite bloggers, as long as the content is creative and high quality.

Success on this platform requires deep understanding of its unique culture.

Source: SocialBeta "Understand young people on Bilibili", Feb. 2021
Social Media
Gen Z Users on Bilibili

Gen Z users have a significant preference for station B.

In the past three years, the average age of new Bilibili users was 21 years old, and users aged 18-35 accounted for 78%.

In terms of gender ratio, the number of male users is slightly higher than that of female users. When it comes to educational background, the proportion of users with a bachelor degree or above is 10% higher than that of the entire network.

Source: SocialBeta "Understand young people on Bilibili", Feb. 2021

21 Years
Average Age of New Users in the Past 3 Years

Gen Z User Portrait on Bilibili (2020)

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>57%</td>
</tr>
<tr>
<td>Female</td>
<td>43%</td>
</tr>
</tbody>
</table>
SOCIAL MEDIA

GEN Z USERS ON BILIBILI

Majority of Bilibili users are single Gen Zs.

BILIBILI APP USER PORTRAIT (MAR 2021)

Source: Quest Mobile, Chinese Internet Report, Spring 2021
SOCIAL MEDIA
GEN Z USERS ON BILIBILI

Gen Z make up as much as 88% of content Uploaders on the platform. Among them, a proportion of people born before 1995 have experience in the industry, and have been engaged in media, new media and other related experiences. Half of the uploaders are students or freelancers who have relatively free time.

Source: SocialBeta "Understand young people on Bilibili", Feb. 2021
Bilibili is one of China’s major streaming platforms. It first started with a focus on ACG (anime, comics and games), but it gradually began to include more diversified content such as e-sports, tech, music, dance, movies, TV dramas, educational shows, personal vlogs, etc. It also provides live streaming services.

64%
LIFESTYLE, GAMING AND EDUCATIONAL CONTENT

91%
PROFESSIONAL USER GENERATED VIDEOS (PUGV)

Sources:
1) Source: Bilibili 2021 Gen Z F&B Industry Consumption Insights Report
2) Forbes "5 China Marketing Trends You Must Know in 2021", Feb. 8, 2021
SOCIAL MEDIA

BILIBILI PLATFORM CONTENT

With its more creative and interesting interactive methods, Bilibili Livestreaming services fosters a unique cultural atmosphere that is able to attract more young people to participate.

Source: SocialBeta "Understand young people on Bilibili", Feb. 2021
Working with influencers/KOLs is a popular choice for marketing on the platform.

If brands decide to set up collaborations with KOLs on Bilibili, the content produced should be real and valuable to be accepted by young audiences: 44% of them said they are willing to accept KOL product promotion with high quality content production.

Source: SocialBeta "Understand young people on Bilibili", Feb. 2021
Douyin is the ByteDance-owned short video platform, known as TikTok in the West, the Chinese counterpart runs on a completely different server.

When it comes to content types, Douyin algorithm facilitates slow-burn dynamic videos, meaning that even content published a long time ago still has the chance to be noticed and gain popularity, as long as users continue engaging with it.

Sources:
1) Forbes “6 China Marketing Trends You Must Know in 2021”, Feb. 8, 2021
2) Launch Metrics “Most Popular Video Apps in Chinese Social Media 2021”, May 5, 2021
DOUYIN is very popular among young Chinese people, **Millennials and Gen Z** are the main target of the platform. 59.1% of users are between 24 and 40, while 25% are under 24.

At first its content was mainly female-based, but nowadays DOUYIN is very popular among young Chinese people, **Millennials and Gen Z** are the main target of the platform. 59.1% of users are between 24 and 40, while 25% are under 24.

**46.8% USERS ARE UNDER 30**

**Sources:**
1) Daxueconsulting “DOUYIN Marketing in China”, Dec. 12, 2020
2) Launch Metrics “Most Popular Video Apps in Chinese Social Media 2021”, May 5, 2021
The majority of **Douyin content creators** are Gen Z (60%) and are from lower-tiered cities (tier 4 or below - 44%).

**Douyin Content Creators Gender Ratio and Increased Percentage, 2018-2020**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48%</td>
<td>+120%</td>
</tr>
<tr>
<td>Female</td>
<td>52%</td>
<td>+70%</td>
</tr>
</tbody>
</table>

**Increased Percentage of Douyin Content Creators (2018-2020)**

<table>
<thead>
<tr>
<th>Age</th>
<th>Tier 1</th>
<th>Tier 1.5</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>Tier 4</th>
<th>Tier 5 or below</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-23</td>
<td>63%</td>
<td>74%</td>
<td>81%</td>
<td>88%</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>24-40</td>
<td>65%</td>
<td>86%</td>
<td>81%</td>
<td>65%</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>40+</td>
<td>434%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1</td>
<td>117%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1.5</td>
<td>86%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 2</td>
<td>81%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 3</td>
<td>88%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 4</td>
<td>64%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CBNData, 2020 Douyin Creators Report
SOCIAL MEDIA

DOUYIN PLATFORM CONTENT

Although music-related video formats remain the most popular form of content, it is becoming more common to find videos with strong and structured narratives.

Post-00s enjoy watching anime, post-90s keeping up with news, while post-80s enjoy watching fashion related content.

DOUYIN USERS CONTENT PREFERENCES

<table>
<thead>
<tr>
<th>Liked to Post Content About</th>
<th>Liked to Watch Content About</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post 00S</td>
<td>Anime</td>
</tr>
<tr>
<td>Post 90S</td>
<td>Cute babies</td>
</tr>
<tr>
<td>Post 80S</td>
<td>Landscape</td>
</tr>
<tr>
<td>Post 70S</td>
<td>Food</td>
</tr>
<tr>
<td>Post 60S</td>
<td>Dance</td>
</tr>
</tbody>
</table>

Source: Douyin, 2020 Douyin Report
SOCIAL MEDIA
DOUYIN PLATFORM CONTENT

Women between the age of 24-30 search for more marriage and divorce related content.

Source: Douyin Female Data Report, 2021

DOUYIN FEMALE USERS SEARCHED CONTENT BY AGE GROUP (2020-2021)
Kuaishou is another short video platform, especially popular among second and third tier cities consumers.

While users on Douyin have higher consumption ability, users on Kuaishou are more loyal towards KOLs. They are also more willing to purchase a product recommended by their favourite influencer.

Integrated e-commerce is very strong on the platform: according to Kuaishou Financial Report of February 2021, the average purchase rate of its e-commerce system reached 65% in 2020.

In particular, livestreaming e-commerce is very popular: according to CBNData 2020 E-commerce Report, there is an e-commerce livestream every 2 seconds on Kuaishou.

Sources:
1) Forbes “5 China Marketing Trends You Must Know in 2021”, Feb. 8, 2021
2) Launch Metrics “Most Popular Video Apps in Chinese Social Media 2021”, May 5, 2021
SOCIAL MEDIA

GEN Z USERS ON KUAISHOU

Gender ratio of Kuaishou users:

50.8% 49.2%

KUAISHOU FOLLOWERS AGE DISTRIBUTION

Below 25: 6,7%
26-35: 29,2%
36-45: 62,5%
Above 46: 10,00%

KUAISHOU FOLLOWERS BY CITY TIER

Tier 1 cities: 34,00%
Tier 2 cities: 36,00%
Tier 3 cities: 20,00%
Tier 4 or below cities: 10,00%

80%+ of the users are Post-90s

Source: 百科百度
SOCIAL MEDIA
KUAISHOU PLATFORM CONTENT

The content has a more raw feel to it: a big part of the content involves home cooking or playing pranks on friends. But the platform also has a strong presence of beauty, skincare, games and education content.
SOCIAL MEDIA
RED PLATFORM

RED (Xiaohongshu) is a relatively new social platform, initially populated mainly by young women. It is characterised by high loyalty and engagement.

The platform is dominated by women, with women accounting for 88.37% and men accounting for 11.61%. More than 56% of users come from the four first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen. Urban white-collar workers and elite women in the workplace are their main user groups, with strong consumer power and strong consumer demand.

Source:
1) LeadLeo 2021 Xiaohongshu Brands Research Report
2) Baogaozhan "Changes in content marketing and channels of Gen Z: Bilibili, Xiaohongshu in 2021", June 11, 2021
Xiaohongshu users are getting younger, and the age group is mainly 18-34 years old.

70% USERS ARE POST-90S

Source: LeadLeo 2021 Xiaohongshu Brands Research Report
The top 3 areas of interest for users are still fashion, beauty and food. But due to the development of a diversification trend on the platform, there is a growing interest for other fields such as film and television, digital and technology and education.

**XIAOHONGSHU USERS CONTENT PREFERENCES ACCORDING TO GEOGRAPHIC DISTRIBUTION (2020)**

<table>
<thead>
<tr>
<th>Reason for Using XIAOHONGSHU (2020)</th>
<th>First and Second Tier Cities</th>
<th>Third Tier Cities</th>
<th>Fourth Tier Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find more content</td>
<td>58%</td>
<td>59%</td>
<td>61%</td>
</tr>
<tr>
<td>Learn about product user experience</td>
<td>56%</td>
<td>45%</td>
<td>26%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>37,8%</td>
<td>29,5%</td>
<td>28,7%</td>
</tr>
<tr>
<td>Share posts and how-to guides</td>
<td>29,5%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>Make purchases</td>
<td>28,7%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>Look at bloggers’ posts</td>
<td>13,1%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: LeadLeo 2021 Xiaohongshu Brands Research Report
SOCIAL MEDIA
WEIBO PLATFORM

Weibo is the hot spot for the younger generation and consumers to understand current affairs and follow celebrity dynamics.

As a diversified social platform with more than 70 core areas of interest, Weibo covers a wide range of diversified circles, which could be an advantage when targeting Gen Z, whose sense of identity and niche culture has become stronger and stronger. A generation that is also more and more subject to the influence of the group.

Source:
1) China Internet Watch, Weibo Q2 Highlights
2) Tencent "Eight Major Trends, Insiders into New Consumer Brands' Strategy", April 26, 2021
SOCIAL MEDIA
GEN Z USERS ON WEIBO

Weibo user groups are mainly born in the 90s and 00s, accounting for almost 80%. From the perspective of gender, the proportion of young female users is relatively high, especially for the Post-00s.

Noon and 10 pm are the golden times for Weibo users. In particular Post-90s and 00s have the highest amount of interactions at these times.

SOCIAL MEDIA
WEIBO PLATFORM CONTENT

When it comes to video, on Weibo the 3 favourites areas of interest for Gen Z users are celebrity entertainment, community news and feelings. In addition to the entertainment field, lifestyle, knowledge and ACG are also popular categories for Gen Zs.

PROPORTION OF PEOPLE THAT FOLLOW AND TALK ABOUT HOT TOPICS (2020)

TOP 5 WEIBO USERS CONTENT PREFERENCES (2020)

<table>
<thead>
<tr>
<th>CONTENT CATEGORY</th>
<th>Post-80s</th>
<th>Post-90s</th>
<th>Gen Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Entertainment</td>
<td>12,5%</td>
<td></td>
<td>63,8%</td>
</tr>
<tr>
<td>Social News</td>
<td></td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Emotions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety Show</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Series</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources:
1) Weibo 2020 Users Development Report
2) Weibo 2020 Video Development Report
In 2020, 17.86 million Weibo netizens raised more than 141 million yuan in donations for 1544 charity projects through the Weibo Charity Platform; 1438 charity topics exceeded 120.7 billion views.

In terms of gender ratio, female users follow more celebrities, with an average of 19 people followed. From a generational perspective, Post-90s and Post-00s are the main star chasers, amongst them Post-90s are the one who follow more celebrities, with an average of 20 idols followed.

Q: WHAT ARE YOUR THOUGHTS ABOUT CONSUMER BEHAVIOR AND SOCIAL MEDIA DEVELOPMENTS IN 2021?

More than ever, Chinese consumer behavior in 2021 has shown increased favoritism towards Chinese Brands, Design, and Culture. This trend is best known in China as Guochao. Guochao consumers are fueled by Gen-Z and the trendy attire of the top Chinese celebrities. This trend underlines how Chinese Gen-Z now considers the quality and the appearance of domestic products to be equal or even superior to foreign brands. We should also consider how increasing international tension between China and the rest of the world has caused stronger domestic consumption because of strengthened patriotism.

ALBERTO ANTINUCCI
Digital Innovation Strategist and China Expert
E-COMMERCE
E-COMMERCE

E-COMMERCE PREFERRED PLATFORMS

The most used app by Gen Z when it comes to e-commerce is **Mobile Taobao, followed by JD and Pinduoduo**.

Like most other internet users, Gen Z prefers **integrated platforms** to do their online shopping.

---

Source: QuestMobile 2020 Gen Z Insight Report
While there are already many e-commerce platforms available to Chinese consumers, there might still be space for the emergence of new big e-commerce players that specifically cater for Gen Z’s shopping preferences.

In fact, many Gen Z don’t see their personalities and style reflected in platforms such as Tmall, Taobao, JD and Vip (being the same ones used by their parents and the older generation) or Pinduoduo and Taojiji (seen as "low" and not trendy).

Source: woshipm "The future of the e-commerce arena, insights into the consumption of Chinese Gen Z", Aug. 6, 2019
E-COMMERCE USER PORTRAIT

Gen Z consumers remain to be the major consumption power in China.

Source: Pinduoduo analysis 2021
After being exposed to market seeding, 45% of Gen Z will go to the ecommerce platform to search for the item they are interested in. While 41% will directly add it to their shopping cart.

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Go to e-commerce platform to search</td>
<td>45%</td>
</tr>
<tr>
<td>Add to shopping cart</td>
<td>41.4%</td>
</tr>
<tr>
<td>Complete order</td>
<td>40%</td>
</tr>
<tr>
<td>Like/Follow</td>
<td>36.8%</td>
</tr>
<tr>
<td>Look through comments</td>
<td>35.7%</td>
</tr>
<tr>
<td>Participate in comments</td>
<td>30.2%</td>
</tr>
<tr>
<td>Save content</td>
<td>30%</td>
</tr>
<tr>
<td>Ask friends</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
Over **70%** of Gen Z place an order within 3 days from being exposed to market seeding.

Only 10% of Gen Z purchases immediately after. In combination with the above, most of Gen Z will search for the brand/product information after market seeding to determine whether to make the final purchase.

Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
Social media has surpassed e-commerce platforms and offline stores, becoming the first channel for Gen Z to obtain information about beauty and skincare.

<table>
<thead>
<tr>
<th>Channel Type</th>
<th>Preference (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media platforms (like RED, Weibo, etc.)</td>
<td>48.3%</td>
</tr>
<tr>
<td>E-commerce platforms (Taobao, JD)</td>
<td>41.1%</td>
</tr>
<tr>
<td>Offline mall/counter</td>
<td>40.5%</td>
</tr>
<tr>
<td>Friends</td>
<td>36.6%</td>
</tr>
<tr>
<td>Short-video platforms (Douyin, Kuaishou, etc.)</td>
<td>32.3%</td>
</tr>
<tr>
<td>Search engines (Baidu, 360)</td>
<td>31%</td>
</tr>
<tr>
<td>Onine Video Platform (Bilibili)</td>
<td>29.2%</td>
</tr>
</tbody>
</table>

Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report
E-COMMERCE
E-COMMERCE PURCHASING BEHAVIOR

But **E-commerce platforms are the mainstream channel for Gen Z to purchase beauty and skincare products**: in the past year, over 60% of Gen Z has purchased beauty and skincare products on e-commerce platforms.

Thanks to their rich content related to beauty and skincare, **short video platforms have become another preferred channel**.

According to the 2020 Kuaishou Beauty Industry Report, the number of Gen Z users interested in beauty have increased by 81.5% within 6 months.

Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report

**GEN ZS PREFERRED CHANNELS FOR BEAUTY AND SKINCARE PURCHASES (2020)**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce platforms (Taobao, JD)</td>
<td>62.3%</td>
</tr>
<tr>
<td>Offline Brand Counter</td>
<td>36.8%</td>
</tr>
<tr>
<td>Offline comprehensive stores (Sephora, Watsons)</td>
<td>36.6%</td>
</tr>
<tr>
<td>Sort-video platforms (Douyin, Kuaishou)</td>
<td>35.5%</td>
</tr>
<tr>
<td>Major brands’ official websites/APP/Mini Program</td>
<td>32.8%</td>
</tr>
<tr>
<td>Social shopping platform (RED, DeWu)</td>
<td>29.3%</td>
</tr>
<tr>
<td>via WeChat friends</td>
<td>25.8%</td>
</tr>
</tbody>
</table>
CONSUMER INSIGHTS
E-COMMERCE CONSUMPTION TRENDS

According to JD Corporate Blog, in 2020 Gen Z had the highest growth rate in online shopping turnover, 23% higher than average growth rate of the entire platform.

**Gen Z pursues products from the domestic market:** although only 10% of JD total consumers are from Gen Z, this generation purchased over 30% of domestic products, contributing to nearly 40% of total sales in this category.

From purchases on JD it emerged that Gen Z prioritise their health, spend for their hobbies, they are pet lovers and have a preference for high tech devices that can simplify work when it comes to housework.

Top 3 products are lipsticks, canvas shoes from popular domestic brand Huili and gold pendants.

Source: JD Corporate Blog, May 6, 2021
KEY TAKEAWAYS
Q: WHAT MARKETING ADVICE YOU CAN GIVE BRANDS TARGETING GEN Z?

Video content is key. Generation Z spends nearly two hours on video entertainment per day. They have three major consumption preferences: in experience, in beauty, and in idols.

1. **Experience** - blind boxes that are all the craze in recent years provides them with unboxing excitement.

2. **Beauty is everything** - because of their penchant for all things concerned with appearance, quality and design, they are the main force behind fashion and beauty consumption.

3. **Fans economy** - Spending on idols is like spending on hobbies. Besides top idols, Gen Z will also pay to support Internet celebrities.
KEY TAKEAWAYS
UNDERSTAND GEN Z’S SPECIFIC NEEDS AND CONSUMER BEHAVIOUR

As we mentioned, Gen Z consumers have unique personalities, which are reflected in their rich and diverse interests and hobbies both offline and online. They are experience oriented, have a high desire for personalised products and services and they are also characterised by more sophisticated tastes when it comes to product appearance, quality and design.

Investing in reliable data and immersing yourself in Gen Z's culture to better understand them and their aesthetic preferences is the key to developing successful marketing campaigns.

YSL customisable lipsticks that allowed customers to engrave personal messages on their case were a popular gift choice for young people in occasion of the Qixi Festival.

Sources:
1) McKinsey China Consumer Report 2021
4) Kantar “How can creativity win Gen Z and low-tier city consumers”, April 16, 2021
KEY TAKEAWAYS

PARTNER WITH THE RIGHT KOLS AND KOCs FOR SUCCESSFUL MARKET SEEDING

Gen Zs value KOLs and KOCs reviews and recommendations much more than any other consumer groups and are willing to accept product promotion in exchange for high quality content. They rely heavily on 种草 (literally "to plant grass"), to get inspired and discover new brands and products. This market seeding happens when consumers share about their purchases on social media apps like RED, Weibo, Bilibili, etc.

HENAN MUSEUM BLIND BOXES X KOLS

So, choosing the right digital platforms and KOLs can be an effective way to target specific groups and subgroups based on common interests and hobbies.

The Archeological Blind Boxes by the Henan Museum were a big hit on e-commerce platforms after many users were seen posting on social media platforms or doing livestreams while unboxing the archeological blind boxes.

Sources:
1) Emerging Communications Complete Guide to Chinese Gen Z Part 1
2) "Blind Boxes attract amateur archeologists", China Daily, Jan. 2021
KEY TAKEAWAYS
CREATE A COMPREHENSIVE OMNICHANNEL EXPERIENCE

Why? As the first generation of true digital natives, they are tech-savvy and purchasing online is their go-to form of shopping, but their desire to be thrilled and engaged still brings them to physical stores to evaluate features and appearances of products that they will later buy on social media or e-commerce apps.

Make sure to offer a great experience in store, while facilitating offline and online integration to capture consumer data.

Providing an integrated online and offline communication in the Chinese market is key with most of the consumer groups, but even more so when targeting Gen Z.

NIKE X SCAN TO TRY

In its store in Guangzhou, Nike offered digital experiences such as Nike Scan to Try On, Nike Scan to Learn, Nike Fit, which enables customers to figure out the most suitable shoes for them.

Source: How Global Sportswear Brands Are Re-Inventing the Omnichannel Experience in China, Azoya, July 2020
ABOUT US
OUR CHINA MARKETING SOLUTIONS

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We help you to establish goal-specific social marketing campaigns and fruitful collaboration with Chinese KOLs and influencers.

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