ALARICE BY ASHLEY DUDARENOK

CHOZAN BY ASHLEY DUDARENOK

2023

MEGA REPORT:

CHINA E-COMMERCE, MARKETING AND DIGITAL SPACE 2023

HELLO!

In 2022, technological progress, consumer trends, and Chinese developments have heavily influenced China's digital space. Consumers are delving further into the digital world, especially with increased digitalization and reliance on online apps and platforms. This shift has changed how Chinese consumers conduct their day-to-day lives and business.

With expert analysis, trend research, and profound market understanding, ChoZan has gathered important Chinese market data to help companies grow and be effective this 2023. In this report, you will find key trends, meaningful insights, and a deeper appreciation for Chinese consumers for your business. This report covers substantive areas on tech, economy, consumer analysis, and other developments that stood out in the past year. A big shoutout to all of our experts, analysts, and to all of our readers. Let's go get them!

Ashley Dudarenok
Founder, Alarice and ChoZan, LinkedIn Top Voice



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https://chozan.co/
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OUR CHINA MARKETING SOLUTIONS

ALARICE BY ASHLEY DUDARENOK

MARKETING RESEARCH AND STRATEGY

Our China marketing research and strategy team gives you a detailed framework that will allow you to start and grow your business in mainland China.

SOCIAL MEDIA MARKETING

We help you to localize messages, strengthen your brand image and reach out to target audiences through Chinese social media.

INFLUENCER MARKETING AND CAMPAIGNS

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

CHOZAN BY ASHLEY DUDARENOK

CORPORATE TRAINING

We can increase your expertise on the Chinese market, Chinese consumers and Chinese social media with tailor-made masterclasses that put your team at the forefront. We do this by running courses around the world that you can join and creating corporate training programs for your team.

KEYNOTE SPEECHES

Our founder, Ashley, is a well-known speaker and can deliver keynotes full of energy, insight and inspiration that will transform your event, motivate you and help you achieve your goals.

CONSULTING CALLS

The quickest way to get your specific, urgent China marketing questions answered. Speak with Ashley or her team if you're under time pressure and need to get on the right track fast.

CHINA MARKETING VIDEO COURSES

An 8-module masterclass available to anyone with an internet connection to get them up to speed on China's market, its modern consumers and Chinese social media marketing and selling.

BOOKS AND MARKETING GUIDES

The most comprehensive books on the market about China's e-commerce landscape, Chinese social media influencers and New Retail. You can also buy our highly detailed WeChat and Weibo guidebooks to gain confidence with China's two most powerful social apps.

GOT A QUESTION?
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OVERVIEW OF CHINA'S ECONOMY

INTRODUCTION

EXPERT BITE



ASHLEY DUDARENOK

Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: HOW HAS COVID IMPACTED THE RETAIL INDUSTRY IN CHINA?

Overall, the Covid and strict zero policy has had a negative impact on China's retail industry due to logistics, non-attendance of sales and service personnel, closing of business premises, and decreased customer demand. But Covid has a very different impact on China's online and offline retail industries. **Online retail has been the least affected, they are still booming.**

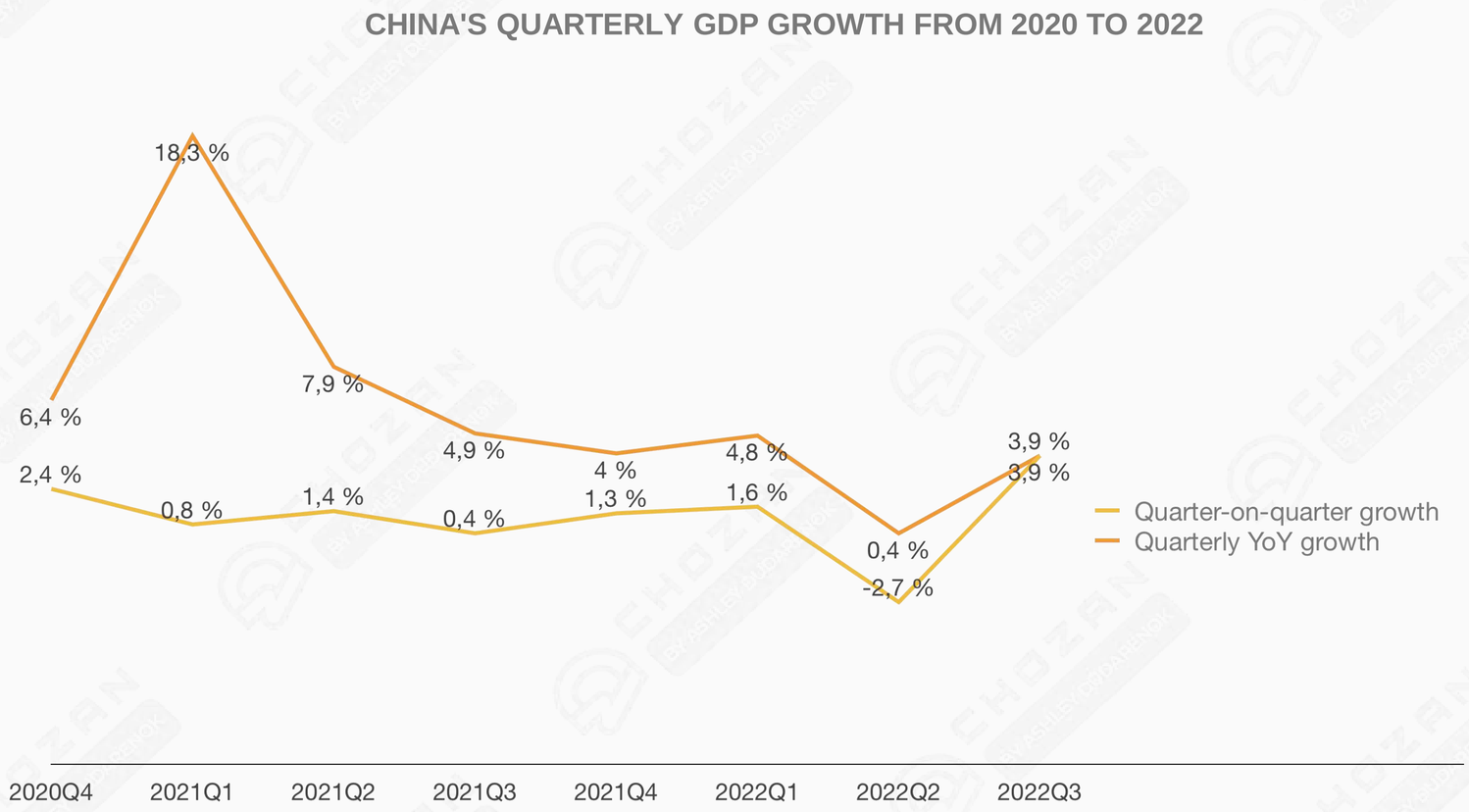
In the traditional offline retail industry, shopping centers are the most negatively affected, the customers of restaurants and entertainment stores in shopping centers are **decreasing more than 50%.** Followed by the supermarkets and convenience stores. Due to the concern of people about gathering places under the COVID, the frequency of personal daily shopping is reduced, and online shopping is increasing.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

OVERVIEW

CHINA'S ECONOMY

The GDP in China grew by **3.9%** in the third quarter and by **3% annually**. The GDP is estimated to have been **121,020.7 billion yuan in 2022.**



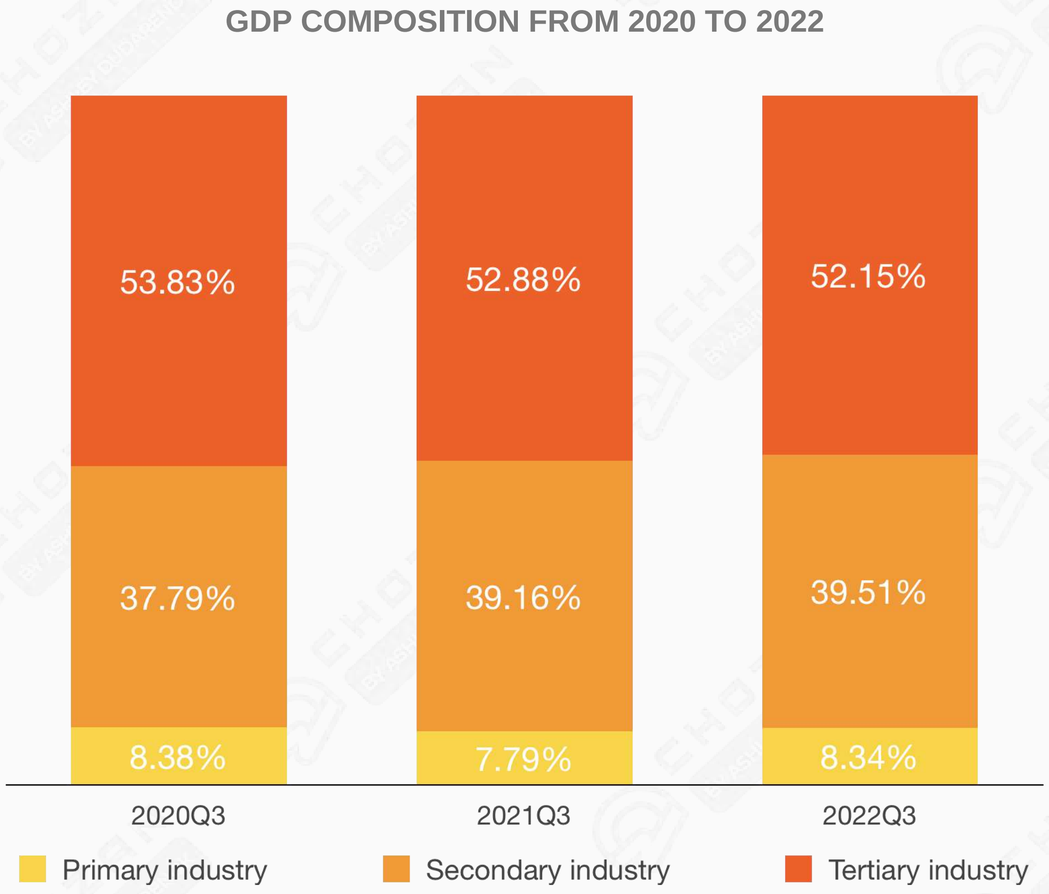
Source: [PwcCn China Economic Quarterly Q3 2022]

OVERVIEW

GDP COMPOSITION IN CHINA

Primary, secondary, and tertiary sector outputs totaled **5.48, 35.02, and 46.53 trillion yuan** in the first three quarters of the year, respectively. Annual percentage increases of **4.2%, 3.9%, and 2.3%** were seen in each of the three categories, respectively.

The primary sector contributed 6.29%, the secondary sector 40.24%, and the tertiary sector 53.47% to GDP growth.



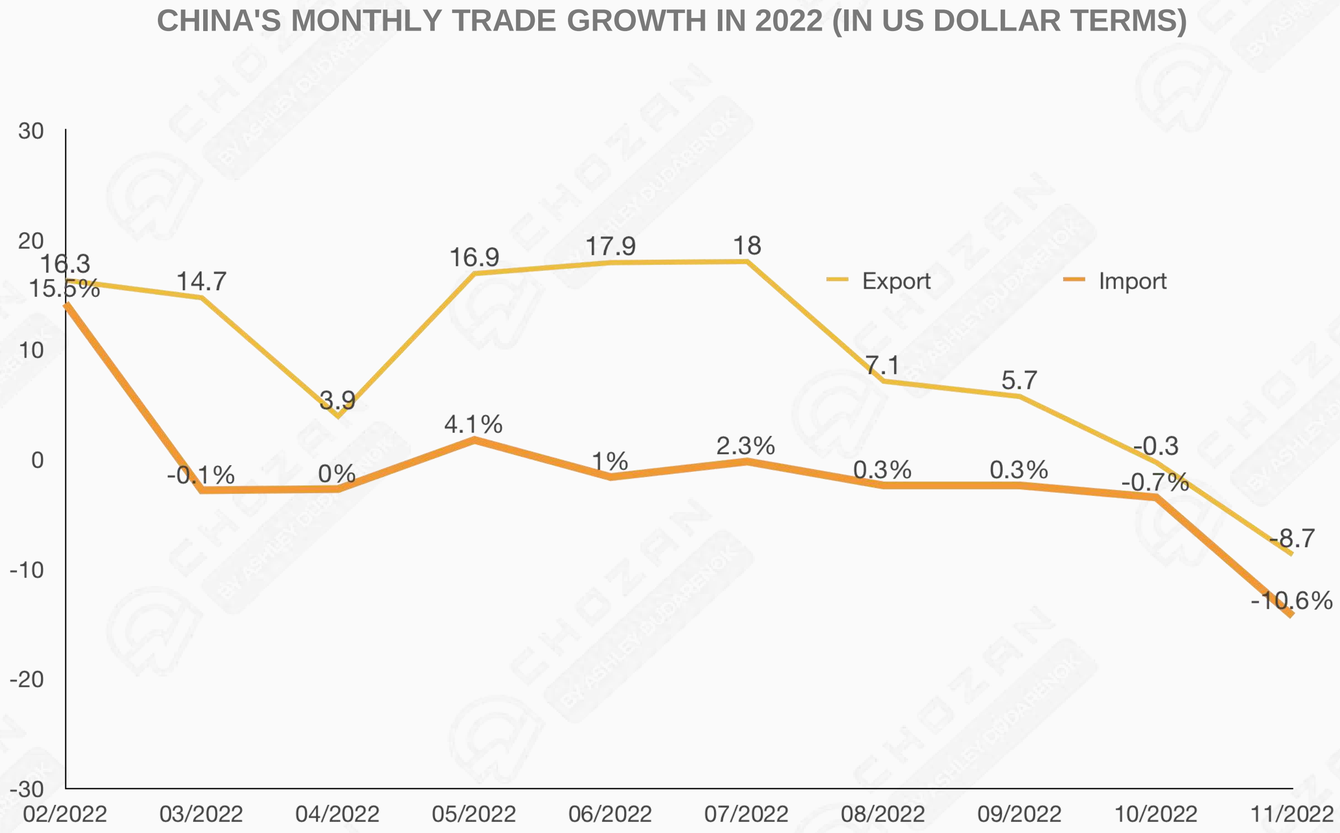
Source: PwcCn China Economic Quarterly Q3 2022

OVERVIEW

EXPORTS AND IMPORTS

China's exports and imports both took significant hits in November due to domestic Covid disruptions and sluggish worldwide demand. The country's export boom, which had been fueled by a pandemic, appeared to be over.

Chinese exports decreased 8.7% in November from the same period a year ago to $296 billion, following a 0.3% drop in October..



Source: SCMP

OVERVIEW

INDUSTRY GROWTH

China's industrial production increased **2.2% year on year** in November 2022, falling short of market expectations of a 3.6% growth and slowing from a **5.0% increase** the previous month.

This was the slowest expansion in industrial production since May, owing to increased COVID infections and rigorous controls, as well as a dip in the real estate industry.

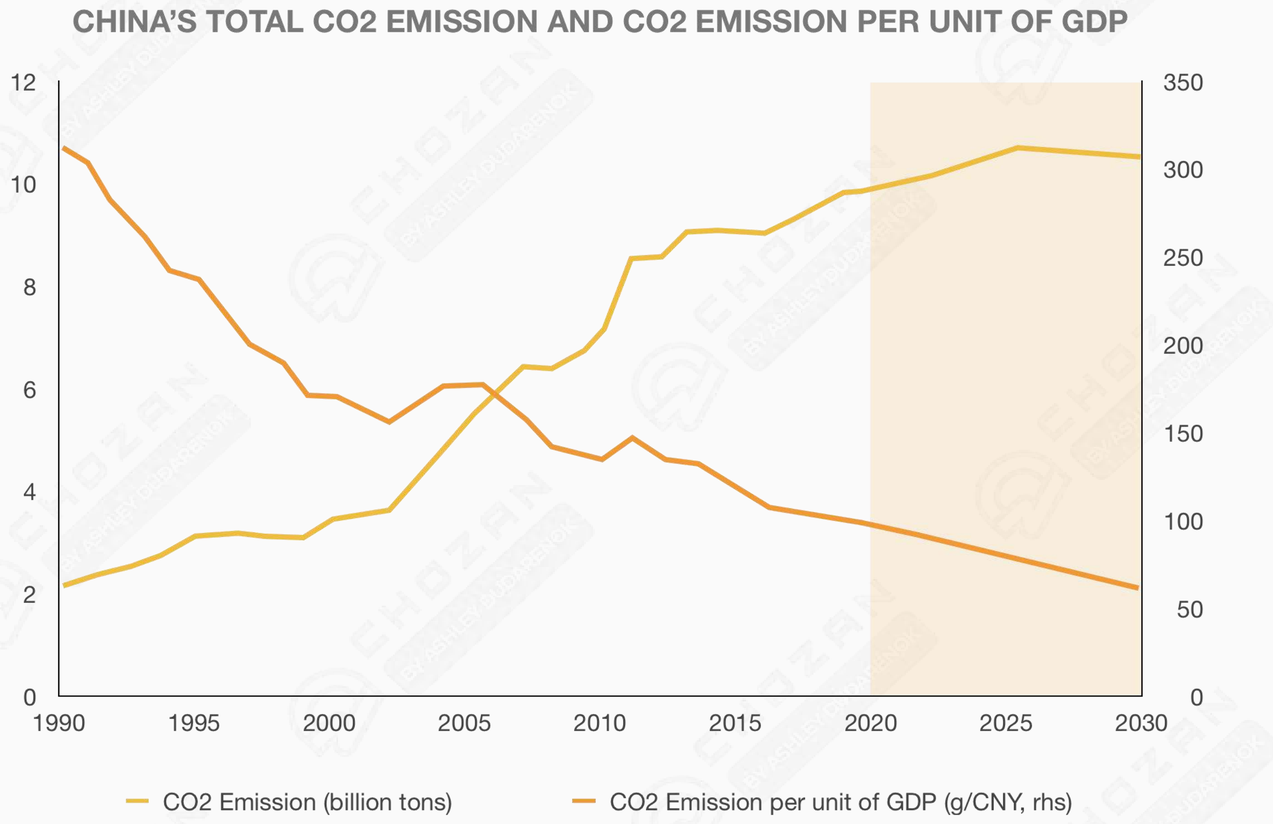


Source: Trading Economics, China Industrial Production

OVERVIEW

CO2 ECONOMY

China targets to reach carbon neutrality **before 2060.** To control both the intensity and volume of carbon emissions, the country will explore non-fossil energy while keeping a balance between economic growth and reductions of carbon emissions



Source: KPMG, The 14th Five-Year Plan: Macro Trends and Opportunities

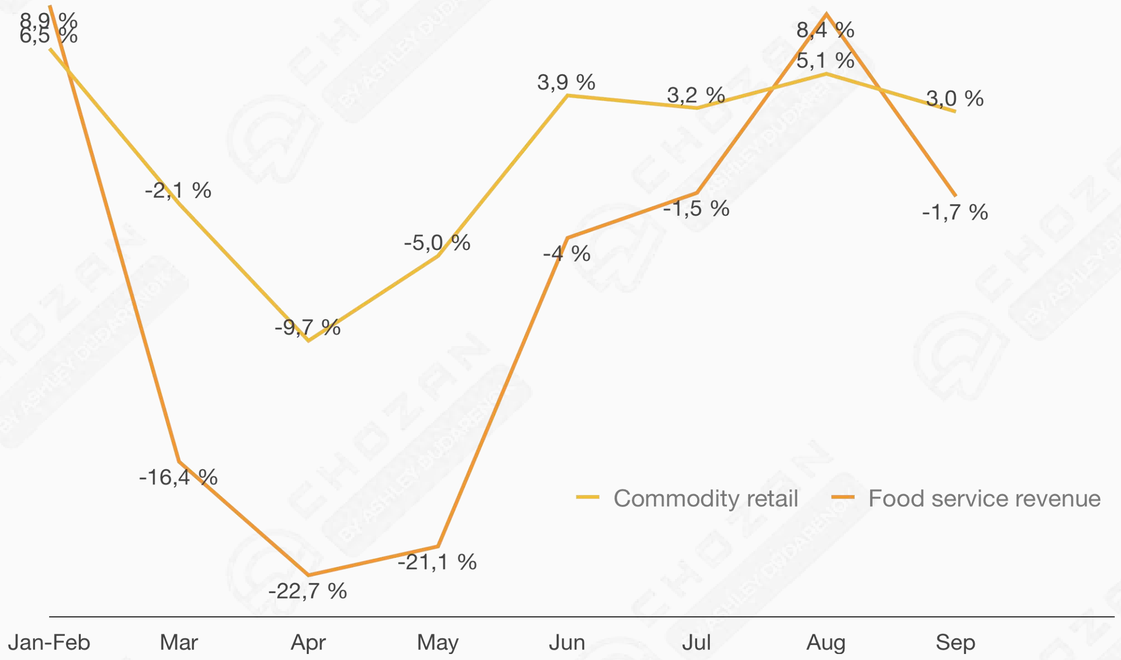
OVERVIEW

SLOW RETAIL CONSUMPTION

Retail sales growth staged a fragile rebound in the third quarter, **falling slightly to 2.7% in July** before rising to 5.4% in August before falling again to 2.5% in September.

However, it's indicated that the trend was driven by macroeconomic conditions and the reappearance of Covid cases, and that it was partially a reflection of the variation in numbers between June and September. Overall, retail sales increased **by 0.7% YoY in the first three quarters of 2022**.

CHINA RETAIL SALES GROWTH 2022 (BY CONSUMPTION TYPE)



Source: China Briefing, China Q3 2022

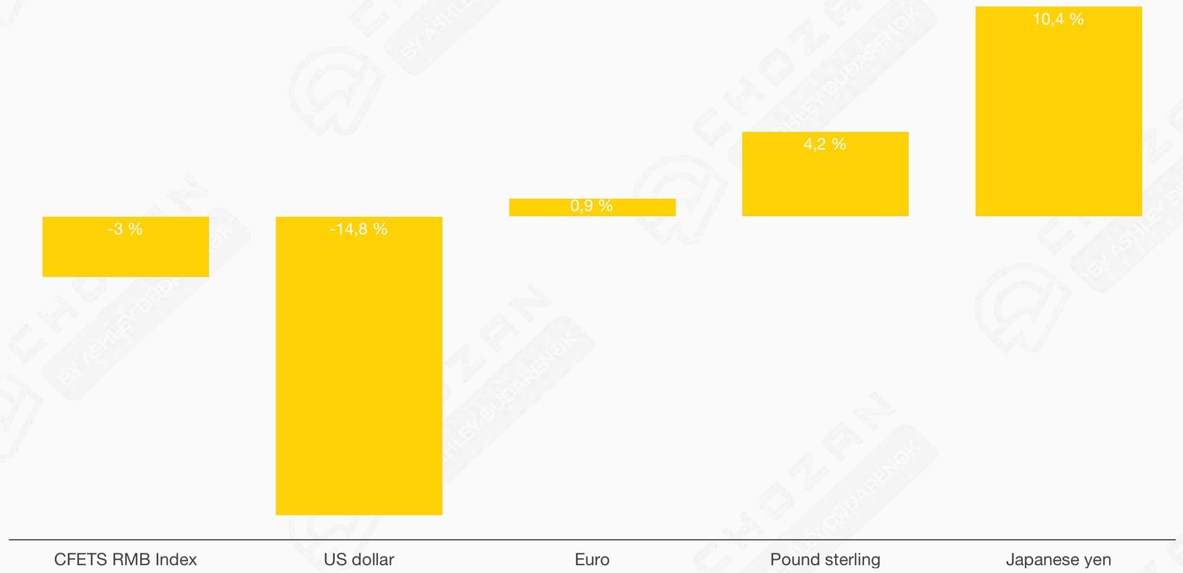
OVERVIEW

RMB APPRECIATED AGAINST OTHER CURRENCIES OUTSIDE THE USD

Despite depreciation of the RMB versus the USD, the RMB's exchange rate against a basket of major currencies, as assessed by the CFETS RMB index, has remained relatively constant.

From January 4 to November 3, 2022, **the RMB gained 10.4%, 4.2%,** and 0.9% against the Japanese yen, pound, and euro, respectively.

EXCHANGE RATE OF RMB AGAINST MAJOR CURRENCIES IN CFTES (IN PERCENTAGE)



Source: KPMG, China Economic Monitor Q4 2022

OVERVIEW

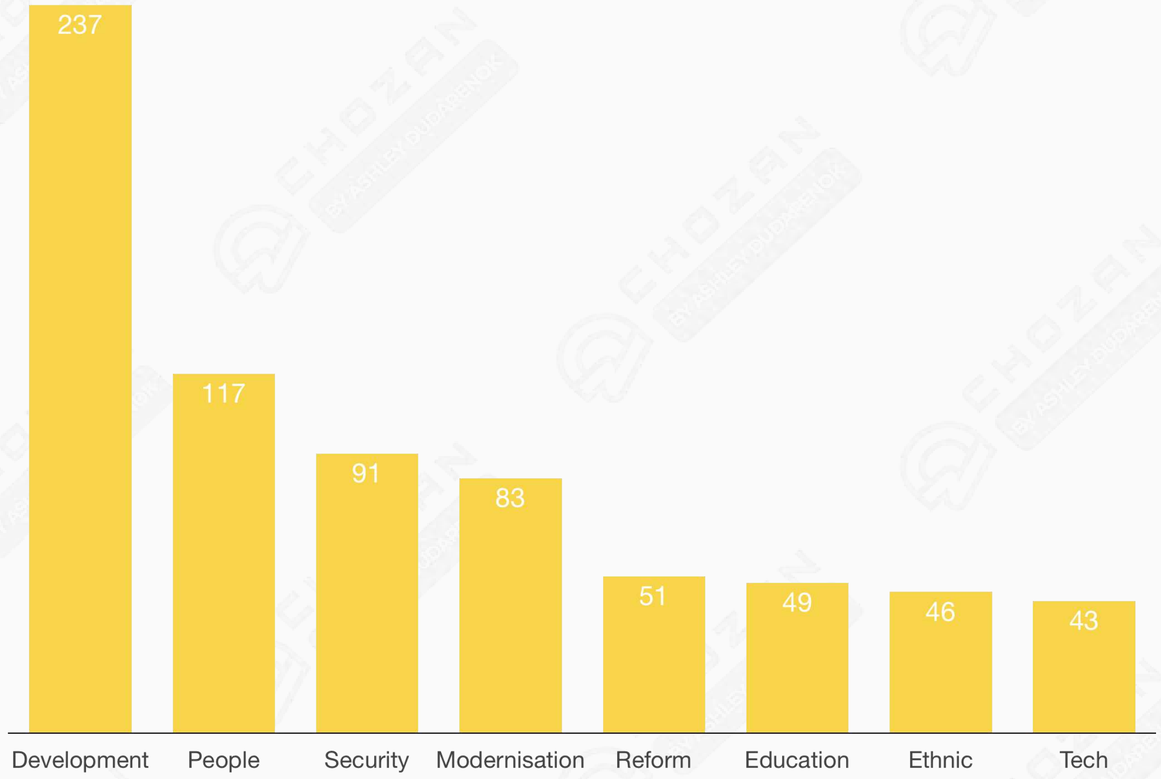
20TH CPC NATIONAL CONGRESS

The 20th National Congress, also known as **Er Shi Da (二十大)**, began on October 16, 2022, in Beijing and ended on October 22, 2022. At the Congress, President Xi achieved an unprecedented third term as China's top leader.

During the concluding session of the CPC's 20th National Congress, the Report of the 19th Central Committee was adopted. The whole report contains almost 32,500 Chinese characters, and delegates were given a printed version of 72 pages.

During the opening session, President Xi addressed the report's principal points. In keeping with the theme of the 19th National Congress, the topic of the Congress in 2022 was **“Hold aloft the magnificent banner of socialism with Chinese characteristics and work in unity to construct a modern socialist country in all aspects.”**

MOST FREQUENTLY USED WORDS IN THE REPORT



Source: PwcCn China Economic Quarterly Q3 2022

OVERVIEW

20TH CPC NATIONAL CONGRESS – IMPLICATIONS AND OPPORTUNITIES

1. DEVELOPMENT

Development remains a primary aim, with GDP per capita reaching the level of moderately developed countries by 2035.

There were some concerns before the Congress that China would deprioritise economic growth. These fears were unjustified, as the development target for 2035 was strengthened inside the two-step strategic plan of constructing a modern socialist country in every way.

2. MAINTAIN SOCIALIST ECONOMY

China will keep working toward its goals of a high-standard socialist market economy, a new development paradigm, and a focus on quality growth.

"China must first and foremost pursue high-quality development," according to the report. China's prime priority in managing and revitalizing itself is development. "We cannot establish a magnificent contemporary socialist country in all aspects without solid material and technological basis."

3. PRIORITY

Science and technology, education, talent, and green development will be prioritised by China.

The transformation of China's economy into an innovation-driven one relies on a number of key strategic pillars, one of which is science and technology.

Source: PwcCn China Economic Quarterly Q3 2022

EXPERT BITE



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT WERE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN CHINA IN 2022?

The demand for urban consumer goods has increased rapidly, and mobile shopping industries have shown significant growth. The trend of switching the offline consumption to online continues to strengthen, and the user scale of local life and fresh food e-commerce industry has achieved double-digit growth, while driving the improvement of the local takeaway service industry.

"Online search and booking + in-store service" and "instant delivery" have become the main modes of local consumption for urban users. All related industries fluctuate with the change of urban social environment to meet the consumption needs of urban people in different states.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: WHAT WERE THE MOST SIGNIFICANT CHANGES HAPPENING IN CHINA IN 2022?

Due to the complex impacts of geopolitical and pandemic risks, the downward pressure on China's economy is still striking. However, the rapid development of China's digital economy has played a significant role in driving the development of GDP.

According to the 2022 China's Digital Economy Development Report released by the CAICT, the scale of **China's digital economy has reached 45.5 trillion RMB ($6.72 trillion)** in 2021, accounting for 39.8% of GDP and ranked second in the world. In the future, digital economy will be a significant contributor to the economy growth and will further help empower China's high-quality development.



EDWARD TSE

Founder and CEO of
Gao Feng Advisory Company

EXPERT BITE

Q: WHAT ARE SOME IMPORTANT ECONOMIC TRENDS IN CHINA YOU SEE RIGHT NOW?

1. The convergence of the retail consumption, technology and internet (5G) sectors to create a new trend known as “Lifestyle Tech”, focused on Electric Vehicles, Renewables and the Retail sector. This will be an increasingly important theme for investors seeking to profit from the growth of China’s domestic economy.

2. More than any other leader of the Chinese Communist Party, President Xi has sought to make the environment part of his lasting legacy. He has dramatically cut air pollution and set out ambitious goals for China, including a target to reach **net-zero emissions by 2060.** This involves China reducing its carbon emissions by the equivalent of France’s annual emissions for each of the next 30 years! A difficult balancing act between maintaining current energy security (which requires burning fossil fuels) and the rapid development of renewable energy involving the investment of **literally trillions of dollars.**



DAVID THOMAS

Founder and CEO of
Think Global Consulting

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AN OVERVIEW OF DIGITAL CHINA

EXPERT BITE

Q: WHERE'S RETAIL TECH IN CHINA TODAY IN 2023? WHAT WILL BE THE MAJOR GROWTH AREAS?

One of the major growth areas to watch in the coming year is Chinese brands expanding overseas. Chinese brands and companies are now competing **at the mid- to high-end areas of the value chain**, which means products are brand-focused, quality-conscious, and service-oriented.

As a result, in 2023 overseas Chinese brands will **bring stronger competition to global markets.** Especially with the loosening of COVID restrictions, I am expecting to see major growth in the three areas of consumer tech, toys, and lifestyle products.



CHRIS PEREIRA

CEO at North American Ecosystem Institute

EXPERT BITE



SYCA JIANG

Head of Strategy at
Alarice and ChoZan

Q: WHAT KIND OF DIGITAL TRANSFORMATION, IN YOUR OPINION, IS TAKING PLACE IN CHINA?

Since 2021, e-commerce live streaming has experienced explosive growth. In 2022, this becomes even more mature. Chinese consumers' live-streaming shopping habits continue to deepen. At the same time, China has successively introduced policies to encourage the development of the live-streaming e-commerce industry, focusing on cultivating live-streaming talents, encouraging live-streaming to sink into the market, and strengthening industry norms to ensure the healthy development of the industry.

At present, the main group of people watching live streaming consists of users under the age of 40, and users in cities below the third tier are active, and there are more and more users over the age of 51. Fashion, price, brand and quality are the core points that influence users. More and more brands are starting to conduct daily store live-streaming, and at the same time combine KOL live streaming to build a brand live streaming matrix and win potential sales. For brands, how to build or improve e-commerce live streaming strategies has become particularly important.

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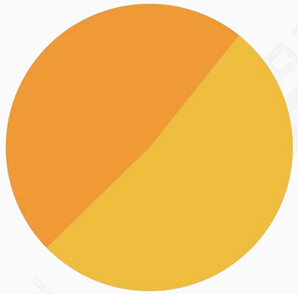
OVERVIEW

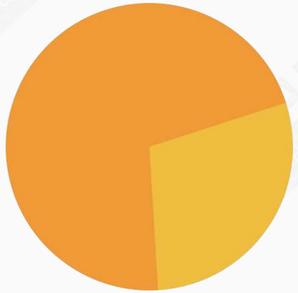
5G USERS IN CHINA

China is the world's single largest 5G market, with 5G connections accounting for more than 75% of the global total by the end of 2021. The MIIT disclosed in January 2022 that mainland Chinese operators had **launched more than 1.4 million 5G base stations**, and it has set an ambitious goal of tripling the number of **5G base stations to 3.64 million by the end of 2025.**



52%

OF TOTAL 5G CONNECTIONS ESTIMATED TO ADOPT IN 2025



29%

OF TOTAL 5G CONNECTIONS ESTIMATED TO ADOPT IN 2021

Source: GSMA, The Mobile Economy China 2022

OVERVIEW

IMPACT OF 5G IN CHINA

The integration of 5G with AI, VR/AR, drones and data collection in China is improving the operations of different types of businesses.

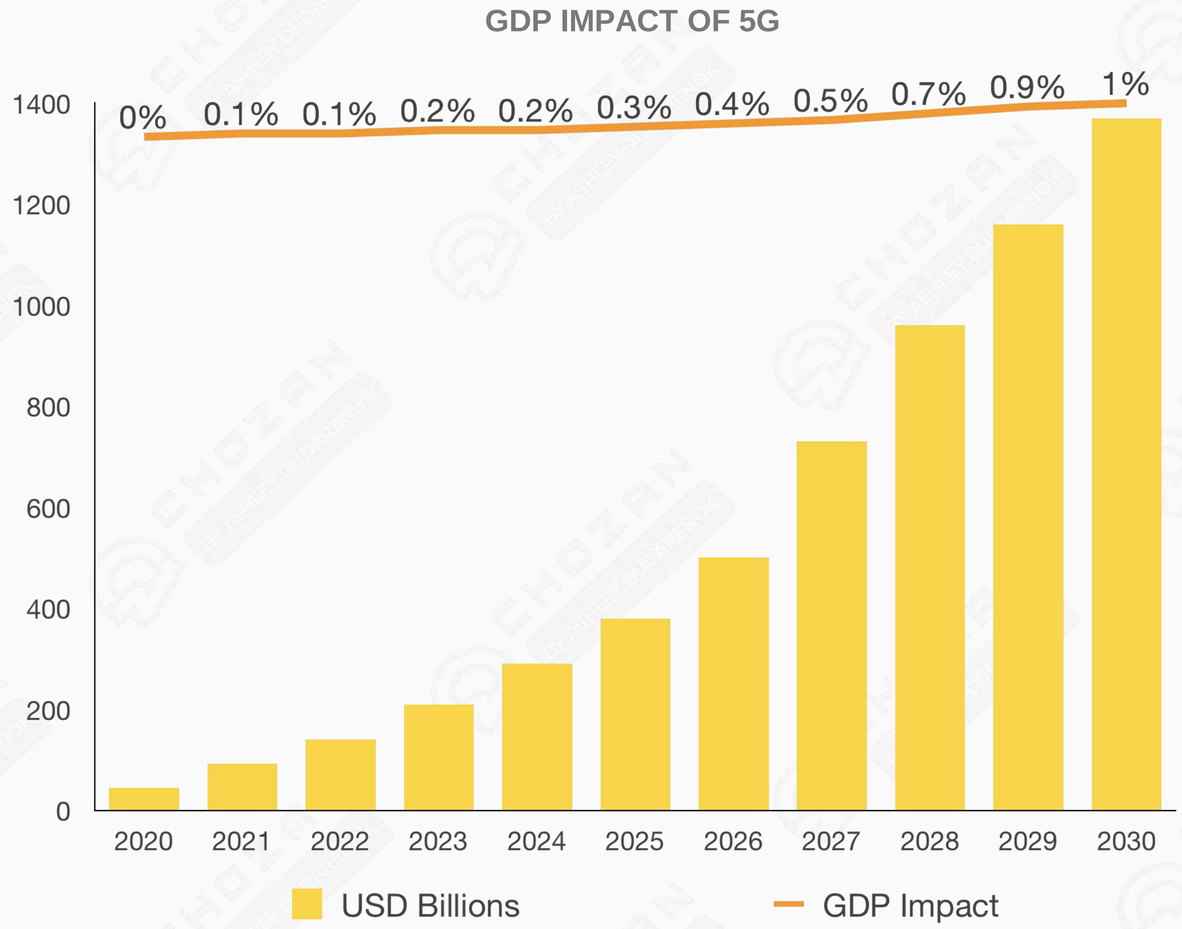
SMART BUILDINGS	Property security and smart management
SMART ECO	Monitor natural environments, providing real time data
SMART GOVERNING	Improve user experiences within remote services
SMART SECURITY	Improve the comprehensiveness of data and speed of information delivery
SMART CITY	Improve efficiency and overall city management

Source: PWC,The global economic impact of 5G: China report

OVERVIEW

GLOBAL ECONOMIC IMPACT OF 5G

The 5G technology is making limited impact to world's GDP growth since it is still in its infancy. It is expected that impact will arrive in 2025 when the technology develops into maturity.

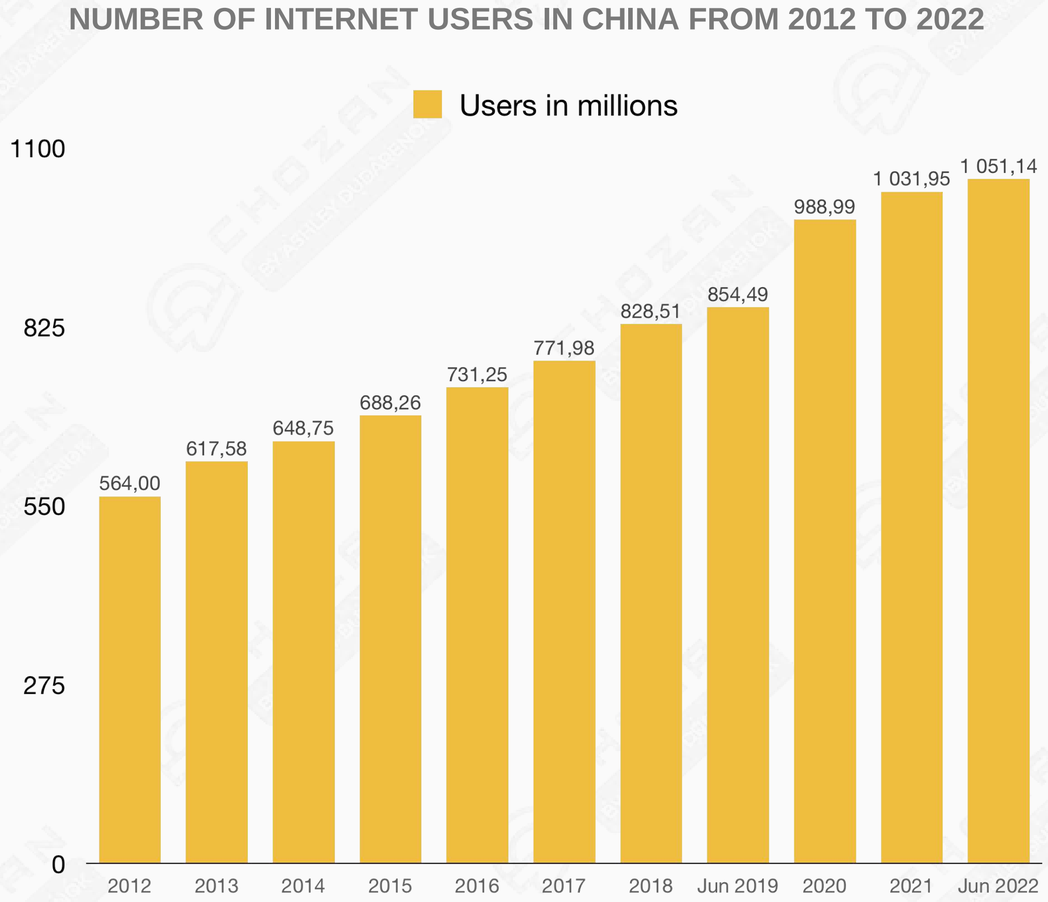


Source: PWC,The global economic impact of 5G: China report

CONSUMER INSIGHTS

CHINA INTERNET USERS

As of June 2022, more than one billion people in China had access to the internet, which has led to a mobile app market that is expanding at a rapid rate in the country.

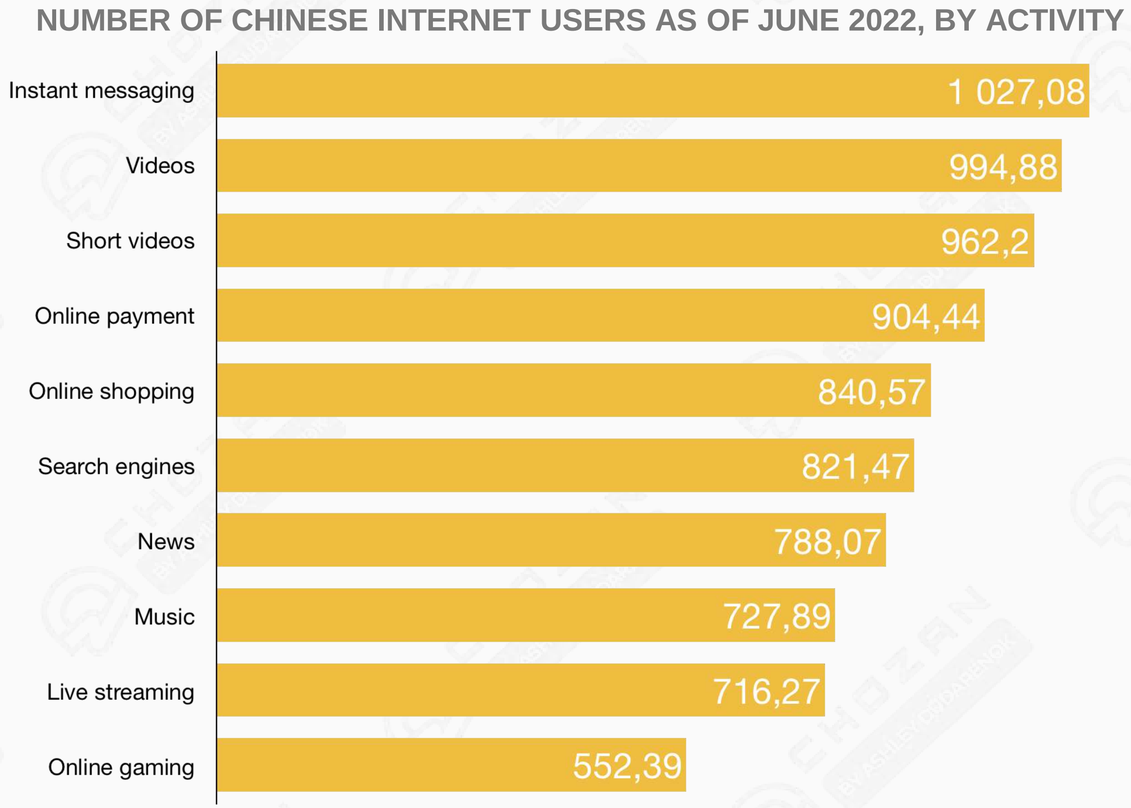


Source: Statista, Number of internet users in China 2012-H1 2022

OVERVIEW

CHINA DIGITAL SPACE AT A GLANCE

Online shopping was used by around **840.6 million individuals** in China, which is almost 80% of the country's total internet users. The country has a big number of people who use smartphones, which is fueling the expansion of the mobile app industry.



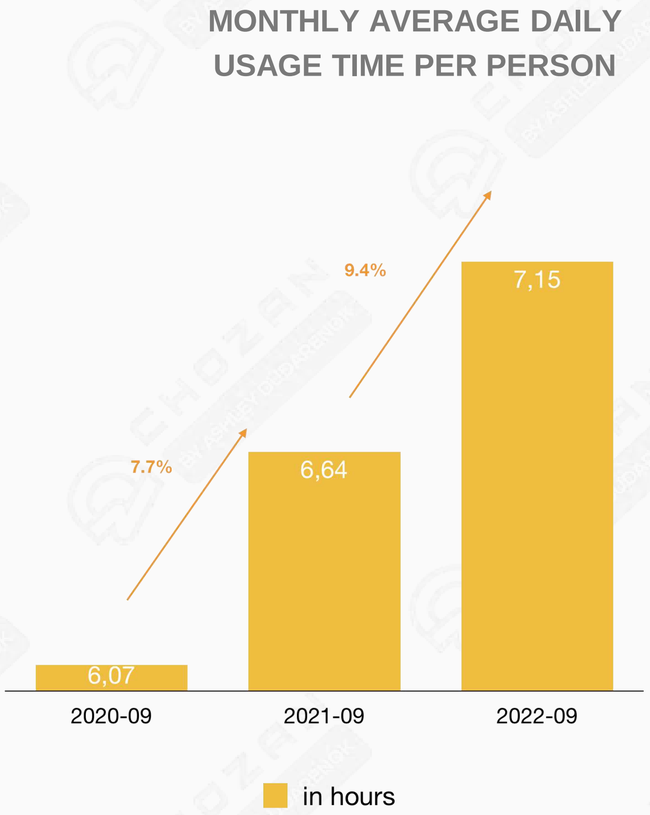
Source: National Bureau of Statistics of China, Statista

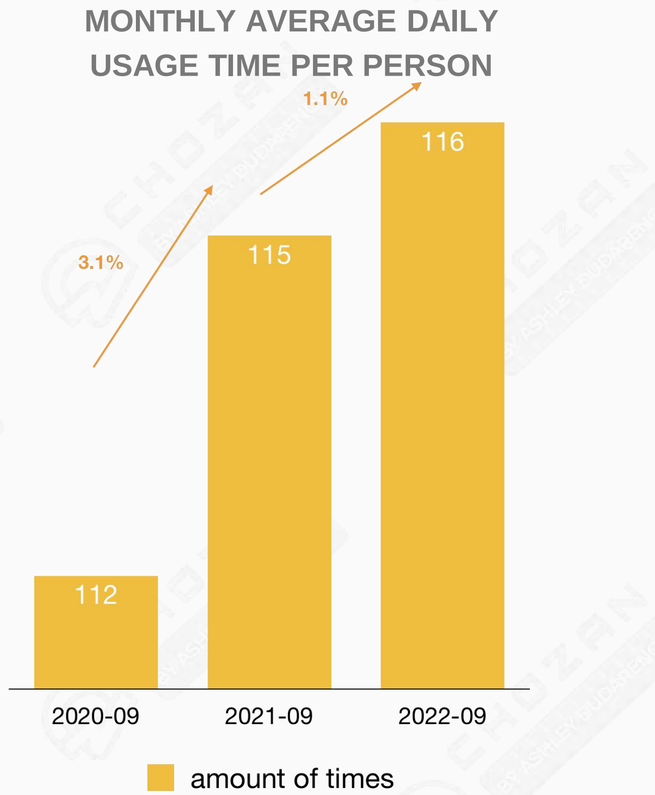
OVERVIEW

CHINA DIGITAL SPACE AT A GLANCE

The stickiness of users' internet usage has remained relatively stable, with single-day usage reaching **7.15 hours**, accounting for nearly **1/3 of the day.**

2022-2022 ONLINE BEHAVIOR OF CHINESE ONLINE MOBILE USERS



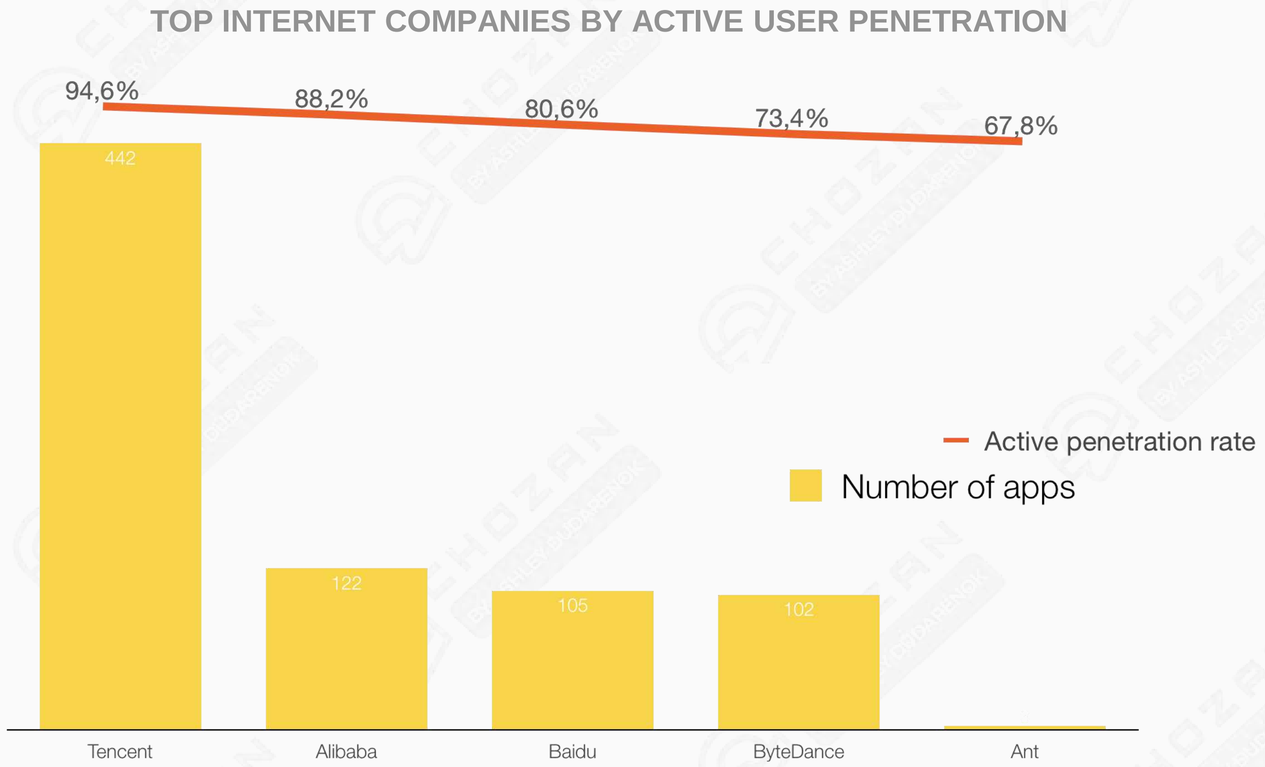


Source: [QuestMobile, 2022 China Mobile Internet Development]

OVERVIEW

CHINA'S DIGITAL SPACE AT A GLANCE

According to QuestMobile data, **Tencent has the biggest reach of internet users in China (95%)** with 442 mobile apps in 2021, followed by **Alibaba (88%), Baidu (81%),** and **ByteDance (73%).**



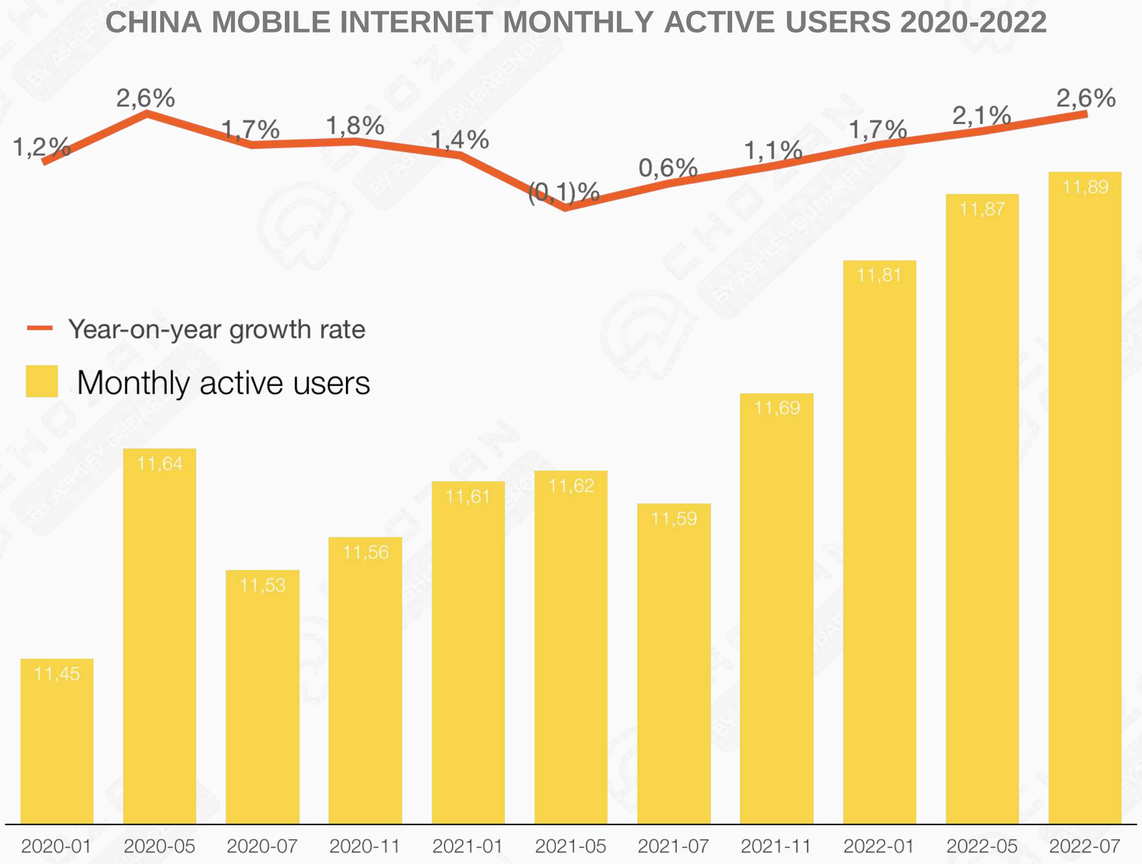
Source: China Internet Watch, Mobile reach in 2022: Tencent, Alibaba, Baidu, ByteDance, Kuaishou

OVERVIEW

CHINA'S DIGITAL SPACE AT A GLANCE

Overall Chinese mobile internet users are predicted to approach **1.2 billion by the end of 2022**, following a growth trough in early 2021.

According to QuestMobile data, overall traffic has **increased by 100 million** over the last nearly four years, dating back to April 2018, when the mobile internet **reached 1.1 billion users.**

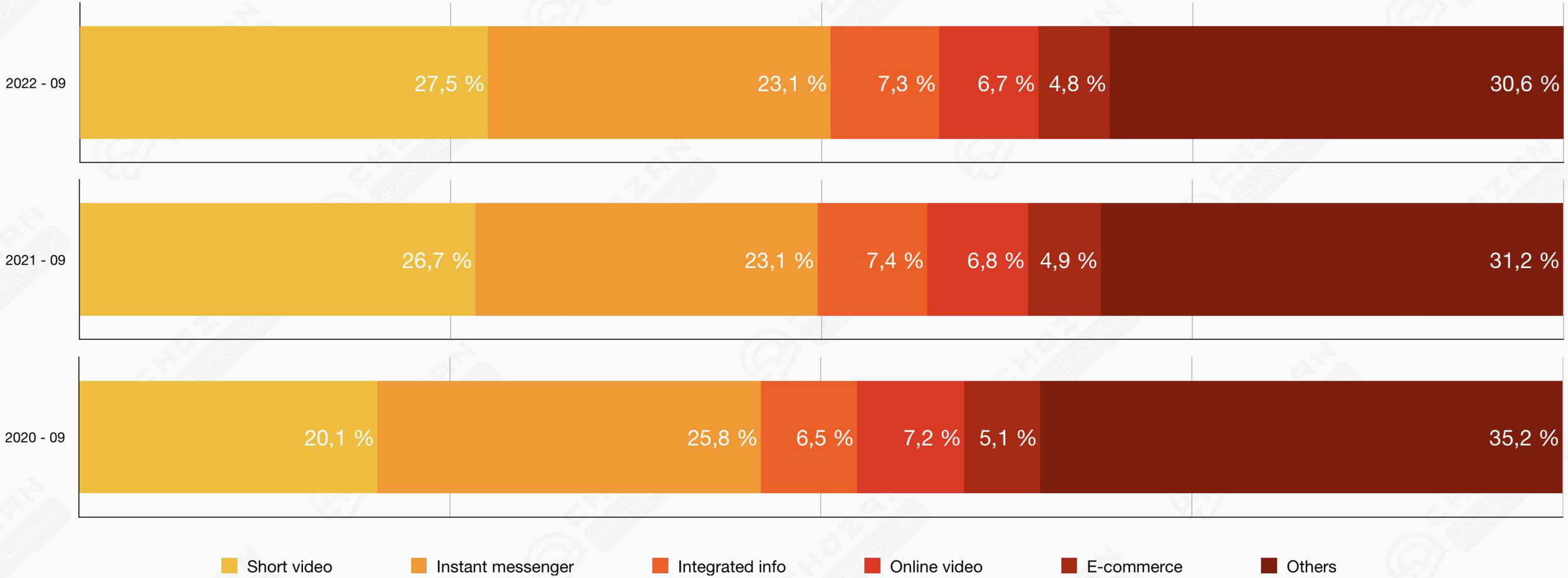


Source: QuestMobile, 2022 China Mobile Internet Development

OVERVIEW

CHINA'S DIGITAL SPACE AT A GLANCE

PROPORTION OF TOTAL TIME SPENT BY CHINESE USERS ON DIFFERENT ONLINE PLATFORMS



Source: QuestMobile, 2022 China Mobile Internet Development

EXPERT BITE

Q: WHAT DIGITAL TRANSFORMATION ADVICE CAN YOU GIVE COMPANIES IN CHINA?

Understanding the Tech and Digital market in China can be overwhelming due to its uniqueness and complexities. Everyone will try to tell you their solutions are cheaper and better. In reality, brands need to be able to remain independent from their vendors by choosing technologies that do not lock them up – restrict their data and source code ownership, operation, and scalability. **The most optimal tech options are Open-Source solutions that can be served by many partners.**

While CapEx is important, ensuring that a brand has the chance to challenge its vendors to do their best and put them into the competition is key. **Too many brands today are still making the poor decision to leverage their distributo**r and Tmall Partners' infrastructure. And when it comes to the moment of scaling up or changing vendors, the switch may not be doable. Therefore, having a very clear methodology for the digital transformation process is key to set solid foundations and remove each of the frictions that exist between the brand and its customers, ultimately maximizing both the top and bottom lines.



AURELIEN RIGART

VP and Co-Founder of
IT Consultis

EXPERT BITE



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: IN YOUR VIEW, WHAT KIND OF DIGITAL TRANSFORMATION IS HAPPENING IN CHINA?

“Metaverse” has become a new buzzword in China, bringing about a host of new and exciting business opportunities. Chinese technology companies have begun testing the water by developing metaverse type apps, trademarking metaverse-related phrases, and investing in the VR/AR segment.

As harried as the gaming industry might be in China, there are plenty of other potential uses for metaverse tech — especially when it comes to entertainment, with the country’s recent boom in “virtual idols,” or computer-generated singers and models. At the end of 2021, the Chinese tech giant Tencent held China’s first virtual music festival, which **reportedly drew 100,000 simultaneous** users at its peak.

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KEY TRENDS IN CHINA

EXPERT BITE

Q: WHAT ARE THE TOP 10 CHINA TECH TRENDS YOU SEE / WATCH? ?

The year 2023 will put China's tech trends back on the radar. I would watch closely "high-end" and "deep tech" domestic breakthroughs in many B2B sectors such as the microchip, biotech, energy transition, agriculture, construction and transportation industry. This will aid smart cities, smart logistics and autonomous transportation go from hype to realization.

Consumer trends to keep an eye on in the field of electrical vehicles, **FinTech (CBDCs) and AI enabled services to the growing middle class of China.** We should definitively not forget the trend of a China regulated metaverse and Web 3.0 creating a parallel universe that could potentially experience the same disruption as China's superapps had on Chinese consumers.



PASCAL COPPENS

Partner at Nexxworks

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1

METAVERSE IN CHINA

LARGE CORPORATIONS AND CHINESE GAMING FIRMS ARE TAKING THE LEAD ROLE IN THE CHINESE METAVERSE.

THERE IS A SIGNIFICANT OPPORTUNITY FOR CROSS-GAME INTEGRATION, E-COMMERCE, AND COLLABORATIVE BRAND EVENTS IN THE CHINESE METAVERSE.

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2

CHINESE AI REGULATIONS

WITH WIDESPREAD AI REGULATIONS IN CHINA'S ECONOMY AND SOCIETY, THE GOVERNMENT RELEASED THREE APPROACHES TO CHINESE AI GOVERNANCE:

ONLINE ALGORITHMS, TRUSTWORTHY AI SYSTEMS, AND AI ETHICS, EACH WITH ITS OWN REGULATING ORGANISATIONS.

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3

HOMETOWN ENTREPRENEUR

AN INCREASE IN INDEPENDENT-THINKING YOUNG CHINESE LEADS TO AN INCREASE IN THE “COUNTRYSIDE” POPULATION.

THEY ARE ALSO CONTRIBUTING TO THE RISE OF LOWER-TIER MARKETS IN CHINA, WHICH IS LESS BURDENSOME FINANCIALLY AND PHYSICALLY.

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4

OUTDOOR LEISURE BOOM CONTINUES

DUE TO PANDEMIC RESTRICTIONS, MORE CITIZENS ARE GOING FOR OUTDOOR LEISURE, SUCH AS NICHE SPORTS.

TOP-TIER CITY RESIDENTS ARE MORE LIKELY TO GO FOR THIS TREND, ESPECIALLY WITH THE SOCIAL BUZZ IT HAS GENERATED.

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5

RISING CHINESE MIDDLE-CLASS AS ENGINE FOR GLOBAL GROWTH

BY 2030, THE CHINESE MIDDLE-CLASS IS EXPECTED TO HAVE 400 MILLION HOUSEHOLDS WITH UPPER-MIDDLE AND HIGHER INCOMES WHICH IS HIGHER THAN EUROPE AND US COMBINED.

THE CONSUMPTION POWER OF THE CHINESE MIDDLE-CLASS IS PROJECTED TO DOUBLE BY 2025, DRIVING ECONOMIC GROWTH WORLDWIDE.

EXPERT BITE

Q: WHAT WERE THE KEY CHINA TRENDS IN 2022?

So many trends to address. But here is a short version.

Multilateral relations – China's current economy is still dependent on three key categories: Manufacturing/exports; domestic consumption; and the continued focus on domestic innovation, and self-sufficiency. China's relations with the rest of the world will have a great influence on how all three develop in the next few years.

COVID-19 – Chinese social, political, and economic life will depend on how the evolution of the pandemic response goes forward. Social norms will inform how, where, when, why and from whom Chinese people are employed, save, buy and conduct their family and social lives.



MICHAEL ZAKKOUR

Founder and CEO of
5 New Digital

EXPERT BITE

Q: WHICH IN YOUR VIEW ARE THE 3 MOST IMPORTANT TRENDS FOR CHINA 2023?

Global trade collaboration is heading in new and unexpected directions. The recent tightening of U.S. regulatory control over advanced technologies will hasten China's costly pursuit of technological independence, while China's manufacturing demand and demographic growth structure will begin to slow. In the face of these shifts, **China will need to dramatically increase the export of innovation and shift away from being a provided of low-cost goods.**

The Chinese brand has been significantly tarnished by Western propaganda since the pandemic. As travel out of China increases and post Covid infrastructure investments restarts, China will need to recalibrate its message to the international market.

China needs to boost domestic consumption. Consumer spending is constrained by high unemployment, which makes it difficult for both the young, high-skilled workforce and the aging, low-skilled workforce to find work. Failure to create the expected employment opportunities for recent college graduates will affect consumption in the next few years.



JONATHAN BRILL

Speaker, Author & Advisor

EXPERT BITE

Q: WHAT WERE THE MAJOR TRENDS IN CHINA IN 2022?

Chinese consumers are gaining awareness of climate change and are have high tendency to choose sustainable products, as well as recycling more frequently. In fact, 45% of consumers in China are willing to pay a premium for green products.

On the other hand, young consumers want to express themselves through their hobbies and this is reflected in consumer habits. For example, accessible, inclusive and non-competitive sports such as flying disk throwing have grown significantly in popularity. In 2008, there were barely 100 people playing the sport, now the number of flying disks in China has reached around 500,000 according to research by China's flying disc administrative committee. As a result, flying disk brand Yikun pivoted its focus from professional players to amateurs at the beginning of 2022.



MICHELLE LAU

Co-Managing Director of
Alibaba Group France

LOCKDOWN IMPACT IN CHINA

EXPERT BITE

Q: WHAT IMPACT DO YOU THINK THE LOCKDOWN IN CHINA HAS HAD ON THE PURCHASING HABITS AND PURCHASING POWER OF CHINESE CONSUMERS?

The pandemic has accelerated the way people communicate and interact online, and it has also forced the digital transformation and upgrading of various industries. Consumers' preferences towards online shopping have increased significantly, and social media has also become an inherent part of consumers' digital lives.

Therefore, digital transformation has become increasingly **critical to both domestic and foreign brands.**



EDWARD TSE

Founder and CEO of
Gao Feng Advisory Company

EXPERT BITE



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: HOW DO YOU BELIEVE THE LOCKDOWNS AFFECTED CHINESE CONSUMERS' CONSUMPTION POWER?

Young people are more rational in consumption: 58.6% of young people choose to "only buy what they need" and 18.6% choose to "buy whatever they can afford". From the perspective of consumption trends, the categories with a high proportion of "Houtang" consumption amounts are life of interest, vaccine services, games/video services, and the proportion of the post-1995 generation in these three categories is more than 40%. In the category of "Houlang" with fast growth in consumption amount, the transaction volume of vaccine services increased by 473% year on year. At the same time, the transaction volume of living services, festival food/gift certificates, flowers, car services, game/video services and sporting goods all increased by more than 50% year on year.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE



SYCA JIANG

Head of Strategy at
Alarice and ChoZan

Q: DO YOU THINK CHINESE CONSUMERS' PURCHASING POWER WAS AFFECTED BY THE RECENT LOCKDOWNS?

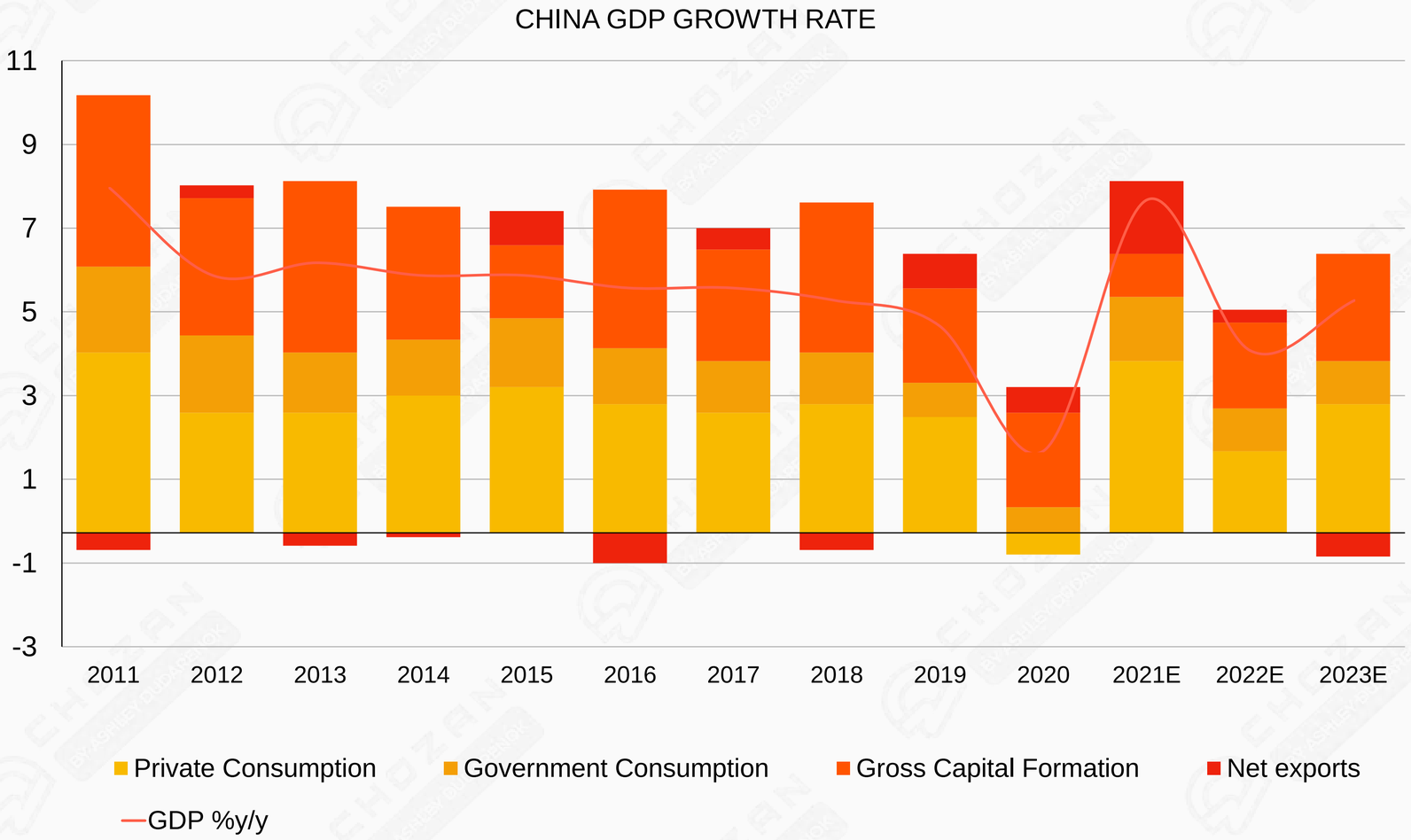
The pandemic has indeed had an impact on brand strategy as well as on consumer behavior. The market is changing all the time, but the importance of consumption is still increasing. I still remain optimistic about Chinese consumers' consumption power. In the future, people will have higher expectations for brands, which are not just a logo, but represent a way of life and values. Therefore, the emotional value that brands can provide will become increasingly important. In terms of marketing, how to identify the brand value and how to effectively convey the brand philosophy and value to consumers is very decisive.

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

EFFECT OF LOCKDOWN

CHINA GDP GROWTH RATE

The outbreak of the pandemic **exacerbated the growth mix of the Chinese economy**, where private consumption and real estate investment lag and manufacturing and infrastructure investment are tailwinds.



Source: Allianz

EFFECT OF LOCKDOWN

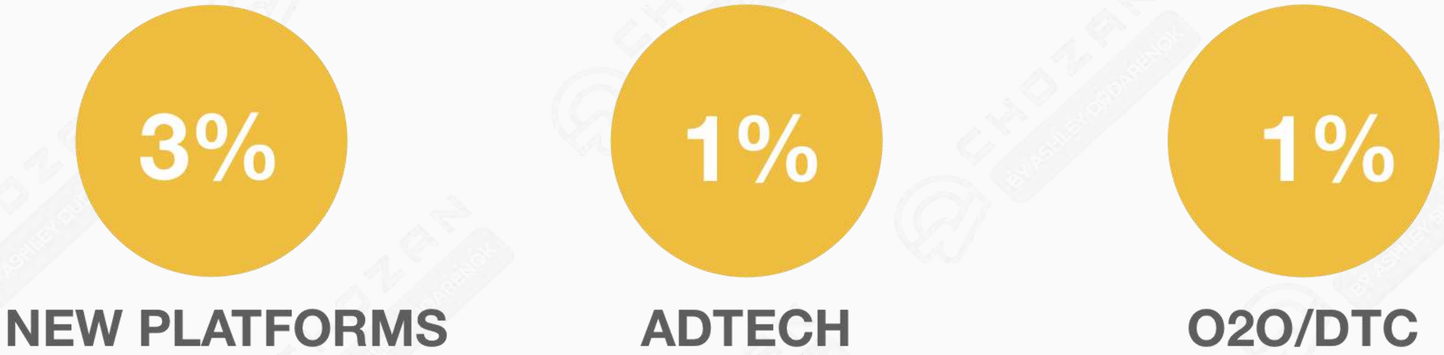
BUSINESS RESPONSE

Marketers want to increase their physical availability of their products & services to help unlock pockets of growth that may reside beyond retail distribution.

MARKETERS INCREASE PRODUCT AVAILABILITY TO GO BEYOND RETAIL



INCREASED INVESTMENT AREAS AFTER 2022 LOCKDOWN



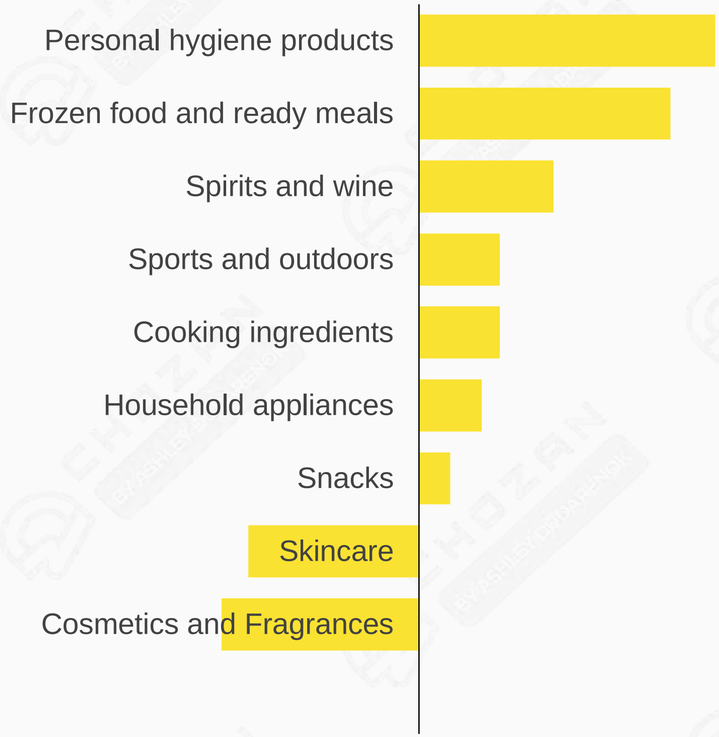
Source: Dentsu-China

EFFECT OF LOCKDOWN

CONSUMER BEHAVIOUR AFFECTED BY LOGISTIC DISRUPTION

Online purchases have been impacted by the sluggish recovery of logistics. Compared to the 23% seen on 11.11 in 2021, refund rates **spiked to 35% during the "618" event**. 2022's "618" shopping festival was somewhat subdued due to difficulties in estimating inventory levels and planning marketing tactics for "618"-related promotions caused by disruptions in the supply chain.

CHANGE IN “618” SALES OF THE MOST POPULAR CATEGORIES (%YEAR ON YEAR)



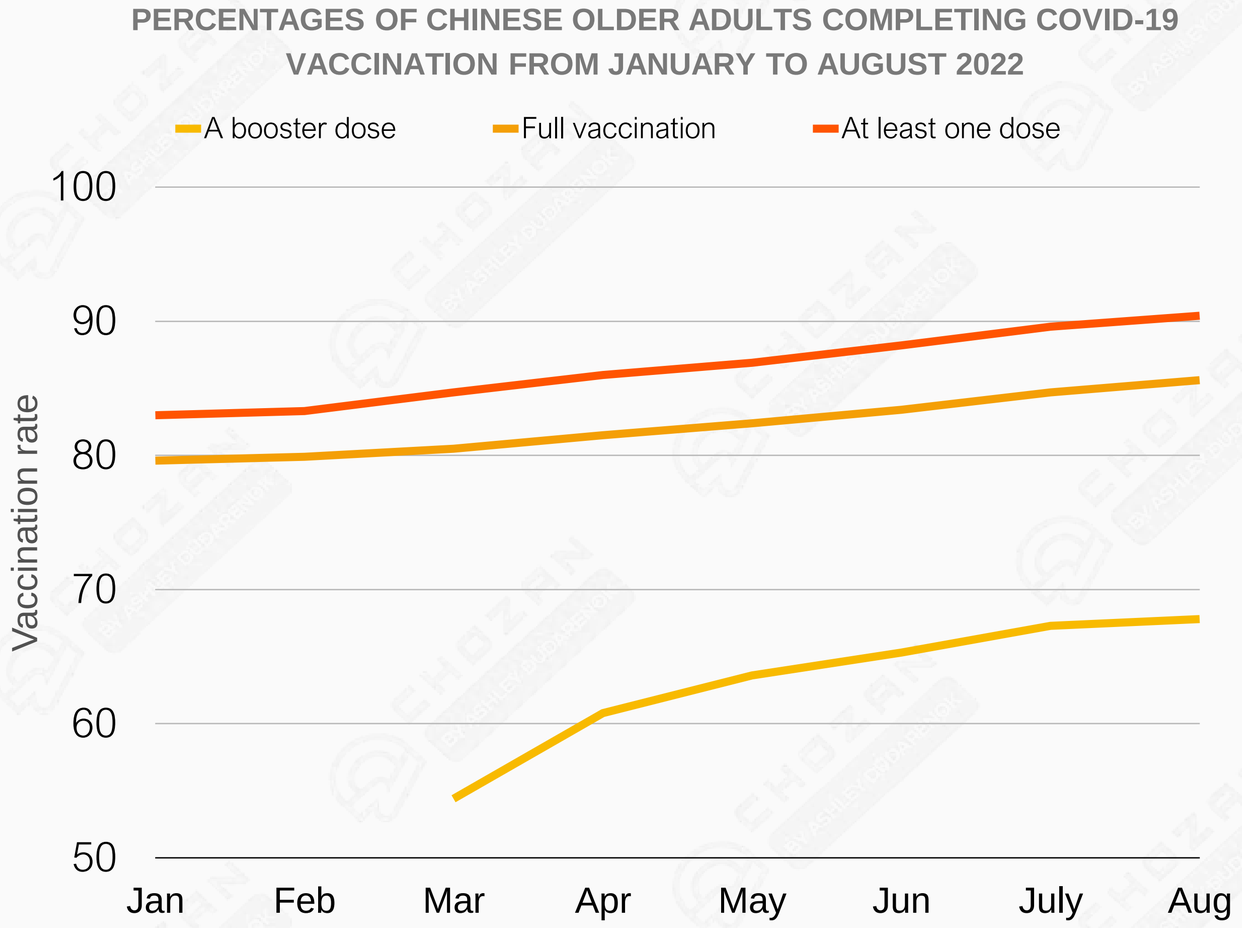
Source: EIUData

EFFECT OF LOCKDOWN

LOW VACCINATION RATE

It became clear that low vaccination rates among the elderly and limitations in rural healthcare provision were impediments to further easing the restrictions.

Policymakers kept their cautious stance despite the obvious negative effects on the economy at large, citing new research on the devastating long-term effects of Covid-19 infection for those who contract it in countries that allow a high prevalence of infection in the community, as well as the increased virulence of the BA.5 variant of Omicron. It's possible that by 2022, **as many as 300 million people** in China would have experienced some form of lockdown.



Source: CCDC Weekly

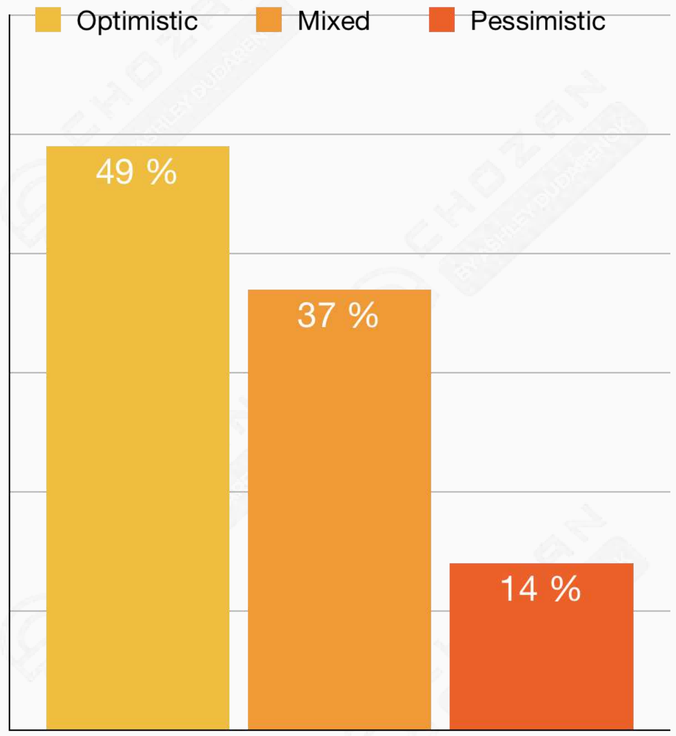
EFFECT OF LOCKDOWN

CONSUMER CONFIDENCE IS RISING

Back in August 2022, **54% of respondents believed their households' income will significantly increase** within the next 5 years.

Consumer confidence for post-Covid recovery was high back in August. **49% of consumers agreed that the Chinese economy will rebound within just a few months post-Covid restrictions lifted.**

CONSUMER CONFIDENCE IN CHINA'S ECONOMIC RECOVERY POST-COVID



CHINA REOPENING IN 2023

WILL THERE BE A REBOUND?

China’s travel market rebounded fast in 2023 since the opening. During the Spring Festival in 2022, the domestic long-distance tour recovered rapidly, and the outbound tour market showed rapid growth.

These are only a few of the hundreds of small Chinese cities that have profited from better transit for personal travel and shipping commodities. Holiday "revenge spending" includes hectic online purchasing.

Since early January, pent-up spending has risen for the first Spring Festival as China optimized its anti-COVID reaction. Low prices make outdoor marketplaces in small cities and villages popular before the Spring Festival.



308 MILLION

DOMESTIC TRIPS WERE MADE, UP 23.1% YEARLY. THE FIGURE WAS 88.6% OF THAT IN 2019.



375.8 MILLION

DOMESTIC REVENUE TOTALLED. 375.8 BILLION YUAN, UP 30% YEARLY. THE FIGURE WAS 73.1% OF THAT IN 2019.

Source: Ministry of Culture and Tourism, GT

EXPERT BITE

Q: WHAT IMPACT DO YOU THINK THE LOCKDOWN IN CHINA HAS HAD ON CHINESE CONSUMERS' SPENDING HABITS AND PURCHASING POWER?

The recurring partial and total lockdowns since 2022 allowed new consumer behaviours to develop, such as 45 degree-lifestyle (in between 躺平-lying flat- and 996-burn out), with consumers realising the value of a balanced lifestyle, as well a return to nostalgia, which we have seen with the popularity of online concert from people's childhood. We also see that the habits developed offline (such as daily coffee orders), stick around, where consumers bring these habits into DIY and develop at-home consumption.



RACHEL DAYDOU

Partner and China Managing Director of Fabernovel

EXPERT BITE

Q: WHAT IMPACT DO YOU ANTICIPATE CHINA'S LOCKDOWNS WILL HAVE HAD ON CHINESE CONSUMERS' HABITS AND PURCHASING POWER?

The pandemic has prompted consumers to make significant personal changes with a greater focus on work-life balance, this will impact consumer behaviour. For example, there is a growth in demand for wellbeing products, mediation, yoga and mindfulness as people look to heal themselves. One area we have seen this effect is the pet care category.

The fact that pets are good for mental health has been know for decades and during the pandemic sales in the pet care category rose to **$154 billion in 2021**, up from $128 billion in 2018. Increased popularity of outdoor pastimes is also a trend that's come out of the pandemic. During 6.18, the interest in fishing from young consumers skyrocketed according to Tmall and Taobao. Around **three million Gen Z consumers** bought lures and rods compared with two million in the 12 months ending June 2022.



MICHELLE LAU

Co-Managing Director of Alibaba Group France

EXPERT BITE

Q: WHAT'S YOUR VIEW ON CHINA'S 'REOPENING REBOUND', WILL THE ECONOMY, INDUSTRIES, CONSUMER SPENDING / SENTIMENT, INNOVATION, ETC., BOUNCE BACK QUICKLY (WITHIN H1) OR WILL IT TAKE A WHILE. WHY SO?

As the dust settles after this 180 degree shift on Covid, we expect to find a much thinner middle class in China than pre-pandemic. Mom and pop shops, entrepreneurs, and the robust "informal economy" has been badly hurt by the last year of "on-again-off-again" business. We expect **70-90 percent or pre-pandemic spending**, a continued shift towards "value" buying from the would-be middle class, but solid/robust spending from the top quartile of China's consumer pyramid. Basically, while the rich haven't gotten richer, they're hungry – and able - to make up for lost experiences.



ZAK DYCHTWALD

Founder of Young China Group

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IMPORTANT REGULATIONS 2022

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1

DATA SECURITY AND PERSONAL INFORMATION PROTECTION LAW

IN JANUARY 2022, NEW REGULATIONS WERE IMPLEMENTED TO LIMIT THE USE OF RECOMMENDATION ALGORITHMS AND PROMOTE OPENNESS IN HOW THEY WORKED AND MANAGED PERSONAL DATA.

MEANWHILE, MOBILE APPS HAVE CONTINUED TO BE DELISTED FOR VIOLATING CONSUMERS' DATA RIGHTS.

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2

DATA PRIVACY

CHINA INCREASED REGULATIONS AIMED AT LIMITING THE USE OF PERSONAL DATA AS PART OF A PACKAGE OF MEASURES UPGRADING ONLINE AND TECH COMPANY REGULATION.

DATA AND ALGORITHM SECURITY, ANTITRUST, FINTECH REGULATION, AND 'GIG ECONOMY' RIGHTS ARE AMONG THE GOVERNMENT'S TOP CONCERNS.

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3

ANTI-MONOPOLY LAW

THE GOVERNMENT CONTINUES TO REVISE THE ANTI-MONOPOLY LAW. POLICYMAKERS WANT TO LEVEL THE PLAYING FIELD FOR STARTUPS TO ENCOURAGE INNOVATION AND CONSUMER CHOICE.

CHINESE TECH COMPANIES HAVE DOMINANT POSITIONS IN AN UNCONTROLLED ECONOMY.

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4

PRIVATE INVESTMENT

LARGE PRIVATE INVESTMENTS IN UNCONTROLLED FINTECH MARKETS WORRIED CHINESE OFFICIALS.

IN ITS FINTECH DEVELOPMENT AIM FOR 2022-2025, THE PEOPLE'S BANK OF CHINA (PBOC) LAYS OUT ITS PLAN FOR A HIGH-QUALITY, STABLE, AND APPROPRIATELY MANAGED DIGITAL TRANSFORMATION OF THE SECTOR.

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5

PLATFORM REGULATION

COMPANIES LIKE ALIBABA AND TENCENT HAVE ASSUMED HIGHLY INFLUENTIAL POSITIONS THAT EXTEND BEYOND SOCIAL MEDIA COMMUNICATIONS AND INTO MANY IMPORTANT ASPECTS OF DAILY LIFE IN CHINA.

THE CHINESE GOVERNMENT IS PLAYING REGULATORY CATCH-UP IN THE NEW PLATFORM ECONOMY, WHICH HAS SEEN EXPLOSIVE GROWTH IN RECENT YEARS.

EXPERT BITE

Q: IN YOUR VIEW, WHAT CAN FOREIGN TECH LEARN FROM CHINA'S DIGITAL JOURNEY? WHAT CAN CHINA LEARN FROM THE 'WORLD'?

After Covid, American companies are disconnected from the progress that has been made in China. And the same thing for Chinese companies. This is very dangerous for competitiveness. We need to start traveling again and really get people on the ground, feeling how the world is evolving. Given the scale of change that's going on, reports simply aren't enough. That's why over the next year, I'll be going to China probably every quarter to see what's changing and hosting Chinese executives here in Silicon Valley.



JONATHAN BRILL

Speaker, Author & Advisor

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6

CELEBRITY ENDORSEMENT

CELEBRITY ENDORSEMENT RULES WERE TIGHTENED. NEW STANDARDS BAN ENDORSING NUTRITIONAL SUPPLEMENTS, MEDICAL PRODUCTS, CIGARETTE PRODUCTS, AND TUTORING SERVICES.

THE CRITERIA REQUIRE CELEBRITIES TO USE THE PRODUCTS THEY ADVOCATE AND BE FAMILIAR WITH THE COMPANIES BEHIND THEM.

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7

MORE TRANSPARENCY

NATIONAL MEDICAL PRODUCTS ADMINISTRATION ANNOUNCED NEW COSMETICS REGULATIONS, SUPERVISING AND PRESSING ENTERPRISES TO GUARANTEE PRODUCT MATERIAL, FORMULA, PRODUCTION TECHNIQUE, PRODUCT LABEL, ETC., FULFILL NATIONAL DEMANDS AND SERVE CUSTOMERS BETTER.

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8

MULTI-CHANNEL NETWORKS (MCNS)

A NUMBER OF RESTRICTIONS ON INFLUENCERS' ABILITY TO USE MULTI-CHANNEL NETWORKS (MCNS) WERE INTRODUCED IN CHINA EARLY 2022.

THE MCN BUSINESS MODEL IS RELATIVELY NEW, YET IT HAS QUICKLY GAINED TRACTION IN CHINA.

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9

INFLUENCERS AND LIVESTREAMERS

THOSE INFLUENCERS, KOLs AND LIVESTREAMERS WHO DISTRIBUTE "PROFESSIONAL" CONTENT ON LIVESTREAM, SUCH AS IN THE SECTORS OF HEALTH, FINANCE, LAW, AND EDUCATION, ARE EXPECTED TO HAVE THE PROPER CREDENTIALS.

EXPERT BITE

Q: WHAT HAVE YOU LEARNED ABOUT THE CHINA MARKET IN 2022 THAT SURPRISED YOU?

2022 was hard for almost every business here in China, except EV cars, low-budget retail, and a few other industries. I saw in 2022 that many B2B clients were not ready to try some new offerings without a clear explanation of "how it can help their business now, not in the future." Everyone was surviving in 2022 and calculating ROI on every deal, even small ones. 2023 should make it easier, but still, it will take time.



SIMON ZAGAYNOV

CEO at ExpoPromoter

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10

EXTENDED PILOT ZONES

THE STATE COUNCIL HAS GIVEN THE GREEN LIGHT FOR 33 CITIES AND REGIONS TO BECOME INTEGRATED PILOT ZONES FOR CROSS-BORDER E-COMMERCE.

LANGFANG, YUNCHENG, BAOTOU, ANSHAN, LHASA, AND ILI, A KAZAK AUTONOMOUS PREFECTURE, ARE AMONG OF THESE PLACES.

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11

CURB EXCESSIVE PACKAGING

ADDITIONAL MEASURES TO BE TAKEN TO CURB EXCESSIVE PACKING.

BY 2025, ADJUSTMENTS WOULD HAVE BEEN MADE TO RELEVANT LAWS AND REGULATIONS, STANDARD SYSTEMS, AND INDUSTRY MANAGEMENT, AND A WHOLE-CHAIN ADMINISTRATION SYSTEM ON OVER-PACKAGING WOULD BE FORMED.

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12

SELF-EMPLOYED BUSINESSES DEVELOPMENT

THE STATE COUNCIL DIRECTIVE SIGNED BY PREMIER LI KEQIANG INTRODUCES NEW RULES FOR THE PROMOTION OF THE GROWTH OF INDIVIDUAL ENTERPRISES.

THE RULES, WHICH WENT INTO EFFECT ON NOVEMBER 1, 2022, WERE CREATED TO BETTER THE ECONOMIC CLIMATE AND SAFEGUARD THE LEGAL RIGHTS AND INTERESTS OF COMPANIES.

EXPERT BITE

Q: WHAT WERE THE MOST IMPORTANT REGULATORY CHANGES IN CHINA IN 2022 IN YOUR VIEW?

The Negative List for Foreign Investment Access and the Negative List for Foreign Investment in Pilot Free Trade Zones. These two negative lists enumerate the industries where foreign investment will either be prohibited or restricted. The National Negative List and the FTZ Negative List were shortened to 31 and 27 items, respectively. Both the lists widened the opening of the automobile manufacturing and the radio and TV device manufacturing sectors.

Measures for the Safety of Food for import or export, which covers requirements on food exports to China, including overseas facilities registration, record filing by importers and exporters, quarantine and inspection, and product labeling, among others.



KRISTINA KOEHLER-COLUCCIA

Head of Business Advisory at Woodburn Global

5 CONSUMER BEHAVIOR TRENDS

EXPERT BITE

Q: WHAT CONSUMER BEHAVIOR SHIFTS DO YOU SEE/ ANTICIPATE IN CHINA IN 2023?

Health is true wealth. Having tasted a different flavor in the past 3 years with ups and down unlike any other in the past 2 decades, people will gravitate more towards checking back of packs, aka, ingredients or source of material, how natural is it, etc., more than before. Functional efficacy will once again become far more important than just emotional appeal.



NISHTHA MEHTA

Founder at CollabCentral

EXPERT BITE

Q: WHAT DO YOU THINK CHINESE CONSUMERS WILL FOCUS ON IN TERMS OF CONSUMPTION?

They have become more rational and conservative. No longer "proud" of spending more money, they are competing to save and only buy what they think they need. Deep discounts are no longer the main trigger because most hold out for higher quality. There is a profound focus on self-care, life's little luxuries and personal comfort. They are still fond of customized service and fresh concepts, but they must be worth it.



JOSH GARDNER

CEO and Co-Founder of Kung Fu Data

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1

RATIONAL SPENDING

AS PEOPLE BECOME MORE LOGICAL AND RATIONAL, IT WILL BE HARDER FOR UP-AND-COMING FIRMS TO QUICKLY EXPAND THEIR CUSTOMER BASES.

MORE NUANCED UNDERSTANDING OF CUSTOMER REQUIREMENTS IS REQUIRED FOR LOCATING NOVEL ENTRY POINTS.

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2

EMOTIONAL AND PURPOSE-DRIVEN MARKETING

PEOPLE ARE MORE RECEPTIVE TO MARKETING THAT APPEALS TO THEIR EMOTIONS AND SENSE OF PURPOSE NOW THAT THEY ARE MORE AWARE OF THE WORLD AROUND THEM.

BY REDUCING STRESS AND PROVIDING HUMOROUS OPPORTUNITIES, "CLOUD" ENTERTAINMENT AND SOCIALIZING ENABLES COMPASSION AND GENUINE INTERACTIONS.

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3

WORK FROM HOME

SINCE WORKING FROM HOME HAS BECOME INCREASINGLY COMMON, MANY ARE ON THE LOOKOUT FOR PRODUCTS AND SERVICES THAT WILL HELP THEM FEEL PAMPERED, LOOK THEIR BEST, AND LEARN SOMETHING NEW WITHOUT HAVING TO LEAVE THE HOUSE.

BRANDS NEED TO DIVERSIFY THEIR OFFERINGS IN ORDER TO APPEAL TO CONSUMERS WITH A WIDE RANGE OF PREFERRED WAYS OF LIFE AT HOME.

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4

CHANGING SOCIAL HABITS

THROUGH MIXED EXPERIENCES, CONSUMERS SOCIALIZE DIFFERENTLY. BRANDS MAY USE CONSUMER-DRIVEN LIVE STREAMING AND ONLINE EVENTS TO LINK COMMUNITIES VIRTUALLY.

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5

COMMUNITY COMMERCE

THE 1KM PROXIMITY ECONOMY HAS RISEN ENORMOUSLY WITH THE STAGED OPENING OF CITIES POST-RECOVERY.

COMMUNITY MEDIA AND AGILE METHODS CAN HELP ORGANIZATIONS ACHIEVE A COMPETITIVE ADVANTAGE AND BE TOP-OF-MIND QUICKLY.

EXPERT BITE

Q: HOW HAVE CHANGES IN THE CHINESE MARKET AFFECTED CONSUMERS' MOODS, TRAVEL PLANS, AND EXPECTATIONS IN THE PAST YEAR?

The biggest impact of a comparative slowdown, is that Chinese consumers have become far more discerning in terms of value. In categories, where ‘hype’ or ‘flash’ purchasing been a regular fixture - such as cosmetics and health supplements – consumers are now doubling-down on product benefits. It would be no exaggeration, to say that purchase in many FMCG categories has seen a shift from consumer mindset from “shopping as a hobby” to “shopping as an investment”.



JERRY CLODE

Founder of
The Solution Consultancy

EXPERT BITE

Q: ECOMMERCE-WISE, WHAT ARE THE BIGGEST CHALLENGES AND OPPORTUNITIES YOU SEE IN CHINA IN 2023?

Challenges:

After 3 years of the epidemic, most consumers lack confidence in consumption. Saving money to fight uncertainty has become the mainstream, and consumers tend to be conservative in consumption.

Opportunities:

The middle class continues to rise, over the next three years, China is expected to add another 71 million upper-middle-class and above household. Affluent consumers prefer premium over mass-market brands. For example, sales on Tmall of premium skincare brands enjoyed compound annual growth of 52% between 2019 and 2021. This implies it more than doubled, compared with just 16% for mass-market brands. With the continuous development of network technology, computing power, AI and other technologies, the consumer metaverse is bound to carry the next trend of consumer industry upgrading.



SANDRINE ZERBIB

Founder & Chairwoman of Full Jet & President of Baozun Brand Management

EXPERT BITE



DAVID FUNG

Marketing Executive at
Alarice and ChoZan

Q: WHAT HAVE YOU DISCOVERED ABOUT CHINESE CUSTOMERS IN THE LAST YEAR THAT HAS SURPRISED YOU?

What amazes me is the industry that anxiety brings. Consumers' anxiety about life continues to give birth to new industries. And this anxiety manifests itself in many ways. Due to work pressure under the pandemic, health concerns brought about by insomnia, obesity, food safety, and consumption brought about by consumers' demand for companionship, industries such as functional food, low-alcohol alcohol, and Internet dating have continued to burst into vitality.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

DIVING INTO THE CHINA METAVERSE

EXPERT BITE

Q: WHAT'S YOUR VIEW ON CHINA'S METAVERSE? HOW'S CHINA DOING VS THE REST OF THE WORLD?

The metaverse is a work in progress globally but China has the best chance to achieve a nationwide interoperable metaverse ecosystem ahead of other regions/countries given its existing social real-ID and eCNY/CBDC solutions, and its ability to enforce policy and standards on local platforms.

2023 is a year of scalable trials across many companies, municipalities and provinces trying to find out what works and what doesn't as we move towards the coming spatial internet era.



ALVIN GRAYLIN

China President/Global VP of Corporate Development HTC

EXPERT BITE



ASHLEY DUDARENOK

Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: WHAT IS THE GENERAL RECEPTION TO NFTS AMONG CONSUMERS IN CHINA 2022?

When it comes to China, NFT is seen as an important part of Web 3.0 development in the country. Chinese consumers are generally very receptive to new things, and NFTs are not an exception. According to a Deloitte survey, so far, NFT products launched by watch brands are the most popular, with more **than 80% of mainland Chinese respondents expressing interest.**

Chinese young people aged between 18 and 30 are the main force of NFT investment. A Chinese NFT user portrait research analysis report shows that the highest proportion of NFT investment crowd is **31-40 (36.8%), 26-30 (35.1%) and 18-25 year olds (14%).**

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

DIVING INTO THE CHINA METAVERSE

METAVERSE DISTRIBUTION

The "Essential Technology" sector accounts for the vast majority of China's metaverse business, with Application Platforms and Platform Technology coming in close second and third respectively.

DISTRIBUTION IN THE CHINA METAVERSE INDUSTRY

Main Metaverse Ingredients	% of Top 200	Representative Companies
Essential Technology	38 %	ZTE, OFILM Group, Iflytek
Application Platforms	23 %	ByteDance, Mango Excellent Media, 37interactive Entertainment Network
Platform Technology	20 %	NetEase, Baidu, 360 Security Technology
Intelligent Terminal	10 %	Huawei, Xiaomi, Goertek
Network Technology	8 %	China Mobile, China Telecom, Chinia Unicom

Source: Hurun Data

DIVING INTO THE CHINA METAVERSE

GEOGRAPHICAL DISTRIBUTION

Beijing, Shanghai, and Shenzhen each host the headquarters of **one-half** of the country's metaverse businesses. The Greater Bay Area of Guangdong, Hong Kong, and Macao accounts for **22% of the total**, while the Yangtze River Delta region accounts for **31% of the total.**

GEOGRAPHIC DISTRIBUTION OF METAVERSE COMPANIES

	City	No. of Companies
1	Beijing	55
2	Shanghai	33
3	Shenzhen	23
4	Hangzhou	15
5	Guangzhou	13
6	Taipei	8
7	Hsinchu	7
8	Suzhou	6
9	Xiamen	5
10	Hong Kong	5

Source: Hurun Data

DIVING INTO THE CHINA METAVERSE

METAVERSE INDUSTRY DISTRIBUTION

90% are listed companies including Tencent and Alibaba, among others. **10% of the companies are not listed companies**, and they are represented by Huawei and ByteDance.

Companies such as China Mobile and Mango Excellent Media are examples of state-owned corporations that make up **16% of the total**, while the remaining **84% are made up of privately held businesses** such as Xiaomi and NetEase.

METAVERSE INDUSTRY DISTRIBUTION IN CHINA

Main Business	% of Top 200	Representative Companies
Software & Data	17 %	Bluefocus Intelligent Communications, Aofei Data, Shunwang Technology
Semiconductors	16 %	Media Tek, Will Semiconductor, Rockchip Electronics
Media & Entertainement	15 %	Tencent Holdings, ByteDance, NetEase
Electronic Components	14 %	BOE, Sunny Optical, Luxshare Precision Industry
Consumer Electronics	10 %	Huawei, Xiaomi,Haier
AI	8 %	Baidu, SenseTime, Iflytek
Telecommunications	6 %	China Mobile, China Telecom, China Unicom
Retail	5 %	Alibaba, JD Group, Vipshop
Financial Service	3 %	Ant Group, East Money Information, Hithink Royalflush Information Network
Hospitality	3 %	Trip Group, Songcheng Performance, Shanghai Oriental Pearl

Source: Hurun Data

DIVING INTO THE CHINA METAVERSE

THE METAVERSE REACHING CHINA

37 MILLION

CHINESE ONLINE USERS

will have a virtual identity on Metaverse platforms by the year 2025, according to a prediction made by IDC.

500+

METAVERSE COMPANIES

were given names inspired by the Metaverse, and by 2021, 93% of them had been registered.

$8 TRILLION

MARKET VALUE

is the expected size size of the market for the metaverse business in China, according to Morgan Stanley's research.

Source: Fabernovel

EXPERT BITE

Q: WHAT'S YOUR OPINION ON CHINA'S METAVERSE?

At this point China is leading the rest of the world in developing what will eventually become a functional Metaverse. I think the reality is that we are still in early stages here but it's clear that China means to be a leader in this space as Chinese tech firms are leading globally in terms of their investment into related technology and in terms of their development of active platforms.

We are already seeing China use the Metaverse for retail and 2022's Double 11 saw brands start to roll out omnichannel shopping opportunities via "The City of Rhythm" on Tmall and I think these types of digital experiences are going to take off into next year as they allow brands to create a lot of new methods of active communication with potential customers.



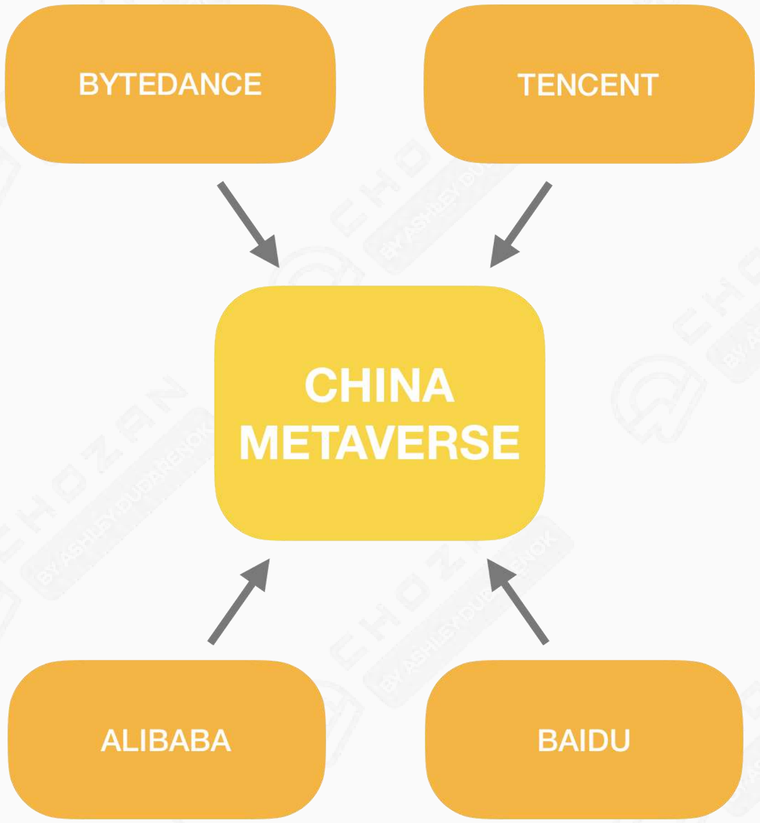
BENJAMIN CAVENDER

Managing Director and Head of Strategy of China Market Research Group

DIVING INTO THE CHINA METAVERSE

CHINA TECH GIANTS TAKING A PART

FOUR MAJOR INVESTORS



	BYTEDANCE
Hardware portals	Purchased Pico, a comprehensive VR producer in China.
Underlying architecture	The Reworld User-Generated Content platform's creator, Code View Technology, received a strategic investment from ByteDance.
Content	Top short video platforms in China: Douyin, Tik Tok, Xigua, Toutiao, etc. Owned gaming platforms: Ohayoo, Pixmain & Nuverse.

	TENCENT
Underlying architecture	Have purchased 40% of Epic Games, whose Unreal Engine is one of the two most popular game engines in the world.
Backend infrastructure	Cloud gaming related technologies: Start & GameMatrix. Tencent Cloud To B: Deployed all-scenario IDC capabilities.
Content	Social media platforms: WeChat & QQ Gaming: Tencent Games

	ALIBABA
Underlying architecture	Cloud computing-based underlying technology: Solutions in cloud gaming and other expansive technologies for the Metaverse.
Multi-scenario e-commerce	Optimization of e-commerce-based experiences: VR shopping, VR gears, virtual idol marketing, and so on.

	BAIDU
AI	Search engines, AI chips, AI open source algorithms, intelligent driving, and so on.
Hardware portals	To B: Baidu VR To C: iQiyi VR Virtual interactive spaces: Xi'rang

Source: Fabernovel

EXPERT BITE

Q: IN YOUR VIEW, WILL THE METAVERSE COME TRUE SOON? WHO OR WHAT WILL SHAPE IT WHEN IT COMES TO CHINA?

Metaverse will open the future entertainment imagination. iQIYI believes that drama and games are the closest forms to the metaverse. iQIYI's IP creation ability in film, TV, animation, variety show, and other fields is the biggest advantage of its metaverse businesses. In the future, iQIYI will continue to explore metaverse, virtual idols, AR, VR, XR and other fields and continue to broaden the future entertainment imagination through the interaction of people, content, technology and scene.



XIAOYI ZHENG

Vice President and Head of Communications of iQIYI

EXPERT BITE

Q: IN YOUR VIEW, WHAT ARE THE CHALLENGES AND OPPORTUNITIES IN CHINA CONSUMER SECTOR FOR FOREIGN BRANDS IN 2023?

The year 2023 will go down as the year where the Chinese market opens back up in scale. Two resulting areas of opportunities are the return of the large gatherings and the travelling Chinese consumer. For brands this means doubling down on things like physical marketing events and travel retail campaigns.

One of the main new challenges this comes with is recognizing customers from China when they visit stores abroad, as new regulations in China forbid export of personal data without explicit consent. Sophisticated technology to capture various levels consent and pseudo-anonymized data exports need to be put in place to overcome this challenge.



MICHEL TJOENG

SVP Sales & Marketing of ChatLabs

CONSUMER INSIGHTS

UNDERSTANDING CHINESE CONSUMERS

EXPERT BITE

Q: HOW DID LAST YEAR (SLOWING ECONOMY, LOCKDOWNS, RAPID OPENING UP, ETC) IMPACT AND SHIFT CONSUMER SENTIMENT, JOURNEYS AND EXPECTATIONS?

Given that external demand from outside China is expected to further fall due to possible global recession, there is going to be greater reliance and expectation from internal consumer consumption. And as per the latest release by National Bureau of Statistics, 2022 saw the Chinese consumer's consumption drop dramatically after a hike in 2021, which added to a record 17.8 trillion yuan (USD 2.6 trillion) to their bank deposits in 2022. So imagine how with the excitement of free movement, these savings will come handy for spending on smarter wealth management, health care, personal upskilling development as top priorities vis a vis casual leisure spending. Chinese consumers are realizing that useful long-term value-based spending is more beneficial than just instant gratification spending.



NISHTHA MEHTA

Founder at CollabCentral

CONSUMER INSIGHTS

MOBILE INTERNET AS A PRIORITY

GEN X
1966-1980

GEN Y/ MILLENIALS
1981-1994

GEN Z
1995-2009

GEN A
2010-2025

25%

The baby boom period is marked by the significant increase in the birth rate after the war, and people's career were booming as well, accelerating the economy in China. People born in this generation have high consumption power.

22%

Gen Y's consumption upgrades as they're born with computers and high speed internet. They prefer niche consumption, they are confident, optimistic, assertive and knowledgable.

19%

Gen Z is the major driver for tech and internet. They are materialistic, they are about experience, like to stand out from the crowd and they are a curious group willing to seek new things.

18%

Gen Alpha is a tech-savvy demographic that stands to be the most educated and online integrated consumer group to date. A Chinese Gen Alpha's online shopping cart may be described in four words: "I Want It All"

Source: TopKlout

CONSUMER INSIGHTS

CONSUMPTION POWER

The FMCG, pet and luxury industries have seen rapid growth over the past year, with the metaverse gaining attention as an unstoppable emerging market. The youth market and luxury market will remain the core market, health care and outdoor will be the new trends

EMERGING MARKET

METAVERSE MARKET	consumers use new digital spaces to socialise
YOUNG MARKET	Consumers aged 15-24
OUTDOOR COMSUPTION	outdoor enthusiasts grow in size
LUXURY UPGRADE	Luxury market consumers
PET CARE MARKET	Pet lovers

Source: CBNData

E : info@chozan.co W : www.chozan.co W : www.alarice.com.hk

CONSUMER INSIGHTS

CONSUMER GROUPS

China as the world's largest online shopping consumer group driving the domestic economic recovery, Chinese consumers are also expected to drive the world economy.Here are a few of our favourite Chinese consumer groups

Our Favourite Emerging Consumers

- The Silver Haired Generation (65+) in lower tier cities
- Metaverse consumers
- Pet Lovers
- Young and Health-conscious

Source: Chozan

EXPERT BITE



AMELIE CHANG

Marketing Executive at
Alarice and ChoZan

Q: WHAT'S YOUR FAVORITE CONSUMPTION TREND IN CHINA RIGHT NOW?

The low-spending trend is my favorite right now. Mixuebingcheng has the lowest price for bubble tea and juice, which has 22,000 shops across China; over 300,000 users in Douban discussed how to reduce consumption; the KFC Crazy Thursday Campaign (started in 2018) went viral because of the UGC from 2021, at the same time it meets the need of low spending trend; Frisbee is China's popular sports this summer, which is also representative of the low-spending trend.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: WHAT SMM TRENDS (MARKETING + COMMERCE) DO YOU SEE IN CHINA THAT WILL BOOM IN 2023?

Douyin, WeChat & RED remain the biggest brand marketing spends platform in 2023.

• Co-creating products with consumers might be a future trend for brands to win the market.

• Because Tencent has went all in on the commercialization of WeChat Channels, and has obtained strong advertising demand, especially from the fast-moving consumer goods industry, the commercial GMV of WeChat video accounts is likely to be explosive in 2023.



MOONIE ZHU

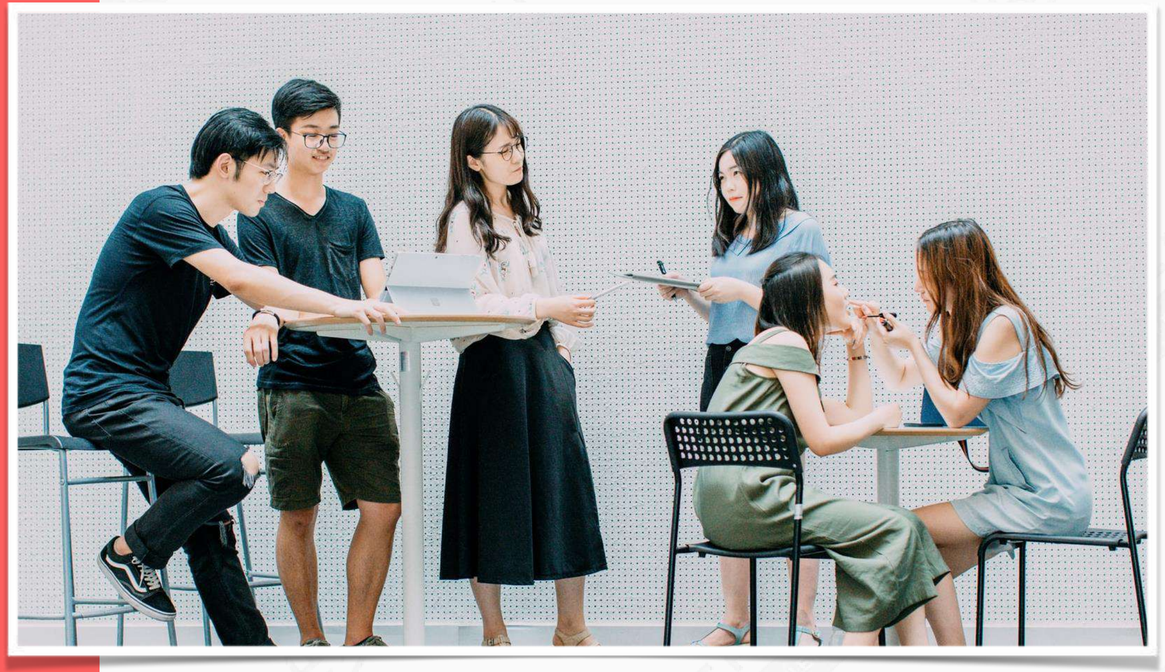
Co-founder & CEO of eTOC

1 MILLENNIALS

China's 400+ million millennials represent a huge and emerging consumer group with a large impact on the economy. Most millennials own smartphones that are constantly in use and used in more versatile ways than their counterparts in the West.

Millennials enjoy luxury brands. Forecasts expect them to make up 40% of global luxury goods sales by 2024, with around 58% of that group aged 18 to 30.

It's key for brands to understand the consumer behaviours of millennials.



Source: Fortune, China's Generation 'DINK'—double income, no kids 2022

Photo © Akson on Unsplash

EXPERT BITE



FIONA LU

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOUR OF MILLENNIALS?

With pandemic-related concerns, Chinese consumers are more inclined to scrutinize their spending, reconsidering purchases as investments rather than methods to satisfy short-term pleasures. Thus, many millennials adopt a “less is more” approach when purchasing. With this consumer insight, brands need to consider the product’s cost-effectiveness. Also, don’t forget to integrate this life philosophy into communication themes to connect with them emotionally, just as many cosmetic and skincare brands respond to the Skip-care trend.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

MILLENNIALS - INTRODUCTION

Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
Chinese millennials are the country's largest consumer group with over 400+ million people. 54% of Chinese millennials are internet shoppers.	Millennials have become the main force of Chinese consumption, and their consumption is mainly for the pursuit of quality life and experience of the latest things. In terms of the amount of money they spend each year, millennials have more stress on things like cars and child care, and have already started investing their wealth in addition to spending.	1) Services 2) Educational training 3) beauty care 4) Car 5) Baby care

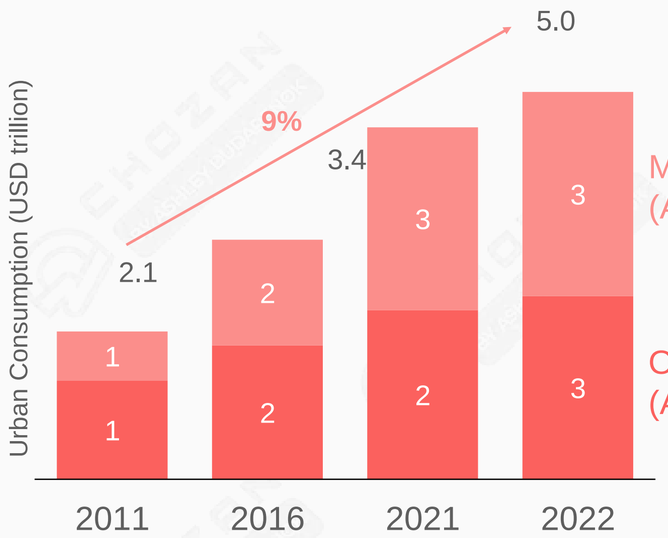
Source: Talking data: New trends in Generation Y/Z consumption report

CONSUMER INSIGHTS

MILLENNIALS

Chinese millennials are set to become the dominant consumer force and most influential consumer segment.

MILLENNIAL'S AND THE OLDER GENERATION'S SHARE OF CHINA'S URBAN CONSUMPTION



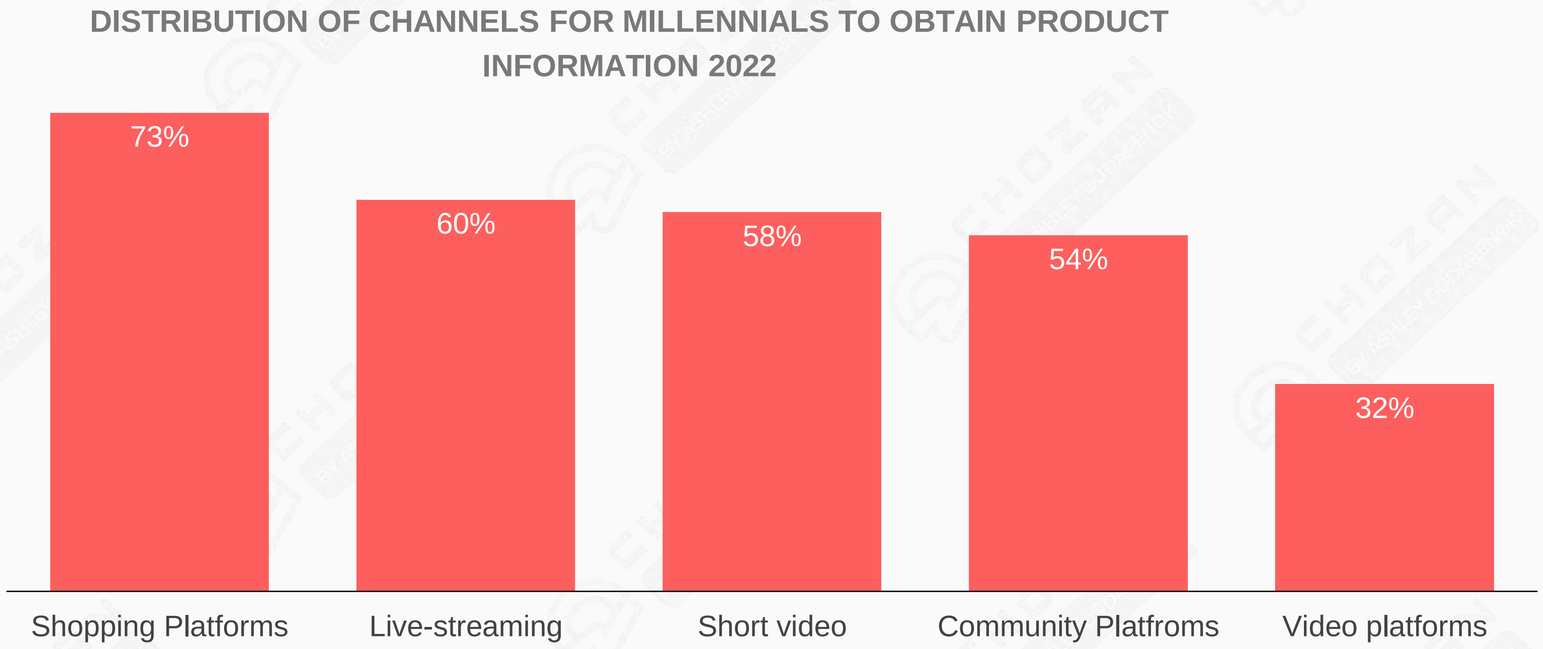
	CAGR 2016-2022	Share of total consumption by 2022
MILLENNIALS (AGED 18-35)	13%	68%
OLDER GENERATION (ABOVE AGED 35)	5%	31%

Source: Quest Mobile, 2022 Post 90 insight report

CONSUMER INSIGHTS

MILLENNIALS

Millennials get their product information mainly from shopping platforms, live streaming and watching short videos

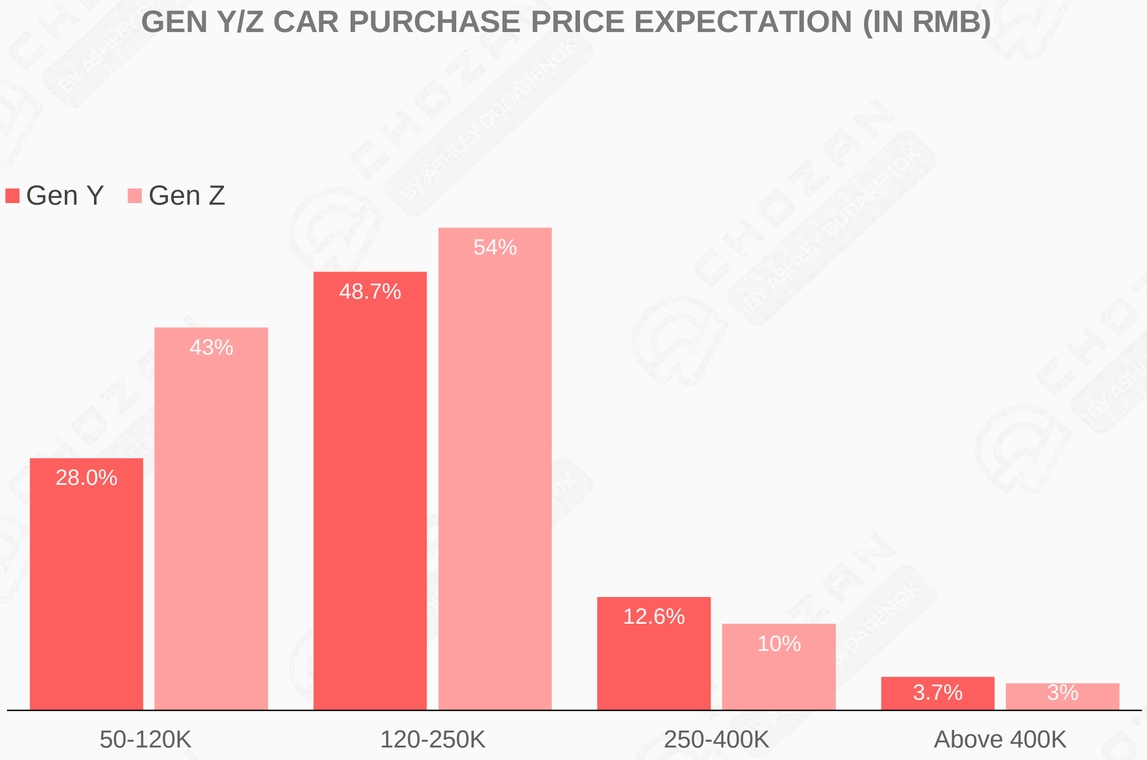


Source: Quest Mobile, 2022 China Mobile Internet Autumn Report

CONSUMER INSIGHTS

MILLENNIALS

46% of millennials are planning to buy a vehicle. In the choice of energy types, new energy vehicles and gasoline vehicles are both popular. With the continuous improvement of EVs, technology and supporting facilities, the millennial have an increasingly high degree of recognition for new energy vehicles



Source: Talking data, New consumtion group report

CONSUMER INSIGHTS

MILLENNIALS - TOP 4 CHARACTERISTICS IN 2022

1 Lifestyle Upgrade

Millennial consumers have stronger expectations for quality life and demand for high-value goods and services such as **health care, high-end catering and luxury goods** is on the rise. Millennials are not only more selective, they are more **willing to pay for quality and experience.**

1 Prefer premium products and services

2 A growing interest in beauty and skin care

3 Rapid growth in luxury consumption

4 Spending on new energy vehicle is on the rise

2 Metaverse customer

Millennials are the most interested in the metaverse, second only to GenZ. However, to truly engage them requires offering more than just new ways of shopping, but also different media and hobbies that they already enjoy in the real world.

Source: 2022 Metaverse users Insight Report, vip.com, 2022 Workplace beauty trends report

CONSUMER INSIGHTS

MILLENNIALS - TOP 4 CHARACTERISTICS IN 2022

3 Pet Lovers

85.1% of millennials pet owners consider their pets as family and more than half consider them to be in the same category as their children. Among urban pet owners, **Post-90s saw the fastest growth as biggest age group**, accounting for 46%, and Post-80s also accounted for 30.5%.

4 Value Word of Mouth

Social recommendations and word of mouth play an increasingly important role in the consumption process of Millennials. Since they spend plenty of time on social media, they are highly influenced by their peers, as well as the KOLs.

Source: IImeida 2022 Millennials consumption behaviour report, How Brands Can Connect With Millennials: 5 Key Strategies For 2022

EXPERT BITE

Q: WHERE'S CHINA'S EV MARKET TODAY VS THE REST OF THE WORLD. WHERE'S CHINA LEADING AND WHERE'S IT LAGGING?

Tesla started the EV revolution in the USA around 2012, and it first swept over to Europe. BYD started to develop EVs at the same time, but with much less publicity. NIO was the first well known EV brand. Tesla entered the Chinese market with lots of success. When they could offer their Shanghai made Model 3 and Model Y for Chinese pricing in 2020, this gave Tesla a huge push in China. After 2020, China can be considered the most advanced EV market in the world.

China leads with infrastructure. There are only electric buses and lots of EVs in Shenzhen, and NIO provides a fantastic battery swap system throughout the whole country. Shanghai strongly supports new licensing of EVs, while traditional cars are very hard to license. You don`t find this kind of infrastructure and public support in other markets. Battery systems have been developed in China for a decade, CATL is leading and growing very fast. However, the supply chain is still depending on international brands in the powertrain, especially for EV motors, safety systems, etc.



FRANCIS KREMER

Sales and Marketing Director
at JULI Automation

EXPERT BITE



LEXI DENG

Project Manager at
Alarice and ChoZan

Q: WHAT IS YOUR ADVICE FOR DESIGNING MARKETING INITIATIVES AND COLLABORATING WITH KOLS IN 2023?

Trying some new forms of collaborations, such as cooperation with variety shows, cooperation with offline exhibitions or galleries, and offline events with KOLs would be the best way. Live streams are still a very popular way to sell goods. In the future, brands can do more KOL and live broadcasting methods. This method can more intuitively look at the sales and can answer users' questions in a more timely manner.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

2 GEN Z

Post-95s, Gen Z, or Dotcom kids. They go by many names and are a truly global generation, shaped by the technology of the 21st century.

- Gen Z will make up 27% of the population by 2025
- About half will earn an university degree
- They'll have an average of 18 jobs across 6 careers and 15 homes
- Around 2,000,000,000 Gen Zs globally



Source: Zurich Insurance, How will Gen Z change the workplace?

Photo © Li Lin via Unsplash

CONSUMER INSIGHTS

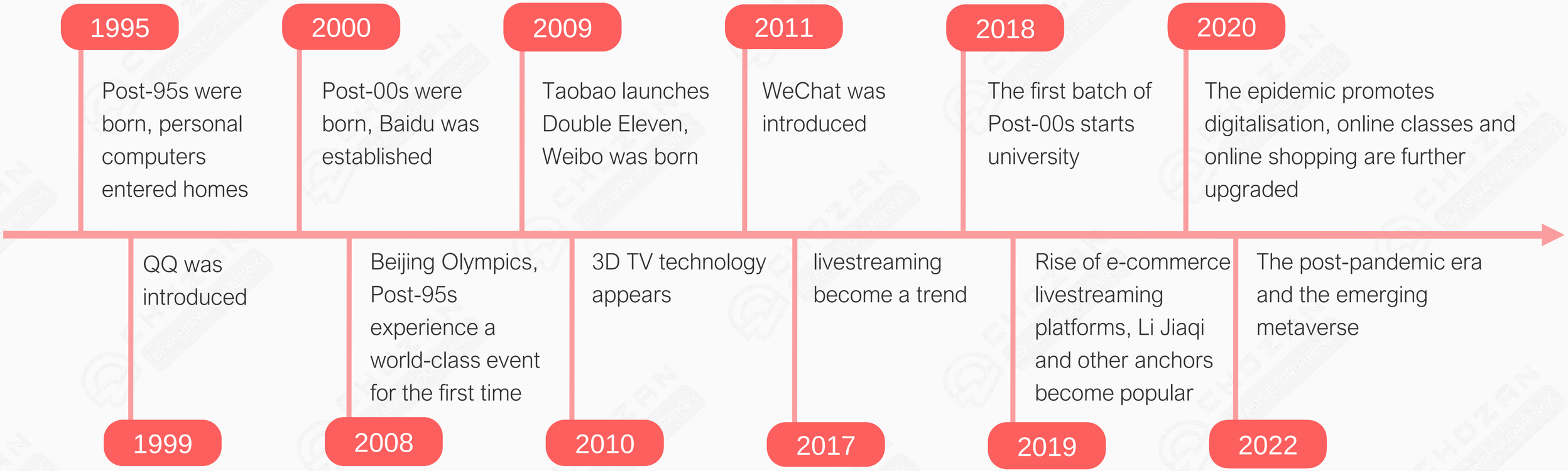
GEN Z - INTRODUCTION

Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
Gen Z still remains the biggest consumer group in China, especially in e-commerce. After all, Gen Z consumers now account for 19% of the country's total population at 260 million. They might be young but they'll still be the generation that will gain more purchasing power in the next decade.	Gen Z's do a lot research when consumption, they are attracted and are more likely to patronize products with glowing reviews. Gen Z's do a lot research when conssumption, they are attracted and are more likely to patronize products with glowing reviews. They like to review good brand story (内容种草) contents from KOCs and KOLs, the organic reviews are more enticing to shrewd GenZs. Gen Z are not looking for cheap products but looking for products with the highest quality for a given price point. Also, in 2022's 618, young people have become increasingly refined and stingy with their purchases. When asked about the most important factors to consider when they are buying their products, they answered "need in life" and "good value for money".	1) Beauty products 2)KOL&KOC recommendation products 3) Luxury 4) Guochao products 5) Digital products

Source:Gen Z's Shopping Trends in China: Happiness First, Smart Products and More 2022, Understanding Chinese Millennials: Who Are They and What Do They Want?

OVERVIEW

GEN Z - FIRST GENERATION OF TRUE DIGITAL NATIVES



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

OVERVIEW

GEN Z - POST 95S AND POST 00S

Gen Z is growing against the backdrop of the rapid improvement of China's comprehensive national strength and the continuous upgrading of people's living and consumption levels, their motivations for shopping are more self-catered.

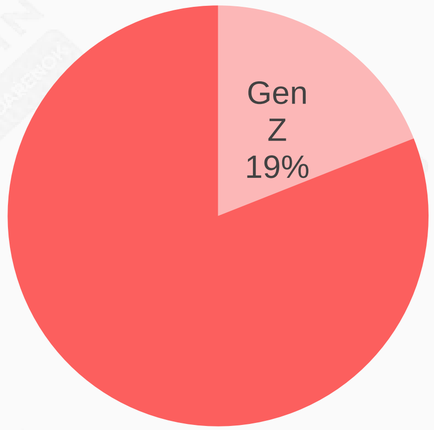
19% OF POPULATION

IN CHINA ARE GEN Z

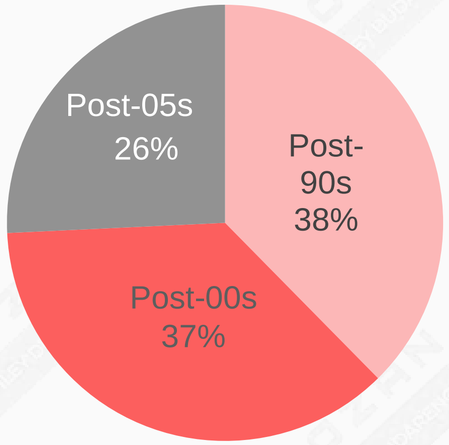
260 MILLION

POPULATION OF GEN Z

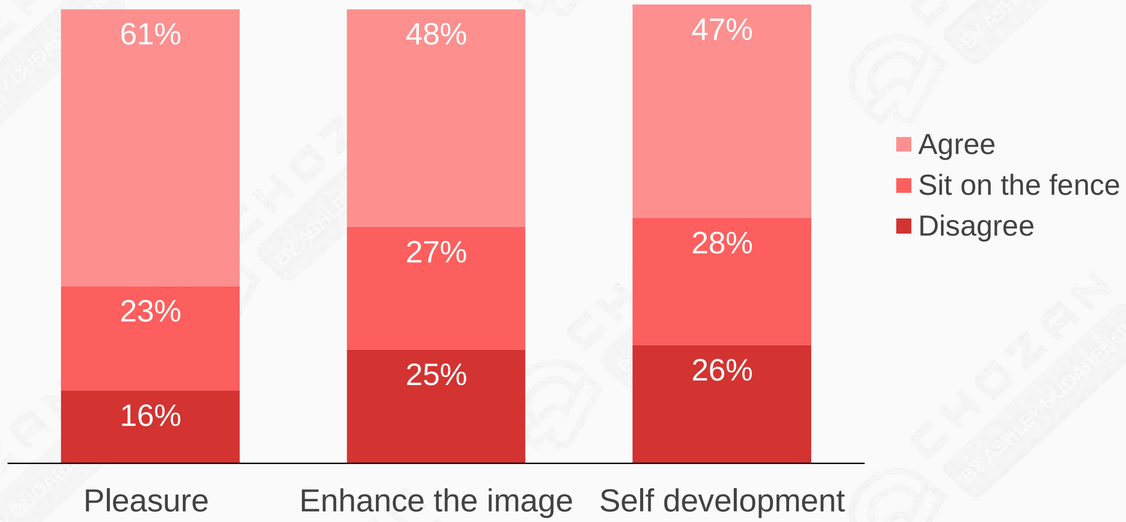
CHINA'S POPULATION



GEN Z'S POPULATION



The consumption motivation of the post-00s 2022



Sources: SocialBeta, insight into 2022 consumer trends, Digital natives rise, herald consumption boom - China Daily

OVERVIEW

GEN Z INTERNET USAGE

Gen Z are some of the **most active internet users:**

342 MILLION

MONTHLY ACTIVE DEVICES (28.1% OF ALL USERS)

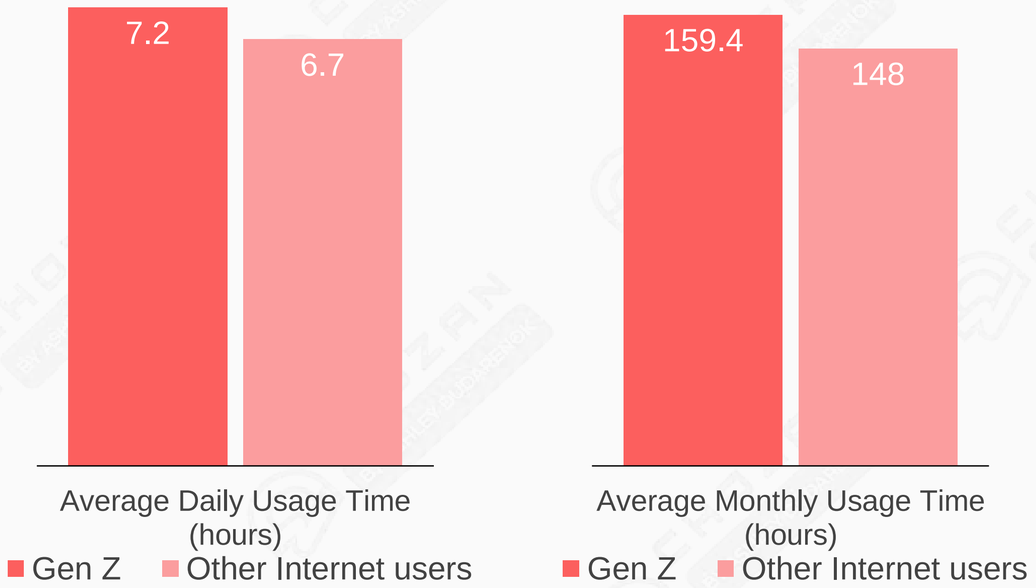
159.4 HOURS

SPENT ON MOBILE INTERNET PER MONTH

7.2 HOURS

SPENT DAILY BY A TYPICAL GEN Z

GEN Z AVERAGE MONTHLY AND DAILY INTERNET USAGE (JUNE 2022)

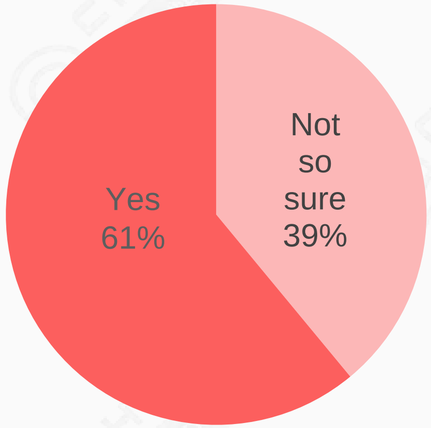


Sources: Quest Mobile, China Mobile Internet Autumn Report 2022, Yicai, Post-95 | Gen Z

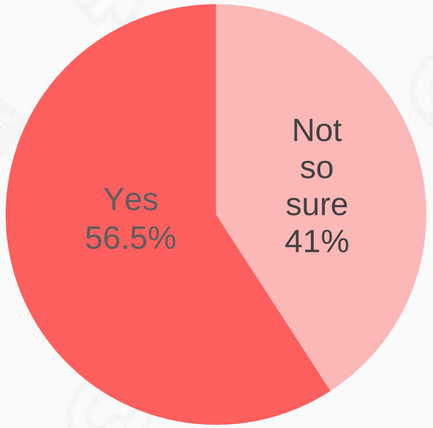
CONSUMER INSIGHTS

GEN Z - INTERNET USAGE

There are various ways for the post-1995 to meet their friends. In their friends circle, on average, one friend is met online through online communities, games or interest groups. In their eyes, the Internet is the most normal way to learn knowledge and find friends.



YOU CAN MAKE GOOD FRIENDS IN REAL LIFE THROUGH INTERNET



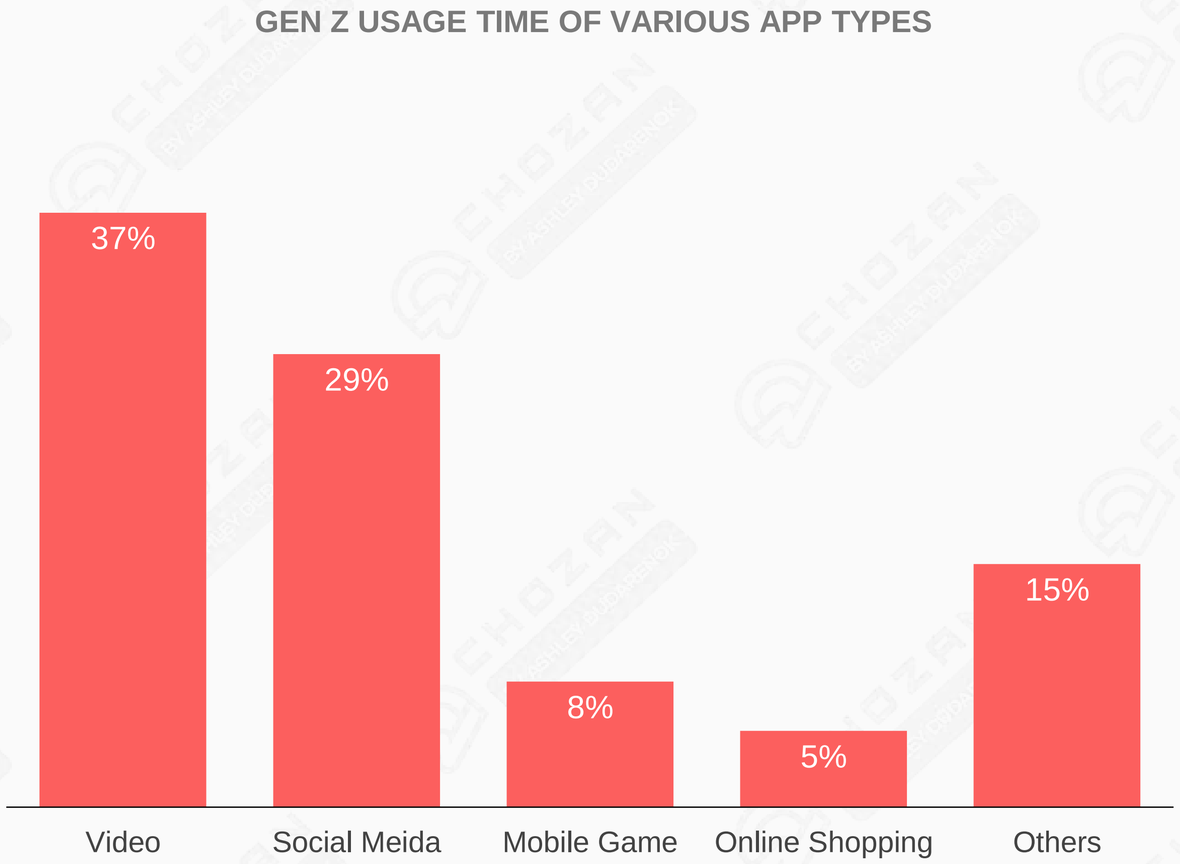
FRIENDSHIPS CAN BE MAINTAINED ONLINE, DON'T HAVE TO MEET IN OFFLINE

Source: Soul Post-00 insights report

CONSUMER INSIGHTS

GEN Z INTERNET USAGE

Gen Z have a **wide range of hobbies**, especially relating to social media, short video and gaming. This means they have an active presence across several fields online.



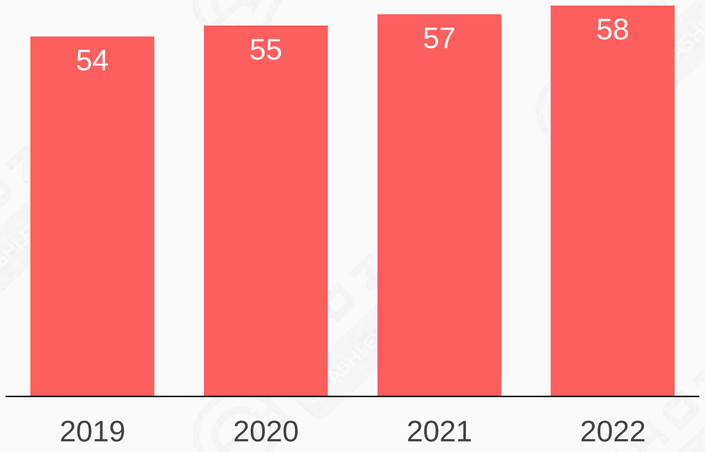
Sources: Quest Mobile, China Mobile Internet Autumn Report 2022

CONSUMER INSIGHTS

GEN Z FEMALE USERS

Post-95 female monthly active mobile internet users amounted to **58.2 million** in 2022. Gen Z women are gradually stepping out of higher education and entering society and the workforce.

POST-95 FEMALE MONTHLY ACTIVE MOBILE INTERNET USERS (IN MILLIONS) 2022





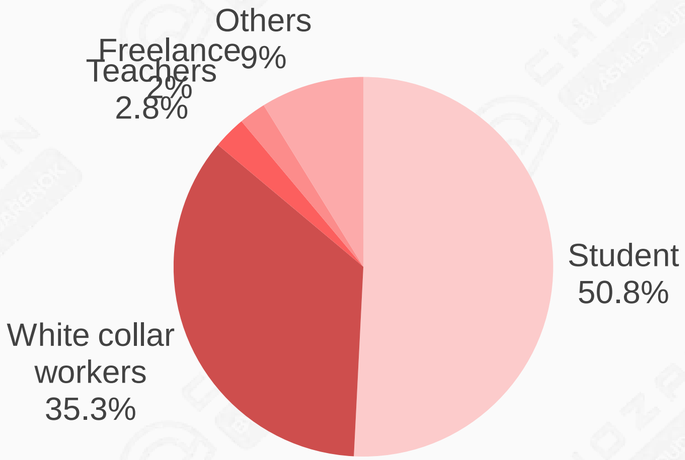
Source: Quest Mobile “Her economy” report 2022

CONSUMER INSIGHTS

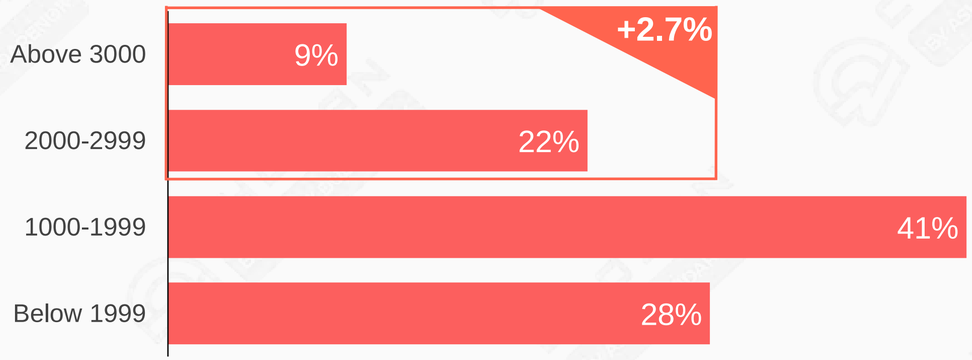
OCCUPATION AND INCOME OF POST-95S

More than half of Gen Z female Internet users are **studying students**, but more than 50% have a monthly disposable income of more than 3K rmb, which has certain **consumption potential**.

OCCUPATION DISTRIBUTION OF GEN Z FEMALE CHINESE NETIZENS



MONTHLY ONLINE CONSUMPTION OF GEN Z NETIZENS (IN RMB)

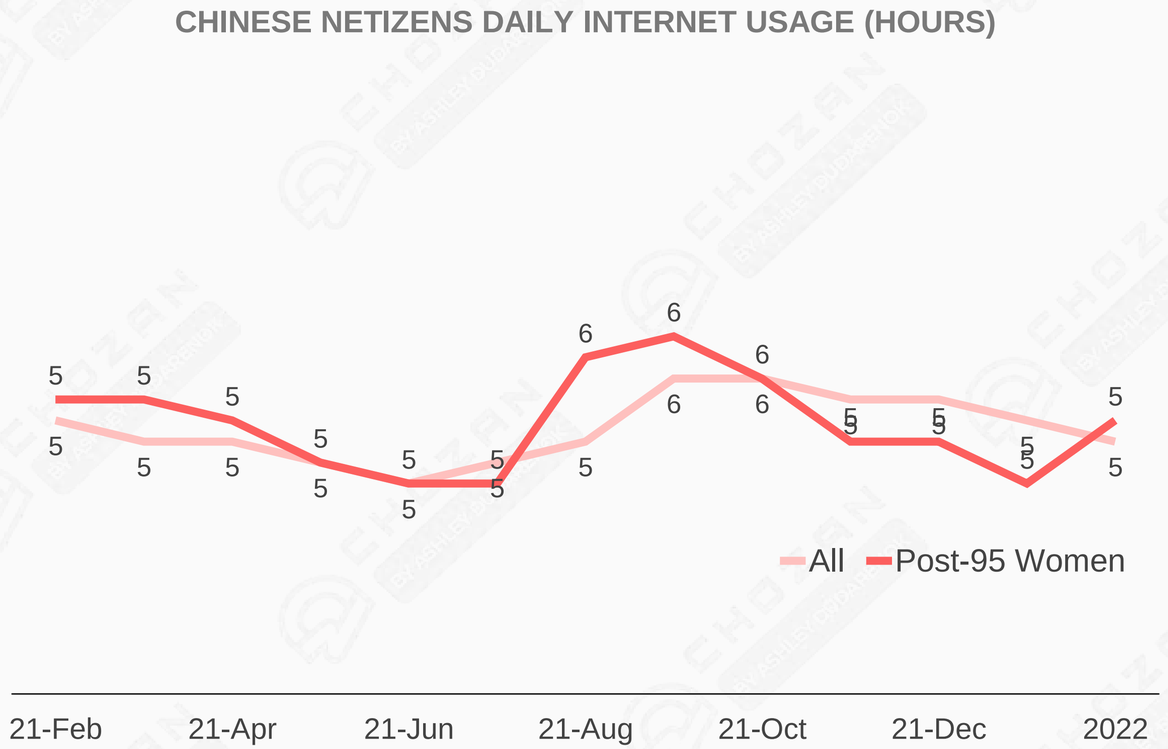


Source: MobTech, Gen Z female insights report, 2022

CONSUMER INSIGHTS

GEN Z WOMEN INTERNET USAGE

Post-95 women have a **higher internet usage** than other netizens with an **average of 5.5 hours per day**. For them the Internet use peaks in August and September.



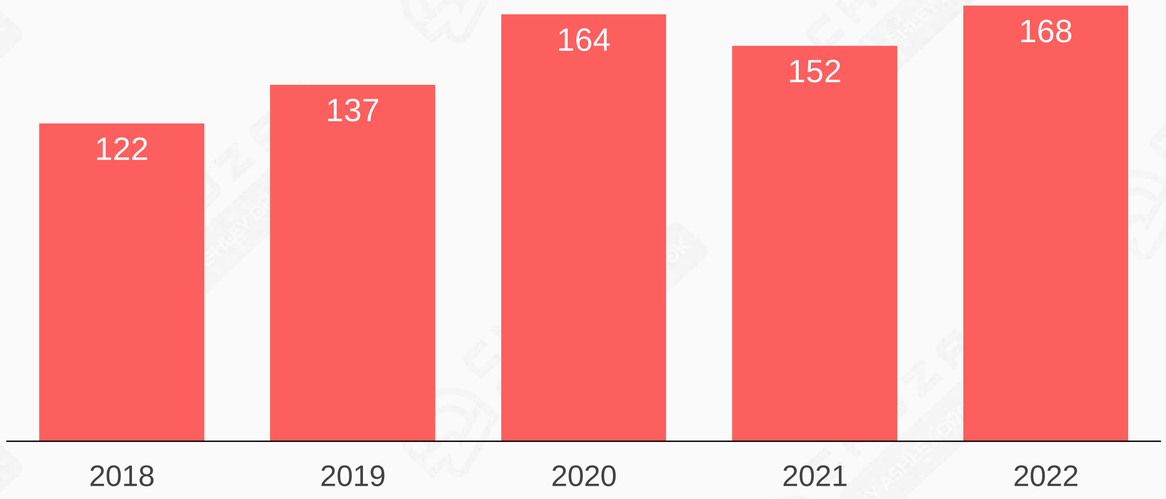
Source: MobTech, Post-95 Women report, 2022

CONSUMER INSIGHTS

POST-95 MALE NETIZENS

The number of **Post-95 male mobile internet active users exceeds 70 million**. They are important participants and a rising force in the online landscape. Meanwhile, male users are spending more time on the Internet in 2022.

AVERAGE MONTHLY INTERNET USE TIME OF MALE GEN Z MALE (IN HOUR)



Source: Quest Mobile, China Mobile Internet Autumn Report 2022 , Jiemian, GROWTH User portrait data 2022

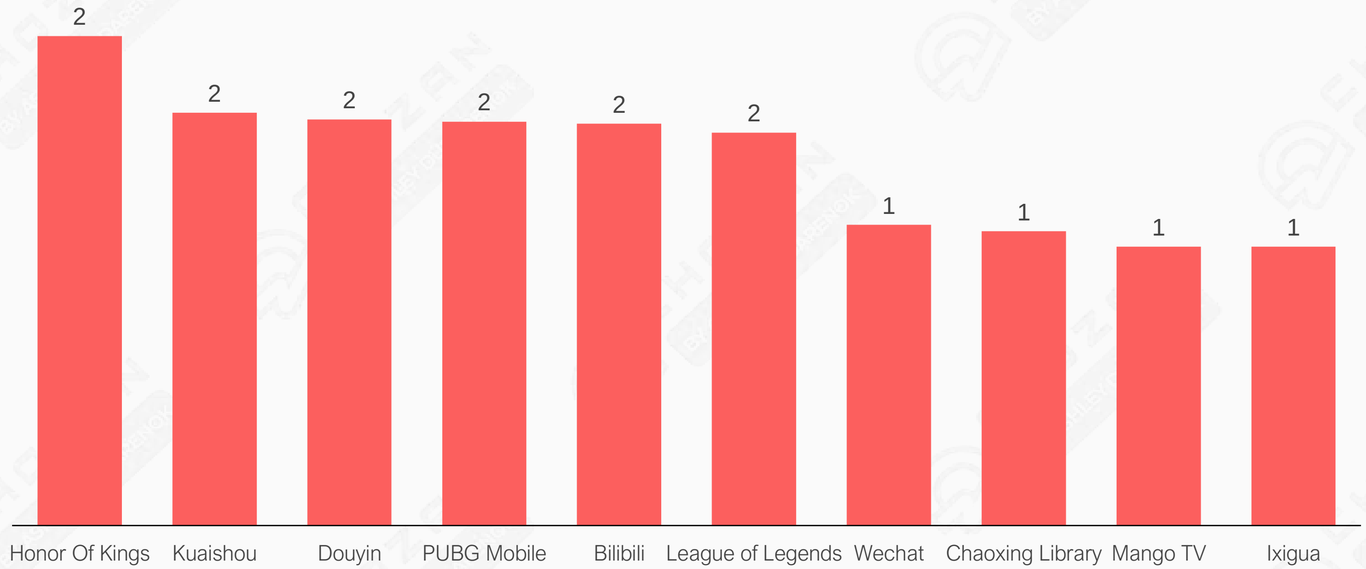
CONSUMER INSIGHTS

GEN Z INTERESTS

Gen Z are most interested in Games, Short video, social media and so on. Gaming has become a trend in recent years, with **87% of Gen Z** using mobile devices to play video games at least weekly

TOP 10 APP PREFERENCES OF GEN Z

INDUSTRY	MOBILE GAME	SHORT VIDEO	SHORT VIDEO	MOBILE GAME	ONLINE VIDEO	ONLINE GAME	SOCIAL MEDIA	ONLINE LEARNING	ONLINE VIDEO	SHORT VIDEO

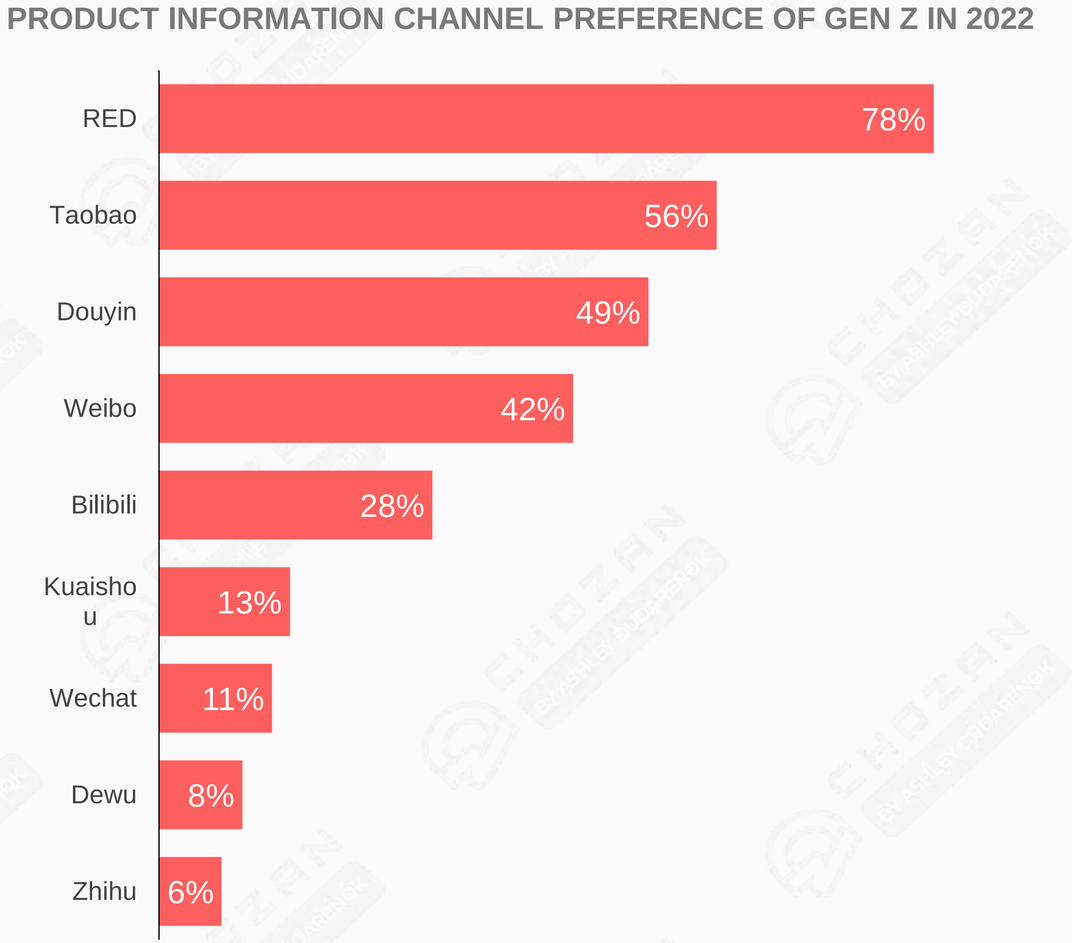


Source: Gen Z internet users insights report 2022

CONSUMER INSIGHTS

GEN Z

Gen Z is also used to obtaining product information and checking comments on various platforms. **RED, Taobao and Douyin are the main online channels** for Gen Z to obtain product information



Source: Young people's living and consumption report 2022

EXPERT BITE



LENA LIN

Marketing Executive at
Alarice and ChoZan

Q: IF YOU WERE TO CHOOSE ONE, WHICH CONSUMER GROUP DO YOU THINK HAS THE MOST SPENDING POWER RIGHT NOW?

Currently, Generations Y and Z are the main consumer groups. The number of Generation Y has reached 315 million, while Generation Z has reached 233 million due to decreasing fertility rates.

Generation Y's annual consumption scale reached 6.68 trillion yuan, and Generation Z's reached 4.94 trillion yuan.

In some areas, Generation Z has begun to lead changes in consumption trends, although Generation Y is still the main force in the consumer market. As Generation Z enters the work force and their income increases, they will become a powerful growth point in the future.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: IF JUST STARTING OFF WITH SEO IN CHINA - WHICH SECRET STRATEGY DOES BRING RESULTS?

The most interesting keywords, with high search volume, are often out of reach for regular websites. Baidu places their own services like Baike and Zhidao at the top rankings, in addition to powerful platforms like Tmall, Taobao and JD. But these platforms don't do a great job targeting long-tail keywords. For countries like UK, this might only result in one visitor a month - but in China it could be much higher. A well-thought-through long-tail keyword strategy might be a key for many businesses seeing success from SEO in China in 2023.

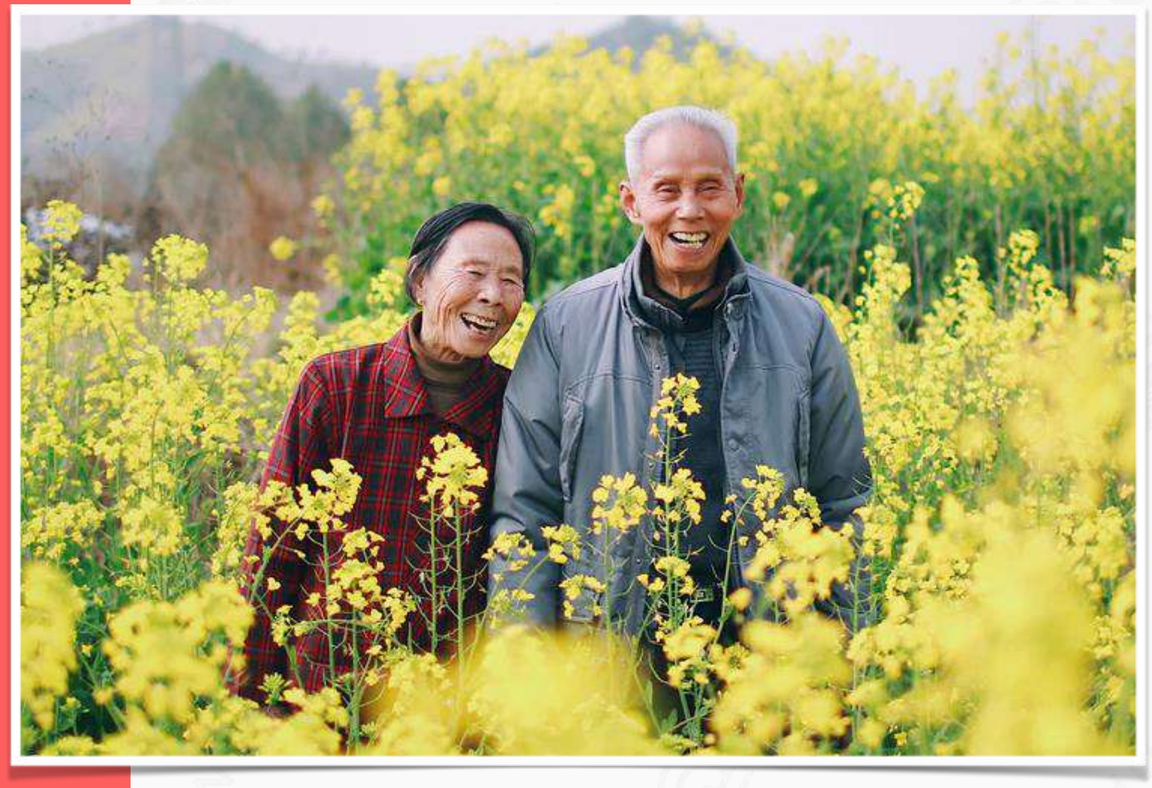


MARCUS PENTZEK

Director SEO at Jademond Digital

3 THE SILVER-HAIRED GENERATION

The growth of the silver population, government policy support and increasing purchasing power of the sivler haired are three driving forces that continue to promote the development of the silver industry. In 2022, the population of the silver generation will reach 267 million, and China's population is aging at an unprecedented speed and scale. The Chinese government calls for the active cultivation of the silver economy, strengthening planning and guidance and the development of silver haired related industries. Those aged 40 and older account for 62% of society's wealth. These new silver people are relatively well educated, more online and have higher quality of life needs



Source: CBNdata, All the elderly in the family are going yoga in 2022

Photo © Jaddy Liu on Unsplash

EXPERT BITE



ASHLEY DUDARENOK

Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: WHAT IS DRIVING CHINA'S SILVER-HAIRED GENERATION MARKET AND ITS ECONOMY?

1. Market size
China's silver hair market is expected to reach $10.3 trillion by 2022. In 2022's "Double 11," e-commerce platforms reported increased sales of middle-aged and senior medical check-up services, nutritional health items, and home medical equipment.

2. Elderly population dividend
The number of elderly people aged 60 and above reached 267 million, accounting for 18.9% of the total population.

3. Silver-haired population goes online and willingness to spend online increases.
The silver-haired internet population has grown to 300 million members, with 12.5% more monthly active users.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION - INTRODUCTION

INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
The total scale of China's silver hair economy is nearly 10.25 trillion yuan, accounting for 5.56% of the global silver hair market. Given that the elderly population in China accounts for more than 20% of the world's elderly population, the market has great room for development. Emerging silver haired industries for the elderly have become diversified, such as tourism, entertainment, education and beauty for the elderly, and the new type of elderly care supported by digital technology in 2022. China plan to develop about 10 high-level silver industrial parks in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Greater Bay Area and other regions.	The elderly continue to deepen their use of the Internet, with more diversified online consumption scenarios and increased willingness to consume online. Pinduoduo and Taobao are the most popular e-commerce platforms among the elderly. They have also become viewers of e-commerce live streaming, with Taobao Live and JD Live the most popular.	1) Beauty 2) Kitchen appliances 3) Home care 4) Packaged foods

Source: People.com, Are we ready for the trillion silver market?, JJCKB.CN,"Silver economy" trillion-level market rises

CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION



267 MILLION

ELDERLY POPULATION OF CHINA BY 2022

487 MILLION

ELDERLY POPULATION OF CHINA BY 2053

STAGES OF CHINA'S AGEING SOCIETY

RAPID AGEING 1999-2022

FIERCE AGEING 2022-2036

DEEP AGEING 2036-2053

Source: Development of Aging Population in China

CONSUMER INSIGHTS

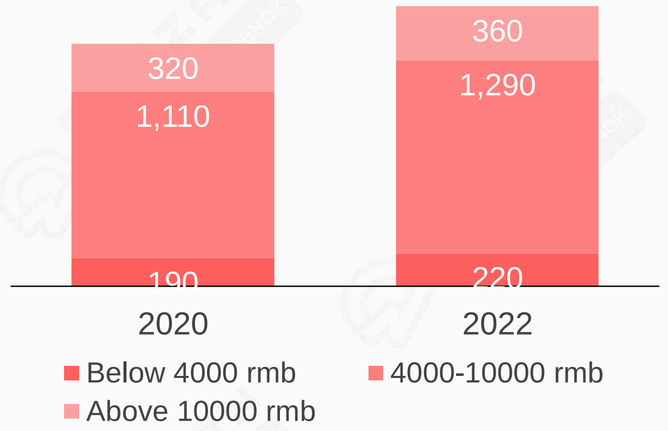
THE SILVER-HAIRED GENERATION

267 MILLION
SIZE OF SILVER HAIRED POPULATION
18.9% OF TOTAL CHINA POPULATION

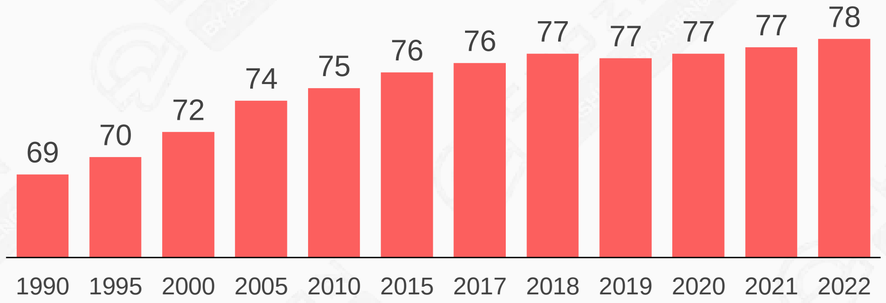
61 TRILLION
EXPECTED SIZE OF SILVER HAIRED POPULATION IN 2050

1.02 BILLION
NUMBER RECEIVING NATIONAL OLD-AGE INSURANCE

AVERAGE MONTHLY DISPOSABLE INCOME OF SILVER HAIRED GROUP BY 2022 (IN MILLION PEOPLE)



AVERAGE LIFE EXPECTANCY IN CHINA



Source: Development of Aging Population in China, China Economic Network, Iimeida, China Silver haired economy, gov.cn, Number of participants in China's basic endowment insurance, A New Look at the "silver Economy"

CONSUMER INSIGHTS

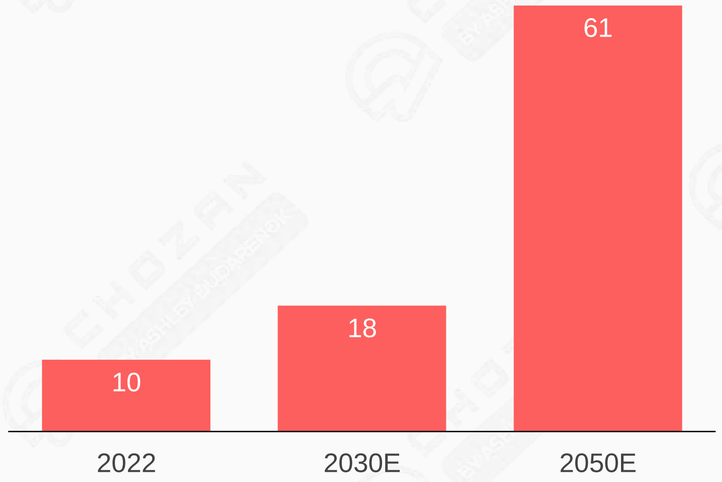
THE SILVER-HAIRED GENERATION

China’s silver economy has great growth potential. The market is growing and the silver-haired generation’s spending power is expected to reach 18 trillion in 2030.

61 TRILLION

SPENDING POWER OF ELDERLY POPULATION AT 2050

CHINESE SILVER-HAIRED GENERATION EXPECTED SPENDING POWER (IN TRILLION RMB)



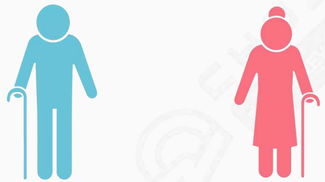
Source: WAVEMAKER, Silver Economy

CONSUMER INSIGHTS

SILVER-HAIRED GENERATION USER PORTRAIT

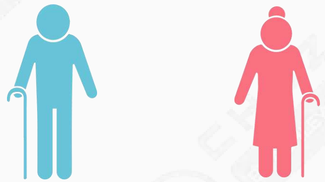
More than half of the silver-haired generation are male users and are located in higher tier cities.

GENDER DISTRIBUTION UNDER 60 YEARS OLD



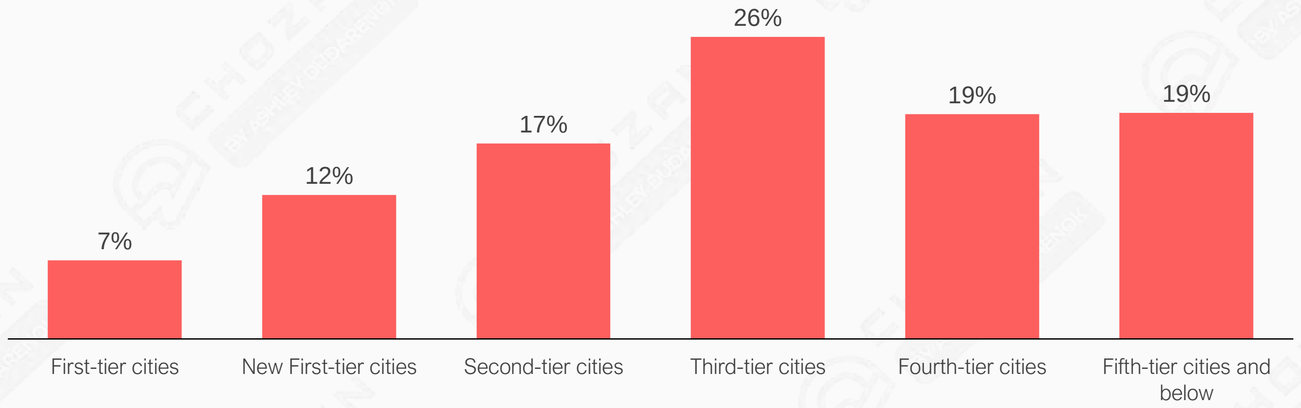
45% 55%

GENDER DISTRIBUTION ABOVE 60 YEARS OLD



47% 53%

CITY LEVEL DISTRIBUTION OF THE SILVER-HAIRED POPULATION BY 2022



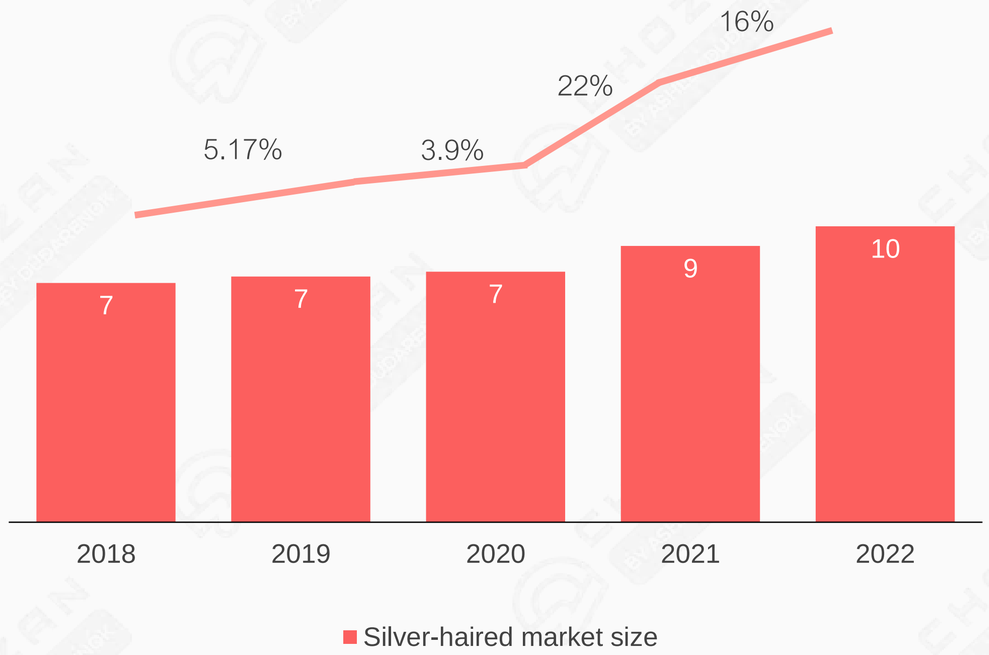
Source: 1. MobTech, 2022 Silver-haired Generation Report
2. Xiangcai Security, The aging trend drives the development of smart elderly care

CONSUMER INSIGHTS

SILVER-HAIRED GENERATION MARKET SIZE

China’s silver-haired market size is growing,It is widely believed in the silver haired market that multiple segmented investment opportunities such as silver haired real estate, digital elderly care, medical care, elderly education and entertainment appear.

2018-2022 CHINESE SILVER-HAIRED GENERATION MARKET SIZE (IN TRILLIONS)



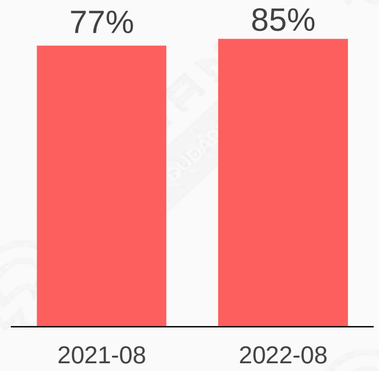
Source: JJCKB.CN,"Silver economy" trillion-level market rises

CONSUMER INSIGHTS

SILVER-HAIRED GENERATION LIVE STREAMING TREND

The number of silver-haired watching live has increased significantly in 2022. Pinduoduo, known for its low prices, is the most popular e-commerce platform among the elderly, followed by Taobao.

COMPREHENSIVE E-COMMERCE PLATFORM ACTIVITY PENETRATION RATE OF ELDERLY USERS CHANGES



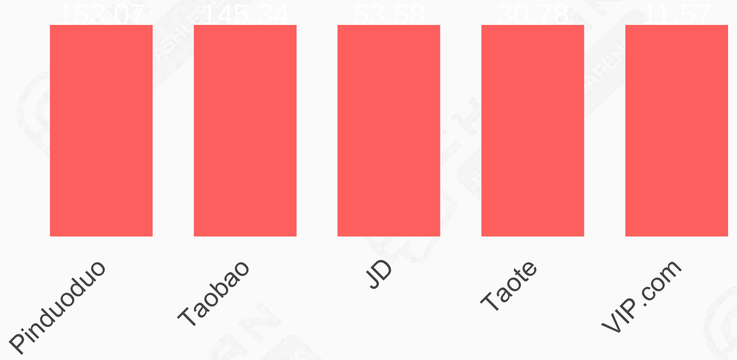
8.5%

ANNUAL GROWTH RATE

PROPORTION OF ELDERLY USERS WATCHING LIVE TREAMING ON E-COMMERCE PLATFORMS



COMPREHENSIVE MONTHLY ACTIVE ELDERLY USERS OF E-COMMERCE PLATFORMS (IN MILLIONS)

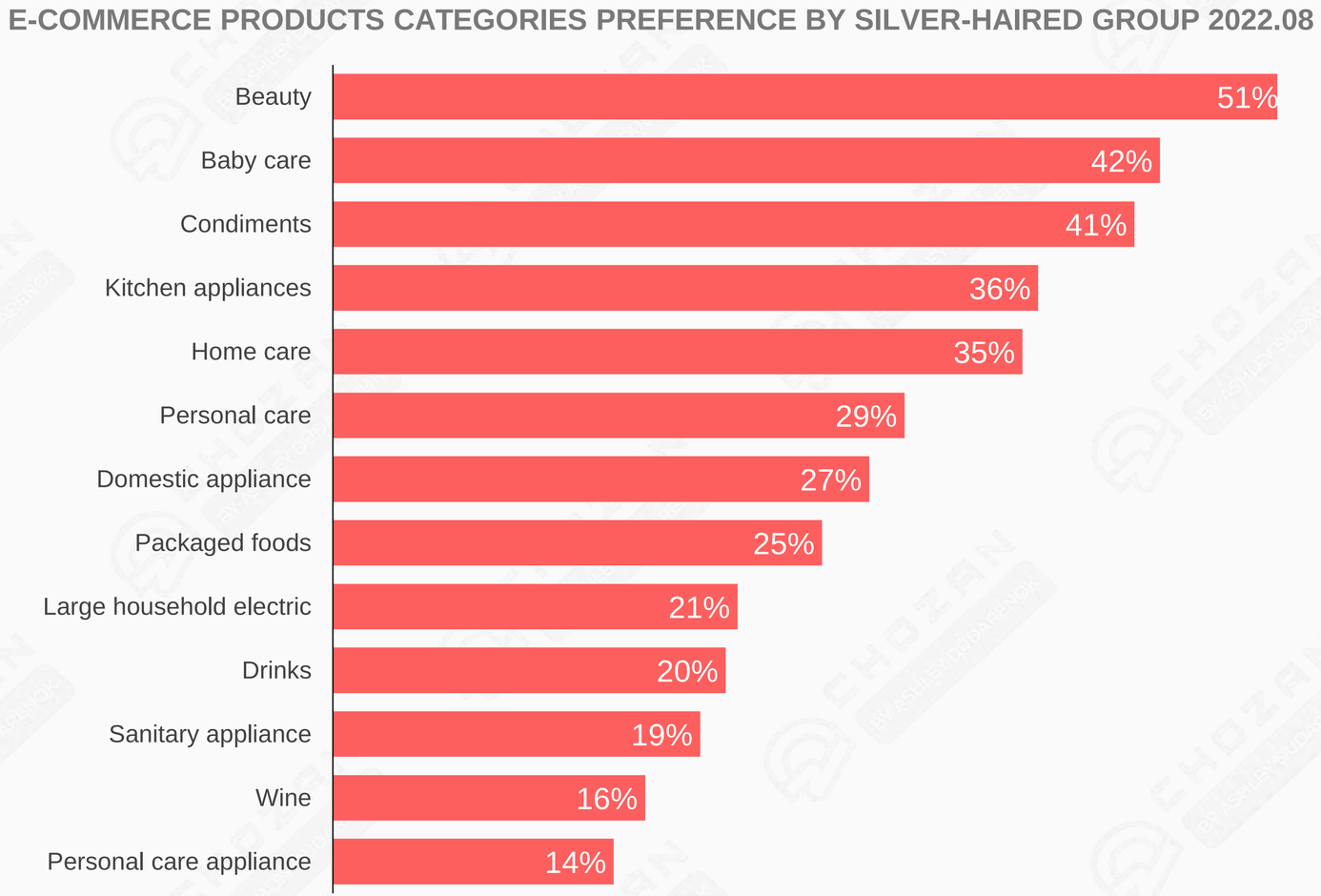


Source: MobTech, 2022 Silver-haired Generation Report

CONSUMER INSIGHTS

E-COMMERCE CONSUMPTION PREFERENCES

Silver-haired generation users have a increase focus on the beauty for themselves and baby care product for their grandchild.



Source: MobTech, 2022 Silver-haired Generation Report

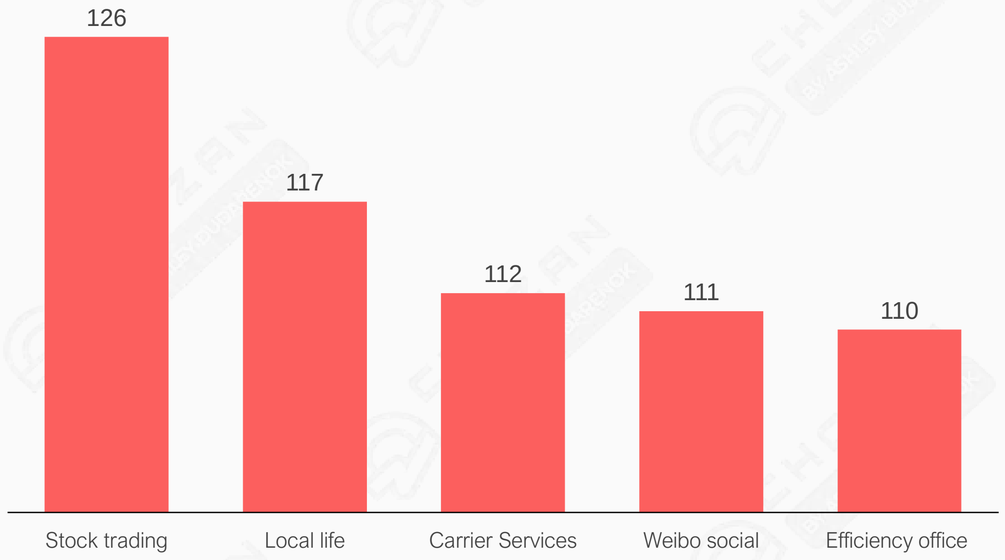
CONSUMER INSIGHTS

SILVER HAIRED INTERNET USERS - INDUSTRY PREFERENCES

Urban silver haired are most interested in stock trading and local living services, while those in sinking markets prefer smart homes and short videos.

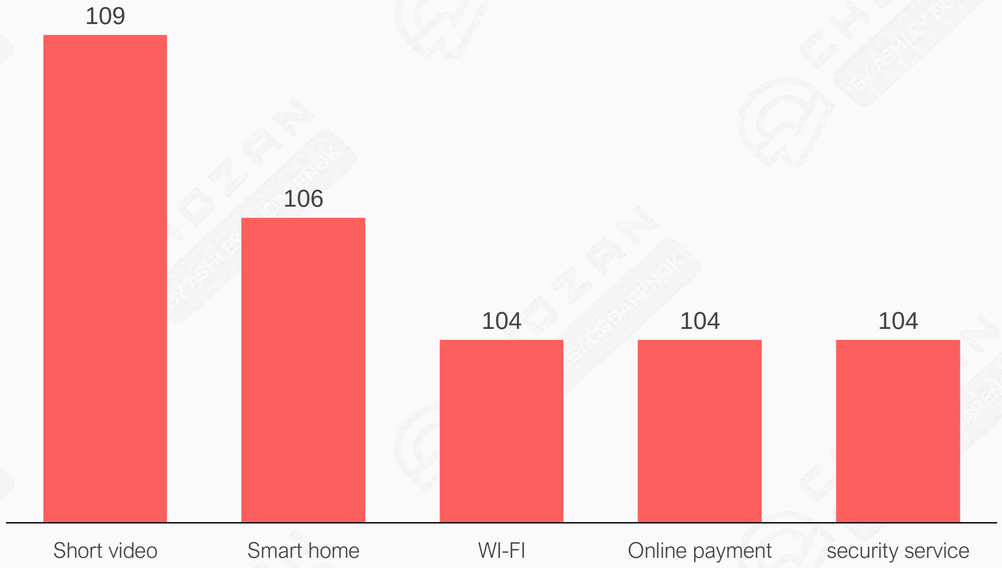
URBAN SILVER HAIRED GROUP

INDUSTRY PENETRATION	10.6%	21.4%	15.8%	12%	19.1%



SINKING MARKETS SILVER HAIRED GROUP

INDUSTRY PENETRATION	29.1%	11.9%	14.9%	45.2%	84.2%

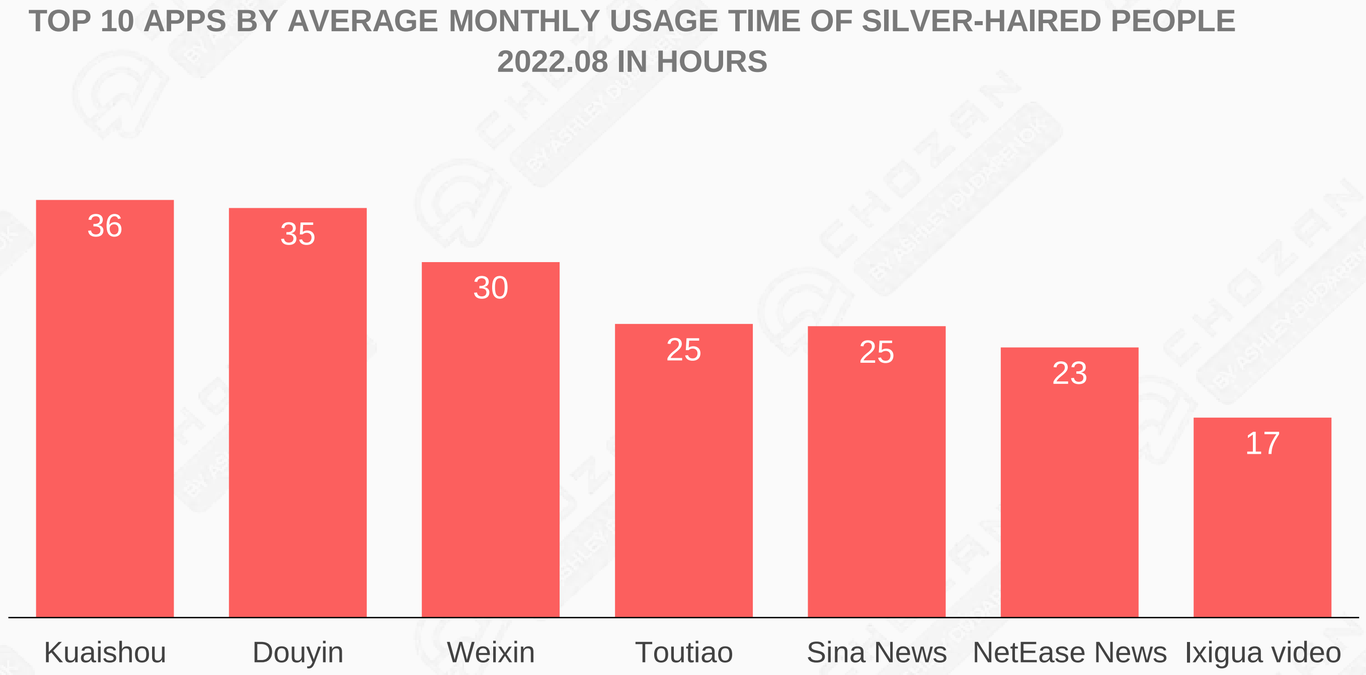


Source: Quest Mobile, Silver haired economy report 2022

CONSUMER INSIGHTS

APPS PENETRATIONS

The most popular apps among silver-haired generation users are Kuaishou and Douyin.

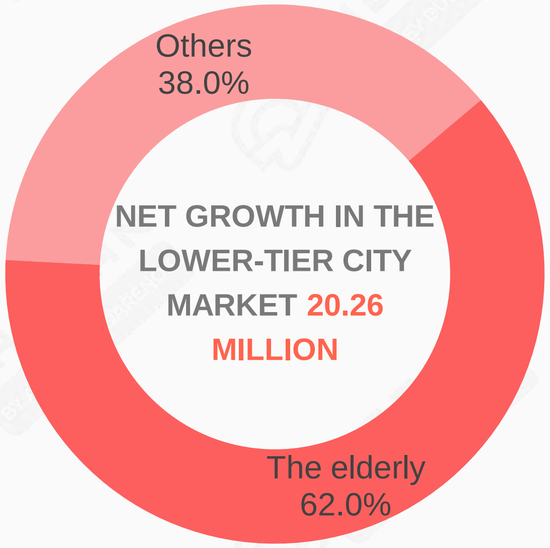


Source: Quest Mobile, Silver haired economy report 2022

CONSUMER INSIGHTS

SILVER HAIRED GENERATION – LOWER-TIER CITY MARKET

LOWER-TIER CITY MARKETS CONTRIBUTION RATE OF ELDERLY BY 2022



ONLINE HIGH AND MEDIUM CONSUMPTION WILLINGNESS OF MONTHLY ACTIVE ELDERLY USERS BY 2022 (IN 10 MILLIONS)

10.2%

ANNUAL GROWTH RATE

ONLINE CONSUMPTION POWER (ABOVE 1000 RMB) MONTHLY ACTIVE ELDERLY USERS BY 2022 (IN 10 MILLIONS)

10.6%

ANNUAL GROWTH RATE

Source: CBNdata, China Mobile Internet Report 2022

CONSUMER INSIGHTS

SILVER HAIRED GENERATION – NEW CONSUMPTION TREND

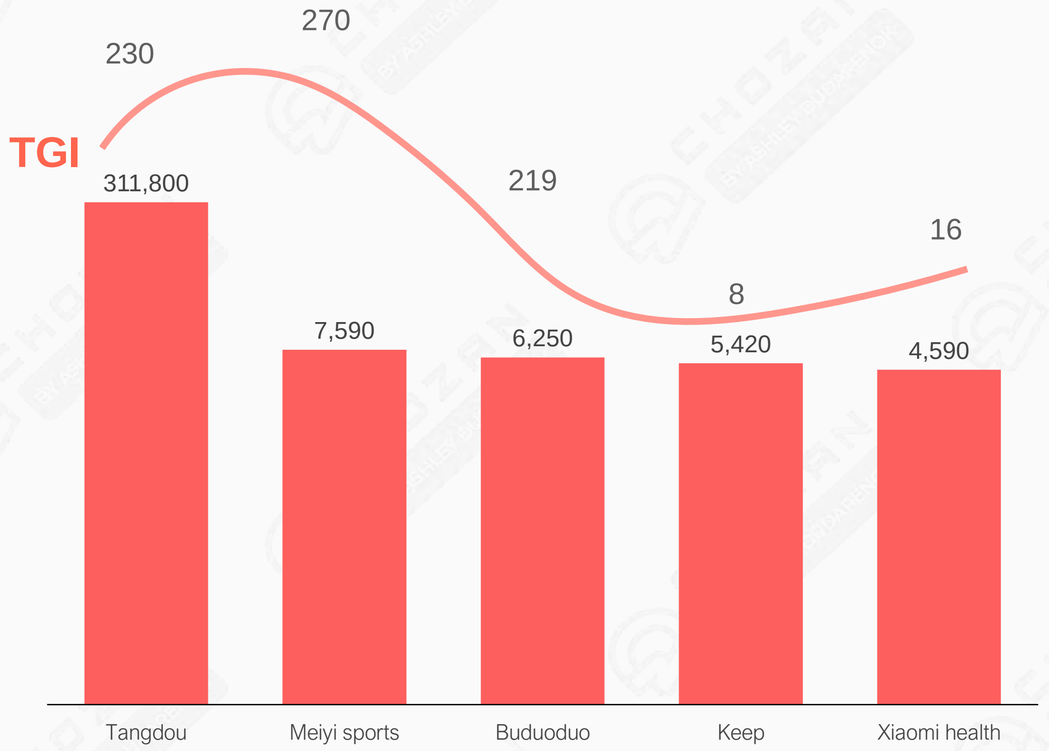
74.73 MILLION

HEALTH CARE ONLINE PLATFORMS
MONTLY ACTIVE ELDERLY USERS 2022

9 TRILLION RMB

HEALTH CARE AND ELDERLY CARE
MARKET SCALE 2022

TOP 10 HEALTH RELATED PLATFORMS MONTHLY ACTIVE USERS OF THE ELDERLY (IN THOUSANDS)



Source: CBNData, Silver Economy in China 2022

EXPERT BITE



HAILEY CHONG

Marketing Executive at
Alarice and ChoZan

Q: WHAT IS TRENDING WITH THE SILVER HAIRED GENERATION?

In terms of the consumption of the silver-haired generation, health-related expenditures have become an important consumption demand of the elderly, whether in daily necessities, health care or senior services. Research shows that under the influence of the epidemic, the health concept continues to spread, and health checkups and other health consumption will have more room for growth.

The mobile internet is popular and continues to tap into the elderly groups, driving the continued development of the “internet + health care" industry, and the popularity of online medical checkup appointments and medical services will continue to rise in the future.

**GOT A QUESTION? DROP US AN EMAIL
BY SCANNING THE QR CODE**

EXPERT BITE

Q: WHAT WILL BE MOST IMPORTANT THING TO GET RIGHT WITH FOR LUXURY BRANDS IN CHINA IN 2023?

China is on the path to a full reopening with international travel for consumers expected to become a reality in the near future. When this happens, there is bound to be a redistribution of consumer spending across markets, and brands have to create strategies that will further motivate consumers locally and retain domestic spending. This means developing richer experiences, CRM solutions both for personalisation as well as making sure that they focus on the right consumer segments.



PABLO MAURON

Partner & Managing Director
China DLG

4 LOWER-TIER CITY YOUTH

Strong consumer demand comes from the vast number of individuals who live in third-tier and lower-tier cities. Third- and fourth-tier city residents' optimism in the economy has grown as a result of recent economic growth. In Chinese, this is frequently referred to as the "sinking market," however this term is usually used to describe the low tier rather than a decline in demand or spending.



Photo: Image by freepik on Freepik

EXPERT BITE

Q: WHAT WILL THE GENERAL CONSUMER SENTIMENT BE IN 2023 WHEN IT COMES TO CHINESE LOWER-TIER CITIES YOUTH?

Young consumers in China's lower-tier cities are a new consumer group that cannot be ignored. For local young consumers with houses and cars but much lower living costs, their incomes are more discretionary. Therefore, the consumption attitude of young consumers in lower-tier cities is not much different from that of young consumers in first-tier cities.

Specifically, they also have strong consumption needs and are willing to try new things. They are the main drivers of consumption upgrades in lower-tier cities. In addition, young consumers in lower-tier cities are highly dependent on e-commerce channels that bridge the gap between lower-tier and higher-tier markets. Moreover, short videos, live streaming and social media content have gradually become consumer touchpoints in lower-tier cities. Products recommended by influencers are well accepted.



RITA BAO

Market Research Analyst at ChemLinked

CONSUMER INSIGHTS

LOWER-TIER CITY YOUTH - INTRODUCTION

INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Lower-tier cities are home to 68.4% of the Chinese population. Third-tier cities have a consumption trend index of 121, which is higher than first-tier cities at 114 and second-tier cities at 110. The consumption trend index in fourth-tier cities is 111, which is nearing that of first- and second-tier cities and is continuously increasing.	Young people in lower-tier cities are spending more time buying online, with the amount of time spent on e-commerce sites increasing by 40 minutes per month, an increase of around 10% per month year on year. The most popular chopping channel is large e-commerce sites, and the most popular platform is Taobao (25 million monthly active users), followed by Pinduoduo (21.22 million monthly active users). Second-hand platforms have the highest TGI at 122.7, and the most popular preowned good app is Xianyu (13.45 million monthly active users).	1) Cars 2) Digital products 3) Sports-related products 4) Home products 5) Home appliances

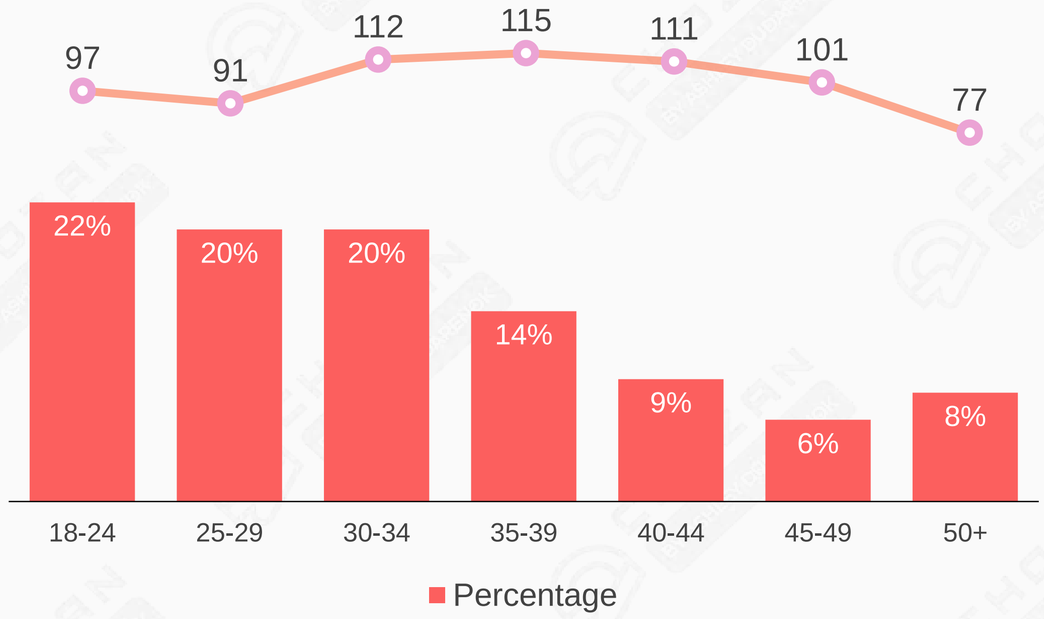
LOWER-TIER CITY YOUNG PEOPLE

YOUNG PEOPLE IN THE LOWER-TIER CITY MARKET

The lower-tier city market is mostly made up of young, single consumers, while middle-aged, married consumers tend to have higher TGIs (Target Group Index).

51.7% (TGI 100) MALE	**48.3%** (TGI 100) FEMALE
44.3% (TGI 106) SINGLES	**55.3%** (TGI 96) MARRIED
28.4% (TGI 121) HAVE A VEHICLE	71.6% (TGI 94) HAVE NO VEHICLE

THE LOWER-TIER CITY MARKET BY AGE GROUP



Source: Talking Data, “Xiachen market research”

LOWER-TIER CITY YOUNG PEOPLE

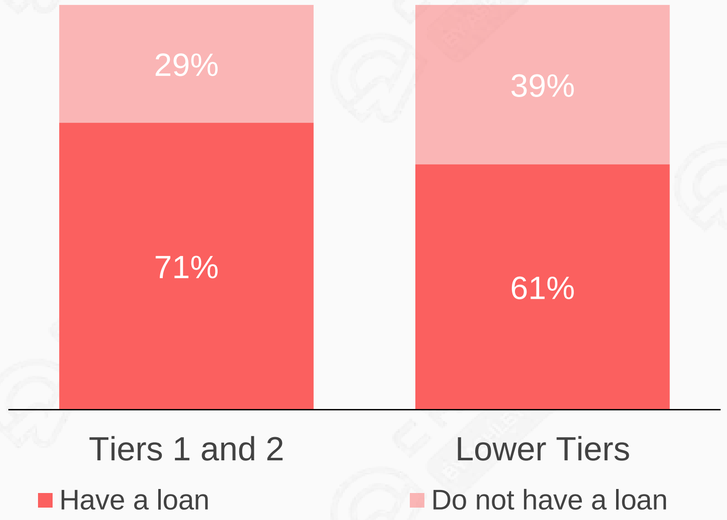
SPENDING POWER

Young people in lower-tier cities are less likely to save for the future and have fewer loans than their higher-tier city counterparts, leaving them with money to spend. Because of this, **13.4% of those born in the 90s are not in debt.**

In Tier 1 and Tier 2 cities, the number of young people with personal consumption loans, credit card spending, instalments and delayed payments, P2P online loans, car loans and mortgages exceeds those in lower-tier cities.

- Young Free Spenders are digital natives from Tier 2 and under who are increasing their spending across different categories.
- This accounts for **60% of the spending growth.**

PERCENTAGE OF YOUNG PEOPLE WITH LOANS



Source: CBNData, People, Marketing Charts

LOWER-TIER CITY YOUNG PEOPLE

LIFESTYLE

Lower-tier city young people **work fewer hours than their higher-tier city counterparts**, meaning they have more time for shopping, socialising and entertainment.

DAILY ROUTINE OF YOUNG PEOPLE

	HIGHER-TIER CITY YOUNG PEOPLE	LOWER-TIER CITY YOUNG PEOPLE
TIME SPENT WORKING	~13.5 hours	~9.5 hours
LEISURE TIME	~2.5 hours	~5 hours
TIME SPENT SLEEPING	~8 hours	~7.5 hours

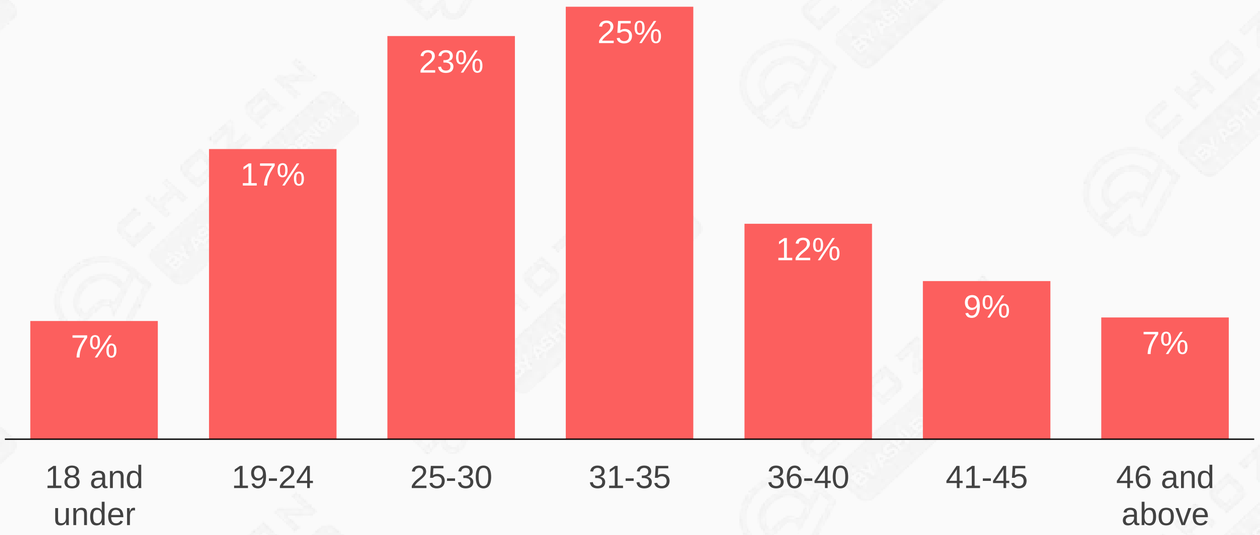
Source: CBNData

LOWER-TIER CITY YOUNG PEOPLE

ONLINE BEHAVIOUR

Most mobile internet users in lower-tier cities are **under 35.**

AGE DISTRIBUTION OF MOBILE INTERNET USERS IN LOWER-TIER CITIES



Source: CBNData

LOWER-TIER CITY YOUNG PEOPLE

CONSUMPTION TRENDS

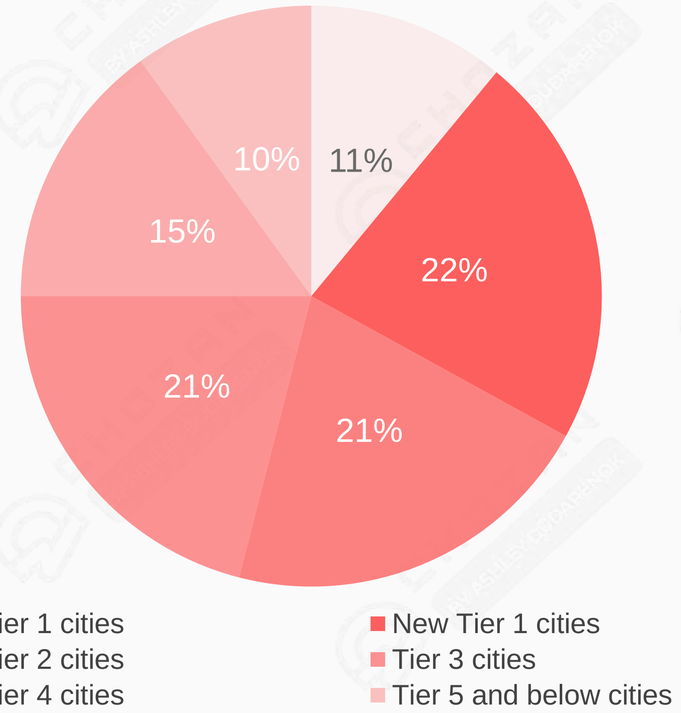
LUXURY PRODUCTS

Consumption of luxury products is growing across lower-tier cities. This growth is particularly notable amongst young people, with the average age at which residents own luxury products now being **almost the same as in higher tier-cities.**

AVERAGE AGE OF OWNING FIRST LUXURY PRODUCTS

NATIONAL	HIGHER-TIER CITIES	LOWER-TIER CITIES
AGE 21-26	AGE 22.4	AGE 22.6

DISTRIBUTION OF HIGH-END CONSUMERS BY CITY TIER 2022



Source: CBNREPORT, Statista

LOWER-TIER CITY YOUNG PEOPLE

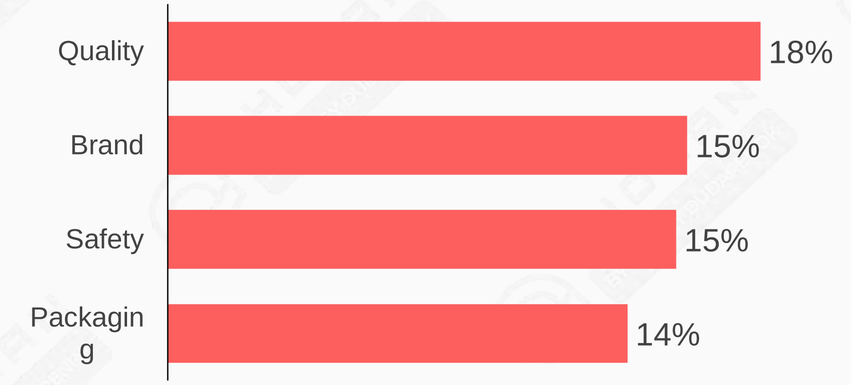
CONSUMPTION TRENDS

GUOCHAO TREND

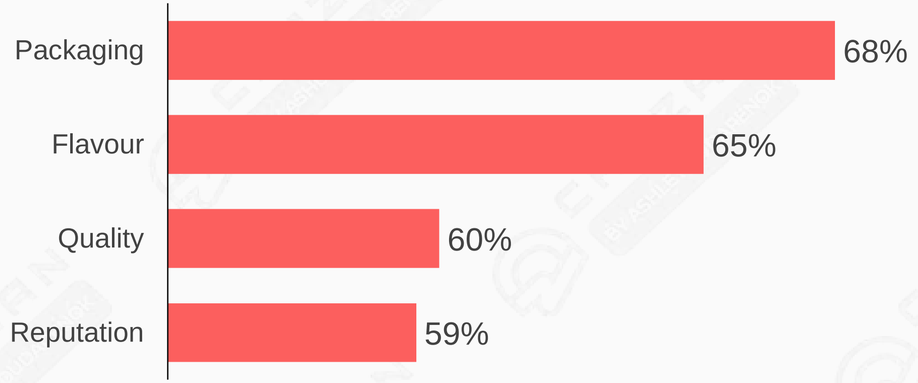
Lower-tier city young people are particularly prominent in the Guochao trend, with total spending on domestic products **exceeding that of higher-tier city young people.**

Whilst they value the quality and branding of foreign goods, domestic goods are valued for their packaging, and because domestic products better suit their tastes.

REASONS WHY IMPORTED FMCGS ARE FAVOURED



REASONS WHY DOMESTIC FMCGS ARE FAVOURED



Source: CBNREPORT

EXPERT BITE

Q: IN YOUR VIEW HOW HAVE THE EXPECTATIONS OF LUXURY CONSUMERS IN CHINA CHANGE / EVOLVE IN THE LAST 3 YEARS?

I think luxury consumers in China are now incredibly sophisticated when it comes to their taste and expectations. The market has become more and more saturated with Western brands and now also domestic luxury brands all fighting for their attention. The options available to the luxury consumer are greater than ever before. To grab their attention brands, need to not only offer a premium shopping and service experience, but it needs to be unique, differentiating and innovative.



MICHEL TJOENG

SVP Sales & Marketing of ChatLabs

EXPERT BITE



VIVIEN-ANNE PARIS

Marketing Executive at Alarice and ChoZan

Q: WHAT ARE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOR OF LOWER TIER CITY YOUTH?

Xiachen youth are increasingly digitalized, more so than older residents. A move from the centralization of first-tier cities, the Xiachen youth are determined to become more in their hometown instead of leaving and pursuing plans in the city. Compared to the past, Xiachen youth today have more spending power and are not in debt. The closeness of the average age when a Xiachen youth will likely own their first luxury product with first-tier city counterparts proves their increase in economic leverage. More importantly, Xiachen youth are adamant about supporting and actively revitalizing the guochao trend, emphasizing domestic products compared to their counterparts.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

5 CHINA’S PET LOVERS

In China, the pet business is flourishing. These days, pets are more like members of the family than tools for getting things done, especially among younger generations who are rejecting traditional nuclear households.

Market prospects abound in China's pet industry due to the country's changing demographics and lifestyle.

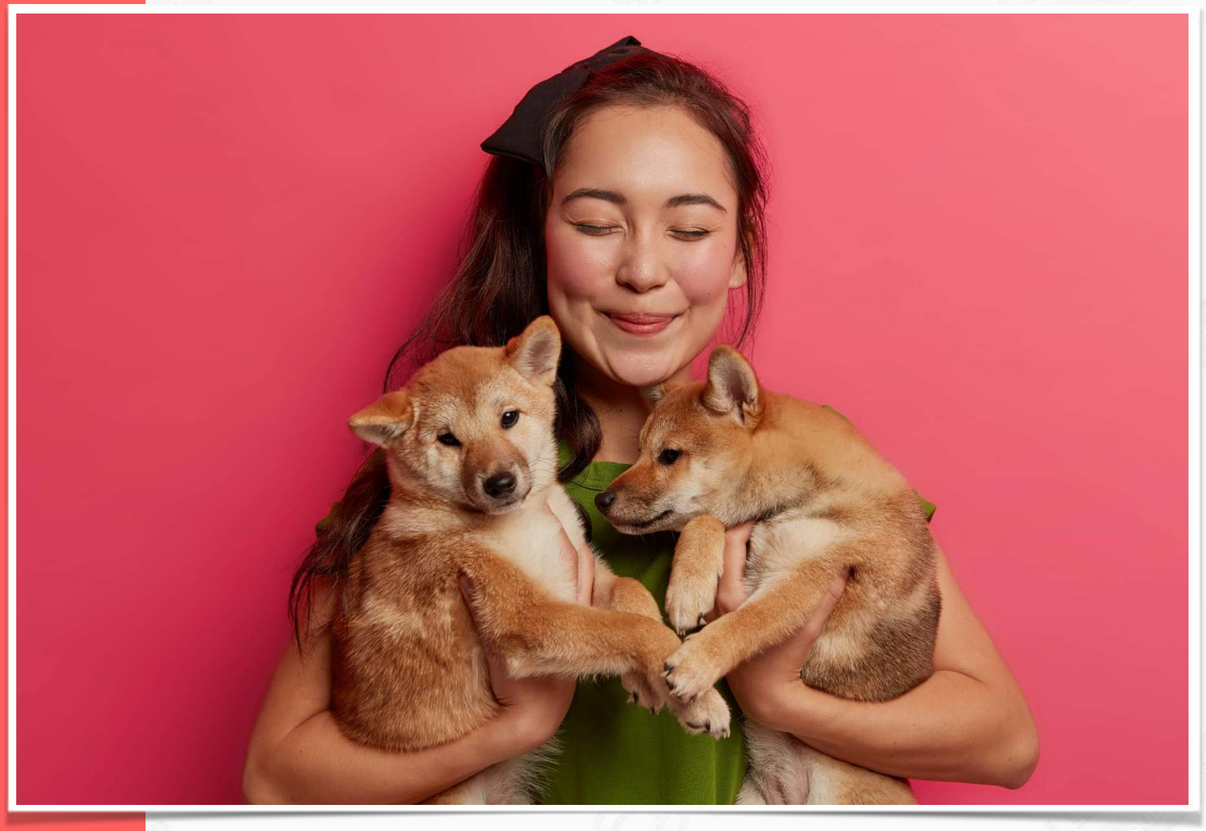


Photo: Image by wayhomestudio on Freepik

EXPERT BITE



PEGGY PENG

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOR OF PET LOVERS? WHAT'S TRENDING AMONG THEM NOW?

The rationalization of pet consumption has become a trend, with personal preferences of pet owners accounting for 70% of the total. The top three attributes that consumers consider most when buying pet products are product quality, price and safety.

This trend is reflected in the subsequent digital marketing of pet products, where highlighting the functional features of the product itself and the high quality of the product can positively influence consumer decisions journey.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE



VICKY WEI

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE THE MOST IMPORTANT HIGHLIGHTS BRANDS NEED TO BE AWARE OF IN THE PET INDUSTRY?

Companies and consumers are paying more attention to automation. The market is entering a tech period. The products now have new functions like self-executing or creating customized experiences. The products usually come with WiFi capabilities and a mobile application for monitoring the pet's well-being and remote control. For example, CATLINK's Scooper, is a smart voice-controlled cat litter box. It can analyze the pet's health situation and reports it to the owner for further action. It provides owners hands-free service, including scooping and changing litters.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

CHINA’S PET LOVERS - INTRODUCTION

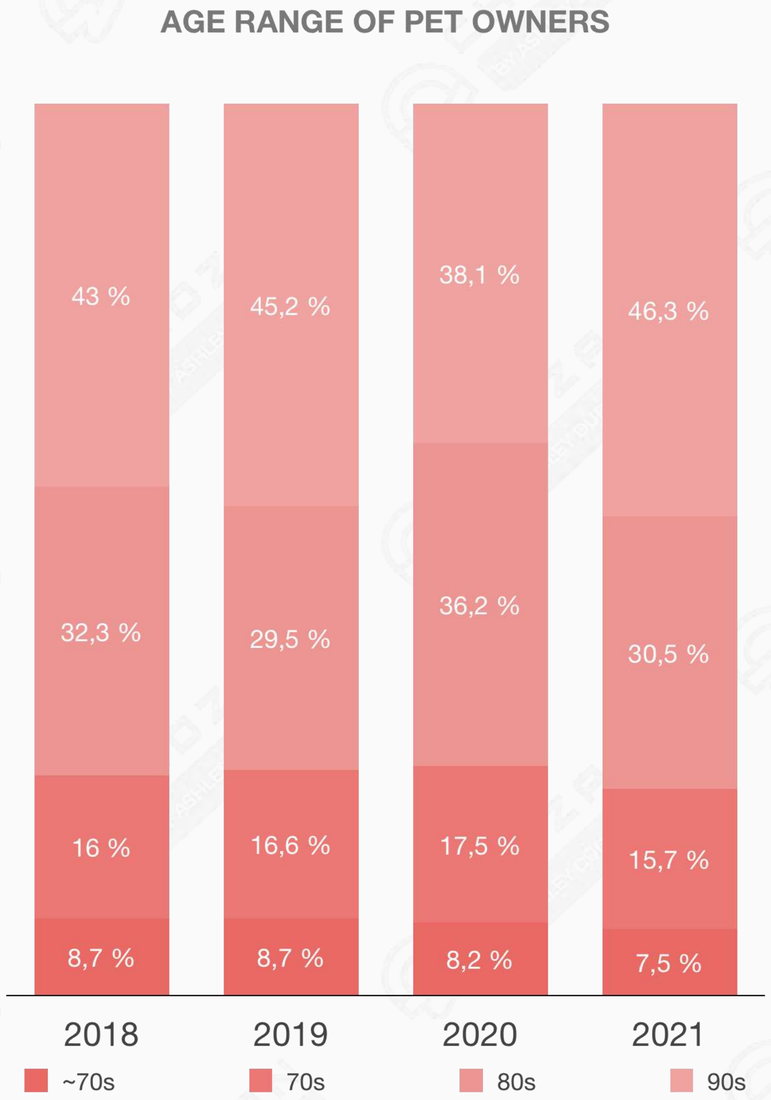
INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Over the past two decades, China's pet sector has expanded at a dizzying rate. Younger generations, at least, began to see pet ownership differently from the norm, and this trend coincided with more liberal attitudes toward marriage and parenthood. At this time, the first pet food companies and veterinary clinics appeared, catering mostly to canine and feline owners.	In 2018, the annual amount spent on food for each dog was just north of RMB 2,000 on average. To put this into perspective, according to the statistics compiled by the national government in 2020, almost forty percent of China's population will have annual incomes of less than RMB 12,000.	1) Hygienic pet products 2) Daily pet necessities 3) Pet accessories 4) Pet travel products 5) Pet toys

CONSUMER INSIGHTS

CHINA'S PET LOVERS – PET OWNERS

CCTV-2 reports that there are now more than 125 million one-person families, which make up the largest market for pets. Pet owners tend to have a high level of education, a substantial income, be of a young age, and have a young pet.

Variations in the demographic make-up of the population. There are far more pet-raising empty nest families, DINK families, and one-person households than there were a decade ago. More and more young people, who lead hectic lives, are coming to view pets as a source of emotional support. All of this contributes to the explosive growth of the pet industry.

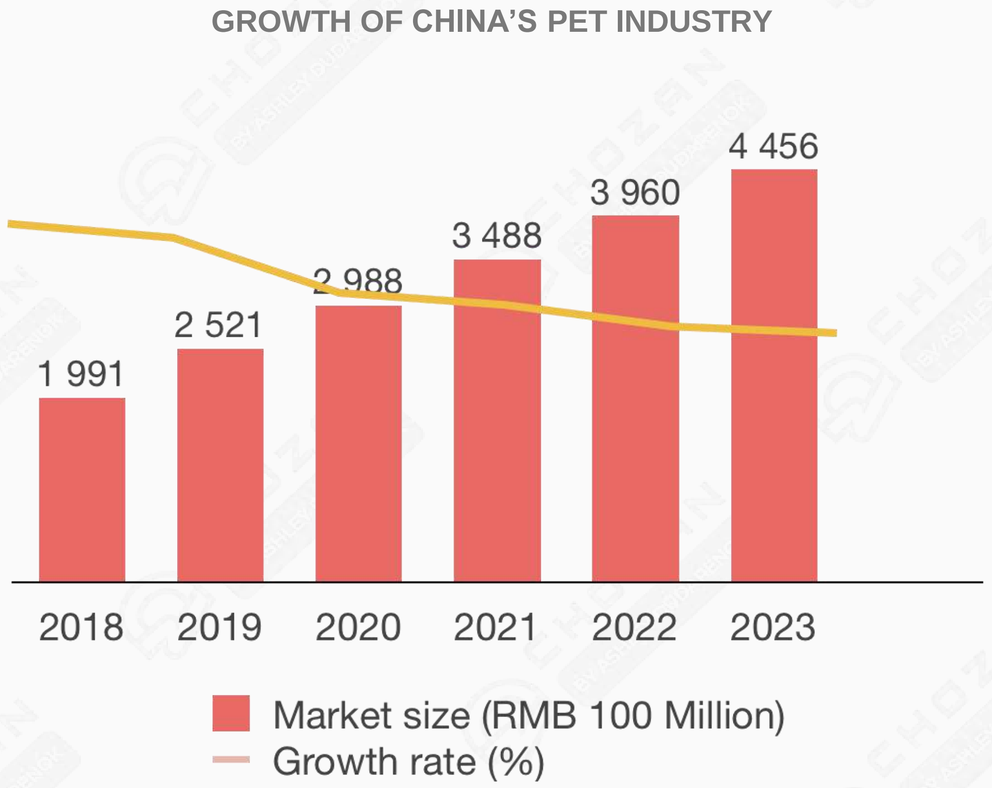


Source: HI-COM, China's booming pet market

CONSUMER INSIGHTS

CHINA’S PET LOVERS – INDUSTRY GROWTH

With a projected 16.7 percent annual growth rate between 2020 and 2021, China's pet sector is expected to rise from 2020's RMB 298.8 billion (US$44.4 billion) to 2021's RMB 348.8 billion (US$51.5 billion). By 2023, the market is anticipated to be worth RMB 445.6 billion (about $66.1 billion).



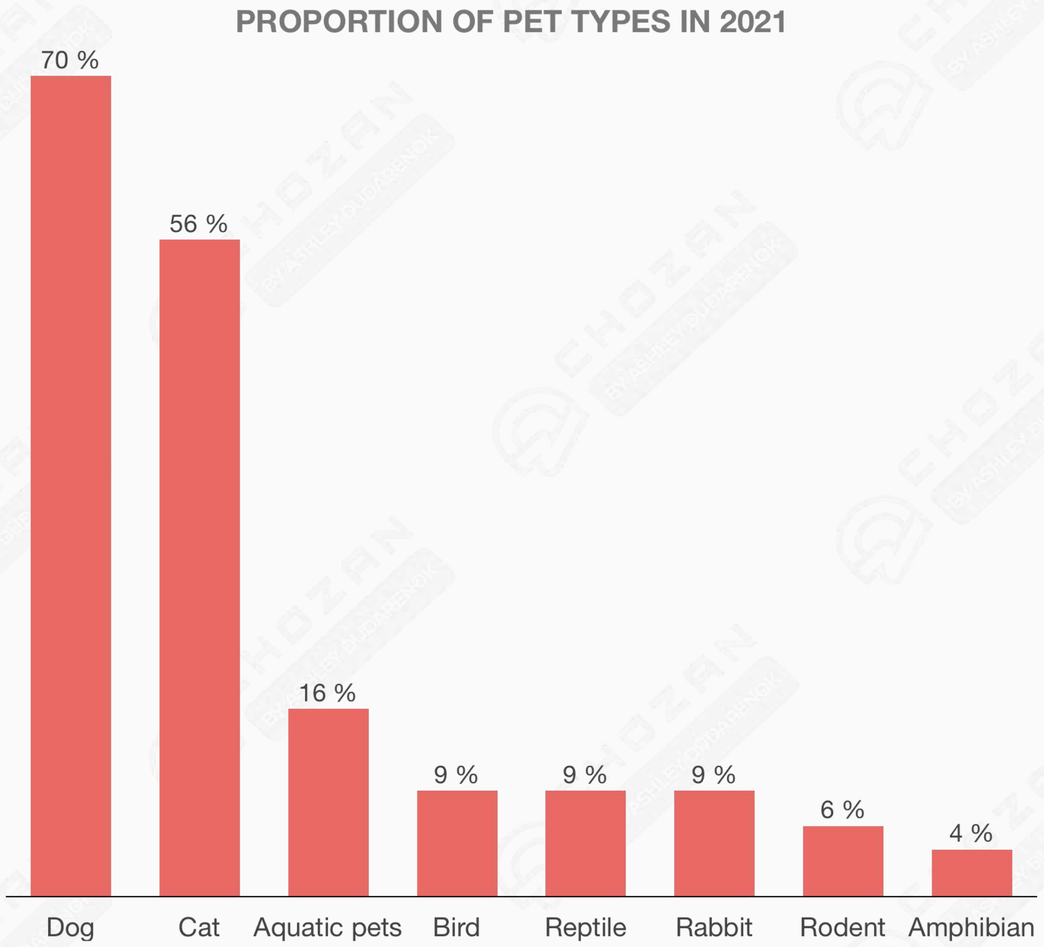
Source: HI-COM, China’s booming pet market

CONSUMER INSIGHTS

CHINA'S PET LOVERS – PETS

There are 70% dog owners and 55% cat owners. The variety of pets people own is on the rise.

While cats and dogs dominate the pet industry, 16% of pet owners also care for aquatic pets. Of all pet owners, 9% have birds, reptiles, or rabbits as pets. Mice and frogs make up 6% and 4% of the animal kingdom, respectively.



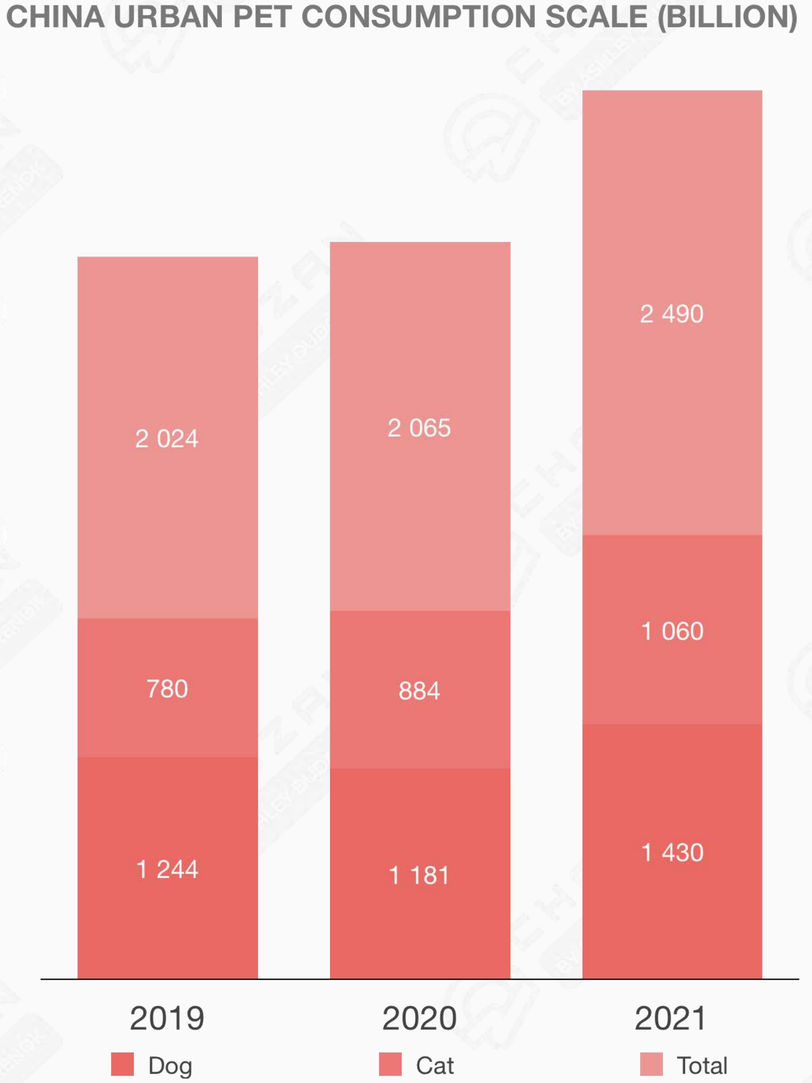
Source: iResearch, 2021 Trends of Pet-related Consumption in China

CONSUMER INSIGHTS

CHINA’S PET LOVERS – PET CONSUMPTION

The latest statistics show that cat owners in China have surpassed dog owners, with both species accounting for more than half of China's pet owners.

Accelerating the industry's meteoric rise have changes in population structure and urbanization, as well as the proliferation of online and social media. Recently, the role of pets in China as companions has grown in significance due to the rising number of people living alone in the country.

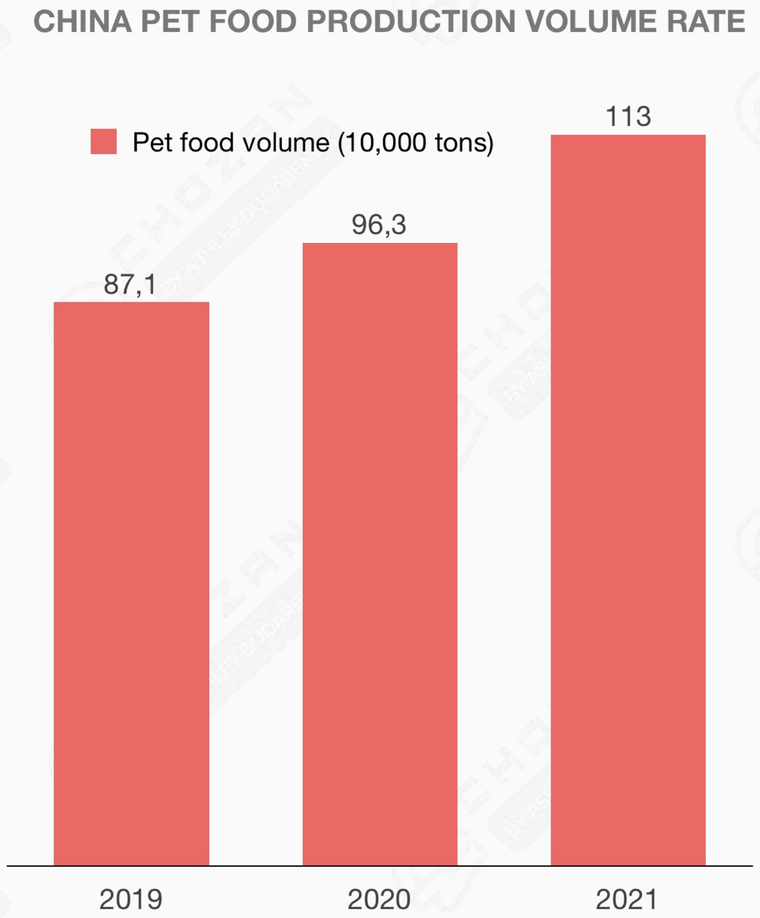


Source: HI-COM, China’s booming pet market

CONSUMER INSIGHTS

CHINA'S PET LOVERS – PET FOOD

With a **rise of 17.3%** over the previous year, China's pet food production in 2021 totaled 1.13 million tons. According to data from the China Feed Industry Association, the northern provinces of Hebei and Shandong produced 429,847 tons and 268,064 tons of pet food, respectively.



Source: China Briefing, Investing in China's Multi-Billion-Dollar Pet Industry

CONSUMER INSIGHTS

CHINA'S PET LOVERS – CONSUMER PREFERENCES

As a result of the pandemic, a growing share of pet-related purchases being made online. People spent more time than usual with their pets, leading to an increase in pet-related spending and a sharper focus on the wellbeing of pets. There are now many more people with disposable income who can afford to watch pets on the Internet. A growing number of people are opting to shop for pet supplies online rather than in store.



Attach more importance to health and hygiene.



Attach more importance to quality.



Prefer to buy goods from domestic brands.



Prefer to buy pet products online.

Source: iResearch, 2021 Trends of Pet-related Consumption in China

EXPERT BITE

Q: WHAT WILL CHINESE PET LOVERS BE FOCUSING ON IN 2023?

With the popularization of scientific pet keeping, pet food consumption has been continuously upgraded. Pet owners pay more attention to the nutrition and formula of pet food and have more segmented demands, such as improving immunity, removing tear stains, and healthy hair color.

For example, probiotic pet food is trendy and has witnessed an upsurge in retail sales on Ali platforms. In addition, pet food customization is growing. CBNData shows that 98% of pet owners are willing to customize pet food according to breeds, ages, and health conditions of pets. Moreover, as useful tools for better petting and training, pet snacks, especially those with healthy functions, have become more popular.



RITA BAO

Market Research Analyst at ChemLinked

6 HAPPY SINGLES

The 260 million single adults in China generally have more disposable income and are spending on shopping, socializing and travelling. Chinese singles are looking for experiences, enjoyment, and fulfilment. Men account for the majority of the single population.

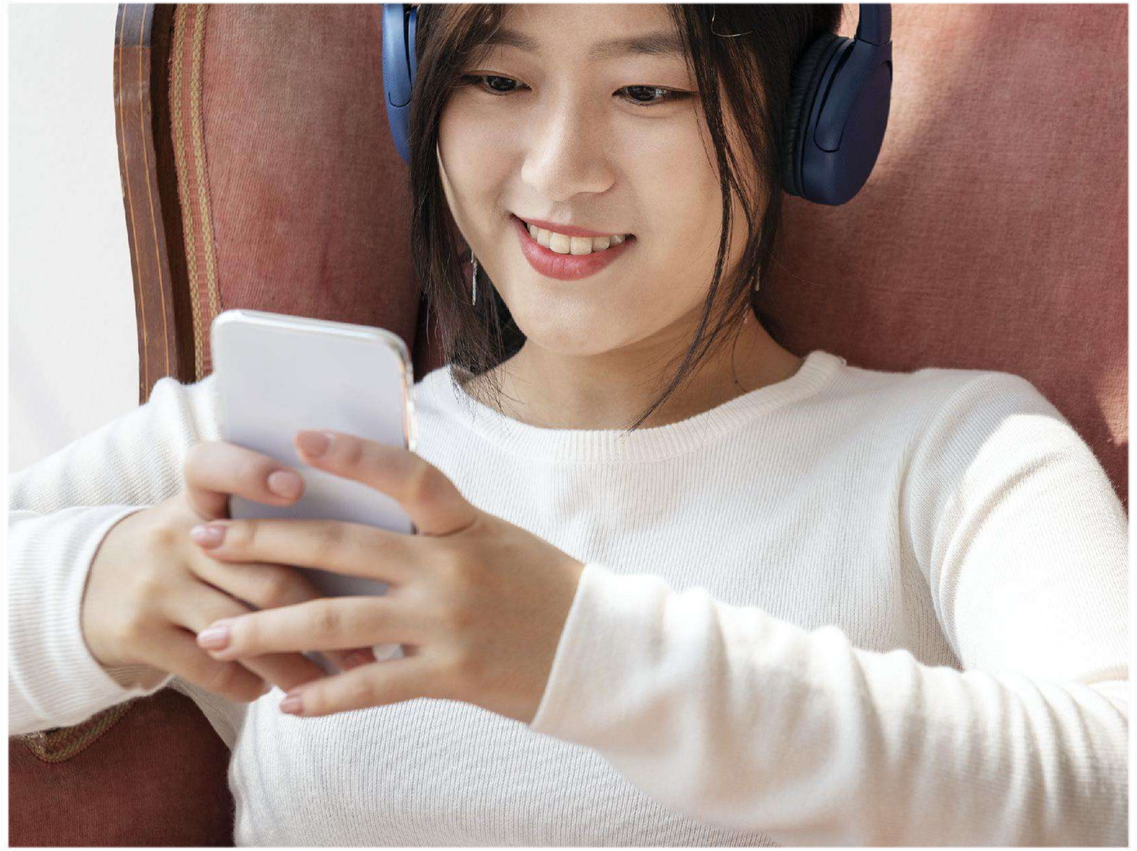
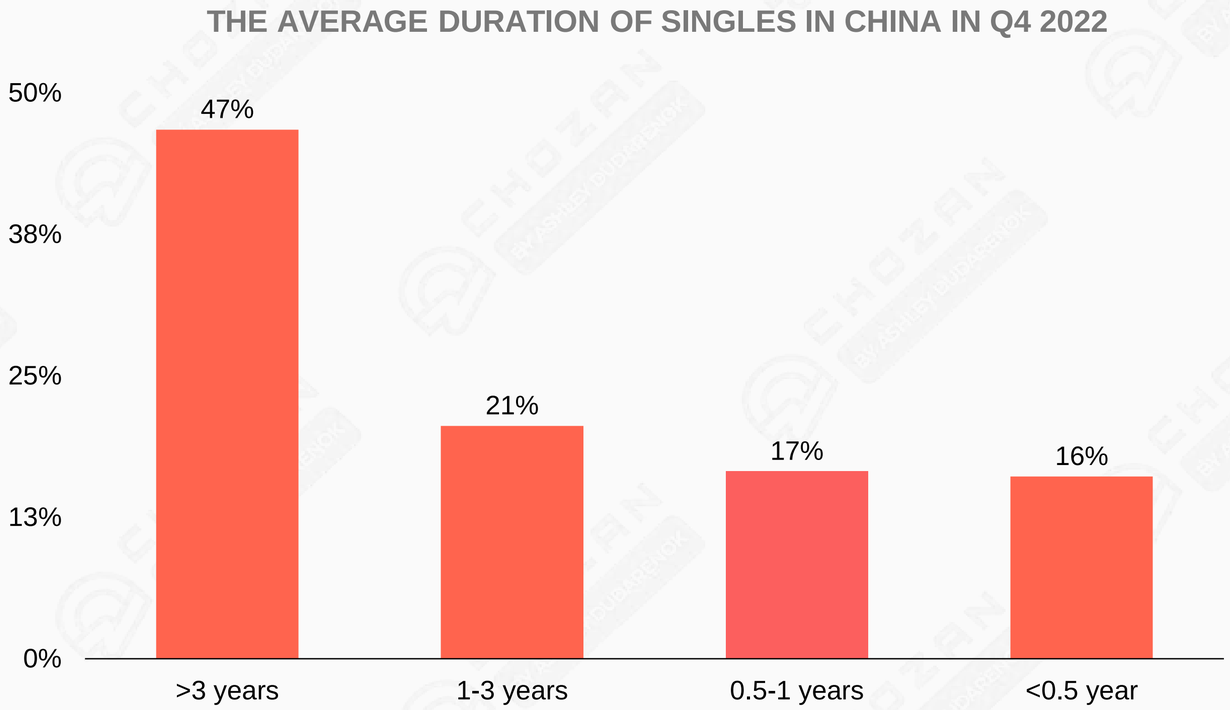


Photo: Freepik

CONSUMER INSIGHTS

HAPPY SINGLES - SINGLE DURATION



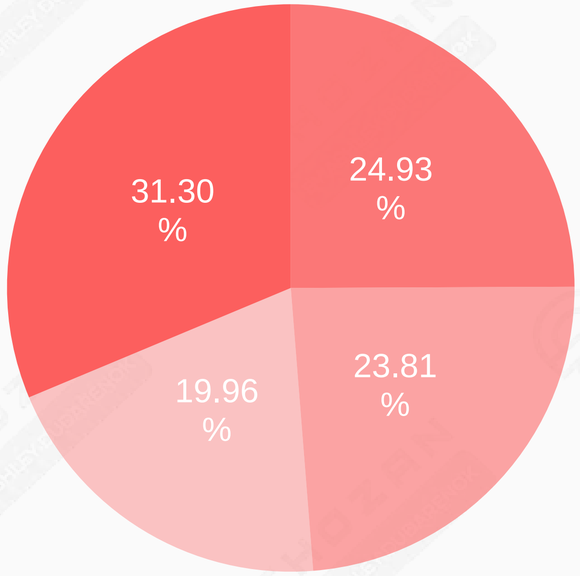
In 2022 Q4, among single people in China, more than 67% have been single for one year or more. The main characteristic of single people is that they stay single for a long time, and the increase in the time of living alone has further expanded the market size of the single economy.

Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

CONSUMER INSIGHTS

HAPPY SINGLES - SINGLE REASON

ARE YOU ANXIOUS ABOUT BEING SINGLE?

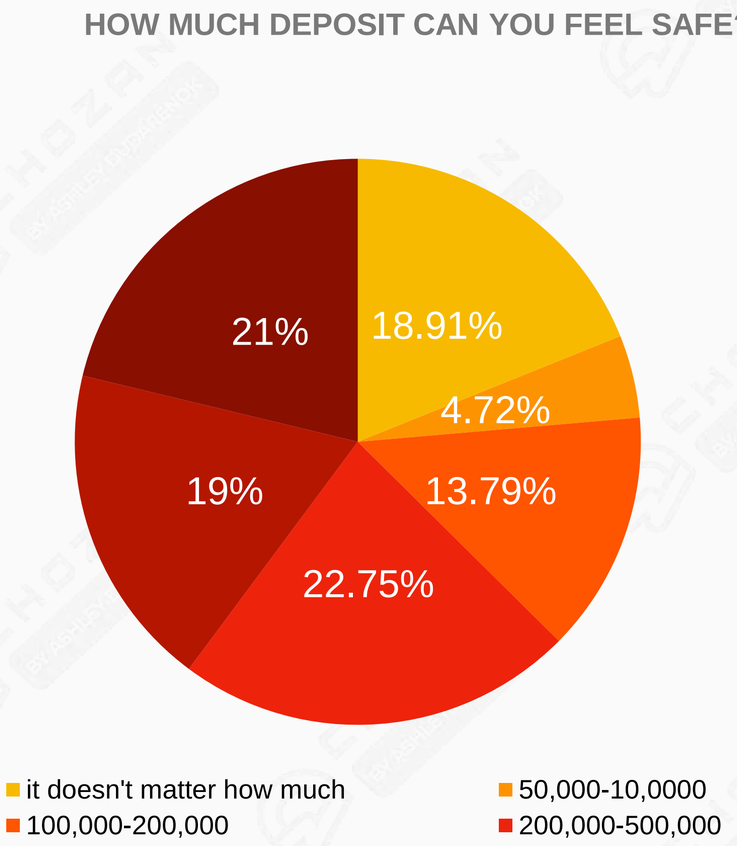


Nearly half of them have been single for more than three years, and another 20.58% have been single for 1-3 years. 68.7% of people have varying degrees of anxiety, of which 24.93% are always in a state of anxiety and find it difficult to get out of the order; 23.81% of people feel anxious during certain festivals such as Spring Festival and Valentine's Day; 19.96% of people feel anxious only when their parents and friends urge them.

Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

CONSUMER INSIGHTS

HAPPY SINGLES - SINGLE REASON

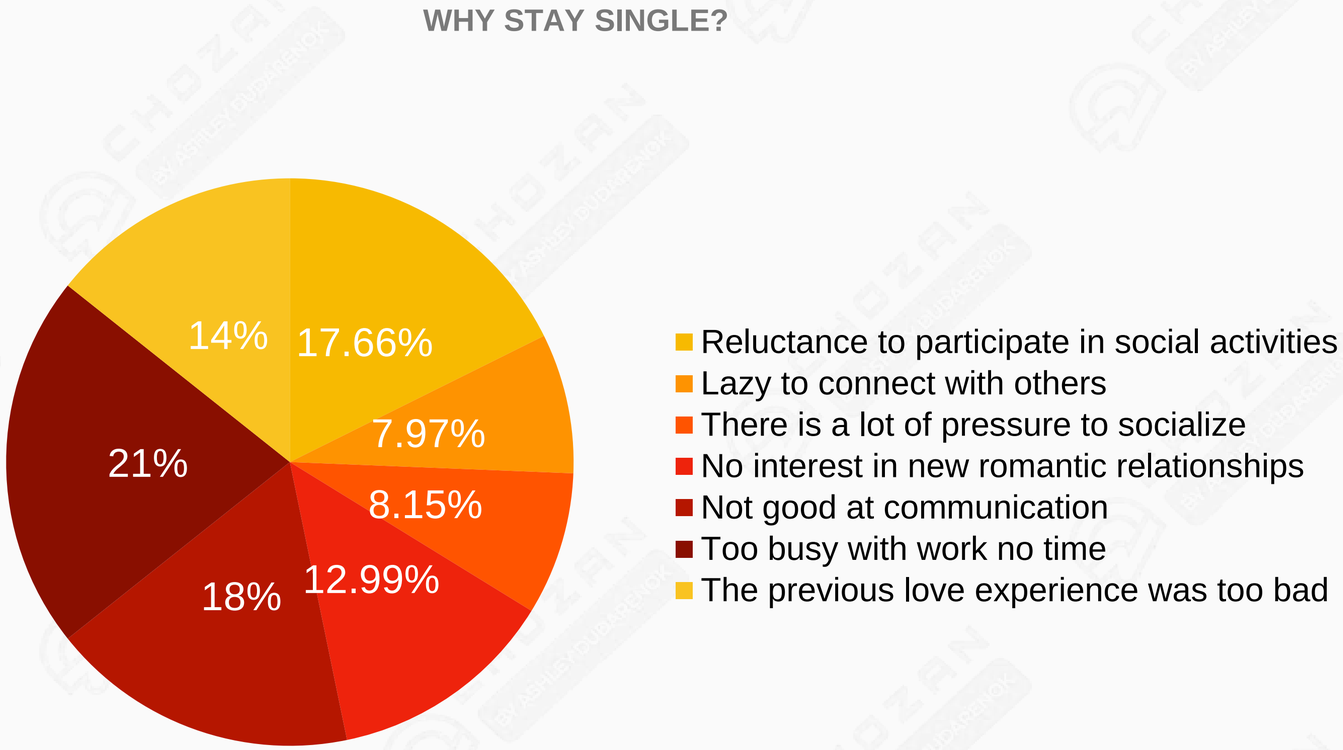


"Economic independence" is an important source of security for single men and women, and nearly 80% of them have a clear "quantity of security". According to the survey, about four adults have a sense of security when their savings reach more than RMB 500,000, and 22.75% of the people said that they feel more secure if their savings reach RMB 200,000 to RMB 500,000.

Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

CONSUMER INSIGHTS

HAPPY SINGLES - SINGLE REASON



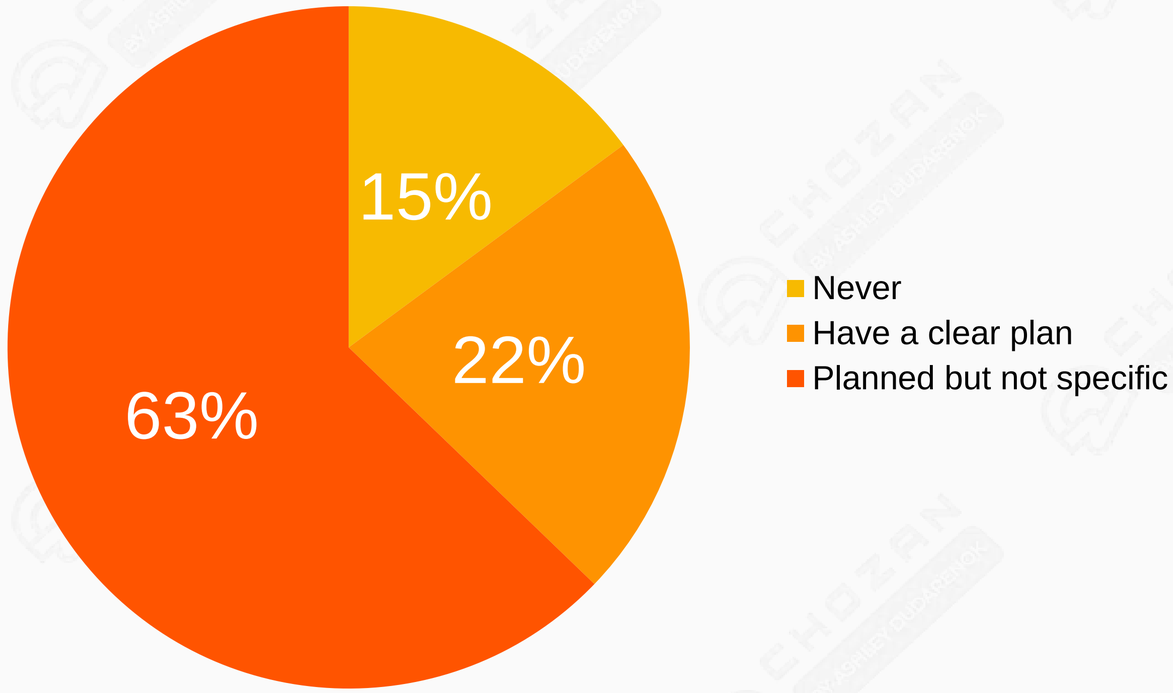
The survey found that "too busy" occupies the first place. Work and long hours of overtime make single people have no time to take care of emotional problems; second is staying at home, unwilling to go out to participate in social activities; third is low EQ and being too straightforward. In addition, nearly 30% of people were affected by unpleasant dating experiences, and more than 20% of people were not motivated to start a new relationship.

Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

CONSUMER INSIGHTS

HAPPY SINGLES - CONSUMPTION STRUCTURE

HAVE YOU EVER MADE PLANS TO SEEK A ROMANTIC RELATIONSHIP?

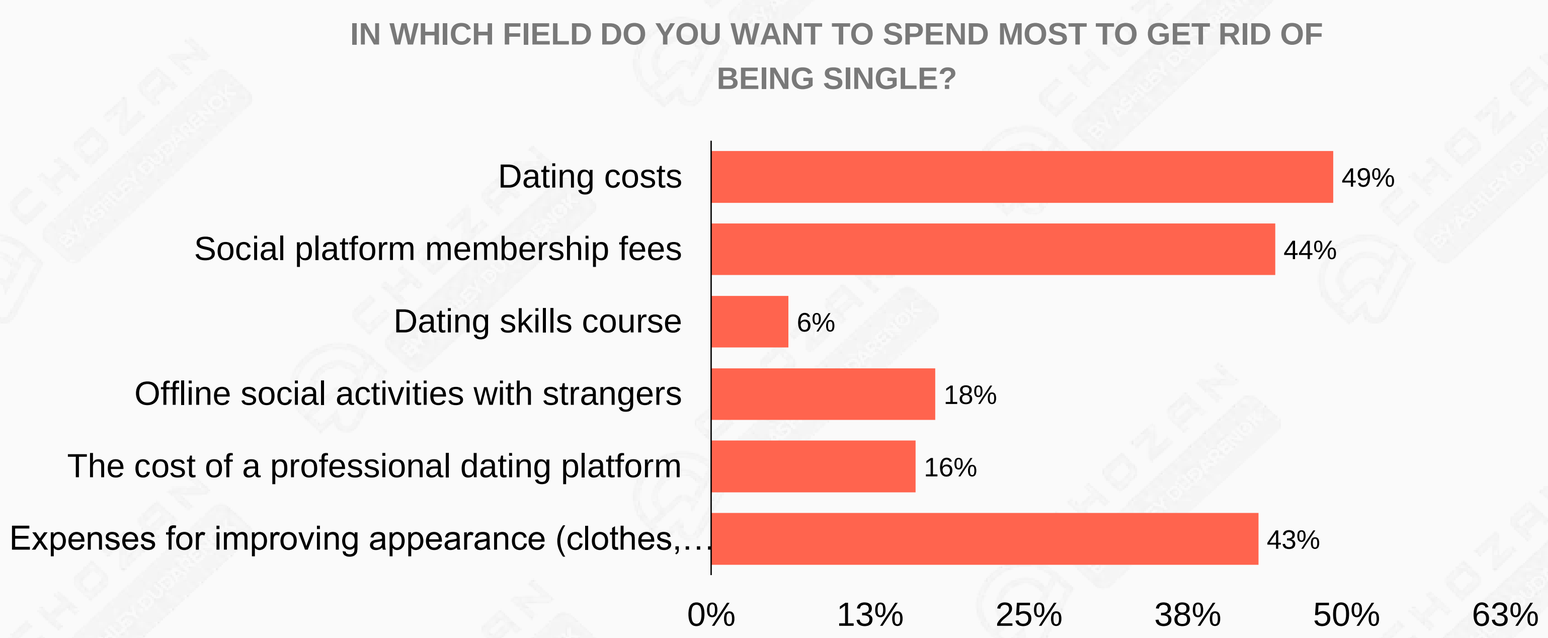


While most of us worry about being single at one point or another, most are not active in finding a new relationship. Only two adults (22.31%) have a clear plan to leave the singles, and nearly 8 adults have no clear goals and plans.

Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

CONSUMER INSIGHTS

HAPPY SINGLES - SKINCARE



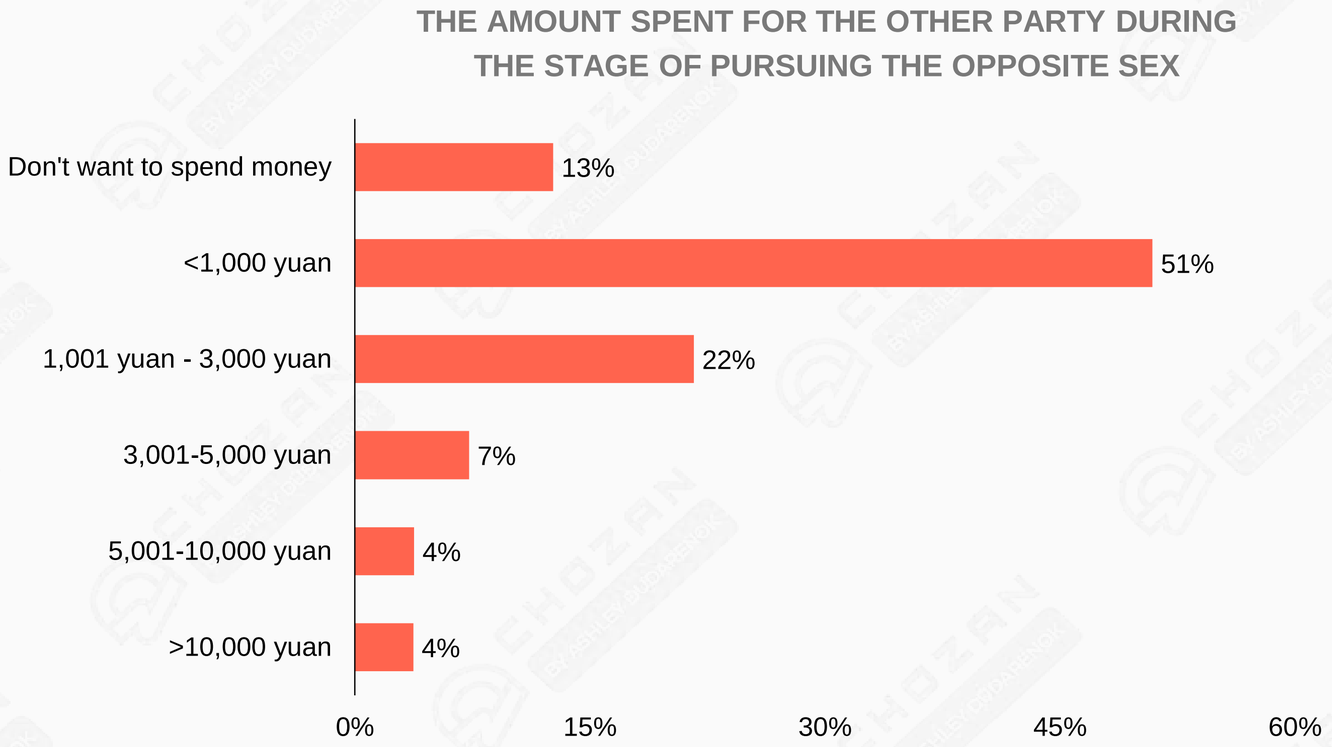
The first place in off-the-spot investment is dating expenses (48.96%); the second is social software registration and payment (44.39%); the third is dressing and other appearance-enhancing consumption (43.07%)

Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

CONSUMER INSIGHTS

HAPPY SINGLES - ENTERTAINMENT

In the pursuit stage, 70% of single young people are willing to spend less than 3,000 yuan for a single consumption, of which 50.91% of single men and women are willing to spend less than 1,000 yuan, followed by 21.63% who are willing to pay 1,000-3,000 only 14.8% of people are willing to pay more than 3,000 yuan; and 12.65% of people said they do not want to spend money.



Source: https://k.sina.com.cn/article_1496814565_593793e502001ca8l.html

EXPERT BITE



VICKY WEI

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOR OF HAPPY SINGLES? WHAT'S TRENDING WITH THEM NOW?

Rising incomes and increased urbanization is driving more consumption on pet-keeping. They turn to pets for emotional fulfillment and are willing to spend and buy the best product on their pets. A hashtag #China's single households surpass 125 million# began trending on Weibo after the finance channel of China Central Television (CCTV) posted a video about how younger single men and women are driving a boom in pet keeping.

Younger generations in China are increasingly choosing not to marry and have children, which is reflected in the plummeting birth rate seen over the last few years. With rising incomes and improving living standards, people spend more income on their own emotional fulfilment. There is a big demand emerging for safe pet food, pet care, toys, or experiences. With new pet owners, most of them are Gen Z who are young, well-educated, and wealthier, the pet industry is set to see explosive growth in the future.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

7 SUPER MOMS AND DADS

The number of babies being born per woman in China has been falling over the past few years. The Chinese child care and maternal care market continues to expand and reached 3.4591 trillion yuan in 2021. This growth can be attributed to the rising per capita disposable income as well as the expanding spending power of households. iResearch forecasts that the market will continue its current pace of expansion and reach a value of 4.68 trillion yuan by the year 2025.



Source:Quest Mobile

Photo: 上海图虫网络科技有限公司

EXPERT BITE



LENA LIN

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE THE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOR OF SUPER MOMS? WHAT'S TRENDING WITH THEM NOW?

(1) Strive to provide high-quality child-care. They have stronger spending power and higher willingness to consume when it comes to maternal and infant consumption. New generations of mothers are advocating high-quality child rearing and raising children scientifically, and they will continue to learn and achieve personal growth while accompanying the child's growth.

(2) The desire to live a life of freedom. Younger mothers pay attention to themselves while caring for their children. A mother can still live as she likes when she becomes a mother, so taking babies to the wild is also more popular than going to theme parks, aquariums, and other traditional parent-child tourist attractions.

(3) Learn by playing. It is more common for them to try to be early adopters and to raise their children in a more creative and funny way. They prefer educational toys that are both entertaining and educational.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

SUPER MOMS AND DADS - INTRODUCTION

INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Parents aged 25-40 with kids aged 0-12 are one of the biggest groups of mobile internet users, with 300 million active users online. According to QuestMobile, in April, the average monthly time spent on the Internet by parents with kids aged 0-12 rose 13.1% YoY.	Expenditures related to their children account for a huge portion of family spending. Most families spend 1,000-5,000 RMB on their children monthly. The amount spent on daily necessities and education is almost the same. These parents usually purchase children's products through e-commerce. Word-of-mouth and quality assurances are essential factors in purchasing decisions for children's products.	1) Children's clothing 2) Food supplements 3) Educational products 4) High-tech wearable devices 5) Fitness-related products

CONSUMER INSIGHTS

SUPER MOMS AND DADS – NEWBORN BABIES

The birth rate in China has been falling in recent years for a variety of reasons, including a decline in the number of women of reproductive age and shifts in young people's perspectives on marriage and having children.

It is estimated that 10.62 million babies were born nationally in 2021. Compared to 2020, the drop occurred more slowly. It is apparent that the drop in birth rates will be slowed in the short term by the introduction of the three-child policy and new birth policies.

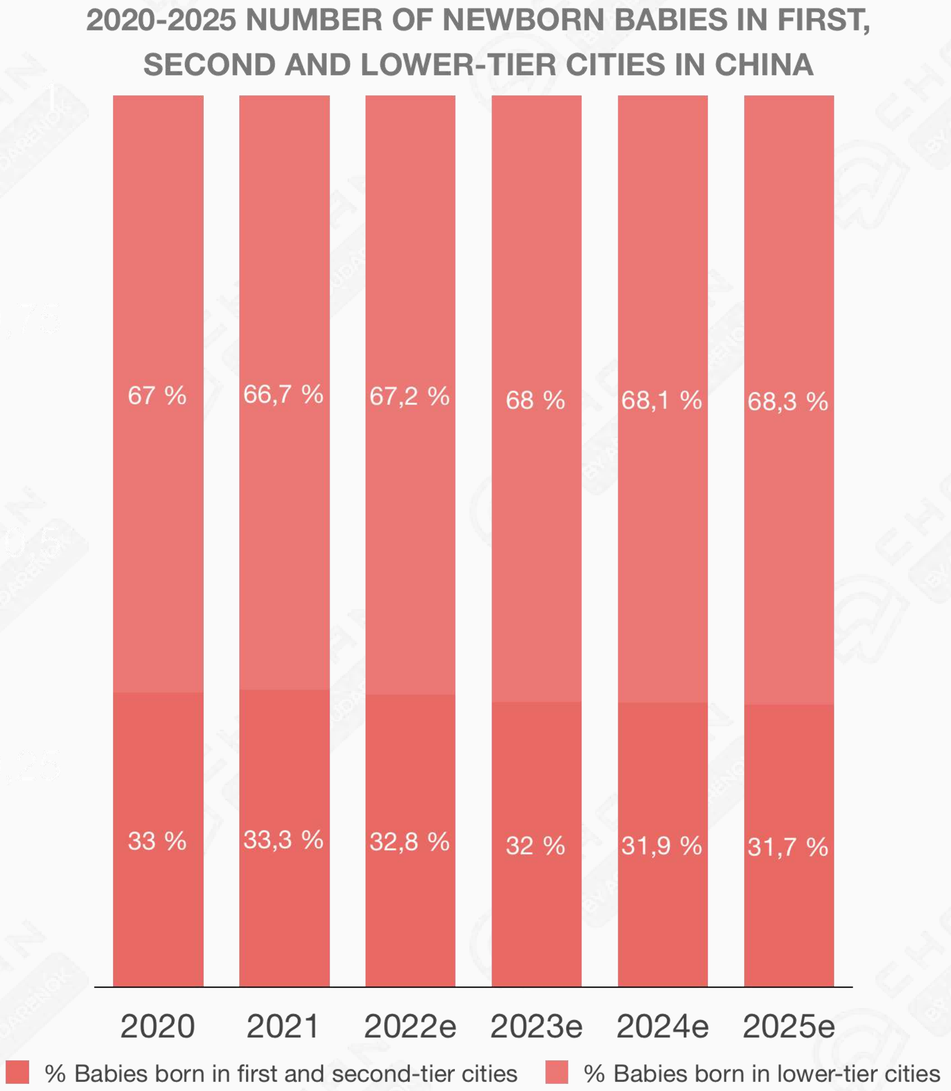


Source: iResearch, 2022 China Child Care and Mother Care Industry Report

CONSUMER INSIGHTS

SUPER MOMS AND DADS – NEWBORN BABIES

Since individuals in first- and second-tier cities are under greater pressure and have less available living space, the three-child policy will have a greater impact there. iResearch predicts that the birthrate in major cities will be lower than that in lower-tier cities.

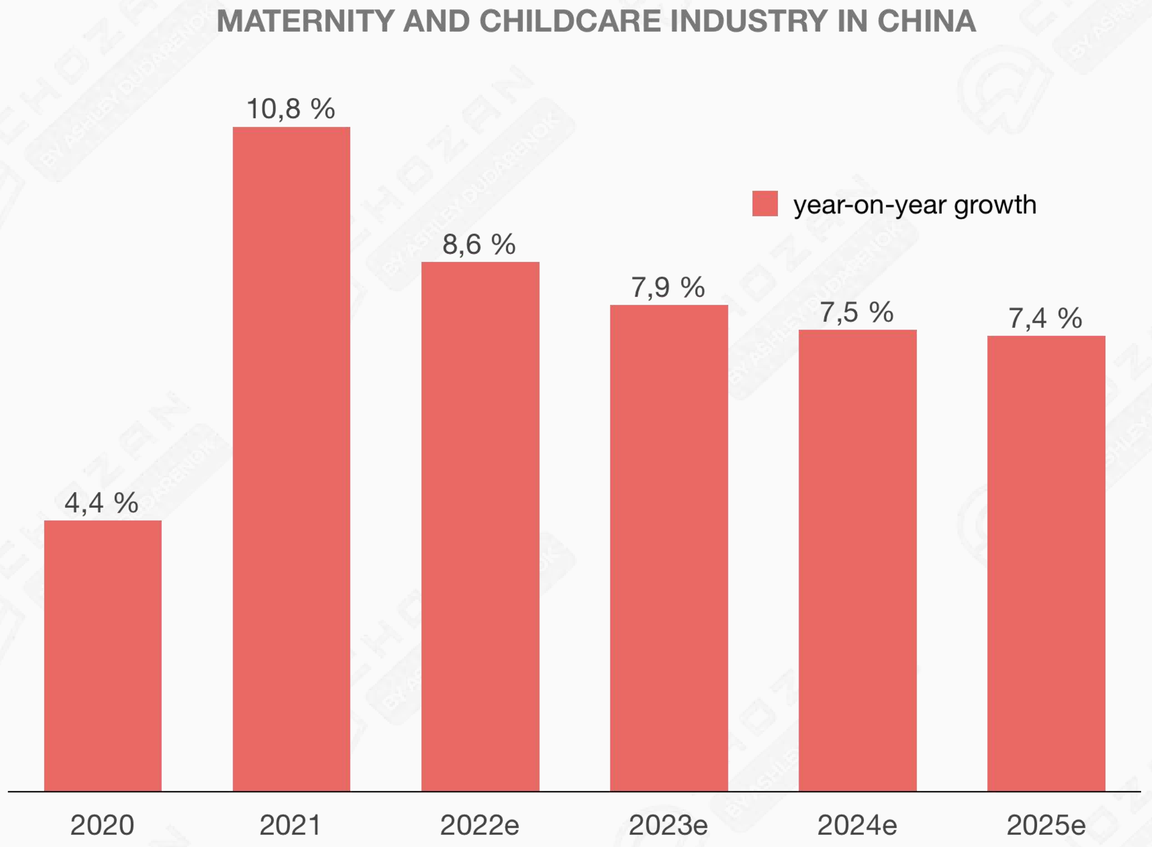


Source: iResearch, 2022 China Child Care and Mother Care Industry Report

CONSUMER INSIGHTS

SUPER MOMS AND DADS – INDUSTRY GROWTH

When compared to the previous year, the total market size of maternal and childcare items in China would expand by **10.8 percent in 2021**. During that year, the value of the market climbed **close to 3.46 trillion yuan.**

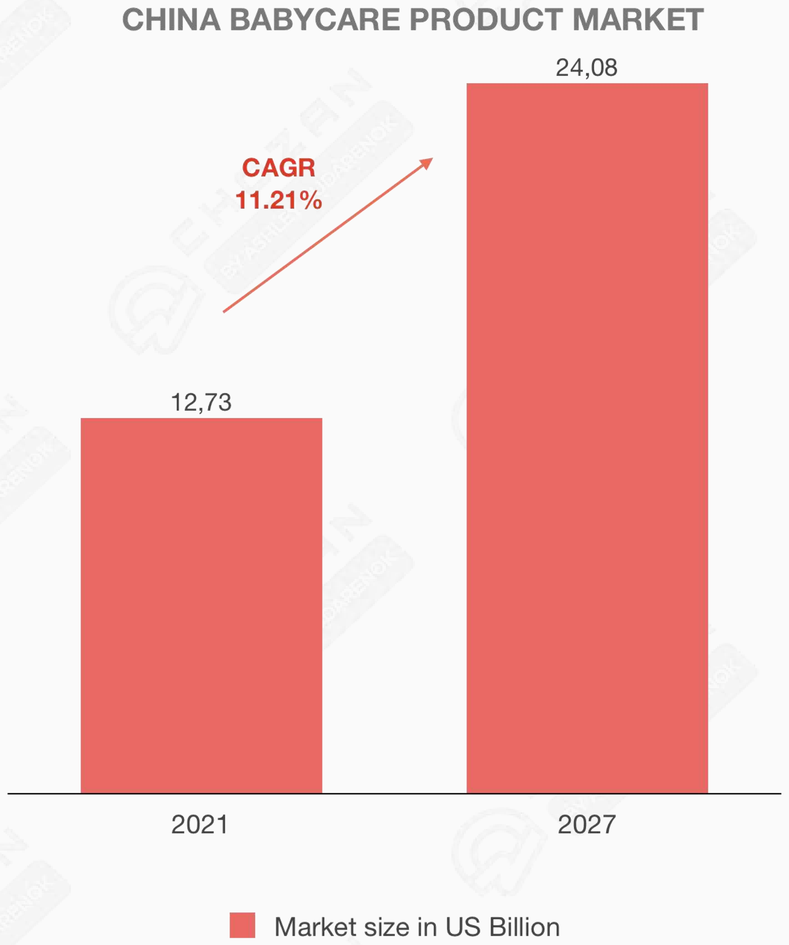


Source: Statista, Annual growth rate of the market size of the maternity and childcare industry in China from 2017 to 2021 with estimates until 2025

CONSUMER INSIGHTS

SUPER MOMS AND DADS – MARKET GROWTH

According to MMR, kids in China nowadays are as spoiled as ever. Especially since the one-child policy was abolished and the purchasing power of Chinese parents has increased, the baby personal care market in China has grown rapidly over the past few years. Thus, it is anticipated that this market would expand more.



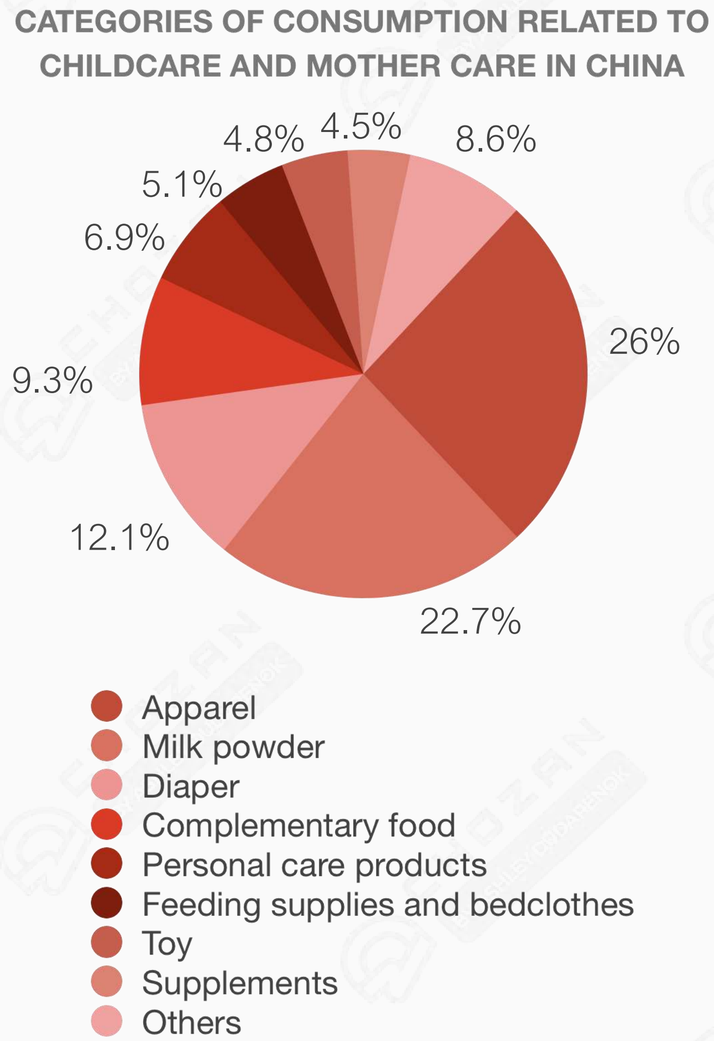
Source: MMR - China Baby Care Product Market – Industry Analysis and Forecast (2022-2027)

CONSUMER INSIGHTS

SUPER MOMS AND DADS – CONSUMPTION

Apparel and milk powder are the two largest categories from the point of view of category composition, **making up 26% and 22.7% of the total consumption**, respectively. The percentage of diapers is 12.1%.

Supplemental food has become increasingly important in China as a result of rising incomes and shifting attitudes on what constitutes a healthy diet, and by 2021, it accounted for **9.3% of all food purchased for infants and young children in the country.**



Source: iResearch, 2022 China Child Care and Mother Care Industry Report

CONSUMER INSIGHTS

SUPER MOMS AND DADS – BABY FOOD

According to the National Health Commission, the main market for baby products is baby food, including baby formula (0-36 months old), complementary food (6-36 months old), and children's snacks (3-12 years old). Infant food now accounts for almost a third of all baby supplies sold, and that number is set to climb as more and more parents stock up on this staple.

The recovery in its market growth can be traced back to the year 2020, when an increase in consumption and the need for specialized goods stimulated the industry. The market was valued at **RMB 336.3 billion (USD 52.835 billion) in 2021**, and the figure is predicted to approach RMB 500 billion.



Source: EqualOcean, China's Baby Food Industry in 2022

EXPERT BITE

Q: WHAT ADVICE CAN YOU GIVE TO FOREIGN MOTHER / BABY BRANDS IN CHINA IN 2023?

Focus closely on the value you bring that makes you unique - don't assume that your brand name alone will be sufficient (those days are gone) & be prepared to act fast. It's necessary to strike a balance between your home market strengths and giving Chinese mums what they want to hear - remember they do incredible amounts of research and need huge amounts of info compared to European moms.

The principles of marketing stay the same in China but the tactics of how you deliver have to be uniquely developed so do qualitative research if possible to deeply get to know your consumers. Don't neglect lower tier cities - Chinese brands such as Feihe have increased their market share hugely in part to their coverage of tiers 3-5 cities.



KATHRYN READ

International Sales and Marketing Consultant

EXPERT BITE



FIONA LU

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE THE MOST IMPORTANT HIGHLIGHTS THAT BRANDS NEED TO BE AWARE OF IN THE MATERNITY INDUSTRY?

With the rising premiumization trend, maternal consumers continue to focus on product quality and functionality when purchasing, willing to pay a premium for functional products meeting their needs. Consequently, from a brand's perspective, many tend to present key selling points by highlighting the advantages of ingredients and functions, as well as putting much effort into developing products that can resolve TA's crucial pain points like Lactose intolerance and sleeping problems. In a nutshell, the maternal categories are becoming more and more segmented.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

8 CHINESE MEN

Chinese men have strong consumption potential, GenZ men pay more attention to self-pleasing goods such as cell phones, sports shoes and boots, and with age, post-70s and post-80s men's consumer goods preferences tend to focus on automotive products.



Source:Quest Mobile

Photo: 上海图虫网络科技有限公司

CONSUMER INSIGHTS

CHINESE MEN - INTRODUCTION

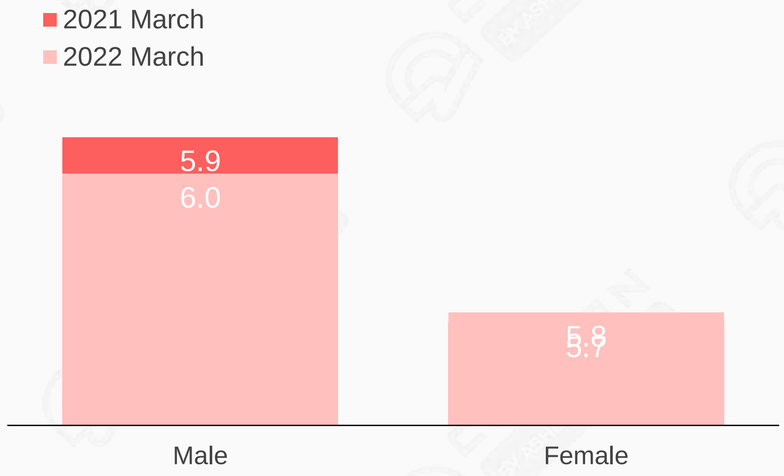
INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Male consumers are releasing strong consumption power in physical consumption and pan-entertainment. Male consumption consciousness is rising quickly, with quality and brand becoming the decision factor of concern. Rapid increase in spending power in beauty and luxury goods.	Young male users are the main audience for sports trends and mobile games. Men aged 31-50 are the main consumers of big-ticket items such as home appliances and cars. Men aged 51 and above have increased acceptance of trendy ornaments.	1) 3C products 2) Tobacco & alcohol 3) Home appliances 4) Smart devices 5) Skin care products 6) Luxury

CONSUMER INSIGHTS

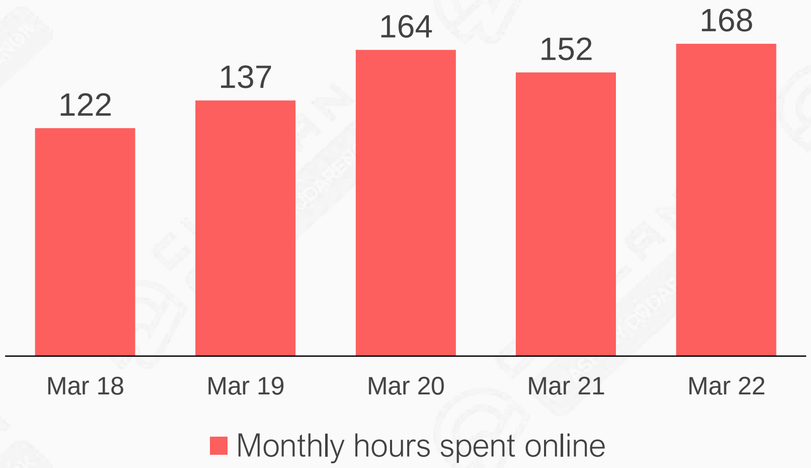
CHINESE MEN

The size of male users is close to 600 million, with a monthly per capita usage time of 167.6 hours and a compound growth of 8.2% in the past five years.

CHANGE IN THE SIZE OF MALE/FEMALE MONTHLY ACTIVE USERS (UNIT: BILLION)



AVERAGE NUMBER OF HOURS SPENT ONLINE (UNIT: HOUR)



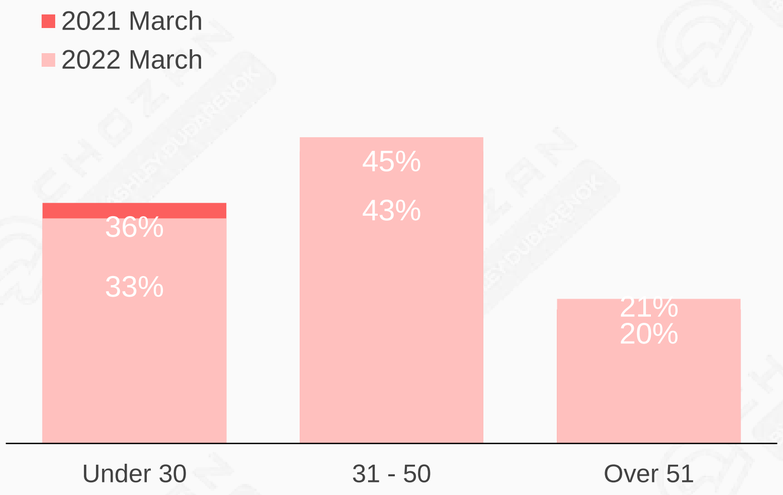
Source: Quest Mobile

CONSUMER INSIGHTS

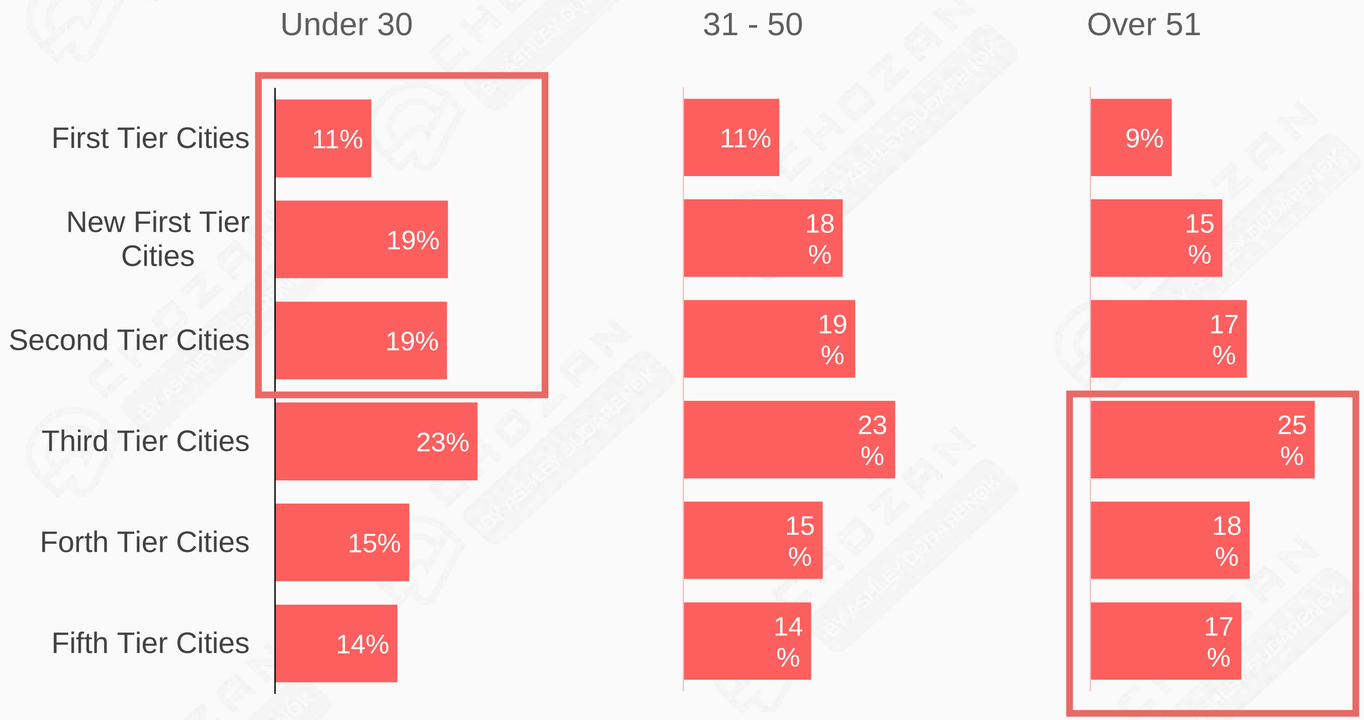
CHINESE MEN - INTERNET USAGE

The over-30 group is the main growth point. The proportion of under 30 is relatively high in first- and second-tier cities, and the distribution gradually tilts toward the sinking market as the age group grows.

AGE DISTRIBUTION OF MALE ACTIVE USERS



CITY-LEVEL DISTRIBUTION OF MALE USERS BY AGE GROUP (MAR 2022)



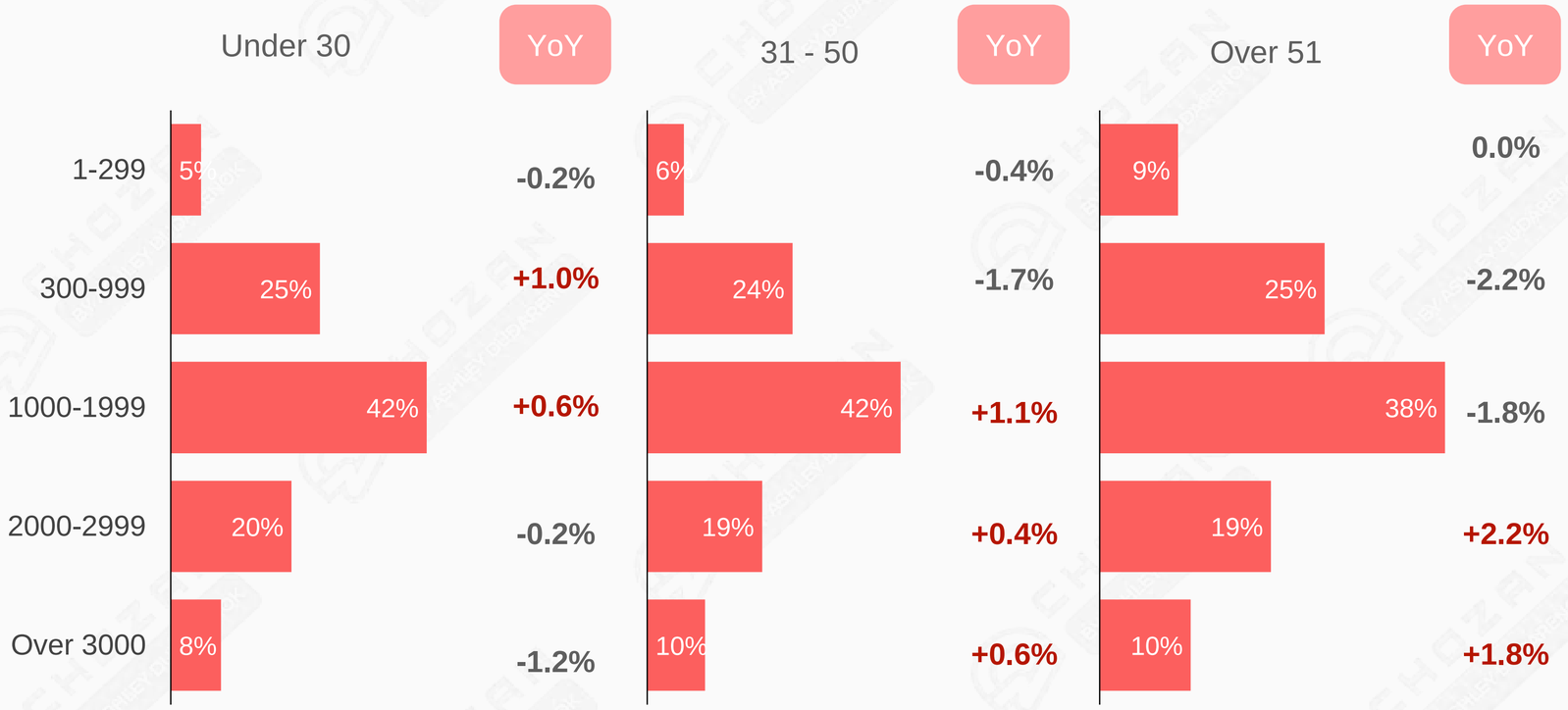
Source:Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - ONLINE SPENDING POWER

300-1999 RMB range is mainly young male, online spending more than one **1000 RMB is mainly 31-50 years old**, and the proportion of them continues to grow. In terms of large spending, male over 51 years old performed prominently.

CHINESE MALE ONLINE CONSUMPTION DISTRIBUTION (MAR 2022)

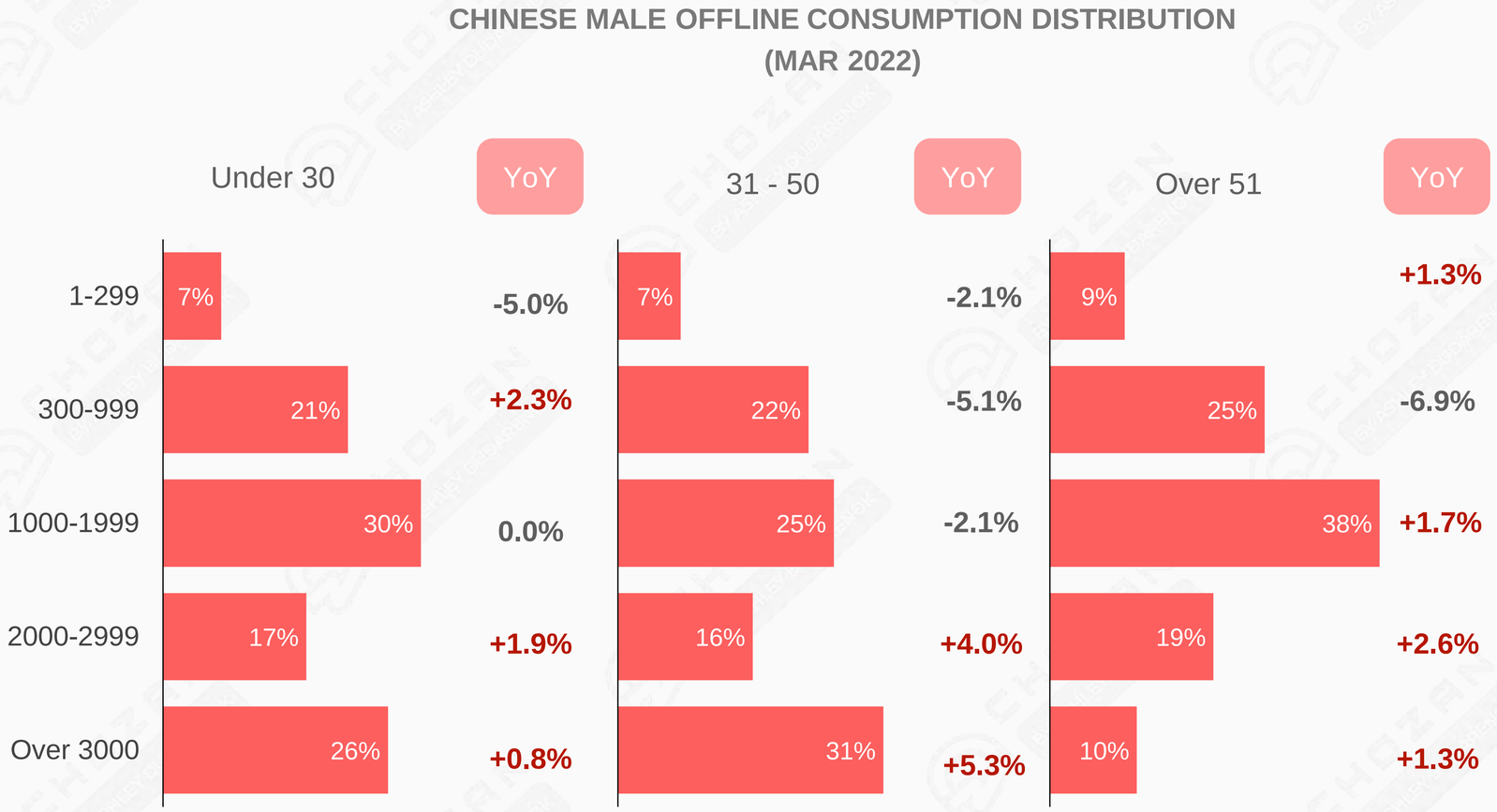


Source:Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - OFFLINE SPENDING POWER

The proportion of men in all age groups spending more than **3,000 yuan at offline stores** of the population has increased, with the most prominent growth rate for men aged 31-50.



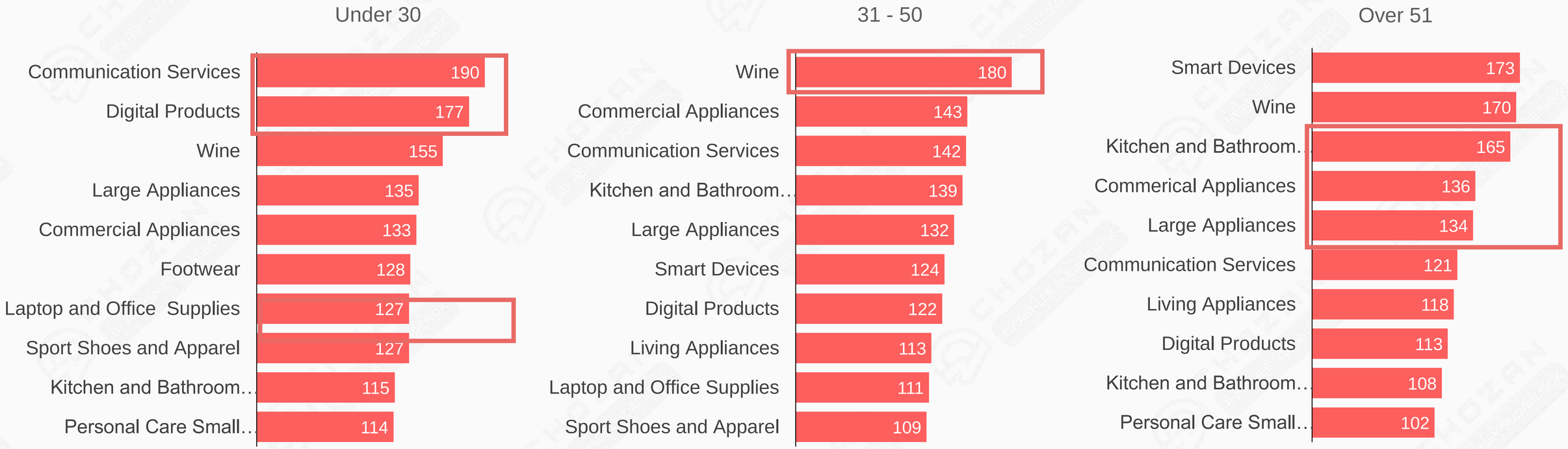
Source:Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - E-COMMERCE

Males tend to prefer products with higher unit price such as 3C digital, alcohol and electrical appliances.

TOP 10 E-COMMERCE CATEGORIES PENETRATION (TGI) AMONG DIFFERENT AGE GROUP, MAR 2022



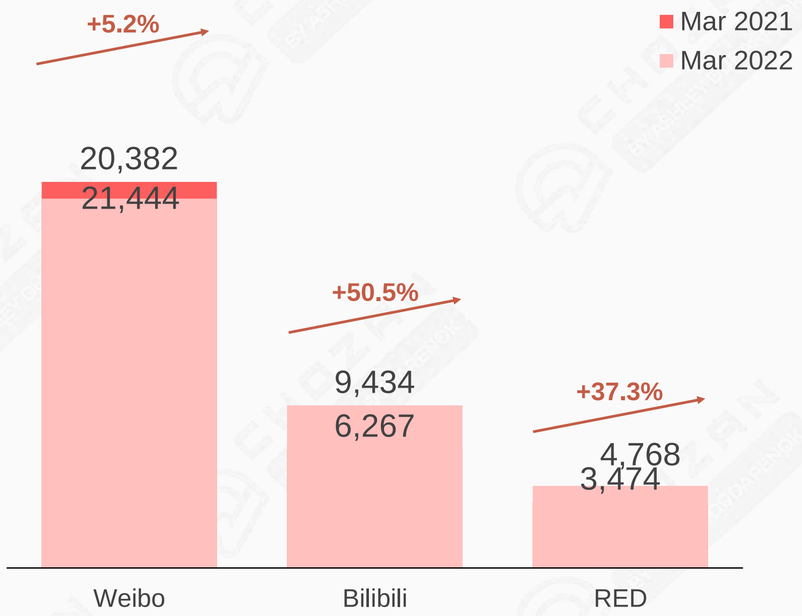
Source: Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - SHOPPING RECOMMENDATION CULTURE

Male related topics have become hot topics on the social media platforms, and the scale of male users on each typical platform (that provide shopping recommendation) is growing rapidly and increasingly influenced by KOL, bringing the possibility of diversified marketing for brands.

CHANGES IN THE SIZE OF MALE USERS ON SOCIAL PLATFORMS (UNIT: MILLION)

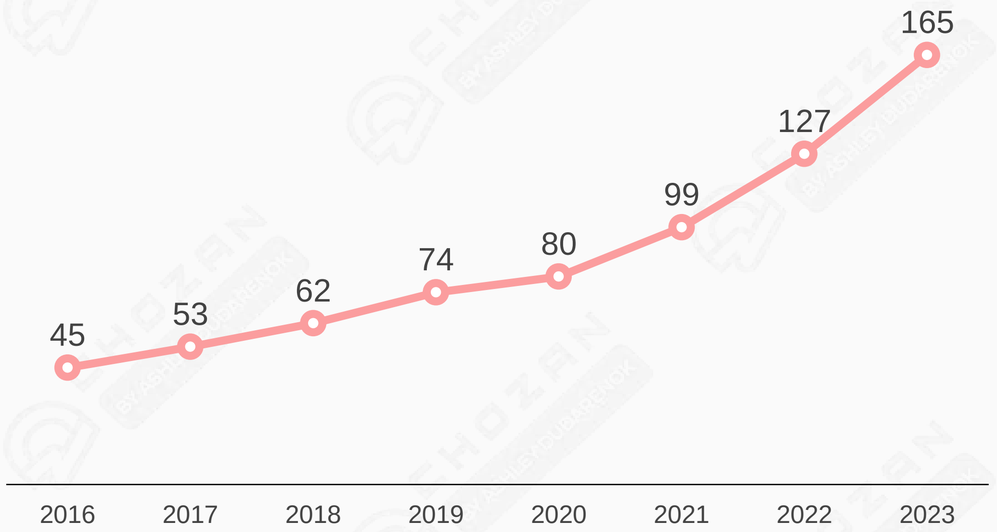


Source:Quest Mobile

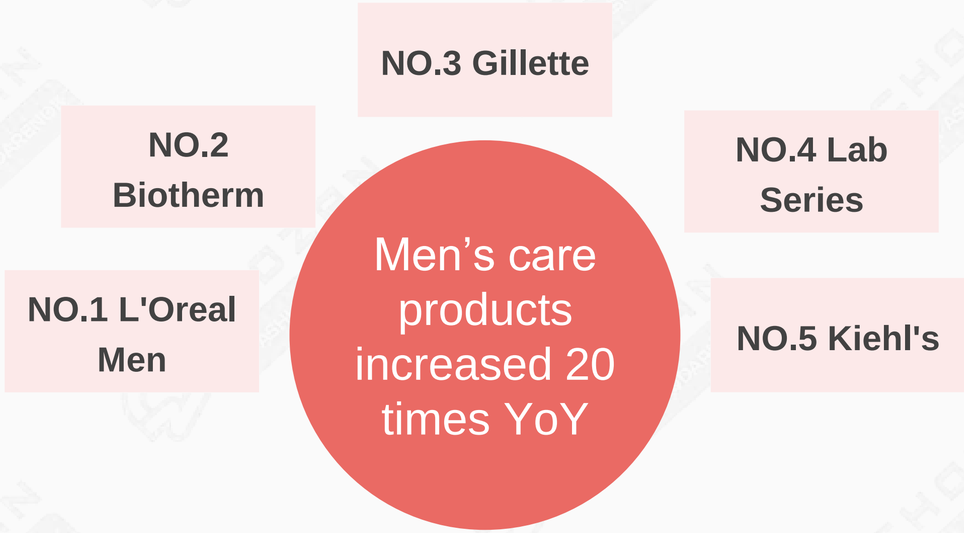
CONSUMER INSIGHTS

CHINESE MEN - SKINCARE AND COSMETICS

MARKET SIZE AND FORECAST OF CHINESE MEN'S SKINCARE PRODUCTS FROM 2016-2023 (UNIT: BILLION)



SALES RANKING OF MEN'S CARE PRODUCTS ON TMALL PLATFORM IN 2022 "618" SHOPPING FESTIVAL



Source:iiMedia

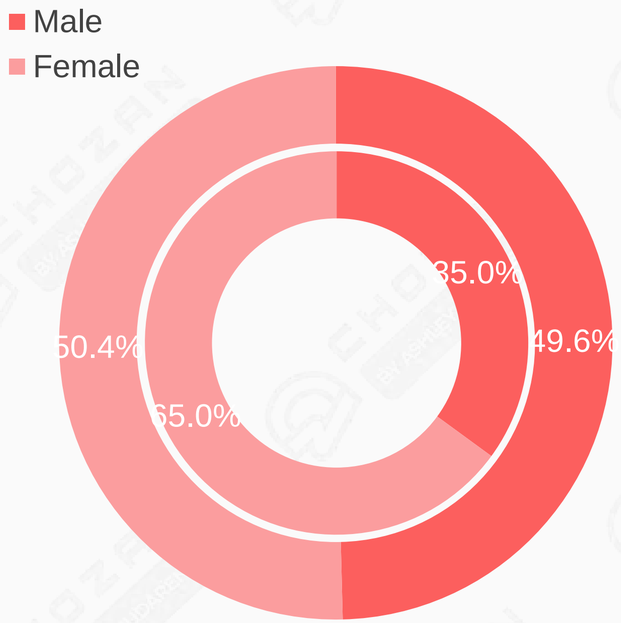
CONSUMER INSIGHTS

CHINESE MEN - LUXURY

Male consumers are awakening to the concern of luxury goods, further releasing their spending power on high-end luxury products.

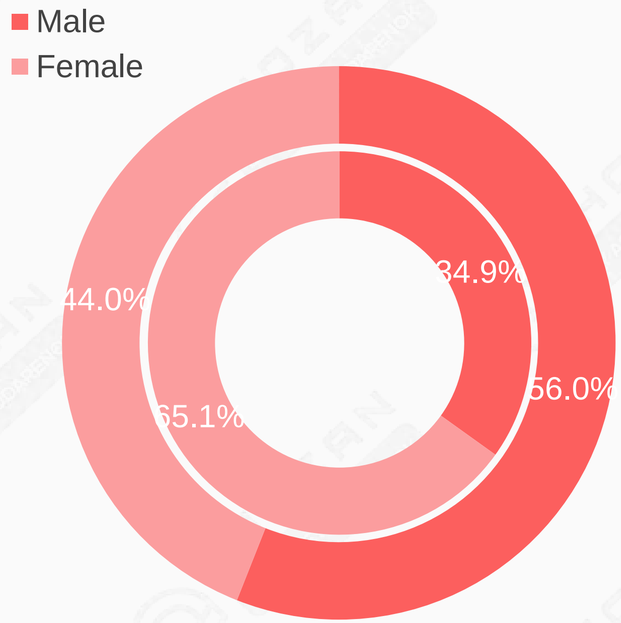
GENDER DISTRIBUTION OF TYPICAL LUXURY BRAND MINI PROGRAM USERS

BURBERRY ONLINE SHOP ON WECHAT MINI PROGRAM



Inner Circle: March 2021
Outer Circle: March 2022

GIVENCHY ONLINE SHOP ON WECHAT MINI PROGRAM



Inner Circle: March 2021
Outer Circle: March 2022

Source: Quest Mobile

EXPERT BITE



DAVID FUNG

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOR OF MALE INTERNET USERS? WHAT'S TRENDING WITH THEM NOW?

Once we capture the interest of male consumers, they may have the same spending power and willingness as women. Judging from the development of industries such as fishing, green plants, and trading cards, interest-based consumption is the key to grasping the minds of male consumers. More sophisticated men's skin care and virtual idol IP industries are all male consumption trends that will continue to have good development prospects in the future.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: WHAT WERE THE MOST IMPORTANT CHANGES IN CHINA'S NEW RETAIL SPACE IN 2022?

After the peak of COVID, people are expected to have more domestic consumption via experienced retail. Thus, Online Merge Offline (OMO) more or less is a must for brands and merchants towards the customer interface. Travel Retail is expected to grow within provinces in the China market, such as Hainan province for an instance.

More and more international brands are invested in the Chinaverse or the Omniverse for brand merchants. To capture the trend and the young generation of customers, it is recommended to start investment in the Omniverse and ride the wave early.



PASCAL COPPENS

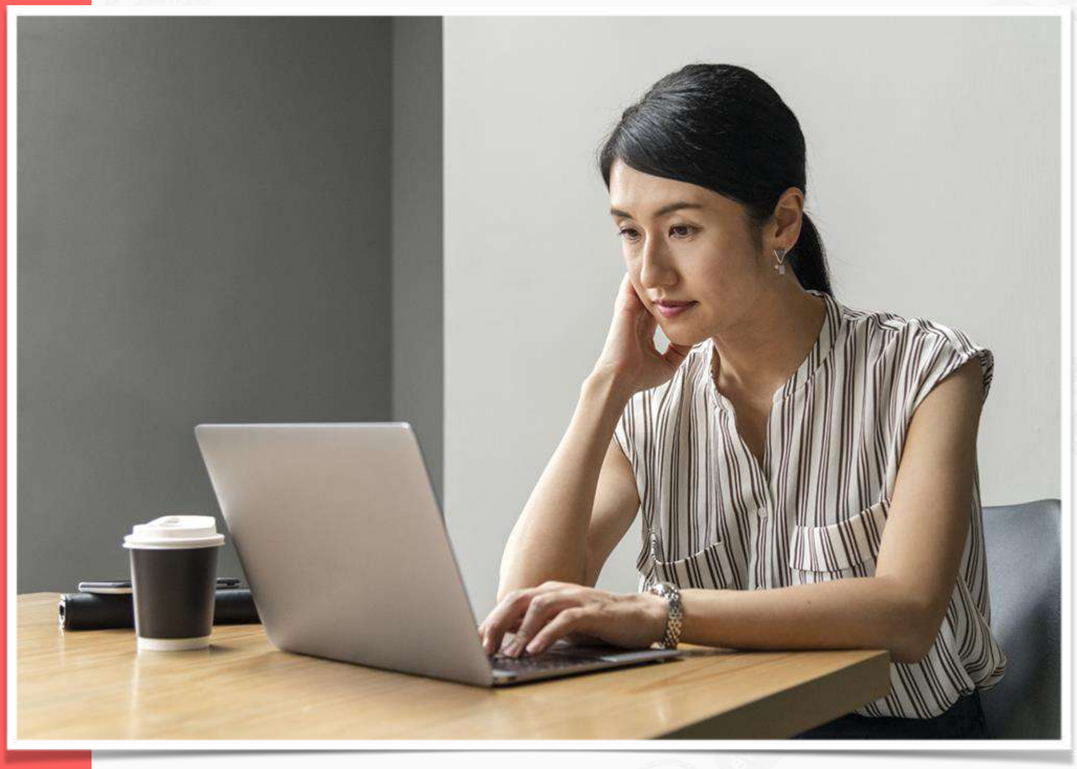
Partner at Nexxworks

9 FEMALE INTERNET USERS

China’s ‘she economy’ booms as young and financially independent women spend for themselves.

Female millennials and members of Gen Z increasingly find happiness and self-fulfillment on their own terms, and it has reshaped China’s economy.

Chinese women comprise the world’s third-largest consumer market, close to the combined retail markets of Germany, France and the United Kingdom.



Source: South China Morning Post

Photo: Rawpixel.com

CONSUMER INSIGHTS

CHINESE WOMEN - INTRODUCTION

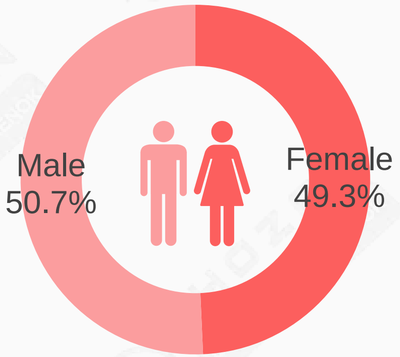
Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
The number of female Internet users continue growing. As of January 2022, the active size of female mobile Internet users reached 582 million, an increase of 2.3% year-on-year. The new users mainly came from users in the sinking market (2.4% year-on-year increase in three, four, five and below cities) and silver-haired group users (3.7% year-on-year increase), in addition, the growth in the number of APPs used, average daily active hours, spending power and willingness to spend was also very obvious. In 2022, Generation Z women will gradually enter the society, and the consumer opportunities surrounding them will continue to emerge. As the new consumer group, they pay more attention to their own needs, focus on lifestyle, and have a strong willingness to spend.	Women focus on the health and wellness function of daily diet, less salt and reduced sugar become the hot spot for women's video consumption, vitamins and health supplements market has great potential. Women's spending power in beauty and skincare (skincare and medical beauty) remains strong, and more scientific and efficient skincare concepts will be accepted by more women. The "her economy" is on the rise, and women focus on self-improvement and have more aggressive consumption demands.	1) Skin care products 2) Products that improve quality of life 3) Educational courses 4) Fitness-related products

CONSUMER INSIGHTS

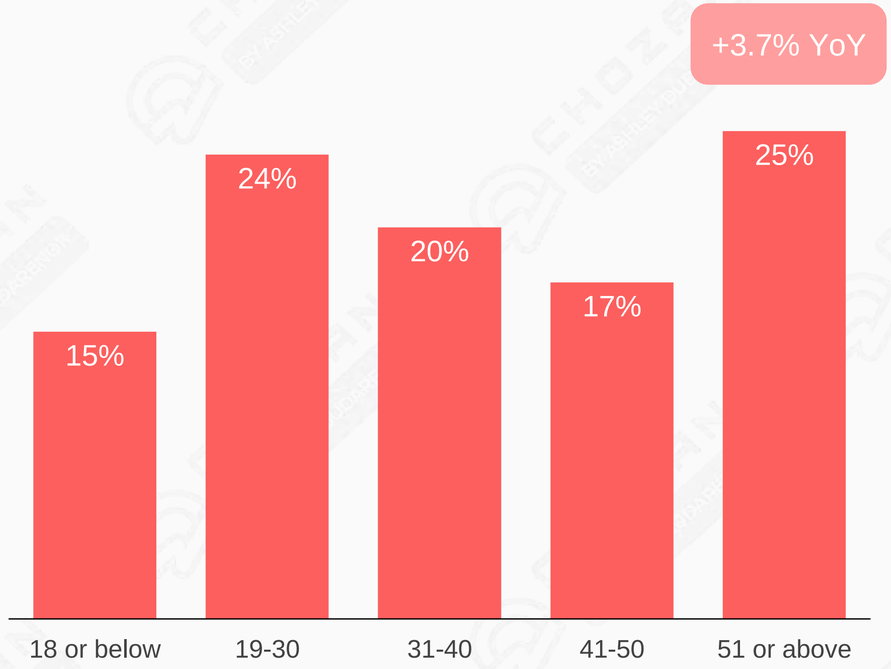
FEMALE INTERNET USERS - AGE GROUPS

Female internet users in China reached 582 million in 2022, and the proportion of the whole network has increased to 49.3%, with users of the silver-haired group (up 3.7% year on year) becoming the main source of growth.

INTERNET USERS AMONG GENDER, JAN 2022 (MILLION)



FEMALE INTERNET USERS AMONG AGE GROUP, JAN 2022



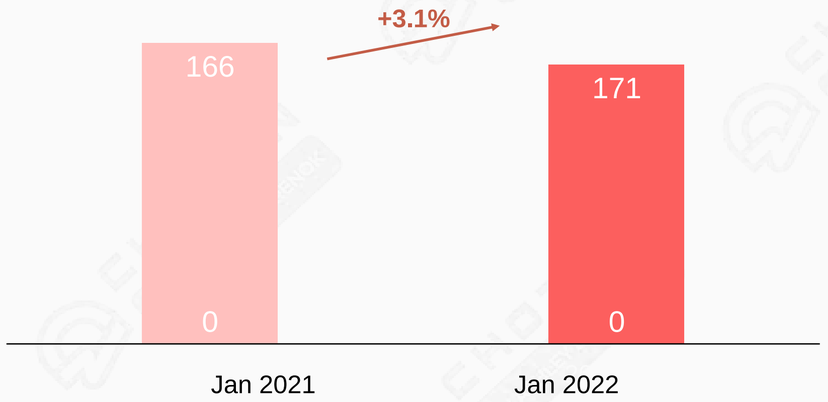
Source: Questmobile 2022, She Economy Report

CONSUMER INSIGHTS

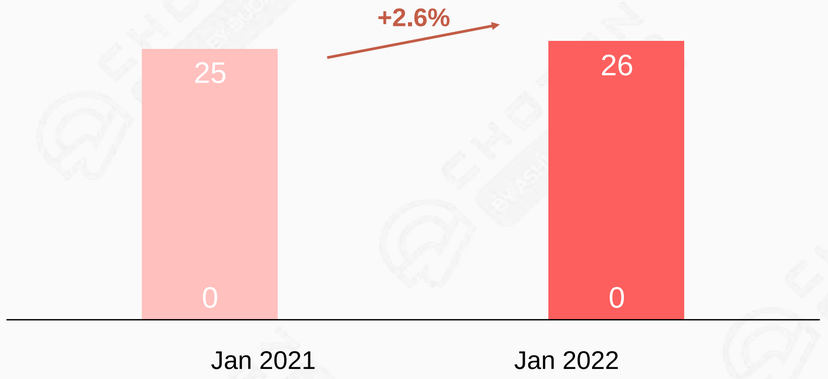
FEMALE INTERNET USERS - USAGE

Female use of the mobile Internet continues to deepen, with the length and number of App use increasing evenly. The average internet usage per month over **171 hours** and their number of apps used reached **more than 25.6.**

AVERAGE MONTHLY INTERNET USAGE AMONG FEMALE USERS HOURS



NUMBER OF APPS USED PER MONTH AMONG FEMALE USERS



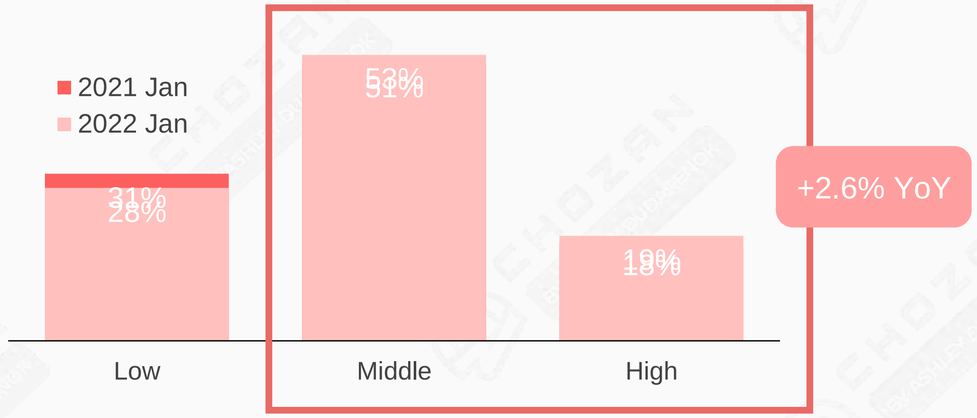
Source: [Questmobile 2022, She Economy Report]

CONSUMER INSIGHTS

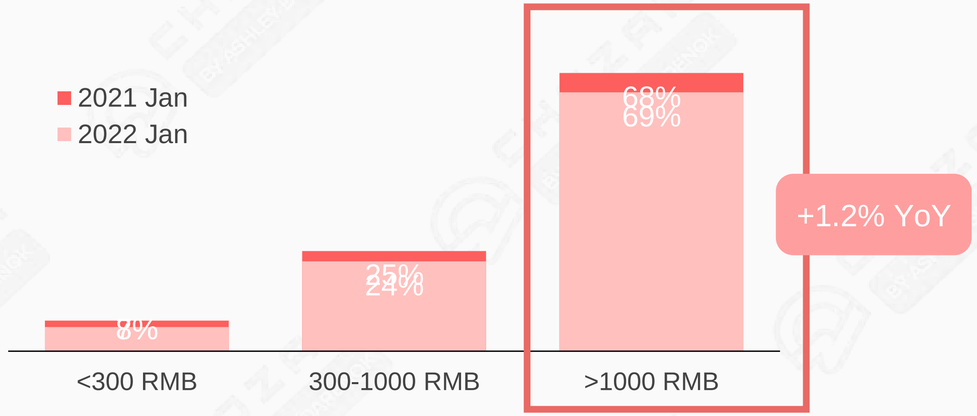
FEMALE INTERNET USERS - CONSUMPTION GROWTH

With the rise of she-economy, already high levels of online consumption continues to rise among Chinese consumers, especially younger female consumers.

USERS WHO ARE WILLING TO SPEND MORE, 2022 JAN



CHINESE FEMALE CONSUMERS ONLINE SPENDING POWER



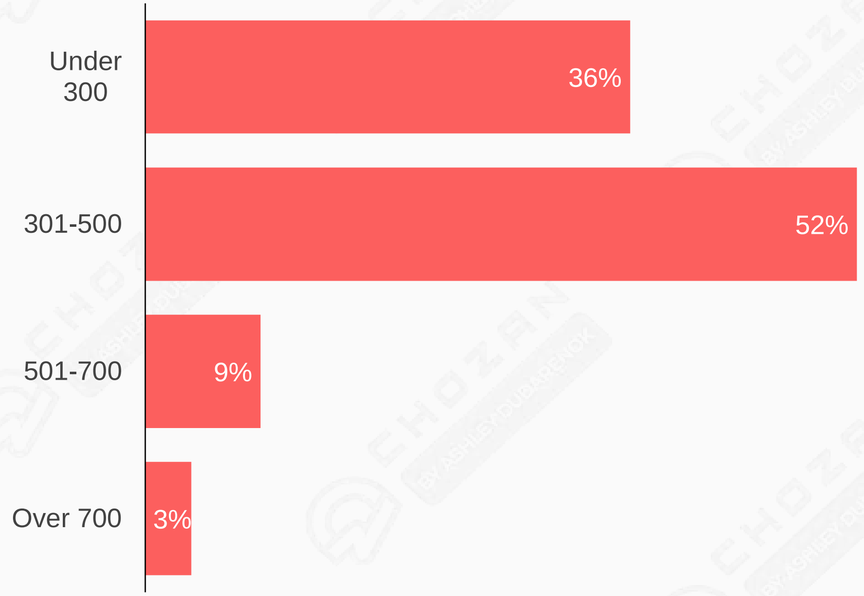
Source: Questmobile 2022, She Economy Report

CONSUMER INSIGHTS

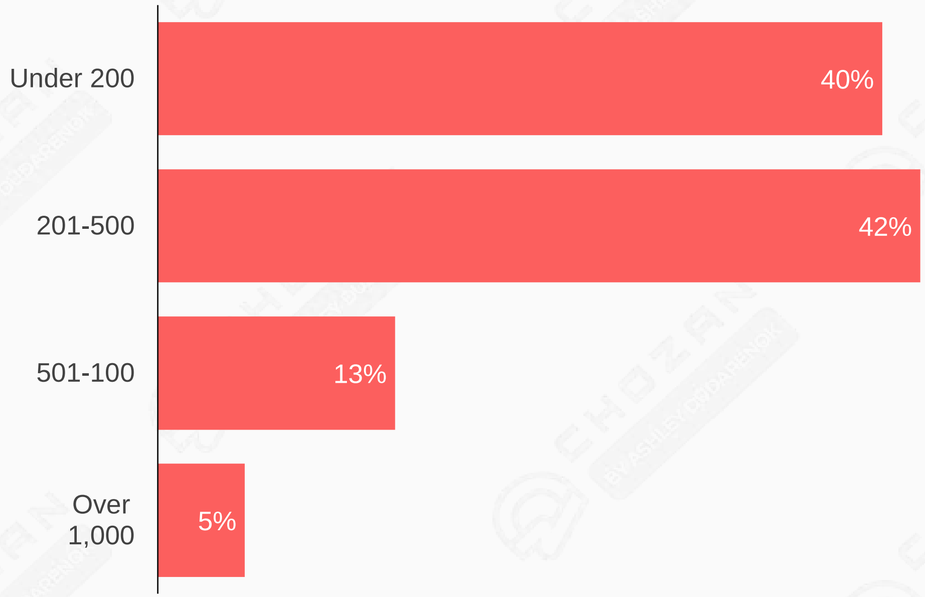
CHINESE WOMEN - SINKING MARKET

More than half of GenZ female spend 300-500 yuan per month on cosmetics, and more than 40% spend 200-500 per month on skin care products, skincare and makeup are their immediate needs.

GENZ FEMALE AVERAGE MONTHLY SPENDING ON COSMETICS (RMB)



GENZ FEMALE AVERAGE MONTHLY SPENDING ON SKIN CARE PRODUCTS (RMB)



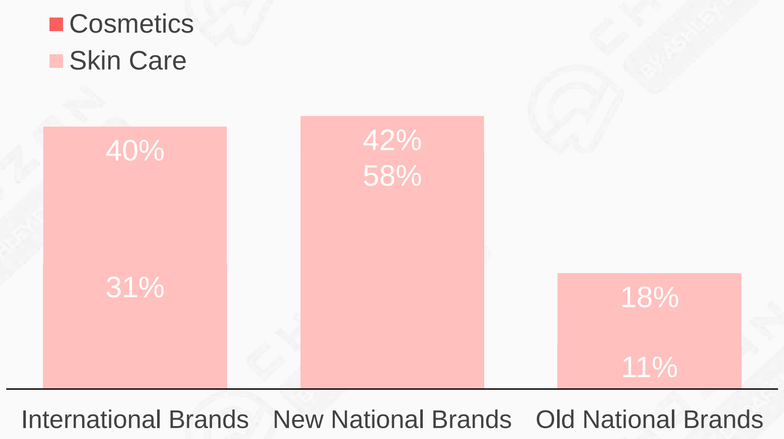
Source:MobTech

CONSUMER INSIGHTS

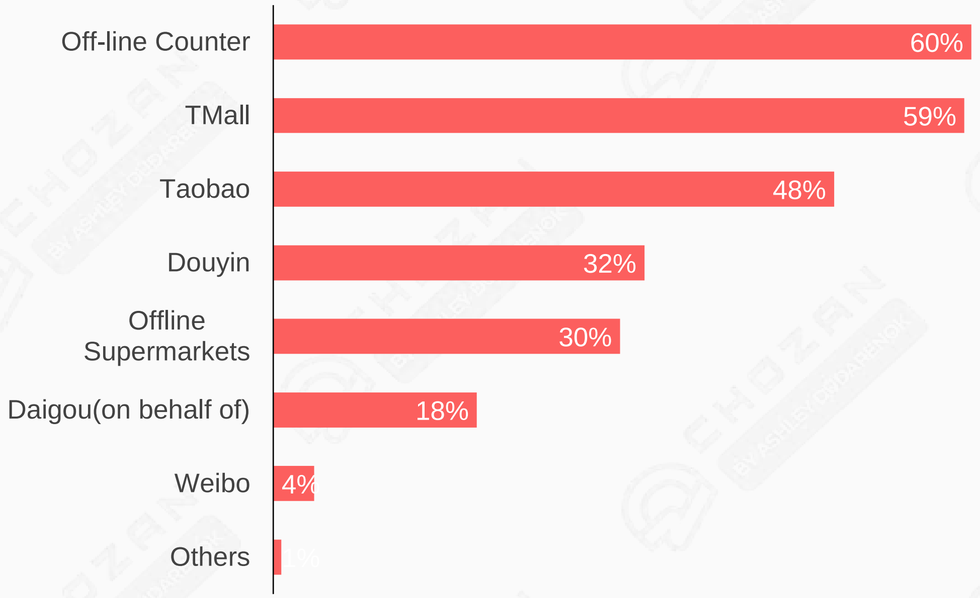
CHINESE WOMEN – LOWER-TIER CITY MARKET

More and more GenZ women are choosing new national products, which usually have excellent online marketing. GenZ women are looking for brand quality, **and nearly 60% choose to buy cosmetics and skin care products at off-line counters** or Tmall official stores.

GENERATION Z FEMALE COSMETICS SKIN CARE BRANDS DISTRIBUTION, 2022 FEB



GENERATION Z FEMALE COSMETICS AND SKINCARE PURCHASE CHANNELS, 2022 FEB



Source:MobTech

CONSUMER INSIGHTS

CHINESE WOMEN - MEDICAL BEAUTY

Nearly 80% of GenZ women plan to do medical aesthetics, where the price of medical aesthetics projects done is mainly below 5k, but over 60% plan to do medical aesthetics projects above 5k.

GENZ WOMEN'S MEDICAL AESTHETIC EXPERIENCE AND PLAN, 2022 FEB



TOP 10 MEDICAL BEAUTY CATEGORIES



Source:MobTech

CONSUMER INSIGHTS

CHINESE WOMEN - FITNESS MARKET

Women's health food demand is still in a steady rise, the compound annual growth rate of **about 10.4%, the market development potential is huge.**

GENZ WOMEN'S HEALTH AND WELLNESS STATUS

91.6%

91.6% of GenZ women focus on physical health issues

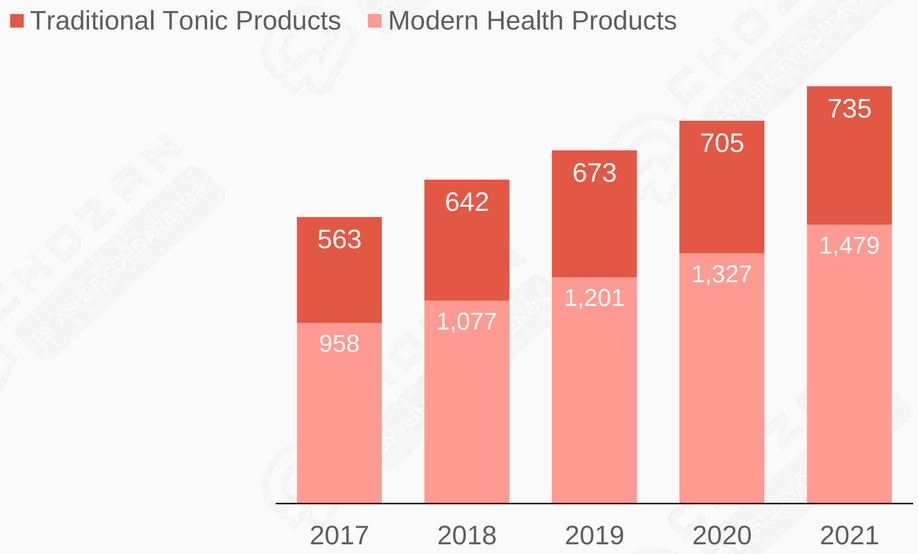
31.6%

31.6% of GenZ women are very health-conscious

50.8%

More than half of GenZ women spend more than 500 RMB per month on wellness

2021 CHINESE WOMEN'S HEALTH SUPPLEMENTS MARKET REPORT (UNIT: CNY BILLION)



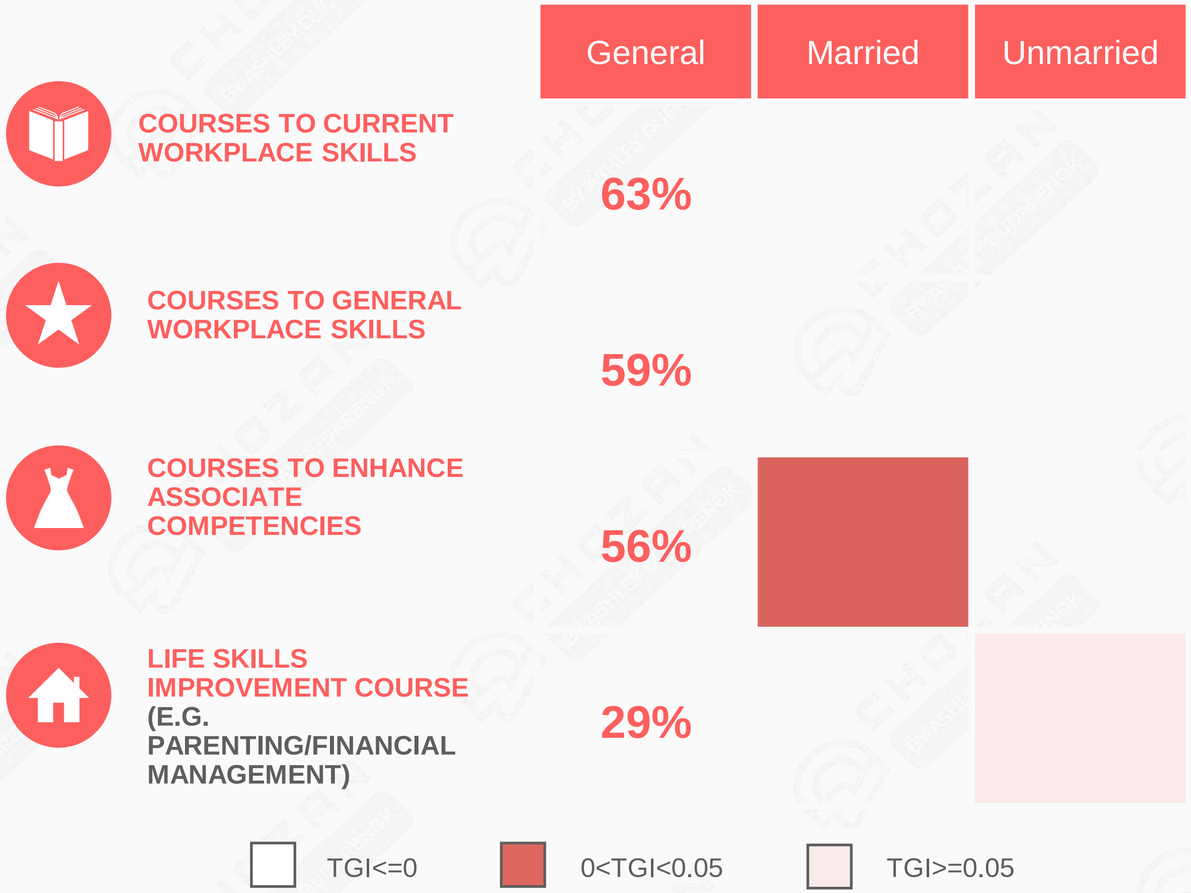
Source:Chanmama Data Report & Ledleo

CONSUMER INSIGHTS

CHINESE WOMEN - SELF INVESTMENT

Contemporary women actively invest in themselves to bring a sense of protection and security for themselves and their families.

FEMALE KNOWLEDGE PAYMENT CONTENT PREFERENCE



Notes: TGI reflects women's preferences for knowledge payment content

Source: CBND Data

EXPERT BITE



KATHY YANG

Head of Digital Products at
Alarice and ChoZan

Q: WHAT ARE IMPORTANT CHANGES YOU SEE IN THE CONSUMPTION BEHAVIOR OF FEMALE INTERNET USERS? WHAT'S TRENDING WITH THEM NOW?

Female internet users have changed from seeking what's best for themselves to showing what's best in themselves. Their consumption behavior is more diversified and targeted, with clear goals for clothes, beauty products, and home appliances.

In terms of home appliances, female users spend more on smart homes which can do most housework so that they can free themselves from daily trifles and have more time to enjoy life.

GOT A QUESTION? DROP KATHY AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: HOW WILL THE CHINESE RETAIL AND ONLINE RETAIL MARKETS CHANGE BY THE YEAR 2023? WHICH SECTORS WILL THRIVE OR WITHER?

Both online retail and Chinese retail will continue to develop and merge closer to ‘connected commerce’, which has made progress during the past few years, however most Chinese retailers are slowly building digital skills to enable them to move toward\s a more ‘connected commerce’ model. Beauty, Health and Fashion industries are market staples and will continue to thrive, while luxury has the best opportunity to skyrocket



RON WARDLE

CEO of Incredible Media

10 LUXURY FANS

Due to limited access to outbound travel amid the pandemic, data shows that Chinese luxury consumers have topped 5.4 million. More consumption happened domestically in 2022 than in previous years.

Among the emerging consumer groups, around 40% are Gen Z (below 25 years old) who have showcased their unique consumption behavior and preferences for China chic luxury and secondhand luxury.

To grasp and leverage the luxury consumer insights is integral for brands' strategy planning in the coming year.



Photo © Dyana Wing So via Unsplash

CONSUMER INSIGHTS

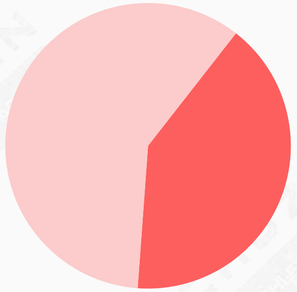
LUXURY CONSUMER MINDSET - SIGNIFICANCE OF LUXURY

For young consumers, the three most commonly seen attitudes towards luxury products are self-rewards, quality lifestyle and high quality of products themselves.



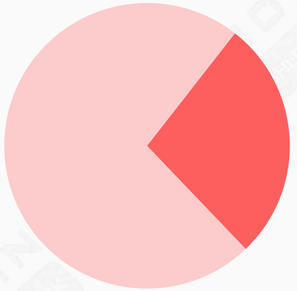
46.6%

OF CONSUMERS REGARD LUXURY PRODUCTS AS A SELF-REWARD



40.6%

OF CONSUMERS REGARD LUXURY PRODUCTS AS THE HIGHEST SYMBOL OF QUALITY LIFESTYLE



27.3%

OF CONSUMERS THINK LUXURY PRODUCTS ARE JUST THE SYMBOL OF QUALITY GOODS

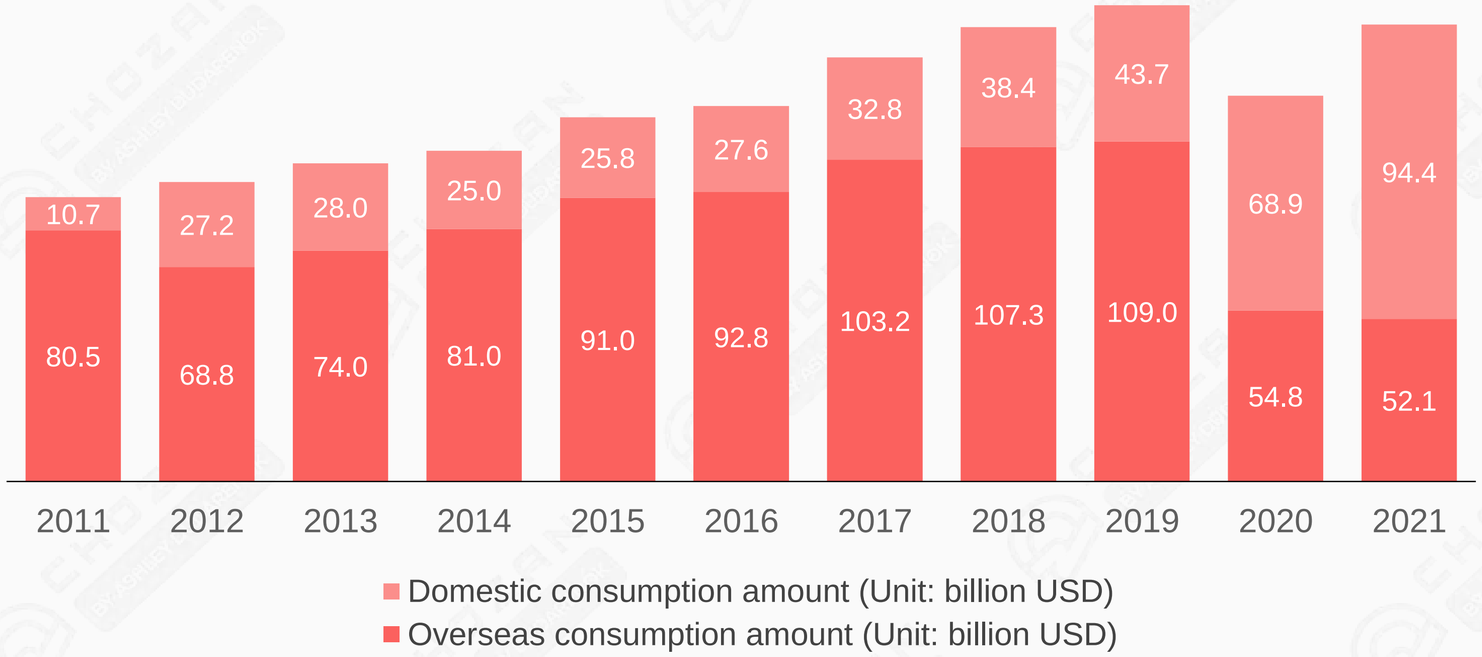
Source: LuxeCo Intelligence

CONSUMER INSIGHTS

LUXURY CONSUMER SPENDING - CHANGE

From 2011-2019, Chinese consumer spending on luxury products outside **China accounted for over 70%,** which has improved over the past two years (2020-2021), with increased domestic consumption due to limited recovery of overseas travel amid COVID-19.

AVERAGE CHINESE CONSUMER SPENDING ON LUXURY AT HOME AND ABROAD FROM 2011-2021

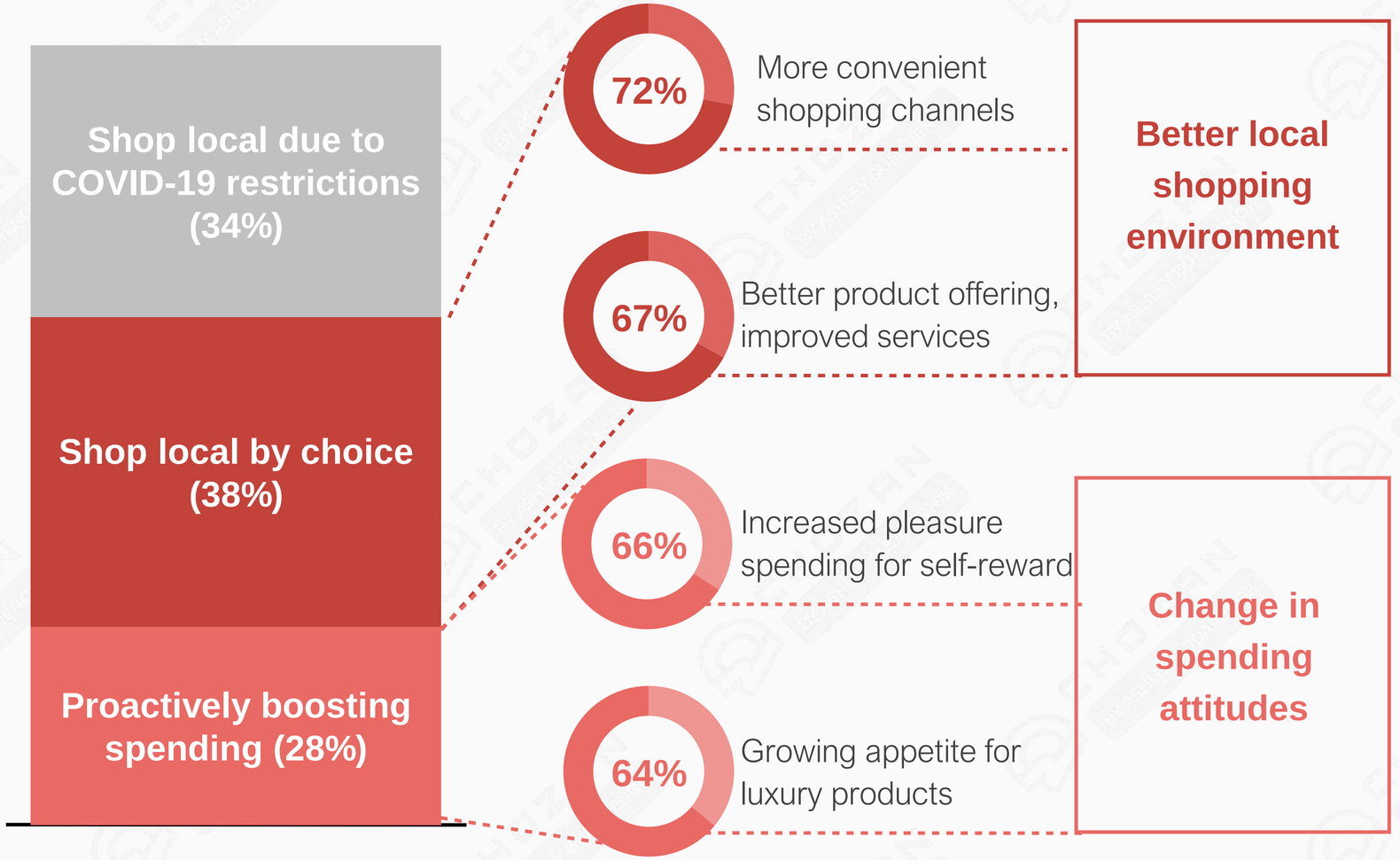


Source: Minsheng Securities Report

CONSUMER INSIGHTS

LUXURY CONSUMER SPENDING - REASONS

In addition to consumption flow from overseas to domestic market due to the impact of the pandemic, the growth in Chinese luxury market is attributable to multiple factors.

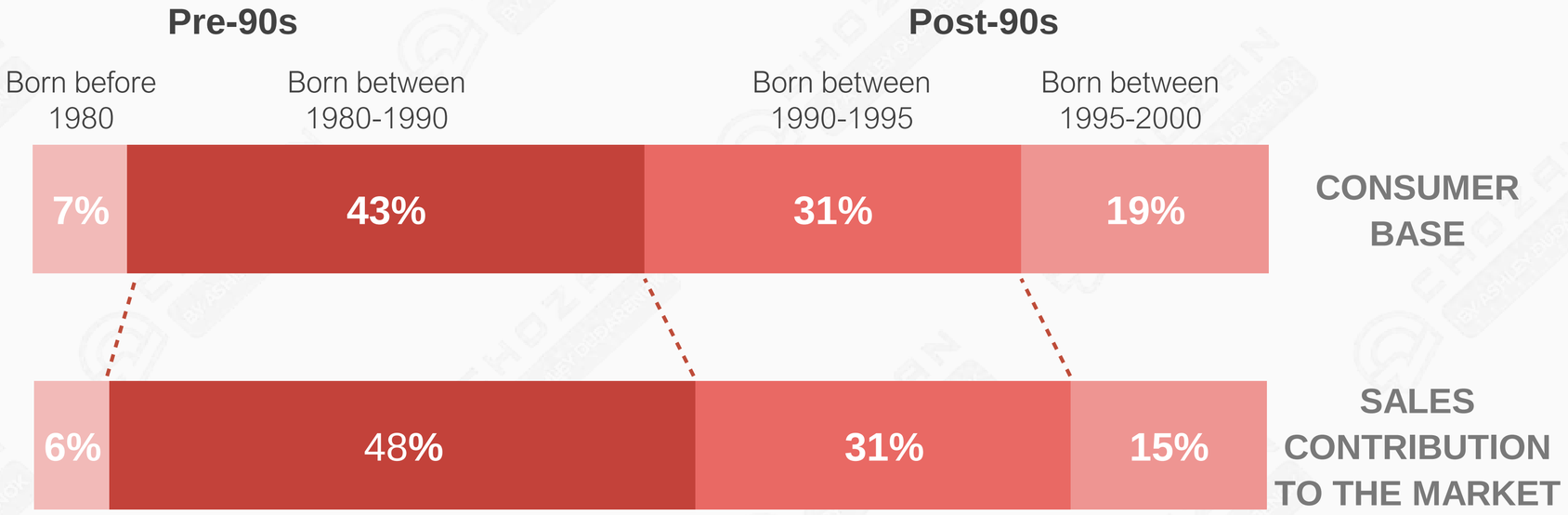


Source: 2021 China Digital Luxury Report

CONSUMER INSIGHTS

LUXURY CONSUMER GROUPS - BY GENERATION

Post-90s consumers are becoming the emerging consumption force of the luxury market, representing nearly half of total luxury consumer base and contributing **46% of luxury sales.**



Source: 2021 China Digital Luxury Report

CONSUMER INSIGHTS

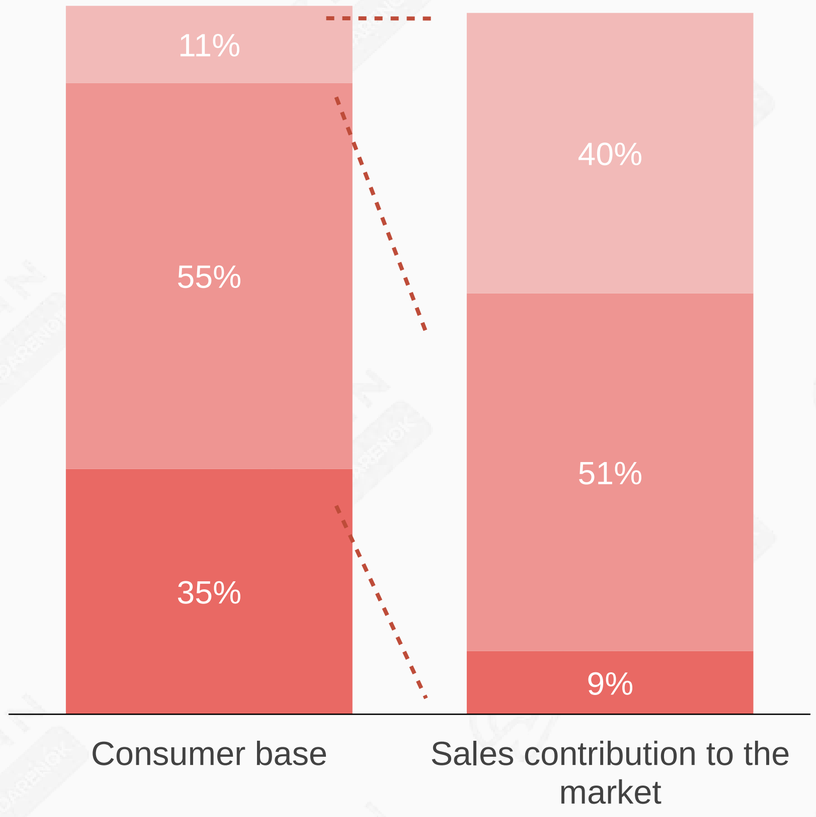
LUXURY CONSUMER GROUPS - BY SPENDING POWER

Despite the comparatively small proportion (11%) that heavy-spending consumers occupy in the entire consumer base, this group of consumers contribute a large share of **40% of the sales.**

Heavy-spending consumers
(Annual luxury spending > RMB300k)

Medium-spending consumers
(Annual luxury spending: RMB50k-300k)

Light-spending consumers
(Annual luxury spending < RMB50k)



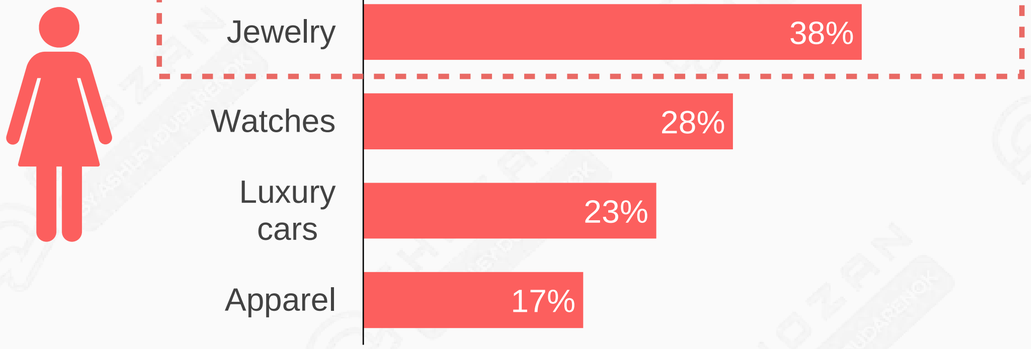
Source: 2021 China Digital Luxury Report

CONSUMER INSIGHTS

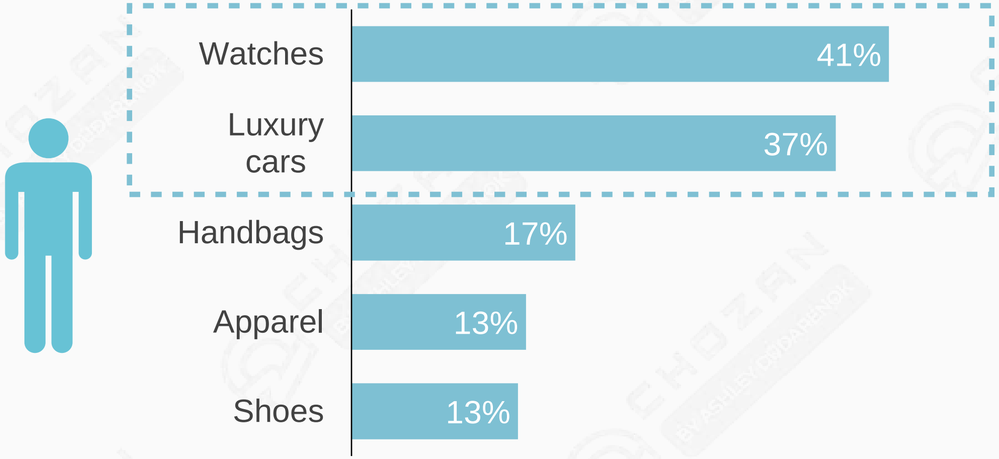
LUXURY CONSUMER PREFERENCE - LUXURY CATEGORIES

Despite that female and male consumers have varied preferences for luxury categories, handbags remain among the top choices, followed by watches and handbags, which are two key categories with potential growth space in the future.

TOP 5 PREFERRED CATEGORIES BY WOMEN



TOP 5 PREFERRED CATEGORIES BY MEN

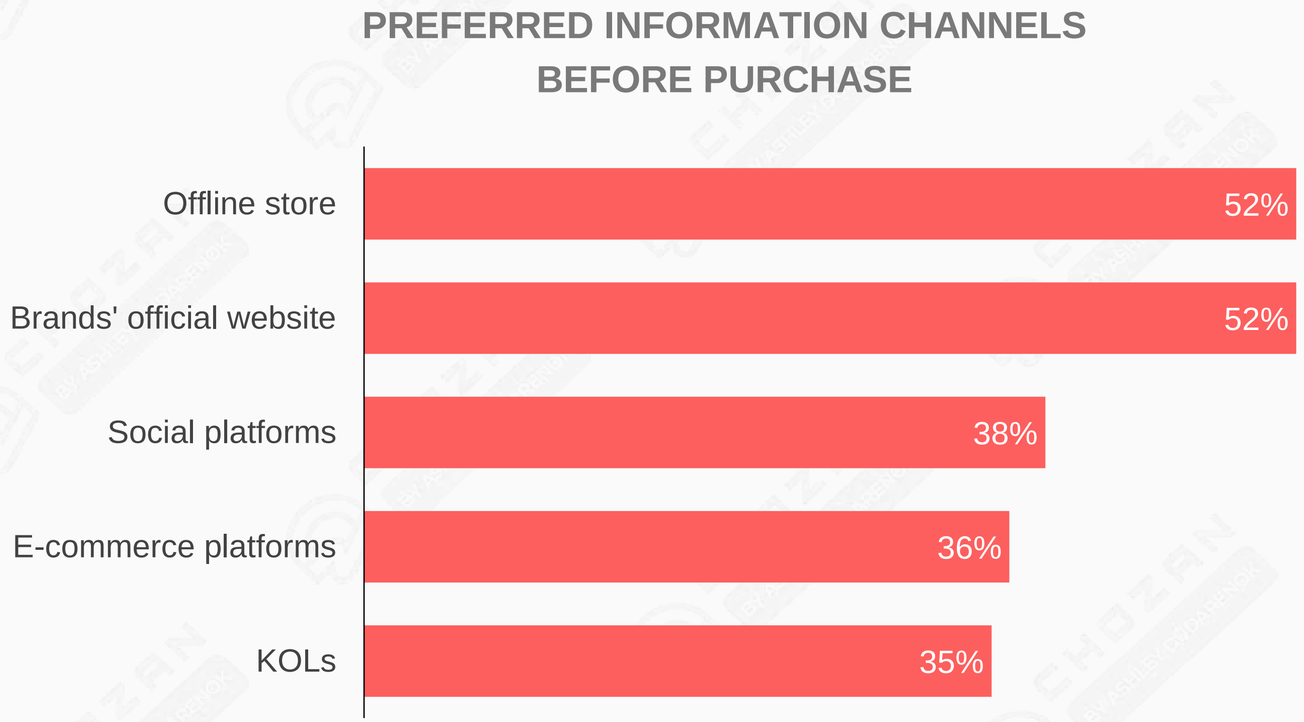


Source: LuxeCo Intelligence

CONSUMER INSIGHTS

LUXURY CONSUMER PREFERENCE - INFORMATION CHANNELS

Offline physical stores, with tangible decoration, layout and personal services, remain an essential channel for consumers to feel the feature of the brand and understand and relate to the brand story so as to reinforce brand image.



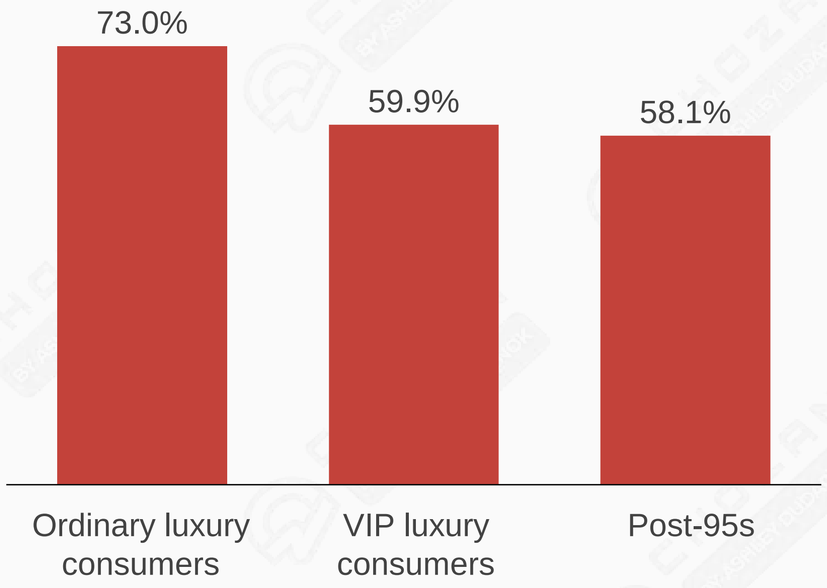
Source: CITIC Securities Report

CONSUMER INSIGHTS

LUXURY CONSUMER PREFERENCE - OFFLINE EXPERIENCES

Luxury consumers, especially the young generation, value offline experiences of diverse forms to have more entertaining, in-depth interaction with the brand and form brand awareness and favorability.

CONSUMER SATISFACTION WITH LUXURY BRANDS' STORES



PREFERRED FORMS OF OFFLINE EXPERIENCES

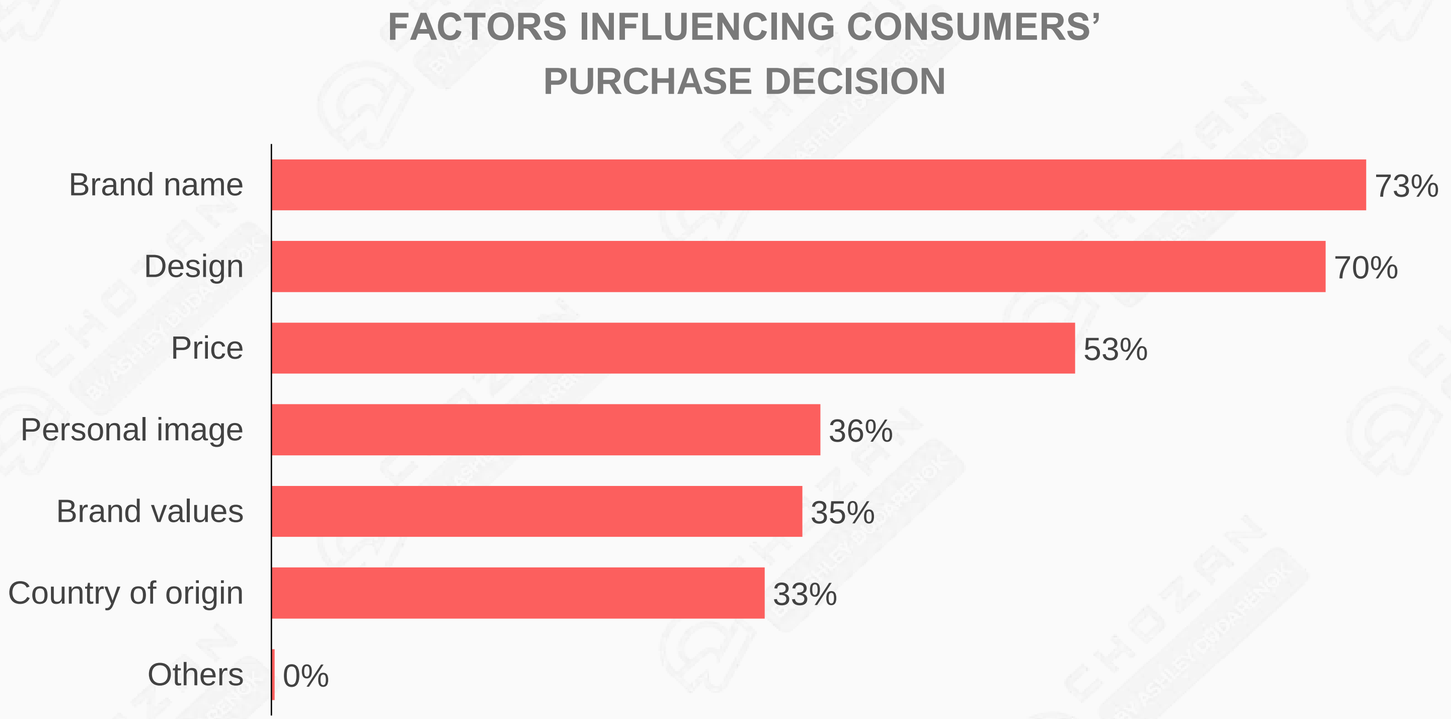


Source: LuxeCo Intelligence

CONSUMER INSIGHTS

LUXURY CONSUMER PREFERENCE - INFLUENCE FACTORS

The brand name is the major deciding factor and plenty of Chinese consumers tend to choose well-established international luxury brands, showing obvious brand effect.

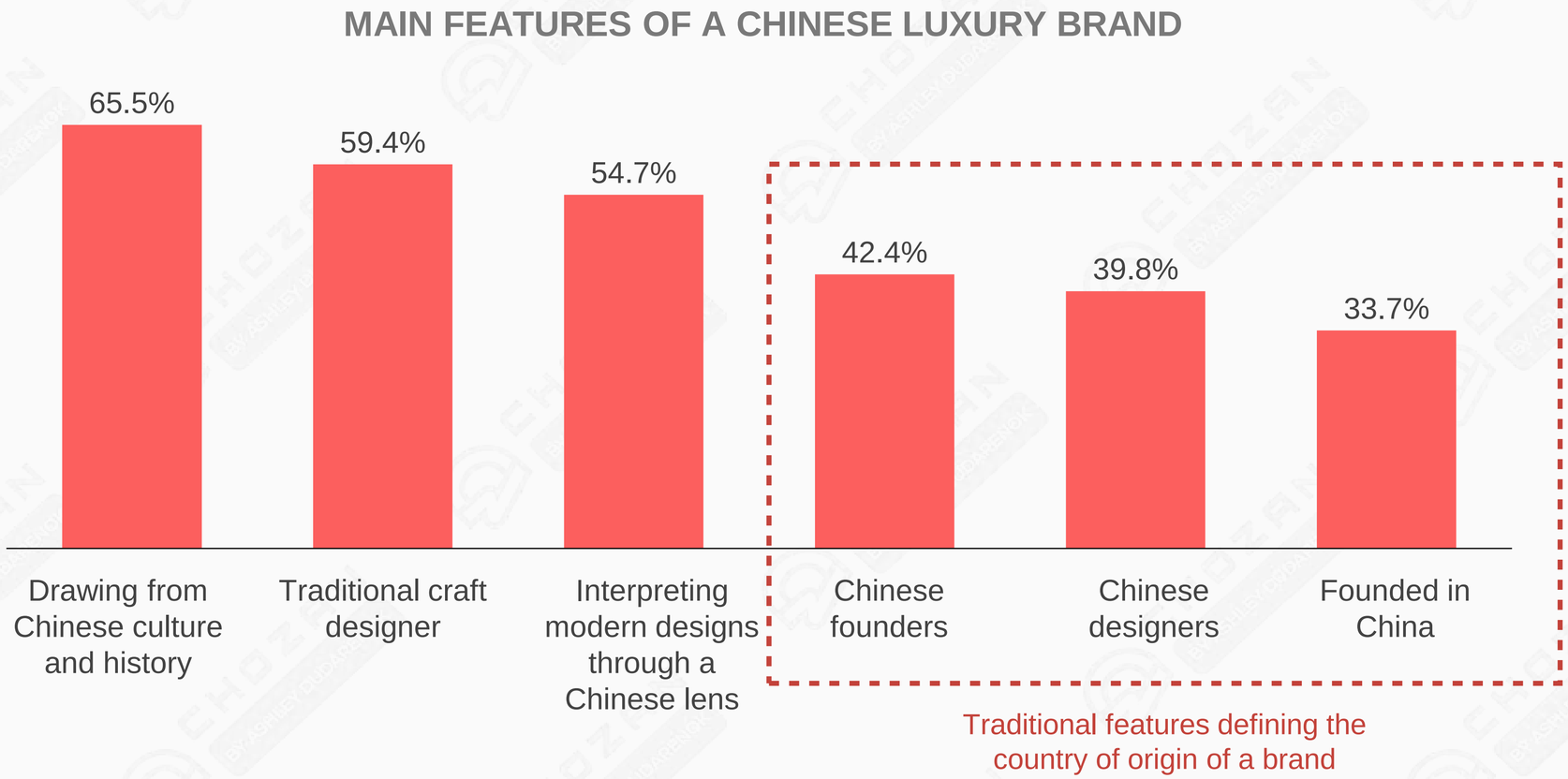


Source: Daxue Consulting

CONSUMER INSIGHTS

LUXURY CONSUMER TREND - CHINA CHIC (“GUOCHAO”) LUXURY

The definition of Chinese luxury brands has changed from objective facts about the brand to a more subjective view in such aspects as local history, culture and craftsmanship.



Source: Daxue Consulting

CONSUMER INSIGHTS

LUXURY CONSUMER TREND - CHINA CHIC (“GUOCHAO”) LUXURY

84.6%

OF CONSUMERS WOULD CHOOSE CHINESE LUXURY BRANDS IF THE QUALITY AND PRICE WERE THE SAME AS FOREIGN ONES

WHAT ATTRACTS CHINESE CONSUMERS WHEN BUYING CHINESE LUXURY PRODUCTS



Rich, characteristic China chic elements



To support national business



A value-for-money choice



Innovative design

Source: Daxue Consulting, Yuanzhu Consulting

CONSUMER INSIGHTS

LUXURY CONSUMER TREND - CHINA CHIC (“GUOCHAO”) LUXURY

WHAT ATTRACTS CHINESE CONSUMERS

WHEN BUYING FOREIGN LUXURY PRODUCTS WITH CHINESE FEATURES

62.9%
Launching more exclusive collections

53.8%
Establishing stronger ties with local KOLs and celebrities

40.3%
Hiring more Chinese designers

39.3%
Committing more to social and environmental issues

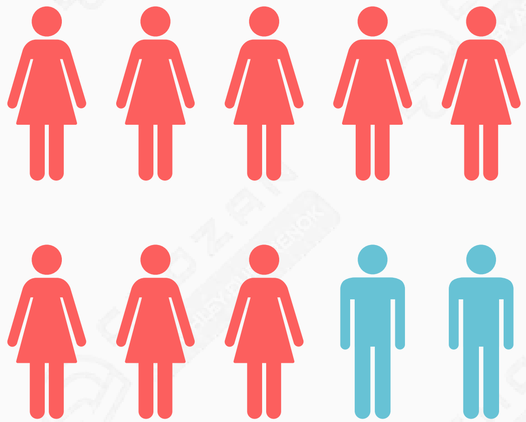
37.1%
“Rejuvenating” their products

Source: Daxue Consulting

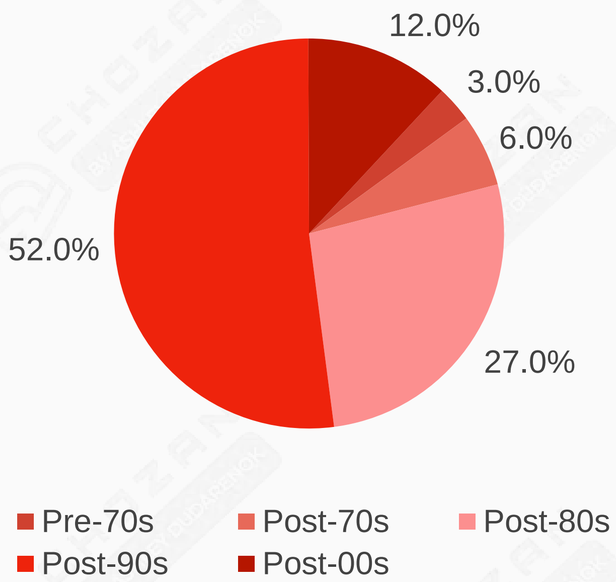
CONSUMER INSIGHTS

LUXURY CONSUMER TREND - SECONDHAND LUXURY

Around **80%** of secondhand luxury consumers are female



SECONDHAND LUXURY CONSUMER GROUPS BY AGE



THE TOP 5 CITIES WITH THE MOST SECONDHAND LUXURY CONSUMERS

- BEIJING
- SHANGHAI
- GUANGDONG
- JIANGSU
- ZHEJIANG

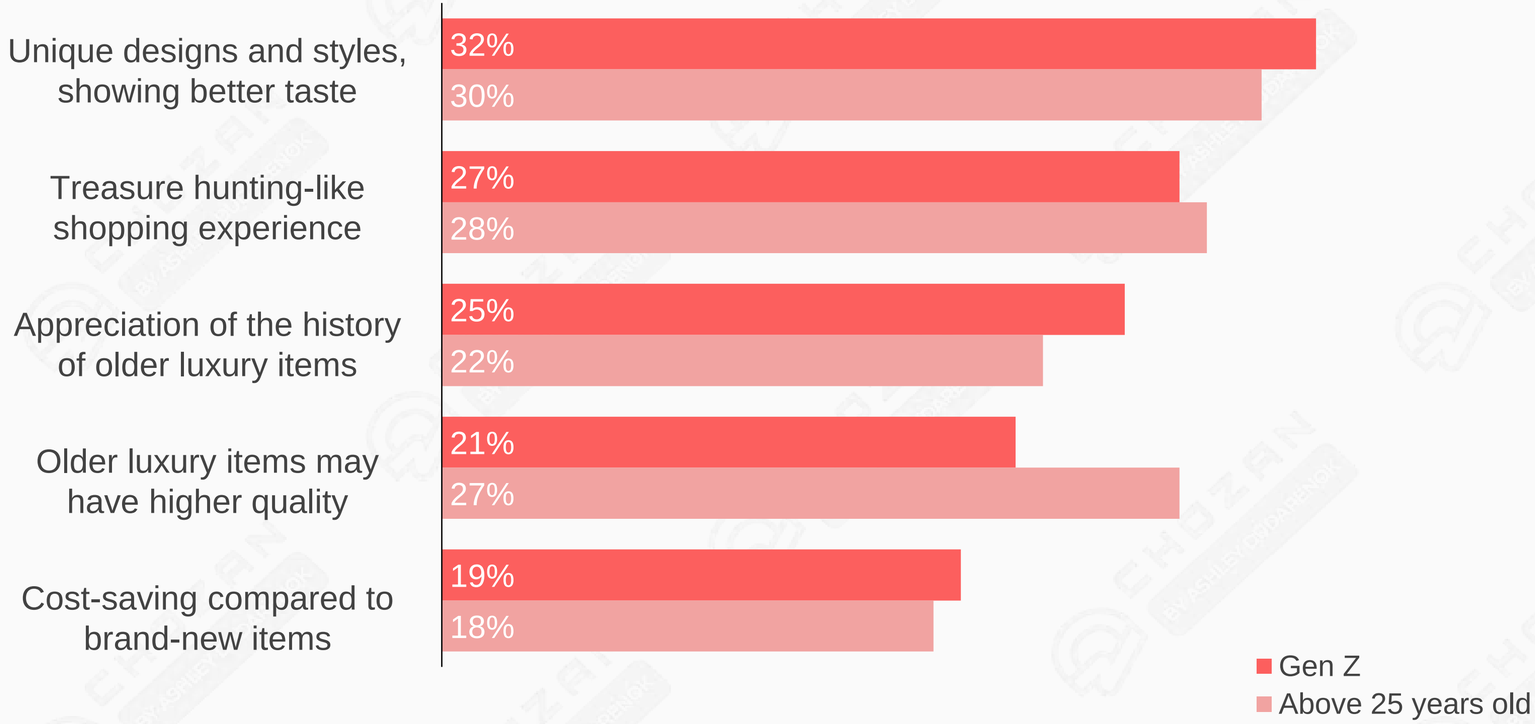
Source: Hongbulin

CONSUMER INSIGHTS

LUXURY CONSUMER TREND - SECONDHAND LUXURY

In particular, young consumers shop for secondhand / vintage luxury goods because of the uniqueness that's rarely seen in today's luxury market and also the fun of treasure-hunting and the sense of surprise, even if they can afford the brand-new pieces.

REASONS FOR BUYING SECONDHAND / VINTAGE LUXURY PRODUCTS



Source: Oliver Wyman

CONSUMER INSIGHTS

LUXURY CONSUMER TREND - SECONDHAND LUXURY

Young consumers are more than just buyers of secondhand luxury items, but are gradually becoming sellers, thus boosting the entire secondhand luxury market these days.

DRIVERS FOR SECONDHAND LUXURY BUYERS TO SELL

1

WARDROBE CLEANING

60% of luxury sellers wish to clean out their wardrobes, affected by the living concept of “simplifying life”.

2

EARNINGS

60% of luxury sellers would like to cash out the residual value of the luxury items that are no longer used or liked.

3

SUSTAINABLE LUXURY

40% of luxury sellers would like to contribute to sustainability or the green economy by resale.

Source: BCG X Vestiaire Collective

EXPERT BITE



AMELIE CHANG

Marketing Executive at
Alarice and ChoZan

Q: WHAT HAVE YOU LEARNED ABOUT CHINESE CONSUMERS IN THE PAST YEAR THAT SURPRISED YOU?

Due to the Covid situation, consumers turned to offline or community shops. For instant service, about 61% of 95s want delivery to arrive within the day. Thus, offline could be a fast way to get the products. Approximately 42.38% of consumers prefer online and offline shopping for original brands.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: IN YOUR VIEW, HOW WILL CHINA ECONOMY, CONSUMER SPENDING AND DIGITAL SPACE BE DOING IN 2023? ARE YOU OPTIMISTIC: WHY OR WHY NOT?

I am quite confident and optimistic about China's economy in 2023. Most MNCs who have been successful in China so far will double down on investment and/or localization. Almost everyone else will continue to source and buy from China in 2023. The main constraint will be the economic situation globally. Chinese consumers will gradually start spending again in 2023. I expect Chinese brands to leapfrog into the digital space 2.0 (AI, metaverse (AR/NFT), GPT, …) to delight them. Beijing should announce many more incentives and spending plans at the two sessions in March 2023 to show that China is back. All this predicts a rebound in second half of 2023 or earlier.



PASCAL COPPENS

Partner at Nexxworks

EMERGING CONSUMER GROUPS

UNDERSTANDING CHINESE CONSUMERS

EXPERT BITE

Q: WHAT EMERGING CONSUMER GROUPS DO YOU SEE IN CHINA RIGHT NOW?

Outdoor connoisseurs. We've seen an explosion in niche sports categories - growth in things like surfing, camping, skiing, skateboarding, cycling, motorbiking, running and so on. The sports market is dominated by smaller sub-cultures. Everyone wants to master new leisure activities.



JOSH GARDNER

CEO and Co-Founder of Kung Fu Data

EXPERT BITE



KATHY YANG

Head of Digital Products at Alarice and ChoZan

Q: WHAT CONSUMPTION TRENDS DO YOU SEE DEVELOPING IN 2023?

Green consumption is on the rise.

Enterprise side: launched zero-carbon food and drinks, and introduced green technology and procured clean energy to reduce emissions of carbon dioxide and save electricity.

Brand side: rolled out paper straws, and embed “green” elements in marketing and campaigns or other touch points interacting with consumers.

Consumer side: prefer to choose low-carbon transportation, call on no over-packaging, and skincare and cosmetics products with natural ingredients.

GOT A QUESTION? DROP KATHY AN EMAIL BY SCANNING THE QR CODE

1

GREEN CONSUMERS

GEN Z, AS THE MAIN CONSUMPTION FORCE IN CHINA, HAVE GREATER AWARENESS TOWARDS GREEN / SUSTAINABLE CONSUMPTION AND ARE WILLING TO PRACTICE THE CONCEPT.

CONSUMER INSIGHTS

CHINESE CONSUMERS' MATURE PERCEPTION OF SUSTAINABILITY

Compared to the American, Japanese and European markets, a higher proportion of Chinese consumer have maturer perception and more positive attitude towards sustainability.

	CHINA	U.S.	JAPAN	EUROPE
NO HARMFUL SUBSTANCES (NATURAL INGREDIENTS / ZERO ADDITIVES)	**39%**	25%	17%	~30%
DOMESTICALLY / LOCALLY PRODUCED	**31%**	21%	21%	~20%
ORGANIC / LOW CARBON (ORGANIC PRODUCTS / LOW CARBON EMISSIONS DURING MANUFACTURING)	**28%**	12%	8%	10-15%
SUSTAINABLE PACKAGING (RECYCLABLE / LOW-PLASTIC PACKAGE)	**28%**	15%	13%	~20%
ANIMAL-FRIENDLY (NO ANIMAL TEST / HARM)	**19%**	19%	5%	15-25%

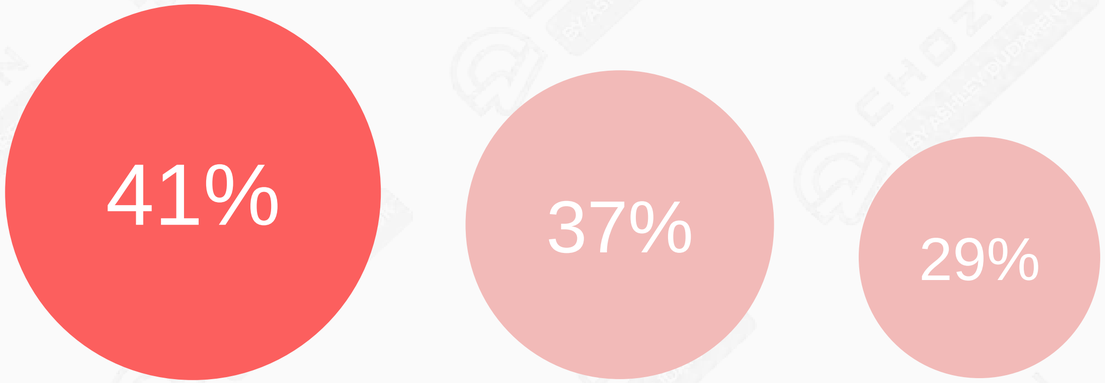
Source: BCG Consulting

CONSUMER INSIGHTS

CHINESE CONSUMERS' PURSUIT OF SUSTAINABILITY

Chinese consumers' acceptance of the green concept is more attributable to the internal or spiritual needs instead of pragmatism, indicating a deeper level of pursuit.

TOP 3 REASONS WHY CHINESE CONSUMERS ACCEPT GREEN PRODUCTS



The product is sustainable / environment friendly and has small impact on the climate, nature or animals

The product is conducive to health / safer

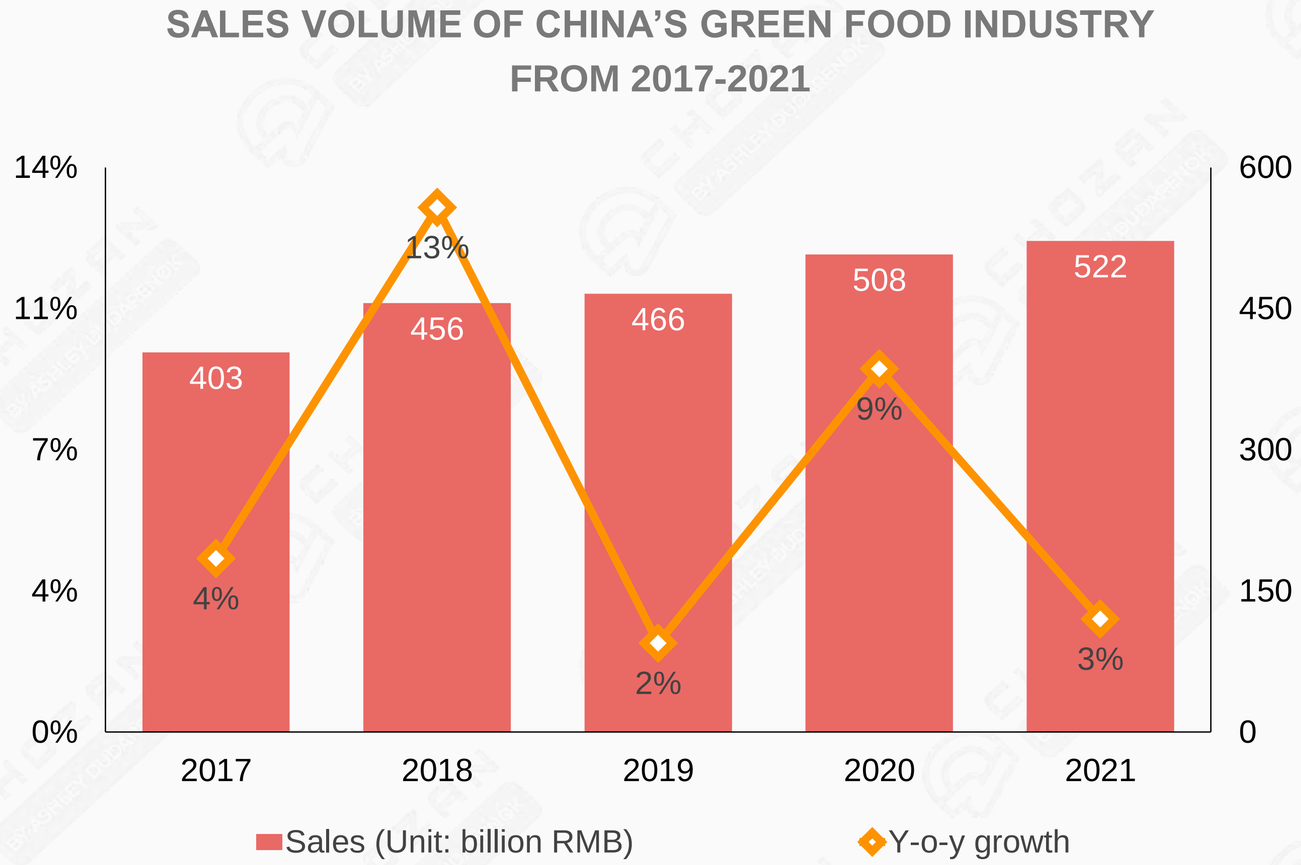
The product is value-for-money / cost-saving

Source: BCG Consulting

CONSUMER INSIGHTS

GREEN CONSUMERS BEHAVIOR - GREEN EATING

In 2021, the sales volume of green food reached RMB521.9 billion RMB, representing a growth rate of 35% compared with five years ago. Chinese consumers love green vegetable and fruit the most.

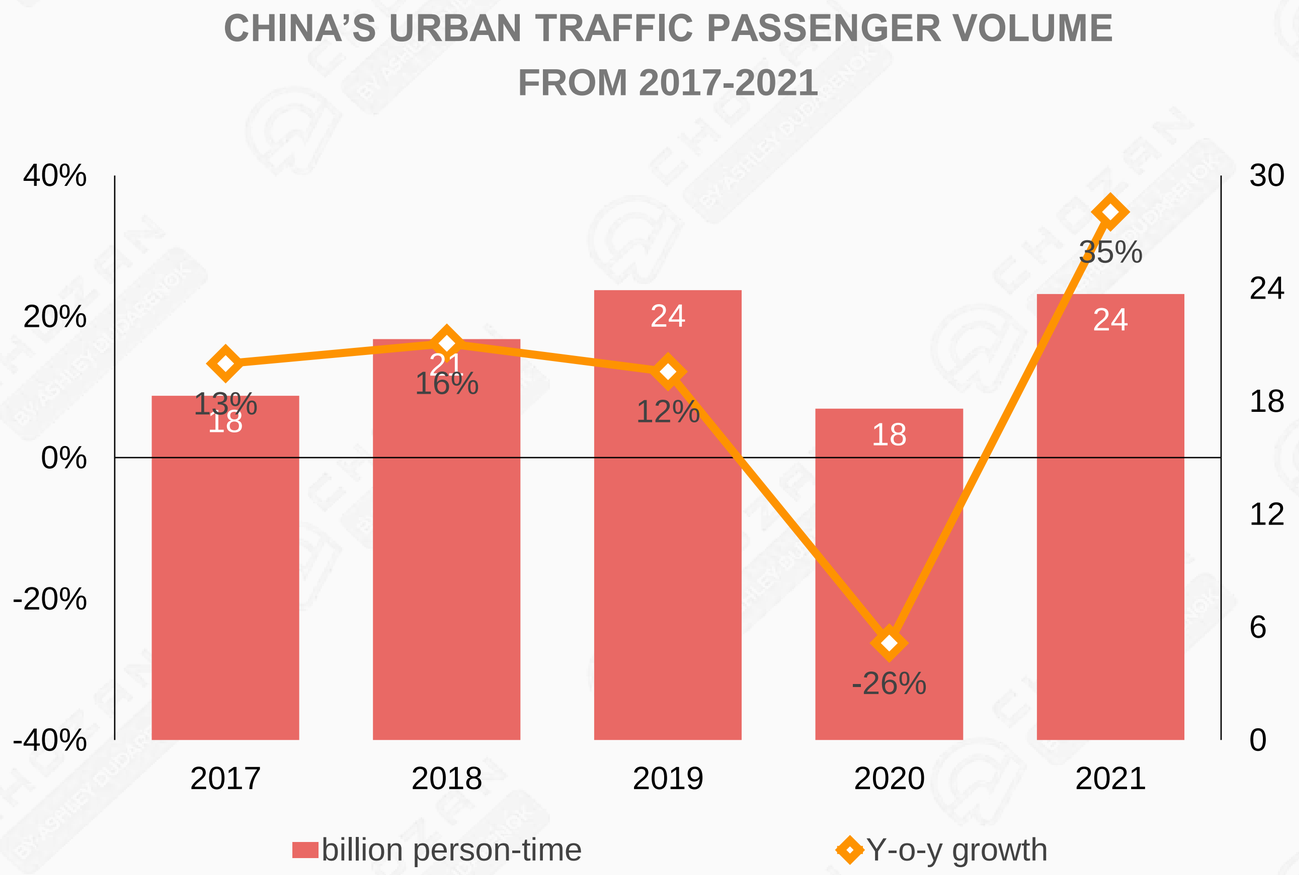


Source: PwC

CONSUMER INSIGHTS

GREEN CONSUMERS BEHAVIOR - GREEN TRAVEL

As of the end of 2021, China’s nationwide urban transportation mileage stood at 8,708 kilometers, 2.4 times of that in 2015. The concept of green travel has penetrated among Chinese consumers’ daily life.



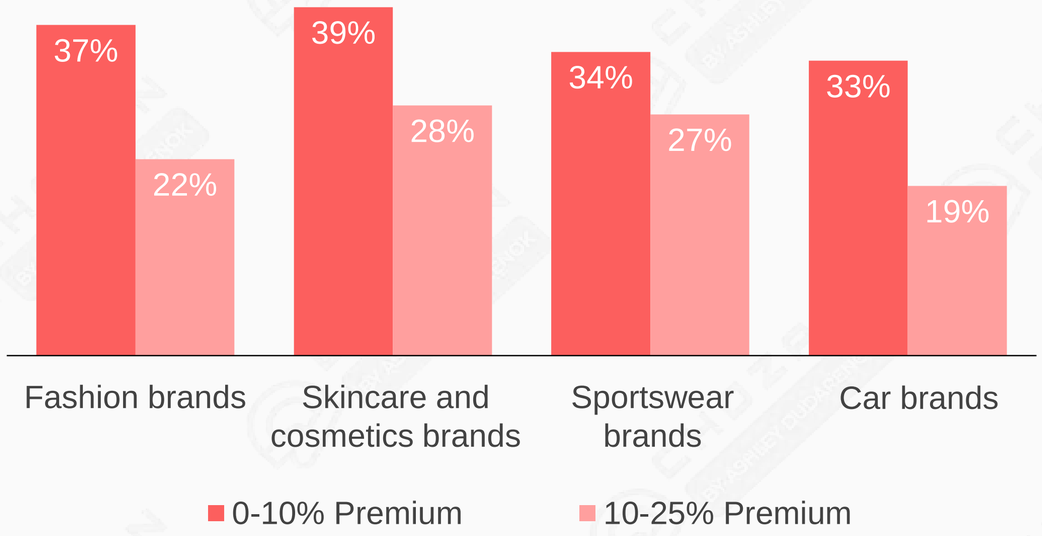
Source: PwC

CONSUMER INSIGHTS

GEN Z'S SUPPORT FOR GREEN / SUSTAINABLE BRANDS

Gen Z consumers showcase support for green / sustainable brands, as evidenced by their willingness to pay more for such brands. Among all consumer goods, skincare and cosmetics is the category they are mostly likely to pay a premium for, followed by fashion and sportswear brands.

GREEN BRANDS' PRICE PREMIUM SPACE



90%

GEN Z CONSUMERS SHOW FAVORABILITY TOWARDS GREEN / SUSTAINABLE BRANDS

Source: Vogue Business

CONSUMER INSIGHTS

FOUR SUSTAINABILITY PERSONA OF GEN Z

Activist Pro (27%)

Greatest awareness
Greatest execution
Greatest attitude

TAGS

- Practitioner of sustainability
- Environment protectionist
- “Zero carbon” consumer
- Green attitude
- Secondhand goods lover

Passionate Buyer (28%)

Moderate awareness
Good execution
Good attitude

TAGS

- Shopaholic
- Green consumer
- Trend / popularity follower

Distant Observer (33%)

Good awareness
Little execution
Moderate attitude

TAGS

- Prudent practitioner
- Continuous observer
- Active in theory rather than practice

Cold Outsider (12%)

Little awareness
Little execution
Moderate attitude

TAGS

- Hedonist
- Indifferent environment protectionist
- Traditional consumer

Source: Vogue Business

EXPERT BITE

Q: HOW HAS THE GREEN ECONOMY EVOLVED IN CHINA OVER THE PAST 3 PANDEMIC YEARS? DO CONSUMERS STILL CARE FOR IT NOW?

The green economy has been on the rise in China. The awareness is particularly visible in first tier cities, especially in Shanghai. Last Nov, I attended 5 sustainability related conferences: events in Shanghai within one week. In addition, 2030 peak and 2060 neutrality has been set as a national carbon reduction goal. This overachieving policy goal set the background for many businesses. Established brands have increasing efforts in sustainability, and new brands centered around green economy are popping up. The new generation of Chinese entrepreneurs has become increasingly responsible for the planet.

Based on my daily interactions, people care more about their health since COVID and long for connections with nature. This subsequently has impacts on sustainability mindset in general. On another note, major international and domestic brands have all been emphasizing more and more on sustainability, which in turn educate the consumers.



CHENYU ZHENG

Founder of Apple Sister Creative Consultancy

2

COFFEE LOVERS

COFFEE HAS BECOMING AN INTEGRAL PART IN CONSUMERS' DAILY LIFE. COFFEE LOVERS HAVE DEEPER NEEDS (E.G. SOCIALIZING) THAN THE BASIC FUNCTION OF COFFEE.

CONSUMER INSIGHTS

CHINESE COFFEE LOVER PORTRAIT

RMB 5,001-15,000

MONTHLY REVENUE OF MORE THAN 60% OF COFFEE CONSUMERS

TIER-2 CITIES+

OVER 70% COFFEE CONSUMERS LIVE IN TIER-2 CITIES AND ABOVE

62.0%

CHINESE COFFEE CONSUMERS ARE FEMALE



27-39 YEARS OLD

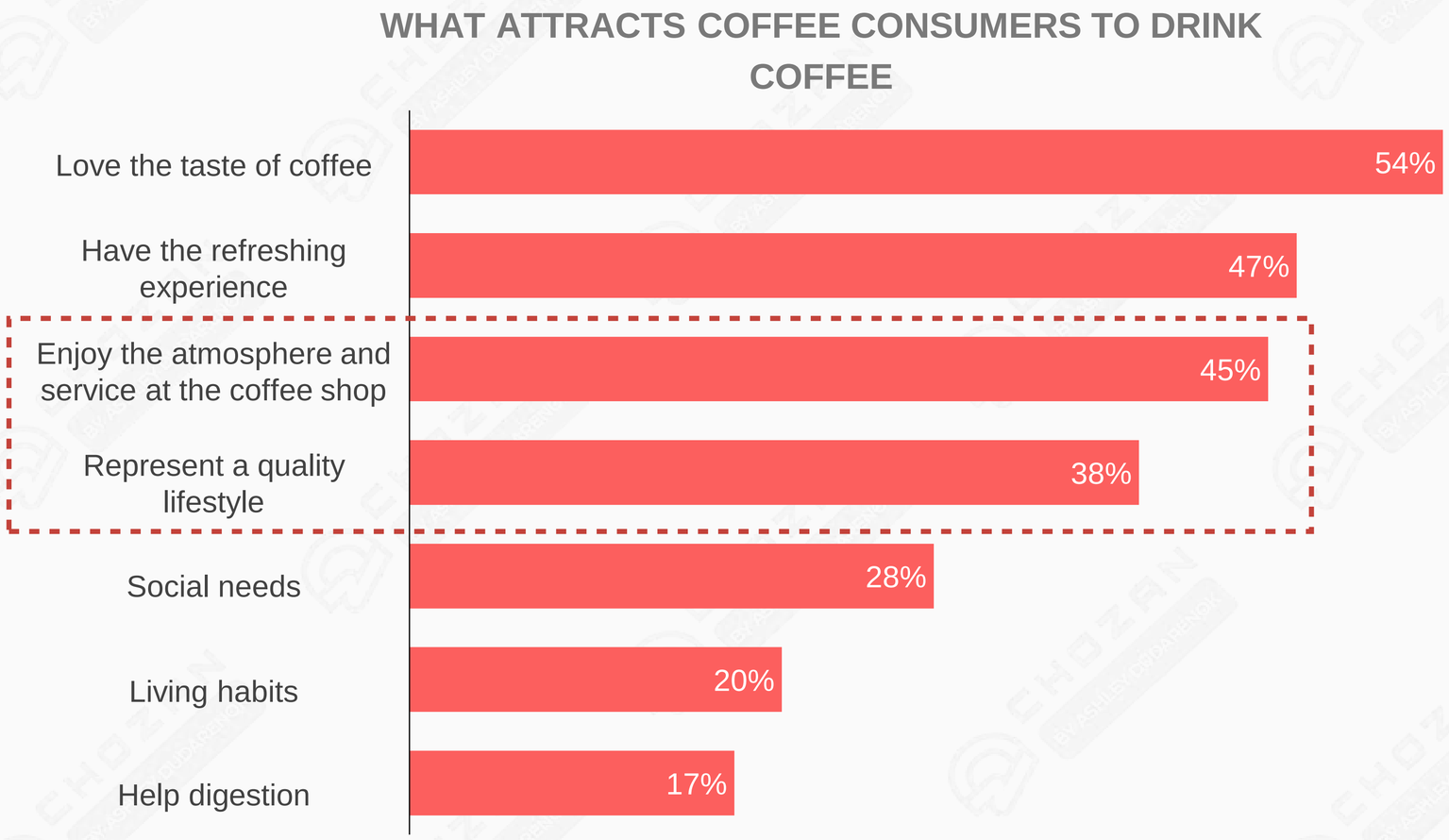
OVER 60% OF COFFEE CONSUMERS ARE YOUNG AND MIDDLE-AGED

Source: iiMedia

CONSUMER INSIGHTS

COFFEE LOVER CONSUMPTION FACTORS

Except for the functional and taste needs for coffee, Chinese coffee consumers have higher needs for coffee consumption, which may stimulate more coffee brands to focus on store design and consumer experience.



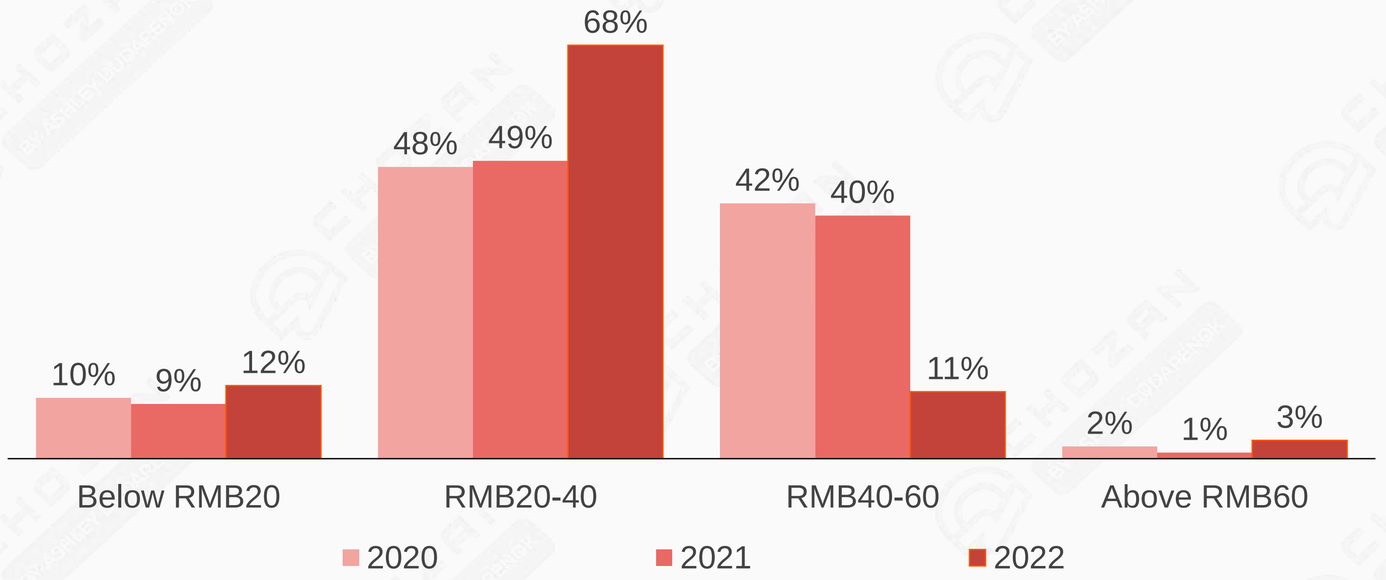
Source: iiMedia

CONSUMER INSIGHTS

COFFEE LOVER CONSUMPTION VOLUME

From 2020 to 2022, the obvious increase in the number of coffee stores settling on Meituan attest to the medium-priced coffee preferred by more consumers.

THE NUMBER OF COFFEE STORES WITH VARIED CONSUMPTION AMOUNT PER PERSON ON MEITUAN FROM 2020-2022



Source: Meituan

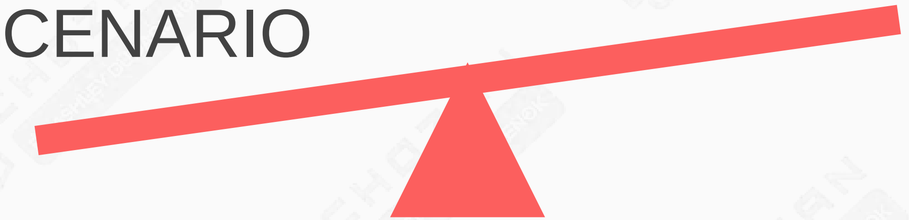
CONSUMER INSIGHTS

COFFEE LOVER CONSUMPTION SCENARIOS

A great proportion of coffee lovers prefer fast scenarios which refer to buying take-out coffee or staying for a short time over slow scenarios meaning sitting down at a table and tasting coffee slowly.

70%
FAST SCENARIO

30%
SLOW SCENARIO



PROPORTION OF COFFEE CONSUMPTION SCENARIO

Source: Deloitte

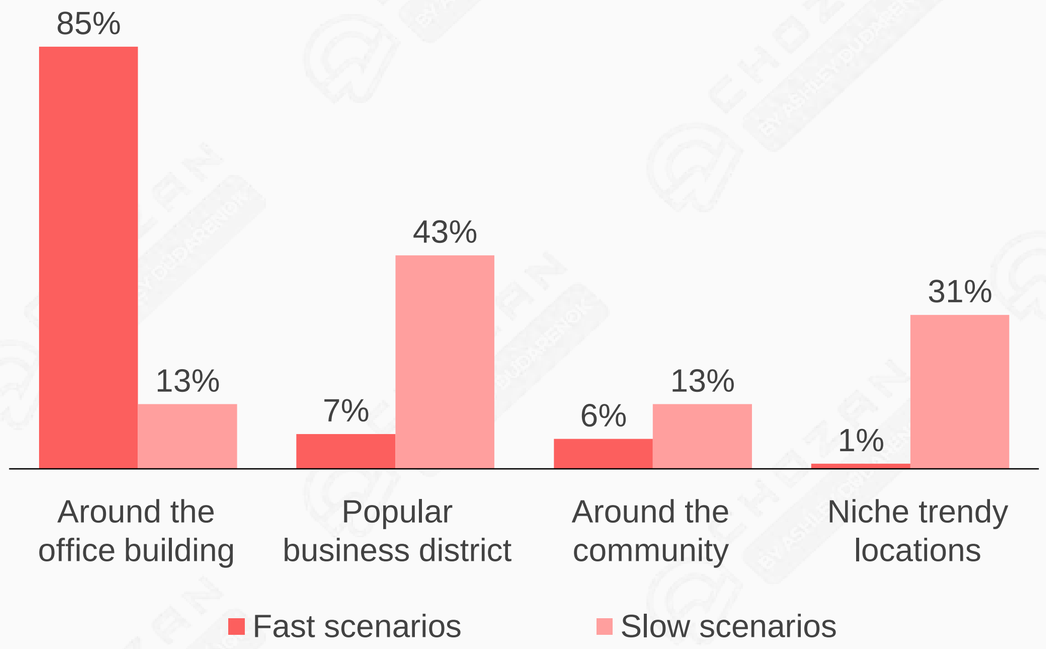
CONSUMER INSIGHTS

COFFEE LOVER CONSUMPTION SCENARIOS

For fast consumption, coffee lovers take **convenience** as the primary element into consideration, so the most popular store is close to their workplace.

For slow consumption, as they enjoy the overall **drinking environment and brand tone**, the best locations are in popular business districts.

STORE LOCATION PREFERENCES FOR FAST AND SLOW CONSUMPTION SCENARIOS

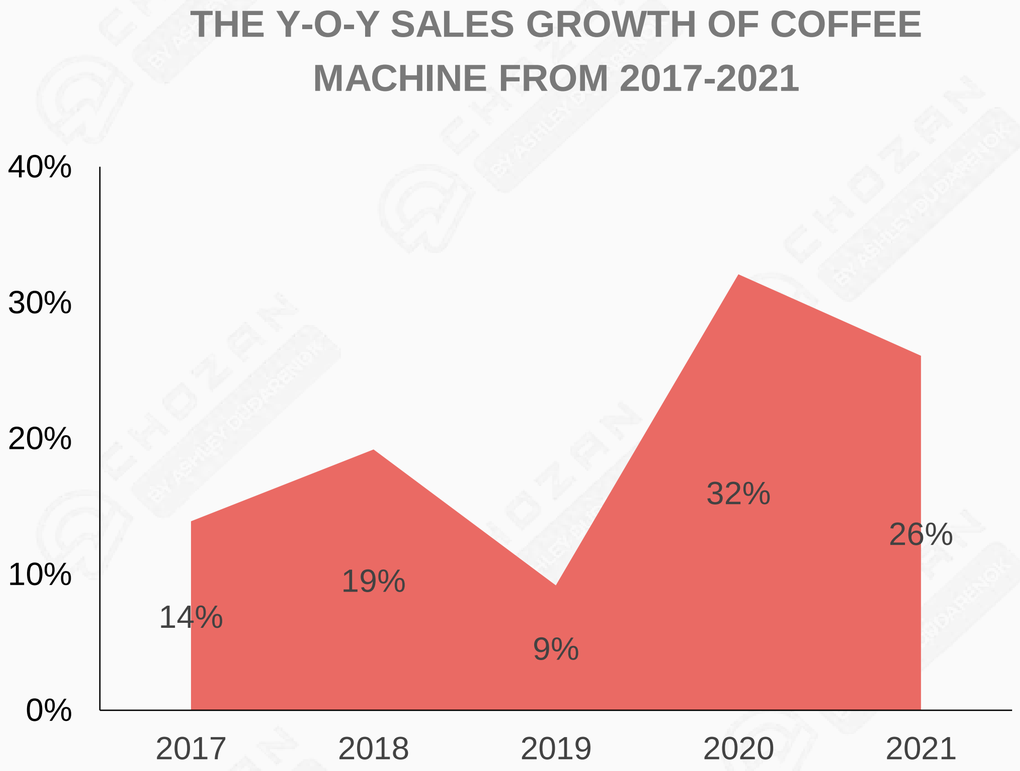


Source: Deloitte

CONSUMER INSIGHTS

“SELF-MADE COFFEE” ALWAYS TASTE BETTER

Young coffee lovers have showed more favorability towards **freshly ground coffee** than instant coffee, driving the sales growth of coffee machine with the two-year CAGR reaching 29%. Other coffee equipment such as bean grinder and coffee pot all have varied degree of growth.



Source: Ele.me

EXPERT BITE



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT TRENDS DO YOU SEE IN CHINA SOCIAL MEDIA?

Outdoors has become a new scene for young people's social development circle, and more new consumer demands have emerged. Young people seek the combination of social value, emotional value and health value outdoors. Young people can acquire knowledge of outdoor activities and trendy content on online content platforms, and at the same time share it publicly, call friends and build social circles online. Convenience, sense of atmosphere and circle culture are the key points for popular projects to set off a new wave of outdoor. The "outdoor concept" has become a new driver for the recovery of offline business; The suburban outdoor trend brings new opportunities for camps and trendy niche projects around the city.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

3

SPORTS DEVOTEES

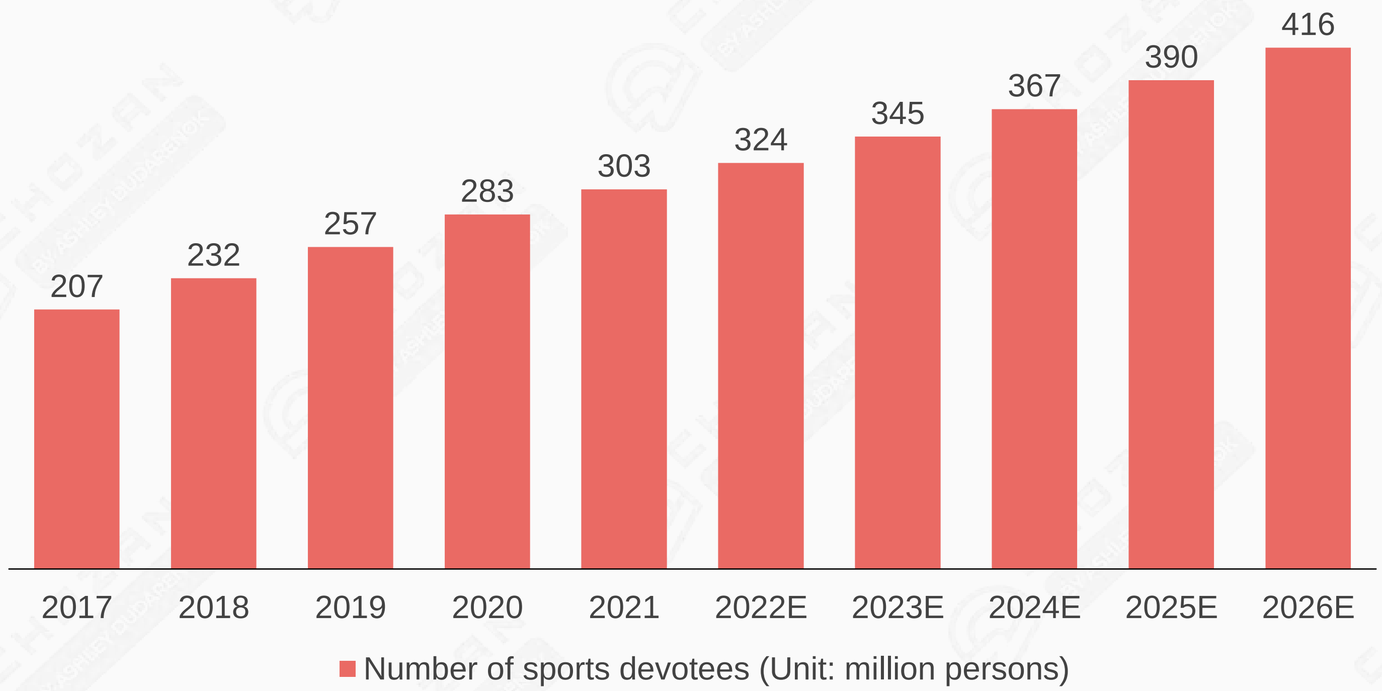
SPORTS / FITNESS FOR ALL HAS BEEN PREVAILING IN CHINA THROUGHOUT THE YEAR. MORE SPORTS DEVOTEES TURN TO ONLINE WORK-OUT AND SOME OF THEM PREFER GYMS WITH MORE DIGITAL FEATURES.

CONSUMER INSIGHTS

CHINA'S EXPANDING FITNESS POPULATION

In 2021, China's fitness population reached **303 million, a year-on-year increase of 20 million or 7.14%,** which is expected to continue growing. By 2026, the number will likely stand at 416 million, **the CAGR during the period being 6.5%, nearly twice that of the United States and Europe.**

THE NUMBER OF CHINA'S SPORT DEVOTEES FROM 2017-2026E



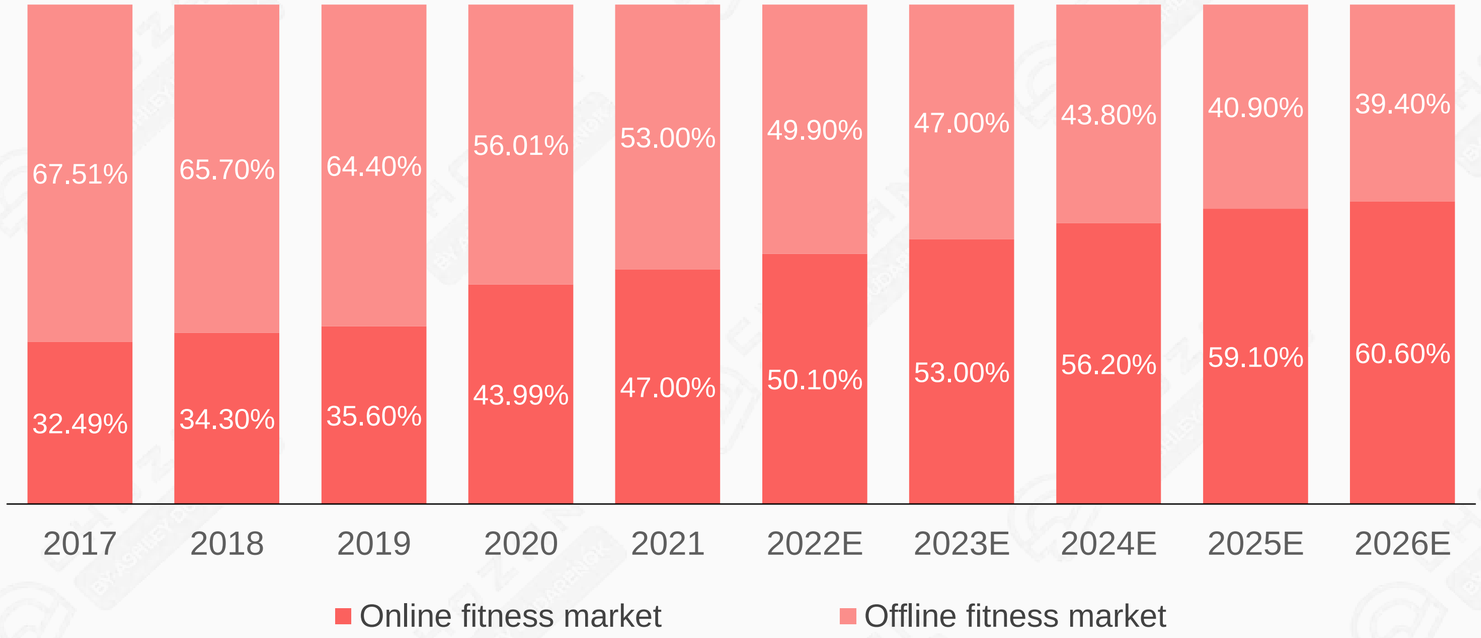
Source: chyxx.com

CONSUMER INSIGHTS

MORE ONLINE SPORTS DEVOTEES THAN OFFLINE

As more people turn to online channels and the growth of online sports lovers, the online fitness market is projected to surpass the offline one, with the **CAGR from 2021-2026 of 13.5%.**

CHINA'S ONLINE AND OFFLINE FITNESS MARKET PROPORTION FROM 2017-2026E



Source: chyxx.com

CONSUMER INSIGHTS

DIVERSIFIED, PERSONALIZED ONLINE SPORTS CONTENT IS EVER MORE NEEDED



RELATED DATA ABOUT FITNESS / SPORTS VIDEOS ON DOUYIN IN 2021

134%

YEAR-ON-YEAR GROWTH IN THE NUMBER OF FITNESS / SPORTS VIDEOS

208%

YEAR-ON-YEAR GROWTH IN THE NUMBER OF FOLLOWERS OF FITNESS / SPORTS VIDEO CHANNELS

141%

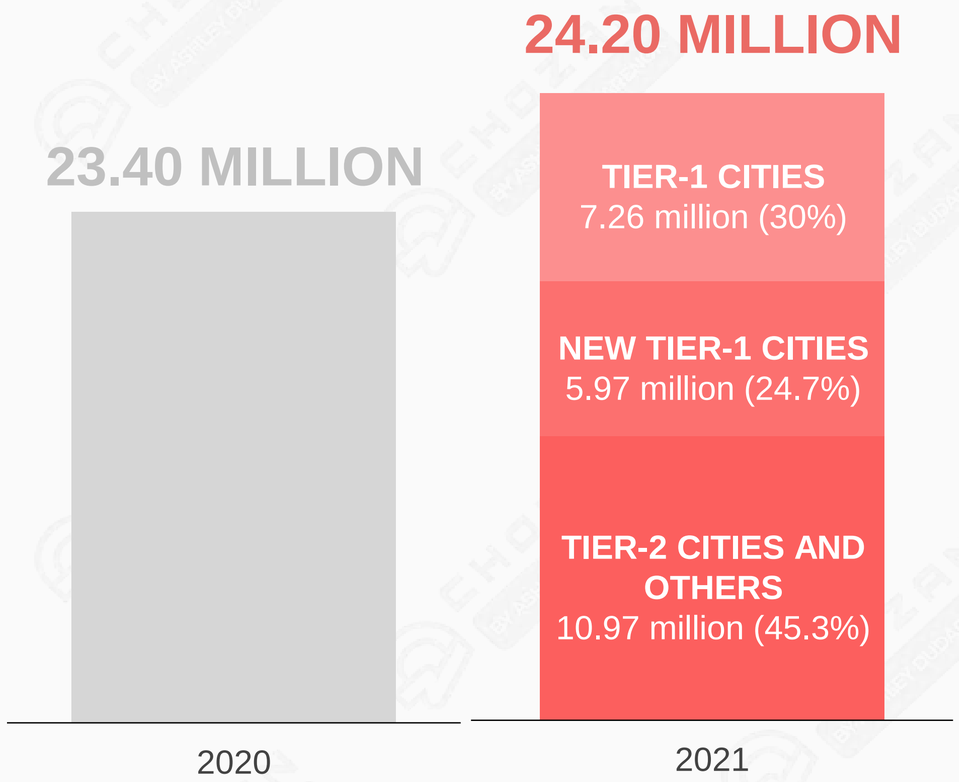
YEAR-ON-YEAR GROWTH IN THE REVENUE EARNED BY FITNESS / SPORTS LIVE STREAMERS

Source: Analysys

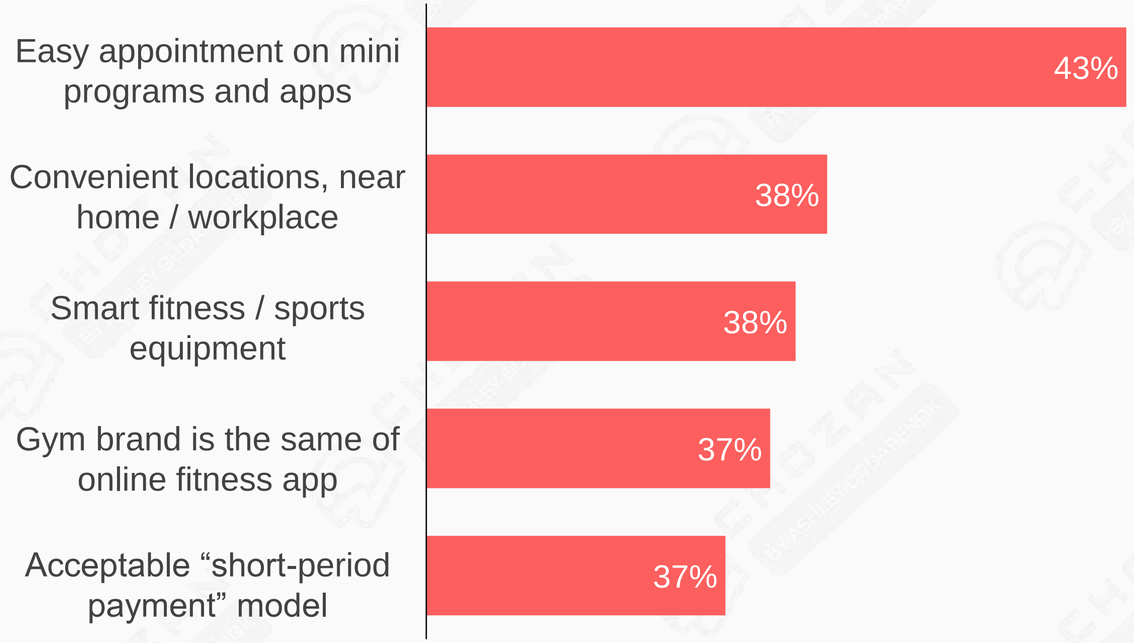
CONSUMER INSIGHTS

SPORTS DEVOTEES ATTRACTED BY NEW GYMS THAT HAVE SMART DIGITAL EQUIPMENT

THE NUMBER OF SPORTS DEVOTEES GOING TO THE GYM IN 2020 AND 2021



TOP 5 REASONS WHY SPORTS DEVOTEES CHOOSE TO OFFLINE NEW GYMS

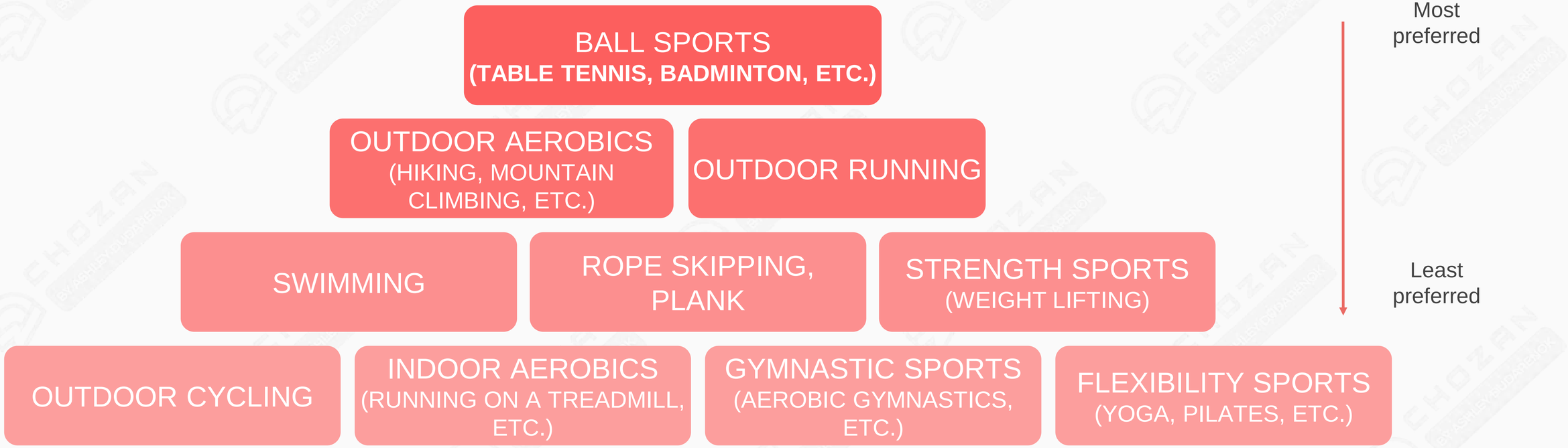


Source: iResearch, GYMSQUARE

CONSUMER INSIGHTS

YOUNG SPORTS DEVOTEES' PREFERRED KINDS OF SPORTS

For young sports devotees, simpler and more easily done in daily life the sport is, the more they love. The most popular sports are ball games including table tennis and badminton that are simple and have strong interaction and fun.

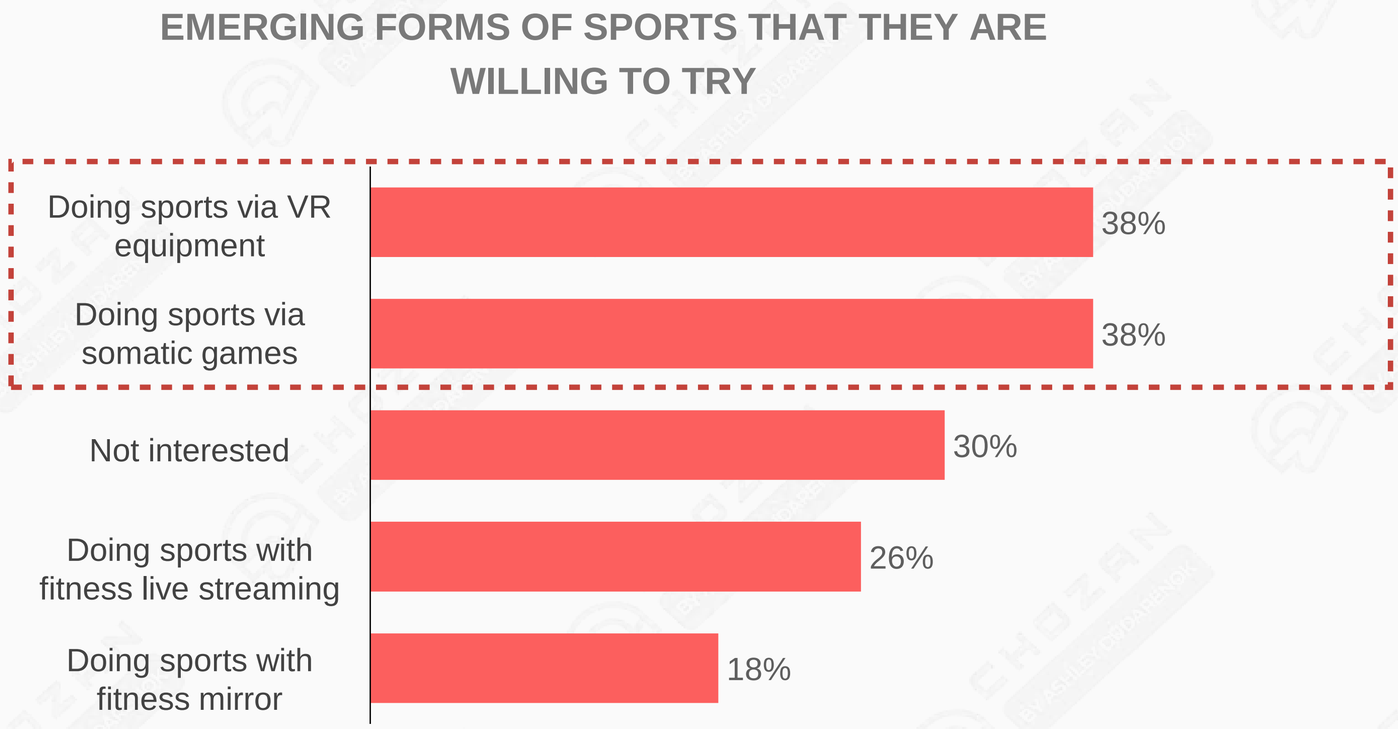


Source: 36kr

CONSUMER INSIGHTS

EMERGING POPULAR KINDS OF SPORTS

Besides traditional sports, young sports devotees are eager to try various technology-based fitness equipment such as VR and somatic games for a next-level exercise experience.



Source: 36kr

EXPERT BITE

Q: SMM MARKETING WISE, WHAT SHOULD BRANDS DO IN 2023?

SMM marketing-wise, in 2023 brands need to do more branded live-streaming and less long-form content in China.
- WeChat is focusing on its WeChat Video Channel in 2023, aspiring to compete with Douyin.
- RED is focusing on tourism and other consumption recovery markets in 2023
- Douyin is focusing on Douyin eCommerce in 2023

Brands shall embrace investing in understanding Chinese consumers now in order to succeed in 2023 because the three-year COVID restrictions have changed many behaviours and attitudes of Chinese consumers.



JIMMY ROBINSON

Co-Founder and Director,
PingPong Digital

4

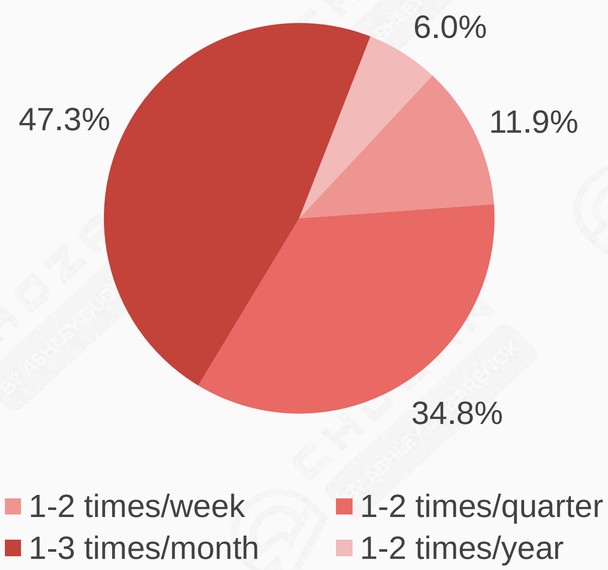
CAMPING ENTHUSIASTS

DRIVEN BY THE PASSION FOR OUTDOOR ACTIVITIES, CAMPING HAS EVOLVED INTO VARIOUS SCENARIO-BASED “CAMPING +” MODES FOR ALL GROUPS OF PEOPLE. ALL-YEAR CAMPING IS ALSO TRENDING.

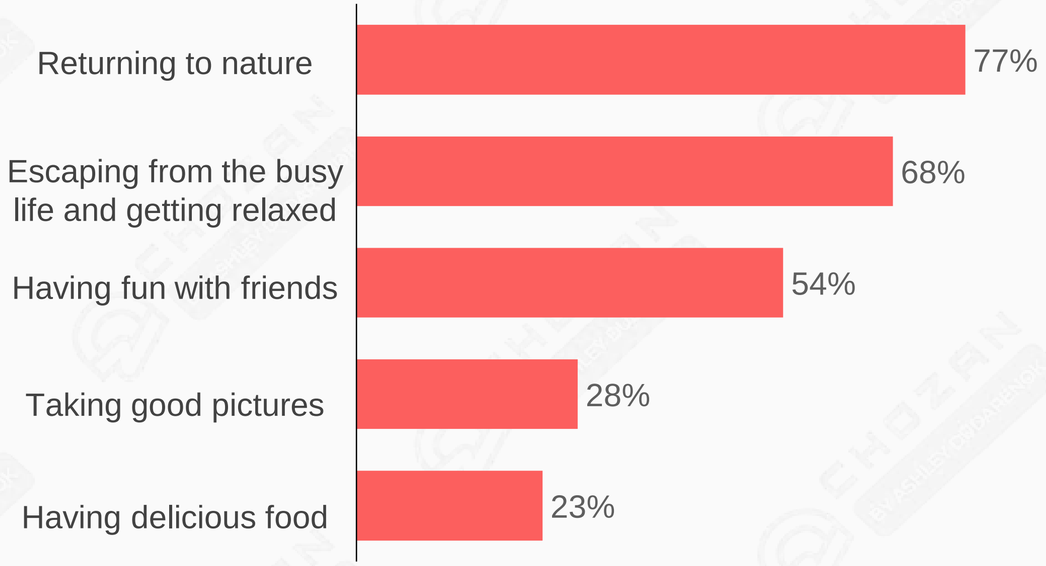
CONSUMER INSIGHTS

YOUNG PEOPLE’S REGULAR CAMPING PLANS TO LET OFF SOME STEAM IN NATURE

YOUNG PEOPLE’S CAMPING FREQUENCY



YOUNG PEOPLE’S REASONS FOR CAMPING

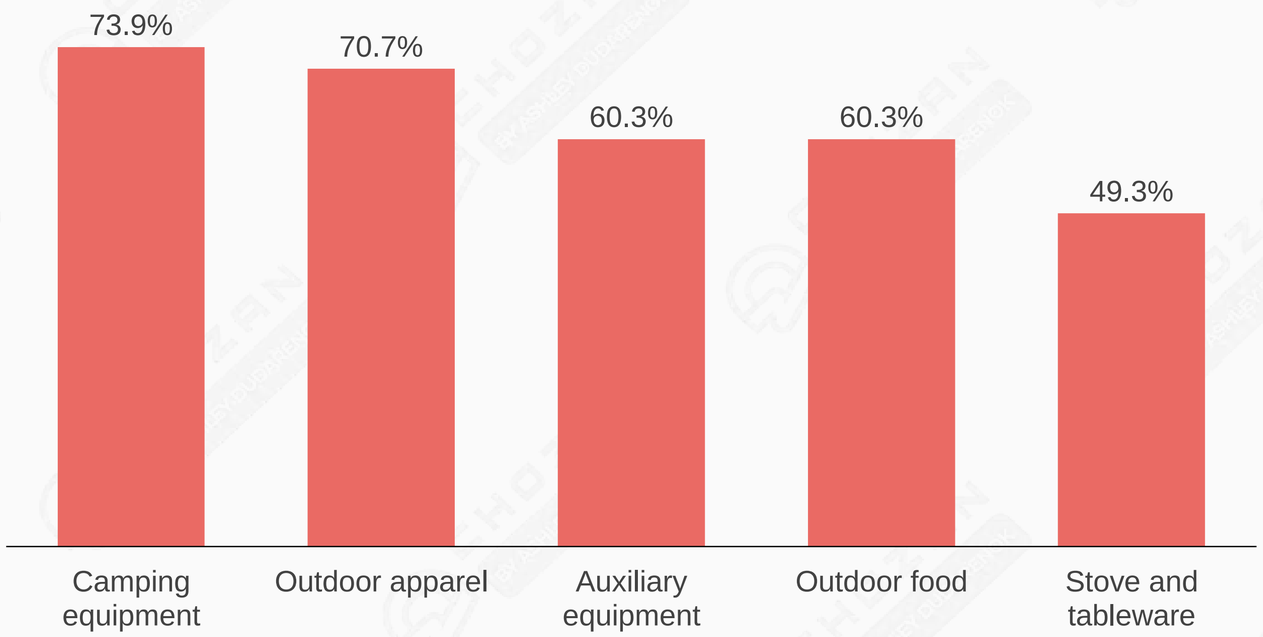


Source: iResearch, 36kr

CONSUMER INSIGHTS

YOUNG PEOPLE'S CAMPING CONSUMPTION

TOP 5 CONSUMPTION CATEGORIES OF CAMPING



RMB 4,819.6

ANNUAL AVERAGE CONSUMPTION ON CAMPING

CAMPING CONSUMPTION TREND

57.5%

OF CAMPERS SPENT MORE ON CAMPING IN THE PAST 5 YEARS

Source: iResearch, 36kr

CONSUMER INSIGHTS

POPULAR DERIVATIVE FORMS OF CAMPING FOR DIFFERENT CAMPER GROUPS

SIX DERIVATIVE CAMPING-BASED VACATION MODES

CAMPING + SCENIC SPOTS

Campers	Friends (43%), families, couples
Scenarios	By the lake/sea (64%), parks, hills

CAMPING + ENTERTAINMENT

Campers	Families (39%), friends, couples
Scenarios	Having BBQ (74%), hiking, taking pics

CAMPING + SPORTS

Campers	Friends (40%), families
Scenarios	Mountain climbing (38%), riding, running

CAMPING + PERFORMANCES

Campers	Friends (40%), couples, families
Scenarios	Bonfire (62%), concerts, singing

CAMPING + RURAL

Campers	Families (50%), couples
Scenarios	Picking fruit (42%), fishing

CAMPING + EDUCATION

Campers	Families (100%)
Scenarios	Culture (67%), field survival

Source: JD

CONSUMER INSIGHTS

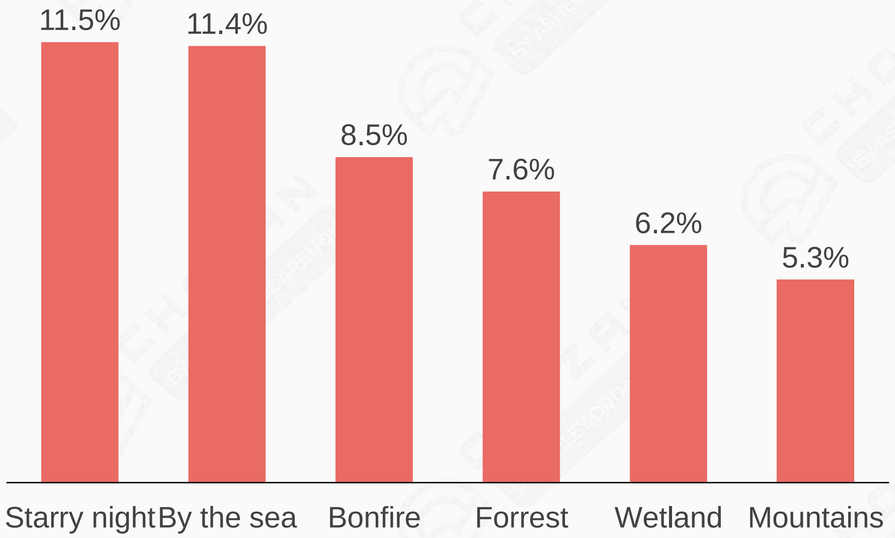
GLAMOROUS CAMPING (“GLAMPING”) ON THE RISE

Glamorous camping (“Glamping”) enthusiasts attach more importance to creating an elegant, romantic and cosy camping atmosphere.

TOP 5 HOT SEARCH KEYWORDS RELATED TO CAMPING

1. CAMPSITE
2. CAMPING OUTFIT
3. CAR PARKING
4. ADMISSION TICKECT
5. ACCOMMODATION

TOP 6 HIGH-FREQUENCY GLAMPING THEMES



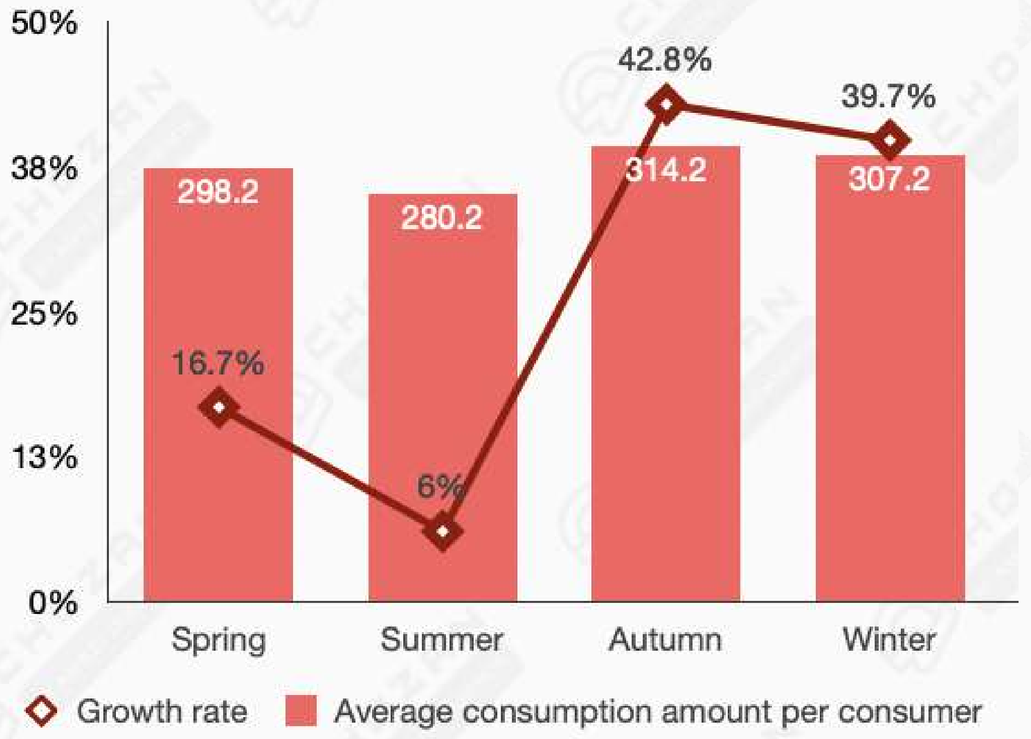
Source: RED

CONSUMER INSIGHTS

ALL-YEAR CAMPING IS IN NEED

Traditionally, spring and summer are favored seasons for camping, but lately autumn and winter have shown more rapid growth in terms of camping consumption amount. The all-year camping trend is underway.

CAMPING ENTHUSIASTS' CONSUMPTION ON CAMPING BY SEASON ON JD



Source: JD

EXPERT BITE

Q: WHAT'S TRENDING ENTERTAINMENT WISE IN CHINA IN 2023?

According to PWC's "Global Entertainment and Media Outlook 2020-2024" report, virtual reality (VR), OTT, video games and eSports will take the lead in China. At the same time, we can also see several major trends, including the gradual rebound of the movie industry, the commercialization of virtual reality technology, and the application of digital technology to empower entertainment. For iQIYI, our main direction of the platform content development is IP diversification creation and content ecology cooperation as well as technology to empower content.

We see that original high-quality content is becoming increasingly attractive to users, driving more user consumption, and this has been an important driver for iQIYI for several quarters. Meanwhile, the binding of technology and entertainment is deepening. In the production part, technologies such as virtual production accelerate the increase of industrialization of film and television; on the consumer side, new forms of cultural and entertainment content such as interactive video, virtual performances, virtual people, and digital collectibles are continuously generated.



XIAOYI ZHENG

Vice President and Head of Communications of iQIYI

5

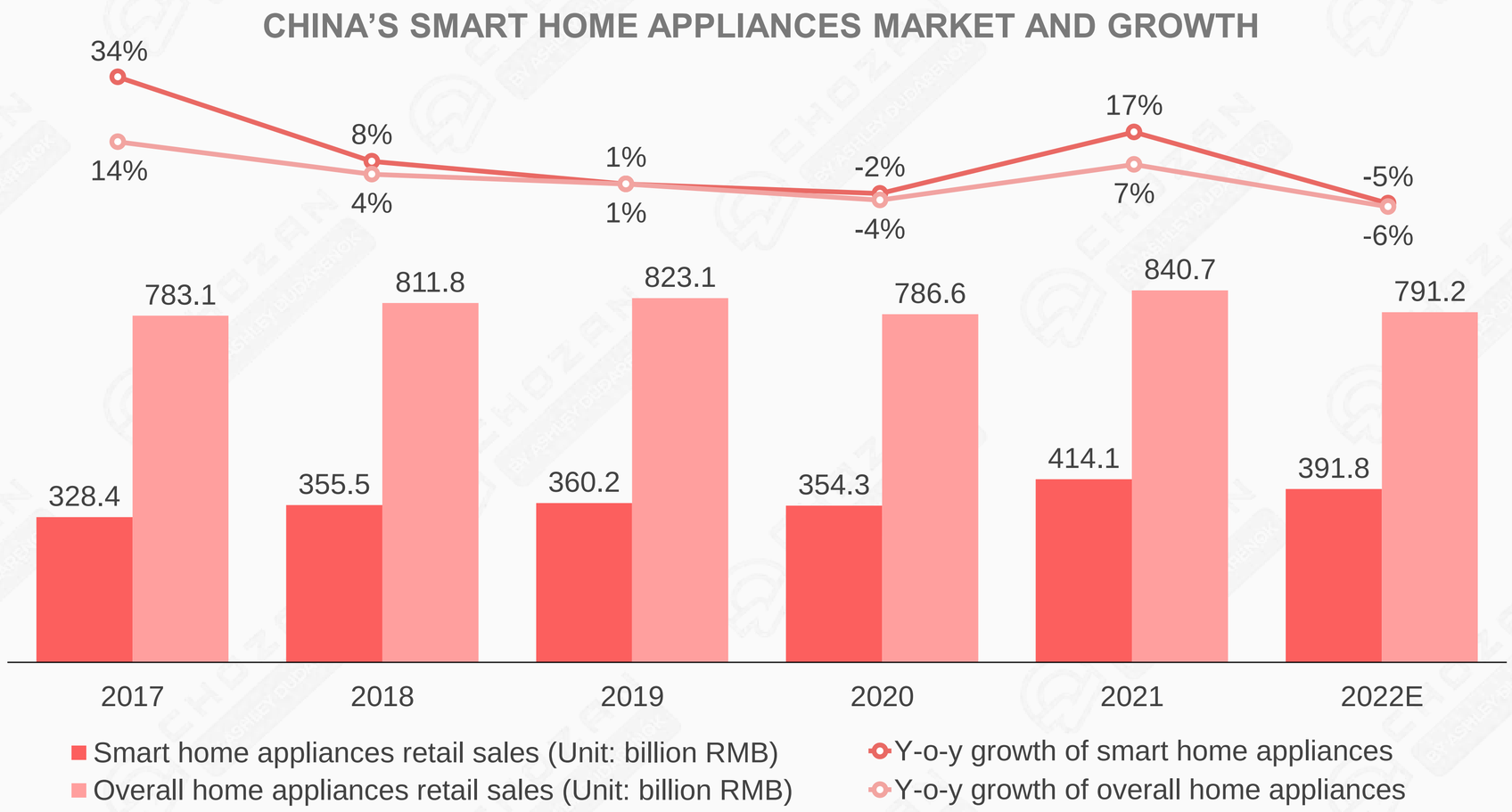
SMART HOME APPLIANCES CONSUMERS

SMART HOME APPLIANCES ARE MORE WELCOMED AMONG CONSUMERS IN HIGH-TIER CITIES AS THEY REPRESENT A SENSE OF RITUAL IN LIFE IN ADDITION TO HANDS-FREE CONVENIENCE.

CONSUMER INSIGHTS

SMART HOME APPLIANCES OUTPERFORMED THE ENTIRE HOME APPLIANCES MARKET

China's smart home appliances market has grown at a faster pace than the overall home appliances market, and by 2022, smart home applies will likely contribute **about 50% of retail sales** to the entire home appliances market.



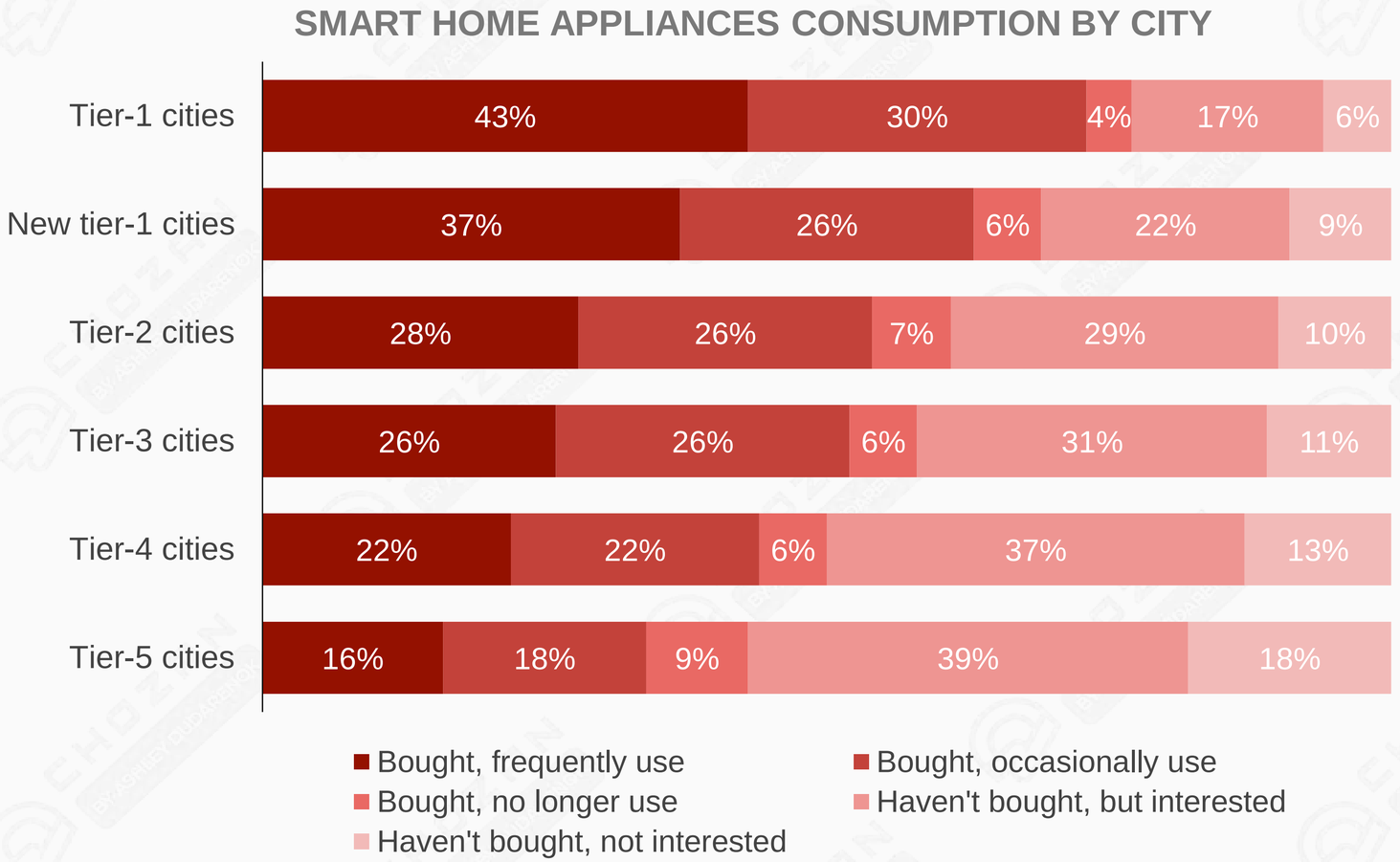
Source: GfK China's Retail Market Observation

CONSUMER INSIGHTS

MORE PENETRATION IN HIGH-TIER CITIES AND GREATER INTEREST IN LOW-TIER CITIES

In higher-tier cities, more than 60% consumers have bought smart home appliances and nearly half of them use it frequently.

In lower-tier cities, consumers have demonstrate **great interest** in smart home appliances even though the penetration of smart home appliances is comparatively low.

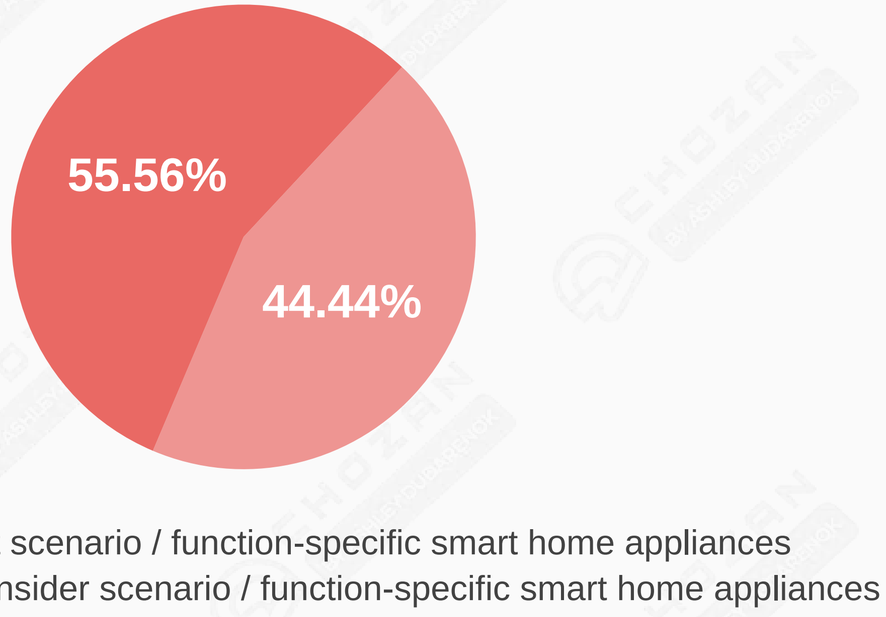


Source: Accenture

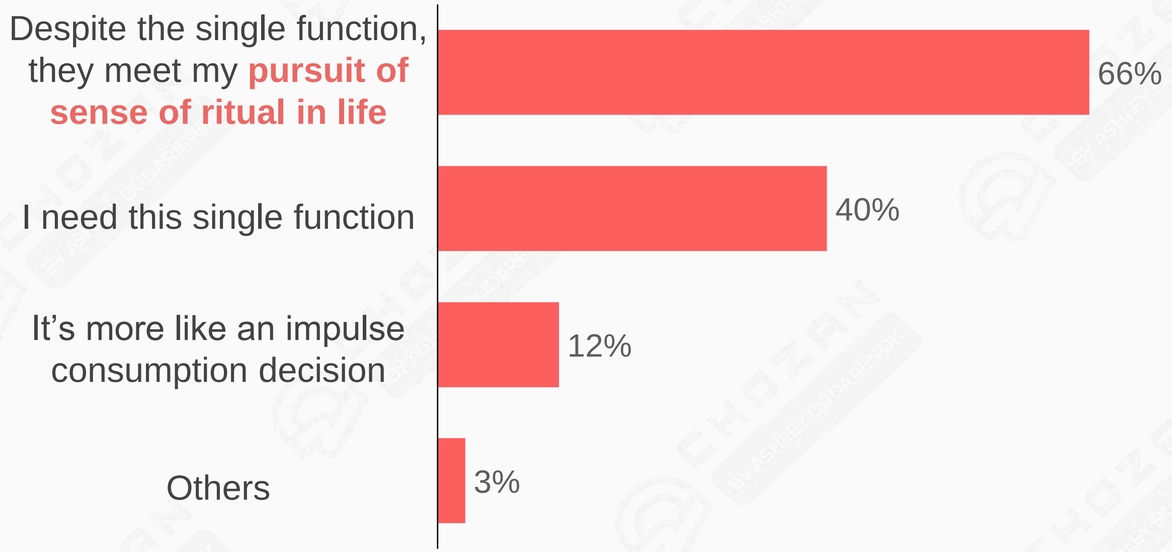
CONSUMER INSIGHTS

CONSUMER ATTITUDE TOWARDS SCENARIO-BASED SMART HOME APPLIANCES

Smart home appliances that are designed for specific scenarios, such as sparkling water machines and steak machines, can meet consumers' pursuit of sense of ritual - **emotional needs** and thus boost sales.



THE REASONS WHY CONSUMERS BUY SCENARIO-BASED SMART HOME APPLIANCES



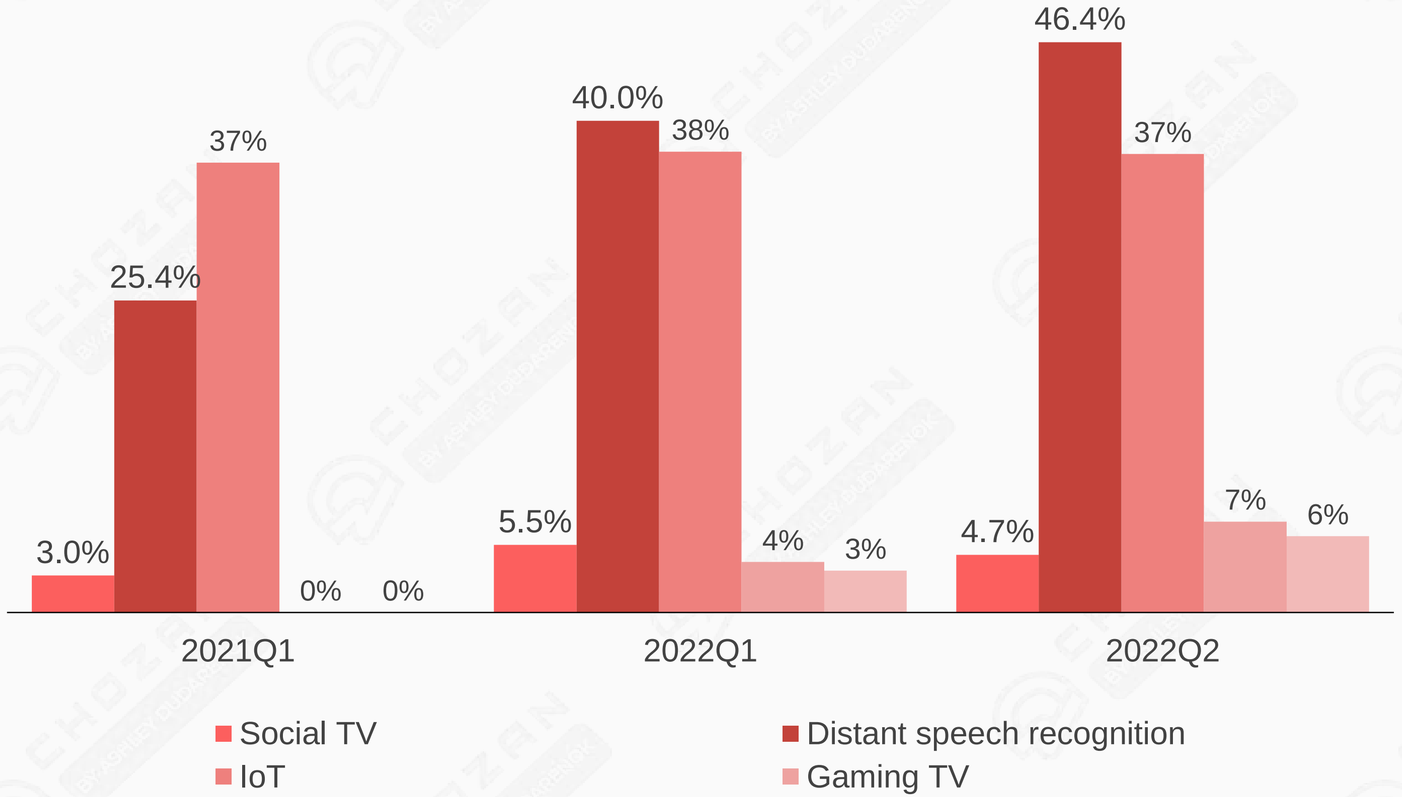
Source: CBNData

CONSUMER INSIGHTS

CONSUMER NEEDS - TOP 1: SMART TV

Consumer demand for distant speech recognition in smart TVs is rising as it frees their hands and maximizes the convenient experience. Their needs for gaming-related functions and specifications are steadily growing.

SALES PROPORTION OF SMART TV WITH DIFFERENT FUNCTIONS



Source: GfK China's Retail Market Observation

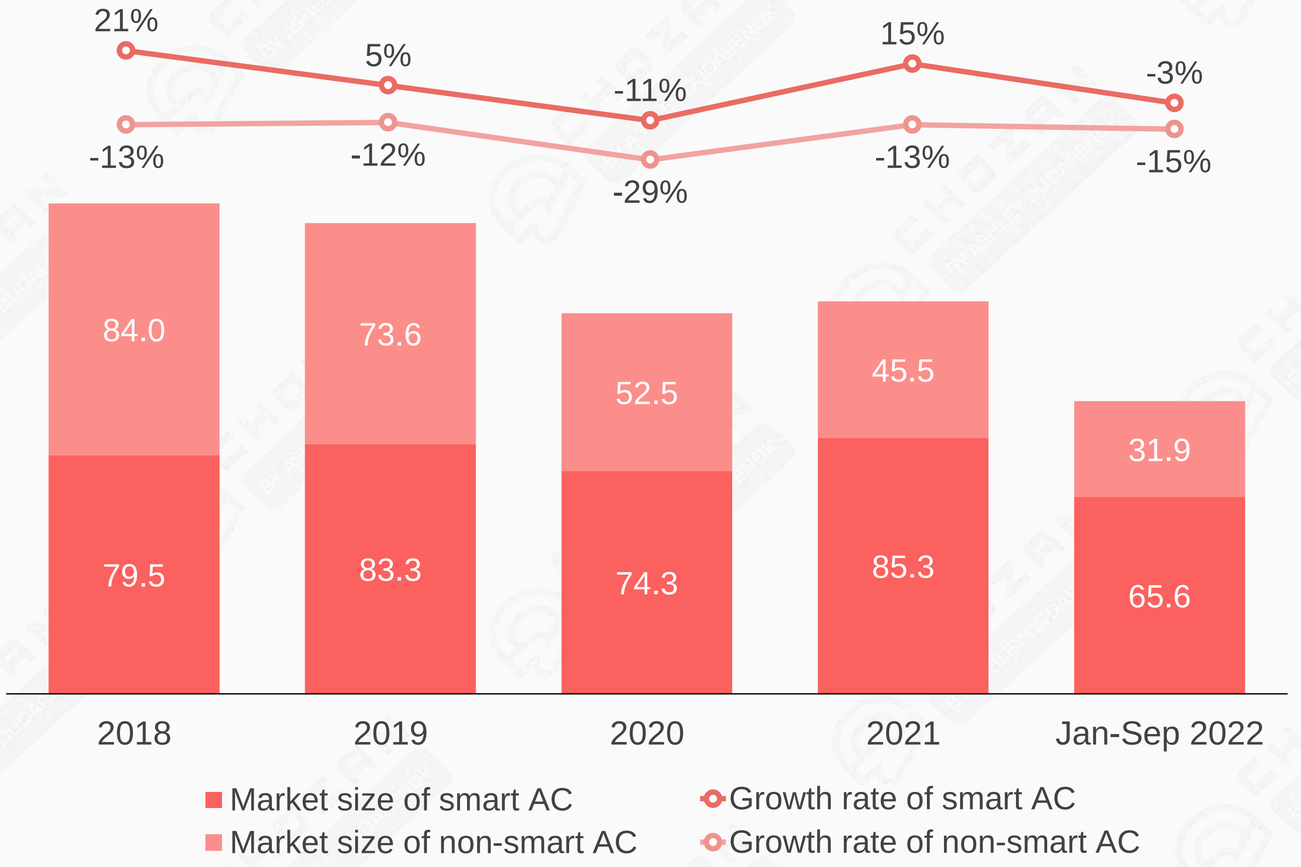
CONSUMER INSIGHTS

CONSUMER NEEDS - TOP 2: SMART AIR CONDITIONER

THE MOST WANTED FUNCTIONS FOR SMART AC

- REMOTE CONTROL VIA APP
- SMART VOICE-BASED INTERCONNECTIVITY
- SMART ELECTRICITY MANAGEMENT
- SMART MONITORING OF LIGHTING, NOISE, ETC.

CHINA'S SMART AND NON-SMART AC MARKETS



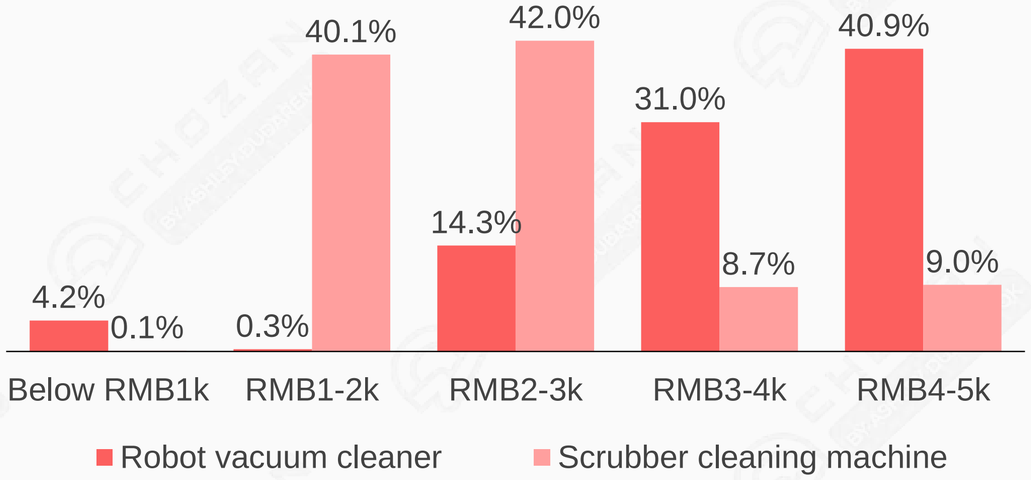
Source: China Insights Consultancy

CONSUMER INSIGHTS

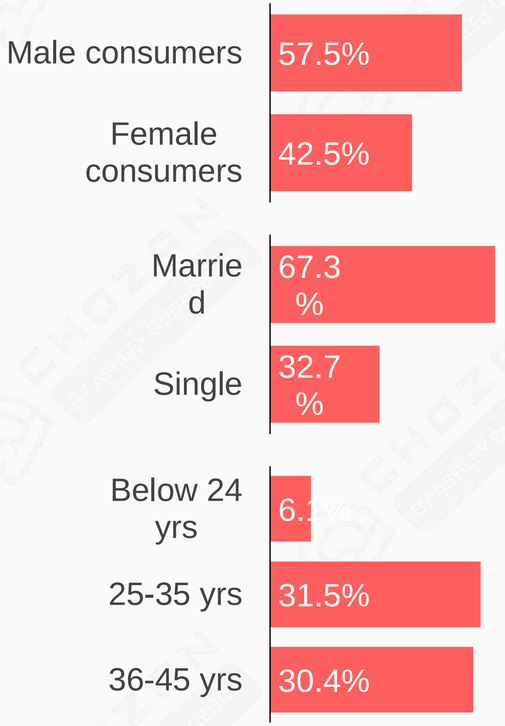
CONSUMER NEEDS - TOP 3: SMART CLEANING APPLIANCES

Both popular cleaning machines are welcomed by households, while the more intelligent robot vacuum cleaner with more functions costs relatively higher than scrubber cleaning machines which are more favored by married female consumers.

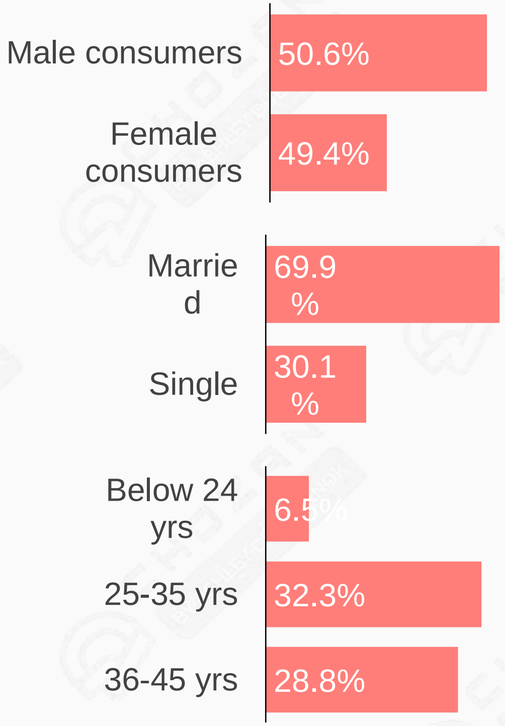
SALES PROPORTION OF CLEANING APPLIANCES AT VARIED PRICES ON DOUYIN



USER PORTRAIT OF ROBOT VACUUM CLEANER



USER PORTRAIT OF SCRUBBER CLEANING MACHINE



Source: QuestMobile

EXPERT BITE

Q: IN YOUR OPINION, WHAT WAS THE MOST POPULAR NEW PRODUCT LAUNCH IN CHINA IN 2022 AND WHY?

In terms of foreign companies there have been few large brand launches in e-commerce but for example Jessica Alba's Honest Company debut on Tmall Global has been one of the more notable new market entries. How popular it will become among Chinese consumers remains to be seen. In the same category, Australian premium luxury skincare brand Aesop, which was previously only available via cross-border sales on Tmall Global, in 2022 announced the forthcoming launch of its first offline flagship store in Shanghai. Plant-based food and infant nutrition company else. out of Israel's marks another of the few notable new market entry launches via e-commerce in 2022 and so does German luxury kitchen accessories brand Wusthof.



GEORGE GODULA

Founder and CEO of Web2Asia

KEY CONSUMPTION ECONOMIES

1

THE NIGHT ECONOMY

PEOPLE WORK LONG HOURS AND START THEIR CONSUMPTION LATE AT NIGHT. THIS TREND PROMOTES EVENING RELATED PRODUCTS AND EXTENDS BUSINESS HOURS.

2

THE FAN ECONOMY

FAN ECONOMY IS THE CONSUMPTION DRIVEN BY FANS AND FOLLOWERS OF CELEBRITIES AND INFLUENCERS.

E : info@chozan.co W : www.chozan.co W : www.alarice.com.hk

3

THE PET ECONOMY

MORE PET OWNERS NOW CONSIDER PETS AS THEIR LIFE COMPANION DUE TO DELAYED MARRIAGE, ENCOURAGING THE GROWTH OF PET ECONOMY.

4

THE PERSONAL FINANCES AND INVESTMENT ECONOMY

YOUNG CHINESE CONSUMERS HAVE BEEN INCREASINGLY AWARE AND ACTIVE IN MANAGING THEIR PERSONAL FINANCES AND INVESTMENTS.

5

THE ACG ECONOMY

ACG (ANIME, COMICS AND GAMES) INDUSTRY HAS BEEN DEVELOPING RAPIDLY IN RECENT YEARS, REACHING YOUNG CONSUMERS WITH HIGH SPENDING POWER.

EXPERT BITE

Q: HOW HAVE CHINESE CONSUMERS CHANGE IN THE PAST 3 YEARS? HOW SHALL BRANDS ADJUST BASED ON THESE CHANGES?

For the last three years, China economy has gone high level of volatility, with 2022 recording only 3% growth in GDP. This has a profound impact on consumer market. Consumer confidence has weakened and they are putting more money in saving to prepare for their future. We are definitely see more consumers look for value for money offer and less widespread consumer upgrade.

Yet consumers are becoming more digital across all demographics and they also becoming more ‘local’ – buying more local bands from more ‘local’ stores. Health and wellbeing becomes one of the few areas consumers are willing to spend more money and in general they becomes more pragmatic, but still willing to spend on experience and self-indulgence while there were more restrictions with the COVID control.



JASON YU

Managing Director at Worldpanel by Kantar

6

THE LAZY ECONOMY

A NEW TYPE OF CONSUMPTION DEMAND THAT IS TIME-SAVING, LABOR-SAVING AND CONVENIENT.

7

THE SLEEP ECONOMY

POST-90S LIKE TO STAY UP LATE BUT ALSO WANT TO MAINTAIN THEIR HEALTH. THE SLEEP ECONOMY PROMOTES SLEEP RELATED PRODUCTS.

8

THE IP AND BLIND BOX ECONOMY

GEN Z LIKES TO BUY BLIND BOXES, WHICH COME WITH TRENDY TOYS. BLIND BOXES ARE POPULAR IN THE SECOND-HAND MARKET TOO.

9

THE GUOCHAO ECONOMY

BRANDS NEED TO REMEMBER CHINESE ELEMENTS AND CULTURAL COMPONENTS IN PRODUCT DESIGNS AND CAMPAIGNS.

10

THE FITNESS ECONOMY

AFTER THE PANDEMIC, CHINESE NATIONALS HAVE BECOME EVEN MORE KEEN ON FITNESS AS THEY BECOME MORE AWARE OF THEIR HEALTH.

11

THE SHE ECONOMY

WOMEN ARE BECOMING AN INCREASINGLY IMPORTANT CONSUMPTION FORCE IN E-COMMERCE.

12

THE SINGLES ECONOMY

CHINESE SINGLES HAVE A MORE SOLID CONCEPT OF WEALTH MANAGEMENT, AND ARE WILLING TO PAY FOR THEIR INTERESTS AND OTHER FINER THINGS IN LIFE.

13

THE HOME ECONOMY

THE HOME ECONOMY IN CHINA IS A WIDE RANGE OF CONSUMPTION AND COMMERCIAL ACTIVITIES CARRIED OUT BY PEOPLE WHO INCREASINGLY SPEND TIME AT HOME.

14

THE MEDICAL BEAUTY ECONOMY

WITH RISING DISPOSABLE INCOMES, MORE CHINESE CONSUMERS CAN AFFORD TO AND ARE WILLING TO SPEND ON MEDICAL BEAUTY TREATMENTS AND SURGERIES.

15

THE GUILT FREE ECONOMY

CONSUMER AWARENESS OF “DOING GOOD” FOR THE ENVIRONMENT, SOCIETY AND THEMSELVES TO MINIMISE THEIR SENSE OF GUILT FROM SPENDING.

16

THE CAMPING ECONOMY

CAMPING HAS BEEN GOING VIRAL SINCE 2020 IN CHINA. WITH THE PURSUIT OF GREAT EXPERIENCE, PEOPLE SPEND MORE ON THE EQUIPMENTS.

17

THE COFFEE ECONOMY

COFFEE CONSUMPTION IN CHINA CONTINUES TO GROW, AND CONSUMERS ALSO ENJOY KINDS OF FLAVOURS, SUCH AS COCONUT, OSMANTHUS, AND PINEAPPLE COFFEE.

18

THE SILVER-HAIR ECONOMY

SILVER-HAIR ECONOMY IN CHINA IS AT THE BEGINNING STAGE, WHICH IS RELATED TO DAILY, HEALTH, TRAVEL, ENTERTAINMENT, AND TRAINING EXPENSES.

19

THE TRENDY SPORTS ECO NOMY

YOUNG PEOPLE ARE FOND OF TRENDY NICHE SPORTS, SUCH AS FRISBEE, PETAL, ROCK CLIMBING, DIVING, AND ARCHERY. THEY ARE ALSO WILLING TO SPEND MORE ON IT.

20

THE EXQUISITE HE ECONOMY

BEAUTY PRODUCTS FOR MALES ARE HOT ON SOCIAL MEDIA PLATFORMS, AS WELL AS MORE MALES CARE ABOUT IMPROVING THEIR LOOKS.

EXPERT BITE



DAVID FUNG

Marketing Executive at
Alarice and ChoZan

Q: WHAT CONSUMPTION TRENDS YOU SEE DEVELOPING IN 2022?

From the lifestyle of Generation Z, outdoor sports will undoubtedly be one of the rising topics in 2022. But this trend is beginning to take shape in 2021. From the hot skiing of the Winter Olympics, to camping and Frisbee in the past two years, young people tend to look for activities that are not only close to nature but also show a refined attitude towards life in the context of the pandemic.

From the perspective of diet, Chinese consumers have lower requirements for refined cooking, and more and more instant food and pre-made dishes have become mainstream choices. Today, with the developed takeaway industry, most consumers pursue diversification of diet types rather than higher food quality. In addition, the trend of less salt, less sugar and less calories continued in 2022.

Looking at the entire consumption field, green consumption is a major trend. Second-hand deals and greener products are gaining more consumer acceptance. More and more people are concerned about the impact of consumption on ecology, and are willing to pay a premium for green consumption values.

**GOT A QUESTION? DROP US AN EMAIL
BY SCANNING THE QR CODE**

EXPERT BITE



SYCA JIANG

Head of Strategy at
Alarice and ChoZan

Q: WHAT ADVICE CAN YOU GIVE FOR BRANDS DEVELOPING MARKETING STRATEGIES FOR CHINA IN 2023?

First of all, for brands that are already in the Chinese market, in order to go even beyond in 2023, it is recommended to conduct a yearly brand audit to understand how the brand is currently performing, how the brand is positioned in the market, what needs to be kept, and what needs to be done as soon as possible for improvement. Second, pay attention to and analyze the dynamics of competitors, and conduct benchmarking regularly to stand out in the competition. Third, pay close attention to rising consumer groups, analyze what it means for your brand, and what opportunities can be seized. At the same time, for operating business in China, it is also very necessary to understand China's macro policies when it comes to your industry.

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

CHINA INDUSTRY GUIDES

EXPERT BITE

Q: HOW CAN THE WEST / EAST UNDERSTAND EACH OTHER BETTER IN 2023? WHAT ARE SOME MISCONCEPTIONS STANDING IN THE WAY AND WHAT'S YOUR ADVICE TO OVERCOME THEM?

Two basic cultural misconceptions in business are as old as commerce itself, and so are their remedies. They represent two extreme views. One: culture doesn't count in 'objective' business areas that involve buildings, machines, coins, laws, miles, weights and deadlines. The other: since cultures are messy and confusing, it is impossible to understand or predict foreign behavior. I train and coach executives to overcome both errors through three simple steps. One: build trust with a few people from the other culture and ask them about their practices—books and videos should only support direct communication. Two: use empathy to understand how your actions look from their perspective. Three: figure out how you can adjust your actions to make it easier for them to do business with you. Nobody must 'act Chinese': adaptation is not imitation. Unfortunately, step one is getting harder. For instance, there is no mainstream social media today where an American or European manager could directly contact a Chinese one. Travelling to China is much harder today than five years ago, and suspicions on both sides are deeper.



GABOR HOLCH

Intercultural Leadership Coach & Consultant

1 LUXURY INDUSTRY

CHINA'S 1.4 BILLION CONSUMERS HAVE PUSHED THE WESTERN LUXURY BUSINESS FOR THE PAST 15 YEARS. BUT IN 2021, CHINA'S LUXURY MARKET PERFORMED BETTER THAN PROJECTED.

EXPERT BITE



ASHLEY DUDARENOK

Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: WHAT'S THE SHARE OF CHINESE LUXURY MARKET SPENDING GOING TO LOOK LIKE?

China's luxury goods industry is set to grow 14% year-on-year in 2023, much higher than the global growth rate of 7.5%. According to a HSBC report, although the proportion of China's total spending on personal luxury goods dropped from about 22% in 2021 to 18% in 2022, Chinese luxury consumers will still be contributing 40% of the growth in global luxury consumption demand for the next 8 years.

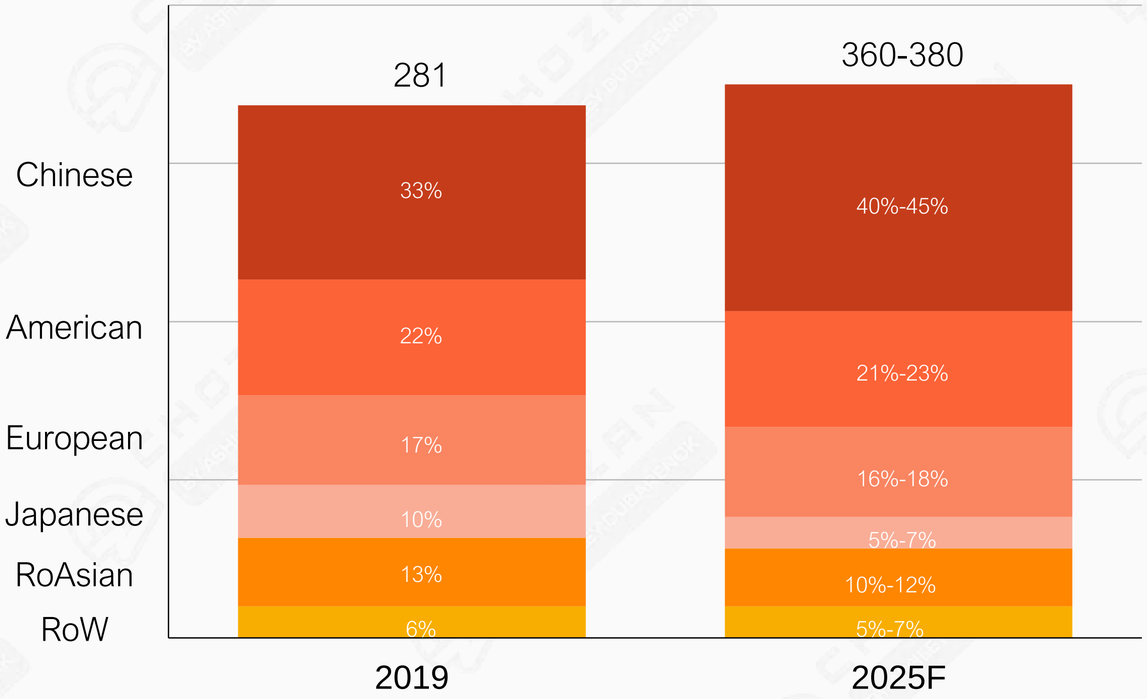
The percentage of Chinese luxury consumers buying abroad vs domestic really depends on the number of outbound flights happening, so it’s hard to give definite numbers. As mentioned, although borders have been reopened, I’m skeptical about 2023’s outbound tourism reaching pre-pandemic levels. If anything, the past few months taught us that Chinese consumers have gotten more rational in their spending. Not to mention, cases in mainland China are still rising. As stated above, I believe most Chinese luxury consumers will be purchasing domestically instead of abroad.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

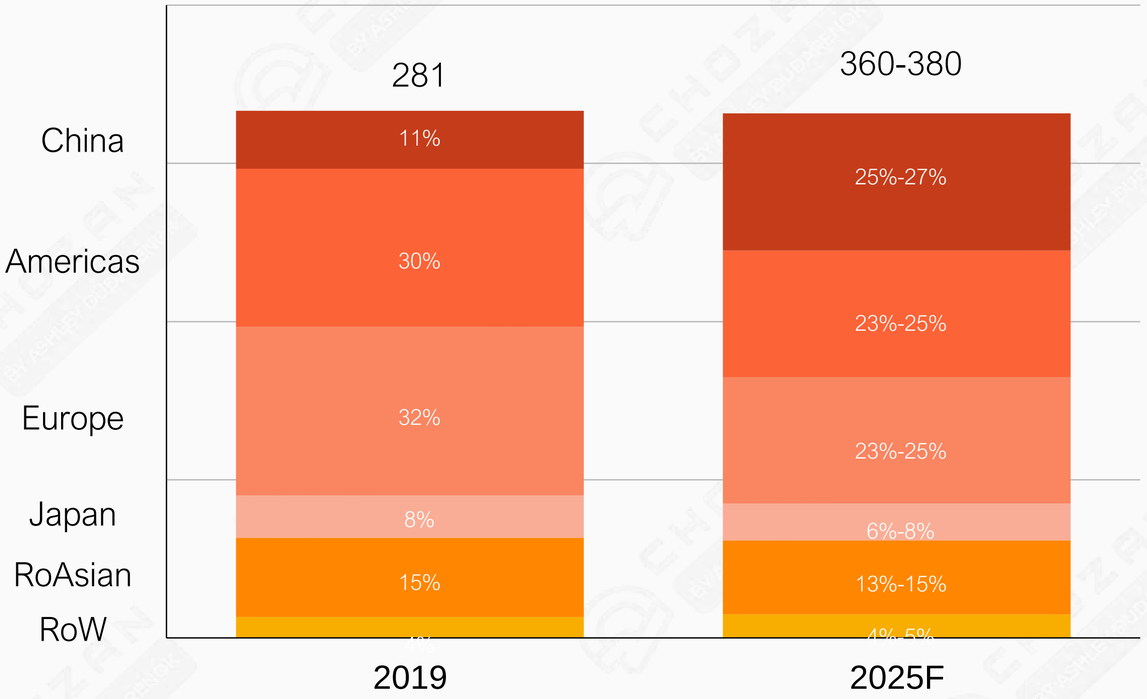
LUXURY INDUSTRY INSIGHTS

LOCATE CHINA PERSONAL LUXURY GOODS MARKET IN THE GLOBAL CONTEXT

It can be observed from the charts that Chinese consumers will become the top clients of global personal luxury goods, accounting for 40-45% of the total and China is expected to become the biggest market by 2025.



Share of global personal luxury goods market (€ billions) by nationality



Share of global personal luxury goods market (€ billions) by region

Source: Bain, HSBC

LUXURY INDUSTRY INSIGHTS

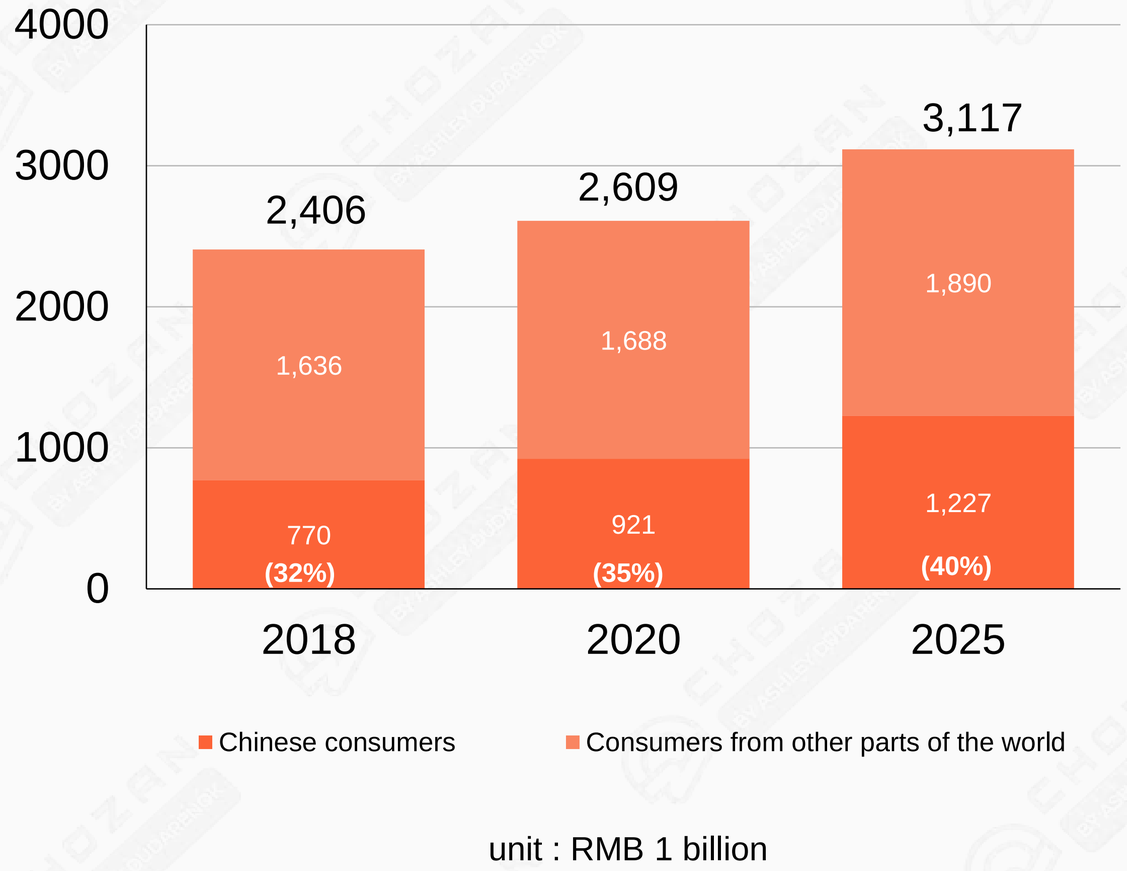
CHINESE CONSUMERS TREND IN A GLOBAL CONTEXT

In 2018, the scale of Chinese luxury market is worth **RMB 770 billion.**

By 2025, the market size is expected to **increase about 100%**, reaching **RMB 1,200 billion.**

Contributing to **65%** of the global luxury sector's growth from 2018 to 2025.

There is also an upward trend for Chinese consumers who purchase luxury goods.



unit : RMB 1 billion

Source: McKinsey

LUXURY INDUSTRY INSIGHTS

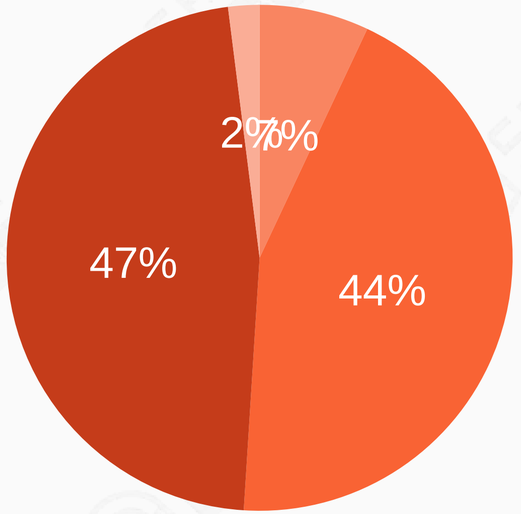
THE PURCHASING ATTITUDES OF CHINESE CONSUMERS

In HSBC recent China Deluxe survey, **90%** of respondents claimed that they plan to travel abroad at least once a year when relevant travel restrictions are removed.

When it comes to personal luxury goods shopping abroad, **91%** participants said they plan to travel at least same on luxury goods abroad vs pre-pandemic levels.

No matter buying abroad or spending at home, the generally positive luxury consumption attitudes of Chinese customers help the luxury market to rebound and overtake the pre-pandemic levels.

Once COVID-19 restrictions are completely removed and it is deemed safe to travel abroad, will you buy less/same/more luxury goods abroad vs the pre-pandemic period?



Source: HSBC

LUXURY INDUSTRY INSIGHTS

RELEVANT DEMOGRAPHICS CHANGES AND POLICIES



1. COMMON PROSPERITY

Economists have interpreted the Chinese “common prosperity” campaign as targeting to expand the size the middle class from 340 million people today to more than 500 million by 2025 rather than making rich Chinese people less rich.



2. MIDDLE CLASS IS THE KEY

For the target consumer groups, high-net-worth individuals and middle class people are two cores. If these two are compared, consumption is not really driven by HNWIs but more by middle class consumers.



3. LOWER-TIER CITIES

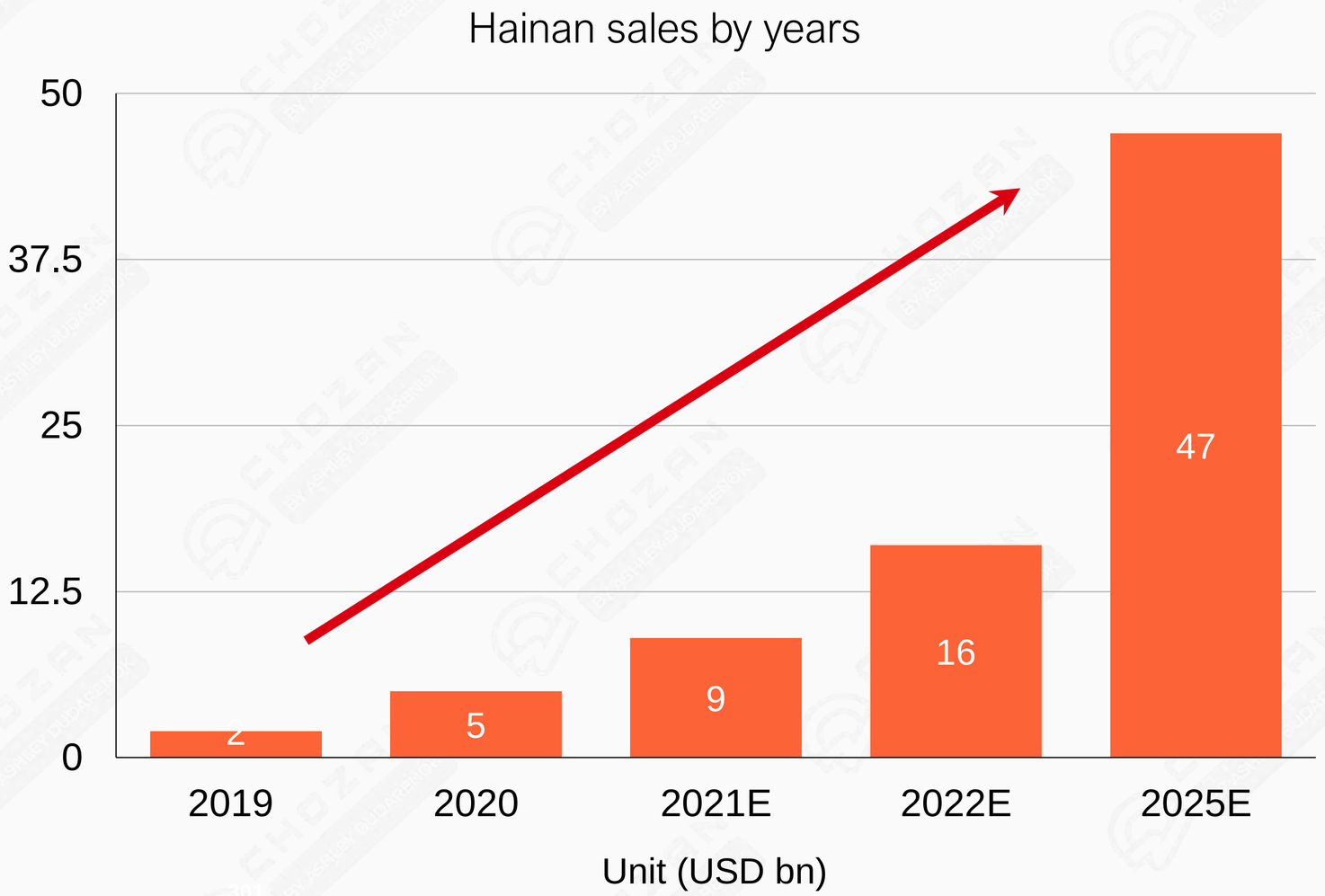
Compared with frequent repurchases, recruiting new customers from lower-tier cities is still key to expand the market. Plenty of these prospective luxury customers penetrated by increasing e-commerce adoption with wider reach form a uniquely rising group of consumers.

LUXURY INDUSTRY INSIGHTS

MARKETING HIGHLIGHT #1: LOCALIZATION - FROM CHINESE TO CHINA

With the accelerating rate of Chinese consumption back flow, local duty free stores have gained much popularity in mainland China, especially in Hainan, where in an HSBC survey respondents have voted **duty free stores** as their first preference for luxury shopping.

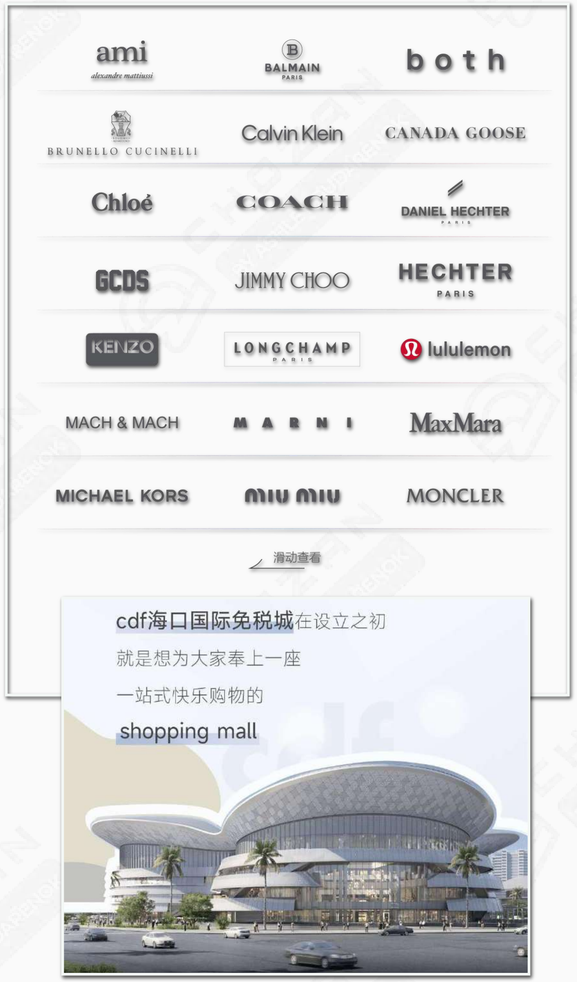
Moreover, **65%** of total participants said that they visited Hainan over the past two years and **64%** plan to visit over the next 12 month.



Source: HSBC

LUXURY INDUSTRY INSIGHTS

MARKETING HIGHLIGHT #1: LOCALIZATION - EXTENSIVE PARTNERSHIP



Luxury brands have increasingly leveraged China's duty free channels to reach to more potential customers and also invested in extensive partnerships with local travel retailers to maintain the balance between luxury traditions and growth expectation. On October 28th, the world's largest single complex duty free store Haikou International Duty Free city launched its grand opening, introducing many big brands' first entries such as *Saint Laurent, Burberry, Bottega Veneta, Alexander McQueen.*







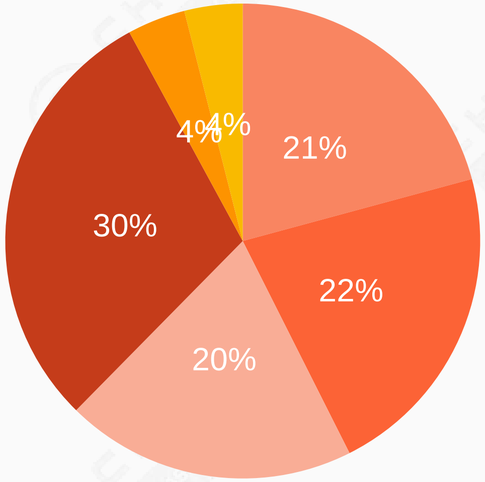


Source: CDF WeChat account

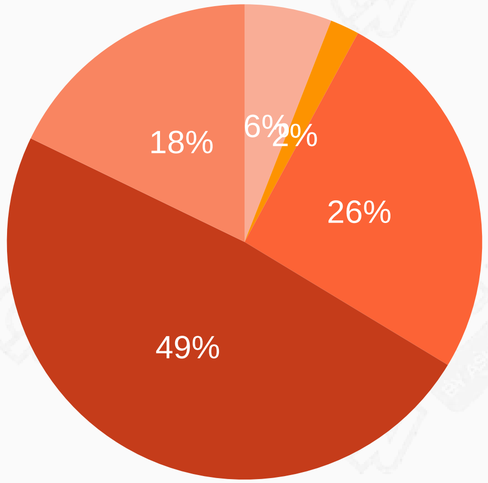
• LUXURY INDUSTRY INSIGHTS

MARKETING HIGHLIGHT #2: DIGITALIZATION - PUBLIC TRAFFIC ATTRACTION

2022 H1 city distribution of luxury consumers on Weibo



2022 H1 generation groups of luxury brands' fans on Weibo



Luxury industry share of voice on Weibo

68.8 billion +

2022 H1 total SOV for luxury

4.4%

2022 H1 SOV year-on-year increase

Source: LuxeCO

• LUXURY INDUSTRY INSIGHTS

MARKETING HIGHLIGHT #2: DIGITALIZATION - SOCIAL MEDIA MARKETING



Unexpected Wonders by BVLGARI



Qeelin's brand ambassador Liu Haoran

Film

Celebrity

Art and exhibition

Virtual idol

Sports

Elegant lifestyle

Immersive Experience

Metaverse

In order to better communicate with young Chinese consumers, luxury brands host many culturally significant campaigns, partner with artistic exhibition, leverage celebrities' huge influence.

2 SPORTS INDUSTRY

CHINA'S GENERAL ADMINISTRATION OF SPORT PROJECTS THAT BY 2025, THE VALUE OF CHINA'S OUTDOOR SPORTS INDUSTRY WOULD RISE TO ALMOST 3 TRILLION YUAN ($415 BILLION).

EXPERT BITE



LENA LIN

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE THE MOST IMPORTANT HIGHLIGHTS BRANDS NEED TO BE AWARE OF IN THE SPORTS INDUSTRY?

Sports is no longer about competition and achievement for Chinese consumers. Instead, sports are meant to improve physical and psychological well-being. People have begun to chase a pure inner happiness through sports, which have become a way of life integrated into their daily lives. “Sports +”diversified consumption scenarios and channels, offer consumers more sports choices and services, cultivate new sports industries, and promote China's sports economy and healthy consumption.

A new growth point for the sports industry has been created through the integrated development of sports and technology, education, tourism, health, medical care, lifestyle, and other industries. A good example of sports + technology is runners using smart watches GPS and mobile positioning functions to track distances, strides, etc., making running more scientific, healthy and efficient.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

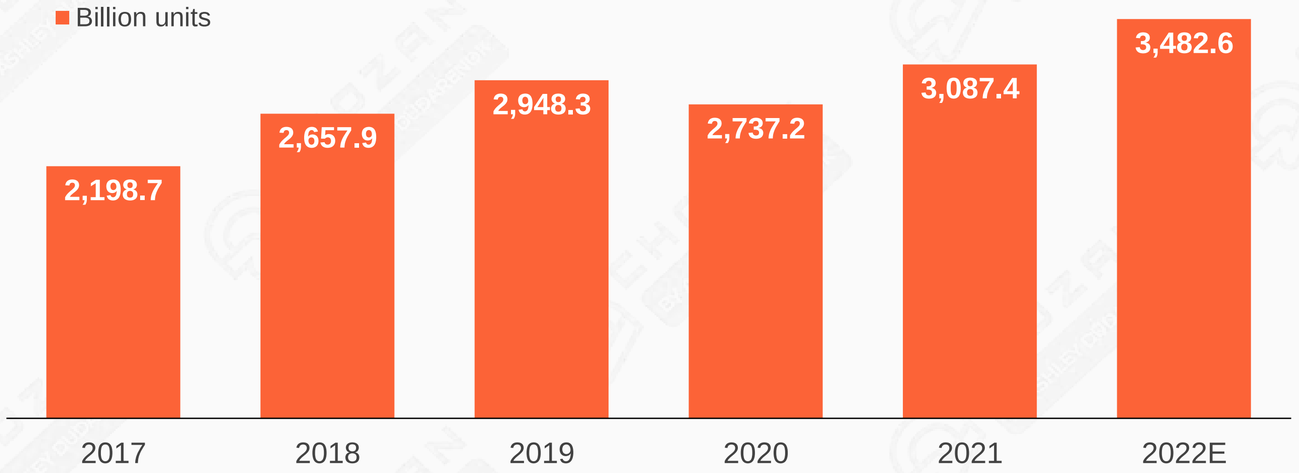
SPORTS INDUSTRY INSIGHTS

OVERVIEW AND FUTURE

China's sports industry has increased since 2017, while there is a dropped in 2020 due to the pandemic.

In 2021, the Chinese State Council issued a circular, to push forward a new five-year extensive mass fitness program, spanning from 2021 to 2025. Along with the supportive policies, the Sports industrial scale is estimated to reach 5,000 billion RMB in 2025

2017- 2022 CHINESE SPORTS INDUSTRIAL SCALE IN RMB



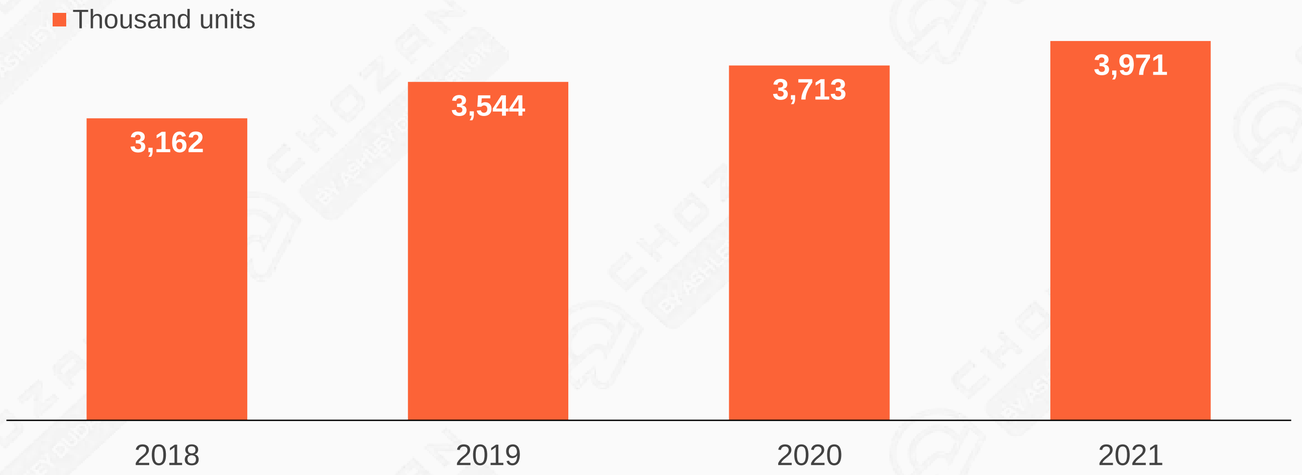
Source: LeadLeo, 2022 Sports Report

SPORTS INDUSTRY INSIGHTS

NUMBER OF SPORTS VENUES GROWTH IN CHINA

- The Numbers of sports venues keep increasing since 2018.
- According to the circular issued by Chinese State Council, in the coming years, over 2,000 sports parks, public fitness centers, and public stadiums will be established or expanded in China.

2018-2021 NUMBER OF SPORTS VENUES IN CHINA



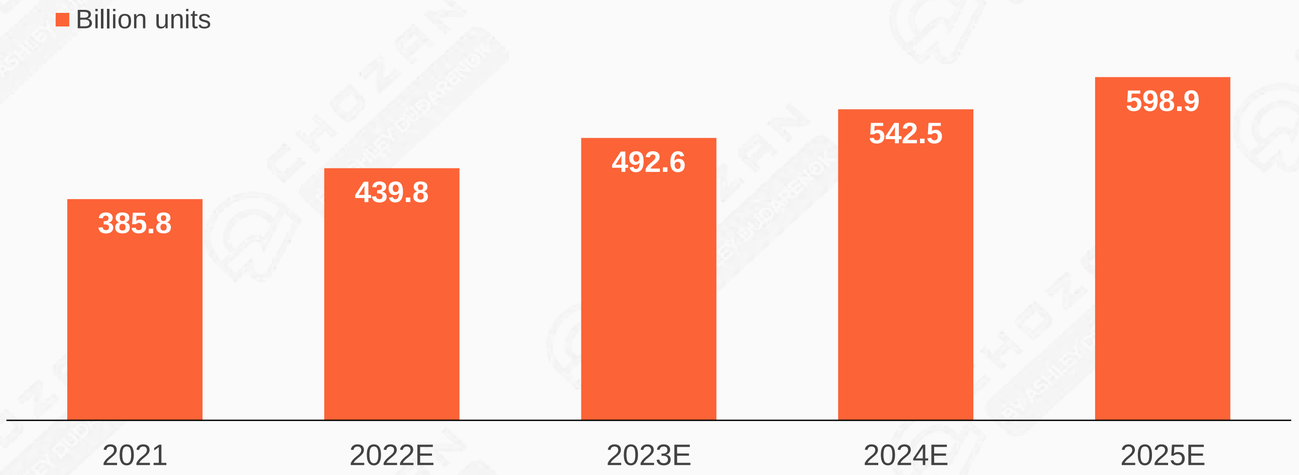
Source: iiMedia Research, 2022-2023 China Athletic Footwear and Clothing Market Development Status and Market Research Analysis Report

SPORTS INDUSTRY INSIGHTS

SPORTSWEAR MARKET OVERVIEW AND FUTURE

- In 2021, China sportswear market size reached 385.8 billion RMB. With the popularity of the “Guo Chao”culture, more Chinese brands have begun to rise one after another. It is estimated that by 2025, the size of China's sportswear market will reach 598.9 billion RMB.

2021-2025 CHINA SPORTSWEAR MARKET SIZE AND FORECAST IN RMB



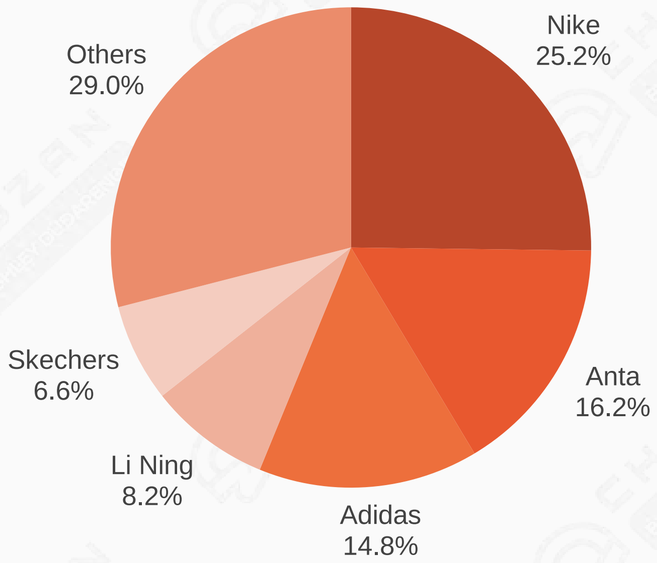
Source: iiMedia Research, 2022-2023 China Athletic Footwear and Clothing Market Development Status and Market Research Analysis Report

SPORTS INDUSTRY INSIGHTS

COMPETITIVE LANDSCAPE OF SPORTSWEAR MARKET IN CHINA

Nike leads sportswear markets in China, accounts for 25.2% in 2021, followed by Anta(16.2%), Adidas(14.8%), Li Ning(8.2%) and Skechers(6.6%).

2021 BREAKDOWN OF SPORTSWEAR MARKET IN CHINA



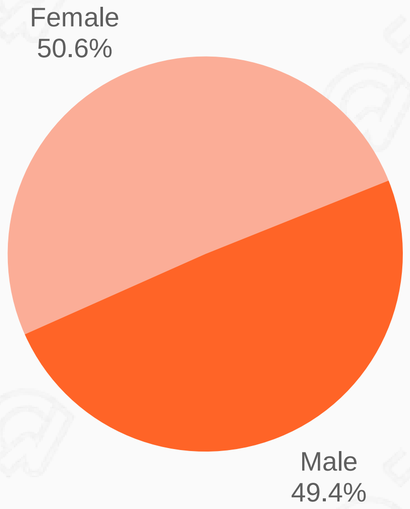
Source: Statista

SPORTS INDUSTRY INSIGHTS

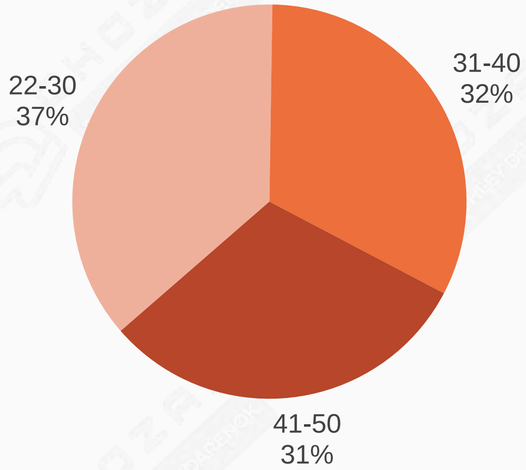
SPORTSWEAR CONSUMER PORTRAIT

Sportswear consumers are mainly young groups (22-30 years old) aged between 22-30. More Tier 1 cities' consumers will spend on the sports footwear and clothing than Tier 2 cities. As for the genders, female sportswear consumers(50.6%) are slightly more than male consumers(49.4%).

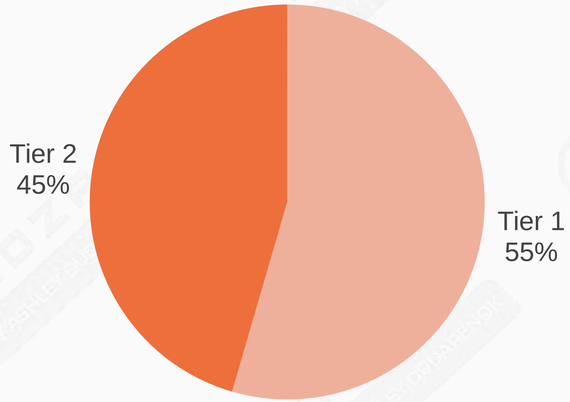
AMONG GENDER



AMONG AGE GROUP



AMONG CITY TIER



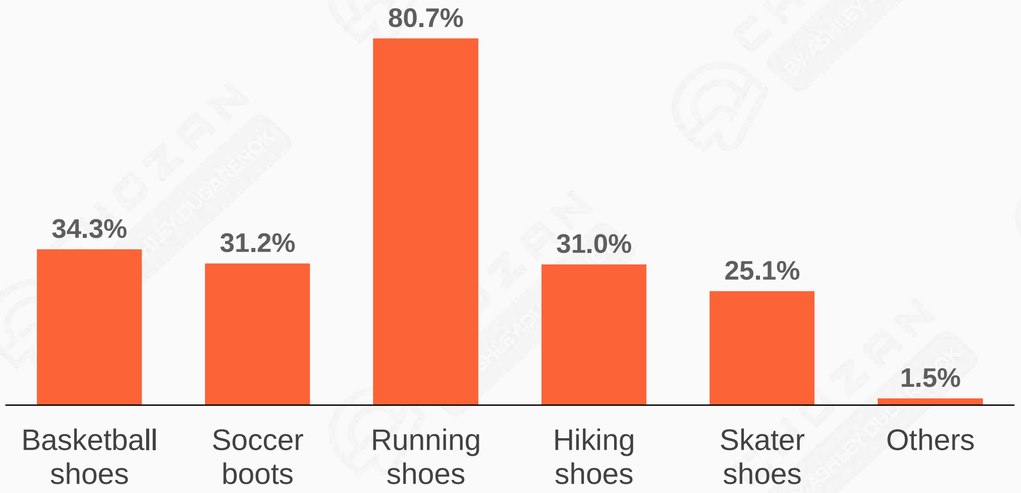
Source: iiMedia Research, 2022-2023 China athletic footwear apparel industry report

SPORTS INDUSTRY INSIGHTS

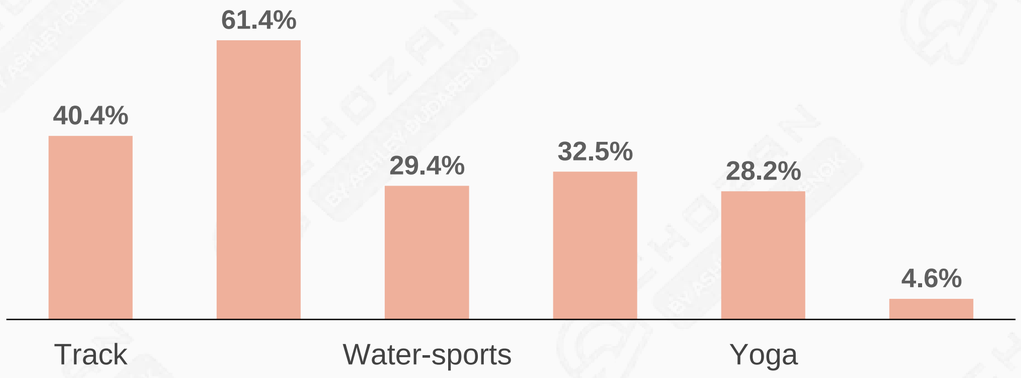
CONSUMER PREFERENCE ON SPORTSWEAR

In 2022, the running shoes are more popular among Chinese consumers, more than 80% consumers prefer to purchase a running shoe under the sneaker category. As for the sportswear, there are 61.4% consumers prefer to buy Ball-sports sportswear followed by the track wear (40.4%).

2022 CHINA SNEAKER CONSUMER PURCHASING PREFERENCE



2022 CHINA SPORTSWEAR CONSUMER PURCHASING PREFERENCE



Source: iiMedia Research, 2022-2023 China Athletic Footwear and Clothing Market Development Status and Market Research Analysis Report

EXPERT BITE

Q: WHAT SURPRISED YOU ABOUT CHINESE CONSUMERS IN 2022?

The popularity of sports events and the dual effects of staying at home due to the epidemic have ignited the enthusiasm of the whole people for fitness, and at the same time promoted the upgrading of the concept of healthy life.

A large number of silver-haired people with money and leisure are active online, releasing their consumption vitality. Now many of them buy imported health care products, medical supplies and other daily necessities online.

The sense of self-pleasure ritual enhances the home experience, with exquisite self-healing in life, advocating individual enjoyment.



SANDRINE ZERBIB

Founder & Chairwoman of Full Jet & President of Baozun Brand Management

3 COSMETICS AND BEAUTY INDUSTRY

IN THE PAST DECADE, CHINA'S COSMETICS SECTOR BOOMED. COSMETICS RETAIL IS EXPECTED TO CONTINUE RISING IN CHINA'S SECOND- AND THIRD-TIER CITIES.

EXPERT BITE

Q: WHAT SURPRISED YOU ABOUT THE BEAUTY INDUSTRY IN CHINA OR/AND CHINESE CONSUMERS IN 2022?

More and more voices from Chinese beauty and lifestyle influencers that go against the traditional beauty standards of a pale white skin & somewhat same-looking cosmetic surgery faces.

What I could observe are more brave young woman, not afraid to speak up and re-define what beauty means for them.



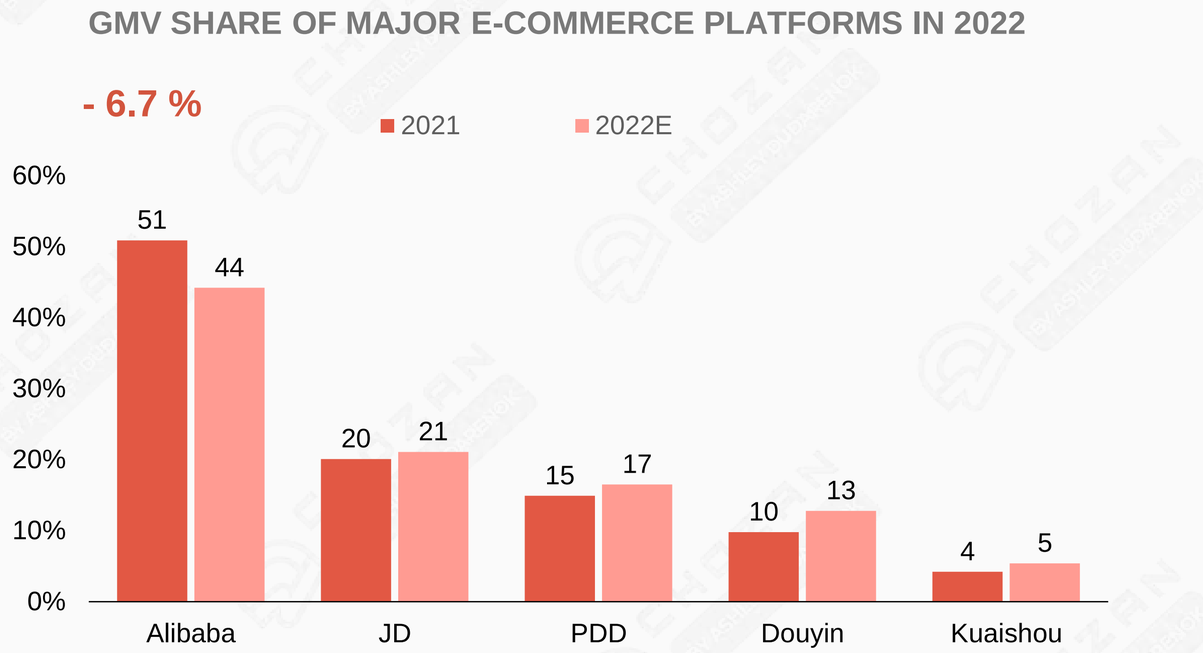
LISA SHIQI YU

Founder & CEO of MĒYRIS Marketing

COSMETICS & BEAUTY INDUSTRY INSIGHTS

TAOBAO: DOMINANT E-COMMERCE PLATFORM WITH ECOSYSTEM

Despite declining GMV shares and flattening growth rates, Taobao remains the major e-commerce platform in the Alibaba ecosystem and links high-value consumption groups through the 88 VIP program (25 million members as of July, 2022).



Source: SYNTUN

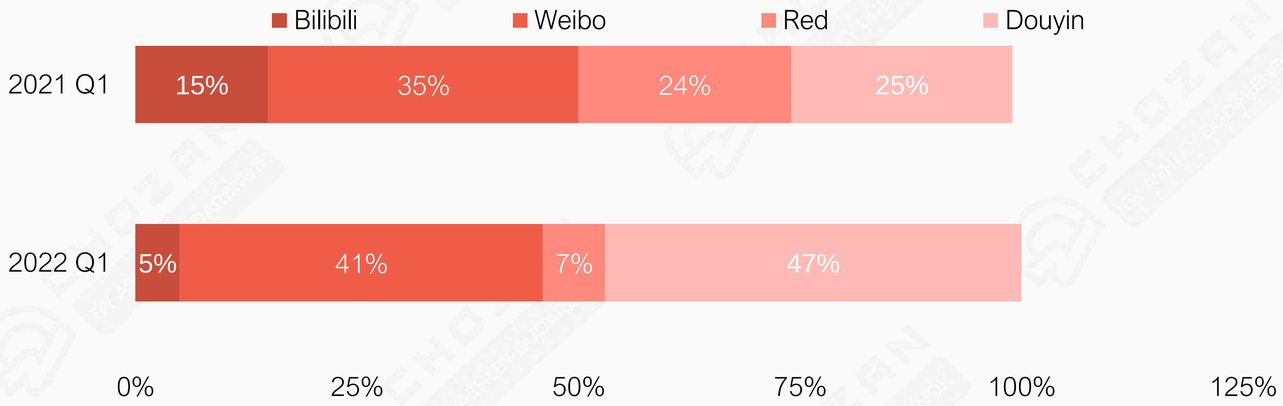
COSMETICS & BEAUTY INDUSTRY INSIGHTS

DOUYIN HAS BECOME THE MAIN BATTLEGROUND FOR BEAUTY BRAND MARKETING

In 2022 Q1, the proportion of mentions of make-up on Douyin increased by 18 times.

Whether it is the amount of interaction or the number of mentions of beauty content, Douyin ranks first among all social platforms.

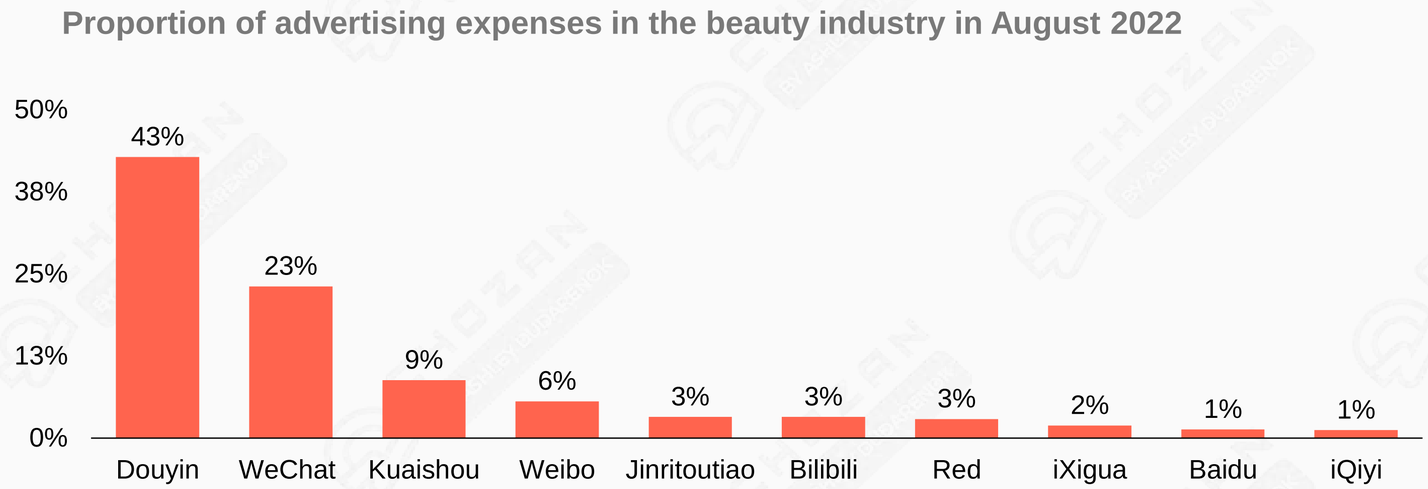
2021 Q1 - 2022 Q1 Proportion of interaction volume of cosmetics content on each platform



Source: https://www.cbndata.com/report/3042/detail?isReading=report&page=5

COSMETICS & BEAUTY INDUSTRY INSIGHTS

DOUYIN HAS BECOME THE MAIN BATTLEGROUND FOR BEAUTY BRAND MARKETING



Douyin has become the main battlefield for beauty brand marketing. According to data from August 2022, Douyin alone accounted for more than 40% of the marketing expenses of beauty brand advertisements placed on various social platforms. .

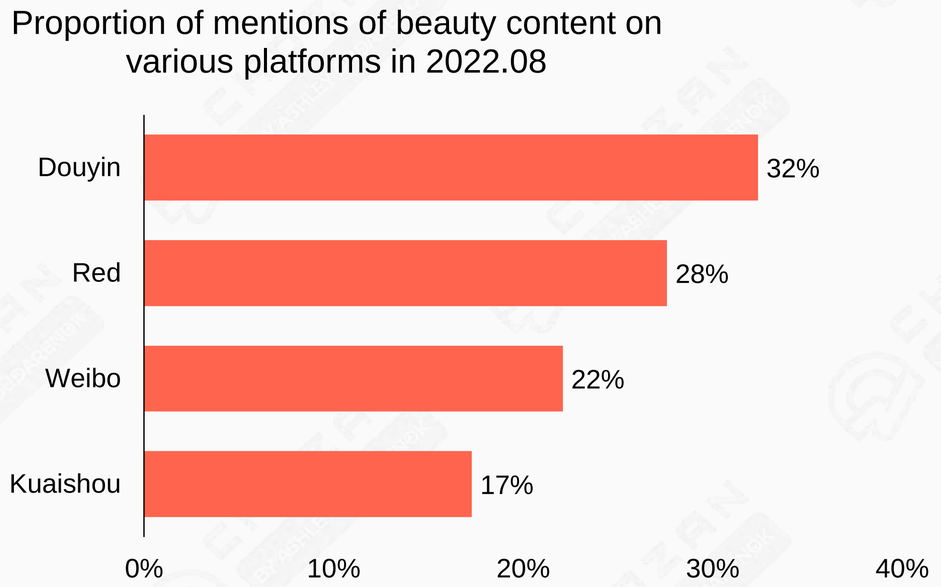
Source: https://www.cbndata.com/report/3042/detail?isReading=report&page=5

COSMETICS & BEAUTY INDUSTRY INSIGHTS

DOUYIN HAS BECOME THE MAIN BATTLEGROUND FOR BEAUTY BRAND MARKETING

Whether the amount of beauty content or the amount of interaction with beauty content, Douyin ranks first among mainstream content platforms.

Douyin has become the main battlefield for content promotion under the trend of “Grass Planting”.



Source: https://www.cbndata.com/report/3042/detail?isReading=report&page=5

COSMETICS & BEAUTY INDUSTRY INSIGHTS

STRICTER GOVERNMENT SUPERVISION ON THE EFFICACY AND INGREDIENTS

2022.01

- Cosmetics should provide relevant safety assessment reports or ergonomic experiment reports when claiming efficacy.



Whitening, sun protection, anti-hair loss, anti-acne, moisturizing and other functions need to pass human efficacy experiments before they can be promoted.

2022.07

- Put forward clear requirements for the quality management of the upstream production process of cosmetics.

2022.08

- Put forward clear requirements for the qualifications of cosmetics inspection institutions.

Stricter regulation of the beauty ingredients and promotion

- Good for the credibility of the beauty industry in the long run
- The supervision of production quality and the supervision of efficacy certification have led to higher entry barriers for the beauty industry

Source: https://www.nmpa.gov.cn/xxgk/fgwj/xzhgfxwj/20210409160321110.html

COSMETICS & BEAUTY INDUSTRY INSIGHTS

THE GOVERNMENT'S SUPERVISION OF MEDICAL BEAUTY PROMOTION IS MORE PERFECT

2021.11

- Prohibition of efficacy and safety promises in medical beauty advertisements
- Standardization of qualification standards for medical beauty advertisements

2022.03

- Make detailed adjustments to the classification, approval and registration of some medical devices.

2022.06

- Prohibits false publicity and forged word-of-mouth in medical beauty advertisements.

2022.01-10

- 277 cases of unfair competition involving medical beauty, with a total fine of 13.74 million yuan

2021.11

- Make regulations on the pricing and promotion of the medical aesthetics industry.

Stricter regulation of the medical aesthetics industry

- Online and offline marketing, financial compliance, pricing and services of medical aesthetics will continue to be subject to strong government supervision in 2023.
- The medical aesthetics industry is cold in the short term, but in the long run it is conducive to industry compliance and refined operations

Source: http://www.gov.cn/zhengce/zhengceku/bmwj/index.htm

COSMETICS & BEAUTY INDUSTRY INSIGHTS

BARRIERS TO ENTRY IN CHINA BEAUTY MARKET IS RISING



The Big Trend in Functional Skincare

- In the past five years, the CAGR of China's cosmetics market has been **10%**
- The CAGR of the functional skin care products market has exceeded **30%**.



R & D investment increased

- From 2019 to 2021, the total R & D investment of the top 10 domestic beauty companies were **703 million, 812 million and 1.162 billion yuan**.



High testing cost

- Cosmetics that are required to be tested by regulations cover a wide range of efficacy
- The test time period is long, the cost is high, and the test may not pass



Threshold increases

- Difficult for small and medium brands to enter the functional skin care market

Source: https://www.cbndata.com/information/254687

COSMETICS & BEAUTY INDUSTRY INSIGHTS

TMALL BECOME TRUSTWORTHY PLATFORM FOR HIGH-END BEAUTY MARKET

TMALL Beauty Price Concentration in 2020 & 2021

PRICE RANGE (IN RMB)	MARKET SHARES IN 2020	MARKET SHARES IN 2021
• 0 - 35	19.04%	13%
• 35 - 85	35%	29%
• 85 - 200	19.35%	23%
• 200 - 400	16.2%	18%
• 400 - 1075	5.64%	8.7%

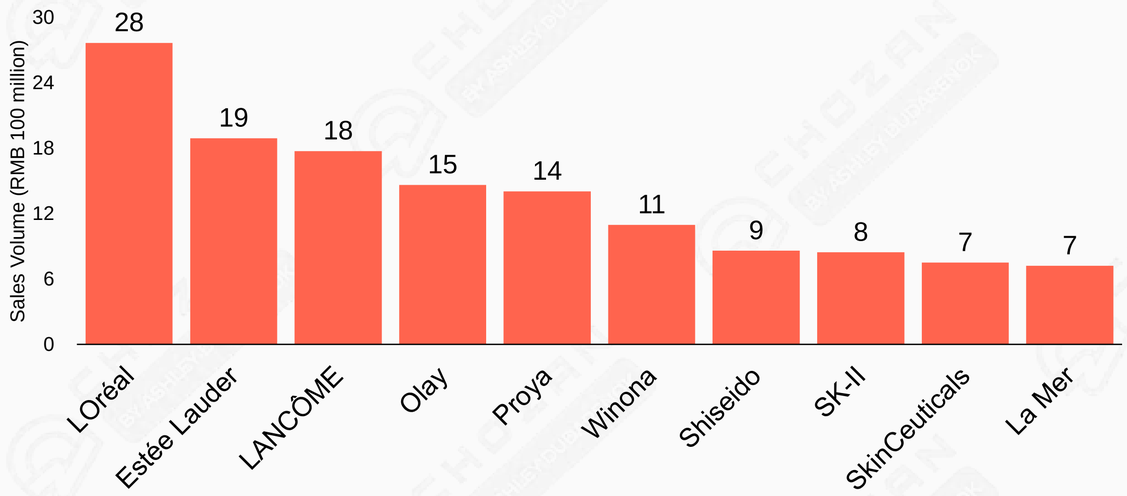
TMALL beauty market shows a significant price concentration increase, suggesting a high-end market trend and consumer preference

Source: Growth Hacker

COSMETICS & BEAUTY INDUSTRY INSIGHTS

TMALL BECOME TRUSTWORTHY PLATFORM FOR HIGH-END BEAUTY MARKET

Top 10 Beauty Brands in TMALL during11.11



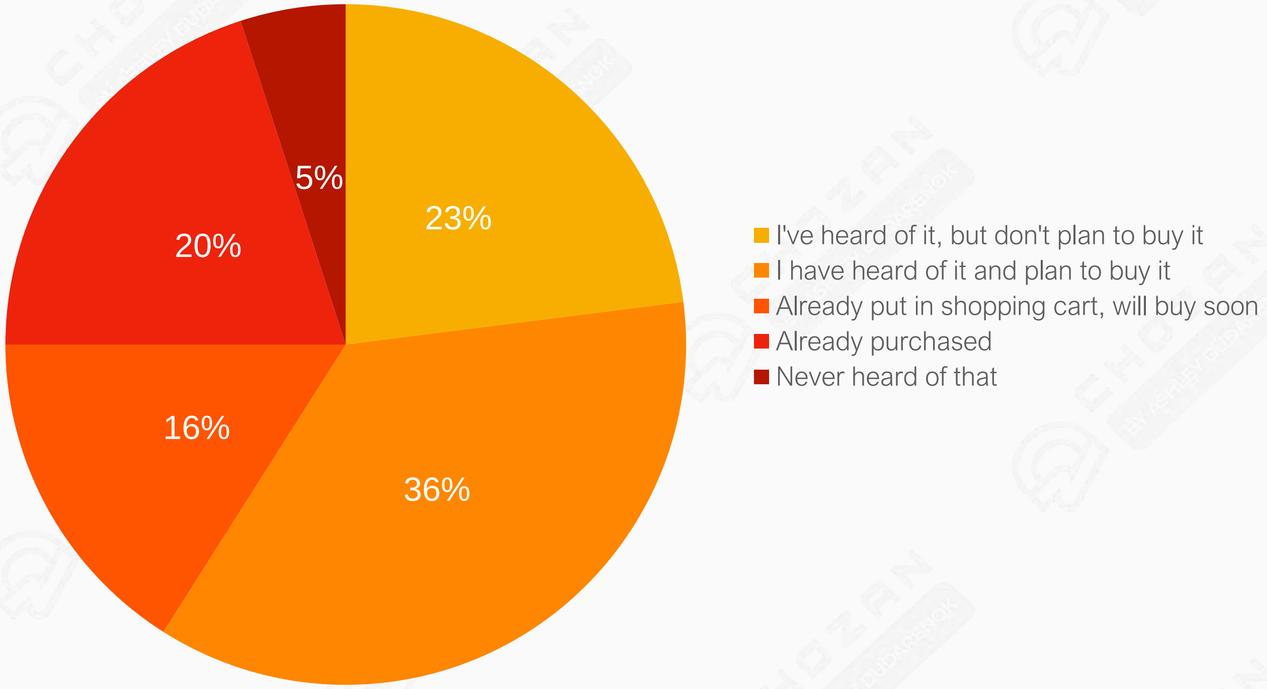
During the 11.11 period of 2022, the GMV of beauty products shows a growing market fervor for prestige brands, especially foreign ones supported by reliable scientific abilities and service management. Customers shift significance from price per se to cost performance of beauty purchase.

Source: https://m.mp.oeeee.com/a/BAAFRD0000202211137390 87.html

COSMETICS & BEAUTY INDUSTRY INSIGHTS

ELECTRONIC HOME BEAUTY INSTRUMENT MARKET IS ON THE RISE

Consumers' awareness and purchase of home beauty equipment



- **52%** of consumers are potential buyers of home beauty equipment

Electronic beauty equipment favored by consumers

- In 2021, China's household beauty instrument market was about **10 billion yuan**, It is estimated to reach **25.1 billion** to **37.4 billion yuan** in 2025.
- The 2022 MAT (Moving Annual Trend) sales of **electronic beauty equipment** accounted for **62%**, reaching **10.2 billion yuan**.

Source: https://www.cbndata.com/information/262051

EXPERT BITE

Q: WHAT ARE THE BEST ADVERTISING CHANNELS FOR BRANDS IN CHINA TODAY, IN YOUR VIEW, WHY AND HOW SO?

Don’t expect a lot of brand building to be a priority for advertisers unless you have deep pockets and can play the long game. Gone are the days where a brand like Perfect Diary can build a brand purely on strong social marketing investment.

Social media KOL inflation costs are skyrocketing, especially within competitive categories such as beauty and technology. Given this, expect brands pushing short term sales opportunities, and the focus will be on channels that have commerce, content, media, and influence. Efficiency is going to be the key and brands will pick their battles.



BRYCE WHITWAM

Senior Advisor at Target Social & Co-founder of the Shanghaizhan Podcast

4 HEALTH AND FITNESS INDUSTRY

AS THE CHINESE MIDDLE CLASS HAS BECOME MORE INTERESTED IN LEADING A HEALTHY AND ASPIRATIONAL LIFESTYLE, THE COUNTRY'S FITNESS INDUSTRY HAS SEEN TREMENDOUS GROWTH.

EXPERT BITE



SYCA JIANG

Head of Strategy at
Alarice and ChoZan

Q: WHAT ARE SOME OF THE NEW EMERGING CONSUMER GROUPS IN CHINA YOU SEE RIGHT NOW?

I think it’s the rising fitness users. As people pay more attention to health and sports, the functions of sports apps and smart equipment have gradually improved, and the number of users of sports and fitness apps has continued to stabilize at more than 200 million in the past year. It is estimated that by 2030, the number of people who regularly participate in physical activity will reach 560 million. China has set off a national sports boom, and the scale of China's sports industry is expected to exceed 3 trillion yuan in 2023. People's fitness needs tend to be diversified, and products related to sports and fitness will also continue to develop, tend to be customized and refined to meet the various needs of users.

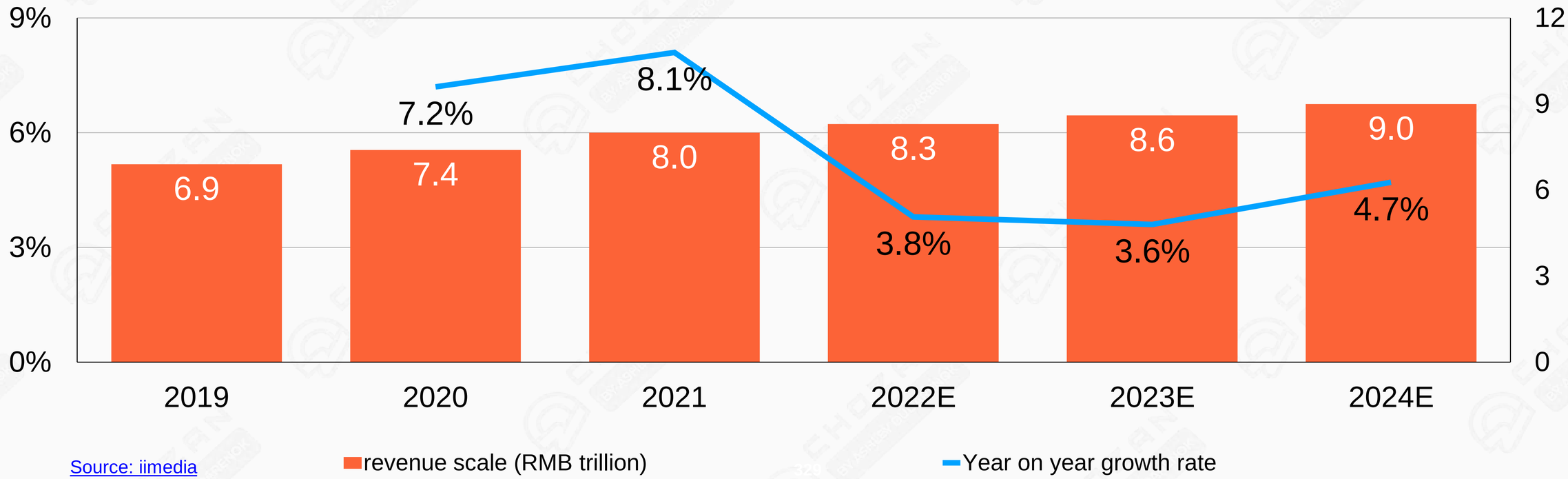
GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

HEALTH AND FITNESS INDUSTRY INSIGHTS

KEY FIGURES OF CHINA'S BIG HEALTH INDUSTRY FROM 2019 TO 2024

From 2019 to 2024, the overall revenue of China's big health industry will be growing. It is expected to reach RMB 9 trillion in 2024. The development of the big health industry in China is basically the same as that of the world, and the demand is also growing due to changes in the social structure, which ensures sustainable growth.

Overall revenues and forecast of China's big health industry from 2019 to 2024

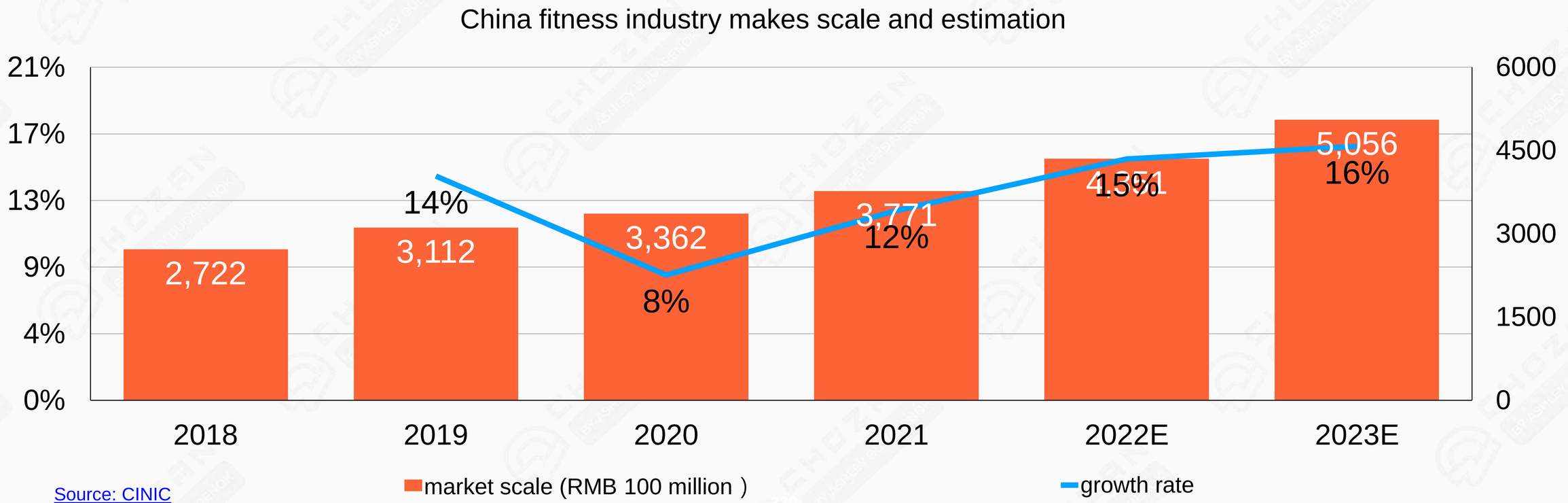


Source: iimedia

HEALTH AND FITNESS INDUSTRY INSIGHTS

LOCATE FITNESS INDUSTRY IN THE CONTEXT OF BIG HEALTH

According to iiMedia Consulting data, the market size of China's fitness industry has continued to grow in recent years. The market size will reach 377.1 billion yuan in 2021, and it is expected that the market size will exceed RBM 500 billion in 2023.



Source: CINIC

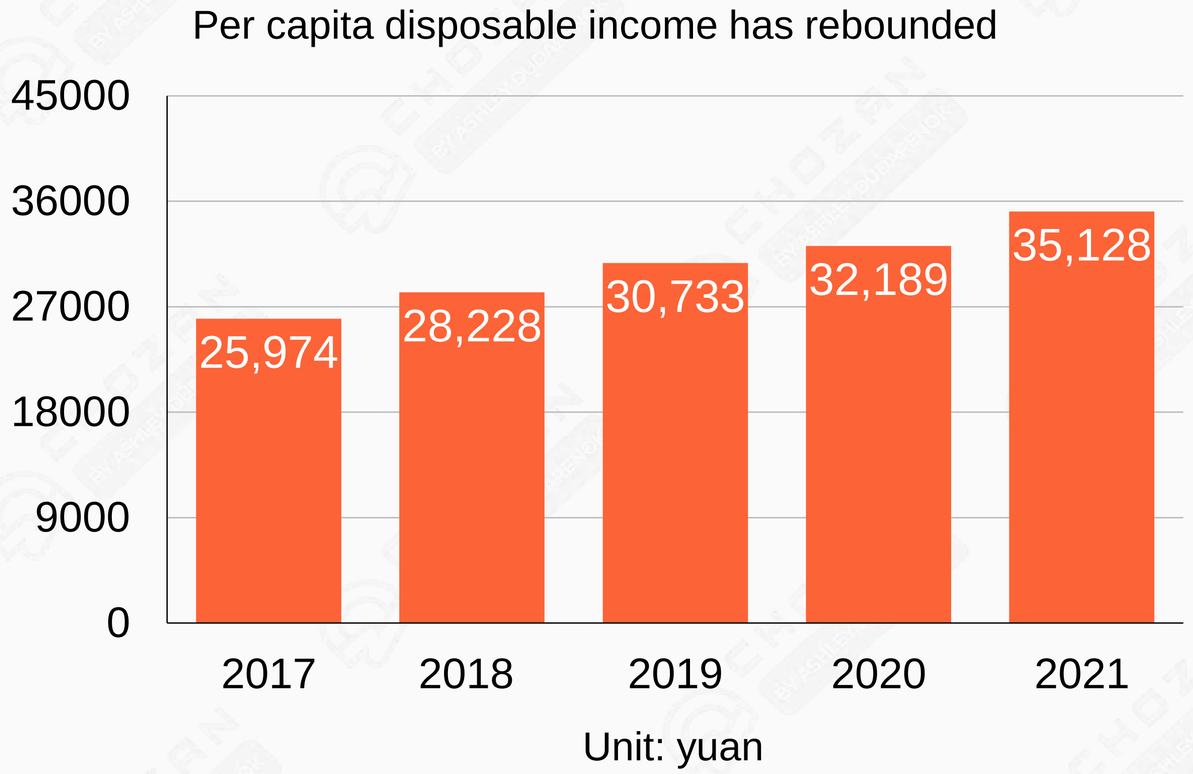
HEALTH AND FITNESS INDUSTRY INSIGHTS

HUGE MARKET DEMAND BUT RELATIVELY LOW PENETRATION RATE

The penetration rate of China's fitness population and per capita expenditure have suggested huge room for growth.

In 2021, the penetration rate of China's fitness population is **21.5%.** Compared with **48.2%** in the United States and **41.2%** in Europe during the same period, there is still a lot of room for growth.

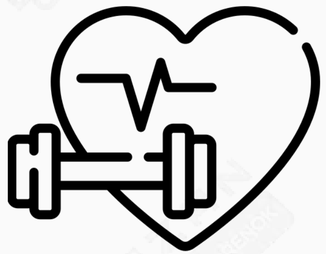
Especially gym membership penetration rate is only **3.2%**, far lower than the **23.5%** in the United States and **9.5%** in Europe.

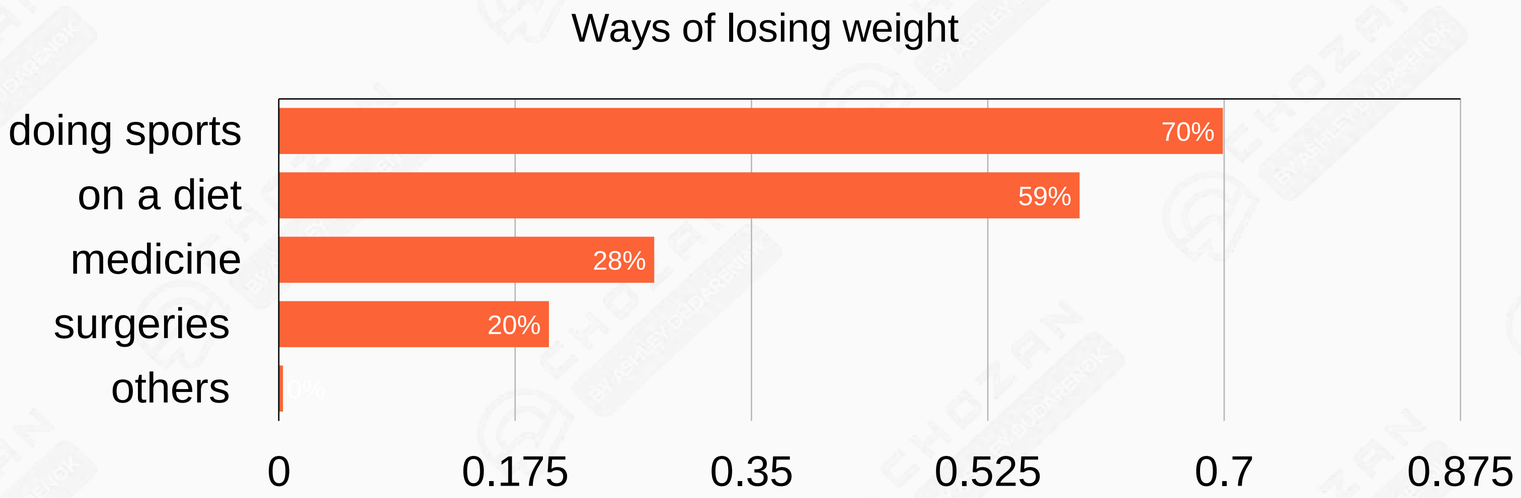


Source: SWS research

HEALTH AND FITNESS INDUSTRY INSIGHTS

2022 MOST POPULAR METHODS OF LOSING WEIGHT IN CHINA





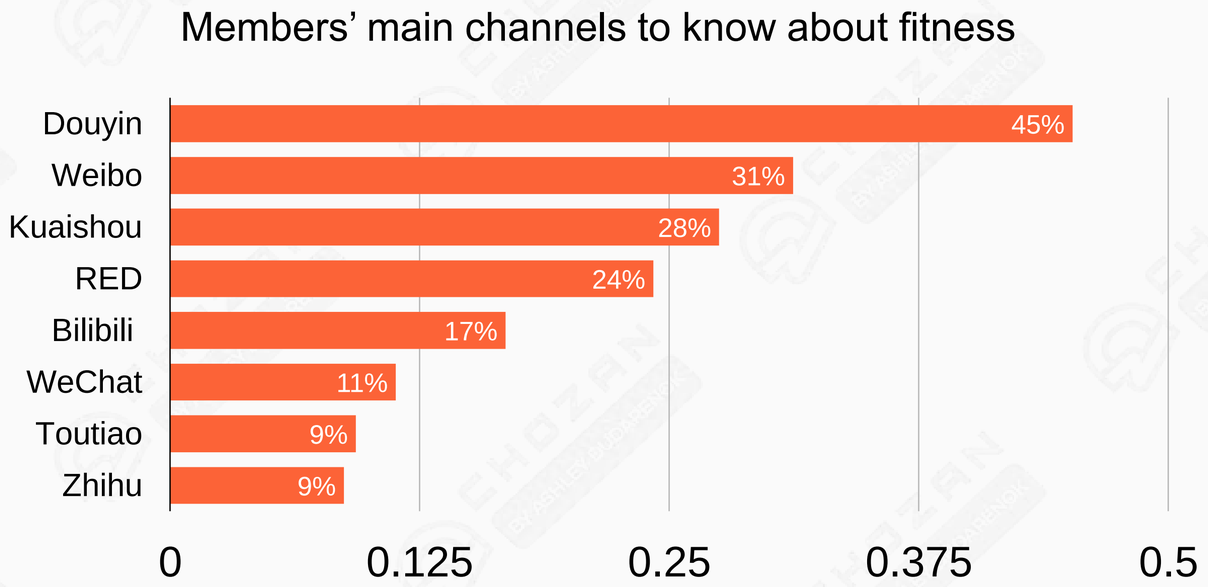
Source: Chyxx research

HEALTH AND FITNESS INDUSTRY INSIGHTS

MARKETING HIGHLIGHT #1: ONLINE SOCIAL PLATFORMS TO GAIN ATTENTION

Users' key routes of comprehending the fitness services may be found on social media apps such as Douyin, Weibo, and RED. To attract attention and contribute to offline store traffic, brands must establish unique and intriguing campaigns on social channels.

Furthermore, it is projected that by 2022, China's online fitness market will have steadily surpassed the offline size, which would be a positive factor in contributing to the fitness industry's robust development.



Source: SWS research

HEALTH AND FITNESS INDUSTRY INSIGHTS

MARKETING HIGHLIGHT #2: VARIOUS CONTENT FORMATS TO PROVIDE ONE-STOP SOLUTION



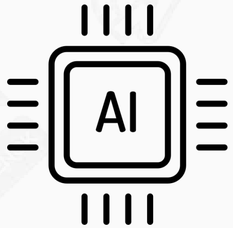
PGC

Professional-generated content: This type of content is primarily generated by the professional content-producing team inside the company. With years of experiences and expertise, they focus on understanding the users' needs and preferences to help the platform construct and adjust their long-term content strategy.



PUGC

Professional and user generated content: This means pre-made video courses and pre-arranged training sessions by health and fitness influencers and other third party participants. The internal system can guide these KOLs to co-develop professional and high quality content, with a focus to achieving all kinds of fitness goals.



AIGC

Artificial intelligent generated content: This content format includes automatically designed structured courses and other training plans based on users' specific needs and progress, aided by AI technology.

Source: SWS research

EXPERT BITE

Q: HOW WILL CHINA'S ONLINE RETAIL MARKET DEVELOP IN 2023 IN YOUR VIEW? WHAT INDUSTRIES WILL WIN OR LOSE?

People are more curious about and open to trying out new healthcare goods. The "Common Prosperity" approach will lead to the emergence of government-related B2B and B2C e-commerce platforms, complete with their preexisting consumer base.

The popularity of Douyin live streaming and cross-border e-commerce is still growing as an alternative to traditional e-commerce.



RICHIE YUNG

Chairman at The Asian General Chamber of New Retail

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4 FASHION AND APPAREL INDUSTRY

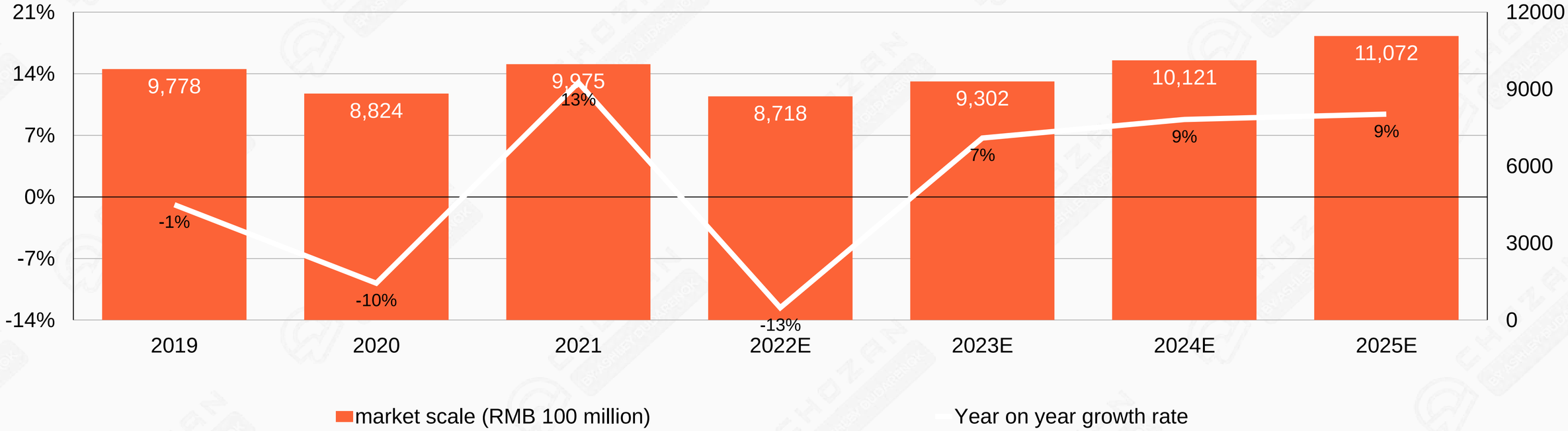
DESPITE EXTENSIVE CONSUMER SPENDING CUTS, THE CHINESE FASHION AND APPAREL MARKET HAS REBOUNDED TO PRE-COVID-19 REVENUE LEVELS.

FASHION AND APPAREL INDUSTRY INSIGHTS

STEADY GROWTH TOWARD 2025

In the future, Chinese apparel industry will be developing towards high-end and brand-oriented, and national acceptance will further increase, which is expected to reach RMB 1,107.18 billion in 2025.

Retail sales of Apparel Goods of Enterprises Above Designated Size in China from 2006 to 2025



Source: iiMedia Research

FASHION AND APPAREL INDUSTRY INSIGHTS

THE GRADUAL TRANSFORMATION AND UPGRADING OF CHINA'S FASHION INDUSTRY



1. CONSUMERS

Consumers are growing more mature and Chinese cultural confidence has brought about more opportunities for domestic brands. Chinese young generation put higher expectation on beauty diversity and individual expression.



2. MARKET COMPETITION

The market competition has strengthened and the fashion circle has shortened under the market structural changes. Some of the leading companies have started to transform, especially DTC upgrading, omni-channel maintenance, industrial outreaching, and etc.



3. NATIONAL POLICY

The national policy under the theme of "dual circulation" and "internal circulation" has deepened the industrial revolution, promoting Chinese brands to enter the world.



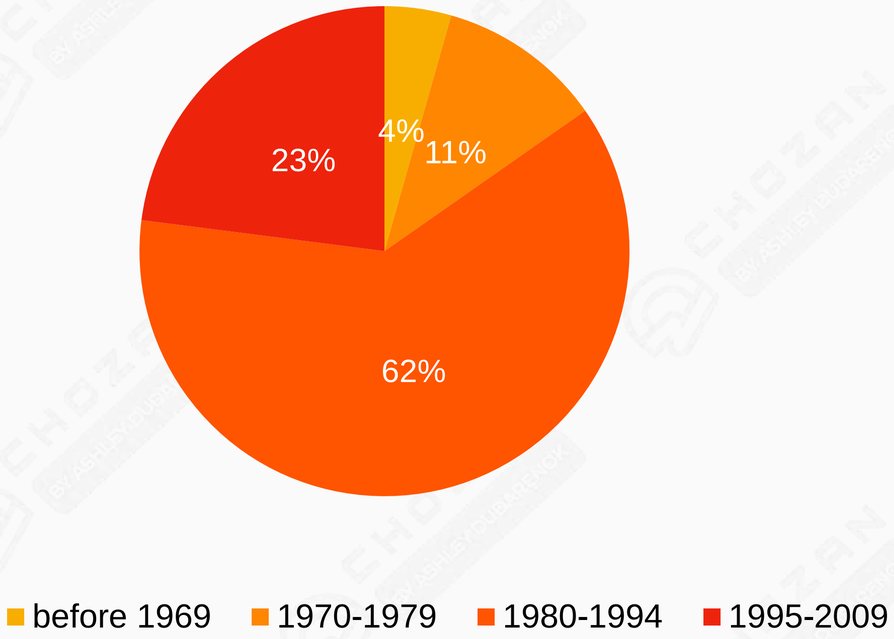
4. INDUSTRIAL UPGRADE

Under the big theme of industrial upgrading, the capital flowing and technology-driven characteristics will bring into much stronger momentum.

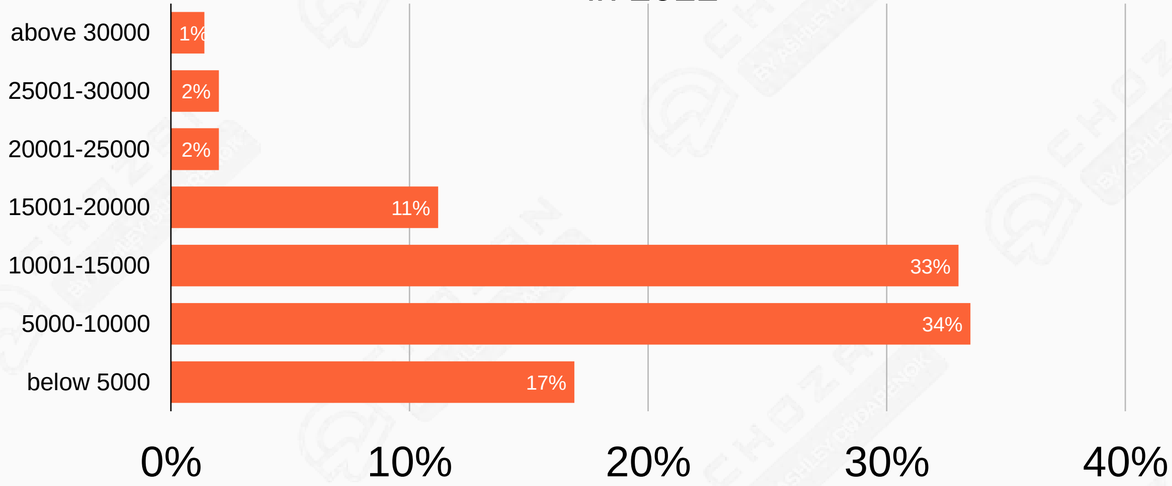
FASHION AND APPAREL INDUSTRY INSIGHTS

CONSUMER KEY FIGURES

Distribution of Chinese Apparel Consumers in 2022



Income distribution of Chinese Apparel Consumers in 2022

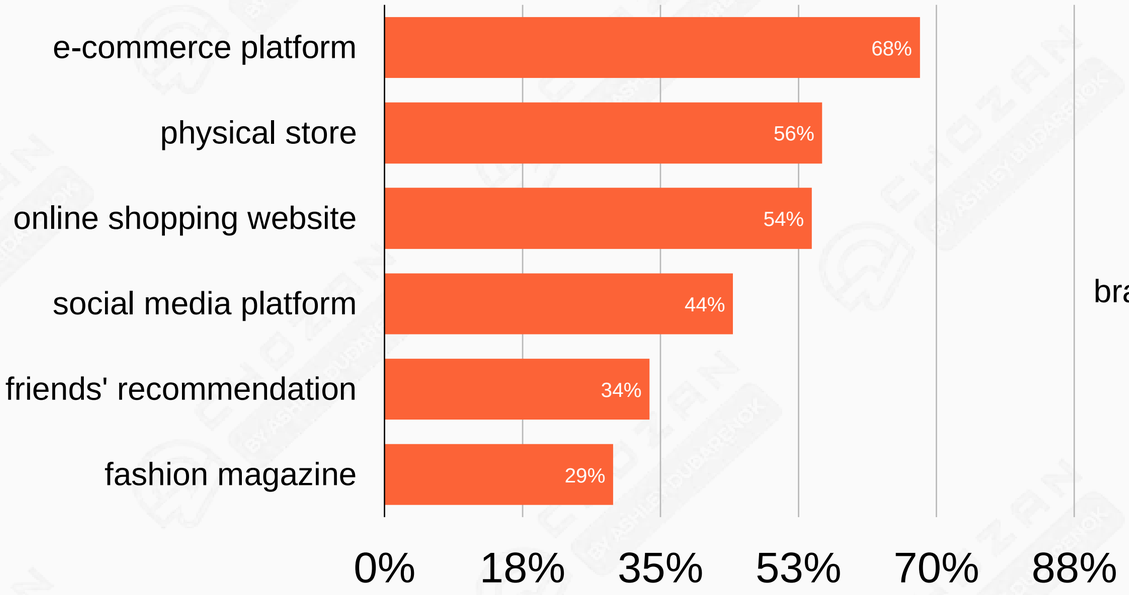


Source: iiMedia Research

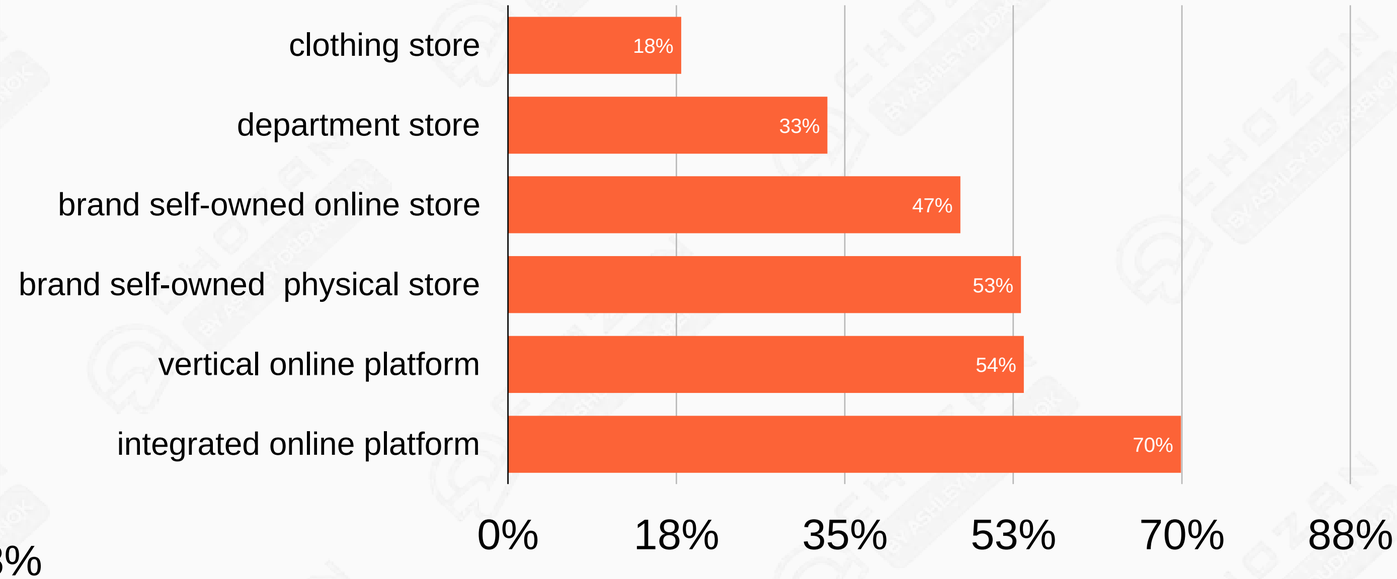
FASHION AND APPAREL INDUSTRY INSIGHTS

CONSUMERS' DECISION-MAKING CHANNELS WHEN BUYING APPAREL

Reference channels for Chinese apparel consumers to buy clothing in 2022



Channels for Chinese apparel consumers to buy clothing in 2022

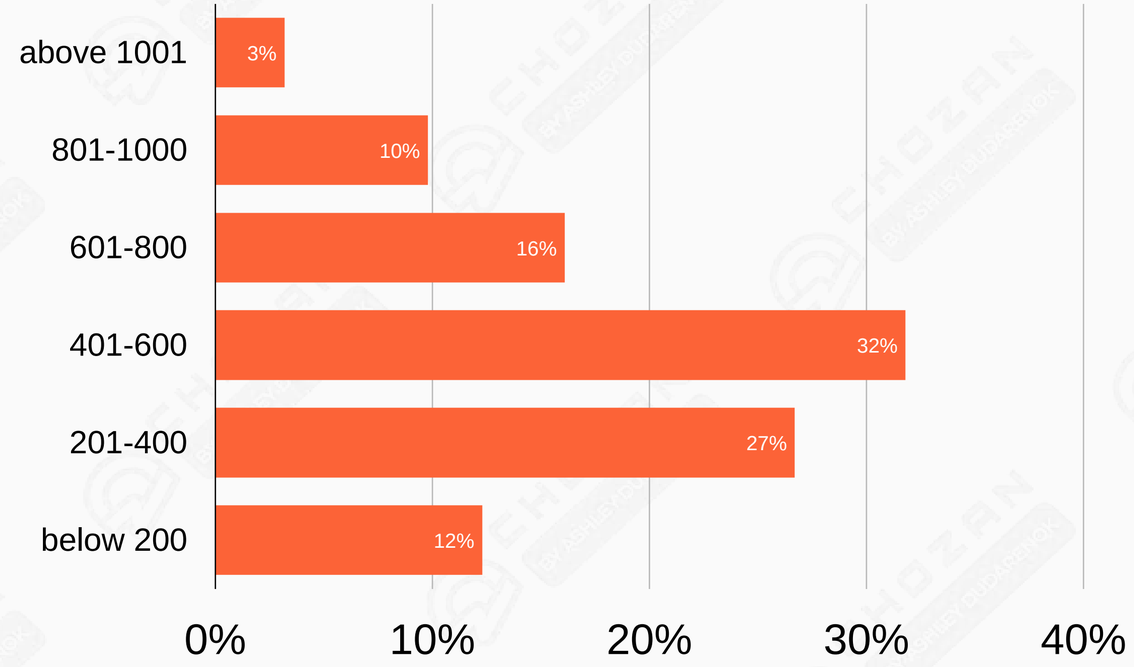


Source: iiMedia Research

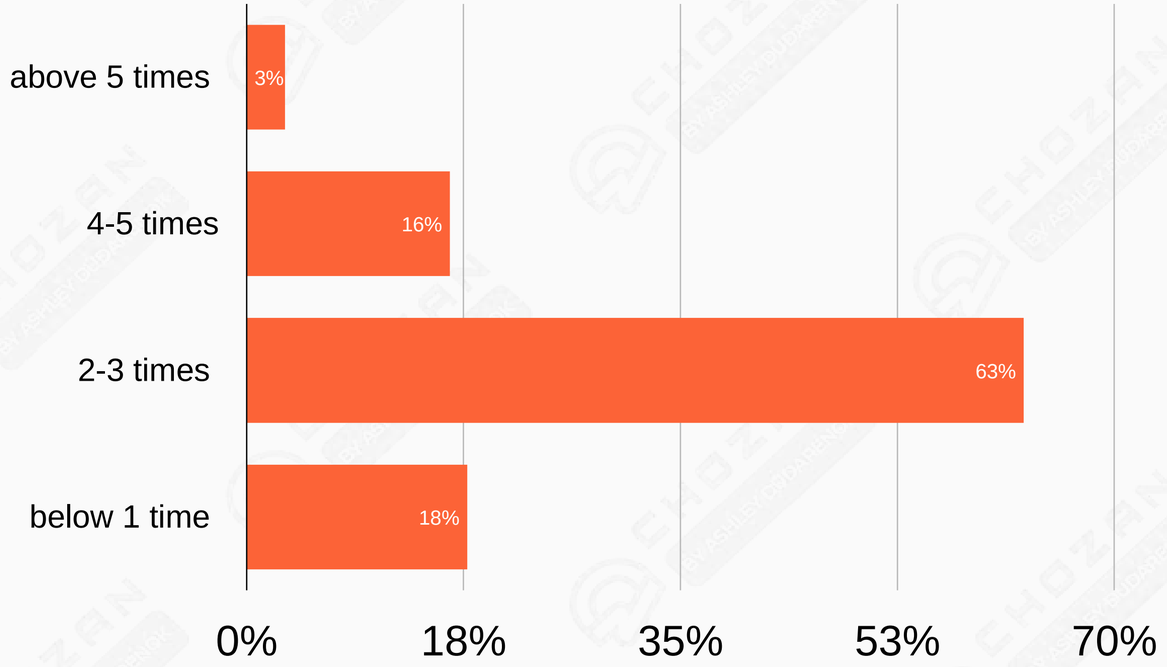
FASHION AND APPAREL INDUSTRY INSIGHTS

CONSUMER BEHAVIOR FOR BUYING APPAREL

Monthly apparel purchases by Chinese clothing consumers in 2022



Monthly apparel purchases by Chinese apparel consumers in 2022



EXPERT BITE

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR OVERSEAS FASHION BRANDS IN CHINA RIGHT NOW?

For overseas sports brands and fashion brands in China, I would highly recommend brands to really dig deep, identify cultural shifts which they can uniquely own and truly connect culturally at every consumer touch points through their product innovations, messaging, content, retail experiences, etc.



SAW GIN TOH

Head of Strategy Consulting for
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5 EDUCATION INDUSTRY

VOCATIONAL EDUCATION HELPS THE EDUCATION INDUSTRY TODAY. FAVORABLE REGULATIONS ARE FOSTERING EXPANSION IN THIS AREA.

EXPERT BITE

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE EDUCATION INDUSTRY IN CHINA RIGHT NOW?

Use 1) targeted advertising to help ramp up inquiries in the short-term and 2) content marketing to build up a base of interested potential students and parents over the long-term.

There's one thing we do that's not yet common practice. Instead of handing over leads to education agents that will try to sell multiple schools to the student, our sales agents will handle each student from inquiry to enrollment.



TAIT LAWTON

Founder of
Nanjing Marketing Group

EXPERT BITE



PEGGY PENG

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE THE MOST IMPORTANT HIGHLIGHTS THAT BRANDS NEED TO BE AWARE OF IN THE EDUCATION INDUSTRY? WHAT'S TRENDING IN THE INDUSTRY NOW?

Education companies should focus on developing content, platform, products and should further combine with industries such as big data, cloud computing and virtual reality to create an integrated digital education system to enhance their competitiveness.

The huge market space for adult and vocational education, the support from the policy end and the large consumer base provide the industry with a wide scope for development.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

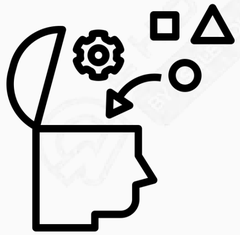
EDUCATION INDUSTRY INSIGHTS

OVERVIEW AND THE FUTURE



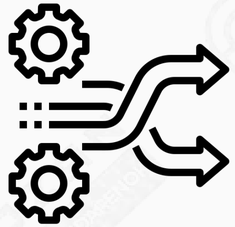
China’s “Double Reduction” Policy Transfer Industry Market

The sudden launch of "Double Reduction" Policy on July, 2021 transferred market outlet. Subject education in K-12 encountered crackdowns and quality-oriented education leads the market growth.



Diversified Learning Motivation for Personal Fulfillment

As lifelong learning prevails in the ever-aging China's society, different social groups have diversified learning motivations encouraging niche market segments.



Tech Advancement Propels Education Industry Upgrading

Paving into Web 3.0 as more technologies being applied to industry development, EdTech becomes important leverage to empower more interesting and effective learning journey.

EDUCATION INDUSTRY INSIGHTS

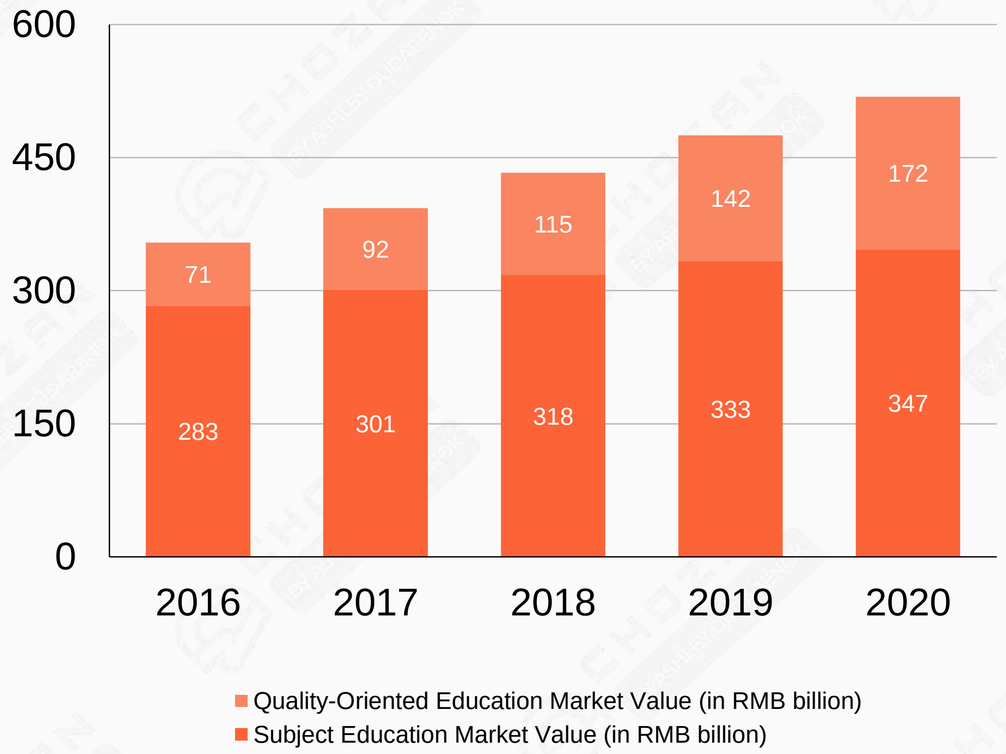
QUALITY-ORIENTED EDUCATION EXPAND AND FURTHER SEGMENTED

Double Reduction Policy Pushes Market Growth

The market value of quality-oriented education continued to grow with a over **10% average increase rate** in the last 5 years, and exceeded **RMB 200 billion**.

After the **Double Reduction Policy** launched in 2021, a large proportion of subject education transferred to quality-oriented sector, which leads to market segmentation and diversification with great momentum.

Due to pandemic restrictions, online learning habits are cultivated, leading to **online quality-oriented education** market boom from less than RMB 3 billion in 2016 to **over RMB 60 billion** in 2020, a twentyfold increase within 5 years. Empowered by technology application, more intelligent education products and services emerge, catering in individualized needs.



Source: Agora

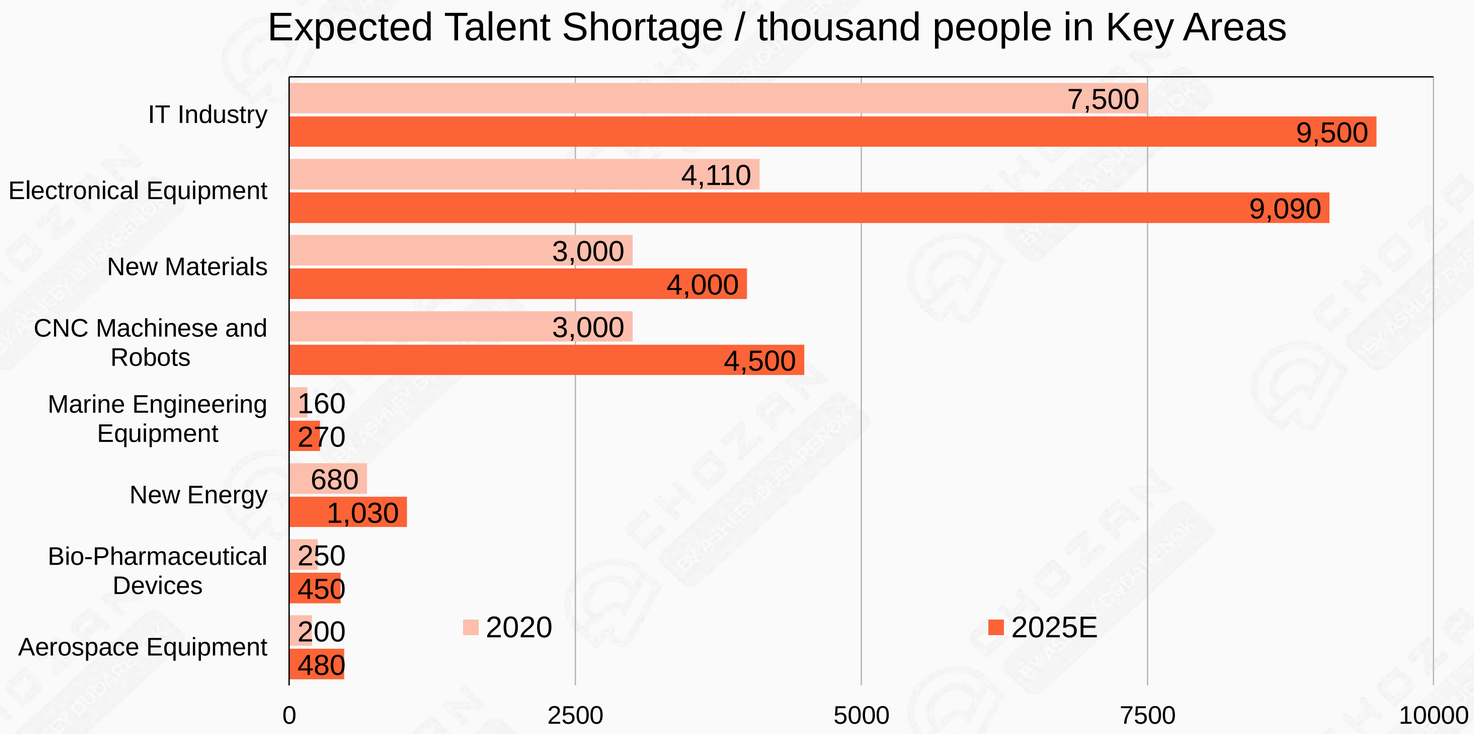
EDUCATION INDUSTRY INSIGHTS

VOCATIONAL EDUCATION IN NEED TO FILL TALENT GAP

Aggravated Talent Shortage

Talent shortage in top 10 key areas exceeded 19 million people in 2020, and it expected to reach **30 million** in 2025.

The transforming China's market from labor-intensive to tech-empowered orientation demands **142 million talents of college or above degree** to fill the gap, which stimulate growth of vocational education development.

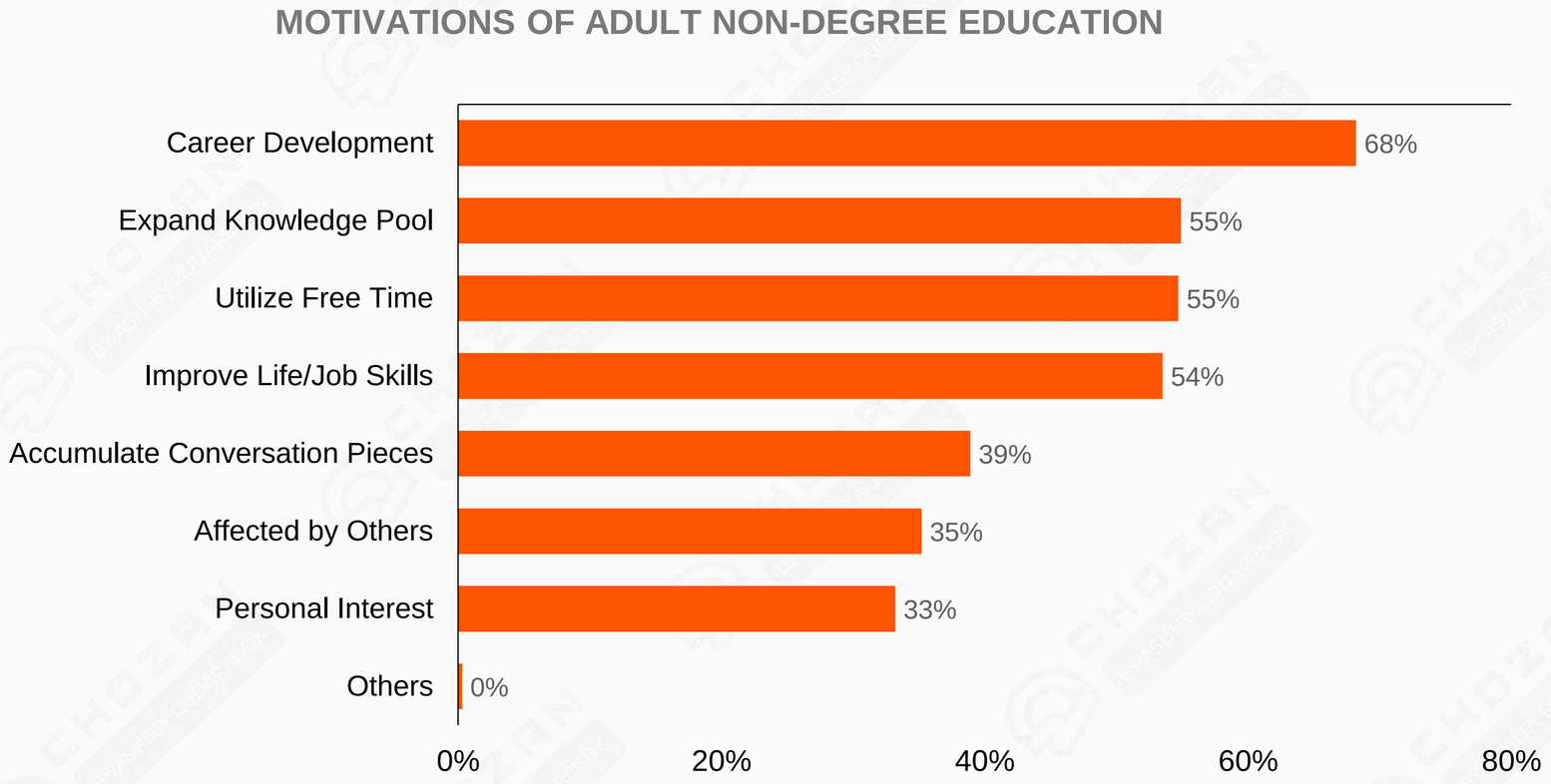


Source: Agora

EDUCATION INDUSTRY INSIGHTS

LIFELONG LEARNING BECOMES THE CONSENSUS

Chinese users have **diversified motivations** for lifelong learning and will continue purchasing relevant services. The broad adult learning market echoes such demands.



Source: iResearch, Lifelong Education Report

EDUCATION INDUSTRY INSIGHTS

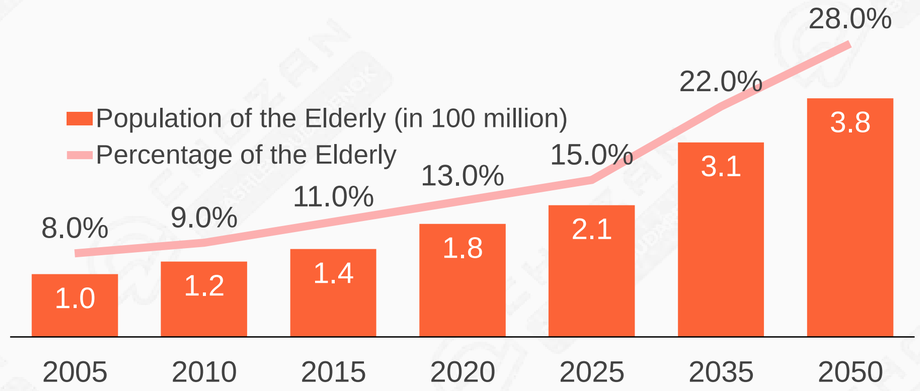
SILVER HEAD EDUCATION IN THE DEEP-AGING SOCIETY

Deep-Aging Society

The elderly population reaches **191 million** in 2020, and the Chinese society already entered deep-aging phase, with **over 14%** population over 65 years old.

Along with improved economic status, disposal income also increase. The market value of the elderly reaches **RMB 8 and 22 trillion** in 2020 and 2030 respectively, indicating a promising market waiting to be explored.

2005- 2050 CHINESE ELDERLY POPULATION GROWTH

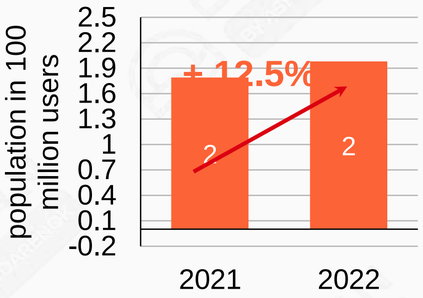


Silver-Head Population & Mindsets

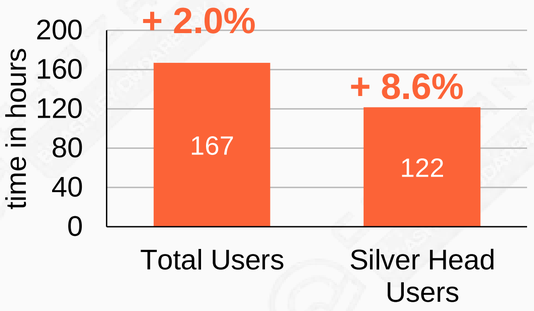
Echoing the elderly trend, silver-head economy becomes a GDP leverage. In 2022, silver head active users reach **297 million** with a **12.5% YoY increase** rate.

With a increasing active population among silver head group and a come-to-close users' time, the silver head is accustomed to **online mindset**s and ready for **life-long learning** empowered by the Internet.

SILVER HEAD ONLINE POPULATION CHANGES



MONTHLY AVERAGE SERVICE TIME ONLINE



Source: MobTech, 2022 Silverhead Industry Report

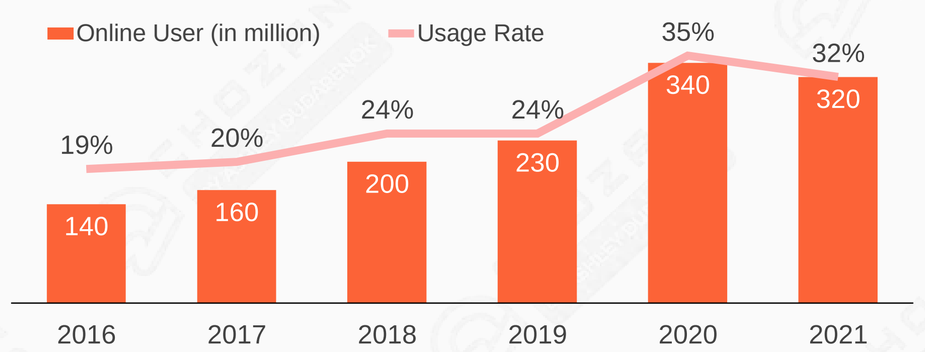
EDUCATION INDUSTRY INSIGHTS

EDTECH TRANSFERS EDUCATION WITH MOMENTUM

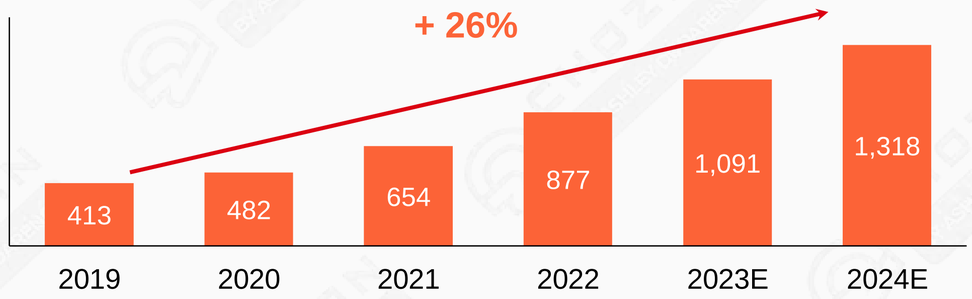
Online Education further prevails due to learning mindset and behaviors transformation under covid restrictions. With an expanding online users' pool and usage rate, EdTech is motivated to empower the new learning scenarios.

With a **YoY 26% increase**, hardware EdTech is expected to reach **over RMB 100 billion** in 2024; more creations like **XR and MetaVerse** are instilling education industry with efficiency and individualized experience.

2016-2021 ONLINE EDUCATION USERS AND USAGE RATE



MARKET VALUE OF CHINA'S SMART ED HARDWARE



Source: DuoJing, 2022 Hardware Report

EXPERT BITE

Q: WILL CHINESE INTERNATIONAL STUDENTS RETURN TO COUNTRIES IN 2023, IN YOUR VIEW? WHY OR WHY NOT, AND HOW SHALL DESTINATIONS PREPARE?

With me based in London, I already saw Chinese international students returning to the UK and expect even more throughout the year, thanks to the returning of China's open borders to the world.

Schools and universities in the UK who wish to attract these Chinese students should already start promoting themselves and educate students and their parents about the benefits of studying in the UK through the right Chinese media, social media and strategic PR activities. Opportunities are now.



SALLY MAIER-YIP

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5 ELECTRONIC AND HOME APPLIANCES INDUSTRY

CHINA HAS THE FASTEST-GROWING HOUSEHOLD APPLIANCE MARKET. BECAUSE CHINA HAS ACCESS TO GREATER TECHNOLOGY AT A LESSER COST, ITS EXPORTS ARE MORE VALUED.

ELECTRONIC AND HOME APPLIANCE INDUSTRY INSIGHTS

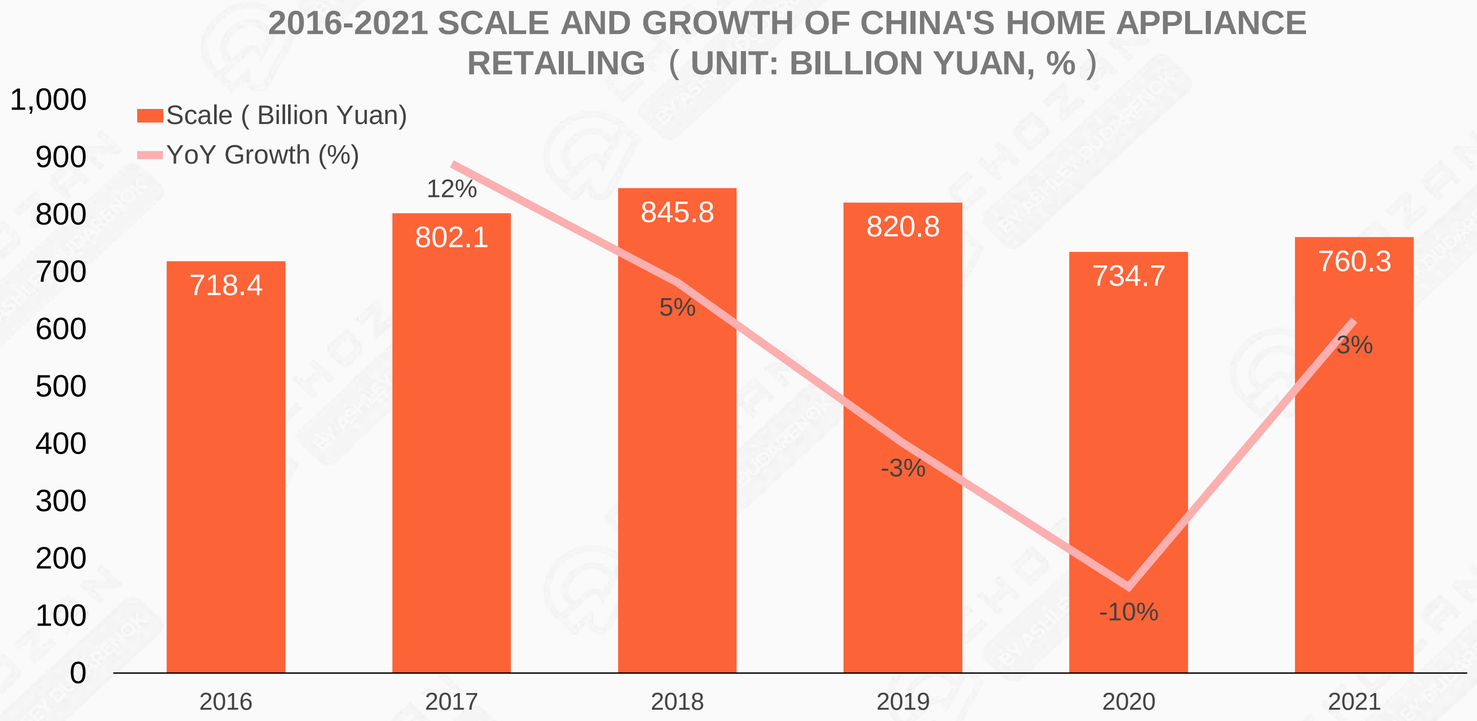
ELECTRONIC AND HOME APPLIANCE'S MARKET SCALE OVERVIEW

China's home appliance market is huge, and after a decline in 2018-2020, it rebounded in 2021

There are two reasons for the downward trend:

1. The home appliance market tends to be saturated
2. Covid has a great impact on the economy.

Actively developing online channels contributed to the sales rebound in 2021.



Source: Huaon.com

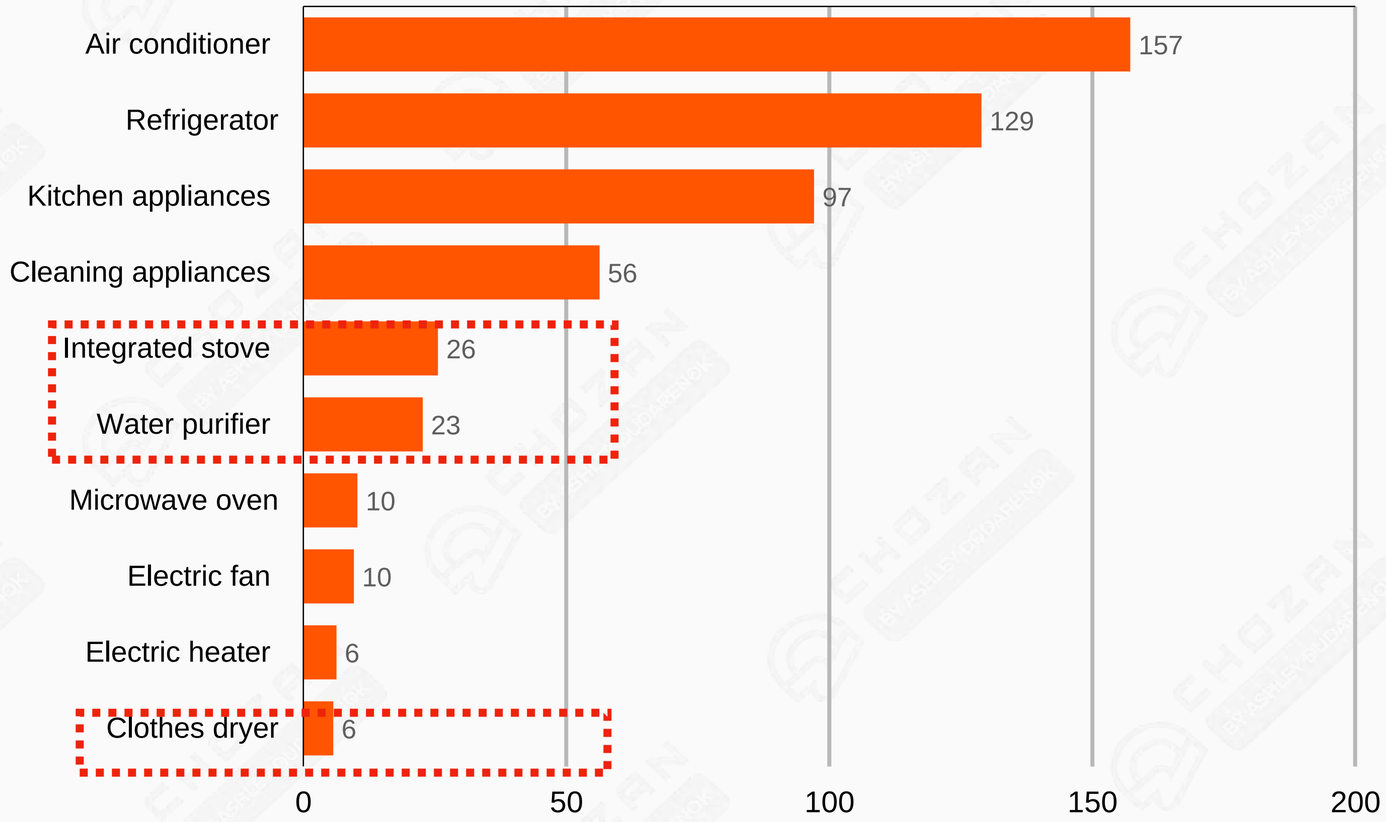
ELECTRONIC AND HOME APPLIANCE INDUSTRY INSIGHTS

PRODUCT SIDE: THE MARKET SHARE OF TRADITIONAL CATEGORIES IS LARGE, AND THE SHARE OF EMERGING CATEGORIES IS GRADUALLY INCREASING

Traditional appliances such as refrigerators and freezers and other consumer-resistant pins continue to dominate the appliance market.

Emerging appliances such as integrated ovens, water purifiers and clothes dryers are becoming increasingly popular.

2021 home appliance market retail scale by category in China
(Unit: billion yuan)

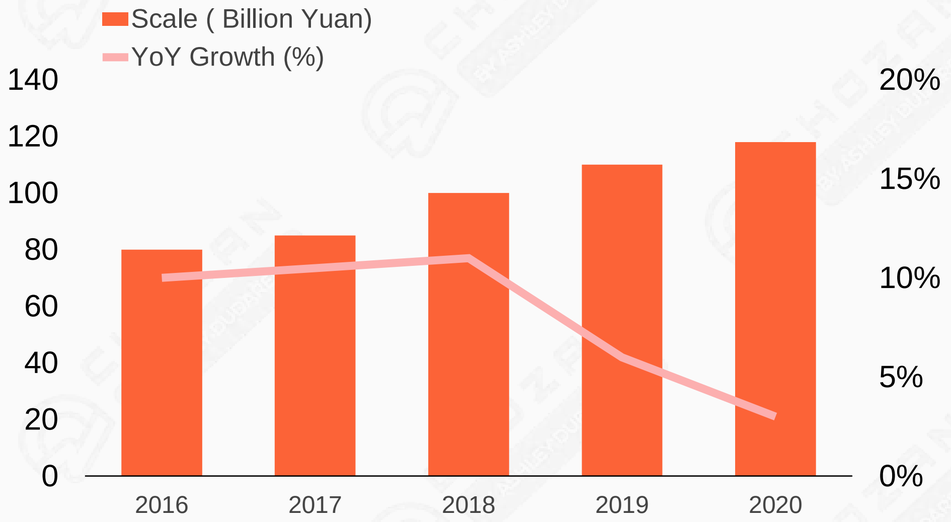


Source: AVC

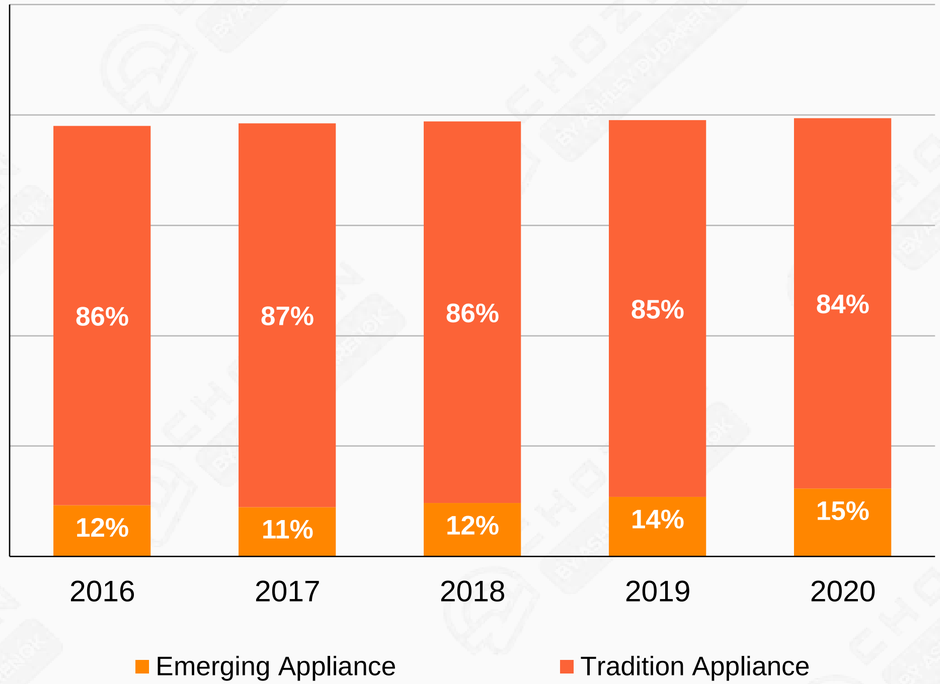
ELECTRONIC AND HOME APPLIANCE INDUSTRY INSIGHTS

THE EMERGING APPLIANCE MARKET IS GRADUALLY INCREASING IN SIZE AND BECOMING A LARGER SHARE OF THE OVERALL HOUSEHOLD INDUSTRY

2016-2020 SCALE AND GROWTH OF CHINA EMERGING CATEGORIES OF HOME APPLIANCES (UNIT: BILLION YUAN, %)



SHARE OF EMERGING CATEGORY APPLIANCES VS. TRADITIONAL CATEGORY APPLIANCES



Source: Home Appliance Industry: Decoding the New Appliance Report

EXPERT BITE

Q: WHAT WILL CHINESE CONSUMERS BE MORE AND LESS LIKE IN 2023?

China 2023 Chinese consumers will be more cautious and partake in less revenge consumption. Chinese luxury fans will consist of more high net worth individuals and less middle class. Sports devotees are focusing more on outdoor leisure sports and less on extensive exercises.

Chinese super moms are focusing more on product quality and less on price. Meanwhile, Chinese happy singles are focusing more on travelling and leisure activities and less on luxury shopping. Their general mood / consumption sentiment is focused more on mental consumption instead of physical consumption.



MIRO LI

Founder of Double V Consulting & CHINAble Academy

6

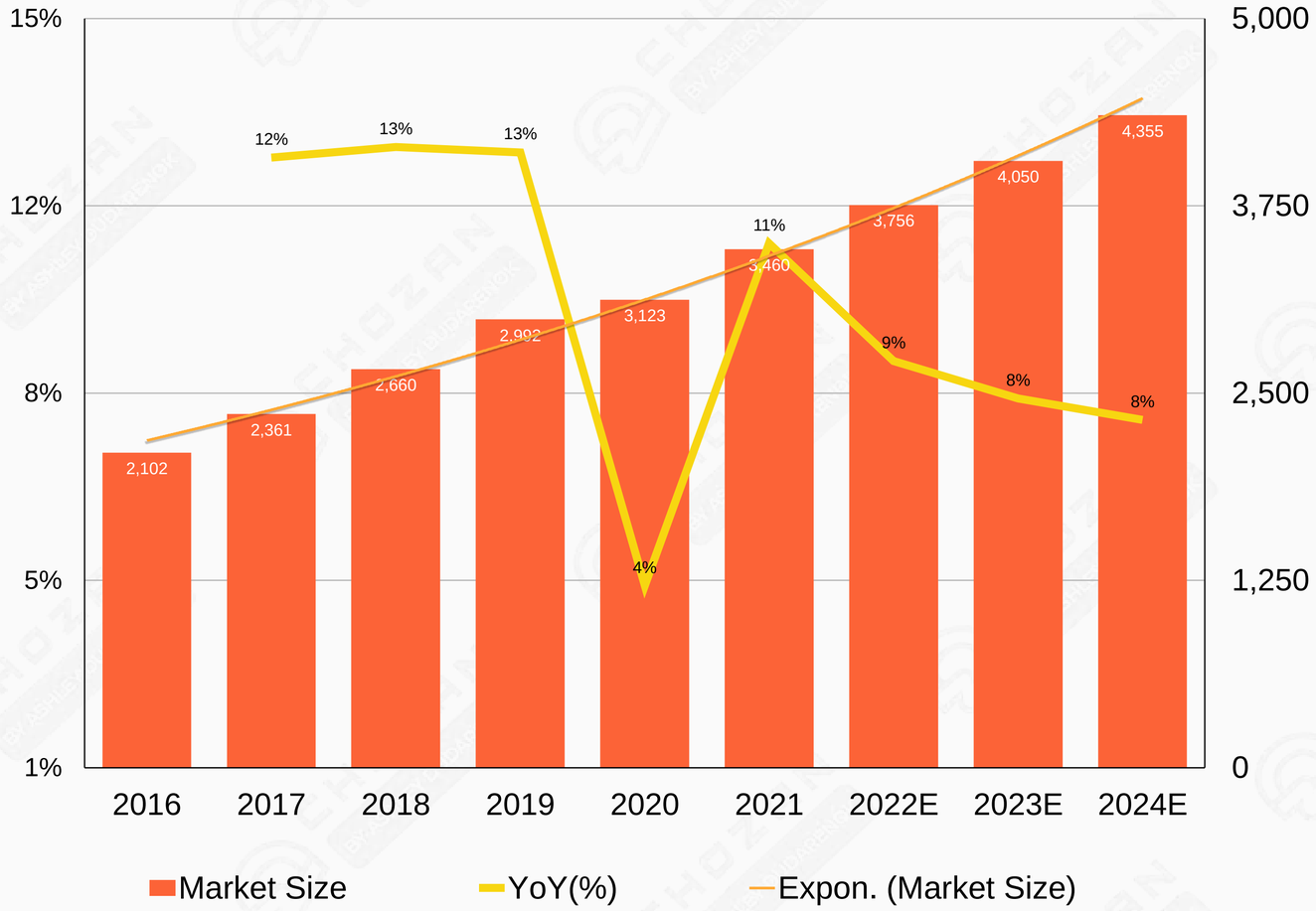
MOTHER AND BABY INDUSTRY

THE NEWBORN AND MOTHER CARE BUSINESS HAS EXPANDED INTO DIVERSIFIED INDUSTRIES IN RESPONSE TO CHANGING CUSTOMER PREFERENCES AND EXPANDING MARKET DEMAND.

MOTHER AND BABY INDUSTRY

OVERALL MARKET SIZE AND RELATED PRODUCT CATEGORY/CHANNEL OVERVIEW

2016-2024 China Mother and Baby Market Size
(Unit: %, Billion Yuan)



Source: i Research, 《中国母婴行业研究报告》

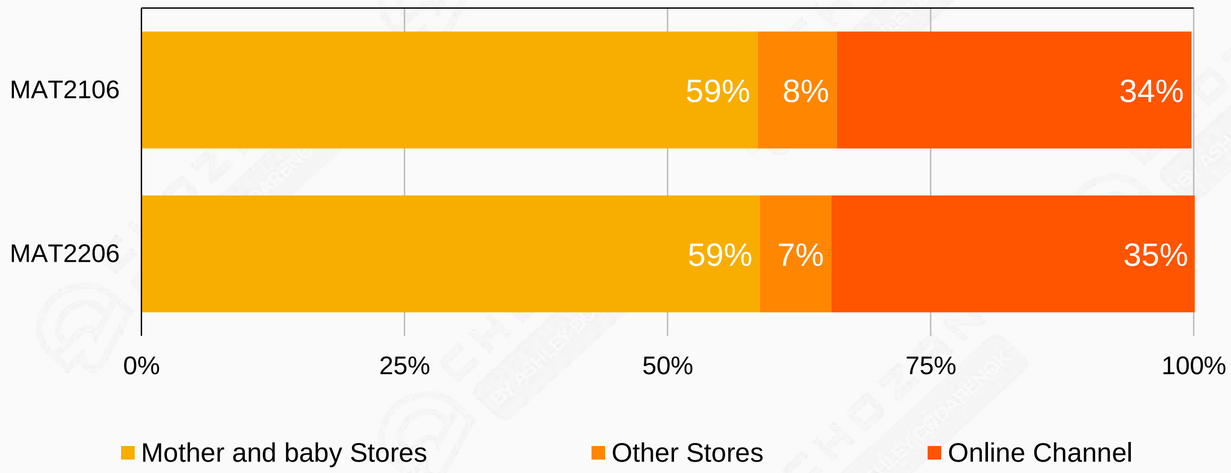
MOTHER AND BABY INDUSTRY

OVERALL MARKET SIZE AND RELATED PRODUCT CATEGORY/CHANNEL OVERVIEW

2021.06 vs. 202206 Online sales growth rate -0.8% year-on-year; baby formula growth rate 2.3% year-on-year; breast pump growth rate 6.1% year-on-year

The top products with the most online sales growth were baby milk powder and baby skin products.

Sales ratio of online and offline channels (other channels and mom and baby stores)
(Unit: %)



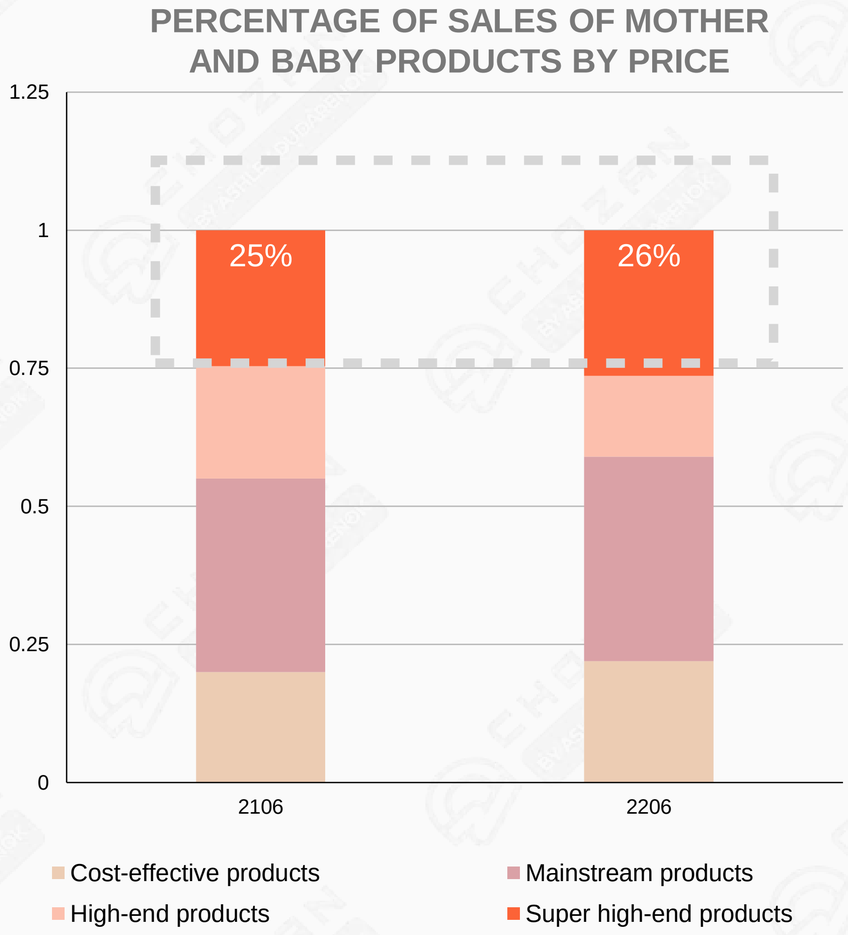
Source:Nielsen, 《2022母婴行业洞察报告》

MOTHER AND BABY INDUSTRY

THE PROPORTION OF SALES FOR HIGH-END PRODUCTS HAS INCREASED

Parents prefer products that are easily absorbed and have immunity-enhancing ingredients. They also prefer products that are mild and non-irritating, light and absorbent, breathable, etc.

Guochao-themed products are also still very popular in this industry.



Source:Nielsen, 《2022母婴行业洞察报告》

EXPERT BITE

Q: CHINESE POPULATION IS SHRINKING FAST. HOW DOES THIS IMPACT THE MOTHER / BABY INDUSTRY IN CHINA?

Although the birthrate is dropping, consumption of Chinese babies per child (be it in formula, food, skin care, clothing or toys) is still low by international standards of developed markets: so there is still medium to long term potential for volume growth here.

Values can be expected to also grow as the trend to premiumization and specialization continues & parents purchase at a higher price point even though 2022 saw weak spending. Trends will be for anything which promotes health and the immune system, as well as helping cognitive development & I expect there to be pressure on prices - as ever trust remains the key “hygiene factor” for any baby product



KATHRYN READ

International Sales and Marketing Consultant

EXPERT BITE

Q: WHAT INDUSTRIES DO YOU THINK WILL THRIVE OR FAIL IN 2023?

In 2023, we can expect to see several industries thriving in China. These include the technology sector, which is likely to grow rapidly as China continues to invest in the research and development of new technologies. The renewable energy sector is also likely to benefit from increased investment, as China works to increase its use of renewable energy sources.
Additionally, the medical and healthcare sector is likely to benefit from increased government investment and a greater focus on public health and well-being.

On the other hand, some industries may struggle in 2023. The automotive and manufacturing sectors are expected to face declining demand as production moves to lower-cost countries. Additionally, the mining industry is likely to be negatively impacted by increased environmental regulations and increasing public pressure.



ALBERTO ANTINUCCI

Digital Innovation Strategist and China Expert

CHINA E-COMMERCE OVERVIEW

E-COMMERCE IN CHINA

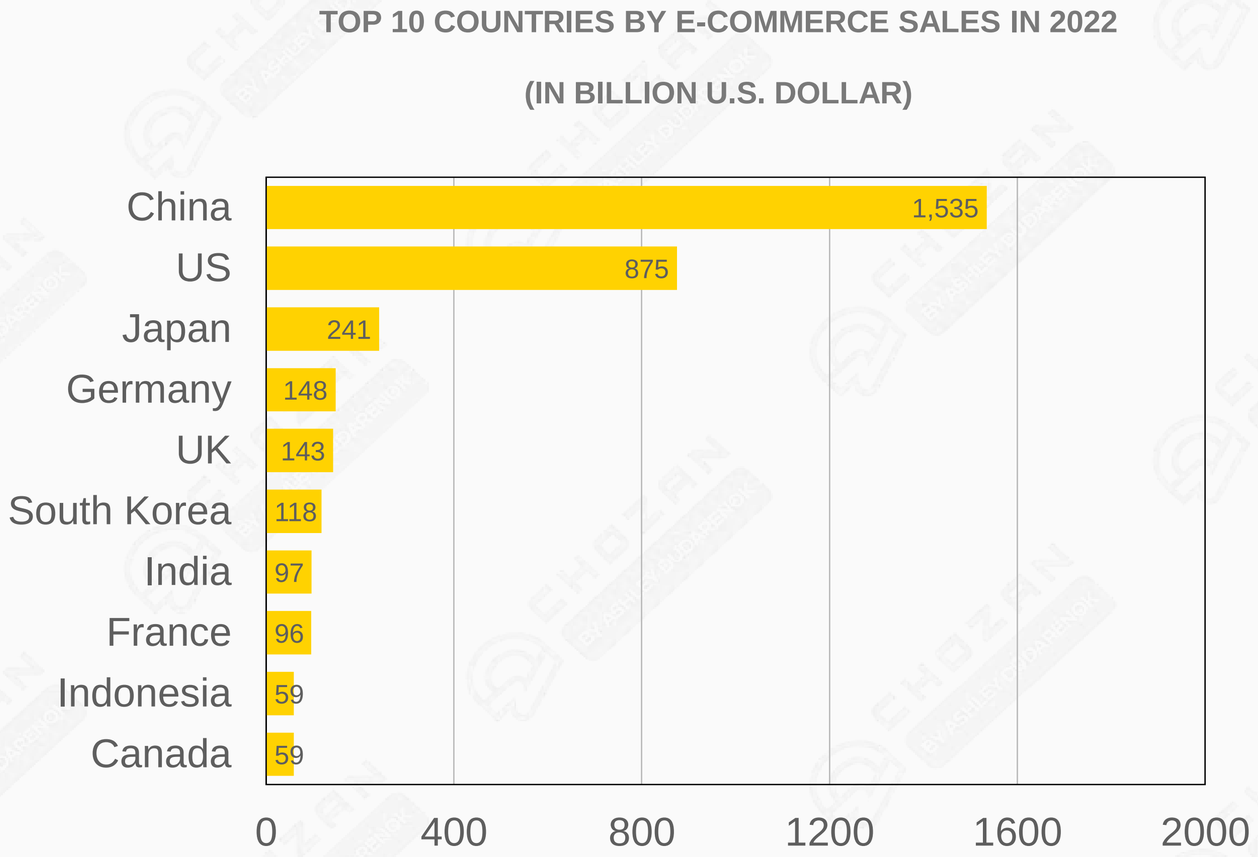
OVERVIEW - 2022

	TAOBAO	JD.COM	PINDUODUO	KUAISHOU	DOUYIN	WECHAT
FOUNDED	2003	2004	2015	2011	2016	2011
TYPE	C2C e-commerce platform	Largest online retailer	Largest agriculture and interactive commerce platform	Short video and e-commerce platform	Largest short video platform	Largest social media platform
FOCUSED INDUSTRIES	FASHION/ APPAREL	ELECTRONICS	AGRICULTURE	LOWER-PRICE	COMMODITIES	FASHION/BAGS
UNIQUE FEATURES	• Product diversity • Alibaba Ecosystem • Live-streaming commerce	• Fast logistics • Quality Assurance	• Valuable price • Group buying	• Live-streaming commerce • KOL, KOS promotion	• Live-streaming commerce • Local group buying	• Networks with friends • Largest user base
ACTIVE USERS	846 MILLION Monthly active users (Q1 2022)	580.8 MILLION Monthly active users (Q2)	751.3 MILLION Monthly active users (Q1 2022)	626 MILLION Monthly active users (Q3 2022)	715 MILLION Monthly active users (Jul 2022)	1,309 MILLION Monthly active users (Q3 2022)
REVENUE IN Q2 2022 (USD)	29.12 Billion	40 Billion	14,693.8 Million	301 Million	-	19.78 Billion
USERS	All users	White collars	Lower-tier city users	Lower-tier city users	1 and 2 tier city users	All users
USER SPENDING POWER	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH

E-COMMERCE

OVERVIEW - 2022 PROJECTION REVENUE IN MILLION

Revenue in the e-commerce market projected to reach USD 1,535 billion in 2021. Far exceeding that of major players, the US and Japan.



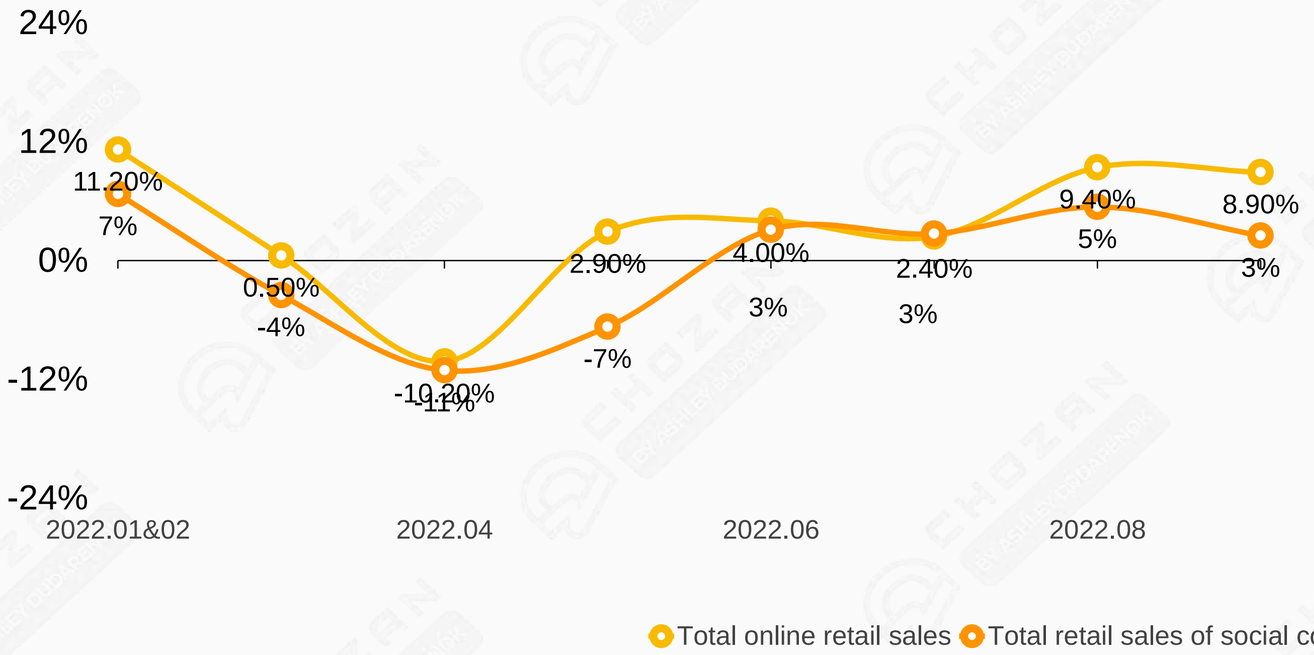
Source: [Statistia, Revenue of ecommerce worldwide in 2022]

E-COMMERCE

OVERVIEW - 2022 GROWTH OF THE ONLINE RETAIL AND TOTAL RETAIL SALES

E-commerce growth keeps faster than total retail sales of consumption in China in 2022.

YOY GROWTH RATE OF RETAIL SALES OF CONSUMPTION AND ONLINE RETAIL SALES FROM JANUARY TO SEPTEMBER 2022

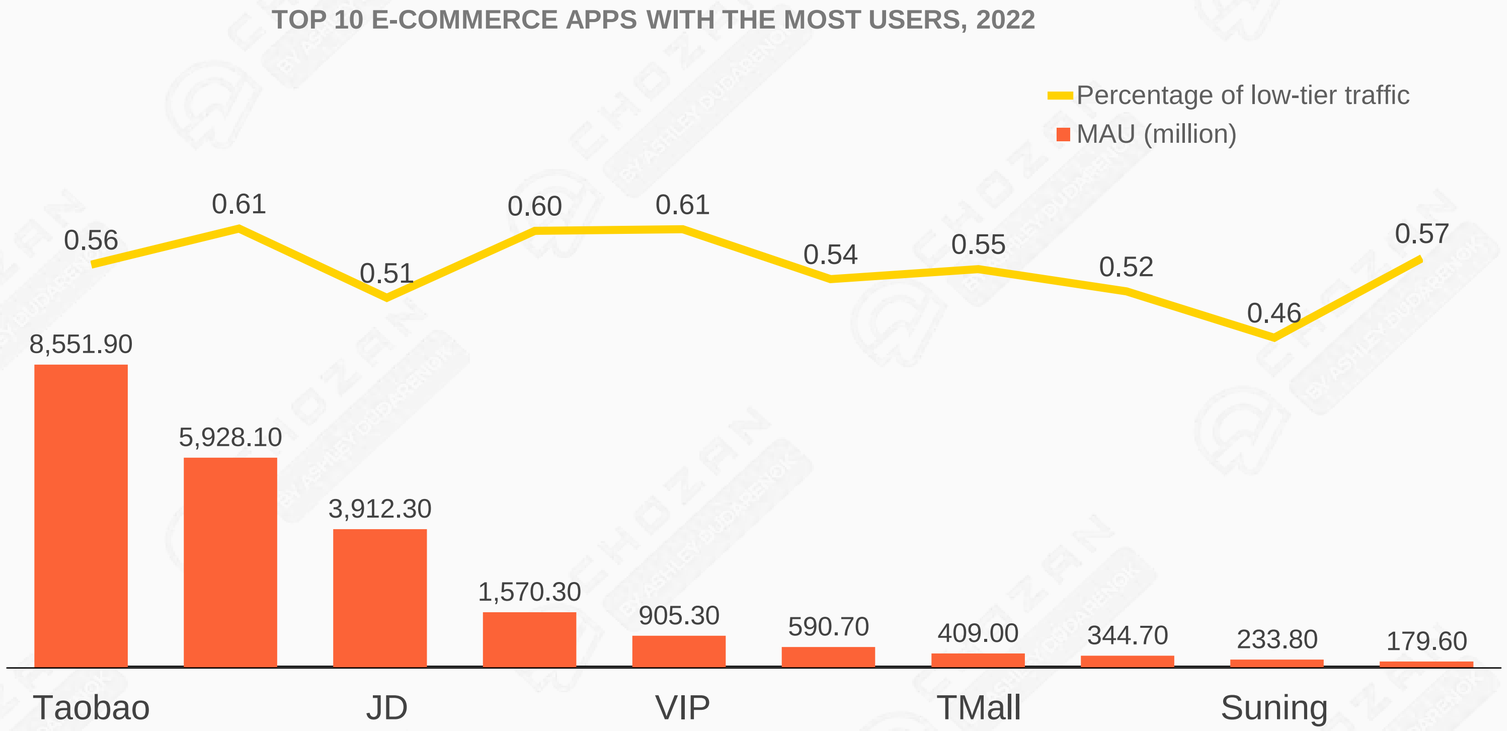


Source: [Questmobile, China Moblie Internet Autumn Report 2022]

OVERVIEW

CROSS-BORDER E-COMMERCE USERS

Take a look at the top e-commerce platforms, over 50% of traffic was located in lower-tier cities. Among those, Pinduoduo, Taote, and VIP did well.



Source: [QuestMobile, China Moblie Internet Spring Report 2022]

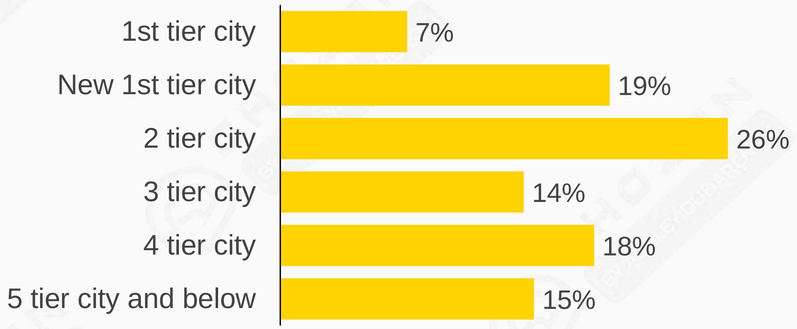
E-COMMERCE

OVERVIEW - E-COMMERCE APP USER PORTRAIT

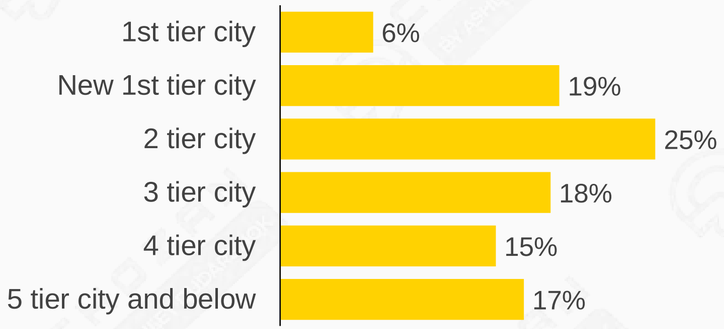
2022 E-COMMERCE APP NEW USER PORTRAITS

Lower tier cities have seen significant user penetration - especially among lower tier youth.

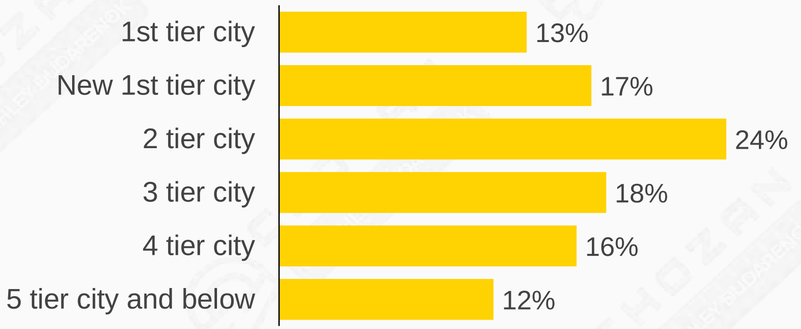
TAOBAO



PINDUODUO



JD

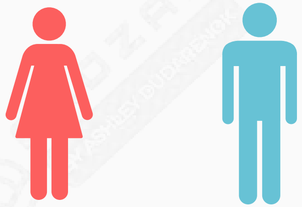


Source: QuestMoblie, 618 Insight Report 2022

OVERVIEW

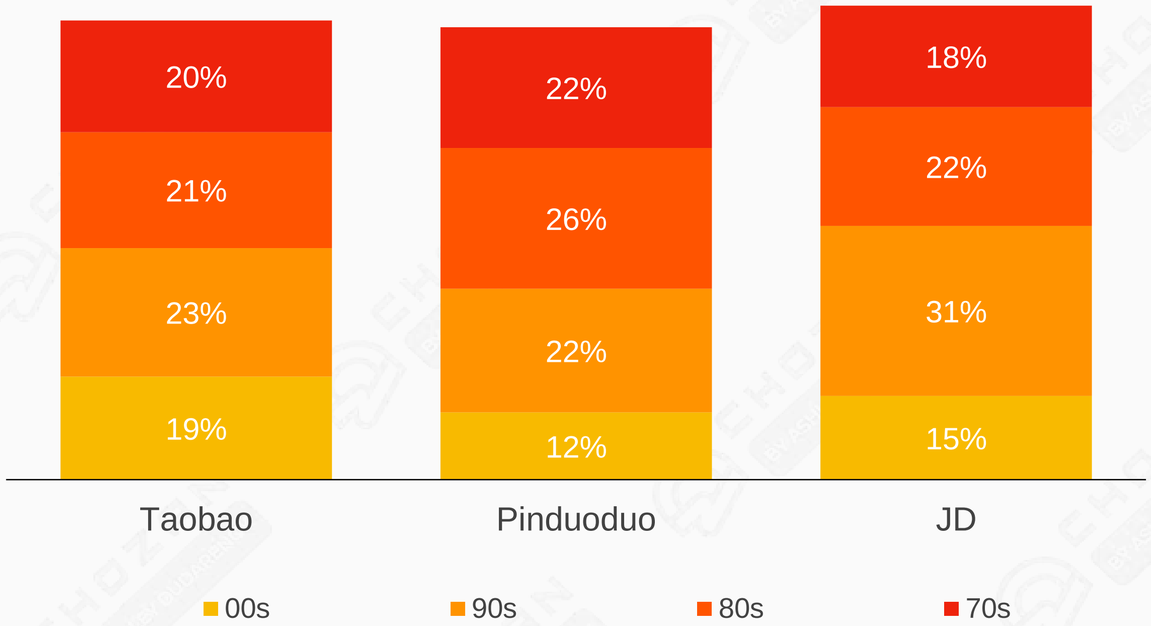
OVERVIEW - E-COMMERCE USER PORTRAIT

Female consumers remain to be the major consumption power in China.



淘	53.6%	46.4%
拼	47.1%	52.9%
京东	58.4%	41.6%

AGE DISTRIBUTION OF NEW USERS (2022.5.20-2022.6.3)

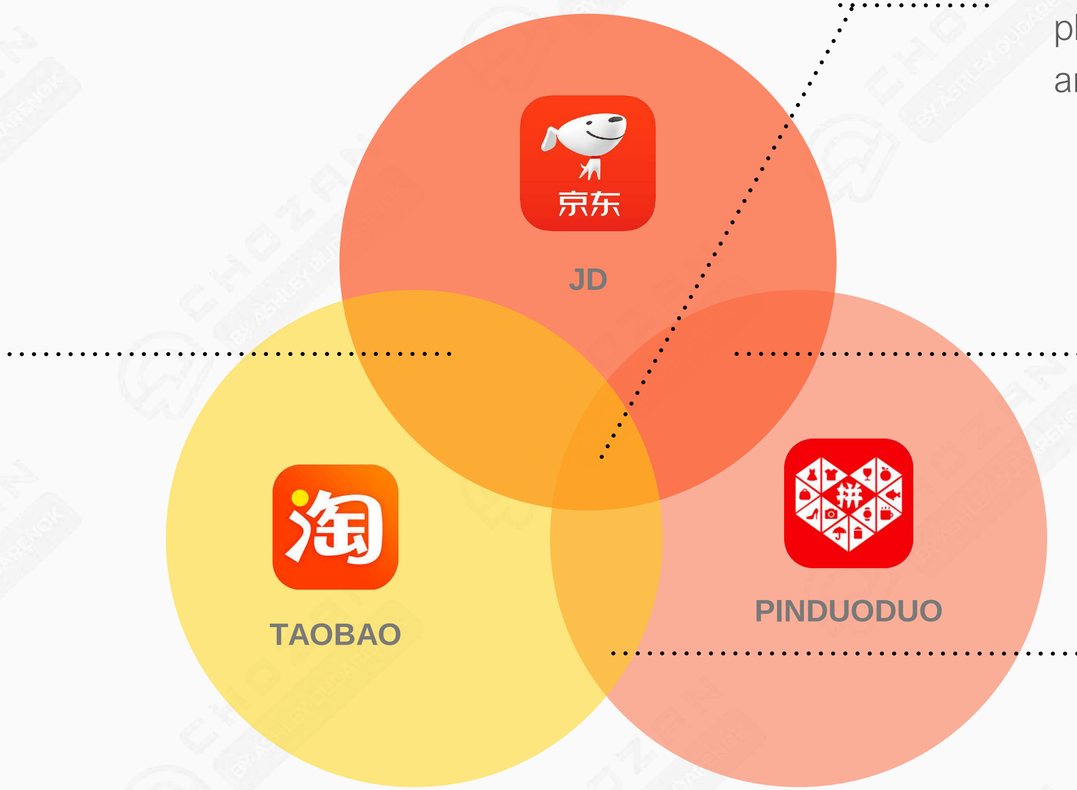


Source: [QuestMoblie, 618 Insight Report 2022]

OVERVIEW

CHINA'S ECOMMERCE USER DEMOGRAPHIC DISTRIBUTION AT GLANCE

2022 E-COMMERCE APP USER OVERLAPPED DEMOGRAPHIC



Overlapped user of top three platforms reach **27.73** million, and YoY growth is 10.01 million

Overlapped user of Taobao and JD reach **97.24** million, and YoY growth is 37.77 million

Overlapped user of Pinduoduo and JD reach **61.2** million, and YoY growth is 27.88 million

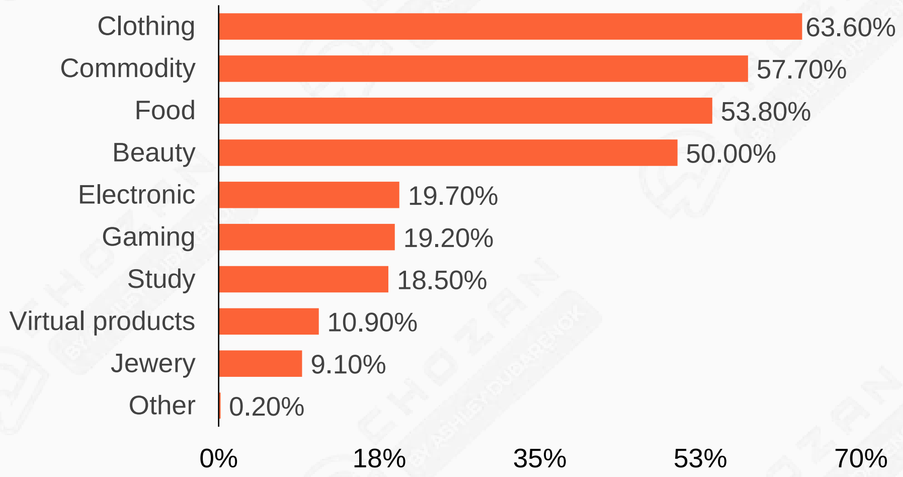
Overlapped User of Taobao and Pinduoduo reach **173.66** million, and YoY growth is 66.29 million

Source: [QuestMoblie, 618 Insight Report 2022]

E-COMMERCE

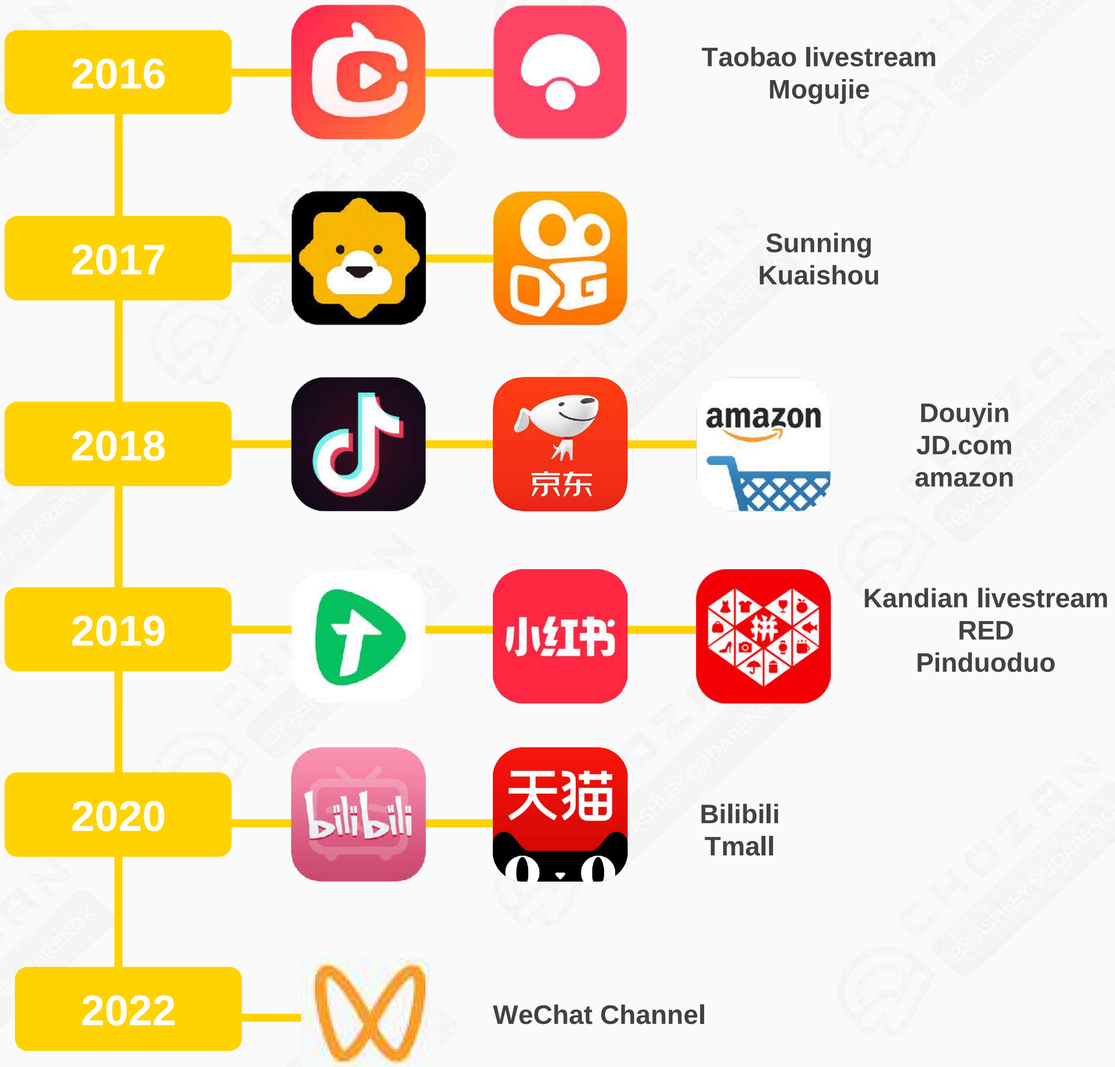
OVERVIEW - LIVE-STREAMING BY PLATFORMS

LIVE-STREAM COMMERCE USERS PREFER CATEGORIES IN 2022



Source: [2023 China Livestream Opportunity Report]

LIVE-STREAMING FEATURE INTRODUCTION ON EACH PLATFORM



EXPERT BITE

Q: WHAT ADVICE WOULD YOU GIVE TO BRANDS WANTING TO DO MORE VIDEO CONTENT IN CHINA IN 2023?

It's no longer sufficient to take branding collateral and materials from other markets and merely add subtitles or lightly localize them for the China market. The most effective and powerful stories and marketing messages need to be driven by a deep understanding of the China landscape – which is a challenge, given that there have been many limitations on travel in and out of China in the past 3 years. Therefore, if brands want to succeed in China, they need to find ways to empower local Chinese creatives and teams who are experts in crafting effective, shareable stories and videos for the local market, and give them the autonomy and authority to craft messages that will resonate locally.



JIM FIELDS

CEO and Co-Founder at Relay Club

1

ALIBABA

Alibaba started with the goal of becoming an online directory for China's manufacturers and sellers, and has since expanded its product range significantly. The Alibaba Group continues to connect with consumers and sellers in more effective and inventive ways. Two Alibaba market segments include Taobao which is more general and allows consumers to easily search any product they want, while TMall caters more towards premium and high-end product consumers. Tools and infrastructure support are provided by group ecosystem services such as Alibaba Cloud.



EXPERT BITE

Q: WHAT WERE THE MOST IMPORTANT CHANGES IN CHINA'S ECOMMERCE SPACE IN 2022?

In 2022, nearly two dozen luxury brands have released 37 digital collections on Alibaba's Tmall Luxury Pavilion, and thousands of consumers have purchased them. Alibaba's NFT platform Jungian has frequent collaborations between brands and NFT releases to hook the consumer. It's becoming more common than ever to allow consumers to explore brands through game-like experiences, browse digital showrooms in personalized avatars, try on clothing, and shop collectible tokens. In the year ahead, more retailers will experiment with these digital tools to engage consumers and develop products.



SHARON GAI

Director of Global Key Accounts, Alibaba Group

E-COMMERCE

ALIBABA - ALIBABA'S 'PETTING ZOO'. HOW MANY DO YOU RECOGNISE?



Source: Data from: [ALI ANNUAL REPORT]

E-COMMERCE

ALIBABA - A COMPANY WITH A BIG VISION

2024 Strategic Goals



Continue to expand **globalization** efforts



Serve more than **1 billion** consumers through our China consumer business



Facilitate more than **RMB 10 trillion** of annual consumption on our platforms

2036 Vision



Serve **2 billion** global consumers



Enable **10 million** businesses to be profitable



Create **100 million** jobs

Source: Data from: [ALI ANNUAL REPORT]

E-COMMERCE

ALIBABA - BUSINESS OVERVIEW

Alibaba organises its business into 4 operation segments. ALIBABA the brand steps back and pushes subsidiary brands, such as TMall, to the forefront as the accessible faces of ALIBABA.

1. Core Commerce: Chinese retail and wholesale commerce platforms, logistics, global/local, customer and other services. based on what celebrities are doing on Facebook and Instagram.

2. Cloud Computing: Cloud services to customers worldwide. Including database, storage, network, security, management, analytics and other services.

3. Digital Media & Entertainment: Key media distribution platforms segmented by content type and consumer interests.

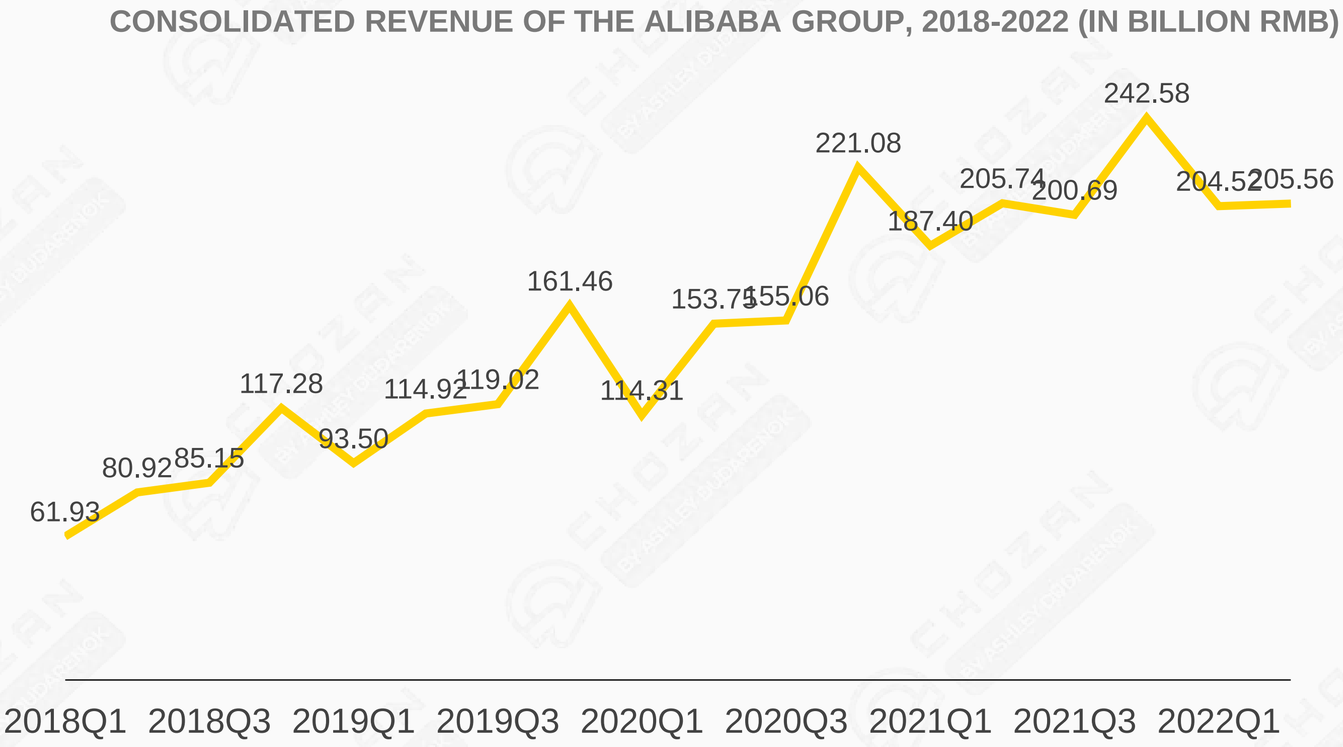
4. Innovation Initiatives/others: The innovation initiatives and other segments include businesses such as Amap, DingTalk and Tmall Genie.

Source: Data from: ALI ANNUAL REPORT

E-COMMERCE

ALIBABA - REVENUE

Alibaba Group’s revenue continues to grow despite the hit of Covid-19. Their total revenue in 2021 Q4 exceeded 242.58 billion yuan.



Source:[Statista, Alibaba Revenue 2014-2022]

E-COMMERCE

ALIBABA - IS GROWING

Alibaba continues to grow its business in all aspects.



18.28 BILLION RMB

CAINIAO NETWORK REVENUE IN Q2 2022, 26% YOY



20.76 BILLION RMB

ALIBABA CLOUD REVENUE IN Q2 2022, 4% YOY



500 BILLION RMB

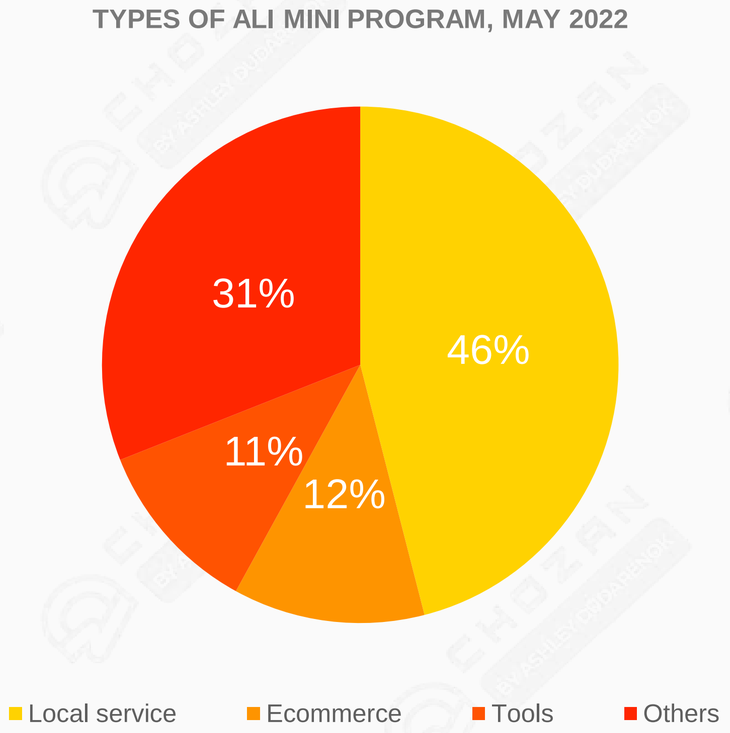
GMV FROM TAOBAO LIVE IN 2021

Source: [Alibaba Group Press]

E-COMMERCE

ALIBABA - MINI PROGRAMS

Number of Alibaba mini programs has increased to more than 300 million and the main source of traffic comes from Alibaba apps.



Source: Quest Mobile, Chinese Internet Traffic Report, H1 2022

EXPERT BITE

Q: HOW DO YOU THINK ALIBABA WILL DEVELOP IN 2023?

Transforming consumer awareness into customer loyalty is key. Alibaba will continue to introduce technology and business innovations while enhancing supply-demand matching and loyalty membership management – all with the view to support our brand and merchant partners.

Alibaba Group also aims to provide the best experience for customers through supporting the long-term business growth for our brand partners. Alibaba is able to do this through TMIC, the market-research division on Tmall. TMIC will continue to share consumer insights from Alibaba's vast ecosystem of e-commerce and media site to help brands develop, design and market new products specifically to Chinese consumers.



MICHELLE LAU

Co-Managing Director of
Alibaba Group France

EXPERT BITE

Q: WHAT'S ALIPAY FOCUSING ON IN 2023 DOMESTICALLY AND GLOBALLY? WHAT DOES THAT MEAN FOR BRANDS/ MERCHANTS?

We welcome merchants and brands across all industries to leverage digital tools including mini-program, lifestyle accounts and live streaming on the Alipay platform to enhance their digital operation and improve efficiency. As a leading digital open platform, Alipay provides various useful and affordable digital products and tools as well as traffic.

The link and interaction between public domain traffic and private domain traffic are one of the advantages of the Alipay platform. We aim to bring more customer flow, sales, and loyal members for merchants and brands with a sustainable growth of their private channels supported by the public domain traffic on the Alipay platform.



LIJUAN WANG

General Manager of Digital Business, Alipay

2

JD

JD.com is the largest competitor to Alibaba, positioning itself as a retail firm (as opposed to a marketplace) with a market dominance on electronic goods. Its end-to-end logistics approach makes it easier for JD.com to verify suppliers/distributors and maintain control over goods sold, while a quarter of its inventory is sold through its own platform.



京东

OVERVIEW

JD.COM Q3 2022 HIGHLIGHTS

JD annual active customer accounts increased by 6.5% to 588.3 million in the twelve months that ended September 30, 2022.



4.65 BILLION

RMB NET SERVICE REVENUE



24.35 BILLION

RMB NET REVENUE



1500+

WAREHOUSES



588.3 MILLION

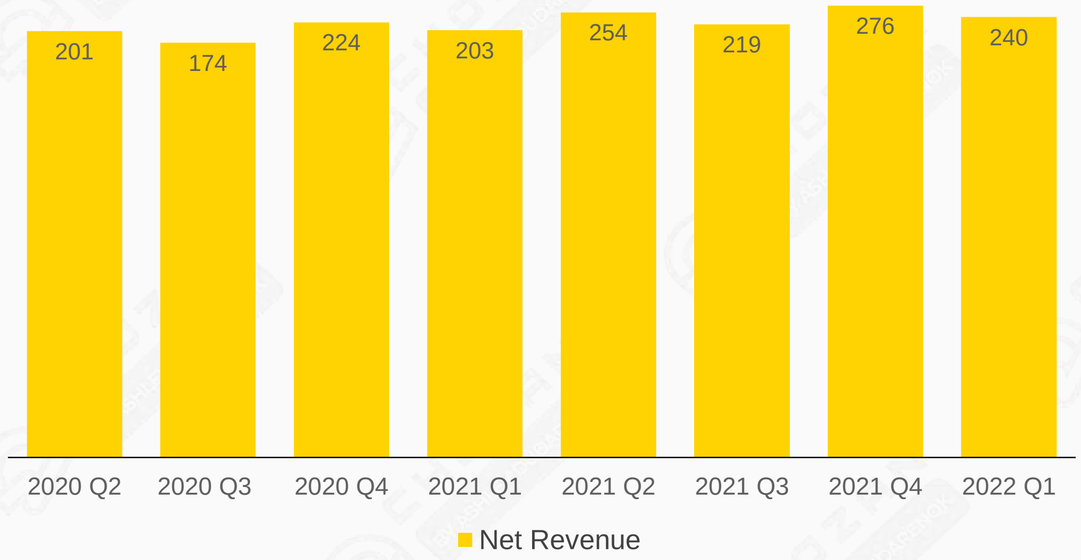
ANNUAL ACTIVE CUSTOMERS

Source: Data from:[JD.com Financial Statement, Q3 2022]

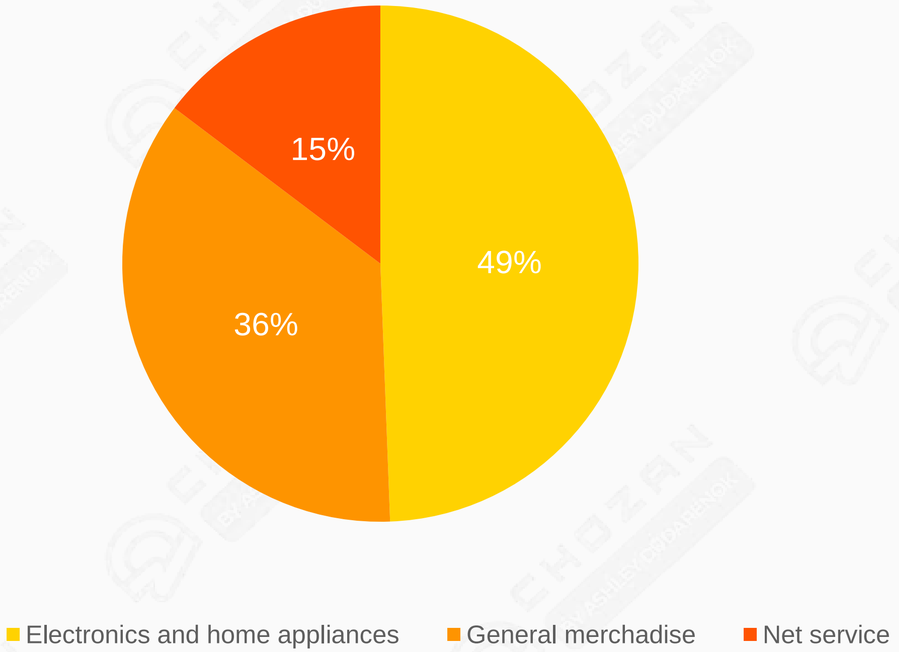
E-COMMERCE

JD - OVERVIEW

GAAP GROSS PROFIT OF JD_IN 2020-2022



SEGMENT OPERATING PROFIT AND MARGINS IN Q1, 2022



Source: [JD.com Financial and Operation Highlights, 2022]

E-COMMERCE

JD.COM - THE REAL POWER OF JD: LOGISTICS AND SUPPLY CHAIN NETWORK

	Sep 30, 2022	Dec 31, 2020
WAREHOUSES	1500+	900+
GFA	30+ million sq.m	21 million sq.m
DELIVERY PERSONNEL	280,000+ ppl	170,000+ ppl
GEOGRAPHIC COVERAGE	Almost all countries and district in China	

Source: JD.com Financial and Operation Highlights, Q3 2022

EXPERT BITE

Q: WHAT CAN YOU ANTICIPATE IN TERMS OF E-COMMERCE?

I expect a continued trend to more local, national champions. Foreign middle-of-the-pack brands are going to be increasingly replaced by Chinese brands.



CHRIS BAKER

Founder at Totem

3

PINDUODUO

Pinduoduo is a recommendation based third-party platform. Aggregating demand through team purchases, it socially connects demand products to corresponding potential customers as to avoid searching and scrolling through product options. The platform invests heavily into IP infringement minimisation as a priority to maintain the trust with and between customers and users, as well as associated brands/stores.

拼多多
拼着买·才便宜

E-COMMERCE

PINDUODUO - USER PORTRAIT

Pinduoduo reached 741.5 million active users in 2021, the top e-commerce platform with the fastest growth of active users in China.



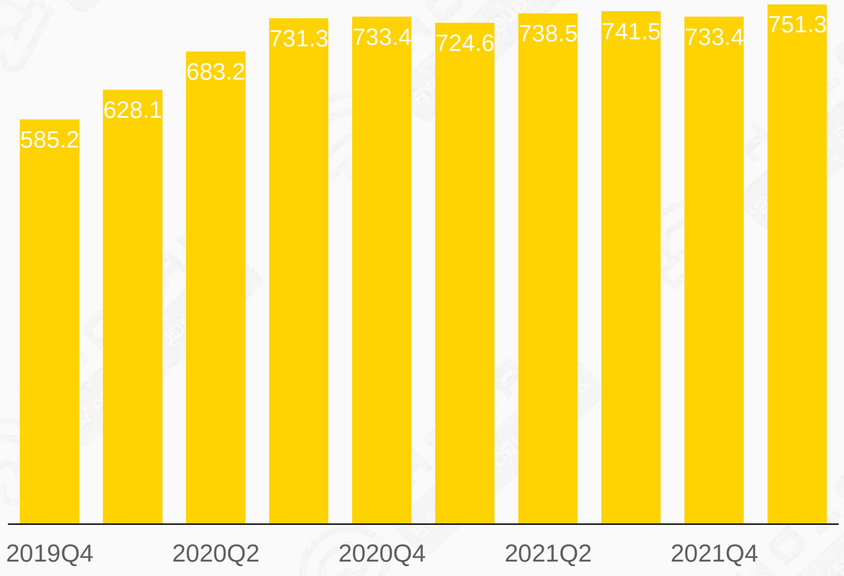
741.5 MILLION

MONTHLY ACTIVE USERS, +15% YOY

868.7 MILLION

2021 ACTIVE USERS, +15% YOY

ANNUAL ACTIVE CONSUMERS (IN MILLION)



Source: Pinduoduo Financial Report

E-COMMERCE

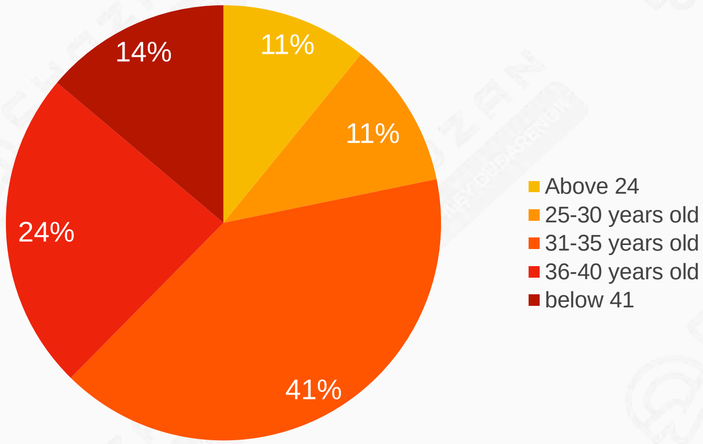
PINDUODUO - USER PORTRAIT

Most of Pinduoduo users are female.

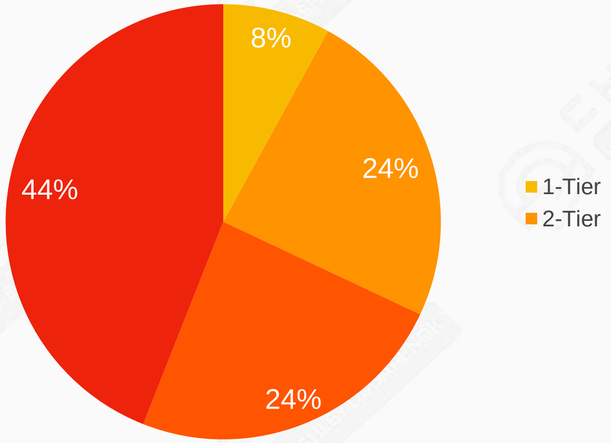
GENDER DISTRIBUTION

65.6% 34.4%

AGE DISTRIBUTION



CITY DISTRIBUTION



Source: Runwise

E-COMMERCE

PINDUODUO - CONSUMER SPENDING AND REVENUE

Pinduoduo users's increase in spending and number of orders helped growth in GMV and revenue.



2810.0 RMB

AVERAGE YEARLY SPENDING PER USER

+33%

YEAR OVER YEAR INCREASE



61 BILLION

ORDERS IN 2021, +59% YOY



2.44 TRILLION

GMV IN 2021, +46% YOY



14.743 BILLION

REVENUE IN 2021

Source: [Pinduoduo Financial Report 2021]

E-COMMERCE

PINDUODUO - DUO DUO FARM

Last year in 2020, the revenue of agricultural products bought on PDD has doubled since 2019, which was a 270 billion RMB increase and 16.2% of PDD's yearly turnover.

Pinduoduo is estimated to be China's largest agricultural platform by analyst and they are setting the goal to become the world's top grocer.



+290 BILLION

RMB ESTIMATED IN AGRICULTURAL PRODUCTS SALES IN 2021



7.4%

OF YEARLY TURNOVER

Source: [Pinduoduo Financial Report 2021]

EXPERT BITE

Q: HOW DO YOU THINK ECOMMERCE PLATFORMS WILL ATTRACT AND ENGAGE WITH CHINESE CONSUMERS?

Live entertainment, unique experiences and personalization. Alibaba will introduced a “Metaverse Platform” on which consumers can create their own digital avatars, browse virtual shops and engage in exclusive entertainment experiences during Double 11.



JOSH GARDNER
CEO and Co-Founder of Kung Fu Data

4 KUAISHOU

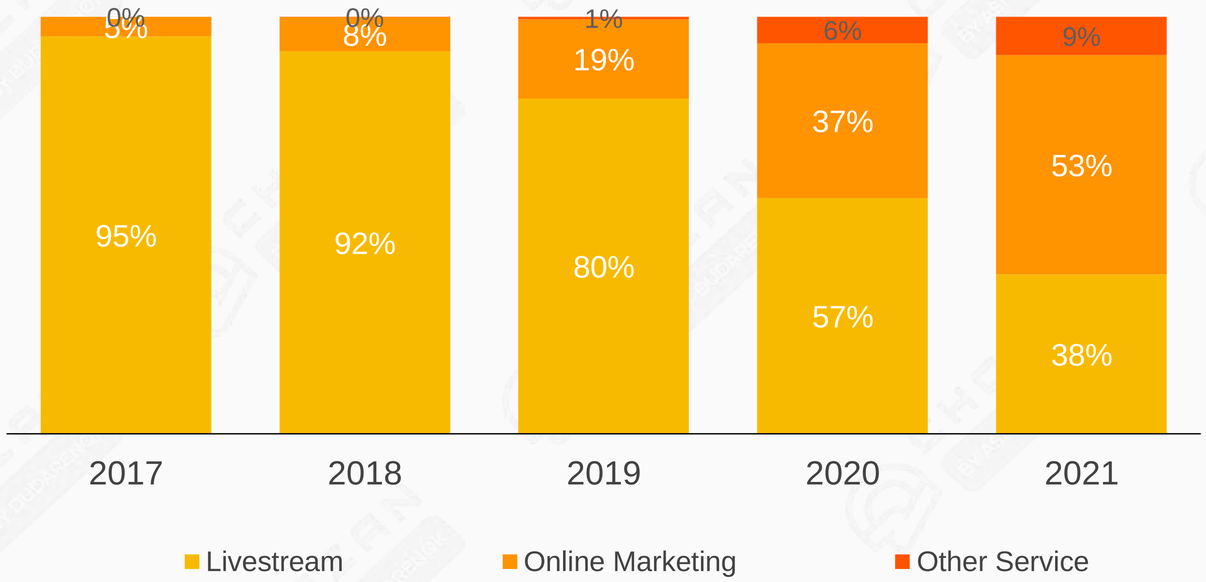
One of China's most popular short-video sharing and livestreaming social e-commerce platforms. Key opinion leaders (KOLs) control intense fan loyalty and trust, which makes Kuaishou an excellent promoter platform driving traffic to online stores. Recent decisions to massively increase investment by Kuaishou in livestreaming infrastructure and capabilities indicates its increasing success - especially seen during the recent COVID-19 pandemic.



E-COMMERCE

KUAISHOU - AT A GLANCE

Kuaishou has diversified its income through the years. Besides livestream and marketing revenue, Kuaishou has also launched products overseas.



Source: [Financial report of Kuaishou 2021]

For Cody

E-COMMERCE

KUAISHOU - USER OVERVIEW

Kuaishou user increases in spending and number of orders helped growth in GMV and revenue.

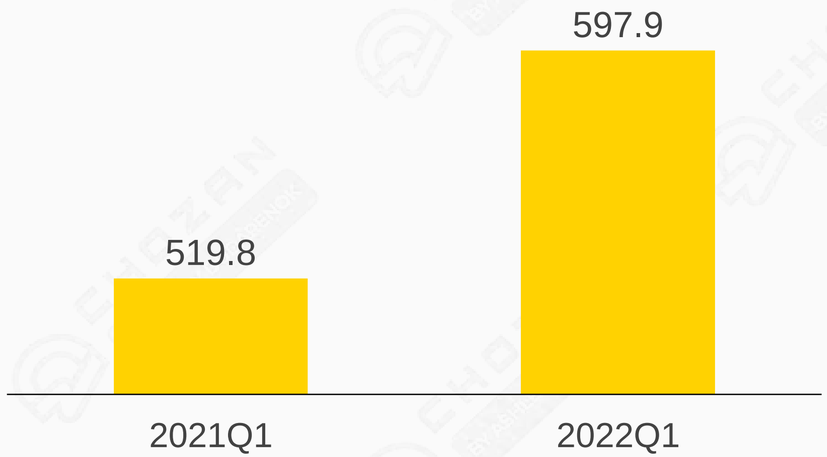
222.5 BILLION RMB

ONLINE STORE GMV AT 2021Q1

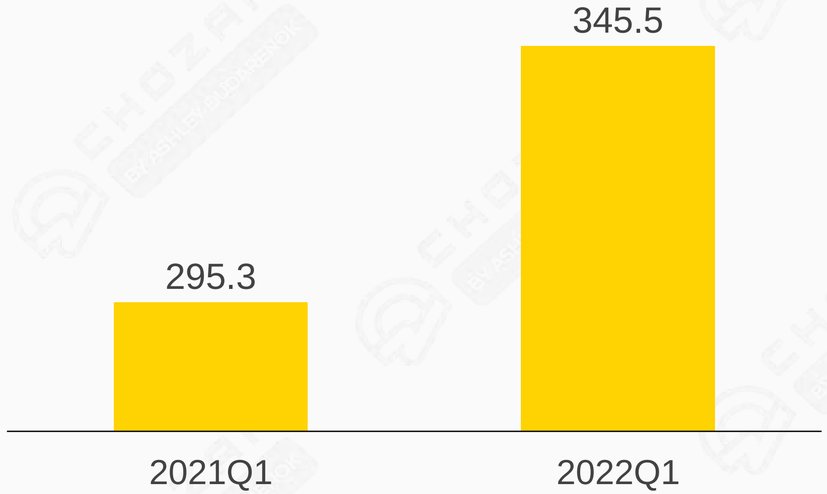
+26.6%

YEAR OVER YEAR INCREASE

MONTHLY ACTIVE USERS OF KUAISHOU (IN MILLION)



DAILY ACTIVE USERS OF KUAISHOU (IN MILLION)



Source: 2022 Kuaishou E-commerce Report

For Cody

E-COMMERCE

KUAISHOU - USER OVERVIEW

Live-streaming is pushing the growth of Kuaishou, with women continuing to be the dominant user group.

ECOMMERCE CUSTOMERS

SPEND OVER 5000 YUAN CUSTOMERS

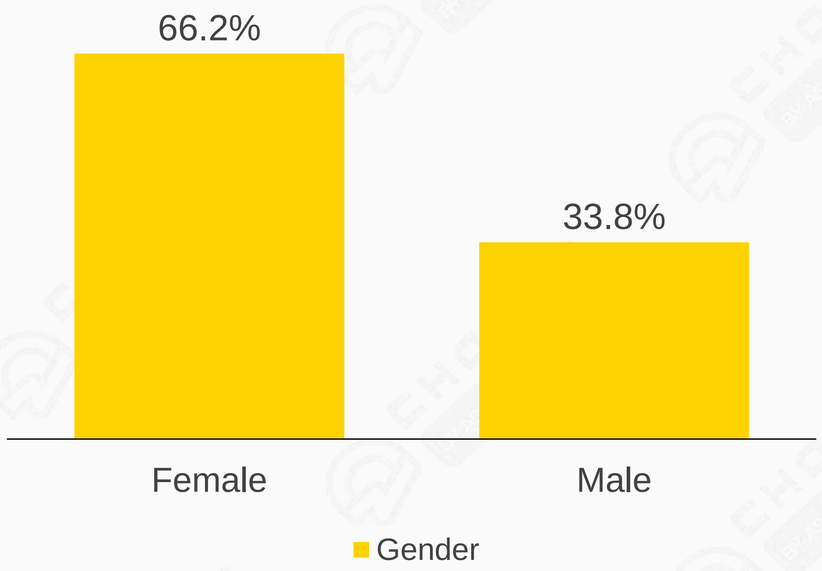
Source: [2022 Kuaishou E-commerce Data Value Report]

For Cody

E-COMMERCE

KUAISHOU E-COMMERCE— USER OVERVIEW

The main consumers of Kuaishou e-commerce are female.



50% +

APPS TOTAL USER TRAFFIC GROWTH YOY IN 2022 Q1

57.8%

DAILY ACTIVE USER OVER MONTHLY ACTIVE USER

18.8 BILLION

BY THE END OF MARCH 2022, PAIRS OF FOLLOWERS

Source: [2021 Kuaishou E-commerce Report]

EXPERT BITE

Q: WHAT WILL BE MOST IMPORTANT THING TO GET RIGHT WITH CHINESE KOLS IN 2023 FOR BRANDS AND MERCHANTS?

China is a country with diverse consumer behaviors across regions and cities. KOLs play a vital role in connecting with consumers as they are viewed as reliable sources of recommendations and opinions. Unlike Western advertising, KOLs are valued for their authenticity and relatable content. When working with Chinese KOLs, brands should keep in mind the 6C's - Creators, Community, Content, Commerce, Customers, and Culture. Creators are a driving force behind the growth of China's social and commerce platforms, with platforms like Douyin seeing a 76% increase in commerce revenue in 2021.

These creators understand China's digital communities and culture, which can be unique for each platform. To be successful in the Chinese market, brands should not rely solely on advertising. Instead, they should integrate KOLs into their business operations in China, creating a mutually beneficial relationship for the creator, customer, and brand.



FABIAN OUWEHAND

Senior Director Social Commerce of HSE

EXPERT BITE



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT DO YOU BELIEVE CHINESE CONSUMERS WILL ANTICIPATE FROM BRANDS IN TERMS OF SOCIAL MEDIA COMMUNICATION IN 2023?

Consumer expect brands to pay attention to the psychological changes of themselves, grasp the mental growth of users in this process, and also provide the opportunities for consumers to join the community and share their voice with each other.

Strategies taken by growing domestic brands in China featuring the old pack of marketing channels have been blasted online for losing young customers. Meanwhile, Lululemon adapted a localized marketing strategy by launching more than 50 offline stores across China. By regularly holding dances, HIIT, yoga, pilates, and other activities, Lululemon not only offers places for gathering like-minded sports lovers but has also put a stake in the ground for developing its own brand culture in Chinese communities.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

5 DOUYIN

Douyin is a short video social media platform known for its music videos and active creator community. Its international version is called TikTok. Launched in 2016, it's owned by ByteDance (now Douyin Group). As of 2021, Douyin had more than 710 million DAUs.



For Cody

E-COMMERCE

DOUYIN - USER OVERVIEW

Douyin grows fast as a short-video platform, and the main competitor for live-stream commerce.

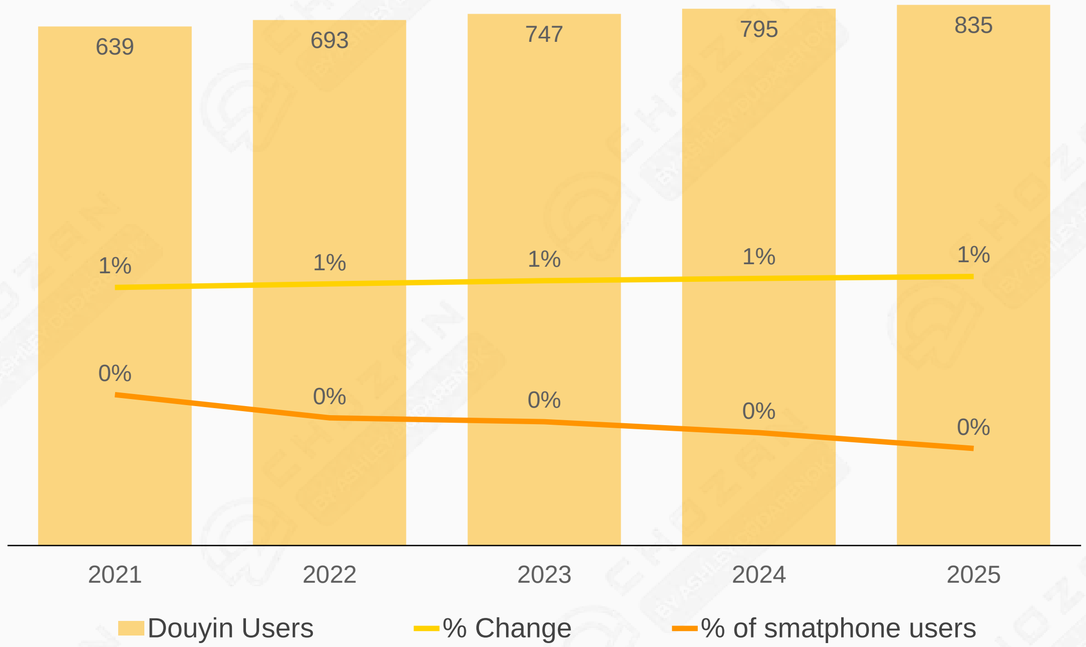
639.4 MILLION USERS

ESTIMATED FOR 2022

57%

HIGHEST PERCENTAGE OF DAILY ACTIVE USER

DOUYIN USERS AND PENETRATION IN CHINA, 2021-2025



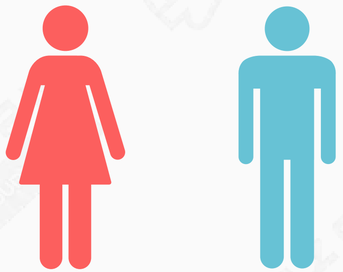
Source: Insiderintelligence

For Cody

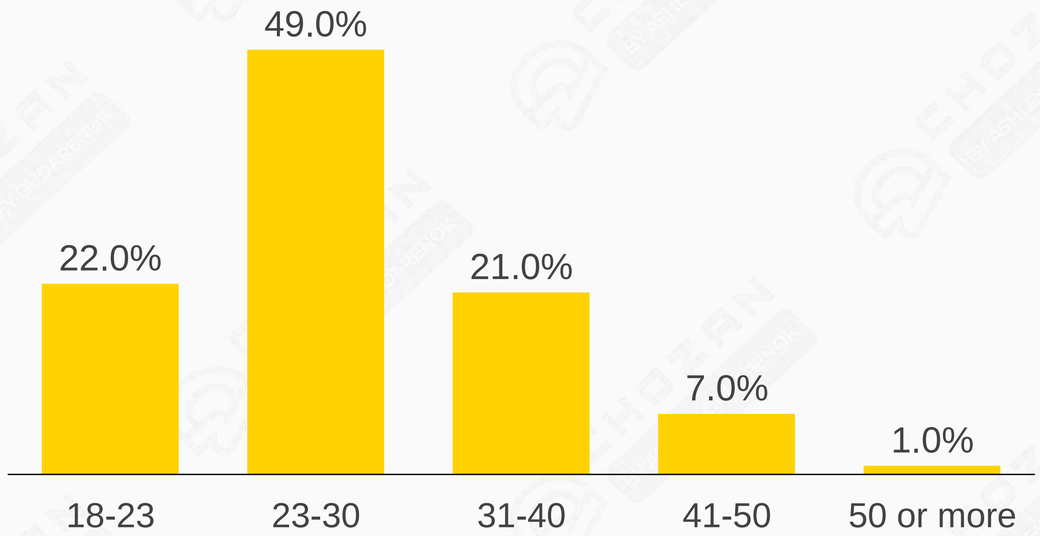
E-COMMERCE

DOUYIN — USER OVERVIEW

The female user accounts take more percentage of users, though the non-register users would be more male users.



USER DEMOGRAPHIC OF DOUYIN BY AGE



Source: [Douyin 2022 Q1 User porfolio]

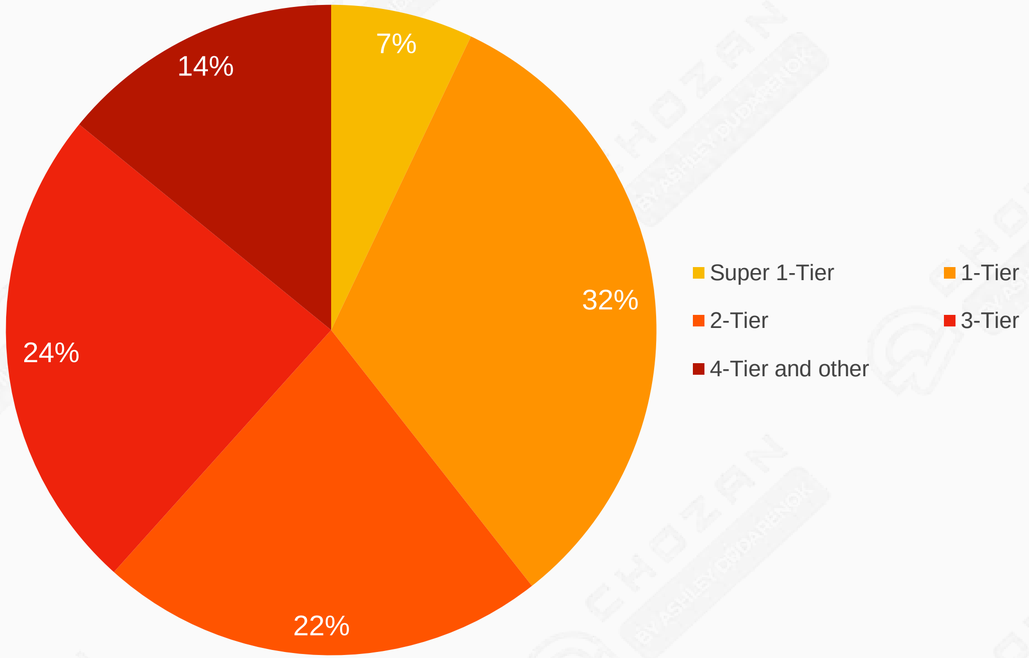
For Cody

E-COMMERCE

DOUYIN - USER OVERVIEW

More than 60% of users on Douyin live in tier 1 and 2 cities, and 3 tier and above is also expanding rapidly.

USER LOCATION ON DOUYIN, IN 2022 Q1



Source: Douyin 2022 Q1 User porfolio

E-COMMERCE

DOUYIN ECOMMERCE - AT A GLANCE

Douyin established its all-domain interests e-commerce platform, provides a larger platform for businesses to showcase their products, and also provides more businesses with the opportunity to lead consumer trends and create new and explosive products.

161%
GMV FROM SHORT VIDEO, YOY GROWTH

124%
GMV FROM LIVESTREAM, YOY GROWTH

143%
SEARCH FOR E-COMMERCE, PAGE VIEW GROWTH

518%
DOUYIN MALL PAGE VIEW, YOY GROWTH

434%
GMV FROM DOUYIN MALL, YOY GROWTH

Source: 2022 Douyin ecommerce commodity development report

EXPERT BITE

Q: HOW'S CHINA'S VIDEO CONTENT (SHORT VIDEOS, CONTENT STREAMING, SALES LIVE STREAMING, ETC.) VS THE REST OF THE WORLD? WHAT AREAS IS CHINA LEADING / LAGGING IN?

China's video platforms are much more sophisticated, commercialized, and social as compared to their counterparts in other markets. Algorithmically, platforms from ByteDance like Douyin leverage deep audience insights to deliver highly targeted content to consumers – and this same algorithm-driven strategy is playing out in the West with TikTok, which is why it's become so popular. At the same time, platforms like Xiaohongshu and Wechat's Shipin Hao are blurring the line between social sharing and ecommerce – allowing creators to monetize content via sponsored content or direct sales.



JIM FIELDS

CEO and Co-Founder at Relay Club

6

WECHAT

Since its official launch in 2011, WeChat has become the leading social media platform in China with more than 1.3 billion monthly active users. It is not only an app for instant messaging, but also social networking, information sharing, and campaign participation.



For Cody

E-COMMERCE

WECHAT - USER OVERVIEW

WeChat is the largest social media platform in China.

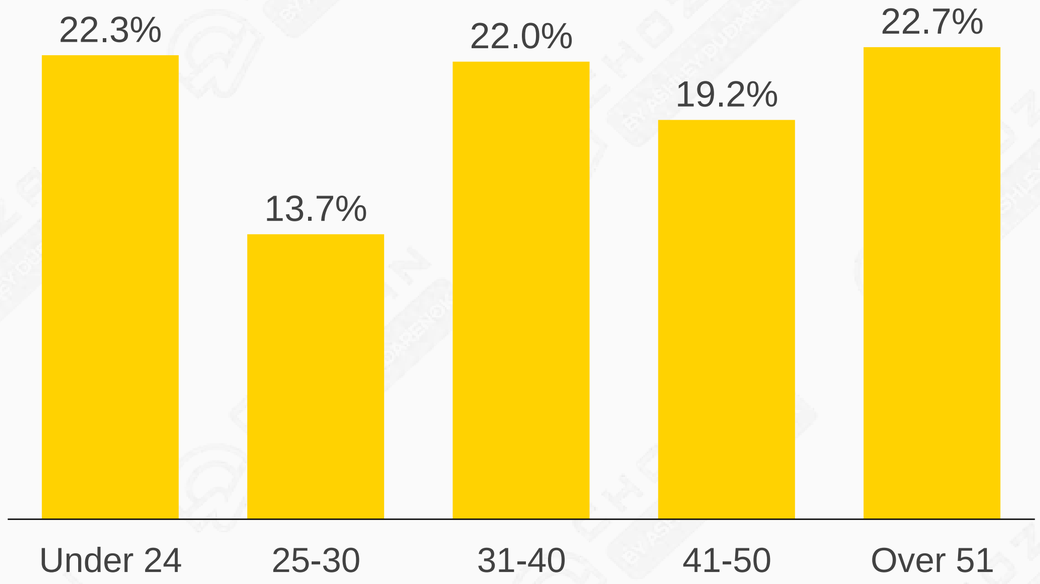
1.309 BILLION

MONTHLY ACTIVE USERS AT 2022Q3

3.7%

YEAR OF YEAR GROWTH

DISTRIBUTION OF WECHAT USERS IN CHINA AS OF MARCH 2022, BY AGE



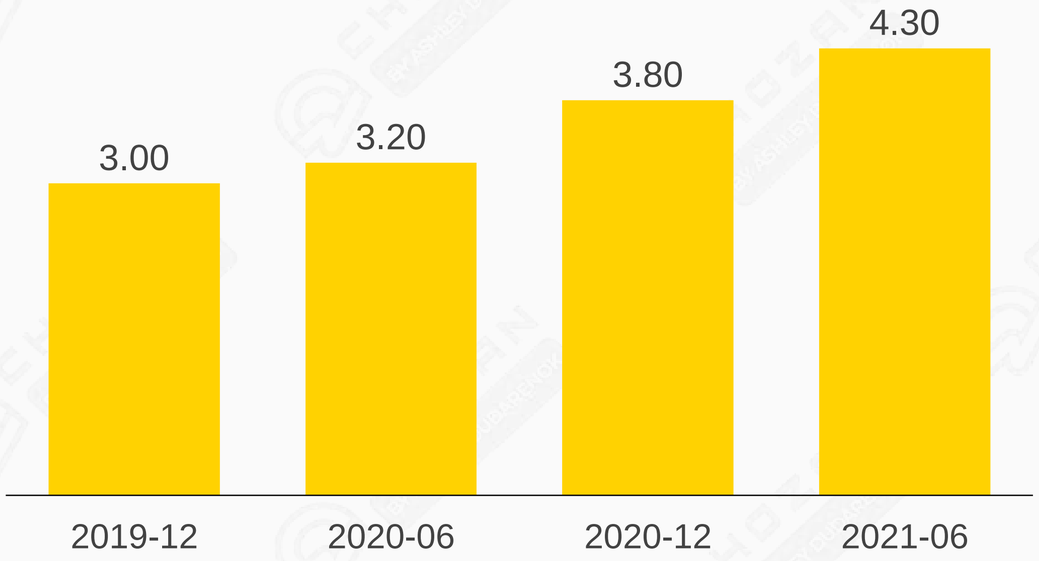
Source: Statista

For Cody

E-COMMERCE

WECHAT MINI PROGRAM - USER OVERVIEW

NUMBER OF WECHAT MINI PROGRAMS, 2019-2021 (IN MILLION)



600 MILLION

DAILY ACTIVE USERS AT 2022Q3

+30%

DAILY ACTIVE USERS, YOY GROWTH

+50%

TIMES OF DAILY USE, YOY GROWTH

Source: Huaon

For Cody

E-COMMERCE

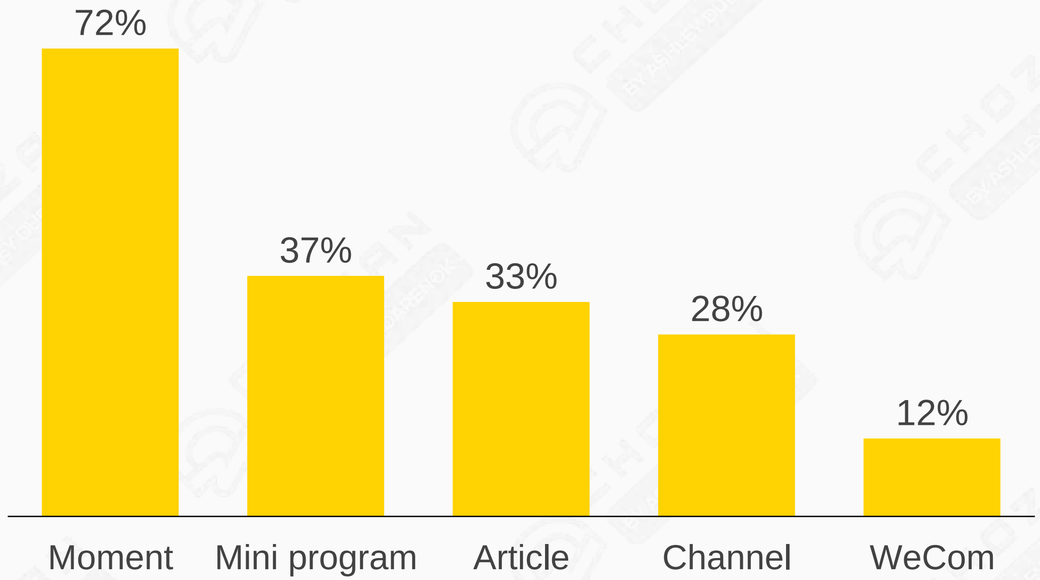
WECHAT CHANNEL - USER OVERVIEW

500 MILLION
DAILY ACTIVE USERS AT 2022

78%
DAILY ACTIVE USERS, YOY GROWTH

35 MINUTES
AVERAGE DAILY DURATION OF USER

PENETRATION OF DIFFERENT FEATURES OF WECHAT



Source: QuestMobile

For Cody

E-COMMERCE

WECHAT ECOMMERCE - OVERVIEW

96%

PENETRATION OF PRIVATE DOMAIN IN CHINA

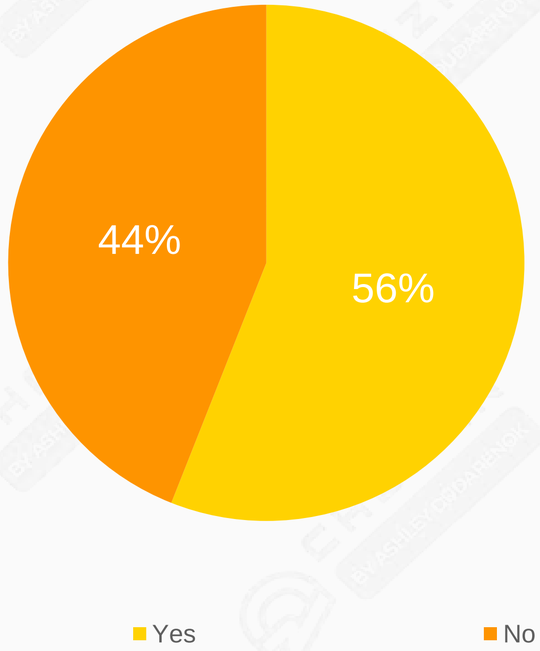
78.7%

BRANDS TAKE WECHAT AS THEIR MAIN MARKETING PLATFORM

53.2%

BRANDS TAKE WECOM AS THEIR MAIN MARKETING PLATFORM

PERCENTAGE OF CHANNEL ACCOUNTS (OVER 600K FOLLOWERS) OPEN THE STORE IN WECHAT, 2021



Source: E-Commerce Industry Research Report 2022

EXPERT BITE

Q: HOW HAS THE VIDEO INDUSTRY IN CHINA EVOLVED IN THE PAST 3 PANDEMIC YEARS?

As in other markets, lockdowns and other pandemic related policies have enhanced the desire of consumers to consume more high-quality content on mobile devices. Algorithms of top social platforms have allowed advertisers to aggregate a much more granular understanding of their target consumers, allowing them to hyper-target their messages to very small groups of consumers with specific interests or purchasing propensities. Going forward, it seems inevitable that this will lead to more customization and cohort-specific marketing initiatives on behalf of brands – as opposed to a “one size fits all” approach.



JIM FIELDS

CEO and Co-Founder at Relay Club

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MEGA ONLINE SHOPPING FESTIVALS

EXPERT BITE

Q: ARE SHOPPING FESTIVALS STILL BIG IN CHINA, OR THEY ARE MORE OF A NUISANCE FOR SHOPPERS NOW?

In recent years, e-commerce platforms frequently launch promotional activities and discounts, gradually sapping consumers' enthusiasm for shopping festivals. Besides, consumers feel fed up with complicated discount rules. But this does not mean that shopping festivals become totally nuisances. Consumers are still aggressively seeking discounts and promotions and want to buy high-quality products at affordable prices. Major shopping festivals remain appealing to consumers because all platforms launch promotional discounts for a wider range of product categories during a concentrated time, providing consumers with more choices and affordable prices.

During the 2023 New Year Shopping Festival, for the first time, Tmall canceled the rule of discount with a threshold of payment amount. Instead, products were sold directly at preferential prices with no payment threshold. Therefore, fewer but more earnestly prepared shopping festivals providing better consumption experiences are expected soon.



RITA BAO

Market Research Analyst at ChemLinked

CHINESE NEW YEAR

China New Year (or the Spring festival) is predominately a gift giving festival and is China's most important traditional holiday. The 2023 Chinese New Year holiday started on January 22nd and ended on January 29th.

During Chinese New Year, many Chinese people will buy things for their families, thus, many short video platforms and e-commerce platforms will hold interactive campaigns with the theme of “New Year’ Goods Carnival", releasing coupons and providing discounts to stimulate people to shop.

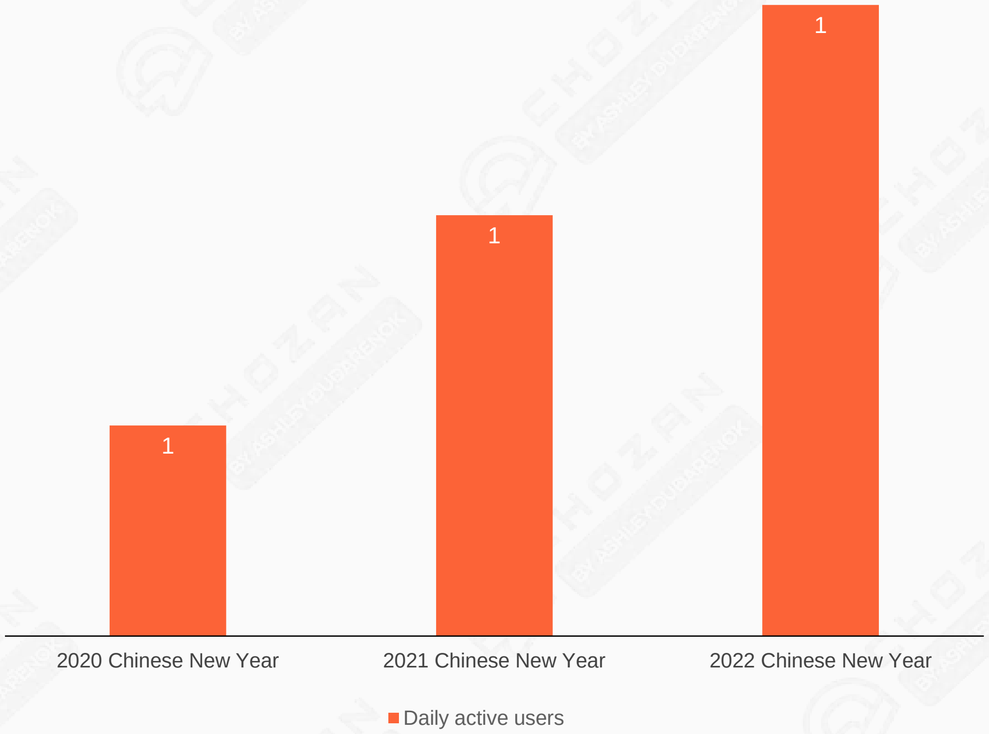


Photo: 上海图虫网络科技有限公司

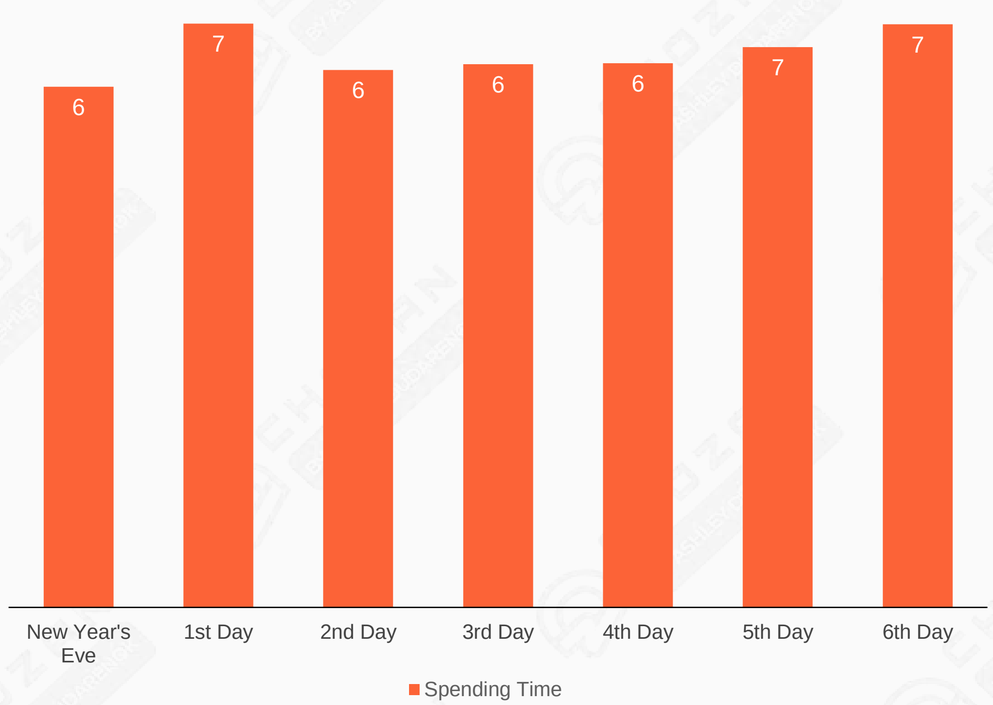
CHINESE NEW YEAR

Chinese New Year generally has seven days of holidays, plus increasing hours of use. The policy of pandemic quarantine is one of the contributions to the increase. According to the survey, Chinese Internet users reach **8,720** million active daily in 2022, **140** million more than in 2021. It was also found that the length of usage on the first day of the New Year was long, reaching **6.91** hours.

Average daily active users of Chinese App during Chinese New Year from 2020 to 2022 (Unit: Billion)



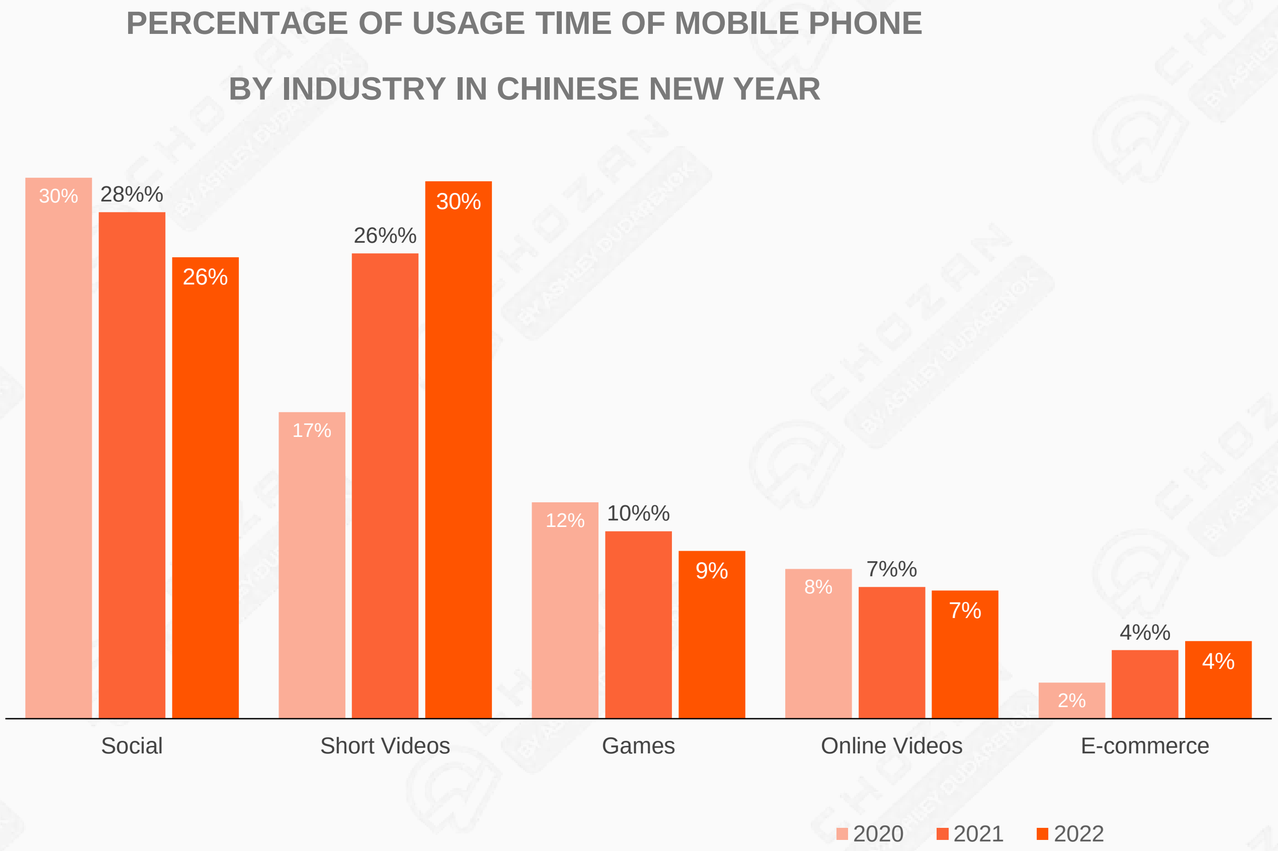
Hours of App use per day during Chinese New Year overview (Unit: Hours)



Source: Quest Mobile, 2022 Chinese New Year Report

CHINESE NEW YEAR

INCREASED MOBILE ENTERTAINMENT: MAINLY ARE SHORT VIDEO APPS



- Short videos, whose share reaches **29.8%** in 2022 from **17%** in 2019 and short-video oriented live streaming with goods is also becoming more and more popular.
- E- commerce grows from **2%** in 2019 to **4.3%** in 2022, showing a good growth.

Quest Mobile, 2022 Chinese New Year Report

CHINESE NEW YEAR

SHORT VIDEO PLATFORM MAIN ACTIVITIES DURING CHINESE NEW YEAR

SHORT VIDEO APP'S ACTIVITIES DURING CHINESE NEW YEAR 2022

	COLLABORATION WITH CHUNWAN	HONGBAO OPENING ACTIVITY	SPRING FESTIVAL CARNIVAL	IP CO-BRANDING
DOUYIN	✓	✓	✓	
KUAISHOU	✓	✓	✓	
WECHAT	✓	✓		✓

- Chunwan is a Chinese Spring Festival show that almost every family watches. In 2022 Spring Festival, Douyin, Kuaishou and WeChat all cooperate with this show.
- Meanwhile, online red envelopes have become the focus o, with Douyin, Kuaishou nd WeChat all handing out online red envelopes to attract consumers.
- Douyin and Kuaishou also released a New Year's Eve festival, handing out coupons to boost online mall sales. WeChat co-branding with other brans to attract users.

Source: Huaan Research

CHINESE NEW YEAR

E-COMMERCE PLATFORM MAIN ACTIVITIES DURING CHINESE NEW YEAR

E-COMMERCE'S ACTIVITIES DURING CHINESE NEW YEAR 2022

	COLLABORATION WITH CHUNWAN	UNINTERRUPTED SERVICE	RELEASE HONGBAO	EXCLUSIVE DISCOUNTS
TAOBAO	✓	✓	✓	
JINGDONG	✓	✓	✓	
PINGDUODUO	✓	✓		✓

- Three e-commerce platforms also cooperated with the Spring Festival and continued to provide services to consumers without taking a holiday during the Spring Festival.
- In addition to this, Taobao and Jingdong issued red envelopes to stimulate consumption, and Jindong issued additional offers.

Source: Huaan Research

CHINESE NEW YEAR

CHINESE NEW YEAR ACTIVITIES ON SOCIAL&SHORT VIDEO PLATFORM: WECHAT

WeChat and the Chunwan (Famous Chinese Show during Chinese New Year) collaborated to **livestream** on New Year's Eve, while releasing a series of **hongbao cover-making activities (DIY online red even lope cover)** and **short videos DIY.**

	HONGBAO COVER- MAKING TYPES
1	Brand Collaboration Hongbao
2	New Year Hongbao
3	Livestreaming Hongbao
4	Personalised Hongbao

120 MILLION
PEOPLE WATCHED LIVESTREAM

350 MILLION
LIKES FOR LIVESTREAM

9.19 MILLION
COMMENTS IN LIVESTREAM

Source: Aurora

WOMEN’S DAY

March 8 is International Women's Day, coinciding with the spring new product launch + women's day, is the first important e-commerce marketing festival after the start of Lunar New Year. Compared to the once Queen's Day, Girls' Day, nowadays the e-commerce platform simplifies the complexity and directly defines it as 38 Festival, which as a results of the promote normalization and can concisely point out the rhythm of the promotion.



Photo: TMall Screenshot

MAJOR ONLINE SHOPPING FESTIVALS

WOMEN'S DAY - 2022

Due to the continuous growth of "She economy" and the rise of female power, the 38 promotion has been recognized as an annual S-level marketing campaign by major e-commerce platforms.



70 MILLION VIEWERS

IN TAOBAO'S LIVE-STREAMING



2.8 BILLION RMB

ONLINE SALES IN FIRST PRESALE NIGHT

Source: Xinhua News

MAJOR ONLINE SHOPPING FESTIVALS

WOMEN'S DAY - NEWCOMER AS RISING TALENT

Compared to the two traditional giants, Douyin as e-commerce rookie, has been more active in 2022's 38 promotion.

Queen's Festival (38女王节)

2002 MILLION+
Total live streaming hours

366
Number of brands with transaction volume

894 Million+
Total hours of merchants' own live streaming

2.3 billion
Network-wide exposure

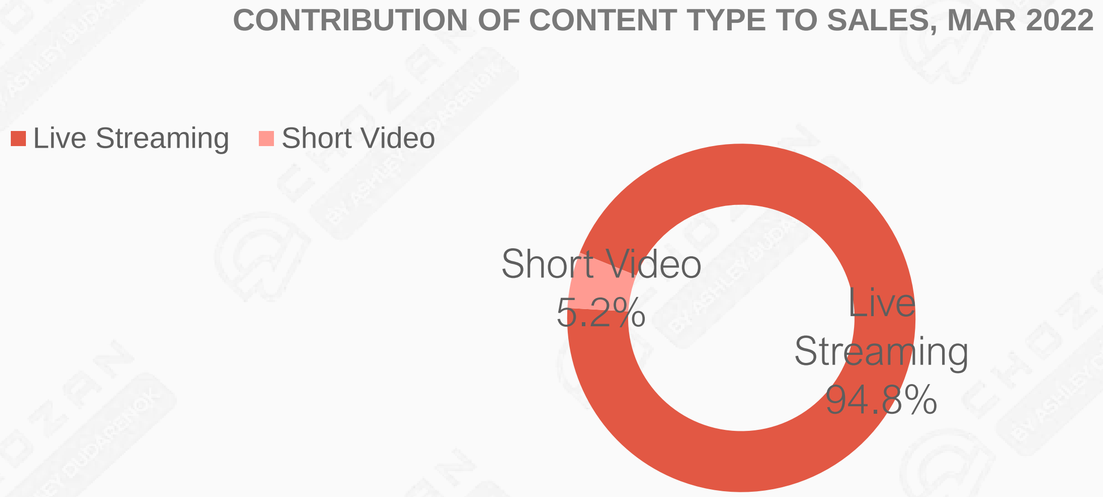
Source: E-Commerce News

MAJOR ONLINE SHOPPING FESTIVALS

WOMEN'S DAY - NEWCOMER AS RISING TALENT

Queen's Festival (38女王节)

During the period of Women's Shopping Festival(February 26-March 8, 2022) on Douyin, and the potential of the live broadcast was more than 18 times that of the short video.

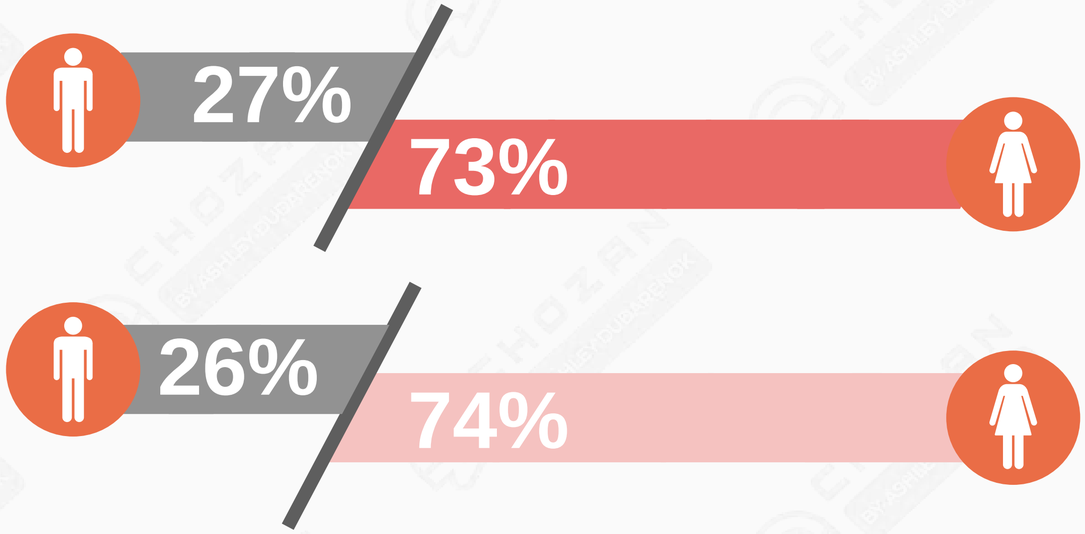


Source: E-Commerce News

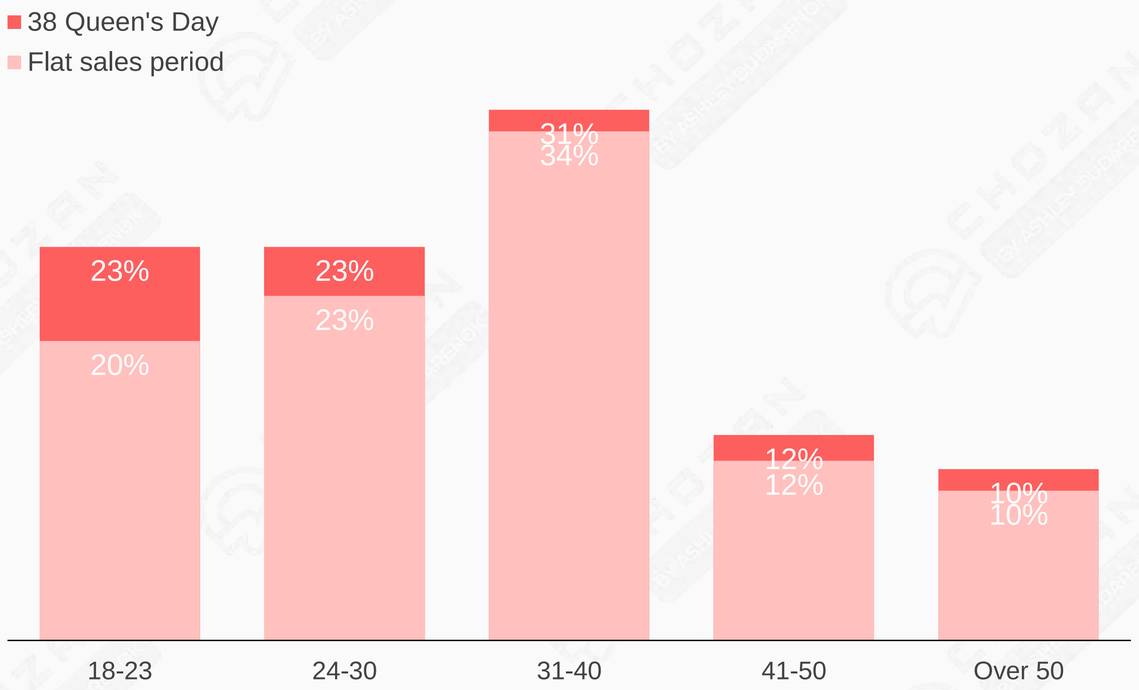
MAJOR ONLINE SHOPPING FESTIVALS

WOMEN'S DAY - CONSUMER PORTRAIT

In 2022, the portrait of "38 Queen's Day", the flat sales period and 214 Valentine's Day showed no obvious change in the ratio of men and women, but the young group aged 18-23 showed a more obvious willingness to spend compared to the middle-aged consumers aged 31-40.



DOUYIN E-COMMERCE TRANSACTION USER AGE SEGMENTATION, MAR 2022



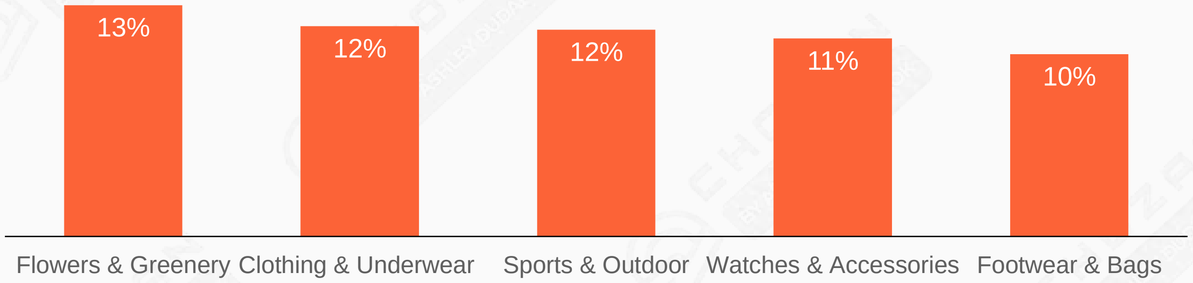
Source: Chanmama

MAJOR ONLINE SHOPPING FESTIVALS

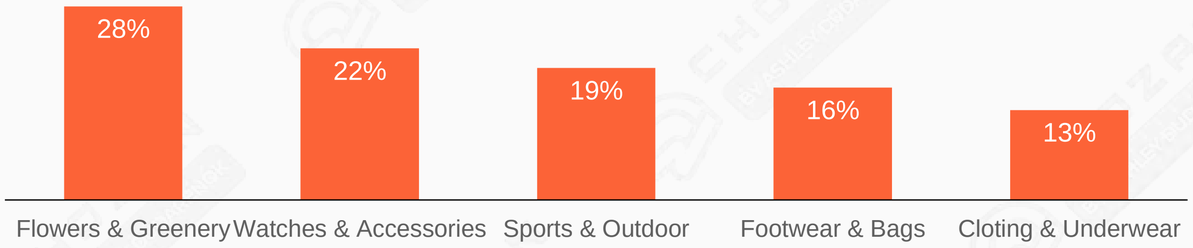
WOMEN'S DAY - CONSUMER PORTRAIT

Comparing the GMV growth of "38 Queen's Day" with the flat sales period, we can find that the major categories of holiday growth are mostly holiday scenario-related consumption, including holiday gift-giving, holiday flowers, women's products, etc.

TOP 5 FASTEST GROWING CATEGORIES VIA LIVE STREAMING ON "38 QUEEN'S DAY", MAR 2022



TOP 5 FASTEST GROWING CATEGORIES VIA SHORT VIDEO ON "38 QUEEN'S DAY", MAR 2022



Source: Chanmama

MAJOR ONLINE SHOPPING FESTIVALS

WOMEN'S DAY - BRAND MARKETING INSIGHT

3.8 marketing strategy, more focused on the discovery of women's self-satisfaction needs, from the emotion to drive consumers, rather than just emphasize the goods itself to drive the benefit of the consumer.

Brands will choose to make a statement at this node to express their attitude proposition, reflect the brand's support for women and close the emotional distance with consumers.



Photo: Best Women's Day Marketing Practice By @PROYA

Source: Jiemian

CHINESE VALENTINE’S DAY

Qixi Festival, as known as Chinese Valentine’s Day, is one of the country's traditional festivals. People celebrate the occasion by exchanging gifts (like flowers, chocolates, ties and watches). The e-commerce platforms and offline stores would launch various campaigns and promotion during this holiday,

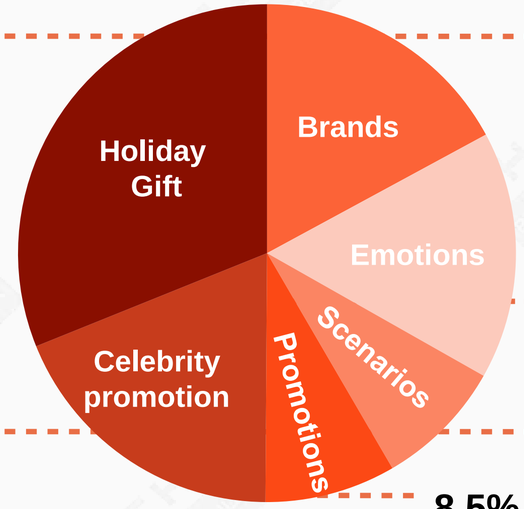


Photo: Pexels

CHINESE VALENTINE'S DAY

SOCIAL MENTIONS ON SOCIAL MEDIA PLATFORMS

2022 CHINESE VALENTINE'S DAY SOCIAL MENTIONS



31.1%
China Valentine's Day special offers, gift box, new arrivals

17.1%
Makeup&skincare: Estee Lauder, YSL, Lancome, etc
Fashion: Cartier, Bulgari, Tiffany, etc
Beverage: Luckin Coffee, Nayuki, Mixuebingcheng, etc

16.1%
Romantic, Love, Like

8.4%
Date, summer, seeding

8.5%
Super brand day, live stream, benefits

18.8%
Li Xian, Gong Jun, Wu Lei, Yang Yang, etc

The social mentions during 2022 Chinese Valentine's Day mainly covered the topic "holiday gift" (31.1%). Chinese consumers discussed more on the Chinese Valentine's Day special offers, gift box or new arrival. There are also 17.1% of content mentioned the brand-related topics in different categories including makeup, skincare, fashion and beverage.

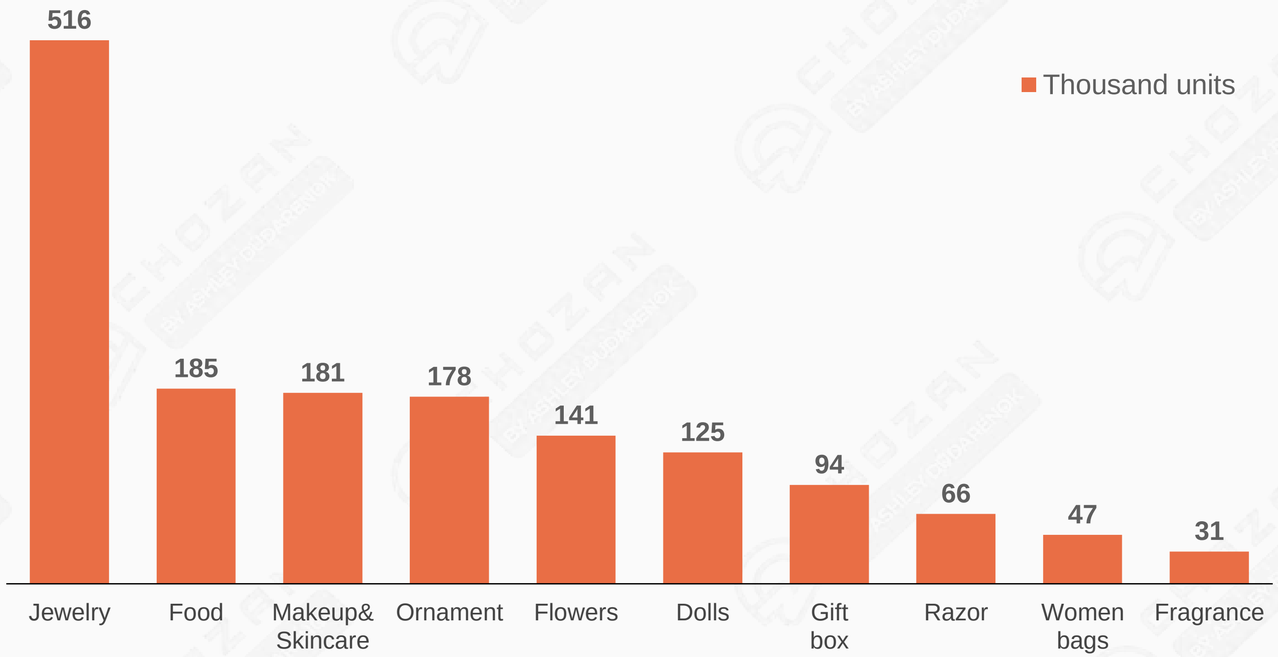
Source: Endata, 2022 Qixi marketing insights report

CHINESE VALENTINE'S DAY

HOT-SELLING CATEGORIES ON E-COMMERCE PLATFORMS

From the perspective of hot-selling categories, the sales volume of jewelry category stands out, reaching 516,300 pieces in 2022. The sales of jewelry, ornaments, dolls increased by 43.41%, 83.72%, and 94.99% year-on-year respectively, and the sales of food and flowers decreased by 61.04% and 52.26% year-on-year respectively.

2022 CHINESE VALENTINE'S DAY HOT-SELLING PRODUCT CATEGORY BY SALES VOLUME



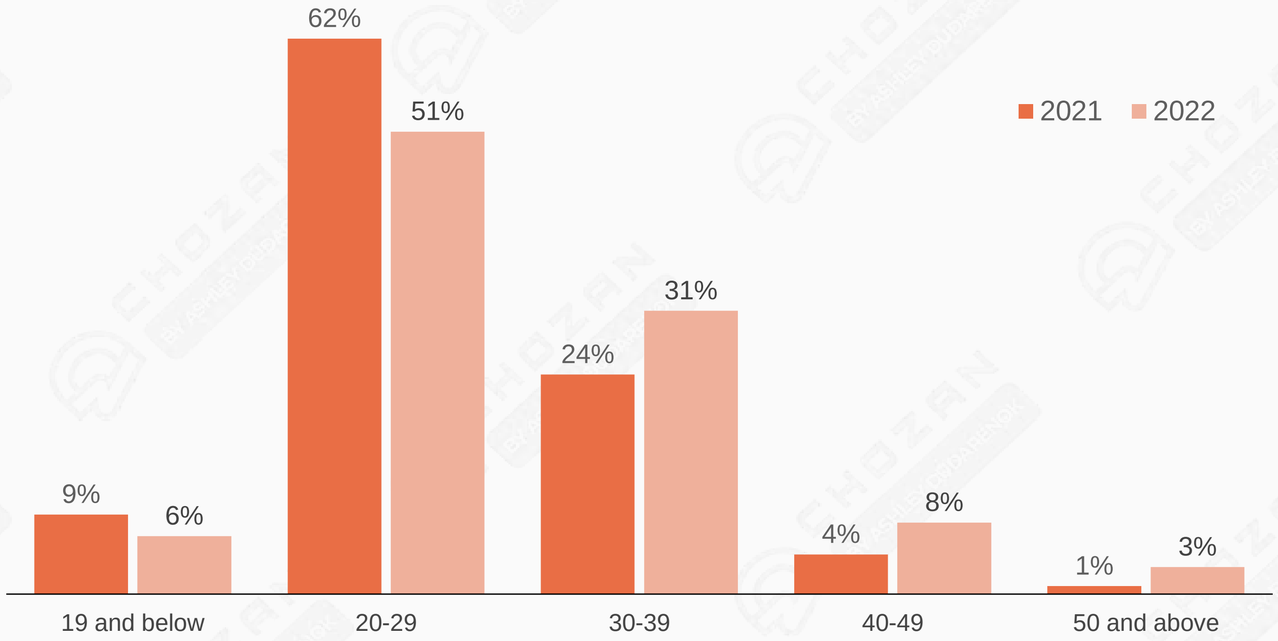
Source: IPS, 2022 Qixi report

CHINESE VALENTINE’S DAY

CONSUMER PORTRAIT BY SEARCH GROUP

People aged 20-29 are still the major group to search "Chinese Valentine's Day gifts”, while there is a significant increase of 30-39 years old group. Since the income and consumption ability of the age group of 30-39 is usually more stable, they would spend more on the gift.

2022 PEOPLE WHO SEARCH “CHINESE VALENTINE’S DAY GIFT” BY AGE GROUP



Source: IPS, 2022 Qixi report

CHINESE VALENTINE'S DAY

POPULAR PRODUCTS AND SEARCH KEYWORDS ON FOOD DELIVERY PLATFORM

Combined with order status and user search keywords, the TOP 6 most popular products among users in romantic festivals are: rose, chocolate, lipstick, perfume, skincare set, snack bouquet.

MOST POPULAR SEARCH KEYWORDS DURING CHINESE VALENTINE'S DAY



NO.1
ROSE



NO.2
CHOCOLATE



NO.3
LIPSTICK



NO.4
PERFUME



NO.5
SKINCARE SET



NO.6
SNACK BOUQUET

Source: Meituan, Romance Economy Consumption Data Report

CHINESE VALENTINE’S DAY

LOCAL TOURISM

According to Meituan, the recent "Chinese Valentine's Day" themed offline eat-in set meal and tickets for tourist spots have increased year of year by 368% and 440% respectively, and the hotel package has increased by 120%. Over 40% of Hangzhou Black Pearl Restaurants is fully booked before the holiday.



+368%

OFFLINE EAT-IN SET MEAL
YOY GROWTH



+120%

HOTEL PACKAGE
YOY GROWTH



+440%

ATTRACTIONS TICKETS
YOY GROWTH

Source: Meituan, Offline consumption data

EXPERT BITE

Q: WILL CHINESE TOURISTS COME BACK TO OVERSEAS DESTINATIONS, WHERE WILL THEY GO AND HOW SOON?

For the restart of outbound travel, three main bottlenecks must be navigated: passports, visa, and air connections. Therefore, in the first quarter 2023 beside visits to Hong Kong SAR and Macau SAR, mostly business and VFR travel will happen. From the second quarter 2023, leisure tourism will start in increasing numbers.

The majority will as before stay in Asia, but Chinese tourists have had three years to dream about where they want to go and to swap stories in their WeChat groups. There will be a growing interest in discovering less conventional destinations, which will produce opportunities for Europe to increase its overall market share, and for less visited cities and regions within the bigger countries as well as for new destinations like, for example, Albania, Georgia, Ireland or Portugal. The traditional hotspots like Paris or Milano will need to create new reasons for a visit, as the percentage of first-timer among the Chinese visitors to Europe will be lower than before the pandemic.



PROF. DR. WOLFGANG GEORG ARLT

Founder and Director of COTRI

618

China's e-commerce platforms used 2022's 618 to help retailers recover some of their lost sales from the year. This was as consumer confidence in China reached a new low with major cities emerging from harsh lockdowns implemented to prevent the spread of Covid-19, with some Chinese cities facing the unpredictability of on-and-off partial lockdowns at the time.



Photo: ZCOOL

618

JD'S 618 IN 2022 HAS EXCEEDED LAST YEAR'S RESULTS

The GMV of JD's 618 Shopping Festival climbed by 5% between 2021 and 2022, reaching $56.5 billion in 2022. The shopping event's GMV increased by 31% in 2021 compared to 2020, resulting in a 2021 GMV total of US$53.8 billion, up from US$41.2 billion in 2020.

JD's 618 Shopping Festival GMV rose by 25% between 2018 and 2019, reaching US$28.9 billion. The GMV in 2018 was $23.1 billion, representing a 26% increase over 2017.



Source: ecommerceDB

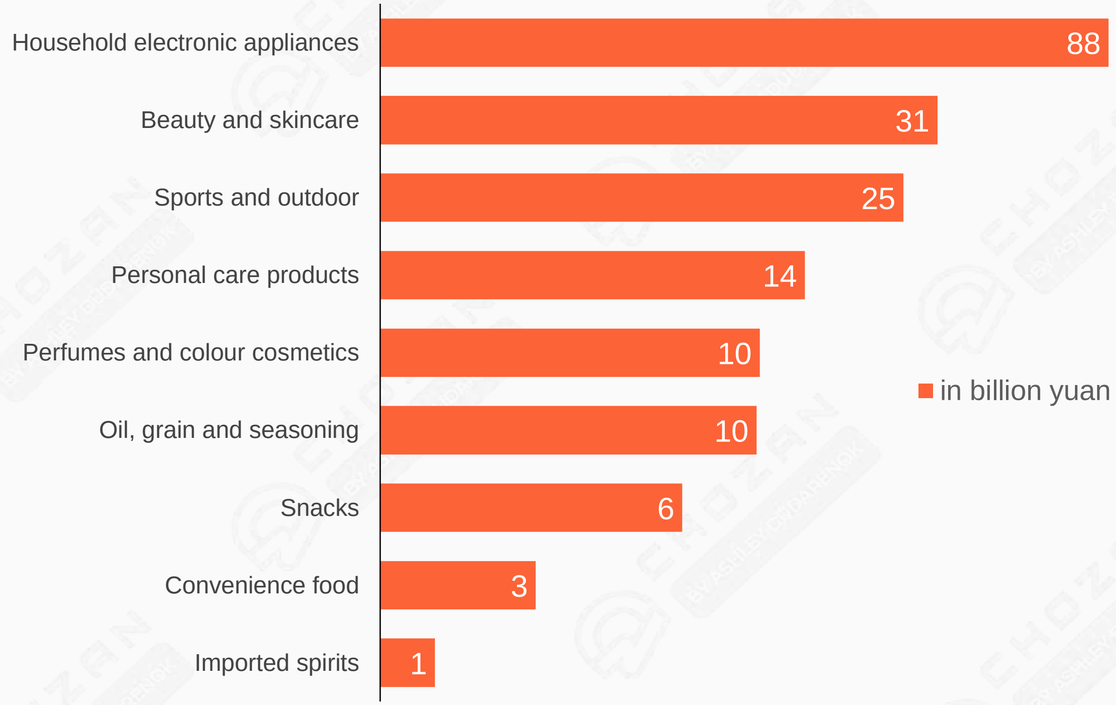
618

HOUSEHOLD ELECTRONIC APPLIANCES WERE THE MOST POPULAR PRODUCTS IN 618

Home electrical appliances brought in around 88 billion yuan in GMV for 2022's 618, making them the most popular product category on China's traditional e-commerce platforms.

Cosmetics and personal care products came in at number two with a total value of over 30 billion yuan.

GMV OF TRADITIONAL E-COMMERCE PLATFORMS DURING 618 IN 2022, BY PRODUCT CATEGORY



Source: Statista

618

NEW CONSUMPTION TRENDS IN 2022 ACCORDING TO 618



HEALTH-FOCUSED

As the popularity of health food at the 618 shopping festival shows, Chinese consumers have become more health concerned in recent years.

JD saw a doubling of sales for more than 1,500 different health and nutrition food items. In recent years, Kuaishou has seen a 120% increase in the sales of low sugar and low fat foods.



HIGH QUALITY PRODUCTS

The rapid expansion of certain industries is directly attributable to people's insatiable hunger for a high qualilty life.

There was a year-over-year increase of 215% in sales of luxury beverages like organic milk powder, A2 milk, premium tea, and specialty coffee on JD.

Multiple channels, notably Tmall and Kuaishou, saw a meteoric rise in the sale of specialized perfumes and fragrances.



RATIONAL SHOPPING

During this 618 shopping festival, people have begun to be more rational in their spending.

In past shopping festivals, people would stock up on products because there were so many deals and the atmosphere was tense.

On the other hand, despite the explosive marketing information in 2022, many shoppers still chose to shop in a sensible way.

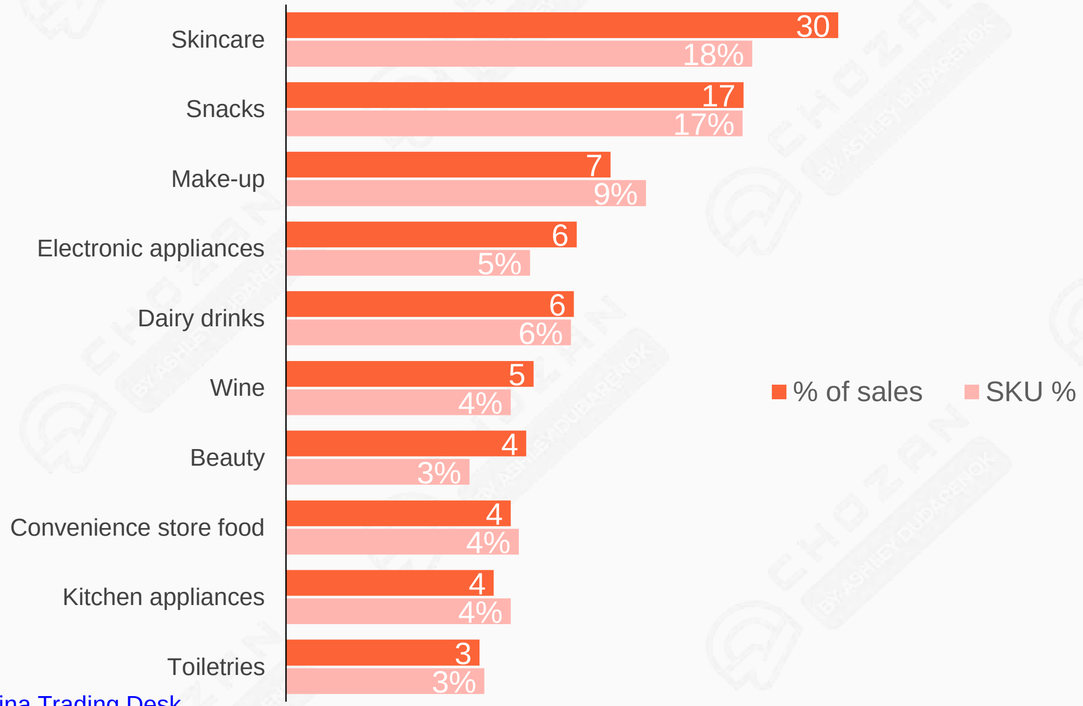
Source: ChemLinked

618

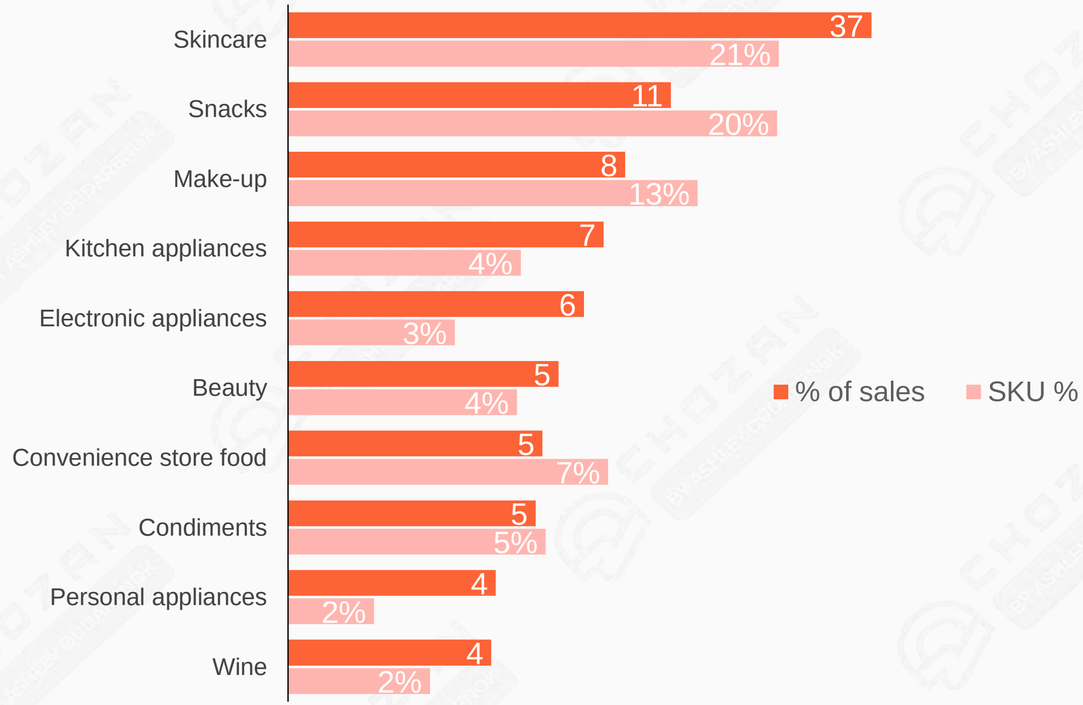
CONTENT MARKETING DRIVING SALES

"#618ExpertsKeyPoints", "#618Strategy", and "#Douyin618GoodThingsFestival" were the top three 618-related content interactions in 2022. During significant promotions, e-commerce platforms develop momentum by using live streams to market goods. During 618, skincare, snacks, and makeup were the top 3 Douyin and Kuaishou platform sales categories.

TOP 10 CATEGORIES OF LIVE STREAM SALES ON DOUYIN DURING 618 2022



GMV OF TRADITIONAL E-COMMERCE PLATFORMS DURING 618 IN 2022, BY PRODUCT CATEGORY



Source: China Trading Desk

EXPERT BITE



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT DO YOU THINK CHANGED IN CONTENT MARKETING ON SOCIAL MEDIA IN 2022?

67% of advertisers focused their content marketing on the KOL industry in 2022, promoting products and boosting sales through the significant influence of celebrities/internet influencers. Therefore, brand content marketing has gradually changed from hard sell to KOL diversified advertisement. For example, short videos incorporating stories into product launches, professional product reviews by KOL, and knowledge sharing from experts. These creative advertisement approaches integrate brands and products into users' life scenarios and significantly improve the user's impression of the products.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

GOLDEN WEEK

The Chinese "Golden Week" refers to the week-long holidays around National Day on October 1. Brands often offer special discounts during National Day Golden Week. Since it is the longest public holiday in China, It would generate huge business for international brands.



Photo: China Railway

GOLDEN WEEK

DOMESTIC TOURISM RECOVERS DURING THE GOLDEN WEEK

According to data from the Ministry of Culture and Tourism, during the National Day, there were a total of 422 million domestic tourists, a YoY decrease of 18.2%, reached domestic tourism revenue 287.2 billion RMB with a YoY decrease of 26.2%.

From September 30th to October 6th, the amount of offline spending in Shanghai was 40.7 billion RMB. The passenger flow of major shopping malls increased by 24.6% month-on-month.



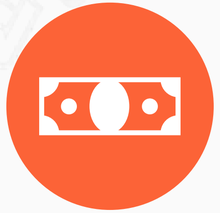
422 MILLION

TOTAL TOURISTS



287.2 BILLION RMB

TOURISM REVENUE



40.7 BILLION RMB

OFFLINE SPENDING AMOUNT IN SHANGHAI

Source: SWS Research

GOLDEN WEEK

LOCAL TOUR IS THE POPULAR CHOICE FOR CHINESE CONSUMER

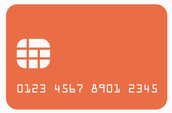
Local tours, surrounding tours, and short-distance tours dominate the golden week tourism market. During the 7 days, local tour orders accounted for 65%, and the per capita tourism spending in the local and surrounding areas increased by nearly 30% compared with last year's Golden Week.

Top 10 popular local tour city	
Shanghai	Beijing
Guangzhou	Hangzhou
Shenzhen	Nanjing
Chengdu	Chongqing
Changsha	Suzhou



65%

LOCAL TOUR PROPORTION



+30%

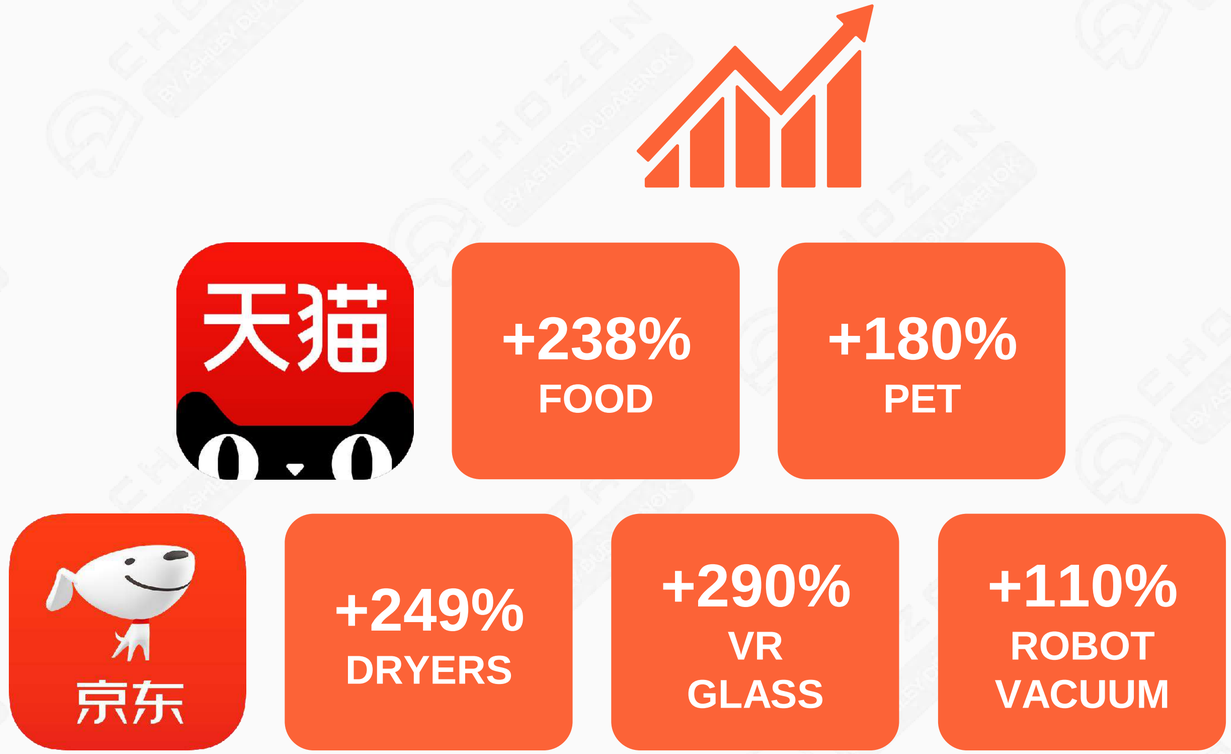
LOCAL TOUR PER CAPITA SPENDING

Source: Ctrip

GOLDEN WEEK

ONLINE SHOPPING HAVE A SIGNIFICANT INCREASE DURING THE WEEK

On the Taobao live stream platform, the sales of food increased by 238% year-on-year, the sales of pet products increased by 180% year-on-year.
According to JD, Dryers are especially popular, the sales during golden week increased by 249% year-on-year. VR glasses increased by 290% year-on-year. On October 1, the turnover of robot vacuum increased by 110% year-on-year.



Source: SWS Research

GOLDEN WEEK

CAMPING BECAME TRENDY IN CHINA

+72%

TENT/MAT CATEGORY YOY GROWTH

+77%

PICNIC CATEGORY YOY GROWTH

During the golden week, the number of camping tourism orders increased by more than 10 times year-on-year. The per capita camping spending is about 650 RMB.
According to JD dataTents/mats increased 72% year-over-year, picnic supplies increased 77% year-over-year,





Source: CBNData

DOUBLE 11

Alibaba's singles' day (or Double 11) is the most popular e-commerce shopping festival in China. It is a day of intense potential for brands and retailers, and enthusiastic envolvement by ever growing participants each year. For ALIBABA it is a day for innovation, system potential testing, and future re-adjustment. With pre-sales becoming more profitable in the warm up periods each year, live-steaming will continue to contribute greatly to the market.



Photo: 上海图虫网络科技有限公司

EXPERT BITE

Q: IN YOUR OPINION WHAT'S CHANGED IN CONSUMERS' CONSUMPTION BEHAVIOR DURING DOUBLE 11?

There was less excitement, partly due to Beijing policy directing tech giants to pull back on the razmataz, partly due to other life challenges taking precedent, and partly because the festival is not novel like it once was. Fewer consumers are prepared to wait until midnight to get the best deals, hence the kickoff time being kept at 8pm for presales. Another noticeable change is the diversity of platforms consumers will shop at.



MARK TANNER

Managing Director of
China Skinny

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - TURNOVER DURING 2020 SINGLES' DAY FESTIVAL

2021

During 2021 Double 11, major e-commerce players set new records:
- Tmall - 540.3 billion RMB in GMV, 8.5% YoY growth
- JD.com - 349.1 billion RMB in GMV , 28.58% YoY growth



540.3
BILLION RMB



349.1
BILLION RMB

2022

- As of 0:00 on November 10th, the turnover of **148** categories increased by more than **100%**

- Within 10 minutes of the event starting at 8:00 p.m. on November 10, the nine sub-categories had a minimum growth of **85%** and a maximum growth of **10 TIMES**.

Source: http://www.ce.cn/xwzx/gnsz/gdxw/202211/12/t20221112_38225510.shtml

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - MORE CROSS-PLATFORM USERS

More users choose cross-platform shopping, among which users who compare prices on three typical e-commerce platforms at the same time have increased by 6.1% compared with 2021.

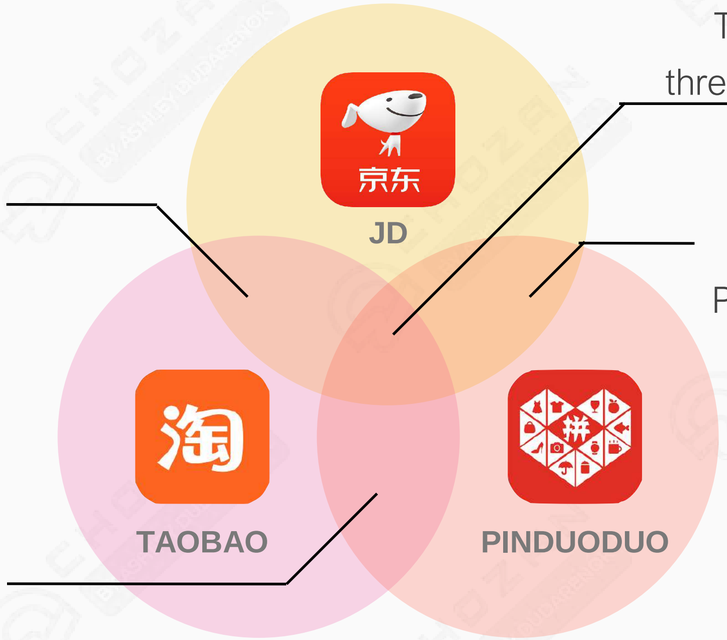
THE OVERLAPPING STATUS OF USERS OF THREE TYPICAL E-COMMERCE PLATFORMS ON OCTOBER 31, 2022

The number of overlapping users of Taobao and JD is **101.62 MILLION**

The number of overlapping users of the three platforms is **36.21 MILLION**
6.1% year-on-year increase

The number of overlapping users of Pinduoduo and JD is **55.74 MILLION**

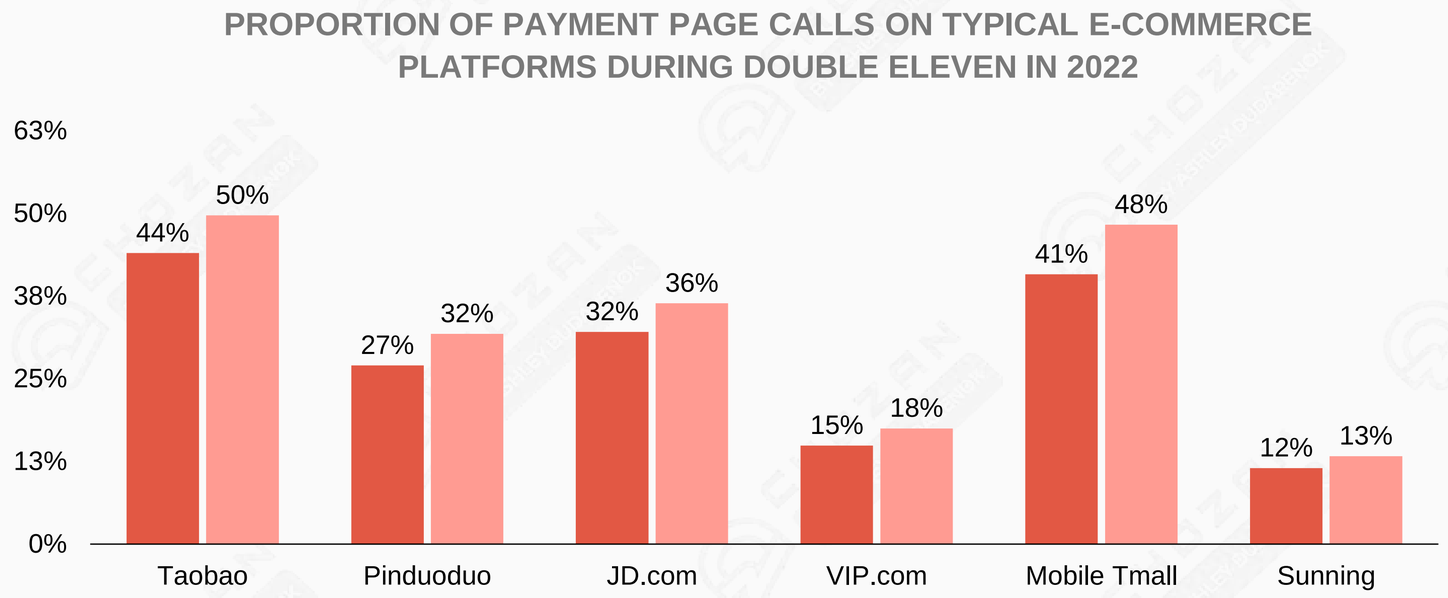
The number of overlapping users of Taobao and Pinduoduo is **126.32 MILLION**



Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - HIGH CONVENTION RATE DURING 2022 DOUBLE ELEVEN

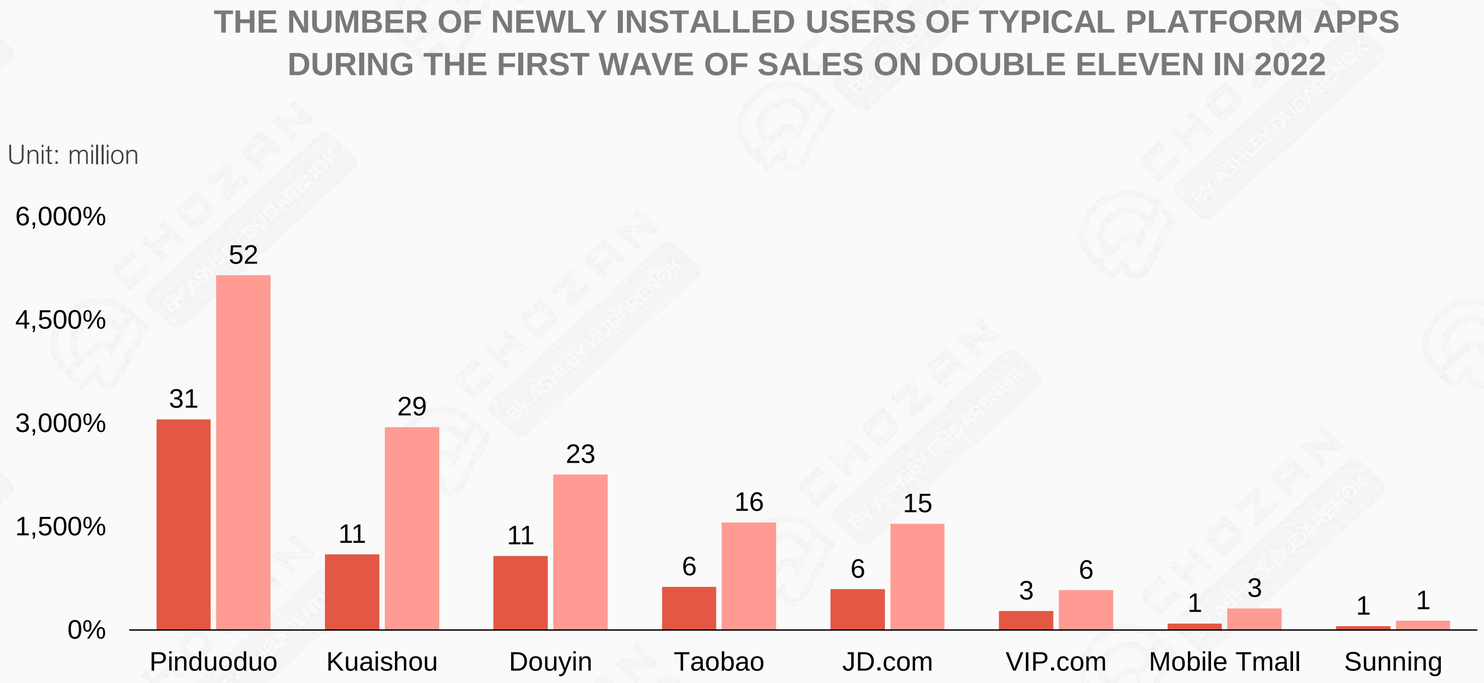


Proportion of calls to the payment page = the number of users who have called up the payment page in the target app of the day / the DAU of the target app of the day. It can be seen that the consumption conversion rate of users during Double Eleven is very high, and there is a slight increase on November 11.

Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - NEW USERS BROUGHT BY DOUBLE ELEVEN



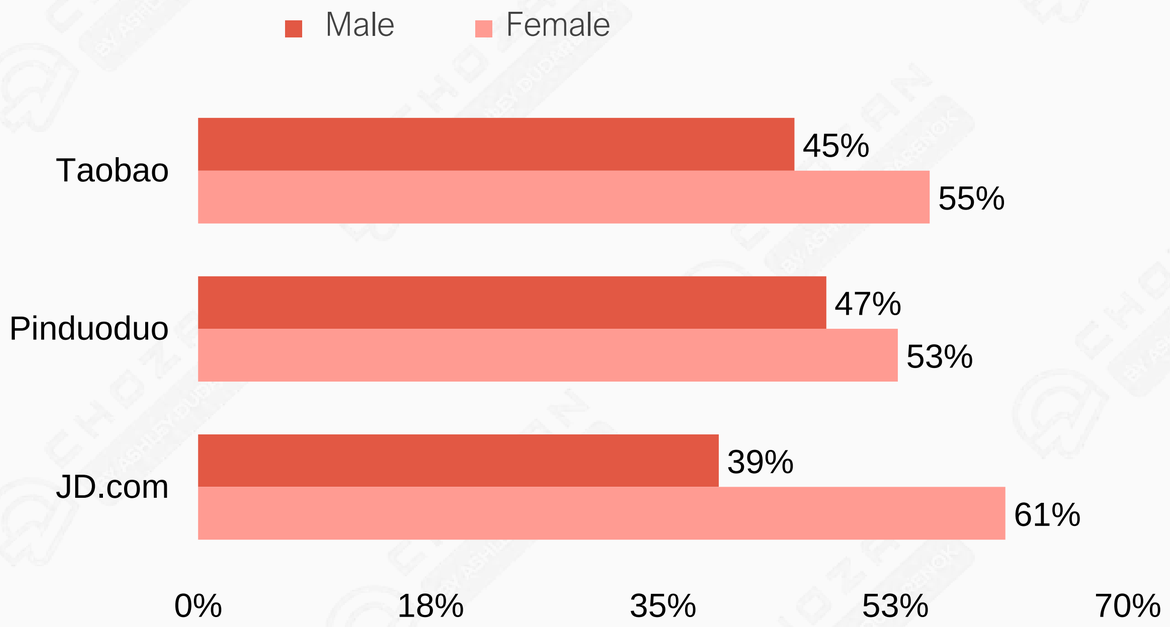
The Double Eleven shopping festival can still bring new users to e-commerce platforms. This growth is very obvious in Pinduoduo, and it has also brought new users to Kuaishou and Douyin, two live e-commerce platforms. But this shopping festival did not bring significant growth to Taobao, JD.com and Tmall.

Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - AGE DISTRIBUTION OF NEW USERS OF TYPICAL E-COMMERCE PLATFORM

AGES OF NEW USERS OF TYPICAL COMPREHENSIVE E-COMMERCE APPS DURING THE FIRST WAVE OF SALES ON DOUBLE ELEVEN IN 2022



During the first wave of sales on Double Eleven in 2022, the gender characteristics of the new users attracted by Taobao and Pinduoduo were not obvious, but JD.com attracted more female consumers.

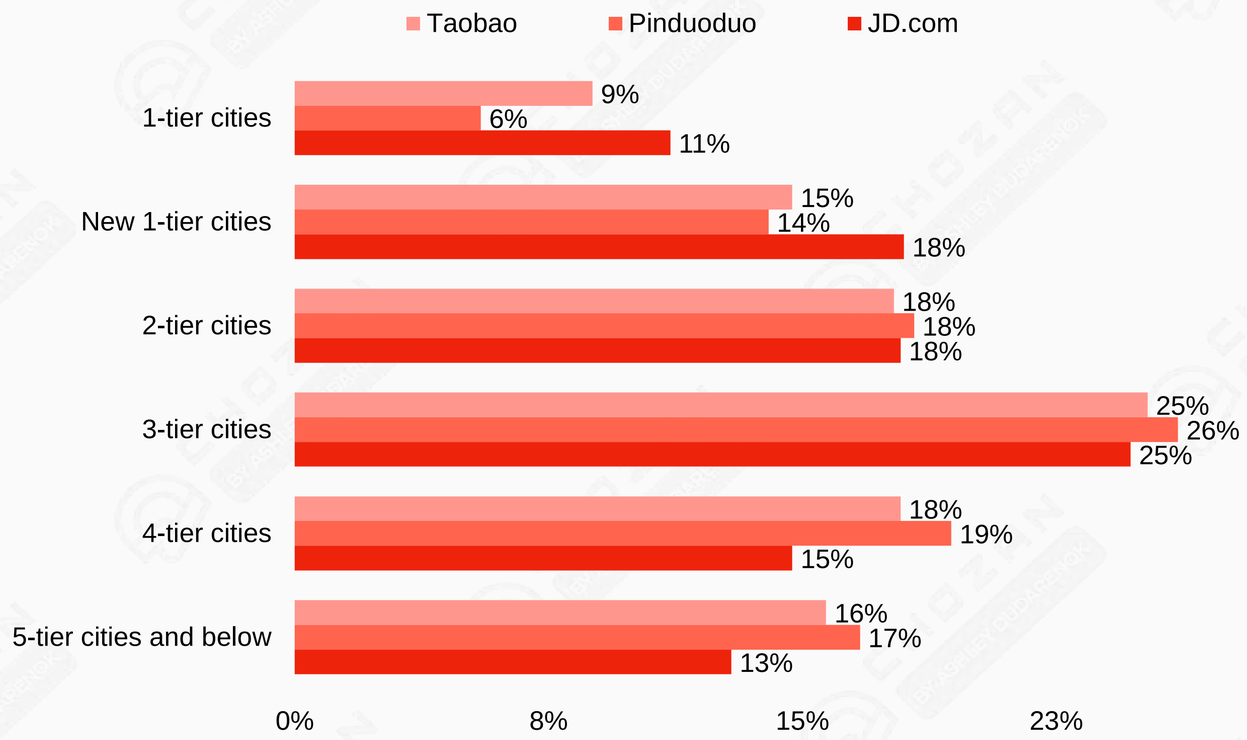
JD.com's original main product categories were digital products and home appliances, and its target users were men. However, in recent years, JD.com has worked hard to expand the product categories covered by the platform, and is attracting more female users through clothing and beauty makeup.

Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - REGION DISTRIBUTION OF NEW USERS OF TYPICAL E-COMMERCE PLATFORM

REGION OF NEW USERS OF TYPICAL COMPREHENSIVE E-COMMERCE APPS DURING THE FIRST WAVE OF SALES ON DOUBLE ELEVEN IN 2022



Among the new users attracted during the first wave of sales on Double Eleven in 2022, consumers from third-tier cities account for the largest proportion.

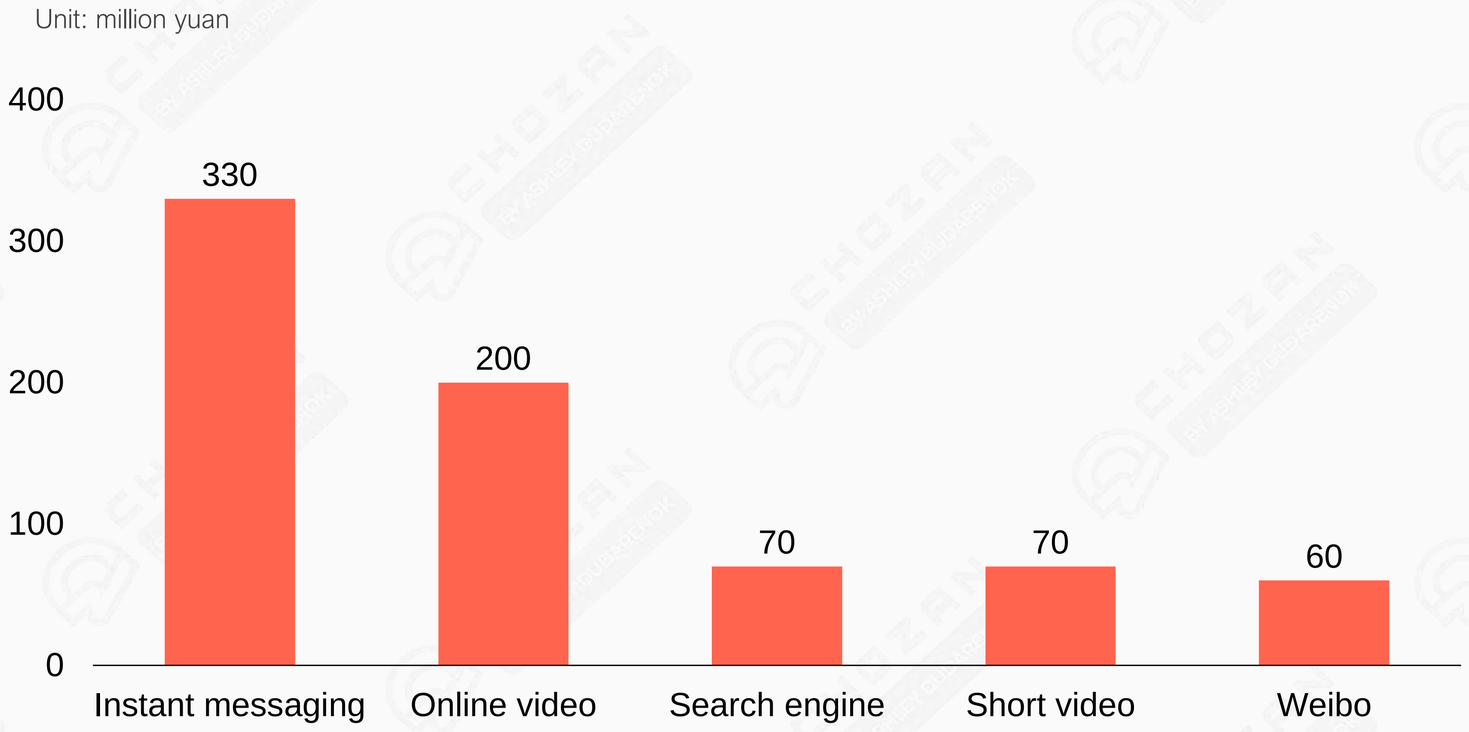
JD.com is more attractive to new users in the first-tier market, while Pinduoduo has more advantages in the sinking market.

Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - ADVERTISING COST ON VARIOUS PLATFORM

2022 DOUBLE 11 PERIOD, THE DISTRIBUTION OF ADVERTISING COSTS BY MEDIA TYPE TOP5



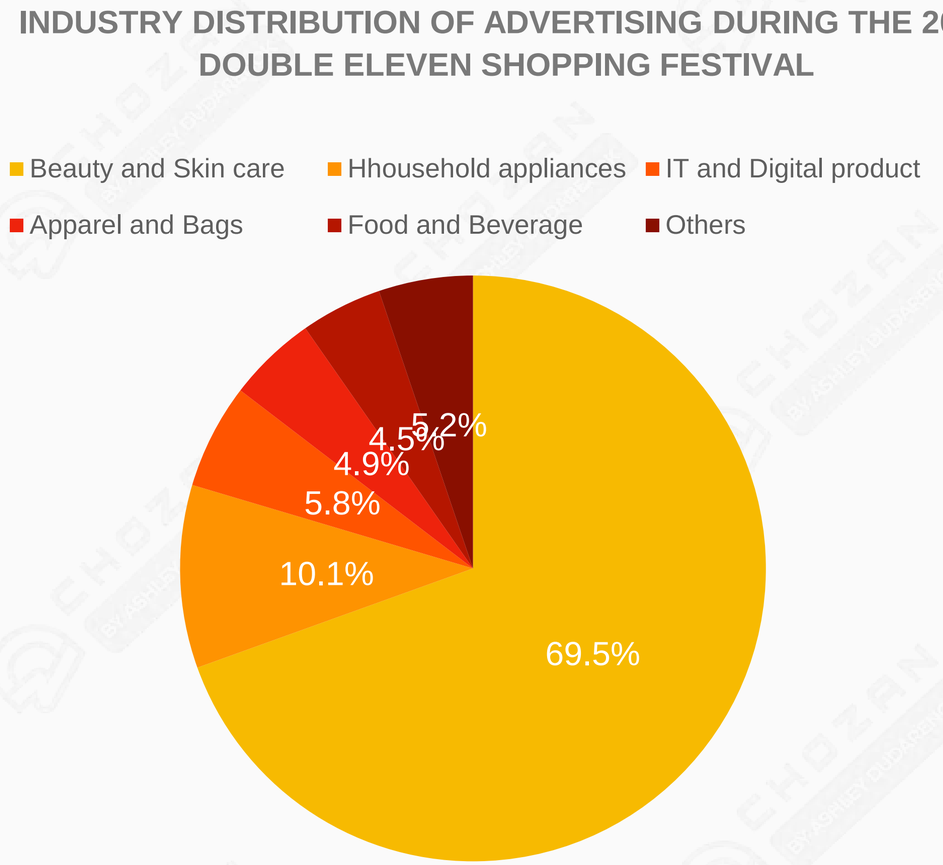
The advertising during the period from October 20th to November 11th shows that for the short-term holiday promotional advertisements such as Double Eleven, instant messaging platforms with high opening frequency are the best choice for advertising.

Moreover, the instant messaging platform has a strong social attribute of acquaintances, and brands can realize private domain marketing through advertising on the communication platform.

Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - ADVERTISING COST BY INDUSTRY



During Double Eleven, the advertising expenditure of beauty brands accounted for the largest proportion, as high as nearly 70% of the total advertising expenditure. The next field that focuses on shopping festival advertising and marketing is household appliances.

Source: https://www.cbndata.com/report/3063/detail?isReading=report&page=14

EXPERT BITE

Q: WHAT DO YOU THINK BRANDS NEED TO DO TO STAND OUT FOR CHINESE CONSUMERS DURING DOUBLE 11?

The fundamentals remain the same as in recent years, as in that brands need to provide either a unique benefit to consumers, a unique brand heritage and related story telling or - ideally - a combination of both. Especially foreign brands increasingly feel the pressure from domestic competitors and can no longer rest on their laurels of previous years, constant product innovation and localization for the domestic market is key.

It is also noteworthy that in 2022, as a result of increased government regulations, ads can now be cross-served between different ecosystems such as WeChat and Tmall, which allows better consumer targeting, re-targeting, upselling and tapping into larger audience pools than in previous years. Another key differentiator for brands can be to co-develop products together with the large marketplaces such as Alibaba with their The Tmall Innovation Center (TMIC) specifically for the large campaign periods such as 11.11.



GEORGE GODULA

Founder and CEO of Web2Asia

EXPERT BITE

Q: WHAT'S YOUR RECOMMENDED KOL STRATEGY FOR LUXURY BRANDS IN CHINA FOR 2023?

There is no one-size-fits-all KOL strategy, and it is up to brands to define their objectives for each KOL collaboration. While working with top tier KOLs and celebrities will help to drive awareness, it will be difficult for brands to achieve a significant ROI due to the hefty costs that come with such collaborations – unless they manage to work with the famous few at the top and tap into the fan economy.

Conversely, working with a large volume of KOCs can be impactful in helping brands to capture share of voice and drive conversions, but might not necessarily drive the same kind of awareness a top-tier idol would. At the end of the day, brands need to prioritise what makes sense for the business.



PABLO MAURON

Partner & Managing Director
China DLG

DOUBLE 12

Alibaba came up with the idea for the Double 12 Shopping Festival in 2013, with the intention of catering to merchants operating on its Taobao marketplace and serving as a supplement to the Singles' Day event, which was traditionally held primarily on its premium Tmall platform.



Photo: China Railway

ONLINE SHOPPING FESTIVALS

DOUBLE 12 - LIVE STREAMING DATA

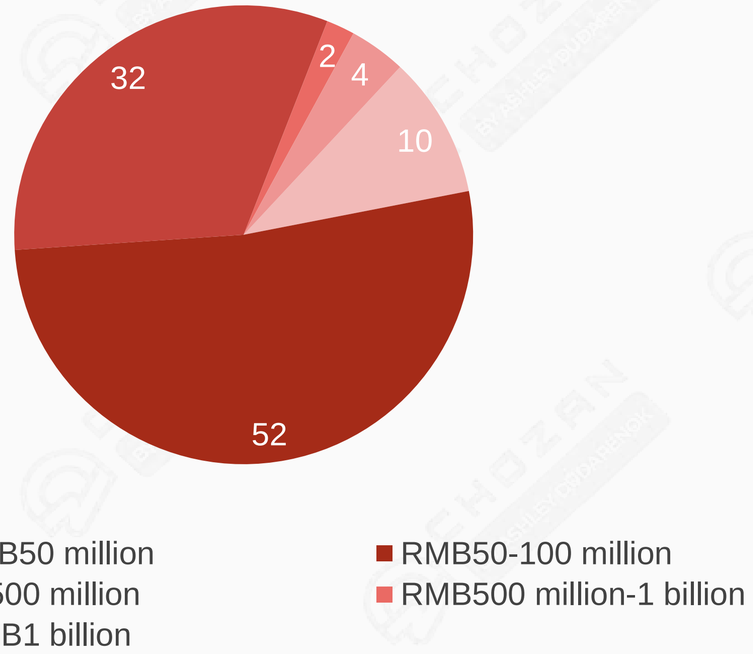
GMV FROM THE TOP 20 LIVE STREAMERS ON EACH PLATFORM

11.98
BILLION RMB

2.85
BILLION RMB

1.79
BILLION RMB

NUMBER OF LIVE STREAMERS (AMONG THE TOP 100) WITH VARIED GMV

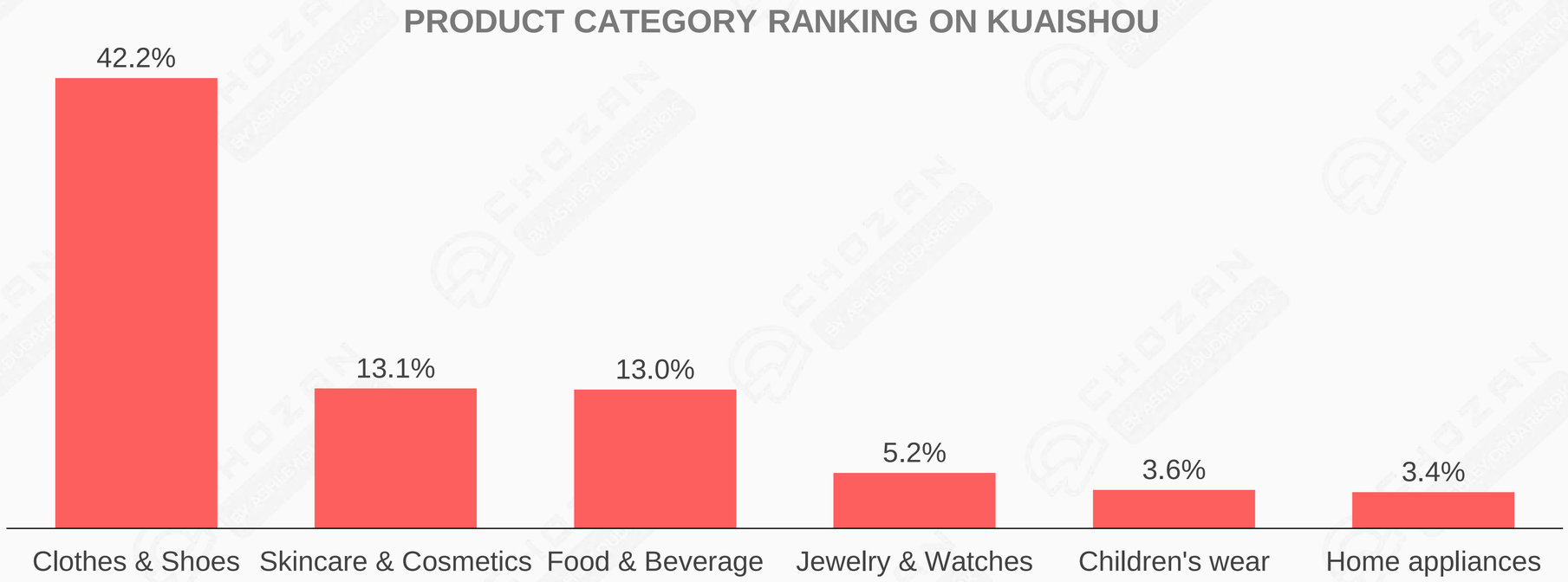


Source: bc新播场

ONLINE SHOPPING FESTIVALS

DOUBLE 12 - PRODUCT PERFORMANCE ON KUAISHOU

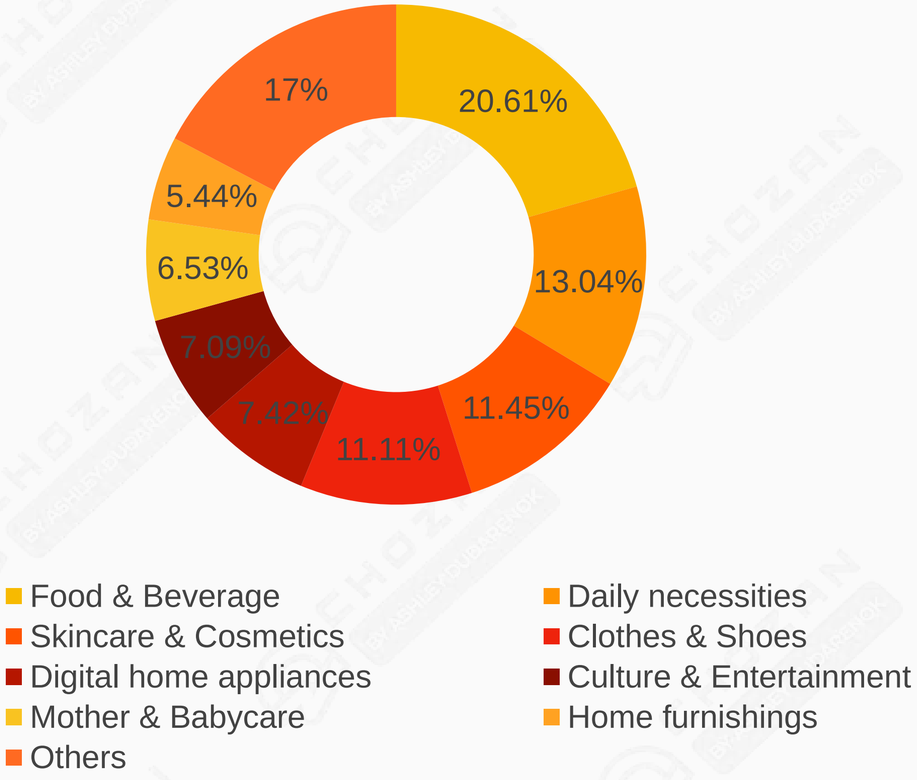
Compared to Douyin with more consumers spending on food and beverage, Kuaishou has seen clothes & shoes as the best-selling category which has way outperformed the following two categories (beauty and food).



Source: iiMedia

ONLINE SHOPPING FESTIVALS

DOUBLE 12 - PRODUCT PERFORMANCE ON DOUYIN



TOP 3 BEST-PERFORMING PRODUCT CATEGORIES ON DOUYIN E-COMMERCE

No. 1

FOOD & BEVERAGE

20.61%

No. 2

DAILY NECESSITIES

13.04%

No. 3

SKINCARE & COSMETICS

11.45%

Source: YouCloud

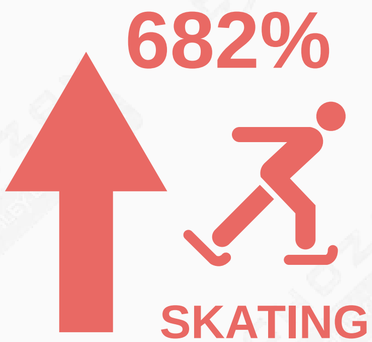
ONLINE SHOPPING FESTIVALS

DOUBLE 12 - SKYROCKETING CONSUMPTION ON WINTER SPORTS

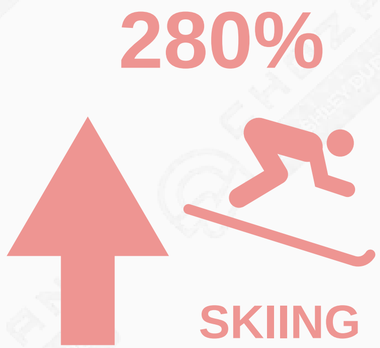
During last year's Double 12, a larger proportion of consumers, driven by the much-anticipated Beijing Winter Olympics, showed frenzy participation into winter sports and purchased relevant equipment for their children and themselves. Sales on Douyin soared dramatically.



- FOLDABLE SLEIGH
- TWO-PERSON SLEIGH
- CHILDREN'S SLEIGH



- BEGINNER SKATES
- FIGURE ICE BLADES
- BASIC SKATING COURSES



- SNOWBOARD
- SKI GOOGLES
- CHILDREN'S SKI SUIT

Source: Douyin

ONLINE SHOPPING FESTIVALS

DOUBLE 12 - THE CHINESE-MADE CONTINUED TO REAP POPULARITY

More domestically-made products were presented and on sales in the special section on Douyin, which received 103 million likes from consumers. The top 5 best-selling products covering mainly beauty and food categories.

TOP 5 BEST-SELLING BRANDS IN THE CHINESE-MADE SECTION ON DOUYIN

- FLORASIS
- CHANDO
- FU PAI (EJIAO)
- CAI LINJI (HOT DRY NOODLES)
- LU HUA (PEANUT OIL)

103 MILLION

LIKES WERE RECEIVED IN THE SPECIAL SECTION OF “RECOMMENDED CHINESE-MADE PRODUCTS”

Source: Douyin

ONLINE SHOPPING FESTIVALS

DOUBLE 12 - SUBDUED DOUBLE 12 SHOPPING FESTIVAL

Consumer enthusiasm for Double 12 Shopping Festival has faded year by year as most of them run out of budget during Double 11, the world's largest shopping bonanza, and also they are shifting from impulse spending to more rational behavior.



TOPIC #DOUBLE 12 REFUND#

230 MILLION VIEWS

30,000 DISCUSSION POSTS

Source: Weibo

EXPERT BITE

Q: SHALL BRANDS DO WEIBO MARKETING IN 2023, WHY OR WHY NOT?

Brands should do Weibo marketing - but they should increasingly focus on leveraging the short video and long-form video distribution capacity of Weibo. This is mainly because organic exposures for traditional image-text posts are shrinking, and even requires additional budget so that followers can see the content. While short videos have additional traffic support, and also benefiting from better impact to customers.



ELENA GATTI

Managing Director Europe, Azoya

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LIVE E-COMMERCE OVERVIEW

OVERVIEW

CHINESE LIVE E-COMMERCE USERS

As of June 2022, China had approximately **470 million live streaming e-commerce users**, an increase of 5.33 million compared with December 2021.

469 MILLION

LIVE STREAMING E-COMMERCE USERES

44.6%

OF TOTAL NETIZENS

17.9%

LIVE COMMERCE PENETRATION RATE

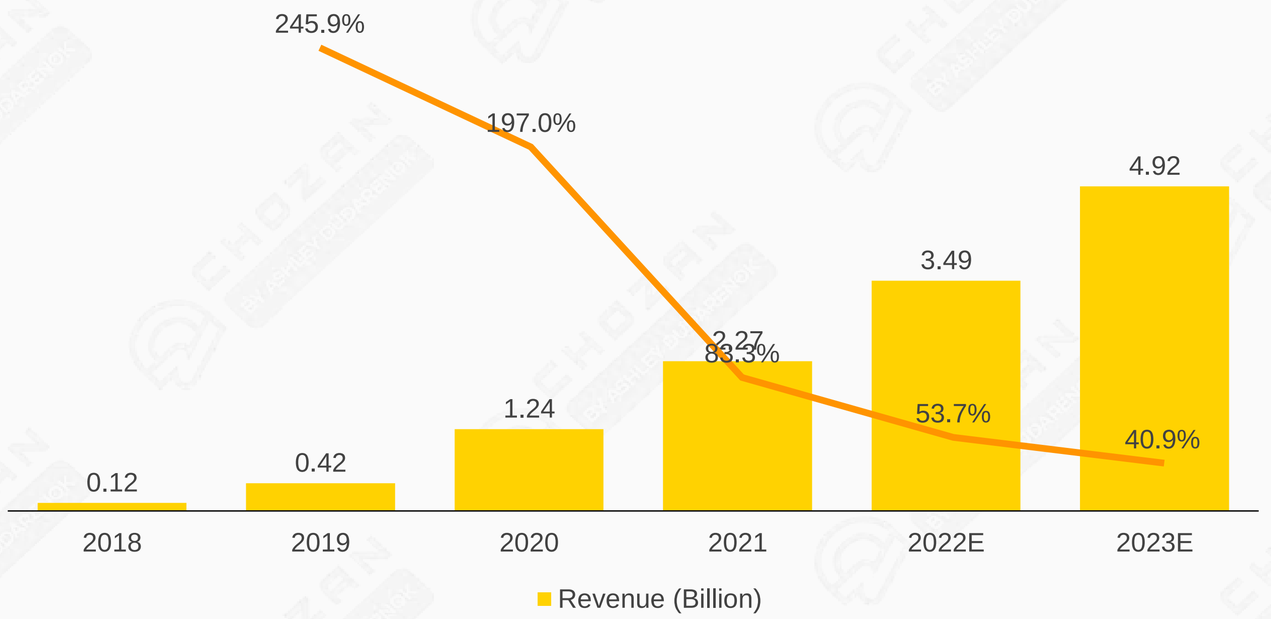
Source: 50th Statistical Report on China's Internet Development, Forward The Economist

OVERVIEW

2022 & 2023 PROJECTION REVENUE IN TRILLION

Revenue in the live streaming e-commerce market is projected to reach **3.49 trillion RMB in 2022**, and **nearly 5 trillion RMB in 2023**.

REVENUE OF CHINESE LIVE STREAMING E-COMMERCE MARKET, 2018-2022 (IN TRILLION RMB)

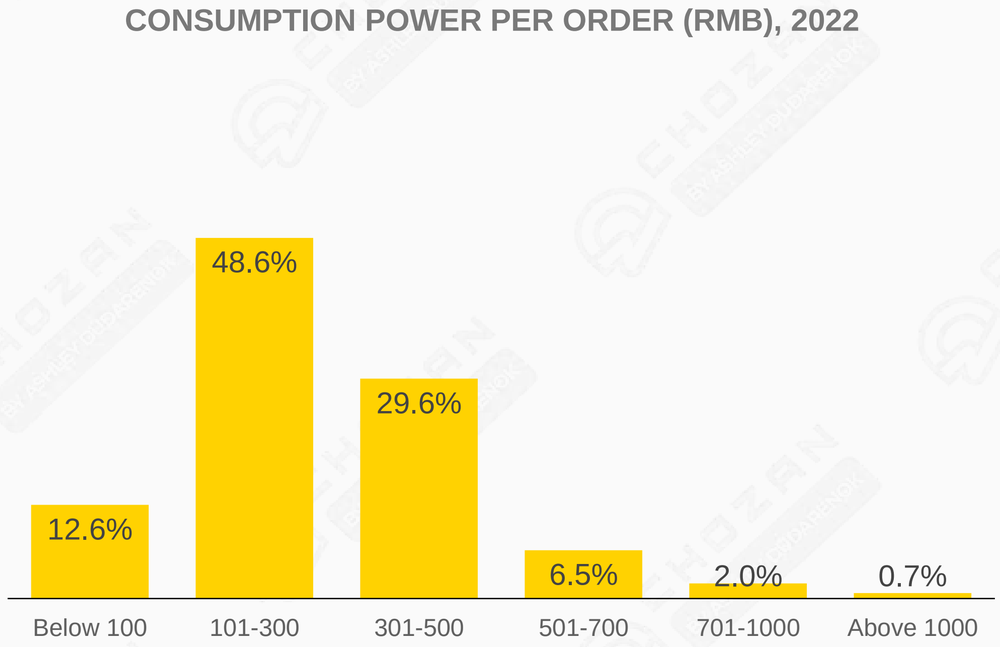


Source: 2023 China Live Streaming E-commerce Report, Weiboyi

OVERVIEW

CONSUMPTION POWER PER ORDER

In 2022, the consumption level of Chinese live e-commerce users per order is concentrated in the range of **100-500 RMB.**



Source: 2023 China Live Streaming E-commerce Report, Weiboyi

OVERVIEW

THE RULE OF THREE

Chinese live streaming e-commerce market is mainly made up of three independent social platforms: **Douyin, Kuaishou, and Taobao Live**.

	Douyin	Kuaishou	Taobao Live
	INTEREST DRIVEN	**TRUST DRIVEN**	**DISCOVERY DRIVEN**
CATEGORIES OF LEADING SECTORS	Cosmetics, apparel	Food, daily necessities, apparel, shoes and hats, cosmetics	Women's clothing, cosmetics, jewelry, consumer electronics, food, mother & babay
CONSUMER PORTRAITS	New 1st tier and low-tier cities, female-dominated, post-80s and post-90s	Low-tier cities, Females aged 31-40	Females in post-80s and post-90s
LIVE STREAMING FORMATS	Short video & live streaming e-commerce, content-based	Live streaming shows, boost popularity, voice chat	Self-run live streaming
RISING OPPORTUNITY	Celebrity endorsement, self-run live commerce	Relationship matrix, strong trusts	Innovative gameplays of short videos and live commerce, local economy

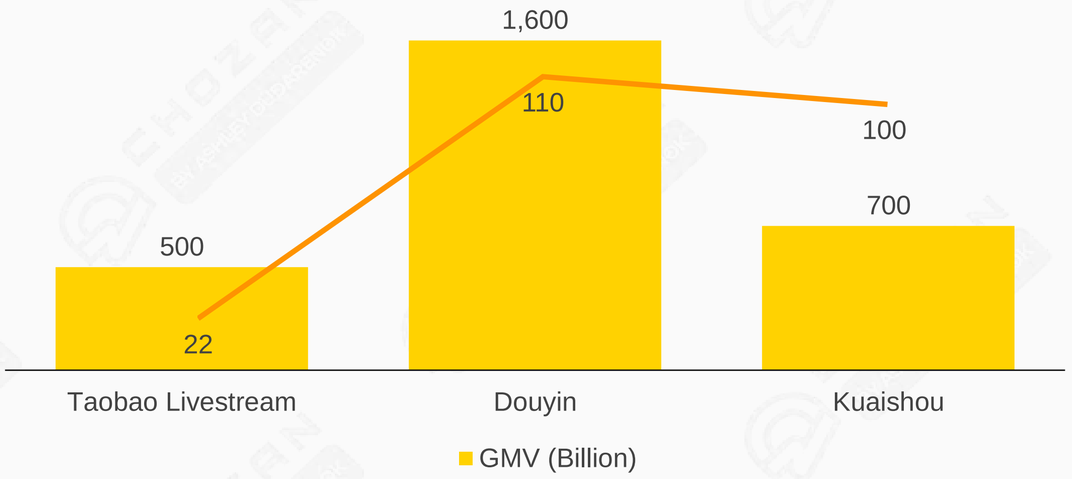
Source: 2023 China Live Streaming E-commerce Report, Weiboyi

OVERVIEW

RISING OF INTERESTED-DRIVEN LIVE COMMERCE

Benefiting from the e-commerce infrastructures, user scale, and interest recommendation algorithm, **Douyin live** is rapidly emerging in terms of sales volume and user stickiness.

GMV AND AVERAGE DAILY USAGE TIME PER PERSON

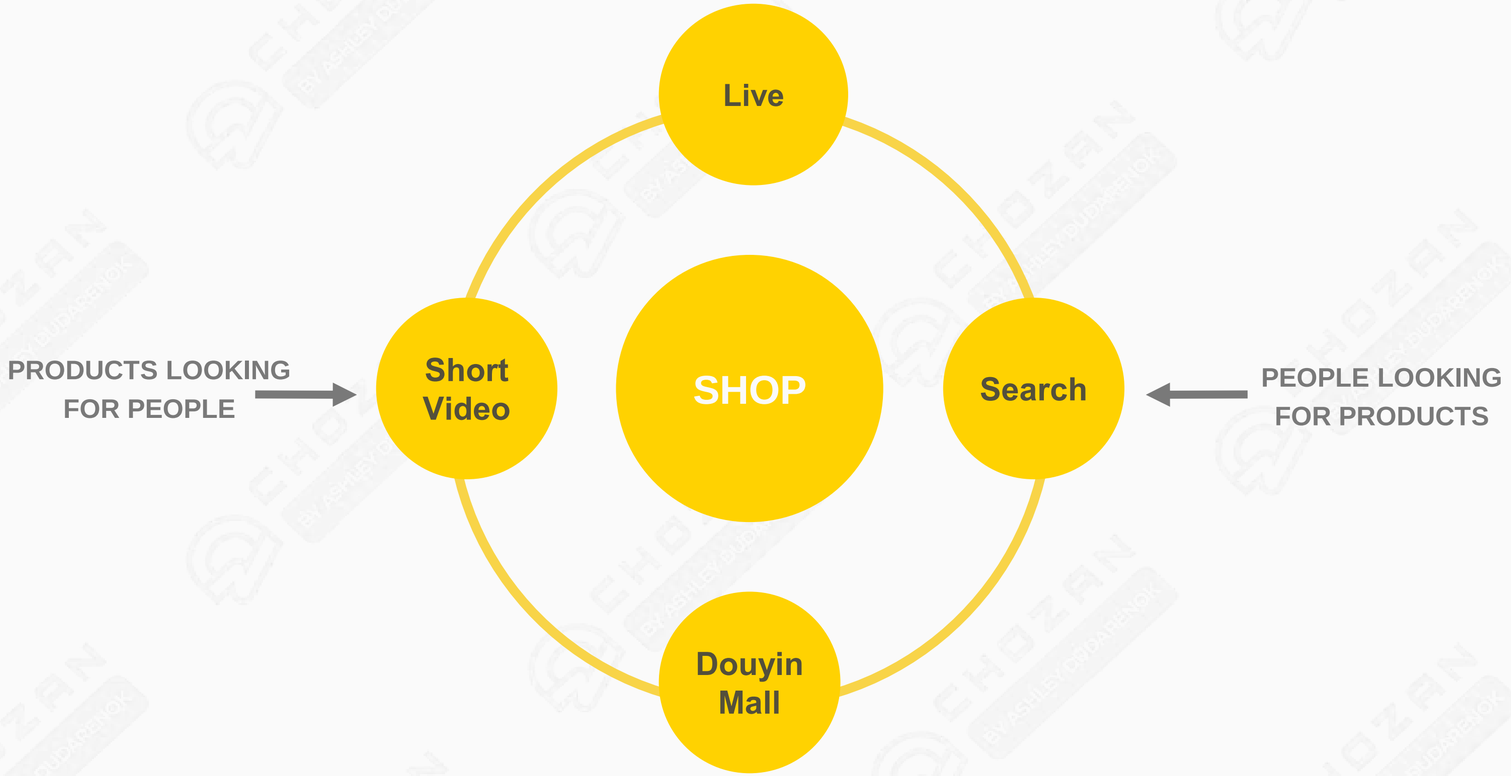


Source: 2023 China Live Streaming E-commerce Report, Weiboyi

DOUYIN

AN INTEGRATED INTEREST DRIVEN E-COMMERCE PLATFORM

In Douyin, the whole e-commerce process, from product seeding to the final purchase, is integrated. Consumers could experience a two-way consumption path of **“people looking for products”** and **“product looking for people”** by exploring four key modules of short video, live broadcast, Douyin Mall, and search, obtaining information and making purchases smoothly.



Source: Douyin E-commerce: From Interest E-commerce to Intergreted Interest E-commerce, China Foutune Securities

DOUYIN

BRAND'S SELF-RUN LIVE COMMERCE

FACT represents four major areas and methods to perform Douyin e-commerce. Among them, **the "field", which represents brands' daily practices of self-run live commerce**, is an important force for brands to grow in Douyin e-commerce.

FIELD

BRANDS' OWN LIVE STREAMING	MORE CONTROL ON THE CONTENT	STABLE AND LONG-TERM OPERATION
ALLIANCE	**CAMPAIGN**	**TOP KOL**
ALLIANCE OF BLOGGERS	CULTIVATE CONSUMPTION TRENDS	"CIRCLE BREAKING"

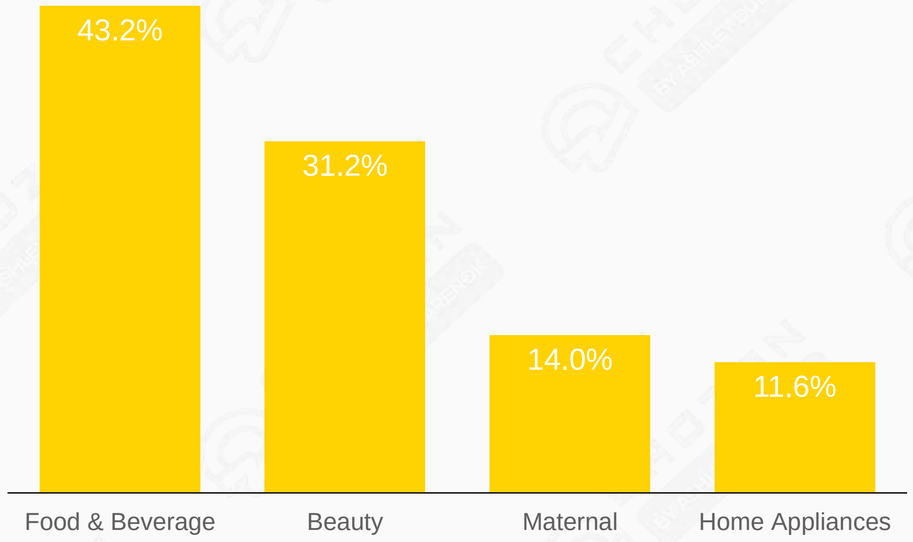
Source: Douyin Brand's Self-run Live Commerce White Paper, ChinaDaily

DOUYIN

THE TOP FOOD AND BEVERAGE SECTOR

In Douyin, the performance of live streaming e-commerce in the **food and beverage sector** is the best. Among all products, **casual snacks and fast food** are popular.

THE PROPORTION OF LIVE BROADCAST SALES, 2022 FEB



Source: Insights into the Development of Chinese Live Commerce on Short Video Platforms in 2022, Question Mobile

KUAISHOU

DATA

In the third quarter of 2022, revenue from live streaming commerce on Kuaishou reached **8.9 billion RMB**.



+15.8%

GROWTH OF
LIVE COMMERCE REVENUE



626 MILLION

AVERAGE MAU

Source: [2022 Kuaishou Technology 3rd Quater Rerpot, HKInvesting]

KUAISHOU

AN EMPHASIS ON PRIVATE DOMAIN

As a trust-based platform, Kuaishou's **private domains contribute more** to the total e-commerce GMV than public domains, and consumers show a preference to buy from **familiar live commerce anchors**.



70%

GMV derived from

PRIVATE DOMAIN



41.4%

Users basically only buy from

FAMILIAR ANCHORS

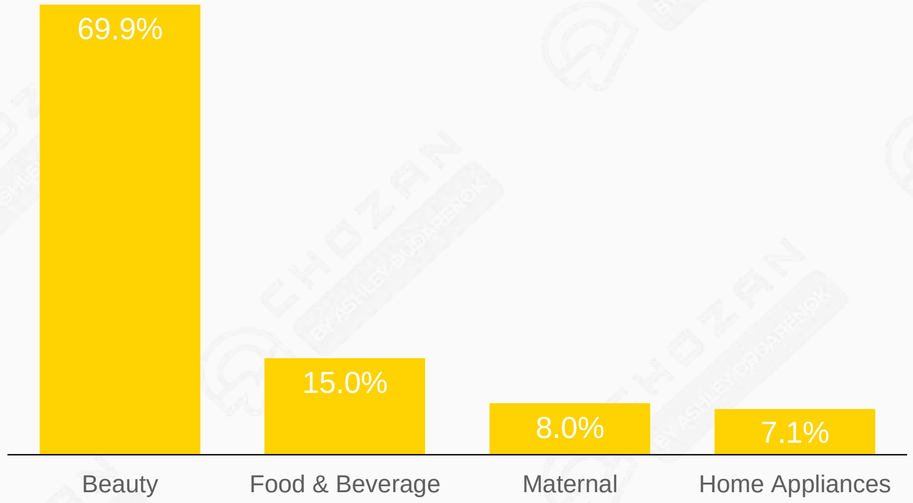
Source: Rethinking the Value and Space of Live Streaming E-commerce, China Merchants Securities

KUAISHOU

THE TOP BEAUTY SECTOR

In Kuaishou, the performance of live streaming e-commerce in the **beauty brands** is the best. In particular, sales of **skin care products** outperform other categories.

THE PROPORTION OF LIVE BROADCAST SALES, 2022 FEB



Source: Insights into the Development of Chinese Live Commerce on Short Video Platforms in 2022, Question Mobile

TAOBAO

POPULAR LIVE COMMERCE PLATFORM



50 BILLION

CUMULATIVE NUMBER OF VIEWERS



+53.0%

YOY GROWTH IN THE NUMBER OF PRODUCTS ON TAOBAO LIVESTREAM



+25.8%

YOY GROWTH IN THE AVERAGE VIEWING TIME PER PERSON



+16.6%

YOY GROWTH IN THE TRANSACTIONS ON TAOBAO LIVESTREAM

Source: Taobao Livestream Annual New Consumption Trend Report, iResearch

TAOBAO

THE TOP WOMEN'S WEAR SECTOR

Women's clothing, cosmetics, and jewelry are the sectors that cover large transactions.



TOP 1
WOMEN'S CLOTHING



TOP 2
COSMETICS



TOP 3
JEWELRY



TOP 4
CONSUMER ELECTRONICS



TOP 5
FOOD



TOP 6
MATERNITY

Source: Taobao Livestream Annual New Consumption Trend Report, iResearch

TAOBAO

CONSUMPTION PREFERENCE BY GENDER

Men love **cars and home decorations**, while women love **women's wear and bags**.



	PREFERENCE
1	Cars
2	Home decorations
3	Consumer electronics
4	Outdoor activities
5	Education



	PREFERENCE
1	Women’s wear
2	Bags and accessories
3	Shoes
4	Cosmetics
5	Lifestyle

Source: Taobao Livestream Annual New Consumption Trend Report, iResearch

FUTURE OF LIVE STREAMING COMMERCE

THE FUTURE VIRTUAL E-COMMERCE ERA

In the near future, driven by 5G, AR, and other technologies, **virtual e-commerce** will usher in a development bonus period.



PEOPLE

VIRTUALISATION

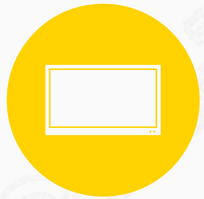
Replace human anchors with **digital virtual anchors,** which involve lower cost, lower risk, and higher efficiency.



PRODUCT

INTELLECTUALISATION

Develop an **efficient and intelligent collaborative supply chain** with smart factories, smart warehousing, and smart freight.



PLACE

DIGITALISATION

Leverage **digital scenes** to build up real-time rendering, immersive, low-latency, and free-roaming interactive experiences.

Source: Live Commece New Opportunity Report in 2023, Zhihu

FUTURE OF LIVE COMMERCE

THE RISING MIDDLE-AGED AND ELDERLY

Since the new generations of middle-aged and elderly people are gradually getting used to the consumption of online content and products, they will be a strong consumption group in live commerce, driving more needs for products across **daily necessities, clothing, personal care products, and jewelry**.



GOOD CONSUMPTION POWER

15.5 TRILLION RMB TOTAL CONSUMPTION IN 2030



HIGH POPULATION

THE 360 MILLION CHINESE BABY BOOMERS AFTER WORLD WAR II WENT INTO RETIREMENT

Avant-garde concept

WELCOME NEW IDEAS AND SELF-PLEASING CONSUMPTION



PLENTY OF TIME

MORE FREE TIME AFTER RETIREMENT

Source: 2023 China Live Streaming E-commerce Report, Weiboyi

FUTURE OF LIVE COMMERCE

MORE MCN COOPERATIONS

The increasing regulations on Chinese live commerce industry, such as actions against false advertisements and misleading prices, provide opportunities for **reliable MCNs and their well-trained anchors** to cooperate with brands.

LIVE COMMERCE TOP KOL & MCN IN THE FIRST HALF OF 2022

	KOL	MCN
1	Make A Friend Live Streaming Studio (交个朋友直播间)	Make A Friend (交个朋友)
2	Guangdong Couple (广东夫妇)	Wuyou Media (无忧传媒)
3	Cao Ying (曹颖)	Jianni Media (坚尼传媒)
4	Dada “Suibian Couple” (搭搭“随便夫妇”)	Xinlaoyin Technology (新烙印科技)
5	Zhang Meng Xiao Wu Couple (张檬小五夫妇)	EE-Media (天娱传媒)

Source: China Mobile Internet Half Year Report, QuestionMobile

EXPERT BITE

Q: WHAT SMM TRENDS (MARKETING + COMMERCE) DO YOU SEE IN CHINA THAT WILL BOOM IN 2023?

It's predicted that China’s virtual people industry will be more than USD $7Bn by 2025. These virtual influencers can be game changing for brands, creating opportunities for a cast of characters micro-targeting communities of consumers and users by platform and reaching high-potential, yet under-served consumer segments with deeply relatable and aspirational influencers and messaging.



JOANNA HUTCHINS

Principal at JHC Advisory

EXPERT BITE

Q: IN YOUR OPINION, WHICH MARKETS WILL BE THE MOST SUCCESSFUL IN 2023 FOR FOREIGN BRANDS IN CHINA?

Travel related industries will recover and grow in 2023, including hotels, restaurants, shopping malls and duty-free stores. FMCG may still be facing challenges, as least for the first half of 2023. Foreign brands sometimes can’t react as fast as local brands. Brands should fully understand the local policy and the change of consumer sentiments and adjust as soon as possible.



MIRO LI

Founder of Double V Consulting & CHINAble Academy

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SOCIAL MEDIA

FEATURES OF DIFFERENT SMM PLATFORMS

EXPERT BITE

Q: MARKETING WISE IN 2023, WHAT DO BRANDS NEED TO DO MORE OF AND LESS OF IN CHINA?

In 2023, Brands need to double-click both internally and externally.

Externally, brands need to be more in touch than ever regarding market sensitivities, policy changes, and influencer-related risks. Specifically on the latter, selecting a KOL based on fan base, engagement, and reach is simply not enough in today's environment. Leaders must conduct due diligence to protect our brands and invest in strong partnerships. This means we need to consider attributes like brand fit, past issues, and future opportunities. At McCann Worldgroup we have created a bespoke, AI-driven tool that does just this.

Internally, marketing leaders can benefit from closely engaging with finance partners to align KPIs. By setting aligned goals and agreeing on targets, as well as how to measure progress, marketers can set themselves, their teams, and the business up for success.



EMILY CHANG

CEO at McCann Worldgroup China

EXPERT BITE



ANGELA ZHANG

Marketing Executive at
Alarice and ChoZan

Q: WHAT DO YOU BELIEVE CHINESE CONSUMERS WILL ANTICIPATE FROM BRANDS IN TERMS OF SOCIAL MEDIA COMMUNICATION IN 2023?

Chinese consumer expects brands not to educate the consumer, but to establish an equal relationship for building a closer alignment. For instance, Tai'er launched "Just Dance" campaign to invite consumers to visit and engage in the activity in the offline store, which meets young people's demands of expressing personality. Consumer wishes their unique thoughts to be understood, to be encouraged and to be recognized by the brand.

**GOT A QUESTION? DROP US AN EMAIL
BY SCANNING THE QR CODE**

SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	WEIBO	WECHAT
Platform type	Social media	Social platform
Content production characteristics	Text, pictures, videos, etc.	Voice, text, picture, video, etc.
Product presentation format	Waterfall interface	/
Content recommendation mechanism	Distribution based on social and interest	Based on social and content Based on location
MAU (Sep 2022)	490 million	1 billion+
Strong content categories	Entertainment, stars, social intelligence information	Knowledge and life

Source: CBNData, Content Development for Short Videos, 2020 & QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	DOUYIN	KUAISHOU
Platform type	Short video platform	Short video platform
Content production characteristics	Short video: 15 seconds to 1 minute Long video: within 5 minutes, within 15 minutes Transition from UGC to PUGC, PGC	Short video: 11 - 57 seconds, within 5 minutes Long video: within 10 minutes Transition from UGC to PUGC, PGC
Product presentation format	Single split + auto play (information flow interface) Vertical screen	Double column + click to play (waterfall interface) Vertical screen
Content recommendation mechanism	Based on content quality distribution	Distribution based on social and interest
MAU (Sep 2022)	706 million	435 million
Strong content categories	Strong media attributes	Strong community attributes

Source: CBNData, Content Development for Short Videos, 2020 & QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	BILIBILI	XIGUA
Platform type	Comprehensive video community	PUCG video platform
Content production characteristics	PUGC-based Long video mainly	PUGC-based Long video mainly
Product presentation format	Click to play (Waterfall interface) Landscape-oriented	Click to play (Waterfall interface) Horizontal screen + Vertical screen
Content recommendation mechanism	Distribution based on social and interest	Distribution based on content and interests
MAU	305.7 million (Q2 2022)	127 million (Sep 2022)
Strong content categories	Two-dimensional, knowledge	Beachcombing, film and television variety shows

Source: CBNData, Content Development for Short Videos, 2020 & Bilibili,Bilibili Inc. Announces Second Quarter 2022 Financial Results & QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	HAOKAN	XIAOHONGSHU
Platform type	Short video platform	Life sharing community
Content production characteristics	PUGC-based Mainly knowledge-based content	Graphic, short video (within 5 minutes) UGC, PUGC mainly
Product presentation format	Content aggregation square, click to play	Waterfall interface
Content recommendation mechanism	Horizontal screen + vertical screen	Distribution based on content and interests
MAU (Sep 2022)	\	106.6 million
Strong content categories	Knowledge, positive energy	Beauty, fashion

Source: CBNData, Content Development for Short Videos, 2020 & QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

TENCENT+

1 BILLION+
SEP 2022 MAU

639 MILLION
SEP 2022 MAU



ALIBABA

900 MILLION
SEP 2022 MAU

800 MILLION
JAN 2022 MAU



BAIDU

646 MILLION
SEP 2022 MAU



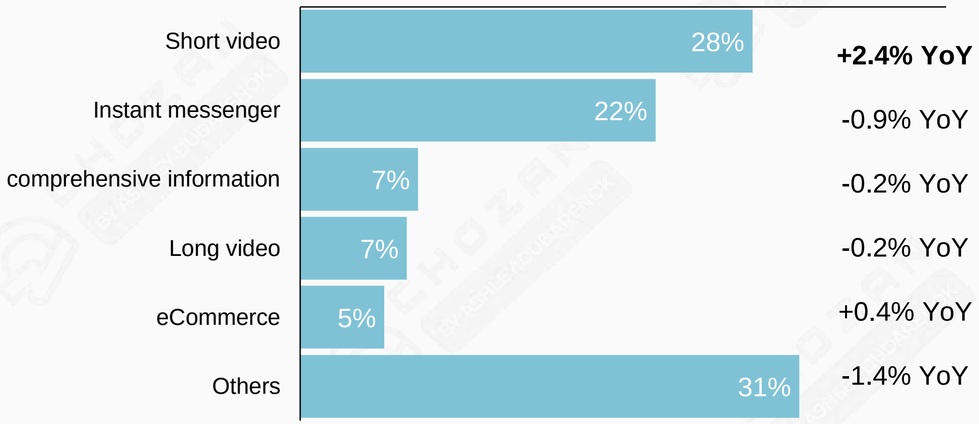
Source: QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

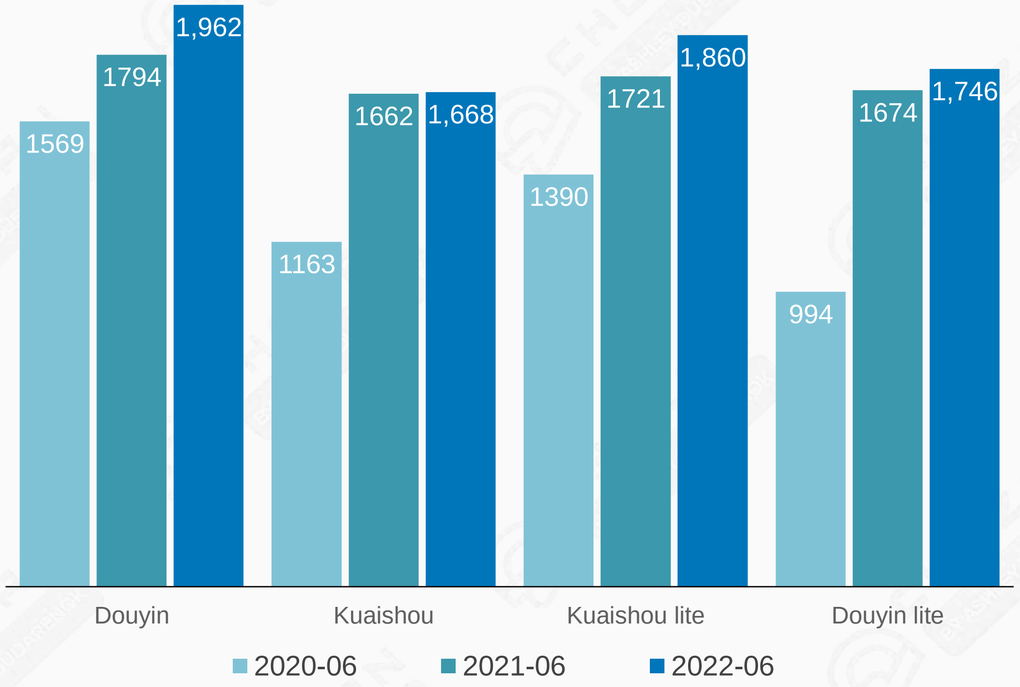
SHORT VIDEO PLATFORMS

Short video apps usage has increased compared to 2021 due to an evolving variety of new video content and live-streaming commerce.

PROPORTION OF USERS TOTAL TIME SPENT ON INTERNET IN CHINA, JUNE 2022



SHORT VIDEO APPS MONTHLY USAGE (IN MINUTES)



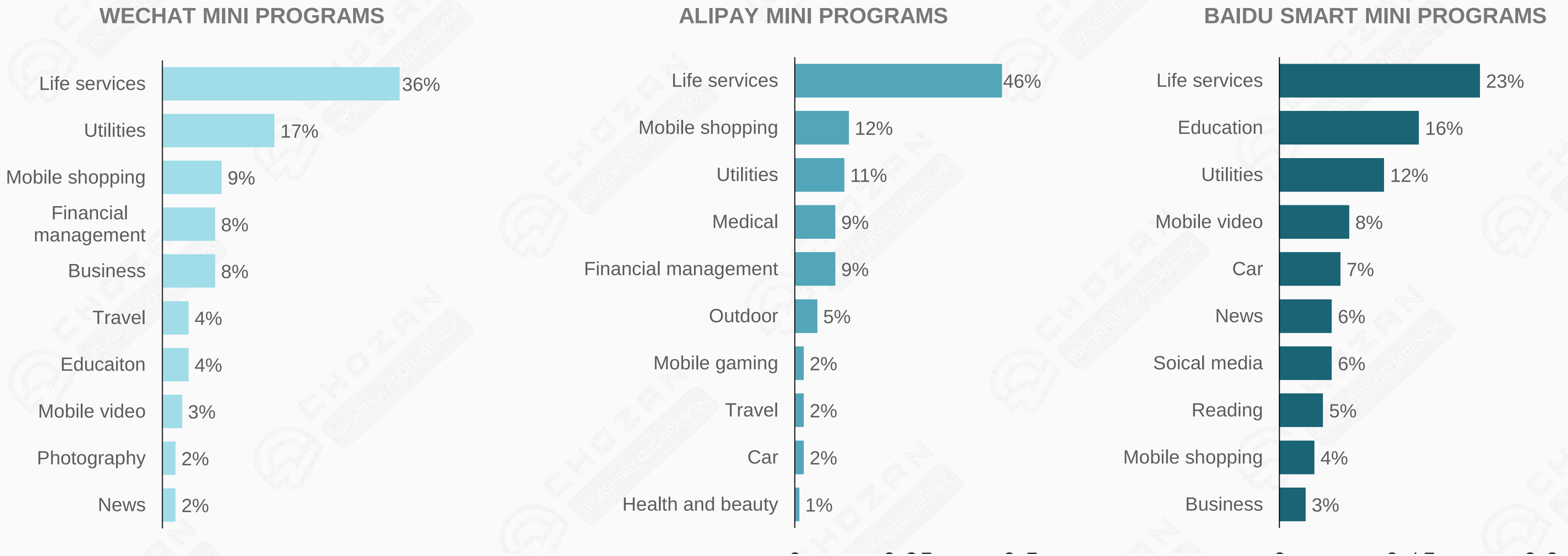
Source: Questmobile, Chinese Internet Semi-annual Report 2021 & Questmobile, Chinese Internet Semi-annual Report 2022

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

Most popular sections across digital spaces: Lifestyle services

DISTRIBUTION OF TOP 10 TYPICAL APPLICATION INDUSTRIES OF BAT MINI PROGRAMS IN MAY 2022



Source: Questmobile, Chinese Internet Semi-annual Report 2021 & QuestMobile, Semi-Annual Traffic Report for 2022

EXPERT BITE

Q: HOW SHALL BRANDS/MERCHANTS UTILIZE ALIPAY BEST IN CHINA IN 2023? WHAT SHALL THEY DO MORE / LESS, IN YOUR VIEW, IN ORDER TO SUCCEED?

With ongoing digital trends, a growing number of merchants and brands are more willing to invest in their digital operations. Their understating of digitalization is also deepening. We see “digital operation on all platforms” becoming the new trend among merchants and Alipay becoming one of the must-have platforms for more merchants. We hope it is easy and low-barrier for merchants to operate on the Alipay platform.

For instance, we launched a traffic incentive initiative in 2022 during which 20 billion times of free brand exposure were given to merchants and brands. The more digital operation they have in their Alipay mini program, the more traffic they will win from the public domain. On average, the initiative brought 1 million clients to merchants’ mini program every day and helped every merchant save RMB 200,000 in marketing costs last year. And one merchant even saved up to RMB 4 million in marketing costs.



LIJUAN WANG

General Manager of Digital Business, Alipay

WHAT PLATFORM IS RIGHT FOR YOU?

CHECK OUT KAWO'S CHEATSHEET ON DIFFERENT SMM PLATFORMS



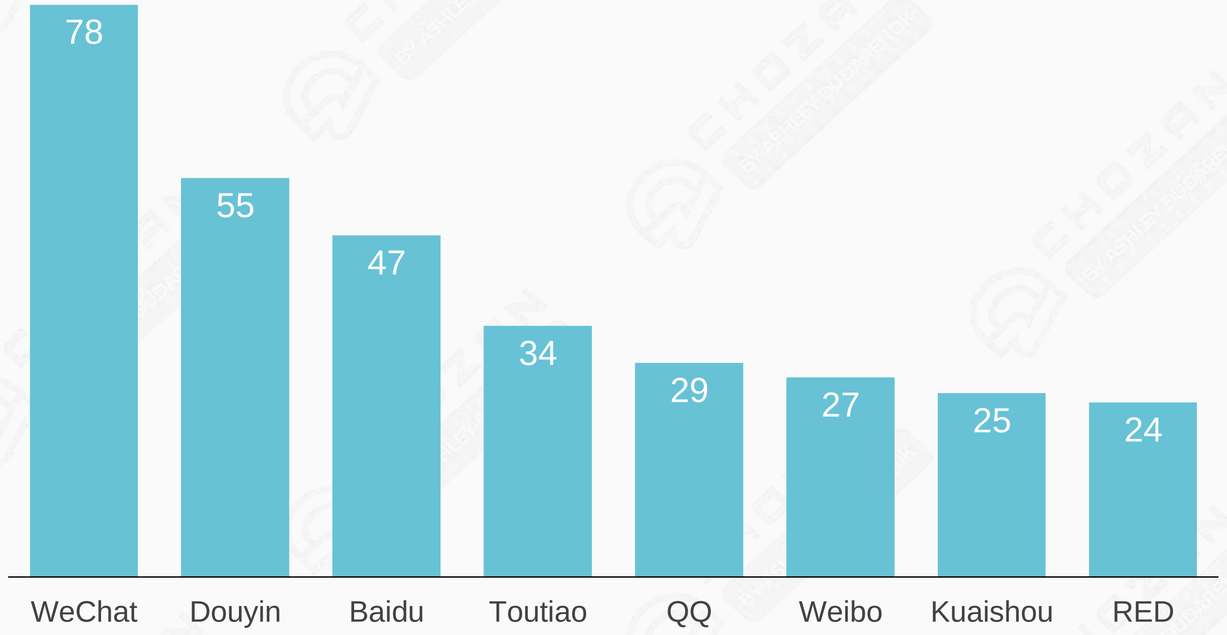
Source: Download this full resolution cheatsheet from KAWO here

CHINESE SOCIAL MEDIA

USER TRAFFIC VALUE

Due to its leadership in many user metrics, including innovation and adaptation, WeChat holds the highest traffic value share, followed by Douyin.

2022 SEPTEMBER CHINESE SOCIAL MEDIA USER TRAFFIC VALUE (RMB BILLION)



Source: MoonFox iApp,Q3 Mobile Internet Industry Data Research Report 2022

EXPERT BITE

Q: WILL CHINA CONTINUE DIGITALIZING ITS RETAIL IN 2023 AND BEYOND?

The continuation of new retail transformation with ‘connected commerce’, further engaging with consumers with deeper storytelling and more intimate connections. AI, AR, Web3 all will play some roles within consumers mobile devices. Tech companies will push the hype while widespread adoption is further into the future.



RON WARDLE

CEO of Incredible Media

PLATFORM

WECHAT



SOCIAL MEDIA

WECHAT PLATFORM - AT A GLANCE

WECHAT ECOSYSTEM

1.29 BILLION+
WECHAT MAU Q2 2022

96 MILLION+
WECHAT WORK MAU JUN 2022

500 MILLION+
WECHAT CHANNEL DAU DEC 2021

2.5 MILLION
COMPANIES USED WECHAT WORK

3+ MILLION+
MINI PROGRAMS IN 2021

50 MILLION+
MONTHLY ACTIVE MERCHANTS ON WECHAT PAY

450 MILLION+
MINI PROGRAMS DAU SEP 2021

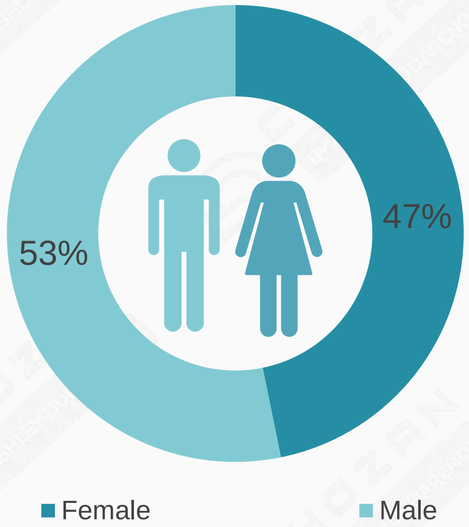
1+ BILLION
DAILY COMMERCIAL TRANSACTIONS ON WECHAT PAY

Source:Tencent, 2022 Q2 financial report

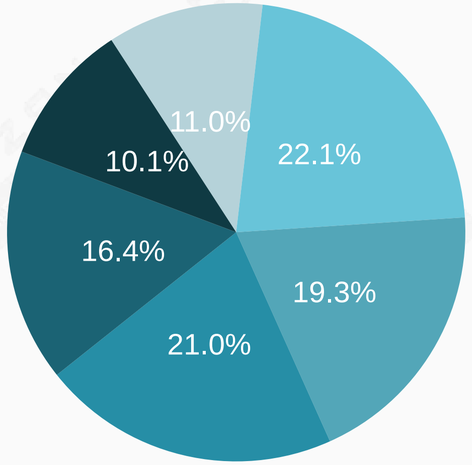
SOCIAL MEDIA

WECHAT PLATFORM - USER DEMOGRAPHICS JUNE 2022

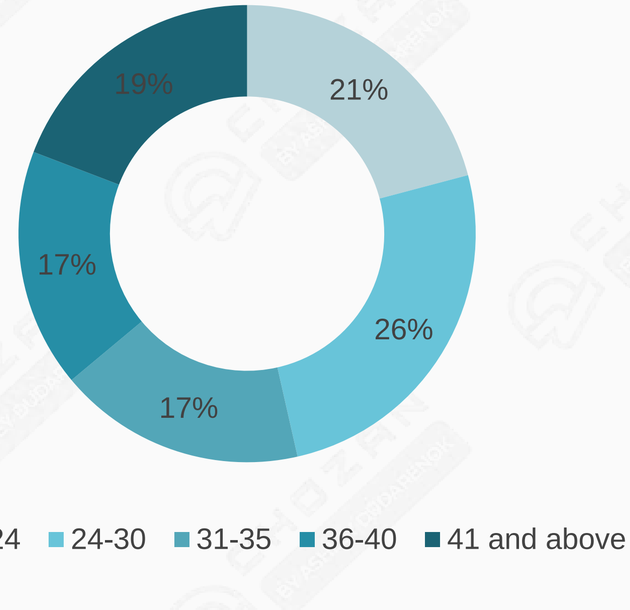
BY GENDER



BY GEOGRAPHY



BY AGE



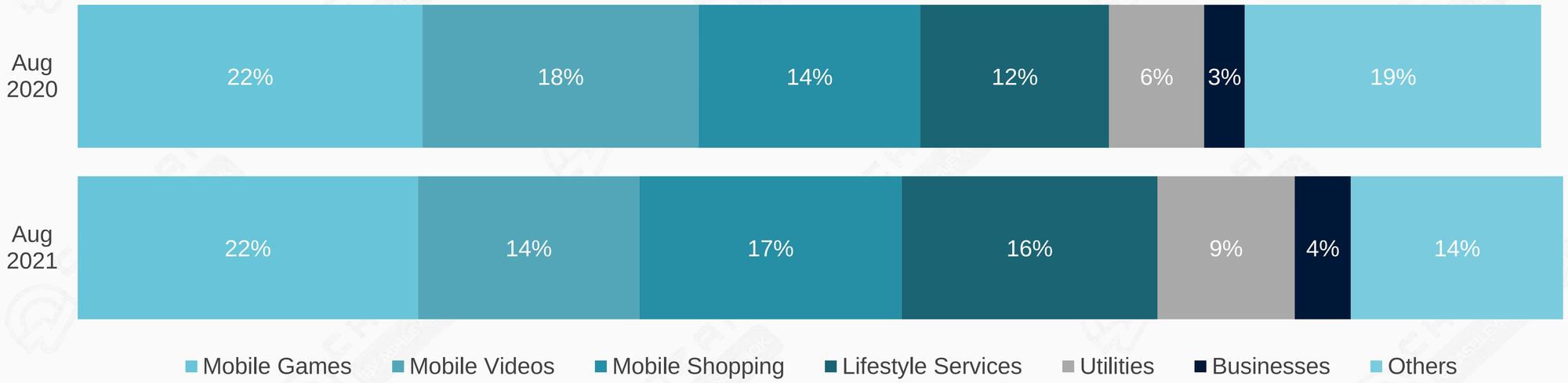
Source: Appgrowing, Portraits of 30 media users

SOCIAL MEDIA

WECHAT PLATFORM - MINI PROGRAM USERS' MONTHLY TIME SPENT BY INDUSTRY

In August 2021, mobile gaming is the top industry for WeChat mini program users' monthly time spent. From August 2020 to August 2021, mobile video usage decreased by 3.5%, while mobile gaming, lifestyle services, and utilities all grew.

2020-2021 WECHAT MINI-PROGRAM USERS' MONTHLY TIME SPENT BY INDUSTRY



Source: QuestMobile,2021 Autumn Report on WeChat Mini Program

SOCIAL MEDIA

WECHAT PLATFORM - TOP MARKETING METHODS

1

WeChat Official Accounts

A WeChat Official account is required to promote your business on WeChat. You can advertise your brand on the platform and contact customers directly through this account. Account types include subscriptions, services, and enterprise accounts.

2

WeChat Mini Programs

WeChat Mini Programs are apps that run within the platform. Through WeChat, users can take all actions without having to download multiple apps on their phones.To provide seamless experiences, many brands have launched WeChat Mini Programs. Chinese users enjoy it because it makes purchases convenient and quick.

3

WeChat Advertisements

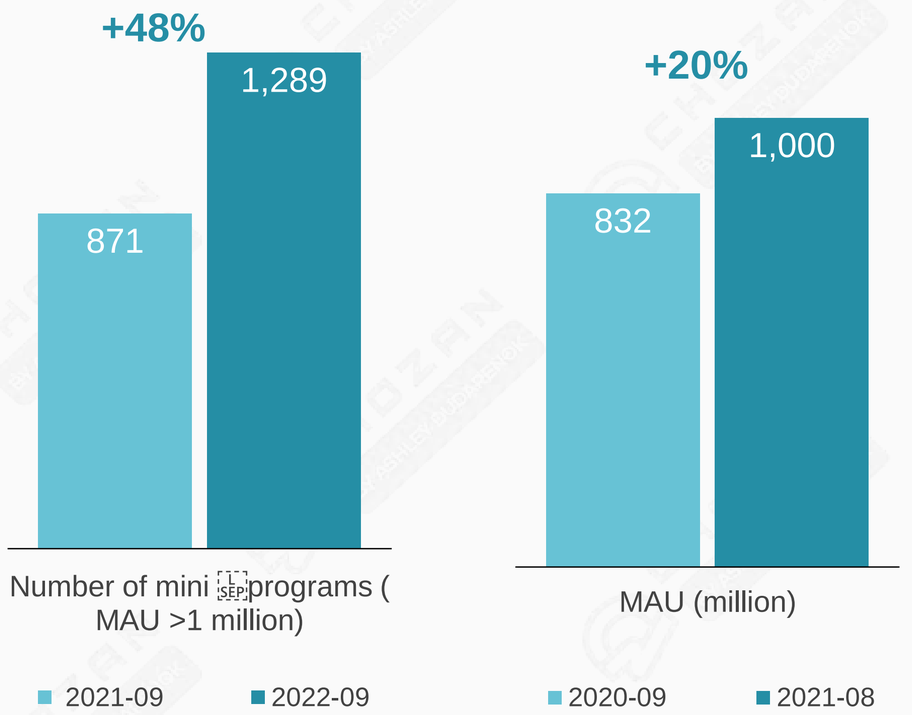
Advertisements on WeChat help businesses market their products and increase brand awareness. Through flash sales, promotions, and giveaway campaigns, businesses can create targeted content for their audiences. WeChat also offers pay-per-click campaigns that you can run with local influencers (KOLs).

SOCIAL MEDIA

WECHAT PLATFORM - WECHAT MINI PROGRAMS

The trend of using WeChat mini programs is rapidly rising as the monthly active user (MAU) has significantly increased.

NUMBER OF WECHAT MINI PROGRAMS AND MAU



Source: Quest Mobile, 2020 WeChat Mini programs report · QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

WECHAT PLATFORM - POPULAR MINI PROGRAMS

Mobile video and moiling shopping are the top categories associated with the top ranking Mini Programs.

TOP10 WECHAT MINI PROGRAMS IN OCTOBER 2022

RANKING	MINI PROGRAMS	CATEGORIES
1	Kan Yi Kan	Mobile Video
2	Jing Dong Shopping	Mobile Shopping
3	Pin Duo Duo	Mobile Shopping
4	MeituanWaimai	Lifestyle Service
5	Tong Cheng Travel	Travel
6	Communication Itinerary	Utilities
7	DIDI CHUXING	Lifestyle Service
8	MEITUAN YOU XUAN	Mobile Shopping
9	Department of State Server/Client -	Government Nonprofit Services
10	Beijing Jiankangbao	Government Nonprofit Services

Source: Aladdin statistics platform · The complete list of TOP100 mini programs in October 2022

SOCIAL MEDIA

WECHAT PLATFORM - CONTENT BEST PRACTICES

WECHAT CHANNELS

WeChat channels directly connect with Mini Program livestreaming, and eventually form a closed loop of Channels + official accounts + Mini Program's live + Community. Brands and business users will rely on Channels to release live preheating information, connect users through the official accounts, allowing users to buy in Mini Program. Compared to the beginning of the year, the amount of live streaming on video accounts will increase by more than 15 times, the average unit price will exceed 200 yuan, and the overall repurchase rate exceeded 60% in the end of 2021.According to Tencent's 2022 Q2 financial report, video playback volume increased by more than 200%.



Lancôme's mini program official mall's GMV increased by 97% year-on-year during the 618 Shopping Festival in 2021, and the live-streaming transaction on its WeChat Channels exceeded 10 million RMB.



Over 46.23 million people viewed the Backstreet Boys' concert live on WeChat Channels on June 24, 2022.

Source: WeChat,WeChat,Tencent, 2022Q2 financial report

EXPERT BITE

Q: WHAT SHALL BRANDS START AND STOP DOING ON WECHAT / WECHAT MINI PROGRAMS IN 2023 TO SUCCEED?

In my opinion brands should stop providing consumers with a better offer on marketplaces. Brands need to start to give priority to their direct channels such as WeChat in terms of: product availability, pricing, payment options and deliver promise.

Without the total offer being on par, brands are, sometime unknowingly, driving consumers to channels where they need to pay commission and they do not own the customer data.



MICHEL TJOENG

SVP Sales & Marketing of ChatLabs

PLATFORM

WEIBO



EXPERT BITE

Q: IN YOUR VIEW, WHAT'S THE WINNING FORMULA FOR SMM IN CHINA IN 2023? WHAT SHALL BRANDS DO MORE / LESS?

There is no straight answer to it. However, I would say SMM in China in 2023 has to be focused, personal, and trustworthy. Each campaign should know exactly who the target audience is and then tailor their strategy and activities accordingly. When we look at SMM, we should never forget other offline activities to enhance its impact.

For example, if an overseas property developer wants to attract Chinese HNWIs and investors, they should be focusing on building its brand reputation through top-tier trusted Chinese media platforms, WeChat, RED and targeted social media influencer marketing. They should also look to do in-person events and brand partnership to build personal, long-lasting relationship. A mix of right activities online and offline, with the consistent messaging on each platform, will ultimately win the hearts of the consumers and hence leads and sales.



SALLY MAIER-YIP

Founder & Managing Director at 11K Consulting

SOCIAL MEDIA

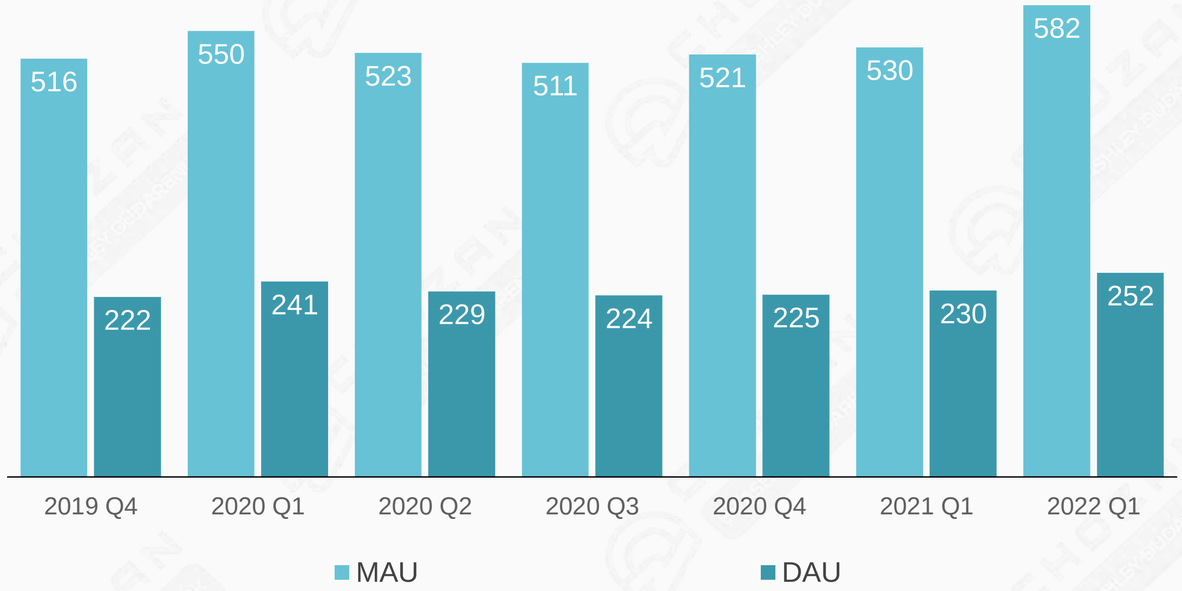
WEIBO PLATFORM - INTRODUCTION

In Chinese, "Weibo" means microblog. Launched in 2009, it quickly became popular. Weibo serves up fresh news to its audience at any time, anywhere, similar to Twitter. This is a fast-paced medium that allows people to see the world and stories behind the scenes, allows for self-expression, and helps people share their opinions. Also, Weibo is a great platform for celebrities, idols, and influencers to communicate with their fans.

95%
MOBILE USERS

12-10PM
USERS ARE MOST ACTIVE

WEIBO DAILY AND MONTHLY ACTIVE USERS (IN MILLIONS)

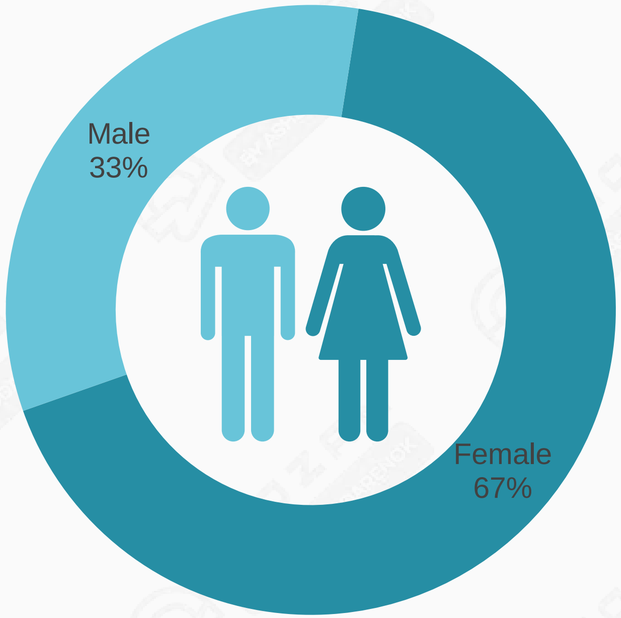


Source: 2020 Weibo Report & QuestMobile,China Mobile Internet Autumn Report 2022

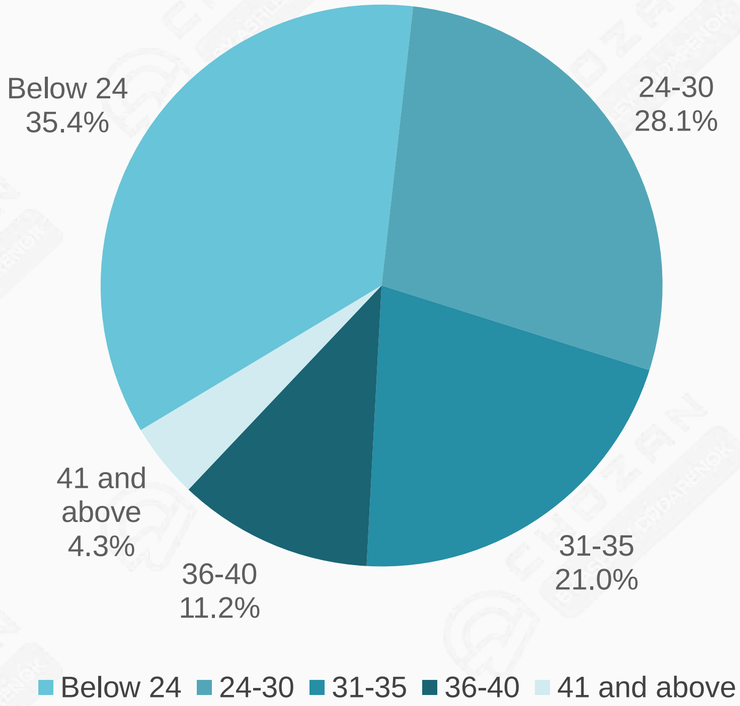
SOCIAL MEDIA

WEIBO PLATFORM - USER DEMOGRAPHICS JUNE 2022

WEIBO USERS BY GENDER



WEIBO USERS BY AGE



Source: Appgrowing, Portraits of 30 media users

SOCIAL MEDIA

WEIBO PLATFORM - TOP MARKETING METHODS

WEIBO INFLUENCERS

Collaborate with influencers to capture followers outside of your typical follower base. There are lots of active influencers across a wide range of categories. You should consider their number of followers, follower composition, credibility, expertise and image, etc, when choosing who to work with.



WEIBO KOL DAILY RANKING

WEIBO ADVERTISING

There are several advertising options (Display Advertisements, Weibo Search Engine Promotion,Fan Headline,FanTunnel,Feed ads, Destination Page Ads, etc) on Weibo to help you expand your reach. Lots of businesses have been active in doing ads on Weibo.During Q1 of 2022, Weibo advertising revenue reached US$427 million, a 10% increase year-on-year.



LV (LOUIS VUITTON) WEIBO ACCOUNT

WEIBO LIVE-STREAMING

Many brands, KOLs, and celebrities use Webo livestreaming to promote their brands or attract fans.For example, LV (Louis Vuitton) Men's Spring-Summer 2023 Show in Aranya got over 93 million view on Weibo live streaming In addition, the Taobao shopping platform is integrated into the live streams, so viewers can shop while watching their favorite influencers.

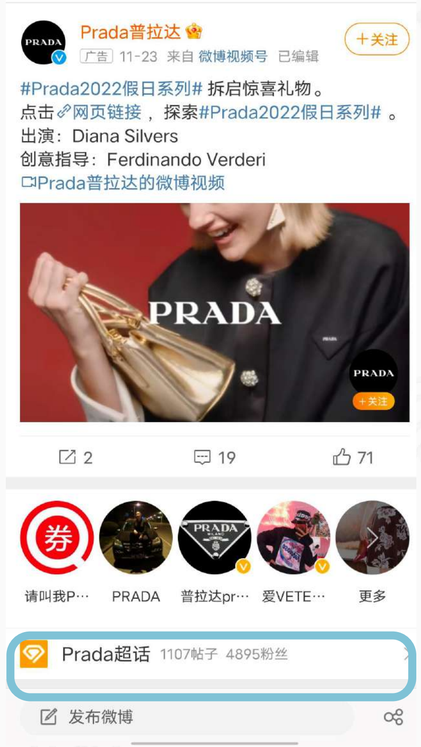
Screenshot: Weibo, LV Weibo account

SOCIAL MEDIA

WEIBO PLATFORM - NEW FEATURES OF BRAND ACCOUNT

- Activating Weibo brand accounts helps brands gain followers on Weibo
- Through Weibo's brand accounts, brands can now display and show their products in more way.

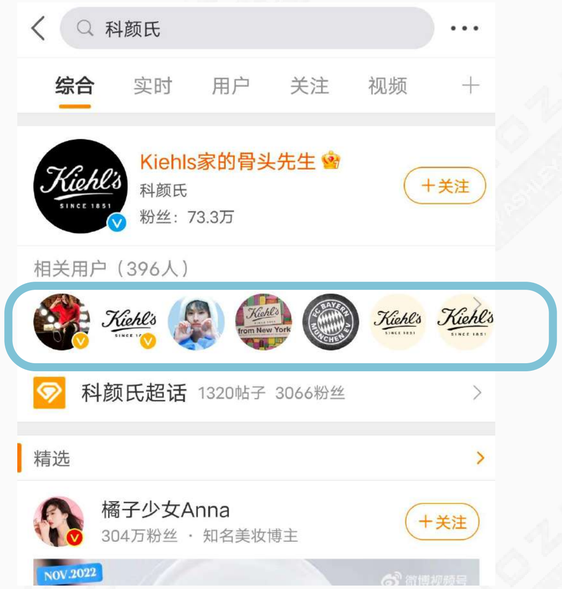
Brands' Hot topics



Brand videos
Brand's star product



Brand collaborations



SOCIAL MEDIA

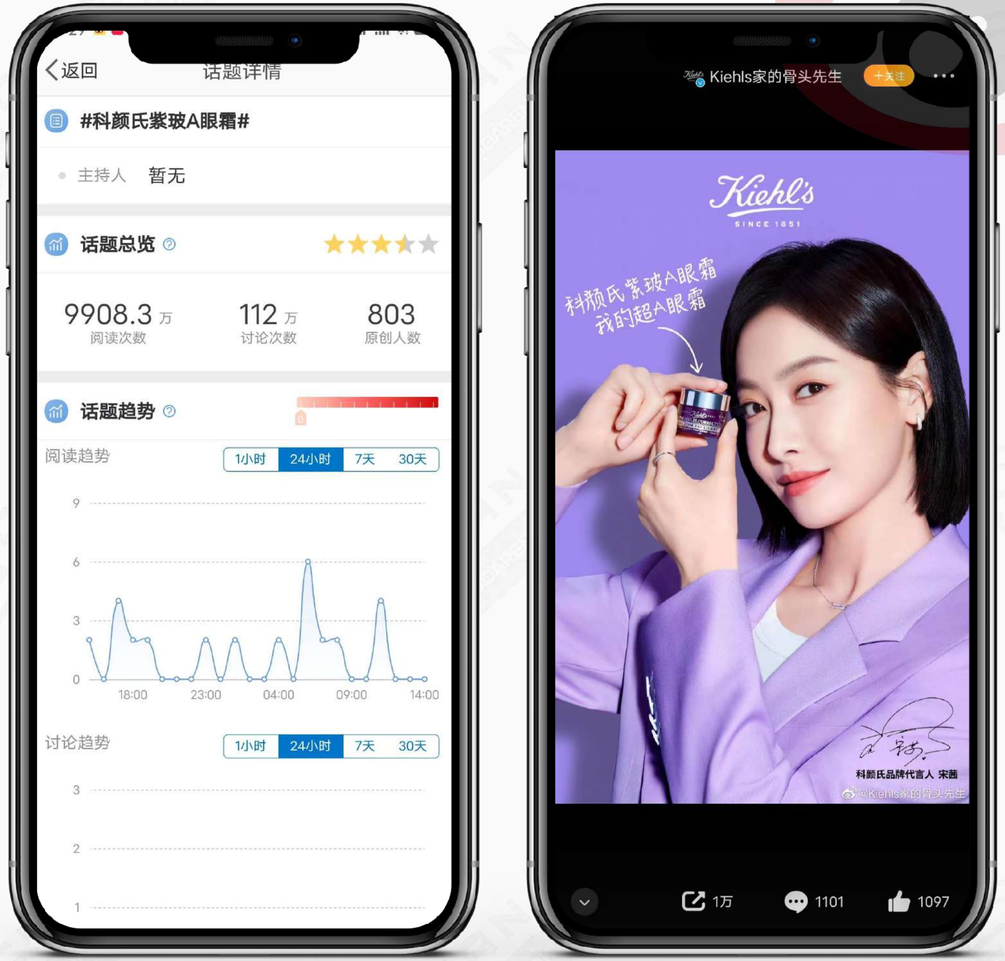
WEIBO PLATFORM - CASE STUDY - KIEHL'S

CREATING EXPOSURE CIRCLES WITH EFFECT-LINKS AIMS TO INCREASE BRAND RECOGNITION AND SALES SIMULTANEOUSLY

Upon the launch of the new eye cream-Super Multi-Corrective Eye Zone Treatment in 2022, the company opted to use the branding combination **"app open ad + super large window ad + Hot search topics +Fan Headline + Fan Tunnel".**

By consistently and accurately reaching out to people who are interested in skin care, white collar workers, and high-conversion online shopping, the circle has transformed from attraction to engagement.

The topic #科颜氏紫玻A眼霜# is a topic released by Kiehl's official account. As of 17 Nov 2022, the topic got 99 million views .



Screenshot: Kiehl's Weibo account

EXPERT BITE

Q: WHAT TRENDS / DEVELOPMENTS ARE YOU WATCHING MOST CLOSELY FOR CHINA FOR 2023?

What I definitely will be closely following is how Chinese social media landscape is becoming more diversified. It's not just WeChat and Weibo anymore. There's so many different platforms that are now playing a major role in **China's social media ecosystem** from RED to Bilibili to Zhihu to newer players and so many others. It’s really fun to see how each of these different apps are starting to **fulfill a different role in the social media landscape.**

These social media platforms aren’t just about e-commerce anymore, it's also about educating people, motivating people, getting people to exercise, etc. Live streaming is maturing in very different ways than in the West, and this is definitely a very interesting thing to watch.



MANYA KOETSE

Founder and Editor-in-Chief of What's on Weibo

EXPERT BITE



ADA LI

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE YOUR SOCIAL MEDIA MARKETING RECOMMENDATIONS FOR BRANDS IN CHINA?

WeChat: customer retention and digital community is essential. Try to build a consistent and smooth consumer journey from awareness, interest, purchase to loyalty and make sure the attractive repurchase mechanisms are offered to continuously retain customer attention and increase product relevance in consumers' life.

RED: extensive product seeding with different levels of KOL/KOCs can help increase brand awareness and contribute to sales.

Douyin: post interesting and eye-catching short videos and seize the opportunity to initiate live-streaming sessions to further boost sales.
For Weibo, as the social buzz generator, collaborate with top celebrities to gain much brand exposure.

Kuaishou: target tier 3 and tier 4 city dwellers and make sure the brand-generated content is relevant and down-to-earth.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

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PLATFORM

DOUYIN



SOCIAL MEDIA

DOUYIN PLATFORM - INTRODUCTION

ByteDance created Douyin, a music creative short video social application that was launched in China in 2016. It is commonly referred to as the Chinese version of TikTok. In addition to live streaming, Douyin allows users to upload and share videos up to 60 seconds (short video) and 5 minutes (long video). Videos are typically related to music, dancing, lip-sync, and comedy.





706 MILLION

Monthly active users
Sep 2022

32.7 HOURS

Monthly average usage
June 2022

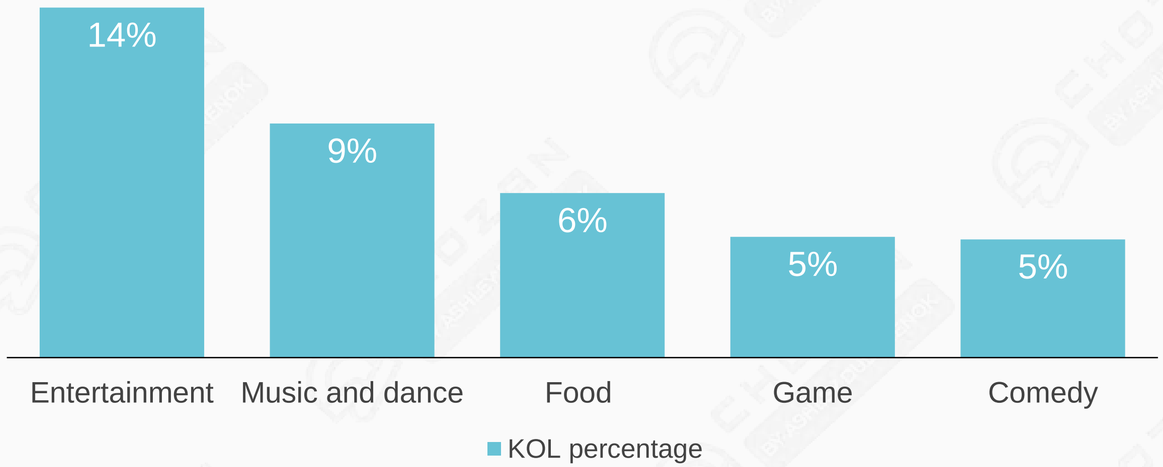
Source: QuestMobile,China Mobile Internet Autumn Report 2022

SOCIAL MEDIA

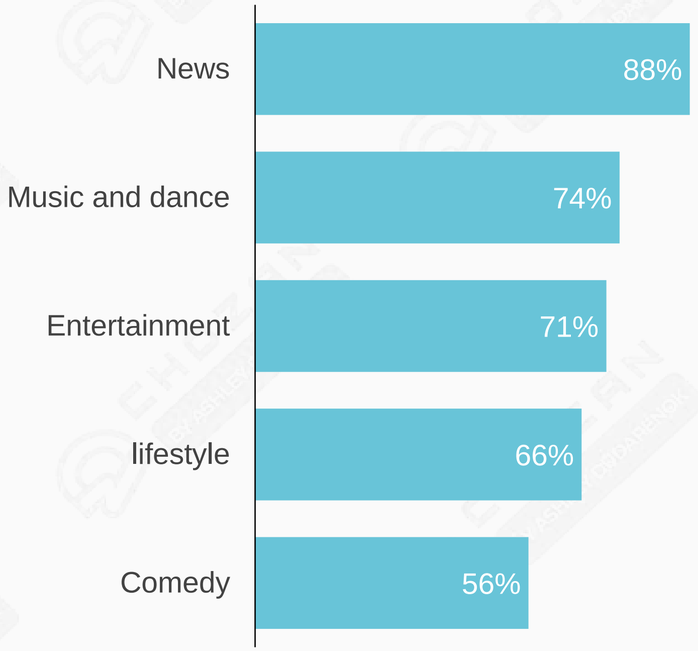
DOUYIN PLATFORM - INTRODUCTION

With its relaxed and trendy communication content, Douyin attracts users of all ages. In China, Douyin has become a major platform for sharing music, dance, and entertainment short videos.

TOP 5 TYPES OF KOLS ON DOUYIN, APRIL 2022



TOP 5 ACTIVE PENETRATION RATE OF DIFFERENT CONTENT TYPE ON DOUYIN, APRIL 2022



Source: Quest Mobile, 2022 Cross-platform KOL Ecosystem Report

SOCIAL MEDIA

DOUYIN PLATFORM - USER INFORMATION

SUNDAY 8-9 PM

IS USERS FAVOURITE TIME TO USE DOUYIN

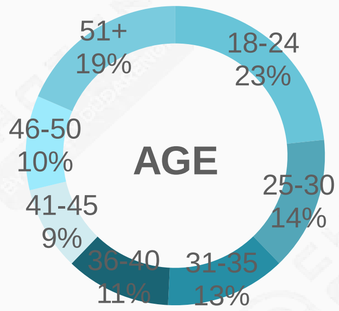
600 MILLION

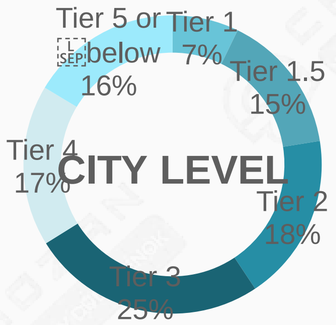
DAILY ACTIVE USERS

400 MILLION

DAILY SEARCHES

AGE AND CITY LEVEL DISTRIBUTION OF DOUYIN USER, APRIL 2022





Source: Douyin, 2020 Douyin Report · The Tianfeng Securities, March short video data

SOCIAL MEDIA

DOUYIN PLATFORM - POPULAR CONTENT



350 BILLION

VIDEO PLAYS ON KNOWLEDGE CONTENT SUCH AS PROFESSIONAL AND PERSONALIZED KNOWLEDGE VIDEO



118.6 BILLION

VIDEO PLAYS ON SONGS FOR DOUYIN SEE THE MUSIC PROJECT IN 2021



103.9 BILLION

LIKES ENTERTAINMENT CONTENT SUCH AS MOVIES, TV SHOWS, AND VARIETY SHOWS.



66 BILLION

LIKES ON SPORT CONTENT

Source: ,Douyin,Report on Douyin Sports Content for 2021 · Douyin,The Douyin Music Big Data Report for 2021, Douyin ,Knowledge Inclusiveness Report 2.0-Research Report on Short Video and Knowledge Dissemination.

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

DOUYIN “FACT” OPERATING MATRIX

Sellers on Douyin promotes content-centric e-commerce business growth through the "FACT" methodology, which includes four parts:

F (FIELD)

- **Field** (brand self-live streaming) : Creating a fan base and communicating directly with consumers through self-broadcasting leads to balanced daily sales.

A (ALLIANCE)

- **Alliance** (talent matrix) : As an extension of merchants' businesses, the talent matrix provides a well-rounded content creation base.

C (CAMPAIGN)

T (TOP KOL)

- **Campaign** and **Top-KOL**:In order to enhance the brand's image and sales, marketing activities, promotions, and curated events can be paired with some of the best celebrities and key opinion leaders.

Source: Douyin,White Paper on Douyin E-commerce Merchant Management Methodology for 2021

SOCIAL MEDIA

DOUTIN PLATFORM - TOP MARKETING METHODS

INTERESTS E-COMMERCE

With its algorithm recommendation system, Douyin's high-quality content (usually marketing-oriented) is combined with user interests to bring out users' demands, thereby increasing merchants' gross merchandise value.



PRODUCT CATEGORY

Bring out audience interests in products by visualizing a user story.

PLATFORM TO SELL

The platform connects consumer interests with product content through its decentralized interest recommendation algorithm.

EXPLORING CONSUMERS

Users are recommended goods through content. As a result, consumers' latent pain points were revealed and product demands were revealed.

Source: Douyin,White Paper on Douyin E-commerce Merchant Management Methodology for 2021

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

EMERGENCE OF CULTURAL NICHES ON DOUYIN

As a result of the abundance of the Internet, some cultural niches are popular among a small number of people.A certain cultural niches will eventually enter the public eye due to its popularity. On Douyin, the popularity of some "niche" interest tags has grown rapidly in the first half of 2022, and the interest circle around these contents has flourished, bringing huge commercial value.

2022 1H TOP 3 CULTURAL NICHES CONTENT

TOP 1 LIVE SHOW



ANDY LAU'S LIVE CONCERT ON 3 SEP 2022 RECEIVED 430 MILLION VIEWS

TOP 2 CHINA CHIC



ZHUTIEXIONG- CHINA CHIC COSPLAY KOL GOT 13.84 MILLION FOLLOWERS

TOP 3 CONSOLE GAME



DANBAI- CONSOLE GAME KOL GOT 21.19 MILLION FOLLOWERS

Source: Douyin | 2022 Douyin E-commerce Commodity Development Report

SOCIAL MEDIA

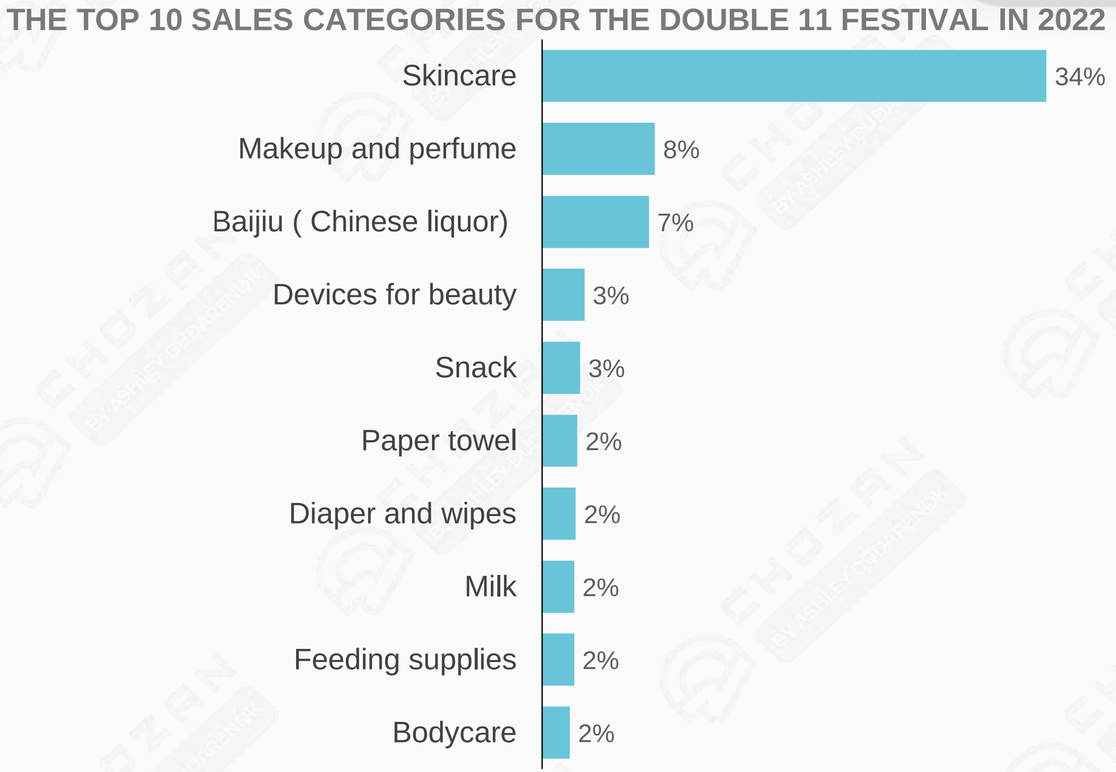
DOUYIN PLATFORM - TOP MARKETING METHODS

LIVE-STREAMING ON DOUYIN

Live-streaming substantially strengthens the e-commerce network and sales cycle.

During the 38.21 million hours of live broadcast in the 2022 Douyin Double 11 Shopping Festival (31 October to 11 November 2022), 7667 Douyin live streaming rooms generated more than one million yuan of GMV.

Apple, Moutai, History of Whoo, and Estee Lauder rank among the top five in the Douyin platform's brand payment GMV ranking.



Source:QuestMobile, Double Eleven Insight Report 2022,Douyin,"Double 11 Shopping Festival" data report

SOCIAL MEDIA

DOUTIN PLATFORM - TOP MARKETING METHODS

During the 2022 Double 11 shopping festival period,Guangdong couple, Dongfang Xuanxuan, and Xiao Yang are the top three live streaming anchors.

THE TOP 3 LIVE STREAMING ROOM FOR THE DOUBLE 11 FESTIVAL IN 2022



GUANGDONG COUPLE
REVENUE:1.15 BILLION RMB



DONGFANG ZHENXUAN
REVENUE:720 MILLION RMB



FENGKUANG XIAOYANGGE
REVENUE:450 MILLION RMB

Source:Xingyun Data

EXPERT BITE



CHRISTINA ZHANG

Project Manager at
Alarice and ChoZan

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR MAJOR CHINESE SOCIAL MEDIA?

WeChat.

1. The best way to increase the engagement is to set incentives.
2. The cover, title and release time all have a certain impact on the impression.

RED.

1.Star-related content exposure is higher.
2.This platform has many young users and is a developing platform with great potential in the future.
3.Content audit is stricter than other platforms, so try to avoid content that promotes other platforms.

WEIBO.

1.Allowing links to other platforms, which should be well used.
2.With repost function, can be used flexibly in the engagement activity to increase the exposure of the account.

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PLATFORM

RED

SOCIAL MEDIA

RED PLATFORM - INTRODUCTION





Xiaohongshu, also known as RED, is a social media and e-commerce platform. This platform allows users to share product reviews, lifestyle stories, as well as creative short videos and photos. RED has updated a new livestreaming, WOW Card, Lucky draw tool and Enterprise Account set up on April 2020.

SOCIAL MEDIA

RED PLATFORM - USER DEMOGRAPHICS

Influential and high-value users are gathered in Xiaohongshu

200 MILLION
MONTHLY ACTIVE USER

43 MILLION
CONTENT CREATER

50%
of user from tier one and tier two city

72%
Post-90s

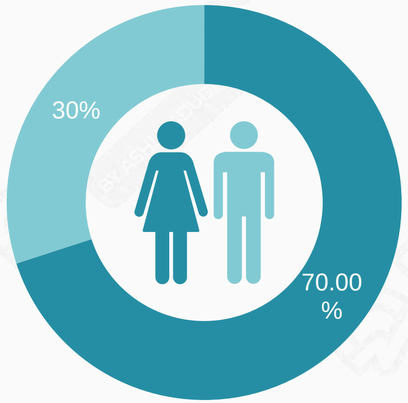
Source: 2022 Red Active User Portrait Trend Report, Qiangua

SOCIAL MEDIA

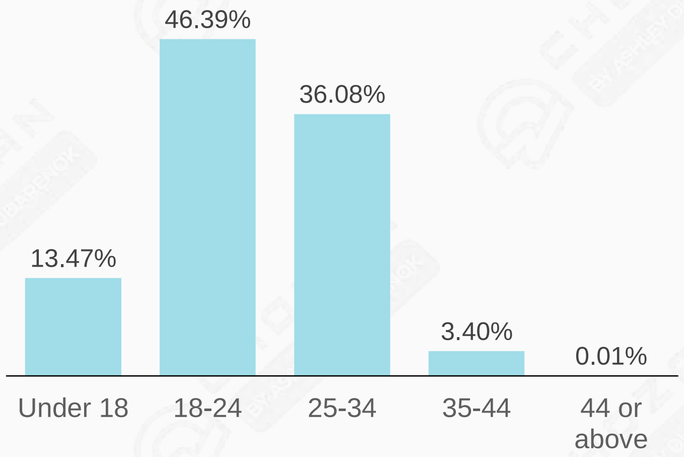
RED PLATFORM - USER DEMOGRAPHICS

The majority of RED users are young females, aged 18-34 and located in higher-tier cities.

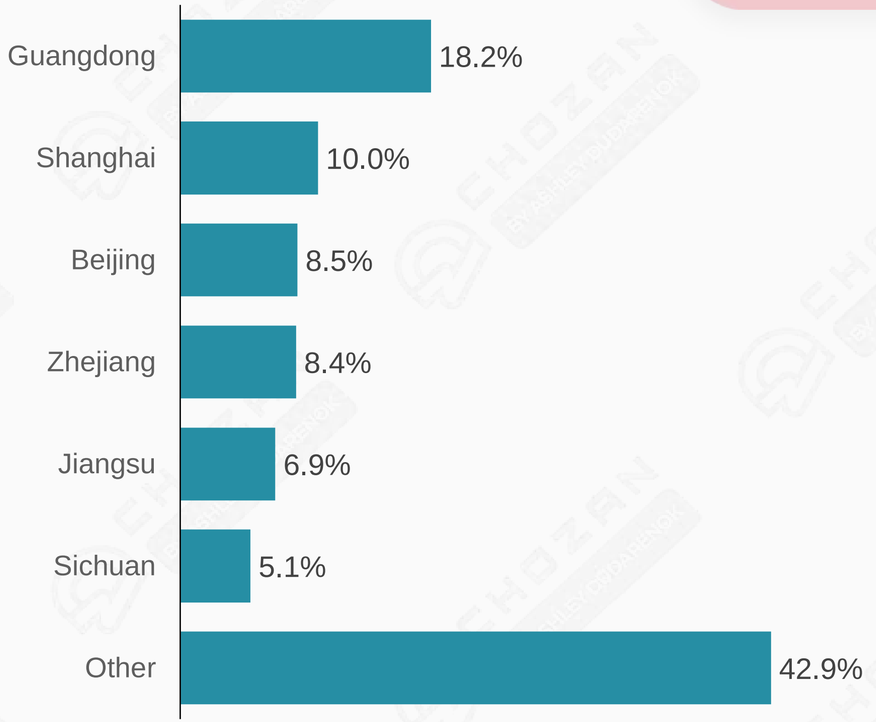
BY GENDER



BY AGE



BY CITY



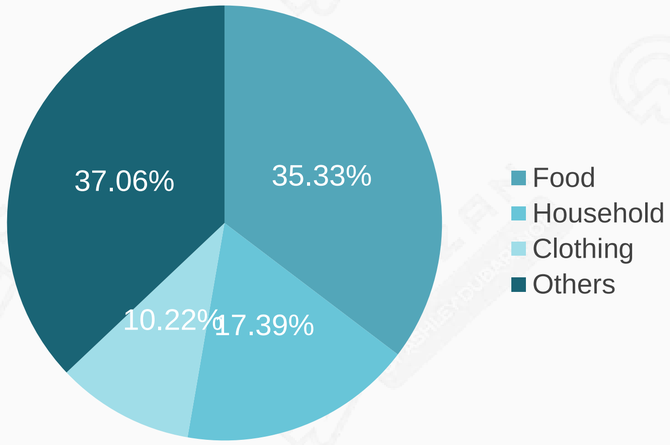
Source: 2022 Red Active User Portrait Trend Report, Qiangua

SOCIAL MEDIA

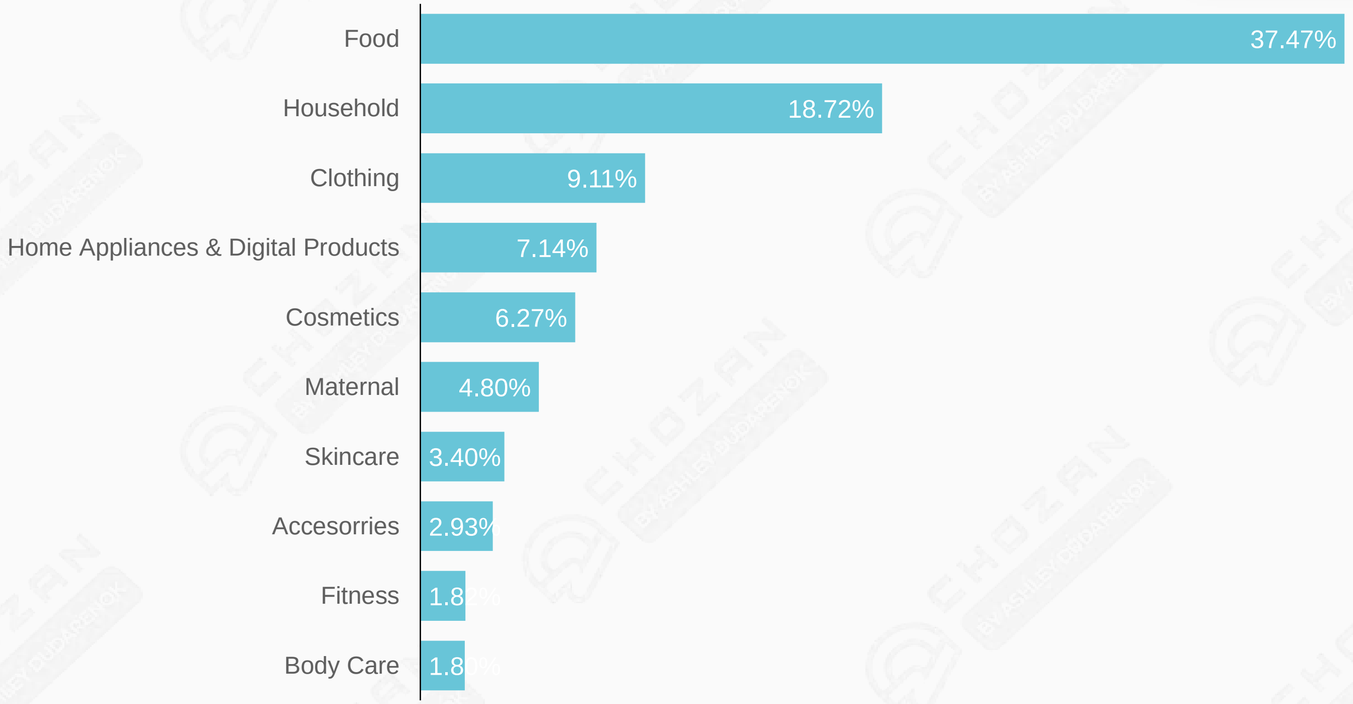
RED PLATFORM - POPULAR CONTENT CATEGORIES

In the first half of 2022, **food and household content** outperformed the others.

TOP PLANT-SEEDING NOTES BY CATEGORY



TOP ENGAGEMENT NOTES BY CATEGORY



Source: [2022 First Half Red Brand's Marketing Report, Qiangua]

SOCIAL MEDIA

RED PLATFORM - RISING SHORT VIDEO CONTENT

The number of short video commercial content is growing in 2022.

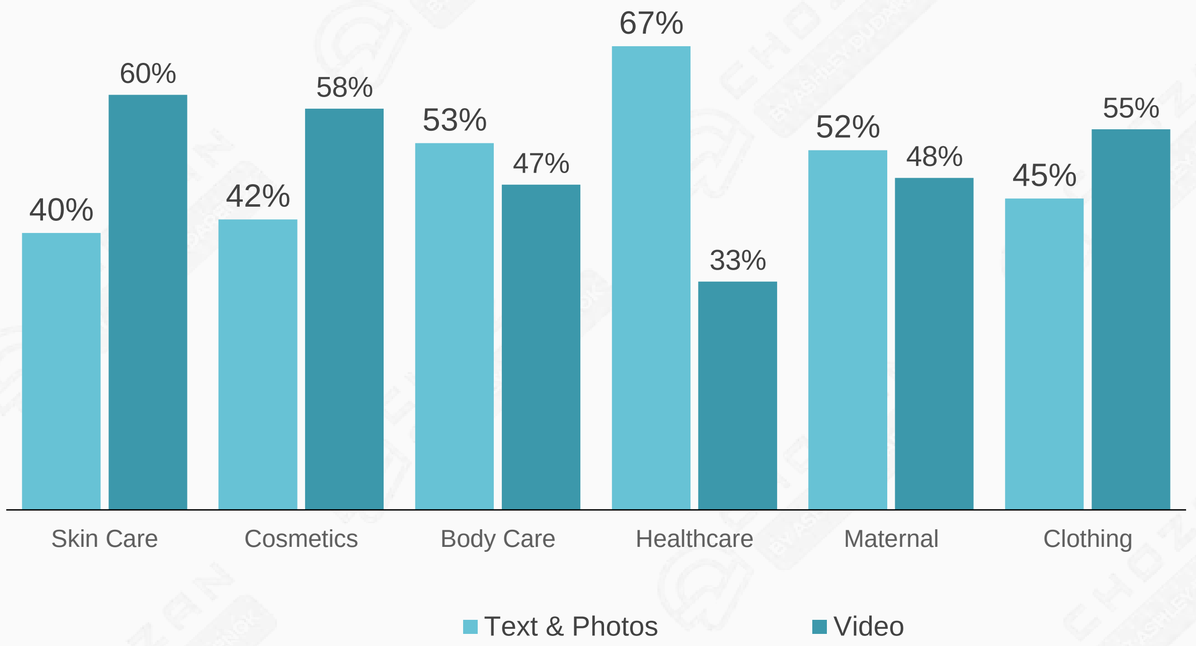
VLOG
88.50%

IMMERSIVE VIDEO
59.89%

UNBOXING
58.91%

TUTORIAL
51.91%

BREAKDOWN OF TEXT AND VIDEO CONTENT IN POPULAR INDUSTRIES



Source: 2022 First Half Red Brand's Marketing Report, Qiangua

SOCIAL MEDIA

RED PLATFORM - RISING CONTENT CHARACTERISTICS

Notes of **high-class, vintage, and atmosphere**, which **account for more than 70%** of all content, are popular among Red users.



2.1 BILLION

GROWTH RATE OF INTERACTIONS



8,410,000

GROWTH RATE OF RELATED CONTENT

Source: 2022 Red Notes Insights Report, Qiangua

SOCIAL MEDIA

RED PLATFORM - FASHION LIFESTYLES

Content creators on Red will intentionally or unintentionally convey their trendy lifestyles in the notes, such as **camping and hiking, low-fat and low-calorie**.



CAMPING & HIKING



MINIMALISM



CAREER LIFE



LOW FAT & CALORIES

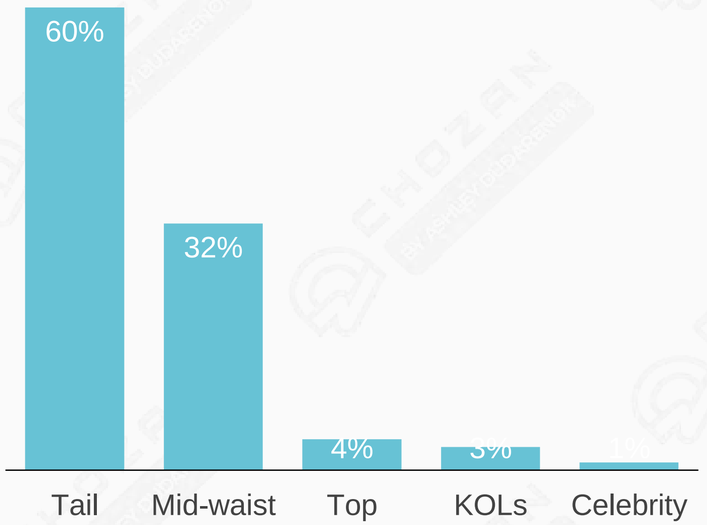
Source: 2022 Red Notes Insights Report, Qiangua

SOCIAL MEDIA

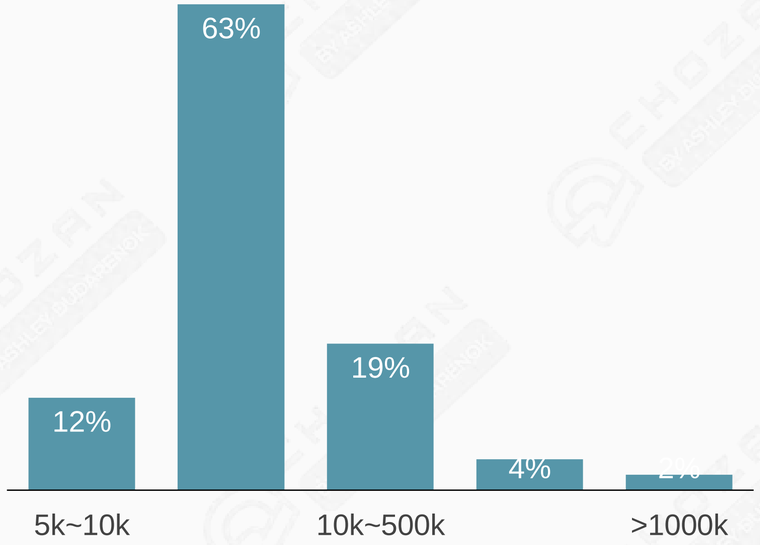
RED PLATFORM - COMMERCIAL CONTENT CREATORS

Tail and mid-waist talents are the mainstream content creators on Red's commercial notes, accounting for 95% of the total content.

CONTENT CREATOR TYPE



CONTENT CREATOR FANBASE



Source: 2022 First Half Red Brand's Marketing Report, Qiangua

SOCIAL MEDIA

RED PLATFORM - RED NOTES CHARACTERISTICS AND STRATEGIES



TREND

RISING VERTICAL CATEGORY

Vertical content on Red has entered a deep water zone, and the search traffic has become the focus of competition for brands.

PURSUIT OF BEAUTY AND SECURITY

Besides its pretty appearance, content on Red is accompanied by anxiety and unease about the future.



STRATEGY

PROFESSIONAL & PRECISE HASHTAGS

To reach target audiences, brands and creators can develop highly professional vertical content, covering more precise hot search words such as time nodes, target groups, prices, and lifestyles.

MORE THAN BEAUTY

In addition to further improving products' appearances and considering the beauty of bloggers, brands should also guide users to consume rationally and live their own exquisite lifes with peace.

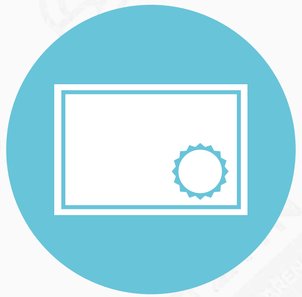
Source: 2022 Red Notes Insights Report, Qiangua

SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Enterprise Account

The commercial ecology of Red is based on the closed loop of the "enterprise account"



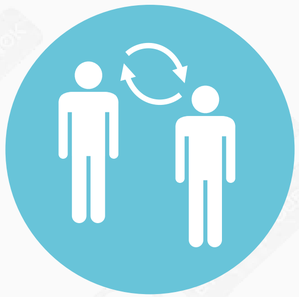
OFFICIAL CERTIFICATION

Official certification logo with more display entrances



CONTENT RELEASE

Content promotion and commercial cooperation



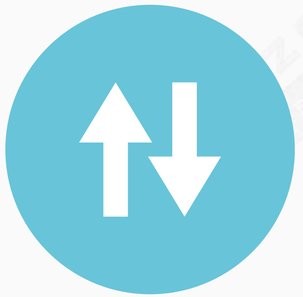
FAN INTERACTION

Hashtag, create campaign, private message to engage with fans



DATA INSIGHT

Multi-dimensional data report for data-driven operations



TRAFFIC CONVERSION

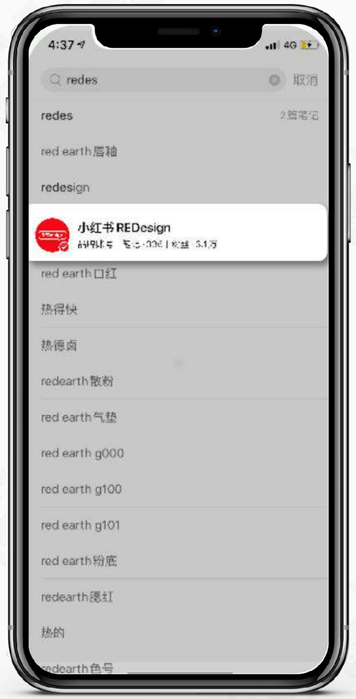
Binding malls, etc. to achieve transaction conversion POI offline diversion

SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Official Certification - Official certification logo with more display entrances

SEARCH PAGE
Fuzzy search guide



SEARCH RESULTS PAGE
Account follow guide



BRAND PAGE
Account Follow Guide



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

CONTENT RELEASE

Content promotion and commercial cooperation

DOUBLE ROW POSTS FEEDS



SHARE BRAND STORY

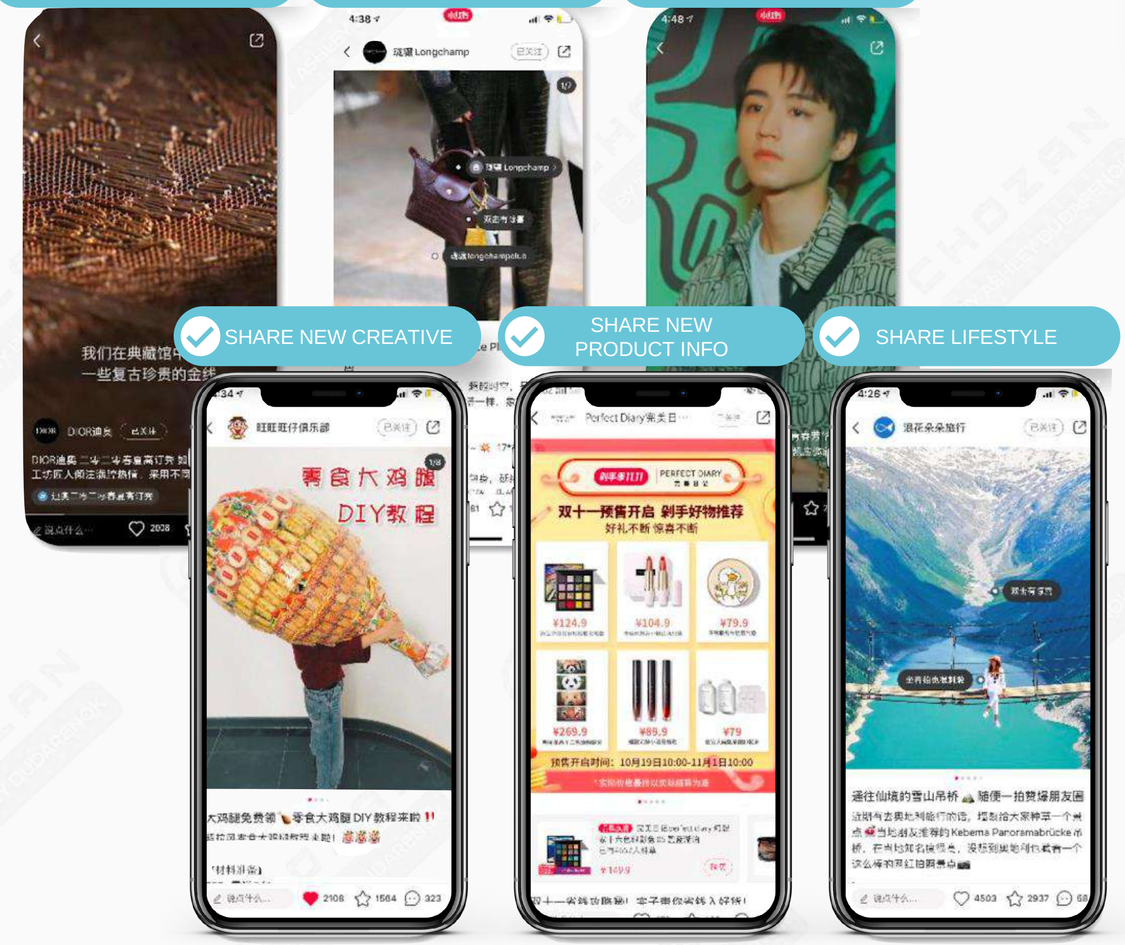
SHARE NEW PRODUCT INFO

SHARE LATEST NEWS

SHARE NEW CREATIVE

SHARE NEW PRODUCT INFO

SHARE LIFESTYLE



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

FAN INTERACTION

Hashtag Topic, create campaign, private message and exclusive fan benefits to engage with fans



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

小红书

DATA INSIGHT

Multi-dimensional data report for data-driven operations.

The tool to summarise operations through data functions, and use data insights to correct operational directions.

TOTAL FANS	FANS INCREASE (WEEKLY)	AVERAGE READING	CLICK RATE
31,137	746	1,869.3	2.6%
+680 last week	**-62.6%** last week	**-58.8%** overall	**-52.7%** overall

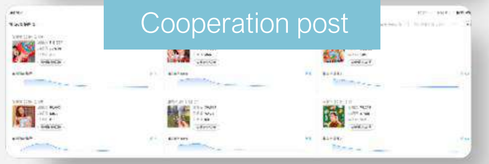
Fan Trend



Account Post



Cooperation post



Hashtag Topic



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

TRAFFIC CONVERSION

Binding malls, etc. to achieve transaction conversion POI offline diversion

Draining E-commerce & Offline

Online to offline store have the shortest consumption decision chain

Main page to online store



POI drainage offline stores and check-in notes



SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

#1 DANDELION'S LOWER ENTRY BAR



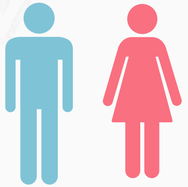
#2 DANDELION'S HEALTH LEVEL SYSTEM



SOCIAL MEDIA

RED - REGULATIONS / UPDATES - DANDELION

“Dandelion / Pugongying” (in Chinese: 蒲公英) is Red’s official influencer collaboration platform where content creators can collaborate with brands to develop sponsored content.



1,000,000+
REGISTERED CONTENT CREATORS



65,000+
INTERNATIONAL AND CHINESE BRANDS

Source: Red pgy, Pugongying

SOCIAL MEDIA

RED - REGULATIONS / UPDATES - DANDELION

There are three brand-creator cooperation models.

1 CUSTOMIZED COOPERATION

BLOGGERS' BUYOUT PRICE

2 RECRUIT COOPERATION

BLOGGERS' BUYOUT PRICE

3 CO-CREATE COOPERATION

PRICING IS VARIED BY THE PERFORMANCE RESULTS

Source: Pgy intro, Red

SOCIAL MEDIA

RED - REGULATIONS / UPDATES - DANDELION'S LOWER ENTRY BAR

The fanbase requirement for bloggers who can enter the Dandelion platform is changed from 5,000 to 1,000.

ENTRY REQUIREMENT

PROFESSIONAL ACCOUNT CERTIFICATION → AGE: >=18 → FANBASE: >=1,000







Source: Red pgy, Pugongying

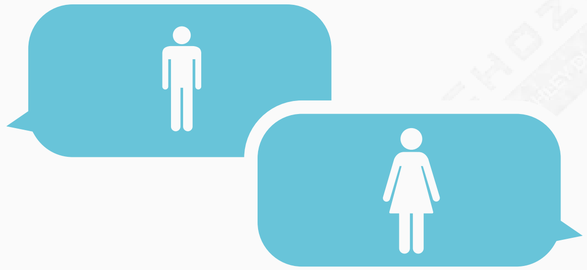
SOCIAL MEDIA

RED - REGULATIONS / UPDATES - DANDELION'S LOWER ENTRY BAR

The lower enter bar is a great benefit to both brands and bloggers.



Brands can try at a lower cost when they start launching a campaign, and bloggers with a relatively small fanbase can meet their budget.



More amateur bloggers may have opportunities to cooperate with brands, which will help their monetization journey.

Source: Dandelion's lower bar, ChinaZ

SOCIAL MEDIA

RED - REGULATIONS / UPDATES - DANDELION'S HEALTH LEVEL SYSTEM

In late 2022, **Dandelion's Health Level ,** originally known as the Credit Rating System, is online to review bloggers' content health and commercial service capabilities. **With fewer grades, the difference between the rights and interests of each level increases.**

CREDIT RATING SYSTEM		HEALTH LEVEL	
LV0 YELLOW CARD WARNING	ALL RIGHTS AND INTERESTS ARE NOT AVAILABLE	ABNORMAL	HAVE NO COOPERATION OPPORTUNITY
LV1 NEED TO WORK HARD	HAVE BASIC BRAND COOPERATION AUTHORITY		
LV2 MAINSTAY	CAN TAKE REGULAR ORDERS WITH BRANDS	GENERIC	HAVE COOPERATION OPPORTUNITY
LV3 GOLD MEDAL REFERRER	OWN THE PLATFORM'S ENDORSEMENT WITH MORE EXPOSURE		
LV3+ HUMAN GRASS PLANTING MACHINE	IDENTIFIED AS BEST BRAND PARTNERS WITH EXCELLENT COMMERCIAL VALUES	EXCELLENT	HAVE COOPERATION OPPORTUNITY; PLATFORM WILL TAKE THE INITIATIVE TO RECOMMEND ORDERS

Source: Red Health Level, CBNdata

SOCIAL MEDIA

RED - REGULATIONS / UPDATES - DANDELION'S HEALTH LEVEL SYSTEM

Characteristics of the new health level system:



HEALTH-FOCUSED

The system is focus on accounts' health situations and performances rather than a multidimensional evaluation of content health, business health, business service power, marketing cost-effectiveness, and fan influence.



MONTHLY UPDATE

The blogger health level is updated on the 1st of every month, and the predicted results for the next month are shown on the 25th.

Source: Red Health Levels, ChinaZ

EXPERT BITE

Q: ARE KOCS STILL RELEVANT IN CHINA FOR 2023?

With the rise of scandals in the celebrity as well as big KOL segments brands are reminded to not put all the eggs in one basket, hence Micro KOLs and KOCs will increase in importance moving into this year. The industry has become more mature and mainstream meaning it's not enough to just "work" with KOLs, you need to have a clear strategy defining the purpose for each level of KOL as well as category.

Just like a football team, each specific player has its specific purpose, the same thing goes for KOLs. Some are great for visual content, some others for brand awareness, i.e., lower your CPM, and some are more transactional oriented, but understand that you need them all. One player can not and should not be expected to do everything. In short it has become more complex as strategy and creativity is now as important as the KOLs themselves.



FOLKE ENGHOLM

Founder & CEO of VIral Access

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PLATFORM

BILIBILI



SOCIAL MEDIA

BILIBILI PLATFORM - INTRODUCTION

Bilibili is a Chinese video sharing website themed around animation, comic, and games (ACG), where users can submit, view and add overlaid commentary on videos.

1 Bilibili's Digital brands

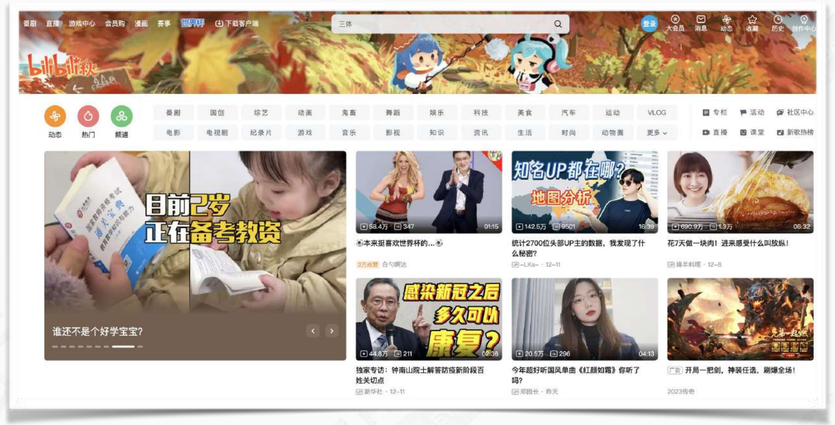
- **China Chic:** e.g., <Incarnation (灵笼)>
- **Film/documentary:** e.g., <A Series of Life 3 (人生一串3)>
- **Variety show:** e.g., < The Next Banger (我的音乐你听吗)>
- **Competition:** E-sports, entertainment

2 Content Sections

- **New categories:** Expand content around the interests of young users, e.g., the knowledge area, animal circle
- **Re-creation:** Encourage users to re-create IP or high-quality content

3 Entertainment

- **Large event:** Create Bilibili's unique content carnivals, e.g., Bilibili New Year's Eve Party
- **Service chain:** Build comprehensive Bilibili services (e.g., Bilibili comics, e-sports teams) to give users premium entertainment experiences

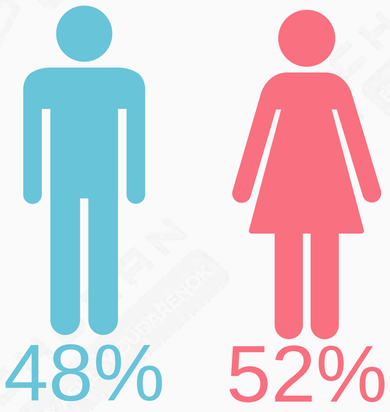


Source: Insight into the development of China's content marketing, CBNdata

SOCIAL MEDIA

BILIBILI PLATFORM - USER DEMOGRAPHICS

Users are typically high IQ, high knowledge base, and found in economically developed areas. Ratio of male to female users:

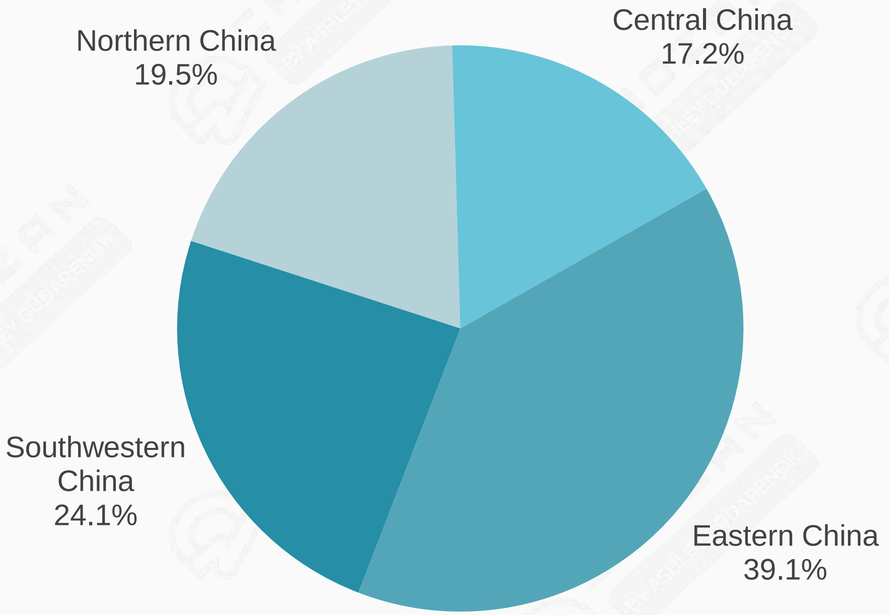


90%

Proportion of users aged below 25

The proportion of users with a bachelor's degree or higher is **10%** higher than that of the whole network.

USER DISTRIBUTION



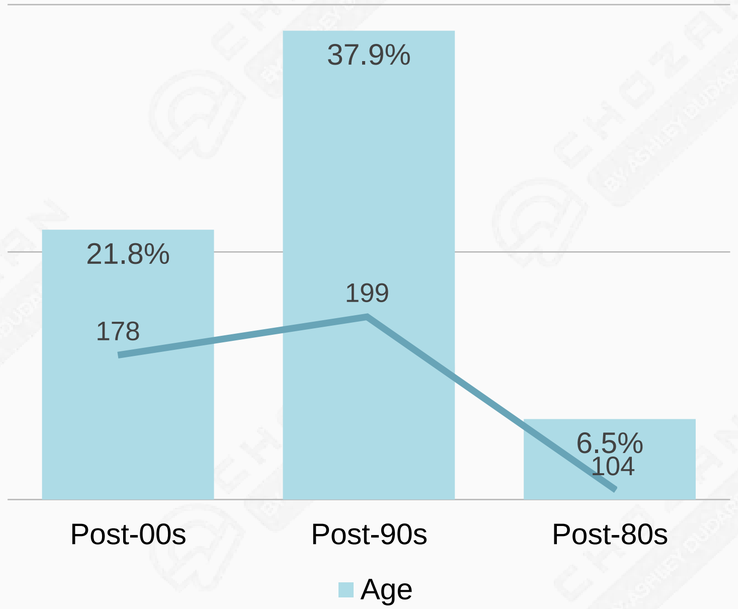
Source: Bilibili User Demographics

SOCIAL MEDIA

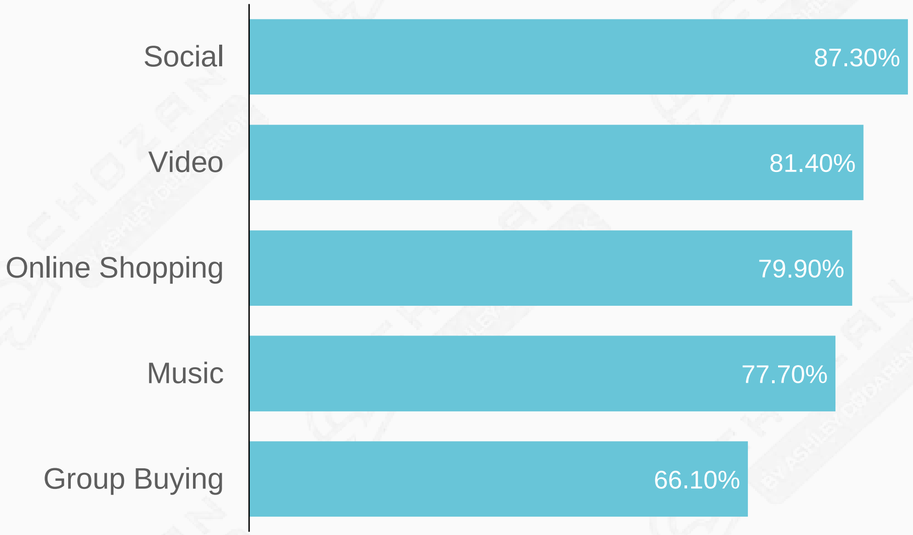
BILIBILI PLATFORM - USER DEMOGRAPHICS

Majority of Bilibili users are young.

BILIBIILI APP USER PORTRAIT, JULY 2022



POPULAR INTERESTS, 2022 JUNE



Source: China Mobile Internet Half Year Report, QuestionMobile

SOCIAL MEDIA

BILIBILI PLATFORM - USER DEMOGRAPHICS

Bilibili users are mainly in high-tier cities, and the TGI of first-tier and new first-tier cities reached 148 and 124, ranking first among all major online video and community platforms.

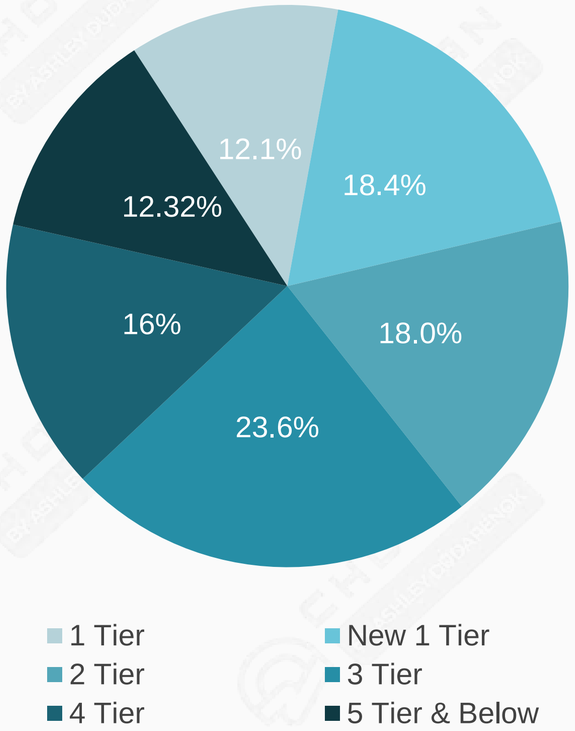
Meanwhile, users in low-tier cities are rising. The growth rate of new users in low-tier cities is significantly higher than that of existing users.

+27.9%
2ND & 3RD TIER CITY USERS

+20.3%
4TH TIER CITY USERS

+10.7%
5TH TIER CITY USERS

BILIBILI USER CITY DISTRIBUTION, 2022



Source: Bilibili - Generalization does not change the supply of high-quality content, Orient Securities

SOCIAL MEDIA

BILIBILI PLATFORM - UP-TO-DATE DATA

2022 Q3 REVENUE	**RMB 5.79 BILLION** +11% YoY
2022 Q3 ADVERTISING REVENUE	**RMB 1.35 BILLION** +16% YoY
AVERAGE DAUs	**90.3 MILLION** +25% YoY
AVERAGE Monthly Active Ups	**3.8 MILLION** +40% YoY

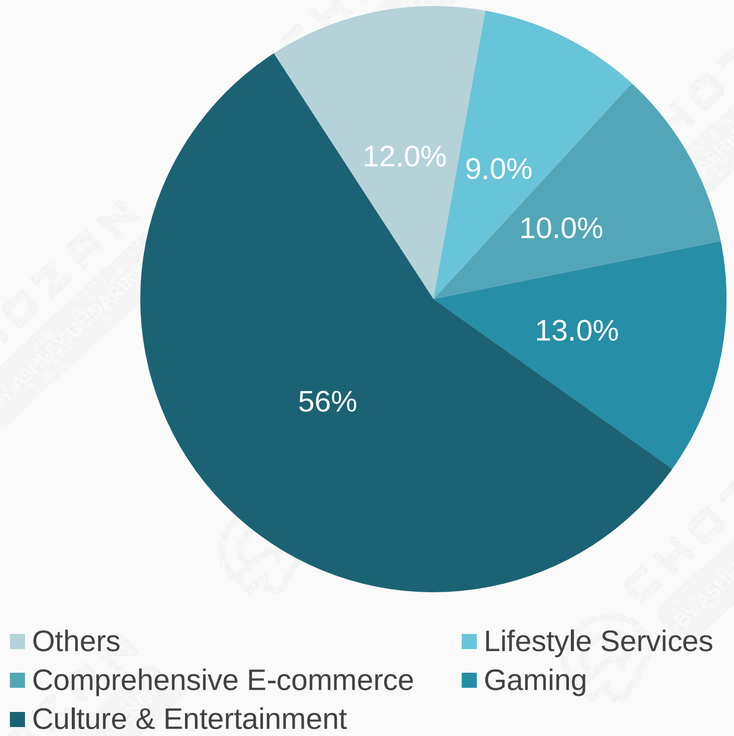
Source: Bilibili 2022 Q3, Tech Huanqiu

SOCIAL MEDIA

BILIBILI PLATFORM - ADVERTISING

Advertisements on Bilibili feature **content marketing with diversified advertisers.**

BILIBILI ADVERTISER BREAKDOWN, 2022 MAR



Source: Is Bilibili still growing, Finance Sina

SOCIAL MEDIA

BILIBILI PLATFORM - BILIBILI COMMUNITY

Different from other social media platforms, the interactions between Bilibili's uploader (UP主) and users contribute to building a unique sense of participation in the Bilibili community.

GET USER RECOGNITION BY CLOSE INTERACTION

Bilibili's uploaders are not only creating content, but also communicating with users by bullet chatting, comments, posts, and live streaming. They are approachable but not out-of-reach, which helps to build a two-way communication and community vibe.

AUDIENCES HAVE A HIGH RECOGNITION FOR QUALITY UGC CREATORS

When it comes to Bilibili's top uploaders, sections with more UGC content have more creators who own "a million fans". But, in terms of sections that require professional content, users will only be concentrated under a few top official OGC accounts.



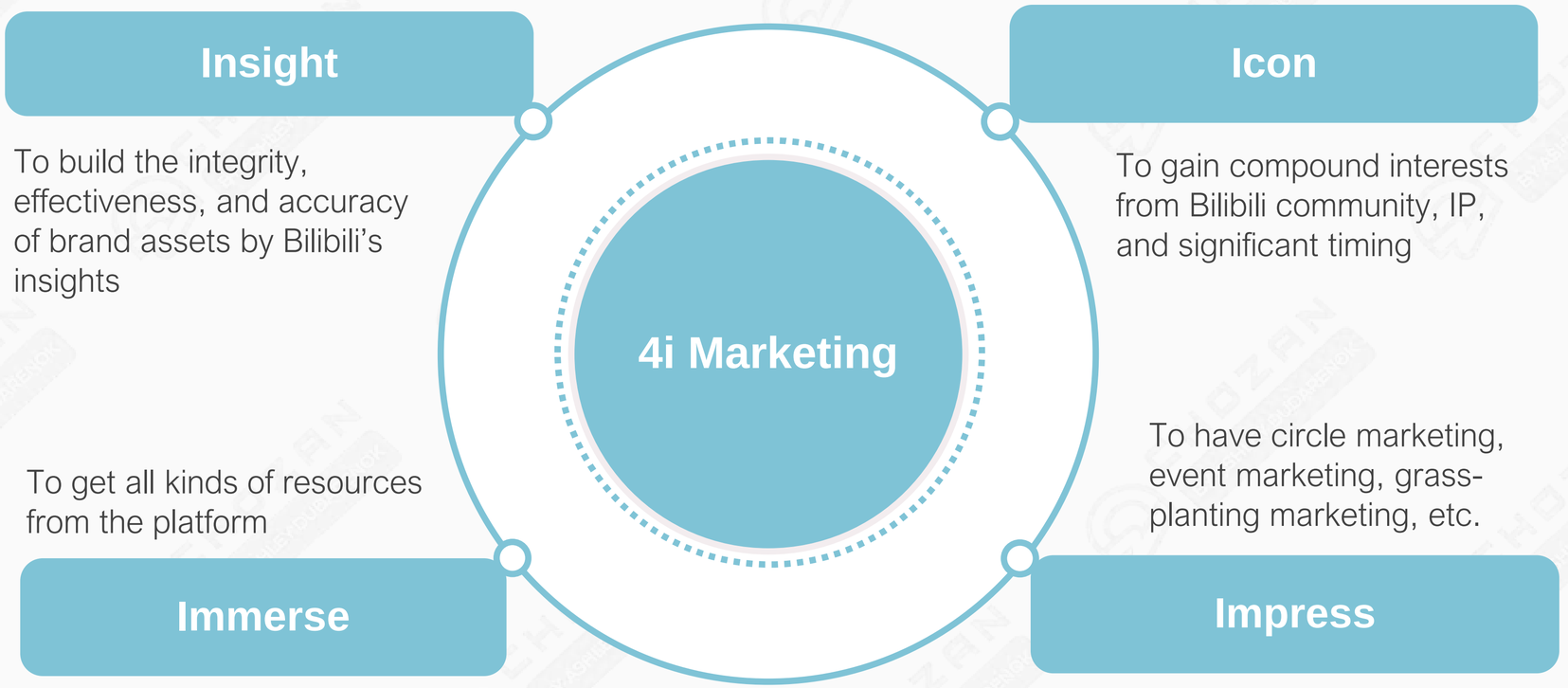
UPLOADER TO COMMUNICATE WITH AUDIENCES BY COMMENTS AND POSTS

Source: Is Bilibili still growing, Finance Sina

SOCIAL MEDIA

BILIBILI PLATFORM - CONTENT MARKETING STRATEGY

Bilibili creates a **4i interest marketing model** to build brand assets based on high quality content and long term user relationships.



Source: Insight into the development of China's content marketing, CBNdata

SOCIAL MEDIA

BILIBILI PLATFORM - TOP MARKETING METHODS

1 Targeting Gen Z

The heavy use of the Internet makes Generation Z more willing to trust user-originated content and the opinions of netizens they follow, such as KOLs. They are more sensitive to online information and are more likely to distinguish between true and false information. Younger consumers are more likely to engage in interactive behaviours related to product consumption, are more willing to interact and share, and are more proactive in their evaluations.

2 Pay attention to PUGV content cooperation

Keep the content native during the cooperation. Avoid changing the style of the publisher due to commercial cooperation. Ensure the content is valuable, interesting and knowledge-based.

3 Live streaming & bullet comments

These interactions cultivate a sense of engagement, has been the mainstream way of brand marketing. Durex, millet, Zhihu and other brands have done live streaming on Bilibili, such as Durex's "three hundred people for three hours" air broadcast, Lei Jun's live conference.

SOCIAL MEDIA

BILIBILI PLATFORM - CONTENT MARKETING BEST PRACTICE

<Dancing Millennium (舞千年)>, a cultural drama dance program created by Bilibili and Henan Satellite TV, is succeeded in helping brands to deliver creative content marketing ideas, shape brand persona, and build emotional resonance with target audiences.

1. Combined branding messages in the programme with a soft-sell approach



2. Leveraged the theme idea of the programme to build up a brand persona



3. Reached the target circle through marketing campaigns on and off the show

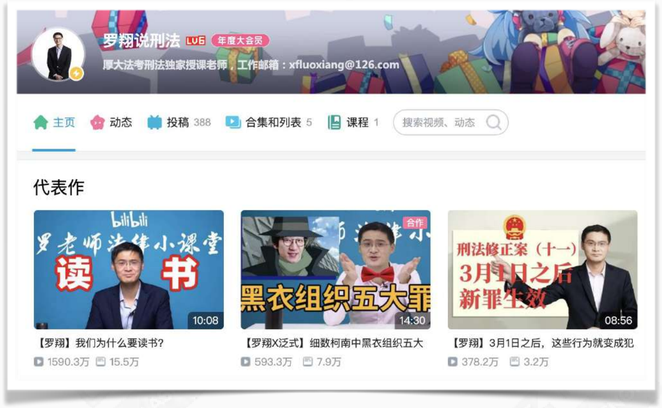


Source: China's content marketing insights, Analysys

SOCIAL MEDIA

BILIBILI PLATFORM - TRENDS / CASE STUDY

#1 KNOWLEDGE ECONOMY



LUO XIANG AND CRIMINAL LAWS
(@罗翔说刑法)

#2 RURAL LIFE



HANDSOME FARMER BRO. BIRD
(@帅农鸟哥)

#3 ORIGINAL VARIETY SHOW



YOUNG, CULTURAL, AND FEMALE-ORIENTED VARIETY SHOWS

Source: Is Bilibili still growing, Finance Sina

SOCIAL MEDIA

BILIBILI PLATFORM - TRENDS / CASE STUDY - RURAL LIFE



LUO XIANG AND CRIMINAL LAWS
(@罗翔说刑法)

HOST	Luo Xiang, professor of China University of Political Science and Law
FANBASE	25.4 million
VIDEO LENGTH	Mainly medium videos
VIDEO TYPE	Life-oriented criminal law science, philosophy, reading sharing

- **Bilibili users have a clear preference for pan-knowledge content**
  The Bilibili Knowledge Zone launched in 2020 and became the third largest section within two years. Bilibili has also been called "a new social learning platform for Generation Z".

- **Leverage the existing fan base and popular content to increase fan growth rate**
  Luo Xiang already had a lot of attention before creating an official account on Bilibili. After the entry, he kept producing high-quality videos which were able to capture the social hotspots and interests of Bilibili users, continuing to create hit content.

Source: Is Bilibili still growing, Finance Sina

SOCIAL MEDIA

BILIBILI PLATFORM - TRENDS / CASE STUDY - KNOWLEDGE ECONOMY



HANDSOME FARMER BRO. BIRD
(@帅农鸟哥)

HOST	Brother Bird, farmer
FANBASE	3 million
VIDEO LENGTH	Mainly short videos
VIDEO TYPE	Rural life, known as "Rural Artist"

- **Make rural life a focus**
  The content mostly involves everyday life in rural areas, including rural food, traditional handicraft, and painting. Plus, he took advantage of other successful cases, learning the fast editing technology of "Classmate Zhang (张同学)" and the high-quality rural life content of "Li Ziqi (李子柒)".

- **Increase recognition with iconic elements**
  Lift up hair, shoe-shining, and the BGM of Fragrant Paddy (稻香).

- **Continuously fine-tune the content according to Bilibili's user behaviours**
  In the early days, he updated videos frequently and the content was the same as those on other platforms. Now, to meet the "Bilibili style", the launch frequency slowed down, and the length of the video increased significantly.

Source: Is Bilibili still growing, Finance Sina

SOCIAL MEDIA

BILIBILI PLATFORM - TRENDS / CASE STUDY - ORIGINAL VARIETY SHOW

Nowadays, Bilibili's self-produced variety shows basically aim to cater to the preferences of core users, focusing on **young generations, culture, and female-oriented content.**

PHASE 1

Leveraged the traffic of **popular content creators** to launch a serious of reality shows.



UPLOADER METAMORPHOSIS
(UP主变形记)

PHASE 2

Catered to talk shows, rap, recitation, and other **hot topics**.



STORYMAN
(故事王)

PHASE 3

Cater to the interests of **young people** and have strong **cultural attributes**.



POST-90S DATING AGENCY
(90婚介所)

Source: Is Bilibili still growing, Finance Sina

EXPERT BITE

Q: HOW TO CREATE ENGAGING CONTENT ON WECHAT, RED, DOUYIN, WEIBO, BILIBILI?

The most important thing in creating engaging content is to provide effective information from a "consumer benefit point of view" aka "what the consumer can get from your content?" These benefits may be valuable gifts, consulting on product choice, knowledge accumulation, interesting experiences, or even just a moment of psychological relaxation or comfort. Then, through content editing that conforms to the contextual habits and platform characteristics of the target group (for example, content related to advanced taste is more suitable for dissemination on Xiaohongshu, videos that reflect the average human world are more likely to resonate on Douyin, and WeChat & Weibo are preferred for collaboration launch. Bilibili might be the first choice for digital game promotion, etc.), shortening the communication path, so that users who are immersed in fragmented information every day will become interested in your marketing content even if it's just a glance.



OLIVIA PLOTNICK

Founder of Wai Social

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SOCIAL MEDIA CONCLUSION

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA

ANALYSIS OF THE FEATURES OF CHINA'S TYPICAL NEW MEDIA PLATFORMS

Platform	Category	Platform features	Content dissemination features	Main marketing methods
Sina Weibo	Micro-blogging	Diffusion of content and media attributes are strong.There are many pen-entertainment users	There is a high rate of user interaction with platform content, allowing for secondary dissemination and topic creation	Topic discussion
WeChat	Instant Messaging	TThere is a strong social component to the acquaintance relationship chain. Users can receive daily social information and gain an in-depth understanding of information through official accounts.	The platform allows users to share articles and long pictures with acquaintances easily through reposting and sharing in Moments.	Articles and pictures
Douyin	Short video	A strong pan-entertainment content attribute, a rich level of information expression, and a strong dissemination of information. User needs are primarily centered on daily leisure.	Pan-entertainment videos spread easily and become memorable.	Short video recommendation and evaluation

Source: 2020 Strategies of New Media Marketing in China

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA

ANALYSIS OF THE FEATURES OF CHINA'S TYPICAL NEW MEDIA PLATFORMS

Platform	Category	Platform features	Content dissemination features	Main marketing methods
Kuaishou	Short video	Most of the contents are related to everyday life and entertainment. Leisure is a requirement for most users.	Fans trust KOLs on the platform, making it easier for them to guide users' preferences and behaviors	Short video recommendation and evaluation
Bilibili	Aggregated video	An atmosphere of bullet screen communication. The demand for pan-entertainment is high among young users.	Video content is rich in information. Content is delivered to users through the uploaders' fan effect.	Video recommendation and evaluation
Xiaohongshu	Content e-commerce	Product content sharing is a strong attribute. Guidance on product recommendations is needed by many users.	Content sharing makes the platform's consumption attribute more effective for converting production promotion to purchase.	Product promotion and consumption guidance

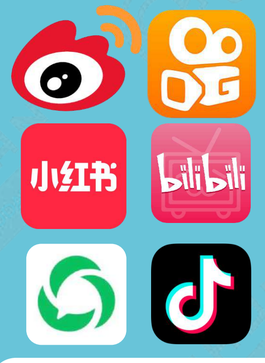
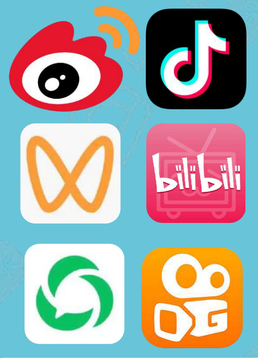
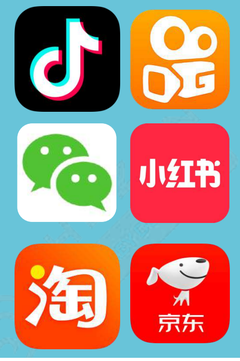
Source: 2020 Strategies of New Media Marketing in China

CONCLUSION

CHINA SOCIAL MEDIA PLATFORMS INTEGRATED MARKETING METHOD 2022

Key points

- As an entry point, break through the core consumer group.
- A priority should be given to reputation management on social media.
- In order to reach sales and branding goals, long term marketing is necessary to occupy consumers' minds.

	STEP 1 TESTING	STEP 2 AWARENESS	STEP 3 INTEREST	STEP 4 DRIVE TRAFFIC	STEP 5 CONVERSION	STEP 6 RETAINING
Key social media or eCommerce platforms						
Key marketing strategy	• Test the effect of a large number of KOC accounts by breaking through the vertical seeding circle	• Utilize top KOLs and stars to implant your products	• Deep digging in the circle with vertical Top and the waist KOL	• KOL entertainment content crosses borders, igniting public interest	• Drive conversions with live streaming	• Manage private traffic on a brand's social and e-commerce platform

Source:Weiboyi and Pangiong, The Mainstream Social Media Platform Trend Insight Report for 2022

EXPERT BITE

Q: WHAT'S THE MOST BUZZING TOPIC IN CHINA'S LEGAL FIELD THIS YEAR?

Foreign investment in China's tech companies has gotten more complicated. For international corporations, accessing corporate data from China can become difficult in the near term. Foreign companies running platforms or apps in China must be more vigilant when collecting and using personal information amid a tighter regulatory environment.

Over the last few years, the economic slowdown caused by the Covid and a string of unexpected regulatory moves from policymakers contributed to the more challenging business environment and impacted overall market optimism.

The most buzzing word (rather than topic) for 2023 is uncertainty. China has suddenly removed the zero Covid policy and the rules and regulations for mobility of people has completely changed. On one side this brings hope, optimism, and a crazy increase in travel opportunities in China and from abroad. However, there is always the "what if" scenario that does make people hesitant.



KRISTINA KOEHLER-COLUCCIA
Head of Business Advisory at Woodburn Global

KOL INSIGHTS

UNDERSTANDING KOLS IN CHINA

EXPERT BITE

Q: WHAT DO YOU THINK WILL BE HAPPENING WITH KOL INDUSTRY IN THE FUTURE?

The competition in the industry will be more intense, while the requirements for KOL professionalism and security will be higher. Instead of paying a large fee to many unfamiliar KOLs at one time, brands tend to carry out long-term collaboration with highly professional KOLs, including daily promotion, creation of cooperative products, joint sales, etc., in order to reduce promotion and management costs, and reap the effect of credit precipitation.

In addition to the spontaneous creation of users and the support of operating agencies, the brand side will also become the driving force behind the cultivation of KOLs. They may work with new platforms or upgraded features of current platforms, use effective sharing and reward mechanisms, and develop ordinary consumers or salespersons into product promoters through brand education and self-growth, so that they can influence more ordinary consumers, and eventually become opinion leaders. Also, with the development and advancement of technology, more and more virtual KOLs will appear in this industry.



OLIVIA PLOTNICK

Founder of Wai Social

EXPERT BITE

Q: WHAT IS THE WINNING FORMULA FOR KOL AND KOC MARKETING IN CHINA IN 2023?

1. Thorough understanding of the target audience, including their challenges, purchasing patterns, preferences, trends, subcultures, and geographical distribution across tier cities.
2. Clear and realistic KPIs to measure the success of the marketing campaign.
3. A strategic KOL/KOC matrix that aligns the strengths and capacities that each influencer tier possesses for different functions across platforms with the objectives of the marketing campaign.
4. A well-crafted content segmentation plan that prioritizes the creation and distribution of content that resonates with targeted consumer groups, fostering engagement and brand awareness.
5. Efficient content moderation that maintains a consistent brand voice across different content formats and platforms while preserving the authenticity of the KOL/KOC.
6. Real-time monitoring and measurement of KOL/KOC performance to stay current on trends and adapt quickly to market changes.



RAY VERAS

Co-Founder & CEO of PJdaren

KOL INSIGHTS

MARKET SIZE

Being the top category of advertising spending, the KOL market size is significantly growing to 80 billion RMB in 2021.
According to the survey, invest in KOL marketing, Short video marketing, and official social media account operation are the top 3 focus for brands in 2022

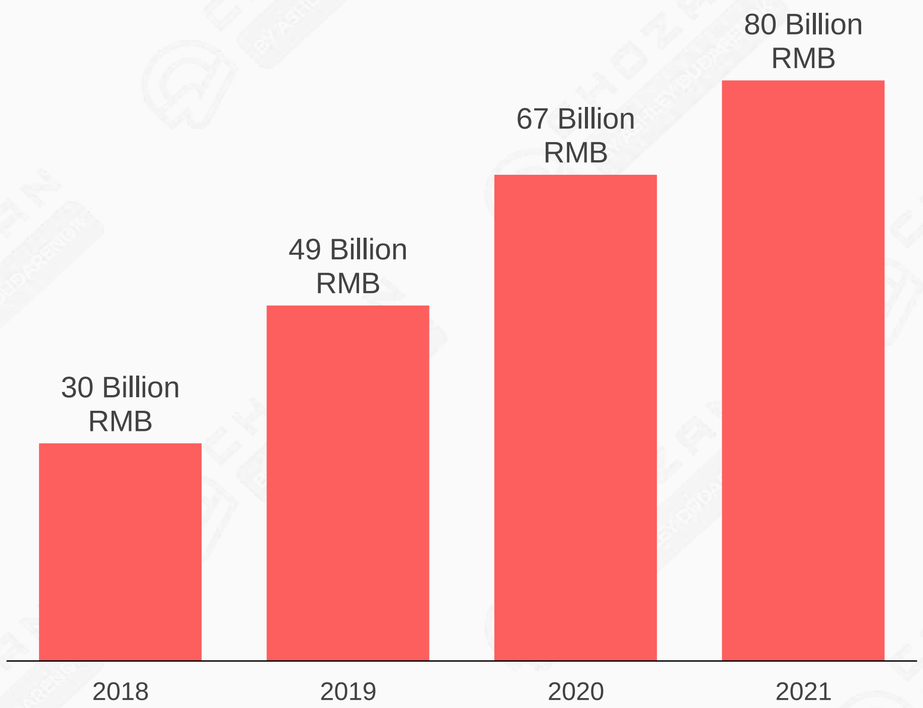
TOP 3 FOCUS FOR BRAND MARKETING IN 2022

TOP 1
KOL MARKETING

TOP 2
SHORT VIDEO MARKETING

TOP 3
OFFICIAL SOCIAL MEDIA ACCOUNT

KOL MARKET SIZE FROM 2018-2021 (IN RMB BILLION)

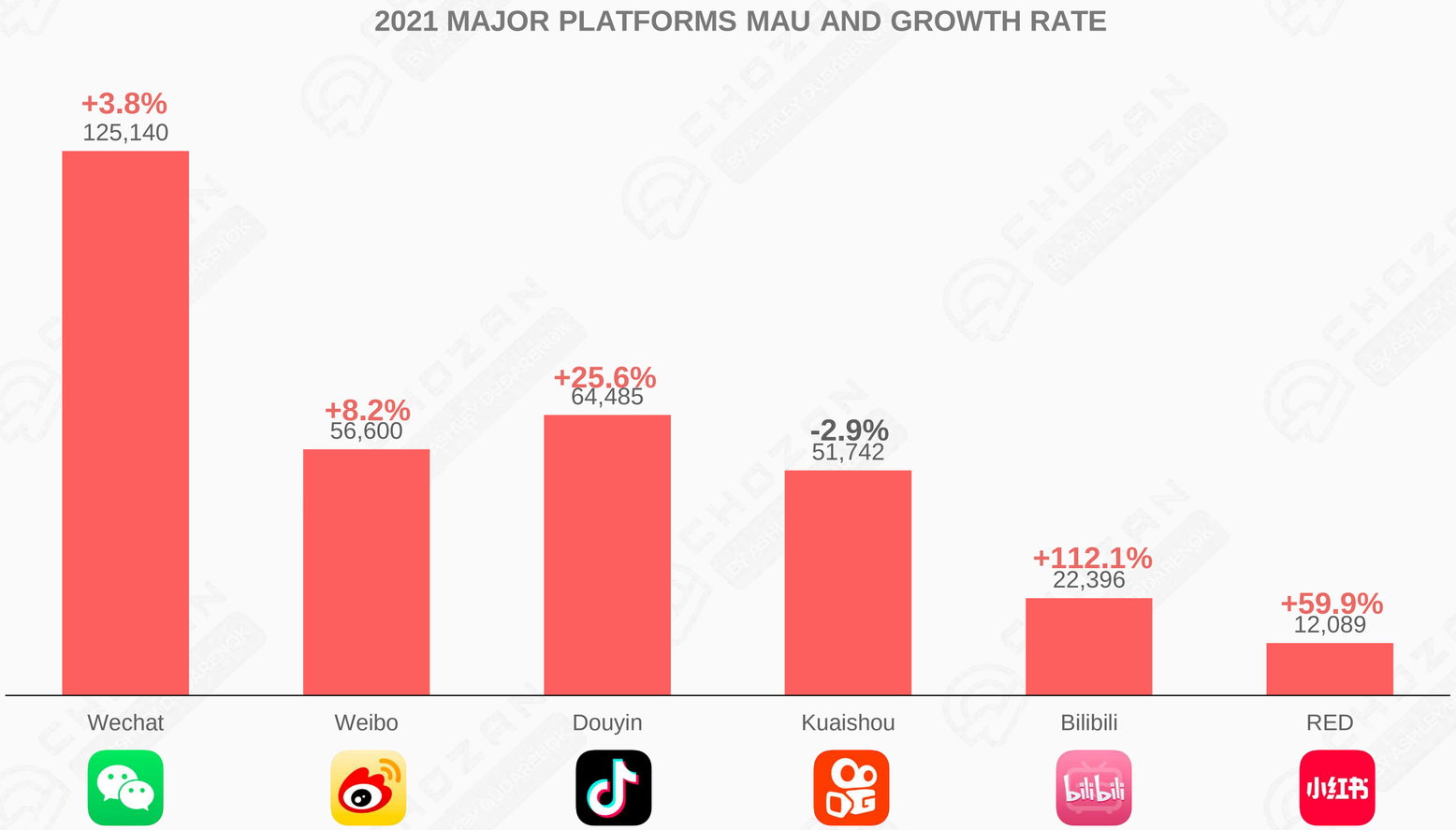


Source: Topklout, Commercial KOL Market

KOL INSIGHTS

MAJOR PLATFORM GROWTH BY MAU

The major platforms MAU (Monthly Active User) keep a steady growth in 2021. Bilibili (+112.1%), RED (+59.9%) and Douyin (+25.6%) had a significant growth in terms of MAU.



Source: Miaozhen Systems, 2022 KOL Maketing Report

KOL INSIGHTS

DIFFERENT TIER OF KOLS

There are 5 tiers of KOL in different social media platforms within different classification criteria. Tier 1 is the top KOLs, Tier 2 is Macro KOLs, Tier 3 is Mid-tier KOLs, Tier 4 is Micro KOLs, Tier 5 is KOCs. Weibo has a huge user base, so the Top KOL will be defined as one with more than 10M followers.

NUMBER OF KOLS BY TIERS

T1 >10M	**T1** >100k	**T1** >1M	**T1** >5M	**T1** >1.5M
T2 5M-10M		**T2** 500k-1M	**T2** 2M-5M	**T2** 1M-1.5M
T3 1M-5M	**T2** 60k-100k	**T3** 200k-500k	**T3** 500k-2M	**T3** 600k-1M
T4 100k-1M	**T3** 20k-60k	**T4** 50k-200k	**T4** 100k-500k	**T4** 200k-600k
T5 10k-100k	**T4** 0.5k-20k	**T5** 5k-50k	**T5** 10k-100k	**T5** 5k-200k

Source: Miaozhen Systems, 2022 KOL Maketing Report

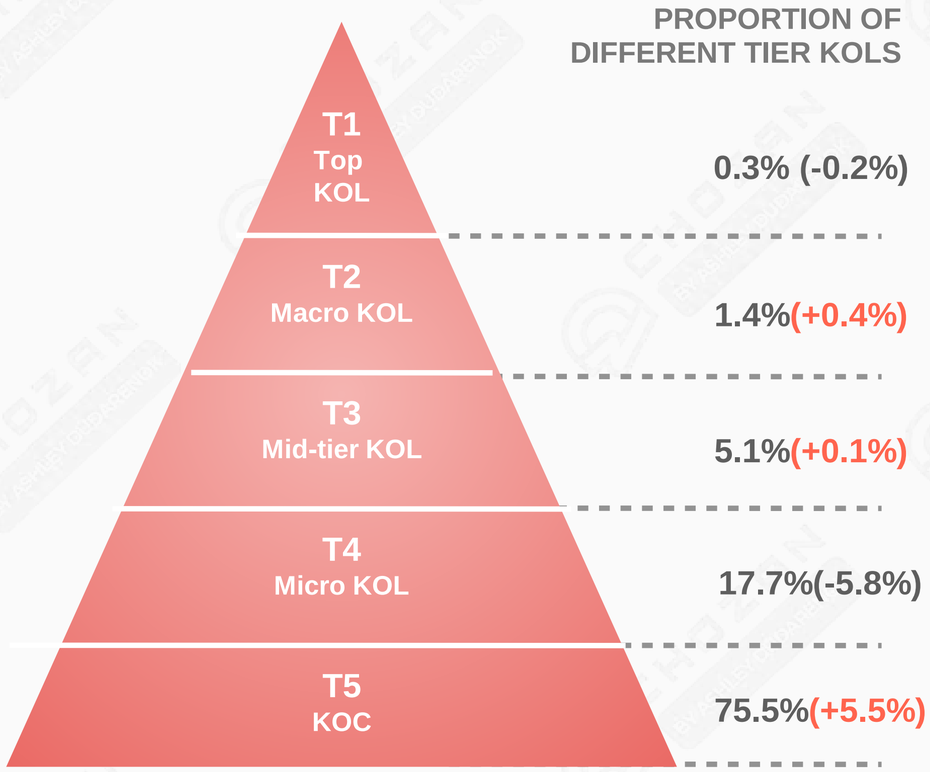
KOL INSIGHTS

DIFFERENT TIER OF KOLS

15%

YOY GROWTH BY NUMBER OF KOLS

In 2022, the total number of KOLs saw a increase by 15% year of year. Among the 5 tiers of KOL (KOC/Micro/Mid-tier/Macri/Top), the number of KOCs increased by 5.5% which kept the highest growth rate.



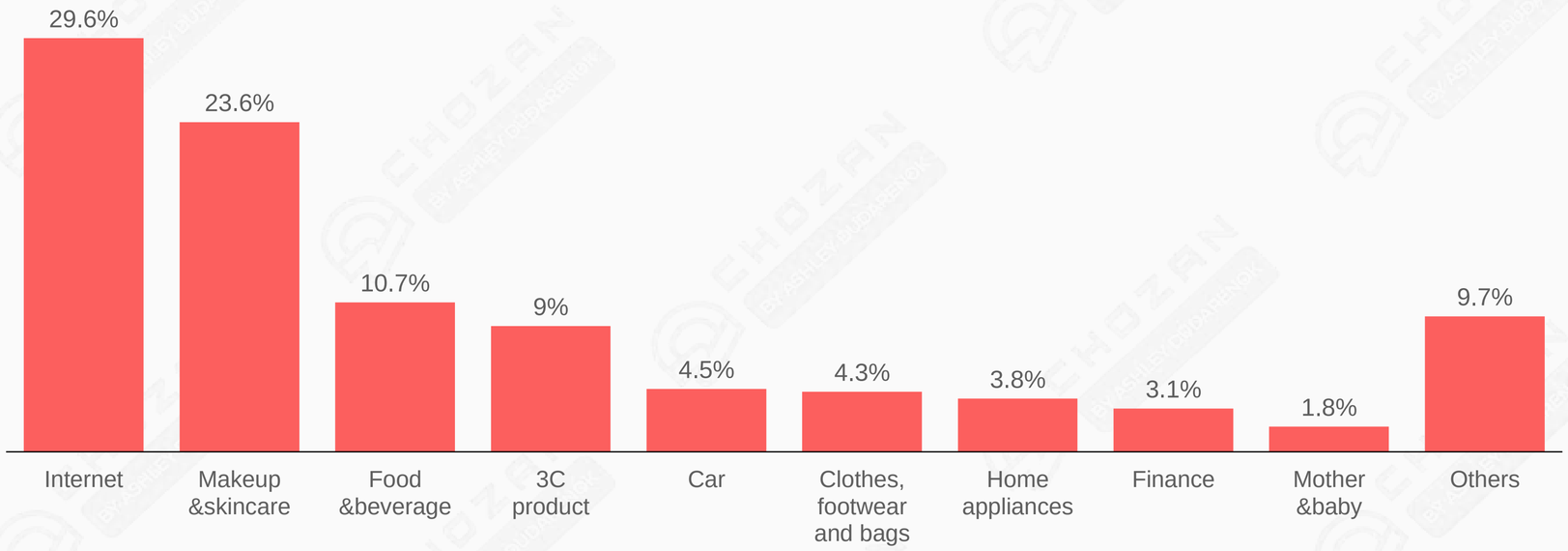
Source: Miaozhen Systems, 2022 KOL Maketing Report

KOL INSIGHTS

KOL INVESTMENT BY INDUSTRIES

The KOL investment focus on the Internet, makeup&skincare and food&beverage industry on Weibo, making up to 63.9% among all industries.

TOP 10 WEIBO KOL INVESTMENT BY DIFFERENT INDUSTRIES

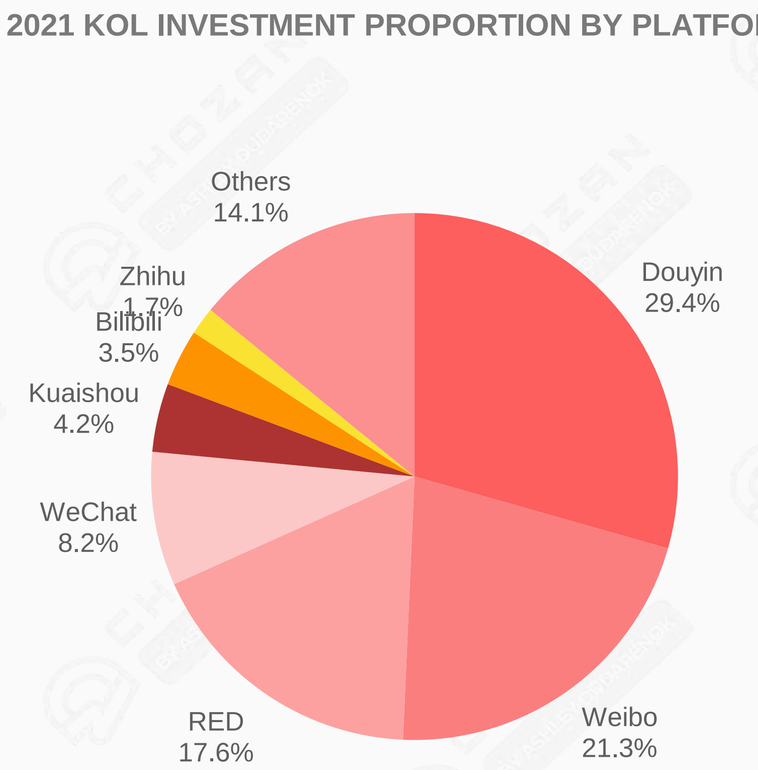


Source: Topklout, Commercial KOL Market

KOL INSIGHTS

KOL INVESTMENT BY PLATFORMS

Douyin takes the lead in the amount of investment, becoming the most popular seeding platform for brand owners. RED has the fastest growth rate in proportion of investment amount. More and more brands start to invest more on RED.



Source: Topklout, Commercial KOL Market

EXPERT BITE

Q: WHAT ARE YOUR RECOMMENDATIONS FOR BRANDS CHOOSING BETWEEN HUMAN AND VIRTUAL KOLS?

We can't ignore the elephant in the room (virtual KOLs); the truth is that this trend will begin to take its ground in the market the way Ai art has in the west. I recommend using whatever's "hot" in the market; it will directly benefit your brand. As they say, "go with the flow." Jumping on the virtual KOL trend is "hot" right now.



DAVID GULASI

CHINA KOL

EXPERT BITE



ADA LI

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE YOUR SUGGESTIONS FOR DEVELOPING MARKETING STRATEGIES AND COLLABORATING WITH KOLS IN 2023?

Marketing campaigns are not all about positive sales contribution during outbreak periods but also about the consistent communication message delivered throughout the campaign. It is key to come up with an effective creative idea both aligning with the brand's DNA and uniquely responding to the customers' needs.

When it comes to collaborating with KOLs, try to explore different formats of collaboration, be it short-term live-streaming promotion, long-term partnership or regular products seeding. Also, the KOL selection criteria should be based on whether the influencer can bring out the brand spirit and contribute to exploring other potential groups of customers.

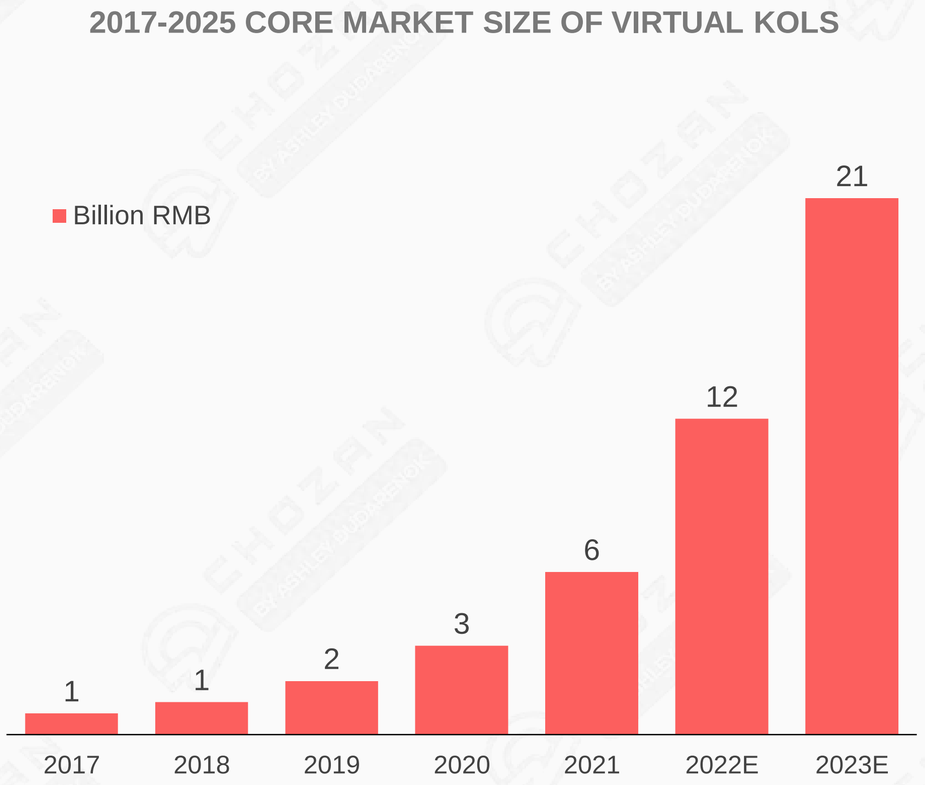
GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

KOL INSIGHTS

VIRTUAL KOL MARKET SIZE

China's virtual KOL, are digitally generated characters, there are virtual singers, virtual IP characters and hyper-realistic virtual human. China’s virtual KOL industry is expected to grow to 20.52 billion RMB by 2023.

In the past three years, more than 30 brands coopertaed with virtual humans, and virtual humans have gradually gained a share of the endorsement market. Under such circumstances, in order to better promote the brand and create new attractions, brands have also begun to launch their own avatars.



Source: iimedia, 2022 China Virtual human industry report

KOL INSIGHTS

VIRTUAL KOLS

1.0- Virtual singers



Luo Tianyi: A Chinese VOCALOID, China's biggest virtual idol.

2.0 - Virtual idols



WXWZ boy group: a virtual boy group developed by TiMi Studio. It is based on their IP, Honor of Kings.

Ye Xiu: An Esports player of Glory. Awarded as "Most Popular Virtual drama Idol" in 2022

3.0 - Hyper-realistic virtual KOL



AYAYI: Was created in May of 2021 as first "meta-human" in China.

Ling: China's First AI Virtual Influencer, launched in May 2020.

KOL INSIGHTS

FALL OF KOLS

Earlier in 2021, China tightened regulations on influencers industry in regards to their use of multi-channel networks (MCNs). The names of MCNs that influencers belongs to should be displayed on the account's profile page in Douyin, Weibo, RED and WeChat.

At the same time, the government also pay more attention to the content regulations and influencers investigations, avoiding the incorrect values and negative guidance to audience.

The disappearance of Li Jiaqi in 2022, the super live streamer in China and the collapse of another Chinese top KOL Viya in 2021, give the brands a concern on the KOL marketing strategies and how to have a reliable and "safe" choice.



#People's Daily criticized Influencer @大logo#

Hashtag views: 27,360,000
Discussion posts: 4159



#KOLs exaggerate acid skincare products, misleading the consumers#

Hashtag views: 52,662,000
Discussion posts: 2570

KOL INSIGHTS

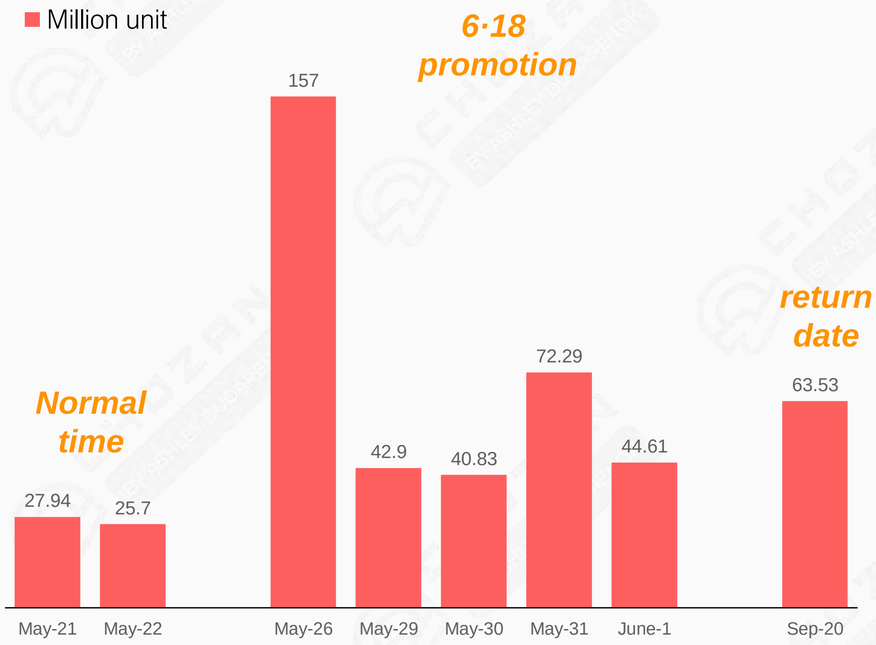
FALL OF KOLS - AUSTIN LI

On June 3rd, 2022, Austin Li, China's top livestreaming sales influencer with over 60 million followers on the Alibaba-owned e-commerce platform Taobao, his live stream channel was suddenly cut after he promoted an ice cream product which was decorated as a tank. Although he said it was due to “technical difficulties” after the live stream, most people understand it triggered some sensitive issues in China.

After 3 months, Austin Li returned to his channel on September 9th, attracting more than 63 million viewers in the 2-hour live stream.



2022 NUMBERS OF VIEWERS OF AUSTIN LI LIVESTREAM CHANNEL VIEWERS DURING



Source: Soochow Securities

KOL INSIGHTS

FALL OF KOLS - VIYA

Viya, a top live streamer in China with tens of millions of followers, the “queen of livestreaming ”, was fined $210 million for tax evasion in December 2021. After the scandal, all of her accounts, as her business platforms, were vanished from internet in accordance with the authorities' stipulations.



EXPERT BITE



ANGELA ZHANG

Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE YOUR RECOMMENDATIONS FOR PLANNING MARKETING CAMPAIGNS AND WORKING WITH KOLS IN 2023?

In the post-pandemic era, rather than joining in on an online campaign, Gen Z prefers outdoor activities which have the value of relieving stress and socializing. Brands are also paying attention to the trend of outdoor socialization. On RED, which is good at building community circles, brands cooperating with KOLs and KOCs have launched a series of campaigns such as camping, frisbee, hiking, surfskate, cycling, etc., to help users create new opportunities.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: IN YOUR VIEW, WHAT ARE THE TOP 3 ISSUE CHINA WILL NEED TO NAVIGATE THIS DECADE. WHAT DOES THIS MEAN FOR BUSINESSES?



ZAK DYCHTWALD

Founder of Young China Group

Who will care for the old? China's enormous baby boomer generation that drove the manufacturing revolution is rounding into retirement. The one-child gen cannot support them. A failure to look after China's aging population could be an economic, political, and spiritual crisis all rolled into one. It's a youth issue as much as it is an elderly issue.

Can China go global? China's most prominent companies have done a phenomenal job of unearthing consumption at home. They have largely failed to go global with great success, with several notable exceptions. This decade should define not only the government as a global power but also China's companies.

How will the housing bubble play out? This is an economic issue that will very quickly turn political, as a vastly disproportional amount of household wealth is wrapped up in property in China. A housing crash could cause enormous political instability and a seriously damaged consumer confidence.

MARKETING CALENDAR 2023

EDITORIAL CALENDAR

JANUARY 2022

Buzzwords and key themes to pay attention to:

- **New Year's Day:** Holiday, life, new year,
- **Spring Festival:** Get together, family reunion, get back home
- **Ali Spring Festival's Shopping Festival:** discounts, time limited offering
- **World Education Day:** Education, books

JANUARY

S	M	T	W	T	F	S
1 New Year's Day	2	3	4	5	6	7
8	9 Spring Festival's shopping festival	10	11	12	13	14
15	16	17	18	19	20	21 Spring Festival Eve Hugging Day
22 Spring Festival	23	24 World Education Day	25	26	27	28
29	30	31				

EDITORIAL CALENDAR

CREATIVE REFERENCES

JANUARY

Spring Festival celebration and promotion



Screenshot of a brand ambassador poster during Douyin Spring festival's shopping festival



Screenshot of Oreo interactive games of drawing lucky lots for next year in WeChat mini program

EDITORIAL CALENDAR

FEBRUARY 2022

Buzzwords and key themes to pay attention to:

- **Lantern Festival:** End of spring festival, family
- **Valentine's Day:** Romantic economy, gifts, roses, dinners, hotels

FEBRUARY

S	M	T	W	T	F	S
			1	2	3	4
5 Lantern Festival	6	7	8	9	10	11
12	13	14 Valentine's Day	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

EDITORIAL CALENDAR

CREATIVE REFERENCES

FEBRUARY

Valentine’s Day promotion



Screenshot of Perfect Diary Valentine’s Day limited gift box



Screenshot of Tmall Supermarket x Douban group “persuasion report” and coupons for Valentine’s Day

EDITORIAL CALENDAR

MARCH 2022

Buzzwords and key themes to pay attention to:

- **Women's Day:** Women power, feminism, queen's festival
- **Arbor Day:** environment protection, Eco-friendly, ESG, carbon deduction, go green
- **World Consumer Rights Day:** food safety, corporate social responsibility

MARCH

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8 Women's Day	9	10	11
12 Arbor Day	13	14	15 World Consumer Rights Day	16	17	18
19	20	21 Spring Equinox	22	23	24	25
26	27	28	29	30	31	

EDITORIAL CALENDAR

CREATIVE REFERENCES

MARCH

Women's Day promotion and Woman power



Screenshot of NEI WAI "No body is nobody" campaign



Screenshot of PROYA "3·8" Campaign - *It's Gender, NOT Border*

EDITORIAL CALENDAR

APRIL 2022

Buzzwords and key themes to pay attention to:

- **Fool's Day:** Holiday, life, labour
- **Chingming Festival:** discounts
- **World Health Day**: Mother, family, maternal love
- **Earth Day**: Environment protection, Eco-friendly, Healthy, people and nature
- **World Book Day**: Knowledge, books, education

APRIL

S	M	T	W	T	F	S
						1 Fool's Day
2	3	4	5 Qingming Festival	6	7 World Health Day	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22 Earth Day
23 World Book Day	24	25	26	27	28	29
30						

EDITORIAL CALENDAR

CREATIVE REFERENCES

APRIL

Earth Day Campaigns



Screenshot of Starbucks “Tomorrow Latte” campaign, give free Caramel Mousse Latte with oat milk to customers



Screenshot of POP MART recycle paper bag - customers could get a piece of free cake with five paper bags

EDITORIAL CALENDAR

MAY 2022

Buzzwords and key themes to pay attention to:

- **Labour Day:** Holiday, life, labour
- **International Youth Day:** Young generation
- **Mother's Day**: Mother, family, maternal love
- **Food Festival**: Foodie, delicious food
- **Network Valentine's Day**: confession, love, I love you, gifts
- **Network Valentine's Day:** Health, lung health

MAY

S	M	T	W	T	F	S
	1 Labour Day	2	3	4 International Youth Day	5	6
7	8	9	10	11	12	13
14 Mother's Day	15	16	17 Food Festival	18	19	20 Network Valentine's Day
21	22	23	24	25	26	27
28	29	30	31			

EDITORIAL CALENDAR

CREATIVE REFERENCES

MAY

Mother's Day Campaign



Screenshot of Starbucks "Tomorrow Latte" campaign, give free Caramel Mousse Latte with oat milk to customers

"5·20" Network Valentine's Day Campaign



Screenshot of I DO x Honor of Kings co-branding diamond ring

EDITORIAL CALENDAR

JUNE 2022

Buzzwords and key themes to pay attention to:

- **Children's Day:** nostalgic, toys, candies
- **National College Entrance Examination:** Examinations
- **6.18 Shopping Festival:** discounts, presale, livestreaming
- **Father's Day:** Dad, masculine, gifts
- **Dragon Boat Festival:** Zongzi, dragon boat, green

JUNE

S	M	T	W	T	F	S
				1 Children's Day	2	3
4	5	6	7 National College Entrance Examination	8	9	10
11	12	13	14	15	16	17
18 6.18 Shopping Festival Father's Day	19	20	21	22 Dragon Boat Festival	23	24
25	26	27	28	29	30	

EDITORIAL CALENDAR

CREATIVE REFERENCES

JUNE

Father's Day Campaign



Screenshot of Jiang Xiao Bai Father's Day Campaign "Tell Fathers 520" to promote their new product "Jiang Xiao Bai 52°"

6·18 Shopping Festival



Tmall Global launched localized advertisement with International brands

EDITORIAL CALENDAR

JULY 2022

Buzzwords and key themes to pay attention to:

- **The CCP Anniversary:** love the party and the country, mainstream theme, red
- **World Emoji Day:** Emojis
- **2023 FIFA Women's World Cup:** Sports, women power
- **International Friendship Day:** Friendship, celebration

JULY

S	M	T	W	T	F	S
						1 The Chinese Communist Party Anniversary
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17 World Emoji Day	18	19	20 2023 FIFA Women's World Cup	21	22
23	24	25	26	27	28	29
30 International Friendship Day	31					

EDITORIAL CALENDAR

CREATIVE REFERENCES

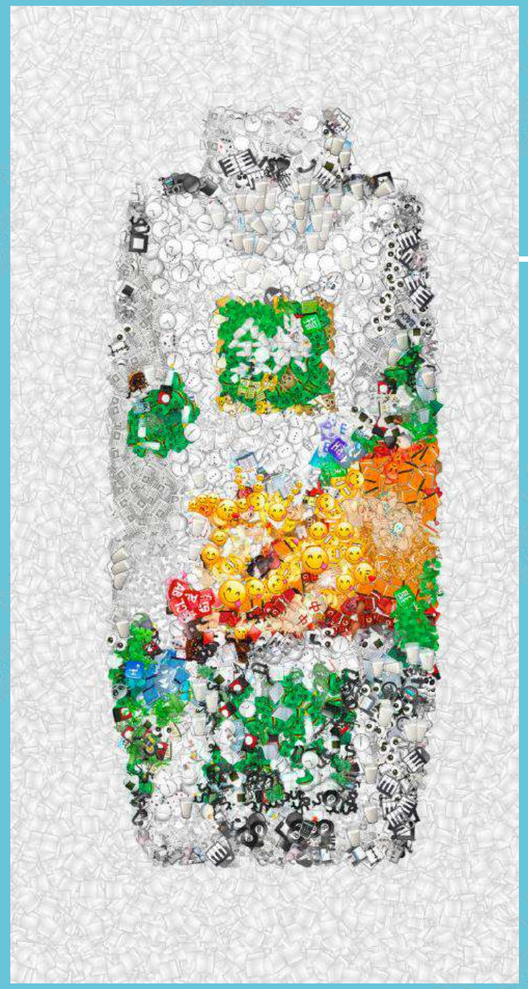
JULY

CCP Anniversary



Screenshot of staff from Meng Niu, who are also the CCP member did volunteer work during pandemic

World Emoji Day



Screen shot of weibo post of the Liquid milk brand Satine from Yili on World Emoji Day

EDITORIAL CALENDAR

AUGUST 2022

Buzzwords and key themes to pay attention to:

- **Army Day:** respect, Bing Gege/Brother Soldier
- **Liqiu/Autumn Commences:** tie qiu biao/eat more and eat health
- **Qixi:** love, affection, romance
- **2023 FIBA Basketball World Cup:** Sports, basketball

AUGUST

S	M	T	W	T	F	S
		1 Army Day	2	3	4	5
6	7	8 Liqiu/Autumn Commences	9	10	11	12
13	14	15	16	17	18	19
20	21	22 Qixi (Chinese Valentines Day)	23	24	25 2023 FIBA Basketball World Cup	26
27	28	29	30	31		

EDITORIAL CALENDAR

CREATIVE REFERENCES

AUGUST

Chinese Valentine's Day



Screenshot of Tmall co-branding campaign "Love Vegetables"



Screen shot of Budweiser "Eyes Talk" campaign during Chinese Valentine's Day

EDITORIAL CALENDAR

SEPTEMBER 2022

Buzzwords and key themes to pay attention to:

- **The First Day of School:** new device, ‘good good study, day day up’
- **Teachers’ Day:** Respect, thanks
- **National Tooth Care Day:** Tooth-care, tooth health
- **Qiufen/Autumnal Equinox:** crab
- **The Mid-autumn Festival:** moon cake, enjoy the glorious full moon, family reunion

SEPTEMBER

S	M	T	W	T	F	S
					1 The First Day of School	2
3	4	5	6	7	8	9
10 Teachers’ Day	11	12	13	14	15	16
17	18	19	20 National Tooth Care Day	21	22	23 Qiufen/Autumnal Equinox
24	25	26	27	28	29 The Mid-autumn Festival	30

EDITORIAL CALENDAR

CREATIVE REFERENCES

SEPTEMBER

Mid-Autumn Festival



Screenshot of NetEase Cloud Music Mid-Autumn Festival Campaign - “Write the music review on the moon”



Screen shot of BEAST Mid-autumn Festival special designed products

EDITORIAL CALENDAR

OCTOBER 2022

Buzzwords and key themes to pay attention to:

- **National Day:** Golden week, travel, consumption
- **World Day for the Eradication of Poverty:** donate, care for others, saving
- **Double Ninth Festival:** Tooth-care, tooth health
- **Halloween:** Party, costume

OCTOBER

S	M	T	W	T	F	S
1 National Day	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17 World Day for the Eradication of Poverty	18	19	20	21
22	23 Double Ninth Festival	24	25	26	27	28
29	30	31 Halloween				

EDITORIAL CALENDAR

CREATIVE REFERENCES

OCTOBER

Mid-Autumn Festival



Screenshot of NetEase Cloud Music Mid-Autumn Festival Campaign - “Write the music review on the moon”

Halloween



Screen shot of Holiland Halloween special products

EDITORIAL CALENDAR

NOVEMBER 2022

Buzzwords and key themes to pay attention to:

- **Double 11 Shopping Festival:** Biggest online promotion, discounts, stockpile
- **Thanksgiving Day:** Thanks
- **Black Friday:** discounts, import products

NOVEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11 Double 11 Shopping Festival
12	13	14	15	16	17	18
19	20	21	22	23 Thanksgiving Day	24 Black Friday	25
26	27	28	29	30		

EDITORIAL CALENDAR

CREATIVE REFERENCES

NOVEMBER

Double 11 shopping festival campaign



Screenshot of Tmall and Nike co-branding poster



Screenshot of Tmall Global shopping festival 2022 poster - encourage the live streamer to promote farm products

EDITORIAL CALENDAR

DECEMBER 2022

Buzzwords and key themes to pay attention to:

- **Double Twelve Shopping Festival:** Discounts, stockpile
- **Winter Solstice:** dumpling, Tangyuan, prepare for spring festival
- **Christmas Eve and Day:** Gifts, party

DECEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12 Double Twelve	13	14	15	16
17	18	19	20	21	22 Winter Solstice	23
24 Christmas Eve	25 Christmas Day	26	27	28	29	30
31 New Year's Eve						

EDITORIAL CALENDAR

CREATIVE REFERENCES

DECEMBER

Christmas campaign



Screenshot of Zeze Christmas-themed Cat tree product

New Year's Eve campaign



Screenshot of PROYA offline and online campaign - New Year's poetry exhibition

EXPERT BITE



FIONA LU

Marketing Executive at
Alarice and ChoZan

Q: WHAT ADVICE CAN YOU GIVE FOR BRANDS DEVELOPING A MARKETING STRATEGY FOR CHINA IN 2023?

China market is ever-changing at an incredible speed, but the core always remains the same, namely to stand in consumers' shoes and solve their problems. When considering their needs, besides material level, non-material ones - such as self-improvement desires in the post-covid era - are also crucial. It requires brands to think bigger for more emotional values that can truly benefit and convince consumers.

GOT A QUESTION? DROP US AN EMAIL BY SCANNING THE QR CODE

EXPERT BITE

Q: WHAT DO YOU EXPECT 2023 TO BE FOR CHINA: A GOOD YEAR OR NOT. WHY?

Having attended the World Economic Forum (WEF) in Davos in January and talking to key policymakers and CEOs, I remain bullish on the outlook for the Chinese economy this year as a growth driver for the world. At the annual meeting in the Swiss mountains, China's Vice-Premier Liu He declared his country open to the world after three years of pandemic isolation, and emphasized international cooperation, economic stability and re-globalization.

Without major financial disruptions and geopolitical shocks, I believe that China's economy will be able to grow at a pace of 4.4% in 2023 as forecast by the International Monetary Fund (IMF) or slightly higher.



MARTINA FUCHS

TV Anchor & Business Journalist

EXPERT BITE

Q: IN YOUR VIEW, WHAT ARE THE CHALLENGES AND OPPORTUNITIES IN CHINA IN 2023?

We can be upbeat about China because of the removal of Covid restrictions and lockdowns; China's new rescue plan for the property sector; a more moderate and less hawkish US monetary policy in 2023; improving geo-politics, especially the US-China relationship following the recent meeting in Bali between President Xi and President Biden; pent up consumer demand following months of lockdowns and a significant rise in the personal savings rate (some reports indicate that personal savings in China has increased by RMB 10 trillion in the last 3 years); expected further Government stimulus to restore the economy to pre-pandemic levels (keep an eye on the March 2023 CCP meeting), with an expected GDP growth rate of potentially over 5%.

Recent reports to clients from large institutional investment firms (e.g., Morgan Stanley and UBS) which suggests they are turning bullish on the China market. As an example, see Morgan Stanley Upgrades China Stocks on Reopening Bullishness.



DR. GARRY WILLINGE

Co-founder of Mars World Enterprises

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CHINA MARKET ENTRY

EXPERT BITE

Q: IN YOUR EXPERIENCE, WHAT IS THE BEST WAY TO DEVELOP AN INTEGRATED MARKETING STRATEGY FOR CHINA IN 2023? ?

In my experience, a sound integrated marketing strategy is usually made up of a few key components:

- Determine the right team of resources to ensure we have the right person for the job
- Defining your audience and goals
- Delivering a consistent brand experience that true to your purpose
- Developing impactful content that is adaptable across multiple channels
- Decide how you can optimize the campaign using data and insights when measuring success

In a world of evolving consumer expectations, expect things to change quickly so be agile and decisive when it comes.



LEYA TEO

Managing Director at AKA Asia

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1

UNDERSTAND YOUR INDUSTRY

THE CHINESE MARKET IS AN ENORMOUS ECONOMIC GIANT AND IS ALSO HIGHLY COMPLEX. THEIR ECONOMIC TIERS ARE DIVIDED ACCORDING TO THEIR CITY TIERS, WITH TOP-TIER CITIES LIKE BEIJING AND XIACHEN CITIES (LOWER-TIER) LIKE JINAN OR HEFEI.

IT IS CRUCIAL TO UNDERSTAND THE MARKETING DIFFERENCE BETWEEN THE TWO

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2

KNOW WHICH STAGE YOU ARE IN

KNOWING WHERE YOU STAND IN YOUR JOURNEY AS A BRAND TO BECOME ESTABLISHED IN CHINA IS IMPORTANT TO PLAN YOUR FUTURE STEPS

CHINA MARKET ENTRY

KNOW WHICH STAGE YOU'RE IN

IDEA STAGE

- Still looking to enter China.
- No concrete structure

RESEARCH STAGE

- Identified targets
- Not established in China yet (no structure or organization)
- Has background information on Chinese industry(ies)

NEWCOMER STAGE

- Has established business in China
- With organizational structure
- Looking to start marketing efforts

ESTABLISHED STAGE

- Has established brand in China
- Has in-house Chinese marketing team
- Looking to grow brand in China and improve sales

Source: China Mobile Internet Half Year Report, QuestionMobile

3

INITIATE LOCALISATION AND UNDERSTANDING OF CHINESE CULTURE

CHINESE CONSUMERS HAVE CERTAIN CONSUMER AND CULTURAL VALUES THAT BRANDS NEED TO INCORPORATE TO THEIR MARKETING.

LOCALISE MARKETING EFFORTS AND ACTIVELY UNDERSTAND TRADITIONAL CONSUMERS

4

PREPARE FOR PR CRISES

FOREIGN BRANDS WHO LACK DILIGENCE IN OBSERVING CHINESE VALUES OFTEN HAVE PR CRISES IN CHINA. HAVING A GOOD PR TEAM AND PREPARING FOR PR CRISES BY SHOWING APPRECIATION FOR CHINESE CONSUMERS IS A MUST.

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5

IMPLEMENT YOUR STRATEGY ACCORDING TO YOUR PROGRESS

BUILD YOUR BRAND A STRONG FOUNDATION AND ACCOMPLISH YOUR GOALS BY FOLLOWING A SOLID PLAN.

CHINA MARKET ENTRY

NEXT STEPS FOR YOUR BRAND ACCORDING TO THE STAGE

IDEA STAGE

- Set consultation for deeper Chinese analysis
- Take video courses on understanding the Chinese economic landscape

RESEARCH STAGE

- Do market research.
- Formulate a China market entry strategy according to your industry.
- Create a brand marketing plan
- Set up your Chinese brand name.

NEWCOMER STAGE

- Create your Chinese online presence (social media, e-commerce)
- Launch appropriate marketing campaigns
- Implement content marketing

ESTABLISHED STAGE

- Extend to new consumer groups
- Do brand upgrade with themed campaigns (festivals etc.)
- Branch out to new Chinese social media or e-commerce platforms
- Try out the Chinese metaverse

Source: China Mobile Internet Half Year Report, QuestionMobile

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6

CHECK FOR RELEVANT CHINESE REGULATIONS

CHINA'S GOVERNMENT IS PROACTIVE IN PROTECTING AND PROMOTING ITS DIGITAL SPACE. BRANDS NEED TO BE AWARE OF RELEVANT CHINESE REGULATIONS AND ADJUST THEIR MARKETING EFFORTS ACCORDINGLY.

EXPERT BITE

Q: WHEN IT COMES TO SOCIAL MEDIA MARKETING IN CHINA IN 2023, FIRMS NEED TO FOCUS ON WHICH STRATEGIES?

Brands need to do truly focus on building media assets that are owned and created inhouse, using these to build owned audience slowly and cumulatively, and owned community. Brands really need to rely less on influencers and borrowed reach. Brands can further remove risk by building out virtual influencers – think back to the days of character IP from branded campaigns in advertising.

Brands shall embrace owned audience via media assets, virtual influencer or otherwise, inhouse video and live functions, now, to succeed in 2023 because that's what the audience are preferring, and it's what the platforms are delivering.



ARNOLD MA

Founder and CEO at Qumin

EXPERT BITE

Q: WHAT ARE YOUR RECOMMENDATIONS FOR FOREIGN BRANDS IN CHINA?

We have seen some brands being able to increase their conversion 10 folds by having the right clientele, user Interface, data management, and marketing automation approach. On top of this, brands that will win it all in 2023 after fully building their omnichannel playbooks will be the ones setting up attractive Loyalty Systems to ensure they remain relevant and interesting for their clients.

Last but not least, brands should beware to not get fooled by setting up a process where you need to check boxes and subscribe to new systems like sCRM, CDP, and CRM. Most companies today are not using more than 20% of the functionalities of the tools they are purchasing. Therefore, it is best to first maximize the projects and processes you are currently leveraging before moving to a new one. Each technology will always need the support of a consultant to maximize its output despite what technology vendors tell you initially. Do not neglect that effort.



AURELIEN RIGART

VP and Co-Founder of
IT Consultis

EXPERT BITE



SYCA JIANG

Head of Strategy at
Alarice and ChoZan

Q: WHAT CAN YOU RECOMMEND FOR BRANDS ENTERING CHINA EARLY 2023?

With the rise of localized brands and consumers' growing attention to brand and quality, the competition in the Chinese market is becoming more and more intense. Before entering the Chinese market, you must be well prepared. First of all, you need to understand the current status and future trends of your industry in China, and what are the opportunities and challenges if you enter at this time.

Second, we need to know which key players are in the industry, how are they performing, and what are their strategies, so that we can identify how we can stand out in the competition. Third, you need to understand what the target audience is. The market is changing rapidly and it is very important to understand the current consumer portrait, their lifestyle, consumption habits and preferences. Based on the above research insights, build a customized brand marketing strategy for the entry

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CONSULTATION ABOUT YOUR
CHINA PLAN

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ABOUT US

ALARICE AND CHOZAN

OUR CHINA MARKETING SOLUTIONS

ALARICE BY ASHLEY DUDARENOK

MARKETING RESEARCH AND STRATEGY

Our China marketing research and strategy team gives you a detailed framework that will allow you to start and grow your business in mainland China.

SOCIAL MEDIA MARKETING

We help you to localize messages, strengthen your brand image and reach out to target audiences through Chinese social media.

INFLUENCER MARKETING AND CAMPAIGNS

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

CHOZAN BY ASHLEY DUDARENOK

CORPORATE TRAINING

We can increase your expertise on the Chinese market, Chinese consumers and Chinese social media with tailor-made masterclasses that put your team at the forefront. We do this by running courses around the world that you can join and creating corporate training programs for your team.

KEYNOTE SPEECHES

Our founder, Ashley, is a well-known speaker and can deliver keynotes full of energy, insight and inspiration that will transform your event, motivate you and help you achieve your goals.

CONSULTING CALLS

The quickest way to get your specific, urgent China marketing questions answered. Speak with Ashley or her team if you're under time pressure and need to get on the right track fast.

CHINA MARKETING VIDEO COURSES

An 8-module masterclass available to anyone with an internet connection to get them up to speed on China's market, its modern consumers and Chinese social media marketing and selling.

BOOKS AND MARKETING GUIDES

The most comprehensive books on the market about China's e-commerce landscape, Chinese social media influencers and New Retail. You can also buy our highly detailed WeChat and Weibo guidebooks to gain confidence with China's two most powerful social apps.

GOT A QUESTION?
DROP US AN EMAIL BY SCANNING THE QR CODE

WORK WITH US

ALWAYS ON TOP OF CHINA'S DIGITAL HOT TOPICS

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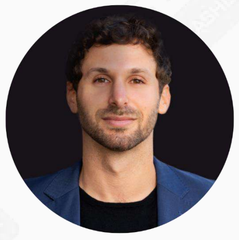
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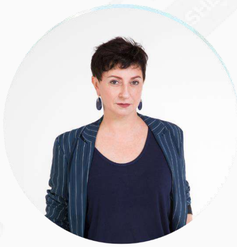
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