

EBOOK

# REACHING CHINA

PART 2

GET TO KNOW THE NEW

# CHINESE CONSUMER

Everything you need to know about the **new Chinese consumer**, how their behaviors have evolved with the pandemic and how global brands can reach China from anywhere in the world.

# IN THIS EBOOK YOU'LL LEARN

- 1 What motivates the Chinese online shopper, traveler and entertainment viewer
- 2 How consumer behavior has evolved, and what you need to know as China comes out of the pandemic
- 3 Tips for reaching the new Chinese consumer and turning consumer insight into action to get the most from your programmatic investment in China



## KEY STATS

1

55%

of people in China did more online shopping last year than they did in brick and mortar stores, **84% say they'll continue this trend into the future.**

3

42%

of consumers in China will **increase their Singles Day (11.11) spend** this year.

4

66%

of Chinese travelers will **visit multiple destinations** on their next vacation, almost twice as many as the US, who prefer to stay in one place.

2

74%



of people are subscribed to at least two streaming services...



...their selection mostly driven by the **quality of recommendations** for what they should watch next.

5

50%



of people intend to travel this year, but the **Chinese traveler likes to book their holidays last-minute**, providing marketers time to get in front of their audience before they finalize their trip.



Key stats

3

Introduction

7

1. **Chinese shoppers** >> GO TO SECTION

How Chinese shoppers compare to the rest of the world

9

2. **Online shopping festivals** >> GO TO SECTION

Shopping event spending in China will reach new heights this year

12

How do Chinese consumers like to shop?

14

Spending on doubles day in 2020, by age group

13

3. **Chinese travelers** >> GO TO SECTION

What matters most for today's Chinese traveler?

19

Home or away? Where Chinese travelers prefer to go today

21

More is better. Chinese prefer to visit multiple destinations on their holidays

20

Chinese consumers are last minute bookers

22

4. **Chinese entertainment enthusiasts** >> GO TO SECTION

Chinese consumers are connected to the most streaming services

25

Age influences content preferences more than anything else

28

What do Chinese consumers look for in a streaming service?

27

Movie theaters are the first port of call for many Chinese consumers

29

5. **Reaching the new Chinese consumer** >> GO TO SECTION

Reaching the new Chinese consumer

31

About MiQ

33



## Let's talk about China, a country home to 1.4 billion people, the world's largest middle class and consumers who are fast-becoming global trend setters.

We now live in a world, where it's almost unthinkable for global brands to set growth strategies without China featuring front and center.

However, like much of the world, China felt the effects of the pandemic. China's GDP growth rate contracted in the first quarter of 2020, the first ever negative figure since economic reform in 1978.

But China has remained resilient, consumers at the heart of the recovery. Retail sales are already 9% higher in the first half of this year, than they were in 2019. The future looks bright, yet different...

The desire from Chinese consumers to shop, travel and use streaming services for their entertainment needs remains unchanged, but the nature in which they do has changed.

More people are online than ever before - one billion. And retail sales now occur more online than they do in brick and mortar stores. A transition made much sooner than consumers elsewhere, China in many regards are leaps ahead in their digital transformation.

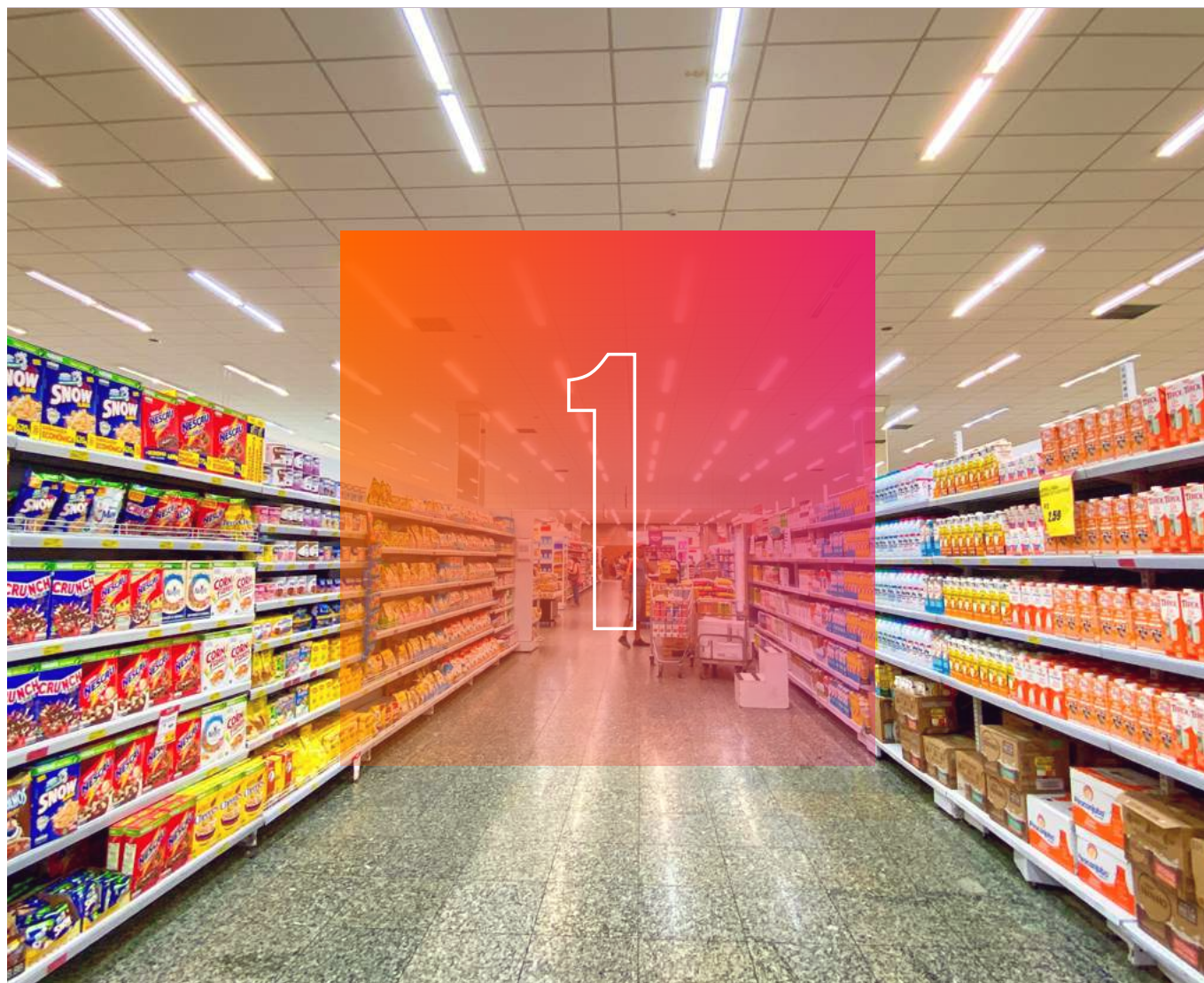
That's what this ebook is all about - giving you the most

up to date information for you to better understand the new Chinese consumer.

We'll show you how online shopping trends are changing, considerations for Chinese travelers ahead of their next trip and what's driving entertainment preferences in China.

And most importantly, how you can reach consumers in China through programmatic to act on these trends.

**Let's jump in.**



## Chinese shoppers

How Chinese shoppers compare to the rest of the world

9

The pandemic may have started sooner in China, but the country came to a standstill much like everywhere else in the world. People had no choice but to adapt to the new normal, their shopping behaviors changed, many of which remain active today.

In our survey earlier this year, we asked consumers about their shopping preferences

during the year of lockdowns. We found 55% of Chinese consumers moved their shopping online, a much faster rate compared to the global average of 40%. Chinese shoppers are spending more online, but not haphazardly. 42% make sure to do their homework prior to check out, whereas less than 30% of consumers in the US do this.

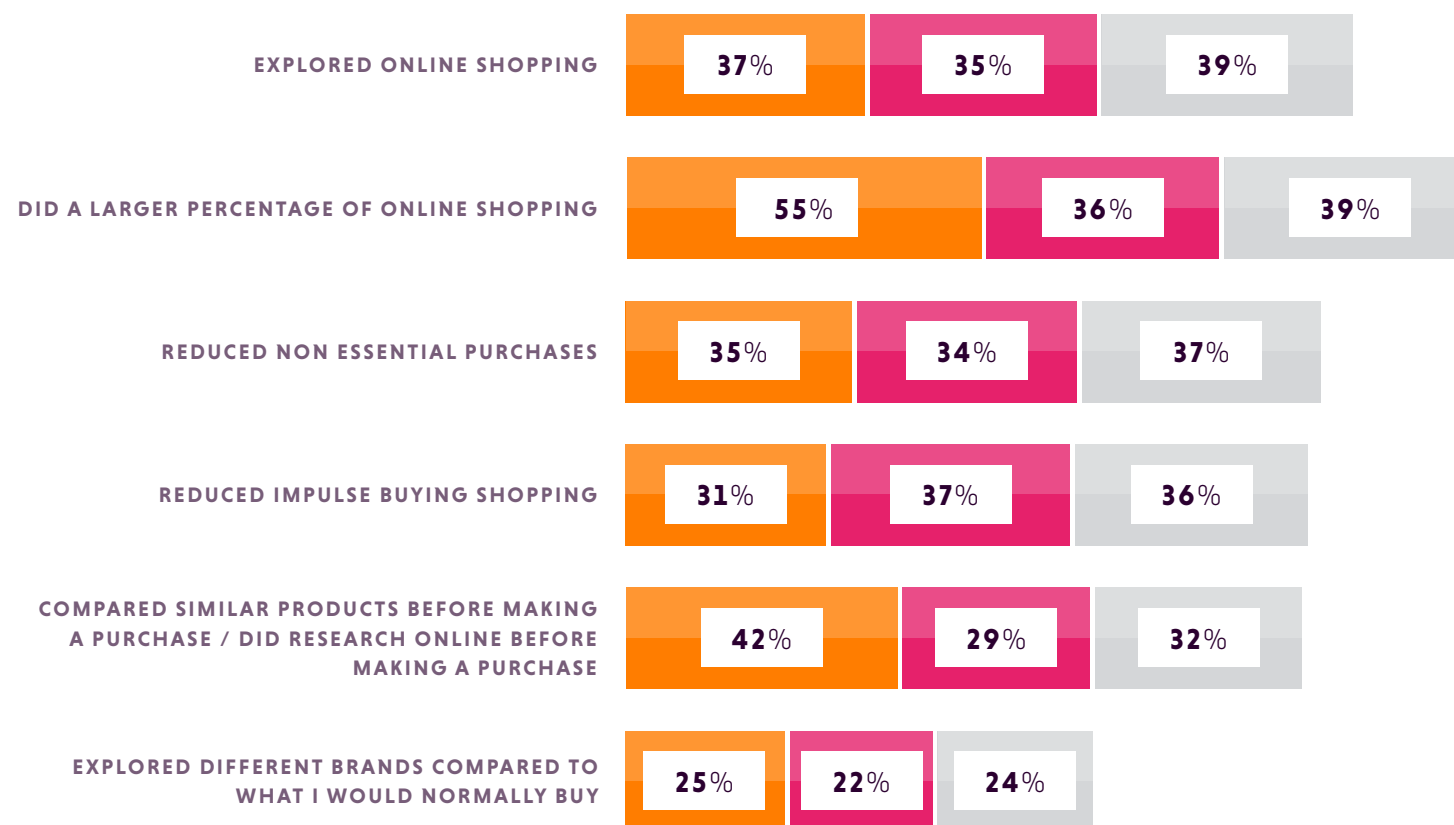
So, what kind of research is taking place before shoppers 'add to cart'? Most will consult at least 16 different sources of information on brands and their pricing over the course of three to five hours per week. It's well considered. These trends are likely to continue with 84% of these lockdown behaviors remaining long-after the pandemic. ■

### HOW CHINESE SHOPPERS COMPARE TO THE REST OF THE WORLD

■ CHINA ■ UNITED STATES ■ GLOBAL

Source: MiQ Sapio - July Study

PERCENTAGE OF RESPONDENTS





The holiday season; think Golden Week, Chinese New Year and Mid-Autumn Festival are great opportunities for marketers to reach consumers during peak shopping periods, 28% of consumers in China are ready to spend more during these periods than they did last year.

But it's not only the holiday season, online shopping festivals turn heads in China. They have become large-scale events, marked on the calendar of many Chinese consumers.

None come larger than Singles Day, also known as Double 11. Started by Taobao, Alibaba in 2009 they've moved from a one-day event to large-scale events over 11 days.

Last year, Alibaba reported \$74 billion in sales, 26% up compared to 2019. The longer sale period, and the festival now being recognized by more e-commerce businesses provides marketers with many opportunities to reach consumers.

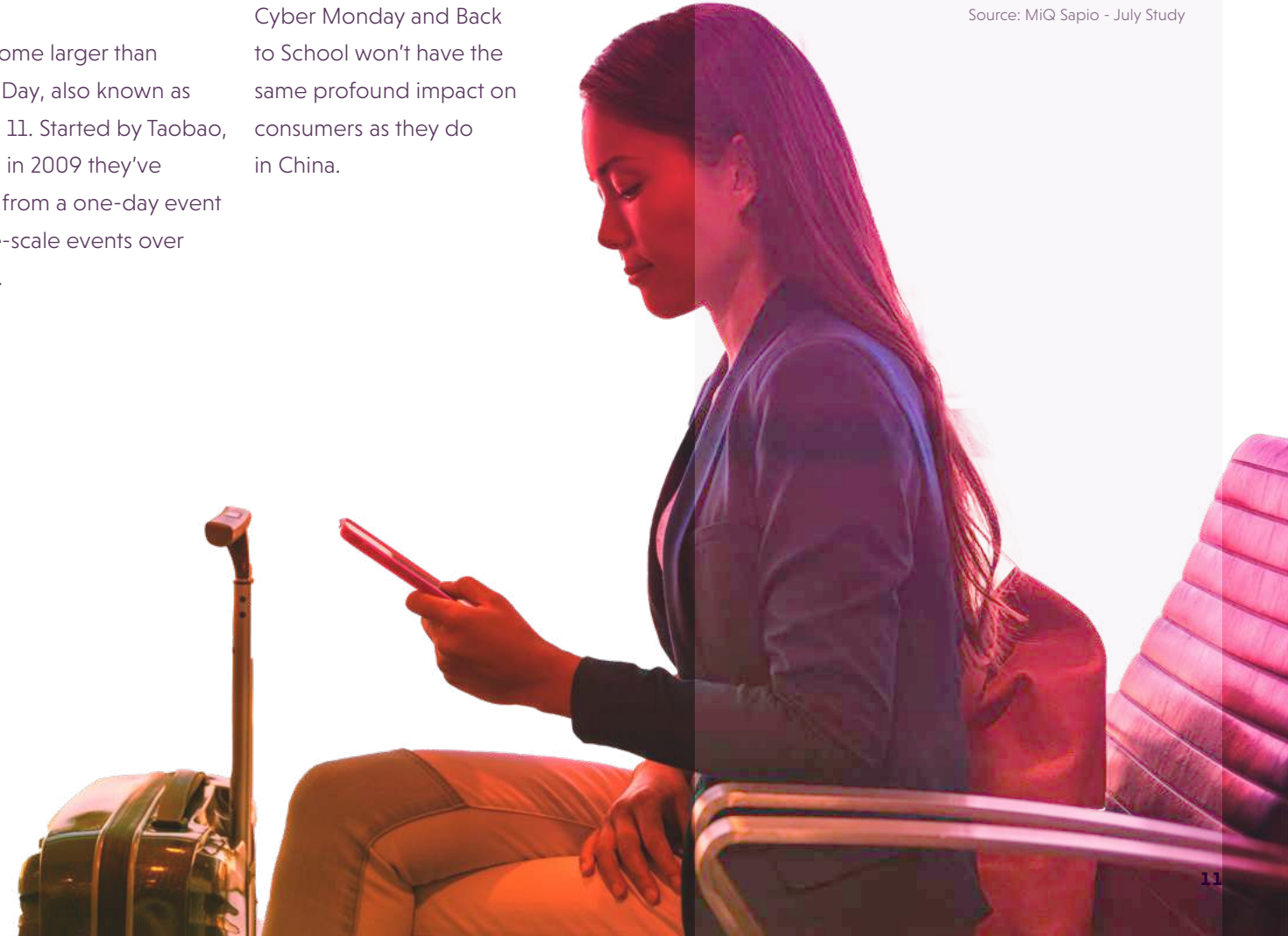
And it's important to note that consumers in China are motivated differently by shopping events than global shoppers. While Singles Day is much larger in scale, comparable shopping events such as Black Friday, Cyber Monday and Back to School won't have the same profound impact on consumers as they do in China.



**\$74 billion**

LAST YEAR, **ALIBABA** REPORTED \$74 BILLION IN SALES, **26% UP COMPARED TO 2019.**

Source: MiQ Sapio - July Study



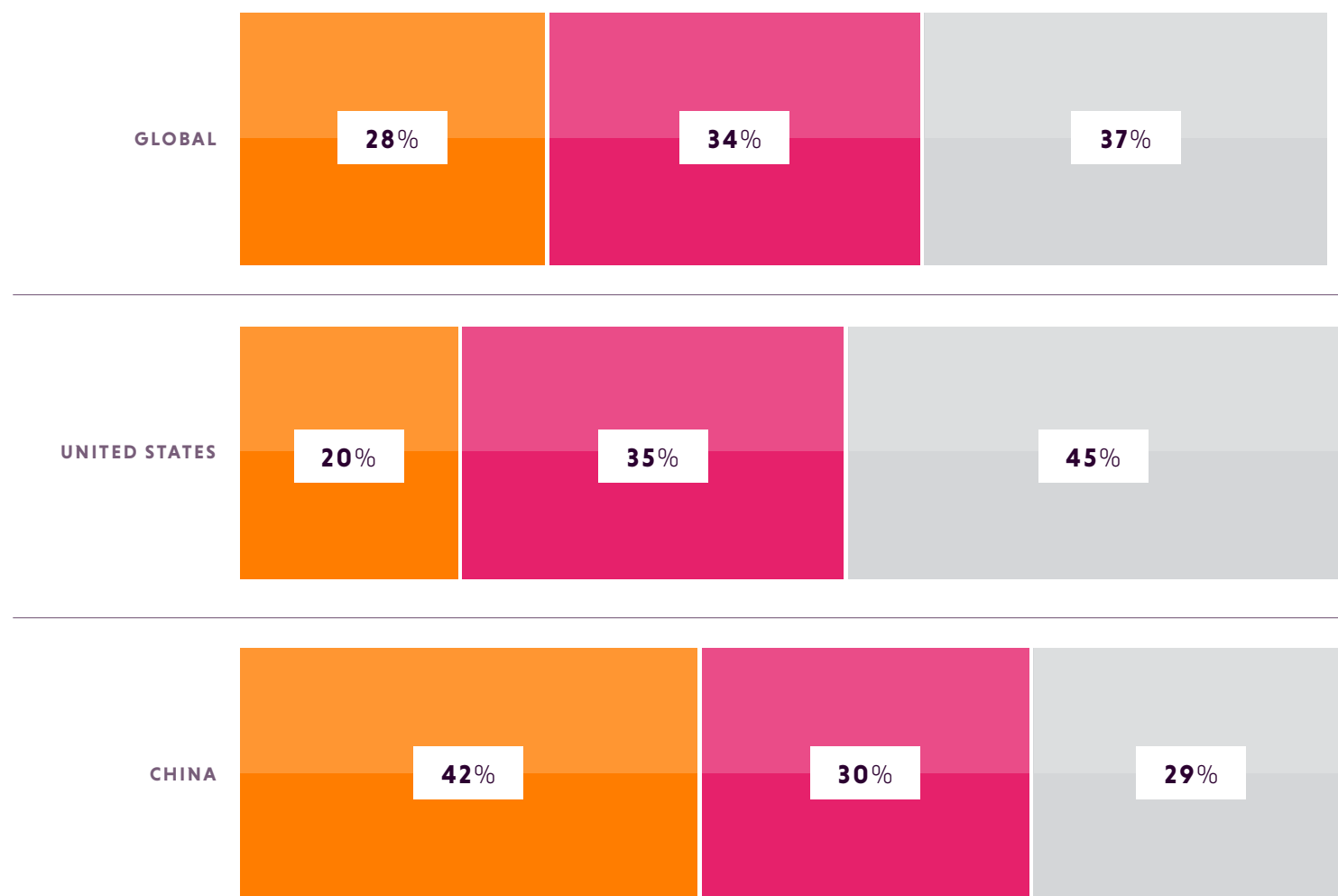
## Online shopping festivals

Shopping event spending in China will reach new heights this year	<b>12</b>	How do Chinese consumers like to shop?	<b>14</b>
Spending on doubles day in 2020, by age group	<b>13</b>		

### SHOPPING EVENT SPENDING IN CHINA WILL REACH NEW HEIGHTS THIS YEAR

■ % INCREASED   
 ■ % DECREASED   
 ■ STAYED THE SAME   
 Source: MiQ Sapio - July Study

PERCENTAGE OF CONSUMERS



Looking ahead to this year's Singles Day, our research shows 42% of shoppers will increase their spending this year, with that figure rising further for parents with children. Consumers in the US and around the world, will also increase their spend on

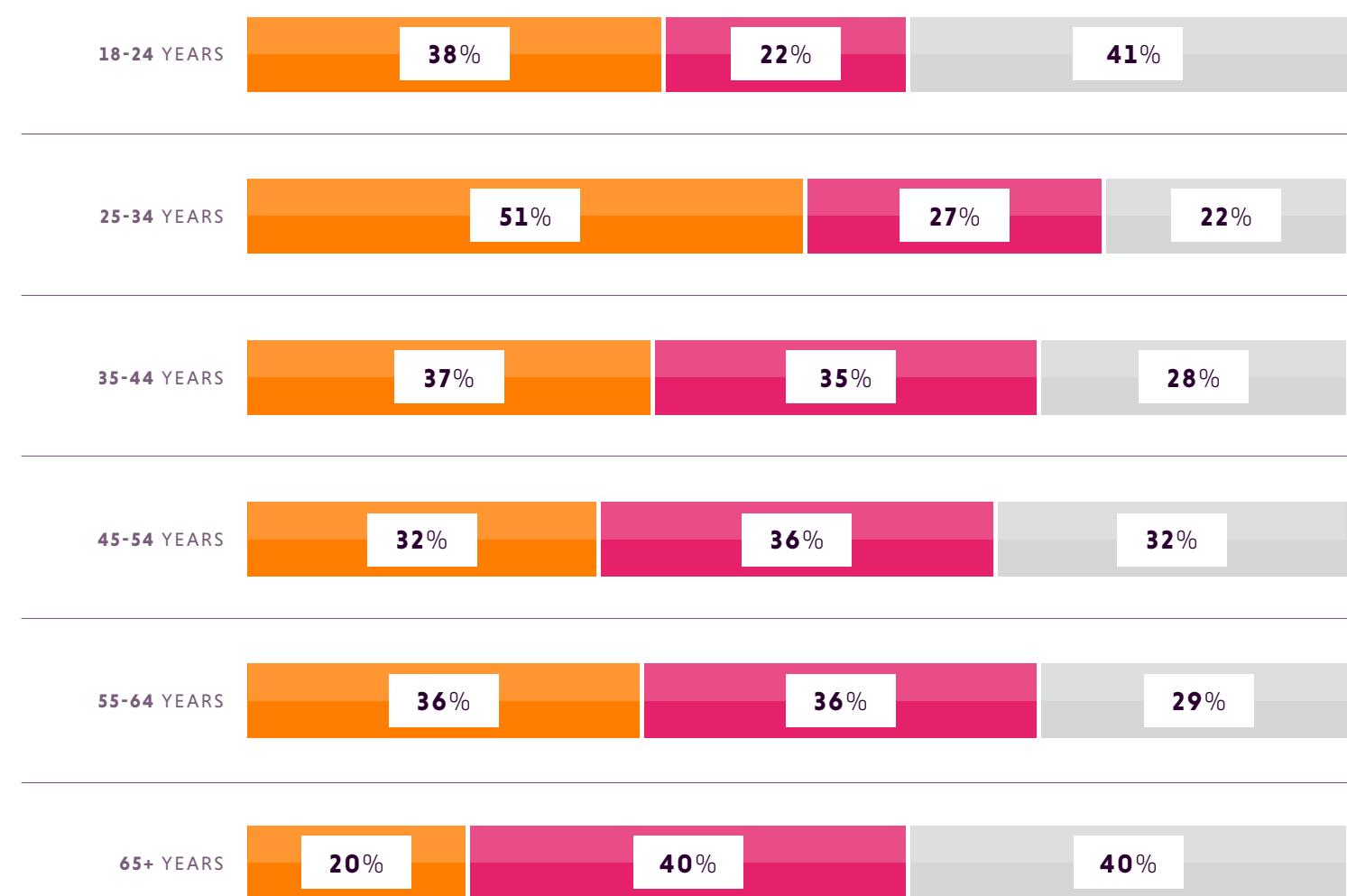
equivalent shopping events, but to a much lesser extent. Customers are spending more during the holidays and online shopping festivals but it varies by age. Those 25-34 will increase their spend the most, jumping 51% year over

year, presenting marketers the most opportunity for growth. Younger generations, aged, 18-24, will also show considerable growth, with 38% likely to spend more than they did last year. Both these age groups like to buy luxury

### SPENDING ON DOUBLES DAY IN 2020, BY AGE GROUP

■ % INCREASED   
 ■ % DECREASED   
 ■ STAYED THE SAME   
 Source: MiQ Sapio - July Study

PERCENTAGE OF CONSUMERS



items and high-end fashion apparel, contributing 56% of total spend in the luxury category. Older generations, those over 65, tend to be more careful with only 20% looking to increase their spending. 40%

say that they'll spend less in 2021 than they did in 2020. Taking age into account when marketing to Chinese consumers during the holiday and shopping festival season will be an important factor in your planning.

Looking beyond Singles Day, to broader shopping trends in China. Our research shows a clear preference for fashion, home improvement, luxury and books. China hasn't always preferred online shopping but the

pandemic has changed that. Retail sales now happen more online, the first of any market in the world to tip the scales in favor of online vs. offline. And it's something that looks like it will be sticking around for the future.

investment should follow. With so much research and consideration taken online prior to purchase, these multiple digital touchpoints provide marketers with a chance to reach consumers before that final purchase decision. And it's worth it, online retail sales are up 18.5% year over year during the first-three quarters of 2021. ■

Chinese shoppers' actions speak volumes - 'we prefer to shop online'. So advertising

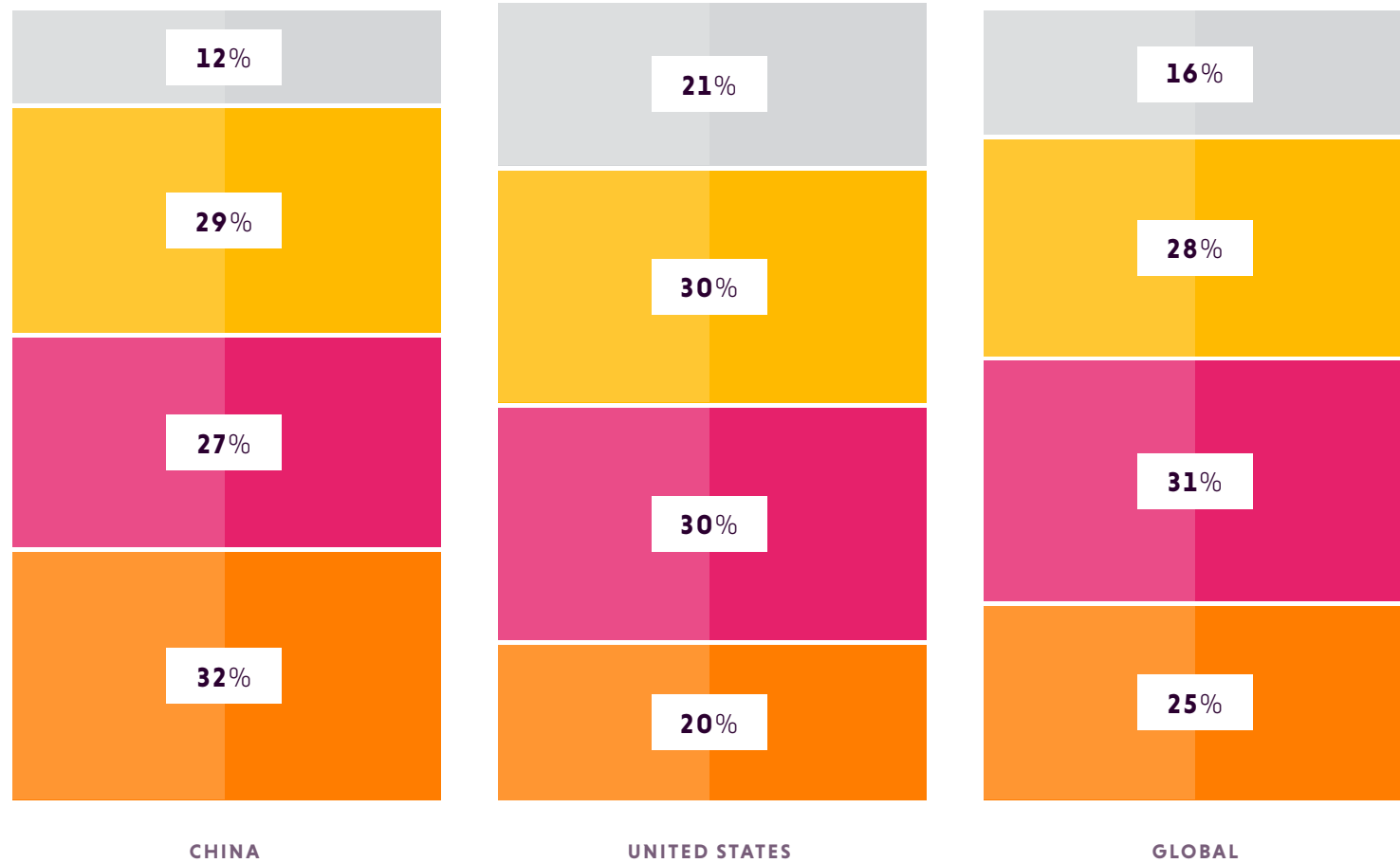


HOW DO CHINESE CONSUMERS LIKE TO SHOP?

■ MOSTLY ONLINE ■ MOSTLY OFFLINE ■ MIX OF ONLINE + OFFLINE ■ NOT SURE

PERCENTAGE OF CONSUMERS

Source: MiQ Sapio - July Study







There's an age-old expression in China: it is better to travel ten thousand miles than to read ten thousand books. Over the past couple of decades Chinese travelers have taken this saying quite literally.

At the turn of the millennium just 4.5 million traveled abroad, in 2019 that figure stood at 170 million. Not only has the number of outbound travelers increased, so has their spending. Chinese travelers now lead the way in the outbound travel market.

Chinese outbound tourists spent \$277 billion overseas

in 2019, one-fifth of global tourism expenditure and \$120 billion more than international US travelers. A remarkable amount when you consider less than 15% of China's population traveled abroad in 2019. They are undoubtedly the most lucrative travel audience in the world.

However, with the onset of the pandemic, travel preferences quickly turned domestic. More Chinese travelers choose domestic destinations now than they did in 2019. A silver lining on a subdued outbound travel market.

But what we found in our report is that the love and desire for travel in China remains. No matter their budget or their age, this remains intact. Although, what's important to them and their preferences have changed. That's what we've discovered.

The biggest rebound from the pandemic has been in leisure travel, this category showing the strongest resurgence. Business travel is taking a little longer to return to normal levels, with China behind [other countries like the US](#).



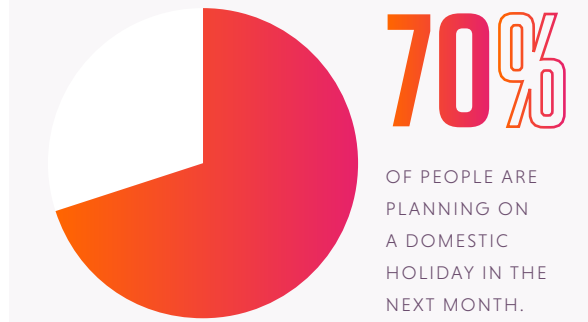
## Chinese travelers

What matters most for today's Chinese traveler?	19	Home or away? Where Chinese travelers prefer to go today	21
More is better. Chinese prefer to visit multiple destinations on their holidays	20	Chinese consumers are last minute bookers	22



Although a staggering 70% of people are planning a domestic holiday in the next month, affluent audiences are driving this forward. Chinese travelers are comfortable booking non-refundable trips, determined to get away, but they do take precautions. 59% are paying attention to travel advice and safety regulations, much more than the global audience, with only 40% citing this as one of their most

important considerations prior to travel. So how do travelers decide where to go, where to stay and what to do on holiday? Our research tells us that word of mouth is the most important source of information. 25% meanwhile turn to online reviews and ratings, more than the global travel average.

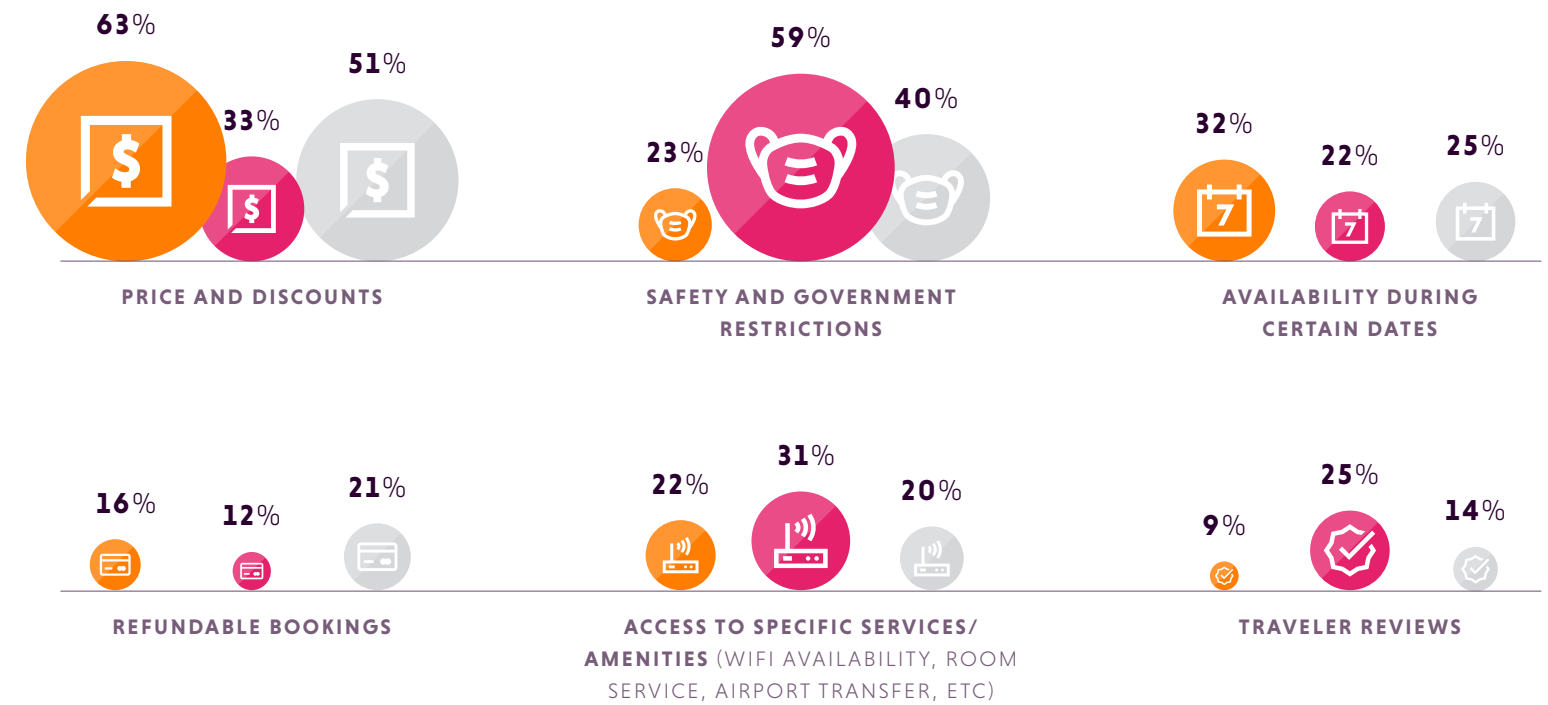


WHAT MATTERS MOST FOR TODAY'S CHINESE TRAVELER?

UNITED STATES CHINA GLOBAL

TRAVELERS CONCERNS

Source: MiQ Sapio - July Study

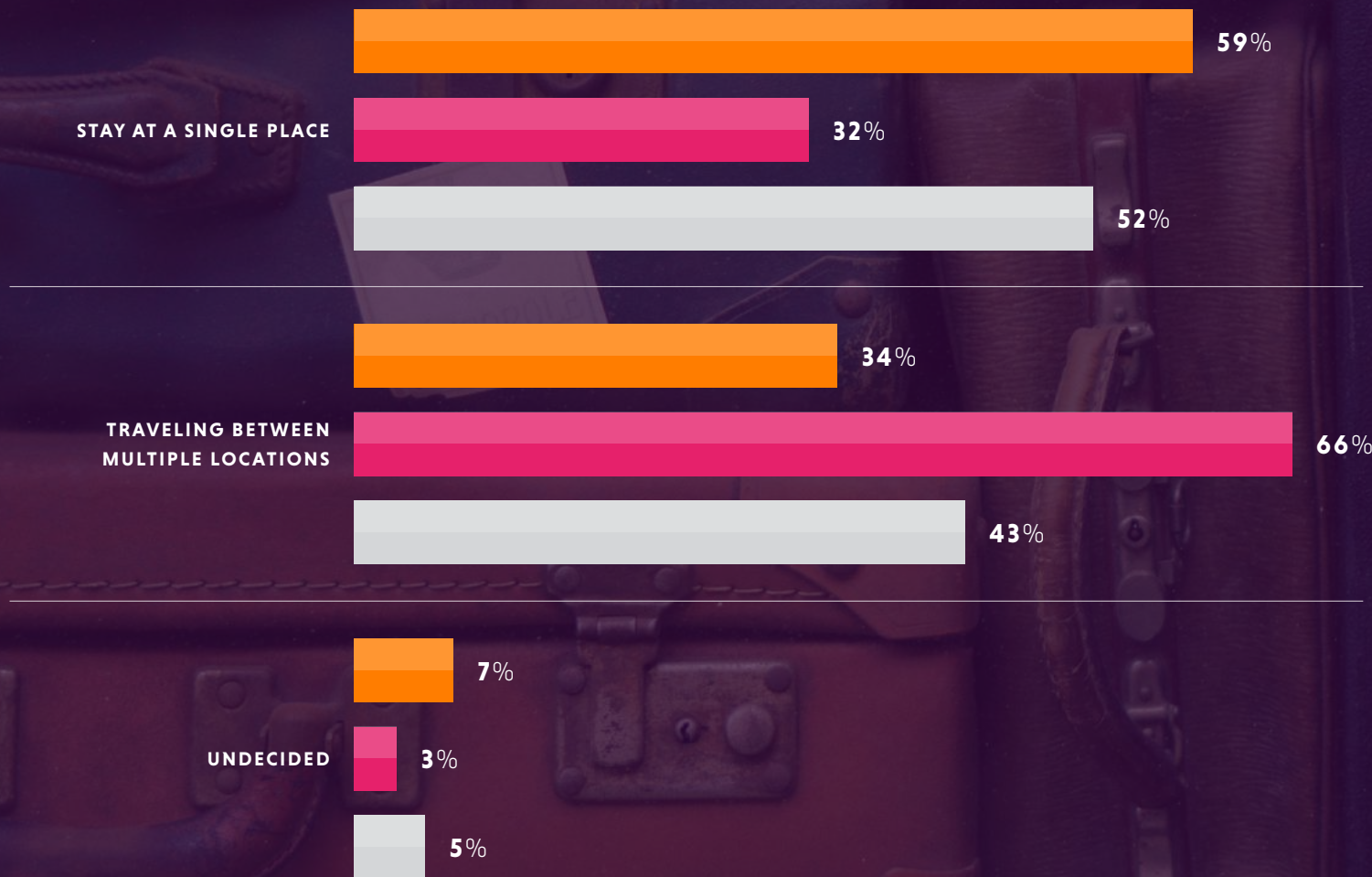


MORE IS BETTER. CHINESE PREFER TO VISIT MULTIPLE DESTINATIONS ON THEIR HOLIDAYS

UNITED STATES CHINA GLOBAL

PERCENTAGE OF CONSUMERS

Source: MiQ Sapio - July Study

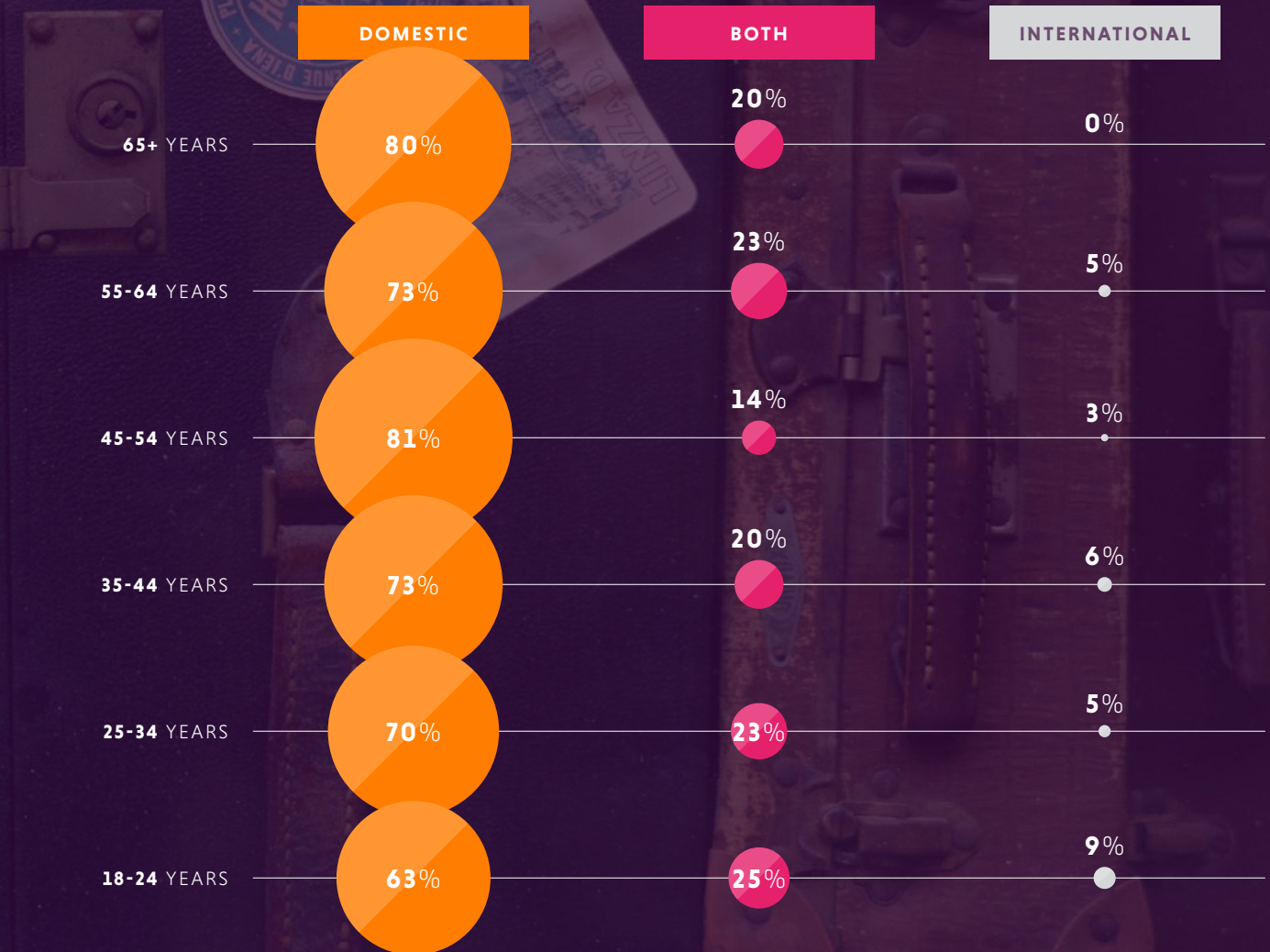


HOME OR AWAY? WHERE CHINESE TRAVELERS PREFER TO GO TODAY

DOMESTIC BOTH INTERNATIONAL

PERCENTAGE OF CONSUMERS

Source: MiQ Sapio - July Study



It's notable that two-thirds of Chinese travelers visit multiple destinations on a single trip. Global travelers tend to visit one place on their holiday, this is far from true for the

Chinese travelers, who like to stop-off at many places and are comfortable with traveling between locations. They enjoy exploring local food and culture. And with

safety still high on the agenda, most prefer to stay in hotels, it provides a better sense of security and health measures as compared to Airbnb.

It's expected that outbound tourism will take more time to recover in China, a preference that reflects the current travel restrictions on international movement. So with few alternatives, it makes

sense domestic travel has spiked. For now, marketers should point their efforts in this direction. At this time, 24% of global consumers are ready for international trips, although in China only 5%

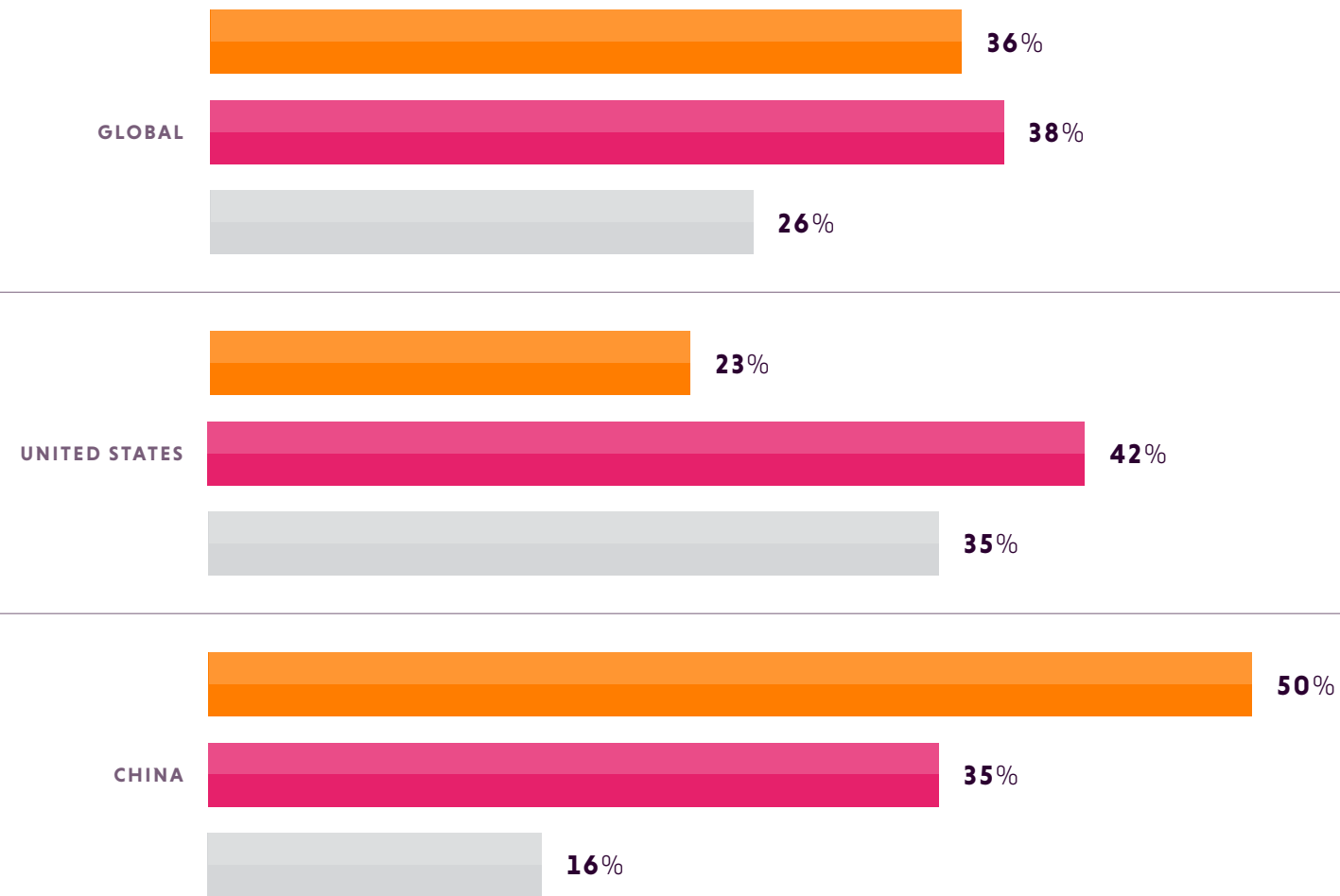
of people agree. This will however change imminently, and marketers will need to prepare well ahead of this, as 20% of consumers said they'll be actively seeking to travel abroad again in 2022.

### CHINESE CONSUMERS ARE LAST MINUTE BOOKERS

■ YES, I HAVE PLANNED BUT NOT BOOKED   
 ■ YES, I HAVE PLANNED AND BOOKED  
■ NO, I HAVE NOT YET PLANNED OR BOOKED

PERCENTAGE OF CONSUMERS

Source: MIQ Sapio - July Study



The biggest question we're often asked from marketers is when should I be reaching the Chinese traveler? How long before travel decisions are set in stone, and how much time is spent planning and researching before their trips are booked?

Our report shows us that half of travelers who intend to travel in the next six months are yet to book their trip, leaving plenty of room for marketers to influence Chinese travelers ahead of their booking decision. Last-minute booking is much more

common in China than other places, for instance, less than a quarter of people in the US follow the same behaviors as Chinese travelers. ■





The Chinese love entertainment. Whether it comes from TV, movies, their mobile devices or other mediums, we know that their screens are always on, always glowing. 74%

of people in China are accessing two or more online streaming services, spending on average \$15 a month on subscriptions, a figure much higher than the global average.

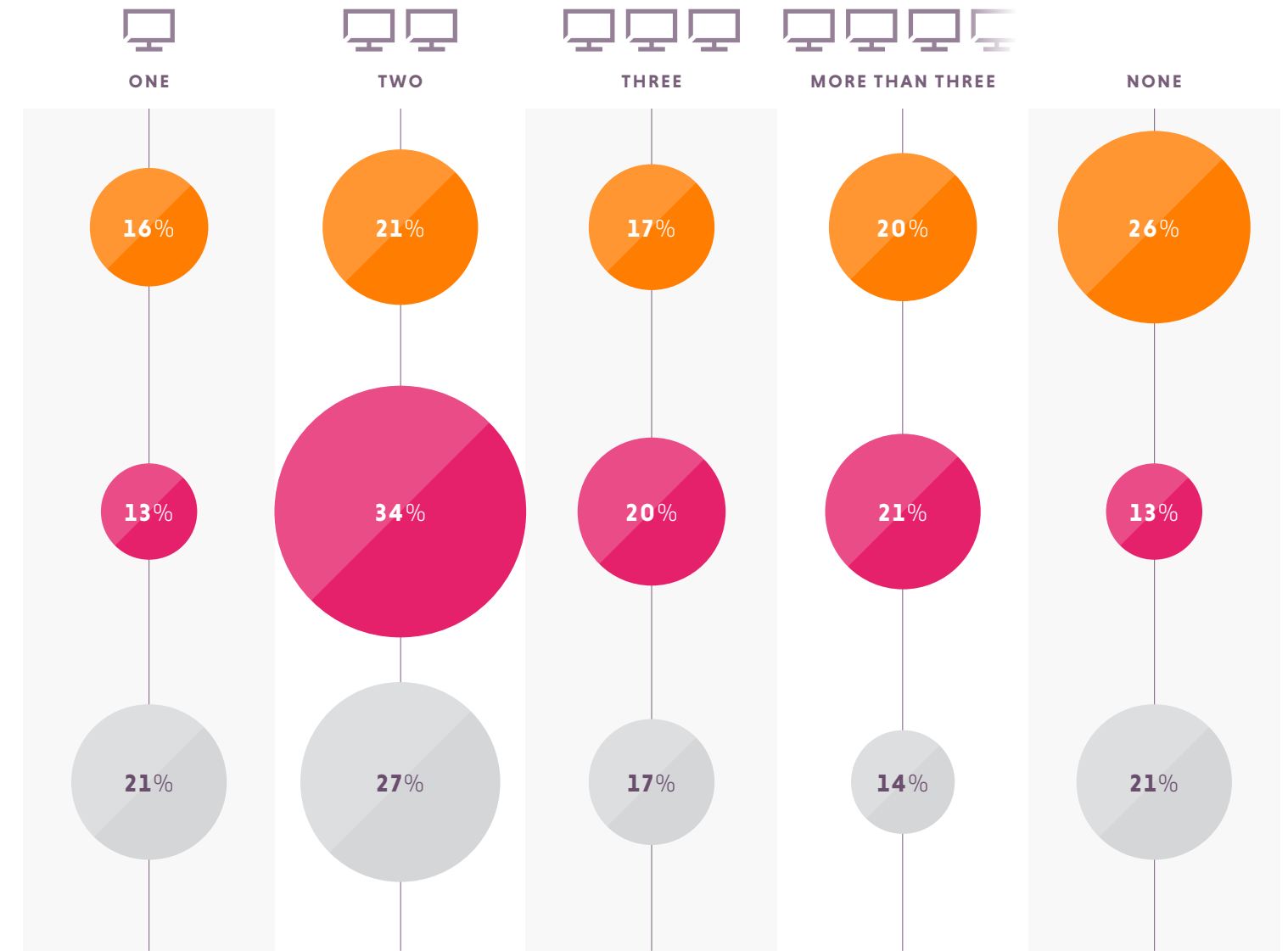
More than two-thirds of subscribers have already made the decision to renew their plans in the coming year. Online streaming is not going anywhere.

CHINESE CONSUMERS ARE CONNECTED TO THE MOST STREAMING SERVICES

UNITED STATES CHINA GLOBAL

NUMBER OF STREAMING SERVICES

Source: MiQ Sapio - July Study



Chinese entertainment enthusiasts

Chinese consumers are connected to the most streaming services	25	Age influences content preferences more than anything else	28
What do Chinese consumers look for in a streaming service?	27	Movie theaters are the first port of call for many Chinese consumers	29

Choice is a big deal with Chinese consumers. 49% of Chinese consumers prefer subscriptions that give them flexibility to choose their content and pricing plans, compared to less than 35% of consumers globally. Choice also means making decisions and Chinese audiences like a helping hand to find their next go-to show. 39% of

consumers in China rely on recommendation systems to help them pick their next show compared to only 19% in the US. They're happy being guided by their previous watches and algorithms to inform what to watch next.

Although this wasn't always the case. In 2019, we released

a study looking at the future of international consumers and found that 35% of Chinese audiences weren't comfortable with sharing their television viewing data. This has turned on its head, thanks to digital acceleration Chinese entertainment viewers are actively looking for recommendations to shape their next move.



## WHAT DO CHINESE CONSUMERS LOOK FOR IN A STREAMING SERVICE?

UNITED STATES CHINA GLOBAL

Source: MiQ Sapio - July Study

PERCENTAGE OF CONSUMERS



As with many of the online shopping and traveler trends we've discovered, age plays its part in China's entertainment viewing habits. Older generations are less motivated by flexible pricing when choosing their online streaming services, more devoted to the availability of accessing content that meets their specific needs. It's the opposite for the younger generations. Flexible pricing,

the ability to chop and change their plans based on their custom content needs are their preferences. There are certainly more younger generations using online streaming services. But we see the older generations that are driving the growth curve, they're the ones switching to OTT mediums of entertainment and getting connected to online

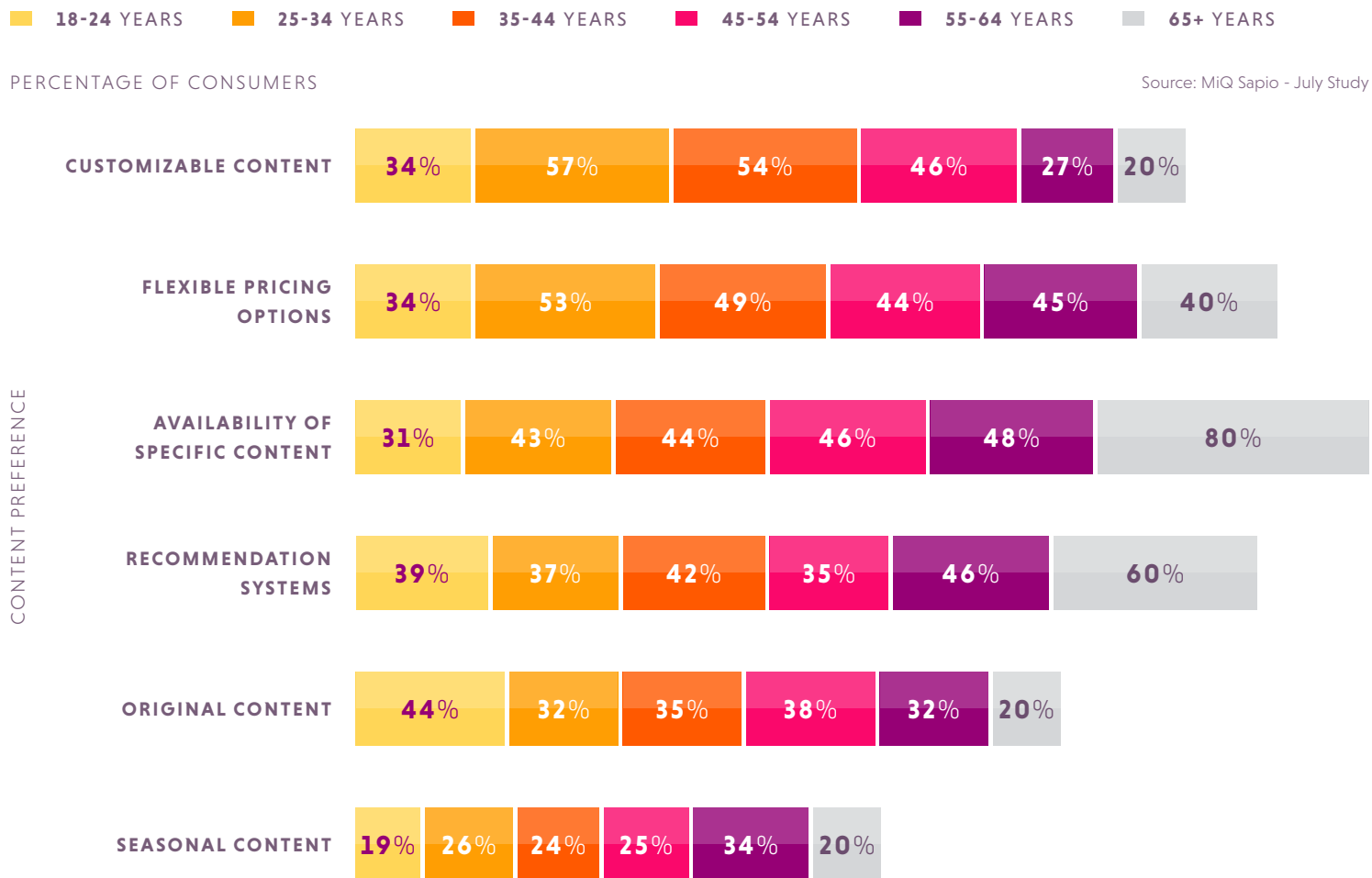
streaming services. This is good news for marketers. The pandemic has certainly motivated many to turn to online entertaining viewing, since there weren't many other alternatives. But that's not the only way people in China now look to get their entertainment fix. The easing of lockdown measures and restrictions

in China show light at the end of the tunnel. Chinese consumers are prepared to step away from their screens at home, and go to the movies, watch sporting events or travel to music concerts, all now providing viable alternatives. Just 44% of people globally are ready to settle in and watch a movie in the theaters again, but that number rises

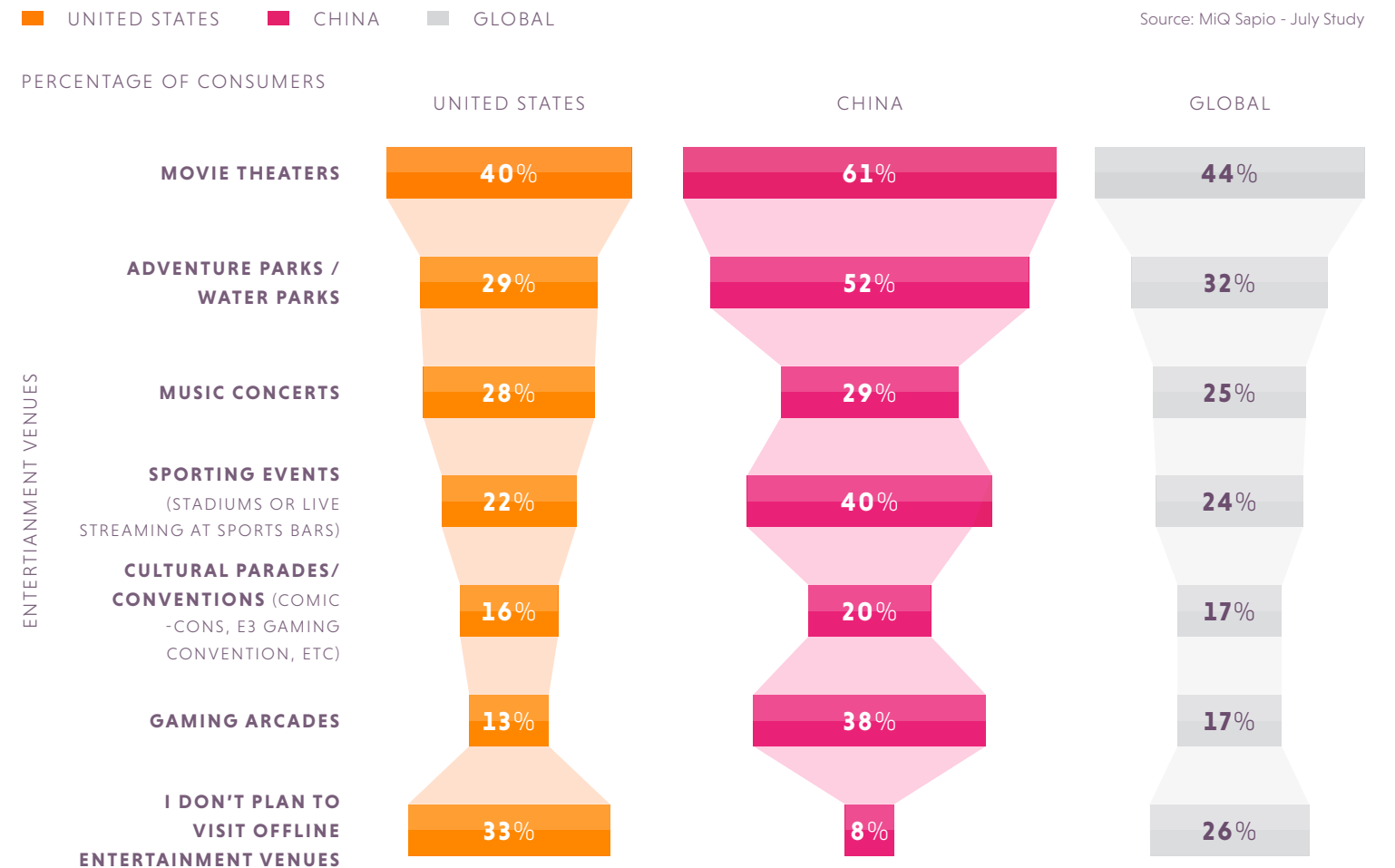
to 60% among Chinese consumers. They are choosing to dine-out afterwards. 52% meanwhile are ready to visit adventure or water parks and 40% want to support their team at sporting events. Only 8% of people we surveyed in China don't plan to go out in the coming months for their entertainment needs. There's no doubt that online entertainment

has increased and is here to stay, but consumers in China are looking to a future of entertainment happening outside their homes. ■

AGE INFLUENCES CONTENT PREFERENCES MORE THAN ANYTHING ELSE



MOVIE THEATERS ARE THE FIRST PORT OF CALL FOR MANY CHINESE CONSUMERS





## Reaching the new Chinese consumer

Reaching the new Chinese consumer

31

About MiQ

33

## Reaching the new Chinese consumer

Reaching the new Chinese consumers presents global brands with an unprecedented growth opportunity, and marketers are increasingly turning to programmatic to reach them.

With 1.4 billion people, the world's largest middle class and consumers who are fast-becoming global trend setters, programmatic brings precision at scale essential for

marketing effectiveness in China.

Whether you're looking to scale in China with programmatic for the first time, action the insights from our report or seeking a fresh approach in the market, here are some of our top programmatic tips for reaching the new Chinese consumer.



### 1 AUDIENCE TARGETING IS ALL-IMPORTANT

It's clear that Chinese consumers are diverse and different from those around the world. Choose a partner that can help you curate audiences to meet your exact targeting needs. One that sources audience data from China's most popular apps, and has that data integrated with China's leading DSPs to fuel your programmatic targeting. With consumer trends rapidly changing, it's important for you to target the right audience.

### 2 BE DIGITAL, BE MOBILE FIRST

Chinese consumers are now online, more than ever before. In 2020, 76% of total ad spend in China was digital, more than any other market in the world. And digital is synonymous with mobile. At MiQ, mobile in-app ad formats, across display, video and native represent more than 90% of the vast daily bidding opportunities we see through our Chinese platforms. To reach your audience it's important to do so on their terms, on their online devices of choice.

### 3 LOCAL WORKS BETTER THAN GLOBAL

Technology giants Google, Amazon, Facebook that we've become accustomed to using to reach our target audiences in the West aren't prominent in China, instead replaced with local players, engineered to meet China's exact specifications. For unfiltered access to the best inventory, data, ad verification and measurement solutions in China, and by default the new Chinese consumer, ensure you have local partnerships at the heart of your programmatic activation. This way you'll be close to the ground even if you're far away.



4

**MEASURE QUALITY, NOT ONLY QUANTITY**

Success measurement in China is different from the West, with 27% of global marketers citing measurement inconsistency as their top concern in China. Look to partners that go-beyond, to translate your business goals into authentic programmatic results and insights to better inform future strategy.

5

**WORK WITH A TRUSTED PARTNER**

61% of global marketers who make decisions about their programmatic investment in China identify a lack of local market knowledge as a major roadblock. 52%, meanwhile, are worried about their reputation if they get it wrong. China is different but it doesn't have to be that different. Working with a partner that understands China's programmatic ecosystem and your marketing objectives in equal measure is important, and that's the partner we aspire to be.

We know reaching consumers in China can be hard. And we know programmatic success in China doesn't come overnight, it's a journey. We've spent more than three years in the market and are still learning its intricacies. But we're passionate for what the future holds, to help marketers turn China's huge growth opportunity into huge programmatic addressability.

Discover how we can help you connect with one of the largest markets in the world from anywhere in the world.

[Get in touch.](#)

**ABOUT MiQ**

We're MiQ, a programmatic media partner for marketers and agencies. We connect data from multiple sources to do interesting, exciting, business-problem-solving things for our clients. We're experts in data science, analytics and programmatic trading, and we're always ready to react and solve challenges quickly, to make sure you're always spending your media investments on the right things in the right places.

Please visit us [wearemiq.com](http://wearemiq.com)