

Premiumisation In Food and Drink – China – June 2019

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

- Prioritising wellness over other factors in life
- Freshness and desirable nutrients appeal to the majority as dietary essential
- Engagement through premium shopping experiences to win consumers' loyalty

The trend towards consumption upgrade has been sweeping many markets in China. Food and drink categories, at the centre of a wave engulfing many industries, have shown strong resilience in growth. The main factor behind this impressive acceptance of premiumised products from consumers is their rising health awareness, which is being reflected in a preference for fresh and nutritional products. Brands and companies that leverage advanced processing technologies to ensure high quality, novelty of ingredients, and well-recognised health benefits, supported by smooth, expedient shopping experiences, could perform well in the market.



“The majority of Chinese consumers are prioritising a healthier lifestyle by consuming quality food and drink products. With an overall elevated financial capability, consumers are actively seeking premium cues that can fulfil their needs to improve health as well as satisfy taste buds as they tend towards becoming value-driven rather than price-driven.”

– Wenxin Xu, Senior Analyst

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Table of Contents

OVERVIEW

- What you need to know
- Covered in this report

EXECUTIVE SUMMARY

- **The market**
- **The consumer**
- **Market for premiumised food and drink remains enormous**
Figure 1: Premiumised categories, February 2019
- **Seeking upgraded and wholesome shopping experiences**
Figure 2: Purchase channels, February 2019
- **The pursuit for better product quality to elevate personal health outplays other factors**
Figure 3: Reasons for premiumisation, February 2019
- **Nutritional value is highly regarded by most**
Figure 4: Evaluation of premium products, February 2019
- **Perceived high nutrient value is prioritised in purchasing**
Figure 5: Prioritised categories, February 2019
- **Majority is enticed by premiumised products' value**
Figure 6: Attitudes towards premiumisation, February 2019
- **What we think**

ISSUES AND INSIGHTS

- **Prioritising wellness over other factors in life**
- **The facts**
- **The implications**
Figure 7: Bright Diary's Momchilovtsi yogurt featuring low sugar low fat ambient type
- **Freshness and desirable nutrients appeal to the majority as dietary essential**
- **The facts**
- **The implications**
Figure 8: Le Pur and Bioderma crossover branding
- **Engagement through premium shopping experiences to win consumers' loyalty**
- **The facts**
- **The implications**
Figure 9: Aldi Shanghai's grand opening
Figure 10: JD's private label snacks and nuts
Figure 11: Nestlé Japan's travel memories KitKat vending machine

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

THE MARKET – WHAT YOU NEED TO KNOW

- **Shopping channels handling fierce competition with diverse positioning**
- **Advanced technology empowering entrepreneurs to redefine food and drink category**
- **Innovation serving multiple purposes could win consumers' hearts**

MARKET DRIVERS

- **Dynamic competition pushing innovation in retail spaces**
Figure 12: Vanguard's boutique supermarket Olé
Figure 13: RT-Mart's boutique supermarket RHLavia in Changzhou
- **E-commerce enabling premium products to become easily accessible for more users**
Figure 14: Three Squirrels' Double 11 order fulfilment centre
- **Favourable trade deals increasing product diversity and raising quality standards**

WHO'S INNOVATING?

- **Niche brand positioning creating a new sub-category**
Figure 15: Mengniu's new product launch 'tianxin' marketed as a hangover cure
- **Startup attempting to topple market leader through added fun elements**
Figure 16: Chali's bagged tea
Figure 17: Tea Drop's compressed loose tea leaves
- **Intertwined new sensations and convenience gaining popularity**
Figure 18: Saturnbird's instant cold brew coffee pots
- **Social media sparks crossover branding**
Figure 19: Rio and Liu shen brand crossover
Figure 20: Product claims of Bread & Bread Products, Cakes, Pastries & Sweet Goods, Baking Ingredients & Mixes launched 2014-18, China
Figure 21: Acecook and Pringles crossover product innovation

THE CONSUMER – WHAT YOU NEED TO KNOW

- **Wave of premiumisation is well-received by the population**
- **Prioritising nutritional value reflects consumers' pursuit and growing awareness**
- **Nuances in regional preferences reveal lifestyle and health beliefs**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

PREMIUMISED CATEGORIES

- **Great market potential for chilled items**
Figure 22: Premiumised categories, February 2019
- **Second tier cities benefit from advanced technologies**
Figure 23: Premiumised categories – selected categories, by city tier, February 2019
- **Females pay attention to the overall food and drink market**
Figure 24: Premiumised categories, by selected demographics, February 2019
- **High income consumers and those with kids have stronger urge to upgrade**
Figure 25: Premiumised categories, by monthly personal income, February 2019
Figure 26: Premiumised categories, by family structure, February 2019

PURCHASE CHANNEL

- **Premium-priced products entering mass market**
Figure 27: Purchase channels, February 2019
- **Age and gender impact shopping channel preferences**
Figure 28: Purchase channels, by age and gender, February 2019
- **High income earners use more innovative channels**
Figure 29: Purchase channels, by monthly personal income, February 2019

REASONS FOR PREMIUMISATION

- **Shared pursuit of better quality and healthier options**
Figure 30: Reasons for premiumisation, February 2019
- **Socioeconomic status impacts consumption reasoning**
Figure 31: Reasons for premiumisation, by age groups, February 2019
Figure 32: Reasons for premiumisation, choice ranking by age groups, February 2019
- **Families with multiple kids value more aspects of premiumisation**
Figure 33: Reasons for premiumisation, by family structure, February 2019

EVALUATION OF PREMIUM PRODUCTS

- **Nutritional value outweighs other factors**
Figure 34: Evaluation of premium products, February 2019
- **Varied premium cues for different cities and regions**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Premiumisation In Food and Drink - China - June 2019

Report Price: £3695 | \$4995 | €4400



The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 35: Evaluation of premium products, by city tiers and regions, February 2019

- **Consumers from 80s generation demand more premium cues**

Figure 36: Evaluation of premium products, by generation, February 2019

PRIORITISED CATEGORIES

- **Unleashing opportunities in 'freshness' and 'nutrients'**
Figure 37: Prioritised categories, February 2019
- **Similar preference throughout different regions reflects a common goal**

Figure 38: Prioritised categories, by regions, February 2019

ATTITUDES TOWARDS PREMIUMISATION

- **Premiumisation is perceived as inevitable by the majority**
Figure 39: Attitudes towards premiumisation, February 2019
- **Subtle difference in attitude reflects generational gap**
Figure 40: Attitudes towards premiumisation, by age group, February 2019
- **Regional preferences reveal lifestyle and health beliefs**
Figure 41: Attitudes towards premiumisation, by age group, February 2019

MEET THE MINTROPOLITANS

- **MinTs have strong sense of needs when choosing premiumised goods**
Figure 42: Reasons for premiumisation, by consumer classification, February 2019
- **Diverse aspects of product upgrade attract Mintropolitans**
Figure 43: Evaluation of premium products, by consumer classification, February 2019
- **Different preferences in less popular categories reveals nutritional value perception**
Figure 44: Prioritised categories, by consumer classification, February 2019

APPENDIX – METHODOLOGY AND ABBREVIATIONS

- **Methodology**
- **Abbreviations**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.