

Consumer Spending Sentiment - Q4 - China - December 2020

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:

- How well has China's economy been performing since the outbreak?
- How is consumer spending confidence changing since the outbreak?
- Which consumer segments are being more affected and what is the difference in their financial priorities?
- What are consumers' consumption attitudes after the outbreak?
- What market opportunities and business implications are there for companies to learn from?

In 2020 Q4, GDP rebounded strongly at a growth rate of 6.5%, which was higher than 6.0% in the same period last year. In 2020 overall, GDP touched a growth rate of 2.3%, reflecting China's vital growth energy. China is possibly the only major world economy that maintained positive growth in 2020, and it is highly likely to lead world economic development in 2021.

In 2021, Chinese consumers will return to their normal lives. Mintel's research shows that though saving for the future is still the priority, Chinese consumers will not give up consumption for self-indulgence. With improved confidence in their financial situation, consumers continue to seek a high quality lifestyle and maintain their normal brand choices. Guarded optimism is still the main theme and will continue to be so in 2021.

Although a vaccine is on the way, consumers' attention to health and social distancing will continue. Many industries severely hurt by the outbreak are exploring new models. Cinemas need to reshape themselves as offline gathering places and social spaces. The technology industry will focus on products and services that make consumers feel safer and healthier. The travel sector will utilize new business models to save itself, such as travel-related subscription services. There are many other rapidly growing industries too, such as online healthcare, e-learning, and live streaming. This will not only change consumers' lifestyles but also set off a wave of entrepreneurship and innovations in business models.



"Significant economic indicators have rebounded thanks to the effective economic stimulus policies of the Chinese government. Guarded optimism is the main theme, as consumers still prioritize saving. However, their financial confidence has been significantly boosted."
– Blair Zhang, Research 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

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

Table of Contents

OVERVIEW

- What you need to know
- Covered in this report

EXECUTIVE SUMMARY

- **Impact of COVID-19 on consumer spending**

Figure 1: Short, medium and long term impact of COVID-19 on consumer spending sentiment, December 2020

- **Strong recovery is observed**

Figure 2: Summary of key economic indicators, China, January–December 2020

Figure 3: Monthly growth of total retail sales of consumer goods in China, March 2018–December 2020

Figure 4: Growth of total retail, by key sectors, 2019–December 2020

- **Impact on consumer spending**
- **Willing to spend while saving**

Figure 5: Current financial situation, 2016–2020

- **Promising growth in earnings as income structure evolves**

Figure 6: Changes in source of income after COVID-19, May 2020–October 2020

- **Belief in future with temporary difficulties**

Figure 7: Confidence in improving future financial situation, 2016–2020

- **Saving for the future comes first with revenge spending following**

Figure 8: Financial priorities in the next 12 months, % very important, December 2019–October 2020

- **Cautious consumption pattern with various sales channels rising**

Figure 9: Luxury spending in the last 3 months, October 2020

- **Changing attitudes toward luxury spending**

Figure 10: Attitudes toward purchasing luxury goods in domestic duty-free stores before/after safe international travelling, October 2020

Figure 11: Luxury spending preference, October 2020

Figure 12: Attitudes toward payment methods for luxury goods, October 2020

COVID-19 CHINA CONTEXT

- This update was prepared on 24 January 2020

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

Figure 13: Worry about being exposed to COVID-19, China, February 2020-January 2021

STATE OF THE ECONOMY

- **China's economy sustains steady recovery**
Figure 14: Quarterly growth of GDP in China, Q1 2000-Q4 2020
- **PMI reaches the highest point for the year**
Figure 15: Monthly purchasing managers' index, China, January 2018-December 2020
- **Import-export trade maintains steady growth**
Figure 16: Growth in the total value of imports and exports, China, January 2007-December 2020
- **Unemployment rate fell back to the level before COVID-19**
Figure 17: Monthly surveyed urban unemployment rate, China, January 2018-December 2020
- **CPI fluctuates but forecast still optimistic**
Figure 18: Consumer price index, China, January 2000-December 2020
- **Increase in disposable income drives consumer spending**
Figure 19: Growth of per capita disposable income (price-adjusted), China, Q1 2019-Q4 2020
- **Retail sales steadily rise in Q4**
Figure 20: Monthly growth of total retail sales of consumer goods in China, March 2018-December 2020
- **What happened in Q4**
- **Discretionary spending drives the growth:**
- **'Double 11' pushed strong growth in online shopping:**
- **The electrical car market is promising:**
- **Signature products' launch promotes communication appliance growth:**
- **What happened in 2020 overall?**
Figure 21: Growth rate of retail sales, by key sectors, China, 2019-December 2020
- **Mintel's predictions for 2021**
- **Macro market**
- **Consumers**
- **Industries**

CURRENT FINANCIAL SITUATION

- **Willing to spend while saving**
Figure 22: Current financial situation, 2016-2020
- **Tier one cities tend to drive consumption**

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.

Figure 23: Current financial situation, by city tier, October 2020

- **Prosperity of private economy**

Figure 24: Current financial situation, % saying "I can save a considerable amount of money every month" and "I can save some money at the end of the month, but not much", by company type, December 2019–October 2020

CHANGES IN INCOME

- **Promising growth in main sources of income**

Figure 25: Changes in source of income after COVID-19, May 2020–October 2020

- **Low tier cities recover first in terms of salary income**

Figure 26: Changes in salary income after COVID-19, by city tier, May 2020–October 2020

- **Evolving income structure due to COVID-19**

Figure 27: Changes in part-time jobs income after COVID-19, by generation, October 2020

CONFIDENCE IN FUTURE FINANCIAL SITUATION

- **Belief in future with temporary difficulties**

Figure 28: Confidence in improving future financial situation, 2016–2020

- **Guarded optimism**

Figure 29: Confidence in future financial situation by current financial situation, October 2020

- **Family is a pillar of confidence**

Figure 30: Confidence in improving future financial situation, by marital status, December 2019–October 2020

FINANCIAL PRIORITIES

- **Saving for the future still comes first**

Figure 31: Financial priorities in the next 12 months, % very important, December 2019–October 2020

- **Revenge spending helps boost comfort spending sentiment**

Figure 32: Financial priorities in the next 12 months, % very important, by employment type, October 2020

- **Post-90s live for today while post-70s indulge more temperately**

Figure 33: Financial priorities in the next 12 months, % not important, by generation, October 2020

LUXURY SPENDING

- **Over half still maintain a cautious consumption pattern**

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.

Figure 34: Luxury spending in the last 3 months, October 2020

- **'Her economy' drives luxury spending**

Figure 35: Luxury spending in the last 3 months, by gender, October 2020

- **Higher confidence leads to stronger purchasing power in luxury**

Figure 36: Confidence in future by luxury spending in the last 3 months, October 2020

ATTITUDES TOWARD LUXURY SPENDING

- **Where to buy – domestic duty-free stores are new destinations**

Figure 37: Attitudes toward purchasing luxury goods in domestic duty-free stores before/after safe international travelling, by marital status, October 2020

- **What to buy – foreign brands are still the first choice**

Figure 38: Luxury spending preference, by monthly personal income, October 2020

Figure 39: Luxury spending preference, by city tier, October 2020

Figure 40: Attitudes towards spending on luxury services and products, by monthly personal income and city tier, October 2020

- **How to buy – one-time payments with a budget**

Figure 41: Attitudes toward luxury spending, by generations, October 2020

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)**.