

Consumer Spending Sentiment - Q3 - China - November 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:

This is a quarterly report that examines macro-economic circumstances, consumer financial status, and spending confidence in China.

- How well has China's economy been performing since the outbreak?
- How is consumer spending confidence changing since the outbreak and what has changed since Mintel's Q2 findings?
- 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?

China's GDP has continued to grow, with a 4.9% year-on-year rise in the third quarter of 2020 according to NBS data. China's economic recovery has been the top rank of the world following COVID-19. China is the only large economy that has achieved and maintained positive growth after the outbreak.

Mintel's research shows that, with household income and willingness to spend gradually recovering, discretionary spending is regained. Moreover, premiumization is still on-trend in discretionary spending.



"China's economy continued to improve in the third quarter, with many indicators turning from negative to positive. The overall economy is gradually returning to normal levels. Consumption of discretionary/luxury goods has increased, but travel and foodservice-related industries remain in recession."

– 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



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, October 2020
- **Economic growth is sustained**
Figure 2: Summary of key economic indicators, China, January–September 2020
Figure 3: Monthly growth of total retail sales of consumer goods and foodservice in China, March 2018–September 2020
Figure 4: Growth of total retail, by key sectors, 2019–September 2020
- **Impact on consumer spending**
- **Impact of COVID-19 on household income eases up**
Figure 5: Changes in source of income after COVID-19, May 2020 vs September 2020
- **Saving habits have not changed after the outbreak**
Figure 6: Current financial situation, 2016–2020
- **Generally optimistic attitudes towards the future**
Figure 7: Confidence in improving future financial situation, 2016–2020
- **Financial priorities remain almost unchanged**
Figure 8: Financial priorities in the next 12 months, % very important, December 2019–September 2020
- **Premiumisation is still on-trend**
Figure 9: Triggers of discretionary spending in the last 3 months, September 2020
- **Potential in discretionary consumption**
Figure 10: Attitude toward spending, September 2020
Figure 11: Attitude toward spending, September 2020

COVID-19 CHINA CONTEXT

- **This update was prepared on 30 October 2020**
Figure 12: Worry about being exposed to COVID-19, China, February–October 2020

STATE OF THE ECONOMY

- **GDP continues to rise in Q3 2020 after rebounding in Q2**

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 13: Quarterly growth of GDP in China, Q1 2000-Q3 2020

- **PMI maintained above the threshold in Q3**

Figure 14: Monthly purchasing managers' index, China, January 2018- September 2020

- **Import and export value continues to grow**

Figure 15: Growth in the total value of imports and exports, China, January 2007-September 2020

- **Unemployment rate drops but pressure remains**

Figure 16: Monthly surveyed urban unemployment rate, China, January 2018- September 2020

- **CPI fluctuates mainly due to changing food prices**

Figure 17: Consumer price index, China, January 2000-September 2020

- **Recovery of real incomes has sped up, consumption levels returning**

Figure 18: Growth of per capita disposable income (price-adjusted), China, Q1 2019-Q3 2020

- **First increase in retail sales glimpsed, marketing sales continue to improve**

Figure 19: Monthly growth of total retail sales of consumer goods and foodservice in China, March 2018-September 2020

- **Mintel predictions in Q2**

- **Items that are taking a short-term hit but are quicker to recover:**

- **Items that take longer to recover:**

- **What has happened in Q3**

- **Sectors that are holding up well:**

- **Sectors that are taking a short-term hit but are quicker to recover:**

- **Sectors that will take longer to recover:**

- **The sector that will struggle for longer:**

Figure 20: Growth rate of retail sales, by key sectors, China, 2019-September 2020

CHANGE IN HOUSEHOLD INCOME

- **Impact on household income after COVID-19 eases up**

Figure 21: Changes in source of income after COVID-19, May 2020 vs September 2020

- **More affluent households have higher willingness for spending in the future**

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 22: Changes in source of income after COVID-19 for bonus and salary, by monthly personal income and company type, May 2020 vs September 2020

- **Spending willingness of younger generation recovers faster**

Figure 23: Changes in source of income after COVID-19 for salary, by age, May 2020 vs September 2020

CURRENT FINANCIAL SITUATION

- **Saving habits have not changed after the outbreak**

Figure 24: Current financial situation, 2016-2020

- **Consumers in their 30s and 40s have more potential to spend**

Figure 25: Current financial situation, % saying "I can save a considerable amount of money every month", by age, December 2019-September 2020

- **Married couples without kids save more**

Figure 26: Current financial situation, % saying "I can save a considerable amount of money every month", by marriage status, December 2019-September 2020

CONFIDENCE IN FUTURE FINANCIAL SITUATION

- **Consumers' confidence in the future is improving but not fully returned**

Figure 27: Confidence in improving future financial situation, 2016-2020

- **Tier one and two cities have more financial confidence**

Figure 28: Confidence in improving future financial situation, by city tier, December 2019-September 2020

- **Couples with no kids convert to an optimistic attitude faster**

Figure 29: Confidence in improving future financial situation, by marriage status, September 2020

FINANCIAL PRIORITIES

- **Impact on financial priorities by COVID-19 not felt**

Figure 30: Financial priorities in the next 12 months, % very important, December 2019-September 2020

- **Female consumers saving more for preventative reasons**

Figure 31: Financial priorities in the next 12 months, % very important, by gender, September 2020

- **Post-90s bearing more financial burden but not giving up self-indulgence**

Figure 32: Financial priorities in the next 12 months, % very important, by generation, September 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



FACTORS TRIGGERING DISCRETIONARY SPENDING

- **Improving quality of life is key**
Figure 33: Triggers of discretionary spending in the last 3 months, September 2020
- **High income consumers prefer high-quality and on-trend products**
Figure 34: Triggers of discretionary spending in the last 3 months, by monthly personal income, September 2020

ATTITUDE TOWARDS SPENDING

- **Not so strict spending budgets**
Figure 35: Attitude toward spending based on budget, by marital status, September 2020
- **More consumers prefer to pay in full**
Figure 36: Attitude toward spending with instalment, by monthly personal income, September 2020
- **Families with kids and high earners have more brand loyalty**
Figure 37: Attitude toward spending on brands and retails with price difference, by monthly household income and marital status, September 2020
- **Impulsive spending still there**
Figure 38: Attitude toward spending product when it is on sale, September 2020
- **Married consumers with no children care about value-for-money**
Figure 39: Attitude toward spending on affordable products, September 2020
- **Consumers under-29 are more receptive to private labels**
Figure 40: Attitude toward spending on private label products, September 2020
Figure 41: Attitude toward spending on private label products, by age, September 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)**.