

# Consumer Spending Sentiment - 2H - China - 2023

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## This report looks at the following areas:

- China's economic performance.
- Changes in consumer spending confidence.
- Consumers' financial status and priorities.
- Consumers' retaliatory spending plans.
- Which ways to improve consumers' finances.

In 2022, China's economic development was facing internal and external pressure. The uncertainty brought about by the epidemic has profoundly affected people's daily lives and economic development. Many contact-based industries, such as catering, have been hit hard. Export demand from overseas markets has shrunk significantly, and the international environment is also relatively severe. Economic development in 2023 may not see a V-shaped rebound, but it will still develop positively.

People's financial situation is generally stable. However, the overall consumer sentiment tends to be cautious and conservative. People are more inclined to make a saving. And they pay more attention to long-term life plans, such as saving for retirement. Actively planning for the future helps them gain more sense of control over their lives.

People's long-term confidence in the future remains stable, but short-term confidence has declined significantly. Cutting unnecessary expenses remains a top priority for most people (71%). Over a long period in the future, people will not change their prudent and conservative spending sentiment, but they may seek occasional indulgence – only 16% of respondents said that they would not make retaliatory spending. Domestic tourism may become people's top hobby consumption.

Brands need to know that consumption downgrades may not happen. Consumers are weighing their consumption choices more consciously and spending prudently. It's necessary for brands to offer flexibility and durability for



"China's economic development is facing pressure. On the one hand, there are lingering uncertainties regarding the domestic epidemic situation despite the recent relaxation of restrictive policies, and people's short-term confidence has not yet rebounded."

– Blair Zhang, Senior Research Analyst

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consumers, which will be essential purchasing factors in the future. Despite temporary economic constraints, people’s expectations for maintaining the original standard of living are even higher. Continuing saving, spending cautiously, and seeking core values may become the central themes of consumption trends in 2023.

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
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