

# Social Life in Lower Tier Cities - China - 2023

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## This report looks at the following areas:

- **Indoor social scenario: the third space to enjoy tea, coffee and alcohol.**
- **Outdoor social scenario: the potential and threshold of outdoor socialising.**
- **Interpersonal socialising: effective communication and mutual benefit.**
- **Marketing communication strategy: the virtual and reality experiences of online marketing.**

In terms of leisure and social lifestyles, consumers in lower tier cities are becoming similar to those in tier 1 and tier 2 cities: 59% of consumers in tier 3 and lower cities order takeaway, 51% go to restaurants and 38% go to coffee shops with friends/colleagues at least once per week. The rise of socialising models in a 'third place', like venues for tea, coffee or alcohol, will bring new business opportunities.

In addition to indoor socialising scenarios, consumers' suppressed demand for outdoor leisure has also been released with the relaxation of travel restrictions, and outdoor socials have heated up. Specifically, young people in lower tier cities increasingly focus on their own physical and mental wellbeing in terms of leisure. Outdoor social activities with self-pleasing at the core are expected to help brands reach more young audiences in lower tier cities.

However, expanding traffic and buzz in lower tier cities are becoming more difficult. Consumers in lower tier cities value the distinction between 'effective' and 'ineffective' socialising and mutual benefit, which puts higher requirements on the marketing content and idea of brands looking to penetrate through social-related methods. Brands need to pay attention to their behavioural preferences, needs and pain points in socialising scenarios, including indoor, outdoor, interpersonal and online occasions, and make targeted product design improvements and marketing plans to improve consumer satisfaction, so as to establish a good reputation and market position.



"Although the growth rate of overall consumption in lower tier cities has slowed down, consumers still actively engage in social activities in their daily lives. Brands can differentiate themselves by incorporating innovative cultural elements into their packaging and offering 'lifestyle+' scenario experiences that integrate regional features."

– **Gloria Gan, Senior Analyst**

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