

## Marketing to the Middle Class - China - June 2014

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“As a result of the government’s plans to reduce income disparity and also the living quality gap between rural and urban areas, the minimum wage has been rising in order to encourage China’s domestic consumption.”  
– Lui Meng Chow, Research Analyst

### This report looks at the following areas:

- What opportunities can help the middle class to achieve a healthy lifestyle?
- How can financial service companies retain the Affluents?
- How do leisure services companies target middle class consumers?
- How do premium products/services appeal to middle classes?

Building on Mintel’s reports *Consumer Lifestyles: China’s Middle Class – China, June 2012* and *Marketing to the Middle Classes – China, June 2013*, this report offers an extension of in-depth analysis from different angles on how marketers can target the evolving middle classes in terms of their health, financial and leisure perspectives. Various perspectives in terms of how middle classes perceive premium priced products and marketing messages towards different typologies of middle classes are also covered. These perspectives are crucial as China’s growth model shifts from being export to consumption-based, with the burgeoning middle classes holding the key to sustainable economic growth over the long term.

Companies/brands/marketers are thus closely observing the emergence of the middle classes, especially from the lower tier cities and the younger generation also known as the second generation of the rich. Understanding these middle class people’s purchasing power and preferences could potentially bring in more innovation in terms of products and marketing communications, which in turn could potentially reshape future trends and the economy.

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How can financial services retain the Affluent?

How do leisure products/services target middle class?

How do premium products/services appeal to the middle class?

### Chinese Middle Class – The Background

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Leisure: Willing to spend more time and money

#### Opportunity

#### Stressed-outs

Finance: Invest in broad range of financial/investment products but still feeling pressured with their financial situation

Leisure: Moderate participation in leisure activities

Health: Juggling health and career

#### Opportunity

#### Chill-outs

Financial: Low financial pressure due to their accumulation of wealth and the lower cost of living

Leisure: Feel less need to splurge on leisure activities

Health: Low awareness of health products/services

#### Opportunity

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