



2018 AAFC

LOCALIZING FOR CHINESE CONSUMERS: WHO, WHERE & WHAT

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12 NOVEMBER 2018

How Chinese Consumers See The World

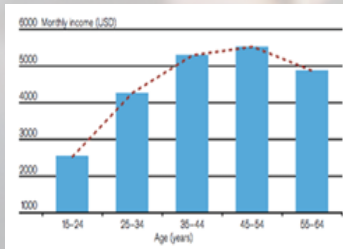




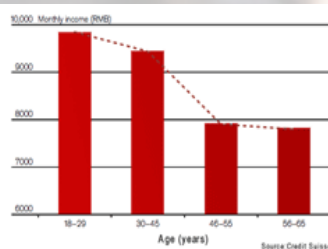


Earning More

USA's income by age



China's income by age



More Open



60%
 < 35 years old

35%
 > 50 years old

Pew

Seeing More



2/3
 of China's international
 travellers
 < 35 years old

McKinsey

Post-80s



Post-90s



78
cities in
mainland
China have
more people
than Toronto





Between 2016 – 2020 around 50 million new households will enter middle-upper classes.
Half of them will be located outside of China's top 100 cities BCG



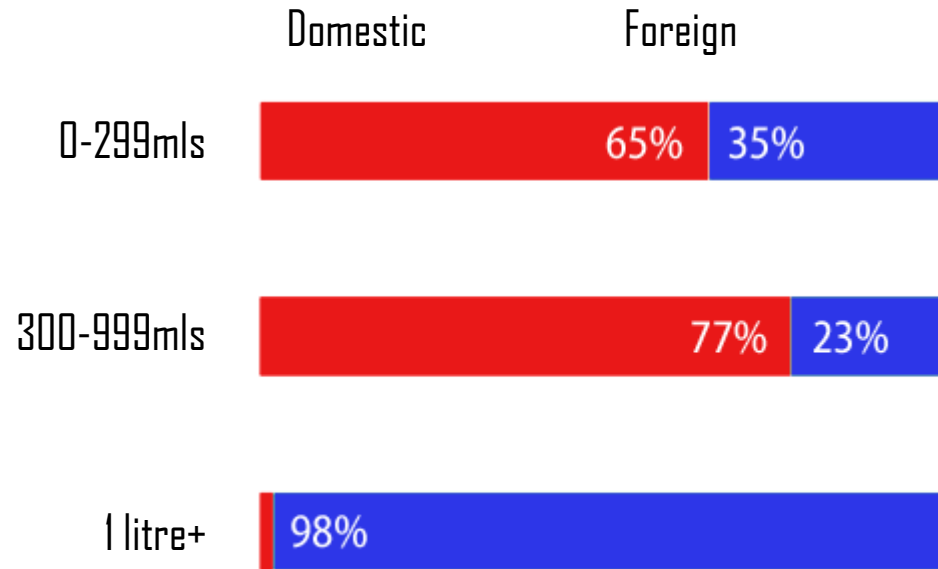
Average price of liquid milk
online:

Foreign Brand: ¥11.63 / litre

Domestic Brand: ¥16.01 / litre

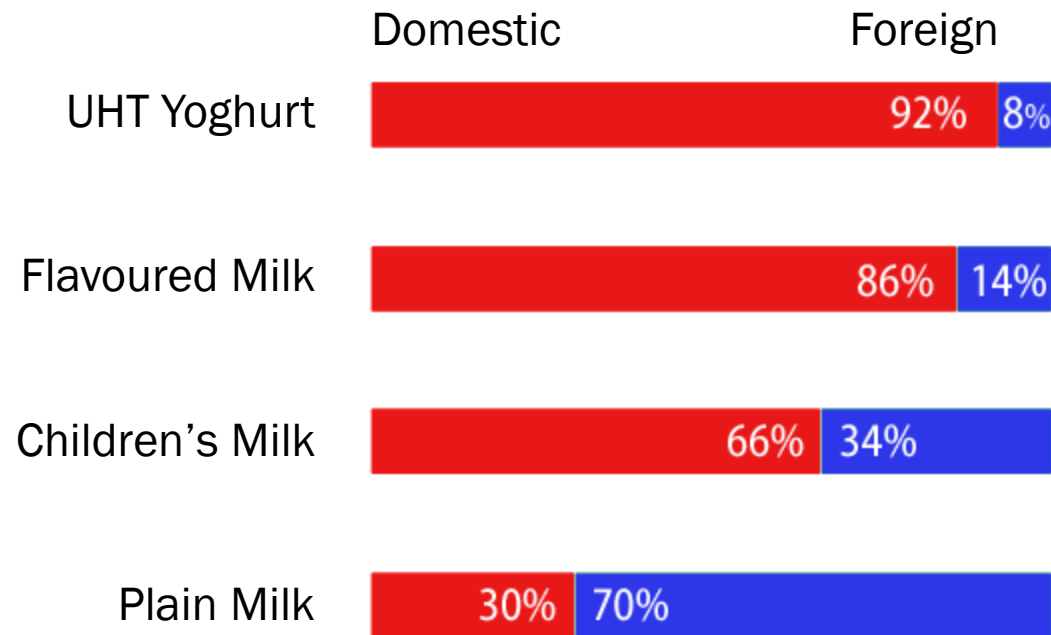
Packaging relevant to the Consumer

Liquid Milk Sold Online by Size



Value-Added Occasions/Segments

Liquid Milk Sold Online by Type





L'ORÉAL
PARIS

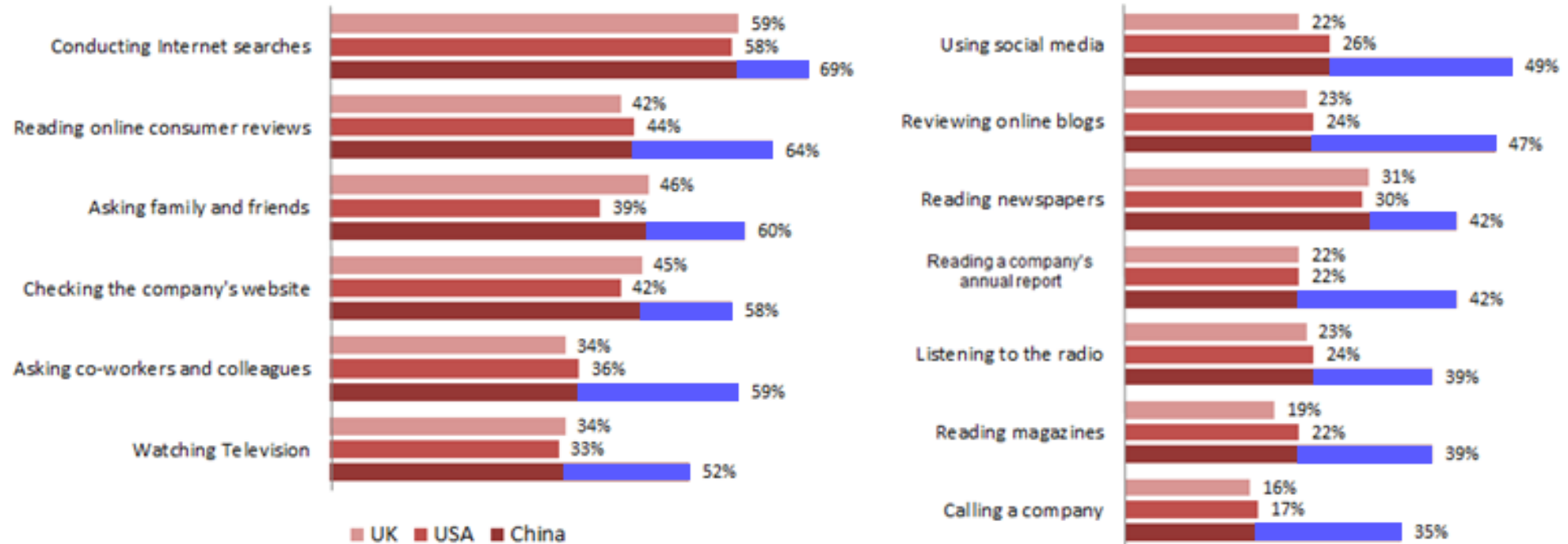
40%

cross border
cosmetics
fake

密集水分 + 丰沛滋养
瞬间特润冬季畅享!

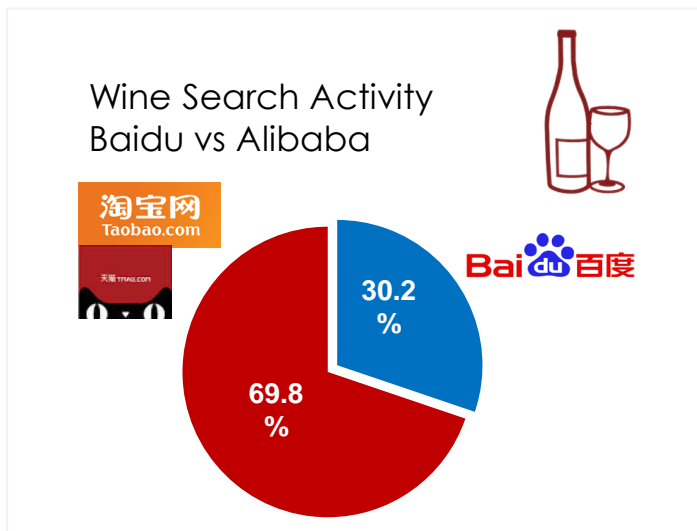
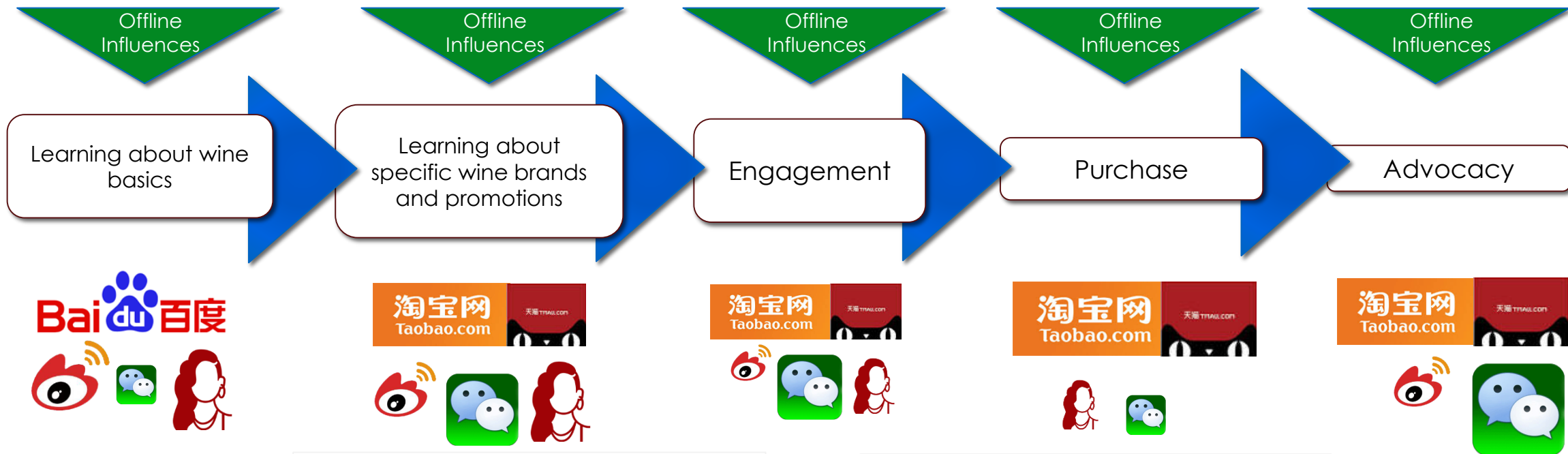


Chinese Research Like No One Else



Source: Cohn & Wolfe

Online Customer Journey for Wine





China's New Retail

To sum up

- Chinese consumers often see things completely differently than we do
- China's GDP growth is being driven by consumption with is being driven by millennial consumers
- Those consumers are living all over China
- Their product needs are often different from in the West
- A lack of trust means Chinese do a lot of research before they buy, much of it online on channels
- Integrated online-offline is here, and there will be a divide between those businesses utilising it and those who aren't. Expect Chinese best practice to spread beyond

Questions

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