

时尚中国

FASHION CHINA

联通营业厅  
UNI COM TEL 8887 5985

德国名品店

SHOPPING MALL

TOYSMART  
爱儿玛玩具城

Star Photo

# Shopping in China

CHINA  
INTERCONTINENTAL  
PRESS



---

# S hopping in China

---

图书在版编目(CIP)数据

消费新时代 / 闫浩编著; 李怀林, W. Y. Kang 译. - 北京: 五洲  
传播出版社, 2006.9

(时尚中国)

ISBN 7-5085-0977-3

I. 消...

II. ①闫... ②李... ③W...

III. 消费-生活方式-简介-中国-英文

IV. F126.1

中国版本图书馆 CIP 数据核字 (2006) 第 107577 号

消费新时代

责任编辑: 张 宏

撰 文: 闫 浩

译 审: 李怀林

图片提供: 中国国务院新闻办公室图片库 (China Foto Press)

张宏江、中国图片库 (Imagine China)

美术指导: 彭文晖 杨占江

整体设计: 王新伟

出版发行: 五洲传播出版社

(北京海淀区莲花池东路北小马厂 6 号 邮编: 100038)

网 址: <http://www.cicc.org.cn>

承 印 者: 北京华联印刷有限公司

开 本: 889mm × 1194mm 1/32

印 张: 4

字 数: 40 千字

版 次: 2006 年 9 月第 1 版

印 次: 2006 年 9 月第 1 次

印 数: 1-2000 册

书 号: ISBN 7-5085-0977-3/F · 227

定 价: 52.00 元









Text by Yan Hao  
Translated by  
Li Huailin & W. Y. Kang

# Shopping in China

CHINA  
INTERCONTINENTAL  
PRESS

# Contents

## 009 Popular Consumption Focus

- 012 Multifarious Delicious Dishes
- 014 Property Purchase Heat
- 018 Brand and Beautiful Cars
- 022 Information Consumption
- 026 Educational Consumption
- 030 Leisure Consumption
- 032 Enjoying Domestic Service
- 034 Holiday Consumption

## 039 Fashionable Consumptions

- 042 The Fashion of Beauty
- 044 Take Care of the Skin
- 046 Hairdressing
- 049 Man-Made Beauty
- 050 Dieting
- 052 Crazy for Luxury
- 054 Complex of Brand Watch
- 056 A Race of Deluxe Cars
- 060 The Big Fashion Show
- 062 Costly Cosmetics
- 064 No Limit to a Young Heart





## 069 New Models of Consumption

- 070 Increasing POS Terminals and Banking Cards
- 074 The Times of "Negative Rich Men"
- 078 Leasing Consumption

## 081 Multiple Shopping Sites

- 084 From Food Market to Convenient Store
- 089 Chain Store Business in China
- 092 Shopping Mall: Consumption in Entertainment
- 096 Online Shopping

## 101 Consumers and Consumption Concepts

- 104 Impact of Advertisement
- 108 Trends Advocated by Vogue Magazines
- 112 Brands and "Better Life"
- 114 High Consumption Group
- 116 The Bridget Jones Economy
- 118 The Only-Child Generation – "No Savings Clan"
- 122 Silver Consumption
- 124 Protecting the Consumer's Rights and Interests



# Preface



In the late of 1970s, China opened its gate to absorb foreign funds, advanced foreign management experiences and science and technology. In 2001, China entered into the World Trade Organization (WTO). Then foreign institutes highly increased their investment in China's retail commerce, insurance and finance sectors. China's foreign trade rose drastically. Foreign banks contended to run business in China. The consumer goods varieties were on the increase, auto prices are declining. In the past 20 odd years of reforms and opening up, the economy, society, people's living mode and consumption concept in China have seen great changes. The leading commodities that dominated in people's consumption witnessed changes from hundred-yuan class bicycle, sewing machine and watch to thousand-yuan class color TV, refrigerator and washing machine at the turn between the 1980s and 1990s, and then to today's ten-thousand-yuan class large screen color TV, high-grade furniture, car and house. People's consumption concept experienced leaping changes. The attention of household consumption has extended beyond the few main pieces of commodities to individuality and enjoyment. On the common daily necessities like foodstuffs and clothes, people have





high level pursuit. More and more people go to restaurant to consume and their apparels reflect international fashion trend. As for domestic appliances on upgrading, new and powerful functions replaced the old concept of "being durable". People turn their attention to famous brand, stressing the quality and after-sale service. Urban residents are pursuing consumption for comfortable enjoyment while rural residents are upgrading their life to well-off consumption based on enough food and warmth. The consumption level in China is on ascending along with the world economic development.   On consumption market, the leaping growth of China's economy brings about a consumption revolution among Chinese people. Meanwhile, businessmen of various countries have found a place in China to play their part. The growth process has benefited foreign funds that joined the development and shared profits on Chinese market. The transnational corporations strengthened their presence in China. From 1990 to 2003, the profits of foreign businesses remitted from China reached 227.9 billion US dollars. In the meantime, China is also accelerating its investment overseas, which promoted the economic growth and employment in the related countries and regions. By the end of 2004, three

years after China's entry into the WTO, China imported commodities worth about 1.2 trillion US dollars. From 2004 on, the annual import value of commodities to China was more than 600 billion US dollars. China's growing market has provided more production and employment opportunities for other countries. Comparing with many other countries, China's development is more open and it is displaying increasing effects on world economic growth.

When western entrepreneurs talk about China with the largest population in the world, they often stress the "huge market with great potential". In China today, youngsters pay more attention to the brand and quality of products. Since 2002 when foreign brands opened their retail shops in China, many internationally-famed chain stores entered the country. Five years ago, the consumption of brand apparels, handbags, cosmetics, jewelry, watch and other luxurious goods in the Chinese mainland accounted for only 1 percent. But now Chinese people have become the world's third largest consumer group of luxurious goods, and consumption value of other commodities accounted for 12 percent of the global sales value. Facing a group of young Chinese consumers who grew up with drinking Coca Cola, the smart businessmen are trying to cater to them. Jude Robert, president of creativeness business of Asia-Pacific Website Communications, once said with confidence, "China is like a blank white cloth for painting. If taking proper way for promotion, you will sell all things bringing along with you."

According to the forecast of the Ministry of Commerce, in 2006, besides car, houses and telecommunications products, the sales of catering service, tourism, gymnastic products, educational and cultural products and traditional festival products will see fast growth. Residents' consumption turns to focus on famous brand, environmental protection, individuality and fashion. Brand and green consumptions become vogue.







## Data Evidence:

● According to statistics, from 1979 to 2004, China's economy maintained steady and fast growth. Its GDP rose from 147.3 billion US dollars to 1.65 trillion dollars. The GDP per capita exceeded 1,200 US dollars. The annual income of urban residents rose 4.5 times and that of rural residents actually increased 4.9 times. Statistics show that from 1978 to 2004, the annual growth of China's retail sales value of consumer goods reached about 15 percent. In 2005, China's retail sales value of consumer goods was 6.7 trillion yuan, increasing 12.9 percent over the previous year. Deducting price factor, the actual growth was 12 percent.

● The living standard of Chinese people is increasingly improved. More and more families began to have spacious and bright houses to live. The living area per capita for urban residents rose from 6.7 square meters to 25 square meters; that for rural residents rose from 8.1 square meters to 28 square meters. The poverty-stricken population in the rural areas dropped from 250 million to 26.1 million. More and more people have private cars and China has become the third largest car consumption countries in the world. Meanwhile, China is also the No.1 nation in large number of mobile phone users. It built the largest fixed telephone network, mobile telecommunication network and the second largest public Internet network.

● Comparing with the past, the consumption standard of Chinese people saw great changes. It should be noted that the vast rural market is starting up, which will be a major engine for the fast growth of the retail sales value of social consumer goods in China. In 2005, the retail sales value of consumer goods in the urban areas rose 13.6 percent while that in the rural areas rose 11.5 percent. The growth gap between the urban and rural market is narrowing. According to the forecast of the Ministry of Commerce, in 2006, China's retail sales value of consumer goods is expected to exceed 7.5 trillion yuan.





Chapter 1

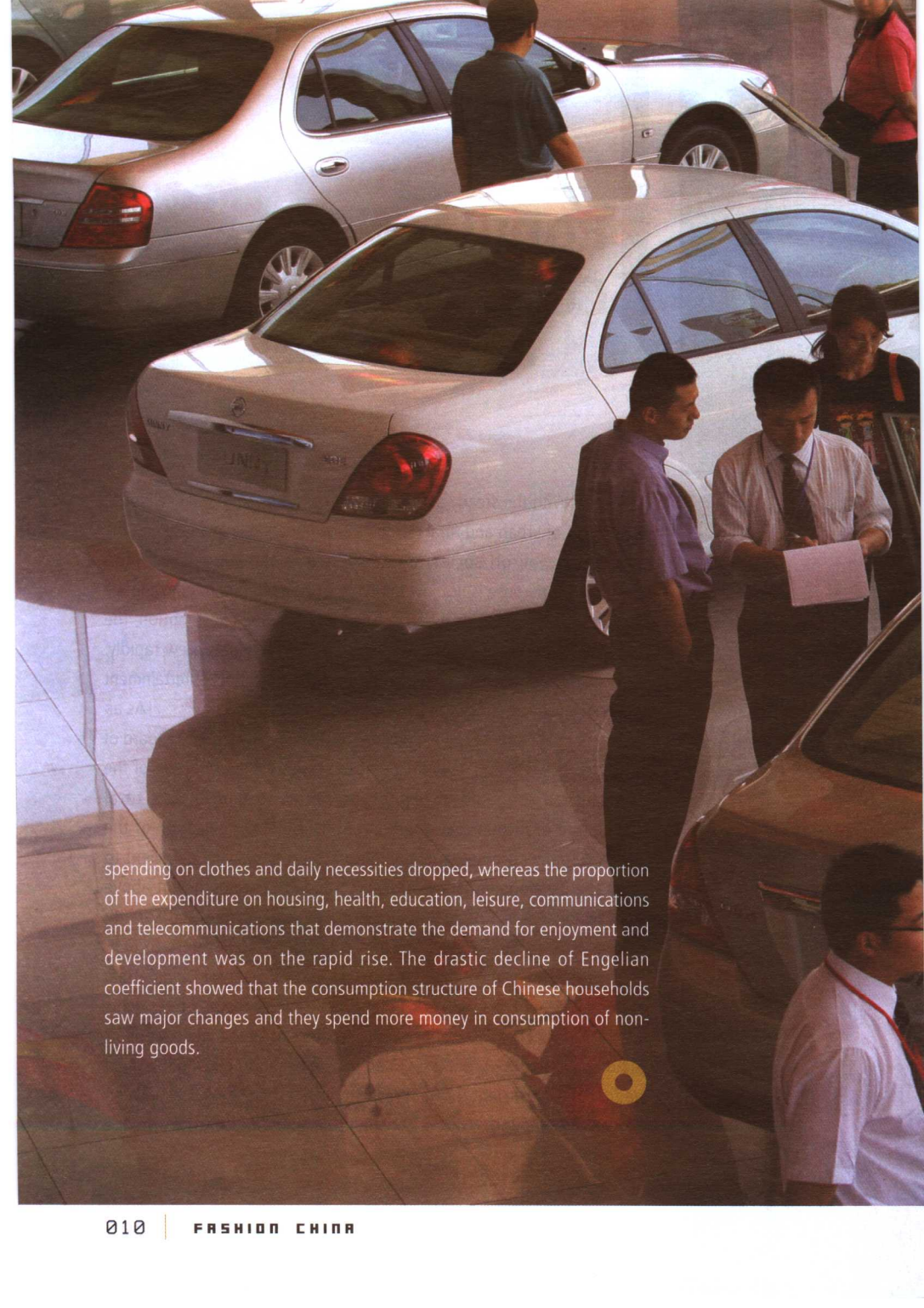




## Popular Consumption Focus

With the steady and fast growth of China's national economy, the income of urban and rural residents saw remarkable increase and the building of well-off society is accelerated in the country. People's consumption purpose is not just for living, but has turned to enjoying life and self realization. With the upgrading of residents' consumption, the demands on house, car and telecommunications products grew rapidly. The consumption of urban and rural residents on education, entertainment and leisure services is also on the increasing expansion. As an important index to measure or compare the income and living standard of a country or a region, Engelian coefficient reveals the proportion of the consumption spending on living necessities to household's total expenditure or income. The Food and Agricultural Organization of the United Nations raised a general criterion to use Engelian coefficient to judge the development stage of living standard: The coefficient above 60% is poor; that of 50% to 60% means having enough food and warmth; that of 40% to 50% is well off life; that below 40% refers to rich.

In the early of the 1980s, Engelian coefficient for China's rural residents was 61.8% (1980) while the coefficient for the urban residents was 56.7% (1981). In 2000, the Engelian coefficient for the urban residents had dropped to 39.2% and the urban people began to reach the level of the rich; the coefficient for rural residents decreased to 49.1%, also on the well-off standard. On the consumption spending of residents, the



spending on clothes and daily necessities dropped, whereas the proportion of the expenditure on housing, health, education, leisure, communications and telecommunications that demonstrate the demand for enjoyment and development was on the rapid rise. The drastic decline of Engel coefficient showed that the consumption structure of Chinese households saw major changes and they spend more money in consumption of non-living goods.





## FACTBOX

○ In November 2005, the 12th China Central Television Advertisement Bidding was unveiled. The world-known P & G continued to be the "King of Advertisers" by offering a bidding of 394 million yuan. It has been the enterprise offering the highest prices for the prime time ads at the CCTV in 2005 and 2006. As the "vane" of economies, the changes of the 12 sessions of "King of Advertisers" at the CCTV witnessed the shifts of Chinese people's consumption passion focuses.

○ In the middle of the 1990s, Chinese people gradually solved the problem of food and warmth. Drinking alcohols represented the wealth of the people for one time. Statistics show that in 2004, China's alcohol output was 3.12 million tons, but in 1996, it was 8.01 million tons. It is not hard to imagine what a strong capacity of people's alcohol consumption in those years.

○ Following the alcohol focus, there was a VCD consumption passion. VCD, which represented domestic electronic apparatus, was cheap in cost and found wide application in people's life. Many domestic electronic apparatus enterprises took it as new growth point. In 1995, China's VCD output was merely 600,000 sets, but in 1996 it reached more than 5 million sets and in 1997 exceeded 10 million sets. However, under the challenge of new product of DVD and EVD, VCD, the low technology product shrank rapidly on market.

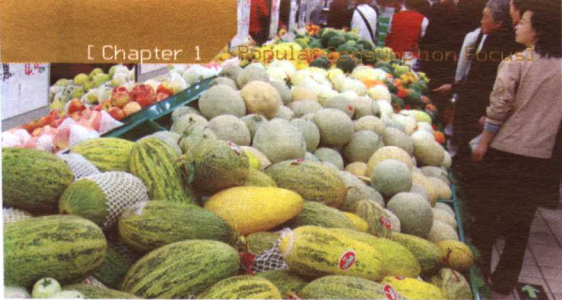
○ From having enough food to enjoying good food and to taking healthy food, Chinese people's life is turning toward high quality and high standard. A series of healthy foodstuffs, health-preserved foodstuffs and health daily necessities are emerging in ordinary households in the new century. Brand products had greater effects. People's daily consumer goods changed from rice, flour and edible oil to dairy products, health-preserved products and functional beverages.

○ In the meantime, the consumption passion was also focused on mobile phone. At the end of May 2006, China Mobile's subscribers exceeded 420 million, 57 million more than the fixed telephone subscribers.

○ The drastic growth of car and real estate business marks Chinese people's entering well off society. In 2004, the car sales volume in China exceeded 5 million, ranking the third in the world. The car possession volume was 27.095 million and the privately-owned cars reached about 60 percent. The Ministry of Commerce forecasts that the car possession volume in China will double in 2010 to reach 50 million. The demands on cars and house promoted the consumption of petroleum, petrochemicals and building materials.

○ Those participated in this session's advertiser bidding involved all ranges: Car and related industries, finance and insurance, furniture and building materials, educational electronics, medical and healthcare service, IT industry, and even websites and newspapers. Thus, Chinese people's consumption structure was upgraded and their consumption capacity was on the increase.

(Source: Xinhuanet)



## Multifarious Delicious Dishes

China has been known as a “delicious food country” in the world. No matter whether in countryside or cities, traditional dishes, creative dishes, refined dishes and local dishes, or cold, warm, soured, bitter, sweet, hot, raw and live dishes are in great varieties. With the social progress and economic growth, people are not satisfied with enough food at three meals a day, they turn to select dining environment and enjoy high quality service. They stressed safety of food, with more and more people expecting healthy food and high grade dishes. Dining consumption becomes one of important factors to promote consumption demands and steady growth.

For most Chinese people, restaurant is the right place to hold feast, wedding and birthday party, get-together of companies and families, alumni and countrymen associations. People are fond of

spacious room, considerate service and various delicious dishes. As for the employees in the urban areas, having meals at restaurant becomes common practice. For white collar office workers who are not good at daily cooking, restaurants are their kitchens. When people gather for a meal in restaurant, one host offering the payment is quite common. AA type payment is only adopted among colleagues and schoolmates.

On the changes of China's catering market, personalized and rational consumption tends to be enhanced with consumption changes from selecting prices and varieties toward service quality and cultural background. Consumers pay more attention to the hygiene, environment, service and features. They tend to pursue brand and specialized restaurants. In large and medium cities, there are “delicious food streets”; outside some popular





restaurants, customers are often standing in lines to wait for seats.

On the food safety, the state formulated green food authentication system, which has detailed stipulations on production environment and technology, packaging, storage and transport of the agricultural products. China's AA class green food standard has reached or even exceeded the basic standard of organic food set by the International Federation of Organic Agricultural Movement.

In daily dining of households, people are all the more stress healthy food and turn to adopt the health concept of "rational meal". They attend to the relations between eating and health and are fond of the food that can add necessary nutritious elements such as calcium, ferrous, vitamins to human body as well as can reduce blood lipid and cholesterol.



## Data Evidence

● According to latest statistics of the Ministry of Commerce, residents' consumption in catering services has taken up 60 percent of the total retail sales of China's catering services. Business and commercial consumption was reduced to 40 percent. In 2005, the spending per capita in catering services was 680 yuan, increasing 118 times over 1978, the early year of China's reforms and opening up; China's catering services have maintained two-digit growth for 15 consecutive years. It is estimated that in 2006, catering services remain to be a major growth point for China's consumption market and the spending per capita in restaurant will reach 800 yuan; the retail sales of the catering services were expected to exceed 1 trillion yuan, continuing to keep two-digit growth.

● Now, non-state and private enterprises have become the major force in China's top 100 catering enterprises and the management of chain restaurants is on the improvement. All of the catering enterprises of China's top 100 ones are chain enterprises with more than 11,000 restaurants; their total retail sales accounted for 8 percent of China's total, increasing 20 percent over the previous year. Of the top 100 catering enterprises, 80 are non-state and private ones; eight are foreign-funded ones; 12 are state-owned and -holding ones; the retail sales of non-state and private catering enterprises account for 61 percent of the total in China's catering services.