



Into 2023 - Readiness for China Reopening

SPRING  PILLAR

TO SUCCESSFULLY CATCH THE CRUCIAL MOMENT

AS THE PROGRESSIVE PIONEER OF YOUR BRAND
IF YOU ARE ...

- ❑ CHIEF GROWTH OFFICE
- ❑ CORPORATE STRATEGY LEAD
- ❑ HEAD OF INNOVATION
- ❑ HEAD OF GROUP CULTURE
- ❑ CEO, CMO , CDO, BRAND OWNERS



WE WOULD LIKE TO INVITE YOU TO READ THIS FILE
WHICH PRESENTS AN ANALYSIS AND SHARING OF
TRENDS IN THE CHINESE CONSUMER AND MARKET BASED
ON THE POST-PANDEMIC CHANGES AND ECONOMIC
SITUATION OVER THE PAST THREE YEARS. IT FOCUSES ON
THE NEW **CONSUMER INSIGHTS AND SHIFTS IN THE**
UNDERLYING FUNDAMENTALS OF THE CHINA MARKET.

This file offers a perspective on opportunity by delving into the nature of **profound change at the strategic, organizational, and market levels**, with the goal of uncovering ways to drive transformation and enable successful execution. As you read, you will



- Unpack the landscape of key market drivers
- Dive into key areas such as Female Economy, Gen-Z, New Luxury, and Experiential Social Commerce.
- Identify 5 key methodologies to help you create innovative organizations, teams, and forward-thinking insights

WITH CHINA'S ECONOMIC RECOVERY OF 2023 COMES THE WORLD SIGNIFICANCE

CHATGPT SEARCH INTEREST WORLDWIDE

Data tells the hot truth

#1 CHINA

"China's economy is contributing very much to the world." Daniel Leigh, head of the world economy in the IMF's research department, said that when China's economic growth accelerates, **every percentage point increase in China's growth rate raises the world's growth rate by 0.3 percentage points.**

#2 NEPAL

#3 SINGAPORE

#4 ISRAEL

#5 LEBANON

#7 CANADA

#18 FRANCE

#29 USA

#34 UK



UNDERSTANDING CHINA: MULTI-DIMENSIONAL LEADING PRESPECTIVES



CHINA has become the leading country in multi-dimensional value

China has the world's largest middle-class population, which is expected to reach 550million by 2023

China has fostered more than 200 of the world's known unicorn

China aims to increase the share of non-fossil energy consumption to 80% by 2060

China is the world's largest growing digital economy

China procures the largest share of industrial robots in the world

China has become by far the world's largest BEV market, driven by a decade of favorable government policies and incentives.

China is the world's largest manufacturer

China accounted for the largest share of the top 100 active blockchain patent filers in 2020

FUTURE-FOCUSED AND FORWARD LOOKING

According to the readout of the Central Economic Work Conference (the Party's most important economic meeting, where the top leadership sets the economic policy agenda for the coming year), **China will focus more than ever on economic growth in 2023**. To facilitate this growth, the government will focus on



**Expanding
domestic
consumption**

Attracting and utilizing
foreign capital
(especially in modern
service industries)

Stabilizing the
real estate
market

Provide some
relief to the
technology
sector

Continuing "prudent"
and "proactive"
monetary and fiscal
policies

CONSUMER GOODS AND CONSUMER MARKETS ARE THE FIRST TO GO

The government has introduced measures such as tax cuts, subsidies, and other incentives to encourage consumers to spend more.

In summary, **the consumer market in China is expected to continue to recover and grow in 2023, driven by trends such as the shift towards online shopping, the demand for high-quality and innovative products**, and the government's efforts to boost domestic consumption.

As the largest consumer market, and with the reopening of the economy, there is likely to be a significant increase in consumer spending. This is likely to benefit a range of retail industries, including luxury goods, fast-moving consumer goods, and e-commerce.











































**CONSUMERS
ARE IN THE
SPOTLIGHT**

A LANDSCAPE OF SPENDING CATEGORIES



Categories with spending increase in 2023 by age group

% of respondents who will spend more minus % of respondents who will spend less

	BABY BOOMERS			GEN X			MILLENNIALS			GEN Z		
				Improve personal wellbeing						Socialize and look good		
Highest		Health, sports & wellness	(+31%)		Health, sports & wellness	(+48%)		Health, sports & wellness	(+61%)		Dining	(+55%)
		Leisure travel	(+21%)		Leisure travel	(+35%)		Leisure and entertainment	(+41%)		Health, sports & wellness	(+45%)
		Dining	(+21%)		Dining	(+31%)		Packaged food and beverage	(+39%)		Leisure travel	(+45%)
		Packaged food and beverage	(+16%)		Packaged food and beverage	(+29%)		Dining	(+38%)		Leisure and entertainment	(+38%)
		Leisure and entertainment	(+13%)		Leisure and entertainment	(+29%)		Leisure travel	(+37%)		Skincare and cosmetics	(+30%)
		Fashion and accessories	(+9%)		Fashion and accessories	(+23%)		Fashion and accessories	(+22%)		Fashion and accessories	(+27%)
		Home appliances	(-3%)		Home appliances	(+10%)		Skincare and cosmetics	(+21%)		Packaged food and beverage	(+25%)
		Skincare and cosmetics	(-3%)		Skincare and cosmetics	(+2%)		Home appliances	(+14%)		Home appliances	(+9%)
		Pet and petcare	(-10%)		Pet and petcare	(-1%)		Pet and petcare	(+1%)		Pet and petcare	(+6%)
Lowest		Luxury fashion	(-26%)		Luxury fashion	(-11%)		Luxury fashion	(-16%)		Luxury fashion	(-17%)

Source: Oliver Wyman's consumer survey 2022

SHIFTING CONSUMER PRIORITIES:

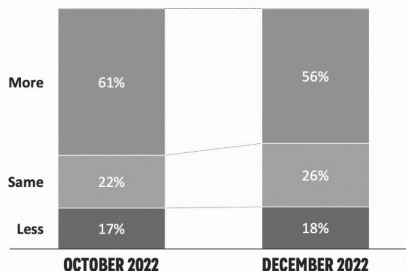
THE RISE OF VALUE-BASED PURCHASES AND HEALTH- CONSCIOUS SPENDING

Consumer spending is shifting towards rational and value-based purchases, and consumers prioritize preventative measures for health and wellness. **Brands must effectively communicate the added value of their products to justify higher prices, as premiumization continues. Health, sports, and wellness remain the top spending categories for 2023.**

High quality , health and wellness, efficiency , cost-effective has led the consumer's perspective into a new consumption behavior and required business to evolve the strategy for future growth.

THE MAJORITY OF CHINESE CONSUMERS EXPECTS TO INCREASE SPENDING IN 2023

Consumers' expectation of 2023 spending vs. 2022



Reasons for increased spending level

49% are investing in a better lifestyle

44% have savings because of reduced 2022 spending

27% expect to be financially better off

Question: How do you think your overall consumption spending level will change in 2023 compared to this year? N=4,000 (Oct) and 1,500 (Dec)
Source: Oliver Wyman's consumer survey October 2022 & December 2022

TO STAY of the competition and tap into
AHEAD important consumer trends...

businesses in China should focus their growth strategies on **VALUE-ADDED** area to gain a competitive advantage and position for long-term success. As we unpack the top categories, we will delve into the key themes of **She-economy, Omnichannel Experience, Gen-Z and New Luxury**. By understanding and responding to the preferences and values of these key consumer segments, companies can incorporate these four areas into their business strategies and **capitalize on the growing demand for products and services that offer value, innovation, and sustainability.**



Chinese women have become a major force in the economy, both as consumers and as entrepreneurs. **they are not only the primary buyers but also key decision-makers** in spending both for families and themselves.

Innovation Cater to Women's needs As more women seek to take control of their careers and financial futures, brands that prioritize female-focused innovation are likely to be more appealing to women consumers in China.

Service for Convenience and self-development With busy lives balancing multiple responsibilities with career and family, women in China are strongly interested in service offers convenient and accessible products to free out their time and energy for self-development and growth.

Enhance Social values: Chinese women are increasingly interested in brands that align with their social values, such as gender equality, diversity, and inclusion. Brands that demonstrate a commitment to these values in their products, marketing, and company culture are likely to build trust and loyalty among women consumers.

Empathetic marketing: Women in China are more likely to respond positively to brands that use empathetic marketing, which acknowledges and addresses their unique challenges and concerns. Brands that can authentically connect with women consumers through their marketing and messaging are likely to build stronger relationships and loyalty.

INCREASED WOMEN'S EMPOWERMENT AND SELF- AWARENESS



THE HEARTED CONSUMPTION PATTERN OF GEN-Z

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As an identical group, Gen-Z consumers in China value more authenticity in the brands they support, making it crucial for companies to communicate their values and **be transparent and interactive to build multi-dimensional experiences** for trust and loyalty among this demographic.

On purpose with Authenticity and transparency: In the post-COVID era, Gen-Z consumers are increasingly seeking out brands that are honest about their values, supply chain, and social and environmental impact.

Dynamic customization and personalization: Gen-Z consumers in China have grown up with drastic advancements in data and the rise of original brand, they expect personalized and customized experiences that quickly respond to hot trends and topics in all aspects of their lives.

Innovation and Creativity: Innovation and creativity in products and services are highly valued not only for unique experience and new touch feeling with high-tech, brands they follow with high innovation ability also reflects their own creativity in life and self-growth.

Social engagement: Gen-Z consumers in China are placing increasing emphasis on social value and are looking for brands that align with their values and actively contribute to social causes in the post-pandemic era. Although communication and key content are still with the online platform.

Omnichannel experience: Gen-Z in China are accustomed to omnichannel experiences, even if they are not aware of the term. They quickly seek out multiple online and offline touchpoints for new brands and prefer fast purchasing options. In the post-pandemic era, brands can expand the scope of omnichannel to cover more areas.



SHIFTED NEW LUXURY DEFINITION

Chinese consumers' definition of modern luxury has shifted from buying branded goods to creating **a personalized luxury experience with a focus on local culture, health, and unique experiences.**

Additionally, the COVID-19 pandemic has accelerated this trend, as consumers increasingly prioritize health and safety considerations in their purchasing decisions.

Focus on Health and Sustainability: The pandemic has also led to an increased awareness of health and sustainability, which has affected the luxury industry in China. Consumers are now more conscious of the environmental and social impact of their purchases, and luxury brands are responding by incorporating sustainable materials and production methods into their products.

Localization of Luxury Brands: Chinese consumers are increasingly interested in luxury brands that are tailored to their specific culture and values. Brands that can successfully adapt to the Chinese market by incorporating local elements into their products and marketing strategies are likely to see success in the post-COVID era.

Experiential Luxury: With the easing of travel restrictions, Chinese consumers are seeking unique and immersive luxury experiences, such as private dining experiences and exclusive travel packages. Luxury brands that can offer these experiences are likely to be successful in the post-COVID era.

VALUE ENHANCEMENT OF DIGITAL EXPERIENCES DRIVEN BY SOCIAL COMMERCE

As the largest country for social commerce, consumers in China have created a new landscape for digital experiences, **where social media platforms are no longer just a place for brand promotion, but also a destination for transactions.** This means leveraging emerging technologies such as augmented reality and virtual reality, and developing personalized and customized content that resonates with consumers.

Seamless integration: Consumers in China expect a seamless and integrated shopping experience across all channels. To succeed in the post-COVID era, businesses will need to ensure that their online and offline channels are fully integrated, with consistent branding, messaging, and customer service.

Mobile-first approach: Mobile devices are a critical channel for Chinese consumers, and businesses that want to succeed in the post-COVID era will need to adopt a mobile-first approach. This can include developing mobile apps that offer personalized experiences, optimizing websites for mobile devices, and using mobile-based marketing campaigns to engage with customers.

Augmented reality and virtual reality: As technology continues to advance, businesses can leverage augmented reality and virtual reality to provide immersive and interactive shopping experiences for consumers. This can include virtual product demonstrations, interactive showrooms, and augmented reality features that allow customers to visualize products in their own homes. By embracing these technologies, businesses can create unique and engaging experiences that differentiate them from competitors and drive growth in the post-COVID era.

CHALLENGING

These drivers of change require companies to think differently about strategy, marketing, management, and day-to-day operations;

YET

EXCITING!

We are more than happy to get involved and work with you and your team to **drive the future of China.**

By **seamlessly** integrating our methodologies with your roadmap activities and future goals, we help organizations **build the capabilities and work processes to capitalize on growth** opportunities and stay ahead of change.

Through our carefully considered Learn-Do approach, with an immersive and experiential journey, **we provide comprehensive coaching and results with a working model and developed innovative mindset.**

To successfully build a foundation to unlock the future of China, followed are **5 of our recommended Quick Win offerings**



EMPOWER "SHE-CONOMY"

CORPORATE WOMEN INNOVATION COMMUNITY

Internal growth program for women leadership

Through our partnership with Multi Women Community, **we're helping companies build a community of women innovators by developing initiatives around Innovation** Sprints, Lunch Sharing, Women Thrive in Life and Work, and Industry Conviction, with the goal of inspiring and supporting the growth and self-awareness of the next generation of women entrepreneurs and leaders, creating a more inclusive and equitable tech industry for the future.

In the context of the growing "she-conomy". Women are a significant and growing group

By fostering a community of women innovators, companies can tap into this valuable demographic and gain insights into their perspectives and priorities.

LEADING FUTURE KEYNOTE AND PANEL DISCUSSION WITH GEN-Z

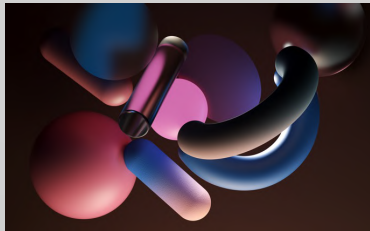
A 2 hour to half day open discussion program, designed and organized by our expert in each topic for landing knowledge into initial ideas.

Me and We Economy



- The needs for China family culture importance
- Major purchases decision motions
- The reduction of family size leads to individual awareness
- One person one shopping cart
- Shift in decision making process

The New Luxury Cohort



- Read into the Digital Service in consumer market
- New Entertainment New Lift style
- Data monetization service
- The new Luxury defined by Personal service
- How luxury redefine the quality for self – awareness

Social commerce future



- Unpacking social commerce journey
- How China becomes the largest market
- The popularity of Live Commerce
- Top product categories in social commerce
- How it impact with Service experience and consumption

The New Entertainment



- The Gen-z consumption
- Meta future
- Experiential social event
- Live streaming self space
- Entertainment system in BEV

INSIGHTFUL TEAM WITH CREATIVITY

A 5-8 week training program using design thinking, consumer centricity and innovation coaching for all functional teams to increase creativity and market insight capabilities.

This program is designed to help team members **break out of their habitual ways of thinking and behaving, and to explore new possibilities and solutions.**

By creating a culture of experimentation, your team can learn to take calculated risks, embrace failure as a learning opportunity, and generate innovative ideas that can drive your business forward.

**BEHAVIOUR CHANGES
MINDSET**

Upskill your team: We provide a range of training and learning opportunities to help your team develop the skills they need to excel in their roles. This includes training on emerging technologies, industry trends, and best practices, as well as soft skills like critical thinking, collaboration, and communication.

Develop insight capability We help your team collect and analyze data and turn it into actionable insights. We use data to inform your experimentation and innovation efforts, and to measure your progress towards your goals.

Foster a culture of experimentation: We work with your team to develop an experimentation mindset, encouraging them to take risks and try new things. We create a safe space for your team to share their ideas and test them out, celebrating both successes and failures, as failures can provide valuable insights that can inform future innovation.

Encourage continuous learning We provide ongoing learning and development opportunities to help your team stay up-to-date with the latest industry trends and emerging technologies.

CONSUMER IMPACT ACADEMY

A 10-day training program combined with expert **knowledge sharing, site and innovation tour, physical presence observation and ideation workshop**, delivered with content capture and future growth ideas.

Innovation is key, but **it takes great leadership to turn innovative ideas into real-world results.** Embrace leadership innovation today and watch your organization thrive.



Identify

EXPLORE THE CHINA STORY

we work with clients to explore the China growing story and launch the anchor in your target area.



Inspire

THINKING THE CHINA WAY

Multi-dimensional value integrated immersive knowledge sharing that leads to a deep understanding of key business growth opportunities in China



Immerse

EXPERIENCE THE CHINA LIFE

A China insight immersion tour designed to have an experiential journey over the daily life of the innovating China



Ideation

ACCELERATE THE CHINA INNOVATION

Transfer knowledge and observations to a co-created high-level business opportunity concept that guides future growth.

LEADERSHIP INNOVATION

INNOVATION ORGANIZATION AND OPERATING MODEL

A 3-4 week consulting package to review and plan your innovation process based on organizational development and operational model definition. With our multi-disciplinary expertise in **innovation, strategy and organizational development**. We work with clients at L1-7 level to refine the innovation process around **5 dimensions** – **Culture, Processes, Structures, Resource and Metrics**.

By making innovation a way of working and **integrating the innovation process into daily operations**, an organization can respond quickly to new challenges and opportunities, foster a culture **of creativity and collaboration, and increase efficiency and productivity**.



LEADERSHIP
INNOVATION



2023 is an important and exciting

period that presents significant challenges for businesses.

We are excitedly looking forward to the challenges and opportunities that change can bring to all business and team. We believe that **get ready for challenges requires more than just motivation and mindset** - it involves transforming organizational behavior, processes, and the daily routine of every individual. We do not only provide a change plan, also we work with you to **uncover potential and build the ability to adapt and leverage change at any time.**

Let's start together now!

If you got to this page Take a quick action and contact us Time to bring the excitement on

The Old school way →

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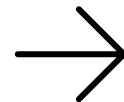
→ The SpringPillar way

Our MD dedicates in
innovation culture

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Wechat: Ginally

You would enjoy the conversation and energy
she brings on



Or The Digital way

Scan to follow us



Your Guiding Partner for Innovation Culture

We offer comprehensive organizational culture programs for companies to realize Innovation Transformation with coaching and behavior experimentation that strategically aim for future business growth. We help companies implement roadmap activities and turn them into future opportunities. We develop actionable plans and working models to guide companies towards adoption of any necessary change.

ORGANIZATION DEVELOPMENT

Brand Evolution Execution
Change Management Culture
Leadership Innovation
Consumer Impact Academy
Innovation Working Models
Innovation COE
Champion Program

TALENT GROWTH UPSKILLING

Insight training
Future Workforce
Innovation Capabilities Behavior
Experimentation
Creativity Training
Staff Coaching
Internal Community

CULTURE NARRATIVE STORYTELLING

Corporate Story
Annual Report
Communication Training
Corporate Live streaming
Culture Gallery Design
Brand Book/ VI
Corporate Summit & Events

EMPLOYEE EXPERIENCE WORKPLACE

EVP Strategy
Employer Brand
Employee engagement
Future Workplace Design
Web 3.0 community