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MEDIACOM

CHINA'S SHE-ECONOMY

07|03|2017

SHE-ECONOMY: HOW WOMEN UNDER 30 ARE SHAPING THE FUTURE OF BRANDS IN CHINA

by Peter Petermann, CSO MediaCom China

The rise of digital communication and the liberalization of China's media landscape have fundamentally changed how Chinese consumers access information and entertainment. But more importantly, it has brought about the emancipation of an entire generation of Chinese women. China's women under 30 are more empowered, more adventurous and more self-confident than any previous female generation. The flip-side of this personal development is that they are now more discerning and demanding of brands. As more and more women are making purchase and investment decisions, the Chinese market is slowly but surely turning into a "She-economy". And in order to win in this new reality, brand owners will need to redefine their engagement strategies based on profound insights into this audience.

To better understand the drivers and desires of China's women under 30, MediaCom has commissioned a comprehensive study into the different generational cohorts in China. China's women under 30 are found in two cohorts, the "Leapers 2.0" (22-30y) and the "Change Makers" (21 and below). Both of these cohorts grew up in a China that was growing in global recognition, quickly developing from the "world's workbench" to a leading player in the global economy. As a result, China's women under 30 are the most globally-minded and at the same time display a profound pride in their country.

Today, these women play an increasingly important role in China's future – contributing to the labour force and driving consumption. Over the last 30 years, changes to the laws regarding education and employment have meant big changes to women's rights and status in China's economy.

FROM RED GUARDS TO CHANGE MAKERS

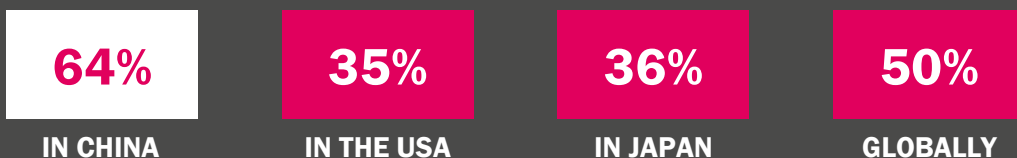
The Generational Cohorts of China

Jan 2017



MediaCom China and The Futures Company present the Generational Cohorts in China

Female labour force participation is higher in China than in many Western economies: 64% of all eligible women in China work, compared to:



On top of that, more women than men currently attend university in China, despite a higher population of eligible Chinese males (source: MediaCom 'The Generational Cohorts in China' Study).

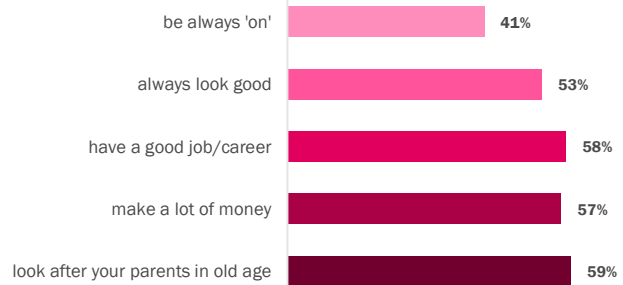
China's women under 30 are pushing the limits of female stereotypes

At the same time, they are pushing the limits of traditional female stereotypes. On the one hand it is true that many of them still feel the pressure to get married early and to start (and raise) a family – SK-II's celebrated "Leftover Women" campaign of last year paid ample tribute to this. 59% of women under 30 feel the pressure of eventually having to take care of their parents. On the other hand, 72% of them aspire to be a senior business leader, 57% feel the pressure to make a lot of money, and 53% are stressed by the fact they have to always look good. As a result, China's women under 30 are flaunting a "I want it all" attitude: 73% of them claimed they want both a loving family and a fulfilling career and they are struggling to balance these two sides. Consequently, they are waiting longer to get married and to have children: 50% claimed they are definitely waiting for "Mr. Right" and the average age of getting married has gone up from 23 to 25 in only 4 years.



China's 'Leftover Women' and award-winning campaign from SK-II
Source: SK-II campaign created by Forsman & Bodenfors

Women under 30 on how much each of the following pressure affects them



They are torn between traditional and modern expectations

But we shouldn't confuse this development with the feminist agenda of the West. China's women under 30 are not fighting for "women's lib". The new female empowerment in China is not a matter of emancipation, but individuality. "They are more self-focused than collective-focused. The way to empowerment for women today is to be able to earn money, travel, consume, and spend money. It is far more economical than ideological," claims Manya Koetse, sinologist and founder of "What's On Weibo".

They are more adventurous than previous generations, even than many of their male counterparts, and are always looking for the latest trend: 61% claim that they're always looking for new experiences (compared to only 55% amongst men). The outcome of this attitude is that women tend to spend more on themselves than men (88% compared to 83%) (source: MediaCom 'The Generational Cohorts in China' Study), and they tend to invest more. Beimi Qianbao, an online wealth management platform, released a report that claimed that 52% of overall investment amounts were made by women while only 39% of online users of financial products are women (according to TalkingData).

Three key manifestations of "She-economy"

There are three key manifestations of China's "She-economy"; three mega-trends that brands have to take into consideration when they want to win with China's women under 30:

01

**JOIN THE
SISTERHOOD**

02

**TRAILBLAZING NEW
ROLE MODELS**

03

**DREAM MAKERS –
CHINA'S NEW
ENTREPRENEURS**

1. JOIN THE SISTERHOOD

Women under 30 grew up under the one child policy. Therefore, they tend to turn to their girlfriends as surrogate siblings sharing similar challenges and experiences and looking for physical and emotional support from each other. Consequently, the feeling of "sisterhood" in China is stronger than in other countries, and increasingly, many women value it above their relationships with their mothers.

Examples of this trend can be found anywhere. 'Little Red Book' for instance is a social e-commerce app targeted at 18-35 year-old Chinese women. LRB provides a platform for consumers to discover and buy products, share shopping tips, deals, and other lifestyle-related content. With over \$100 million in funding and 15 million downloads, the app is fast creating a wider community amongst like-minded Chinese women with its Pinterest-style interface and features that allow users to comment and like content. As founder Charliwin Mao shares, "We're an incubator of word-of-mouth marketing. The people who buy things here are vocal opinion leaders". As women become more knowledgeable and skeptical about brands, they begin to look to trusted sources that understand and can relate to them.

Both Adidas and Nike launched women's only stores in China. Designed by women for women, the Adidas women store, for example features softer lighting, boutique-style clothing displays and on-site fitness sessions. Through their new segmented retail format, the sport giants are able to connect more deeply with their target audience. They are now able to offer more tailored brand communications and products that are specially designed for women across a breadth of sports including running and yoga. This is especially helpful as women in China feel alienated by the masculine image typically presented by sports brands.

Three key manifestations of "She-economy"

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Adidas women in
China:
a store-concept
designed
specifically with
female needs
in mind
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Source: blog.adidas-group.com

Brands who want to win with women under 30 have to acknowledge the unique bond these women share. They have to adapt their communication, using the right brand imagery, tone, vocabulary and cues that align best with their needs and behaviors. Increasingly, brands should look to develop specific products and sales channels that better align with female preferences.

2. TRAILBLAZING NEW ROLE MODELS

China's women under 30 are defining new role models because they are convinced they can open a new chapter for themselves and for their future daughters. 61% of them agreed that they are "free to shape our identities and transform ourselves in whatever way we want" (compared to 55% of all men under 30). Or as Ling Zi Han, CEO of TechBase, would say: "We can't say that we'll change the whole world, but at least we can change half."

Han is the founder of China's first platform for women's technological start-ups. The 29-year-old is one of the typical new role models China's women under 30 look up to. A generation before her, Yang Lan paved the way. Lan is widely regarded as China's 'Oprah' and she started her TV career in 1990 with a rebellious provocation. CCTV was casting a new host for the "Zheng Da Variety Show" and the director was hoping to find a new, 'innocent face'. When it came to her turn to speak, Yang briefly introduced herself, before proclaiming: "Why do women's personalities on television always have to be beautiful, sweet, innocent and, you know, supportive? Why can't they have their own ideas and their own voice?" Yang eventually secured the role as host, but not before she'd been advised by the production team that, despite being the best candidate, she wasn't the prettiest.

This was just the beginning of an illustrious media career for 48-year old Yang, who as well as co-founding Sun Media Group in 2000, has also been the face of high profile brands in China such as Colgate, Nanshan Bywise milk powder and Master Kong bottled water.

Three key manifestations of "She-economy"

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Why do women's personalities on television always have to be beautiful, sweet, and innocent?
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For women across China, Yang's commitment to furthering her education as well as her business prowess has been inspirational against the backdrop of a historically patriarchal society. In 2005, she continued to push the boundaries further by launching 'Her Village', a TV talk show and website, dedicated to sharing the stories of exceptional women and discussing social issues of interest.

Successful women in China today are seeking to be role models: to their peers, to their juniors and to their daughters. In order to leverage this trend, brands should acknowledge and celebrate women both as consumers and as creators. Brand communication needs to redefine the term "successful woman" both in brand campaigns and in broader branded initiatives. And most certainly brands who want to be successful with China's women under 30 need to choose the right ambassadors: role models and champions of the She-economy.

3. DREAM MAKERS – CHINA'S NEW ENTREPRENEURS

China's women under 30 have become a huge business factor. More than half of Alibaba's active consumers are women. Specifically, the well-educated, urban female middle class contributes the lion's share to China's booming e-tailing industry. But even more importantly, China's women under 30 are pushing hard to start businesses themselves and thus redefine the future of China's economy. According to Ali data, women now make up almost half of all business owners on their platforms, at 46%.

The popularity and ease of online shopping among women has provided plenty of business opportunities for Chinese startups. Beijing-based florist Huadian Shijian, for example, went online in July 2015. The service – you get a bouquet of hand-picked flowers delivered to your doorstep every week – caters specifically to female Millennials, and consequently almost 80% of Huadian Shijian's customers are female. The high number of female customers in turn contributes massively to the company's future success: according to founder Zhu Yueyi "word-of-mouth" is the largest driver of turnover increase. Huadian Shijian is relying heavily on social platforms to drive business success: "WeChat has enabled us to reduce the cost when we started the business, helping us with promotion and sales among our targeted female customers," claims Zhu.

Three key manifestations of "She-economy"

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Huadian Shijian's
caters to young
females brilliantly

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Source: Huadian Shijian Weibo account

38% of women under 30 go online between two and five times a day, 24% access the internet over 10 times a day. This is an increase of three percentage points since 2014 (source: MediaCom 'The Generational Cohorts in China' Study), suggesting the role of the internet in young women's lives is ever-expanding. WeChat rules versus QQ now, with WeChat's platform usage by women under 30 at over 80% - reflecting the 'one stop lifestyle shop' that WeChat has become. Lifestyle meets business: social platforms certainly offer more than entertainment for China's female entrepreneurs.

But success also happens offline: after graduating from university in 2012, Ma Jiajia, then 22, started her own business in the adult sex toy industry with a group of friends. Her sex shop, 'Powerful', is located in Beijing's Sanlitun business center and entices consumers with provocative slogans like "If you feel shy, do not enter". The media first picked up on her in 2013, and she has since been regarded as an industry pioneers credited with revolutionizing sex education and the sex toy industry for women in China. In an interview, she encourages women to embrace who they are and to celebrate their sexuality – not for men, but for themselves. Jiajia is an example of how women today are increasingly looking to change mindsets, by way of building their own businesses. For the many others out there, like Jiajia, brands can give them a boost along the way.

Obviously, many female consumers are not going to start a business or become entrepreneurs. However, they do look up to these powerful female leaders, aspiring to be a bit like them. Brands can and should collaborate with rising female entrepreneurs to power and champion the She-economy. We call this trend "Dream Makers" because at the heart of it isn't necessarily the desire to succeed with a business. China's women under 30 have come to realize that life is too short not to pursue their dreams – which is a fundamental change in attitude compared to the feeling of duty previous female generations had.

Three key manifestations of "She-economy"

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Ma Jiajia, founder
of 'Powerful':
"If you feel shy,
do not enter
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Source: *The New York Times*

From dream to reality, contemporary brands should support women in their journey to success, whatever it may look like. Brands should be there to help them explore their individuality – from overcoming emotional barriers, to taking their first steps, to overtly expressing their sentiments and identity. Brands need to align products and campaigns to reflect the demands and desires of China's She-economy.



MediaCom is “The Content + Connections Agency”, working on behalf of its clients to leverage their brands’ entire system of communications across paid, owned and earned channels to deliver a step change in their business outcomes.

MediaCom is one of the world’s leading media communications specialists, with billings exceeding US\$31 billion (source: RECMA June 2016), employing 7,000 people in 125 offices across 100 countries. MediaCom is a member of WPP, the world’s largest marketing communications services group, and part of GroupM, WPP’s consolidated media investment management arm.

MANY THANKS TO KEY CONTRIBUTORS

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