

China's stay-at-homes

Nearly half of all Chinese consumers now identify with 'zhai' behaviour, spending most of their leisure time cocooned at home. Marketers are reacting with new brand propositions and new products

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Brands seeking to engage with Chinese consumers should consider a growing and increasingly important behavioural group known as the Zhai segment. Zhai is the Chinese word for 'Cocooners' and 'cocooning'. And nearly half of all Chinese people now consider themselves Zhais.

Given a choice, Zhais prefer to stay home instead of going out during non-working hours. Data from a sample of 89,381 people aged 15 to 64 years old living in 46 (tier 1 to 3) cities showed that 49% of Chinese self-proclaimed to be Zhais (Figure 1). These home-bound consumers are net-savvy and willing to spend. They spend an average of 27,788 yuan (USD 4,355), which is 878 yuan (USD 137) more than the average person, on products ranging from entertainment to education to food every year.

In terms of geographical dispersion, the top five cities where most Zhais can be found are Beijing (12%), Shanghai (12%), Guangzhou (5%), Shenyang (5%) and Wuhan (4%).

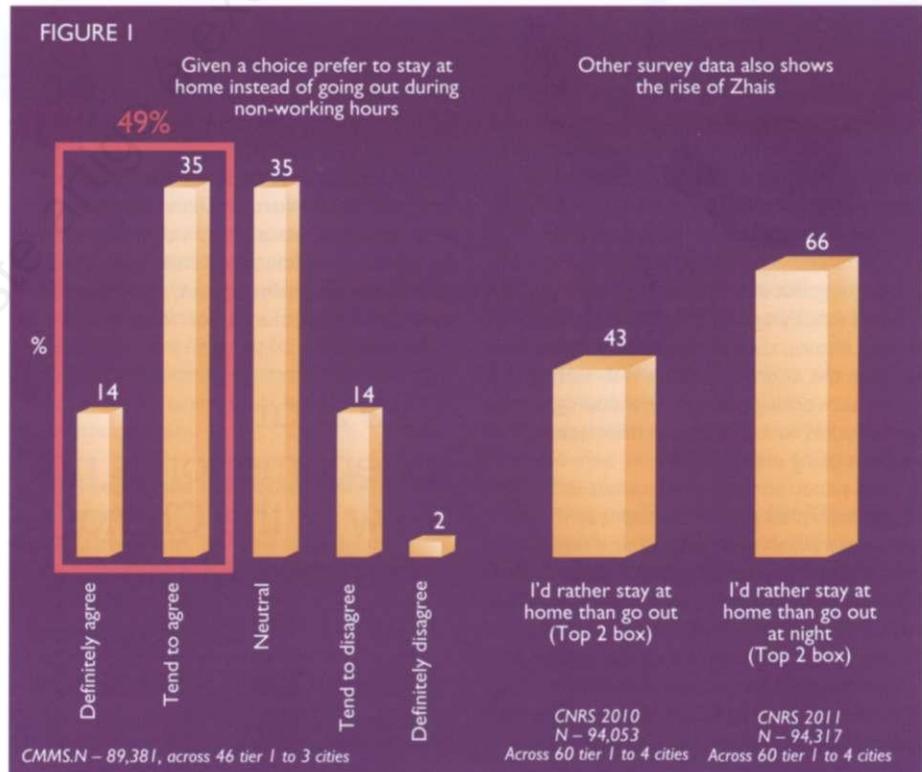
Christian Guinot, president of MEC China, advises: "Close to half of all Chinese consumers self-proclaim to be Zhais. Since attitude affects behaviour, sooner or later they are going to adopt zhai behaviour, moving consumption that usually takes place out-of-home inside the home. This will affect the structure of the market and brands in a big way."

Marketers in all sectors cannot afford to ignore Zhais. The proliferation of the zhai lifestyle and the high penetration of the internet already bring with it a zhai micro-economy, from home delivery service to online shopping, to increased needs for entertainment and ICT (information, communication and technology) products, to

home decorations. In particular, they spend an average of 19,380 yuan (USD 3,037), which is 963 yuan (USD 151) more than the average person, on home durable appliances every year.

THE CHINESE CONCEPT OF ZHAI

This new generation of Chinese Zhais does not associate with the nerdy, ACG-addicted (animations, comics, games-addicted) and decadent image of the Otakus of Japan. Rather, the sorts of tags that Zhais use to describe themselves on microblogs are 'happy, blissful, living life'. A typical example of this new, confident, satisfied young Chinese person is @gingngl00 who describes herself on Weibo (the Chinese version of Twitter) as: "(I'm a) zhai female, love daydreaming, love food, love skincare, love being beautiful, love life." Zhai





Zhais: spend most of their time on the internet and fulfil their needs via social media, but they are also avid consumers and love to shop online

has become almost a trendy label for this generation.

Zhai is an attitude in life, but not necessarily a way of living. With 64% of Zhais going out at least once per week, Zhais are not exactly agoraphobic. It is just that, given a choice, they prefer to stay home because the internet with its web surfing, social networking and online shopping, allows homebodies to fulfil most of their needs without going out.

The penetration of the internet in China has transformed personal behaviour. From our research, an example of the thinking behind this transformation is Ms Ava Chen, a 24 year-old Zhai, who professes that: "The radius of my daily activities is the internet." People like Chen believe that the internet keeps them connected and means that Zhais are not losing out to their peers who are out and about most of the time. There are of course other reasons why Chinese

people may choose to stay home, not least the growing comfort of Chinese homes, plus environmental reasons from the often harsh external environment and bad weather to food and health safety issues, and even a desire to reduce the carbon footprint.

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"The Zhai phenomenon is not new in the China market, but the fact that 49% of Chinese have adopted this attitude is"
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There is also a growing laziness that is associated with zhai behaviour. A Shanghai newspaper recently reported that Zhais are 'too lazy to go out in the hot summer weather', preferring to stay home and shop online, even for fresh food. There was a 200% increase in the keyword search for fresh fruits such as watermelon, strawberry and lychee. In terms of regionality, Shanghai was the city that registered the most online shopping activities for fruits, with close to 20,000 Shanghainese conducting more than 30,000 transactions within a week.

THE RISE OF MICRO-BLOGS

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internet and fulfil their needs via social media, they are the early supporters of micro-blogs. Analysis by Weblnights, a data processing and analysis agency, shows that Zhais were the 'first movers' in social media, the first

to register for a Sina Weibo account; 42% of Zhais had already opened up an account in 2009 and 2010. This was a much higher micro-blog adoption rate than the average of 29% for all Sina micro-bloggers for the same time period. Zhais send out on average 2.8 tweets per day when the average person only sends 1.7 tweets. They also have an average of six tags versus three for the average person. They are more into cultural and intellectual pursuits, with 41% interested in music, 30% in travel and 29% in movies, compared to 21%, 19% and 15% respectively for the average Sina micro-blogger.

Zhais also function on a different time schedule. Many of them are most active at night, between the hours 7:00pm and 2:00am. Zhais find a sense of belonging in grassroot KOLs (key opinion leaders). An audit of the micro-blog accounts that Zhais follow reveals that 42% are grassroots. Zhais are also less interested in celebrities, societal elites and leaders in public affairs. Also entrepreneurs and financial wizards are not top of the list for them.

However, Zhais are avid consumers and love to shop online. Their online purchases straddle all kinds of e-commerce platforms; yet they have a strong preference for social commerce sites: 15% of Zhais follow the official microblog account of Mogujie and 12% follow Meilishuo, two of the hottest social commerce sites in China, when on average only 7% of Sina micro-bloggers do so. They actively merge their social life into their purchase pathway. They share their knowledge and viewpoints, especially those pertaining to their purchase and post-consumption experiences, with their friends and followers in the virtual world.

In truth, the Zhai phenomenon is not new in the China market, but the fact that a staggering 49% of Chinese have adopted this attitude is. Marketers are responding to this zhai trend in a myriad of ways and some are in a better position, or more prepared to take advantage of the situation. Some products are naturally predisposed to being associated with the zhai lifestyle. Nestle's Nespresso and Samsung's 3D TV are being enthusiastically promoted in this way. There was no need to specifically reposition these products, all that was needed was to emphasise the benefits the products can bring to a better home (zhai) life.

Other marketers have flirted with the

concept of zhai in their creative content. Some brands start to deploy zhai elements in their integrated marketing campaigns to appeal to this half of the population. For example, appliance maker Bosch promoted its washing machines in an advertising execution about 'combating outdoor phobias'. Pepsi has repeatedly used zhai as creative content in its communication, which resonated strongly with 'Picassos' (the nickname for male Zhais). T-mall held a 'self-definition' campaign, in which netizens were invited to choose one out of 22 tags to describe their reasons to shop online at T-mall. The 'zhai' tag was the clear winner, with 22% of netizens voting for it. The home delivery service of KFC, on the other hand, has answered the needs of Zhais in its promotion by using handsome guys to deliver food, sparking a lively online discussion with some 100,000 micro-blog posts.

Some marketers are on a more advanced zhai learning curve, and are already designing products specifically for this consumer segment. There is a 'Zhai Living' home department store on 360buy and also a 'Zhai Base Camp' snack food shop on Taobao.

As marketers begin to realise how big this consumer segment is, more brands are likely to tailor their marketing and advertising strategies to Zhais in the near future. MEC has the following seven insights on how best to market to and engage with Zhais:

1 Provide an in-home version of what is available out-of-home
Since home is the most important turf for Zhais, brands that help improve their living environment or provide guidance on how to make home life more comfortable and enjoyable are likely to be well received. Providing an in-home version of what is usually available only out-of-home offers huge opportunities.

2 Keep Zhais connected with the world
Zhais believe it is fine to stay home because, through the internet, they are not losing out to those who go out a great deal. They believe that they are just as up-to-date on things happening in China as their more outgoing Chinese peers. However, their knowledge of global events could be improved, so brands can benefit by positioning themselves as channels to keep

Zhais up-to-date alongside their global peers.

3 Host events that entice Zhais to go out

Some Zhais stay home simply for the lack of a good reason to go out. Brands can host events that entice Zhais to go out to celebrate and enjoy life. Giving them a wonderful out-of-home experience that they can talk about afterwards in social media in the comfort of their own homes is a great way to engage with them.

4 Bridge the virtual and physical worlds for Zhais

Brands can assist Zhais to traverse the virtual and physical worlds seamlessly and to make sure that they do not lose out by staying at home.

5 Addressing Zhais' green concerns

Many Zhais are into environmental protection, but simply staying at home does not necessarily mean that they lead an environmentally friendly life. Brands can be a mentor on environmental issues, and provide a green platform for Zhais to engage with.

6 Actively deploy social commerce

Offline and online retail should be integrated, with a big dose of social media thrown in. Social commerce will have more potential than simply e-commerce when targeting Zhais.

7 Use micro-blogs to your advantage

Make Zhais feel at home and give them a strong sense of belonging by talking to them in their language and in their preferred social medium, that is micro-blogs:

- Host microblog-related events and activities, both online and offline
- Create posts, such as practical jokes or mind-blowing food for thought, to engage with them
- Cultivate grassroot KOLs that Zhais are interested in to become brand ambassadors
- Late nights are the best time to reach and engage with Zhais. Figure out how to entwine the brand into the night and use that timeframe to maximise brand exposure.

 more on Chinese consumer behaviour at www.warc.com