

# Changing nature of youth

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“There are two kinds of people in Shenzhen; one group chases fashion closely. They read magazines like Milk and YOHO. They like to follow brands and see what cool stars are wearing, especially Hong Kong stars. The other group is doing their own thing. They start companies and make everything original. I am part of the second group” – Lifu Zhou aka Rfu, 20, hip hop dancer, teacher and co-owner of dance studio, Speed Control Studio.

Starting in December of 2008 we took a look at Chinese youth, like Rfu, to see how digital media affects their lives and how brands should navigate these media.

In the past year, this group has seen a series of big, never-before-seen events that rocked their world. Conflicts with foreigners over Tibetan freedom, Edison Chen’s sex scandal, new recycling measures, the Sichuan earthquake and Olympics mania challenged how youth perceived the world and their place in it. Personal issues like sex, nationalism, exclusion and community were re-evaluated and are being redefined.



Specifically, our aim was to investigate how these events and consequences are being experienced by youth in China. By studying how trendsetters and tastemakers are evolving in two key cities, Shanghai and Shenzhen, we can plot the course of how youth's changing attitudes and ideals will drive the future. We aim to forecast how they will perceive themselves ultimately, how they will want to be communicated with, created for and known.

## Changes & ChangePoint Opportunities

### 1. From faking it to being truthful

74% of young Chinese are against buying fake branded products. Broken down by location, there is some difference in tolerance - the number against (75%) is higher in Shanghai than in Shenzhen (70%). Youth in Shenzhen are very familiar with the business side of the issue and, while empathetic to people making a living from fakes, they are against themselves or their friends consuming copies.

*“Fakes are actually an affirmation of popularity for the original brands because no one would copy an unpopular brand. I, personally, don't buy fakes. I used to be a designer so I respect original design.”* – Jason, 24, male, Shenzhen

Fakes not only look and feel different, such as with shoes and handbags, but they can also be dangerous to your health. By using cheap alcohol (often placed in the real brands' bottles), many bars risk making their customers physically sick and earn a negative reputation as a result.

*“My roommates and I drink at Bonbon because it's inexpensive (80 RMB for unlimited drinks) but I don't like going there because the drinks there are fake.”* – William, 18, male, Shanghai

In general, trendy youth in these two cities buy what they can afford, even if that means choosing a non-branded alternative. The reasoning is twofold. For most, fakes are equated with poor quality, resulting in lackluster performance or low confidence. If you are a real athlete, for example, quality sportswear would be critical. By extension, those who own fakes are seen as less authentic, even wannabes. Youth argue that fakes create a dishonorable and unlevel playing field - both for companies who create the first design and for consumers who invest in the real items.

*“I have never bought any fake brands. I do a lot of sports so I have to wear authentic shoes or I won't feel comfortable or even confident.”*

– Sammy, 22, male, Shanghai

*“I wouldn't buy any fake brands because it would be bad for my image and my friends*

would laugh at me.” – Kiko, 24, female, Shenzhen

We found brands can take an active role in protecting youth – Converse has detailed how consumers can spot (and protect themselves against) knock-off’s on their web site. Unfortunately, the distinguishing marks are in the packaging, not the shoes. The next defensive action against fakes will have to go further – in the credibility and desirability of its brand message and in the product itself.



### ChangePoint Opportunity - Be Truthful

- What assurance do you have in place to show youth that your brand and products are trustworthy? How can they measure your quality?

## 2. From hiding feelings to calling for privacy

We discovered that privacy is about deciding when to hide things. Although more than willing to peep at and pass along Edison Chen’s sex shots, young people by and large don’t feel someone else’s sex life is any of their business. The sex scandal, the first of its kind to hit mainland China, made youth reconsider their own feelings about sex and privacy. To the chagrin of millions of parents, the scandal may have even enhanced Edison’s appeal.

*“The sex scandal didn’t change my opinion of Edison.*

*It’s his right to take photos of his sex life.” – Synthia, 17, female, Shanghai*

*“He is innocent! It’s unfair to judge him and his private life. I saw the pictures and I thought they were nothing to be ashamed of. Actually, I like him even more after the scandal; I’m really looking forward to seeing his new movies and clothes from CLOT.” – Sara, 18, female, Shanghai*

These scandals showed that privacy is most critical in the digital world.

For online games, the real name system has been instituted in most places, requiring players to enter their government-issued ID number before playing. The system is meant to help crack down on addiction and keep young players away from games deemed too mature for them. To get



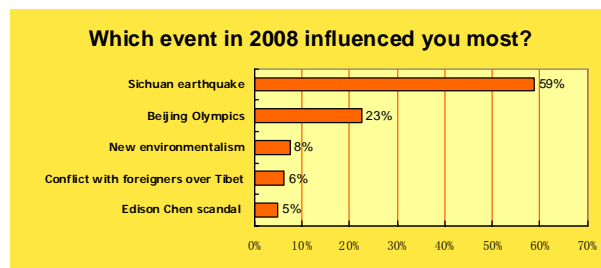
around this, youth are downloading transformer software that provides them with an alternate identity number for playing. Although able to protect their privacy, anonymity also keeps them from flaunting high rankings – a real sacrifice for status-driven youth.

### ChangePoint Opportunity - Ensure techno-privacy

- What taboos can your brand take on to free people’s privacy from the pressures of society?
- What extra steps are you taking to ensure the privacy your customers’ personal information

### 3. From me to we

The Sichuan earthquake was the defining moment for young people in China. Despite stiff competition from the Olympics, the Edison Chen scandal, conflicts with foreigners over Tibetan freedom and new environmentalism, 59% of youth voted the Sichuan earthquake as the biggest event of 2008. (All of the tastemakers chose the earthquake).



Although reputed to be self-centered and superficial, young Chinese surprised everyone – including themselves – by their compassionate actions. Although it was by and large their first attempt at social service, trendy youth were motivated to volunteer, donate money, organize efforts and even head to the affected areas to lend a hand.

For many, this was the first time life asked more from them; and the first time they were made to truly appreciate their own life conditions. A new respect for relationships, gratitude for simple pleasures, and a desire to contribute to the community are enduring quake-inspired values.

The earthquake has been a major driving force in getting the youth to re-evaluate their carefree living.

*“Because of the earthquake, I try to control how much I buy and how materialistic I am. I’ve wasted too much on clothing and bags! Now I save some money to help those who need help.” – Wenjing, 22, female, Shenzhen*

Many brands were making a lot of noise about donations after the quake, but we found China Mobile made good use of mobile in this context. Young people were happy to donate to the relief efforts and some even put aside their distrust of mobile marketing to donate via SMS. China Mobile’s timely offers rewarded customers for quickly and easily



contributing to the cause.

*“I responded to a SMS message sent by China Mobile. It said I would get 10 RMB in phone credit after I donated money via SMS to the relief efforts.” – Xinyan, 18, female, Shenzhen*

#### **ChangePoint Opportunity: Be Proactive (CSR):**

- Is your CSR program relevant to your brand? Are you being both socially committed and authentic? How can you take the lead on an issue (instead of being reactive or following your competition’s lead)?
- How can you empower youth to participate in causes they care about?
- Will youth want to carry your shopping bags again and again instead of buying non-branded, re-usable bags? How can you keep up with – and get ahead of – social activism as a fashion and status symbol?

#### **4. From west is best to domestic chic**

Overall we found that Chinese youth are looking more and more inside China for trends and news. However, Shanghai and Shenzhen showed very different angles on this issue. Shanghai youth are interested in national and international SNS while local sites are a favorite of many in Shenzhen. Shenzhenese appreciate that the information is immediately applicable and feel more trust towards local resources while Shanghainese better appreciate outside news and perspectives.

Looking back at the most important events for 2008, the second most influential event of ‘08 was the Olympics. On average, 23% of youth felt this event defined the year, with more youth in Shenzhen cheering (14%) than in Shanghai (9%). Olympic fervor led to national pride, encouraging youth to take a second look at what it means to be Chinese.

*“The Olympics reflected the spirit of China, which gave me more confidence. Also, it represented a sense of patriotism that encouraged me to support more Chinese brands such as Haier and Media.” – Rebecca, 24, female, Shenzhen*

Some brands are looking past superficial design elements to incorporate Chinese ingredients into their products. Starbucks’ new Yunnan-blend “South of the Clouds” blend is an example of the next stage of integration. Beyond borrowing packaging or design, Starbucks is hoping for a favorable response to their use of local ingredients.

In part because of China’s newfound “cool patriotism,” small, independent brands have started to make a move into the spotlight. Most tastemakers are inspired by (and frequent) young, local fashion designers. Armed with influential friends, online savvy and the ability to move quickly, these boutique brands are changing the landscape of fashion.

*“I think it’s a good idea but brand is still the priority for us. I won’t buy a brand just because it has Chinese design elements.”*

*– Jason, 24, male, Shenzhen*

*“I don’t mind foreign brands adding Chinese elements but they have to do it gracefully. For me, Converse’s Chinese characters 中国 is too bold but Avia’s Beijing city map is*



OK.” – Lydia, 21, female, Shanghai

Tastemaker Lifu Zhou on local vs. western:

Chinese design - I love a brand from Guangzhou called SLOW. They make t-shirts using different kinds of Chinese characters and symbols.

Home shopper - I don't like big, famous brands and I don't like being squeezed into small shops in Dongmen (popular shopping district in Shenzhen), so I always shop online.



#### **ChangePoint Opportunity: Local call**

- How can you develop products and brands that are tied to Chinese culture in a fresh and relevant way? How can China truly inspire and become a part of your brand?
- How do you convey your core messages across regional markets? How can you leverage cool, local media to your advantage?

#### **5. From factory to studio creations: Identity and creativity**

Young people are eager to flex their creative muscle and prefer sites that allow them to do so. For trendy youth, user interface is critical to showcase and experiment with their individuality.

*“163.com offers me the ability to design the layout of my own page so I can create the page according to my own taste, and the web page uploads faster than Myspace ([www.myspace.cn](http://www.myspace.cn)) and Q-Zone (<http://qzone.qq.com>).”* – Ryan, 22, male, Shenzhen

Chinese youth are experimenting with their creativity using digital creative media, familiar and low risk. Most young Chinese would like to take part in creating something online; 50% would like to create something by themselves; and 27% would like to collaborate with friends.

There is the idea that everyone can be a designer: online shops offer youth opportunities to not only buy other people's designs but also design their own t-shirts. With its SNS function, sites like letstee.com and mytshirt.cn help young designers get recognition for their creativity and network with other trendy youth.



### GENERATION C: Content Creation.

So what are they creating? 54% are manipulating photos, 28% are creating ring tones, and 17% are designing their own web sites.

In Shanghai, 24% like to manipulate photos, 15 %create ring tones & 11% web sites

In Shenzhen, 30% like to manipulate photos, 13% create ring tones & 6% web sites



### Yanlong aka Deep 19

20, Shanghai, DJ specializing in electronic music who plays at clubs, hosts an online radio show on udancecn.com and is creating his own website for electronic music fans

Big picture - I want to work hard and do my part to make electronic music popular. My show on udancecn.com is one of the best ways I can introduce this music.

Unique - Most young Shanghainese are trendy and keep up with trends but some of them blindly adore luxury goods. I’ m not for it. I prefer shopping at cool small shops like those on Changle Road and Xinle Road. My favorite shops are E.T. and Ruili. They always surprise me and their stuff is unique.

### ChangePoint Opportunity: Be a canvas - encourage creativity

- How can you help trendy youth gain knowledge and recognition for their creativity? How can your brand help support young artists and experimenters in a way that is authentic and honest to your brand?

### 6. From transactions to experiences:

For young people hungry for new experiences, offers to try new things are enticing. Brands taking the extra step to invite young consumers to participate in a relevant and rewarding experience leave strong impressions.

*“Mary Kay sends me SMS messages about facial care, cosmetics and matching colors. If I reply, they will arrange events according to my different needs and interests.” – Hua, 23, female, Shenzhen*

Trendy youth are drawn to the experience of discovering something unique. For them, the search can often be more memorable than the product.

*“I get a lot from small shops. For me, inspiration from real people is much better than from designers.” – Kerry, 18, male, Shenzhen*

Tastemaker profile



**Xi Teng aka Denya**

22, Shenzhen, lead singer of the band 果儿 (Groupie)

Independent youth care about themselves more now. Take guitar playing, for example. A few years ago, many guys played guitar to hook up with girls but now they play for its own sake. They just want to indulge in their music and don't care what other people think.

**ChangePoint Opportunity: Creating memorable experiences**

- What kind of shopping experiences do you offer your customers? Is there a way to make it more special, memorable – and worth bragging about?
- Can you create a community for helping customers share their experiences? (i.e., in-store fashion shows of best-dressed clients, private sneaker collection exhibits, recipe competitions)

**7. From fitting in to standing out**

Fitting in is still important. And youth clearly feel the peer pressure. Friends' suggestions and opinions are critical. In deciding what to drink, 61% agree that friends are powerful influencers, followed by advertising at 50%. While Shanghai youth were split evenly between advertising and friends' suggestions, 11% more Shenzhen participants were more likely to listen to their peers than pay attention to advertising.

*“I shop with my girlfriend. She is good at styling, so I usually wear what she picks out and it looks really good on me.”*

*– Eric, 24, male, Shanghai*

*“I get inspiration from my friends and they give me advice. We go shopping together and usually, we buy the same things.”*

*- Don, 21, male, Shanghai*

But standing out is critical at the same time.

Trendy youth don't want to be seen as one of many, they are looking for a memorable individual style and life experience.

*“I shop on Changle Road, Xinle Road, South Shanxi Road and South Xiangyang Road. My favorite shops are E.T. and Ruili. I love these cool shops. They always surprise me and*



*their clothing is unique. ” – Deep 19, 22, male, Shanghai*

To maintain their special and unique self-image, youth want to be communicated with personally.

*“I pay attention to SMS messages about new arrivals from shops I frequent on Taobao.” – Weihong, 22, male, Shenzhen*



Not for everyone - Amanda KTV in Shanghai caters specifically to young, female clients. Their marketing efforts successfully target this group and their on-site experience follows through on their promise to make girls feel

Tastemaker profile:



**Yiyan aka Tommy**  
18, Shanghai, shop owner and skateboarder who appeared in the Shanghai X-Games

Independence - Although some people judge me for quitting school after I opened the café, I know where I am headed and my parents support me. I am carefree and I really try my best to make my dreams come true. I am now opening a skateboarding shop on Taobao with a friend and I want to open a motorcycle refitting shop. I enjoy riding motorcycles as much as skateboarding and I would like to learn more about refitting. These days, young people are more willing to be their own bosses; I think freelancing will be a big trend during the financial crisis.

#### **ChangePoint Opportunity: Celebrate differences**

- How can you reach out to customers on a personal, one-on-one level? How can you communicate outside of a traditional sales environment?
- How can you capture customer information and make them feel like you value the relationship?

Study Methodology

A total of eighty 15-24 year old trendsetters and tastemakers from Shanghai and Shenzhen participated

in this study, sharing a wealth of opinions, aspirations and attitudes.

For this project, trendsetters are defined as those whose friends define them as setting the trends for their social circles, who frequent social networking sites, are keen on brands and sportswear and drink alcohol on a regular basis when socializing.

Tastemakers are defined as young people who are creating youth culture and are paid by their peers for their efforts. This study includes the opinions and efforts of an impressive list of accomplished youth in China - a hip hop dance troupe leader, a top Elite fashion model, a fashion and magazine cover photographer, an electronic break-through DJ, a female singer in a pop punk band who embodies girl-power, and a commercial and personal stylist. It is because of their willingness to open up in photo sessions, one-on-one conversations, face-to-face interviews and follow-up questionnaires that this ChangeBite came to life.

Study brought to you by Bates141Evision in partnership with bergstromtrends.com. To know more on how Bates141 can help your brand connect with the Chinese youth better please get in touch with [fareeda.jia@bates141.com](mailto:fareeda.jia@bates141.com).

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