Market Insights
by bluebell

Asia Lifestyle Consumer Profile 2023

Tracking lifestyle consumption drivers & trends in the world's most dynamic consumer markets

May 2023

About this study

This study is the third volume of Bluebell Group's Asia Lifestyle Consumer Profile. Based on an Asia-wide survey covering 1,765 premium lifestyle consumers across 6 markets, we present insights into evolving sentiments and trends shaping consumption across premium and luxury segments including fashion, accessories & footwear, beauty, fragrance & make-up, active lifestyle and jewellery & watch.

Survey Methodology

Consumers surveyed

- **Pool:** 1,765
- **Period:** March & April 2023
- **Age range:** 20-50
- **Lifestyle consumption:** EUR 1,200 minimum spending on lifestyle products in the previous 12 months.

Markets

- Hong Kong
- Japan
- Mainland China
- Southeast Asia (Singapore & Malaysia)
- South Korea
- Taiwan

Trends

1 |
'Safe' luxury:
After the storm, consumers find a new comfort zone

2 |
The 'Feel Good' value shift:
Healthy, Natural, Ethical

3 |
New horizons:
Domestic and regional travel appeal

1 | ‘Safe’ luxury: after the storm, consumers find a new comfort zone

Figures suggest a resurgence of ‘traditional’ attitudes toward luxury, including the status that it represents, the importance placed on a brand’s reputation, and expectations on service. But markets show distinct comfort zones when it comes to shopping pre-owned, local and niche.

A game of give and take: consumers want reputation, status and perks. But not all are ready to accept rising prices.

"During the pandemic, premium and luxury brands focused resources toward nurturing consumer relationships in new and innovative ways, through one-on-one interactions and other tailored retail solutions. Going forward, we see consumers continue to expect this heightened level of service excellence, which is particular to Asia." Ashley Micklewright, President & CEO, Bluebell Group

From logo mania to understated to niche, much has been written about evolving consumer definitions of luxury in Asia and the relationship with self-expression. In this survey we see an uptick in more 'traditional' expectations.

Following the pandemic, most markets are showing a growth in the importance they attach to a brand's reputation when considering a purchase **(Fig 1),** with the biggest increases in Japan (+12%, from 71% to 83%), SEA (+9%, from 82% to 91%) and Taiwan (+8%, from 84% to 92%). These same three markets also saw year-on-year growths in their association of luxury with personal accomplishment **(Fig 2),** while only Hong Kong saw a significant year-on-year drop (-6%, from 83% to 77%).

Overall, Chinese consumers are still the most likely to uphold traditional attitudes to luxury, with 96% saying reputation of a brand is key, and 94% saying luxury makes them feel they have achieved a certain status in life.

When it comes to the shopping experience, over 80% of consumers in all markets agree that they expect to be rewarded with special perks by premium/luxury brands when they shop with them **(Fig 3).**

But when it comes to 'buying into' luxury, consumers across Asia are more diverse in how much they are willing to pay **(Fig 4).** Only Chinese consumers appear to match their expectation for perks with a willingness to spend more: 94% say they are not put off by rising prices as they value the quality and craftsmanship of luxury products. By contrast, all other markets show at least 11% fewer respondents accepting rising prices than those expecting special perks, with Japanese consumers the least accepting (only 59%) of rising prices.

Fig. 1: Importance of reputation

Slightly/Strongly Agree: "The reputation of a premium/lifestyle brand is key to me when considering purchase."

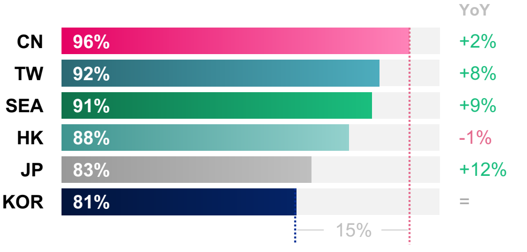


Fig. 2: Traditional luxury and status

Slightly/Strongly Agree: "Traditional luxury branded items still make me feel I have achieved a certain status in life."

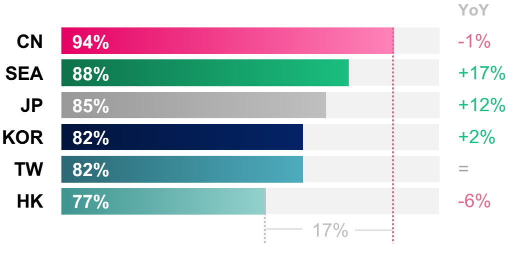


Fig. 3: Expectation for perks

Slightly/Strongly agree: "I expect to be rewarded with special perks by premium/luxury brands when I shop with them."

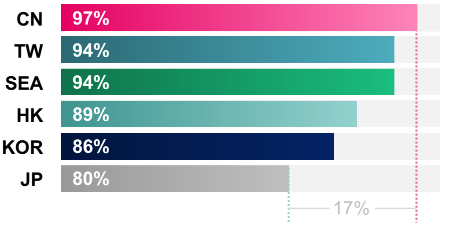
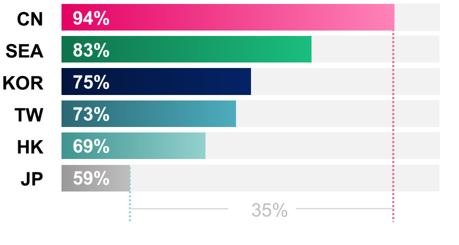


Fig. 4: Acceptance of rising prices

Slightly/Strongly agree: "I am not put off by rising prices, because I value the quality and craftsmanship of luxury products."



Status is key, but markets have different notions of where they can find it, from local brands to pre-owned to art and homeware.

Fig. 5: Support for local brands

Slightly/Strongly Agree: “I want to support up and coming local premium brands that are gaining reputation.”

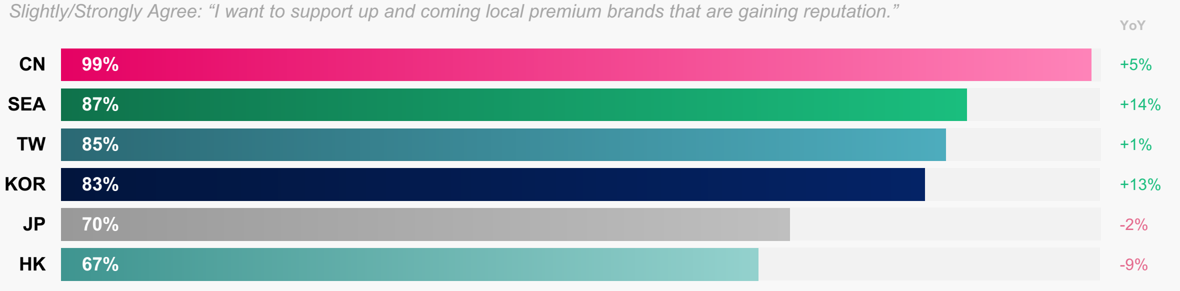


Fig. 6: Openness to buying pre-owned

Slightly/Strongly Agree: “I am very open to the idea of buying second hand premium fashion and accessory items.”

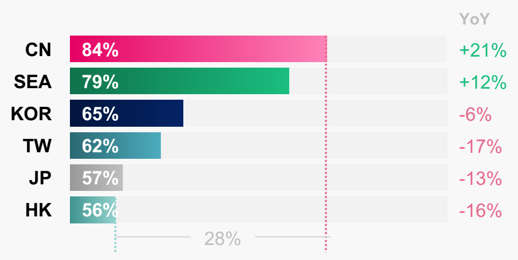
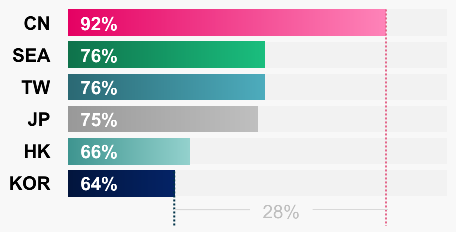


Fig. 7: Interest in other luxury categories

Slightly/Strongly Agree: “I am becoming more interested in other luxury categories, such as furniture and fine art for example, as opposed to more typical categories like fashion, watches, jewellery, etc.”



The concept of a ‘safe’ luxury comfort zone varies by market depending on consumers’ notions of reputation and status.

Support for local brands, on the whole, is growing. In addition to Mainland China 99% of consumers say they want to support up and coming local premium brands that are gaining reputation, we see high year-on-year growth in support in SEA (+14%, from 73% to 87%) and Korea (+13%, from 70% to 83%) **(Fig 5).**

When considering pre-owned products, we see a different dynamic **(Fig 6).** In Mainland China and SEA, openness to the idea of buying second-hand premium fashion and accessory items grew significantly year-on-year (+21% and +12% respectively). But consumers in other markets have had the opposite reaction, with drops of -17% in Taiwan, -16% in Hong Kong, -13% in Japan and -6% in Korea.

Finally, interest in products from other luxury categories such as furniture and art **(Fig 7)** is comparatively lower than importance placed on reputation **(Fig 1)** and the status associated with luxury items **(Fig 2).** Consumers from Hong Kong and Korea show the lowest interest in such categories (66% and 64% respectively).

> *“If a second-hand item like a piece of jewellery has been used by a celebrity, I will consider buying it because it can retain its value.”*
> ***Chinese consumer***
>
> *“To me the appeal of shopping second-hand is finding vintage items that are no longer sold in regular shops.”*
> ***Japanese consumer***

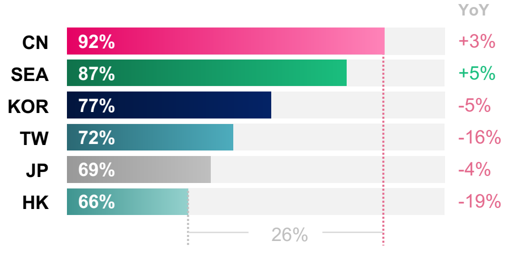
'Niche' appeal: less about reputation, more about product innovation?

Last year, perceptions of niche as the new luxury sky-rocketed with year-on-year growths of 16% to 34% across markets. This year, we see a cooling down of such perceptions across Asia except in SEA, where an additional 5% (from 82% to 87%) of consumers agree that luxury is now more about the niche brands that fewer people know about, but that offer great style and quality **(Fig 8).**

From qualitative interviews, a picture emerges: while niche brands may not provide the reassurance of reputation, consumers still value them for their unique design offerings. Case in point: a majority of consumers across Asia (from 53% in Hong Kong to 68% in Taiwan) have purchased fashion products from niche brands in the past 12 months **(Fig 9).** Fashion is the leading niche category in all markets except Mainland China where more consumers purchased accessories & footwear (77%), beauty (70%) and active lifestyle products (70%) from niche brands.

Fig. 8: Perception of niche brands as the new luxury

Slightly/Strongly agree: "Luxury is now more about the niche brands that fewer people know about, but that offer great style and quality."



"To me, niche means something very special in terms of quality and design. Something different, only sold in a particular shop, or as a limited edition. Niche means better."
Singapore consumer

Fig. 9: Top categories for purchases of niche products

Aggregate figures of products bought from niche brands (not on high-street or commonly known) in previous 12 months

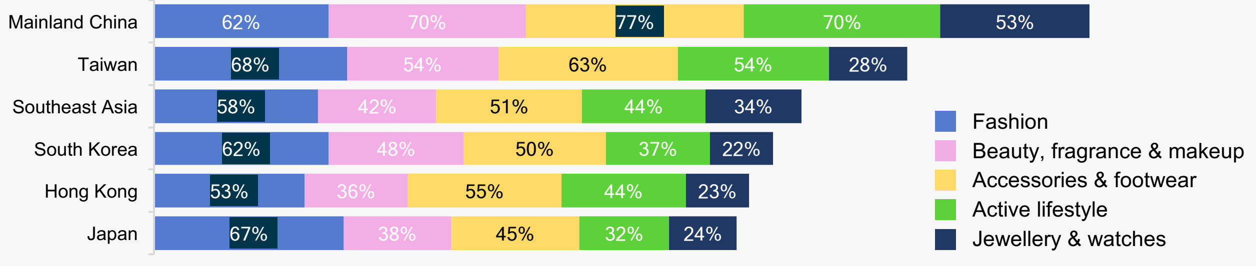
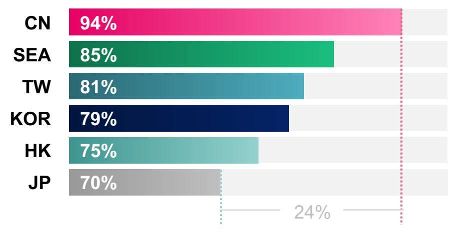


Fig. 10: Intent to shop from niche brands

Slightly/Strongly Agree: "In the coming 6 months, I want to find more niche brands that allow me to buy more unique items."



Moreover, in the coming 6 months even more consumers intend to shop from niche brands that allow them to buy more unique items in the next 6 months. **(Fig 10).**

"The main reason for me to buy a niche brand is that you do not see others using the same. I love when people notice the quality or design of a niche item and ask me where I got it."
Japanese consumer

2 |
The 'Feel Good' value shift: Healthy, Natural, Ethical

Consumers want to feel good and make up for lost time. But where we might expect them to pursue simple hedonism, their definition of feeling good goes far beyond self-gratification.

Relief and release: positive feelings and the 'revenge living' mentality.

Unsurprisingly, consumers across Asia are feeling more positive about the future than they were in early 2022. Hong Kong, the last market to lift COVID monitoring and mask rules in March this year, saw the largest year-on-year increase in respondents sharing their positive outlook (+17%, from 63% to 80%), followed by Japan (+10%, from 72% to 82%) and Taiwan (+9%, from 78% to 87%) **(Fig 11).** By contrast, Mainland China's small dip (-2%) can be attributed to the high sentiment in our last survey, taken before the beginning of the nation-wide quarantines.

Along with this positive outlook comes a desire to make up for lost time, by travelling, having experiences and buying more luxury products **(Fig 12).** This desire is strong across Asia, with Mainland China leading (96%) and Japan at the tail-end (79%), indicating a prevalent 'revenge living' mentality. Interestingly, this mentality exceeds positive outlooks about the future in SEA (90% vs 86%) and HK (83% vs 80%), suggesting some scepticism about long-term stability in these markets.

Fig. 11: Positive outlook about the future

Slightly/Strongly agree: "Generally speaking, I am feeling positive about the future."

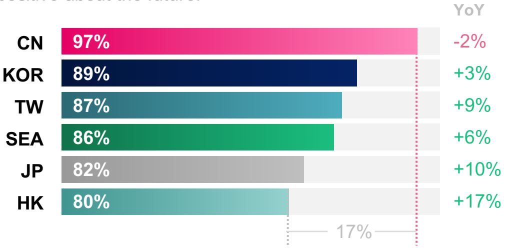
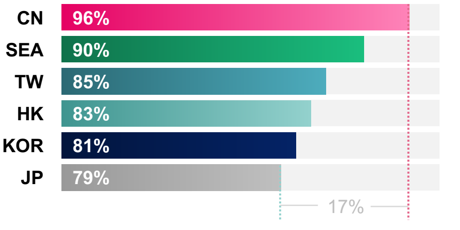


Fig. 12: Revenge living and buying

Slightly/Strongly Agree: "I want to make up for lost time, I want to travel, have experiences and I have the income to do this and to buy more luxury products."



Feeling good & doing good: the desire for natural and ethical brands is taking roots.

Fig. 13: Interest in 'natural choice' brands

Slightly/Strongly Agree: "I do now prefer to buy those more 'natural' choice brands, be it in their ingredients or fabric."

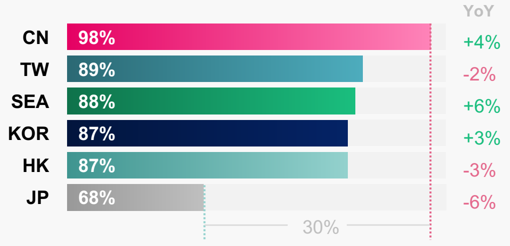
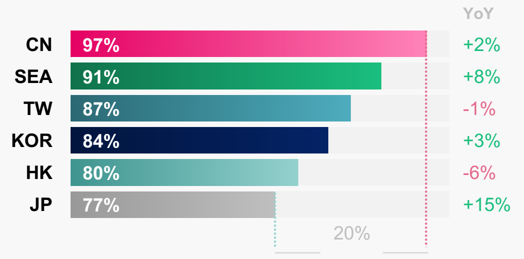


Fig. 14: Importance placed on a brand's ethics and values

Slightly/Strongly Agree: "Ethics and values of a brand are important. I will check the ethics behind a brand to make sure their products are responsibly sourced before I purchase a brand (such as the provenance of a diamond or responsibly sourced fabric / materials)



"While we see a strong 'revenge living' mentality, consumers appear to consider ethical and sustainable values as important components in the pleasure of purchasing premium and luxury products. Today it is an expectation." Anne Geronimi, Group Communication and Sustainability Director.

When it comes to purchasing premium lifestyle products, data highlights a shift in consumers' interests that goes beyond the desire for self-gratification or self-improvement.

Already high in 2022, interest in 'natural choice' brands **(Fig 13)** rose in SEA (+6%), Mainland China (+4%) and Korea (+3%). In all markets except for Japan, over 85% of respondents agree that they now prefer to buy those more 'natural' choice brands, be it in their ingredients or fabric. Notably, only 68% of Japanese respondents agree, suggesting a generally lower consumer focus on sustainability.

More widespread yet is the year-on-year growth in consumers who attach importance on brands' ethics and values **(Fig 14)** - a growth led by Japan (+15%, from 62% to 77%) and SEA (+8%, from 83% to 91%). Chinese respondents (97%) are the most likely to check the ethics behind a brand before they purchase it.

"Nowadays I assume that most brands are making efforts to be ethical and sustainable, but if I found out a brand was reluctant to take any initiative, my view of the brand would probably change."
Korean consumer

'Revenge living': less about ego, more about self-care?

An expected dimension of 'revenge living' mentality is the desire to treat oneself. Yet consumers across Asia appear to approach this desire from different perspectives.

In Korea, Taiwan and Japan, consumers favour products associated with a healthy and active lifestyle **(Fig 15)** more than products that boost confidence **(Fig 16).** Korea and Japan also saw the largest year-on-year increase in interest in products associated with healthy and active lifestyle (+9% and +7%, respectively), highlighting a more long-term - and self-driven - strategy to addressing negative experiences of the pandemic.

In Mainland China, SEA and HK, consumers appear to attach importance more evenly between confidence boosting and healthy/active lifestyle, with only up to 2% difference in interest.

Fig. 15: Interest in products associated with healthy / active lifestyle

Slightly/Strongly Agree: "Since Covid, I now want to spend more on products that let me enjoy a more healthy and active lifestyle."

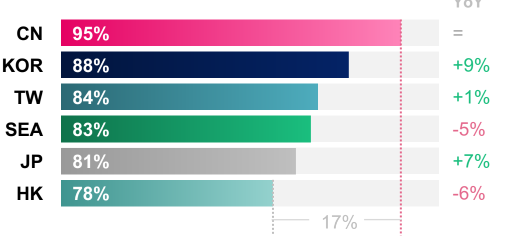
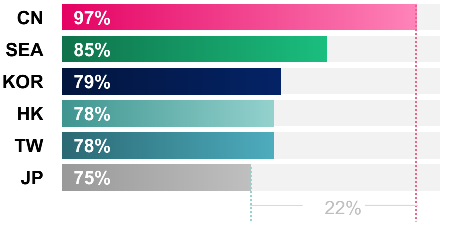


Fig. 16: Confidence boosting as a driver

Slightly/Strongly Agree: "This year I am more in the mood to buy products that make me feel good when I go out."



3 |
New horizons: domestic and regional travel appeal

Even as international destinations court them, Chinese and Japanese consumers are drawn to local destinations. And while travellers from the rest of Asia are willing to spend on experiences, Chinese travellers still plan to spend most on shopping both abroad and at home.

Travel? Yes! But for Mainland China and Japan, international tourism contends with the pull of domestic destinations.

Intent to travel internationally in 2023 is strong among all markets except in Mainland China (only 65%) and Japan (only 55%) **(Fig 17).** Among those who **do not** plan to travel internationally, 45% from China and 38% from Japan say it is because they are more interested in the destinations in their own country **(Fig 18).** The preference for domestic destinations is also the leading reason not to travel abroad among of Korean respondents (47%). Meanwhile COVID concerns are the most common deterrent for those consumers choosing not to travel abroad from Japan (40%), Hong Kong (44%) and Taiwan (40%), while the prevalent consideration among SEA respondents is caution with travel spending by staying domestic (43%)

Fig. 17: Intent to travel internationally

Respondents planning to travel internationally in 2023

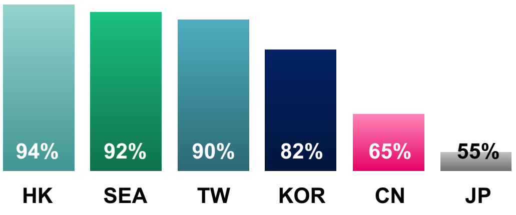


Fig. 18: Top considerations for those who do not plan to travel internationally

Aggregate figures from multiple choice

Top considerations	CN	JP	KOR	HK	TW	SEA
I am more interested in the destinations in my home country	45%	38%	47%	13%	4%	24%
I am still feeling afraid of COVID	27%	40%	27%	44%	40%	14%
I prefer to be cautious with my travel spending by staying domestic	26%	26%	44%	13%	28%	43%
I want to prioritise visiting family and friends	29%	14%	29%	6%	16%	29%
I don't have the budget to travel	17%	27%	24%	19%	28%	33%

"I plan on travelling to Asia, Australia and Europe; UK, France and Italy. Thailand is for wellness and spa, Taiwan and Korea for shopping and culture. Australia for beaches, sun and The Great Ocean Road and the UK to visit friends and for the historical buildings."
Hong Kong consumer

Domestic or international, Mainland Chinese travellers favour shopping over experiences.

Fig. 20: Spending intent during domestic travel

Aggregate figures: "When you travel domestically, besides your hotel stay, which of the following are you most likely to spend more on?"

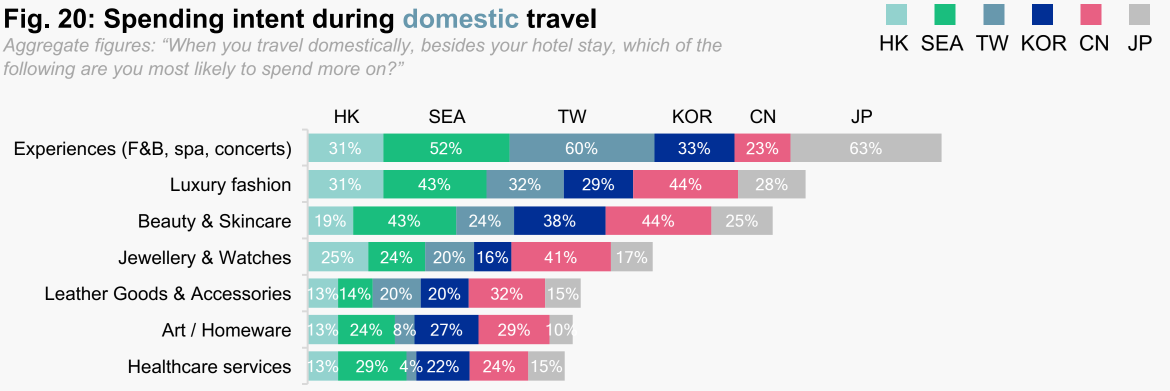
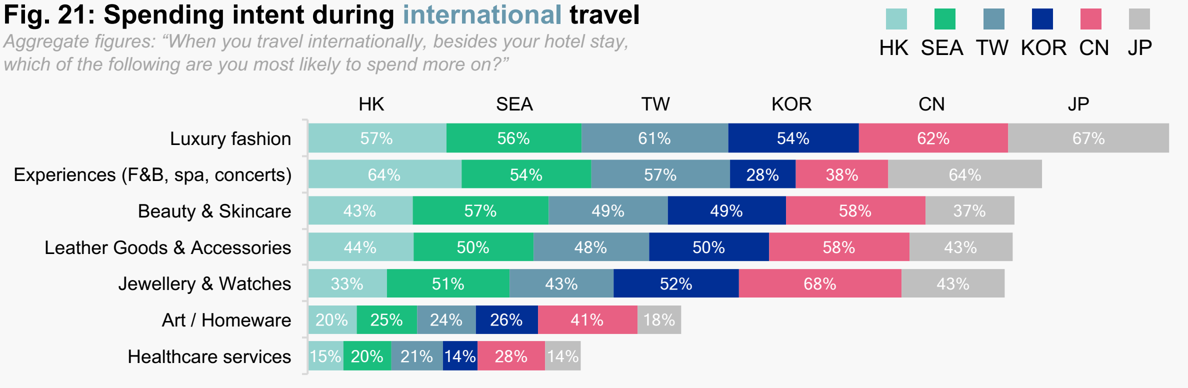


Fig. 21: Spending intent during international travel

Aggregate figures: "When you travel internationally, besides your hotel stay, which of the following are you most likely to spend more on?"



"Travel and spending intent is good news for domestic destinations like Hainan in China, which invested heavily in the island's infrastructure to cater to both consumer experiences and shopping offering during the pandemic" said Samy Redjeb, Greater China Managing Director.

While domestic destinations are attracting some consumers away from international travel **(Fig 18),** they elicit different spending intents among consumers, with **experiences** such as F&B, spa and concerts **(Fig 20)** topping the planned spending categories for the region as a whole. Chinese consumers are the exception to the rule: they are most likely to spend on **luxury fashion** (44%), **beauty & Skincare** (44%) and **jewellery & watches** (41%) during domestic travel.

By contrast, spending intent during international travel is topped by **luxury fashion**, ranking first among consumers from Japan (67%), Korea (54%) and Taiwan (61%) **(Fig 21). Experiences** (e.g. F&B, spa, concerts) rank second overall in Asia, and top the ranking for consumers from Hong Kong (64%).

"I tend to travel domestically, and am actually planning a trip to Hainan soon. Usually I'll accompany my wife to shop for cosmetics at duty free shops."
Chinese consumer

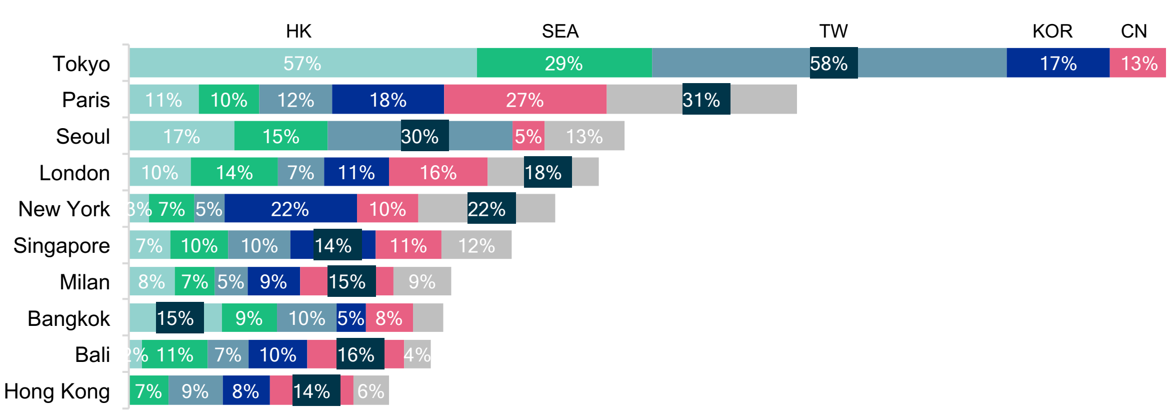
International spheres of attraction: Taiwan and Hong Kong favour Asia, Mainland China and Japan look farther.

Tokyo, Paris, Seoul, London, New York. There are no surprises when it comes to the top preferred international destinations among Asian lifestyle consumers. But it is important to recognise the distinct spheres of attraction across markets. Asian destinations make up the top three for respondents from Hong Kong (Tokyo, Seoul, Bangkok) and Taiwan (Tokyo, Seoul, Singapore) **(Fig 19).** By contrast, destinations further afield are the most popular among consumers from Mainland China (Paris, London, Bali) and Japan (Paris, New York, London).

> *"During COVID the only way to travel was through movies and TV dramas. Now I want to see some of the places from these movies in person."*
> ***Japanese consumer***

Fig. 19: Preferred international travel destinations

Aggregate figures of top three destinations to visit



Channels

Breaking down the “omni-channel” in Asia

A means to an end: consumers prefer whichever channel offers the best price and convenience.

"Consumers in Asia across the board are almost all becoming more channel agnostic with regards to purchasing premium goods, however the physical experience is taking more importance in the consumer discovery journey." said Ashley Micklewright, President & CEO, Bluebell Group.

When it comes to purchasing premium/luxury products, consumers are by-and-large agnostic about the channel: the vast majority of respondents say they do not differentiate between online or offline, and that price and convenience is the most important to them **(Fig 24**), led by Mainland China (97%), Taiwan (88%) and Korea (82%).

But when considering channels on their face-value, in-store physical experiences are seeing growing consumer interest across all markets apart from Taiwan and South-East Asia, with Mainland Chinese respondents showing the largest year-on-year growth in interest (+15%, from 76% to 91%) **(Fig 23).**

Fig. 24: Purchase channel agnosticism

Slightly/Strongly Agree: "I do not differentiate between purchasing premium/luxury brands online or offline. Price and convenience is the most important to me."

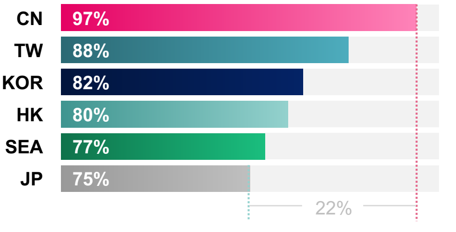
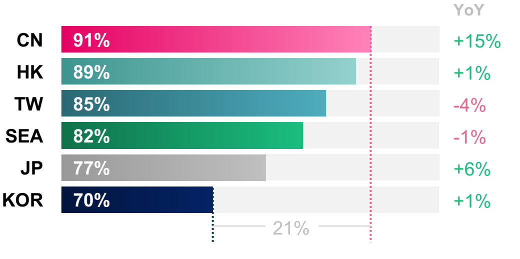


Fig. 23: Interest in in-store physical experiences

Slightly/Strongly Agree: "I am now more interested in physical experiences in store, rather than the metaverse or other online experiences."

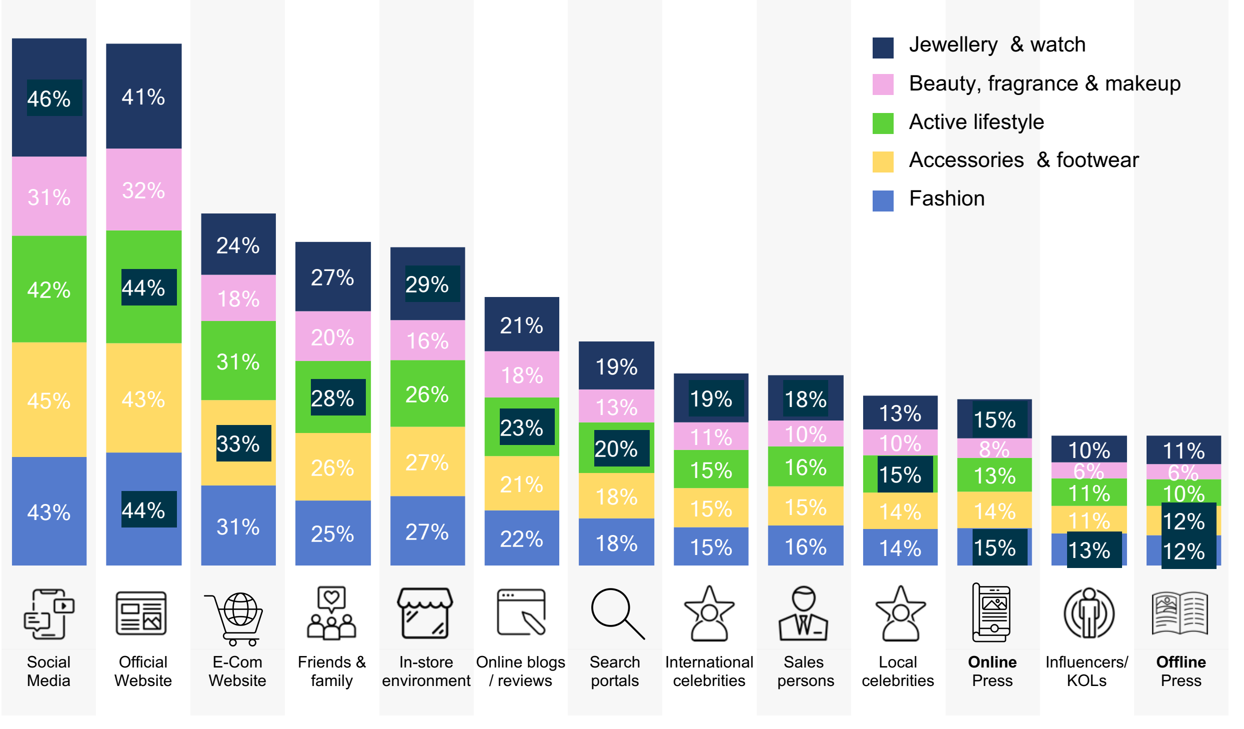


Channels of influence
by product category

Social media and official websites are neck and neck for the top spot, influencers are in a slump.

Perhaps in the same spirit as the 'safe' luxury trend, the influence attributed to **official websites** across Asia is up year-on-year in all categories, bringing it neck and neck with **social media** for the top spot **(Fig 25). Official websites** enjoy the most influence among consumers of fashion (44%), active lifestyle (44%) and beauty, fragrance and makeup (32%). Meanwhile **social media** has remained the most influential channel for jewellery and watch (46%) and accessories and footwear (43%). Interestingly, **influencers** and **offline press** are the two least influential channels across categories.

Fig. 25: Top influential channels for consumption, by product category
"When considering different categories of premium goods, which of the following channels are the most influential to you)?" (% shows respondents who listed that channel among their top 3 preferred channels)

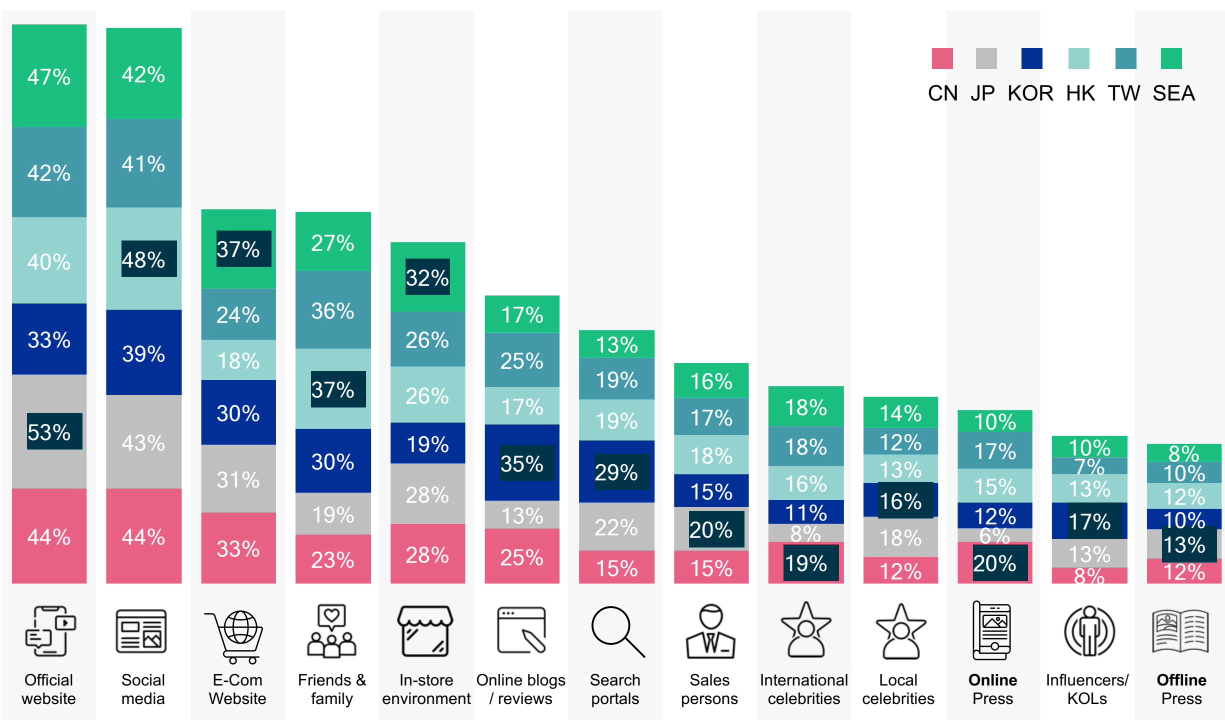


Channels of influence
by market

Official websites are particularly influential in Japan; social media in Hong Kong; e-commerce sites in SEA; and online blogs and search portals in Korea.

This year's standout surprise, **official websites** are most popular among Japanese consumers, with 53% considering it one of their most influential channels when considering premium goods. Conversely, across Asia Japanese consumers are the least influenced by online press (6%) and international celebrities (8%). Similarly, other channels enjoy markedly more influence in some markets than others. **Online blogs/reviews** and **search portals** are particularly popular with Korean consumers (35% and 29% respectively), while **e-commerce websites** and **in-store environment** are particularly popular in South-East Asia (37% and 32% respectively) **(Fig 26).**

Fig. 26: Top influential channels for consumption, by market
"When considering different categories of premium goods, which of the following channels are the most influential to you?"



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