

RESEARCH

US versus China: The affluent consumer's mindset post COVID-19

September 24, 2020



Chinese affluent consumers are more optimistic than their U.S. counterparts post-pandemic. Image credit: Agility Research & Strategy

By LUXURY DAILY NEWS SERVICE

When it comes to luxury consumption, no other countries are as important as the two major wealth and luxury powerhouses: China and United States.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Being vital for the luxury sector, it is essential to understand what drives affluent consumers in both countries and how they have been affected by the COVID-19 pandemic.

Agility Research & Strategy's newly released U.S. and China TrendLens 2021 studies completed in August post COVID-19 got the pulse of these two consumer groups.

The study covered not only shopping habits, but defined similarities and differences in U.S. and Chinese consumers' aspirations, needs and the way they understand and consume luxury.

Per the research, it was interesting to see that in these two major world economies, most affluent consumers believe that their overall economic well-being and income will stay the same or increase.

However, affluent Chinese are more optimistic: the majority among them are confident that their economic well-being and income will keep increasing despite COVID-19.

Gender gap

Yet, COVID-19 may accentuate the gender gap in society, particularly in the U.S.

Women in the U.S. tend to be less optimistic. Per Agility, they believe that the COVID-19 crisis will have an impact on their income, with only 29 percent believing that their income will increase, versus 42 percent of U.S. men.

By contrast, Agility registered similar scores in China, with 54 percent of both men and women expecting their income to increase.

Chinese consumers ready to respond

As a result of a more optimistic mood, affluent Chinese expect to continue to increase luxury consumption and experiences, while affluent U.S. consumers are more cautious, with a higher number (40 percent) expecting

consumption to decrease in the next 12 months.

A large number of U.S. affluent women (44 percent), in particular, expect their consumption of luxury products and experiences to decrease considerably.

Key concerns

Despite an upbeat mood about personal prospects, concerns about the economy are high.

The worsening of diplomatic and economic ties between China and U.S. looms large in both countries, particularly in China, with 93 percent of Chinese affluent are concerned about it.

Life priorities

COVID-19 has forced many affluent consumers to evaluate their health and lifestyle choices.

No surprise then that in term of life priorities, "Living a healthy lifestyle" ranks the most important priority in U.S., second in China after "Children's education."

But while in China Gen Z and millennials are ahead versus consumers ages 40-plus in term of priorities when it comes to "Living a healthy lifestyle," the opposite is true in the U.S., with the older generation driving it.

Luxury spending

Affluent consumers continued to spend during the COVID-19 crisis, but certain categories benefitted more than others, particularly "skincare" and "makeup" in China and "alcohol" in the U.S.

Spas, automotive and cruises are the categories that suffered the most.

Despite the increase of ecommerce during the pandemic, the retail experience retains a strong appeal for affluent consumers in both countries, per Agility.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.