

MARKETING

Could China's "sandwich generation" offer a windfall for luxury?

June 2, 2022



Caught in the middle of caring for children and parents, this is a demographic luxury often disregards. Yet a closer look uncovers a profitable opportunity. Image credit: Shutterstock

By [Glyn Atwal](#)

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

Jingxuan is a 42-year-old Beijing-based marketing executive who spends most evenings catching up on work at home, but also supervising her son's homework and caring for her aging mother. She is literally caught in the middle "sandwiched" between the competing demands of caring for her son and her mother. This is not an easy life.

For her, time and energy are luxuries. Jingxuan belongs to China's "Sandwich Generation" that manages the continual conflicts of financial pressures and emotional priorities which have only been accentuated by the ongoing COVID pandemic.

Many local luxury brands side-step this generation of "sandwiches" who, in the first instance, appear to fall short of living a luxury lifestyle.

Yet a closer look uncovers a potentially profitable market opportunity.

First, the Sandwich Generation is sizable, [reportedly the largest in Asia](#).

Second, many "sandwiches" have in fact benefited from China's model for economic growth and are certainly more prosperous than their parents were.

Finally, younger members of this generation are not so far removed from millennials, and [McKinsey & Co.](#) reported that Gen X Chinese consumers (like the "sandwiches") are surprisingly more spontaneous than their Gen Z counterparts in Australia, Japan and South Korea.

This raises the question of why so many luxury brands continue to overlook this demographic.

Some categories are obviously more suited to younger folk. But companies should be afraid to appeal to the sentiment of the Sandwich Generation.

This may not be luxury labels' natural territory and will lie outside of their marketing departments' comfort zones, but China's "sandwiches" could provide a filling to the mainland's hungry post-COVID economic recovery.

Family first

According to [Accenture's China Consumer Survey 2021](#), family was identified as the number one priority, followed by health and career.

It can be assumed that family has a stronger weighting amongst consumers belonging to the Sandwich Generation.

The emphasis on family affects many consumption decisions, including luxury.

Gift-giving remains an important ritual that reflects intergenerational family cohesion. And practical considerations are increasingly relevant.

For example, the purchase decision of a new car is based on meeting the needs of all family members.

Premium car businesses that reinforce advanced technologies to improve safety are more likely to positively influence brand preference.

Trust in brand performance is key, and reports of [product recalls](#), as in the case of Tesla, Mercedes Benz and Porsche, may have a detrimental effect.

Long-term security and stability

Long-term planning is a key concern for China's Sandwich Generation, which translates into a greater interest in wealth management, health and education.

Companies can seize this opportunity to market tailored offerings such as financial advice that are likely to keep "sandwiches" awake at night.

Typical concerns include financing a child's education, providing for aging parents financially, and funding their own retirement.

Asset management firms are expanding their presence in China, and the BlackRock-CCB joint venture has recently launched its first private pension product here.

Convenient digital solutions

The Sandwich Generation in China, as in other international markets, is stressed about time.

As such, "sandwiches" are more likely than other adults to crave convenience. This is where luxury labels can step in.

[Deloitte's 2022 Global Automotive Consumer Study](#) reports that 23 percent of Chinese respondents prefer to purchase their next vehicle partially online versus 17 percent in the United States.

BMW and Mercedes-Benz, for example, offer a virtual showroom experience integrated into a WeChat Mini Program.

Technology is not just about luxury groups connecting with digitally-savvy consumers, but providing useful solutions to time-starved consumers.

Although family will almost always come first, luxury brands should see the mainland's Generation Sandwich as not only influential to family purchases but as a target demographic in their own right.

The buoyant growth in wellness, for example, is multi-generational. Luxury could become the cheerleader for a generation that has too often been forgotten.

Glyn Atwal is an associate professor at the Burgundy School of Business (France). He is co-author of "Luxury Brands in China and India" (Palgrave Macmillan).

Published with permission from [Jing Daily](#). Adapted for clarity and style.