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What Chinese consumers really think about sustainability

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Research suggests that there is a demand for sustainability in China, but there is still a long way to go toward changing many consumer attitudes. Image credit: Shutterstock

By [Glyn Atwal](#)

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Sustainability has become increasingly interconnected with luxury offerings.

While some critics contend that this is more about greenwashing rather than a genuine concern for the environment, the business case for sustainability is changing how labels create value.

And yet sustainability is often viewed through a Western lens, which can lead to brands misreading consumer sentiment in markets such as China. *Jing Daily* outlines how Chinese consumers decode the meaning of sustainability and why it matters for luxury.

Sustainability matters

A wealth of survey data collected over time is an unembellished reminder that consumers in global markets do care about the environment.

What is interesting, however, is that although environmental activism in China is tame compared to other nations, mainlanders appear to care more than many of their global peers.

[PwC's June 2022 Global Consumer Insights Pulse Survey](#) revealed that 34 percent of Chinese consumers "often" or "always" agree that a business' environmental actions influence purchase behavior compared to 29 percent in the United States.

The fall-out from the COVID-19 pandemic coupled with social media dialogues and conversations has not only heightened awareness of sustainability issues but shifted consumers' perspectives on environmental sustainability.

Domestic consumer expectations, especially among younger cohorts, have pushed sustainability into the mainstream. This challenges firms to demonstrate not only responsibility but leadership.

Willingness-to-pay

This shift in consumer priorities is significantly reflected in the willingness to pay extra for environmentally friendly features. This will vary according to spending power and product category.

EY reports that a higher percentage of high-income Chinese consumers are willing to pay between 11 percent and 30 percent premium for buying an electric vehicle compared to U.S. consumers.

Yet interestingly, a higher percentage of high-income U.S. consumers are willing to pay more than 30 percent, which suggests that sustainability in the U.S. has stronger status-signaling power.

However, strong brand equity can overcome barriers to purchasing green luxury in China. In 2021, deliveries of all-electric and plug-in electric **Porsche models accounted for 18 percent** of the total sales volume here.

Local issues

Sustainability means different things to different people. This can be broadly attributed to how consumers are affected personally.

For instance, according to **Ipsos**, air pollution was the leading environmental concern for Chinese respondents with 45 percent versus 24 percent for U.S. respondents.

Many families visit play areas in shopping malls because it is deemed safer than playing outdoors. As a result, luxury groups are more likely to foster higher engagement if there is a greater focus on local green issues.

For example, The North Face x Gucci resonated exceptionally well in China because the collaboration embraced sustainability with style, and conveyed an implicit reference to clean air in this case, the Alps.

Sustainability is not only a driver of financial performance but also creativity and innovation, as younger consumers in China and around the world redefine what luxury means.

However, authenticity and thus transparency will be key to implementing an effective green strategy, especially in the mainland.

Credit Suisse Research Institute reported that more than 50 percent of Chinese consumers were distrustful of corporate sustainability claims: greenwashing is obvious to most consumers. A strong brand reputation is more important than ever.

Most luxury players, with their strong credibility, have the advantage of possessing excellent reputations. Combined with actual transparent sustainable green business practices, this is an appealing formula.

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