

A Look At Consuming Passions In The Asia-Pacific Region

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Asia-Pacific consumers are notorious for their penchant for luxury goods and technology.

Let's hear from the consumers themselves how the habits came about and most intriguingly, on what's new with these obsessions given the economic backdrop?

Key trends

- Who is the fairest of them all?
- Look at me, I'm so fabulously expensive!
- To eat is sheer bliss;
- Entertain me all day long;
- Recession denial.

Commercial opportunities

- Use media or music to reach younger consumers as entertainment plays a major part in their lives. It is vital that marketers continue to engage with young audiences to build a loyal consumer base as Asian consumers are known for making purchases based solely on brands;
- Brands that offer luxury treats such as sunglasses, belts, handbags, ties, are less vulnerable as these items are perceived as singular treats that consumers are more likely to pamper themselves with. For example, the consumer mentality tends to favour the purchase of one luxury handbag for US\$1,500 rather than five less-expensive handbags at US\$300 each.

Background

Asia-Pacific consumers have long been known for their obsession with luxury goods, electronic gadgets, beauty products, jewellery, fine dining and their shopaholic ways, particularly the younger generations.

Recession or not, nothing is going to quite get in their way of pampering themselves to make themselves feel better in this gloomy economic climate or to simply keep up with the Joneses with their sparkly image.

According to a report by Hong Kong media Southern Metropolis Weekly released in June 2009, most of China's 224 million children already have independent brand preferences and are influenced by flourishing media.

"My granddaughter is 10 years old but she already knows all the brands like BMW, Gucci, Chanel, Omega and Apple", said Lin Yang, a research fellow of the Institute of Psychology at the Chinese Academy of Sciences.

In addition to spending on material goods, consumers in the region are also known to "live to eat", with many of the countries boasting a prominent culture of dining out and consumers equipped with a profound knowledge of food.

Singapore and Hong Kong are famous for their local food and the people's love of food.

In Australia, the hugely successful reality-show style cooking competition 'MasterChef' has renewed people's aspirations to be foodies and critics, experimenting with different cuisines and dining out more despite the recession gloom.

With the obsession of food comes the dilemma of watching one's waistline, but amusingly, that comes secondary to having beautifully fair skin for many female consumers.

From skin lightening creams and bleaching soaps to injectable glutathione; cosmetic manufacturers have thought of everything to entice millions of women who want a fairer complexion, which is seen as a symbol of wealth and health.

Who is the fairest of them all?

Tanned skin may be in vogue in the West, but a fair and flawless complexion is coveted by women across the Asia-Pacific region. In Japan particularly, dermal consciousness is an ancient preoccupation with added emphasis on fair, flawless and translucent skin.

"Beautiful, fair skin has always been equated with beautiful women since ancient times," said Dr. Kaori Ishida, an associate professor at the Komazawa Women's University Faculty of Humanity. "The Japanese are obsessed with fair skin. We have a common expression which says that fair skin covers all defects while tanned skin is considered a fault," added Dr. Ishida.

Their Chinese counterparts still hold on to the aged old belief that pale, flawless skin gives one a bountiful life.

“Fair skin makes one looks aristocratic and healthy, while darker skin people are always considered to be from the rural farms; people who have to toil for money. I spend half of my husband's pay on skin-whitening products and procedures, but he doesn't mind” boasted Lin Fengmei, a 35-year old mother of two in Shanghai while having high-tea at The Hyatt Hotel.

Look at me, I'm so fabulously expensive!

She wears a Rolex, is clothed in Zegna and uses a Montblanc to write while she travels with a Louis Vuitton bag draped over her shoulder.

Jenny Yuan is one example of the new face of China and its burgeoning wealth and fascination for designer everything. “I'm just a walking advertisement for top brands,” she says.

But to Yuan and millions of others, these are symbols of the good life and more importantly of the purchasing power of professional Chinese, just like Ferragamo shoes are de rigueur for many South Korean women or a Louis Vuitton handbag for some women in Japan, Hong Kong and Singapore.

In addition, most Asian countries practice "gifting", and luxury goods of obvious high value flatter both the giver and the receiver. As they are so often part of political and business transactions, luxury goods are as popular with men as with women.

To eat is sheer bliss

A quick internet search on Asian food will fetch a mind-numbing number of blogs dedicated to food in the region written by local consumers, reflecting their love for food. Singaporean Richard Lee, who admits to be 'food-obsessed' with no qualms, gushed, “Everybody loves food in Singapore, and that is why we have so many hawker centres and restaurants.

I read blogs and magazines for new recommendations and my friends and I will be there first thing! Between buying a new shirt and splurging on a meal, I'll definitely go for the latter!” Celebrity Anthony Bourdain could definitely attest to that.

In an interview promoting his book, Bourdain said, "Singaporeans are the most food-obsessed. They're all food experts and will argue with you about all these obscure regional Chinese dishes, but also about how to make a fettuccine carbonara, and they'll give you a respectable argument!"

Meanwhile in Australia, food stores have been swamped with requests for everything from croquembouche (French dessert) cones to meringues and it is all because of hit cooking show 'MasterChef', first made popular in the UK but now a massive success attracting millions of viewers each night Down Under.

Already known for having an obsession for food, even more Australians are hitting shops and supermarkets in droves for the latest gadgets and ingredients after being inspired by recipes on MasterChef.

Syd Weddell, from cookware specialist The Essential Ingredient, said business had skyrocketed since the start of the show. "It has had a huge impact right across the country. It has taken cooking in people's homes and dining out to a different level," Mr. Weddell said. "Every time there's a piece of equipment or ingredient used on MasterChef, it sells out the next day.

Entertain me all day long

A survey released by Synovate on young Asian consumers in March 2009 revealed that most spend on average of 10 hours a day watching TV, on the internet, reading magazines or listening to the radio.

The survey covers 12 countries across Asia, including Vietnam and Japan for the first time and found that nearly a third of young Asians said they plan their day around their favourite TV programmes, hoping to catch every episode.

Up to a quarter said they could not live without the internet, and two-thirds said they must listen to music daily.

Miranda Cheung, managing director of Synovate in Singapore, said

"Many of the younger consumers are multi-tasking with different forms of entertainment; watching the TV, talking on the phone, surfing the web with the radio on in the background. Or they may be sending email, texting on their mobile phone and playing an online game all at the same time," she added.

Koreans spent over 13 hours a day, apparently the longest in the region - consuming some form of media, followed by Hong Kong youth and Singaporeans.

Peter Tong, a self-professed TV addict in Hong Kong, claimed

“I would rather watch TV than go out after work with friends on weeknights, as programmes tend to be more interesting than weekend TV. I would eat in front of the TV, talk to my wife while watching TV, and it will also be the last thing I'm doing before I sleep as I have this huge TV in my bedroom!”

Recession denial

Despite the fiscal gloom, many are finding safety and warmth in conspicuous consumption among friends.

Although it may be both irresponsible and the antithesis of belt-tightening, it is undoubtedly a lot more fun.

Vicky Hull, a cosmetic specialist nurse recently reserved the Belle Epoque Lounge at the opulent Spice Market Bar in downtown Melbourne to celebrate her 50th birthday with 10 of her "best girlfriends".

Although the bill came up to about A\$10,000 (US\$8,000), the expense was not an issue.

"I wanted to do something lush and extravagant and stupidly outrageous," she says. "We had our own space, our own manservant, plenty of expensive wine and a karaoke machine and so it absolutely justified the expense. It was a bit of a spoil but who cares about that when you're having a good time. It was a complete escape from the day to day."

Virginia Hellier, a professional consultant to the food industry for nearly 30 years, believes that there are key differences in the way people are reacting to this economic crisis compared with those in the past.

"The restaurant industry suffered dreadfully then but this time people seem to be dining out regardless. It's like a comfort when other luxuries have been set aside," Virginia said.

Outlook

Consumers in the region will continue to pursue their obsession particularly in emerging economies like China and India.

The emphasis on image and material possessions has been a deep-seated culture and habit for many consumers in the region.

This will in turn continue to fuel the demand for luxury goods and the latest and the best in terms of technology and gadgets.

This mentality is aptly depicted on a blog run by the Institute of Financial Management and Research of India:

"If a neighbour gets a new car or new flat screen TV, there is a sense that maybe if I don't have that same TV, I am falling behind in the game of life; that in some way I am losing status among my peers.

The result is the desire to keep pace, to go out and buy a bigger TV, a bigger car and maybe a new sofa to match the new TV."

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