

# People's Consuming Concept in Different Ages

Zhi Zhou

Woodstock Academy

\*Corresponding author. Email: zhoushi24@yahoo.com

## ABSTRACT

People's consumption concept is usually related to their birth environment. In the past 40 years, China has experienced rapid economic development and tremendous changes in society, which has also triggered a huge change in people's thinking. Therefore, Chinese people born in different ages have huge differences in consumption concepts. This article analyzed social surveys and data to study the characteristics of consumption born in the 1970s, 1980s, 1990s and 2000s. In addition, the author compared the consumption concepts of these people born in different years. The results of the study indicate that the backward economy and harsh environment in the 1970s should have contributed to the frugal and money-saving consumption concept of the generation in the 1970s. In the 1980s, the economy improved, which made people born after the 1980s pay more attention to the actual cost-effectiveness of goods. The rapid economic development and technological progress in the 1990s and 2000s made modern people born in the 1990s and 2000s more inclined to have a good reputation for consumption.

**Keywords:** Consuming concepts, Different ages, Consumption patterns, Market promotion

## 1. INTRODUCTION

Along with the development of the economy, the goods on the market increasingly rich, people's consumption choice more and more diversified, consumption level unceasing enhancement, people's consumption concept in change, also indicates the development needs and enjoy housing, health, education, entertainment, transportation, communications and other expenditure proportion of rapidly rising, so shopping has become a way of people's leisure. But in previous times people were not as rich as they are now. The growth environment of life is different, the education is different, the experience is different, the natural consumption view is also different. However, nowadays, there are more and more obvious boundaries between the consumption views of young people at different age stages.

People who born in 1970s, 1980s, 1990s, 2000s. are the main group of social consumption, as long as we understand the consumption direction of different age groups, it will be much easier to know the demand of market, and supply the need to the people who really need it. In addition, if a product is to be launched, this research can also quickly locate the consumer masses of this product, so that the latter can more conveniently and quickly publicize the product so that it can be sold

quickly. First step to do is to know the history background of people who born in 1970s, 1980s, 1990s, 2000s. Do research on their growth environment, education, technology level. To figure out what they will buy in their won generation. Second step is to do a questionnaire to find out how people born in 1970s, 1980s, 1990s spend money at present, what kind of goods and services they will buy at modern time.

## 2. ECONOMIC HISTORY BACK GROUND

In 1970s, because the economy was backward, food and clothing were the main consumption items for everyone.

Eat - ration of rice, sorghum rice and secondary flour to eat more.

What to wear - Usually a yellow military uniform, rubber shoes, white clothes for activities, blue trousers.

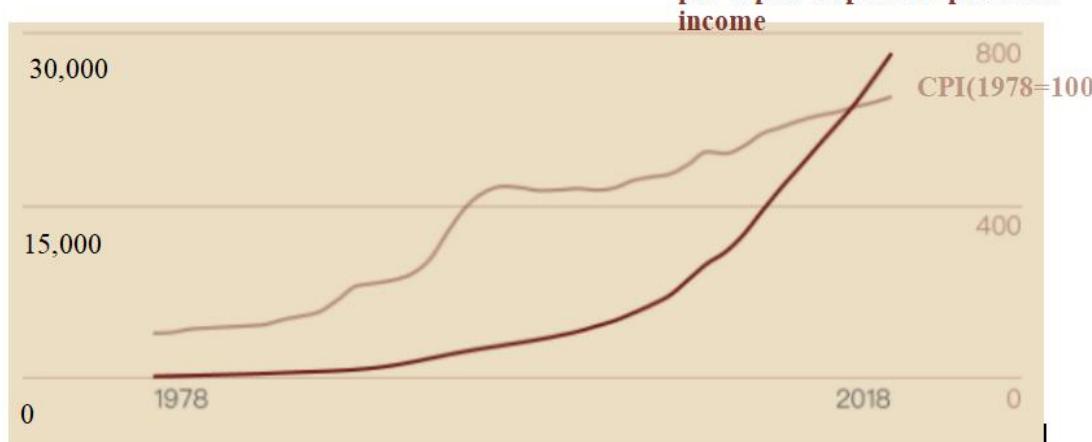
At that time, "green food" was basically available, and the supply was too small, famine is also common malnutrition was a common disease, such as edema, but fatty liver, gallstones, diabetes and other modern afflictions were rare. National rural population of 803.2 million, the national farmers per capita net income of only 133 yuan, more than 90% for the physical and monetary income of less than 10%, there are 40 million households' farmers food can only eat half a year, there

are millions of farmhouses, net light field is weaned, from winter to spring on government relief, all rely on to borrow grain or out begging [3].

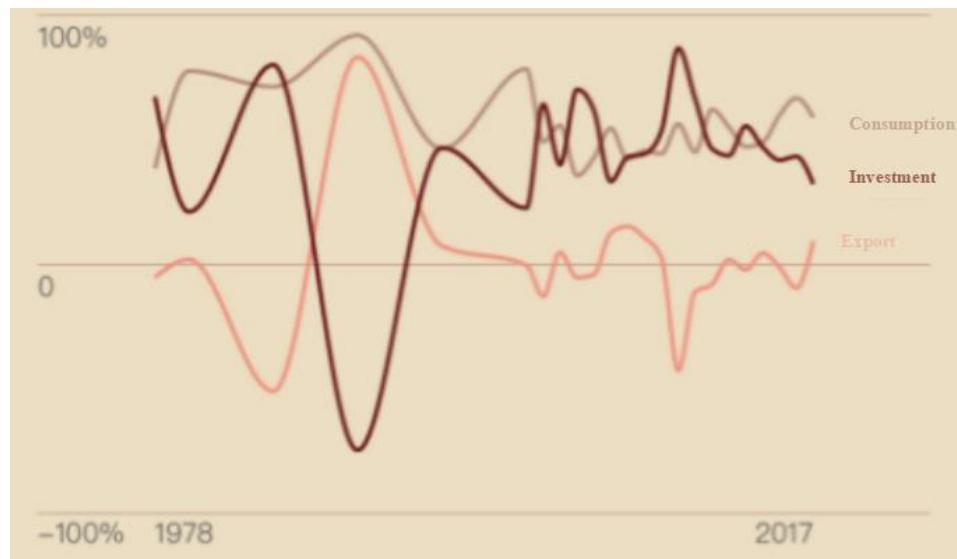
In 1980s, materials were scarce and everything had to be bought by ticket. In the 1980s, bicycles and trolleybuses became the main means of getting around. The economy developed steadily and rapidly. According to preliminary calculations, China's GDP reached 4.7156.4 trillion yuan, an increase of 9.2% over the previous year. Primary, secondary and tertiary industries grew by 4.5%, 10.6% and 8.9%, respectively. The added value of the entire industry was 18.86 trillion yuan, up 10.7 percent. Consumption and investment grew steadily, and domestic demand grew significantly. Retail sales of consumer goods totaled 1.83919 trillion yuan, up 17.1%. More people have jobs, and people's purchasing power is gradually increasing, which also makes some electrical appliances appear in people's sight [5]. The poor are still thinking about food and clothing, and some of the rich have started to buy TVs, old cameras and recorders.

In 1990s, With the rapid development of economy, few people will worry about food and clothing, people put their money into the pursuit of quality of life. Although people are start to get rich but very few people will put it in the bank. People start to buy Cars, TVs, games consoles and luxury goods. The gap between rich and poor is also widening.

In 2000s, the GPA was 88189 billion yuan, an increase of 8 percent over the previous year. Of which, the primary industry is 1,462.82 billion yuan, the secondary industry is 4,465.68 billion yuan, the tertiary industry is 2,97038 billion yuan, and the per capita GDP is 7,078 yuan. The economy is still developing rapidly, and the Internet is gradually entering the public, which makes computers come into people's sight, and the market of mobile phones is also expanding gradually. Most people have jobs, people's income has become higher, the quality of life also have a higher pursuit, more and more people can afford to buy cars, color TV, and mobile phones [6].



**Figure 1.** Per capita disposable personal income and CPI of China from 1978-2018



**Figure 2.** China's consumption, export and investment from 1978 to 2017

### 3. WAYS OF PEOPLE BORN IN 1970S, 1980S, 1990S, 2000S SPEND MONEY

#### 3.1. People Who Born In 1970s

The first goal for the people who born in 1970s is to save money. When they shop, they care more about price and brand but would they rather save it or spend it on their children than spend it. Most of the people who born after 1970s are conservative when it comes to managing money. Many of them deposit their money directly in banks, including regular time deposits and certificates of deposit. Although the threshold for the purchase for certificates of Deposit is as high as 200000RMB. This is often not a problem for the people who born in the 1970s, but the threshold is obviously high for the people who born in the 1990s. In addition, people who born in the 1970s have the purchase of bank finance proportion is the highest, and will put most of the funds in the bank finance inside. The people who born in the 1970s is also the core group of private bank customers [1].

However, that does not mean that the people who born in the 1970s will only buy conservative wealth management products. The proportion of them investing in stocks is not low, and many of them have been investors for more than a decade. Although only a few have made money in the stock market, it still does not stop them from loving the stock market. Of course, there are also a small number of people born in the 1970s who lost a lot in the stock market and learned a lesson from it and never touched the stock market again. In terms of consumption, the people who born in the 1970s is less able to spend money, and most of them are very frugal, following the traditions of the older generation. They also do not have much pressure in life. They bought their houses in the early days when the prices were not high, and many of them bought their houses with full payment. Their biggest expenditure is on their children's education, which is significantly higher than that of the people who born in the 1960s.

#### 3.2. People Who Born In 1980s

People who born in the 1980s choose to spend money when it is necessary. They are more focus on the quality of life, so they pay more attention to the quality of goods when they consume. There is an obvious differentiation between the people who born in the 1980s, which can be divided into the people who born in the 1985s. The people who born before 1985 and people who born in the 1970s are similar in many aspects. They are keen on buying bank finance. Although the proportion of savings is not as low as that of the people who born in the 1970s, it is not low either. people who born before 1985 is the earliest group of investors who have access to Internet financing, and

Internet insurance financing. The people who born in the 1980s generation basically bought a house with loans. However, before the 1980s, because they bought a house relatively early, the housing price was not very high, so they did not bear much pressure on mortgage. As the later savings continue to increase, some of the loan has been repaid in advance. The people who born in the 1985s encountered a period of rapidly soaring housing prices, if not the family economic conditions are very good, mortgage pressure can be said to be the biggest group of people. On the whole, the people who born in the 1980s generation is neither as conservative as the people who born in the 1970s generation nor as over-consuming as the people who born in the 1990s generation. They are rational in their consumption. Their money is mainly spent on their house, and then on their children's education.

#### 3.3. People Who Born In 1990s

People who born in the 1990s love spending money more than saving money. They enjoy the pleasure of consumption. In their mind, the appearance of goods is more important than the price and quality. On the one hand, the phenomenon of the people who born in the 1990s making bank deposits and buying wealth management products is very rare. On the other hand, the threshold of bank financial management is on the high side, a small part is 10000RMB since buy, the majority is 50000RMB since buy.

What is more, people who born in the 1990s usually buy financial products on the Internet. The first purchase of financial management needs to go to the counter themselves. However, people who born in the 1990s are usually too lazy to go to a bank. The people who born in the 1990s is keen to buy Internet financial products, including pension management products and short bond funds. They also like to buy innovative deposits from private banks. Not much people who born in the 1990s investing in stocks and buying funds. Most of their money is stored in demand or short-term financial products with high flexibility, which are convenient to withdraw and consume at any time.

In addition, people who born in the 1990s spending habits are different from people who born in the 1980s and 1970s. They prefer to spend money ahead of time rather than save money. Lot of them using credit tools installment, minimum repayment phenomenon. Many of them are "card slaves" and "moonlight". In Chinese moonlight has the same pronunciation as the expression for spending all the money every month. So Chinese people use "moonlight" to call this kind of people. Although they spend a lot and save little, the most of people who born in the 1990s seems Not really worried about the high housing prices and rely on their parents to buy homes. As mentioned above, most of the

spending of the people who born in the 1970s is on their children, not only education, but also housing.

#### 4. FOR MERCHANTS

Generally speaking, the people who born in the 1970s conservative in their consumption. They pay more attention to daily necessities and financial products than some entertainment products. The price of the product becomes their most important concern. Because of age, the audience of health care products is also people who born in the 1970s. The most important thing for the people who born in the 1980s generation to buy things is the practicality, quality is the main factor for them. Compared with the people who born in the 1990s, they are more stable in their shopping, more willing to trust the goods and brands they have bought before, and less likely to try new thing, they spend less on entertainment products, and they value high-quality daily necessities more. For the people who born in the 1990s, they are more willing to consume rather than save money, and they are definitely not consumers of wealth management products. Fashion, appearance, and fame are what they value. Through the above analysis, we can accurately locate the suitable population of the product, so that we can better promote the product, and recommend the product alive service to the people who need it.

#### 5. CONCLUSION

The people's consuming concept are usually related to their born environment. It should be the backward economy and poor environment of the 1970s that created the frugal and money-saving consumption concept of the generation born in the 1970s. In the 1980s, the economy improved, which made the people who born after 1980s pay more attention to the practical cost-effectiveness of the goods. The rapid economic development and technological advancement in the 1990s and 2000s made the modern people who born in the 1990s and 2000s more inclined to look good and famous items when they consume them.

In addition to economic factors, the one-child policy, changes in family structure, popular consumerism and various media propaganda on consumption may also have played a great role in the consumption concept of people in different generations. However, this article is limited to various factors and cannot study other factors in detail. The influence of these aspects will be studied in the future.

### AUTHORS' CONTRIBUTIONS

This paper is independently completed by the author

### ACKNOWLEDGMENT

First and foremost, I would like to show my deepest gratitude to my teachers and professors in my university, who have provided me with valuable guidance in every stage of the writing of this paper. Further, I would like to thank all my friends and roommates for their encouragement and support. Without all their enlightening instruction and impressive kindness, I could not have completed this paper.

### REFERENCES

- [1] In-depth resumption of the consumer market in 2020: there are changes, challenges, and opportunities.(n.d.). Retrieved May 08, 2021, from <https://baijiahao.baidu.com/s?id=1686383646963821785&wfr=spider&for=pc>
- [2] YenNee\_Lee. (2019, September 24). Here are 4 charts that show China's rise as a global economic superpower. Retrieved May 08, 2021, from <https://www.cnbc.com/2019/09/24/how-much-chinas-economy-has-grown-over-the-last-70-years.html>
- [3] Gao, G. (2020, July 27). In China, 1980 marked a Generational turning point. Retrieved May 08, 2021, from <https://www.pewresearch.org/fact-tank/2015/11/12/in-china-1980-marked-a-generational-turning-point/>
- [4] Chinese money habits - how my culture influences my attitudes toward money. (n.d.). Retrieved May 08, 2021
- [5] China GDP Data and Charts 1980-2020. MGM Research. (2020, June 19). <https://mgmresearch.com/china-gdp-data-and-charts-1980-2020/>.
- [6] China GDP Annual Growth Rate1989-2021 Data: 2022-2023 Forecast: Calendar. China GDP Annual Growth Rate | 1989-2021 Data | 2022-2023 Forecast | Calendar. (n.d.). <https://tradingeconomics.com/china/gdp-growth-annual>.