China's Green Shoppers: Preferences and Satisfaction Levels

Environmental awareness is on the rise in China, and so is the demand for green products. Consumer focus group discussions conducted by *HKTDC Research* [1] show that mainland consumers' consumption of all kinds of eco-friendly products is growing. The green items they buy most frequently are food and drinks, followed by household cleaning products. The green products they are most satisfied with are food and drinks, personal care products and electrical home appliances. There are marked differences in the preferences and consumption patterns of consumers in first- and second-tier cities and between different age groups.

Preferences for Different Types of Green Products

Green consumer goods have become an essential part of household consumption on the mainland. Participants in the survey rated which categories of products they bought most frequently. Food and drinks was the most popular category, followed by household cleaning products. Clothing and accessories was joint third in the list, along with personal care products. Then came baby and child products [2], electrical home appliances, furniture and furnishings, and office appliances.

Respondents also rated the categories of product according to the importance they gave to environmental factors when making a purchase. Again, food and drinks came top, followed by furniture and furnishings. Personal care products, baby and child products and household cleaning products were all rated joint third, with clothing and accessories, electrical home appliances and office appliances following on behind.

Respondents then rated the categories of product by customer satisfaction. They were most satisfied with food and drinks, personal care products and electrical home appliances, but were not so happy with office appliances.

Food and Drinks

According to the views expressed in the focus group discussions, mainland consumers seem to be quite satisfied with green products in the food and drinks category. However, they raised a number of concerns, such as the excessive premium paid for organic food, a lack of authoritative certification for green products, and the lack of a traceability system for production and circulation processes.

There are several aspects of the existing green food and drinks market that respondents are satisfied with. These include:

- Green products are safe and healthy with no use of pesticides.
- The taste, texture and colour of organic vegetables and fruit are better than those of ordinary products.

- The rich variety of products and clear labelling mean consumers get a wider choice.

They are not satisfied with:

- Prices being high; the price of organic food, in particular, is several times higher than that of non-organic equivalent products.
- Products having short best-before dates (most food products with long best-before dates contain preservatives); they are difficult to keep fresh during transportation (freshness of food may be affected by the duration of transportation).
- The production process not always being traceable or transparent and it not being possible to make inquiries about the process.
- Having to rely on claims made by manufacturers about whether food items are truly green and/or organic.

Areas for improvement:

- The origins of food products should be made traceable and the procedures of production, processing inspection and quarantine should be made more transparent.
- Supervision should be further strengthened and more authoritative certification marks should be used to help consumers make purchasing decisions.
- The price of organic products should be made more affordable. These items now account for a significant part of household spending.

Household Cleaning Products

There is a growing demand for green household cleaning products as more people become familiar with terms like "phosphate-free" and "fluorescent whitening agent". The main problems that consumers face when looking to buy such products are the lack of uniform certification marks and clear product identification, and the failure by manufacturers to publicise their products enough.

The main aspects of this market that respondents are satisfied with include:

- Green household cleaning products are better for health and the environment – they do not harm or irritate the skin and allow users to feel the effects with their hands. Less foam is visible.
- The products provide functional satisfaction – for example, being able to re-use green batteries and rechargeable batteries.
- The products have a higher price-performance ratio.

They are not satisfied with:

- The cleaning power of green products not being as good as ordinary products, with no way to tell whether there are residues.
- The lack of variety and the failure of many brands to publicise their eco-friendly qualities.
- The high price of some green products. For example, unbleached paper costs more than bleached paper.
- The lack of purchasing channels. Some green products are only sold in high-end supermarkets.

Areas for improvement:

- There should be more distribution channels for green household goods.
- Prominent eco-labelling should be added to product packaging to help shoppers identify the products.
- Manufacturers should take part in more community service activities and increase publicity about green household cleaning products.

Personal Care Products

Mainland consumers' main environmental concerns regarding personal care products are about the personal health benefits of such products, rather than the effects they have on the environment. They value concepts such as "plant-based" and "no additives". However there is a lack of authoritative green certification standards. Most green personal care products on the market are to do with skin care, which means that there remains great potential for other green personal care products.

Respondents are satisfied with the following aspects of green personal care products:

- The effects of plant-based shampoo are obvious and can be felt.
- The difference of not having chemical additives can be directly felt.
- Some of the sanitary napkins are made of pure cotton and not non-woven fabric.
- Most of the products have big names and eco-labels, and have no additives or scent in their ingredients.

They are not satisfied with:

- Limited choice with too few eco-friendly series. For example, eco-labels are rarely found on products like mouthwash and toothpaste.
- The relative lack of cosmeceuticals (cosmetics with purported medicinal benefits) compared to other skin care products.
- Most companies putting greater emphasis on the functions of their products than their green benefits.

Areas for improvement:

- The ingredients of skin care products should be made clearer.
- Supervision of purchase channels should be further strengthened and greater efforts should be made to crack down on counterfeits.
- There should be more brands for consumers to choose from.
- Eco-labelling should be made clearer.

Baby and Child Products

Respondents with children all set much store by the green qualities of baby and child products, equating "green" with "safe" and "healthy". There is great demand for green baby and child products in both first- and second-tier cities. However, the focus group discussions found that consumers in first-tier cities tend to prefer international brands.

These are the aspects of the green baby/child product market that respondents are satisfied with:

- Great varieties; clear labelling of raw materials and ingredients; clearer labelling than adult brands.

- The effects of green products on babies' skin can be felt directly.
- Multiple and convenient purchase channels; salespeople are able to give clear explanations for products.
- Green products give consumers peace of mind and can better ensure children's health.

They are not satisfied with:

- The high price of products of international brands.
- Insufficient safety testing being done by domestic brands.
- The lack of second-hand channels for the recirculation of used toys.

Areas for improvement:

- Testing should be more strictly carried out and products should be further classified.
- There should be a wider choice in terms of specifications, styles and packaging.

Clothing and Accessories

Mainland consumers can largely only identify eco-friendly clothing by checking the components and the A/B classification shown on the label. Authoritative green certification standards are lacking. Consumers also say there is not enough guidance and education on the green aspects of clothing.

The aspects of this market that respondents are satisfied with are:

- Pure cotton clothing is comfortable to wear and one can directly feel whether the fabric is comfortable.
- The labelling is very clear and one can tell at a glance whether the clothing is made of pure cotton.
- There is a rich variety of brands and a lot to choose from.

They are not satisfied with the following aspects:

- The lack of publicity about formaldehyde being found in clothing and the lack of guidance from manufacturers about how to deal with this problem.
- The lack of government regulation of the clothing sector; the quality of the goods made by many small workshops is not dependable.
- Clothing labels do not show the presence of harmful substances.
- The ink used in printing on clothing may be harmful to the body.

Areas for improvement:

- Eco-labelling should be added to clothing items. Existing labelling only shows the components and cotton content but does not indicate whether the product is eco-friendly. The name of certification authority should also be shown.
- There should be unified standards for different consumer groups, such as products for children, men and women.

Electrical Home Appliances

Energy labels are widely recognised by mainland consumers. The respondents are generally quite satisfied with electrical home appliances bearing energy labels, such as refrigerators, washing machines and air-conditioners. Choosing appliances with low energy consumption has become a general trend. Mainland consumers hope to see unified energy consumption standards for small home appliances.

The aspects of this market that respondents are satisfied with are:

- Energy labels are very clear.
- Different brands of good-quality home appliances are available on the market and there are a lot to choose from.
- The home appliance industry is relatively well-regulated and most of the appliances are products of famous brands.

They are not satisfied about:

- The price of appliances bearing Grade 1 energy label being quite high.
- Manufacturers' claims for energy consumption possibly being exaggerated. Energy consumption is likely to increase significantly after a period of time.
- The energy label for small home appliances not being clearly shown and it being difficult to identify appliances with low energy consumption.

Areas for improvement:

- Small home appliances such as soy milk machines, rice cookers, egg cookers, egg boilers and microwave ovens should all come with energy labels.
- Energy consumption standards should be made more transparent and precise. For example, some appliances claim they only consume 1 kWh of electricity a day but actually consume more than 2 kWh.

Furniture and Furnishings

Eco-friendly furnishings, paints and furniture have become increasingly popular on the mainland. However, the main problem consumers face is the lack of authoritative environmental certification.

These are some of the qualities of the products that respondents are satisfied with:

- It is easy for consumers to feel the difference between them and other products that are not eco-friendly.
- Formaldehyde content is within a safe range one month after decorating the house with eco-friendly materials.

The aspects they are not satisfied with are:

- Manufacturers may make false claims. For example, some products claim to have zero formaldehyde content when in reality they only have relatively low formaldehyde content.
- There are no specific environmental standards for furniture and furnishings.
- Indoor air pollution by decoration is unavoidable. It is impossible to truly achieve zero-pollution.

Areas for improvement:

- Component labelling should be added.
- Sales links and channels should be made more open and transparent to minimise chances of consumers being cheated or misled.
- The varieties of eco-friendly furniture should be increased and they should all bear eco-labels.
- Furniture and furnishings should come with product identifiers, through which consumers can make direct enquiries and trace specific product information.

Appendix

Background

Environmental pollution and food safety issues have been prevalent on the mainland for some time. As educational and income levels go up and living standards improve, Chinese consumers' environmental awareness and demand for green products are also on the rise. Meanwhile, the country's 13th Five-Year Plan also supports green consumption. In order to help Hong Kong companies tap the mainland market, *HKTDC Research* commissioned a series of consumer focus group discussions to gauge the attitudes and preferences of mainland consumers about green products.

Methodology

The study was conducted in Shanghai and Guangzhou (first-tier cities) and in Wuhan and Chengdu (second-tier cities) in March 2017. A total of eight consumer focus group discussions were held in these cities (two in each city). The aim of the discussions was to achieve a deeper understanding of the attitudes of mainland consumers towards green products.

Focus Group Design

Surveyed cities	Shanghai, Guangzhou, Wuhan, Chengdu
Number of groups	64 participants divided into eight groups. Two for each city.
Grouping division	Group 1 (eight people, aged 25-35) Group 2 (eight people, aged 36-45)
Profile of participants:	- Has lived in the city for at least one year - Has bought green products in at least two categories in the past six months - Principal member of the family in buying green products - Has higher awareness and better understanding of green products - Monthly household income: Shanghai and Guangzhou: RMB15,000 or above Chengdu and Wuhan: RMB9,000 or above
Other demographics:	Among the 64 participants: - Women (58%); men (42%) - 50% have children aged 0-6 - 69% have university education - 38% have monthly household income of RMB15,000-20,000; 33% have monthly household income of RMB20,001-30,000

[1] See Appendix for details of the focus group discussions.

[2] Respondents with children aged 0-6 made up just 50% of the total number of focus group participants. Those without children are less likely to attach importance to green baby/child products, which affects how this category has been rated in this survey. When only the responses of those with children are considered, the importance of buying green when purchasing baby/child products rates far higher. Virtually all respondents with children were inclined to buy eco-friendly baby and child products.

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