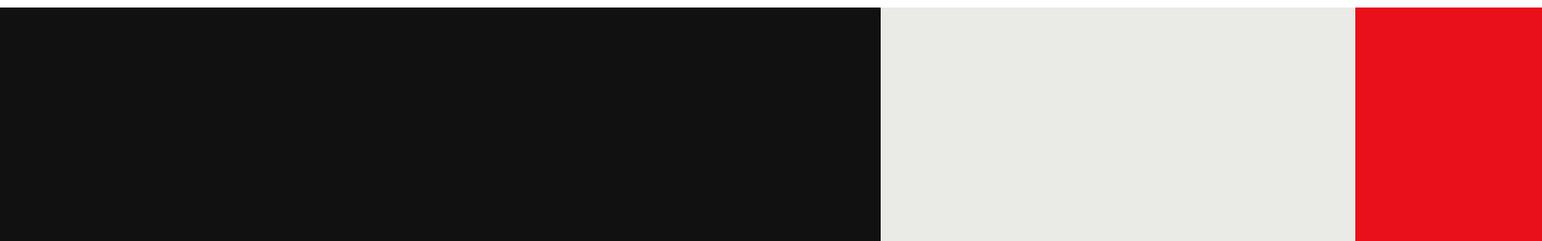


How women's digital habits are evolving in China in 2021

Article



“Women hold up half the sky,” former Chinese leader Mao Zedong famously said. More than fifty years on, women in China are doing so online, driving digital trends and fast becoming a cohort that marketers ignore at their peril.

By the simplest measures, digital participation is robust among women. In 2020, nearly half (49.4%) of the country's internet users were female, according to our latest estimates. In fact,

internet penetration among females was 69.2%, surpassing the penetration rate among males (67.1%).

Instant messaging was the most popular app category among females in China who used mobile internet every month, followed by retail, video-on-demand (VOD), short-form video, maps and navigation, and payment, per January 2021 data from research firm QuestMobile. Banking apps ranked 10th, used by more than 40% of such users.

Here's a closer look at some key internet usage trends for this important demographic.

Social networking

WeChat remains the social network of choice among women in China. In the QuestMobile study, 85.9% of female mobile internet users visited the super app, and its sister messaging app QQ came in second, with a 56.2% penetration rate. While QQ has pivoted to a youthful audience, WeChat has become a social commerce destination, enabling users to not only shop through branded miniprograms, but also exchange messages and share content with brands as they would with friends and family.

The No. 3 social app was Weibo, with 44.1% penetration. Though Weibo's user base has historically skewed male, females overindexed by wide margins in the Post-90s and -00s age groups (born between 1990 and 2009), the company reported in December. Female users also followed more macro-influencers on the platform than male users did.

Xiaohongshu is even more female-dominated: Nearly four in five users are female, according to AdChina.io. Also called "Little Red Book" or simply "Red," the platform is an amalgam of Pinterest and Instagram where users find—and buy—the latest in personal care, beauty, lifestyle, and travel. With social commerce gaining traction on Xiaohongshu, it's no surprise that it had the fourth-highest penetration rate in the QuestMobile study, at 15.5%, followed by Momo, with 7.4%.

Penetration drops off significantly when we move beyond these top five apps, with all other social media apps posting rates below 3%.

Mcommerce and livestreaming commerce

Alibaba's Taobao, Pinduoduo, and JD.com were the top mcommerce apps among female mobile internet users in the QuestMobile study. (Tmall, Alibaba's platform for brand-name products, and secondhand marketplace Xianyu registered low penetration rates, perhaps because users can reach them both via the Taobao app.)

Top 10 Mcommerce Apps Among Monthly Active Female Mobile Internet Users in China, Jan 2020 & Jan 2021

% reach

	Jan 2020	Jan 2021
1. Taobao	65.5%	74.8%
2. Pinduoduo	45.6%	55.8%
3. JD.com	22.9%	30.2%
4. VIP.com	8.7%	10.7%
5. Taobao (discount version)	1.0%	8.0%
6. Xianyu	7.8%	7.9%
7. Suning	3.0%	4.0%
8. Tmall	4.1%	3.5%
9. Alibaba.com (B2B)	1.2%	2.5%
10. Dewu	1.2%	2.2%

Note: represents activities in the QuestMobile network, broader industry metrics may vary; standalone apps, does not account for accesses via another app (e.g., Tmall via Taobao) or miniprograms

Source: QuestMobile, "2021 She-Economy Insights Report"; Insider Intelligence calculations, March 9, 2021

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Taobao and Pinduoduo saw the fastest user growth, with penetration up about 10 percentage points each from January 2020. For women in China, Taobao has become a place to find lesser-known brands that offer good value and innovative designs. When shopping for household products at bargain-basement prices, they turn to group-buying platform Pinduoduo, which shot to popularity for its direct-to-consumer (D2C) fruits, flowers, and other farm produce.

Meanwhile, Tmall and JD.com, the third-most popular mcommerce app, are still the go-to platforms for high-quality products and are finding some success in the luxury sector.

As it did with the shift to mcommerce, the pandemic accelerated what was already a growing trend in China: livestreaming commerce. QuestMobile found that more than 18% of female mobile internet users in China watched livestreams on ecommerce platforms in January 2021, up from 15.3% during the same period a year prior. Shoppable livestreams are also extremely popular on short-video apps Douyin and Kuaishou.

Key product categories

Amid the rapid expansion of both the middle class and ecommerce in China, the beauty category reached new heights in 2020. Consumers in China spent \$11.0 billion on beauty products online last year, with skincare making up the majority of those sales, per research firm The NPD Group.

Beauty Product Retail Ecommerce Sales Metrics in China, 2020

billions and % of total

	Ecommerce sales	% of total
Category		
Beauty	\$11.0	-
—Skincare	\$7.6	69%
—Makeup	\$2.5	23%
Channel		
Brand flagship stores	\$7.7	70%
Direct stores	\$1.7	15%
Cross-border	\$1.7	16%

Source: The NPD Group, "2020 China Prestige Beauty Ecommerce Tracker," March 14, 2021

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A number of local, D2C cosmetics brands—such as Perfect Diary, Florasis, Proya Cosmetics, Colorkey, and Judydoll—have attracted the eyeballs, and opened the wallets, of women in China during this beauty boom. In fact, consumers there no longer see homegrown brands as necessarily inferior: Those who preferred foreign beauty and personal care brands outnumbered those opting for Chinese ones by a slim margin, according to March 2021 polling by the Global Times Research Center and Data100 Insight.

A strength of domestic beauty brands is their deeper understanding of the preferences of female consumers in China, and that's reflected in everything from the product to the packaging, to the ad campaign. Moreover, cosmetics brands in Asia-Pacific, particularly in Japan and South Korea, cater more directly to their skin tones and concerns.

Sports and fitness have also been a big story in recent years. Alibaba reported that the number of women who bought boxing gloves on Tmall doubled in 2020 compared with a year prior. This demographic also accounted for more than 70% of those who bought Nike Air Jordan sneakers on the site.

Finances

In China, women earned less than 80 cents for every dollar men made as of 2019, but that hasn't stopped this cohort from being actively involved in financial investing.

Fintech giant Lufax reported that 54% of its platform's active users were female in 2020, for example. These users transacted 55% more frequently and, on average, held 59.4% more in asset value than their male counterparts did. This could speak to the fact that women in China are often responsible for the household budget.

Likewise, China's largest mutual fund company, Tianhong Asset Management, said last month that its female clients invested an average of RMB 23,000 (\$3,332)—almost twice the amount invested by male clients. Moreover, 94% of female internet users in China said they invested in funds and 57% reported owning stocks, per a Chinese Academy of Financial Inclusion (CAFI) and iChangtou.com survey published in March. That suggests women are just as likely as men to invest in medium- and high-risk products.