

## An Analysis of Consumer Behavior of College Students Born in the 1990s in China

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### Abstract

As main consumers and trend setters in the future of China, college students born in the 1990s have gradually stepped onto the historical stage. The consumer behavior of these college students reflects the Chinese young generation's consumer concepts and value orientation to some extent. Through the analysis of this paper, we conclude that the consumer behavior of these college students has some features: their consumer behavior is deeply influenced by the older generation in their families and parents and children's consumer concepts influence each other; the difference between urban and rural areas leads to the obvious difference in these college students' consumption; these college students have obvious dependence on their income sources for consumption and many students are not rational consumers. We try to analyze these features from aspects of society, family education and college education. In the end of this paper, we give some suggestions to guide these college students for their consumption.

**Key words:** BORN in the 1990s; College students; Consumption

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### INTRODUCTION

Since September 2008, the first batch of young people born in the 1990s has started going to colleges in the

Chinese mainland. They become gradually independent. After several years of college or university studies, they will become new forces stepping onto the historical stage in China. Compared with consumers born before them, these students have the typical consumer psychology and consumer behavior, which reflect new characteristics of contemporary college students.

China has 24.681 million college students according to the tenth item (The education, science and technology, and cultural data) of statistics released by the National Bureau of Statistics of China on February 24, 2014. This consumer group not only is a large group of the youth generation but also in the whole Chinese population so it is representative of the level and characteristics of consumers in present time of China from one side.

### 1. CONSUMER CHARACTERISTICS OF COLLEGE STUDENTS BORN IN THE 1990s

First, their consumer behavior is deeply influenced by the older generation in their families. Parents and children's consumer concepts influence each other.

There are strong family ties in China. The relationships among family members mainly depend on the influence of Chinese traditional culture of thousands of years. Because of the influence of the traditional culture and family culture, a Chinese family's relationship between family generations is much closer than Western countries'. Due to different social and culture backgrounds, compared with foreign families, Chinese families with parents born in the 60s and children born in the 1990s often experience some special life events which make the relationships between these family generations have "China characteristics". Children of Chinese families either financially or emotionally more depend on their parents than children of Europe or the United States. It makes the intergenerational

interaction and communication become more frequent. In addition, there is a higher power distance in China and Chinese people have a special sense to accept hierarchical authority. People born in the 1990s as a huge consumer group of China society, their consumer concepts must be deeply affected by the traditional culture of China. The majority of students begin to live separately from their parents since entering universities and parents provide them with tuition and living expenses, so these students start to learn using this money freely and they begin to have the true sense of controlling spending. As main consumers and trend setters in the future of China, college students born in the 1990s have gradually stepped onto the historical stage. The consumer behavior of these college students reflects the Chinese young generation's consumer concepts and value orientation to some extent.

The reform and opening up which began in the 1970s bring a rapid cultural changing in the Chinese society. In this process, traditional values, knowledge and experience of the older generation face a serious challenge and gradually lose their authority and inheritance; meanwhile the younger generation has the ability to accept new things quickly and especially is more sensitive about the new technology, new products and new consumer concepts, so the older generation needs to give up the "teacher position" and learns from the younger generation. The interaction between generations also enhances feelings between generations in China.

Second, the difference between urban and rural areas leads to the obvious and different spending of college students born in the 1990s.

According to the "College Students Blue Book: Research Report on Chinese College Students Life Styles (2013)" published jointly by the China Education Press Agency, Social Sciences Academic Press, Propaganda Department of CPC Committee of Peking University and other institutions on March 27, 2013, the urban economy is more developed than rural economy in China, college students from these two areas have a very big difference in their consumption due to their family financial situations. The survey found: monthly consumption expenditure of students from the city area reaches 1,065 yuan, 1/3 higher than rural students'. And the consumption expenditure of most college students from city areas is between 500 to 1,500 yuan, and the consumption level of 60% rural students is between 500 to 999 yuan. From the perspective of income sources, college students from rural areas are more willing to work for living expenses in order to reduce the financial burden on their families, when 24.7% students from city areas choose to directly ask their parents for money to spend. Generally speaking, college students from richer families have higher monthly consumption level and they often choose to ask their parents for money to

spend. Conversely, if a family income is less, the college student from such a family often prefers to earn money for his living.

Third, college students born in the 1990s have obvious dependence on their income sources for consumption and many of them are not rational consumers.

College students' tuition and living expenses mainly come from their parents in China. Due to the constraints of economic development and the impact of Chinese traditional family values, few students earn the tuition fees by themselves or use student loans to complete university studies, and only are a few percent of total students. The most of students are dependent on their parents and how much they can spend that depends on their parents supplies. They do not have financial independence and the consumption of college students is largely dependent on their parents. According to some information, Chinese students' dependence on their families is far more than students' in Western countries. It is not conducive to the cultivation of their ability to live independently, and adverse consequences often are the lack of rational consumption and prone to excessive consumption, mindless consumption, impulsive consumption, conspicuous consumption and other bad behavior.

### **1.1 They Have Emotional Consumption Characteristics and Easily Accept the Media Advertising Temptation**

As the younger generation, college students born in the 1990s like other young people are in the pursuit of fashion, seeking stimulation and sometimes in the pursuit of any new things in order to be different. Stimulating the senses or emotional satisfaction plays a very important role in their consumption. In addition to the practicability of products, they hope that purchased objects can bring the maximum sensory stimulation and psychological satisfaction, such as being addicted to the appearance, brands, performance, data, etc. In real life, because the media leads fashion trends, has strong sensory stimulation and is novel, contemporary college students are easy to accept media advertising, especial tending to buy a brand or product with a popular star endorsement.

### **1.2 The Consumption Structure Is Not Reasonable and There Is Excessive Consumption On Appearance**

College students should take learning as the main task. The main part of their consumption structure should be the basic living spending, and the main component of basic living spending should be food spending. However, due to the lack of rational consumption and employment pressure increasing, some college students often spend too much energy and money in spiritual life, such as interpersonal relationships, emotional investment, and entertainment in order to meet the vanity in their living

quality and personal images. A few of students even are at the cost of diet, to wear famous brand products.

### **1.3 The Lack of a Reasonable Financial Plan and Having Emotional Consumption Seriously**

The lack of a financial plan is a common problem of contemporary college students in China. As a result of the implementation of Chinese family planning policy, namely a couple of principle can only have one child, most Chinese college students born in the 1990s are living in families which only have a child. The abnormal family structure makes the child become a “Little Emperor” or “little princess”. Parents and grandparents give them too much love, and in the aspect of consumption, always try their best to satisfy these “Little Emperors” or “little princesses” needs. It makes the lack of a reasonable financial plan with emotional consumption seriously in these students. Impulsive consumption is also common in college students. When they encounter unhappy things, they go shopping to relieve pressure, balance emotion, and vent frustration. These impulsive shopping makes their financial situations be bad, then they ask their parents for money to balance their deficits so it is more impossible to have their reasonable financial plans.

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## **2. THE REASONS FOR THE BAD CONSUMER BEHAVIOR**

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First, the impact of the social and economic environment and the media stimulation. The social and economic environment and media advertising stimulates students’ bad consumption. Since the 1970s, China has implemented the reform and open policy and the economy has changed rapidly. At the same time, the great development of economy has also impacted traditional consumer concepts of the people living in China. Consumer concepts are more and more modernized. As a special group of Chinese society, college students who have not had own mature consumer concept are also affected by the modernized consumer concepts. For example, excessive consumption, mindless consumption, impulsive consumption, conspicuous consumption and other bad behavior have risen in college students. Even some students are regardless of their financial situations provided by their families and are in the pursuit of goods appearance and famous brands. They think that wearing more expensive or famous brand products can reflect their personal taste and values, and show their status.

Second, the Lack of financial education in household education. In China, many college students who were born in the 1990s come from the one-child families. The consumer behavior of a family and the family financial education have the most significant impacts on the student’s current consumer behavior and even play a decisive role. There is a certain degree of correlation

between the family financial management education and the current consumer behavior of students. Due to the family planning policy of China (a couple of principle can only have one child), parents put all hopes on the single child, always try their best to satisfy the single child needs. Many parents do not have a system of financial management education, unlike foreign families which pay attention to cultivate children’s financial ability and the ability of self-reliant since the childhood. College students from one-child families grow up in this kind of environment so they are difficult to establish healthy consumer concepts.

Third, the lack of consumer education in colleges. In China, most colleges and universities have not opened an elective course of financial education. The financial education received by students is just a word or two from their parents. In China, colleges and universities education have just entered the stage of public education and educational methods are still not perfect. The colleges and universities education mainly focus on cultural knowledge and professional education. Some colleges and universities are not fully aware of the importance of college students’ consumer psychology and behavior of their growth and have ignored good consumer habits of college students. There are no many reasonable consumer guides provided in college curriculums. The bad consumer behavior of college students has not been effectively supervised in colleges and universities.

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## **3. SEVERAL SUGGESTIONS**

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Through the analysis of consumer behavior of college students born in the 1990s, I put forward two suggestions for cultivating correct consumer concepts from two aspects of family education and college education:

First, the family education. Due to the great influence of traditional Chinese culture on intergenerational relationships of Chinese families and college students basically relying on their families for income, families as the basic units of consumption have a subtle influence on all family members in the consumer ideas, life styles, and living habits. The financial security of families is the foundation of conspicuous consumption of college students, so it first is the family consumer education to correctly guide the consumer education of college students. Parents should be sensible for children’s requirements and reduce to follow children blindly.

In present time, the children’s family environment is the most important, the most ideal and the most effective place for financial education. Chinese parents should establish and develop their children’s financial management concepts since the childhood of their children, teach their children through precepts and examples, and explain profound theories in simple sentences to let their children face and deal with money correctly. Parents should train their children’s financial

ability since the childhood of their children to let their children to establish correct concepts of financial management and follow the rational consumer behavior, providing the necessary support and help for their children's independent life in the future. For example, it is a good way to improve their management skills when parents help children manage their pocket money. Regular giving children allowances will give children financial practice opportunities and let them increase financial management skills through personal practice.

Parents should set good examples for their children and play an example role in their children's financial education. If parents have bad consumer behavior, such as excessive pursuit of fashion, paying too much attention to famous brand names, or even at the cost of necessary living expenses of the family for famous brand products, their child may appear conspicuous consumption, excessive consumption and other bad consumer actions in the future. On the contrary, if parents make a detailed plan for monthly expenses and pay attention to the quality and function of a merchandize itself with less paying attention to fashions and brands when their shopping, then the consumer behavior of their children will often be realistic and reasonable.

Through creating opportunities for these children experiencing life, let these one-child family children understand that the process of earning money is hard, the money is always limited, and reasonable managing wealth is a healthy life. Parents should encourage their children to participate in the family life and teach their children how to make their own effort for efficiently using the money for the happy life of other family members. In this process, parents should pay attention to correct the children bad consumer behavior.

Second, the university education. Chinese universities not only need to pay attention to professional education to improve the professional quality of students, but also strengthen investigation and research on students' consumer psychology and consumer behavior and correctly guide students. Chinese universities should learn from other countries' practices and open consumer education courses. We should learn from Europe, the United States and other countries, put the consumer

education into the national education system, implement consumer education in colleges and universities, and open consumer education program. Let all college students take part in the consumer education and know the importance of correct and reasonable consumption for them. The consumer education will guide them to establish correct consumer concepts, develop good habits, and cultivate healthy personality. It will lay a better foundation for students' work and life in the future.

We should bring the psychological counseling, student club activities, and social practice activities into play, guide students to rational consumption and reduce bad consumer actions when put the correct consumer concept into the teaching content and give the proper education for students. It will make correct consumer concepts gradually go into students' minds and become the basis of the consumer theory of them through education of various forms. With university consumer education courses, we will let students combine the theory with practice to develop good and correct consumer habits.

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