

Chapter 6

Understanding the Psychology of Mobile Phone Use and Mobile Shopping of the 1990s Cohort in China: A Lifestyle Approach

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ABSTRACT

As the first of its kind, this study presents a theory-informed large-scale survey of China's most independent-minded and media-savvy citizens — the 1990s cohort of the Millennial generation — to understand the psychology of their mobile telephoning and shopping habits. In doing so, we applied the lifestyle segmentation approach to predict mobile media consumption and mobile shopping. Using data collected from a probability sample 1,600 respondents from China's leading cities, this study identifies six population segments within the 1990s cohort and analyzed the media consumption and mobile shopping habits for each segment. Results show mobile shopping was in its infancy in China. The segment of Online Social Climbers spend the most on mobile handsets and on mobile services, while the Bargain-Seekers segment spent the least. Implications of the findings for mobile marketers are discussed.

INTRODUCTION

With its total number of mobile phone users reaching 1 billion in 2012, China has emerged as the world's largest mobile telecommunication market. A trend in media convergence boosted the explosive growth of mobile Internet users in China between 2008 and 2010. According to China's 2011 nationwide survey about Internet usage, a total of 318 million people connected to the Internet via 3G smartphones; ac-

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counting for 65.5% of China's total Internet population of 485 million (CNNIC, 2011). The expansion in Internet and 3G mobile technologies led to a vast array of new mobile data services, including news, online SMS, user portals, mobile TV, mobile banking, games, music, location-based services, mobile Twitter, and mobile shopping, which allows mobile phone users to order goods and services via their smartphones. The most recent CNNIC (2012) indicates that 73% of Chinese people aged 20-29 used mobile Internet at least once a month, compared to 49% in the United States in the same period (Pew, 2011).

In fact, mobile shopping is thriving in China. For instance, Taobao (meaning "treasure-hunting"), China's leading online shopping site with 400 million users, reported an increasing number of products being sold through the company's mobile apps and mobile Internet sites. In 2011, the gross merchandise value from Taobao's mobile purchases reached US \$1.86 billion (11.8 billion yuan), marking a six-fold increase from 1.8 billion yuan in 2010. Thanks to growing smartphone and tablet adoption in the country, Taobao projects the gross merchandise value from mobile purchases will be much higher in 2012 and beyond, reaching 50 billion yuan (Kan, 2012).

In short, the 3G mobile phone is changing the way Chinese consumers communicate and shop. Nevertheless, it is naïve to expect that all 1 billion Chinese consumers who own a mobile phone will embrace mobile shopping with the same amount of enthusiasm. Yet, it is unclear which market segment and what type of consumer lifestyles will best accept mobile shopping. To address this gap in the literature, we seek to empirically examine the formation of lifestyles and identify psychographic segments within China's generation of digital natives. Then, we will use empirically generated lifestyle segments to predict mobile phone uses and mobile shopping behavior among the 1990s cohort. The goal of this study is to determine the role lifestyles play in affecting mobile phone usage. To do so, we will address these broad research questions: What are the likely configurations of lifestyle segments among China's most independent-minded and most prosperous age cohort — the Millennials? Furthermore, to what extent the psychographic approach will have the utility in explaining the differences in mobile phone usage and mobile shopping behavior?

Our focus on studying the 1990s generation (those born in from 1990 to 1999) in China was based on the consideration that this age group is unique in its consumption patterns, and results of our study will shed some lights on understanding the future of China as a full-blown consumer society. Estimated to total slightly more than 100 million, the generation accounts for 7.7% of China's total population, according to China's 2000 census. The 1990s cohort is the first born into China's most prosperous period, marked by it becoming the world's second largest economy and the rise of a middle class by the millions. They are predominantly the single child in a Chinese family, as a result of China's long-standing single-child policy. This cohort is the most independent-minded among the 1.3 billion Chinese citizens, as evidenced by its resistance to mass marketing and official propaganda. Similar to their Millennial counterparts in the West, the Chinese cohort grew up in the Internet age (Fortunati, Manganelli, Law, & Yang, 2010; Wei, 2006; Wei, Lo, Chen, Xu, & Zhang, 2011).

LITERATURE REVIEW OF VALUES, LIFESTYLES AND MEDIA USE

The adoption of innovative services, such as mobile telephony, was not only affected by technical skills of consumers, but also by the individuals' profiles and other socio-economic parameters, including the background and the local contexts (Constantiou, 2009). General psychographic information about cell

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