

Research on the Changes in Chinese Residents' Consumption Behavior in the Digital Economy Era

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Abstract. With the rapid growth of the digital economy across China, it has greatly changed the way people consume and go about their daily buys and living in general. In this paper, the changes in people's buying behavior from different Chinese areas because of digitization are examined. It includes changes of shop places, choices method of consumption and new model of consuming, which is like live-streaming commercial and platform co-operation economy. Use some academic papers, Official macro economics Data, Can Digital-Instruments increase context of increased consumption and reduce information difference by creating a completely new demand in Rural areas + Secondary cities? And the pragmatics: There will be issues with promotional campaigns about algorithm, because they're always related to your private data; also not everyone likes people who don't use algorithm. And it is applying a supply-side Platform Operating On Demand-Side Customer Behaviour Evaluations Showing The Possible Future Traits In China Consumers With Strategies For Equilibrium And Eternal Development Of Digital Retailies. To know about changes will help with more studies on making rules in China's very quickly growing cyber-economy. As the digital economy rapidly spreads across all of China, it has made significant changes to people's national consumption structure as well as their normal purchasing and daily habits. This study looks at the many changes happening in Chinese people's buying behavior because of digitalization. It includes changes of shop places, choices method of consumption and new model of consuming, which is like live-streaming commercial and platform co-operation economy. Use some academic papers, Official macro economics Data, Can Digital-Instruments increase context of increased consumption and reduce information difference by creating a completely new demand in Rural areas and Secondary cities? And also consider practical troubles during this developing time—individual's personal privacy threat is lopsided algorithm pushings plus digital split-offs might leave old folks and technophobes who dislike these kinds of tools. And it is applying a supply-side Platform Operating On Demand-Side Customer Behaviour Evaluations Showing The Possible Future Traits In China Consumers With Strategies For Equilibrium And Eternal Development Of Digital Retailies. It could assist me in doing my research on making regulation for China's booming digital world.

Keywords: Digital economy; consumption behavior; platform economy; consumer decision-making; China.

1. Introduction

The Digital Economy has become the main force in re-shaping Global Economic and Social activities and such transformation is even more pronounced in China. Trends arising from the fact that you have more access to a higher mobile internet, very strong for big data, lots of AI and constant regular fluctuating customers. From the first decade of 2010s on wards, due to the appearance of e-commerce platforms (Taobao, JD.com, Pinduoduo) and super apps (WeChat, Alipay), Chinese buyers have completely changed where they look for items, judge their value, complete purchases and get deliveries[1]. As shown in Figure 1-3, The national bureau of statistics of China showed that in 2023, the total retail sales of consumer goods were close to 47.1 trillion yuan. Specifically, the proportion of online-retail sales of physical goods was as high as 27.6 per cent, surpassing one-fifth; It has continued to grow steadily on a yearly basis at a rate of 7.8 per cent[2].

Gauging Consumption in the Digital Age solely based on Economics has a sociological, policy orientation of the State from within it; Moreover, with the Blurring Sharp Boundaries Among Economic Transactions and Social Interactions caused by digitalisation. Shopping, in addition to being an ordinary form of economy, is still restrained by some kind of Social rules and Ideas for

collectively forming Cultures. The fundamental transformation of trade caused by the construction of digital markets also has an impact on changing consumer behaviour patterns and consumption concepts at all levels in people's lives; Goods. Currently in China, the patterns of daily shopping have completely changed compared with ten years ago; it has become an era of live-streaming commerce, social commerce, ultra-fast delivery, and super-simple digital payment. Systematic study of various ways in which digital markets have reshaped Chinese consumers consumption behaviour, including new forms such as social e-commerce, live streaming sales and algorithms for personalized recommendation. According to the central view, digitalisation is not limited to changes in buyers' channels for products across locations through online shopping; rather, it affects both what and why people shop nowadays in China.

2. Structural Drivers of Digital Consumption Transformation in China

As the speed of change has accelerated in China's digital economy development; Consumers' purchasing behaviour is no longer simply one thing but rather under various circumstances caused by technological progress changes in products offered and changes of society. From a technological perspective, China has invested substantial resources in the construction of its digital infrastructure over many years to build one of the strongest bases for development globally. To promote wide coverage of e-commerce across an extensive area spanning large and small cities domestically and internationally; provide various kinds of consumption experience services, including live-stream shopping, On-demand Service, Cross-border E-Cigarettes Online Shopping, significantly reduce the barriers to entry for businesses and consumers on-line trading. By the end of 2023, China's smartphone users have passed over 1 billion, which make up more than 70% of the whole people. And this vast extent has made mobile phones the first port of entry for most Chinese families, making there no difference between physical places and online stores.

As for governmental organizations, Chinese administration came up with several plans to promote development of digital commerce after 2015, including Internet Plus strategy, 14 Fifth Year Digital Economy blueprint, multi regional promotion plan on digitalizing[3]. Therefore such rules caused platforms to put money in digital financials and expand the framework of E-commerce to rural area, village, minor tier 3 city through initiatives such as taobao village. Government Support implies that electronic spending goes beyond major cities, so people from the countryside and little towns could be part of the nationwide retail party.

In terms of society, the rise of China's middle class and Gen Z going up all together create a new type of customer with both money to spend and tech knowledge. They don't often have just faithfulness for traditional classification but quite open to personal suggestions, social vouching and worthwhile spending. All combined, they don't just cause more people to shop online; they actually transform what it means to consume in China, creating the context for the behavior that we will see changing in later chapters[4].

3. Channel Migration and the Omnichannel Consumer Experience

It's the Digital Transformation that has caused by far the greatest shift in Chinese consumers' patterns—from physical stores to online platforms. This created a lot of different buying paths. In the first part of 2010's, people thought that online shopping would be less expensive and easier than going out to buy gadgets, clothes or household stuff. Pricing, delivery speed, and variety of goods were such platforms' forte[5] In this electronic commerce boom, the traditional trades suffered greatly—department store, grocery stores and specialty shops couldn't compare to the structural advantages given by Alibaba and JD's self service enterprise.

In the past few years, consumption channels are becoming even more complicated. Consumption is no longer just offline replaced with online, instead, it's become a blend of the real and virtual. Alibaba's Hema fresh was the first new retailer, physical store become sensory place for trial and

engage experience via sense interaction, provide personalized service at digital platform for efficient product deliveries. Right now, things like QR code, Facial Scanning Transactions, Mobile App, Subscription are really pushing us to go from physical places to electronic ones.

Starting with 2019 and all through the epidemic, live-commerce became another considerable platform that changed buying behavior. Douyin, taotie live etc, they put the searching and buying of products in an entertaining experience. Consumers don't just look at products anymore; they watch influencers show and talk about stuff in real-time, they comment and take part in limited-time community offers. This model is very easy to be applied for Beauty, Food, Agriculture and Apparel. Brands, Farmers and Small Business can sell directly to Consumer. They're shifting from a goal driven way of consuming to feel based, social, impulsive buying.

4. Transformation of Consumer Decision-Making Mechanisms

Look beyond just channel shift: The digital economy has flipped how people make choices. Traditionally, people's five stage of consumption: problem recognition, information seeking and gathering, evaluation, purchase, and post purchase can still hold true but requires major overhauls given the presence of digitization. In this new era, algorithm recommendation systems of Chinese main platform has changed the way people look for information. Instead of actively seeking product info, they get personal feeds made by sites according to their browsing history, purchases, connections, and where they are on Earth. From actively searching for information to passively having a recommendation platform makes one wonder about consumer freedom and reason[6].

The idea of "algorithmic consumption" is exactly like this. People are relying more and more on AI's recommendation than on them actively creating their own taste buds. Act economically study means leads to never-ending cycle: Site(s) makes multiply or skinny; people say what want, over time less likely to find a new one more loyal to a brand or provider. Same time huge data Model system for finding adopting on mental tendencies like scare tact's, social verification's, fear of loss by count-down clock, low stock alarm, Instant "Buy It" button to rush sales[7].

Social commerce greatly amplifies how one person affects what another will buy. Xiaohongshu and the likes of Weibo, Bilibili have seen an increase in the significance of KOLs and KOCs forming a new sort of trustworthy information middleman that is even more influential to customers than conventional marketing. Teens in particular depend heavily on other people's created content and platform regulated users review for themselves as when they choose something highly relating to them such as makeup goods, clothes and live fashion. Consumption becomes part of the decision, shows growth-you're now more likely to buy something because it validates your social group rather than what you personally want[8].

5. Emergence of New Consumption Paradigms: Experience, Sharing, and Sustainability

The digital economy doesn't just change regular consumption, it creates completely new ones that match changing consumer ideas too. Main change is that there are more optional money going into experiences like (services, event) rather than tangible products. Similar to what is happening in more mature markets, this shift is the most visible for urban millennials and Gen Z where self-worth comes from their travels, cultures, education, fitness and gastronomy vs materialism. Digital Channel is where I get inspired, reserved and debaterd; be it a tiny holiday teaser trailers or recovering content live purchashed[9].

The Sharing Economy is also a new type of consumption resulting from the digital. Didis rides, Mobicles bikes, Hellobikes and peer to peer accommodation get these kind of consumption models going-getting something you need to use for a bit without having to buy it forever-and that's pretty cheap and handy in cities. It provides choice but we are tricky on knowing when a consumers job ends and producers start in platform labour / asset monetisation. It also changed what young people

thought was wasteful when it came to resources, in line with national values of efficacy and sustainability.

Green and sustainable consumption is a new thing on the Chinese digital consumers' market. Eco consumption is still mainly carried out by rich and educated urban people. Digital platform formed some associations among supply and demand of green goods[10]. With the national two-carbon goal and green consumption policy, the e-commerce platform has set up its specific section for green products and also labels carbon footprints. Secondary commerce site like xianyu has been getting more common because there is an idea that doing this is normal for young people now, buying pre-used stuff is cool and ethical, not just a symptom of having no money.

6. Challenges and Tensions in the Digital Consumption Transformation

When the digital economy adds to people's picks, spending, and deals, lots of problems and oddness must be looked at by scholars and politicians. Information Privacy as well Data Security are topmost priority. Nowadays the latest digital platforms today accumulate customer data like buys, whereabouts, physical makeup & actions that are usually concealed in a talked target. Most Chinese residents have no idea that their data is being collected. Even people with digital knowledge, like the younger generation, tend to trade off data disclosure for easy service and accept it quietly[11].

And there also the danger connected with algorithmic tampering and 'consumption bubbles'. The recommendation system being refined would guide people toward fancy things and they'd buy in spurts. For example, Huabei from Ant Group has made overspending easier-and especially so for financially weak young people. Using their platforms' credits for joint borrowings and having financial troubles at the start of adulthood means it is possible that easy digital money results in debt. Digital divide is the most basic problem. Though many digital framework exist, there are still variations by age, geography, schooling and income. Seniors have certain problems with digital shopping due to their weak digital skills and the lack of social support. While the government and platforms have launched age-friendly interfaces and digital literacy training, these efforts have failed to keep pace with the rapid evolution of commercial digital services, leaving a large group excluded from the economic and social benefits of the digital consumption revolution. To fill that gap needs lasting co-operation between those in authority, networks and public bodies to make certain that the digital economy grows better for everyone.

7. Policy Implications and Future Outlook

It is very important for regulation and administration in the transformation of digital economy in China. Demand side: Strengthen, modernize Internet consumer's law of protection, deal with all kinds new emergence problems arise by different algorithms suggestion way, integrate credit products to personal information's commercial use Although the PIPL has been enforced since 2021 and is still very large, it needs informed citizens to know how different places work specifically[12].

From production side should have producers of digital device invest in assisted communities and literacy programs for those who are less privileged including Village/Rural Resident/Senior/Low income employee. Promotion of Platforms and Marketplaces and fighting against monopoly to protect the user. Eco-friendly purchase orders and ecological data openness can take advantage of the size of online shopping to promote green consumption faster.

In the future, using Augmented Reality technology for immersive and multi-channel experience in retail; Artificial Intelligence to offer personalized financial services such as budgets, investments recommendations, Blockchain's feature of being tamper-proof to verify product origin and ensure authenticity. This kind of Paradigm Shift towards technology-driven, consumer-oriented innovation has barely begun. Guiding the development of technologies and businesses skillfully, at the same time protecting consumer's privacy and financial security and promoting greater social justice by reducing differences caused by digitalisation.

8. Conclusion

In this paper I have looked at the varied ways Chinese residents consume as digital economy changes-consumption channel shift, decisions making methods change, new ideas appear, problems arise. Primarily, the main argument is that Digitalization didn't just add to or augment what we used to purchase traditionally-it actually changed how,why,when, and with who we buy things in china. Right now, Chinese consumers have the option to walk through many paths: social media, delivery, financial. So that they get an effortless and tailored trip.

In terms of theoretical contributions, we have four points of view respectively, first, the concept is seen as a recursive,algorithmic and embedded in society, secondly, it is highlighted that online+offline channel is currently the main commerce model, thirdly, experience and share consume changes from culture to aspiration for Chinese youth, finally, it points out that digital divide and data governance are structure limits which need active policies interventions to make digital economy develop equally.

And we might also explore those more specific behaviors like what is the psychological effect of alga recommendation on our autonomy? Heterogeneity between platform credit and consumer galleon by different places and peoples groups. Consumption behavior changes in the digital economy, it's an ever evolving process, research has to be kept abreast of these developments so as to offer evidence based recommendations for wise and just governance of China's digital consumer society.

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