

# Synovate Hotspots China



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## Bringing **China** to life



# China, the Awkward Teenager

## Big, Growing, Increasingly Important to Multinational brands – but Poorly Understood

- China is like a rapidly growing teenager – a mixture of confidence and uncertainty, questioning the values of elders yet seeking an identity of its own. No wonder China can be a perplexing place to do business.
- To show where Synovate's curiosity has taken us, we've produced this brief guide as a starting point for your successful journey into China's young but growing marketplace.
- Following a brief introduction, our discussion has three main parts:
  - "Big Ideas" that will help you better understand China
  - Implications for research
  - Data

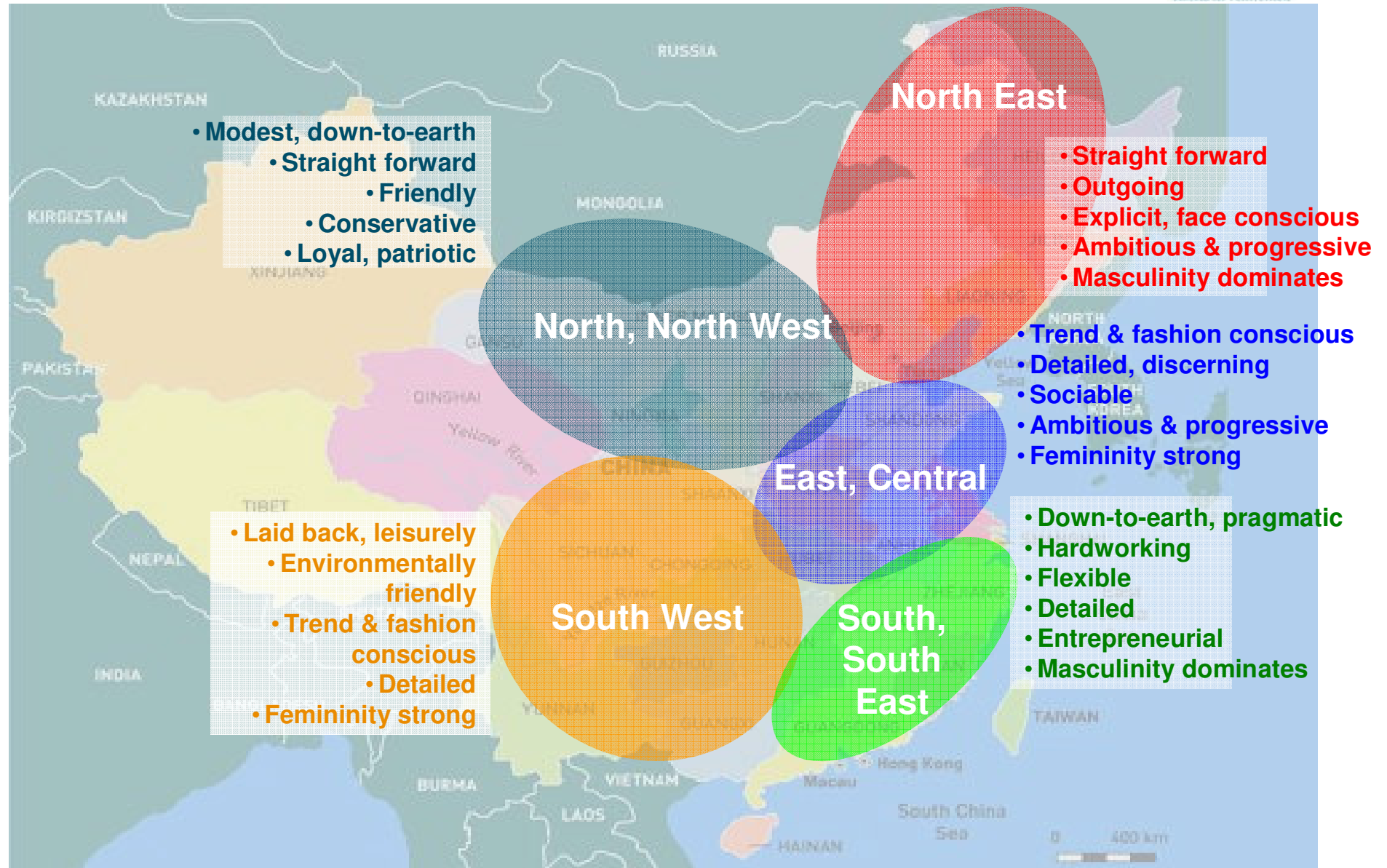
## Bringing China to Life: Some Numbers...

- The PRC (People's Republic of China) was established on October 1st, 1949.
- It has a the world's largest population (total population of 1.3 billion or 22% of the total world population) and covers one of the largest areas (measuring about the same size as the USA).
- China has 56 ethnic groups living across 23 provinces, 4 municipalities, 5 autonomous regions and 2 special autonomous regions (totalling 34).
- It counts a total number of 661 cities (compared to just 13 cities in 1978) and a total number of towns of over 20,000.
- China's total urban population is now around 540 million (compared to 170 million in 1978) with 49 cities reaching a population of over 1 million.
- All of the municipalities have a population of over 10 million.
- Planning research in China therefore is more than just looking at one or two cities ...

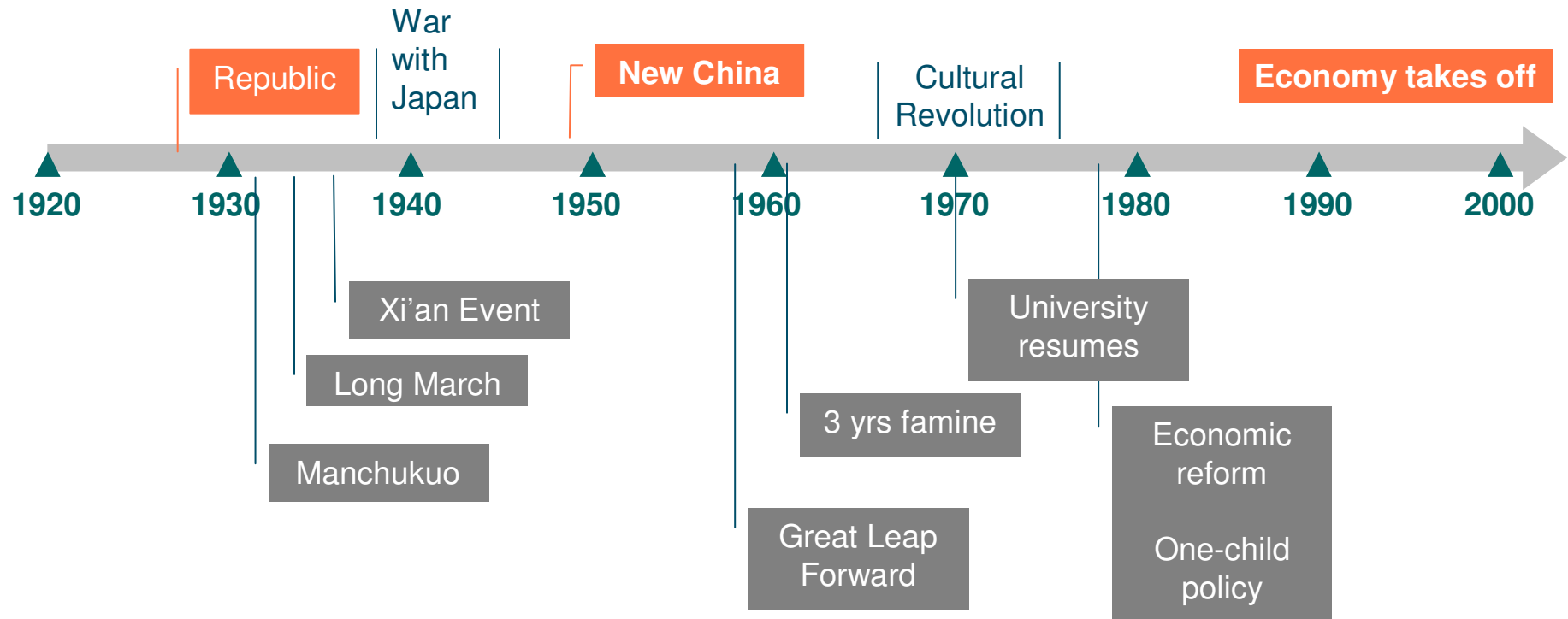




# Different Personalities in Different Parts of China



# A Glimpse of China's Long History: Historical Events and Their Implications



## 60-75

### Political Orphans

Suffered all major wars & reforms  
Formative years in early PRC – believer of communism  
Prime years lost in Cultural Revolution  
Ideology dissonance by economy reform  
But left behind on economic reform – too late to adjust already

## 40-55

### White Cats Black Cats

Higher education interrupted by Cultural Revolution  
Use of *guanxi* to achieve goals  
First batch to enjoy economic reform  
Ideology shifts from socialist to capitalist  
The core group of businessmen of China today

## 30-35

### Connected Capitalists

First batch to grow in open, safe environment  
First batch of “White Collars”  
Embrace consumerism & capitalism to the fullest  
Materialism the dominating ideology

## 20-25

### Princes & Princesses

Grown up in materially abundant environment & spoiled by 1-child policy  
Self-centric  
Immediate gratification  
Well informed, Internet generation  
Confident, aggressive  
Risk taking

# Mao Zedong: China's First Modern Market Researcher?



As long ago as the 1920s, Mao conducted a social study of a village that showed it had more than twice as many brothels as tailor shops. It gave him an insight into early 20th-century Chinese society that underpinned his strategy for developing the ultimate political 'brand' – the Chinese Communist Party itself.

Brothels	40
Bean-curd stores	30
Tailors	16
Wine shops	7



# Mao Zedong: China's First Modern Market Researcher?



What Mao understood is that knowledge is gold and that full information is needed to understand a market. Yes, China is changing, as evidenced by the growth of Western brands such as McDonald's and Carrefour.

However, many marketing professionals from outside China have very little knowledge of the country. What they do know is often stereotypical or anecdotal. Offering unparalleled opportunities, it's well worth taking the time to understand what really makes China tick.

	1997	2002
	%	%
McDonald's	18	81
Carrefour	8	71
Apple	6	28
Pierre Cardin	1	20





# **Section I: Big Ideas**

# Big Ideas

- China isn't China
- Generations matter
- If only I could sell one of those to 1.3 billion people
- Attitudes and beliefs
- Branding matters

# Big Ideas

- China isn't China
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# No Fear of Tiers

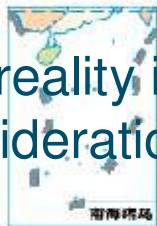
## 中华人民共和国地图

China is commonly divided into four 'tiers', and these broadly equate to levels of economic development. Tier 1 represents the most developed areas, namely Guangzhou, Shanghai and Beijing.

Tier 2 tends to be other provincial capitals and major cities. Tier 3 includes the remaining cities, and Tier 4 tends to be the rural areas. On average there is higher GDP per capita in the higher tiers, and moving from Tier 1 to the villages can seem like moving backwards in time.

Don't make the mistake, however of assuming this is always the case. For example, within Guangdong province, shown below, Dongguan is Tier 3 and yet it has higher GDP per capita than Shenzhen (Tier 2) or the provincial capital Guangzhou (Tier 1).

The reality is that the tiers are as influenced by political considerations as they are by economic ones.

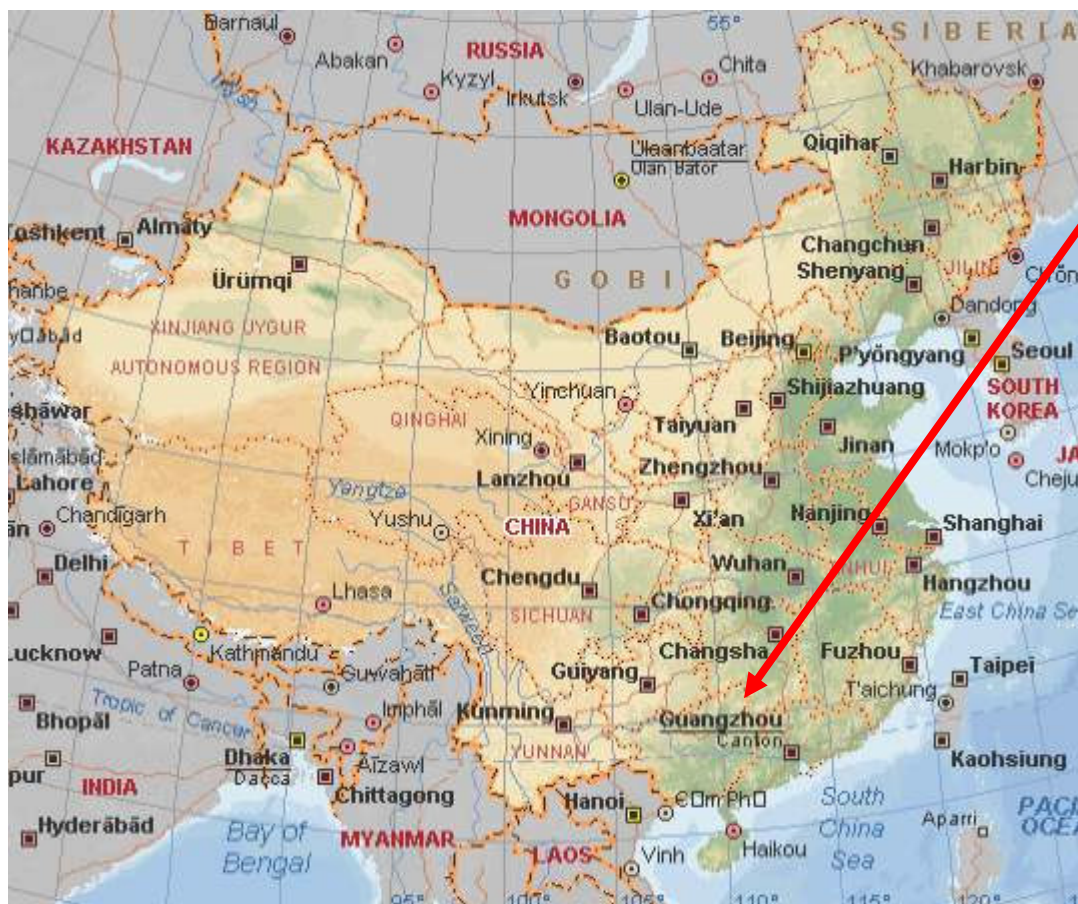






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# Vast Differences in GDP across the Different Tiers Does Not Mean the 3rd Tier is Downtrodden



Source: China Statistical Yearbook

**Guangdong province usually has the highest GDP across China**

Tier 1 Guangzhou	\$8,933
Tier 2 Shenzhen	\$8,344
Tier 3 Dongguan	\$10,135
Tier 3 Shanwei	\$1,435
Tier 4 Qinxin	\$878

# Tier 3 City Doesn't Mean Tier 3 GDP!

On average, citizens in Tier 1 will be more educated and have attitudes and habits closer to those of their peers in more developed markets. Go out walking in Shanghai in the Nanjing Road area of luxury hotels, banks and shops and you could be forgiven for thinking you were in Hong Kong, Paris or even New York. By contrast, don't be surprised to find poor peasants scratching out a living from the land in Guizhou, a Tier 4 province in the South West of the country. Although tiers give a general indication of levels of consumer sophistication, as with every set of rules, there are exceptions.

For example, if you are introducing a new credit card, you will first have to educate the citizens of Beijing (a Tier 1 city) about what exactly a credit card is. Unless counselled otherwise, many of them will deposit a balance into their account before they use the card, something that is both unnecessary and confounds the card issuers' objective of earning profits via unpaid balances. In contrast, you won't need to educate the citizens of Wuhan or Tianjin, Tier 2 and 3 cities respectively, where the understanding of what a credit card is seems much stronger.



# Big Ideas

- China isn't China
- Generations matter
- If only I could sell one of those to 1.3 billion people
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# Children of the Revolution



**Rooted in countryside  
to do revolution**

- A political earthquake shook China in the late 1960s and early 1970s that still affects the thinking and behaviour of whole generations of today's consumers.
- The Cultural Revolution led to schools and universities being closed and students put out to manual and other practical work to counter what Chairman Mao considered to be dangerous 'bourgeois' tendencies in Chinese society.
- As a result, millions of Chinese people received no formal education at a critical time in their mental development. Those consumers are now in their 40s and 50s. If you want to reach them, you have to understand where they've been and where they are now.

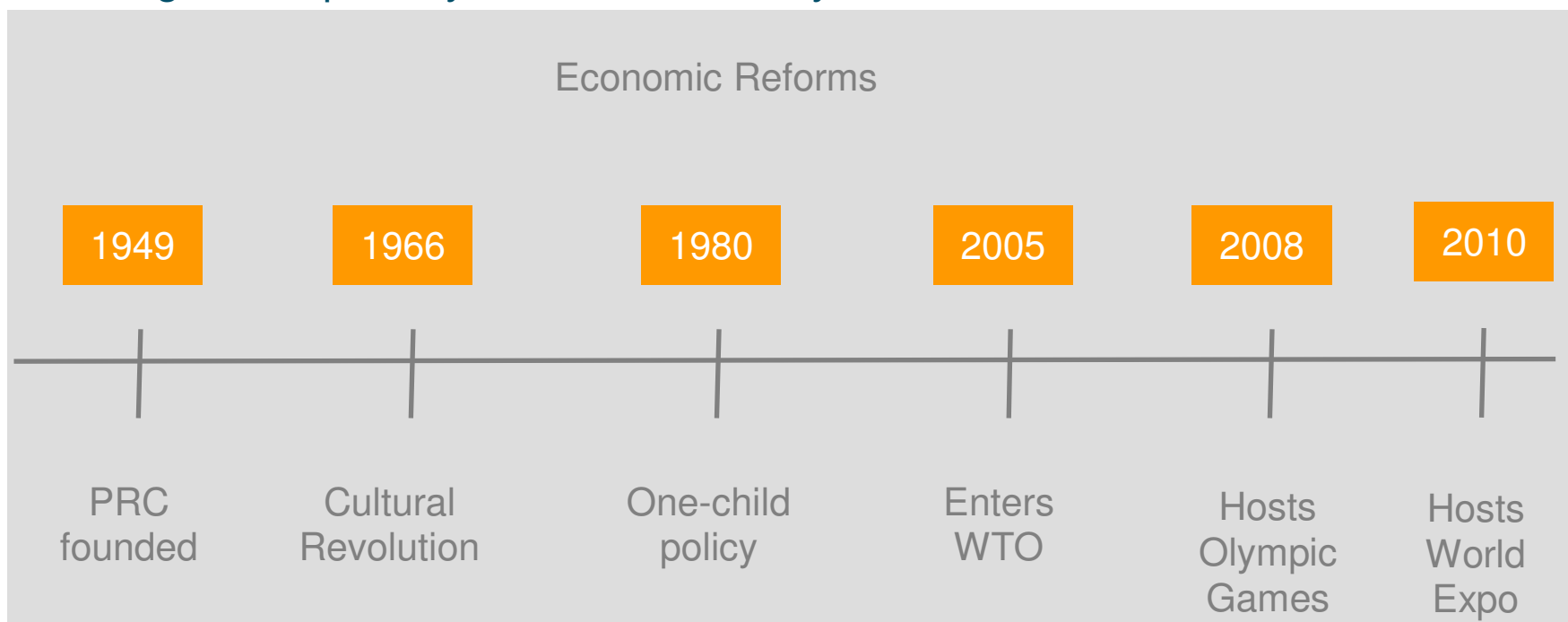
# Children of the Revolution

- Just like the hippies in 1960s America or people that lived through the Wall Street Crash of 1929 and the Great Depression of the 1930s, the children of the Cultural Revolution have a 'mind strata' you need to take account of as much as their income strata.
- They see things differently from the younger generations. They have an overhanging fear that China's new prosperity could all disappear tomorrow. If you don't understand this, you may make some critical mistakes in understanding what's going on.



# Children of the Revolution

Another social policy has had a more subtle but no less important influence. The decision in the late 1970s to implement a one-child policy means whole generations have grown up not knowing what a brother or a sister or an uncle or an aunt really is – an attitude sometimes referred to within China as ‘little emperor’ syndrome. Their splendid isolation affects how they ‘read’ marketing messages – Especially those with a family theme.



# New Generation Under One Child Policy

- Grown up in materially abundant environment & spoiled
- Self-centric
- Immediate gratification
- Well informed, Internet generation
- Confident, aggressive
- Risk taking
- Tend to express their own personality and attitude by dressing differently from others / or tend to be neutrally.



# There's No Such Thing as Old Money

Before the economic reforms of the early 1980s, no one in China was accumulating wealth, and therefore, unlike the United States and Japan, the wealth is all among the young – or at least the youngish. Knowing this will help you understand why people of a certain age group have certain responses. In other product categories, age may be less important in determining concept acceptance.

Age distribution of income in the US, China, Japan, Brazil and Russia

Japan	
<35	
35-54	51
55-74	48
75>	1

US	
<35	18
35-54	48
55-74	28
75>	6

Brazil	
<35	29
35-54	37
55-74	32
75>	2

China	
<35	62
35-54	30
55-74	8
75>	6

Russia	
<35	27
35-54	46
55-74	23
75>	4

# Big Ideas

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# People Power – Myths and Realities



China is large, the economy is growing and the opportunities are there. But it's worth remembering that out of its 1.3 billion people, the majority still live in the countryside and 60 per cent of them remain outside the cash economy (although a reasonable number of them are sent money by family members who have moved to the cities to find work). Those in the cash economy represent an impressive target market of 400 million people with an average annual personal income above US\$2,200. That's almost equal to the total number of people living in the European Union, and 100 million more than live in the United States. Last year Chinese consumers overtook US shoppers in the number of refrigerators, TVs and cell phones purchased.



## People Power – Myths and Realities

Don't assume, however, that selling to all those people is going to be easy. You need clear insights to know what will and what won't work. For example, while beer looks like a good bet as it fits very nicely with Chinese models of socialisation, bear in mind the market has captured a lot of growth already. China is the world's largest beer market by volume, although it's likely there will still be room for expansion – especially at the premium end of the market.

China is also an important and growing market for soft drinks. Still, it will take a long time, if at all, for China to reach the levels of carbonated soft drink (CSD) consumption per capita seen in the US or Mexico (the latter has the highest consumption in the world). The reason is straightforward but hugely significant.

The Chinese generally believe that hot beverages are better for you than cold ones. CSDs don't dominate the beverage landscape in the same way they do in other countries. However, consumption of packaged tea, juices/juice drinks and bottled water is strong and growing.

# Contrasted Shopping Experiences

- Pursuing luxury to present one's fashion and social status is a trend in today's China.
- Local people show an impressive consumption attitude/power towards top luxury goods. This is in line with the fast overall economical development of the country.
- In the contrast, traditional flea market and traditional store still exist and popular



# Don't Land Yourself in the Soup



- Another pitfall when dealing with China is to become mesmerised by subjective, Western definitions of product categories. A recent report expressed some puzzlement at the fact that the average spending on beverages in Chinese households was lower than in other developing markets. The report attributed this to lower costs per unit of beverage. This might be one factor. But another, more likely explanation was that the categorisation was misleading.
- Beverages are one of several ways of getting liquid into your body, and in the West, they are the dominant form. But sit down for many, if not most, Chinese meals and you'll be served another form of liquid—soup. In fact, at many meals no other beverage than a cup of tea will be served. Soup satisfies the body's physical need for liquids, and the Chinese cultural need that liquids should be warm.

# Brush Up, Trade Up



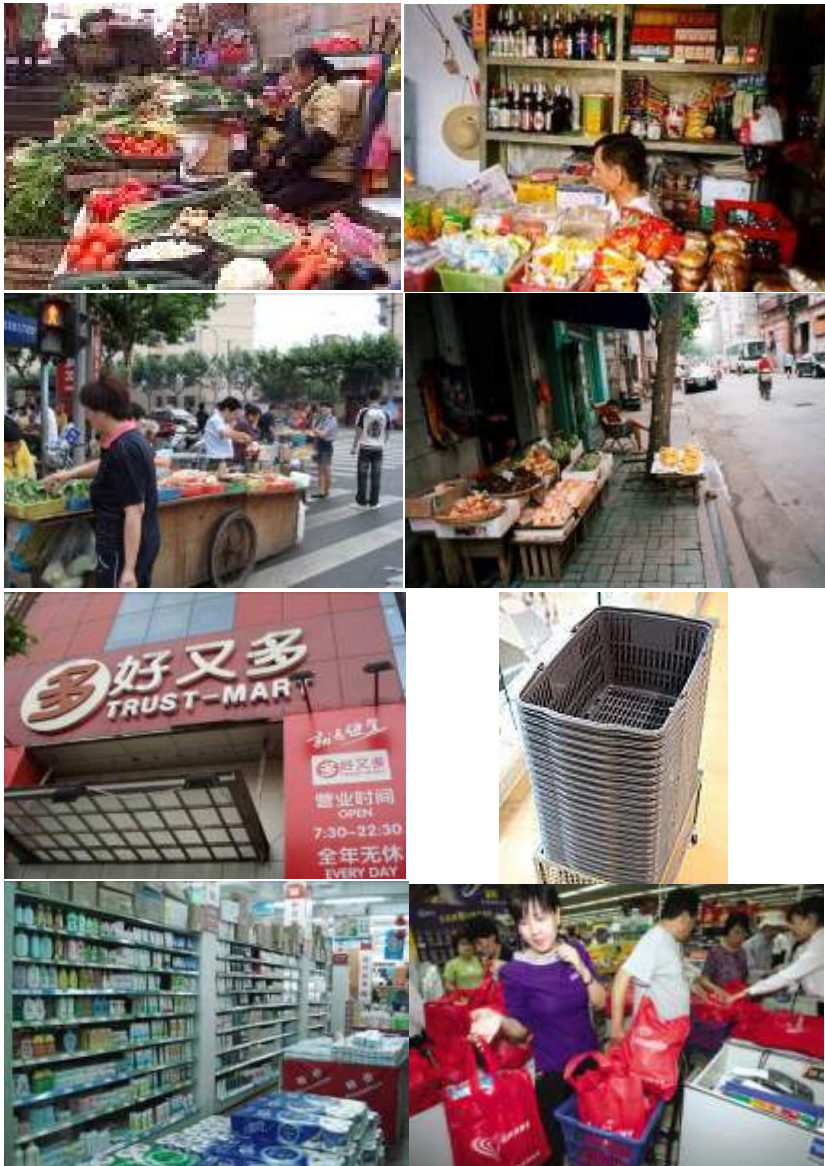
- A Morgan Stanley report showed that the proportion of Chinese people that brush their teeth daily is 99 per cent, exceeding the US number of 96 per cent.
- This indicates the penetration of the behaviour in China is already at or above Western levels, suggesting the opportunity to build volume by introducing brushing behaviour to consumers has passed.
- Don't, however, take those figures as the last word on the subject. The percentage brushing twice daily outside Tier 1 and Tier 2 markets is not high, leaving a massive opportunity for growth in the category.

# Big Ideas

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# Mind Matters



- Some Chinese attitudes may seem odd to the Western mind. Some are due to Chinese unfamiliarity with Western categories and some just due to local practice. What defines fresh is very different to a Chinese consumer than to a Western consumer.
- To Chinese people, a chicken isn't fresh unless they see it slaughtered in front of their eyes. Hence wet markets in China may look dirty to Western eyes, but to the Chinese, that chicken is more hygienic than the shrink-wrapped ones available in supermarkets.
- As mentioned previously, many Chinese believe they have to deposit money into their credit card account before they can use the card. They don't understand the difference between a debit card and a credit card.

# Mind Matters



- Investment behaviour in China also differs to that in the West, but this is due more to practical knowledge and experience rather than any innate cultural differences.
- For example, Chinese investors have until recently shied away from Mainland equities, because of plummeting capital values caused by fraud, embezzlement and other wrongdoing by financial managers in Mainland markets.
- The percentage investing in property is very, very limited. For example, the second-hand market for real estate has only just come on stream in the past two years. It is only in Shanghai where there is any real investing in property portfolios. The majority of new owners are living in what they are buying.

# Do You Believe in Magic?



- You may deride superstition but many Chinese take *feng shui* seriously. Businesses will go to considerable expense to redesign a shop or office if they discover that an existing layout is unlucky or likely to 'block' wealth and prosperity.
- You can tell when you're in an American-branded hotel in China because normally it won't have a 13th floor. In southern China, you don't find any locally-owned hotels with a fourth floor. This is because 'four' in Cantonese also sounds like the Cantonese word for death.
- A couple of years ago Northwest Airlines advertised a business-class airfare from Taiwan to the United States for NT\$44,444. It's safe to say that no one in Taiwan would have bought the ticket, even if it was the bargain of the year.

# Traditional Beliefs Still Reign

- Chinese people have always been superstitious. Although this is not as much the case now, this 'superstition' has evolved into specific beliefs.
- Lucky numbers, candies, the colour red, stone lions, Buddha, Chinese knot, feng shui stuff... all still carry these beliefs and people spontaneously regard much of them in their lives. Everything has a meaning behind it and can be explained by sayings.



Chinese knots, dragons .... symbols of traditional and contemporary China



# Conventional Habits vs. Western Culture

- Many Chinese people are still carrying on conventional habits such as drinking Chinese tea, ordering the years according to the Chinese zodiac, having family reunion dinners, being vocal and enjoying liveliness, decorate with Chinese character “fortune”...
- However, the young generation tends to care less about these traditions. They start to pay more attention to western culture and celebrations such as Christmas and Valentine’s Day, etc.





# Reemergence of Tradition

- Herborist is the modern interpretation of traditional Chinese herbs.
- It is the sub-brand of local cosmetic company of Jahwa and now is also available in Sephora, competing with other high end western cosmetics
- Instead of chemical and western technology, Herborist inherits the tradition of Chinese beauty care through the combination the essence of Chinese indigenous herbs



# Quick-slow



- Much of China has seen huge economic improvements in recent years, but parts of the country still have a lot of catching up to do. China's sheer size has a big influence on the patchy nature of development. An example of this is the huge movement of people during the country's two main holiday seasons: Chinese New Year and National Day, on 1 October ((known as Golden week) ). During these times people travel home to be with family and friends, as do people in the US during their major holidays such as Thanksgiving.
- It's just that in China the scale of this seasonal migration is daunting. Its railways transport almost 1.5 billion passengers (the number of journeys exceeding the entire population of the country) during the 40 days around Chinese New Year. Compare that with the 37.2 million people the American Automobile Association reported travelling 50 miles or more by car for last year's Thanksgiving weekend holiday – the equivalent of just 12.4 per cent of the US population.

# Big Ideas

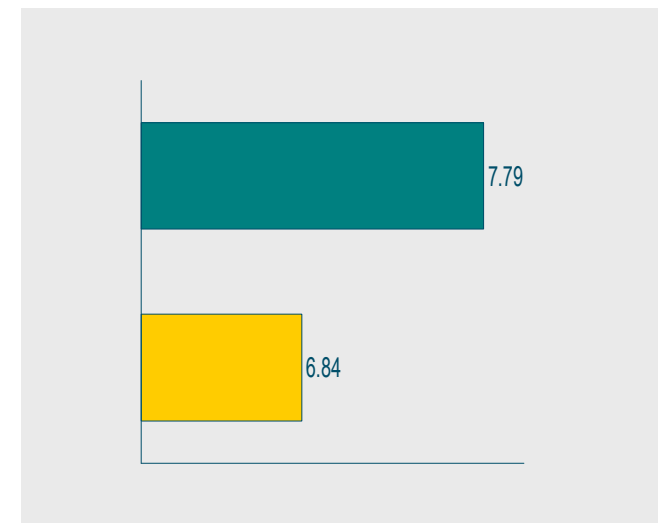
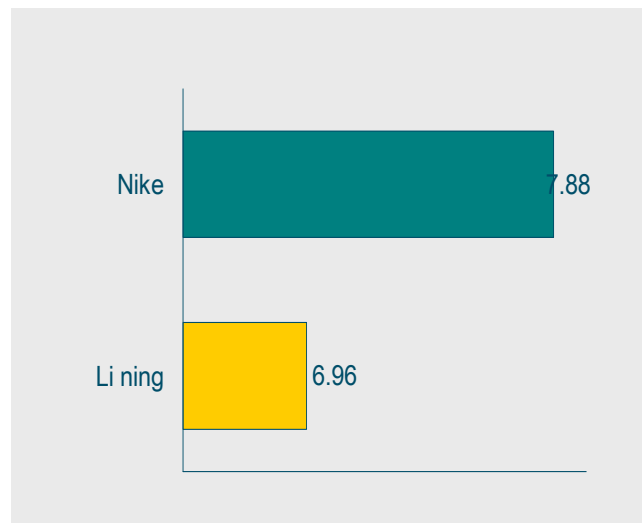
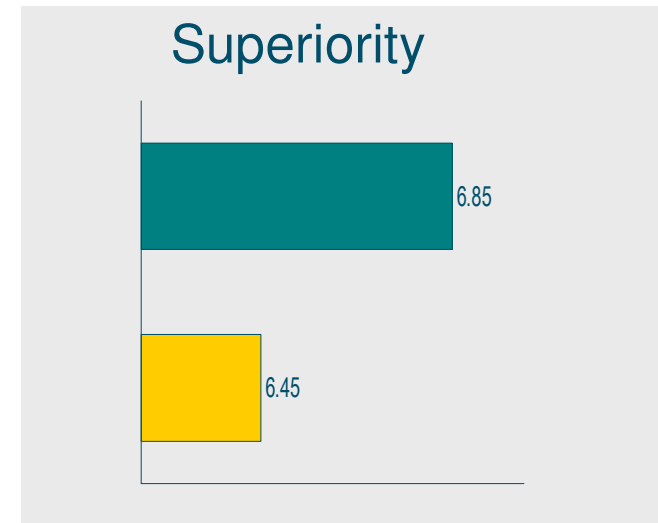
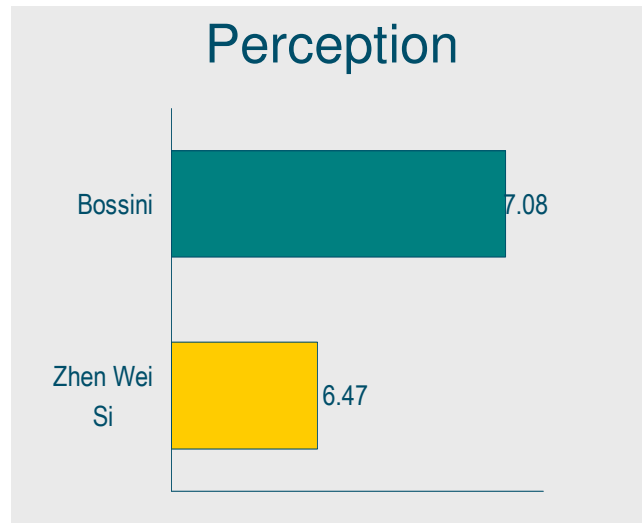
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## Home and Away

- Don't assume that foreign brands are automatically preferred to local ones, even though on average Chinese consumers give their own brands lower approval ratings.
- In some other cases the reverse is true, and the local brands have achieved parity if not superiority to global brands. Sometimes this is because the product is viewed as a commodity, meaning low cost is the main driver of purchasing decisions, but this isn't always so.

# MNC Brands Still Preferred for Fashion and Beverages

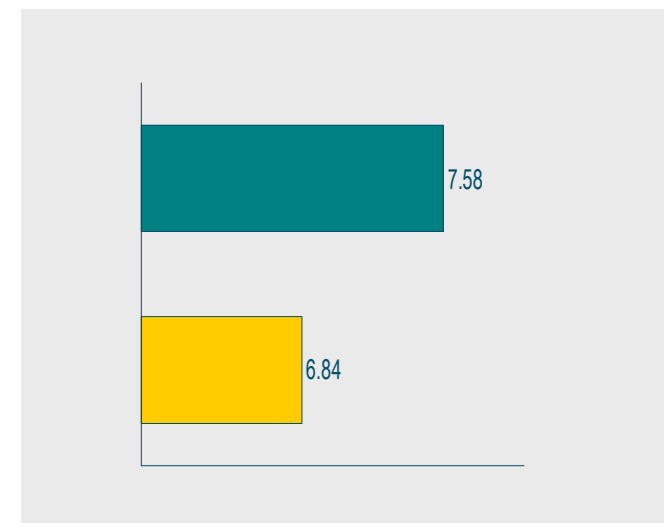
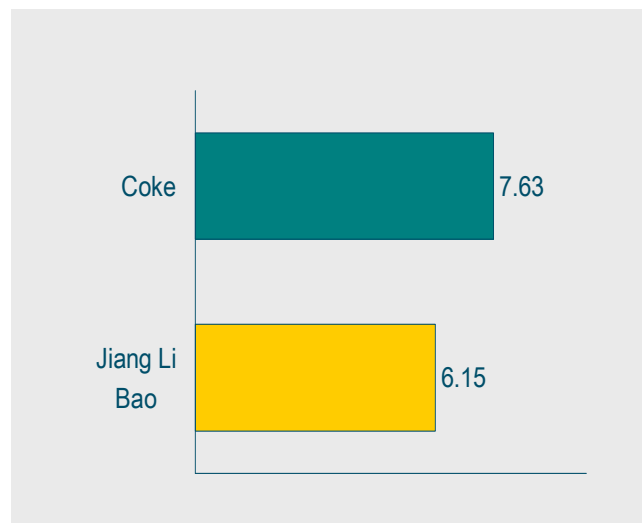
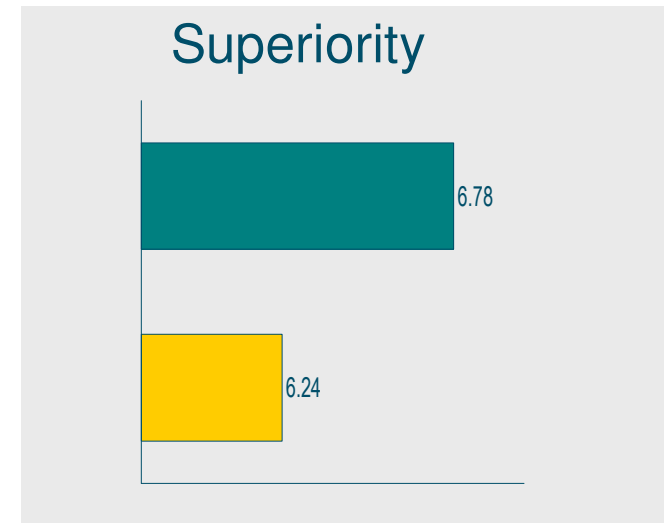
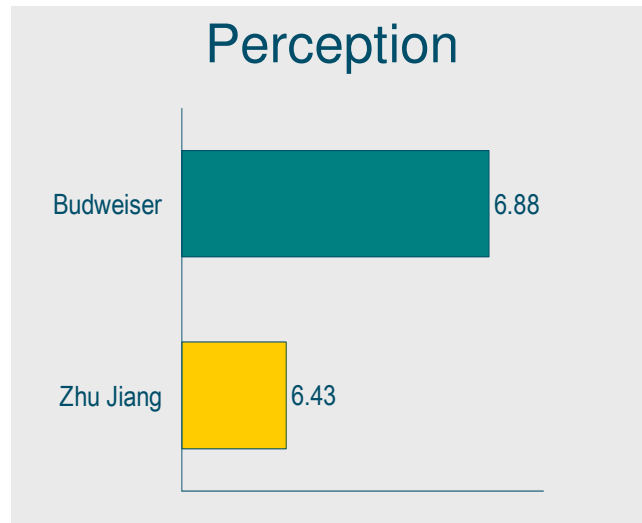
## Fashion





# MNC Brands Still Preferred for Fashion and Beverages

## Beverages

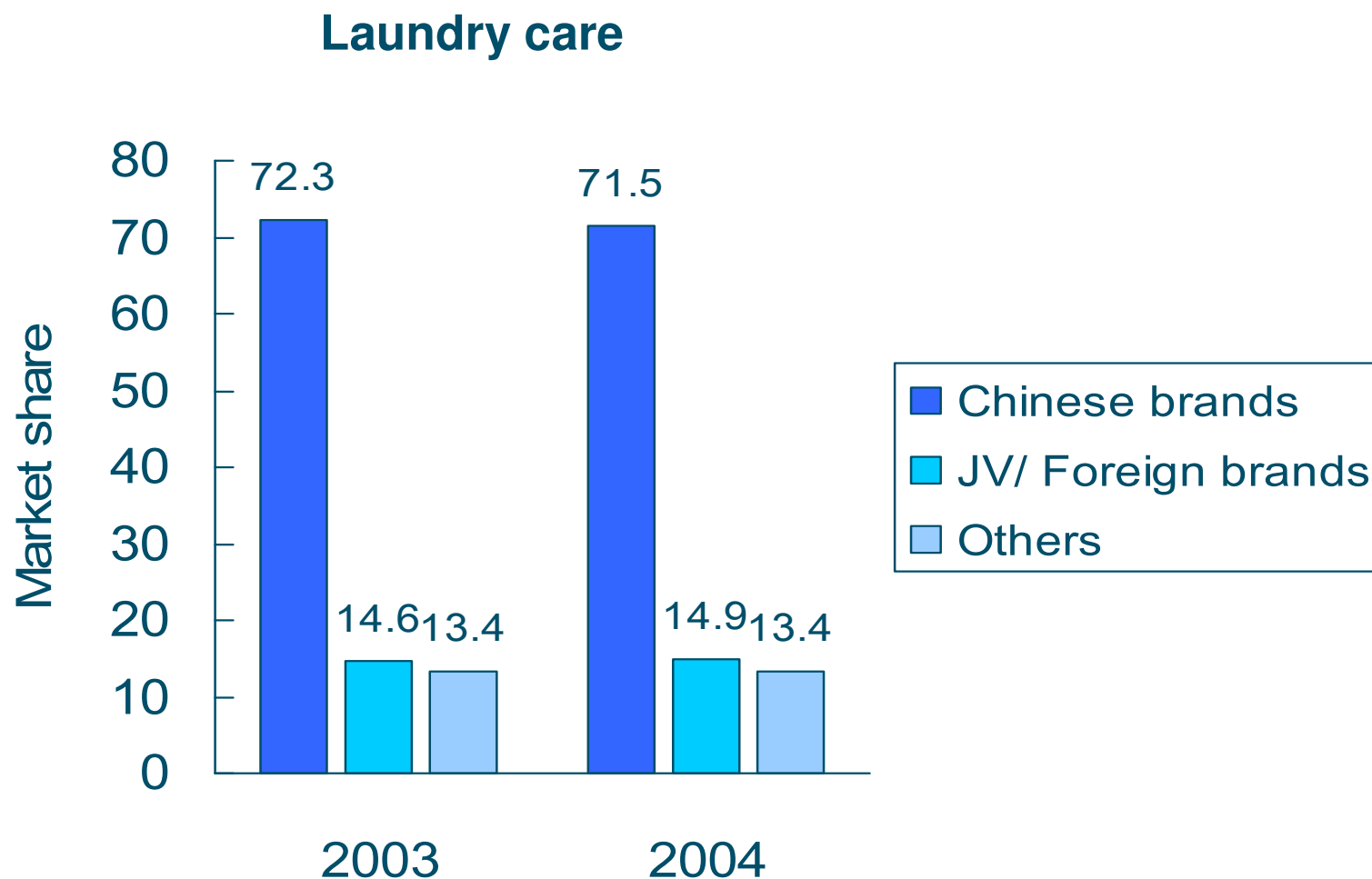


# MNC Brands as an Endorsement of Quality



- The milk powder crisis gives Chinese consumers a big hint on food quality and safety, and this also defeats their trust on local brands.
- For food category which is directly linked with one's health, consumers are willing to spend more for MNC brands, which is perceived to be under more strict production supervision and better manufacturing environment and technology

## For 'Commodity' Categories, Chinese Players Win





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# Hypermarkets Serve Different Purposes, Low Pricing Strategy not Needed Everywhere

	Tier 1 city: E	Tier 2 city: W	Tier 3 city: N
	%	%	%
Wide product range	80	72	51
Competitive price	58	33	22
Quality/no fake goods	7	38	70
Good reputation	1	2	18

## Copyrights and Wrongs

While the Western media complain about China not respecting intellectual property, individual Chinese consumers are learning to respect and value foreign branding – especially in foodstuffs categories. Two key values of a strong foreign brand are product quality and consistency. There was a recent and tragic example of a failure to maintain such standards among Mainland products. Several infants died of malnutrition after being fed bona fide local brands of milk powder. The manufacturers had cut production costs by replacing the actual milk powder with starch and powdered egg.

In Tier 1 Shanghai, consumers visit hypermarkets for their variety and low prices. In lower tier locations, it's the authenticity of the brands the supermarkets stock that is appealing. Mainland-owned supermarket chains such as Lianhua and Hualing are just as trusted as the likes of foreign-owned Carrefour and Wal-Mart. The problem areas are the 'mom and pop' stores or the traditional traders that are more likely to stock unreliable products.



# Proliferation of Media/Information Channels; Reduced Hegemony of Political and Commercial Institutions

- Sanlu infant milk formula was discovered to have been contaminated with melamine, a non-alimentary chemical which causes kidney stones. The scandal was spreaded very quickly by being reported by each media.
- Another example is Wang Lao Ji, a domestic soft drink, became one of the most popular Chinese brands almost overnight, after the company announced a 100 million yuan donation for Sichuan earthquake 2008.
- Some people even claimed online that they will buy up every can of Wang Lao Ji sweet tea whenever they come up with it in a store.



*Stripped shelves in a supermarket in China as a result of the contamination*



*Donation adds fizz to canned tea brand*

# Symbols/Badges of Success – Evolving History

- In the past, to be able to attend university and able to work for the government is recognized as success.
- Right after the reform, money was the main measure of success. If you are rich, you are successful. But as the country starts to develop, money and wealth is not the only measure, power, status also measures of success since the late 1990s.
- In the future, the definition of success will be more and more diversified and individualized. The pursue of money, status and power will be less important as those born under the one-child policy enjoyed comfortable lives. As a result, they are likely to concentrate more on their personal pursuits and individual recognition.



In 2007, the reality show “创智赢家” season 2 drew widely attention from the public. The post-80 girl won RMB 1 million venture capital fund with her intelligence and become the first female winner of this program.

# LOHAS & Environmental Care: A New Focus in Daily Life

- Caring for one's health and the environment is becoming increasingly important.
- This is boosted by the Government undertaking drastic steps to improve the quality of living and social etiquette in the run up to the Olympics.
- Most people have taken the first steps to focus on life's details.



The eco-bag with company logo is popular in the street.



## **Section II: Implications for research**

## Implications for Research

Although China is less fragmented in ethnic terms than many other Asian markets, care is needed to ensure your research planning and implementation aren't spoiled by sketchy local knowledge.

# Interview Methodologies

## Telephone

Telephone interviews are especially common in Tier 1 and Tier 2 cities, where most people have access to telephones. Computer aided telephone interviewing (CATI) is growing rapidly. A telephone interview for consumer or business-to-business use ideally shouldn't last more than 20 minutes. Reliable consumer telephone interviews in Tier 4 rural areas are harder to achieve because of low telephone penetration levels there. Limited telephone interviews can help establish penetration levels before embarking on door-to-door interviews.



# Interview Methodologies

## Door-to-door

This is still a common data collection method in China, particularly in areas with lower telephone penetration. Changes occurring in Chinese society have had an impact on methodologies for door-to-door interviews. In Tier 1 and Tier 2 cities in particular, increasing levels of disposable income and greater availability of leisure and entertainment mean many young people are not at home during evening interview times. This tends to make evening samples biased towards those aged 40 and over. In order to achieve more representative interviews, it may be necessary to set loose quotas on age and gender. If there is insufficient information available for the establishment of quotas, we recommend that the client conduct brief sample telephone interviews to check issues such as penetration and the profile of users. If your target audience is higher-income consumers, there are also some access issues in the Tier 1 cities because of restricted access to some up-market housing estates.

# Interview Methodologies

## Central location tests (CLTs)

Such tests used to be inexpensive in China, but venue fees are rising. The effectiveness of CLT may be diminished if researchers from competing agencies intercept respondents repeatedly in the same small geographical area, reducing the average success rate. A few years ago it was common in China to complete 70 interviews per day per venue using CLT. Now the more usual figure is 40-50 interviews per day per venue. Advance planning may be required in order to obtain relevant permits covering issues such as fire safety.

# Interview Methodologies

## In-depth interviews

Such interviews are more likely to be used for high-end consumers and professionals to fit in with their schedules and obtain a greater depth of learning. These may take place in the office, home or any place that suits them, such as a coffee shop. These interviews tend to be more difficult in cities such as Beijing and Shanghai, where traffic jams are common.

## Ethnographic studies

This exploratory and real-life approach has become much more common in China. Accompanied shopping, home visits and guerrilla interviewing are popular techniques to obtain insight on the emotional reasons for purchases and deep-seated feelings towards brands. Ethnography can also be applied in other ways - it is not out of the question to observe how dogs react to different dog foods.

# Interview Methodologies

## Online

Online surveying is an enormous opportunity for researchers in China. Internet penetration is high among the young. It is cost and time efficient for clients, especially when they are targeting those below 30 years old. It may be most relevant in Tier 1 and 2 cities owing to the higher penetration of home PCs there. Online methods are also widely used for interviewing top managers, who are often too busy for face-to-face methods.

## Ethnic and Religious Groups

This is not a major issue in China as 90 per cent of the population is Han Chinese. There are other ethnic groups mainly in the west of the country, some of which are Muslim.

## Questionnaires

Questionnaires are one of the more complex areas of research planning because they raise many issues:

- Language
- Subject matter
- Length
- Questions and phrasing

# Language

## 简繁体字对照表

[ 2007-7-2 19:17:00 | By: xiewei

皑:皑 藹:藹 碍:礙 爰:爰 袄:襖 奥:奧 坝:壩 罢:罷 摆:擺 败:敗  
颁:頒 办:辦 绊:絆 帮:幫 绑:綁 镑:鎊 谤:謗 剥:剝 饱:飽 宝:寶  
报:報  
鲍:鮑 辈:輩 贝:貝 钡:鉍 狈:狽 备:備 惫:憊 绷:繃 笔:筆 毕:畢  
毙:斃 币:幣 闭:閉 辟:闢 边:邊 编:編 贬:貶 变:變 辩:辯 辨:辯  
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钵:鉢 铂:鉑 驳:駁 补:補 财:財 采:採 参:參 残:殘 惭:慚 惨:慘  
灿:燦  
苍:蒼 舱:艙 仓:倉 沧:滄 厕:廁 侧:側 册:冊 测:測 层:層 诧:詫  
搀:攙 掺:摻 蝉:蟬 馋:饞 谗:讒 缠:纏 铲:鏟 产:產 阐:闡 颤:顫  
场:場

Mainland China uses a simplified system of Chinese characters different from that used in Taiwan, Hong Kong and Singapore. The Chinese government introduced the simplified system over a period of more than 20 years between the 1950s and the 1970s in order to improve literacy. Chinese-language materials developed for Taiwan, Hong Kong and Singapore cannot therefore simply be relabelled for use on the Mainland



## Subject Matter

All questionnaires in China must be registered with the State Statistical Bureau. When you work with a reputable agency, this process is transparent and has no negative impact for the client. There are, however, certain topic areas that need to be avoided. These include, firstly, anything that is overtly or implicitly political. Secondly, anything referencing Taiwan must be careful to refer to it as a 'province' and not a 'nation' or a 'country'. Thirdly, you are not allowed to ask about certain media outlets, particularly government-controlled ones. For example, you cannot ask whether people watch the state broadcast channel CCTV1.

Be wary of taking questionnaires designed in affluent countries or Western markets and simply translating them for use in China. A recent questionnaire designed in the United States and intended for China asked people about their golfing habits and their length of car journey to work. Not very relevant questions to the average Chinese consumer.

# Length

A rule of thumb is to add between 25 per cent and 33 per cent to the English- language interview time – a 20-minute English questionnaire is likely to take at least 25-27 minutes in Chinese. This has implications for methodology as the maximum length of a telephone interview in most markets is around 20 minutes.

## **Guidelines for face-to-face interviews are:**

- Door-to-door up to 40 minutes
- CLT up to 30 minutes
- Street intercept up to 15 minutes
- Business up to 30 minutes
- Focus groups up to 2.5 hours
- Depth interviews up to 1 hour

## **Guidelines for telephone interviews are:**

- Household up to 25 minutes
- Business up to 25 minutes

## Questions and Phrasing

Be aware of phrasing. Statements acceptable in the West may not be appropriate in China. Remember also that any reference to the full name of China needs to use the appropriate terminology. Even governments can get this wrong from time to time.

During a recent visit of China's President Hu Jintao to Washington DC, a White House announcer caused some embarrassment by referring to the anthem of "the Republic of China" during a welcome ceremony. China's official name is the People's Republic of China. The Republic of China is how Taiwan styles itself in diplomatic circles. Among Muslim communities in the west of China, it is not appropriate to ask about alcoholic drink consumption.

# Schedules

It is important to consider details of public holidays in China. Bear in mind that as with the Easter holiday in the West, Chinese New Year is dependent on the lunar calendar and dates may vary slightly from one year to the next.

Remember also that although the number of practising Christians in China is low (the CIA's World Factbook puts the figure at 3% to 4% of the population), Many Chinese mark Christian festivals such as Christmas and Easter by Taking time off.

## Chinese Public Holidays 2007

**1 Jan** New Year

**18-21 Feb** Chinese New Year. Usually Chinese people take a whole week off.

**1 May** Labour Day. China has the whole week from **1-7 May** as a public holiday.

**1 Oct** National Day. In celebration of the founding of the People's Republic of China in 1949. China has the whole week from **1-7 Oct** as a public holiday.

Avoid scheduling research in the week before or the week after a major holiday, as many people tend to take time off either side of the official holiday dates.

The background is a solid teal color. On the left side, there are several abstract, overlapping shapes in a lighter shade of teal. These shapes include a large, curved, comma-like form and a smaller circle at the bottom left.

## **Section III: Data**

# Sources

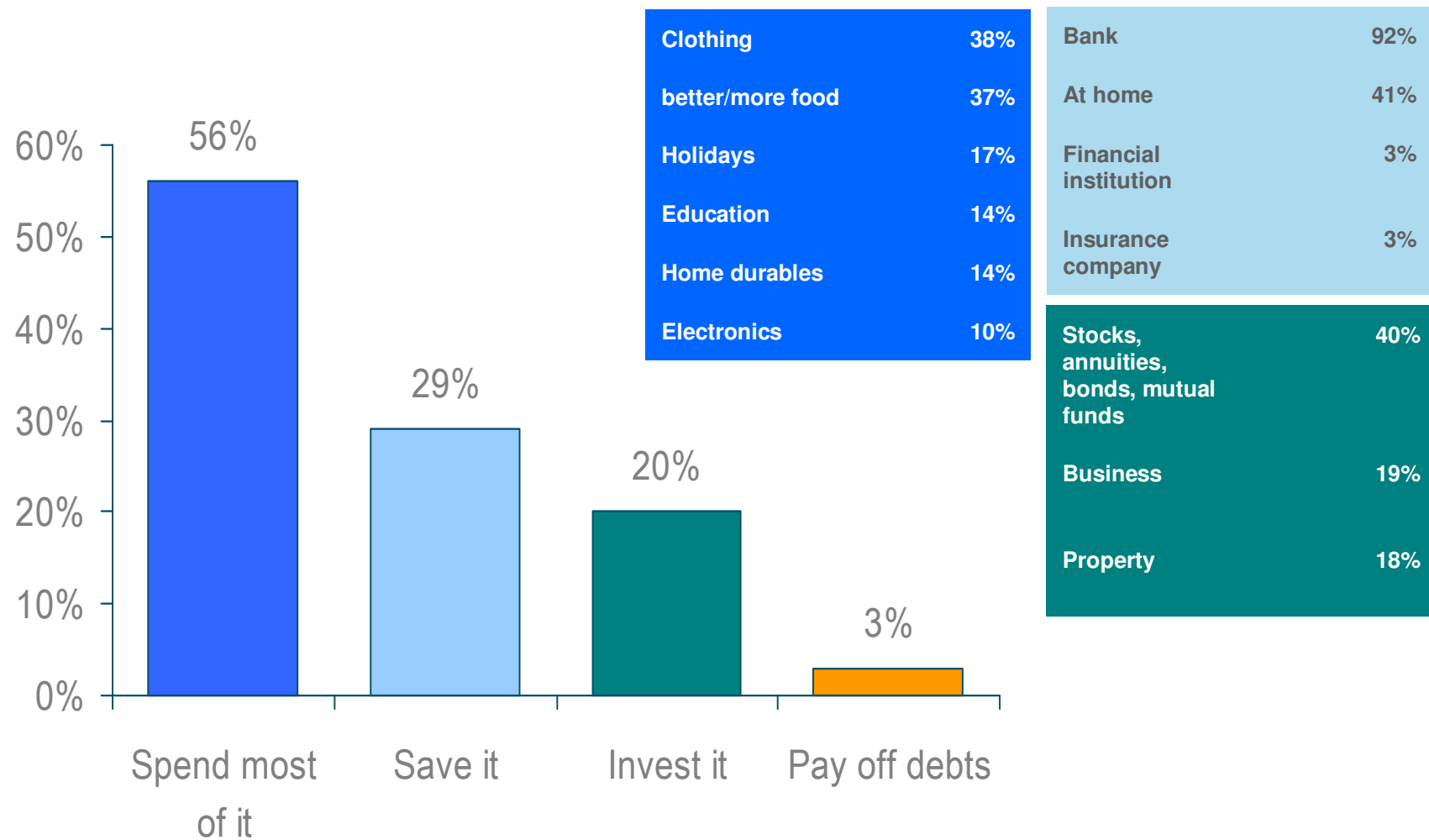


This data is assembled from a variety of sources including:

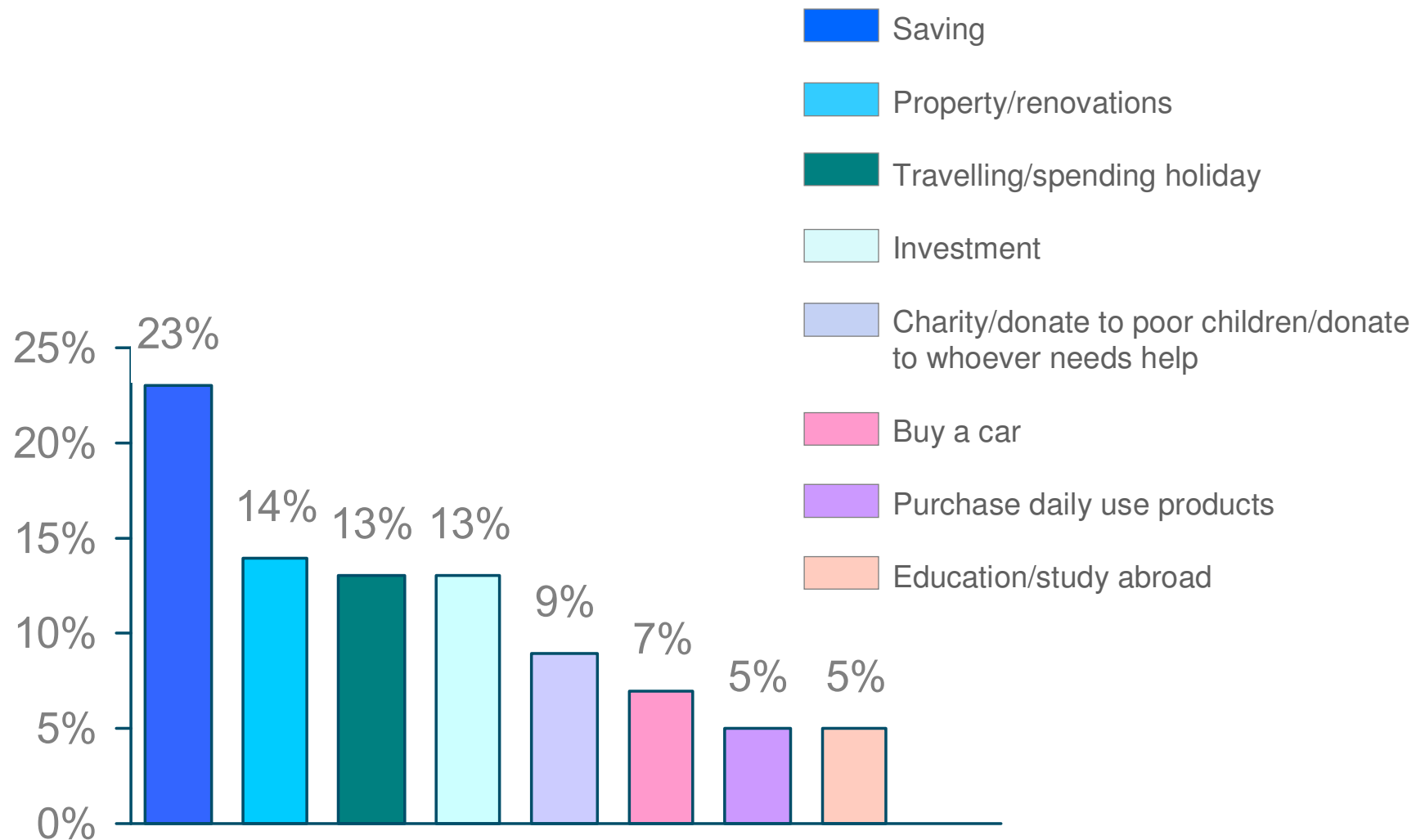
- A Synovate telephone survey of a representative sample of adults in Beijing, Shanghai and Guangzhou conducted in April 2006
- Euromonitor
- Economist Intelligence Unit (EIU)
- Central Intelligence Agency World Factbook



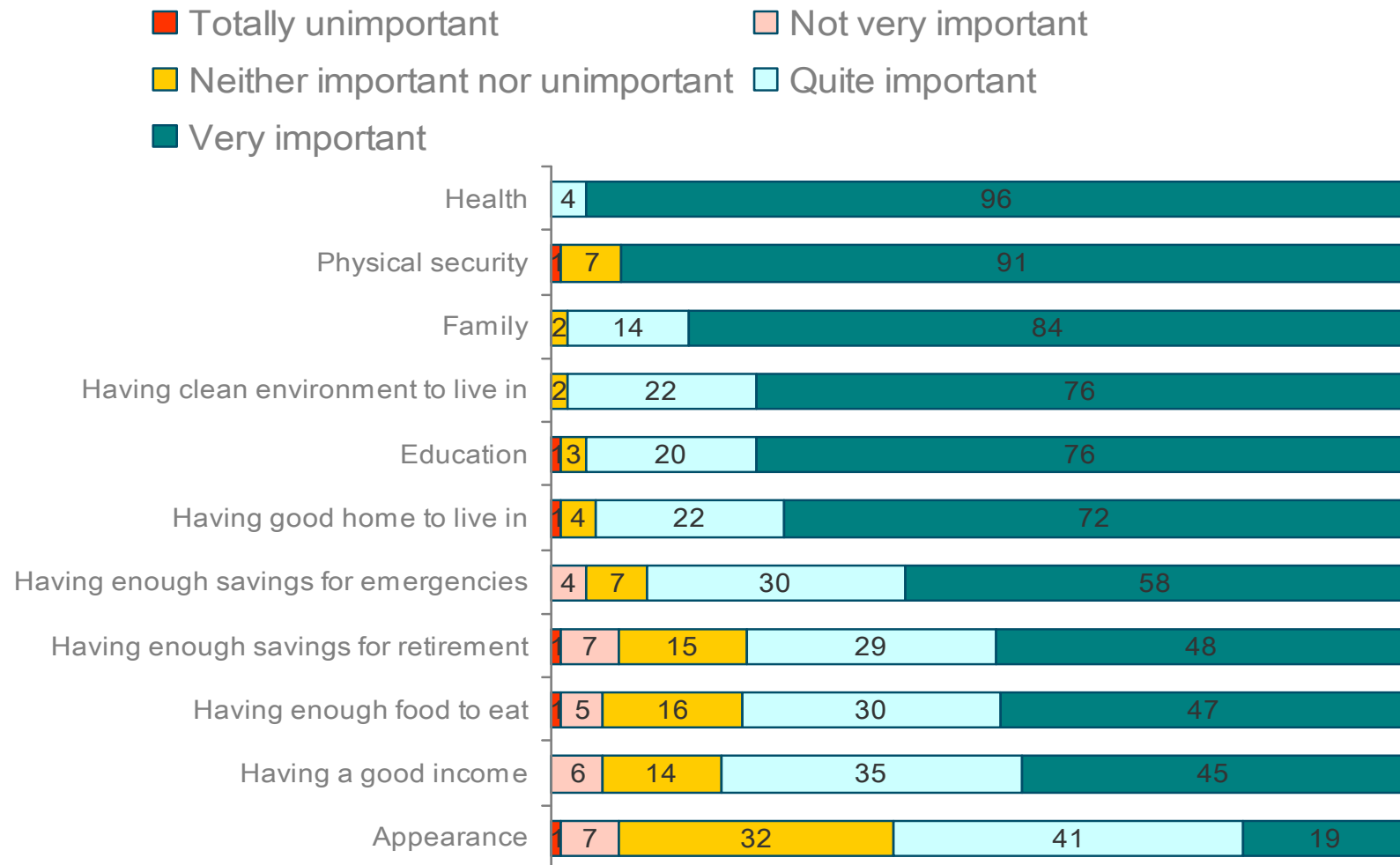
# What Would You Do With 20% More Household Income?



# What Would You Do if You Won Renminbi 800,000\* in a Lottery? \*approx US\$ 100,000

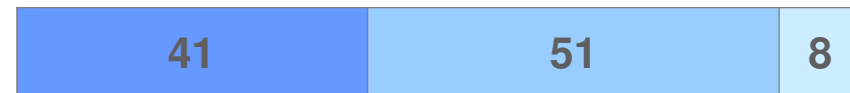
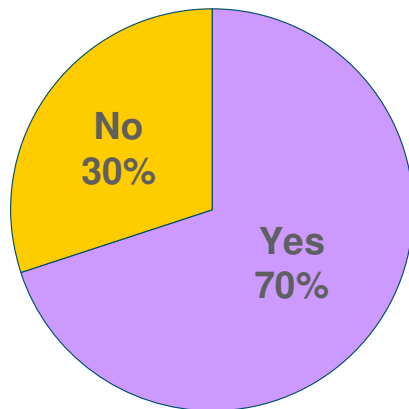


# Lifestyle Personal Importance (Numbers in percent)



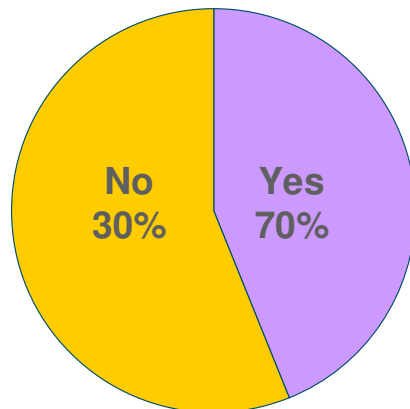
# Cyberspace

## Internet access



■ Both home and office  
■ Home only  
■ Office only


## Personal email





**synovate**  
Research reinvented








# Products and Services – Usage During Past Three Months and Brand Image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
Travel				
Hotel Group	 37%	Shangri-La Hotels	Hilton Hotels	White Swan Hotel
Airline	 17%	China Eastern Airlines	Air China	China Southern Airlines
Alcohol				
Beer	 67%	Budweiser	Yanjing Beer	Suntory/Tsingtao
Brandy/Cognac	 16%	Rémy Martin/Hennessy	Chang Yu	-
Whiskey/Scotch	 12%	Chivas Regal	Johnnie Walker/ Royal Salute	-



**synovate**  
Research reinvented

# Products and Services – Usage During Past Three Months and Brand Image






	Used past 3 months	Best Brand	2nd Brand	3rd Brand
<b>Soft drinks</b>				
<b>Cola</b>	 80%	Coca-Cola	Pepsi	Future Cola
<b>Fruit Juloe</b>	 80%	Huiyuan	Uni-President	Nonfuguoyuan
<b>RTD Tea</b>	 58%	Uni-President	MasterKong	Lipton Ice Tea
<b>RTD Coffee</b>	 54%	Nescafé	Maxwell House	Mocha Coffee
<b>Auto</b>				
<b>Car/pick-up truck/SUV</b>	 28%	BMW	Mercedes-Benz	Honda/Toyota/Volkswagen
<b>Fuel for your car/motorcycle</b>	 24%	China Petroleum & Chemical	China National Petroleum	Shell
<b>Motorcycle</b>	 16%	Honda	Yamaha	Jialing





**synovate**  
Research reinvented

# Products and Services – Usage During Past Three Months and Brand Image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
<b>Retail</b>				
Everyday clothing store	 70%	Nike/Baleno	Adidas	Giordano
Designer clothing store	 11%	Chanel	Lacoste	Hugo Boss
Fast food chain	 70%	KFC	McDonald's	Pizza Hut
<b>Technology</b>				
Mobile phones	 81%	Nokia	Motorola	Samsung
MP3 player	 54%	iPod	Samsung	Sony

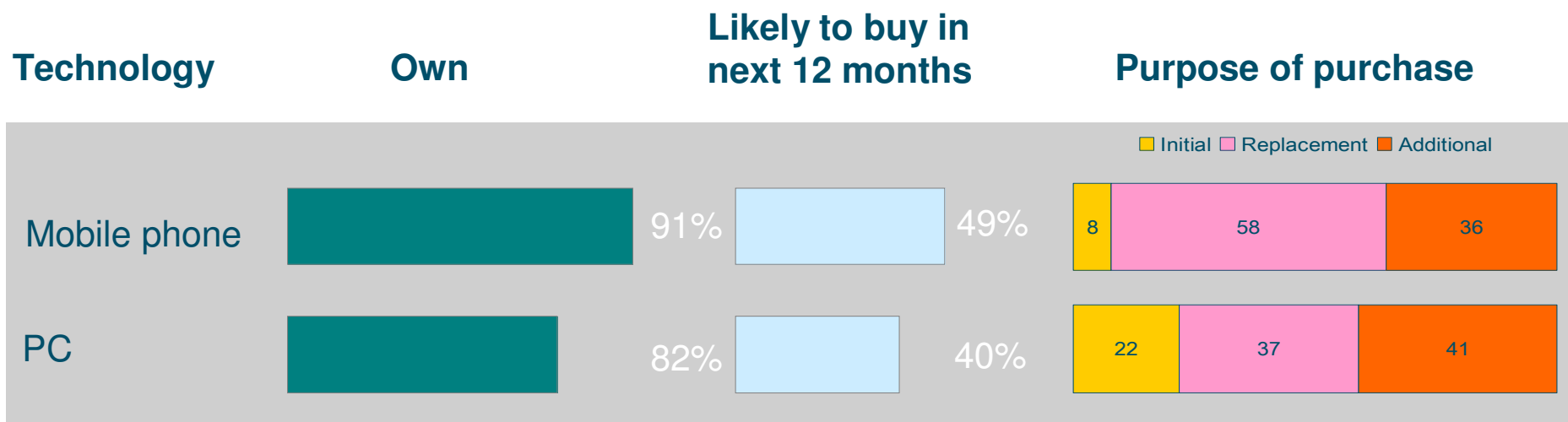


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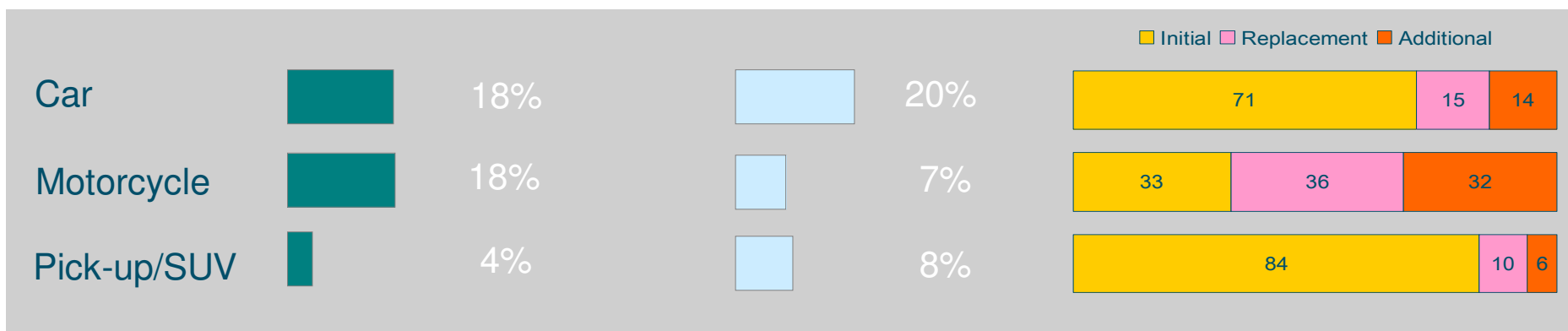
# Products and Services – Usage During Past Three Months and Brand Image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
Personal Care				
Shampoo	95%	Rejoice	Pantene	VS/Head & Shoulders
Shower Gel	89%	Olay	Lux	Safeguard
Soap	85%	Safeguard	Lux	Dove
Conditioner	75%	Pantene	Rejoice	VS/Bee & Flower
Facial cleansers	60%	Olay	Clean & Clear	L'Oreal/Pond's/Bioré
Facial moisturiser	45%	Olay	L'Oreal	-
Lipstick	28%	Maybelline	Mentholatum	Chanel/L'Oreal
Face make-up	27%	Olay	L'Oreal	Aupres
Eye make-up	19%	L'Oreal	Lancôme	Maybelline

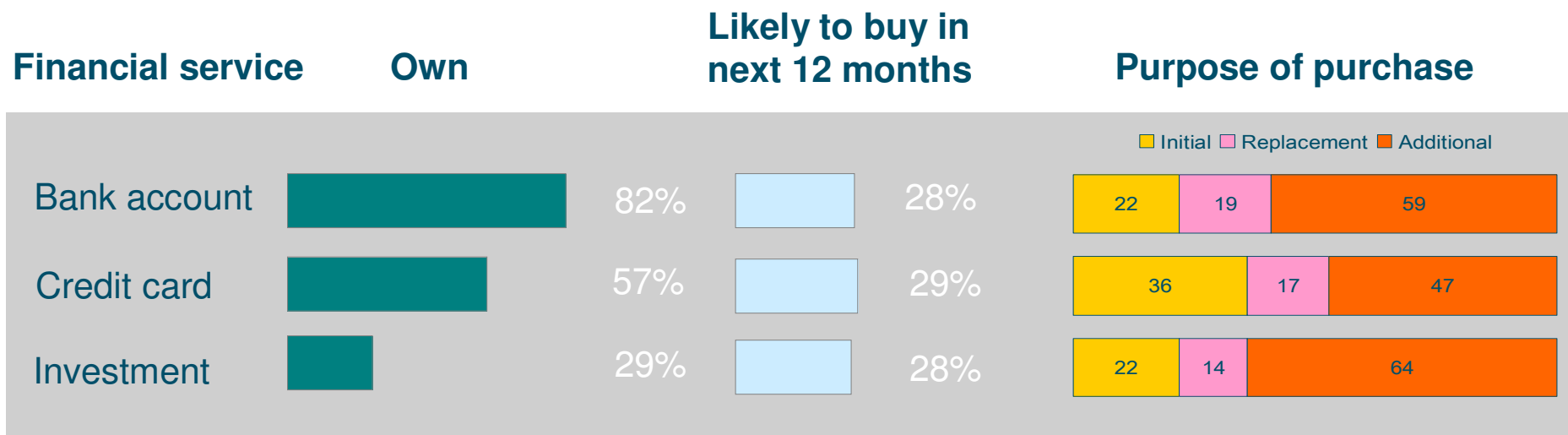
# Product Ownership



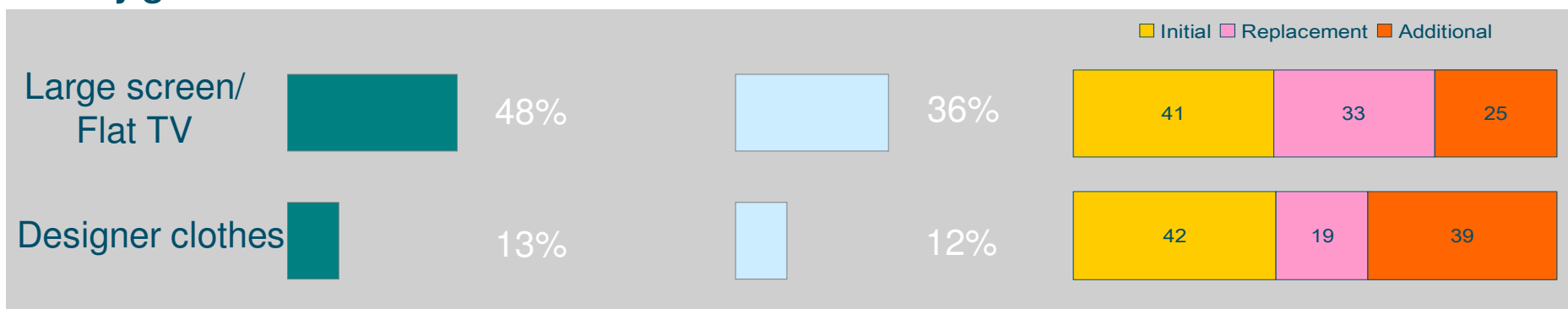
## Vehicle



# Product Ownership



## Luxury goods



# Global Retailers' Image

	Awareness	Very positive	Positive	Neutral	Negative	Very Negative
Carrefour	96	7	48	38	6	2
Wal-Mart	70	8	53	38	1	-
Tesco	10	3	48	46	-	3

# How Do I Spend My Weekday/Weekend (Hours)

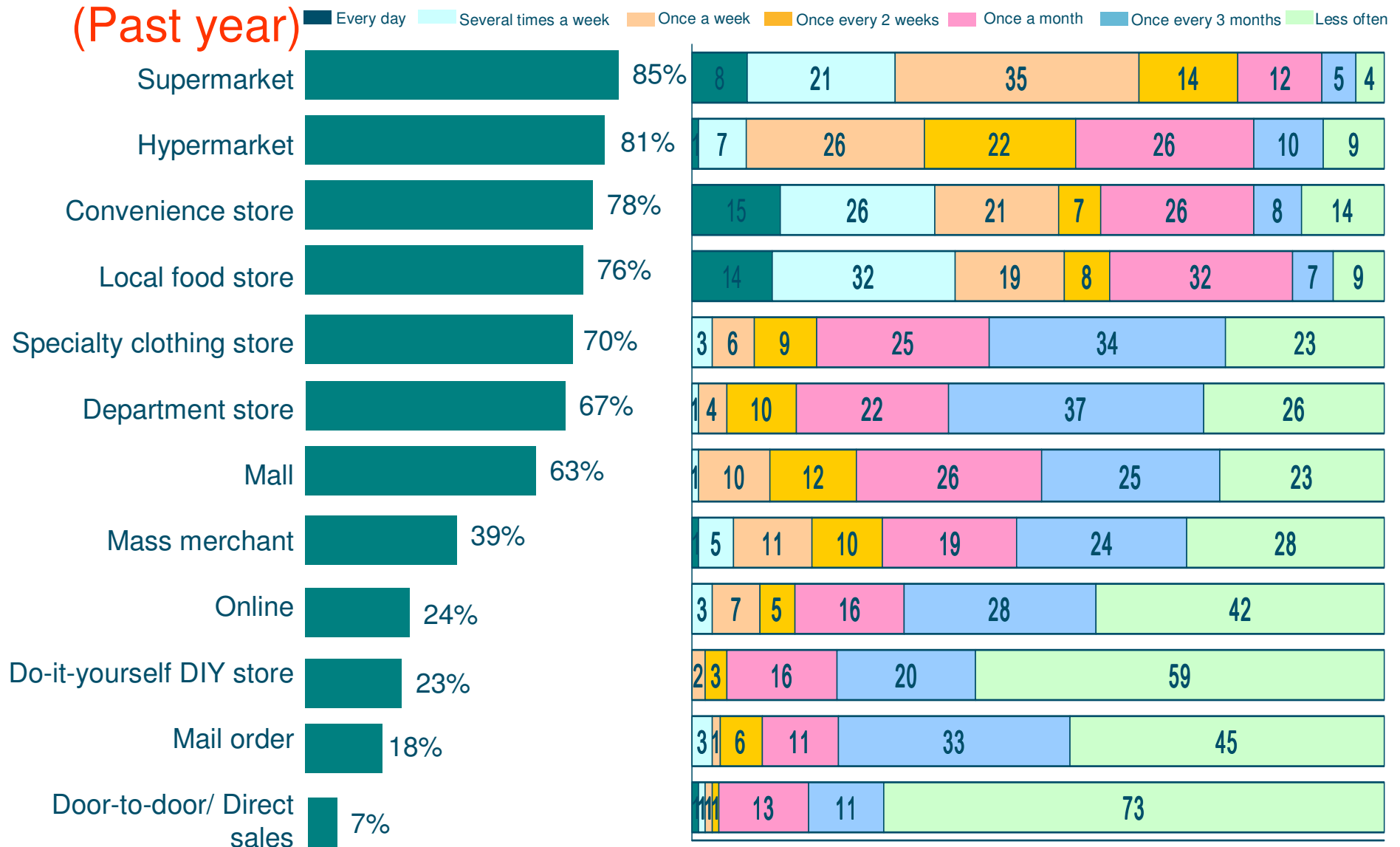
	Media/Information			Sleeping
	Reading newspapers/magazines	Surfing the Internet	Watching TV	
<b>Weekday</b>	0.9	2.11	2.02	7.34
<b>Weekend</b>	0.97	2.03	2.73	7.92

	Working/school			Exercising/ Playing sports	Staying at home
	Commuting	Housework	Work/school		
<b>Weekday</b>	1.01	1.03	6.67	0.79	6.82
<b>Weekend</b>	0.29	1.33	1.42	0.96	8.14



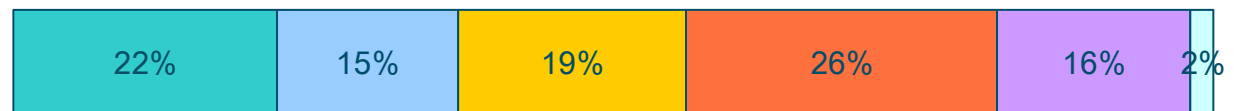
# Retail Penetration and Frequency

(Past year)

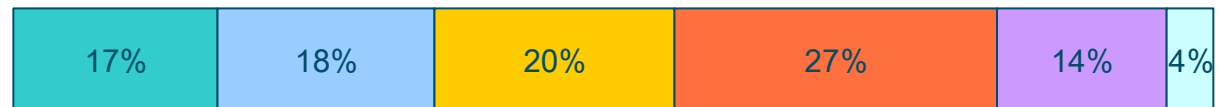


# Local or International

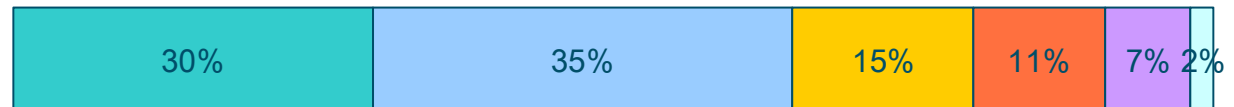
Locally manufactured brands are just as good as international brands



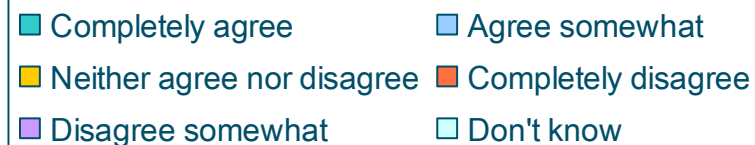
Local retailers are just as good as international retailers



Most people don't know the difference between local and international brands



If a local and international brand Are of equal quality and price, I would Prefer the local brand



# Have You Experienced Any Of These Distressing Situations in the Past Year? (Figures in per cent)

	Total
None	74
Lost your primary job	14
Been a victim of discrimination	6
Had to accept a pay cut	6
Been the victim of a crime	5
Been sick and could not get medical attention	4
Been sick and could not afford medical attention	3
Had to skip a meal because you did not have money for food	2

# Attitudes (Figures in percent)

## Economy

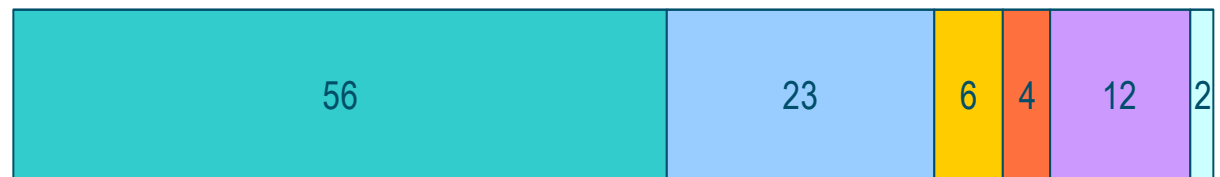


■ Completely agree      ■ Agree somewhat  
■ Neither agree nor disagree      ■ Completely disagree  
■ Disagree somewhat      ■ Don't know

# Attitudes

## Environment

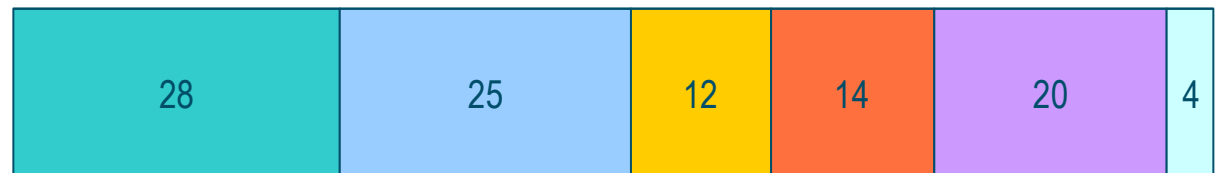
Environment degradation is a Major issue in my country



The environment in my country is Too polluted today



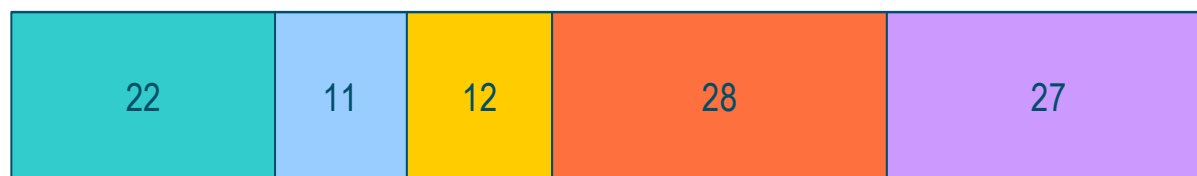
There is a good chance that my country will suffer a major natural Disaster in the next 12 months



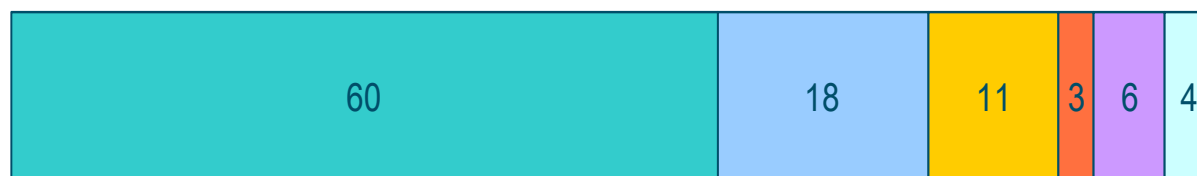
# Attitudes

## Personal

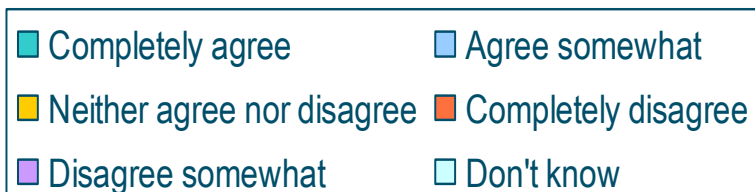
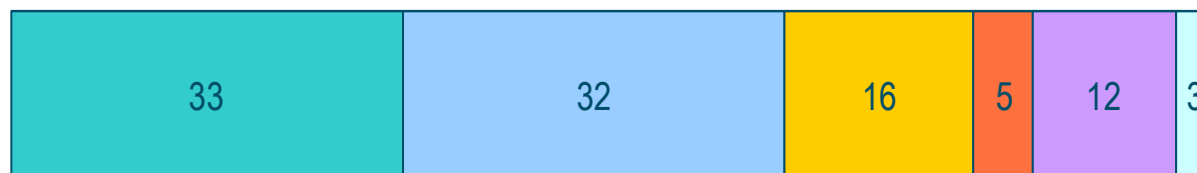
Five years ago things were Better for me



In five years time things will Have improved for me



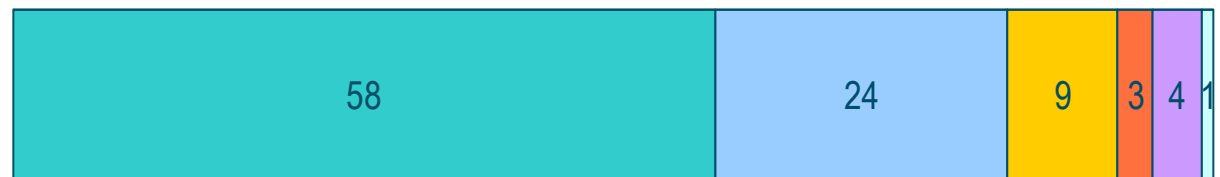
Today life is good to me and my family



# Attitudes

## Social

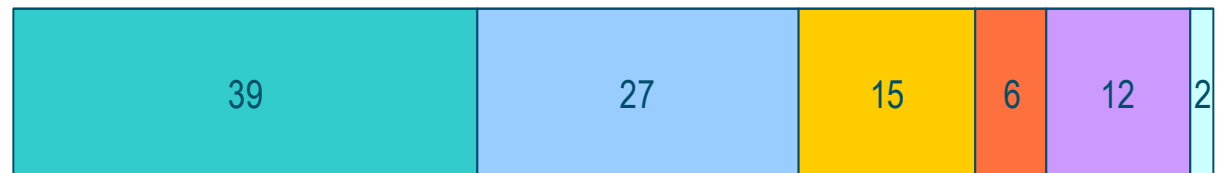
I am proud of what my country  
Has achieved



My country has a bright future



My country is innovative





# Bringing lifetolife



Thank you

