



## CHINA QUARTERLY | overview

### BIG HEADLINES – CHINA QUARTERLY, 17<sup>TH</sup> EDITION

- Confidence is once again on the rise both quarter-over-quarter and year-over-year. With more than 6 in 10 confident/very confident in the economy, consumer confidence is mirroring pre-recession levels.
- In Q3 2009, the Chinese employment outlook once again improves dramatically. Young Americans remain more on edge than their Chinese counterparts.
- Increased consumer confidence seems to bode well for personal finances as the number of 18-34 Chinese Consumers indicating they are “better off” financially compared to one year ago grows almost 14%.
- Walmart and Carrefour continue to dominate the grocery scene as 18-34 Chinese Consumers indicate they shop the two stores most often. Quarter-over-quarter Carrefour gained share while Walmart remained flat.
- Despite being a thriving market for new mobile technology and phone sales, marketers in China should not rely on ads delivered via cell phone.
- The number of 18-34 Chinese Consumers indicating sales are not important to them when buying clothing declined slightly, illustrating hesitation when it comes to letting spending return to pre-recession levels
- Media influence is key to increasing advertising ROI in China as the country is the world’s fifth-largest ad market and one of the toughest places for foreign brands to succeed.

### BACKGROUND

BIGresearch is an LLC managed by Prosper Business Development Corporation. For over 14 years, Prosper has been providing business development services to U.S. companies seeking to expand their businesses in China. In 1994, Prosper began working with the China International Trust and Investment Corporation (CITIC), specifically CITIC Beijing Guoan, one of the largest and most powerful marketing firms in China. In 2005, Prosper and BIGresearch started the China Quarterly due to the growing need for accurate, actionable consumer information combining purchasing consumption with media consumption. BIGresearch is applying its large sample size collection methods to the China marketplace, enabling clients to anticipate market trends as new Chinese consumers make their way between traditional culture and globalization.

### CHINA QUARTERLY

The China Quarterly monitors the purchasing behavior and media consumption of more than 12,000 young adult Chinese consumers between 18-34 years old. The recently expanded China Quarterly includes more detail and greater insights on shopping habits and media consumption.

#### How data is collected:

- Responses collected online
- Respondents recruited from multiple on/offline communities
- Surveys are anonymous, self-administered & free of interviewer bias
- Questionnaires are designed to be completed quickly
- Utilization of 14 sampling frames (7 males, 7 females)
- Computer model driven by known, real-world information

#### Pricing:

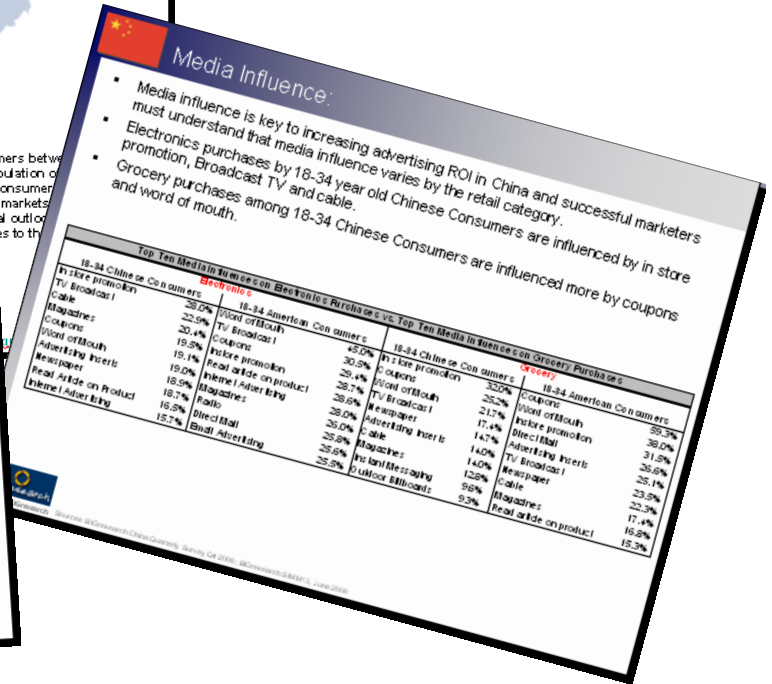
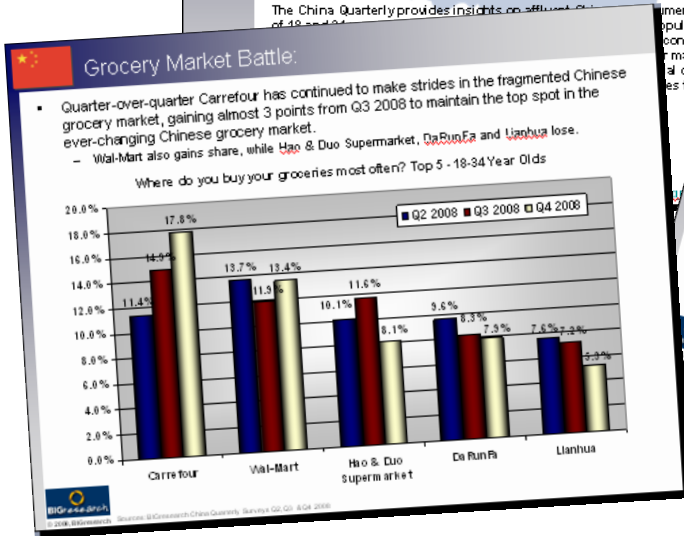
- \$4,000 for introductory reports
  - Quarterly access: licensing, software application, and data available upon specific request.

### BIG SYNDICATED PRODUCTS HAVE BEEN APPLIED TO THE FOLLOWING:

- Consumer Segmentation - by market - by retailers
- Share of Market - by merchandise category
- Share of Market - by merchandise category
- Future Purchase Intentions
- Customer Service Tracking
- Category Management (Aisle of the Month)
- Cross Shopping (within store and with competitors)
- Trend Analysis
- Competitive Analysis
- Media Allocations

### INNOVATIVE AND CUSTOM APPLICATIONS

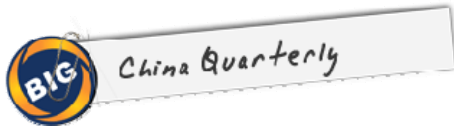
- Custom Reporting and Data Integration
- Proprietary Panels with total market insights
- Merchandise Testing - demand and design
- Commercial testing (TV, Radio & Print)
- Customer Service



**CHINA QUARTERLY REPORT INCLUDES (CHINESE 18-34 YEARS OLD):**

- FLASH OVERVIEW
- CHINESE CONSUMER DEMOGRAPHICS
- ECONOMIC OUTLOOK
- IMPACT OF GAS PRICES
- 90 DAY OUTLOOK – PLANNED SPENDING
- CONSUMER SPENDING BEHAVIOR
- CONSUMER SAVINGS
- CONSUMER LIFE CHANGES
- CONSUMER FASHION ATTITUDES
- FOREIGN BRAND PREFERENCE (CLOTHING, MUSIC, FURNITURE, JEWELRY)
- CELL PHONE MARKET
- GROCERY MARKET BATTLE
- CHINESE FAST FOOD MARKETS
- TOP LEISURE TIME HOBBIES
- VIDEO GAME PLATFORMS
- SIMULTANEOUS MEDIA USAGE
- MEDIA INFLUENCE ON PURCHASES
- INFLUENCE OF WORD-OF-MOUTH
- ONLINE RESEARCH
- ONLINE RESEARCH TRIGGERS
- POST SEARCH COMMUNICATION

To purchase the full report or database, click here: <http://www.formsite.com/prosper/cqorder> or call 614-846-0146 for more information



## CHINA QUARTERLY | overview

### THE FOLLOWING IS A REPRESENTATION OF TOPICS COVERED IN THE CHINA QUARTERLY...

#### DEMOGRAPHICS

Gender  
Age  
Marital status  
Education  
Occupation  
Income  
Persons in household  
Persons in household under 18  
Household status

#### FAVORITE WAYS OF SPENDING LEISURE TIME

#### ECONOMY

Consumer Confidence  
Consumer Savings  
Employment Environment  
Stock Market  
Impact of Gas Prices

#### LIFE CHANGES

More Practical  
Less Practical  
Needs Over Wants  
More Money for Decorating  
Budget Conscious  
Spending More Time with Family

#### GROCERY STORES

Shopped most often  
Reasons for shopping Grocery Store

#### PURCHASE INTENTIONS (NEXT 90 DAYS)

Electronics  
Children's Clothing  
Women's Dress Clothing  
Women's Casual Clothing  
Men's Dress Clothing  
Men's Casual Clothing  
Shoes  
Health and Beauty Aids  
Going Out to Eat  
Sporting Goods  
Groceries  
Toys  
CDs/DVDs/Videos/Books  
Home Improvement/Hardware Supplies  
Home Furniture  
Decorative Home Furnishings  
Candy  
Beer/Wine/Alcohol  
Linens/Bedding/Draperies  
Lawn & Garden

#### MONTHLY SPEND

Groceries  
Health and Beauty Aids  
Apparel  
Electronics

#### BIG DOLLAR PURCHASE INTENTIONS

Computer  
Furniture

Home Appliances  
House  
Jewelry/Watch  
Major Home Improvement or Repair  
Stereo Equipment  
TV  
DVD/VCR  
Digital Camera  
Vacation Travel

#### AUTOMOBILE OWNERSHIP

Brand planning to buy  
Reasons

#### PREFERRED BRAND (CLOTHING, FURNITURE, JEWELRY, MUSIC, HEALTH & BEAUTY PRODUCTS, ELECTRONICS, SOFT DRINKS)

Chinese Brand  
US Brand  
European Brand  
Japanese Brand  
Korean Brand

#### FAST FOOD RESTAURANTS

Frequency of visits  
Average spent  
Restaurant visited most often

#### WIRELESS SHARE & FORECAST

Cell Phone  
Desired features  
Average bill  
Purchase plans – cell phone

#### MEDIA USAGE

22 types (including new media)

#### SIMULTANEOUS MEDIA USAGE

TV, Newspaper, Magazines, Radio, Internet and Cell Phone, Mail, Other Activities

#### MEDIA INFLUENCES ON PURCHASES

Electronics  
Apparel/Clothing  
Groceries  
Home Improvement  
Automobiles  
Pharmaceutical/Medicines  
Eating Out  
Telecom/Wireless

#### INTERNET USAGE

Website used most often for fun/entertainment  
Website used most often to access or download video/music content  
Search engine used most often  
Search frequency  
Types of products searched  
Device(s) downloaded to

#### ONLINE SEARCH TRIGGERS

#### ONLINE PURCHASES

Frequency of online product purchases  
Website used most often for buying products

Frequency of online research prior to purchasing product in person or in a store  
Types of products researched online before buying them in person or in a store over the last 90 days  
Influence of 'sponsored links / results' on products purchased online

#### VIDEO GAMES

Platforms

#### RETAIL MOTIVATORS

Importance of Sales  
Fashion Forward  
Familiar Labels

#### FREQUENCY OF ONLINE PRODUCT SEARCH

Automobile/Trucks  
Clothing/Shoes  
Financial  
Maps/Directions  
Medical  
Movies  
Online Entertainment  
Product Information/Comparative Shopping (Non-Auto)  
Real Estate  
Restaurants  
Sports  
Travel

#### LIFE EVENTS

Yourself or Child Starting College  
Having a Baby  
Getting Married  
Separating/Getting a Divorce  
Retiring

#### HEALTH RELATED CONDITIONS

Allergies, Arthritis, Depression  
Diabetes, Headaches/Migraines  
Heartburn/Indigestion, High Blood Pressure, High Cholesterol  
Insomnia/Difficulty Sleeping  
Acid Reflux, Overweight, Anxiety, Asthma, Chronic Bronchitis, Enlarged Prostate, IBS/Crohn's, Osteoporosis

#### ACTIONS TO IMPROVE HEALTH

Watching the Consumption of:  
Fat (Cholesterol)  
Salt  
Calories  
Carbohydrates  
Exercising Regularly  
Buying More Organic

#### CREDIT CARD OWNERSHIP AND PURCHASES

Credit Card  
Uses of Credit Card

#### DEBIT CARD OWNERSHIP AND PURCHASES

Debit Card  
Uses of Debit Card

#### CABLE TV

Percentage of time spent watching



## Recap of Q3 09: Consumer Confidence – 18-34 year olds

Confidence is once again on the rise as 64.7% of 18-34 Chinese Consumers are confident/very confident in the chances for a strong Chinese economy in the next 6 months. Confidence is also up year-over-year, and up 36.6% from Q4 2008 when the financial crisis and recession began. The improving trend likely reflects the success of the large stimulus package introduced by the government in early 2009.

- In Q1 2009, China saw 6.1% GDP growth, proving that the country was not spared from the global economic meltdown (GDP has historically been at 10%+). However, as analysts expected, economic growth has begun to recover with 7.9% GDP growth in Q2. According to some sources, China's GDP growth would be closer to 15% if it were measured by the same terms as other major economies.\*

The young Chinese continue to be more optimistic than their 18-34 year old American counterparts as well. In September 2009, only 35.9% of young Americans indicated they were confident in the chances for a strong U.S. economy in the next 6 months.

Which one of the following best describes your feelings about chances for a strong economy during the next 6 months?						
18-34 Chinese Consumers						
	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009
Very confident	21.5%	18.2%	11.9%	13.7%	17.3%	19.3%
Confident	43.4%	42.0%	35.4%	38.0%	44.0%	45.4%
Little confidence	26.3%	28.0%	32.9%	32.8%	29.3%	27.2%
No confidence	8.8%	11.8%	19.7%	15.4%	9.3%	8.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Confident/Very Confident</i>	<i>65.0%</i>	<i>60.2%</i>	<i>47.4%</i>	<i>51.8%</i>	<i>61.3%</i>	<i>64.7%</i>

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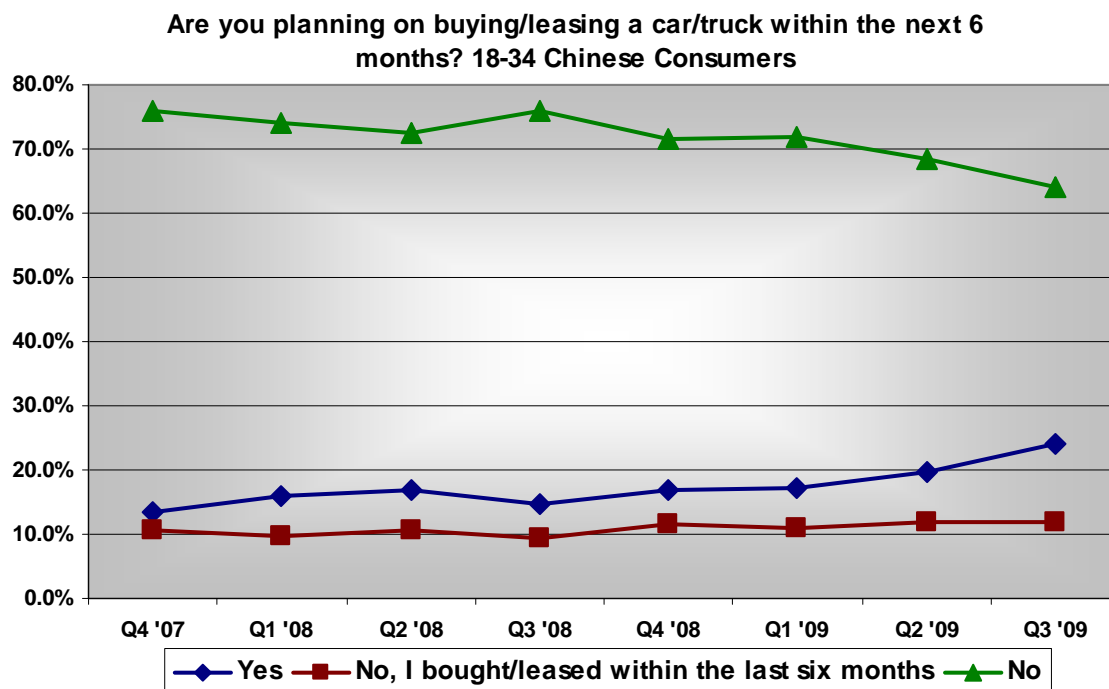


# Recap of Q3 09:

## Chinese Auto Market – 18-34 year olds

In the third quarter of 2009, 24% of 18-34 Chinese Consumers indicated they were planning to buy or lease a vehicle in the next six months, up 22.0% quarter-over-quarter, and a whopping 64.7% year-over-year. This compares to 13.4% of 18-34 year old Americans who are planning to buy/lease in the next 6 months.

- Rapid growth in the China auto market may be attributable to the growing consumer credit market. Through June 2009, auto sales increased a record 17.7% to 6.1 million vehicles compared to only 4.8 million in the U.S.\*



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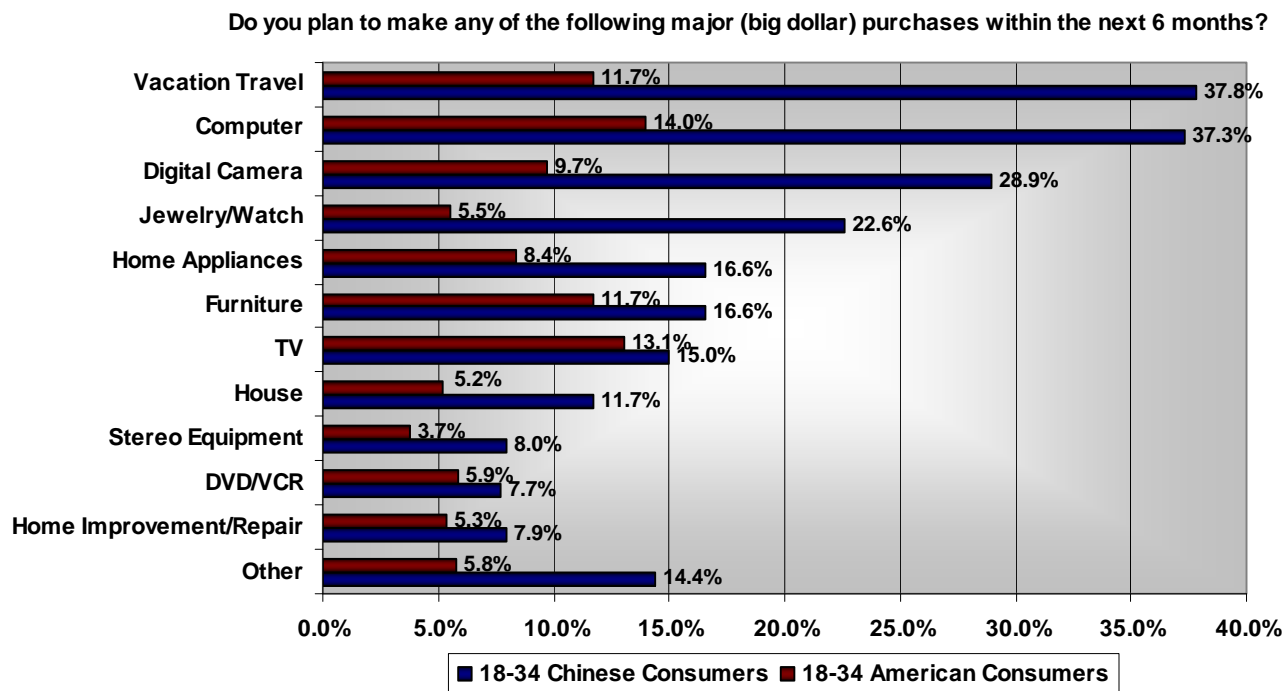




# Recap of Q3 09: Consumer Spending – 18-34 year olds

**18-34 Chinese Consumers generally outpace their American counterparts when it comes to spending on big ticket items.**

- Differences in spending are perhaps a reflection of tighter credit restrictions in the U.S and higher savings rates among Chinese consumers. Furthermore, bank loans in China are growing rapidly. In June, bank loans increased by \$224 billion and for the first half of 2009 were up more than \$1 trillion – almost three times the year-ago rate.\*



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