

CHINA QUARTERLY | overview

BIG HEADLINES – CHINA QUARTERLY, 18TH EDITION

- Though flat quarter-over-quarter, confidence is on the rise year-over-year. With more than 6 in 10 confident/very confident in the economy, consumer confidence continues to mirror pre-recession level
- In Q4 2009, the Chinese employment outlook declines, with more 18-34 year olds expecting more layoffs than at present in the next six months.
- 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 12.4% quarter-over-quarter.
- 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.
- 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 lost share while Walmart remained flat.
- Being a thriving market for new mobile technology and phone sales, young consumers in China are likely to use their cell phones for accessing the Internet.
- When downloading video/music content, 67.1% use a cell phone.
- 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, consumer attitudes, future spending plans, and media consumption of more than 15,000 young adult Chinese consumers between 18-54 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:

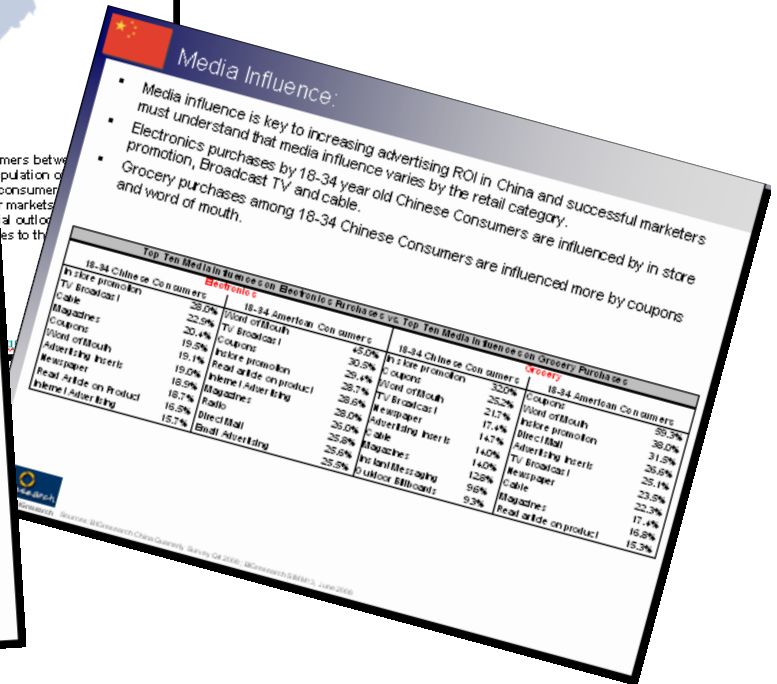
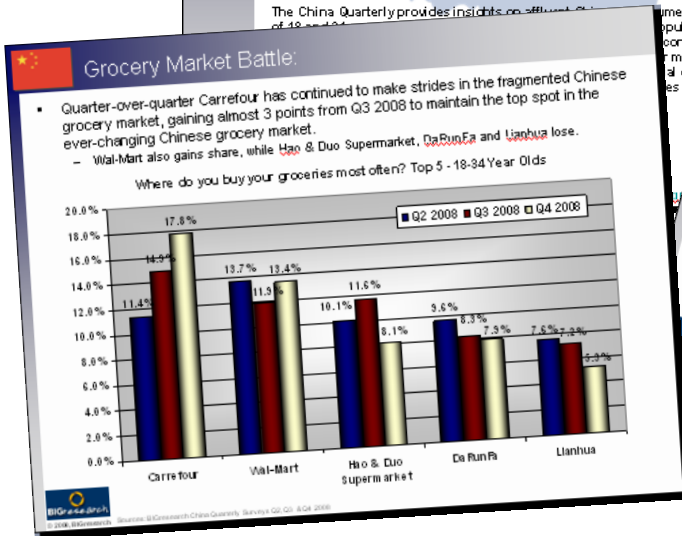
- \$4,000 for introductory reports
 - Quarterly access: licensing, software application, and data available upon specific request.

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 brand preference
- Share of Market - by store format
- 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

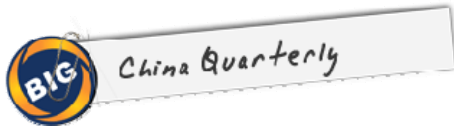
- Custom Reporting and Data Integration
- Proprietary Panels with total market insights
- Merchandise Testing - demand and design
- Commercial testing (TV, Radio & Print)
- Customer Service



CHINA QUARTERLY REPORT INCLUDES (CHINESE 18-54 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



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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 Q4 09: Consumer Confidence – 18-34 year olds

Chinese consumer confidence remains flat quarter-over-quarter but is up 36.5% year-over-year, illustrating how quickly consumer sentiment has recovered since the financial meltdowns.

- Numbers from the third quarter showed that China experienced 8.9% GDP growth, well on track for the 8% annual growth the Chinese government forecasted at the beginning of 2009.*

Compared to their American counterparts, 18-34 Chinese consumers remain more confident. 38.8% of 18-34 Americans are confident/very confident in the chances for a strong economy over the next six 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	Q4 2009
Very confident	21.5%	18.2%	11.9%	13.7%	17.3%	19.3%	19.7%
Confident	43.4%	42.0%	35.4%	38.0%	44.0%	45.4%	45.1%
Little confidence	26.3%	28.0%	32.9%	32.8%	29.3%	27.2%	26.5%
No confidence	8.8%	11.8%	19.7%	15.4%	9.3%	8.1%	8.8%
Total	100.0%	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>	<i>64.7%</i>

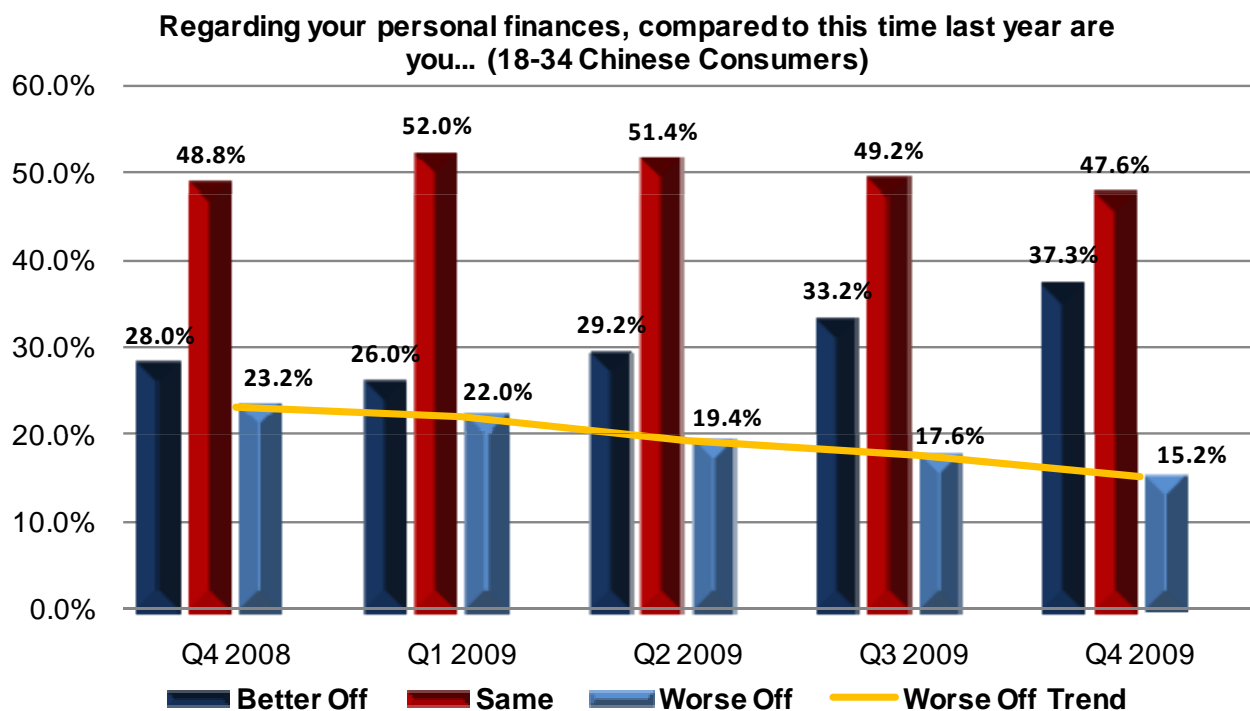
***This is an excerpt from BIGresearch's
Q4 2009 China Quarterly Report.
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here: <http://www.formsite.com/prosper/cqorder>***





Recap of Q4 09: Consumer Finances – 18-34 year olds

Although confidence in the economy remains flat quarter-over-quarter, confidence in personal finances continues to improve. In Q4 2009, more 18-34 Chinese Consumers indicate they are better off financially compared to last year, a 12.4% increase quarter-over-quarter and the highest reading since Q3 2008, before the global financial meltdown.



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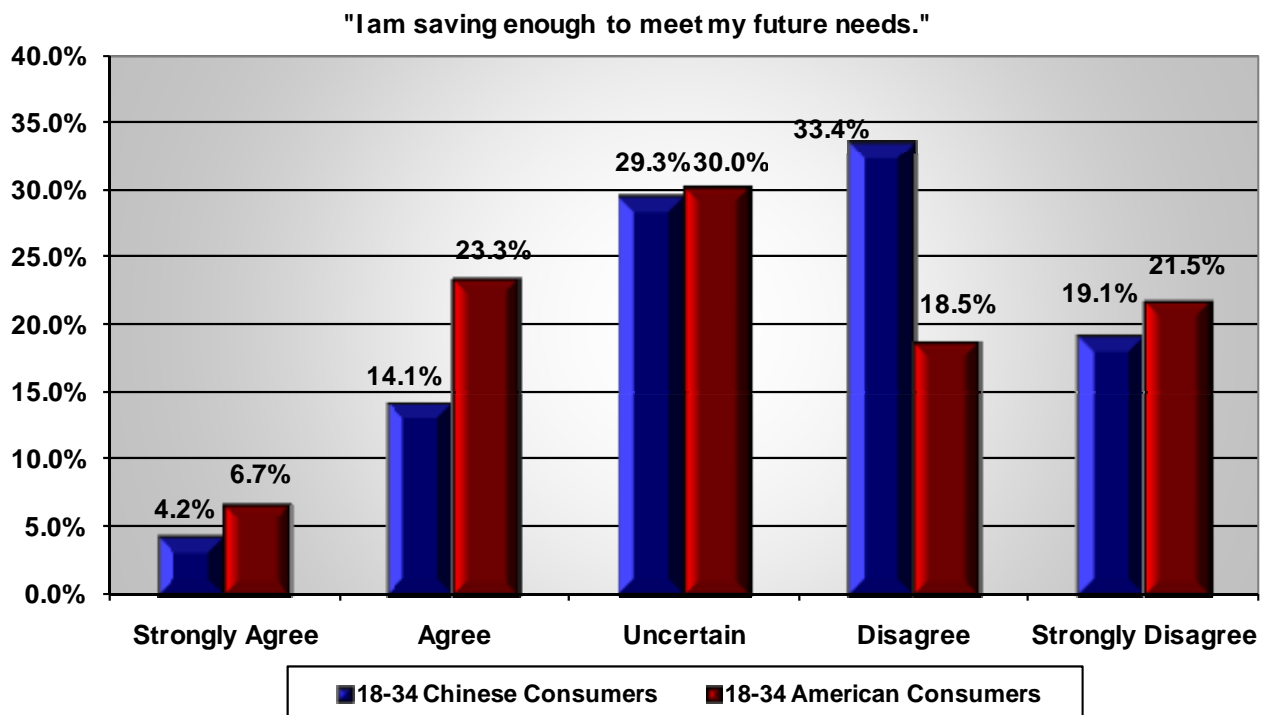




Recap of Q4 09: Consumer Savings – 18-34 year olds

Compared to their American counterparts, 18-34 Chinese Consumers are less likely to agree with the statement “I am saving enough to meet my future needs.”

Widespread income inequality, a weak social safety net and lack of credit have led many Chinese consumers to fear for their financial security, resulting in one of the highest savings rates in the world.



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