Tenth anniversary

China TGI

Ten years of tracking the habits and trends of Chinese consumers

Global marketers have witnessed the rapid changes in the Chinese economy and great expectations have been set for international businesses active in the market. The biggest challenge facing them in finding the path to success is adapting to the local culture and business practices.

Single market requires multi-market entry strategy

Covering the main urban centres of China, TGI shows that the market is not too unlike Europe. Often China is reported on as one huge market but in fact it is made up of many distinct markets, of varying sizes and levels of sophistication, with their own languages, local cultures and different areas, some with better potential for different industries and brands.

In first-tier cities like Beijing, Shanghai and Guangzhou there is more exposure to western brands and a larger appetite for these types of goods as well as luxury brands. Consumers in these cities are 23% more likely than the average population to agree with the statement "even though they are more expensive, I still like to buy foreign brands". Conversely in provincial cities like Chengdu consumers are 33% less likely to agree with the same statement. Whilst first-tier consumers are more discerning, there is no real heritage of brand names in China so Chinese consumers cannot differentiate between established and up-and-coming brands.

China TGI: opening the doors for business in China

With 44% of the Chinese population agreeing with the statement "I like to try new brands" a misconceived idea could be formed that the Chinese are not brand loyal. On closer inspection TGI data also informs us that 74% agree with the statement "Once I find a brand I like I tend to stick to it". This contradiction clearly demonstrates that the consumer market is one where people are still developing their opinions and attitudes towards brands and where once a new brand is tried and tested with positive results, it is possible that it will acquire a loyal brand following.

Brand building faces numerous challenges and capturing consumer attention and spending is the issue facing marketers, media owners and media planners within the Chinese marketplace.

Reviewing TGI data over time reveals how some media lost audience to faster-developing forms of communication. These changes relate to both total audience sizes and time spent engaged with media. While television and newspapers remain the highest-consumed media by a comfortable margin of 51%, internet alone has seen real growth in total audience. Internet penetration stood at 12% in 2000. With 47% of urban households now owning a home computer it stands to reason that almost half of the urban Chinese population access the internet (44% i.e. 31.5 million adults). The average time spent online by internet users has also steadily increased from under 2.5 hours to 12.8 hours per week.

For more information, contact **Vanessa Hewitt** (vanessahewitt@bmrb-china.com)

"Brand building in China is a unique challenge, and capturing consumer attention and spending is the issue facing marketers, media owners and media planners."

TGI

Ten TGI facts about Greece

- **45%** smoke cigarettes
- **35%** play the lottery
- **71%** drink bottled water
- **75%** own a DVD player or recorder
- **53%** believe that money is the best measure of success
- **37%** visit a club or bar at least once a month
- **61%** watch football on TV
- **66%** think it is important that a company acts ethically
- **52%** use chewing gum once a week or more often
- **46%** are willing to pay more for products/ services that make life easier

Base: All respondents aged 18+
Source: TGI Greece 2007 (June 2006 – May 2007)