Chinese International Consumer Study

Strategic Target Groups, Shopper Profiles, Brand Strength, Customer Journeys

Chinese Tourist Shoppers
Chinese Consumers
Luxury Jewellery Watches

A cooperation of

sinus:consult
responsio

“Only if you understand what moves people, you can move them!”
Bodo Flaig, MD Sinus
Some Facts about Chinese Consumers

**Chinese Consumers increase**
Upper middle class growing by 40% CAGR

**Chinese consumers earn more**
Mainstream hh income grows by 27% CAGR

**Chinese consume more**
Upper middle class consumption grows by 36% CAGR

---

**Chinese spend more for Non-essentials**
Share of consumption for Non-essentials grow by 19%

Urban households’ annual consumption by category in %

- **Necessities**: 2000 - 2020, % change: -23
- **Semi-necessities**: 2000 - 2020, % change: +5
- **Non-essentials**: 2000 - 2020, % change: +19

Source: McKinsey,

---

**But 1.3 billion Chinese consumers don’t consume in the same way**

"Only if you understand what moves people, you can move them." (Bodo Flaim, MD SINUS-Institut)
Understand affluent Chinese shopping travellers as strategic target group for Tourism

**Chinese Tourist expenditures**

- **Source:** Credit Suisse Global Trends 2015
- **Chinese Tourist Expenditure (in billion US$)**
- **YoY Growth**

**Chinese tourist expenditures by category in Germany**

- **Watches/Jewelery:** 47%
- **Clothes:** 17%
- **Leather and travel accessories:** 12%
- **Spending in stores:** 8%
- **Souvenirs:** 6%
- **Entertainment electronics...** 3%
- **House and gardening products:** 2%
- **Perfume and cosmetics:** 1%
- **Electronics and IT:** 1%
- **Other:** 1%

**Source:** Global Blue; All transaction between consumers and retail via Global blue in 2011

---

**5 Moments-of-Truth** gain in importance for **Brand Building** and **Sales**

- **Home Market**
- **Inflight**
- **Stop-Over**
- **Destination**
- **Global Advocacy**

![Diagram](image-url)
Chinese shoppers drive international luxury market growth

Global Luxury Market (RM Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Worldwide Consumers</th>
<th>Chinese Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>660</td>
<td>14</td>
</tr>
<tr>
<td>2010</td>
<td>786</td>
<td>19</td>
</tr>
<tr>
<td>2012</td>
<td>910</td>
<td>27</td>
</tr>
<tr>
<td>2015 (FC)</td>
<td>1100</td>
<td>34</td>
</tr>
</tbody>
</table>


Chinese Shoppers: Place of Luxury Purchase

- Mainland China ONLY
- Mainland China AND Overseas
- Overseas ONLY
Introduction
Research on Chinese Shopping Tourists

In 2015 SINUS Consult and Responsio plan to conduct a representative study for Chinese Consumers and Chinese Shopping Tourists with a focus on their...

- Life-values (Sinus Meta-Milieus® for China)
- Travel and Shopping behaviour
- Brand preference across luxury categories, watches and other international brands
- Customer Journey (Path-to-Purchase) for luxury brands/products
- Socio-demographic profiles
- Media profiles

Therefore we look for Partners in...

- Watch industry
- Beauty Care industry
- Tourism industry
- Home & living industry
- Jewelry industry
- Fashion industry
- Automotive industry
- Spirits & Wine industry
Methodology

**Method:** Computer Assisted Web Interviews (C.A.W.I)

**Field Time:** November 2015

**Reporting:** January 2016

The survey will be conducted in two phases to produce a representative survey of all adults on the one hand, and also to generate a robust sample size in the boost segment for Chinese luxury and tourist shoppers.

---

**Basic survey of Chinese urban population:**
- Natural representative for Chinese urban population aged 20-69 years in the provinces Hebei, Beijing, Tianjin, Shandong, Jiangsu, Zhejiang, Shanghai, Fujian, Guangdong (ohne Macau, und HongKong)
- Quota sample based on gender, age, region, social class
- n = 1,500 sample

**Boost Survey on Chinese Tourist Shoppers:**
- Representative for tourists travelled in the last 3 years or are intending to travel in the next 24 months abroad
- Screening based on Basic survey
- n = 1,000 sample

**Optional Boost (on demand)**
- to generate more robust sample size individual sample boosts are possible on demand (charged separately)
Study design allows flexibility to clients’ needs

Base Study Roadmap

The following steps are essential to the execution of the base study:

**Set-up**
- Assembling of study sponsors
- Briefing of exclusive sponsors
- Final definition of topics, Prioritization of objectives

**Questionnaire design**
- Design of base questionnaire
- Implementation of client specific questionnaires by category
- Pre-test and optimization

**Quantitative Part I**
- Natural representative Survey
  - n= 1,500
  - Length of interview: 20 min
- Objectives:
  i. insights of Chinese Consumer
  ii. identify segment potentials (Tourist shopper)

**Quantitative Part II**
- Boost Survey
  - n= 1,000
- Objectives:
  i. in depth insights of tourist traveller and luxury shoppers

**Analysis & Charting**
- Data Cleansing and Punching
- Tabulation
- Shopper / Milieu Segmentation
- Charting in Powerpoint

**Result presentation**
- On-site presentation of results
- Strategic conclusions and
  Actionable recommendations reflecting clients´ business situation
## Content/Deliverables

1 Basic Modul + 3 Moduls for selection

### Basic Module

**Understand Chinese Consumers**

- Identify and understand Sinus Meta-Milieus® characteristics (Lifestyle and values)
- Evaluate size of Sinus Meta-Milieus®
- Identify market potential for your category within Sinus-Meta-Milieus
- Understand consumers by sociodemographics
- Domestic consumer preferences
- Travel behaviour (business/private)
- Usage of Media Channels

* Price in combination with an additional modul

### Tourism & Shopping Module

**Understand Chinese Tourists and Shoppers**

- Past holiday destinations
- Future holiday destinations “Destination funnel” (BSI for countries and major cities: aided awareness, consideration, 1st choice)
- Travel form (tour operator, individually)
- Travel activities
- Average duration of journey
- (Luxury) products planned to buy during journey
- Average expenditures for shopping

### Watch Monitor Module (short)

**First insights about watch and luxury brands**

- Brand Funnel for 100 Watches (Brand awareness, Consideration, 1st Choice)
- Brand positioning with Brand strength index (BSI)
- Ownership watch brands
- Customer journey (path of purchase from Brand building to place of purchase)
- Planned Expenditures for watches

**2.900,- €**

**2.500,- €**

### Client-specific Module

**Get exclusive insights for your Business**

- Identify your specific target and evaluate market potential
- Compare your brand strength (Brand funnel/ Brandimage) to competitor and allocate your brand in the market
- up to 5 questions according to your topics of interest (max. 3 minutes length)

**4.200,- €**

**4.000,- €**
Please contact us...

...for questions and more information about project details, delivery formats and pricing options!

Nico Hribernik  
SINUS Consult – Managing Director  
Tel.: +62 813 8010 3537  
hh@sinusconsult.com

Frank Michael Müller  
Responsio GmbH - Managing Director  
Tel.: +49 8122 17 91 860  
fmm@responsio.de

Matthias Arnold  
SINUS – Senior Manager Research & Consulting  
Tel.: +49 6221 80 89 87  
matthias.arnold@sinus-institut.de