

Collier Research China

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The Chinese Consumer: Top Trends

Our latest survey asked a simple question: what are the hottest trends in your town? We posed this question to young people in eight cities across China. We purposely left the question open ended in order to solicit wide open opinions. The results varied from the expected (KFC) to the more offbeat (cosmetics for men). The survey provides insight into the sentiment and cultural mores among Chinese youth. For investors, it also provides window into the buying habits of the future middle class. Some conclusions:



- The Importance of Public Spaces. Many of the responses consisted of locations, such as shopping malls, karaoke bars, and fast food restaurants. This suggests Chinese youth have the money to congregate in public locations and will spend heavily to do so.
- Online Not Popular. Contrary to all the statistics about online activity, either on the internet or through the mobile phone, very few online sites or games were mentioned as important trends. This could suggest the growing importance of public over private space in China, particularly in a country with a one-child policy.
- Clothing a Minor Issue. We would have expected more discussion of famous clothing brands, a la American youth obsession with the Gap, and other brands. Instead, clothing comprised just 5% of the responses.
- Local Brands Dominate. We were surprised to see few mentions of the big, national chains, domestic or foreign. Instead, there was frequent mention of relatively unknown local brands. There may be reasons for this specific to this survey but it also may indicate a rising "buy local" sentiment.
- Tech Hardware Dominates. There was much discussion of technology hardware and not software such as games. Cell phones, hard drives, and other hardware was mentioned prominently by a number of respondents.

As a quick aside, below is our favorite (and most amusing) trend:

Huaqiangbei Electronic Market (Shenzhen) Why: It is called China's number one IT market. A few years age it was famous for selling knockoff cellphones and now, probably famous for the low price tablet computers running the Android system. Most of them are phishing products, but that's not the point. The point is, as long as the world market still has appetite for cheap electronics, Huaqiangbei will have an opportunity to enjoy long-term prosperity.

And our favorite (and most amusing) quote:

Volkswagen Lavida (Taiyuan, Shanxi) "Lavida is a small-to-medium-sized sedan designed by Chinese, manufactured by Chinese and sold only to Chinese. Although it has a VW logo you can ignore that, anyway. Such a typical Chinese product contains almost every element that Chinese market requires: bigger size, dull but plump looks and a cheap price."

Summary: China's Future Middle Class – What Do They Want?

We polled students in eight cities across China: Weifang, Shandong; Shantou, Guangdong; Guilin, Guangxi; Guangzhou, Guangdong; Kunming, Yunnan; Xiamen, Fujian; Shenzhen; and Taiyuan, Shanxi. The point of this exercise was not to gain a scientific analysis of youth trends, but to elicit the quirky responses teenagers and young adults about what they are thinking about, buying, and doing. However, in order to derive some general themes, we did conduct a quick analysis of the eighty responses. Below is a summary Chart.

Shantou	Kunming	Guangzhou	Shenzhen
Nanguo Mall			
	Brothers Jiang Chain		Huaqiangbei Market
Laomagong Dumplings	Bifengtang Teahouse	Pacific Digital Plaza	Vsonic Research
Xinhua Bookstore	Gingko Store	Baiyunshan Tea	Window of the Worl
Honda Civic	Windsor KTV		
Qinyuanchun Teahouse		Party Word KTV	Toyota Camry
Baolong KTV	Carrefour	Kungfu Fast Food	Hanwang Technology
	Origus Buffet	SF Express (Logistics)	
Citic Resort	Meizu Technology		Sharp TV
Adidas Clothes			
Taiyuan	Weifang	Xiamen	Guilin
Baleno Clothes			Vancl Clothes
	Eland Clothes	Lose Weight	
Huayu Mall	Sinolook Mall		Wal-Mart
Happy Party KTV	Jialejia Supermarket		
Nokia	Coca Cola	Fruit Ninja/Angry Bird	i Iphone
Jixiang Wonton		Hard Disk Drive	Youyixuan Food
Tianwan Kadokawa	Weibo Text		Lenovo LePad
		Men's Cosmetics	Liquan Beer
Tianyigong		Wireless Mouse	Toyota Corolla
Changhaishan Cigarette	00		Gome

We then broke down the picks by industry groups (rather arbitrary but the survey was designed to be quirky.)

As the chart shows, retail stores are the largest category, with 22% of the responses, followed by technology hardware (17%). As suggested earlier, we think this relates to a growing interest in congregating in public spaces and sufficient discretionary income to do so. The third category is retail food, either fast food chains, or restaurants. This partly reflects the public space argument. But there was also frequent mention about the importance of "homegrown" brand names, particularly in the food category.

There are several possible explanations for this trend. First, the respondents knew they were providing information to a foreign audience and may have stuck to a nationalist, pro-China theme. Second, China increasingly is a national melting pot, with rising inter-provincial migration, both for the upper end students along with migrant workers. There may be a certain amount of pro-Provincial sentiment at work here. In either case, the question for brand name growth is whether national names will face increasing competition from local names or whether the national names squash the local brands over time.

The "other" category comes next, which is actually the most interesting collection. Here, we had a series of responses about cultural attitudes. These included: being gay; men's cosmet-

ics; going to the movies; travel; and studying abroad. They speak to the broader ambitions and greater personal freedom among young Chinese.

Finally, a number of other categories including travel, entertainment (karaoke), and food and clothing trailed by a wide margin.



A Quick Overview by Category – What Items Do They Like?

Next, we made a quick outline by category of the specific items, places and stores cited by our respondents.

Foreign Brands

Among the foreign brands cited, cars from Japan (Toyota, Honda) stood out as quite popular. Only two foreign mass retailers were mentioned, Wal-Mart and Carrefour, and there was no mention of some of the biggest American brands such as big GM, McDonalds, and Pepsi. KFC was the one American food chain that came up several times in different geographical regions. Apple's Iphone 4 and Nokia also were cited by several respondents.

City	Foreign Brand	
Weifang, Shandong	Android, Elan (Korea), Coca Cola, KFC, Korean TV	
Shantou, Guangdong	Adidas, Honda Civic	
Guilin, Guangxi	Wal-Mart, Toyota Corolla	
Guangzhou, Guangdong	KFC	
Kunming, Yunnan	Carrefour	
Xiamen, Fujian	Iphone, Fruit Ninja (Australia), Angry Birds (Finland),	
Shenzhen	Iphone, Toyota Camry, Sharp TV,	
Taiyuan, Shanxi	Volkswagen Lavida, Nokia,	

Retailers

The retailers were almost local or quasi-local groups, with only a few national names. These

included Vancl (clothing), Baleno (clothing), Haier (electronics), and Lenovo (Lepad). Bookstores came up several times, including even the state owned Xinhua. For the food category, once again local names dominated. The quotes suggest people are very proud of their Provincial heritage and are eager to introduce nonlocals to their products.

Retail Non Food Weifang, Shandong Shantou, Guangdong Guilin, Guangxi Guangzhou, Guangdong Kunming, Yunnan Xiamen, Fujian Shenzhen Taiyuan, Shanxi	Xinzhi Bookstore, Gingko Deg None	: partment Store, Gome ket, Citic City Plaza, Saigee Electronic Marke
Retail - Food		
Weifang, Shandong	Coca Cola, KFC Laomagong Dumplings,	"It sells itself. I drank it before I knew it." Tommy, Age 18 (Coca Cola)
		"It's favored by many local people but tourists haven't heard of it" (Youyixuan).
	KFC, Baiyunshan Herbal Tea, The Brothers Jiang chain,	McDonald's, they specially favor the KFC
	Bifengtang Teahouse, Origus Buffet Chain (Pizza),	Fuxin Hou, student, age 22,:"This is the restaurant I must visit every time when I
	Yitianyuan (Muslim Food) Jialejia Supermarket, Coca	come back home from college."
	Cola, KFC,	
	None Jixiang Wonton Chain,	"I prefer Chinese style fast food rather than western ones, because Chinese wonton seems healthier and contains fewer calories." Li Xiaodong, Student, Age

Tech Hardware

Finally, we took a look at the market for local tech hardware. Big names overtook the local brands, including China Mobile, Lenovo, Apple's Iphone, and Nokia. Two local brands stood out, Meizu Technology (phones) and Vsonic (headphones).

	Eddie, Sale Manager, age 26: "I can use it to do almost everything. It's more powerful than my old computer."
None None	my old computer."
	Yang Guangyu, age 30, clerk:"I bought LePad
	because I heard it will try to establish a Chinese 'iTunes', and I think this is a good
	idea, Lenovo is capable of providing such kind
	of service
	Ma Yuntong, student, age 21:"It's a smart
	phone which runs customized Android and
	works as good as iPhone 4 but cost way much
	less, there's no way I don't like it." Seems no one is continue using a hard disk
	below 500G3, people buy new computers or
	update their hard disk or even buy mobile
	HDD, the amount of data we have. Xiao Shan,
	student of Xiamen University increases so
	quickly.
	Hou Fuxin, age 22, Student:"Vsonic is able to
	design world top rank products, meanwhile
	they costs way much less. I have never
(eReader) Nokia	regretted buying their headphones. "
	China Mobile, Iphone 4, Lenovo Lepad Meizu Technology (cell phone design), Meizu Technology Iphone 4, Hard Disk Drive, Wireless Mouse Vsonic Acoustic Research (headshones), Iphone 4, Hanwang Technology (eReader)

Regional Responses

Shantou, Guangdong

Top 10 hot consumer trends in Shantou, Guangdong Province (Shantou is a medium-sized coastal city in Eastern Guangdong).

Item No.1: Nanguo Shopping Mall



Why: Nanguo shopping mall is the biggest shopping mall built in downtown Shantou. It includes several big department stores and supermarket such as Wal-Mart and Parkson, as well as many other international famous enterprises. It provides various kinds of shopping services to meet the needs of different age groups and has a stable consumer group.

Xu Bojie, age 22, student:"if you cannot find what you want in Nanguo Mall, you'll probably have to do online shopping because I'm quite sure you will not find it in other stores either. Nanguo Mall is Shantou No. 1!"

Item No.2: Lianhuashan SPA Resort



Why: Lianhuashan Resort is the first European style open-air hot spring resort in Guangdong province. It's famous for the natural hot springs with medical healing and generally high quality service. Item No.3: Laomagong Dumplings Why: Guangdong is a province famous for its snacks, and Shantou snacks definitely play an important role in Guandong Province. Laomagong Dumplings favored by almost every local citizen.

<u>Item No.4:</u> Xinhua Bookstore (Shantou book center)



Why: Shantou Xinhua Bookstore is the biggest bookstore in eastern Guangdong with more than 7000 square meters. Before the E-ink product or iPad become really popular, you still have to visit a bookstore, and as a Shantou local citizen, the first choice is always the Xinhua Bookstore.

Item No.5: Honda Civic

Why: This economical mid-sized family sedan has fashionable internal and external design, plus high fuel efficiency and reasonable maintenance costs. It's favored by many middle-class families.

Zhao Yi, age 31, White-collar worker:"I've been using this car for more than 3 years, and by now everything is OK and I'm quite satisfied with the money I spent on it."

Item No.6: Qinyuanchun Teahouse

Why: Qinyuanchun Teahouse was established in early 1997 as a professional and elegant teahouse to provide quality service to both domestic and foreign visitors. Qinyuanchun tea house is committed to promoting the "Chaoshan (eastern Guangdong) tea culture and is famous for its unique "Chaoshan Kungfu Tea".

Item No.7: Baolong KTV (karaoke house) Why: Baolong KTV is one of Shantou's most famous karaoke houses, though not the best one, but still quite popular because it has a discount shop that provides soft drinks or wines at a reasonable price and it doesn't have any "minimum spending" limits. These factors make it the best karaoke house for the economical customers such as college students and migrant workers. Lin Yinlu, age 23, company clerk: "They have good karaoke equipment and the cost is definitely acceptable, I like this place."

Item No.8: Nan'ao Island



Nan'ao Island is a must-go tourism site. It consists of a national reserve and a national park named Huanghuashan National Forest Park. Qing'ao Bay on the island is one of the two "A rank" sand beaches in Guangdong Province.

Item No.9: Citic Resort



Why: Shantou Citic Resort is a foreign-oriented hotel (four-star) with the floor area of nearly 300 Mu (about 1800 acres). It is also a holiday hotel with the largest green area in eastern Guangdong. It has many beautiful garden-styled villas and other comprehensive leisure service facilities, making this place an excellent scenic spot for sightseeing, leisure, vocation and business meeting.

Item No.10: ADIDAS shirt and sports equipment Why: Adidas is one of the world's leading sports equipment designer and manufacturers, and their tennis shirts and other light weight aircooled shoes are specially suitable for Shantou's hot and humid weather, plus their tennis shirt designs are more attractive than other sports brands.

Kunming, Yunnan

Item No.1: Xinzhi Bookstore

Why: This Kunming based chain store probably has an even bigger influence on the local book market than any other bookstore. Its printed books outsell the state-run Xinhua Group, especially the study supplementary books, which usually are considered the most profitable books in China.

Hengyu Zhou, student, age 13: "This is my first choice to buy books."

Item No.2: The Brothers Jiang (food chain)



Why: The Brother Jiang rice noodle is a famous food chain in Yunnan province. It sells a unique local dish called "The cross-bridge rice noodles", which is made through local methods and is well known in Kunming.

Fuxin Hou, student, age 22,:"This is the restaurant I must visit every time when I come back home from college."

Item No.3: Bifengtang Tea House

Why: Bifengtang is a local tea buffet chain. It has several stores in downtown area, it provides numerous average-quality drinks at a reasonable price. It also has a good location. This teahouse attracts many city dwellers in the evening, especially those who love to watch live soccer games.

Item No.4: Gingko (department store)



Why: Gingko is Kunming's first and biggest shopping center that focuses on luxury brands. It aims to provide outstanding service and goods to wealthy people. And due to the expanding upper-class, this kind of department store still has room for development.

Item No.5: Windsor KTV (karaoke house)



Why: Windsor KTV is probably the best karaoke house in Kunming, although it's not the most price-friendly one. Equipped with a considerable amount of advanced singing equipment and new songs, it attracts many local whitecollar workers.

Shi Yue, private entrepreneur, age 22:"I like this

place very much, both its service and equipment."

<u>Item No.6:</u> GOME (home appliances chain) Why: GOME is one of China's biggest home appliances chains, and in Kunming it's probably the number 1 choice for local citizens to buy electronic goods, from televisions to cooking pans. The price is reasonable, plus warm service. You can always find what you want.

Item No.7: Carrefour

Why: It had opened several big supermarkets in the downtown area, making it the one you are most likely to come into contact with. Plus the variety and service are good.

Item No.8: ORIGUS buffet chain

Why: ORIGUS launched the first self-service pizza restaurant in Kunming, and soon it became successful by providing various high quality western food at a competitive price. Without a reservation, you may have to wait for quite some time before you can have a seat at the peak dining time.

Item No.9: Meizu Technology

Why: I found the Meizu cellphones sells well here, forcing customers to reserve new orders. Ma Yuntong, student, age 21:"It's a smart phone which runs customized Android and works as good as iPhone 4 but cost way much less, there's no way I don't like it."

Item No.10: Yitianyuan restaurant

Why: Yitianyuan restaurant is the most famous Muslim restaurant chain in Kunming. It provides authentic halal food and the service is excellent, making it one of the best theme restaurants in the city.

Guangzhou, Guangdong

<u>Item No.1:</u> Home Inns Hotel Chain Why: It provides comfortable accommodation and good service with very competitive prices; actually, Home Inns is the biggest economy hotel chain in China.

Weibin, Student, age 21:"It's amazing that you can have such a nice and tidy double room, paying only 23 USD per day."

Item No.2: KFC

Why: KFC (China) is speeding up its localization process. Most of my classmates think that it provides more delicious food than McDonald's, they specially favor the KFC 6RMB super value breakfast package.

Item No.3: Pacific Digital Plaza

Why: The Pacific Digital Plaza is the first and now still the biggest IT products market in Guangzhou; this market has the most complete manufacturer brands and their products sell at a relatively low price, which makes Pacific Digital the first choice for local people to buy digital products.

Item No.4: TeeMall (department store) Why: TeeMall is the first shopping mall in Guangzhou, which is especially famous for its department store that sells both economy and luxurious products in the same building. It is considered one of Guangzhou's best tourist attractions.

Item No.5: Baiyunshan Herbal Tea Why: Herbal Tea is widely accepted by most of Chinese who live in Southern part of this country. It is a combination of soft drinks and traditional Chinese medicine. Even though another brand named "Wanglaoji" dominates the majority of markets in China, many Guangdong citizens still prefer their local brand "Baiyunshan",;they believe this Guangzhou based company has better medicine for its customers.

<u>Item No.6:</u> Jusco (department store) Why: Jusco (Guangzhou) has a department store right beside the famous TeeMall, Jusco is famous for its supermarket branch, which provides various snacks and pre-packaged cooked food. Its supermarket are popular with local people.

Item No.7: Party World (karaoke house)

Party World KTV probably is not the first karaoke house of Guangzhou, nor the most price-friendly one, but still one of the most famous karaoke houses. Many people believe it has the most advanced singing equipment, and many of my classmates like this brand.

Item No.8: Kungfu Fast Food Chain

Why: Kungfu fast food once set up their goal to try to be the Chinese McDonald's. I'm pretty impressed by their concept of "standardized" Chinese food. Besides, some of their dishes do seem more suitable for Chinese tastes.

Item No.9: S.F.Express

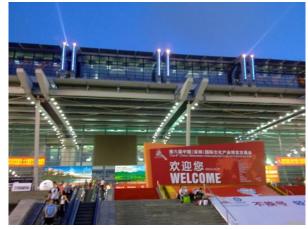
Why: S.F.Express started in 1993 at Shenzhen, Guangdong Province. Now it's the most reliable private logistics company in China, S.F.Express provides nationwide cargo shipments faster than the state-run China Post EMS while at the same time offering a more competitive price and outstanding reliability.

Item No.10: Meizu Technology

Why: You might have once read the newspaper which said that Steve Jobs accused this Zhuhai based company of "stealing" some technology from Apple Inc. But if this piece of news makes you think of Meizu as a shameless knockoff company, you are wrong. It is the leading force among Chinese smart phone design and manufacturing companies, even though their sales are not the No.1 yet. But their cell phones do have a stable and still expanding customer group, especially among city dwelling young people.

Shenzhen

Item No.1: Shenzhen Exhibition Centre



Why: The most famous exhibition hall of Guangdong Province is probably the Guangzhou "Canton Fair" exhibition hall, but the Shenzhen Exhibition center actually has the same building standard and scale. Considering Shenzhen is also a manufacturing and export center of Guangdong province, this exhibition hall has the potential to be the top ranked location for international business exhibitions.

<u>Item No.2</u>: Huaqiangbei Electronic Market Why: It is called China's number one IT market. A few years age it was famous for selling knockoff cellphones and now, probably famous for the low price tablet computers running the Android system. Most of them are still phishing products, but that's not the point. The point is, as long as the world market still has appetite for cheap electronics, Huaqiangbei will have an opportunity to enjoy long-term prosperity.

Item No.3: Vsonic Acoustic Research



Why: Vsonic is a Shenzhen based company that focuses on Hi-Fidelity headphone designing and manufacturing. It used to be an OEM company for Byerdynamic and probably for SONY, too. Now it has established its own brand name

and has achieved success in the Chinese market by offering high quality and the most cost-effective headphones.

Hou Fuxin, age 22, Student:"Vsonic is able to design the world top rank products, meanwhile it costs much less. I never regret buying their headphones."

Item No.4: Window of the World



Why: It is one of the biggest theme parks in Shenzhen. Exactly as its name suggests, this park can been seen as a mini-world, which consists of more than one hundred models of the world's top ranked tourism sites. Qiu Bitao, age 29, clerk:"Shenzhen, as the city

is located in a special economic zone, it is often seen as a globalized international business city; the theme of Window of the World is representative of the Shenzhen spirit."

Item No.5: iPhone 4

Why: Apple is good at designing the most cutting-edge and revolutionary electronics, making machines that are cute and userfriendly. These fashionable Apple gadgets are especially favored by Chinese people who live in the economically better developed eastern cities such as Shenzhen, although the price tag of Apple products here are usually not quite "user-friendly".

Item No.6: TOYOTA Camry



Why: Japanese automobiles are quite popular in Guangdong province. Among them, Camry is probably the hottest model. It's well equipped and looks quite suitable for business usage, plus it has high fuel efficiency and a solid price. There is no way not to make it a popular car for middle-aged customers.

Li Jiayong, age 48, teacher:"Camry is a good car for both business and family use, and what I feel satisfied the most is the service that Toyota provided me after buying their car."

Item No.7: Hanwang Technology



Why: Hanwang is the leading E-ink reader manufacturer in China, although the other tablet computers and the iPad do have eroded the market share of E-ink products, it still have some unique advantages over the traditional TFT screens, so if it runs properly, Hanwang technology can be a potentially large company. Luo Yushan, age 45, clerk:"I'm not familiar with the tablet computers running iOS system or Android, but the E-ink reader do seem much easier to use, and I enjoy the feeling of reading E-ink screens."

Item No.8: Citic City Plaza



Why: Citic plaza is one of Shenzhen's biggest shopping malls, with several powerful members, such as Jusco and SEIBU department store. This makes it a very attractive mall in the downtown area.

Cai Minru, age 25, clerk:"This shopping mall has several of my favorite brands in it, and the environment is quite good, so I often come to this shopping center."

<u>Item No.9:</u> Sharp Aquarius LCD TV

Why: Sharp TV has been in the Chinese market for quite some time, with an above-average quality and a reasonable price and a commitment to use Japan imported LCD panels. It has built up a stable user group and has a good reputation in many big cities such as Shenzhen.

Item No.10: Saigee Electronic Market



Why: Saigee is a large IT market for individual buyers. Generally, it is the first place local citizens go to buy personal computers or other office supplies. It provides various IT products at a relatively low price and has a good shopping environment.

Sun Xing, age 20, student:"I bought my laptop there. In fact, when you're in Shenzhen and you want to buy some IT products, the first name that pops out from your mind is Saigee."

Taiyuan, Shanxi

Item No.1: Baleno

Why: Baleno is a very famous casual cloth enterprise in China; it focuses on producing the most cost-effective, everyday clothes. Good quality and outstanding wearing comfort are the biggest features of Baleno.

Tian Lin, age 28, mechanical engineer:"Most of my shirts are Baleno, They are comfortable and I just like their design."

Item No.2: Volkswagen Lavida



Why: Lavida is a small-to-medium-sized sedan designed by Chinese, manufactured by Chinese and sold only to Chinese. Although it has a VW logo but you can ignore that, anyway. Such a typical Chinese product contains almost every element that Chinese market requires: bigger size, dull but plump looks and a cheap price, etc... so it's quite popular among some family users.

Item No.3: Huayu Shopping Center



Why: Huayu Center is the biggest shopping mall in Taiyuan City, It provides various kinds of shopping services to meet the needs of different buyers and has a stable consumer group. As a local Taiyuan citizen, if you want to buy something and you don't want to go online, you go to the Huayu shopping center.

Item No.4: Happy Party karaoke house



Why: Happy Party KTV is a popular karaoke chain in Taiyuan. It has the best singing environment and a reasonable price, favored by many young people who live in the city.

Li Yuanyuan, age 24, clerk:"Happy Party is Taiyuan's best karaoke house, the only shortcoming is that the updating of song list is not quick enough, or otherwise I would give it a full score."

Item No.5: NOKIA

Why: Many NOKIA users often complain that their phone's Symbian system is not as good as Apple's iOS, but nobody denies the excellent manufacturing quality of NOKIA. That's why some of NOKIA's cellphones, such as the E71 and 5320 XpressMusic, sell so well in Taiyuan. They are cheap and durable which makes them quite popular among cellphone users.

Item No.6: Jixiang Wonton (food chain)



Why: Jixiang Wonton is a Chinese fast food chain. It's difficult to find in southern China, but quite popular in Northern provinces, such as Shanxi They provide good tasting Chinese dishes at a competitive price.

Li Xiaodong, age 16, student:"I prefer Chinese style fast food over the western ones, because Chinese wonton seems healthier and contains fewer calories."

Item No.7: Tianwen Kadokawa Pressing House Why: Tianwen publishing house is a branch of Japan Kadokawa Corp. Its main business is to print and sell Japanese and Chinese light novels and comic books. The printing quality is very good and the price is reasonable, too. Ye Zhihao, age 19, student:"I've bought many books from Tianwen Kadokawa. They're much cheaper than the Japanese version and almost have the same print quality."

Item No.8: Haier

Why: Haier washing machine is favored by many Taiyuan citizens. It has good quality and is equipped with many advanced features. Plus they're not expensive at all. Haier always has a good reputation in providing high-quality maintenance service. That's why many people choose to buy their products.

Item No.9: Tianyigong Hotel



Why: Tianyigong is a very big luxurious hotel in Taiyuan. It's famous for the Chinese style building design and the high standard service it provides to customers. Although the prices in this hotel are usually very "intimidating", as the most famous hotel in the city, Tianyigong never lacks customers.

Item No.10: Changbaishan cigarette



Why: According to my friend Tian Lin, who lives in Taiyuan and contributed the research of this paper, the most important reasons that makes Changbaishan cigarette popular is, cheap, cheap and cheap. Of course, it doesn't taste bad, either. So this brand does sell well among low and middle income groups.

Weifang, Shandong

Item No. 1: Android cellphone



Why: Most of people my age tend to choose more technologically advanced cellphones, e.g. Iphone or Android, but the Iphone is more expensive (than the Android phones). Eddie, Sale Manager, age 26: "I can use it to do almost everything. It's more powerful than my old computer."

Item No. 2: Eland



Why: Though it's a Korean dress Brand, its design is in British style. A lot of girls love it!

Chary, Teacher, age 24: "It's preppy, it's British, it looks young."

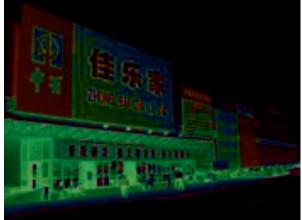
Item No. 3: Sinolook mall



Why: The best shopping mall of the city, where you can shop, you can eat, you can have coffee while resting, and you can also see a movie with friends.

Diana, accountant, age 25: "I mean I can spend a whole day there, from dawn to dusk."

Item No. 4: Jialejia Supermarket



Why: Where you can buy cheaper things than in other supermarkets. I think the cheaper goods is the most important reason why its sales are higher than Wal-mart and TESCO here. Ann, worker, age 34: "It is really convenient and cheap."

Item No. 5: Coca cola



® Coca-Cola Ltd.

Why: It sells itself! Just like on any other corner of this planet.

Tommy, student, age 18:"I drank it before I knew it."

<u>Item No. 6:</u> KFC



Why: It's tasty, it's delicious, it's convenient. Grab it and eat, you don't have to wait. Lulu, student, age 11:"I love fried chicken. I always eat more than enough.

Item No. 7: QQ



Why: Everyone has a QQ account number now. You may have no cellphone, no email, but you must have QQ. It's indispensible while all of your friends have it.

Kyle, Writer, age 28. "I got my first QQ account 13 years ago."

Item No. 8: Weibo



Why: Weibo is Chinese twitter, short than blog, and you can send photos with text. You may have a lot of fun sharing your day with your friends, and it makes us more close. Julia, OL, age 23. "IMs such as QQ and MSN are not allowed in my office, but I can connect my friends with Weibo.

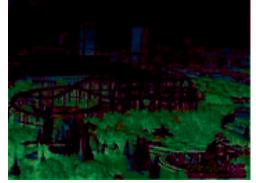
Item No. 9: Youku



Why: You can enjoy TV plays and variety shows at any time at anywhere you like. This site is cool, you may see it as the Chinese Youtube, but more entertaining.

Jun, 26, Doctor. "I love Korean shows, I watch them with my computer at home, and with my PSP at hospital."

Item No. 10: Fuwahpark



Why: It's a mini Disneyland, you see? Arthur, 17, Student. "It's entertaining, I always enjoy myself there."

Xiamen, Fujian

Item No. 1: iPhone

WHY: Recently the white iPhone 4 started to enter a variety of shops, and instead of waiting such a long time for their rare buyers, the white iPhone 4 generate panic purchases. The short supply of the white iPhone 4 is just the tip of the iceberg of the popularity of iPhone. Although you may think it is unbelievable, there is no wonder that the iPhone definitely has some unique advantages to attract so many consumers including different applications, easy to use operating system and a gorgeous screen. Chris Lee, student of Xiamen University



the way we live, and we do not care if our sexual attitude is legal to God. Whatever other people say, we are gays, we love our boy friends just like other ordinary men love women.

Chen Liu, student at Xiamen University



<u>Item No. 4</u>: Study Abroad WHY: more and more classmates want to study abroad, and I think it is a very hot trend also happening in the whole country. Young students don't like their homeland, that seems to be true.

Xiang Zhang, student at Xiamen University

Item No. 2: Lose weight

Why: Many people now care about their health , and the fat boys now all want to lose weight to keep healthy.

Yaqiang Hong, student at Xiamen University



<u>Item No. 3:</u> Gay WHY: Gay is a fashionable group that is living a special but very happy life. I am lucky to be a part of them. We are special and lucky. We like



<u>Item No. 5:</u> Fruit Ninja and Angry Birds WHY: when I woke up today, my 3 roommates were all playing angry birds on their phone and computer. Actually I don't understand why a small game can make every one addicted, and I think that this kind of game should be prohibited.

Cong Han, student at Xiamen University



Item No. 6: Hard Disk Drive

WHY Seems that no one is continuing to use a hard disk below 500GB. People buy new computers or update their hard disk or even buy mobile HDDs. The amount of data we have increases so quickly.

Xiao Shan, student of Xiamen University



Item No. 7: Movies

WHY The frequency of going to the a cinema and seeing new movies is increasing every year. I don't know why, but I don't like to watch movies on my laptop anymore. Taixi Wang. Student at Xiamen University



Item No. 8: Men's Cosmetics

WHY: More and more cosmetic brands are having men's line now. It was a little bit weird 10 years ago for a man to use moisture cream, but now it's quite normal.

Lifan Deng, student at Xiamen University



<u>Item No. 9:</u> Wireless Mouse Why: It's the biggest trend I see in my school. Everyone's buying a new wireless mouse



Guilin, Guangxi

Item No.1: Vancl

Why: Vancl is China's biggest web-based cloth brand; it has no physical store and only does business online, like Amazon.com. Vancl usually focuses on producing and selling cost-effective clothes, and has excellent designing ability; its products are welcomed by many young people. Yin Hening, age 25, white-collar:"I tried Vancl 3 years ago and immediately fell in love with their clothes, it's well produced, the postal service is good, and the price is OK."

Item No.2: China Mobile

Why: As the first company to provide mobile phone services in China, China Mobile definitely has the largest customer group in this country. In Guilin, you may find that the majority of cellphone users are using China Mobile services, both local citizens and the travellers.

Item No.3: Wal-Mart

Why: Wal-Mart is Guilin's only large-scale supermarket and it has offered much convenience to the local people. Although there are several other small or middle size supermarket chains built in the downtown area, none of them has the power to compete with Wal-Mart yet.

Item No.4: Guijiang Hotel



Why: Guijiang hotel is not the best equipped luxurious hotel in this famous tourist city, but it is considered one of the most cost-effective hotels. This hotel is favored by many individual travellers because it has abundant room storage, the price is reasonable, you can easily take a room even without appointment, and the service is good.

Item No.5: iPhone

Why: Apple's unique way of designing and selling electronic products is the key to their success. The iPhone is not a revolutionary design that completely changed your viewpoint of cellphone as the TV advertisement has suggested, but it did change people's view on how many interesting things a cellphone can do, and thus it has won a good reputation and a big customer group, it's quite common on Guilin Streets.

Item No.6: Youyixuan (food chain)



Why: Youyixuan is a local food chain which mainly focuses on providing traditional Chinese dishes, especially Guilin local snacks. It's favored by many local people but many tourists haven't heard of it. Chen Ying, (age about 30), clerk: "Many people in my company choose Youyixuan as the first place to have lunch, it's cheap and tasty."

Item No.7: Lenovo LePad



Why: LePad is a tablet computer produced by Lenovo. It is considered to be a powerful competitor of the Apple iPad, at least theoretically. LePad runs the Google Android system and has several customized functions specially designed for Chinese users.

Yang Guangyu, age 30, clerk:"I bought LePad because I heard it will try to establish a Chinese 'iTunes', and I think this is a good idea. Lenovo is capable of providing such kind of service."

Item No.8: Liquan Beer



Why: It's the most popular beer brand in Guilin, or even the whole of Guangxi province, sim-

ply because it's produced by a local company. Although it's not difficult to find some other foreign brands, Liquan Beer is still the top-selling brand.

Wang Kai, age 29, clerk: "I'm not sure if Liquan beer is better or worse than the other brands, but considering it's cheap and most easy to be find in the shop, I drank it a lot in summer."

Item No.9: TOYOTA Corolla



Why: Corolla is one of the most frequently seen sedans on the streets. This typical Japanese style middle-sized car has a passionate and dynamic shape, good interior manufacturing quality and high fuel efficiency.

Huang Guanli, age 25, clerk: "Corolla is a hot model in many countries, and I always favor TOYOTA cars, so I bought it, and now I am satisfied with what I've got."

Item No.10: GOME appliances chain Why: GOME is one of China's biggest appliance chains and it has a big store in Guilin which sells everything from dishwashers to Blue-ray players. It's the best place to buy home appliances, especially big ones, as they provide free home delivery.