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Macro Economy Data of H1 2016 China

Read Online

Beauty & Skin Care Consumption Features of Women in China's First- and Second-tier Cities

What kind of skin care and beauty demand do they have? What are the features of their product function demand? Recently, Ipsos has conducted a survey among 600 Chinese female consumers to analyze and disclose female consumers‘ beauty & skin care consumption features and trends.

Read Online

Secrets about Car Purchasers Who were Born in 1990s

The new generation wants control over their own world. They just can't sit in the back of the car. They want to have their hands on the steering wheel. They want their own life of mobility.

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How to Seize the Heart of Yummy Mummy?

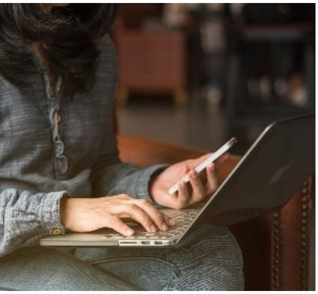
As a special group, these new mothers are mainly constituted of post-85s and post-90s growing up in the era of Internet. How do they apply the mediaHow should a brand respond to these habits?

Read Online

2016 Rio Olympics Sponsorship Tracking Report (Phase IV)

The research last from February to August 2016, during which accurate surveillance will be conducted to sponsors’ online marketing campaigns.

Read Online



Decoding Cashless Mobile Life

This report aims to present in all dimensions the current situation and ongoing trend of the mobile payment development, and provide insights and suggestions for brands in mobile marketing.

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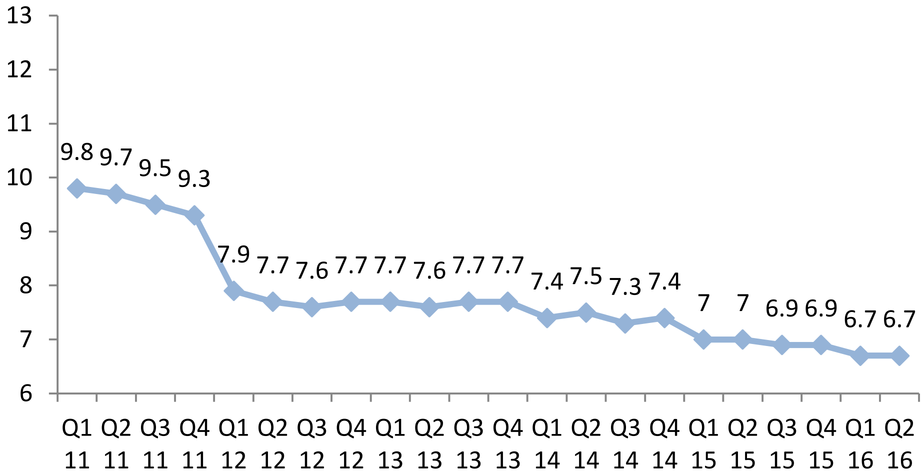
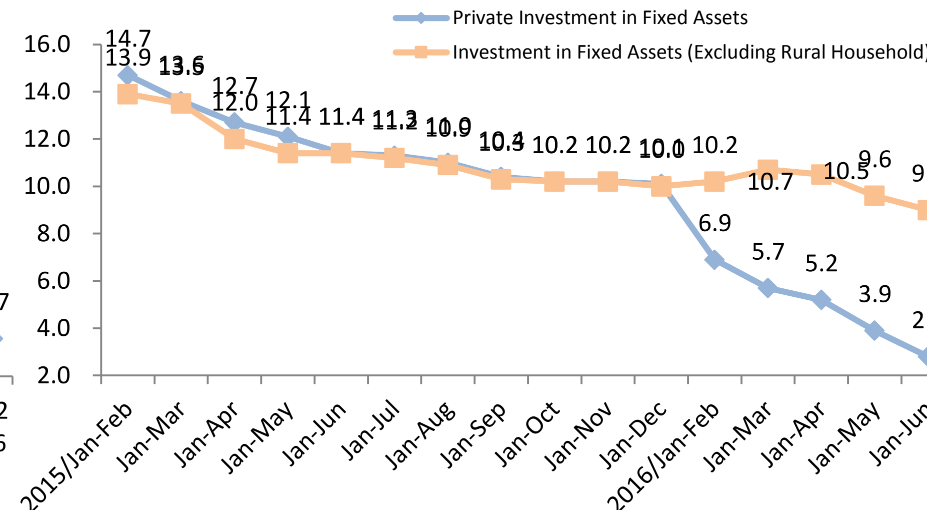
Contact: Lu.peng@ipsos.com

China's economy showed moderate but steady growth with a year-on-year GDP increase of 6.7 percent at comparable prices in Q2 2016

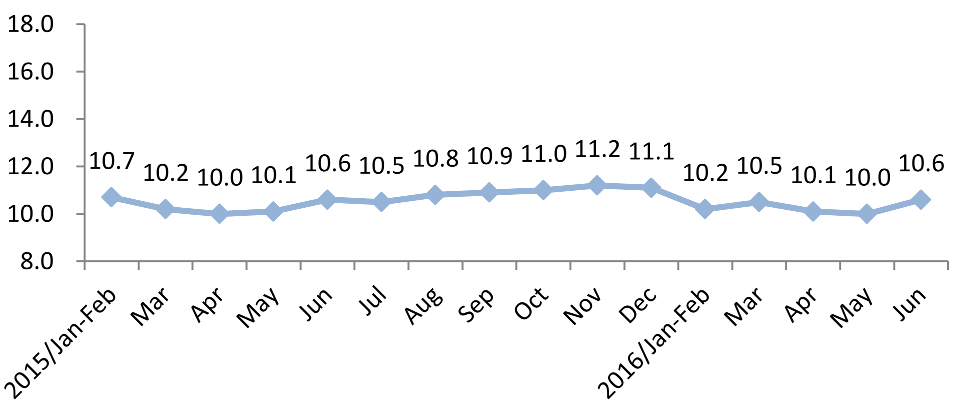
GDP Growth (%)



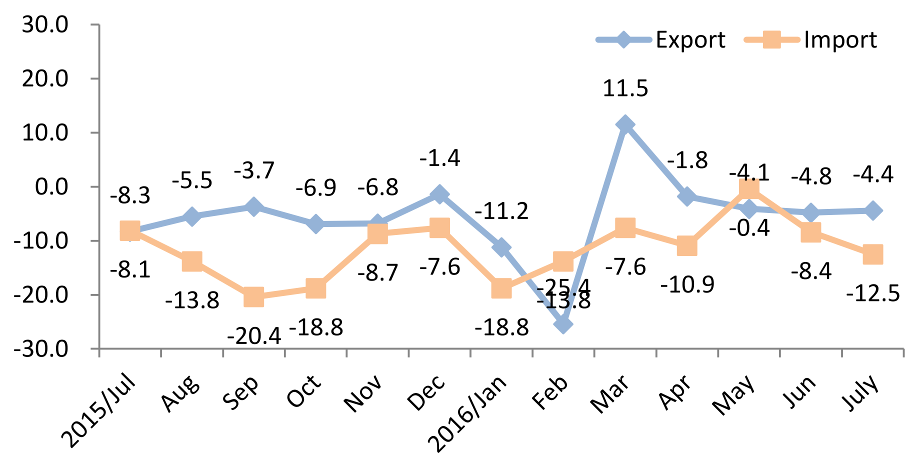
Fixed Assets Investment YOY Growth (%)



Total RSCG YOY Growth (%)



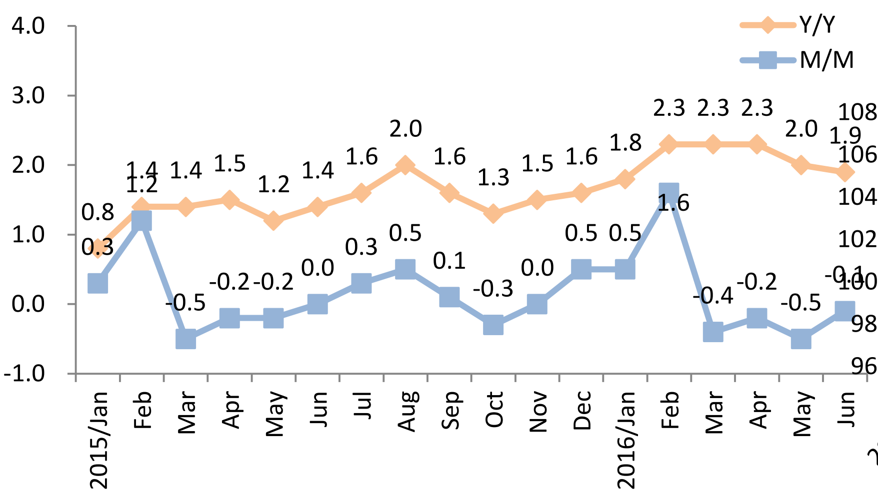
Export/Import YOY Growth (%)



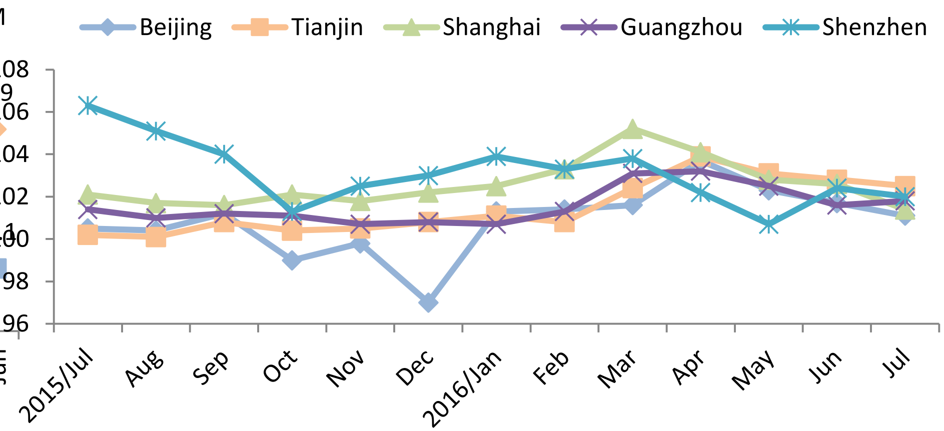
Source: National Bureau of Statistics of China

In 2016/Jun., CPI went up by 1.9% YOY, Manufacturing PMI slightly up at 53.7%; CCI slightly down at 104.

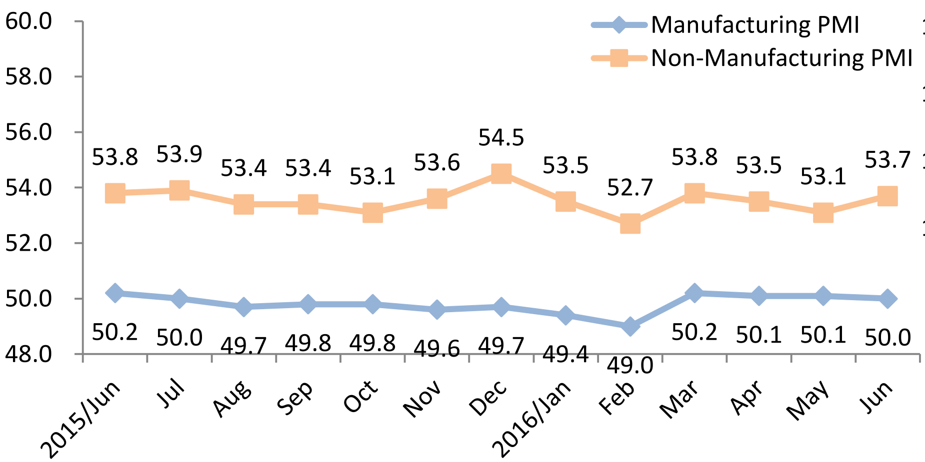
CPI Growth (%)



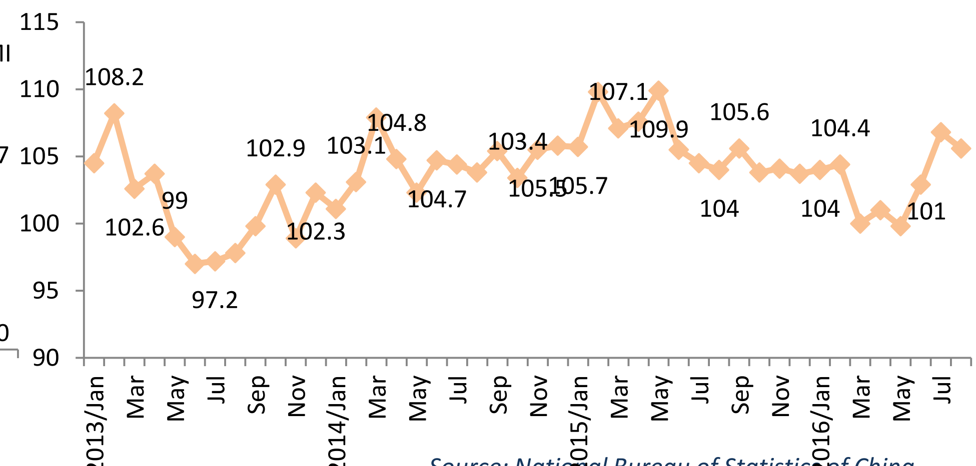
Newly Commercial House Pricing MOM Growth (%)



National PMI



Consumer Confidence Index



Source: National Bureau of Statistics of China

Beauty & Skin Care Consumption Features of Women

in China's First- and Second-tier Cities

By Ipsos

With the awakening of fine living and fashion consciousness, Chinese female consumers' demand for skin care and beauty develops constantly. What kind of skin care and beauty demand do they have? What are the features of their product function demand? Recently, Ipsos has conducted a survey among 600 Chinese female consumers in China's first- and second-tier cities to analyze and disclose female consumers' beauty & skin care consumption features and trends.

No. 1

There is an obvious demand for skincare product segmentation

With the rising of fine living and skin care consciousness, Chinese female consumers are paying more attention to the effectiveness of skin care products. While with the development of skin care product experience and knowledge, the "full effect" products solving multiple problems simultaneously are often difficult to earn their trust, and the specialized products addressing a specific problem are more attractive to them.

The survey shows that 67% of female respondents express a preference for the use of highly specialized skin care products that can solve specific problems. The respondents with higher household income are more inclined to use highly specialized skin care products; among them, up to 80% of respondents with a monthly household income of 20,000 CNY and above make such a point, which is significantly higher than other consumers.

I inclined to use highly specialized skin care products that can addressing specific problems by monthly household income of respondents

Less than 10,000 CNY 50%

10,001 - 15,000 CNY 64%

15,001 - 20,000 CNY 67%

20,000 CNY + 80%

As for product category, the survey shows that mask (71%), toner (70%) and cleanser (68%) are the most important products used by female consumers; meanwhile, the lotion (59%), essence (56%), moisturizer (56%), eye cream (54%), sunscreen (53%) and face cream (50%) are also the products with a relatively strong demand.

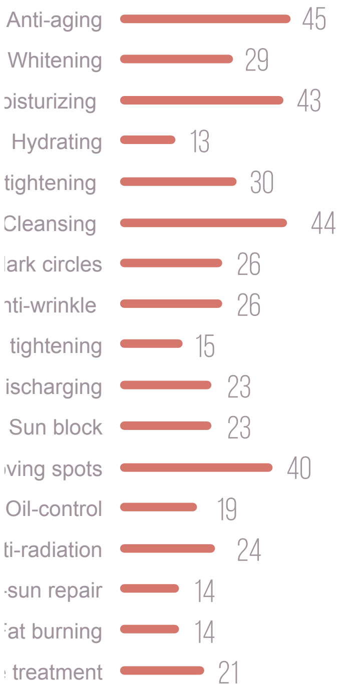
As for product functions, the consumers have different demands for skin care products and think highly of product segmentation. The survey shows that moisturizing, hydrating, whitening and cleansing are the most valued product functions to consumers; meanwhile, the functions of sun block, anti-aging effect and pore tightening are also cared about.

Skin Care Product Currently Used - Female

Mask 71%
Toner 70%
Cleanser/Cleansing gel 68%
Lotion 59%
Essence 56%
Moisture cream 56%

Eye cream 54%
Sunscreen 53%
Cream (for both day and night use) 50%
BB cream 44%
Moisturizing cream 40%
Night cream 38%
Day cream 38%
Facial scrub 17%
Neck cream 13%

Functions of Skin Care Products Respondents Plan to Increase Investment in - Female



No. 2

It shows a sustained growth of investment in skin care products and demand for anti-aging

The deterioration of air quality in China's first- and second-tier cities makes women pay more attention to skin care. The survey shows that over three-quarters of female respondents indicate that they will increase investment in skin care products next year. At the same, the survey finds that the female respondents aged 20-30 show a strongest willingness to invest more (82%), which is higher than those aged 31-40 (78%) and 41-50 (63%).

Meanwhile, driven by the concept of fine living, Chinese female consumers are not satisfied with basic skin care. They begin to pursue "agelessness" and "inverse growth" and forever young becomes the ultimate goal of female consumers. The survey shows that consumers want to increase investment in anti-aging products most and 45% of female respondents indicate they will increase investment in anti-aging next year; among them, the female respondents aged 30-41 show a strongest willingness to invest in anti-aging (51%), followed by those aged 41-50 (45%).

No. 3

The green organic market witnesses a strong demand

In recent years, with industry incidents coming out one after the other, safe skin care products "returning to original nature" are becoming a fashion, and Chinese female consumers' concern of cosmetics begins to shift from simple product effectiveness to product safety and naturalness. Meanwhile, driven by the concept of global going green and environmental protection campaign, the concept of green organic living is affecting a growing number of Chinese female consumers, and mild green natural skin care products will become a trend of skin care products consumption in the future. The survey shows that 72% of female respondents indicate that they must know the composition of skin care products prior to using them. 74% of female respondents indicate that they are more inclined to use skin care products with natural and organic ingredients, even if they are much higher than common ones in price; and the respondents with higher monthly household income have a stronger demand for skin care products with natural and organic ingredients.

I am more inclined to use skin care products with natural and organic ingredients, **even if they are much higher** than common ones in price

No. 4

Strong Brand Awareness

The survey shows that a quarter of female respondents may accept skin care products priced at more than 2,000 CNY; the survey shows that over half (53%) female respondents indicate that they place more trust in foreign brands compared to domestic brands; 56% indicate they have more confidence in luxury brand skin-care products; and over six out of ten (63%) indicate that they believe the more expensive skin care products, the better effectiveness.

The reason why consumers prefer foreign brands and luxury brands is that, on the one hand, the enhancement of consumption pattern and safety awareness among Chinese female consumers make them pay more attention to products' "quality". Product price is no longer the factor female consumers caring about most; compared to the weaker domestic brands, they would rather choose higher-priced foreign brands.On the other hand, women are "emotional beings", they are not only concerned about the quality of products, but more inclined to choose the brands being able to strike a chord with them emotionally and mentally, and there is still a large gap between the domestic and foreign cosmetics brands in brand building and emotion marketing.

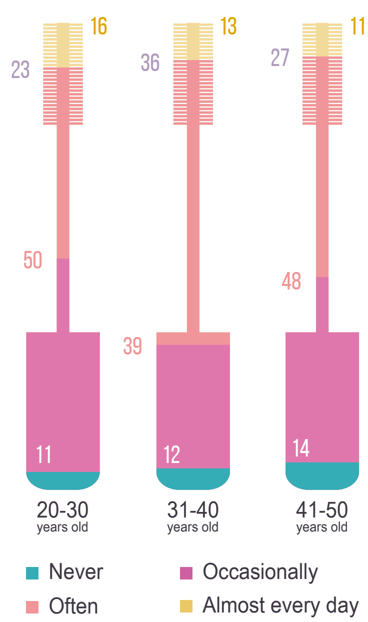
No. 5

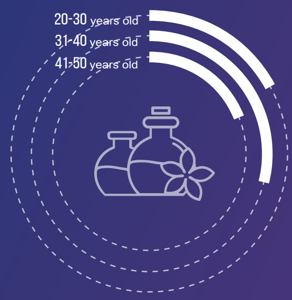
Women aged 31-40 have the strongest demand for makeup

The survey shows that nearly half (49%) female respondents aged 31-40 indicate that they put on make-up often/almost every day, which is significantly higher than the respondents aged 20-30 (39%) and 41-50 (38%). As for the consciousness of makeup, Chinese female consumers have taken makeup as a basic etiquette and way of life. The survey shows that eighty percent (79%) female respondents think that cosmetics/skin care products are part of a woman's self-image; 74% believe that going out with makeup is an active lifestyle; over sixty percent (64%) believe that going out with makeup is an expression of respect for others.

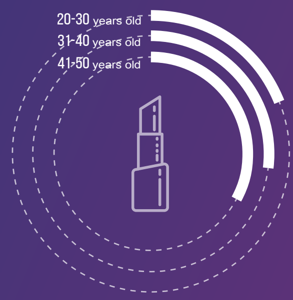
Meanwhile, the survey finds that female respondents aged 31-40 are higher than those aged 20-30 and 41-50 in sense and consideration of makeup. On the one hand, the attitude to "agelessness" and living young makes female consumers aged 31-40 pay more attention to investment in their own makeup; on the other hand, more frequent meetings at work and social gathering make women in this age group pay more attention to their own makeup improvement.

Normal Makeup Frequency – Female

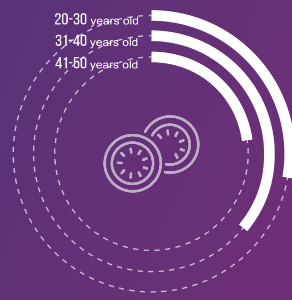




Woman going out with makeup is
an expression of respect for others – female
- Totally agree (%)



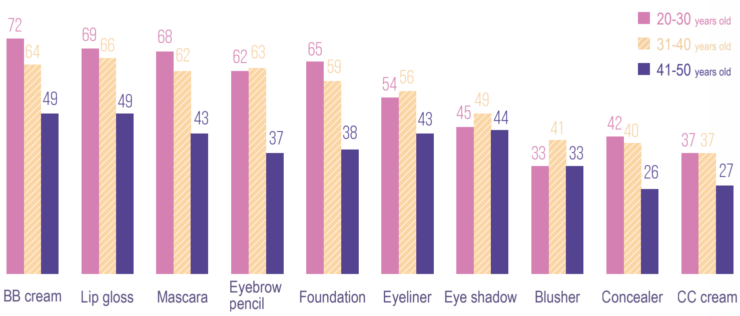
Woman going out with makeup is
an active lifestyle – female
- Totally agree (%)



Cosmetics/skin care products
are part of a woman's self-image
– female

As for the product demand

The demand of female consumers aged 31-40 for eyebrow pencil (63%), eyeliner (56%), eye shadow (49%) and blusher (41%) is even higher than those aged 20-30; The demands of female consumers aged 31-40 and 20-30 for other categories of product are very close.

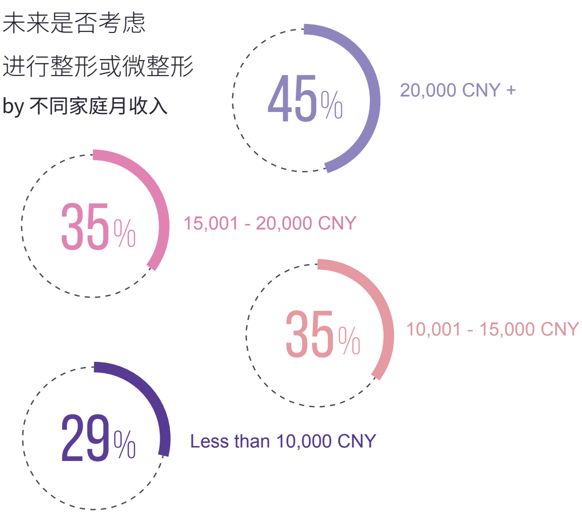


No. 6

It shows a high degree of acceptance to plastics

According to this survey, 43% of female respondents indicate that they are not satisfied with their appearance. It shows that currently 15% of female respondents indicate that they have undergone plastic or micro plastic surgery. While among those having not undergone plastic/micro plastic surgery, 36% indicate that they will consider plastic/micro plastic surgery in the future.

Judging from their household income, the higher the household income, the more intense will to plastic/micro plastic surgery in the future. The survey shows that 45% of female respondents with a monthly family income of more than 20,000 CNY having not undergone plastic/micro plastic surgery will consider plastic or micro plastic surgery in the future, which is significantly higher than other respondents.



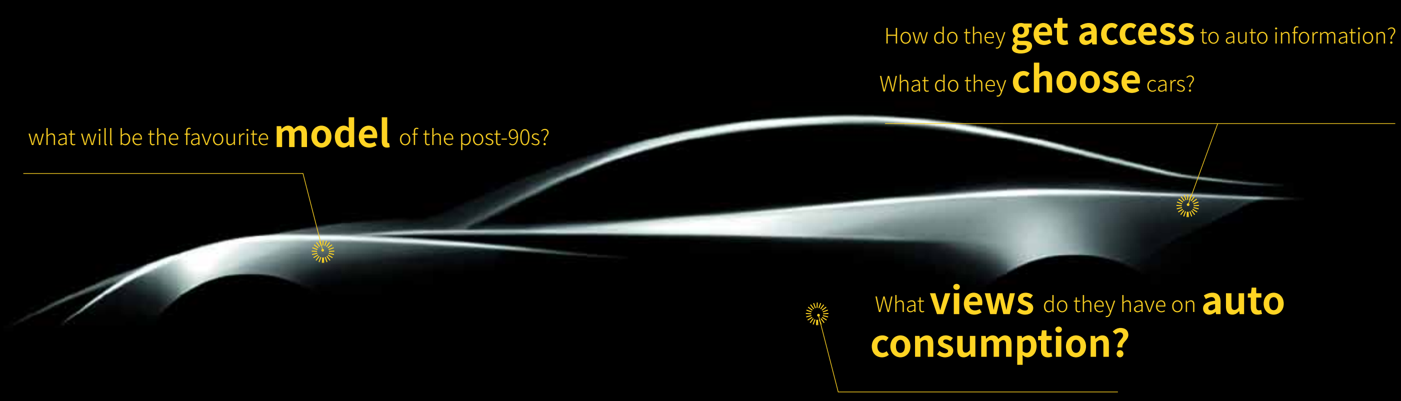
SECRETS ABOUT CAR PURCHASERS WHO WERE BORN IN 1990S

By Ipsos

“The people born in 1990s are now buying cars!”

Out of a sudden, the non-mainstream post-1990 generation are now growing up. In the past, they were remembered as the people who spoke a Martian language. The new generation wants control over their own world. They just can't sit in the back of the car. They want to have their hands on the steering wheel. They want their own life of mobility.

With the rise of the new car purchasing group, auto consumption features more and more "young elements". The key automakers are now catering to the tastes of the post-90 persons and have launched their own strategies aimed at attracting young people. From Miller's Cruz "Breaking Boundaries" commercial to Kim Soo Hyun's appearance at IX24 auto show and Toyota's GETGOING global branding campaign, the automakers have spared no effort in understanding the fashion trends of the post-90s.



Beijing / Shanghai / Guangzhou / Hangzhou / Xi'an / Wuhan / Shenyang / Chengdu

Recently, Ipsos has conducted a survey among current car owners and potential buyers within 3 years in eight cities.

THE POST-90s ARE SPENDTHRIFT IN PURCHASING CARS

Most of the post-90s have gotten work recently and are yet to strive for their financial freedom. On car purchases, there are a large percentage of them who ask their family for money.

Price levels acceptance to future car buyers-currrent car owners (%)

	More than 500,000RMB	300,000-500,000RMB	200,001-300,000RMB	150,001-200,000RMB	100,001-150,000RMB	Within 100,000RMB
90s	10	23	30	21	13	3
80s	7	21	40	23	8	1

Price levels acceptance to future car buyers-potential car owners (%)

	More than 500,000RMB	300,000-500,000RMB	200,001-300,000RMB	150,001-200,000RMB	100,001-150,000RMB	Within 100,000RMB
90s	5	13	18	23	25	16
80s	9	13	20	25	26	7

Base: post-90s/post-80s current/potential respondents

67%

67% of the post-90s have participated predominantly and made the final purchase decision

46%

46% of them still need to ask their family members for "support" (full payment/loan) during car purchases.

However, this did not affect the enthusiasm of the post-90s in purchasing cars. 36% of the potential post-90 car purchases say they are considering buying a car worth more than 200,000RMB in the future. 63% of the current post-90 car owners say they will purchase a car worth more than 200,000RMB in the future. More than 30% of the current car owners say they will consider buying a car worth more than 300,000RMB.

ON CAR CONSUMPTION, IT SEEMS THAT THE POST-90S DO NOT BECOME HESITANT BECAUSE OF THE FACTOR OF "PRICE".

TOP NOTCH AND CLASSY CAR MODELS ARE MOST POPULAR AMONG THE POST-90s.

It is always said that youth is just around you. If possible, imprint youth on your car body. Compared with the post-80s who care more about performance/price ratio, reliability and comfortable driving experience, the post-90s purchase cars to "impress others". They like classy car models with fashionable design and beautiful appearance.

IDEAL CAR DESCRIPTION (AT MOST 5 ITEMS)-90s / IDEAL CAR DESCRIPTION (AT MOST 5 ITEMS)-80s

90s		80s
37%	Safe and reliable	45%
29%	High performance/price ratio	33%
23%	Outstanding operationality and flexibility	21%
23%	Practicability	23%
22%	High-quality	25%
21%	Comfortable driving	29%
19%	Fashionable design and modern style	14%
17%	Full of driving joy	14%
17%	Good taste	11%
17%	Large space	21%
15%	Advanced technology/technology-savvy	17%
14%	Environmental	17%
13%	Customized	15%
12%	Looks solid and tough	7%
11%	Fine-manufactured	12%
10%	Young	4%
9%	Athletic	7%
9%	Elegant	7%
9%	Grand	5%
9%	Mature	9%
9%	Creative	5%
8%	Meaningful	7%
8%	Unique	5%
7%	Classic	6%
7%	Proactive	10%

Base: post-90/post-80 respondents

Besides the "classy appearance" requirement, the post-90s also pay much attention to the "internal" aspects of the cars. Generally, the SUVs are still the most liked car model among the post-90s. Compared with the post-80s, the post-90s like hatchbacks more. They like fashionable, cutting-edge yet mature, steadfast and generally sporty style cars.

DESIRED TECHNOLOGICAL ELEMENTS

	90s	80s
360° full-image monitoring	42%	51%
Pre-collision warning system	38%	41%
Night vision system	37%	37%
In-car hotspot WiFi	35%	22%
Auto parking	35%	34%
Voice control system	28%	26%
Anti-dozing warning	25%	21%
Lane deviation warning	25%	30%
Self-navigation	24%	28%
Traffic accident information updating	23%	26%
Auxiliary system	23%	24%
Entertainment and connection system	22%	21%
HUD overhead digital display system	19%	21%
Variable suspension	9%	9%

Base: post-90/post-80 respondents ■90s ıı80s

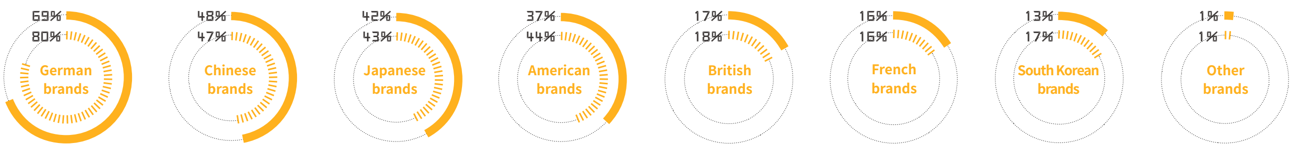
Besides, the post-90s want to send out a personal message to the people around them through their own cars. The technology-savvy post-90s have a stronger demand on in-car hotspot WiFi than the post-80s. What's worth noting is that, nearly 90% of the post-90s say they will consider purchasing new energy cars on environmental and economic grounds.

THE POST-90S HAVE SPECIAL LOVE FOR EUROPEAN CARS ESPECIALLY GERMAN CARS

According to the survey on "brands of consideration for future car purchases” , the German cars are most liked by the post-90s. 69% of the post-90s will first choose European cars, followed by Chinese cars (47%), Japanese cars (43%) and American CARS (44%).

Brands of consideration for future car purchases

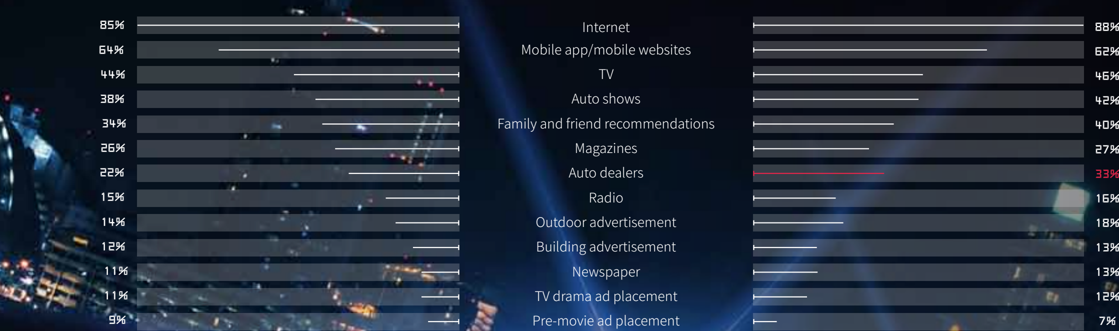
Base: post-90/post-80 respondents 90s 80s



ONLINE CAR PURCHASE WILL BECOME THE CHOICE OF THE POST-90s.

On the survey on "means to access/gather automobile information for the post-90s” , internet is still the primary means for the post-90s to access/gather information (85%), followed by mobile app/mobile phone websites (64%). The dealers' contribution to the post-90s in serving as means for accessing/gathering information is 22%, much lower than that to the post-80s (33%). The other means also include auto shows, family/friend recommendations and magazines.

Means to access/gather information used by the post-90s **Means to access/gather information used by the post-80s**

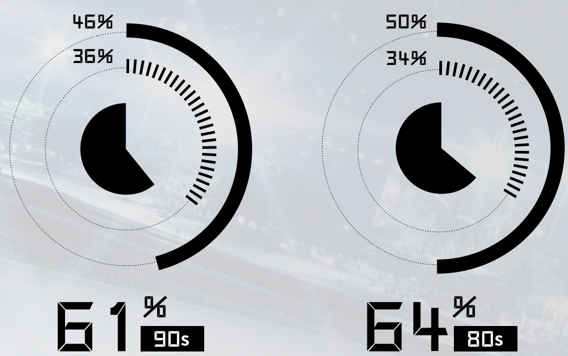


Base: post-90/post-80 respondents

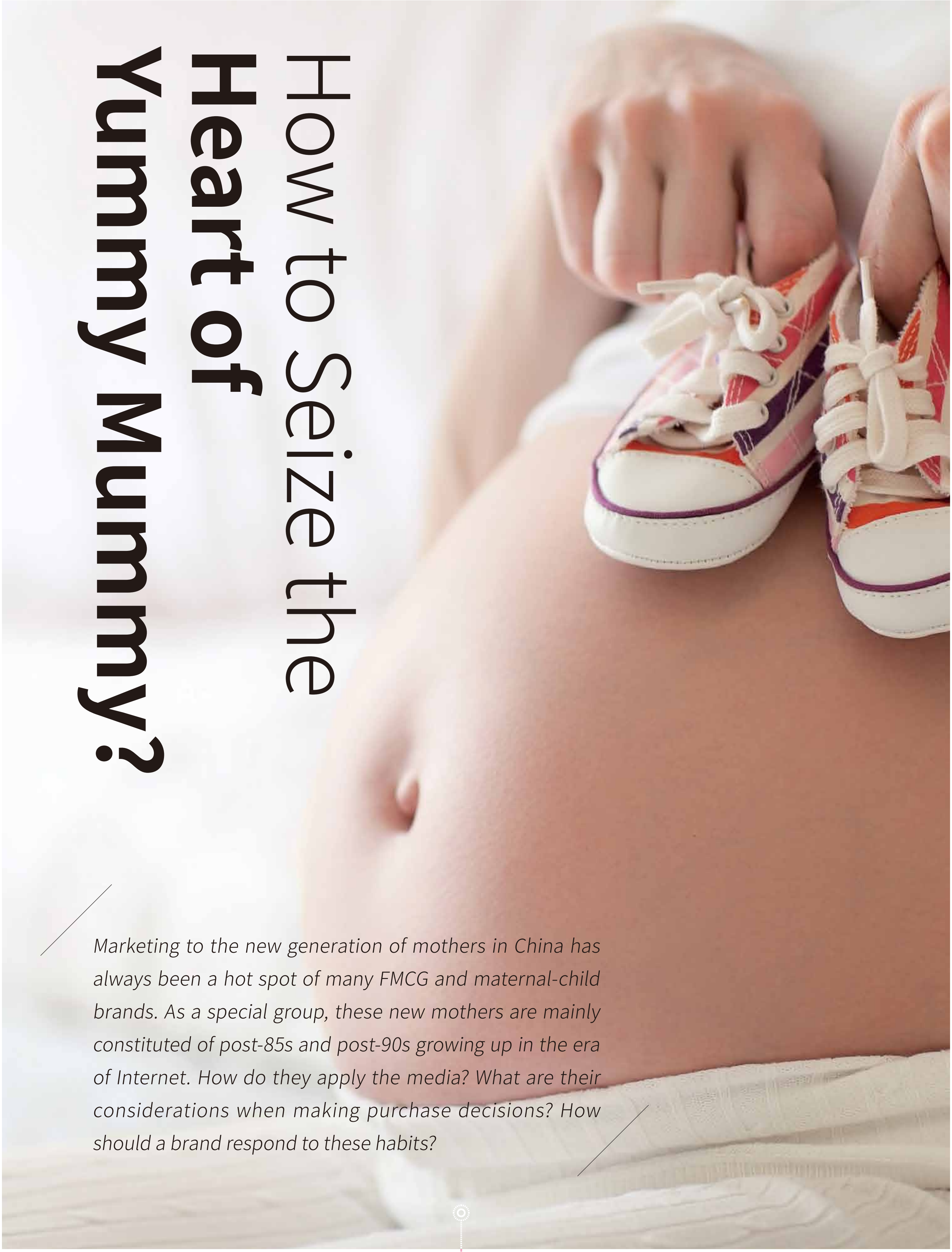
The impact of the internet on the post-90s is significant. As the "aboriginals of the interne", more than 60% of the post-90 respondents say they consider internet sources when purchasing cars, especially the specialized auto e-commerce websites. This is undoubtedly good news for companies focused on auto marketing business. Compared with the post-80s, the post-90s have a stronger reliance on the internet, as well as stronger desire and trust for online shopping. Online car shopping perhaps will become another trend in the future.

The online shopping channels for car purchases in the future are primarily specialized auto e-commerce websites and auto dealer website .

Base: post-90/post-80 respondents ■ specialized auto e-commerce websites Ⅲ auto dealer website

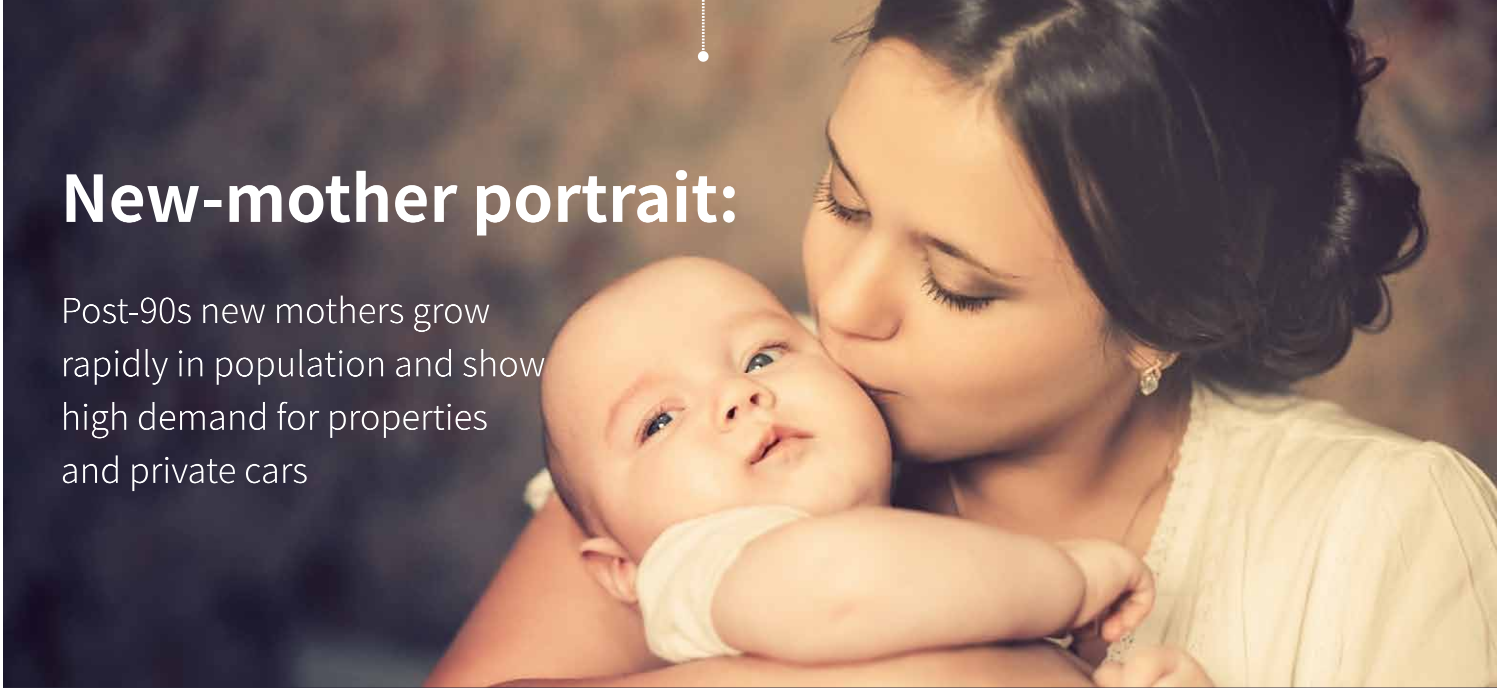


Compared with the post-80s, the newcomer post-90s are associated with many unusual labels. However, according to our research findings, the post-90s also make plans before taking actions, just like the post-80s. They want to keep a balance between work and family. They also like experiencing new things. Although they are fond of music, they will make a stop of their car if needed. This is the image of the post-90s. They have their own personality and illustrate their attitudes through their cars.



How to Seize the **Heart of Yummy Mummy?**

Marketing to the new generation of mothers in China has always been a hot spot of many FMCG and maternal-child brands. As a special group, these new mothers are mainly constituted of post-85s and post-90s growing up in the era of Internet. How do they apply the media? What are their considerations when making purchase decisions? How should a brand respond to these habits?

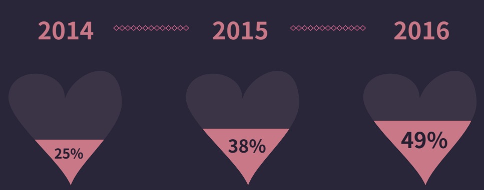


New-mother portrait:

Post-90s new mothers grow rapidly in population and show high demand for properties and private cars

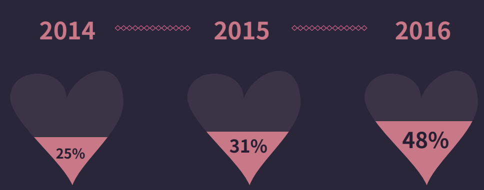
Of the new mothers in 2016,

49% were born in the 1990s,
up 11% and 24% as compared to 2015 and 2014!



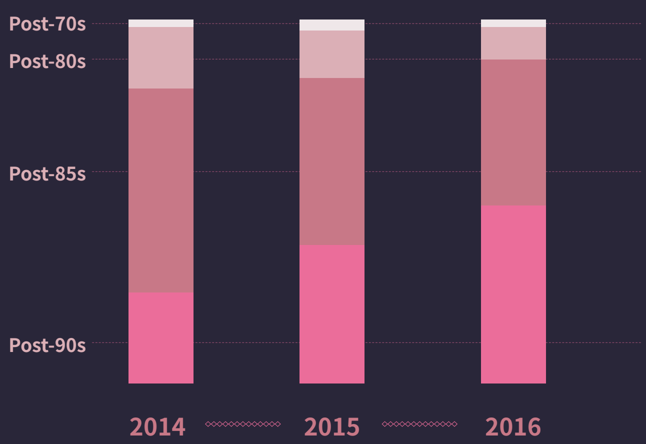
In mothers of 1-year-old children,

post-90s accounted for nearly half (48%), significantly higher than the 31% in 2015, and 25% in 2014.

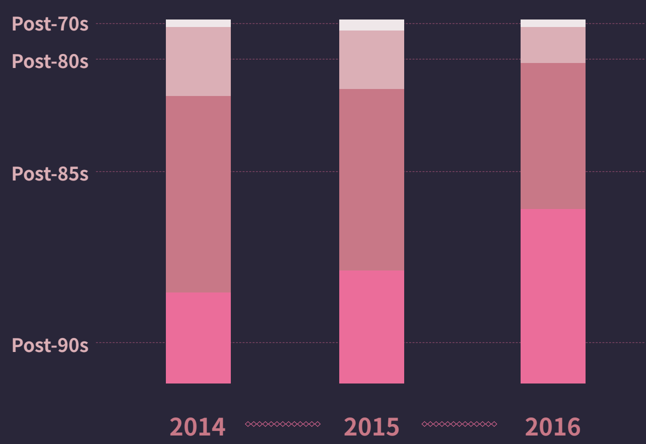


Age Distribution of New Mothers

Pregnant



Mother of 1-year-old kid



Data source: Ipsos

Whether to buy or change the house after having baby/babies

Having several houses, enough for living	11%
Having a house, enough for living	46%
Having a house/houses,to buy a bigger one	16%
No house, to buy one soon	5%
No house, common economic basis, to buyone in several years	17%
No house,weak economic basis, no purchase plans	6%

75%

young parents had their own properties in the place of origin or elsewhere

38%

planned to exchange house or buy a new one.

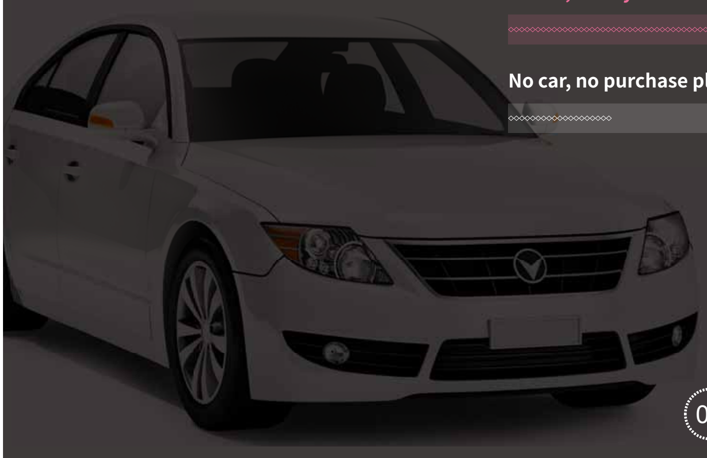
Whether to buy or change the car after having baby/babies

52%

young parents owned private cars

47%

wanted to exchange for a new one.



Having several cars, enough for use	4%
Having a car, enough for use	40%
Having a car/cars, to buy a larger/better one	8%
No car, to buy one soon	12%
No car, to buy one in several years	27%
No car, no purchase plans	8%

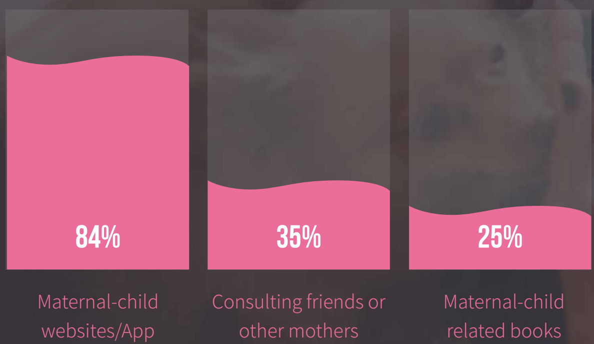
Data source: Ipsos

New mothers' accesses to media:

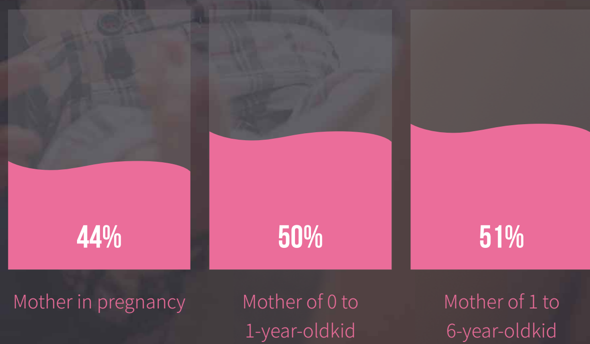
Maternal-child websites / APP are the most popular, and the demand for mobile devices increases considerably in time of pregnancy

Maternal-child websites / APP are Chinese new mothers' most important accesses, or 48%, to parental knowledge, and the proportion is even higher after the baby is born.

Access to parenting knowledge Top3

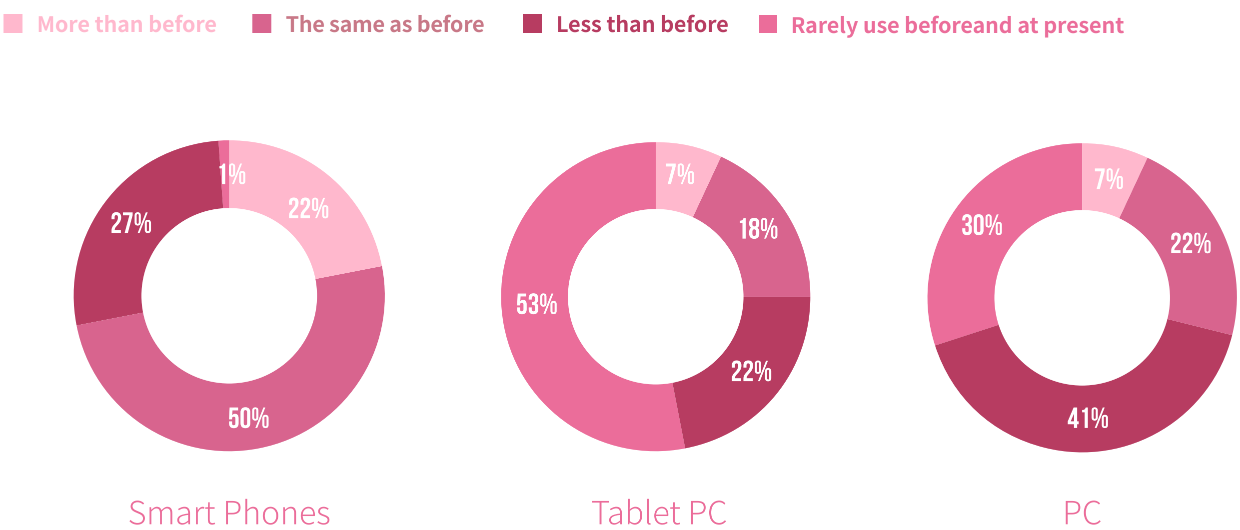


Proportion of maternal-child websites and APP in the use of the Internet



Data source: Ipsos

Use of networking devices during pregnancy



Data source: Ipsos

In pregnancy, most new mothers reduce the use of computers, and rely more on smart phones, which further highlights the importance of mobile Internet.

New mothers'online / offline purchases

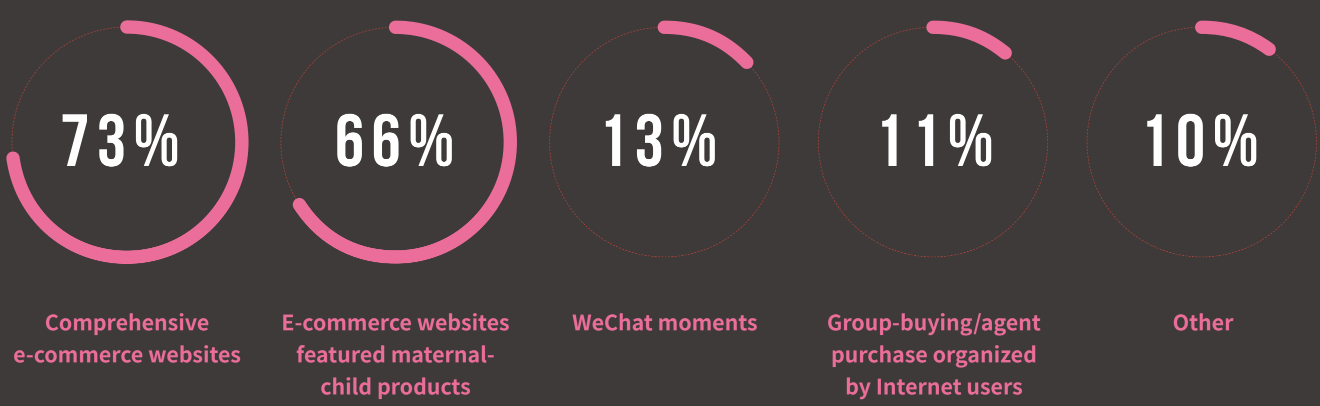
85% of the mothers have purchased maternal-child products online, and those from 1st-tier cities show the highest confidence and frequency of shopping online.

Unit：RMB

The survey shows that on average RMB 877 is spent on maternal-child products each month, and the amount is even larger in groups of higher income and from cities of higher tiers.

Data source: Ipsos

85% of new mothers said they had bought maternal-child products online. In particular, comprehensive e-commerce websites made up the highest part (73%), followed by those specialized in maternal-child products (66%).



Data source: Ipsos

Of those not to buy maternal-child products online, most (66%) are worried that they may buy fake ones, which is particular the case in lower tier cities. It is crucial to enhance brand credibility in communication, especially in new mothers of low-tier cities.

Too many fakes online to use at ease

1st-tier cities (Beijing, Shanghai, Guangzhou, Shenzhen)	54%
2nd-tier cities (provincial capitals)	67%
3rd-tier cities (prefecture-level cities)	66%
4th-tier cities (county town)	66%
Villages	68%

Data source: Ipsos

Reasons for not buying online

Too many fakes to use at ease	66%
Prefer to go shopping in stores	46%
No confidence in online shopping	28%
Other	19%
Boring to wait for express delivery	17%
No access to the Internet at home	4%

In general, new mothers buy maternal-child products online twice a month on average, and 1st-tier cities see the highest frequency.

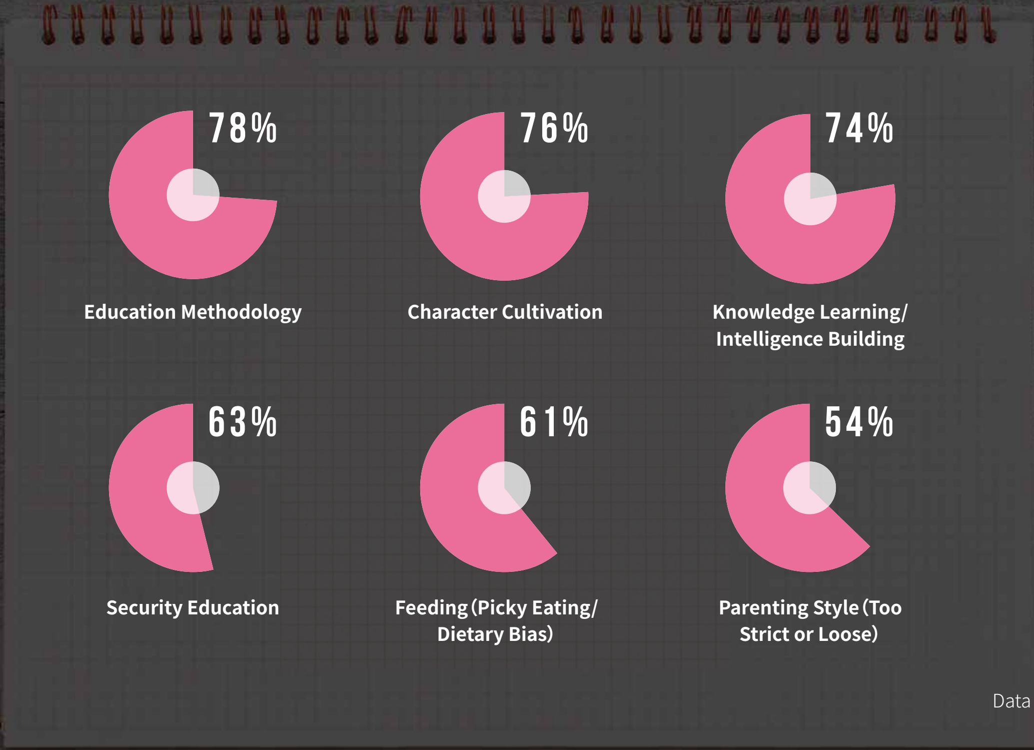
Unit:%

	Seldom purchase online	Once in two or three months	Once a month	Once half a month	Once a week	Several times a week	Monthly online purchase frequency
Total	20	14	20	21	12	13	1.8
1st-tier cities (Beijing, Shanghai, Guangzhou, Shenzhen)	12	14	21	24	12	17	2.08
2nd-tier cities (provincial capitals)	16	14	20	23	13	14	1.94
3rd-tier cities (prefecture-level cities)	15	14	21	22	13	15	1.99
4th-tier cities (county town)	21	14	20	21	11	12	1.75
Villages	30	15	19	18	10	8	1.43

Data source: Ipsos

Scientific parenting has become a trend

Nearly 80% of parents said they concerned themselves with scientific parenting, and in particular, methods of education, character cultivation, and knowledge learning / intelligence building.



As grandparents/maternal grandparents are the main force in babysitting, disagreement generally occurs.

82%

families said they had encountered differences in parenting concepts and methods ,

especially in feeding, education and parenting styles.

Aspects of difference in parenting concepts

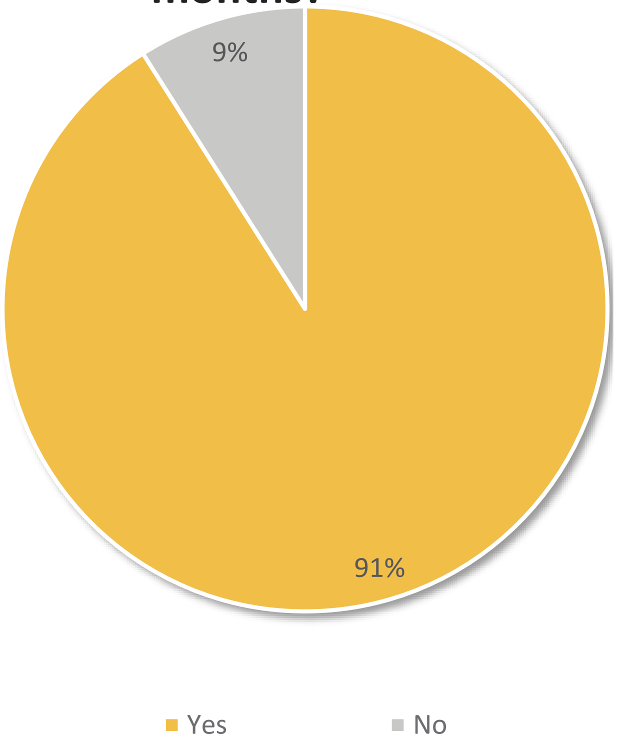
For the complete report, please contact ipsos_china@ipsos.com

Decoding Cashless Mobile Life

GAME CHANGERS

Mobile payment overview

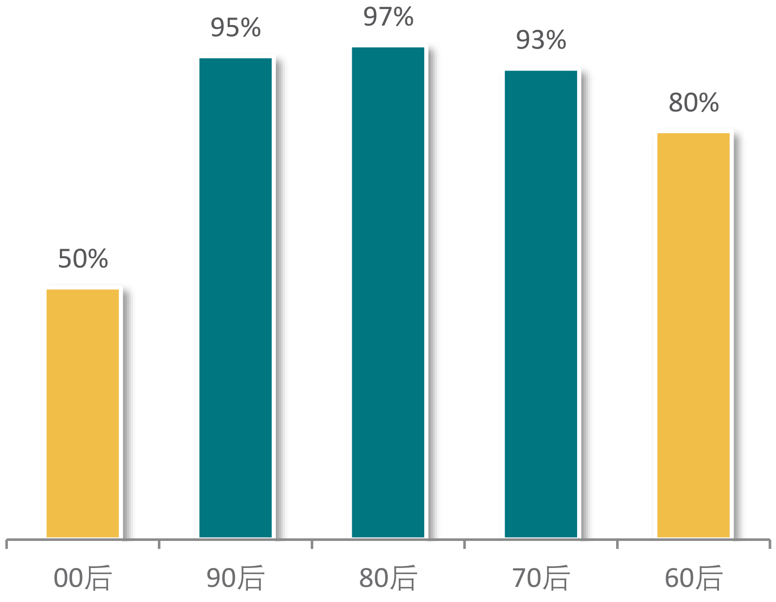
Have you used mobile payments in the last six months?



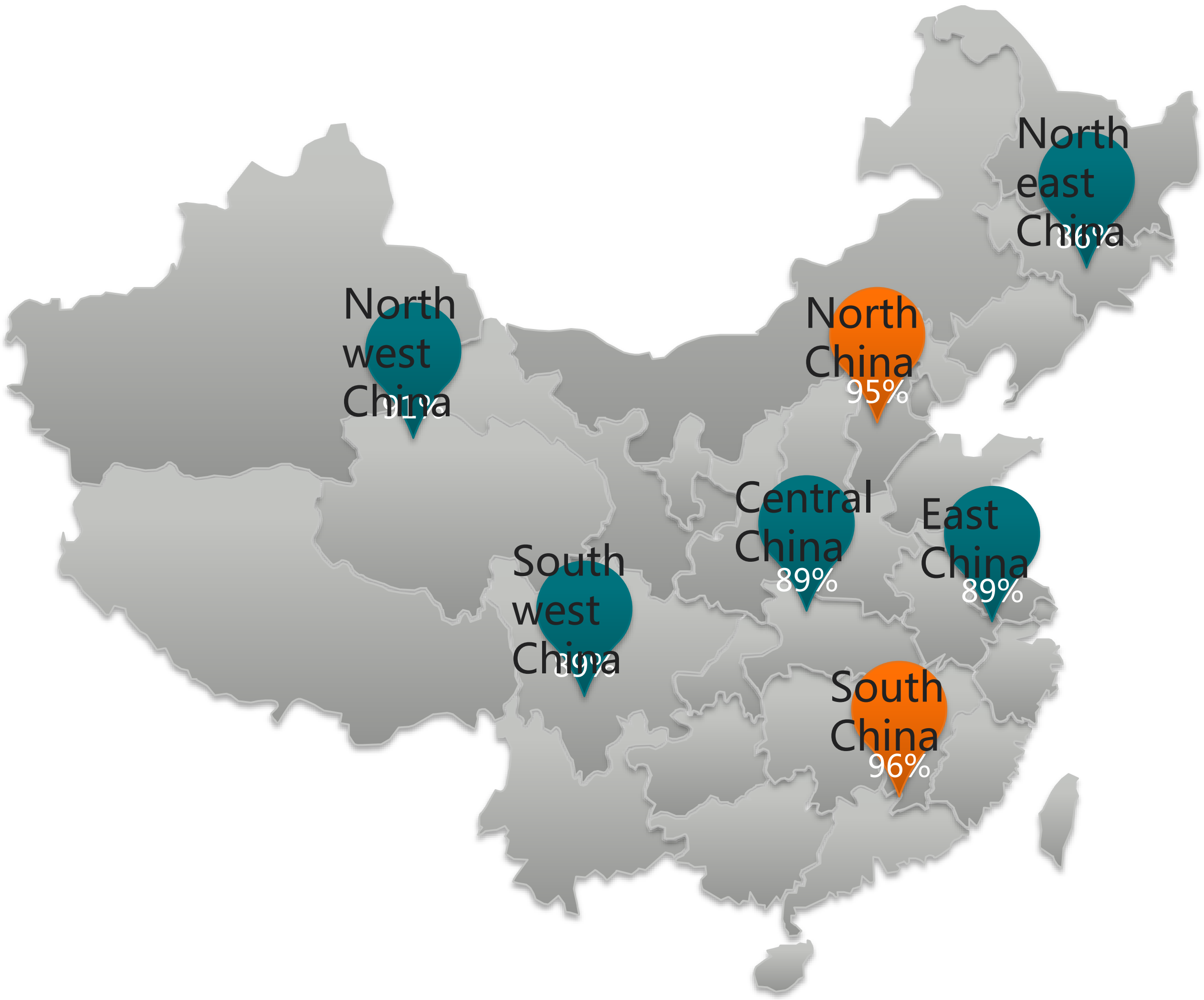
Of the respondents in the survey, 91% have used mobile payments in the last 6 months.

Wherein post-90s, 80s, and 70s constitute the main force in using mobile payment

Mobile payment usage by age groups



Mobile payment overview



1st tier 96%

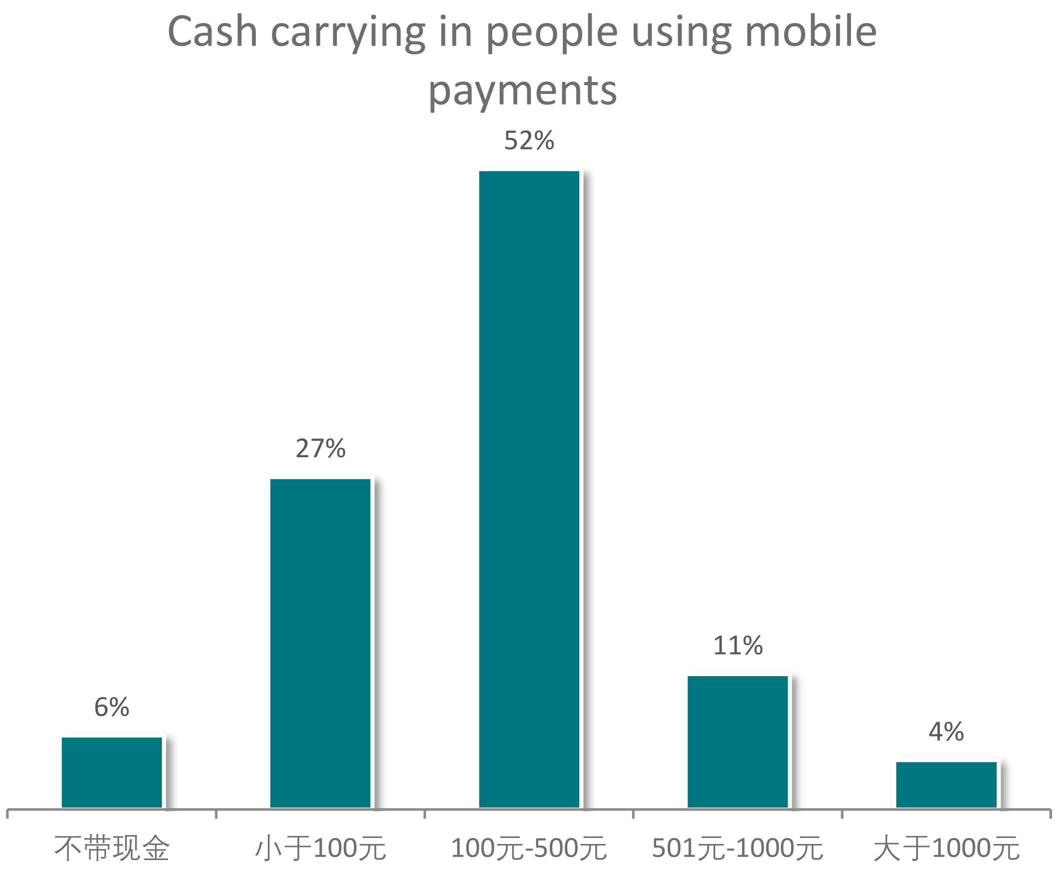
2nd tier 90%

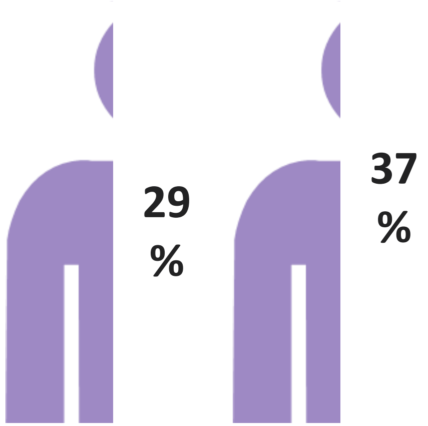
3rd tier 83%

- North China (95%) and South China (96%) saw the highest rate of mobile payment, followed by Northeast (86%) and between 89% and 91% in other areas.
- It was the highest in 1st-tier cities (96%) and the lowest in 3rd-tier cities (83%).

GAME CHANGERS

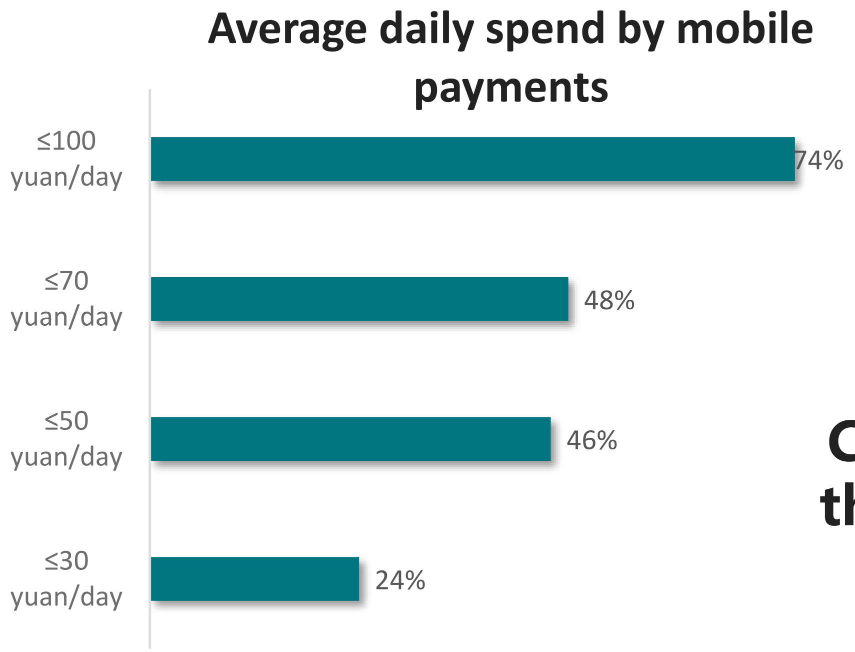
Cash carrying in mobile payments





37% of women carried less than 100 yuan in cash, and it was 29% with men.

Average daily spend by mobile payments



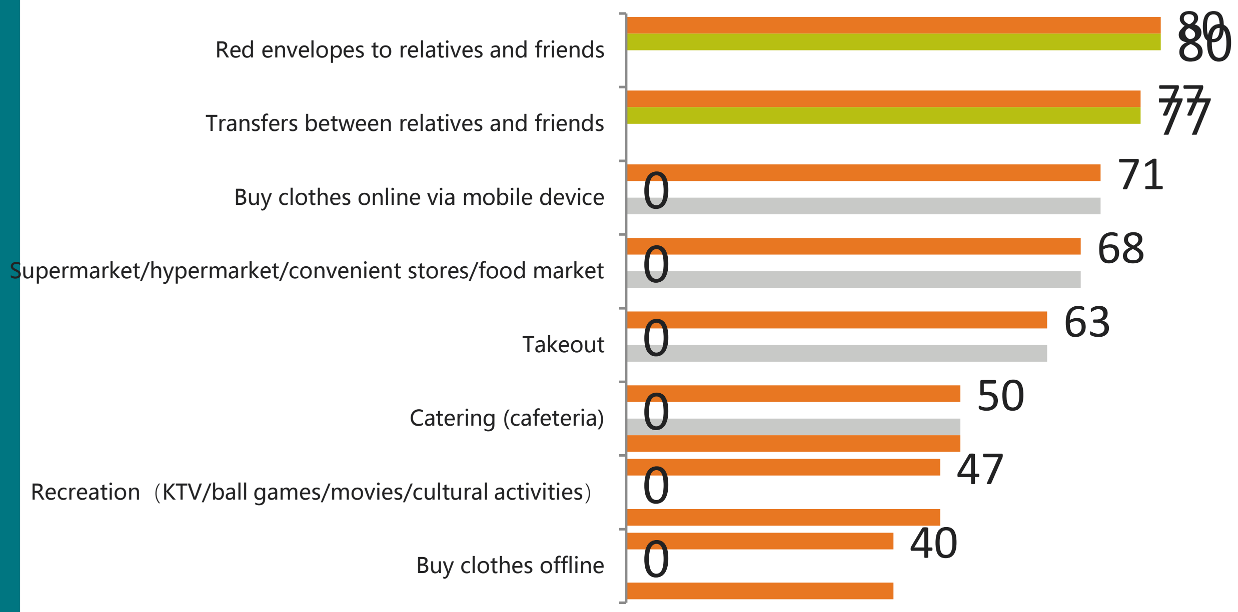
74% said their verage daily spend y mobile payments was lower than 100 yuan per day.

Compared with other age groups, the average daily spend by mobile payments was higher in

post-70s and 80s.

Mobile payments by scenario

Use of mobile payment by scenario （%）



	Total	Male	Female
Base: respondents having used mobile payments	7477	3878	3599
	%	%	%
Red envelopes to relatives and friends	80	77	83
Transfers between relatives and friends	77	74	80
Buy clothes online via mobile device	71	63	80
Supermarket/hypermarket/convenient stores/food market	68	65	72
Takeaway	63	60	66
Catering (dine-in)	50	46	53
Recreation (KTV/ball games/movies/cultural activities)	47	45	50
Buy clothes offline	40	33	49

Mobile payment behavior

Clothing

40% have used mobile payment when buying clothes online.

33%

28%

[Scenario]

71% have bought clothes via mobile devices online.

72%

21%

84%

Market

74%

Chain stores

34%

Self-owned stores

14%

Roadside stalls

Base = all the respondents having used mobile payment when buying clothes offline

Mobile payment behavior

Clothing

[Merchant]

Mobile payment usage by scenario

Buy clothes online via mobile devices	**71%**
Buy clothes offline	**40%**

Mobile payment frequency by scenario

	High	Low
Buy clothes online via mobile devices	77%	23%
Buy clothes offline	51%	49%

Only 51% would often use mobile payment when buying clothes offline, and the low proportion had something to do with the limited support from the merchants. With the popularity of smart phones, more people would buy clothes online through mobile devices. As 77% often bought clothes via mobile devices, PC was no longer the only choice for online shopping.

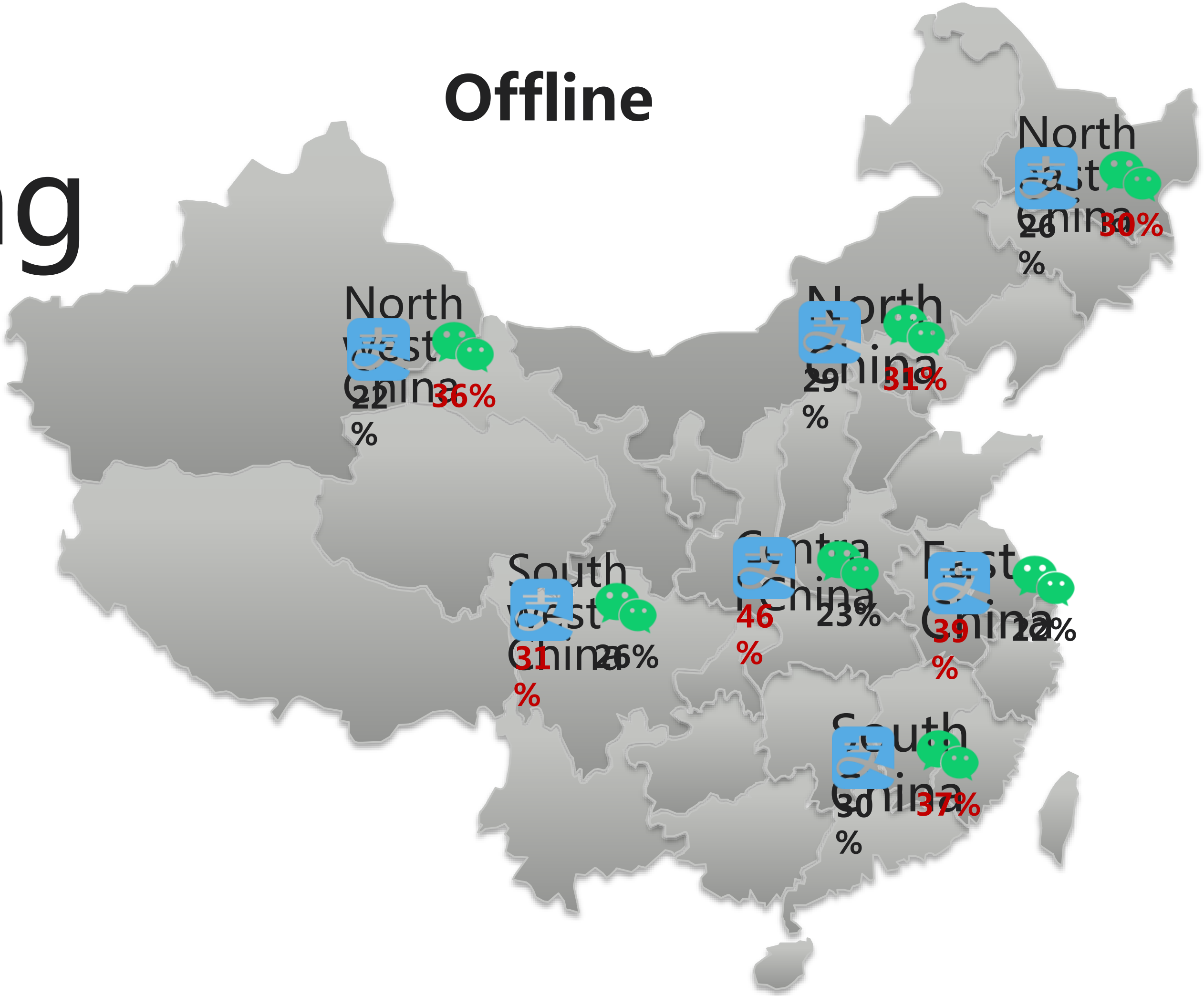
* High frequency means using it each time or very often, and low frequency means using it once in a while or hardly using it.

Mobile payment most likely to be used – by region

Offline

Online

Clothing



Of people buying clothes online via mobile devices, 72% would use Alipay, and 21% preferred WeChat Payment.

[Terminal]

Mobile payment behavior

Food and Drinks

41%	37%	10%	7%	2%
Fast-food restaurant	**Chinese restaurant**	**Western restaurant**	**Cafe**	**Bar**

[Scenario]

Of people used mobile payment in dine-in, 41% did this most often in **fast-food restaurants**. 41% made payment most often by **QR scanning**. 49% used mobile payment most frequently when buying food for **lunch**.

41%

QR code scanning by the merchant

49%

Lunch

GAME CHANGERS

Ipsos

Mobile payment behavior

Food and Drinks

[Merchant]

Usage of mobile payment by scenario

Supermarket/convenience store

68 %

Takeaway

63 %

Catering

50 %

Frequency of mobile payment by scenario

	High	Low
Takeaway	75%	25%
Supermarket/convenience store	69%	31%
Catering	62%	38%

Consumers used mobile payment at a high frequency in supermarkets, takeaways, restaurants and for entertainment, while also reflected increased support from merchants in these scenarios.

* High frequency means using it each time or very often, and low frequency means using it once in a while or hardly using it.

Payment habit by scenario

Supermarket/convenience store

39% 35%

Takeaway

44% 47%

Catering

39% 41%

Tendency to use mobile payments

Food and Drinks

[Terminal]

% Base = 5110	Takeaway	Dine-in	Supermarket/hypermarket /convenience store
Cash	5	9	6
Card swiping	1	9	18
WeChat Payment	47	41	35
Alipay	44	39	39
QQ Wallet	1	1	1
Apple Pay	1	1	1

Recreational activities most commonly paid by cashless payments

Recreation

[Scenario]

Movies	KTV	Ball games	Artistic performances
74%	17%	2%	2%

Usage, frequency and habits of mobile payment for recreation

Recreation

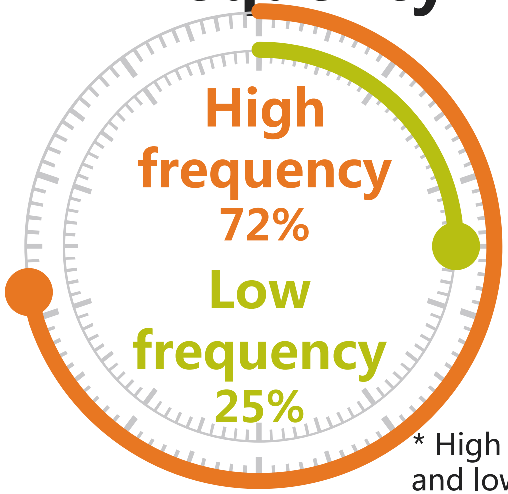
Usage of mobile payment

Recreation

47 %

Mobile payment frequency

[Merchant]



Habit to pay

Recreation

48% 33%

Reason to use it

More merchants support mobile payment

45 %

Mobile payment was adopted at a high frequency in entertainment, and 45% said it was because more merchants supported mobile payment.

* High frequency means using it each time or very often, and low frequency means using it once in a while or hardly using it.

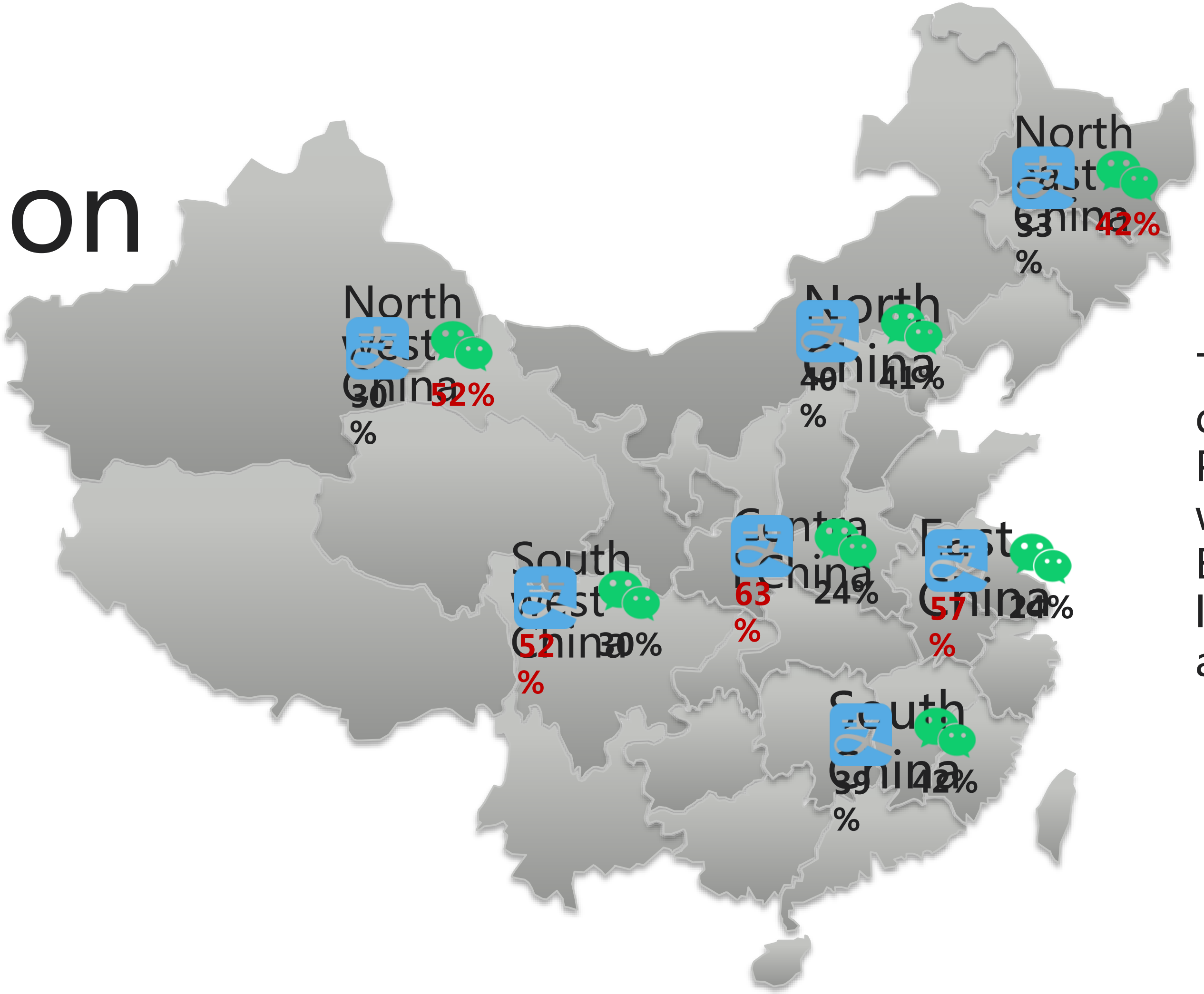
Most preferred ways of payment - overall

Recreation

	Alipay	WeChat Payment	Card swiping	Cash	QQ wallet	Apple Pay
[Terminal]	48%	33%	11%	4%	1%	1%

Most preferred ways of payment- by region

Recreation



[Terminal]

There were significant geographical differences between WeChat Payment and Alipay, as the former was more often used in Central, East, and Southwest China, and the latter, more often used in Northeast and Northwest China.

GAME CHANGERS

Most preferred ways of payment- by age

Recreation

17 to 22-year-old College students
More likely to use Alipay

59%

25%

23 to 29-year-old White-collar workers
More likely to use Alipay

52%

31%

[Terminal]

40 to 56-year-old Adults
More likely to use WeChat Payment

34%

39%

Why to use mobile payment

Convenient

No need to carry cash or bank cards

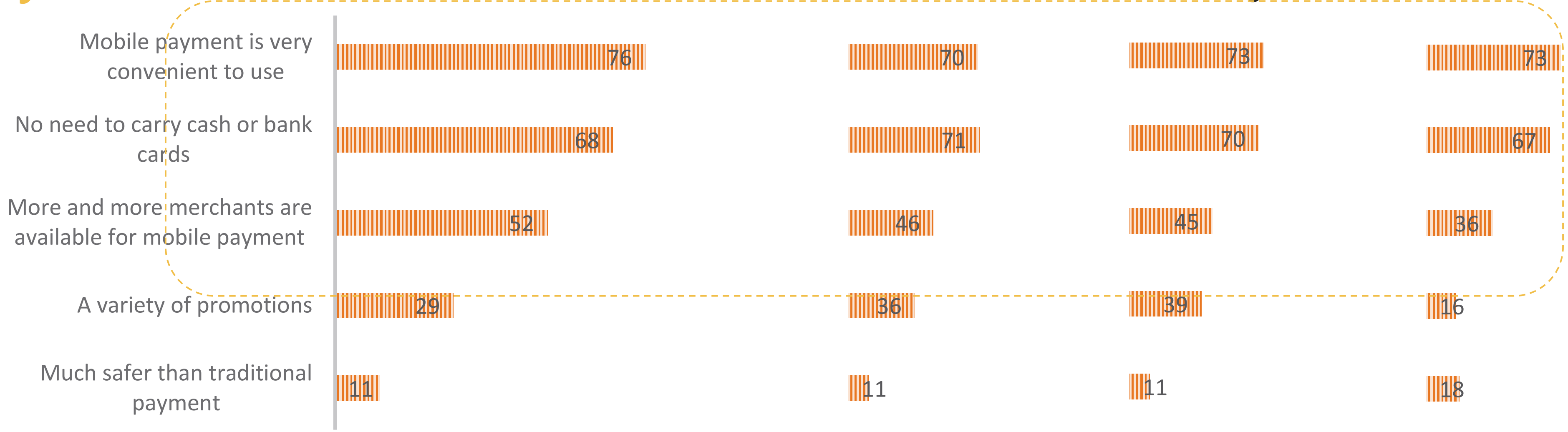
More merchants available for mobile payment

Takeaway/restaurant/supermarket/hypermarket/convenience store

Clothes buying online and offline

Recreational activity

Transfer



GAME CHANGERS

4C of Mobile Payment

Consumer needs

Mobile payment products solved payment related problems in my life **65%**

Mobile payment is more efficient **75%**

Convenience

76% Mobile payment products are easy to use

55% More merchants now support it

Cost

Mobile payment saves time **75%**

It reduces the chance to lost cash or bank cards **72%**

Communication

53% Varied promotions

49% Satisfying customer services

The most fundamental driving force of “cashless mobile payment” was “convenience”.

76% of consumers believed that mobile payment made their lives easier.

Take Top2 values for the degree of agreement: i.e., 9 or 10 scores

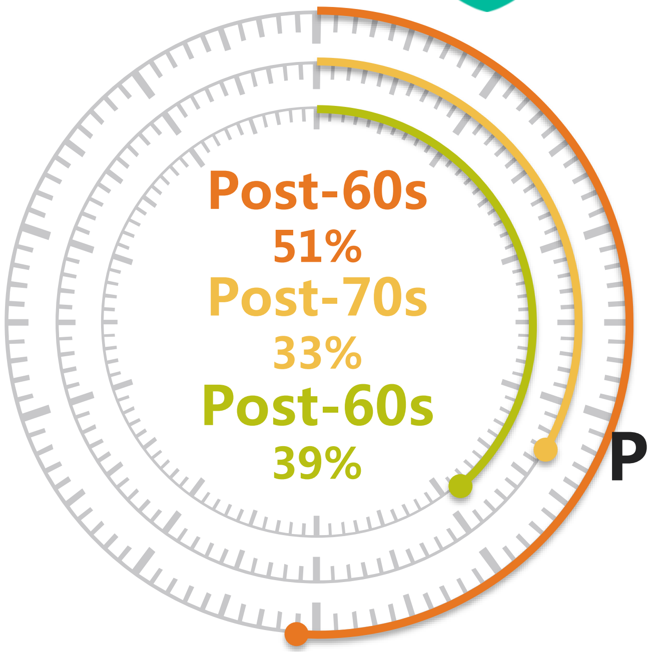
Reasons for not using mobile payments

Know little about mobile payment 32%

Security 24%

Complicated procedures to use mobile payment for the first time 23%

Security



79%

Private enterprise owners

More concerned about "security"

Post-60s&70s&80s

Refuse to use mobile payment for concerns about its "security"

Love

Use rate

Envelopes to relatives and friends
80%

Transfers to relatives and friends
77%

Largest red envelop ever sent	Ratio
≤100 yuan	24.12%
≤200 yuan	64.11%
≤500 yuan	72.11%

Use frequency

	High	Low
Envelopes to relatives and friends	86%	14%
Transfers to relatives and friends	85%	15%

Sending red envelopes to or receiving them from relatives and friends was the most frequently used mobile payment, and the proportion was up to 86%.

* High frequency means using it each time or very often, and low frequency means using it once in a while or hardly using it.

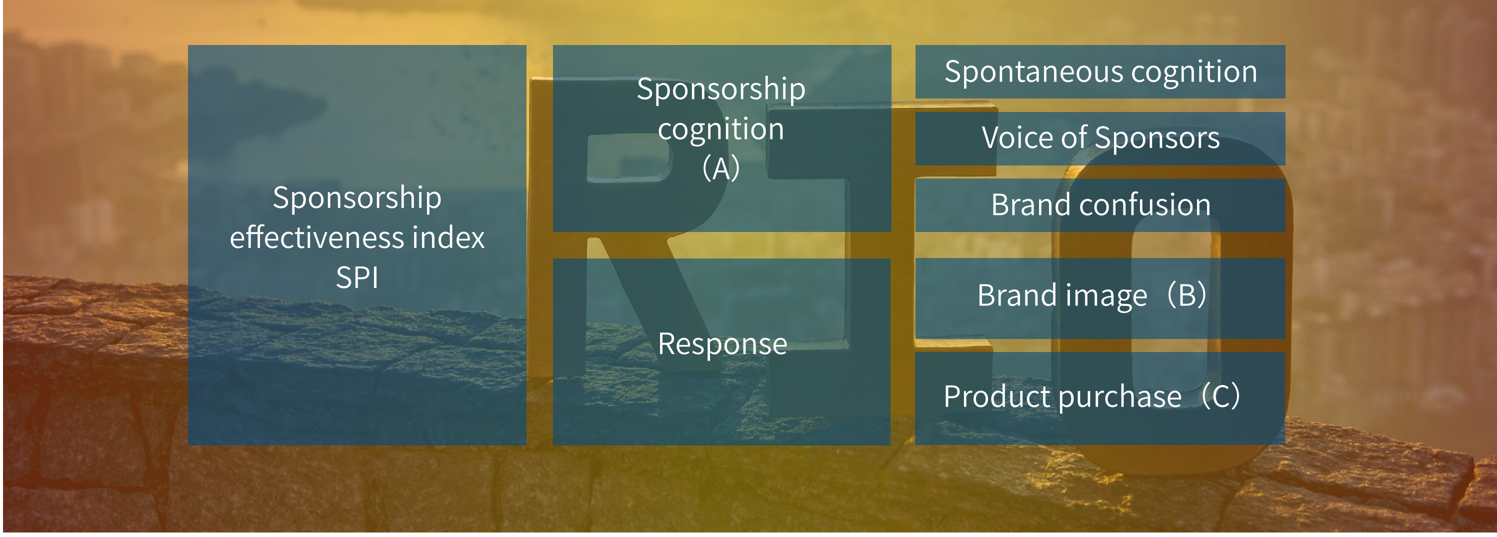
Reflection on Rio Olympics Marketing:

Ad Performance Evaluation From Ipsos Connect China

Ipsos Connect China

Event marketing has been proved to be very effective by many enterprises, and Olympics in particular, as the world's most famous sports event, has unmatched marketing value either to sales or brand building and enhancement, as was proved by Yili, Lenovo, and Coca Cola during the 2008 Beijing Olympic Games. Though the 2016 Olympic Games are to be held in Rio de Janeiro, it will have worldwide influence. Many Chinese enterprises sponsor Chinese Olympic Committee and Chinese athletes to show their support to sports undertakings in China and also to promote their own brand to a higher level.

Olympic sponsorship tracking launched by Ipsos involves multi-angle and timely research on enterprises' sponsorship, their marketing activities, the impact on their brand sales and promotion. The research will last from February to August 2016, during which accurate surveillance will be conducted to sponsors' online marketing campaigns.



Ad performance analysis

The overall cognition and brand association of Coca Cola and Yili's Olympic ads are rather good. Despite the good overall cognition of Ice Dew Water and 361 Sport, their brand association is low.

Overall cognition		Accurate cognition
56%	Coca Cola Sun Yang "My Gold-Medal Fellow"	52%
47%	Coca Cola, Chinese "women's volleyball team"	38%
49%	Ice Dew Water, Ye Shiwen	17%
57%	Yili, Ning Zetao	46%
43%	Yili, Guo Ailun	32%
40%	Samsung Galaxy, "Everybody,cheers!"	17%
40%	361 Sport, Sun Yang	5%
33%	361 Sport, Ning Zetao	5%

Coca Cola

As the new packaging hits the shelves, Coca Cola has launched "My Gold-Medal Fellow" and "Golden Moment" campaigns on TV and on the Internet.

Coca Cola maintains its upward momentum in Olympic marketing.

Its marketing activities not only enhances the association of its brand and the Olympics, but also considerably improves consumers' purchase intention.

"My Gold-Medal Fellow" that features a cute pet and the sports star has achieved good brand cognition and association. The unique design of the ad is impressive visually, and deepens the connection of the brand and people’ s daily life, hence more emotional involvement in the brand.

Coca's Ice Dew Water also receives good advertising cognition. However, given the limited awareness of the brand itself, the glory of sports stars has overshadowed, to some extent, the role of brand in advertising communication.

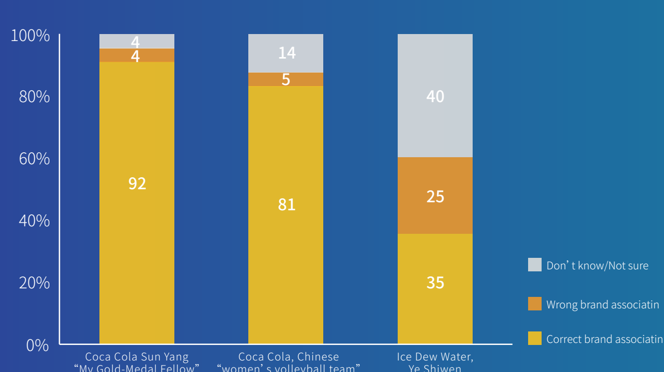
Coca Cola:
Sun Yang, "My Gold Fellow"

Coca Cola:
Chinese women's volleyball team

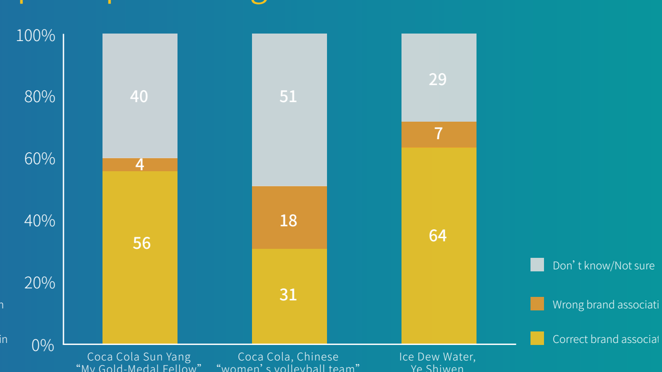
Ice Dew Water:
Ye Shiwen

Both the two ads of Coca Cola have achieved good brand association.
Despite the high cognition of spokesperson,
more efforts should be made to strengthen brand communication of Ice Dew Water.

Band association



Spokesperson cognition



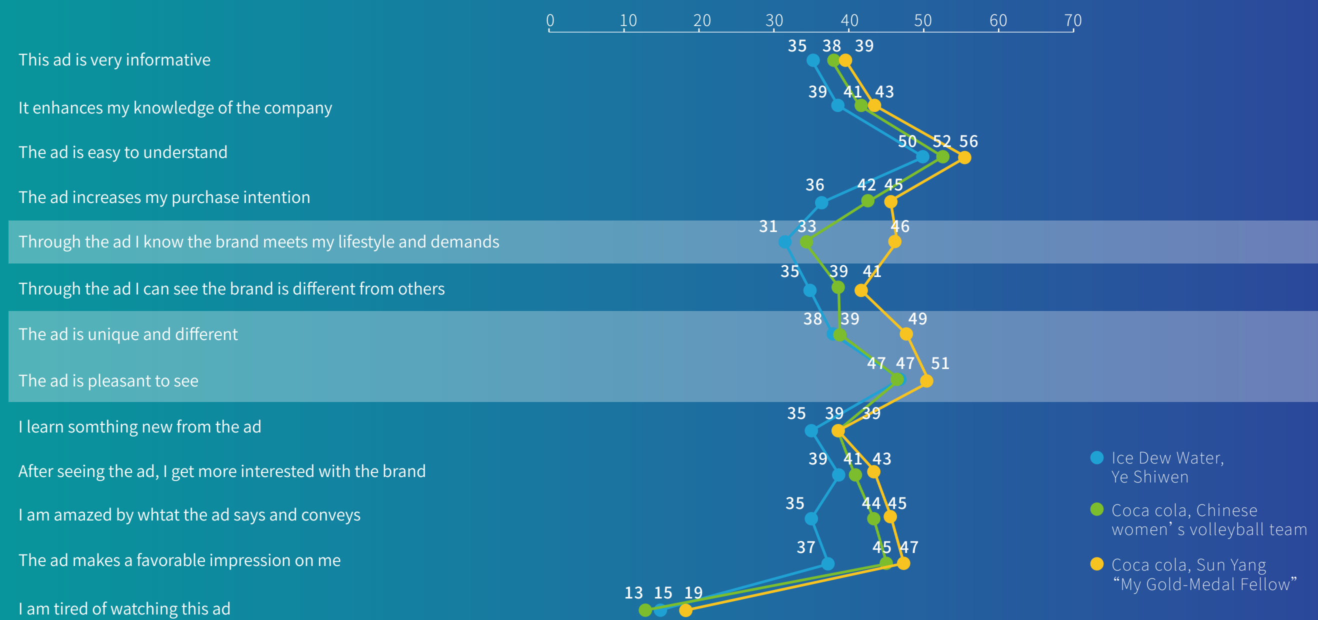
Base: Respondents having seen specific ad

C11-C19: Have you seen this ad recently?

C21-C29: Do you know the advertising brand?

Coca Cola’ s “My Gold Fellow” is distinctive, delightful,
and very close to consumers’ lifestyle and demands.
The ad that starring Chinese women’ s volleyball team furthers this pleasant feeling.

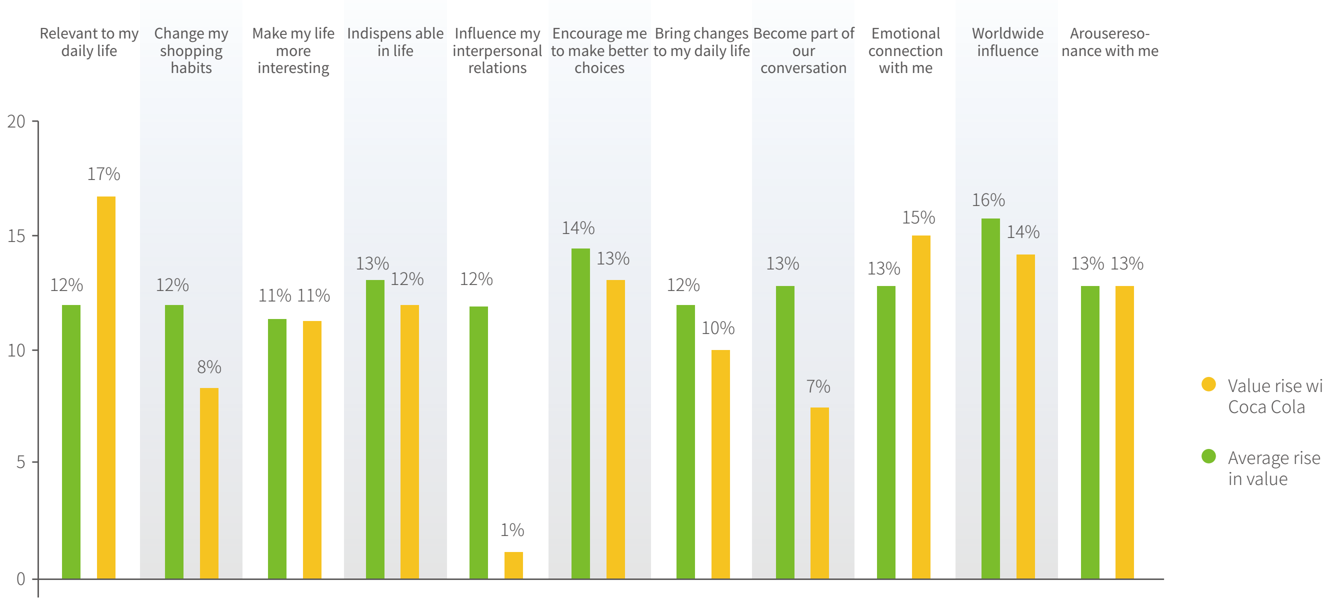
Detailed evaluation（strongly agree%）



Base: Respondents having seen specific ad C31-C39: How do you agree with the following statement on the ad? (Single choice)

"My Gold Fellow" and "Golden Moment" of Coca Cola before the opening ceremony deepens the connection of the brand and people's daily life, hence more emotional involvement in the brand.

Influence to Coca Cola brand image



Base: Respondents aware of the Rio Olympics and the brand
A5. Here are some descriptions of brand image. Please look at each description and tell me which enterprises you think it approiriately describes. You can choose one or more brands for each description, or none of them. (Multiple choice)

Yili

Yili also releases its new packaging for milk in its Olympics campaign, as well as the thematic ad, "Be energetic, and it is your day", on TV and the Internet.

Yili
Ning Zetao

The marketing activity has contributed to the steady upward momentum of Yili's overall sponsorship index.

It not only furthers the brand reputation, but also encourages more people to purchase products of Yili.

The ads that star Ning Zetao and Guo Ailun are rather consistent in creative, and the scenarios are delightful and easy to understand. Both have achieved good consumer awareness. Besides enhancing the relevance of the brand and everyday life, the ads also encourage consumers to make better choices in their daily lives.

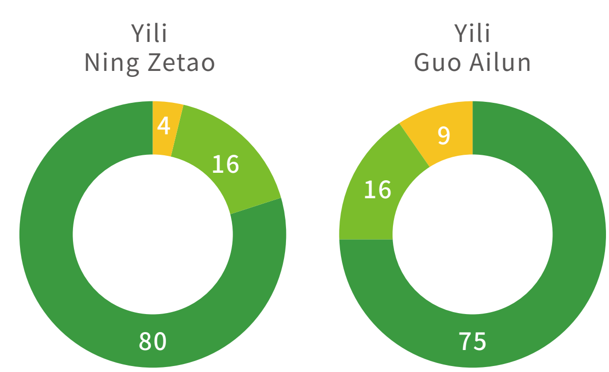
Yili
Guo Ailun

There are still some audience that mistakenly associate the ad with its competitor Mengniu.

Of the two new spokespersons, the popularity of Ning Zetao is much higher than Guo Ailun, so the ad staring Ning Zetao has better boosted consumer interest in the brand and products.

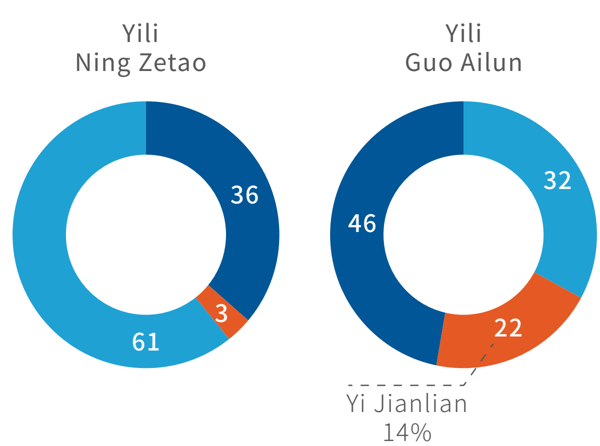
Both ads of Yili have achieved strong brand association,
but still some respondents mistake it for Mengniu.
Of the two spokespersons, the popularity of Guo Ailun is a little lower.

Brand association



- Don't know/Not sure
- Wrong brand association
- Correct brand association

Spokesperson cognition



- Don't know/Not sure
- Wrong brand association
- Correct brand association

Base: Respondents having seen specific ad
C11-C19: Have you seen this ad recently?
C21-C29: Do you know the advertising brand?

The ads that star Ning Zetao and Guo Ailun are rather consistent in creative, delightful and easy to understand. The one with Ning Zetao has better boosted consumer interest in the brand and products.

Detailed evaluation（strongly agree%)

Yili, Ning Zetao		Yili, Guo Ailun
38%	This ad is very informative	38%
40%	It enhances my knowledge of the company	39%
52%	The ad is easy to understand	51%
45%	The ad increases my purchase intention	46%
44%	Through the ad I know the brand meets my lifestyle and demands	42%
39%	Through the ad I can see the brand is different from others	37%
39%	The ad is unique and different	40%
47%	The ad is pleasant to see	45%
34%	I learn somthing new from the ad	40%
46%	After seeing the ad, I get more interested with the brand	38%
42%	I am amazed by what the ad says and conveys	37%
40%	The ad makes a favorable impression on me	42%
16%	I am tired of watching this ad	11%

Base: Respondents having seen specific ad

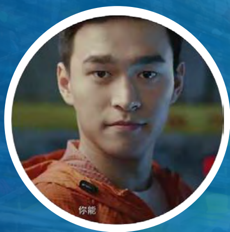
C31-C39: How do you agree with the following statement on the ad? (Single choice)

Besides enhancing the relevance of the brand and people’ s everyday life, Yili’ s two ads of “Be energetic, and it is your day” also encourage consumers to make better choices in their daily lives.

Influence to Yili brand image

Base: Respondents aware of the Rio Olympics and the brand
A5. Here are some descriptions of brand image. Please look at each description and tell me which enterprises you think it approiriately describes. You can choose one or more brands for each description, or none of them. (Multiple choice)

361 Sport



361 Sport
Sun Yang

In late July, 361 Sport released its Olympic theme product: “Rio Glory” series training shoes. Together with two thematic ads of “To Sponsor What We Love,” it officially enters its marketing campaign in Rio Olympics.

The marketing activities and natural advantages as a sports brand helped 361 Sport gain higher sponsorship cognition and relevance to the Olympics prior to the opening ceremony of the latter.

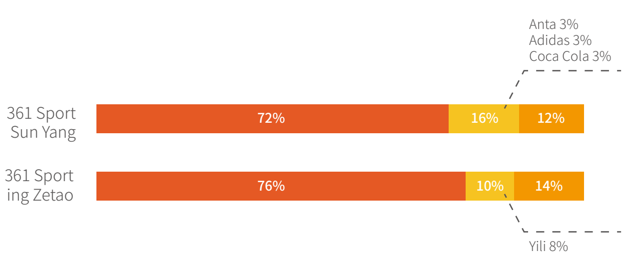
However, given the limitation of communication through advertising and offline activities, its role in promoting brand reputation and purchase intention remain to be seen.

361 Sport
Ning Zetao

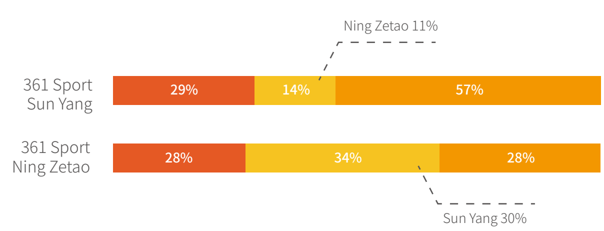
Although the ads starring Sun Yang and Ning Zetao have received certain cognition, despite the limited delivery, the brand and product are not exposed much in both ads, and most of the audience fail to recall the right brand.

Given the similar advertising creative and backgrounds of their spokespersons, the two ads does not generate the effect where 1+1>2; rather, they are confusing (the false cognition rate of Yili’ s ad that also stars Ning Zetao is much lower).

Brand association



Spokesperson congnition



Don’ t konw/Not sure   Wrong brand association   Correct brand associtation

Base: Respondents having seen specific ad   C11-C19: Have you seen this ad recently?   C21-C29: Do you know the advertising brand?

Despite the similar ad creative, the ad starring Ning Zetao is more delightful to the audience.

Detailed evaluation（strongly agree%)

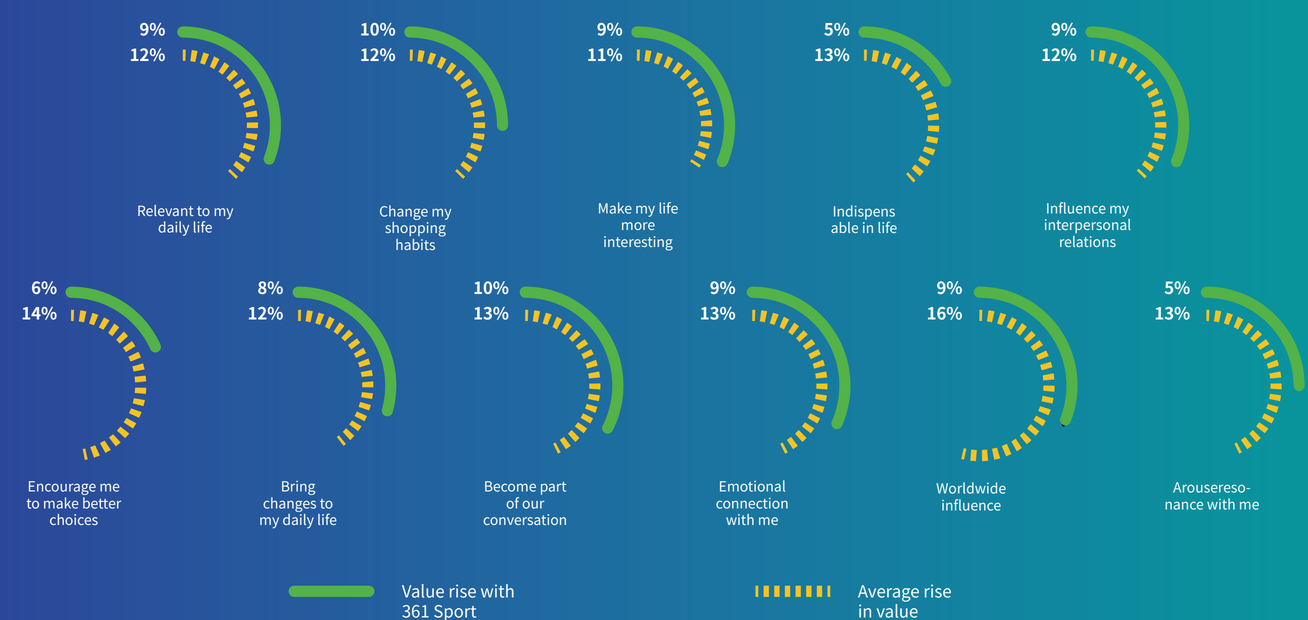
39%	This ad is very informative	39%
39%	It enhances my knowledge of the company	40%
50%	The ad is easy to understand	51%
38%	The ad increases my purchase intention	40%
35%	Through the ad I know the brand meets my lifestyle and demands	37%
37%	Through the ad I can see the brand is different from others	34%
48%	The ad is unique and different	43%
41%	The ad is pleasant to see	50%
43%	I learn somthing new from the ad	38%
45%	After seeing the ad, I get more interested with the brand	44%
44%	I am amazed by whtat the ad says and conveys	39%
39%	The ad makes a favorable impression on me	44%
14%	I am tired of watching this ad	14%

Base: Respondents having seen specific ad

C31-C39: How do you agree with the following statement on the ad? (Single choice)

The effective dissemination of the two ads of 361 Sport is limited, and instead of making the athletes the center, it should further the influence of its brand image.

Influence to 361 Sport brand image



Base: Respondents aware of the Rio Olympics and the brand

A5. Here are some descriptions of brand image. Please look at each description and tell me which enterprises you think it approriately describes. You can choose one or more brands for each description, or none of them. (Multiple choice)

It has been sometime after the Rio Olympics,

but the reflection on Olympics marketing will continue.

What are our expectations for Tokyo Olympics in 2020?

For more detailed information on Ipsos Olympics marketing, please contact: Ileana Yang, Ipsos Connect Deputy Research Director: ileana.yang@ipsos.com