



Survey on Consumption during the Spring Festival

Ipsos

As the Year of the Goat approaches, so does the first “Golden Week” of consumption for 2015. Recently, Ipsos conducted a small survey of 400 people in first- and second-tier cities on their consumption habits for the upcoming Spring Festival. The survey results give us some insight into the intentions of consumers during Spring Festival, where they plan to have family reunion dinners, and what they plan to spend on.



Gift consumption

Gift consumption is a major part of consumer spending during the Spring Festival. The survey results show that giving presents to the family elders (65%) and doing Spring Festival shopping (61%) will be the two main components of consumer spending in 2015. In addition, buying gifts for visiting friends or relatives (38%) and going out for dinner/entertainment (35%) are also important parts of consumer spending.

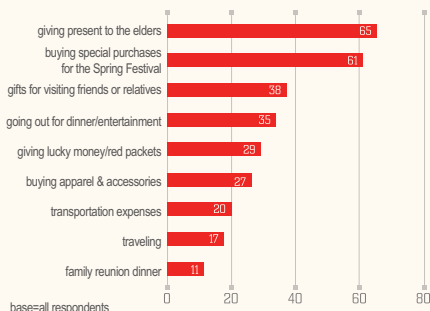
As for what we will be buying those family elders, the survey shows that apparel & accessories (40%) is the most popular choice among consumers, followed by non-health care food & beverage (37%), household supplies (34%), and health care products (30%). Additionally, fitness products (22%) and small household appliances (21%) were also identified by consumers as gift ideas.

For visiting friends and relatives, cigarettes/alcohol/tea (61%) is the most popular gift. In addition, food & beverage (38%), health care products (28%), cosmetics/personal care products (25%), and fresh fruits and vegetables (22%) are also popular choices. It is worth noting that nearly twenty percent (19%) of respondents would consider choosing green/organic food as gifts. With health being at the forefront of peoples' thoughts these days, more and more consumers have put green/organic foods into consideration for gifts.

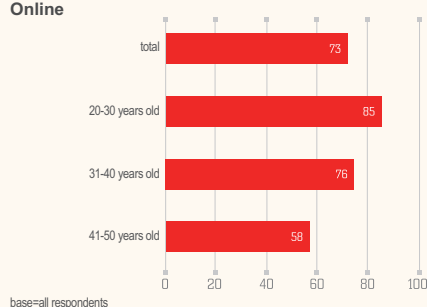
The survey also shows that 73% of respondents said that they would buy special purchases and gifts for the Spring Festival online. Among them, the 20-30 year-old demographic is the proportion most likely to do their shopping online at 85%, with the proportions among respondents 31-40 years old and 41-50 years old being 76% and 58%, respectively. With online shopping becoming a major channel for consumers to do Spring Festival shopping, there have been more challenges for online retailers regarding their logistical distribution capabilities during the Spring Festival.

*All data source from Ipsos

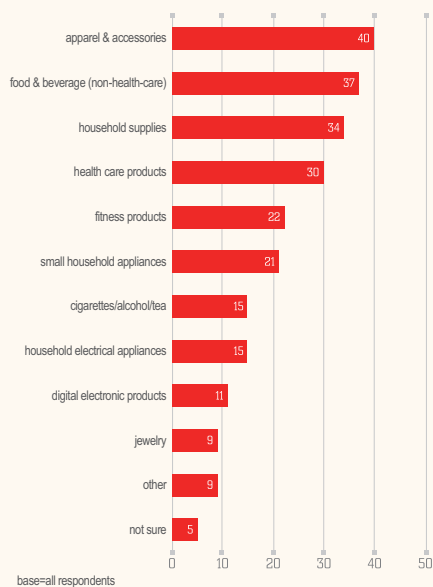
The Three Main Aspects of Consumer Spending in the Spring Festival



Proportions of Respondents Consider Buying Special Purchases for the Spring Festival/Gifts Online



Gifts that Consumers Would Consider Buying for the Elders



Gifts that Consumers Would Consider Buying for Visiting Friends or Relatives



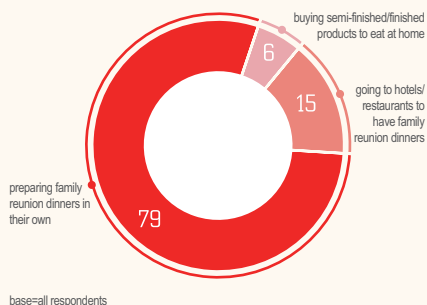


Family reunion dinner

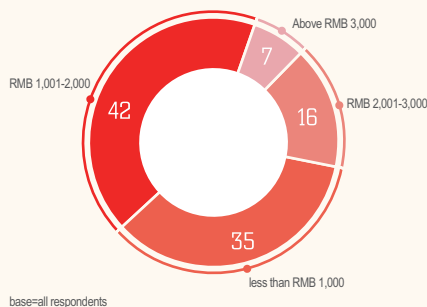
Family reunion dinners are the big event during Spring Festival, whether they are at home or in a hotel/restaurant. The survey results show that the vast majority of consumers (79%) choose to prepare their family reunion dinners in their own home or in the home of friends or relatives, 15% of respondents choose to go to hotels/restaurants, and the remaining 6% choose to order in.

Regarding the price of the family reunion dinner, prices no higher than RMB 2,000 are acceptable for most of the respondents (77%). Among them, 35% would only pay prices less than RMB 1,000, and 42% think prices from 1,001 to 2,000 are acceptable.

Where to Have Family Reunion Dinners in the Spring Festival of 2005?



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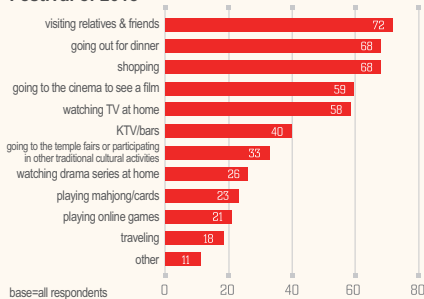


Spring Festival entertainment consumption

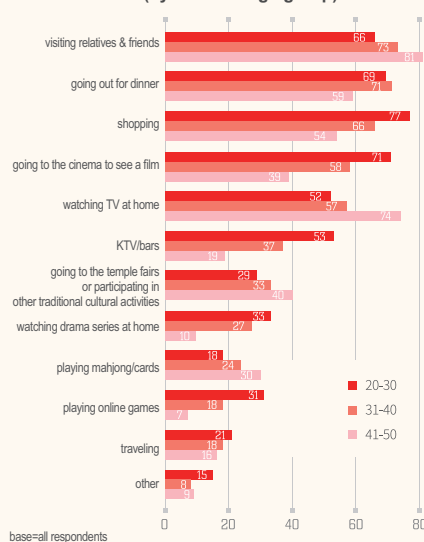
According to the survey, visiting relatives & friends (72%), going out for dinner (68%), shopping (68%), going to the cinema (59%), and watching TV at home (58%) will be the main recreational activities during the Spring Festival. In addition, going to KTV/Bars (40%) and going to the temple fairs and participating in other traditional cultural activities (33%) are also popular choices.

Young people will be the main consumers of entertainment during the Spring Festival. The proportions of respondents 21-30 years old who choose to go shopping (77%), go to the cinema (71%), and go to KTV/bars (52%) are significantly higher than those of older consumers.

Recreational Activities Consumers Would Consider Participating in during the Spring Festival of 2015



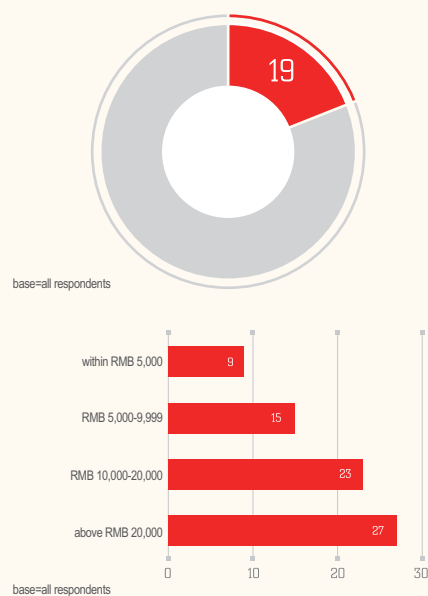
Recreational Activities Consumers Would Consider Participating in during the Spring Festival of 2015 (by different age group)



Spring Festival travel

According to the survey, nearly twenty percent (19%) of respondents said they would consider traveling to other places with their family/friends during the 2015 Spring Festival. Among respondents who would consider traveling during the Spring Festival, nearly sixty percent (58%) of them said they would consider traveling to other provinces, 17% would consider traveling abroad, and 15% would consider traveling to Hong Kong, Macao, or Taiwan.

Proportion of Respondents Who Would Consider Traveling to Other Places with Their Family/Friends during the Spring Festival of 2015



Places that Those Respondents Would Consider Traveling to

