



@China's Homes 2025

The BLUM-REHAU China Middle-Class-Survey

Survey Outline

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The Research Institute

@China's Homes 2025 – The BLUM-REHAU China Middle-Class-Survey is conducted by IPSOS one of the leading market and social research institutes. Ipsos ranks third in the global research industry. With a strong presence in 87 countries, Ipsos employs more than 16,000 people and conducts research programs in more than 100 countries worldwide. Founded in France in 1975, Ipsos is controlled and managed by research professionals. They have built a solid Group around a multi-specialist positioning – Media and advertising research; Marketing research; Client and employee relationship management; Opinion & social research; Mobile, Online, Offline data collection and delivery.



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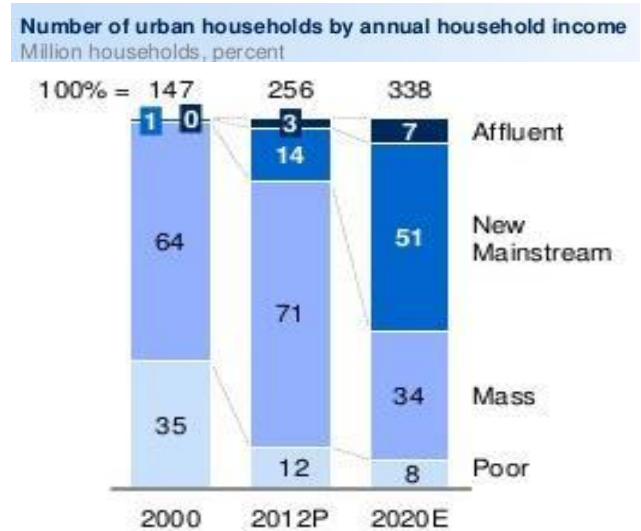
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“ ‘Game Changers’ – our tagline – summarizes our ambition. ”

Didier Truchot
(Ipsos Chairman & Chief Executive Officer)

Survey Background & Purpose

The emerging Chinese Middle Class – Mc Kinsey calls it the New Mainstream – will fundamentally re-shape the Chinese society and economy. Its explosive growth has already brought sweeping economic change in the country and with consumers' purchasing power increasing demands and expectations will shift significantly. As one major effect, Chinese markets (e.g. the kitchen and furniture market) will change from industry-driven to consumer-driven and brands will need to understand precisely the needs and expectations of an empowered consumer.



Source: Mc Kinsey Macroeconomic model update (Apr. 2012)

To understand and evaluate these future consumer needs – especially when it comes to their living and kitchen environment – is the purpose of the BLUM-REHAU China Middle-Class-Survey “@China’s Homes 2025”, but not only that:

Both – Rehau and Blum – are family-owned companies, and are both build around one core company value: **Sustainability**. This is also the main driver and motivation for launching @China’s Homes 2025. Not only do both brands want to sharpen their understanding of the Changing Chinese Consumer, but also share the survey’s results with their customers, partners in the industry, and the Chinese society as a whole. Since sustainability for both brands also means to give something back to the society they are doing business in, the data will also be open for the public, scientific research and the education of Chinese students.

Together we want to understand better. In order to make life @China’s Homes a better, healthier, environment friendlier, safer – short a sustainable experience – today and in the future.

Survey Design (I)

City coverage:

8 cities – Beijing, Shanghai, Guangzhou, Qingdao, Nanjing, Changsha, Kunming and Chengdu

Sample criteria:

- 1) Male or female aged 20-50
- 2) Monthly household after-tax income: RMB 15,000 – RMB 50,000.
- 3) Brand decision maker of household furniture and house decoration in the family

Sampling method:

- 1) Candidates are randomly selected by computer from Ipsos panel database
- 2) Then candidates are screened by telephone interview
- 3) Qualified candidates are recruited and attend the interview at their homes

Data collection method:

Computer Assisted Personal Interviews (CAPI, iPad - assisted by interviewer)

Sample size (2017/2018):

N=150 per city, total N=1200

Sampling frame (quota):

- 1) Gender split: 50% male and 50% female
- 2) Age group split*: aged 20-30 – 10~15%; aged 31-40 – 40~45%; aged 41-50 – 40~45%

* Based on city statistical data and Ipsos internal data

Survey Design (II)

Survey timing:

The survey's first wave will last for 12 months from June 2017 to May 2018.
100 target consumers will be interviewed every month

Interview dates:

From 15th to 30th each month

Interview duration:

50 to 60 minutes

Interview language:

Mandarin

Quality check method:

Telephone via quality check questionnaire

Incidence of quality check:

- 1) 20% at recruitment stage
- 2) Another 20% after interview

Margin of error:

2-3% at 90% confidence level

Questionnaire Design & Content (I)

Part 1: Family background

- Gender
- Age
- Marital status
- Monthly household after-tax income
- City that respondent currently living
- City that respondent was born and grew up
- Duration of living in current city
- Type of the house currently living
- Duration of living at current house
- Number of people living together
- Relations of people living together
- Reasons of living with parents/parents in law
- Occupation of each family member living together
- Basic facts and figures about the house
- Decoration situation of the house when moved in

Part 2: Society and economic

- Satisfaction to current life
- Everyday life attitudes
- Social and future life attitudes
- Expectations on personal economic in future
- Wishes for life in 5 years
- Expectations on China economic in future
- Future spending
- Attitudes towards environment
- Attitudes towards expenditure
- Perceptions to high quality

Questionnaire Design & Content (II)

Part 3: Digitalization and communication behavior

- Digitalization media usage and consumption
- Public and private topics and communication
- Usage of and attitude about WeChat

Part 4: Family life and value

- Role and importance of family
- Roles of family members
- Family planning
- Challenges in family
- Activities in family

Part 5: Home

- Role and importance of home
- Attitudes towards home
- How would a dream home look like
- Satisfaction with current home
- Knowledge on Quality/Materials/Energy saving
- Needs and wishes for redecoration
- Biggest pain points and demand for change
- Details of decision making on redecoration

Questionnaire Design & Content (III)

Part 6: Cooking and kitchen

- Role and importance of kitchen
- Attitudes towards kitchen
- Satisfaction with current kitchen
- Importance of various aspects of kitchen
- Satisfaction with various aspects of current kitchen
- Details of decision making on buying kitchen

Part 7: Windows

- Satisfaction with windows in the house
- Expense willing to spend on high quality window
- Perceptions on installation of high quality window

Part 8: Demographics

- Education level
- Willingness to be contacted by Blum and Rehau

Fieldwork

Time schedule

- Recruitment from 1st to 14th each month
- Interview from 15th to 30th each month

Field team

- Fieldwork supervisors are full-time employee of Ipsos and its partner
- Interviewers are part-time employee of Ipsos and its partner
- Quality check is conducted by Ipsos employee

Main researcher

Duncan Fan, Zoe Zhou, Janice Fang

Fieldwork response rate

90%

Willingness to be re-contacted

83%



The Brands



REHAU, as a family-owned company founded 1948 in Germany, has always worked to develop new areas of application for polymer formulations in the areas Building technologies, Automotive, Industrial and furniture solutions.

By continuous development and with the support of 20.000 employees at 180 locations the company reached a worldwide market leading position. In Asia REHAU is represented at over 28 locations to meet customers' requirements and increase people's quality of life. Furniture solutions from REHAU containing uncountable variants of different edge bands, same as roller shutter solutions, profiles and since a few year also polymer surfaces for kitchen, bathroom, shop fitting and other- furniture.



Founded in 1952 by Julius Blum in the Austrian municipality of Hoechst in Vorarlberg, the company today is one of the market leaders in the furniture hardware industry. Blum is a family-owned company that operates worldwide, specialized in the manufacture and distribution of furniture fittings. Its main product groups are lift, hinge and pull-out systems for furniture – predominantly in kitchens.

With a revenue increase of 8 % to 1,788.08 million euro (7,200 employees), fittings manufacturer Blum reports a successful conclusion to the financial year of 2016/2017. Innovative products, international market presence, consistent investments in R&D and highly qualified staff mean that the family enterprise headquartered in Höchst (Austria) can celebrate a revenue increase that is worth its name. 48% of the company turnover was generated within the EU, 16% in the US. Blum supplies 120 markets all over the world (29 subsidiaries), making it one of Austria's largest export companies. In June 2017, the company won the prestigious Austrian export prize, the "Global Player Award", in recognition of its outstanding performance in exports.

The Authors



Daniel Frerichs (Blum China – Business Development Manager) is a German national and holds a diploma degree in politics, economics, and public management from University of Bamberg (Germany). In 2011 the founder of PRAGMA Institute for empirical strategy consultancy (Reutlingen) decided to move to China. After gaining first Sino-European experiences in the medical field, he joined the furniture fittings manufacturer Julius Blum GmbH at its China Headquarters in Shanghai from 2013. Here Mr. Frerichs is in charge of establishing and operating an E-Commerce distribution channel. Furthermore, he is leading strategic projects in business development, corporate communication, as well as business intelligence. Daniel Frerichs initiated and designed the Blum-Rehau China Middle Class Survey “@China’s Homes 2025” as one of Blum’s biggest marketing research efforts in the company’s history



Rebecca Götzmann (Rehau China – Project Manager Furniture Solutions) graduated as Bachelor of Arts in Business Administration at the University of Stuttgart (Germany). Since 2009 she is working for the polymer specialist REHAU in Marketing and Sales for the European Furniture Market. In 2016 she decided to move to Shanghai in order to lead a strategic project for REHAU China in the home furniture segment - including the market launch of a new, innovative product line within the existing furniture business of Rehau China. Rebecca Götzmann is highly interested in knowing more about Chinese middle class and how to improve peoples’ quality of life and is ensuring highest standards regarding questionnaire design, data analysis, and presentation of results.



Duncan Fan (IPSOS China – Research Director). The Chinese national looks back on more than 20 years of market research experience – both, as primary researcher as well as on agency side. Companies and brands Mr. Fan worked for include e.g. Colgate Palmolive, Siemens Mobile, Synovate and Ipsos. He is a known specialist for quantitative research, with expertise on shopper & retail research, consumer marketing research, innovation studies, satisfaction & loyal studies, sales forecast as well as data analysis. Duncan Fan is supervising the research quality of “@China’s Homes 2025” and leading the survey’s research and data analysis team.

“ *We cannot solve our problems
with the same kind of thinking
we used when we created them.* ”

Albert Einstein