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Chinese Maintain Penchant for High-quality US Goods

Blue jeans, DVDs, moisturiser and athletics shoes are among the US products that Chinese consumers desire most, according to a UPS survey of 1200 middle-class consumers in six Chinese cities.

The second annual UPS survey of Chinese urban consumers – often referred to as Chuppies – reaffirms their demand for high-quality US products, and unearths more detailed insight into their buying preferences and demographic differences. UPS, which flies to more airports in China than any other US airline, commissioned the survey to help its customers to do business in the Chinese market.

“The survey highlights the need for small to mid-sized businesses to be prepared and focused on exactly what it is they want to accomplish by entering China,” said Kevin M O’Connell, senior partner at law firm O’Connell and Co, which advises investors into China. “They need to set themselves apart from their competition and from the large multinationals and market to a very specific niche.”

The most sought-after products in this year’s survey were US videos/DVDs, music or books and consumer electronics, which were also the top categories in the 2005 survey.

When considering imported products, 85% of Chinese consumers say that quality is a critical factor in their purchasing decision. However, the survey reveals varying purchasing preferences by age group, gender and location. For example, younger consumers are more open to buying US products in general than their older counterparts. Younger consumers also say that they buy imported products to enhance their image and status, with laptop computers, video/digital recording systems and coffee makers among the most attractive US products to them.

More opportunities to reach Chinese consumers will probably emerge as their use of credit cards and frequency of online shopping increases. The survey reveals that more than half of urban Chinese consumers use credit or debit cards for shopping, and 84% of those with credit cards expect their usage to increase or remain the same in the coming year.

Conducted by Research International, the UPS survey was a quantitative study of 1200 Chinese consumers in six Chinese cities: Beijing, Shanghai, Guangzhou, Shenyang, Chengdu and Wuhan. Respondents were all between the ages of 20 and 59 and had high household income levels in China (monthly income of Rmb3000 [\$383] or above in Beijing, Shanghai and Guangzhou, and Rmb2000 or above in Shenyang, Chengdu and Wuhan).

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