



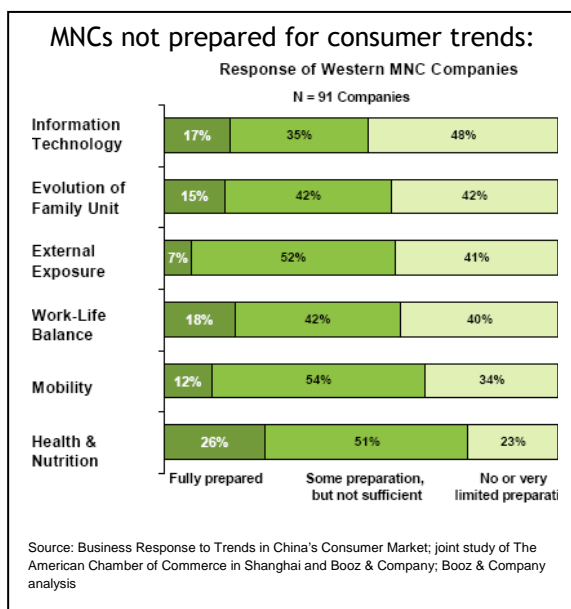
Report Summary: *China Consumer Market Strategies 2011: How MNCs and Chinese companies are competing in the world's fastest growing market (AmCham Shanghai/Booz&Co.)*

China is set to become the second largest consumer market by 2015, purchasing 14 percent of the world's products. In order to gauge how companies can best take advantage of this dynamism, AmCham Shanghai and Booz & Company surveyed 135 firms- both Western multi-nationals (MNCs) and Chinese companies- on their perceptions of six key consumer trends (see box).

Below is a summary of the results:

- For MNCs, External Exposure is the most significant trend. Increased familiarity with Western products will create more demanding consumers and brand loyalty. However, MNCs downplay Work-Life Balance, which could result in missed opportunities.
- For Chinese firms, Information Technology is the most significant trend. Access to product and price information will change how consumers select products. Meanwhile, e-commerce's momentum is stronger among Chinese firms, even though MNCs have a head start in this technology.
- Mobility is the second most important trend for both MNCs and Chinese firms. Modernized infrastructure will expand retail outlets and shopping opportunities across China.
- Neither MNCs nor Chinese firms believe they are sufficiently prepared for the key trends and are uncertain of the precise direction the market will take.

Key Consumer Trends in China:	
External Exposure	
Information Technology	
Health and Nutrition	
Evolution of Family Unit	
Mobility	
Work-Life Balance	



- Human resource management, including talent recruitment, training and retention, proves the most challenging issue for MNCs in China. Competition from Chinese companies, particularly in terms of R&S expansion, intellectual property risks and stronger emphasis on e-commerce is also a challenge.

- MNCs and Chinese firms are taking the following steps to tackle consumer trends: 1) conducting research to better understand trends; 2) developing new products and services; 3) adapting brand strategies; 4) adapting marketing and communications strategies.

A PDF of the full report is available at: http://www.amcham-shanghai.org/ftpuploadfiles/website/Publications/Consumer_Market_Strategies_2011.pdf