

CHINESE MARKET BEYOND CHINA



A \$300 billion untapped market awaits
Learn Chinese: Ni-Hao, 你好, Hello

A QUICK GUIDE TO MARKETING CHINESE CONSUMERS IN AMERICA

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Introduction

Do you know Chinese tourists are described as “Walking Wallets” by the US media. In 2012, Chinese tourist spent over \$ 85 billion overseas. As one of the major destinations for Chinese tourists in the US, Chicago attracted over 107,000 tourists from China in 2012. They spent just shy of \$3,000 apiece during their stays here, nearly three times over a typical domestic tourist. This is just one piece of the iceberg. The Chinese consumption power is constituted by a variety of segments in Chicago- students, immigrants, white-collar professionals, business investors and so forth.

As China’s prepared to usher in its new leadership, an estimated \$225 billion dollars leaked out of the country. Are you ready to compete for it? However, the truth is American brands are hardly tapping into it. What keeps them away is the inevitable cultural obstacle to understand the market. They can’t read the language and understand the preferences of the Chinese consumers. This is why we are offering you this e-book. We do hope after reading it, you can get a preliminary understanding of this unique segment in the US.

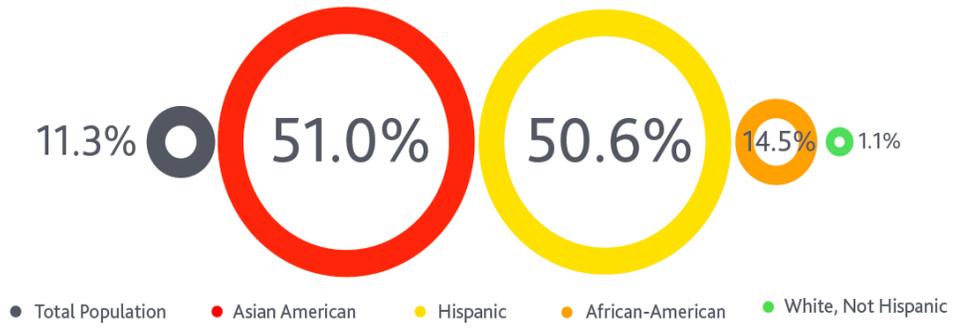
In the e-book, (1) the market potential in the Chinese consumers is first explored, (2) the discussion of how different media channels engage with the segment is in the second section, and (3) what Chicago Chinese Media can offer to address the culturally marketing obstacles is also included.

Why should your company market to Asian consumers in the U.S.?

1. Population Growth in Asian American Market:

- The Asian American population is approximately 18.2 million and has increased over 50% since 2000, the highest growth rate of any multicultural segment in the U.S.

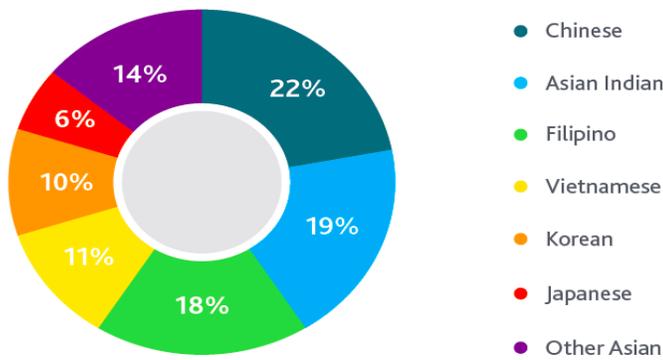
Growth Rates from 2000-2012



Source: Nielsen Pop-Facts Premier, 2012 update

- In all the multicultural segments, Chinese represents the largest group at 22%, followed by Asian Indians at 19%.

Asian American Segments



Source: Nielsen Pop-Facts Premier, 2012 update

*Source: Nielsen Pop-Facts Premier, 2012 update
 **Sources: Dept. of Homeland Security 2010 Factbook; U.S. Census 2010
 ***Source: U.S. Census 2010

* Source: Nielson State of the Asian American Consumer, Quarter 3 2012

- In 2010, about 430,000 new immigrants entered the U.S. from Asia alone, representing 36% of the total U.S. immigrant population. Overall, 3 out of 4 Asian Americans are foreign-born.

Foreign-Born by Country of Origin 2010

Asian American Segment	Foreign-Born Percentage
Chinese	76%
Filipino	69%
Indian	87%
Vietnamese	84%
Korean	78%
Japanese	32%

Source: U. S. Census 2010

2. Increasing Purchasing Power

- Asian Americans make up a powerful consumer base with \$718 billion in buying power that is expected to reach \$1 trillion in just five years, equal to the 18th largest economy in the world.
- Asian American median household income is 28% higher than the total U.S. median income.

	Total U.S.	Asian American
Median	\$49,580	\$63,420
Average Household Income	\$67,320	\$78,600

Source: Nielsen Pop-Facts Premier, 2012 update

* Source: Nielson State of the Asian American Consumer, Quarter 3 2012

- Asian Americans are also more likely to make purchases online, with the highest index of any group for the past 12-months.

Past 12-Month Internet Purchases Index

Asian American	121
Non-Hispanic White	116
Hispanic	64
Non-Hispanic Black	67

Source: Geoscape/The Media Audit 2011

3. More informed purchasing behavior

- In addition, 50% of Asian Americans 25 years and older have a Bachelor's degree compared to 28% of the total population.
- Half of the Asian American working population is in professional and managerial roles, compared to about 40% of Americans overall.
- Entrepreneurship also plays a significant role in the Asian American community. According to the U.S. Census Survey of Business Owners, there were approximately 1.6 million Asian American-owned businesses in the U.S. in 2007, an increase of 41% from the 2002 U.S. Census - higher than the 18% growth for all U.S. firms during the same time period.
- With gross receipts totaling over \$506 billion, Asian American - owned businesses generated more revenue than any other group except non-Hispanic Whites.

* Source: Nielson State of the Asian American Consumer, Quarter 3 2012

Small Business - Gross Receipts 2007

Asian American

Non-Hispanic White

Hispanic

African-American

\$506 Billion

\$10,240 Trillion

\$351 Billion

\$136 Billion

Source: U.S. Census 2007 Survey of Business Owners

Why Chicago?

There are over 50,000 Chinese in Chicago, and there are more than 150,000 in greater Chicago area.

Over 302,000 Chinese were visiting in greater Chicago in 2012 and showing preliminary signs of double-digit growth in 2013.

Collectively, Chinese who live in Chicago buying power has risen 523% since 1990 to \$318.4 billion in 2012.

Strong and growing U.S.-China business ties were another powerful catalyst for purchasing power from Chinese community in Chicago. At least 40 Chinese businesses currently have operations in the Chicago area.

* Source: Nielson State of the Asian American Consumer, Quarter 3 2012

* Mandarin Quarterly Research

How to market to Chinese consumers in America

1. Traditional Media: TV/Radio/Print

- Chinese TV

Television is still an important medium for Chinese Americans households. Without budget limitation, it is the best choice to launch marketing campaign on Chinese satellite TV channels.

- Chinese Radio

People who listen to Chinese radios are normally those who drive to work but are not comfortable with English. Currently, there is no Chinese radio station in Chicago.

- Chinese Prints

Most of the people who read Chinese newspapers are those who have more disposable time. Most of this segment do not speak fluent English, and depend on Chinese media to keep themselves informed. High dependency on newspapers empowers marketers to reach out to this segment effectively.

2. Chinese on-line based Media

China today has the world's largest social media population. Chinese students with population over 4,500,000 in the US are probably the most vibrant netizens. Social media has emerged as an effective and powerful communication channel for Chinese to engage, voice their opinions, and discover new products or brands. The salient platforms are Weibo ("China's Twitter"), Wechat, Renren ("China's

Facebook”) and Douban. Successfully utilizing these platforms would be a cost effective way to set up dialogue with Chinese consumers in the US.

3. PR Campaign/Community Outreach/Events Sponsorship

In China’s culture, sense of belonging plays a big part in their daily life. This is why numerous of Chinese communities have been built up across the United States. The scatteredness of these Chinese communities limits the scale of market that you can cover at one time. The preference of gathering among this segment further justifies the use of a Chinese advertising agency to help launch a PR campaign. Chinese favors gatherings where they can nourish “Guanxi” (Chinese term of network). Chinese is known for their unique reciprocal business manners, therefore your business pitch built up through a PR event is beyond simply exchanging business cards.

*<http://www.chicagochinesemedia.com/services/>

What is Chicago Chinese Media?

Chicago Chinese Media (CCM) is an advertising agency targeting the Chinese speaking population in the Chicago-land area. CCM is crafted to help its clients deliver their advertising and brand messages to Chinese speaking population in Chicago through proper media channels and creativeness. We are offering following three scopes of services resonating with Chinese consumers:

Step 1-Brand

- Chinese Brand Identity
- Chinese Advertising Copy
- Market Research & Audit
- Chinese Social Media Setup
- Oversee Web Accessibility
- Chinese Keywords SEO

Step 2-Advertising

- Advertising Copy Translating
- Website Translating
- Chinese Ad Design & Copywrite
- Chinese Online Advertising
- Advertising Placements in:
Targeted Online Chinese Media
Targeted Chinese Printed Media

Step 3-Engage

- Weibo Setup & Management
- Event Hosting/Sponsors
- Chinese Media Press Release
- Community Leader Outreach
- PR Management
- Brand Feedback Loop

*<http://www.chicagochinesemedia.com/services/>

A letter to you

My dear friend,

Do you know, in the early 1980s, when Pepsi took its "Pepsi, the cola for the new generation" and "Pepsi comes alive" slogans to China, the message was perceived as "the cola for dead people" by Chinese consumers. For to the Chinese, who believe in reincarnation, the "new generation" does not refer to the young, but to dead ancestors coming back to life.

As mainstream advertising agencies piled mistake upon mistake and hesitated to step forward, they justify the necessity in working with specialist agency. As the first specialist agency focused on Chinese market in Chicago and the Midwest in America, Chicago Chinese Media (CCM) is crafted to help you remove the hurdles of language and culture, and to assist you in conveying culturally tailored messages that can truly resonate with the Chinese market.

We are confident and honored to take you along the whole adventure in this under-tapped market: from creating the right message, identifying the right media channels, to connecting with the right audience in the right timing. The question is: are you ready to get on board?

Sincerely Yours,

Chicago Chinese Media