

## Notes

B2B International is a business-to-business agency based in Bramhall, near Manchester. The company is currently in the process of setting up a consultancy division in Beijing, which is expected to be open by January 2007.

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# A WHITE PAPER ON Market Research In China

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## Introduction

To most Western companies, the idea of conducting or commissioning market research in China is a difficult, if not daunting, concept to grasp. Frequently, the perceived barriers of researching a Chinese market are seen as so insurmountable that no serious consideration of the potential benefits is even made. Too often, research agencies and potential clients alike are beaten before they begin.

The barriers to researching the Chinese market are, it is true, substantial. Indeed, in a country of over 1.3 billion people (one fifth of the world's population), 200 language dialects and 57 ethnic groups, it is often difficult to even talk of 'the Chinese market' as one coherent entity. And then of course there is the 'information' issue – what, Western companies ask, are we allowed to ask, and how reliable will the information be?

Valid as these and other concerns are, the good news is that China is rapidly and inexorably evolving into a truly modern economy. Markets such as IT and automotive are developing apace, and promising to become truly world-leading. Chinese industry is increasingly deregulated and empowered, and, in keeping with the country's arrival on the world stage, eager to invest in foreign companies as well as accepting investment from Westerners keen to establish themselves in China.

For companies wishing to conduct or commission research, therefore, the opportunity in China is enormous. Here we have a huge, diverse, growing, increasingly affluent and innovative economy, which is eager to share its ideas with potential investors. China might not be the easiest country in which to conduct research, but for the research buyer, the value of the information obtained is likely to be enormous.

This white paper seeks to provide the reader with a picture of how research is conducted in China, the factors that characterise Chinese research agencies, and the issues that should be borne in mind when commissioning research in the country. We begin by exploring the size, structure and origins of the industry, before providing an overview of the companies active in the market, the way in which research is conducted, and finally the issues that should be borne in mind when commissioning research in China. Throughout the paper we place particular emphasis upon our own area of specialism and expertise, business-to-business research.

## Origins Of The Chinese Market Research Industry

Prior to the mid-1980s, market research in China was limited to consumer research managed by the State Statistical Bureau and conducted by Government departments. The research was largely limited to statistics on expenditure and production in different State-controlled industries.

In 1985 however, Proctor & Gamble (the multinational provider of branded products ranging from snacks to washing powders) was in the process of establishing its first operation in Greater China, an office in Taiwan. In order to make this venture, as well as forthcoming operations within Hong Kong and Guangzhou, a success, the company sought market information specific to the consumer markets in which it operated. Deciding that the company's information needs could not be fully met by the publicly available statistics, P&G's Market Research Director set about conducting the first non-Governmental consumer research in China.

Proctor & Gamble's information requirement continued past the establishment of its Taiwan office, as subsequent offices were established in Hong Kong in 1987 and Guangzhou in 1988. The multinational's increasing need for market information resulted in the establishment of China's first research agency, in Guangzhou in 1988. The newly formed company was called simply 'The Guangzhou Market Research Company'.

The insistence of Proctor & Gamble on bespoke market information would prove to be the birth of the Chinese market research industry as we know it today. The Guangzhou Market Research Company (which is no longer in existence) introduced a wide range of data collection and analysis techniques to the Chinese market. This resulted in a wave of highly competent Chinese researchers who would go on to form and direct some of the country's leading market research agencies. Today, Chinese agencies such as URC (United Research China), Acorn China and Research International (China) are all directed by former researchers from Guangzhou Market Research Company.

## Market size and sectors

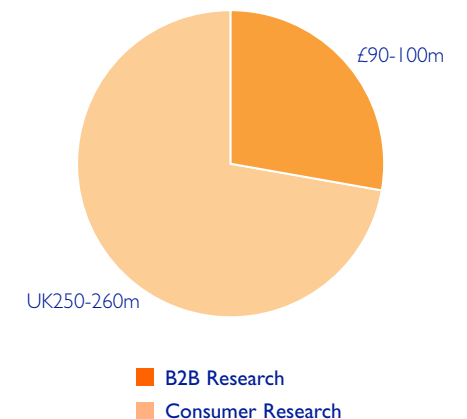
Whilst the Chinese market research industry has been in existence for around 2 decades, its development has been relatively slow, and even today the value of market research commissioned in China is worth, approximately, a modest 5,000 million RMB (UK£350 million). The market is however growing rapidly at around 20% per annum (figures as of May 2006). Assuming this impressive growth rate continues, the value of the market research market will double in value within the next 5 years.

### Business-To-Business Research – Size & Sectors

The role of business-to-business research within this overall picture deserves some attention. For the purposes of this paper, we will define business-to-business as market research in which the views of businesspeople are sought, in order to facilitate a business decision. We include not only 'businesspeople' in the traditional sense, but also anyone else who contributes to a study in the context of their employment. We therefore include, for example, projects in which the views of Government officials are sought (of which there are many), and medical or pharmaceutical projects in which organisations seek the views of physicians or surgeons.

Estimates as to the proportion of Western market research markets accounted for by business-to-business research usually put the figure at around 10%. In China, however, the proportion is estimated to lie at around 25% to 30%, putting its value at around £90 million - £100 million. It is this 'b2b' sector of the market that is expected to see most growth over the coming years, with Chinese companies increasingly open to the idea of obtaining the views of businesspeople, and Western companies more and more hungry for Chinese business opinion. Current growth in this part of the market is estimated to lie at around 25% per annum, meaning that, incredibly, it will double in size within 4 years.

**Figure 1**  
**Size Of The Chinese Market Research Industry**



It is worth noting at this juncture that the concept of business-to-business research within China is even newer than the concept of consumer research. There is no clear record of exactly when or how this part of the market developed. However, it appears to be the case that the market evolved gradually, as projects commissioned to explore consumer opinion gradually incorporated the views of businesspeople. The consensus of the market indicates that this part of the market developed an identity of its own around the mid-nineties. Since then, there has been a surge in business-to-business research, which has accelerated since the turn of the millennium. It is noticeable that many of the senior people within Chinese agencies previously led operations within Hong Kong, and have moved to the mainland in the last 7-8 years.

In terms of the industries in which most market research is conducted, here again the picture is changing rapidly. Nevertheless, some clear patterns are emerging, not least that the FMCG sector (which, as noted above, effectively started the market research private sector 20 years ago) is increasingly buoyant. In terms of business research, the level of work commissioned can be ranked as follows:

1. automotive
2. petrochemical
3. IT
4. telecoms
5. pharmaceutical and medical
6. financial

In the case of the automotive and petrochemical industries, most research is commissioned by foreign-owned companies with joint ventures or subsidiaries within China. In the case of the telecoms and IT markets, however, indigenous companies increasingly have the budgets and strategic vision to recognise the benefits of business research. The pharmaceutical/medical and financial sectors are both significant, but above all have huge potential. The financial sector is now exposed to increasing competition, with State-owned companies registered on the Chinese stock exchange and permitted to commission market research. The pharmaceutical/medical market is also growing rapidly, and companies within and outside China are seeking information in order to be able to profit from the huge Chinese market.

Across industries, it is noticeable that the type of research commissioned is markedly different from the situation in Europe and North America. In the West, research

reflects the objectives of companies operating in mature markets, who want to establish customer loyalty, achieve differentiation through branding, monitor the satisfaction of their employees, develop new concepts or segment their target audience. Typical research projects are therefore customer and employee satisfaction studies, branding studies, concept tests and segmentations. In China on the other hand, the picture is very different, in that a high proportion of research projects (around 60%) are focused on market assessment studies, in which clients (often foreign companies) are asking for a comprehensive explanation of how markets are structured, who are the key players and what is the market size. Whereas in the Western economies research buyers generally seek intelligence that will help them progress in existing markets, in China much of the research is about entering new markets, or indeed entering China itself.

## Companies Active In The Chinese Market

A difficulty for any company seeking to conduct market research in China is identifying the correct company. There are a number of difficulties, not least the absence of a comprehensive English-language directory of all of the key players. The web-site of ESOMAR, the World Association of Research Professionals, is currently the best English-language source of contact details for research agencies based in China, but even this only contains the details of a minority (50 or so) of agencies from the 1,000-plus estimated to be active in the country. It is fair to say, however, that this list contains the majority of the key full-service agencies, and the majority of agencies with a cross-China capability. The website of the Chinese Market Research Association ([www.cmra.org.cn](http://www.cmra.org.cn)) provides a far more comprehensive list; unfortunately this site is currently only available in Chinese.

Another difficulty for any company seeking a Chinese research agency is the high levels of market entry and exit in the market. As the concept of market research becomes increasingly understood in China and market demand grows, high numbers of researchers are breaking away from their employers and setting up their own businesses. Far from all of these ventures are successful, and there are numerous examples of companies lasting less than a year before being liquidated. This is a relatively embryonic, fragmented market, characterised by high levels of business set-ups and closures.

The good news is that the market exits are almost entirely limited to the smaller, local players. Any company seeking to commission research is advised to stick to the national and international players, where the research is of a high standard and there is a much lower risk of the agency running into difficulties. This advice does of course necessitate an understanding of who the leading players are. With this in mind, an overview of the market players is provided below.

**Market Research Providers**

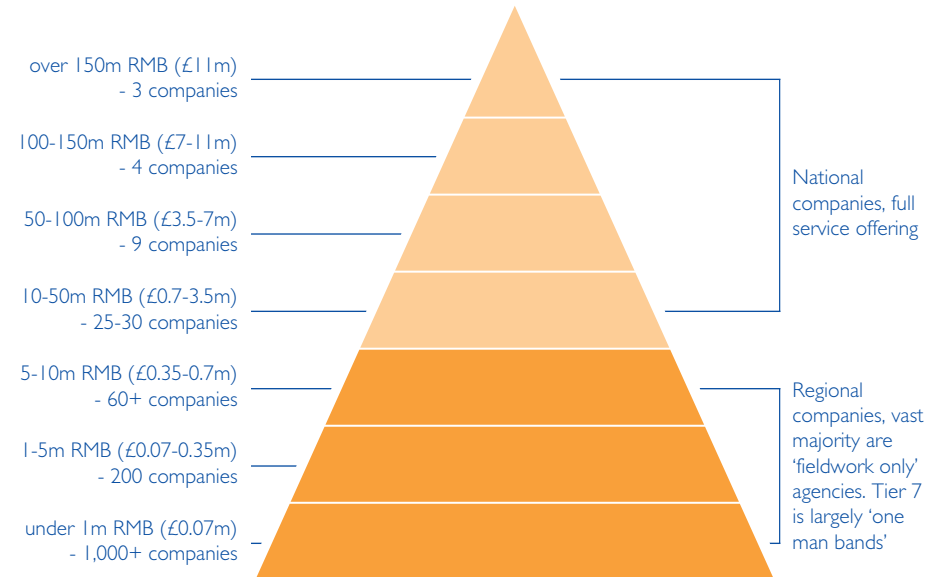
The Chinese Market Research Association (CMRA) breaks the market down into 7 'tiers', according to their current turnover in China. Even the largest of these 'tiers' refers to companies turning over more than – in Western terms – a relatively modest 150 million RMB (around £11 million). As of April 2006, no company in the industry was turning over more than £15 million (around 210 million RMB), with AC Nielsen the closest to this figure. Its two closest competitors in terms of market share are CTR (a joint venture between the multinational TNS and CVSC, which is a State-owned research company) and CSM, which itself is a subsidiary of CTR.

The CMRA's second and third tiers feature many of the most famous names in research. Tier 2 includes those companies with an annual revenue of 100-150 million RMB (around £7 million - £11 million). The Chinese company Sinotrust is accompanied here by Research International, Synovate and Ipsos China, all principally consumer researchers. Tier 3 - which includes companies turning over more than £3.5 million (50 million RMB) - includes the likes of GfK China, Gallup China, TNS China and Millward Brown. Again, all of these are largely consumer researchers and polling experts, albeit with some business-to-business capability. Two Chinese companies are also notable, however: Sinomonitor is known for its continuous research, consumption research, media research and marketing consultation, and ACMR (All China Market Research) is seen as particularly strong in terms of business-to-business capability. As a subsidiary of the State Statistical Bureau of China, ACMR benefits from excellent access to the legislators and regulators whose views are often so important to business-to-business projects. (ACMR's contact details can be found on [www.acmr.com.cn](http://www.acmr.com.cn)).

There then exists a list of around 30 companies that turn over between 10 million and 50 million RMB (£700,000-£3.5 million). As with the rest of the market, most effort is devoted to consumer research, however PAMRI, one of the leading business-to-business agencies also falls into this size category. PAMRI has excellent capability

across all of the key industries in business-to-business markets (see earlier), and also has a separate inhouse division for automotive research. Finally, it boasts a successful consumer division. Details of PAMRI's offering can be found on [www.pamri.com](http://www.pamri.com).

**Figure 2 Tiers In The Chinese Market Research Industry**



Once we look at the companies turning over less than 5 million RMB (£700,000), the market looks very different. With the exception of one or two newly established offshoots of foreign agencies, the companies are largely 'provincial' rather than being located in the leading cities of Beijing, Shanghai or Guangzhou. These companies fall into two main categories: (1) companies focused entirely on fieldwork, as opposed to full service fieldwork agencies who design and analyse research, and (2) 'one man bands' who may offer a kind of full service offering, but where every aspect of the business is based on one or two people. A third, less prominent group, is small companies with a broad remit, of which occasional market research interviews are a small part.

The first group, the local fieldwork agencies, are critical to the survival of the whole industry, as these are the 'foot soldiers' of the industry, the companies that collect most of the information from outside the big cities on behalf of the larger agencies. In many

cases, any company buying research from a national or international agency is relying not only on that agency's intrinsic research capability, but also on the quality of its network of local fieldwork agencies. Put simply, many of the larger companies subcontract most fieldwork that is located away from their base. It is recognised more or less universally that no one agency can research every single part of a country as vast as China. As a result, companies in the Chinese research industry have a higher degree of interdependence than similar companies elsewhere in the world.

There are at least 1,200 local fieldwork agencies and one-man bands, 80%-90% of which turn over less than 1 million RMB (£70,000) per annum. Essential as some of these companies are, and accepting that many are of good quality, it is unlikely that such agencies will be user-friendly in terms of dealing with Western organisations. The ability to speak good English is extremely rare, and this part of the market should essentially be regarded as part of the agencies' supplier base, rather than agencies that are likely to meet the needs of clients in business.

In summary, it can be seen that there are less than 50 full service research agencies in China with a national capability, and as already stated, this national capability is obtained through networks rather than inhouse capability. If regional players are included, there are maybe 100 full service agencies in the country. This relatively low number of market research agencies is indicative of the fact that we are talking about a relatively embryonic industry.

### Over The Next 5 Years

Over the coming years it seems inevitable not only that growth will occur, but also that a degree of consolidation will occur within the market. Indeed, acquisition is a significant reason behind the growth of some of the largest agencies, such as Synovate. As the requirement for research across different areas of China grows, and as clients increasingly recognise that China is not one homogenous market, the larger agencies will buy up more and more of the good quality data gatherers from outside the big cities. Indeed, it is likely that a number of the mid-sized full service agencies within Beijing, Shanghai and Guangzhou will also be acquired by their larger competitors. The implications of this consolidation for research buyers will be globally positive – more agencies will be able to produce research with a high level of geographical granularity, knowledge and techniques will increasingly filter down through the industry, and some economies of scale will emerge.

## The 'Typical' Chinese Market Research Agency

We hesitate to generalise about the 'typical' agency, as every Chinese agency has its own unique points, just as would be the case in any other country. Nevertheless, we feel it is useful to present the reader with a high level view of what a Chinese research agency looks and feels like, accepting completely the limitations of this very general analysis. As this paper is intended to be written from the perspective of B2B International's client base, we present the typical agency with national capability, as discussed above.

As already discussed, no agency has in-house fieldwork coverage of the whole of China. However, most major agencies do have 3 offices – one in each of Shanghai, Beijing and Guangzhou. Head Offices are spread across the three cities, although there are more in Shanghai than in Beijing or Guangzhou. Companies with a strong business-to-business focus tend to be headquartered in Beijing, reflecting the importance of speaking to Government officials in such studies. The most common model is for the majority of research executives and management to be located at HQ, with a limited management presence at the other two offices. It is common for the Guangzhou office to consist of fieldwork operations only, the role of this office being to cover off the requirement for Cantonese interviewing in Southern mainland China and Hong Kong. Clients will find themselves liaising with just one office, depending on the location of the executive carrying out their particular project.

Most agencies are located in tower blocks, usually near to the city centre. Offices are almost always equipped not only with a set of CATI stations for computer-aided telephone interviewing, but also with an in-house focus group viewing room. This is in contrast to most UK agencies, which rely on specialist external viewing facilities.

### Quality complemented by technology

The 'big city' Chinese research agencies place an extraordinary emphasis on quality. Whereas UK market research standards decree that 5% of all interviews conducted should be 'listened in to', it is not uncommon for Chinese agencies to listen to 50% or more of telephone interviews as they take place, with recordings of the remaining interviews also listened to. Agencies often read through every single completed questionnaire, insisting that respondents be re-contacted as appropriate. Full-time quality management teams often number 6 or 7 people.

The emphasis of these agencies on quality is complemented by their focus on new technology, which agencies use to their full advantage. Indeed, technology is an integral part of the quality assurance process, with digital recording of interviews and randomised monitoring systems used for telephone fieldwork. Face-to-face interviewers typically use MP3 players to record their interviews. Significantly, there is no secrecy law in China, meaning that interviews can be recorded without the knowledge of respondents. There is, however, an increasing tendency for respondents to be made aware if they are being recorded, as agencies recognise the importance of maintaining the trust of target markets (this is particularly the case in business-to-business research).

Quality is such a key issue for Chinese agencies that research buyers may well find themselves having company quality procedures recited to them during the initial stage of scoping a potential project. With such a focus on this issue, potential research buyers should be reassured about the very high reliability of research produced by the national and international agencies in particular.

## Data Collection In Chinese Agencies

### Data Collection Methodologies

Data collection in China, and indeed elsewhere in Asia, has traditionally been distinct from that in Western countries, in that there has been a significant emphasis on face-to-face interviewing in consumer and business-to-business research alike. It is estimated that in the year 2000, around 90% of all research interviews were conducted in this way. Since the turn of the millennium, the role of face-to-face interviewing has decreased markedly however, and it is currently estimated to lie at just over 60%. This is of course significantly higher than in most Western research agencies, where less than 10% of all interviews are conducted face-to-face.

The use of face-to-face interviewing is particularly prominent in relation to certain target respondent groups. In business-to-business research, the more senior the respondent, the more likely he or she is to require a meeting to discuss his or her views on the market. Middle to senior level managers and most Government officials are the main respondent groups to fall into the face-to-face category. This is partly due to respondents' natural curiosity as to whom exactly they are giving information to, but, perhaps more importantly, also due to a cultural perception that

high level discussions merit the time and effort that goes into a face-to-face meeting. It should be noted that this perception is often as prominent within the research agencies as it is amongst target audiences.

The view that important discussions 'deserve' to be conducted face-to-face is well illustrated by the fact that, in complete contrast with research conducted in the West, it is extremely common for business respondents to come to the premises of the research agency in order to participate in the research. Such interviews typically take place in the agency's focus group viewing room, and are often observed by clients. Usually, a 'thank you' is presented to the respondent in the form of a small financial incentive (this is far more common than in Europe, but less so than in North America). This approach is good news for the client, who can expect to receive a DVD recording of the interview in its raw form, and of course the fact that the interview takes place 'on site' means that it is subject to all of the usual quality procedures.

The main reason for the trend away from face-to-face interviews is the increasing understanding and acceptance of market research amongst Chinese target respondents, who are increasingly willing to discuss business and other matters over the telephone. Indeed, it is true to say that the market research industry is becoming increasingly respected within China, and that, in contrast with Western markets, access to respondents is increasing rather than decreasing.

The focus group is a methodology that is used in China, albeit less so than in Western markets. There is an almost unanimous view in the market that Chinese respondents – particularly businesspeople – prefer to provide information on a one-to-one basis rather than in the company of their peers. The exact reason for this is unclear, although the balance of opinion suggests that this is a cultural issue more so than a matter of concerns about confidentiality. When focus groups are conducted, they are commonly carried out in a 'mini-group' format of three or four people; groups of 8-10 respondents are very rare.

Whilst Chinese agencies are extremely techno-savvy, the only technological area in which they tend to lag behind their Western counterparts is in their use of online data collection techniques. This appears to be due to the relatively low Internet penetration in China, and in particular the lack of familiarity of the target audience with the very interactive sites that are necessary for data collection. Currently, online surveys are limited to certain groups such as IT managers and teenagers, and online

focus groups are yet to be introduced to any audience. Agencies are so unconvinced of most respondents' ability or willingness to take part in web surveys, that, when asked by Western agencies to conduct the Chinese element of an international online survey, they employ their interviewers to conduct telephone interviews with respondents. As the respondent provides his or her answers over the telephone, the interviewer enters them into the online survey.

### What Can You and Can't You Ask?

The subject of what can and cannot be researched in China is a contentious one, and is a subject around which a number of urban myths appear to have developed. The truth is that there is very little difference between what can be researched in China, and what can be researched in Western countries. Culturally, there is no great reticence in terms of providing information, and as the Chinese become increasingly aware of market research, obtaining their views is if anything becoming easier.

Most of the areas in which it is difficult to obtain information are similar to those that are difficult in the West. Company's financial data, such as profit and loss information, is an obvious example, and this can be as much to do with lack of knowledge as lack of willing on the part of the respondent. It is true that certain areas of social research are closely monitored, as are attempts to seek details from Government on contentious issues. The Government is, however, seen as more of a help than a hindrance by most agencies, particularly due to its comprehensive documentation of regulations, policies and industry trends, all of which make environmental analysis of a market far easier than in most Western markets.

Perhaps the key fact to remember is that Chinese agencies are not in the habit of promising information that is impossible to obtain. On the few occasions that cultural, legal or practical issues make obtaining a certain piece of information impossible, agencies are usually extremely frank in stating what can and cannot be achieved.

### Data Collection Into The Future

Over the next 5 years, two key trends will happen in terms of data collection. Firstly, it seems certain that the move towards more telephone-based fieldwork will continue, as acceptance of this method increases amongst the target market and clients alike, and as demand for research outside the main cities grows. Within a five-year time-frame, telephone interviewing will constitute the main data collection

method in China. However, face-to-face interviewing will remain prominent, as it is firmly entrenched in the culture of research in China, and, it should be mentioned, not enormously more expensive than telephone interviews (this is certainly not the case in Western markets, where face-to-face interviews can be at least 10 times more expensive than face-to-face interviews). Secondly, the emergence of the Internet as a viable means of data collection appears certain to occur, again based on the acceptability of this method to clients and respondents alike. The high demand for large-sample projects within China means that the web-survey will be the first and the most widespread of these techniques, with substantial growth predicted to begin within 2 years' time.

## Desk Research

The language issue alone makes conducting desk research into China a daunting task for Western organisations, and this issue is frequently added to with the complaint that desk sources in China are hard to come by. Whilst the language issue is beyond doubt, it is certainly not the case that there is a lack of desk resources for the researcher.

In fact, if it is industry statistics and details of regulations that you are looking for, then it is doubtful that any country makes more information available than China. The National Bureau of Statistics ([www.stats.gov.cn/english/](http://www.stats.gov.cn/english/)) provides economic information for free on a monthly basis. The National Development and Reform Commission puts in place regulations designed to develop different Chinese industries, and these regulations can be found on <http://en.ndrc.gov.cn/>. A whole host of Ministries and Administrations exist within the Chinese Government, all of which are listed on [www.china.org.cn](http://www.china.org.cn). Many of these will provide information on the industries and activities within their jurisdiction, either online or sometimes through direct contact. Increasingly, information is provided in English and other European languages.

In addition to direct Government departments, most industries within China have at least one association, which will be closely related to Government. These associations are excellent sources of market information, and indeed of potential target companies within their industries. Chinese agencies all possess the Chinese Government's directory of Government departments, which is two volumes long and lists every single Government department.

In terms of search engines, the main tools used are [www.google.cn](http://www.google.cn) and [www.baidu.cn](http://www.baidu.cn). As with primary fieldwork, researchers operating within China must steer clear of certain information areas, relating in particular to Government and social policy.

**Figure 3** Homepage of [www.baidu.cn](http://www.baidu.cn)



## Data Analysis and Interpretation In Chinese Agencies

Data analysis techniques have developed enormously in recent years, with techniques such as customer satisfaction and segmentation statistics commonplace (albeit less commonplace than in the West, where there is more demand for this type of research). Agencies typically have inhouse data processing and quantitative analysis departments, often consisting of around half a dozen people. Some of these departments contain an advanced statistical analyst; others rely on outsourced labour for what is still a relatively rare requirement.

Agencies also have an increasing ability to provide strategic insights in their research projects. Indeed, the line between 'consultancy' and 'market research' is rather blurred in China, and many companies have business licences for both activities. To an extent the requirement for strategic conclusions has been driven by Western organisations, with a number of Chinese agencies stating that Western clients 'demand more insight, whereas Chinese clients prefer to provide the insight themselves'. Whether this is true or not, it is certainly the case that many of the leading Chinese research agencies are on a par with their Western counterparts in terms of their ability to provide strategic insights.

## How Do Chinese Agencies Market Themselves?

As has already been documented, the Chinese market research industry is growing rapidly, and many agencies have experienced a surplus of enquiries over the past 3 years. Add to this the fact that business in China is far more relationship-oriented than in the West, and it is easy to see why conventional marketing activities such as direct mailers and advertisements are rare. In many cases, even the websites of Chinese agencies are extremely understated. The main marketing activities conducted by agencies are registration on directories (such as CMRA and ESOMAR) and, to a lesser extent, appearances at conferences and events.

To all but the very biggest agencies, the main method of winning business has been through simple relationship building. Directors of Chinese agencies are excellent at networking in the local business community, and ensuring that recommendations are made through word of mouth.

The increasing interest of Western companies in conducting market research, as well as the increasing take-up of the Internet within China, have ensured that company websites will be a key mechanism for winning business over the coming years. Companies such as PAMRI ([www.pamri.com](http://www.pamri.com)) have followed the lead of the international agencies (including the regional Acorn Asia – [www.acornasia.com](http://www.acornasia.com)) in building a comprehensive website in both Chinese and English. This trend will make the task of finding out about and 'screening' Chinese agencies easier and easier in the years ahead.

## Recommendations For Research Buyers

This paper has sought to introduce the reader to the main characteristics of the Chinese market for market research, and above all highlight the great potential for any research buyer to consider commissioning market research in this fast growing market. With the right agency, research in China is good quality, detailed, insightful, cost effective, and above all an excellent aid to decision-making. We finish this article by putting forward 5 tips on commissioning research in China:

**1. Focus** - The best quality research will be research that focuses on one, two or three areas of China, rather than attempting to research the whole country at once. Differences between regions, as well as the sheer size of target audiences, are so vast that – without a large budget - country-wide studies can risk spreading the research effort too thinly.

**2. Go national** - Choose an agency that is national (or indeed international) rather than local in scope – these are the agencies that have most resources, are most used to dealing with Western clients, and most accustomed to providing insightful analysis rather than simply interview scripts.

**3. You get what you pay for** - The good quality Chinese agencies are slightly cheaper than Western agencies, but don't expect to pay a quarter or a third of what you pay your European or American agency. Incentives to respondents, rigorous quality checking and high level of involvement by very senior staff are all reasons why the better agencies are not 'cheap and cheerful'. Our advice would be to think of the research cost in terms of the potential benefits to your organisation and its decision-making, which could potentially be huge.

**4. What type of researchers are they?** - It is important to check not only the client list of a potential supplier, but also the type of work that the company does. In particular, it is essential to differentiate between experience at collecting data, and experience at analysing data and drawing conclusions. Many of the younger agencies are used to working with Western organisations, but many projects have been on a 'data only' basis.

**5. Keep frequent contact** - Frequent contact should be kept with the agency you appoint, not only to keep track of the progress of the project, but more importantly to establish a relationship and be seen by the agency as a partner. Chinese business is extremely relationship oriented, and the closer you work alongside your agency, the more proactive you will find them. There is no such thing as pestering!