

CHINESE CONSUMERS: Maintaining Third Place

Greendex Score: 56.7 (Rank: 3rd of 17)

↑ 1.5 points since 2008

EMBARGOED: For release noon (ET, U.S.), Wednesday, May 13, 2009

Chinese consumers have retained their third-place spot on the Greendex ranking and are once again surpassed only by Indian and Brazilian consumers. They continue to rank highest on transportation, rank in the top five for housing and goods, and place sixth overall on food. Their overall Greendex has increased modestly, which is attributed to an improved housing score offset by some losses in the transportation score.

Consumers in China have improved their overall **housing** score by 10 points since 2008 and have remained in fourth place on this sub-index. This increase is similar to gains experienced by others who rate well on this measure. The reasons behind the improved score include increased ownership rates of energy-efficient appliances, increased rates for keeping the heating/cooling setting on low, minimizing the use of fresh water, and increasing cold-water laundering. Drivers of their ranking include smaller-than-average home sizes (72 percent live in houses with four rooms or fewer versus the 17-country average of 61 percent); a low incidence of home heating and hot water; more common use of on-demand water heaters, most especially solar-powered ones; and the highest incidence of having recently installed solar panels. On the negative side, Chinese homes commonly have air conditioning (77 percent versus 42 percent of the 17-country average) and are much more likely to be heated by coal (42 percent versus 3 percent on average). The use of wall insulation in Chinese homes is the second lowest of all consumers. It is noteworthy that the Chinese are the most likely to say that owning a large home is an important goal, and agreement on this sentiment is up 10 points to 49 percent. Mitigating this are planned improvements to homes such as installing solar panels to heat water and generate electricity, installing energy-saving appliances, and adding or improving insulation.

Chinese consumers hold onto the top spot on the **transportation** sub-index despite slipping 4 points on this score. This drop in the overall score is due in part to a 10 percent decrease in the rate of walking and biking to 52 percent, which is on par with the 17-country average. The leading rank on transportation is largely due to Chinese consumers having the lowest rate of car and truck ownership (39 percent versus the 17-country average of 74 percent), the lowest rate of driving alone on most days, the second highest rate of using public transportation (69 percent do so at least weekly), and the second highest ownership rate for motorcycles and scooters (53 percent). The annual mileage among car and truck owners for Chinese consumers is well below average, consistent with their being most likely to say they live close to their usual destinations (58 percent). While the current ownership rate for fuel-efficient vehicles (9 percent) is on par with the 17-country average, 46 percent of Chinese consumers report their intention to buy one in the next year. While not a driver of the transportation score, it is worth noting that the Chinese cycle to their destinations more frequently than any of the other groups (52 percent say they do so at least weekly).

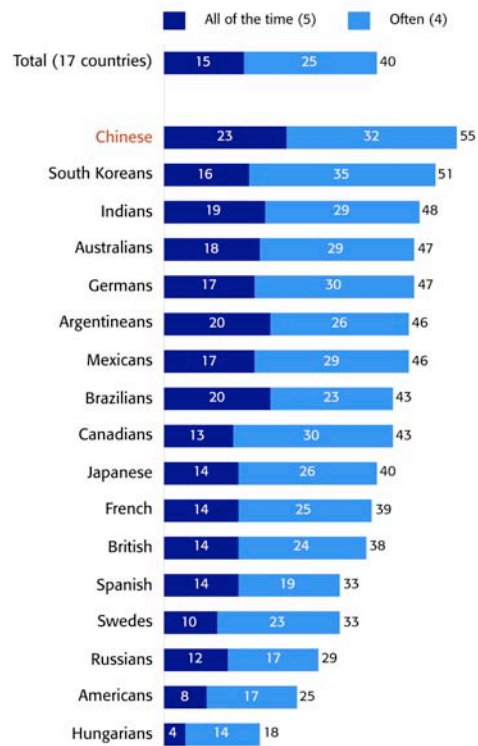
On the **food** sub-index, Chinese consumers hold their lowest position, ranking sixth overall. Their overall food score has not changed, although there has been a 9 percent

increase (to 19 percent) in the rate of consuming self-grown foods several times a week. Those habits that contribute positively to their food score include being among the least likely to eat imported foods frequently and being among the most frequent eaters of local foods (41 percent do so daily) and fruits and vegetables (61 percent do so daily). Weighing down their score is an above-average rate of drinking bottled water, the popularity of which does not appear to be declining in China, unlike the trend in many other countries where the Greendex survey was conducted. The Chinese are among the most frequent consumers of fish and seafood, which also contributes negatively to their overall score.

Slipping from the top spot to third place on the **goods** sub-index, Chinese consumers are surpassed by South Koreans, new to the survey this year, and Indians. Their goods score has decreased by 2 points, which can be traced to increased ownership rates for many items such as large appliances and electronics; however, these rates are still below average. Conversely, there have been improvements on a number of behaviors this year. In particular, there have been increases in repairing rather than replacing broken items, avoiding environmentally unfriendly products and excess packaging, and buying environmentally friendly products; rates for all of these practices are above average among the Chinese. Recycling rates are up 18 percent, with 54 percent saying they recycle often, just below the 17-country average of 61 percent. There has been a dramatic increase in the frequency of Chinese shoppers using their own bags; 63 percent do so often, up 46 percent from last year and a direct result of China's ban on plastic shopping bags in June 2008, after fieldwork for the first Greendex survey was completed in 2008.

Consistent with findings in 2008 and based on their expressed **attitudes**, Chinese consumers appear to be among the most concerned about the environment. In particular, the Chinese are the most likely to agree that they are "very concerned about environmental problems" and that the environment is negatively impacting their health. They are more likely than others to agree that they are paying more attention to news stories about the environment, that global warming will worsen their way of life, and that an environmentally friendly lifestyle is good for one's health. Their responses suggest a personal sense of responsibility; they are more likely to say they feel guilty about their environmental impact, and are the most willing to pay more for energy-saving products (81 percent versus the average of 59 percent) and to say they are trying hard to reduce their impact on the environment (69 percent versus the average of 45 percent). However, contrasting with these expressions of responsibility and action, they are the second most likely to agree that there is little an individual can do. The Chinese are more likely than others to express the belief that both government and industry are working hard for a better environment.

Frequency of Avoiding Excessively Packaged Goods
"All of the Time (5)" or "Often (4),"* Percentage of Consumers in Each Country, 2009



*On a scale where 1 means "Never," 3 means "Sometimes," and 5 means "All the time."