

**microbloginsights**



**Topic 1:** The State Council released an announcement stating that cars with seven seats or less won't have to pay highway tolls during four Chinese holidays — Spring Festival, Tomb Sweeping Day, May Day and National Day.

The policy will be effective starting on the next National Day on Oct 1.

But some highway companies — because many of them have gone public — are worrying about their profits. They say that the income from the national holidays accounts for 3 to 5 percent of their total annual income.

**HUIFEIDEQIUWU:** I support the new policy, but I'm also worried about possible traffic jams during those days.

**JIANJIAO:** I don't think that traffic jams will be more serious with the new policy. After all, if people have a choice, nobody will want to travel during those days just to take advantage of the toll waivers.

**NANYANGYOUYI-SHUOYI:** The new policy may lead to a boom in tourism and will be good to stimulate domestic consumption.

**GAONENGLAOSHUANG-NIU:** Some experts said that the new policy will cut the operators' income by about 20 billion yuan (\$3.17 billion) and that the income from those days accounts for 3 percent of their total annual incomes. Everyone in the country contributes several hundred yuan to the operators.

At the very beginning, there will be traffic jams and more cars will be on the road. But the jams will ease as people get used to the policy. On the other side, it will be important to set up lanes so that emergency vehicles can avoid the traffic jams.

**AODINGDESHUANG-YAN:** There won't be traffic jams if people don't have to stop to pay the tolls. Usually, the jams happen at the toll stations.

**YEYUMIAOHAN:** If the new policy is implemented, the government should also release some measures to give compensations to the operators.



**Topic 2:** Many migrant workers in coastal cities — who used to go to their hometowns only for the Spring Festival holiday at the beginning of the year — started to go back to their homes recently, due to increasing labor demand there, according to Xinhuanet.com.

The workers are mainly in the manufacturing and construction industries. The four main labor-exporting provinces — Anhui, Henan, Guizhou and Sichuan — are developing rapidly and have rising demand for labor. Meanwhile middle- and small-sized companies in Zhejiang, Jiangsu and Guangdong provinces are getting fewer orders, which has an adverse effect on their economic health.

Some economists said that the trend of labor moving back to their hometowns will continue due to the adjustments in the industrial structure. They also said that local governments should prepare actively to help migrant workers find jobs in their hometowns.

**WUWENQIANG:** This trend shows that the Chinese manufacturing industry is already facing challenges, but that the plans to reform the industrial sector are not in place yet.

tendency makes sense.

**WANGYIN:** China's economic growth is slowing down, due to rising labor costs and the eurozone economic crisis. Orders from overseas markets decreased a lot. Some factories stopped working, which led to some migrant workers going home.

**SUNHONGGANG:** Migrant workers want to go home this time rather than being forced to go. The changes in the industrial structure and the development of the central and western regions is already being felt.

**LIMAOLIANG:** The fact that migrant workers are going home is also an important reason behind the closure of some building sites.

**HUANGXIAOPENG:** This way migrant workers don't have to rush home in the Spring Festival holiday and it's good to increase the flexibility of the labor market.

**HUARONGDAO:** Migrant workers can find jobs in their hometowns and their salaries also increase when they move there. The

**VICKY:** The trend already started in 2009 and 2010. It's just more obvious now.

**WUYANBIN:** Some migrant workers lost their jobs in coastal cities, which reflects the difficulties of this economic transition period.

ALL INFORMATION FROM TENCENT WEIBO



An advertisement encouraging group-buying of Apple Inc's iPhone 4S in a telecom shop in Wuhan, in Central China's Hubei province. According to the latest Campaign Asia-Pacific 2012 Asia's Top 1,000 Brands report, the top 10 brands on the list include Apple Inc and other overseas brands in the Chinese market. Not a single Chinese brand was included among the top 10.

# Chinese prefer foreign brands

Top five most recognized products are from overseas, report finds

By **SHI JING** in Shanghai  
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The five most recognized brands in China are all imported from overseas, the latest Campaign Asia-Pacific 2012 Asia's Top 1,000 Brands report shows.

Released for the ninth time, the report, jointly published by the monthly trade magazine Campaign Asia-Pacific and the global information and insights provider Nielsen, covered 14 major products and services categories across a total of 73 sub-categories among 12 key regional markets in Asia-Pacific.

In the Chinese market, the top 10 brands that successfully made themselves on to the list include Apple Inc, Nestle S.A., Chanel S.A., Sony Corp, Samsung Group, Uni-President Enterprises Corp, Panasonic Corp, Nike Inc, Canon Inc and Starbucks Corp. It is the first time the luxury brand Chanel was listed among the top 10.

"Its meteoric rise to land within the top three in the China ranking is a stark reminder of the exponential growth in wealth and increase in disposable income on the Chinese mainland," said Jolene Otremba, reports editor of Campaign Asia-Pacific.

While some other luxury brands such as Gucci, Armani and Louis Vuitton all saw their rankings rising up in the report, the homegrown Chinese brands saw their standing weakening on the same list.

Eight out of the top 20 most recognized brands in the Chinese market were Chinese brands in last year's report. However, this year's report

shows only three local brands in the top 20. They are the leading traditional Chinese medicine pharmacy Beijing Tong Ren Tang, which ranked 11th, instant noodle brand Master Kong Holdings Ltd, 14th, and the nation's home appliance giant Haier Group, 15th (technically a multinational).

Household brand names Baidu Inc and Mengniu Dairy Co, which appeared in the top 10 last year, both saw their ranking drop this year in the Chinese market, the former to 37th place and the latter to 89th.

Meanwhile, no homegrown Chinese brand was listed among the top 100 in the Asia-Pacific region. Otremba said it "reiterates the challenges Chinese brands are facing to gain consumer recognition beyond their home markets."

Chinese people who start and end every day of their lives using overseas brands should not find the result too surprising. College student Song Wenjian, 20, from Shanghai University, a fan of Apple products who owns two iPhone 4S cell phones, one iPad, one MacBook Pro and two iPod nanos, had not heard of the brand name in 2006 while traveling in Japan. His enthusiasm for it grew from appreciation of the eye-catching appearance of its products and the "decisive leadership the brand is taking in terms of design and technology."

"Of course you can say that Jonathan Ive, the lead industrial designer of the MacBook Pro, iPad and MacBook Air, is a real genius. But what really leads to their huge success is that they know when and where to invest and what they can afford to lose at the same time. And all of

## THE MOST RECOGNIZED BRANDS

Rank	China's top 10 best brands	Asia's top 10 best brands
1	Apple	Sony
2	Nestle	Samsung
3	Chanel	Panasonic
4	Sony	LG
5	Samsung	Canon
6	Uni-President	Apple
7	Panasonic	Hewlett-Packard
8	Nike	Google
9	Canon	Nestle
10	Starbucks	Nike

Source: Campaign Asia-Pacific and Nielsen

LI YI / CHINA DAILY

**Chinese brands can easily fall into the trap of being a copycat due to a lack of their own ideas or creativity, as I understand. But that does not exert as much influence as the quality issue. I seldom buy any domestically produced food or dairy products nowadays due to health concerns."**

GAO AIDAI, INFORMATION TECHNOLOGY RESEARCHER, SHANGHAI

these things are done to optimize the user experience to the maximum," said Song.

"I have used several different brands of digital products but seldom Chinese domestic brands. The homegrown brands lag far behind the leading international ones in terms of technology — and design, especially.

"Maybe they have some really brilliant ideas, but they do not know how to really work them out, or they work the ideas out in really lame ways," he said.

While young women may be less interested in digital products such as Apple's, they are as concerned about brand names while shopping for clothes or handbags. Huang Yingwen, 24, a public relations specialist working at a Beijing PR company, finds most of her personal belongings in the closet are

Western brands such as Marc by Marc Jacobs or H&M.

"Actually, the product quality of some Chinese domestic brands is as good. But their design and marketing are always flawed. The patterns and the after-sales services always let me down," sighed Huang.

Gao Aidai, 22, a researcher at a Shanghai-based information technology firm, also stressed "quality" when asked for the reason for her preference for Western or Japanese brands.

"Chinese brands can easily fall into the trap of being a copycat due to a lack of their own ideas or creativity, as I understand. But that does not exert as much influence as the quality issue. I seldom buy any domestically produced food or dairy products nowadays due to health concerns," she said.

"The Chinese people remem-

ber the quality issues which they experienced until the 80s with Chinese products. This often resulted in a credibility issue for Chinese brands vis-a-vis the consumers in their own domestic market," said Pascal Armoudom, a partner with A.T. Kearney China management consultants in charge of consumer, luxury and retail for Greater China.

Explaining the success of these international brands, Armoudom said that it is largely because "they have accumulated decades of experience in building image and value."

"For example, the difference between value perception (the sum of functional and emotional benefits that a brand can deliver in a consumer's mind) and price perception (how much is paid to buy a brand relative to comparable brands) is being taught in every Western university," said Armoudom.

"As a consequence, companies like Apple, Nestle, P&G and obviously the luxury players have today a 360-degree approach to brand value building: They continuously invest in product design and innovation. They spend a vast amount of time in defining the brand by 'story-telling' (i.e. the overall story which will make consumers buy the brand beyond product and price, also regarding emotional aspects), and on in-store experience, etc," he said.

But the homegrown Chinese brands should not be disheartened about their future.

"Although facing the challenges above, Chinese brands have been working hard to turn this around since the year 2000. They know that the time for delivering mass production at optimal cost as a guarantee for success is over," said Armoudom.

Zhou Qimian contributed to this story.

## Air India taking 787s amid concerns

By **BLOOMBERG NEWS** in Seattle

Boeing Co said that state-owned Air India Ltd will start preparing this week to take its first 787 Dreamliners, which are almost four years late, after the jets won government approval amid the probe of an engine failure.

### AVIATION

"They want to know what the issue is, just like anybody would," Boeing India President Dinesh Keskar said in an interview. "We've worked with them for 60 years, and they know we're not going to give them something that's not right. But they certainly want to know what's going on and told us to let them know by Monday if we have any insight."

Keskar said executives at Air India called him on Friday from India after a cabinet committee authorized a compensation agreement between

Boeing and the airline for delivery delays. The executives stayed up all night to prepare for the session, he said. K. Swaminathan, a spokesman at Mumbai-based Air India, didn't immediately respond to two calls each to his cell phone and work phone.

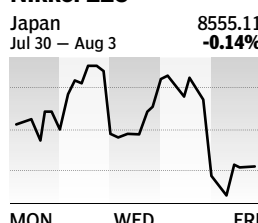
Three 787s await Air India at Boeing's factory in North Charleston, South Carolina — the first one built there and two others from its main plant in Everett, Washington. Air India eventually is due to get the second South Carolina-made 787, the one with the General Electric Co engine that failed before a test flight on July 28.

India's government accepted Boeing's compensation offer for delays on the 787, which was originally due to start reaching the airline in September 2008. A delivery this month may make Air India the third carrier to fly the 787.

## market roundup

### ASIA INDEXES

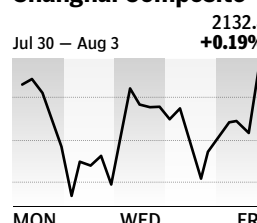
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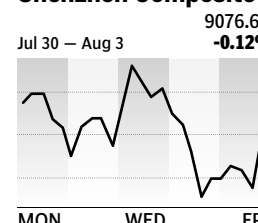
#### Straits Times



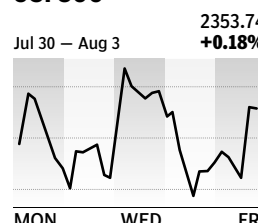
#### Shanghai Composite



#### Shenzhen Composite



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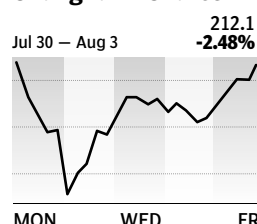
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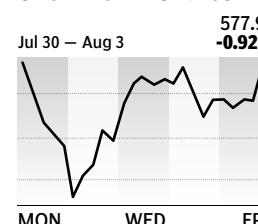
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