

FacialCard

Business Plan by T15

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Company Description

The Company

FacialCard Co., Ltd is a Shanghai-based company that helps commercial banks strengthen credit card security with a new face recognition feather in user identification and provides users a convenient way paying through POS credit card terminals.

The company owns the trademark to the name FacialCard, under which it does business, and bears the slogan of “Just Have a Little Face.”

Company’s Mission

FacialCard’s goal is to enhance credit card security and protect customers’ property from increasing credit card crime. We achieve the goal by applying state-of-art face recognition technology to verification process at POS terminals. As a service company, we dedicate to long-term relationships with domestic commercial banks. We also plan to take advantage of the thriving credit card and biometric market in China, aiming to become the leader in credit card security service. Our development mission is towards steady expansion and trustworthiness among young consumers, with profitability by the second year.

Product and Services

FacialCard manufactures a new type of POS terminals and high-performance verification servers, as well as diverse training programs for commercial banks. The company will also upgrade existing POS terminals without replacing the old ones.

Financial Summary

The initial funding of the company will come from the personal savings of the founders and loans from their family members.

The company projects deficits for the first year of operation, with income reinvested for expansion. The company will be profitable from the second year. FacialCard plans to become the premier service provider of credit card verification based on facial recognition in Shanghai, Guangzhou, Beijing and Shenzhen. We also anticipate expanding our market to other major cities in China from year three.

Company Locations

Corporate headquarter is located in Shanghai. We are expecting to open branches in Beijing and Guangzhou in the next three years, because residents in the three cities comprise a substantial portion of credit card holders. Sales representatives will be sent to receive customers’ feedback and provide

training to banks.

Legal Status and Ownership

FacialCard is incorporated under the laws of mainland China. The company is co-owned by the four founders, Tuohua Wu, Zitao Zhang, Xuan Luo and Shimeng Cheng. Each person has 25% of the shares.

Industry Analysis

FacialCard is well-positioned to take advantage of the significant opportunities presented by the rapidly expanding industry of credit card services and biometric technologies.

China's Booming Credit Card Market

Credit card is already among the fastest-growing consumer credit products in China, and all signs point to explosive growth in card usage and profitability over the next decade. Credit cards, today barely a break-even business in China, will be second only to mortgages as the most important consumer credit product, representing 22 percent of consumer credit profits, or about \$1.6 billion. By mid-2003, 3 million credit cards had been issued to Chinese consumers; that number quadrupled to 12 million two years later.¹ Besides China's big four state-owned banks, many share-holding commercial banks such as China Merchants Bank and Guangdong Development Bank have issued numerous credit cards in recent years. In fact, Guangdong Development Bank made ends meet in 2005 and China Merchants Bank achieved 60 million RMB profit in the first quarter of 2006. With flexible corporate operating structure and diverse distribution channels, these commercial banks are more willing to accept new card services.

Growing Concerns toward Credit Card Fraud

Accompanied by the prosperous industry, the credit card crime rate is also increasing. Counterfeiting, application fraud and misuse of cards are the three main credit card fraud manners. Anyone who holds a credit card is a potential victim of this type of fraud. According to the People's Bank of China, the loss of card crimes can be as high as 100 million RMB yuan per year.² It is urging to develop a more secure credit card protection system instead of signing the holder's name.

Biometric Industry on the Rise

There is an increasing public awareness about biometric technologies since the 9/11 and London terrorist attacks. Biometrics would soon become an integral part of security systems since the uniqueness of human body serves as a natural way of identification. Because of technology advance and economy of scale, price will fall so much that biometrics can be applied more frequently in daily use. It is also estimated that with an average annual growth rate of 29.1% the global biometric market would reach \$3.4 billion by 2007.³

¹ David von Emloh and Yi Wang, Competing for China's credit card market, McKinsey Quarterly, November 2005,

http://www.mckinseyquarterly.com/article_page.aspx?ar=1713&L2=10

² Xu Wang, Take care of credit card fraud, *Beijing Youth Daily*, Jan. 18, 2004,

<http://www.creditcard.com.cn/viewarticle.php?id=17421>

³ Opportunities In Biometric Application Market (2005-2007), published by RNCOS, October

Although China's biometric market lagged behind global market for ten years in the beginning, it has experienced explosive expansion since 2003. From 2002 to 2005, the average market growth is approximately 60% per year. The current market size is as high as 350 million RMB yuan, which is expected to be more than 3 billion RMB yuan by 2010.⁴ Furthermore, customers begin to realize the need for biometric products for identification in financial services. The huge number of potential users makes China the most profitable place in this industry.

Open Competitive Market

Technological innovation, relatively high crime rates, falling prices will all remain important growth driving forces of biometric market, leading to open competitive environment. Microsoft, the International Biometric Industry Association (IBIA) and BioAPI consortium represent the forces driving market growth. In fact, many companies in this industry have made their efforts together to develop a public platform. For instance, BioAPI consortium is a union composed of Compaq, IBM, Identicator, Microsoft, Novell Inc and other firms. Major players in the biometric security industry can be divided into three areas: sensor suppliers, solution suppliers and resellers/distributors. However, the division among these three roles has become very vague due to the industry consolidation and technology integration.

Face Recognition Competing with Fingerprint Identification

Fingerprint identification is probably the most common biometric identification method in use today. It has already achieved significant commercialization in Chinese biometric market, taking up approximately 70% market share. Nevertheless, smart card-based access control system is a newly developed application which can maximize the merits of face recognition. Typically, the main advantage face recognition over fingerprints is the time it takes to return the results. Another benefit of face recognition over fingerprint scanning is that it does not require the user to do anything, like place a finger on a scanner. There is no contact between the verification system and the user. Many fingerprint companies have stepped into the financial services and thus it is difficult for the newcomers to survive. The innovative personalized feature of face recognition will attract continual attention from card holders.

Our Opportunities and Major Competitors

The current lack of industry leaders represents an exceptional opportunity for FacialCard to build up a dominating presence in the credit card identification field by means of face recognition. We will make full use of the advanced technology given by Microsoft to meet the growing demand for personal safety

2005,R459-87

http://www.mindbranch.com/catalog/print_product_page.jsp?code=R459-87

⁴ <http://www.mbtmag.com.cn/Article/html/2006-02/2006215104023.1.htm>

in China's credit card services. Our main rival in face recognition application is a high-tech company SINOCOME directed by Dr. Xin Ma from Tsinghua University. Their clients are very diverse, including the big four state-owned banks as well as airport, customs and electric power systems. In contrast, we can concentrate our attempt on enhancing the efficiency in credit card security through cooperation with share-holding commercial banks.

Competitive Advantage

The accuracy of MSRA's face recognition is consistently above 99.99%, which is better than other similar techniques. In a database of a million objects, a single face matching task can be completed in less than 0.01 second. In addition, consumers will feel more comfortable if they have no direct contact with verification equipments.

Barriers to Entry

Our technologies, including software, verification servers, POS terminals and data format, bear patent rights and are protected by exclusive law. It takes time and labor to create personal files for each customer in substitutive format, which is unacceptable in modern commerce. Moreover, commercial banks are becoming more selective about which companies they will allow to provide the equipment and staff training. The switching cost of changing authorized technical advising company can be extremely high.

Product & Service

Assumptions

- ✓ FacialCard is able to obtain the license of MSRA's face recognition technology for free.
- ✓ The accuracy of MSRA's face recognition applied to various training and test sets is consistently above 99.99%.
- ✓ In a database of a million objects, a single face matching task can be finished in less than 0.01 second on a server produced by FacialCard.

Products

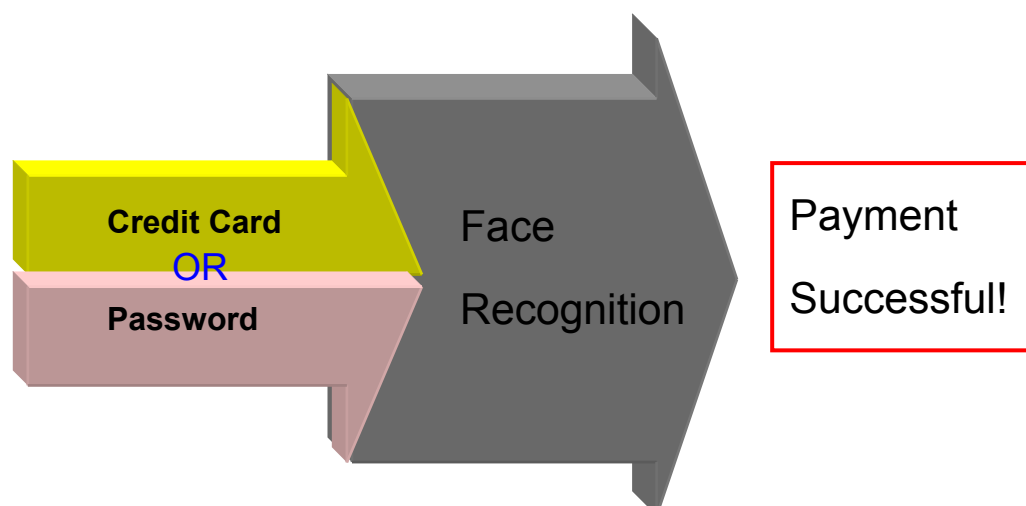
Basically, FacialCard will produce two products through contracts with Original Equipment Manufacturers (OEMs): the upgraded POS terminals and the verification servers.

- **Point-of-Sale (POS) Terminals:** FacialCard will upgrade the existing POS terminals. Without replacing the old ones, we will connect a POS terminal and a camera to a small processing hub. The hub will collect the data from the terminal and the camera and then send data to central verification servers in order to finish the verification process. A processing hub produced by FacialCard will cost 100 RMB yuan. The face recognition technology provided by MSRA only requires pictures with a resolution as low as 96*96. Therefore the camera in use will cost 100 RMB yuan. Thus the upgrading cost is low. FacialCard will also produce such upgraded POS terminals. The new type of POS terminals will retain all traditional functions. The price of an upgraded POS terminal will be 10,000 RMB yuan.
- **Servers:** FacialCard will produce high-performance servers for verification based on face recognition. Our engineers will install the recognition system on servers. The price of a verification server produced by FacialCard will be 100,000 RMB yuan.

Through the contracts with OEMs, FacialCard will save a huge amount of money without investing on manufacturing sites building.

Scenario Description

Our technology will be applied to POS terminals. There are two potential scenarios.



- When a customer brings his/her credit card, he/she can slide the credit card and let the camera take a picture of his/her face. If the picture matches the data stored in his/her account, the payment is successful.
- If the customer forgets to take his/her credit card, he/she can still log in his/her account. The camera again takes a photo of the customer's face, and then the customer enters his/her password. The picture taken will locate a certain account. If the password entered matches the account, the payment is successful.

Taking the time of communicating with servers into consideration, the whole verification progress will be finished in three seconds.

We call a credit card which registers for our service a "FacialCard".

Service

◆ Provided by Banks to FacialCard Holders

- Credit card users will be able to register face recognition service for free at a branch of the credit card issuer. The staff at the branch will take a photo of the user's face, and the user will have to designate a password for this service. The user will be able to update his photo or cancel this service at any time.
- The credit card issuer will set up a 24/7 help desk via toll-free calls and emails.

◆ Provided by FacialCard to Banks

- FacialCard will send an engineer group to install and debug the whole system at the credit card center of its partner bank.
- FacialCard will provide necessary training to the employees of the clients. After the training, employees at the credit card center should be familiar with the face recognition system and solve simple system

problems.

- FacialCard will provide maintenance service through contracts with the clients.
- FacialCard will set up a customer service center for the partner banks. The customer service center at FacialCard will respond to the partner banks' requests quickly.

Marketing & Sales

Target Group

According to our questionnaire results (refer to the appendix), men aged between 25 and 35 appear to be most interested in FacialCard. Therefore, FacialCard's target market will be white collars under 35 years old, who are more willing to try novel products than the senior ones and also financially able to spend much money.

College students are important potential users since they are interested in fashionable products and likely to have a decent income in the future. If they enjoy FacialCard, they will probably continue to be loyal to it after their graduation. Thus FacialCard will also take efforts to develop college market.

Moreover, 35 percent of mass-affluent and affluent consumers reside in Shanghai, Beijing, Guangzhou and Shenzhen. Hence, we should first perform our marketing in these cities and develop loyal customers.

Sales Strategy

As stated in the Industry Analysis section, FacialCard will seek cooperation with domestic share-holding commercial banks. China Merchants Bank and Guangdong Development Bank are leaders in credit card market. They are FacialCard's ideal partners. FacialCard will arrange meetings between their marketing staff and officials of banks' credit card department. Since these commercial banks have similar target customers with FacialCard, the collaboration can ensure a win-win strategy.

At present, the mainly part of credit card profit comes from interchange fee charged by banks. FacialCard plans to receive profit share of interchange fee from the banks. The rate of profit share will be negotiated. But it will not below 10%.

Cooperative Marketing Plan

Although the marketing plan in use will depend on banks themselves, FacialCard would like to propose possible effective marketing procedures. These include cooperative advertisements and sponsoring events to introduce the new service.

➤ Advertisement on Selected Website

Most of FacialCard's target consumers are frequent users of the Internet. Thus putting advertisement on selected reputed websites will attract their attention. For instance, the Sina Business Channel is an appropriate field for our commercials.

➤ Promotion on Campus and in Shopping Malls

FacialCard and its partner bank will send marketing people to well-known universities in Beijing, Shanghai and Guangzhou. Dining halls, recreation centers and super markets are ideal places for public awareness. We will also sponsor promotion in large shopping malls located in downtown during the weekends, where we can directly exhibit our product.

➤ **Advertisement in Monthly Credit Card Bill, both in Mail and Email**

Existing credit card users may be converted into FacialCard's consumers through this approach. First 1000 customers through this way can obtain delicate gifts from our company.

➤ **Brochure Available at Branches of the Banks**

When customers are in queue, they will probably have a look at the brochures.

➤ **Advertisement in Selected Newspapers, Magazines and TV Channels**

We should run our advertisements repetitively to gain mass exposure.

Organization of Sales Team

All company personnel are considered members of sales team. Vice President Zitao Zhang will be in charge of the sales process and explore potential users. Newly hired sales persons will participate in monthly training meetings together with marketing staffs from commercial banks. All employees receive financial bonuses if the company reaches overall sales goals.

Management & Organization

Management Team

✧ President: WU, Tuohua

Tuohua Wu organizes the whole company and supervises the development of it. He is also responsible for personnel recruitment and training.

He is a senior undergraduate at Tsinghua University, majoring in Mathematical Sciences. He is the winner of Scholarship for Overall Performance and Outstanding Award for Student Leadership at Tsinghua University. He was once Vice President of Student Union and Captain of Summer Intern Team in Shenyang to investigate the structure of state-owned corporation Neusoft

✧ Vice President, Marketing and Sales: ZHANG, Zitao

Zitao Zhang is responsible for marketing and sales activities of the entire company.

He is a senior undergraduate at Tsinghua University, majoring in Civil Engineering. As being an exchange student to University of Hong Kong and visiting student to University of Macao, he has lots of experience in interpersonal and social skills. He was the leader of the only undergraduate group that took part in the internship of 2008 Beijing Olympic Construction Projects, which shaped his management talents.

✧ Vice President, Technology and Production: LUO, Xuan

Xuan Luo holds a production executive position that focused on technical issues in a company.

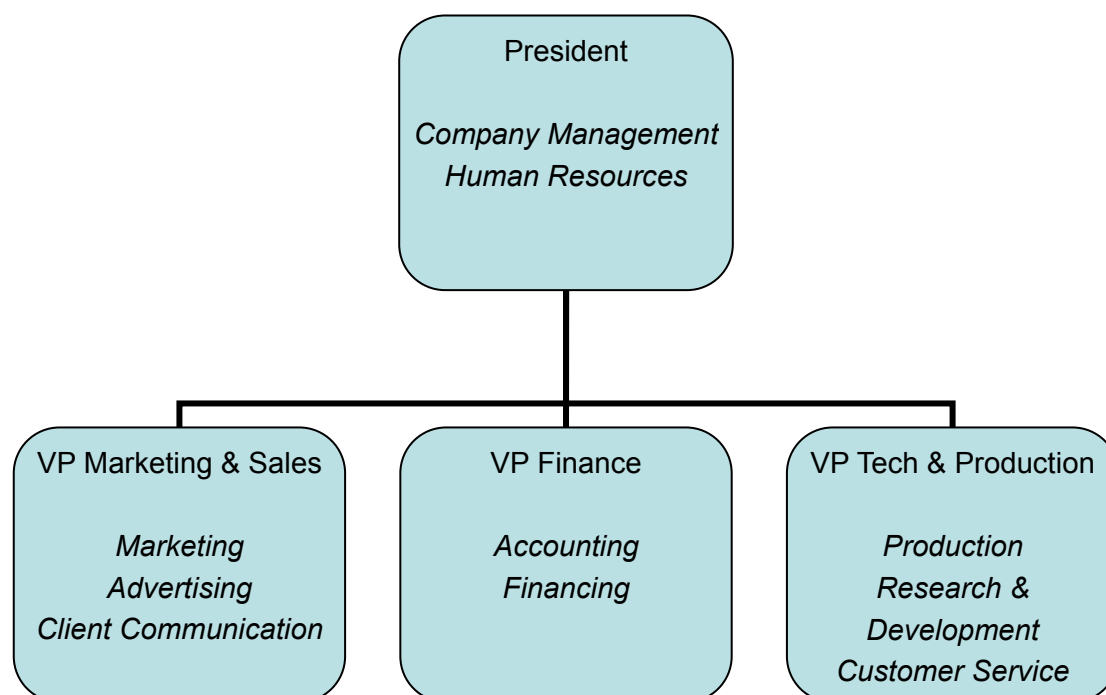
He is a senior undergraduate at Tsinghua University, majoring in Mathematical Sciences. He is also a student member of American Statistical Association and Institute of Mathematical Statistics. Being a student researcher at Ministry of Education Key Lab of Bioinformatics, he explored the application of machine learning methods, such as random forests in gene selection.

✧ Vice President, Finance: CHENG, Shimeng

Shimeng Cheng is responsible for overseeing the financial activities of the entire company. Her work includes signing checks, monitoring cash flow, and financial planning.

She is a senior undergraduate at Tsinghua University, majoring in Electronic Engineering. As an intern analyst at the investment banking division of ICEA Finance Holdings Ltd. she conducted several short term

credit issues, and helped Sinopec issue the first ABCP (Asset Backed Commercial Paper) in China.



Board of Directors

Each of the management team is a director and holds 25% of the shares. Tuohua Wu is the Chairman of the Board.

Personnel Recruitment

As a technology service company, FacialCard will dedicate concerted effort towards operational staffing and human resource. The company prepares to recruit individuals to fill the following positions as growth dictates.

- Accountant, 1 position
- Help desk staff, 3 positions
- Installment & maintenance engineers, 3 positions

Development & Milestones

Short-Term Goals

In the first year, FacialCard plans to have a user group of 130,000, which will account for 10% of the total number of newly issued cards in 2006. In the second year, FacialCard plans to expand its market size to 400,000.

Long-Term Goal

FacialCard plans to grow rapidly in the next five years, becoming the premier service provider of credit card verification based on facial recognition in Shanghai, Guangzhou, Beijing and Shenzhen. 5% of the credit card holders will have registered for FacialCard's service. FacialCard also plans to expand its market into other major cities in China from year three.

Strategy for Achieving Goals

To accomplish these goals, FacialCard will try to establish firm cooperation with China Merchants Bank and/or Guangdong Development Bank. FacialCard will assist the banks' marketing activities and customer service.

After that, to further develop the market, FacialCard will have talk with other commercial banks about possible partnership. The cooperation with credit card association, such as China Union Pay, will also be under consideration.

Risk Associated with Expansion

The biggest risk facing the expansion of FacialCard is the cooperation with commercial banks. If FacialCard cannot persuade its target partner to accept its innovation, FacialCard will not be able to survive. Another big risk is timing. If potential competitors like SINOCOME mentioned in Industry Analysis enter FacialCard's target market first, it may be difficult for FacialCard to penetrate into the market.

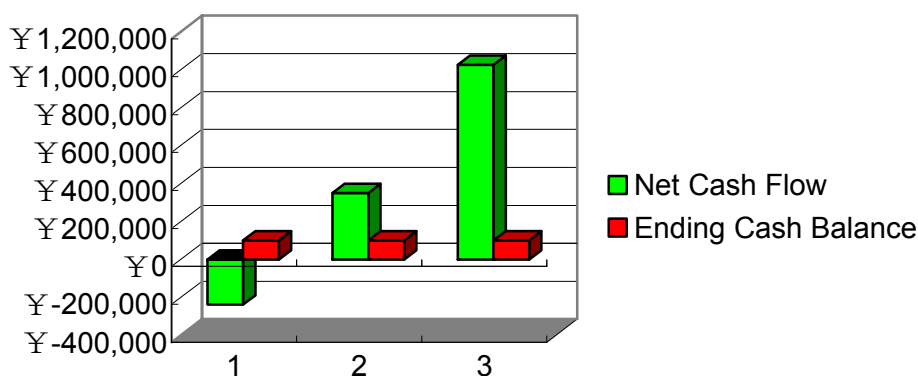
Milestones

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Business Plan		■	■							
Logo Design			■							
OEM Contracts				■	■	■				
Stationery			■	■	■					
Brochures			■	■						
Financial Backing			■	■	■	■	■	■	■	
Initial Marketing						■	■	■	■	■
Office Location			■	■						
Office Equipment				■						

Milestones	Start Date	End Date	Budget	Manager
Business Plan	2006-3-20	2006-5-10	¥0	WU,ZHANG,LUO,CHENG
Logo Design	2006-5-11	2006-5-30	¥2,000	WU
OEM Contracts	2006-6-11	2006-8-10	¥5,000	ZHANG
Stationery	2006-5-11	2006-7-10	¥25,000	LUO
Brochures	2006-5-11	2006-6-10	¥5,000	ZHANG
Financial Backing	2006-5-11	2006-11-10	¥10,000	CHENG
Initial Marketing	2006-7-11	2006-12-10	¥50,000	WU,ZHANG,LUO
Office Location	2006-5-11	2006-6-10	¥48,000	WU
Office Equipment	2006-6-11	2006-6-30	¥200,000	LUO
Totals			¥345,000	

Financial Plan

The Financial Plan outlines the financial strategy to effectively manage FacialCard's anticipated 60% growth in sales, over 100% growth in earning in the first three years. As discussed in the Cash Budget, total financing of 318,000 RMB yuan will be needed in the first year, and 350,200 RMB yuan and 1,026,280 RMB yuan will be repaid on the second and third year respectively. FacialCard's net income before taxes is expected to reach 1,016,280 RMB yuan in the third year.



Financial Goal

Our financial goal is to enjoy a 60% growth in sales, and over 100% growth in earning, while keeping the cost of sales and operating expenses within a growth of 20% per year in the first three years.

FacialCard's major income depends on two parts: the sales of products and share of credit card revenue with banks. The second part mainly depends on the marketing effect of banks, and does not directly cost FacialCard. So we can anticipate FacialCard has a large growth in sales while maintaining a small growth in cost, which together lead to a significant growth in earning.

Cash Budget

FacialCard's cash plan is prepared using the cash budget below. The recognition of revenue and the payment of cost and expenses are recorded on cash basis.

Cash Budget from Year 1 to 3:

	Year 1		Year 2		Year 3	
Total Cash Inflows	¥	1,000,000	¥	1,600,000	¥	2,560,000
Cash Outflows						
Payment for Purchases	¥	300,000	¥	360,000	¥	432,000
Fixed Assets	¥	200,000	¥	-	¥	-
Wages and Salaries	¥	400,000	¥	480,000	¥	576,000
Payroll Taxes	¥	40,000	¥	48,000	¥	57,600
Rent and Leases	¥	48,000	¥	48,000	¥	48,000
Utilities	¥	30,000	¥	36,000	¥	43,200
Insurance	¥	20,000	¥	20,000	¥	20,000
Marketing	¥	100,000	¥	100,000	¥	100,000
Vehicle Expense	¥	50,000	¥	60,000	¥	72,000
Accounting and Legal	¥	50,000	¥	60,000	¥	72,000
Income Taxes	¥	-	¥	37,800	¥	112,920
Total Cash Outflows	¥	1,238,000	¥	1,249,800	¥	1,533,720
Net Cash Flow	¥	-238,000	¥	350,200	¥	1,026,280
Plus: Beg. Cash Balance	¥	20,000	¥	100,000	¥	100,000
Total Cash This Year	¥	-218,000	¥	450,200	¥	1,126,280
Less: Minimum Balance	¥	100,000	¥	100,000	¥	100,000
Financing Needed (Repaid)	¥	318,000	¥	-350,200	¥	-1,026,280
Cumulative Financing	¥	318,000	¥	-32,200	¥	-1,058,480
Excess Cash	¥	-	¥	-		
Ending Cash Balance	¥	100,000	¥	100,000	¥	100,000

Income Statement

FacialCard's financing needs in the first three years were estimated using the income statement. The recognition of revenue and the payment of cost and expenses are recorded on cash basis.

Income Statement from Year 1 to Year 3:

	Year 1	Year 2	Year 3
Net Sales	¥ 1,000,000	¥ 1,600,000	¥ 2,560,000
Cost of Sales	¥ 300,000	¥ 360,000	¥ 432,000
Gross Profit	¥ 700,000	¥ 1,240,000	¥ 2,128,000
Operating Expenses			
Wages and Salaries	¥ 400,000	¥ 480,000	¥ 576,000
Payroll Taxes	¥ 40,000	¥ 48,000	¥ 57,600
Rent and Leases	¥ 48,000	¥ 48,000	¥ 48,000
Utilities	¥ 30,000	¥ 36,000	¥ 43,200
Insurance	¥ 20,000	¥ 20,000	¥ 20,000
Marketing	¥ 100,000	¥ 100,000	¥ 100,000
Depreciation Expense	¥ 10,000	¥ 10,000	¥ 10,000
Vehicle Expense	¥ 50,000	¥ 60,000	¥ 72,000
Accounting and Legal	¥ 50,000	¥ 60,000	¥ 72,000
Total Operating Expenses	¥ 748,000	¥ 862,000	¥ 998,800
Net Operating Income	¥ -48,000	¥ 378,000	¥ 1,129,200
Less: Income Taxes	¥ -	¥ 37,800	¥ 112,920
Net Income	¥ -48,000	¥ 340,200	¥ 1,016,280

Appendix

We conducted an online survey on customers' manners in credit card usage and interest on FacialCard's innovation. The questionnaire was designed by Xuan Luo. The survey was conducted from April 19th to April 24th. The results were also analyzed by Xuan Luo.

Translated Questionnaire

1. Do you have a credit card?
 - a) Yes
 - b) No
2. How many times do you use your card per month?(for card holders only)
 - a) >30
 - b) 15~30
 - c) 5~15
 - d) <5
3. How much money do you spend per month through credit card?(for card holders only)
 - a) >5000 RMB yuan
 - b) 3000~5000 RMB yuan
 - c) 1000~3000 RMB yuan
 - d) 500~1000 RMB yuan
 - e) <500 RMB yuan
4. Are you satisfied with current credit card verification methods (such as signature and password)?
 - a) Yes
 - b) No
5. Do you pay in full the amount owed on your monthly statement?
 - a) Always
 - b) Often
 - c) Seldom
 - d) Never
6. We have an innovative credit card verification method (description of FacialCard). Would you like to have a try?
 - a) Yes
 - b) No
7. How old are you?
 - a) <25
 - b) 25~35
 - c) 35~50
 - d) >50
8. What is your gender?
 - a) Female

- b) Male
9. Which city do you live in?
10. How much is your monthly income?
- a) <2000 RMB yuan
- b) 2000~4000 RMB yuan
- c) 4000~6000 RMB yuan
- d) 6000~10000 RMB yuan
- e) >10000 RMB yuan

Responses

Ninety-seven people submitted the responses. Ninety-two responses are valid. All of the valid responses are listed below. Each number in the first row stands for the corresponding question.

1	2.	3	4	5	6	7	8	9	10
Yes	5~15	<500	No	Always	Yes	<25	M	BJ	<2000
No	<5	<500	No	Never	No	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	Yes	<25	M	BJ	<2000
No	<5	<500	No	Always	No	<25	M	BJ	<2000
Yes	5~15	1K~3K	Yes	Always	No	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	No	Always	No	<25	M	BJ	<2000
No	<5	<500	No	Seldom	No	<25	M	BJ	<2000
Yes	<5	500~1K	Yes	Always	Yes	<25	M	BJ	<2000
Yes	5~15	500~1K	No	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	No	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	No	<25	M	BJ	<2000
Yes	5~15	500~1K	No	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	Yes	<25	M	BJ	<2000
Yes	5~15	1K~3K	No	Often	Yes	<25	M	BJ	<2000
Yes	<5	500~1K	Yes	Always	Yes	<25	M	BJ	<2000
Yes	5~15	500~1K	Yes	Always	Yes	<25	M	BJ	2000~4000
No	<5	<500	No	Never	Yes	<25	M	BJ	2000~4000
Yes	<5	<500	Yes	Always	No	<25	M	BJ	<2000
Yes	<5	<500	No	Always	No	<25	M	BJ	<2000
Yes	15~30	3K~5K	No	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	No	<25	M	BJ	<2000
Yes	15~30	>5K	Yes	Always	No	<25	M	BJ	4000~6000
Yes	<5	500~1K	No	Always	No	<25	M	BJ	<2000
No	<5	<500	No	Never	Yes	<25	M	BJ	<2000
Yes	5~15	<500	No	Always	No	<25	M	BJ	<2000
Yes	5~15	1K~3K	No	Often	Yes	<25	M	BJ	<2000

Yes	<5	<500	No	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	No	Always	Yes	<25	M	BJ	<2000
Yes	<5	<500	Yes	Always	Yes	<25	F	BJ	<2000
Yes	<5	500~1K	No	Always	Yes	<25	F	BJ	<2000
Yes	<5	<500	No	Always	No	<25	F	BJ	<2000
Yes	5~15	500~1K	Yes	Always	Yes	<25	F	BJ	<2000
Yes	5~15	1K~3K	No	Always	Yes	<25	F	BJ	2000~4000
Yes	5~15	<500	No	Always	Yes	<25	F	BJ	<2000
Yes	<5	1K~3K	No	Often	Yes	<25	F	BJ	<2000
Yes	<5	<500	No	Always	No	<25	F	BJ	<2000
Yes	<5	<500	No	Always	No	<25	F	BJ	<2000
Yes	5~15	500~1K	No	Always	No	<25	F	BJ	<2000
No	<5	<500	No	Always	Yes	<25	F	BJ	<2000
Yes	5~15	500~1K	Yes	Always	Yes	<25	F	BJ	<2000
Yes	15~30	1K~3K	No	Always	Yes	<25	F	BJ	2000~4000
Yes	5~15	1K~3K	Yes	Always	Yes	<25	F	BJ	<2000
Yes	5~15	500~1K	No	Always	No	<25	F	BJ	<2000
No	<5	<500	Yes	Always	No	<25	F	BJ	<2000
Yes	<5	<500	Yes	Often	Yes	<25	F	BJ	<2000
Yes	5~15	500~1K	Yes	Always	Yes	<25	F	BJ	<2000
Yes	<5	<500	Yes	Always	No	<25	F	BJ	<2000
No	<5	<500	No	Always	Yes	25~35	M	BJ	<2000
Yes	5~15	1K~3K	Yes	Always	Yes	25~35	M	BJ	<2000
Yes	5~15	<500	No	Always	Yes	25~35	M	BJ	<2000
Yes	5~15	500~1K	No	Always	Yes	25~35	M	BJ	6000~10000
Yes	<5	500~1K	Yes	Always	Yes	25~35	M	BJ	<2000
No	<5	<500	No	Always	Yes	25~35	M	BJ	<2000
Yes	15~30	500~1K	No	Always	Yes	25~35	M	BJ	>10000
Yes	5~15	500~1K	No	Always	No	25~35	M	BJ	6000~10000
Yes	<5	<500	No	Always	Yes	25~35	M	BJ	<2000
Yes	30	>5K	Yes	Always	No	25~35	M	BJ	>10000
Yes	<5	<500	Yes	Always	Yes	25~35	M	BJ	2000~4000
Yes	<5	<500	No	Always	Yes	25~35	M	BJ	6000~10000
Yes	<5	<500	No	Always	Yes	25~35	F	BJ	<2000
Yes	5~15	<500	No	Always	No	25~35	F	BJ	<2000
Yes	5~15	1K~3K	Yes	Always	Yes	25~35	F	BJ	6000~10000
Yes	5~15	<500	Yes	Always	No	<25	M	Other	<2000
Yes	<5	<500	No	Always	Yes	<25	F	Other	<2000
Yes	<5	<500	No	Always	Yes	<25	F	Other	2000~4000
No	<5	500~1K	No	Often	Yes	<25	M	GZ	<2000
Yes	5~15	<500	No	Always	Yes	<25	M	GZ	<2000
Yes	5~15	1K~3K	No	Always	No	<25	F	GZ	<2000

Yes	<5	1K~3K	No	Always	Yes	<25	F	GZ	<2000
No	<5	<500	No	Often	Yes	<25	M	Other	<2000
Yes	<5	<500	No	Always	Yes	<25	F	Other	<2000
Yes	5~15	<500	No	Often	Yes	<25	M	Other	<2000
Yes	5~15	500~1K	No	Often	Yes	<25	F	Other	<2000
No	<5	<500	No	Always	Yes	<25	F	Other	<2000
Yes	5~15	500~1K	Yes	Always	Yes	<25	M	SH	<2000
Yes	<5	<500	Yes	Always	No	<25	M	SH	<2000
Yes	<5	1K~3K	No	Always	No	<25	M	SH	<2000
Yes	<5	500~1K	No	Always	No	<25	M	SH	2000~4000
Yes	5~15	3K~5K	No	Always	Yes	<25	M	SH	<2000
Yes	15~30	3K~5K	Yes	Always	Yes	<25	F	SH	<2000
Yes	5~15	1K~3K	Yes	Always	Yes	<25	F	SH	<2000
Yes	<5	500~1K	Yes	Always	No	<25	F	SH	2000~4000
Yes	<5	500~1K	No	Always	No	<25	F	Other	2000~4000
Yes	<5	<500	No	Always	No	<25	F	Other	<2000
Yes	<5	<500	Yes	Always	Yes	<25	F	Other	<2000
Yes	<5	500~1K	No	Always	No	<25	M	HK	<2000
Yes	5~15	500~1K	No	Always	Yes	<25	M	HK	6000~10000
Yes	<5	500~1K	No	Always	No	<25	F	HK	6000~10000
Yes	5~15	<500	Yes	Always	No	<25	F	HK	>10000
Yes	5~15	3K~5K	Yes	Always	No	25~35	M	HK	>10000

Analysis

We calculated some statistics in the Table A1. We can see that most of the respondents are youth under 25 who live in Beijing and earn less than 2000 yuan per month.

Coverage Rate	87.0%	
Age	<25	82.6%
	25~35	17.4%
	35~50	0.0%
	>50	0.0%
Gender	Male	59.8%
	Female	40.2%
Residence	Beijing	69.6%
	Shanghai	8.7%
	Hong Kong	5.4%
	Guangzhou	4.3%
	Other	12.0%
Income(Overall)	<2000	78.3%
	2000~4000	9.8%
	4000~6000	1.1%

	6000~10000	6.5%
	>10000	4.3%
Income(Card Holder)	<2000	76.3%
	2000~4000	10.0%
	4000~6000	1.3%
	6000~10000	7.5%
	>10000	5.0%

Table A1: Basic Statistics

		Overall	<25	25~35	Male	Female
Monthly Frequency	<5	51.3%	54.5%	35.7%	50.0%	52.9%
	5~15	41.3%	39.4%	50.0%	41.3%	41.2%
	15~30	6.3%	6.1%	7.1%	6.5%	5.9%
	>30	1.3%	0.0%	7.1%	2.2%	0.0%
Monthly Amount	<500	46.3%	47.0%	42.9%	47.8%	44.1%
	500~1000	30.0%	30.3%	28.6%	30.4%	29.4%
	1000-3000	16.3%	16.7%	14.3%	10.9%	23.5%
	3000—5000	5.0%	4.5%	7.1%	6.5%	2.9%
	>5000	2.5%	1.5%	7.1%	4.3%	0.0%
Monthly Payment	Always	92.5%	90.9%	100.0%	93.5%	91.2%
	Often	7.5%	9.1%	0.0%	6.5%	8.8%
	Seldom	0.0%	0.0%	0.0%	0.0%	0.0%
	Never	0.0%	0.0%	0.0%	0.0%	0.0%

Table A2: Consuming Habits

The results show that 62% of respondents are interested in FacialCard. The rate of respondents who are interested varies among different groups, but not much. However, since the respondents are not diversified, the result may have a bias.

		Overall	(Age)<25	25~35	Male	Female
Satisfied	Yes	42.5%	42.4%	42.9%	45.7%	38.2%
	No	57.5%	57.6%	57.1%	54.3%	61.8%
Interested (Overall)	Yes	62.0%	59.2%	75.0%	61.8%	48.9%
	No	38.0%	40.8%	25.0%	38.2%	51.1%
(Card Holder)	Yes	61.3%	59.1%	71.4%	60.9%	61.8%
	No	38.8%	40.9%	28.6%	39.1%	38.2%

Table A3: Interest in FacialCard