Personal reflection of China retail study tour
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After the study tour in China, I have to say the China retail study tour is meaningful and interesting. Even though I am a Chinese, I have to say the fast development of China shocked me and I am proud of my home country.

In the 20 days, we have been to Shanghai, Shenzhen, Guangzhou, Yingkou and Beijing, four first tier cities and a third tier city. During the study tour, we have been to a lot of companies, some of them are international companies, such as COACH, Lenovo, Brown Shoe and Tesco; some of them are Chinese domestic companies, such as Cosiway, RT-Mart and 360Buy. In addition, we have been to the United States Embassy in China and we saw the Ambassador, Gary Locke who was very kindness and smart. I will never forget what the Ambassador told us: “Don’t plan your work safely, take a risk and do a different thing. Reach out your own horizon.” He told us his history of struggle and the job what he did to promote the relationship between two countries and their people. In a word, the experience in the U.S. Embassy told me: the young people should do a different thing and don’t be afraid to failure.

The most impressive company is COACH. COACH China’s headquarter is in Shanghai and COACH purchased its whole stock from a Chinese company in 2009. President Seliger, COACH China said: “China is the most potential country in the luxury market. The sales profit was 1.1 billion US dollar in 2010, and it was 1.9 billion US dollar in 2011 and this year, we are very confident that the sales profit will be 3 billion US dollar.” COACH position itself as an “affordable” luxury brand, so the price of COACH is 40-60% lower than the other European brand and in the Chinese market, the COACH bag’s price range from 95$ to 1200$ which is accessible for the middle class. In terms of localization, COACH not only hired a lot of Chinese employees, but also granted them more autonomy and decision-making power. In addition, COACH corporate with the Chinese local artist to design a hand paint dragon pattern on men’s bags to celebrate the Chinese New Year (2012 is Dragon’s year in China). According to McKinsey’s report of China luxury market, in the next 20 years, China will be the NO.1 luxury market and the demand for the luxury goods
is extremely great from more than 600 million Chinese middle class in 2030. By the company visit, I knew the business strategy of COACH China and the future of the luxury industry in the local market. Because I am interested in the China luxury market, so before I go to visit COACH, I did a lot of research about the brand and the luxury market. But there is a lot of information which I will never found on the internet or the books, so the study tour can help me learn a lot of knowledge which I will never learn from the class. This also the most important reason that why I valued the study tour so much.

In addition, we have been to the other international companies and the domestic companies to learn how they can do a great success in China and how they can do a good relationship with the Chinese government. To sum up, if a company wants to do a good business in China, there are three main points they should focus on:

1. Build a good relationship with the Chinese government and take the advantage of “GuanXi”, the firm will get a great success.
2. Sufficient market survey is essential since the regional difference in China will lead to a great difference in the consumer behavior.
3. Right market position is important which will help you take a different strategy from the other competitor in the market.

The study tour not only let me visit so many good companies but also let me know a lot of good friends. Taking so many American friends to China and traveling around the country is such an interesting thing. I will never forget we go to singing in the KTV and dancing in the club and in the silk market, I helped many friends to bargain with the Chinese seller to get more discount. These interesting things and good memory, I will never forget.

Finally, I will thank you for the study tour which helps me to open my view and to learn a lot of information which I will never know from the class. In addition, I will thank you for myself because of my good decision to take part in the study tour.