Trip Experience Report

This study tour was an invaluable experience. Not only did we get to experience the culture of China we got an in depth view of the current retail business environment. We learned about the status of the economy, business regulations, challenges facing both multinationals and domestic companies, and about the various retailing formats.

Although we learned a lot on this tour the most important thing we learned was that the Chinese market is not easy. Pretty much every multinational company we visited reiterated this point. Don’t enter China if you’re not committed. It will take time and money to succeed in China and if you don’t do you’re research and have a good understanding of the culture and market you’re not going to survive. Although some techniques that are used in the west will work in China as a whole it is a very different market, don’t underestimate it.

Some of the significant aspects of retailing in China that we learned were that the market is still very fragmented and dominated by smaller local shops, that price and quality are the most important things from the Chinese consumer, and that the retailing formats are very different from what we are used to here in the U.S.. The market is the U.S is very mature and has consolidated down to a few large retailers while in China the market is still very fragmented and
most people still shop at small local stores. Here in the U.S we are used to a certain level of quality that goes without saying, no one would ever make fake eggs, but in China this isn’t the case. Fake and dangerous food items have become a problem in their country and that is a unique issue that food retailers must deal with. The retail formats in China are confusing, at least to a westerner, and still focus on offering a very broad selection of items.

One thing we learned that was significantly different from the U.S. is the importance of social media to the retail industry. Social media is considered more trustworthy than traditional media outlets, which are controlled by the government, and word of mouth hold a lot more value than traditional advertising. So retailers work hard to leverage this, while they also work to use social media in the U.S. it’s not given anywhere near the same level of value it is given in China.

We also learned a lot about Chinese culture and business culture. One thing we noticed right away is that dress codes are very casual in China, most people we saw looked like they were dressed for the mall by American standards. Also we learned about interesting trends such as men makeup almost half of the market for luxury bags, because they carry bags and give gifts, while here in the U.S. they are pretty much negligible in that industry.

I think we all learned so much from this study tour and I know I did. Thank you for the opportunity and I hope the retail center can continue to conduct this tour in the future.