Experience Report

From May 10th to May 27th, 2012 China Retail Study Tour visited Shanghai, Shenzhen, Guangzhou, Yingkou and Beijing. 4 faculties and nineteen students, we visited the first-tier cities and third-tier city in China. This is a fantastic trip, through the companies visited and culture visited. I have a better understanding of China’s retail. At the same time, I have a new understanding about my home country China.

The companies visiting left me a deep impression. I divided the study tour visiting into four different types:
A. Multinational corporations in China

In my own opinion, the most impression thing in the study tour is visiting multinational corporations in China. We visited the luxury leather company Coach. From the luxury industry visited and the real shopping experience in China, I found that Chinese people have an enormous demand about the luxury products. Depend on the increasing of disposable income, Chinese people are getting richer. Because of cultural reasons, Chinese people always through purchase the luxury goods to show the wealth. From the Coach’s presentation, we can learn that luxury goods companies are scrambling for Chinese market. Luxury consumption in China will become more and more common in the coming decade.

B. Chinese Corporations

Comparing with the multinational corporations the Chinese corporations may not have a high popularity. The speed of their sales and growth rate are striking. For example, 360Buy, one of the most popular e-commerce in China, it has 200% stable increase in the past few years. Lenovo, the most famous computer company in China, they focus on Chinese market. The marketing manager said, to test the acceptance of product they will put it into the Chinese market. This market can provide an abundant data in an extraordinarily short time. So for the local Chinese Corporations, what they need to do for successful is extremely
simply. Focus on Chinese market and get the market share.

C. Multinational corporations in China’s third-tier city

From the visiting in Yingkou and Shenzhen Wal-Mart, I find the trend of retail developing in China. Because of the well developing in first and second tier cities, the competition in these cities is large. The trend for the multinational retail corporations in China is to expand their business into third and fourth tier cities. People in these cities standard living are increasing. They want to buy the high quality and low price products in a convenient way. Wal-Mart, Carrefour and others international retail can provide those products and service. I am extremely optimistic about the development of international retail in third and fourth tier cities.

D. U.S. Commercial Service Embassy of the United States of America

The visiting about the U.S. Commercial Service in Guangzhou and Beijing is the incredible experience. The U.S. government gives a lot of help for the small and medium size enterprises to do business in China. Government support is extremely necessary for the small and medium size enterprises. Because of the U.S. Commercial Service, lots of small and medium size enterprises come to China to do business, the United States and China can make the win-win.

This is an extraordinary trip. I learn lots of things that I can never learn from class wherever in the U.S or China. Otherwise, I find some issues about China. First, the traffic is terrible in the big cities like Beijing, Shanghai and Guangzhou. In my opinion, Chinese government needs to focus on the traffic issues. Second, fake products and gray market are also a large problem. We must respect and protect intellectual property. In now days, intellectual property is one of the most importance part of global economic. To be a super power country, China must solve these problems. Last but not least, to improve the Chinese education. I remembered at the entrance of Forbidden City we saw a kid pee in public. This is not a super power country’s citizen should do. I hope Chinese government can solve these issues, and China can become a true super power country.