

IBC strategies developing jewellery market in Asia

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IBC STRATEGIES

Developing Jewellery market in Asia

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UNIVERSITY OF WALES TRINITY SAINT DAVID



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Executive Summary

(Zilai Wang 1903231)

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The purpose of this report is to analyse the Jewellery market of Asia. The five key points of the analysis are: How does the jewelry company establish a partnership with Asian jewelry companies, and what factors need to be paid attention to in the process of establishing relationships, because there are certain cultural differences. The benefits of the company's partnership with Asian jewelry companies. The importance of the company's partnership with Asian jewelry companies. Finally, it may be possible to establish a partnership with Asian jewelry companies, which may result in impact. Consider any reasons that may fail during the establishment of a partner company.



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Introduction

(Mingfei Xie 1903731)

Currently, a large British jewellery retail group is considering to establish a global partnership to expand the overseas market. The company is investigating the Asian countries due to its large market and strong purchasing power. It considers Japan, South Korea and China for the target. From the survey, the Japanese market is totally filled difficult to enter into, South Korea's jewellery market is smaller those. Finally the company decided to enter into Chinese market due to its potential value and population. The British company chose a long-established Chinese jewellery company-“Lao Fengxiang”, established in 1848, having high reputation in the Chinese Jewellery market. British company need to consider the difficulties that may be encountered, such as cultural differences between Chinese and Western cultures and they need to communicate with Chinese partners, fully investigate Chinese jewellery market so that they can expand its overseas business in China.

Main findings

1. Ways to enhance relationship skills with global partners

(Tongzhou Ding 1903371)

Culture is a bridge between organizational behavior and strategic management. (Smircich, L. 1983). And organizational culture is an important part to strengthen the relationship with the partner company.

Companies can focus on the organizational culture building and respect the local culture. For partners, the characteristic culture means potential value. It reveals positive organizational image to others. In this case, the Jewellery company is willing to expand its market to China. It can use employee handbook to require employees observe the regulations of the company, making them more efficient and standard. Also, it is beneficial to the rituals and routines of the company. A company having positive organizational culture can attract more customers and partners. Therefore, Culture building is very necessary.

Cultural difference impacts the range of accepted behaviors distinguishable from one societal group to another (Adler, N. J. 1997). Local culture ought to be respected if the company is willing to enhance the relationship with local partners. The two companies are from different

countries, having different organizational culture. The differences should be understood and respected so that business could be carried out successfully. According to Hofstede's theory, China is a country with high Uncertainty Avoidance Index (UAI). A large number of people are conservative, rigid and structured, many customs and behaviors need to be respected. For example, the Jewellery company Laofengxiang is a Chinese company. Employees are required to wear cheongsam-the traditional Chinese uniform instead of suits. The company that respects and appreciates the wearing custom is likely to have a closer relationship with this Chinese company.

2. Advantages of developing relationships with partners

(Mingfei Xie 1903731)

(1) British jewellery companies' partnerships abroad can help ensure the quality of this product. The exchanges with the Chinese jewellery company, British jewellery companies can discover the advantages and disadvantages of each product, such as improving the quality of the product and improving the competitiveness of the product.

For example: Telefonaktiebolaget LM Ericsson and Sony co-founded Sony Ericsson in October 2001. Before the two companies collaborated,

they were not ideal in the mobile phone field. Ericsson is not doing well  18 and has a serious loss. Sony's mobile phone market share is only 1-2%. The Sony Ericsson mobile phone jointly developed after the cooperation has greatly improved its quality and quality competitiveness, and soon established its position in the mobile phone market. 

(2)The establishment of a global partnership between a British jewellery company and a Chinese jewellery company also contributes to the company's image. And the company's visibility in overseas markets, It  will help to increase the company's expansion in overseas markets and sales of products.

For example, SUZUKI cooperated with China Chang'an Automobile Group Co., Ltd. and established a partnership. Changan Suzuki Co., Ltd. was founded, SUZUKI hopes to open the Chinese market, but because of its low visibility in the Chinese market, and lack of certain credibility, SUZUKI found a Chinese car company, established a partnership, joint research and development, and jointly produced a new Changan Suzuki car. This  will lay the foundation for SUZUKI to open up new markets for itself, thereby increasing the visibility of SUZUKI in the Chinese market, thereby enhancing its image and its own reputation.  19

3. Importance of applying right strategies

(Tongzhou Ding 1903371)

Business doesn't have a clear and compelling vision of where it is headed might be bound to flounder (Jagg, 2019). Right strategies could make both sides benefit. According to Hofstede's theory, China is a country with Long-Term Orientation, most companies attach importance to efficiency and performance. Therefore the strategies that manager consider should be practical. For example, Laofengxiang is a leader in Chinese Jewellery market, having much resource and information about Chinese jewellery market. A practical strategy might attract the attention of Laofengxiang and contribute to a deeper business cooperation. Then Laofengxiang might share the orders and clients with the company, making the company have a better place in the Chinese Jewellery market. Therefore, taking appropriate strategies is necessary.

Besides, applying right approaches with global partners could help the company set up a good corporate image. If this company can successfully cooperate with the huge Chinese enterprise, it reveals to other organizations that this company has the ability to do business with. And the reputation of the company might increase. In the cultural web of Chinese enterprises, Chinese organizations attach much importance to the fame and stories of company. A good corporate image is more

welcome for Chinese enterprises.

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4. Affect of failure

(Zilai Wang 1903231)

As the manager in the company, the most important problem need to think about is developing global partners. It will be negative effects if the company can not develop global partners.

Firstly, the company has no information about Chinese market, but the local jewelry companies in China have known the customers' information and their needs for a long time. Therefore, if the company wants to understand the information about the customer in China, it must spend time and money to invest in the research of the target market. For example, the company has to understand that gold will be a certain explosion point today's jewelry category, gold is the real king without crown. It can be realized quickly and can play the role of world currency

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source?

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Secondly, at present, the concentration of Chinese jewelry industry is relatively low, most of the enterprises are small, the brand awareness is not high, and the regional market of Chinese jewelry brand is relatively high. It can be seen that China's jewelry industry is still in the initial stage

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of development, and the enterprises leading the industry have not yet formed. Therefore, the company must cooperate with the top jewelry companies in the Chinese market in order to further open the Chinese market in the future.

5. Reasons for possible failure

(Mian Wei 1903370)

There are many reasons for the failure. Firstly, there are some cultural differences between Chinese companies and British companies. In a high-context culture, people's attitude toward time is open and flexible, while in a low-context culture, people's attitude toward time is highly organized. (Hall, 1976). For example, in terms of time, Chinese are open and flexible, and Chinese may prefer slow negotiations, unlike the British, who may be anxious to reach an agreement. Therefore, cultural differences may lead to distrust and even breakdown of negotiations.

Secondly, Chinese and British people have different views on relationships. In a high-context culture, people believe that relationships are more important than tasks and are highly committed to long-term relationships. In a low-context culture, people have low commitment to relationships and believe that tasks are more important than relationships. (Hall, 1976). Therefore, relationship is especially important in

China. So friendship is also very important in business negotiation. If other negotiators do not show trust and friendship in the negotiation, it may lead to distrust and refusal to continue the negotiation. Building relationships takes precedence over business deals in China, which is a completely different culture from the UK

source?

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Lack of preparation is also a major cause of failure. For instance, if one of the companies does not have a detailed negotiation plan, which may cause difficulties during the negotiation process and make your partner

avoid 2nd person pronouns

feel unreliable. In addition, lack of preparation can also lead to the

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inability to resolve emergencies in the course of negotiations. Therefore, detailed preparation will make negotiators more flexible, confident and purposeful, rather than just having a vague expectation.

source?

Conclusion

(Mian Wei 1903370)

This report provides guidance to jewelers in the UK on how to build partnerships with Chinese jewelers, including how to build relationships and importance with partners, the benefits and practices of partnerships, and the reasons for possible failures in negotiations. In addition, it also describes the impact on the company if it fails to develop relationships with global partners. Therefore, the company must fully understand the local culture and be prepared before the negotiations, so that it can successfully establish a cooperative relationship with Chinese jewelers, and ultimately enhance the company's reputation and expand the company's business.

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GRADEMARK REPORT

FINAL GRADE

41 /100

GENERAL COMMENTS

Instructor

Engagement with Literature Skills

Presentation

You have included a reference list on the final slide using mostly appropriate methods.

You have not included any citations within the slides. You need to highlight to the reader/audience where the information was sourced. You need to ensure that you do so for any future presentations, reports, essays etc.

Supporting Handout

There is evidence of further reading having been undertaken. You have supported areas of the discussion with some appropriate sources cited within the text, but there large unsupported areas within the handout. You also need to take care with the age of your sources, and on in particular is over 40 years old. The rule of thumb is no more than 5 years old. A reference list is also included on the final page, but there are a number of errors throughout.

Avoid over reliance upon one source to support each paragraph or discussion point. Research further and use the research to support the points put forward. There are some areas where you have made attempts to put forward some recommendations, but not supported them with sources or examples.

An example of a reference list is included below. **11/20**

Knowledge and Understanding Skills

There is evidence of some knowledge and understanding of the relevant theory related to International Business Communication. However, this was only displayed briefly within areas within the handout. You should also have stated in the presentation why knowledge of the theory is important for organisations working in or moving into global markets. How does it help?

You spoke of the cultural, communication and but you needed to include more supporting examples and appropriate solutions to aid transition and potentially overcome some of the issues. **8/20**

Cognitive and Intellectual Skills

Within the handout you displayed some brief analysis of the case study but this was limited with only cursory references to appropriate theory to support that analysis. You make some reference to the theory in the handout, but none in the presentation but you needed to apply it to the case study scenario. You should also briefly explain the theory to the audience and then apply the concepts to the case study to support understanding.

You needed to consider and make reference to business ownership in China before recommending it as the first country to enter. How will this impact the UK company? **8/25**

Practical Application Skills

You introduced the presentation briefly and included a conclusion, but you did not make any mention of the theory. You didn't really make any reference to relationship building and what it is, but you did make some reference to working with experienced organisations.

You put forward some good examples, but they are wholly unsubstantiated. You need to ensure that you include the source of all your information to support the points that you are putting forward. You included the successful journey and failure of other organisations to support your reasoning, but again these points are unsubstantiated. When writing academically, particularly at level 6, it is imperative that you evidence all of the sources of the information you included in assignments. **8/20**

Transferable Skills for Life and Professional Practice

Prior to undertaking your presentation, ensure that you have access to the slides, as you experienced difficulties in accessing them on this occasion.

PowerPoint used to display the presentation content. The background and font colour were on occasion difficult to read from the back of the room (slightly

blurry). Furthermore, many of the slides are somewhat wordy, and the text is not split into appropriate bullet points.

There was some direct reading from the slides on occasion. You worked reasonably well as a group, but you need to avoid chatting amongst yourselves during the presentation. You also need to avoid turning your backs on the audience. Ensure that you face forward and make regular eye contact.

You need to take care with timing, as the presentation ran over slightly. Practice your presentation as there were points within the presentation that were somewhat disjointed.

You did not put forward any real recommendations, and your presentation should also have illustrated your proposed approach to developing such skills and the benefits organisations should expect to achieve as a result of understanding the importance of applying appropriate approaches to relationship building with global partners.

Proof read your slides and handout prior to submission to check for spelling, grammar and punctuation errors and to ensure that all necessary content has been included.

You also need to take care to ensure that you use appropriate articles within your sentences. You should also ensure that there is suitable spacing between a full stop and the next sentence (two spaces is appropriate).

6/15

Example of a Reference List using Harvard.

Bailey, S. (2015), *Academic Writing – A Handbook for International Students*, (Fourth Edition) Oxon: Routledge

Cottrell, S (2010) *Skills for Success – Personal Development and Employability*, (Second Edition) Hampshire: Palgrave Macmillan

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PAGE 1

PAGE 2



Comment 1

Brief summary, but you do include relevant points. It would have been beneficial for you to split the

summary into paragraphs that summarised each of the section points being covered in the handout.



Comment 2

what do you mean by impact?

PAGE 3

PAGE 4



Comment 3

is it? evidnec



Comment 4

take care with your grammar and syntax. this particular sentence ends oddly.



Comment 5

has it? this is too soon to make reference to the chosen market.



Comment 6

why would it choose this company? what benefits are there?



Comment 7

The introduction and the points referred too within it need to be wholly supported by appropriate citations.

PAGE 5



Comment 8

avoid starting a sentence with and



incorrect citation method

Incorrect citation method. author surname and year of publication only.

Additional Comment

You also need to take care with the age of your sources. This particular source is over thirty years old.



Comment 9

is an important

ensure that you use the correct articles



Comment 10

How is this done?



Comment 11

which employee handbook?



source?

source?



Comment 12

you should include supporting examples here



incorrect citation method

Incorrect citation method. author surname and year of publication only.



Comment 13

such as?

PAGE 6



Comment 14

not just organisational culture



Comment 15

avoid repetition



Comment 16

why have you chosen this particular company?



Comment 17

capital T needed

PAGE 7



Comment 18

do you mean was? Take care to ensure that you use the correct tenses.

QM

source?

source?

Additional Comment

A good example, but you need to include the source of your information.

QM

source?

source?

QM

source?

source?



Comment 19

so what was the outcome of this partnership?

PAGE 8

QM

avoid contractions

avoid contractions, use the full words



Comment 20

what is considered the right strategy? What influences this?

QM

source?

source?



Comment 21

what do you mean exactly?



Comment 22

How? Evidence needed to support this.

QM

source?

-----?

source ?

PAGE 9



Comment 23

what about those in the UK?



Comment 24

fair point



source?

source?



Comment 25

Fair point



Comment 26

what do you mean by explosion point?



Comment 27

what do you mean?



Comment 28

what do you mean? you are being somewhat vague here

PAGE 10



Comment 29

in what context? you need to explain in more detail here how this relationship would work.



Comment 30

which country is which? you need to briefly explain this.



Comment 31

So, they need to compromise?



Comment 32

which country does this refer too?

PAGE 11

QM

source?

source?



Comment 33

So how should this difference be approached. what should the jewellery company consider here?

QM

avoid 2nd person pronouns

avoid 2nd person pronouns

Additional Comment

The handout should be written entirely in the third person



Comment 34

do you mean 'appear unreliable'?

QM

source?

source?

PAGE 12



Comment 35

it is not a report.



Comment 36

you need to ensure that you support your conclusion with the sources applied within the main findings of the handout.

You also should use this section to make your final recommendations to the UK Jewellery company.

PAGE 13



Comment 37

do not number the reference list. the list should be presented in alphabetical order by author surname. See the feedback summary box for an example.

