

The analysis regarding the failure of international business communication relationship building of **GAOPENG**

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The background of GAOPENG

- The Groupon Company and Tencent intend to set up a joint venture of the “GaoPeng” buy site in China (Beukes, C., & Hughes, S., 2012).

GROUPON

Groupon

- The Groupon has operated the buy website since 2008, with strong ability in the users' behavioral mining and abundant experience of merchant selection.

Tencent

- Tencent has hugely influence among Chinese internet market, which also means that the cooperation between Groupon and Tencent is fabulous opportunity for Chinese buy website market.

Tencent 腾讯

The support of Tencent

Tencent



Provides Groupon with **various legal conveniences** for landing in China

Help Groupon achieve **economies of scale** and **reduce costs** in the short term basing on its **user advantages** and **operating experience** in the Internet industry in China

Tencent 腾讯

Tencent and Groupon cooperation contradictions

- The “**GAOPENG**” website has suddenly been released to the world in 15 February, and then it was rapidly closed, which was the unilateral behavior of Groupon and made Tencent feel extremely unsatisfied. (Bishop, B., 2011; Beukes, C., & Hughes, S., 2012)

Influence

- Bringing about the **contradiction** between the two cooperated companies.

Of the event

- Being detrimental for **trust building** between the two cooperated companies.

Disagreement



Tencent

- Tencent thought the **releasing of GaoPeng** as well as its **employment process** need to be slow and well-prepared

Groupon



- Groupon was willing to enter to the Chinese buy websites market **as fast as possible**

- The two companies also have various strategy according to the Chinese market (Bishop, B., 2011)

Particularism

Universalism

Hampden-Turner, C., & Trompenaars, F. (1993). The seven cultures of capitalism.

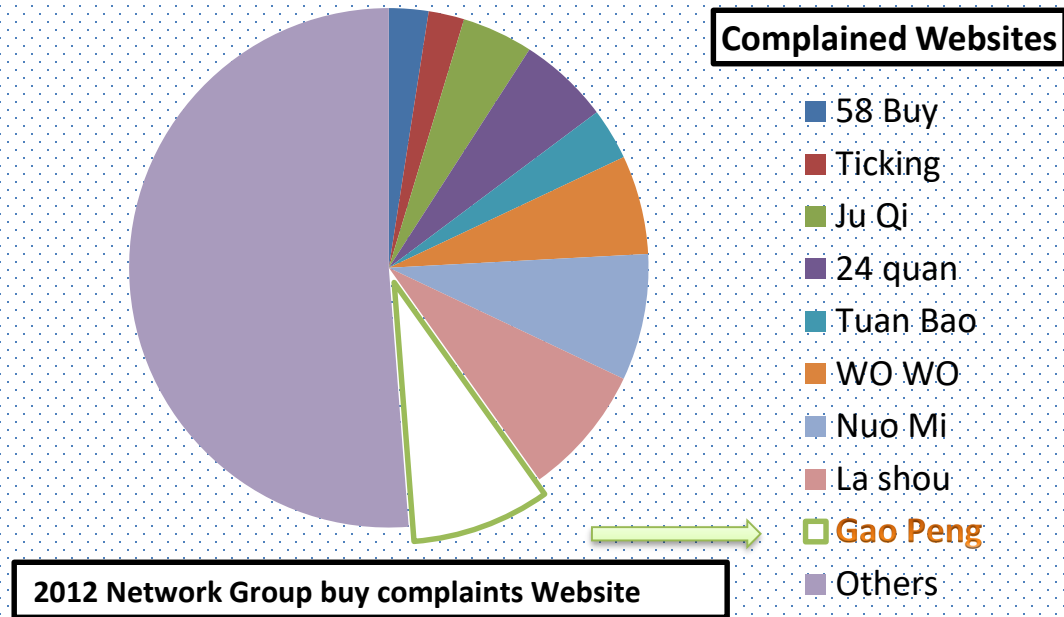
Language problem



- Language is a huge problem, there are a great number of managers in GaoPeng cannot speak Chinese, which cause the communication barriers between leaderships and employees (Beukes, C., & Hughes, S., 2012; Miu Yee, C. L., & Miu Yee, C. L., 2015).

Customers trust crisis

- Successful international business relationships depend on the development of trust



Basing on the data released from China E-Commerce Research Center in February 2012, Groupon has occupied the second place in the Chinese buy site industry, with 7%.

However, it has occupied the top position in the "2012 Network Group buy complaints Website", with 8.62%, which means that Groupon has encountered a great number of user complaints and huge crisis of confidence (Jeon, S., & Yoo, B., 2013; Miu Yee, C. L., & Miu Yee, C. L., 2015)

Customers trust crisis

- May 4, 2012, Gaopeng official Weibo  released a message to invite the users to follow to it and repost the message. Furthermore, Gaopeng committed that there will be two fans who has reported the message having the chance to be given a white iPhone4.
- After the announcement of the winner result on May 11, the users found that the winner of the iPhone4 were the internal staff members of Gaopeng (Beukes, C., & Hughes, S., 2012).



Employees trust crisis

◆◆◆◆ Loss of staff: staffs lack of the sense of belonging ◆◆◆◆

- Since Groupon entered to Chinese market in 2011, Groupon has recruited an army of employees from its competitors using high salary strategy, which seems to an outstanding strategy for Groupon's globalization in China. However, the employees immediately found that the high salary is not real, for Groupon began to reduce the salary basing on various reasons (Bishop, B., 2011).
- Moreover, Groupon changed the rule of company at any time, which bring about it was completely unknown of the salary for employees of Groupon.

◆◆◆◆ Loss of foreign managers ◆◆◆◆

- Living habits and language barriers have become a hindrance to their work in Groupon (Beukes, C., & Hughes, S., 2012).
- They have no sense of belonging in China without roots.

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