



An occasional paper by Phil Allen, CEO, MarketAbility

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China is not just about price

The front cover of Business Week December 6th "The China Price" shows the level of misunderstanding of Chinese and other Asian business cultures in the west, especially in the USA. The accompanying feature in Business Week reinforces the view. But this emailer continues to believe that China is NOT just about buying or selling on price.

For some time now, I have brought examples to this column, demonstrating clear evidence that there is more to marketing and selling in China than just price. There is a growing segment of the Chinese consumer market seeking and willing to pay for quality brands. There are segments of the Chinese B2B markets who acknowledge the value and pay a premium for quality brands. Equally in Chinese B2B markets, there are segments that put value on other aspects, for which they are willing to pay a premium - security of supply, reliability, responsiveness, premium services, relationships. In fact, in many respects China is just like any other market. In other respects, especially the culture, the traditions and the ways of doing business it is very different. Also it is the largest and fastest growing market in the world.

So if you have not started to get a foothold in China, maybe you should. But whether you are already there, or whether you are going to head in that direction, remember that you must UNDERSTAND the needs and value drivers of the customers and potential customers in that market: at a corporate level, at a departmental level and at a personal level, if you wish to be successful in business there..... Actually, this is also no different to any other market.

What people must also come to realize is that China is now a key driving force in the global economy. When China twitches we all feel the rumble. The scale of the market and the growth rates and the further growth potential all make China a market that CANNOT be ignored. But please, please, please try to understand the Chinese customers and the Chinese business people better. For example, listen to the comments from official government sources, when they stated back in May of this year that China's economy cannot be allowed to evolve to the throw-away western-style economy. If China was to have the consumption levels of today's United States it would take eleven planet Earths to sustain it. So, if we take this train of thought to its logical conclusion China's markets will have to be managed to grow only on the basis of sustainability, for which the Chinese will be prepared to pay a premium. And this is just one of many examples which we should be looking out for when approaching the Chinese market to sell our goods and services.

Practical Marketing for Value Growth

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