Breaking the Chinese cultural wall

A cross-cultural study of China and Denmark

Cathrine Glejborg Mogensen

Master thesis

Aalborg University

2014

STANDARD FRONTPAGE
FOR
EXAMINATION PAPERS

To be filled in by the student(s). Please use capital letters.

Subjects: (tick box)	Project	Synopsis	Portfolio	Thesis x	Written Assignment

Study programme:	Culture, Communcation & Globalization
Semester:	10th
Exam Title:	Master Thesis

Name and date of birth/ Names and dates of birth of group members:	Name(s)	Date(s) of birth
	Cathrine Glejborg Mogensen	22-08-87

Hand in date:	30th of May 2014
Project title /Synopsis Title/Thesis Title	Breaking the Chinese cultural Wall
According to the study regulations, the maximum number of keystrokes of the paper is:	192.000
Number of keystrokes (one standard page = 2400 keystrokes, including spaces) (table of contents, bibliography and appendix do not count)*	158.700
Supervisor (project/synopsis/thesis):	John Hird

I/we hereby declare that the work submitted is my/our own work. I/we understand that plagiarism is defined as presenting someone else's work as one's own without crediting the original source. I/we are aware that plagiarism is a serious offense, and that anyone committing it is liable to academic sanctions.
Rules regarding Disciplinary Measures towards Students at Aalborg University (PDF):

http://plagiat.aau.dk/GetAsset.action?contentId=4117331&assetId=4171389

Date and signature(s):

30/5 2014

* Please note that you are not allowed to hand in the paper if it exceeds the maximum number of keystrokes indicated in the study regulations. Handing in the paper means using an exam attempt.

Abstract

In the light of earlier studies showing the importance of gaining adequate knowledge about the culture of a country as a critical factor to prevent a business failure, the purpose of this thesis is to provide Danish companies and business people with basic tools to understand Chinese culture in order to avoid problems and challenges that may lead to business failure or confusion.

This thesis seeks to analyze Chinese culture values and compare it to Danish culture values in order to find the dominating cultural differences between the two countries and find out which of these pose a challenge for Danish design and fashion brands. The outcome of the thesis is based on both a theoretical as well as a practical point of view. The theoretical approach is mainly based on Geert Hofstede, Fons Trompenaars & Charles Hampden-Turner and McCracken which I have used to find the dominating cultural differences between Denmark and China. The majorities of the theories show overall cultural differences between different countries in the World, but do not give an in-depth analysis of each country. I have therefore supplemented Hofstede's results with secondary sources such as Verner Worm and Tony Fang, who have done academic work with specific focus on China and Scandinavia. Furthermore, I have supplemented the results by interviewing, Jacob Johansen from Mench and Karin V. Ankerstjerne from KinaVækst, attended at lecture with Jun Tang, CEO of GOATIME, who all have experience with China, business and cultural differences. The interviews are also meant to verify Hofstede and Trompenaars & Hampden-Turners' theories, as I have found differences in the theoretical and empirical results.

The results from the value dimensions show, that Danish and Chinese business culture differ in many ways and are direct opposites in some dimensions. The value dimension creates a picture of the dominating cultural differences. The most obvious differences according to the results of the theories are found in Hofstede's cultural dimensions. The two cultures also differ to a certain degree in Trompenaars & Hampden-Turners' cultural dimensions, but the results are not as striking as Hofstede's findings. However, the differences in all the dimensions are big enough to causing a challenge for Danish design and fashion companies wanting to enter the Chinese market.

According to the interviews and secondary sources the theory corresponds very well with the empirical findings except from the results of one of Trompenaars' value dimensions "Affective vs. Neutral cultures". Apart from that the only differences are that the cultural differences may no longer be as significant as the theories indicate due to the rapid growth of China's economy with the last few years and the large number of foreign companies opening business and shops in China, that

Table of contents

Appendixes

1. Introduction

"He who knows his enemy and himself well will not be defeated easily" — Sun Tzu, Art of War

It is almost impossible to discuss China without acknowledging the significant change that has been going on for the last 30 years. The change is especially evident in economic development in major centers like Shanghai and Beijing (Moore, 2005). Since the introduction of the reform period in 1978, which has been termed 'reform and openness', the financial system has changed considerably (Kleinbrod, 2006). Since the reforms in 1978, more than 500 million people have been lifted out of poverty. China's poverty rate has fallen with a little over 70% since 1981, measured by the percentage of people living on the equivalent of US$1.25 of less per day (World Bank, 2013). Now a positive growth has shown in the middle class, who will help China become an even greater nation in the future. China is not a major force yet, but its voice is gaining influence (Kleinbrod, 2006), and according to the World Bank (2012), China is on track to become the world's largest economy somewhere between 2025 and 2035. China's hyper growth has flipped its society upside down, and China is fast becoming one of the most important markets in the world (O'Brien, 2014). As such, it is critical for marketers to develop a better understanding about Chinese consumers (Cui and Liu, 2000), and China has therefore remained a hot topic for researchers over the last two decades as demonstrated by the large number of published articles and special journal issues focusing on doing business in China (Lin, 2010; Roy et al., 2001). Steve Gilman, B&Q's CEO for China and Asia said: To be honest, it's difficult to say that there's anything that's specific to China, anything that you don't see everywhere in the world. The only thing that is really different is the speed of change (Desvaux & Ramsay, 2006, p. 90).

China's transition from an export-oriented economy to a consumer-driven economy indicates that the Chinese consumer will continuously increase consumer spending, as the economy is heading towards consumer society and will build an enlarged consumer purchasing power and demand for higher living standard, it must therefore be expect that the average Chinese person now has more to spend (Danish Industry (DI), 2013). In the shift to a consumer-oriented economy, the Chinese will be encouraged from the Chinese government, to spend their money domestically to strengthen the new growth engine (Ibid), which can be seen as a unique chance for Danish design and textile companies to be present at the Chinese market. According to the

newspaper *China Daily* (2013), Chinese consumers' willingness on consumption is already higher than consumers in Western countries, as well as in many BRICS countries[1].

According to The Economist (2014), McKinsey, forecasts that consumption by urban Chinese households will increase from ¥10 trillion in 2012 to nearly ¥27 trillion in 2022, also The Economist and World Bank believe figures are changing significantly, by 2020. China is already the world's largest market, and the Chinese middle class purchasing power is about to overtake the Western consumers. The Chinese consumer is hungry for brands with the right values and quality- which both is something Danish design and fashion companies can provide. By 2020, 51% of the population in China's urban areas is expected to be mainstream consumers, and hundreds of millions of Chinese will experience an increase in their disposable income over the next decade (DI, 2013).

This will lead to an increased purchasing power in China and consumers will, as a result, look for opportunities to spend it, and China's growing cities will be even more interesting for Danish companies. However, China is also one of the world's most risky markets as China differs from most other markets because it has the world's largest population, largest communist bureaucracy and oldest culture (Fang, 1999). Doing business with China is about not just economic transactions, but equally important, socio-cultural activities. These unique features make China a case, in that calls for special academic and managerial attentions (Ibid).

But what does it take to become a successful marketer on the Chinese market?

There are several cases of Danish companies which have neglected to adapt to the Chinese culture and market, and failed to succeed, e.g. the Danish fashion company *IC Companys* , which in 2009 had to close all of their 40 shops, after only a few years at the Chinese Market (Boutrup, 2011). The consumers simply did not approve, and the venture became an economic nightmare for the company (ibid).

The possibilities of a new export adventure in China is nevertheless relatively large, an example is the Danish company Bestseller, which with skillfully craft, lucky circumstances has become one of the few Danish success adventures in China (Boutrup, 2011), but manly being propelled by the Chinese markets terms and not just follow what was known from the Danish home market

---

[1] Brazil, Russia, India, China and South Africa

is what have lead Bestseller Fashion group China to have 6,100 fashion shops across 300 Chinese cities by 2013 (Bestseller, 2014).

Also in the area of Danish design companies there have been success, both LEGO and B & O has in recent years experienced dramatically increased sales and significant growth in the Chinese market after restructuring and stronger local focus, pari passu with higher local purchasing power, growing interest in quality and the desire of parents to guide their children to creativity (Danish Industry, 2013)

Scholars such as Chan, 1963 ; Hu 1994 ; Fang 1995; 1999; Worm 1997 and Kubátová, 2012, have previously focused on Chinese culture, communication and management, however very little have been written on how the Chinese culture affect international companies success possibilities, when entering the Chinese market. With Chinas increased purchasing power and growing middle class, the topic of culture impact on success possibilities seems both as an interesting, relevant and useful topic to focus on.

1.1 Problem statement

Doing business in China is fraught with both risks and rewards (Dixon& Newman, 1998). There are and have been many academic scholars, business and trade consultants available to advise on the economic opportunities, negotiating style, cultural differences and legal issues that are likely to be confronted in entering the Chinese market (eg. Blackman (1997); Davidson (1987); Solomon (1987); Fang (1999) and Worm (1997)). A large amount of the material available is about the upside potential of China, but very little is available about the downside and difficulties of entering the market (Dixon & Newman, 1998). Through this thesis I will seek to look at how cultural differences between China and Denmark influences the chance for Danish design and fashion companies on the Chinese market, on the basis of that I have made the following problem statement:

How can small and medium sized Danish design and fashion companies take advantages of the growing Chinese middle class and their demands- with particular emphasis on how large a role cultural differences plays, when doing business in China?

1.2 Delimitation

On the basis of the above mentioned problem statement, I will in this section account for the delimitations of this thesis.

China

In this thesis I have chosen to look at Mainland China which throughout the text is referred to as 'China'. I have chosen to exclude Taiwan and Hong Kong, as I believe these two areas can be seen as two different countries connected to China, and would need its own special research.
With its tremendous growth China has experienced with the last three decades the opportunities within China for non-Chinese companies have grown as well.

It is easy to think of China as a single market but considering the geographical and population size there are a number of factors that make China a lot more complex. The large difference in income levels between and within areas is one factor. The largest cities with the highest disposable income are mainly located along the coast of China. Another complicated factor is the consumer behavior of Chinese consumers (Lu, 2008, pp. 109, 180, 186; Lu & Chevalier, 2010, p. 106).Though it would have been optimal to have taken a more regional approach in this thesis, I have chosen primarily to focus on China as whole, among other due to page limitations. However, I am aware of the fact that standardized brand marketing is less effective than locally adopted marketing, and given that China is a very diverse country not just one giant country that is controlled from one location in Beijing, it is diverse both economically and geographically but also culturally, and the choice of a specific city or cities, such as first- tier cities like Shanghai and Beijing etc., as these have a well-established infrastructure where the consumers have high wages and are exposed to and used to the western brands (Møbjerg & Hansen, 2008) could have given the research a more accurate conclusion. I have tried to encounter the whole of Mainland China, in order to make some general assumptions about the Chinese consumer market and the chances of success for Danish design and fashion companies and how the success is affected by the cultural differences and growing middle class.

Small and Medium -sized Enterprises (SMEs)

In this thesis, the focus is exclusively on SME's as they in Denmark represent 92 % of businesses (Sørensen, 2007). Denmark has very few global companies (LEGO, Carlsberg, A.P. Møller-Mærsk Vestas, Bestseller etc.), and they have already penetrated the Chinese market and is therefore uninteresting in the context of this research, furthermore there are no Danish global companies within the area of design and fashion.

There exists no global definition of SMEs. Some countries have their own definition of SMEs, which is typically based on the number of employees, total net assets, sale and investment level (Ayyagari, Beck and Asli 2007)". In this thesis, I follow the European Union definition. The European Commission divides SMEs into three categories, i.e. micro enterprises (1-10 employees and an annual turnover below EUR 2 Million), small enterprises (11-50 employees and an annual turnover below EUR 10 Million) and medium enterprises (51-250 employees and an annual turnover below EUR 50 Million) (European Commission, 2003) SMEs are the most mobile group of companies , as they are able to immediately respond and adjust to varying market conditions or technological requirements (Wu 2007; Berger and Udell 1998).

Danish design

The research of this thesis only takes deposit in the areas of Danish design and fashion, as theses two categories are often categorized together. According to Ministry of Foreign Affairs, Danish furniture, design, fashion and architecture constituted with 75 billion DDK in 2012, which equals to just around 12% of the overall Danish export (UM,2013). The delimitation to only this specific area should be seen in the light of that this category is one the areas where Denmark has experience success within reason years, as well as furniture, clothing and design often have been mentioned as one of Denmark's international strengths.

Since the 1950s design has undergone a significant transformation, the word "design" today encompasses many different areas such as product design, digital design, interior design, communications design, fashion and textile design etc. (Spandet-Møller, 2011).

Denmark is not a country which specializes in production nor does Denmark have a true fashion oriented culture like Japan, France or Italy, however Danish fashion have had great success in creating the high level of business through a combination of design as a competitive parameter,

conceptualization etc. Today Denmark is taking a very strong and leading position within fur, shoes and jewelry (Spandet-Møller, 2011). Danish design is world renowned for its clean lines and focus on materials. Some of the prominent Danish designers are Georg Jensen, Hans J. Wegner, Finn Juhl and Arne Jacobsen, more resent Danish designs are from B & O, LEGO, ECCO, Royal Copenhagen, Eva Trio, Stelton, Oticon who are all know and regained for it design and quality worldwide (visitdenmark, 2014).

Within few years, the Danish government is expecting the export of Danish goods to rice to a level like 2011 and thereby make China, Denmark's 3th or 4th biggest export market (UM, 2012).

Middle class

In this thesis, the focus is primarily on the middle class of China. The official data from China's National Bureau of Statistics categorize the Chinese middle class as households with an annual income ranging from ¥ 60,000 to 500,000 (Wang, 2010). The emerging middle class is unusually young, within the age 25 to 44 years (Farrell et al., 2006).

In 2000, only 4% of urban households in China were middle class, by 2012, that share had risen to 68%. McKinsey & Company expects China's middle class to reach 630 million by 2022– that is, 76% of urban Chinese households and 45% of the entire population (Barton, Remes, Chen, Jin and Bush, 2013). The growth of the middle classes is boosting domestic consumption and economic growth, providing opportunities for global consumer businesses at a time when the middle class have been stagnant or even shrinking in many advanced economies, following the recession. With China evolving from a relatively monolithic, poor country into a vibrant marketplace with complex and rapidly developing consumer segments a larger and younger group of middle class are evolving (Lin &Wang, 2010). From 2010 to 2025 the lower middle class of China is projected to rise from 290 million to 520 million people. The lower middle class are represented by households making between ¥ 25,000 – 40,000 per year.

McKinsey & Company allocate the middle class in China into two groups, *the mass middle class* defined as those with annual household income of ¥ 60,000 to ¥ 106,000, in 2012 this group accounted for 54% of all urban households and *the upper middle class,* with annual household income of ¥ 106,000 to ¥ 229,000, who in 2012 accounted for 14% of urban households. By

2022, McKinsey & Company expects the upper middle class will account for 56% of urban private consumption and about 49% of total private consumption compared with around 13% of the mass middle class (Barton, et al., 2013).

1.3 Project structure

Chapter one, will consists of an introduction of the thesis topic, chapter two, will consists of methodological considerations and chapter three a review of theoretical, followed by an explanation of how these will be used in the analysis. Chapter four is analysis of the interviews from Danish experts and interviews from the radio program *Globus Kina*, chapter five will sum up the conclusion and chapter six reflections and future research recommendations

2. Methodology

Methodology refers to a 'perspective' or broad theoretically informed approach to research, which stems from the researcher's epistemological stance or philosophical position. This section outlines the methodology in order to justify the choices made in relation to this thesis, and also to account for the most suitable approach relevant to this study (Herslund, 2004).

The aim of this thesis is to generate knowledge concerning Danish design and fashion companies' chance of success on the growing Chinese middle class market. It is of great importance, that before going into greater detail, this project outline requires a discussion of the researcher's perception of reality and possibility of knowledge conducting.

Researchers generally have previous knowledge and opinions of the area they are about to research. Without taking this into consideration there is a risk that these previous perceptions affect the research and its outcome (Bryman & Bell, 2007, p. 30).

My theoretical background consists of 1½ years within the frames of the Culture, Communication and Globalization program at Aalborg University. During the years I have studied relevant areas such as Chinese area studies, Consumption, Market Communication, E-commerce and Cultural Globalization. Additionally I have been an intern at the Nordic- Chinese Chamber of Commerce as well as spent two semesters at Shanghai Finance University as part of my bachelor, and thereby gaining firsthand experience with Chinese culture and business, as well as theoretical knowledge of the Chinese market and consumer behavior. Maxwell (2005, pp. 38) argues that ignoring previous personal knowledge and understanding of the research subject

"cuts of a major source of insights, hypotheses and validity checks". I will, however, to the extent possible try to be as objective as possible when conducting my research. I believe it is important to give the reader the opportunity to form his or her own opinion on the subject, thus giving the thesis as high credibility as possible

2.1 Paradigm

A significant point in research is the paradigm, or said it a more humane way, particular beliefs about what knowledge is, what is knowable, and how we can go about gaining knowledge or as Guba & Lincoln, 1994 defined it, as the "basic belief system or worldview that guides the investigator" (p. 105) Guba and Lincoln (1994) break paradigms down to three aspects: ontology, epistemology and methodology. Researchers stick to various paradigms which all hold diversity in their characteristics. Constructivists for example strive for a better understanding of human behavior (Brymann, 2008), while others such as the positivist paradigm seeks for confirmation and is mainly used in natural sciences.

This thesis is drawn up within the constructivist paradigm. Constructivism is about *"reconstructing the 'world' at the only point at which it exists: in the minds of constructors"* (Guba, 1990, p.27). The constructivist paradigm was chosen for this piece of research because of its stance on 'reality': there is not just one, but many possible 'realities' (Guba, 1990) However, it should be noted that in this thesis, the 'world' that is constructed will refer only to our social world, not the natural world. In the field of consumption there are often many different, but possibly equally valid answers to one question. Hence, it was imperative to ensure that the paradigm chosen for this research would allow the result of this thesis to be one of possibly several answers. The conclusion that will be drawn from this piece of research is a result of the research process and the 'worlds' of the interviewees and theorist, and it may therefore not be the definitive truth or represent the only real reality. As Bryman (2008) puts it: *"[…] the researcher always presents a specific version of social reality, rather than one that can be regarded as definitive"* (p.19). Though, it should be noted that this will not make the conclusion less valid.

2.1.1 Epistemology

Epistemology asks the question: What is the nature of the relationship between the knower (the inquirer) and the known (or knowable) (Guba, 1990), or in Guba (1990) own words *"the nature*

of the relationship between the knower (inquirer) and the known (or knowable)", or in the words of Daly (2007: 23): *"all knowledge is constructed through a meaning making process in the mind of the knower."* As a consequence, it is not possible, nor recommendable, to be objective as the inquirer shapes the direction and outcome of the study, meaning the research will always to some level include the values, preferences and understandings of the inquirer (Bryman, 2008; Levy, 1959). Thus, instead of trying to understand our realities in a set of law-like predictions a subjectivist epistemology *"accepts that knowledge is subject to differing viewpoints and explanations, subject to the interpretations of different value standpoints and subject to revision as a result of changing conditions and circumstances."*Guba (1990) argues that the epistemological stance of the constructivist paradigm is subjectivist, meaning that; researcher and participants are linked, constructing knowledge together (Cresswell (2009) and Guba & Lincoln (1994). The subjectivist position stands in a strong contrast to the positivists, who are in search for objectivity, and believe pure objectivity is impossible. In constructivist research the concept of objectivity is fundamentally rejected as the knowledge is actively constructed and co-created by human agents (Guba & Lincoln, 2005).

The aim of this thesis is to contribute to the knowledge on how Danish design and fashion companies can gain success on the growing Chinese middle class market. The aim is further to describe the possible cultural adjustment Danish design and fashion companies have to do when entering into a new market, like China. In order to answer my problem formulation, I will need to acquire knowledge in the areas of cultural differences and its influences on the consumption and buying behavior. This knowledge will be gained from sources with great knowledge or involvement within the areas of Chinese consumption, behavior and culture, the sources will be experts and previous scientific research on culture and consumption behavior. These sources of knowledge are all constructed from subjective perception of people within the different areas and depend on their view of the world. I can therefore conclude that my research has an interpretive view of the world, also supported by my qualitative research strategy and the deductive scientific approach (Bryman & Bell, 2007, pp. 28). As a constructivist I strive to detect the multitude of realities or constructions and represent them, the choice of a qualitative and deductive approach was therefore natural, as this would allow me to accomplish an understanding of most of the cultural constructions and how it can effect success as well as provide rich insight into human behavior (Guba et al. 1994).

It should be stated at this point that the study is exploratory and not a definite report on the subject. This also means that this study would and could be an completely different one if conducted by someone else, accordingly, my personality and my attitudes towards Danish design and fashion companies and Chinese consumer culture are decisive for this research process from the initial interest in the subject to the theories and methods chosen. As I in no way possible can I have insight into all aspects of the phenomenon culture, this means that if there at some point is an example that contradicts the established theory which is determined based on the inductive method, then the theory is abandoned and considered disproved (Langergaard, 2006). I cannot prove that all Danish design and fashion companies are affected of the Chinese culture, on equal terms, as there may occur divergence. However, for those which deviate, the finding can be seen as a starting point of where to be extra alert and focused.

2.1.2 Ontology

Ontology defines the researcher's assumptions about the nature of reality (Biber-Hesse, 2010; Guba, 1990; Herslund, 2004). The distinction between ontology and epistemology though, is most apparent in the objectivist standpoint as there is a clearer separation between the knower and the known and thus a clearer distinction between external reality and the relationship the inquirer has with that reality (Pettigrew, 1992; Daly, 2007). Constructivism is linked to relativist ontology (Guba & Lincoln, 2005), in other words, it is believed that all truth is "constructed" by humans and situated within a historical moment and social context and there is no such thing as *the* one reality but multiple (Cresswell, 2009; Guba & Lincoln, 1994).

2.2 Empirical work

The empirical work consists of a mixture of qualitative (interviews, academic lecture, academic and newspaper articles) and quantitative (data from data pages) empirical data. The mix of qualitative and quantitative gives more flexibility in approaching the topic of cultural differences and its influences of success for Danish design and fashion companies, this has great importance as the topic of cultures is very broad.

2.2.1 Interviews

In this thesis, the researcher has chosen to illustrate my issues based on qualitative interviews and thereby take an empirical point of departure for my research. The choice of method fell on the qualitative research interview as I believe that by using this method, it will give the possibility of getting the most detailed, nuanced and comprehensive data on China's culture and Danish design and fashion companies opportunities on the Chinese market, and thereby be as objectivity as possible. By using qualitative interviews as method, there will be a unique opportunity during the course of the interactive interview phase to capture and discover new approaches to the already written questions (Guba &Lincoln, 1994), which can be useful for the further work process. It is believed that a good appreciation of what the interviewee sees as significant and important in relation to the topic area matters a lot to the later analysis as well as the whole study (Bryman 2012). On the basis of previous read research on culture, such as Hall (1976), Hofstede (1999); Gesteland (2002) I have found topic for the interview, which I have found most relevant to answer my problem statement(see appendix 1, for interview guide).

Alternatively, I could have chosen to study my problem field from a quantitative method such as electronic questionnaire. However, I believe, that by using an electronic survey, it would not be possible to achieve the same level of detail as in the case of qualitative interviews, among others things I firstly believe the informants are all very busy people, who would probably give lower priority to a "dead" questionnaire compared with an interactive interview, furthermore for some it would have been easier to give me a more ideal compared to actual believe – because of their more commercial background. Quantitative methods like surveys, questionnaires, subjective reports, case studies etc., are more suited for the positivist paradigm where researchers think "of the world in terms of variables and correlations" (Maxwell, 2010) and are therefore developed to statistical and numerical approaches. In this context a quantitative method would fail to accomplish demands to involve people into a dialogue. However, Lincoln (2010) emphasizes that it is not so much the techniques that make the difference but the intermingling that creates "knowledge of a different sort". This two-way communication, that characterizes a qualitative interview, can give the interviewees a better understanding and insight to the researched and what the specific area of interest for this thesis is, and thereby be able to answer the question more accurate. The choice of the qualitative research interview as a method is made on the basis of the reflections by Steinar Kvale (1997) ”... *at interview egner sig især til at undersøge*

menneskers forståelse af betydningen i deres livsverden, beskrive deres oplevelser og selvforståelse og afklare og uddybe deres eget perspektiv på deres livsverden" (pp.111).

By using qualitative interviews, a more nuanced picture of the problem field is ensured, as the interviews with the interviewees, will give direct access to the interviewees' visions and understanding of the topic Danish design and fashion companies on the Chinese market, and thereby also their view on the future of Danish design and fashion companies on the Chinese market.

It is important to emphasize that Kvale's understanding of the qualitative interview is just one of many, he is the researcher who in my opinion currently have written the most useful material on qualitative interviews, and I have therefore chosen to take base on a number of the ideas he presents in the book: Interviews: an introduction to qualitative research interviewing. Kvale (1996) defines this qualitative research interview as, *"... et interview, der har til formål at indhente beskrivelser af den interviewedes livsverden med henblik på at fortolke betydningen af de beskrevne fænomener"* (pp.19). In other words, the main focus of qualitative interviews is to obtaining data and then to interpret new meaning and knowledge on the topic of research.

2.2.1.1 Kvale's 7 dimensions

Kvale (1996, pp.94ff) outlines seven stages as a means to structure, plan and implement the various parts of a qualitative interview research study. A brief presentation of the first four stages will be described below as I have decided to design my interviews based on these dimensions.

The main aim of the study is to explore the affect the Chinese cultural differences have on the success rate of Danish design and fashion companies and secondarily how the culture influences the chances of becoming a success or failure on the Chinese market, as well as their way of doing business, as this specific area have not had any previously specific exploration. Where structured interviews normally look for generalisable and statistically consistent data, the unstructured interview search for profundity and detail and taps into the individual understandings of the interviewee (Pole & Lampart (2002), pp. 131).Two semi- structured interviews were therefore employed, to get further data on the topic of cultural differences between China and Denmark, as well as to get a deeper understanding of how to best succeed, when being an outsider to the Chinese market.

For the interviews an interview guide was created (see appendix 1) in order to achieve the angles of the knowledge that this research is looked for. Creating an interview guide is important, as the interview can easily go in a completely different direction than expected and the interviewer will end up with nothing useful. Some scholars such as Robson (1993) is a propend of questioning technique that let the interviewees talk freely, whereas Holstein & Gubrium (1997) distinguish conventional questioning technique's which focuses on a maximizing the flow of valid and reliable data through neutral and open questions and a post-modern constructivistic and ethno methodical inspired methodology, which focuses on the interview as a context to the production of knowledge. A large part of the criticism qualitative interviews have had over time, is based on the dangers of depicting the questions. Kvale (2007) meanwhile argues that leading questions is not necessarily inappropriate and misleading. According to Kvale (Ibid), the crucial point is not whether one uses leading or not leading questions, but rather whether the questions provide new, valuable and credible knowledge. Despite the disagreement between scholars, I have chosen to despite the knowledge gained prior to the interviews, to keep my preconceptions as natural as possible, to capture as much data as possible. The interview is therefore a mix of closed and open questions, still to give the interviewees the change to talk freely, but in a controlled manner. A large portion of the questions are based on previous research and the questions are therefore to some extend connected to the theories. Some questions can seem leading, as I in specific areas need a more concrete answer, to be able to compare the answerers my problem statement and give the best possible answer to conclusion.

For the analysis of the interviews, all interviews will be transcribed into English from the interviewee's native language (see appendix 2 and 3 for the transcripts) and turn into a resume. On the basis of the transcription from the native language to English, it has to be mentioned that it will not be possible to translate every statement word by word and that some words or expressions might be lost in translation. While translating, the researcher will attempted not to falsify the interviewee's statements and to keep as much content as possible. Kvale (2007) points out, that the way a transcription is carried out depends on the purpose and use of the transcription. On that note, as the focus in this project is not the linguistic aspect of the conversation. The analyses of the topic discussed, will be done via Kvale's (1996) meaning condensation. To improve the readability of the interviews, it has furthermore been decided to leave out empty words e.g. sounds like *ehm*, *mmm*, *ahm*, etc. and repetitions, since these were not seen of importance for the future analysis.

2.2.1.2 Choice of interviewees

Based on my literature search on China, and Danish design and fashion companies, I found out that it is primarily a group of organizations representing the current debate in Denmark about China and the future of Danish design and fashion goods.

My criterion for the selection of informants is what Olsen calls "selection by level of information" (Olsen 2002, pp. 82). This kind of informants he mentions as "elite informants with expertise in specific areas," which accurately characterizes my interviewees, whom I have previously referred to as experts in the field (ibid., pp. 83). They are not selected on the basis of age or gender, but because of their current background or former background, as it is more important to choose those participants from whom the researchers can learn the most from, instead of limiting the range of possible participants to avoid asking acquaintances (Thomas, Nelson and Silverman, 2011).

I have had contacted the following people: Jacob Johansen (Communication Strategist and China expert at Menschs) and Karin Vith Ankerstjerne (Project manager at KinaVækst)

I have also taken contact to; Heidi Wang (CEO of Nordic-Chinese Chamber of Commerce) ;Glen Mikkelsen (Managing Director at *DI*-Asia Base); Michael Hillmose (Commercial Counselor at Dansk mode & textil) Ulrich Heegard (Partner at Asiaphase) and Mette Knudsen (CEO at Knudsen &co.), by e-mail and phone, to get an even better understanding and more nuanced picture of the cultural differences and problem Danish companies faces when wanting to enter the Chinese market, unfortunately they did not have the time to answer questions, they could otherwise have given new or different angles to my research.

2.2.1.3 Single vs. group interviews

Before contacting the people I would like to interview, I had to make a choice of wanting to collect the interviews as single or group interviews, as both has pros and cons.

"Samtidige interview med flere informanter har både fordele og ulemper. Til fordelene hører gruppedynamisk fleksibilitet og detaljerede beskrivelser, mens enkeltinformanters dominans over for gruppen samt afvisning af sensitive emner er potentielle dysfunktioner" (Olsen 2002, pp.75)

However, it was clear from the outset, that single interview was best suited for this research. First and foremost is was a key factor that all informants got the necessary time to answer questions, and thereby could give some long coherent examples, which could be difficult in a group interview and the data would have less usability. As Olsen points out, there will always be people in group who frequently speaks and get more speaking time than others, and despite the fact that almost all of my interviewees are experienced speakers, I expect that it will probably still be the case. When talk face to face, a form of confidentiality is much more easily build, when the interviewee gives the interviewee his- or her time, the interviewee will possibly talk about stories of a more personal nature, which he- or she might not want to talk about in a forum.

Had I chosen to take base in a group interview, it would probably be more difficult to examine and compare all of the informants' opinions, as some might barely have had the change to say anything at all. In this group of informants, much of which is government officer, it is important to mention that they may have no fixed positions and another person position, it is furthermore important to point out that there is no definite right or wrong answers and there is no expectation of interviewees to reach some kind of consensus. Finally, it would simply be physically impossible to collect all informants simultaneously due to their job's locations and time available. Last but not least, I deselect the group interview, as I am not well experienced in interviewing and it could easily become difficult to control and assess a group of 5 people, who know each other and presumably have discussed the subject together previously.

"... Gruppeinteraktionen reducerer imidlertid interviewerens kontrol over interviewsituationen, og prisen kan være en relativt kaotisk dataindsamling og vanskeligheder med systematisk analyse af de sammenblandede stemmer" (Kvale 1994, pp. 108).

By doing so I have probably missed out on a great debate; however I have weighted the data material detail, confidentiality and time with each informant higher than a good debate.

2.2.2 Podcast interviews

In this thesis, I have further chosen to illustrate the issues of cultural differences, based on four podcast from the Danish radio program Globus Kina. Globus Kina is a weekly one hour program on the non-commercial radio station 24/7, focusing on China's rapid development, hosted by Christina Boutrup and Louise Windfeld-Høeberg.

Just as in the qualitative research interview, I believe that by using the interviews conducted by Christina Boutrup or Louise Windfeld-Høeberg it can give the possibility of getting more detailed and nuanced data on China's culture and Danish design and fashion companies opportunities on the Chinese market, and thereby be as objectivity as possible.

The program have had topic such as the royal visit in China, China's one-child policy, Chinese women's rights, the importance of social media in China and much more. The program does not focus specifically on cultural differences or Danish design and fashion companies, but more on China, Chinese consumption, Chinese cultures etc. I have chosen to focus on four interviews , one with Shiri Haugbøl (Jewelry designer and owner of the Danish brand Carré), Erik Høj (marketing and sales manager at Kjeldsen group), *Michael Hauge Sørensen(Advisor to the Group Supervisory Board at ECCO), Jacob Johansen (Head of International projects and Asia market expert at Mensch) and* Line Markvadsen (Founder of the Danish brand Edith &Ella) who have either had years of exercise with the Chinese market or have just taken the step and entered the Chinese market within few month. It is important to state that, as the interview were not conducted by me, I have had had no influence on which and how the question were asked, or the topic of the interview. But as the importance of qualitative research is to obtaining data and then to interpret new meaning and knowledge on the topic of research (Kvale, 1996), I therefore believe the choice of themes and questions asked by the radio hosts, can take me in direction I might not have considered myself.

2.2.3 The analysis of the empirical data

For analyzing the interviews conducted by me and the recorded interview from the radio podcast form Globus kina, I will be using Kvale's (1996) *meaning condensation* model. The *meaning condensation* is on the one hand time-saving, as every single statement do not have to explain and unnecessary statements can easily be sorted out, if it only came up once. On the other hand, the *meaning condensation* also have its limitations, as there is also the risk of excluding some interesting aspects and new insights (Ibid.). The *meaning condensation* model will be fully described in chapter 4. I will additionally use Ansoff's (1965) product–market strategy matrix, to construct my own model, which I will call *the new market- new product strategy matrix.* The new market – new product strategy is focused on the elements of creating or developing an existent brand on a new market, as well as how Danish design and fashion companies can avoid

to be affected by cultural differences. This will be done by comparing statements from the interviews and recorded podcast interviews with the culture theory of Hofstede (1999) and Trompenaars and Hampden-Turner (2009), as well as cultures and characteristics of China and Demark discovered by using a mortified version of McCracken's (1986) meaning transfer model, which I have renamed *Cultures transfer model,* as the intention of this thesis is not to look at people or celebrities, but the influence of culture, which Hofstede (2011) say can also apply to social classes.

2.2.4 Deductive vs. inductive

In social science, it is possible to take one of two approaches on how to relate to a given problem: *deductively* or *inductively* (Bryman &Bell, 2007). The hallmark of the *deductive* method is that you in principle are theory based, and therefore uses theory already in the data collection phase. In other words, one first describes the theory and afterwards collects the data, which is connected to the theory in analysis. The disadvantage, with *deductive* approach is that the theory easily can seam controlling on the data collecting. Working inductively on the other hand, it is necessary to relate ones data without any prior assumptions and let the empirical data set agenda for further research. It is however important to ask the question – Is it even possible to use an inductive method? Will a researcher, to some extent always be influenced by his- or her background, prejudice and lack of possibility to reset ones preconceptions. For this research I have chosen to take the approach of deductive, as I believe I have too much knowledge from previous studies as well as educational and personal experiences with the topic of choice, and cannot be objective enough to be inductive and not be influenced by my background knowledge.

2.2.5 Empirical data

Book - Kina Sweet & Sour (2011)

The Book Kina Sweet & Sour (2011) by Christina Boutrup is based on her experiences with the Chinese market as a journalist for the Danish newspaper Berlingske Tidende based in Shanghai. The book gives a short introduction to the Chinse culture, market and population. But the main focus of the book is interviews and small story with and about Danish companies such as Vestas, Bestseller Fashion group China , A.P Møller- Mærsk, Carlsberg, ECCO, Georg Jensen. The

stories include how and why the companies have entered the Chinese market. All of the chapter of the book have a very personal character, and does not focus on specific cultural dilemmas, but more on the positive aspect the Chinese market gives to companies and people who are willing to take a chance. However the personal approach's validity can be debated, as one cannot know if it is the complete truth or just how the author sees it.

Book- *Vikings and Mandarins (1997)*

The book Vikings and Mandarins (1997) by Verner Worm is a revised and abbreviated version of his Ph.D. thesis at the Faculty of Business Economics. It contain seven articles on topics such as; Chinese culture, Politics, and Management; Scandinavian Culture, Politics, and Management; Comparing the Two Cultures; Personalization; Networking; Face; Perception of Time, which all gives an insight into Chinese thinking. The book lists the important factors that influences the Chinese way of doing business, such as attitudes towards the family, personal relations, the importance of networks, the much harder to grasp concept of 'face', time, privacy, materialism, the importance of hierarchy and status, attitudes to outsiders etc. The book furthermore gives an insight into the problems of managing joint-ventures and wholly owned subsidiaries and running an enterprise in China. The book compares the Chinese and Scandinavian psychology and their consequent attitudes towards personal and business relations, and can be seen as a key to those wanting to do business or set up business in China.

Book- *Chinese Culture and Chinese Business Negotiating Style (1999)*

The book Chinese Culture and Chinese Business Negotiating Style (1999) by Tony Fang is a revised and abbreviated version of his Ph.D. thesis at Department of Management and Economics. It contain four academic articles, which focuses on topics such as: Chinese business negotiating style; Negotiating with the Chinese ; Communicating with Chinese business people; Culture as a driving force for interfirm adaptation. All of the articles touches upon the topic of negotiating with the Chinese, and gives an insight into the in-depth socio-cultural understanding of Chinese negotiating behavior and tactics in the context of Sino-Western business negotiation. The book all in all, looks at the complex China, by giving various insights in parts of the Chinese business culture, such as the Chinese politics, Chinese philosophies and negotiation style etc. The book does not specifically on Denmark vs. Chinese cultural differences, but gives a great insight into the perceptions concerning Chinese behavior, and how to react in specific business situation or events.

Book- Beyond culture (1976)

The book Beyond culture (1976) by Edward T. Hall, is builds upon the foundation of his two first books *The Silent Language* (1959) and *The Hidden Dimension* (1966). The book focuses on both specific and generalized observations about cultures. Among other things, the general differences between Western's and Asians. In Beyond Culture, Hall presents his *three Cultural Dimensions,* which is particular known, as it gives the ability to understand the cultural factors such as context (high vs. low) time (monochromic vs. polychromic) and space (high vs. low territoriality). The book and *three Cultural Dimensions* do not specifically on Chinese vs. Denmark cultural differences, but give a great insight into the intercultural perceptions concerning Chinese behavior and culture.

2.2.6 Quantitative data

Although the problem of cultural differences in this research has support from prior literature and anecdotal observations, I believe it should undergo further empirical validation, to examine, to which extent the Chinese culture is affecting the chances of success for Danish design and fashion companies on the Chinese market. I have therefore beside the qualitative data such as articles from the Danish media such as *Børsen, Berlingske Business* and the Chinese *Jingdaily* and *Red-luxury*, as well as the book Kina Sweet & Sour (2011); Vikings and Mandarins (1997; Chinese Culture and Chinese Business Negotiating Style (1999) and parts of the *Danish radio program Globus Kina*, also used quantitative data from *China Statistic Year book, World Bank* and McKinsey *& Company.* The data from these databanks are considered to be reliable; however, I am aware that it can be problematic to use information's from different countries data banks, as they can be structured in different ways.

2.2.7 Validity and reliability of empiric findings

The term validity is mainly used in a quantitative context; however, it generally indicates the assessment of the quality in research studies (Onwuegbuzie & Johnson, 2004; Campbell & Stanley, 1963). Applying different methods in a research is more likely to produce objective results and avoid "distorted interpretations" (Guba, 1990) Triangulation can be defined as the use of more than one method or source of data in the study of a social phenomenon so that findings may be cross-checked (Bryman, 2008; Cheng, 2005). The purpose of triangulation is to increase

the credibility and validity of the results. When cross-checking the collected data from the interviews, podcast and previous research in the field, the intrinsic biases, weaknesses and problems that come from a single method will be overcome (Bogdan & Biklen, 2006).

Some might argue that this thesis is based upon a limited empiric data set. As the interviews have only been conducted by few people and all Danish, there is a significant bias, and a limitation of different answers. Another critical aspects is the fact that the podcast interview are made by non-commercialized Danish radio station, and that the themes, topic and questions are in their hand, furthermore have I only selected the podcast and only the parts that I found relevant. Nevertheless to insure a more balanced point of view, a lectures by the name of *Doing Business in China*, by Tang Jun at Copenhagen Business School at April 28th, was therefore attend to even out the bias (see appendix 4, for resume), however I am aware, that it can of course not be compared to two full interviews by experts. The validity of an interview is about the credibility of informants' descriptions and the quality of the interview process (Kvale et al, 2009), for that reason all of the interviewees have spend more than 10 year of living or working experience in China, and I therefore find the data to be representative, as I have attempted to find the most influential people as possible to answer the problem field. A more critical aspect is the lack of reprehensive from both Danish industries and Dansk mode & textil, which of course is acknowledged as a great limitation to the research, as well as a lack of representativeness. However, Leininger (1985) claimed that the issue is not whether the data are reliable or valid but how the terms reliability and validity are defined. I will follow her and am in the opinion that validity in a qualitative research means gaining knowledge and understanding of the nature such as meaning, characteristics and attributes of the phenomenon under study (ibid).

2.2.8 Methodological barriers and ethical considerations

In accordance with the guidelines from Hultén et al. (2007, p. 54) I have chosen sources and theories with respect to the authors and organizations behind it, how up to date the articles are and to which extent they have been previously used.

When contacting the interviewees via e-mails or calls, I have informed the interviewees of the purpose of the thesis and what their answers will be used for. I am aware, that this might have affected the interviewees' answers to my interview questions, and I have therefore tried to make sure to ask questions that were concerning facts rather than personal opinions.

Before conducting the interviews I have asked the interviewees for their permission to record the interview and use their answers for academic purpose. I have tried to form the question in such way that they were strictly related to the interviewees' professional life, and not their personal life. Business secrets, negative or harmful information about competitors is not the goal of this research, and have therefore been cut out of the transcription or changed into a more neutral name, as this could course harm the reputation of the interviewee private or professionally, as well as my personal future.

In the area of literature and previous research I am in the hands of the researcher and his or her interpretation of the results. Only with few authors, I have the chance of knowing what previous experiences the author have had and thereby how that might have affected his or her interpretations of the area researched. Staying true to the source has also been an important aspect. By that I mean making sure not to wrongly interpret and pass on information read. Certain sources, such as news articles, may have ulterior motives or be biased. I have attempted to keep these sources to a minimum but have of course been forced to use them, when no other sources have been available with the newest numbers or data's.
The understanding of the Chinese culture is another aspect that needs to be considered. Even though I have lived, studied and traveled through China, many times within the last eight years, it is not possible for me to fully know and understand the culture, as I am still very much an outsider.
I have therefore primarily relied on secondary information and other people's perception of China through literature. By using a wide variety of source types I hope to minimize the risk of invalid or biased information. When articles have referred to other authors I have used the original source in the cases possible. This is to avoid getting a biased view of the author of the article (Thurén & Strachel, 2011, pp. 16-17).

2.3 Summation of theory and methodology

As explained in the thesis epistemological standpoint, I find myself in field of research within the humanistic research, why this thesis is based on the constructivist paradigm. I have furthermore explained why and how the deductive method is used to answer my problem field. Additionally I have explained the method of analysis, which is solution-oriented and documentary. Concluding, I have explained how the qualitative interviews and academic lecture

have been conducted and with whom. The qualitative interviews were conducted with members from both the public and private business community, and the academic lecture was organized by Copenhagen business schools' Confucius Institute. Moreover several academic articles from, Fang, Worm and Boutrup, were read, and five post cast were listed to.

3. Theoretical framework

In order to reach a deeper understanding of how the growing Chinese middle class and China's cultural differences influences the success of Danish design and fashion companies, this project uses, Hofstede's (2010) five dimension of the national culture, Trompenaars & Hampden-Turner's (2009) seven dimension of culture and a modified version of McCracken's (1989) meaning transfer model. As McCracken's meaning transfer model could be applied to any market as it is usually in relation to the influences of a celebrity, have I chosen to include Hofstede (1999) and Trompenaars & Hampden-Turner's (2009) model, as both researcher include China and Denmark in their models, as well as they have specific focus on culture differences, which in this thesis has great relevance for solving the problem of the growing middle class and the cultural background they have been brought up with, and how this influences the success factor of Danish design and fashion companies.

3.1 The culture transfer model

As previously mentioned, have I modified McCracken's (1986) meaning transfer model, and added the aspects deemed necessary, such as social class, so the model could be applied and used for the purpose of the thesis. When applying a meaning transfer perspective, these properties are shown to reside in the culture, which are then transformed to the company's brand/products, and their brands/products are finally transformed to consumers.

The limitations of McCracken's (1989) theory however have to be considered. McCracken (1989) did not test his model empirically and did not formulate any conditions or requirements for a successful meaning transfer, which implies that the meaning transfer is always successful and that every product can adopt every meaning.

The different aspects included in the modified model will be used in the analysis of the interviews in chapter four, to give the findings a deeper theoretical background.

Within the last decades there has been made several academic researches within the field of cultural differences such as Hall(1976) Beyond culture; Lewis (1996) When culture collides; Gesteland (1996) Cross-cultural business behavior etc.. But not much research about culture differences between Danes and Chinese has been conducted apart from Fang (1999) and Worm (1997), who however have focused on the whole of Scandinavia. I have therefore found it necessary to draw on various aspects from different areas in order to obtain satisfying grounds for the analysis.

The problem formulation suggests that the cultural differences has a possible influence on the success rate for Danish design and fashion companies, which implies that that culture is transferring meanings to the Chinese consumers; therefore the model could support the implied statement.

Before choosing McCracken's (1989) meaning transfer model as the most appropriate for this thesis, a few other scholars' theories and models were considered, such as Fang's (1999) 4 P's-priority, patience, price and people. Since there is not as much work about Danish design and fashion on the Chinese market as one could have preferred, it was therefore quite difficult to find a model that fits the topic of this project in every aspect. Due to the flexibility of the meaning transfer model, it provided me with a lot of possibilities concerning usable and adequate aspects from different sources that could be included. The meaning transfer model was therefore considered as the most beneficial theory, because it was possible to adjust it to the thesis's requirements.

The different aspects in the three stages such as face, guanxi, brands etc., were chosen after reading Fang (1999) Doctoral Dissertation about Chinese Culture and Chinese business negotiating style where several aspects of the theory were included, however without a specific ground theory. As mentioned earlier, I have modified the meaning transfer model, so the different aspects could be implemented in the stages I considered as appropriate, which meant that I myself were transferring meanings.
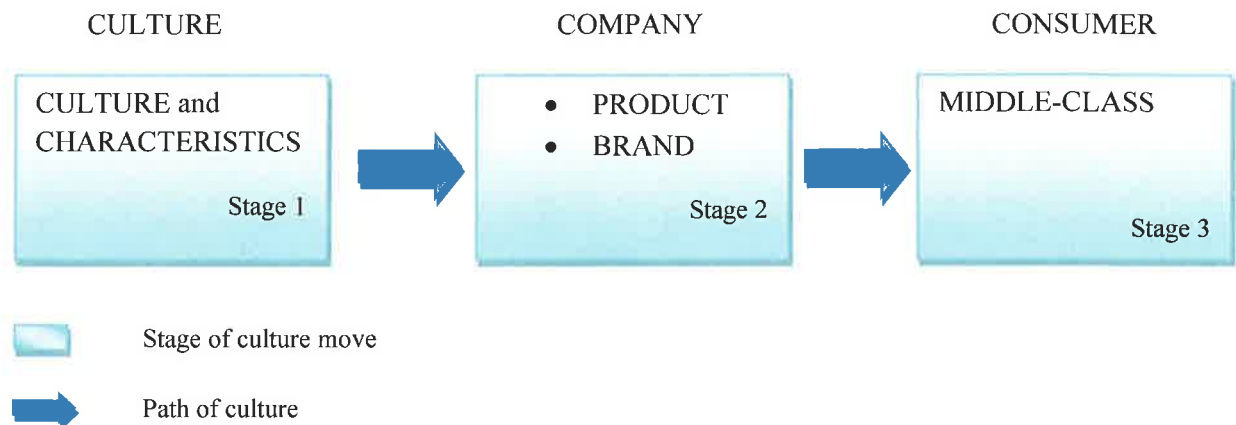
	CULTURE	COMPANY	CONSUMER

CULTURE and CHARACTERISTICS — Stage 1

• PRODUCT
• BRAND — Stage 2

MIDDLE-CLASS — Stage 3

▭ Stage of culture move

➡ Path of culture

Figure 1: The culture transfer model (McCracken (1986) MT-model modified by me)

3.1.1 Stage 1- Culture

The first stage of the meaning transfer model, culture, includes as it name suggests, a different aspect about cultural background and cultural influence on consumers. I have decided to include aspects concerning culture and characteristics of China and a short description of Denmark, as I believe these feature will help with a better understanding of the difference and similarities found between Denmark and China. To understand the how the Chinese Culture affect the consumption behavior of the growing middle class, one must understand the basic elements of China and its culture, such as Confucianism, collectivism, guanxi and face.

3.1.1.1 China

*Zhōngguói i*n Chinese "中国",   which literally translates to the "Middle Kingdom, officially the People's Republic of China, is a sovereign state located in East Asia. China is despite being the world's most populous country, with a population of over 1.35 billion, and thereby 1/5 of the world's population (World Bank, 2014) and a impressive area of 9.6 million square kilometers, spanning a distance of 5,000 kilometers east to west and 5,500 km from north to south (Ibid), also the largest emerging market (Fang, 1999). Since the introduction of economic reforms in 1978, China has become one of the world's fastest-growing economies.

In 2001 China became a member of the World Trade Organization. The membership has been a huge challenge for the Chinese economy, as it has meant the Chinese have been forced to reduce

the rate of duty, and companies have thereby been forced to improve their competitiveness significantly. End of 2013, China became the world's largest economy by both nominal total GDP and purchasing power parity, and is also now the world's largest exporter and importer of goods (Monaghan, 2014).

China is one of the very few countries who officially adhere to the communist ideology. Since Deng Xiaoping's introduction of economic reforms in 1978, China has become one of the world's fastest-growing major economies. Despite the growing globalization, the national culture has not disappeared or changed in the same pace. The majority of China's population is Han-Chinese, but in addition there are over 50 officially recognized ethnic groups(Gyldendal, 2010), but China is a relative homogeneous culture, although some visitors may observe some differences between the coastal and interior provinces, and between mainland and Hong Kong (Gesteland, 2012). Though the Chinese often speak the dialect of the region in which they have been raised, the written language is the same throughout China. Many have argued that that China is a heterogeneous consumer market, not a homogeneous one (e.g., Dou et al., 2006).

3.1.1.1.1 Confucianism

Confucianism has been a deep-rooted foundation of Chinese life for over 2,000 years (Ralston et al., 1999) and is the cornerstone of the Chinese society and culture. Confucianism is unique because it lacks religious dogma or metaphysical theories. Confucianism is based on the teachings and writings of the philosopher Confucius. It is an ethical belief system rather than a religion, and is based upon the concept of relationships. In Confucianism every relationship has the dual aspect of responsibility and obligation. Therefore the relationship between mother and child, husband and wife, brother and sister all have responsibilities and obligations. However, Confucianism goes beyond the family and incorporates the relationship of individuals with the state, subject and ruler, bureaucrat and civilian. Confucianism focuses on the morality and ideals of human relationships. The ideal virtue of Confucian society is humanity (仁), pronounced as "*Ren*" consists of two morphemes: "人" (person, human) and "二" (two) . The term could be translate it into "two persons" and includes everything that is good when people get along with each other and includes such connotations as tolerance, forgiveness, deference, faithfulness, wisdom, honesty etc., which can only be obtained through the proper cultivation of relationships with others. In fact, one's ability to achieve a harmonious relationship with others is the greatest

spiritual accomplishment of one's life (Chang & Holt, 1994, pp. 105; Cardon and Scott, 2003) According to Confucius; everyone has a fixed position in society and, provided each person behaves according to rank, social harmony is achieved. If these responsibilities and obligations are observed, then society will be a just and harmonious one. Researchers believe that Chinese society continues to be influenced by Confucian legacy which affects how modern Chinese interact and communicate with other people (Hall, 1989; Beamer and Varner, 2001; Hofstede, 2001; Tramden-Turner and Trompenaars, 2000; Samovar and Porter 2004; Heisay, 2000; Dragga, 1999). Chinese society continues to be influenced by its Confucian legacy.

For the business person expecting to trade with China, an understanding of the Confucian system is essential. Confucianism regulates every social relationship from family to civic. Understanding how Confucianism governs different aspects of social behavior is thus essential to understand the Chinese – and to understand how to do business with them (Chen, 2003) A foreign business person must understand the implications of this strong sense of hierarchy to do business successfully in China. Small events, which might be irrelevant in another culture, can become important. For instance, when a group picture is taken, the most conspicuous position should be given to the one highest in rank in the group (Laurence Jacobs, Gao Guopei and Paul Herbig, *1995*).

Although the Confucian system is not now in official vogue in China, the influence is still felt in many facets of Chinese life. (*Laurence Jacobs, Gao Guopei and Paul Herbig, 1995*). Ralston, Holt, Terpstra & Yu. (1997) view Confucian values in China as functioning in concert with communist ideology to determine the overall level of Collectivism.

3.1.1.1.2 Collectivism

Collectivism has been defined as the subordination of personal goals to the goals of the (work) group with an emphasis on sharing and group harmony (Morris, Davis & Allen, 1994). However, it should be noted that the "'group" referenced in the Collectivism definition is the in-group which may include family, friends and/or work associates (Triandis, Bontempo, Villareal, Asai & Lucca, 1988). The dimension of collectivism-individualism is one of the major cultural variabilities discussed by theorists across disciplines (e.g. Hofstede, 1980; Hui and Triandis, 1986; Triandis, 1986). For many years, the Chinese-majority society like PRC, Hong Kong, Taiwan and Singapore were classified by Hofstede as "low individualism" or "collectivism", and had a relatively high degree of collectivism (Wong, 2001). Collectivism continuum as perhaps

the best means to measure values differences across cultures, especially between Eastern and Western cultures (Ralston, Holt, Terpstra & Yu, 1997; Triandis et al., 1986; Tung, 1981; Yang & Bond, 1990).

3.1.1.1.3 Guanxi

Guanxi is a special type of relationship, but relationship does not necessary mean guanxi (Wang 2005). There is no direct English translation of the word guanxi, which have created much confusion about the meaning (Chen, 2003), however it is often translated as connections, networking or special relationships (Davies et. al, 1995; Leung, Wong & wong, 1996).

Guanxi is composed of two Chinese characters, guan (gate) and xi (connection). One must pass the gate to get connected to networks. As such, guanxi generally refers to relationships or social connections based on mutual interests and benefits (Yang, 1994). It is a special type of relationship that bonds the exchange partners through reciprocal obligations to obtain resources through a continual cooperation and exchange of favors (Chen, 1995; Davies, 1995). Unlike the western interpretation of relationship, Chinese guanxi is different from it in several ways: 1) Seen from the core basis of these two concepts, western culture perceives and explains relationship (personal and social) based on social exchange theory, which emphasizes a balanced model between giving and receiving, whereas western understanding of relationship is fundamentally predicated on a just and equitable status which led by rational calculation; whereas in China, Guanxi basically comes from Confucian theory, and forms the practice of its ideology (Homans, 1958).

There is a growing research interest in guanxi, which has been considered the Chinese version of relationship marketing or business networking (Ambler, 1994; Davies, Leung, Luk, & Wong, 1995; Lovett, Simmons, & Kali, 1999). Other literature has pinpointed the importance of the concept of guanxi as one of the most influential cultural elements in Chinese society, it plays an extremely irreplaceable role and consequently guides people's minds and behaviors among social activities; it has also been claimed that guanxi is a very essential gateway to understand and interpret Chinese social behaviors, as guanxi is grounded in trust, mutual obligations and shared experiences (Zhu and Hong 2009 ; Chen, 2003) The strongest guanxi occurs with both immediate and extended family members, but a guanxi relationship may also form among individuals who have shared a deep and meaningful experience, such as a old friends, former classmate, colleague or former coworker (Chen, 2003).

Since the Chinese prefer to do business with people they know or friends of friends, they devote a sustainable amount of time and energy to establish relationships with people they find respectable – it is this commitment of time to build relationship with others that truly defines guanxi (Chen, 2003). Western relationship marketing and guanxi do share some basic characteristics such as mutual understanding, cooperative behavior and long-term orientation. However, they have quite different underlying mechanisms. For instance, guiding principles of a relational exchange in most Western cultures are driven by legality and rules, whereas guiding principles of relational behaviors in guanxi are driven more by morality and social norms (Arias, 1998).

3.1.1.1.4 Face

The face is the 'front part' of the head, and thus the first thing noticed when meeting another pers on. Due to the physiological position of the face, all cultures use face metaphorically to describe a person's status, or lack of same, in those groups with which he- or she associates. Scholars have offered various definitions of face, Resteland (2012) "*face is a universal human concern related to self-respect and self-image*", Coggin and Coggin (2001) define it as a mixture of an individual's self-respect and confidence; Leung and Chen (2001) believe face is "the respect, pride, and dignity of an individual as a consequence of his/her social achievement and the practice of it", Ting-Toomey & Kurogi (1998) believe face is related to notions of respect, honor, reputation, and credibility, while Cardon and Scott (2003) conclude that face relates to a person's image and status within a social structure. St. Amant (2001) explains it to be "an individual's external public appearance, while Hofstede, (199, pp.61) believe face reflects one's relationship with one's social environment which is just as important as the face. While most of the definitions are straight forward, the definition of Ho (1976) best shows the complexity of the Chinese concept of face: "*the respectability and/or deference that a person can claim for him/herself from others, by virtue of the relative position he occupies in the social network and the degree to which he is judged to have functioned adequately in the position as well as acceptably in his social conduct*".

Giving or saving face is a society's way of showing respect and maintaining dignity (Fisher-Yoshida, 2013). Hofstede (1991, pp. 61) mentions that the expression 'losing face' has penetrated into Western languages from Chinese and quotes the Chinese sociologist David Ho;

'Face is lost when the individual, either through his own action or that of people closely related to him fails to meet essential requirements placed upon hum by virtue of the social position he occupies'.

This definition seems coloured by its collectivist culture origins emphasizing the family's behaviour and the individual's behavior as equally important. Furthermore, it is typical of theses definitions that they do not consider what is here referred to as the ethical aspect of face. In western, individualist cultures one's own interpretation is essential and faces is used to achieve self-esteem based on the individual's own actions, and actions by family members are less important (Worm, 1997). Whereas in Chinese culture, face is not only a person's private affair but also, more important, concerns the person's whole family, social networks, and community at large (Fang, 2003). Face refers to a person's public self-image; (Brown & Levinson, 1987). In other words, it is an evaluation of a person regarding his or her status within a social structure (Earley, 1997). According to David Yau-fai Ho (1976) Face is a concept of central importance because of its pervasiveness with which it asserts its influence in social intercourse. There is no doubt that face is predominant concept among the Chinese. Redding (1993) goes so far ad to say that it is the most important factor in understanding interpersonal behavior among Chinese.

3.1.1.1.4.1 Word of mouse

A way of showing the one has face, could be by buying products or brands like others in the same social group, this could be done by recommendations on the basis of word of mouth. The word of mouth has long been how Chinese consumers made their decisions (Keller, 2011), but now word of mouth has become word of mouse .With the explosive growth of e-commerce, word of mouse has started to attract the attention of both researchers and practitioners (Bickart and Schindler 2001; Brown, Broderick, and Lee 2007; Dwyer 2007). Word of mouse differs from traditional word of mouth in that sources of information are individuals who have little or no prior relationship with the information seeker. Online, there is no apparent cue that the information seeker can use to develop a strong versus weaker tie distinction. The only source from which readers can draw inferences about trustworthiness and usefulness is the review itself. According to Weil (2010) Word of mouth is the primary factor behind 20 to 50 % of all purchasing decisions. Its influence is greatest when consumers are buying a product for the first time or when products are relatively expensive, factors that tend to make people conduct more research, seek more opinions and deliberate longer than they otherwise would. Katz &

Lazarsfeld's (1955) research shows that word of mouth communication plays a more important role than advertising or personal selling in influencing consumer behaviors, because consumers perceive word of mouth as more trustworthy (Wilson and Sherrell 1993), additionally, does Chaiken's (1987) research show a tendency among people to trust and agree with those whom they like. Today, only 30 % of Chinese households have broadband access, which nevertheless makes China is the world's largest e-commerce market, and with more than half a billion Internet users, China boasts the greatest number of Internet users in the world.

3.1.1.2 Denmark

To many, Denmark is best known for Hans Christian Andersen and the Vikings, but Denmark is much more. It is a modern country with both traditional and high-technology companies that export products to the entire world (The ministry of education, 2014). Denmark is with its 5.6 million inhabitants, two hundred forty-five times smaller than China (Statistics Denmark, 2014). It is located in northern Europe, more precisely Scandinavia. The country covers approximately 43,095 square kilometers, which makes it the 134 biggest country in the world according to CIA's world fact book (CIA, 2011).

Denmark is a modern, thriving nation that is participating in the general political and economic integration of Europe. Denmark joined United Nations in 1945, NATO in 1949 and the EEC (now the EU) in 1973(Munkgaard, 2000; CIA, 2011). In 2013, the value of total exports of goods and services accounted for approximately 49% of Denmark's GDP (Statistics Denmark, 2014; DI, 2014). Denmark mostly exports to Germany, Sweden and the UK (Ibid). Denmark has a tradition as an agricultural country producing some of the world's leading agricultural products. But Denmark is also home to one of the largest shipping fleets in the world and features a large industrial sector (The ministry of education, 2014). A lot of Danish companies focus on innovation and design, this includes Danish companies that produce "Danish design" in the form of furniture, industrial design, clothing (Ibid).Among the other four Nordic countries (Sweden, Norway, Finland), Danes tend to be more flexible – perhaps more open to changed circumstances (Restland, 1999)

3.1.1.3 Comparing Chinese and Danish culture

To understand cross-cultural relationships and how it affects the company's success, one must understand the basic elements of the country's cultural characteristics, this will be done by following Hofstede's (2010) five dimensions of the national culture and Trompenaars and Tampden-Turners (2009) Seven Dimensions of Culture. These dimensions are not independent of one another, but I have made no attempt to compare their results to some extent.

3.1.1.3.1 Five dimension of the national culture

The Dutch professor Geert Hofstede's theory the five dimensions of the national culture is based on a regularly updated qualitative study with a functionalist approach (Hofstede, 2012). Hofstede's functionalist approach to culture is a useful tool to highlight the cultural differences that excite between China and Denmark. It is important to mention that China was not part of the original investigation, but has been added later in 2010. The index values range from 0 to 120 on the scale.

Index value indicates how strong a specific tendency there is in specific country; the higher the index value, the stronger the tendency is, and vice versa (Kubátová, 2012).

Geert Hofstede's Culture's Consequences, is one of the most cited sources in the Social Science Citation Index (Fang, 2003). Hofstede's theory is based on a comprehensive IBM survey, made by Inkeles and Levinson's, which examined national cultures (Hofstede, 1999). This study provides the backdrop for what Hofstede calls dimensions. Hofstede operates with five different dimensions, which will be explained in greater detail in the following chapter. The first four dimensions are *power distance*; *collectivism* vs. *individualism*; *femininity vs. masculinity* and *uncertainty avoidance* (Ibid). Within each of these four dimensions a national culture scores a number that indicates how high or low degree these interpretations and understandings of the culture occurs. Later in the process, Hofstede has added an additional fifth dimension. A dimension he calls life-long orientation vs. short-term life orientation.

3.1.1.3.1.1 Power distance

Power distance is an expression of "... how to handle the fact that not everyone is equal" (Hofstede, 1999). In the IBM study, the main focus was to investigate (a) how often a subordinate is afraid to admit disagreement with management, (b) the subordinates' impression of the style of leadership and (3) Which type of leadership the subordinates preferred (Ibid). In a country with high power distance there is a general attitude that power differences are inevitable because people are born with different assumptions. It is therefore favorable that each has a clearly defined role in society. Children are brought up to obey their parents and are more dependent on their parents than children who grow up in communities with a small power distance. In societies with high power distance, it is very common to mark power and status by use of language, wearing specificity dressed or driving a specific car (Hofstede 1999; Gertsen 1994). Countries with a low power distance is characterized reversed, since power distance is considered a problem, as the general believe is that people are born equal and should be treated accordingly. In countries with low power distance, one will also find a small degree of dependence throughout the community. Children are brought up to be independent and to question authority (Hofstede, 1999). In Hofsted's dimension, China scores 80 power distance, and are thereby top ranking within the index, 4 times more than Denmark's score of 18, which shows that China is a society that believes that inequalities amongst people are acceptable. That subordinate-superior relationship tends to be polarized and there is no defense against power abuse by superiors. Individuals are influenced by formal authority and sanctions and are in general optimistic about people's capacity for leadership and initiative and people should not have aspirations beyond their rank (Hofstede, 2012). Also in relation to everyday life, children are according to Hofstede (1999) encouraged not to show independence, but instead of having a basic respect for parents, older people and other authority figures. At state organizational level the respect for age and place in the hierarchy also prevalent, at this level, hierarchy is a term of rank. Age and status shows that people have achieved something that qualifies them to the knowledge and authority. In line with the high power distance, indicating that within the Chinese culture, people tend to be afraid to speak up against members who are higher in the hierarchy, which goes well in hand with the *Confucius* philosophy "*A Confucian gentleman does not quarrel*" (Fang, 1999).

3.1.1.3.1.2 Individualism vs. Collectivism

Hofstede's second dimension is about individualism and collectivism. Hofstede*(1999)* defines it like; *Individualism concerns society in which the ties between individuals are loose: It is expected that each provide for themselves and their immediate family. As a counterpoint to thus, does collectivism relate to society, in which people from birth integrated into strong, cohesive groups who throughout life continue to protect the groups in exchange for having their unquestioned loyalty.*

In other words, a culture of individualism will naturally focus on the individual. It is enough for the individual to care for oneself and his or her closest. It is furthermore important for the individual in the individual society to be challenged and having ones freedom – both privately and occupational.

On the contrary is the collectivism culture, where focus is no longer on the individual, but on the different groups within the culture. These groups are developed to protect the group members from unknown elements. The most common group would be the *family*.

Hofstede believe that power distance and individualism and collectivism are connected. In cultures with high power distance, there is a tendency to a low degree of individualism (Hofstede, 1999). As China has a relative high score in power distance (80 points) and 20 point in individualism (Hofstede, 2012), which seems very consistent to how China is painted by other scholars, furthermore Denmark score 74 in individualism, which also seems equivalent to the score of 18 in power distance.

3.1.1.3.1.3 Masculinity vs. Femininity

Hofstede's third dimension is about gender and gender roles and the impact these have on culture. The masculine culture is characterized by "hard" values, such as material success, progress and determination. In masculine cultures, men are expected to be assertive, tough and focused on achieving results and success, whereas women should be soft and caring (Hofstede, 1999). Whereas feminine cultures are characterized by that both men and women includes soft values and priories human relationships and empathy very high. In conflict situations, individuals from a feminine culture tend to look for a compromise. The feminine cultures are

therefore often characterized by "soft" values such as dealing with emotions; generally speaking, there is more focus on kindness, solidarity and equality (Ibid).

According to Hofstede's (2012) point system, China is a little more masculine than a feminine culture. Chinas scores 66 compared to Denmark's 16, which indicates that classical gender roles is more common in China than in Denmark, where the roles are much more blurred.

3.1.1.3.1.4 Uncertainty avoidance

Hofstede's fourth dimension is about uncertainty avoidance, which defines the extent to which members of the culture feel anxious in unfamiliar, new and- or surprising situations.

In cultures with a low degree of uncertainty avoidance, there is generally a low level of anxiety to the unknown situations of all species. Conversely, in cultures characterized by relatively high uncertainty avoidance, a desire to plan and reduce the number of these unknown situations accurse among members. It involves, among other things, a relatively strong need for laws and regulations to control society and avoid unsafe situations. Similarly, there is often a need for precision and punctuality (Ibid).

China score 30 points which is almost the same as Denmark, who scores 23. None the less, adherence to laws and rules may be flexible to suit the actual situation and pragmatism is a fact of life. The Chinese are comfortable with ambiguity; the Chinese language is full of ambiguous meanings that can be difficult for Western people to follow. Chinese are adaptable and entrepreneurial. At the time of writing the majority (70% -80%) of Chinese businesses tend to be small to medium sized and family owned (Hofstede, 2012).

Danes do not need a lot of structure and predictability in their work life. Plans can change overnight, new things pop up and Danes are fine with it. Curiosity is natural and is encouraged from a very young age. This combination of a highly individualistic and curious nation is also the driving force for Denmark's reputation within innovation and design. This also emerges throughout the society in both its humor, heavy consumerism for new and innovative products and the fast highly creative industries it thrives in – advertising, marketing, financial engineering (Hofstede, 2014).

3.1.1.3.1.5 Long-term vs. short-term life orientation

As mentioned earlier, Hofstede added a fifth dimension, called the Long-term vs. short-term life orientation, as the original IBM study was prepared by the Europeans and Americans. The study was therefore considered to be within a Western bias, as the study team "mental programming" was influenced by Western thinking and values, Michael Bond, therefore asked Chinese scientists to develop a study that included Chinese or non-Western values and mindsets.

The dimension of long-term life orientation, also called Confucian dynamism, consists of eight cultural elements - four at the long-term life orientation and four in the short term: persistence, fit human relationship by status and comply with this order, thrift, sense of shame, personal peace and stability, protecting "face", respecting the tradition and requite greetings, favors and gifts. China is one of the top score with 118 point.

3.1.1.3.1.6 Criticism of Hofstede

I am aware that Hofstede relate to culture as a static phenomenon (Hofstede 2001). Nevertheless, I find his dimensions relevant when culture needs to be analyzed. The theories may not be regarded as definitive truths that can be uncritically used to describe a country and its culture, as it do not take the dynamics and complexity into account, which I believe are existing in intercultural contexts. As mentioned previously Hofstede's categorization is based on a survey of employees at IBM, and therefore does not cover the entire population of a country. Additional Hofstede divides countries cultures after geographical boundaries, whereas I believe, culture does not always follow boundaries, but can be mixed across these. Furthermore, I am aware that the quantitative survey form Hofstede makes use of results in generalizing findings.

3.1.1.3.2 Seven dimension of culture

Trompenaars and Tampden-Turners (2009) theory "Seven Dimensions of Culture" analyzes how cultural differences influence the intercultural management and business. Trompenaars et al. (2009) recognizes that culture is present everywhere and therefore not bound to affect the cooperation between people across cultural boundaries. Trompenaars et al.,(2009) studies are based on a qualitative study, which provides in-depth answers. He has based it on his own database consisting of 30,000 respondents across 28 countries. They were given dilemmas and contrasting tendencies which have helped him develop the seven dimensions that make up the

basis to explain how people view the world (Ibid). Trompenaars et al.'s(2009) seven dimensions cultural analysis consist of five dimensions which relates to the relationship with other people (Universalism vs. Particularism ; Individualism vs. Collectivism, Neutral Vs. Affective; Specific Vs. Diffuse; Achievement Vs. Ascription), one (Sequential time vs. synchronous time) concerns the relationship of time and one (Internal direction vs. outer direction.) concerns the relationship to nature.

Trompenaars'et al.'s(2009), dimensions are more management-oriented than Hofstede(1999). Therefore, not all dimensions seem relevant, e.g internal direction vs. outer direction and sequential time vs. synchronous time perception, as neither Hofstede nor Trompenaars el al. includes Denmark in a population's relation to time, which in itself excludes this aspect of a culture.

Trompenaars et al. show their results of their study in percentages, and it is therefore necessary to convert the percentages to a scale with index values from 0-100 in order to be able to compare them more accurately to Hofstede's five dimensions.

3.1.1.3.2.1 Universalism vs. Particularism

The dimension of universalism vs. particularism is the framework for how people evaluate others' behavior. A universalistic community is very rule and law -oriented, where the individual does not want to deviate from the applicable laws and regulations. This means that you also give priority to respecting laws and rules are higher than the human relationships. Particularistic society is characterized by that the individual is willing to deviate from the rule to take account of particular circumstances, as human relationships take priority over society's abstract norms and rules (Trompenaars et al., 2009). This dimension can to some extent be compared with Hofstede's dimension of uncertainty avoidance, which also has impact on compliance with a society's norms and rules. Hofstede dimensions however involved both the scope and enforcement of a community laws , whereas Trompenaars et al.'s (2009) dimension solely relate to compliance with the laws of any country in relation to the priority of the inter- human relationships. Denmark is a universalistic culture, as Danes generally adhere to the standards which are universally agreed and relations between them are prescribed by laws, rules, general values and obligations (Bălan & Vreja, 2013). Whereas Chinese is particularistic culture, as they

focus more on human friendship and personal relationships always coming before universal rules and laws, and individuals' behavior is determined by the particular obligations to the people they know in person (Ibid). If these results are compared with Hofstede's dimension of uncertainty avoidance, it becomes clear that the two studies results confirm each other. Hofstede's study shows that China has stronger uncertainty avoidance (30) than Denmark (23). However, it should be noted that the distance between the two countries are somewhat larger in Hofstede study.

3.1.1.3.2.2 Individualism vs. Collectivism

Individualism versus collectivism describes people's relations with others. This dimension has a clear similarities to Hofstede's dimension of individualism, as both dimensions is concerned with the extent to which individuals perceive themselves as independent individual or as part of a group (Ibid). According to Trompenaars et al.'s study, Denmark is an individualist culture, as the population places the individual before the group or community and make frequent use of the term "I". People cherish individual happiness, freedom and initiative, individual decision and responsibility and reward personal achievement: everyone must make his own decisions and take care of himself (Bălan & Vreja, 2013) In contrast, China is shown to be a communitarian culture, where the group is considered to be more important than the individual, and the term "we" is more frequently used, and belonging to a group is cherished more than personal freedom and independence (Ibid). Compared with Hofstede's dimension, the differences are confirmed, as the two countries are relatively far from each other, Denmark with 20 and China with its 74.

3.1.1.3.2.3 Neutral vs. Affective

Trompenaars and Hampden - Turner's third dimension, affective vs. neutral, divides cultures in neutral and emotional cultures. The dimension thus says something about whether or not it is acceptable to show emotion. Neutral cultures are characterized by the fact that there should not display emotions, and it is thus considered as a virtue to act calm and collected. In affective, the situation is just the opposite. In affective culture, it is always acceptable to show emotions. It is therefore more gesticulating in affective cultures where physical contact with other people is also more pronounced (Trompenaars et al., 2007).

Trompenaars et al. (2009) believes that this dimension has an impact on the humor of a country. In neutral countries humor, understatement and irony used as a means to give vent to his feelings through laughter, otherwise it is reputable to come up with great emotional outbursts (ibid).

Once again Denmark and China achieve opposite results. According to Trompenaars et al.,(2009) Denmark can be characterized as neutral, as they believe that they must always control their emotions, let their actions to be influenced by reason rather than sentiment and not let others know what they are feeling. People are expected to manage their emotions stringently and not to let body language to convey emotions, as well as not letting feelings interfere in professional relations, but also to watch and interpret other people's emotional reactions carefully (Bălan & Vreja, 2013). In contrary China can be characterized as affective culture as they are allowed to express spontaneously feelings at work, and let them influence their decisions. They are expected to open up emotionally to others, use emotional means to communicate to each other, use body language effectively and manage conflicts before they become personal (Trompenaars et al., 1997;Bălan & Vreja, 2013). In comparison with Hofstede's dimension of uncertainty avoidance it is completely incompatible as Denmark is ranked 23 and China 30 in Hofstede's dimension.

3.1.1.3.2.4 Achievement vs. Ascription
This dimension is about how status is allocated in society. In societies with an ascriptive status assignment the individual achieve status via age, gender, family, educational background etc. This is reflected by the frequent use of titles. Achievement oriented cultures is characterized by assigning status based on what each person provides, and there is a focus on professional qualifications and the specific job that the individual performs. The difference between the two can be characterized by what one "is" (ascription) to what you "do / did" (achievement) (Trompenaars et al., 1998). Trompenaars et al., (1998) further mentions that within ascriptive cultures status are awarded to a person, to give him- or her more power. It is therefore tempting to compare this dimension with Hofstede's dimension of power distance. This however can be problematic as the background for the allocation of power does not have to say anything about the extent to which a society accepts existing power differentials. Within the dimension of performance counter ascription China occupies a high position, while Denmark can be characterized as somewhat low (Ibid). China's major power distance can be seen in the context of

the country's position as more ascriptive than Denmark, which can be seen in, for example a greater focus on titles and a polite addressing.

3.1.1.3.2.5 Specific vs. Diffuse

This dimension is based on how distinguish societies engage in specific or multiple areas of their lives (Gutterman, 2010). In a specific oriented culture, such as Denmark (Trompenaars & Hampden-Turner, 1997), tend to separate their personal and working lives. Keeping personal relations with others separated from professional relations means that people believe that they can very well work together without necessarily having a good personal relationship (Bălan & Vreja, 2013). In a diffusely oriented culture, such as China (Trompenaars & Hampden-Turner, 1997), people are more holistic, viewing the various aspects of their lives as parts that derive their meaning from the perspective of the whole, each element being related to all others, because those relationships are believed to be more important than individual elements. Peoples' personal and professional lives overlap, while they believe that having good personal connections with their business partners is an essential condition for success in this field. There is no clear limit between relations in the workplace and other types of social relations (Bălan & Vreja, 2013).

3.1.1.3.2.6 Criticism of Trompenaars

I am aware that a number of cultural dimensions cover the same aspects, why I have selected the ones I find most adequate and appropriate in my analysis. The following is a review of the three dimensions which will be included in the analysis, as these have occurred several times in the empirical findings.

3.1.1.4 Cultural aspects of consumption behavior

It is necessary to understand the concept of culture in order to discuss the relationship between culture and consumption. The numerous definitions of the cultural phenomenon imply that every scholar may view culture from different angles. Raymond Williams (1983) wrote that culture is one of the two or three most complicated words in the English language (pp.89). However Tylor (1920) provides one of the earliest definitions of culture, and the one I have chosen to go with „

[...] that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society". In the 1960's there were more than 160 definitions of culture (Kroeber & Kluckhohn, 1963).

Talking about culture in general seems to be inescapable when talking about consumption and consumption behavior. Consumption choices cannot be understood without thinking about the cultural context in which they are made (Bamossy, 2006).

Culture has been extensively studied in management literature during the past three decades in which Hofstede's (1980, 1991, 2001) dimensional theory of culture has been a dominant paradigm (Kirkman, Lowe, & Gibson, 2006). Hofstede's work has emphasized cultural differences across national borders and stimulated managers to show respect for different cultures, values, and management styles. Because there are many acceptable definitions of culture, and because it is a complex concept, it is important to reflect on the centrality of culture in our own interactions (Martin &Nakayama, 2010, pp.84). In a context relating to consumption the term culture could be described as the collective memory of a society. Culture is the accumulation of rituals, values, norms and traditions, influencing consumers' behavior and habits right from their childhood (Ibid.). Values, norms and traditions may derive e.g. from the status of wealth of a group, level of education, history, traditional festivities, religion etc. (Mooij, 2010).

The cultural background of a consumer particularly affects the way how he- or she views products. According to Bamossy (2006) people are influenced by the culture, in which they live, it creates the meaning of everyday products by using symbols and cultural values expressed through products. Being an Irishman and buying a Guinness Beer has e.g. a completely different meaning and intention than buying a Guinness as a German consumer (Bamossy, 2006). Consumers legitimate the cultural assumptions through their consumption rituals and manifest the symbols and share their experiences with other culture members (Sutter, 2005).

The culture which affects consumers' decisions determines how a consumer reacts to several appeals and how he- or she attaches his or her priorities to different products or services. Due to this fact it is essential to keep that in mind during the process of implementing new products on a market, because cultural aspects decide more or less if a product is accepted or rejected by the consumers (Bamossy, 2006). Culture is not a static and consistent term and the understanding of

a culture has to be regularly refreshed and the market has to be monitored to gain knowledge about whether or not a product will fail and how to enter a market the best way (Sutter, 2005).

In order to know the most efficient way of how to get access to the cultural values of a consumer segment and to choose the right way of how to address them, their basic values have to be identified before. Each culture can be described by a certain amount of fundamental values and these values can be identified by several methods (Bamossy, 2006). Because culture and its effect on consumption is such a broad topic, including social, demographic and psychological factors, it is hard to grasp and construct "one right way" of how to approach a consumer segment (Ibid.).

3.1.1.5 Part of cultural belonging

Defining who we are not is often just as important as defining who we are (Marsh, Bradley, Love, Alexander & Norham, 2007). When asked to describe oneself, people often reply by talking about their relationships to others and places. As sons, mothers, husband or friends, member of nations, ethnic groups or neighborhoods, as employees, consumers of certain brands and the lifestyles that go with them. Through membership within these groups one makes statements about the kind of person, beliefs and values that he- or she wants to be associated with and, ultimately, the kinds of people he- or she is(Ibid). The need for social belonging, for seeing oneself as socially connected is a basic human motivation (Baumeister & Leary, 1995). Developing a sense of belonging is an ongoing process that involves membership in or exclusion from a wide variety of different groups during the course of our lives (Marsh et al., 2007). Recent social research suggests that 'traditional' categories of belonging are now less easily defined as distinct groups into which people precisely fit. Instead, people are increasingly obliged to choose the groups, values and beliefs with which they want to identify themselves (Ibid).

3.1.2 Stage 2- Endorsement

The second stage, *endorsement,* was modified and added social class, so the model could be applied and used for the purpose of the thesis. The endorsement in this thesis will therefore include the social class and the meanings it transfers to specific products or brands.

To understand the how the endorsement affect the consumption behavior of the growing middle class, one must understand the general basic elements of brand perception, such as brand image and values, brand awareness, and brand credibility.

These aspects show how the social class is influenced, and therefore how the Danish design and fashion companies' brands and their meanings are being transferred to social class, which ultimately will influence the separate consumer, in this case the Chinese consumer. The researchers will have a closer look at the social class's attribution to Danish design and fashion company's brands chances of success which should be transferred to other consumer groups.

Social class creates the belief that consumers have to consume specific brands, if they want to be perceived as part of the growing middle class consumer. I understand the term "middle class" as, households making between ¥25,000 and ¥100,000 (Farrell et al., 2006, p. 64). Acording to Hefele & Dittrich (2011) the middle class is very heterogeneous, ranging from party members to private business people to peasants who have become well off by selling land.

3.1.2.1 Brand value and image

Keller (2008) makes the distinction between a brand value and brand image. Brand value is the "desired" set of associations that a firm would like their consumers to link with the product or service they offer, and can therefore be defined as the sale value of a brand. Brand image on the other hand is the symbolic construction created in the minds of consumers, as a composition of all the expectations and information associated with a service or product they buy (Raggio & Leone 2007). Kotler (2002) has noted that people in general with high-incomes are not necessarily the ones who buy the most expensive brands, whereas people with a lower income tend to buy the more expensive brands more often (Ibid.) Furthermore have Raggio et al.'s (2007), prior studies shown that consumers prefer brands with a higher brand value and that they generally indicate a higher purchase intention toward those brands.

3.1.2.2 Brand awareness

According to Kotler (1997), a brand consists of a name, term, sign, symbol or a combination of them, which intention is to identify the unique products or services that a company can provide to its consumers.

Also Keller (2003) argues that a brand is a product, however it is a product that by becoming a brand, adds another dimension to it, and by doing so, it has the opportunity to differentiate itself from other products on the market that are designed to satisfy the same needs. Keller (2003) notes that the differences may be tangible and rational, by which he refers to as the product performance of the brand or the differences may be of a more symbolic, intangible and emotional character, which relates to what the brand represents. Through branding and by creating the abovementioned differences among products, a company can develop a strong loyal consumer base, furthermore the marketers of the brands are able to create value from the perceived differences from other products and turn it into financial profits for the company (Ibid.). This means that even though a brand can be seen as an impalpable asset, it needs to be handled carefully (Ibid.).

Conley (2008) sees a branding as an illusory, evocative and fictional form of property states that a brand is nothing we can explain or measure, he furthermore argues that branding is a persuasive, quick and fairly cheap tool, as it is about impression, positioning and image.

Rossiter & Percy (1987) stress that brand awareness can be seen in relation to the strength of a brand node in a consumer's memory, and can therefore also be seen as a reflection of the consumer's ability to recognize a brand in various situations or different contexts.

According to Keller (1993), brand awareness consists of two components; brand recognition and brand recall performance. Brand recognition is defined as a consumer's eligibility to confirm previous exposure to a brand, when given a specific brand as a cue, whereas brand recall performance refers to whether a consumer is able to retrieve the brand from memory when given a specific product category as a cue (Ibid.).

Keller (2003) argues that the relationship between brands and consumers can be seen as a bond, as brands can serve as a symbolic device for consumers, allowing them to project their self-image to the outside world (Ibid.). Conley (2008) states that when a consumer makes the conscious decision to purchase a material item over something else, simply because it is of a certain brand, it then serves as an indicative of how branded products are able to surpass an individual's sense of self.

Being aware of how a brand is perceived is a way for consumers to communicate with others, and maybe even with themselves, what type of person they are or would like to be seen as (Keller, 2003).

3.1.2.3 Brand credibility

Brand credibility is another factor that can have an influence on consumers and their decisions on the market (Keller, 1993). Wernerfelt (1988) gives the example of how firms know more about their products than consumers do; brands have the ability to serve as signals of product positions. As a signal of product positioning, the credibility is therefore one of the most important characteristics of a brand. Companies have an enormous amount of marketing elements that they can mix, in order to signal the quality of their product, besides the brand, e.g. by charging a high price or only distributing via certain channels (Ibid.). The actions, however, may not be deemed as credible, but when a brand is involved, Erdem et al. (2004) argue that a brand embodies the cumulative effect of all the past marketing-mix strategies.

In regards to brands and how they are being advertised, Ries et al. (2004) argues that most people in general decide what is best to buy, based on what other people think is best. The two major sources for making this decision are the influence of others and thereby word of the mouth and via social media. Ries et al. (2004) furthermore state that compared to the power of the press, advertising has almost zero credibility. Ries et al. (2004) additionally argue that advertising is not needed for a brand, regardless of whether it is moving up or if it is on its way down. Furthermore McKenna (1993) say that *"We are witnessing the obsolescence of advertising ... First, advertising overkill has started to ricochet back on advertising itself ... The second development in advertising's decline is an overgrowth more obnoxiously insistent, consumers have gotten fed up. The more advertising seeks to intrude, the more people try to shut it out... The underlying reason behind both of these factors is advertising's dirty little secret: it serves no useful purpose"*

3.1.3 Stage 3- Consumption

The final stage of the meaning transfer model, *consumption*, includes the meanings constructed by the social class concerning the products or brands and how it is transferred to the consumers. Consumers must claim, care for, exchange and use the consumer goods to appropriate its meaning (Cheal, 1988; McCracken, 1990; Rook, 1985). The third stage *consumption* was also modified, so it now included aspects such as self-conceptualization, Chinese consumption, consumption to achieve face etc. These aspects which are briefly explained were inspired by Fang (1999) and Worm (1997) and their work concerning culture, network negotiating style and behavior of Chinese and Scandinavians.

According to McCracken (1989) the final stage of the transferring process is difficult and sometimes complicated. The consumers at this stage cannot just own an object and thereby take ownership of the meanings that has been attached to the specific object or brand or incorporate the meanings into the person's self. There is "... *no automatic transfer of meaning or any automatic transformation of the self*" (Ibid.; p.317).

However, since the consumers in this project are consumers entering a new life-stage, the stage of being a middle class, the change in a person's life or the transition to a new role can be challenging and it is considered one of the best predictors for changes in a consumer's likelihood to buy services and goods (Carrigan & Szmigin, 2004). The middle class consumers are constantly moving symbolic properties out of consumer goods into to their lives to construct a perfect face to outsiders. Symbolic consumption is therefore an aspect of consumption that the consumer can rely on, as it is "*expected to be inversely proportional to the consumer's degree of role knowledge*" and "*proportional to the degree of role uncertainty*" (Solomon, 1983). When a consumer feels insecure about their roles, they are more likely to use stereotypical symbols in order to enhance the role performance (Ibid.).

3.1.3.1 Chinese consumption culture

Consumption choices cannot be understood without thinking about the cultural context in which they are made (Bamossy, 2006). To many multinational companies, China is one of the world's most attractive consumer markets not only because of its vast population of a little over 1.3 billion people, but also for its serious and sustained economic reform, enormous development potential, rapidly emerging middle class, and increasing disposable income(Wang & Lin, 2009). Most observers of the Chinese consumer market have seen its linear evolution from a traditional culture toward a more Westernized consumer society during the country's three-decade experimentation of the free market (Ibid). China already now leads the world in the consumption of grain, meat, coal, and steel—all the major industrial commodities except oil, for which China is second only to the United States (Brown 2006). China is renowned for its powers of production not its appetite for consumption. Thanks to China's exceptional growth of its output, China surpassed Japan to become the world's second-biggest economy in 2010 (Economist, 2014b)

The Chinese are making more research before purchasing something, meaning many visits to brick-and-mortar and online stores to see what alternatives there are to find the product with the highest value (Atsmon et al., 2010, p. 13).

3.1.3.1.1 Preferences within consumption

Belk (1988) suggest that consumers are what they own, since their possessions are viewed as key part of their extended selves. The choice of a certain consumption object can be a signal source for the construction of identity by saying something about or to the consumer (Solomon, 1983; McCracken, 1986).

Moreover, the choice of a consumption of a specic brands- or product may be an experiential source for the construction of identity by giving the consumer a certain feeling about themself as a person and their surroundings (Holbrook and Hirschman, 1982; Askegaard and Firat, 1996). In this way, consumption can contribute to the communication of the consumer's identity and lifestyles (Holt, 1997; McCracken, 1986). Doctoff (2012) argues that the Chinese middle class who are beginning to be able to afford none essential goods, are split between the desire of projecting status and on the other hand fear of sticking out. Vice versa, the careful nature of Confucianism are pulling the Chinese consumer in the other direction, where standing out and putting attention to oneself is still frowned upon (Ibid).

One of the earliest observations of Chinese consumers indicated that the Chinese ''are the world's most loyal customers'' (Crow, 1937). During the past three decades, profound economic, cultural and social changes in China have converged to create a consumer market that is unlike any other. Just like western consumers, the Chinese believe value is associated more with the brand than with price, mainly because the consumers believe branded products are safer, more reliable and of higher quality and the consumer therefore focus on good value, based perceived quality and benefits (Rein, 2007). Chinese consumers also distinguish very clearly among countries of origin, and associate certain countries particularly strongly with certain products; for example Switzerland for watches, France for fashion, accessories and cosmetics, and Italy for footwear (KMPG, 2011). But the Chinese consumers are hungry for all kinds of goods ranging from cars, home appliances and mobile phones, to luxury cosmetics, basic foods and homecare products (The Financial Times, 2009). In 2011, China began its 12th five-year plan, shifting its economic focus from export-led sectors to increasing domestic consumer demand. The plan, passed by the government in mid-March, 2011, was designed to develop the

country into a major consumer marketplace (Forbes, 2011). How most Chinese consumers choose what to buy varies hugely by age, wealth and where they live (The Financial Times, 2009). In 2010, China's consumer market was estimated to be worth $1.7 trillion and by 2013 the number have grown to US$2.6 trillion according to official Chinese figure, however Jonathan Garner, Morgan Stanley equity strategist believe the market to be worth US$4.5 trillion (Asiatoday, 2013).

With increased incomes comes growing consumer sophistication, many Chinese shoppers have realized that the only way to show their uniqueness and personality is through fashion with personalized mix and match, not with accessories that everybody can wear (Jing Daily, 2013b). The bright spots in the Chinese market in 2013, was women's wear, which grew by an estimated 10 %. While consumers in mature markets such as Europe and the United States were becoming "disillusioned" with luxury shopping, Chinese consumers were the most enthusiastic luxury shoppers in the world in 2013 (Jing Daily, 2014a), and the middle-class Chinese luxury consumers preferred to buy their items abroad (Flora, 2014). The Chinese luxury consumers are mainly newly wealthy often from China's second- or third-tier cities (Ibid), Burberry topped the list of favorite brands within the luxury category and was followed closely by Chanel, with Gucci, Louis Vuitton, Prada, and Dior trailing behind (Flora, 2014). As a result of the increase in very wealthy consumers and the aspirations of the growing middle classes, the market for luxury goods has soared, in China (Euromoniter, 2013), and just in 2010 Chinese consumers spent $9 billion on luxury goods (Forbes, 2011), and the number has only grown since then. But it is not only in luxury goods that Chinese shoppers are leading the way, China has become the world's biggest e-commerce market, with spending forecast to reach $540 billion in 2015 (The Economist, 2014).

A report McKinsey & Company from 2013, has found that members of the generation born in the mid-eighties are much more confident consumers and are more willing to pay a premium for the best products; indeed, they regard expensive products as better products, compared to their parents. According to the report this generation is happy to try new products and eager to experience new technologies, but they are also more loyal to the brands they trust and prefer niche over mass brands. Another of McKinsey's consumer research report form 2012 showed that Chinese people tend to associate good quality with well-known brands and high prices, whereas The Financial Times in 2009, wrote that the Chinese consumers were price-conscious and liked deals but did not always choose the cheapest option. It can therefore be expected that

consumers will start to look beyond price and basic functions to value-added aspects such as premium ingredients, ethical credentials or environmental friendliness (Euromoniter, 2013). However when looking beyond the headlines, one will find that China's consumers are actually buying relatively little, and only a small fraction of China's population is willing and able to spend their money on luxury products (Roberts, 2007). While a part of China becomes richer and richer for every minute, hundreds of millions of China's "consumers" remains very poor and spend too little and have too little to spend (Gerth, 2010).

3.1.3.2 The Chinese consumers

According to Conghua Li (1998), China's rapid economic development and growing consumer boom are caused by two major factors: economic reforms and social changes. As a result of the economic reforms, China's average family income has been rising dramatically, whereas the social changes originated from the single-child family and led to a general shifting of responsibility for personal welfare from the state to the individual (ibid).

Qiu (2011, p. 19) divide the Chinese consumer into age groups: Thirties, Twenties and the "New Generation" (under 20). The One-child generation or Thirties and Twenties tends to be quite materialistic and "open to new trends" (Lu, 2008, pp. 14.)The new generation have had more education, and more opportunities to work outside the factories, and these young Chinese are becoming more and more Westernized, keeping track of trends through the Internet, and are more likely than their parents and grandparents to spend large sums on retail and fashion (Lu, 2008, p. 14; Qiu, 2011, p. 19). Nowadays the younger generation of Chinese, do not look back as much as their elders; instead they seek new, fashionable and innovative products (Wang et al., 2000b). Not only do they have more money, but they're more willing to spend it, too, as they have only known a China with rapidly rising standards of living, and they want to live like young people do everywhere else (O'Brien, 2014). Although Chinese consumers still have a different purchase behavior compared to western but they are beginning to become more alike. More specifically, the Chinese consumers are valuing the quality and the trendiness of a product. The value of individual style and being up to date with the latest fashion is high even in the smaller, less developed cities. Despite this awareness the Chinese consumers are, however, not nearly as active as their western counterparts when it comes to actual purchases of the products (Roland Berger, 2010, pp. 5, 10).

Based on Kluckhohn and Strodtbeck's (1961) value orientation framework, a typical Chinese is one who wants to live in harmony with nature, has respect for the past and tradition, believes in modesty and self-effacement, emphasizes proper order, interdependence, and face in interpersonal relations, and holds a ''being'' rather than ''doing'' orientation (Yau, 1988). China is a large and complex society; there likely are different mindsets and values in different regions in China (Ralston et al., 1996). One of the regional differences frequently referred to in the literature is between the eastern, coastal region and the central and western inland region (Wang, 1984; Yeung and Hu, 1992). Despite China's diversity, there is an incredible degree of unity. The unity is due in part to the predominance of one ethnic group, the Han, which constitutes 90 % of the population, but also the fact that the 200 dialects of Chinese are all held together by the same written language (Chen, 2003).

3.1.3.3 Self-conceptualization through consumption

A person's self-identity and self-image have a powerful influence on consumption, especially when entering a new social class, for instance becoming member of the middle class. Schouten (1991) defines self-concept as "[...] *the cognitive and affective understanding of who and what we are. Self-concept is thought, without complete agreement among scholars to encompass such things as the role identities, personal attributes, relationships, fantasies, possessions and other symbols that individuals use for the purpose of self-creation and self-understanding*".

The process of self-construction through purchasing goes hand in hand with the creation of brand values and has been elaborated on by several scholars. Brand values, communicated through media and other factors are trying to create a certain image of a target group, buying certain products. According to Ries et al., (2004), consumers are being pressured to feel the need to belong to a certain target group by purchasing products that are related to this certain brand value. They are subconsciously aware of how the brand values are perceived by other persons around them and they use these values to project them on themselves by buying these products (Ibid). According to Levy (1959), products are not only bought for what they do, but also for what they mean.

Often consumers try to communicate their inner values and interests by consuming something special, which helps them to construct the identity of what they want to be (Bamossy, 2006). Products can have a sort of "value-expressive function" (Ibid.). A person forms an attitude

towards a product not because of its objective advantages, but because of its attributes and what this product may say about the consumer as a person. Associations constructed through several influences in the consumers' head, e.g. *"I am not the kind of man who would buy this car"*, are pushing consumers rather subconsciously than consciously to the decision of buying a product or not (Ibid.).

There is an extensive established association between symbolic consumption and role transitions. The so-called "transitional consumers" are very interesting and valuable as consumer segments for consumption behavior studies, because they show an obvious process of changing their normal purchasing patterns within their process of identity construction (Sørensen &Thomsen, 2006). Life-role transitions such as marriage, divorce or becoming part of a new social group have been described as a sort of "[...] *limbo between a past stage and a coming one, a period of personal ambiguity, of non-status, and of unanchored identity"* (Schouten, 1991; p.49). Thus the transition that the consumer undergoes has been used as a window on several consumption-related phenomena, e.g. regarding changes in decision making processes and changes in brands (Davies et al., 2010). When a consumer is in transition, researchers also have the chance to observe the relationship between identity construction and symbolic consumption (Sørensen &Thomsen, 2006).

Several studies regarding Chinese culture have been carried out (Hui &Triandis, 1986; Hofstede, 1980, 1991, 2000; Gao et al. 1996; Bong &Hwang 1986).

3.2 Summation of theoretical framework

The theorists and theoretical framework described above illustrates how culture and consumption can be thought to add to the consumer's identity construction. The branding and cultural theories will be used to analyze whether there is a correlation between the examples in the empirical data and whether they are consistent with the cultural differences, the theory have described existing between Chinese and Danish culture. The culture theorists of Hofstede and Trompenaars et al., complement each other by describing and explaining the same cultural aspects, which will be expressed in my analysis. While the theory McCracken will give the needed aspect of brand and transition theory.

4. Analysis

4.1 Analysis of the expert and podcast interviews

In this part, the analytical approach used in this project; *meaning condensation*; will be explained. According to Kvale (1996), meaning condensation entails an abridgement of the meanings expressed by the interviews into short formulated statements. Five steps are involved in this analysis.

The *first* step is to read through all the interviews, and thereby get a sense of the whole content. According to Giorgi (1997) it is important not to make themes already, as well as to ignore theoretical perspectives to maintain the phenomenological analysis and holistically approach.

The *second* step is to read all the interviews, one by one, with a scientific perspective, to identify and infer the essential opinion units (Kvale, 1996). The second step requires both a scientific perspective and sensitivity about the researched topic, it has therefore been important for me to keep a balance between being open to what the interviewees had to say, but at the same time not to be influenced by the research's problem formulation and purpose. Since my perspective has been relatively broad, the biggest challenge was to take a step away from the actual different perspectives that the interviewees had, instead of only focusing on their thoughts, while talking about China, culture and Danish designs and fashion companies.

At the *third* step the themes that dominate the meaning units will be stated as simple as possible (Ibid.). I will attempt to read the interviewees' answers without prejudice and then organize their statements into themes, as understood by me (Ibid.).

The *fourth* step consists of interrogating the meaning units in terms of specific purpose of the study (Ibid.). In relation to the problem formulation, the themes of the meaning units will all be addressed with respect to the problem formulations main topics, such as, *what does this statement tell the researchers about culture differences* and *what does this statement tell me about how culture influences the chances of success?*

At the *fifth* step, the essential, non-redundant themes of the entire interviews are tied together and put into a model developed by me call the *new market – new product strategy matrix*, inspired by Ansoff's product–market strategy matrix. As Ansoff's matrix normally only focus on one category (Existing or New), my version *the new market- new product strategy matrix* looks at

three categories; market development, diversification and product development. This model is relevant, as it includes three basic elements of market entrance, which I have found necessary to have in mind if striving for success when growing and developing a company abroad and all can be affected by cultural differences.

As mentioned previously meaning condensation is on the one hand time-saving, as negligible and unnecessary statements can easily be sorted out and I do not have to explain every single statement, if it only came up once. It is furthermore important to state that on the other hand there is also the risk of excluding some interesting aspects and new insights, by just looking at the subjects mentioned the most often and fade-out everything else (Ibid.). Going hand in hand with the *fifth* step of meaning condensation, it was attempted to prevent the effect of excluding important statements and overlooking interesting things by reading every interview carefully again after setting up the main themes to seek out if there are some declarations which could be used.

The consequence of meaning condensation is that the selected themes are chosen by me, and they are therefore colored by what I would like to know. However, this goes hand in hand with the selected paradigm, which stated that it was not possible to be objective and have the one and only reality.

The online application *TagCrowd* was used to count and visualize word frequencies in the expert and podcast interviews to find the most common used words by the interviewed and to support the themes choice. *TagCrowd* is an online-tool, whose main advantage is, that a lot of time can be saved by not counting the words manually.
Words such as, *brand, change, culture, different, dream, international, guanxi, partner, Scandinavia, success, understand, value and western* were some of the words that stood out in the word cloud. Words such as *thereby, means, believe, recommend, think, therefore, certainly, start, talk, something, age, told, ago, something, think, things* etc. were taken out of the *TagCrowd* visualization, since these are just empty words and not in the interest of this research project.

become begin better **brand** build **business** buy come change
china chinese companies consumers
copy culture danes danish **denmark different** dream exist
experience export extremely people group guanxi help idea **important**
international interview luxury **market** open partner **people** person
position **product** really recommend relevant scandinavian **sell** shanghai
shop **small start** store strong **success** talk today **understand** value
western **work** world **years**

The following figure shows an example of two of the six main themes and a reduced amount of the associated quotes. The whole table concerning the six main themes and all associated quotes can be seen in appendix 5

Opinion Units	Essence	Main theme
(K)"...*most importantly is having an interpreter, someone who can both translate and culture interprets, to avoid misunderstandings"*	Importance of understanding culture Cultures influence	Culture
(TJ) *"You have to understand the culture of China to get success"*		
(J) *"One cannot generalize the Chinese people so easily. China is different in so many ways, not just East and West, North and South. There **are** greater differences within China than there are between someone from Finland and Portugal"*		

Figure 3: Exemplified quotes of step 3 of the meaning condensation approach

4.1.1 Findings in the analysis

In view of the theme findings from the first four points of meaning condensation, I have chosen to take my starting point in my *new market – new product strategy matrix* to analyze to what extend the cultural differences influences success rate. For this part of the analysis, I use the framework of Ansoff's matrix to categorize the success possibilities for the Danish design and fashion companies. The quotes from the interviews, themed together with the theoretical knowledge, will form the foundation of the best possible explanation to how culture will/can affect the four quadrants of the success possibilities.

When Danish design and fashion companies start thinking about expanding beyond growing the use of their traditional products in the Danish markets, they have to start thinking about how they want to penetrate and develop a new market, as well as how to produce development and diversification compared to the others on the market.

This part of the analysis derives from the focus on growth- and success, more specifically strategies for growth relative to the four quadrants of Ansoff's product–market strategy matrix (Ansoff, 1965): market penetration, market development, diversification and product development (Figure 4).

It is import to mention that whereas Ansoff's matrix normally only focus on one category (Existing or New), my version *the new market- new product strategy matrix* looks at three categories, which are all related to a new marked and a new product strategy, this decision was made as I believe these three have most relevance in this matter of success, and should be part of the company's strategic consideration when growing and developing a business abroad.

Figure 4: New market – new product strategy matrix, by C.G.M (2014)

4.1.1.1 Market Development

When a company starts expanding their business to a new market, they run a great risk, as they often do not know the market as well as they know the domestic market. In the empirical interviews the interviewees mentions themes such as face, guanxi and change, and these will therefore be the starting point and foundation for market development description.

The term guanxi was by one of the companies interviewed in the radio program Globus Kina mentioned as a key factor for their success on the Chinese market. According to Boutrup (2013) *"The Chinese network concept guanxi, retain employees, ensuring continuity and good relations have been the key factor to Kjeldsens success"*.

Tang (2014) said that no matter how good your products are, you will go nowhere without guanxi. *"You have to build relationship (guanxi), no matter how good your product is, you need a partner"*. Ankerstjerne (2014) mentioned guanxi to be an important factor to develop, as one never knows when one will be needing a favor or helping hand. According to Ankerstjerne (2014) *"Social capital is important, as China is a complex market to be in. Networking and relationships are certainly relevant. It is important to focus on networks, you never know if or when your goods will get stuck in customs [...]"*.

One of the interviewed several times simplified that the term guanxi is not just have social ties, and that it was not something that could be built within short time or overnight. Johansen (2014) say that *"One should not think he can build guanxi in 6 months"*.

This correlates very well with what Trompenaars and Hampden-Turner (2012), say about doing business with a culture more diffuse than our own, feels excessively time consuming. Trompenaars et al. (1998, 2012) further say, that a company in a diffuse culture strives to first establish a relationship of trust with the other actor and then after that concentrates on the specifics of the business. Which is also exactly what the interviewed have experienced, guanxi is something that is built over time, and cannot be rushed or just be built by showing kindness. According to Johansen (2014) *"You start build guanxi, when you really start to do business. It is not just sitting at a dinner drinking and smiling"*.

The other theme mentioned as other key element was face, to have, show and lose face is determined with a relationship between business and business or business and partner. As mentioned previously stated in chapter 3, face has multiple and varied characteristics, e.g. the amount of face used by the company can be altered when the quality or service of the product change. According to Tang (2014) taking care of face is an important factor when a company is looking for success. He further elaborates, and says that it is very important for a Chinese to take care of their face, and thereby show status (ibid). He believes that having status means having success.

The concept of face is therefore not something that should be taken lightly; it is of great importance for an outsider to realize the significance of face. A person in Denmark would never give their business card as the first thing (Johansen,2014), when meeting someone for the first time, but in China the business card has great importance as this is your face, and prove that you have a strong face or are starting to build one. One of the interviewees therefore say that it can be a strategic move to ask for peoples references to enhance communication and cooperation, but also to ensure that the face they portrait are the real deal. Johansen (2014) put it like this *"Check people you meet and ask for their resume and references of former employs or work they have done"*.

Johansen (2014) on the other hand also mentions that the term face is losing its importance; this however is not seen in the light of business, but in the personal level. According to Johansen (2014)

"Face culture means a lot for the Chinese. Although there are some trends that show that the Chinese are moving away from it, it still remains domineering when they consume anything".

The Chinese consumption has earlier focused on luxury products, such as the latest fashion, car or electronics, to show off status to the outside world. A reason for this could be that when the income changes so does the buying behavior, and as many have moved out of the poverty and into the middle class the need of showing of and proving face has increased. Johansen (2014) puts it this way, *"Something that is different between the Western and Chinese society is that the western is specialized, advanced and sophisticated, whereas the Chinese society is far more primitive. People consume primarily to promote themselves".*

The theme of change was also one of the main themes found in the meaning condensation. The theme of change can be divided into two things 1) the change Danish companies have to do and 2) the transition and change the Chinese market have undergone.

The changes the Danish companies have contemplated on whether or not they should stay in the same product range as they are in Denmark, or of they should market themselves as a luxury product, despite not being one in Denmark. As the Chinese travel more the consequences of branding your company as something it is not, can have monumental consequences if the consumers find out. Nonetheless, this can be a problem for Danish companies, as Johansen (2014) say; "In *Denmark, we do not really have any luxury products, maybe B & O, but we have premium products".* He further elaborates *"5-10 years ago you could advertise yourself as luxury product, because you were from the West, but that is not possible anymore."*

Also the importance of sticking to a specific price seemed to have great importance, a luxury or affordable should be sold at a price above average, as mentioned previously it would be losing face for the product and for the Danish company to lower it. According to Høj (2013), *"[If] It is an affordable luxury good and the product must therefore not be too cheap".*

The second type of change is the change of the Chinese market. Although the Chinese market has changed rapidly within the last decades, it is important to have in mind that the population itself did not change at the same rate. However the consumer behavior in China is hard to generalize, due to the size of the population and market. As Johansen (2014) say:

"One cannot generalize the Chinese people so easily. China is different in so many ways, not just East and West, North and South. There are greater differences within China than there are between someone from Finland and Portugal".

But, with a market that is changing every minute (Tang, 2014) and with Chinas low uncertainty avoidance a company will have to be able to make changes continuously. The China a company meets in April may not be the same in August. Several of the interviewed say that the China they saw 5-10 years ago is a complexly different China today. Johansen (2014) say *"The China I moved away from a year ago is a completely different China than I met 10 years ago*. Marketers in China must therefore be able to see the change and adapt more quickly than in other markets they might know. Standardization will simply not work in China, as they do not feel the need to follow rules and regulations and prefer flexibility (Trompanaars et al., 2009)

Another change to the market and the consumption pattern is the influence of the internet, as mentioned in chapter 3, the e-market has exploded and millions of Chinese are online, the need of a webpage in Chinese is therefore necessary if a company is interested in capturing as many as possible. Especially as the Chinese according to Hofstede (2010) uncertainty avoidance index has a very low score, and thereby not very concerned with risk, which in relation to web shops is a positive indication that the Chinese are not afraid to use a new foreign web shop and can create great cash flow for the Danish company. But a web shop alone is not enough; one should not forget the old school type of store. If the cash flow is low, a pop-up store at a high street or shopping mall can be the way to get the Chinese interested. According to Hofstede et al., (2010) the low avoidance cultures such as the Chinese have a tendency to use the Internet to conduct research before purchase new products as they are more hesitant towards new technology, products and trends, compared to high context countries such as the Scandinavian countries.

According to Trompenaars and Hampden-Turner (2012) the highly neutral cultures such as the Danish have problems doing business with the highly affective cultures such as the Chinese, as the silent communication in the Asian culture frightens the westerner.
A theme that was not mentioned was the word *NO,* or lack of, but I believe it is of great importance. According to Hall (1976, 2000) communication occurs in way other than through language. As China is a high context communication culture, their communication is according to Gudykunst et al. (1996) identified as indirect, reserved, unstated, ambiguous and maintaining

of harmony. In contras the low context communication cultures such as the Danish is identified as direct, precise, open, and dramatic and based on feelings or true intentions. According to Johansen (2014) *"It's almost impossible to get objective negative criticism from a Chinese. You have to be really close to them, good friends and show great respect and confidence in them, before you can expect criticism"* Trompenaars et al. (1998) further elaborates and say that high contextual countries like China believe that before a business properly can be discussed the stranger must be "filled in". Meanwhile low context countries such as Denmark think that the fewer initial structures there are the better. Which is why a company can never truly know whether the Chinese like your idea/product or not. It is therefore important to take a step back, and rethink if the maybe should have been a no.

4.1.1.2 Product development

When a company uses product development it is normally to create growth. In Ansoff's growth matrix it is connected to a pre-existent market that the company is already located at, but they start to sell new products. In my version, the product development it is with special focus on entering China for the first time, with a pre-existent product with small – or big developmental changes. High costs are often associated with the development of new products and the company can never be sure whether the consumers will accept it.

Perry (1987) suggest that the most appropriate growth strategies for SMEs are product development and market development, which is one of the reasons why I believe this category cannot be overlooked despite it being a share associated with high costs.
A company might think that they have the perfect product, and that there is no need to develop it further. Why fix it, if it ain't broken? In China this attitude can have big consequences (Johansen, 2014).

Despite China's score of 87 within Hofstede's scale of pragmatism they do not show the ability to adapt to traditions, at least not according to the interviewed. According to Tang (2014) *"You [...] need to accept that you sometimes you have to adapt to fit in somewhere new"*. It seems not enough just to stick to the business model known from the home market; the company has to localize their business strategy and model specifically to the Chinese market. The product

development can be small things such as naming a product China XXX instead of XXX China or simply to create more in a specific style, but changing the color from green to red etc.

All in all, the interview showed that being patient and prioritizing the companies have at better chance of success. And what is most important to keep in mind, there are (almost) no products, not already available on the Chinese market. Building guanxi and establishing a "face" or reputation takes time and one should therefore not think that a product or brand will become a success over night, just by itself. It will take month, maybe even years and a good partner to really get a successful market development, as the market is changing faster than anywhere else.

4.1.1.3 Diversification

In Ansoff's growth matrix diversification means that a company is build a new company within the company (Ansoff, 1965), e.g. when Lego opened Legoland or Virgin started as at record shop, and now have business within areas such as travel, lifestyle, healthcare, telecommunication etc.. In other words the company is spreading its area of business. I have in contrast to Ansoff chosen to understand the diversification as a way of how the Danish companies can differentiate themselves from the competition within the category of their product, as I believe this has more relevance and interest of my research, as I am looking for ways to develop success and not how to expand Danish design and fashion companies in other areas.

A theme found in the meaning condensation was *Danish*, *Western* and *Scandinavian*, which according to most of the interviews can have a positive value for the Chinese, while Jacob Johansen (2014) however argues that in some areas the promotion of being Danish, Scandinavian or Western has no effect at all. According to Jacob Johansen (2014), "*It does not spoil anything to say you are from Denmark, but it also does not matter." Made in Denmark" or a Danish flag has no value, it would be equivalent to one slamming two Chinese characters up on a wall, no one would understand it*".

Jacob Johansen (2014) further says "*Within consumption of industrial design, clothing and electronics, it [being Danish] has no influence.*" However he argues that "*In the category of food, it is incredibly important that the product is [...]Labeled, packed and sealed in Denmark*". The reason for this can maybe be found in the interview with Karin V. Ankerstjern (2014),

according to her *"Denmark is still at the forefront in many areas and has many unique-production solutions."*

Jacob Johansen (2014) mentions that he has observed that the Chinese had become more nationalistic, which wedges very well with how Hofstede (2010) description of China as a culture with low uncertainty avoidance, the Chinese are much more concerned about appearances, than just the nationality of the products. In other word, they do not care whether the product is French or Danish, they want something that show prestige and can improve their *face*. Why according to Jacob Johansen (2014) *"It is therefore important to have built a relationship and experience for the consumers in China, in a way that they want to be part of the brand and buy into"*. Markvadsen (2014) elaborates *"Fashion is all about buying a dream and the dream is largely about the Western or domestic world"*. In addition Jacob Johansen (2014) elaborates and says that *"One thing is for sure, being western is not enough anymore if you want to be a success"*. According to Hexter &Woetzel(2007, a reason for the emerge in nationalism could be the rising sense of pride and confidence the Chinese feel for China, which could be one of the elements that influences a renewed desire to support Chinese enterprises. Another reason could be because of the media, in reason year's numbers of negative news stories about foreign brands have been published and given a stronger voice to the "buy Chinese" segment. However one thing is for sure whether the Chinese consumers are voicing a preference for domestic or international brands, the consumers main reason for choosing a specific brand is quality.

One of the ways Danish companies can differentiate themselves by is storytelling. According to Jacob Johansen (2014) *"Storytelling is therefore a key factor and just as relevant as the product, some times and in some situations even more important than the actual product"*. He moreover says that *"By now there is no product in China, they do not already have, and it is therefore the story about the product that will get it sold"*.

However it is important to have in mind that not just any story is a good story. According to Jacob Johansen (2014) *"Companies just like people, should not lie about who they are - if your lie sees the light of the day in China, your brand will be butchered within a day via the social media"*. According to Boston Consulting Group (2007) 700 million Chinese citizens will by 2015 have internet access.

Another factor is promotion material in Chinese. According to Karin V. Ankerstjerne (2014) *"Making the promotion material in the Chinese native language, really promotes understanding."*

All in all, the best way for the Danish companies to differentiate themselves seem to just be by being themselves and standing by who they are, where they are form and believing in their product, as their confidence seem to be the dream that is selling, as many of them in the perspective of the Chinese Consumer arrive as a leader, just by being a Western brand.

4.1.2 Sub-conclusion on the interview findings

On the basis of analyze it can be concluded that there are several areas such as power distance, pragmatism and collectivism vs. individualism, where considerations to culture is relevant. Primary on the area of storytelling where it is important to sell a dream – the Chinese dream. It is a proof of success and associates to Confucian philosophy of wealth and harmony.

Despite of the differences between the Chinese and Danish culture Danish design and fashion companies should not fear their entrance but simply be aware of the fact, that tings takes a little longer time, as the companies have to build both guanxi and face. The companies should still have the individual consumer in focus, in spite of China's collectivistic cultural belonging as the new middleclass consumer demands product that will strengthen their "I".

It is important not to neglect the Chinese culture values as culture is the glue that keeps the Chinese society together. Danish companies should not put all their focus on the exceptions but more on the convergence.

5. Conclusion

The aim of the thesis was to answer following problem statement:

How can small and medium sized Danish design and fashion companies take advantages of the growing Chinese middle class and their demands- with particular emphasis on how large a role cultural differences plays, when doing business in China?

The problem statement led to the choice of qualitative research approach that seeks to investigate "how is culture affecting success?" My empirical research was therefore based on qualitative research methods. It was chosen to make interviews with experts within the field of development of Danish companies in China, as this was considered to be the best way to investigate their perceptions on the issue of cultures influence on success possibilities. Inspired by Corbin & Strauss (1996), the main reason for this choice was — the desire to step beyond the known and enter into the world of experts, to see the world from their perspective, to make discoveries that would contribute to the development of empirical knowledge.

Furthermore, there were listened and recorded four radio interviews with two owners, two designers, an area manager and an China expert, who all have had experience with China and its culture, their answers gave me a possibility to get a closer understanding of which areas are specifically affected or not affected at all by the culture difference compared to the Danish home market.

My problem statement also gave background to the choice of theoretical framework, where a combination of Hofstede (1999, 2010) and Trompenaars et al.(2009) theories on culture were used, together with a modified version of McCracken's(1986) meaning transfer, which in the case of this thesis was made into a culture transfer model. Due to the qualitative nature of research methods applied and explorative approach, a method of triangulation was used throughout the thesis to show the richness of fullness of the qualitative data.

So, how do small and medium sized Danish design and fashion companies take advantages of the growing middle class and their demands? - And to what extend do the cultural difference play a role?

The main findings were that the new and growing Chinese middle class are looking for unique products and brands, which can reflect their face and affiliation to the Chinese middle class. The

nationality of the products or brand have some importance, however it is not the main focus of the middle class consumers. Both Rein (2007) and the interviewed Jacob Johansen (2014), argues that The Chinese believe value is associated more with the brand than with the price and nationality of the products, because the consumers believe branded products are safer, more reliable and of higher quality. However if the companies thought that "one size", would fit all, because the groups are part of the same social class, they would have to rethink their brand and selection of products. The Chinese consumers are not just looking for at Western brand or products; they are looking for something that will make them stand out from the crowd, because of their high score of power distance (Hofstede, 1999). Their choice of a certain product can be a signal source for the construction of their identity (Solomon, 1983; McCracken, 1986). As Belk (1988) suggest, consumers are what they own, since their possessions are viewed as key part of their extended selves. In other words, when developing a brand successfully in China, it is not enough to take a short-term outlook and try to sell into every available market, as China is a complex and rapidly developing market. What works perfectly in a Tier 1 city as Shanghai, might not work in a Tier 2 or 3 today, tomorrow or maybe never, this goes also the other way around.

A company's products that have great success in Europe can become a super success if it is sold at the right time, right place and to the right consumers. To find out when the right time, place etc. is, a company will have to either work with a local partner or send a trusted preventative from the company to live, work, socialize and capture the up-coming trends. On the contrary a company can also receive no success at all in the Chinese market, as some categories are simply to overcrowded by local or other international competitors, or simply because the placement and promotion of the product or brands are misplaced, translated poorly into Chinese or because of lack of a good storytelling. If a company messes up once, they can suffer a strong and sometimes long loss, which in extreme case can have the consequence that they simple have to withdraw from the market.

By showing that the company understands the consumer and their need, the company can gain face and thereby create a stronger trusting relationship to the consumer(s) which is important as the culture in China is particularistic, and thereby much more focused on friendship and personal relationships (Trompenaars et al., 2009) compared to the Danes. If one or several from the group likes the company and its products, the consumer will very likely tell their friends, family, colleagues and acquaintances, as the word of mouth and mouse plays a large role in the

consumption pattern of the Chinese middle class consumer. But also their belonging to a collectivistic and affective culture, where belonging to a group is cherished to a much higher extend and is influencing their decisions (Bălan & Vreja, 2013 Trompenaars et al., 1997). Acceptance and acknowledgement by others simply strengthens the confidence in the product.

This study has demonstrated extensive and multiple differences between Chinese and Danish culture and values. Despite of the fact that the Chinese are becoming much more influenced by western standards, they still seem to clutch to their cultural belonging which still today is influenced by the Confucian values. Even though the chance of influencing and changing a member of the middle class mind about a product are very limited, the chance for influencing is increasing.

The cultural difference of China seems to be evident in the areas such as power distance and achievement vs. ascription and pragmatism, which have great importance and effect on the success possibilities. In other such as uncertainty avoidance the affect of culture is none, as the Chinese are entrepreneurial and very acceptable of the entrepreneur spirit (Hofstede, 1999; Tang, 2014). This similarity can benefit not just Danish design and fashion companies, but also with in other categories, especially since the Danish government is encouraging more people to become entrepreneurs, however despite of the fact that some interviewees in the empirical data believe that at company can never be too small, the size and heterogeneity in the population will make it very difficult for just anyone. It is not just selling a good idea, it is also selling a dream – The Chinese dream.

The research of this thesis however, also demonstrates that the general cultural dimensions are not sufficient enough to describe the culture(s) accurate, and it is therefore difficult to compare cultures against each other to the extent necessary to draw a specific conclusion, furthermore have the time limitation and willingness from experts to participate in the research set its mark.

6. Reflections and future research recommendations

To conclude this thesis, a few reflections and recommendations for future research will be stated.

From the beginning of this work process my aim has been split in two. I have on the one hand had a strong interest and curiosity in the subject and its many aspects, and have for a large part of the research been devoured in the process. At the same time, I have at no time been in doubt that I also wanted to have a practical approach to my studies so that my experiences and results would have immediate practical usability in society and in the labor market when my time as a student were behind me. There have therefore been delicate balances continuously in the process to weigh the relationship between means and ends, and to make sure that my approach and reasoning at once have had perception- and insight potential and simultaneously been strategically useful.

Even though my research have focused specially on investigating the possibilities for Danish small- and middle sized design and fashion companies and to what extend cultural differences influences the possibility of success, many of the reflections through the thesis and in this conclusion are just as relevant for other areas e.g. food and beverages etc.

Since the qualitative sample in this thesis showed a strong bias towards Danes, it would be interesting to examine the topic among people of the new Chinese middle-class. As this thesis used primarily qualitative methods to collect data, it would be fruitful to conduct quantitative studies instead or as well, as both aspects would contribute to the ability to draw a more generalisable conclusion about the middle class.

The concept that was used for this thesis included culture and characteristic to measure its influence on success possibilities of Danish design and fashion companies. However, there a presumably many other factors that influences a company's success possibility, when entering a new market. The addition of more variables to the measurement could give a more nuanced and detailed insight of the area. In order to find out about theses supplementary variables, more interviews would be necessary. In addition, to more interviews, questionnaire and netnography could provide deeper understanding in the research topic, as well as new findings could arise.

7. Bibliography

Ambler, T (1994) Marketing's thrird paradigm. Guanxi, Business Strategy Rewiew, 5 (4) pp. 69-80

Ansoff, H. I. 1965. Corporate strategy: An analytic approach to business policy for growth and expansion. New York: McGraw-Hill

Arias, J. T. G. (1998). A relationship marketing approach to guanxi. European Journal of Marketing, 32(1/2), 145– 156.

Askegaard, Søren & Firat, A. Fuat (1996) Material Culture and Symbolic Consumption, Working Papers in Marketing no. 6, Odense University: School of Business and Economics

Ayyagari, Meghana, Thorsten Beck, and Demirguc-Kunt Asli. (2007): "Small and Medium Enterprises across the Globe." Small Business Economics 29, no. 4, pp. 415-434

Bamossy, Gary J.; Solomon, Michael R.; Hogg, Margaret K. &. Soren Askegaard (2006): Consumer Behaviour. A European Perspective: Pearson Education Limited.

Barton, (2013) Half a Billion: China's Middle-Class Consumers. Found at: http://thediplomat.com/2013/05/half-a-billion-chinas-middle-class-consumers/

Barton, Dominic., Chen Yougang. & Jin, Amy. (2013a): Mapping China's middle class. Generational change and the rising prosperity of inland cities will power consumption for years to come. Available online at http://www.mckinsey.com/insights/consumer_and_retail/mapping_chinas_middle_class.

Barton, Dominic., Remes Jaana., Chen Yougang., Jin, Amy and Bush Janet (2013) The Rise of the Middle Class in China and Its Impact on theChinese and World Economies. Available online at http://www.chinausfocus.com/2022/wp-content/uploads/Part+02-Chapter+07.pdf

Baumeister, R., & Leary, M. (1995). The need to belong: Desire for interpersonal attachments as a fundamental human motivation. Psychological Bulletin, 117, pp. 497–529.

Bălan, Sergiu & Vreja, Lucia Ovidia (2013) Proceedings of the 7th international management conference"New Management for the New Economy", November 7th-8th, 2013, Bucharest, Romania

Beamer, L. and I. Varner. (2001). *Intercultural Communication in the Global Workplace*. Boston: McGraw-Hill/Irwin.

Belk, R.W (1988): Possessions and the extended self. Journal of Consumer Research 15 (September), pp. 139–168.

Berger, A and Udell, G (1998): "The Roles of Private Equity and Debt Markets in the Financial Growth Cycle." Journal of Banking & Finance no. 22, pp. 613- 673.

Bickart, B., & Schindler, R. M. (2001). Internet forums as influential sources of consumer information. Journal of Interactive Marketing, 15(Summer), 31–52.

Blackman, Carolyn. "Negotiating China", St Leonards, Australia: Allen & Unwin Pty Ltd., 1997, p. 23.

Bogdan, R. C. & Biklen, S. K. (2006). Qualitative research in education: An introduction to theory and methods. Allyn & Bacon.

Bond, M. H., & Hwang, K. K. (1986). The social Psychology of Chinese people. In M. H. Bond (Ed.), The psychology of Chinese people (pp. 213-266). New York: Oxford University Press.

Boustrup, Christina (2011) Kina Sweet & Sour – Erfaringer fra danskere, der tør satse på Kina. Gyldendal business

Brown LR. (2006) Plan B, 2.0: Rescuing a Planet under Stress and a Civilization in Trouble. . New York , , Norton.

Brown, Jo., Broderick, Amanda J and Lee, Nick(2007) Word of mouth communication within online communities: Conceptualizing the online social network. Journal of Interactive Marketing Volume 21, Issue 3, pages 2–20, Summer

Bryman, A. and Bell, E. 2007. Business research methods . 2nded. Oxford: Oxford University Press.

Bryman, A. (2008) Social research methods(3 ed.) Oxford: Oxford University Press. Creswell,J.W.(2006).Qualitative inquiry and research design: choosing among five traditions(2ed.).Thousand Oaks,CA:Sage

Campbell, D. T., & Stanley, J. C. (1963). Experimental and quasi-experimental design for research. Hope-well, NJ: Houghton Mifflin Company

Cardon, P.W., & Scott, J.C. (2002). Adventure English: Experiences with face saving. Retrieved, June 18, 2003, from Ball State University, Association for Business Communication - International Committee Website: www.bsu.edu/web/ 00jjzhao/abc-intl/jimscott3.htm

Carrigan, M. and Szmigin I. (2004): Time, uncertainty, and the expectancy experience: An interpretive exploration of consumption and impending motherhood. Journal of Marketing Management 20, pp. 771–798.

Chaiken, S. (1987) The heuristic model of persuasion. In M. P. Zanna, J. M. Olson and C. P. Herman (eds.), *Social influence: The Ontario Symposium* (Volume 5, pp. 3-39), Hillsdale, NJ: Erlbaum

Chan, W.-t. (1963) A source book in Chinese philosophy. Princeton : Princeton University Press.

Chang, H.-C., & Holt, G.R. (1994). A Chinese perspective on face as inter-relational concern. In S. Ting-Toomey (Ed.). The challenge of facework: Cross-cultural and interpersonal issues (pp. 95-132). Albany, NY: State University Press.

Cheal, David (1988): The gift economy: Routledge.

Chen, M. (1995). Asian management systems: Chinese, Japanese and Korean styles of business. London, UK' Routledge.

Chen, Ming-Jer (2003) Inside Chinese Business: A Guide for Managers Worldwide. Harvard Business School Press

Cheng, Liying (2005). Changing language teaching through language testing: a washback study. Cambridge University Press.

Chevalier, Michel & Lu, Pierre Xiao (2009) Luxury China: Market Opportunities And Potential. John Wiley and Sons Ltd

Coggin, William, O. & Coggin Betty, F.(2001) So You Want to Work in China. Technical communication, Volume 48, Number 4, November

Conghua, Li (1998) China: The consumer revolution. John Wiley &Sons (Asia) Pte. Ltd.

Conley, Lucas (2008): OBD: Obsessive Branding Disorder. The Illusion of Business and the Business of Illusion: Public Affarirs TM.

Corbin, J. & Strauss, A. (1996). "Analytic ordering for theoretical purposes". *Qualitative Inquiry*, 2(2), 139-150.

Creswell, John W. (2009) Research Design: Qualitative, Quantitative, and Mixed Methods Approaches.

3rd Edition. Los Angeles: Sage Publications, Inc.,

Crow, C (1937) Four Hundred Million Customers Hamish Hamilton Publisher, London.

Cui G, Liu Q. Regional market segments of China: opportunities and barriers in a big emerging market. J Consum Mark 2000;17(1):55–72.

Daly, K. J. (2007). Epistemological considerations in qualitative research. In Qualitative methods for family studies & human development. Thousand Oaks, CA: SAGE Publications, Inc

Davies, H. (1995). Interpreting guanxi: The role of personal connections in a high context transitional economy. In H. Davies (Ed.), China business: Context and issues (pp. 155– 169). Hong Kong' Longman.

Davies, H., Leung, T. K. P., Luk, S. T. K., & Wong, Y. (1995). The benefits of guanxi. Industrial Marketing Management, 24, 207– 214.

Davies, Andrea. Dobscha Susan. Geiger Susi. O'Donohoe Stephanie. O'Malley Lisa. Dobscha Susan. Prothero Andrea. Sørensen Elin and Thomsen Thyra Ut (2010): Motherhood, Marketization, and Consumer Vulnerabilit. Journal of Macromarketing (30, 4), pp. 384–397.

Davidson, William H. (1987) Creating and managing joint ventures in China . California Management Review, 29 (4), pp. 77-95

Desvaux, G., Ramsay, A. J. (2006) Shaping China's home-improvement market: An interview with B&Q's CEO for Asia. The McKinsey Quarterly (2006 Special Edition), pp. 83–91.

Dixon, John E. & Newman, David (1998) Entering the Chinese Market - The Risks and Discounted Rewards

Doctoroff, T (2012)What Chinese Want: Culture, communism and China's Modern Consumer. Palgrave MacMillian

Dou, W., Wang, G., Zhou, N. (2006), "Generational and regional differences in media consumption patterns of Chinese generation X consumers", *Journal of Advertising*, Vol. 35 No.2, pp.101-10.

Dragga, Sam. (1999). Ethical Intercultural Technical Communication: Looking through the Lens of Confucian Ethics. *Technical Communication Quaterly 8*, 365-381.

Earley, P.C. (1997). Face, harmony, and social structure: An analysis of organizational behavior across cultures. New York: Oxford University Press.

Easterly, William (2000) "The Middle Class Consensus and Economic Development," World Bank Policy Research Working Paper 2346

Erdem, Tülin and Swait Joffre (2004): Brand Credibility, Brand Consideration, and Choice 31 (1), pp. 191–198.

Fang, Tony (1995) Chinese stratagem and Chinese business negotiating behavior : An Introduction to *Ji.*In P. Turnbull, D. Yorke &P. Naude (Eds.) The 11th IMP international conference proceedings (vol. 3): 1369-1400 Manchester: Manchester Federal School of Business and Management

Fang, Tony (1999) Chinese Business Negotiating Style. Stockholm University, Sweden. SAGE Publications

Fang, Tony (2003) A Critique of Hofstede's Fifth National Culture Dimension. International Journal of Cross Cultural Management Vol 3(3): 347–368

Farrell, D., Gersch, U. A., & Stephenson, E. (2006). The value of China's emerging middle class. McKinsey Quarterly, 2(I), 60

Fisher-Yoshida, Beth (2013) Transforming Intercultural Conflict Through the Context of Relationship (pp. 791-815) From: The SAGE Handbook of Conflict Communication, Second Edition by John G. Oetzel & Stella Ting-Toomey. SAGE Publications, Inc

Flora, Liz (2014) China's Middle-Class Luxury Consumers Loved Buying Abroad And Burberry In 2013 – Found at : http://jingdaily.com/chinas-middle-class-luxury-consumers-loved-buying-abroad-and-burberry-in-2013/

Gerth, Karl (2010) As China Goes, So Goes the World: How Chinese Consumers Are Transforming Everything.

Gertsen, Martine Cardel (1994) Værdier. Hofstedes Værdidimensioner. From: En verden uden grænser. Tværkulturel forståelse og kommunikation. Gads Forlag

Gesteland, R.R. (2002) Cross-Cultural business behavior. Marketing, negotitating, Sourcing and managing Across cultures(3rd end.) Copenhagen Business school Press.

Gesteland, R.R. (2006) Cross-Cultural business behavior. Copenhagen Business school Press.

Gesteland, R.R. (2012) Cross-cultural Business Behavior: A Guide for Global Management. Copenhagen Business school Press.

Giorgi, A. (1997). The theory, practice, and evaluation of the phenomenological method as a qualitative research procedure. *Journal of Phenomenological Psychology*, *28*, 236-60.

Graham, John L. & N. Mark Lam."*The Chinese Negotiation*", Harvard Business Review, 2003, vol. 81, nr. 10, pp. 82-91.

Guba, E. G (1990) The paradigm dialog. New-bury Park, CA: Sage.

Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 105-117). London: Sage.

Gutterman, A.S. (2010), Trompenaars and Hampden-Turner's Seven Dimensions of Culture, in Organizational Management and Administration: A Guide for Managers and Professionals, available on-line at http://alangutterman.typepad.com/files/cms---trompenaars-seven-dimensions.pdf

Guba, E.G. & Lincoln, Y.S. (2005). Paradigmatic controversies, contradictions, and emerging confluences. in N.K Denzin & Y.S. Lincoln (eds.) The Sage handbook of qualitative research (3ed.). Thousand Oaks: Sage, pp 191-215

Gudykunst, W. B, Ting-Toomey S, & Nishida T. (eds) (*1996*) Communication in personal relationships across cultures Sage, Thousand Oaks, CA

Hall, E. (1976). *Beyond culture.* New York: Doubleday.

Hefle, Peter & Dittrich Andreas (2011) China's Middle Class- *A driving force for democratic change or guarantor of the status quo?* KAS international report, 12, pp. 57-74. Online version-http://www.kas.de/wf/doc/kas_29625-544-2-30.pdf?111205131951

Heisey, R. D. (2000). *Chinese Perspectives in Rhetoric and Communication.* Stamford: Ablex.

Herslund, M. (2004). Metode. In Per Durst-Andersen (Ed.), Omkring erhvervshumaniora-teori og metode: Kompendium i fagets videnskabsteori for 3. semesterstuderende på BA (pp. 19 -33). Frederiksberg C: SL Books.

Hesse-Biber, S. N. (2010). *Mixed Methods Research: Merging Theory with Practice.* New York, NY: Guilford

Hexter, Jimmy & Woetzel, Jonathan (Dec 18, *2007*) Operation China: From Strategy to Execution. Harvard Business Review Press; 1St Edition edition

Ho, D.Y.-F. (1976). On the concept of face. American Journal of Sociology, 81, pp. 867-884.

Hofstede, G. (1980). Culture's Consequences: International Differences in Work-Related Values. Beverly Hills, CA: Sage.

Hofstede, G. (1991). Cultures and Organizations: Software of the Mind . London, UK: McGraw-Hill.

Hofstede G, Usunier J-C. (1999) Hofstede's dimensions of culture and their influence on international business negotiations. In: Ghauri Pervez, Usunier Jean-Claude, editors. International business negotiations. Amesterdam: Pergamon;. pp. 119–130.

Hofstede, G. (2001). *Culture's Consequences, Comparing Values, Behaviors, Institutions, and organizaitons*. Thousand Oaks CA: Sage.

Hofstede, G. (2010). The GLOBE debate: Back to relevance. Journal of International Business Studies, 41, 1339-46.

Hofstede, Geert Hofstede, G. J, Minkov, M.(2010) Cultures and Organizations: Software of the Mind. 3rd Edition, McGraw-Hill USA,

Holbrook, Morris B. and Elizabeth C. Hirschman (1982), ' The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun.' *Journal of Consumer Research*, 9 (September), 132-140.

Holstein, J. A. & Gubrium, J. F. (1997). Active Interviewing. In D.Silverman (Ed.), Qualitative Research - Theory, Method and Practice. London: Sage Publications

Holt, Douglas B. (1997), "Poststructuralist Lifestyle Analysis: Conceptualizing the Social Patterning of Consumption," *Journal of Consumer Research*, 23 (March), 326–50.

Homans, George C. *(1958)* "Social Behavior as Exchange," American Journal of Sociology 63, pp. 597-606

Hu, H. C. (1944) The Chinese concepts of *"Face"*. American Anthropologist, 46 (1): pp. 45-64

Hui, C. H &Triandis, H.C (1986) Individualism- collectivism: A study of cross-cultural researchers. Journal of cross-cultural psychology (17) pp. 225-248

Hulten, B. (2007), ''Customer segmentation: the concepts of trust, commitment and relationships'', Journal of Targeting, Measurement and Analysis for Marketing, Vol. 15 No. 4, pp. 256-70.

Jacobs, Laurence., Guopei Gao., Herbig , Paul (1995) "Confucian roots in China: a force for today's business", Management Decision, Vol. 33 Iss: 10, pp.29 - 34

Johnson R. B & Onwuegbuzie, A.J. (2004) Mixed methods research time has come. Educational Researcher, 33(7), pp. 14-26

Katz, E., & Lazarsfeld, P. (1955), *Personal Influence*, New York: The Free Press

Keller, K. L. (1993): Conceptualizing, measuring, and man- aging customer-based brand equity 57, pp. 1–22.

Keller, K. L. (2003): Strategic brand management: building, measuring, and managing brand equity. 2th: Prentice Hall.

Keller, K. L. (2008): Strategic brand management: Building, measuring and managing brand equity: Prentice Hall.

Kirkman, BL., Lowe, K.B., and Gibson, C.B. (2006). *A quarter century of Culture's Consequences: A Review of the Empirical Research Incorporating Hofstede's Cultural Value Framework*. Journal of International Business Studies, 37: 285-320.

73

Kleinbrod Annette (2006) The Chinese Capital Market: Performance, Parameters for Further Evolution, and Implications for Development. Deutscher Universitätsverlag. Business & Economics

Kluckhohn, F. R. & Strodtbeck, F. L. (1961). Variations in value orientations. Evanston, IL: Row, Peterson.

Kotler, P. (2002): Marketing management, millennium edition. 10th: Pearson custom publishing.

Kroeber, A. L., & Kluckhohn, C. (1963). Culture: *A Critical Review of Concepts and Definitions*. NY: Vintage Books.

Kubátová, J (2012) THE INFLUENCE OF NATIONAL CULTURE ON KNOWLEDGE MANAGEMENT IN CHINA MANAGERIAL IMPLICATIONS FOR CENTRAL EUROPEAN COUNTRIES. Central European business review. VOL 1, NO. 1, July

Kvale, Steinar (1996) Interviews; An introduction to qualitative Research interviewing. London. SAGE.

Kvale, Steinar (1997) Interview : en introduktion til det kvalitative forskningsinterview

Kvale, Steinar & Svend Brinkmann (2009) InterView - Introduktion til et håndværk. Gyldendal Akademisk

Langergaard, L. L., Rasmussen, S. B., & Sørensen, A. (2006). *Viden, videnskab og virkelighed.* Frederiksberg: Samfundslitteratur.

Leininger, M. M. (1985). Nature, rationale and importance of qualitative research methods in nursing. In M.M. Leininger (Ed.), Qualitative research methods in nursing (pp. 1-28). New York: Grune &Stratton.

Leung, T.K.P., Wong, Y. H., & Wong, S(1996) A study of Hong Kong Businessmen's Perceptions of the Role of "Guanxi" in the People's Republic of China. Journal of business ethics, 15 (4), pp. 749-758

Leung, T.K.P. and R. Chan. (2001). Face, Favour and Positioning-a Chinese Power Game. European Journal of Marketing 37, 1575-1598.

Levy, Sidney J. (1959) "Symbols for Sale" *Harvard Business Review* (July-August): 117-124.

Lewis, Richard D. (1996) When Cultures Collide: Managing Successfully Across Cultures. London: Nicholas Brealey Publishing

Li, Cheng (2010) Chinese Scholarship on the Middle Class: From Social Stratification to Political Potential", in: Cheng Li (ed.) China's Emerging Middle Class: Beyond Economic Transformation, Brookings Institution Press, Washington D.C., 2010, pp. 57.

Lin, Xiaohua & Wang ,Cheng Lu (2010) "The heterogeneity of Chinese consumer values: a dual structure explanation", Cross Cultural Management: An International Journal, Vol. 17 Iss: 3, pp.244 - 256

Lincoln, Y. S. (2010). What a long, strange trip it's been: Twenty-five years of qualitative and new paradigm research. Qualitative Inquiry

Lovett, S., Simommens, L. C., & Kali, R (1999) Guanxi versus the market. Ethics and efficiency. Journal of international Business studies, 30 (2), pp. 231-247

Lu, Pierre Xiao(2008) Elite China: Luxury Consumer Behavior in China. Singapore ; John Wiley & Sons (Asia), Hoboken, NJ.

Marsh, P., Bradley, S., Love, C., Alexander, P., & Norham, R. (2007). *Belonging: Research commissioned by the automobile association*. Oxford: The Social Issues Research Centre.

Martin, J. N., Nakayama, T. K. (2010) Intercultural Communication in Contexts 5th ed New York McGrawHill

Maxwell, J. A. (2005). Qualitative Research Design: An Interactive Approach (2nd Ed. ed.). Thousand Oaks, CA: Sage

Maxwell J. A. (2010). Using Numbers in Qualitative Research. Qualitative Inquiry 16(6) pp. 475–482

McCracken, Grant C. 1986 "Culture and Consumption: A Theoretical Account of the Structure and Movement of the Cultural Meaning of Consumer Goods," *Journal of Consumer Research*.

McCracken, Grant David (1989): Who Is the Celebrity Endorser? Cultural Foundations of the Endorsement Process. Journal of Consumer Research 16 (3), pp. 310–321.

McCracken, Grant David (1990): Culture and consumption: new approaches to the symbolic character of consumer goods and activities: Indiana Univiersity Press.

McKenna, K. (1993). The Future is Now.American Journalism Review, 15 (8), 16.

Monaghan, Angela (2014) China surpasses US as world's largest trading nation – found at http://www.theguardian.com/business/2014/jan/10/china-surpasses-us-world-largest-trading-nation

Moore, Robert L. (2005): GENERATION KU: INDIVIDUALISMAND CHINA'S MILLENNIAL YOUTH Vol. 44, (No. 4 (Autumn, 2005)), pp. 357–376

Mooij, Marieke de (2010): Consumer Behavior and Culture: Consequences for Global Marketing and Advertising. 2nd Revised edition: Sage Publications Inc.

Morris, M. H., Davis D. L. & J. W. Allen. 1994. Fostering corporate entrepre-neurship: Cross-cultural comparisons of the importance of Individualism and Collectivism. Journal of International Business Studies, 25:pp. 65-89.

O'Brien, Matthew (2014) How China (and the Rest of the Emerging Markets) Spend Today. Found at: http://www.theatlantic.com/business/archive/2014/03/how-china-and-the-rest-of-the-emerging-markets-spend-today/284428/

Olsen, H (*2002*) Kvalitative kvaler. Kvalitative metoder og danske kvalitative interviewundersøgelsers kvalitet. København: Akademisk Forlag

Perry, C. (1987), "Growth strategies: principles and case studies", *International Small Business Journal*, Vol. 5, pp. 17-25.

Pettigrew, A.M. (1990) 'Longitudinal Field Research on Change: Theory and Practice', Organization Science, 1(3): 267-292.

Pole, C. and Lampard, R. 2002. Practical Social Investigation: Qualitative and Quantitative Methods in Social Research. Harlow: Prentice Hall (Pearson Education).

Qiu ,Yujun (2011) Understanding Chinese Consumers- Found at http://www.chinabusinessreview.com/understanding-chinese-consumers/

Ralston, D. A., Holt, D. A., Terpstra, R. H. & K. C. Yu. 1997. The impact of nation-al culture and economic ideology on managerial work values: A study of the United States, Russia, Japan, and China. Journal of International Business Studies, 28: pp.177-208.

Ralston, David A., Egri, Carolyn P., Stewart, Sally., Terpstra Robert H., and Yu, Kaicheng.(1999). Doing Business in the 21st Century with the New Generation of Chinese Managers: A Study of Generational Shifts in Work Values in China. Journal of International Business Studies, Vol. 30, No. 2 (2nd Qtr., 1999), pp. 415-427

Redding G. (1993) The Spirit of Chinese Capitalism. New York, de Gruyter

Rein, Shaun (2012) The End of Cheap China: Economic and Cultural Trends that Will Disrupt the World. Wiley; 1 edition

Ries, Al and Ries Laura (2004): The fall of advertising and Rise of PR: HarperCollins Publishers Inc

Raggio, R. D. and Leone R. P. (2007): The theoretical separation of brand equity and brand value: Managerial implications for strategic planning. Brand Management 14 (5), pp. 380–395.

Roberts, D. (2007), "Cautious consumers", BusinessWeek, available at: http://businessweek.com/magazine/content/07_18/b4032044.htm, .

Robson.C. (1993). Real World Research: A Resource for Social Scientists and Practitioner Researchers. Oxford: Blackwell Publishers

Rook, Dennis W. (1985): The Ritual Dimension of Consumer Behavior. Journal of Consumer Research 12 (3).

Rossiter, J. R. &. Percy L. (1987): Advertising and promotion management: McGraw-Hill.

Samovar, L. A. and R. E. Porter. (2004). *Communication between Cultures*. Belmont: Thomson/Wadsworth.

Schouten, J.W (1991): Selves in transition: Symbolic consumption in personal rites of passage and identity reconstruction. Journal of Consumer Research 17, March, pp. 412–425.

Solomon, M.R (1983): The role of products as social stimuli: A symbolic interactionism perspective. Journal of Consumer Research 10, pp. 319–329.

Solomon, R.H. (1987) China: Friendship and obligation in Chinese negotiating style. In H. Binnendijk (Ed.) National negotiating styles: 1-16. Washington, DC: U.S Department of State, Foreign Service Institute.

Spandet-Møller, Henrik (2011) Danish fashion going global. 1.st edition. HSMH holding Aps

St. Amant, K. (2001). Considering China: a Perspective for Technical Communicators. Technical Communication (48), pp. 385-388.

Sutter, Eva (2005): Crosscultural consumer behaviour-. A comparison between Germany and the U.S: Grin.

Sørensen, L. R. (2007, October 31). Små virksomheder udgør rygraden i dansk erhverv. http://www.erhvervsbladet.dk/ivaerksaetteri/smaa-virksomheder-udgoer-rygraden-i-dansk-erhverv.

Sørensen, Elin Brandi and Thomsen Thyra Ut (2006): The First Four-wheeled Status Symbol. Pram Consumption as a Vehicle for the Construction of Motherhood Identit. In *Journal of Marketing Managemen* (22:9-10), pp. 907–927.

Thomas, J.R., Nelson, J.A., & Silverman, S.J. (2011). *Research methods in physical activity* (6th ed.). Champaign, IL: Human Kinetics.

Thurén , T., & Strachel, G., (2011), Källa: Internet –att bedöma information utifrån källkritiska principer, 1st edition, Malmö, Sweden: Gleerups Utbildning AB

Ting-Toomey, S., & Kurogi, A. (1998). Facework competence in intercultural conflict: An updated face-negotiation theory. *International Journal of Intercultural Relations, 22,* 187-225.

Trampden-Turner, C. and F. Trompenaars. (2000). *Building Cross-Cultural Competence: How to Create Wealth from Conflicting Values.* New Haven: Yale University Press

Triandis, H. C., Bontempo, R., Bond, M. H., Leung, K., Brenes, A., Georgas, J., Hui, C. H., Marin, G., Setiadi, B., Sinha, J., Verma, J., Spangenberg, J. & H. T. G. de Montmollin. (1986). The measurement of the etic aspects of Individualism and Collectivism across cultures. Australian Journal of Psychology, 38(3): pp. 257-67.

Triandis, H. C., Bontempo, R., Villareal, MJ., Asai, M., & Lucca, N (1988). Individualism and collectivism: Cross-cultural persepectives on self- ingrouo relationships. Journal of personality and Psychology, 54, pp. 323-338

Trompenaars, F. & Hampden-Turner, C. (1997), *Riding the Waves of Culture: Understanding Cultural Diversity in Business*, Second Edition, London & Santa Rosa, Nicholas Brealey Publishing Limited

Trompenaars, F. & Hampden-Turner, C. (1998), *Riding the Waves of Culture: Understanding Cultural Diversity in Business*, Second Edition. McGraw Hill, New York.

Trompenaars F, and Hampden-Turner, C. (2000) 'Building Cross-Cultural Competence,' New Haven: Yale University Press

Tung, Rosalie. (1981). Selection and training of personnel for overseas assignments. Columbia Journal of World Business, 16 (1), pp. 68-78

Tylor, Edward (1920): Primitive Culture. 1st ed.: J.P. Putnam's Sons.

Wang, Cheng Lu (2005). Guanxi vs. relationship marketing: Exploring underlying differences. Industrial Marketing Management 36 (2007) 81 – 86

Wang, C. Lu & Lin, Xiaohua (2009) Migration of Chinese Consumption Values. Journal of Business Ethics 88: pp. 399–409

Wang, (2010) Defining the Chinese Middle Class. Found at: http://www.forbes.com/sites/helenwang/2010/11/24/defining-the-chinese-middle-class/)

Wang, C.L., Chen, Z.X., Chan, A.K.K., Zheng, Z.C. (2000), "The influence of hedonic values on consumer behaviors: an empirical investigation in China", *Journal of Global Marketing*, Vol. 14 No.1/2, pp.169-86.

Wernerfelt, Birger (1988): Umbrella Branding as a Signal of New Product Quality. An Example of Signalling by Posting a Bond. Rand Journal of Economics (19), pp. 458–466.

Williams, Raymond (1983) A Vocabulary of Culture and Society. Oxford University Press

Wilson,Elizabeth, J. ;Sherrell,Daniel L.(1993) "Source Effects in Communication and Persuasion Research: A Meta-Analysis of Effect Size" Journal of the Academy of Marketing Science ,21(2),pp. 101-112.

Wong, Edward Yui-tim (2001) the Chinese at work: Collectivism or individualism - Hong Kong Institute of Business Studies

Wong, N. Y., & Ahuvia, A. C. (1998). Personal taste and family face: Luxury consumption in confucian and western societies. Psychology & Marketing, 15(5), 423–441.

Worm, Verner (1997) Vikings and Mandarins: Sino-Scandinavian Business Cooperation in Cross-cultural Settings. Copenhagen Business School Press

Wu, Z., Chua, J., Chua, J., Chrisman, J. (2007): "Effects of family ownership and management on small business equity financing."Journal of Business Venturing, no. 22, pp. 875–895.

Yang, K. S. & Bond. M. H.(1990) Exploring implicit personality theo-ries with indigenous or imported constructs: The Chinese case. Journal of Personality and Social Psychology, 58: pp. 1087-95.

Yang, M. M. (1994). Gifts, favors, banquets: The art of social relationship in China. Ithaca, NY' Cornell University Press.

Yau, O.H. (1988), "Chinese cultural values: their dimensions and marketing implications", European Journal of Marketing, Vol. 22 No. 5, pp. 44-57.

Yeung, Y & Hu, X(1992) China's coastal cities as development and modernization agents: An overview. Honolulu: University of Hawaii Press.

Zhu, Dauw -Song & Hong Chen-Huan 2009, „Guanxi and Consumers" Perceived Pre-purchased Risk: A Moderating Effect of Consumer Expertise, Management Review , Volume 19, Number 2, pp. 197- 232

Websides

Asiatoday (2013) China consumer market 'healthier than thought'-http://asiatoday.com.au/content/china-consumer-market-%E2%80%98healthier-thought%E2%80%99

Bestseller (2014) BESTSELLER Fashion Group China. http://www.bestseller.com/en/About-content/RelatedCompanies/BESTSELLERFashionGroupChina.aspx

Bughin Jacques; Doogan Jonathan & Vetvik, Ole Jørgen (2010) A new way to measure word-of-mouth marketing

CIA (2011) Denmark - https://www.cia.gov/library/publications/the-world-factbook/rankorder/2147rank.html

China daily (2013) Consumer spending likely to ease in 2013 - http://usa.chinadaily.com.cn/business/2013-06/25/content_16656692.htm

Chinaretailnews (2010) http://www.chinaretailnews.com/2010/03/26/3475-denmarks-jysk-to-open-first-outlet-in-china/

The Confederation of Danish Industry (DI) (2014) http://di.dk/SiteCollectionDocuments/Opinion/Konjunktur/Markedfokus/Kina.pdf

Euromonitor (2013)- http://www.portal.euromonitor.com.proxy1-bib.sdu.dk:2048/Portal/Pages/Search/SearchResultsList.aspx

Euromonitor (2014b)- http://www.portal.euromonitor.com.proxy1-bib.sdu.dk:2048/Portal/Pages/Search/SearchResultsList.aspx

European Commission (2003) What is an SME? - http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

Forbes (2011) Marketing to the Chinese Consumer-http://images.forbes.com/forbesinsights/StudyPDFs/Marketing_to_the_Chinese_Consumer.pdf

Hofstede (2014) What about China? -http://geert-hofstede.com/china.html

Jing Daily (2013a) China's Billionaires Youngest In The World - http://jingdaily.com/chinas-billionaires-youngest-in-the-world/

Jing Daily (2013b) How Brands Can Adjust To 'New Era' Of China's Luxury Cooldown - http://jingdaily.com/how-brands-can-adjust-to-new-era-of-chinas-luxury-cooldown/

Jing Daily (2014a) China's Love Of Luxury Makes Up For West's 'Disillusioned' Shoppers - http://jingdaily.com/chinas-love-of-luxury-makes-up-for-wests-disillusioned-shoppers/

KPMG (2007) http://www.kpmg.com.cn/en/virtual_library/Consumer_markets/CM_Luxury_brand.pdf

KPMG (2011) http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Documents/Luxury-experiences-in-China-201105.pdf

Møbjerg, Lene & Hansen, Lars Møller (2008) Dansk design hitter i Kina.
http://www.dr.dk/Nyheder/Penge/2008/06/19/105827.htm

Roland Berger (2010) Chinese Consumers report 2010 -
https://www.rolandberger.com/media/pdf/Roland_Berger_tas_Chinese_Consumer_Report_20100723.pdf

The Economist, 2013 - Beyond bling; Luxury goods in China -
http://www.economist.com/news/business/21579015-life-getting-harder-purveyors-luxury-china-growth-prospects-are-still

The Economist, (2014) - Doing it their way- http://www.economist.com/news/briefing/21595019-market-growing-furiously-getting-tougher-foreign-firms-doing-it-their-way'

The Economist, (2014 b) The world's second biggest consumer -
http://www.economist.com/blogs/analects/2014/02/chinas-economy

The Financial Times, 2009- China manifesto - http://www.ft.com/cms/s/0/82c92b28-eff9-11de-833d-00144feab49a.html#axzz2yHLjXX8i

The Ministry of education (2014) Denmark and Danes- http://uvm.dk/Uddannelser/Uddannelser-til-voksne/Overblik-over-voksenuddannelser/Dansk-for-voksne-udlaendinge/Danskuddannelse-til-voksne-udlaendinge/Online-Dansk/Online-danish/Working-life-in-Denmark/Denmark-and-danes

Mckinsey (2012) Meet the 2020 Chinese Consumer- Found at :
http://solutions.mckinsey.com/insightschina/_SiteNote/WWW/GetFile.aspx?uri=%2Finsightschina%2Fde
fault%2Fen-us%2Fabout%2Four_publications%2FFiles%2Fwp2055036759%2FMcKinseyInsightsChina-
MeetThe2020ChineseConsumer_fd6a761f-2b88-4e8f-a7cc-8afac03a88f1.pdf

Mckinsey (2012b) Luxury Without Borders: China's New Class of Shoppers Take on the World- Found
at:
http://solutions.mckinsey.com/insightschina/_SiteNote/WWW/GetFile.aspx?uri=%2Finsightschina%2Fde
fault%2Fen-
us%2Fabout%2Four_publications%2FFiles%2Fwp2055036759%2FLuxury%20Without%20Borders%20
China%E2%80%99s%20New%20Class%20of%20Shoppers%20Take%20on%20the%20World_fd6a761
f-2b88-4e8f-a7cc-8afac03a88f1.pdf

Statistics Denmark (2014) Danske datterselskaber i udlandet -
http://www.dst.dk/pukora/epub/Nyt/2014/NR100.pdf

UM (Udenrigsministeriet) Kreative Industrier -
http://um.dk/da/eksportraadet/sektorer/kreative%20industrier/

UM (2012) Pia Olsen Dyhr åbner døren til Kina for de små og mellemstore virksomheder -
http://um.dk/da/politik-og-diplomati/nyhederogpublikationer/udenrigspolitiske-
nyheder/newsdisplaypage/?newsid=dfd0f7c5-616b-4c04-8ca6-238e634b8ebd

Visit Denmark (2014). Danish Design- http://www.visitdenmark.com/denmark/design/danish-design

Weardenmark: Dansk mode en eksportsucces - http://weardenmark.com/nyheder/dansk-mode-en-eksportsucces

Appendix 1
Interview guide

What mistakes have you seen most often committed when Danish companies want to be part of the growing Chinese market?

How do you think the Chinese market differentiate themselves from the Danish?

What prejudices or expectations to China do the Companies who contact you have?

Do you think guanxi and face still has influence on the chances of success on the Chinese market?

Do you think Danish products can compete on equal terms with Chinese?

How important do you think it is for the Chinese consumers that the products they buy are actually produced in Denmark?

How important is storytelling, when Danish companies want to sell a product on the Chinese market?

Should Danish brand stick to their image and basic idea or make changes to fit better into the Chinese market?

Do you think it has become harder or easier for Danish brands and companies to be part of the Chinese market?

Should Danish companies focus on Tier 1 or Tier 2 and 3 cities?

Do you think the demand for international brands will increase or decrease within the next ten years?

Do you think it is more attractive to sell knowledge, rather than a specific product?

Do you think the increased access to the Internet and the almost unlimited possibilities to travel have changed the Chinese populations into a more westernized culture?

Which marketing strategy, do you think will get the Chinese's attention best? - Online media, or through old-fashioned marketing such as magazines and billboards?

With the preponderance of men in the Chinese population, where do you think it is most lucrative? -the male or female segment?

Do you think the demand for international brands will increase or decrease within the next 5-10 years?

If you were to give advice to a new Danish company, who would like to try their luck on the Chinese market, what would your three tips be?

Appendix 2
Resumé of interview with Projekt manager at Kinavækst , Karin Vith Ankerstjerne

What is KinaVækst role?

KinaVækst is part of the public business accounting system which means we are helping various companies with challenges; it can be anything from financial problems, help to increase sales or help with export. The project KinaVækst was started in 2012 and will be running until 31/12- 2014.

What are the areas you guide the companies?

Three out of four we recommend to contact a private advisor- But with the KinaVækst project, we have had small seminars with topics such as; What does it take to do business in China, How do the companies protect their brands from being copied, as well has how to build the right business model, get in contact with the right business partner etc.

Do you see Denmark as first-mover?

We Danes have the special force on environmental improvement measures and food safety. Five years ago we had much more focus on outsourcing, whereas today it is primarily the desire to establish something.

Do you see it as the Chinese market has opened up more to small-and medium-sized companies?

Yes, definitely. The Danish companies slip easily in and are often very well received.

As we see it, there are no companies who are too small to come to China. It depends on how, the company want to sell, if they are open to sell via the Internet, and then there are plenty of opportunities for a small business. It is of course important to have an agent or someone who can help in the beginning of the process, but it is easy to sell through Taubai. Small sale is better than no sale!

Do you recommend the medium-sized companies to focus more on the Tier1 cities?

The start brands, which are already known in Europe, should definitely begin their adventure in Beijing or Shanghai. Cities where the wealthier part of the population lives- especially if they are selling more expensive design goods. They companies have to be where it is happing, where the elite and middle-class lives, because this is where the purchasing power is. If you can get the elite to buy it, the middle-class will soon after follow lead.

Do you recommend the companies to make their marketing materials in Chinese or English?

Definitely Chinese! One of our companies has chosen to make a 2 minutes Chinese video presentation. This has eliminated many misconceptions, and saved him a 20 minutes long introduction. Making the promotion material in the Chinese native language, really promotes understanding, it is therefore of great importance, that the texts are being translated properly.

Do you think the Chinese has become more western inclined?

In some areas yes, they show great understanding, to the fact that things are done differently in Europe. There has been a kind of adaptation - now you are served white wine instead of beer etc. There has certainly been a change in the last 8-10 years. Before all conversation was through an interpreter, now the Chinese talks great English, often better than the Danes. They definitely try to become more like us, but there is a still solid cultural difference. You talk a little bit more, not just hi and hello, there is still exchanged of business cards and exchange of small gift valued at approx. ¥250

Which cultural differences have the Danish companies from your project exercised?

In China it is easy to talk-the talk, but not do the walk. They companies have gotten a yes, when they were sitting at the business table in China, but when they returned to Denmark; it seemed that the deal or talk had never happened. Authority can mean one thing in China and another in Denmark.

Do you recommend the company to work with an agent - or have a different kind of "lifeline"?

It can be really good to work with an agent. But most importantly is having an interpreter, someone who can both translate and culture interprets, to avoid misunderstandings. A interpreter, who can speak both good English and Chinese at a high level. I would definitely not recommend small businesses to try their luck on their own. I think they should seek counseling or other help before they throw themselves into it. There are so many pitfalls - copying, commercial stranded at customs cooperation agreements that cannot be put in place, etc., etc.

Now that so many international companies have seen the opportunities in China, do you think it is has and will become easier or more difficult, for Danish companies who dreams of being part of the growing Chinese market?

I think businesses can learn and benefit from each other. In the long run, I think it has become easier.

How do you see Danish companies' chances in the Chinese market, in 10 years?

Denmark is still at the forefront in many areas and has many unique-production solutions, but it's clear that the Chinese has also becomes better to innovate themselves. Your role might change to something else- but trading is of course also important.

Does guanxi still remain important?

Social capital is important, as China is a complex market to be in. Networking and relationships are certainly relevant. It is important to focus on networks, you never know if or when your goods will get stuck in customs, then it is great to have someone in the government or in a high position who can help.

Has the Chinese become more demanding?

No -They are very forbearing. But it is still important to nurture the contacts and keep the dialogue going

Three tips for a small or medium-sized company who wants to try their luck in China

1) Do your preliminary work
2) Have an adviser (and translator), who can help with the cultural understanding
3) Seize the chance when you get one- All contact can be useful, maybe not at the exact moment, but later in the process it could become useful.

Appendix 3
Résumé of academic lecture at Copenhagen Business School, April 28th, with, Mr. Tang Jun

The background of Mr. Tang Jun

Mr. Tang has years of experience serving as executive officer of several leading companies in China including Microsoft of China, Shanda Interactive Entertainment (Nasdaq: SNDA) and New Huadu group CEO of Gaotime Information Shanghai. He is exceedingly well known in China for his business talent in China and has received numerous of honors, including Outstanding Contribution of Global Chinese 2012, China's CEO of the year 2010, China's Number One Chief Executive Officer in the Media Sector, China's Top Ten Most Valuable Professional Managers, China's Top Ten IT Economic Figure in 2002, and Microsoft Honorary Award.

What does China mean?

China means opportunities. A real example is the story of Yahoo in 2005.

I meet the founder *Jerry* Yang, the co-founder and CEO of Yahoo, and I told him; "Yahoo China is trash", no one logons and you have no way to win the market. China is definitely the most important marked in the world. You can only get your business right if you partner up with someone who knows China. At the moment I worked for the largest internet company in China, so I told him to partner up with my company, and we worked out a plan. In the end we didn't end up working together, as he meet with the founder of Alibaba, who could finish the deal before me. Jerry Yang ended up investing 1 billion in *Alibaba* Group and got 15 % of share. Today his investment has grown around 50 times.

What is China dream?

Before there was the American dream, but now it the China dream. The China dream is for men to get rich and for women to find a rich man.

Is it different to do business in China?

-It is not easy to do business in China; you have to understand the culture.

An example, 9 years ago Google called me and asked if I would like to work for them. I told them I had one question, they needed to answer before I could say yes or no. My question was: If you enter China, will you have Google China or China Google? They told me they didn't understood what I meant. I told them, the difference between the two is: If you do Google China, you will copy your original business model, and will treat China as any of your other markets. Whereas China Google, means you will do it the Chinese way of doing business and follow the rules of the government. If you don't follow the China Google, the company will not succeed. And as you know, Google did not follow my advice, they entered

the market, but were forced to leave China three years ago and thereby lost the largest marked in the world.

My point is – Doing business in China is very different. You have to do it the Chinese way!

How is China different?

China means middle; it is all about culture and value. Chinese value is pure family based; we share everything with each other. Chinese can always find a way to connect to you. I personally probably have 500 family members, and I need to take responsibility for all of them which means if the call me and ask if I can help their son with a job, I have to say yes.

Why is China relevant?

It is just a matter of time, not whether or not China will pass the U.S, by GDP and become no. 1.

How important is face?

For a Chinese it is very important to take care of their face, and thereby show status. Having status means having success.

What is the key to success on the Chinese market?

You have to understand the culture of China to get success. You have to build relationship (guanxi), no matter how good your product is, you need a partner. Another important factor is to understand people's needs. An example is MSN. They were the market leader on the Chinese internet market, and QQ was just a baby competitor, but within a short time, they started to get more and more popular, simple because it was "selling" what people needed- to get in contact with others, and not just the people they knew. Because MSN did not have the *feature*, and it slowly lost market share, and is no longer in service. One small decision can have a huge influence on whether you make it or break it. It is not always enough to be no. 1 you also need to accept that you sometimes have to adapt to fit in somewhere new. Today you don't need money; you just need a good idea, as there are lots and lots of inventers, who are willing to help, and it is important to remember that it is difficult to make everything a success, but it is even harder to make everything you do fail.

Do you think the concept of Guanxi will change?

No not in this lifetime

If you were doing a start up in China, what would you do?

If you can become a success in three years, as soon as you got an offer, because when you have achieve that certain level and people say they are interested, then you should sell and start something new, maybe even a competitor, just better. Business is business!

Appendix 4

Resumé of interview with Head of International Projects and Asia market expert at Mensch , Jacob Johansen

What is you background?

In the past 10 years I have been working and living in China. I have both worked for Chinese companies and have had my own. Now I am back in Denmark, where I work as head of international projects, 90 % of my time is consulting. Before China and Mensch, I worked in the advertising industry here in Denmark. I have worked with everything from small businesses to large multinationals such as Coca-Cola and General Motors. I no longer just do advertising, now my job is business development and consulting. In other words I help companies create brands and business in China. I help with everything from hardcore business consulting to brand strategies and marketing plans.

How do you think the Chinese market differentiates from the Danish or Scandinavian?

Many people have a need to mystify China and make it into something hard. Qua my background, I try to get people to understand that China is quite palpable and durable as all markets have something in common. Something that is different between the Western and Chinese society is that the western is specialized, advanced and sophisticated, whereas the Chinese society is far more primitive. People consume primarily to promote themselves. Face culture means a lot for the Chinese. Although there are some trends that show that the Chinese are moving away from it, it still remains domineering when they consume anything.

Business ethics is also extremely different. Seen with the eyes of a Dane, you can easily see- or feel that you have been cheated. In Chinese terminology it is not cheating, but simply that they are cleverer, as they use what is available. You have to have suspicion to everyone, keep extreme attention at all times, which can be very tiring on a personal level for a Dane. Another matter is bureaucracy and corruption, which is also much different from what we Danes know.

Would you recommend a company to work with an agent or work with an agency, or just try their luck on their own?

I would advise people to do extremely good foundation work, get help from people who actually know what they're doing and have the competences to do so. Check people you meet and ask for their resume and references of former employs or work they have done. I do not think you can prepare too much. You

should have patience and wait until you have done your ground work completely. In my opinion, people should go to China themselves; get some personal experience, instead of just looking at the statistics.

Personally, I am strongly opposed to them (private and public advisory firms) that say, that getting on the Chinese market, can only go too slow. Personally I would never advise anyone to try their luck with China if they do not have the capital to do so. People talk and talk about becoming part of the Chinese market, but they never really plan anything. Often, China is not something people know anything about; it is just something they read about in the newspaper. China is a bit like "the emperor's new clothes"- there is no one, who stops and says why? What is it actually we want to do and how should we get it done?

There are plenty examples of Danish companies who have really burned their fingers, and have had to start all over, because they simply did not do their basic ground work, one example is Jysk.

Would you recommend a form of deployment of an employer?
I will definitely recommend it yes; companies should send the best man or woman in the company. Companies often have a tendency to send their youngest or oldest, because they do not have children, that needs to go to school etc. A company should either recruit someone who know what he or she is doing and how the market works, or the company should find a competent person within the company who are extremely talented, has a dynamic age and is ready to stand for such a large market. It is important to send people to China in good time, so it can be possible to build up your brands and idea slowly - there is no quick fix solution in China anymore. There are so many myths about the Chinese market; gold is not just lying on the ground. It is extremely easy for companies to lose their investment to fast, because they have spent it wrongly. One should take the time it takes to make every process thoroughly and having enough capital.

Is guanxi still relevant and should one try to build it?
One should not think he can build guanxi in 6 months. You can do that with other Danes, but not Chinese. Your relation to the Chinese changes when there is money involved. You start build guanxi, when you really start to do business. It is not just sitting at a dinner drinking and smiling -forget it!
It is very important not to confuse guanxi with private friendships, as it has nothing to do with each other. It is about knowing the market, talking to a lot of people and put oneself apart from the Danish environment. Danes are often a little provincial and would rather interfere with own countrymen, instead of the locals, which is completely wrong. - It's no competence to be Danish!

What about the concept of face?
The Chinese are very polite and will not lose face. It's almost impossible to get objective negative criticism from a Chinese. You have to be really close to them, good friends and show great respect and

confidence in them, before you can expect criticism. But you are never in doubt, when you get a YES, however it is not something one should expect to happen at the first meeting, it is extremely rare.

How important do you think it is that a product actually is produced in Denmark?
In the category of food, it is incredibly important that the product is produced, packaged in Denmark-"Labeled, packed and sealed in Denmark".

Within consumption of industrial design, clothing and electronics, it has no influence. The essential is to establish an understanding of your brand. You do not only sell a product but you are also selling the dream. By now there is no product in China, they do not already have, and it is therefore the story about the product that will get it sold. Selling a brand is not something we have a tradition with in Denmark, because we are such a small market. We only have few global brands, only LEGO, B & O, Carlsberg and Novo, the word of mouth and knowledge of the local farmer is therefore what gets things sold in Denmark.

It is therefore important to have built a relationship and experience for the consumers in China, in a way that they want to be part of the brand and buy into. Storytelling is therefore a key factor and just as relevant as the product, some times and in some situations even more important than the actual product. But companies just like people, should not lie about who they are - if your lie sees the light of the day in China, your brand will be butchered within a day via the social Medias. The companies should therefore define a form of ground story - why do we do what we do? Whom do we do it for and what is the whole idea with it?

If brands do not have a long history behind them, they brand should rater talk about the vision and the attitude of the brand, some might call it "a reason to believe", something that illustrates the believable, and something people would like to be a part of.

Should a brand change its name to appear more accessible?
It's definitely a good idea to have a Chinese name, a name to have in the in the body of one's brochure, this way the Chinese know how to pronounce it, but it's also important to hold on to the international name, bookmarks, and look the same way as in the home market. The Chinese travel much more and are also on international websites, so if the brand or name suddenly looks different, it can create untrustworthy values, and the consumers can thereby become confused, if they cannot see, if it is the real thing or just a copy.

Especially in fashion you should not change name or look. Fashion is all about buying a dream and the dream is largely about the Western or domestic world.

How important is it to brand yourself as Danish?

It does not spoil anything to say you are from Denmark, but it also does not matter. "Made in Denmark" or a Danish flag has no value, it would be equivalent to one slamming two Chinese characters up on a wall, no one would understand it.

Denmark is a very small country with a very large self-understanding. You have to be lucky if anyone knows Kjeldsen cookies or H.C. Andersen. The average Chinese person does not know where and what Denmark is, and if they do, it is not because they know that it is a modern Western society. But there is certainly a great value in being an imported product or imported brand in China, because the Chinese are still looking for foreign products as they are still seen as better quality, and it is therefore important to show that you are not a local brand.

Can it be an advantage to brand yourself as luxury, because you are from the west?

5-10 years ago you could advertise yourself as luxury product, because you were from the West, but that is not possible anymore. The main part of the Chinese's luxury consumption takes place abroad, because they buy luxury when traveling. Häagen-Dazs and Bestseller have branded themselves as luxury, but they are in principle not. There has been a paradigm shift within the last years. If you say, it is luxury; you must also provide a luxury experience. But in Demark, we do not really have any luxury products, maybe B & O, but we have premium products. There is generally a tendency that people are seeking quality rather than just bling. Additionally, there has been a shift in attitude towards Chinese products, the Chinese are beginning increasingly to accept their own products, and in the long run it means that international brands are less attractive or precious.

Can it be more lucrative to focus on men, now that the Chinese population has more men than women?

When you begin to segment in China, it is not man vs. woman; one must go far beyond on and understand people's values, motivation and dreams. One cannot generalize the Chinese people so easily. China is different in so many ways, not just East and West, North and South. There are greater differences within China than there are between someone from Finland and Portugal. There is no "one-size, fits all" solution. A target group is not just looking at their income; it is much more to look at emotional parameter.

Another mistake is to think you just dissipate your business geographically. You better start first in Shanghai, as you can always expand from there. If it works in Shanghai, it will with high probability also work elsewhere. But to begin both in Shanghai and Beijing at the same time is often something that does not make sense, because they culturally are two very different areas, and do you get all the way to a Tier 2

city, it is almost a completely different country you are entering. It is often Shanghai that set trends for what others are looking for, but succeeding on the countryside in Tier 2 cities on the other hand, will not make success later on, on the Shanghai market.

Do you think is better to open an e-shop or a local shop?
I do not believe you can build a brand up digitally alone. Not yet, at least.
If you have a physical product then the Chinese also need your physical presence, it could be show-room, pop-up store, flagship store, etc., a place where they can see, touch, experience and ask questions about the product. The whole concept of experience is extremely important if you want to sell in China.

Combining e-shop and physical store is important because the brand must exist elsewhere in order to generate confidence in it. When it comes to e-shops, it is important that you do not just choose the cheapest platform, but one must of course go where there is traffic. T-mall or Taobao is the only place to be, if you want to sell online in China.

How do you see the chances for international brands in 10 years?
It is unqualified to give a concrete bid on it. One thing is for sure, being western is not enough anymore if you want to be a success. The Chinese have become much more nationalistic, so I primarily think the Chinese will be much more confident. There will be a stronger tendency to support Chinese brands and businesses, and the Chinese will slowly begin to question the western brands and products, which means that the international brands have to fight even harder against each other.
The Companies have to stay updated and follow what happens and how goes on in China. You have to stay in China for a longer period to really understand it, as China can go in any direction. The China I moved away from around a year ago is a completely different China than I met 10 years ago. If you deliver a relevant product, then there will of course still be plenty of opportunities. If the Danish companies learn to customize their products to the Chinese, anything will be possible, but there is a fine line between changing ones DNA, while being relevant. There is not a mathematical formula on how to do. My advice would be to do as little as possible, but as much as required.

Appendix 5
Podcast from Globus Kina

1. **Podcast. Week 7, 2013 – time 40.44 (Carré)**

   The interview in Globus Kina, the 17th of February 2013, is with Shiri Haugbøl, jewelry designer and owner of Carré and and journalist Christina Boutrup.

   Carrè already has shops in Denmark, Japan and Taiwan. They opened their first Chinese shop in November 2010.

   Which consideration did you do about the Chinese market?
   Carré has done business with China the last 4-5 years. In October 2010, we didn't have a China strategy, in November we had and opened a shop.
   We use our partner from Taiwan for our business. He is the one who takes care of the operation and running of the shop, we just take care of the set-up and interior decoration and the know-how.

   Christina(C), is it a good idea to work with a partner?
   It can certainly be a good idea, it is something many companies have had success with, within the retail industry.

   Which differences did you experience when opening your shop in China?
   It is interesting, because in Japan everything has to be dead straight, but in China it seem also opposite, e.g. was it not possible for us to get the right pink Arne Jacobsen chair in time, but it was no problem for your partner, he just gave us four copies. He felt like he had done a good job because he got them and saved us money by only paying 50 DKK a piece. But this is something that matters to us as a brand. We want the right Scandinavian expression. If it becomes a combination of Chinese and Danish it becomes beside the point.

   Is it important to stick to your image as Danish, Scandinavian or Nordic?(C)
   Yes definitely when the competition is so big. Then it is important to exude quality. You don't want the costumers to be questioning whether your goods are a copy or the real deal.

   How do Carré market their brand?
   We have looked a lot at the social media, because it's cheap and it's a little underground-like, but we are also very interested in being point-off difference. We have focused on The Little

Mermaid, because many Chinese recognize her from the world exhibition and the H. C. Andersen story, but we have also used a wooden soldier with his red suit and black and white ribbon to market Carré.

Do the Chinese and Danes have same taste in jewelry?

It is funny, Carré was at an export promotion fair a few years ago and here we saw that the Chinese loved the same things. But we also see things that are very modern in Denmark currently, is not something the Chinese are responding to. The Chinese likes things that are BIG. This is why we are expecting to sell a lot our products in 18 carats. In Denmark these products are usually only being purchased by our loyal customers, whom we have had for many years, whereas in China, they buy it at first sight.

What is the typical mistakes companies commit? (C)

Marketing is one of the areas where most companies make mistakes. You can easily burn a few millions of on marketing, without getting any sales. Also the location of the store is something the companies can easily be cheated on. They might hear about a opening of a new shopping mall and that both this and this will have a store, but in the end it turns out that it is a location, placed where there are no food traffic by interested consumers.

2. **Podcast. Week 16, 2013 – time 42.27 (Kjeldsen cookies)**

   The interview in Globus Kina, the 21th of April 2013, is with *Erik Høj*, marketing and sales manager at Kjeldsen group and journalist Christina Boutrup.

   Kjeldsen group entered the Chinese market back in 1982/83, Kjeldsen first build a strong brand in Hong Kong, before turning to the south part China. Today Kjeldsen group has a yearly turnover of half a billion in China. The interviewed is Erik Høj- (Chief Commercial Officer) at *Kjeldsen* Group A/S.

   What is the reason for Kjeldsen's success?

   We have taken the Chinese seriously and not just seen them as Chinese (EH).

   Chinese are modern and sophisticated and must be treated like everyone else (CB)

   Is it a good idea to select a portion of the Chinese market similar to the western world?

   Today, is has become much easier to enter the Chinese market and there is not the same

distractions as when Kjeldsen started, back then you had to go through distributors or trading houses. Today, you might as well go into Shanghai or Beijing. It is certainly a good idea to select an area and get to know the market and get a strong position before expanding to other places, as China is a huge country (CB).

What is the reason for Kjeldsens breakthrough?

Kjeldsens' first breakthrough was that they from the start hired their own distributors and employees, but also that they stated to market themselves already in the 90s.

Their next breakthrough was to build a strong-hold in China and first later took a larger part of China. It has been important to use the investments and time they have had, to build up a profile among consumers and be available in the right stores (EH).

Is it too late for other Danish companies to ride the export wave?

It is definitely not too late. There are still plenty of waves for others. China is the world's largest emerging market, but there is no doubt it has become more difficult.

Kjeldsen of course have had it easier because there was not as many competitors at the time they entered , and it was cheaper for them to position themselves in the market than if you were to start it all up today. However that does not mean it would be impossible, but you should be aware that it would be a lot more expensive to obtain a position on the market and to become known.

How serious is copying in China?

It is a big problem for many large companies, such as Kjeldsen.

It is not a problem when companies copy 1:1, then the mother company can prosecute, but when the "smart" copies get time to evolve over years, and develops into a skilful competitor it becomes a big problem. Often the big brands do not respect and give no attention to the small copyists, but suddenly the copyist can grow large and become a very strong competitor (CB)

What should one do, if wanting to emulate the Kjeldsen success?

One thing is for sure, you do not just go to Shanghai and shout-hey I have a new product!

You have to understand that it costs money to enter the market. If you do not have a profile with money, then you should collaborate with the other Danish producers. It is also important to have the right partner and distributor, who can ensure you get into the individual stores in each town and city. If you have a good distributor in the south, it is not certain he is also a good one in the north. China is a huge country and one should not underestimate the Chinese consumer, it can cost you money (EH).

Does it require cultural knowledge to make the right marketing?

Yes, without a doubt it is necessary to have some cultural understanding, that is also part of the secret in Kjeldsen's success.

Kjeldsen have had the same employees for a long time, some up to 30 years. It is important in the Chinese market to get the prices right and to be represented on the right markets. The Chinese network concept guanxi, retain employees, ensuring continuity and good relations have been the key factor to Kjeldsens success. But if you are just starting up, completely from scratch, it is certainly something to be aware of. Distribution and network is the key to success in China. In addition, it is also important to be willing to work together and make the necessary adjustments to fit in on Chinese market. A few years ago, Kjeldsen had a crisis and hoped that by lowering the price on their cakes on the Chinese market to be able to save the other markets, but their Chinese partner said NO! -It is an affordable luxury good and the product must therefore not be too cheap. It was important to stick to the accumulated position and not suddenly become known as a cheap product. Interaction with the local partner who knows the market and consumers is therefore very important (CB).

3. **Podcast. Week 19, 2013 – time 40.33 (ECCO and Jacob Johansen(JJ))**

The interview in Globus Kina, the 12th of May 2013, is with *Michael Hauge Sørensen,* Advisor to the Group Supervisory Board at *ECCO and Jacob Johansen,* Head of International Projects and Asia market expert at *Mensch.*

ECCO has been at the Chinese market since 1997 and have had production in China since 2004. In 2012 ECCO had a turnover just under 1 billion. The interviewed from ECCO is Micheal Hage-Sørensen and the person in the 24/7 studio is Jacob Johansen, China expert from Mensch Copenhagen office.

What has made ECCO so well known in China?

ECCO has worked long-term in the Chinese market. ECCO have had visible shops and a close dialogue with consumers about their needs, ECCO has in addition, marketed their products on their Scandinavian quality. Furthermore has it been important to ECCO to be present in the major magazines in China.

What shoes are selling in China?

ECCO is known for its comfort and quality and this is especially casual and more formal men's shoes that are selling in China. ECCO is positioned as one of the leading shoe brands in the Chinese market due to a combination of design, quality and comfort.

How has ECCO positioned itself in the Chinese market?

ECCO is located in what is called the premium segment, not luxury, but just below.

Can you explain what it is the Chinese are so attracted to by the Scandinavian design?

As I see it, this is just the tip of the iceberg for this trend, but in reality it is almost too small to call a trend. But it will be. For me it is a backlash, as there is now a larger group who no longer aspire to get out of poverty, but focuses more on establishing themselves as middle class and this group easily feel they lack balance in their lives, and that is just what the Scandinavian model stands for, because we are successful in for example work-life balance.

Is it all Danish products that can lean against the Scandinavian tradition in their marketing in China?

In the advertising industry we're talking about a reason -to- believe. What the company say they are, should preferably be based in the company's actual values. A lot of brands in China are claiming they are something they are not, and that is something that do not last long in China, because of the massive use of social media. But we (the Scandinavians) have something that is real, and if a Chinese consumer advocates and examines us, they will see that it is true and not fiction. It is therefore a strong ballast to be able to prove what your brand claims. It is definitely the right time for the Danes to turn on their Scandinavian values in their communication.

Is Denmark too small?

Denmark is small and most Chinese have a blurred picture of what Denmark is and often their experience relates to H.C. Andersen or butter cookies. You have to search a little further, before the Chinese can elaborate and come up with fundamental values related to Denmark. It is too optimistic if you think the brand "Denmark" is easy to unscramble for a Chinese consumer

Can it be a danger to build a too strong nationalist brand?

It's about positioning yourself so you are strong. The more unique a profile your brand has, the more risk, you run. It is fundamentally to have a clear profile, to differentiate yourself and to have unique profile that can be proven.

4. **Podcast. Week 16, 2014 – time 29.06 (Edith and Ella)**

The interview in Globus Kina, the 20th of April 2014 is with the founder Line Markvadsen. Edith and Ella exports to 12 countries at the moment incl. Europe, US and Japan and decide to explore the Chinese market recently this year.

What is it that has made you want to export to China?

The Chinese have a very colorful style and many women want to show who they are, and they will be able to do that through E & E clothing. I think with our profile which is very colorful and funky, we hit quite right, even despite the fact that our clothes are not for everyone but a niche.

How did you get the idea to want to export to China?

I have worked in China for 13 years, but in the beginning it was because our suppliers were there. I have been incredibly fascinated by Chinese because they are hard-working and I really like their mentality. I communicate very well with them, a deal is a deal. But with respect to our export bonanza, it started probably in 2012 after one of my inspiration tours in Hong Kong; I came to think, that we would very well fit into the Chinese market. We fast booked ourselves into a fair, where we really got good response from the Chinese.

How far are you in your China adventure?

We are in the process. My right hand Charlotte Dybdahl is moving to Shanghai for six months and will help get our web shop and marketing started.

Is the idea just to sell online?

We will among other things sell online. We are well aware of the need for a physical store. The consumers need to be able to touch and fell the goods, especially when it is in our price range. A dress from us, cost between 1500-2000 DKK. We expect to make use of T-mall. We realize that it is not easy to open an online store and that people will just come by, by themselves. By doing it through a recognized site as T-mall, the Chinese can feel much more secure.

Do you market your products as being from Denmark?

There was a study made, which showed that Danes are the happiest in the world and that is something the Chinese cares a lot about - what can bring them happiness. It is also about the financial happiness, but mainly to have a surplus energy in ones everyday life. It is therefore a strong value we can offer. The Danes are often very afraid to express themselves; they will

certainly not show weakness. This connection do the Chinese not have, for the Chinese it is all about expressing joy and colors.

Is there one of your things that you think are going to sell especially well?

The Chinese market is incredibly fast and it is really hard to say what exactly will sell the best. I think they will buy parts of the collection. When we get the web shop started we will get a better understanding of what they demand, and then make more in the direction they demand. I certainly cannot do the same things as I do for Europe; I have to match the products to the Chinese market.

Appendix 6

Opinion Units	Essence	Main theme
(K)"...*most importantly is having an interpreter, someone who can both translate and culture interprets, to avoid misunderstandings*" *(TJ) "You have to understand the culture of China to get success"* *(J) "One cannot generalize the Chinese people so easily. China is different in so many ways, not just East and West, North and South. There are greater differences within China than there are between someone from Finland and Portugal"*	Importance of understanding culture Cultures influence	Culture
(TJ) "For a Chinese it is very important to take care of their face, and thereby show status. Having status means having success". *(J) "Face culture means a lot for the Chinese. Although there are some trends that show that the Chinese are moving away from it, it still remains domineering when they consume anything"*. *(TJ) "The China dream is for men to get rich and for women to find a rich man"* *(J) "You do not only sell a product but you are also selling the dream."* (J) "It's almost impossible to get objective negative criticism from a Chinese. You have to be really close to them, good friends and show great respect and confidence in them, before you can expect criticism" (J) "The China I moved away from a year	Success Status Acknowledgement	Face China dream

ago is a completely different China than I met 10 years ago.		
(K) "There has certainly been a change in the last 8-10 years. Before all conversation was through an interpreter, now the Chinese talks great English, often better than the Danes" (TJ) "You [...] need to accept that you sometimes you have to adapt to fit in somewhere new". (J) " The China I moved away from around a year ago is a completely different China than I met 10 years ago. (K) "There has been a kind of adaptation - now you are served white wine instead of beer etc". (TJ) "You also need to accept that you sometimes have to adapt to fit in somewhere new" (K) "They definitely try to become more like us, but there is a still solid cultural differences" (J) "It is important to send people to China in good time, so it can be possible to build up your brands and idea slowly - there is no quick fix solution in China anymore" (J) "Something that is different between the Western and Chinese society is that the western is specialized, advanced and sophisticated, whereas the Chinese society is far more primitive. People consume primarily to promote themselves". (K) "Making the promotion material in the Chinese native language, really promotes understanding"	Change in educational level Change in language skills Change in meeting behavior Change in dinner menus Change in demand Transition	Change

(TJ) "You have to build relationship (guanxi), no matter how good your product is, you need a partner" (J) "You start build guanxi, when you really start to do business. It is not just sitting at a dinner drinking and smiling" (K) "Social capital is important, as China is a complex market to be in. Networking and relationships are certainly relevant. It is important to focus on networks, you never know if or when your goods will get stuck in customs [...]". (CB) "The Chinese network concept guanxi, retain employees, ensuring continuity and good relations have been the key factor to Kjeldsens success" (J) "Check people you meet and ask for their resume and references of former employs or work they have done" (J) "It is therefore important to have built a relationship and experience for the consumers in China, in a way that they want to be part of the brand and buy into". (J) "One should not think he can build guanxi in 6 months"	Building relationship Doing business	Guanxi
(J) "5-10 years ago you could advertise yourself as luxury product, because you were from the West, but that is not possible anymore." (J) "If you say, it is luxury; you must also provide a luxury experience" (EH) "It is an affordable luxury good and the product must therefore not be too	Buying western products Buying luxury Remaining luxury	Luxury consumption

cheap". *(MHS)"ECCO is located in what is called the premium segment, not luxury, but just below"* *(J) "One thing is for sure, being western is not enough anymore if you want to be a success".* *(J)"In Denmark, we do not really have any luxury products, maybe B & O, but we have premium products"*		
(MHS)"ECCO [...] has, marketed their products on their Scandinavian quality" (J) *"But we (the Scandinavians) have something that is real [...]"* *(K)"The Danish companies slip easily in and are often very well received"* *(K)" Denmark is still at the forefront in many areas and has many unique-production solutions"* *(J)"Denmark is small and most Chinese have a blurred picture of what Denmark is and often their experience relates to H.C. Andersen or butter cookies"* *(LM) "Fashion is all about buying a dream and the dream is largely about the Western or domestic world."* *(J) "[...]being western is not enough anymore if you want to be a success"* *(J)"The Chinese have become much more nationalistic, so I primarily think the Chinese will be much more confident"* *(J) "There will be a stronger tendency to*	Denmark Scandinavia Western Nationalistic	National values

support Chinese brands and businesses, and the Chinese will slowly begin to question the western brands and products [...]". *(J) "[...] the Chinese are beginning increasingly to accept their own products, and in the long run it means that international brands are less attractive or precious".* *(J) "[...] it's also important to hold on to the international name, bookmarks, and look the same way as in the home market".* *(J) "In the category of food, it is incredibly important that the product is produced, packaged in Denmark-"Labeled, packed and sealed in Denmark. Within consumption of industrial design, clothing and electronics, it has no influence."* *(J) It does not spoil anything to say you are from Denmark, but it also does not matter. "Made in Denmark" or a Danish flag has no value, it would be equivalent to one slamming two Chinese characters up on a wall, no one would understand it".*		
(J) "Storytelling is therefore a key factor and just as relevant as the product, some times and in some situations even more important than the actual product". *(J) "By now there is no product in China, they do not already have, and it is therefore the story about the product that will get it sold".*	Story Storytelling	Storytelling

JJ= Jacob Johansen, **K**=Karin V. Ankerstjerne, **SH**=Shiri Haugbøl, **EH**= Erik Høj, **MHS**= Michael Hauge Sørensen, **LM**= Line Markvadsen, **TJ**= Tang Jun, **CB**= Christiana Boustrup