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“DUTCH PERSPECTIVE ON EXPANDING BUSINESS ACTIVITIES TO CHINA”

ABSTRACT

China knows a rapid development, resulting in changing consumption patterns among the Chinese. Shifting more and more towards 'western' products. Reason being that it is associated with safe and quality food (MA, Fuller, & Rozelle, 2006), and the fact that 'western' products still have the image of 'being part of the modern world' (Zou, Belk, 2004). Resulting in many opportunities for Dutch companies. However, the Chinese and Dutch differ a lot from one and other, cultural speaking. This can be seen by comparing the studies of Hofstede (1980,2001,2011) with for example Schwartz (1994, 2006) and one out of a Chinese perspective.

This research has indicated that many Dutch businesses do underestimate these cultural differences, which can be prevented by investing time and effort into researching these differences as well as the opportunities. This research aim was to get a better understanding to what tools Dutch businesses need to take the step towards China and how a consultancy firm like Export Partner can play a role in one's success in China.

By conducting semi-structured interviews with Dutch entrepreneurs with experience in China, interesting insights were found. Businesses do not see the urge for proper research and gaining insight before going to do business in China. Therefore, systematic posting articles containing interesting topics such as market access, market opportunities, cultural differences, and how to communicate is beneficial towards an increasing understanding by Dutch companies regarding this topic. With the extra advantage of presenting yourself, when posting, as having the experience to support businesses in the process when needed. In addition, the difficulty of building a network in China was addressed. The Dutch government has a large network which can be used in the advantage of Dutch companies. Not only the government's network can help, also the established network of for example a consultancy firm. Another important tool is to consider hiring an interpreter, if not a local representative. The communication with the Chinese can be complex due to the cultural differences as well as a language barrier. The advantages of using an external party need to be known among Dutch businesses. It is an investment, it takes commitment. However, it will increase the chances of being successful in China. The long-term orientation comes back in many ways, whereby the next step contains making the Dutch business environment with the intention to go to China aware of all what China can bring, as well as what barriers need to be overcome.

Key words: *Communication, Meaning of Face, China, The Netherlands, Marketing, Consumption*

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1. INTRODUCTION

During my 9th semester internship at Export Partner B.V. (in the Netherlands), I conducted alongside my internship a research to understand what constrains Dutch businesses have in regards of doing business with China. Guido Jacobs, a partner at Export Partner B.V. points out the huge potential for Dutch companies within the Chinese market. Hence, my initial research to shed light on the constrains Dutch businesses are having towards doing business with the Chinese, as Export Partner B.V. do get a lot of inquiries of businesses to get their products, mainly in food, sold across the border. However, no inquiries towards China by this day. My initial research concluded that there are four main constrains/barriers or challenges which need to be overcome. These constrains, which are also further explained within the literature review in the next chapter, were related to the cultural differences between the Dutch and the Chinese, the lack of knowledge towards the Chinese market, the difficulties in having and getting the right connections, and lastly the constraint of time.

This thesis will build upon my initial research. This because Export Partner B.V. has the intention, as Guido Jacobs explains, to act upon those opportunities and to invest in expanding the business towards China. Therefore, it is important to understand what Dutch businesses need, and how a consultancy firm as Export Partner B.V. can be beneficial towards one's success in China. Especially in how to overcome those stated challenges/constraints identified within my previous research.

Thus, this thesis sets out to explore services and tools needed to overcome constrains Dutch businesses are having towards doing business with the Chinese— such as the lack of knowledge, time, and network, furthermore it aims to understand how Export Partner as consultancy firm takes part in the success story of Dutch businesses expanding their business activities towards China.

The first part of this thesis consists of the literature review, covering a selection of the published literature in relation to this topic. Followed by the considerations regarding my philosophical and methodological standpoint that I have as author of this thesis. Whereafter the data is analyzed and discussed. This thesis will conclude by the conclusion and answering the stated research question.

2. Literature Review

This part of the thesis consists of a review of the literature in relation to the stated research question. It entails a structured outline of already discussed topics and considerations regarding the differences between the Netherlands and China on a cultural level, as well in the context of business. As this research is focused on businesses within the food industry, this topic will also be considered within this chapter.

► 2.1 CULTURAL CONSIDERATIONS

It is to no surprise that China and the Netherlands are quite different in regard to culture and cultural background. Which also have influences on the way business is conducted. Therefore, to generate a better understanding towards both cultures and how those relate to one and other, a closer look into cultural theories and their view upon the Dutch and the Chinese.

The Cultural Dimensions stated by Geert Hofstede (1980;2001) is a widely cited and used theory within the research of culture. Even though it is not the only theory, and others will be considered in this section as well, it is worth mentioning that later researchers' outcomes and ideas are similar in characteristics of the dimensions described by Geert Hofstede, such as the theory of Cultural Value Orientations by Schwartz (1994) and for example the collective research known as the Chinese Culture Connection (1987). This part of the review, the theory of Hofstede will be used as framework, but other theories and perspectives will be discussed as comparison as well.

Culture has several definitions, whereby Taylor provided one of the earliest definitions of the concept of culture.

"The complex whole which includes knowledge, belief, art, morals, custom and any other capabilities and habit acquired by man as a member of society" (1871).

Taylor takes the collective group of society, whereby each individual can identify themselves as part of the group by the shared characteristics. Whereby Hofstede takes the same principals in his shorthand definition of culture by stating the following:

"Culture is the collective programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, 2011).

It is one thing to identify culture as such, however it is another to compare cultures with one and other. In the case of this research is the comparison between the Dutch culture with that of the Chinese. Culture is intertwined on a national level, as well on an individual level. According to Hofstede (2011), it is one of the weaknesses within cross-cultural research to solely focus on the collective/societal level of mainly the individual level and not taking the differences of those two into account. Hence, Hofstede presented a theory – in correlation with previous conducted and published research from other authors – in his book *Culture's Consequences* (1980). Starting off with four dimensions and later added two more dimensions to his theory. Whereby the first adaptation of a fifth dimension in his theory was in collaboration with Micheal Harris Bond (1988), whereafter the sixth and last dimension was added in collaboration with Michael Minkov (2010).

These different dimensions are described below in relation to the practical implications in regards of these dimensions towards the Chinese and the Dutch as well as the comparison theories and perspectives of others.

Power Distance

The dimension of Power Distance is described by Hofstede (2011) as the extent power is distributed unequally. As societies are unequal from origin, some are less unequal than others. By using and identifying Power Distance the relations towards hierarchy within societies as well as organizations can be understood. When comparing the scores of Power Distance with those of China and the Netherlands, it can be seen that the Netherlands has a relatively low score of 38, in comparison to a much higher ranking of 80 by China. Meaning the Dutch are much more independent and more focused towards a flat organizational structure, where managers and supervisors are accessible, and power is decentralized. Resulting in a communication style which is direct and participative. Where equality is the norm for the Dutch, inequalities among the Chinese are acceptable. Formal authorities, managers and leadership are influential for the individual employee. Resulting in people having a little to non-aspiration beyond their own rank. (Hofstede Insights , 2021)

When looking into the topic of Power Distance and the meaning of hierarchy within societies as well as organizations, a similar dimension is identified by Schwartz. Schwartz presented in 1994 his theory of cultural value orientation (Schwartz, 2006). Within his theory, a differentiation is made between egalitarianism and hierarchy. Which can be compared to Hofstede's Power Distance (Soares,

Farhangmehr, & Shoham, 2007). Schwartz (1994, 2006) explains cultural egalitarianism by stating that people see each other as moral equals and value therefore equality, honesty, helpfulness, social justice, and responsibility. Whereby the alternative is explained as cultural hierarchy. Which identifies the unequal distribution of power, roles as well as resources. Within this dimension values are described such as social power, authority, humiliation, and a focus on gaining status and wealth. Schwartz (2006) also indicates how this dimension relates to several countries and world regions, which also includes China and the Netherlands. Which shows the Netherlands being on the egalitarianism side of the dimension, where China is on the far end on the hierarchy side of things.

Uncertainty Avoidance

Another dimension by Hofstede is that of Uncertainty Avoidance. It has been confused as being the same as the avoidance of risks, however this is not true, according to Hofstede (2011). The author explains this dimension by indicating the meaning of uncertainty avoidance of the extent members of a culture feel comfortable or the opposite uncomfortable within an unstructured situation. In an earlier publication, Hofstede (1991, p. 113) is saying that besides the extent people are feeling threatened by uncertainty it is also about the willingness to avoid these particular situations. When taking Uncertainty Avoidance, and compare the outcome, in scores of the research conducted by Hofstede, between the Chinese and the Dutch, it becomes clear that within this dimension the two nations are not that far apart. The Chinese score a relatively low score of 30, indicating that the Chinese are comfortable with ambiguity. Controversial to what Western people might believe, the Chinese are open for change and with an entrepreneurial mindset. In comparison to a score of 53 by the Dutch. Meaning that the Dutch have a slight preference for uncertainty avoidance. This results into the thinking of 'time is money', and therefore punctuality and the urge of working hard is important (Hofstede Insights , 2021).

Interestingly to mention, when looking into other cultural frameworks and theories discussing the meaning of culture, the concept of Uncertainty Avoidance is not much written about. Inkeles and Levinson framed culture in three different concepts, namely relation to authority, concept of self and primary dilemmas or conflicts. Whereby the last, primary dilemmas or conflicts can be related to Uncertainty Avoidance, as well as Power Distance (Hofstede G. , 2003). A publication by A.M. Soares *et al.* (2007), also indicates a link towards the work of Hofstede and the meaning of Primary Dilemmas or Conflicts by Inkeles and Levinson. However, that concept is stated as a theoretical contribution, rather than an empirical study on its own.

Individualism – Collectivism

The dimension of Individualism versus Collectivism describes the relationship of an individual to its peers within each culture (A.M. Soares *et al.*, 2007). Whereby Hofstede (2011) elaborates by stating that it measures by the degree people in society are integrated into groups. Where cultures of an individualistic nature are expected to look out for themselves. However, on the opposite side, the collectivistic cultures, are thinking in line with the thought of the group and act accordingly and therefore integrated within a cohesive group. Hofstede Insights (2021) indicates the differences between the Dutch and the Chinese within this dimension. Those results show a significant difference between the two countries. With a score of 20 for China, shows China being a highly collectivist culture where the interest of the group is more important than that of one individual. Within a working environment this collectivism approach of culture results in a low employee commitment towards the organization one is working in and an increasing focus to the prevalence of personal relationship with colleagues over the tasks of the company. The Netherlands on the other side is a highly individualistic culture-oriented nation, with the score of 80. The individual is expected to take care of themselves and immediate family. Hiring and promotion are based solely on merit and contracts are focused on mutual advantages.

This dimension by Hofstede is also identified in other cultural theories. Hence, a closer look to the theory developed by Schwartz (1994), Cultural Value Orientation and the collective research known as The Chinese Culture Connection (1987). Whereby Schwartz (2006, p.140) writes about the relationship and/or boundaries between the individual and the group. Therefore, labelling two groups, namely: *autonomy* versus *embeddedness*. Schwartz continues by elaborating on autonomous cultures cultivating and expressing their own thoughts, ideas and preferences. Where individuals are inspired to be curious, creative and lead an exciting and varied life. Contrasting to a culture which emphasis on embeddedness. Within an embeddedness culture the individual is seen as part of a group and life is viewed through social connections. People do not identify themselves as individual, they identify themselves as a group. Resulting in pursuing shared goals. The values within embeddedness, stated by Schwartz, are in line with the respect of tradition as well as obedience – for the greater good. When comparing these cultural approaches regarding the relation of the individual to a group with several countries, Schwartz indicates China as a highly embedded society (comparable with Hofstede's collectivism) and the Netherlands having an autonomous view (comparable with Hofstede's individualistic view on culture).

Hofstede and Schwartz are two individuals with a western perspective and so far, the Chinese perspective on culture has not been addressed thus far. In relation to the cultural dimensions of Hofstede and the insights of Schwartz, a study by a collective group of researchers resulted in *The Chinese Culture Connection*. One of their concern with the study conducted by Hofstede was the fact that the research was of Western origin and therefor culture bound. Questioning whether the same results will show within different cultural traditions (1987, p. 140). To understand the Chinese worldview, a survey of Chinese values was created to research these cross-cultural differences out of the Chinese perspective (Brislin, Lonner, & Thorndike, 1973). This Chinese Value Survey (CVS) resulted in four different factors which were identified. These factors are Integration, Confucian Work Dynamism, Human-Heartedness and Moral Discipline (The Chinese Culture Connection, 1987, pp. 150-151). Within the scope of individualism and collectivism I first focus on the factor of Integration, the other factors will be discussed later in other dimensions. The factor of Integration indicates the Chinese value towards the relationship of the individual to its peers in society. Highlighted values are for example the tolerance of others, harmony with others, solidarity with others, non-competitiveness, contentedness, being conservative and a close/intimate friend. (p.150). The authors of the CVS paper also state this factor being correlated with the dimension of individualism of Hofstede and therefore stating that the Chinese as well are seeing themselves as having a collectivistic culture, even though they rather refer to this as being an integrated society.

Masculinity – Femininity

Next the dimension of masculinity versus femininity, where masculinity does refer to the emphasis on the dominant values – such as achievement and success, and the feminine countries stating their importance on caring for others and the quality of life (Soares, Farhangmehr, & Shoham, 2007). Hofstede (2011) underlines within this dimension that the phrasing of masculinity and femininity is used as a societal and not as an individual characteristic. Hofstede continues by stating that there is a different set of values between genders. Where, in the research of 1980, women's research was less different within several societies, than those values addressed as masculine values. Hofstede describes masculine values as assertive and competitive, in contrast to the feminine values of caring and modesty. When taking this perspective within a Dutch as well as a Chinese perspective, the Dutch are seen as a feminine country (score of 14), whereby the Chinese are considered a masculine country (score of 66). Within the Netherlands it is important to have a balance between your work- and social life. In the office, managers often make consensus and equality are important values. Also, long negotiations are not uncommon. In contrast to the Chinese, who sacrifice family and social life to focus on work. As a student, Chinese are focused on getting the highest score in class and within

their education, as it is one of the main criteria whether to be successful or not. (Hofstede Insights , 2021)

The ideology of masculinity versus femininity is not something that is used solely by Hofstede. Schwartz (1994) also used a similar dimension within his theory of Cultural Value Orientation (p.141). He uses the phrasing Harmony versus Mastery. Harmony is about being satisfied by the world as it is and appreciating it rather than change. Where Mastery is focusing on change especially within a social environment. Within a Mastery society it is all about ambition, success, challenging yourself and competitiveness. Schwartz (1994, p.156) labelled China as being more of a Mastery society, where the same author sees the Netherlands more in line with the ideology of a Harmony society. Which is comparable to the results stated by Hofstede.

However, when looking at results of the Chinese Value Survey of The Chinese Culture Connection (1987) different results are presented. The contrast between masculinity and femininity is comparable with the factor of Human Heartedness within the Chinese Value Survey (A.M. Soares *et al.*, 2007). The results show the value of the Chinese within the scope of this topic being kindness, patience, courtesy, sense of righteousness and patriotism (p.150). Surprisingly, as that paper continues, this does not correlate with the outcome of Hofstede's dimension of Masculinity versus Femininity as well it does not within the outcome of Schwartz view on Harmony versus Mastery. The content of the Chinese value of Human Heartedness suggests a far more feminine approach to society rather than masculine. Therefore, how these values are measured by several researchers, the different approaches, data, and perspective on the world can result in different outcomes.

Long-term - Short-term

The four dimensions above where the first to be published in the book *Culture's Consequences* by Geert Hofstede in 1980. After the first publication, Hofstede published in collaboration with Canadian Michael Harris Bond a fifth dimension – Long-term versus Short-term Oriented (Hofstede & Bond, 1988). However, as Hofstede (2011) describes, this dimension was not identified by Hofstede himself. As it came up within the research by Chinese scholars, the previously discussed framework of the Chinese Culture Connection (1987). That research indicated that countries with history in Confucianism correlated with the association of working hard. Whereafter one of the four factors within that framework was labeled *Confucian Work Dynamism* (Hofstede G. , 2011). As these results were strong correlating with economic aspects, according to Hofstede, even though they were not used within the context of economy, Hofstede got the permission of the author Michael Harris Bond

to add this as a fifth dimension of his cultural framework. However, Hofstede renamed the dimension to 'Long-term versus Short-term Oriented'. Whereby the long-term orientation is based on Bond's Confucian Work Dynamism. Hence, it is expected that China is Long-term Oriented. Which is also the case as it scores 87, meaning China having a very pragmatic culture. For the Chinese the concept of time and context are important to evaluate the meaning of something and adapt accordingly. Within this perspective, China investing and saving all around the world can be seen as long-term oriented. The Netherlands is also long-term oriented. However, it is of a lower extent than the Chinese, as the Dutch score 67. Hofstede describes the Dutch as having a pragmatic nature. Within the Dutch society the value of time, context and situation is also important. However, the Dutch are more likely to adapt traditions to change a situation (Hofstede Insights, 2021).

Indulgence versus Restraint

The last dimension and latest edition to the framework is that of Indulgence versus Restraint, focusing on the level of happiness about life. Whereby Indulgence is all about enjoying life with free gratification towards the basic desires related to live a happy life. Whereby Restraint on the other side is about life being restricted by regulations and strict social norms. Hofstede gives an example about freedom of speech, where Indulgence cultures see freedom of speech as important, if not a fundamental right. Where on the contrary, Restraint cultures do see it as not a primary concern (Hofstede G., 2011). When taking this dimension within the perspective of China versus the Netherlands, China is viewed as a Restrained country with a score of 24. Which is showing within the Chinese society by not emphasizing on the importance of leisure time and minimizing their focus on their own, individual desires. The Netherlands on the other side is on the contrary of China, a culture of Indulgence - with a score of 68. Optimistic attitudes result in impulsive behavior to enjoy life to what it has to offer. Leisure time is important and the individual acts according to its own wishes. (Hofstede Insights, 2021).

Comparing this dimension within this cultural framework with other theories, a correlation can be made with The Chinese Culture Connection (1987). Even though this article was published much earlier than the publication of the last and sixth dimension of Hofstede in 2010 (Hofstede, 2011), the results show similar outcomes. The fourth factor, Moral Discipline – which is in the article correlated to the dimension of Power Distance and Individualism (p.152) – can also be compared to Indulgence versus Restraint. Values outlined by the Chinese Value Survey are for example moderation, keeping oneself disinterested and pure, having a few desires, adaptability, and prudence (p.150). The values

of having few desires and prudence agree with the results of China having a Restraint culture, whereby it can be said that China as well is indicating oneself as one.

Limitations of the Cultural Framework by Hofstede

Within the outline of the cultural considerations, the framework of Geert Hofstede is used. However, the author of this thesis is aware of the limitations concerning this cultural framework. As mentioned earlier, the theory of Hofstede is out of a western perspective, and therefore also other cultural theories were used within the cultural consideration. The concern of this western perspective is also addressed by Fougère and Moulettes who have a critical view on Hofstede's research. They for example write that the Northern European culture – where Hofstede is part of, 'seep into' his academic research. Meaning that the framework is presumed to be structured as a singular way to view the world (Carbaugh, 2007). Hofstede himself is aware of the criticism written about his work and state that the word culture is referring to national culture within this framework (2001), and however the world is subject to change and influenced by internal as well as external factors, culture is not changing overnight and therefore the study by Hofstede conducted in 1980 and revised several times, such as in 1988, 2001 and 2010, is still relevant today. The author of this thesis is aware that caution is needed when speaking of a national culture as not every individual within that particular nation is able to identify oneself within dimension presented by Hofstede, or Schwartz, or that of The Chinese Culture Connection. However, it is believed to be a great insight into cultural differences between countries, which is within this research the comparison of culture between the Chinese and the Dutch.

► 2.2 CONSUMPTION IN CHINA

Over the past thirty years, China's consumption patterns have changed significantly. Mainly after the economic Reforms and Open-Door policy by Deng Xiaoping, after the passing of Mao Zedong (Spence, 1999). Hence, it is important to dive into the literature of Chinese consumption. This to understand the view of the Chinese towards consumption and what they value most when purchasing products and their perspective on Western products from Europe.

Meaning of face

Consumption add value to people's life, and within Chinese consumption culture and consumption behavior is often associated with the meaning of 'Face', as for example in an article by W.S. Tsai and Y. Liu (2013). In general, the concept of Face has different meanings. As Goffman (1955) describes face as the image an individual has in relation to his peers in a group.

Whereby Hofstede (1984) is using the term of 'dignity' in relation to the group one belongs to. Later publications also add the correlation of reputation and prestige in relation to the meaning of Face (Chan, Denton, & Tsang, 2003). This is important for this research as it reflects on the social value within consumption patterns. China has positioned itself as a nation in poverty (before the establishment of the People's Republic of China), to one of the biggest economies in the world with a growing middle class resulting in an increasing purchasing power (Xia, 2016). When China put its Open-Door policy in place, under the presidency of Deng Xiaoping, the demand for westernized products increased tremendously (Hooper, 2000, p. 441). Which was mainly due to the effect of the meaning of Face, as western products added value towards the social status of an individual. The Chinese has great admiration towards western products, as it was associated with the modern world and a sign of a more advanced lifestyle (Belk, 1988). Authors such as Zhou and Belk (2004) argue that foreign products are mainly purchased as symbolic value. However, the value of the product does not change as such, as it is the added social status what was of importance within the years after the establishment of the People's Republic of China.

CHANGE IN CONSUMPTION

The economic development has led to significant changes in the consumption patterns of the Chinese. As stated above, the increasing purchasing power has led to an increasing demand for western products. However, the reason of buying western products – in the past mostly due to status increasing purposes, has not changed when time progressed, as it was expected it should. Society did change, due to the adaptation and exposure to western values, meaning the younger generation in China is far more individualistic and materialistic than, for example, their parents (Triandis, 1995). Which can be explained by an increasing internet exposure as well as the normalization of leisure activities (Yin, 2005).

The globalization, and China opening up to the world, has led to a more materialistic society. The older generation viewed consumption as added social status. Interestingly, it is of not much different when looking in the direction of the materialistic younger generation. This is due to the fact that this lifestyle of accumulating possessions has the meaning of symbolized prosperity (Solomon, 2004). Research has indicated that this new lifestyle also correlates in a way to measure success as well as the identity of oneself (Podoshen, Li, & Zhanng, 2011). Therefore, it can be said that even though the consumption patterns are shifting (e.g., increasing demand for luxury products and products from Western societies), the meaning of

those purchases are still out of the believe of a necessity of belonging to a certain group. The Chinese adapt and transform into a more Western attitude of consumption behavior. Nonetheless, they – the young generation – still value the old Chinese cultural values (Xia, 2016). The quantity of consumption is increasing, mainly due to the rising middle class, the strong desire of collectivism as well as being the same as others still goes beyond the personal taste and even the identity of oneself (Docttoroff, 2012). Xia (2016) continued by stating the importance of understanding this when doing business with China. By understanding the underlining thought behind these consumption patterns, effective and efficient strategies for engaging in business with the Chinese can be formulated.

► 2.3 FOOD SECTOR CHINA

Within this part of the literature review, the food sector is discussed. Focusing on the developments within food consumption, and especially the influences it has on the import of food products to China. Which is in line with this research as the main focus lies on businesses within the food industry and by implementing this information it is beneficial towards to market potential for Dutch businesses. It is to the authors believe it is not just important to understand the cultural differences and purchasing behavior, but also the trends and developments regarding the actual trade.

Over the past decade, China has seen a significant increase in population (NBSC, 2016). Which also resulted in a significant change within the food demand, influencing the consumption patterns since the late 1980s (Huang, Yang, & Rozelle, 2010). Statistics show that the demand of grain (rice, wheat, maize, soybeans, potato, sweet potato) has been decreasing as of the mid-1990s, whereby an increase in demand is visible within horticulture, aquatic products, oils, livestock, high quality, and safe foods (MA, Fuller, & Rozelle, 2006). This growing demand had besides the influence on consumption patterns, also an effect on the import. China as shifted from a net export nation in food, to net importer within the last ten years (FAO, 2021). According to the National Bureau of Statistics of China (2016), the import of soybeans has increased the biggest. However, the increase of meat is also mentioned. The rising food import is also noticed and addressed by the Chinese Government, namely within the Central Committee of the Communist Party, who introduced new policies to invest in the development of the Agri-sector and technology to increase the nations agricultural productivity and therefor secure its food safety (CCCPC, 2016). Food safety is a concern among Chinese leaders as the

self-sufficiency numbers are dropping. For example, within the Agri-sector, the self-sufficiency of grains was 97% back in 2001, but declined to 86% in 2014.

Nonetheless, researchers indicate that China will have to import food to be able to keep up with the increasing demand. Pointing out that products within all categories within the food sector will have to be imported for some amounts. Especially products as soybean, maize, dairy and beef will see a large increase in demand. This is explained by the growing middle class as well as constraints on the expansions of animal production in China (Huang, Wei, Cui, & Xie, 2017).

As mentioned, food safety has been put on the agenda of the government officials. Where in the past concerns were related to food supply and currently have shifted towards food safety (Lam, Remais, Fung, Xu, & Sun, 2013). Meanwhile the consumption patterns are changing towards the demand for higher quality of food options. This demand is mainly because of several food scandals China has known in the past, whereof the most well-known incident is that of 2008, the melamine milk scandal. Effecting thousands of children and children suffering from kidney failure resulting in multiple deaths (Handford, Campbell, & Elliott, 2016). Thus, several factors play an important role in the changing demand in food among the Chinese. However, the concern of food safety has resulted in an increasing demand for safer food and therefore also willing to pay a higher price (Liu & Niyongira, 2017). Which is beneficial towards Europe, as well as the Netherlands. For example, due to the melamine milk scandal, infant milk powder is still an important export product for the Netherlands, as well as various dairy products, meat and fishery products (Jiang, Stigter, & Monnikhof, 2018). Dairy products have seen a big increase over the past ten years when looking at the consumption per capita in China (Cui, Cacciolatti, Woock, Zhang, & Liu, 2016). Interestingly, the import of cheese, a non-traditional food product, has been growing in value as well.

OPPORTUNITIES FOR THE DUTCH

The Embassy of the Kingdom of the Netherlands in Beijing has published a report (2018) also indicating several opportunities for the Dutch within the food sector of China. Where also several strengths are mentioned, such as the good reputation the Dutch have in line with food safety and being able to deliver high quality products as well as safe and trusted products. The monitoring is done by the Netherlands Food Safety and Consumer Product Safety Authority (NVWA), and is considered well-organized as well as rather efficient. The Chinese government is

eager to learn from the Dutch and adapt and use their technology (p.27). The Embassy also highlights Dutch potential not only within the end-product, but also within the technology itself. Especially within the Agri-sector and food manufacturing.

As opportunities the report of the Embassy (2018) indicates the potentials of China being a growing market. Also mentioned by Doctoroff (2012) and Xia (2016), the growing middle class is seen as one of the potentials as well as the increasing desire for foreign foods. Due to the reputation as foreign food being much safer than the domestic provided options. Hence, indicating a big and increasing potential market within the food sector, as well of those within the Agri-sector.

New market opportunities arise within the healthy segment of food. Especially of those in low-sugar and low-fat. Within Western-Europe we are aware of this trend, and many products within that category are at the consumers disposal. Those products and consumption patterns also are currently visible in China. The experience of the Dutch and their knowledge within this segment can be beneficial when entering the Chinese market (p.28). In addition, the Secretary of State for Economic Affairs of the Dutch government was present at the international tradeshow of Shanghai, back in 2017. Addressing the potential for Dutch companies as China is facing major challenges. One of them is producing enough food for its further growing population, but also doing this in a clean way as China is dealing with problems such as smog and pollution. The Secretary of State, Mr. Dam, indicated that China is looking for solutions, also by collaborating with other nations such as the Netherlands to share this technology, knowledge, and expertise to overcome those challenges (Dam, 2017)

► 2.4 DUTCH PERSPECTIVE ON DOING BUSINESS WITH CHINA

I, as author of this thesis, have conducted (alongside my 9th semester internship) a research regarding the constrains Dutch businesses have towards doing business with China. As not much literature is available about the Dutch perspective on China within the context of business, hence briefly the outcome that particular research to have a better understanding towards the perspective of Dutch towards China. This can be beneficial towards this research to better understand the perspective of the Dutch towards China.

That research indicated four different constraints in regards of doing business with China. These four were the following: Cultural constraints, knowledge, the challenge of building a network, and the final constraint was that of time.

The cultural constraints do reflect on the cross-cultural communication between the Dutch and the Chinese. As the interpretation of things can be different. When taking the example of contract negotiations, the meaning of contract does differ between both parties. Where for the Dutch the contract is seen as an agreement where expectations from both sides are clear. For the Chinese on the other hand, the contract is of a relational nature, meaning it is open for change as the relationship is developing (Kranenburg, 2019). Where J. Bruynzeel (2020) does add the concept of silent within negotiations. Addressing the fact that it is not uncommon for the Chinese just to be silent for several minutes. Resulting in the opposite party – in this case the Dutch, most likely to say more than they actually were planning to do. These are just two examples focusing on the complexity and cultural differences within a business context which are seen as a constraint amongst the Dutch.

The second constraint indicated was that of knowledge, or better said the lack of knowledge. China is complex and so is its market. There is no such thing as a China expert who has all the knowledge and expertise. To make decisions several resources are needed to have a grasp on the Chinese market (Lamb, 2016). Lamb continues by saying it can be difficult to find the right information and data when looking into a specific market and/or region, which is needed to be successful in China. In addition, as Bruynzeel (2020) states, it is important to understand what is going on and what changes are happening. This to understand the 'why', which will be beneficial towards a better understanding of the Chinese and to be successful in China.

The next difficulty found was that of building a network. In business, having a strong network is important, which is especially the case while doing business in China. Due to the complexity of China and it still having unique characteristics in culture and the way of conducting business, it is beneficial to have local contacts (Zhou, 2017). Which are also needed to increase knowledge regarding a better understanding of the consumer/end-user, the buying behavior, trends and developments within the Chinese market (Kao, 2016). Therefore, it is important to socialize a lot with business patterns in China, as Katulakos (2017) explains. This to understand who one is doing business with, but also understanding their background which is beneficial towards building trust and a relationship. It sounds rather easy, however, for the Dutch it is quite the challenge to build a network with the right contacts. Which is also related to the last constraint, namely: time.

The last constraint deals with time. When looking to start conducting business with China, time is needed to be successful. Time to do proper due diligence, get to know the market and culture, connect with the right people and take the time to build trust as well as a business relationship. However, lots of Dutch companies do not such thing, it is often seen as something that can be developed besides the day-to-day business. Therefore, not getting the full commitment which is needed. Resulting in companies quit and go somewhere else (Jarret, 2016). According to Bruynzeel (2020), Dutch companies have the tendency to say: "I just go there and make it happen!" Which is possible, but most likely to fail. Hence, full commitment and therefore investing a great amount of time is needed, alongside a budget to be successful in China. However, for Dutch entrepreneurs, this commitment is perceived as a big challenge.

3. Methodology

This section of the thesis consists of an outline of the methodological considerations in regard to this research. Whereby the philosophical position of the author is formulated as well as what methods which are applied to gather qualitative data. Followed by a detailed outline how this data is analyzed, whereafter this chapter will be concluded by the limitations of this research/thesis.

► 3.1 PHILOSOPHY OF SCIENCE

The philosophy of science touches upon the philosophical perspective of the author used within this research. Whereby three topics are discussed, namely: ontology, epistemology and lastly the relationship of theory with the findings of the gathered data.

ONTOLOGY

The ontological considerations are defined as the nature of reality. Meaning, it is focusing on the nature of existence, which is in the context of research the question related to what is considered to be knowledge. Therefore, the perspective whereby we ask ourselves: 'What we know' (Hudson & Ozanne, 1988). Bryman explains social ontology by stating that the orientation is based on asking oneself whether the social entities should be considered as objective, or whether they are influenced by external social actors. In addition, two standpoints which are frequently used is that of objectivism and constructionism (2012, p. 32). The ontological point of view of objectivism has its origin from *realism* as well as *essentialism*. Who believe that people strive to gain knowledge based on excising reliable knowledge. Resulting in the believe that it is assumed that one does gain the same understanding as their peers (Jonassen, 1991). Bryman explains objectivism by stating this implies that social phenomena are beyond external influences (2012, p.32). Where objectivism emphasis on the object of our knowing, constructivism is on the other hand emphasizing on how we construct knowledge, according to Jonassen (1991). Meaning, as Jonassen continues, that constructivism is constructed by our reality by the use of interpretation of our own experiences. Therefore, the perception of constructivist is based on physical, as well as social experiences. Whereby, in addition, Bryman states that social phenomena and their meaning are in constant relationship with social actors, and therefore in constant state of revision (2012, p.33). This research is based on the second ontological consideration, that of **constructionism**.

I, as the author, believe that people are influenced by experiences they have themselves, as well as the experiences of others. Therefore, opinions and visions are nuanced by external factors. When

looking at this research and its relation to constructionism, I argue that Dutch businesses have a collective general opinion regarding China and of conducting business with the Chinese. Those views are often based on stereotypical thoughts, cultural differences and different perspectives regarding the constraints towards doing business with China, and the Asia region in general. However, how those issues, differences and constraints are being dealt with are interpreted differently. The food sector is a broad sector with a lot of subcategories. Hence, the interpretation of how to conduct businesses with China, and what tools they need to actively pursue the goal of being successful in China are subject to change among different companies. Thus, the ontological point of view of the author, as well as this research is therefore constructionism.

EPISTEMOLOGY

The epistemological consideration is based on the authors believe considering the question 'How we know, what we know' (Carson, Gilmore, Perry, & Gronhaug, 2001) . Bryman explains epistemology by stating the question what should be considered as acceptable knowledge (2012, p.27). Bryman continues by outlining two epistemological positions: positivism and interpretivism (p.27,28). Whereby the philosophical position of positivism is working with the observation of reality, resulting in generalization. Focusing on the gathering of pure data, as well as facts without the influence of external factors such as interpretation and bias of others (Scotland, 2012). Within positivism, according to Bryman, several principles are in place. Which entails, for example, that hypothesizes are supposed to be formulated based on the theory. Where, in addition, knowledge is based on facts and therefore the research needs to be conducted based on objectivity (2012, p28). The other consideration is the position of interpretivism. Which is developed through the critiques based on positivism. Whereby the focus lies within context. Opposite to generalization, this position believes that people differ from one and other by creating further depth in meaning of things. In addition, this differs from positivism as it includes insight of other perspectives rather than generalize to get results based on universal laws (Myers, 2008). Bryman, in addition, explains the meaning of interpretivism by saying that it requires "...to grasp the subjective meaning of social action" (2012, p.30). This research is based on the epistemological consideration of **Interpretivism**.

I believe and argue that the complexity of China and doing business with the Chinese is not supposed to be based on the generalization. However, it would make the interpretation of the outcome of this research easier, but it would not result in a well-informed decision-making process. Also, no hypothesis will be formulated based on the theory described within the literature review. As said, China is known for having a complex market and therefore it is in the authors believe an approach in

interpretivism is needed to truly understand the tools and actions needed by Dutch business to start the export of their products to China. Thus, this research will follow the epistemological position of interpretivism.

INDUCTIVE VERSUS DEDUCTIVE

The last section within the outline of the philosophical consideration of this research is that of the relation of the literature review/theory and findings of the gathered data. Where a deductive approach observations and findings are deducted from theory, often using and testing hypotheses. Where an inductive approach theory is considered the outcome of the observations/findings out of the gathered data (Bryman, 2012). However, this research is based on qualitative data, which will be discussed in the following section of this thesis, and I have the intention to go back and forth between the gathered data and the literature review. And therefore, following the **iterative** approach. Which, according to Bryman (p.26), has both elements of inductive as well as deductive. Resulting in going back and forth between the theory/literature review and the findings of the gathered data. Which will be beneficial towards this research because it helps to see in the first place how the findings relate towards published literature, as well as how it differs from it. Therefore, a well-defined and structured answer can be formulated to the stated problem formulation. Whereby, in addition an advisory remark of the outcome towards Export Partner B.V. can be made. Thus, the relationship between the theory and the findings of this research will in line with the iterative approach.

► 3.2 APPLIED METHODS

METHODS OF DATA COLLECTION

As mentioned previously, this research has gathered *qualitative data*. As it is the authors intention to increase the understanding what motivates Dutch businesses to start doing business with China, and what is needed for them to take action towards their desires to be successful by doing so. Hence, it is my believe that qualitative data is the best practice. Which is also in line with the ontological and epistemological positions of constructionism and interpretivism. It is to the authors understanding important to understand the nuances and differences in interpretation. To be able to answer the stated research question, conversations with different companies and perspectives are needed. To achieve the aim of understanding what tools and actions are needed to guide/help Dutch businesses toward success in China. To accomplish this, **interviews** were conducted, which were of a **semi-structured** nature. Meaning the interview is not directed by a set of predetermined questions, but

rather a list of topics to be discussed and/or a few set questions. A semi-structured interview has a degree of flexibility (Dunn, 2005, p. 80). Which gives me, as the author and interviewer, the opportunity to guide the interview also based on the expertise of the interviewee and gives me the opportunity to go into detail in one or more specific topics, based on the knowledge and expertise of the interviewee.

To ensure that the conducted interviews are structured the same and to ensure that all the topics are discussed an *interview guide* has been created. This interview guide is simply put a list of topics which are planned to be covered within the interview (Bird, 2016). This ensures the quality of the interview, as well as the possibility to analyze those interviews in a similar matter. The interview guide for this research can be found within the attachments.

METHODS OF DATA ANALYSIS

This part within applied methods consists of the way the gathered data is analyzed, which is done by doing **thematic analysis**. Reason for using this approach is that it is not outlined 'in terms of a distinctive cluster of techniques' (Bryman, 2012, p. 578) in comparison to for example *Grounded Theory* or *Critical Discourse*. A number of researchers have written about the concept of thematic analysis. Whereby also critiques are given based on the lack of how thematic analysis is done procedure wise, according to Bryman (p.581). Hence, to be able to structure the analysis of the data, I have chosen to follow the outline of thematic analysis of Virginia Braun and Victoria Clark (2006). Within their article they state that the meaning of thematic analysis as a method to identify, analyze and report themes (patterns) within the gathered data. In addition, it also gives the opportunity to interpret different aspects within this research (Boyatzis, 1998). Which is also in line with my epistemological position of interpretivism, to understand the underlining meanings or what is said and how this can be used within the increase of understanding towards the Dutch stand on conducting business with China. Clark and Braun continue by explaining there are different approaches to conduct a thematic analysis and present their step-by-step guide to do a structured thematic analysis. As stated previously, this framework or step-by-step guide, will be used within analyzing my data. This guide consists out of six phases and will be explained briefly.

Phase 1: making myself familiar with the data

The first step is to transcribe the conducted interviews, this makes analyzing and comparing the interviews with one and other much easier, however it is also a perfect opportunity to familiarize myself with the data (Riessman, 1993). These transcriptions will be a word-to-word transcription as

the interviews – with permission of the interviewee – are recorded. Once transcribed, I will read the transcribed interviews for a number of times, this to get acquainted with my own data. Whereafter, the second phase starts.

Phase 2: generating the initial codes

This phase consists of finding/highlighting codes within the set of data. The meaning of a code, according to Clark & Braun (2006), is a feature within the data which appears to be interesting towards me as the analyst, of course in line towards the stated research question. This coding will be done systematically for every interview, and every code will be provided with a key word, which will be beneficial in further phases.

Phase 3: the search for themes

Once the coding is done, a list of different codes is created. Within this phase, the focus will be on a broader perspective. Those codes will be analyzed carefully and sorting these codes into potential themes (patterns). Resulting in paring codes into groups, whereafter they will be combined within a theme, with sub-themes. However, these will not be the finalized themes just yet. As themes (patterns) can be overlapping one and other and therefore, combining, refining, separation and/or to discard themes/subthemes are still possible. Which brings us to the next phase.

Phase 4: Reviewing the uncovered themes

At this point, the analysis has resulted in an overview of themes and sub-themes distracted from the set of data. Within this phase these themes are reviewed thoroughly one more time. This to ensure these themes are separate from one and other and no to as little as overlap is seen. The distinction between the themes become clear. Where needed, themes and sub-themes are discarded, changed or revised. Whereafter, the different themes are clear and tell the story of the set of gathered data.

Phase 5: defining and naming the themes

Within this phase the focus lies on the 'essence' of each theme. Here, the names of the different themes will be finalized. Whereby aiming on not just paraphrasing the content, but to truly identify what they mean and why in a short and efficient matter. In addition, this phase concludes with the understanding what these themes are and include, but also what they are not and do not include. Thus, the scope of each individual theme is clear. Braun and Clark also underline the working title of the themes need to be 'concise, punchy, and immediately indicating what it is about' (2006).

Phase 6: writing the analysis

The last and final phase consist of writing the analysis. Wherein the story of what the data is telling is of the essence. Also including extracts from the set of data to demonstrate what this theme is all about and how it relates to the data, but also the relationship towards this research and the question which need to be answered.

▶ 3.3 LIMITATIONS

This final part of this chapter goes into the limitations of this research. First of all, I would like to address the limitation of time. This thesis is written within a time period of four months (February 2021-May 2021). Which is a limitation as all reading, data collection, analyzing of data and writing this report needed to be done within that timeframe. Another limitation is the lack of academic literature. Not much is written/published about the Dutch perspective on China within a business context.

4. Data Analyses

This chapter consist of how I analyzed the data, by explaining the steps resulting in presenting the findings of this research. As mentioned in the last chapter, I as the author follow the thematic analysis approach by Braun and Clarke (2006). This to be able to analyze the data on a systematic matter, using the researchers six-step approach. This analyzes is of an inductive nature, meaning the generated themes are more data oriented and less driven from theory. However, in the chapter including the philosophy of sciences, I mentioned to be using an iterative approach. The interviews were created based on the theory, as written in the literature review, and this data driven analyzes will be discussed in relation to theory within the next chapter, the discussion. While generating the initial coding, I tried not to interpret the data by previous findings and not be naming the codes within the created coding frame.

The aim of this analyzes is to answer the stated research question, by using the themes in a narrative structure.

The interviews were conducted online, via Microsoft Teams, WeChat (Chinese communication application) and by phone. Dutch entrepreneurs and business owners living in the Netherlands as well as China were interviewed for this research. Were most of them were within the food industry. In addition, I also spoken to someone working for the Embassy of the Kingdom of the Netherlands in Beijing, China. A brief description of the interviewees can be found in appendix 2. The length of the interviews varied between 40 minutes up to 1 hour and 20 minutes. Whereafter the interviews were transcribed. The interviews were conducted in Dutch, as the author of this thesis as well as the interviewees are of Dutch origin. Hence, during the transcription, the interviews were translated into English.

► 4.1 FAMILIARIZING WITH THE DATA

The first step of the data analyses is all about familiarizing myself with the generated data from the different interviews. The translation was the first step within this process, as I needed to be listen carefully to what was said and to translate this to the best of my ability in English, without losing the meaning of what was said or interpret wrongfully. Whereafter, I read to all the transcripts several times, to get a clear and structured overview of what was said. During reading the transcripts, also taking notes of topics standing out in relation to the research question, as well as interesting topics, but unexpected topics.

► 4.2 GENERATING INITIAL CODES

The second step within the process of analyzing the data was generating the initial codes. This coding process was done by hand, using the highlighting tool in Microsoft Word. Where I highlighted sections within the interview most relevant to this research in different colors. This table can be found in the appendixes 8 to 12. In the image below an impression of the initial coding process using various colors to address different topics.

<p>Now what you can and cannot do, and know how to play with those kind of elements, without giving away your own authenticity. Then it is important, however it are the clichés .. but it still is going wrong ... building and maintaining your relationships which is important. Visit each other, so trust can be built. Building trust is an important element in the Chinese culture ... which is not self-evident. Secondly, they way you communicate, your image, how you behave yourself, bodylanguage, what is being said, but also what is not being said ... reading between the lines and how to interpreted those kind of things. That's why an interpreter is a great benefit. Finally also the hierarchical relationships of your counterparts. Hierarchy is very important. Besides this all</p>	Knowledge
	True to yourself
	Importance of contacts
	Building of trust
	Knowing how to act and behave
	Hire an interpreter
	Hierarchy

Figure 1: Initial Codes Table (Author's Production)

As mentioned previously, this process is mainly data driven. Nonetheless, the theory was used to generate the interview guide (Appendix 1). The aim for this initial coding process was to highlight different aspects and topics out of the different interviews.

► 4.3 GENERATING THEMES

When the initial coding process was finalized, it was time to generate themes. When a code is of a repetitive nature within several, if not all, interviews it can be viewed as a theme (Braun and Clarke, 2006). Therefore, a theme covers a category which is repeating itself throughout the different interviews, with the aim to answer the stated research question. This was done by combining the highlighted codes of the previous step and transfer those in a new table. Where the collected codes with the same color, meaning they share or closely related to the same topic, were put together. This

table, as visualized below, was created with on the one side the initial code (left) and the initial themes (right). The entire table can be found in appendix 13.

<p>Using Dutch network as network- Interviewee 5, J. Maas</p> <p>Contacts - Interviewee 5, J. Maas</p> <p>Importance of contacts - Interviewee 5, J. Maas</p> <p>Building of trust- Interviewee 5, J. Maas</p>	
<p>Lacking knowledge business environment – Interviewee 1, Renske</p> <p>Underestimating China – Interviewee 1, Renske</p> <p>Importance of understanding China's business environment – Interviewee 1, Renske</p> <p>Providing the right information – Interviewee 1, Renske</p> <p>Be open for information – Interviewee 1, Renske</p> <p>Underestimating the complexity – Interviewee 1, Renske</p> <p>Underestimating doing business in China – Interviewee 1, Renske</p> <p>Proper research – Interviewee 1, Renske</p> <p>underestimating the importance of proper research – Interviewee 1, Renske</p> <p>More study is needed – Interviewee 1, Renske</p> <p>Underestimating the complexity of China – Interviewee 1, Renske</p> <p>Underestimating the difficulties of China – Interviewee 1, Renske</p> <p>Not taking the time for educate one self – Interviewee 1, Renske</p> <p>Understand the changing nature of China – Interviewee 2, Bert</p>	<p>Prevent underestimating the complexity of doing business with the Chinese by doing proper market research</p>

Figure 2: Initial Theme Table (Author's Production)

While generating these themes, I took the stated research question in mind and the overall idea of the written codes and their context where others were created by gathering the most relevant codes and translated those into a theme. Not all codes were used to generate themes, this as topics were not related to the research question or only mentioned by one or two interviewees. For example, the Dutch government not doing research towards the results of events such as Trade Missions and Matchmaking events. This topic was only discussed by interviewee 1 (appendix 3) and interviewee 5 (appendix 7). Even though it is an interesting finding, it will not connect to the overall story told by the generated themes.

► 4.4 REVIEWING INITIAL THEMES

As mentioned before, the aim is to tell the story of what Dutch businesses need in regards of tools and information to take the step towards China and how this information is beneficial for a consultancy firm as Export Partner. I have identified, in the previous step, 10 candidate themes. Even though Braun and Clarke (2006) do mention that there is no such thing as the right number of themes, it is in my believe that 10 themes are too much in regards of this research. Therefore, during the review of these themes I have looked very carefully and critically to all the individual themes. To

see whether themes could be combined as they are close to one and other or whether themes were not relevant enough regarding the stated research question. To visualize this process for myself, I have used sticky notes where I wrote the candidate themes on (as visualized below, figure 3).

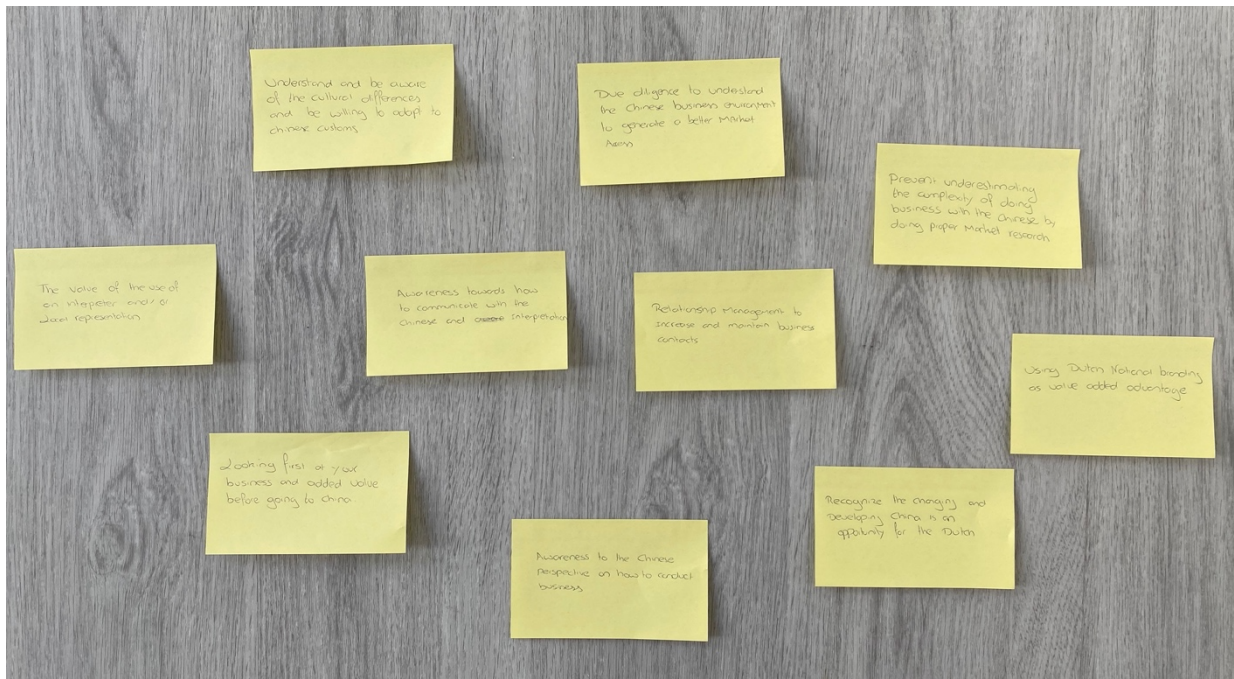


Figure 3: Initial Themes (Author's Production)

While taking the several candidate themes in consideration and compared them to one and other as well to the research question, it became clear that indeed some were related to one and other and others could be combined. This to ensure the quality of this thesis as well as the intention towards a narrative nature of these themes. An example of two candidate themes merging together as one is that of *'Understand and be aware of the cultural differences and the willingness to adapt'* and *'Proper due diligence to understand the business environment to generate a better market access'*. As this research is conducted within a business perspective, the understanding of culture as well as the Chinese business environment can be merged. Even though those are two individual topics, to understand the business environment it is needed to have a good understanding of the cultural differences. This resulted in the merged (sub) theme: *'Focusing on the cultural differences and business environment to increase market access'*. After a while of rearranging and consideration it resulted in five themes, where two themes were further split into subthemes. The finalized themes, including subthemes can be seen in the figure below (figure 4).

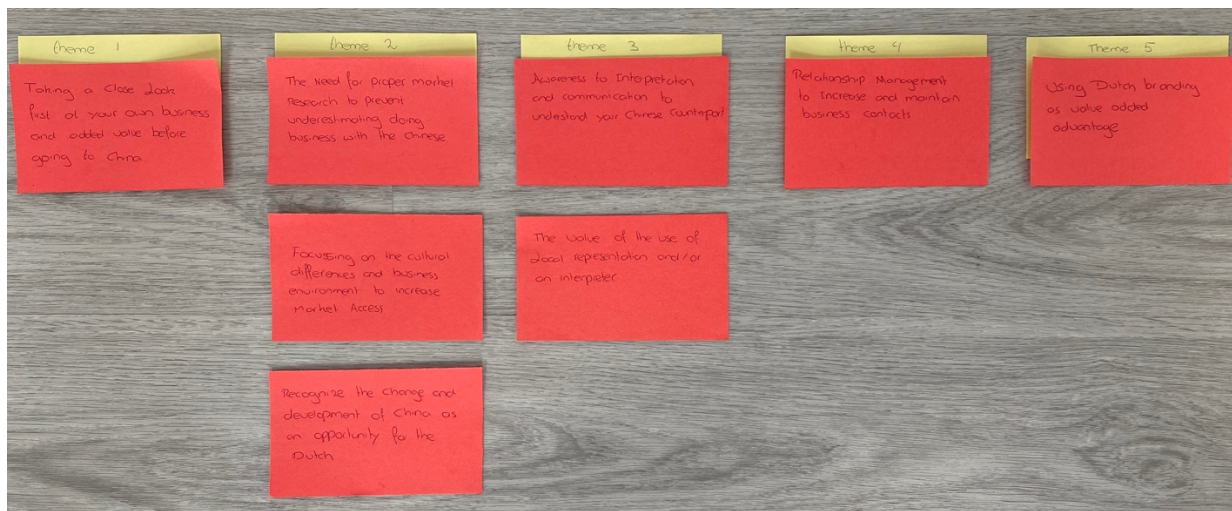


Figure 4: Final Themes (Author's Production)

► 4.5 FINALIZING AND NAMING THE THEMES

Within this step, the themes were defined and named. This was done in line with the narrative approach (story telling) and the research question of this thesis. Resulting in the five main themes: *Taking a close look first at your own business and added value before going to China*, *The need for proper market research to prevent underestimating doing business in China*, *Awareness to interpretation and communication to understand your Chinese counterpart*, *Relationship Management to increase and maintain business contacts*, *Using Dutch National branding as value added advantage*. A brief outline of each individual theme as well as subthemes, when included, is introduced next. Starting with the first theme.

Theme 1: Taking a close look first at your own business and added value before going to China

During the interviews and analyzing the data it came to my attention that being successful in China also means to understand your own added value. Before even thinking of going to China business need to understand what they sell and who they are selling to. China is a big and divers nation where most success is not always within the well-known big cities such as Beijing and Shanghai, so knowing within what market and region you want to position yourself is not necessarily an obvious one. In addition, within all interviews this topic returned and relates to the research question in such a way that the first step taken towards China is by taking a step back. This to get a clear understanding what you as business want to achieve in China, who you want to sell your product and/or services to and whether the time, energy, money, and commitment needed to be successful in China is worth it. As the Chinese are long-term oriented, it is important to understand in the first place if you as a business want to commit to do so.

Theme 2: The need for proper market research to prevent underestimating doing business with the Chinese

This theme includes the urge of doing proper research before going to China. This entails several topics such as understanding the cultural differences as well as a certain degree of understanding the Chinese market. Several interviewees have addressed the complex nature of doing business in China and that many mistakes are being made, mainly out of not taking the time to educate oneself in the differences in culture and business environment. Repeating themselves by stating many businesses do underestimate China. Businesses have the tendency to act quickly and just go to China to see how far they can get, which most often results in failure. Or when businesses conduct their business as they are used to with other countries, but that as well is the wrong attitude to be successful in China. Therefore, after you took a closer look to your own added value it is important provide yourself with up-to-date information by doing proper market research.

This theme is further categorized by two subthemes: *Focusing on the cultural differences and business environment to increase market access* and *recognizing the change and development of China as an opportunity for the Dutch*.

Subtheme 2.1: Focusing on the cultural differences and business environment to increase market access

One of the topics misunderstood and underestimated are the cultural differences between the Dutch and the Chinese. Which can result in losing a deal or misinterpret a situation. However, it is often viewed as stating the obvious, but misunderstanding Chinese culture is often occurred when business is conducted. Besides being aware of the culture differences, doing the proper research can result in a better market access. As mentioned, the Chinese market is complex and diverse and often dominated by big Chinese State-Owned Enterprises. Therefore, understanding the market, you as business wants to enter in relation to being aware of how to deal with the cultural differences can open doors in China.

Subtheme 2.2: Recognizing the change and development of China as an opportunity for the Dutch

The diverse and complex nature of the Chinese market can be beneficial to the Dutch as well. China is developing and changing into a 'modern' and innovative nation. China has to deal with several

challenges such as food safety and food supply as well as the willingness to learn about new technology. Meaning, a lot of opportunities for Dutch businesses. Hence, research to trends and developments and how Dutch businesses can act on those developments are needed to bring those topics at the attention of Dutch businesses. Which is in line with the stated research question as businesses need to be informed, in a systematic matter, about what opportunities arise from the developing market(s) in China.

Theme 3: Awareness to interpretation and communication to understand your Chinese counterpart

The third theme entails the communication and interpretation. This includes how to communicate with your business partners and the importance of understanding what is said as well as what not is being said. The interviews indicate that the Chinese can easily be misunderstood and the meaning of a meeting or for example a contract can be different in the eyes of the Dutch and Chinese. Therefore, it is important to underline the importance of this matter. In line with the research question, this entails providing information about how to communicate with the Chinese and what applications are used and what to expect once being in business. In addition, when not being familiar with Mandarin (language in China) or customs, an interpreter can be of much help. Which brings me to the subtheme of this topic: *The value of the use of local representation and/or an interpreter.*

Subtheme 3.1: The value of the use of local representation and/or an interpreter

When not speaking Mandarin and/or not aware of how the Chinese communicate verbally as well as non-verbally it is advised to bring an interpreter or even hire a local representative. This can be very beneficial towards understanding your Chinese counterpart and making sure misunderstandings can be prevented.

Theme 4: Relationship Management to increase and maintain business contacts

The meaning of a business contact is different within a Chinese perspective. Hence, mistakes can be made in maintaining a business relation. Therefore, it is important to understand the meaning of a relationship in China and knowing how to create trust, which is not obtained by just doing business. Time and effort are needed within a business relationship in the perspective of the Chinese. Guidance and/or help from a local representative can be very beneficial towards your success in China.

Theme 5: Using Dutch National branding as value added advantage

The last theme consists of the usage of the Dutch name and branding. The Chinese have a very nationalistic mindset. However, they still see western products to feel 'modern' and a way to stand out from their peers. The Chinese perspective on Dutch products is that of quality, innovation and safe (regarding food). This needs to be used as an advantage when going to China. This part covers the importance of understanding the Chinese vision of Dutch products and how to use this to our advantage.

► 4.6 THEMATIC ANALYSIS

This final part of the analysis presents the in-depth analysis of the various themes and subthemes described previously. The themes have been thoroughly reviewed and defined, where this part has the goal to tell the story of each individual theme. I took several direct quotes from the interviews, also called excerpts. This to further present and explain the different themes.

This narrative approach and structure is beneficial towards a better understanding of the overall story, in relation to the stated research question. Each theme will be discussed individually using most relevant quotes from the several interviewees. To understand where the quotation is coming from the following reference structure is used: first the appendix where the transcripts of the interview can be found, followed by the given number of the interviewee, whereafter the line number is indicated to find the direct quotation back within the transcript. For example: Appendix 3, (Interviewee 1, L. 46-49), here the 'L' refers to the line number(s). Some quotes will be used in the text where the longer quotations will be distinguished as Excerpts.

Before taking an in-depth insight into to various theme, a brief recap of the overall research question regarding this thesis. The aim of this research is to gain a better understanding towards what information and tools Dutch businesses need to take the step towards China to start doing business with the Chinese or further investment within their established activities.

Theme 1: taking a close look first at your own business and added value before going to china

As taking a narrative approach, the aim for this theme is to start by taking the first step(s) towards China. By taking the first step towards being successful in China is to create a better understanding

towards your own added value as a business. Take for example what was said by interviewee 5 (Excerpt 1)

Excerpt 1 (Appendix 7, interviewee 5, L. 149-151)

“But what is very important, is the fact of you knowing yourself. Know what you have to offer. Whereafter you are going to look where in China that would fit.”

Knowing who you are as a business and what you might have to offer to the Chinese is a repeated theme throughout three of the five conducted interviews. As interviewee 3 states: *“you also need to know who you want to serve”* (Appendix 5, interviewee 3, L. 189). Underlining the importance of taking a step back and look who you want to sell to, as well as thinking about your end-users.

‘Your Unique Selling Points’

However, it is not solely about who you are selling to, as it is also about what you are selling. Before diving into the Chinese market, it is of great value to understand your own Unique Selling Points. Of your products/services as well as your business. Which is also addressed during the interview of interviewee 1: *“It is important to understand your unique selling point as well as your added value.”* (Appendix 3, interviewee 1, L. 169-170). Hence, a clear understanding of your own business and how that might fit within the Chinese market is of great importance. Although, knowing your Unique Selling Point and having knowledge regarding the cultural differences is not sufficient in the perspective of interviewee 3 (Excerpt 2).

‘Matching with your own business’

Excerpt 2 (Appendix 5, interviewee 3, L. 219-223)

“Besides the cultural background ... also know your added value. There are a lot of products ... but know the culture. But China ... needs also to match with your internal business environment .. when it doesn’t match ... then it might be good to decide to not go to China.”

According to interviewee 3 it is one thing to have a product or service to sell in China, but another to match with your own business environment, your vision and believes and how you want to achieve your goals. When that does not match with what you expect of China, then it might be good to decide not to go to China in the first place. Therefore *“look at your own business and what you bring to the table, whereafter you search for the fit within China. That is an important step to make.”* (Appendix 7, interviewee 5, L. 155-157).

Dutch businesses have the tendency to take their changes and just go, also resulting in *“the expectations from the Dutch side being too high most often”* (Appendix 5, interviewee 3, L. 66).

‘Firstly, look at your own mistakes’

When you have already established a present for yourself in China, mistakes happen. Those happen when doing business in China, but also everywhere else. It is in our human nature to look for the blame in someone else. However, interviewee 3 says the following in Excerpt 3:

Excerpt 3 (Appendix 3, interviewee 1, L. 65-69)

“They need to step outside the situation and to analyze the situation. Understand what is happening, why isn’t it working well, but also by looking to themselves. Not only to look for what can be done different by, for example the Chinese, but also have a clear understanding what could be done differently by ourselves. Which a lot of people do not do well enough, if you ask me.”

Addressing when mistakes happen, do not start blaming your Chinese counterpart at first.

Interviewee 3 underlines the importance of getting an overview of the situation, see how different elements can be interpreted and look to what went wrong and where that mistake was made. Acting too quick and blaming your Chinese counterpart wrongfully can lead to cultural misunderstanding(s), further explained within the following theme.

Theme 2: The need for proper market research to prevent underestimating doing business with the Chinese

Once you got a better understanding towards your added value and who you want to sell your products or services to, it is time for the next step. Conducting a proper market research. This is important as many businesses do underestimate the complexity of doing business with China. *“Quite some businesses you hear say: ‘yes, but we do already business in for example South America or there, or that location etc., so in China it would not be a big difference.’”* (Appendix 3, interviewee 1, L.38-39). Indicating that even bigger cooperation’s do underestimate China. Therefore, it does not matter whether you have much or little international experience.

Not taking your time to research China and your potential can have consequences. Example given in Excerpt 4:

Excerpt 4 (Appendix 3, interviewee 1, L. 178-181)

"...not taking the time to educate yourself ... not providing yourselves with the right information and underestimating the whole process. For example, not maintaining your contacts well, most of it can be put under the umbrella of cultural differences."

Hence, by not doing your research can lead to you not understanding the behavior of your counterpart in the meeting room, not dealing with your contacts correctly in the eyes of the Chinese, resulting in losing a potential deal. *"...the ignorance and lack of cultural knowledge is an issue."* (Appendix 4, interviewee 2, L. 138).

'Being open for information'

Besides underestimating, *"people need to be realistic and do not be naïf"* (Appendix 3, interviewee 1, L. 51). Which is in relation to not seeing the value of doing research. Businesses need to understand this value and be taking the time, energy and effort to do so. They *"...need to be open for the idea, need to be open to obtain that information."* (Appendix 3, interviewee 1, L. 75-76).

Excerpt 5 (Appendix 6, interviewee 4, L. 179-182)

"Therefore, it is important to indicate towards Dutch businesses what to expect, how business is conducted. On what way connections are made ... also in advance ... to let them know what businesses would work .. but also realistic by saying that it might not work."

Here, interviewee 4 underlines the essence of providing Dutch businesses with correct, up-to-date information. Which can be done by *"picking themes, interesting for businesses to increase their insight."* (Appendix 6, interviewee 4, L. 210). This to be used as a tool to educate them in the process of taking their business activities to China.

'Going to tradeshow'

Researching is more than just reading articles and studies in regards of doing business in China. An active attitude can be very beneficial as well. One good example is participating in an international tradeshow. Last November (2020), several Dutch companies were represented at the tradeshow Food & Hotel Shanghai. Those companies were represented during this show by interviewee 4 and he said the following: *"I think it is a really good way to test if the Chinese are interested in your products. What they like about the product, but also why they like it. What is popping out ... what we were also able to see during the tradeshow. It's a really good testcase, to see if they are interested in your products."* (Appendix 6, interviewee 4, L. 107-110). Such a tradeshow can be of great value towards businesses orientating themselves on the Chinese market. However, businesses need to stay realistic. As said by interviewee 3 (Excerpt 6).

Excerpt 6 (Appendix 5, interviewee 3, L. 164-166)

"...there is the idea that ... once they did a tradeshow ... that's where we score and create deals out of that. That's something I do not believe in ... and I always say ... it takes quite some time to get yourself noticed in China ..."

Interviewee 3 also points out that research as such is not always most important. *"I do not necessarily believe research is always key ... when you walk around on a local market ... you get the feeling, you smell ... what the flavors are. Which might sound odd ... but that's a direction, in my believe, where you need to go."* (Appendix 6, interviewee 3, L. 202-204). Indicating that visiting China is part of the research process as well, meaning field research. China cannot be understood solely by desk research. Here a tradeshow and/or field trip can be a great tool to take into consideration. As *"it takes a strategy, a plan ... it takes a period of visiting China ..."* (Appendix 4, interviewee 2, L.129)

'Understanding the market'

Effort into an organized research into the market it can lead to a better understanding towards *"where the demand lies, or potential for your product."* (Appendix 7, interviewee 5, L. 301-302). *"...out of your Dutch perspective .. you can have such a good idea ... but when it already exist in China or when the market is saturated ... you cannot do much. Another option is to adapt your product towards the Chinese market .. but then I think to look closer to home first. There's a bigger change to be successful in Europe instead of China."* (Appendix 7, interviewee 5, L. 322-325).

Subtheme 2.1: Focusing on the cultural differences and business environment to increase market access

While doing your research it is important to take the cultural differences as well as the changing business environment in consideration. China is viewed as diverse and complex. *"China is literally far away, and it is far from our own culture, which makes it difficult."* (Appendix 3, interviewee 1, L.34-36).

'Adaptation'

Excerpt 7 (Appendix 6, interviewee 4, L. 146-150)

"The demand is high ... but the challenge to overcome is to ... where our opportunities lie together ... when you go to China ... it is not, traveling to China and you arrange some things ... it's a complete

different approach ... I worked for years in Europe, conducted business ... it is completely different here in China. Every day, I need to adapt to the way things are done here."

This Excerpt indicates the importance of understanding how things are done in China and that our mindset is not always correct. The Dutch have the attitude of just wanting to go, travel to China, and get things done. However, this approach will not suffice.

'China protects'

China has been having a protective attitude towards its market. Which is still happening today. *"You can also clear see that China is protecting their market. That is not something new. China opens-up certain sectors/markets for non-Chinese, so for foreign business, when China is ready to do so, or when they really want to. I believe that is an important thing to keep in mind."* (Appendix 7, Interviewee 5, L. 56-59). Therefore, when you want to export your products to China, it is important to understand whether you have market access or not.

Take for example the meat industry. *"...it is dominated by four players. All those four have quite the influence by the Chinese government."* (Appendix 5, interviewee 3, L. 122-123). Selling your meat products in China can be done *"..by exporting to one of those big players."* (Appendix 5, interviewee 3, L. 126).

'Different approach how to do business'

"...when the contract is signed people think: 'We made it!' but then it is when it starts" (Appendix 3, interviewee 1, L. 114-115). This underlines the misunderstandings the Dutch have in regard to culture as well as business culture. Taking the meaning of a contract as example, what differs between the Dutch and the Chinese.

Excerpt 8 (Appendix 4, interviewee 2, L.145-150)

"Where you also most likely encounter something like ... for example ... contracts ... when you sign a contract in China, it's a sign of collaboration. However, in the Netherlands it means, what is signed, that is what we are going to do. But that's not how the mindset of the Chinese. It is possible that, after a week of signing a contract, the situation has changed and therefore, we are going to do it differently. So even in the stage of signing and working out a deal/contract, you can be challenged."

Interviewee 2 indicates that the agreement made in a contract is subject to change in the perspective of the Chinese. When the Dutch counterpart is not aware of the meaning of a contract for the Chinese, misunderstandings are easy to happen.

‘Start small’

Even though China is a large country, with many opportunities. *“My advice is starting small, with small orders and increase case by case and develop your presence/business in China that way.”*

(Appendix 3, interviewee 1, L. 199-200). Reason for this is *“to see if it goes well. To see if it goes well though customs and whether it is allowed into China. Or if there are products/ ingredients within the product who in the end are not allowed in ... once we done that .. we scall up the import volumes.”* (Appendix 6, interviewee 4, L. 65-68).

When diving into the business environment and doing business in China it is always good to remember that *“you cannot do it halfway ... you need to take the time and put the investment in.”* (Appendix 4, interviewee 2, L. 191). As China is long term oriented.

Subtheme 2.2: Recognizing the change and development of China as an opportunity for the Dutch**‘Technical innovation’**

Excerpt 9 (Appendix 7, interviewee 5, L. 80-85)

“The technological steps made by China are incredible, which they also continue. So, the focus is on innovation and technology. They try to get away from the big investments in infrastructure and real estate, although they are continue doing those projects. The economic model of China has been focusing on that kind of projects, whereby they try to focus nowadays on innovation capital within China. Resulting in a boost.” These developments in innovation and technology result in opportunities for Dutch business, as *“..the Chinese are search for that kind of intelligence/knowledge.”* (Appendix 7, interviewee 5, L. 234)

‘Healthy food’

The changing consumption patterns result in rising opportunities for Dutch businesses in the food sector. Take for example what interviewee 4 said: (Excerpt 10)

Excerpt 10 (Appendix 5, interviewee 4, L. 199-203)

“There is a focus on healthy food. China is evolving ... there is a lot of obesity in China. Due to China being wealthy ... they like sweet and salty food/snacks ... so focus more on the free from products I would say. A second thing is ... you see an increasing vegan demand. Due to the Buddhism in the past ... but related products are increasing in demand. The Chinese government also want to reduce the consumption of meat. “

Indicating an opportunity to start exporting products within the 'Free From' category as well as vegetarian/vegan products.

Theme 3: Awareness to interpretation and communication to understand your Chinese counterpart

Many mistakes do still happen within the communication and interpretation, while doing business in China. Which can be explained by the Dutch underestimating this issue. *"They have the illusion that it is most likely the be same as the other countries they work with"* (Appendix 3, interviewee 1, L. 37). By underestimating this issue, it can also lead to misunderstanding. What can lead to losing out on a deal. *"For example, that people don't say what they think, which we are used to in the Netherlands. Resulting that you might have insulted someone, even without you knowing it."* (Appendix 3, interviewee 1, L.42-44). Hence, it is important to invest time into how the Chinese communicate and how that differs from what we are used to ourselves. Which is also addressed by interviewee 4, see Excerpt 11.

Excerpt 11 (Appendix 6, interviewee 4, L.160-164)

"...you need to understand what they mean. To end up in agreement. So the expectations ... the Chinese are less open than we are ... when a Chinese says something he/she wants ... doesn't necessarily is what he/she wants. Which is a big difference between the Dutch ... Europe and China. To be successful in China it is important to being able to deal with this kind of issues."

'WeChat'

Besides knowing how to get your point across, it is also important to know what communication tools to use. In Europe we are used to use email for our correspondence with your business partners. However, in China it is all about WeChat, as explained by interviewee 2: *"...the Chinese are really bad in answering and sending emails. When you want something done ... you need the WeChat of those persons. Which is their platform of communication."* (Appendix 4, interviewee 2, L. 172-174).

'Hierarchy'

Communication is also about hierarchy. For the Chinese an important topic, and by not taking this into account while meeting your business partner, might them feeling not respected. Take for example what was said by interviewee 1: *"...sometimes a SEO is becoming less enthusiastic .. and pushing someone else forward to do the meeting, someone below the SEO. But sometimes it is of great importance that the SEO is going him/herself. If that is not being told, you are up for failure."*

(Appendix 3, interviewee 1, L. 141-144). Indicating the importance of you knowing who you are talking to, and that it is expected to have the meeting with someone from the same level. Which is also mentioned by interviewee 2, see Excerpt 12.

Excerpt 12 (Appendix 4, interviewee 2, L. 165-171)

“Within those conversations/ communication you are also aware of the hierarchy ... so you do not let you secretary or intern call a SEO of a Chinese company. You need to be aware of the hierarchy and to sort of ... not the right word but okay ... respect that. When you speaking to a person of high rank within a company .. let them talk to someone within the same rank ... a junior does not speak with a Chinese SEO. Which would result in the Chinese SEO thinking like ... I’m speaking to a project manager ... so they do not take me seriously. Because I am supposed to speak to the managing director.”

‘Open agenda’

“...they work with a so called ‘open agenda’ here in China. We do not necessarily put things in our agenda ... it does not happen ... like ... next week I will stop by at your office. If it happens ... it happens today.” (Appendix 5, interviewee 3, L. 24-26). We have the impression that it takes time and effort to get around the table with your Chinese counterpart. Which is true as trust need to be built. However, once established it is important to understand that acting quick and on the spot is a normal way of doing business. Interviewee 3 also gives an example: *“I use Wechat to post something, on the moment I put the message out that a new supermarket will be opened (in China) ... within five minutes I have a message and within thirty minutes I have a meeting with a buyer/purchaser ... with one of the already established supermarkets ... let’s have a drink. What are you doing here and what can we do for one and other...”* (Appendix 5, interviewee 3, L. 18-23). This also underlines the power and importance of WeChat. However, this goes into effect when being present in China yourself. This is not something that would happen when being in the Netherlands.

Subtheme 3.1: The value of the use of local representation and/or an interpreter

As mentioned previously, doing business in China can be complex. Which is due to the many differences between the Dutch and the Chinese. Therefore, it can be of great value to bring an interpreter with you or even hire local representation. This topic was brought to my attention within all of the five interviews. Take for example what was said by interviewee 5: *“We also advice to bring an interpreter when you are not speaking/ understanding Chinese. Besides the languages the interpreter can also point out the cultural differences and explain those to you. They are mostly aware of both worlds. It is an effective way to do your business here in China.”* (Appendix 6,

interviewee 5, L. 271-274). So, not solely for purpose of translating the language, also to understand *"...the cultural differences and explain those to you. As they are aware of both worlds. It is an effective way to do your business in China."* (Appendix 7, interviewee 5, L. 273-274).

Besides the help in communication and interpretation, a local representative can have another advantage. As described by interviewee 3: *"The advantage of being in China is the fact that I can invite people to have a drink, to arrange a dinner ... going away from the office. Looking for another environment."* (Appendix 5, interviewee 3, L. 44-46). Having foot in the ground in China, and being able to meet your counterparts for drinks/dinner is of great benefit towards your success in China. Which can also be done by your local representative.

'The value of a consultancy firm'

The interviewees advised *"..for a local Chinese representative or a consultancy business with experience with China and their way of doing business."* (Appendix 4, interviewee 2, L. 176-187). As a consultancy firm *"...might be helpful ... they have the people or connections who can help you."* (Appendix 5, interviewee 3, L. 205-206). In general, a consultancy firm with experience and/or contacts in China can be of great help in supporting businesses in their success in China.

Theme 4: Relationship Management to increase and maintain business contacts

During the interviews, the meaning of building a relationship with your business partner is important, as well as building trust. What is not self-evident in the perspective of the Chinese. Interesting to mention, which is done by interviewee 2, how the vision of contacts differs from the Dutch. *"For the Dutch, they see less the importance of networking. For a Chinese think ... I do talk with you now ... but I might be able to work together in ten years. Maybe I can use you in about ten years. The Dutch on the other hand ... do not look in such terms. The Chinese, per definition, are more active in relationship management."* (Appendix 4, interviewee 2, L.70-73). Where the long-term thinking of the Chinese counterpart becomes very clear.

'Not just business talk'

The way of building trust is not done by just talking business and act according to the agreement(s) you made. *"...when you realize the importance of also speaking to one and other on a personal level, continue speaking with that contact on a more personal level."* (Appendix 3, interviewee 1, L. 107-109). Therefore, connecting on a personal level is just as important as connecting business wise. Resulting in connecting with your business partner *"...costs a lot of time ... lots more than in Europe."*

(Appendix 6, interviewee 4, L. 154-155). Besides time, it also takes commitment as *“keeping in contact is of the utmost of importance.”* (Appendix 6, interviewee 4, L. 159-160). What means that doing business quick, without an established relationship, is not going to happen in most of the time.

‘Using the Dutch network’

The Dutch government has a large network in China. When having the intention of taking the step towards China, their network can be used in your advantage. *“We as network, one embassy, four consulate generals, six NBSO’s¹... can assist you.”* (Appendix 7, interviewee 5, L. 151-152). The power lies within collaboration. As addressed by interviewee 3: *“...joining forces with a NBSO’s, other organizations, the Chamber of Commerce, ... all those different kinds of islands and you have a fantastic network.”* (Appendix 5, interviewee 3, L. 107-109). Just like China the network is big and divers with every part having their own expertise and region to cover. *“...local rules and regulations ... they can differ per region. So what is allowed in Beijing for example might not be the possible Guangzhou. Per region, that might differ.”* (Appendix 7, interviewee 5, L. 184-186). Which can be partly covered with your conducted research about the market and market access, but it also entails using your own network, and that of the Dutch government.

‘Consultancy/local representative’

The added value of a consultancy firm as well as using a local representative, is also visible within the relationship management with your Chinese counterpart. *“...Especially for companies with no presence in China, to find the right connections. There, a consultancy firm can be very beneficial.”* (Appendix 4, interviewee 2, L. 79-80). Therefore, when it is in the capabilities of a consultancy firm or a local representative to match businesses with potential business partners.

‘The value of a big, intertwined network’

The meaning of face is important within Chinese culture. What you can also use in your advantage. By having a large, intertwined network, you are building a safety net so to speak. Take for example Excerpt 13.

Excerpt 13 (Appendix 4, interviewee 2, L. 158-161)

“Another effective way is the use your network not only on a vertical level, but also by using a horizontal approach. Let me explain that, when you know person A, and your counterpart knows

¹ Netherlands Business Support Office

person A as well ... when your counterpart screws you over, he/she basically also is screwing over person A. "

Theme 5: Using Dutch National branding as value added advantage

The final theme consists of using the Dutch national branding and name. *"We are a big supplier of food related products. We export a lot of food towards China already. They think quite fondly towards Dutch products."* (Appendix 5, interviewee 3, L. 117-118). Illustrating the good name, the Dutch have among the Chinese. Which can be used in the advantage of Dutch businesses as the Chinese are still drawn towards Western products. Illustrated by interviewee 5 in Excerpt 14.

Excerpt 14 (Appendix 7, interviewee 5, L. 358-361)

"That is still .. consumerism, the growing middle class, the changing consumption patterns. People are generally very open to .. Despite nationalism .. towards branded products from abroad. Products from Europe, that is still common. It has a certain image that it has. And I don't see any change in a short time."

Which can be defined as a tool to stand out in China, by presenting ourselves as *"... the product, Holland/the Netherlands. We all have the same background; we all have a Dutch nationality. A Dutch company you are working for. Using that to differentiate from the rest."* (Appendix 5, interviewee 3, L. 113-115). Mainly because the Dutch are known of having quality and innovative products, and in addition western products are still seen as 'modern'. What can be used as an advantage. Hence the key is to *"...use our nationalism .. our orange color, and the Dutch flag. I believe in a nationalistic approach, to use the branding that we have as a nation. With that, you present yourself as a western company, a modern company."* (Appendix 5, interviewee 3, L. 186-189)

5. DISCUSSION

This part of the thesis consists of a discussion in regards of the findings, as described in the previous chapter, and its relation to the existing literature as presented in the literature review. To shed light on the tools and information needed to stimulate and support Dutch businesses within their steps towards doing business with the Chinese.

This thesis presents an interesting insight into the Dutch perspective towards China. What is relevant because not much research is done regarding this topic. Even though the findings of this research are data-driven, the findings will be discussed using the existing literature. Which do entail the cultural considerations, the meaning of face, Dutch perspective on China and the changing consumer patterns. I am aware of the limitations of this thesis, also due to the number of interviews conducted. However, those interviewees were experienced and obtained a lot of information while doing business in/with China themselves. It would be interesting to see if the findings will change when doing a similar research in different sectors. Nonetheless, the answers provided by the interviewees were of repeating nature. Hence, themes were able to be identified.

The first topic within the literature review was about the cultural differences between the Dutch and the Chinese. Whereby I used the research by G. Hofstede (1980;2001;2011) as framework and compared his study with that of Schwartz (1994;2006) and one within a Chinese perspective 'The Chinese Culture Connection' (1987). Resulting in those three studies showing a similar outcome. Even within the perspective of the Chinese. However, there was one exception. A different result was shown within the section 'masculinity versus femininity'. Where masculinity is referring to emphasizing on the dominant values and the feminine emphasizing on caring/the quality of life. Based on the outcome of the research conducted by Hofstede (2006), the Netherlands was identified as feminine and China being more on the masculine side. However, the Chinese Culture Connection (1987) indicated that China is identifying themselves more with the feminine values. While addressing this within one of my interviews (Appendix 7, interviewee 5), China was viewed as a nation focused on achievement and success and therefore more in line with the results of Hofstede (2006). The comparison of those three studies has underlined that China and the Netherlands are very different, in the perspective of culture. Especially within the dimensions of 'Power Distance', 'Individualism', 'Masculinity', 'Long-Term' and 'Indulgence'.

This relates to the findings of this research as business are aware of this difference, however it still being underestimated by too many. As identified within the second theme: 'the need for proper

market research to prevent underestimating doing business with the Chinese'. This underestimation can lead to misunderstanding your Chinese counterpart, what can withhold the establishment of a business relation and therefore missing out of a deal. The Dutch have the tendency to think that conducting business with Chinese is not much of a difference than doing business with other countries. But that is wrongful thinking. When they think it would be successful to just go, without proper due diligence, you are most likely to fail according to interviewee 5 (L. 366). Therefore, providing Dutch business with interesting articles regarding doing business with China and increasing their insight would be of great value (interviewee 4, L. 209-213).

The literature review continued with the meaning of face in the context of consumption patterns in China. What refers to the image of an individual in relation to its peers (Goffman, 1955). Also referring to the added value of 'western' products in the eyes of the Chinese. According to Zhou and Belk (2004) the purchases are done mostly out of a symbolic value. Which was also addressed by the interviewees. This by using the image of western products do have, so also the image of Dutch products. Hence, using the Dutch branding as a tool to stand-out in the Chinese market (interviewee 3, L.186-198). Which should be used as an extra advantage, this because your own unique selling point and added value need to be clear to yourself. It is of the utmost importance to understand what you are selling and how that might fit within the Chinese market, as addressed in the first theme: 'take a close look first at your own business and added value before going to China'.

In addition, the meaning of face is also important within your communication with your Chinese counterpart and understand their meaning of hierarchy. These misunderstandings can lead to insulting them without you even noticing, as said by interviewee 1 (L. 42-44). Therefore, when not understanding these differences and lacking the ability to speak Mandarin (Chinese business language), it can be of great value to bring an interpreter. Or even hire a consultancy firm to guide you through the process or take hiring a local representative into consideration. What is also addressed in the findings within the third theme.

The literature review also addressed the changing consumption patterns and developing nature of China. Resulting in many opportunities within the food sector for Dutch businesses within that sector, especially for high quality and safe food (MA, Fuller & Rozelle, 2006). However, research before going is needed. China is projecting its market (interviewee 5, L.56-59). Indicating that some markets are more difficult to serve or already saturated by Chinese enterprises. Hence, Dutch businesses need to be educated towards market opportunities as well as what challenges might

occur when taking the step towards China. An opportunity is not equivalent to a success story in China.

The final part of the literature review concluded with a recap of my previous conducted research about the challenges Dutch businesses encounter while doing business with the Chinese. Resulting in identifying challenges within the following categories: cultural challenges, lack of knowledge, building the right network and time. This research continued by identifying what tools Dutch businesses would be beneficial to overcome those challenges and be more educated before and during taking the step towards China. The interviews conducted for this research underlined and confirmed the results of my previous research. Resulting that commitment and a long-term attitude is needed. When not having those in the first place, it is good to reconsider whether China is a market you want to go to. Several tools and ways are uncovered to get the needed insights yourself to be successful in China or to hire the right people to support you in the process or even taking over some of the business activities. Here you can think of meeting potential business partners (interviewee 4, L. 194-196), insights into the interpretation of things (interviewee 2, L. 84-88) or for example a good look to your own business and potential in the Chinese market (interviewee 1, L.136-139).

6. CONCLUSION

This final chapter of this thesis consist of the conclusion of the conducted research. They aim for this chapter is to answer the stated research question

‘What tools do Dutch business need and what information need to be provided to take the step towards China and/or further invest in their business activities’

This research has shed light into the perspective Dutch businesses have towards doing business with the Chinese. Whereby the challenges and opportunities were discussed as well, but with the focus on what businesses need to stimulate them to consider expanding their businesses activities to China. Based on a qualitative approach and therefore gathering detailed information from Dutch entrepreneurs living in China as well as the Netherlands. Resulting in qualitative data highlighting the importance of providing yourself with correct and up-to-date information regarding the business environment of China as well as the meaning of face and how that reflects within the business culture.

As expected by the author, and confirmed within this research, the image Dutch products have in the eyes of the Chinese is very good. Associating them with quality and innovation. Therefore, Dutch business need to use this image of ‘western’ goods into their advantage. This by using the national branding as a tool to stand-out within the Chinese market. However, just by being a Dutch company, you will not be successful in China. The first step contains of looking to your own business first. Analyzing your own activities, your added value, company culture and what your unique selling points are before looking into the Chinese market. Mainly because of the diversity and size of the market it is important to understand who you want to sell your products to. Whereafter, proper market research is needed to see where the product or service fits within the Chinese market. As mentioned, China is big and divers, resulting in the market being that as well. However, Dutch businesses do underestimate the importance of this, and do not want to spend the time and money doing research. Their attitude is to just go to China and see how far they get. However, this approach is most likely to fail. Therefore, interesting articles can be of great value for Dutch businesses. Providing them with interesting insight into the market, market opportunities, market access, cultural differences and for example communication ethics. Using this as a tool to increase the insight of Dutch businesses who have the intention to go to China. For a consultancy firm as Export Partner this can create an extra advantage of presenting themselves as experienced entrepreneurs on the Chinese market. Which can result into attracting new business. Nonetheless, the cultural differences need to be understood once in contact with the Chinese. The directness of the Dutch and

not being familiar with the importance of hierarchy in China, can result in insulting your Chinese counterpart. When not understanding the Chinese language (Mandarin), and not familiar with the Chinese customs, the use of an interpreter during meetings is of great value. Not only for translation, but also to explain the cultural differences. A step further contains the consideration of hiring a local representative. Being in China increasing your chances of being successful in the Chinese market. Even though building a relationship takes time, once trust is established, acting quick and on the spot is common within the Chinese business culture. Therefore, businesses need to be informed about with the added value of an interpreter/local representative or a consultancy firm can be, as well as how this investment leads to an increasing change to be successful in China.

In addition, the literature indicated the difficulty of building a network. Here the Dutch government can be used as a tool as well. They have a large network in China and have a lot of expertise as well as a big network which can be used for businesses with the potential of going to China. Not only the use of the Dutch governments network can be a tool, also the network of a local representative or a consultancy firm.

This thesis has shed light on several interesting topics which can be beneficial for Export Partner as consultancy firm, as well as businesses with the intention of expanding their activities to China. I believe, as the author of this thesis, when repeating this research in a few years time, similar results will be presented. However, the Chinese market is developing quickly and new insights and market development can lead to other focus points to stimulate Dutch businesses to expand their activities towards China.

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Appendix 1

INTERVIEW GUIDE		
<i>The aim of this interview to get qualitative research data to understand Dutch businesses and their perspective on China. Also including their constraints/challenges in regard to doing business with the Chinese. Resulting in getting to know what tools/guidance would be beneficial towards the start of doing business with the Chinese.</i>		
1.	Do tell something about yourself. - Name; - Company you're working for; - What the company is doing; - Position within the company	<i>This to get some general info, so the company details are clear.</i>
2.	What is the degree of experience with China? - Already doing business with the Chinese. When having experience, go into the experience - Wanting to do businesses with the Chinese? What does China make attractive to do business with? - No Experience Their view on China, doing business with the Chinese in the future?	<i>As this research is focusing on China, it is in the researcher's opinion important to understand the experience with China of the interviewee.</i>
3.	When thinking of doing business with China, what thoughts pop-up into your head? Hoe is het ondernemers klimaat	<i>What is the view (on a broad perspective) of the businesses on China? Do stereotypical thoughts play an important role? Mainly culture oriented or ..?</i>
4.	What benefits do you see when (thinking of) conducting business in China?	<i>When diving into what businesses need, it is also good to cover the benefits of certain things – in this case, doing business with China.</i>
5.	What challenges do occur when doing business in China? What barriers do you experience (for those with experience) For those with less to no experience – what challenges do you need to overcome while doing business with China. What constraints do you see.	<i>Goes into my previous research about the challenges when conducting business China, but also to open up the conversation of the difficulties/complexity of doing business in with the Chinese.</i>
6.	What is your vision on what is needed to be successful in China?	
7.	how do you achieve the goal of being successful, and what things do you need to be careful with?	
8.	Change in consumption, perspective on Dutch products	
9.	Cultural differences, still difficult for Dutch businesses?	
10.	How to stand out in China?	
11.	How to create business contacts	
12.	(Renske) Master, key factors to be successful in China – elaborate on that (Jan Maas) Master, the image on China ... elaborate.	

Appendix 2

Interview profiles

Interviewee 1, Renske	I have started about 15 years ago to specialize myself in China. I started by studying the Chinese language and always more or less focused on the business side of it all. Whereafter, I moved to London and did my master there focused on international business management with the focus on China. After that, I started my own company and gained my own experiences in for example the import of handbags, and other products from China. Although, I was missing that deeper understanding and I experienced myself how difficult it can be and be comfortable in what you do. And that is something where I want to help other entrepreneurs and businesses. In some moments in your life, you might think: "what to do with your/my life?" and I decided to look more and more in the direction of consultancy. So that's something what I started doing, 1,5 years ago.
Interviewee 2, Bert	When I start at the beginning, I studied international business and communication at the Hanze University of Applied Sciences, during my semester abroad I went to the United States of America, to Los Angeles. And that was so chill and relaxing, and easy to be honest, whereafter I thought .. alright for my graduation assignment and for my internships I need to challenge myself more. Because of that, I focused myself on Asia. Resulting in me going to China, to the European Union Education Foundation, for my internship. Where I mostly contributed by the promotion of Dutch as well as European education in China. After that, I wrote my graduation assignment for an American sourcing company. A company who does the production for foreign businesses in China. Whereafter, I became general manager at Mandarin Click, and Mandarin Click is a Chinese company which is organizing internship places as well as work places in China. We were the link between companies, the link between Chinese and Western companies, the link between resent graduates and students. And after that, I started working at NufficNeso, where I worked most of my time in while being in China, four years. There I started as alumni officer, after that I became liaison officer, besides my work as alumni officer. In the end I was deputy director and at the start of 2020, my daughter was about to go to school. And we decided that our daughter going to school in China was not something we wanted, so we decided to move back to the Netherlands. Currently working for Business School Nederland.
Interviewee 3, Jan	We now active for five years within Food and Beverage. We deliver from the Netherlands to a Chinese organization. I arrived in China back in November (2020), so that's quite recent ... I am here to get some things started. Where I focus on the delivery for supermarkets ... we deliver from western supermarkets .. which we are doing currently for five years.

Interviewee 4, René	<p>We are living in Xiamen, I don't know if you been to this area when you were in China, but it is the warmer part of China. We are in proximity of the sea and we are living here now for over three years. Even though I have been visiting China quite frequently now already for 15 years. Some years ago, we decided to make the move permanently. Not out of the idea of starting an activity, starting a business, like we did, but for other reasons. Mostly because our kids are half Chinese and half European ... a part of them growing up was in Europe and now we want them also growing up for a while here in China. So that they are able to understand the language, the culture, and being able to put things in both perspectives. Three years ago I started my business step by step .. Farea ... what we have now. At the start it was difficult to decided where to focus on ... what do we want to do here in China. Gradually it ended being that we focus on bringing European products from Europe to China. European quality products, mostly within the food sector, but not necessarily just food. What we do, we help/guide European businesses to conduct business here in China. Which can be on a advisory level, by doing for example market research, finding the right partners/connections ... to help the initial approach towards China ... Besides that, we also act as an importer. We have an import license as a company, and we can import products and also sell within China. We do so for some products, products you would most likely know. For example .. Marcel Green Soap, the first container with products are ready to be shipped from the harbor of Rotterdam. We import cheese from the Netherlands. We import biscuits, from the company Hellema. We we act as importer. We are not that kind of company which sells a company, and it is our responsibility what to do and who to sell those products ... with all those businesses it's a partnership. We work together, we are in this together. They know what we do ... the suppliers also know what kind of activities we engage in. However, in the end ... we are responsible to get those products sold here in China. More like a representative for those particular companies here in China, where those companies also have a certain risk. By sending products to China, and for example also sending products directly from the factory towards the customer in China. Quite recent we also have a collaboration with the company, Unilver. For Calvé products, like Calvé peanut butter ... to import those to China. We are working on that agreement. This all happens under exclusivity ... we make agreements to have the exclusive rights to sell those products here in China. Which is for us important ... in the past in did happen that other parties also imported the same products ... and China might seem big ... but within this kind of specific items ... you always end up with the same person ... which is quite annoying. So therefor ... always based on exclusivity. It is something we do together. This all we do from our office in Xiamen ... were we arrange ... our partner put the order together in the factory, or somewhere else in the Netherlands, or in Europe. Whereafter we arrange the rest ... the logistics, storages .. the entire process basically ... so the supplier doesn't have to worry about these kind of things.</p>
Interviewee 5, Jan Maas	<p>I am currently situated in China, where I arrived back in 2017. My name is Jan Maas and I am Policy Officer Economy and Trade at the economy department of the Embassy of the Kingdom of the Netherlands in</p>

	<p>Beijing. As you might know, the embassy does a variety of things. We have here a political department, an economy department, a cultural department, education as well ... and besides those departments, ministries are also located here ... Finance, Health Welfare and Sport, Infrastructure and water ... so we have a big and diverse team.</p> <p>Within the economic department, where I do work, we do two things. On one hand we do, what I call under the old term, trade promotion. This is where your research might come in handy, where we help Dutch businesses here in China. We give advice to individual companies, but we also provide information about doing business here in China. We also provide guidance for Dutch businesses who are located here in China ... when they must go to court etc. So provide support where needed. On the other hand, where I also work for, is the policy side of the embassy. So, how the Chinese government does work, what their plans ... their five-years plan and how does that reflect on local governments. What percentages do they want to achieve regarding growth, climate goals ... so more in line with the policy research. So within those two branches within the embassy I do work, where I work 50% of my time within trade support and 50% of my time policy.</p> <p>Specifically about my job ... I do have a lot of contact with businesses, Netherlands Enterprise Agency, Branch organizations, European Chamber of Commerce, Intellectual Property Helpdesk, several law firms ... here at the embassy we have an economic network. For me personally, it is a business network that I have here in China. As I said, I arrived back in December 2017 here in China. Before that, I worked for other organizations.</p> <p>In addition, I have studied History, primarily European History. I graduated by doing research about the image between Europe and China in the past, and a little about the situation now. Which is also related to your research ... as I believe that the image on doing business with China has gone from grey, to dark grey, if not even to black. Which does have effect on businesses willing to do business here in China. Which is rather interesting to see, if you ask me ... so now you have an idea of what I do ... oh and I also studied Chinese history by the way ...</p>
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Appendix 3

INTERVIEW 1: RENSKÉ VAN HERWAARDEN

Me: First, are you okay that this conversation will be recorded?

Renske: Yes, of course, no problem

Me: Would you like to introduce yourself briefly, what you do and your relation to China?

Renske: You have checked my website, which is also good to check when you want to know certain things within a later stage?

Me: Yes, I have checked your website

Renske: I have started about 15 years ago to specialize myself in China. I started by studying the Chinese language and always more or less focused on the business side of it all.

Whereafter, I moved to London and did my master there focused on international business management with the focus on China. After that, I started my own company and gained my own experiences in for example the import of handbags, and other products from China.

Although, I was missing that deeper understanding and I experienced myself how difficult it can be and be comfortable in what you do. And that is something where I want to help other entrepreneurs and businesses. In some moments in your life, you might think: "what to do with your/my life?" and I decided to look more and more in the direction of consultancy. So that's something what I started doing, 1,5 years ago.

Me: What kind of businesses do you support with your consultancy business?

Renske: It is quite broad. I have quite some people reaching out to me for the purchasing process and especially the smaller businesses, which is subjective, but those who want to import products via Alibaba for just a few thousands of euros. Currently I am also working on an E-learning, about how that process works and how to make sure to prepare yourself for the obstacles and to make sure it is a success. So those businesses can save time, energy, and money. So that's quite it what I do, also in addition, I give workshops, so it is quite broad what I do. With Corona it is also a strange time to live in. The consultancy business I started of course 1,5 years ago, so it is not something what I do for 10 years already.

Me: What is your perspective on the business environment in China?

Renske: Ehm ... highly challenging. I think it is for Dutch businesses difficult because China is literally far away. It is not the case that you get in your car when something went wrong or just to check in on things. But another thing is that it is far from our own culture, which is also what makes it difficult. I think that this is also way the most businesses fail in China. They have the illusion that it is most likely the be same as the other countries they work with. Quite some businesses you hear speak: "yes, but we do already business in for example South America or there, or that location etc., so in China it would not be a big difference." I believe, there is where it goes wrong. Because in China it is different. The culture is very different than we Dutch are used to, many differences. Not only the big differences, but also the subtle ones. For example, that people don't say what they think, which we are used to in the Netherlands. Resulting that you might have insulted someone, even without you knowing it. But also, the role of the government, the importance of the government, regulations, so it's quite a challenge for people to understand, but also to deal with it. And of course, to find the right partnerships/partners. So it is super complicated to fully grasp the business environment, where you might think: "why would you do it in the first place?" With the experience I have myself and the theoretical knowledge gathered I would say: "Just don't do it" (haha)

Me: well, I do hope you do not say that to the businesses you try to help haha

Renske: Haha, no! But people need to be realistic and don't be naïf. I believe that when you know what obstacles to overcome and an understanding of the challenges in conducting business in China .. and not think like .. well that will not happen to me or something like that .. you can ensure that those mistakes won't happen.

Me: You already mentioned some of the challenges for Dutch businesses, can you elaborate further on those obstacles?

Renske: Take for example that they want to hire people in China, they want to have a local team working for them. I have heard businesses say that it is super difficult to work with the younger generation ... like my generation ... between the 20 and 30 years old .. it is seen as a generation of people who switch jobs quite regularly, with a materialistic mindset, resulting that they cannot keep those people to stay. So that's something what I heard from several companies, which resulted in quite some headaches by those companies. But they put the blame on someone else. The thinking of, why don't they act normal and do what do are supposed to do. That's something how people think. They need to step outside the situation and to analyze the situation. Understand what is happening, why isn't it working well, but also by looking to themselves. Not only to look for what can be done different by, for example the Chinese, but also have a clear understanding what could be done differently by ourselves. Which a lot of people do not do well enough, if you ask me. So that's quite difficult. You also told me what is needed to make sure this is done in a better way, but better formulated (haha).

Me: The main question I ask for my research is about what tools Dutch companies need to start doing business with China, or to further invest. So what is needed to be successful in China? What is key?

Renske: Providing the right information. But people need to be open for the idea, need to be open to obtain that information. Which makes it difficult. It is difficult that you cannot have just one clear answer. And that being the answer, because I believe that, it is in my own experience, of what I see around me, which is the case in all these years, people/businesses do underestimate this. You can say they do need more information which also needs to up to date. Because it does change rapidly in China. But people need to open to obtain the information.

Me: What do you mean by: 'being more open'?

Renske: People do not be underestimating the difficulties of conducting business in China. They need to do research. So, for example, more information needs to be provided. And who is going to provide that information? Maybe the government? The government might think that they need to support Dutch businesses by providing them with more information. But when they do, they need to understand that businesses underestimate the importance of that information. You understand what I mean?

Me: Yes I do. The Dutch government does also have one of the largest networks of government agencies in China, with for example the NSBO's, the collaboration with the Dutch Enterprise Agency (RVO) and of course the embassies. I get the feeling that that is also not used in its full potential by Dutch entrepreneurs ..

Renske: No, you have for example a lot of those Matchmaking events, which was also part of my internship, and I have skyped with someone who organizes that sort of events and they also say that they do not research/analyze the effect of those missions. So for example, they make the contacts for those Chinese and Dutch businesses, sometimes with a good result and theoretical speaking it is also very valuable, because the government is such of importance in China and therefore also good to involve the Dutch government as well. That they also communicate on the same level, position and rank. But where it does lead to in the end, has not been studied so far. And the people who work within this field I hear also quite

some doubt. So that's something where I think that that's something which should be studied more and more research is needed in this regard.

Me: When looking at those Matchmaking events, building a relationship in China is very important ... and isn't it the case you are missing a step when doing Matchmaking in China. Where most likely more is spoken about business rather than speaking on a personal level?

Renske: Well .. emh .. that is also different per company. Most often it results in talking business rather quickly, but whereafter, when you realize the importance of also speaking to one and other on a personal level, continue speaking with that contact on a more personal level. So than is the Matchmaking a first step, no contracts will be signed that quickly, it is the first meeting. They make sure those companies are matched and the relationship needs to be built by yourself. And I believe there is one of the big issues. And not solely in getting to know one and other, but also once you already been introduced to one and other. One looking at Joint Ventures, I don't know how much you looked into that, but if you read what goes wrong there .. mainly due to communication issues. Even though when the contract is signed, people think: "We made it!" but then it is when it starts.

Me: A contract for the Dutch is a contract and makes clear what is expected of both parties, however for the Chinese a contract evolves, developed during the continuation of the relationship, right?

Renske: Yes, indeed

Me: And is that something that is not known among the Dutch entrepreneurs?

Renske: Not by all, that's for sure. A while ago, I worked for a employer and they wanted to open an office in China, and they were a successful company. Active in different countries. But even they said .. it would not be that different in China ... but ... it was! So, even well experienced businessman can underestimate this quite frequently. And I think it is good that they have someone to bring along within this process. So maybe .. for example, a consultant ... although I don't want to promote my own work here (haha), but I do think it is important. Some people do hire only native Chinese. They know very well how it works in China. And I really do think they just need to not underestimate the difficulty and need to hire someone to guide them through the process and habits of the Chinese. So, they do not make crucial mistakes.

Me: Guiding them in what sense?

Renske: Guiding them within the communication. And not just solely in the language barrier, but also by understanding how things are done. The meaning of a contract which you just mentioned. You cannot ask from a company who wants to expand to China, to dive into the literature, theory what we did/do for example. That's not how it works. They just want to do business and have different expertise. But they need to understand not to underestimate that it is going to be difficult, so they needed to bring someone along within the process to support them in how it is done in China. So they can focus on their expertise, about achieving their goals, but bring someone along who guide you in the process. But also, to keep in contact with the Chinese partner. Contact is important, building the relationship .. but also someone who is willing to say .. okay sometimes a SEO is becoming less enthusiastic .. and pushing someone else forward to do the meeting, someone below the SEO. But sometimes it is of great importance that the SEO is going him/herself. If that is not being told, you are up for failure. It is wonderful to see the development of China. The younger generation has for example studied in the USA or Europe and go back to Europe. They actually really want to go back to China, that is where things are happening, which was also different a few years back. So it is also interesting to see that they are also westernize a bit, resulting we grow closer together. But, always, do not underestimate how different they think in China and how things are done.

Me: Also due to the Chinese westernize .. you have any knowledge about the change's consumption patterns of the Chinese? Their view on for example Dutch products?

Renske: We, of course, build a really good name for ourselves, take for example our water management. So we have quite a few area's we excel in. When looking into the consumer goods, in the past, everything that was American or western but especially American, that what they wanted. When being seen with that kind of products , you were hot. But also going to places such as Starbucks. And that is shifting towards an increasing pride towards Chinese products. So for a company selling western products, adding value is really important. You need to step up your game. There is currently a lot of competition going on. So just by saying we are selling a western product, is not enough.

Me: So how do you distinguish yourself then?

Renske: Your quality needs to be good. In the past, that was not happening. In the past your name could be enough, but now quality is important. People want something good for their money. I also think it is important to express to the world you have the interest in China but also actively engage in that. They are very nationalistic, which can be very valuable to use. When, as a company, with Corporate Social Responsibility, doing it not somewhere on the side but also actively engage and bringing it forward, also by your employees. It is important to understand your unique selling point as well as you value added.

In the past, China is viewed as a third world country, and we are showing them how things are done. We know how it works. We are well developed here in the west. But in some things, they are far beyond our own technology. Which is also important to realize as a company. You need to find different angles to be taken seriously. Or else you don't even count.

Me: How would you describe the biggest challenges to overcome. What mistakes do Dutch businesses make?

Renske: There are quite some topics which are included within not taking the time to educate yourself ... not providing yourselves with the right information and underestimating the whole process. For example, not maintaining your contacts well, most of it can be put under the umbrella of cultural differences.

Me: Would you also say that there are a lot of stereotypical thinking going on among Dutch entrepreneurs?

Renske: I do think so yes. Even though I have to say that the businesses who do go to China today been looking to China is such a way that they won't see China as a third world/less developed country. Although it is still somewhere in our thoughts, in the back of our heads. The attitude of that we are better, that we know more. So, it is not completely gone thus far, but they follow the new enough to understand it is not the case anymore. Especially when they went to China themselves. I can remember the time I went to China for the first time and seeing that China was less developed than it is today.

Me: Dutch companies find it difficult to get in contact with the right contacts in China. You have any advice for them? How to get in contact with them?

Renske: I truly believe that those China missions are of true value for those companies. But I just do not understand why they do not study the results of those events and missions. Because when they know the result, they can guide/support the Dutch businesses better and to make it even more successful. So that's something more development is needed. Furthermore, it is in the hands of the businesses going to China. Their goals and their intentions. My advice is starting small, with small orders and increase case by case and develop your presence/business in China that way. The government agencies such as the embassies and the NBSO's do already quite a lot of work, however I do hear within the

202 different organizations, when I talk to people, that they question what the effect is and when
203 I ask whether they did research on it, they answer with no. It is not clear, and I think, there is
204 something more research should go out to.

205

206 **Me:** Thank you! I think I have it for know

207 **Renske:** you're welcome, you have a wonderful subject and I have a skype call with someone
208 from the embassy in Beijing and I might be able to ask for you if they want to speak to you.

209 **Me:** That would be great, thank you so much and good luck with your call

210 **Renske:** Call me when you need more information and good luck!

211 **Me:** Thanks, bye!

Appendix 4

INTERVIEW 2: BERT HUSSON

Me: Are you okay that this conversation is recorded?

Bert: Yes, for sure. No problem.

Me: To start of this interview, can you tell something about yourself, what you do and what your relationship is with China?

Bert: When I start at the beginning, I studied international business and communication at the Hanze University of Applied Sciences, during my semester abroad I went to the United States of America, to Los Angeles. And that was so chill and relaxing, and easy to be honest, whereafter I thought .. alright for my graduation assignment and for my internships I need to challenge myself more. Because of that, I focused myself on Asia. Resulting in me going to China, to the European Union Education Foundation, for my internship. Where I mostly contributed by the promotion of Dutch as well as European education in China. After that, I wrote my graduation assignment for an American sourcing company. A company who does the production for foreign businesses in China. Whereafter, I became general manager at Mandarin Click, and Mandarin Click is a Chinese company which is organizing internship places as well as work places in China. We were the link between companies, the link between Chinese and Western companies, the link between recent graduates and students. And after that, I started working at NufficNeso, where I worked most of my time in while being in China, four years. There I started as alumni officer, after that I became liaison officer, besides my work as alumni officer. In the end I was deputy director and at the start of 2020, my daughter was about to go to school. And we decided that our daughter going to school in China was not something we wanted, so we decided to move back to the Netherlands. Currently working for Business School Nederland.

Me: And your work is still related to China?

Bert: It is broader than just China. I am cross border development manager and what I do is designing and selling 'in-company' programs. Which are management programs or leadership programs. The cross border relates to the fact that I focus myself on international companies. But, not specifically on China. Even though I have some Chinese clients, also some Dutch clients with a Chinese background. But that is more coincidence .. not my goal at this moment. However, we do have a large business school, a department in Beijing and in Shanghai. So we are in present in China.

Me: What is your perspective on the business environment in China?

Bert: The business environment ... what I encountered in China was the ambition among the younger people. Where I not just talk about students, but also alumni. Take for example when we have a network events for a group of Chinese ... it was 'sold' out in just a second. Because they all want to network and make new connections. And when I here, in the Netherlands, work with alumni it takes more time and the event itself also needs to be well organized. Having good speakers, good content etc. You need to create added value of the event. Where, for the Chinese it is sufficient to know that potential business connections can be made.

Me: What is your perspective on where the ambition is coming from?

Bert: I think it is because of the economic boost, China has seen over the past year. Which is over its peak by now. Resulting in this being a generation ... a modern generation Chinese.

Chinese which do not solely look at China, but also to the rest of the world. And I think that it is a very positive minded generation, especially when looking at previously generations ... which were less optimistic, also due to the political environment. What you see now is that this generation is still very nationalistic, so also the students, the alumni and older people. They stand behind their country, China. But they also look for the opportunities beyond China, across the border.

Me: And thinking this thought in the perspective of the Dutch ... why are Dutch students, alumni less triggered to look at China?

Bert: Because ... the differences is ... doing business in the Netherlands is not ... well it is based on your network .. but on a different degree when taking it in the perspective of the Chinese. So as we, as the Dutch, studied on the same university it is not as much of importance .. whether you studied on a university in the middle of the country or in the north ... it just does not matter for us Dutch people. But in China it is the mindset of ... we studied in the Netherlands ... meaning we have common ground where we can have a conversation about. And besides, on institutional level, Like... we studied on the same university .. so we are going to help each other. Which we do not have in the Netherlands.

Me: Do you think the cultural differences are of a big deal?

Bert: Maybe you have read about it or even used it in your report ... but the word: "Guanxi". I always have learned that two things are very important. Whereby one of them is *Guanxi*, so the relationship and the second is *Mianzi*. So, the meaning of face. Which is also showing by the hierarchy. For the Dutch, they see less the importance of networking. For a Chinese thinks ... I do talk with you now ... but I might be able to work together in ten years. Maybe I can use you in about ten years. The Dutch on the other hand ... do not look in such terms. The Chinese, per definition, are more active in relationship management.

Me: Relationship management ... What I also hear back in the literature as within my interviews, I hear that Dutch business have difficulties in finding the right connections. What you say is that the Chinese want to connect ... but what is the plan of approach to get in contact with those Chinese?

Bert: That indeed is very difficult, especially for companies with no presence in China, to find the right connections. There, a consultancy firm can be very beneficial. Nonetheless, it is difficult. When speaking out of my personal experience ... while working at NufficNeso ... quite often, we got a request from universities to find suitable partners. Where we designed a whole system to compare the different levels of education and language between the Dutch and the Chinese. But when you want to find the right partners, than you should have someone in China who you trust really well. With the preference for a Chinese. This because the 'China experts', which also speak Chinese ... also told me themselves that even they are missing the meaning sometimes in context of a conversation ... resulting in drawing the wrong conclusions from time to time out of business meetings. Personally, when I went to an important meeting, to an important Chinese partner/client .. to for example the ministry of Education, or to one of the big universities .. I made sure I brought a Chinese with me to the meeting. They can see by the setup of the meeting room, the location of the chairs of the counterparts ... you can see .. okay this person, when it speaks it is not important. Meanwhile the other person sitting on that chair is saying something, you need to pay attention.

Me: So you can see that already on the setup of a meeting room?

Bert: Yes, when you enter the room .. when a meeting start ... the Chinese counterpart want to know by for hand what it is all about. So several decisions have been already made before the meeting has even started. So ... meetings are sometimes more of a ceremonial nature. You deliver a list with information like .. name, company, function within the company and

100 explanation of what you do .. that from every participating person in the meeting ... based
101 on that they can translated that information in the hierarchy within the meeting room. So on
102 the setup of the meeting room you can see who the most important people are. So when you
103 ask a direct question towards your counterpart .. and that is not answered by the 'most
104 important' person in the room, the boss, than you know it is most likely to end up in being a
105 no, or that they don't know yet. These kinds of things are from a western perspective very
106 difficult to grasp.

107 **Me:** So, when I hear you speaking about this ... you might can say that the Chinese are not
108 shifting to a more westernize approach of conducting business .. is it?

109 **Bert:** That's a good comment you make, because I do believe it is completely true. It can be
110 the case that on the outside they want to try to give that impression, but in reality, is China
111 the Middle Kingdom, they have a lot of self-confidence. So the role of the Chinese has
112 changed. In my early years in China, during a partnership meeting, the Dutch delegation was
113 in the lead. But that changed completely. The Chinese don't say anymore: "okay, nice .. let's
114 work together, especially with a western company because it is nice for our appeal".
115 Meanwhile nowadays, they have a strategy, an idea behind it. Resulting the Chinese being
116 stronger. When I compare it to me going to China nine years ago.

117 **Me:** What is the reason for this shift?

118 **Bert:** China has always been in the eyes of the Chinese the centre of the world. And we
119 were/are barbarian .. We, in the past, also looked up to the United States, as them being the
120 beacon of freedom, and being the best etc. And China, seeing themselves as more like the
121 center of the world, and their role ... which was taken away by the Western countries. And
122 now it is back again in the hands of China. There is a big self-awareness about the
123 power/strength of China.

124
125 **Me:** How would you describe the challenges, the barriers of us Dutch people towards China,
126 within a business context?

127 **Bert:** I believe the most important thing is building a trustworthy relationship. That you can
128 trust your counterpart. Which is a big issue. That's also why they often say ... you cannot do
129 business quick in China. It takes a strategy, a plan ... it takes a period of visiting China etc. To
130 really trust the person, you want to do business with. Besides that it is also advised .. when
131 you start making an order .. start with a small order. And see what you really get out of that
132 order. Or make sure you check your order before it is leaving China ... when you import
133 something from China to the Netherlands. Take for example ... if you order a couch ... if
134 something is wrong ... and it is in the Netherlands already ... you cannot do anything about it
135 really. Going to court .. not a good idea, you're not going to win. So that's difficult ... trust
136 related issues, but also the formalities .. the Chinese are very formal, and you can insult
137 them quite easily. Even without noticing it yourself, you can ignore their hierarchy or
138 something else they do not like. So, the ignorance and lack of cultural knowledge is an issue.
139 The building of a trustworthy business relationship is an issue and besides that the
140 counterfeit nature which is still an issue in China.

141
142 **Me:** What do you think is needed to be successful in China?

143 **Bert:** Locale representatives, is important ... patience, is important. Which is also important
144 in the light of building your business relationship. And you have to educate yourself in the
145 Chinese culture. Where you also most likely encounter something like ... for example ...
146 contracts ... when you sign a contract in China, it's a sign of collaboration. However, in the
147 Netherlands it means, what is signed, that is what we are going to do. But that's not how the
148 mindset of the Chinese. It is possible that, after a week of signing a contract, the situation
149 has changed and therefore, we are going to do it differently. So even in the stage of signing
150 and working out a deal/contract, you can be challenged. I think it would be effective that or

work together with a company specialized in the do and don't/know how's of doing business in China or to invest in a local person/representative. For the language, but also that that person can meet face-to-face with your Chinese counterpart, drinking together with them ...

Me: How much of an importance is the personal contact for the Chinese?

Bert: In some sense it is important because when you have trust, than the Chinese shall not damage that trust that quickly. Because it will also have an negative effect on his/her own honor/face. Another effective way is the use your network not only on a vertical level, but also by using an horizontal approach. Let me explain that, when you know person A, and your counterpart knows person A as well ... when your counterpart screws you over, he/she basically also is screwing over person A.

Me: So, to create a SafetyNet for yourself?

Bert: Yes, exactly.

Me: Using the meaning of Face as an advantage for yourself ...

Bert: Within those conversations/communication you are also aware of the hierarchy ... so you do not let you secretary or intern call a CEO of a Chinese company. You need to be aware of the hierarchy and to sort of ... not the right word but okay ... respect that. When you speaking to a person of high rank within a company .. let them talk to someone within the same rank ... a junior does not speak with a Chinese CEO. Which would result in the Chinese CEO thinking like ... I'm speaking to a project manager ... so they do not take me seriously. Because I am supposed to speak to the managing director. Also ... which I am currently thinking about ... the Chinese are really bad in answering and sending emails. When you want something done ... you need the WeChat of those persons. Which is their platform of communication. They just do not check their email ... which is something that should be taken into consideration. Once again ... when you want, from the Netherlands, make a presence for yourself in China ... good luck with that. I would advice for a local Chinese representative or a consultancy business with experience with China and their way of doing business.

Me: How to standout in China? How do you make a difference?

Bert: For the Chinese status is everything and they want to show to their peers that they are successful ... and that also reflects on the things they buy. For example ... my wife's parents are from the Mao generation ... which is still not that long ago ... people were starving to death ... now ... they have to find a way to deal with this new wealth ... resulting in buying expansive stuff to be cool. However ... when I first arrive in China ... they were interested in the fact that I was foreign ... but the longer I stayed in China I saw the switch towards a more and more nationalistic perspective.

Me: to conclude ... what tools are needed to guide/support Dutch businesses to take the step towards China

Bert: You cannot do it halfway ... you need to take the time and put the investment in. Have patience and ... which I said previously ... have a local contact.

Me: Bert, thanks for your contribution .. it was very insightful.

Bert: You're welcome ... if you need anything else ... contact me anytime

Appendix 5

INTERVIEW 3: JAN

Me: Are you okay that this conversation will be recorded?

Jan: Yeah, sure, no problem.

Me: Can you briefly introduce yourself and tell something more about your experience with China.

Jan: We now active for five years within Food and Beverage. We deliver from the Netherlands to a Chinese organization. I arrived in China back in November (2020), so that's quite recent ... I am here to get some things started. Where I focus on the delivery for supermarkets ... we deliver from western supermarkets .. which we are doing currently for five years.

Me: What is your perspective on the business environment in China?

Jan: First of all, there's a big difference between the Dutch and the Chinese. Where I firstly talk about the cultural differences. Secondly, the way of doing business different completely. I am going to give you an example ... I use Wechat to post something, on the moment I put the message out that a new supermarket will be opened (in China) ... within five minutes I have a message and within thirty minutes I have a meeting with a buyer/purchaser ... with one of the already established supermarkets ... let's have a drink. What are you doing here and what can we do for one and other... and then I am talking about a Chinese. With this example I want to illustrate ... they work with a so called 'open agenda' here in China. We do not necessarily put things in our agenda ... it does not happen ... like ... next week I will stop by at your office. If it happen ... it happens today. Whether it is seven or eight o'clock at night .. it does not matter .. but when you have the opportunity, you try to act as soon as possible, if not on the spot.

Me: Within the stereotypical mindset ... it is thought that it is important to focus on relationship building .. meanwhile you are illustration a far more direct approach ... so where does that difference come from?

Jan: Maybe one of the things is because I am already in China ... maybe different kind of business relationships/network. Also, those contacts are not new, and have I already established ... besides that ... maybe it is also something that I am used to already. With the phrasing .. let's have a cup of coffee ... it indicates you already have already established the connection .. if you understand what I mean... you already know each other. So the door is always open for me. But ... many Chinese are very friendly. The door is open, and you do not always engage in a business-related conversation ... but to keep the contact alive so to speak.

Me: How would you describe the challenges for Dutch businesses in China?

Jan: The Dutch being to slow ... in many things ... being to slow. Which is also something where I am dealing with. The advantage of being in China is the fact that I can invite people to have a drink, to arrange a dinner ... going away from the office. Looking for another environment. Which I also did in the Netherlands. When I do business with nice business relations than I have the preference to go somewhere else, get away from the office. In times of Corona ... back in October ... August ... what I did in the Netherlands .. was that I was going for a walk. Which is a whole different kind of doing your work. With several people I did such

thing ... and everyone thought it was nice to do. Just a moment away from the office, look for what is close to you .. where can you have a little walk ... and it results in a different kind of conversation.

Me: This can be easily arranged when being in the Netherlands ... or being in China. But how do you establish a good connection with a Chinese partner ... while being in the Netherlands?

Jan: I have had a business relation here in China, which had a network already ... it is a big organization ... a big organization which also .. on different levels has good connections. And I believe those things play a part ... which results in getting yourself seen/involved much easier. And this is basically how it works ... when I look back to the past five years ... I haven't been always present myself in China. I tried to be in China for at least once every month .. or once every two months .. and so now a longer time period ... but what I have worked for was to establish a good relationship with the Dutch and the Chinese government. Take for example the guys from the NBSO ... those kind of organizations ... they don't bring you much to be honest, but it is good to share a picture from them once in a while on WeChat.

Me: The NBSO's are a part of the Dutch government present in China ... but you say they do not bring much to the table ... so why using them?

Jan: Let's rephrase .. the expectations from the Dutch side are often too high, for that kind of organizations. The NBSO's have several platforms .. here also in Shanghai ... and I tried, also in collaboration with the Chamber of Commerce Benelux Why don't we collaborate collectively? I also talked about this with our previous agent/consultant here in Beijing. Why not working together more often ... bringing it together. They all have a wonderful network... and while bringing it up ... with for example an NBSO .. they say .. well, yes but we have our expertise, in connecting .. the link between the Chinese government, NBSO .. and bringing the Dutch government further in China. I would say ... which is rather a Dutch mindset .. but take this on collectively, do it together and continue what you do ... but that is something that goes to far in their perspective ... and I would like to see that change ... it's a pity. Because in my perspective ... you get much more done when doing it collectively.

Me: So .. you would say ... to make the step towards China ... a collective approach would be beneficial?

Jan: ehm ... yes, that's something I believe in. And that is also why I put time and effort in enlarging my portfolio with other products and brands ... within my own network ... and doing it together. Also ... to illustrate .. we had a food tasting within a hotel chain. A Chinese hotel chain ... there you meet interesting people .. who you basically want within your personal network and with those contacts you can organize other food tasting events. So you make yourself more interesting to bring the other along, to do some piggyback riding your network ... within a Chinese perspective ... that's really strange. A Chinese have so to say a lot of different islands ... because they don't have ... let's put it this way ... the 'old' Dutch mentality of let's do it together, let's do it within a collective approach and when we are working together, we have more so to say. That feeling ... does not exist in China. However, when you hand these tools ... they love it!

Me: But that is not really happening yet if I am not mistaken ... and therefore .. the Dutch businesses are reluctant this far ...

Jan: Quite some Dutch businesses nowadays .. do not have this attitude .. this line of thought. To work together and achieve more together. And I do also see the difference between the employee who is present in China by a Dutch company and who has to create it's own revenue and who limits himself by only focusing on his own things ... but when that person has the opportunity to work together with another products in collaboration of his own product it will increase revenue. I can tell you that.

Me: And then not necessarily products of a competitive nature .. but rather using products which enhance one and other right?

100 **Jan:** Yes, and that is than the platform you should use. Even for a big company in the
101 Netherlands, with a subsidiary in China with a Chinese in the lead ... things this approach is
102 strange. But when you take them along within your line of thought, within your thinking, your
103 idea ... it shows result...

104 **Me:** So we need to stimulate Dutch businesses to work together and go collectively to
105 China?

106 **Jan:** Yes ... but the most important thing is ... there is already so much. And because there is
107 already quite a lot, it would be good to do this within a collective approach. So joining forces
108 with a NSBO's, other organizations, the Chamber of Commerce, ... all those different kind of
109 islands and you have a fantastic network.

110

111 **Me:** While looking at the Food and Beverage industry ... how to stand out, what makes you
112 different than the rest?

113 **Jan:** As the product, Holland/the Netherlands. We all have the same background; we all
114 have a Dutch nationality. A Dutch company you are working for. Using that to differentiate
115 from the rest.

116 **Me:** What is the Chinese perspective on Dutch products?

117 **Jan:** We are a big supplier of food related products. We export a lot of food towards China
118 already. They think quite fondly towards Dutch products. This in a sense of ... for example in
119 the glass industry ... we are fantastic. Which is also seen as very positive. Take for example
120 our milk ... it is seen as high-quality milk. Take for example our meat ... Germans are not
121 allowed to export pork meat to China, meanwhile we Dutch are allowed to do so. Which is
122 due to the pork virus ... When you take the example of the meat industry ... it is dominated
123 by four players. All those four have quite the influence by the Chinese government. Resulting
124 them being the most important key figure within the meat industry.

125 **Me:** Is it still possible for a Dutch company to be active within that sector in China?

126 **Jan:** Yes, by exporting to one of those big players. There is not enough meat in China. Do
127 not forget that they are having 1.4 billion people living in China. Just imagine for a second ..
128 when they all start eating meat ... that's going to cause for problems.

129

130 **Me:** When looking into the consumption patterns within the food industry, do you see big
131 changes?

132 **Jan:** You probably read something about it already .. but the salaries have been doubled
133 over the past years. It does not happen often in a country, but here in China .. the prices also
134 have doubled. Resulting them spending more money on consumption. Also for meat.

135 **Me:** The Chinese are known to be very nationalistic .. however the younger generation also is
136 influenced by western thinking ... how does this relates in the Food and Beverage sector?

137 **Jan:** The older generation is not open to try for example bread and bread related products ...
138 if you eat something like that ... it's for breakfast .. cornflakes .. the younger generation on
139 the other hand ... also because of them traveling they are more open to try such products.
140 They don't mind eating bread for example. They visit a MacDonald's, a Starbucks etc..

141 **Me:** Meanly because it is something that is from western countries?

142 **Jan:** I discussed this matter this afternoon with an distributor ... and he actually has a good
143 point ... it does not matter whether it taste good, as long as it has a good and well designed
144 image/packaging ...

145 **Me:** So .. than you would say it is more important to the people to show what they eat rather
146 than it being tasteful...

147 **Jan:** Yes ... you want to be western to be modern. You go to MacDonald's and Starbucks to
148 make a lot of pictures. Resulting in you being a 'modern' Chinese.

149 **Me:** And how does this relates to Mianzi – Face?

Jan: ehm .. giving the outside world the impression that you are western. For example .. when you look down the street, here in China. What kind of cars they like to drive ... they love to be seen in German cars. It makes sure you separate yourself from the rest .. the luxury cars ... they (the Chinese) wants them!

Me: China is increasing in wealth, also when looking at the middle-income Chinese ... is there a way Dutch businesses can take advantage of this trend?

Jan: I have a business relation .. which is in construction. In China they build a lot, but really a lot and he delivers the materials for several projects. But also Dutch architects who design buildings here in China. Here in Hangzhou .. there are several buildings .. really beautiful designed buildings by a Dutchmen. Which brings a certain kind of pride .. I also like to point it out when I drive past one of them .. to by business relations.

Me: But still ... quite some Dutch businesses are afraid to go to China ...

Jan: Well .. there is the idea that ... once they did a tradeshow ... that's where we score, and create deals out of that. That's something I do not believe in .. and I always say ... it takes quite some time to get yourself noticed in China ... I am going to give you an example... the second time I had a meeting with a supermarket here in China ... the first question being asked to me was .. how long are you active within this market, for how long you think to stay, who are your business partners, what is your degree of experience ... when I answered those questions correctly in their eyes ... I was allowed to stay longer than thirty minutes. Whereafter the question was asked .. what are you going to deliver us .. what are you going to sell us. And now I am at that stage, which I am really proud of .. they come to me and say .. Jan, what do you think, in what direction we should focus next. That's amazing! Then I come up with some new products ... unfortunately, I am most of the times too expansive .. whereafter they respond ... I like your idea Jan, but we buy from a Chinese. Which does not entails that these Chinese would never do business again with you .. you have to bear in mind that they are long term oriented and maybe your next offer is more of their liking.

Me: So what is your perspective on what Dutch businesses need, in regards to tools/advice, to be dare to take the step to China?

Jan: When taking this in a more general perspective I think that you have to work with a good partner. A good partner who is able to bring you further than just you. Just you ... you will not manage. So the partnership is important. You also talked about that not everybody dares to take the step ... and when using a consultancy business ... it is important they they are able to link you with the right partners. Using their network. Which is basically the first step. Because the Netherlands has a good name ... you need to use our nationalism .. our orange color, and the Dutch flag. I believe in a nationalistic approach, to use the branding that we have as a nation. With that, you present yourself as a western company , a modern company ... but you also need to know who you want to serve. Who will be your customers .. which direction do you want to go ... it is important to stay close to yourself. Take for example ... Veldhuizen Cheese ... has a Chinese partner .. and they do quite well do I have to say ... in every corner they are present with a few pieces of Old Amsterdam, and it is becoming a brand. In Cheese .. they do well. You also needs to do something with the taste of it ... take for example Gouda Cheese .. it is a brand but ... no wait .. take for example bread .. its more difficult to sell plain bread than bread with added flavor. They eat bread as a snack, and not a meal like we do. And that is something you have to do something with. And there is where I also developed variations of bread, especially for the Chinese markets. We made variations where bakeries in the Netherlands would say ... those are very odd and strange combinations in flavor, but who work here in China.

200 **Me:** So .. research is needed to see what the Chinese like and adapt your product towards
201 the taste of the Chinese?

202 **Jan:** Proper research .. or just go! I do not necessarily believe research is always key ... when
203 you walk around on a local market ... you get the feeling , you smell ... what the flavors are.
204 Which might sound odd ... but that's a direction, in my believe, where you need to go. And
205 there a consultancy firm might be helpful .. they have the people or connections who can
206 help you. I recently got contacted by three different companies which said to be interested
207 in the Chinese market ... how can you help us ... on a consultancy level ... which is nice to do.
208 Where we made a strategy with several big bakeries in Belgium ... how we are going to do it
209 and I am going to present this within my network here in China. Not going to China with the
210 entire assortment of products ... but starting rather with a singular item. Having the focus on
211 one item. Or at least a limited number of items. Which can be items which are slow movers
212 'at home'. The assortment in China is big ... I would say even bigger than we know here in the
213 West.

214

215 **Me:** Could you give some advice, as concluding remark for this conversation?

216 **Jan:** Try to give attention to the Chinese Culture. Try to read several books about China.
217 Which changes your perspective in China? Not only just business books but also for example
218 a book about the Opium wars ... when you read those books you understand a part of China
219 ... why is China closed-up, a closed culture. Besides the cultural background ... also know
220 your added value. There are a lot of products ... but know the culture. But China ... needs
221 also to match with your internal business environment .. when it doesn't match ... than it
222 might be good to decide to not go to China. But that is basically the same when you want to
223 go to Italy for example... In China ... they conduct business differently than in the rest of
224 Europe. Being quick is important ... just before you called ... an purchaser asked me a
225 question .. and currently it is eight o'clock at night .. but he might also ask me something
226 around midnight .. you do not really have off-time. There is no difference between a Monday,
227 Thursday, Saturday or Sunday. So you need to be aware of that ... you cannot say in China,
228 when someone calls you on a Friday afternoon ... let's talk about this further on Monday ...

229

230 **Me:** Alright ... thank you very much for speaking to me, your insights will be very meaningful
231 for my research.

232 **Jan:** You're welcome ... when have additional questions .. you know how to reach me via
233 WeChat.

Appendix 6

INTERVIEW 4: RENÉ TEUNISSEN

Me: This conversation is recorded, are you fine with that?

Rene: Sure, fine with that

Me: To start, can you briefly introduce yourself, and what your experience is with China?

Rene: We are living in Xiamen, I don't know if you been to this area when you were in China, but it is the warmer part of China. We are in proximity of the sea and we are living here now for over three years. Even though I have been visiting China quite frequently now already for 15 years. Some years ago, we decided to make the move permanently. Not out of the idea of starting an activity, starting a business, like we did, but for other reasons. Mostly because our kids are half Chinese and half European ... a part of them growing up was in Europe and now we want them also growing up for a while here in China. So that they are able to understand the language, the culture, and being able to put things in both perspectives. Three years ago I started my business step by step .. Farea ... what we have now. At the start it was difficult to decided where to focus on ... what do we want to do here in China. Gradually it ended being that we focus on bringing European products from Europe to China. European quality products, mostly within the food sector, but not necessarily just food. What we do, we help/guide European businesses to conduct business here in China. Which can be on a advisory level, by doing for example market research, finding the right partners/connections ... to help the initial approach towards China ... Besides that, we also act as an importer. We have an import license as a company, and we can import products and also sell within China. We do so for some products, products you would most likely know. For example .. Marcel Green Soap, the first container with products are ready to be shipped from the harbor of Rotterdam. We import cheese from the Netherlands. We import biscuits, from the company Hellema. We we act as importer. We are not that kind of company which sells a company, and it is our responsibility what to do and who to sell those products ... with all those businesses it's a partnership. We work together, we are in this together. They know what we do ... the suppliers also know what kind of activities we engage in. However, in the end ... we are responsible to get those products sold here in China. More like a representative for those particular companies here in China, where those companies also have a certain risk. By sending products to China, and for example also sending products directly from the factory towards the customer in China. Quite recent we also have a collaboration with the company, Unilver. For Calvé products, like Calvé peanut butter ... to import those to China. We are working on that agreement. This all happens under exclusivity ... we make agreements to have the exclusive rights to sell those products here in China. Which is for us important ... in the past in did happen that other parties also imported the same products ... and China might seem big ... but within this kind of specific items ... you always end up with the same person ... which is quite annoying. So therefor ... always based on exclusivity. It is something we do together. This all we do from our office in Xiamen ... were we arrange ... our partner put the order together in the factory, or somewhere else in the Netherlands, or in Europe. Whereafter we arrange the rest ... the logistics, storages .. the entire process basically ... so the supplier doesn't have to worry about these kind of things.

Me: This because of making the step towards China easier, or just because it is something that works best for you?

Rene: This because the import of products to China is quite complex. Especially while importing a product for the first time. But also, when you do it more frequently ... the process is quite strict. You need to comply to the needed documents. Which is also subject to change from time to time. That whole process ... for the most part ... we would like to arrange that. Because ... when the products arrive .. and something is wrong within those documents. Than we have a problem. And besides that ... it's quite the hassle for Dutch companies. They still need to fill in most of the documents themselves ... but we guide them through the process. What we want is those suppliers keep focusing on the purchasing part of the process and not with the import logistics. We add value by taking the whole process and documentation of logistic and import and arrange that for them. Mainly because of the complexity. We see that, and also warn the organizations ... that is it quite the challenge and complex ... it takes a lot of time in the beginning .. but once you done it you know what is expected from you.

Me: Is it seen as one of the big challenges, this complexity?

Rene: .. ehm ... yes ... especially when it is a new product. But once you did the whole process ones .. than you know what documents you need, then you also know whether the product itself comply to the regulations. The first order/import is a really small amount. A test import ... to see if it goes well. To see if it goes well though customs and whether it is allowed into China. Or if there are products/ingredients within the product who in the end are not allowed in ... once we done that .. we scall up the import volumes. So, especially in the beginning there is a complexity factor ... but once you done it for the first time .. you get a feeling how things are done. However, it will remain a lot of work. Which for a great part is done by us, with a lot of paper work, a lot of translation work, from English to Chinese and from Chinese to English. Labels who need to be made, Labels which need to be translated into Chinese ... also labels which need to be applied here in China, unless they are already printed and applied in the Netherlands/Europe. All that kind of things, we make sure it is done. Sometimes ... even repackaging of products. Where we order the packaging here in China. In a free-trade-zone .. we repack the products whereafter it is further transported. Which is cheaper in some cases and reduces the hassle back in the Netherlands. Those things can be done .. because we are here. We have the contacts close to us. As said, we live in Xiamen, a relatively small city, approximately four million people. It is a small city. But you have all the needed facilities close to us. The harbor, good infrastructure, also for international business. Storage can be organized in a good matter down here. That's briefly what we do ...

Besides this, last year, we did the FHC Shanghai tradeshow in Food, together with Export Partner. Which was a nice project to do, together with Daan. Where we, in quite a short time, managed to get the things done. We took it up us to arrange the logistics for getting the samples to China. To get the entire documentation in Chinese. We also were standing on the stand during the tradeshow.

Me: What was the reaction of the participating companies, to join that tradeshow?

Rene: Well .. in the beginning there were companies which really wanted to go themselves. They have been participating on the tradeshow before, they have their own stand and want to go themselves. Which resulting them in skipping this edition. The participation companies were organizations which never been on the FHC (Food & Hotel China) before. Which was rather new for them ... they didn't have the history and that tradeshow. And those companies really saw it as a sort of try-out ... which is another kind of company than those who are standing on tradeshow frequently. This edition had also the benefit that it did cost less. We did in a collective approach, no travel costs or other extra costs .. it was all arranged.

Me: So that were mostly companies who haven't taken the step towards China before?

Rene: yes, with one exception, haven't took the step to China before. It was new, it was to see whether it would work ... one of the participating companies was given the advice, by us, not to go. They have one product, which is a large market already ... so we said to them .. don't go. How do you want to stand out ... quality .. price ... in the end they make the call to go. We see this as an opportunity and they did it ... at the end it resulted in follow-up activities which are still ongoing on this day.

Me: So a tradeshow, like this, is a good way to see what is possible with your products in China and whether the Chinese are interested?

Rene: I think it is a really good way to test if the Chinese are interested in your products. What they like about the product, but also why they like it. What is popping out ... what we were also able to see during the tradeshow. It's a really good testcase, to see if they are interested in your products.

Me: Those products are popping out ... mainly because they are of western origin or more in light of the changing consumption patterns?

Rene: ehm ... it was in the past already the case ... and today also ... that western products ... also American and Australian products .. those products catch the eye. There are a lot of products from abroad here in China. People are willing to pay more for those kinds of products. However, not too much more. But they are interested in foreign products. Which is due to the fact that those are new products, not available yet in China .. that's what they are looking for, new products. Which can be a new brand of an existing product with extra added value .. or a completely new product. Maybe not new within the European market, but new for China. European products do have the image of being good, of high quality ... especially the products from the Netherlands. Those are considered of high quality. Germany, the same. Which creates an interest. What important is ... it needs to be something new. More of the same ... than it is competing on price ... niche products, also important. Take for example cheese ... not a common food to eat you would say ... but the market is increasing. There is room ... normal cheese ... maybe cheese with some extra flavoring ..

Me: How would you describe the business environment in China?

Rene: It's a broad question, but I think ... it's a communist country .. but I believe it is also the most capitalist country which does exist. Which is also reflecting upon the business environment. International business is also on the top of the agenda of the Chinese government. Import and Export. Giving room to businesses ... with for example lowering VAT, reducing revenue tax etc. All measures to stimulate doing business ... China revolves around business. Which doesn't matter that all goes well .. but there's a lot of room. When you are keeping yourself between the lines of the regulations .. there's a lot of room to conduct business.

Me: What is the perspective the Dutch are having towards doing business in China?

Rene: When you look to for example. a company like Unilver ... Unilever has a subsidiary here already ... mainly non-food in China. Many well-known brands in Europe ... are already here. What they want currently ... is to bring European brands towards China which are not known yet in China ... not via the subsidiary but via the port of Rotterdam. Which we are working at. When you look at the expectations of business ... it is a large country, there are living a lot of people ... so when you achieve to do a little ... you do already quite much ... so what I encounter ... the view of ... it is a big country, with a lot of opportunities. Which makes it interesting, besides the rapid economic growth. The demand is high ... but the challenge to overcome is to ... where our opportunities lie together ... when you go to China ... it is not, traveling to China and you arrange some things ... it's a complete different approach ... I

worked for years in Europe, conducted business ... it is completely different here in China.
Every day, I need to adapt to the way things are done here.

Me: Can you give some examples about the differences ... the difference between the Dutch and China?

Rene: The building of a relationship costs a lot of time ... lots more than in Europe. Building trust ... a yes is not a yes and a no ... well they do not say no much ... when I look at it in my European perspective ... than I see a lot of Chinese doing businesses we would see as untrustworthy ... but which are not untrustworthy here in China. It comes down to the different way of conducting business. So when you think you have an agreement, or when you think you achieved something ... it might not be the case every time. Keeping in contact is of the utmost of importance ... you need to understand what they mean. To end up in agreement. So the expectations ... the Chinese are less open than we are ... when a Chinese says something he/she wants ... doesn't necessarily is what he/she wants. Which is a big difference between the Dutch ... Europe and China. To be successful in China it is important to being able to deal with this kind of issues.

Me: Which can also been seen as one of the big challenges ... the miscommunication, or information being wrongly implemented?

Rene: Yes, because you the risk is you being to direct ... which is not being valued by the Chinese ... and the risk of you thinking the Chinese being direct by giving a clear answer .. but it is actually not a clear answer. So the communication between the Chinese ... it is challenges.

Me: When having your business in the Netherlands ... how do you prepare yourself for this?

Rene: I think .. personally, it is important to know how things are done here in China. To make sure they understand that the communication ... sometimes things can go rather quickly, but it can also take a while. For example ... when a customer asks something ... than you have to respond quick. Which is also expected by them ... when you decide not to ... their interest is gone. Which is complex ... on the one side ... immediate action is needed where on the other hand things do takes long ... based on trust. Therefor it is important to indicate towards Dutch businesses what to expect, how business is conducted. On what way connections are made ... also in advance ... to let them know what businesses would work .. but also realistic by saying that it might not work. When a business decide to go ... it's their choice ... but be open and clear. Whether it can succeed or not. I want to give you an example of the import of products and documents needed. Every single shipping ... the same load of paperwork is needed. Always the originals with the signatures and office stamps ... which is a different way of what people are used to ... comparing it to other countries ... it is not easy ... but here in China it is different. It can be complex .. but be open.

Me: What is key to be successful in China, you mentioned already standing out, investment of time but also to act quick .. you have more?

Rene: It starts with a quality products, a good products, new product .. for an acceptable price. The Chinese are not willing to pay a lot more for import products ... some more .. but not much. They are willing to pay more for good quality ... but pricing is important. So product with a good price. Being patience ... but also you need someone in China ... who knows how things are done. How business is conducted and who have the contacts. Who can make new contacts and someone who can act with foot on the ground.

Me: Where within F&B are the opportunities?

199 **Rene:** There is a focus on healthy food. China is evolving ... there is a lot of obesity in China.
200 Due to China being wealthy ... they like sweet and salty food/snacks ... so focus more on the
201 free from products I would say. A second thing is ... you see an increasing vegan demand.
202 Due to the Buddhism in the past ... but related products are increasing in demand. The
203 Chinese government also want to reduce the consumption of meat.
204

205 **Me:** What is also mentioned within our conversation was that the need for companies
206 related towards the step to China Increasing knowledge about doing business in China,
207 and reaching out from inside China to guide them ... is there more?

208 **Rene:** If I translate this .. where also an opportunity lies for us ... in collaboration with Export
209 Partner is to educate Dutch businesses more about what is happening in China. Picking
210 themes .. interesting for businesses ... to increase their insight. Also to establish another
211 perspective on China .. another than being seen in the media. Especially focusing within the
212 Food sector ... to share interesting stories about the opportunities ... challenges ... what
213 businesses might be interesting ... mainly nowadays .. the media is filled with stories of
214 politics and economy ... but this to stimulate businesses to think about China within a
215 business perspective. ... Also to focus on how things are done in China ... let's give you an
216 example .. you hear a lot about Alibaba .. how those web shops work ... when you look on the
217 street .. you see a lot of electric scooters with parcels ... our hallway is always filled with
218 parcels for our building... this is how China works ... trade by parcels. China is facilitating ...
219 with no import duties on certain products ... or lower value added taxes ... which are
220 developments I do not read much about ... even though it is interesting from Dutch
221 companies.
222

223 **Me:** Alright! Thank you very much for taking the time to speaking you.

224 **Rene:** Pleasure speaking with you.

Appendix 7

INTERVIEW 5: JAN MAAS

Me: Are you okay that this interview will be recorded, so I am able to write my transcript and be used within my analysis?

Jan Maas: No problem

Me: Can you briefly explain who you are, what you do and what your experience is with China?

Jan Maas: I am currently situated in China, where I arrived back in 2017. My name is Jan Maas and I am Policy Officer Economy and Trade at the economy department of the Embassy of the Kingdom of the Netherlands in Beijing. As you might know, the embassy does a variety of things. We have here a political department, an economy department, a cultural department, education as well ... and besides those departments, ministries are also located here ... Finance, Health Welfare and Sport, Infrastructure and water ... so we have a big and diverse team. Within the economic department, where I do work, we do two things. On one hand we do, what I call under the old term, trade promotion. This is where your research might come in handy, where we help Dutch businesses here in China. We give advice to individual companies, but we also provide information about doing business here in China. We also provide guidance for Dutch businesses who are located here in China ... when they must go to court etc. So provide support where needed. On the other hand, where I also work for, is the policy side of the embassy. So, how the Chinese government does work, what their plans ... their five-years plan and how does that reflect on local governments. What percentages do they want to achieve regarding growth, climate goals ... so more in line with the policy research. So within those two branches within the embassy I do work, where I work 50% of my time within trade support and 50% of my time policy. Specifically about my job ... I do have a lot of contact with businesses, Netherlands Enterprise Agency, Branch organizations, European Chamber of Commerce, Intellectual Property Helpdesk, several law firms ... here at the embassy we have an economic network. For me personally, it is a business network that I have here in China. As I said, I arrived back in December 2017 here in China. Before that, I worked for other organizations. In addition, I have studied History, primarily European History. I graduated by doing research about the image between Europe and China in the past, and a little about the situation now. Which is also related to your research ... as I believe that the image on doing business with China has gone from grey, to dark grey, if not even to black. Which does have effect on businesses willing to do business here in China. Which is rather interesting to see, if you ask me ... so now you have an idea of what I do ... oh and I also studied Chinese history by the way ...

Me: Thanks for the introduction, where I am also interested in is the link between businesses and the Dutch government and the Chinese government. But before diving into that, I would like to ask how you describe the business environment in China?

Jan Maas: The first thing popping into my mind is the China Position Paper, a policy paper published in 2019 I believe ... important to work together where it is possible, and being careful where needed, which basically covers it in one sentence, why we are here. In some sectors, it is possible to work together, and that's why we try to do so. It comes in the benefit of Dutch businesses. On the other side, China is and has been in development and there are a few sectors/areas where you need to be careful ... which is also mentioned quite frequently in the press nowadays. You can think of the human right issues, that also have effect within the economy sector. But you can also think about Hong Kong, which is also changing ... You can also clear see that China is protecting their market. That is not something new. China opens-up certain sectors/markets for non-Chinese, so for foreign business, when China is ready to do so, or when they really want to. I believe that is an important thing to keep in mind.

Me: What image/perspective do you get back from Dutch Businesses? What is their view on the business environment in China?

Jan Maas: It is changing, it is developing. I would like to take a look in the past ... let's say ... 20 years back. In the years 1990/2000. China as being the factory of the world. Where you were able to get everything produces for low production costs ... what went well. There was enough room, the rules and regulations were quite broad. And when you look now ... China has known a enormous development over the past 40/50 years. When Deng Xiaoping came into power ... in the 1970s. Reform and Opening-Up ... where the first results were showing in 1990/2000. China has been a closed cocoon, which has been opening up under the control of the government, what is important to remember, opening up within a controlled manner for foreign activity/businesses. Resulting as well in a rapid economic growth. Where China became the factory of the world. But that's not were it stopped. Especially within the last decennia ... China has developed itself ... and innovation has starting to play a more important role. Innovation, high quality advanced technology For example ... the high speed train network in China. It shows a enormous investment in infrastructure, but one of high quality. Within 4 ½ hours you are from Beijing in Shanghai. When you translate this into commerce ... take for example E-Commerce. Everything is here. I can order anything ... and it arrives in Beijing within 2 and 3 days, also when it needs to come from the South of China. Which is quite incredible ... in regards to logistics. The technological steps made by China are incredible, which they also continue. So the focus is on innovation and technology. They try to get away from the big investments in infrastructure and real estate, although they are still continue doing those projects. The economic model of China has been focusing on that kind of projects, whereby they try to focus nowadays on innovation capital within China. Resulting in a boost. When looking to the five-year plan published by the CCP, innovation and technology are the most used words.

Me: Are they also looking for collaboration with western companies?

Jan Maas: Yes, definitely. Good question. I think you have heard/read something about Made in China 2025 and the five-year plan of the Chinese government. Where innovation and technology are leading factors. The People's Republic of China exist 100 years in 2049, if I am not mistaken. Their goal is to achieve to be an advanced, qualitative, socialistic nation, or at least, that's how they want to celebrate their 100th birthday of the PRC. It actually already started as of 1978 and been in notion to this day. So China is opening-up what also results in collaboration in the field of business. However, it does open-up in the areas where China is still behind of the west, or where they think collaboration is needed for China's benefit. Where I would like to give three examples. The first being in the Agri-sector.

The Netherlands has a strong name within this sector, especially within the Agri-technology. We cultivate quite a lot in the Netherlands on a small piece of land. Quality products and a large number of vegetables and fruits. Getting most of a small piece of land, that's something China is very interested in. And what is the reason for that? China does not have enough Airable-land. So, not enough land/space to provide food for everybody living in China. Import from countries as the United States of America, as well as the Netherlands are big. So China is very interested in our knowledge and expertise regarding this topic. Where the past was focused on import of goods, import of Agri-products ... they are making the innovative turn ... they are interested, and financial capable of attracting high qualitative technology in Agri-sector. Which can be within the development and building of greenhouses, the Netherlands being very good in that, but also in seed breeding/seed enhancement .. also the pork industry ... and everything related to that and that kind of technology ... which the Chinese are very interested in. With the goal of being self-sufficient.

Me: That is something I encountered as well within my literature. The increasing number of Chinese, what is flattening ... that food safety is important. And not just speaking about safe food, but also providing enough food for the entire population and not wanting to be depending on other's ... especially not when speaking about food ... however, it is expected they will not be able to do so ...

Jan Maas: That's something you also see here in China, when you look to quality, which is also steadily increasing. When you look at the map of China, the eastern parts of China are leading in relation to the west. When speaking about economic development, western part is China is behind on the east. But that's also something the government is working on. What brings me to my next issue I want to address ... the mutual division. Which results for a number of businesses for opportunities. Depending on your product/service of course. That's why we are developing a business awareness tool. For businesses who are orientating on doing business in China ... what are the things you need to look out for? One of the first things I wrote down is that of China being a large and divers country. Where there is a distinction to make between the North and the South, in habits/customs, culture and background ... but also consumption patterns. Products you can cultivate ... when taking the economic development in consideration ... you have the coastline, the eastern part of China which is much further in their development than the western part of China. The Netherlands does have a Consulate General in Chongqing and a Netherlands Business Support Office (NBSO) in Chendu. They are in the lead within those regions. When you are selling a product or service, within those regions you can be successful too. There are a lot of opportunities. Some say ... that's China that we know from 10 years ago ... which is not completely true of course ... as rules and regulations of today are also in force within those areas. Nonetheless, you have regions what are less developed.

Me: And what is the role of an NBSO within those areas?

Jan Maas: We have six of them ... mostly within second and third tier cities. Within areas with a lot or possible potential. Not necessarily in all sectors ... but maybe just a few ... who are very active there. They visit the province ... and they are identifying the potentials and opportunities within that area. Resulting in market research papers. They work together with partners ... there's a strong relationship with RVO (Netherlands Enterprise Agency) ... to get those particular areas within the picture among Dutch businesses. To make them aware of the opportunities. When going back to the Awareness Tool ... we try to make business aware ... to the first point I made ... China being a large country as well as divers ... so orientate yourself will within the market. But what is very important, is the fact of you knowing

yourself. Know what you have to offer. Whereafter you are going to look where in China that would fit. We as network, one embassy, four consulate generals, six NBSO.s ... can assist you. For example ... when you are a business within advanced IT ... we advise you to focus on Beijing and Shanghai. When you are more into textile, within the production industry ... you are less likely to succeed in Beijing and therefore advice you to have a look in the direction of Guangzhou ... or at least within the western part of China. So, first of all .. look to your own business and what you bring to the table, whereafter you search for the fit within China. That is an important step to make.

Me: With such a big network, how's the collaboration between the embassy, consulates and NBSO's?

Jan Maas: We are one network. We are the Dutch network in China. Which I want to make bigger if you tell me. We have strong ties with the Netherlands Enterprise Agency, in The Hague, in regards to trade and economy. We try as much as possible to give custom made advice in line with providing information. So per individual company ... so information like ... how to conduct business here in China, where to start, what challenges/barriers do you need to look out for, about the opportunities, what can be considered a red flag ... etc. This why we try to act as one network. But geographically speaking there are differences ... everybody has their own responsibility within a certain area in China. We share quite often, within meetings, our knowledge and expertise. Depending on the sector and area you are responsible for. The communication line's are short. Just before our call I spoke to someone from the RVO, so with The Hague. But tomorrow I do have a call for example with a NBSO in Nanjing ... our ambassador, or deputy ... does visit the NBSO and consulates regularly ... so information is often shared.

Me: Within my conversation with others I got the impression that the cooperation between the network in China does not always works ... with for example sharing contact .. working as one individual network .. but mostly as islands with their own expertise ...

Jan Maas: We try as much as possible to work as one network. But, China is big, and very divers. When looking at how many people are working here for the Dutch Government, it's relatively big. When I am not mistaken, the biggest network in a single country of the world. When looking to the size, the opportunities, the sectors, the scale China operates ... It is big, and divers When looking for example to local rules and regulations ... they can differ per region. So what is allowed in Beijing for example might not be the possible Guangzhou. Per region, that might differ. So we try, within broad outlines .. we try to work closely together, tuning our plans .. but when looking at supplying customized work ... than I can understand businesses can experience that ... as islands working in their own way. And then you have expertise areas. When looking to E-Commerce, Shanghai is in then lead. And here in Beijing we look more to the E-Commerce environment here in Beijing, and more in line with the perspective of policy. So .. what does the government do, taking the rules and regulations into account. Our colleagues in Shanghai developed a handbook .. what is published online, with hands-on information .. but also with the rules and regulations. I do understand dutch businesses might experience that ... but that is also due to the nature of China where he/she is conducting China. When comparing China to Europe ... Europe is divers as well. Of course .. Europe has different countries/states, where in China it is one nation. But when looking underneath the surface ... there's a big diversity ... it is unbelievable. But also unbelievably fascinating and beautiful .. however .. this kind of feedback is very valuable for us ... good to know.

Me: And when looking at trade missions, think for example of the big economic trade mission back in 2018 with the Dutch Prime Minister ... do you have an idea what the result is of those missions, or smaller missions on the long-term?

Jan Maas: Good question .. but I have to say I do not, which is also speaking out of my own experience. Because of Covid-19 a lot has been disrupted ... however I don't want to push this question towards Covid-19 ... but I believe it makes it a bit harder ... to see the potential of that mission .. whether it resulted in something. Maybe somethings fell true because of Covid ... what might have been successful without the virus .. or whether it would have been successful or not at all ... I think it's rather difficult to say.

Me: Do you think Dutch businesses are missing the understanding of cultural differences?

Jan Maas: Yes, partly, I think it can be better. Speaking of the image businesses and people have of China. The Chinese, embracing new techniques easy. They think in terms of progress. Although the Chinese nation is not a very renewed nation, rather conservative. Also retentive, when looking for example on macro level. In the economic field, the government tries to stimulate innovation, but you also have a consumption economy what is developing. People must spend their money what is earned. And that isn't happening. Why not? People are reluctant, so too little social security and they prefer to save the money, for when someone in the family becomes sick. It is easy to spend 10 thousand euros or 20 thousand euros when in need to go to the hospital.

Me: What are even further challenges or pitfalls that companies encounter when they take the step towards China, or unnecessary errors that they commit?

Jan Maas: Yes, I think, China is a big and diverse nation, legislation is quite solid. What has been the case within the rise of China ... the government has a controlling attitude towards the economic development. Taxes raised on business have been solid as well and is improving. Based on that, you can simply do business here in China. However, you need to be aware where to do so. Be careful to not to be fooled around. When you are within the Agri-sector for example ... which can be the case for a partner, for technology ... because there it is happening quite a lot. Certain technology, or knowledge ... driven by policy, by national policy ... the Chinese are searching for that kind of intelligence/knowledge. How to obtain? To make the market interesting ... but then you have to be very careful about intellectual property rights. When active in China ... things are being copied .. and before you know it they outcompete you in the market.

Me: Is that based on naivety or rather not doing the proper research on the nature of China?

Jan Maas: We try to promote as much as possible, when doing business in China, where you as business need to pay attention to. How to deal for example with IPR ... besides that, within our network we have contacts .. including lawyers. Also, from the European Union, a special EU IPR-Helpdesk. They have a very good website, a guideline, a FAQ section with a step-for-step, within several sectors, explanation of the process. With, in addition, the possibility to just send them an email and you get a respond on your question within two or three business days. In the past it was not less important, but it was less the case. In the past, the counterfeited industry was big ... and in regards of regulation ... not much was done. Nowadays, in the innovative nature China is progressing, the IPR regulations are also in rapid development. Fun fact, over 95% of the IPR cases are currently Chinese versus

Chinese. Which can be between brands, within innovation, general IPR cases ... which is an interesting development when you tell me.

Me: And translating this towards cultural aspects ... it was in our expectation that China would become more westernized, however you see more and more a more nationalistic attitude, also among the younger generation ...

Jan Maas: Very much so, which has also been on my mind over the past few months. And it is not something new. That I have encountered. Nationalism, China first so to speak ... is rooted in the Chinese society. They often think in distinction. Chinese versus non-Chinese. It doesn't matter whether you are from Nigeria or Kazakhstan or Europe ... you are and always will be seen as a foreigner. When speaking business .. you deliver something, or producing something here or making money .. but you do so as a foreigner.

Me: What differences do we Dutch run into the most?

Jan Maas: I would put it under cultural and language differences. That's also where the biggest challenges are. Take for example the English language. Even though it is getting better ... especially in cities like Beijing and Shanghai ... but in general outside those cities ... you have to be able to speak and understand Mandarin, Chinese. It is the official and dominated language for businesses. That's why we also advise to bring an interpreter when you are not speaking/understanding Chinese. Besides the languages the interpreter can also point out the cultural differences and explain those to you. They are mostly aware of both worlds. It is an effective way to do your business here in China.

Me: How much of an importance is it to have a local contact in China?

Jan Maas: Well, that depends on the sector you're in. In some sectors you have to have a local partner. What sectors, you have to check online ... but that's an important topic you have here ... market accessibility. China is opening-up for foreign businesses, so as well for Dutch businesses, only there were knowledge, technology and .. or .. where products are needed. Or where the Chinese have built such a strong presence ... for example within the financial sector, that's a good example to illustrate this. This sector has been closed off for a long time for foreign activities. However, the Chinese become strong within this sector and gained such a presence on the financial market they opened up for foreign businesses. When you look to how much is left of the market ... for the foreign businesses ... you have to look within the niche markets. But the large pieces of the market ... are already taken by the Chinese parties whom are dominating the market.

Me: Knowing the niche market ... is key to be successful in China?

Jan Maas: Yes, number one. Which does also count in other countries of course, but especially here. During a course what I took at Nyenrode, I was being told that 80%, if not 90% of businesses going abroad .. fail ... and of the remaining percentages ... half will not be successful either ... or at least not long-term. So, a small percentage manage themselves to be successful abroad. Which has to do with a lot of different elements of course. What brings me back what you previously mentioned ... to be successful in China. Do not underestimate China. The regulations and the varieties of opportunities does make it possible to conduct business in China .. which is making it interesting as well for Dutch entrepreneurs. But, know who you are, what products or services you have to offer, as well as proper market research to see where the demand lies, or potential for your

products/services. Than you have a good change to be successful here in China. What may result in partners presenting themselves. When to know how to position yourself in the market, it almost goes without saying. Basically, supply and demand. However, as mentioned earlier, you have to have market access. The government has published lists with sectors where you cannot be active as much in China. For example, hospitals, energy industry in an important one, dominated by States Enterprises ... education ... and not even starting about defense industry ... they might want to purchase some things occasionally but that's basically it.

Me: So then you would see .. focus on consumer products?

Jan Maas: yes, especially while looking at consumerism ... the middle income families are increasing ... however aging will become an issue ... the spending of consumers will increase ... where opportunities arise for Dutch businesses as this market is relatively open.

Me: So basically, know yourself, know what you have to offer .. understand the trends and developments in the Chinese market?

Jan Maas: Yes, exactly. That's why market access and market research is important ...one of the reasons we are developing the Awareness tool. It is important to see where the demand is ... out of your Dutch perspective .. you can have such a good idea ... but when it already exist in China or when the market is saturated ... you cannot do much. Another option is to adapt your product towards the Chinese market .. but than I think to look closer to home first. There's a bigger change to be successful in Europe instead of China.

What I wanted to add ... in regards of culture. You have a big difference cultural wise .. how to behave etc. Where it is important to understand that, within the eyes of a Chinese, you will always be a foreigner, with whom you do business with. However, it still remains doing business. So when having a contract, maybe with some help from advisers .. you have something solid when in line with regulations .. and provided with signatures and more importantly ... the company stamp. You have something to go with, also when problems arise. In addition, I believe that businesses need to be aware and well informed about business culture here in China. Now what you can and cannot do, and know how to play with those kind of elements, without giving away your own authenticity. Then it is important, however it are the clichés .. but it still is going wrong ... building and maintaining your relationships which is important. Visit each other, so trust can be built. Building trust is an important element in the Chinese culture ... which is not self-evident. Secondly, the way you communicate, your image, how you behave yourself, bodylanguage, what is being said, but also what is not being said ... reading between the lines and how to interpret those kind of things. That's why an interpreter is a great benefit. Finally also the hierarchical relationships of your counterparts. Hierarchy is very important. Besides this all ... the ideological standing from the CCP and how it relates to Communism has become stronger among the presidency of Xi Jinping.

Me: With the Chinese Dream and the increasing nationalism ...

Jan Maas: Yes, the nationalistic nature of the Chinese become more visible ... in schoolbooks, but also within commerce ... for example you see the Chinese flag on apparel ...

Me: Would you say that Dutch business need to adapt on the growing nationalism?

353 **Jan Maas:** No, No I would not think so. My first thought about this is no. When thinking of it
354 ... why to adapt and play along ... being proud on China from the Netherlands ... no ...
355

356 **Me:** So it might be better to build upon our Dutch Branding towards China instead?
357

358 **Jan Maas:** Yes, no for sure. That is still .. consumerism, the growing middle class, the
359 changing consumption patterns. People are generally very open to .. Despite nationalism ..
360 towards branded products from abroad. Products from Europe, that is still common. It has a
361 certain image that it has. And I don't see any change in a short time.
362

363 Energy money and time, China is for those who want to stay for the long-term. It is important
364 to look who you are, what to contribute, and why China. Talk about it, is also important. With
365 other entrepreneurs, advisers .. by just going, just out of leap of faith ... not sure if you
366 survived that.
367

368 **Me:** Thank you for taking time to talk to me about this. Thank you so much!
369

370 **Jan Maas:** Happy to help

Appendix 8

This appendix has the initial codes and notes of interviewee 1, Renske van Herwaarden.

Reason to ask	Answers	Initial Codes	Notes
What is the view (on a broad perspective) of the business environment in China? Do stereotypical thoughts play a role?	<p>Me: What is your perspective on the business environment in China?</p> <p>Renske: Ehm ... highly challenging. I think it is for Dutch businesses difficult because China is literally far away. It is not the case that you get in your car when something went wrong or just to check in on things. But another thing is that it is far from our own culture, which is also what makes it difficult. I think that this is also way the most businesses fail in China. They have the illusion that it is most likely the be same as the other countries they work with. Quite some businesses you hear speak: "yes, but we do already business in for example South America or there, or that location etc., so in China it would not be a big difference." I believe, there is where it goes wrong. Because in China it is different. The culture is very different than we Dutch are used to, many differences. Not only the big differences, but also the subtle ones. For example, that people don't say what they think, which we are used to in the Netherlands. Resulting that you might have insulted someone, even without you knowing it. But also, the role of the government, the</p>	<p>Challenging</p> <p>China being far away</p> <p>Far from Dutch culture</p> <p>Underestimating cultural differences</p> <p>Underestimating complexity Chinese market</p> <p>Subtle cultural differences</p> <p>Wrong in communication</p>	<p>The primarily thought at the start of this interview was based on the big cultural differences between China and the Netherlands.</p> <p>Culture is not just one thing that can be put aside as just culture. It has a bigger narrative and deeper levels to discover. Therefore not just one initial code: culture.</p> <p>Differentiating different cultural aspects.</p>

	<p>importance of the government, regulations, so it's quite a challenge for people to understand, but also to deal with it. And of course, to find the right partnerships/partners. So it is super complicated to fully grasp the business environment, where you might think: <u>"why would you do it in the first place?"</u> With the experience I have myself and the theoretical knowledge gathered I would say: <u>"Just don't do it"</u> (haha)</p> <p>Me: well, I do hope you do not say that to the businesses you try to help haha</p> <p>Renske: Haha, no! But people need to be realistic and don't be naïf. I believe that when you know what obstacles to overcome and an understanding of the challenges in conducting business in China .. and not think like .. well that will not happen to me or something like that .. you can ensure that those mistakes won't happen.</p>	<p>Role of the Chinese government</p> <p>Suitable partnerships</p> <p>Lacking knowledge business environment</p> <p>Underestimating China</p> <p>Importance of understanding China's business environment</p> <p>Bad self-reflection</p>	<p>Interesting statement: "with my experience, I would say ... don't go." Which, in my believe underlines the complexity of conducting business with the Chinese.</p> <p>It appears, the Dutch have the tendency to follow their feeling. What worked in the past, in other situations/countries, would be most likely to work in China as well. But it appears not the be the case.</p>
Relates back to my previous research about challenges when conducting business with China. Going into the complexity of doing business and to	<p>Me: You already mentioned some of the challenges for Dutch businesses, can you elaborate further on those obstacles?</p> <p>Renske: Take for example that they want to hire people in China, they want to have a local team working for them. I have heard businesses say that it</p>		<p>How businesses is done differs per region and country ... which is illustrated here</p> <p>Differences between the attitude of the</p>

illustrate a better picture in regards to the obstacles and challenges need to be overcome.	<p>is super difficult to work with the younger generation ... like my generation ... between the 20 and 30 years old .. it is seen as a generation of people who switch jobs quite regularly, with a materialistic mindset, resulting that they cannot keep those people to stay. So that's something what I heard from several companies, which resulted in quite some headaches by those companies. But they put the blame on someone else. The thinking of, why don't they act normal and do what do are supposed to do. That's something how people think. They need to step outside the situation and to analyze the situation. Understand what is happening, why isn't it working well, but also by looking to themselves. Not only to look for what can be done different by, for example the Chinese, but also have a clear understanding what could be done differently by ourselves. Which a lot of people do not do well enough, if you ask me. So that's quite difficult. You also told me what is needed to make sure this is done in a better way, but better formulated (haha).</p>	<p>Chinese generation job switching</p> <p>Chinese materialistic mindset</p> <p>Dutch not looking to their own mistakes</p> <p>Self-understanding</p>	<p>Dutch as well as the Chinese.</p> <p>Interesting note: self-reflection.</p>
The aim for this question to get a better understanding what it takes to be successful. By answering this question it	Me: The main question I ask for my research is about what tools Dutch companies need to start doing business with China, or to further invest. So what is needed to be successful in China? What is key?		

<p>gives an impression to what businesses need to be successful in China and can be translated towards tools to guide them through the process.</p>	<p>Renske: Providing the right information. But people need to be open for the idea, need to be open to obtain that information. Which makes it difficult. It is difficult that you cannot have just one clear answer. And that being the answer, because I believe that, it is in my own experience, of what I see around me, which is the case in all these years, people/businesses do underestimate this. You can say they do need more information which also needs to be up to date. Because it does change rapidly in China. But people need to open to obtain the information.</p> <p>Me: What do you mean by: 'being more open'?</p> <p>Renske: People do not be underestimating the difficulties of conducting business in China. They need to do research. So, for example, more information needs to be provided. And who is going to provide that information? Maybe the government? The government might think that they need to support Dutch businesses by providing them with more information. But when they do, they need to understand that businesses underestimate the importance of that information. You understand what I mean?</p> <p>Me: Yes I do. The Dutch government does also have one of the largest networks of government agencies in China, with for example the</p>	<p>Providing the right information</p> <p>Be open for information</p> <p>Underestimating the complexity</p> <p>Development of China</p> <p>Attitude of the Dutch</p> <p>Underestimating doing business in China</p> <p>Proper research</p> <p>Urge of the Dutch government to provide information</p> <p>underestimating the importance of proper research</p>	<p>China is complex, that is sort of known among businesses in my believe ... however, it is interesting to get to the understanding the degree of the complexity is underestimated.</p>
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	<p>NSBO's, the collaboration with the Dutch Enterprise Agency (RVO) and of course the embassies. I get the feeling that that is also not used in its full potential by Dutch entrepreneurs ..</p> <p>Renske: No, you have for example a lot of those Matchmaking events, which was also part of my internship, and I have skyped with someone who organizes that sort of events and they also say that they do not research/analyze the effect of those missions. So for example, they make the contacts for those Chinese and Dutch businesses, sometimes with a good result and theoretical speaking it is also very valuable, because the government is such of importance in China and therefore also good to involve the Dutch government as well. That they also communicate on the same level, position and rank. But where it does lead to in the end, has not been studied so far. And the people who work within this field I hear also quite some doubt. So that's something where I think that that's something which should be studied more and more research is needed in this regard.</p> <p>Me: When looking at those Matchmaking events, building a relationship in China is very important ... and isn't it the case you are missing a step when doing Matchmaking in China.</p>	<p>Lack of research for results</p> <p>Understanding the importance of government and their relation with one and other</p> <p>Know communication etiquettes</p> <p>Lack of research after event</p> <p>More study is needed</p>	<p>No check and/or research is done to the effect of trade missions and related events?</p> <p>Not diving into the achievements and results of these events ...missed opportunities?</p>
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	<p>Where most likely more is spoken about business rather than speaking on a personal level?</p> <p>Renske: Well .. emh .. that is also different per company. Most often it results in talking business rather quickly, but whereafter, when you realize the importance of also speaking to one and other on a personal level, continue speaking with that contact on a more personal level. So than is the Matchmaking a first step, no contracts will be signed that quickly, it is the first meeting. They make sure those companies are matched and the relationship needs to be built by yourself. And I believe there is one of the big issues. And not solely in getting to know one and other, but also once you already been introduced to one and other. One looking at Joint Ventures, I don't know how much you looked into that, but if you read what goes wrong there .. mainly due to communication issues. Even though when the contract is signed, people think: "We made it!" but then it is when it starts.</p> <p>Me: A contract for the Dutch is a contract and makes clear what is expected of both parties, however for the Chinese a contract evolves, developed during the continuation of the relationship, right?</p> <p>Renske: Yes, indeed</p>	<p>Knowing how to communicate</p> <p>No quick business at first</p> <p>Cultural differences, business talks</p> <p>Know how to communicate</p> <p>Different perspectives culturally</p>	<p>How to maintain a business relationship. Different approach and other more personal topics need to be discussed.</p> <p>Contract is more and less a letter of agreement to working together, subject to change when relationship evolves.</p>
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	<p>Me: And is that something that is not known among the Dutch entrepreneurs?</p> <p>Renske: Not by all, that's for sure. A while ago, I worked for a employer and they wanted to open an office in China, and they were a successful company. Active in different countries. But even they said .. it would not be that different in China ... but ... it was! So, even well experienced businessman can underestimate this quite frequently. And I think it is good that they have someone to bring along within this process. So maybe .. for example, a consultant ... although I don't want to promote my own work here (haha), but I do think it is important. Some people do hire only native Chinese. They know very well how it works in China. And I really do think they just need to not underestimate the difficulty and need to hire someone to guide them through the process and habits of the Chinese. So, they do not make crucial mistakes.</p> <p>Me: Guiding them in what sense?</p> <p>Renske: Guiding them within the communication. And not just solely in the language barrier, but also by understanding how things are done. The meaning of a contract which you just mentioned. You cannot ask from a company who wants to expand to China, to dive into the literature, theory what we did/do for example. That's</p>	<p>Underestimating the business environment</p> <p>Bringing someone with you</p> <p>Hiring someone not just for language barriers</p> <p>Underestimating the complexity of China</p> <p>Communication strategy</p> <p>Understand how business is conducted</p>	<p>Even successful companies make mistakes by underestimating how business is done in China.</p> <p>Bring aboard experience within business culture</p> <p>I get the impression that businesses do not want to take the time to educate themselves in the differences, but</p>
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	<p>not how it works. They just want to do business and have different expertise. But they need to understand not to underestimate that it is going to be difficult, so they needed to bring someone along within the process to support them in how it is done in China. So they can focus on their expertise, about achieving their goals, but bring someone along who guide you in the process. But also, to keep in contact with the Chinese partner. Contact is important, building the relationship .. but also someone who is willing to say .. okay sometimes a SEO is becoming less enthusiastic .. and pushing someone else forward to do the meeting, someone below the SEO. But sometimes it is of great importance that the SEO is going him/herself. If that is not being told, you are up for failure. It is wonderful to see the development of China. The younger generation has for example studied in the USA or Europe and go back to Europe. They actually really want to go back to China, that is where things are happening, which was also different a few years back. So it is also interesting to see that they are also westernize a bit, resulting we grow closer together. But, always, do not underestimate how different they think in China and how things are done.</p>	<p>Underestimating the difficulties of China</p> <p>Bringing an interpreter</p> <p>Relationship management</p> <p>Cultural differences in how to communicate</p> <p>Development of the younger generation Chinese</p> <p>Lack of knowledge, by underestimating</p>	<p>..'just want to do business'</p>
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How to stand out in such a big country as China, what is needed to distinguish yourself. How does this relates to 'Made in Holland'	<p>Me: So how do you distinguish yourself then?</p> <p>Renske: Your quality needs to be good. In the past, that was not happening. In the past your name could be enough, but now quality is important. People want something good for their money. I also think it is important to express to the world you have the interest in China but also actively engage in that. They are very nationalistic, which can be very valuable to use. When, as a company, with Corporate Social Responsibility, doing it not somewhere on the side but also actively engage and bringing it forward, also by your employees. It is important to understand your unique selling point as well as you value added. In the past, China is viewed as a third world country, and we are showing them how things are done. We know how it works. We are well developed here in the west. But in some things, they are far beyond our own technology. Which is also important to realize as a company. You need to find different angles to be taken seriously. Or else you don't even count.</p>	<p>Chinese perspective on products</p> <p>Quality</p> <p>Nationalistic attitude of the Chinese</p> <p>Being Corporate Social Responsible</p> <p>Know your added value</p> <p>Technological development</p> <p>Know how to standout</p>	<p>Earlier it was mentioned that the Chinese became closer to the west, but now nationalism is addressed.</p>
How to overcome challenges goes further into what tools are needed to	<p>Me: How would you describe the biggest challenges to overcome. What mistakes do Dutch businesses make?</p>		<p>Businesses tend to not be taking the needed time and</p>

overcome these barriers.	<p>Renske: There are quite some topics which are included within not taking the time to educate yourself ... not providing yourselves with the right information and underestimating the whole process. For example, not maintaining your contacts well, most of it can be put under the umbrella of cultural differences.</p> <p>Me: Would you also say that there are a lot of stereotypical thinking going on among Dutch entrepreneurs?</p> <p>Renske: I do think so yes. Even though I have to say that the businesses who do go to China today been looking to China is such a way that they won't see China as a third world/less developed country. Although it is still somewhere in our thoughts, in the back of our heads. The attitude of that we are better, that we know more. So, it is not completely gone thus far, but they follow the news enough to understand it is not the case anymore. Especially when they went to China themselves. I can remember the time I went to China for the first time and seeing that China was less developed than it is today.</p>	<p>Not taking the time for educate one self</p> <p>Contact management</p> <p>Cultural differences</p> <p>China as third world country</p>	effort to educate themselves enough before making the step towards China.
Final remarks	<p>Me: Dutch companies find it difficult to get in contact with the right contacts in China. You have any advice for them? How to get in contact with them?</p>		

	<p>Renske: I truly believe that those China missions are of true value for those companies. But I just do not understand why they do not study the results of those events and missions. Because when they know the result, they can guide/support the Dutch businesses better and to make it even more successful. So that's something more development is needed.</p> <p>Furthermore, it is in the hands of the businesses going to China. Their goals and their intentions. My advice is starting small, with small orders and increase case by case and develop your presence/business in China that way. The government agencies such as the embassies and the NBSO's do already quite a lot of work, however I do hear within the different organizations, when I talk to people, that they question what the effect is and when I ask whether they did research on it, they answer with no. It is not clear, and I think, there is something more research should go out to.</p>	<p>Lack of research by Dutch government</p> <p>Start small</p> <p>Use the network of the government</p> <p>Do research to results</p>	
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Appendix 9

This appendix has the initial codes and notes of interviewee 2, Bert Husson

Reason to ask	Answers	Initial Codes	Notes
What is the view (on a broad perspective) of the business environment in China? Do stereotypical thoughts play a role?	<p>Me: What is your perspective on the business environment in China?</p> <p>Bert: The business environment ... what I encountered in China was the ambition among the younger people. Where I not just talk about students, but also alumni. Take for example when we have a network events for a group of Chinese ... it was 'sold' out in just a second. Because they all want to network and make new connections. And when I here, in the Netherlands, work with alumni it takes more time and the event itself also needs to be well organized. Having good speakers, good content etc. You need to create added value of the event. Where, for the Chinese it is sufficient to know that potential business connections can be made.</p> <p>Me: What is your perspective on where the ambition is coming from?</p> <p>Bert: I think it is because of the economic boost, China has seen over the past year. Which is over its peak by now. Resulting in this being a generation ... a modern generation Chinese. Chinese which do not solely look at China, but also to the rest of the world. And I think that it is a very positive minded generation, especially when looking at previously generations ... which were less</p>	<p>Ambition among Chinese</p> <p>Eager to make connections</p> <p>Added value</p> <p>Rapid development of China</p> <p>Changing view by Chinese</p> <p>Positive minded Chinese</p>	

	<p>optimistic, also due to the political environment. What you see now is that this generation is still very nationalistic, so also the students, the alumni and older people. They stand behind their country, China. But they also look for the opportunities beyond China, across the border.</p> <p>Me: And thinking this thought in the perspective of the Dutch ... why are Dutch students, alumni less triggered to look at China?</p> <p>Bert: Because ... the differences is ... doing business in the Netherlands is not ... well it is based on your network .. but on a different degree when taking it in the perspective of the Chinese. So as we, as the Dutch, studied on the same university it is not as much of importance .. whether you studied on a university in the middle of the country or in the north ... it just does not matter for us Dutch people. But in China it is the mindset of ... we studied in the Netherlands ... meaning we have common ground where we can have a conversation about. And besides, on institutional level, Like... we studied on the same university .. so we are going to help each other. Which we do not have in the Netherlands.</p> <p>Me: Do you think the cultural differences are of a big deal?</p> <p>Bert: Maybe you have read about it or even used it in your report ... but the word: "Guanxi". I always have learned that two things are very important. Whereby one of them is Guanxi, so the relationship and the second is</p>	<p>Nationalism</p> <p>China looking beyond China</p> <p>Different usage of network</p> <p>Guanxi</p>	
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	<p><i>Mianzi</i>. So, the meaning of face. Which is also showing by the hierarchy. For the Dutch, they see less the importance of networking. For a Chinese thinks ... I do talk with you now ... but I might be able to work together in ten years. Maybe I can use you in about ten years. The Dutch on the other hand ... do not look in such terms. The Chinese, per definition, are more active in relationship management.</p>	<p>Importance of hierarchy</p> <p>Long-term orientated</p> <p>Short-term orientation</p> <p>Chinese in relationship management</p>	
<p>To understand the meaning of relationship building and what can be done better on the Dutch side, as well as how can that be better</p>	<p>Me: Relationship management ... What I also hear back in the literature as within my interviews, I hear that Dutch business have difficulties in finding the right connections. What you say is that the Chinese want to connect ... but what is the plan of approach to get in contact with those Chinese?</p> <p>Bert: That indeed is very difficult, especially for companies with no presence in China, to find the right connections. There, a consultancy firm can be very beneficial. Nonetheless, it is difficult. When speaking out of my personal experience ... while working at NufficNeso ... quite often, we got a request from universities to find suitable partners. Where we designed a whole system to compare the different levels of education and language between the Dutch and the Chinese. But when you want to find the right partners, than you should have someone in China who you trust really well. With the preference for a Chinese. This because the 'China experts', which also speak Chinese ...</p>	<p>Market access by local representation</p> <p>Consultancy firm</p> <p>Different level systems</p> <p>Having someone in China</p>	

	<p>also told me themselves that even they are missing the meaning sometimes in context of a conversation ... resulting in drawing the wrong conclusions from time to time out of business meetings. Personally, when I went to an important meeting, to an important Chinese partner/client .. to for example the ministry of Education, or to one of the big universities .. I made sure I brought a Chinese with me to the meeting. They can see by the setup of the meeting room, the location of the chairs of the counterparts ... you can see .. okay this person, when it speaks it is not important. Meanwhile the other person sitting on that chair is saying something, you need to pay attention.</p> <p>Me: So you can see that already on the setup of a meeting room?</p> <p>Bert: Yes, when you enter the room .. when a meeting start ... the Chinese counter part want to know by for hand what it is all about. So several decisions have been already made before the meeting has even started. So ... meetings are sometimes more of a ceremonial nature. You deliver a list with information like .. name, company, function within the company and explanation of what you do .. that from every participating person in the meeting ... based on that they can translated that information in the hierarchy within the meeting room. So on the setup of the meeting room you can see who the most important people are. So when you ask a</p>	<p>Complexity of Chinese (business) culture</p> <p>Bringing an 'expert'</p> <p>Hierarchy in the meeting room</p> <p>How business is done in China</p> <p>Meaning of a meeting</p> <p>Ceremonial nature of meetings</p> <p>Hierarchy in the meeting room</p> <p>Setup of a meeting room</p>	
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	<p>direct question towards your counterpart .. and that is not answered by the 'most important' person in the room, the boss, than you know it is most likely to end up in being a no, or that they don't know yet. These kinds of things are from a western perspective very difficult to grasp.</p> <p>Me: So, when I hear you speaking about this ... you might can say that the Chinese are not shifting to a more westernize approach of conducting business .. is it?</p> <p>Bert: That's a good comment you make, because I do believe it is completely true. It can be the case that on the outside they want to try to give that impression, but in reality, is China the Middle Kingdom, they have a lot of self-confidence. So the role of the Chinese has changed. In my early years in China, during a partnership meeting, the Dutch delegation was in the lead. But that changed completely. The Chinese don't say anymore: "okay, nice .. let's work together, especially with a western company because it is nice for our appeal". Meanwhile nowadays, they have a strategy, an idea behind it. Resulting the Chinese being stronger. When I compare it to me going to China nine years ago.</p> <p>Me: What is the reason for this shift?</p> <p>Bert: China has always been in the eyes of the Chinese the centre of the world. And we were/are barbarian .. We, in the</p>	<p>Communication in the meeting room</p> <p>Reading the meeting room correctly</p> <p>Impression of westernization</p> <p>China as the center</p> <p>China's development</p> <p>China understands its strengths</p> <p>Understand the changing nature of China</p> <p>China being the center in their eyes</p>	
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	<p>past, also looked up to the United States, as them being the beacon of freedom, and being the best etc. And China, seeing themselves as more like the center of the world, and their role ... which was taken away by the Western countries. And now it is back again in the hands of China. There is a big self-awareness about the power/strength of China.</p>	Chinese self-awareness	
<p>Relates back to my previous research about challenges when conducting business with China. Going into the complexity of doing business and to illustrate a better picture in regards to the obstacles and challenges need to be overcome.</p>	<p>Me: How would you describe the challenges, the barriers of us Dutch people towards China, within a business context?</p> <p>Bert: I believe the most important thing is building a trustworthy relationship. That you can trust your counterpart. Which is a big issue. That's also why they often say ... you cannot do business quick in China. It takes a strategy, a plan ... it takes a period of visiting China etc. To really trust the person, you want to do business with. Besides that it is also advised .. when you start making an order .. start with a small order. And see what you really get out of that order. Or make sure you check your order before it is leaving China ... when you import something from China to the Netherlands. Take for example ... if you order a couch ... if something is wrong ... and it is in the Netherlands already ... you cannot do anything about it really. Going to court .. not a good idea, you're not going to win. So that's difficult ... trust related issues, but also the formalities .. the Chinese are very formal, and you can insult them quite easily. Even without noticing it yourself, you can</p>	<p>Importance of relationship and trust</p> <p>Difference in business culture</p> <p>Trust</p> <p>Start small</p> <p>Easily insulted</p>	

	<p>ignore their hierarchy or something else they do not like. So, the ignorance and lack of cultural knowledge is an issue. The building of a trustworthy business relationship is an issue and besides that the counterfeit nature which is still an issue in China.</p>	Lack of knowledge of the meaning of an relationship	
<p>The aim for this question to get a better understanding what it takes to be successful. By answering this question it gives an impression to what businesses need to be successful in China and can be translated towards tools to guide them through the process.</p>	<p>Me: What do you think is needed to be successful in China?</p> <p>Bert: Locale representatives, is important ... patience, is important. Which is also important in the light of building your business relationship. And you have to educate yourself in the Chinese culture. Where you also most likely encounter something like ... for example ... contracts ... when you sign a contract in China, it's a sign of collaboration. However, in the Netherlands it means, what is signed, that is what we are going to do. But that's not how the mindset of the Chinese. It is possible that, after a week of signing a contract, the situation has changed and therefore, we are going to do it differently. So even in the stage of signing and working out a deal/contract, you can be challenged. I think it would be effective that or work together with a company specialized in the do and don't/know how's of doing business in China or to invest in a local person/representative. For the language, but also that that person can meet face-to-face with your Chinese counterpart, drinking together with them ...</p>	<p>Local representation</p> <p>Business is not done overnight</p> <p>Importance of education</p> <p>Different meanings of contract</p> <p>Using an external partner</p> <p>Understanding by having foot on the ground</p>	

	<p>Me: How much of an importance is the personal contact for the Chinese?</p> <p>Bert: In some sense it is important because when you have trust, than the Chinese shall not damage that trust that quickly. Because it will also have an negative effect on his/her own honor/face. Another effective way is the use your network not only on a vertical level, but also by using an horizontal approach. Let me explain that, when you know person A, and your counterpart knows person A as well ... when your counterpart screws you over, he/she basically also is screwing over person A.</p> <p>Me: So, to create a SafetyNet for yourself?</p> <p>Bert: Yes, exactly.</p> <p>Me: Using the meaning of Face as an advantage for yourself ...</p> <p>Bert: Within those conversations/communication you are also aware of the hierarchy ... so you do not let you secretary or intern call a SEO of a Chinese company. You need to be aware of the hierarchy and to sort of ... not the right word but okay ... respect that. When you speaking to a person of high rank within a company .. let them talk to someone within the same rank ... a junior does not speak with a Chinese SEO. Which would result in the Chinese SEO thinking like ... I'm speaking to a project manager ... so they do not take me seriously. Because I am supposed to speak to the</p>	<p>Meaning of a relationship</p> <p>Losing face</p> <p>Strategizing your network</p> <p>Understanding their hierarchy</p> <p>Know how to communicate</p>	
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	<p>managing director. Also ... which I am currently thinking about ... the Chinese are really bad in answering and sending emails. When you want something done ... you need the WeChat of those persons. Which is their platform of communication. They just do not check their email ... which is something that should be taken into consideration. Once again ... when you want, from the Netherlands, make a presence for yourself in China ... good luck with that. I would advice for a local Chinese representative or a consultancy business with experience with</p>	<p>No emails</p> <p>Communication tools/platforms</p> <p>Lack of sending/ checking emails</p> <p>Knowing how to deal with the Chinese</p> <p>Local representation</p> <p>Use of experienced people</p>	<p>By the phrase: 'good luck with that' ... it illustrates the complexity of China in my understanding</p>
<p>How to stand out in such a big country as China, what is needed to distinguish yourself. How does this relates to 'Made in Holland'</p>	<p>Me: How to stand out in China? How do you make a difference?</p> <p>Bert: For the Chinese status is everything and they want to show to their peers that they are successful ... and that also reflects on the things they buy. For example ... my wife's parents are from the Mao generation ... which is still not that long ago ... people were starving to death ... now ... they have to find a way to deal with this new wealth ... resulting in buying expansive stuff to be cool. However ... when I first arrive in China ... they were interested in the fact that I was foreign ... but the longer I stayed in China I saw the switch towards a more and more nationalistic perspective.</p>	<p>Meaning of Face</p> <p>Changing attitude towards consumption</p>	
<p>Final remarks</p>	<p>Me: to conclude ... what tools are needed to guide/support</p>		

	<p>Dutch businesses to take the step towards China</p> <p>Bert: You cannot do it halfway ... you need to take the time and put the investment in. Have patience and ... which I said previously ... have a local contact.</p>	<p>Commitment</p> <p>Local contacts</p>	
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Appendix 10

This appendix has the initial codes and notes of interviewee 3, Jan

Reason to ask	Answers	Initial Codes	Notes
What is the view (on a broad perspective) of the business environment in China? Do stereotypical thoughts play a role?	<p>Me: What is your perspective on the business environment in China?</p> <p>Jan: First of all, there's a big difference between the Dutch and the Chinese. Where I firstly talk about the cultural differences. Secondly, the way of doing business different completely. I am going to give you an example ... I use Wechat to post something, on the moment I put the message out that a new supermarket will be opened (in China) ... within five minutes I have a message and within thirty minutes I have a meeting with a buyer/purchaser ... with one of the already established supermarkets ... let's have a drink. What are you doing here and what can we do for one and other... and then I am talking about a Chinese. With this example I want to illustrate ... they work with a so called 'open agenda' here in China. We do not necessarily put things in our agenda ... it does not happen ... like ... next week I will stop by at your office. If it happens ... it happens today. Whether it is seven or eight o'clock at night .. it does not matter .. but when you have the opportunity, you try to act as soon as possible, if not on the spot.</p> <p>Me: Within the stereotypical mindset ... it is thought that it is important to focus on</p>	<p>Cultural differences</p> <p>Business is different</p> <p>Business conducted quick</p> <p>Not much planning</p> <p>Respond time, needs to be fast.</p>	<p>The way business is conducted in China is different than in the Netherlands. Examples are given.</p>

	<p>relationship building .. meanwhile you are illustration a far more direct approach ... so where does that difference come from?</p> <p>Jan: Maybe one of the things is because I am already in China ... maybe different kind of business relationships/network. Also, those contacts are not new, and have I already established ... besides that ... maybe it is also something that I am used to already. With the phrasing .. let's have a cup of coffee ... it indicates you already have already established the connection .. if you understand what I mean... you already know each other. So the door is always open for me. But ... many Chinese are very friendly. The door is open, and you do not always engage in a business-related conversation ... but to keep the contact alive so to speak.</p>	<p>Benefit of being in China</p> <p>Established relationships</p> <p>Open doors by the right contacts</p> <p>Friendly</p> <p>Not just business talk</p>	<p>The quick response time is related to an already established relationship.</p>
<p>Relates back to my previous research about challenges when conducting business with China. Going into the complexity of doing business and to illustrate a better picture in regards to the obstacles and challenges need to be overcome.</p>	<p>Me: How would you describe the challenges for Dutch businesses in China?</p> <p>Jan: The Dutch being to slow ... in many things ... being to slow. Which is also something where I am dealing with. The advantage of being in China is the fact that I can invite people to have a drink, to arrange a dinner ... going away from the office. Looking for another environment. Which I also did in the Netherlands. When I do business with nice business relations than I have the preference to go somewhere else, get away from the office. In times of Corona ... back in October ...</p>	<p>Not acting fast enough</p> <p>Being available in China</p>	

	<p>August ... what I did in the Netherlands .. was that I was going for a walk. Which is a whole different kind of doing your work. With several people I did such thing ... and everyone thought it was nice to do. Just a moment away from the office, look for what is close to you .. where can you have a little walk ... and it results in a different kind of conversation.</p> <p>Me: This can be easily arranged when being in the Netherlands ... or being in China. But how do you establish a good connection with a Chinese partner ... while being in the Netherlands?</p> <p>Jan: I have had a business relation here in China, which had a network already ... it is a big organization ... a big organization which also .. on different levels has good connections. And I believe those things play a part ... which results in getting yourself seen/involved much easier. And this is basically how it works ... when I look back to the past five years ... I haven't been always present myself in China. I tried to be in China for at least once every month .. or once every two months .. and so now a longer time period ... but what I have worked for was to establish a good relationship with the Dutch and the Chinese government. Take for example the guys from the NBSO ... those kind of organizations ... they don't bring you much to be honest, but it is good to share a picture from them once in a while on WeChat.</p>	<p>Business relations on different levels</p> <p>Access by being present</p> <p>Visit China, be in China</p> <p>Relationship with government</p>	
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	<p>Me: The NBSO's are a part of the Dutch government present in China ... but you say they do not bring much to the table ... so why using them?</p> <p>Jan: Let's rephrase .. the expectations from the Dutch side are often too high, for that kind of organizations. The NBSO's have several platforms .. here also in Shanghai ... and I tried, also in collaboration with the Chamber of Commerce Benelux Why don't we collaborate collectively? I also talked about this with our previous agent/consultant here in Beijing. Why not working together more often ... bringing it together. They all have a wonderful network... and while bringin it up ... with for example an NBSO .. they say .. well, yes but we have our expertise, in connecting .. the link between the Chinese government, NBSO .. and bringing the Dutch government further in China. I would say ... which is rather a Dutch mindset .. but take this on collectively, do it together and continue what you do ... but that is something that goes too far in their perspective ... and I would like to see that change ... it's a pity. Because in my perspective ... you get much more done when doing it collectively.</p> <p>Me: So .. you would say ... to make the step towards China ... a collective approach would be beneficial?</p>	<p>Expectations</p> <p>Work together</p> <p>Increase network</p> <p>Increase revenue by working together</p>	
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	<p>Jan: ehm ... yes, that's something I believe in. And that is also why I put time and effort in enlarging my portfolio with other products and brands ... within my own network ... and doing it together. Also ... to illustrate .. we had a food tasting within a hotel chain. A Chinese hotel chain ... there you meet interesting people .. who you basically want within your personal network and with those contacts you can organize other food tasting events. So you make yourself more interesting to bring the other along, to do some piggyback riding your network ... within a Chinese perspective ... that's really strange. A Chinese have so to say a lot of different islands ... because they don't have ... let's put it this way ... the 'old' Dutch mentality of let's do it together, let's do it within a collective approach and when we are working together, we have more so to say. That feeling ... does not exist in China. However, when you hand these tools ... they love it!</p> <p>Me: But that is not really happening yet if I am not mistaken ... and therefore .. the Dutch businesses are reluctant this far ...</p> <p>Jan: Quite some dutch businesses nowadays .. do not have this attitude .. this line of thought. To work together and achieve more together. And I do also see the difference between the employee who is present in China by a Dutch company and who has to</p>	<p>Increase your network, by using your network</p> <p>Piggyback riding, strange</p> <p>Islands of contacts</p> <p>Dutch mentality</p> <p>Dutch mentality to increase network.</p> <p>Chinese open for new contacts</p> <p>Lack of collective approach</p>	
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	<p>create it's own revenue and who limits himself by only focusing on his own things ... but when that person has the opportunity to work together with another products in collaboration of his own product it will increase revenue. I can tell you that.</p> <p>Me: And then not necessarily products of a competitive nature .. but rather using products which enhance one and other right?</p> <p>Jan: Yes, and that is than the platform you should use. Even for a big company in the Netherlands, with a subsidiary in China with a Chinese in the lead ... thinks this approach is strange. But when you take them along within your line of thought, within your thinking, your idea ... it shows result...</p> <p>Me: So we need to stimulate Dutch businesses to work together and go collectively to China?</p> <p>Jan: Yes ... but the most important thing is ... there is already so much. And because there is already quite a lot, it would be good to do this within a collective approach. So joining forces with a NSBO's, other organizations, the Chamber of Commerce, ... all those different kind of islands and you have a fantastic network.</p>	<p>Understanding the business environment</p> <p>Increasing revenue</p> <p>Understanding how it works</p> <p>Knowing how to deal with the Chinese in business</p> <p>Join forces</p> <p>Using an established network.</p>	
Aim to get an understanding towards 'made in holland', Chinese perspective on the Dutch and	<p>Me: While looking at the Food and Beverage industry ... how to stand out, what makes you different than the rest?</p> <p>Jan: As the product, Holland/the Netherlands. We</p>	<p>Using Netherlands as brand</p>	

<p>how to adapt to that.</p>	<p>all have the same background; we all have a Dutch nationality. A Dutch company you are working for. Using that to differentiate from the rest.</p> <p>Me: What is the Chinese perspective on Dutch products?</p> <p>Jan: We are a big supplier of food related products. We export a lot of food towards China already. They think quite fondly towards Dutch products. This in a sense of ... for example in the glass industry ... we are fantastic. Which is also seen as very positive. Take for example our milk ... it is seen as high-quality milk. Take for example our meat ... Germans are not allowed to export pork meat to China, meanwhile we Dutch are allowed to do so. Which is due to the pork virus ... When you take the example of the meat industry ... it is dominated by four players. All those four have quite the influence by the Chinese government. Resulting them being the most important key figure within the meat industry.</p> <p>Me: Is it still possible for a Dutch company to be active within that sector in China?</p> <p>Jan: Yes , by exporting to one of those big players. There is not enough meat in China. Do not forget that they are having 1.4 billion people living in China. Just imagine for a second .. when they all start eating meat ... that's going to cause for problems.</p>	<p>Differentiate</p> <p>Chinese perspective on the Dutch</p> <p>Providing quality products</p> <p>Government ties</p> <p>Understanding who the Chinese players are</p>	
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	<p>Me: When looking into the consumption patterns within the food industry, do you see big changes?</p> <p>Jan: You probably read something about it already .. but the salaries have been doubled over the past years. It does not happen often in a country, but here in China .. the prices also have doubled. Resulting them spending more money on consumption. Also for meat.</p> <p>Me: The Chinese are known to be very nationalistic .. however the younger generation also is influenced by western thinking ... how does this relates in the Food and Beverage sector?</p> <p>Jan: The older generation is not open to try for example bread and bread related products ... if you eat something like that ... it's for breakfast .. cornflakes .. the younger generation on the other hand ... also because of them traveling they are more open to try such products. They don't mind eating bread for example. They visit a MacDonald's, a Starbucks etc..</p> <p>Me: Meanly because it is something that is from western countries?</p> <p>Jan: I discussed this matter this afternoon with an distributor ... and he actually has a good point ... it does not matter whether it taste good, as long as it has a good and well designed image/packaging ...</p>	<p>Increasing wealth</p> <p>Change in consumption</p> <p>Focus on the new generation</p> <p>Open to try new products</p> <p>Chinese perspective on image</p>	
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	<p>Me: So .. than you would say it is more important to the people to show what they eat rather than it being tasteful...</p> <p>Jan: Yes ... you want to be western to be modern. You go to MacDonald's and Starbucks to make a lot of pictures. Resulting in you being a 'modern' Chinese.</p> <p>Me: And how does this relates to Mianzi – Face?</p> <p>Jan: ehm .. giving the outside world the impression that you are western. For example .. when you look down the street, here in China. What kind of cars they like to drive ... they love to be seen in German cars. It makes sure you separate yourself from the rest .. the luxury cars ... they (the Chinese) wants them!</p> <p>Me: China is increasing in wealth, also when looking at the middle-income Chinese ... is their a way Dutch businesses can take advantage of this trend?</p> <p>Jan: I have a business relation .. which is in construction. In China they build a lot, but really a lot and he delivers the materials for several projects. But also Dutch architects who design buildings here in China. Here in Hangzhou .. there are several buildings .. really beautiful designed buildings by a Dutchmen. Which brings a certain kind of pride .. I also like to point it out when I drive past one of them .. to by business relations.</p>	<p>Wanting to be western</p> <p>Important what others think</p>	
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<p>To go further into the reasoning why Dutch businesses are holding back</p>	<p>Me: But still ... quite some Dutch businesses are afraid to go to China ...</p> <p>Jan: Well .. there is the idea that ... once they did a tradeshow ... that's where we score, and create deals out of that. That's something I do not believe in .. and I always say ... it takes quite some time to get yourself noticed in China ... I am going to give you an example... the second time I had a meeting with a supermarket here in China ... the first question being asked to me was .. how long are you active within this market, for how long you think to stay, who are your business partners, what is your degree of experience ... when I answered those questions correctly in their eyes ... I was allowed to stay longer than thirty minutes. Whereafter the question was asked .. what are you going to deliver us .. what are you going to sell us. And now I am at that stage, which I am really proud of .. they come to me and say .. Jan, what do you think, in what direction we should focus next. That's amazing! Than I come up with some new products ... unfortunately, I am most of the times too expansive .. whereafter they respond ... I like your idea Jan, but we buy from a Chinese. Which does not entails that these Chinese would never do business again with you .. you have to bear in mind that they are long term oriented and maybe your next offer is more of their liking.</p>	<p>Underestimating the complexity of China</p> <p>Takes time</p> <p>Know your added value</p> <p>Power of a good relationship</p> <p>Long-term orientation</p>	
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	<p>Me: So what is your perspective on what Dutch businesses need, in regards to tools/advice, to be dare to take the step to China?</p> <p>Jan: When taking this in a more general perspective I think that you have to work with a good partner. A good partner who is able to bring you further than just you. Just you ... you will not manage. So the partnership is important. You also talked about that not everybody dares to take the step ... and when using a consultancy business ... it is important they they are able to link you with the right partners. Using their network. Which is basically the first step. Because the Netherlands has a good name ... you need to use our nationalism .. our orange color, and the Dutch flag. I believe in a nationalistic approach, to use the branding that we have as a nation. With that, you present yourself as a western company , a modern company ... but you also need to know who you want to serve. Who will be your customers .. which direction do you want to go ... it is important to stay close to yourself. Take for example ... Veldhuizen Cheese ... has a Chinese partner .. and they do quite well do I have to say ... in every corner they are present with a few pieces of Old Amsterdam, and it is becoming a brand. In Cheese .. they do well. You also needs to do something with the taste of it ... take for example Gouda Cheese .. it is a brand but ... no wait .. take for example bread .. its more difficult to sell plain</p>	<p>Having the right partners</p> <p>Using external partners</p> <p>Using Dutch name and branding</p> <p>Self-reflection</p> <p>Do your research</p>	
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	<p>bread than bread with added flavor. They eat bread as a snack, and not a meal like we do. And that is something you have to do something with. And there is where I also developed variations of bread, especially for the Chinese markets. We made variations where bakeries in the Netherlands would say ... those are very odd and strange combinations in flavor, but who work here in China.</p> <p>Me: So .. research is needed to see what the Chinese like and adapt your product towards the taste of the Chinese?</p> <p>Jan: Proper research .. or just go! I do not necessarily believe research is always key ... when you walk around on a local market ... you get the feeling, you smell ... what the flavors are. Which might sound odd ... but that's a direction, in my believe, where you need to go.</p> <p>And there a consultancy firm might be helpful .. they have the people or connections who can help you. I recently got contacted by three different companies which said to be interested in the Chinese market ... how can you help us ... on a consultancy level ... which is nice to do. Where we made a strategy with several big bakeries in Belgium ... how we are going to do it and I am going to present this within my network here in China. Not going to China with the entire assortment of products ... but starting rather with a singular item. Having the focus on one item. Or at least a limited</p>	<p>Research trends in the market</p> <p>Adapt to China</p> <p>Know the market</p> <p>Field research</p> <p>Business plan</p> <p>Start small</p>	
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	<p>number of items. Which can be items which are slow movers 'at home'. The assortment in China is big ... I would say even bigger than we know here in the West.</p>		
	<p>Me: Could you give some advice, as concluding remark for this conversation?</p> <p>Jan: Try to give attention to the Chinese Culture. Try to read several books about China. Which changes your perspective in China? Not only just business books but also for example a book about the Opium wars ... when you read those books you understand a part of China ... why is China closed-up, a closed culture. Besides the cultural background ... also know your added value. There are a lot of products ... but know the culture. But China ... needs also to match with your internal business environment .. when it doesn't match ... than it might be good to decide to not go to China. But that is basically the same when you want to go to Italy for example... In China ... they conduct business differently than in the rest of Europe. Being quick is important ... just before you called ... an purchaser asked me a question .. and currently it is eight o'clock at night .. but he might also ask me something around midnight .. you do not really have off-time. There is no difference between a Monday, Thursday, Saturday or Sunday. So you need to be aware of that ... you cannot say in China, when someone calls you on a Friday afternoon</p>	<p>Educate yourself</p> <p>Know yourself</p> <p>Educate</p> <p>Know when (not) to go</p> <p>Knowing how to act</p> <p>Chinese business culture in communication</p>	

	... let's talk about this further on Monday ...		
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Appendix 11

This appendix has the initial codes and notes of interviewee 4, René Teunissen

Reason to ask	Answers	Initial Codes	Notes
	<p>Rene: We are living in Xiamen, I don't know if you been to this area when you were in China, but it is the warmer part of China. We are in proximity of the sea and we are living here now for over three years. Even though I have been visiting China quite frequently now already for 15 years. Some years ago, we decided to make the move permanently. Not out of the idea of starting an activity, starting a business, like we did, but for other reasons. Mostly because our kids are half Chinese and half European ... a part of them growing up was in Europe and now we want them also growing up for a while here in China. So that they are able to understand the language, the culture, and being able to put things in both perspectives. Three years ago I started my business step by step .. Farea ... what we have now. At the start it was difficult to decided where to focus on ... what do we want to do here in China. Gradually it ended being that we focus on bringing European products from Europe to China. European quality products, mostly within the food sector, but not necessarily just food. What we do, we help/guide European</p>		

	<p>businesses to conduct business here in China. Which can be on an advisory level, by doing for example market research, finding the right partners/connections ... to help the initial approach towards China ... Besides that, we also act as an importer. We have an import license as a company, and we can import products and also sell within China. We do so for some products, products you would most likely know. For example .. Marcel Green Soap, the first container with products are ready to be shipped from the harbor of Rotterdam. We import cheese from the Netherlands. We import biscuits, from the company Hellema. We we act as importer. We are not that kind of company which sells a company, and it is our responsibility what to do and who to sell those products ... with all those businesses it's a partnership. We work together, we are in this together. They know what we do ... the suppliers also know what kind of activities we engage in. However, in the end ... we are responsible to get those products sold here in China. More like a representative for those particular companies here in China, where those companies also have a certain risk. By sending products to China, and for example also sending products directly from the factory towards the customer in China. Quite recent we also have a collaboration with the company, Unilver. For Calvé products, like Calvé peanut butter ... to import those to</p>		
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	<p>China. We are working on that agreement. This all happens under exclusivity ... we make agreements to have the exclusive rights to sell those products here in China. Which is for us important ... in the past it did happen that other parties also imported the same products ... and China might seem big ... but within this kind of specific items ... you always end up with the same person ... which is quite annoying. So therefore ... always based on exclusivity. It is something we do together. This all we do from our office in Xiamen ... where we arrange ... our partner put the order together in the factory, or somewhere else in the Netherlands, or in Europe. Whereafter we arrange the rest ... the logistics, storages .. the entire process basically ... so the supplier doesn't have to worry about these kind of things.</p> <p>Me: This because of making the step towards China easier, or just because it is something that works best for you?</p> <p>Rene: This because the import of products to China is quite complex. Especially while importing a product for the first time. But also, when you do it more frequently ... the process is quite strict. You need to comply to the needed documents. Which is also subject to change from time to time. That whole process ... for the most part ... we would like to arrange that. Because ... when the products arrive .. and something is wrong within those documents. Then we</p>	<p>Complexity of China</p> <p>Paperwork</p>	
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	<p>have a problem. And besides that ... it's quite the hassle for Dutch companies. They still need to fill in most of the documents themselves ... but we guide them through the process. What we want is those suppliers keep focusing on the purchasing part of the process and not with the import logistics. We add value by taking the whole process and documentation of logistic and import and arrange that for them. Mainly because of the complexity. We see that, and also warn the organizations ... that is it quite the challenge and complex ... it takes a lot of time in the beginning .. but once you done it you know what is expected from you.</p> <p>Me: Is it seen as one of the big challenges, this complexity?</p> <p>Rene: .. ehm ... yes ... especially when it is a new product. But once you did the whole process ones .. than you know what documents you need, then you also know whether the product itself comply to the regulations. The first order/import is a really small amount. A test import ... to see if it goes well. To see if it goes well though customs and whether it is allowed into China. Or if there are products/ingredients within the product who in the end are not allowed in ... once we done that .. we scall up the import volumes. So, especially in the beginning there is a complexity factor ... but once you done it for the first time .. you get a feeling how things are done. However, it will</p>	<p>Hassle for the Dutch</p> <p>Dutch see it as complex</p> <p>Complexity of import/export papers</p> <p>Knowing what to do</p> <p>Test Import, start small</p> <p>Know how the system works</p>	
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	<p>remain a lot of work. Which for a great part is done by us, with a lot of paper work, a lot of translation work, from English to Chinese and from Chinese to English. Labels who need to be made, Labels which need to be translated into Chinese ... also labels which need to be applied here in China, unless they are already printed and applied in the Netherlands/Europe. All that kind of things, we make sure it is done. Sometimes ... even repackaging of products. Where we order the packaging here in China. In a free-trade-zone .. we repack the products whereafter it is further transported. Which is cheaper in some cases and reduces the hassle back in the Netherlands. Those things can be done .. because we are here. We have the contacts close to us. As said, we live in Xiamen, a relatively small city, approximately four million people. It is a small city. But you have all the needed facilities close to us. The harbor, good infrastructure, also for international business. Storage can be organized in a good matter down here. That's briefly what we do ... Besides this, last year, we did the FHC Shanghai tradeshow in Food, together with Export Partner. Which was a nice project to do, together with Daan. Where we, in quite a short time, managed to get the things done. We took it up us to arrange the logistics for getting the samples to China. To get the entire documentation in Chinese. We also were standing on the stand during the tradeshow.</p>	<p>Paperwork hassle</p> <p>Translation</p> <p>Being in China makes contact easier</p>	
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	<p>Me: What was the reaction of the participating companies, to join that tradeshow?</p> <p>Rene: Well .. in the beginning there were companies which really wanted to go themselves. They have been participating on the tradeshow before, they have their own stand and want to go themselves. Which resulting them in skipping this edition. The participation companies were organizations which never been on the FHC (Food & Hotel China) before. Which was rather new for them ... they didn't have the history and that tradeshow. And those companies really saw it as a sort of try-out ... which is another kind of company than those who are standing on tradeshow frequently. This edition had also the benefit that it did cost less. We did in a collective approach, no travel costs or other extra costs .. it was all arranged.</p> <p>Me: So that were mostly companies who haven't taken the step towards China before?</p> <p>Rene: yes, with one exception, haven't took the step to China before. It was new, it was to see whether it would work ... one of the participating companies was given the advice, by us, not to go. They have one product, which is a large market already ... so we said to them .. don't go. How do you want to stand out ... quality .. price ... in the end they make the call to go. We see this as an opportunity</p>	<p>Tradeshow as opportunity</p> <p>Access the Chinese market collectively</p> <p>Testing</p>	
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	<p>and they did it ... at the end it resulted in follow-up activities which are still ongoing on this day.</p> <p>Me: So a tradeshow, like this, is a good way to see what is possible with your products in China and whether the Chinese are interested?</p> <p>Rene: I think it is a really good way to test if the Chinese are interested in your products. What they like about the product, but also why they like it. What is popping out ... what we were also able to see during the tradeshow. It's a really good testcase, to see if they are interested in your products.</p> <p>Me: Those products are popping out ... mainly because they are of western origin or more in light of the changing consumption patterns?</p> <p>Rene: ehm ... it was in the past already the case ... and today also ... that western products ... also American and Australian products .. those products catch the eye. There are a lot of products from abroad here in China. People are willing to pay more for those kinds of products. However, not too much more. But they are interested in foreign products. Which is due to the fact that those are new products, not available yet in China .. that's what they are looking for, new products. Which can be a new brand of an existing product with extra added value .. or a completely new product. Maybe not new within the European market,</p>	<p>Tradeshow as showcase</p> <p>Market research</p> <p>Increase spending</p> <p>Search for new products</p> <p>Availability in China</p>	
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	<p>but new for China. European products do have the image of being good, of high quality ... especially the products from the Netherlands. Those are considered of high quality. Germany, the same. Which creates an interest. What important is ... it needs to be something new. More of the same ... than it is competing on price ... niche products, also important. Take for example cheese ... not a common food to eat you would say ... but the market is increasing. There is room ... normal cheese ... maybe cheese with some extra flavoring ..</p> <p>Me: How would you describe the business environment in China?</p> <p>Rene: It's a broad question, but I think ... it's a communist country .. but I believe it is also the most capitalist country which does exist. Which is also reflecting upon the business environment.</p> <p>International business is also on the top of the agenda of the Chinese government. Import and Export. Giving room to businesses ... with for example lowering VAT, reducing revenue tax etc. All measures to stimulate doing business ...</p> <p>China revolves around business. Which doesn't matter that all goes well .. but there's a lot of room. When you are keeping yourself between the lines of the regulations .. there's a lot of room to conduct business.</p>	<p>Netherlands for quality</p> <p>Something new</p> <p>Understand trends in the market</p> <p>On the agenda</p> <p>Revolving around business</p> <p>Know what you can and cannot do</p>	
	<p>Me: What is the perspective the Dutch are having towards doing business in China?</p>		

	<p>Rene: When you look to for example. a company like Unilver ... Unilever has a subsidiary here already ... mainly non-food in China. Many well-known brands in Europe ... are already here. What they want currently ... is to bring European brands towards China which are not known yet in China ... not via the subsidiary but via the port of Rotterdam. Which we are working at. When you look at the expectations of business ... it is a large country, there are living a lot of people ... so when you achieve to do a little ... you do already quite much ... so what I encounter ... the view of ... it is a big country, with a lot of opportunities. Which makes it interesting, besides the rapid economic growth. The demand is high ... but the challenge to overcome is to ... where our opportunities lie together ... when you go to China ... it is not, traveling to China and you arrange some things ... it's a complete different approach ... I worked for years in Europe, conducted business ... it is completely different here in China. Every day, I need to adapt to the way things are done here.</p> <p>Me: Can you give some examples about the differences ... the difference between the Dutch and China?</p> <p>Rene: The building of a relationship costs a lot of time ... lots more than in Europe. Building trust ... a yes is not a yes and a no ... well they do not say no much ... when I look at it in my European perspective ... than I see a lot</p>	<p>Expectations</p> <p>Dutch see opportunities</p> <p>China develops</p> <p>Different business ethics</p> <p>Adapt to China</p> <p>Relationship</p> <p>Different business perspective</p>	
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	<p>of Chinese doing businesses we would see as untrustworthy ... but which are not untrustworthy here in China. It comes down to the different way of conducting business. So when you think you have an agreement, or when you think you achieved something ... it might not be the case every time. Keeping in contact is of the upmost of importance ... you need to understand what they mean. To end up in agreement. So the expectations ... the Chinese are less open than we are ... when a Chinese says something he/she wants ... doesn't necessarily is what he/she wants. Which is a big difference between the Dutch ... Europe and China. To be successful in China it is important to being able to deal with this kind of issues.</p> <p>Me: Which can also been seen as one of the big challenges ... the miscommunication, or information being wrongly implemented?</p> <p>Rene: Yes, because you the risk is you being to direct ... which is not being valued by the Chinese ... and the risk of you thinking the Chinese being direct by giving a clear answer .. but it is actually not a clear answer. So the communication between the Chinese ... it is challenges.</p>	<p>Differences in agreements</p> <p>Keep in contact</p> <p>Chinese less open</p> <p>Understand the meaning of what Chinese say</p> <p>Adapt to Chinese customs</p> <p>Dutch being direct</p> <p>Miss interpretation</p>	
	<p>Me: When having your business in the Netherlands ... how do you prepare yourself for this?</p> <p>Renee: I think .. personally, it is important to know how</p>	<p>Educate yourself</p>	

	<p>things are done here in China. To make sure they understand that the communication ... sometimes things can go rather quickly, but it can also take a while. For example ... when a customer asks something ... than you have to respond quick. Which is also expected by them ... when you decide not to ... their interest is gone. Which is complex ... on the one side ... immediate action is needed where on the other hand things do takes long ... based on trust.</p> <p>Therefor it is important to indicate towards Dutch businesses what to expect, how business is conducted. On what way connections are made ... also in advance ... to let them know what businesses would work .. but also realistic by saying that it might not work. When a business decide to go ... it's their choice ... but be open and clear. Whether it can succeed or not. I want to give you an example of the import of products and documents needed. Every single shipping ... the same load of paperwork is needed. Always the originals with the signatures and office stamps ... which is a different way of what people are used to ... comparing it to other countries ... it is not easy ... but here in China it is different. It can be complex .. but be open.</p> <p>Me: What is key to be successful in China, you mentioned already standing out, investment of time but also to act quick .. you have more?</p>	<p>Respond quickly</p> <p>Know when to go & not to go</p> <p>Loads of paperwork</p> <p>Different than we used to</p> <p>Complexity of China</p>	
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	<p>Rene: It starts with a quality products, a good products, new product .. for an acceptable price. The Chinese are not willing to pay a lot more for import products ... some more .. but not much. They are willing to pay more for good quality ... but pricing is important. So product with a good price. Being patience ... but also you need someone in China ... who knows how things are done. How business is conducted and who have the contacts. Who can make new contacts and someone who can act with foot on the ground.</p>	<p>Know what to sell/ market research</p> <p>Quality and pricing is key</p> <p>Value of local representation</p>	
	<p>Me: Where within F&B are the opportunities?</p> <p>Rene: There is a focus on healthy food. China is evolving ... there is a lot of obesity in China. Due to China being wealthy ... they like sweet and salty food/snacks ... so focus more on the free from products I would say. A second thing is ... you see an increasing vegan demand. Due to the Buddhism in the past ... but related products are increasing in demand. The Chinese government also want to reduce the consumption of meat.</p> <p>Me: What is also mentioned within our conversation was that the need for companies related towards the step to China Increasing knowledge about doing business in China, and reaching out from inside China to guide them ... is there more?</p>	<p>Changing consumption patterns</p> <p>Understand trends</p> <p>Access by understanding opportunities in food</p>	

	<p>Rene: If I translate this .. where also an opportunity lies for us ... in collaboration with Export Partner is to educate Dutch businesses more about what is happening in China.. Picking themes .. interesting for businesses ... to increase their insight. Also to establish another perspective on China .. another than being seen in the media. Especially focusing within the Food sector ... to share interesting stories about the opportunities ... challenges ... what businesses might be interesting ... mainly nowadays .. the media is filled with stories of politics and economy ... but this to stimulate businesses to think about China within a business perspective. ... Also to focus on how things are done in China ... let's give you an example .. you hear a lot about Alibaba .. how those web shops work ... when you look on the street .. you see a lot of electric scooters with parcels ... our hallway is always filled with parcels for our building... this is how China works ... trade by parcels. China is facilitating ... with no import duties on certain products ... or lower value added taxes ... which are developments I do not read much about ... even though it is interesting from Dutch companies.</p>	<p>More education/sharing knowledge</p> <p>Provide information</p> <p>Stimulating business by sharing experiences</p>	
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Appendix 12

This appendix has the initial codes and notes of interviewee 5, Jan Maas

Reason to ask	Answers	Initial Codes	Notes
	<p>Me: Thanks for the introduction, where I am also interested in is the link between businesses and the Dutch government and the Chinese government. But before diving into that, I would like to ask how you describe the business environment in China?</p> <p>Jan Maas: The first thing popping into my mind is the China Position Paper, a policy paper published in 2019 I believe ... important to work together where it is possible, and being careful where needed, which basically covers it in one sentence, why we are here. In some sectors, it is possible to work together, and that's why we try to do so. It comes in the benefit of Dutch businesses. On the other side, China is and has been in development and there are a few sectors/areas where you need to be careful ... which is also mentioned quite frequently in the press nowadays. You can think of the human right issues, that also have effect within the economy sector. But you can also think about Hong Kong, which is also changing ... You can also clear see that China is protecting their market. That is not something new. China opens-up certain sectors/markets for non-Chinese, so for foreign business, when China is ready to do so, or when they really want to. I believe that is an</p>	<p>Collaborate</p> <p>China's development</p> <p>Protection of China</p> <p>China opening up</p>	

	<p>important thing to keep in mind.</p> <p>Me: What image/perspective do you get back from Dutch Businesses? What is their view on the business environment in China?</p> <p>Jan Maas: It is changing, it is developing. I would like to take a look in the past ... let's say ... 20 years back. In the years 1990/2000. China as being the factory of the world. Where you were able to get everything produces for low production costs ... what went well. There was enough room, the rules and regulations were quite broad. And when you look now ... China has known a enormous development over the past 40/50 years. When Deng Xiaoping came into power ... in the 1970s. Reform and Opening-Up ... where the first results were showing in 1990/2000. China has been a closed cocoon, which has been opening up under the control of the government, what is important to remember, opening up within a controlled manner for foreign activity/businesses. Resulting as well in a rapid economic growth. Where China became the factory of the world. But that's not were it stopped. Especially within the last decennia ... China has developed itself ... and innovation has starting to play a more important role. Innovation, high quality advanced technology For example ... the high speed train network in China. It shows a enormous investment in infrastructure, but one of high</p>	<p>From the factory of the world to today</p> <p>China's market closed off</p> <p>China opening up economically</p> <p>Understanding China's history</p> <p>Changing perspective</p>	
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	<p>quality. Within 4 ½ hours you are from Beijing in Shanghai. When you translate this into commerce ... take for example E-Commerce. Everything is here. I can order anything ... and it arrives in Beijing within 2 and 3 days, also when it needs to come from the South of China. Which is quite incredible ... in regards to logistics. The technological steps made by China are incredible, which they also continue. So the focus is on innovation and technology. They try to get away from the big investments in infrastructure and real estate, although they are still continue doing those projects. The economic model of China has been focusing on that kind of projects, whereby they try to focus nowadays on innovation capital within China. Resulting in a boost. When looking to the five-year plan published by the CCP, innovation and technology are the most used words.</p>	<p>Advanced in technology</p> <p>Refocusing of China</p> <p>Government involvement</p>	
	<p>Me: Are they also looking for collaboration with western companies?</p> <p>Jan Maas: Yes, definitely. Good question. I think you have heard/read something about Made in China 2025 and the five-year plan of the Chinese government. Where innovation and technology are leading factors. The People's Republic of China exist 100 years in 2049, if I am not mistaken. Their goal is to achieve to be an advanced, qualitative, socialistic nation, or at least, that's how they want to celebrate their 100th birthday of the PRC. It actually already</p>	<p>Government focus on innovation</p> <p>Striving for socialistic nation</p>	

	<p>started as of 1978 and been in notion to this day. So China is opening-up what also results in collaboration in the field of business. However, it does open-up in the areas where China is still behind of the west, or where they think collaboration is needed for China's benefit. Where I would like to give three examples. The first being in the Agri-sector. The Netherlands has a strong name within this sector, especially within the Agri-technology. We cultivate quite a lot in the Netherlands on a small piece of land. Quality products and a large number of vegetables and fruits. Getting most of of a small piece of land, that's something China is very interested in. And what is the reason for that? China does not have enough Airable-land. So, not enough land/space to provide food for everybody living in China. Import from countries as the United States of America, as well as the Netherlands are big. So China is very interested in our knowledge and expertise regarding this topic. Where the past was focused on import of goods, import of Agri-products ... they are making the innovative turn ... they are interested, and financial capable of attracting high qualitative technology in Agri-sector. Which can be within the development and building of greenhouses, the Netherlands being very good in that, but also in seed breeding/seed enhancement .. also the pork industry ... and everything related to that and that kind of technology ... which the Chinese are very interested in.</p>	<p>Increasing market access</p> <p>China focusing on themselves</p> <p>Dutch branding</p> <p>Interest of China</p> <p>Food safety issues</p> <p>China looking for our knowledge</p> <p>More financial capabilities</p>	
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	<p>With the goal of being self-sufficient.</p> <p>Me: That is something I encountered as well within my literature. The increasing number of Chinese, what is flattening ... that food safety is important. And not just speaking about safe food, but also providing enough food for the entire population and not wanting to be depending on other's ... especially not when speaking about food ... however, it is expected they will not be able to do so ...</p> <p>Jan Maas: That's something you also see here in China, when you look to quality, which is also steadily increasing. When you look at the map of China, the eastern parts of China are leading in relation to the west. When speaking about economic development, western part is China is behind on the east. But that's also something the government is working on. What brings me to my next issue I want to address ... the mutual division. Which results for a number of businesses for opportunities. Depending on your product/service of course. That's why we are developing a business awareness tool. For businesses who are orientating on doing business in China ... what are the things you need to look out for? One of the first things I wrote down is that of China being a large and diverse country. Where there is a distinction to make between the North and the South, in habits/customs, culture and background ... but also consumption patterns.</p>	<p>Being self-sufficient</p> <p>Economic differences in China</p> <p>Many opportunities for the Dutch</p> <p>Dutch government working on awareness</p> <p>Dutch see China as big</p> <p>Cultural differences</p>	
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	<p>Products you can cultivate ... when taking the economic development in consideration ... you have the coastline, the eastern part of China which is much further in their development than the western part of China. The Netherlands does have a Consulate General in Chongqing and a Netherlands Business Support Office (NBSO) in Chendu. They are in the lead within those regions. When you are selling a product or service, within those regions you can be successful too. There are a lot of opportunities. Some say ... that's China that we know from 10 years ago ... which is not completely true of course ... as rules and regulations of today are also in force within those areas. Nonetheless, you have regions what are less developed.</p>	<p>Differences in stage of development</p> <p>Looking further than just the coastline</p>	
	<p>Me: And what is the role of an NBSO within those areas?</p> <p>Jan Maas: We have six of them ... mostly within second and third tier cities. Within areas with a lot of possible potential. Not necessarily in all sectors ... but maybe just a few ... who are very active there. They visit the province ... and they are identifying the potentials and opportunities within that area. Resulting in market research papers. They work together with partners ... there's a strong relationship with RVO (Netherlands Enterprise Agency) ... to get those particular areas within the picture among Dutch businesses. To make them aware of the opportunities. When going back to the</p>	<p>Focus on smaller regions</p> <p>Sharing experiences</p>	

	<p>Awareness Tool ... we try to make business aware ... to the first point I made ... China being a large country as well as divers ... so orientate yourself will within the market. But what is very important, is the fact of you knowing yourself. Know what you have to offer. Whereafter you are going to look where in China that would fit. We as network, one embassy, four consulate generals, six NBSO.s ... can assist you. For example ... when you are a business within advanced IT ... we advise you to focus on Beijing and Shanghai. When you are more into textile, within the production industry ... you are less likely to succeed in Beijing and therefore advice you to have a look in the direction of Guangzhou ... or at least within the western part of China. So, first of all .. look to your own business and what you bring to the table, whereafter you search for the fit within China. That is an important step to make.</p> <p>Me: With such a big network, how's the collaboration between the embassy, consulates and NBSO's?</p> <p>Jan Maas: We are one network. We are the Dutch network in China. Which I want to make bigger if you tell me. We have strong ties with the Netherlands Enterprise Agency, in The Hague, in regards to trade and economy. We try as much as possible to give custom made advice in line with providing information. So per individual company ... so information like ... how to conduct business here in</p>	<p>Do research</p> <p>Know yourself</p> <p>Government as network</p> <p>Using Dutch network as network</p> <p>Know yourself</p> <p>Market research</p> <p>Dutch government as network</p>	
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	<p>China, where to start, what challenges/barriers do you need to look out for, about the opportunities, what can be considered a red flag ... etc.</p> <p>This why we try to act as one network. But geographically speaking there are differences ... everybody has their own responsibility within a certain area in China. We share quite often, within meetings, our knowledge and expertise. Depending on the sector and area you are responsible for. The communication lines are short. Just before our call I spoke to someone from the RVO, so with The Hague. But tomorrow I do have a call for example with a NBSO in Nanjing ... our ambassador, or deputy ... does visit the NBSO and consulates regularly ... so information is often shared.</p> <p>Me: Within my conversation with others I got the impression that the cooperation between the network in China does not always works ... with for example sharing contact .. working as one individual network .. but mostly as islands with their own expertise ...</p> <p>Jan Maas: We try as much as possible to work as one network. But, China is big, and very divers. When looking at how many people are working here for the Dutch Government, it's relatively big. When I am not mistaken, the biggest network in a single country of the world. When looking to the size, the opportunities, the sectors, the scale China operates ... It is big, and divers When looking for example to local rules and</p>	<p>Provide market information</p> <p>Diversity of China</p>	
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	<p>regulations ... they can differ per region. So what is allowed in Beijing for example might not be the possible Guangzhou. Per region, that might differ. So we try, within broad outlines .. we try to work closely together, tuning our plans .. but when looking at supplying customized work ... than I can understand businesses can experience that ... as islands working in their own way. And then you have expertise areas. When looking to E-Commerce, Shanghai is in then lead. And here in Beijing we look more to the E-Commerce environment here in Beijing, and more in line with the perspective of policy. So .. what does the government do, taking the rules and regulations into account. Our colleagues in Shanghai developed a handbook .. what is published online, with hands-on information .. but also with the rules and regulations. I do understand Dutch businesses might experience that ... but that is also due to the nature of China where he/she is conducting China. When comparing China to Europe ... Europe is diverse as well. Of course .. Europe has different countries/states, where in China it is one nation. But when looking underneath the surface ... there's a big diversity ... it is unbelievable. But also unbelievably fascinating and beautiful .. however .. this kind of feedback is very valuable for us ... good to know.</p> <p>Me: And when looking at trade missions, think for example of the big economic trade mission back in 2018 with the Dutch</p>	<p>Know local regulations</p> <p>Complexity of China</p> <p>Looking under the surface</p>	
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	<p>Prime Minister ... do you have an idea what the result is of those missions, or smaller missions on the long-term?</p> <p>Jan Maas: Good question .. but I have to say I do not, which is also speaking out of my own experience. Because of Covid-19 a lot has been disrupted ... however I don't want to push this question towards Covid-19 ... but I believe it makes it a bit harder ... to see the potential of that mission .. whether it resulted in something. Maybe somethings fell true because of Covid ... what might have been successful without the virus .. or whether it would have been successful or not at all ... I think it's rather difficult to say.</p>	No research of events	
	<p>Me: Do you think Dutch businesses are missing the understanding of cultural differences?</p> <p>Jan Maas: Yes, partly, I think it can be better. Speaking of the image businesses and people have of China. The Chinese, embracing new techniques easy. They think in terms of progress. Although the Chinese nation is not a very renewed nation, rather conservative. Also retentive, when looking for example on macro level. In the economic field, the government tries to stimulate innovation, but you also have a consumption economy what is developing. People must spend their money what is earned. And that isn't happening. Why not? People are reluctant, so too little social security and they prefer to save the money, for when someone in the family becomes sick. It is easy to</p>	<p>Dutch perspective on China</p> <p>Progressive attitude</p> <p>Conservatism</p> <p>Innovative approach</p> <p>Consumption economy</p> <p>Saving money</p> <p>Lack of Social security</p>	

	<p>spend 10 thousand euros or 20 thousand euros when in need to go to the hospital.</p> <p>Me: What are even further challenges or pitfalls that companies encounter when they take the step towards China, or unnecessary errors that they commit?</p> <p>Jan Maas: Yes, I think, China is a big and diverse nation, legislation is quite solid. What has been the case within the rise of China ... the government has a controlling attitude towards the economic development. Taxes raised on business have been solid as well and is improving. Based on that, you can simply do business here in China. However, you need to be aware where to do so. Be careful to not to be fooled around. When you are within the Agri-sector for example ... which can be the case for a partner, for technology ... because there it is happening quite a lot. Certain technology, or knowledge ... driven by policy, by national policy ... the Chinese are searching for that kind of intelligence/knowledge. How to obtain? To make the market interesting ... but then you have to be very careful about intellectual property rights. When active in China ... things are being copied .. and before you know it they outcompete you in the market.</p>	<p>Diversity in regions Solid legislation</p> <p>Government involvement</p> <p>Do business</p> <p>Caution</p> <p>Eager to learn</p> <p>Market access</p> <p>IPR</p> <p>Copycat</p>	
	<p>Me: Is that based on naivety or rather not doing the proper research on the nature of China?</p>		

	<p>Jan Maas: We try to promote as much as possible, when doing business in China, where you as business need to pay attention to. How to deal for example with IPR ... besides that, within our network we have contacts .. including lawyers. Also, from the European Union, a special EU IPR-Helpdesk. They have a very good website, a guideline, a FAQ section with a step-for-step, within several sectors, explanation of the process. With, in addition, the possibility to just send them an email and you get a respond on your question within two or three business days. In the past it was not less important, but it was less the case. In the past, the counterfeited industry was big ... and in regards of regulation ... not much was done. Nowadays, in the innovative nature China is progressing, the IPR regulations are also in rapid development. Fun fact, over 95% of the IPR cases are currently Chinese versus Chinese. Which can be between brands, within innovation, general IPR cases ... which is an interesting development when you tell me.</p> <p>Me: And translating this towards cultural aspects ... it was in our expectation that China would become more westernized, however you see more and more a more nationalistic attitude, also among the younger generation ...</p> <p>Jan Maas: Very much so, which has also been on my mind over the past few months.</p>	<p>Know the how to do business</p> <p>Contacts</p> <p>Changing regulations towards IPR</p>	
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	<p>And it is not something new. That I have encountered. Nationalism, China first so to speak ... is rooted in the Chinese society. They often think in distinction. Chinese versus non-Chinese. It doesn't matter whether you are from Nigeria or Kazakhstan or Europe ... you are and always will be seen as a foreigner. When speaking business .. you deliver something, or producing something here or making money .. but you do so as a foreigner.</p> <p>Me: What differences do we Dutch run into the most?</p> <p>Jan Maas: I would put it under cultural and language differences. That's also were the biggest challenges are. Take for example the English language. Even tough it is getting better ... especially in cities like Beijing and Shanghai ... but in general outside those cities ... you have to be able to speak and understand Mandarin, Chinese. It is the official and dominated language for businesses. That's why we also advice to bring an interpreter when you are not speaking/understanding Chinese. Besides the languages the interpreter can also point out the cultural differences and explain those to you. They are mostly aware of both worlds. It is an effective way to do your business here in China.</p>	<p>Nationalism</p> <p>Distinction</p> <p>Role as a foreigner</p> <p>Cultural challenges</p> <p>Importance of local language</p> <p>Interpreter</p> <p>Education of interpretation</p>	
	<p>Me: How much of an importance is it to have a local contact in China?</p>		

	<p>Jan Maas: Well, that depends on the sector you're in. In some sectors you have to have a local partner. What sectors, you have to check online ... but that's an important topic you have here ... market accessibility. China is opening-up for foreign businesses, so as well for Dutch businesses, only there were knowledge, technology and .. or .. where products are needed. Or where the Chinese have built such a strong presence ... for example within the financial sector, that's a good example to illustrate this. This sector has been closed of for a long time for foreign activities. However, the Chinese become strong within this sector and gained such a presence on the financial market they opened up for foreign businesses. When you look to how much is left of the market ... for the foreign businesses ... you have to look within the niche markets. But the large pieces of the market ... are already taken by the Chinese parties whom are dominating the market.</p>	<p>Local contacts</p> <p>Market access</p> <p>Opening-up of Chinese market</p> <p>Changing attitude towards businesses</p> <p>Know where to sell</p> <p>Players in the Chinese market</p>	
	<p>Me: Knowing the nich market ... is key to be successful in China?</p> <p>Jan Maas: Yes, number one. Which does also count in other countries of course, but especially here. During a course what I took at Nyenrode, I was being told that 80%, if not 90% of businesses going abroad .. fail ... and of the remaining percentages ... half will not be successful either ... or at least not long-term. So, a small percentage manage</p>	<p>Be prepared</p>	

	<p>themselves to be successful abroad. Which has to do with a lot of different elements of course. What brings me back what you previously mentioned ... to be successful in China. Do not underestimate China. The regulations and the varieties of opportunities does make it possible to conduct business in China .. which is making it interesting as well for Dutch entrepreneurs. But, know who you are, what products or services you have to offer, as well as proper market research to see where the demand lies, or potential for your products/services. Than you have a good change to be successful here in China. What may result in partners presenting themselves. When to know how to position yourself in the market, it almost goes without saying. Basically, supply and demand. However, as mentioned earlier, you have to have market access. The government has published lists with sectors where you cannot be active as much in China. For example, hospitals, energy industry in an important one, dominated by States Enterprises ... education ... and not even starting about defense industry ... they might want to purchase some things occasionally but that's basically it.</p> <p>Me: So then you would see .. focus on consumer products?</p> <p>Jan Maas: yes, especially while looking at consumerism ... the middle income families are increasing ... however aging will become an issue ... the spending of consumers will</p>	<p>Underestimating China</p> <p>Self-reflection</p> <p>Do your research</p> <p>Market research how to position yourself</p> <p>Market access</p> <p>Possibilities arise by consumerism</p>	
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	<p>increase ... where opportunities arise for Dutch businesses as this market is relatively open.</p> <p>Me: So basically, know yourself, know what you have to offer .. understand the trends and developments in the Chinese market?</p> <p>Jan Maas: Yes, exactly. That's why market access and market research is important ...one of the reasons we are developing the Awareness tool. It is important to see where the demand is ... out of your Dutch perspective .. you can have such a good idea ... but when it already exist in China or when the market is saturated ... you cannot do much. Another option is to adapt your product towards the Chinese market .. but than I think to look closer to home first. There's a bigger change to be successful in Europe instead of China.</p> <p>What I wanted to add ... in regards of culture. You have a big difference cultural wise .. how to behave etc. Where it is important to understand that, within the eyes of a Chinese, you will always be a foreigner, with whom you do business with. However, it still remains doing business. So when having a contract, maybe with some help from advisers .. you have something solid when in line with regulations .. and provided with signatures and more importantly ... the company stamp. You have something to go with, also when problems arise. In addition, I believe that businesses need to be aware and well informed about</p>	<p>Know yourself</p> <p>Market Access</p> <p>Importance of market research</p> <p>Saturation, market access</p> <p>Cultural differences</p> <p>Being foreign</p> <p>Just business</p> <p>Cultural understanding</p>	
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	<p>business culture here in China. Now what you can and cannot do, and know how to play with those kind of elements, without giving away your own authenticity. Then it is important, however it are the clichés .. but it still is going wrong ... building and maintaining your relationships which is important. Visit each other, so trust can be built. Building trust is an important element in the Chinese culture ... which is not self-evident. Secondly, they way you communicate, your image, how you behave yourself, bodylanguage, what is being said, but also what is not being said ... reading between the lines and how to interpreted those kind of things. That's why an interpreter is a great benefit. Finally also the hierarchical relationships of your counterparts. Hierarchy is very important. Besides this all ... they ideological standing from the CCP and how it relates to Communism has become stronger among the presidency of Xi Jinping.</p> <p>Me: With the Chinese Dream and the increasing nationalism ...</p> <p>Jan Maas: Yes, the nationalistic nature of the Chinese become more visible ... in schoolbooks, but also within commerce ... for example you see the Chinese flag on apparel ...</p>	<p>Knowledge</p> <p>True to yourself</p> <p>Importance of contacts</p> <p>Building of trust</p> <p>Knowing how to act and behave</p> <p>Hire an interpreter</p> <p>Hierarchy</p> <p>Nationalism/Communism</p> <p>Nationalistic nature</p>	
	<p>Would you say that Dutch business need to adapt on the growing nationalism?</p>		

	<p>Jan Maas: No, No I would not thinks so. My first thought about this is no. When thinking of it ... whay to adapt and play along ... being proud on China from the Netherlands ... no ...</p> <p>Me: So it might be better to build upon our Dutch Branding towards China instead?</p> <p>Jan Maas: Yes, no for sure. That is still .. consumerism, the growing middle class, the changing consumption patterns. People are generally very open to .. Despite nationalism .. towards branded products from abroad. Products from Europe, that is still common. It has a certain image that it has. And I don't see any change in a short time.</p> <p>Energy money and time, China is for those who want to stay for the long-term. It is important to look who you are, what to contribute, and why China. Talk about it, is also important. With other entrepreneurs, advisers .. by just going, just out of leap of faith ... not sure if you survived that.</p>	<p>Dutch branding</p> <p>Changing of China</p> <p>Open for new and western products</p> <p>Long-term orientation</p> <p>Understand your added value</p> <p>Not just go</p>	
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Appendix 13

This appendix has the table with initial themes

Similar Codes	Theme
Challenging – Interviewee 1, Renske Attitude of the Dutch – Interviewee 1, Renske Urge of the Dutch government to provide information - Interviewee 1, Renske China as third world country - Interviewee 1, Renske Dutch mentality, collective approach - Interviewee 3, Jan Lack of collective approach - Interviewee 3, Jan Hassle for the Dutch - Interviewee 4, René Diversity of China- Interviewee 5, J. Maas	Dutch attitude towards China
China being far away – Interviewee 1, Renske Far from Dutch culture – Interviewee 1, Renske Underestimating cultural differences – Interviewee 1, Renske Subtle cultural differences – Interviewee 1, Renske Cultural differences, business talks – Interviewee 1, Renske Different perspectives culturally – Interviewee 1, Renske Different level systems - Interviewee 2, Bert Reading the meeting room correctly- Interviewee 2, Bert Impression of westernization- Interviewee 2, Bert Easily insulted - Interviewee 2, Bert Cultural differences - Interviewee 3, Jan Business is different - Interviewee 3, Jan Understanding the business environment - Interviewee 3, Jan Understanding how it works - Interviewee 3, Jan Revolving around business - Interviewee 4, René Adapt to China - Interviewee 4, René Different business perspective - Interviewee 4, René Chinese less open- Interviewee 4, René Adapt to Chinese customs - Interviewee 4, René Different than we used to - Interviewee 4, René Complexity of China- Interviewee 4, René Dutch see China as big- Interviewee 5, J. Maas Cultural differences - Interviewee 5, J. Maas Looking under the surface - Interviewee 5, J. Maas Dutch perspective on China- Interviewee 5, J. Maas	Understand and be aware of the cultural differences and be willing to adapt to Chinese customs
Underestimating complexity Chinese market - Interviewee 1, Renske Underestimating the business environment - Interviewee 1, Renske Understand how business is conducted - Interviewee 1, Renske Start small - Interviewee 1, Renske China looking beyond China – Interviewee 2, Bert	Proper due diligence to understand the Chinese business environment to generate a better market access

<p>Market access by local representation – Interviewee 2, Bert</p> <p>Consultancy firm – Interviewee 2, Bert</p> <p>Start small – Interviewee 2, Bert</p> <p>Using an external partner – Interviewee 2, Bert</p> <p>Use of experienced people – Interviewee 2, Bert</p> <p>Benefit of being in China – Interviewee 3, Jan</p> <p>Being available in China – Interviewee 3, Jan</p> <p>Access by being present – Interviewee 3, Jan</p> <p>Visit China, be in China – Interviewee 3, Jan</p> <p>Increase network – Interviewee 3, Jan</p> <p>Increase revenue by working together – Interviewee 3, Jan</p> <p>Increasing revenue – Interviewee 3, Jan</p> <p>Understanding who the Chinese players are – Interviewee 3, Jan</p> <p>Long-term orientation – Interviewee 3, Jan</p> <p>Using external partners – Interviewee 3, Jan</p> <p>Start small – Interviewee 3, Jan</p> <p>Complexity of China – Interviewee 4, René</p> <p>Paperwork – Interviewee 4, René</p> <p>Complexity of import/export papers – Interviewee 4, René</p> <p>Test Import, start small – Interviewee 4, René</p> <p>Paperwork hassle – Interviewee 4, René</p> <p>Access the Chinese market collectively – Interviewee 4, René</p> <p>Tradeshows as showcase – Interviewee 4, René</p> <p>Availability in China – Interviewee 4, René</p> <p>Something new – Interviewee 4, René</p> <p>Expectations – Interviewee 4, René</p> <p>Access by understanding opportunities in food – Interviewee 4, René</p> <p>Collaborate – Interviewee 5, J. Maas</p> <p>Protection of China – Interviewee 5, J. Maas</p> <p>China's market closed off – Interviewee 5, J. Maas</p> <p>China opening up economically – Interviewee 5, J. Maas</p> <p>Changing perspective – Interviewee 5, J. Maas</p> <p>Refocusing of China – Interviewee 5, J. Maas</p> <p>Increasing market access – Interviewee 5, J. Maas</p> <p>China focusing on themselves – Interviewee 5, J. Maas</p> <p>Being self-sufficient – Interviewee 5, J. Maas</p> <p>Economic differences in China – Interviewee 5, J. Maas</p> <p>Many opportunities for the Dutch – Interviewee 5, J. Maas</p> <p>Looking further than just the coastline – Interviewee 5, J. Maas</p> <p>Focus on smaller regions – Interviewee 5, J. Maas</p> <p>Complexity of China – Interviewee 5, J. Maas</p> <p>Progressive attitude – Interviewee 5, J. Maas</p> <p>Diversity in regions – Interviewee 5, J. Maas</p> <p>Do business – Interviewee 5, J. Maas</p> <p>Caution – Interviewee 5, J. Maas</p> <p>Market access – Interviewee 5, J. Maas</p>	
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<p>IPR- Interviewee 5, J. Maas Copypat- Interviewee 5, J. Maas Cultural challenges - Interviewee 5, J. Maas Local contacts - Interviewee 5, J. Maas Market access - Interviewee 5, J. Maas Opening-up of Chinese market - Interviewee 5, J. Maas Players in the Chinese market- Interviewee 5, J. Maas Underestimating China - Interviewee 5, J. Maas Saturation, market access- Interviewee 5, J. Maas Open for new and western products - Interviewee 5, J. Maas</p>	
<p>Wrong in communication – Interviewee 1, Renske Know communication etiquettes – Interviewee 1, Renske Knowing how to communicate – Interviewee 1, Renske communication issues – Interviewee 1, Renske Communication strategy – Interviewee 1, Renske Cultural differences in how to communicate – Interviewee 1, Renske Lack of knowledge, by underestimating - Interviewee 1, Renske Complexity of Chinese (business) culture – Interviewee 2, Bert Communication in the meeting room – Interviewee 2, Bert Know how to communicate – Interviewee 2, Bert Business conducted quick - Interviewee 3, Jan Not just business talk- Interviewee 3, Jan Chinese business culture in communication - Interviewee 3, Jan Translation - Interviewee 4, René Understand the meaning of what Chinese say - Interviewee 4, René Dutch being direct - Interviewee 4, René Miss interpretation- Interviewee 4, René Respond quickly - Interviewee 4, René</p>	<p>Awareness towards How to communicate with the Chinese and use the right interpretation</p>
<p>Role of the Chinese government – Interviewee 1, Renske Understanding the importance of government and their relation with one and other – Interviewee 1, Renske Relationship with government- Interviewee 3, Jan Government ties- Interviewee 3, Jan Government involvement- Interviewee 5, J. Maas Government focus on innovation- Interviewee 5, J. Maas Innovative approach - Interviewee 5, J. Maas Government involvement - Interviewee 5, J. Maas</p>	<p>The role of the government</p>
<p>Suitable partnerships – Interviewee 1, Renske Relationship management – Interviewee 1, Renske Contact management – Interviewee 1, Renske Use the network of the government – Interviewee 1, Renske</p>	<p>Relationship management to increase and</p>

<p>Chinese eager to make connections – Interviewee 2, Bert</p> <p>Different usage of network – Interviewee 2, Bert</p> <p>Guanxi – Interviewee 2, Bert</p> <p>Importance of relationship and trust – Interviewee 2, Bert</p> <p>Trust – Interviewee 2, Bert</p> <p>Business is not done overnight – Interviewee 2, Bert</p> <p>Meaning of a relationship – Interviewee 2, Bert</p> <p>Strategizing your network – Interviewee 2, Bert</p> <p>Established relationships – Interviewee 3, Jan</p> <p>Open doors by the right contacts – Interviewee 3, Jan</p> <p>Business relations on different levels – Interviewee 3, Jan</p> <p>Increase your network, by using your network – Interviewee 3, Jan</p> <p>Chinese open for new contacts – Interviewee 3, Jan</p> <p>Using an established network. – Interviewee 3, Jan</p> <p>Power of a good relationship – Interviewee 3, Jan</p> <p>Having the right partners – Interviewee 3, Jan</p> <p>Being in China makes contact easier – Interviewee 4, René</p> <p>Relationship – Interviewee 4, René</p> <p>Keep in contact – Interviewee 4, René</p> <p>Using Dutch network as network – Interviewee 5, J. Maas</p> <p>Contacts – Interviewee 5, J. Maas</p> <p>Importance of contacts – Interviewee 5, J. Maas</p> <p>Building of trust – Interviewee 5, J. Maas</p>	<p>maintain business contacts</p>
<p>Lacking knowledge business environment – Interviewee 1, Renske</p> <p>Underestimating China – Interviewee 1, Renske</p> <p>Importance of understanding China's business environment – Interviewee 1, Renske</p> <p>Providing the right information – Interviewee 1, Renske</p> <p>Be open for information – Interviewee 1, Renske</p> <p>Underestimating the complexity – Interviewee 1, Renske</p> <p>Underestimating doing business in China – Interviewee 1, Renske</p> <p>Proper research – Interviewee 1, Renske</p> <p>underestimating the importance of proper research – Interviewee 1, Renske</p> <p>More study is needed – Interviewee 1, Renske</p> <p>Underestimating the complexity of China – Interviewee 1, Renske</p> <p>Underestimating the difficulties of China – Interviewee 1, Renske</p> <p>Not taking the time for educate one self – Interviewee 1, Renske</p> <p>Understand the changing nature of China – Interviewee 2, Bert</p> <p>Difference in business culture – Interviewee 2, Bert</p> <p>Lack of knowledge of the meaning of an relationship – Interviewee 2, Bert</p> <p>Importance of education – Interviewee 2, Bert</p>	<p>Prevent underestimating the complexity of doing business with the Chinese by doing proper market research</p>

<p>Commitment - Interviewee 2, Bert</p> <p>Expectations - Interviewee 3, Jan</p> <p>Work together - Interviewee 3, Jan</p> <p>Join forces - Interviewee 3, Jan</p> <p>Chinese perspective on image - Interviewee 3, Jan</p> <p>Underestimating the complexity of China - Interviewee 3, Jan</p> <p>Do your research - Interviewee 3, Jan</p> <p>Research trends in the market - Interviewee 3, Jan</p> <p>Adapt to China - Interviewee 3, Jan</p> <p>Know the market - Interviewee 3, Jan</p> <p>Field research - Interviewee 3, Jan</p> <p>Business plan - Interviewee 3, Jan</p> <p>Educate yourself - Interviewee 3, Jan</p> <p>Knowing how to act - Interviewee 3, Jan</p> <p>Dutch see it as complex - Interviewee 4, René</p> <p>Knowing what to do - Interviewee 4, René</p> <p>Know how the system works - Interviewee 4, René</p> <p>Tradeshow as opportunity - Interviewee 4, René</p> <p>Testing - Interviewee 4, René</p> <p>Market research - Interviewee 4, René</p> <p>Search for new products - Interviewee 4, René</p> <p>Understand trends in the market - Interviewee 4, René</p> <p>Dutch see opportunities - Interviewee 4, René</p> <p>Educate yourself - Interviewee 4, René</p> <p>Know when to go & not to go - Interviewee 4, René</p> <p>Know what to sell/ market research - Interviewee 4, René</p> <p>Understand trends - Interviewee 4, René</p> <p>More education/sharing knowledge - Interviewee 4, René</p> <p>Provide information - Interviewee 4, René</p> <p>Stimulating business by sharing experiences - Interviewee 4, René</p> <p>Understanding China's history - Interviewee 5, J. Maas</p> <p>Food safety issues - Interviewee 5, J. Maas</p> <p>Dutch government working on awareness - Interviewee 5, J. Maas</p> <p>Sharing experiences - Interviewee 5, J. Maas</p> <p>Do research - Interviewee 5, J. Maas</p> <p>Market research - Interviewee 5, J. Maas</p> <p>Provide market information - Interviewee 5, J. Maas</p> <p>Know local regulations - Interviewee 5, J. Maas</p> <p>Eager to learn - Interviewee 5, J. Maas</p> <p>Know the how to do business - Interviewee 5, J. Maas</p> <p>Know where to sell - Interviewee 5, J. Maas</p> <p>Be prepared - Interviewee 5, J. Maas</p> <p>Do your research - Interviewee 5, J. Maas</p> <p>Market research how to position yourself - Interviewee 5, J. Maas</p> <p>Knowing how to act and behave - Interviewee 5, J. Maas</p>	
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<p>Long-term orientation- Interviewee 5, J. Maas</p> <p>Not just go- Interviewee 5, J. Maas</p>	
<p>Bad self-reflection – Interviewee 1, Renske</p> <p>Dutch not looking to their own mistakes – Interviewee 1, Renske</p> <p>Self-understanding – Interviewee 1, Renske</p> <p>Know your added value – Interviewee 1, Renske</p> <p>Know how to standout- Interviewee 1, Renske</p> <p>Added value – Interviewee 2, Bert</p> <p>Know your added value - Interviewee 3, Jan</p> <p>Self-reflection - Interviewee 3, Jan</p> <p>Know yourself - Interviewee 3, Jan</p> <p>Know when (not) to go- Interviewee 3, Jan</p> <p>Know what you can and cannot do- Interviewee 4, René</p> <p>Know yourself - Interviewee 5, J. Maas</p> <p>Interpreter - Interviewee 5, J. Maas</p> <p>Education of interpretation- Interviewee 5, J. Maas</p> <p>Self-reflection- Interviewee 5, J. Maas</p> <p>Hire an interpreter - Interviewee 5, J. Maas</p> <p>Understand your added value - Interviewee 5, J. Maas</p>	<p>Looking first at your business and added value before going to China</p>
<p>Chinese generation job switching – Interviewee 1, Renske</p> <p>No quick business at first- Interviewee 1, Renske</p> <p>Importance of hierarchy – Interviewee 2, Bert</p> <p>Long-term orientated – Interviewee 2, Bert</p> <p>Chinese in relationship management- Interviewee 2, Bert</p> <p>Hierarchy in the meeting room – Interviewee 2, Bert</p> <p>How business is done in China- Interviewee 2, Bert</p> <p>Meaning of a meeting- Interviewee 2, Bert</p> <p>Ceremonial nature of meetings – Interviewee 2, Bert</p> <p>Setup of a meeting room – Interviewee 2, Bert</p> <p>China understands its strengths – Interviewee 2, Bert</p> <p>Chinese self-awareness – Interviewee 2, Bert</p> <p>Different meanings of contract- Interviewee 2, Bert</p> <p>Understanding their hierarchy- Interviewee 2, Bert</p> <p>No emails – Interviewee 2, Bert</p> <p>Lack of sending/checking emails – Interviewee 2, Bert</p> <p>Not much planning - Interviewee 3, Jan</p> <p>Respond time, needs to be fast. - Interviewee 3, Jan</p> <p>Not acting fast enough - Interviewee 3, Jan</p> <p>Islands of contacts - Interviewee 3, Jan</p> <p>Knowing how to deal with the Chinese in business- Interviewee 3, Jan</p> <p>Different business ethics - Interviewee 4, René</p> <p>Differences in agreements - Interviewee 4, René</p> <p>Loads of paperwork - Interviewee 4, René</p> <p>Solid legislation - Interviewee 5, J. Maas</p>	<p>Awareness to the Chinese perspective on how to conduct business</p>

Distinction - Interviewee 5, J. Maas Role as a foreigner - Interviewee 5, J. Maas Being foreign - Interviewee 5, J. Maas Hierarchy- Interviewee 5, J. Maas Nationalism/Communism - Interviewee 5, J. Maas	
Chinese materialistic mindset – Interviewee 1, Renske Nationalistic attitude of the Chinese – Interviewee 1, Renske Ambition among Chinese – Interviewee 2, Bert Changing view by Chinese – Interviewee 2, Bert Positive minded Chinese – Interviewee 2, Bert Nationalism – Interviewee 2, Bert China as the center – Interviewee 2, Bert China being the center in their eyes – Interviewee 2, Bert Meaning of Face – Interviewee 2, Bert Friendly - Interviewee 3, Jan Focus on the new generation- Interviewee 3, Jan Wanting to be western - Interviewee 3, Jan Important what others think- Interviewee 3, Jan Quality and pricing is key- Interviewee 4, René Changing consumption patterns - Interviewee 4, René Conservatism - Interviewee 5, J. Maas Saving money - Interviewee 5, J. Maas Lack of Social security - Interviewee 5, J. Maas Nationalism- Interviewee 5, J. Maas Nationalistic nature- Interviewee 5, J. Maas	Chinese mindset
Development of China – Interviewee 1, Renske Development of the younger generation Chinese – Interviewee 1, Renske Technological development Interviewee 1, Renske Rapid development of China – Interviewee 2, Bert Changing attitude towards consumption – Interviewee 2, Bert Increasing wealth - Interviewee 3, Jan Change in consumption- Interviewee 3, Jan Open to try new products- Interviewee 3, Jan Increase spending - Interviewee 4, René On the agenda - Interviewee 4, René China develops - Interviewee 4, René China's development - Interviewee 5, J. Maas China opening up - Interviewee 5, J. Maas From the factory of the world to today- Interviewee 5, J. Maas Advanced in technology - Interviewee 5, J. Maas Striving for socialistic nation - Interviewee 5, J. Maas More financial capabilities- Interviewee 5, J. Maas Differences in stage of development - Interviewee 5, J. Maas Consumption economy - Interviewee 5, J. Maas Changing regulations towards IPR - Interviewee 5, J. Maas	Recognizing the changing and developing China as an opportunity for the Dutch

<p>Changing attitude towards foreign businesses - Interviewee 5, J. Maas</p> <p>Possibilities arise by consumerism - Interviewee 5, J. Maas</p>	
<p>Lack of research for results - Interviewee 1, Renske</p> <p>Lack of research after event - Interviewee 1, Renske</p> <p>Lack of research by Dutch government - Interviewee 1, Renske</p> <p>Do research to results - Interviewee 1, Renske</p> <p>No research of events - Interviewee 5, J. Maas</p>	No research after an event of the government
<p>Bringing someone with you - Interviewee 1, Renske</p> <p>Hiring someone not just for language barriers - Interviewee 1, Renske</p> <p>Bringing an interpreter - Interviewee 1, Renske</p> <p>Having someone in China - Interviewee 2, Bert</p> <p>Bringing an 'expert' - Interviewee 2, Bert</p> <p>Local representation - Interviewee 2, Bert</p> <p>Understanding by having foot on the ground - Interviewee 2, Bert</p> <p>Local contacts - Interviewee 2, Bert</p> <p>Value of local representation - Interviewee 4, René</p>	The value and use of an interpreter and/or local representation
<p>Chinese perspective on products - Interviewee 1, Renske</p> <p>Quality - Interviewee 1, Renske</p> <p>Being Corporate Social Responsible - Interviewee 1, Renske</p>	Quality
<p>Using Netherlands as brand - Interviewee 3, Jan</p> <p>Differentiate - Interviewee 3, Jan</p> <p>Chinese think well of Dutch products - Interviewee 3, Jan</p> <p>Providing quality products - Interviewee 3, Jan</p> <p>Using Dutch name and branding - Interviewee 3, Jan</p> <p>Netherlands for quality - Interviewee 4, René</p> <p>Dutch branding - Interviewee 5, J. Maas</p> <p>Interest of China - Interviewee 5, J. Maas</p> <p>China looking for our knowledge - Interviewee 5, J. Maas</p> <p>True to yourself - Interviewee 5, J. Maas</p> <p>Dutch branding - Interviewee 5, J. Maas</p>	Using Dutch National branding as value added advantage

Appendix 14

Theme 1: Taking a close look first at your own business and added value before going to China

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
<p>“They need to step outside the situation and to analyze the situation. Understand what is happening, why isn’t it working well, but also by looking to themselves. Not only to look for what can be done different by, for example the Chinese, but also have a clear understanding what could be done differently by ourselves. Which a lot of people do not do well enough, if you ask me.” (interviewee 1, L.65-69)</p>		<p>“...the expectations from the Dutch side are often too high...” (interviewee 3, L. 66)</p>		<p>“So China is very interested in our knowledge and expertise.” (interviewee 5, L. 105)</p>
<p>“It is important to understand your unique selling point as well as you value added.” (interviewee 1, L. 169-170)</p>		<p>“...but you also need to know who you want to serve. Who will be your customers .. which direction do you want to go ... it is important to stay close to yourself.” (interviewee 3, L. 189-190)</p>		<p>“But what is very important, is the fact of you knowing yourself. Know what you have to offer. Whereafter you are going to look where in China that would fit.” (interviewee 5, L. 149-151)</p>

		<p>“Besides the cultural background ... also know your added value. There are a lot of products ... but know the culture. But China ... needs also to match with your internal business environment .. when it doesn't match ... than it might be good to decide to not go to China.” (interviewee 3, L. 219-223)</p>		<p>“...look to your own business and what you bring to the table, whereafter you search for the fit within China. That is an important step to make.” (interviewee 5, L. 155-157)</p>
				<p>“..know who you are, what products or services you have to offer.” (interviewee 5, L. 300)</p>
				<p>“Energy money and time, China is for those who want to stay for the long-term. It is important to look who you are, what to contribute, and why China. Talk about it, is also important. With other entrepreneurs, advisers .. by just going, just out of leap of faith ... not sure if you survived that.” (interviewee 5, L. 363-366)</p>

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Theme 2: The need for proper market research to prevent underestimating doing business with the Chinese

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
<p>“Quite some businesses you hear speak: “yes, but we do already business in for example South America or there, or that location etc., so in China it would not be a big difference.”” (Interviewee 1, L.38-39)</p>	<p>“It takes a strategy, a plan ... it takes a period of visiting China...” (interviewee 2, L. 129)</p>	<p>“...there is the idea that ... once they did a tradeshow ... that’s where we score, and create deals out of that. That’s something I do not believe in .. and I always say ... it takes quite some time to get yourself noticed in China ...” (interviewee 3, L. 164-166)</p>	<p>“...the import of products to China is quite complex. Especially while importing a product for the first time. (interviewee 4, L. 49-50)</p>	<p>“China is and has been in development and there are a few sectors/areas where you need to be careful ... which is also mentioned quite frequently in the press nowadays. You can think of the human right issues, that also have effect within the economy sector.” (interviewee 5, L. 52-55)</p>
<p>“...people need to be realistic and don’t be naïf” (Interviewee 1, L.51)</p>	<p>“...the ignorance and lack of cultural knowledge is an issue.” (Interviewee 2, L. 138)</p>	<p>“take for example bread .. its more difficult to sell plain bread than bread with added flavor. They eat bread as a snack, and not a meal like we do. And that is something you have to do something with. And there is where I also developed variations of bread,</p>	<p>“The participation companies were organizations which never been on the FHC (Food & Hotel China) before. Which was rather new for them ... they didn’t have the history and that tradeshow. And those companies really saw it as a sort of try-out ... which is another kind of</p>	<p>“Depending on your product/service of course. That’s why we are developing a business awareness tool. For businesses who are orientating on doing business in China ... what are the things you need to look out for? One of the first things I wrote down is that of China being a large and divers country. Where there is a distinction to make between the North and the South, in habits/customs,</p>

		especially for the Chinese markets. We made variations where bakeries in the Netherlands would say ... those are very odd and strange combinations in flavor, but who work here in China.” (interviewee 3, L. 194-199)	company than those who are standing on tradeshow frequently.” (interviewee 4, L. 91-95)	culture and background ... but also consumption patterns.” (interviewee 5, L. 124-129)
“...when you know what obstacles to overcome and an understanding of the challenges in conducting business in China .. and not think like .. well that will not happen to me or something like that .. you can ensure that those mistakes won’t happen.” (interviewee 1, L.51-54)	“And you have to educate yourself in the Chinese culture...” (interviewee 2, L. 144-145)	“Proper research .. or just go! I do not necessarily believe research is always key ... when you walk around on a local market ... you get the feeling , you smell ... what the flavors are. Which might sound odd ... but that’s a direction, in my believe, where you need to go.” (interviewee 3, L. 202-204)	“...one of the participating companies was given the advice, by us, not to go. They have one product, which is a large market already ... so we said to them .. don’t go. How do you want to stand out ... quality .. price ... in the end they make the call to go. We see this as an opportunity and they did it ... at the end it resulted in follow-up activities which are still ongoing on this day. “ (interviewee 4, L. 100-104)	“The Netherlands does have a Consulate General in Chongqing and a Netherlands Business Support Office (NBSO) in Chendu. They are in the lead within those regions. When you are selling a product or service, within those regions you can be successful too.” (interviewee 5, L. 131-134)

<p>“Providing the right information. But people need to be open for the idea, need to be open to obtain that information.” (interviewee 1, L. 75-76)</p>		<p>“Try to give attention to the Chinese Culture. Try to read several books about China. Which changes your perspective in China? Not only just business books but also for example a book about the Opium wars ... when you read those books you understand a part of China ... why is China closed-up, a closed culture.” (interviewee 3, L. 216-219)</p>	<p>“I think it is a really good way to test if the Chinese are interested in your products. What they like about the product, but also why they like it. What is popping out ... what we were also able to see during the tradeshow. It’s a really good testcase, to see if they are interested in your products.” (L. 107-110)</p>	<p>“...orientate yourself will within the market.” (interviewee 5, L. 148-149)</p>
<p>“what I see around me, which is the case in all these years, people/businesses do underestimate this. You can say they do need more information which also needs to up to date. Because it does change rapidly in China. But people need to open to obtain the information.” (interviewee 1, L.78-81)</p>			<p>“What important is ... it needs to be something new. More of the same ... than it is competing on price ... niche products, also important.” (interviewee 4, L. 122-124)</p>	<p>“...when you are a business within advanced IT ... we advise you to focus on Beijing and Shanghai. When you are more into textile, within the production industry ... you are less likely to succeed in Beijing and therefore advice you to have a look in the direction of Guangzhou ... or at least within the western part of China.”</p>

				(interviewee 5, L. 152-155)
<p>“People do not be underestimating the difficulties of conducting business in China. They need to do research.” (interviewee 1, L.83-84)</p>			<p>“I think .. personally, it is important to know how things are done here in China. To make sure they understand that the communication ... sometimes things can go rather quickly, but it can also take a while.” (interviewee 4, L. 174-176)</p>	<p>“...information like ... how to conduct business here in China, where to start, what challenges/barriers do you need to look out for, about the opportunities, what can be considered a red flag ... etc.” (interviewee 5, L. 165-167)</p>
<p>“A while ago, I worked for a employer and they wanted to open an office in China, and they were a successful company. Active in different countries. But even they said .. it would not be that different in China ... but ... it was! So, even well experienced businessman can underestimate this quite frequently.” (interviewee 1, L.121-124)</p>			<p>“Therefor it is important to indicate towards Dutch businesses what to expect, how business is conducted. On what way connections are made ... also in advance ... to let them know what businesses would work .. but also realistic by saying that it might not work.” (interviewee 4, L. 179-182)</p>	<p>“When you look to how much is left of the market ... for the foreign businesses ... you have to look within the niche markets. But the large pieces of the market ... are already taken by the Chinese parties whom are dominating the market.” (interviewee 5, L. 286-288)</p>
<p>“So for a company selling western products, adding value is really important. You need to step up your game. There is currently a lot of</p>			<p>“It starts with a quality products, a good products, new product .. for an acceptable price. The</p>	<p>“Do not underestimate China. The regulations and the varieties of opportunities does make it possible to conduct business</p>

competition going on. So just by saying we are selling a western product, is not enough.” (interviewee 1, L. 158-160)			Chinese are not willing to pay a lot more for import products ... some more .. but not much. They are willing to pay more for good quality ... but pricing is important.” (interviewee 4, L. 191-193)	in China .. which is making it interesting as well for Dutch entrepreneurs.” (interviewee 5, L. 297-300)
“...not taking the time to educate yourself ... not providing yourselves with the right information and underestimating the whole process. For example, not maintaining your contacts well, most of it can be put under the umbrella of cultural differences.” (interviewee 1, 178-181)			“...is to educate Dutch businesses more about what is happening in China. Picking themes .. interesting for businesses ... to increase their insight. Also to establish another perspective on China .. another than being seen in the media. Especially focusing within the Food sector ... to share interesting stories about the opportunities ... challenges ... what businesses might be interesting.” (interviewee 4, L. 209-213)	“...proper market research to see where the demand lies, or potential for your products/services” (interviewee 5, L. 301-302)

				<p>“...know how to position yourself in the market...” (interviewee 5, L. 303-304)</p>
				<p>“...market access and market research is important.” (interviewee 5, L. 320)</p>
				<p>“...out of your Dutch perspective .. you can have such a good idea ... but when it already exist in China or when the market is saturated ... you cannot do much. Another option is to adapt your product towards the Chinese market .. but than I think to look closer to home first. There’s a bigger change to be successful in Europe instead of China.” (interviewee 5, L. 322-325)</p>
				<p>“I believe that businesses need to be aware and well informed about business culture here in China. Now what you can and cannot do, and know how to play with those kind of elements, without giving away your own authenticity.” (interviewee 5, L. 333-335)</p>

Subtheme 2.1: Focusing on the cultural differences and business environment to increase market access

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
<p>“I think it is for Dutch businesses difficult because China is literally far away” (interviewee 1, L. 33-34)</p>	<p>“when a meeting start ... the Chinese counter part want to know by for hand what it is all about. So several decisions have been already made before the meeting has even started. So ... meetings are sometimes more of a ceremonial nature.” (interviewee 2, L. 96-98)</p>	<p>“...the way of doing business different completely. I am going to give you an example ... I use Wechat to post something, on the moment I put the message out that a new supermarket will be opened (in China) ... within five minutes I have a message and within thirty minutes I have a meeting with a buyer/purchaser ... with one of the already established supermarkets ... let's have a drink. What are you doing here and what can we do for one and other...” (interviewee 3, L. 18-23)</p>	<p>“The first order/import is a really small amount. A test import ... to see if it goes well. To see if it goes well though customs and whether it is allowed into China. Or if there are products/ ingredients within the product who in the end are not allowed in ... once we done that .. we scall up the import volumes.” (interviewee 4, L. 65-68)</p>	<p>“...important to work together where it is possible, and being careful where needed.” (interviewee 5, L. 49-50)</p>
<p>“...it is far from our own culture, which is also what makes it difficult” (interviewee 1, L. 35-36)</p>	<p>“In my early years in China, during a partnership meeting, the Dutch delegation was in the lead. But that changed completely. The Chinese</p>	<p>“...they work with a so called ‘open agenda’ here in China. We do not necessarily put things in our agenda ... it does not happen ... like ... next week I will stop by at your office. If it</p>	<p>“The demand is high ... but the challenge to overcome is to ... where our opportunities lie together ... when you go to China ... it is not, traveling to</p>	<p>“You can also clear see that China is protecting their market. That is not something new. China opens-up certain sectors/markets for non-Chinese, so for foreign business, when</p>

	<p>don't say anymore: "okay, nice .. let's work together, especially with a western company because it is nice for our appeal". Meanwhile nowadays, they have a strategy, an idea behind it. Resulting the Chinese being stronger." (interviewee 2, L. 112-116)</p>	<p>happen ... it happens today." (interviewee 3, L. 24-26)</p>	<p>China and you arrange some things ... it's a complete different approach ... I worked for years in Europe, conducted business ... it is completely different here in China. Every day, I need to adapt to the way things are done here." (interviewee 4, L. 146-150)</p>	<p>China is ready to do so, or when they really want to. I believe that is an important thing to keep in mind." (Interviewee 5, L. 56-59)</p>
<p>"The culture is very different than we Dutch are used to, many differences. Not only the big differences, but also the subtle ones." (Interviewee 1, L.40-42)</p>	<p>"...when you start making an order .. start with a small order. And see what you really get out of that order." (interviewee 2, L. 130-132)</p>	<p>"...when you have the opportunity, you try to act as soon as possible, if not on the spot. " (interviewee 3, L. 27-28)</p>	<p>"...with a lot of paper work, a lot of translation work, from English to Chinese and from Chinese to English. Labels who need to be made, Labels which need to be translated into Chinese ..." (interviewee 4, L. 71-73)</p>	<p>"So China is opening-up what also results in collaboration in the field of business. However, it does open-up in the areas where China is still behind of the west, or where they think collaboration is needed for China's benefit." (interviewee 5, L. 95-98)</p>
<p>"...the role of the government, the importance of the government, regulations, so it's quite a challenge for people to understand, but also to deal with</p>	<p>"So that's difficult ... trust related issues, but also the formalities .. the Chinese are very formal, and</p>	<p>"...you get much more done when doing it collectively" (interviewee 3, L. 76)</p>	<p>"There are a lot of products from abroad here in China. People are willing to pay more for those kinds of</p>	<p>"When looking for example to local rules and regulations ... they can differ per region. So what is allowed in Beijing for example might</p>

it.” (interviewee 1, L.44-45)	you can insult them quite easily. Even without noticing it yourself, you can ignore their hierarchy or something else they do not like.” (interviewee 2, L. 135-138)		products. However, not too much more. But they are interested in foreign products. Which is due to the fact that those are new products, not available yet in China .. that’s what they are looking for, new products.” (interviewee 4, L. 114-118)	not be the possible Guangzhou. Per region, that might differ.” (interviewee 5, L. 184-186)
“...it is super complicated to fully grasp the business environment, where you might think: “why would you do it in the first place?” With the experience I have myself and the theoretical knowledge gathered I would say: “Just don’t do it” (haha) “ (interviewee 1, L.46-49)	“Where you also most likely encounter something like ... for example ... contracts ... when you sign a contract in China, it’s a sign of collaboration. However, in the Netherlands it means, what is signed, that is what we are going to do. But that’s not how the mindset of the Chinese. It is possible that, after a week of signing a contract, the	“When you take the example of the meat industry ... it is dominated by four players. All those four have quite the influence by the Chinese government.” (interviewee 3, L. 122-123) “...by exporting to one of those big players.” (interviewee 3, L. 126)	“when I look at it in my European perspective ... than I see a lot of Chinese doing businesses we would see as untrustworthy ... but which are not untrustworthy here in China. It comes down to the different way of conducting business.” (interviewee 4, L. 155-158)	“When comparing China to Europe ... Europe is divers as well. Of course .. Europe has different countries/states , where in China it is one nation. But when looking underneath the surface ... there’s a big diversity ... it is unbelievable.” (interviewee 5, L. 195-197)

	situation has changed and therefore, we are going to do it differently. So even in the stage of signing and working out a deal/contract , you can be challenged.” (interviewee 2, L. 145-150)			
“...when the contract is signed, people think: “We made it!” but then it is when it starts.” (interviewee 1, L. 114-115)	“You cannot do it halfway ... you need to take the time and put the investment in.” (interviewee 2, L. 191)	“...it does not matter whether it taste good, as long as it has a good and well designed image/packaging ...” (interviewee 3, L. 143-144)	“...when you think you have an agreement, or when you think you achieved something ... it might not be the case every time.” (interviewee 4, L. 158-159)	“In the economic field, the government tries to stimulate innovation, but you also have a consumption economy what is developing. People must spend their money what is earned. And that isn’t happening. Why not? People are reluctant, so too little social security and they prefer to save the money, for when someone in the family becomes sick. It is easy to spend 10 thousand euros or 20 thousand euros when in need to go to the hospital.” (interviewee 5, L. 217-222)
“...it is also interesting to see that they are also westernize a bit,		“I am going to give you an example... the second time I		“China is a big and diverse nation, legislation is

<p>resulting we grow closer together. But, always, do not underestimate how different they think in China and how things are done.” (interviewee 1, L. 147-149)</p>		<p>had a meeting with a supermarket here in China ... the first question being asked to me was .. how long are you active within this market, for how long you think to stay, who are your business partners, what is your degree of experience ... when I answered those questions correctly in their eyes ... I was allowed to stay longer than thirty minutes. Whereafter the question was asked .. what are you going to deliver us .. what are you going to sell us. “ (interviewee 3, L. 166-172)</p>		<p>quite solid. What has been the case within the rise of China ... the government has a controlling attitude towards the economic development.” (interviewee 5, L.227-229)</p>
<p>“My advice is starting small, with small orders and increase case by case and develop your presence/business in China that way.” (Interviewee 1, L. 199-200)</p>		<p>“I am most of the times too expansive .. whereafter they respond ... I like your idea Jan, but we buy from a Chinese. Which does not entails that these Chinese would never do business again with you .. you have to bear in mind that they are long term oriented and</p>		<p>“...you can simply do business here in China. However, you need to be aware where to do so. Be careful to not to be fooled around.” (interviewee 5, L. 230-231)</p>

		maybe your next offer is more of their liking. “ (interviewee 3, L. 174-177).		
		<p>“I recently got contacted by three different companies which said to be interested in the Chinese market ... how can you help us ... on a consultancy level ... which is nice to do. Where we made a strategy with several big bakeries in Belgium ... how we are going to do it and I am going to present this within my network here in China. Not going to China with the entire assortment of products ... but starting rather with a singular item. Having the focus on one item. Or at least a limited number of items. Which can be items which are slow movers ‘at home’. The assortment in China is big ... I would say even bigger than we know here in the West.”</p>		<p>“...market accessibility. China is opening-up for foreign businesses, so as well for Dutch businesses, only there were knowledge, technology and .. or .. where products are needed. Or where the Chinese have built such a strong presence.” (interviewee 5, L. 280-282)</p>

		(interviewee 3, L. 206-213)		
		<p>“In China ... they conduct business differently than in the rest of Europe. Being quick is important ... just before you called ... an purchaser asked me a question .. and currently it is eight o'clock at night .. but he might also ask me something around midnight .. you do not really have off-time. There is no difference between a Monday, Thursday, Saturday or Sunday. So you need to be aware of that ... you cannot say in China, when someone calls you on a Friday afternoon ... let's talk about this further on Monday ...”</p> <p>(interviewee 3, L.223-228)</p>		<p>“...you have to have market access.”</p> <p>(interviewee 5, L. 305)</p>

Subtheme 2.2: Recognizing the change and development of China as an opportunity for the Dutch

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
	<p>"I think it is because of the economic boost, China has seen over the past year. Which is over its peak by now. Resulting in this being a generation ... a modern generation Chinese. Chinese which do not solely look at China, but also to the rest of the world." (interviewee 2, L. 47-49)</p>	<p>"...the salaries have been doubled over the past years. It does not happen often in a country, but here in China .. the prices also have doubled. Resulting them spending more money on consumption.) (interviewee 3, L. 132-134)</p>	<p>"International business is also on the top of the agenda of the Chinese government. Import and Export. Giving room to businesses ... with for example lowering VAT, reducing revenue tax etc. All measures to stimulate doing business ... China revolves around business. Which doesn't matter that all goes well .. but there's a lot of room. When you are keeping yourself between the lines of the regulations .. there's a lot of room to conduct business." (interviewee 4, L. 131-136)</p>	<p>"China has been a closed cocoon, which has been opening up under the control of the government, what is important to remember, opening up within a controlled manner for foreign activity/ businesses. Resulting as well in a rapid economic growth." (interviewee 5, L. 70-72)</p>
	<p>"They stand behind their country, China. But they also look for the</p>	<p>"The older generation is not open to try for example bread and</p>	<p>"When you look at the expectations of business ... it is a large country,</p>	<p>"Especially within the last decennia ... China has developed itself</p>

	opportunities beyond China, across the border.” (interviewee 2, L. 53-54)	bread related products ... if you eat something like that ... it's for breakfast .. cornflakes .. the younger generation on the other hand ... also because of them traveling they are more open to try such products. They don't mind eating bread for example. They visit a MacDonald's, a Starbucks etc.. “ (interviewee 3, L. 137-140)	there are living a lot of people ... so when you achieve to do a little ... you do already quite much ... so what I encounter ... the view of ... it is a big country, with a lot of opportunities. Which makes it interesting, besides the rapid economic growth.” (interviewee 4, L. 143-146)	... and innovation has starting to play a more important role. Innovation, high quality advanced technology.” (interviewee 5, L. 73-75)
			“There is a focus on healthy food. China is evolving ... there is a lot of obesity in China. Due to China being wealthy ... they like sweet and salty food/snacks ... so focus more on the free from products I would say. A second thing is ... you see an increasing vegan demand. Due to the Buddhism in the past ... but related products are	“The technological steps made by China are incredible, which they also continue. So the focus is on innovation and technology. They try to get away from the big investments in infrastructure and real estate, although they are still continue doing those projects. The economic model of China has been focusing on that kind of projects, whereby they try to focus

			increasing in demand. The Chinese government also want to reduce the consumption of meat. “ (interviewee 4, L. 199-203)	nowadays on innovation capital within China. Resulting in a boost.” (interviewee 5, L. 80-85)
				“When looking to the five-year plan published by the CCP, innovation and technology are the most used words.” (interviewee 5, L. 85-86)
				“The first being in the Agri-sector. The Netherlands has a strong name within this sector, especially within the Agri-technology. We cultivate quite a lot in the Netherlands on a small piece of land. Quality products and a large number of vegetables and fruits. Getting most of of a small piece of land, that’s something China is very interested in. And what is the reason for that? China does not have enough Airable-land.

				So, not enough land/space to provide food for everybody living in China.” (interviewee 5, L. 98-104)
				“...they are making the innovative turn ... they are interested, and financial capable of attracting high qualitative technology in Agri-sector. Which can be within the development and building of greenhouses, the Netherlands being very good in that, but also in seed breeding/seed enhancement .. also the pork industry ... and everything related to that and that kind of technology ... which the Chinese are very interested in. With the goal of being self-sufficient.” (interviewee 5, L. 106-111)
				“...the Chinese are searching for that kind of intelligence/ knowledge” (interviewee 5, L. 234)

				<p>“...the middle income families are increasing ... however aging will become an issue ... the spending of consumers will increase ... where opportunities arise for Dutch businesses as this market is relatively open.” (interviewee 5, L. 313-315)</p>
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Theme 3: Awareness to interpretation and communication to understand your Chinese counterpart

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
“They have the illusion that it is most likely the be same as the other countries they work with” (interviewee 1, L. 37)	“I made sure I brought a Chinese with me to the meeting. They can see by the setup of the meeting room, the location of the chairs of the counterparts ... you can see .. okay this person, when it speaks it is not important. Meanwhile the other person sitting on that chair is saying something, you need to pay attention.” (interviewee 2, L. 90-94)	“...do not always engage in a business-related conversation” (interviewee 3, L. 38-39)	“...you need to understand what they mean. To end up in agreement. So the expectations ... the Chinese are less open than we are ... when a Chinese says something he/she wants ... doesn't necessarily is what he/she wants. Which is a big difference between the Dutch ... Europe and China. To be successful in China it is important to being able to deal with this kind of issues.” (interviewee 4, L. 160-164)	“They often think in distinction. Chinese versus non-Chinese. It doesn't matter whether you are from Nigeria or Kazakhstan or Europe ... you are and always will be seen as a foreigner.” (interviewee 5, L. 260-262)
“For example, that people don't say what they think, which we are used to in the Netherlands. Resulting that you might have insulted someone, even without you knowing it.” (Interviewee 1, L.42-44)	“...on the setup of the meeting room you can see who the most important people are. So when you ask a direct question towards your counterpart .. and that is not answered by the 'most important' person in the room, the boss,	“I think that you have to work with a good partner. A good partner who is able to bring you further than just you. Just you ... you will not manage. So the partnership is important...” (interviewee 3, L. 181-183)	“the risk is you being to direct ... which is not being valued by the Chinese ... and the risk of you thinking the Chinese being direct by giving a clear answer .. but it is actually not a clear answer. So the communication	“I would put it under cultural and language differences. That's also were the biggest challenges are.” (interviewee 5, L. 267-268)

	<p>than you know it is most likely to end up in being a no, or that they don't know yet. These kinds of things are from a western perspective very difficult to grasp.” (interviewee 2, L. 101-106)</p>		<p>between the Chinese ... it is challenges.” (interviewee 4, L. 168-171)</p>	
<p>“...communicate on the same level, position and rank” (interviewee 1, L. 99)</p>	<p>“Within those conversations/ communication you are also aware of the hierarchy ... so you do not let you secretary or intern call a SEO of a Chinese company. You need to be aware of the hierarchy and to sort of ... not the right word but okay ... respect that. When you speaking to a person of high rank within a company .. let them talk to someone within the same rank ... a junior does not speak with a Chinese SEO. Which would result in the Chinese SEO thinking like ... I'm speaking to a project manager ... so they do not take me seriously.</p>	<p>“...when using a consultancy business ... it is important they they are able to link you with the right partners. Using their network. Which is basically the first step.” (interviewee 3, L. 184-186)</p>	<p>“...when a customer asks something ... than you have to respond quick. Which is also expected by them ... when you decide not to ... their interest is gone. Which is complex ... on the one side ... immediate action is needed where on the other hand things do takes long ... based on trust.” (interviewee 4, L. 176-179)</p>	<p>“...you have to able to speak and understand Mandarin, Chinese. It is the official and dominated language for businesses.” (interviewee 5, L. 269-271)</p>

	Because I am supposed to speak to the managing director.” (interviewee 2, L. 165-171)			
“...what goes wrong there .. mainly due to communication issues.” (interviewee 1, L. 113-114)	“...the Chinese are really bad in answering and sending emails. When you want something done ... you need the WeChat of those persons. Which is their platform of communication.” (interviewee 2, L. 172-174)			“...it is important to understand that, within the eyes of a Chinese, you will always be a foreigner, with whom you do business with.” (interviewee 5, L. 3258-329)
“...sometimes a SEO is becoming less enthusiastic .. and pushing someone else forward to do the meeting, someone below the SEO. But sometimes it is of great importance that the SEO is going him/herself. If that is not being told, you are up for failure.” (interviewee 1, L. 141-144)				“...it is important, however it are the clichés .. but it still is going wrong ... building and maintaining your relationships which is important. Visit each other, so trust can be built. Building trust is an important element in the Chinese culture ... which is not self-evident.” (interviewee 5, L. 335-338)

Subtheme 3.1: The value of the use of local representation and/or an interpreter

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
<p>“And I think it is good that they have someone to bring along within this process. So maybe .. for example, a consultant...” (interviewee 1, L. 124-125)</p>	<p>“But when you want to find the right partners, than you should have someone in China who you trust really well. With the preference for a Chinese. This because the ‘China experts’, which also speak Chinese ... also told me themselves that even they are missing the meaning sometimes in context of a conversation ... resulting in drawing the wrong conclusions from time to time out of business meetings.” (interviewee 2, L. 84-88)</p>	<p>“The advantage of being in China is the fact that I can invite people to have a drink, to arrange a dinner ... going away from the office. Looking for another environment.” (interviewee 3, L. 44-46)</p>	<p>“...you need someone in China ... who knows how things are done. How business is conducted and who have the contacts. Who can make new contacts and someone who can act with foot on the ground.” (interviewee 4, L. 194-196)</p>	<p>“we also advice to bring an interpreter when you are not speaking/ understanding Chinese. Besides the languages the interpreter can also point out the cultural differences and explain those to you. They are mostly aware of both worlds. It is an effective way to do your business here in China.” (interviewee 5, L. 271-274)</p>
<p>“Some people do hire only native Chinese. They know very well how it works in China. And I really do think they just need to not underestimate the difficulty and need to hire someone to guide them through the process and habits of the Chinese. So, they do not make crucial</p>	<p>“Locale representatives, is important ...” (interviewee 2, L. 143)</p>	<p>“And there a consultancy firm might be helpful .. they have the people or connections who can help you.</p>		<p>“In some sectors you have to have a local partner.” (interviewee 5, L. 278-279)</p>

mistakes.” (interviewee 1, L.127-130)				
“Guiding them within the communication. And not just solely in the language barrier, but also by understanding how things are done.” (interviewee 1, L.132-133)	“I think it would be effective that or work together with a company specialized in the do and don’t/know how’s of doing business in China or to invest in a local person/representative. For the language, but also that that person can meet face-to-face with your Chinese counterpart, drinking together with them ... “ (interviewee 2, L. 150-153)			“...they way you communicate, your image, how you behave yourself, bodylanguage, what is being said, but also what is not being said ... reading between the lines and how to interpreted those kind of things. That’s why an interpreter is a great benefit.” (interviewee 5, L. 338-341)
“But they need to understand not to underestimate that it is going to be difficult, so they needed to bring someone along within the process to support them in how it is done in China. So they can focus on their expertise, about achieving their goals, but bring someone along who guide you in the process.” (interviewee 1, L. 136-139)	“I would advice for a local Chinese representative or a consultancy business with experience with China and their way of doing business.” (interviewee 2, L. 176-178)			

Theme 4: Relationship Management to increase and maintain business contacts

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
“it’s quite a challenge for people to ... find the right partnerships or partners” (interviewee 1, L.45-46)	“...the differences is ... doing business in the Netherlands is not ... well it is based on your network .. but on a different degree when taking it in the perspective of the Chinese” (interviewee 2, L. 57-59)	“The NBSO’s have several platforms .. here also in Shanghai ... and I tried, also in collaboration with the Chamber of Commerce Benelux Why don’t we collaborate collectively? I also talked about this with our previous agent/consultant here in Beijing. Why not working together more often ... bringing it together. They all have a wonderful network... “ (interviewee 3, L. 67-70)	“The building of a relationship costs a lot of time ... lots more than in Europe. Building trust...” (interviewee 4, L. 154-155)	“...building and maintaining your relationships which is important.” (interviewee 5, L. 336-337)
“...when you realize the importance of also speaking to one and other on a personal level, continue speaking with that contact on a more personal level.” (interviewee 1, L. 107-109)	“For the Dutch, they see less the importance of networking. For a Chinese thinks ... I do talk with you now ... but I might be able to work together in ten years. Maybe I can use you in about ten years. The Dutch on the other hand ... do not look in such terms. The Chinese,	“...joining forces with a NSBO’s, other organizations, the Chamber of Commerce, ... all those different kind of islands and you have a fantastic network.” (interviewee 3, L. 107-109)	“Keeping in contact is of the utmost of importance.” (interviewee 4, L. 159-160)	“We as network, one embassy, four consulate generals, six NBSO.s ... can assist you.” (interviewee 5, L. 151-152)

	per definition, are more active in relationship management.” (interviewee 2, L.70-73)			
“...the relationship needs to be built by yourself. And I believe there is one of the big issues. And not solely in getting to know one and other, but also once you already been introduced to one and other.” (interviewee 1, L.110-112)	“That indeed is very difficult, especially for companies with no presence in China, to find the right connections. There, a consultancy firm can be very beneficial.” (interviewee 2, L. 79-80)			
“...bring someone along who guide you in the process. But also, to keep in contact with the Chinese partner. Contact is important, building the relationship ..” (interviewee 1, L. 139-140)	“I believe the most important thing is building a trustworthy relationship. That you can trust your counterpart. Which is a big issue. That’s also why they often say ... you cannot do business quick in China.” (interviewee 2, L. 127-129)			
	“...when you have trust, than the Chinese shall not damage that trust that quickly. Because it will also have an			

	negative effect on his/her own honor/face.” (interviewee 2, L. 156-158)			
	“Another effective way is the use your network not only on a vertical level, but also by using an horizontal approach. Let me explain that, when you know person A, and your counterpart knows person A as well ... when your counterpart screws you over, he/she basically also is screwing over person A. “ (interviewee 2, L. 158-161)			

Theme 5: Using Dutch National branding as value added advantage

Interviewee 1 Renske	Interviewee 2 Bert	Interviewee 3 Jan	Interviewee 4 René	Interviewee 5 J. Maas
		<p>“As the product, Holland/the Netherlands. We all have the same background; we all have a Dutch nationality. A Dutch company you are working for. Using that to differentiate from the rest.” (interviewee, 113-115)</p>	<p>“European products do have the image of being good, of high quality ... especially the products from the Netherlands. Those are considered of high quality.” (interviewee 4, L. 120-121)</p>	<p>“That is still .. consumerism, the growing middle class, the changing consumption patterns. People are generally very open to .. Despite nationalism .. towards branded products from abroad. Products from Europe, that is still common. It has a certain image that it has. And I don't see any change in a short time.” (interviewee 5, L. 358-361)</p>
		<p>“We are a big supplier of food related products. We export a lot of food towards China already. They think quite fondly towards Dutch products.” (interviewee 3, L. 117-118)</p>		
		<p>“Because the Netherlands has a good name ... you need to use our nationalism .. our orange color, and the</p>		

		Dutch flag. I believe in a nationalistic approach, to use the branding that we have as a nation. With that, you present yourself as a western company , a modern company.” (interviewee 3, L. 186-189)		
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