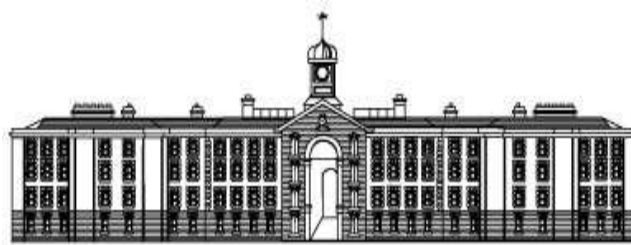


# Sales Growth' Strategies in a Modern and Competitive Environment

*A case study of Irish beverage SME in doing business in China*

MSc in International Business and Management



Griffith College Dublin

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Dublin, Ireland, 28<sup>th</sup> August, 2020

## Candidate Declaration

Candidate Name: Gleice Ferreira da Silva

I certify that the dissertation entitled: Sales growth' strategies in a modern and competitive environment - A case study of Irish beverage SME in doing business in China

Submitted for the degree of Master of science in International Business and Management is the result of my work and that where reference is made to the work of others, due acknowledgment is given.

Candidate signature:



Date: 28<sup>th</sup> August, 2020

Supervisor name: Kathy Clarke

Supervisor signature:



Date: 28<sup>th</sup> August, 2020

## **Dedication**

This dissertation is dedicated especially to my boyfriend Peter for his understanding, support and encouragement given during the whole dissertation process, to my family for understanding my absence and gave me psychological support, and all of my friends and colleagues who helped me through this process, Ana, Peter Markey, Dave Connolly, and Tim, that together helped and contributed to my work.

## **Acknowledgement**

My sincere gratitude is given to my supervisor Kathy Clarke, for the patience, commitment and precious feedback, assisting me on the preparation and structure of this research.

To all classmates and friends I had acquired from Griffith college, that I had worked in a team, for their commitment that helped on reaching our objectives. For all advice given to me, for happy and distressed moments we had together. I had the pleasure of making great friends which I hope to keep for the rest of my life.

To all my family and friends that understood my absence, during the whole year of this master, especially on the exams and dissertation period, giving me much needed psychological support.

To conclude, my special gratitude to my boyfriend Peter for his patience and support in all context which had pushed me forward to the end of this master. His advice, time spent helping me with my English writing, as well as his encouragement was essential for reaching my final goal. Therefore, I will be eternally grateful to him.

## **Abstract**

**Topic:** Sales Growth' Strategies in a Modern and Competitive Environment-

*A case study of Irish beverage SME in doing business in China.*

**Author:** Gleice Ferreira da Silva

“There is nothing so useless as doing efficiently that which should not be done at all” (Peter Drucker).

China had been demonstrating huge growth potential in the beverage sector, which had influenced many Irish beverage SME's to do business there. However, due to the highly competitive market, several challenges were faced.

Therefore, the objective of this dissertation was to analyse the efficacy of sales growth strategies utilized by Irish beverage SME's, and Chinese distributors' critical success factors that can assist growth in sales in China. In particular, key elements such as influences to growth, strategies related to how choose Chinese markets, growth in sales, and working with Chinese distributors were encountered in this study.

This study involved a sample of twelve participants through semi-structured interviews, with nine used for a deep analyse on the finding. It had resulted that partnering with a Chinese distributor was the main growth strategy chosen by Irish SME's, as well as the tiered market strategy approach. These are two of the most common strategies, and are seen as easiest to implement due to the lack of deep market knowledge, being highly dependent on Chinese distributor. Although motivation and growth expectative can contribute to sales growth, it was shown that they do not have value if not linked. Critical success factors from distributors that can help Irish beverage SME's on their sales growth consisted not only product relationship tied, but in close relationships, commitment, high profit margins, product innovation, and taste. This had resulted in noticeably different findings from what the literature proposes, and draws a slightly different picture of more efficient sales growth strategies that Irish beverage SME's could adapt to in order succeed.

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## CHAPTER ONE

### 1. Introduction

#### 1.1 Overview

This research involves the analysis of the efficacy of sales growth strategies utilized by Irish beverage SME's, as well as the analysis of critical success factors from Chinese distributors that can assist in Irish beverage SME's sales growth in China.

This chapter provides a brief background of the topic: *Sales growth strategies in a modern and competitive environment- A case study of Irish beverage SME doing business in China.* Following on from this, case study company overview, the research objectives, justification and insights of the upcoming chapters are outlined for guidance.

Small and medium size enterprises (SMEs) constitute seventy-two per cent of firms in Ireland in the private sector, classified by three categories: the micro, small and medium firm with up to 250 employees (Mellett and O'Brien, 2014). Despite China demonstrating growth in the beverage sector (Statista, 2020), the highly competitive market warrants the need for a more efficient strategy. This is due to the reality of competing against giant companies in China, having limited resources reducing opportunities for gaining economies of scale, and lack of access to sophisticated distributor partners, (Hynes, 2010; Carson Block, Robert and CollinsOnline, 2007). Therefore, analysing these limitations in a highly competitive environment is worthy research.

## **1.2 Company's Overview**

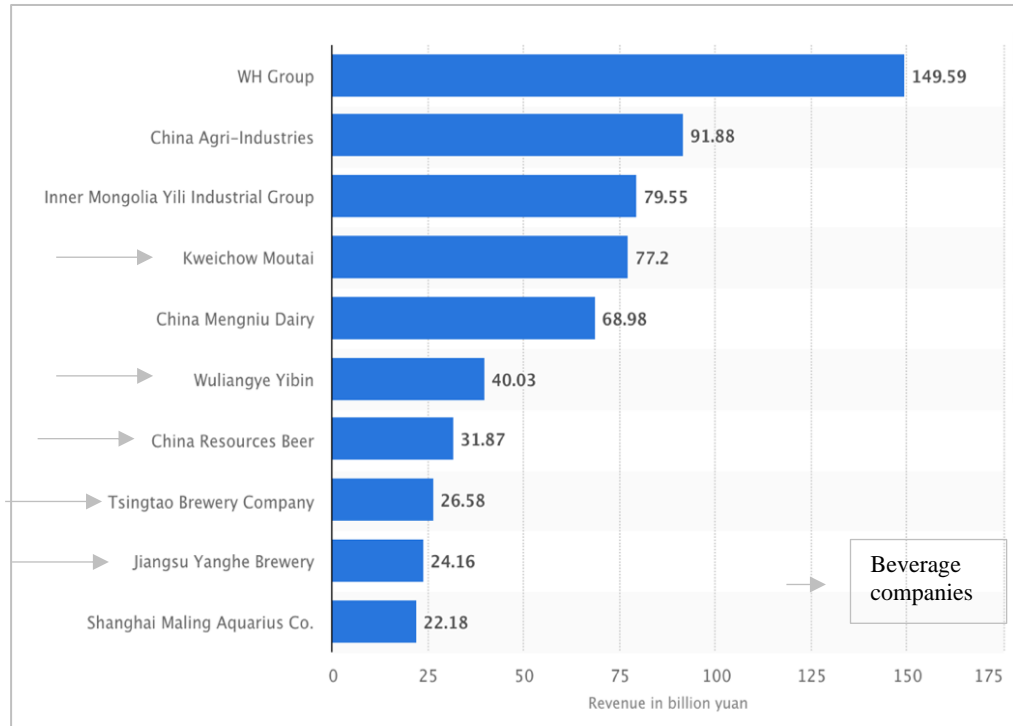
Duke is a relatively new small sized Irish company founded in 2015, operating with natural energy drinks, available in five flavours and represented over seven different countries with the main markets in Taiwan and Hong Kong. It has operating in China since 2018, using exporting as a way of entering into foreign markets, and it outsources most of its activities, such as: factory, warehouse and logistics (DukeEnergyDrinks, 2015). The reason for choosing this company is because it matched the criteria of this study, which is an Irish SME in the beverage sector that does business in China. I would have access to more detailed information for a deeper analysis.

## **1.3 Research Purpose**

The purpose of this research is to analyse the efficacy of sales growth strategies utilized by Irish beverage SME's, as well as the analysis of critical success factors from Chinese distributors that can assist in Irish beverage SME's sales growth in China. In order to gain a greater understanding, a case study is carried out using an Irish beverage SME, which operates in China as well as distributors within China are also explored as a possible factor.

## **1.4 Justification**

The beverage sales market has been consistently growing in China (Statista, 2020). Due to this many Irish SME's had seen potential opportunity to do business there (Hynes, 2010). However, with giant companies operating and leading there, competition became an even bigger challenge for SME's to overcome (Statista, 2020).



**Figure 1** - Leading Chinese Beverage Companies by revenue - 2020 (in billion yuan) (Source: Statista, 2020c)

As shown on the graph above, regardless of the beverage market growth, the presence of powerful brands should give Irish SME's insights for the necessity of adapting their strategies(Hynes, 2010). Due to the Chinese market being so competitive, foreign SME's have been facing numerous challenges trying to grow there such as, lack of economies of scale, lack of partnership, and difficulty of converting brand awareness (Hynes, 2010;Carson Block, Robert and CollinsOnline, 2007; Heracleous, 2001). One of the main reasons for this is that small businesses cannot rely on producing locally in China, but instead need to produce elsewhere and then look to export their product to China, which can lead to inherent complexities and higher costs in comparison to larger companies that can have a local presence, contributing to slowing down their sales growth (Heracleous, 2001). This is in comparison to Chinese leading companies such as: Kweichow Moutai, Red bull, Henan Zhongwo Beverage, which are well known brands, have market power, and have their own factories in China which results in several benefits in terms of economy of scale (better products price) and creditability among its distributors(China Daily, 2009).

In order to overcome these challenges, foreign SME's should be highly strategic in their operation, and shaping their strategies can be essential for growing in new markets (Hynes, 2010). It is necessary to analyse and interact in the environment differently because strategies used by large companies are not appropriate for small companies due to the differences of the operation scales and resource limitations (Shuman and Seeger, 1986).

“Company's size is not necessarily a barrier related to export, but SME's should find their own unique way to overcome their “smallness” (Calof, 1994).

Therefore, there are difficulties and obstacles that SME's need to overcome in order to grow, as outlined in the limitations presented above, and a lack of specific strategies for SME's in the literature (Obadia et al. 2017). This study had been driven by the personal desire for an understanding in both how Irish beverage SME's can grow sales in a highly competitive environment such as China, as well as how Chinese distributors can contribute to this growth. Additionally, doing a case study on an Irish beverage SME allows for a more profound analysis, for the purpose of helping the company studied, and potentially for other Irish beverage SME's to improve their approach and sales growth strategies, based on various sources discussed in this study. This study might also be advantageous for Irish SME's that might wishes to enter into the Chinese market, in order to grow in sales.

### **1.5 Significance of the study**

The research is relevant, due to several challenges and limitations faced by SME's, especially when referring to China with such a different culture and no standard approach. SME's need to find a way for surviving and growing in a competitive environment such as China (Statista, 2020).

Despite a lot of content in the literature related to business strategies, specific strategies for beverage SME's, as well as the lack of deeper analysis on Chinese distributors in the context of helping SME's grow in sales, are still under explored.

Therefore, through the analysis of the efficacy of sales growth strategies utilized by Irish beverage SME's, as well as the analysis of critical success factors from Chinese distributors that can assist in Irish beverage SME's sales growth in China. The researcher was interested in investigating business strategies, exploring these problems in the context of how to improve Irish SME's grow in sales in a highly competitive Chinese market. As a result of the work done, the researcher believes that it might be possible to help the studied company and other Irish SME's to adapt their sales growth strategies and wish to project themselves in to China in order to succeed.

### **1.6 Research Objectives**

The researcher's objective is to analyse the efficacy of sales growth strategies utilized by Irish beverage SME's as well as analyse critical success factors from Chinese distributors that can assist in Irish beverage SME's sales growth in China. From this, the questions were guided by the following research objectives.

- To analyse the internal factors of Irish beverage SMEs that can influence their sales strategies in China.
- To analyse external factors of Irish beverage SMEs that can influence their sales strategies in China.
- To analyse the efficacy of sales growth strategies utilized by Irish beverage SME's in China.
- To analyse the critical success factors from Chinese distributors that can assist in Irish beverage SME's sales growth.

## **1.7 Structure of Dissertation**

### **Chapter 1 – Introduction**

This chapter provides an introduction of the research to the readers, containing a background related to Irish beverage SME's strategies as well as the challenges faced by SME's when doing business in China. Overall information related to the Chinese market is also outlined followed by a case study company overview, the research purpose, justification, significance of the study and research objectives.

### **Chapter 2 - Literature Review**

This chapter presents a critical overview of the literature review, related to SME's sales growth strategies, and critical success factors from Chinese distributors that can assist in Irish SME's sales growth. Covering the objectives of this study, through the key topics; influences to growth, sales growth strategies related to the Chinese market, SME's and cautious strategies. Also covered were strategies for growing through Chinese distributors, including critical success factors. All of these topics were connected to the research objectives, and contribute to the identification of gaps found in the literature, and can help influence sales growth strategies. Finally, the conceptual framework is presented by linking the reviewed literature and research questions to further discuss the findings.

### **Chapter 3 – Methodology and Research Design**

In this chapter the methodology was presented with the purpose of answering the research question, as well as a detailed explanation of the researcher's choices. The methodology used in this study was qualitative research, through interpretivism, and an inductive approach. The Mono-method case study was the strategy chosen, through an exploratory approach. The method for collecting data was done through semi-structured interviews within a cross-sectional design. The data analysis techniques were done through data extraction, coding, visual analyses and research diary. Twelve participants were chosen according to their position and expertise. Finally, the ethical issues associated to the interview and its

implications have been addressed along with the reliability and validity of the data and limitations that appointed in this research.

#### **Chapter 4 – Presentation and Discussion of the findings**

This chapter focuses on the analysis of the findings of this research and the interpretation of the collected data (interviews and questionnaires) through twelve semi-structured interview as well as discussion and analysis of the findings of each research objective.

#### **Chapter 5 -Conclusion and Recommendations**

In this chapter the summary of the main findings, and the implications of the research questions, are applied as well as final a conclusion of the research. It depicts a lack of specific strategies for SME's in the beverage sector, especially in relation to working with Chinese distributors in terms of management, building a brand, and critical success factors for sales growth, which align with the objectives of this research to analyse of the efficacy of the sales growth strategies of Irish SME's and Critical success factors from Chinese distributors.

The interview findings show a high dependence on distributors, resulting in lack of action, market knowledge, and tiered strategies in conjunction with Chinese distributors. From Chinese distributors, there are other critical success factors involved beyond what is presented in the literature. Therefore, recommendations for improvement of Irish SME strategies along with some ideas for further research were offered. Finally, reflections related to the learning for having completed this dissertation.

## **CHAPTER TWO**

### **2 Literature Review**

#### **2.1 Overview**

This literature review outlines the theoretical perspectives relevant to this dissertation as well as the critical overview. The chapter begins with two main theoretical backgrounds; SME's sales growth strategies, and critical success factors from Chinese distributors that can assist in Irish beverage companies grow in sales in China. The key topics; influences to growth, sales growth strategies related to the Chinese market, SME's and cautions strategies. Also covered were strategies for growing through Chinese distributors, including critical success factors. They have high relevance to the research as they discuss SME' operating in China. The discussion around the relationships with Chinese distributors is important because it is the most common strategy used by SME's, and might contribute considerably to the Irish SME's strategies. Finally, the conceptual framework is presented, connecting the reviewed literature and research questions. For the reader's better understanding, the topics were divided into two main groups:

#### **SME's Sales Growth Strategies**

#### **2.2 Growth Definition**

Growth is the process of getting big in size, in a certain period of time(Dobbs and Hamilton 2007). Increasing product or services demand is also a sign of a company's growth (Janssen 2006). Growth can also be defined as entering in new markets (physical move), spreading its site, having more customers and increasing in sales (Brush et al., 2009).

Growth can be related to an increment of several factors such as: sales, employees, profit, company's structure and company's value. However, growth also can be seen as "process" described as internal development (personal/professional or/and company's development), instead of just change in size (Achtenhagen *et al.*, 2010). Therefore, with this variety of definition, companies can gauge growth based on several factors, because every individual

has different aspiration and expectation and concept of growth (Leitch *et al.*, 2010). Thus, in order to link with the objective growth in sales is the focus of this study.

### **2.3 Importance of Growth**

Growth can play a critical role for SME's because it can provide strength for survival, and help to not be overthrown in a competitive environment (Rauch and Rijdsdijk, 2013). Rapid expansion, for instance, permits also a rapid growth into a cash flow of a firm, which is a critical factor for SME's with financial limitation, giving certain advantages when plying among the competitors(Freeman et al., 2006).

'We are in a position now that [...] makes it very difficult for our competitors to jump up at that level. We certainly have a distinct advantage. A shed around here of average size would be producing half a million cartons. For them to go to a million cartons, they've got to turn around and invest in the likes of what we've got- marketing manager"' (Freeman et al., 2006).

Although it is important to grow, says in order to have sustainable growth, firms should apply an efficient and strategic management. This management can be related to sales, resource, and finance and the lack of a structured management and strategies is less likely to succeed, due to the possible failure of company's growth (Coad and Tamvada, 2012).

### **2.4 Influences to Growth**

Growth can be seen and defined in several ways. Owners or company leaders are exposed to challenging for achieving the objectives for growth and the company's growth can be impacted by the internal (motivation, growth expectative) and external factors (market situation, government policies (Hynes, 2010b). The perception of these factors by owners or company leaders would influence strategies and management decisions (Wickham, 2004).

### **2.4.1 Internal factors:**

The ability of the entrepreneur learning, and its experience of the sector, can lead to a better development and effectiveness of its business, however, these characteristics alone are not enough to promote growth (Dobbs and Hamilton 2007b). He stated that there is no proof that these characteristics have a heavy influence on growth. Therefore, it is necessary to consider a large amount of factors in order to reach a considerable conclusion.

Other important factors that can lead to growth are; being motivated, and wanting to be ambitious to grow beyond our current state. It is believed that motivation can result in future growth. This motivation can be led by entrepreneur's behaviours to meet its company's needs. Similarly, lack of motivation can cause a firm's failure (Deepali *et al.*, 2016). In addition, ambition for wanting to grow can also have an influence on growth itself, the lack of ambition can result in failure to grow (Hermans *et al.*, 2015). Strategies utilized by the company can influence its growth. For example, an effective sales growth strategy, operation management, and even export process can influence growth. Therefore, the way that the decisions are made in the company might promote better change of exploiting unique opportunities (Achtenhagen *et al.*, 2010). It is argued that making strategic choices will most likely result in improved business productivity, as well as improved sales, and will lead to positive long-term effects for the company (Delmar and Wiklund, 2008).

In addition, being proactive and again innovative was highlighted by as important factors if the company wants to grow, therefore, it is important to go beyond the "standard" actions (Achtenhagen *et al.* 2010). Small companies with an innovative approach can grow even faster than giant firms and company that makes use of innovation can survive turbulent situations and reach higher levels of performance (Daunfeldt and Elert, 2013). Therefore, the use of appropriate strategies, and being active and innovative, will likely result in the ability to exploit new opportunities and grow (Daunfeldt and Elert, 2013)

### **2.4.2 External factors**

Politics and government policies also can considerably contribute on companies' growth (Dobbs and Hamilton, 2007a). It was confirmed when the enterprise sector in Belgium grew 2.5%, due to its government program (Schoonjans et al., 2013). Distinctively of the internal factors that can be controlled by owners and company' leaders, however, external factors such as political, demographic and technological are out of their control and due to this the internal factor would have greater impact on the strategies decisions (Hynes, 2010a).

## **2.5 China market Strategy**

Chinese market is considered to be variable and heterogeneous, especially economically and socially speaking and has vast differences in comparison to others market (Hedley, 2020). The level of purchase power, income, education and population can always vary according to the province. As such, it is certainly no exaggeration to state that rather than representing a single, unified market, China is actually a collection of individual sub-markets defined by vastly differing demographic, economic and cultural characteristics (Hedley, 2020). As well as considered almost twice as malleable and unpredictable as that in the United States, which has the necessity of shaping strategies even more appropriate in China(Reeves, Love, and Tillmanns, 2020). Therefore, the choice of Chinese location is really important and it can have a considerable influence on the foreign company's success. These companies usually choose the location for operation in China, however, some benefits on the Chinese market in some particular province would attract foreign companies, such as: China's Special Economic Zones where incentives, superior infrastructure and better market conditions are offered (Menzies, 2012). Several factors such as: agglomeration of customers and suppliers, considerable quality infrastructure, and key cities would probably increase the company's success as they influence on the operations and transportation costs (Menzies, 2012).

Provinces such as Shanghai, Zhejiang and Guangdong(Tier 1 cities) have high population and income levels, middle-class representation and income levels well above the national average, turning the most mature markets in China related to consumer behaviour, which results in the best and most secure option for operating in China due to the low risk related

to the market. Shenzhen, Jiangsu, Shenzhen, Zhejiang, and Shandong (Tier 2 cities) have become more attractive to foreign companies due to the rapid growth caused by the increase of income and consequently the purchase power, improving their economy and consequently promoting higher demand. Due to lower set-up and operational costs, and also having huge opportunities to trade over the long term, tier 2 and 3 cities have been offering strong commercial opportunities for foreign companies. For example, tier 3 cities can offer advantages related to first-mover and for long-term success (Hedley, 2020).

Although of all benefits presented on the Chinese market, in term of strategies, choosing the tiered market does not promote one efficient strategy, due to the large number of cities (over 800) and with over 200 cities having a population of over 1m, the differences related to growth rate and how those cities grow can have a huge impact on SME's sales strategies (Magni and Atsmon, 2010). Therefore, foreign companies are better off targeting their market by group of cities situated within 300 kilometres.

This is because closer cities have common - government policies, economy, industry orientations and customer preferences. When SME's choose the market in this way, they gain efficiencies in several aspects, for example: when the market has a common style, it is easier to manage its operation. Cities closer together can result in lowering the logistics costs, create better partner relationships and cluster-based sales forces (Magni and Atsmon, 2010).

The graph below represents the opportunities that foreign companies miss, when choosing the tiered market approach.

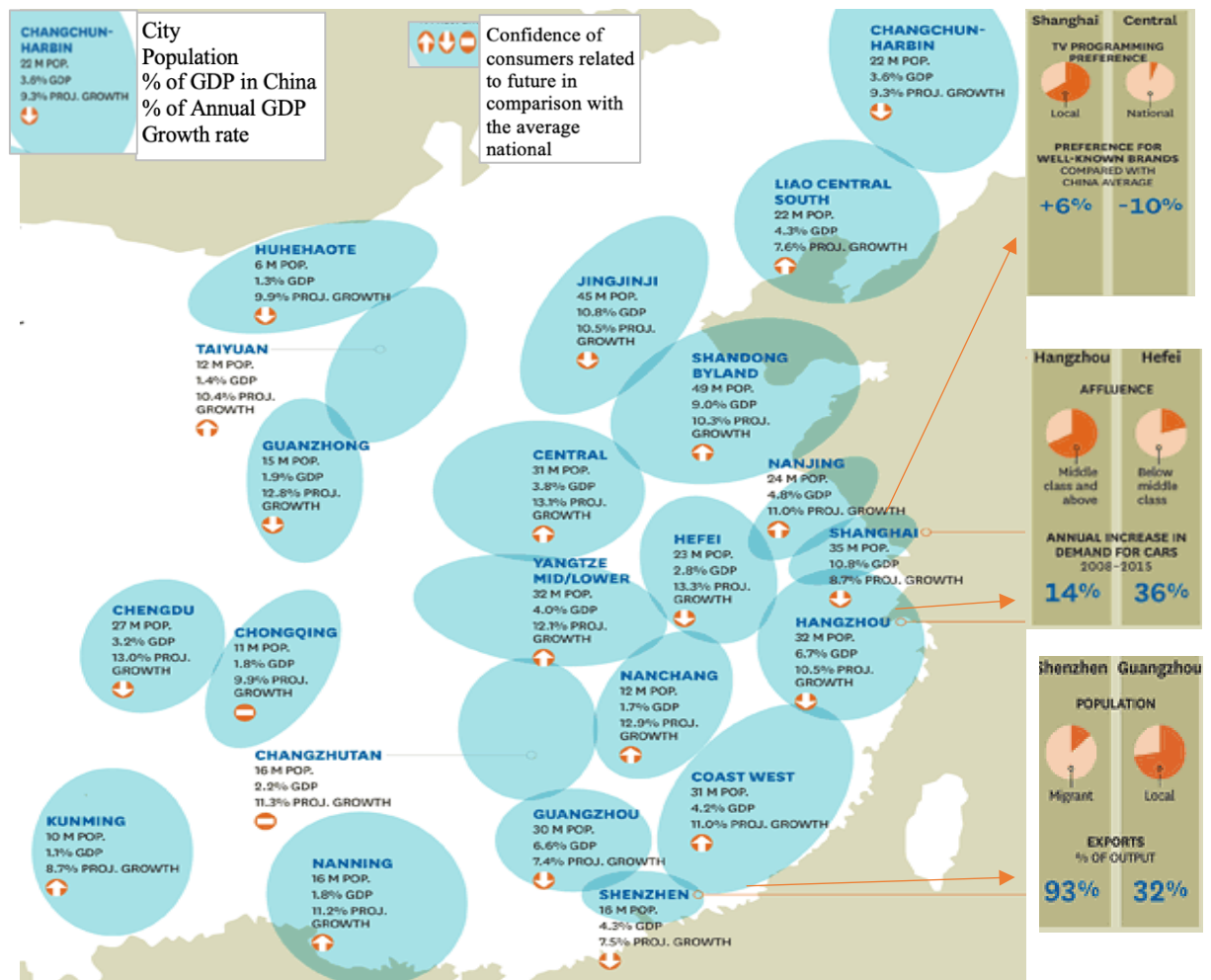


Figure 2 - New market strategy for China - Source: (Magni and Atsmon, 2010)

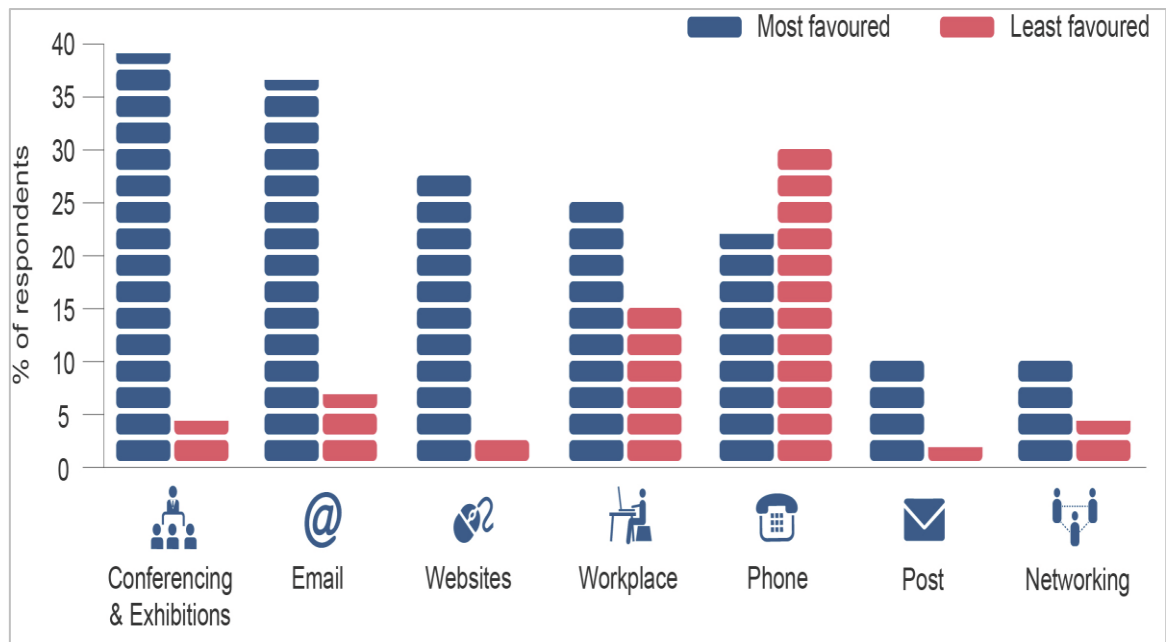
The chart confirms that tiered strategies in China can lower the strategy quality because the large diversity existing per tier make the companies lose focus. For example, the consumer preference related to well-known brands is 6% in Shanghai compared with the China average, however, although Central is part of the same tier, the consumer preferences for well-known brand is negative -10%, which means that they do not care about well-known brands (Magni and Atsmon, 2010a).

Most companies go for the obvious and safest methods. However, thinking outside of the box, or approaching via a different strategy, could lead foreign companies to possible rapid growth (Magni and Atsmon, 2010a). For example, Hangzhou has a higher population and much more people in the middle class than Hefei, however, middle-class growth rate is expected to increase rapidly for Hefei when compares to Hangzhou, which is expected to just slightly increase. Therefore, using this approach for targeting markets can promote the growth in China much more rapidly in comparison to choosing the more common options previously discussed (Magni and Atsmon, 2010a). A tiered market strategy treats cities with big populations equally, however, it is important to note that in Shenzhein the population is composed more from youth, migrant and mandarin speaking people, and people with habit of going out and drinking at bars, differently of Guanzhou which is composed of older, cantonese-speaking people, with habits of going out to restaurants with family (Magni and Atsmon, 2010a).

When working strategically with a tiered approach, even though they are huge in population, it is important to realize China is not a homogenic market, and in order to be effective in their approach, foreign companies should apply their strategies to regions that best fit their goals and objectives (Reeves, Love, and TillmannsMedia, 2020). An example would be energy drinks products. The consumption of these drinks are linked to youth and adult, and commonly energy drinks are used to mix with other alcohol/non-alcohol drinks in places that could be in bars or anywhere else. Therefore, the probability of selling and growing fast would be in Shenzhein rather than Guanzhou (Magni and Atsmon, 2010a).

## 2.6 B2B Strategies for Selling in China

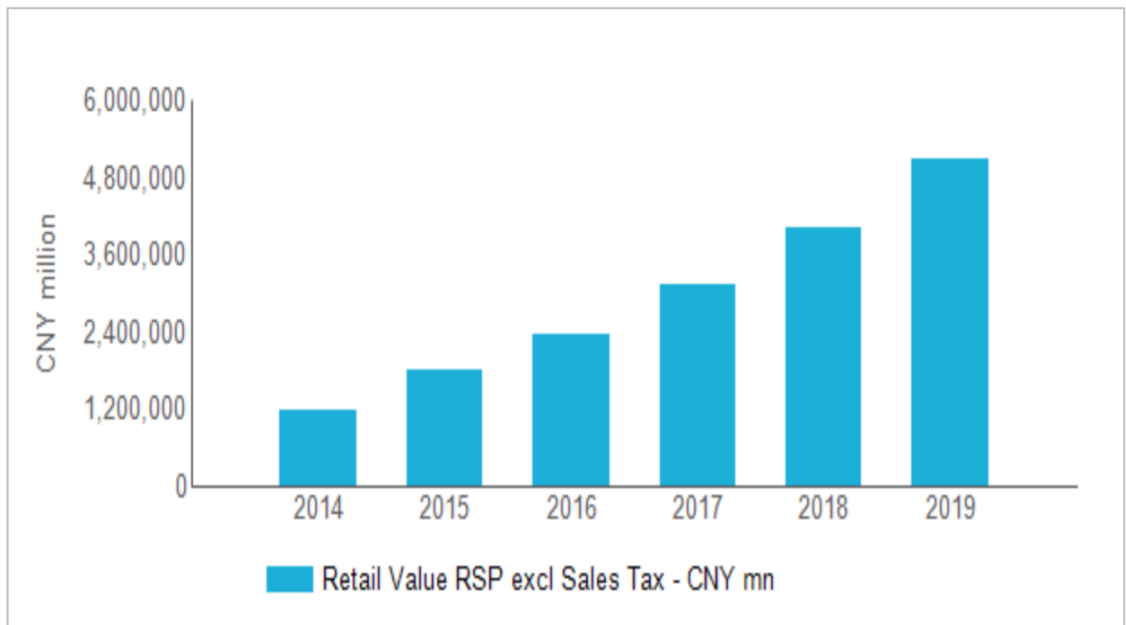
Although the way of doing business in China can vary and change constantly, which can be hard and tricky to understand, it is still possible to succeed there (Reeves, Love, and Tillmanns, 2020). With a huge growth potential in China, working a little bit harder for ensuring these variations be implemented in their strategies can be crucial for succeeding in sales growth. Therefore, understanding how to target Chinese business would be crucial in this process. Making use of a mix of marketing techniques, in the right place (Harrison and Hedley, 2020)



**Figure 3** - Companies marketing & sales approaches in China (Source: Harrison and Hedley, (2020))

The chart represents that three main channels can be used for contacting and partnering with Chinese businesses; exhibition, email and website. Internet has been seen as a big ally for foreign companies, due to the massive expansion of internet usage, especially for sales and purchases. With a population of over 1.3 billion, China has become the biggest e-commerce economy in the world, which in turn can be seen as a big opportunity for growth (Krokou,

2018). E-commerce will continue increasing its value from a little over 5 billion CNY(Chinese currency), to the expectation to reach over 10 billion CNY by 2024 (EuroMonitor, 2019).



**Figure 4 - E-commerce market size in China 2014-2019 (Source: EuroMonitor, (2020))**

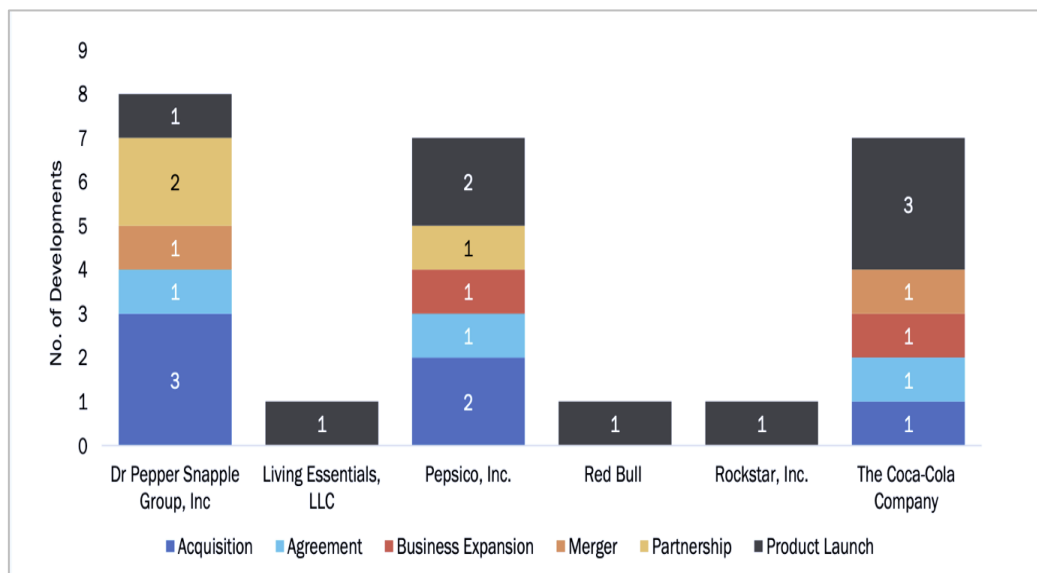
The graph represents the continued growth of e-commerce in China which results in foreign companies having more opportunities for growing sales there, and looking for new partners to work with (Feuling and Nath, 2010).

There are three e-commerce predominants in China: Alibaba Group, JD.com Inc, and Suning.co. Alibaba group has been leading the Chinese market, together with its most common platforms, Taobao and Tmall. In Taobao alone, it has around 7 million active merchants accounts, focusing on selling its products from wholesalers and companies in general. Tmall is the B2C leader of the Chinese e-commerce, represented by large and medium sized companies. It operates with over 70,000 brands, being more restrictive in regards quality, original products, and legally registered sellers, which results in higher reliability for the customers, and for companies that care about, and value, their brand (Krokou, 2018).

This approach has been working, with companies such as Pepsico using this strategy for increasing its sales, making agreement with Alibaba Group for further enhanced consumer on-line marketing (Allied market research, 2019). Although it requires special attention, when partnering, it can indeed help foreign companies to grow in sales. However, these strategies alone do not result in companies becoming fully successful, therefore a mix of strategies would be more appropriated (Carson Block, Robert and CollinsOnline,2007).

## 2.7 Business Strategies

Partnership is a brave decision, however, necessary, and it is the best way for foreign companies to reach important markets and grow faster (Baumgartner; Hatami, 2016). Mergers and acquisitions are an important strategic option for organizations to remain competitive in the global market (Bommaraju et al., 2018). However, acquisitions were shown to be more common for large rather than small companies. Despite the fact that growth through acquisitions is more typical of larger firms than smaller ones it is one option for the growth of an SME. However this strategy was seen on long-lived SMEs rather than of young SMEs. Firm age, longer time of operation, may partially explain the bigger size of acquisition growth SMEs (Pasanen, 2007).



**Figure 5** - Top strategies by company into China 2016-2019 (Source: alliedmarketresearch, (2019))

The graph above shows the winning strategies utilized by large companies. Becoming bigger and thus acquiring greater market power is a winning strategy, small younger firms may not have adequate resources to buy other businesses (Pasanen, 2007). Therefore, other strategies should be applied by small companies when doing business abroad, such as partnership, which seems to be a good option to start with (300 Tips for Export Managers, 2019).

## **2.8 How Companies Build their Brands in China**

### **2.8.1 Do their homework**

In order to grow and add value to a brand, exporters should do their homework, which is an essential category research and commitment with the market, especially when the market keeps changing rapidly. This research involves leader brands, product price, and merchandising standards. Careful consideration should be applied to what added value your brand contributes to the existing category dynamics in a new market (Export Solution, 2019).

### **2.8.2 Go step by step**

Business development is not easy, and it requires time. Therefore it is important the foreign companies be cautious with the whole process. According to Export Solution, (2019), it can be essential to look for a list of global retail and supermarket, as well as create and share positive success stories on the retailer profiles instead of selling to everyone. It is important to take time and not rush this process. Building their brands can take a long time, however it is worth it long term (Export Solution, 2019).

### **2.8.3 Visiting the distributor**

Going to events and trade shows promoted by agencies, support centres, and any government support is advisable. Foreign companies should pay a visit to some stores and meet up with potential partners, as well as distributors that they already have. This is important for close observation about how the market is doing and capturing any new movement that might have changed. Growth needs the combination of improvement of brand, along with the distributor's expertise and experience about the local market (Export Solution, 2019).

### **2.8.4 Marketing activities**

Successful distributors are very efficient in regards to creating marketing plans, being able to produce good results while spending less than others. Therefore, companies should challenge and encourage them to develop 'outside the box' strategies in order to promote and build their brand. For growing sales it is necessary to invest in improving their brands due to the preference of Chinese customers in some tiers in buying well-known brands (Export Solution, 2019).

### **2.8.5 Making distributors love your brand**

Distributors like receiving recognition for their effort, therefore, companies should inspire distributors abroad to love their brand conquering the position of a preferred supplier by being a responsive partner and supporting distributors in several ways such as: product innovation and marketing investments (300 Tips for Export Managers, 2019). This can be one of the keys to success, due to the value that the Chinese have for being recognised individually and as a group (Ahlstrom and Bruton, 2009).

## **2.9 Trends**

### **2.9.1 Local experience**

Over eighty percent of Chinese population prefer to buy products that reflect their local culture. The trend driver (Experiences) shown on the following graph represent the importance of Chinese' cultural history on purchase preferences. Trends like that have driven beverage companies, such as PepsiCo, to adapt their strategies for growing in sales, incorporating trending aromas such as osmanthus, one of the most famous flowers in Chinese food which also represents love and elegance in historic poetry in its products, and packaging for better engagement with consumers who love their cultural and heritage (Mintel, 2020b). Additionally, another company that invested in this trend is Heytea black tea company, which has opened a store for customers to experience the local Chinese flavour on infused tea (Mintel, 2020b). Other trends related to experiences is to conduct the close relationship through older tradition and celebrations linked with their history. In the wake of COVID-19, the consumers behavior is even more toward to the appreciation of products, concepts and services that demonstrate their cultural identity. Therefore, if foreign brands want to win in sales it is important to reconsider their strategies, and start creating more culturally inspired experiences(Mintel, 2020b).

### **2.9.2 Seniors**

Due to superior medical technology, people are living longer and are even more concerned with what they are eating and drinking. This longer life expectancy has created diverse and different needs. Nowadays, Chinese seniors are looking for a better quality of life and have increasing interest in healthy products. Therefore, in order to supply this market segment, foreign companies should offer specific products for seniors, for example, healthier drinks, more vitamins, and supplements that could help in relation to problems related to physical and psychological health issues (Mintel, 2020a). In China, Nestlé has launched a healthy, smart and engaging solution that enables consumers make around 21 different superfood

drink recipes in a very creative way. Another company, Ujji, sells wellness tonic aimed at reducing stress, improving immunity and meditative focus (Mintel, 2020). More resources are required for supplying this generation's age group, however, it will be a huge market opportunity if foreign companies provide products aimed at helping the senior market, targeting improvement on brain function, muscle mass and digestion(Lieberman, 2019).

## **2.10 Strategy for Chinese Government's Regulations**

In order to succeed in doing business in China it is crucial to understand the Chinese regulations and policies. This is due to heavy restrictions required for foreign companies. Therefore, before setting up any business in China, it is important to read the Chinese foreign investment regulations which can be classified into three categories: prohibited, restricted, and encouraged (FDI.Gov, 2017). In addition, China has several different organizations for compliance of its industry's regulations, and it can vary according to the type of business sector. Companies with high level of standards and regulations face bigger challenges related to the complexity of law and regulation procedures. Examples are food and beverage sectors(Hedley, 2020).

The organizations and ministry that can enforce these regulations are State Food and Drug Administration (SFDA). Therefore, due to the different ministries, companies that need to do business in China should know what ministries or organizations are responsible to help them navigate the various regulation processes (ANSI). Efforts to conform to these regulations became more difficult due to the scandal that occurred in 2008 regarding melamine poisoned milk, as well as various pollution problems. Lack of effective regulatory enforcement related to environmental issues resulted in China reviewing its regulations, and imposing stricter regulations(Hedley, 2020).

These changes to legislation and regulatory compliance has made market entry into China a lot more difficult, with higher costs incurred, and delays to sales. Therefore, in order to be strategic, and not make unnecessary mistakes, it is extremely important not only to understand the Chinese regulation, but also be prepared to cope with any unexpected changes.

It is also important to look for help from legal consultants to help clarify, and better understand, the Chinese business regulations, laws, and any documentation necessary to operate in China. This is because there is a lack of transparency in Chinese regulation which makes it harder for companies to interpret, due to being vaguely worded. Understanding the Chinese regulations and policies could help the business avoid pitfalls they might otherwise have encountered (Hedley, 2020).

### **2.11 Strategy for Protection of a Company's Property Rights (IPR)**

China is famous for infringing property rights, therefore it is another important item to consider when entering into China. Foreign companies should look for a specialist in International Property Rights to help formulate an IPR strategy if they do not want to have problems in the future. This happened in Red Bull in 2013, where it had a problem with a billion dollar chain selling fake Red Bull across ten provinces (The Business Insider, 2013). This event resulted in Red Bull being even more vigilant in regards to the Chinese market concerning intellectual property (beverage daily, 2013). Monster Energy drink also needed to sue several online counterfeiters in 2015 for stealing its products (Godoy, 2015). Therefore, due to these scandals, and the bad reputation that China got as a result of these, it is essential to pay special attention to the property rights protection (Hedley, 2020). IP (Intellectual Property) protection is not composed of just one area, such as legal, it needs to consist of technical and practical measurement implementations, in order to prevent others to steal products (Hedley, 2020).

Furthermore, China deals with patents differently - the so called 'first-to-file', for example, where Chinese companies that did not create a product/service can register patents of others companies, which grants a theoretical right of trademark use to the company that applies first (HG.org, 2019). The timeline for registering patents is also a factor that should be considered, because foreign companies that have patents registered outside of China for over twelve months might face problems in registering their patent in China (Hedley, 2020). The Trademark system in China can also be difficult for foreign companies, because once a local Chinese company has registered a brand or logo that they are not even the real inventor of, the foreign company / real owner of the brand and logo can no longer use them in China.

Therefore, it is crucial to register trademarks in English and Chinese, and ensure that the trademarks will be registered at the China trademark office from the outset, when entering China (Hedley, 2020).

Due to all the problems mentioned; infringements of property rights, trademark issues, bad reputation regarding property rights, the companies should be alert and measure not only the legal measure, such as registering to China trademark office, but also do a practical measurement as well. This means doing some initial background checks of the partners such as other companies and distributors (Hedley, 2020). They should provide a NDA (non-disclosure agreement), with confidentiality clauses to be signed by all involved parties, for avoidance of theft of intellectual property, protecting its international property rights. Although foreign companies have many obstacles in regards entry to the Chinese market, it is possible to succeed, due to the continued economic growth there, and new opportunities emerging that essentially make it worth the effort. It is not easy to do business in China, however with correct and effective strategies, it can be possible to grow (Hedley, 2020).

The Chinese market keeps changing, and there is no single, standard, strategy that can be used to approach China as a whole (Reeves, Love, and Tillmanns, 2020). Therefore, companies should consider the following items when doing business in China.

Should consider	Should avoid
<ul style="list-style-type: none"> <li>• Research Chinese market before making any move</li> <li>• Ensure that the International property Right and trademarks will be registered</li> <li>• Consult a legal experts for better understand of China regulatory procedure</li> <li>• Target the market by geography, income and customers habits</li> <li>• Carry out due diligence on prospective partners and employees</li> </ul>	<ul style="list-style-type: none"> <li>• Rely on hearsay or third-hand market information from Chinese partners</li> <li>• Assume that similar market conditions apply throughout China</li> <li>• Invest in a local presence prior to researching the market thoroughly</li> <li>• Choose partners or employees without proper due diligence</li> <li>• Assume that IP rights are automatically protected</li> </ul>

**Figure 6** - Considerations for doing business in China, (Source: Hedley, (2020))

## **Business Supports**

### **2.11.1 Enterprise Ireland**

Enterprise Ireland is an agency that can support any type of company that needs help for developing its operation and trade internationally, improving effectiveness and growing international sales for all sectors including the beverage sector (Enterprise Ireland, n.d.). The specific support for Irish SME's is stated as established SME's, classified into four categories:

- Strategic management
- Support for Development of products, processes or services
- Trade events
- Covid-19 response

### **2.11.2 COVID-19 support**

Due to the current delicate economic situation, several SME's have been experimenting to try overcome the challenges and difficulties in order to get through these challenging times. There is funding support that can help them stabilize and adapt to the evolving situation, getting ready for the recovery, through the main topics financial planning, strategic planning and grants (Enterprise Ireland, 2020).

Although Enterprise Ireland offers vast support, SME's that are not manufacturing in Ireland cannot be a member. Restrictions are also in place for receiving support/grants such as for annual turnover and number of employees. Additionally, the price of some programmes can be quiet expensive and if the Irish SME's are member of other agencies such as BordBia they might be illegible, which makes it even more difficult for SME's (Enterprise Ireland, 2020).

### 2.11.3 BordBia

Being a state agency, BordBia has the objective of developing Irish beverage management, as well as helping with sales growth abroad (BordBia, n.d.). As BordBia has an office in China, they can help two with main categories Insights and Growth which cover from market research, brand development, financing understanding and trade fairs.

This agency can support any type of business, however SME's that do not produce in Ireland cannot be a member. There is no cost for becoming a member but some services might require fees. It does not offer financial support, which is one downside especially for SME's (BordBia, n.d.).

### 2.11.4 EUSME Centre

The EU SME Centre is a European Union initiative that provides a comprehensive range of hands-on support services to European small and medium-sized enterprises (SMEs), getting them ready to do business in China. They offer support in three areas – business development, law standards and conformity, and human resources(EU SME Centre, 2015).

- China Business Strategies and cautions – covering all preparation before entering, and when doing business in China, such as legal essentials: contracts, company verification, set up a company and hiring employees' procedures. Support is offered in relation to export, such as how to export, sell, marketing, and WeChat strategies into China(EU SME Centre, 2015).

China brew and beverage - Focus on wine, Spirits and Beer	Shanghai, China
China international Wine and Spirits Exhibition	Guangzhou, China
Craft beer China conference and exhibition	Shanghai, China
Beer China	Shanghai, China

**Figure 7 - Beverage trade fair (Source: EU SME Centre, (2018))**

Through the trade shows presented in the table above, Irish SME's can gain value and grow abroad, with the advantage of being a member without manufacturing in Ireland, which is an advantage in comparison to Enterprise Ireland. However, this center is closed at the moment, and requires annual fees (EU SME Centre, 2015).

### **2.11.5 Ireland China business association**

This association provides a unique platform which Irish and Chinese companies, entrepreneurs, and individuals can access networking opportunities with business leaders and industry experts. The membership categories suit businesses of all shapes and sizes, from multinationals to start-ups. The social events allow SME's to develop key relationships necessary to do business in China (Ireland China Business Association, n.d.).

The main services offered are:

- Allow members to advertise their logos on its website
- First option of sponsorship for events and activities including annual conferences, roundtables, seminars
- Access to exclusive 'Patron Only' events
- SME'S can host and participate in events

Networking can play a critical role for Irish beverage companies, therefore this support can be extremely important for Irish SME's that need to grow in sales. For example, for financial support - Enterprise Ireland would be the best option, but for China's market sales strategies and networking - EUSME and Ireland China Business Association would be optimal choices in order to cover critical topics, as well as having lower fees.

### **2.11.6 EIBENS**

Eibens has extensive experience in the Beverage industry in China. Therefore it helps Irish SME's with information on public trade, investment agencies and Trade Sections of the Embassies in China in order to provide all support related to:

- Market research
- Trademark registration
- Exhibition/Trade fair
- Industry development program
- Sales development

Through this support Irish SME's are able to prepare for entry and operate more effectively, as they learn important topics such as: market insight, help on how to find the right partner, networking, cautions relating to documentation and regulations, and preparation planning for targeting good relationships with distributors and partners. However no financial support is given.

### **2.11.7 European Chamber**

The European Chamber is an independent, non-profit, advocacy organisation with the purpose of creating effective communication channels with European and Chinese governments, business associations and media. It provides supports on the following main areas: Government Affairs Advocacy Efforts, Policy and Market Conditions, and expansion of SME's Networks in China (European Chamber, n.d.).

Although European Chamber has covered several topics that can help SME's grow in China such as: legal and governmental regulation, events, great network options and considerable cheap annually fee, it has no focus on Chinese markets and growth sales strategies in comparison to others agencies such as Enterprise Ireland and BordBia (European Chamber, n.d.).

## **Chinese Distributors**

### **2.12 Growing Through Distributors in China**

Analysing and selecting the most appropriate strategy can leverage sales and might drive the company to grow (Hsu et al., 2010). Therefore, the most suitable growth mode for foreign companies which do not have a structured financial system to set up physical stores at the beginning is through distributor partners (Carson Block, Robert and CollinsOnline 2007). Chinese distributors are classified by the ones that might be responsible for marketing the company' products and selling them to the local customers. Working with distributors can be a less resource-laden strategy in comparison to other foreign market alternatives, such as joint venture arrangements or overseas manufacturing operations, and it also has significant contributions for sales performance improvements (Lingyun Wang and Kess, 2006).

The limitation of Chinese market knowledge, or necessary financial and operation resources, of the foreign companies operating in China can result in them relying hugely on distributors. Due to this dependency, companies end up with limited options, resulting in partnerships with distributors being the most appropriate channel to operate in China for the first few years. However, finding reliable distributor partners is challenging, especially if several services are needed such as; sales, marketing, efficient product management, and logistics. These can be essential, especially for foreign companies that face major issues with local market knowledge, language and culture. Nevertheless, finding a high quality and complete service can also be costly and challenging. Therefore, the lack of willingness from the distributors in relation to their commitment with foreign SME's products, and lack of a good relationship that can bring critical factor for growth development, can result in even slower sales growth (Carson Block, Robert and CollinsOnline, 2007).

## 2.13 Types of Distributors

Companies should recognize and understand that distributors can be different in size and offer different services. Some distributors can be able to handle several brands in multiple channels, however other distributors choose to work with a type of market segment. Therefore, it is important to choose the type of distributors that fit best to the company objectives. For example, some distributors might prefer to work with well-known brands, while others are willing to sell unknown brands. This can be helpful for companies that are not well established yet (Export Solution Summer, 2019b).

Distributor Type	Model	Application
Big Brand Distributor	Large Distributors. Handles # 1 or # 2 brands. Multiple categories/channels.	Outsourcing solution. Option for large brands with existing business and sizable marketing budgets
Category Expert	Dedicated to one category	Specialists for Confectionery, Frozen, OTC, Beverages, Natural Foods, Dairy, Beauty
Channel Expert	Dedicated to one channel	Specialists for Foodservice, E- Commerce, "small shops," or Pharmacy channels
Country Expert	Represents brands exclusively from one country/region	Specialist for Brands from USA, UK, Germany, Asia, Italy, or Spain
Fine Food Importer	Represents leading international gourmet/niche brands.	Handles brands like Tabasco, Maille, Bonne Maman, Twinings, Kikkoman
Pioneer	Small distributor. Willing to pioneer new brands with limited marketing support	Option for small brands or countries where brand does not want to invest.

**Figure 8** - Distributor types: different experts for different situations (Source: Export Solution Summer, (2019b))

### 2.13.1 Big brand distributors

These types of distributors can be one of the most sought after by foreign companies. They are the so called "best in class" distributors, delivering a premium service, usually supplying manufactures products to most of the small shops in the region. However, as they work with several brands they have difficulty in giving special attention to specific brands or products.

### **2.13.2 Category expert**

This type of distributor can be an expert within a sector, for example, the beverage sector. This can be useful because due to their deep knowledge they can share insights and innovation about the sector. These types of distributors are able to provide more effective logistics services as well as share best practices from complimentary products. This can be an advantage for companies due to the assistance provided in managing product conflicts due to their experience in the area, where they are a specialist in one area – when compared to non-expert (more generic) distributors (Export Solution Summer, 2019b).

### **2.13.3 Channel expert**

This type of distributor usually focuses on serving supermarket channels. Differential sales growth can also depend on the penetration of channels such as small shops and convenience stores. These areas are not covered properly by this type of distributor because they focus on organizational approach for supermarkets, creating a gap in an important channel for SME's (Export Solution Summer, 2019b).

### **2.13.4 Country expert**

Some distributors have created viable businesses as the source for brands from one country. These distributors supply brands to consumers “homesick” for their favourite brands at a premium price. A benefit with this option is the distributor who can consolidate shipments from one country and is connected with the retailers and consumers for this “expat” segment. This approach works well for niche products or brands focused on availability without marketing investment (Export Solution Summer, 2019b).

### **2.13.5 Pioneer**

Looking for this type of distributor may be the best choice, especially for SME's that do not have their products well-known in China. Although several SME's just look to work with

large distributors, it is important to assess pioneer distributors that are willing to get non-famous products, and even non-existent sales, into the country (Export Solution Summer, 2019b).

### 2.14 What distributors want to know

Being strategic when looking for, or working with, distributors might avoid companies to loose opportunities when partnering with distributors, this is because, according to the approach used by companies, it might result in a lack of excitement and interest from the distributor(Export Solution, 2020). Companies should demonstrate to the distributor a certain degree of local category market by searching the leading supermarkets to gain overall information related to pricing and merchandising practices. Sharing the company’s records might also satisfy the distributors(Export Solution, 2020). On the other hand, if a foreign company does not intend to invest, for example in marketing on the target country, the success story may not be impactful to the distributors. Distributors seek to obtain a fair profit for their activities to support a foreign product brand. Therefore, foreign companies should present a convincing case to the distributor on the incremental profits that can generate a positive financial result (Export Solution, 2020).

<b>Short Answer – Prevailing Rates*</b>	
12-15 % Distributor/Importer Margin	Leading Companies/ Brands with Major Marketing Support
20 % Distributor /Importer Margin	“Average size” Brands with Some Marketing Support
25-50 % Distributor/Importer Margin	Niche brand with little or No marketing support

**Figure 9** - Distributor' margin commissions (Source: Export Solution, (2020))

The figure above represents the distributors margin commissions, however, it can vary according the agreement made between the company and the distributors. These variations are based on factors such as services provided, logistics costs and financing fees. Besides that, foreign companies can also decide on the strategy of Bonus Incentives versus Scale

Discounts for incentivizing the distributors. Supplemental compensation schemes may help cost savings once certain volume thresholds are reached. One approach is to pay a bonus based upon reaching annual sales targets. For example, reduction of margin from 25% to 23% once 3 million in sales are reached, 20% once 5 million in sales are reached. Other plans call for a reduced margin only on levels exceeding the thresholds. For example 25% margin on first 1 million in sales, 22% margin on sales above one million, (Export Solution, 2020).

## **2.15 Chinese Distributor Critical Success Factors**

Chinese distributors have product-tied relationships, therefore the relationship effort through this point, and the factors that can help relationships between Chinese distributors and foreign companies are based on product innovation. These factors were considered as critical basis for the future commitment of distributors in the partnerships with foreign companies (Lingyun, Wang and Kess, 2006).

### **2.15.1 Product**

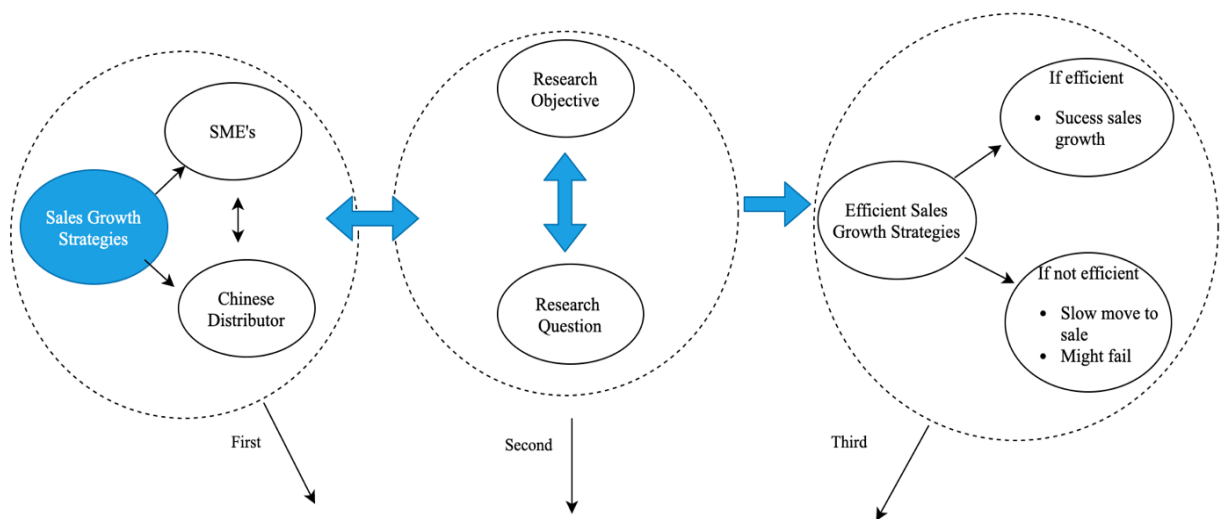
Foreigner product innovation is the one main factor that can lead to motivating Chinese distributors. The author still states that the product lifecycle decides the manufacture and distributor relationship lifetime, and the lack of an innovative product, as well as a product that doesn't catch up the market development, can result in risk of breaking the mutual co-operation. Another factor is the extension of a product line for increasing the Chinese customer diversity. A win-win distributor relationship is a well-balanced tandem between the manufacturer's product and the distributor's marketing competency.

Some previous distribution literature provides suggestions on international distributor selection by developing a distributor selection process (Fram, 1992). As well as exploring industrial distributor's expectations of benefits (Ghosh et al., 2004). However, no deeper study was found relating to relationship formation between SME's and Chinese distributors designed to help both manufacturers and distributors in their selection of a competent counterpart for future relationships. In relation to Chinese distributor and manufacture

relationship, however it appoints just one main area that can improve their relationship: product-tied, more specifically, innovation product. Therefore, from this, a further analysis through the primary research was needed, in order to answer the research question of the last objective of this study (Lingyun Wang and Kess, 2006).

## 2.16 Conceptual Framework

Conceptual framework is a visual product explain the main things to be studied, the key factors and concepts with relation with them (Maxwell, 2005a). Therefore, the following conceptual framework consists of two main theoretical backgrounds, SME's sales' growth strategies and critical success factors from Chinese distributors with inter-related to the research objectives and question, and the exploration of the field.



**Figure 10** - Conceptual Framework (Source: Assembled by the author, Silva, (2020))

First - Literature Review on SME's sales growth strategies and critical factors for sales from Chinese distributors. Both in beverage sector.

- The literature revision for the formulation of the research objective and questions.
- The questions were led by the gaps that were found on the literature review.

## Second - Linked Research Objective and Research Questions

- The research objectives were made according to literature review and adjusted according to the gaps found in the literature
- The research objectives influenced the research questions
- The research questions were made according to the gaps found, and research objective.
- The research questions were developed to present to the participants in this study

## Third - Exploration of the Field

- The use of the methodologies to explore and analyse the findings from the participants, in order to reach the research objectives

### **2.17 Conclusion of the Literature Review**

To sum up, the literature review in this chapter has presented a comprehensive overview on influences to growth, strategies related to Chinese markets, SME's and cautions. As well as strategies for growing through Chinese distributors, including critical success factors and cautions when making contracts with them. These connect with the research objectives which involves the analysis of the efficacy of sales growth strategies utilized by Irish SME's, including internal and external factors and critical success factors from Chinese distributors. From the literature review it was found that some internal factors such as motivation and growth expectative can contribute to sales growth (Lingyun Wang and Kess, 2006). Partnering with a Chinese distributor is the main growth strategy from foreign companies, with the un-tiered market strategy being the most efficient. Critical success factors from distributors were based on product relationship tied. Although the literature had covered a vast range of information, gaps were still found, which led to in-depth analysis through the interviews being focused on the following topics:

SME's – (micro/small/medium firm with up to 250 employees)

- Lack of sufficient information found on how to progress from the current state to the desired one
- Lack of bespoke strategies designed for beverage sector companies in the SME space.
- Lack of information around the un-tiered product strategy
- Lack of sufficient information on how best to build relationships with distributors
- Lack of information specifically on building brands in conjunction with distributors in China.

Distributors

- Lack of other critical success factors apart from product relationship ties, and product innovation.

## **CHAPTER THREE**

### **3 Methodology and Research Design**

#### **3.1 Overview**

This chapter describes the methodology, research design and strategies and how they were approached, from the research objectives of analysing how Irish SME's utilise their sales growth strategies in China, to the critical factors for sales from Chinese distributors which can assist Irish beverage SME's growth in China. The qualitative research, through interpretivism, and an inductive approach were chosen by the author with the purpose of ensuring higher quality of research and data collection. The analysis of the participants' internal point of view was necessary due to the complexity of the strategies to compete in the Chinese market as it is considered a heterogenic market. The Mono-method case study was the approach chosen, through twelve semi-structured interviews within a cross-sectional design. Finally, the potential ethical issues and validation were outlined.

#### **3.2 Paradigm**

Research paradigm guides and influences the way that a research should be carried out. The interpretivist approach is based on social science, which involves people, attempting to understand their actions with the purpose of reaching an explanation for its effects (Bryman and Bell, 2015a). Therefore, a interpretivism researcher tries to see the social world through the studied people, allowing them to pose several viewpoints of the reality (Greener, 2008). Due to this, interpretivism was the researcher's choice for this study because of the complexity of acting efficiently in a changeable, and highly competitive environment such as China. Other theories such as positivism, which is associated with natural science and poses the data collection with value-free manner, was dismissed (Greener, 2008).

### **3.3 Research Philosophy**

Research philosophy is said to relate to the adoption of how the researcher views the world, the way in which data about a phenomenon should be gathered, analysed and used. The way that the research is conducted has influence on knowledge and the corresponding process. The knowledge development that the research is embarking upon may not result in a new theory, however, the knowledge gained from the research alone might be of significant benefit (Saunders *et al.*, 2009a).

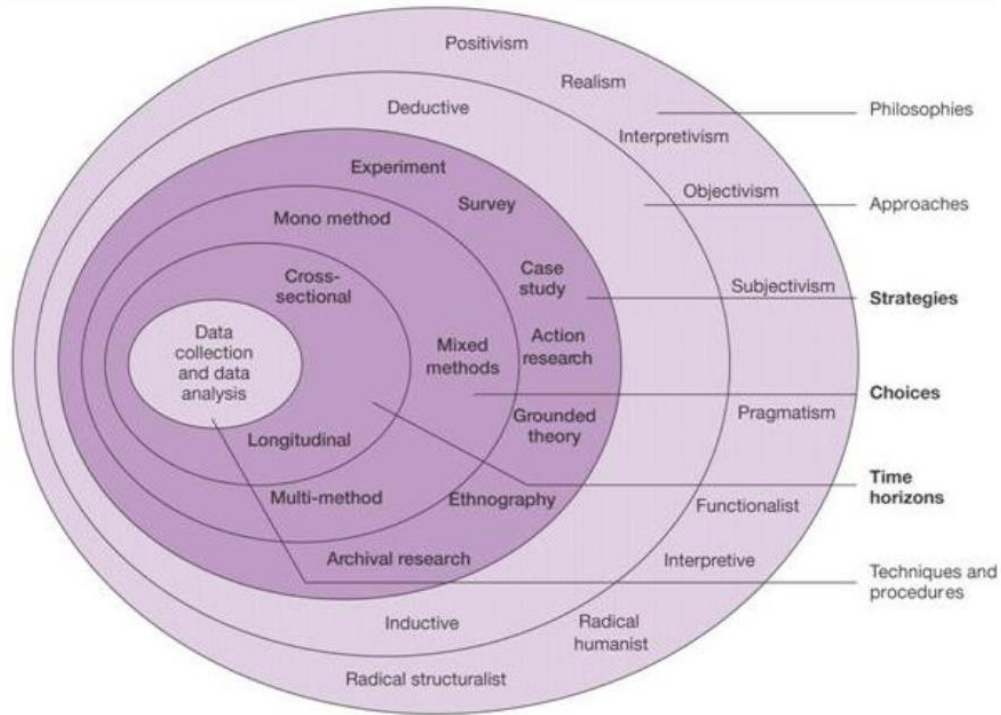
Qualitative research aims to examine the social from inside, experiences and actions (Lapan *et al.*, 2011). Therefore, the most suitable method to carry on this study was qualitative research as the objective of this research is the analyse of the sales growth strategies utilises by Irish SME's involving their experiences, growth expectative and actions, as well as for Chinese distributors involves inside experiences. The importance of the contribution from the participants in terms of their knowledge, can be essential for the richness of quality of research. Although the researcher has a sense of the research issue, an in-depth exploration among the participants would be required, as their experiences and thoughts, which conducts to an exploratory research (Maruster, 2013a).

### **3.4 Research Design**

Research design is a general plan of how the researcher is going to answer the research question (Saunders *et al.*, 2009a). It is important to plan and the use of appropriate process in the research, as they have influence on the findings (Bryman and Bell, 2015b). Therefore, for conducting this dissertation, the research design method chosen was the research 'onion', due to the opportunity given of choosing the methods which fitted the best to this research, enabling the explanation of each choice made (Saunders *et al.*, 2009a).

The established structure it offered, allowed the researcher evaluate the quality of the data collected without losing focus, increasing the credibility of the research (Mayer, 2015).

Research ‘onion’, is where the research question is placed, and in order to reach the central point, layers must be peeled away (Saunders *et al.*, 2009b).



**Figure 11** - The research ‘onion’(Saunders *et al.*, 2009)

Therefore, the exploratory research was chosen, as it seeks to understand the precise nature of the problem when it was not clarified. Mono-method case study strategy was chosen, due to this dissertation stands for one research technique(qualitative), which is interpretive consisting with an inductive approach, as it involves the analyse and understand of people insider(Saunders *et al.*, 2009a) . The reason for choosing cross sectional is due to the possibility of doing interviews with fresh samples of people, instead of same sample over time (longitudinal), a cross-sectional tends to be predominant when choosing qualitative and semi-structured interview(Saunders *et al.*, 2009a).

### **3.5 Research Approach**

Inductive research is the relation of theory and research, it involves the development of a theory in a data-driven manner (Saunders *et al.*, 2009b). Inductive strategy is associated to qualitative research approach and focuses on interview data and participants analyse for understanding their emotions and experiences consisting with the interpretivist paradigm (Bryman and Bell, 2015a). Therefore, inductive was the approach chosen for this research, due to the possibility of developing new insights related to sales growth strategies on the beverage sector for growing in sales in China. This is the reason by which the deductive approach was rejected.

### **3.6 Research Methodology**

Qualitative research methodology was chosen for this dissertation due to the fact that it is used for understanding and interpreting how and why things happens (Saunders *et al.*, 2009c). The researcher in this approach attempts to understand the meaning by which the participants act in certain ways within their social world (Maruster, 2013b). Therefore, this is consistent with the objective of this study, which is to analyse and understand how the sales growth strategies are utilised by the Irish beverage SME's managers, and how Chinese distributors through critical sales factors can assist Irish SME's to grow in China. Due to this, the quantitative research was not chosen in this case because it emphasis on quantifying an issue from numerical data, and the intention of this study is to explore insights from the participants of this study. The primary qualitative research method for this study was the semi-structured interviews with the purpose of exploring the response of the participants. For the secondary data method the analysis took place on two main themes; SME's sales growth strategies, and Chinese distributor, through online libraries, peer reviewed articles SME's databases and reports.

### **3.7 Research Strategy**

The explanatory qualitative research had higher relevance on this study because according to the result of the data, the researcher can possibly change the direction or go through new possible insights that it might appear from the result of the collected data. The fact an exploratory approach has flexibility, does not mean that there is no proper direction, but it can narrow down the process (Saunders *et al.*, 2009b). Qualitative research, tends to go single setting or small groups of participants, through theoretical context rather than probability sample (Maxwell, 2005b). To complement that it does not exist a right pattern for choosing a sample size, large size groups can lead to a more convincing verification result, while smaller groups can lead to a convincing verification also if combined with research, however, it is important to do a coherent identification of the participants for the process of its selection (Skulmoski, 2007). Therefore, this led the researcher to be cautious when selecting participants positioned on the beverage sector here in Ireland and China.

### **3.8 Selection of Participants**

In order to conduct this study, the interview method involved many participants from three categories, SME(including the case study), business support, and Chinese distributors. All of them were linked to the beverage sector. It is necessary to be cautious in relation to identifying, inviting, screening and selecting participants as they need to be linked with the research questions and objectives for a more coherent result(Durdella, 2017). It is important choose the participants with connection to the researcher objectives (Williamson and Johanson, 2017), also according to their position and expertise (Dawson and Brucker, 2001). Therefore, the following table represents twelve participants interlaced with the objectives of the analyse the efficacy of sales growth strategies used by Irish beverage SME's, and Chinese distributors' critical success factors that can assist growth in sales in China.

They are divided into three groups, however, the category of 'business support' was not used for a deep analyses on the discussion of the finding in this research, but was used for clarifying relevant information which had contributed a lot to return more precise information.

- SME's – Five participants
- Business support – Three participants
- Chinese Distributors -Four participants

<b>Participant</b>	<b>Type of Business</b>	<b>Business area</b>	<b>Business Location</b>	<b>Employment status</b>	<b>Experience</b>
<b>1. Nick (Case study)</b>	Beverage Company	Natural energy drinks	Dublin	Owner (Operations Director for Chief Marketing and founder of the company the product)	12 years
<b>2. Graham (Case study)</b>	Beverage Company	Natural energy drinks	Dublin	Marketing Manager (Marketing and brand development manager).	10 years
3. Aisling	Beverage Company	Heath Juice	Dublin	Marketing Manager (International Sales operation)	5 years
4. Arjun	Beverage Company	Soft drinks	Cork	CEO(Operation director of tea drinks company)	3 years
5. Jiang Zichen	Beverage Company	Tea drink	China	Owner(CEO) (Operation director of tea drinks company)	7 years

**Table 1** - Table of five participants – SME's (Source: Addressed by the author, Silva (2020))

6. Jim Barry	Support agency	Cover beverage sector	Dublin	Business Dev. advisor (Sales growth and exports)	6 years
7. Dave Connolly	Support agency (Local Enterprise Ireland)	Cover beverage sector	Dublin	Business Development. Advisor (Startups, funding for startups)	9 years
8. Peter Markey	Irish Chamber of Commerce China	Cover beverage sector	China	Chairperson (Irish chamber management)	3 years

**Table 2** - Table of three participants- business support (Source: Addressed by the author, Silva (2020))

9. Liu Lintao	Distributor	Alcohol drinks	China	Export Manager (Management of beverage Export)	7 years
10.Luo(Victor)	Distributor	Alcohol drinks	China	Salesman	2 Years
11. Brou Liu	Distributor	Soft drinks	China	Marketing Manager	7 years
12. David Benmore	Distributor	Soft and Alcohol drinks	China	Sales (maximise the exposure of Irish products in China )	7years

**Table 3** - Table of four participants – Chinese distributors (Source: Addressed by the author, Silva (2020))

Confirmed that a small sample of participants can give a convinced verification (Skulmoski, 2007). The researcher had twelve participants, and all of them heavily contributed to the quality of the work as they are experts in the beverage sectors. The sample strategy used was semi-structured interview and questionnaire through email. There are right guidelines, tests of adequacy or calculation that can define the sample size in the qualitative research, several authors had set an average of sample size, however, less than five or six interviews was stated not enough to reach the level of saturation. The finding of twelve participants is sufficient for semi-structure interview (Emmel, 2013). The reason by which the sample size was not extended, due to the specific topic which related to Irish beverage SME's in doing business in China, and the Chinese distributors language barrier, it was a challenge go beyond that.

**SME's:**

- Case study - played a critical role for this study, due to the possibility of having a deeper analysis through the information provided by the participants. They are composed of two participants.
- Other Irish beverage SME's gave the researcher a better picture for better analyses and comparison of the sales growth strategies among the participants evolved. The Chinese SME also gave insight on what is really happening in China in terms of sales growth strategies.

**Business supports** - from here the researcher had deeper clarification of all support offerings that Irish SME's can receive, as well as the Irish Chamber that had clarified governmental support options.

**Chinese Distributors** - for identification and analyze of critical success factors for sales that might help Irish SME's grow in sales in China.

### **3.9 Data Collection**

Explorative approach makes use of interviews, observation and documents(Fisher, 2011). Due to this, the chosen data collection methods are: secondary and primary methods. The first step of this study was data collection, which was from the secondary method. This includes the use of online libraries and peer reviewed articles, for guidance and exploration of relevant sales growth strategies and critical factors for sales from Chinese distributors. Information related to the field and Chinese markets were gathered from the Irish beverage SME's databases and reports such as Mintel and Euromonitor, for a better understanding and analysis of the sales growth strategies, as well as the Chinese market situation. Trends websites also played an important role in this study, due to possible new opportunities that the SME managers should consider in order to adapt their strategies for growing in sales in the Chinese landscape.

In the primary method, the semi-structured interview approach was adopted, in order to obtain a increase the quality of interview. This method allowed a detailed discussion between the researcher and participants for certain topics, which was extremely important, as the interviewee had the opportunity of speaking expansively. In this way, it is possible to find other insights related to the topic discussed to be complemented and explored in the study, (Fisher, 2011).

Twelve interviews were carried out, and were carried out between July and August 2020 by zoom.us, Facetime, WhatsApp calls and a questionnaire via email. They were scheduled for approximately 20-30 minutes, however, one of them turned out to be more of an open conversation which resulted in a longer interview. The questionnaires were classified into four categories: Irish SME's, Chinese SME, Business support and Chinese distributors. The interviewees could be classified into three groups: SME's, Business' support, and Chinese distributors. The category 'business support' was not used for deep analysis on the discussion of the findings, however, it played an essential factor in this study for clarification of relevant information. The following themes were applied:

**SME's** – (Irish SME's - included the case study and Chinese SME)

- Internal factors
- External factors
- Sales growth strategies

Distributors (Interlaced with the sales growth strategies)

These themes were relevant because it covers the three main research objectives, the types of questions for that would be:

- ⇒ What main factors made your company decide to sell in China? (used to analyze internal factors)
- ⇒ Have you looked for any support for helping your business to grow in sales in China? (used to analyse external factors)
- ⇒ What are the main strategies your company use for selling in china? (used to analyze the efficacy of the sales strategies)

This would be intertwined with sales growth strategy objectives

- ⇒ Would you describe your relationship with Chinese distributors/partners?(used to analyse the management through distributors interrelated to sales growth strategies)

### **Business supports**

- Link Irish SME's that do not produce in Ireland
- Key support for growth
- Networking
- Financial support
- Legal

The themes above were formulated due to the lack of information found throughout the research, in regards to relevant information either not being easy to find, or not available at all.

- ⇒ Is there any link that Enterprise Ireland can provide for companies that do not produce in Ireland?(used due to the lack of information related to that)
- ⇒ What are the main support Enterprise Ireland can offer related to tradeshow? (needed detailed information about it, as networking was a main key to find distributors)
- ⇒ In terms of provided grant, do SME's should pay it back?(no clear information on the website)

### **Chinese Distributor**

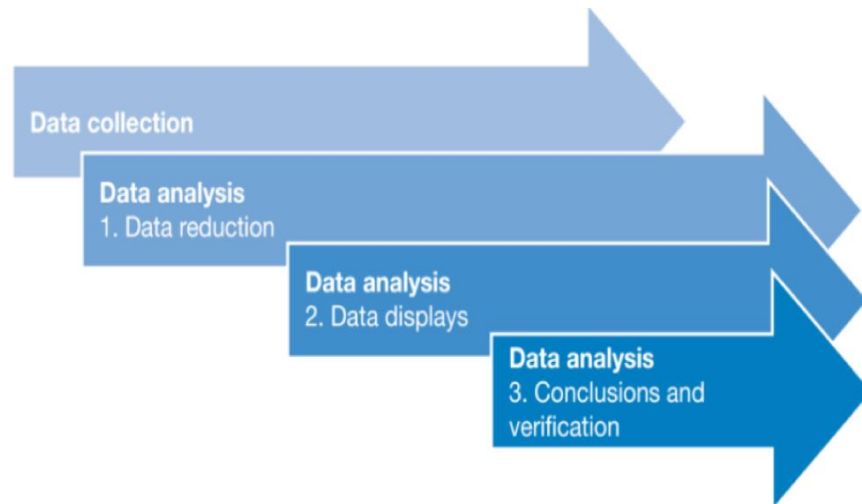
- Factors for improving Irish SME's sales
- Relationship
- Motivation

The themes above were relevant because they covered the last research objective, the analysis of critical success factors from Chinese distributors that can assist in Irish beverage SME's sales growth, other than the ones appointed in the literature. Therefore, the types of questions would be:

- ⇒ What brings you to sell foreign/Irish product in China? (used for the purpose of identifying other critical success factors)
- ⇒ Is there any difficulties on working a relationship with foreign/Irish supplier? (used for the purpose of identifying other critical success factors related to relationship)
- ⇒ What motivates you for selling a particular foreign product? (used for purpose of identifying other critical success factors related to internal business point of view)

### 3.10 Techniques for Analyzing data

In order to have an effective research, there is a need for a critical analysis of collected data, therefore, several tools were applied in this study, starting with reducing the data, which mean extracting, and in some cases, reconfigured the data (Hamilton, Corbett-Whittier, 2012).



**Figure 12** - Overlap data collection technique (Hamilton, Corbett-Whittier, (2012))

This process of extracting can be done by the use of coding. Because this study was made by the use of theories and the conceptual framework, this technique helped in the understanding and identification of relevant factors for growth in China among the participants. It allowed the data to be split into categories, also allowing new categories to be created in some cases, which resulted in a focus on the most relevant themes for this study (Hamilton, Corbett-Whittier, 2012).

To complement the technique method, the visual analysis was also important because the visual methodology can transform the complexity of the data to an easier and faster way of understanding the process. Therefore, illustrations, charts, and diagrams were the tools used for this study (Margolis & Pauwels, 2011). Visual methods help the researcher trace the

information collected, making the communication easier between the abstract and concrete through images or any visual tool (Cuesta, Kumar, 2016).

Research diary – a notebook was used, specifically for notes related to this research, in order to not miss any important points or information. Before the next contact with the participants the main points were highlighted and analysed from the previous interview, making it easier to have a more effective conversation (interview), and to analyse the newly collected data (Saunders *et al.*, 2009a). Through the use of all the techniques, and the analyses of the primary and secondary data, it was possible to ensure that any issues raised were identified and the argument properly applied to the final outcome. Therefore, it concludes that these analyses techniques proved to be invaluable for conducting the findings and discussions related to SME's and Chinese distributors on the beverage sector.

### **3.11 Access and Research Ethics Issues**

Ethical practice should always be carried out in the research process. Therefore, two main guidelines were followed in this research: respect and responsibility, these were extremely important because of the differences between different people, in terms of knowledge and values (Hamilton, Corbett-Whittier, 2012). Therefore, respect their line of thinking, decisions and being responsible for the maintenance of the integrity and confidentiality of data collected were crucial. Assurance of anonymity, which can prevent an unethical approach, such as psychological threat, stress and high pressure to the participants. It is important to understand that they have the right of privacy (O'Gorman, MacIntosh, 2014). Therefore, following the ethical procedure, not sharing their information with others and deleting everything after a period of time were essential in this study. Before each interview clear guidance was given to the interviewees, for better understanding of the discussed topic.

### **3.12 Data Validity and Reliability**

Credibility and trustworthiness should be part of the research process. They can be classified as validity and reliability. These are important due to the possible inference on the original

research. The way that the data is collected and analyzed might be surrounded by issues, that should be formulated, and for leading the researcher to redefine the concepts for higher value of the research (Maruster, 2013a). Therefore, in order to obtain better analyze of the doubtful circumstance that could affect the credibility and reliability of the research outcome, the interpretivism approach was chosen for the primary data collection.

### **3.13 Limitation of the Research**

Despite the period to conduct this research, which was twelve weeks full-time, it was difficult to find Irish beverage SME participants that export to China, as well as Chinese distributors who were willing to participate in the interview process, and who were capable of communicating in English. Additionally, the time zone between Ireland and China also had a negative influence on this research in relation the maximize sample size that could be gathered. Limitations related to the current situation, Covid-19, resulted in several calls and emails being declined, might not have been a factor if had had the option of going in person to gather the information needed.

### **3.14 Conclusion**

The methodology chosen for this dissertation along with the explanation of research design, paradigm, philosophy, methodology and strategy were presented. For the purpose of analysing different points of views from the participants, interpretivism was deemed the most appropriate approach, as well as inductive for being consistent with the interpretivist. Qualitative research was chosen due to the need of analysing the participants through their experiences and actions, the opted data collection was semi-structured for allowing new insights among the participants in three main groups: SME's, business support offerings, and distributors. Finally, the ethical consideration was appointed as well as the limitations appeared in this research.

## **CHAPTER FOUR**

### **4. Presentation and Discussion of the Findings**

#### **4.1 Overview**

This chapter exposes the key findings, as well as the interpretation and critical analysis of the collected data through nine semi-structured interviews. Five are related to SME's, and four with Chinese distributors, with all of them linked to the beverage sector. The comparison of the findings with the secondary research is applied for an appropriate conclusion. The findings are organized into thematic groups which underpins the objectives presented into two main topics: SME's (Case study and other SME's) and Distributors.

#### **SME's Sales Growth Strategies – (Case study and other SME's)**

- Objective one -Critical Factors for growth
- Objective two -Efficacy of sales growth strategies

#### **Chinese Distributors**

- Objective three- Critical factors for sales from Chinese distributors

## SME's Sales Growth Strategies

### 4.2 Objective One – Summary of Participant's Response

This first heading focuses on the first research objective which is related to critical factors that can contribute to Irish beverage SME's sales growth in China. It approaches two main categories – internal factors (Motivation and Growth expectative, Proactivity and Innovation) and external factor (supports). It covers five participants.

#### 4.2.1 Internal factors - motivation and growth expectative

Primary questions

- 1- What main factors made your company decide to sell in China?
- 2- What are your business expectations in relation to the Chinese market?

<b>Participant</b>	<b>Responses</b>
<b>Nick(case study)</b>	1- "It's a fairly new market in the energy space". 2- "To grow and build our brand, extend the product line, we want to take about 5% to 10% market shares the ultimate goal we want to expand through China into secondary markets within Asia".
<b>Graham(case study)</b>	1- "Having a much larger population can allow you to get a better foothold at an early stage without requiring the same level of investment". 2- "We definitely want to expand across Asian markets, and in five years be a leader of energy drinks[...]not at the minute we were in a period of growth over there and we want to see a little bit of stabilisation that indicates a peace in sales".

Aisling	1- She is exploring the market 2- “The idea is to expand our brand’s relationship with our partners its said”.
Arjun	1- “Money”. 2- “We always look at new markets that can achieve further growth and being the market leader. 50% of the market share”.
<i>E-Jiang Zichen</i> (China)	2- “Building its brand, making it famous and trying to be a listed company”.

**Table 4** - Summary of participant's response -internal factors motivation and growth expectative (Source: Addressed by the author, Silva (2020))

The overall consensus of responses received from the interviewees indicated that motivation and growth expectative were present in the business mindset, however, some contradictory points were found between the participants of the case study, Nick and Graham.

### **Case study**

Nick had appointed growth expectative and desire of growing in China, as the participant mentioned that they are still looking for distributors to work with, extend its product line, as well as increase its market share to 5-10%. Graham from the same company said that it wanted to be the market leader in five years, however, looking for distributors was not the priority of the company, and it has been in the Chinese market for three years already. This seems a little bit contradictory to have motivation, growth expectative but not take any action related to that to achieve the expectative.

### **Others SME’s**

Aisling and Arjun had a similar point of view, since from the beginning wanted they wanted to grow, were motivated, and this could be seen through their actions, which is explored in detail later.

### 4.2.2 Proactivity

The interviewees' responses for this theme were shown through the way they applied and managed their sales growth strategies, exposed in detail on objective two.

#### Primary questions

1. What are the main strategies your company use for selling in china?

Participant	Responses
<b>Nick</b> (Case study)	“Just go to a distributor, we only have one main distributor [...] Secondary to that we get a lot of people inquiring through our website, So, they may be interested in our brand because they saw it in another country. They may be an airport”. “They know their market better than I”. “Red Bull is in China, but monster isn't there. And neither is some of the other big brands from mainland Europe”.
<b>Graham</b> (Case study)	“[...] would have distributors over there [...] not at the minute we were in a period of growth over there and we want to see a little bit of stabilization that indicate a peace in sales”.
Aisling	“We're constantly putting out good news stories on LinkedIn online and sponsorships and you know giving away loads of samples to big events like Dublin marathons or you know where people just get to notice you. So those are just one of them, one of them that goes into building your brand”.
Arjun	1- “We look at advertising lines, online platforms”.
<i>E-Jiang Zichen</i> (China)	“Based on the requirements of customers. Maybe we can try looking for some distributors, but [...] develop new products”.

**Table 5-** Summary of participant's response – proactivity (Source: addressed by Silva, (2020))

### **Case study**

Although Nick and Graham demonstrated similarity in relation to proactivity, it was noticed that there is a slight lack of effort for growing in sales in China, due to the mention of the sales methods being mostly from the website, and not looking for other distributors due to waiting for stabilization in sales. Once sales have stabilized, this might indicate that the distributors are at a mature level – and at that point, they could look to expand. The fact that they had a good contact in China made them rely much more on the distributor than act by themselves. Add to this that their response about Monster not operating in China was incorrect (Media, 2018) – shows that they do not have good market knowledge. It appears that they are relying heavily on their distributor's market knowledge. Therefore it is argued that they are not as proactive as they should be in order to increase their sales growth in China.

### **Others SME's**

Aisling demonstrated to be more proactive, saying that in order to grow in sales it is necessary to post on the distributor's online profiles, and sending emails frequently to make them interested on its brand. As well as launch meetings and visits so the distributor can assist on explaining what needs to be done, she intended to use this strategy for Chinese market also. Arjun, beyond work with Chinese agents, also sells online not only from the website but also through Chinese online platforms. Jiang Zichen did not demonstrate full proactivity as she demonstrated just one way of selling the product, through the store only. However, it looks to develop new products according to the market demands, which appoints a certain proactivity. Overall, the general synopsis was that all participants are proactive, however, at different levels and in some cases, slightly contracting with the growth expectative.

### 4.2.3 Innovation (Product)

Primary question

1- What kind of product strategy do you use? Global or local Chinese standard?

Participant	Responses
Nick (Case study)	“A big one they asked me in particular was syripe, I don’t know why, they know their market more than I, they specified to me that syripe was a big flavour in China and we have developed syripe”.
Graham (Case study)	“Well the original concept of the drink was to be free from everything so it's free from artificial flavourings, colourings it's allowed approved. It's suitable for vegans, vegetarians. So it's a, quite a flexible product. So there's no need to adapt'. ‘No, there's no need”.
Aisling	“There were three at the beginning”- this is related to Ireland market.
Arjun	“Our product goes everywhere [...] there's a very prestigious factor. ‘they want to have international product. ‘they try and look for is, products that are branded from UK and Europe”.
Jiang Zichen (China)	Chinese standard and “We use innovative technology to improve the product”.

**Table 6-** Summary of participant's responses – innovation (Source: addressed by Silva (2020))

China is a market that frequently changes (Reeves, Love, and Tillmanns, 2020). Therefore the researcher intended to verify what the participants were doing related to the product’ strategies, if they are aware of the Chinese costumers’ requirements, in order to adapt their strategies more efficiently. The literature has appointed Chinese cultural products would be more expected in the future.

### **Case study**

Just Nick had indicated he would adapt and future intention of others adoption when he says that he was planning to create a gold can. Interestingly, Graham from the same company had a contradiction when he said that there is no need to adapt their product to the Chinese market, as it is a “quiet flexible product”.

### **Other SME's**

The finding from Arjun appoints to be global standard, as he said that Chinese people want international products, with international characteristics according with the Chinese distributors. Liu Lintao said that he would like to sell Irish beverage with a famous brand. However, others distributors such as, Luo(Victor) and Brou Liu said that the product should have Chinese characteristics. This is a different view from David Benmore, another Chinese distributor who affirms that regardless of having Global standard or local Chinese standard, the most important fact is the taste. Detailed information related to product from Chinese distributors is outlined in the distributor section. Finally, Jiang Zichen appoints to have a Chinese standard but it innovates according to the customers' needs.

#### 4.2.4 External factor- Supports

Primary question

1- Have you looked for any support for helping your business to grow in sales in China?

<b>Participant</b>	<b>Responses</b>
<b>Nick</b> <b>(Case study)</b>	1- “If they give money because I am creating Irish jobs, that’s different, but if they are giving me money that I have to pay back with interest, it is not really a support - we don’t need that, that’s a loan, not support’.
<b>A- Graham</b> <b>(Case study)</b>	1- “Not yet. But it is definitely something we would consider and be open to. We haven't had the need to have the contracts ourselves. We've financed the product ourselves. So we haven't had the need. Sometimes I do find a lot of the paperwork to get accepted on these programmes. ridiculous it's crazy. It's, it's, it's far more time consuming. You would spend more time trying to get those 50,000 completion approved. If we didn't have any contacts in China or Asia, we probably would’.
<b>C- Aisling</b>	1- “We became part of an association. So you pay an annual fee of like €2000. And in this association, they have, you know, biannual conferences where we all meet up and we're all like-minded people. I love associations that so that it could be there's millions of them like this the Irish trade board or, you know, European Sales and Marketing Association or, you know, you need to find one specific to Asia. So, like, I don't know, but there has to be ones’.
<b>D-Arjun</b>	1- “Not yet”.

E-Jiang Zichen	1- “We can get one-on-one support by Chinese government. Besides that, there are many preferential policies to encourage the development of companies in China”.
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**Table 7** - Summary of participant's response – supports (Source: Addressed by Silva (2020))

One of the challenges appointed in the literature, as well as from the participants, is the difficulty in finding distributors to work with, therefore, the research from this question intended to verify what the interviewees related to that, analysing the links between the motivation and growth expectative and proactivity in order to help in increasing sales growth in China. Consensus were unanimous for four participants in relation to look for external support.

**Case study**

Nick appointed not to make use of any external support such as agencies and government programmes. It was tried at the beginning, but as the company does not manufacture in Ireland it was unable to get the support and then it did not look for support again. Whereas, Graham appointed the lack of need of looking, having better networking already in China, in order to grow in China, which again shows a slight contradiction as distributor is their main sales growth strategy and it wants to lead the Chinese market in five years. If they mainly sell through that distributor, not looking for other distributors, especially from external supports such as EUSME, this might result in them not becoming a market leader. Arjun also appointed to not look for any external support.

**Other SME's**

Aisling had a different approach – in that, they had the same problem in relation to agencies' support as they did not produce in Ireland, so could not receive support. However, they went looking for other options that could help, such as: EUSME, Irish Trade Board, world centre Ireland, Export Solution and Irish Export Board which has a really good networking option. Jiang Zichen looked for help from Chinese government.

Jim from enterprise Ireland stated that if SME's are willing to grow, they are willing to help. Even though they cannot support Irish SME's that do not manufacture in Ireland, they could direct them to entities that could support them. However, for companies that are legible they could provide initial and longer-term support.

“If a company is planning to export into China, and they want to have an initial discussion without predominance, which would possibly be a phone call or company might happen to be in China, and they want to do an error meeting. We're more than happy to have maybe an hour of a meeting, you know, a very short introduction with the company” (Jim, 2020).

“Yes. For a company that does not produce in Ireland. Let's say we manufacture the products in China, or let's say we manufacture the products in the United Kingdom. We could direct them towards the development agencies in those countries who could work with them”, (Jim, 2020).

In relation to other external support, such as Chinese government support for Irish SME's register an office in China for example, Peter the Chairperson at Irish Chamber of Commerce China has confirmed that it does not exist. The conclusion, apart from Aisling, is that there was a lack of proactivity present among most of participants.

### **4.3 Objective Two – Summary of the participants response**

This second heading focused on the second research objective which is related to sales growth strategies utilised by beverage SME's. It looked at what were, and how they manage, their strategies. This heading approached one main category (growth strategies for selling in China) covering five participants.

#### **4.3.1 Sales growth strategies**

##### **Primary questions**

1. What are the main strategies your company use for selling in china?
2. What do you consider to be the most efficient strategy for growing in sales in china?
3. What region is your business selling in China?
4. Have you protected your brand for selling it in China?

Participant	Responses
<p><b>Nick (Case study)</b></p>	<ol style="list-style-type: none"> <li>1. “Just go to a distributor, we only have one main distributor. And they are exclusive partners. If they choose to use secondary distributors in other elements of the market, or they use local wholesalers, that's completely up to them. They do have the margin to do that. But we give them the autonomy to do that. They've managed the whole country in whichever way they feel will work and get multiple”.</li> <li>2. “Distributor”.</li> <li>3. “Shainghai, Beijing”.</li> <li>4. Global</li> </ol>
<p><b>Graham (Case study)</b></p>	<ol style="list-style-type: none"> <li>1. “Main strategy is primarily focused on social media and in store tasting. [...]so, on social media, people feel it's more of a personal one to one connection, even though it's much remote. [...]Distributor partner they build our brand in Taiwan with us. So, we would give them a briefing and give them a catalogue of images and artwork that they can use. And they would then adapt to a local market and then they will come back to us and say, ‘Well, this is what we're going to produce. And this is what we want to do’.[...]They chose and they do everything because you probably won't know what is the most effective there”.</li> <li>2. “We're not an established brand, because it's a new brand, that the main strategy will continue to be social media to grow awareness of the brand. [...] And then focus on trying store tastings, try and get people to convert”.</li> <li>3. “Taiwan, Mainland China”.</li> <li>4. “It's completely protected – Global”</li> </ol>

Aisling	<ol style="list-style-type: none"> <li>1. “They have a marketing team and we guide them on what we will do so to make sure that everything is remaining on brand. So the marketing team [...]come back to us with a plan. So it's all very, very detailed”. If you work with a distributor[...], they will go 50/50 in terms of marketing spent, [...], we always go 50/50 on our marketing expenses. We have a strategy, we had investments, we had people on the ground, and I built a team in each place that we set up in”.</li> <li>2. “First class Distributors”</li> <li>3. N/A</li> <li>4. Not yet.</li> </ol>
Arjun	<ol style="list-style-type: none"> <li>1. “Online platforms, we look at advertising lines [...] a network of distributors who take our company and act independently to our business but they join our companies together. So the buyer and the seller and they will often broker the deal on our behalf”.</li> <li>2. “Distribution agent, is the best way of doing business there”.</li> <li>3. “Shandong, China”</li> <li>4. “Not yet”</li> </ol>
Jiang Zichen(China)	<ol style="list-style-type: none"> <li>1. “Based on the requirements of customers, we use innovative technology to improve the product”.</li> <li>2. “Maybe we can try looking for some distributors, but the most important thing is to research and develop new products”.</li> <li>3. “Northwest of China”</li> <li>4. “We already applied for a patent”.</li> </ol>

**Table 8-** Summary of participant's response- sales growth strategies (Source: Addressed by Silva, (2020))

Participants Nick, Graham, Aisling and Arjun appointed to make use of the same main sales growth strategy, through distributors, as well as the same type of distributor, the so called 'best in class' distributor.

### **Case study**

Participant Nick and Graham demonstrated that they rely a lot on their distributor. When asked about the strategies for selling, there were some strategies such as marketing (social media, SEO) and distributor incentive (money off their next order or free stock), however, all strategies were based around the distributors. Also, Nick, Graham, Arjun and Jiang Zichen demonstrated not making use much of exhibitions, events and trade shows, which has been shown through this study to be one of the preferred methods of doing business and building relationships in China. Despite this, all of them demonstrated considerable close relationships with their distributors, except Jiang Zichen that does not work with distributors. From the context of management, participant Nick, Graham and Arjun had similarities, for example, Key Performance Indicator (KPI) and direct email to the distributor. Tiered market methods were noticed by both of them as they had mentioned the two main cities in China, Shainghai and Beijing,

### **Other SME's**

While participant Aisling had demonstrated that she would use more strategies. it was said that first of all looking for partnership with "best in class distributors" in one of the most effective strategies. However, she said that it needs to be proactive and persistent in relation to looking for distributors, which can be through LinkedIn, trade shows and events. She said they would consistently approach distributors with statistics, reports, documentation and good news on LinkedIn until they noticed the company. In relation to management, being close to distributors might be the best option because big distributors also get others brands, therefore, it is important to always remind the distributors to sell their products (ie. Don't let them forget you). She was of the opinion that in order to manage the strategies with distributors several tools were utilised, such as:

- WeChat, Slack – These two tools are similar to WhatsApp, used for better engagement with various teams.

- Google drive – This is used for sharing documents, and for better management regardless of who, or where, the team members are.
- KPIs – This tool has been essential for the company to manage its goals. It was stated that these three tools are essential for the company’s growth, because it is not only to find “best in class” distributors, but also care about the long-term growth, being strategic on its management.

Aisling was of the opinion that commitment for building its brand was also seen as a critical strategy. She said that distributors like to see Irish suppliers committed to their brand, for example, sharing marketing expenses, providing training and keeping them updated regarding new products and flavours. The goal is to have the distributor, and its team, have a deep knowledge of the product, and be passionate and enthusiastic about it, which might contribute towards a long-term relationship. Another strategy appointed was to incentivise and reward the distributor and its sales team, for example, offering annual trips, holiday baskets (with the companies’ products), celebrating an achieved goal with photos, share a press release, or paying for an evening / meal out together.

The strategy related to marketing also was discussed. They had helped the distributor with marketing expenses - 50/50%, as long as the distributor was trusted to be committed to their brand. Finally, she had appointed the importance of having someone in another country, responsible for local sales, and looking after its brand there. Although the strategies seemed to be similar, but with different levels, one main strategy – to make the distributor be passionate about your brand - was missed by Nick, Graham and Arjun. They did not demonstrate to ensure that the distributor and its team would really know their brand and product, not putting in the extra work and effort required to ensure the distributor loved their brand/product. This might have a positive influence on sales growth if they were to pursue this strategy (Export Solution, 2019). Additionally, it might be useful for some specific regions in China where the customer cares considerably about a well-known product.

None of participants appointed work with a different type of distributor, they all went with the obvious approach- ‘best in class’ distributor. However, this study shows that the pioneer

distributors are the one that are willing to sell an unknown foreign brand/product, which could be an effective strategy for Irish SME's who have not built their brand yet (Export Solution Summer, 2019b). Working with 'best in class' distributors seemed to be easier, as it offers more complete services. Therefore what was shown among most of the participants was it is hard to find pioneer distributors, but no one looked for them properly or even demonstrated to know key factors that could help them sell their products to Chinese distributors.

Tiered market methods were the ones presented by the participants, however, this study appointed that this methodology does not promote an effective sales strategy when choosing the market and distributor regions, due to the diversity of culture and customer behavior per region (Magni and Atsmon, 2010a). They seemed to use this methodology due to a lack of market knowledge and relying on distributors, which in doing so, can affect sales growth. Arjun had chosen tiered market as it says it operates in Shandong. Although Jiang Zichen operates within provinces, her expansion is considerably larger, covering three provinces and two cities. However, she said that she adapts their product according to the customer's needs, which seems to be a non-tiered strategy. Finally, most of them had protected their brand, although for the studied company had the global protection, however in China they would need to protect it in English and Chinese language.

### 4.1 Objective Three – Summary of Participant’s Response

This heading focused on the last research objective which is related to critical factors from Chinese distributors that can assist in Irish beverage SME’s sales growth. It is divided into three main categories; factors for improving their sales growth and relationship, motivation for selling foreign products, and challenges on the relationship. It covers four Chinese distributors from different regions in China.

#### 4.1.1 Factors for selling foreign ‘companies products

Primary questions

- 1- What brings you to sell foreign/Irish product in China?
- 2- What prevents you from selling foreign/Irish products in china?

Participant	Responses
Liu Lintao	1- Product from “developed countries, I’d like to sell foreign or Irish beverage with famous brands and cheap price”. 2- “Not famous brands and not cheap price”.
Luo(Victor)	1- “Innovative”. 2- “Don’t have Chinese’s characteristics.”
Brou Liu	1- “Big brands make more sense here”. 2- “Don’t have Chinese’s characteristics”.
David Benmore	1- “Taste and competitive price”. 2- “Bad taste for the Chinese - for the Chinese people bearing in mind that the majority of the Chinese people live so they wouldn't have access to your product. So, in the main cities, you've got to find a distribution place, then find out is this taste or not”.

**Table 9** - Summary of participant's response- factors for selling foreign’ companies products (Source: Addressed by Silva, (2020))

The outlined secondary findings had appointed that the factor that could help both Chinese distributors and foreign companies would be based on product innovation. The findings gained from the interviews showed that innovation can be an important factor as well as the demonstration for preference to well-known brand with cheap price. Foreign companies that obtain well-known product might be benefited by better acceptance in some area in China, where the customers have higher preference to famous brand in Shanghai, for instance (Magni and Atsmon, 2010a). However, participant David Benmore, a distributor that imports to Irish products to China, (showed on the following table) had said that no matter if the product is well-known or not, the most important factor is the taste will be suitable to Chinese population. Therefore, product innovation by itself might not be the critical factor for increase Irish beverage SME's to grow in sales in China, but, the combination of innovation, Chinese taste and competitive price.

### 4.1.1 Relationship

#### Primary questions

- 1- Is there any difficulties on working a relationship with foreign/Irish supplier?
- 2- Is there any difficulties on maintain a relationship with foreign/Irish suppliers?
- 3- What kind of relationship do you usually have with a foreign company?

Participant	Responses
G- Liu Lintao	1-2 “I have no issue with it”. 3- “Foreign companies are our customers; the relationship is partnership. But as you knew, China met overcapacity problem, so it is not an equal partnership”.
H -Luo(Victor)	1- “Yes, because they think they're the most famous” 2- “Yes, not have long term business relationship” 3- “Through emails”
I-Brou Liu	1-2 “My choice of Evian was too expensive and generally accepted, despite its strong brand”. 3- “Close cooperative relationships, like friends, trust and help each other”.
J -David Benmore	1- “People aren't really interested in the brand”. 2- “The lack of close relationship of most Irish companies lies into the market and forget about the product. They don't have like a close relationship”. 3- Close relationship

**Table 10** -Summary of participant's response -relationship (Source: Addressed by Silva, (2020))

The secondary finding related to Chinese distributors relationship with foreign companies outlines that they are product-tied (Lingyun Wang and Kess, 2006). However, through the

primary finding it has connection with product, nevertheless, it was identified that Chinese distributors feel lack of close relationship “like friends”, mutual help and long-term relationship between them and foreign companies, especially for working with well-known companies, which was appointed that they really care about create and maintain a long-term relationship with Chinese distributors. As some issues were raised in relation to that, although big brands make more sense in China, as cited by two participants, issues also were raised, the behaviour of being the most famous company, lack of long-term relationship and too expensive, as said by most distributors. David Benmore outlined that Irish companies do not really like a close relationship and they want to sell however, there is no mutual help as they forget about the product afterwards. This might effect on their sales in China, as Chinese distributors appreciate the tight connection. He also complemented that even though the Irish SME’s do not have vast range of products, they could develop their products together with Chinese distributors, which proves the three main factor gained through the interviews in this session.

Still from the outcome gained from the primary analysis, it is noticed that through the issues raised between the relationship of Chinese distributors and Foreign companies, Irish SME’s might gain advantage over big companies if they have the knowledge of the key factors that are important to Chinese distributors.

### 4.1.2 Motivation for selling foreign' companies' products

#### Primary questions

1- What motivates you for selling a particular foreign product?

Participant	Responses
G- Liu Lintao	1- "Good profit and passion of the particular foreign product".
H -Luo(Victor)	1- "Reward, many people would believe brand".
I-Brou Liu	1- "Big profit margins".
J -David Benmore	1- "Close relationship and competitive price".

**Table 11** - Summary of participant's response - motivation for selling foreign' companies' products (Source: Addressed by Silva, (2020))

Overall, the general consensus of the group was that, high margin profit, as well a product that they could believe and be passionate about. This proves what was found from interviews where Nick and Graham said they pay quite a high margin of profit to the Chinese distributor., Only Aisling had appointed making the distributor passionate about their product. Moreover, from the secondary research no information was found in relation to Chinese distributors' motivation in regards to improving foreign SME's sales in China.

## 4.2 Conclusion

Chapter four describes the outcome of each objective question through involving twelve participants, categorized by five on SME, three on business development and four on Chinese distributors. The collective answers were analysed through coding for indication of new, or adoption of ,Irish SME's sales strategies in China as well as possible adjustments on the literature. Finally, the discussion of the findings was also provided.

## **CHAPTER FIVE**

### **5. Conclusion and Recommendation**

#### **5.1 Overview**

This chapter outlines the conclusion of the entire research and the main findings related to the objective of analyzing the efficacy of sales growth strategies used by Irish beverage SME's in order to grow in China, as well as identify the critical factors from Chinese distributors that can assist in Irish SME's sales growth. This is organized into two main groups; SME's Sales Growth Strategies and Chinese Distributors. An overview of the research contribution, along with the recommendations for Irish beverage SME's, especially the studied company, are presented. Finally, the limitations and suggestions for future research are provided.

#### **SME's Sales Growth Strategies**

#### **5.2 Critical Factors for growth**

The literature review showed that some internal and external factors can help on sales growth (Deepali *et al.*, 2016; Schoonjans *et al.*, 2013). However, several important factors were noticed from the primary research.

From the outcome of the primary research it is possible to be motivated and have growth expectative, however, without action it can lead to stagnation. This link was missed by the literature. Although the overall consensus from the participants was to grow and be a leader in the Chinese market, some of them did not demonstrate being active.

#### **Case study**

- Especially from the company studied, they were stagnated, conformed to their current sales growth strategies.

- The factors that are preventing the studied company grow in sales are being conformed, and not being persistent.
- Lack of market knowledge was noticed due to the high dependence on distributors
- They do not look for external help, through agencies for example, even though it was proven that private and non-profit organizations can support Irish SME's, even though they are not producing in Ireland. However, there is no mention from academic researches that private or non-profit organizations can assist SME's on the beverage sector, especially when referring to finding distributors, which is an issue appointed by both primary and secondary researches.

#### **Other SME's**

- It was proven that participant Aisling, with other attitudes, proved that it is possible to grow in sales through agencies and organizations.
- Lack of market knowledge was noticed from all participants, due to their deep dependence on Chinese distributors.
- The majority of interviewed companies did not look for external help at all. The only participants who did were Ashiling and Jiang Zichen.

#### **5.2.1 Market strategy**

The research reveals that due to the large number of cities (over 800), and with over 200 of those cities having a population of over 1 million, applying the tiered strategy might impact considerably to SME's sales strategies. It appoints that companies should target their market by groups of cities situated within 300 kilometres, where it is possible to find similar culture, government policies, economy, industry orientations and customer preferences (Magni and Atsmon, 2010b). However, the literature does not cover that it might be necessary to apply specific product strategy per region in China, therefore:

### **Case study**

- Still apply the tiered market strategy for the whole Chinese market due to a lack of Chinese market knowledge.

### **Other SME's**

- Jiang Zichen, the Chinese company, was unique in that she appointed to apply its strategy according to Chinese customers' requirements, partially agreeing with this new market strategy.
- All participants demonstrated they found it easier to use just one strategy (ie.tiered).

### **5.2.2 Business strategies**

Despite most strategies presented in the literature not being specific for SME's, they were similar to what was found in the primary findings, however, the following points were noticed.

#### **Case study (Nick and Graham)**

- They were completely dependent on Chinese distributors, which might negatively affected their Chinese market knowledge, reducing their capability to look for other options to grow, such as online.
- Although the literature review shows that one of the preferred Chinese channels is to meet and do business at exhibitions, the participants in general did not demonstrate using this approach often.
- The literature gave good insights about making the distributors be passionate about foreign companies. However, it was missing the strategies based around this concept. It was discovered that offering training about the product, and updating them about new products, is part of the SME's strategy. They are lacking in utilization of this strategy.

- Management with Chinese distributors was also something missing by the literature. From the interviews it was noticed that tight management can make a huge difference for making a foreign team be engaged, encouraged and even more passionate. Therefore, they do not make use of a tied management.

### **Other SME's**

- The literature gave good insights related to the benefits that can be gained by having marketing plans with distributors, however, the type of distributors that can participate in this were not identified. Thus, from the interviews, it was noticed that SME's share the marketing expenses, proven through Aisling.
- Participant Aisling had demonstrated good engagement with distributors, in terms of making them passionate about their brand. Other SME's interviewed did not appear to be experienced in this regard.
- Participant Aisling had demonstrated making use of tied management through some tools like WeChat and Slack. Again, others did not appear to follow this approach.

## **5.3 Chinese Distributors**

Partnerships, agreements and product launches have been the most commonly used strategies by leading companies in the Chinese market (allied market research, 2019). Working with distributors was appointed to be the most effective strategy for foreign companies, taking into consideration the type of distributors, as well as what they do (Export Solution Summer, 2019b). However, strategies and deep information on how SME's could grow in sales with them were missing. In some regions in China customers prefer well-known brands, and distributors are very efficient in regards to creating marketing plans, which could help in relation to SME's building their brand, and consequently sell to this particular market. Thus, from the primary research it was noticed that:

- All distributors claimed to like close relationships

- The majority claimed a lack of commitment from the foreign companies
- Distributors would agree to accept assistance with marketing expenses
- Possibility for developing new Irish products together with Chinese distributors

These four main findings above had proved that distributors can be willing to work together with foreign companies in developing products, as well as advertising them. However, the relationship between Chinese distributors and foreign companies is not in a satisfactory level.

Moreover, from reviewing the literature, the relationships between distributors and foreign SME's are product-based, with product innovation stated as the main factor that can help sales growth (Lingyun Wang and Kess, 2006). However, the primary research outcome agrees, to a degree, that there is a connection between product and innovation, but other crucial factors were found.

- The majority of the participants claimed to want close relationships “like a friend” with foreign companies, therefore, this is not product tied.
- Chinese distributors outlined the lack of long-term relationships, as well as one of them claiming that Irish companies do not care about their products.
- It was noticed that Chinese people like innovation, however, taste is the main factor.
- Chinese distributors prefer to work with products that they believe in, and are passionate about.
- Chinese distributors with well-known brands, that have a high profit margin, and have a high acceptance among the Chinese population - who could work closely with the distributors to develop sales strategies - might have a high possibility for success.
- It was noticed that most participants only utilized a single strategy/approach, apart from Aisling who was open to pursuing, and using, several strategies / approaches.

## **5.4 Research Contribution**

All participants contributed immensely to the quality of the research, due to the in-depth shared sales growth strategies. My aim was to extract as much information as possible regarding real-world experiences of operating in China, with the purpose to compare these experiences with the various strategies and information in the literature. The justification was the resulting gaps found in the literature, which could be used to address weaknesses in the commonly used strategies to date.

## **5.5 Research Limitations**

Research limitations were found, primarily because, although the massive information related to business strategies, lack of critiques related to SME's strategies were appointed, not contribution for a better analyse. Relevant reports also paid, which turned harder for access them.

Due to the specific chosen topic, huge challenges were found in trying to find Irish beverage SME participants that exported to China - most companies found were not classified as SME's.

Additionally, it was a major challenge to find Chinese distributors, especially due to some websites having very poor English translations. As well as who were willing to spend their time in the interview and who talked in English.

The time zone between Ireland and China, as well as Chinese government restrictions for sending emails and phone calls, was a major obstacle for maximizing the sample size and the quality of the call interview.

Finally, limitations were experienced in relation to the current Covid-19 situation, resulting in many declined phone calls and emails, which could have possibly been overcome with site visits, travelling to visit interviewees, or trying to attend some trade shows for example.

## **5.6 Recommendations for Practice**

### **Case study**

- They should be more proactive, and look for other growth methodologies, such as others distributors through agencies and supports, for example.
- They should invest in Chinese market knowledge, in order to keep updating their sales strategies.
- If they want to grow in sales, the best option is to apply a more efficient strategy, starting with the non-tiered strategy.
- They should adapt their strategies by encouraging Chinese distributors to be passionate about their product, providing training and tight, strategic management.
- They should look at trends in order to follow the rapidly changing Chinese market
- They should protect their brand in English and in Chinese.

## **5.7 Future Research Recommendation**

A future research should be done on the sales growth strategies between Chinese beverage SME's and Irish beverage SME's. This would contribute greatly for a more efficient strategy that could be adopted by Irish SME's. The proof for that comes from the Chinese SME sample used in this study - where it was appointed that the innovative technology is the most important factor to attract Chinese customers. However, a separate study related to that would be necessary, due to the rapidly changing market (Hsu *et al.*, 2010).

Chinese distributors are the main growth method chosen by Irish SME's, however only a small amount of research information related to this was found. Therefore, as this method plays a really important role for sales growth, a single quantitative research, specifically on the beverage sector, should be done on Chinese beverage distributors, covering topics such as:

- Type of distributor

- Size of distributor
- Type of services provided
- Speciality

All these topics can influence on the wiliness for selling unknown foreign products, as well as what services they can provide to foreign SME's. This can be extremely helpful for those who do not have a well-known product yet, and need to focus on certain type of services.

Additionally, the literature had appointed that successful distributors are brilliant at advertising plans with low cost. However, no evidence related to these distributors are found, especially in regard to the beverage sector. From the outcome of the interviews, this is part of the Irish SME's sales growth strategy, therefore, a single research related to:

- Type of distributors that provide marketing service
- Type of marketing service
- Type of Chinese distributors marketing plan
- Most efficient marketing channel
- Most efficient marketing channel per region
- Average cost of marketing per region

All of these topics will have great influence on the Irish beverage SME's sales growth strategy when choosing and working with Chinese distributors, in regards to building their brand awareness and finding new insights, apart from the common ones, for mutual growth.

## **5.8 Final Conclusion**

The findings outlined in this last chapter conclude with contribution to the reviewed literature and to Irish beverage SME's sales growth strategies in China, through the primary analyses, which depicted in-depth strategies and factors from Chinese distributors that were not covered by the literature. The comparison between the secondary research and different

positions posed among the participants contributed to important recommendations to the studied company. In concluding this chapter, limitations of the research, as well as future research recommendations for improving Irish beverage sales growth strategies were given.

Although China's market demonstrated a growth in the beverage sector, which had led companies do to business there, the market was considered highly competitive and heterogeneous. Due to this, it would require an efficient strategy for growing in sales, especially when operating with several limitations. As a result of the research, the sales growth strategies utilized by Irish SME's is still not efficient enough for success in sales in China. This is because, although they demonstrated high growth desire, their actions did not match their ambition. China will continue to be a highly competitive market, consistently changing, therefore Irish SME's need to ensure they are prepared to tackle it, in order to successfully compete there in the future.

## **5.9 Reflection**

In concluding the research, the researcher hopes to be able to bring what has been learnt through to other aspects of life. Although the researcher had gone through several challenges, it was pleasant to do this research, due to the keen interest on the topic in hand.

The researcher had learned that proactivity, flexibility, creativity and communication skills were all extremely important in order to attempt, and complete, this dissertation. This is because, due to several obstacles encountered, the researcher learned how overcome and find ways of reaching the end-goals. The researcher has learned the importance of focus, consistency, and coherency, which aided in the writing and management skills of the whole dissertation, which will hopefully allow an easier understanding of the end product.

Managing time and being organized were identified as a critical factors, and they played an extremely important role in this dissertation. It was necessary to organise tasks, set timelines,

and reiterate the analyses of the findings many times in order to conclude the dissertation within the desired timeframe.

Finally, with this dissertation, the researcher set out to analyze how Irish SME's operated in China, specifically in relation to sales growth strategies, by analyzing various literatures and conducting multiple interview. The researcher believes was achieved from completing this dissertation was finding gaps in the literature, and consequently proposing improvements to Irish SME's sales growth strategies, which could potentially help companies to compete and succeed in China.

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## APPENDIX

### 7. Appendix A - Informed Consent Form

As a principal investigator of this study, I am fully committed to follow the ethical principles, protecting confidentiality of the data and destroying the data after one month of the final assignment result. I am conscious that the participants can to withdraw from the research study in any time if they wish so. As well as the privacy/anonymity will be respected. I am Gleice Ferreira da Silva, current studding in Griffith College in Dublin, doing a research with the topic: *Sales growth strategies in a competitive environment- A case study of Irish beverage SME's doing business in China*. And the purpose of this research is analyse the efficacy of the sales growth strategies used by Irish Beverage SME's, in order to grow and be competitive in China. Furthermore, possible recommendations on how to proceed/improve the strategic management will be outlined.

To do so, I intend to conduct this research through **interviews** (video-call e.g zoom.us)- which will be recorded (if the participant allow, if not I will be asking permission for using other methods in order to register the outcome), and **emails**(questionnaires).

*Participant – please complete the following (Circle Yes or No for each question)*

*I have read the Plain Language Statement (or had it read to me)*

*Yes/No*

*I understand the information provided*

*Yes/No*

*I have had an opportunity to ask questions and discuss this study*

*Yes/No*

*I have received satisfactory answers to all my questions*

*Yes/No*

*I am aware that my interview will be audiotaped*

*Yes/No*

I have read and understood the information in this form. My questions and concerns have been answered by the researchers, and I have a copy of this consent form. Therefore, I consent to take part in this research project

**Participants Signature:** \_\_\_\_\_

**Name in Block Capitals:** \_\_\_\_\_

**Witness:** \_\_\_\_\_

**Date:** \_\_\_\_\_

If participants have concerns about this study and wish to contact an independent person.

Please contact:

Dr Garrett Ryan,

Griffith College Research Ethics Committee

South Circular Road, Dublin 8, Ireland

Mail: [garrett.ryan@griffith.ie](mailto:garrett.ryan@griffith.ie)

Tel: +353 1 4163324



## 8. Appendix B – Summary of Post and Cons of Business’Support

<b>Enterprise Ireland</b>	<b><u>BordBia</u></b>	<b>EUSME</b>	<b>Ireland China Business Association</b>	<b>EIBENS</b>	<b>European Chamber</b>
<p><b>Post</b></p> <ul style="list-style-type: none"> <li>• Strategic management mentoring</li> <li>• Development of the market strategies for sales’ growth</li> <li>• Meet International buyers</li> <li>• Innovation support</li> <li>• Financial support</li> </ul> <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>• Be manufacturing in Ireland</li> <li>• Paid programmes (€5.000)</li> <li>• Financial assistance is equity investment</li> <li>• Some support requires to have over 10 employees</li> <li>• Restriction for SME’s receive support</li> </ul>	<p><b>Post</b></p> <ul style="list-style-type: none"> <li>• Trends, intelligence and market foresight</li> <li>• Brand and product development</li> <li>• Market understanding</li> <li>• Capability building</li> <li>• Lead Generation and Market Activation</li> <li>• Trade Fairs and Trade Missions</li> </ul> <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>• Be manufacturing in Ireland</li> <li>• No financial Support</li> <li>• Some paid programmes around €5.000</li> </ul>	<p><b>Post</b></p> <ul style="list-style-type: none"> <li>• Complete support for SME’s</li> <li>• Accept SME’s who doesn’t manufacture in Ireland</li> <li>• Great Networking</li> <li>• Cheaper annually fee € 2.000</li> </ul> <p><b>Cons</b></p> <p>Close at the moment No financial support</p>	<p><b>Post</b></p> <ul style="list-style-type: none"> <li>• Conferences, roundtables, seminars</li> <li>• Great Networking option</li> <li>• Cheaper annually fee €1.500</li> <li>• Support for all type and size of company</li> </ul>	<p><b>Post</b></p> <ul style="list-style-type: none"> <li>• Trainings</li> <li>• Development of the market strategies for in sales’</li> <li>• Great Networking options</li> </ul>	<p><b>Post</b></p> <ul style="list-style-type: none"> <li>• Focus on legal and governmental regulation</li> <li>• Vast range of events</li> <li>• Great Networking options</li> <li>• Cheaper annually fee € 1.800,</li> </ul> <p><b>Cons</b></p> <p>No focus on Market and sales</p>

## 9. Appendix C- Interview Questionnaire Irish SME's

(Questions one and two were removed due to the adjust on the objective)

1. Would you please describe yourself:

Area of responsibility-

Qualification -

Experience-

2. What are the factors considered when deciding to internationalize to China?

3. What internationalization method do you use?

3.3 Would you explain why the use of this internationalization method?

4. Would you please describe what main factors made your company to sell in china?

5. What are your business expectation in relation to Chinese market?

6. What region is your business selling in China?

6.1 If operating in several, would please highlight what are the challenges?

7. Why did you decide to operating in those regions?

8. What are the main methods/strategies your company use for selling in china?

9. What do you consider to be the most efficient method/strategy for growing in sales In China?

10. What challenges do you face when selling China?

10.1 Would you describe why?

11. Is there any challenges related to finding distributors/partners- to work with,?

11.1 Would you describe why?

12. Would you describe your relationship with Chinese distributors/partners?

12.1 Would you present the challenges related to that(if have) ?

13. What kind of product' strategy do you use? Global standard or local Chinese standard?

14. Have you thought to adapt your product to Chinese culture?

14.1 If yes, why?

15. Have you protected your brand for selling it in China?

16. Have you looked for any support for helping your business to grow in sales in China?

16.1 If yes, what ones and why?

17. Any challenge related do the supports?

17.1 If yes, would you describe why?

## **10. Appendix D – Interview Questionnaire Chinese SME**

1. Would you please describe yourself:

Area of responsibility-

Qualification -

Experience-

2. What are your business expectation in relation to Chinese market?

3. What region is your business selling in China?

2.1 If operating in several, would please highlight what are the challenges?

4. Why did you decide to operating in this/those region(s)?

5. What are the main methods/strategies your company use for selling in china?

6. What do you consider to be the most efficient method/strategy for growing in sales In china?

7. If selling through distributor would you tell about the challenges related to finding them ?

7.1 Would you describe why?

8. Would you describe your relationship with Chinese distributors/partners(if have)?

9. What challenges do you face when selling China?

8.1 Would you describe why?

10. Have you protected your brand for selling it in China?

9.1 if yes, what method was used?

11. Have you looked for any external support(agencies, government) for helping your business to grow in sales in China?

11.1 If yes, what ones and why?

12. Any challenge related do the supports?

11.1 If yes, would you describe why?

## **11. Appendix E– Interview Questionnaire Business’ Support**

1. Is there any link that Enterprise Ireland can provide for companies that do not produce in Ireland?
2. What main support can an Irish SME receive free of charge and paid, essential for growing in China.
3. What are the main support Enterprise Ireland can offer in terms of networking?
4. What are the main support Enterprise Ireland can offer related to tradeshow?
5. Is that in the restriction related to get the support?
6. In term of provided grant, do SME’s should pay it back?
7. From your experts on business development, what is the main factor that you could advice to Irish SME grow in sales in China?
8. Is there any support related for SME’s who needs register a company in China?

## 12. Appendix F – Interview Questionnaire Chinese Distributors

1. Please describe yourself

Name:

Company you own or work:

Role:

Year of experience:

2. Where are you based in China?

3. What services do you provide?

4. Do you usually sell foreign or Irish beverage in China?

5. What make you to sell foreign or Irish beverage in China?

6. What the main factor that would make you not sell foreign or Irish beverage in china?

7. Is there any difficulties on working or maintain a relationship with foreign or Irish supplier?

6.1 would describe why?

8. What motivates you to for selling a particular foreign product?

9. Have you had difficulties for selling a particular foreign product on several regions?

8.1 Would describe Why?

10. What kind of relationship do you usually have with a foreign company?





