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**Subject:** SCEN in 2016: Empowering, Enterprising, Networking, Bridging!  
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***Dear Network Members,***

**I am sure no-one involved in SCEN could possibly believe in Blue Monday. But just in case the weather is, shall we say, lowering your spirits, be encouraged by the wonderful message to SCEN from Councillor Jim Dixon, of West Lothian Council, and Jean Ye, of J.J.Y. International:**

**S**easonal Greetings 2016

**C**ongratulations on your work in 2015

**E**mpowering and Enterprising

**N**etworking and Bridging for Sino-Scotland

**A Message from Olivia Contini in Hangzhou**

Chinese New Year is fast approaching, which means that I have already reached the mid-way point of my year abroad in China, part of my Chinese studies degree at the University of Edinburgh. With every day packed full of new sights, smells and sounds, the past five months have zoomed past.

When I arrived in Hangzhou it was the tail end of summer and I, being used to not-quite-warm Scottish summers, was shocked by the humid heat that engulfed the city. The sun's reflection glistened on the still waters of West Lake as I stood atop Baoshi Shan, a small mountain in the centre of town, soaking in the view of the immense city that was to be my home for the next year. To the east, I saw a monstrous sprawling city of countless apartment blocks and towering offices. However, the view to the west was a stark comparison; lush, green mountains surrounding the delicately constructed West Lake, with only pagodas and temples breaking up the natural beauty.

I have now had the opportunity to explore this patchwork city that I fell in love with on that mountain. The tour around the West Lake should be taken slowly. With garden upon beautiful garden to wander through, boat tours and many islands, it is a slice of peace and nature right in the heart of a modern city. Running parallel to the east side of the lake is Hangzhou's main shopping street, lined with shopping malls, Apple stores and popular Bubble Tea shops. Along the Grand Canal to the north of the city are beautiful traditional areas, with well-maintained original buildings and bridges, which at night is transformed into a Chinese fairyland, lit with glowing red lanterns.

As Hangzhou is such a large city, with a population similar to Scotland, I was unsure how I could explore the whole city and not miss anything. When I'm not sure which street looks the most interesting, my solution is to follow my nose... literally! The result is that I have just about eaten half the city! From tasty ingredients from this province such as lotus root and bamboo shoot, to cuisines from across China like Sichuan hot and spicy Hot Pot, I am spoilt for choice!

I will soon be welcoming my parents to China to show off the treasures this country has to offer; and no doubt I will discover so much more in the next five months!

## **Marketing in China: The Skinny**

The world's second largest economy, a GDP of £6.8 trillion, a population of over 1.3 billion; there is no shortage of buzz surrounding China and the wealth of opportunities it offers. However international businesses interested in entering the Middle Kingdom – Zhōngguó 中国 - are often overwhelmed by the unique demands of China's consumer market before they even get started. Whilst China is undoubtedly a challenging place to do business, it is also a market brimming with potential for companies who position themselves smartly. To help you unleash this potential, China Skinny has drawn upon our expertise in assisting foreign brands to succeed in the Chinese market to present this lowdown of 3 hot tips to help you thrive in China. Go on! - or as the Chinese would say - jīāyóu 加油!

### **1) Localise, Localise, Localise**

One of the greatest misperceptions of China is that the country is one great homogenous block. In reality, it is more helpful to think of China as similar to Europe – made up of many distinct cultures, ethnicities and identities. China's size is well-documented - for example the Mainland boasts 90 cities with a greater population than Scotland - and the impact of this vast scale on shaping China's consumer culture is not to be underestimated.

Localisation is of pivotal importance for international brands interested in the Chinese market. In essence, localisation can be defined as brands taking the time to understand Chinese consumers, what makes them tick and what services and products they aspire to. Examples of product localisation range from Kraft's peach and grape flavour Oreo cookies, to Pond's anti-pollution 'Pure White Cleansing' skincare products to KFC's top-seller, Congee. Whilst these are good examples of wholesale localisation, tastes and climates can vary in different parts of China, so it can be beneficial to localise food flavours and skincare types by climate for the cities and regions you're targeting.

Putting aside time and resources to gather this intelligence is an investment, however it is one that pays for itself. Companies which skip localisation and enter the Chinese market based on outmoded preconceptions, or with the strategy of projecting Western norms onto Chinese consumers are bound for failure. International companies working in China would also do well to think 'Global' rather than Western when it comes to understanding the identity that their increasingly sophisticated Chinese target market aspires to.

### **2) Get to Grips with the Calendar**

As one of the world's most ancient and complex civilisations, China's festivals and cultural traditions are not only amongst the world's most fascinating, but also play a pivotal role in shaping Chinese consumer culture. The Chinese calendar is punctuated by "mass" national holidays – periods during which hundreds of millions of Chinese purchase products and gifts, make the journey home or travel abroad. Take Chinese New Year, the pivot on which the year turns. In 2014 Chinese consumers spent a massive £66 billion only on shopping and eating out during this one-week festival. The New Year also sees an explosion of travel – with an average of 3.6 billion passenger trips undertaken over the festival.

International brands demonstrating sensitivity and attention to detail when it comes to China's unique seasonal traditions place themselves in prime position to stand out in a market bustling with international brands. One great example of this can be found in Starbucks' Chinese New Year calendar campaign - with this promotion Starbucks' created a 30-day calendar charting typical milestones experienced by Chinese consumers over the New Year, linking these to special in-store offers. The campaign was a huge success,

generating more than 100 million impressions on Weibo, and contributed significantly to deepening Starbucks' bond with Chinese shoppers.

In typically Chinese style – with an implosion of old and new– the annual event in China with some of the biggest commercial clout is all of 22 years old. Single's Day, an annual one day ecommerce sale celebrating singletons racked up an astonishing £9 billion in revenues this November 11th. Leading us nicely to our next point...

### **3) Ecommerce is King**

When it comes to ecommerce forget everything you know. As the world's largest and most dynamic ecommerce market, China is doing it bigger and better. When shopping online, China's consumers face a dizzying plethora of options, from Taobao - Alibaba's treasure trove, and spin-off site Tmall with its focus on authentic brands, to JD's trusted direct delivery platform, or niche sites such as Yihaodian which specialises in food and beverage. Ecommerce in China only looks set to keep growing, with a market value predicted to top £660 billion by 2018: eclipsing the combined ecommerce markets of the U.S., the U.K., Japan, Germany, and France.

China's dynamic ecommerce market is constantly undergoing flux, with new developments and ideas always popping up. Take the rise of Haitao 淘 cross border ecommerce platforms – such as Tmall Global - which connect Chinese consumers with ever in-demand international and imported products. The power of ecommerce lies not only in connecting Chinese consumers with the world, but also in empowering China's progressively influential rural consumers, who live in areas with limited traditional retail infrastructure.

China Skinny is one of the best known and fastest growing marketing and research agencies in China, providing value insights and implementation for foreign businesses looking to enter the Chinese market. China Skinny also publishes the most-read newsletter about marketing to Chinese consumers. To subscribe and for more information please visit [MailScanner has detected a possible fraud attempt from "chinaskinny.com.Â" claiming to be http://chinaskinny.com.](http://chinaskinny.com);

#### **Writer Profile:**

Victoria Richardson is a Marketing Executive at China Skinny. From a small town in the Scottish Borders, since completing her studies in both the UK and China, she made the move to Shanghai. Victoria is enjoying her role supporting international businesses in achieving their goals in China, and is particularly keen to develop Scottish-Sino relations.

#### **CONGRATULATIONS TO IAIN HOUSTON: TEACHER OF PHYSICS - AND CHINESE!**

Iain Houston teaches Physics at St Joseph's College, Dumfries. He is also learning and teaching Mandarin! He has just achieved 89.5% on the Mandarin 2B course from the Open University of Australia. He describes it as the most intense and challenging of the courses he has to do. He is also working on course L197 at the Open University and is planning a Chinese History unit next year, and maybe a unit of Advanced Higher.

***Congratulations, Iain! You are a model for the teaching profession.***

#### **LASSWADE HIGH SCHOOL, SHANGHAI, AND LORD MCCONNELL OF GLENSCORRADALE**

Colin Mitchell, Depute Headteacher of Lasswade High School in Midlothian, wrote recently to The Rt. Hon Lord McConnell of Glenscorradale, the former First Minister Jack McConnell:

*I am sure that you remember visiting Shanghai with Kenneth Thomson (our headteacher at the time.) My wife Rosemary and I have just returned from our 7th visit to the school and I just wanted to let you know where we are with our work with China.*

*From 2004-2008, staff and students from the schools emailed and exchanged work. In 2008, Rosemary and I visited the school and with the new headteacher Gao Bo, planned for an exchange of students. In 2009 Gao Bo visited Lasswade and then in 2010 we travelled to Shanghai where the students stayed with families. We have repeated trips in 2012 and 2014 with staff and students visiting in 2011, 2013, 2015. A total of 19 teachers from Tianlin have visited us.*

*In 2014 in partnership with the Royal Zoological Society of Scotland, and funding from Jaguar-Land Rover China, we were also able to visit a mountain school in Sichuan Province. The visit has been used by Education Scotland as a Case Study*

<http://www.educationscotland.gov.uk/pandas/resources/lasswadecasestudy/introduction.asp>

*In 2015 we were awarded the status of a Confucius Hub for Midlothian. We were very fortunate that headteachers from Shanghai and Tianjin were able to attend. Students from Shanghai sang at the opening, a very unique event! We continue to work with CISS and SCEN and are looking forward to the 4th SCEN youth summit at the end of November. Lord Wilson of Tillyorn is a great supporter of SCEN.*

*We now have two teachers teaching mandarin at Lasswade and this year presented students for the first time. This is a brief snapshot of the work that has evolved since your visit in 2004. If you find the time, in what I would imagine is a very busy schedule, you will always receive a warm welcome at Lasswade.*

#### **Our former First Minister replied:**

*.... thank you so much for that update on the incredible relationship between Lasswade High School and your counterparts in China. I remember very clearly the visit to Shanghai and how impressive the developing education and relationships were at that time. From all that you outline in your email, it appears that that relationship has become stronger and stronger, and I would be grateful if you could pass on my congratulations to everybody for the award of a Confucius Hub in 2015. The students from Shanghai singing **Auld Lang Syne** in Mandarin Chinese is one of my most treasured memories of my time as First Minister, so I am sure their performance at the opening ceremony will have been memorable.*

**Jack McConnell**  
**Rt Hon Lord McConnell of Glenscorrodale**

#### **THREE INTERESTING OPPORTUNITIES**

##### **[1 The UK-China Relationship: The View from the Foreign and Commonwealth Office](#)**

**Gareth Ward, Deputy Director of the Asia-Pacific Directorate and Head of the China Department at the Foreign and Commonwealth Office** is visiting Edinburgh for a meeting with the Scottish Government on **Friday 29 January 2016**. He will be accompanied by Kara Wiltshire, Visits and Bilateral Officer in Beijing, and Georgia Ardizzone, Bilateral and Prosperity Desk Officer at the FCO in London.

Gareth will address a group of key players and join in a discussion on the the UK-China relationship, the current context in China and the impact of President Xi Jinping's State Visit.

- The Meeting will take place on FRIDAY 29 JANUARY 2016
- 2.30 pm - 4.00 pm
- The Royal Scots Club, 29-31 Abercromby Place, Edinburgh EH3 6QE
- In the Ellesmere Room on the ground floor
- Tea, Coffee and Biscuits will be available on arrival

**PLACES ARE VERY LIMITED.** Please will you let me know as soon as humanly possible if you are able to attend this meeting of key players in Sino-Scottish relations? [judithmclclure12a@aol.com](mailto:judithmclclure12a@aol.com)

## **2 [Edinburgh International Asia Conference](#)**

You may well remember that Camellia Huang, Co-Chair of the admirable student-led Edinburgh International Asia Conference, spoke of the event at our meeting in November 2015.

- Friday 5 February 2016
- The Playfair Library, Old College, University of Edinburgh
- 09.00 am - 18.30 pm

Professor Natascha Gentz and Frances Christensen from the Confucius Institute for Scotland have asked that I draw your attention once more to this very important **Edinburgh International Asia Conference**. The day is designed to bring students and businesses together. More information on the organisers and the day can be found at [www.eiac.net](http://www.eiac.net)

## **3 [Asia Scotland Institute Lecture: Is China in Economic Chaos?](#)**

This is the first Asia Scotland Institute talk of 2016. Lord Stephen Green, former Minister of State for Trade and Investment, and former Group Chairman of HSBC Holdings plc, will discuss recent events, their implications for Europe's financial institutions and companies in the United Kingdom.

- Thursday 4 February 2016
- Canongate Kirk, 153 Canongate, Edinburgh EH8 8BN
- 18.30 - 20.30 pm

<https://www.eventbrite.co.uk/e/is-china-in-economic-chaos-tickets-19635535415>

The SCEN Youth Committee meets on 25 January, and we have our First Meeting of the Trustees of SCEN, SCIO SC06171, on 27 January. I shall be sending out more news and updates on SCEN events for 2016 then.

Forget Blue Monday and prepare for the Year of the Monkey!

**IF YOU DO NOT WISH TO RECEIVE ANY FURTHER UPDATES FROM SCEN, PLEASE LET ME KNOW BY REPLYING TO THIS EMAIL**

*Very best wishes,*

***Judith***

**Dr Judith McClure CBE**

**Chair of the Scotland China Education Network (SCEN), SCIO Charity Number  
SC046171**

**Secretary of the Cross Party Group on China at the Scottish Parliament**

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